

USI CORPORATION

Financial Statements and Independent Auditors' Report For the Years Ended December 31, 2021 and 2020

Address: No. 330, Fengren Rd., Renwu Dist., Kaohsiung

City 814, Taiwan

Phone: (02)87516888

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Independent Auditors' Report

TO USI Corporation

Audit opinion

We have audited the Parent Company Only Balance Sheets of USI Corporation as of the years ended December 31, 2021 and 2020, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2021 and 2020.

The accountant opinions are that the preparations of significant issues of the Parent Company Only Financial Statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the accompanying financial conditions as of December 31 of 2021 and 2020 of USI Corporation and the accompanying financial performance and accompanying cash flows for the months from January 1 to December 31 of 2021 and of 2020.

Basis for audit opinion

The audit was conducted in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant, and keep independent of USI Corporation. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance for USI Corporation in our audit of the Parent Company Only Financial Statements for the year 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2021 is as follows.

Authenticity of specific sales revenue

In 2021, USI Corporation's sales revenue of solar film products to specific customers increased year-on-year. Whether the sales revenue is properly recognized at the time of meeting performance obligations will have a material impact on the Parent Company Only Financial Statements and is therefore considered a key audit matter for the current year.

For accounting policies relating to sales revenue and relevant disclosure information, please refer to Notes 4(12) and 23 to the Parent Company Only Financial Statements.

We have carried out the main audit procedures for the above-mentioned authenticity of the sales revenue from specific customers as follows:

1. Understand and test the effectiveness of the design and implementation of key internal control systems for the authenticity of sales revenue from specific customers.
2. Check the transaction documents of sales revenue of specific customers, including sales orders, shipping documents and collection documents, to confirm the authenticity of the recognition of sales revenue.

Responsibilities of management and governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and such internal control as the management determines is necessary to enable the preparation of the Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those in charge with the Company's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' responsibilities for the audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Reports.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements (including the related notes) and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those in charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, (and where applicable, related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent Company Only Financial Statements of the Company for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte& Touche
Taipei, Taiwan
Republic of China

Notice to Readers

The accompanying financial statements are intended only to present the accompanying 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 accompanying financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying 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 accompanying financial statements shall prevail.

March 16, 2022

USI Corporation
Parent Company Only Balance Sheet
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	For the Year Ended December 31,		For the Year Ended December 31,	
		2021	%	2020	%
		Amount		Amount	
CURRENT ASSETS					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,108,794	3	\$ 991,966	3
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	2,595,881	7	2,096,700	7
1136	Financial assets at amortized cost - current (Notes 4, 9 and 32)	61,149	-	60,893	-
1150	Notes receivable, net (Notes 4 and 10)	119,379	-	64,154	-
1170	Accounts receivable, net (Notes 4 and 10)	1,964,107	5	1,364,308	4
1180	Accounts receivable, related parties (Notes 4, 10 and 31)	106,468	-	94,080	-
1200	Other receivables (Notes 4 and 10)	106,418	-	41,932	-
1210	Other receivables, related parties (Notes 4, 10 and 31)	593,853	2	220,189	1
130X	Inventories (Notes 4 and 11)	1,252,391	3	776,109	2
1410	Prepayments	204,395	1	172,471	1
1470	Other current assets	-	-	1	-
11XX	Total current assets	<u>8,112,835</u>	<u>21</u>	<u>5,882,803</u>	<u>18</u>
NON-CURRENT ASSETS					
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	922,551	3	972,639	3
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	12,968	-	-	-
1550	Investments accounted for using the equity method (Notes 4, 5, 12, 27 and 34)	21,859,237	58	19,133,959	58
1600	Property, plant and equipment (Notes 4 and 13)	6,511,029	17	6,473,623	20
1755	Right-of-use assets (Notes 4 and 14)	9,641	-	14,091	-
1760	Investment properties (Notes 4, 15 and 31)	159,713	1	186,758	1
1821	Intangible assets (Notes 4 and 16)	40	-	155	-
1840	Deferred tax assets (Notes 4 and 25)	142,813	-	110,905	-
1990	Other non-current assets (Note 32)	121,615	-	117,702	-
15XX	Total non-current assets	<u>29,739,607</u>	<u>79</u>	<u>27,009,832</u>	<u>82</u>
1XXX	Total Assets	<u>\$ 37,852,442</u>	<u>100</u>	<u>\$ 32,892,635</u>	<u>100</u>
Liabilities and Equity					
CURRENT LIABILITIES					
2100	Short-term borrowings (Note 17)	\$ -	-	\$ 499,000	1
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	2,492	-	11,522	-
2170	Accounts payable (Note 19)	1,019,778	3	712,367	2
2180	Accounts payable, related parties (Notes 19 and 31)	394,449	1	188,290	1
2200	Other payables (Note 20)	532,320	1	364,098	1
2220	Other payables, related parties (Notes 20 and 31)	16,195	-	11,906	-
2230	Current tax liabilities (Notes 4 and 25)	779,227	2	196,426	1
2280	Lease liabilities - current (Notes 4 and 14)	31,336	-	30,974	-
2320	Current portion of long-term borrowings (Note 18)	2,999,199	8	1,999,233	6
2399	Other current liabilities (Notes 23 and 31)	189,951	1	76,012	-
21XX	Total current liabilities	<u>5,964,947</u>	<u>16</u>	<u>4,089,828</u>	<u>12</u>
NON-CURRENT LIABILITIES					
2530	Bonds payable (Note 18)	5,989,773	16	4,995,069	15
2540	Long-term borrowings (Note 17)	34,310	-	2,300,000	7
2570	Deferred tax liabilities (Notes 4 and 25)	100,769	-	145,390	-
2580	Lease liabilities - non-current (Notes 4 and 14)	115,187	-	146,523	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	172,677	1	213,608	1
2650	Investments credits balances for using equity method (Notes 4 and 12)	1,195	-	-	-
2670	Other non-current liabilities - others (Note 17)	11,585	-	11,439	-
25XX	Total non-current liabilities	<u>6,425,496</u>	<u>17</u>	<u>7,812,029</u>	<u>24</u>
2XXX	Total Liabilities	<u>12,390,443</u>	<u>33</u>	<u>11,901,857</u>	<u>36</u>
Equity (Notes 4, 8, 12, 21, 22, 25 and 30)					
3100	Share capital	11,887,635	31	11,887,635	36
3200	Capital surplus	366,185	1	321,798	1
Retained earnings					
3310	Legal reserve	3,343,086	9	3,109,625	10
3320	Special reserve	375,127	1	781,059	2
3350	Unappropriated earnings	9,881,214	26	5,606,462	17
3300	Total retained earnings	<u>13,599,427</u>	<u>36</u>	<u>9,497,146</u>	<u>29</u>
3400	Other equity	84,358	-	(240,195)	(1)
3500	Treasury shares	(475,606)	(1)	(475,606)	(1)
3XXX	Total equity	<u>25,461,999</u>	<u>67</u>	<u>20,990,778</u>	<u>64</u>
Total liabilities and equity		<u>\$ 37,852,442</u>	<u>100</u>	<u>\$ 32,892,635</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4, 23 and 31)	\$ 16,034,251	100	\$ 10,172,220	100
5110	COST OF GOODS SOLD (Notes 4, 11, 13, 16, 21, 24 and 31)	<u>11,730,457</u>	<u>73</u>	<u>8,664,406</u>	<u>85</u>
5900	GROSS PROFIT	4,303,794	27	1,507,814	15
5910	The unrealized profits with the subsidiaries (Notes 4 and 31)	(1,175)	-	(1,247)	-
5920	The realized profits with the subsidiaries (Notes 4 and 31)	<u>1,247</u>	<u>-</u>	<u>842</u>	<u>-</u>
5950	The realized gross profit	<u>4,303,866</u>	<u>27</u>	<u>1,507,409</u>	<u>15</u>
	OPERATING EXPENSES (Notes 4, 13, 14, 16, 21, 24 and 31)				
6100	Selling and marketing expenses	390,366	2	235,617	2
6200	General and administrative expenses	230,902	2	246,533	3
6300	Research and development expenses	<u>160,688</u>	<u>1</u>	<u>116,819</u>	<u>1</u>
6000	Total operating expenses	<u>781,956</u>	<u>5</u>	<u>598,969</u>	<u>6</u>
6900	PROFIT FROM OPERATIONS	<u>3,521,910</u>	<u>22</u>	<u>908,440</u>	<u>9</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Notes 4, 24 and 31)	5,948	-	6,604	-
7010	Other income (Notes 4, 8, 24 and 31)	202,579	1	152,304	2
7020	Other gains and losses (Notes 4, 15, 24 and 31)	38,730	-	42,667	-
7050	Finance costs (Notes 4, 14, 17, 18 and 24)	(94,746)	(1)	(105,041)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method (Notes 4 and 12)	<u>2,196,420</u>	<u>14</u>	<u>1,555,348</u>	<u>15</u>
7000	Total non-operating income and expenses	<u>2,348,931</u>	<u>14</u>	<u>1,651,882</u>	<u>16</u>

(Continued)

(Continued)

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 5,870,841	36	\$ 2,560,322	25
7950	INCOME TAX EXPENSE (Notes 4 and 25)	<u>679,447</u>	<u>4</u>	<u>150,544</u>	<u>1</u>
8200	NET PROFIT FOR THE PERIOD	<u>5,191,394</u>	<u>32</u>	<u>2,409,778</u>	<u>24</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of the defined benefit plan (Notes 4 and 21)	5,820	-	(1,589)	-
8316	(Loss) profit of equity instruments at FVTOCI (Notes 4 and 22)	(29,190)	-	107,870	1
8330	Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	575,855	4	340,144	3
8349	Income tax relating to items that will not be reclassified (Notes 4, 22 and 25)	(<u>1,164</u>)	<u>-</u>	<u>318</u>	<u>-</u>
8310		<u>551,321</u>	<u>4</u>	<u>446,743</u>	<u>4</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations (Notes 4 and 22)	(90,466)	(1)	11,182	-
8380	Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	(54,745)	-	10,070	-
8399	Income tax relating to items that may be reclassified (Notes 4 and 25)	<u>18,093</u>	<u>-</u>	(<u>2,236</u>)	<u>-</u>
8360		(<u>127,118</u>)	(<u>1</u>)	<u>19,016</u>	<u>-</u>
8300	Other comprehensive income for the period, net of income tax	<u>424,203</u>	<u>3</u>	<u>465,759</u>	<u>4</u>

8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 5,615,597</u>	<u>35</u>	<u>\$ 2,875,537</u>	<u>28</u>
	EARNINGS PER SHARE (Note 26)				
9750	Basic earnings per share	<u>\$ 4.84</u>		<u>\$ 2.25</u>	
9850	Diluted earnings per share	<u>\$ 4.83</u>		<u>\$ 2.24</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		Capital surplus				Retained earnings			Other equity			Total equity
		Share Capital (Notes 4 and 22)	Treasury Share Transactions (Note 22)	Shares of Changes in Capital Surplus of Subsidiaries recognized by Equity Method (Notes 4 and 22)	Others (Note 22)	Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 12, 21, 22 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 22 and 25)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 4, 8, 22 and 30)	Treasury shares (Notes 4 and 22)	
A1	Balance as of 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
	Distribution of earnings in 2019											
B1	Provision for legal reserve	-	-	-	-	129,872	-	(129,872)	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	350,533	(350,533)	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(594,382)	-	-	-	(594,382)
D1	Net profit for the year 2020	-	-	-	-	-	-	2,409,778	-	-	-	2,409,778
D3	Other comprehensive income for the year 2020, net of income tax	-	-	-	-	-	-	2,974	19,016	443,769	-	465,759
D5	Total comprehensive income for the year 2020	-	-	-	-	-	-	2,412,752	19,016	443,769	-	2,875,537
C7	Changes in equity of subsidiaries recognized by equity method	-	-	29,920	-	-	-	(76,278)	-	76,213	-	29,855
C17	Changes in capital surplus	-	-	-	1,100	-	-	-	-	-	-	1,100
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	19,165	-	-	-	-	-	-	-	-	19,165
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	-	-	(1,865)	-	1,865	-	-
Z1	Balance as of December 31, 2020	11,887,635	264,647	37,211	19,940	3,109,625	781,059	5,606,462	(583,855)	343,660	(475,606)	20,990,778
	Distribution of earnings in 2020											
B1	Provision for legal reserve	-	-	-	-	233,461	-	(233,461)	-	-	-	-
B17	Reversal of special surplus reserve	-	-	-	-	-	(405,932)	405,932	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(1,188,763)	-	-	-	(1,188,763)
D1	Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394
D3	Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	(804)	(127,118)	552,125	-	424,203
D5	Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	(127,118)	552,125	-	5,615,597
C7	Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	100,454	-	(100,454)	-	4,691
C17	Other changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329
Z1	Balance as of December 31, 2021	\$ 11,887,635	\$ 302,976	\$ 41,902	\$ 21,307	\$ 3,343,086	\$ 375,127	\$ 9,881,214	(\$ 710,973)	\$ 795,331	(\$ 475,606)	\$ 25,461,999

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Cash Flow
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 5,870,841	\$ 2,560,322
A20010	Income (expenses) items		
A20100	Depreciation expenses	607,937	603,125
A20200	Amortization expense	13,452	14,249
A20400	Net gain on fair value change of financial assets and liabilities as at FVTPL	(93,217)	(93,098)
A20900	Finance costs	97,352	107,540
A21200	Interest income	(5,948)	(6,604)
A21300	Dividend income	(99,744)	(50,630)
A22300	Share of profit or loss of subsidiaries accounted for using equity method	(2,196,420)	(1,555,348)
A22500	(Gain) loss of disposal and scrapping of property, plant and equipment	(2,794)	161
A23200	The investment loss of disposing with the equity method	-	527
A23700	Provision for write-downs of inventories and obsolescence losses	22,935	23,413
A23900	The unrealized profits with the subsidiaries	1,175	1,247
A24000	The realized profits with the subsidiaries	(1,247)	(842)
A30000	Changes in operating assets and liabilities		
A31115	(Increase) decrease in financial assets mandatorily classified as at FVTPL	(414,994)	179,435
A31130	(Increase) decrease in notes receivable	(55,225)	9,772
A31150	Increase in accounts receivable	(599,799)	(134,952)
A31160	Accounts receivable – related parties increase	(12,388)	(4,330)
A31180	(Increase) decrease in other receivables	(65,138)	18,918
A31190	Other receivables – related parties (increase) decrease	(248,664)	164,574
A31200	(Increase) decrease in inventories	(499,217)	249,773
A31230	Increase in prepayments	(31,924)	(14,046)
A31240	Decrease in other current assets	1	20
A32130	Increase (decrease) in accounts payable	307,411	(57,045)
A32160	Accounts payable - related parties increase	206,159	40,895
A32180	Increase (decrease) in other payables	131,106	(16,322)
A32190	Other payables - related parties increase (decrease)	4,289	(5,965)
A32230	Increase in other current liabilities	113,939	8,943
A32240	Decrease in net defined benefit liabilities	(35,111)	(62,916)
A33000	Cash generated from operations	3,014,767	1,980,816
A33100	Interest received	6,600	5,829

(Continued)

Code		For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
A33300	Interest paid	(\$ 87,865)	(\$ 118,418)
A33500	Income tax paid	(156,246)	(133,648)
AAAA	Net cash generated from operating activities	<u>2,777,256</u>	<u>1,734,579</u>
	Cash flows from investing activities		
B00020	Disposal of FVTOCI	-	2,784
B00030	Return of capital from financial assets at FVTOCI	20,898	32,845
B00040	Purchase of financial assets at amortized cost	(76,499)	(332)
B02200	Net cash outflows from acquisition of subsidiaries (Note 27)	(34,092)	-
B02400	Refund of stock capital from capital reduction of investee companies using the equity method	-	3,877
B02700	Acquisitions of property, plant and equipment	(518,149)	(438,675)
B02800	Proceeds from disposal of property, plant and equipment	1,905	2,483
B03700	(Increase) decrease in refundable deposit	(1,947)	6,951
B04500	Acquisitions of intangible assets	-	(113)
B05800	Other receivables – related parties increase	(125,000)	-
B06700	(Increase) decrease in other non-current assets	(15,303)	23,054
B07600	Dividends received	<u>149,837</u>	<u>89,489</u>
BBBB	Net cash used in investing activities	(<u>598,350</u>)	(<u>277,637</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Decrease in short-term borrowings	(499,000)	(1,000)
C01200	Issuing of bonds	3,991,268	-
C01300	Repayments of bonds	(2,000,000)	(1,000,000)
C01600	Proceeds from mid- to long-term borrowings	3,634,800	5,200,000
C01700	Repayments of mid- to long-term borrowings	(5,900,000)	(4,850,000)
C03000	Proceeds from guarantee deposits received	591	186
C04020	Repayments of the principal portion of lease liabilities	(30,974)	(30,752)
C04500	Cash dividends paid	(1,188,763)	(594,382)
C05400	Acquisition of subsidiaries	(<u>70,000</u>)	(<u>349</u>)
CCCC	Net cash used in financing activities	(<u>2,062,078</u>)	(<u>1,276,297</u>)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	116,828	180,645
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>991,966</u>	<u>811,321</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,108,794</u>	<u>\$ 991,966</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI CORPORATION
NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020
(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 accompanying financial statements of the Company and its subsidiaries, collectively referred to as the "Company", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were reported to and issued by the Company's board of directors on March 10, 2022.

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

a. Initial application of 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 IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company's accounting policies.

b. New IFRSs endorsed and issued into effect by the FSC applied in 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. 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 2. 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 3. 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 4. The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

As of the date the accompanying financial statements were authorized for issue, the Company assessed that other standards and the amendments of the interpretations would not have a significant impact on the Company's accompanying financial position and financial performance.

c. IFRSs issued by IASB but not endorsed and issued by FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information "	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The amendments are applicable to the delay of the annual reporting periods beginning on or after January 1, 2023.

Note 3. The amendments are applicable to the changes of the accounting estimates and changes of accounting policies which happen on the annual reporting periods beginning on or after January 1, 2023.

Note 4. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

As of the date the accompanying financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's 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 accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The accompanying 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 on measurement day.
- 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., prices) or indirectly (i.e., derived from prices).
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the individual financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income/equity for the year and total equity in the accompanying financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments were made for "investments accounted for using the equity

method", "the recognized share of profit or loss of subsidiaries by using the equity method", "the recognized share of other comprehensive income of subsidiaries by using the equity method" and other equity items.

c. Classification standard of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents (not including the asset restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.)

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the balance sheet date; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currency

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are retranslated at the rates prevailing on each balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction and will not be translated again.

In presenting accompanying financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into the presentation currency, the New Taiwan dollar. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income.

When disposing of all or part of the subsidiaries of foreign operations which resulted in losing control of the foreign operations, all the accumulated exchange differences related to the foreign operations will be classified as profit and loss.

But when disposing of part of the subsidiaries and associates which did not result in losing control of the foreign operations, the accumulated exchange differences will be

incorporated into the calculation of equity transactions rather than profit or loss. In other disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by moving average method.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. In addition, changes in the Company's interests of subsidiaries are recognized according to the ownership proportion.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. As for any differences between the carrying amount of the investment and the fair value of the consideration paid or received, the Company recognizes them directly as equity.

When the Company's shares of losses of a subsidiary equal or exceed its equity in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its losses according to the ownership proportion.

When the acquisition cost exceeds the net fair value of the Company's identifiable assets and liabilities of the subsidiary on the acquisition date, the exceeding amount is classified as goodwill, which is included in the carrying value of the investment and is not amortized; when the net fair value of the Company's net fair value of the subsidiary exceeds the acquisition cost, the exceeding amount is classified as current income.

