

Stock Code: 1304

USI Corporation

Handbook for the

2024 Annual General Meeting of
Shareholders

Date: May 31, 2024

Location: 5F, No.2, Yuanshan Rd., Niasong Dist.,

Kaohsiung City, Taiwan (R.O.C.)

The Kaohsiung Grand Hotel, Po Shou Hall

(Physical shareholders meeting)

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USI Corporation

Procedure of the 2024 Annual General Meeting of Shareholders

1. Calling the Meeting to Order
2. Chairperson Takes Chair
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4. Report Items
5. Matters for Ratification and Discussion
6. Extemporaneous Motions
7. Adjournment

USI Corporation

Year 2024

Agenda of Annual General Meeting of Shareholders

Date : May 31, 2024 (Friday) AM 09:00

Location: 5F, No.2, Yuanshan Rd., Niasong Dist., Kaohsiung City,
Taiwan (R.O.C.)

The Kaohsiung Grand Hotel, Po Shou Hall
(Physical shareholders meeting)

1. Report Items:

- (1) To report 2023 operating results.
- (2) To report Audit Committee's Review Reports of 2023 Financial Statement.
- (3) To report 2023 remuneration of directors and employees.

2. Matters for Ratification and Discussion:

- (1) To ratify 2023 Business Report and Financial Statements.
- (2) To ratify 2023 earnings distribution.
- (3) To approve the permission of directors for competitive actions.

3. Extemporary Motions:

4. Adjournment

I. Report Items:

Report 1

To report 2023 operating results.

USI Corporation 2023 Business Report

The Company's 2023 net sales were NT\$ 11,450 million, down 27% from the last year, with a budget accomplishment rate of 76%. The net operating profit was NT\$ 1,029 million, a 70% decrease from the last year, with a budget accomplishment rate of 55%. The net loss before income tax was NT\$ 260 million, a decrease of NT\$ 2,190 million from the last year, with a budget accomplishment rate of -13%. The net loss after income tax was NT\$ 27 million.

In terms of the operation this year, China's recovery after the lifting of the pandemic was not as good as anticipated in the first half, and although OPEC+ reduced production to boost oil prices, the crude oil price slowed down due to the sluggish economic data, and the ethylene spot price of the U.S., which led to a fall in spot prices for ethylene. The Israel-Palestine war caused a short-term rise in oil prices in the third quarter and there was a worry about the prospect of China's economy. Ethylene prices fluctuated along with oil prices and the overall oversupply of ethylene in Asia, and the downstream demand was still sluggish, leading to the cracking plants maintaining a low utilization rate. In terms of EVA, at the beginning of the year, EVA prices were actively purchased by traders. In addition, the demand for photovoltaic grade EVA continued to rise from a low point. However, the downstream demand has been weak since late March. As Fujian Gulei Petrochemical Co., Ltd. (hereinafter referred

to as Gulei Petrochemical), the Company's investee, was about to start production of EVA, the market had a strong wait-and-see atmosphere and the price continued to be depressed. Gulei Petrochemical's EVA production was successfully put into production in May. The price began to rise from the bottom in late July. In late September, the inventory of PV manufacturers was high, and the demand was weak again. In addition, the demand for other applications did not improve, and the price began to fall until the end of the year. In total, the sales volume of EVA for 2024 was 142,000 tons, up 13% from the last year, but the selling price dropped by about 40%. HD/LLD products were mainly sold domestically. Under the influence of inflation, the demand shrank significantly. In addition, the year-end maintenance of CPC's New No. 3 Naphtha Cracker and New No. 4 Naphtha Cracker affected the production plan. The total sales volume was 85,000 tons, down 8% from the last year, and the selling price dropped by approximately 10%. In terms of production, through continual process improvement, old equipment replacement, production efficiency and quality improvement to reduce the production cost, and the active trial run of niche products. The annual EVA/PE production volume was 217,000 tons, an increase of 5% from the last year. The Company actively improves work safety and environmental protection, promotes the introduction of process safety management (PSM), implements public safety guarantees, implements energy-saving and carbon-reduction plans, and invests in the development of renewable energy project at the end of 2023 has reached 7.2MW. By doing this, approximately 9.15 million kWh of green electricity can be generated, contributing more than 4,500 tons of carbon dioxide equivalent to carbon reduction, achieving the goal of sustainability and carbon reduction. In terms of research and development, we have continued to optimize the production process of optical-grade

cyclic block copolymers to improve the quality and performance of raw materials, and develop new specifications with high heat resistance to target electronic applications and other applications with high heat resistance requirements. We continued to expand production applications in ink, shoe styrene, and electrical wires/cables for high value-added EVA products. In addition, in response to the needs of the customers of the index encapsulation film, the development of the lower MI encapsulation film grade EVA has been carried out. In sum, the net operating profit decreased this year as the decrease in product selling price was greater than the decrease in the cost of raw materials. In addition, net non-operating expenses of NT\$ 1.288 billion were mainly due to the share of investment loss of NT\$ 1.395 billion from the investment of Gulei Petrochemical under the equity method.

The Company has continued to promote sustainable development and actively responded to the government's energy conservation and carbon reduction policies. The Company has started to plan our green power strategy, test efficiency and discuss energy conservation measures of major energy-consuming equipment, and collaborate with the administration of the NTU Experimental Forest to adopt an area of 5 hectares for the new afforestation plan, with tree planting activities carried out. As a member of the "Supply Chain Low-Carbon Transformation Counseling Program" of the industrial development agency, Ministry of Economic Affairs, we work with customers and their supply chains to achieve carbon reduction goals. At the same time, we have disclosed our water management data and results and obtained an A- grade in the International CDP Water Questionnaire. In terms of social welfare, apart from participating in disease prevention-related activities and providing local job opportunities, we also sponsored cultural activities, supported education in

disadvantaged and remote areas, and cared for the environment through the USI Education Foundation. At the same time, we offered scholarships for colleges and universities, organized service club activities, and donated to educational public welfare groups. In terms of employee care, the Company has been certified as a sports enterprise by the Sports Administration for five consecutive years, and has strengthened employee health management.

Looking forward to 2024, as the world pays attention to green energy issues and gradually implements energy saving and carbon reduction, the long-term demand for the solar energy market is optimistic, and it is expected that the green economy will continue to create EVA demand. However, the uncertainty caused by factors such as inflation, economic slowdown and geopolitical instability is still high, and the market is not too optimistic about future economic conditions. In 2024 and 2025, there will still be new EVA capacity suppliers recommencing production, which may cause a certain degree of impact on supply and demand. The Company will make efforts to seek stable and low-cost ethylene sources, lower production costs, continue improving the quality of products and technical services, develop differentiated products, and enhance the cultivation of markets outside of China to disperse market risk. The Company continues to enhance its competitiveness for sustainable development and growth.

Chairperson: Yi-Gui Wu

President: Pei-Ji Wu

Chief Accounting Officer: Chuan-Hua Kuo

Report Items:

Report 2

To report Audit Committee's Review Reports of 2023 Financial Statement.

USI Corporation

Audit Report

This Audit Committee has audited the 2023 Business Report produced by the Board of Directors, the financial statements (including consolidated and individual financial statements) audited and certified by CPA Pi-Yu Chuang and CPA Chun-Hung Chen of Deloitte Taiwan, and the proposal for profit distribution and found no nonconformity. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is presented for approval to AGM.

