

Stock code: 1304

# USI CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements  
for the Years Ended December 31,  
2020 and 2019 and Independent  
Auditors' Report

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## §Table of Content§

I	T	E	M	P	A	G	E	FINANCIAL STATEMENT N O T E S N U M B E R
1.	Cover				1			-
2.	Table of Content				2			-
3.	Affiliates' Statement of Consolidated Financial Statements				3			-
4.	Independent Auditors' Report				4~9			-
5.	Consolidated Balance Sheets				10			-
6.	Consolidated Statements of Comprehensive Income				11			-
7.	Consolidated Statements of Changes in Equity				12~15			-
8.	Consolidated Statements of Cash Flows							-
9.	Notes to Consolidated Financial Statements							-
	a. General Information				16			1
	b. Approval of Financial Statements				16			2
	c. Application of New, Amended and Revised Standards and Interpretations				16~19			3
	d. Summary of Significant Accounting Policies				19~42			4
	e. Critical Accounting Judgments and Key Sources of Estimation Uncertainty				42~43			5
	f. Information on Important Accounting Items				43~117			6~34
	g. Related Party Transactions				117~118			35
	h. Collateralized Assets				118			36
	i. Significant Contingent Liability and Unrecognized Contractual Commitments				118~121			37
	j. Significant Disaster Loss				-			-
	k. Significant Events After the Balance Sheet Date				-			-
	l. Others				121~126			38~39
	m. Separately Disclosed Items							-
	1) Information on Significant Transactions				126~127, 131~169, 183~185			40
	2) Information on Reinvestment Business				126~127, 170~176			40
	3) Information on Investments in China				127~128, 177~182, 186~187			40
	4) Information on Major Shareholders				128, 188			-
	n. Segment Information				128~130			41

**DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS  
of AFFILIATES**

The entities that are required to be included in the consolidated financial statements of USI Corporation as of and for the year ended December 31, 2020, under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of USI Corporation and subsidiaries. Consequently, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

USI CORPORATION

By:

YI-GUI WU

Chairman

March 8, 2021

## **Independent Auditors' Report**

TO USI Corporation

### **Opinion**

We have audited the consolidated balance sheets of USI Corporation and its subsidiaries (the Group) as of the years ended December 31, 2020 and 2019, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2020 and 2019.

The accountant opinions are that the preparations of significant issues of the consolidated financial statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the consolidated financial conditions for the years ended December 31 of 2020 and 2019 of the Group and the consolidated financial performance and consolidated cash flows for the months from January 1 to December 31, 2020 and 2019.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements Year 2020 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. 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 Year 2020. 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 matters identified in the Group's consolidated financial statements Year 2020 are stated as follows:

#### **Valuation of Inventory**

As of December 31, 2020, the carrying amount of the Group's inventory was NT\$4,296,228 thousand (i.e., the gross amount of inventory of NT\$4,910,989 thousand with a deduction of the allowance for inventory valuation of NT\$614,761 thousand), representing 6% of the Group's total assets. As the Group's inventory was stated at the lower of cost or net realizable value due to price fluctuation effect of raw material, ethylene, while keen fluctuation of international oil price and such evaluation was involved critical judgment and accounting estimates by the management, we identified the valuation of inventory has been identified as a key audit matter.

Refer to Notes 4(6), 5(2) and 11 to the Group's financial statements for the related accounting policies and disclosures on inventory valuation.

The main audit procedures that we performed for valuation of

inventory are as follows:

1. We obtained an understanding of the reasonableness of the Group's policies and methods of the allowance for inventory valuation.
2. We sampled and cross-checked the raw material quote over latest period or sales invoice with the lower inventory cost and net realized value prepared by Management, also revalidated net realization of inventory to assess the base and reasonableness of the Management's inventory valuation.
3. We observed year-end inventory and sampled to figure out the status, also, we evaluated the reasonableness of recognizing sluggish inventory as loss for price decline reserve.

#### **Other Matters**

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2020 and 2019 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 auditors' 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 auditors' 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 Year 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

*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.*

March 22, 2021

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

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2020		December 31, 2019	
		A m o u n t	%	A m o u n t	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 9,637,007	13	\$ 7,927,403	11
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	5,511,683	7	6,358,025	9
1120	Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	164,922	-	174,789	-
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 36)	348,450	-	506,129	1
1150	Notes receivable, net (Notes 4 and 10)	671,576	1	634,435	1
1170	Accounts receivable, net (Notes 4, 5 and 10)	6,810,340	9	6,411,077	9
1200	Other receivables (Notes 4, 10 and 35)	293,459	-	277,131	-
1220	Current tax assets (Notes 4 and 29)	29,231	-	11,919	-
130X	Inventories (Notes 4, 5 and 11)	4,296,228	6	4,919,506	7
1410	Prepayments	766,824	1	782,608	1
1470	Other current assets	9,834	-	17,150	-
11XX	Total current assets	<u>28,539,554</u>	<u>37</u>	<u>28,020,172</u>	<u>39</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	2,393,734	3	2,196,724	3
1535	Financial assets measured at amortized cost - non-current (Notes 4, 9, 36 and 37)	390,828	1	311,942	-
1550	Investments accounted for using the equity method (Notes 4 and 14)	20,170,030	26	14,867,168	21
1600	Property, plant and equipment (Notes 4, 5, 15 and 36)	23,257,418	30	23,228,911	33
1755	Right-of-use assets (Notes 4, 16 and 36)	794,480	1	885,508	1
1760	Investment properties (Notes 4, 17 and 36)	575,586	1	524,408	1
1805	Goodwill (Notes 4 and 18)	269,026	-	269,026	-
1821	Other intangible assets (Notes 4 and 18)	10,807	-	17,004	-
1840	Deferred tax assets (Notes 4 and 29)	573,850	1	643,715	1
1990	Other non-current assets (Note 36)	349,203	1	461,208	1
15XX	Total non-current assets	<u>48,784,962</u>	<u>63</u>	<u>43,405,614</u>	<u>61</u>
1XXX	TOTAL	<u>\$ 77,324,516</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 19 and 36)	\$ 2,726,270	3	\$ 4,258,980	6
2110	Short-term bills payable (Notes 4 and 7)	656,704	1	1,352,810	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	20,724	-	4,136	-
2170	Notes payable and accounts payable (Notes 21)	3,406,837	4	2,757,368	4
2219	Other payables (Note 22)	2,216,533	3	1,938,026	3
2230	Current tax liabilities (Notes 4 and 29)	1,211,350	2	517,913	1
2280	Lease liabilities - current (Notes 4 and 16)	75,284	-	70,814	-
2320	Current portion of long-term borrowings (Notes 19, 20 and 36)	1,999,233	3	1,443,156	2
2365	Refund liabilities - current (Note 22)	16,390	-	28,221	-
2399	Other current liabilities (Note 27)	374,501	-	262,958	-
21XX	Total current liabilities	<u>12,703,826</u>	<u>16</u>	<u>12,634,382</u>	<u>18</u>
	<b>NON-CURRENT LIABILITIES</b>				
2530	Bonds payable (Note 20)	4,995,069	6	6,991,327	10
2540	Long-term borrowings (Notes 19 and 36)	7,590,000	10	9,049,770	12
2550	Provisions - non-current (Notes 23 and 37)	136,375	-	136,375	-
2570	Deferred tax liabilities (Notes 4 and 29)	1,434,806	2	1,411,901	2
2580	Lease liabilities - non-current (Note 16)	384,402	1	481,964	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	1,292,053	2	1,473,867	2
2670	Other non-current liabilities (Note 25)	64,342	-	69,253	-
25XX	Total non-current liabilities	<u>15,897,047</u>	<u>21</u>	<u>19,614,457</u>	<u>27</u>
2XXX	Total liabilities	<u>28,600,873</u>	<u>37</u>	<u>32,248,839</u>	<u>45</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 13, 26 and 29)</b>				
3100	Share capital	11,887,635	15	11,887,635	17
3200	Capital surplus	321,798	1	271,613	-
	Retained earnings				
3310	Legal reserve	3,109,625	4	2,979,753	4
3320	Special reserve	781,059	1	430,526	1
3350	Unappropriated earnings	5,606,462	7	4,346,640	6
3300	Total retained earnings	9,497,146	12	7,756,919	11
3490	Other equity	(240,195)	-	(781,058)	(1)
3500	Treasury shares	(475,606)	(1)	(475,606)	(1)
31XX	Total equity attributable to owners of the Company	<u>20,990,778</u>	<u>27</u>	<u>18,659,503</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>27,732,865</u>	<u>36</u>	<u>20,517,444</u>	<u>29</u>
3XXX	Total equity	<u>48,723,643</u>	<u>63</u>	<u>39,176,947</u>	<u>55</u>
	TOTAL	<u>\$ 77,324,516</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>

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

USI CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2020 and 2019

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

C o d e		For the Years Ended December 31, 2020		For the Years Ended December 31, 2019	
		A m o u n t	%	A m o u n t	%
4100	OPERATING REVENUE (Notes 4 and 27)	\$ 50,201,273	100	\$ 55,656,741	100
5110	COST OF GOODS SOLD (Notes 4, 11, 15, 16, 18, 24 and 28)	<u>39,721,391</u>	<u>79</u>	<u>48,924,372</u>	<u>88</u>
5900	GROSS PROFIT	<u>10,479,882</u>	<u>21</u>	<u>6,732,369</u>	<u>12</u>
	OPERATING EXPENSES (Notes 4, 10, 15, 16, 18, 24, 28 and 35)				
6100	Selling and marketing expenses	2,020,552	4	2,042,577	4
6200	General and administrative expenses	1,200,353	2	1,341,976	2
6300	Research and development expenses	<u>362,961</u>	<u>1</u>	<u>416,083</u>	<u>1</u>
6000	Total operating expenses	<u>3,583,866</u>	<u>7</u>	<u>3,800,636</u>	<u>7</u>
6900	PROFIT FROM OPERATIONS	<u>6,896,016</u>	<u>14</u>	<u>2,931,733</u>	<u>5</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Notes 4 and 28)	102,548	-	153,706	-
7010	Other income (Notes 4, 8, 15, 28 and 35)	374,667	1	575,485	1
7020	Other gains and losses (Notes 4, 13, 28 and 39)	132,342	-	( 1,929 )	-
7050	Finance costs (Notes 4, 16, 19, 20 and 28)	( 221,690 )	( 1 )	( 285,222 )	-
7060	Share of (loss) profit of joint ventures accounted for using the equity method (Notes 4 and 14)	( <u>165,161</u> )	<u>-</u>	( <u>12,403</u> )	<u>-</u>
7000	Total non-operating income and expenses	<u>222,706</u>	<u>-</u>	<u>429,637</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	7,118,722	14	3,361,370	6
7950	INCOME TAX EXPENSE (Notes 4 and 29)	<u>1,440,358</u>	<u>3</u>	<u>820,144</u>	<u>1</u>
8000	NET PROFIT FROM CONTINUING OPERATIONS	5,678,364	11	2,541,226	5
8100	NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 4 and 12)	<u>4,273</u>	<u>-</u>	<u>4,175</u>	<u>-</u>
8200	NET PROFIT FOR THE PERIOD	<u>5,682,637</u>	<u>11</u>	<u>2,545,401</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefits plan (Notes 4, 24 and 26)	19,250	-	8,291	-
8316	Profit (loss) of equity instruments at FVTOCI (Notes 4 and 26)	350,419	1	( 179,751 )	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	( <u>6,122</u> )	<u>-</u>	( <u>219</u> )	<u>-</u>
8310	Total	<u>363,547</u>	<u>1</u>	( <u>171,679</u> )	<u>-</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations (Notes 4 and 26)	166,163	-	( 974,471 )	( 2 )
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	( <u>12,938</u> )	<u>-</u>	<u>152,665</u>	<u>-</u>
8360	Total	<u>153,225</u>	<u>-</u>	( <u>821,806</u> )	( <u>2</u> )
8300	Other comprehensive income for the period, net of income tax	<u>516,772</u>	<u>1</u>	( <u>993,485</u> )	( <u>2</u> )
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ <u>6,199,409</u>	<u>12</u>	\$ ( <u>1,551,916</u> )	( <u>3</u> )
	NET PROFIT ATTRIBUTABLE TO				
8610	Owners of the Company	\$ 2,409,778	5	\$ 1,281,364	3
8620	Non-controlling interests	<u>3,272,859</u>	<u>6</u>	<u>1,264,037</u>	<u>2</u>
8600	Total	\$ <u>5,682,637</u>	<u>11</u>	\$ <u>2,545,401</u>	<u>5</u>
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
8710	Owners of the Company	\$ 2,875,537	6	\$ 822,153	2
8720	Non-controlling interests	<u>3,323,872</u>	<u>6</u>	<u>719,763</u>	<u>1</u>
8700	Total	\$ <u>6,199,409</u>	<u>12</u>	\$ <u>1,551,916</u>	<u>3</u>
	EARNINGS PER SHARE (Note 30)				
	From continuing and discontinued operations				
9750	Basic	\$ <u>2.25</u>		\$ <u>1.19</u>	
9850	Diluted	\$ <u>2.24</u>		\$ <u>1.19</u>	
	From continuing operations				
9710	Basic	\$ <u>2.25</u>		\$ <u>1.19</u>	
9810	Diluted	\$ <u>2.24</u>		\$ <u>1.19</u>	

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

USI CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2020 and 2019

(In Thousands of New Taiwan Dollars)

E q u i t y A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y		C a p i t a l S u r p l u s				R e t a i n e d E a r n i n g s			O t h e r E q u i t y		N o n - c o n t r o l l i n g i n t e r e s t s			
		Share Capital (Notes 4 and 26)	Treasury Share Transactions ( N o t e 2 6 )	Shares of Changes in Capital Surplus of Associates (Notes 4, 13 and 26)	O t h e r s ( N o t e 2 6 )	Legal Reserve ( N o t e 2 6 )	Special Reserve ( N o t e 2 6 )	Unappropriated E a r n i n g s (Notes 4, 8, 13 and 26)	Exchange Differences on Translating Foreign O p e r a t i o n s (Notes 4, 26 and 29)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 4, 8, 26, and 29)	Treasury Shares ( N o t e 2 6 )	T o t a l	(Notes 8, 13, 14 and 26)	T o t a l E q u i t y
A1	BALANCE AT JANUARY 1, 2019	\$ 11,887,635	\$ 233,983	\$ 2,592	\$ 17,163	\$ 2,925,759	\$ 375,127	\$ 3,513,943	( \$ 208,307 )	( \$ 85,136 )	( \$ 475,606 )	\$ 18,187,153	\$ 18,267,556	\$ 36,454,709
A3	Effects of retrospective application	-	-	-	-	-	-	( 9,509 )	-	-	-	( 9,509 )	( 4,490 )	( 13,999 )
A5	Reclassified balance at January 1, 2019	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,504,434	( 208,307 )	( 85,136 )	( 475,606 )	18,177,644	18,263,066	36,440,710
B1	Appropriation of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B17	Legal reserve	-	-	-	-	53,994	-	( 53,994 )	-	-	-	-	-	-
B5	Special reserve	-	-	-	-	-	55,399	( 55,399 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 356,629 )	-	-	-	( 356,629 )	-	( 356,629 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 705,440 )	( 705,440 )
D1	Net profit for the years ended Septemebr 30, 2019	-	-	-	-	-	-	1,281,364	-	-	-	1,281,364	1,264,037	2,545,401
D3	Other comprehensive income for the years ended December 31, 2019, net of income tax	-	-	-	-	-	-	( 3,563 )	( 393,947 )	( 61,701 )	-	( 459,211 )	( 534,274 )	( 993,485 )
D5	Total comprehensive income for the years ended December 31, 2019	-	-	-	-	-	-	1,277,801	( 393,947 )	( 61,701 )	-	822,153	729,763	1,551,916
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	4,699	-	-	-	( 923 )	-	-	-	3,776	632	4,408
C17	Changes in capital surplus	-	-	-	1,677	-	-	-	-	-	-	1,677	-	1,677
M3	Disposal of Subsidiary	-	-	-	-	-	-	-	( 617 )	-	-	( 617 )	( 1,932 )	( 2,549 )
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,499	-	-	-	-	-	-	-	-	11,499	-	11,499
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	31,350	-	( 31,350 )	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,231,355	2,231,355
Z1	BALANCE AT 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
B1	Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	Legal reserve	-	-	-	-	129,872	-	( 129,872 )	-	-	-	-	-	-
B5	Special reserve	-	-	-	-	-	350,533	( 350,533 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 594,382 )	-	-	-	( 594,382 )	-	( 594,382 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 519,048 )	( 519,048 )
D1	Net profit for the years ended December 31, 2020	-	-	-	-	-	-	2,409,778	-	-	-	2,409,778	3,272,859	5,682,637
D3	Other comprehensive income for the years ended December 31, 2020, net of income tax	-	-	-	-	-	-	2,974	19,016	443,769	-	465,759	51,013	516,772
D5	Total comprehensive income for the years ended December 31, 2020	-	-	-	-	-	-	2,412,752	19,016	443,769	-	2,875,537	3,323,872	6,199,409
C7	Changes in retained earnings from investments in subsidiaries	-	-	29,920	-	-	-	( 65 )	-	-	-	29,855	( 28,871 )	984
C17	Changes in capital surplus	-	-	-	1,100	-	-	-	-	-	-	1,100	-	1,100
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	19,165	-	-	-	-	-	-	-	-	19,165	-	19,165
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	( 78,078 )	-	78,078	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,439,468	4,439,468
Z1	BALANCE AT DECEMBER 31, 2020	\$ 11,887,635	\$ 264,647	\$ 37,211	\$ 19,940	\$ 3,109,625	\$ 781,059	\$ 5,606,462	( \$ 583,855 )	\$ 343,660	( \$ 475,606 )	\$ 20,990,778	\$ 27,732,865	\$ 48,723,643

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, 2020 and 2019

(In Thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>Year 2020</u>	<u>Year 2019</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax from continuing operations	\$ 7,118,722	\$ 3,361,370
A00020	Income before income tax from discontinued operations	<u>4,273</u>	<u>4,175</u>
A10000	Income before income tax	7,122,995	3,365,545
A20010	Adjustments for:		
A20100	Depreciation expenses	2,279,397	2,156,511
A20200	Amortization expenses	73,804	80,005
A20300	Expected credit loss reversed on accounts receivable	( 2,415 )	( 4,115 )
A20400	Net gain on fair value change of financial assets and liabilities as at FVTPL	( 25,657 )	( 216,827 )
A20900	Finance costs	224,338	302,569
A21200	Interest income	( 102,548 )	( 153,706 )
A21300	Dividend Income	( 186,949 )	( 162,687 )
A22300	Share of loss of joint ventures accounted for using the equity method	165,161	12,403
A22500	Loss (gain) on disposal of property, plant and equipment	37,249	( 41,381 )
A23700	Impairment loss recognized on non-financial assets	31,856	113,587
A23800	Inventory write-downs recognized (reversed)	24,765	( 22,017 )
A29900	Gain on government grants	-	( 155,710 )
A29900	Recognition of refund liabilities	-	7,535
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily classified as at FVTPL	888,587	( 1,063,892 )
A31130	(Increase) decrease in notes receivable	( 37,141 )	381,448
A31150	(Increase) decrease in accounts receivable	( 396,848 )	1,125,888
A31180	(Increase) Decrease in other receivables	( 6,149 )	8,317
A31200	Decrease in inventories	601,880	1,805,615
A31230	Decrease (Increase) in prepayments	11,943	( 50,075 )
A31240	Decrease (Increase) in other current assets	7,316	( 5,241 )
A32130	Decrease in notes payable	-	( 483 )

(Continued)

<u>C o d e</u>		<u>Year 2020</u>	<u>Year 2019</u>
A32150	Increase (Decrease) in accounts payable	649,469	( 634,836)
A32180	Increase in other payables	368,359	13,094
A32200	Decrease in provisions	( 11,831)	( 9,769)
A32240	Decrease in net defined benefit liabilities	( 179,158)	( 192,652)
A32230	Increase in other current liabilities	<u>111,543</u>	<u>( 20,431)</u>
A33000	Cash generated from operations	11,649,966	6,638,695
A33100	Interest received	92,369	147,870
A33300	Interest paid	( 236,861)	( 286,488)
A33500	Income tax paid	<u>( 689,753)</u>	<u>( 427,584)</u>
AAAA	Net cash generated from operating activities	<u>10,815,721</u>	<u>6,072,493</u>
<b>CASH FLOWS FROM INVESTING</b>			
<b>ACTIVITIES</b>			
B00010	Payments for financial assets at FVTOCI	-	( 6,550)
B00020	Proceeds from sale of financial assets at FVTOCI	76,643	83,470
B00030	Reduction of capital by returning cash of financial assets at FVTOCI	83,402	52,423
B00040	Disposal (acquisition) of financial assets measured at amortized cost	78,793	( 67,178)
B01800	Acquisition of investments accounted for using the equity method	( 5,122,441)	( 5,161,581)
B02700	Payments for property, plant and equipment	( 2,330,747)	( 2,002,986)
B02800	Proceeds from disposal of property, plant and equipment	25,612	78,460
B03700	Decrease (Increase) in refundable deposits	14,836	( 21,601)
B04500	Payments for other intangible assets	( 113)	( 6,503)
B05400	Acquisition of investment property	( 85,673)	-
B06700	Decrease (Increase) in other non-current assets	32,231	( 180,953)
B07600	Dividends received	186,949	162,687
B09900	Compensations for land ownership certificate	<u>-</u>	<u>192,994</u>
BBBB	Net cash used in investing activities	<u>( 7,040,508)</u>	<u>( 6,877,318)</u>
<b>CASH FLOWS FROM FINANCING</b>			
<b>ACTIVITIES</b>			
C00100	Decrease in short-term borrowings	( 1,532,710)	( 2,467,874)
C00600	Decrease in short-term bills payable	( 696,000)	( 162,000)
C01200	Proceeds from issuance of bond	-	1,995,630
C01300	Repayments of bonds	( 1,000,000)	-
C01600	Proceeds from mid- to long-term borrowings	13,380,000	24,462,500
C01700	Repayments of mid- to long-term borrowings	( 15,283,200)	( 24,112,154)

(Continued)

<u>C o d e</u>		<u>Year 2020</u>	<u>Year 2019</u>
C03000	(Decrease) Increase in guarantee deposits received	( 4,133 )	813
C04020	Repayments of the principal portion of lease liabilities	( 68,659 )	( 66,023 )
C04300	Decrease in other non-current liabilities	( 778 )	( 3,042 )
C04500	Decrease in dividends payable	( 594,382 )	( 356,629 )
C05800	Change in non-controlling interests	4,439,468	2,231,355
C05800	Dividends paid to non-controlling interests	( <u>519,048</u> )	( <u>705,440</u> )
CCCC	Net cash (used) generated from financing activities	( <u>1,879,442</u> )	<u>817,136</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	( <u>186,167</u> )	( <u>208,212</u> )
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,709,604	( 195,901 )
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,927,403</u>	<u>8,123,304</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 9,637,007</u>	<u>\$ 7,927,403</u>

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

USI CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

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

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to and issued by the Company’s board of directors on March 8, 2021.

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

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

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

b. New IFRSs endorsed and applicable in 2021

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendments to IFRS 16 "COVID-19 related rent diminution"	June 1, 2020

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to above standards and interpretations had no significant impact on the Group's financial position and financial performance.