When the Company assesses its investment for any impairment, it considers cash generating units on the entire financial statements and comparing the carrying amount with the estimated recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss as gain;

however, the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized after deducting the amortization had no impairment loss been recognized. The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures the investment retained in the former subsidiary at its fair value on the date when control is lost. The difference between the fair value of the retained investment plus any disposal proceeds and the carrying amount of the previous investment on the date when the control is lost is recognized as a profit or loss for current period. Besides, the Company accounts for all amounts previously recognized in other comprehensive income related to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The unrealized profits or losses resulting from downstream transactions between the Company and the subsidiaries are eliminated in the accompanying financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the accompanying financial statements only to the extent of interests in the subsidiaries of parties that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for self-owned land, depreciation of property, plant and equipment is recognized using the straight-line basis during useful life. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On de-recognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment property refers to property held for the purpose of earning rent or capital appreciation or both (including right-of-use assets that meet the definition of investment property).

Self-owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the amount of cost less accumulated depreciation.

The investment property acquired by lease is initially measured at cost (including the original measurement amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at cost less the accumulated amount of depreciation and adjusted the re-measurement amount of the lease liability.

All investment property is depreciated on a straight-line basis.

When investment property is de-recognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis during the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On de-recognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets

On each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the Company of the smallest cash-generating unit on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

The recoverable amount is the higher of fair value less costs of sale and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization or depreciation) that would have been determined to have no impairment loss recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized in the accompanying balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets held by the Company are classified into the following categories: financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, investment in equity instruments measured at fair value through other comprehensive profits and losses.

i. Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. They include investments in equity instruments that are not designated to be measured at fair value through other comprehensive profits and losses, and are not classified as derivative instruments measured at amortized cost or at fair value through other comprehensive profits and losses, and beneficiary certificate of fund.

Financial assets measured at fair value through profit and loss are measured at fair value, and the dividends and interest generated are recognized in other income and interest income respectively, and profits or losses generated by re-measurement are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

ii. Financial assets measured at amortized cost

The Company's financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, (including cash and cash equivalents, notes receivable at amortized cost, trade receivables, other receivables, pledged time deposit and refundable deposits) are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- i) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.
- ii) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has major financial difficulties, defaults, and the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for financial assets disappear due to financial difficulties.

Equivalent cash includes time deposits which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, if the equity investment is not held for trading or if it is not contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are measured at fair value, and subsequently gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in other equity. The cumulative gains or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments using equity instruments at other FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date. The Company always recognizes lifetime expected credit losses for amount receivables as losses allowance. For other financial assets, the Company evaluates if there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly, the Company recognizes the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If there is a significant increase, the Company recognizes the lifetime expected credit losses accordingly.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- i. There is internal or external information showing that it is impossible for the debtor to pay off the debt.

- ii. After overdue for more than 90 days, unless there is reasonable and corroborative information showing that it will be more appropriate to postpone the default criteria.

The impairment loss of all financial assets is adjusted through a loss allowance account.

- c) De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. Upon de-recognition of investment using equity instruments measured at fair value through other comprehensive profits and losses as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

- 2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received less the cost of direct issuance.

Reacquiring the Company's own equity instruments is recognized and deducted under equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

- 3) Financial liabilities

- a) Follow-up measurement

Except for financial liabilities measured at fair value through profit and loss, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities measured at fair value through profit and loss are financial liabilities held for trading. Related profits or losses are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

- b) De-recognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Derivatives

The derivatives signed by the Company are forward foreign exchange contracts used to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value when the derivative contract is signed, and then re-measured at fair value on the balance sheet date. The profits or losses resulting from subsequent measurement are directly included in profit and loss. When the fair value of the derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

l. Revenue recognition

The Company identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods mainly comes from sales of polyethylene plastic pellets and related plastic products. When the goods are delivered to customer, the customer has full discretion to set the price and use of the goods, and has the main responsibility for resale, and bears the risks of obsolescence. The Company recognizes revenue and accounts receivable concurrently. The receipts in advance from goods sales are recognized as contract liabilities.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so the income is not recognized when the material is removed.

m. Leasing

At the inception of a contract, the Company assesses whether the contract is a lease.

1) The Company as lessor

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

When the Company subleases the right-of-use asset, it uses the right-of-use asset (not the underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

Under operating leases, lease payments are recognized as income on a straight-line basis during the relevant lease period.

2) The Company as lessee

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

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the amount after the cost less the accumulated depreciation, and the remeasured amount of the lease liability is adjusted. Except for those that meet the definition of investment property, the right-to-use assets are separately expressed on the accompanying balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment property, please refer to the above (h) Accounting Policy for Investment Properties.

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

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

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

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until the time when the assets are substantially ready for their intended use or sale.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies related to income are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Company.

If the government subsidy is used to compensate for expenses or losses that have occurred or for the purpose of providing the Company with immediate financial support and there is no future related cost, it is recognized in the profit and loss during the period when it can be received.

The difference between the amount of the government loans obtained by the Company at below-market interest rates and their fair value calculated at the prevailing market interest rates is recognized as a government subsidy.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and re-measurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Re-measurement (comprising actuarial gains and losses, and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which it occurs. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Company's defined benefit plan.

q. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company determines the current income (loss) in accordance with the laws as well as regulations established by the income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year of the shareholder meetings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each balance sheet date and recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at

the end of the balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3) Current tax and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

The Company took the economic impact caused by the COVID-19 into consideration in its major accounting estimates. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

ESTIMATE OF COMPENSATION FOR THE SUBSIDIARY'S GAS EXPLOSION INCIDENT

As for the civil damages incurred by the gas explosion of the subsidiary, China General Terminal & Distribution Co., which is recognized as a liability provision, the management estimates the amount of the liability provision by taking into account the progress of civil and criminal proceedings and settlements as well as the legal advice. However, actual results may differ from current estimates.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 560	\$ 620
Checking accounts and demand deposits	139,884	44,650
Cash equivalents		
Time deposits	<u>968,350</u>	<u>946,696</u>
	<u>\$ 1,108,794</u>	<u>\$ 991,966</u>

At the end of the balance sheet date, the ranges of the market rates for bank deposits were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Time deposits	0.01%-2.40%	0.07%-2.00%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 1,364	\$ -
Non-derivative financial assets		
- Domestic listed shares and over-the-counter shares	166,392	175,884
- Mutual funds	2,367,571	1,859,260
- Beneficiary securities	60,554	61,556
Sub-total	<u>2,594,517</u>	<u>2,096,700</u>
	<u>\$ 2,595,881</u>	<u>\$ 2,096,700</u>

FINANCIAL LIABILITIES HELD FOR TRADING

Derivative financial liabilities (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 2,492	\$ 11,522

At the end of the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	<u>Currencies</u>	<u>Expiration date</u>	<u>Contract amount (in thousands)</u>
<u>December 31, 2021</u>			
Sell	RMB/NTD	111.01.06-111.03.21	RMB 237,700 /NTD 1,027,894
Sell	USD/NTD	111.01.10-111.03.22	USD 4,260 /NTD 118,437
<u>December 31, 2020</u>			
Sell	RMB/NTD	110.01.11-110.04.07	RMB 176,600 /NTD 755,870

The Company 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 Company did not apply hedge accounting treatments for derivative contracts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Investments in equity instruments at FVTOCI</u>		
Domestic investments		
Domestic listed shares and over-the-counter shares	\$ 757,831	\$ 697,187
Unlisted shares	164,720	275,452
	<u>\$ 922,551</u>	<u>\$ 972,639</u>

The Company invested the domestic listed shares and over-the-counter shares and unlisted shares for medium- to long-term strategic purposes, and expects to make a profit via long-term investment. 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 Company's strategy of holding these investments for long-term purposes.

The Company sold 310 thousand shares of Global BioPharma, Inc. for the year ended December 31, 2020. The related other equity interests – the NT\$1,865 thousand unrealized loss on FVTOCI financial assets was transferred to retained earnings.

The investee, KHL IB Venture Capital Co., Ltd. announced a reduction of capital by returning cash during February and September 2021 and May and December 2020, respectively. The Company received NT\$15,658 thousand, NT\$5,240 thousand, NT\$25,293 thousand, and NT\$7,552 thousand, respectively, according to its ownership percentage.

The Company recognized dividend income of NT\$93,293 thousand and NT\$48,646 thousand, respectively, for the years ended December 31, 2021 and 2020.

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Pledged time deposits	<u>\$ 61,149</u>	<u>\$ 60,893</u>
<u>Non-current</u>		
Restricted time deposits	<u>\$ 12,968</u>	<u>\$ -</u>
Range of Interest Rates		
Pledged time deposits	0.10%-0.77%	0.10%-1.035%
Restricted time deposits	0.15%	-

The trading partners of the Company's pledged time deposits are financial institutions with good credit ratings. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

Restricted bank deposit means the subsidiary's earning repatriation. The Company's filed applying to the Management, Utilization and Taxation for Patriated Offshore Funds Act was approved to repatriate the funds by the Ministry of Finance in 2020 and deposited the net value after tax to foreign exchange deposit account. The deposit is limited for free utilization by laws and regulations that three-year withdrawal is not permitted until five years of the deposit, except for financial investment or physical investments with partially free utilization by law.

Please refer to Note 32 for the information related to financial assets measured at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable (1)</u>		
Operating	<u>\$ 119,379</u>	<u>\$ 64,154</u>
<u>Accounts receivable (1)</u>		
Financial liabilities measured at amortized cost		
Gross carrying amount	\$ 1,966,758	\$ 1,366,959
Less: allowance for loss	(<u>2,651</u>)	(<u>2,651</u>)
	<u>\$ 1,964,107</u>	<u>\$ 1,364,308</u>
<u>Accounts receivable - related party (1)</u>		
Operating (Note 31)	<u>\$ 106,468</u>	<u>\$ 94,080</u>
<u>Other receivables (2)</u>		
Tax refund receivable	\$ 79,352	\$ 37,611
Receivables for sale of securities	9,439	-
Lent material fees receivable	9,262	-
Others	<u>8,365</u>	<u>4,321</u>
	<u>\$ 106,418</u>	<u>\$ 41,932</u>
<u>Other receivables - related party (Note 31)</u>		
Loans receivable		
Fixed interest rate (3)	\$ 125,000	\$ -
Others	<u>468,853</u>	<u>220,189</u>
	<u>\$ 593,853</u>	<u>\$ 220,189</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 90 days. No interest was charged on the receivables.

In order to minimize credit risk, the management of the Company 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 Company 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 periodically. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk is significantly reduced.

The Company recognizes the loss allowance of accounts receivable based on 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 and an assessment of economic conditions at the reporting date.

The Company 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 Company 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 notes receivable and accounts receivable (including related parties) based on the Company's allowance matrix:

December 31, 2021

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,192,605	\$ -	\$ -	\$ 2,192,605
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	-	-	(<u>2,651</u>)
Amortized cost	<u>\$ 2,189,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,189,954</u>

December 31, 2020

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 1,525,193	\$ -	\$ -	\$ 1,525,193
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	-	-	(<u>2,651</u>)
Amortized cost	<u>\$ 1,522,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,522,542</u>

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

The allowance for loss recognized on the Company's notes and accounts receivable for the years ended December 31, 2021 and 2020 was not changed:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance between the start of the year and the end	<u>\$ 2,651</u>	<u>\$ 2,651</u>

b. Other receivables (excluding loans receivable)

Other receivables were mainly tax refund receivable. 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 loss in the Company as of December 31, 2021 and 2020.

c. Other receivables - loans receivable

The interest rate exposure and contract expiry dates for loans receivable with fixed rates of the Company are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loans receivable with fixed rates		
Less than 1 year	\$ <u>125,000</u>	\$ <u>-</u>

The effective interest rates of the Company's loans receivable are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loans receivable with fixed rates	0.80%	-

11. INVENTORIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Finished goods	\$ 868,601	\$ 487,856
Work in progress	35,893	41,220
Raw materials	180,278	109,848
Supplies	<u>167,619</u>	<u>137,185</u>
	<u>\$ 1,252,391</u>	<u>\$ 776,109</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$11,730,457 thousand and NT\$8,664,406 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$22,935 thousand and NT\$23,413 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Carrying Amount	Proportion of Ownership (%)	Carrying Amount	Proportion of Ownership (%)
<u>Investment in subsidiaries</u>				
Over-The-Counter (OTC) company				
Acme Electronics Corp. (ACME)	\$ <u>343,972</u>	26.9	\$ <u>333,831</u>	26.9
Non listed company				
USIFE Investment Co., Ltd.	1,088,028	100.0	861,889	100.0
Swanlake Traders Ltd. (Swanlake)	1,270,746	100.0	1,293,513	100.0
USI (Hong Kong) Company Ltd.	63,676	100.0	67,491	100.0
USI Management Consulting Corp. (UM)	(1,195)	100.0	1,539	100.0
Chong Loong Trading Co., Ltd. (CLT)	\$ 65,330	99.9	\$ 55,164	99.9
Union Polymer Int'l Investment Corp.	10,447,388	100.0	7,739,718	100.0
Taiwan United Venture Capital Corp. (TUVC)	190,601	70.0	180,508	70.0
Swanson Plastics Corporation (SPC)	1,068,346	40.6	1,050,935	40.6
Cypress Epoch Limited	-	-	128,814	100.0
INOMA Corporation (INOMA)	16,854	94.4	19,405	94.4

	December 31, 2021		December 31, 2020	
	Carrying Amount	Proportion of Ownership (%)	Carrying Amount	Proportion of Ownership (%)
Ever Conquest Global Limited (ECGL)	7,019,488	59.1	7,331,651	59.1
USI Optronics Corporation	48,168	50.9	69,501	50.9
USIG (Shanghai) Co., Ltd.	130,269	100.0	-	-
USI Green Energy Corporation (USIGE)	<u>106,371</u>	100.0	<u>-</u>	-
	21,514,070		18,800,128	
Plus: Long-term equity investment loans using the equity method are transferred to non-current liabilities	<u>1,195</u>		<u>-</u>	
	<u>21,515,265</u>		<u>18,800,128</u>	
	<u>\$21,859,237</u>		<u>\$19,133,959</u>	

The Company's shareholdings in ACME and SPC are 26.9% and 40.6%, respectively. Considering the absolute voting rights, relative size and distribution compared to those held by other shareholders, the Company has the substantial ability to dominate ACME and SPC. Therefore, they are listed as subsidiaries. As for the statements of subsidiaries held indirectly by the Company, refer to Note 36, Tables 7 and 8.

By using the equity method to account for its investments in the over-the-counter (OTC) company, the fair value based on the closing price for the years ended December 31 in 2021 and 2020 was NT\$2,634,914 thousand and NT\$930,839 thousand, respectively.

Under the equity method, the Company's share of the profit or loss and other comprehensive income of the subsidiaries for the years ended December 31 in 2021 and 2020 was recognized based on the financial reports of each subsidiary audited by accountants during the same period. For the year ended December 31 in 2021, the Company continued to recognize the losses of USI Management Consulting Corp ("UM") in accordance with its shareholding ratio, so the carrying value of its long-term equity investment was a loan surplus. The Company has listed the related loan surplus under non-current liabilities.

The Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being NT\$349 thousand in June 2020. As a result, the proportion of shares of INOMA has increased from 93.2% to 94.4%. The transaction was deemed as equity transaction because it does not change the Company's control over the subsidiary, and differences generated from the aforementioned equity transactions were adjusted to decreases in retained earnings of NT\$65 thousand.

In order to simplify the investment structure, the Company was approved by the Investment Commission, Ministry of Economics Affairs (Investment Commission) on January 25, 2021 to change its indirect investment in USIG (Shanghai) Co., Ltd. in the mainland, so it was changed

to direct investment in USIG (Shanghai) Co., Ltd. in the mainland after approval. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021. The management of Forum Pacific Trading Ltd. resolved to make dissolution and liquidation in September 2019. And CLTC acquired its remaining assets 6,828 thousand in May, 2020. This subsidiary has completed the dissolution and liquidation process in December 29, 2020.

The board of directors of TAITA Chemical Company, Ltd. (TTC) resolved on December 3, 2020 to establish a new company through TAITA (BVI) Holding Co., Ltd, with an investment of RMB 314,000 thousand. The main business of the new company is expected to be the production and sales of expandable polystyrene (EPS), but yet to complete it till March 16, 2022.

Thintec Materials Corporation ("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 Company has obtained NT\$3,877 thousand of the remaining property distribution from liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.

In June 2020, ACME obtained the remaining assets NT\$267 thousand returned by its subsidiary, ACME Electronics (BVI) Corp., which has completed the dissolution and liquidation process in June 2020.

In October 2011, the Board of Directors of China General Plastics Corporation ("CGPC") decided to dissolve and liquidate Continental General Plastics (Zhongshan) Co., Ltd. and CGPC Consumer Products Corporation. However, CGPC leased the idle plants of the discontinued units from 2021 onwards, considering that the operations of the discontinued units are no longer in a state of discontinued operations. Accordingly, it is assessed that the discontinued units will be transferred back to a continuing entity.

In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, USIGE, on July 5, 2021 at a purchase price of NT\$34,092 thousand, which was confirmed to the Board of Directors on July 8, 2021. Please refer to Note 27 for details. In addition, USIGE issued 7,000 thousand ordinary shares through cash capital increase by resolution of the board of directors on November 3, 2021, which was subscribed by the Company in full. The paid-up capital after capital increase was NT\$70,100 thousand.

To improve the financial structure and activate the company's capital utilization, TUVU passed the resolution of the extraordinary shareholders' meeting on November 25, 2021 to cover losses of NT\$100,000 thousand with retained earnings, and to cancel the issued shares of 10,000 thousand shares. The capital reduction ratio was 21.28%, and the base date for it was December

3, 2021. After the capital reduction, the paid-in share capital of TUVV was NT\$370,000 thousand.

The board of directors of the Company resolved to approve of the establishment of ECGL with APC in February 19, 2014 and indirectly invested Gulai Park, in Zhangzhou City of Fujian Province, China to invest in oil refining and production of petrochemical products such as ethylene. The Company has invested US\$3,131 thousand (around NT\$94,221 thousand) in it, and the ownership percentage in ECGL is 59.1%, meanwhile the Company reinvested in EVGL and DEIL through ECGL. In addition, the Company reinvested ECGL from January, 2017 to August, 2019, amounting to US\$243,539 thousand (around NT\$7,551,760 thousand). After the capital increases, the ownership percentage is 63.1%. Since the Company did not participate in the cash capital increases of ECGL in March and December, 2020, the ownership percentage after the capital increases decreased from 63.1% to 59.1%. As these transactions did not change the Company'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 NT\$5,558 thousand. Please refer to Note 34 for the details.

In order to sell the products produced 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) Holding Co.Ltd., and the registration was completed on March 12, 2022.

