USI Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2017 and 2016 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2017 are all the same as the companies required to be included in the consolidated financial statements of USI Corporation and subsidiary companies as provided in International Financial Reporting Standard No. 10, "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of USI Corporation and subsidiary companies. Consequently, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

USI CORPORATION

By:

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YI-GUI WU
Chairman

March 13, 2018

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
USI Corporation

Opinion

We have audited the accompanying consolidated financial statements of USI Corporation (the Company) and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2017. 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.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2017 are stated as follows:

Estimation of Inventory Write-downs

As of December 31, 2017, the Group's inventories amounted to NT$6,857,754 thousand (i.e. net inventory amount at NT$7,323,736 thousand with a deduction for allowances for impairment of NT$465,982 thousand) and accounted for 11% of the total assets for the consolidated financial statements as a whole. The Group's inventories are stated at the lower of cost or net realizable value and are subject to price fluctuations of ethylene. With volatile oil prices worldwide, the estimation of the net realizable value is affected by management's subjective judgment and evaluation. Thus, the estimation of inventory write-downs, in our professional judgement, is one of the key audit matters.

For the estimation of inventory write-downs related to the significant accounting policies and critical accounting judgments and key sources of estimation uncertainty related to the estimation of inventory write-downs, refer to Note 4(g), Note 5(b) and Note 11 to the consolidated financial statements.

We performed the corresponding audit procedures for the estimation of inventory write-downs, as follows:

1. Obtained an understanding of the reasonableness of the Group's policy and methods for the allowance for losses on obsolete inventory.

2. Obtained the evaluation documents of the allowance for losses on obsolete inventory from management. We sampled and inspected the latest inventory quotations or sales invoices to verify basis of the evaluation and whether it is appropriate.

3. By performing a year-end inventory observation, understood the inventory status and evaluated the reasonableness of the allowance for losses on obsolete inventory.

Recognition of Defined Benefit Liabilities

As of December 31, 2017, the carrying amount of the defined benefit liabilities was NT $2,419,897 thousand and accounted for 8% of the total liabilities for the consolidated financial statements as a whole. The carrying amount of defined benefit liabilities comes from actuaries' reports. The assumptions of the actuarial analyses were based on management's subjective evaluation and judgment, which are highly uncertain. Thus, the recognition of net defined benefit liabilities, in our professional judgment, is one of the key audit matters.

For to the significant accounting policies, critical accounting judgments and key sources of estimation uncertainty related to the recognition of defined benefit liabilities, refer to Note 4(u), Note 5(g) and Note 25 to the consolidated financial statements.

We performed the corresponding audit procedures for the recognition of defined benefit liabilities, as follows:

1. Evaluated the professional capacity, competency, objectivity and qualification of the independent vocational evaluator engaged by management.

2. Understood and tested the reasonability of the management's information used in the actuarial analyses.

3. Compared the methodology and significant assumption, including discount rates and expected wage growth rates, along with market sensitive information and specific historical data from entrepreneurs, used by management in order to evaluate the appropriateness of management's judgment.

Other Matter

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2017 and 2016 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preludes 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 Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2018

<u>*Notice to Readers*</u>

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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Notes 4 and 6)	$ 8,473,862	13	$ 11,924,303	19
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	5,315,894	8	6,601,266	11
Available-for-sale financial assets - current (Notes 4 and 8)	214,502	-	201,785	-
Debt investments with no active market - current (Notes 4, 9 and 37)	426,369	1	432,207	1
Notes receivable, net (Notes 4, 5 and 10)	1,118,070	2	909,025	2
Accounts receivable, net (Notes 4, 5 and 10)	6,950,029	11	6,141,045	10
Other receivables (Notes 4, 10 and 36)	344,305	-	259,613	-
Current tax assets (Notes 4, 5 and 29)	784	-	20,847	-
Inventories (Notes 4, 5 and 11)	6,857,754	11	6,669,407	11
Prepayments (Note 19)	772,093	1	706,110	1
Other current assets	10,766	-	14,567	-
Total current assets	30,484,428	47	33,880,175	55
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4, 8 and 37)	1,863,067	3	1,981,822	3
Financial assets measured at cost - non-current (Notes 4 and 13)	676,120	1	803,057	1
Debt investments with no active market - non-current (Notes 4, 9, 37 and 38)	311,573	1	310,660	1
Investments accounted for using the equity method (Notes 4 and 15)	5,241,747	8	155,219	-
Property, plant and equipment (Notes 4, 5, 16 and 37)	23,758,495	37	22,804,814	37
Investment properties (Notes 4, 17 and 37)	182,216	-	189,407	-
Goodwill (Notes 4, 5 and 18)	269,026	-	269,026	-
Other intangible assets (Notes 4 and 18)	93,349	-	148,594	-
Biological assets - non-current (Note 4)	22,798	-	23,134	-
Deferred tax assets (Notes 4, 5 and 29)	632,062	1	742,972	1
Long-term prepayments for leases (Notes 19 and 37)	525,845	1	387,556	1
Other non-current assets (Notes 33 and 37)	333,125	1	299,039	1
Total non-current assets	33,909,423	53	28,115,300	45
TOTAL	$ 64,393,851	100	$ 61,995,475	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Short-term borrowings (Notes 20 and 37)	$ 3,752,268	6	$ 4,949,168	8
Short-term bills payable (Note 20)	1,684,506	3	2,472,068	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	7,883	-	9,027	-
Notes payable and accounts payable (Note 22)	3,965,444	6	3,581,036	6
Other payables (Notes 23 and 28)	1,972,096	3	1,956,662	3
Current tax liabilities (Notes 4 and 29)	370,062	1	341,875	1
Provisions - current (Notes 4 and 24)	32,205	-	23,041	-
Current portion of long-term borrowings (Notes 20 and 37)	799,600	1	685,400	1
Other current liabilities	279,230	-	273,684	-
Total current liabilities	12,863,294	20	14,291,961	23
NON-CURRENT LIABILITIES				
Bonds payable (Note 21)	5,990,167	9	3,993,064	6
Long-term borrowings (Notes 20 and 37)	6,903,148	11	7,247,800	12
Deferred tax liabilities (Notes 4 and 29)	1,329,710	2	1,371,504	2
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	2,419,897	4	2,987,122	5
Other non-current liabilities (Notes 26 and 33)	79,216	-	84,538	-
Total non-current liabilities	16,722,138	26	15,684,028	25
Total liabilities	29,585,432	46	29,975,989	48
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 14, 15, 27 and 29)				
Share capital	11,654,544	18	11,426,024	19
Capital surplus	238,194	-	216,135	-
Retained earnings				
Legal reserve	2,814,630	4	2,695,673	4
Special reserve	375,127	1	411,010	1
Unappropriated earnings	3,548,804	6	3,367,821	6
Total retained earnings	6,738,561	11	6,474,504	11
Other equity	(31,286)	-	85,739	-
Treasury shares	(475,606)	(1)	(475,606)	(1)
Total equity attributable to owners of the Company	18,124,407	28	17,726,796	29
NON-CONTROLLING INTERESTS	16,684,012	26	14,292,690	23
Total equity	34,808,419	54	32,019,486	52
TOTAL	$ 64,393,851	100	$ 61,995,475	100

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

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 4)				
Sales	$ 58,133,943	100	$ 53,101,997	100
COST OF GOODS SOLD (Notes 4, 11, 16, 18, 25 and 28)	51,007,011	88	46,220,862	87
GROSS PROFIT	7,126,932	12	6,881,135	13
OPERATING EXPENSES (Notes 4, 10, 16, 18, 25, 28, 31 and 36)				
Selling and marketing expenses	2,038,049	3	1,925,541	4
General and administrative expenses	1,322,296	2	1,322,958	2
Research and development expenses	388,920	1	471,152	1
Total operating expenses	3,749,265	6	3,719,651	7
PROFIT FROM OPERATIONS	3,377,667	6	3,161,484	6
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 9, 28 and 36)	578,255	1	467,103	1
Other gains and losses (Notes 4, 8 and 28)	(223,854)	-	(337,287)	(1)
Finance costs (Notes 4, 20, 21 and 28)	(237,257)	(1)	(211,766)	-
Share of loss of associates and joint ventures (Notes 4 and 15)	(6,541)	-	(8,310)	-
Total non-operating income and expenses	110,603	-	(90,260)	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,488,270	6	3,071,224	6
INCOME TAX EXPENSE (Notes 4 and 29)	776,220	1	713,523	2
NET PROFIT FROM CONTINUING OPERATIONS	2,712,050	5	2,357,701	4
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 4 and 20)	(2,197)	-	21,777	-
NET PROFIT FOR THE YEAR	2,709,853	5	2,379,478	4

