

# USI CORPORATION

## Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

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## **Independent Auditors' Report**

TO USI Corporation

### **Audit opinion**

We have audited the Parent Company Only Balance Sheets of USI Corporation (USI) as of the years ended December 31, 2022 and 2021, 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 2022 and 2021.

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 2022 and 2021 of USI Corporation and the accompanying financial performance and accompanying cash flows for the months from January 1 to December 31 of 2022 and of 2021.

### **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 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 in our audit of the Parent Company Only Financial Statements for the year 2022. 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, 2022 is as follows.

### Authenticity of specific sales revenue

In 2022, 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 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 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, 2022 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 and Cheng-Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 10, 2023

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.*

USI CORPORATION  
Parent Company Only Balance Sheets  
December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,303,341	4	\$ 1,108,794	3
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	533,166	2	2,595,881	7
Financial assets at amortized cost - current (Notes 4, 9 and 32)	76,348	-	61,149	-
Notes receivable, net (Notes 4 and 10)	88,808	-	119,379	-
Accounts receivable, net (Notes 4 and 10)	2,267,755	7	1,964,107	5
Accounts receivable, related parties (Notes 4, 10 and 31)	118,818	-	106,468	-
Other receivables (Notes 4 and 10)	48,153	-	106,418	-
Other receivables, related parties (Notes 4, 10 and 31)	422,770	1	593,853	2
Inventories (Notes 4 and 11)	1,413,526	4	1,252,391	3
Prepayments	208,866	1	204,395	1
Total current assets	<u>6,481,551</u>	<u>19</u>	<u>8,112,835</u>	<u>21</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	870,662	3	922,551	3
Financial assets at amortized cost - non-current (Notes 4 and 9)	-	-	12,968	-
Investments accounted for using the equity method (Notes 4, 5, 12 and 27)	19,855,669	58	21,859,237	58
Property, plant and equipment (Notes 4 and 13)	6,331,437	19	6,511,029	17
Right-of-use assets (Notes 4 and 14)	5,191	-	9,641	-
Investment properties (Notes 4, 15 and 31)	134,914	-	159,713	1
Intangible assets (Notes 4 and 16)	666	-	40	-
Deferred tax assets (Notes 4 and 25)	444,382	1	142,813	-
Other non-current assets (Note 12 and 32)	145,513	-	121,615	-
Total non-current assets	<u>27,788,434</u>	<u>81</u>	<u>29,739,607</u>	<u>79</u>
Total Assets	<u>\$ 34,269,985</u>	<u>100</u>	<u>\$ 37,852,442</u>	<u>100</u>
<b>Liabilities and Equity</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	\$ 13,769	-	\$ 2,492	-
Accounts payable (Note 19)	985,157	3	1,019,778	3
Accounts payable, related parties (Notes 19 and 31)	304,917	1	394,449	1
Other payables (Note 20)	459,138	1	532,320	1
Other payables, related parties (Notes 20 and 31)	24,563	-	16,195	-
Current tax liabilities (Notes 4 and 25)	826,833	2	779,227	2
Lease liabilities - current (Notes 4 and 14)	32,249	-	31,336	-
Current portion of long-term borrowings (Note 18)	-	-	2,999,199	8
Other current liabilities (Notes 23 and 31)	149,749	1	189,951	1
Total current liabilities	<u>2,796,375</u>	<u>8</u>	<u>5,964,947</u>	<u>16</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 18)	5,992,228	18	5,989,773	16
Long-term borrowings (Note 17)	729,703	2	34,310	-
Deferred tax liabilities (Notes 4 and 25)	59,355	-	100,769	-
Lease liabilities - non-current (Notes 4 and 14)	85,188	-	115,187	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	94,352	1	172,677	1
Investments credits balances for using equity method (Notes 4 and 12)	-	-	1,195	-
Other non-current liabilities (Note 17)	16,692	-	11,585	-
Total non-current liabilities	<u>6,977,518</u>	<u>21</u>	<u>6,425,496</u>	<u>17</u>
Total Liabilities	<u>9,773,893</u>	<u>29</u>	<u>12,390,443</u>	<u>33</u>
<b>Equity (Notes 4, 8, 12, 21, 22 and 25)</b>				
Share capital	<u>11,887,635</u>	<u>35</u>	<u>11,887,635</u>	<u>31</u>
Capital surplus	<u>449,960</u>	<u>1</u>	<u>366,185</u>	<u>1</u>
Retained earnings				
Legal reserve	3,872,190	11	3,343,086	9
Special reserve	375,127	1	375,127	1
Unappropriated earnings	<u>8,377,890</u>	<u>25</u>	<u>9,881,214</u>	<u>26</u>
Total retained earnings	<u>12,625,207</u>	<u>37</u>	<u>13,599,427</u>	<u>36</u>
Other equity	8,896	-	84,358	-
Treasury shares	( 475,606 )	( 2 )	( 475,606 )	( 1 )
Total equity	<u>24,496,092</u>	<u>71</u>	<u>25,461,999</u>	<u>67</u>
Total liabilities and equity	<u>\$ 34,269,985</u>	<u>100</u>	<u>\$ 37,852,442</u>	<u>100</u>

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

USI CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 15,632,151	100	\$ 16,034,251	100
COST OF GOODS SOLD (Notes 4, 11, 13, 16, 21, 24 and 31)	<u>11,437,888</u>	<u>73</u>	<u>11,730,457</u>	<u>73</u>
GROSS PROFIT	4,194,263	27	4,303,794	27
The unrealized profits with the subsidiaries (Notes 4 and 31)	( 1,505 )	-	( 1,175 )	-
The realized profits with the subsidiaries (Notes 4 and 31)	<u>1,175</u>	<u>-</u>	<u>1,247</u>	<u>-</u>
The realized gross profit	<u>4,193,933</u>	<u>27</u>	<u>4,303,866</u>	<u>27</u>
OPERATING EXPENSES (Notes 4, 13, 14, 16, 21, 24 and 31)				
Selling and marketing expenses	325,268	2	390,366	2
Administrative expenses	249,089	2	230,902	2
Research and development expenses	<u>150,870</u>	<u>1</u>	<u>160,688</u>	<u>1</u>
Total operating expenses	<u>725,227</u>	<u>5</u>	<u>781,956</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>3,468,706</u>	<u>22</u>	<u>3,521,910</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4, 24 and 31)	16,538	-	5,948	-
Other income (Notes 4, 8, 24 and 31)	168,587	1	202,579	1
Other gains and losses (Notes 4, 15, 24 and 31)	( 29,622 )	-	38,730	-
Finance costs (Notes 4, 14, 17, 18 and 24)	( 73,666 )	( 1 )	( 94,746 )	( 1 )
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method (Notes 4 and 12)	<u>( 1,618,808 )</u>	<u>( 10 )</u>	<u>2,196,420</u>	<u>14</u>
Total non-operating income and expenses	<u>( 1,536,971 )</u>	<u>( 10 )</u>	<u>2,348,931</u>	<u>14</u>

(Continued)



(Continued)

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
Net profit before income tax	\$ 1,931,735	12	\$ 5,870,841	36
INCOME TAX EXPENSE (Notes 4 and 25)	<u>376,638</u>	<u>2</u>	<u>679,447</u>	<u>4</u>
NET PROFIT FOR THE PERIOD	<u>1,555,097</u>	<u>10</u>	<u>5,191,394</u>	<u>32</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4 and 21)	41,282	-	5,820	-
Loss of equity instruments at FVTOCI (Notes 4 and 22)	( 34,862 )	-	( 29,190 )	-
Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	( 325,781 )	( 2 )	575,855	4
Income tax relating to items that will not be reclassified (Notes 4, 22 and 25)	( <u>8,256</u> )	<u>-</u>	( <u>1,164</u> )	<u>-</u>
	( <u>327,617</u> )	( <u>2</u> )	<u>551,321</u>	<u>4</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 22)	294,953	2	( 90,466 )	( 1 )
Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	103,818	-	( 54,745 )	-
Income tax relating to items that may be reclassified (Notes 4, 22 and 25)	( <u>58,991</u> )	<u>-</u>	<u>18,093</u>	<u>-</u>
	<u>339,780</u>	<u>2</u>	( <u>127,118</u> )	( <u>1</u> )
Other comprehensive income for the period, net of income tax	<u>12,163</u>	<u>-</u>	<u>424,203</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,567,260</u>	<u>10</u>	<u>\$ 5,615,597</u>	<u>35</u>
EARNINGS PER SHARE (Note 26)				
Basic earnings per share	<u>\$ 1.45</u>		<u>\$ 4.84</u>	
Diluted earnings per share	<u>\$ 1.45</u>		<u>\$ 4.83</u>	

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

USI CORPORATION  
Parent Company Only Statements of Changes in Equity  
For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	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 and 22)	Treasury shares (Notes 4 and 22)	
Balance as of January 1, 2021	\$ 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											
Provision for legal reserve	-	-	-	-	233,461	-	( 233,461 )	-	-	-	-
Reversal of special surplus reserve	-	-	-	-	-	( 405,932 )	405,932	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	( 1,188,763 )	-	-	-	( 1,188,763 )
Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394
Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	( 804 )	( 127,118 )	552,125	-	424,203
Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	( 127,118 )	552,125	-	5,615,597
Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	100,454	-	( 100,454 )	-	4,691
Other changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367
Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329
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
Distribution of earnings in 2021											
Provision for legal reserve	-	-	-	-	529,104	-	( 529,104 )	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	( 2,615,280 )	-	-	-	( 2,615,280 )
Net profit for the year 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097
Other comprehensive income for the year 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	( 414,211 )	-	12,163
Total comprehensive income for the year 2022	-	-	-	-	-	-	1,641,691	339,780	( 414,211 )	-	1,567,260
Changes in equity of subsidiaries recognized by equity method	-	-	( 1,955 )	-	-	-	( 1,662 )	-	-	-	( 3,617 )
Other changes in capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	1,031	-	( 1,031 )	-	-
Balance as of December 31, 2022	<u>\$ 11,887,635</u>	<u>\$ 387,301</u>	<u>\$ 39,947</u>	<u>\$ 22,712</u>	<u>\$ 3,872,190</u>	<u>\$ 375,127</u>	<u>\$ 8,377,890</u>	<u>( \$ 371,193 )</u>	<u>\$ 380,089</u>	<u>( \$ 475,606 )</u>	<u>\$ 24,496,092</u>

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

USI CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax for the year	\$ 1,931,735	\$ 5,870,841
Income (expenses) items		
Depreciation expenses	625,885	607,937
Amortization expense	14,455	13,452
Net loss (gain) on financial assets and liabilities at FVTPL	61,309	( 93,217 )
Finance costs	73,666	94,746
Interest income	( 16,538 )	( 5,948 )
Dividend income	( 65,750 )	( 99,744 )
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	1,618,808	( 2,196,420 )
Loss (gain) on disposal and scrap of property, plant and equipment	12,921	( 2,794 )
Provision for write-downs of inventories and obsolescence losses	31,749	22,935
The unrealized profits with the subsidiaries	1,505	1,175
The realized profits with the subsidiaries	( 1,175 )	( 1,247 )
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at FVTPL	2,012,683	( 414,994 )
Decrease (increase) in notes receivable	30,571	( 55,225 )
Increase in accounts receivable	( 303,648 )	( 599,799 )
Accounts receivable – related parties increase	( 12,350 )	( 12,388 )
Decrease (increase) in other receivables	58,529	( 65,138 )
Other receivables – related parties decrease (increase)	46,083	( 248,664 )
Increase in inventories	( 192,884 )	( 499,217 )
Increase in prepayments	( 4,471 )	( 31,924 )
Decrease in other current assets	-	1
(Decrease) increase in accounts payable	( 34,621 )	307,411
Accounts payable - related parties increase (decrease)	( 89,532 )	206,159
(Decrease) increase in other payables	( 43,147 )	131,106
Other payables - related parties increase	8,368	4,289
Increase (decrease) in other current liabilities	( 40,202 )	113,939
Decrease in net defined benefit liabilities	( 37,043 )	( 35,111 )
Cash generated from operations	5,686,906	3,012,161
Interest received	16,274	6,600

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	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Interest paid	( \$ 90,186 )	( \$ 85,259 )
Income tax paid	( 739,262 )	( 156,246 )
Net cash generated from operating activities	<u>4,873,732</u>	<u>2,777,256</u>
Cash flows from investing activities		
Return of capital from financial assets at FVTOCI	17,028	20,898
Purchase of financial assets at amortized cost	( 4,460 )	( 76,499 )
Acquisitions of associate accounted for using the equity method (Note 12)	( 90,000 )	-
Net cash outflows from acquisition of subsidiaries (Notes 12 and 27)	-	( 34,092 )
Acquisitions of property, plant and equipment	( 437,802 )	( 518,149 )
Proceeds from disposal of property, plant and equipment	3,644	1,905
Increase in refundable deposits	( 18,704 )	( 1,947 )
Acquisitions of intangible assets	( 750 )	-
Other receivables – related parties decrease (increase)	125,000	( 125,000 )
Increase in other non-current assets	( 19,525 )	( 15,303 )
Dividends received	<u>693,035</u>	<u>149,837</u>
Net cash generated from (used in) investing activities	<u>267,466</u>	( <u>598,350</u> )
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	( 499,000 )
Issuing of bonds	-	3,991,268
Repayments of bonds	( 3,000,000 )	( 2,000,000 )
Proceeds from mid- to long-term borrowings	794,412	3,634,284
Repayments of mid- to long-term borrowings	( 100,000 )	( 5,900,000 )
Proceeds from guarantee deposits received	78	591
Repayments of the principal portion of lease liabilities	( 31,426 )	( 30,974 )
Increase in other non-current liabilities	5,588	516
Cash dividends paid	( 2,615,280 )	( 1,188,763 )
Acquisition of subsidiaries	( 23 )	( 70,000 )
Net cash used in financing activities	( <u>4,946,651</u> )	( <u>2,062,078</u> )
NET INCREASE IN CASH AND CASH EQUIVALENTS	194,547	116,828
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,108,794</u>	<u>991,966</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,303,341</u>	<u>\$ 1,108,794</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, 2022 and 2021

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

#### 1. GENERAL INFORMATION

USI Corporation (the "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 7, 2023.

#### 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 2023

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2. 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 3. 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 assessed that the aforesaid 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
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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 seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

As of the date the accompanying financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the aforesaid 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 smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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 at FVTPL

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. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivative instruments and fund beneficiary certificates that do not meet the criteria to classify as at amortized cost or at FVTOCI.

Financial assets at FVTPL are measured at fair value, with the generated dividends and interest recognized in other income and interest income

respectively, and with the profits or losses arising from 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, accounts receivable, 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 Group 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. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 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.

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. Internal or external information show that the debtor is unlikely to pay its creditors.
- 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 recognized in profit or loss by a reduction in their carrying amounts 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. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

a) Subsequent 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 at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative is positive, the derivative is recognized as a financial asset; when the fair value of a derivative is negative, the derivative is recognized as a financial liability.

1. 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.

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

2) The Company as lessee

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

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 (8) Accounting Policy for Investment Property.

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 Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term 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 Group's defined benefit plans.

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 liabilities are settled or the assets are 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 490	\$ 560
Checking accounts and demand deposits	125,120	139,884
Cash equivalents		
Time deposits	887,810	968,350
Reserve repurchase agreements collateralized by bonds	<u>289,921</u>	<u>-</u>
	<u>\$ 1,303,341</u>	<u>\$ 1,108,794</u>

The range of market interest rates for time deposits and reserve repurchase agreements collateralized by bonds on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits	0.95% ~ 4.05%	0.01% ~ 2.40%
Reserve repurchase agreements collateralized by bonds	1.15% ~ 1.38%	-

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 1,206	\$ 1,364
Non-derivative financial assets		
- Domestic listed (OTC) shares	61,362	166,392
- Fund beneficiary certificates	410,211	2,367,571
- Beneficiary securities	<u>60,387</u>	<u>60,554</u>
Sub-total	<u>531,960</u>	<u>2,594,517</u>
	<u>\$ 533,166</u>	<u>\$ 2,595,881</u>
 <u>Financial liabilities held for trading</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	<u>\$ 13,769</u>	<u>\$ 2,492</u>

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

	<u>Currency</u>	<u>Expiration date</u>	<u>Contract Amount (In Thousands)</u>
<u>December 31, 2022</u>			
Sell	RMB/NTD	2023.01.09-2023.03.30	RMB 409,600 /NTD 1,792,385
 <u>December 31, 2021</u>			
Sell	RMB/NTD	2022.01.06-2022.03.21	RMB 237,700 /NTD 1,027,894
Sell	USD/NTD	2022.01.10-2022.03.22	USD 4,260 /NTD 118,437

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, 2022</u>	<u>December 31, 2021</u>
<u>Investments in equity instruments at FVTOCI</u>		
Domestic investments		
Listed (OTC) shares	\$ 735,386	\$ 757,831
Unlisted shares	<u>135,276</u>	<u>164,720</u>
	<u>\$ 870,662</u>	<u>\$ 922,551</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.