13. PROPERTY, PLANT AND EQUIPMENT-FOR SELF-USE

	Freehold land	Land improvement	Buildings and improvements	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
Cost								
Balance as of January 1, 2021	\$ 495,159	\$ 112,594	\$ 1,582,520	\$ 8,626,837	\$ 29,056	\$ 173,415	\$ 512,999	\$11,532,580
Additions	-	-	-	-	-	-	616,890	616,890
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Internal transfer	-	-	7,343	285,019	520	869	(296,793)	(3,042)
Balance as of December 31, 2021	<u>\$ 495,159</u>	<u>\$ 112,594</u>	<u>\$ 1,585,969</u>	<u>\$ 8,886,336</u>	<u>\$ 28,982</u>	<u>\$ 173,667</u>	<u>\$ 833,096</u>	<u>\$12,115,803</u>
Accumulated depreciation								
Balance as of January 1, 2021	\$ -	\$ 106,606	\$ 427,944	\$ 4,332,584	\$ 25,082	\$ 166,741	\$ -	\$ 5,058,957
Depreciation expense	-	1,163	41,575	528,874	2,441	2,389	-	576,442
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 107,769</u>	<u>\$ 465,625</u>	<u>\$ 4,835,938</u>	<u>\$ 26,929</u>	<u>\$ 168,513</u>	<u>\$ -</u>	<u>\$ 5,604,774</u>
Net on December 31, 2021	<u>\$ 495,159</u>	<u>\$ 4,825</u>	<u>\$ 1,120,344</u>	<u>\$ 4,050,398</u>	<u>\$ 2,053</u>	<u>\$ 5,154</u>	<u>\$ 833,096</u>	<u>\$ 6,511,029</u>
Cost								
Balance as of January 1, 2020	\$ 495,159	\$ 112,381	\$ 1,583,473	\$ 8,741,072	\$ 32,025	\$ 170,030	\$ 285,899	\$11,420,039
Additions	-	-	-	-	-	-	419,347	419,347
Disposal	-	-	(1,943)	(318,518)	(2,969)	(2,704)	-	(326,134)
Internal transfer	-	213	990	204,283	-	6,089	(192,247)	19,328
Balance as of December 31, 2020	<u>\$ 495,159</u>	<u>\$ 112,594</u>	<u>\$ 1,582,520</u>	<u>\$ 8,626,837</u>	<u>\$ 29,056</u>	<u>\$ 173,415</u>	<u>\$ 512,999</u>	<u>\$11,532,580</u>
Accumulated depreciation								
Balance as of January 1, 2020	\$ -	\$ 105,283	\$ 387,074	\$ 4,124,768	\$ 25,284	\$ 167,673	\$ -	\$ 4,810,082
Depreciation expense	-	1,323	42,787	522,827	2,767	1,772	-	571,476
Disposal	-	-	(1,917)	(315,011)	(2,969)	(2,704)	-	(322,601)
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 106,606</u>	<u>\$ 427,944</u>	<u>\$ 4,332,584</u>	<u>\$ 25,082</u>	<u>\$ 166,741</u>	<u>\$ -</u>	<u>\$ 5,058,957</u>
Net on December 31, 2020	<u>\$ 495,159</u>	<u>\$ 5,988</u>	<u>\$ 1,154,576</u>	<u>\$ 4,294,253</u>	<u>\$ 3,974</u>	<u>\$ 6,674</u>	<u>\$ 512,999</u>	<u>\$ 6,473,623</u>

In accordance with the New Taipei City Government Letter Development No. 1072133080 dated November 7, 2018, the land and buildings of the Company located in Linkou are within the scope of "Urban Land Redeveloping Zone at 1st Industrial Park in Linkou District". The land will be expropriated and rezoned in cooperation with the government and is expected to be returned in 2022.

The Company did not make any impairment assessment for the years ended December 31 in 2021 and 2020 since there were no signs of impairment.

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

Freehold Land - land improvements	7-10 years
Buildings and improvements	3-55 years
Machinery and Equipment	3-15 years
Transportation equipment	5-7 years
Other equipment	3-5 years

For the related capitalized interest, please refer to Note 24 (4) finance cost.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of right-of-use assets		
Buildings	<u>\$ 9,641</u>	<u>\$ 14,091</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 4,450</u>	<u>\$ 4,563</u>

The Company leased the office in Taipei and then subleased it to other companies with the way of operating leasing. The related right-of-use assets are accounted for as investment properties (please refer to Note 15). 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.

b. Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of lease liabilities		
Current	<u>\$ 31,336</u>	<u>\$ 30,974</u>
Non-current	<u>\$ 115,187</u>	<u>\$ 146,523</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Buildings	1.16%	1.16%

c. Material lease-in activities and terms

The Company leases the buildings for using as the offices and research center. The leases terms are 1 to 7 years. When the leases terms expire, the Company has the leasehold option to part of the office's lease.

d. Other lease information

Lease arrangements under operating leases for leasing out of investment properties are set out in Note 15. Other information of the Company as lessee is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Expenses relating to short-term leases	<u>\$ 7,099</u>	<u>\$ 6,334</u>
Expenses relating to low-value asset leases	<u>\$ 99</u>	<u>\$ 385</u>
Total cash (outflow) for leases	<u>(\$ 40,067)</u>	<u>(\$ 39,723)</u>

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

15. INVESTMENT PROPERTIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Completed investment properties		
Buildings	\$ 29,303	\$ 30,267
Right-of-use assets	<u>130,410</u>	<u>156,491</u>
	<u>\$ 159,713</u>	<u>\$ 186,758</u>

	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1 and December 31, 2021	<u>\$ 69,805</u>	<u>\$ 208,655</u>	<u>\$ 278,460</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	\$ 39,538	\$ 52,164	\$ 91,702
Depreciation expense	<u>964</u>	<u>26,081</u>	<u>27,045</u>
Balance as of December 31, 2021	<u>\$ 40,502</u>	<u>\$ 78,245</u>	<u>\$ 118,747</u>
Net on December 31, 2021	<u>\$ 29,303</u>	<u>\$ 130,410</u>	<u>\$ 159,713</u>

Cost

	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
Balance as of January 1 and December 31, 2020	<u>\$ 69,805</u>	<u>\$ 208,655</u>	<u>\$ 278,460</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2020	\$ 38,534	\$ 26,082	\$ 64,616
Depreciation expense	<u>1,004</u>	<u>26,082</u>	<u>27,086</u>
Balance as of December 31, 2020	<u>\$ 39,538</u>	<u>\$ 52,164</u>	<u>\$ 91,702</u>
Net on December 31, 2020	<u>\$ 30,267</u>	<u>\$ 156,491</u>	<u>\$ 186,758</u>

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.

The Company leases the investments properties with the way of operating leasing and the total future leases payments which it will receive are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 22,310	\$ 20,776
Year 2	19,627	17,190
Year 3	11,642	12,303
Year 4	6,116	7,258
Year 5	<u>-</u>	<u>5,786</u>
	<u>\$ 59,695</u>	<u>\$ 63,313</u>

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

Buildings	5-50 years
Right-of-use assets	5-8 years

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 December 31, 2021 and 2020 were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair Value	<u>\$ 464,756</u>	<u>\$ 389,007</u>

16. INTANGIBLE ASSETS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Computer software	\$ 40	\$ 155
Technology royalties and patent right	<u>-</u>	<u>-</u>
	<u>\$ 40</u>	<u>\$ 155</u>

	<u>Technology royalties and patent right</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 648	\$ 175,498
Disposal	<u>-</u>	<u>(113)</u>	<u>(113)</u>
Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 535</u>	<u>\$ 175,385</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 493	\$ 175,343
Amortization expense	-	115	115
Disposal	<u>-</u>	<u>(113)</u>	<u>(113)</u>
Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 495</u>	<u>\$ 175,345</u>
Net on December 31, 2021	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 174,850	\$ 535	\$ 175,385
Independent acquisition	<u>-</u>	<u>113</u>	<u>113</u>
Balance as of December 31, 2020	<u>\$ 174,850</u>	<u>\$ 648</u>	<u>\$ 175,498</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2020	\$ 174,850	\$ 202	\$ 175,052
Amortization expense	<u>-</u>	<u>291</u>	<u>291</u>
Balance as of December 31, 2020	<u>\$ 174,850</u>	<u>\$ 493</u>	<u>\$ 175,343</u>
Net on December 31, 2020	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 155</u>

Except for the recognition of amortization expense, no impairment assessment was performed periodically as there was no indication of impairment on the Company's intangible assets for the years ended December 31, 2021 and 2020.

The said intangible assets of limited services lives 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	3 years

17. BORROWINGS

a. Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Unsecured borrowings</u>		
- Line of credit borrowings	<u>\$ -</u>	<u>\$ 499,000</u>
Range of Interest Rates	-	0.77%-0.80%

b. Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Unsecured borrowings</u>		
Credit borrowings	<u>\$ 34,310</u>	<u>\$ 2,300,000</u>
Range of Interest Rates		
Credit borrowings	0.30%	0.74%-0.90%

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2024 with a total credit limit of NT\$4,692,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, none had been borrowed.

According to the part loan contracts of the financial report of the Company, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The Company should provide improvements to the bank if the requirements were not met. As of December 31, 2021, the Company did not violate the requirements.

The Company has obtained a special low-interest bank loan line of NT\$1,204,800 thousand in accordance with the "Action Plan for Accelerated Investment by Domestic Corporations" in 2021, and has used NT\$34,800 thousand as of December 31, 2021, recognized and measured the loan at the market interest rate of 0.8%. The difference between the market interest rate and the actual preferential repayment rate of 0.3% is treated as government subsidy.

18. BONDS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic unsecured bonds 104-1-B issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ 1,000,000	\$ 1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.80%, bullet repayment	-	2,000,000

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount NT\$2,000,000 thousand, coupon rate 1.10%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.98%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds 110-1-A issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 in the 4th and 5th years respectively from the issuance date	1,000,000	-
Domestic unsecured bonds 110-1-B issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 in the 6th and 7th years respectively from the issuance date	\$ 1,000,000	\$ -
Domestic unsecured bonds 110-2 -A issuance on October 26, 2021, 5 years, total amount NT\$700,000 thousand, coupon rate 0.63%, repaid NT\$350,000 thousand in the 4th and 5th years respectively from the issuance date	700,000	-
Domestic unsecured bonds 110-2 -B issuance on October 26, 2021, 7 years, total amount NT\$1,300,000 thousand, coupon rate 0.77%, repaid NT\$650,000 thousand in the 6th and 7th years respectively from the issuance date	<u>1,300,000</u> 9,000,000	<u>-</u> 7,000,000
Discounts on bonds payable	(<u>11,028</u>) 8,988,972	(<u>5,698</u>) 6,994,302
Less: Portion due within one year	(<u>2,999,199</u>) <u>\$ 5,989,773</u>	(<u>1,999,233</u>) <u>\$ 4,995,069</u>

In December 2014, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2015 with the amount of NT\$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 NT\$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 NT\$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. The Company repaid due in October 2021.

In October 2017, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2017 with the amount of NT\$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 NT\$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 June 2021, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in June 2021.

In October 2021, the Company applied for the second issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in October 2021.

In March 2022, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2022 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans as approved by resolution of the board of directors, which are expected to be issued before the end of 2022.

19. ACCOUNTS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Accounts payable</u>		
Operating	<u>\$ 1,019,778</u>	<u>\$ 712,367</u>
<u>Accounts payable - related party (Note 31)</u>		
Operating	<u>\$ 394,449</u>	<u>\$ 188,290</u>

The average credit period of the Company is between 1 and 3 months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-related party		
Payables for salaries and bonuses	\$286,340	\$172,126
Payables for utilities	50,005	59,847
Payables for interests	43,834	37,775
Payables for purchases of equipment	43,234	10,810
Payables for fares	40,809	23,387
Payable for annual leave	24,348	23,322
Others	<u>43,750</u>	<u>36,831</u>
	<u>\$532,320</u>	<u>\$364,098</u>
Related party (Note 31)	<u>\$ 16,195</u>	<u>\$ 11,906</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the "Labor Pension Act" of ROC (the "LPA") is considered as a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company with the pension mechanism under the "Labor Standards Act" is considered as defined benefit plans under government administration. These pension plans provide benefits based on an employee's length of service and average six-month salary prior to retirement. The Company contributes an amount 9% (from November 10, 2016, the contribution rate raises to 12%) of salaries paid each month to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the names of the Committee in the Bank of Taiwan. Entities are required to contribute the difference in one appropriation to the Funds before the end of next March when the balance of the Funds is insufficient to pay employees who will meet the retirement eligibility criteria within next year. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds.

The amounts included in the accompanying balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of funded defined benefit obligation	(\$ 530,808)	(\$ 577,615)
Fair value of plan assets	<u>358,131</u>	<u>364,007</u>
Net defined benefit liabilities - non-current	<u>(\$ 172,677)</u>	<u>(\$ 213,608)</u>

Movements in the net defined benefit liabilities – non-current were as follows:

	Present Value of Funded Defined Benefit Obligation	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2020	(<u>\$ 642,262</u>)	<u>\$ 367,327</u>	(<u>\$ 274,935</u>)
Current service cost	(4,326)	-	(4,326)
Interest revenue (expense)	(3,789)	<u>2,261</u>	(1,528)
Amounts recognized in profit or loss	(8,115)	<u>2,261</u>	(5,854)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	13,150	13,150
Actuarial losses recognized from changes in financial assumptions	(10,015)	-	(10,015)
Actuarial losses recognized from experience adjustments	(4,724)	-	(4,724)
Amounts recognized in other comprehensive income	(14,739)	<u>13,150</u>	(1,589)
Contributions from employer	\$ -	\$ 51,853	\$ 51,853
Benefits paid	70,584	(70,584)	-
Payment for provisions	<u>16,917</u>	<u>-</u>	<u>16,917</u>
December 31, 2020	(<u>\$ 577,615</u>)	<u>\$ 364,007</u>	(<u>\$ 213,608</u>)
January 1, 2021	(<u>\$ 577,615</u>)	<u>\$ 364,007</u>	(<u>\$ 213,608</u>)
Current service cost	(4,025)	-	(4,025)
Interest revenue (expense)	(1,889)	<u>1,152</u>	(737)
Amounts recognized in profit or loss	(5,914)	<u>1,152</u>	(4,762)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	5,484	5,484
Actuarial losses recognized from changes in demographic assumptions	(11,778)	-	(11,778)
Actuarial gains recognized from changes in financial assumptions	4,388	-	4,388
Actuarial gains recognized from experience adjustments	<u>7,726</u>	<u>-</u>	<u>7,726</u>
Amounts recognized in other comprehensive income	<u>336</u>	<u>5,484</u>	<u>5,820</u>
Contributions from employer	-	25,251	25,251
Benefits paid	37,763	(37,763)	-
Payment for provisions	<u>14,622</u>	<u>-</u>	<u>14,622</u>
December 31, 2021	(<u>\$ 530,808</u>)	<u>\$ 358,131</u>	(<u>\$ 172,677</u>)

The Company is exposed to following risks for the defined benefits plans under the "Labor Standards Act":

- 1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
- 2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
- 3) Salary risk: The calculation of the present value of defined benefit obligation is in reference to the plan participants' future salary. Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Company was calculated by the independent actuary. The principal assumptions on the measurement date were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.500%	0.375%
Expected rates of salary increase	2.25%	2.25%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(<u>\$ 8,795</u>)	(<u>\$ 10,016</u>)
0.25% decrease	<u>\$ 9,064</u>	<u>\$ 10,331</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 8,751</u>	<u>\$ 9,960</u>
0.25% decrease	(<u>\$ 8,537</u>)	(<u>\$ 9,708</u>)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the next year	<u>\$ 16,685</u>	<u>\$ 34,414</u>
The average duration of the defined benefit obligation	7.0 years	7.3 years

22. EQUITY

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
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Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	366,185	321,798
Retained earnings	13,599,427	9,497,146
Other equity	84,358	(240,195)
Treasury shares	(<u>475,606</u>)	(<u>475,606</u>)
	<u>\$ 25,461,999</u>	<u>\$ 20,990,778</u>

a. Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Share capital authorized	<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>
Share capital issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

Fully paid ordinary shares, which have a par value of NT\$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 issuance of ordinary shares in excess of par value, the capital stock premium of shares issued due to merger, and treasury stock trading, etc) 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 24(7).

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 NT\$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.

The appropriations of earnings for the years ended December 31, 2020 and 2019 as approved in the shareholders' meetings on July 26, 2021 and June 12, 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019
Legal reserve	\$ 233,461	\$ 129,872		
Special reserve (reversed)	(405,932)	350,533		
Cash dividends	<u>1,188,763</u>	<u>594,382</u>	\$ 1.0	\$ 0.5
	<u>\$ 1,016,292</u>	<u>\$ 1,074,787</u>		

The appropriations of earnings for the year ended December 31, 2021 had been proposed by the Company's Board of Directors on March 10, 2022. The appropriations were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 529,104	
Cash dividends	<u>2,615,280</u>	\$ 2.2
	<u>\$ 3,144,384</u>	

The appropriations of earnings for the year ended December 31, 2021 are subject to the resolution of the shareholders' meeting planned to be held on May 31, 2022.

d. Other equity

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	(\$ 583,855)	(\$ 602,871)
Recognized during the period		

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Exchange differences on translating the financial statements of foreign operations	(90,466)	11,182
Related income tax of the profits and losses on translating the financial statements of foreign operations	18,093	(2,236)
Share from subsidiaries for using the equity method	(54,745)	10,300
Disposal of subsidiaries' equity	<u>-</u>	<u>(230)</u>
Balance at December 31	<u>(\$ 710,973)</u>	<u>(\$ 583,855)</u>

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	\$ 343,660	(\$ 178,187)
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	(29,190)	107,870
Share from subsidiaries for using the equity method	581,315	335,899
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals		
Equity instrument - produced in that year	-	1,865
Share from subsidiaries for using the equity method	<u>(100,454)</u>	<u>76,213</u>
Balance at December 31	<u>\$ 795,331</u>	<u>\$ 343,660</u>

e. Treasury shares

<u>Purpose of Buy-Back</u>	<u>Number of Shares at January 1 (In Thousands of Shares)</u>	<u>Increase During the Year Ended</u>	<u>Decrease During the Year Ended</u>	<u>Number of Shares at December 31 (In Thousands of Shares)</u>
<u>For the Year Ended December 31, 2021</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 Year Ended December 31, 2020</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 balance sheet date were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount (NT\$ thousands)	Market Price (NT\$ thousands)
<u>December 31, 2021</u>			
APC	101,356	\$ 1,377,381	\$ 3,197,772
TTC	15,110	<u>81,875</u>	<u>476,717</u>
		<u>\$ 1,459,256</u>	<u>\$ 3,674,489</u>
<u>December 31, 2020</u>			
APC	101,356	\$ 1,377,381	\$ 2,290,638
TTC	15,110	<u>81,875</u>	<u>341,484</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,632,122</u>

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of December 31, 2021 and 2020. The carrying amounts of investments accounted for using the equity method and the gain on financial assets at FVTOCI were NT\$733,685 thousand and NT\$390,637 thousand, respectively.

23. REVENUE

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Product sales revenue		
Plastic materials	<u>\$ 16,034,251</u>	<u>\$ 10,172,220</u>

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

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivable (including related parties) (Notes 10 and 31)	<u>\$ 2,189,954</u>	<u>\$ 1,522,542</u>	<u>\$ 1,393,032</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 184,368</u>	<u>\$ 73,628</u>	<u>\$ 64,503</u>

b. Please refer to Statement 18 for the breakdown of income.