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USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4, 25 and 27)	$ (59,016)	-	$ (206,714)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 29)	9,003	-	42,643	-
	(50,013)	-	(164,071)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 27)	(416,317)	(1)	(560,356)	(1)
Unrealized gain on available-for-sale financial assets (Notes 4 and 27)	30,985	-	388,884	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 27 and 29)	64,791	-	93,092	-
	(320,541)	(1)	(78,380)	-
Other comprehensive loss for the year, net of income tax	(370,554)	(1)	(242,451)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,339,299	4	$ 2,137,027	4
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,111,290	2	$ 1,189,570	2
Non-controlling interests	1,598,563	3	1,189,908	2
	$ 2,709,853	5	$ 2,379,478	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 970,032	2	$ 1,255,498	2
Non-controlling interests	1,369,267	2	881,529	2
	$ 2,339,299	4	$ 2,137,027	4

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USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 30)				
From continuing and discontinued operations				
Basic	$ 1.06		$ 1.13	
Diluted	$ 1.06		$ 1.13	
From continuing operations				
Basic	$ 1.06		$ 1.12	
Diluted	$ 1.06		$ 1.12	

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

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
		Capital Surplus			Retained Earnings			Other Equity					
	Share Capital (Notes 4 and 27)	Treasury Share Transactions (Note 27)	Shares of Changes in Capital Surplus of Associates (Notes 4 and 27)	Others (Note 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Note 27)	Exchange Differences on Translating Foreign Operations (Notes 4, 27 and 29)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4, 8, 27 and 29)	Treasury Shares (Notes 4 and 27)	Total	Non-controlling Interests (Notes 4 and 27)	Total Equity
BALANCE AT JANUARY 1, 2016	$ 11,426,024	$ 185,868	$ 129	$ 11,717	$ 2,607,710	$ 375,127	$ 2,947,891	$ 204,334	$ (258,186)	$ (475,606)	$ 17,025,008	$ 14,024,285	$ 31,049,293
Appropriation of the 2015 earnings													
Legal reserve	-	-	-	-	87,963	-	(87,963)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	35,883	(35,883)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(571,301)	-	-	-	(571,301)	-	(571,301)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(550,056)	(550,056)
Net profit for the year ended December 31, 2016	-	-	-	-	-	-	1,189,570	-	-	-	1,189,570	1,189,908	2,379,478
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	-	-	-	-	-	-	(73,663)	(196,130)	335,721	-	65,928	(308,379)	(242,451)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	-	-	-	1,115,907	(196,130)	335,721	-	1,255,498	881,529	2,137,027
Change in retained earnings from investments in subsidiaries	-	-	-	-	-	-	(830)	-	-	-	(830)	830	-
Adjusted capital surplus from cash dividends paid to subsidiaries	-	18,421	-	-	-	-	-	-	-	-	18,421	-	18,421
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(63,898)	(63,898)
BALANCE, DECEMBER 31, 2016	11,426,024	204,289	129	11,717	2,695,673	411,010	3,367,821	8,204	77,535	(475,606)	17,726,796	14,292,690	32,019,486
Appropriation of the 2016 earnings													
Legal reserve	-	-	-	-	118,957	-	(118,957)	-	-	-	-	-	-
Special reserve reversal	-	-	-	-	-	(35,883)	35,883	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(571,301)	-	-	-	(571,301)	-	(571,301)
Share dividends distributed by the Company	228,520	-	-	-	-	-	(228,520)	-	-	-	-	-	-
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(807,986)	(807,986)
Net profit for the year ended December 31, 2017	-	-	-	-	-	-	1,111,290	-	-	-	1,111,290	1,598,563	2,709,853
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(24,233)	(199,084)	82,059	-	(141,258)	(229,296)	(370,554)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	-	1,087,057	(199,084)	82,059	-	970,032	1,369,267	2,339,299
Change in capital surplus and retained earnings from investments in subsidiaries	-	-	867	-	-	-	(23,179)	-	-	-	(22,312)	22,312	-
Other changes in capital surplus	-	-	-	2,771	-	-	-	-	-	-	2,771	-	2,771
Adjusted capital surplus from cash dividends paid to subsidiaries	-	18,421	-	-	-	-	-	-	-	-	18,421	-	18,421
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,807,729	1,807,729
BALANCE, DECEMBER 31, 2017	$ 11,654,544	$ 222,710	$ 996	$ 14,488	$ 2,814,630	$ 375,127	$ 3,548,804	$ (190,880)	$ 159,594	$ (475,606)	$ 18,124,407	$ 16,684,012	$ 34,808,419

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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 3,488,270	$ 3,071,224
Income (loss) before income tax from discontinued operations	(2,197)	21,777
Income before income tax	3,486,073	3,093,001
Adjustments for:		
Depreciation expenses	1,847,241	1,703,112
Amortization expenses	97,310	106,670
Impairment loss recognized (reversed) on accounts receivable	18,830	(996)
Net loss on fair value change of financial assets and liabilities as at fair value through profit or loss	105,887	31,219
Finance costs	252,541	242,193
Interest income	(106,217)	(95,154)
Dividend income	(185,187)	(152,347)
Share of loss of associates and joint ventures	6,541	8,310
Gain on disposal of property, plant and equipment	(9,306)	(19,526)
Loss on disposal of investment properties	497	-
Gain on disposal of financial assets	(108,983)	(89,910)
Loss on impairment of financial assets	32,208	-
Inventory write-downs recognized (reversed)	25,016	(17,130)
(Reversed) impairment loss recognized on non-financial assets	(304)	310,407
Amortization of long-term prepayments for leases	10,008	13,217
Recognition of provisions	18,579	10,102
Changes in operating assets and liabilities		
Decrease (increase) in financial assets held for trading	1,178,341	(243,708)
(Increase) decrease in notes receivable	(209,045)	265,771
Increase in accounts receivable	(827,814)	(363,993)
Increase in other receivables	(45,897)	(18,063)
(Increase) decrease in inventories	(180,386)	322,670
Decrease in biological assets	336	412
Increase in prepayments	(68,250)	(174,869)
Decrease in other current assets	4,070	12,768
(Decrease) increase in notes payable	(144)	243
Increase in accounts payable	384,552	449,945
(Decrease) increase in other payables	(663)	242,299
Decrease in provisions	(9,415)	(8,445)
Decrease in net defined benefit liabilities	(626,240)	(551,694)
Increase in other current liabilities	5,546	91,246
Cash generated from operations	5,095,725	5,167,750
Interest received	67,422	104,444
Interest paid	(246,369)	(253,254)
Income tax paid	(585,059)	(518,471)
Net cash generated from operating activities	4,331,719	4,500,469

(Continued)

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available-for-sale financial assets	$ -	$ (16,011)
Proceeds from sale of available-for-sale financial assets	129,156	235,290
Decrease in debt investments with no active market	8,894	540,899
Purchases of financial assets measured at cost	-	(398)
Proceeds from capital reduction by returning cash of financial assets measured at cost	47,993	25,800
Acquisition of investments accounted for using the equity method	(5,150,364)	-
Net cash inflow on acquisition of subsidiaries	999,132	-
Payments for property, plant and equipment	(3,345,584)	(2,465,276)
Proceeds from disposal of property, plant and equipment	38,887	78,656
Decrease in refundable deposits	10	4,139
Payments for other intangible assets	(6,945)	(38,678)
Increase in other non-current assets	(120,611)	(81,936)
Dividends received	185,187	152,347
Net cash used in investing activities	(7,214,245)	(1,565,168)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,196,900)	(581,084)
(Decrease) increase in short-term bills payable	(787,562)	192,293
Proceeds from issue of bonds payable	1,995,421	1,995,421
Repayments of bonds payable	-	(1,000,000)
Proceeds from long-term borrowings	16,750,000	5,758,000
Repayments of long-term borrowings	(16,980,452)	(3,309,207)
Decrease in guarantee deposits received	(1,896)	(7,126)
Decrease in other current liabilities	(3,426)	(13,525)
Dividends paid to owners of the Company	(571,301)	(571,301)
Change in non-controlling interests	(53,469)	(613,954)
Net cash (used in) generated from financing activities	(849,585)	1,849,517
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	281,670	(127,897)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,450,441)	4,656,921
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,924,303	7,267,382
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,473,862	$ 11,924,303

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

1. GENERAL INFORMATION

USI Corporation ("USI", the "Company" or the "parent company") was incorporated in May 1965. The Company mainly produces and sells polyethylene.