For the years ended December 31, 2022 and 2021, due to the reduction of capital and refund of shares respectively by the invested company, the Company shall recover NT\$17,028 thousand and 20,898 thousand according to the proportion of shares held, respectively.

The Company recognized dividend income of NT\$53,603 thousand and NT\$93,293 thousand, respectively, for the years ended December 31, 2022 and 2021.

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Pledged time deposits	\$ 61,104	\$ 61,149
Constricted bank deposits	<u>15,244</u>	<u>-</u>
	<u>\$ 76,348</u>	<u>\$ 61,149</u>
<u>Non-current</u>		
Restricted time deposits	<u>\$ -</u>	<u>\$ 12,968</u>
<u>Range of Interest Rates</u>		
Pledged time deposits	0.77% ~ 1.28%	0.10% ~ 0.77%
Restricted time deposits	0.01%	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, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable (a)</u>		
Operating	<u>\$ 88,808</u>	<u>\$ 119,379</u>
<u>Accounts receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	\$ 2,270,406	\$ 1,966,758
Less: allowance for loss	( <u>2,651</u> )	( <u>2,651</u> )
	<u>\$ 2,267,755</u>	<u>\$ 1,964,107</u>
<u>Accounts receivable - related party (1)</u>		
Operating (Note 31)	<u>\$ 118,818</u>	<u>\$ 106,468</u>
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 45,990	\$ 79,352
Receivables for sale of securities	-	9,439
Lent material fees receivable	602	9,262
Others	<u>1,561</u>	<u>8,365</u>
	<u>\$ 48,153</u>	<u>\$ 106,418</u>
<u>Other receivables - related party (Note 31)</u>		
Loans receivable		
Fixed interest rate (3)	\$ -	\$ 125,000
Others	<u>422,770</u>	<u>468,853</u>
	<u>\$ 422,770</u>	<u>\$ 593,853</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, 2022

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	\$ 2,478,032	\$ -	\$ -	\$ 2,478,032
Loss allowance (Lifetime ECLs)	( 2,651 )	-	-	( 2,651 )
Amortized cost	<u>\$ 2,475,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,475,381</u>

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)	( 2,651 )	-	-	( 2,651 )
Amortized cost	<u>\$ 2,189,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,189,954</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, 2022 and 2021 was not changed:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</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, 2022 and 2021.

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, 2022</u>	<u>December 31, 2021</u>
Loans receivable with fixed rates		
Less than 1 year	\$ <u>-</u>	\$ <u>125,000</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans receivable with fixed rates	-	0.80%

## 11. INVENTORIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finished goods	\$ 991,447	\$ 868,601
Work in progress	54,696	35,893
Raw materials	175,945	180,278
Supplies	<u>191,438</u>	<u>167,619</u>
	<u>\$ 1,413,526</u>	<u>\$ 1,252,391</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$11,437,888 thousand and NT\$11,730,457 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$31,749 thousand and NT\$22,935 thousand, respectively.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment in subsidiaries	\$ 19,771,747	\$ 21,859,237
Investments in associates	<u>83,922</u>	<u>-</u>
	<u>\$ 19,855,669</u>	<u>\$ 21,859,237</u>

### a. Investment in subsidiaries

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Carrying Amount	Proportion of Ownership (%)	Carrying Amount	Proportion of Ownership (%)
over-the-counter (OTC) company				
Acme Electronics Corp. (ACME)	<u>\$ 355,454</u>	26.9	<u>\$ 343,972</u>	26.9
Non listed company				
USIFE Investment Co., Ltd. Swanlake Traders Ltd. (Swanlake)	956,056	100.0	1,088,028	100.0
USI (Hong Kong) Company Ltd. USI Management Consulting Corp. (UM)	1,400,416	100.0	1,270,746	100.0
Chong Loong Trading Co., Ltd. (CLT)	69,411	100.0	63,676	100.0
Union Polymer International Investment Corporation	3,212	100.0	( 1,195 )	100.0
Taiwan United Venture Capital Corp. (TUVC)	73,805	100.0	65,330	99.9
Swanson Plastics Corporation (SPC)	10,289,873	100.0	10,447,388	100.0
INOMA Corporation	185,908	70.0	190,601	70.0
Ever Conquest Global Limited	1,045,181	40.6	1,068,346	40.6
USI Optronics Corporation	13,347	94.4	16,854	94.4
USIG (Shanghai) Co., Ltd. (USIG)	5,102,760	59.1	7,019,488	59.1
USI Green Energy Corporation (USIGE)	34,009	50.9	48,168	50.9
	130,756	100.0	130,269	100.0
	<u>111,559</u>	100.0	<u>106,371</u>	100.0
	19,416,293		21,514,070	
Plus: Long-term equity investment loans using the equity method are transferred to non-current liabilities	<u>-</u>		<u>1,195</u>	
	<u>19,416,293</u>		<u>21,515,265</u>	
	<u>\$ 19,771,747</u>		<u>\$ 21,859,237</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 35, 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 2022 and 2021 was NT\$1,179,555 thousand and NT\$2,634,914 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 2022 and 2021 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.

To simplify investing framework, the Company changed its indirect investment in USIG (Shanghai) Co., Ltd. in China with approval of the Investment Commission, Ministry of Economics Affairs (Investment Commission) dated January 25, 2021, as such, with the approval, it was revised to be direct investment. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021.

The board of directors of TTC decided on December 3, 2020 to invest RMB 314,000 thousand through TAITA (BVI) to establish ZTC Co. The company completed the establishment registration on June 28, 2021, and TAITA (BVI) has injected capital of RMB 306,950 thousand on March 8, 2022.

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, TUVK 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 TUVK was NT\$370,000 thousand.

The Company obtained 1,094 shares from the external shareholders of Chong Loong Trading Co., Ltd. in October 2021 based on the medium and long-term investment strategy, and the acquisition price was NT\$23 thousand.

As of December 31, 2022, the Group and APC invested capital amounted to US\$246,670 thousand (around NT\$7,645,980 thousand) and US\$170,475 thousand (around NT\$5,255,587 thousand) in ECGL, respectively, and reinvested in Ever Victory Global Limited (EVGL) via ECGL as well as in Dynamic Ever Investments Ltd. (DEIL). The total ownership percentage of the Company in EVGL is 67.4%.

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 company, Zhangzhou Taiju Trading Co., Ltd., in Fujian Province, China. The company completed registration on March 12, 2022 and the capital was invested by Swanlake and APC (BVI) on May 20, 2022 in the amount of RMB7,000 thousand and RMB3,000 thousand, respectively.

b. Investments in associates

	December 31, 2022		December 31, 2021	
	Carrying Amount	%	Carrying amount	%
<u>Investments in associates that are not individually material</u>				
Delmind Inc. (Delmind)	\$ 83,922	30.0	\$ -	-

The Company considered the needs of the transformation of the petrochemical industry in the future, and in line with the trend of energy saving, carbon reduction, and sustainable development, and it established a joint venture of DataWise Tech. Co., LTD. (DataWise) with Delta Electronics, Inc. through integration and connection knowledge and technology of both parties. It invests in assisting petrochemical and continuous process industries to develop and promote digital transformation, so as to improve industrial efficiency and continue to strengthen the industrial value of green and intelligent production. In April 2022, the Company has invested NT\$90,000 thousand to acquire

9,000 thousand shares of DataWise. In 2022, the Company suffered a net loss of NT\$6,078 thousand from the shares held.

The Company's Board of Directors approved the establishment of Huameng Renewable Energy Co., Ltd. (Huameng), a joint venture with Chang Chun Petrochemical Co., Ltd. and Chimei Corporation on November 3, 2022. Huameng will purchase offshore wind power in an integrated manner to achieve the Group's carbon neutrality plan. The total registered capital of Huameng was planned to be NT\$30,000 thousand, and the Company planned to contribute NT\$10,000 thousand (accounted into other non-current assets) to acquire an expected 33.3% equity interest in Huameng. As of the date the parent company-only financial statements were authorized for issue, Huameng didn't complete the registration.

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

	Freehold land	Land improvements	Buildings and improvements	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 495,159	\$ 112,594	\$ 1,585,969	\$ 8,886,336	\$ 28,982	\$ 173,667	\$ 833,096	\$12,115,803
Additions	-	-	-	-	-	-	418,902	418,902
Disposal	-	-	-	( 26,931)	( 9,606)	( 2,681)	( 13,375)	( 52,593)
Internal transfer	26,292	18,279	96,506	286,371	9,691	12,026	( 435,909)	13,256
Balance as of December 31, 2022	<u>\$ 521,451</u>	<u>\$ 130,873</u>	<u>\$ 1,682,475</u>	<u>\$ 9,145,776</u>	<u>\$ 29,067</u>	<u>\$ 183,012</u>	<u>\$ 802,714</u>	<u>\$12,495,368</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2022	\$ -	\$ 107,769	\$ 465,625	\$ 4,835,938	\$ 26,929	\$ 168,513	\$ -	\$ 5,604,774
Depreciation expense	-	1,705	43,436	544,849	1,486	2,820	-	594,296
Disposal	-	-	-	( 23,212)	( 9,246)	( 2,681)	-	( 35,139)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 109,474</u>	<u>\$ 509,061</u>	<u>\$ 5,357,575</u>	<u>\$ 19,169</u>	<u>\$ 168,652</u>	<u>\$ -</u>	<u>\$ 6,163,931</u>
Net amount as of December 31, 2022	<u>\$ 521,451</u>	<u>\$ 21,399</u>	<u>\$ 1,173,414</u>	<u>\$ 3,788,201</u>	<u>\$ 9,898</u>	<u>\$ 14,360</u>	<u>\$ 802,714</u>	<u>\$ 6,331,437</u>
<u>Cost</u>								
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>
<u>Accumulated depreciation</u>								
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>

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 has been submitted for redeveloping and is expected to be returned in 2023.

The Company did not make any impairment assessment for the years ended December 31 in 2022 and 2021 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 to 10 Years
Buildings and improvements	3 to 55 Years
Machinery and equipment	2 to 15 Years
Transportation equipment	5 to 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, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Buildings	<u>\$ 5,191</u>	<u>\$ 9,641</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 4,450</u>	<u>\$ 4,450</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, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 32,249</u>	<u>\$ 31,336</u>
Non-current	<u>\$ 85,188</u>	<u>\$ 115,187</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Buildings	1.16% ~ 1.76%	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 4 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, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Expenses relating to short-term leases	\$ <u>6,442</u>	\$ <u>7,099</u>
Expenses relating to low-value asset leases	\$ <u>99</u>	\$ <u>99</u>
Total cash (outflow) for leases	(\$ <u>39,507</u> )	(\$ <u>40,067</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, 2022</u>	<u>December 31, 2021</u>
Completed investment properties		
Buildings	\$ 28,340	\$ 29,303
Right-of-use assets	<u>106,574</u>	<u>130,410</u>
	<u>\$ 134,914</u>	<u>\$ 159,713</u>

	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 69,805	\$ 208,655	\$ 278,460
Increase for the current year	<u>-</u>	<u>2,340</u>	<u>2,340</u>
Balance as of December 31, 2022	<u>\$ 69,805</u>	<u>\$ 210,995</u>	<u>\$ 280,800</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2022	\$ 40,502	\$ 78,245	\$ 118,747
Depreciation expense	<u>963</u>	<u>26,176</u>	<u>27,139</u>
Balance as of December 31, 2022	<u>\$ 41,465</u>	<u>\$ 104,421</u>	<u>\$ 145,886</u>
Net amount as of December 31, 2022	<u>\$ 28,340</u>	<u>\$ 106,574</u>	<u>\$ 134,914</u>

(Continued)



(Continued)

	<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>

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, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 24,178	\$ 22,310
Year 2	14,308	19,627
Year 3	6,116	11,642
Year 4	<u>-</u>	<u>6,116</u>
	<u>\$ 44,602</u>	<u>\$ 59,695</u>

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

Buildings	5 to 50 Years
Right-of-use assets	4 to 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, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair Value	<u>\$ 428,534</u>	<u>\$ 464,756</u>

16. INTANGIBLE ASSETS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Computer software	\$ 666	\$ 40
Technology royalties and patent right	<u>-</u>	<u>-</u>
	<u>\$ 666</u>	<u>\$ 40</u>

	<u>Technology royalties and patent right</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 174,850	\$ 535	\$ 175,385
Increase	<u>-</u>	<u>750</u>	<u>750</u>
Balance as of December 31, 2022	<u>\$ 174,850</u>	<u>\$ 1,285</u>	<u>\$ 176,135</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	\$ 174,850	\$ 495	\$ 175,345
Amortization expense	<u>-</u>	<u>124</u>	<u>124</u>
Balance as of December 31, 2022	<u>\$ 174,850</u>	<u>\$ 619</u>	<u>\$ 175,469</u>
Net amount as of December 31, 2022	<u>\$ -</u>	<u>\$ 666</u>	<u>\$ 666</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>

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, 2022 and 2021.

The above-mentioned intangible assets with limited service life are amortized on a straight-line basis over their estimated useful lives as follows:

Technology royalties and patent right	3 to 7 Years
Computer software	3 years

## 17. BORROWINGS

### Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Unsecured borrowings</u>		
Credit borrowings	<u>\$ 729,703</u>	<u>\$ 34,310</u>
Range of Interest Rates		
Credit borrowings	0.93% ~ 1.41%	0.30%

The Company entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contracts will be effective up to October 2024 with a total credit limit of NT\$5,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, the company had borrowed NT\$300,000 thousand. 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, 2022, the Company did not violate the requirements.

The Company has acquired 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\$434,800 thousand as of December 31, 2022, recognized and measured the loan at the market interest rate. The difference between the market interest rate and the actual preferential repayment rate is treated as government subsidy.

18. BONDS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds B 104-1 - issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ -	\$ 1,000,000
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
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 A 110-1 - issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 thousand in the 4th and 5th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds B 110-1- issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 thousand in the 6th and 7th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds A 110-2 - 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	700,000
Domestic unsecured bonds B 110-2 - 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>	<u>1,300,000</u>
	6,000,000	9,000,000
Discounts on bonds payable	( <u>7,772</u> )	( <u>11,028</u> )
	5,992,228	8,988,972
Less: Portion due within one year	<u>-</u>	( <u>2,999,199</u> )
	<u>\$ 5,992,228</u>	<u>\$ 5,989,773</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 due in February 2020 and February 2022, respectively.

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 and a coupon rate of 0.80% 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. The Company repaid due in October 2022.

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. As of the date the parent company only financial statements were authorized for issue, the unsecured ordinary corporate bonds have not yet been issued.

19. ACCOUNTS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Accounts payable</u>		
Operating	<u>\$ 985,157</u>	<u>\$ 1,019,778</u>
<u>Accounts payable - related party</u> (Note 31)		
Operating	<u>\$ 304,917</u>	<u>\$ 394,449</u>

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

20. OTHER PAYABLES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-related party		
Payables for salaries and bonuses	\$240,324	\$286,340
Payables for utilities	66,105	50,005
Payables for purchases of equipment	35,361	43,234
Payable for annual leave	23,290	24,348
Payables for interests	23,077	43,834
Payables for fares	22,007	40,809
Others	<u>48,974</u>	<u>43,750</u>
	<u>\$459,138</u>	<u>\$532,320</u>
Related party (Note 31)	<u>\$ 24,563</u>	<u>\$ 16,195</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The company adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is 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. where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. 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, 2022</u>	<u>December 31, 2021</u>
Present value of funded defined benefit obligation	(\$ 439,292)	(\$ 530,808)
Fair value of plan assets	<u>344,940</u>	<u>358,131</u>
Net defined benefit liabilities - non-current	(\$ <u>94,352</u> )	(\$ <u>172,677</u> )

Change in net defined benefits liabilities - non-current were as follows:

	<u>Present value of funded defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net Defined Benefit Liabilities</u>
Balance as of January 1, 2021	(\$ 577,615)	\$ 364,007	(\$ 213,608)
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>
Balance as of December 31, 2021	(\$ <u>530,808</u> )	\$ <u>358,131</u>	(\$ <u>172,677</u> )

(Continued)

(Continued)

	Present value of funded defined benefit obligation	Fair value of plan assets	Net Defined Benefit Liabilities
Balance as of January 1, 2022	( <u>\$ 530,808</u> )	<u>\$ 358,131</u>	( <u>\$ 172,677</u> )
Current service cost	( 3,256)	-	( 3,256)
Interest revenue (expense)	( <u> 2,237</u> )	<u> 1,415</u>	( <u> 822</u> )
Amounts recognized in profit or loss	( <u> 5,493</u> )	<u> 1,415</u>	( <u> 4,078</u> )
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	29,421	29,421
Actuarial gains recognized from changes in financial assumptions	22,337	-	22,337
Actuarial losses recognized from experience adjustments	( <u>10,476</u> )	-	( <u>10,476</u> )
Amounts recognized in other comprehensive income	<u>11,861</u>	<u>29,421</u>	<u>41,282</u>
Contributions from employer	-	40,855	40,855
Benefits paid	84,882	( 84,882)	-
Payment for provisions	<u> 266</u>	-	<u> 266</u>
Balance as of December 31, 2022	( <u>\$ 439,292</u> )	<u>\$ 344,940</u>	( <u>\$ 94,352</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: Present value of defined benefit obligations is calculated from future salary of member participants; 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 and material assumptions on the measurement date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.250%	0.500%
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, 2022</u>	<u>December 31, 2021</u>
Discount rate		
0.25% increase	(\$ 7,023)	(\$ 8,795)
0.25% decrease	<u>\$ 7,229</u>	<u>\$ 9,064</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 7,029</u>	<u>\$ 8,751</u>
0.25% decrease	(\$ 6,864)	(\$ 8,537)

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, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the next year	<u>\$ 14,787</u>	<u>\$ 16,685</u>
The average duration of the defined benefit obligation	7.1 years	7.0 years

## 22. EQUITY

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	449,960	366,185
Retained earnings	12,625,207	13,599,427
Other equity	8,896	84,358
Treasury shares	( 475,606)	( 475,606)
	<u>\$ 24,496,092</u>	<u>\$ 25,461,999</u>

a. Share capital

	<u>December 31, 2022</u>	<u>December 31, 2021</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.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where there is 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(g).