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following:

a. Interest income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Bank deposits	\$ 4,042	\$ 4,628
Beneficiary securities	1,112	1,328
Financial assets measured at amortized cost	467	578
Others	<u>327</u>	<u>70</u>
	<u>\$ 5,948</u>	<u>\$ 6,604</u>

b. Other income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Dividend income	\$ 99,744	\$ 50,630
Rental income	47,696	51,056
Management service revenue	38,093	39,398
Others	<u>17,046</u>	<u>11,220</u>
	<u>\$202,579</u>	<u>\$152,304</u>

c. Other gains and losses

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Gain (loss) on disposal of property, plant and equipment	\$ 2,794	(\$ 161)
Loss on disposal of investment	-	(527)
Net foreign exchange losses	(14,621)	(1,696)
Net gain on financial assets at FVTPL	108,217	118,981
Net loss on financial liabilities at FVTPL	(15,000)	(25,883)
Depreciation expense of investment properties (Note 15)	(27,045)	(27,086)
Other expenses	<u>(15,615)</u>	<u>(20,961)</u>
	<u>\$ 38,730</u>	<u>\$ 42,667</u>

d. Finance costs

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Interest on bonds payable	\$ 86,901	\$ 80,898
Interest on bank loans	8,513	24,325
Other interest expense	43	65
Interest on lease liabilities	1,895	2,252
Less: Capitalized interest (presented under construction in progress)	<u>(2,606)</u>	<u>(2,499)</u>
	<u>\$ 94,746</u>	<u>\$105,041</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Capitalized interest	\$ 2,606	\$ 2,499
Capitalization rate	0.9281%~1.1379%	1.1379%~1.2272%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Property, plant and equipment	\$ 576,442	\$ 571,476
Right-of-use assets	4,450	4,563
Investment properties	27,045	27,086
Intangible assets	115	291
Others	<u>13,337</u>	<u>13,958</u>
	<u>\$ 621,389</u>	<u>\$ 617,374</u>
Summary of depreciation by function		
Operating costs	\$ 556,664	\$ 552,269
Operating expenses	24,228	23,770
Other gains and losses	<u>27,045</u>	<u>27,086</u>
	<u>\$ 607,937</u>	<u>\$ 603,125</u>
Summary of amortization by function		
Operating costs	\$ 13,337	\$ 13,958
General and administrative expenses	<u>115</u>	<u>291</u>
	<u>\$ 13,452</u>	<u>\$ 14,249</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 23,317	\$ 19,824
Defined benefit plans	<u>4,762</u>	<u>5,854</u>
	28,079	25,678
Other employee benefits	<u>844,745</u>	<u>649,384</u>
Total employee benefits expenses	<u>\$ 872,824</u>	<u>\$ 675,062</u>
Summary of employee benefits expense by function		
Operating costs	\$ 666,411	\$ 482,569
Operating expenses	<u>206,413</u>	<u>192,493</u>
	<u>\$ 872,824</u>	<u>\$ 675,062</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 years ended December

31, 2021 and 2020 were resolved by the Company's board of directors on March 10, 2022 and March 8, 2021, respectively, as follows:

Accrual rates

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.05%	0.12%

Amount

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	\$ 59,332	\$ 25,892
Remuneration of directors	3,000	3,000

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 paid and the amounts recognized in the accompanying financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 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

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Foreign exchange gains	\$ 82,695	\$ 67,929
Foreign exchange losses	(97,316)	(69,625)
Net loss	<u>(\$ 14,621)</u>	<u>(\$ 1,696)</u>

25. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Current tax		
In respect of the current year	\$690,471	\$154,245
Surtax on undistributed earnings	65,919	11,243
Subsidiary repatriation of profits	-	5,180
Adjustments for previous years	<u>(17,343)</u>	<u>(13,094)</u>
	<u>739,047</u>	<u>157,574</u>

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Deferred tax		
In respect of the current year	(\$ 59,600)	\$ 3,330
The impact on income tax for the deferred subsidiary repatriation of profits	<u>-</u>	<u>(10,360)</u>
	<u>(59,600)</u>	<u>(7,030)</u>
Income tax expense recognized in profit or loss	<u>\$679,447</u>	<u>\$150,544</u>

The adjustment of accounting income and income tax expenses is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net profit before tax for the year	<u>\$ 5,870,841</u>	<u>\$ 2,560,322</u>
Income tax expense of net profit before tax calculated at statutory tax rate (20%)	\$ 1,174,168	\$ 512,064
Non-deductible expenses	275	439
Tax-free income	(41,147)	(32,457)
Financial asset evaluation loss	1,346	1,980
The share of profits and losses of domestic subsidiaries recognized by using equity method	(489,362)	(321,884)
The invested company's capital reduction and liquidation loss	(14,763)	(2,875)
Surtax on undistributed earnings	65,919	11,243
Adjustments of current income tax expenses for prior year	(17,343)	(13,094)
Subsidiary repatriation of profits	-	(5,180)
Others	<u>354</u>	<u>308</u>
Income tax expense recognized in profit or loss	<u>\$ 679,447</u>	<u>\$ 150,544</u>

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	\$ 18,093	(\$ 2,236)
- Re-measurements of defined benefit plan	<u>(1,164)</u>	<u>318</u>
Income tax benefits (expenses) recognized in other comprehensive income	<u>\$ 16,929</u>	<u>(\$ 1,918)</u>

c. Current income tax assets and liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax liabilities		

Income tax payable	<u>\$779,227</u>	<u>\$196,426</u>
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d. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

For the Year Ended December 31, 2021

	<u>Balance at January 1</u>	<u>Amounts recognized in profit or loss</u>	<u>Amounts recognized in other comprehensive income</u>	<u>Balance at December 31</u>
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 7,288	\$ 4,587	\$ -	\$ 11,875
Defined benefit retirement plan Pension expenditures due to fiscal and taxation difference	26,576	-	(1,164)	25,412
Payable for annual leave	287	(287)	-	-
Unrealized sales profits	4,665	205	-	4,870
Impairment loss on financial assets measured at fair value through profit and loss	1,119	13,753	-	14,872
Amortization of intangible assets due to fiscal and taxation difference over amortization period	6,095	-	-	6,095
Amortization of depreciation due to fiscal and taxation difference over amortization period	3,640	(1,200)	-	2,440
Unrealized evaluation gains or losses of financial assets measured at fair value through profit and loss	785	-	-	785
Exchange differences on translating the financial statements of foreign operations	2,305	(2,079)	-	226
	<u>58,145</u>	<u>-</u>	<u>18,093</u>	<u>76,238</u>
	<u>\$ 110,905</u>	<u>\$ 14,979</u>	<u>\$ 16,929</u>	<u>\$ 142,813</u>
<u>Deferred income tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ -	\$ 6,735	\$ -	\$ 6,735
The share of profits of foreign subsidiaries recognized by using equity method	99,412	(50,078)	-	49,334
Unrealized exchange gains	2,398	(1,278)	-	1,120
Land revaluation surplus	43,580	-	-	43,580
	<u>\$ 145,390</u>	<u>(\$ 44,621)</u>	<u>\$ -</u>	<u>\$ 100,769</u>

For the year ended December 31, 2020

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 2,605	\$ 4,683	\$ -	\$ 7,288
Defined benefit retirement plan	26,258	-	318	26,576
Pension expenditures due to fiscal and taxation difference	12,871	(12,584)	-	287
Payable for annual leave	4,711	(46)	-	4,665
Unrealized sales profits	1,607	(488)	-	1,119
Impairment loss on financial assets measured at fair value through profit and loss	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	7,817	(4,177)	-	3,640
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785
Unrealized evaluation gains or losses of financial assets measured at fair value through profit and loss	216	2,089	-	2,305
Exchange differences on translating the financial statements of foreign operations	60,381	-	(2,236)	58,145
Unrealized exchange loss	<u>1,224</u>	<u>(1,224)</u>	<u>-</u>	<u>-</u>
	<u>\$ 124,570</u>	<u>(\$ 11,747)</u>	<u>(\$ 1,918)</u>	<u>\$ 110,905</u>
<u>Deferred income tax liabilities</u>				
Temporary difference				
The share of profits of foreign subsidiaries recognized by using equity method	\$ 120,587	(\$ 21,175)	\$ -	\$ 99,412
Unrealized exchange gains	-	2,398	-	2,398
Land revaluation surplus	<u>43,580</u>	<u>-</u>	<u>-</u>	<u>43,580</u>
	<u>\$ 164,167</u>	<u>(\$ 18,777)</u>	<u>\$ -</u>	<u>\$ 145,390</u>

e. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Basic earnings per share	<u>\$ 4.84</u>	<u>\$ 2.25</u>
Diluted earnings per share	<u>\$ 4.83</u>	<u>\$ 2.24</u>

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

NET PROFIT FROM CONTINUING OPERATIONS

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net profit from continuing operations used in the computation of basic and diluted earnings per share	<u>\$ 5,191,394</u>	<u>\$ 2,409,778</u>

Number of Shares

Unit: In Thousands of Shares

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>2,100</u>	<u>1,376</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,074,398</u>	<u>1,073,674</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Company 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 number of shares to be distributed to employees is resolved in the following year.

27. ACQUISITION OF INVESTMENTS IN SUBSIDIARIES - ACQUISITION OF CONTROL OF A BUSINESS

	<u>Main operating activities</u>	<u>Acquisition date</u>	<u>Voting ownership interest/Acquisition proportion (%)</u>	<u>Transfer consideration</u>
USI Green Energy Corporation	Solar power generation business	July 5, 2021	100%	<u>\$ 34,092</u>

The Company acquired USIGE in July 2021 in response to the government's policy on green power. For the explanation of acquiring USIGE, please refer to Note 32 to the Company's 2021 Consolidated Financial Statements.

28. CASH FLOW INFORMATION

a. Non-cash transactions

In the year 2021 and 2020, the Company entered into the following non-cash investing and financing activities:

- 1) As of December 31, 2021 and 2020, the amounts of payables for purchases of equipment were NT\$43,234 thousand and NT\$10,810 thousand, respectively.
- 2) As of December 31, 2021 and 2020, the amounts of payables for dividends declared but not issued were NT\$4,840 thousand and NT\$4,864 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2021	Cash Flows	Non-cash Changes			December 31, 2021
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 499,000	(\$ 499,000)	\$ -	\$ -	\$ -	\$ -
Bonds payable (including those due within 1 year)	6,994,302	1,991,268	-	3,402	-	8,988,972
Long-term borrowings (including those due within 1 year)	2,300,000	(2,265,200)	-	-	(490)	34,310
Guarantee deposits received	6,046	591	-	-	-	6,637
Lease liabilities (including those due within 1 year)	177,497	(30,974)	-	1,895	(1,895)	146,523
	<u>\$ 9,976,845</u>	<u>(\$ 803,315)</u>	<u>\$ -</u>	<u>\$ 5,297</u>	<u>(\$ 2,385)</u>	<u>\$ 9,176,442</u>

	January 1, 2020	Cash Flows	Non-cash Changes			December 31, 2020
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 500,000	(\$ 1,000)	\$ -	\$ -	\$ -	\$ 499,000
Bonds payable (including those due within 1 year)	7,991,283	(1,000,000)	-	3,019	-	6,994,302
Long-term borrowings (including those due within 1 year)	1,950,000	350,000	-	-	-	2,300,000
Guarantee deposits received	5,860	186	-	-	-	6,046
Lease liabilities (including those due within 1 year)	208,249	(30,752)	-	2,252	(2,252)	177,497
	<u>\$ 10,655,392</u>	<u>(\$ 681,566)</u>	<u>\$ -</u>	<u>\$ 5,271</u>	<u>(\$ 2,252)</u>	<u>\$ 9,976,845</u>

29. CAPITAL MANAGEMENT

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

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

Key management personnel of the Company 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 Company may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

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

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$ 8,988,972	\$ -	\$ 9,012,663	\$ -	\$ 9,012,663

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$ 6,994,302	\$ -	\$ 7,029,198	\$ -	\$ 7,029,198

Expect for the above, the management of the Company considers that the carrying amounts of financial assets and financial liabilities 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

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,364	\$ -	\$ 1,364
Domestic listed shares and over-the-counter shares	166,392	-	-	166,392
Fund beneficiary certificates	2,367,571	-	-	2,367,571
Beneficiary securities	60,554	-	-	60,554
	<u>\$ 2,594,517</u>	<u>\$ 1,364</u>	<u>\$ -</u>	<u>\$ 2,595,881</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed shares and over-the-counter shares	\$ 757,831	\$ -	\$ -	\$ 757,831
- Domestic unlisted shares and emerging market shares	-	-	164,720	164,720
	<u>\$ 757,831</u>	<u>\$ -</u>	<u>\$ 164,720</u>	<u>\$ 922,551</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 2,492	\$ -	\$ 2,492

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares and over-the-counter shares	\$ 175,884	\$ -	\$ -	\$ 175,884
Fund beneficiary certificates	1,859,260	-	-	1,859,260
Beneficiary securities	61,556	-	-	61,556
	<u>\$ 2,096,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,096,700</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed shares and over-the-counter shares	\$ 697,187	\$ -	\$ -	\$ 697,187
- Domestic unlisted shares and emerging market shares	-	-	275,452	275,452
	<u>\$ 697,187</u>	<u>\$ -</u>	<u>\$ 275,452</u>	<u>\$ 972,639</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 11,522	\$ -	\$ 11,522

There were no transfers between Levels 1 and 2 fair value measurement for Year 2021 and Year 2020.

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 275,452	\$ 238,354
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(89,834)	72,727
Disposal	-	(2,784)
Return of capital	(20,898)	(32,845)
Balance at December 31	<u>\$ 164,720</u>	<u>\$ 275,452</u>

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

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

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

The Company 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 Company 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 would have decreased/increased by NT\$16,472 thousand and NT\$27,545 thousand, respectively, for the years ended December 31, 2021 and 2020.

c. Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 2,595,881	\$ 2,096,700
Financial assets measured at amortized cost		
(Note 1)	3,993,784	2,799,911
Financial assets at FVTOCI – investments in equity instruments	922,551	972,639
Refundable deposits	49,577	47,630
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	2,492	11,522
Financial liabilities measured at amortized cost		
(Note 2)	10,986,024	11,069,963
Guarantee deposits received	6,637	6,047

Note 1. Balance is the financial assets measured at amortized cost, including cash and equivalent cash, debt instrument investment, notes receivable and amounts receivable (including related parties), other receivables (including related parties, excluding business tax refund receivable).

Note 2. Balance is the financial liabilities measured at amortized cost, including short- and long-term loan, amounts receivable (including related parties), other receivables (including related parties) and corporation bonds receivable.

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by the operational environment. The Company 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 risks), credit risk and liquidity risk.

1) Market risk

The Company'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 Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had conducted foreign currency sales and purchases, which exposed the Company 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 Company 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 Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not enter into or traded foreign exchange contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 35 and the derivatives exposing the Company to foreign currency risk as of the balance sheet date 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 and RMB denominated items). When the Company's functional currency relative to the USD and RMB appreciates/depreciates by 3%, the Company's profit before tax for the year ended December 31, 2021 would have decreased/increased by NT\$56,741 thousand; the profit before tax for the year ended December 31, 2020 would have decreased/increased by NT\$38,680 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.

b) Interest rate risk

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

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair value interest rate risk		
- Financial assets	\$ 1,064,245	\$ 1,029,201
- Financial liabilities	9,135,495	8,671,799
Cash flow interest rate risk		
- Financial assets	136,913	28,626
- Financial liabilities	34,310	1,299,000

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Company'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 Company's profit before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by NT\$513 thousand and NT\$6,352 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

The following sensitivity analysis was determined based on the price of equity securities on the balance sheet date. However, since the fund beneficiary certificates held by the Company are mainly money market funds and its risk of price fluctuations is very low, they are not included in sensitivity analysis.

If the equity price had increased/decreased by 5%, the pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by NT\$11,347 thousand and NT\$11,872 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding mutual fund beneficiary certificates); The pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased

by NT\$46,128 thousand and NT\$48,632 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 Company. As of the balance sheet date, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company 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.
- b) The maximum amount payable by the Company due to financial guarantees provided by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the financial guarantee provided by the Company is customs duties and endorsement guarantee for the loan of the subsidiary. As of December 31, 2021 and 2020, the amounts for endorsement guarantee are NT\$3,108,400 thousand and NT\$4,204,800 thousand. Based on the expectation of the balance sheet, the subsidiaries are in good operation, so there are few possibilities to pay endorsement guarantee amounts due to the subsidiary's default.

The counterparties of the Company's trade receivables cover a wide range of customers distributed in different districts, 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 Company's credit risk is limited. On the balance sheet date, the Company's maximum exposure to credit risk approximates the carrying amounts of the respective recognized financial assets as stated on the balance sheet.

3) Liquidity risk

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

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

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest dates on which the Company can be required to pay. The table

has been drawn up based on the undiscounted cash flows of financial liabilities, including interests and cash flows of principals.

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,962,742	\$ -	\$ -
Lease liabilities	1.16	32,869	117,844	-
Fixed interest rate liabilities	0.63~1.90	3,000,000	3,700,000	2,300,000
Floating interest rate liabilities	0.30	-	34,800	-
		<u>\$ 4,995,611</u>	<u>\$ 3,852,644</u>	<u>\$ 2,300,000</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 32,869</u>	<u>\$ 117,844</u>	<u>\$ -</u>

December 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,276,661	\$ -	\$ -
Lease liabilities	1.16	32,869	122,655	28,058
Fixed interest rate liabilities	0.80~1.90	2,000,000	6,500,000	-
Floating interest rate liabilities	0.74~0.83	499,000	800,000	-
		<u>\$ 3,808,530</u>	<u>\$ 7,422,655</u>	<u>\$ 28,058</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 32,869</u>	<u>\$ 122,655</u>	<u>\$ 28,058</u>

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

The following table details the liquidity analysis for derivative financial instruments and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable

is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u> Foreign exchange forward contracts			
- Inflows	\$ 341,103	\$ 805,228	\$ -
- Outflows	(342,387) (\$ 1,284)	(807,512)) (\$ 2,284)	(-) \$ -

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u> Foreign exchange forward contracts			
- Inflows	\$ 187,799	\$ 470,813	\$ 97,258
- Outflows	(192,052) (\$ 4,253)	(479,688)) (\$ 8,875)	(99,081) (\$ 1,823)

c) Financing facilities

The Company relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank financing facilities were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank loan facilities		
- Amount unused	<u>\$10,559,370</u>	<u>\$ 8,587,293</u>

31. RELATED PARTY TRANSACTIONS

Besides information disclosed elsewhere in other notes, details of transactions between the Company and related parties are disclosed as follows.

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
USIFE Investment Co., Ltd.	Subsidiary
Swanson Plastics Corporation (SPC)	Subsidiary
Acme Electronics Corp. (ACME)	Subsidiary
Chong Loong Trading Co., Ltd. (CLTC)	Subsidiary
Swanlake Traders Ltd.	Subsidiary
Union Polymer International Investment Corporation (UPIIC)	Subsidiary
USI (Hong Kong) Company Limited (USI (Hong Kong))	Subsidiary
USI Management Consulting Corp. (UM)	Subsidiary
Forever Young Company Limited (Forever Young)	Subsidiary
Swanson Technologies Corporation	Subsidiary
Taiwan United Venture Management Corp. (TUVM)	Subsidiary
China General Plastics Corporation (CGPC)	Subsidiary
Taita Chemical Company, Limited (TTC)	Subsidiary
Asia Polymer Corporation (APC)	Subsidiary
Taiwan VCM Corporation (TVCM)	Subsidiary
CGPC Polymer Corporation	Subsidiary
China General Terminal & Distribution Corporation (CGTD)	Subsidiary
INOMA Corporation	Subsidiary
USIG (Shanghai) Co., Ltd.	Subsidiary
Forum Pacific Trading Ltd.	Subsidiary
USI International Corp.	Subsidiary
USI Trading (Shanghai) Co., Ltd. (USI Trading (Shanghai))	Subsidiary
APC Investment Corporation	Subsidiary
USI Optronics Corporation	Subsidiary
Dynamic Ever Investments Limited (DEIL)	Subsidiary
USI Green Energy Corporation (USIGE)	Subsidiary
USI Educational Foundation (USIF)	Other related parties
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Joint ventures

b. Sale

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary	<u>\$ 640,802</u>	<u>\$ 412,433</u>

As of the end of 2021 and 2020, the deferred unrealized gross profit to subsidiaries is NT\$1,175 thousand and NT\$1,247 thousand, respectively.

There are no great differences in sale condition, sale price and payment condition between the Company and the related parties and unrelated parties.

c. Purchase

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 1,673,947	\$ 662,705
Gulei	99,704	-
Others	<u>85,128</u>	<u>67,698</u>
	<u>\$ 1,858,779</u>	<u>\$ 730,403</u>

d. Allotment of ethylene outside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TVCM	\$ 179,692	\$ 81,299
APC	<u>141,915</u>	<u>143,669</u>
	<u>\$ 321,607</u>	<u>\$ 224,968</u>

e. Allotment of ethylene inside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TVCM	\$ 275,888	\$ 18,215
APC	<u>137,203</u>	<u>12,707</u>
	<u>\$ 413,091</u>	<u>\$ 30,922</u>

f. Rental receipt (accounting for other revenue)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
SPC	\$ 7,174	\$ 7,179
TTC	4,722	5,535
CGPC	4,591	5,110
ACME	2,980	3,026
Others	<u>8,011</u>	<u>9,006</u>
	<u>\$ 27,478</u>	<u>\$ 29,856</u>

The Company lease parts of the floors of the office building in Neihu to the subsidiaries and the rent is calculated on a monthly basis based on the contract. At the termination of the lease term, the subsidiaries have no right of first refusal of the leased office.

g. Management services income (classified as other revenue)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		

DEIL	\$ 19,579	\$ 19,790
APC	8,747	8,471
SPC	5,191	5,078
CGPC	3,883	3,768
Others	<u>693</u>	<u>2,291</u>
	<u>\$ 38,093</u>	<u>\$ 39,398</u>

In response to management needs and integrating the corporate resources, the Company signed a resource support contract with UM, a subsidiary, in July 2002. UM would coordinate resources and services of the Group's common service department. The fees are calculated and charged based on the contract.