In May 1972, the Company's shares became listed on the Taiwan Stock Exchange ("TWSE").

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and issued by the Company's board of directors on March 13, 2018.

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

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

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

1) Amendments to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

The amendments clarify that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is the fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2 or Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using the present value technique. The amendments should be applied retrospectively starting from January 1, 2017. Refer to Note 16 for the related disclosures.

2) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed and issued into effect by the FSC. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include an emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president of the Group, or is the spouse or second immediate family of the chairman of the board of directors or president of the Group, are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationships with whom the Group has significant transactions. If the transaction amount or balance with a specific related party is 10% or more of the Group's respective total transaction amount or balance, such transactions should be separately disclosed by the name of each related party.

When the amendments are applied retrospectively from January 1, 2017, the disclosure of related party is enhanced. Refer to Note 36 for the related disclosures.

b. The IFRSs endorsed by the FSC for application starting from 2018

New, Revised or Amended Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendments to IAS 28 are retrospectively applied for annual periods beginning on or after January 1, 2018.

Except for the following, the Group believes that adoption of the aforementioned IFRSs with effective dates shown above will not have a significant effect on the Group's accounting policies:

IFRS 9 "Financial Instruments" and related amendments

Classification, measurement and impairment of financial assets

With regard to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

1) For debt instruments held within a business model whose objective is to collect contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with any impairment loss recognized in profit or loss. Interest revenue is recognized in profit or loss by using the effective interest method; and

2) For debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gains or losses shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The Group analyzed the facts and circumstances of its financial assets that exist at December 31, 2017 and performed the assessment of the impact of IFRS 9 on the classification and measurement of financial assets. Under IFRS 9:

1) Listed shares, emerging stock markets, and unlisted shares classified as available-for-sale will be designated as at fair value through other comprehensive income and the fair value gains or losses accumulated in other equity will be transferred directly to retained earnings instead of being reclassified to profit or loss on disposal. Besides this, unlisted shares measured at cost will be measured at fair value instead; and

2) Debt investments classified as debt investments with no active market and measured at amortized cost will be classified as measured at amortized cost under IFRS 9 because, on initial recognition, the contractual cash flows that are solely payments of principal and interest on the principal outstanding and these investments are held within a business model whose objective is to collect contractual cash flows.

IFRS 9 requires impairment loss on financial assets to be recognized by using the "Expected Credit Losses Model". A loss allowance is required for financial assets measured at amortized cost, investments in debt instruments measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full-lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full-lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

The Group has performed a preliminary assessment in which it will apply the simplified approach to recognize full-lifetime expected credit losses for trade receivables. In relation to debt instrument investments and financial guarantee contracts, the Group will assess whether there has been a significant increase in credit risk to determine whether to recognize 12-month or full-lifetime expected credit losses. In general, the Group anticipates that the application of the expected credit losses model of IFRS 9 will result in an earlier recognition of credit losses for financial assets.

The Group elects not to restate prior reporting periods when applying the requirements for the classification, measurement and impairment of financial assets under IFRS 9 with the cumulative effect of the initial application recognized at the date of initial application and will provide the disclosures related to the classification and the adjustment information upon initial application of IFRS 9.

The anticipated impact on assets, liabilities and equity of retrospective application of the requirements for the classification, measurement and impairment of financial assets as of January 1, 2018 is set out below:

	Carrying Amount as of December 31, 2017	**Adjustments Arising from Initial Application**	**Adjusted Carrying Amount as of January 1, 2018**
Impact on assets, liabilities and equity			
Financial assets at fair value through other comprehensive income - current	$ -	$ 214,502	$ 214,502
Financial assets measured at amortized cost - current	-	426,369	426,369
Debt investments with no active market - current	426,369	(426,369)	-
Available-for-sale financial assets - current	214,502	(214,502)	-
Financial assets at fair value through other comprehensive income - non-current	-	2,635,391	2,635,391
Financial assets measured at amortized cost - non-current	-	311,573	311,573
Debt investments with no active market - non-current	311,573	(311,573)	-

(Continued)

	Carrying Amount as of December 31, 2017	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2018
Available-for-sale financial assets - non-current	$ 1,863,067	$ (1,863,067)	$ -
Financial assets measured at cost - non-current	676,120	(676,120)	-
Total effect on assets	$ 3,491,631	$ 96,204	$ 3,587,835
Retained earnings	$ 3,548,804	$ 253,915	$ 3,802,719
Unrealized gain on available-for-sale financial assets	159,594	(159,594)	-
Profit or loss of equity instrument measured at fair value through other comprehensive income	-	(42,140)	(42,140)
Non-controlling interests	16,684,012	44,023	16,728,035
Total effect on equity	$ 20,392,410	$ 96,204	$ 20,488,614

(Concluded)

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the application of other standards and interpretations have no significant impact on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 16 "Leases"	January 1, 2019 (Note 3)
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 4)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019

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

Note 2: The FSC permits the election for early adoption of the amendments starting from January 1, 2018.

Note 3: On December 19, 2017, the FSC announced that IFRS 16 will take effect starting from January 1, 2019.

Note 4: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating leases under IAS 17 to low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on right-of-use assets separately from interest expense accrued on lease liabilities; interest is computed by using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this standard recognized on the date of initial application.

2) Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendment shall be applied prospectively.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

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

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

See Note 14, Table 8, and Table 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

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

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

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

g. Inventories

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

h. Investments in associates and joint ventures

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

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

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

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

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

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

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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

k. Goodwill

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

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

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

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

l. Intangible assets

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

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

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

n. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when such financial assets are held for trading.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 35.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets (relating to changes in dividends on available-for-sale equity investments) are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when such investments are disposed of or are determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including cash and cash equivalents, note receivable, accounts receivable, debt investments with no active market, and other receivables) are measured using the effective interest method at amortized cost less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

For financial assets measured at amortized cost, such as trade receivables, such assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between such an asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

For any available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for those financial assets because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are measured at cost, the amount of the impairment loss is measured as the difference between such an asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, other receivables and overdue receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable, other receivable and overdue receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectable trade receivables, other receivables and overdue receivables that are written off against the allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method. Fair value is determined in the manner described in Note 35.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liabilities.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

o. Provisions

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

The provision for sales returns and rebates is an estimate, based on previous experience and relevant factors, of the possible amounts needed to settle sales returns and rebates and is treated as a reduction of sales revenue in the period in which the corresponding sales are made.

p. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar provisions. Provisions for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of the risks and rewards of the ownership of the materials.

2) Service income

Revenue from services is based on the actual operations related to petrochemical raw materials and the amount of delivery. Such revenue is recognized monthly.

3) Dividend and interest income

Dividend income from investments is recognized when a shareholders' right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Group and that the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

q. Discontinued operations

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

r. Leasing

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

1) The Group as lessor

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

2) The Group as lessee

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

s. Borrowing costs

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

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

t. Government grants

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

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

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

u. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

v. Share-based payment arrangements

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

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

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

w. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards.

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income.

x. Biological assets

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Estimated impairment of trade receivables

When there is objective evidence of an impairment loss on trade receivables, the Group takes into consideration the estimated future cash flows of such receivables. The impairment loss is measured as the difference between such an asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise. Refer to Note 10 for the carrying amount of trade receivables.

b. Write-down of inventories

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period. The Group estimates the net realizable value of inventory for impairments, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The estimation of the net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value. Refer to Note 11 for the carrying amount of inventories.

c. Useful lives of property, plant and equipment

As described in Note 4(i), the Group reviews the estimated useful lives of property, plant and equipment at each balance sheet date. Any changes in the estimation of useful lives will affect the Group's carrying amount and depreciation expenses of property, plant and equipment. There were no significant change in the useful lives for the year ended December 31, 2017.

d. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

e. Impairment measurement of tangible and intangible assets

The impairment of tangible and intangible assets is based on the impact of plastic industry and the recoverable amounts of those assets, which is the higher of their fair values less costs of disposal and their values in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to recognition of additional impairment losses or reversals of impairment losses.

f. Realization of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which those deferred tax assets can be utilized. Assessments of the realization of the deferred tax assets require the Company's subjective judgment and estimates, including the future revenue growth and profitability, tax holidays, the amount of tax credits which can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets. Refer to Note 29 for the carrying amount of deferred tax assets.

g. Recognition and measurement of defined benefit plans

The resulting defined benefit costs under defined benefit pension plans and the net defined benefit liabilities are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rates, rates of employee turnover, future salary increases, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of expenses and liabilities. Refer to Note 25 for the carrying amount of retirement benefit costs and net defined benefit liabilities (assets).