To

The 2024 Annual General Meeting of Shareholders

Audit Committee, USI Corporation

Independent Director: Chong Chen

Independent Director: Tyzz-Jiun Duh

Independent Director: Ying-Jun Hai

Independent Director: Sun-Te Chen

March 8, 2024

Report Items:

Report 3

To report 2023 remuneration of directors and employees.

Description: 1. Proceeded in accordance with related orders of the Ministry of Economic Affairs and Article 34 of the Articles of Incorporation of the Company.

2. Since the company made no profit in 2023, no remuneration for directors and employees will be distributed.

II. Matters for Ratification and Discussion:

Proposal 1

Proposed by the Board

To ratify 2023 Business Report and Financial Statements.

- Description: 1. The 2023 financial statements (including consolidated and individual financial statements) approved by the Board on March 8, 2024 are audited by CPA Pi-Yu Chuang and CPA Chun-Hung Chen of Deloitte Taiwan and the Audit Committee for the record.
2. Please refer to p. 4-7 of this Handbook for the 2023 Business Report and p.11-28 for the CPA Audit Report and the financial statements.

Resolution:

Independent Auditors' Report

To USI Corporation:

Audit Opinion

We have audited the Consolidated Balance Sheets of USI Corporation and its subsidiaries (the Group) as of the years ended December 31, 2023 and 2022, and the Consolidated Comprehensive Income Statements, 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 period from January 1 to December 31, 2023 and 2022.

The accountant opinions are that the accompanying consolidated financial statements have been prepared in all material respects in accordance with 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) endorsed and issued into effect by the Financial Supervisory Commission, making it impossible to properly express the consolidated financial position of the Group as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2023 and 2022.

Basis for Audit Opinion

The audit was conducted in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Entrusted Certified Public Accountants and Auditing Standards. 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, 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 for the Group in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of

our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2023 is as follows:

The Authenticity of Specific Sales Revenue

In 2023, the Group's sales revenue to specific customers and to specific regions increased year-on-year. Whether the sales revenue is properly recognized at the time of meeting performance obligations will have a material impact on the consolidated financial statements and is therefore considered a key audit matter for the current year.

For accounting policies relating to sales revenue and relevant disclosure information, please refer to Notes 4(17) and 26 of the consolidated financial statements.

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

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

Other Matters

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2023 and 2022 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 concerned basis of accounting unless the management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those in charge of governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. Auditors also performed the following tasks:

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' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to alert the consolidated financial statements user, to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the related notes) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the Group 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 in charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2023 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 partner on the audit resulting in this independent auditors' report are Pi-Yu Chuang and Chun-Hung Chen.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 8, 2024

Notice to Readers

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

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

USI CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 11,059,546	15	\$ 11,522,009	15
Financial assets at fair value through profit or loss (FVTPL)				
- current (Notes 4, 7, 35 and 36)	3,120,700	4	2,724,497	3
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	40,841	-	97,183	-
Financial assets at amortized cost - current (Notes 3, 4, 9, 35 and 36)	1,699,176	2	424,685	1
Notes receivables, net (Notes 4, 10 and 26)	479,270	1	544,546	1
Accounts receivable, net (Notes 4, 5, 10, 26 and 34)	5,031,335	7	7,395,035	10
Other receivables (Notes 4, 10 and 34)	323,794	1	259,201	-
Current tax assets (Notes 4 and 28)	13,111	-	18,802	-
Inventories (Notes 4, 5 and 11)	6,922,989	9	7,199,654	9
Prepayments	817,337	1	1,220,781	2
Other current assets (Notes 4 and 14)	49,401	-	216,907	-
Total current assets	<u>29,557,500</u>	<u>40</u>	<u>31,623,300</u>	<u>41</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	2,127,088	3	2,060,835	3
Financial assets at amortized cost - non-current (Notes 3, 4, 9 and 36)	353,024	-	350,329	-
Investments accounted for using the equity method (Notes 4 and 13)	9,357,571	13	13,611,385	17
Property, plant and equipment (Notes 4, 14 and 35)	26,380,393	36	25,520,104	33
Right-of-use assets (Notes 4, 15 and 35)	2,571,037	3	1,634,654	2
Investment properties, net (Notes 4 and 16)	587,321	1	624,562	1
Goodwill (Notes 4 and 17)	270,211	-	270,211	-
Other intangible assets, net (Notes 4 and 17)	50,403	-	48,274	-
Deferred tax assets (Notes 4 and 28)	1,985,468	3	1,341,378	2
Other non-current assets (Notes 23 and 35)	832,789	1	656,537	1
Total non-current assets	<u>44,515,305</u>	<u>60</u>	<u>46,118,269</u>	<u>59</u>
Total Assets	<u>\$ 74,072,805</u>	<u>100</u>	<u>\$ 77,741,569</u>	<u>100</u>
Liabilities and Equity				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 35)	\$ 3,256,357	5	\$ 2,400,326	3
Short-term notes payable (Note 18)	-	-	290,613	1
Financial liabilities at fair value through profit or loss (FVTPL)				
- current (Notes 4 and 7)	2,804	-	27,839	-
Account payables (Note 20)	3,017,667	4	3,349,040	4
Other payables (Note 21)	2,229,339	3	2,262,374	3
Current tax liabilities (Notes 4 and 28)	645,044	1	1,647,045	2
Lease liability - current (Note 4 and 15)	143,820	-	102,435	-
Current portion of long-term borrowings (Notes 18, 19 and 35)	2,283,668	3	-	-
Refund liabilities - current (Note 21)	30,704	-	28,247	-
Other current liabilities (Note 26)	239,932	-	667,938	1
Total current liabilities	<u>11,849,335</u>	<u>16</u>	<u>10,775,857</u>	<u>14</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	3,994,990	5	5,992,228	8
Long-term borrowings (Notes 18 and 35)	6,441,427	9	6,366,223	8
Provision for liabilities - non-current (Notes 4, 5, 22 and 36)	136,375	-	136,375	-
Deferred tax liabilities (Notes 4 and 28)	1,298,084	2	1,395,175	2
Lease liabilities - non-current (Notes 4 and 15)	1,992,525	3	1,262,591	1
Net defined benefit liabilities - non-current (Notes 4 and 23)	663,943	1	754,722	1
Other non-current liabilities (Note 24)	152,226	-	133,513	-
Total non-current liabilities	<u>14,679,570</u>	<u>20</u>	<u>16,040,827</u>	<u>20</u>
Total Liabilities	<u>26,528,905</u>	<u>36</u>	<u>26,816,684</u>	<u>34</u>
Equity attributable to owners of the Company (Notes 4, 8, 12, 23, 25 and 28)				
Share capital	11,887,635	16	11,887,635	15
Capital surplus	476,799	1	449,960	1
Retained Earnings				
Legal reserve	4,036,296	5	3,872,190	5
Special reserve	375,127	-	375,127	-
Unappropriated earnings	7,115,479	10	8,377,890	11
Total retained earnings	<u>11,526,902</u>	<u>15</u>	<u>12,625,207</u>	<u>16</u>
Other equity	(161,445)	-	8,896	-
Treasury shares	(475,606)	(1)	(475,606)	-
Total equity attributable to owners of the Company	<u>23,254,285</u>	<u>31</u>	<u>24,496,092</u>	<u>32</u>
Non-controlling interests	<u>24,289,615</u>	<u>33</u>	<u>26,428,793</u>	<u>34</u>
Total equity	<u>47,543,900</u>	<u>64</u>	<u>50,924,885</u>	<u>66</u>
Total Liabilities and Equity	<u>\$ 74,072,805</u>	<u>100</u>	<u>\$ 77,741,569</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, 2023 and 2022

