

USI Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2019 and 2018 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of USI Corporation and its subsidiaries as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of USI Corporation and its subsidiaries. Consequently, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

USI CORPORATION

By:

YI-GUI WU
Chairman

March 9, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
USI Corporation

Opinion

We have audited the accompanying consolidated financial statements of USI Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020 and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and 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 in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated 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 of the Group's consolidated financial statements for the year ended December 31, 2019 is stated as follows:

Assessment of Inventory Valuation Loss

As of December 31, 2019, the net carrying amount of inventory was NT\$4,919,506 thousand (the gross amount of inventory costs NT\$5,545,061 thousand deducted the allowance for inventory valuation loss of NT\$625,555 thousand), which accounted for 7% of the total consolidated assets. The Group's inventories are stated at the lower of cost and net realizable value. As inventory assessment is affected by fluctuations in the price of ethylene, the main raw material, and international oil prices fluctuate violently, coupled with the fact that the assessment of the related net realizable value involves management's significant judgment and estimates; the assessment of inventory valuation loss has been deemed as a key audit matter for the year ended December 31, 2019.

For the accounting policies, significant accounting judgments, estimates and uncertainty of assumptions and related disclosure information, please refer to Notes 4(f), 5(b) and 11 to the consolidated financial statements.

The main audit procedures performed with respect to the aforementioned assessment of inventory valuation loss are as follows:

1. Based on the understanding of the industry to which the Group belongs, we assessed the accrual policy of inventory valuation loss and the appropriateness of the method used.
2. We obtained the documents for assessment on inventory valuation loss based on the lower of cost and net realizable value prepared by management, sampled and reconciled them to the most recent raw material prices or sales receipts, and recalculated the net realizable value, in order to assess the reasonableness of the basis of the estimation of the net realizable value used by management.
3. We observed the year-end inventory stock taking and implemented random sampling to understand the condition of the inventory, and assessed the reasonableness of the provision for losses due to obsolete inventory.

Other Matter

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged 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 statements 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 consolidated financial statements for the year ended December 31, 2019 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 20, 2020

Notice to Readers

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

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

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,927,403	11	\$ 8,123,304	12
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	6,358,025	9	5,084,305	7
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	174,789	-	158,602	-
Financial assets measured at amortized cost - current (Notes 4, 9 and 37)	506,129	1	439,135	1
Notes receivable, net (Notes 4 and 10)	634,435	1	1,015,882	2
Accounts receivable, net (Notes 4, 5 and 10)	6,411,077	9	7,532,851	11
Other receivables (Notes 4, 10 and 36)	277,131	-	279,612	-
Current tax assets (Notes 4 and 30)	11,919	-	8,116	-
Inventories (Notes 4, 5 and 11)	4,919,506	7	6,703,104	10
Prepayments (Notes 3 and 19)	782,608	1	742,562	1
Other current assets	17,150	-	11,909	-
Total current assets	28,020,172	39	30,099,382	44
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4, 8 and 37)	2,196,724	3	2,521,855	4
Financial assets measured at amortized cost - non-current (Notes 4, 9, 37 and 38)	311,942	-	311,758	-
Investments accounted for using the equity method (Notes 4 and 14)	14,867,168	21	10,338,945	15
Property, plant and equipment (Notes 4, 5, 15 and 37)	23,228,911	33	23,825,239	35
Right-of-use assets (Notes 3, 4, 16 and 37)	885,508	1	-	-
Investment properties (Notes 3, 4, 17 and 37)	524,408	1	182,424	-
Goodwill (Notes 4 and 18)	269,026	-	269,026	-
Other intangible assets (Notes 4 and 18)	17,004	-	33,377	-
Deferred tax assets (Notes 4 and 30)	643,715	1	633,334	1
Long-term prepayments for leases (Notes 3, 4, 16, 19 and 37)	-	-	459,542	1
Other non-current assets (Note 37)	461,208	1	316,156	-
Total non-current assets	43,405,614	61	38,891,656	56
TOTAL	\$ 71,425,786	100	\$ 68,991,038	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 37)	\$ 4,258,980	6	\$ 6,726,854	10
Short-term bills payable (Note 20)	1,352,810	2	1,514,784	2
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	4,136	-	11,135	-
Notes and accounts payable (Note 22)	2,757,368	4	3,392,687	5
Other payables (Note 23)	1,938,026	3	1,897,550	3
Current tax liabilities (Notes 4 and 30)	517,913	1	270,351	-
Lease liabilities - current (Notes 3, 4 and 16)	70,814	-	-	-
Current portion of long-term borrowings (Notes 20, 21 and 37)	1,443,156	2	525,000	1
Refund liabilities - current (Note 23)	28,221	-	30,034	-
Other current liabilities	262,958	-	283,389	-
Total current liabilities	12,634,382	18	14,651,784	21
NON-CURRENT LIABILITIES				
Bonds payable (Note 21)	6,991,327	10	5,992,604	9
Long-term borrowings (Notes 20 and 37)	9,049,770	12	8,617,624	13
Provisions - non-current (Notes 24 and 38)	136,375	-	136,375	-
Deferred tax liabilities (Notes 4 and 30)	1,411,901	2	1,408,232	2
Lease liabilities - non-current (Notes 3, 4 and 16)	481,964	1	-	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	1,473,867	2	1,658,228	2
Other non-current liabilities (Note 26)	69,253	-	71,482	-
Total non-current liabilities	19,614,457	27	17,884,545	26
Total liabilities	32,248,839	45	32,536,329	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 3, 4, 8, 13, 25, 27 and 30)				
Share capital	11,887,635	17	11,887,635	17
Capital surplus	271,613	-	253,738	-
Retained earnings				
Legal reserve	2,979,753	4	2,925,759	4
Special reserve	430,526	1	375,127	1
Unappropriated earnings	4,346,640	6	3,513,943	5
Total retained earnings	7,756,919	11	6,814,829	10
Other equity	(781,058)	(1)	(293,443)	-
Treasury shares	(475,606)	(1)	(475,606)	(1)
Total equity attributable to owners of the Company	18,659,503	26	18,187,153	26
NON-CONTROLLING INTERESTS	20,517,444	29	18,267,556	27
Total equity	39,176,947	55	36,454,709	53
TOTAL	\$ 71,425,786	100	\$ 68,991,038	100

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

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)				
Sales	\$ 55,656,741	100	\$ 60,892,513	100
COST OF GOODS SOLD (Notes 4, 11, 15, 16, 18, 25 and 29)	<u>48,924,372</u>	<u>88</u>	<u>55,097,773</u>	<u>91</u>
GROSS PROFIT	<u>6,732,369</u>	<u>12</u>	<u>5,794,740</u>	<u>9</u>
OPERATING EXPENSES (Notes 4, 10, 15, 16, 18, 25, 29 and 36)				
Selling and marketing expenses	2,042,577	4	2,048,027	3
General and administrative expenses	1,341,976	2	1,392,314	2
Research and development expenses	<u>416,083</u>	<u>1</u>	<u>421,600</u>	<u>1</u>
Total operating expenses	<u>3,800,636</u>	<u>7</u>	<u>3,861,941</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>2,931,733</u>	<u>5</u>	<u>1,932,799</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 15, 29 and 36)	729,191	1	616,677	1
Other gains and losses (Notes 4, 13, 19, 25, 29 and 40)	(1,929)	-	185,075	-
Finance costs (Notes 4, 16, 20, 21 and 29)	(285,222)	-	(244,395)	-
Share of (loss) gain of joint ventures accounted for using the equity method (Notes 4 and 14)	<u>(12,403)</u>	<u>-</u>	<u>32,271</u>	<u>-</u>
Total non-operating income and expenses	<u>429,637</u>	<u>1</u>	<u>589,628</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,361,370	6	2,522,427	4
INCOME TAX EXPENSE (Notes 4 and 30)	<u>820,144</u>	<u>1</u>	<u>654,078</u>	<u>1</u>
NET PROFIT FROM CONTINUING OPERATIONS	2,541,226	5	1,868,349	3
NET PROFIT FROM DISCONTINUED OPERATIONS (Notes 4 and 12)	<u>4,175</u>	<u>-</u>	<u>7,467</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>2,545,401</u>	<u>5</u>	<u>1,875,816</u>	<u>3</u>

(Continued)

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 25)	\$ 8,291	-	\$ 4,895	-
Loss of equity instruments measured at FVTOCI (Notes 4 and 27)	(179,751)	-	(24,377)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	(219)	-	17,566	-
	<u>(171,679)</u>	<u>-</u>	<u>(1,916)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 27)	(974,471)	(2)	(74,387)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	152,665	-	15,726	-
	<u>(821,806)</u>	<u>(2)</u>	<u>(58,661)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(993,485)</u>	<u>(2)</u>	<u>(60,577)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,551,916</u>	<u>3</u>	<u>\$ 1,815,239</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,281,364	3	\$ 539,935	1
Non-controlling interests	<u>1,264,037</u>	<u>2</u>	<u>1,335,881</u>	<u>2</u>
	<u>\$ 2,545,401</u>	<u>5</u>	<u>\$ 1,875,816</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 822,153	2	\$ 366,533	1
Non-controlling interests	<u>729,763</u>	<u>1</u>	<u>1,448,706</u>	<u>2</u>
	<u>\$ 1,551,916</u>	<u>3</u>	<u>\$ 1,815,239</u>	<u>3</u>

(Continued)

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2019</u>		<u>2018</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 31)				
From continuing and discontinued operations				
Basic	<u>\$ 1.19</u>		<u>\$ 0.50</u>	
Diluted	<u>\$ 1.19</u>		<u>\$ 0.50</u>	
From continuing operations				
Basic	<u>\$ 1.19</u>		<u>\$ 0.50</u>	
Diluted	<u>\$ 1.19</u>		<u>\$ 0.50</u>	

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company											Non-controlling Interests (Notes 3, 8, 13, 14 and 27)	Total Equity	
	Share Capital (Notes 4 and 27)	Treasury Share Transactions (Note 27)	Capital Surplus		Retained Earnings			Other Equity			Treasury Shares (Note 27)			Total
			Shares of Changes in Capital Surplus of Associates (Notes 4, 13 and 27)	Others (Note 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Notes 3, 4, 8, 13 and 27)	Exchange Differences on Translating Foreign Operations (Notes 4, 27 and 30)	Unrealized Gain on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets Measured at FVTOCI (Notes 4, 8, 27 and 30)				
BALANCE AT JANUARY 1, 2018	\$ 11,654,544	\$ 222,710	\$ 996	\$ 14,488	\$ 2,814,630	\$ 375,127	\$ 3,548,804	\$ (190,880)	\$ 159,594	\$ -	\$ (475,606)	\$ 18,124,407	\$ 16,684,012	\$ 34,808,419
Effects of retrospective application	-	-	-	-	-	-	30,762	-	(159,594)	181,005	-	52,173	44,007	96,180
BALANCE AT JANUARY 1, 2018, AS RECLASSIFIED	11,654,544	222,710	996	14,488	2,814,630	375,127	3,579,566	(190,880)	-	181,005	(475,606)	18,176,580	16,728,019	34,904,599
Appropriation of the 2017 earnings														
Legal reserve	-	-	-	-	111,129	-	(111,129)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(349,636)	-	-	-	-	(349,636)	-	(349,636)
Share dividends distributed by the Company	233,091	-	-	-	-	-	(233,091)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(615,849)	(615,849)
Net profit for the year ended December 31, 2018	-	-	-	-	-	-	539,935	-	-	-	-	539,935	1,335,881	1,875,816
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	12,396	1,510	-	(187,308)	-	(173,402)	112,825	(60,577)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	552,331	1,510	-	(187,308)	-	366,533	1,448,706	1,815,239
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	1,596	-	-	-	(2,931)	-	-	-	-	(1,335)	6,456	5,121
Other changes in capital surplus	-	-	-	2,675	-	-	-	-	-	-	-	2,675	-	2,675
Disposals of subsidiaries	-	-	-	-	-	-	-	(18,937)	-	-	-	(18,937)	(20,086)	(39,023)
Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,273	-	-	-	-	-	-	-	-	-	11,273	-	11,273
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	78,833	-	-	(78,833)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	720,310	720,310
BALANCE, DECEMBER 31, 2018	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,513,943	(208,307)	-	(85,136)	(475,606)	18,187,153	18,267,556	36,454,709
Effects of retrospective application	-	-	-	-	-	-	(9,509)	-	-	-	-	(9,509)	(4,490)	(13,999)
BALANCE AT JANUARY 1, 2019, AS RECLASSIFIED	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,504,434	(208,307)	-	(85,136)	(475,606)	18,177,644	18,263,066	36,440,710
Appropriation of the 2018 earnings														
Legal reserve	-	-	-	-	53,994	-	(53,994)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	55,399	(55,399)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(356,629)	-	-	-	-	(356,629)	-	(356,629)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(705,440)	(705,440)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	1,281,364	-	-	-	-	1,281,364	1,264,037	2,545,401
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	(3,563)	(393,947)	-	(61,701)	-	(459,211)	(534,274)	(993,485)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	1,277,801	(393,947)	-	(61,701)	-	822,153	729,763	1,551,916
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	4,699	-	-	-	(923)	-	-	-	-	3,776	632	4,408
Other changes in capital surplus	-	-	-	1,677	-	-	-	-	-	-	-	1,677	-	1,677
Disposals of subsidiaries	-	-	-	-	-	-	-	(617)	-	-	-	(617)	(1,932)	(2,549)
Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,499	-	-	-	-	-	-	-	-	-	11,499	-	11,499
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	31,350	-	-	(31,350)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,231,355	2,231,355
BALANCE, DECEMBER 31, 2019	\$ 11,887,635	\$ 245,482	\$ 7,291	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,346,640	\$ (602,871)	\$ -	\$ (178,187)	\$ (475,606)	\$ 18,659,503	\$ 20,517,444	\$ 39,176,947

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

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 3,361,370	\$ 2,522,427
Income before income tax from discontinued operations	<u>4,175</u>	<u>7,467</u>
Income before income tax	3,365,545	2,529,894
Adjustments for:		
Depreciation expenses	2,156,511	1,976,338
Amortization expenses	80,005	75,961
Expected credit loss (reversed) recognized on accounts receivable	(4,115)	2,236
Net (gain) loss on fair value changes of financial assets and liabilities at FVTPL	(216,827)	11,169
Finance costs	302,569	271,182
Interest income	(153,706)	(171,664)
Dividend income	(162,687)	(186,003)
Share of loss (profit) of joint ventures accounted for using the equity method	12,403	(32,271)
(Gain) loss on disposal of property, plant and equipment	(41,381)	8,520
Gain on disposal of land use rights	-	(262,617)
Gain on disposal of subsidiaries	-	(116,576)
Impairment loss recognized on non-financial assets	113,587	66,283
Inventory write-downs (reversed) recognized	(22,017)	176,999
Amortization of long-term prepayments for leases	-	15,706
Gain on government grants	(155,710)	-
Recognition of refund liabilities	7,535	10,493
Recognition of provisions	-	136,375
Gain on disposal of biological assets	-	(13,735)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at FVTPL	(1,063,892)	223,672
Decrease in notes receivable	381,448	102,194
Decrease (increase) in accounts receivable	1,125,888	(584,389)
Decrease in other receivables	8,317	65,152
Decrease (increase) in inventories	1,805,615	(22,349)
(Increase) decrease in prepayments	(50,075)	41,209
Increase in other current assets	(5,241)	(1,150)
(Decrease) increase in notes payable	(483)	123
Decrease in accounts payable	(634,836)	(572,867)
Increase (decrease) in other payables	13,094	(15,957)
Decrease in refund liabilities	(9,769)	(12,664)
Decrease in net defined benefit liabilities	(192,652)	(757,957)
(Decrease) increase in other current liabilities	<u>(20,431)</u>	<u>4,504</u>
Cash generated from operations	6,638,695	2,967,811
Interest received	147,870	171,205
Interest paid	(286,488)	(268,333)
Income tax paid	<u>(427,584)</u>	<u>(650,579)</u>
Net cash generated from operating activities	<u>6,072,493</u>	<u>2,220,104</u>

(Continued)

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for financial assets at FVTOCI	\$ (6,550)	\$ (9,826)
Proceeds from sale of financial assets at FVTOCI	83,470	114,110
Proceeds from capital reduction of financial assets at FVTOCI	52,423	44,648
Payments for financial assets measured at amortized cost	(67,178)	(12,951)
Acquisition of investments accounted for using the equity method	(5,161,581)	(5,117,787)
Net cash inflow on disposal of subsidiaries	-	128,659
Payments for property, plant and equipment	(2,002,986)	(2,077,699)
Proceeds from disposal of property, plant and equipment	78,460	8,330
Increase in refundable deposits	(21,601)	(11,052)
Payments for other intangible assets	(6,503)	(7,170)
Increase in other non-current assets	(180,953)	(8,263)
Increase in long-term prepayments for leases	-	(5,562)
Proceeds from disposal of land use rights	-	291,368
Dividends received	162,687	186,003
Proceeds from disposal of biological assets	-	36,866
Compensations for land ownership certificate	<u>192,994</u>	<u>-</u>
Net cash used in investing activities	<u>(6,877,318)</u>	<u>(6,440,326)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(2,467,874)	2,974,586
Decrease in short-term bills payable	(162,000)	(170,000)
Proceeds from issuance of bonds payable	1,995,630	-
Proceeds from long-term borrowings	24,462,500	20,970,400
Repayments of long-term borrowings	(24,112,154)	(19,530,524)
Increase in guarantee deposits received	813	2,319
Repayments of the principal portion of lease liabilities	(66,023)	-
Decrease in other non-current liabilities	(3,042)	(10,053)
Dividends paid to owners of the Company	(356,629)	(349,636)
Change in non-controlling interests	2,231,355	720,310
Dividends paid to non-controlling interests	<u>(705,440)</u>	<u>(615,849)</u>
Net cash generated from financing activities	<u>817,136</u>	<u>3,991,553</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(208,212)</u>	<u>(121,889)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(195,901)	(350,558)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>8,123,304</u>	<u>8,473,862</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,927,403</u>	<u>\$ 8,123,304</u>

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

USI Corporation (“USI”, the “Company” or the “parent company”) was incorporated in May 1965, and is mainly engaged in the production and sale of polyethylene. The Company’s shares have been trading on the Taiwan Stock Exchange (“TWSE”) since May 1972.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and issued by the Company’s board of directors on March 9, 2020.

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

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

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

IFRS 16 “Leases”

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

Definition of a lease

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

The Group as lessee

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

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

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

The Group also applies the following practical expedients:

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

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

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

The Group as lessor

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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

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

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

- b. Basis of preparation

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

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

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

- c. Classification 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 unless the asset is 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 reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

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

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

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

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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 measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates and joint ventures in other countries or those using currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation which are attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods, inventory in transit and work in progress and are stated at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the moving-average cost on the balance sheet date.

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures. Under the equity method, investments in an associate and joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to Group.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate or joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

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.

Freehold land is not depreciated.

Depreciation on property, plant and equipment is recognized using the straight-line method. 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 the estimates accounted for on a prospective basis.

On derecognition 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.

i. Investment properties

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

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

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

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

j. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual 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 and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell 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 corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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 are classified into the following categories: Financial assets at FVTPL, financial assets measured at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivatives and beneficiary securities that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; and remeasurement gains or losses on such financial assets are recognized in other gains or loss. Fair value is determined in the manner described in Note 35.

ii. Financial assets measured at amortized cost

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 specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds, 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 Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

Dividends on these investments in equity instruments are recognized in profit or loss when the Group'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 Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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 internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than specific days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

Impairment losses on all financial assets are recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group 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 derecognition 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. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group 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 Group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Measurement category

Except financial liabilities at FVTPL, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 35.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which 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 financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

In making the provision for sales returns and rebates, the rebate amount is assessed based on the possibility of actual occurrence, while the return amount is reasonably assessed based on historical experience and other relevant factors.

o. Revenue recognition

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

1) Sale of goods

Revenue from the sale of goods mainly comes from the sale of PE and other related plastic products. Sales of PE and other related plastic products are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Service income

Service income comes from commission for performing the storage and transportation of any items of petrochemical raw materials. The related revenue is recognized when services are rendered.

p. Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. A component of an entity which is for operational and financial reporting purposes has cash flows which can be clearly distinguished from the rest of the entity.

q. Leasing

2019

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

1) The Group as lessor

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

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

Lease payments (less any lease incentive payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

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

2) The Group as lessee

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

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

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

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

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

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

2018

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

1) The Group as lessor

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

2) The Group as lessee

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

r. Borrowing costs

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

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

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group (with no future related costs) are recognized in profit or loss in the period in which they become receivable.

t. 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 services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) 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 liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement 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.

u. Share-based payment arrangements

The compensation costs of employee share options are measured at the fair value of the share options at the grant day.