6. CASH AND CASH EQUIVALENTS

	December 31	
	2017	**2016**
Cash on hand and petty cash	$ 111,586	$ 175,530
Checking accounts and demand deposits	1,984,425	2,070,810
Cash equivalents		
Time deposits	6,305,341	8,448,580
Repurchase agreements collateralized by bonds	72,510	1,229,383
	$ 8,473,862	$ 11,924,303

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

	December 31	
	2017	2016
Bank deposits	0.01%-3.96%	0.07%-7.98%
Repurchase agreements collateralized by bonds	0.61%-1.20%	0.30%-0.45%

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

	December 31	
	2017	2016
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 4,189	$ 3,685
Non-derivative financial assets		
Domestic listed shares and over-the-counter shares	256,891	171,513
Mutual funds	3,064,333	5,461,056
Beneficiary securities	1,989,110	963,644
Overseas listed shares	1,071	1,368
	5,311,705	6,597,581
	$ 5,315,894	$ 6,601,266
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 7,883	$ 9,027

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2017			
Sell	RMB/NTD	2018.01.04-2018.03.29	RMB193,200/NTD870,415
Sell	JPY/USD	2018.01.19-2018.01.26	JPY40,000/USD354
Sell	USD/MYR	2018.03.30	USD170/MYR725
Sell	USD/NTD	2018.01.03-2018.04.03	USD44,190/NTD1,319,154
Buy	NTD/USD	2018.01.02-2018.01.26	NTD249,743/USD8,340
Sell	EUR/USD	2018.01.26-2018.02.26	EUR340/USD405
Sell	EUR/MYR	2018.04.30-2018.05.31	EUR101/MYR484
Sell	AUD/USD	2018.01.26-2018.03.23	AUD600/USD461
December 31, 2016			
Sell	RMB/USD	2017.01.13-2017.01.23	RMB13,500/USD1,925
Sell	RMB/NTD	2017.02.02	RMB6,420/NTD29,340
Sell	USD/NTD	2017.01.09-2017.03.06	USD15,236/NTD483,807
Sell	EUR/USD	2017.01.13-2017.01.20	EUR650/USD684
Buy	NTD/JPY	2017.02.15	NTD35,128/JPY126,816
Buy	NTD/USD	2017.01.13-2017.02.10	NTD325,780/USD10,205

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

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2017	**2016**
Domestic listed shares and over-the-counter shares	$ 2,052,768	$ 2,157,435
Overseas listed shares and over-the-counter shares	17,212	19,953
Domestic emerging market shares	7,589	6,219
	$ 2,077,569	$ 2,183,607
Current	$ 214,502	$ 201,785
Non-current	1,863,067	1,981,822
	$ 2,077,569	$ 2,183,607

The Group sold 1,000 thousand shares of AU Optronics Corporation in 2017 and 2016, and the loss on the disposal of the investments was $30,052 thousand and $30,110 thousand, respectively.

The Group sold 5,675 thousand shares and 547 thousand shares of Wafer Works Corporation in 2017 and 2016, the gain on the disposal of the investments was $50,771 thousand and the loss on the disposal of the investments was $1,792 thousand, respectively.

The Group sold 1,933 thousand shares and 4,000 thousand shares of Vanguard International Semiconductor Corporation in 2017 and 2016, and the gain on the disposal of the investments was $75,745 thousand and $132,162 thousand, respectively.

The Group sold 141 thousand shares of CoreMax Corporation in 2017, and the gain on the disposal of the investments was $12,519 thousand.

The Group sold 545 thousand shares of Neo Solar Power Corporation in 2016, and the loss on the disposal of the investments was $10,350 thousand.

Refer to Notes 20 and 37 for the information related to available-for-sale financial assets - non-current pledged as collateral for long-term borrowings.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31 2017	December 31 2016
Restricted deposits (a)	$ 737,942	$ 696,377
Structured time deposits (b)	-	46,490
	$ 737,942	$ 742,867
Current	$ 426,369	$ 432,207
Non-current	311,573	310,660
	$ 737,942	$ 742,867

a. Restricted deposits

Restricted deposits are as collateral for purchasing materials, outward documentary bill, long-term and short-term financing needs. Refer to Notes 20 and 37.

b. Structured time deposits

In order to enhance the working capital, Taita Chemical Co., Ltd. entered into principal protected interest rate linked investment product with the bank. At the end of the reporting period, outstanding structured deposit were as follows: (December 31, 2017: None).

	December 31, 2016
Contract price (in thousands)	RMB10,000
Expected rate of return	2.65%

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31 2017	December 31 2016
Notes and accounts receivable (a)		
Notes receivable	$ 1,118,077	$ 909,030
Accounts receivable	7,063,613	6,239,446
	8,181,690	7,148,476
Less: Allowance for impairment loss	(113,591)	(98,406)
	$ 8,068,099	$ 7,050,070
Other receivables (b)		
Tax refund receivables	$ 221,711	$ 183,090
Claims receivable	54,654	29,712
Securities transaction receivables	13,099	-
Others	54,841	46,811
	$ 344,305	$ 259,613

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 150 days. No interest is charged on accounts receivable. In determining the recoverability of an account receivable, the Group considers any change in the credit quality of the account receivable since the date credit was initially granted to the end of the reporting period. The Group's accounts receivable mainly stem from long-term customers with whom the Group has historical experience, and no significant past default experience was observed. Thus, the irrecoverable ratio due of overdue receivables is not high.

Before accepting a new customer, the Group takes both past credit survey and client evaluation results generated by the internal system into consideration to measure the potential customer's credit quality and define the customer's credit limit. Customer credit limits and ratings are reviewed periodically.

The concentration of credit risk is limited because the customer base of the Group is wide and the customers are unrelated to each other.

For the notes receivable balances that were not past due at December 31, 2017 and 2016, the Group did not recognize an allowance for impairment loss. For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances. In addition, the Group did not have the legal right of offset the accounts receivable and payable against the respective counterparties.

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

	December 31	
	2017	**2016**
Not overdue	$ 7,906,939	$ 6,973,049
Up to 60 days	143,806	82,947
61-90 days	123,407	28,559
Over 90 days	7,538	63,921
	$ 8,181,690	$ 7,148,476

The aging schedule of accounts receivable that were past due but not impaired was as follows:

	December 31	
	2017	**2016**
Up to 60 days	$ 128,462	$ 80,828
61-90 days	78,488	22,537
Over 90 days	14,333	1,771
	$ 221,243	$ 105,136

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

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

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2016	$ 72,599	$ 34,368	$ 106,967
Less: Impairment losses recognized (reversed)	(2,481)	1,485	(996)
Less: Amounts written off during the year as uncollectible	(6,126)	-	(6,126)
Foreign exchange translation gains and losses	(403)	(1,036)	(1,439)
Balance at December 31, 2016	$ 63,589	$ 34,817	$ 98,406
Balance at January 1, 2017	$ 63,589	$ 34,817	$ 98,406
Less: Impairment losses recognized	11,709	7,121	18,830
Less: Amounts written off during the year as uncollectible	(3,883)	-	(3,883)
Foreign exchange translation gains and losses	(614)	852	238
Balance at December 31, 2017	$ 70,801	$ 42,790	$ 113,591

The Group recognized an impairment loss on notes and accounts receivable which were individually assessed, and the Group did not hold any collateral over those notes and accounts receivable.

b. Other receivables

Other receivables mainly consisted of tax refund receivables, claims receivable, purchasing price variance receivables, etc. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date. There were no overdue other receivables with an unrecognized allowance for doubtful accounts in the Group as of December 31, 2017 and 2016.