(In Thousands of New Taiwan Dollars, except for Earnings (Loss)
Per Share)

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 34)	\$ 52,264,762	100	\$ 66,437,122	100
COST OF GOODS SOLD (Notes 4, 11, 14, 15, 17, 23, 27 and 34)	<u>46,658,491</u>	<u>89</u>	<u>55,496,976</u>	<u>83</u>
GROSS PROFIT	<u>5,606,271</u>	<u>11</u>	<u>10,940,146</u>	<u>17</u>
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 23, 27 and 34)				
Selling and marketing expenses	2,196,355	4	3,406,260	5
Administrative expenses	1,323,095	3	1,360,037	2
Research and development expenses	468,416	1	436,993	1
Expected credit loss (gain) reversed on accounts receivable	(930)	-	865	-
Total operating expenses	<u>3,986,936</u>	<u>8</u>	<u>5,204,155</u>	<u>8</u>
NET PROFIT FROM OPERATIONS	<u>1,619,335</u>	<u>3</u>	<u>5,735,991</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 27)	293,395	1	146,498	-
Other income (Notes 4, 18, 24, 27 and 34)	552,715	1	950,949	1
Other gains and losses (Notes 4, 16, 17, 27 and 38)	(10,196)	-	233,549	-
Finance costs (Notes 4, 18, 19 and 27)	(269,302)	(1)	(215,420)	-
Share of loss of associates and joint ventures accounted for using the equity method (Notes 4 and 13)	(4,122,764)	(8)	(6,154,577)	(9)
Total non-operating income and expenses	<u>(3,556,152)</u>	<u>(7)</u>	<u>(5,039,001)</u>	<u>(8)</u>
Net (loss) profit before income tax	(1,936,817)	(4)	696,990	1
Income tax (gain) expense (Notes 4 and 28)	(30,175)	-	758,179	1
Net loss for the year	<u>(1,906,642)</u>	<u>(4)</u>	<u>(61,189)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4, 23 and 25)	(1,479)	-	247,135	-
Unrealized gain (loss) on equity instruments at FVTOCI (Notes 4 and 25)	65,609	-	(222,591)	-
Income tax relating to items that will not be reclassified (Notes 4, 25 and 28)	<u>523</u>	<u>-</u>	<u>(38,886)</u>	<u>-</u>
	<u>64,653</u>	<u>-</u>	<u>(14,342)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences in translating the financial statements of foreign operations (Notes 4 and 25)	(258,447)	-	860,412	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 25 and 28)	<u>39,553</u>	<u>-</u>	<u>(131,480)</u>	<u>-</u>
	<u>(218,894)</u>	<u>-</u>	<u>728,932</u>	<u>1</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(154,241)</u>	<u>-</u>	<u>714,590</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(\$ 2,060,883)</u>	<u>(4)</u>	<u>\$ 653,401</u>	<u>1</u>
Net (loss) profit attributable to:				
Owners of the Company	(\$ 207,006)	(1)	\$ 1,555,097	2
Non-controlling interests	<u>(1,699,636)</u>	<u>(3)</u>	<u>(1,616,286)</u>	<u>(2)</u>
	<u>(\$ 1,906,642)</u>	<u>(4)</u>	<u>(\$ 61,189)</u>	<u>-</u>
Total comprehensive income attributable to:				
Owners of the Company	(\$ 381,717)	(1)	\$ 1,567,260	2
Non-controlling interests	<u>(1,679,166)</u>	<u>(3)</u>	<u>(913,859)</u>	<u>(1)</u>
	<u>(\$ 2,060,883)</u>	<u>(4)</u>	<u>\$ 653,401</u>	<u>1</u>
Earnings (loss) Per Share (Note 29)				
From continuing operations				
Basic (loss) earnings per share	(\$ 0.19)		\$ 1.45	
Diluted (loss) earnings per share	<u>(\$ 0.19)</u>		<u>\$ 1.45</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, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company												
	Capital surplus				Retained Earnings			Other equity				Non-controlling interests	
	Ordinary Shares (Notes 4 and 25)	Treasury Share Transactions (Note 25)	Shares of Changes in Capital Surplus of Associates (Notes 4, 12 and 25)	Others (Note 25)	Legal reserve (Note 25)	Special reserve (Note 25)	Unappropriated earnings (Notes 4, 8, 12, 23 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 25 and 28)	Unrealized gain (loss) on financial assets at FVTOCI (Notes 4, 8, 25 and 28)	Treasury shares (Note 25)	Total	(Notes 8, 12 and 25)	Total equity
Balance as of January 1, 2022	\$ 11,887,635	\$ 302,976	\$ 41,902	\$ 21,307	\$ 3,343,086	\$ 375,127	\$ 9,881,214	(\$ 710,973)	\$ 795,331	(\$ 475,606)	\$ 25,461,999	\$ 30,182,962	\$ 55,644,961
Distribution of earnings in 2021													
Provision for legal reserve	-	-	-	-	529,104	-	(529,104)	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	(2,615,280)	-	-	-	(2,615,280)	-	(2,615,280)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,804,905)	(2,804,905)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097	(1,616,286)	(61,189)
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	(414,211)	-	12,163	702,427	714,590
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	1,641,691	339,780	(414,211)	-	1,567,260	(913,859)	653,401
Changes in equity of subsidiaries recognized by equity method	-	-	(1,955)	-	-	-	(1,662)	-	-	-	(3,617)	4,326	709
Changes in other capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325	-	84,325
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	1,031	-	(1,031)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(39,731)	(39,731)
Balance as of December 31, 2022	11,887,635	387,301	39,947	22,712	3,872,190	375,127	8,377,890	(371,193)	380,089	(475,606)	24,496,092	26,428,793	50,924,885
Distribution of earnings in 2022													
Provision for legal reserve	-	-	-	-	164,106	-	(164,106)	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	(832,134)	-	-	-	(832,134)	-	(832,134)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(722,518)	(722,518)
Net loss for the year ended December 31, 2023	-	-	-	-	-	-	(207,006)	-	-	-	(207,006)	(1,699,636)	(1,906,642)
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	725	(81,193)	(94,243)	-	(174,711)	20,470	(154,241)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(206,281)	(81,193)	(94,243)	-	(381,717)	(1,679,166)	(2,060,883)
Changes in equity of subsidiaries recognized by equity method	-	-	(199)	-	-	-	(54,795)	-	-	-	(54,994)	61,922	6,928
Changes in other capital surplus	-	-	-	208	-	-	-	-	-	-	208	-	208
Dividends distributed to subsidiaries to adjust capital reserve	-	26,830	-	-	-	-	-	-	-	-	26,830	-	26,830
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	(5,095)	-	5,095	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	200,584	200,584
Balance as of December 31, 2023	\$ 11,887,635	\$ 414,131	\$ 39,748	\$ 22,920	\$ 4,036,296	\$ 375,127	\$ 7,115,479	(\$ 452,386)	\$ 290,941	(\$ 475,606)	\$ 23,254,285	\$ 24,289,615	\$ 47,543,900