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimate of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. Such options are recognized as expenses in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

v. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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 and unused loss carryforwards.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group 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. 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 profit against which to utilize 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 reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes 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.

w. Biological assets

Biological assets are measured at cost plus transaction costs on initial recognition, and subsequently measured at fair value less costs to sell. The gains or losses arising from the change in fair value less costs to sell are recognized in profit or loss when they are incurred.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates 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 experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Estimated impairment of trade receivables

The provision for impairment of trade receivables is based on the Group's assumptions about the risk of default and the expected loss rates. The Group takes into consideration the historical experience, current market conditions and forward-looking information when making these assumptions and selecting the input values for the impairment assessment. If future expected cash flows are lesser than expected, a material impairment loss may arise. For the significant assumptions, input values and carrying amounts used by the Group, please refer to Note 10.

b. Write-down of inventories

As inventories are stated at the lower of cost and net realizable value, the Group is required to use judgment and estimates to determine the net realizable value of inventories at the end of the reporting period. The Group assesses the amount of inventories that are worn out due to normal wear and tear, that are obsolete or aged, or which have no market prices and offsets this from the inventory costs to obtain the net realizable value. The estimation of the net realizable value is based on the product's historical sales experience and product needs within a specified time period in the future, thus, significant changes may occur. For the carrying amount of the Group's inventories, please refer to Note 11.

c. Impairment assessment of tangible and intangible assets

In the process of impairment assessment of assets, the Group is required to determine the useful lives of assets of specific asset groups with independent cash flows and the possible profits and losses based on subjective judgment and the mode of usage of the assets as well as industry characteristics. Any changes in estimates that arise due to changes in the economic condition or the Company's strategy could possibly result in significant impairment losses in the future.

d. Recognition and measurement of defined benefit plans

The resulting defined benefit costs under the defined benefit pension plans and the net defined benefit liabilities are calculated using the projected unit credit method. The actuarial assumptions used include estimates such as the discount rates, rates of employee turnover, and future salary increases. If there are changes in these estimates as a result of changes in the market or economic condition, there may be a significant impact on the Group's recognized amounts of expenses and liabilities. Please refer to Note 25 for the carrying amounts of retirement benefit costs and net defined benefit liabilities (assets).

e. Income taxes

As of December 31, 2019 and 2018, no deferred tax assets have been recognized on tax losses of \$5,364,510 thousand and \$5,059,389 thousand, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place. Please refer to Note 30 for the carrying amount of unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand and petty cash	\$ 74,250	\$ 74,325
Checking accounts and demand deposits	2,174,906	2,056,392
Cash equivalents		
Time deposits	5,463,246	4,225,589
Reserve repurchase agreements collateralized by bonds	<u>215,001</u>	<u>1,766,998</u>
	<u>\$ 7,927,403</u>	<u>\$ 8,123,304</u>

At the end of the reporting period, the ranges of the market rates for bank deposits and repurchase agreements collateralized by bonds were as follows:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Bank deposits	0.001%-3.75%	0.001%-6.95%
Reserve repurchase agreements collateralized by bonds	0.58%-1.90%	0.53%-2.90%

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

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 14,066	\$ 2,181
Non-derivative financial assets		
Domestic listed shares and over-the-counter shares	364,057	151,081
Mutual funds	4,907,560	3,995,963
Beneficiary securities	1,071,797	934,252
Overseas listed shares	545	828
	<u>6,343,959</u>	<u>5,082,124</u>
	<u>\$ 6,358,025</u>	<u>\$ 5,084,305</u>

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	\$ 4,136	\$ 11,135

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2019</u>			
Sell	RMB/NTD	2020.01.01-2020.03.30	RMB237,700/NTD1,020,283
Sell	USD/MYR	2020.03.31-2020.06.30	USD865/MYR3,626
Sell	USD/NTD	2020.01.03-2020.03.24	USD41,000/NTD1,241,134
Sell	EUR/MYR	2020.03.31-2020.06.30	EUR224/MYR1,041
Buy	JPY/USD	2020.01.06-2020.01.22	JPY40,000/USD368
Buy	NTD/USD	2020.01.13-2020.03.04	NTD285,868/USD9,480
<u>December 31, 2018</u>			
Sell	RMB/NTD	2019.01.02-2019.04.02	RMB258,900/NTD1,143,806
Sell	USD/MYR	2019.01.30-2019.04.30	USD894/MYR3,719
Sell	USD/NTD	2019.01.03-2019.03.22	USD27,360/NTD839,640
Sell	EUR/MYR	2019.01.31-2019.03.29	EUR117/MYR559
Sell	JPY/USD	2019.01.18-2019.01.30	JPY80,000/USD711
Buy	NTD/USD	2019.01.04-2019.03.04	NTD554,147/USD18,030

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, the Group did not apply hedge accounting treatments for derivative contracts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Investments in equity instruments at FVTOCI		
Domestic investments		
Domestic listed shares and over-the-counter shares	\$ 174,789	\$ 158,602
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Domestic investments		
Listed shares and over-the-counter shares	\$ 1,439,624	\$ 1,670,394
Emerging market shares	16,178	15,937
Unlisted shares	<u>632,134</u>	<u>655,575</u>
	<u>2,087,936</u>	<u>2,341,906</u>
Overseas investments		
Listed shares and over-the-counter shares	8,649	6,282
Unlisted shares	<u>100,139</u>	<u>173,667</u>
	<u>108,788</u>	<u>179,949</u>
	<u>\$ 2,196,724</u>	<u>\$ 2,521,855</u>

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

The Group sold 100 thousand shares of CTCI Corporation, 684 thousand preference shares of Silicon Technology Investment (Cayman) Corp. and 242 thousand shares of United Renewable Energy Co., Ltd. during the year ended December 31, 2019. On the other hand, the unrealized gain of \$50,215 thousand from financial assets at FVTOCI - other equity was transferred to retained earnings in the amount of \$31,350 thousand and to non-controlling interests in the amount of \$18,865 thousand.

The Group sold 1,538 thousand shares of Vanguard International Semiconductor Corporation and 249 thousand shares of Wafer Works Corporation during the year ended December 31, 2018. On the other hand, the unrealized gain of \$81,569 thousand from financial assets at FVTOCI - other equity was transferred to retained earnings in the amount of \$78,833 thousand and to non-controlling interests in the amount of \$2,736 thousand.

The Group received cash refunds based on its ownership percentage of \$52,423 thousand and \$44,648 thousand from the investees' repurchase of shares as a result of capital reduction in 2019 and 2018, respectively.

The Group recognized dividend revenue of \$113,647 thousand and \$138,288 thousand in 2019 and 2018, respectively.

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

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Pledge time deposits	\$ 347,981	\$ 439,135
Investment products	<u>158,148</u>	<u>-</u>
	<u>\$ 506,129</u>	<u>\$ 439,135</u>
<u>Non-current</u>		
Pledge time deposits	<u>\$ 311,942</u>	<u>\$ 311,758</u>
Range of interest rates	0.09%-3.75%	0.09%-4.10%

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

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Notes receivable (a)</u>		
At amortized cost		
Gross carrying amount	\$ 634,435	\$ 1,015,883
Less: Allowance for impairment loss	<u>-</u>	<u>(1)</u>
	<u>\$ 634,435</u>	<u>\$ 1,015,882</u>
<u>Accounts receivable (a)</u>		
At amortized cost		
Gross carrying amount	\$ 6,504,725	\$ 7,644,629
Less: Allowance for impairment loss	<u>(93,648)</u>	<u>(111,778)</u>
	<u>\$ 6,411,077</u>	<u>\$ 7,532,851</u>
<u>Other receivables (b)</u>		
Tax refund receivables	\$ 209,112	\$ 227,731
Others	<u>68,019</u>	<u>51,881</u>
	<u>\$ 277,131</u>	<u>\$ 279,612</u>

a. Notes and accounts receivable

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs) The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the Group's customer base.

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

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

December 31, 2019

Based on the number of days past due

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

Based on credit quality

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

December 31, 2018

Based on the number of days past due

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

Based on credit quality

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

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

	December 31	
	2019	2018
Not past due	\$ 3,874,348	\$ 5,011,858
Up to 60 days	147,019	146,568
Over 60 days	<u>79,261</u>	<u>64,708</u>
	<u>\$ 4,100,628</u>	<u>\$ 5,223,134</u>

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

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 111,779	\$ 113,591
Add: Net remeasurement of loss allowance	-	2,236
Less: Impairment losses reversed	(4,115)	-
Less: Amounts written off during the period as uncollectible	(13,449)	(3,373)
Foreign exchange translation gains and losses	<u>(567)</u>	<u>(675)</u>
Balance at December 31	<u>\$ 93,648</u>	<u>\$ 111,779</u>

b. Other receivables

Other receivables mainly consisted of tax refund receivables and interest receivables, etc. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date, and an impairment loss was assessed based on the expected credit losses. There were no overdue other receivables with unrecognized allowance for doubtful accounts in the Group as of December 31, 2019 and 2018.

11. INVENTORIES

	December 31	
	2019	2018
Finished goods	\$ 2,728,069	\$ 4,085,660
Work in progress	350,133	507,602
Raw materials	1,315,085	1,690,097
Supplies	317,289	308,482
Inventory in transit	<u>208,930</u>	<u>111,263</u>
	<u>\$ 4,919,506</u>	<u>\$ 6,703,104</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018, was \$48,924,372 thousand and \$55,097,773 thousand, respectively.

The cost of sold included reversal of inventory write-down of \$22,017 thousand and write-downs of \$176,999 thousand for the years ended December 31, 2019 and 2018, respectively. Previous write-downs were reversed as a result of increased selling price in certain markets.

12. DISCONTINUED OPERATIONS

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

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

	For the Year Ended December 31	
	2019	2018
Administrative expenses	\$ (28,650)	\$ (33,267)
Loss from operations	(28,650)	(33,267)
Non-operating income	<u>32,825</u>	<u>40,734</u>
Net profit from discontinued operations	<u>\$ 4,175</u>	<u>\$ 7,467</u>

For the years ended December 31, 2019 and 2018, the cash flows which can be attributed to the discontinued operations were as follows:

	For the Year Ended December 31	
	2019	2018
Net cash generated from operating activities	\$ 9,674	\$ 17,640
Net cash generated from investing activities	411	378
Effect of exchange rate changes	<u>(3,234)</u>	<u>(334)</u>
Net cash inflow	<u>\$ 6,851</u>	<u>\$ 17,684</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			2019	2018	
The Company	USIFE Investment Co., Ltd. ("USIF")	Investment business	<u>100.0</u>	<u>100.0</u>	
	Swanlake Traders Ltd. ("Swanlake")	Trading and investment	<u>100.0</u>	<u>100.0</u>	
	USI Far East (HK) Co., Ltd.	Trading and investment	<u>100.0</u>	<u>100.0</u>	
	USI Management Consulting Corp. ("UM")	Providing management services	<u>100.0</u>	<u>100.0</u>	
	Chong Loong Trading Co., Ltd. ("CLT")	Engaging in import and export trade	<u>99.9</u>	<u>99.9</u>	
	Union Polymer Int'l Investment Corp. ("UPIIC")	Investment business	<u>100.0</u>	<u>100.0</u>	
	Cypress Epoch Limited	Investment business	<u>100.0</u>	<u>100.0</u>	
	Inoma Corporation ("INOMA")	Engaging in optical products and fireproof materials	<u>93.2</u>	<u>93.2</u>	
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Import and distribution of various chemical raw materials and products	<u>100.0</u>	<u>100.0</u>	
The Company Taita Chemical Company, Ltd. China General Plastics Corporation Asia Polymer Corporation Taiwan United Venture Capital Corp.	Thintec Materials Corporation	Reinforced plastic products manufacturing	30.4	30.4	
			10.0	10.0	
			10.0	10.0	
			30.4	30.4	
			15.0	15.0	
			<u>95.8</u>	<u>95.8</u>	1)
The Company Asia Polymer Corporation ("APC")	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0	70.0	
			8.3	8.3	
			<u>78.3</u>	<u>78.3</u>	
The Company Asia Polymer Corporation USIFE Investment Co., Ltd.	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	40.6	40.6	
			8.0	8.0	
			<u>0.4</u>	<u>0.1</u>	
			<u>49.0</u>	<u>48.7</u>	
The Company China General Plastics Corporation USIFE Investment Co., Ltd. Asia Polymer Corporation Taita Chemical Company, Ltd. APC Investment Corporation	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	26.9	27.0	
			1.7	1.8	
			9.3	9.3	
			3.3	3.3	
			2.4	2.4	
			<u>1.0</u>	<u>1.0</u>	
			<u>44.6</u>	<u>44.8</u>	8)
The Company Acme Electronics Corp. Asia Polymer Corporation USIFE Investment Co., Ltd.	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9	50.9	
			34.0	34.0	
			9.2	9.2	
			<u>0.2</u>	<u>0.2</u>	
			<u>94.3</u>	<u>94.3</u>	
Acme Electronics Corp. APC (BVI) Holding Co., Ltd. Swanlake Traders Ltd. TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3	51.3	
			16.6	16.6	
			11.2	11.2	
			5.4	5.4	
			<u>84.5</u>	<u>84.5</u>	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
	ACME Electronics (BVI) Corp.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2019	2018	
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	<u>100.0</u>	<u>100.0</u>	
	ACME Components (Malaysia) Sdn. Bhd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
Golden Amber Enterprises Limited	Acme Electronics (Guangzhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	<u>100.0</u>	<u>100.0</u>	
Union Polymer Int'l Investment Corp.	Asia Polymer Corporation ("APC")	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	36.1	36.1	
China General Terminal & Distribution Co. USIFE Investment Co., Ltd. Taiwan VCM Corporation			0.9	0.9	
			0.3	0.3	
			-	-	
			<u>37.3</u>	<u>37.3</u>	8)
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation APC (BVI) Holding Co., Ltd.	USI International Corp.	Reinvestment business	70.0	70.0	
			<u>30.0</u>	<u>30.0</u>	
			<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation	APC Investment Corporation	Investment business	<u>100.0</u>	<u>100.0</u>	
APC (BVI) Holding Co., Ltd.	USI Trading (Shanghai) Co., Ltd.	Management of chemical products equipment and plastic products and whole sale of electronic materials commission agency services and related supporting import and export services.	<u>100.0</u>	<u>100.0</u>	
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	36.8	36.8	
China General Terminal & Distribution Co. USIFE Investment Co., Ltd.			0.6	0.6	
			<u>0.4</u>	<u>0.4</u>	
			<u>37.8</u>	<u>37.8</u>	8)
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd. ("TAITA (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	5)
Union Polymer Int'l Investment Corp.	China General Plastics Corporation ("CGPC")	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	25.0	25.0	
Asia Polymer Corporation Taita Chemical Company, Ltd. China General Terminal & Distribution Co. USIFE Investment Co., Ltd.			8.1	8.1	
			2.0	2.0	
			0.5	0.5	
			<u>0.1</u>	<u>0.1</u>	
			<u>35.7</u>	<u>35.7</u>	8)
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>87.2</u>	<u>87.2</u>	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	<u>100.0</u>	<u>100.0</u>	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	-	<u>100.0</u>	2)
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0</u>	<u>100.0</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2019	2018	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	3)
	Chung Shan CGPC Polymer Co., Ltd. ("Chung Shan (GPCP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	3)
China General Plastics Corporation Taita Chemical Company, Ltd. Asia Polymer Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3	33.3	
			33.3	33.3	
			<u>33.4</u>	<u>33.4</u>	
			<u>100.0</u>	<u>100.0</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVM")	Business management consulting	<u>100.0</u>	<u>100.0</u>	
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd. ("ACME Ferrite")	Manufacture and marketing of soft ferrite core	<u>100.0</u>	<u>100.0</u>	
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Curtana Company Ltd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	
	Forever Young Company Ltd.	Import and export agency services	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics Company Ltd. (Singapore)	Production and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	
	Swanson International Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Swanson Plastics Company Ltd. (Nantong) ("SPC (Nantong)")	Production and marketing of vest bags, garbage bags and diapers	-	-	
Curtana Company Ltd.			-	-	4)
			<u>-</u>	<u>-</u>	
Swanson Plastics Corp.	PT. Swanson Plastics Indonesia Ltd.	Manufacture and marketing of plastic products	1.0	1.0	
Swanson Plastics Company Ltd. (Singapore)			99.0	99.0	
			<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0	70.0	
APC Investment Corporation USIFE Investment Co., Ltd.			15.0	15.0	
			<u>15.0</u>	<u>15.0</u>	
			<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (Malaysia) Sdn. Bhd.	Manufacture and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (India) Private Limited	Manufacture and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0</u>	<u>100.0</u>	
Swanson International Ltd.	A.S. Holdings (UK) Limited	Reinvestment	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (Kunshan) Corp.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0</u>	<u>100.0</u>	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	Management PE release film and other release products	<u>100.0</u>	<u>100.0</u>	
The Company Asia Polymer Corporation	Ever Conquest Global Limited ("ECGL")	Investment	63.1	63.1	
			<u>36.9</u>	<u>36.9</u>	
			<u>100.0</u>	<u>100.0</u>	6)
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment	<u>80.0</u>	<u>77.5</u>	6, 7) and 8)
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment	<u>89.9</u>	<u>100.0</u>	6) and 7)

(Concluded)

- 1) As TMC had no actual production and sales activities in the recent years, a resolution on the implementation of dissolution and liquidation starting May 25, 2019 (dissolution date) was passed in the board of directors' meeting on April 12, 2019. As of December 31, 2019, TMC had not yet completed the dissolution and liquidation procedures. As TMC is a non-material subsidiary, its financial statements for the year ended December 31, 2019 have not been audited.
 - 2) CGPC collected repayment for shares of \$78,556 thousand from its subsidiary Krystal Star International Corporation, which was dissolved in December 2019.
 - 3) CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP has not completed the process of the liquidation as of December 31, 2019.
 - 4) The economic recession caused SPC (Nantong) to suffer a sustained loss. In consideration of the whole operations of the company and its subsidiaries, SPC disposed of SPC (Nantong) as agreed in the meeting of the board of directors held in April 2016, and sold all shares in SPC (Nantong) on December 21, 2018 with sales price of \$129,077 thousand. As of December 31, 2018, SPC completed the process of the disposal and recognized gain on disposal of \$116,576 thousand.
 - 5) As TTC assessed that there is shrinking demand in the local market for expanded polystyrene (EPS), which is the main product produced by its subsidiary Taita Chemical (Tianjin) Co., Ltd. ("TTC (Tianjin)"), TTC's management decided to suspend production from TTC (Tianjin) starting April 2019, please refer to Note 15 for the details.
 - 6) As of December 31, 2019, the Company and APC invested capital amounting to US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$144,160 thousand (around NT\$4,471,623 thousand) in ECGL, respectively, and reinvested in DEIL, first via ECGL and subsequently via EVGL. The accumulated total percentage of ECGL's ownership in EVGL is 80.0%. For more details, please refer to paragraph 7) below and Note 39.
 - 7) ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in May and August 2019, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in June and August 2019. After the capital increases, the Group's ownership percentage in EVGL increased from 77.5% to 80.0%, while EVGL's ownership percentage in DEIL decreased from 100% to 89.9%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$4,275 thousand and decreases in retained earnings of \$1,191 thousand.
 - 8) This is a subsidiary of material non-controlling interests.
- b. Details of subsidiaries that have material non-controlling interests

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

See Tables 7 and 8 for the information on places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2019	2018	2019	2018
	CGPC	\$ 422,558	\$ 839,067	\$ 5,275,245
TTC	\$ 252,027	\$ 131,703	\$ 2,683,447	\$ 2,494,266
ACME	\$ (57,564)	\$ 31,168	\$ 694,961	\$ 772,085
APC	\$ 555,438	\$ 194,044	\$ 6,488,546	\$ 6,139,309
EVGL	\$ (6,321)	\$ 6,315	\$ 2,885,402	\$ 2,488,860

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

CGPC and CGPC's subsidiaries

	December 31	
	2019	2018
Current assets	\$ 4,876,866	\$ 6,314,227
Non-current assets	7,454,367	6,909,868
Current liabilities	(1,695,099)	(2,107,698)
Non-current liabilities	(1,923,568)	(2,305,293)
Equity	\$ 8,712,566	\$ 8,811,104
Equity attributable to:		
Owners of CGPC	\$ 2,975,567	\$ 3,020,189
Non-controlling interests of CGPC	5,275,245	5,354,451
Non-controlling interests of CGPC's subsidiaries	461,754	436,464
	\$ 8,712,566	\$ 8,811,104
	For the Year Ended December 31	
	2019	2018
Revenue	\$ 15,117,855	\$ 15,192,621
Net profit from continuing operations	\$ 693,815	\$ 1,348,653
Net profit from discontinued operations	4,175	7,467
Profit for the year	697,990	1,356,120
Other comprehensive (loss) income for the year	(2,290)	12,260
Total comprehensive income for the year	\$ 695,700	\$ 1,368,380
Profit attributable to:		
Owners of CGPC	\$ 220,119	\$ 437,089
Non-controlling interests of CGPC	422,558	839,067
Non-controlling interests of CGPC's subsidiaries	55,313	79,964
	\$ 697,990	\$ 1,356,120