11. INVENTORIES

	December 31	
	2017	2016
Finished goods	$ 4,155,186	$ 3,809,970
Work in progress	546,028	584,179
Raw materials	1,833,604	1,964,731
Supplies	306,265	191,414
Inventory in transit	16,671	119,113
	$ 6,857,754	$ 6,669,407

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2017 and 2016, was $51,007,011 thousand and $46,220,862 thousand, respectively. The cost of goods sold included inventory write-downs of $25,016 thousand and reversal of inventory write-down of $17,130 thousand as of December 31, 2017 and 2016, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

12. DISCONTINUED OPERATIONS

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

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

	For the Year Ended December 31	
	2017	2016
Administrative costs	$ -	$ (316)
Administrative gross loss	-	(316)
Administrative expenses	(29,543)	(3,721)
Loss from operations	(29,543)	(4,037)
Non-operating income	27,346	25,814
Net profit (loss) from discontinued operations	$ (2,197)	$ 21,777

For the years ended December 31, 2017 and 2016, the cash flows which can be attributed to the discontinued operations were as follows:

	For the Year Ended December 31	
	2017	2016
Net cash generated from operating activities	$ 28,308	$ 19,825
Net cash generated from investing activities	3,005	42,903
Net cash used in financing activities	-	(69,749)
Effect of exchange rate changes	(301)	(3,047)
Net cash inflow (outflow)	$ 31,302	$ (10,068)

13. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2017	2016
Domestic unlisted shares	$ 534,333	$ 617,816
Overseas unlisted shares	141,787	185,241
	$ 676,120	$ 803,057
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 676,120	$ 803,057

Management believes that the above unlisted equity investments held by the Group have fair values that cannot be reliably measured because the range of reasonable fair value estimates was so significant; therefore, they were measured at cost less impairment at the end of reporting period.

The Group assessed the operating and financial status of Teratech Corp. and confirmed an impairment of its investment value; thereafter the Group recognized an impairment loss of $14,643 thousand for the year ended December 31, 2017, which led to a carrying amount for that equity investment of zero as on December 31, 2017.

The Group assessed the operating and financial status of NeuroSky, Inc. and confirmed an impairment of its investment value; thereafter the Group recognized an impairment loss of $17,565 thousand for the year ended December 31, 2017.

The investee, KHL IB Venture Capital Co., Ltd., announced a reduction of capital in September 2017, and the Group got $45,000 thousand back at its ownership percentage.

The investee, Riselink Partners Ltd., announced a reduction of capital by returning cash in August 2017 and 2016, and the Group got $2,993 thousand and $1,457 thousand back, at its ownership percentage, respectively.

The investee, Harbinger Venture Capital, announced a reduction of capital by returning cash in July 2016, and the Group got $3,570 thousand back at its ownership percentage.

The investee, Budworth Investment Ltd., announced a reduction of cash capital in July 2016, and the Group got $20,773 thousand back at its ownership percentage.

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%) December 31 2017	Proportion of Ownership (%) December 31 2016	Remark
The Company	USIFE Investment Co., Ltd. (“USII”)	Investment	100.0	100.0	
	Swanlake Traders Ltd. (“Swanlake”)	Trading and investment	100.0	100.0	
	USI Far East (HK) Co., Ltd.	Trading and investment	100.0	100.0	
	USI Management Consulting Corp. (“UM”)	Providing management services	100.0	100.0	
	Chong Loong Trading Co., Ltd. (“CLT”)	Engaging in import and export trade	99.9	99.9	
	Union Polymer Int’l Investment Corp. (“UPIIC”)	Investment business	100.0	100.0	
	USIM Corporation Sdn. Bhd. (“USIM”)	Liquidated	-	-	1)
	Cypress Epoch Limited	Investment business	100.0	100.0	
	Inoma Corporation (“INOMA”)	Engaging in optical products and fireproof materials	93.2	89.2	2)
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Import and distribution of various chemical raw materials and products	100.0	100.0	
The Company	Thintec Materials Corporation	Reinforced plastic products manufacturing	30.4	30.4	
Taita Chemical Company, Ltd.			10.0	10.0	
China General Plastics Corporation			10.0	10.0	
Asia Polymer Corporation			30.4	30.4	
Taiwan United Venture Capital Corp.			15.0	15.0	
			95.8	95.8	
The Company	Taiwan United Venture Capital Corp. (“TUVC”)	Venture capital	70.0	70.0	
Asia Polymer Corporation (“APC”)			8.3	8.3	
			78.3	78.3	3)
The Company	Swanson Plastics Corp. (“SPC”)	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	40.6	40.6	
Asia Polymer Corporation			8.0	8.0	
USIFE Investment Co., Ltd.			0.1	0.1	
			48.7	48.7	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%) December 31 2017	Proportion of Ownership (%) December 31 2016	Remark
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	27.0	27.0	
China General Plastics Corporation			1.8	1.8	
USIFE Investment Co., Ltd.			9.3	9.3	
Asia Polymer Corporation			3.3	3.3	
Taita Chemical Company, Ltd.			2.4	2.4	
APC Investment Corporation			1.0	1.0	
			44.8	44.8	13)
The Company	National Datacomm Corp. ("NDC")	Liquidated	-	-	
Asia Polymer Corporation			-	-	
USIFE Investment Co., Ltd.			-	-	
Taiwan United Venture Capital Corp.			-	-	
China General Plastics Corporation			-	-	
Taita Chemical Company, Ltd.			-	-	
			-	-	4)
National Datacomm Corp.	Brite Star Corporation	Reinvestment business	-	-	4)
The Company	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9	-	
Acme Electronics Corp.			34.0	84.0	
Asia Polymer Corporation			9.2	-	
USIFE Investment Co., Ltd.			0.2	0.7	
			94.3	84.7	12)
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3	51.3	
APC (BVI) Holding Co., Ltd.			16.6	16.6	
Swanlake Traders Ltd.			11.2	11.2	
TAITA (BVI) Holding Co., Ltd.			5.4	5.4	
			84.5	84.5	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	100.0	100.0	
	ACME Electronics (BVI) Corp.	Reinvestment business	100.0	100.0	
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	100.0	100.0	
	ACME Components (Malaysia) Sdn. Bhd.	Reinvestment business	100.0	100.0	
Golden Amber Enterprises Limited	Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	100.0	100.0	
Union Polymer Int'l Investment Corp.	Asia Polymer Corporation ("APC")	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	36.1	36.1	
China General Terminal & Distribution Co.			0.9	0.9	
USIFE Investment Co., Ltd.			0.3	0.3	
Taiwan VCM Corporation			-	-	
			37.3	37.3	13)
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	100.0	100.0	
Asia Polymer Corporation	USI International Corp.	Reinvestment business	70.0	70.0	
APC (BVI) Holding Co., Ltd.			30.0	30.0	
			100.0	100.0	
Asia Polymer Corporation	APC Investment Corporation	Investment business	100.0	100.0	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%) December 31 2017	2016	Remark
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	36.8	36.8	
China General Terminal & Distribution Co.			0.6	0.6	
USIFE Investment Co., Ltd.			0.4	0.4	
			37.8	37.8	13)
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd. ("TAITA (BVI)")	Reinvestment business	100.0	100.0	
TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	100.0	100.0	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	100.0	100.0	
Union Polymer Int'l Investment Corp.	China General Plastics Corporation ("CGPC")	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	25.0	25.0	
Asia Polymer Corporation			8.1	8.1	
Taita Chemical Company, Ltd.			2.0	2.0	
China General Terminal & Distribution Co.			0.5	0.5	
USIFE Investment Co., Ltd.			0.1	0.1	
			35.7	35.7	13)
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	87.2	87.2	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	100.0	100.0	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	100.0	100.0	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	100.0	100.0	
	China General Plastics (Hong Kong) Co., Ltd. ("CGPC-Hong Kong")	Marketing of PVC two- or three-time processed products	-	100.0	5)
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	100.0	100.0	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	100.0	100.0	6)
	Chung Shan CGPC Polymer Co., Ltd. ("Chung Shan (GPCP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	100.0	100.0	6)
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3	33.3	
Taita Chemical Company, Ltd.			33.3	33.3	
Asia Polymer Corporation			33.4	33.4	
			100.0	100.0	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVM")	Business management consulting	100.0	100.0	
Swanlake Traders Ltd.	USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment and plastic products and wholesale of electronic materials, commission agency services and related supporting import and export services	-	-	7)
APC (BVI) Holding Co., Ltd.			100.0	100.0	7)
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd. ("ACME Ferrite")	Manufacture and marketing of soft ferrite core	100.0	100.0	
	ACME Magnetic Products Sdn. Bhd. ("ACME Magnetic")	Liquidated	-	-	8)
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	Engaging in import and export trade	100.0	100.0	
Swanson Plastics Corp.	Curtana Company Ltd.	Reinvestment business	100.0	100.0	
	Forever Young Company Ltd.	Import and export agency services	100.0	100.0	
	Swanson Plastics Company Ltd. (Singapore)	Production and marketing of plastic products	100.0	100.0	
	Swanson International Ltd.	Engaging in import and export trade	100.0	100.0	
Swanson Plastics Corp.	Swanson Plastics Company Ltd. (Nantong) ("SPC (Nantong)")	Production and marketing of vest bags, garbage bags and diapers	95.5	95.5	
Curtana Company Ltd.			4.5	4.5	
			100.0	100.0	9)