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, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) profit before tax for the year	(\$ 1,936,817)	\$ 696,990
Income (expenses) items		
Depreciation expense	2,547,837	2,350,740
Amortization expense	61,226	58,946
Expected credit loss (gain) reversed on accounts receivable	(930)	865
Net (gain) loss on financial assets and liabilities at FVTPL	(41,445)	117,767
Finance costs	269,302	215,420
Interest income	(293,395)	(146,498)
Dividend income	(180,814)	(463,584)
Share of loss of associates and joint ventures accounted for using the equity method	4,122,764	6,154,577
Gain on disposal and scrapping of property, plant and equipment	(17,378)	(1,188)
Intangible assets losses	26	-
Disposal Right-of-use assets gain	(70,128)	-
Non-financial asset impaired loss	133	-
(Reversal) provision for write-downs of inventories and obsolescence losses	(20,918)	262,016
Benefit from Lease Modifications	(61)	-
Changes in operating assets and liabilities		
(Increase) decrease in financial Instruments mandatorily classified at FVTPL	(379,793)	2,924,461
Decrease in notes receivable	65,276	331,199
Decrease in accounts receivable	2,364,848	1,119,159
(Increase) decrease in other receivables	(46,057)	262,793
Decrease in inventories	298,620	134,495
Decrease (Increase) in prepayments	403,444	(610,074)
Decrease in other current assets	168,082	26,315
Decrease in accounts payable	(331,373)	(179,958)
Decrease in accounts payable	(68,400)	(614,894)
Increase (Decrease) in refund liabilities	2,457	(383)
Decrease in net defined benefit liabilities	(89,819)	(301,437)
(Decrease) increase in other current liabilities	(428,006)	102,676
Cash generated from operations	6,398,681	12,440,403
Interest received	274,859	136,229
Interest paid	(247,973)	(215,453)
Income tax paid	(1,669,100)	(2,611,392)
Net cash generated from operating activities	<u>4,756,467</u>	<u>9,749,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTOCI	(39,950)	(43)
Disposal of financial assets at FVTOCI	100,121	28,399
Return of capital from financial assets at FVTOCI	-	41,329
Disposal of financial assets at amortized cost	(1,277,186)	(78,130)
Acquisition of long-term equity investments using the equity method	-	(90,000)
Disposal of Right-of-use assets proceeds	77,540	-
Acquisition of property, plant and equipment	(3,293,337)	(3,232,790)
Proceeds from disposal of property, plant and equipment	74,982	41,615
Decrease (increase) in refundable deposits	17,642	(48,811)
Acquisitions of other intangible assets	(11,425)	(10,581)
Acquisition of land use rights	(200,271)	-
Acquisition of investment properties	(848)	(3,714)
(Increase) decrease in other non-current assets	(220,651)	364,020
Dividends received	180,814	463,584
Increase in deferred revenues	6,090	-
Net cash used in investing activities	<u>(4,586,479)</u>	<u>(2,525,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings	586,031	(97,715)
(Decrease) increase in short-term notes payable	(291,000)	11,000
Repayments of bonds	-	(3,000,000)
Proceeds from mid- to long-term borrowings	13,002,537	21,407,630
Repayment of mid- to long-term borrowings	(12,392,454)	(19,566,743)
Increase in guarantee deposits received	1,111	16,661
Repayment of the principal portion of lease liabilities	(151,048)	(89,717)
Increase in other non-current liabilities	11,512	22,081
Cash dividends paid	(832,134)	(2,615,280)
Dividends paid to non-controlling interests	(722,518)	(2,804,905)
Change in non-controlling interests	200,584	(39,731)
Net cash used in financing activities	<u>(587,379)</u>	<u>(6,756,719)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(45,072)</u>	<u>653,956</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	<u>(462,463)</u>	<u>1,121,902</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Note 3)	<u>11,522,009</u>	<u>10,400,107</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 3)	<u>\$ 11,059,546</u>	<u>\$ 11,522,009</u>

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

Independent Auditors' Report

Audit Opinion

We have audited the Parent Company Only Balance Sheets of USI Corporation (USI) as of the years ended December 31, 2023 and 2022, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) for the period from January 1 to December 31 of 2023 and 2022.

The accountant opinions are that the preparations of significant issues of the Parent Company Only Financial Statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the accompanying financial conditions as of December 31 of 2023 and 2022 of USI Corporation and the accompanying financial performance and accompanying cash flows for the months from January 1 to December 31 of 2023 and of 2022.

Basis for Audit Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance for USI in our audit of the Parent Company Only Financial Statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2023 is as follows.

The Authenticity of Specific Sales Revenue

In 2023, USI Corporation's sales revenue from solar thin-film products to specific customers accounted for 29.83% of its individual sales revenue. Given the greater challenge in acquiring information from international markets in contrast to domestic ones, and the substantial influence of accurately recognizing sales revenue from specific customers on both the net revenue and financial performance of USI Corporation, this issue has been designated as a key audit concern for the present fiscal year.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements Section of Our Report.

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

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. The auditor also performed the following tasks:

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

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent Company Only Financial Statements of the Company for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Pi-Yu Chuang and Chun-Hung Chen.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 8, 2024

Notice to Readers

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

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

USI CORPORATION
Parent Company Only Balance Sheets
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 1,889,021	6	\$ 1,318,585	4
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	852,542	3	533,166	2
Financial assets at amortized cost - current (Notes 3, 4, 9 and 31)	160,955	-	61,104	-
Notes receivable, net (Notes 4 and 10)	48,776	-	88,808	-
Accounts receivable, net (Notes 4 and 10)	670,023	2	2,267,755	7
Accounts receivable, related parties (Notes 4, 10 and 30)	67,912	-	118,818	-
Other receivables (Notes 4 and 10)	35,664	-	48,153	-
Other receivables, related parties (Notes 4, 10, 12 and 30)	591,078	2	422,770	1
Inventories (Notes 4 and 11)	1,262,040	4	1,413,526	4
Prepayments	220,408	1	208,866	1
Total current assets	<u>5,798,419</u>	<u>18</u>	<u>6,481,551</u>	<u>19</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) -non-current (Notes 4 and 8)	902,304	3	870,662	3
Investments accounted for using the equity method (Notes 4, 5 and 12)	18,116,918	57	19,855,669	58
Property, plant and equipment (Notes 4 and 13)	5,951,994	19	6,331,437	19
Right-of-use assets (Notes 4 and 14)	742	-	5,191	-
Investment properties, net (Notes 4, 15 and 30)	133,521	-	134,914	-
Intangible assets, net (Notes 4 and 16)	956	-	666	-
Deferred tax assets (Notes 4 and 25)	727,734	2	444,382	1
Other non-current assets (Note 31)	134,993	1	145,513	-
Total non-current assets	<u>25,969,162</u>	<u>82</u>	<u>27,788,434</u>	<u>81</u>
Total Assets	<u>\$ 31,767,581</u>	<u>100</u>	<u>\$ 34,269,985</u>	<u>100</u>
Liabilities and Equity				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	\$ -	-	\$ 13,769	-
Accounts payable (Note 19)	1,062,391	4	985,157	3
Accounts payable, related parties (Notes 19 and 30)	107,310	-	304,917	1
Other payables (Note 20)	331,050	1	459,138	1
Other payables, related parties (Notes 20 and 30)	17,458	-	24,563	-
Current tax liabilities (Notes 4 and 25)	267,582	1	826,833	2
Lease liabilities - current (Notes 4 and 14)	28,578	-	32,249	-
Current portion of long-term borrowings (Note 18)	1,999,714	6	-	-
Other current liabilities (Notes 23 and 30)	29,733	-	149,749	1
Total current liabilities	<u>3,843,816</u>	<u>12</u>	<u>2,796,375</u>	<u>8</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	3,994,990	13	5,992,228	18
Long-term borrowings (Note 17)	467,506	2	729,703	2
Deferred tax liabilities (Notes 4 and 25)	62,920	-	59,355	-
Lease liabilities - non-current (Notes 4 and 14)	56,528	-	85,188	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	71,078	-	94,352	1
Other non-current liabilities (Note 17)	16,458	-	16,692	-
Total non-current liabilities	<u>4,669,480</u>	<u>15</u>	<u>6,977,518</u>	<u>21</u>
Total Liabilities	<u>8,513,296</u>	<u>27</u>	<u>9,773,893</u>	<u>29</u>
Equity (Notes 4, 8, 12, 21, 22 and 25)				
Share capital	<u>11,887,635</u>	<u>37</u>	<u>11,887,635</u>	<u>35</u>
Capital surplus	<u>476,799</u>	<u>2</u>	<u>449,960</u>	<u>1</u>
Retained Earnings				
Legal reserve	4,036,296	13	3,872,190	11
Special reserve	375,127	1	375,127	1
Unappropriated earnings	<u>7,115,479</u>	<u>22</u>	<u>8,377,890</u>	<u>25</u>
Total retained earnings	<u>11,526,902</u>	<u>36</u>	<u>12,625,207</u>	<u>37</u>
Other equity	(161,445)	(1)	8,896	-
Treasury shares	(475,606)	(1)	(475,606)	(2)
Total equity	<u>23,254,285</u>	<u>73</u>	<u>24,496,092</u>	<u>71</u>
Total Liabilities and Equity	<u>\$ 31,767,581</u>	<u>100</u>	<u>\$ 34,269,985</u>	<u>100</u>