(Continued)

	For the Year Ended December 31	
	2019	2018
Total comprehensive income attributable to:		
Owners of CGPC	\$ 214,861	\$ 381,331
Non-controlling interests of CGPC	425,051	907,712
Non-controlling interests of CGPC's subsidiaries	<u>55,788</u>	<u>79,337</u>
	<u>\$ 695,700</u>	<u>\$ 1,368,380</u>
Net cash (outflow) inflow from:		
Operating activities	\$ 2,016,552	\$ 1,827,636
Investing activities	(973,370)	(736,867)
Financing activities	(1,321,130)	(822,101)
Effects of exchange rate changes	<u>(3,385)</u>	<u>2,867</u>
Net cash (outflow) inflow	<u>\$ (281,333)</u>	<u>\$ 271,535</u>
Dividends paid to non-controlling interests	<u>\$ 499,788</u>	<u>\$ 485,231</u>
		(Concluded)

TTC and TTC's subsidiaries

	December 31	
	2019	2018
Current assets	\$ 4,801,480	\$ 5,391,600
Non-current assets	3,203,261	3,335,946
Current liabilities	(2,278,694)	(3,316,710)
Non-current liabilities	<u>(1,426,284)</u>	<u>(1,418,879)</u>
Equity	<u>\$ 4,299,763</u>	<u>\$ 3,991,957</u>
Equity attributable to:		
Owners of TTC	\$ 1,616,316	\$ 1,497,691
Non-controlling interests of TTC	<u>2,683,447</u>	<u>2,494,266</u>
	<u>\$ 4,299,763</u>	<u>\$ 3,991,957</u>

	For the Year Ended December 31	
	2019	2018
Revenue	<u>\$ 17,672,204</u>	<u>\$ 21,683,702</u>
Profit for the year	\$ 397,977	\$ 207,973
Other comprehensive loss for the year	<u>(21,618)</u>	<u>(124,273)</u>
Total comprehensive income for the year	<u>\$ 376,359</u>	<u>\$ 83,700</u>
Profit attributable to:		
Owners of TTC	\$ 145,950	\$ 76,270
Non-controlling interests of TTC	<u>252,027</u>	<u>131,703</u>
	<u>\$ 397,977</u>	<u>\$ 207,973</u>

(Continued)

	For the Year Ended December 31	
	2019	2018
Total comprehensive income attributable to:		
Owners of TTC	\$ 141,780	\$ 18,844
Non-controlling interests of TTC	<u>234,579</u>	<u>64,856</u>
	<u>\$ 376,359</u>	<u>\$ 83,700</u>
Net cash inflow from:		
Operating activities	\$ 1,602,732	\$ (503,392)
Investing activities	25,464	(144,960)
Financing activities	(882,791)	735,249
Effects of exchange rate changes	<u>(36,058)</u>	<u>10,928</u>
Net cash inflow	<u>\$ 709,347</u>	<u>\$ 97,825</u>
Dividends paid to non-controlling interests	<u>\$ 41,498</u>	<u>\$ -</u>
		(Concluded)

ACME and ACME's subsidiaries

	December 31	
	2019	2018
Current assets	\$ 1,780,507	\$ 1,898,959
Non-current assets	1,753,574	1,776,939
Current liabilities	(1,085,862)	(1,085,668)
Non-current liabilities	<u>(612,610)</u>	<u>(569,870)</u>
Equity	<u>\$ 1,835,609</u>	<u>\$ 2,020,360</u>
Equity attributable to:		
Owners of ACME	\$ 557,511	\$ 623,461
Non-controlling interests of ACME	694,961	772,085
Non-controlling interests of ACME's subsidiaries	<u>583,137</u>	<u>624,814</u>
	<u>\$ 1,835,609</u>	<u>\$ 2,020,360</u>

	For the Year Ended December 31	
	2019	2018
Revenue	<u>\$ 2,132,889</u>	<u>\$ 2,382,293</u>
(Loss) profit for the year	\$ (128,465)	\$ 134,777
Other comprehensive loss for the year	<u>(60,336)</u>	<u>(36,049)</u>
Total comprehensive (loss) income for the year	<u>\$ (188,801)</u>	<u>\$ 98,728</u>
		(Continued)

	For the Year Ended December 31	
	2019	2018
(Loss) profit attributable to:		
Owners of ACME	\$ (46,046)	\$ 25,019
Non-controlling interests of ACME	(57,564)	31,168
Non-controlling interests of ACME's subsidiaries	<u>(24,855)</u>	<u>78,590</u>
	<u>\$ (128,465)</u>	<u>\$ 134,777</u>
Total comprehensive (loss) profit attributable to:		
Owners of ACME	\$ (65,461)	\$ 14,460
Non-controlling interests of ACME	(81,937)	18,013
Non-controlling interests of ACME's subsidiaries	<u>(41,403)</u>	<u>66,255</u>
	<u>\$ (188,801)</u>	<u>\$ 98,728</u>
Net cash inflow from:		
Operating activities	\$ 391,506	\$ 162,131
Investing activities	(385,967)	120,224
Financing activities	43,673	(134,647)
Effects of exchange rate changes	<u>(26,585)</u>	<u>(18,487)</u>
Net cash inflow	<u>\$ 22,627</u>	<u>\$ 129,221</u> (Concluded)

APC and APC's subsidiaries

	December 31	
	2019	2018
Current assets	\$ 4,940,438	\$ 4,606,590
Non-current assets	11,982,653	10,991,153
Current liabilities	(2,469,828)	(2,603,655)
Non-current liabilities	<u>(4,223,443)</u>	<u>(3,389,652)</u>
Equity	<u>\$ 10,229,820</u>	<u>\$ 9,604,436</u>
Equity attributable to:		
Owners of APC	\$ 3,741,274	\$ 3,465,127
Non-controlling interests of APC	<u>6,488,546</u>	<u>6,139,309</u>
	<u>\$ 10,229,820</u>	<u>\$ 9,604,436</u>

	For the Year Ended December 31	
	2019	2018
Revenue	<u>\$ 6,791,157</u>	<u>\$ 6,375,134</u>
Profit for the year	\$ 821,021	\$ 286,826
Other comprehensive loss for the year	<u>(30,290)</u>	<u>(445,775)</u>
Total comprehensive income (loss) for the year	<u>\$ 790,731</u>	<u>\$ (158,949)</u> (Continued)

	For the Year Ended December 31	
	2019	2018
Profit attributable to:		
Owners of APC	\$ 265,583	\$ 92,782
Non-controlling interests of APC	<u>555,438</u>	<u>194,044</u>
	<u>\$ 821,021</u>	<u>\$ 286,826</u>
Total comprehensive income (loss) attributable to:		
Owners of APC	\$ 327,374	\$ (176,011)
Non-controlling interests of APC	<u>463,357</u>	<u>17,062</u>
	<u>\$ 790,731</u>	<u>\$ (158,949)</u>
Net cash outflow from:		
Operating activities	\$ 498,621	\$ (108,441)
Investing activities	(1,162,465)	(1,723,664)
Financing activities	479,045	852,068
Effects of exchange rate changes	<u>(10,788)</u>	<u>1,865</u>
Net cash outflow	<u>\$ (195,587)</u>	<u>\$ (978,172)</u>
Dividends paid to non-controlling interests	<u>\$ 112,516</u>	<u>\$ 70,103</u> (Concluded)

EVGL and EVGL's subsidiaries

	December 31	
	2019	2018
Current assets	\$ 1,194,368	\$ 722,214
Non-current assets	14,867,168	10,338,945
Current liabilities	<u>(14,346)</u>	<u>(12,378)</u>
	<u>\$ 16,047,190</u>	<u>\$ 11,048,781</u>
Equity		
Equity attributable to:		
Owners of EVGL	\$ 11,547,692	\$ 8,559,921
Non-controlling interests of EVGL	2,885,402	2,488,860
Non-controlling interests of EVGL's subsidiaries	<u>1,614,096</u>	<u>-</u>
	<u>\$ 16,047,190</u>	<u>\$ 11,048,781</u>

	For the Year Ended December 31	
	2019	2018
(Loss) profit for the year	\$ (39,885)	\$ 15,203
Other comprehensive loss for the year	<u>(677,506)</u>	<u>(16,663)</u>
Total comprehensive loss for the year	<u>\$ (717,391)</u>	<u>\$ (1,460)</u> (Continued)

	For the Year Ended December 31	
	2019	2018
(Loss) profit attributable to:		
Owners of EVGL	\$ (27,751)	\$ 8,888
Non-controlling interests of EVGL	(6,321)	6,315
Non-controlling interests of EVGL's subsidiaries	<u>(5,813)</u>	<u>-</u>
	<u>\$ (39,885)</u>	<u>\$ 15,203</u>
Total comprehensive loss attributable to:		
Owners of EVGL	\$ (499,685)	\$ 1,678
Non-controlling interests of EVGL	(120,525)	(3,138)
Non-controlling interests of EVGL's subsidiaries	<u>(97,181)</u>	<u>-</u>
	<u>\$ (717,391)</u>	<u>\$ (1,460)</u>
Net cash inflow from:		
Operating activities	\$ (29,373)	\$ (15,163)
Investing activities	(5,161,581)	(5,117,787)
Financing activities	5,715,801	5,482,069
Effects of exchange rate changes	<u>(56,551)</u>	<u>36,197</u>
Net cash inflow	<u>\$ 468,296</u>	<u>\$ 385,316</u> (Concluded)

c. Disposal of subsidiary

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

1) Consideration received from disposal

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

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

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

3) Gain on disposal of subsidiary

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

4) Net cash inflow on disposal of subsidiary

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. (“Gulei”)	<u>\$ 14,867,168</u>	<u>\$ 10,338,945</u>

Investments in joint ventures are accounted for using the equity method.

The percentage of the Group’s ownership and voting rights are 50% of the outstanding shares of Gulei as of December 31, 2019 and 2018. For more explanation, please refer to Note 39.

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

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

	December 31	
	2019	2018
Cash	<u>\$ 2,078,359</u>	<u>\$ 15,407,527</u>
Current assets	\$ 2,102,915	\$ 15,428,230
Non-current assets	40,551,677	7,332,940
Current liabilities	(8,164,871)	(2,066,576)
Non-current liabilities	<u>(4,755,385)</u>	<u>(16,704)</u>
Equity	29,734,336	20,677,890
Proportion of the Group’s ownership	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 14,867,168</u>	<u>\$ 10,338,945</u>
Carrying amount	<u>\$ 14,867,168</u>	<u>\$ 10,338,945</u>

For the Year Ended December 31
2019 **2018**

Shares attributable to the Group
Net (loss) profit of the year

\$ (12,403) \$ 32,271

Gulei had no significant operating income for the years ended December 31, 2019 and 2018.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2019	2018
Freehold land	\$ 4,682,238	\$ 4,726,441
Land improvements	8,232	9,874
Building improvements	4,282,923	4,192,099
Machinery and equipment	12,418,786	10,897,308
Transportation equipment	46,865	49,452
Other equipment	300,065	320,209
Construction in progress and equipment under installation	<u>1,489,802</u>	<u>3,629,856</u>
	<u>\$ 23,228,911</u>	<u>\$ 23,825,239</u>

	Freehold Land	Land Improvements	Building Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost								
Balance at January 1, 2019	\$ 4,726,441	\$ 124,005	\$ 8,089,311	\$ 35,460,445	\$ 210,353	\$ 1,746,069	\$ 3,641,270	\$ 53,997,894
Additions	-	-	34,852	257,361	4,727	40,653	1,681,446	2,019,039
Disposals	(20,122)	-	(172,366)	(792,209)	(18,250)	(57,349)	-	(1,060,296)
Transfers to investment properties (Note 17)	(24,082)	-	(257,285)	-	-	-	-	(281,367)
Reclassification	-	-	660,546	3,115,483	9,973	29,720	(3,803,279)	12,443
Effect of foreign currency exchange differences	-	-	(93,205)	(302,340)	(2,625)	(22,100)	(18,431)	(438,701)
Balance at December 31, 2019	<u>\$ 4,682,237</u>	<u>\$ 124,005</u>	<u>\$ 8,261,853</u>	<u>\$ 37,738,740</u>	<u>\$ 204,178</u>	<u>\$ 1,736,993</u>	<u>\$ 1,501,006</u>	<u>\$ 54,249,012</u>
Accumulated depreciation and impairment								
Balance at January 1, 2019	\$ -	\$ 114,131	\$ 3,897,212	\$ 24,563,137	\$ 160,901	\$ 1,425,860	\$ 11,414	\$ 30,172,655
Depreciation expenses	-	1,642	281,754	1,687,423	15,368	75,800	-	2,061,987
Disposals	-	-	(152,491)	(765,430)	(17,160)	(51,273)	-	(986,354)
Transfers to investment properties (Note 17)	-	-	(28,729)	-	-	-	-	(28,729)
Impairment losses recognized (reversed)	-	-	19,644	90,887	10	1,761	33	112,335
Effect of foreign currency exchange differences	-	-	(38,460)	(256,063)	(1,806)	(15,220)	(244)	(311,793)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 115,773</u>	<u>\$ 3,978,930</u>	<u>\$ 25,319,954</u>	<u>\$ 157,313</u>	<u>\$ 1,436,928</u>	<u>\$ 11,203</u>	<u>\$ 31,020,101</u>
Carrying amounts at December 31, 2019	<u>\$ 4,682,237</u>	<u>\$ 8,232</u>	<u>\$ 4,282,923</u>	<u>\$ 12,418,786</u>	<u>\$ 46,865</u>	<u>\$ 300,065</u>	<u>\$ 1,489,803</u>	<u>\$ 23,228,911</u>
Cost								
Balance at January 1, 2018	\$ 4,726,441	\$ 129,268	\$ 8,090,494	\$ 35,229,192	\$ 204,346	\$ 1,664,937	\$ 2,899,371	\$ 52,944,049
Additions	-	-	2,544	163,125	5,988	100,082	1,805,960	2,077,699
Disposals	-	(3,875)	(1,336)	(877,730)	(12,021)	(50,595)	(443)	(946,000)
Loss of control (Note 13 (c))	-	-	(70,031)	(3,994)	-	(2,959)	-	(76,984)
Reclassification	-	(1,483)	117,572	1,028,512	12,775	40,519	(1,077,036)	120,859
Effect of foreign currency exchange differences	-	95	(49,932)	(78,660)	(735)	(5,915)	13,418	(121,729)
Balance at December 31, 2018	<u>\$ 4,726,441</u>	<u>\$ 124,005</u>	<u>\$ 8,089,311</u>	<u>\$ 35,460,445</u>	<u>\$ 210,353</u>	<u>\$ 1,746,069</u>	<u>\$ 3,641,270</u>	<u>\$ 53,997,894</u>

(Continued)

	Freehold Land	Land Improvements	Building Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Accumulated depreciation and impairment								
Balance at January 1, 2018	\$ -	\$ 114,547	\$ 3,668,706	\$ 23,845,857	\$ 159,176	\$ 1,395,397	\$ 1,871	\$ 29,185,554
Depreciation expenses	-	1,821	293,386	1,586,349	15,002	76,851	-	1,973,409
Disposals	-	(2,289)	(16,454)	(850,712)	(11,705)	(48,917)	-	(930,077)
Loss of control (Note 13 (c))	-	-	(32,533)	(3,618)	-	(2,830)	-	(38,981)
Impairment losses recognized (reversed)	-	-	-	40,696	-	9,829	(194)	50,331
Effect of foreign currency exchange differences	-	52	(15,893)	(55,435)	(1,572)	(4,470)	9,737	(67,581)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ 114,131</u>	<u>\$ 3,897,212</u>	<u>\$ 24,563,137</u>	<u>\$ 160,901</u>	<u>\$ 1,425,860</u>	<u>\$ 11,414</u>	<u>\$ 30,172,655</u>
Carrying amounts at December 31, 2018	<u>\$ 4,726,441</u>	<u>\$ 9,874</u>	<u>\$ 4,192,099</u>	<u>\$ 10,897,308</u>	<u>\$ 49,452</u>	<u>\$ 320,209</u>	<u>\$ 3,629,856</u>	<u>\$ 23,825,239</u>

(Concluded)

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

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

According to Rule No. 1072133080 issued by the Land Administration Department of the New Taipei City Government on November 7, 2018, the Company's land and buildings in Linkou which were recognized under property, plant and equipment are within the scope of the "Linkou City Land Rezoning Area". Part of the land will be reclaimed, and a portion of this reclaimed land is expected to be returned in 2022. Based on the area's land reclamation regulations, when the Company reclaims the land, it does not have the obligation to dismantle the existing buildings on the land, nor does it have the obligation to set up factories in the area after reclamation is complete; its only obligation is to vacate the existing buildings. The Company is also not required to repay or satisfy any other obligations with respect to the compensation fees obtained from moving out of the various existing buildings, incentives for automatic relocation and compensation for operating losses after the buildings on the reclaimed land have been handed over. The related compensation and incentive fees which the Company received as a result of the aforementioned land reclamation case amounted to \$154,764 thousand and \$38,230 thousand in the months of April 2019 and July 2019, respectively, for a combined total of \$192,994 thousand. The Company had completed its obligation to move out from the existing buildings and land and completed the related handover procedures with the New Taipei City Government. As there are no repayment obligations or other obligations to be satisfied, other than recognizing the various compensation fees as adjustments to the costs of the original land and buildings, related compensation fee revenue of \$155,710 thousand was recognized.

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

At the end of March 2019, USIO assessed that the carrying amounts of part of the machinery equipment and other equipment were unrecoverable and recognized an impairment loss of \$14,131 thousand. The impairment loss was reported under operating expenses in the consolidated statements of comprehensive income.

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

ACME (KS) assessed that the carrying amounts of part of the machinery equipment and other equipment were unrecoverable in 2019 and 2018 and recognized impairment losses of \$37,939 thousand and \$50,163 thousand, respectively. The impairment losses were reported under operating expenses in the consolidated statements of comprehensive income.

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

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Leasehold land	\$ 184,708
Land use rights	444,306
Buildings	195,662
Machinery and equipment	60,697
Transportation equipment	<u>135</u>
	<u>\$ 885,508</u>

	For the Year Ended December 31, 2019
Addition for right-of-use assets	<u>\$ 73,603</u>
Depreciation charge for right-of-use assets	
Leasehold land	\$ 17,319
Land use rights	15,451
Buildings	30,443
Machinery and equipment	3,847
Transportation equipment	<u>885</u>
	<u>\$ 67,945</u>

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

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

b. Lease liabilities - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Current	<u>\$ 70,814</u>
Non-current	<u>\$ 481,964</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Lease land	0.83%-9.25%
Buildings	1.04%-2.00%
Machinery	1.04%-1.16%
Transportation equipment	1.06%-1.25%

c. Material lease-in activities and terms

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

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

d. Other lease information

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

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	<u>\$ 48,398</u>
Expenses relating to low-value asset leases	<u>\$ 2,064</u>
Expenses relating to variable lease payments not including in the measurement of lease liabilities	<u>\$ 44,550</u>
Total cash outflow for leases	<u>\$ (170,175)</u>

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

2018

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

	December 31, 2018
Not later than 1 year	\$ 96,813
Later than 1 year and not later than 5 years	250,428
Later than 5 years	<u>233,007</u>
	<u>\$ 580,248</u>

17. INVESTMENT PROPERTIES

	December 31	
	2019	2018
Completed investment properties		
Land	\$ 115,053	\$ 90,971
Buildings	313,847	91,453
Right-of-use assets	<u>95,508</u>	<u>-</u>
	<u>\$ 524,408</u>	<u>\$ 182,424</u>

	Land	Buildings	Right-of-use Assets	Total
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	<u>-</u>	<u>-</u>	<u>110,452</u>	<u>110,452</u>
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Transfers from property, plant and equipment (Note 15)	24,082	257,285	-	281,367
Effect of foreign currency exchange differences	<u>-</u>	<u>(2,256)</u>	<u>-</u>	<u>(2,256)</u>
Balance at December 31, 2019	<u>\$ 119,022</u>	<u>\$ 428,521</u>	<u>\$ 110,452</u>	<u>\$ 657,995</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ 3,969	\$ 82,039	\$ -	\$ 86,008
Depreciation expense	-	11,635	14,944	26,579
Transfers from property, plant and equipment (Note 15)	-	28,729	-	28,729
Effect of foreign currency exchange differences	<u>-</u>	<u>(7,729)</u>	<u>-</u>	<u>(7,729)</u>
Balance at December 31, 2019	<u>\$ 3,969</u>	<u>\$ 114,674</u>	<u>\$ 14,944</u>	<u>\$ 133,587</u>
Carrying amounts at December 31, 2019	<u>\$ 115,053</u>	<u>\$ 313,847</u>	<u>\$ 95,508</u>	<u>\$ 524,408</u>
<u>Cost</u>				
Balance at January 1, 2018	\$ 94,940	\$ 168,693	\$ -	\$ 263,633
Effect of foreign currency exchange differences	<u>-</u>	<u>4,799</u>	<u>-</u>	<u>4,799</u>
Balance at December 31, 2018	<u>\$ 94,940</u>	<u>\$ 173,492</u>	<u>\$ -</u>	<u>\$ 268,432</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2018	\$ 3,969	\$ 77,448	\$ -	\$ 81,417
Depreciation expense	-	2,929	-	2,929
Effect of foreign currency exchange differences	<u>-</u>	<u>1,662</u>	<u>-</u>	<u>1,662</u>
Balance at December 31, 2018	<u>\$ 3,969</u>	<u>\$ 82,039</u>	<u>\$ -</u>	<u>\$ 86,008</u>
Carrying amounts at December 31, 2018	<u>\$ 90,971</u>	<u>\$ 91,453</u>	<u>\$ -</u>	<u>\$ 182,424</u>

Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating leases to other companies. The investment properties were leased out for 1 to 8 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. All of the Group's investment properties were held under freehold interests for the year ended December 31, 2018.