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%) December 31 2017	2016	Remark
Swanson Plastics Corp.	PT. Swanson Plastics Indonesia Ltd.	Manufacture and marketing of plastic products	1.0	1.0	
Swanson Plastics Company Ltd. (Singapore)			99.0	99.0	
			100.0	100.0	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0	70.0	
APC Investment Corporation			15.0	15.0	
USIFE Investment Co., Ltd.			15.0	15.0	
			100.0	100.0	
Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (Malaysia) Sdn. Bhd.	Manufacture and marketing of plastic products	100.0	100.0	
	Swanson Plastics (India) Private Limited	Manufacture and marketing of plastic products	100.0	100.0	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	100.0	100.0	
Swanson International Ltd.	A.S. Holdings (UK) Limited	Reinvestment	100.0	100.0	
	Swanson Plastics (Kunshan) Corp.	Production, marketing and development of multi-functional film and light-solution film	100.0	100.0	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	Management PE release film and other release products	100.0	100.0	
Taiwan United Venture Capital Corp.	USNtel Communications Inc.	Liquidated	-	-	
Asia Polymer Corporation			-	-	
USIFE Investment Co., Ltd.			-	-	
			-	-	10)
The Company	Ever Conquest Global Limited ("ECGL)	Investment	62.6	59.1	
Asia Polymer Corporation			37.4	40.9	
			100.0	100.0	11)
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment	67.9	-	11) and 13)
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment	100.0	-	11)

(Concluded)

1) The investment in USIM to manufacture and sell silicon products was approved in the meeting of the board of directors held on March 15, 2012. The original investment cost was US$1,829 thousand ($53,938 thousand). However, there was no investment value on this plan since the local government raised the price of raw materials at will and could not offer a qualified plot of land for the new facilities. As a result, the Group's termination of the investment plan was approved in the meeting of the board of directors held on August 8, 2013, and the Group took back part of the investment amount of US$1,721 thousand ($50,915 thousand). In October 2015, the Company took back the residual property from the liquidation of US$13 thousand ($422 thousand) and recognized an investment loss of $2,601 thousand. The total amount taken back from the investment was US$1,734 thousand, and the Group completed the process of the liquidation in March 2016.

2) In order to improve its financial structure and to meet the needs of operating capital, INOMA announced a reduction of capital, as agreed in the shareholders' meeting held on June 7, 2016, to cover a loss of $88,000 thousand. INOMA canceled 8,800 thousand shares, a capital reduction project accounting for 57.35% of its original capital, and issued 6,000 thousand shares. The Company subscribed for 5,930 thousand shares. INOMA was continually in the research and developed stage, it experienced subsequent operating losses. On June 26, 2017, the shareholders' meeting of INOMA approved a capital reduction project for to make up for losses in the amount of $67,500 thousand and canceled 6,750 thousand shares, a capital reduction accounting for 53.81% of

its paid-in capital. The shareholders' meeting also approved the issuance of 4,000 thousand shares. The paid-in capital of INOMA is 97,950 thousand after the above reduction and issuance of shares. The Group subscribed for the 3,955 thousand shares and owned 93.18% of the outstanding shares. Until December 31, 2017, there has been no significant operating income.

3) In order to improve its financial structure and to meet the needs of operating capital, in the special shareholders' meeting, the TUVC shareholders approved the use of the capital surplus to offset the deficit of $30,000 thousand. Additionally, in carrying out a capital reduction project, TUVC reduced the capital to make up for losses and refunded its shareholders the amounts of $94,000 thousand and $80,000 thousand by cancelling 9,400 thousand shares and 8,000 thousand shares, respectively, together accounting for 27.02% of its outstanding shares, on September 29, 2016, which is the record date for the reverse split. After that, the paid-in capital of TUVC was $470,000 thousand; the Group received the payment from the capital reduction project of $62,661 thousand.

4) Since NDC had no actual operations in research, development, production and sales in the most recent year. On December 30, 2014, the NDC's shareholders' meeting had approved the proposal for dissolution and liquidation starting from the dissolution date, December 30, 2014. In September 2015, the Group retrieved the residual property from the liquidation in the amount of $25,324 thousand and completed the liquidation process on January 9, 2016.

5) CGPC disposed of CGPC-Hong Kong as approved in the meeting of the board of directors in June 2013. CGPC-Hong Kong retrieved the residual property in April 2016 and completed the liquidation process on March 17, 2017.

6) CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP has not completed the process of the liquidation as of December 31, 2017.

7) Swanlake and APC (BVI) signed an shareholding transfer agreement to transfer 100% of the shares of USI Trading (Shanghai) Co., Ltd. held by Swanlake to APC (BVI) in US dollars at the same amount as RMB20,300 thousand. The project was approved by the Ministry of Economic Affairs on August 3, 2016. Swanlake received the payment of US$3,036 thousand, which equaled RMB20,300 thousand, from APC (BVI) and completed the shareholding transfer process on October 19, 2016.

8) ACME Magnetic was established on February 23, 1985. The original main business was supplying black powder material for ACME Ferrite to produce iron core. Thereafter, ACME Ferrite began producing such black powder material by itself, and so ACME Magnetic completed the liquidation process in January 2016.

9) The economic recession caused SPC (Nantong) to suffer a sustained loss. In consideration of its whole operations, SPC disposed of SPC (Nantong) as agreed in the meeting of the board of directors held in April 2016. SPC (Nantong) has not completed the liquidation process as of December 31, 2017.

10) USNtel Communications Inc. commenced dissolution and liquidation due to long-term operating losses starting from the dissolution date, December 24, 2014, which was approved in the shareholders' meeting held on December 19, 2014. The Group retrieved the residual property in the amount of $2,509 thousand from the liquidation in December 2015 and completed the liquidation process on February 2, 2016.

11) The Company and APC invested additional capital of US$37,572 thousand (around $1,200,087 thousand) and US$23,086 thousand (around $739,424 thousand) in ECGL in January 2017, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The ownership percentage of ECGL in EVGL increased from 31.75% to 66.4% after the capital increase, and ECGL gained control over EVGL so that ECGL identifies EVGL as its subsidiary. Moreover, the Company and APC invested additional capital of US$36,643 thousand (around $1,113,427 thousand) and US$21,013 thousand (around $638,499 thousand) in ECGL in July 2017, respectively. The ownership percentage of ECGL in EVGL increased to 67.9% after the capital increase. For more explanation, refer to Note 32.

12) In order to improve its financial structure and cover losses of $966,795 thousand, USIO performed a capital reduction by cancelling 96,680 thousand shares, accounting for 80.18% of its paid-in capital, on May 24, 2017, as approved in the shareholders' meeting held on April 7, 2017. USIO performed a capital increase of 41,000 thousand shares with a par value of $10 on June 8, 2017. The Company, APC, and ACME subscribed for 33,000 thousand shares, 5,792 thousand shares, and 2,000 thousand shares, respectively, and the paid-in capital of USIO was $649,017 thousand.

13) This is a subsidiary of a material non-controlling interest.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
Name of Subsidiary	**2017**	**2016**
CGPC	64.3%	64.3%
TTC	62.2%	62.2%
ACME	55.2%	55.2%
APC	62.7%	62.7%
EVGL	32.1%	-

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

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	**2017**	**2016**	**2017**	**2016**
CGPC	$ 834,894	$ 948,849	$ 4,922,344	$ 4,693,541
TTC	$ 317,952	$ 76,548	$ 2,421,807	$ 2,104,515
ACME	$ (57,383)	$ (316,752)	$ 751,522	$ 817,844
APC	$ 382,474	$ 450,445	$ 6,147,712	$ 5,952,294
EVGL	$ 1,128	$ -	$ 1,787,820	$ -

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

CGPC and CGPC's subsidiaries

	December 31 2017	December 31 2016
Current assets	$ 5,993,631	$ 7,200,056
Non-current assets	6,679,590	6,108,931
Current liabilities	(1,785,947)	(2,480,133)
Non-current liabilities	(2,686,426)	(3,073,034)
Equity	$ 8,200,848	$ 7,755,820
Equity attributable to:		
Owners of CGPC	$ 2,883,997	$ 2,681,944
Non-controlling interests of CGPC	4,922,344	4,693,541
Non-controlling interests of CGPC's subsidiaries	394,507	380,335
	$ 8,200,848	$ 7,755,820