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

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, 2022 and 2021 as approved in the shareholders' meetings on May 31, 2022 and July 26, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 529,104	\$ 233,461		
Special reserve (reversed)	-	( 405,932)		
Cash dividends	<u>2,615,280</u>	<u>1,188,763</u>	\$ 2.2	\$ 1.0
	<u>\$ 3,144,384</u>	<u>\$ 1,016,292</u>		

The appropriations of earnings for the year ended December 31, 2022 had been proposed by the Company's Board of Directors on March 7, 2023. The appropriations were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 164,106	
Cash dividends	<u>832,134</u>	\$ 0.7
	<u>\$ 996,240</u>	

The appropriations of earnings for the year ended December 31, 2022 are subject to the resolution of the shareholders' meeting to be held on May 31, 2023.

d. Other equity

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	(\$ 710,973)	(\$ 583,855)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	294,953	( 90,466)
Related income tax of the profits and losses on translating the financial statements of foreign operations	( 58,991)	18,093
Share from subsidiaries for using the equity method	<u>103,818</u>	<u>( 54,745)</u>
Balance at December 31	<u>(\$ 371,193)</u>	<u>(\$ 710,973)</u>

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 795,331	\$ 343,660
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	( 34,862)	( 29,190)
Share from subsidiaries accounted for using the equity method	( 379,349)	581,315
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals		
Share from subsidiaries accounted for using the equity method	<u>( 1,031)</u>	<u>( 100,454)</u>
Balance at December 31	<u>\$ 380,089</u>	<u>\$ 795,331</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, 2022</u>				
Transfer from investment shares to treasury 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, 2021</u>				
Transfer from investment shares to treasury 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:

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousands of Shares)</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>December 31, 2022</u>			
APC	101,356	\$ 1,377,381	\$ 2,239,960
TTC	15,110	<u>81,875</u>	<u>333,929</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,573,889</u>
<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>

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, 2022 and 2021. The carrying amounts of investments accounted for using the equity method and unrealized the gain on financial assets at FVTOCI were NT\$371,473 thousand and NT\$733,685 thousand, respectively.

23. REVENUE

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue from the sale of goods		
Plastic raw materials	<u>\$ 15,632,151</u>	<u>\$ 16,034,251</u>

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

a. Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Notes and accounts receivable (including related parties) (Notes 10 and 31)	<u>\$ 2,475,381</u>	<u>\$ 2,189,954</u>	<u>\$ 1,522,542</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 144,066</u>	<u>\$ 184,368</u>	<u>\$ 73,628</u>

b. Please refer to Statement 18 for revenue breakdown list.

24. NET PROFIT

Net profit includes the following:

a. Interest income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Bank deposits	\$ 10,293	\$ 4,042
Financial assets at FVTPL	1,237	1,112
Financial assets measured at amortized cost	901	467
Others	<u>4,107</u>	<u>327</u>
	<u>\$ 16,538</u>	<u>\$ 5,948</u>

b. Other income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Dividend income	\$ 65,750	\$ 99,744
Rental income	51,414	47,696
Income from management services	35,863	38,093
Others	<u>15,560</u>	<u>17,046</u>
	<u>\$168,587</u>	<u>\$202,579</u>

c. Other gains and losses

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Gains (losses) on disposal of property, plant, and equipment	(\$ 12,921)	\$ 2,794
Foreign exchange gain (loss) - net	91,746	( 14,621)
(Loss) gain on financial assets at FVTPL - net	( 11,397)	108,217
Loss on financial liabilities at FVTPL - net	( 49,912)	( 15,000)
Depreciation expense of investment properties (Note 15)	( 27,139)	( 27,045)
Other expenses	( <u>19,999</u> )	( <u>15,615</u> )
	( <u>\$ 29,622</u> )	<u>\$ 38,730</u>

d. Finance costs

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Interest on bonds payable	\$ 71,119	\$ 86,901
Interest on bank loans	3,441	8,513
Other interest expense	46	43
Interest on lease liabilities	1,540	1,895
Less: Capitalized interest (presented under construction in progress)	( <u>2,480</u> )	( <u>2,606</u> )
	<u>\$ 73,666</u>	<u>\$ 94,746</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Capitalized interest	\$ 2,480	\$ 2,606
Capitalization rate	0.8358%~1.1570%	0.9281%~1.1379%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Property, plant and equipment	\$ 594,296	\$ 576,442
Right-of-use assets	4,450	4,450
Investment properties	27,139	27,045
Intangible assets	124	115
Others	<u>14,331</u>	<u>13,337</u>
	<u>\$ 640,340</u>	<u>\$ 621,389</u>

An analysis of depreciation by function

Operating costs	\$ 575,244	\$ 556,664
Operating expenses	23,502	24,228
Other gains and losses	<u>27,139</u>	<u>27,045</u>
	<u>\$ 625,885</u>	<u>\$ 607,937</u>

An analysis of amortization by function

Operating costs	\$ 14,331	\$ 13,337
Administrative expenses	<u>124</u>	<u>115</u>
	<u>\$ 14,455</u>	<u>\$ 13,452</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 19,783	\$ 23,317
Defined benefit plans	<u>4,078</u>	<u>4,762</u>
	23,861	28,079
Other employee benefits	<u>738,175</u>	<u>844,745</u>
Total employee benefits expenses	<u>\$ 762,036</u>	<u>\$ 872,824</u>

An analysis of employee benefits expense by function

Operating costs	\$ 583,534	\$ 666,411
Operating expenses	<u>178,502</u>	<u>206,413</u>
	<u>\$ 762,036</u>	<u>\$ 872,824</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, 2022 and 2021 were approved by the Company's board of directors on March 7, 2023 and March 10, 2022, respectively, as follows:

Accrual rates

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	1.00%	1.00%
Remuneration of Directors	0.15%	0.05%

Amount

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	\$ 19,543	\$ 59,332
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, 2021 and 2020 paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 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, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Foreign exchange gains	\$216,717	\$ 82,695
Foreign exchange losses	( 124,971)	( 97,316)
Net profit (loss)	<u>\$ 91,746</u>	<u>(\$ 14,621)</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, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Current tax		
In respect of the current year	\$699,635	\$690,471
Surtax on undistributed earnings	107,333	65,919
Adjustments for previous years	( 20,100)	( 17,343)
	<u>786,868</u>	<u>739,047</u>
Deferred tax		
In respect of the current year	( 410,159)	( 59,600)
Adjustments for previous years	( 71)	-
Income tax expense recognized in profit or loss	<u>\$376,638</u>	<u>\$679,447</u>

The reconciliation of accounting profit and income tax expenses is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Net profit before tax for the year	<u>\$ 1,931,735</u>	<u>\$ 5,870,841</u>
Income tax expense of net profit before tax calculated at statutory tax rate (20%)	\$ 386,347	\$ 1,174,168
Non-deductible expenses loss in tax returns	689	275
Tax-exempt income	( 21,167)	( 41,147)
Financial asset evaluation loss	13,776	1,346
The share of profits and losses of domestic subsidiaries accounted for using the equity method	( 90,253)	( 489,362)
The invested company's capital reduction and liquidation loss	-	( 14,763)
Surtax on undistributed earnings	107,333	65,919
Adjustments of current income tax expenses for prior year	( 20,171)	( 17,343)
Others	<u>84</u>	<u>354</u>
Income tax expense recognized in profit or loss	<u>\$ 376,638</u>	<u>\$ 679,447</u>

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	(\$ 58,991)	\$ 18,093
- Remeasurements of defined benefit plan	( 8,256)	( 1,164)
Income tax recognized in other comprehensive income (expenses)	( <u>\$ 67,247</u> )	<u>\$ 16,929</u>

c. Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax liabilities		
Income tax payable	<u>\$826,833</u>	<u>\$779,227</u>

d. Deferred tax assets and liabilities

The movement of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2022

	<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 tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 11,875	\$ 6,350	\$ -	\$ 18,225
Defined benefit retirement plan	25,412	-	( 8,256)	17,156
Payable for annual leave	4,870	( 212)	-	4,658
Unrealized sales profits	14,872	( 3,148)	-	11,724
Impairment loss on financial assets measured at FVTPL	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	2,440	( 1,142)	-	1,298

(Continued)

(Continued)

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785
Unrealized evaluation gains or losses of financial assets measured at FVTPL	226	2,287	-	2,513
Exchange differences on translating the financial statements of foreign operations	76,238	-	( 58,991 )	17,247
The share of profits of foreign subsidiaries recognized by using equity method	-	364,681	-	364,681
	<u>\$ 142,813</u>	<u>\$ 368,816</u>	<u>( \$ 67,247 )</u>	<u>\$ 444,382</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ 6,735	\$ 7,409	\$ -	\$ 14,144
The share of profits of foreign subsidiaries recognized by using equity method	49,334	( 49,334 )	-	-
Unrealized exchange gains	1,120	511	-	1,631
Land revaluation surplus	43,580	-	-	43,580
	<u>\$ 100,769</u>	<u>( \$ 41,414 )</u>	<u>\$ -</u>	<u>\$ 59,355</u>

For the Year Ended December 31, 2021

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 7,288	\$ 4,587	\$ -	\$ 11,875
Defined benefit retirement plan	26,576	-	( 1,164 )	25,412
Pension expenditures due to fiscal and taxation difference	287	( 287 )	-	-
Payable for annual leave	4,665	205	-	4,870
Unrealized sales profits	1,119	13,753	-	14,872
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	3,640	( 1,200 )	-	2,440
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	2,305	( 2,079 )	-	226
Exchange differences on translating the financial statements of foreign operations	<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 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	<u>43,580</u>	<u>-</u>	<u>-</u>	<u>43,580</u>
	<u>\$ 145,390</u>	<u>( \$ 44,621 )</u>	<u>\$ -</u>	<u>\$ 100,769</u>

e. Income tax assessments

The Company's income tax returns through 2020 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Basic earnings per share	<u>\$ 1.45</u>	<u>\$ 4.84</u>
Diluted earnings per share	<u>\$ 1.45</u>	<u>\$ 4.83</u>

Earnings per share and weighted average number of ordinary shares used to calculate earnings per share were as follows:

Net Profit

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Net profit attributable to owners of the Company (used to calculate the net profit from basic and diluted earnings per share)	<u>\$ 1,555,097</u>	<u>\$ 5,191,394</u>

Number of Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</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>1,285</u>	<u>2,100</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,583</u>	<u>1,074,398</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

	Main operating activities	Acquisition date	Voting ownership interest/Acquisition proportion (%)	Transfer consideration
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 31 to the Company's 2022 Consolidated Financial Statements.

28. CASH FLOW INFORMATION

a. Non-cash transactions

In the years 2022 and 2021, the Company entered into the following non-cash investing and financing activities:

- 1) As of December 31, 2022 and 2021, the amounts of payables for purchases of equipment were NT\$35,361 thousand and NT\$43,234 thousand, respectively.
- 2) As of December 31, 2022 and 2021, the amounts of payables for dividends declared but not issued were NT\$6,748 thousand and NT\$4,840 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2022	Cash Flows	Non-cash Changes			December 31, 2022
			New Leases	Amortization of Finance Costs	Others	
Bonds payable (including those due within 1 year)	\$ 8,988,972	(\$ 3,000,000)	\$ -	\$ 3,256	\$ -	\$ 5,992,228
Long-term borrowings (including those due within 1 year)	34,310	694,412	-	981	-	729,703
Guarantee deposits received	6,637	78	-	-	-	6,715
Lease liabilities (including those due within 1 year)	146,523	( 31,426)	2,340	1,540	( 1,540)	117,437
Other non-current liabilities	<u>516</u>	<u>5,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,104</u>
	<u>\$ 9,176,958</u>	<u>(\$ 2,331,348)</u>	<u>\$ 2,340</u>	<u>\$ 5,777</u>	<u>(\$ 1,540)</u>	<u>\$ 6,852,187</u>

	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	( 2,265,716)	-	26	-	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
Other non-current liabilities	<u>-</u>	<u>516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516</u>
	<u>\$ 9,976,845</u>	<u>(\$ 803,315)</u>	<u>\$ -</u>	<u>\$ 5,323</u>	<u>(\$ 1,895)</u>	<u>\$ 9,176,958</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, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	<u>\$ 5,992,228</u>	<u>\$ -</u>	<u>\$ 5,950,888</u>	<u>\$ -</u>	<u>\$ 5,950,888</u>

#### 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	<u>\$ 8,988,972</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>

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, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,207	\$ -	\$ 1,207
Domestic listed (OTC) shares	61,361	-	-	61,361
Fund beneficiary certificates	410,211	-	-	410,211
Beneficiary securities	60,387	-	-	60,387
	<u>\$ 531,959</u>	<u>\$ 1,207</u>	<u>\$ -</u>	<u>\$ 533,166</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 735,386	\$ -	\$ -	\$ 735,386
- Domestic unlisted shares and emerging market shares	-	-	135,276	135,276
	<u>\$ 735,386</u>	<u>\$ -</u>	<u>\$ 135,276</u>	<u>\$ 870,662</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 13,769</u>	<u>\$ -</u>	<u>\$ 13,769</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,364	\$ -	\$ 1,364
Domestic listed (OTC) 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 (OTC) 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	<u>\$ -</u>	<u>\$ 2,492</u>	<u>\$ -</u>	<u>\$ 2,492</u>

There were no transfers between Levels 1 and 2 fair value measurement for Year 2022 and Year 2021.

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
<u>Financial assets at FVTOCI</u>		
Beginning balance	\$ 164,720	\$ 275,452
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	( 29,444)	( 89,834)
Return of capital	-	( 20,898)
Ending balance	<u>\$ 135,276</u>	<u>\$ 164,720</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\$13,528 thousand and NT\$16,472 thousand, respectively, for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 533,166	\$ 2,595,881
Financial assets measured at amortized cost (Note 1)	4,280,003	3,993,784
Financial assets at FVTOCI - investments in equity instruments	870,662	922,551
Refundable deposits	68,281	49,577

(Continued)

(Continued)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	13,769	2,492
Financial liabilities measured at amortized cost (Note 2)	8,226,811	10,670,127
Guarantee deposits received	6,715	6,637

Note 1. Balance is the financial assets measured at amortized cost, including cash and equivalent cash, pledged time deposit, constricted bank deposits, 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 and excluding advanced compensations and taxes), other receivables (including related parties) and bonds payable.

d. Financial risk management objectives and policies

The Company's conduct of risk controlling and hedging strategy is influenced by the operational environment. The Company monitors and manages the financial risk by business nature and risk dispersion. 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 engage in any derivative transactions for speculative purposes.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Company as of the balance sheet date, please refer to Note 34. For carrying amount of derivatives exposed to exchange rate risk, please refer to 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 functional currency of the entities of the Company relative to the USD and RMB appreciates/depreciates by 3%, the Company's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$69,867 thousand and NT\$56,741 thousand, respectively.

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 the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Company's management regularly monitors the fluctuations in market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Company's interest rates more closely approach market rates in response to the interest rate risk.

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, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
- Financial assets	\$ 1,281,054	\$ 1,064,245
- Financial liabilities	6,109,665	9,135,495
Cash flow interest rate risk		
- Financial assets	120,410	136,913
- Financial liabilities	729,703	34,310

#### 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, 2022 and 2021 would have decreased/increased by NT\$3,046 thousand and NT\$513 thousand, respectively.