Except for the recognition of depreciation expense, there were no significant increases, disposals and impairment of the Group's investment properties in 2019 and 2018.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2019
Year 1	\$ 36,102
Year 2	16,858
Year 3	15,532
Year 4	15,532
Year 5	8,332
Later than 5 years	<u>29,804</u>
	<u>\$ 122,160</u>

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

	December 31, 2018
Not later than 1 year	\$ 39,617
Later than 1 year and not later than 5 years	64,793
Later than 5 years	<u>1,527</u>
	<u>\$ 105,937</u>

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

Building	3 to 55 years
Right-of-use assets	3 to 12 years

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

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

	December 31	
	2019	2018
Fair value	<u>\$ 1,180,999</u>	<u>\$ 670,417</u>

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

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>December 31</u>	
	2019	2018
Goodwill (a)	\$ <u>269,026</u>	\$ <u>269,026</u>
Other intangible assets (b)		
Technology royalties and patent rights	\$ 7,109	\$ 14,517
Computer software	9,895	9,999
Others	<u>-</u>	<u>8,861</u>
	<u>\$ 17,004</u>	<u>\$ 33,377</u>

a. Goodwill

	<u>For the Year Ended December 31</u>	
	2019	2018
Balance at January 1 and December 31	\$ <u>269,026</u>	\$ <u>269,026</u>

b. Other intangible assets

	Technology Royalties and Patent Rights	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2019	\$ 263,028	\$ 118,270	\$ 29,000	\$ 410,298
Additions	-	6,503	-	6,503
Disposals	(35,544)	(24,195)	-	(59,739)
Effect of foreign currency exchange differences	<u>-</u>	<u>(280)</u>	<u>-</u>	<u>(280)</u>
Balance at December 31, 2019	<u>\$ 227,484</u>	<u>\$ 100,298</u>	<u>\$ 29,000</u>	<u>\$ 356,782</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2019	\$ 248,511	\$ 108,271	\$ 20,139	\$ 376,921
Amortization expenses	7,408	6,234	8,861	22,503
Disposals	(35,544)	(24,195)	-	(59,739)
Effect of foreign currency exchange differences	<u>-</u>	<u>93</u>	<u>-</u>	<u>93</u>
Balance at December 31, 2019	<u>\$ 220,375</u>	<u>\$ 90,403</u>	<u>\$ 29,000</u>	<u>\$ 339,778</u>
Carrying amounts at December 31, 2019	<u>\$ 7,109</u>	<u>\$ 9,895</u>	<u>\$ -</u>	<u>\$ 17,004</u>

(Continued)

	Technology Royalties and Patent Rights	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2018	\$ 263,028	\$ 112,966	\$ 29,000	\$ 404,994
Additions	-	7,170	-	7,170
Disposals	-	(668)	-	(668)
Effect of foreign currency exchange differences	-	(1,198)	-	(1,198)
Balance at December 31, 2018	<u>\$ 263,028</u>	<u>\$ 118,270</u>	<u>\$ 29,000</u>	<u>\$ 410,298</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2018	\$ 204,190	\$ 96,983	\$ 10,472	\$ 311,645
Amortization expenses	16,691	13,116	9,667	39,474
Disposals	-	(668)	-	(668)
Impairment losses recognized	27,630	-	-	27,630
Effect of foreign currency exchange differences	-	(1,160)	-	(1,160)
Balance at December 31, 2018	<u>\$ 248,511</u>	<u>\$ 108,271</u>	<u>\$ 20,139</u>	<u>\$ 376,921</u>
Carrying amounts at December 31, 2018	<u>\$ 14,517</u>	<u>\$ 9,999</u>	<u>\$ 8,861</u>	<u>\$ 33,377</u> (Concluded)

Except for the recognition of amortization expense, there were no significant addition, disposal and impairment on other intangible assets of the Group for the year ended December 31, 2019; the Group obtained the technology royalties rights to use SiC in 2013. In 2018, it was assessed that the product development progress was behind schedule, leading to impairment of the technology royalty rights; hence, the Group recognized an impairment loss of \$27,630 thousand for the year ended December 31, 2018.

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

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

19. PREPAYMENTS FOR LEASES - 2018

	December 31, 2018
Current assets (included in prepayments)	\$ 8,663
Non-current assets	<u>459,542</u>
	<u>\$ 468,205</u>

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

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

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

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

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
<u>Secured borrowings</u>		
Bank loans	\$ -	\$ 153,239
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>4,258,980</u>	<u>6,573,615</u>
	<u>\$ 4,258,980</u>	<u>\$ 6,726,854</u>
Range of interest rates	0.81%-4.58%	0.83%-4.58%

b. Short-term bills payable

	December 31	
	2019	2018
Commercial paper	\$ 1,353,000	\$ 1,515,000
Less: Unamortized discount on bills payable	<u>(190)</u>	<u>(216)</u>
	<u>\$ 1,352,810</u>	<u>\$ 1,514,784</u>
Range of interest rates	0.50%-1.188%	0.49%-1.18%

c. Long-term borrowings

	December 31	
	2019	2018
Secured borrowings	\$ 1,743,200	\$ 2,393,200
Line of credit borrowings	<u>7,650,000</u>	<u>6,550,000</u>
	<u>9,393,200</u>	<u>8,943,200</u>
Commercial paper	100,000	200,000
Unamortized discounts on bills payable	<u>(230)</u>	<u>(576)</u>
	<u>99,770</u>	<u>199,424</u>
	9,492,970	9,142,624
Less: Current portions	<u>(443,200)</u>	<u>(525,000)</u>
	<u>\$ 9,049,770</u>	<u>\$ 8,617,624</u>
Range of interest rates		
Secured borrowings	1.05%-1.33%	1.04%-1.45%
Line of credit borrowings	0.98%-1.18%	0.98%-1.34%
Commercial paper	1.528%	1.618%

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2023 with a total credit limit of \$4,500,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, the Company had borrowed \$1,950,000 thousand.

UPIIC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to December 2022 with a total credit limit of \$2,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, UPIIC had borrowed \$1,150,000 thousand.

CGPCPOL entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to March 2022 with a total credit limit of \$1,350,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, CGPCPOL had borrowed \$500,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to June 2022 with a total credit limit of \$1,600,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, TTC had borrowed \$1,000,000 thousand.

APC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to December 2022 with a total credit limit of \$5,700,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, APC had borrowed \$3,950,000 thousand.

ACME entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to September 2022 with a total credit limit of \$540,000 thousand, which is used cyclically during the validity period. As of December 31, 2019, ACME had borrowed \$340,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to November 2023 with a total credit limit of \$503,200 thousand, which is used cyclically during the validity period. As of December 31, 2019, SPC had borrowed \$503,200 thousand.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of December 31, 2019, the subsidiaries did not violate the requirements.

21. BONDS PAYABLE

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Domestic unsecured bonds 104-1A - issuance on February 12, 2015, 5 years, total amount \$1,000,000 thousand, coupon rate 1.55%, bullet repayment	\$ 1,000,000	\$ 1,000,000
Domestic unsecured bonds 104-1B - issuance on February 12, 2015, 7 years, total amount \$1,000,000 thousand, coupon rate 1.90%, bullet repayment	1,000,000	1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount \$2,000,000 thousand, coupon rate 0.80%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount \$2,000,000 thousand, coupon rate 1.10%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount \$2,000,000 thousand, coupon rate 0.98%, bullet repayment	<u>2,000,000</u>	<u>-</u>
	8,000,000	6,000,000
Less: Discounts on bonds payable	<u>(8,717)</u>	<u>(7,396)</u>
	7,991,283	5,992,604
Less: Current portions	<u>(999,956)</u>	<u>-</u>
	<u>\$ 6,991,327</u>	<u>\$ 5,992,604</u>

In December 2014, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2015 with the amount of \$2,000,000 thousand in order to reimburse the due bonds and to increase working capital. The unsecured ordinary corporate bonds with a 5-7-year maturity, due for repayment, were all issued in February 2015. The Company repaid \$1,000,000 thousand due in February 2020.

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

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

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

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

22. NOTES AND ACCOUNTS PAYABLE

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Operating</u>		
Notes payable	\$ -	\$ 483
Accounts payable	<u>2,757,368</u>	<u>3,392,204</u>
	<u>\$ 2,757,368</u>	<u>\$ 3,392,687</u>

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

23. OTHER PAYABLES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 790,918	\$ 745,236
Payables for purchases of equipment	191,407	189,420
Payables for water and electricity	188,541	181,003
Payables for fares	174,702	166,463
Payables for interests	55,434	43,068
Payables for insurance	26,576	28,335
Payables for professional service expenses	21,814	23,732
Payables for fuel fees	20,779	19,830
Payable for VAT	19,236	37,247
Payables for dividends	17,771	20,176
Others	<u>430,848</u>	<u>443,040</u>
	1,938,026	1,897,550
Other liabilities		
Refund liabilities	<u>28,221</u>	<u>30,034</u>
	<u>\$ 1,966,247</u>	<u>\$ 1,927,584</u>

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

24. PROVISIONS

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

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

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries of the Group adopted a pension plan under the Labor Pension Act (“the LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Furthermore, overseas subsidiaries also make contributions at certain percentages according to the basic regulation.

b. Defined benefit plans

The defined benefit plans adopted by the Company and domestic subsidiaries of the Group in accordance with the Labor Standards Law are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 9% (the percentage increased to 12% since November 10, 2016) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Subsidiaries make monthly contributions at certain percentages of the basic salaries of their employees (TTC and CGTD are 12%; APC, CGPC and TVCM are 10%; SPC is 3.5%; ACME, USII, UM and TUVVM are 2%). Pension contributions are deposited in the Bank of Taiwan in the committee’s name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	\$ (3,674,355)	\$ (3,845,821)
Fair value of plan assets	<u>2,200,488</u>	<u>2,187,593</u>
Net defined benefit liabilities - non-current	<u>\$ (1,473,867)</u>	<u>\$ (1,658,228)</u>

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2018	\$ (3,986,665)	\$ 1,566,768	\$ (2,419,897)
Current service cost	(38,600)	-	(38,600)
Net interest income (expense)	<u>(42,794)</u>	<u>18,391</u>	<u>(24,403)</u>
Recognized in profit or loss	<u>(81,394)</u>	<u>18,391</u>	<u>(63,003)</u>
			(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 42,197	\$ 42,197
Actuarial loss - changes in demographic assumptions	(2,188)	-	(2,188)
Actuarial loss - changes in financial assumptions	(53,825)	-	(53,825)
Actuarial gain - experience adjustments	<u>18,711</u>	<u>-</u>	<u>18,711</u>
Recognized in other comprehensive income	<u>(37,302)</u>	<u>42,197</u>	<u>4,895</u>
Contributions from the employer	26,844	792,933	819,777
Benefits paid	<u>232,696</u>	<u>(232,696)</u>	<u>-</u>
Balance at December 31, 2018	<u>\$ (3,845,821)</u>	<u>\$ 2,187,593</u>	<u>\$ (1,658,228)</u>
Balance at January 1, 2019	<u>\$ (3,845,821)</u>	<u>\$ 2,187,593</u>	<u>\$ (1,658,228)</u>
Current service cost	(34,362)	-	(34,362)
Net interest income (expense)	<u>(33,565)</u>	<u>19,776</u>	<u>(13,789)</u>
Recognized in profit or loss	<u>(67,927)</u>	<u>19,776</u>	<u>(48,151)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	75,954	75,954
Actuarial loss - changes in demographic assumptions	(244)	-	(244)
Actuarial loss - changes in financial assumptions	(70,526)	-	(70,526)
Actuarial gain - experience adjustments	<u>3,107</u>	<u>-</u>	<u>3,107</u>
Recognized in other comprehensive income	<u>(67,663)</u>	<u>75,954</u>	<u>8,291</u>
Contributions from the employer	10,776	213,445	224,221
Benefits paid	<u>296,280</u>	<u>(296,280)</u>	<u>-</u>
Balance at December 31, 2019	<u>\$ (3,674,355)</u>	<u>\$ 2,200,488</u>	<u>\$ (1,473,867)</u>

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in government and corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate	0.625%-0.75%	0.88%-1.25%
Expected rate of salary increase	2.00%-2.75%	2.00%-2.75%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.25% increase	<u>\$ (69,540)</u>	<u>\$ (75,594)</u>
0.25% decrease	<u>\$ 71,747</u>	<u>\$ 78,060</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 69,285</u>	<u>\$ 75,570</u>
0.25% decrease	<u>\$ (67,517)</u>	<u>\$ (73,573)</u>

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

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$ 189,605</u>	<u>\$ 200,592</u>
The average duration of the defined benefit obligation	7-13 years	8-14 years

26. GOVERNMENT GRANTS

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

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

For the years ended December 31, 2019 and 2018, the amount of deferred income that had not been amortized was RMB8,893 thousand (\$38,216 thousand) and RMB9,423 thousand (\$42,170 thousand), respectively.

27. EQUITY

	December 31	
	2019	2018
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	271,613	253,738
Retained earnings	7,756,919	6,814,829
Other equity items	(781,058)	(293,443)
Treasury shares	(475,606)	(475,606)
Non-controlling interests	<u>20,517,444</u>	<u>18,267,556</u>
	<u>\$ 39,176,947</u>	<u>\$ 36,454,709</u>

a. Share capital

	December 31	
	2019	2018
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Shares 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>
Shares issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

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

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

b. Capital surplus

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

c. Retained earnings and dividends policy

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

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

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

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

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

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

The appropriation of earnings for 2019 was proposed by the Company's board of directors on March 9, 2020. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 129,872	
Special reserve	350,532	
Cash dividends	<u>594,382</u>	\$0.5
	<u>\$ 1,074,786</u>	

The appropriation of earnings for 2019 are subject to resolution in the shareholders' meeting to be held on June 12, 2020.

d. Other equity items

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ (208,307)	\$ (190,880)
Effect of change in tax rate	-	(1,825)
Recognized for the year		
Exchange differences on translating foreign operations	(493,822)	(1,155)
Related income tax	99,875	4,490
Disposal interests in subsidiaries	<u>(617)</u>	<u>(18,937)</u>
Balance at December 31	<u>\$ (602,871)</u>	<u>\$ (208,307)</u>

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ (85,136)	\$ 181,005
Effect of tax rate changes	-	(22)
Recognized during the period		
Unrealized gain		
Equity instruments	(61,991)	(186,605)
Related income tax	290	(681)
Cumulative unrealized loss on equity instruments transferred to retained earnings due to disposals	<u>(31,350)</u>	<u>(78,833)</u>
Balance at December 31	<u>\$ (178,187)</u>	<u>\$ (85,136)</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 18,267,556	\$ 16,728,019
Adjustment on initial application of IFRS 16	<u>(4,490)</u>	<u>-</u>
Balance at January 1	18,263,066	16,728,019
Cash dividends of subsidiaries' shareholders	(705,440)	(615,849)
Share in profit for the period	1,264,037	1,335,881
Other comprehensive income (loss) for the period		
Effect of tax rate changes	-	8,028
Exchange difference on translating foreign operations	(480,649)	(73,232)
Income tax relating to exchange difference on translating foreign operations	52,790	16,610
Unrealized (loss) gain on financial assets at FVTOCI	(117,760)	162,228
Income tax relating to unrealized (loss) gain on financial assets at FVTOCI	627	(1,450)
Remeasurement on defined benefit plans	12,315	1,722
Income tax remeasurement on defined benefit plans	(1,597)	(1,081)

(Continued)

	For the Year Ended December 31	
	2019	2018
Adjustments relating to changes accounted for using the equity method	\$ 632	\$ 6,456
Disposal interests in subsidiaries	(1,932)	(20,086)
Changes in non-controlling interests	<u>2,231,355</u>	<u>720,310</u>
Balance at December 31	<u>\$ 20,517,444</u>	<u>\$ 18,267,556</u> (Concluded)

f. Treasury shares

Purpose of Buy-Back	Number of shares at January 1 (In Thousands of Shares)	Increase during the Year	Decrease during the Year	Number of shares at December 31 (In Thousands of Shares)
<u>2019</u>				
Shares held by subsidiaries	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>2018</u>				
Shares held by subsidiaries	<u>114,182</u>	<u>2,284</u>	<u>-</u>	<u>116,466</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2019</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,403,776
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>209,272</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,613,048</u>
<u>December 31, 2018</u>			
APC	101,356	\$ 1,377,381	\$ 1,206,132
TTC	15,110	<u>81,875</u>	<u>179,808</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,385,940</u>

The Company's shares which subsidiaries hold are viewed 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 recognized as financial assets at FVTOCI and valued at the closing price of December 31, 2019 and 2018. The carrying amount of investments accounted for using the equity method and the unrealized gain (loss) on financial assets at FVTOCI were reduced \$55,255 thousand and \$(19,487) thousand, respectively.

28. REVENUE

	<u>For the Year Ended December 31</u>	
	2019	2018
Products sales revenue		
Plastic materials	\$ 52,990,243	\$ 57,962,076
Electronic materials	2,114,637	2,373,962
Others	<u>551,861</u>	<u>556,475</u>
	<u>\$ 55,656,741</u>	<u>\$ 60,892,513</u>

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

a. Contract balances

	December 31, 2019	December 31, 2018	January 1, 2018
Notes and accounts receivables (Note 10)	<u>\$ 7,045,512</u>	<u>\$ 8,548,733</u>	<u>\$ 8,068,099</u>

b. For information about the disaggregation of revenue, please refer to Note 42.

29. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations included the following:

	<u>For the Year Ended December 31</u>	
	2019	2018
Owners of the Company	\$ 1,279,873	\$ 537,268
Non-controlling interests	<u>1,261,353</u>	<u>1,331,081</u>
	<u>\$ 2,541,226</u>	<u>\$ 1,868,349</u>

Net profit from continuing operations includes the following:

a. Other income

	For the Year Ended December 31	
	2019	2018
Interest income		
Cash and cash equivalents	\$ 123,110	\$ 140,649
Financial assets at FVTPL	27,697	27,565
Financial assets at amortized cost	850	1,596
Others	<u>2,049</u>	<u>1,854</u>
	153,706	171,664
Dividend income	162,687	186,003
Rental income	55,591	50,454
Government grant income (Note 15)	155,710	-
Grants income	46,672	32,620
Claim income	34,189	-
Management service income (Note 36)	22,606	26,984
Commission income	2,764	36,104
Others	<u>95,266</u>	<u>112,848</u>
	<u>\$ 729,191</u>	<u>\$ 616,677</u>

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Gain on disposal of biological assets	\$ -	\$ 13,735
Gain on disposal of land use rights	-	262,617
Gain on disposal of subsidiaries (Note 13)	-	116,576
Gain on disposal of property, plant and equipment	46,186	11,030
Loss on disposal of property, plant and equipment	(4,805)	(19,550)
Net gain on disposal of financial instruments	13,456	22,471
Net foreign exchange losses	(159,831)	(8,899)
Net gain on financial assets at FVTPL	236,224	35,754
Net loss on financial liabilities at FVTPL	(19,397)	(46,923)
Loss on claims	(919)	(83,825)
Impairment losses on non-financial assets	(1,252)	(16,120)
Depreciation of investment properties - right-of-use assets	(56,202)	-
Other gains and losses	<u>(55,389)</u>	<u>(101,791)</u>
	<u>\$ (1,929)</u>	<u>\$ 185,075</u>

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank loans	\$ 203,488	\$ 193,810
Interest on bonds payable	88,887	74,937
Other interest expense	1,054	2,435
Interest on lease liabilities	9,140	-
Less: Capitalized interest (included in construction in progress)	<u>(17,347)</u>	<u>(26,787)</u>
	<u>\$ 285,222</u>	<u>\$ 244,395</u>

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2019	2018
Capitalized interest	\$ 17,347	\$ 26,787
Capitalization rate	0.66%-1.25%	0.82%-1.25%

d. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	\$ 2,050,117	\$ 1,961,453
Right-of-use assets	64,549	-
Investment properties	26,579	2,929
Intangible assets	22,503	39,474
Others	<u>57,502</u>	<u>36,487</u>
	<u>\$ 2,221,250</u>	<u>\$ 2,040,343</u>
 An analysis of depreciation by function		
Operating costs	\$ 1,971,873	\$ 1,850,751
Operating expenses	113,170	98,387
Other gains and losses	<u>56,202</u>	<u>15,244</u>
	<u>\$ 2,141,245</u>	<u>\$ 1,964,382</u>
 An analysis of amortization by function		
Operating costs	\$ 55,682	\$ 39,044
Selling and marketing expenses	9,204	10,386
General and administrative expenses	8,103	14,723
Research and development expenses	<u>7,016</u>	<u>11,808</u>
	<u>\$ 80,005</u>	<u>\$ 75,961</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
Post-employment benefits (Note 25)		
Defined contribution plans	\$ 145,458	\$ 139,570
Defined benefit plans	<u>48,151</u>	<u>63,003</u>
	193,609	202,573
Other employee benefits	<u>4,273,120</u>	<u>4,146,549</u>
Total employee benefits expense	<u>\$ 4,466,729</u>	<u>\$ 4,349,122</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 3,078,053	\$ 3,192,089
Operating expenses	<u>1,388,676</u>	<u>1,157,033</u>
	<u>\$ 4,466,729</u>	<u>\$ 4,349,122</u>

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates 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, 2019 and 2018, which were approved by the Company's board of directors on March 9, 2020 and March 8, 2019, respectively, were as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	2019	2018
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.37%	0.82%

Amount

	<u>For the Year Ended December 31</u>	
	2019	2018
Employees' compensation	\$ 14,793	\$ 6,319
Remuneration of directors	5,500	5,200

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

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

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

g. Gain or loss on foreign currency exchange

	<u>For the Year Ended December 31</u>	
	2019	2018
Foreign exchange gains	\$ 260,583	\$ 390,980
Foreign exchange losses	<u>(420,414)</u>	<u>(399,879)</u>
	<u>\$ (159,831)</u>	<u>\$ (8,899)</u>

30. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	\$ 641,322	\$ 453,462
Income tax on unappropriated earnings	33,804	98,985
Adjustments for prior years	298	(2,136)
Deductible income tax paid overseas	<u>(95)</u>	<u>(6,312)</u>
	<u>675,329</u>	<u>543,999</u>
Deferred tax		
In respect of the current year	141,168	113,607
Tax rates changes	-	(12,044)
Adjustments for prior years	1,434	5,623
Others	<u>2,213</u>	<u>2,893</u>
	<u>144,815</u>	<u>110,079</u>
Income tax expense recognized in profit or loss	<u>\$ 820,144</u>	<u>\$ 654,078</u>

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ 3,361,370</u>	<u>\$ 2,522,427</u>
Income tax expense calculated at the statutory rate	\$ 1,073,124	\$ 920,598
Nondeductible (revenue) expenses in determining taxable income	(29,145)	18,619
Tax-exempt income	(375,907)	(356,100)
Income tax on unappropriated earnings	33,804	98,985
Unrecognized loss carryforwards and deductible temporary differences	92,192	(12,633)
Effect of tax rate changes	-	(12,044)
Adjustments for prior years	1,732	3,487
Others	<u>24,344</u>	<u>(6,834)</u>
Income tax expense recognized in profit or loss	<u>\$ 820,144</u>	<u>\$ 654,078</u>

In February 2018, it was announced that the Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate will be adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%. The income tax rate of the subsidiaries in China is 25%. The tax amount generate by other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdictions.

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

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
<u>Deferred tax</u>		
Effect of tax rate changes	\$ -	\$ 16,127
In respect of the current year		
Translation of foreign operations	152,665	21,100
Fair value changes of financial at FVTOCI	917	(2,131)
Remeasurement of defined benefit plans	<u>(1,136)</u>	<u>(1,804)</u>
Total income tax recognized in other comprehensive income	<u>\$ 152,446</u>	<u>\$ 33,292</u>

c. Current tax assets and liabilities

	December 31	
	2019	2018
<u>Current income tax assets</u>		
Tax refund receivable	<u>\$ 11,919</u>	<u>\$ 8,116</u>
<u>Current income tax liabilities</u>		
Income tax payable	<u>\$ 517,913</u>	<u>\$ 270,351</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit obligation	\$ 296,538	\$ (28,114)	\$ (1,136)	\$ -	\$ 267,288
Investments accounted for using the equity method	91,430	(21,640)	3,634	-	73,424
Allowance for inventory valuation	67,863	(23,122)	-	(581)	44,160
Allowance for impaired receivables	17,786	(4,937)	-	(135)	12,714
Unrealized gains on transactions with subsidiaries	3,602	(702)	-	(4)	2,896
Payables for annual leave	22,887	2,442	-	(2)	25,327
Others	<u>81,486</u>	<u>(11,393)</u>	<u>117,167</u>	<u>2,752</u>	<u>190,012</u>
	581,592	(87,466)	119,665	2,030	615,821
Loss carryforwards	<u>51,742</u>	<u>(20,771)</u>	<u>-</u>	<u>(3,077)</u>	<u>27,894</u>
	<u>\$ 633,334</u>	<u>\$ (108,237)</u>	<u>\$ 119,665</u>	<u>\$ (1,047)</u>	<u>\$ 643,715</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 544,373	\$ 39,007	\$ (27,003)	\$ 4	\$ 556,381
Exchange differences on translating foreign operations	4,709	-	(4,709)	-	-
Differences on depreciation period between finance and tax	51,730	(6,882)	-	(129)	44,719
Revaluation increments of land	800,993	-	-	-	800,993
Others	<u>6,427</u>	<u>4,453</u>	<u>(1,069)</u>	<u>(3)</u>	<u>9,808</u>
	<u>\$ 1,408,232</u>	<u>\$ 36,578</u>	<u>\$ (32,781)</u>	<u>\$ (128)</u>	<u>\$ 1,411,901</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit obligation	\$ 362,202	\$ (85,431)	\$ 19,767	\$ -	\$ 296,538
Investments accounted for using the equity method	77,122	17,873	(3,565)	-	91,430
Allowance for inventory valuation	46,162	21,962	-	(261)	67,863
Allowance for impaired receivables	14,028	3,960	-	(202)	17,786
Unrealized gains on transactions with subsidiaries	3,925	(323)	-	-	3,602
Payables for annual leave	18,185	4,702	-	-	22,887
Others	74,983	1,924	4,613	(34)	81,486
	596,607	(35,333)	20,815	(497)	581,592
Loss carryforwards	35,455	16,138	-	149	51,742
	<u>\$ 632,062</u>	<u>\$ (19,195)</u>	<u>\$ 20,815</u>	<u>\$ (348)</u>	<u>\$ 633,334</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 452,067	\$ 92,306	\$ -	\$ -	\$ 544,373
Exchange differences on translating foreign operations	19,605	-	(14,896)	-	4,709
Differences on depreciation period between finance and tax	51,383	284	-	63	51,730
Revaluation increments of land	800,993	-	-	-	800,993
Others	5,662	(1,706)	2,419	52	6,427
	<u>\$ 1,329,710</u>	<u>\$ 90,884</u>	<u>\$ (12,477)</u>	<u>\$ 115</u>	<u>\$ 1,408,232</u>

- e. No deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Loss carryforwards	<u>\$ 4,100,752</u>	<u>\$ 3,708,636</u>
Deductible temporary differences		
Loss on foreign investments accounted for using the equity method	\$ 733,628	\$ 829,561
Defined benefit obligation	13,582	33,113
Write-down of inventories	3,647	28,920
Differences on depreciation period between finance and tax	76,446	22,455
Others	<u>436,455</u>	<u>436,704</u>
	<u>\$ 1,263,758</u>	<u>\$ 1,350,753</u>

- f. Unused loss carryforwards

As of December 31, 2019, the Group's unused loss carryforwards were \$4,243,999 thousand and will expire in 2029.

- g. Income tax assessments

The income tax returns of UM, TUVU, TUVU, INOMA, TM and STC through 2018 have been assessed by the tax authorities. The income tax returns of the Company, UPIIC, USII, ACME, CGPC, TVCM, CGPCPOL, APC, APCI, CGTD, CLT, USIO, TTC and SPC through 2017 have been assessed by the tax authorities. The income tax returns of TTC and SPC through 2016 have been assessed by the tax authorities.

31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2019	2018
Basic and diluted earnings per share		
From continuing operations and discontinued operations	\$ 1.19	\$ 0.50
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 1.19</u>	<u>\$ 0.50</u>

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

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2019	2018
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 1,281,364	\$ 539,935
Add: Gain for the period from discounted operations used in computation of basic earnings per share from discounted operations	<u>(1,491)</u>	<u>(2,667)</u>
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 1,279,873</u>	<u>\$ 537,268</u>

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

	<u>For the Year Ended December 31</u>	
	2019	2018
Weighted average number of ordinary shares used in computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation issued to employees	<u>1,162</u>	<u>690</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,460</u>	<u>1,072,988</u>

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

32. SHARE-BASED PAYMENT ARRANGEMENTS

ACME did not issue employee share options for the years ended December 31, 2019 and 2018.

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

	For the Year Ended December 31			
	2019		2018	
	Number of Options	Weighted- average Exercise Price (NT\$)	Number of Options	Weighted- average Exercise Price (NT\$)
Balance at January 1	563	\$ 8.2	563	\$ 8.2
Options exercised	<u>(563)</u>	8.2	<u>-</u>	-
Balance at December 31	<u>-</u>	-	<u>563</u>	8.2
Options exercisable, end of period	<u>-</u>	-	<u>563</u>	8.2

The weighted-average share price at the date of exercise of share options for the year ended December 31, 2019 was \$14.1 (2018: None).

Information about ACME's outstanding options as of December 31, 2018 was as follows (2019: None):

December 31, 2018	
Weighted-average Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$ 8.2	0.3

USIO did not issue employee share options for the years ended December 31, 2019 and 2018.

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

	For the Year Ended December 31			
	2019		2018	
	Number of Options	Weighted- average Exercise Price (NT\$)	Number of Options	Weighted- average Exercise Price (NT\$)
Balance at January 1	167	\$ 10.8	194	\$ 10.8
Options expired	<u>(34)</u>	10.8	<u>(27)</u>	10.8
Balance at December 31	<u>133</u>	10.8	<u>167</u>	10.8
Options exercisable, end of year	<u>133</u>	10.8	<u>167</u>	10.8

Information about USIO's outstanding options as of December 31, 2019 and 2018 was as follows:

December 31			
2019		2018	
Weighted-average Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Weighted-average Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$ 10.8	2.4	\$ 10.8	3.4

33. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2019 and 2018, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

- 1) As of December 31, 2019 and 2018 the amounts of payables for purchases of equipment were \$191,407 thousand and \$189,420 thousand, respectively.
- 2) As of December 31, 2019 and 2018 the amounts of payables for dividends declared but not issued were \$17,771 thousand and \$20,176 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2019	Cash Flows	Non-cash Changes				December 31, 2019
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 6,726,854	\$ (2,467,874)	\$ -	\$ -	\$ -	\$ -	\$ 4,258,980
Short-term bills payable	1,514,784	(162,000)	-	-	-	26	1,352,810
Bonds payable (including current portions)	5,992,604	1,995,630	-	3,049	-	-	7,991,283
Long-term borrowings (including current portions)	9,142,624	350,346	-	-	-	-	9,492,970
Guarantee deposits received	26,662	813	-	-	-	-	27,475
Lease liabilities (including current portions)	<u>546,116</u>	<u>(66,023)</u>	<u>73,631</u>	<u>9,140</u>	<u>(946)</u>	<u>(9,140)</u>	<u>552,778</u>
	<u>\$ 23,949,644</u>	<u>\$ (349,108)</u>	<u>\$ 73,631</u>	<u>\$ 12,189</u>	<u>\$ (946)</u>	<u>\$ (9,114)</u>	<u>\$ 23,676,296</u>

	January 1, 2018	Cash Flows	Non-cash Changes				December 31, 2018
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 3,752,268	\$ 2,974,586	\$ -	\$ -	\$ -	\$ -	\$ 6,726,854
Short-term bills payable	1,684,506	(170,000)	-	-	-	278	1,514,784
Bonds payable	5,990,167	-	-	2,437	-	-	5,992,604
Long-term borrowings (including current portions)	7,702,748	1,439,876	-	-	-	-	9,142,624
Guarantee deposits received	<u>24,343</u>	<u>2,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,662</u>
	<u>\$ 19,154,032</u>	<u>\$ 4,246,781</u>	<u>\$ -</u>	<u>\$ 2,437</u>	<u>\$ -</u>	<u>\$ 278</u>	<u>\$ 23,403,528</u>

34. CAPITAL MANAGEMENT

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

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

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

35. FINANCIAL INSTRUMENTS

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

December 31, 2019

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

December 31, 2018

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

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

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

1) Fair value hierarchy

December 31, 2019

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

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,614,413	\$ -	\$ -	\$ 1,614,413
Domestic emerging market shares	-	-	16,178	16,178
Domestic unlisted shares	-	-	632,134	632,134
Foreign listed shares and over-the-counter shares	8,649	-	-	8,649
Foreign unlisted shares	-	-	100,139	100,139
	<u>\$ 1,623,062</u>	<u>\$ -</u>	<u>\$ 748,451</u>	<u>\$ 2,371,513</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	<u>\$ -</u>	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ 4,136</u>

(Concluded)

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 2,181	\$ -	\$ 2,181
Domestic listed shares and over-the-counter shares	151,081	-	-	151,081
Mutual funds	3,995,963	-	-	3,995,963
Beneficiary certificate	934,252	-	-	934,252
Foreign listed shares	828	-	-	828
	<u>\$ 5,082,124</u>	<u>\$ 2,181</u>	<u>\$ -</u>	<u>\$ 5,084,305</u>
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,828,996	\$ -	\$ -	\$ 1,828,996
Domestic emerging market shares	-	-	15,937	15,937
Domestic unlisted shares	-	-	655,575	655,575
Foreign listed shares and over-the-counter shares	6,282	-	-	6,282
Foreign unlisted shares	-	-	173,667	173,667
	<u>\$ 1,835,278</u>	<u>\$ -</u>	<u>\$ 845,179</u>	<u>\$ 2,680,457</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	<u>\$ -</u>	<u>\$ 11,135</u>	<u>\$ -</u>	<u>\$ 11,135</u>

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

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

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 845,179	\$ 779,889
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(44,305)	109,938
Return of capital	<u>(52,423)</u>	<u>(44,648)</u>
Balance at December 31	<u>\$ 748,451</u>	<u>\$ 845,179</u>

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

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

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent parties, the Group keeps the results close to the market value and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. When other inputs remain unchanged, the fair value will decrease/increase by \$74,845 thousand and \$84,518 thousand, for the year ended December 31, 2019 and 2018, if the discount for lack of marketability increases/decreases by 10%, respectively.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatory classified as at FVTPL	\$ 6,358,025	\$ 5,084,305
Financial assets measured at amortized cost		
Cash and cash equivalents	7,927,403	8,123,304
Pledged time deposits	659,923	750,893
Investment products	158,148	-
Notes receivable	634,435	1,015,882
Accounts receivable	6,411,077	7,532,851
Other receivables (including related parties)	277,131	279,612
Refundable deposits	181,829	160,228
Financial assets at FVTOCI - equity instrument investments	2,371,513	2,680,457
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	4,136	11,135

(Continued)

	December 31	
	2019	2018
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 4,258,980	\$ 6,726,854
Short-term bills payable	1,352,810	1,514,784
Notes payable and accounts payable	2,757,368	3,392,687
Other payables (including related parties)	1,938,026	1,897,550
Current portion of long-term borrowings	1,443,156	525,000
Bonds payable	6,991,327	5,992,604
Long-term borrowings	9,049,770	8,617,624
Guarantee deposits received	27,475	26,662
		(Concluded)

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 40 and of the derivatives exposing the Group to foreign currency risk at the end of the reporting period are set out in Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar denominated items). When the Group's functional currency appreciates/depreciates by 3% against the USD, the Group's profit before tax in 2019 will decrease/increase \$96,588 thousand; the profit before tax in 2018 will decrease/increase \$86,895 thousand.

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

b) Interest rate risk

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

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

	<u>December 31</u>	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 5,253,127	\$ 5,347,257
Financial liabilities	15,821,920	12,766,926
Cash flow interest rate risk		
Financial assets	3,441,301	3,422,707
Financial liabilities	7,826,901	10,609,940

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2019 and 2018 would have decreased/increased by \$21,928 thousand and \$35,936 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had fluctuated by 5%, the pre-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by \$317,198 thousand and \$254,106 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increase/decreased by \$118,576 thousand and \$134,023 as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the financial assets recognized in the balance sheets; and
- b) The maximum amount payable by the Group due to financial guarantees provided by the Group.

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

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

3) Liquidity risk

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

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

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

December 31, 2019

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

Additional information about the maturity analysis for lease liabilities:

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

December 31, 2018

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

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

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

December 31, 2019

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

December 31, 2018

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

c) Financing facilities

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

	<u>December 31</u>	
	2019	2018
Bank loan facilities		
Amount unused	<u>\$ 23,210,225</u>	<u>\$ 20,493,587</u>

36. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties' names and their relationships

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

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

Related Party Category/Name	<u>For the Year Ended December 31</u>	
	2019	2018
Other related party		
USI Education Foundation	<u>\$ 8,500</u>	<u>\$ 7,500</u>

c. Management services income (classified as other income)

Related Party Category/Name	<u>For the Year Ended December 31</u>	
	2019	2018
Joint venture	<u>\$ 22,606</u>	<u>\$ 26,984</u>

d. Other receivables

Related Party Category/Name	<u>December 31</u>	
	2019	2018
Joint venture	<u>\$ 16,494</u>	<u>\$ 12,768</u>

e. Compensation of key management personnel

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

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	\$ 58,563	\$ 55,681
Post-employment benefits	<u>324</u>	<u>324</u>
	<u>\$ 58,887</u>	<u>\$ 56,005</u>

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

37. ASSETS PLEDGED AS COLLATERAL

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

	December 31	
	2019	2018
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 659,923	\$ 750,893
Shares	-	970,370
Property, plant and equipment	3,802,055	4,082,108
Investment properties, net	108,178	108,178
Land use rights (classified as long-term prepayments for leases)	-	78,189
Land use rights (classified as right-of-use assets)	31,666	-
Refundable deposits (classified as other non-current assets)	<u>93,105</u>	<u>53,535</u>
	<u>\$ 4,694,927</u>	<u>\$ 6,043,273</u>

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- a. As of December 31, 2019 and 2018, the Company's unused letters of credit amounted to \$2,715,961 thousand and \$3,857,537 thousand, respectively.
- b. The following is regarding the subsidiary, CGTD, who was commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014 and the first instance judgment of criminal procedures was reached on May 11, 2018, whereby three employees of CGTD were each sentenced to four years and six months of imprisonment, and CGTD had assisted the employees in appealing against the judgment. The second instance judgment of criminal procedures will be reached on April 24, 2020.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,351 thousand, included interest, to the Kaohsiung City Government as collateral for the losses caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. Taiwan Water Corporation also applied for provisional

attachment against CGTD's property on February 3 and March 2, 2017. At the end of February 27, 2020, the provisionally attached properties were worth \$138,273 thousand.

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

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

As of February 27, 2020, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of \$26,890 thousand and settled for a compensation amount of \$4,019 thousand instead. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to \$3,876,234 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,196,808 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately \$388,503 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand, but was required to pay \$191,155 thousand, for the estimated portion of compensation that CGTD should pay at the moment according to the judgment of the first instance. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. In addition, with regard to the abovementioned compensation, CGTD estimated and recognized an amount of \$136,375 thousand based on its fault-based liability proportion in the first-instance judgment. The actual liability of CGTD depends on the future judgments of the remaining civil cases.