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

USI CORPORATION
Parent Company Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, except for Earnings (losses) Per Share)

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 30)	\$ 11,449,372	100	\$ 15,632,151	100
COST OF GOODS SOLD (Notes 4, 11, 13, 16, 21, 24 and 30)	<u>9,820,042</u>	<u>86</u>	<u>11,437,888</u>	<u>73</u>
GROSS PROFIT	1,629,330	14	4,194,263	27
The unrealized profits with the subsidiaries (Notes 4 and 30)	(1,103)	-	(1,505)	-
The realized profits with the subsidiaries (Notes 4 and 30)	<u>1,505</u>	<u>-</u>	<u>1,175</u>	<u>-</u>
The realized gross profit	<u>1,629,732</u>	<u>14</u>	<u>4,193,933</u>	<u>27</u>
OPERATING EXPENSES (Notes 4, 13, 14, 16, 21, 24 and 30)				
Selling and marketing expenses	231,700	2	325,268	2
Administrative expenses	224,879	2	249,089	2
Research and development expenses	<u>144,359</u>	<u>1</u>	<u>150,870</u>	<u>1</u>
Total operating expenses	<u>600,938</u>	<u>5</u>	<u>725,227</u>	<u>5</u>
NET PROFIT FROM OPERATIONS	<u>1,028,794</u>	<u>9</u>	<u>3,468,706</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4, 24 and 30)	20,176	-	16,538	-
Other income (Notes 4, 8, 24 and 30)	217,054	2	168,587	1
Other gains and losses (Notes 4, 15, 24 and 30)	(42,625)	-	(29,622)	-
Finance costs (Notes 4, 14, 17, 18 and 24)	(58,644)	(1)	(73,666)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method (Notes 4 and 12)	(<u>1,424,426</u>)	(<u>12</u>)	(<u>1,618,808</u>)	(<u>10</u>)
Total non-operating income and expenses	(<u>1,288,465</u>)	(<u>11</u>)	(<u>1,536,971</u>)	(<u>10</u>)
Net (loss) profit before income tax	(259,671)	(2)	1,931,735	12
Income tax (gain) expense (Notes 4 and 25)	(<u>52,665</u>)	<u>-</u>	<u>376,638</u>	<u>2</u>
Net (loss) profit for the year	(<u>207,006</u>)	(<u>2</u>)	<u>1,555,097</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4 and 21)	1,178	-	41,282	-
Unrealized gain (loss) on the equity instruments at FVTOCI (Notes 4 and 22)	11,667	-	(34,862)	-
Share of profit or loss of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 22)	(106,127)	(1)	(325,781)	(2)
Income tax relating to items that will not be reclassified (Notes 4, 22 and 25)	(<u>236</u>)	<u>-</u>	(<u>8,256</u>)	<u>-</u>
	(<u>93,518</u>)	(<u>1</u>)	(<u>327,617</u>)	(<u>2</u>)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 22)	(44,266)	-	294,953	2
Share of profit or loss of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 22)	(45,780)	-	103,818	-
Income tax relating to items that may be reclassified (Notes 4, 22 and 25)	<u>8,853</u>	<u>-</u>	(<u>58,991</u>)	<u>-</u>
	(<u>81,193</u>)	<u>-</u>	<u>339,780</u>	<u>2</u>
Other comprehensive income for the period, net of income tax	(<u>174,711</u>)	(<u>1</u>)	<u>12,163</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(<u>\$ 381,717</u>)	(<u>3</u>)	<u>\$ 1,567,260</u>	<u>10</u>
EARNINGS (LOSSES) PER SHARE (Note 26)				
Basic (loss) earnings per share	(\$ <u>0.19</u>)		<u>\$ 1.45</u>	
Dilution (loss) earnings per share	(\$ <u>0.19</u>)		<u>\$ 1.45</u>	

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

USI CORPORATION
Parent Company Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	Capital surplus				Retained Earnings			Other equity		Treasury shares (Notes 4 and 22)	Total equity
	Ordinary Shares (Notes 4 and 22)	Treasury Share Transactions (Note 22)	Shares of Changes in Capital Surplus of Associates (Notes 4 and 22)	Others (Note 22)	Legal reserve (Note 22)	Special reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 12, 21, 22 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 22 and 25)	Unrealized gain (loss) on financial assets at FVTOCI (Notes 4, 8 and 22)		
Balance as of January 1, 2022	\$ 11,887,635	\$ 302,976	\$ 41,902	\$ 21,307	\$ 3,343,086	\$ 375,127	\$ 9,881,214	(\$ 710,973)	\$ 795,331	(\$ 475,606)	\$ 25,461,999
Distribution of earnings in 2021											
Provision for legal reserve	-	-	-	-	529,104	-	(529,104)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(2,615,280)	-	-	-	(2,615,280)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	(414,211)	-	12,163
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	1,641,691	339,780	(414,211)	-	1,567,260
Changes in equity of subsidiaries recognized by equity method	-	-	(1,955)	-	-	-	(1,662)	-	-	-	(3,617)
Changes in other capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	1,031	-	(1,031)	-	-
Balance as of December 31, 2022	11,887,635	387,301	39,947	22,712	3,872,190	375,127	8,377,890	(371,193)	380,089	(475,606)	24,496,092
Distribution of earnings in 2022											
Provision for legal reserve	-	-	-	-	164,106	-	(164,106)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(832,134)	-	-	-	(832,134)
Net loss for the year ended December 31, 2023	-	-	-	-	-	-	(207,006)	-	-	-	(207,006)
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	725	(81,193)	(94,243)	-	(174,711)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(206,281)	(81,193)	(94,243)	-	(381,717)
Changes in equity of subsidiaries recognized by equity method	-	-	(199)	-	-	-	(54,795)	-	-	-	(54,994)
Changes in other capital surplus	-	-	-	208	-	-	-	-	-	-	208
Dividends distributed to subsidiaries to adjust capital reserve	-	26,830	-	-	-	-	-	-	-	-	26,830
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	(5,095)	-	5,095	-	-
Balance as of December 31, 2023	<u>\$ 11,887,635</u>	<u>\$ 414,131</u>	<u>\$ 39,748</u>	<u>\$ 22,920</u>	<u>\$ 4,036,296</u>	<u>\$ 375,127</u>	<u>\$ 7,115,479</u>	<u>(\$ 452,386)</u>	<u>\$ 290,941</u>	<u>(\$ 475,606)</u>	<u>\$ 23,254,285</u>