In response to management needs, the Company signed a management service contract with DEIL in May 2015, and the Company would provide the service of management consultation. The fees are calculated and charged based on the contract.

h. Management service fees – investment (classified as other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TUVM	<u>\$ 177</u>	<u>\$ 268</u>

i. Management service fees – management (accounting for expense of management and research and development)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
UM	\$ 134,113	\$ 122,603
Others	<u>5,362</u>	<u>5,160</u>
	<u>\$ 139,475</u>	<u>\$ 127,763</u>

j. Rent expense (classified as operating expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 3,024	\$ 3,032
TTC	<u>910</u>	<u>910</u>
	<u>\$ 3,934</u>	<u>\$ 3,942</u>

Based on the rental contract between the Company and the related parties, the rents refer to the market rents of the neighboring building and are calculated based on the square feet and service proportion. The rents are paid on the monthly basis.

k. Commissions expense (accounting for selling and marketing expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
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Subsidiary		
USI Trading (Shanghai)	\$ <u>956</u>	\$ <u>513</u>
l. Storage tank operation expense (classified as cost of goods sold)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
CGTD	\$ <u>30,260</u>	\$ <u>47,818</u>
m. Donation expenses (classified as general & administrative expenses)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Other related parties		
USI Education Foundation	\$ <u>4,000</u>	\$ <u>3,000</u>
n. Other expenses (classified as operating expenses, research and development expenses, and other gain and loss)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary	\$ <u>221</u>	\$ <u>2,304</u>
o. Revenue from selling raw materials (classified as other revenues)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 213,766	\$ 72,862
Others	<u>1,165</u>	<u>270</u>
	\$ <u>214,931</u>	\$ <u>73,132</u>
p. Revenue from survey fee of importing ethylene (classified as other revenues)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
CGTD	\$ 832	\$ 704
Others	<u>20</u>	<u>-</u>
	\$ <u>852</u>	\$ <u>704</u>
q. Gains on disposals of property, plant and equipment (classified as other gain and loss)		
<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
USI (Hong Kong)	\$ <u>889</u>	\$ <u>889</u>

The Hong Kong branch of the Company sold property, plant and equipment to USI (Hong Kong) in August 2005 for NT\$18,049 thousand (HKD4,180 thousand). As of the end of

2021 and 2020, the unrealized gain is NT\$3,257 thousand and NT\$4,146 thousand, respectively, which have been deferred and are reversed and recognized based on the equipment estimated duration life.

r. Accounts receivable

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
USI Trading (Shanghai)	\$ 46,493	\$ 33,203
Forever Young	24,324	28,645
USI (Hong Kong)	23,142	24,644
SPC	12,498	7,512
Others	11	76
	<u>\$ 106,468</u>	<u>\$ 94,080</u>

No collateral has been received for the accounts receivable outstanding from related parties. No allowance for losses was provided for the accounts receivable for the years ended 2021 and 2020.

s. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
APC	\$ 228,869	\$ 58,712
TVCM	227,039	96,071
USI (Hong Kong)	-	51,190
Others	12,945	14,216
	<u>\$ 468,853</u>	<u>\$ 220,189</u>

Other receivables from USI (Hong Kong) accounted are the receivables for surplus repatriation. The Company's application subject to the Management, Utilization and Taxation for Patriated Offshore Funds Act was approved to repatriate the funds by the Ministry of Finance in January 2021 and deposited the net value after tax to foreign exchange deposit account, which was accounted for financial assets measured at amortized cost. Please refer to Note 9.

t. Accounts payable

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
APC	\$ 390,410	\$ 185,681
SPC	4,039	2,609
	<u>\$ 394,449</u>	<u>\$ 188,290</u>

No collateral has been received for the accounts payable outstanding from related parties.

u. Other payables

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		

UM	\$ 6,743	\$ 5,010
CGTD	5,971	5,340
SPC	2,085	-
Others	<u>1,396</u>	<u>1,556</u>
	<u>\$ 16,195</u>	<u>\$ 11,906</u>

v. Other unearned revenue (classified as other current liabilities)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary	<u>\$ 284</u>	<u>\$ 284</u>

w. Loans to related parties (classified as other receivables)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
USIGE	<u>\$ 125,000</u>	<u>\$ -</u>

Interest income

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
USIGE	<u>\$ 271</u>	<u>\$ -</u>

The Company's funds loaned to USIGE were unsecured loans at interest rates similar to market rates. Such loans are expected to be recovered within one year, and there is no expected credit loss after assessment.

x. Endorsement and Guarantees (customs and bank loans)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
UPIIC	\$ 2,600,000	\$ 3,900,000
CLTC	308,400	304,800
USIGE	<u>200,000</u>	<u>-</u>
	<u>\$ 3,108,400</u>	<u>\$ 4,204,800</u>

y. Compensation of key management personnel

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Short-term employee benefits	\$ 49,562	\$ 41,718
Retirement benefits	<u>491</u>	<u>324</u>
	<u>\$ 50,053</u>	<u>\$ 42,042</u>

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. COLLATERALIZED ASSETS

The following assets of the Company were provided as guarantees for the purchase payment and outward documentary bill:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Time deposits		
- classified as financial assets		
measured at amortized cost - current	\$ 61,149	\$ 60,893
- Classified as other non-current assets	<u>21,778</u>	<u>21,612</u>
	<u>\$ 82,927</u>	<u>\$ 82,505</u>

33. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- a. As of the years ended December 31, 2021 and 2020, the letter of credit which the Company issued and was unused amounted to NT\$1,251,196 thousand and NT\$1,033,822 thousand, respectively. The margins of endorsement of the related parties amounted to NT\$3,108,400 thousand and NT\$4,204,800 thousand, respectively. Please see the note 30 and note 31.
- b. Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015 to pledge certificates of bank deposits of NT\$227,540 thousand (including interest) to Kaohsiung City Government as collateral for the losses caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 28, 2022, the provisionally attached properties were worth NT\$12,472 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first

and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. 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 February 28, 2022, 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 NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,341,128 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 NT\$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand. For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The remaining cases are still pending in the Court of First Instance (the amount claimed is approximately NT\$2,012,493 thousand). CGTD and its insurance company signed a settlement agreement, covering the proportion of the liability for negligence determined in the first-instance judgment, the estimated amount of the settlement with the victims and the severely injured, and the amount of compensation in civil cases (including cases that have been settled); after the upper limit of insurance claims is deducted, the estimated amount that should be borne by CGTD and has been recognized is NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

34. SIGNIFICANT CONTRACTS

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 "EVGL") and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited (hereinafter referred to as "DEIL") 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. (2) DEIL and Fujian Petrochemical Chemical Co., Ltd. ("FPCL") jointly established a company to operate the target business of the joint venture (hereinafter referred to as "Gulei") in Gulei Industrial Park, Zhangzhou, Fujian Province in accordance with the laws and regulations of the People's Republic of China and acquired 50% of the issued shares of Gulei as the basis for the joint 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.

As of December 31, 2021, the Company and APC cumulatively invested US\$246,670 thousand (approximately NT\$7,645,981 thousand) and US\$170,475 thousand (approximately NT\$5,255,587 thousand) in Ever Conquest Global Limited (ECGL), respectively, and reinvested in EVGL via ECGL as well as in DEIL. The Company and APC together hold 67.4% shares in EVGL in total. DEIL has invested capital amounted to RMB 4,657,200 thousand in Gulei.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates. Assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: each foreign currency/carrying amounts are
in thousands

	December 31, 2021		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 41,774	27.68	\$ 1,156,058
RMB	325,789	4.34	1,414,490
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity			
USD	299,996	27.68	8,303,880
HKD	17,942	3.55	63,676
RMB	30,005	4.34	130,269
Derivatives			
USD Sell	4,260	27.68	624
RMB Sell	86,600	4.34	740
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	24,537	27.68	679,192
<u>Non-monetary items</u>			
Derivatives			
RMB Sell	151,100	4.34	2,492
	December 31, 2020		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 23,057	28.48	\$ 656,654
RMB	217,015	4.36	947,226
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity			
USD	307,852	28.48	8,767,625
HKD	18,375	3.67	67,491
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	11,045	28.48	314,559
JPY	8,975	0.28	2,480
<u>Non-monetary items</u>			
Derivatives			
RMB Sell	176,600	4.36	11,522

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were NT\$14,621 thousand and NT\$1,696 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.

36. 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:

As of the end of year of 2021, the related information of the Company and the subsidiaries which applied the forward exchange transaction is as follows:

<u>December 31, 2021</u>	<u>Currencies</u>	<u>Expiration date</u>	<u>Contract amount (in thousands)</u>		
Sell	RMB/NTD	2022.01.03- 2022.03.24	RMB	375,900 /NTD	1,625,844
Sell	USD/MYR	2022.04.29- 2022.10.31	USD	2,150 /MYR	9,075
Sell	USD/NTD	2022.01.03- 2022.03.30	USD	45,290 /NTD	1,259,790
Sell	EUR/ MYR	2022.01.31- 2022.02.28	EUR	60 /MYR	304
Buy	NTD/USD	2022.03.07	NTD	128,458 /USD	4,640
Buy	JPY/ USD	2022.01.18- 2022.02.24	JPY	100,000 /USD	883

- 10) Information on investees. (Table 7)

c. Information on investments in mainland China

- 1) Information on investee company in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Tables 5 and 9.
 - 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 9.
 - 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 the 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 substantial shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 9)

USI CORPORATION AND INVESTEE COMPANIES
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Ending Balance (Note 3)	Actual Borrowing Amount (Note 3)	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Name	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 400,000	\$ 200,000	\$ 125,000	0.80	2	\$ -	Business turnover	\$ -	-	-	\$ 10,184,800	\$ 10,184,800	

Note 1. The total capital loans shall not exceed 40% of the net value of the Company's most recent financial statements certified or audited by CPAs. The maximum capital loans is calculated on the net value as of December 31, 2021.

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

USI CORPORATION AND INVESTEE COMPANIES
Acme Electronics Corporation
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period (Note 3)	Balance at December 31	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Name	Value			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables from related parties	Yes	\$ 278,500 (USD10,000 thousand)	\$ -	\$ -	1.12675%~2.82663%	2	\$ -	Business turnover	\$ -	-	-	\$ 534,016	\$ 534,016	

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 December 31, 2021.

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

Note 3. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at December 31 (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Name	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 88,601	\$ 41,529	\$ 41,529	-	2	\$ -	Business turnover	\$ -	-	-	\$ 69,670	\$ 104,504	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	219,009	164,977	164,977	3.85	2	-	Business turnover	-	-	-	516,104	516,104	
3	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables	Yes	14,268	-	-	-	2	-	Business turnover	-	-	-	350,871	350,871	

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:

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

Note 3. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
 ENDORSEMENTS/GUARANTEES PROVIDED
 FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for 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 Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China
		Company Name	Relationship										
0	USI CORPORATION	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,731,000	\$ 3,900,000	\$ 2,600,000	\$ 685,000	\$ -	10.21	\$ 15,277,199	Yes	No	No
0	USI CORPORATION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	200,000	200,000	-	-	0.79	15,277,199	Yes	No	No
0	USI CORPORATION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	308,400 (USD5,000 thousand) (NTD170,000 thousand)	308,400 (USD5,000 thousand) (NTD170,000 thousand)	76,863	-	1.21	15,277,199	Yes	No	No

Note 1. The total amount of endorsements/guarantees provided shall not exceed 60% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 50% of the Company's net value. The maximum amount of endorsements/guarantees was calculated based on net value as of December 31, 2021.

Note 2. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

Table 2-1

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,002,562	\$ 486,500 (USD17,500 thousand)	\$ 484,400 (USD17,500 thousand)	\$ 207,600 (USD7,500 thousand)	-	36.28%	\$ 2,670,082	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,002,562	83,400 (USD3,000 thousand)	83,040 (USD3,000 thousand)	-	-	6.22%	2,670,082	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,002,562	222,400 (USD8,000 thousand)	221,440 (USD8,000 thousand)	221,400 (USD8,000 thousand)	-	16.59%	2,670,082	No	No	No	

Note 1. The rate was calculated by the equity of ACME as of December 31, 2021.

Note 2. The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2021.

Note 3. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for 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 Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 1)	Endorsement/Guarantee Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Subsidiary	\$ 5,290,204	\$ 51,078	\$ 49,547	\$ -	\$ -	1.87	\$ 6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	5,290,204	34,242	33,216	-	-	1.26	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	5,290,204	85,605	83,040	-	-	3.14	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,290,204	219,796	155,008	50,000	-	5.86	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsidiary	5,290,204	28,535	27,680	-	-	1.05	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,290,204	57,070	55,360	-	-	2.09	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,290,204	1,438,419	1,414,448	-	-	53.47	6,612,755	No	No	No	

Note 1. The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity stated on the latest financial statements. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity stated on the latest financial statements.

Note 2. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 2-3

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for 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 Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 6,697,786	\$ 2,450,000	\$ 1,000,000	\$ -	\$ -	8.96	\$ 11,162,977	No	No	No	

Note 1. The ratio was calculated by the equity of CGPC as of December 31, 2021.

Note 2. The total amount of guarantee that may be provided by CGPC shall not exceed 100% of CGPC's net worth stated on the latest financial statements. 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 the latest financial statements.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

Table 2-4

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for 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 Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiaries that the Company holds 100% of common equity directly	\$ 7,661,813	\$ 876,800 (USD10,000 thousand) (NTD600,000 thousand)	\$ 166,080 (USD6,000 thousand)	\$ -	\$ -	2.17	\$ 11,492,720	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that the Company's subsidiaries hold 100% of common equity directly	7,661,813	564,395 (RMB130,000 thousand)	564,395 (RMB130,000 thousand)	-	-	7.37	11,492,720	No	No	Yes	

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 2. The total amount of guarantee that may be provided by TTC shall not exceed 150% of TTC's net worth stated on its latest financial statements; the total amount of guarantee provided by TTC to any individual entity shall not exceed 100% of TTC's net worth stated on its latest financial statements.

The total amount of guarantee that may be provided by TTC and its subsidiaries shall not exceed 200% of TTC's net worth stated on the latest financial statements; the total amount of guarantee provided by TTC and its subsidiaries to any individual entity shall not exceed 150% of TTC's net worth stated on the latest financial statements.

USI CORPORATION AND INVESTEE COMPANIES
MARKETABLE SECURITIES HELD
DECEMBER 31, 2021

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	December 31, 2021				Remark
				Unit/Share	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	\$ 562,860	1.98	\$ 562,860	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	9,954,950	164,720	11.20	164,720	
	AU Optronics Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	194,971	0.09	194,971	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750	
	Evergreen Marine Corporation	-	Financial assets at fair value through profit or loss - current	473,251	67,438	-	67,438	
	UPC Technology Corporation	-	Financial assets at fair value through profit or loss - current	700,000	15,120	-	15,120	
	Quanta Computer Incorporated	-	Financial assets at fair value through profit or loss - current	200,000	18,940	-	18,940	
	ShunSin Technology Holdings Limited	-	Financial assets at fair value through profit or loss - current	80,000	7,440	-	7,440	
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	
	Tungsho Steel Corporation	-	Financial assets at fair value through profit or loss - current	368,500	24,726	-	24,726	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	
	Fund beneficiary certificates							
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,642,877	60,019	-	60,019	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	15,516,171	240,055	-	240,055	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,235,979	80,000	-	80,000	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,031,543	230,055	-	230,055	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,595,506	40,008	-	40,008	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,942,704	\$ 134,012	-	\$ 134,012	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	20,046,518	329,156	-	329,156	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,379,377	235,051	-	235,051	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,136,287	100,004	-	100,004	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,508,754	120,548	-	120,548	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	971,287	175,042	-	175,042	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,245,740	263,255	-	263,255	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,702,410	250,321	-	250,321	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,833,977	110,045	-	110,045	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,340,000	\$ 60,554	-	\$ 60,554	
Union Polymer Investment Corp.	Int'l Shares (Asia Polymer Corporation)	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	22,182,486	812,988	3.74	812,988	
	China General Plastics Corporation	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	4,469,307	155,085	0.77	155,085	
	Taita Chemical Company, Ltd.	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	434,527	15,013	0.11	15,013	
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 Stock D	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	\$ 28,993	0.01	\$ 28,993	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	28,993	0.01	28,993	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,502,433	128,458	0.28	128,458	
	Solargiga Energy Holdings Limited	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	17,491	0.37	17,491	
	Dah Chung Bills Finance Corp.	—	Financial assets at fair value through other comprehensive income - non-current	482,757	7,430	0.10	7,430	
	Swanson Plastics Corporation	Same chairman	Financial assets at fair value through other comprehensive income - non-current	9,198,980	134,029	5.96	134,029	
	USI Optronics Corporation	Same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	205	0.25	205	
	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	50,562	1.77	50,562	
	China General Plastics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	550,722	19,110	0.09	19,110	
	(Asia Polymer Corporation)	Same chairman	Financial assets at fair value through profit or loss - current	1,714,180	62,825	0.29	62,825	
	Taita Chemical Company, Ltd.	Same chairman	Financial assets at fair value through profit or loss - current	1,338,240	46,236	0.35	46,236	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	500,000	10,800	0.04	10,800	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	325,000	11,489	-	11,489	
Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	150,750	10,115	0.02	10,115		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	60,000	\$ 3,900	-	\$ 3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	158,416	22,574	-	22,574	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	25,000	2,325	0.02	2,325	
	Acme Electronics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	500,000	26,750	0.27	26,750	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	464	-	464	
	Beneficiary certificates							
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,907,988	80,837	-	80,837	
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,440,659	50,113	-	50,113	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,844,200	73,396	-	73,396	
	Beneficiary certificates							
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,399,556	49,514	-	49,514	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,391,849	55,156	-	55,156	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	
	MiTAC Holdings Corporation	—	Financial assets at fair value through other comprehensive income - current	2,062,000	72,582	0.17	72,582	
	Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	407,072	21,677	1.37	21,677	
Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	10,603	0.68	10,603		
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	6,243	1.09	6,243		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Hexawave Inc.	—	Financial assets at fair value through other comprehensive income - non-current	109,109	\$ 817	0.27	\$ 817	
	Uranus Chemicals Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	14,021	379	0.03	379	
	Neuro Sky, Inc. Preferred Stock A	—	Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	
	Neuro Sky, Inc. Preferred Stock B	—	Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	
	Neuro Sky, Inc. Preferred Stock C	—	Financial assets at fair value through other comprehensive income - non-current	4,532,823	-	0.64	-	
Taiwan United Venture Management Corporation	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	91,730	\$ 1,336	-	\$ 1,336	
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	446,739	6,111	-	6,111	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,236	-	15,236	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	887,541	12,140	-	12,140	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	498,596	6,048	-	6,048	
USI Management Consulting Corporation	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	2,747,092	40,011	-	40,011	

Note 1. All securities in the table include stocks, bonds, beneficiary certificates and the securities derived from the items 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 INVESTEE COMPANIES

China General Plastics Corporation

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	2,898,000	\$ 52,541	-	\$ 52,541	Note 1
	Fund beneficiary certificates							
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,740,627	45,000	-	45,000	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	-	11,239	Note 1
United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1	
ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	51,000	4,743	-	4,743	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95	82,377	Note 1	
Taiwan VCM Corporation	Shares (Asia Polymer Corporation)	With the same main shareholders as CGPC	Financial assets at FVTOCI - non-current	130,244	4,774	0.02	4,774	Note 1
CGPC Polymer Corporation	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,384,646	70,118	-	70,118	Note 1
Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,386,606	60,003	-	60,003	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC (BVI) Holding Co., Ltd.	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,715,381	57,000	-	57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	971,782	16,006	-	16,006	Note 1
	Shares Teratech Corporation	—	Financial assets at fair value through profit or loss - non-current	112,000	\$ -	0.67	\$ -	Notes 1 and 3
	SOHOware, Inc - preferred shares	—	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Notes 1, 2, and 3

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

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

Note 3. As of the year ended December 31, 2021, CGPC evaluated the fair value of equity investment in the company as NT\$0.