39. SIGNIFICANT CONTRACTS

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

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

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

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

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

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

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

In order to increase Gulei Company’s operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited (“DOR PO”) signed a joint venture contract for an investment in Dynamic Ever Investment Limited on June 5, 2019. According to the contract, DOR PO will invest US\$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of December 31, 2019, DOR PO had invested US\$54,608 thousand and held 10.1% ownership interest in Dynamic Ever Investment Limited.

c. Significant operating contracts

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

<u>Commissioned Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2020.01.01-2021.12.31
Taiwan VCM Corporation	2020.01.01-2021.12.31
USI Corporation	2019.01.01-2019.12.31
Asia Polymer Corporation	2019.01.01-2019.12.31
Formosa Plastic Corporation	2020.01.01-2021.12.31
Oriental Union Chemical Corporation	2019.01.01-2019.12.31
LCY Chemical Corporation	2020.01.01-2021.12.31
Taiwan Styrene Monomer Corporation	2020.01.01-2021.12.31
Transformational Chemistry Corporation	2020.01.01-2021.12.31
NANTEX Industry Co., Ltd.	2020.01.01-2021.12.31
En Chuan Chemical Industries Co., Ltd.	2020.01.01-2021.12.31
Xin Long Guang Plastics Co., Ltd.	2020.01.01-2021.12.31

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

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: In Thousands, other than the exchange rate

	<u>December 31, 2019</u>				
	Foreign Currency	Exchange Rate (In Dollars)		Functional Currency	NTD
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 148,885	29.98	(USD:NTD)	\$ 4,463,547	\$ 4,463,547
USD	3,775	6.98	(USD:RMB)	26,338	113,188
USD	3,072	4.26	(USD:MYR)	13,095	92,609
RMB	310,792	4.30	(RMB:NTD)	1,335,629	1,335,629
RMB	3,227	0.14	(RMB:USD)	463	13,882
AUD	611	21.01	(AUD:NTD)	12,835	12,835
EUR	343	33.59	(EUR:NTD)	11,518	11,518
					(Continued)

December 31, 2019

	Foreign Currency	Exchange Rate (In Dollars)	Functional Currency	NTD
Non-monetary items				
Joint ventures accounted for using the equity method				
RMB	\$ 3,459,518	0.14	(RMB:USD)	\$ 495,903
				\$ 14,867,168
Derivative instruments				
USD buy	720	29.98	(USD:NTD)	23
USD sell	41,000	29.98	(USD:NTD)	11,784
USD sell	865	4.26	(USD:MYR)	136
RMB sell	81,800	4.30	(RMB:NTD)	1,083
EUR sell	224	4.78	(EUR:MYR)	28
JPY buy	40,000	0.01	(JPY:USD)	1
				18
Foreign currency liabilities				
Monetary items				
USD	34,005	29.98	(USD:NTD)	1,019,462
USD	13,611	6.98	(USD:RMB)	94,955
USD	737	4.26	(USD:MYR)	3,142
RMB	26,824	4.30	(RMB:NTD)	115,276
				115,276
Non-monetary items				
Derivative instruments				
USD buy	8,760	29.98	(USD:NTD)	1,395
RMB sell	155,900	4.30	(RMB:NTD)	2,741
				2,741
				(Concluded)

December 31, 2018

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
Foreign currency assets				
Monetary items				
USD	\$ 147,405	30.72	(USD:NTD)	\$ 4,527,541
USD	4,965	6.86	(USD:RMB)	42,927
USD	2,995	4.32	(USD:MYR)	12,934
RMB	347,421	4.48	(RMB:NTD)	1,554,811
AUD	687	21.67	(AUD:NTD)	14,885
EUR	344	35.20	(EUR:NTD)	12,114
				12,114
Non-monetary items				
Joint ventures accounted for using the equity method				
RMB	2,310,215	0.15	(RMB:USD)	336,609
				10,338,945
Derivative instruments				
USD buy	1,065	30.72	(USD:NTD)	9
USD sell	29,840	30.72	(USD:NTD)	1,412
USD sell	1,294	4.32	(USD:MYR)	65
RMB sell	27,700	4.48	(RMB:NTD)	219
EUR sell	163	5.00	(EUR:MYR)	11
				77
				(Continued)

	December 31, 2018					
	Foreign Currency	Exchange Rate (In Single Dollars)			Functional Currency	NTD
<u>Foreign currency liabilities</u>						
Monetary items						
USD	\$ 41,876	30.72	(USD:NTD)		\$ 1,285,325	\$ 1,285,325
USD	19,262	6.86	(USD:RMB)		132,198	591,631
RMB	47,120	4.48	(RMB:NTD)		210,876	210,876
Non-monetary items						
Derivative instruments						
USD buy	16,965	30.72	(USD:NTD)		1,338	1,338
USD sell	4,585	30.72	(USD:NTD)		417	417
RMB sell	231,200	4.48	(RMB:NTD)		9,023	8,890
JPY sell	80,000	0.01	(JPY:USD)		16	490
						(Concluded)

For the years ended December 31, 2019 and 2018, realized and unrealized net foreign exchange losses were \$159,831 thousand and \$8,899 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

41. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired 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. (Note 7 and Note 35)
- 10) Intercompany relationships and significant intercompany transactions. (Table 9)
- 11) Information on investees. (Table 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 10)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 2)
 - e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

42. SEGMENT INFORMATION

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

a. Reportable segment income information

	For the Year Ended December 31, 2019						Total
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	
Segment income	\$ 10,966,471	\$ 15,117,855	\$ 17,672,204	\$ 2,132,889	\$ 6,791,157	\$ 4,776,642	\$ 57,457,218
Interest income	15,978	15,780	25,213	12,567	14,876	69,292	153,706
Finance costs	(121,666)	(12,203)	(51,091)	(20,999)	(56,163)	(44,151)	(306,273)
Depreciation and amortization	(517,699)	(638,066)	(209,997)	(212,322)	(304,135)	(410,217)	(2,292,436)
Impairment losses	-	-	(60,265)	(37,939)	(1,252)	(14,131)	(113,587)
Reportable segment profit (loss) before tax	1,458,987	854,008	558,204	(110,824)	984,841	769,628	4,514,844
Reportable segment tax expense	(177,623)	(160,193)	(160,227)	(17,641)	(163,820)	(140,640)	(820,144)
Reportable segment net profit (loss)	1,281,364	693,815	397,977	(128,465)	821,021	628,988	3,694,700

For the Year Ended December 31, 2018							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 11,763,140	\$ 15,192,621	\$ 21,683,702	\$ 2,382,293	\$ 6,375,134	\$ 5,213,465	\$ 62,610,355
Interest income	18,186	16,400	12,922	14,275	18,489	91,392	171,664
Finance costs	(86,490)	(10,149)	(55,349)	(23,252)	(40,142)	(55,800)	(271,182)
Depreciation and amortization	(430,952)	(526,598)	(197,771)	(216,354)	(292,406)	(389,107)	(2,053,188)
Impairment losses (reversed)	(27,630)	(168)	-	(50,163)	11,678	-	(66,283)
Reportable segment profit before tax	620,342	1,654,352	331,252	150,703	316,863	397,277	3,470,789
Reportable segment tax expense	(80,407)	(305,699)	(123,279)	(15,926)	(30,037)	(98,730)	(654,078)
Reportable segment net profit	539,935	1,348,653	207,973	134,777	286,826	298,547	2,816,711

b. Reportable segment income and other major adjusted of items

1) Segment income and operating results

	For the Year Ended December 31	
	2019	2018
Reportable segment net profit before tax	\$ 3,745,216	\$ 3,073,512
Reportable segment tax expense	<u>(679,504)</u>	<u>(555,348)</u>
Reportable segment profit after tax	3,065,712	2,518,164
Other non-reportable segment profit	628,988	298,547
Less: Profit between segments	<u>(1,153,474)</u>	<u>(948,362)</u>
Profit from continuing operations	2,541,226	1,868,349
Profit or loss from discontinued operations	<u>4,175</u>	<u>7,467</u>
Net profit after tax	<u>\$ 2,545,401</u>	<u>\$ 1,875,816</u>

2) Other significant items reconciliation

For the Year Ended December 31, 2019								
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 15,978	\$ 15,780	\$ 25,213	\$ 12,567	\$ 14,876	\$ 69,292	\$ -	\$ 153,706
Finance costs	(121,666)	(12,203)	(51,091)	(20,999)	(56,163)	(44,151)	3,704	(302,569)
Depreciation and amortization	(517,699)	(638,066)	(209,997)	(212,322)	(304,135)	(410,217)	55,920	(2,236,516)
Impairment losses	-	-	(60,265)	(37,939)	(1,252)	(14,131)	-	(113,587)

For the Year Ended December 31, 2018								
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 18,186	\$ 16,400	\$ 12,922	\$ 14,275	\$ 18,489	\$ 91,392	\$ -	\$ 171,664
Finance costs	(86,490)	(10,149)	(55,349)	(23,252)	(40,142)	(55,800)	-	(271,182)
Depreciation and amortization	(430,952)	(526,598)	(197,771)	(216,354)	(292,406)	(389,107)	889	(2,052,299)
Impairment losses	(27,630)	(168)	-	(50,163)	11,678	-	-	(66,283)

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

c. Revenue from major products

	<u>For the Year Ended December 31</u>	
	2019	2018
<u>Products</u>		
Plastic materials	\$ 52,990,243	\$ 57,962,076
Electronic materials	2,114,637	2,373,962
Others	<u>551,861</u>	<u>556,475</u>
	<u>\$ 55,656,741</u>	<u>\$ 60,892,513</u>

d. Geographical information

The Group's major operations are located in Asia, so its non-current assets and related information are not shown by location.

The Group's revenue from continuing operations from external customers by location of operations are detailed below:

	<u>For the Year Ended December 31</u>	
	2019	2018
Asia	\$ 50,203,661	\$ 55,101,296
America	3,217,101	3,020,120
Europe	560,702	721,948
Africa	611,835	803,046
Oceania	337,114	287,405
Others	<u>726,328</u>	<u>958,698</u>
	<u>\$ 55,656,741</u>	<u>\$ 60,892,513</u>

e. Major customers

No single customer contributed 10% or more to the Group's revenue for both 2019 and 2018.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation (ACME))

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Notes 3 and 4)	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)	Note
													Item	Value			
0	Acme Electronics Corporation	Golden Amber Enterprises Ltd.	Other receivables - related parties	Yes	\$ 25,280 (US\$ 800 thousand)	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 500,989	\$ 500,989	
		ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	273,960 (US\$ 9,000 thousand)	239,840 (US\$ 8,000 thousand)	179,880 (US\$ 6,000 thousand)	2.8985-3.70663	2	-	Business turnover	-	-	-	500,989	500,989	
		Acme Electronics (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	91,986 (RMB 20,000 thousand)	-	-	-	2	-	Business turnover	-	-	-	500,989	500,989	

Note 1: Total financing amounts provided to others shall not exceed 40% of ACME's net value, and the highest aggregate financing limits were calculated by the net value as of December 31, 2019.

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

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

Note 3: The amount was calculated using the spot exchange rate as of December 31, 2019.

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

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

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd. A.S. Holding (UK) Limited	Other receivables - related parties	Yes	\$ 98,118	\$ 93,088	\$ 93,088	-	2	\$ -	Business turnover	\$ -	-	-	\$ 138,624	\$ 207,936	
			Long-term receivables - related parties	Yes	9,445	-	-	-	1	-	-	-	-	-	138,624	207,936	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	232,596	184,793	184,793	4.15-4.25	2	-	Business turnover	-	-	-	519,848	519,848	
3	Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Limited	Other receivables - related parties	Yes	112,180	-	-	-	1	-	-	-	-	-	387,061	387,061	

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 provided is as follows:

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

Note 3: The amount was calculated using the spot exchange rate as of December 31, 2019.

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

FINANCING PROVIDED TO OTHERS**FOR THE YEAR ENDED DECEMBER 31, 2019**

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount (Notes 4 and 5)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)	Note
													Item	Value			
1	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 859,500 (RMB 200,000 thousand)	\$ 236,363 (RMB 55,000 thousand)	\$ 64,463 (RMB 15,000 thousand)	5.22	2	\$ -	Business turnover	\$ -	-	-	\$ 2,287,806	\$ 2,287,806	

Note 1: The total amount of lending to TTC for funding of a short-term period shall not exceed 40% of the net worth of TTC. As of December 31, 2019, TTC did not loan funds to anyone and has no financing provided to others.

Note 2: The total amount of lending to a company for funding of short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As of December 31, 2019, the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. was RMB532,361 thousand.

Note 3: The nature of financing provided is as follows:

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

Note 4: The amount was calculated using the spot exchange rate as of December 31, 2019.

Note 5: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 11,195,702	\$ 3,700,000	\$ 3,600,000	\$ 1,532,000	\$ -	19.29	\$ 11,195,702	Yes	No	No	
		Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,195,702	319,800 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	319,800 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	77,825	-	1.71	11,195,702	Yes	No	No	

Note 1: Both total endorsements/guarantees provided amounts and the amount of endorsements/guarantees for an individual entity shall not exceed 60% of the Company's net value. The maximum amount of endorsement/guarantees was calculated based on net value as of December 31, 2019.

Note 2: The amount was calculated using the spot exchange rate as of December 31, 2019.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 3)	Outstanding Endorsement/Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,504,944	\$ 368,820 (US\$ 12,000 thousand)	\$ 359,760 (US\$ 12,000 thousand)	\$ 104,930 (US\$ 3,500 thousand)	\$ -	28.72	\$ 2,504,944	No	No	Yes	
		Acme Electronics (Guangzhou) Co., Ltd.	Subsidiary of GAEL	2,504,944	158,000 (US\$ 5,000 thousand)	149,900 (US\$ 5,000 thousand)	-	-	11.97	2,504,944	No	No	Yes	

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of December 31, 2019.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2019.

Note 3: The amount was calculated using the spot exchange rate as of December 31, 2019.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	\$ 6,228,973	\$ 85,658	\$ 53,595	\$ -	\$ -	2.15	\$ 6,228,973	No	No	No	
		Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	6,228,973	37,920	35,976	-	-	1.44	6,228,973	No	No	No	
		Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	6,228,973	126,400	119,920	-	-	4.81	6,228,973	No	No	Yes	
		Swanson Technologies Corporation	Subsidiary	6,228,973	142,160	137,948	109,980	-	5.54	6,228,973	No	No	No	
		Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsidiary	6,228,973	63,200	59,960	-	-	2.41	6,228,973	No	No	Yes	
		PT. Swanson Plastics Indonesia Ltd.	Subsidiary	6,228,973	63,200	59,960	-	-	2.41	6,228,973	No	No	No	
		Forever Young Company Limited	Subsidiary	6,228,973	2,381,593	1,800,932	17,988	-	72.28	6,228,973	No	No	No	
		Swanson Plastics (India) Private Limited	Sub-Subsidiary	6,228,973	91,500	89,940	-	-	3.61	6,228,973	No	No	No	

Note 1: The amount of endorsements/guarantees for an individual entity shall not exceed 250% of SPC's equity as of December 31, 2019.

Note 2: The amount was calculated using the spot exchange rate as of December 31, 2019.

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

ENDORSEMENTS/GUARANTEES PROVIDED**FOR THE YEAR ENDED DECEMBER 31, 2019**

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 8,250,812	\$ 2,899,800	\$ 2,200,000	\$ 14,990	\$ -	26.66	\$ 8,250,812	No	No	No	

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of December 31, 2019.

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taita Chemical Company, Ltd.	Taita (BVI) Holding Co., Ltd.	Subsidiary which directly held 100% ordinary shares	\$ 6,449,645	\$ 1,589,340 (US\$ 33,000 thousand) (NT\$ 600,000 thousand)	\$ 1,439,440 (US\$ 28,000 thousand) (NT\$ 600,000 thousand)	\$ 777,082 (US\$ 25,920 thousand)	\$ -	33.48	\$ 6,449,645	No	No	No	
		Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by TTC	6,449,645	214,875 (RMB 50,000 thousand)	214,875 (RMB 50,000 thousand)	-	-	5.00	6,449,645	No	No	Yes	
		Taita Chemical (Tianjin) Co., Ltd.	100% voting shares directly owned by TTC	6,449,645	449,700 (US\$ 15,000 thousand)	-	-	-	-	6,449,645	No	No	Yes	

Note 1: The amount was calculated using the spot exchange rate as of December 31, 2019.

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

USI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARIES AND AFFILIATED COMPANIES)

DECEMBER 31, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	<u>Shares</u>							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 576,478	1.98	\$ 576,478	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,329,223	235,794	11.90	235,794	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	85,566	0.09	85,566	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	310,000	2,560	0.45	2,560	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,753,251	21,740	-	21,740	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	32,150	-	32,150	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	229,580	1,759	-	1,759	
	G.M.I Technology Inc.	-	Financial assets at fair value through profit or loss - current	1,430,000	23,380	-	23,380	
	ITE Tech. Inc.	-	Financial assets at fair value through profit or loss - current	1,000,000	44,150	-	44,150	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2
	<u>Beneficiary certificates</u>							
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,872,087	63,422	-	63,422	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,866,132	197,663	-	197,663	
	KGI Victory Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,050,909	12,215	-	12,215	
	Eastspring Investments Well Poll Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,622,210	49,467	-	49,467	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,094,719	73,526	-	73,526	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,415,458	137,760	-	137,760	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,870,520	\$ 87,065	-	\$ 87,065	
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,857,576	50,417	-	50,417	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,995,555	50,260	-	50,260	
	Hua Nan Phonenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,566,633	74,523	-	74,523	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,848,863	54,889	-	54,889	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,920,509	47,304	-	47,304	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,933,652	250,987	-	250,987	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	275,921	49,417	-	49,417	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,162,215	50,221	-	50,221	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,384,950	249,745	-	249,745	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	596,883	7,009	-	7,009	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,833,145	250,437	-	250,437	
	<u>Beneficiary certificates (REIT)</u>							
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	7,980,000	110,204	-	110,204	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	3,000,000	53,400	-	53,400	
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	86,730	-	86,730	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	42,750	-	42,750	
Union Polymer Int'l Investment Corp.	<u>Shares</u> Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	20,711,939	327,249	3.74	327,249	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,053,793	84,319	0.77	84,319	
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	383,520	4,372	0.11	4,372	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Swanlake Traders Ltd.	<u>Shares</u> SOHOware Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,150,000	\$ -	1.05	\$ -	Note 2
	TGF Linux Communications Inc.	-	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred D	-	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2
USIFE Investment Co., Ltd.	<u>Shares</u> AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - current	1,266,061	12,724	0.01	12,724	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,266,061	12,724	0.01	12,724	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - non-current	3,001,655	109,110	0.59	109,110	
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	11,876,111	3,703	0.37	3,703	
	Dah Chung Bills Finance Corporation	-	Financial assets at fair value through other comprehensive income - non-current	470,914	6,649	0.10	6,649	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	629,017	8,882	0.41	8,882	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	448	0.25	448	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-	Note 2
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	5,881	1.03	5,881	
	Silicon Technology Investment (Cayman) Corp.	-	Financial assets at fair value through other comprehensive income - non-current	911,849	44,498	1.77	44,498	
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	472,511	9,828	0.09	9,828	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,577,809	24,929	0.28	24,929	
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,163,206	13,261	0.35	13,261	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	100,000	6,430	-	6,430	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	584,416	7,247	0.01	7,247	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	ITE Tech. Inc.	-	Financial assets at fair value through profit or loss - current	500,000	\$ 22,075	0.31	\$ 22,075	
	G.M.I Technology Inc.	-	Financial assets at fair value through profit or loss - current	470,000	7,685	0.40	7,685	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,474,681	18,956	0.10	18,956	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	6,125	0.27	6,125	
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	678,000	545	-	545	
	<u>Beneficiary certificates</u>							
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,360,710	20,686	-	20,686	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,870,081	30,613	-	30,613	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	4,223,969	61,210	-	61,210	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,151,207	64,322	-	64,322	
	<u>Beneficiary certificates (REIT)</u>							
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	750,000	12,825	-	12,825	
Taiwan United Venture Capital Corp.	<u>Beneficiary certificates</u>							
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	3,399,556	49,263	-	49,263	
	<u>Shares</u>							
	Innovation & Infinity Global Corp.	-	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	Note 2
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	Note 2
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	4,611,242	35,322	0.18	35,322	
	Mitac Holdings Corp.	-	Financial assets at fair value through other comprehensive income - current	1,841,072	53,391	0.17	53,391	
	Chitec Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	381,906	16,178	1.37	16,178	
	Leadwell Cnc Machines Mfg., Corp.	-	Financial assets at fair value through other comprehensive income - non-current	419,753	9,554	0.68	9,554	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	518,898	\$ -	1.18	\$ -	
	Orgchem Technology, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	594,594	8,883	1.09	8,883	
	Hexawave, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	109,109	913	0.27	913	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	5,881	1.03	5,881	
	Uranus Chemicals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	12,610	334	0.03	334	
	Neurosky Inc. Preferred A	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	Note 2
	Neurosky Inc. Preferred B	-	Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	Note 2
	Neurosky Inc. Preferred C	-	Financial assets at fair value through other comprehensive income - non-current	4,532,823	-	0.64	-	Note 2
Taiwan United Venture Management Corp.	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	91,730	1,329	-	1,329	
Inoma Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	908,375	12,340	-	12,340	
USI Optronics Corporation	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,016,620	15,125	-	15,125	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	496,715	7,084	-	7,084	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,703,082	23,135	-	23,135	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,412,688	17,042	-	17,042	
USI Management Consulting Corp.	<u>Beneficiary certificates</u> Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	733,563	10,018	-	10,018	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	1,035,561	15,006	-	15,006	
	Fuh Hwa You Li Money Market	-	Financial assets at fair value through profit or loss - current	1,922,284	26,000	-	26,000	
Thintec Materials Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	930,329	12,638	-	12,638	

(Continued)

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

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

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

(Concluded)

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

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARIES AND AFFILIATED COMPANIES)
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	<u>Closed-end fund beneficiary certificates</u> Cathay No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,268,000	\$ 75,543	-	\$ 75,543	Note 1
	Fubon No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,980,000	68,774	-	68,774	Note 1
	Shin Kong No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	3,000,000	53,400	-	53,400	Note 1
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	2,500,000	42,750	-	42,750	Note 1
	<u>Open-end fund beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,722,102	100,009	-	100,009	Note 1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,244,236	32,005	-	32,005	Note 1
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	596,011	10,000	-	10,000	Note 1
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	325,457	5,000	-	5,000	Note 1
	<u>Ordinary shares</u> KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,664,611	117,882	5.95	117,882	Note 1
	Taiwan VCM Corporation (TVCM)	<u>Open-end fund beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,016,929	30,007	-	30,007
<u>Ordinary shares</u> Asia Polymer Corporation		The major shareholders are the same as the those of CGPC	Financial assets at fair value through other comprehensive income - non-current	121,611	1,921	0.02	1,921	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC Polymer Corporation	<u>Open-end fund beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,751,358	\$ 189,709	-	\$ 189,709	Note 1
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,813,848	119,729	-	119,729	Note 1
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,574,758	41,704	-	41,704	Note 1
CGPC (BVI) Holding Co., Ltd.	<u>Shares</u> Teratech Corporation - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	Notes 1 and 3
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Notes 1, 2 and 3

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

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

Note 3: As of December 31, 2019, CGPC evaluated the fair value of equity impairments as \$0.