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

USI CORPORATION
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2023 and 2022

	(In Thousands of New Taiwan Dollars)	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) profit before tax for the year	(\$ 259,671)	\$ 1,931,735
Income (expenses) items		
Depreciation expense	651,242	625,885
Amortization expense	8,105	14,455
Net (gain) loss on the financial assets and liabilities at FVTPL	(17,124)	61,309
Finance costs	58,644	73,666
Interest income	(20,176)	(16,538)
Dividend income	(35,893)	(65,750)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	1,424,426	1,618,808
Disposal and scrapping of property, plant and equipment (gain) loss	(700)	12,921
Loss on disposal of investments accounted for using equity method	13,850	-
Provision for write-downs of inventories and obsolescence losses	21,735	31,749
The unrealized profits with the subsidiaries	1,103	1,505
The realized profits with the subsidiaries	(1,505)	(1,175)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified at FVTPL	(316,021)	2,012,683
Decrease in notes receivable	40,032	30,571
Decrease (increase) in accounts receivable	1,597,732	(303,648)
Decrease (increase) in accounts receivable , related parties	50,906	(12,350)
Decrease in other receivables	12,894	58,529
(Increase) decrease in other receivables, related parties	(38,870)	46,083
Decrease (increase) in inventories	129,751	(192,884)
Decrease (increase) in prepayments	1,775	(4,471)
Increase (decrease) in accounts payable	77,234	(34,621)
Decrease in accounts payable, related parties decrease	(197,607)	(89,532)
Decrease in accounts payable	(107,193)	(43,147)
(Decrease) increase in other payables, related parties	(7,105)	8,368
Decrease in other current liabilities	(120,016)	(40,202)
Decrease in net defined benefit liabilities	(22,096)	(37,043)
Cash generated from operations	2,945,452	5,686,906
Interest received	19,771	16,274
Interest paid	(53,940)	(90,186)
Income tax paid	(777,756)	(739,262)
Net cash generated from operating activities	<u>2,133,527</u>	<u>4,873,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTOCI	(19,975)	-
Return of capital from financial assets at FVTOCI	-	17,028
(Acquisition) disposal of financial assets at amortized cost	(99,851)	45
Acquisition of associate accounted for using the equity method (Note 12)	(10,000)	(90,000)
Acquisition of property, plant and equipment	(287,319)	(440,031)
Proceeds from disposal of property, plant and equipment	394	3,644
Increase in refundable deposits	(5,350)	(18,704)
Acquisitions of intangible assets	(791)	(750)
Other receivables - related parties decrease	-	125,000
Increase in other non-current assets	(5,051)	(19,525)
Dividends received	409,643	693,035
Net cash (outflow) inflow from investing activities	<u>(18,300)</u>	<u>269,742</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bonds	-	(3,000,000)
Proceeds from mid- to long-term borrowings	35,575	794,412
Repayment of mid- to long-term borrowings	(300,000)	(100,000)
Increase in guarantee deposits received	632	78
Repayment of the principal portion of lease liabilities	(32,239)	(31,426)
Increase in other non-current liabilities	425	5,588
Cash dividends paid	(832,134)	(2,615,280)
Acquisition of the share of subsidiaries (Note 12)	(536,050)	(23)
Investees using equity method Return of the equity	119,000	-
Net cash used in financing activities	<u>(1,544,791)</u>	<u>(4,946,651)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	570,436	196,823
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Note 3)	<u>1,318,585</u>	<u>1,121,762</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 3)	<u>\$ 1,889,021</u>	<u>\$ 1,318,585</u>

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

Matters for Ratification and Discussion:

Proposal 2

Proposed by the Board

To ratify 2023 earnings distribution.

Description : 1. In 2023, net loss for the year plus the loss amount of items other than net loss for the year but included in current unappropriated earning is NT\$ 266,171,925. After adding the beginning unappropriated earnings of NT\$7,381,649,943, by the end of 2023 the accumulated distributable earnings is NT\$ 7,115,478,018 and will be distributed cash dividend NT\$ 416,067,225, i.e. NT\$0.35 per share.

The unappropriated earnings after distribution will be NT\$ 6,699,410,793.

2. Please refer to next page, “Profit Distribution Table”, for details.
3. The cash dividends allocated to each shareholder shall be rounded down to a whole dollar amount of New Taiwan Dollars, and the total amount of allocation will be subject to the actual amount allocated.
4. Please authorize the Chairman to set a target date for the distribution of cash dividends after the adoption of this proposal.

Resolution:

USI Corporation

2023 Profit Distribution Table

expressed in NTD

Net loss before tax of 2023	(259,671,127)
Add: Income tax gain	<u>52,664,645</u>
Net loss of 2023	(207,006,482)
Less: Measuring the Gains of equity instruments by fair value through other comprehensive gains and losses	(5,094,861)
Less: Retained earnings adjusted for investments made under the equity method	(54,795,223)
Add: Retained earnings adjusted for the defined benefit plan after re-measurement	<u>724,641</u>
Net loss for the year plus the loss amount of items other than net loss for the year but included in current unappropriated earning	(266,171,925)
Add: Beginning unappropriated earnings	<u>7,381,649,943</u>
Accumulated distributable earnings at the end of 2023	<u><u>7,115,478,018</u></u>
Distributable items: (total issued shares: 1,188,763,500)	
Cash dividend: 0.35/share	416,067,225
Total of distributable items	<u><u>416,067,225</u></u>
Unappropriated earnings at the end of 2023 transferred to the next year	<u><u>6,699,410,793</u></u>

Chairperson: Yi-Gui Wu President: Pei-Ji Wu
Chief Accounting Officer: Chuan-Hua Kuo

Matters for Ratification and Discussion:

Proposal 3

Proposed by the Board

To approve the permission of directors for competitive actions.

Description : 1. Referring to Article 209 of the Company Act,

“A director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. Directors of the Company engage in business within the scope of business of the Company are tabulated below. Without harming the interest of the Company, it is proposed to allow their act in accordance with the Company Act.