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date (Note 1)</u>
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policy"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimation"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contract - Costs of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

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

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

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

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

Note 6: The extension during the annual reporting period starting from January 1, 2023 applies to this amendment.

Note 7: The change in accounting estimateion and accounting policy starting from January 1, 2023 applies to this amendment.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s consolidated financial

position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### 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. Criteria classifying current/non-current assets and liabilities

Current assets contain:

- 1) Assets held mainly for trading purposes;
- 2) Assets expected to realize in 12 months after the balance sheet day; and

3) Cash and cash equivalents (but excluded those constricted for exchange or debt repayment after more than 12 months of the balance sheet day).

Current liabilities contain:

- 1) Liabilities held mainly for trading purposes;
- 2) Liabilities expected to realize in 12 months after the balance sheet day; and
- 3) Liabilities not able to defer the repayment deadline to more than 12 months after the balance sheet day unconditionally.

Other items excluded from above are classified as non-current assets or non-current liabilities.

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 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.

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 from 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 purpose of presenting consolidated financial statements, the functional currencies of foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Group) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Group and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences

accumulated in equity in respect of that operation which are attributable to the owners of the Group are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to 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 weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate 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 Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due

to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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 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. 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 attributable to the

retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate 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, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are measured 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.

Depreciation on property, plant and equipment is recognized using the straight-line method and unit of production method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. 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 rentals and/or for capital appreciation (included the right-of-use assets as defined for investment properties).

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

Investment properties acquired by rent was measured at original cost (included original measurements of lease liabilities and rent payment prior to the start of lease day). Subsequent measurement was based on the amount after the cost deducting accrued depreciation and impairment loss and remeasurements of adjustments on lease liabilities.

Depreciation of all investment properties 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 from 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 acquired through M&A uses the goodwill value recognized on the M&A day as the cost, subsequently measured by cost deducting accrued impairment loss.

For purposes of impairment test, the goodwill shares to the Group benefits cash generation unit or its group due to integrative M&A effect (hereinafter referred to as the "cash generation unit").

The cash generation unit shared with the goodwill conducts impairment test through comparison between its face value containing goodwill and recoverable value every year (and the time with sign showing potential impairment). If the goodwill with such shares was acquired by corporate M&A, then, the unit should conduct impairment test at end of the year. If the recoverable amount of the cash generation unit with shared goodwill is less than its face value, firstly, the loss deducts the face value with shared goodwill, second, decrease the face value of each asset with respect of the proportion in the unit. Any impairment loss is recognized as the loss directly and goodwill impairment loss may not be reversed subsequently.

The disposal of profit/loss is defined by including disposal related goodwill value during operation of the cash generation unit with goodwill shares.

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 smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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 a group entity 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 at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is 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 derivative instruments and fund beneficiary certificates that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 31.

ii. Financial assets 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 at amortized cost, including cash and cash equivalents, notes receivable at amortized cost, trade receivables, other receivables, pledged time deposits and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using 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 a financial asset; 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 significant financial difficulty of the issuer or the borrower, breach of contract, it is becoming probable that the borrower will enter bankruptcy or undergo a financial

reorganization or the disappearance of an active market for that financial asset because of financial difficulties have occurred.

Cash equivalents include time deposits and reverse 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 as 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 the 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 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 Group):

- 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.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts

through a loss allowance account.

c) 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. 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 Tool

The debt and equity tool was issued by the Group pursuant to the agreement and financial liability and equity tool are defined and classified as financial liability or equity.

It recognizes the amount after acquired prices deducting costs of direct issuance.

The equity tool that the Company acquired once again is recognized and deducted under equity items. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit/loss.

3) Financial liabilities

a) Subsequent measurement

Except the derivative instruments, all financial liabilities

are measured at amortized cost using the effective interest method.

The financial liability held for transactions was measured pursuant to fair price, wherein its profit or loss generated from remeasurements is recognized as other benefits and loss. For the way of fair price determination, please refer to Appendix 28.

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 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. Preparation for liabilities

The amount recognized as preparation for liabilities is considered with business risk and uncertainty, which is the best estimate for expenditure required for repayment obligations on the balance sheet day. The preparation for liabilities is measured at the discount of cash flow estimated from repayment

obligations.

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. The refund liabilities are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of Polyethylene plastic particles and other related products. The sale of goods above is recognized as revenue when the goods are delivered to a customer because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade prepayments are recognized as liabilities concurrently.

Revenue from processing with imported materials is not recognized as income due to the control over ownership of processing products not yet been transferred.

2) Service revenue

Service revenue comes from warehousing and transportation service of a variety of petrochemical materials consigned to operate; it is recognized in the provision of service.

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

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.

The Group uses the ownership assets (instead of target asset) to determine sublease category; however, provided that the lease applies to short-term lease free of tax shall be categorized as operating lease.

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

The variable rent not depending on the rate under a lease agreement is recognized as revenue for the year.

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, plus any initial direct costs incurred and an estimate of costs

needed to restore the underlying assets, and less any lease incentives received. 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. For the recognition and measurement of right-of-use asset as defined for investment properties, please refer to i. Investment Properties Accounting Policy.

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, variable lease payments which depend on an index or 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, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, 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 an index or a rate are recognized as expenses in the periods in which they are incurred.

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 allowance

Government allowance is not usually recognized, unless it is reasonable to be certain that the Group will follow supplemental conditions for the same and it is receivable.

Revenue-related government allowance is recognized as the profit/loss based on system with attempted compensation of related costs recognized as expenditure by the Group. Government allowance on condition of non-current assets in Group's procurement, construction or otherwise is recognized as deferred revenue, or profit/loss for useful life of related assets systemically.

If government allowance is used to compensate expenditure or loss, or for immediate financial support to the Group without upcoming related cost, it is recognized as profit/loss during collectable period.

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 expenses 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 (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. 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 (assets) represent the actual deficit (surplus) in the Group's defined benefit plans.

### u. Share-based Payment Agreement

The equity-settled share-based payment transaction for employee given by the Group is measured at the fair value of equity tool on the given day.

Employee subscription right is recognized as expenses on straight basis over the given period pursuant to the fair value of equity tool on the given day and the best quantity forecast as expected, while making adjustments on the equity out of control. If it is acquired on the given day, all of them are recognized as expense on the given day.

The Group amends the expected employee stock option forecast on every balance sheet day. Any effect from amendments to original forecast is recognized as profit/loss to reflect accrued expenses and make adjustment on the equity out of control.

v. Taxation

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

1) Current tax

The Group determines proceeds (loss) of current period pursuant to the Law and Regulation prescribed in every income tax declaration region and calculates tax payable (recoverable).

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 to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable 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 or directly in equity, in which case, the

current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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 Group has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements Year 2020.

**Key Sources of Estimation Uncertainty**

a. Impairment loss estimates of trade receivables

The impairment loss estimates of trade receivable is assumed on the basis of the Group for breach of contract rate and expected loss rate. With historic experience, current market and prospects are considered, the Group makes assumption and chooses input of impairment evaluation. If the actual cash flow in future is less as expected, the Group may cause material impairment loss. Refer to Note 10 for the Group's adoption of important hypothesis, inputs and carrying amount.

b. Inventory Impairment

As a result that inventory requires pricing at lower one between cost and net realized value; hence, the Group has to judge and estimate the net realization of inventory at the end of financial statements. The Group evaluated inventory price due to normal consumption, overdue or no market value as of the end of financial statements and write down inventory cost to net realization. This evaluation is mainly based on product historic sales experiences and in demand during upcoming specified period, as such significant change might derive. Refer Note 11 for the carrying amount of the Group's inventory.

c. Impairment evaluation of properties, plant and equipment

During asset impairment evaluation, the Group shall rely on subjective judgment to determine the useful life of independent cash flow asset under specified asset group with the way of use of asset and industry characteristics; any change of evaluation brought by varied economic condition or company strategy may generate significant impairment in future.

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	\$ 155,049	\$ 74,250
Checking accounts and demand deposits	3,065,872	2,174,906
Cash equivalents		
Time deposits	6,392,905	5,463,246
Reserve repurchase agreements collateralized by bonds	23,181	215,001
	<u>\$ 9,637,007</u>	<u>\$ 7,927,403</u>

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

	December 31, 2020	December 31, 2019
Bank deposits	0.07%~2.30%	0.10%~3.75%
Reserve repurchase agreements collateralized by bonds	0.15%~1.20%	0.58%~1.90%

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

	December 31, 2020	December 31, 2019
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 5,328	\$ 14,066
Non-derivative financial assets		
Domestic listed shares and over-the-counter shares	506,763	364,057
Mutual funds	4,765,536	4,907,560
Beneficiary securities	233,670	1,071,797
Overseas listed shares	386	545
	<u>5,506,355</u>	<u>6,343,959</u>
	<u>\$ 5,511,683</u>	<u>\$ 6,358,025</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	\$ 20,724	\$ 4,136

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, 2020</u>			
Sell	RMB/NTD	2021.01.05-2021.04.07	RMB 254,260 /NTD 1,089,330
Sell	USD/MYR	2021.03.31-2021.08.30	USD 550 /MYR 2,313
Sell	USD/NTD	2021.01.04-2021.03.18	USD 35,790 /NTD 1,014,569
Sell	EUR/MYR	2021.05.28-2021.07.30	EUR 284 /MYR 1,399
Buy	JPY/USD	2021.01.13-2021.01.27	JPY 40,000 /USD 385
Buy	NTD/USD	2021.01.04-2021.03.02	NTD 211,769 /USD 7,471
<u>December 31, 2019</u>			
Sell	RMB/NTD	2020.01.01-2020.03.30	RMB 237,700 /NTD 1,020,283
Sell	USD/MYR	2020.03.31-2020.06.30	USD 865 /MYR 3,626
Sell	USD/NTD	2020.01.03-2020.03.24	USD 41,000 /NTD 1,241,134
Sell	EUR/MYR	2020.03.31-2020.06.30	EUR 224 /MYR 1,041
Buy	JPY/USD	2020.01.06-2020.01.22	JPY 40,000 /USD 368
Buy	NTD/USD	2020.01.13-2020.03.04	NTD 285,868 /USD 9,480

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

	December 31, 2020	December 31, 2019
<u>Current</u>		
Investments in equity instruments at FVTOCI		
Domestic investments		
Domestic listed shares and over-the-counter shares	<u>\$ 164,922</u>	<u>\$ 174,789</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Domestic investments		
Listed shares and over-the-counter shares	\$ 1,529,883	\$ 1,439,624
Emerging market shares	9,626	16,178
Unlisted shares	<u>720,833</u>	<u>632,134</u>
	<u>2,260,342</u>	<u>2,087,936</u>
		(Continued)

	December 31, 2020	December 31, 2019
Overseas investments		
Listed shares and over-the-counter shares	30,566	8,649
Unlisted shares	<u>102,826</u>	<u>100,139</u>
	<u>133,392</u>	<u>108,788</u>
	<u>\$ 2,393,734</u>	<u>\$ 2,196,724</u>

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

The Group sold 5,745 thousand shares of United Renewable Energy Co., Ltd. and 1,734 thousand shares of Global BioPharma, INC. during the year ended December 31, 2020. The related other equity interests - the \$115,837 thousand unrealized loss on FVTOCI financial assets was transferred to \$78,078 thousand of retained earnings and \$37,759 thousand of non-controlling interests.

The Group sold 100 thousand shares of CTCI Corporation, 684 thousand shares of Silicon Technology Investment (Cayman) Corp. and 684 thousand shares of Global BioPharma, Inc. during the year ended December 31, 2019. The related other equity interests - the \$50,215 thousand unrealized loss on FVTOCI financial assets was transferred to \$31,350 thousand of retained earnings and \$18,865 thousand of non-controlling interests.

The investees announced a reduction of capital by returning cash during the years ended December 31, 2020 and 2019, and the Group received \$83,402 thousand and \$52,423 thousand, respectively, according to its ownership percentage.

The Group recognized dividend income of \$113,543 thousand and \$113,647 thousand, respectively, for the years ended December 31, 2020 and 2019.

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

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	December 31, 2020	December 31, 2019
<u>Current</u>		
Pledged time deposits	\$ 348,450	\$ 347,981
Financial products	-	158,148
	<u>\$ 348,450</u>	<u>\$ 506,129</u>
<u>Non-current</u>		
Constricted bank deposits	\$ 390,828	\$ 311,942
Range of interest rates		
Pledged time deposits	0.04%~1.85%	0.09%~3.75%
Financial products	-	3.00%~3.20%

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

The trading partners of the Group are financial institutions with good credit ratings, and the short-term financial products invested in are with bank guaranteed principal and interests. The

credit risk has been assessed by investigating the final capital destination and its impacts on principal and interests. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
<u>Notes receivable (a)</u>		
At amortized cost		
Gross carrying amount	\$ 671,576	\$ 634,435
Less: Allowance for impairment loss	-	-
	<u>\$ 671,576</u>	<u>\$ 634,435</u>
<u>Accounts receivable (a)</u>		
At amortized cost		
Gross carrying amount	\$ 6,900,396	\$ 6,504,725
Less: Allowance for impairment loss	( 90,056)	( 93,648)
	<u>\$ 6,810,340</u>	<u>\$ 6,411,077</u>
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 208,290	\$ 209,112
Lent material fees receivable	27,067	-
Others	58,102	68,019
	<u>\$ 293,459</u>	<u>\$ 277,131</u>

a. Notes and accounts receivable

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

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

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

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

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

December 31, 2020

Based on the number of overdue days

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,826,907	\$ 440	\$ 7,138	\$ 2,834,485
Loss allowance (Lifetime ECLs)	( <u>4,651</u> )	<u>-</u>	( <u>4,305</u> )	( <u>8,956</u> )
Amortized cost	<u>\$ 2,822,256</u>	<u>\$ 440</u>	<u>\$ 2,833</u>	<u>\$ 2,825,529</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 384,617	\$ 1,346,480	\$ 334,029	\$ 2,672,361	\$ 4,737,487
Loss allowance (Lifetime ECLs)	( <u>4,435</u> )	( <u>6,909</u> )	( <u>6,157</u> )	( <u>63,599</u> )	( <u>81,100</u> )
Amortized cost	<u>\$ 380,182</u>	<u>\$ 1,339,571</u>	<u>\$ 327,872</u>	<u>\$ 2,608,762</u>	<u>\$ 4,656,387</u>

December 31, 2019

Based on the number of overdue days

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

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
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>

The aging schedule of notes and accounts receivable with loss reserve measured based on credit quality was as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 4,220,397	\$ 3,874,348
Up to 60 days	357,902	147,019
Over 60 days	<u>159,188</u>	<u>79,261</u>
	<u>\$ 4,737,487</u>	<u>\$ 4,100,628</u>

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

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

	<u>Year 2020</u>	<u>Year 2019</u>
Balance at January	\$ 93,648	\$ 111,779
Less: Impairment losses reversed	( 2,415)	( 4,115)
Less: Amounts written off during the period as uncollectible	( 1,170)	( 13,449)
Foreign exchange Translation gains and losses	( <u>7</u> )	( <u>567</u> )
Balance on December 31	<u>\$ 90,056</u>	<u>\$ 93,648</u>

b. Other receivables

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

11. INVENTORIES

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Finished goods	\$ 2,068,989	\$ 2,728,069
Work in progress	387,559	350,133
Raw materials	1,345,791	1,315,085
Supplies	331,030	317,289
Inventory in transit	<u>162,859</u>	<u>208,930</u>
	<u>\$ 4,296,228</u>	<u>\$ 4,919,506</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 were \$39,721,391 thousand and \$48,924,372 thousand, respectively.

The inventory net realization write-down contained in sales cost Year 2020 was \$24,765 thousand; the reversal of inventory net realization write-downs Year 2019 was \$22,017 thousand. Previous write-downs were reversed as a result of increased selling prices in certain markets.

## 12. DISCONTINUED OPERATIONS

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

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

	<u>Year 2020</u>	<u>Year 2019</u>
Administrative expenses	(\$ 20,853)	(\$ 28,650)
Loss from operations	( 20,853)	( 28,650)
Non-operating income	<u>25,126</u>	<u>32,825</u>
Net profit (loss) from discontinued operations	<u>\$ 4,273</u>	<u>\$ 4,175</u>

For the years ended December 31, 2020 and 2019, the cash flows which can be attributed to the discontinued operations were as follows:

	<u>For the Years Ended December 31, 2020</u>	<u>For the Years Ended December 31, 2019</u>
Net cash generated from operating activities	\$ 16,339	\$ 9,674
Net cash generated from investments	-	411
Effect of exchange rate changes	<u>1,763</u>	( <u>3,234</u> )
Net cash inflow	<u>\$ 18,102</u>	<u>\$ 6,851</u>

### 13. SUBSIDIARIES

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

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31, 2020	December 31, 2019	
The Company	USIFE Investment Co., Ltd. ("USII")	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>	11 and 14
	USI (Hong Kong) Company Limited	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")	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")	Optical products and fireproof materials business	<u>94.4%</u>	<u>93.2%</u>	1.
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Import and distribution of various chemical raw materials and products	<u>100.0%</u>	<u>100.0%</u>	13
The Company	Thintec Materials Corporation ("TMC")	Reinforced plastic products manufacturing	-	30.4%	
Taita Chemical Company, Ltd.			-	10.0%	
China General Plastics Corporation			-	10.0%	
Asia Polymer Corporation			-	30.4%	
Taiwan United Venture Capital Corp.			-	15.0%	
			-	95.8%	3.
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	
Asia Polymer Corporation ("APC")			8.3%	8.3%	
			78.3%	78.3%	
The Company	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	
Asia Polymer Corporation			8.0%	8.0%	
USIFE Investment Co., Ltd.			4.9%	0.4%	2.
			53.5%	49.0%	
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	
China General Plastics Corporation			1.7%	1.7%	
USIFE Investment Co., Ltd.			9.3%	9.3%	
Asia Polymer Corporation			3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	
APC Investment Corporation			1.0%	1.0%	
			44.6%	44.6%	12.
The Company	USI Optronics Corporation ("USIO")	Manufacturing and marketing of sapphire crystal	50.9%	50.9%	
Acme Electronics Corp.			34.0%	34.0%	
Asia Polymer Corporation			9.2%	9.2%	
USIFE Investment Co., Ltd.			0.2%	0.2%	
			94.3%	94.3%	
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	
APC (BVI) Holding Co., Ltd.			16.6%	16.6%	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31, 2020	December 31, 2019	
Swanlake Traders Ltd.			11.2%	11.2%	
TAITA (BVI) Holding Co., Ltd.			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	-	100.0%	4.
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	100.0%	100.0%	
	ACME Components (Malaysia) Sdn.Bhd.	Reinvestment business	100.0%	100.0%	
Golden Amber Enterprises Limited	Acme Electronics (Guangzhou) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	100.0%	100.0%	
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.			0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	
Taiwan VCM Corporation			-	-	
			<u>37.3%</u>	<u>37.3%</u>	12.
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
Asia Polymer Corporation	USI International Corp.	Reinvestment business	70.0%	70.0%	
APC (BVI) Holding Co., Ltd.			30.0%	30.0%	
			<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	100.0%	100.0%	
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	36.8%	36.8%	
China General Terminal & Distribution Co.			0.6%	0.6%	
USIFE Investment Co., Ltd.			0.4%	0.4%	
			<u>37.8%</u>	<u>37.8%</u>	12.
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 (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	100.0%	100.0%	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	100.0%	100.0%	7.
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			8.0%	8.0%	
Taita Chemical Company, Ltd.			2.0%	2.0%	
China General Terminal & Distribution Co.			0.5%	0.5%	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31, 2020	December 31, 2019	
USIFE Investment Co., Ltd.			<u>0.1%</u>	<u>0.1%</u>	
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>35.6%</u> <u>87.2%</u>	<u>35.6%</u> <u>87.2%</u>	12.
	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>	
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	6.
	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>	6.
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3%	33.3%	
Taita Chemical Company, Ltd.			33.3%	33.3%	
Asia Polymer Corporation			<u>33.4%</u>	<u>33.4%</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVM")	Business management consulting	<u>100.0%</u> <u>100.0%</u>	<u>100.0%</u> <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>	9.
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.	PT. Swanson Plastics Indonesia Ltd.	Production and marketing of plastic products	1.0%	1.0%	
Swanson Plastics Company Ltd. (Singapore)			<u>99.0%</u>	<u>99.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0%	70.0%	
APC Investment Corporation			15.0%	15.0%	
USIFE Investment Co., Ltd.			<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.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (India) Private Limited	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	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-	<u>100.0%</u>	<u>100.0%</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)		Remark
			December 31, 2020	December 31, 2019	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	solution film Management of PE release film and other release products' production and sales	<u>100.0%</u>	<u>100.0%</u>	
The Company	Ever Conquest Global Limited ("ECGL")	Investment business	59.1%	63.1%	
Asia Polymer Corporation			<u>40.9%</u>	<u>36.9%</u>	
			<u>100.0%</u>	<u>100.0%</u>	10.
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment business	<u>67.4%</u>	<u>80.0%</u>	10., 11 and 15.
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment business	<u>85.0%</u>	<u>89.9%</u>	10. and 11.

- 1) In June 2020, the Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being \$349 thousand. After the equity purchase, the proportion of INOMA's equity held by the Group increased from 93.2% to 94.4%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to a decrease in retained earnings of \$65 thousand.
- 2) In 2020, USI Corporation acquired 4.5% of shares from the external shareholders of Swanson Plastics Corporation (SPC) based on middle-to-long investment strategy and thus acquired price being \$84,399 thousand.
- 3) TMC has had no actual production or sales activities in recent years. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. The Group has obtained \$12,214 thousand of the remaining property distribution from liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.
- 4) In June 2020, ACME obtained the remaining assets of \$267 thousand returned by its subsidiary ACME Electronics

- (BVI)Corp., which completed its process of liquidation in June 2020.
- 5) In July 2019, CGPC obtained the remaining assets of \$78,556 thousand returned by its subsidiary Krystal Star International Corporation, which completed its process of liquidation in December 2019.
  - 6) CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP had not completed the process of liquidation as of December 31, 2020.
  - 7) 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.
  - 8) The boards of TAITA (BVI) and Taita Chemical (ZhongShan) Co., Ltd. resolved on November 3, 2020 and to establish a new company, each investing RMB 157,000 thousand and holding 50% of the shares. The main business of the new company is expected to be the production and sales of expandable polystyrene (EPS). To strive for the best investing efficiency, the Boards of TAITA (BVI) approved the resolution of changing preceding investment proposal to establish a new company by sole investment of TAITA (BVI) on December 3, 2020, but yet to complete it till March 22, 2021.
  - 9) In September 2019, the management of Forum Pacific Trading Ltd. approved its dissolution and liquidation, and returned the remaining assets of \$6,828 thousand in May

2020. Forum Pacific Trading Ltd. had completed the process of liquidation on December 29, 2020.

- 10) As of December 31, 2020, the Company and APC invested capital amounted to US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$170,475 thousand (around NT\$5,255,587 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of the Group in EVGL is 67.4%. For more detailed explanation, please refer to Note 11 and Note 38.
- 11) ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in May and August 2019, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in June and August 2019. After the capital increases, the Group's ownership percentage in EVGL increased from 77.5% to 80.0%, while EVGL's ownership percentage in DEIL decreased from 100% to 89.9%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$4,275 thousand and decreases in retained earnings of \$1,191 thousand.

ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in March and December 2020, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in April and December 2020. After the capital increases, the Group's ownership percentage in EVGL decreased from 80.0% to 67.4%, and

EVGL's ownership percentage in DEIL decreased from 89.9% to 85.0%. 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 \$34,896 thousand.

- 12) In order to sell the products by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture sales company in Fujian Province, China, with a planned capital of RMB 300,000 thousand (approximately US\$46,000 thousand). The funds are expected to be US\$32,200 thousand and US\$13,800 thousand, respectively invested by Swanlake and APC (BVI), but yet to complete it till March 22, 2021.
  - 13) To simplify investing framework, the Group changed its indirect investment in FORMOSA OIL(ASIA PACIFIC) CORPORATION in China with approval of INVESTMENT COMMISSION (MOEA) dated January 25, 2021, as such, with the approval, it was revised to be direct investment.
  - 14) Swanlake acquired 5.42% of shares from external shareholders of ACME Electronics (Cayman) Corp. on January 21, 2021, acquired price to be US\$2,172 thousand, where the Group's holding proportion increased from 11.23% to 16.65% after subscription.
  - 15) This is a subsidiary with 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, 2020	December 31, 2019
CGPC	64.4%	64.4%
TTC	62.2%	62.2%
ACME	55.4%	55.4%
APC	62.7%	62.7%
EVGL	32.6%	20.0%

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	Year 2020	Year 2019	December 31, 2020	December 31, 2019
CGPC	<u>\$ 1,074,470</u>	<u>\$ 422,558</u>	<u>\$ 6,187,422</u>	<u>\$ 5,275,245</u>
TTC	<u>\$ 1,215,763</u>	<u>\$ 252,027</u>	<u>\$ 3,885,632</u>	<u>\$ 2,683,447</u>
ACME	<u>\$ 18,569</u>	<u>( \$ 57,564 )</u>	<u>\$ 716,599</u>	<u>\$ 694,961</u>
APC	<u>\$ 746,600</u>	<u>\$ 555,438</u>	<u>\$ 7,574,659</u>	<u>\$ 6,488,546</u>
EVGL	<u>( \$ 39,915 )</u>	<u>( \$ 6,321 )</u>	<u>\$ 5,988,872</u>	<u>\$ 2,885,402</u>

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

CGPC and CGPC's subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 5,874,585	\$ 4,876,866
Non-current assets	8,019,040	7,454,367
Current liabilities	( 2,220,603 )	( 1,695,099 )
Non-current liabilities	( 1,369,264 )	( 1,923,568 )
Equity	<u>\$10,303,758</u>	<u>\$ 8,712,566</u>
Equity attributable to:		
Owners of CGPC	\$ 3,516,093	\$ 2,975,567
Non-controlling interests of CGPC	6,187,422	5,275,245
Non-controlling interests of CGPC's subsidiaries	<u>600,243</u>	<u>461,754</u>
	<u>\$10,303,758</u>	<u>\$ 8,712,566</u>

	2020	2019
Revenue	<u>\$13,733,148</u>	<u>\$15,117,855</u>
Net profit from continuing operations	\$1,787,437	\$ 693,815
Net profit (loss) from discontinued operations	<u>4,273</u>	<u>4,175</u>
Profit for the period	1,791,710	697,990
Other comprehensive income (loss) for the period	<u>82,647</u>	( <u>2,290</u> )
Total comprehensive income for the period	<u>\$1,874,357</u>	<u>\$ 695,700</u>
Profit attributable to:		
Owners of CGPC	\$ 559,714	\$ 220,119
Non-controlling interests of CGPC	1,074,470	422,558
Non-controlling interests of CGPC's subsidiaries	<u>157,526</u>	<u>55,313</u>
	<u>\$1,791,710</u>	<u>\$ 697,990</u>
Total comprehensive income attributable to:		
Owners of CGPC	\$ 627,523	\$ 214,861
Non-controlling interests of CGPC	1,088,417	425,051
Non-controlling interests of CGPC's subsidiaries	<u>158,417</u>	<u>55,788</u>
	<u>\$1,874,357</u>	<u>\$ 695,700</u>
Net cash inflow (outflow) from:		
Operating activities	\$2,088,323	\$2,016,552
Investing activities	( 1,194,306)	( 973,370)
Financing activities	( 765,171)	( 1,321,130)
Effects of exchange rate changes	<u>( 5,092)</u>	<u>( 3,385)</u>
Net cash inflow (outflow)	<u>\$ 123,754</u>	<u>(\$ 281,333)</u>
Dividends paid to non-controlling interests	<u>\$ 173,260</u>	<u>\$ 499,788</u>

TTC and TTC's subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 5,942,120	\$ 4,801,480
Non-current assets	3,303,750	3,203,261
Current liabilities	( 2,170,177)	( 2,278,694)
Non-current liabilities	( 719,887)	( 1,426,284)
Equity	<u>\$ 6,355,806</u>	<u>\$ 4,299,763</u>
Equity attributable to:		
Owners of TTC	\$ 2,470,174	\$ 1,616,316
Non-controlling interests of TTC	<u>3,885,632</u>	<u>2,683,447</u>
	<u>\$ 6,355,806</u>	<u>\$ 4,299,763</u>
	2020	2019
Revenue	<u>\$15,498,381</u>	<u>\$17,672,204</u>
Profit for the period	\$ 1,919,818	\$ 397,977
Other comprehensive income (loss) for the period	<u>236,480</u>	( 21,618)
Total comprehensive income (loss) for the period	<u>\$ 2,156,298</u>	<u>\$ 376,359</u>
Profit attributable to:		
Owners of TTC	\$ 704,055	\$ 145,950
Non-controlling interests of TTC	<u>1,215,763</u>	<u>252,027</u>
	<u>\$ 1,919,818</u>	<u>\$ 397,977</u>
Total comprehensive income (loss) attributable to:		
Owners of TTC	\$ 856,789	\$ 141,780
Non-controlling interests of TTC	<u>1,299,509</u>	<u>234,579</u>
	<u>\$ 2,156,298</u>	<u>\$ 376,359</u>
Net cash inflow from:		
Operating activities	\$ 3,046,274	\$ 1,602,732
Investing activities	( 120,224)	25,464
Financing activities	( 1,818,584)	( 882,791)
Effects of exchange rate changes	39,022	( 36,058)
Net cash inflow	<u>\$ 1,146,488</u>	<u>\$ 709,347</u>
Dividends paid to non-controlling interests	<u>\$ 63,493</u>	<u>\$ 41,498</u>

ACME and ACME's subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 1,886,912	\$ 1,780,507
Non-current assets	1,679,406	1,753,574
Current liabilities	( 1,161,937 )	( 1,085,862 )
Non-current liabilities	( 519,306 )	( 612,610 )
Equity	<u>\$ 1,885,075</u>	<u>\$ 1,835,609</u>
Equity attributable to:		
Owners of ACME	\$ 580,765	\$ 557,511
Non-controlling interests of ACME	716,599	694,961
Non-controlling interests of ACME's subsidiaries	<u>587,711</u>	<u>583,137</u>
	<u>\$ 1,885,075</u>	<u>\$ 1,835,609</u>
	2020	2019
Revenue	<u>\$ 2,169,471</u>	<u>\$ 2,132,889</u>
Profit (Loss) for the period	\$ 37,374	( \$ 128,465 )
Other comprehensive income (loss) for the period	<u>12,092</u>	( <u>60,336</u> )
Total comprehensive income (loss) for the period	<u>\$ 49,466</u>	( <u>\$ 188,801</u> )
Profit (Loss) attributable to:		
Owners of ACME	\$ 14,824	( \$ 46,046 )
Non-controlling interests of ACME	18,569	( 57,564 )
Non-controlling interests of ACME's subsidiaries	<u>3,981</u>	( <u>24,855</u> )
	<u>\$ 37,374</u>	( <u>\$ 128,465</u> )
Total comprehensive income (loss) attributable to:		
Owners of ACME	\$ 19,844	( \$ 65,461 )
Non-controlling interests of ACME	25,048	( 81,937 )
Non-controlling interests of ACME's subsidiaries	<u>4,574</u>	( <u>41,403</u> )
	<u>\$ 49,466</u>	( <u>\$ 188,801</u> )
Net cash inflow (outflow) from:		
Operating activities	\$ 213,754	\$ 391,506
Investing activities	11,334	( 385,967 )
Financing activities	( 42,059 )	43,673
Effects of exchange rate changes	<u>8,547</u>	( <u>26,585</u> )
Net cash inflow	<u>\$ 191,576</u>	<u>\$ 22,627</u>

APC and APC's subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 2,964,269	\$ 4,940,438
Non-current assets	13,919,234	11,982,653
Current liabilities	( 1,479,196)	( 2,469,828)
Non-current liabilities	( 3,294,762)	( 4,223,443)
Equity	<u>\$ 12,109,545</u>	<u>\$ 10,229,820</u>
Equity attributable to:		
Owners of APC	\$ 4,534,886	\$ 3,741,274
Non-controlling interests of APC	<u>7,574,659</u>	<u>6,488,546</u>
	<u>\$ 12,109,545</u>	<u>\$ 10,229,820</u>
	<u>2020</u>	<u>2019</u>
Revenue	<u>\$ 5,703,546</u>	<u>\$ 6,791,157</u>
Profit (Loss) for the period	1,103,587	821,021
Other comprehensive income (loss) for the period	<u>1,099,896</u>	( 30,290 )
Total comprehensive income (loss) for the period	<u>\$ 2,203,483</u>	<u>\$ 790,731</u>
Profit (Loss) attributable to:		
Owners of APC	\$ 356,987	\$ 265,583
Non-controlling interests of APC	<u>746,600</u>	<u>555,438</u>
	<u>\$ 1,103,587</u>	<u>\$ 821,021</u>
	<u>2020</u>	<u>2019</u>
Total comprehensive income (loss) attributable to:		
Owners of APC	\$ 887,393	\$ 327,374
Non-controlling interests of APC	<u>1,316,090</u>	<u>463,357</u>
	<u>\$ 2,203,483</u>	<u>\$ 790,731</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 2,878,346	\$ 498,621
Investing activities	( 916,265 )	( 1,162,465 )
Financing activities	( 2,289,221 )	479,045
Effects of exchange rate changes	( 5,832 )	( 10,788 )
Net cash outflow	( <u>\$ 332,972</u> )	( <u>\$ 195,587</u> )
Dividends paid to non-controlling interests	<u>\$ 225,031</u>	<u>\$ 112,516</u>

EVGL and EVGL's subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 1,309,763	\$ 1,194,368
Non-current assets	20,170,030	14,867,168
Current liabilities	( 15,128 )	( 14,346 )
Equity	<u>\$ 21,464,665</u>	<u>\$ 16,047,190</u>
Equity attributable to:		
Owners of EVGL	\$ 12,383,404	\$ 11,547,692
Non-controlling interests of EVGL	5,988,872	2,885,402
Non-controlling interests of EVGL's subsidiaries	<u>3,092,389</u>	<u>1,614,096</u>
	<u>\$ 21,464,665</u>	<u>\$ 16,047,190</u>
	<u>2020</u>	<u>2019</u>
Loss for the period	( \$ 176,803 )	( \$ 39,885 )
Other comprehensive income (loss) for the period	<u>234,751</u>	( <u>677,506</u> )
Total comprehensive income (loss) for the period	<u>\$ 57,948</u>	<u>\$ 717,391</u>
	<u>2020</u>	<u>2019</u>
Loss attributable to:		
Owners of EVGL	( \$ 113,720 )	( \$ 27,751 )
Non-controlling interests of EVGL	( 39,915 )	( 6,321 )
Non-controlling interests of EVGL's subsidiaries	<u>( 23,168 )</u>	<u>( 5,813 )</u>
	<u>( \$ 176,803 )</u>	<u>( \$ 39,885 )</u>
Total comprehensive income (loss) attributable to:		
Owners of EVGL	\$ 16,651	( \$ 499,685 )
Non-controlling interests of EVGL	20,062	( 120,525 )
Non-controlling interests of EVGL's subsidiaries	<u>21,235</u>	<u>( 97,181 )</u>
	<u>\$ 57,948</u>	<u>( \$ 717,391 )</u>
Cash flow		
Operating activities	( \$ 13,696 )	( \$ 29,373 )
Investing activities	( 5,122,441 )	( 5,161,581 )
Financing activities	5,359,526	5,715,801
Effects of exchange rate changes	<u>( 110,736 )</u>	<u>( 56,551 )</u>
Net cash inflow	<u>\$ 112,653</u>	<u>\$ 468,296</u>

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2020	December 31, 2019
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 20,170,030</u>	<u>\$ 14,867,168</u>

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

The percentage of the Group's ownership and voting rights was 50% of the outstanding shares of Gulei as of December 31, 2020 and 2019. For more explanation, please refer to Note 38.

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

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

	December 31, 2020	December 31, 2019
Cash & cash equivalents	<u>\$ 4,356,714</u>	<u>\$ 2,078,359</u>
Current assets	\$ 5,785,331	\$ 2,102,915
Non-current assets	82,025,858	40,551,677
Current liabilities	( 10,734,400)	( 8,164,871)
Non-current liabilities	<u>( 36,736,729)</u>	<u>( 4,755,385)</u>
Equity	40,340,060	29,734,336
Proportion of the Group's ownership	50%	50%
Equity attributable to the Group	<u>\$ 20,170,030</u>	<u>\$ 14,867,168</u>
Carrying amount	<u>\$ 20,170,030</u>	<u>\$ 14,867,168</u>

	December 31, 2020	December 31, 2019
	<u>2020</u>	<u>2019</u>
Shares attributable to the Group		
Net (loss) profit of the period	( <u>\$ 165,161</u> )	( <u>\$ 12,403</u> )

Gulei had no significant operating income for the years ended December 31, 2020 and 2019.

#### 15. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2020	December 31, 2019
	<u>2020</u>	<u>2019</u>
Freehold land	\$ 4,682,237	\$ 4,682,238
Land improvements	6,954	8,232
Building improvements	4,062,692	4,282,923
Machinery and equipment	11,626,815	12,418,786
Transportation equipment	46,935	46,865
Other equipment	321,524	300,065
Construction in progress and equipment under installation	<u>2,510,261</u>	<u>1,489,802</u>
	<u>\$ 23,257,418</u>	<u>\$ 23,228,911</u>

	<u>Freehold land</u>	<u>Land improvements</u>	<u>Building improvements</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment under installation</u>	<u>Total</u>
<u>Cost</u>								
Balance on January 1, 2020	\$ 4,682,237	\$ 124,005	\$ 8,261,853	\$ 37,738,740	\$ 204,178	\$ 1,736,993	\$ 1,501,006	\$ 54,249,012
Plus	-	-	4,796	149,161	2,820	28,058	2,072,826	2,257,661
Disposal	-	-	(28,965)	(1,141,845)	(14,641)	(57,031)	(3,500)	(1,245,982)
Transfer from invested properties (Note 17)	-	-	1,752	-	-	-	-	1,752
Internal transfer	-	213	68,262	949,092	13,815	61,799	(1,045,673)	47,508
Net conversion difference	-	-	7,956	(45,439)	(4,117)	(10,492)	(4,916)	(56,928)
Balance ended December 31, 2020	<u>\$ 4,682,237</u>	<u>\$ 124,218</u>	<u>\$ 8,315,654</u>	<u>\$ 37,649,789</u>	<u>\$ 202,055</u>	<u>\$ 1,759,327</u>	<u>\$ 2,519,743</u>	<u>\$ 55,253,023</u>
<u>Accumulated impairment and loss</u>								
Balance ended December 31, 2020	\$ -	\$ 115,773	\$ 3,978,930	\$ 25,319,953	\$ 157,313	\$ 1,436,928	\$ 11,203	\$ 31,020,101
Depreciation expense	-	1,491	288,930	1,797,570	15,359	78,127	-	2,181,477
Disposal	-	-	(27,833)	(1,084,990)	(13,648)	(53,293)	(3,357)	(1,183,121)
Transfer from invested properties (Note 17)	-	-	717	-	-	-	-	717
Internal transfer	-	-	2,252	(4,212)	-	(17,905)	-	(19,865)
Impairment loss recognized	-	-	-	25,714	-	568	1,619	27,901
Net conversion difference	-	-	9,966	(31,062)	(3,904)	(6,622)	17	(31,605)
Balance ended December 31, 2020	<u>\$ -</u>	<u>\$ 117,264</u>	<u>\$ 4,252,962</u>	<u>\$ 26,022,974</u>	<u>\$ 155,120</u>	<u>\$ 1,437,803</u>	<u>\$ 9,482</u>	<u>\$ 31,995,605</u>
Net balance ended December 31, 2020	<u>\$ 4,682,237</u>	<u>\$ 6,954</u>	<u>\$ 4,062,692</u>	<u>\$ 11,626,815</u>	<u>\$ 46,935</u>	<u>\$ 321,524</u>	<u>\$ 2,510,261</u>	<u>\$ 23,257,418</u>
<u>Cost</u>								
Balance on 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
Plus	-	-	34,852	257,361	4,727	40,653	1,681,446	2,019,039
Disposal	(20,122)	-	(172,366)	(792,209)	(18,250)	(57,349)	-	(1,060,296)

(Continued)

	<u>Freehold land</u>	<u>Land improvements</u>	<u>Building improvements</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment under installation</u>	<u>Total</u>
Recognized as asset of operating lease (Note 17)	(24,082)	-	(257,285)	-	-	-	-	(281,367)
Internal transfer	-	-	660,546	3,115,483	9,973	29,720	(3,803,279)	12,443
Net conversion difference	-	-	(93,205)	(302,340)	(2,625)	(22,100)	(18,431)	(438,701)
Balance ended 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>
<u>Accumulated impairment and loss</u>								
Balance ended December 31, 2019	\$ -	\$ 114,131	\$ 3,897,212	\$ 25,319,953	\$ 157,313	\$ 1,436,928	\$ 11,203	\$ 31,020,101
Depreciation expense	-	1,491	281,754	1,687,423	15,368	75,800	-	2,061,987
Disposal	-	-	(152,491)	(765,430)	(17,160)	(51,273)	-	(986,354)
Recognized as asset of operating lease (Note 17)	-	-	(28,729)	-	-	-	-	(28,729)
Impairment loss recognized	-	-	19,644	90,887	10	1,761	33	112,335
Net conversion difference	-	-	(38,460)	(256,063)	(1,806)	(15,220)	(244)	(311,793)
Balance ended 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>
Net balance ended 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>

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

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

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

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

the boards of directors of the Company, CGTD, APC and TVCM, a subsidiary of CGPC, resolved in 2019 to build the second phase of the Intercontinental Petrochemical Oil Products Center, and signed a turnkey project agreement with CTCI on October 7, 2019, with a total investment price of \$3,380,107 thousand. As of December 31, 2020, the Group had paid \$1,260,597 thousand for the project, which was accounted for under construction in progress.

For the years ended December 31, 2020, ACME (GZ) assessed that some of its machinery and equipment had been idle and did not meet the production requirements, recognizing an impairment loss of \$5,823 thousand.

Year 2019, ACME (KS) and USI OPTRONICS CORPORATION assessed that the book value of some of its machinery and equipment could not be recovered, recognizing an impairment loss of \$37,939 thousand and \$14,131 thousand. The aforementioned profit and loss have been included in the operating expenses in the consolidated comprehensive income statement.

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 \$22,078 thousand and \$60,265 thousand in 2020 and 2019 respectively, which was reported under operating costs in the consolidated statements of comprehensive income.

The assessed fair values of the proceeds are as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Plant and right-of-use assets	<u>\$ 275,409</u>	<u>\$ 281,512</u>
Equipment	<u>\$ 2,689</u>	<u>\$ 94,814</u>

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

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

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

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

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Carrying amounts		
Leasehold land	\$ 163,311	\$ 184,708
Land use rights	427,365	444,306
Buildings	148,111	195,662
Machinery and equipment	53,510	60,697
Transportation equipment	<u>2,183</u>	<u>135</u>
	<u>\$ 794,480</u>	<u>\$ 885,508</u>

	<u>2020</u>	<u>2019</u>
Addition for right-of-use assets	\$ <u>3,265</u>	\$ <u>73,603</u>
Depreciation charge for right-of-use assets	\$ 15,618	\$ 17,319
Leasehold land	24,601	15,451
Land use rights	18,500	30,443
Buildings	10,264	3,847
Machinery and equipment	<u>718</u>	<u>885</u>
Transportation equipment	<u>\$ 69,701</u>	<u>\$ 67,945</u>

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant impairments for the years ended December 31, 2020 and 2019.

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

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

b. Lease liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amounts		
Current	<u>\$ 75,284</u>	<u>\$ 70,814</u>
Non-current	<u>\$ 384,402</u>	<u>\$ 481,964</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Lease land	0.83% ~ 9.25%	0.83% ~ 9.25%
Buildings	1.04% ~ 2.00%	1.04% ~ 2.00%
Machinery	1.04% ~ 1.16%	1.04% ~ 1.16%
Transportation equipment	1.06% ~ 1.25%	1.06% ~ 1.25%

c. Material lease-in activities and terms

The Group leases certain factory, office and dormitory with lease terms of 1 to 7 years. The Group has options to lease office at the end of the lease terms.

d. Other lease information

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

	<u>2020</u>	<u>2019</u>
Expenses relating to short-term leases	<u>\$ 50,200</u>	<u>\$ 48,398</u>
Expenses relating to low-value asset leases	<u>\$ 1,301</u>	<u>\$ 2,064</u>
Expenses relating to variable lease payments not including in the measurement of lease liabilities	<u>\$ 37,265</u>	<u>\$ 44,550</u>
Total cash outflow for leases	<u>(\$ 164,728)</u>	<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.

17. INVESTMENT PROPERTIES

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Completed investment properties		
Land	\$ 200,726	\$ 115,053
Buildings	296,378	313,847
Right-of-use assets	<u>78,482</u>	<u>95,508</u>
	<u>\$ 575,586</u>	<u>\$ 524,408</u>

	<u>Land</u>	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 119,022	\$ 428,521	\$ 110,452	\$ 657,995
Addition	85,673	-	-	85,673
Transfer to property, plant and equipment	-	( 1,752)	-	( 1,752)
Transfer to right of use assets	-	-	( 2,775)	( 2,775)

(Continued)

	Land	Buildings	Right-of-use assets	Total
Effect of foreign currency exchange differences	-	( 4,604 )	-	( 4,604 )
Balance at December 31, 2020	<u>\$ 204,695</u>	<u>\$ 422,165</u>	<u>\$ 107,677</u>	<u>\$ 734,537</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 3,969	\$ 114,674	\$ 14,944	\$ 133,587
Depreciation expenses	-	13,621	14,598	28,219
Transfer to property, plant and equipment	-	( 717 )	-	( 717 )
Transfer to right of use assets	-	-	( 347 )	( 347 )
Effect of foreign currency exchange differences	-	( 1,791 )	-	( 1,791 )
Balance at December 31, 2020	<u>\$ 3,969</u>	<u>\$ 125,787</u>	<u>\$ 29,195</u>	<u>\$ 158,951</u>
Carrying amounts at December 31, 2020	<u>\$ 200,726</u>	<u>\$ 296,378</u>	<u>\$ 78,482</u>	<u>\$ 575,586</u>
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	-	-	110,452	110,452
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Transfer from property, plant and equipment	24,082	257,285	-	281,367
Effect of foreign currency exchange differences	-	( 2,256 )	-	( 2,256 )
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 expenses	-	11,635	14,944	26,579
Transfer from property, plant and equipment	-	28,729	-	28,729
Effect of foreign currency exchange differences	-	( 7,729 )	-	( 7,729 )
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>

Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating

leases to other companies. The investment properties were leased out for 1 to 8 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

Except for the recognition of depreciation expense, there were no significant increases, disposals and impairment of the Group's investment properties for the years ended December 31, 2020 and 2019.