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARIES AND AFFILIATED COMPANIES)

DECEMBER 31, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	<u>Ordinary shares</u> USI Corporation	Parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 209,272	1.27	\$ 209,272	Note 1
	Harbinger Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	990	27	0.50	27	Notes 3 and 5
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	86,730	-	86,730	Note 1
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	42,750	-	42,750	Note 1
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,000,000	71,200	-	71,200	Note 1
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,580,000	90,869	-	90,869	Note 1
	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	806,582	12,000	-	12,000	Note 2
	Taita (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (US\$ - thousand)	2.22	6 (US\$ - thousand)
Teratech Corporation - ordinary shares		-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.72	-	Note 4
Sohoware Inc. - preference shares		-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Note 4

Note 1: Fair value was based on closing price of the Taiwan Stock Exchange as of December 31, 2019.

Note 2: Fair value is calculated based on the net asset value as of December 31, 2019.

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

(Continued)

Note 4: As of December 31, 2019, TTC evaluated the fair value of equity instruments as \$0.

Note 5: The investee, Harbinger Venture Capital and Budworth Investment Ltd., announced a reduction of capital by returning cash in January 2019, and TTC received \$505 thousand and \$3,322 thousand according to its ownership percentage, respectively.

Note 6: Please refer to Tables 7-4 and 8-4 for detailed information on subsidiaries and associates.

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARIES AND AFFILIATED COMPANIES)

DECEMBER 31, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	<u>Ordinary shares</u>							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 66	1.20	\$ 66	
	Riselink Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	131,587	1,947	1.67	1,947	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,329,223	235,763	11.90	235,763	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,403,776	8.53	1,403,776	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	14,446,107	550,397	1.89	550,397	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	9,618,516	96,666	0.10	96,666	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - non-current	2,017,946	73,352	0.39	73,352	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	229,580	1,758	0.01	1,758	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,753,251	21,740	0.04	21,740	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	32,150	0.01	32,150	
	ITE Tech. Inc.	-	Financial assets at fair value through profit or loss - current	1,000,000	44,150	0.62	44,150	
	G.M.I. Technology Inc.	-	Financial assets at fair value through profit or loss - current	1,430,000	23,381	1.21	23,381	
	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,901,000	86,748	-	86,748	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	42,750	-	42,750	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	35,600	-	35,600	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,980,000	68,774	-	68,774	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates</u>							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,951,815	\$ 251,215	-	\$ 251,215	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,093,667	50,108	-	50,108	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,818,904	250,225	-	250,225	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,056,580	50,064	-	50,064	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,308	50,556	-	50,556	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,986,943	50,116	-	50,116	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,356,835	249,363	-	249,363	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	14,112,664	156,117	-	156,117	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,832,822	54,661	-	54,661	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,921,720	64,198	-	64,198	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	957,942	171,567	-	171,567	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,624,735	193,954	-	193,954	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,239,913	75,278	-	75,278	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,705,147	137,057	-	137,057	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,678,120	50,230	-	50,230	
	Hua Nan Kirin Money Market	-	Financial assets at fair value through profit or loss - current	4,414,970	53,055	-	53,055	
	Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss - current	5,276,352	86,105	-	86,105	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,109,737	108,086	-	108,086	
	Shin Kong Chi-Shi Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,930,774	61,097	-	61,097	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,510,418	35,081	-	35,081	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,219,296	30,018	-	30,018	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	40,467	\$ 15	4.45	\$ 15	
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	1,139,776	55,620	2.19	55,620	
	NeuroSky, Inc. - series D preference shares	-	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,863,333	4,946	0.49	4,946	
	Teratech Corp. - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	Note 1
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	450,000	-	-	-	Note 1
	Boldworks, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	689,266	-	-	-	Note 1
APC Investment Corporation	<u>Ordinary shares</u> USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	620	-	620	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	584,416	7,247	0.01	7,247	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	100,000	6,430	-	6,430	
	ITE Tech. Inc.	-	Financial assets at fair value through profit or loss - current	500,000	22,075	0.31	22,075	
	G.M.I. Technology Inc.	-	Financial assets at fair value through profit or loss - current	465,000	7,603	0.39	7,603	
	<u>Beneficiary securities</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	714,986	10,870	-	10,870	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	499,525	6,237	-	6,237	
	<u>Ordinary shares</u> United Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,133,531	8,683	0.05	8,683	

Note 1: As of December 31, 2019, APC evaluated the fair value of equity instruments as \$0.

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(China General Terminal & Distribution Co.)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARIES AND AFFILIATED COMPANIES)**DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	<u>Shares</u> Asia Polymer Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	4,939,760	\$ 78,048	0.89	\$ 78,048	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,667,382	55,482	0.51	55,482	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,915,033	21,831	0.57	21,831	Note 1
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	499,552	11,939	-	11,939	Note 3

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

Note 2: Part of 2,907,349 shares was provided to Taiwan Power Company as a provisional attachment.

Note 3: Part of 257,000 shares was provided to Taiwan Water Corporation as a provisional attachment.

USI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Notes 1 and 2)		Acquisition		Disposal				Ending Balance (Notes 1 and 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
USI Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,428,541	\$ 208,100	26,156,381	\$ 354,300	23,199,972	\$ 314,383	\$ 313,200	\$ 1,183	18,384,950	\$ 249,200
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	280,738	50,000	1,749,710	312,500	1,754,527	313,696	313,100	596	275,921	49,400
Ever Conquest Global Limited	<u>Ordinary shares</u> Ever Conquest Global Limited	Investment accounted for using the equity method	-	Subsidiary	176,268,000	5,408,533	70,402,000	2,203,645	-	-	-	-	246,670,000	7,298,350
	<u>Ordinary shares</u> Ever Victory Global Limited	Investment accounted for using the equity method	-	Subsidiary	279,508,000	8,576,305	111,322,000	3,484,364	-	-	-	-	390,830,000	11,563,685
Ever Victory Global Limited	<u>Ordinary shares</u> Dynamic Ever Investments Limited	Investment accounted for using the equity method	-	Subsidiary	360,577,000	11,046,947	127,709,000	3,997,273	-	-	-	-	488,286,000	14,432,823
Dynamic Ever Investments Limited	<u>Ordinary shares</u> Fujian Gulei Petrochemical Co., Ltd.	Investment accounted for using the equity method	-	Joint venture	(Note 3)	10,338,945	(Note 3)	5,161,581	-	-	-	-	(Note 3)	14,867,168

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

Note 2: The amount as of December 31, 2019 was calculated at the original investment cost.

Note 3: There are zero shares of the limited company.

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

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019**
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
China General Plastics Corporation	<u>Beneficiary certificates</u>													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,702,173	\$ 50,000	68,792,370	\$ 932,000	72,494,543	\$ 982,269	\$ 982,000	\$ 269	-	\$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,143,272	46,500	58,683,532	871,000	55,104,702	817,674	817,500	174	6,722,102	100,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	1,803,106	322,000	1,803,106	322,062	322,000	62	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	22,969,194	371,000	22,969,194	371,053	371,000	53	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,995,972	418,500	24,399,961	408,618	408,500	118	596,011	10,000
Taiwan VCM Corporation	<u>Beneficiary certificates</u>													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,193,440	180,000	28,986,408	430,000	39,162,919	580,560	580,000	560	2,016,929	30,000
CGPC Polymer Corporation	<u>Beneficiary certificates</u>													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,355,891	49,500	77,153,336	1,145,000	67,757,869	1,005,531	1,004,899	632	12,751,358	189,601
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,670,905	76,500	90,014,633	1,220,200	86,871,690	1,177,616	1,177,000	616	8,813,848	119,700

Note: The amount as of December 31, 2019 was calculated at the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL**FOR THE YEAR ENDED DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Taita Chemical Company, Ltd.	Open-end fund beneficiary certificates													
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	21,619,782	\$ 362,000	21,619,782	\$ 362,046	\$ 362,000	\$ 46	-	\$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,379,863	50,000	54,801,603	813,000	57,374,884	851,113	851,000	113	806,582	12,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	41,838,136	567,000	41,838,136	567,099	567,000	99	-	-

Note: The amount as of December 31, 2019 was calculated at the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL**FOR THE YEAR ENDED DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Asia Polymer Corporation	<u>Ordinary shares</u> Ever Conquest Global Limited	Investment accounted for using the equity method	-	Equity method investee	103,240,000	\$ 3,167,773	40,920,000	\$ 1,280,719	-	\$ -	\$ -	\$ -	144,160,000	\$ 4,265,335 (Note 1)
	<u>Fund</u> Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,192,114	50,000	30,613,974	481,000	25,100,941	394,451	394,000	451	8,705,147	137,057 (Note 2)
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	7,165,538	106,000	25,720,547	381,600	16,067,180	238,720	238,000	720	16,818,904	250,225 (Note 3)

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

Note 2: The amount of ending balance \$137,056 thousand includes investment cost \$137,000 thousand and unrealized valuation gain \$57 thousand.

Note 3: The amount of ending balance \$250,225 thousand includes investment cost \$249,600 thousand and unrealized valuation gain \$625 thousand.

USI CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
USI Corporation	Asia Polymer Corporation	Subsidiary	Purchase	\$ 842,867	10.75	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	\$ (143,791)	(15.68)	
	Asia Polymer Corporation	Subsidiary	Sale	(149,135)	(1.36)	Within 60 days after selling on credit	No significant difference	No significant difference	-	-	
	Forever Young Company Limited	Subsidiary	Sale	(173,265)	(1.58)	Within 60 days after selling on credit	No significant difference	No significant difference	30,018	2.15	
	USI Far East (HK) Co., Ltd.	Subsidiary	Sale	(157,522)	(1.44)	Within 60 days after selling on credit	No significant difference	No significant difference	24,937	2.72	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(129,430)	(1.18)	Within 60 days after selling on credit	No significant difference	No significant difference	27,668	1.79	
USI Far East (HK) Co., Ltd.	USI Corporation	Parent company	Purchase	157,522	2.01	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(24,937)	(1.99)	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Parent company	Purchase	129,430	1.65	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(27,668)	(3.02)	

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	Subsidiary of GAEL	Purchase (includes processing fees)	\$ 361,551	61	55 days	No significant difference	No significant difference	\$ (115,276)	(70)	
Acme Electronics (Guangzhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (includes processing fees)	(361,551)	(41)	55 days	No significant difference	No significant difference	115,276	47	
Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	Subsidiary of GAEL	Sale	(106,741)	(11)	55 days	No significant difference	No significant difference	24,634	10	
Acme Electronics (Guangzhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Purchase	106,741	75	55 days	No significant difference	No significant difference	(24,634)	(77)	

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

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total		
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 258,608	79	90 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (12,786)	(72)	
Forever Young Company Limited	USI Corporation	Ultimate parent company	Purchase	174,114	13	75 days	No significant difference	No significant difference	Accounts payable to related parties	(28,450)	(14)	
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(400,281)	(30)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	58,981	36	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	210,471	16	90 days	No significant difference	No significant difference	Accounts payable to related parties	(11,750)	(6)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(458,643)	(34)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	39,511	24	
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(213,998)	(16)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	38,244	24	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	400,281	39	90 days	No significant difference	No significant difference	Accounts payable to related parties	(58,981)	(41)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(114,618)	(9)	60 days	No significant difference	No significant difference	Accounts receivable from related parties	31,793	10	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Sale	(210,471)	(19)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	11,750	8	
	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	458,643	50	90 days	No significant difference	No significant difference	Accounts payable to related parties	(39,511)	(50)	
	Swanson Plastics (Singapore) Private Limited	Parent company	Sale	(258,608)	(24)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	12,786	9	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	114,618	43	60 days	No significant difference	No significant difference	Accounts payable to related parties	(31,793)	(88)	

(Continued)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
PT. Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	\$ 213,998	65	90 days	No significant difference	No significant difference	Accounts payable to related parties \$ (38,244)	(63)	

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

(Concluded)

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total		
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 4,551,682	74	45 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (866,364)	(77)	
	CGPC America Corporation	Subsidiary	Sale	(407,159)	(5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	108,648	12	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(4,551,682)	(46)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	866,364	49	
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(4,396,295)	(45)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	744,328	42	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	4,396,295	96	45 days	No significant difference	No significant difference	Accounts payable to related parties	(744,328)	(96)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	407,159	85	90 days	No significant difference	No significant difference	Accounts payable to related parties	(108,648)	(97)	

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total		
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsiidiary	Sale	\$ (828,965) (US\$ 26,819 thousand)	(6.78)	30 days	No significant difference	No significant difference	Accounts receivable from related parties	\$ 57,615 (US\$ 1,922 thousand)	3.91	
Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical Company, Ltd.	Sub-subsiidiary	Purchase	828,965 (US\$ 26,819 thousand)	6.78	30 days	No significant difference	No significant difference	Accounts payable to related parties	(57,615) (US\$ 1,922 thousand)	3.91	

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

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	\$ (842,692)	(12.41)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 147,057	19.60	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Sale	(411)	(0.01)	60 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Purchase	153,099	3.88	30 days	No significant difference	No significant difference	Accounts payable to related parties (12,940)	(6.93)	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Purchase	130,255	3.30	30 days	No significant difference	No significant difference	Accounts payable to related parties (27,668)	(14.81)	

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

USI CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI Corporation	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties \$ 158,815	-	\$ -	-	\$ 158,815	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties 160,620	-	-	-	160,620	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2020 to March 5, 2020.

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

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

DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary of ACME	Other receivables - related parties \$ 188,686	-	\$ -	-	\$ 61,676	Note 1
Acme Electronics (Guangzhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Accounts receivable - related parties 115,276	2.22	-	-	69,307	Note 1

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

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

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SWANSON))

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

DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivable - related parties \$ 185,574 (RMB43,182 thousand)	-	\$ -	-	\$ -	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2020 to March 4, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable from related parties <u>\$ 108,648</u>	3.88	\$ -	-	\$ 48,615	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties <u>\$ 866,364</u>	5.55	-	-	866,364	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties <u>\$ 744,328</u>	5.78	-	-	744,328	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2020 to February 20, 2020.

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 4)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 279,325 (US\$ 9,317 thousand) (Note 1)	-	\$ -	-	\$ -	\$ -

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

Note 2: There was no amount received as of March 5, 2020.

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

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

DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties	\$ 147,057	5.38	\$ -	-	\$ 147,057	Note 1
			Other receivables - related parties	1,974	-	-	-	1,974	Note 1
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Other receivables - related parties	39	-	-	-	39	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2020 to March 5, 2020.

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

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focus on "product, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 708,349	\$ 744	\$ 744	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	1,337,991	26,046	26,046	Subsidiary
	USI Far East (HK) Co., Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	127,837	(2,013)	(2,013)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focus on "product and service industry")	3,490,255	3,490,255	565,276,555	100.00	5,981,789	556,838	545,334	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focus on "high technology industry")	471,800	471,800	32,900,000	70.00	169,325	(1,930)	(1,351)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Engaging in import and export trade	28,323	28,323	4,358,183	99.93	54,115	10,485	10,633	Subsidiary
	Swanson Plastics Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	171,210	171,210	62,616,299	40.58	1,006,054	130,740	56,245	Subsidiary
	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	321,749	(103,610)	(27,916)	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Engaging in optical products and fireproof materials	250,354	250,354	9,126,786	93.18	27,310	(18,214)	(16,971)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(576)	1,140	1,140	Subsidiary (Note 1)
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	125,030	635	635	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	36,250	36,250	1,825,000	30.42	4,399	(54)	(16)	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	5,442,335	246,670,000	63.11	7,298,350	(27,751)	(17,522)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	101,188	(110,824)	(56,350)	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	11,717,083 (US\$ 390,830 thousand)	8,379,650 (US\$ 279,508 thousand)	390,830,000	80.01	11,563,685 (US\$ 385,713 thousand)	(34,165) (US\$ -1,100 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	14,638,814 (US\$ 488,286 thousand)	10,810,098 (US\$ 360,577 thousand)	488,286,000	89.94	14,432,823 (US\$ 481,415 thousand)	(38,406) (US\$ -1,237 thousand)		Sub-subsiidiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	1,749,212	1,749,212	122,562,945	36.67	1,789,850	397,977		Sub-subsiidiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	179,330,846	32.25	3,808,600	821,021		Sub-subsiidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	127,537,351	24.20	2,126,331	642,677		Sub-subsiidiary
USIFE Investment Co., Ltd.	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	155,632	155,632	16,424,242	8.98	121,885	(103,610)		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production, marketing and development of EVA packaging film and other value added plastic products	30,000	30,000	3,000,000	15.00	(14,049)	(14,527)		Sub-subsiidiary
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Business management consulting	8,000	8,000	800,000	100.00	15,647	1,221		Sub-subsiidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	\$ 21,465	\$ 21,465	900,000	15.00	\$ 2,169	\$ (54)		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Engaging in import and export trade	6,596 (US\$ 220 thousand)	6,596 (US\$ 220 thousand)	220,000	100.00	27,807	(2,974) (US\$ -96 thousand)		Sub-subsi-dary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Reinvestment	106,056 (US\$ 3,538 thousand)	106,056 (US\$ 3,538 thousand)	5,609,231	11.23	134,250 (US\$ 4,478 thousand)	(54,215) (US\$ -1,763 thousand)		Sub-subsi-dary

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

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

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 (US\$ 18,336 thousand)	\$ 605,182 (US\$ 18,336 thousand)	25,621,692	51.27	\$ 613,214	\$ (54,215) (US\$ -1,763 thousand)	\$ (26,154) (US\$ -851 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	669,072 (US\$ 20,800 thousand)	638,676 (US\$ 19,800 thousand)	20,800,000	100.00	805,262	(4,372)	(4,372)	
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	23,923 (US\$ 730 thousand)	23,923 (US\$ 730 thousand)	730,000	100.00	423	(57) (US\$ -2 thousand)	(57) (US\$ -2 thousand)	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	67,655	(110,824)	(37,676)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	US\$ 11,891 thousand	US\$ 11,891 thousand	42,600,000	100.00	US\$ 20,619 thousand	US\$ 727 thousand (MYR 3,134 thousand)		
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 86,231 thousand	MYR 3,217 thousand		

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

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

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

USI CORPORATION AND SUBSIDIARIES
 (Swanson Plastics Corporation)

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019 (Note 2)	December 31, 2018 (Note 2)	Number of Shares (In Thousand)	%	Carrying Amount			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100	\$ 1,918,974	\$ 77,727	\$ 77,727	Note 3
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Import, export and agency services	1,297	1,297	50	100	69,296	9,236	9,255	
	Swanson International Ltd.	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100	1,455,527	132,709	132,709	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	6,502	(35)	(35)	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	EVA packaging film and production, planting, development and sales of agri-technologies	140,000	140,000	14,000	70	(65,560)	(14,527)	(10,169)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	7,979	7,979	261	1	7,137	41,884	419	
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Production and marketing of plastic products	197,670 (US\$ 6,593 thousand)	197,670 (US\$ 6,593 thousand)	20,000	100	616,384 (US\$ 20,560 thousand)	111,581 (RM 14,953 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No. 2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	494,995 (US\$ 16,511 thousand)	223,676 (US\$ 7,461 thousand)	107,351	100	325,164 (US\$ 10,846 thousand)	(34,871) (INR -79,441 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	774,684 (US\$ 25,840 thousand)	774,684 (US\$ 25,840 thousand)	25,840	99	706,621 (US\$ 23,570 thousand)	41,884 (IDR 19,211,791 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	212,681 (US\$ 7,094 thousand)	212,681 (US\$ 7,094 thousand)	-	100	519,844 (US\$ 17,340 thousand)	27,959 (US\$ 904 thousand)		Notes 1 and 3

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

Note 2: The original investment amount and carrying amount were calculated using the spot exchange rate as of December 31, 2019.