	For the Year Ended December 31 2017	For the Year Ended December 31 2016
Revenue	$ 14,701,741	$ 14,157,389
Net profit from continuing operations	$ 1,341,471	$ 1,521,307
Net (loss) profit from discontinued operations	(2,197)	21,777
Profit for the year	1,339,274	1,543,084
Other comprehensive loss for the year	(27,454)	(77,288)
Total comprehensive income for the year	$ 1,311,820	$ 1,465,796
Profit attributable to:		
Owners of CGPC	$ 434,914	$ 494,276
Non-controlling interests of CGPC	834,894	948,849
Non-controlling interests of CGPC's subsidiaries	69,466	99,959
	$ 1,339,474	$ 1,543,084
Total comprehensive income attributable to:		
Owners of CGPC	$ 476,405	$ 519,515
Non-controlling interests of CGPC	766,473	848,264
Non-controlling interests of CGPC's subsidiaries	68,942	98,017
	$ 1,311,820	$ 1,465,796
Net cash inflow (outflow) from:		
Operating activities	$ 1,611,489	$ 2,185,013
Investing activities	(1,016,545)	(480,713)
Financing activities	(1,330,620)	(1,072,174)
Effects of exchange rate changes	(10,133)	(5,736)
Net cash (outflow) inflow	$ (745,809)	$ 626,390
Dividends paid to non-controlling interests	$ 533,912	$ 307,907

TTC and TTC's subsidiaries

	December 31	
	2017	2016
Current assets	$ 5,313,224	$ 4,926,613
Non-current assets	3,498,211	3,550,207
Current liabilities	(3,132,553)	(3,260,740)
Non-current liabilities	(1,773,332)	(1,836,962)
Equity	$ 3,905,550	$ 3,379,118
Equity attributable to:		
Owners of TTC	$ 1,483,743	$ 1,274,603
Non-controlling interests of TTC	2,421,807	2,104,515
	$ 3,905,550	$ 3,379,118

	For the Year Ended December 31	
	2017	2016
Revenue	$ 19,821,042	$ 16,419,055
Profit for the year	$ 502,079	$ 120,877
Other comprehensive income (loss) for the year	24,353	(116,842)
Total comprehensive income for the year	$ 526,432	$ 4,035
Profit attributable to:		
Owners of TTC	$ 184,127	$ 44,329
Non-controlling interests of TTC	317,952	76,548
	$ 502,079	$ 120,877
Total comprehensive income (loss) attributable to:		
Owners of TTC	$ 203,793	$ 7,969
Non-controlling interests of TTC	322,669	(3,934)
	$ 526,432	$ 4,035
Net cash inflow (outflow) from:		
Operating activities	$ 420,367	$ 983,239
Investing activities	(121,778)	37,259
Financing activities	(398,712)	(972,819)
Effects of exchange rate changes	(1,654)	(27,096)
Net cash (outflow) inflow	$ (101,777)	$ 20,583

ACME and ACME's subsidiaries

	December 31	
	2017	**2016**
Current assets	$ 1,741,583	$ 2,310,766
Non-current assets	1,965,852	2,166,265
Current liabilities	(1,172,072)	(1,736,375)
Non-current liabilities	(613,731)	(646,233)
Equity	$ 1,921,632	$ 2,094,423
Equity attributable to:		
Owners of ACME	$ 611,551	$ 659,158
Non-controlling interests of ACME	751,522	817,944
Non-controlling interests of ACME's subsidiaries	558,559	617,321
	$ 1,921,632	$ 2,094,423

	For the Year Ended December 31	
	2017	**2016**
Revenue	$ 2,370,715	$ 2,389,051
Loss for the year	$ (141,670)	$ (672,708)
Other comprehensive loss for the year	(6,655)	(149,945)
Total comprehensive loss for the year	$ (148,325)	$ (822,653)
Loss attributable to:		
Owners of ACME	$ (46,071)	$ (254,305)
Non-controlling interests of ACME	(57,383)	(316,752)
Non-controlling interests of ACME's subsidiaries	(38,216)	(101,651)
	$ (141,670)	$ (672,708)
Total comprehensive loss attributable to:		
Owners of ACME	$ (50,810)	$ (298,785)
Non-controlling interests of ACME	(63,285)	(372,155)
Non-controlling interests of ACME's subsidiaries	(34,230)	(151,713)
	$ (148,325)	$ (822,653)
Net cash inflow (outflow) from:		
Operating activities	$ 142,380	$ 303,203
Investing activities	(223,472)	190,459
Financing activities	(48,795)	(483,924)
Effects of exchange rate changes	15,923	(52,988)
Net cash outflow	$ (113,964)	$ (43,250)

APC and APC's subsidiaries

	December 31	
	2017	2016
Current assets	$ 5,136,436	$ 6,220,412
Non-current assets	9,739,565	8,449,617
Current liabilities	(2,338,563)	(2,425,963)
Non-current liabilities	(2,720,968)	(2,746,861)
Equity	$ 9,816,470	$ 9,497,205
Equity attributable to:		
Owners of APC	$ 3,668,758	$ 3,544,911
Non-controlling interests of APC	6,147,712	5,952,294
	$ 9,816,470	$ 9,497,205

	For the Year Ended December 31	
	2017	2016
Revenue	$ 6,404,467	$ 5,780,935
Profit for the year	$ 565,354	$ 665,825
Other comprehensive income for the year	53,337	460,376
Total comprehensive income for the year	$ 618,691	$ 1,126,201
Profit attributable to:		
Owners of APC	$ 182,800	$ 215,380
Non-controlling interests of APC	382,474	450,445
	$ 565,354	$ 665,825
Total comprehensive income attributable to:		
Owners of APC	$ 219,564	$ 496,794
Non-controlling interests of APC	399,127	629,407
	$ 618,691	$ 1,126,201
Net cash inflow (outflow) from:		
Operating activities	$ 963,684	$ (662,370)
Investing activities	(1,352,932)	(181,372)
Financing activities	(300,627)	3,342,915
Effects of exchange rate changes	(10,749)	(16,530)
Net cash (outflow) inflow	$ (700,624)	$ 2,482,643
Dividends paid to non-controlling interest	$ 204,184	$ 200,180

EVGL and EVGL's subsidiaries

	December 31, 2017
Current assets	$ 338,317
Non-current assets	5,241,747
Current liabilities	(11,893)
	$ 5,568,171
Equity	
Equity attributable to:	
Owners of EVGL	$ 3,780,351
Non-controlling interests of EVGL	1,787,820
	$ 5,568,171

	For the Year Ended December 31, 2017
Profit for the year	$ 3,417
Other comprehensive loss for the year	(79,594)
Total comprehensive loss for the year	$ (76,177)
Profit attributable to:	
Owners of EVGL	$ 2,289
Non-controlling interests of EVGL	1,128
	$ 3,417
Total comprehensive loss attributable to:	
Owners of EVGL	$ (50,046)
Non-controlling interests of EVGL	(26,131)
	$ (76,177)
Net cash inflow (outflow) from:	
Operating activities	$ (6,446)
Investing activities	(5,150,364)
Financing activities	5,155,469
Effects of exchange rate changes	28,829
Net cash inflow	$ 27,488

Refer to Notes 20 and 37 for the information related to part of subsidiaries' shares pledged as collateral for long-term bank borrowings.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2017	2016
Investments in associates	$ -	$ 155,219
Investments in joint ventures	5,241,747	-
	$ 5,241,747	$ 155,219

a. Investments in associates (December 31, 2017: None)

	December 31, 2016
Investments in associates	
Associates that are not individually material	
EVGL	$ 155,219

The Group's share of the losses of associates was $8,310 thousand in 2016. (2017: None)

At December 31, 2016, the percentage of ownership interests and voting rights of the Group in EVGL was 31.75%. In January and July 2017, the Group invested in EVGL via ECGL and reinvest in DEIL. The percentage of ownership increased from 31.75% to 67.9% after the capital increase, by which the Group gained control over EVGL so that the Group identified EVGL as a subsidiary. For more explanation, please refer to Notes 14 and 32.

b. Investments in joint venture (December 31, 2016: None)

	December 31, 2017
Investments in joint ventures	
Associates that are individually material	
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	$ 5,241,747

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

The percentage of the Group's ownership and voting rights are 50% of the outstanding shares of Gulei as of December 31, 2017. For more explanation, refer to Note 32.

For the scope of business operations and the location and national information of Gulei's registry of joint venture, refer to Table 9.