Total rent receivable of investment properties under operating lease as of December 31, 2020 and 2019 are:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Year 1	\$ 46,510	\$ 36,102
Year 2	43,513	16,858
Year 3	38,626	15,532
Year 4	29,222	15,532
Year 5	17,494	8,332
More than 5 years	<u>37,716</u>	<u>29,804</u>
	<u>\$ 213,081</u>	<u>\$ 122,160</u>

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

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

Part of the Group's investment properties is located in the Toufen and Linyuan Industrial District. As these districts are designated for industrial use, information on comparable market transactions are uncommon and alternative reliable measurements of the fair value estimates are not available. Hence, the Group determined that the fair value of these investment properties cannot be reliably determined. The fair values of the remaining

investment properties were not assessed by independent appraisers; instead, they were arrived at by using the valuation model that most market participants would use in determining fair value by using Level 3 inputs, with reference to the transaction prices of similar properties in the vicinity. The fair value of right-of-use assets was determined by adding back the amount of related lease liabilities recognized to the net amount of the expected lease income after deducting all the expected payments.

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

	December 31, 2020	December 31, 2019
Fair value	<u>\$ 1,363,122</u>	<u>\$ 1,180,999</u>

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

#### 18. GOODWILL AND OTHER INTANGIBLE ASSETS

	December 31, 2020	December 31, 2019
Goodwill a.	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets b.		
Technology royalties and patent right	\$ 1,863	\$ 7,109
Computer software	<u>8,944</u>	<u>9,895</u>
	<u>\$ 10,807</u>	<u>\$ 17,004</u>

##### a. Goodwill

	2020	2019
Balance as of December 31	<u>\$ 269,026</u>	<u>\$ 269,026</u>

##### b. Other intangible assets

	<u>Technology royalties and patent right</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>				
Balance on January 1, 2020	<u>\$ 227,484</u>	<u>\$ 100,298</u>	<u>\$ 29,000</u>	<u>\$ 356,782</u>
Sole acquirement	-	113	-	113
Net conversion difference	-	9	-	9
Balance on December 31, 2020	<u>\$ 227,484</u>	<u>\$ 100,420</u>	<u>\$ 29,000</u>	<u>\$ 356,904</u>
<u>Accumulated amortization and impairment</u>				
Balance on January 1, 2020	<u>\$ 220,375</u>	<u>\$ 90,403</u>	<u>\$ 29,000</u>	<u>\$ 339,778</u>
Amortization expenses	5,246	3,620	-	8,866
Net conversion difference	-	( 2,547)	-	( 2,547)
Balance on December 31, 2020	<u>\$ 225,621</u>	<u>\$ 91,476</u>	<u>\$ 29,000</u>	<u>\$ 346,097</u>
Net balance on December 31, 2020	<u>\$ 1,863</u>	<u>\$ 8,944</u>	<u>\$ -</u>	<u>\$ 10,807</u>
<u>Cost</u>				
Balance on January 1, 2019	<u>\$ 263,028</u>	<u>\$ 118,270</u>	<u>\$ 29,000</u>	<u>\$ 410,298</u>
Sole acquirement	-	6,503	-	6,503
Disposal	( 35,544)	( 24,195)	-	( 59,739)
Net conversion difference	-	( 280)	-	( 280)
Balance on 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 on January 1, 2019	<u>\$ 248,511</u>	<u>\$ 108,271</u>	<u>\$ 20,139</u>	<u>\$ 376,921</u>
Amortization expenses	7,408	6,234	8,861	22,503
Disposal	( 35,544)	( 24, 195)	-	( 59,739)
Net conversion difference	-	93	-	93
Balance on December 31, 2019	<u>\$ 220,375</u>	<u>\$ 90,403</u>	<u>\$ 29,000</u>	<u>\$ 339,778</u>
Net balance on December 31, 2019	<u>\$ 7,109</u>	<u>\$ 9,895</u>	<u>\$ -</u>	<u>\$ 17,004</u>

Except for the recognition of amortization expense, there were no significant addition, disposal and impairment on other intangible assets of the Group for the years ended December 31, 2020 and 2019.

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

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

## 19. BORROWINGS

### a. Short-term borrowings

	December 31, 2020	December 31, 2019
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 2,726,270</u>	<u>\$ 4,258,980</u>
Range of interest rates	0.52% ~ 2.89%	0.81% ~ 4.58%

### b. Short-term bills payable

	December 31, 2020	December 31, 2019
Bills payable	\$ 657,000	\$ 1,353,000
Less: Unamortized discount on bills payable	( <u>296</u> )	( <u>190</u> )
	<u>\$ 656,704</u>	<u>\$ 1,352,810</u>
Range of interest rates	0.53% ~ 1.098%	0.50% ~ 1.188%

### c. Long-term borrowings

	December 31, 2020	December 31, 2019
Secured borrowings	\$ 640,000	\$ 1,743,200
Line of credit borrowings	<u>6,950,000</u>	<u>7,650,000</u>
	<u>7,590,000</u>	<u>9,393,200</u>
Bill payable	-	100,000
Unamortized discount on bills payable	-	( <u>230</u> )
	<u>-</u>	<u>99,770</u>
Subtotal	7,590,000	9,492,970

(Continued)

	December 31, 2020	December 31, 2019
Less: Maturity within one year	<u>-</u> <u>\$ 7,590,000</u>	<u>( 443,200)</u> <u>\$ 9,049,770</u>
Range of interest rates		
Secured borrowings	1.00%~1.11%	1.05%~1.33%
Line of credit borrowings	0.74%~1.04%	0.98%~1.18%
Bill payable	-	1.528%

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to October 2023 with a total credit limit of \$5,012,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, the Company had borrowed \$2,300,000 thousand.

UPIIC 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 \$2,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, UPIIC had borrowed \$800,000 thousand.

CGPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to August 2023 with a total credit limit of \$1,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, CGPC had not borrowed.

CGPCPOL entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to May 2023 with a total credit limit of \$1,100,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, CGPCPOL had borrowed \$50,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to July 2023 with a total credit limit of \$1,900,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, TTC had borrowed \$300,000 thousand.

APC 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 \$5,950,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, APC had borrowed \$3,050,000 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, 2020, 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 June 2025 with a total credit limit of \$750,000 thousand, which is used cyclically during the validity period. As of December 31, 2020, SPC had borrowed all.

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, 2020, the subsidiaries did not violate the requirements.

20. BONDS PAYABLE

	December 31, 2020	December 31, 2019
	<u>                    </u>	<u>                    </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
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>2,000,000</u>
	7,000,000	8,000,000
Discounts on bonds payable	( <u>5,698</u> )	( <u>8,717</u> )
	6,994,302	7,991,283
Less: Current portions	( <u>1,999,233</u> )	( <u>999,956</u> )
	<u>\$ 4,995,069</u>	<u>\$ 6,991,327</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.

21. NOTES AND ACCOUNTS PAYABLE

	December 31, 2020	December 31, 2019
	<u>                    </u>	<u>                    </u>
<u>Operating</u>		
Accounts payable	\$ <u>3,406,837</u>	<u>2,757,368</u>

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

22. OTHER PAYABLES

	December 31, 2020	December 31, 2019
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 1,112,278	\$ 790,918
Payables for water and electricity	246,183	209,320
Payables for fares	234,530	174,702
Payables for purchases of equipment	104,811	191,407
Payables for dividends	71,694	17,771
Payable for VAT	68,251	19,236
Payables for interests	41,056	55,434
Payables for professional service expenses	27,655	21,814
Payables for insurance	27,262	26,576
Others	<u>282,813</u>	<u>430,848</u>
	2,216,533	1,938,026
Other liabilities		
Refund liabilities	<u>16,390</u>	<u>28,221</u>
	<u>\$ 2,232,923</u>	<u>\$ 1,966,247</u>

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

23. PROVISIONS

	December 31, 2020	December 31, 2019
<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 37 for the explanation related to the provision.

24. RETIREMENT BENEFIT PLANS

a. Defined appropriation plan

The pension system in the "Labor Pension Act" that the Company and domestic subsidiary apply to is a defined appropriation plan managed by government, where 6% of monthly salary is appropriated to personal account in the Labor Insurance Bureau. Besides, foreign subsidiary's formulated employee pension method pursuant to local competent authority is also the same one.

b. Defined benefits plan

The pension system in the "Labor Pension Act" that the Company and domestic subsidiary apply to is a defined appropriation plan managed by government, where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. The Company appropriates pension to employee based on 9% of monthly salary (the appropriation rate raised to 12% since November 10, 2016), and subsidiaries appropriate pension based on specified percentage of total monthly employee salary (TAIDA and WAH YUNG 12%; APC, CGPC and VCM 10%, SPC 3.5%; ACME, USIFE Investment Co., Ltd., USI MANAGEMENT CONSULTING CORPORATION and TUVVM all 2%) for Labor Pension Reserve Supervision Committee's deposit to specific account in Bank of Taiwan on its name. This specific account is consigned for management under Bureau of Labor Funds (MOL) and the Group has no right of affecting its investment and management strategy.

The expenses of defined benefit plans listed into the consolidated financial statements as follows:

	December 31, 2020	December 31, 2019
	<u>                    </u>	<u>                    </u>
Defined benefits and obligations - current	(\$3,415,069)	(\$3,674,355)
Fair value of planned assets	<u>2,123,016</u>	<u>2,200,488</u>
Net defined benefits liability - non-current	<u>(\$ 1,292,053)</u>	<u>(\$ 1,473,867)</u>

Change in net defined benefits liabilities - non-current:

	Latest value of defined benefits obligation	Fair value of planned assets	Net defined benefits liabilities
January 1, 2019	( <u>\$ 3,845,821</u> )	<u>\$ 2,187,593</u>	( <u>\$ 1,658,228</u> )
Service cost - current period	( 34,362)	-	( 34,362)
Interest gains (expense)	( <u>33,565</u> )	<u>19,776</u>	( <u>13,789</u> )
Remeasurements recognized as profit/loss	( <u>67,927</u> )	<u>19,776</u>	( <u>48,151</u> )
Remuneration of planned assets (except for the amount included in net interests)	-	75,954	75,954
Actuarial loss - demographic change	( 244)	-	( 244)
Actuarial loss - change in financial assumption	( 70,526)	-	( 70,526)
Actuarial gains - experience adjustments	<u>3,107</u>	-	<u>3,107</u>
Recognized under other comprehensive profit/loss	( <u>67,663</u> )	<u>75,954</u>	<u>8,291</u>
Employer appropriation	-	213,445	213,445
Benefits payment	<u>307,056</u>	( <u>296,280</u> )	<u>10,776</u>
December 31, 2019	( <u>\$ 3,674,355</u> )	<u>\$ 2,200,448</u>	( <u>\$ 1,473,867</u> )
January 1, 2020	( <u>\$ 3,674,355</u> )	<u>\$ 2,200,488</u>	( <u>\$ 1,473,867</u> )
Service cost - current period	( 30,744)	-	( 30,744)
Service cost - previous period	( 1,672)	-	( 1,672)
Interest gains (expense)	( <u>22,754</u> )	<u>14,035</u>	( <u>8,719</u> )
Remeasurements recognized as profit/loss	( <u>55,170</u> )	<u>14,035</u>	( <u>41,135</u> )
Remuneration of planned assets (except for the amount included in net interests)	-	76,957	76,957
Actuarial loss - demographic change	( 21)	-	( 21)
Actuarial loss - change in financial assumption	63,814)	-	( 63,814)
Actuarial gains - experience adjustments	<u>6,128</u>	-	<u>6,128</u>
Recognized under other comprehensive profit/loss	( <u>57,707</u> )	<u>76,957</u>	<u>19,250</u>
Employer appropriation	-	185,024	185,024
Benefits payment	<u>372,163</u>	( <u>353,488</u> )	<u>18,675</u>
December 31, 2019	( <u>\$ 3,415,069</u> )	<u>\$ 2,123,016</u>	( <u>\$ 1,292,053</u> )

The Company's pension system from the "Labor Standards Act" is exposed in the following risks:

- 1) Investment risk: MOL utilizes or consigns operation to invest the labor pension fund in targets including but not limited to domestic (overseas) equity security, debt security and bank deposits, only that such allocable assets shall be no less than those calculated with 2-year time deposit interest amid local banks to gain.
- 2) Interest risk: Decline of government bond interest increases latest benefit obligation value, and same does planned assets' return of debt investment; both can write off the effect by its debt partially.
- 3) Salary risk: Current value of defined benefit obligations is calculated from future salary of member participants; therefore, it will increase with their salary.

The Group's current value of defined benefits obligations is actuarial one by Certificate Actuary and material assumption on the measuring day is:

	December 31, 2020	December 31, 2019
Discount rate	0.375% ~ 0.50%	0.625% ~ 0.75%
Expected salary increment rate	2.00% ~ 2.75%	2.00% ~ 2.75%

The amount of defined benefit current obligation value which will increase with potential and reasonable change in material actuarial assumptions where all other assumptions remained the same are:

	December 31, 2020	December 31, 2019
Discount rate		
Increase by 0.25%	(\$ <u>63,814</u> )	(\$ <u>69,540</u> )
Decrease by 0.25%	<u>\$ 65,798</u>	<u>\$ 71,747</u>
Expected salary increment rate		
Increase by 0.25%	\$ <u>63,387</u>	\$ <u>69,285</u>
Decrease by 0.25%	(\$ <u>61,813</u> )	(\$ <u>67,517</u> )

In view of potential interconnection amid actuarial assumptions, single change might not happen; hence, the sensitivity analysis as above may not reflect the actual change.

	December 31, 2020	December 31, 2019
Expected appropriated amount within one year	<u>\$ 190,626</u>	<u>\$ 189,605</u>
Average duration of defined benefits obligations	7 ~ 13 years	7 ~ 13 years

## 25. GOVERNMENT GRANTS

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

As of December 31, 2020, December 31, 2019, and December 31, 2018, the amounts of deferred income (booked under other current liabilities) that had not been amortized were RMB8,363 thousand (NTD\$36,502 thousand), RMB8,893 thousand (NTD\$38,216 thousand) respectively.

- b. Affected by the global pandemic of COVID-19, the Group has applied to the government for subsidies for items such as salary and operating capital. As of December 31, 2020, \$8,367 thousand has been obtained. In addition, in accordance with the policy of the local government in China, ACME (KS) and ACME(GZ) have

gained exemption from the pension, unemployment and work-related injury insurances borne by the company from February to December 2020, as well as preferential electricity fee reduction, exemption, and subsidies due to good pandemic containment.

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

26. EQUITY

	December 31, 2020	December 31, 2019
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	321,798	271,613
Retained earnings	9,497,146	7,756,919
Other equity items	( 240,195)	( 781,058)
Treasury shares	( 475,606)	( 475,606)
Non-controlling interests	<u>27,732,865</u>	<u>20,517,444</u>
	<u>\$ 48,723,643</u>	<u>\$ 39,176,947</u>

a. Share capital

	December 31, 2020	December 31, 2019
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.

b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the shares issued from new capital, mergers and treasury shares) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain

percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only. The capital surplus arising from employee stock option may not be used for any purposes.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit after tax shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 28 (g).

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

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in

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

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

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

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Legal reserve	\$ 129,872	\$ 53,994		
Special reserve	350,533	55,399		
Cash dividends	<u>594,382</u>	<u>356,629</u>	\$ 0.5	\$ 0.3
	<u>\$1,074,787</u>	<u>\$ 466,022</u>		

The appropriations of earnings for 2020 as proposed to discuss in the Company's shareholders' Meeting on March 8, 2021 is as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 233,461	
Special reserve	( 405,932)	
Cash dividends	<u>1,188,763</u>	\$ 1
	<u>\$ 1,016,292</u>	

The appropriation of earnings for 2020 is to be resolved in the General Shareholders' Meeting on June 11, 2021.

d. Other equity items

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

	<u>2020</u>	<u>2019</u>
Balance at January 1	(\$ 602,871)	(\$ 208,307)
Recognized during the period		
Exchange differences on translating foreign operations	24,165	( 493,822)
Related income tax	( 4,929)	99,875
Disposition of subsidiaries' equity	( <u>230</u> )	( <u>617</u> )
Balance at December 31	<u>(\$ 583,855)</u>	<u>(\$ 602,871)</u>

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

	<u>2020</u>	<u>2019</u>
Balance at January 1	(\$ 178,187)	(\$ 85,136)
Recognized during the period		
Unrealized gain		
Equity instruments	444,886	( 61,991)
Related income tax	( 1,117)	290
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals	<u>78,078</u>	( <u>31,350</u> )
Balance at December 31	<u>\$ 343,660</u>	(\$ 178,187)

e. Non-controlling interests

	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 20,517,444	\$ 18,267,556
Adjustment on initial application of IFRS 16	<u>-</u>	( <u>4,490</u> )
Balance at January 1	20,517,444	18,263,066
Cash dividends of subsidiaries' shareholders	( 519,048)	( 705,440)
Share in profit for the period	3,272,859	1,264,037
Other comprehensive income (loss) in the period		
Exchange difference on translating foreign operations	142,313	480,649
Income tax relating to exchange difference on translating foreign operations	( 8,019)	52,790
Unrealized gain (loss) on financial assets at FVTOCI	( 94,467)	( 117,760)

(Continued)

	<u>2020</u>	<u>2019</u>
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	( 2,337)	627
Remeasurements in defined benefits plan	15,846	12,315
Income tax relating to remeasurements in defined benefits plan	( 2,238)	( 1,597)
Adjustments relating to changes accounted for using the equity method	( 28,871)	632
Disposition of subsidiaries' equity	( 85)	( 1,932)
Changes in non-controlling interests	<u>4,439,468</u>	<u>2,233,115</u>
Balance at December 31	<u>\$ 27,732,865</u>	<u>\$ 20,517,444</u>

f. Treasury shares

<u>Purpose of Buy-Back</u>	<u>Number of Shares at January 1 (In Thousands of Shares)</u>	<u>Increase During the Period</u>	<u>Decrease During the Period</u>	<u>Number of Shares at December 31 (In Thousands of Shares)</u>
<u>Year 2020</u>				
Transfer from shares held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>Year 2019</u>				
Transfer from shares held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

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

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousands of Shares)</u>	<u>Carrying Amount (In Thousands of Shares)</u>	<u>Market Price (In Thousands of Shares)</u>
<u>December 31, 2020</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 2,290,638
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>341,484</u>

(Continued)

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount (In Thousands of Shares)	Market Price (In Thousands of Shares)
		<u>\$ 1,459,256</u>	<u>\$ 2,632,122</u>
<u>December 31, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,403,776
TTC	15,110	<u>81,875</u>	<u>209,272</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,613,048</u>

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of December 31, 2020 and December 31, 2019. The carrying amounts of investments accounted for using the equity method and the unrealized gain on financial assets at FVTOCI were \$390,637 thousand, \$55,255 thousand respectively.

## 27. REVENUE

	2020	2019
Product sales revenue		
Plastic materials	\$47,540,059	\$52,990,243
Electronic materials	2,141,880	2,114,637
Others	<u>519,334</u>	<u>551,861</u>
Total	<u>\$50,201,273</u>	<u>\$55,656,741</u>

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

### a. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivables (Note 10)	<u>\$ 7,481,916</u>	<u>\$ 7,045,512</u>	<u>\$ 8,548,733</u>
Contracted liabilities (recognizing other current liabilities)			
Product sales	<u>\$ 212,751</u>	<u>\$ 151,664</u>	<u>\$ 118,400</u>

### b. Refer to Note 41 for revenue breakdown list.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	<u>2020</u>	<u>2019</u>
Owners of the Company	\$ 2,408,256	\$ 1,279,873
Non-controlling interests	<u>3,270,108</u>	<u>1,261,353</u>
	<u>\$ 5,678,364</u>	<u>\$ 2,541,226</u>

Net profit from continuing operations includes the following:

a. Interest income

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 95,574	\$ 123,110
Beneficial securities	5,042	27,697
Financial assets at FVTPL	1,739	850
Others	<u>193</u>	<u>2,049</u>
	<u>\$ 102,548</u>	<u>\$ 153,706</u>

b. Other income

	<u>2020</u>	<u>2019</u>
Dividend income	\$ 186,949	\$ 162,687
Rental income	57,416	55,591
Government grants income (Note 15)	-	155,710
Allowance income	6,021	46,672
Claims income	32,729	34,189
Management service income (Note 35)	36,647	22,606
Commission income	135	2,764
Others	<u>54,770</u>	<u>95,266</u>
	<u>\$ 374,667</u>	<u>\$ 575,485</u>

c. Other gains and losses

	<u>2020</u>	<u>2019</u>
Gain on disposal of property, plant and equipment	\$ 13,217	\$ 46,186
Loss on disposal of property, plant and equipment	( 50,466 )	( 4,805 )
Gain on disposal of investments - Net	349,540	13,456
Net foreign exchange (loss) gain	( 141,222 )	( 159,831 )
Net gain (loss) on financial assets at FVTPL	46,904	236,224
Net (loss) gain on financial liabilities at FVTPL	( 21,247 )	19,397
Claims loss	( 96 )	( 919 )
Impairment losses recognized on non-financial assets	( 3,955 )	( 1,252 )
Depreciation expenses	( 56,101 )	( 56,202 )
Other gains and losses	<u>( 4,232 )</u>	<u>( 55,389 )</u>
	<u>\$ 132,342</u>	<u>( \$ 1,929 )</u>

d. Finance costs

	2020	2019
Interest on bank loans	\$ 136,072	\$ 203,488
Interest on bonds payable	80,898	88,887
Other interest expense	65	1,054
Interest on lease liabilities	7,303	9,140
Less: Capitalized interest (included in construction in progress)	( <u>2,648</u> )	( <u>17,347</u> )
	<u>\$ 221,690</u>	<u>\$ 285,222</u>

Information about capitalized interest is as follows:

	2020	2019
Capitalized interest	\$ 2,648	\$ 17,347
Capitalization rate	0.66%~1.25%	0.66%~1.25%

e. Depreciation and amortization

	2020	2019
Property, plant and equipment	\$ 2,170,135	\$ 2,050,117
Right-of-use assets	66,458	64,549
Investment properties	28,219	26,579
Intangible assets	8,866	22,503
Others	<u>64,938</u>	<u>57,502</u>
	<u>\$ 2,338,616</u>	<u>\$ 2,221,250</u>
Analysis of depreciation by function		
Operating costs	\$ 2,087,923	\$ 1,971,873
Operating expenses	120,788	113,170
Other gains and losses	<u>56,101</u>	<u>56,202</u>
	<u>\$ 2,264,812</u>	<u>\$ 2,141,245</u>
Analysis of amortization by function		
Operating costs	\$ 62,660	\$ 55,682
Selling and marketing expenses	457	9,204
General and administrative expenses	5,074	8,103
Research and development expenses	<u>5,613</u>	<u>7,016</u>
	<u>\$ 73,804</u>	<u>\$ 80,005</u>

f. Employee benefits expense

	2020	2019
Post-employment benefits (Note 24)		
Defined contribution plans	\$ 108,274	\$ 145,458
Defined benefit plans	<u>41,135</u>	<u>48,151</u>
	149,409	193,609
Other employee benefits	<u>4,403,559</u>	<u>4,273,120</u>
Total employee benefits expense	<u>\$ 4,552,968</u>	<u>\$ 4,466,729</u>
Analysis of employee benefits expense by function		
Operating costs	\$ 3,177,791	\$ 3,078,053
Operating expenses	<u>1,375,177</u>	<u>1,388,676</u>
	<u>\$ 4,552,968</u>	<u>\$ 4,466,729</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were resolved by the Company's board of directors on March 8, 2021 and March 9, 2020 respectively as follows:

Accrual rates

	<u>2020</u>	<u>2019</u>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.12%	0.37%

Amount

	<u>2020</u>	<u>2019</u>
Employees' compensation	\$ 25,892	\$ 14,793
Remuneration of directors	3,000	5,500

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

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

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	<u>2020</u>	<u>2019</u>
Foreign exchange gains	\$ 208,064	\$ 260,583
Foreign exchange losses	( 349,286 )	( 420,414 )
Net loss	( \$ 141,222 )	( \$ 159,831 )

## 29. INCOME TAX RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>2020</u>	<u>2019</u>
Current tax		
In respect of the current year	\$ 1,397,023	\$ 641,322
Surtax on undistributed earnings	24,895	33,804
Adjustments for prior years	( <u>48,698</u> )	( <u>298</u> )
Subsidiary earnings repatriation	10,685	-
Change in Tax	114	-
Foreign tax credit	( <u>17,736</u> )	( <u>95</u> )
	<u>1,366,283</u>	<u>675,329</u>
Deferred tax		
In respect of the current year	101,398	141,168
Effect on deferred tax from subsidiary's earning repatriation	( 24,688 )	-
Adjustments for prior years	( <u>139</u> )	<u>1,434</u>
Others	( <u>2,496</u> )	<u>2,213</u>
	<u>74,075</u>	<u>144,815</u>
Income tax expense recognized in profit or loss	<u>\$ 1,440,358</u>	<u>\$ 820,144</u>

Accounting income and income tax expenses are adjusted as follows:

	<u>2020</u>	<u>2019</u>
Net profit before tax of continued operations	\$ 7,118,722	\$ 3,361,370
Income tax expenses from net profit before tax calculated by legal tax rate	\$ 2,636,280	\$ 1,073,124
Gains non-deductible on tax	5,464	5,801
Income with tax exempted	( 1,025,343 )	( 410,853 )
Surtax on undistributed earnings	24,895	33,804
Unrecognized loss deduction and deductible temporary difference	( 104,437 )	92,192
Subsidiary earning repatriation	( 14,003 )	-
Invested company's liquidated loss of capital decrease	( 8,057 )	-
Unrecognized investment deduction	( 5,087 )	-
Change in tax rate	114	-
Adjustments for income tax expense for prior years	( 48,837 )	1,732
Others	( <u>20,631</u> )	<u>24,344</u>
Income tax expense recognized in profit or loss	<u>\$ 1,440,358</u>	<u>\$ 820,144</u>

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

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group has deducted the amount of capital expenditure from the unappropriated earnings that was reinvested.

b. Income tax recognized in other comprehensive income

	<u>2020</u>	<u>2019</u>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	(\$ 12,938)	(\$ 152,665)
Fair value changes of financial assets at FVTOCI	( 3,454)	917
Remeasurements in Defined Benefits Plan	( 2,668)	( 1,136)
Total income tax recognized in other comprehensive income	<u>(\$ 19,060)</u>	<u>\$ 152,446</u>

c. Income tax assets and liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Income tax assets</u>		
In respect of the current year		
Tax refund receivable	<u>\$ 29,231</u>	<u>\$ 11,919</u>
 Income tax liabilities		
Income tax payable	<u>\$ 1,211,350</u>	<u>\$ 517,913</u>

d. Deferred income tax assets and liabilities

2020

	Balance beginning	Recognized in profit/loss	Recognized in comprehensive profit/loss	Translating difference	Balance ended
Deferred income tax assets					
Temporary difference					
Defined benefits pension plan	\$ 267,288	( \$ 30,132)	( \$ 2,668)	\$ -	\$ 234,488
Investment in equity method loss for market price decline and obsolete and slow- moving inventories	73,424	( 3,486)	2,423	-	72,361
Allowance for loss	44,160	( 5,090)	-	3	39,073
Unrealized gains	12,714	( 270)	-	67	12,511
Leave payable	2,896	( 784)	-	-	2,112
Others	25,327	249	-	( 1)	25,575
	<u>190,012</u>	<u>( 5,938)</u>	<u>( 22,203)</u>	<u>( 101)</u>	<u>161,770</u>
	615,821	( 45,451)	( 22,448)	( 32)	547,890
Loss deduction	<u>27,894</u>	<u>( 1,899)</u>	<u>-</u>	<u>( 35)</u>	<u>25,960</u>
	<u>\$ 643,715</u>	<u>( \$ 47,350)</u>	<u>( \$ 22,448)</u>	<u>( \$ 67)</u>	<u>\$ 573,850</u>
Deferred income tax liabilities					
Temporary difference					
Investment in equity method	\$ 556,381	32,891	( \$ 6,842)	\$ -	\$ 582,430
Book-tax differences between new/old recognized years	44,719	( 2,348)	-	( 432)	41,939
Land revaluation	800,993	-	-	-	800,993
Others	9,808	( 3,818)	3,454	-	9,444
	<u>\$ 1,411,901</u>	<u>\$ 26,725</u>	<u>( \$ 3,388)</u>	<u>( \$ 432)</u>	<u>\$ 1,434,806</u>

2019

	Balance beginning	Recognized in profit/loss	Recognized in comprehensive profit/loss	Translating difference	Balance ended
Deferred income tax assets					
Temporary difference					
Defined benefits pension plan	\$ 296,538	( \$ 28,114 )	( \$ 1,136 )	\$ -	\$ 267,288
Investment in equity method	91,430	( 21,640 )	3,634	-	73,424
loss for market price decline and obsolete and slow-moving inventories	67,863	( 23,122 )	-	( 581 )	44,160
Allowance for loss	17,786	( 4,937 )	-	( 135 )	12,714
Unrealized gains	3,602	( 702 )	-	( 4 )	2,896
Leave payable	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>
	518,592	( 87,466 )	119,665	2,030	615,821
Loss deduction	<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>
Deferred income tax liabilities					
Temporary difference					
Investment in equity method	\$ 544,373	39,007	( \$ 27,003 )	\$ 4	\$ 556,381
Foreign operation's translating difference	4,709	-	( 4,709 )	-	-
Book-tax differences between new/old recognized years	51,730	( 6,882 )	-	( 129 )	44,719
Land revaluation	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>

e. Items not recognized as deferred income tax assets

	December 31, 2020	December 31, 2019
<u>Loss deduction</u>	<u>\$ 3,851,844</u>	<u>\$ 4,100,752</u>
Temporary differences deductible		
Foreign investment loss in equity method	\$ 194,414	\$ 733,628
Receivable impairment loss	68,236	-
Defined benefits pension plan	-	13,582
loss for market price decline and obsolete and slow-moving inventories	302,750	3,647
Book-tax differences between new/old recognized years	106,845	76,446
Others	<u>90,088</u>	<u>436,455</u>
	<u>\$ 762,333</u>	<u>\$ 1,263,758</u>

f. Unused loss deduction

As of December 31, 2020, the Group's unused loss deductions, NT\$3,981,691 thousand will due by 2130 one by one.

g. Accreditation of income tax

The income tax return of CHONG LOONG TRADING CO., LTD., INOIMA, Sinter Enterprise Co., LTD. and USI through 2019 has been assessed by the tax authorities. The income tax returns of the Company, UPIIC, TVCM, USIIC, APCI, TUVC, TUVM, INOMA, STC, SPC, CLT, CGTD, CGPC, CGPCPOL and USIO through 2018 have been assessed by the tax authorities. The income tax returns of ACME through 2017 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	<u>2020</u>	<u>2019</u>
Basic earnings per share		
From continuing operations and discontinued operations	\$ 2.25	\$ 1.19
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 2.25</u>	<u>\$ 1.19</u>
Diluted earnings per share		
From continuing operations and	\$ 2.24	\$ 1.19

discontinued operations		
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 2.24</u>	<u>\$ 1.19</u>

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

Profit for the period

	<u>2020</u>	<u>2019</u>
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 2,409,778	\$ 1,281,364
Less: (Loss) Gain for the period from discounted operations used in computation of basic earnings per share from discounted operations	( <u>1,522</u> )	( <u>1,491</u> )
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 2,408,256</u>	<u>\$ 1,279,873</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	<u>2020</u>	<u>2019</u>
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>1,376</u>	<u>1,162</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u><u>1,073,674</u></u>	<u><u>1,073,460</u></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 resolves the number of shares to be distributed to employees at their meeting in the following year.

31. SHARE-BASED PAYMENT ARRANGEMENTS

- a. ACME did not issue employee share options Year 2020 and 2019. Information on employee share options which were issued was as follows:

<u>Employee share options</u>	<u>2019</u>	
	<u>Number of Options</u>	<u>Weighted average Exercise Price (NT\$)</u>
Balance at January 1	563	\$ 8.2
Options exercised	( <u>563</u> )	8.2
Balance at December 30	<u><u>-</u></u>	-

The above-mentioned employee shares options of ACME were fully exercised from January 1 to December 30, 2019. As of the year ended December 31, 2020, ACME did not have any outstanding employee share options.

The employee shares options of ACME were exercised Year 2019, the weighted average share price is NT\$ 14.1.

- b. USIO did not have new employee share option plan Year 2020 and 2019.

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

As of the year ended December 31, 2020 and 2019, information on exercisable employee share options which were issued was as follows:

December 31, 2020		December 31, 2019	
Scope of Exercise Price (NT\$)	Weighted average Time of Contract before Expired(Year)	Scope of Exercise Price (NT\$)	Weighted average Time of Contract before Expired(Year)
\$10.8	1.4	\$10.8	2.4

### 32. CASH FLOW INFORMATION

#### a. Non-cash transactions

Year 2020 and 2019, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

- 1) As of the year ended December 31, 2020 and 2019, the amounts of payables for purchases of equipment were \$104,811 thousand, \$191,407 thousand, respectively.
- 2) As of the year ended December 31, 2020 and 2019, the amounts of payables for dividends declared but not issued were \$71,694 thousand, \$17,771 thousand, respectively.

#### b. Changes in liabilities arising from financing activities

	N o n - c a s h C h a n g e s						December 31, 2020
	January 1, 2020	Cash Flows	New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 4,258,980	(\$ 1,532,710)	\$ -	\$ -	\$ -	\$ -	\$ 2,726,270
Short-term bills payable	1,352,810	( 696,000)	-	-	-	( 106)	656,704
Bonds payable (including current portions)	7,991,283	( 1,000,000)	-	3,019	-	-	6,994,302
Long-term borrowings (including current portions)	9,492,970	( 1,903,200)	-	230	-	-	7,590,000
Guarantee deposits received	27,475	4,133	-	-	-	-	23,342
Lease liabilities (including current portions)	552,778	( 68,659)	3,265	7,303	( 27,480)	( 7,521)	459,686
Other non-current liabilities	41,778	( 778)	-	-	-	-	41,000
	<u>\$23,718,074</u>	<u>(\$ 5,205,480)</u>	<u>\$ 3,265</u>	<u>\$ 10,552</u>	<u>(\$ 27,480)</u>	<u>(\$ 7,627)</u>	<u>\$18,491,304</u>

(Continued)

	<u>N o n - c a s h C h a n g e s</u>						December 31, 2019
	January 1, 2019	Cash Flows	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)	-	( 66,023)	73,631	9,140	946	( 9,140)	552,778
Other non-current liabilities	44,820	( 3,042)	-	-	-	-	41,778
	<u>\$ 23,994,464</u>	<u>\$ 352,150</u>	<u>\$ 73,631</u>	<u>\$ 12,189</u>	<u>\$ 946</u>	<u>(\$ 9,114)</u>	<u>\$ 23,718,074</u>

### 33. CAPITAL MANAGEMENT

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

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

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

### 34. FINANCIAL INSTRUMENTS

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

December 31, 2020

	Carrying Amount	F a i r V a l u e			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	<u>\$ 6,994,302</u>	<u>\$ -</u>	<u>\$ 7,029,198</u>	<u>\$ -</u>	<u>\$ 7,029,198</u>

December 31, 2019

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

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

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

1) Fair value hierarchy

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 5,328	\$ -	\$ 5,328
Domestic listed shares and over-the-counter shares	506,763	-	-	506,763
Mutual funds	4,765,536	-	-	4,765,536
Beneficiary certificates	233,670	-	-	233,670
Foreign listed shares	386	-	-	386
	<u>\$ 5,506,355</u>	<u>\$ 5,328</u>	<u>\$ -</u>	<u>\$ 5,511,683</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVIOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,694,805	\$ -	\$ -	\$ 1,694,805

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic emerging market shares	-	-	9,626	9,626
Domestic unlisted shares	-	-	720,833	720,833
Foreign listed shares and over-the-counter shares	30,566	-	-	30,566
Foreign unlisted shares	-	-	102,826	102,826
	<u>\$ 1,725,371</u>	<u>\$ -</u>	<u>\$ 833,285</u>	<u>\$ 2,558,656</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 20,724</u>	<u>\$ -</u>	<u>\$ 20,724</u>

### December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 14,066	\$ -	\$ 14,066
Domestic listed shares and over-the-counter shares	364,057	-	-	364,057
Mutual funds	4,907,560	-	-	4,907,560
Beneficiary certificates	1,071,797	-	-	1,071,797
Foreign listed shares	545	-	-	545
	<u>\$ 6,343,959</u>	<u>\$ 14,066</u>	<u>\$ -</u>	<u>\$ 6,358,025</u>
<u>Financial assets at FVTOCI</u>				
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>
<u>Financial liabilities at FVIPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ 4,136</u>

There were no transfers between Levels 1 and 2 Year 2020 and 2019.

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

	<u>2020</u>	<u>2019</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 748,451	\$ 845,179
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	183,812	( 44,305)
Disposition	( 15,576)	-
Return of capital	( 83,402)	( 52,423)
Balance at December 31	<u>\$ 833,285</u>	<u>\$ 748,451</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 resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair

values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value will decrease/increase by \$83,329 thousand and \$74,845 thousand, respectively, Year 2020 and 2019.

c. Categories of financial instruments

	December 31, 2020	December 31, 2019
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 5,511,683	\$ 6,358,025
Financial assets measured at amortized cost		
Cash and cash equivalents	9,637,007	7,927,403
Pledged time and demand deposits	739,278	659,923
Investment products	-	158,148
Notes receivable	671,576	634,435
Accounts receivable	6,810,340	6,411,077
Other receivables (including related parties)	293,459	277,131
Refundable deposits	166,993	181,829
Financial assets at FVTOCI – equity instrument investments	2,558,656	2,371,513
<u>Financial liabilities</u>		
Financial liabilities at FVTPL – Held for trading		
	20,724	4,136
Financial liabilities measured at amortized cost		
Short-term borrowings	2,726,270	4,258,980
Short-term bills payable	656,704	1,352,810

(Continued)

	December 31, 2020	December 31, 2019
Notes payable and accounts payable	3,406,837	2,757,368
Other payables (not including salaries payable or taxes payable)	1,036,004	1,127,872
Current portion of long-term borrowings	1,999,233	1,443,156
Bonds payable	4,995,069	6,991,327
Long-term borrowings	7,590,000	9,049,770
Guarantee deposits received	23,342	27,475

d. Financial Risk Management Objectives and Policies

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

1) Market risk

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

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

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 39 and the derivatives exposing the Group to foreign currency risk at the end of the reporting period are set out in Note 7.

#### Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar denominated items). When the Group's functional currency relative to the USD appreciates/depreciates by 3%, the Group's profit before tax Year 2020 will decrease/increase by \$141,054 thousand; the profit before tax Year 2019 will decrease/increase by \$133,615 thousand.

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

#### b) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management monitors the

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

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

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
Financial assets	\$ 6,090,090	\$ 5,253,127
Financial liabilities	12,084,042	15,821,920
Cash flow interest rate risk		
Financial assets	4,057,411	3,441,301
Financial liabilities	6,342,920	7,826,901

#### Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit before tax Year 2020 and 2019 would have decreased/increased by \$11,428 thousand and \$21,928 thousand, respectively.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities listed domestically and overseas and beneficiary certificates. The Group manages this exposure by maintaining a

portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

#### Sensitivity analysis

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

If equity prices fluctuates by 5%, the pre-tax profit Year 2020 and 2019 would have increased/decreased by \$37,041 thousand and \$71,820 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income Year 2020 and 2019 would have increased/decreased by \$127,933 thousand and \$118,576 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### 2) Credit risk

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

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

The Group adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure

and the credit ratings of its counterparties are continuously monitored.

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

3) Liquidity risk

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

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 dates on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities, including the cash flows of interests and principals.

December 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities				
		\$ 5,623,370	\$ -	\$ -
Lease liabilities	0.83-9.25	978,464	248,922	316,663
Floating interest				
rate liabilities				
	0.52-2.89	1,352,920	4,990,000	-
Fixed interest				
rate liabilities				
	0.35-1.90	<u>4,030,350</u>	<u>7,600,000</u>	<u>-</u>
		<u>\$11,085,104</u>	<u>\$12,838,922</u>	<u>\$ 316,663</u>

Additional information about the maturity analysis  
for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease						
liabilities	<u>\$ 78,464</u>	<u>\$ 248,922</u>	<u>\$ 92,146</u>	<u>\$ 51,759</u>	<u>\$ 52,399</u>	<u>\$ 120,359</u>

December 31, 2019

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities				
		\$ 4,695,394	\$ -	\$ -
Lease liabilities	0.83-9.25	76,667	279,108	357,828
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>\$ 357,828</u>

Additional information about the maturity analysis  
for lease liabilities:

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

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, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 914,593	\$ 1,328,558	\$ 109,690
Outflows	( 920,172)	( 1,345,476)	( 111,875)
	<u>\$ 5,579</u>	<u>(\$ 16,918)</u>	<u>(\$ 2,185)</u>

December 31, 2019

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

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of December 31, 2020, December

31, 2019 and December 31, 2019, the unused amounts of bank loan facilities were as follows:

	December 31, 2020	December 31, 2019
Bank loan facilities		
Amount unused	<u>\$ 34,248,864</u>	<u>\$ 23,210,225</u>

35. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties' names and relationships

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

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

<u>Related Party Category/Name</u>	<u>2020</u>	<u>2019</u>
Other related party		
USI Education Foundation	<u>\$ 8,250</u>	<u>\$ 8,500</u>

c. Management services income (classified as other income)

<u>Related Party Category/Name</u>	<u>2020</u>	<u>2019</u>
Joint venture	<u>\$ 36,647</u>	<u>\$ 22,606</u>

d. Other Receivables

	December 31, 2020	December 31, 2019
<u>Related Party Category/Name</u>		
Joint venture	<u>\$ 19,369</u>	<u>\$ 16,494</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:

	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 62,051	\$ 58,563
Post-employment benefits	<u>324</u>	<u>324</u>
	<u>\$ 62,375</u>	<u>\$ 58,887</u>

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

### 36. ASSETS PLEDGED AS COLLATERAL

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

	<u>December 30, 2020</u>	<u>December 31, 2019</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 678,314	\$ 659,923
Property, plant and equipment	927,196	3,802,055
Investment properties, net	108,178	108,178
Land use rights (classified as right-of-use assets)	21,482	31,666
Refundable deposits (classified as other non-current assets)	<u>62,633</u>	<u>93,105</u>
	<u>\$ 1,797,803</u>	<u>\$ 4,694,927</u>

### 37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of December 31, 2020 and 2019, the Company's unused letter of credit amounted to \$2,236,491 thousand and \$2,715,961 thousand, respectively.
- b. The following is regarding the subsidiary, CGTD, who was commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014. The second instance judgment of criminal procedures was reached on April 24, 2020,

whereby three employees of CGTD were all acquitted of the charges.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,458 thousand (including interest) to Kaohsiung City Government as collateral for the losses caused by the gas explosion. Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD has deposited \$99,207 thousand in cash to the court, exempted from the provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 26, 2021, the provisionally attached properties were worth \$9,581 thousand.

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

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

families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 26, 2021, 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 \$46,677 thousand and settled for a compensation amount of \$4,519 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 \$3,856,447 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,341,128 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately \$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. CGTD had signed a settlement agreement with insurance companies, where based on CGTD's proportion of fault-based liabilities in the first-instance judgment, an amount of \$136,375 thousand, which is the amount of settlement and civil-case compensation for the victims and the seriously injured (including settled cases) after deducting the maximum insurance claims, was estimated and recognized as liability. However, the actual amount of the

aforementioned settlement and compensation still depends on the future judgments of the remaining civil cases.

38. SIGNIFICANT CONTRACTS

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

Dynamic Ever Investments Limited and Fujian Refining and Chemical Co. signed "Fujian Gulei Petrochemical Corporation

Limited Joint Venture Contract” which stipulated an increase in the investment amount, and this contract led to part of the original related contract entities being unable to keep their respective investment ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In order to meet the business requirement of the original contract, the Company and APC resigned the joint venture contract on December 31, 2016 and added a new contractually promised related entity, CTCI Corp. On December 18, 2019, the Company and APC again resigned the joint venture contract and added new contractually promised related entities, Fubon Financial Holding Venture Capital Corporation and Hongfu Investment Co., Ltd.

In order to increase Gulei Company’s operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited (“DOR PO”) signed a joint venture contract for an investment in Dynamic Ever Investment Limited on June 5, 2019. According to the contract, DOR PO would invest US\$109,215 thousand in Dynamic Ever Investment Limited. As of December 31, 2020, DOR PO had invested US\$103,915 thousand and held 15% ownership interest in Dynamic Ever Investment Limited.

As of December 31, 2018, the Company and APC had invested US\$176,268 thousand (approximately \$5,442,336 thousand) and US\$103,240 thousand (approximately \$3,190,905 thousand), respectively, in Ever Conquest Global Limited. Through Ever Conquest Global Limited, the Company and APC increased the capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio of the joint venture was 77.5%. Dynamic Ever

Investments Limited had invested RMB2,304,800 thousand in Gulei.

The Company and APC increased the investment in Ever Conquest Global Limited by US\$70,402 thousand (approximately \$2,203,645 thousand) and US\$40,920 thousand (approximately \$1,280,718 thousand), respectively, in 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 RMB1,152,400 thousand in Gulei Company Year 2019.