#### c) Other price risk

The Company was exposed to equity price risk through its investments in domestic listed (OTC) shares, fund beneficiary certificates and other investments. 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 fluctuates by 5%, the pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$6,087 thousand and NT\$11,347 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding fund beneficiary certificates); The pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$43,533 thousand and

NT\$46,128 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, 2022 and 2021, the amounts for endorsement guarantee are NT\$4,223,550 thousand and NT\$3,108,400 thousand. Based on the expectation of the balance sheet, the subsidiaries are in good operation, hence, it is unlikely that the Company will have to pay endorsement guarantee amounts due to the subsidiaries' breach of contract.

The counterparties of the Company's accounts receivables included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Company continuously assesses the financial condition of its clients, and then the Company's credit risk was limited. On the balance sheet date, the Company's maximum exposure to credit risk is approximately the carrying amounts respective recognized financial assets as stated in the balance sheet.

3) Liquidity risk

The Company operations and mitigate the effects of the Company's operating cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

- 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, 2022

	Weighted Average Interest Rate (%)	On Demand Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest				
bearing liabilities		\$ 1,504,880	\$ -	\$ -
Lease liabilities	1.16~1.76	33,452	86,723	-
Floating interest rate liabilities	0.93~1.41	8,549	751,159	-
Fixed interest rate liabilities	0.63~0.98	<u>47,620</u>	<u>4,946,004</u>	<u>1,155,996</u>
		<u>\$ 1,594,501</u>	<u>\$ 5,783,886</u>	<u>\$ 1,155,996</u>

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest				
bearing liabilities		\$ 1,646,845	\$ -	\$ -
Lease liabilities	1.16	32,869	117,844	-
Floating interest rate liabilities	0.30	104	35,270	-
Fixed interest rate liabilities	0.63~1.90	<u>3,065,703</u>	<u>3,828,653</u>	<u>2,325,043</u>
		<u>\$ 4,745,521</u>	<u>\$ 3,981,767</u>	<u>\$ 2,325,043</u>

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

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. 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, 2022

	<u>On Demand or Less than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 610,367	\$ 1,182,018	\$ -
- Outflows	( 611,137)	( 1,194,937)	-
	<u>(\$ 770)</u>	<u>(\$ 12,919)</u>	<u>\$ -</u>

December 31, 2021

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

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, 2022</u>	<u>December 31, 2021</u>
Bank loan facilities		
- Amount unused	<u>\$ 11,680,712</u>	<u>\$ 10,559,370</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

(Continued)



(Continued)

Name of the related party	Relationship with the Company
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, Ltd (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
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
Delmind Inc. (Delmind)	Associate
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Joint ventures

b. Sale

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary	<u>\$ 737,799</u>	<u>\$ 640,802</u>

As of the end of 2022 and 2021, the deferred unrealized gross profit to subsidiaries is NT\$1,505 thousand and NT\$1,175 thousand, respectively.

Sales from related parties had no material difference from those of general purchase transactions.

c. Purchase

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
APC	\$ 1,436,927	\$ 1,673,947
Others	<u>91,307</u>	<u>85,128</u>
	1,528,234	1,759,075
Joint ventures		
Gulei	<u>669,088</u>	<u>99,704</u>
	<u>\$ 2,197,322</u>	<u>\$ 1,858,779</u>

Purchases from related parties had no material difference from those of general purchase transactions.

d. Allotment of ethylene outside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
APC	\$ 262,209	\$ 141,915
TVCM	<u>158,204</u>	<u>179,692</u>
	<u>\$ 420,413</u>	<u>\$ 321,607</u>

e. Allotment of ethylene inside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
TVCM	\$ 62,143	\$ 275,888
APC	<u>42,176</u>	<u>137,203</u>
	<u>\$ 104,319</u>	<u>\$ 413,091</u>

f. Rental income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
SPC	\$ 7,540	\$ 7,174
TTC	5,250	4,722
CGPC	4,895	4,591
ACME	3,068	2,980
APC	2,505	2,225
TVCM	1,802	2,012
CGTD	1,515	1,712
Others	<u>2,077</u>	<u>2,062</u>
	28,652	27,478
Associate		
Delmind	<u>251</u>	<u>-</u>
	<u>\$ 28,903</u>	<u>\$ 27,478</u>

The Company leases the office buildings to the associates and related parties and the rental income was received monthly according to the contract. The associates and related parties have no rights of first refusal at the end of the lease terms.

g. Management services income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
DEIL	\$ 14,722	\$ 19,579
APC	9,631	8,747
SPC	7,171	5,191
CGPC	3,710	3,883
Others	<u>629</u>	<u>693</u>
	<u>\$ 35,863</u>	<u>\$ 38,093</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 gains and losses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
TUVM	<u>\$ 177</u>	<u>\$ 177</u>

i. Management service fees – management (classified as administrative expenses and research and development expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
UM	\$ 161,606	\$ 134,113
Others	<u>6,583</u>	<u>5,362</u>
	<u>\$ 168,189</u>	<u>\$ 139,475</u>

j. Rental expense (classified as operating expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
APC	\$ 3,015	\$ 3,024
TTC	<u>306</u>	<u>910</u>
	<u>\$ 3,321</u>	<u>\$ 3,934</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 rental income was paid monthly according to the contract.

k. Commissions expense (classified as selling and marketing expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
USI Trading (Shanghai)	<u>\$ 248</u>	<u>\$ 956</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, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
CGTD	<u>\$ 33,680</u>	<u>\$ 30,260</u>

m. Processing costs (classified as cost of goods sold)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
SPC	<u>\$ 14,815</u>	<u>\$ -</u>

n. Donation (classified as administrative expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Other related parties		
USIF	<u>\$ 5,000</u>	<u>\$ 4,000</u>

o. 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, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
	<u>\$ 182</u>	<u>\$ 221</u>

p. Revenue from selling raw materials (classified as other revenues)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
APC	<u>\$ 252,526</u>	<u>\$ 213,766</u>
Others	<u>500</u>	<u>1,165</u>
	<u>\$ 253,026</u>	<u>\$ 214,931</u>

q. Revenue from survey fee of importing ethylene (classified as other revenues)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
CGTD	\$ 792	\$ 832
Others	<u>20</u>	<u>20</u>
	<u>\$ 812</u>	<u>\$ 852</u>

r. 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, 2022</u>	<u>For the Year Ended December 31, 2021</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 (HKD 4,180 thousand). As of the end of 2022 and 2021, the unrealized gain is NT\$2,368 thousand and NT\$3,257 thousand, respectively, which have been deferred and are reversed and recognized based on the equipment estimated useful life.

s. Accounts receivable

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Forever Young	\$ 69,238	\$ 24,324
USI Trading (Shanghai)	30,630	46,493
USI (Hong Kong)	9,955	23,142
SPC	8,977	12,498
Others	<u>18</u>	<u>11</u>
	<u>\$ 118,818</u>	<u>\$ 106,468</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 2022 and 2021.

t. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
TVCM	\$ 222,544	\$ 227,039
APC	185,661	228,869
Others	<u>14,565</u>	<u>12,945</u>
	<u>\$ 422,770</u>	<u>\$ 468,853</u>

u. Accounts payable

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
APC	\$ 184,404	\$ 390,410
SPC	<u>10,161</u>	<u>4,039</u>
	194,565	394,449
Joint ventures		
Gulei	<u>110,352</u>	<u>-</u>
	<u>\$ 304,917</u>	<u>\$ 394,449</u>

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

v. Other payables

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
UM	\$ 12,480	\$ 6,743
CGTD	4,763	5,971
SPC	2,722	2,085
TVCM	2,193	748
APC	1,261	2
Others	<u>1,144</u>	<u>646</u>
	<u>\$ 24,563</u>	<u>\$ 16,195</u>

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

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
SPC	<u>\$ 284</u>	<u>\$ 284</u>

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

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
USIGE	<u>\$ -</u>	<u>\$ 125,000</u>

Interest income

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
USIGE	<u>\$ 41</u>	<u>\$ 271</u>

In 2021, the Company's funds loaned to USIGE were unsecured loans at interest rates similar to market rates. The loans were recovered in 2022.

y. Endorsement and Guarantees (customs and bank loans)

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
UPIIC	\$ 2,600,000	\$ 2,600,000
USIGE	1,300,000	200,000
CLTC	<u>323,550</u>	<u>308,400</u>
	<u>\$ 4,223,550</u>	<u>\$ 3,108,400</u>

z. Compensation of key management personnel

Remuneration of directors and the key management personnel was as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Short-term employee benefits	\$ 47,802	\$ 49,562
Retirement benefits	<u>810</u>	<u>491</u>
	<u>\$ 48,612</u>	<u>\$ 50,053</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, 2022</u>	<u>December 31, 2021</u>
Time deposits		
- classified as financial assets measured at amortized cost - current	\$ 61,104	\$ 61,149
- Classified as other non-current assets	<u>26,975</u>	<u>21,778</u>
	<u>\$ 88,079</u>	<u>\$ 82,927</u>

33. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- a. As of December 31, 2022 and 2021, the Company's unused letter of credit amounted to NT\$1,186,389 thousand and NT\$1,251,196 thousand, respectively. The margins of endorsement of the related parties amounted to NT\$4,223,550 thousand and NT\$3,108,400 thousand, respectively. Please refer to notes 30 and 31.

- a. 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.

On February 12, 2015, CGTD entered into an agreement with the Kaohsiung City Government to provide the Kaohsiung City Government with pledge right set of a bank deposit certificate of NT\$228,904 thousand (including interests) as the guarantee for the loss 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 23, 2023, the provisionally attached properties were worth NT\$11,393 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. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

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 23, 2023, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY, CGTD and CPC Corporation 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\$1,440,672 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$401,979 thousand. (In particular, CGTD was exempted to pay NT\$6,194 thousand according to the court's judgment.) 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\$1,912,949 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 maximum 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 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 between foreign currencies and respective functional currencies were as follows:

Unit: Foreign and Functional Currencies in Thousands

	December 31, 2022		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 34,051	30.71	\$ 1,045,717
RMB	445,984	4.41	1,966,522
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity method			
USD	212,205	30.71	6,516,822
HKD	17,626	3.94	69,412
RMB	29,654	4.41	130,756
Derivatives			
Sell RMB	61,200	4.41	1,206
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	22,252	30.71	683,350
<u>Non-monetary items</u>			
Derivatives			
Sell RMB	348,400	4.41	13,769
	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 method			
USD	299,996	27.68	8,303,880
HKD	17,942	3.55	63,676
RMB	30,005	4.34	130,269

(Continued)

(Continued)

	December 31, 2021		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Derivatives			
Sell USD	\$ 4,260	27.68	\$ 624
Sell RMB	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			
Sell RMB	151,100	4.34	2,492

The net realized and unrealized foreign exchange gain or loss of the Company for the years ended December 31, 2022 and 2021, were NT\$91,746 thousand (gain) and NT\$14,621 thousand (loss), respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Company's individual entities, thus the exchange gains and losses were not disclosed by currency of significant impact.

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. 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 costs or prices of at least nt\$300 million or 20% of the paid-in capital. (table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments:

As of the end of year of 2022, the related information of the Company and the subsidiaries which applied the forward exchange transaction is as follows:

<u>December 31, 2022</u>	<u>Currency</u>	<u>Expiration date</u>	<u>Contract Amount (In Thousands)</u>		
Sell	RMB/NTD	2023.01.09-2023.03.30	RMB	511,100 /NTD	2,236,999
Sell	USD/MYR	2023.03.13	USD	100 /MYR	440
Sell	EUR/MYR	2023.03.17-2023.03.31	EUR	270 /MYR	1,254
Buy	NTD/USD	2023.01.03-2023.02.23	NTD	672,391 /USD	21,620
Buy	JPY/USD	2023.01.20-2023.02.24	JPY	120,000 /USD	862

10) Information on investees. (Table 7)

c. Information on investments in mainland China

1) Information on investee company in mainland China, including the company names, major 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. (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 8.

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 8.

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 major 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  
Year 2022

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	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
													Item	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 200,000	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 9,798,437	\$ 9,798,437	

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, 2022.

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  
China General Plastics Corporation  
FINANCING PROVIDED TO OTHERS  
Year 2022

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	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
													Item	Value			
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 3,778,709	\$ 3,778,709	

Note 1. Total financing amounts provided to others shall not exceed 40% of CGPC's net value, and the highest aggregate financing limits were calculated by the net value as of December 31, 2022.

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

Swanson Plastics Corporation

Financing provided to others

Year 2022

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 the end of the year (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
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 48,333	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 76,167	\$ 114,250	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	177,308	174,171	174,171	3.65	2	-	Business turnover	-	-	-	563,960	563,960	

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 calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND INVESTEE COMPANIES  
ENDORSEMENTS/GUARANTEES PROVIDED  
Year 2022

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	Remark
		Company Name	Relationship											
0	USI CORPORAT ION	Union Polymer International Investment Corporation	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,248,046	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	10.61	\$ 14,697,655	Yes	No	No	
0	USI CORPORAT ION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	1,300,000	1,300,000	210,000	-	5.31	14,697,655	Yes	No	No	
0	USI CORPORAT ION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	22,000	-	1.32	14,697,655	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, 2022.

Note 2. The calculation was based on the spot exchange rate of December 31, 2022.



USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation  
Endorsements/Guarantees Provided  
Year 2022

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)	\$ 2,066,555	\$ 720,586 (USD 16,500 thousand) (RMB 49,000 thousand)	\$ 630,646 (USD 13,500 thousand) (RMB 49,000 thousand)	\$ 261,035 (USD 8,500 thousand)	\$ -	45.78	\$ 2,755,406	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,066,555	96,645 (USD 3,000 thousand)	-	-	-	-	2,755,406	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,066,555	556,020 (USD 18,000 thousand)	307,100 (USD 10,000 thousand)	254,893 (USD 8,300 thousand)	-	22.29	2,755,406	No	No	No	

Note 1. The rate was calculated by the equity of ACME as of December 31, 2022.

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, 2022.

Note 3. The calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Endorsements/Guarantees Provided

Year 2022

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 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	Remark
		Company Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Subsidiary	\$ 5,176,028	\$ 57,665	\$ 54,971	\$ -	\$ -	2.12	\$ 6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsiary	5,176,028	38,658	36,852	-	-	1.42	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsiary	5,176,028	96,645	92,130	-	-	3.56	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,176,028	349,720	349,720	32,400	-	13.51	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsiary	5,176,028	32,215	30,710	-	-	1.19	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,176,028	64,430	61,420	-	-	2.37	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,176,028	1,476,698	1,317,459	-	-	50.91	6,470,035	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 calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

Year 2022

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	\$ 5,668,063	\$ 1,000,000	\$ 600,000	\$ 100,000	\$ -	6.35	\$ 9,446,772	No	No	No	

Note 1. The ratio was calculated by the equity of CGPC as of December 31, 2022.

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

Year 2022

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	\$ 7,206,214	\$ 184,260 (USD 6,000 thousand)	\$ 184,260 (USD 6,000 thousand)	\$ -	\$ -	2.56	\$ 10,809,321	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that TTC's subsidiaries hold 100% of common equity directly	7,206,214	573,222 (RMB130,000 thousand)	352,572 (RMB 80,000 thousand)	-	-	4.90	10,809,321	No	No	Yes	

Note 1. The calculation was based on the spot exchange rate of December 31, 2022.