Name of Directors	Concurrent Employers	Title
Yi-Gui Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited Ltd.)	Acme Advanced Materials Sdn. Bhd. 、Xiamen USI Trading Co., Ltd.	Director
Pei-Ji Wu (Representative of Taita Chemical Company, Limited)	Xiamen USI Trading Co., Ltd. 、Zhangzhou Dynamic Ever Property Co., Ltd.	Chairman

Resolution :

III. Extemporaneous Motions

IV. Meeting Adjournment

Appendix 1

USI Corporation Parliamentary Rules for Shareholders' Meetings

Amended on May 31, 2023

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Any changes to the convening of a shareholders meeting shall be resolved by the board meeting, which should be completed at the latest before the notice of the shareholders meeting is sent.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and the shareholders meeting agenda and supplemental meeting materials, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation.

The abovementioned meeting agenda and supplementary materials shall be made available by this Corporation to shareholders in the following ways on the day of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the video conferencing platform.
3. For virtual-only shareholders meetings, electronic documents should be shared on the video conferencing platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and

publish, and the main contents for the reason should be listed and explained according to law, and shall not be raised by an extraordinary motion.

If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be change by a motion or other means in the same meeting of shareholders.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the

meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Should the shareholder decide to attend the shareholders meeting by video conferencing after a proxy form has been received by this Corporation, a written notice of proxy cancellation shall be sent to this Corporation 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The restriction on the place of the meeting shall not apply when this Corporation convenes a virtual-only.

Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder, solicitors and proxies (collectively "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Registering to the video conferencing platform of the shareholders meeting should be completed at least 30 minutes before the meeting starts, those who complete the registration process are considered to have attended the meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

For shareholders meetings that are held by video conferencing, shareholders who would like to

attend the video conferencing of shareholders meeting should register with this Corporation at least two days before the shareholders meeting.

For shareholders meetings that are held by video conferencing, this Corporation shall upload the meeting agenda, annual report and other relevant information to the video conferencing platform 30 minutes before the shareholders meeting, and keep this information disclosed until the end of the meeting.

Article 6-1

(Matters to be included in the notice for the shareholders meeting conducted via video conferencing)

The shareholders meeting notice should specify the following matters if the meeting is also made available through video conferencing:

1. Methods of participation in the meeting through video conferencing and for exercising their rights.
2. The handling of issues with the video conferencing platform or participation in the video conference due to natural disasters, incidents or other force majeure events.
3. Other matters as required by law.

Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by the directors. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

For the shareholders meetings held by video conferencing, this Corporation shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The abovementioned materials and audio and video recordings shall be properly retained by this Corporation during the period of existence.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and number of shares represented as checked in to the video conferencing meeting platform, and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of non-voting shares and the number of shares in attendance, etc.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

(Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set

by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. The time for voting shall be sufficient.

Article 11

(Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Report Items and matters unrelated to the proposals will not be put into discussion or vote.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

For the shareholders meetings held by video conferencing, the shareholders who attend the meeting by video conferencing may raise their questions in text on the video conferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single

motion, and each question is limited to 200 words.

Article 12

(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which

the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

After the chair announces the start of the meeting, the shareholders who participate in the meeting through video conferencing shall conduct voting on various motions and election through the video conferencing platform, and must complete the voting before the chair announces the close of voting. Those who do not complete the voting before the announced ending time are considered abstention.

For the shareholders meetings held by video conferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

Article 14

(Election)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names not-elected as directors and the number of votes obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results of resolution (including a record made of the vote); where there is an election of directors, shall record the number of the vote for each candidate who is nominated and the minutes shall be retained for the duration of the existence of this Corporation.

Article 16

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and number of shares whose voting rights are exercised by correspondence or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. For shareholders meetings that are held by video conferencing, this Corporation shall upload the above information to the video conferencing platform 30 minutes before the shareholders meeting, and keep it disclosed until the end of the meeting.

When the shareholders meeting by video conferencing is announced to start, the number of voting rights of the attending shareholders shall be disclosed on the video conferencing platform. The same applies to when the total number of shares of the shareholders in attendance and a new tally of votes is released during the meeting.

Article 17

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security

personnel to escort the shareholder from the meeting.

Article 18

(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

Appendix 2

USI Corporation Articles of Incorporation

Section 1. General Provisions

- Article 1: The Company is incorporated under the Company Act of the Republic of China and named “台灣聚合化學品股份有限公司” and “USI Corporation” in English.
- Article 2: The scope of the Company’s business is specified as follows:
1. Manufacturing, processing and sale of PE plastic raw materials (including ethylene-vinyl acetate copolymer resins).
 2. Manufacturing, processing and sale of PE plastic products (including products of ethylene-vinyl acetate copolymer).
 3. Manufacturing, processing and sale of catalyst and related chemicals required by the plastic industry.
 4. R&D of technology related to the plastic industry, and acquisition, sale and license of know-how and patent right thereof.
 5. Design, manufacturing, processing and sale of plastic processing equipment.
 6. General import/export businesses (other than those requiring special approval).
 7. ZZ99999 Other than business requiring special approval, any business not prohibited or restricted by laws or regulations.
- Article 3: The Company’s head office is situated in Kaohsiung City, Taiwan, the R.O.C., and, when necessary, may set up branches locally or overseas considered by the Company as necessary or adequate for promoting its business.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Section 2. Capital

- Article 5: The total capital stock of the Company shall be in the amount of NT\$13,426,023,650, divided into 1,342,602,365 shares, at a par value of NT\$10 per share, and may be issued in installments.
- Article 6: The Company's share certificates shall be affixed with the signatures or personal seals of three or more directors of the Company, be assigned with serial numbers, indicate particulars referred to in Article 162 of the Company Act, and be issued upon the competent authority's approval of the registration of incorporation and certification pursuant to the Company Act. For the shares to be issued to the public by the Company, the Company may be exempted from printing any share certificate for the shares issued.
- Article 7: The Company's handling of its shareholders services shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" prescribed by the competent securities authority's.
- Article 8: (Deleted)
- Article 9: The transfer of shares shall not be registered within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for distribution of dividends, bonus or other benefits.

Section 3. Shareholders' Meeting

- Article 10: The Company's shareholders' meetings consist of the following:
1. General shareholders' meeting
 2. Special shareholders' meeting
- The general shareholder's meeting shall be convened by the Board of Directors once a year and within six (6) months after close of each fiscal year pursuant to laws. In the case of important motions to be resolved, a special shareholders' meeting may be convened by

the Board of Directors upon resolution of the Board, or upon written request by shareholder(s) who has/have been continuously holding 3% or more of the total number of the issued shares of the Company over one (1) year. The general shareholders' meeting and special shareholders' meeting may be held within/outside the territories of the R.O.C.

- Article 11: Convening of a general shareholders' meeting shall be notified thirty (30) days ago, and convening of a special shareholders' meeting to be notified fifteen (15) days ago. The causes of meeting shall be indicated in the notice pursuant to the Company Act or other laws.
- Article 11-1: Shareholders' meeting of the Company can be held by video conferencing or other methods announced by the central competent authority.
- Article 12: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the shareholders present, who represent more than a majority of the total issued shares. The voting power at a shareholders' meeting of the Company may be exercised by way of writing or electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of writing or electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.
- Article 13: When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-thirds or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one (1) month. In said shareholders' meeting, if the tentative resolution is again adopted by a majority of those present who represent one-thirds or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under

the preceding Article, unless otherwise provided in the Company Act.