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

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation)

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Nature of Activities	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (ROC)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,995	\$ 2,930,995	222,609,751	87.22	\$ 3,126,135	\$ 432,735	\$ 411,811	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of PVC resin	800,000	800,000	80,000,000	100.00	931,227	41,361	41,361	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	346,472	5,872	5,872	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (ROC)	Warehouse of petrochemical raw materials	41,106	41,106	18,667,465	33.33	257,584	79,638	26,546	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S. A.	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	195,272	(2,418)	(2,418)	Subsidiary
	Krystal Star International Corporation	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Marketing of PVC second - and third-time processed products	-	283,502	-	-	-	1,280	1,280	Subsidiary (Note 1)
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	21,739	(103,610)	(1,800)	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	1,446	(54)	(6)	Associate accounted for using the equity method (Note 2)

Note 1: Krystal Star International Corporation was dissolved in December 2019. CGPC collected repayment for shares \$78,556 thousand and recognized profit \$2,549 thousand.

Note 2: On April 12, the board of director of TMC resolved to dissolve from May 25, 2019. As of December 31, 2019, the dissolution procedures have not yet been completed.

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

Note 4: Information on investments in mainland China is provided in Table 8-3.

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

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note (Note 1)
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	Taita (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,850,905 (US\$ 61,738 thousand)	\$ 1,850,905 (US\$ 61,738 thousand)	61,738,000	100.00	\$ 1,454,115 (US\$ 48,499 thousand)	\$ 87,285 (US\$ 2,824 thousand)	\$ 87,285 (US\$ 2,824 thousand)	Subsidiary Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method
	China General Plastics Corporation	Taipei	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	10,043,760	1.98	163,528	642,678	12,738	
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petro chemical raw materials	41,082	41,082	18,667,463	33.33	257,584	79,638	26,546	
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.43	30,423	(103,610)	(2,519)	
	Thintec Materials Corporation	Taipei	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	1,446	(54)	(6)	
Taita (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corporation	British Cayman Islands	Reinvestment	50,967 (US\$ 1,700 thousand)	50,967 (US\$ 1,700 thousand)	2,695,619	5.39	64,516 (US\$ 2,152 thousand)	(54,215) (US\$ -1,763 thousand)	-	Investments accounted for using the equity method

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

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

Note 3: Investments in mainland China are included in Table 8-4.

USI CORPORATION AND SUBSIDIARIES
 (Asia Polymer Corporation)

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 412,969 (US\$ 13,775 thousand)	\$ 412,969 (US\$ 13,775 thousand)	11,342,594	100.00	\$ 491,974	\$ 5,658	\$ 5,658	Subsidiary
	APC Investment Corporation	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00	95,236	(1,588)	(1,588)	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment	83,944 (US\$ 2,800 thousand)	83,944 (US\$ 2,800 thousand)	2,800,000	70.00	132,742	8,490	5,943	Subsidiary
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	42,527,153	8.07	665,776	642,678	51,859	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	18,667,464	33.33	257,584	79,638	26,546	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	12,266,779	7.95	198,065	130,740	11,018	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.31	41,454	(103,610)	(3,433)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	20,142	(1,930)	(161)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei, Taiwan	Manufacture and marketing of reinforced plastic products	36,250	36,250	1,825,000	30.42	4,399	(54)	(16)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	18,313	(110,824)	(10,198)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,321,917 (US\$ 144,160 thousand)	3,095,135 (US\$ 103,240 thousand)	144,160,000	36.89	4,265,335	(27,823)	(10,228)	Investments accounted for using the equity method
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	157,242 (US\$ 5,245 thousand)	157,242 (US\$ 5,245 thousand)	8,316,450	16.64	199,043	(54,215)	-	Investments accounted for using the equity method
APC Investment Corporation	USI International Corp.	British Virgin Islands	Reinvestment	35,976 (US\$ 1,200 thousand)	35,976 (US\$ 1,200 thousand)	1,200,000	30.00	56,890	8,490	-	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03	12,898	(103,610)	-	Investments accounted for using the equity method
Ever Conquest Global Ltd.	Swanson Technologies Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(14,049)	(14,527)	-	Investments accounted for using the equity method
	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	11,717,083 (US\$ 390,830 thousand)	8,379,650 (US\$ 279,508 thousand)	390,830,000	80.01	11,563,685 (US\$ 385,713 thousand)	(34,165) (US\$ 1,110 thousand)	-	Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	14,638,814 (US\$ 488,286 thousand)	10,810,098 (US\$ 360,577 thousand)	488,286,000	89.94	14,432,823 (US\$ 481,415 thousand)	(38,406) (US\$ 1,237 thousand)	-	Investments accounted for using the equity method

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

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

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 7)	Investment Flows (Note 7)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019 (Note 7)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 8)	Carrying Amount as of December 31, 2019 (Notes 6 and 8)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 921,136 (US\$ 30,725 thousand)	Note 1	\$ 84,469 (US\$ 2,818 thousand)	\$ -	\$ -	\$ 84,469 (US\$ 2,818 thousand)	\$ (48,338) (US\$ -1,566 thousand)	11.23	\$ (5,426) (US\$ -176 thousand)	\$ 85,916 (US\$ 2,866 thousand)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	149,900 (US\$ 5,000 thousand)	Note 2	149,900 (US\$ 5,000 thousand)	-	-	149,900 (US\$ 5,000 thousand)	634 (US\$ 18 thousand)	100.00	634 (US\$ 18 thousand)	125,031 (US\$ 4,170 thousand)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Manufacture of crude oil and petroleum products	29,714,634 (RMB6,914,400 thousand)	Note 3	4,912,686 (US\$ 163,865 thousand)	1,912,424 (US\$ 63,790 thousand)	-	6,825,110 (US\$ 227,655 thousand)	(24,683) (US\$ -829 thousand)	22.71	(4,936) (US\$ -165 thousand)	6,752,668 (US\$ 225,239 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 7)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$7,238,085 (US\$241,430 thousand)	\$7,898,816 (US\$263,470 thousand) (Note 5)	\$ - (Note 4)

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

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

Note 3: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (63.11%), then via Ever Victory Global Limited (80.01%), and finally via Dynamic Ever Investments Limited (89.94%).

Note 4: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10620405860 on March 14, 2017, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

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

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

Note 7: The amount was calculated using the spot exchange rate as of December 31, 2019.

Note 8: Except for Gulei, whose financial statements were audited by KPMG and adjusted according to the TIFRS, the financial statements of ACME Electronics (Kunshan) Co., Ltd. and USIG (Shanghai) Co., Ltd. were calculated by the CPA of the ROC parent company.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation (ACME))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 5)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019 (Note 5)	Net Income (Loss) of the Investee (Note 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 8)	Carrying Amount as of December 31, 2019 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 30,725 thousand	(Note 2)	\$ 374,188 (US\$ 11,144 thousand)	\$ -	\$ -	\$ 374,188 (US\$ 11,144 thousand)	\$ (48,338) (RMB -10,744 thousand)	51.27	\$ (24,785) (RMB -5,509 thousand)	\$ 392,447 (RMB 91,326 thousand)	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 19,200 thousand	(Note 2)	619,676 (US\$ 19,200 thousand)	-	-	619,676 (US\$ 19,200 thousand)	(3,145) (RMB -839 thousand)	100.00	(3,145) (RMB -839 thousand)	802,767 (RMB 186,799 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$909,713 (US\$30,344 thousand) (Notes 3 and 7)	\$1,098,257 (US\$36,633 thousand) (Notes 3 and 7)	\$ -

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

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

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

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

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

Note 6: The calculation was based on the average exchange rate from January 1, 2019 to December 31, 2019.

Note 7: The amount was calculated using the spot exchange rate on December 31, 2019.

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

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation)

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2019 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 398,434 (US\$ 13,290 thousand)	Indirect investment via Swanson (BVI) International Ltd.	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 104,750 (US\$ 3,389 thousand)	100	\$ 104,750 (US\$ 3,389 thousand)	\$ 1,028,742 (US\$ 34,314 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	272,818 (US\$ 9,100 thousand)	Indirect investment A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	27,959 (US\$ 904 thousand)	100	27,959 (US\$ 904 thousand)	519,844 (US\$ 17,340 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	320,786 (US\$ 10,700 thousand)	Indirect investment it via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(50,208) (US\$ -1,624 thousand)	100	(50,208) (US\$ -1,624 thousand)	134,318 (US\$ 4,480 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$588,131	\$982,917 (US\$32,786 thousand)	\$ - (Note 2)

Note 1: Paid in capital and upper limit on the investment amount stipulated by Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2019.

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

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

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

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Nature of Activities	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019 (Note 1)	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2019 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 599,600 (US\$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	\$ 599,600 (US\$ 20,000 thousand)	\$ -	\$ -	\$ 599,600 (US\$ 20,000 thousand)	\$ 4,246 (US\$ 137 thousand)	100.00	\$ 4,246 (US\$ 137 thousand)	\$ 257,984 (US\$ 8,605 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	44,970 (US\$ 1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	44,970 (US\$ 1,500 thousand)	-	-	44,970 (US\$ 1,500 thousand)	(71) (US\$ -2 thousand)	100.00	(71) (US\$ -2 thousand)	13,308 (US\$ 444 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$811,918 (US\$27,082 thousand)	\$1,028,164 (US\$34,295 thousand)	\$ -

Note 1: The amount was calculated using the spot exchange rate as of December 31, 2019.

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

Note 3: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)") retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of \$20,506 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$26,922 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$119,920 thousand (US\$4,000 thousand).

Note 4: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 2011. As of December 31, 2019, the dissolution procedures have not yet been completed.

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

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2019 (Note 5)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,386,575 (US\$ 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,289,140 (US\$ 43,000 thousand)	\$ -	\$ -	\$ 1,289,140 (US\$ 43,000 thousand)	\$ 287,687 (US\$ 9,316 thousand)	100.00	\$ 287,687 (US\$ 9,316 thousand)	\$ 2,287,806 (US\$ 76,311 thousand)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Producing and marketing of polystyrene derivatives	819,953 (US\$ 27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	779,480 (US\$ 26,000 thousand)	-	-	779,480 (US\$ 26,000 thousand)	(168,683) (US\$ -5,465 thousand)	100.00	(168,683) (US\$ -5,465 thousand)	(121,241) (US\$ -4,044 thousand)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	921,136 (US\$ 30,725 thousand)	Investment through a holding company registered in a third region	40,593 (US\$ 1,354 thousand)	-	-	40,593 (US\$ 1,354 thousand)	(48,338) (US\$ -1,566 thousand)	5.39	(2,608) (US\$ -85 thousand)	41,288 (US\$ 1,377 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,109,243 (US\$70,354 thousand)	\$2,273,003 (US\$75,817 thousand) (Note 3)	\$ - (Note 4)

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

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

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

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

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

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

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

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2019 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 921,136 (US\$ 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 125,238 (US\$ 4,177 thousand)	\$ -	\$ -	\$ 125,238 (US\$ 4,177 thousand)	B\$ (48,338)	16.64	\$ (8,045)	\$ 127,383	\$ -
USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment, and plastic products; wholesale of electronic materials, commission agency services and related supporting import and export services	74,950 (US\$ 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	91,007 (US\$ 3,035 thousand)	-	-	91,007 (US\$ 3,035 thousand)	B 11,336	100.00	11,336	106,849	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	29,714,634 (RMB 6,914,400 thousand)	(2) Dynamic Ever Investments Ltd.	2,877,978 (US\$ 95,997 thousand)	1,111,565 (US\$ 37,077 thousand)	-	3,989,543 (US\$ 133,073 thousand)	A (24,780)	13.27	(2,863)	3,945,775	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,350,295 (US\$145,107 thousand) (Note 5)	\$4,838,221 (US\$161,382 thousand)	\$ - (Note 6)

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

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

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

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

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

Note 4: The amount was calculated using the exchange rate as at December 31, 2019.

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

Note 6: As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10820423710 on September 10, 2019, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 7: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Sales revenue	\$ 157,522	No significant difference	0.28
		USIG (Shanghai) Co., Ltd.	a	Sales revenue	129,430	No significant difference	0.23
		Forever Young Company Limited	a	Sales revenue	173,265	No significant difference	0.31
		Swanson Plastics Corporation	a	Sales revenue	51,721	No significant difference	0.09
		Asia Polymer Corporation	a	Purchases	842,867	No significant difference	1.51
		Swanson Plastics Corporation	a	Purchases	61,534	No significant difference	0.11
		Taita Chemical Company, Ltd.	a	Purchases	16,500	No significant difference	0.03
		USIG (Shanghai) Co., Ltd.	a	Accounts receivable	27,668	No significant difference	0.05
		USI Far East (HK) Co., Ltd.	a	Accounts receivable	24,937	No significant difference	0.03
		Forever Young Company Limited	a	Accounts receivable	28,450	No significant difference	0.04
		Asia Polymer Corporation	a	Other receivables	160,382	No significant difference	0.22
		Taiwan VCM Corporation	a	Other receivables	158,814	No significant difference	0.22
		Asia Polymer Corporation	a	Other company related payables	143,791	No significant difference	0.20
		USI Management Consulting Corporation	a	Management services expense	96,242	No significant difference	0.13
China General Terminal & Distribution Corporation	a	Purchases	21,243	No significant difference	0.03		
1	Asia Polymer Corporation	Swanson Plastics Corporation	c	Sales revenue	43,992	No significant difference	0.08
		USI Far East (HK) Co., Ltd.	c	Sales revenue	19,848	No significant difference	0.04
		Forever Young Company Limited	c	Sales revenue	11,298	No significant difference	0.02
		Taita Chemical Company, Ltd.	c	Purchases	50,658	No significant difference	0.09
		Swanson Plastics Corporation	c	Purchases	33,501	No significant difference	0.05
		China General Terminal & Distribution Corporation	c	Storage tank operating expense	33,871	No significant difference	0.06
		USIG (Shanghai) Co., Ltd.	c	Sales revenue	113,478	No significant difference	0.20
		USIG (Shanghai) Co., Ltd.	c	Accounts receivable	27,988	No significant difference	0.05
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	c	Purchases	100,832	No significant difference	0.14
		China General Terminal & Distribution Corporation	c	Other payables	12,211	No significant difference	0.02
		USI Management Consulting Corporation	c	Management services expense	865,011	No significant difference	1.55
		Taiwan VCM Corporation	c	Purchases	4,551,682	No significant difference	8.18
		Taiwan VCM Corporation	c	Accounts payable	866,364	No significant difference	1.56
		CGPC America Corporation	c	Sales revenue	407,159	No significant difference	0.73
		CGPC America Corporation	c	Accounts receivable	108,648	No significant difference	0.20
		CGPC Polymer Corporation	c	Purchases	32,007	No significant difference	0.06

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	c	Management services expense	\$ 52,063	No significant difference	0.07
		China General Terminal & Distribution Corporation	c	Storage tank operating expense	17,664	No significant difference	0.03
		Taita Chemical (Zhongshan) Co., Ltd.	c	Sales revenue	828,965	No significant difference	1.49
		Taita Chemical (Zhongshan) Co., Ltd.	c	Account receivable	57,615	No significant difference	0.08
		Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	279,325	No significant difference	0.39
4	Acme Electronics Corporation	USI Management Consulting Corporation	c	Management services expense	10,020	No significant difference	0.01
		Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	97,959	No significant difference	0.18
		Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	106,741	No significant difference	0.19
		ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	20,725	No significant difference	0.04
		Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	54,005	No significant difference	0.11
		Acme Electronics (Guangzhou) Co., Ltd.	c	Processing costs	358,067	No significant difference	0.50
		Acme Electronics (Kunshan) Co., Ltd.	c	Premium revenue	11,522	No significant difference	0.02
		ACME Electronics (Cayman) Corp.	c	Management services revenue	19,936	No significant difference	0.03
		Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable	21,969	No significant difference	0.03
		Acme Electronics (Guangzhou) Co., Ltd.	c	Accounts receivable	24,634	No significant difference	0.03
		Acme Electronics (Kunshan) Co., Ltd.	c	Other receivables	10,017	No significant difference	0.02
		ACME Electronics (Cayman) Corp.	c	Other receivables	188,686	No significant difference	0.34
		Acme Electronics (Guangzhou) Co., Ltd.	c	Note payables and accounts payable	115,276	No significant difference	0.21
		Acme Electronics (Kunshan) Co., Ltd.	c	Note payables and accounts payable	21,964	No significant difference	0.04
		Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	24,425	No significant difference	0.03
5	USI Management Consulting Corporation	Asia Polymer Corporation	c	Management services revenue	42,488	No significant difference	0.06
		Swanson Plastics Corporation.	c	Management services revenue	25,350	No significant difference	0.05
		China General Terminal & Distribution Corporation	c	Management services revenue	12,857	No significant difference	0.02
6	Taita Chemical (Zhongshan) Co., Ltd.	Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	64,967	No significant difference	0.12
		Taida Chemical (Tianjin) Co., Ltd.	c	Cost of goods sold	17,213	No significant difference	0.02
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	46,090	No significant difference	0.06
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Purchases	4,396,295	No significant difference	7.90
		Taiwan VCM Corporation	c	Accounts payable	744,328	No significant difference	1.04
		Taiwan VCM Corporation	c	Other payables	24,171	No significant difference	0.03
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Sales revenue	73,408	No significant difference	0.10
		Forever Young Company Limited	c	Other revenue	22,257	No significant difference	0.03
		Forever Young Company Limited	c	Accounts receivable	18,390	No significant difference	0.03

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Sales revenue	\$ 400,281	No significant difference	0.72
		Swanson Plastics (Kunshan) Corp.	c	Sales revenue	58,981	No significant difference	0.11
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	458,643	No significant difference	0.82
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	210,471	No significant difference	0.29
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	39,511	No significant difference	0.07
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	11,750	No significant difference	0.02
		Swanson International Ltd.	c	Other receivables	93,088	No significant difference	0.17
		Swanson Plastics (India) Private Ltd.	c	Sales revenue	54,543	No significant difference	0.08
		Swanson Plastics (India) Private Ltd.	c	Accounts receivable	21,841	No significant difference	0.03
		PT. Swanson Plastics Indonesia	c	Accounts receivable	38,244	No significant difference	0.07
		PT. Swanson Plastics Indonesia	c	Sales revenue	213,998	No significant difference	0.38
11	Swanson Plastics (Singapore) Pte. Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	258,608	No significant difference	0.46
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	12,786	No significant difference	0.02
		PT. Swanson Plastics Indonesia	c	Cost of goods sold	55,208	No significant difference	0.08
12	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Sales revenue	114,618	No significant difference	0.16
		API-Swanson (Kunshan) Co., Ltd.	c	Accounts receivable	30,483	No significant difference	0.04
		Swanson Plastics (Tainjin) Co., Ltd.	c	Cost of goods sold	15,409	No significant difference	0.03
13	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tainjin) Co., Ltd.	c	Other receivables	185,574	No significant difference	0.33

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

- a. The Company: 0.
- b. The subsidiaries were marked from 1 in order of numeric characters by the companies.

Note 2: Investment types are as follows:

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

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

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
DECEMBER 31, 2019**

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

Investee Company	Financial Statement Account	Amount	%	Unit Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Financial Statement Account and Ending Balance	% of Total		
USI Far East (HK) Co., Ltd.	Sales revenue	\$ 157,522	1.44	No significant difference	Within 60 days after selling on credit	No significant difference	Accounts receivable \$ 24,937	1.79	\$ -	-
USI Trading (shanghai) Co., Ltd.	Sales revenue	129,430	1.18	No significant difference	Within 60 days after selling on credit	No significant difference	Accounts receivable 27,668	1.99	-	-
	Commission expenses	437	-	-	-	-	-	-	-	-
	Other payables to related parties	38	-	-	-	-	-	-	-	-
Dynamic Ever Investments Limited	Management service revenue	22,606	-	-	-	-	-	-	-	-
	Other income	323	-	-	-	-	-	-	-	-
	Other payables to related parties	5,109	-	-	-	-	-	-	-	-

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2019

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

Investee Company	Financial Statement Account	Amount	%	Unit Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Financial Statement Account and Ending Balance	% of Total		
USI Trading (Shanghai) Co., Ltd.	Sales revenue	\$ 113,478	1.67	No significant difference	Within 90 days after selling on credit	No significant difference	Accounts receivable \$ 27,988	3.74	\$ -	-
	Commission expenses	508	-	-	-	-	-	-	-	-
	Non-operating income and expense - rental income	1,559	-	-	-	-	-	-	-	-
	Management service fee	129	-	-	-	-	-	-	-	-
	Other payables to related parties	340	-	-	-	-	-	-	-	-
	Other receivables to related parties	7,780	-	-	-	-	-	-	-	-

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