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, 2022

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, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI CORPORATION	Shares							
	CTCI Corporation	—	Financial assets at FVTOCI – non-current	15,130,656	\$ 633,218	1.91	\$ 633,218	
	KHL IB Venture Capital Co., Ltd.	—	"	9,954,950	135,276	11.90	135,276	
	AU Optronics Corporation	—	"	6,811,204	102,168	0.09	102,168	
	Evergreen Marine Corporation	—	Financial assets at FVTPL - current	194,500	31,704	-	31,704	
	UPC Technology Corporation	—	"	290,000	3,944	-	3,944	
	Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	
	China Steel Corporation	—	"	350,000	10,430	-	10,430	
	Tungho Steel Corporation	—	"	224,500	11,831	-	11,831	
	Teratech Corporation	—	Financial assets at FVTPL - non-current	110,000	-	-	-	Note 2
	Fund beneficiary certificates							
	Nomura Taiwan Money Market Fund	—	Financial assets at FVTPL - current	604,127	10,003	-	10,003	
	Yuanta De-Li Money Market Fund	—	"	10,265,239	170,088	-	170,088	
	JKO Ping'an Money Market Fund	—	"	853,709	10,003	-	10,003	
	Taishin 1699 Money Market Fund	—	"	12,357,362	170,102	-	170,102	
SinoPac TWD Money Market Fund	—	"	3,540,976	50,015	-	50,015		
Beneficiary securities								
Cathay No. 1 Real Estate Investment Trust	—	"	3,340,000	60,387	-	60,387		
Union Polymer International Investment Corporation	Shares							
	Asia Polymer Corporation	Investments accounted for using the equity method	Financial assets at FVTOCI – non-current	22,182,486	625,546	3.74	625,546	
	China General Plastics Corporation	"	"	4,469,307	117,990	0.77	117,990	
	Taita Chemical Company, Ltd.	"	"	456,253	10,220	0.11	10,220	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Swanlake Traders Ltd.	Fund beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	10,000,000	\$ 10,003		\$ 10,003	
	Shares SOHware Inc.	—	Financial assets at FVTOCI – non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	"	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred Stock D	—	"	2,397,364	-	0.70	-	Note 2
USIFE Investment Co., Ltd.	Shares AU Optronics Corporation	—	Financial assets at FVTOCI - current	1,012,849	15,192	0.01	15,192	
	AU Optronics Corporation	—	Financial assets at FVTOCI – non-current	1,012,849	15,192	0.01	15,192	
	Wafer Works Corporation	—	"	1,502,433	61,299	0.28	61,299	
	Solargiga Energy Holdings Limited	—	"	11,876,111	12,862	0.37	12,862	
	Dah Chung Bills Finance Corp.	—	"	482,757	6,652	0.10	6,652	
	Swanson Plastics Corporation	Same chairman	"	9,809,497	139,785	6.36	139,785	
	USI Optronics Corporation	"	"	165,279	145	0.25	145	
	Digimax Inc.	—	"	23,234	-	0.05	-	
	Silicon Technology Investment (Cayman) Corp.	—	"	911,849	61,942	1.77	61,942	
	China General Plastics Corporation	Same chairman	Financial assets at FVTPL - current	550,722	14,539	0.09	14,539	
	Asia Polymer Corporation	"	"	1,714,180	48,340	0.29	48,340	
	Taita Chemical Company, Ltd.	"	"	1,415,368	31,704	0.36	31,704	
	UPC Technology Corporation	—	"	127,000	1,727	0.01	1,727	
	China Steel Corporation	—	"	175,000	5,215	-	5,215	
	Tungho Steel Corporation	—	"	112,250	5,916	0.02	5,916	
	Evergreen Marine Corporation	—	"	64,566	10,524	-	10,524	
Quanta Storage Inc.	—	"	36,000	1,445	0.01	1,445		
Acme Electronics Corporation	Same chairman	"	500,000	11,975	0.27	11,975		
Superactive Group Company Limited	—	"	678,000	91	-	91		

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Fund beneficiary certificates Yuanta De-Li Money Market Fund	—	Financial assets at FVTPL - current	4,907,988	\$ 81,322	-	\$ 81,322	
	Fuh Hwa Money Market	—	"	3,440,659	50,328	-	50,328	
	Cathay Taiwan Money Market Fund	—	"	5,844,200	73,749	-	73,749	
	Fund beneficiary certificates Fuh Hwa Money Market	—	Financial assets at FVTPL - current	3,399,556	49,726	-	49,726	
	Cathay Taiwan Money Market Fund	—	"	4,391,849	55,422	-	55,422	
	Shares Innovation & Infinity Global Corp.	—	Financial assets at FVTPL - non-current	720,804	-	0.73	-	Note 2
	Teratech Corporation	—	"	90,000	-	0.58	-	Note 2
	MiTAC Holdings Corporation	—	Financial assets at FVTOCI - current	2,062,000	60,829	0.17	60,829	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at FVTOCI - non-current	419,753	13,520	0.68	13,520	
	Digimax Inc.	—	"	518,898	-	1.18	-	Note 2
	Hexawave Inc.	—	"	109,109	655	0.27	655	
	Uranus Chemicals Co., Ltd.	—	"	15,351	491	0.03	491	
	Neuro Sky, Inc. Preferred Stock A	—	"	10,000,000	-	1.42	-	Note 2
	Neuro Sky, Inc. Preferred Stock B	—	"	12,595,523	-	1.78	-	Note 2
	Neuro Sky, Inc. Preferred Stock C	—	"	4,532,823	-	0.64	-	Note 2
Taiwan United Venture Management Corporation	Fund beneficiary certificates Fuh Hwa Money Market	—	Financial assets at FVTPL - current	91,730	1,342	-	1,342	
INOMA Corporation	Fund beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	230,813	3,177	-	3,177	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Optronics Corporation	Fund beneficiary certificates							
	Jih Sun Money Market Fund	—	Financial assets at FVTPL - current	338,874	\$ 5,104	-	\$ 5,104	
	Taishin Ta-Chong Money Market Fund	—	"	417,233	6,021	-	6,021	
	Taishin 1699 Money Market Fund	—	"	887,541	12,217	-	12,217	
	Yuanta De-Bao Money Market Fund	—	"	498,596	6,084	-	6,084	

Note 1. All securities in the table include stocks, bonds, fund 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, 2022

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, 2022				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 FVTPL - current	2,997,000	\$ 54,186	-	\$ 54,186	Note 1
	Fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	9,445,668	130,021	-	130,021	Note 1
	Jih Sun Money Market Fund	—	"	7,974,063	120,176	-	120,176	Note 1
	CTBC Hwa-Win Money Market Fund	—	"	4,475,635	50,030	-	50,030	Note 1
	Yuanta De-Li Money Market Fund	—	"	3,019,311	50,028	-	50,028	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at FVTPL - current	350,000	10,430	-	10,430	Note 1
	Tungho Steel Corporation	—	"	95,500	5,033	-	5,033	Note 1
Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI – non-current	4,977,475	67,644	5.95	67,644	Note 1	
Taiwan VCM Corporation	Fund beneficiary certificates							
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	8,593,337	124,011	-	124,011	Note 1
	Taishin 1699 Money Market Fund	—	"	8,735,968	120,252	-	120,252	Note 1
	Yuanta De-Li Money Market Fund	—	"	6,037,918	100,045	-	100,045	Note 1
	Hua Nan Phoenix Money Market Fund	—	"	2,119,619	35,015	-	35,015	Note 1
Shares								
Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets at FVTOCI – non-current	130,244	3,673	0.02	3,673	Note 1	
CGPC Polymer Corporation	Fund beneficiary certificates							
	Cathay Taiwan Money Market Fund	—	Financial assets at FVTPL - current	3,963,221	50,013	-	50,013	Note 1
	Yuanta De-Li Money Market Fund	—	"	1,811,091	30,009	-	30,009	Note 1
CGPC (BVI) Holding Co., Ltd.	Shares							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67	-	Notes 1 and 3
	SOHWARE, Inc - preferred shares	—	"	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.

Note 3. As of the year ended December 31, 2022, 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, 2022

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, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTOCI – non-current	15,109,901	\$ 333,929	1.27	\$ 333,929	Note 1
	Harbinger Venture Capital Corp.	—	"	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at FVTPL - current	282,000	3,835	0.02	3,835	Note 1
	China Steel Corporation	—	"	350,000	10,430	-	10,430	Note 1
	Tungsho Steel Corporation	—	"	91,500	4,822	0.01	4,822	Note 1
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	Note 1
	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at FVTPL - current	1,816,596	30,009	-	30,009	Note 2
	Yuanta De-Li Money Market Fund	—	"	3,018,303	50,012	-	50,012	Note 2
	Yuanta De-Bao Money Market Fund	—	"	7,634,736	93,156	-	93,156	Note 2
	Shin Kong Chi-Shin Money-Market Fund	—	"	1,272,872	20,004	-	20,004	Note 2
	Taishin Ta-Chong Money Market Fund	—	"	3,465,868	50,016	-	50,016	Note 2
Taishin 1699 Money Market Fund	—	"	6,539,203	90,013	-	90,013	Note 2	
TAITA (BVI) Holding Co., Ltd.	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,280,000	59,302	-	59,302	Note 1
	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	20,219	6	2.22	6	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. - Preferred Shares	—	"	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 2022.

Note 2. The fair value was calculated based on the net asset value on the last trading day of December 2022.

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 December 31, 2022, the fair value of equity investment was evaluated by TTC as 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, 2022

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, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	—	Financial assets at FVTOCI – non-current	2,377	\$ 16	1.20	\$ 16	
	KHL IB Venture Capital Co., Ltd.	—	"	9,954,950	135,288	11.90	135,288	
	USI CORPORATION	Ultimate parent company	"	101,355,673	2,239,960	8.53	2,239,960	
	CTCI Corporation	—	"	14,446,107	604,570	1.82	604,570	
	AU Optronics Corporation	—	"	7,694,812	115,422	0.01	115,422	
	Wafer Works Corporation	—	Financial assets at FVTOCI - current	518,668	21,162	0.01	21,162	
	Evergreen Marine Corporation	—	Financial assets at FVTPL - current	194,500	31,703	-	31,703	
	Tungsho Steel Corporation	—	"	224,500	11,831	0.03	11,831	
	China Steel Corporation	—	"	350,000	10,430	-	10,430	
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	
	UPC Technology Corporation	—	"	293,000	3,985	0.02	3,985	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	"	3,316,000	59,953	-	59,953	
	Fund beneficiary certificates							
	Jih Sun Money Market Fund	—	"	9,317,246	140,418	-	140,418	
	Taishin 1699 Money Market Fund	—	"	726,470	10,000	-	10,000	
	Taishin Ta-Chong Money Market Fund	—	"	4,519,224	65,218	-	65,218	
	Cathay Taiwan Money Market Fund	—	"	792,927	10,006	-	10,006	
	Hua Nan Phoenix Money Market Fund	—	"	605,752	10,007	-	10,007	
SinoPac TWD Money Market Fund	—	"	7,101,315	100,303	-	100,303		

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	40,467	\$ 7	4.45	\$ 7	
	Silicon Technology Investment (Cayman) Corp. - Preferred Shares	—	"	1,139,776	77,421	2.21	77,421	
	Neurosky Inc. - Preferred Stock D	—	"	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	"	15,863,333	17,179	0.48	17,179	
	Teratech Corporation	—	"	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. - Preferred Shares	—	Financial assets at FVTPL - non-current	300,000	-	-	-	Note 1
	Sohoware Inc. Preferred Shares	—	"	450,000	-	-	-	Note 1
APC Investment Corporation	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTPL - current	44,808	990	-	990	
	Evergreen Marine Corporation	—	"	64,966	10,590	0.01	10,590	
	UPC Technology Corporation	—	"	116,000	1,578	0.01	1,578	
	China Steel Corporation	—	"	175,000	5,215	-	5,215	
	Tungho Steel Corporation	—	"	112,250	5,916	0.02	5,916	
	Quanta Storage Inc.	—	"	36,000	1,445	0.01	1,445	
	Fund beneficiary certificates							
Cathay Taiwan Money Market Fund	—	"	1,292,518	16,310	-	16,310		

Note 1. As a result of the recognition of investment losses over the years, the carrying amount 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, 2022

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, 2022				Remark
				Unit/Share	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 FVTOCI – non-current	5,290,482	\$ 149,192	0.89	\$ 149,192	Note 1
	China General Plastics Corporation	"	"	2,940,788	77,637	0.51	77,637	Note 1
	Taita Chemical Company, Ltd.	"	"	2,278,217	51,032	0.57	51,032	Note 1
	China Steel Corporation	—	Financial assets at FVTPL - current	499,552	14,887	-	14,887	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

Year 2022

TABLE 4

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Note)															
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount													
USI CORPORATION	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	971,287	\$ 175,000	-	\$ -	971,287	\$ 175,082	\$ 175,000	\$ 82	-	\$ -													
	FSITC Money Market Fund														-	-	15,516,171	240,000	12,921,358	200,000	28,437,529	440,525	440,000	525	-	-	
	FSITC Taiwan Money Market Fund														-	-	5,235,979	80,000	-	-	5,235,979	80,313	80,000	313	-	-	
	Yuanta Wan Tai Money Market Fund														-	-	7,942,704	134,000	7,109,510	120,000	15,052,214	254,144	254,000	144	-	-	
	UPAMC James Bond Money Market Fund														-	-	-	-	12,629,652	200,000	12,629,652	200,112	200,000	112	-	-	
	Fubon Chih-hsiang Money-market Fund														-	-	20,046,518	329,000	15,212,652	250,000	35,259,170	579,741	579,000	741	-	-	
	Hua Nan Phoenix Money Market Fund														-	-	19,031,543	230,000	4,131,583	50,000	23,163,126	280,603	280,000	603	-	-	
	Hua Nan Kirin Money Market Fund														-	-	-	-	16,312,468	270,000	6,047,229	100,055	100,000	55	10,265,239	170,000	
	Yuanta De-Li Money Market Fund														-	-	6,136,287	100,000	9,198,204	150,000	15,334,491	250,217	250,000	217	-	-	
	Capital Money Market Fund														-	-	16,702,410	250,000	6,670,358	100,000	23,372,768	350,797	350,000	797	-	-	
	Jih Sun Money Market Fund														-	-	16,379,377	235,000	20,880,619	300,000	37,259,996	535,296	535,000	296	-	-	
	Taishin Ta-Chong Money Market Fund														-	-	7,833,977	110,000	10,642,291	150,000	14,935,292	210,174	210,000	174	3,540,976	50,000	
	SinoPac TWD Money Market Fund														-	-	19,245,740	263,000	48,864,925	670,000	55,753,303	765,678	763,000	2,678	12,357,362	170,000	
	Taishin 1699 Money Market Fund														-	-	-	-	19,485,772	200,000	19,485,772	200,278	200,000	278	-	-	
	Taiwan Cooperative Bank Money Market Fund																										
	USI Optronics Corporation														Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	1,016,620	15,000	-	-	677,746	10,181	10,000	181	338,874
Jih Sun Money Market Fund		-	-	556,417	8,000	139,184	2,003	2,000	3	417,233	6,000																
Union Polymer Int'l Investment Corp.	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	-	726,718	10,000	-	-	-	-	726,718	10,000													
	Taishin 1699 Money Market Fund																										
INOMA Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	446,739	6,000	-	-	215,926	2,962	2,900	62	230,813	3,100													

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes the original acquisition cost.

Note 3. Type of limited company without number of shares.

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

Year 2022

Table 4-1

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)			
					Unit/Share	Unit/Share	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
China General Plastics Corporation	Fund beneficiary certificates														
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	3,109,635	\$ 560,000	3,109,635	\$ 560,061	\$ 560,000	\$ 61	-	\$ -	
	FSITC Taiwan Money Market Fund	"	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000	
	UPAMC James Bond Money Market Fund	"	-	-	-	-	2,670,433	45,000	2,670,433	45,005	45,000	5	-	-	
	Hua Nan Phoenix Money Market Fund	"	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000	
	Hua Nan Kirin Money Market Fund	"	-	-	-	-	15,721,963	190,000	15,721,963	190,017	190,000	17	-	-	
	Yuanta De-Li Money Market Fund	"	-	-	-	-	15,012,916	247,000	15,012,916	247,019	247,000	19	-	-	
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	-	6,407,463	100,000	7,046,540	110,000	13,454,003	210,019	210,000	19	-	-
	Capital Money Market Fund	"	-	-	-	-	6,140,847	100,000	6,140,847	100,032	100,000	32	-	-	
	Jih Sun Money Market Fund	"	-	-	-	-	6,677,975	100,000	6,677,975	100,040	100,000	40	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	-	4,190,295	60,000	40,879,691	586,000	45,069,986	646,101	646,000	101	-	-
	SinoPac TWD Money Market Fund	"	-	-	-	-	-	7,121,696	100,000	7,121,696	100,010	100,000	10	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Taishin 1699 Money Market Fund	"	-	-	-	7,255,248	99,000	13,909,262	190,000	21,164,509	289,085	289,000	85	-	-
	Nomura Taiwan Money Market Fund	"	-	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-
	Cathay Taiwan Money Market Fund	"	-	-	-	-	-	7,967,178	100,000	3,985,906	50,002	50,000	2	3,981,272	50,000
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	-	11,718,808	120,000	11,718,808	120,018	120,000	18	-	-
Taiwan VCM Corporation	Fund beneficiary certificates														
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	278,042	50,000	-	-	278,042	50,018	50,000	18	-	
	FSITC Taiwan Money Market Fund	"	-	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	
	UPAMC James Bond Money Market Fund	"	-	-	-	-	-	11,872,783	200,000	11,872,783	200,012	200,000	12	-	
	Hua Nan Phoenix Money Market Fund	"	-	-	-	610,344	10,000	12,200,702	200,000	12,811,046	210,025	210,000	25	-	
	Hua Nan Kirin Money Market Fund	"	-	-	-	-	-	8,284,524	100,000	8,284,524	100,013	100,000	13	-	
Shin Kong Chi-Shin Money-Market Fund	"	-	-	-	-	-	2,561,689	40,000	2,561,689	40,006	40,000	6	-		

(Continued)

(Continued)