APC increased its investment in Ever Conquest Global Limited by US\$26,315 thousand (approximately \$783,964 thousand) in the year ended December, 2020. Through Ever Conquest Global Limited, 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 67.4% after the capital increase. Dynamic Ever Investments Limited invested RMB 1,200,000 thousand in Gulei's share in the year ended December 31, 2020.

c. Significant operating contracts

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

<u>Commissioning Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2020.01.01-2021.12.31
Taiwan VCM Corporation	2020.01.01-2021.12.31
USI Corporation	2020.01.01-2020.12.31
Asia Polymer Corporation	2020.01.01-2020.12.31
LCY Chemical Corporation	2020.01.01-2021.12.31
Taiwan Synthetic Rubber Corp.	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
Oriental Union Chemical Corporation	2020.01.01-2020.12.31
Formosa Plastic Corporation	2020.01.01-2021.12.31
Chi-Hsen Transportation Company	2020.01.01-2021.12.31
LCY Chemical Corporation	2020.01.01-2021.12.31
Shin Foong Specialty and Applied Materials Co	2020.06.01-2020.12.31

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

### 39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign and Functional Currencies in Thousands

Foreign currency a s s e t s	December 31, 2020		Functional Currency	N T D
	Foreign Currency	Exchange Rate (In Single Dollars)		
<u>Monetary items</u>				
USD	\$ 178,315	28.48 (USD : NTD)	\$ 5,078,378	\$ 5,078,378
USD	3,556	6.52 (USD : RMB)	23,202	101,272
USD	3,879	4.19 (USD : MYR)	16,271	110,474
RMB	327,585	4.36 (RMB : NTD)	1,429,840	1,429,840
RMB	2,379	0.15 (RMB : USD)	365	10,394
AUD	853	21.95 (AUD : NTD)	18,716	18,716
EUR	392	35.02 (EUR : NTD)	13,744	13,744

(Continued)

December 31, 2020

	F o r e i g n E x c h a n g e	R a t e	F u n c t i o n a l	N	T	D
	C u r r e n c y ( I n S i n g l e D o l l a r s )			C u r r e n c y		
<u>Non-monetary items</u>						
Joint ventures accounted for using the equity method						
RMB	\$ 4,621,047	0.15	( R M B : U S D )	\$ 708,217	\$20,170,030	
Derivatives						
USD sell	19,210	28.48	( U S D : N T D )	4,313	4,313	
USD sell	550	4.19	( U S D : M Y R )	132	896	
RMB sell	5,400	4.36	( R M B : N T D )	22	22	
EUR sell	284	5.16	( E U R : M Y R )	14	97	
Foreign currency liabilities						
<u>Monetary items</u>						
USD	51,553	28.48	( U S D : N T D )	1,468,237	1,468,237	
USD	14,342	6.52	( U S D : R M B )	93,578	408,450	
USD	686	4.19	( U S D : M Y R )	2,879	19,545	
RMB	30,318	4.36	( R M B : N T D )	132,331	132,331	
<u>Non-monetary items</u>						
Derivatives						
USD sell	7,471	28.48	( U S D : N T D )	830	830	
USD buy	16,580	28.48	( U S D : N T D )	4,309	4,309	
RMB sell	248,860	4.36	( R M B : N T D )	15,456	15,456	
JPY buy	40,000	0.01	( J P Y : U S D )	5	129	

December 31, 2019

	F o r e i g n E x c h a n g e	R a t e	F u n c t i o n a l	N	T	D
	C u r r e n c y ( I n S i n g l e D o l l a r s )			C u r r e n c y		
Foreign currency assets						
<u>Monetary items</u>						
USD	\$ 148,885	29.98	( U S D : N T D )	\$ 4,463,547	\$ 4,463,547	
USD	3,775	6.98	( U S D : R M B )	26,338	113,188	
USD	3,072	4.26	( U S D : M Y R )	13,095	92,609	
RMB	310,792	4.30	( R M B : N T D )	1,335,629	1,335,629	
RMB	3,227	0.14	( R M B : U S D )	463	13,882	
AUD	611	21.01	( A U D : N T D )	12,835	12,835	
EUR	343	33.59	( E U R : N T D )	11,518	11,518	
<u>Non-monetary items</u>						
Joint ventures accounted for using the equity method						
RMB	3,459,518	0.14	( R M B : U S D )	495,903	14,867,168	

(Continued)

December 31, 2019

	F o r e i g n E x c h a n g e	R a t e	F u n c t i o n a l	N	T	D	
	C u r r e n c y	( I n	S i n g l e	D o l l a r s )	C u r r e n c y		
Derivatives							
USD buy	720	29.98		( USD : NTD )	23		23
USD sell	41,000	29.98		( USD : NTD )	11,784		11,784
USD sell	865	4.26		( USD : MYR )	136		960
RMB sell	81,800	4.30		( RMB : NTD )	1,083		1,083
EUR sell	224	4.78		( EUR : MYR )	28		198
JPY buy	40,000	0.01		( JPY : USD )	1		18
Foreign currency liabilities							
<u>Monetary items</u>							
USD	\$ 34,005	29.98		( USD : NTD )	\$ 1,019,462		\$ 1,019,462
USD	13,611	6.98		( USD : RMB )	94,955		408,069
USD	737	4.26		( USD : MYR )	3,142		22,218
RMB	26,824	4.30		( RMB : NTD )	115,276		115,276
<u>Non-monetary items</u>							
Derivatives							
USD buy	8,760	29.98		( USD : NTD )	1,395		1,395
RMB sell	155,900	4.30		( RMB : NTD )	2,741		2,741

Year 2020 and 2019, realized and unrealized net foreign exchange losses were \$141,222 thousand and \$159,831 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

#### 40. SEPARATELY DISCLOSED ITEMS

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

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

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

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 5)
- c) The amount of property transactions and the amount of the resultant gains or losses. (None)
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 2)
- e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)
- d. Information on main shareholders: Names of shareholders with a shareholding ratio of more than 5%, and numbers and ratios of shares held. (Table 11)

#### 41. SEGMENT INFORMATION

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

##### a. Reportable segment income information

	Year 2020						Total
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	
Segment income	\$ 10,172,220	\$ 13,733,148	\$ 15,498,381	\$ 2,169,471	\$ 5,703,546	\$ 4,384,766	\$ 51,661,532
Interest income	6,604	3,621	33,052	12,084	7,682	39,505	102,548
Finance costs	( 107,540 )	( 7,387 )	( 21,003 )	( 17,379 )	( 42,537 )	( 31,738 )	( 227,584 )
Depreciation and amortization	( 617,374 )	( 649,622 )	( 205,799 )	( 193,841 )	( 314,636 )	( 385,222 )	( 2,411,494 )
Impairment loss	-	-	( 22,078 )	( 5,823 )	( 3,955 )	-	( 31,856 )
Reportable segment profit before tax	2,560,322	2,161,065	2,481,989	74,817	1,285,411	1,773,662	10,337,266
Reportable segment tax expense	( 150,544 )	( 373,628 )	( 562,171 )	( 37,443 )	( 181,824 )	( 134,748 )	( 1,440,358 )
Reportable segment net profit	2,409,778	1,787,437	1,919,818	37,374	1,103,587	1,638,914	8,896,908

	Year 2019						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
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 )	( 15,163 )	( 44,151 )	( 306,273 )
Depreciation and amortization	( 517,699 )	( 638,066 )	( 209,997 )	( 212,322 )	( 304,135 )	( 410,217 )	( 2,292,436 )
Impairment loss	-	-	( 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

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

### 1) Segment income and operating results

	2020	2019
Reportable segment net profit before tax	\$ 8,563,604	\$ 3,745,216
Reportable segment tax expense	( 1,305,610 )	( 679,504 )
Reportable segment profit after tax	7,257,994	3,065,712
Other non-reportable segment profit	1,638,914	628,988
Less: Profit between segments	( 3,218,544 )	( 1,153,474 )
Profit from continuing operations	5,678,364	2,541,226
Profit from discontinued operations	4,273	4,175
Net profit after tax	<u>\$ 5,682,637</u>	<u>\$ 2,545,401</u>

### 2) Other significant items reconciliation

	Year 2020							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 6,604	\$ 3,621	\$ 33,052	\$ 12,084	\$ 7,682	\$ 39,505	\$ -	\$ 102,548
Finance costs	( 107,540 )	( 7,387 )	( 21,003 )	( 17,379 )	( 42,537 )	( 31,738 )	3,246	( 224,338 )
Depreciation and amortization	( 617,374 )	( 694,622 )	( 205,799 )	( 193,841 )	( 314,636 )	( 385,222 )	58,293	( 2,353,201 )
Impairment loss	-	-	( 22,078 )	( 5,823 )	( 3,955 )	-	-	( 31,856 )

  

	Year 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 loss	-	-	( 60,265 )	( 37,939 )	( 1,252 )	( 14,131 )	-	( 113,587 )

Since the Group had not offered information about assets of individual operating segments to the operational

decision maker, no such information from the individual operating segments is included in the segment information.

### 3) Main Product Revenue

Product	2020	2019
Plastic materials	\$ 47,540,059	\$52,990,243
Electronic Materials	2,141,880	2,114,637
Other	519,334	551,861
	<u>\$50,201,273</u>	<u>\$55,656,741</u>

### 4) Geographical information

The main operating region of the Group is Asia, therefore the location of non-current assets were not revealed.

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

	2020	2019
Asia	\$45,053,620	\$50,203,661
America	3,416,168	3,217,101
Europe	262,617	560,702
Africa	469,039	611,835
Oceania	187,141	337,114
Other	812,688	726,328
	<u>\$50,201,273</u>	<u>\$55,656,741</u>

### 5) Main Customer Information

No revenue of any single customer has reached/ over 10 % of the total saleing revenue of the Group Year 2019 and 2020.

USI CORPORATION AND SUBSIDIARIES  
(Acme Electronics Corporation (ACME))  
FINANCING PROVIDED TO OTHERS  
YEAR 2020

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	\$ 265,410 ( USD9,000 thousand)	\$ 256,320 ( USD9,000 thousand)	\$ 199,360 ( USD7,000 thousand)	1.22038%~ 3.68375%	2	\$ -	Business turnover	\$ -	-	-	\$ 518,946	\$ 518,946	

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, 2020.

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

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

Note 3: The amount was calculated using the spot exchange rate as of December 31, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation (SPC))  
FINANCING PROVIDED TO OTHERS  
YEAR 2020

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 93,926	\$ 88,430	\$ 88,430	-	2	\$ -	Business turnover	\$ -	-	-	\$ 150,885	\$ 226,327	
1	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	192,702	183,322	183,322	3.85	2	-	Business turnover	-	-	-	555,645	555,645	
2	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables - related parties	Yes	30,020	28,480	28,480	2.5	2	-	Business turnover	-	-	-	365,574	365,574	

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

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

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

Note 3: The amount was calculated using the spot exchange rate as of December 31, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Taita Chemical Company, Limited (TTC))  
FINANCING PROVIDED TO OTHERS  
YEAR 2020

TABLE 1-3

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount (Notes 4 and 5)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)	Remark
													Item	Value			
1	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 240,064 ( RMB 55,000 thousand )	\$ - ( RMB - thousand )	\$ - ( RMB - thousand )	-	2	\$ -	Business turnover	\$ -	-	-	\$ 2,947,550	\$ 2,947,550	

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, 2020, TTC did not loan funds to anyone.

Note 2: The total amount of lending to a company for funding of short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As of December 31, 2020, the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. was RMB 675,297 thousand. Taita Chemical (Zhongshan) Co., Ltd. agreed to exempt of loaning RMB 15,000 thousand to Taita Chemical (Tianjin) Co., Ltd.

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

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

Note 4: The amount was calculated using the spot exchange rate as of December 31, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
 ENDORSEMENTS/GUARANTEES PROVIDED  
 YEAR 2020

TABLE 2

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 10,495,389	\$ 3,900,000	\$ 3,900,000	\$ 1,427,000	\$ -	18.58	\$ 12,594,467	Yes	No	No	
0	USI Corporation	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	10,495,389	304,800 ( USD10,000 thousand ) ( NTD20,000 thousand )	304,800 ( USD10,000 thousand ) ( NTD20,000 thousand )	35,909	-	1.45	12,594,467	Yes	No	No	

Note 1: The total endorsements/guarantees provided amounts shall not exceed 60% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 50% of the Company's net value. The maximum amount of endorsement/guarantees was calculated based on net value as of December 31, 2020.

Note 2: The amount was calculated using the spot exchange rate as of December 31, 2020

USI CORPORATION AND SUBSIDIARIES  
(Acme Electronics Corporation)  
ENDORSEMENTS/GUARANTEES PROVIDED  
YEAR 2020

TABLE 2-1

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 1,946,046	\$ 363,000 (USD 12,000 thousand)	\$ 142,400 (USD 5,000 thousand)	\$ 113,920 (USD 4,000 thousand)	-	10.98	\$ 2,594,728	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	1,946,046	151,250 (USD 5,000 thousand)	-	-	-	-	2,594,728	No	No	Yes	

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of December 31, 2020.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2020.

Note 3: The foreign currency amount was calculated based on the spot exchange rate as of December 31, 2020.

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation (SPC))  
ENDORSEMENTS/GUARANTEES PROVIDED  
YEAR 2020

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	\$ 5,204,386	\$ 54,078	\$ 50,979	\$ 369	\$ -	1.96	\$ 6,505,483	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsubsidiary	5,204,386	36,300	34,176	-	-	1.31	6,505,483	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsubsidiary	5,204,386	121,000	85,440	-	-	3.28	6,505,483	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,204,386	219,488	219,488	119,850	-	8.43	6,505,483	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsubsidiary	5,204,386	60,500	28,480	-	-	1.09	6,505,483	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,204,386	60,500	56,960	-	-	2.19	6,505,483	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,204,386	1,875,850	1,436,032	-	-	55.19	6,505,483	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (India) Private Limited	Sub-subsubsidiary	5,204,386	90,750	-	-	-	-	6,505,483	No	No	No	

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

Note 2: The foreign currency amount was calculated based on the spot exchange rate as of December 31, 2020.

USI CORPORATION AND SUBSIDIARIES  
 (China General Plastics Corporation (CGPC))  
 ENDORSEMENTS/GUARANTEES PROVIDED  
 YEAR 2020

TABLE 2-3

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

No.	Endorser/ Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,822,109	\$ 2,245,000	\$ 2,45,000	\$ 14,240	\$ -	25.25	\$ 9,703,515	No	No	No	

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of December 31, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Taita Chemical Company, Ltd. (TTC))  
ENDORSEMENTS/GUARANTEES PROVIDED  
YEAR 2020

TABLE 2-4

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiary with 100% held ordinary shares	\$ 6,355,806	\$ 1,625,280 (USD 26,000 thousand) (NTD 600,000 thousand)	\$ 1,340,480 (USD 36,000 thousand) (NTD 600,000 thousand)	\$ -	\$ -	21.09	\$ 9,533,709	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	Subsidiary whose ordinary shares were 100% held by TTC's subsidiaries	6,355,806	436,480 (RMB100,000 thousand)	436,480 (RMB100,000 thousand)	-	-	6.87	9,533,709	No	No	Yes	

Note 1: The amount was calculated at the spot exchange rate as of December 31, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
DECEMBER 30, 2020

TABLE 3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	8,514,006	\$ 119,196	0.09	\$ 119,496	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	15,130,656	577,991	1.98	577,991	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,044,707	275,452	11.20	275,452	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	450,000	21,217	-	21,217	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,693,251	68,915	-	68,915	
	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss - current	500,000	21,600	-	21,600	
	Quanta Computer Inc.	—	Financial assets at fair value through profit or loss - current	200,000	16,180	-	16,180	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	26,220	-	26,220	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,515,800	21,752	-	21,752	
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2
	Beneficiary certificates							
	Shin Kong Chi-Shin Money-market Fund	—	Financial assets at fair value through profit or loss - current	12,815,912	200,015	-	200,015	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,969,627	61,265	-	61,265	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,884,596	71,000	-	71,000	
	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,003,412	100,005	-	100,005	
	Franklin Templeton Sinoam Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,589,291	100,001	-	100,001	
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,662,140	273,023	-	273,023	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	20,116,313	288,074	-	288,074	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Polymer Int'l Investment Corp.	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,379,140	\$ 120,025	-	\$ 120,025	
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,933,652	252,159	-	252,159	
	FSITC Money Market	—	Financial assets at fair value through profit or loss - current	372,668	67,024	-	67,024	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,497,139	75,013	-	75,013	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,833,145	251,656	-	251,656	
	Beneficiary certificates							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,290,000	61,556	-	61,556	
	Shares							
	Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	21,747,535	467,572	3.74	467,572	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,256,482	108,328	0.77	108,328	
Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	395,025	15,386	0.12	15,386		
Swanlake Traders Ltd.	Shares							
	SOHOWare Inc.	—	Financial assets at fair value through other comprehensive income - non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2
Neurosky Inc. Preferred D	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2	
USIFE Investment Co., Ltd.	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	17,725	0.01	17,725	
AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	17,725	0.01	17,725		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	3,001,655	\$ 128,471	0.59	\$ 128,471	
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	13,086	0.37	13,086	
	Dah Chung Bills Finance Corporation	—	Financial assets at fair value through other comprehensive income - non-current	470,914	6,880	0.10	6,880	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	7,605,894	108,992	4.93	108,992	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	296	0.25	296	
	Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-	
	Silicon Technology Investment (Cayman) Corp.	—	Financial assets at fair value through other comprehensive income - non-current	911,849	45,693	1.77	45,693	
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	510,487	12,992	0.09	12,992	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,668,758	35,878	0.29	35,878	
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,209,113	47,095	0.35	47,095	
	Quanta Computer Inc.	—	Financial assets at fair value through profit or loss - current	100,000	8,090	-	8,090	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	564,416	22,972	0.01	22,972	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	498,200	7,149	0.40	7,149	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	9,450	0.27	9,450	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	386	-	386	
	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss - current	300,000	12,960	0.01	12,960	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	United Microelectronics Corporation		Financial assets at fair value through profit or loss - current	150,000	\$ 7,073	-	\$ 7,073	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	13,110	0.01	13,110	
	Beneficiary certificates							
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,870,081	30,742	-	30,742	
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,440,659	50,041	-	50,041	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,451,207	43,258	-	43,258	
	Beneficiary certificates							
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,399,556	49,443	-	49,443	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,391,849	55,048	-	55,048	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	
	MiTAC Holdings Corp.	—	Financial assets at fair value through other comprehensive income - current	2,062,000	60,829	0.17	60,829	
	Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	399,091	9,626	1.37	9,626	
Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	15,145	0.68	15,145		
Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	518,898	-	1.18	-		
Orgchem Technologies, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	594,594	8,610	1.09	8,610		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Hexawave, Inc.	—	Financial assets at fair value through other comprehensive income – non-current	109,109	\$ 939	0.27	\$ 939	
	Uranus Chemicals Co., Ltd.	—	Financial assets at fair value through other comprehensive income – non-current	13,114	271	0.03	271	
	Neuro Sky, Inc. Preferred A	—	Financial assets at fair value through other comprehensive income – non-current	10,000,000	-	1.42	-	
	Neuro Sky, Inc. Preferred B	—	Financial assets at fair value through other comprehensive income – non-current	12,595,523	-	1.78	-	
	Neuro Sky, Inc. Preferred C	—	Financial assets at fair value through other comprehensive income – non-current	4,532,823	-	0.64	-	
Taiwan United Venture Management Corp.	Beneficiary certificates Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss – current	91,730	1,334	-	1,334	
Inoma Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss – current	595,654	8,128	-	8,128	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,016,620	15,198	-	15,198	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,257,350	17,158	-	17,158	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,412,688	17,107	-	17,107	
USI Management Consulting Corporation	Beneficiary certificates Eastspring Investments Well Pool Money Market Fund	—	Financial assets at fair value through profit or loss – current	511,561	7,015	-	7,015	
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,789,315	26,024	-	26,024	
	Fuh Hwa You Li Money Market Fund	—	Financial assets at fair value through profit or loss – current	2,799,305	38,008	-	38,008	

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

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

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

USI CORPORATION AND SUBSIDIARIES  
(China General Plastics Corporation (CGPC))  
MARKETABLE SECURITIES HELD  
DECEMBER 31, 2020

TABLE 3-1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Closed-end fund beneficiary certificates Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	2,668,000	\$ 49,918	-	\$ 49,918	Note 1
	Open-end fund beneficiary certificates Shin Kong Chi-Shin Money-market Fund	—	Financial assets at fair value through profit or loss - current	6,407,463	100,000	-	100,000	Note 1
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,255,248	99,005	-	99,005	Note 1
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,190,295	60,007	-	60,007	Note 1
	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,501,666	50,002	-	50,002	Note 1
	Shares KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	6,022,353	137,731	5.95	137,731	Note 1
	Taiwan VCM Corporation	Open-end fund beneficiary certificates Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,983,874	100,012	-	100,012
Capital Money Market Fund		—	Financial assets at fair value through profit or loss - current	4,611,100	75,001	-	75,001	Note 1
Taishin 1699 Money Market Fund		—	Financial assets at fair value through profit or loss - current	3,664,588	50,006	-	50,006	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC Polymer Corporation	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,240,147	\$ 50,007	-	\$ 50,007	Note 1
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	278,042	50,006	-	50,006	Note 1
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	669,954	10,016	-	10,016	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	610,344	10,001	-	10,001	Note 1
	Shares Asia Polymer Corporation	The major shareholders are the same as the those of CGPC	Financial assets at fair value through other comprehensive income - non-current	127,691	2,746	0.02	2,746	Note 1
	Open-end fund beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	15,393,455	210,058	-	210,058	Note 1
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	11,991,480	195,041	-	195,041	Note 1
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,941,582	128,047	-	128,047	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,629,121	125,009	-	125,009	Note 1
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,178,916	49,062	-	49,062	Note 1
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	250,312	45,018	-	45,018	Note 1
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,315,451	40,002	-	40,002	Note 1
	Shin Kong Chi-Shin Money-market Fund	—	Financial assets at fair value through profit or loss - current	1,601,866	25,000	-	25,000	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC (BVI) Holding Co., Ltd.	Shares Teratech Corporation	—	Financial assets at fair value through profit or loss - non-current	112,000	\$ -	0.67	\$ -	Notes 1 and 3
	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, 2020, CGPC evaluated the fair value of equity impairments as \$0.

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

USI CORPORATION AND SUBSIDIARIES  
(Taita Chemical Company, Ltd. (TTC))  
MARKETABLE SECURITIES HELD  
DECEMBER 31, 2020

TABLE 3-2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	<u>Shares</u>							
	USI Corporation—ordinary shares	Parent Company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 341,484	1.27	\$ 341,484	Note 1
	Harbinger Venture Capital—ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	990	7	0.50	7	Note 3
	<u>Closed-end fund beneficiary certificates</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,250,000	60,808	-	60,808	Note 1
	<u>Open-end fund beneficiary certificates</u>							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,248,671	86,004	-	86,004	Note 2
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,962,057	84,000	-	84,000	Note 2
Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,225,881	85,001	-	85,001	Note 2	
Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,022,043	45,180	-	45,180	Note 2	
TAITA (BVI) Holding Co., Ltd.	<u>Shares</u>							
	Budworth Investment Ltd.—ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (USD - thousand)	2.22	6 (USD - thousand)	Note 3
	Teratech Corporation—ordinary shares	—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73	-	Note 4
Sohoware Inc.—preference shares	—	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Note 4	

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

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

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

Note 4: As of December 31, 2020, TTC evaluated the fair value of equity instruments as \$0.