Note 4. For information about investments in subsidiaries and associated enterprises, please refer to Table 7-3 and 8-3.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares USI CORPORATION	Parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 476,718	1.27	\$ 476,718	Note 1
	Harbinger Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	0.02	11,239	Note 1
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	48,000	4,464	0.04	4,464	Note 1
	Fund beneficiary certificates FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	554,887	100,000	-	100,000	Note 2
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,963,490	50,001	-	50,001	Note 2
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,777,217	62,020	-	62,020	Note 2
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,036,468	50,012	-	50,012	Note 2
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,136,099	100,001	-	100,001	Note 2
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,310,690	100,000	-	100,000	Note 2
	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,552,784	100,000	-	100,000	Note 2
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,280,000	59,466	-	59,466	Note 1
	TAITA (BVI) Holding Co., Ltd.	Shares Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (US\$ - thousand)	2.22	6 (US\$ - thousand)
Teratech Corporation		—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73	-	Note 4
Sohoware Inc. - Preferred 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 December 2021.

Note 2. The fair value was calculated based on the net asset value on the last trading day of December 2021.

Note 3. The fair value is evaluated by the asset method, and is determined by referring to the most recent net worth of the investee company and its observable financial and operating status.

Note 4. As of the year ended December 31, 2021, TTC evaluated the fair value of the equity investment as NT\$0.

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

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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	December 31, 2021				Remark	
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value		
Asia Polymer Corporation	Shares								
	Harbinger Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 17	1.20	\$ 17		
	Riselink Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,632	221		221		
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	9,954,950	164,755	1.67 11.90	164,755		
	USI CORPORATION	Parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	3,197,772	8.53	3,197,772		
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	537,395	1.89	537,395		
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	220,264	0.10	220,264		
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	518,668	44,346	0.10	44,346		
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	200,000	18,940	0.01	18,940		
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	473,251	67,438	0.01	67,438		
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750		
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	368,500	24,726	0.05	24,726		
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978		
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	70,000	6,510	0.07	6,510		
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120		
		Beneficiary securities		Financial assets at fair value through profit or loss - current					
		Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,316,000	60,119	-	60,119	
	Beneficiary certificates								
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,095,391	64,597	-	64,597		
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	20,955,933	314,069	-	314,069		
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,509,725	40,134	-	40,134		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,388,163	\$ 60,024	-	\$ 60,024	
	CTBC Hwa-Win Money Market Fund	—	Financial assets at fair value through profit or loss – current	5,392,241	60,000	-	60,000	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss – current	6,466,507	100,045	-	100,045	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss – current	14,478,773	175,021	-	175,021	
	Shares Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income – non-current	40,467	8	4.45	8	
	Silicon Technology Investment (Cayman) Corp. – Preferred Shares	—	Financial assets at fair value through other comprehensive income – non-current	1,139,776	63,199	2.21	63,199	
	Neurosky Inc. – Preferred Stock D	—	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	\$ 23,364	0.48	\$ 23,364	
	Teratech Corp.	—	Financial assets at fair value through other comprehensive income – non-current	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	300,000	-	-	-	Note 1
Sohoware Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	450,000	-	-	-	Note 1	
Boldworks, Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	689,266	-	-	-	Note 1	
APC Investment Corporation	Shares USI CORPORATION	Parent company	Financial assets at fair value through profit or loss – current	44,808	1,414	-	1,414	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss – current	60,000	3,900	-	3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss – current	158,416	22,574	-	22,574	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss – current	500,000	10,800	0.04	10,800	
	China Steel Corporation	—	Financial assets at fair value through profit or loss – current	325,000	11,489	-	11,489	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss – current	150,750	10,115	0.02	10,115	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss – current	25,000	2,325	0.02	2,325	
	Beneficiary certificates Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,292,518	16,233	-	16,233	

Note 1. As a result of the recognition of investment losses over the years, the book value of APC's long-term equity investments in the company is 0.

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

USI CORPORATION AND INVESTEE COMPANIES

China General Terminal & Distribution Co.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

TABLE 3-4

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares Asia Polymer Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at fair value through other comprehensive income – non-current	5,290,482	\$ 193,896	0.89	\$ 193,896	Note 1
	China General Plastics Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at fair value through other comprehensive income – non-current	2,940,788	102,045	0.51	102,045	Note 1
	Taita Chemical Company, Ltd.	Investee Companies Using Equity Method for CGTD	Financial assets at fair value through other comprehensive income – non-current	2,169,731	74,964	0.57	74,964	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss – current	499,552	17,659	-	17,659	Note 2

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 INVESTEE COMPANIES
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 YEAR ENDED DECEMBER 31, 2021

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 (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
USI CORPORATION	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	372,668	\$ 67,000	1,526,966	\$ 275,000	928,347	\$ 167,114	\$ 167,000	\$ 114	971,287	\$ 175,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	3,969,627	61,000	40,295,984	623,000	28,749,440	444,505	444,000	505	15,516,171	240,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	55,760,130	940,000	47,817,426	806,264	806,000	264	7,942,704	134,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	16,662,140	273,000	93,409,004	1,532,000	90,024,626	1,476,294	1,476,000	294	20,046,518	329,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	5,884,596	71,000	73,284,778	885,000	60,137,831	726,186	726,000	186	19,031,543	230,000
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	9,118,948	150,000	9,118,948	150,110	150,000	110	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss – current	-	—	12,815,912	200,000	1,921,574	30,000	14,737,486	230,041	230,000	41	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	7,379,140	120,000	14,123,876	230,000	15,366,731	250,140	250,000	140	6,136,287	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	16,833,145	249,200	16,702,410	250,000	16,833,145	251,765	249,200	2,565	16,702,410	250,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	20,116,313	288,000	29,641,446	425,000	33,378,382	478,143	478,000	143	16,379,377	235,000
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	14,958,057	210,000	7,124,080	100,007	100,000	7	7,833,977	110,000
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	9,003,412	100,000	76,924,890	855,000	82,332,796	915,166	915,000	166	3,595,506	40,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	5,497,139	75,000	24,155,195	330,000	10,406,596	142,030	142,000	30	19,245,740	263,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	18,836,125	310,000	15,193,248	250,037	250,000	37	3,642,877	60,000

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,164,746	140,000	11,164,746	140,021	140,000	21	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,007,434	130,000	11,007,434	130,011	130,000	11	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	55,054,836	564,000	55,054,836	564,083	564,000	83	-	-
USIFE Investment Co., Ltd.	Beneficiary certificates Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,870,081	30,284	3,037,907	50,000	-	-	-	-	4,907,988	80,284
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,451,207	42,238	2,392,993	30,000	-	-	-	-	5,844,200	72,238
Taiwan United Venture Capital Corp.	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,391,849	55,000	-	-	-	-	-	-	4,391,849	55,000
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,016,620	\$ 15,000	-	\$ -	-	\$ -	\$ -	\$ -	\$ 1,016,620	\$ 15,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,257,350	17,000	-	-	369,809	5,048	5,000	48	887,541	12,000
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	595,654	8,000	-	-	148,915	2,035	2,000	35	446,739	6,000

Note: The ending amount of beneficiary certificates denotes the original acquisition cost.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics 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 YEAR ENDED DECEMBER 31, 2021

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			December 31, 2021 (Note)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
China General Plastics Corporation	Beneficiary certificates														
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	3,109,635	\$ 560,000	3,109,635	\$ 560,061	\$ 560,000	\$ 61	-	\$ -	
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000	
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,670,433	45,000	2,670,433	45,005	45,000	5	-	-	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,721,963	190,000	15,721,963	190,017	190,000	17	-	-	
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,012,916	247,000	15,012,916	247,019	247,000	19	-	-	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	6,407,463	100,000	7,046,540	110,000	13,454,003	210,019	210,000	19	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,140,847	100,000	6,140,847	100,032	100,000	32	-	-	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,677,975	100,000	6,677,975	100,040	100,000	40	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	4,190,295	60,000	40,879,691	586,000	45,069,986	646,101	646,000	101	-	-
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,121,696	100,000	7,121,696	100,010	100,000	10	-	-	
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	7,255,248	99,000	13,909,262	190,000	21,164,509	289,085	289,000	85	-	-
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-	
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,967,178	100,000	3,985,906	50,002	50,000	2	3,981,272	50,000	
Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,718,808	120,000	11,718,808	120,018	120,000	18	-	-		
Taiwan VCM Corporation	Beneficiary certificates														
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	278,042	50,000	-	-	278,042	50,018	50,000	18	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
CGPC Polymer Corporation	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,872,783	200,000	11,872,783	200,012	200,000	12	-	-	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	610,344	10,000	12,200,702	200,000	12,811,046	210,025	210,000	25	-	-	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,284,524	100,000	8,284,524	100,013	100,000	13	-	-	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,561,689	40,000	2,561,689	40,006	40,000	6	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-	
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-	
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-	
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-	
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
	Beneficiary certificates			-	-										
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-	
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,178,916	49,000	36,160,382	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	7,629,121	125,000	16,094,751	264,000	14,949,274	245,056	245,000	56	8,774,597	144,000	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,315,451	40,000	48,446,773	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000	
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	8,941,582	128,000	37,239,819	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000	
SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-		
Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000		

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000

Note: The beginning and ending amount denote the original acquisition cost.

USI CORPORATION AND INVESTEE COMPANIES

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 YEAR ENDED DECEMBER 31, 2021

TABLE 4-2

(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			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit	Amount
Taita Chemical Company, Ltd.	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,248,671	86,000	36,399,248	597,000	37,870,702	621,110	621,000	110	3,777,217	62,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-

Note: The ending amount of beneficiary certificates denotes the original acquisition cost.

USI CORPORATION AND INVESTEE COMPANIES

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 YEAR ENDED DECEMBER 31, 2021

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 (Note)		Acquisition		Disposal				December 31, 2021 (Note)	
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Asia Polymer Corporation	Beneficiary certificates	Financial assets at fair value through profit or loss - current	—	—	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	6,381,916	77,000	16,550,041	200,000	8,453,185	102,017	102,000	17	14,478,773	175,000
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	—	—	5,672,048	63,000	5,392,241	60,000	5,672,048	63,012	63,000	12	5,392,241	60,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
APC Investment Corporation	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-
	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138

Note: The ending amount of beneficiary certificates denotes the original acquisition cost.

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Trade Receivable (payable) (%)	
USI CORPORATION	Asia Polymer Corporation	Subsidiary	Purchase	\$ 1,673,947	15.99	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 390,410)	(27.61)	
	Asia Polymer Corporation	Subsidiary	Sale	(213,766)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	-	-	
	USI (Hong Kong) Company Ltd.	Subsidiary	Sale	(220,464)	(0.31)	Within 60 days after selling on credit	No significant difference	No significant difference	23,142	1.06	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(214,853)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	46,493	2.12	
	Forever Young Company Limited	Subsidiary	Sale	(114,343)	(0.16)	Within 60 days after selling on credit	No significant difference	No significant difference	24,324	1.11	
USI (Hong Kong) Company Ltd.	USI CORPORATION	Parent company	Purchase	220,464	2.11	Within 60 days after purchasing on credit	No significant difference	No significant difference	(23,142)	(1.64)	
Forever Young Company Limited	USI Corporation	Parent company	Purchase	114,343	1.09	Within 60 days after purchasing on credit	No significant difference	No significant difference	(24,324)	(1.72)	

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-1

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (including processing fee)	\$ 429,667	39	55 days	No significant difference	No significant difference	(\$ 88,153)	(40)	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (including processing fee)	(429,667)	(33)	55 days	No significant difference	No significant difference	88,153	26	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Sale	(130,997)	(10)	55 days	No significant difference	No significant difference	23,131	7	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Purchase	130,997	54	55 days	No significant difference	No significant difference	(23,131)	(45)	
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Sale	(263,484)	(20)	55 days	No significant difference	No significant difference	59,933	19	
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary of ACME (Cayman)	Purchase	263,484	69	55 days	No significant difference	No significant difference	(59,933)	(73)	
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary of ACME (Cayman)	Sale	(131,681)	(12)	55 days	No significant difference	No significant difference	20,766	6	
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Purchase	136,681	41	55 days	No significant difference	No significant difference	(20,766)	(38)	

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-2

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 197,368	78	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$38,773)	(91)	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(339,983)	(33)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$26,315	26	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	129,538	13	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$14,376)	(7)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(368,006)	(36)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$42,871	42	
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(124,689)	(12)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$9,714	10	
	USI Corporation	Ultimate parent company	Purchase	110,630	11	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$13,712)	(7)	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	339,983	33	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$26,315)	(18)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(140,529)	(12)	60 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$36,280	12	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Sale	(129,538)	(13)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$14,376	9	
	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	368,006	50	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$42,871)	(49)	
	Swanson Plastics (Singapore) Pte. Ltd.	Parent company	Sale	(197,368)	(20)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$38,773	23	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	140,529	51	60 days	No significant difference	No significant difference	Accounts payable to related parties (\$36,280)	(77)	
PT. Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	124,689	42	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$9,714)	(38)	

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-3

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 7,071,763	79	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,489,862)	(87)	
	CGPC America Corporation	Subsidiary	Sale	(679,417)	(6)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$189,714	14	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(7,071,763)	(48)	45 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,489,862	47	
	CGPC Polymer Corporation	Fellow company	Sale	(6,585,350)	(45)	75 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,361,638	43	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow company	Purchase	6,585,350	97	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,361,638)	(98)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	679,417	89	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$189,714)	(98)	

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-4

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sales) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsiary	Sale	(\$ 1,049,003) (USD37,578 thousand)	(6.67)	30 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$542 (USD20 thousand)	0.03	

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-5

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,673,192)	(17.50)	60 days	No significant difference	No significant difference	Accounts receivable – related parties NT\$399,887	28.17	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Purchase	213,752	4.53	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$28,177)	(9.45)	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	216,155	4.59	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$46,493)	(15.59)	

USI CORPORATION AND INVESTEE COMPANIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021

TABLE 6

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI Corporation	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties NT\$227,039	-	\$ -	—	\$ 227,039	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties NT\$228,869	-	-	—	228,869	Note 1
	USI Green Energy Corporation	Subsidiary of the Company	Other receivables - related parties NT\$125,001	-	-	—	125,001	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 January 1, 2022 to March 10, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

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

DECEMBER 31, 2021

TABLE 6-1

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow company	Others accounts receivable - related parties NT\$165,717 (RMB38,170 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 January 1, 2022 to March 8, 2022.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

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

DECEMBER 31, 2021

TABLE 6-2

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable - related parties NT\$189,714	4.52	\$ -	—	\$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties NT\$1,489,862	5.53	-	—	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties NT\$1,361,638	4.70	-	—	1,361,638	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 January 1, 2022 to February 24, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

DECEMBER 31, 2021

TABLE 6-3

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsiidiary	Other receivables NT\$ 256,014 (USD9,249 thousand) (Note 1)	-	\$ 256,014	Continuous Collection	\$ -	\$ -

Note 1. The other receivables of Taita Chemical Co., Ltd. are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., and transferred to other receivables since it had exceeded the normal credit term by a certain period.

Note 2. There was no amount received as of March 9, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

DECEMBER 31, 2021

TABLE 6-4

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Asia Polymer Corporation	USI CORPORATION	Parent company	Accounts receivable - related parties NT\$399,887	5.68	\$ -	—	\$ 399,887	Note 1
			Other accounts receivable - related parties NT\$2		-	—	2	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 January 1, 2022 to March 9, 2022.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	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	\$ 1,088,028	\$ 91,531	\$ 91,531	Subsidiary
	Swanlake Traders Ltd.	Citco Building, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,270,746	11,265	11,265	Subsidiary
	USI (Hong Kong) Company Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	63,676	(1,566)	(1,566)	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	746,722,725	100.00	10,447,388	2,301,117	2,263,488	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	25,900,000	70.00	190,601	(2,438)	(1,707)	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	5,333,059	99.93	65,330	9,208	10,166	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,068,346	224,921	91,268	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	343,972	59,329	15,968	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	16,854	(2,703)	(2,551)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(1,195)	(2,301)	(2,301)	Subsidiary
	Cypress Epoch Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	Investment	-	150,540	-	-	-	-	-	Note 1
	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	59.13	7,019,488	(443,454)	(262,227)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	48,168	(41,955)	(21,333)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Solar power generation business	70,100,000	-	7,010,000	100.00	106,371	2,885	2,279	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	11,546,574 (USD417,145 thousand)	11,546,574 (USD417,145 thousand)	417,145,000	67.40	11,870,694 (USD428,855 thousand)	(635,890) (USD-22,838 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	16,299,368 (USD588,850 thousand)	16,299,368 (USD588,850 thousand)	588,850,000	85.00	16,785,159 (USD606,400 thousand)	(749,901) (USD-26,932 thousand)		Sub-subsidiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	138,863,816	36.67	3,022,815	1,849,932		Sub-subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
USIFE Investment Co., Ltd.	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	192,063,336	32.35	5,501,113	3,101,127		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	140,609,929	24.20	2,831,033	2,631,418		Sub-subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	\$ 155,632	\$ 155,632	16,424,242	8.98	\$ 129,296	\$ 59,329		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing of plastic film (bag), industrial plastic products and reinforced plastic products	30,000	30,000	2,250,015	15.00	4,358	(13,183)		Sub-subsidiary
	Taiwan United Venture Management Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Corporate management consulting	8,000	8,000	800,000	100.00	15,349	548		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	158,038 (USD5,709 thousand)	97,919 (USD3,538 thousand)	8,318,356	16.65	204,916 (USD7,403 thousand)	62,808 (USD2,252 thousand)		Sub-subsidiary

Note 1. Cypress Epoch Limited was liquidated on September 28, 2021.

Note 2. Please refer to Table 8 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	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	Corporate investments	\$605,182 (USD18,336 thousand)	\$605,182 (USD18,336 thousand)	25,621,692	51.27	\$ 629,708	\$ 62,808 (USD2,252 thousand)	\$ 32,780 (USD1,175 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072 (USD20,800 thousand)	669,072 (USD20,800 thousand)	20,800,000	100.00	983,512	90,599	90,599	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	32,206	(41,955)	(14,263)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	331,164 (USD11,891 thousand)	331,164 (USD11,891 thousand)	42,600,000	100.00	622,709 (USD22,497 thousand)	45,230 (MYR6,997 thousand)	45,230 (MYR6,997 thousand)	
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of manganese-zinc soft ferrite core	242,134 (MYR37,964 thousand)	242,134 (MYR37,964 thousand)	9,120,000	100.00	613,060 (MYR96,469 thousand)	45,765 (MYR7,080 thousand)	45,765 (MYR7,080 thousand)	

Note 1. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2021.

Note 2. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 3. Please refer to Table 8-1 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021 (Note 1)	December 31, 2020 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,764,808	\$ 118,245	\$ 118,245	Note 2
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Trading and agency businesses	1,297	1,297	50	100.00	34,835	5,869	5,869	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100.00	1,608,235	62,939	62,939	Note 2
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	-	4,850	-	-	-	-	-	Note 3
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	105,001	140,000	10,500	70.00	20,335	(13,183)	(9,228)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	7,979	7,979	261	1.00	7,336	47,876	479	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Manufacturing and marketing of plastic products	182,505 (USD6,593 thousand)	182,505 (USD6,593 thousand)	20,000	100.00	586,411 (USD21,185 thousand)	86,314 (USD3,082 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	457,020 (USD16,511 thousand)	457,020 (USD16,511 thousand)	107,351	100.00	284,595 (USD10,282 thousand)	2,479 (INR6,527 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	715,252 (USD25,840 thousand)	715,252 (USD25,840 thousand)	25,840	99.00	726,243 (USD26,237 thousand)	47,876 (IDR24,496,752 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	196,364 (USD7,094 thousand)	196,364 (USD7,094 thousand)	3,157	100.00	516,906 (USD18,674 thousand)	29,143 (US\$1,040 thousand)		Note 2

Note 1. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2021.

Note 2. Please refer to Table 8-2 for relevant information on mainland investee companies.

Note 3. Curtana Company Ltd. completed its liquidation and dissolution in the first quarter of 2021.