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell				December 31, 2022 (Notes 1 and 2)	
					Unit/Share	Unit/Share	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
China General Plastics Corporation	Fund beneficiary certificates													
	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -
	Jih Sun Money Market Fund	"	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-
	Taishin 1699 Money Market Fund	"	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-
	Nomura Taiwan Money Market Fund	"	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-
Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
CGPC Polymer Corporation	Fund beneficiary certificates													
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-
	FSITC Taiwan Money Market Fund	"	-	-	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	"	-	-	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	"	-	-	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	"	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-
	Capital Money Market Fund	"	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	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	"	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-
	Taishin 1699 Money Market Fund	"	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000
	Nomura Taiwan Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-
	Cathay Taiwan Money Market Fund	"	-	-	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes 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

Year 2022

TABLE 4-2

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Taita Chemical Company, Ltd.	Fund beneficiary certificates													
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Taiwan Money Market Fund	"	-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	UPAMC James Bond Money Market Fund	"	-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	Hua Nan Phoenix Money Market Fund	"	-	-	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	"	-	-	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	"	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Capital Money Market Fund	"	-	-	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	"	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	Taishin 1699 Money Market Fund	"	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Nomura Taiwan Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-
TAITA (BVI) Holding Co., Ltd.	Shares													
	Zhangzhou Taita Chemical Co., Ltd.	Investments accounted for using the equity method	-	-	-	-	-	1,378,445 (USD 48,580 thousand)	-	-	-	-	-	1,378,445 (USD 48,580 thousand)

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund 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

Year 2022

TABLE 4-3

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)				
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount		
Asia Polymer Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -		
	FSITC Money Market Fund															
	FSITC Taiwan Money Market Fund						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						-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund						-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund						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						-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund						-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund						2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund						16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund						-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund						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						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						-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund						-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-
Taiwan Cooperative Bank Money Market Fund			-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-				
APC Investment Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	499,525	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138		

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund 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

Year 2022

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 Accounts Receivable (Payable) (%)	
USI CORPORATION	Asia Polymer Corporation	Subsidiary	Purchase	\$ 1,436,927	14.47	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 184,404)	( 14.29)	Note
	Asia Polymer Corporation	Subsidiary	Sale	( 252,526)	( 0.38)	Within 60 days after selling on credit	"	"	185,661	7.50	Note
	Fujian Gulei Petrochemical Co., Ltd.	Joint ventures	Purchase	669,088	6.74	Current Letter of Credit	"	"	( 110,352)	( 8.55)	
	USI (Hong Kong) Company Ltd.	Subsidiary	Sale	( 321,883)	( 0.48)	Within 60 days after selling on credit	"	"	9,955	0.40	Note
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	( 155,146)	( 0.23)	Within 60 days after selling on credit	"	"	30,630	1.24	Note
	Forever Young Company Limited	Subsidiary	Sale	( 174,122)	( 0.26)	Within 60 days after selling on credit	"	"	69,238	2.80	Note
USI (Hong Kong) Company Ltd.	USI CORPORATION	Parent company	Purchase	321,883	3.24	Within 60 days after purchasing on credit	"	"	( 9,955)	( 0.77)	Note
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Parent company	Purchase	155,146	1.56	Within 60 days after purchasing on credit	"	"	( 30,630)	( 2.37)	Note
Forever Young Company Limited	USI CORPORATION	Parent company	Purchase	174,122	1.75	Within 60 days after purchasing on credit	"	"	( 69,238)	( 5.37)	Note

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

Year 2022

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	Purchase (including processing fee)	\$ 376,718	34	55 days	No significant difference	No significant difference	( \$ 54,149 )	( 54 )	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Sale (including processing fee)	( 376,718 )	( 34 )	55 days	"	"	54,149	20	Note
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Sale	( 145,822 )	( 11 )	55 days	"	"	11,083	4	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	145,822	71	55 days	"	"	( 11,083 )	( 75 )	Note
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Sale	( 247,321 )	( 18 )	55 days	"	"	69,040	23	Note
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	247,321	79	55 days	"	"	( 69,040 )	( 80 )	Note
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary	Sale	( 176,795 )	( 17 )	55 days	"	"	32,284	11	Note
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchase	176,795	44	55 days	"	"	( 32,284 )	( 52 )	Note

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

Year 2022

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	\$ 180,021	76	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 29,500)	( 91 )	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 379,588 )	( 39 )	90 days	"	"	Trade receivables from related parties 67,711	68	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	( 323,509 )	( 34 )	90 days	"	"	Trade receivables from related parties 17,732	18	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	( 136,270 )	( 14 )	90 days	"	"	Trade receivables from related parties 6,159	6	
	USI CORPORATION	Ultimate parent company	Purchase	176,788	19	75 days	"	"	Trade payables to related parties ( 60,688)	( 35 )	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	379,588	40	90 days	"	"	Trade payables to related parties ( 67,711)	( 35 )	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 198,049 )	( 19 )	60 days	"	"	Trade receivables from related parties 52,932	18	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	323,509	43	90 days	"	"	Trade payables to related parties ( 17,732)	( 43 )	
	Swanson Plastics (Singapore) Pte., Ltd.	Parent company	Sale	( 180,021 )	( 20 )	90 days	"	"	Trade receivables from related parties 29,500	20	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	198,049	66	60 days	"	"	Trade payables to related parties ( 52,932)	( 87 )	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	136,270	43	90 days	"	"	Trade payables to related parties ( 6,159)	( 143 )	

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

Year 2022

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	CGPC America Corporation	Subsidiary	Sale	(\$ 452,012)	( 4)	90 days	No significant difference	No significant difference	Accounts receivable – related parties \$ 144,312	14	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	( 6,196,440)	( 49)	45 days	"	"	Trade receivables from related parties 790,837	47	Note
	CGPC Polymer Corporation	Fellow company	Sale	( 5,516,012)	( 44)	75 days	"	"	Trade receivables from related parties 732,016	43	Note
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	1,071,372	10	Current Letter of Credit	"	"	Accounts payables - related parties -	-	

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

Year 2022

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 (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	( \$ 1,436,470 )	( 14.94 )	60 days	No significant difference	No significant difference	Accounts receivable– related parties \$ 187,963	17.03	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	( 229,542 )	( 2.39 )	90 days	"	"	Trade receivables from related parties 32,830	2.97	
	USI CORPORATION Fujian Gulei Petrochemical Co., Ltd.	Ultimate parent company	Purchase	252,526	5.29	30 days	"	"	Trade payables to related parties (20,004)	( 7.15 )	
		Associate	Purchase	698,591	14.64	Letter of Credit	"	"	—	-	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	156,508	3.28	30 days	"	"	Trade payables to related parties (30,630)	( 10.94 )	

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, 2022

Table 6

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

Company Name	Counterparty	Relationship	Financial Statement Account and 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	Other receivables - related parties NT\$222,544	-	\$ -	—	\$ 222,544	Note 1
	Asia Polymer Corporation	Subsidiary	Other receivables - related parties NT\$185,661	-	-	—	185,661	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, 2023 to March 3, 2023.



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, 2022

Table 6-1

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

Company Name	Counterparty	Relationship	Financial Statement Account and 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.	Have the same ultimate parent company	Other accounts receivable - related parties NT\$174,873 (RMB 39,659 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, 2023 to March 3, 2023.

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, 2022

Table 6-2

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

Company Name	Counterparty	Relationship	Financial Statement Account and 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 <u>\$ 144,312</u>	2.71	\$ -	—	\$ -	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties <u>\$ 790,837</u>	5.43	-	—	790,837	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties <u>\$ 732,016</u>	5.27	-	—	732,016	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, 2023 to March 3, 2023.

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, 2022

Table 6-3

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

Company Name	Counterparty	Relationship	Financial Statement Account and 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-subsiary	Other receivables \$ 281,862 (USD 9,178 thousand) (Note 1)	-	\$ 281,862	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 3, 2023.

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, 2022

Table 6-4

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Accounts receivables - related parties	\$ 187,963	4.88	\$ -	-	\$ 187,963	Note 1
			Other accounts receivable - related parties	1,261		-	-	1,256	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, 2023 to March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

INFORMATION ON INVESTEES

Year 2022

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, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies	\$ 550,000	\$ 550,000	89,647,000	100.00	\$ 956,056	(\$ 49,098)	(\$ 49,098)	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	1,400,415	15,773	15,773	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	69,411	( 1,233)	( 1,233)	Subsidiary
	Union Polymer International Investment Corporation	12F., No. 37, Jihu Rd., Taipei City	Investment (focused on "production and service industry")	3,490,255	3,490,255	897,354,122	100.00	10,289,873	601,472	517,147	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Taipei City	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	185,908	1,961	1,373	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Import and export trade	28,323	28,323	5,749,062	99.96	73,805	12,600	12,593	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,045,181	( 48,865)	( 19,827)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	355,454	16,348	4,399	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Taipei City	Optical products and fire protection materials	250,354	250,354	9,243,369	94.37	13,347	( 3,716)	( 3,507)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Taipei City	Providing management services	1,000	1,000	671,400	100.00	3,212	3,237	3,237	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	59.13	5,102,760	( 3,522,647)	( 2,083,045)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	34,009	( 27,848)	( 14,159)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Taipei City	Solar power generation business	70,100	70,100	7,259,418	100.00	111,559	6,844	5,188	Subsidiary
	Delmind Inc.	No.18, Xinglong Rd., Taoyuan Dist., Taoyuan City	Manufacturing of machinery and equipment	90,000	-	9,000,000	30.00	83,922	( 20,259)	( 6,078)	Associate
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment business	12,818,523 (USD 417,145 thousand)	12,818,523 (USD 417,145 thousand)	417,145,000	67.40	8,629,306 (USD 280,993 thousand)	( 5,226,273) (USD -174,699 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Aveme, Causeway Bay, Hong Kong	Investment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00	11,869,309 (USD 386,497 thousand)	( 6,167,854) (USD -206,156 thousand)		Sub-subsiary
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	145,807,007	36.67	2,855,733	412,077		Sub-subsiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	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	5,098,353	1,447,369		Sub-subsiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	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	2,415,725	( 370,247)		Sub-subsiary

(Continued)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USIFE Investment Co., Ltd.	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	\$ 155,632	\$ 155,632	16,424,242	8.98	\$ 133,125	\$ 16,346	Subsidiary	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing of plastic film (bag), industrial plastic products and reinforced plastic products	22,500	22,500	2,250,015	15.00	( 330)	( 31,248)	Sub-subsidiary	
	Taiwan United Venture Management Corporation	12F., No. 37, Jihu Rd., Taipei City	Corporate management consulting	8,000	8,000	800,000	100.00	15,513	263	Sub-subsidiary	
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	263,759 (USD 8,589 thousand)	175,337 (USD 5,709 thousand)	11,553,462	23.12	288,882 (USD 9,407 thousand)	( 5,961) (USD -195 thousand)	Sub-subsidiary	

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

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2022			Net Income (Loss) of the Investee for the Period (Note 2)	Investment profit and loss recognized in current year (Note 2)	Remark
				Ending Balance for Current Period	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount (Note 1)			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$ 605,182	\$ 605,182	25,621,692	51.27	\$ 648,239	(\$ 5,960) (USD -195 thousand)	(\$ 25,643) (USD -860 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100.00	1,074,377	52,427	47,075	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	22,739	( 27,848)	( 9,467)	
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	365,173 (USD 11,891 thousand)	365,173 (USD 11,891 thousand)	42,600,000	100.00	708,904 (USD 23,048 thousand)	51,199 (MYR 7,836 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	254,321 (MYR 37,964 thousand)	254,321 (MYR 37,964 thousand)	9,120,000	100.00	699,335 (MYR 104,394 thousand)	51,774 (MYR 7,925 thousand)		

Note 1. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2022.

Note 2. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

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  
 Year 2022

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, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 2)	Investment profit and loss recognized in current year (Note 2)	Remark
				December 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount (Note 1)			
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	\$ 1,770,316	\$ 32,425	\$ 32,425	
	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	38,083	( 548)	( 548)	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	499,996	454,134	16,041	100.00	1,643,122	17,032	17,032	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	245,000	245,000	10,500	70.00	( 1,538)	( 31,248)	( 21,874)	
	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	7,586	21,048	210	
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	202,483 (USD 6,593 thousand)	202,483 (USD 6,593 thousand)	20,000	100.00	491,154 (USD 15,993 thousand)	38,983 (USD 1,308 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	507,048 (USD 16,511 thousand)	507,048 (USD 16,511 thousand)	107,351	100.00	279,077 (USD 9,087 thousand)	( 5,191) (INR -13,735 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	793,547 (USD 25,840 thousand)	793,547 (USD 25,840 thousand)	25,840	99.00	751,050 (USD 24,456 thousand)	21,048 (IDR 10,447,802 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	217,859 (USD 7,094 thousand)	217,859 (USD 7,094 thousand)	3,157	100.00	564,582 (USD 18,384 thousand)	39,747 (USD 1,334 thousand)		

Note 1. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2022.

Note 2. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

Note 3. Please refer to Table 8-2 for relevant information on mainland investee companies.



USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

INFORMATION ON INVESTEES

Year 2022

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, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Investment Loss (Loss) for the Year Ended December 31, 2022	Remark
				December 31, 2022	December 31, 2021	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	\$ 2,933,648	259,591,005	87.27	\$ 4,076,858	\$ 21,552	\$ 223,093	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of PVC resins	800,000	800,000	100,000,000	100.00	701,707	( 522,042 )	( 522,042 )	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	333,626	( 24,490 )	( 24,490 )	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	23,892,872	33.33	355,611	29,772	9,924	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	186,395	( 47,552 )	( 47,552 )	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,911	16,348	284	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Taipei City	Environmental detection services	50,000	-	5,000,000	100.00	52,642	2,642	-	Subsidiary

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

Year 2022

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, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark (Note 1)
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,755,854 (USD 89,738 thousand)	\$ 2,755,854 (USD 89,738 thousand)	89,738,000	100.00	\$ 3,144,353 (USD 102,389 thousand)	( \$ 37,084 ) ( Loss in USD-1,129 thousand )	( \$ 37,084 ) ( Loss in USD -1,129 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	187,231	( 370,247 )	( 7,339 )	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	23,892,871	33.33	355,611	29,772	9,924	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	33,466	16,348	398	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,208 (USD 1,700 thousand)	52,208 (USD 1,700 thousand)	2,695,619	5.39	67,401 (USD 3,195 thousand)	( 5,961 ) ( Loss in USD-195 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

Year 2022

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, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 423,024 (USD 13,775 thousand)	\$ 423,024 (USD 13,775 thousand)	11,342,594	100.00%	\$ 586,541	\$ 14,072	\$ 14,072	Subsidiary
	APC Investment Corporation	Taipei City	Investment business	200,000	200,000	20,000,000	100.00%	156,074	( 12,287 )	( 12,287 )	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	64,491 (USD 2,100 thousand)	64,491 (USD 2,100 thousand)	2,100,000	70.00%	69,338	97	68	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%	762,280	( 370,247 )	( 29,876 )	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	23,892,871	33.33%	355,611	29,772	9,924	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%	205,730	( 48,865 )	( 3,884 )	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%	45,599	16,348	541	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%	22,114	1,961	163	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%	6,155	( 27,848 )	( 2,563 )	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	5,235,287 (USD 170,475 thousand)	5,235,287 (USD 170,475 thousand)	170,475,000	40.87%	3,526,546	( 3,522,647 )	( 1,439,602 )	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	161,071 (USD 5,245 thousand)	161,071 (USD 5,245 thousand)	8,316,450	16.64%	207,944	( 5,961 )	-	- APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	27,639 (USD 900 thousand)	27,639 (USD 900 thousand)	900,000	30.00%	29,716	97	-	- 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%	14,188	16,348	-	- APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	22,500	2,250,015	15.00%	( 330 )	( 31,248 )	-	- APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	12,810,523 (USD 417,145 thousand)	12,810,523 (USD 417,145 thousand)	417,145,000	67.40%	8,629,306 (USD 280,993 thousand)	( 5,226,273 ) (USD -174,699 thousand)	-	- Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00%	11,869,309 (USD 386,497 thousand)	( 6,167,854 ) (USD -206,156 thousand)	-	- Ever Victory Global Ltd. Investments accounted for using the equity method

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

USI CORPORATION AND INVESTEE COMPANIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
Year 2022

TABLE 8

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 6)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022 (Note 6)	Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 8)	Ownership of Direct or Indirect Investment (%)	Investment profit and loss recognized in current year (Note 8)	Book value of investment at the end of the year (Note 6)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 943,565 (USD 30,725 thousand)	Note 1	\$ 86,526 (USD 2,818 thousand)	\$ -	\$ -	\$ 86,526 (USD 2,818 thousand)	(\$ 45,406) (USD -1,488 thousand)	23.12	(\$ 9,608) (USD -315 thousand)	\$ 183,566 (USD 5,977 thousand)	\$ -
Zhangzhou Taiju Trading Co., Ltd.	Import and distribution of various types of chemical raw materials and products	44,094 (RMB 10,000 thousand)	Note 1	-	30,341 (RMB 7,000 thousand)	-	30,341 (RMB 7,000 thousand)	( 3,038 ) (USD -50 thousand)	70.00	( 2,127 ) (USD -35 thousand)	28,753 (USD 936 thousand)	-
USIG (Shanghai) Co., Ltd.	Import and distribution of various types of chemical raw materials and products	153,550 (USD 5,000 thousand)	Note 2	153,550 (USD 5,000 thousand)	-	-	153,550 (USD 5,000 thousand)	( 1,571 ) (USD -54 thousand)	100.00	( 1,571 ) (USD -54 thousand)	130,756 (USD 4,258 thousand)	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	41,070,915 (RMB9,314,400 thousand)	Note 3	7,015,691 (USD 228,450 thousand)	-	-	7,015,691 (USD 228,450 thousand)	( 12,297,060 ) (USD -410,988 thousand)	16.94	( 2,083,030 ) (USD -69,618 thousand)	4,582,911 (USD 149,232 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 6)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 6)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 7,541,471 (USD 245,371 thousand)	\$ 9,487,802(Note 5) (USD 308,948 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. 11251003100 on February 7, 2023, 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 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 calculation was based on the spot exchange rate of December 31, 2022.