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

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

TABLE 3-3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				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	\$ 18	1.20	\$ 18	
	Risalink Venture Capital	—	Financial assets at fair value through other comprehensive income - non-current	2,632	318	1.67	318	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,044,707	275,462	11.90	275,462	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	2,290,638	8.53	2,290,638	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	551,842	1.89	551,842	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	134,659	0.10	134,659	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	2,017,946	86,368	0.39	86,368	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	26,220	0.02	26,220	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,693,251	68,915	0.04	68,915	
	Quanta Computer Inc.	—	Financial assets at fair value through profit or loss - current	200,000	16,180	0.01	16,180	
United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	450,000	21,218	0.00	21,218		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
APC (BVI) Holding Co., Ltd.	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,515,800	\$ 21,752	1.21	\$ 21,752	
	Taiwan Cement Corporation		Financial assets at fair value through profit or loss - current	500,000	21,600	0.01	21,600	
	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,281,000	61,388	-	61,388	
	<u>Beneficiary certificates</u>							
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,887,835	74,481	-	74,481	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,152,072	35,004	-	35,004	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,818,904	251,443	-	251,443	
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,137,157	50,053	-	50,053	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	12,021,036	164,038	-	164,038	
	CTBC Hwa Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,672,048	63,002	-	63,002	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,564,088	55,006	-	55,006	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,381,916	77,000	-	77,000	
	<u>Shares</u>							
	Budworth Investment Ltd. - ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	40,467	10	4.45	10	
Silicon Technology Investment (Cayman) Corp. - preference shares	—	Financial assets at fair value through other comprehensive income - non-current	1,139,776	57,117	2.19	57,117		
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	17,480	0.49	17,480	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
APC Investment Corporation	Teratech Corp. - ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	112,000	\$ -	0.67	\$ -	Note 1
	TGF Linux Communication, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	Note 1
	Sohoware, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	450,000	-	-	-	Note 1
	Boldworks, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	689,266	-	-	-	Note 1
	<u>Ordinary Shares</u>							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	1,013	-	1,013	
	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss - current	300,000	12,960	0.01	12,960	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	150,000	7,072	-	7,072	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	564,416	22,972	0.01	22,972	
	Quanta Computer Inc.	—	Financial assets at fair value through profit or loss - current	100,000	8,090	-	8,090	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	13,110	0.01	13,110	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	492,900	7,073	0.39	7,073	
<u>Beneficiary securities</u>								
Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	499,525	6,261	-	6,261		

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

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

USI CORPORATION AND SUBSIDIARIES  
(China General Terminal & Distribution Co.)  
MARKETABLE SECURITIES HELD  
DECEMBER 31, 2020

TABLE 3-4

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares							
	Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	5,186,748	\$ 111,515	0.89	\$ 111,515	Note 1
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	2,800,751	71,279	0.51	71,279	Note 1
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	1,972,483	76,828	0.57	76,828	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	499,552	12,363	-	12,363	Note 2

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

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

USI CORPORATION AND SUBSIDIARIES

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

YEAR 2020

TABLE 4

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Notes 1 and 2)		Acquisition		Disposal				Ending Balance (Notes 1 and 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
USI Corporation	Beneficiary certificates													
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	7,870,520	\$ 86,900	51,398,608	\$ 570,000	50,265,716	\$ 557,421	\$ 556,900	\$ 521	9,003,412	\$ 100,000
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	8,415,458	137,000	12,679,431	208,000	21,094,889	346,026	345,000	1,026	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,384,950	249,200	38,525,061	525,000	51,412,872	700,745	699,200	1,545	5,497,139	75,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,848,863	54,800	29,433,161	421,000	13,165,711	188,013	187,800	213	20,116,313	288,000
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	31,420,702	321,000	31,420,702	321,129	321,000	129	-	-
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	275,921	49,400	1,889,131	339,000	1,792,384	321,858	321,400	458	372,668	67,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,566,633	74,500	38,675,263	633,000	26,579,756	434,696	434,500	196	16,662,140	273,000
	Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	29,624,420	462,000	16,808,508	262,069	262,000	69	12,815,912	200,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,866,132	196,700	7,990,124	123,000	16,886,629	260,020	258,700	3,320	3,969,627	61,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,995,555	50,000	9,221,878	155,000	12,217,433	205,362	205,000	362	-	-
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,343,790	100,000	6,343,790	100,025	100,000	25	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	22,821,010	275,000	16,936,414	204,061	204,000	61	5,884,596	71,000
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,094,719	73,500	18,033,728	218,000	24,128,447	291,631	291,500	131	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,920,509	47,100	8,609,644	140,000	4,151,013	67,444	67,100	344	7,379,140	120,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,872,087	63,400	9,931,718	163,000	13,803,805	226,507	226,400	107	-	-

(Continued)

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 on Disposal	Number of Shares	Amount
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	7,832,129	\$ 98,000	7,832,129	\$ 98,020	\$ 98,000	\$ 20	-	\$ -
Ever Conquest Global Limited	Shares Ever Victory Global Limited	Financial assets at fair value through profit or loss - current	-	Subsidiary	390,830,000	11,563,685	26,315,000	783,964	-	-	-	-	417,145,000	12,398,596
Ever Victory Global Limited	Shares Dynamic Ever Investments Limited	Financial assets at fair value through profit or loss - current	-	Subsidiary	488,286,000	14,432,823	100,564,000	3,024,349	-	-	-	-	588,850,000	17,523,490
Dynamic Ever Investments Limited	Shares Fujian Gulei Petrochemical Co., Ltd.	Financial assets at fair value through profit or loss - current	-	Joint Venture	Note 3	14,867,168	Note 3	5,122,441	-	-	-	-	Note 3	20,170,030
USI Investment Co., Ltd.	<u>Beneficiary securities</u> Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,870,081	30,284	-	-	-	-	-	-	1,870,081	30,284
USI Investment Co., Ltd.	<u>Beneficiary securities</u> Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,151,207	63,044	-	-	1,700,000	21,300	20,806	494	3,451,207	42,238
Taiwan United Venture Capital Corp.	<u>Beneficiary securities</u> Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	4,391,849	55,000	-	-	-	-	4,391,849	55,000
INOMA Corporation.	<u>Beneficiary securities</u> Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	908,375	12,200	-	-	312,721	4,257	4,200	57	595,654	8,000
Usi Optronics Corporation	<u>Beneficiary securities</u> Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,412,688	17,000	-	-	-	-	-	-	1,412,688	17,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,703,082	23,000	367,847	5,000	813,579	11,086	11,000	86	1,257,350	17,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	496,715	7,000	-	-	496,715	7,089	7,000	89	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,016,620	15,000	-	-	-	-	-	-	1,016,620	15,000

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

Note 2: The amount as of December 31, 2020 was calculated at the original investment cost.

Note 3: Limited company, hence zero shares.

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

TABLE 4-1 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
China General Plastics Corporation	<u>Beneficiary certificates</u>													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,722,102	\$ 100,000	18,056,905	\$ 269,000	24,779,007	\$ 369,113	\$ 369,000	\$ 113	-	\$ -
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	72,435,348	987,000	65,180,100	888,173	888,000	173	7,255,248	99,000
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	9,273,954	117,000	9,273,954	117,020	117,000	20	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,244,236	32,000	16,789,314	240,000	14,843,255	212,051	212,000	51	4,190,295	60,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	596,011	10,000	2,383,990	40,000	2,980,001	50,009	50,000	9	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	10,286,081	124,000	10,286,081	124,021	124,000	21	-	-
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	4,885,483	80,000	4,885,483	80,010	80,000	10	-	-
	FSITC Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	278,987	50,000	278,987	50,006	50,000	6	-	-
	Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	18,728,035	292,000	12,320,572	192,066	192,000	66	6,407,463	100,000
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,829,033	192,000	11,829,033	192,033	192,000	33	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,773,242	186,000	12,271,576	136,053	136,000	53	4,501,666	50,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	10,843,168	178,000	10,843,168	178,041	178,000	41	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	325,457	5,000	7,729,823	119,000	8,055,280	124,050	124,000	50	-	-
TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	10,848,473	111,000	10,848,473	111,013	111,000	13	-	-	
Taiwan VCM Corporation	<u>Beneficiary certificates</u>													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	32,094,334	437,000	28,429,746	387,319	387,000	319	3,664,588	50,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	26,931,036	415,000	23,690,889	365,200	365,000	200	3,240,147	50,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,828,581	398,000	20,844,707	298,168	298,000	168	6,983,874	100,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	19,927,441	326,000	19,317,097	316,119	316,000	119	610,344	10,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	26,573,708	320,000	26,573,708	320,136	320,000	136	-	-
FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	1,560,974	280,000	1,282,933	230,074	230,000	74	278,042	50,000	

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount	
CGPC Polymer Corporation	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	15,475,207	\$ 260,000	15,475,207	\$ 260,056	\$ 260,000	\$ 56	-	\$ -	
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,343,952	100,000	6,343,952	100,011	100,000	11	-	-	
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,073,199	170,000	14,073,199	170,063	170,000	63	-	-	
	Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	9,638,125	150,000	9,638,125	150,037	150,000	37	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,145,295	262,000	11,534,195	187,094	187,000	94	4,611,100	75,000	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,016,929	30,000	11,670,597	174,000	13,017,572	194,155	194,000	155	669,954	10,000	
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,443,387	160,000	14,443,387	160,142	160,000	142	-	-	
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	12,199,143	200,000	12,199,143	200,106	200,000	106	-	-	
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	13,435,168	168,000	13,435,168	168,033	168,000	33	-	-	
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,829,800	80,000	7,829,800	80,012	80,000	12	-	-	
		<u>Beneficiary certificates</u>													
		Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,751,358	189,601	24,108,007	359,000	36,859,365	548,936	548,601	335	-	-
		Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	8,813,848	119,700	52,289,292	712,400	45,709,685	622,428	622,100	328	15,393,455	210,000
		Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,574,758	41,700	21,415,980	348,000	11,999,558	194,753	194,700	53	11,991,180	195,000
		Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,420,678	449,000	19,791,557	324,050	324,000	50	7,629,121	125,000
		FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	1,280,996	230,000	1,030,684	185,073	185,000	73	250,312	45,000
		FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,640,705	133,000	5,461,789	84,016	84,000	16	3,178,916	49,000
		Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,844,629	241,000	7,903,047	113,022	113,000	22	8,941,582	128,000
		Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	18,253,262	220,000	14,937,812	180,049	180,000	49	3,315,451	40,000
		Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,696,874	120,000	6,095,008	95,032	95,000	32	1,601,866	25,000
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,714,814	171,000	16,714,814	171,016	171,000	16	-	-	
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,023,148	85,000	7,023,148	85,007	85,000	7	-	-	
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	3,042,769	50,000	3,042,769	50,003	50,000	3	-	-	
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	1,595,965	20,000	1,595,965	20,002	20,000	2	-	-	

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

YEAR 2020

TABLE 4-2

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition (Note)		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Taita Chemical Company, Ltd.	<u>Beneficiary certificates</u>													
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	20,953,805	\$ 343,000	15,705,134	\$ 257,143	\$ 257,000	\$ 143	5,248,671	\$ 86,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	61,795,582	842,000	61,795,582	842,342	842,000	342	-	-
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,925,720	100,000	7,925,720	100,245	100,000	245	-	-
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	1,504,258	270,000	1,504,258	270,105	270,000	105	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,808,008	105,000	6,808,008	105,056	105,000	56	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,972,705	50,000	2,972,705	50,005	50,000	5	-	-
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,850,988	45,000	2,850,988	45,007	45,000	7	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,427,285	186,000	8,465,228	102,039	102,000	39	6,962,057	84,000
	Yuanta De-Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,026,655	85,000	7,026,655	85,012	85,000	12	-	-
	Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,339,551	130,000	8,339,551	130,053	130,000	53	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,307,982	135,000	3,082,101	50,047	50,000	47	5,225,881	85,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	806,582	12,000	6,715,624	100,000	4,500,162	67,217	67,000	217	3,022,043	45,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,883,074	170,000	11,883,074	170,042	170,000	42	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	21,632,429	240,000	21,632,429	240,146	240,000	146	-	-
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,220,442	135,000	8,220,442	135,030	135,000	30	-	-
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,899,811	91,000	8,899,811	91,011	91,000	11	-	-

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

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

TABLE 4-3

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Asia Polymer Corporation	Shares													
	Ever Conquest Global Limited.	Investment accounted for using the equity method	—	Equity method investee	144,160,000	\$ 4,265,335	26,315,000	\$ 783,964	-	\$ -	\$ -	\$ -	170,475,000	\$ 5,066,945
	Funds													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	18,356,835	248,000	35,947,285	490,000	42,283,084	576,189	574,000	2,189	12,021,036	164,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,832,822	54,400	21,475,665	307,000	25,308,487	361,769	361,400	369	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	14,112,664	155,000	32,094,158	356,000	40,534,774	449,485	448,000	1,485	5,672,048	63,000
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	957,942	171,000	2,239,281	402,000	3,197,223	573,842	573,000	842	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	12,624,735	193,000	12,026,785	185,300	21,087,432	324,749	323,300	1,449	3,564,088	55,000
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	19,951,815	250,000	7,924,414	100,000	21,988,394	277,440	275,700	1,739	5,887,835	74,300
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,093,667	50,000	9,044,482	147,000	9,986,078	162,254	162,000	254	2,152,072	35,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	16,818,904	249,600	-	-	-	-	-	-	16,818,904	249,600
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,056,580	50,000	3,716,127	61,000	6,772,707	111,171	111,000	171	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	2,986,943	50,000	8,913,027	150,000	11,899,970	200,216	200,000	216	-	-
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,921,720	64,000	5,189,280	85,000	9,111,000	149,316	149,000	316	-	-
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	6,239,913	75,000	3,425,937	41,400	9,665,850	116,762	116,400	362	-	-
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	8,705,147	137,000	-	-	8,705,147	137,201	137,000	201	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	4,414,970	53,000	17,750,181	214,000	15,783,235	190,190	190,000	190	6,381,916	77,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	5,276,352	86,000	9,042,836	148,000	14,319,188	234,249	234,000	249	-	-
	Shin Kong Chi-Shin Money-market Fund	Financial assets at fair value through profit or loss - current	—	—	3,930,774	61,000	14,630,985	228,000	18,561,759	289,238	289,000	238	-	-
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	29,161,197	298,000	29,161,197	298,085	298,000	85	-	-

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

Note 2: The beginning and ending balances were calculated at the original investment cost.

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

YEAR 2020

TABLE 5

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
USI Corporation	Asia Polymer Corporation	Subsidiary	Purchase	\$ 662,705	9.91	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 185,681)	( 20.62)	
	USI (Hong Kong) Company Limited	Subsidiary	Sale	( 119,902)	( 1.18)	Within 60 days after purchasing on credit	No significant difference	No significant difference	24,644	1.62	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	( 118,766)	( 1.17)	Within 60 days after purchasing on credit	No significant difference	No significant difference	33,203	2.18	
USI (Hong Kong) Company Limited	USI Corporation	Parent Company	Purchase	109,902	1.79	Within 60 days after purchasing on credit	No significant difference	No significant difference	( 24,644)	( 2.74)	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Parent Company	Purchase	118,766	1.78	Within 60 days after purchasing on credit	No significant difference	No significant difference	( 33,203)	( 3.69)	

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corp. (ACME))

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

YEAR 2020

TABLE 5-1

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Acme Electronics Corp.	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (including processing fee)	\$ 364,193	51	55 days	No significant difference	No significant difference	(\$ 132,306)	( 70)	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corp.	Subsidiary of GAEL	Sale (including processing fee)	( 364,193)	( 39)	55 days	No significant difference	No significant difference	132,306	45	
Acme Electronics Corp.	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Sale	( 100,974)	( 10)	55 days	No significant difference	No significant Difference	13,769	6	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corp.	Subsidiary of GAEL	Purchase	100,974	64	55 days	No significant difference	No significant Difference	( 13,769)	( 45)	
Acme Electronics Corp.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME(Cayman)	Sale	( 144,522)	( 14)	55 days	No significant difference	No significant Difference	31,073	14	
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corp.	Subsidiary of ACME(Cayman)	Purchase	144,522	54	55 days	No significant difference	No significant difference	( 31,073)	( 68)	

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

YEAR 2020

TABLE 5-2

(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) Pte. Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 201,859	79	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 26,575)	( 82)	
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 349,564)	( 35)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 75,742	56	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	142,768	15	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 13,091)	( 8)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	( 332,832)	( 34)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 31,722	23	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	( 117,680)	( 12)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 12,057	9	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	349,564	38	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 75,742)	( 57)	
Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 141,235)	( 12)	60 days	No significant difference	No significant difference	Accounts receivable from related parties 17,978	7	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Young Company Limited	Have the same ultimate parent company	Sale	( 142,768)	( 15)	90 days	No significant difference	No significant difference	Accounts payable to related parties 13,091	8	
	Forever Young Company Limited	Have the same ultimate parent company	Purchase	332,832	43	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 31,722)	( 56)	
	Swanson Plastics (Singapore) Pte. Ltd.	Parent company	Sale	( 201,859)	( 21)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 26,575	16	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	141,235	58	60 days	No significant difference	No significant difference	Accounts receivable from related parties ( 17,978)	( 48)	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	117,680	37	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 12,057)	( 35)	

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

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR 2020

TABLE 5-3

(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	\$ 4,290,414	74	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 1,069,615)	( 79)	
	CGPC America Corporation	Subsidiary	Sale	( 389,006)	( 5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 110,613	8	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	( 4,290,414)	( 51)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 1,069,615	42	
	CGPC Polymer Corporation	Fellow subsidiary	Sale	( 3,869,633)	( 46)	75 days	No significant difference	No significant difference	Accounts receivable from related parties 1,437,900	57	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	3,869,633	96	75 days	No significant difference	No significant difference	Accounts payable to related parties ( 1,437,900)	( 98)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	389,006	85	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 110,613)	( 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

YEAR 2020

TABLE 5-4

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	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-subsidiary	Sale	(\$ 736,735) (USD 25,071 thousand )	( 6.70)	30 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 2,818 (USD 99 thousand )	0.19	

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

YEAR 2020

TABLE 5-5

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		N o t e
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	SALES	(\$ 662,692)	( 11.62)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 189,988	25.58	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Purchase	119,428	3.84	30 days	No significant difference	No significant difference	Accounts receivable from related parties ( 33,203)	( 11.54)	

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, 2020

TABLE 6

(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 \$ 96,071	-	\$ -	—	\$ 96,071	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties 58,712	-	-	—	58,712	Note 1
	USI (Hong Kong) Company Limited	Subsidiary of the Company	Other receivables - related parties 51,190	-	-	—	51,190	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2021 to March 8, 2021.

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, 2020

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

TABLE 6-1

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary of ACME	Other receivables - related parties \$ 204,223	-	\$ -	-	\$ 60,054	Note 1
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Receivables - related parties 132,306	2.94	-	-	-	Note 1

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

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

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

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2020

TABLE 6-2

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivables - related parties \$183,995 (RMB 42,154 thousand )	-	\$ -	-	\$ -	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2021 to March 4, 2021.

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, 2020

TABLE 6-3

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	subsidiary	Accounts receivable from related parties <u>\$ 110,613</u>	3.55	\$ -	—	\$ 36,022	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties <u>\$ 1,069,615</u>	4.43	-	—	1,069,615	Note 1
	CGPC Polymer Corporation	Fellow	Accounts receivable from related parties <u>\$ 1,437,900</u>	3.55	-	—	920,851	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 2021 to February 17, 2021.

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, 2020

TABLE 6-4

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 263,413 (USD 9,249 thousand) (Note 1)	-	\$ 263,413	Continuous collection	\$ -	\$ -

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

Note 2: There was no amount received as of March 5, 2021.

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, 2020

TABLE 6-5

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties \$ 189,988	3.94	\$ -	—	\$ 189,988	Note 1

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

Note 2: The subsequent period refers to the period from January 1, 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 INVESTEES  
YEAR 2020

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	N o t e
				December 31, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 861,889	\$ 96,609	\$ 96,609	Subsidiary
	Swanlake Traders Ltd.	Flemming House, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,293,513	17,016	17,016	Subsidiary
	USI (Hong Kong) Company Limited	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	67,491	(3,231)	(3,231)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production and service industry")	3,490,255	3,490,255	616,268,754	100.00	7,739,718	1,453,262	1,433,560	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focused on "high technology industry")	471,800	471,800	32,900,000	70.00	180,508	(4,172)	(2,921)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Import and export trade	28,323	28,323	4,358,183	99.93	55,164	10,840	10,591	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	1,050,935	247,423	100,399	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	333,831	33,393	8,987	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,703	250,354	9,243,369	94.37	19,405	(8,747)	(8,189)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	1,539	2,067	2,067	Subsidiary
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	128,814	1,804	1,804	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	-	36,250	-	-	-	15	5	Subsidiary (Note 1)
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	59.13	7,331,652	(113,719)	(69,661)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	69,501	(62,320)	(31,687)	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	11,880,290 (USD 417,145 thousand)	11,130,838 (USD 390,830 thousand)	417,145,000	67.40	12,398,596 (USD 435,344 thousand)	(153,635) (USD -5,198 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	16,770,448 (USD 588,850 thousand)	13,906,385 (USD 488,286 thousand)	588,850,000	85.00	17,523,490 (USD 615,291 thousand)	(175,395) (USD -5,942 thousand)		Sub-subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	\$ 1,749,212	\$ 1,749,212	126,239,833	36.67	\$ 2,543,863	\$ 1,919,818	Sub-subsidiary	
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	188,297,389	32.35	4,416,651	1,103,587	Sub-subsidiary	
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	133,914,219	24.20	2,477,854	1,634,184	Sub-subsidiary	
USIFE Investment Co., Ltd.	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	155,632	155,632	16,424,242	8.98	125,914	33,393	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	( 16,165)	( 14,109)	Sub-subsidiary	
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Business management consulting	8,000	8,000	800,000	100.00	15,405	15,405	Sub-subsidiary	
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	-	21,465	-	-	-	15	Subsidiary	
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Import and export trade	(USD - )	6,266 (USD 220 thousand)	-	-	-	( 20) (USD -1 thousand)	Sub-subsidiary (Note 2)	
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	102,943 (USD3,538 thousand )	102,943 ( USD 3,538 thousand)	5,609,231	11.23	135,451 (USD4,756thousand )	9,485 (USD 336 thousand)	Sub-subsidiary	

Note 1: The Company recovered the remaining of liquidation properties of 3,876 thousand dollars on May, 2020. Thintec Materials Corporation has completed the dissolution and liquidation procedures on July 22, 2020.