USI CORPORATION AND INVESTEE COMPANIES
China General Plastics Corporation
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Loss (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,930,995	259,591,005	87.27	\$ 4,610,674	\$ 1,510,951	\$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100.00	1,503,749	580,982	580,982	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33	373,731	63,389	21,129	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC two- or three-time processed products	648,931	648,931	100	100.00	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,171	59,329	1,030	Associate accounted for using the equity method

Note: Please refer to Table 8-3 for relevant information of mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark (Note 1)
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,483,948 (USD89,738 thousand)	\$ 2,483,948 (USD89,738 thousand)	89,738,000	100.00	\$ 3,142,621 (USD113,455 thousand)	\$ 211,285 (Profit USD7,532 thousand)	\$ 211,285 (Profit USD7,352 thousand)	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC tape and other plastic products	65,365	65,365	11,516,174	1.98	221,245	2,468,676	48,928	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	22,009,592	33.33	373,731	63,389	21,130	Investments accounted for using the equity method
	(Acme Electronics Corporation)	Taipei City	Production and marketing of manganese-zinc soft ferrite powder	44,771	44,771	4,445,019	2.43	32,429	59,329	1,441	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	47,056 (USD1,700 thousand)	47,056 (USD1,700 thousand)	2,695,619	5.39	66,405 (USD2,399 thousand)	62,808 (Profit USD2,252 thousand)	-	Investments accounted for using the equity method

Note 1. The calculation is based on the financial statements of the investee company during the same period which have been audited by CPAs.

Note 2. Please refer to Table 8-4 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 381,287 (USD13,774,806)	\$ 381,287 (USD13,774,806)	11,342,594	100.00	\$ 545,802	\$ 27,305	\$ 27,305	Subsidiary
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00	168,090	35,822	35,822	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	58,128 (USD2,100,000)	58,128 (USD2,100,000)	2,100,000	70.00	62,380	1,047	733	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor-alkali products and other relevant products	247,412	247,412	46,886,185	8.07	900,764	2,468,676	199,203	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	22,009,593	33.33	373,731	63,389	21,129	Investments accounted for using the equity method
	(Swanson Plastics Corporation)	Taipei City	Production and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95	210,268	224,921	17,880	Investments accounted for using the equity method
	(Acme Electronics Corporation)	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	61,348	61,348	6,056,623	3.31	44,186	59,329	1,964	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investments in high-tech undertakings	52,791	52,791	3,080,866	8.33	22,673	(2,438)	(203)	Investments accounted for using the equity method
USI Optronics Corporation	Taipei City	Manufacturing and marketing of sapphire single crystal	59,725	59,725	5,972,464	9.20	8,718	(41,955)	(3,861)	Investments accounted for using the equity method	
Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	4,718,748 (USD170,475,000)	4,718,748 (USD170,475,000)	170,475,000	40.87	4,851,207	(443,454)	(181,227)	Investments accounted for using the equity method	
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	145,179 (USD5,244,903 thousand)	145,179 (USD5,244,903)	8,316,450	16.64	204,869	62,703	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	24,912 (USD900,000)	24,912 (USD900,000)	900,000	30.00	26,734	1,047	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03	13,749	59,329	-	APC Investment Corporation Investments accounted for using the equity method

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	30,000	2,250,015	15.00	4,357	(13,183)	-	APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	11,546,574 (USD417,145,000)	11,546,574 (USD417,145,000)	417,145,000	67.40	11,870,694 (USD428,855 thousand)	(635,890) (USD-22,838 thousand)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments, Ltd.	Hong Kong	Reinvestment business	16,299,368 (USD588,850,000)	16,299,368 (USD588,850,000)	588,850,000	85.00	16,785,159 (USD606,400 thousand)	(749,901) (USD-26,932 thousand)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1: Please refer to Table 8-5 for relevant information of mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8

(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, 2021 (Note 6)	Investment Flows for the Year Ended December 31, 2021 (Note 6)		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 6)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 8)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 7 and 8)	Carrying Amount as of the year ended December 31, 2021 (Note 6)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Note 1	\$ 77,989 (USD2,818 thousand)	\$ -	\$ -	\$ 77,989 (USD2,818 thousand)	\$ 45,024 (USD1,616 thousand)	16.65	\$ 7,495 (USD269 thousand)	\$ 137,494 (USD4,967 thousand)	\$ -
USIG (Shanghai) Co., Ltd.	Engage in import and distribution of various types of chemical raw materials and products	138,400 (USD5,000 thousand)	Note 2	138,400 (USD5,000 thousand)	-	-	138,400 (USD5,000 thousand)	2,140 (USD76 thousand)	100.00	2,140 (USD76 thousand)	130,269 (USD4,706 thousand)	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	Note 3	6,323,489 (USD228,450 thousand)	-	-	6,323,489 (USD228,450 thousand)	(1,455,990) (USD-52,302 thousand)	16.94	(246,635) (USD-8,860 thousand)	6,550,610 (USD236,655 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$6,797,392 (USD245,571 thousand)	\$ 8,497,917 (Note 5) (USD307,006 thousand)	\$ -(Note 4)

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

Note 2. The Company directly invested in China-based companies (100%).

Note 3. The Company indirectly invested 50% in Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (59.13%), then reinvested Ever Victory Global Limited (67.40%), and finally reinvested Dynamic Ever Investments Limited (85.00%) in the third region.

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. It includes the investment amounted to US\$257,939 thousand in Fujian Gulei Petrochemical Co., Ltd. in the mainland region through remittance from the third region as approved by the Investment Commission, MOEA (2) No. 10500116380 dated on September 1, 2016, Investment Commission, MOEA (2) No. 10500234240 dated on December 29, 2016 and Investment Commission, MOEA (2) No. 10800262920 dated on February 26, 2020, the investment to establish a sales company amounted to US\$32,200 thousand through a third region as approved by the Investment Commission, MOEA (2) No. 10900245220 dated on October 5, 2020, and the investment amounted to US\$1,422 thousand in Acme Electronics (Kunshan) Co., Ltd. through a third region as approved by the Investment Commission, MOEA (2) No. 11000010830 dated on January 21, 2021.

Note 6. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 7. Except for the Fujian Gulei Petrochemical Co., Ltd., whose numbers were based on the review of Deloitte Touche Tohmatsu Limited and use the accounting principles to adjust and recognize like the parent company, Acme Electronics (Kunshan) Co., Ltd., and USIG (Shanghai) Co., Ltd. whose numbers were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 8. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
Acme Electronics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 5)	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 5)	Net Income (Loss) of Investee for the Year Ended December 31, 2021 (Note 6)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 4 and 6)	Carrying Amount as of the year ended December 31, 2021 (Note 7)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD11,144 thousand)	\$ 45,024 (RMB10,406 thousand)	51.27	\$ 23,086 (RMB5,335 thousand)	\$ 423,500 (RMB97,547 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	531,456 (USD19,200 thousand)	Indirect investment via GAEL.	619,676 (USD19,200 thousand)	-	-	619,676 (USD19,200 thousand)	92,050 (RMB21,222 thousand)	100.00	92,050 (RMB21,222 thousand)	980,424 (RMB225,826 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 839,922 (USD30,344 thousand) (Notes 3 and 7)	\$ 1,014,001 (USD36,633 thousand) (Notes 3 and 7)	\$ -(Note 2)

Note 1. Investment Method II is to reinvest in the mainland companies by establishing a company through investment in the third region.

Note 2. As ACME has obtained the certificate of qualification 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. It includes the capital increase transferred from surplus of Acme Electronics (Kunshan) Co., Ltd., and ACME increased the amount of US\$6,289 thousand at its ownership percentage.

Note 4. The investment gain (loss) recognized for the year ended December 31, 2021 was calculated on the basis of financial statements audited and approved by CPAs of the parent company of ACME.

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

Note 6. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 7. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
Swanson Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 3)	Carrying Amount as of the year ended December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional□ film, optical film, etc.	\$ 367,867 (USD13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 33,986 (USD1,213 thousand)	100.00	\$ 33,986 (USD1,213 thousand)	\$ 1,132,754 (USD40,923 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	251,888 (USD9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	36,660 (USD1,309 thousand)	100.00	36,660 (USD1,309 thousand)	516,104 (USD18,645 thousand)	64,395 (USD2,327 thousand)
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional□ film, optical film, etc.	296,176 (USD10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	(24) (USD-840 thousand)	100.00	(24) (USD-840 thousand)	74,025 (USD2,674 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$907,510 (USD32,786 thousand)	\$ - (Note 2)

Note 1. The paid-in capital and the investment amount approved by the Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2021.

Note 2. As SPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410 on June 18, 2020, the upper limit on investment is not applicable.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 4. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
China General Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 (Note 1)	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 1)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the year ended December 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and third-time processed products	\$ 553,600 (USD20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 553,600 (USD20,000 thousand)	\$ -	\$ -	\$ 553,600 (USD20,000 thousand)	(\$ 2,569) (USD-93 thousand)	100.00	(\$ 2,569) (USD-93 thousand)	\$ 262,303 (USD9,476 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC third-time processed products	41,520 (USD1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	41,520 (USD1,500 thousand)	-	-	41,520 (USD1,500 thousand)	15 (USD1 thousand)	100.00	15 (USD1 thousand)	13,461 (USD486 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021 (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)
\$ 749,630 (USD27,082 thousand)	\$ 869,152 (USD31,400 thousand)	\$ -

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 2. As CGPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment 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) retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. ("CGPC (SH)") 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 US\$684 thousand, the investment amount of Union (ZS) of US\$898 thousand, and the investment amount of CGPC (SH) of US\$4,000 thousand.

Note 4. The board of directors of CGPC passed a resolution on October 24, 2011 to dissolve the sub-subsidiaries, CGPC (ZS) and CGPC (CP). CGPC has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment.

Note 5. The investment gain (loss) recognized for the year ended December 31, 2021 was based on the financial statements audited and approved by CPAs of the parent company of CGPC.

USI CORPORATION AND INVESTEE COMPANIES
Taita Chemical Company, Ltd.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee (Note 5)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the year ended December 31, 2021 (Note 5)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,280,200 (USD46,250 thousand)	Investment through a holding company registered in a third region	\$ 1,190,240 (USD43,000 thousand)	\$ -	\$ -	\$ 1,190,240 (USD43,000 thousand)	\$ 218,742 (USD7,795 thousand)	100.00	\$ 218,742 (USD7,795 thousand)	\$ 1,817,579 (USD65,664 thousand)	\$ -
TTC Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	(Note 1) 757,048 (USD27,350 thousand)	Investment through a holding company registered in a third region	719,680 (USD26,000 thousand)	-	-	719,680 (USD26,000 thousand)	(10,135) (USD-361 thousand)	100.00	(10,135) (USD-361 thousand)	(114,144) (USD-4,124 thousand)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	(Note 2) 850,468 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	37,479 (USD1,354 thousand)	-	-	37,479 (USD1,354 thousand)	45,024 (USD1,616 thousand)	5.39	2,429 (USD87 thousand)	44,556 (USD1,610 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,947,399 (USD70,354 thousand)	\$2,098,623 (USD75,817 thousand) (Note 3)	\$ - (Note 4)

Note 1. TAITA (ZS) resolved to increase capital by earnings of US\$3,250 thousand for the year ended December 31, 2007. TAITA (ZS) resolved the Earnings Distribution Proposals for the years from 2007 to 2020 at the board meeting on October 14, 2021, amounting to RMB 306,950 thousand, which is expected to be used for reinvestment projects in Mainland China. As of December 31, 2021, the amount has not actually been allocated.

Note 2. TAITA (TJ) resolved to increase capital by surplus of US\$1,350 thousand for the year ended December 31, 2012. TTC's management has decided to suspend the production of TAITA (TJ) from April 2019.

Note 3. It includes the capital increase transferred from surplus by TAITA (ZS) of USD3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of USD1,350 thousand and capital increase transferred from surplus by ACME (KS) of USD802 thousand.

Note 4. As TTC obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10820415160 on June 6, 2019, the upper limit on investment in Mainland China is not applicable.

Note 5. The calculation is based on the financial statements audited and approved by CPAs of the parent company of TTC.

USI CORPORATION AND INVESTEE COMPANIES
Asia Polymer Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the year ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 3)	Carrying Amount as of the year ended December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 850,468 (USD30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 115,630 (USD4,177 thousand)	\$ -	\$ -	\$ 115,630 (USD4,177 thousand)	\$ 45,024	16.64	\$ 7,493	\$ 137,462	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	69,200 (USD2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	84,025 (USD3,036 thousand)	-	-	84,025 (USD3,036 thousand)	16,420	100.00	16,420	136,096	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	(2) Dynamic Ever Investments, Ltd. (Note 2)	4,370,198 (USD157,883 thousand)	-	-	4,370,198 (USD157,883 thousand)	(1,455,990)	11.71	(170,497)	4,533,837	-

Accumulated Outward Remittance for Investment in Mainland China as of the year ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,703,274 (Note 5) (USD169,916 thousand)	\$ 6,195,770 (USD223,836 thousand)	\$ - (Note 6)

Note 1. Note: Investment are divided into three categories as follows:

- (1) Direct investments in mainland companies.
- (2) Reinvestments in mainland companies through a holding company registered in a third region (please specify the holding company).
- (3) Others.

Note 2. The Company indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (40.87%), then reinvested Ever Victory Global Limited (67.40%), and finally vis Dynamic Ever Investments Limited (85.00%).

Note 3. For the column of Investment Gain (Loss) for the year ended December 31, 2021:

- (1) If there is no investment gain (loss) during the preparation, it shall be noted.
- (2) If the basis for the recognition of investment gain (loss) is classified into the following three categories, it shall be noted as follows:
 - A. Financial statements audited by international accounting firms in partnership with CPA firms in the Republic of China.
 - B. Financial statements audited by CPAs of the parent company in Taiwan.
 - C. Others.

Note 4. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 5. APC directly invested in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd. through APC (BVI) Holding Co., Ltd. to indirectly invest in companies in mainland China.

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 investment is not applicable.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2021

TABLE 9

Names of Major Shareholders	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Wholegainer Company Limited's investment 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 (TDC) calculates the total number of ordinary shares and preferred 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 shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.
- Note 2. If the even where the shareholders delivers its equity to trust, the information is disclosed in the form of individual trust accounts opened by the trustee. As for the 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 Observatory Post System.

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USI CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENT
DECEMBER 31, 2021

STATEMENT 1

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

ITEM	Abstract	Amount
Cash		
Petty cash		\$ <u>560</u>
Bank deposits		
Checking deposits		2,971
Demand deposits in NTD		78,654
Demand deposits in foreign currency	USD 1,916,308.57 (Note) RMB 825,046.52 (Note) JPY 15,760.00 (Note) EUR 52,038.79 (Note)	<u>58,259</u>
Sub-total of the bank deposits		<u>139,884</u>
Cash equivalents		
Time deposits	Annual rate 0.01%-2.40%, including time deposits of foreign currency USD 6,000,000 and RMB 33,000,000 (Note). Maturity date is from January, 2022 to January, 2023	<u>968,350</u>
		<u>\$ 1,108,794</u>

Note: U.S. dollars are converted at the exchange rate USD1=NTD27.6800.

Renminbi is converted at the exchange rate RMB1 = NTD4.3415.

Japanese Yen is converted at the exchange rate JPY1 = NTD0.2405.

The Euro is converted at the exchange rate EUR1 = NTD31.3200.

USI CORPORATION
STATEMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2021

STATEMENT 2

(In Thousands of New Taiwan Dollars, Except Par Value and Unit Price in New Taiwan Dollars)

Financial instruments	Abstract	Share/unit	Par value (NT\$)	Total amount	Interest Rate	Acquisition cost	Fair Value		Fair value changes attributable to credit risk changes	Remark
							Unit price (NT\$)	Total amount		
Financial assets mandatorily classified as at fair value through profit or loss - non-derivative financial assets										
Fund beneficiary certificates and beneficiary securities										
Nomura Taiwan Money Market Fund		3,642,877	\$ 10	\$ 36,429		\$ 60,000	\$ 16.4757	\$ 60,019	\$ -	
FSITC Taiwan Money Market Fund		15,516,171	10	155,162		240,000	15.4713	240,055	-	
Yuanta Wan Tai Money Market Fund		5,235,979	10	52,360		80,000	15.2790	80,000	-	
Hua Nan Kirin Money Market Fund		19,031,543	10	190,315		230,000	12.0881	230,055	-	
CTBC Hwa-Win Money Market Fund		3,595,506	10	35,955		40,000	11.1271	40,008	-	
UPAMC James Bond Money Market Fund		7,942,704	10	79,427		134,000	16.8723	134,012	-	
Hua Nan Phoenix Money Market Fund		20,046,518	10	200,465		329,000	16.4196	329,156	-	
Taishin Ta-Chong Money Market Fund		16,379,377	10	163,794		235,000	14.3504	235,051	-	
Capital Money Market Fund		6,136,287	10	61,363		100,000	16.2971	100,004	-	
Mega Diamond Money Market Fund		9,508,754	10	95,088		119,701	12.6776	120,548	-	
FSITC Money Market Fund		971,287	10	9,713		175,000	180.2170	175,042	-	
Taishin 1699 Money Market Fund		19,245,740	10	192,457		263,000	13.6786	263,255	-	
Jih Sun Money Market Fund		16,702,410	10	167,024		250,000	14.9871	250,321	-	
SinoPac TWD Money Market Fund		7,833,977	10	78,340		110,000	14.0472	110,045	-	
Cathay No. 1 Real Estate Investment Trust		3,340,000	10	33,400		34,175	18.1300	60,554	-	
				<u>1,551,292</u>		<u>2,399,876</u>		<u>2,428,125</u>	-	
Domestic listed shares and over-the-counter shares										
United Microelectronics Corporation		150,000	10	1,500		8,730	65.0000	9,750	-	
Evergreen Marine Corporation		473,251	10	4,733		7,353	142.5000	67,438	-	
UPC Technology Corporation		700,000	10	7,000		16,523	21.6000	15,120	-	
Quanta Computer Incorporated		200,000	10	2,000		16,817	94.7000	18,940	-	
ShunSin Technology Holdings Limited		80,000	10	800		7,455	93.0000	7,440	-	
China Steel Corporation		650,000	10	6,500		25,197	35.3500	22,978	-	
Tungsho Steel Corporation		368,500	10	3,685		22,805	67.1000	24,726	-	
				<u>26,218</u>		<u>104,880</u>		<u>166,392</u>	-	
				<u>\$ 1,577,510</u>		<u>\$ 2,504,756</u>		<u>\$ 2,594,517</u>	<u>\$ -</u>	
Financial assets mandatorily classified as at fair value through profit or loss - derivatives										
Foreign exchange forward contracts										
								<u>\$ 1,364</u>	<u>\$ -</u>	
Financial liabilities held for trading - derivatives										
Foreign exchange forward contracts										
								<u>\$ 2,492</u>	<u>\$ -</u>	

USI CORPORATION
STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2021

STATEMENT 3

(In Thousands of New Taiwan Dollars)

<u>Customer's name</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Notes receivable from the non-related party arising from business			
Tex Year Industries Inc.	Postdated	\$ 99,935	
Taiwan First Li-Bond Co., Ltd.	Postdated	16,394	
Others	Postdated	<u>3,050</u>	
		<u>\$ 119,379</u>	

USI CORPORATION
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2021

STATEMENT 4

(In Thousands of New Taiwan Dollars)

<u>Customer's name</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Non-related party			
Foster Group	Payment for sales	\$ 879,280	
Sveck Photovoltaic New Material Co.,Ltd.	Payment for sales	373,002	
USI Group	Payment for sales	168,206	
Tex Year Group	Payment for sales	128,537	
Far Eastern Group	Payment for sales	106,255	
Others (Note)	Payment for sales	<u>311,478</u>	
Sub-total		1,966,758	
Less: allowance for loss		(<u>2,651</u>)	
		<u>1,964,107</u>	
Related party			
USI Trading (Shanghai) Co., Ltd.	Payment for sales	46,493	
Forever Young Company Limited	Payment for sales	24,324	
USI (Hong Kong) Company Ltd.	Payment for sales	23,142	
Swanson Plastics Corporation	Payment for sales	12,498	
Swanson Technologies Corporation	Payment for sales	<u>11</u>	
Sub-total		<u>106,468</u>	
		<u>\$ 2,070,575</u>	

Note: The balance of individual item does not exceed 5% of the balance of the accounts receivable.