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, the others 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, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

Information on Investments in Mainland China

Year 2022

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 4)	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 4)	Net Income (Loss) of the Investee for the Period (Note 5)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Notes 3 and 5)	Book value of investment at the end of the year (Note 6)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 943,565 (USD 30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD 11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand)	(\$ 45,406) (RMB -10,188 thousand)	51.27%	(\$ 23,281) (RMB -5,224 thousand)	\$ 407,089 (RMB 92,323 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	589,632 (USD 19,200 thousand)	Indirect investment via GAEL.	619,676 (USD 19,200 thousand)	-	-	619,676 (USD 19,200 thousand)	52,558 (RMB 11,814 thousand)	100.00%	52,558 (RMB 11,814 thousand)	1,047,850 (RMB 237,640 thousand)	-

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$931,864(USD30,344 thousand) (Notes 2 and 4)	\$1,124,999(USD36,633 thousand) (Notes 2 and 6)	\$ - (Note 1)

Note 1. As ACME has obtained the certificate of qualification for operating headquarters issued by the Investment Development Bureau, MOEA No. 09704604680 on August 29, 2008, the upper limit on investment is not applicable.

Note 2. It includes the capital increase transferred from surplus of Acme Electronics (Kunshan) Co., Ltd., and ACME increased the amount of USD 6,289 thousand at its ownership percentage.

Note 3. The investment gain (loss) recognized for the year ended December 31, 2022 was calculated on the basis of financial statements audited and approved by CPAs of the parent company of ACME.

Note 4. The calculation was based on the exchange rate of the original investment.

Note 5. The amount is calculated based on the average exchange rate during the period from January 1 to December 31, 2022.

Note 6. The calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Information on Investments in Mainland China

Year 2022

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, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment profit and loss recognized in current year (Note 3)	Carrying Amount as of the End of Period (Note 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022	Remark
					Outflow	Inflow							
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 408,136 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	(\$ 16,857) (USD -566 thousand)	100.00	(\$ 16,857) (USD -566 thousand)	\$ 1,076,094 (USD 35,041 thousand)	\$ 49,018 (USD 1,600 thousand)	Notes 5 and 7
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	279,461 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	40,011 (USD 1,342 thousand)	100.00	40,011 (USD 1,342 thousand)	563,965 (USD 18,364 thousand)	64,395 (USD 2,327 thousand)	Notes 6 and 7
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	328,597 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	( 22,943 ) (USD -770 thousand)	100.00	( 22,943 ) (USD -770 thousand)	52,371 (USD 1,705 thousand)	-	

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 588,131	\$1,006,850 (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, 2022.

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 to December 31, 2022.

Note 4. The calculation was based on the spot exchange rate of December 31, 2022.

Note 5. Swanson International Ltd received a cash dividend of USD 1,600 thousand from its reinvestment company Swanson Plastics (Kunshan) Co., Ltd. in 2022, which has been remitted to Swanson Plastics Corporation.

Note 6. Swanson International Ltd received a cash dividend of USD 2,327 thousand from its reinvestment company API-Swanson (Kunshan) Co., Ltd. in 2021, which has been remitted to Swanson Plastics Corporation.

Note 7. Calculated at the exchange rate at remittance.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

Information on investments in mainland China

Year 2022

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, 2022 (Note 1)	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 1)	Net Income (Loss) of Investee for the Year Ended December 31, 2022	Ownership of Direct or Indirect Investment	Investment Gain (Loss) for the Year Ended December 31, 2021	Book value of investment at the end of the year (Note 1)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing & marketing of PVC film and consumer products	\$ 614,200 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 614,200 (USD 20,000 thousand)	\$ -	\$ -	\$ 614,200 (USD 20,000 thousand)	(\$ 26,469) (USD -865 thousand)	100%	(\$ 26,469) (USD -865 thousand)	\$ 240,228 (USD 7,823 thousand)	\$ -
CGPC Consumer Products Corporation (CGPC (CP)) (Note 4)	Manufacturing and sales of PVC third-time processed products	46,065 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	46,065 (USD 1,500 thousand)	-	-	46,065 (USD 1,500 thousand)	653 (USD 22 thousand)	100%	653 (USD 22 thousand)	14,317 (USD 466 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA (Note 2)
\$ 831,688(USD27,082 thousand)	\$ 964,294(USD31,400 thousand)	\$ -

Note 1. The calculation was based on the spot exchange rate of December 31, 2022.

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.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

Information on Investments in Mainland China

Year 2022

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, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 6)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 6)	Book value of investment at the end of the year (Note 6)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and sales of polystyrene derivatives	\$ 1,420,338 (USD 46,250 thousand) (Note 1)	Reinvest in the mainland companies by establishing a company through investment in the third region	\$ 1,320,530 (USD 43,000 thousand)	\$ -	\$ -	\$ 1,320,530 (USD 43,000 thousand)	(\$ 19,457) (USD -552 thousand)	100.00%	(\$ 19,457) (USD -552 thousand)	\$ 1,826,664 (USD 59,481 thousand)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)") (Note 8)	Production and sales of polystyrene derivatives	839,919 (USD 27,350 thousand) (Note 2)	Reinvest in the mainland companies by establishing a company through investment in the third region	798,460 (USD 26,000 thousand)	-	-	798,460 (USD 26,000 thousand)	(37,119) (USD -1,248 thousand)	100.00%	(37,119) (USD -1,248 thousand)	(152,697) (USD -4,972 thousand)	-
Zhangzhou Taita Chemical Company, Limited (ZTC)	Production and sales of polystyrene derivatives	1,491,879 (USD 48,580 thousand) (Note 3)	Reinvest in the mainland companies by establishing a company through investment in the third region	-	-	-	-	12,104 (USD 396 thousand)	100.00%	12,104 (USD 396 thousand)	1,365,483 (USD 44,464 thousand)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	943,565 (USD 30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	41,582 (USD 1,354 thousand)	-	-	41,582 (USD 1,354 thousand)	(45,406) (USD -1,488 thousand)	5.39%	(2,449) (USD -80 thousand)	42,829 (USD 1,395 thousand)	-

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$2,160,572 (USD70,354 thousand)	\$3,863,850 (USD 125,817 thousand) (Note 4)	\$ -(Note 5)

Note 1. Taita Zhongshan increased capital from surplus of USD 3,250 thousand in 2007.

Note 2. Taita Tianjin increased capital from surplus of USD 1,350 thousand in 2012.

Note 3. ZTC has registered for establishment in 2021, and TAITA (BVI) injected capital of ZTC amounted to USD 48,580 thousand on March 8, 2022.

Note 4. It includes the capital increase transferred from surplus by TAITA (ZS) of USD 3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of USD 1,350 thousand, capital increase transferred from surplus by ACME (KS) of USD 802 thousand and capital injection from TAITA (.) to ZTC of USD 50,000 thousand.

Note 5. As TTC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11120416710 on June 8, 2022, the upper limit on investment in Mainland China is not applicable.

Note 6. The calculation is based on the financial statements audited and approved by CPAs of the parent company of TTC.

Note 7. TTC management has decided to suspend the production of TAITA (TJ) from April 2019, and please refer to Note 12 to the Consolidated Financial Statements Description.



USI CORPORATION AND INVESTEE COMPANIES  
Asia Polymer Corporation  
Information on investments in mainland China  
Year 2022

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, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 3)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 3)	Investment Carrying amount as of the Year Ended December 31, 2022 (Note 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 943,565 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 128,287 (USD 4,177 thousand)	\$ -	\$ -	\$ 128,287 (USD 4,177 thousand)	B (\$ 45,406)	16.64%	(\$ 7,557)	\$ 132,135	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	76,775 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,223 (USD 3,036 thousand)	-	-	93,223 (USD 3,036 thousand)	B 12,645	100.00%	12,645	150,782	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	41,070,915 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,848,583 (USD 157,883 thousand)	-	-	4,848,583 (USD 157,883 thousand)	A ( 12,297,060)	11.71%	( 1,439,881)	2,951,151	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	44,094 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	-	13,643 (RMB 3,000 thousand)	-	13,643 (RMB 3,000 thousand)	A ( 3,038)	30.00%	( 911)	12,323	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 5,231,762(Note 5) (USD 170,360 thousand)	\$ 6,873,992 (USD 223,836 thousand)	\$ - (Note 6)

Note 1. Methods of Investment can be 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, 2022:

- (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 calculation was based on the spot exchange rate of December 31, 2022.

Note 5. APC 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. 11120425760 on August 23, 2022, the upper limit on investment is not applicable.

USI CORPORATION  
INFORMATION ON MAJOR SHAREHOLDERS  
December 31, 2022

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. In the event 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.

## §STATEMENT INDEX OF IMPORTANT ACCOUNTING ITEMS§

ITEM	STATEMENT INDEX
MAJOR ACCOUNTING ITEMS IN ASSETS, LIABILITIES AND EQUITY	
STATEMENT OF CASH AND CASH EQUIVALENT	STATEMENT 1
STATEMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT	STATEMENT 2
STATEMENT OF FINANCIAL ASSETS MEASURED AT ATMORTIZED COST - CURRENT	NOTE 9
STATEMENT OF NOTES RECEIVABLE	STATEMENT 3
STATEMENT OF ACCOUNTS RECEIVABLE	STATEMENT 4
STATEMENT OF OTHER RECEIVABLES	NOTE 10
STATEMENT OF INVENTORIES	STATEMENT 5
STATEMENT OF PREPAYMENTS	STATEMENT 6
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT	STATEMENT 7
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	STATEMENT 8
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT	NOTE 13
STATEMENT OF ACCUMULATED DEPRECIATION CHANGES IN PROPERTY, PLANT AND EQUIPMENT	NOTE 13
STATEMENT OF CHANGES IN INVESTMENT PROPERTIES	NOTE 15
STATEMENT OF ACCUMULATED DEPRECIATION CHANGES IN INVESTMENT PROPERTIES	NOTE 15
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS	STATEMENT 9
STATEMENT OF ACCUMULATED DEPRECIATION CHANGES IN RIGHT-OF-USE ASSETS	STATEMENT 10
STATEMENT OF CHANGES IN INTANGIBLE ASSETS	NOTE 16
STATEMENT OF DEFERRED TAX ASSETS	NOTE 25
STATEMENT OF OTHER NON-CURRENT ASSETS	STATEMENT 11
STATEMENT OF ACCOUNTS PAYABLE	STATEMENT 12
STATEMENT OF OTHER PAYABLES	NOTE 20
STATEMENT OF OTHER CURRENT LIABILITIES	STATEMENT 13
STATEMENT OF BONDS PAYABLE	STATEMENT 14
STATEMENT OF LONG-TERM BORROWINGS	STATEMENT 15
STATEMENT OF LEASE LIABILITIES	STATEMENT 16
STATEMENT OF DEFERRED TAX LIABILITIES	NOTE 25
STATEMENT OF OTHER NON-CURRENT LIABILITIES	STATEMENT 17
MAJOR ACCOUNTING ITEMS IN PROFIT OR LOSS	
STATEMENT OF SALES REVENUE	STATEMENT 18
STATEMENT OF SALES COSTS	STATEMENT 19
STATEMENT OF MANUFACTURING EXPENSES	STATEMENT 19-1
STATEMENT OF OPERATING EXPENSES	STATEMENT 20
STATEMENT OF NON-OPERATING INCOME AND EXPENSES	NOTE 24
STATEMENT OF FINANCE COSTS	NOTE 24
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION	STATEMENT 21

USI CORPORATION  
STATEMENT OF CASH AND CASH EQUIVALENT  
DECEMBER 31, 2022

STATEMENT 1

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

ITEM	Abstract	Amount
Cash		
Pocket money		\$ 490
Bank deposits		
Checking deposits		4,710
Demand deposits in NTD		84,024
Demand deposits in foreign currency	USD 1,380,404.74 (Note) RMB 96,770.31 (Note) JPY 15,760.00 (Note) EUR 269,177.48 (Note)	<u>36,386</u>
Sub-total of the bank deposits		<u>125,120</u>
Cash equivalents		
Reserve repurchase agreements collateralized by bonds	Annual interest rate: 1.15% ~ 1.38%, and to mature in January 2023	<u>289,921</u>
Time deposits	Annual rate 0.95%-4.05%, including time deposits of foreign currency USD 11,000,000 (Note). Maturity date is from January, 2023 to March, 2023	<u>887,810</u>
		<u>\$ 1,303,341</u>

Note: U.S. dollars are converted at the exchange rate USD1=NTD30.7100.  
Renminbi is converted at the exchange rate RMB1 = NTD4.4094.  
Japanese Yen is converted at the exchange rate JPY1 = NTD0.2324.  
The Euro is converted at the exchange rate EUR1 = NTD32.7200.

USI CORPORATION  
STATEMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT  
December 31, 2022

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		604,127	\$ 10	\$ 6,041		\$ 10,000	16.5571	\$ 10,003	\$ -	
Yuanta De-Li Money Market Fund		10,265,239	10	102,652		170,000	16.5694	170,088	-	
JKO Ping'an Money Market Fund		853,709	10	8,537		10,000	11.7167	10,003	-	
Taishin 1699 Money Market Fund		12,357,362	10	123,574		170,000	13.7652	170,102	-	
SinoPac TWD Money Market Fund		3,540,976	10	35,410		50,000	14.1246	50,015	-	
Cathay No. 1 Real Estate Investment Trust		3,340,000	10	<u>33,400</u>		<u>34,175</u>	18.0800	<u>60,387</u>	-	
				<u>309,614</u>		<u>444,175</u>		<u>470,598</u>	-	
Domestic listed (OTC) shares										
Evergreen Marine Corporation		194,500	10	1,945		28,788	163.0000	31,704	-	
UPC Technology Corporation		290,000	10	2,900		6,845	13.6000	3,944	-	
Quanta Storage Inc.		86,000	10	860		3,810	40.1500	3,453	-	
China Steel Corporation		350,000	10	3,500		13,567	29.8000	10,430	-	
Tungsho Steel Corporation		224,500	10	<u>2,245</u>		<u>13,894</u>	52.7000	<u>11,831</u>	-	
				<u>11,450</u>		<u>66,904</u>		<u>61,362</u>	-	
				<u>\$ 321,064</u>		<u>\$ 511,079</u>		<u>\$ 531,960</u>	<u>\$ -</u>	
Financial assets mandatorily classified as at fair value through profit or loss - derivatives										
Foreign exchange forward contracts										
								<u>\$ 1,206</u>	<u>\$ -</u>	
Financial liabilities held for trading - derivatives										
Foreign exchange forward contracts										
								<u>\$ 13,769</u>	<u>\$ -</u>	

USI CORPORATION  
STATEMENT OF NOTES RECEIVABLE

December 31, 2022

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	\$ 67,207	
Taiwan First Li-Bond Co., Ltd.	Postdated	20,531	
Others	Postdated	<u>1,070</u>	
		<u>\$ 88,808</u>	

USI CORPORATION  
STATEMENT OF ACCOUNTS RECEIVABLE

December 31, 2022

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	\$ 1,422,232	
Sveck Photovoltaic New Material Co.,Ltd.	Payment for sales	513,090	
Others (Note)	Payment for sales	<u>335,084</u>	
Sub-total		2,270,406	
Less: allowance for loss		( <u>2,651</u> )	
		<u>2,267,755</u>	
Affiliate			
Forever Young Company Limited	Payment for sales	69,238	
USI Trading (Shanghai) Co., Ltd.	Payment for sales	30,630	
USI (Hong Kong) Company Ltd.	Payment for sales	9,955	
Swanson Plastics Corporation	Payment for sales	8,977	
Swanson Technologies Corporation	Payment for sales	<u>18</u>	
Sub-total		<u>118,818</u>	
		<u>\$ 2,386,573</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, 2022

STATEMENT 5

(In Thousands of New Taiwan Dollars)

Item	Abstract	Amount		Remark
		Cost	Net realizable value (Note)	
Finished goods		\$ 1,076,374	\$ 1,119,897	
Work in progress		55,593	71,746	
Raw materials		179,630	174,539	
Supplies		<u>193,052</u>	<u>180,285</u>	
		1,504,649	<u>\$ 1,546,467</u>	
Less: Allowance for reduction of inventory to market		( <u>91,123</u> )		
		<u>\$ 1,413,526</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, 2022

STATEMENT 6

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Office supplies		\$ 176,325	
Prepaid expenses		28,967	
Prepayment for sales		<u>3,574</u>	
		<u>\$ 208,866</u>	

USI CORPORATION  
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FROM JANUARY 1 TO DECEMBER 31, 2022

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 (OTC) shares										
AU Optronics Corporation	8,514,006	\$ 194,971	-	\$ -	1,702,802	\$ 92,803	6,811,204	\$ 102,168	None	Note 1
CTCI Corporation	15,130,656	562,860	-	70,358	-	-	15,130,656	633,218	None	Note 2
Domestic non listed (over-the-counter) common stocks										
KHL IB Venture Capital Co., Ltd.	9,954,950	<u>164,720</u>	-	<u>-</u>	-	<u>29,444</u>	9,954,950	<u>135,276</u>	None	Note 3
		<u>\$ 922,551</u>		<u>\$ 70,358</u>		<u>\$ 122,247</u>		<u>\$ 870,662</u>		

Note 1. Decreases in the number of shares and amounts was resulted from fair value adjustments and cash capital reduction.