Note 2: Chong Loong Trading Co., Ltd. has recovered the remaining of liquidation properties of 6,828 thousand dollars in May, 2020. Forum Pacific Trading Ltd. has completed the dissolution and liquidation procedures on December 29, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES  
(Acme Electronics Corporation)  
INFORMATION ON INVESTEEES  
YEAR 2020

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 ( USD 18,336 thousand )	\$ 605,182 ( USD 18,336 thousand )	25,621,692	51.27	\$ 617,297	(\$ 9,485) ( USD336 thousand )	(\$ 4,189) ( USD150 thousand )	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	669,072 ( USD 20,800 thousand )	669,072 ( USD 20,800 thousand )	20,800,000	100.00	897,164	75,527	75,527	Note 1
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	-	23,923 ( USD730 thousand )	-	-	-	( 153) ( USD -5 thousand )	( 153) ( USD -5 thousand )	Notes 1 and 3
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	46,469	( 62,320)	( 21,186)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	USD 11,891 thousand	USD 11,891 thousand	42,600,000	100.00	USD 21,890 thousand	USD909 thousand ( MYR 3,924 thousand )	USD909 thousand ( MYR 3,924 thousand )	Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 90,237 thousand	MYR 4,006 thousand	MYR 4,006 thousand	Note 1

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

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

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

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

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation)  
INFORMATION ON INVESTEES  
YEAR 2020

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2020 (Note 2)	December 31, 2019 (Note 2)	Number of Shares	Percentage (%)	Carrying Amount			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,849,557	\$ 125,581	\$ 125,581	Note 2
	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	100.00	75,442	9,959	9,959	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100.00	1,616,781	129,839	129,839	Note 2
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100.00	6,238	35	35	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	EVA packaging film and production, planting, development and sales of agri-technologies	140,000	140,000	14,000	70.00	( 75,436)	( 14,109)	( 9,876)	
	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	1.00	7,141	45,937	459	
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	187,780 (USD6,593 thousand)	187,780 (USD6,593 thousand)	20,000	100.00	629,514 (USD 22,104 thousand)	104,718 (MYR 14,932 thousand)	104,718 (USD3,544 thousand)	
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	470,229 (USD 16,511 thousand)	470,229 (USD 16,511 thousand)	107,351	100.00	295,973 (USD 10,392 thousand)	( 5,526) (INR -13,843 thousand)	( 5,526) (USD -187 thousand)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	735,924 (USD 25,840 thousand)	735,924 (USD 25,840 thousand)	25,840	99.00	706,953 (USD 24,823 thousand)	45,937 (IDR 22,709,929 thousand)	45,478 (USD 1,539 thousand)	
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	202,039 (USD7,094 thousand)	202,039 (USD7,094 thousand)	3,157	100.00	555,647 (USD 19,510 thousand)	27,136 (USD 918 thousand)	27,136 (USD 918 thousand)	Notes 2

Note 1: The original investment amount and carrying amount were calculated using the spot exchange rate as of December 31, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES  
(China General Plastics Corporation)  
INFORMATION ON INVESTEEES  
YEAR 2020

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (ROC)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,995	\$ 2,930,995	240,206,420	87.22	\$ 4,020,390	\$ 1,232,387	\$ 1,024,137	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	1,177,835	283,408	283,408	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	351,935	4,943	4,943	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (ROC)	Warehouse of petrochemical raw materials	41,106	41,106	19,918,185	33.33	315,711	69,385	23,128	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	208,312	25,001	25,001	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	22,517	33,393	579	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of reinforced plastic products	-	15,000	-	-	-	15	1	Associate accounted for using the equity method (Note 1)

Note 1: On April 12, 2019, the board of director of TMC resolved to dissolve from May 25, 2019. CGPC recovered \$1,274 thousand dollar in share capital and And recognized the penalty loss of 173 thousand dollars in May 2020, and TMC completed the dissolution and liquidation procedures on July 22, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES  
(Taita Chemical Company, Ltd.)  
INFORMATION ON INVESTEEES  
YEAR 2020

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note (Note 1)
				December 31, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,555,738 (USD 89,738 thousand )	\$ 1,758,298 ( USD 61,738 thousand )	89,738,000	100.00	\$ 2,951,653 ( USD 103,640 thousand )	\$ 614,057 ( USD 20,938 thousand )	\$ 614,057 ( USD 20,938 thousand )	Subsidiary (Note 3)
	China General Plastics Corporation	Taipei	Manufacturing and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	10,967,785	1.98	192,320	1,634,185	32,390	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei	Warehousing of petro chemical raw materials	41,082	41,082	19,918,183	33.33	315,711	69,385	23,128	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei	Manufacturing and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.43	31,514	33,393	811	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei	Manufacturing of reinforced plastic products	-	15,000	-	-	-	15	1	Investments accounted for using the equity method (Note 2)
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	48,417 ( USD1,700 thousand )	48,471 ( USD1,700 thousand )	2,695,619	5.39	65,093 ( USD2,286 thousand )	9,485 ( USD 336 thousand )	-	Investments accounted for using the equity method

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

Note 2: Thintec Materials Corporation (TMC) went into dissolution and liquidation from May 25, 2019. The Group obtained \$1,247 thousand of the remaining property distribution from liquidation in May 2020, and recognized a loss on disposal of \$173 thousand while TMC completed the dissolution and liquidation procedures on July 22, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES  
(Asia Polymer Corporation)  
INFORMATION ON INVESTEEES  
YEAR 2020

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 392,306 (USD 13,775 thousand)	\$ 392,306 (USD 13,775 thousand)	11,342,594	100.00	\$ 517,012	\$ 15,182	\$ 15,182	Subsidiary (Note 1)
	APC Investment Corporation	Taipei	Investment	200,000	200,000	20,000,000	100.00	132,491	33,542	33,542	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	59,808 (USD2,100 thousand)	79,744 (USD2,800 thousand)	2,100,000	70.00	63,415	5,387	3,771	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei	Production and sales of plastic sheets, plastic leather, plastic tubes, plastic granules, plastic powder, profile extrusion materials, chlor-alkali products and other related products	247,412	247,412	44,653,510	8.07	782,997	1,634,185	131,866	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petro chemical raw materials	41,082	41,082	19,918,184	33.33	315,711	69,385	23,128	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei	Manufacture and marketing of stretch film and industrial multi-layer packaging film	75,242	75,242	12,266,779	7.95	206,857	247,423	19,669	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	61,348	61,348	6,056,623	3.31	42,939	33,393	1,105	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	21,472	( 4,172)	( 347)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei	Manufacture of reinforced plastic products	-	36,250	-	-	-	15	4	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	12,579	( 62,320)	( 5,735)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,855,128 (USD 170,475 thousand)	4,105,677 (USD 144,160 thousand)	170,475,000	40.87	5,066,945	( 113,719)	( 44,058)	Investments accounted for using the equity method
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	149,375 (USD5,245 thousand)	149,375 (USD5,245 thousand)	8,316,450	16.64	200,825	9,485	-	Investments accounted for using the equity method
APC Investment Corporation	USI International Corp.	British Virgin Islands	Reinvestment	25,632 (USD900 thousand)	34,176 (USD1,200 thousand)	900,000	30.00	27,178	5,387	-	Investments accounted for using the equity method (Note 1)
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	14,889	14,889	1,884,548	1.03	13,361	33,393	-	Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	( 16,165)	( 14,109)	-	Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	11,880,290 (USD 417,145 thousand)	11,130,838 (USD 390,830 thousand)	417,145,000	67.40	12,398,596 (USD 435,344 thousand)	( 153,485) (USD5,198 thousand)	-	Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	16,770,448 (USD 588,850 thousand)	13,906,385 (USD 488,286 thousand)	588,850,000	85.00	17,523,490 (USD 615,291 thousand)	( 175,395) (USD5,942 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  
YEAR 2020

TABLE 8

(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, 2020 (Note 7)	Investment Flows (Note 7)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 7)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 875,048 (USD 30,725 thousand)	Note 1	\$ 80,243 (USD 2,818 thousand)	\$ -	\$ -	\$ 80,243 (USD 2,818 thousand)	\$ 7,332 (USD 253 thousand)	11.23	\$ 823 (USD 28 thousand)	\$ 88,114 (USD 3,094 thousand)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	142,400 (USD 5,000 thousand)	Note 2	142,400 (USD 5,000 thousand)	-	-	142,400 (USD 5,000 thousand)	1,804 (USD 62 thousand)	100.00	1,804 (USD 62 thousand)	128,814 (USD 4,523 thousand)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Crude oil processing and petroleum products manufacturing	40,655,493 (RMB 9,314,400 thousand)	Note 3	6,483,627 (USD 227,655 thousand)	22,622 (USD 794 thousand)	-	6,506,249 (USD 228,450 thousand)	(329,957) (USD -11,197 thousand)	16.94	(62,741) (USD -2,125 thousand)	6,833,319 (USD 239,934 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$6,953,345 (USD 244,148 thousand)	\$8,703,018(Note 5) (USD 305,584 thousand)	\$ - (Note 4)

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

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

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

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

Note 5: As included in the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10500116380 on September 1, 2016, No. 10500234240 on December 29, 2016, and No. 10500234240 on February 26, 2020, the Company was able to wire transfer US\$257,939 thousand to Gulei, and was also approved to invest and establish dealing entity in third areas with US\$32,200 thousand in accordance with certificate No. 10900243220 issued by the Industrial Development Bureau, MOEA on October 5, 2020. and was also approved to invest and establish dealing entity in third areas with US\$32,200 thousand in accordance with certificate No. 10900243220 issued by the Industrial Development Bureau, MOEA on October 5, 2020.

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, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Acme Electronics Corporation (ACME))  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR 2020

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 5)	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 ( N o t e 5 )	Net Income (Loss) of the Investee (Note 6)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Notes 4, 6 and 8)	Carrying Amount as of December 31, 2020 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 30,725 thousand	II	\$ 374,188 (USD 11,144 thousand )	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand )	\$ 7,332 (RMB1,739 thousand )	51.27	\$ 3,759 (RMB892 thousand )	\$ 402,485 (RMB 92,212 thousand )	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 19,200 thousand	II	\$ 619,676 (USD 19,200 thousand )	-	-	\$ 619,676 (USD 19,200 thousand )	\$ 76,126 (RMB 17,806 thousand )	100.00	\$ 76,126 (RMB 17,806 thousand )	\$ 893,058 (RMB 204,604 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$864,197 (USD 30,344 thousand ) (Notes 3 and 7)	\$1,043,308 (USD 36,633 thousand ) (Notes 3 and 7)	\$ - (Note 2)

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

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

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

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

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

Note 6: The calculation was based on the average exchange rate from January 1, 2020 to December 31, 2020.

Note 7: The amount was calculated using the spot exchange rate on December 31, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation)  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR 2020

TABLE 8-2

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2020 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 378,499 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 102,704 (USD 3,476 thousand)	100.00	\$ 102,704 (USD 3,476 thousand)	\$ 1,149,537 (USD 40,363 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	259,168 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	27,136 (USD 918 thousand)	100.00	27,136 (USD 918 thousand)	555,647 (USD 19,510 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	304,736 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(37,631) (USD -1,274 thousand)	100.00	(37,631) (USD -1,274 thousand)	98,070 (USD 3,443 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$ 933,738 (USD 32,786 thousand)	\$ - (Note 2)

Note 1: Paid in capital and upper limit on the investment amount stipulated by Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2020.

Note 2: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410, on June 18, 2020, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 3: 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  
YEAR 2020

TABLE 8-3

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2020 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 569,600 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 569,600 (USD 20,000 thousand)	\$ -	\$ -	\$ 569,600 (USD 20,000 thousand)	\$ 4,270 (USD 146 thousand)	100.00	\$ 4,270 (USD 146 thousand)	\$ 266,359 (USD 9,352 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC third-time processed products	42,720 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	42,720 (USD 1,500 thousand)	-	-	42,720 (USD 1,500 thousand)	(3) (USD - thousand)	100.00	(3) (USD - thousand)	13,519 (USD 475 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$ 771,295 (USD 27,082 thousand)	\$894,272 (USD 31,400 thousand)	\$ -

Note 1: The amount was calculated using the spot exchange rate as of December 31, 2020.

Note 2: As the CGPC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10920426850 on September 8, 2020, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 3: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)") retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of \$19,408 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$25,575 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$113,920 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 24, 2011. As of December 31, 2020, the dissolution procedures have not yet been completed.

Note 5: The recognition of investment income (loss) was based on financial statements which had been reviewed by CPA.

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  
YEAR 2020

TABLE 8-4

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	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, 2020 (Note 5)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,317,200 (USD 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,224,640 (USD43,000 thousand)	\$ -	\$ -	\$ 1,224,640 (USD43,000 thousand)	\$ 610,521 (USD 20,747 thousand)	100.00	\$ 610,521 (USD 20,747 thousand) (Note7)	\$ 2,947,550 (USD103,495 thousand)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	778,928 (USD27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	740,480 (USD26,000 thousand)	-	-	740,480 (USD26,000 thousand)	(19,049) (USD 712 thousand)	100.00	(19,049) (USD 712 thousand)	(104,563) (USD-3,671 thousand)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	875,048 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	38,562 (USD1,354 thousand)	-	-	38,562 (USD1,354 thousand)	7,332 (USD 253 thousand)	5.39	396 (USD 14 thousand)	42,345 (USD1,487 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,003,682 (USD 70,354 thousand)	\$ 2,159,277 (USD 75,817 thousand) (Note 3)	\$ - (Note 4)

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

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

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

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

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

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

Note 7: TAITA (ZS) agreed to waive the capital and interest of the loan to TAITA(TJ) of RMB 15,000 thousand on November, 2020.

USI CORPORATION AND REINVESTMENT COMPANIES  
(Asia Polymer Corporation (APC))  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR 2020

TABLE 8-5

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2020 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 875,018 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 118,971 (USD 4,177 thousand)	\$ -	\$ -	\$ 118,971 (USD 4,177 thousand)	B \$ 7,332	16.64	\$ 1,220	\$ 130,641	\$ -
USI Trading(Shanghai) Co., Ltd.	Sales of chemical engineering products and equipment	71,200 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	86,454 (USD 3,036 thousand)	-	-	86,454 (USD 3,036 thousand)	B 11,497	100.00	11,497	120,346	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacturing of petroleum products	40,655,493 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investment Ltd. (Note 2)	3,789,932 (USD 133,073 thousand)	706,572 (USD 24,809 thousand)	-	4,496,504 (USD 157,883 thousand)	A ( 330,217)	11.71	( 40,514)	4,723,802	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,839,207 (Note 5) (USD 169,916 thousand)	\$6,374,838 (USD 223,836 thousand)	\$ - (Note 6)

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

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

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

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

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

Note 4: The amount was calculated using the exchange rate as at December 31, 2020.

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

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

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

USI CORPORATION AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
JANUARY 1 to DECEMBER 31, 2020

TABLE 9

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
0	USI Corporation	USI (Hong Kong) Company Limited	1	Sales revenue	\$ 119,902	No significant difference	0.24%
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	1	Sales revenue	118,766	No significant difference	0.24%
0	USI Corporation	Forever Young Company Limited	1	Sales revenue	95,742	No significant difference	0.19%
0	USI Corporation	Swanson Plastics Corporation	1	Sales revenue	52,321	No significant difference	0.10%
0	USI Corporation	Asia Polymer Corporation	1	Sales revenue	25,559	No significant difference	0.05%
0	USI Corporation	Asia Polymer Corporation	1	Purchase	662,705	No significant difference	1.32%
0	USI Corporation	Swanson Plastics Corporation	1	Purchase	55,258	No significant difference	0.11%
0	USI Corporation	Dynamic Ever Investments Limited	1	Management services revenue	19,790	No significant difference	0.04%
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	1	Accounts receivable	33,203	No significant difference	0.04%
0	USI Corporation	USI (Hong Kong) Company Limited	1	Accounts receivable	24,644	No significant difference	0.03%
0	USI Corporation	Forever Young Company Limited	1	Accounts receivable	28,645	No significant difference	0.04%
0	USI Corporation	Asia Polymer Corporation	1	Other receivables	58,713	No significant difference	0.08%
0	USI Corporation	USI (Hong Kong) Company Limited	1	Other receivables	51,190	No significant difference	0.07%
0	USI Corporation	Taiwan VCM Corporation	1	Other receivables	96,071	No significant difference	0.12%
0	USI Corporation	Asia Polymer Corporation	1	Accounts payable	185,681	No significant difference	0.24%
0	USI Corporation	USI Management Consulting Corporation	1	Management services expense	122,603	No significant difference	0.16%
0	USI Corporation	China General Terminal & Distribution Corporation	1	Storage tank operating expense	47,818	No significant difference	0.06%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Sales revenue	33,686	No significant difference	0.07%
1	Asia Polymer Corporation	USI (Hong Kong) Company Limited	3	Sales revenue	14,052	No significant difference	0.03%
1	Asia Polymer Corporation	Taita Chemical Co., Ltd.	3	Purchase	10,998	No significant difference	0.02%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Purchase	28,322	No significant difference	0.06%
1	Asia Polymer Corporation	China General Terminal & Distribution Corporation	3	Storage tank operating expense	32,811	No significant difference	0.04%
1	Asia Polymer Corporation	USI Management Consulting Corporation	3	Management services expense	39,208	No significant difference	0.08%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Sales revenue	63,613	No significant difference	0.13%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Accounts receivable	12,462	No significant difference	0.02%
2	China General Plastics Corporation	Swanson Plastics Corporation	3	Purchase	35,817	No significant difference	0.07%
2	China General Plastics Corporation	Swanson Plastics Corporation	3	Accounts receivable	11,274	No significant difference	0.01%
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	3	Storage tank operating expense	74,062	No significant difference	0.15%
2	China General Plastics Corporation	USI Management Consulting Corporation	3	Management services expense	41,811	No significant difference	0.08%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Accounts payable	1,069,615	No significant difference	2.13%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Purchase	4,290,414	No significant difference	8.55%
2	China General Plastics Corporation	CGPC America Corporation	3	Accounts receivable	110,613	No significant difference	0.22%
2	China General Plastics Corporation	CGPC America Corporation	3	Sales revenue	389,006	No significant difference	0.77%
2	China General Plastics Corporation	CGPC Polymer Corporation	3	Purchase	61,206	No significant difference	0.12%
2	China General Plastics Corporation	CGPC Polymer Corporation	3	Accounts payable	19,827	No significant difference	0.04%
3	Taita Chemical Company, Ltd.	USI Trading (Shanghai) Co., Ltd.	3	Sales revenue	10,970	No significant difference	0.01%
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	3	Management services expense	49,647	No significant difference	0.10%
3	Taita Chemical Company, Ltd.	China General Terminal & Distribution Corporation	3	Storage tank operating expense	13,210	No significant difference	0.03%
3	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	3	Sales revenue	736,735	No significant difference	0.95%
3	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	3	Other receivables	263,413	No significant difference	0.34%

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n s D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Sales revenue	\$ 144,522	No significant difference	0.19%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	3	Sales revenue	100,974	No significant difference	0.20%
4	Acme Electronics Corporation	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	16,533	No significant difference	0.03%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Cost of goods sold	67,923	No significant difference	0.14%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	3	Processing fee (entered as cost of goods sold)	361,060	No significant difference	0.72%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Royalty revenue	13,475	No significant difference	0.02%
4	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	3	Management services fee revenue (entered as non-operating incomes-other)	16,357	No significant difference	0.02%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Accounts receivable—related parties	31,073	No significant difference	0.04%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	3	Accounts receivable—related parties	13,769	No significant difference	0.02%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Other receivables—related parties	12,351	No significant difference	0.02%
4	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	3	Other receivables—related parties	204,223	No significant difference	0.41%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	3	Notes and accounts payable—related parties	132,306	No significant difference	0.26%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Notes and accounts payable—related parties	19,960	No significant difference	0.04%
5	USI Management Consulting Corporation	Swanson Plastics Corporation	3	Management services revenue	29,371	No significant difference	0.06%
5	USI Management Consulting Corporation	Taiwan VCM Corporation	3	Management services revenue	23,840	No significant difference	0.05%
5	USI Management Consulting Corporation	China General Terminal & Distribution Corporation	3	Management services revenue	18,827	No significant difference	0.04%
6	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	3	Other gains and losses (Note 5)	67,876	No significant difference	0.14%
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	3	Sales revenue	41,132	No significant difference	0.05%
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	3	Cost of goods sold	21,137	No significant difference	0.03%
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	3	Accounts receivable—related parties	13,674	No significant difference	0.02%
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	62,924	No significant difference	0.08%
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Accounts receivable—related parties	11,402	No significant difference	0.01%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Accounts payable	1,437,900	No significant difference	2.86%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Other payables	20,798	No significant difference	0.03%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Purchase	3,869,633	No significant difference	5.00%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Corp.	3	Accounts receivable	17,942	No significant difference	0.02%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Sales revenue	69,910	No significant difference	0.14%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Management services revenue	21,260	No significant difference	0.04%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	3	Sales revenue	349,564	No significant difference	0.70%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	3	Accounts receivable	75,742	No significant difference	0.10%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Sales revenue	332,832	No significant difference	0.66%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Cost of goods sold	142,768	No significant difference	0.28%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts receivable	31,722	No significant difference	0.04%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts payable	13,091	No significant difference	0.02%
10	Forever Young Company Limited	Swanson International Ltd.	3	Other receivables	88,430	No significant difference	0.11%

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n s D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
10	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	3	Sales revenue	\$ 46,945	No significant difference	0.09%
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	3	Accounts receivable	12,057	No significant difference	0.02%
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	3	Sales revenue	117,680	No significant difference	0.23%
11	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Cost of goods sold	201,859	No significant difference	0.40%
11	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts payable	26,575	No significant difference	0.03%
11	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	3	Accounts receivable	28,895	No significant difference	0.04%
11	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	3	Cost of goods sold	52,445	No significant difference	0.10%
12	Swanson Plastics (Kunshan) Corp.	ASK-Swanson (Kunshan) Co., Ltd.	3	Sales revenue	141,235	No significant difference	0.28%
12	Swanson Plastics (Kunshan) Corp.	ASK-Swanson (Kunshan) Co., Ltd.	3	Accounts receivable	17,978	No significant difference	0.02%
13	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tainjin) Co., Ltd.	3	Other receivables	183,995	No significant difference	0.24%
14	ACME Ferrite Product Sdn. Bhd.	Acme Electronics (Guangzhou) Co., Ltd.	3	Cost of goods sold	62,924	No significant difference	0.13%

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.

Note 5: TAITA (ZS) agreed to waive the capital and interest of the loan to TAITA(TJ) of RMB 15,000 thousand, therefore recognized credit impairment losses of 67,876 thousand.

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

YEAR 2020

TABLE 10

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI (Hong Kong) Company Limited	Sales revenue	\$ 119,902	1.87	No significant difference	Within 60 days after selling on credit	No significant difference	\$ 24,644	2.74	\$ -	—
USI Trading (Shanghai) Co., Ltd.	Sales revenue	118,766	1.17	—	Within 60 days after selling on credit	No significant difference	33,203	3.69	-	—
	Commission expense	513	-	—	—	—	-	-	-	—
Dynamic Ever Investments Limited	Management service revenue	19,790	-	—	—	—	-	-	-	—
	Other income	256	-	—	—	—	-	-	-	—
	Other receivables from related parties	5,231	-	—	—	—	-	-	-	—

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

YEAR 2020

TABLE 10-1

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI Trading (Shanghai) Co., Ltd.	Sales revenue	\$ 63,613	1.12	No significant difference	Within 90 days after selling on credit	No significant difference	\$ 12,462	1.68	\$ -	—
	Commission expenses	804	-	—	—	—	-	-	-	—
	Non-operating income and expense - rental income	1,490	-	—	—	—	-	-	-	—
	Management services expense	124	-	—	—	—	-	-	-	—
	Other payables	990	-	—	—	—	-	-	-	—
	Other receivables	7,914	-	—	—	—	-	-	-	—

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

USI CORPORATION  
INFORMATION ON MAJOR SHAREHOLDERS  
DECEMBER 31, 2020

TABLE 11

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

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

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