- Article 14: Unless no voting right or restricted voting right required under laws or the Articles, each of shares held by each shareholder shall have the right to one (1) vote.
- Article 15: Where any shareholder fails to attend a shareholders' meeting, he/she may appoint a proxy to attend the meeting on behalf of him/her pursuant to the Company Act and exercise power on behalf of him/her. The proxy is not limited to the Company's shareholder.
- Article 16: Unless otherwise provided in the Company Act, a shareholders' meeting shall be convened by the Board of Directors, and chaired by the Company's Chairman of Board. Where the Chairman is absent, the Chairman shall appoint a proxy to act on behalf of him/her pursuant to Article 208 of the Company Act.
- Article 17: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be, together with the shareholders' attendance book and proxy letter, if any, retained at the Company.

Section 4. Directors and Audit Committee

- Article 18: A candidate's nomination system shall be adopted by the Company for election of independent directors and non-independent directors. The Company shall have 9~11 directors who shall be elected by the shareholders' meeting from among the name list of candidates. The total shares of the Company's registered share certificates held by the whole directors shall be no less than the proportion prescribed by the competent securities authority.
- Article 18-1: The directors referred to in the preceding Article shall include at least three (3) independent directors.
The professional qualifications, shares held, restrictions on

concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be governed by the competent securities authority's related regulations.

Article 18-2: The Company shall establish an Audit Committee pursuant to the Securities and Exchange Act, which shall consist of all independent directors of the Company. The Audit Committee or the committee members shall be responsible for exercising a supervisor's power prescribed by the Company Act, Securities and Exchange Act, and other related laws.

Article 18-3: The Company's Board of Directors may establish other functional committees. The articles of association thereof shall be established by the Board of Directors.

Article 19: Directors shall hold the position for three (3) years and may be re-electable.

Article 19-1: The amounts of remuneration to directors shall be determined by the shareholders' meeting based on the rate prevailing in fellow companies and the directors' participation in and contribution to the Company's operation, regardless of whether or not the Company operates of profit.

Article 20: Functions of the Board of Directors:

1. Research and draft the business policy;
2. Review important regulations and contracts;
3. Appoint and dismiss managers;
4. Set up and terminate branches;
5. Review budget and final accounts;
6. Propose the motion for amendments to articles of incorporation, change of capital and dissolution or merger of the Company at a shareholders' meeting;
7. Propose the motion for allocation of earnings or covering of loss at a shareholders' meeting;
8. Exercise the powers granted pursuant to laws, Articles of Incorporation and by a shareholders' meeting.

Article 21: The Chairman of the Board shall be elected among the directors

present at a directors' meeting by a majority vote of the directors present the meeting attended by two-thirds or more of the directors.

- Article 22: The Chairman has the power to act on behalf of the Company and shall act in accordance with the laws, articles of incorporation, and resolution made by a shareholders' meeting or directors' meeting.
- Article 23: Directors' meetings shall be convened by the Chairman, except for the first meeting of each term of the Board of Directors which shall be convened by the director who received a ballot representing the largest number of votes at the election of directors. The convener shall notify each director of the date & place of the meeting as well as the agenda within seven (7) days prior to the meeting. Any director may waive the right to receive the notice in writing after or before the meeting. A directors' meetings may be held within/outside the territories of the R.O.C.
A directors' meeting may be convened in writing or by electronic transmission.
- Article 24: If a directors' meeting is convened by the Chairman, the meeting shall be chaired by the Chairman. Where the Chairman is absent, the Chairman shall appoint a proxy to act on behalf of him/her.
- Article 25: A directors' meeting shall not start, unless it is attended by a majority of directors. Resolutions at a directors' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the directors present.
- Article 26: A director may authorize another director in writing to attend the directors' meeting on behalf of him/her and exercise the voting right on behalf of him/her pursuant to laws, provided that a director may accept the appointment to act as the proxy of one other director only.
- Article 27: Directors shall exercise their powers per the resolution adopted by a directors' meeting.
- Article 28: (Deleted)

Article 29: (Deleted)

Article 30: The Board of Directors has set up a Secretariat of the Board dedicated to handling the affairs related to the Board of Directors.

Section 5. Personnel

Article 31: Job title, appointment, discharge and remuneration of the Company's managerial personnel, if any, shall be decided by a majority of the directors present at a meeting attended by a majority of the whole directors.

Article 32: The Company's managerial personnel shall process the Company's routine affairs per the resolution made by a directors' meeting.

Article 32-1: The Company shall purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.

Section 6. Financial Report

Article 33: The Company's fiscal year shall commence from January 1 until December 31 of each year. The Board of Directors shall prepare the following reports at the end of each fiscal year and send them to the general shareholders' meeting for recognition:

1. Business report;
2. Financial statements;
3. Motion for allocation of earnings or covering of loss.

Article 34: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.

Said compensation to employees may be allocated in the form of shares or in cash, including the employees of the Company's subsidiaries meeting certain specific requirements entitled to receive shares or cash. The specific requirements shall be defined by the Board of Directors.

If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.

As the industry which the Company is engaged in refers to a matured industry, when resolving to allocate earnings, in consideration of the R&D needs and diversified business, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT\$0.1.

- Article 35: The Company's total investment in other companies may be exempted from the restriction for no more than 40% of the paid-in capital prescribed by the Company Act.
- The Company may make endorsement/guarantee externally due to the Company's business needs or investment needs. The endorsement/guarantee shall be signed by the Chairman on behalf of the Company and comply with the Company's operating procedure for making endorsement/guarantee.

Section 7. Bylaw

- Article 36: The Company's articles of association and enforcement rules thereof shall be established separately.

Article 37: Any matters not covered herein shall be implemented in accordance with the Company Act and related laws of the R.O.C.

Article 38: The Articles of Incorporation was established on May 15, 1965. (following content omitted) 50th amendments hereto were made on May 31, 2023.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

Appendix 3

USI Corporation Stake of Directors

Title	Name	Stake
Chairperson	Yi-Gui Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited Ltd.)	173,776,546
Director	Jing-sho Yu (Representative of Asia Polymer Corporation)	101,355,673
Director	Zhe-Yi Gao (Representative of Asia Polymer Corporation)	
Director	Pei-Ji Wu (Representative of Taita Chemical Company, Limited)	15,109,901
Director	Hong-Ting Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited Ltd.)	173,776,546
Independent Director	Chong Chen	0
Independent Director	Tyzz-Jiun Duh	0
Independent Director	Ying-Jun Hai	0
Independent Director	Sun-Te Chen	0
Total Stake of Directors		290,242,120
Stake by Law of Directors		32,000,000

Note: 1. The said stake is the number of shares registered in the List of Shareholders dated by the book due date (April 2) of the 2024 AGM.

2. The total issued shares of USI are 1,188,763,500 shares.

Appendix 4

The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE:

No estimates should be disclosed as no financial forecast was made for 2024.

Appendix 5

Description of shareholders proposals:

1. Referring to Article 172-1 of the Company Act:

“Shareholder(s) holding one per cent (1%) or more of the total number of outstanding shares of a company may make a proposal for discussion at a general meeting of shareholders, provided that only one matter shall be allowed in each single proposal of not more than 300 words.”

2. The acceptance period of proposals from shareholders for the 2024AGM is from March 23, 2024 to April 2, 2024. Such information was disclosed on the Market Observation Post System by law on March 14, 2024.

3. No proposal from shareholder was received during the said period.