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

Note 3. Decreases in investment this year was resulted from fair value adjustments.

USI CORPORATION  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
FROM JANUARY 1 TO DECEMBER 31, 2022

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	\$ 1,088,028	2,396,200	\$ 3,075	-	\$ 85,949	(\$ 49,098)	89,647,000	100.00	\$ 956,056	\$ 957,600	Note 1	None
Swanlake Traders Ltd.	30,000,000	1,270,746	-	119,610	-	5,713	15,773	30,000,000	100.00	1,400,416	1,414,062	Note 2	None
USI (Hong Kong) Company Ltd.	159,999	63,676	-	6,968	-	-	( 1,233)	159,999	100.00	69,411	69,411	Note 3	None
Union Polymer International Investment Corporation	746,722,725	10,447,388	150,631,397	557,426	-	1,232,088	517,147	897,354,122	100.00	10,289,873	11,130,959	Note 4	None
Taiwan United Venture Capital Corp.	25,900,000	190,601	-	934	-	7,000	1,373	25,900,000	70.00	185,908	185,908	Note 5	None
Chong Loong Trading Co., Ltd.	5,333,059	65,330	416,003	23	-	4,141	12,593	5,749,062	99.96	73,805	73,805	Note 6	None
Swanson Plastics Corporation	62,616,299	1,068,346	-	37,363	-	40,701	( 19,827)	62,616,299	40.58	1,045,181	1,050,158	Note 7	None
Acme Electronics Corp.	49,250,733	343,972	-	7,083	-	-	4,399	49,250,733	26.91	355,454	370,793	Note 8	None
INOMA Corporation	9,243,369	16,854	-	-	-	-	( 3,507)	9,243,369	94.37	13,347	13,347		None
USI Management Consulting Corp.	671,400	( 1,195)	-	1,170	-	-	3,237	671,400	100.00	3,212	3,212	Note 9	None
Delmind Inc.	-	-	9,000,000	90,000	-	-	( 6,078)	9,000,000	30.00	83,922	83,922	Note 10	None
USIG (Shanghai) Co., Ltd.	5,000,000	130,269	-	2,058	-	-	( 1,571)	5,000,000	100.00	130,756	130,756	Note 11	None
Ever Conquest Global Limited	246,670,000	7,019,488	-	166,317	-	-	( 2,083,045)	246,670,000	59.13	5,102,760	5,102,760	Note 12	None
USI Optronics Corporation	33,000,000	48,168	-	-	-	-	( 14,159)	33,000,000	50.85	34,009	34,009		None
USI Green Energy Corporation	7,010,000	<u>106,371</u>	249,418	<u>-</u>	-	<u>-</u>	<u>5,188</u>	7,259,418	100.00	<u>111,559</u>	79,716		None
		21,858,042		992,027		1,375,592	(\$ 1,618,808)			19,855,669			
Rerecognized as long-term equity investment credit balance		<u>1,195</u>		<u>-</u>		<u>1,195</u>				<u>-</u>			
		<u>\$ 21,859,237</u>		<u>\$ 992,027</u>		<u>\$ 1,376,787</u>				<u>\$ 19,855,669</u>			

- Note 1. This year's increases arise from an increase of NT\$919 thousand in re-measurement benefits of defined benefit plans, the recognition of capital reserve based on the shareholding ratio of NT\$192 thousand and the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$1,964 thousand. This year's decreases arise from the unrealized profit of financial assets measured at fair value through other comprehensive income NT\$85,949 thousand.
- Note 2. This year's increases are to recognize the conversion difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$119,610 thousand, and this year's decreases arise from the recognition of capital reserves of NT\$4,051 thousand and the retained earnings of NT\$1,662 thousand.
- Note 3. This year's increases are to recognize the conversion difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$6,968 thousand.
- Note 4. This year's increases are to recognize the capital reserve, to adjust the cash dividends paid to subsidiaries, treasury shares trading of NT\$84,325 thousand, the valuation adjustment of NT\$362,213 thousand for treasury stocks and financial commodities, the accumulated profit and loss of NT\$97 from disposal of financial assets measured at fair value through other comprehensive income to retained earnings and the re-measurement income of NT\$46,715 thousand from the defined benefit plans, capital reserves recognized in share ratio of NT\$1,247 thousand and the difference of conversion of financial statements of foreign operating institutions of NT\$62,829 thousand. The decrease for the year is \$582,444 thousand in cash dividends paid by investee companies and this year's decreases arise from the unrealized profit of financial assets measured at fair value through other comprehensive income NT\$649,644 thousand.
- Note 5. 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\$934 thousand and this year's decreases arise from the unrealized profit of financial assets measured at fair value through other comprehensive income NT\$7,000 thousand.
- Note 6. This year's increases arise from the newly added investment price of NT\$23 thousand, and this year's decreases are the receipts of cash dividends of NT\$4,141 thousand paid by the investee.
- Note 7. This year's increases arise from an increase of NT\$4,147 thousand in re-measurement benefits of defined benefit plans, the recognition of capital reserve based on the shareholding ratio of NT\$81 thousand and the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$33,135 thousand. This year's decreases are the receipts of cash dividends of NT\$40,701 thousand paid by the investee.
- Note 8. This year's increases arise from an increase of NT\$617 thousand in re-measurement benefits of defined benefit plans, the recognition of capital reserve based on the shareholding ratio of NT\$576 thousand and the recognition of difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$5,890 thousand.
- Note 9. This year's increases arise from the re-measurement income NT\$1,170 thousand of defined benefit plan.
- Note 10. This year's increases arise from the newly added investment price of NT\$90,000 thousand.
- Note 11. This year's increases are to recognize the conversion difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$2,058 thousand.
- Note 12. This year's increases are to recognize the conversion difference in the financial statements of foreign operating institutions based on the shareholding ratio of NT\$166,317 thousand.

USI CORPORATION  
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS  
FROM JANUARY 1 TO DECEMBER 31, 2022

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>(\$ 450)</u>	<u>\$ 22,991</u>	

USI CORPORATION  
 STATEMENT OF ACCUMULATED DEPRECIATION CHANGES IN RIGHT-OF-USE  
 ASSETS

FROM JANUARY 1 TO DECEMBER 31, 2022

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>\$ 13,800</u>	<u>\$ 4,450</u>	<u>(\$ 450)</u>	<u>\$ 17,800</u>	

USI CORPORATION  
STATEMENT OF OTHER NON-CURRENT ASSETS

December 31, 2022

STATEMENT 11

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Refundable deposits		\$ 68,281	
Long-term deferred expenses		35,149	
Advance payment for construction		32,083	
Prepaid investment		<u>10,000</u>	
		<u>\$ 145,513</u>	

USI CORPORATION  
STATEMENT OF ACCOUNTS PAYABLE

December 31, 2022

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 sales	\$ 374,068	
CHINA JINSHAN ASSOCIATED TRADING	Payment for sales	285,006	
Dairen Chemical Corporation	Payment for sales	100,715	
SHANGHAI JINSHAN TRADING CORPORATION	Payment for sales	83,214	
HELM ASIA PTE. LTD.	Payment for sales	66,924	
Others	Payment for sales	<u>75,230</u>	
Sub-total		<u>985,157</u>	
Affiliate			
Asia Polymer Corporation	Payment for sales	184,404	
Swanson Plastics Corporation	Payment for sales	10,161	
Fujian Gulei Petrochemical Co., Ltd.	Payment for sales	<u>110,352</u>	
Sub-total		<u>304,917</u>	
		<u>\$ 1,290,074</u>	

Note: A bank time deposit of NT\$54,374 thousand has been provided as collateral.

USI CORPORATION  
STATEMENT OF OTHER CURRENT LIABILITIES

December 31, 2022

STATEMENT 13

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Contract liability		\$ 144,066	
Receipts under custody		2,285	
Others		<u>3,398</u>	
		<u>\$ 149,749</u>	



USI CORPORATION  
STATEMENT OF BONDS PAYABLE  
December 31, 2022

STATEMENT 14

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

Name of the bond	Trustee	Issuing date	Interest payment date	Interest rate	Amount					Method of repayment	Details of guarantee	Remark
					Total amount issued	Less: amount paid	Balance at December 31	Unamortized premium (discount)	Carrying amount			
The first unsecured corporate bond B in 2015	Mega International Commercial Bank Co., Lt. Department of Trusts	2015.02.12	Interest is paid one time every full year from the date of issue	1.90%	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	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 2017	Taipei Fubon Commercial Bank Co., Ltd. Department of Trusts	2017.10.27	Interest is paid one time every full year from the date of issue	1.10%	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 2019	Taipei Fubon Commercial Bank Co., Ltd. Department of Trusts	2019.04.26	Interest is paid one time every full year from the date of issue	0.98%	2,000,000	-	2,000,000	( 1,175 )	1,998,825	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	2021.06.23	Interest is paid one time every full year from the date of issue	0.63%	1,000,000	-	1,000,000	( 1,452 )	998,548	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	2021.06.23	Interest is paid one time every full year from the date of issue	0.73%	1,000,000	-	1,000,000	( 1,682 )	998,318	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	2021.10.26	Interest is paid one time every full year from the date of issue	0.63%	700,000	-	700,000	( 1,131 )	698,869	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	2021.10.26	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>2,332</u> )	<u>1,297,668</u>	50% repayment of principal in the 6th and 7th year from the date of issue	None	
					9,000,000	3,000,000	6,000,000	( 7,772 )	5,992,228			
Less: corporate bonds due within one year					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
					<u>\$ 9,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 6,000,000</u>	( <u>\$ 7,772</u> )	<u>\$ 5,992,228</u>			

USI CORPORATION  
STATEMENT OF LONG-TERM BORROWINGS  
December 31, 2022

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	
The Export-Import Bank of the Republic of China	October 21, 2022 - October 21, 2025, To be evenly repaid on two installments in the 30th month and the 36th month respectively.	1.41%	\$ -	\$ 300,000	\$ 300,000	—
Taipei Fubon Commercial Bank Co., Ltd.	October 15, 2021 - October 15, 2026, amortized on an average monthly basis from the fourth year onwards.	0.96%	-	320,995	320,995	—
E.Sun Commercial Bank, Ltd.	November 5, 2021 - October 15, 2026, amortized on an average monthly basis from the fourth year onwards.	0.93%	-	108,708	108,708	—
			\$ -	\$ 729,703	\$ 729,703	

USI CORPORATION  
STATEMENT OF LEASE LIABILITIES

December 31, 2022

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%	\$ 115,187	
Buildings		2022.11.01-2026.12.31	1.76%	2,250	
Less: Lease liabilities due within one year				<u>32,249</u>	
				<u>\$ 85,188</u>	

USI CORPORATION  
STATEMENT OF OTHER NON-CURRENT LIABILITIES

December 31, 2022

STATEMENT 17

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Abstract</u>	<u>Amount</u>	<u>Remark</u>
Deferred unrealized profit		\$ 3,873	
Guarantee deposits received		6,715	
Deferred income		<u>6,104</u>	
		<u>\$ 16,692</u>	

USI CORPORATION  
STATEMENT OF SALES REVENUE  
FROM JANUARY 1 TO DECEMBER 31, 2022

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	5,693	\$ 362,708	
Ethylene vinyl acetate	126,352	11,505,550	
High density polyethylene	81,146	3,303,768	
Linear low density polyethylene	10,628	439,620	
Other chemicals and wastes	<u>79</u>	<u>20,505</u>	
	<u>223,898</u>	<u>\$ 15,632,151</u>	

USI CORPORATION  
STATEMENT OF SALES COSTS  
FROM JANUARY 1 TO DECEMBER 31, 2022

STATEMENT 19

(In Thousands of New Taiwan Dollars)

ITEM	Amount
Direct raw materials	
The raw material on January 1, 2022	\$ 185,399
Purchases for the year ended December 31, 2022	7,934,729
Sales for the year ended December 31, 2022	( 258,602)
The raw material on December 31, 2022	( <u>179,630</u> )
	7,681,896
Indirect material	542,641
Direct labor	204,466
Manufacturing expenses (Statement 19-1)	<u>1,274,943</u>
Manufacturing cost	9,703,946
Work in progress	
Work in process on January 1, 2022	36,724
Work in process on December 31, 2022	( <u>55,593</u> )
Finished goods cost	9,685,077
Finished goods	
Finished goods on January 1, 2022	921,676
The purchase for the year ended December 31, 2022	1,436,470
Finished goods on December 31, 2022	( 1,076,374)
The loss of idle capacity	440,333
Other cost adjustment of the transfer of self-made goods to the packaging material	( 1,043)
The inventory write-down	<u>31,749</u>
	<u>\$ 11,437,888</u>

USI CORPORATION  
STATEMENT OF MANUFACTURING EXPENSES  
FROM JANUARY 1 TO DECEMBER 31, 2022

STATEMENT 19-1

(In Thousands of New Taiwan Dollars)

<u>ITEM</u>	<u>Amount</u>
Electricity expenses	\$ 534,554
Indirect labor	212,955
Depreciation	381,628
Others (Note)	<u>145,806</u>
	<u>\$ 1,274,943</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, 2022

STATEMENT 20

(In Thousands of New Taiwan Dollars)

ITEM	Selling and marketing expenses	Administrative expenses	Research and development expenses	Total
Employee benefits expense	\$ 41,084	\$ 44,075	\$ 93,343	\$ 178,502
Shipping expenses	250,089	-	218	250,307
Depreciation	180	2,943	20,379	23,502
Management service expenses	-	155,867	12,322	168,189
Exports expenses	16,526	-	-	16,526
Others (Note)	<u>17,389</u>	<u>46,204</u>	<u>24,608</u>	<u>88,201</u>
	<u>\$ 325,268</u>	<u>\$ 249,089</u>	<u>\$ 150,870</u>	<u>\$ 725,227</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, 2022 AND 2021

STATEMENT 21

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022				For the Year Ended December 31, 2021			
	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	\$ 490,491	\$ 144,293	\$ -	\$ 634,784	\$ 579,160	\$ 168,935	\$ -	\$ 748,095
Labor health insurance expenses	41,192	10,971	-	52,163	39,473	10,802	-	50,275
Pension expenses	19,243	4,618	-	23,861	19,644	8,435	-	28,079
Remunerations to directors	-	8,676	-	8,676	-	8,690	-	8,690
Other employee benefits expense	32,608	9,944	-	42,552	28,134	9,551	-	37,685
	<u>\$ 583,534</u>	<u>\$ 178,502</u>	<u>\$ -</u>	<u>\$ 762,036</u>	<u>\$ 666,411</u>	<u>\$ 206,413</u>	<u>\$ -</u>	<u>\$ 872,824</u>
Depreciation expense	\$ 575,244	\$ 23,502	\$ 27,139	\$ 625,885	\$ 556,664	\$ 24,228	\$ 27,045	\$ 607,937
Amortization expense	\$ 14,331	\$ 124	\$ -	\$ 14,455	\$ 13,337	\$ 115	\$ -	\$ 13,452

Note 1. As of the years ended December 31, 2022 and 2021, the numbers of the Company's employees were 457 and 472, respectively, including 7 non-employee directors.

Note 2. For the years ended December 31, 2022 and 2021, the average employee benefit expenses were NT\$1,674 thousand and NT\$1,858 thousand, respectively. For the years ended December 31, 2022 and 2021, the average employee salaries expenses were NT\$1,411 thousand and NT\$1,609 thousand, respectively. The average employee salaries expenses are adjusted and increase by 12.31%. 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, 2022 and 2021.

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).