USI CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2021

STATEMENT 5

(In Thousands of New Taiwan Dollars)

Name	Abstract	Amount		Remark
		Cost	Net realizable value (Note)	
Finished goods		\$ 921,676	\$ 1,095,877	
Work in progress		36,724	67,247	
Raw materials		185,399	182,221	
Supplies		<u>167,967</u>	<u>169,112</u>	
		1,311,766	<u>\$ 1,514,457</u>	
Less: Allowance for reduction of inventory to market		(<u>59,375</u>)		
			<u>\$ 1,252,391</u>	

Note: Net realizable value is the balance that the estimated selling price under normal circumstances minus the estimated cost required to complete the project and the estimated cost required to complete the sale.

USI CORPORATION
STATEMENT OF PREPAYMENTS
DECEMBER 31, 2021

STATEMENT 6

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Office supplies		\$ 161,142	
Prepaid expenses		29,663	
Prepayment for purchases		<u>13,590</u>	
		<u>\$ 204,395</u>	

USI CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 7

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

Name of financial product	Balance at January 1		Increase During the Year Ended		Decrease During the Year Ended		Balance at December 31		Details of pledged as collateral	Remark
	Number of Shares	Fair value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Fair value		
Domestic listed shares and over-the-counter shares										
AU Optronics Corporation	8,514,006	\$ 119,196	-	\$ 75,775	-	\$ -	8,514,006	\$ 194,971	None	Note 1
CTCI Corporation	15,130,656	577,991	-	-	-	15,131	15,130,656	562,860	None	Note 2
Domestic non listed (over-the-counter) common stocks										
KHL IB Venture Capital Co., Ltd.	12,044,707	<u>275,452</u>	-	<u>-</u>	2,089,757	<u>110,732</u>	9,954,950	<u>164,720</u>	None	Note 3
		<u>\$ 972,639</u>		<u>\$ 75,775</u>		<u>\$ 125,863</u>		<u>\$ 922,551</u>		

Note 1. Increases in investment this year was resulted from fair value adjustments.

Note 2. Decreases in investment this year was resulted from fair value adjustments.

Note 3. Decreases in the number of shares and amounts was resulted from fair value adjustments and cash capital reduction.

USI CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 8

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

Investee	Balance at January 1		Increase During the Year Ended		Decrease During the Year Ended		Share of profit and loss of the subsidiary recognized using the equity method	Balance at December 31			Net asset value	Remark	Details of pledged as collateral
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Shareholding (%)	Amount			
USIFE Investment Co., Ltd.	87,250,800	\$ 861,889	-	\$ 137,283	-	\$ 2,675	\$ 91,531	87,250,800	100.00	\$ 1,088,028	\$ 1,089,572	Note 1	None
Swanlake Traders Ltd.	30,000,000	1,293,513	-	3,564	-	37,596	11,265	30,000,000	100.00	1,270,746	1,284,392	Note 2	None
USI (Hong Kong) Company Ltd.	159,999	67,491	-	-	-	2,249	(1,566)	159,999	100.00	63,676	63,676	Note 3	None
Union Polymer Int'l Investment Corp.	616,268,754	7,739,718	130,453,971	814,738	-	370,556	2,263,488	746,722,725	100.00	10,447,388	11,653,149	Note 4	None
Taiwan United Venture Capital Corp.	32,900,000	180,508	-	11,800	7,000,000	-	(1,707)	25,900,000	70.00	190,601	190,601	Note 5	None
Chong Loong Trading Co., Ltd.	4,358,183	55,164	974,876	-	-	-	10,166	5,333,059	99.93	65,330	65,330		None
Swanson Plastics Corporation	62,616,299	1,050,935	-	86	-	73,943	91,268	62,616,299	40.58	1,068,346	1,073,323	Note 6	None
Acme Electronics Corporation	49,250,733	333,831	-	-	-	5,827	15,968	49,250,733	26.91	343,972	359,312	Note 7	None
INOMA Corporation	9,243,369	19,405	-	-	-	-	(2,551)	9,243,369	94.37	16,854	16,854		None
USI Management Consulting Corp.	671,400	1,539	-	-	-	433	(2,301)	671,400	100.00	(1,195)	(1,195)	Note 8	None
Cypress Epoch Limited	5,000,000	128,814	-	-	5,000,000	128,814	-	-	-	-	-	Note 9	None
USIG (Shanghai) Co., Ltd.	-	-	5,000,000	128,814	-	685	2,140	5,000,000	100.00	130,269	130,269	Notes 9 and 10	None
Ever Conquest Global Limited	246,670,000	7,331,651	-	-	-	49,936	(262,227)	246,670,000	59.13	7,019,488	7,019,488	Note 11	None
USI Optronics Corporation	33,000,000	69,501	-	-	-	-	(21,333)	33,000,000	50.85	48,168	48,168		None
USI Green Energy Corporation	-	-	7,010,000	104,092	-	-	2,279	7,010,000	100.00	106,371	106,371	Note 12	None
		19,133,959		\$ 1,200,377		\$ 672,714	\$ 2,196,420			21,858,042			
Rerecognized as long-term equity investment credit balance		-		-		-	-			1,195			
		\$ 19,133,959								\$ 21,859,237			

- Note 1. This year's increases arise from the transfer of accumulated profit and loss from disposal of financial assets measured at fair value through other comprehensive income to retained earnings of NT\$77,105 thousand and the unrealized benefits of financial assets measured at fair value through other comprehensive income of NT\$60,178 thousand. This year's increases arise from the recognition of the difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$1,754 thousand and the re-measurement loss of the defined benefit plan NT\$921 thousand.
- Note 2. This year's increases are to recognize the capital reserve based on the shareholding ratio of NT\$3,564 thousand. This year's decreases are to recognize the difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$37,596 thousand.
- Note 3. This year's decreases are to recognize the conversion difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$2,249 thousand.
- Note 4. This year's increases are to recognize the capital reserve based on the shareholding ratio of NT\$1,129 thousand, to adjust the cash dividends paid to subsidiaries to the capital reserve - treasury shares trading of NT\$38,329 thousand, the transfer of unrealized benefits of financial assets measured at fair value through other comprehensive income of NT\$751,931 thousand and accumulated profit and loss from disposal of financial assets measured at fair value through other comprehensive income to retained earnings of NT\$23,349 thousand. This year's decreases are the financial commodity evaluation adjustment of treasury shares of NT\$343,048 thousand, re-measurement loss of defined benefit plans of NT\$3,624 thousand and the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$23,884 thousand.
- Note 5. This year's increases arise from the unrealized profit of financial assets measured at fair value through other comprehensive income NT\$11,800. This year's increases are to cover accumulated losses by capital reduction as resolved by TUVV's extraordinary shareholders' meeting on November 25, 2021.
- Note 6. This year's increases arise from an increase of NT\$86 thousand in re-measurement benefits of defined benefit plans. This year's decreases are the receipts of cash dividends of NT\$50,093 thousand paid by the investee, the recognition of capital reserve based on the shareholding ratio of NT\$2 thousand and the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$23,848 thousand.
- Note 7. This year's decreases are the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$5,259 thousand and the re-measurement loss of defined benefit plans of NT\$568 thousand.
- Note 8. This year's increases arise from the re-measurement loss NT\$433 thousand of defined benefit plan.
- Note 9. This year's decreases of Cypress Epoch Limited and the increases of USIG are NT\$128,814 thousand of direct investment in USIG (Shanghai) Co., Ltd. in the mainland as approved by the Investment Commission, Ministry of Economics Affairs (Investment Commission) on January 25, 2021 for the Company's change to indirect investment in USIG (Shanghai) Co., Ltd to simplify its investment structure. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021.
- Note 10. This year's decreases are to recognize the difference in the financial statements of foreign operating institutions of NT\$685 thousand.

Note 11. This year's decreases are to recognize the difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$49,936 thousand.

Note 12. This year's increases arise from the newly added investment price of NT\$104,092 thousand.

USI CORPORATION
 STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
 FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 9

(In Thousands of New Taiwan Dollars)

ITEM	Balance at January 1	Increase During the Year Ended	Decrease During the Year Ended	Balance at December 31	Remark
Buildings	<u>\$ 23,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,441</u>	

USI CORPORATION

STATEMENT OF ACCUMULATED DEPRECIATION CHANGES IN RIGHT-OF-USE ASSETS
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 10

(In Thousands of New Taiwan Dollars)

ITEM	Balance at January 1	Increase During the Year Ended	Decrease During the Year Ended	Balance at December 31	Remark
Buildings	<u>\$ 9,350</u>	<u>\$ 4,450</u>	<u>\$ -</u>	<u>\$ 13,800</u>	

USI CORPORATION
STATEMENT OF OTHER NON-CURRENT ASSETS
DECEMBER 31, 2021

STATEMENT 11

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Advance payment for construction		\$ 32,660	
Refundable deposits		49,577	
Long-term deferred expenses		<u>39,378</u>	
		<u>\$ 121,615</u>	

USI CORPORATION
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021

STATEMENT 12

(In Thousands of New Taiwan Dollars)

<u>Customer's name</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Non-related party			
CPC Corporation, Taiwan (Note)	Payment for purchase	\$ 307,074	
MITSUBISHI CORPORATION	Payment for purchase	328,819	
Dairen Chemical Corporation	Payment for purchase	161,538	
CHINA JINSHAN ASSOCIATED TRADING	Payment for purchase	113,802	
HELM ASIA PTE. LTD.	Payment for purchase	65,284	
Others	Payment for purchase	<u>43,261</u>	
Sub-total		<u>1,019,778</u>	
Related party			
Asia Polymer Corporation	Payment for purchase	390,410	
Swanson Plastics Corporation	Payment for sales	<u>4,039</u>	
Sub-total		<u>394,449</u>	
		<u>\$ 1,414,227</u>	

Note: A bank time deposit of NT\$54,466 thousand has been provided as collateral.

USI CORPORATION
 STATEMENT OF OTHER CURRENT LIABILITIES
 DECEMBER 31, 2021

STATEMENT 13

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Contract liability		\$ 184,368	
Receipts under custody		2,194	
Others		<u>3,389</u>	
		<u>\$ 189,951</u>	

USI CORPORATION
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2021

STATEMENT 14

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

Name of the bond	Trustee	Issuing date	Interest payment date	Interest rate	Amount			Unamortized premium (discount)	Carrying amount	Method of repayment	Details of guarantee	Remark
					Total amount issued	Less: amount paid	Balance at December 31					
The first unsecured corporate bond B in 2015	Mega International Commercial Bank Co., Lt. Department of Trusts	February 12, 2015	Interest is paid one time every full year from the date of issue	1.90%	\$ 1,000,000	\$ -	\$ 1,000,000	(\$ 32)	\$ 999,968	One time 100% repayment of principal at the expiration of the 7th year from the date of issue	None	
The first unsecured corporate bond in 2016	Taipei Fubon Commercial Bank Co., Ltd. Department of Trusts	October 28, 2016	Interest is paid one time every full year from the date of issue	0.80%	2,000,000	2,000,000	-	-	-	One time 100% repayment of principal at the expiration of the 5th year from the date of issue	None	
The first unsecured corporate bond in 2017	Taipei Fubon Commercial Bank Co., Ltd. Department of Trusts	October 27, 2017	Interest is paid one time every full year from the date of issue	1.10%	2,000,000	-	2,000,000	(769)	1,999,231	One time 100% repayment of principal at the expiration of the 5th year from the date of issue	None	
The first unsecured corporate bond in 2019	Taipei Fubon Commercial Bank Co., Ltd. Department of Trusts	April 26, 2019	Interest is paid one time every full year from the date of issue	0.98%	2,000,000	-	2,000,000	(2,055)	1,997,945	One time 100% repayment of principal at the expiration of the 5th year from the date of issue	None	
The first unsecured corporate bond A in 2021	Bank SinoPac Company Limited Department of Trusts	June 23, 2021	Interest is paid one time every full year from the date of issue	0.63%	1,000,000	-	1,000,000	(1,933)	998,067	50% repayment of principal in the 4th and 5th year from the date of issue	None	
The first unsecured corporate bond B in 2021	Bank SinoPac Company Limited Department of Trusts	June 23, 2021	Interest is paid one time every full year from the date of issue	0.73%	1,000,000	-	1,000,000	(2,012)	997,988	50% repayment of principal in the 6th and 7th year from the date of issue	None	
The second unsecured corporate bond A in 2021	Bank SinoPac Company Limited Department of Trusts	October 26, 2021	Interest is paid one time every full year from the date of issue	0.63%	700,000	-	700,000	(1,467)	698,533	50% repayment of principal in the 4th and 5th year from the date of issue	None	
The second unsecured corporate bond B in 2021	Bank SinoPac Company Limited Department of Trusts	October 26, 2021	Interest is paid one time every full year from the date of issue	0.77%	<u>1,300,000</u>	<u>-</u>	<u>1,300,000</u>	(<u>2,760</u>)	<u>1,297,240</u>	50% repayment of principal in the 6th and 7th year from the date of issue	None	
					11,000,000	2,000,000	9,000,000	(11,028)	8,988,972			
Less: corporate bonds due within one year					<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>	(<u>801</u>)	<u>2,999,199</u>			
					<u>\$ 8,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 6,000,000</u>	(<u>\$ 10,227</u>)	<u>\$ 5,989,773</u>			

USI CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2021

STATEMENT 15

(In Thousands of New Taiwan Dollars)

Creditor bank or underwriter	Duration and repayment method	Annual rate (%)	Amount			Mortgage or guarantee
			Due within one year	Due after one year	Total	
Taipei Fubon Commercial Bank Co., Ltd.	October 15, 2021 - October 15, 2026, amortized on an average monthly basis from the fourth year onwards.	0.30%	\$ -	\$ 24,453	\$ 24,453	-
E.Sun Commercial Bank, Ltd.	November 5, 2021 - October 15, 2026, amortized on an average monthly basis from the fourth year onwards.	0.30%	-	9,857	9,857	-
			<u>\$ -</u>	<u>\$ 34,310</u>	<u>\$ 34,310</u>	

USI CORPORATION
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2021

STATEMENT 16

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Balance at December 31</u>	<u>Remark</u>
Buildings		2014.05.01- 2026.12.31	1.16%	\$ 146,523	
Less: Lease liabilities due within one year				<u>31,336</u>	
				<u>\$ 115,187</u>	

USI CORPORATION
 STATEMENT OF OTHER NON-CURRENT LIABILITIES
 DECEMBER 31, 2021

STATEMENT 17

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Deferred unrealized profit		\$ 4,432	
Guarantee deposits received		6,637	
Deferred income		<u>516</u>	
		<u>\$ 11,585</u>	

USI CORPORATION
STATEMENT OF SALES REVENUE
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 18

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

<u>ITEM</u>	<u>Quantity (Tonne)</u>	<u>Amount</u>	<u>Remark</u>
Low density polyethylene	6,642	\$ 412,377	
Ethylene vinyl acetate	146,949	11,343,302	
High density polyethylene	104,558	3,852,670	
Linear low density polyethylene	10,944	414,912	
Other chemicals and wastes	<u>23</u>	<u>10,990</u>	
	<u>269,116</u>	<u>\$ 16,034,251</u>	

USI CORPORATION
STATEMENT OF SALES COSTS
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 19

(In Thousands of New Taiwan Dollars)

ITEM	Amount
Direct raw materials	
The raw material on January 1, 2021	\$ 109,925
Purchases for the year ended December 31, 2021	8,220,209
Sales for the year ended December 31, 2021	(215,598)
The raw material on December 31, 2021	(185,399)
	7,929,137
Indirect material	507,263
Direct labor	256,473
Manufacturing expenses (Statement 19-1)	1,415,948
Manufacturing cost	10,108,821
Work in process	
Work in process on January 1, 2021	42,963
Work in process on December 31, 2021	(36,724)
Finished goods cost	10,115,060
Finished goods	
Finished goods on January 1, 2021	522,258
The purchase for the year ended December 31, 2021	1,673,169
Finished goods on December 31, 2021	(921,676)
The loss of idle capacity	319,832
Other cost adjustment of the transfer of self-made goods to the packaging material	(1,121)
The inventory write-down	22,935
	\$ 11,730,457

USI CORPORATION
STATEMENT OF MANUFACTURING EXPENSES
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 19-1

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Amount</u>
Electricity expenses	\$ 563,653
Indirect labor	278,573
Depreciation	410,652
Others (Note)	<u>163,070</u>
	<u>\$ 1,415,948</u>

Note: The balance of each item does not exceed 5% of the account balance.

USI CORPORATION
STATEMENT OF OPERATING EXPENSES
FROM JANUARY 1 TO DECEMBER 31, 2021

STATEMENT 20

(In Thousands of New Taiwan Dollars)

ITEM	Marketing expenses	General and administrative expenses	Research and development expenses	Total
Employee benefits expense	\$ 49,572	\$ 51,533	\$ 105,308	\$ 206,413
Shipping expenses	303,259	2	83	303,344
Depreciation	241	3,774	20,213	24,228
Management service expenses	-	129,300	10,175	139,475
Exports expenses	18,395	-	-	18,395
Others (Note)	<u>18,899</u>	<u>46,293</u>	<u>24,909</u>	<u>90,101</u>
	<u>\$ 390,366</u>	<u>\$ 230,902</u>	<u>\$ 160,688</u>	<u>\$ 781,956</u>

Note: The balance of each item does not exceed 5% of the account balance.

USI CORPORATION
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

STATEMENT 21

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2021				For the year ended December 31, 2020			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as other operating revenues and expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as other operating revenues and expenses	Total
Employee benefits expense (Note)								
Salaries expenses	\$ 579,160	\$ 168,935	\$ -	\$ 748,095	\$ 407,860	\$ 157,919	\$ -	\$ 565,779
Labor health insurance expenses	39,473	10,802	-	50,275	35,853	10,184	-	46,037
Pension expenses	19,644	8,435	-	28,079	20,143	5,535	-	25,678
Remunerations to directors	-	8,690	-	8,690	-	9,632	-	9,632
Other employee benefits expense	28,134	9,551	-	37,685	18,713	9,223	-	27,936
	<u>\$ 666,411</u>	<u>\$ 206,413</u>	<u>\$ -</u>	<u>\$ 872,824</u>	<u>\$ 482,569</u>	<u>\$ 192,493</u>	<u>\$ -</u>	<u>\$ 675,062</u>
Depreciation expense	\$ 556,664	\$ 24,228	\$ 27,045	\$ 607,937	\$ 552,269	\$ 23,770	\$ 27,086	\$ 603,125
Amortization expense	\$ 13,337	\$ 115	\$ -	\$ 13,452	\$ 13,958	\$ 291	\$ -	\$ 14,249

Note 1. As of the years ended December 31, 2021 and 2020, the numbers of the Company's employees were 472 and 478, respectively, including 7 non-employee directors.

Note 2. For the years ended December 31, 2021 and 2020, the average employee benefit expenses were NT\$1,858 thousand and NT\$1,413 thousand, respectively. For the years ended December 31, 2021 and 2020, the average employee salaries expenses were NT\$1,609 thousand and NT\$1,201 thousand, respectively. The average employee salaries expenses are adjusted and increase by 33.97%. Besides, the Company established the audit committee. The supervisor system is not applicable for the Company. Therefore, the remunerations of the supervisors are NT\$0 thousand for the years ended December 31, 2021 and 2020.

Note 3. The policies of the remunerations of the Company:

1. The remunerations policies of the directors and the managers of the Company:

- (1) For the remunerations, take the median level of the payment of the same business as the reference. Besides, refer to the reasonable connection with the personal performance, company operating performances and the future risks.
- (2) It is not permitted to guide the directors and the managers to run the risks works which the Company can't afford for getting more remunerations.
- (3) Consider the businesses qualities and the natures of the businesses of the companies to decide how to pay the proportion of the remunerations of employees and what time to pay the partial change of remunerations for the short-term performances.

2. The policies of employee remunerations are stipulated based on the government regulations, the situations and developments of the salary market for the same business, the overall economy, the change of the businesses conditions and organization structure of the Company. The Company sets "The payroll management measures", "The regulations of employees performances evaluations" and "The allowances payments for the supervisor positions and personal staff" as the issuances standards. Besides, the Company has the "Annual bonus managements regulations" which are based on the profitability situations of the Company and check the performances of the employees to pay the annual bonus (including the employee remunerations).