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

	December 31 2017
Cash	$ 9,870,622
Current assets	$ 9,871,825
Non-current assets	677,992
Current liabilities	(66,323)
Equity	10,483,494
Proportion of the Group's ownership	50%
Equity attributable to the Group	$ 5,241,747
Carrying amount	$ 5,241,747

	For the Year Ended December 31, 2017
Shares attributable to the Group	
Net loss of the year	$ (6,541)

16. PROPERTY, PLANT AND EQUIPMENT

	December 31 2017	December 31 2016
Freehold land	$ 4,726,441	$ 4,726,441
Land improvements	14,721	9,005
Building improvements	4,421,788	4,389,411
Machinery and equipment	11,383,335	11,163,412
Transportation equipment	45,170	48,244
Other equipment	269,540	474,259
Construction in progress and equipment under installation	2,897,500	1,994,042
	$ 23,758,495	$ 22,804,814

	Freehold Land	Land Improvements	Building Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost								
Balance at January 1, 2016	$ 4,726,441	$ 122,172	$ 6,763,596	$ 29,533,780	$ 214,628	$ 1,881,215	$ 7,424,865	$ 50,666,697
Additions	-	-	90,721	364,802	5,096	21,032	1,983,625	2,465,276
Disposals	-	-	(31,983)	(1,426,188)	(21,863)	(27,891)	(815)	(1,508,740)
Reclassification	-	-	1,192,484	6,264,081	11,176	37,527	(7,429,661)	75,607
Effect of foreign currency exchange differences	-	(338)	(197,299)	(565,210)	(1,997)	(35,313)	17,897	(782,260)
Balance at December 31, 2016	$ 4,726,441	$ 121,834	$ 7,817,519	$ 34,171,265	$ 207,040	$ 1,876,570	$ 1,995,911	$ 50,916,580

(Continued)

	Freehold Land	Land Improvements	Building Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Accumulated depreciation and impairment								
Balance at January 1, 2016	$ -	$ 111,263	$ 3,275,394	$ 23,194,161	$ 167,215	$ 1,315,096	$ 3,357	$ 28,066,486
Depreciation expenses	-	1,695	257,753	1,327,840	15,871	96,004	-	1,699,163
Disposals	-	-	(24,937)	(1,365,232)	(21,023)	(26,306)	(741)	(1,438,239)
Impairment losses recognized	-	-	-	220,188	-	48,109	-	268,297
Reclassification	-	-	(16,367)	-	(4,956)	(1,080)	(741)	(23,144)
Effect of foreign currency exchange differences	-	(129)	(63,735)	(369,104)	1,689	(29,512)	(6)	(460,797)
Balance at December 31, 2016	$ -	$ 112,829	$ 3,428,108	$ 23,007,853	$ 158,796	$ 1,402,311	$ 1,869	$ 28,111,766
Carrying amounts at December 31, 2016	$ 4,726,441	$ 9,005	$ 4,389,411	$ 11,163,412	$ 48,244	$ 474,259	$ 1,994,042	$ 22,804,814
Cost								
Balance at January 1, 2017	$ 4,726,441	$ 121,834	$ 7,817,519	$ 34,171,265	$ 207,040	$ 1,876,570	$ 1,995,911	$ 50,916,580
Additions	-	-	20,081	150,504	4,543	18,244	3,152,212	3,345,584
Disposals	-	-	(12,602)	(565,583)	(15,194)	(54,832)	(622)	(648,833)
Reclassification	-	7,512	358,628	1,630,950	9,890	13,326	(2,240,046)	(219,740)
Effect of foreign currency exchange differences	-	(78)	(93,132)	(157,944)	(1,933)	(188,371)	(8,084)	(449,542)
Balance at December 31, 2017	$ 4,726,441	$ 129,268	$ 8,090,494	$ 35,229,192	$ 204,346	$ 1,664,937	$ 2,899,371	$ 52,944,049
Accumulated depreciation and impairment								
Balance at January 1, 2017	$ -	$ 112,829	$ 3,428,108	$ 23,007,853	$ 158,796	$ 1,402,311	$ 1,869	$ 28,111,766
Depreciation expenses	-	1,748	271,538	1,479,875	15,520	74,861	-	1,843,542
Disposals	-	-	(11,824)	(541,202)	(13,565)	(52,879)	-	(619,470)
Impairment losses reversed	-	-	-	(2,306)	-	(265)	-	(2,571)
Reclassification	-	-	6,376	(6,307)	(2)	(122)	2	217
Effect of foreign currency exchange differences	-	(30)	(25,492)	(92,326)	(1,573)	(28,509)	-	(147,930)
Balance at December 31, 2017	$ -	$ 114,547	$ 3,668,706	$ 23,845,857	$ 159,176	$ 1,395,397	$ 1,871	$ 29,185,554
Carrying amounts at December 31, 2017	$ 4,726,441	$ 14,721	$ 4,421,788	$ 11,383,335	$ 45,170	$ 269.540	$ 2,897,500	$ 23,758,495

(Concluded)

No impairment assessment was performed for the year ended December 31, 2017 as there was no indication of impairment.

USIO recognized impairment loss of machinery equipment and other equipment in 2016 of $256,935 thousand based on the poor performance of its main product, sapphire crystal, on the market and the estimated future cash flows expected to decrease from the related equipment. USIO carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. USIO determined the recoverable amount of the relevant assets on the basis of their value in use. The discount rate was 13.49%. The impairment loss in 2016 was reported as $254,603 thousand in cost of goods sold and $2,332 thousand in operating expenses.

INOMA planned to relocate its plant in the future year because operations had no improvement in 2016. Decoration of the original plant and some of the machines were to be scrapped, and the impairment loss was $13,227 thousand (including $11,362 thousand in property, plant, and equipment and $1,865 thousand in goodwill) after assessment. The impairment loss has been included under operating expenses in the consolidated statements of comprehensive income.

In order to increase working capital and reimburse the bank borrowings, the USIO's shareholders' meeting dated on April 7, 2017 had passed a resolution to sell its Toufen plant along with a section of the ancillary mechanical equipment to CGPC for $290,000 thousand and rent back the plant and equipment from CGPC, and the case will be brought about and decided on in the shareholders' meeting on April 7, 2017.

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

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

The board of directors of the Company passed an EVA capacity expansion in the Kaohsiung plant, and authorized the chairman with full power on December 28, 2011. The Company signed the EVA equipment contract with CTCI Corporation on November 8, 2012. The total contract price was $3,000,000 thousand, which was paid in the amount of $2,373,409 thousand as of December 31, 2017.

On March 21, 2013, the board of directors' of the Company decided to invest in constructing a cyclic block copolymer production plant, which cost $1,000,000 thousand as. On September 23, 2014, the board of directors decided to construct a front-end material production plant and utility system, which cost $1,000,000 thousand. In addition, the amount of investment to adjust the plant configuration increased by $700,000 thousand after discussion by the board of directors in its meeting on August 11, 2016, and the total cost was $2,700,000 thousand. As of December 31, 2017, the Company has paid CTCI of $1,556,251 thousand. In June 2014, the Company received subsidies amounting to $160,000 thousand from the Industrial Development Bureau, and as of December 31, 2017, the Company has received $128,841 thousand. According to the schedule and acceptance situation, the subsidy income had accumulated to $106,548 thousand.

The board of directors of APC passed an EVA capacity expansion in the Linyuan plant, and gave the chairman full authorization on December 28, 2011. APC signed the EVA equipment supply contract with CTCI Corporation on November 8, 2012 and an equipment renewal contract on March 5, 2014 and May 31, 2017, respectively. The contract price (additional fees included) was provisionally charged at $2,608,911 thousand. The total contract price was paid according to the monthly schedule, and, APC has paid it all as of December 31, 2017.

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

For the related capitalized interest, refer to Note 28 (c).

17. INVESTMENT PROPERTIES

	December 31	
	2017	**2016**
Completed investment properties		
Land	$ 90,971	$ 90,971
Buildings	91,245	98,436
	$ 182,216	$ 189,407

	Land	Buildings	Total
Cost			
Balance at January 1, 2016	$ 94,940	$ 180,804	$ 275,744
Effect of foreign currency exchange differences	-	(2,411)	(2,411)
Balance at December 31, 2016	$ 94,940	$ 178,393	$ 273,333
Accumulated depreciation and impairment			
Balance at January 1, 2016	$ 3,969	$ 76,932	$ 80,901
Depreciation expenses	-	3,949	3,949
Effect of foreign currency exchange differences	-	(924)	(924)
Balance at December 31, 2016	$ 3,969	$ 79,957	$ 83,926
Carrying amounts at December 31, 2016	$ 90,971	$ 98,436	$ 189,407
Cost			
Balance at January 1, 2017	$ 94,940	$ 178,393	$ 273,333
Disposal	-	(2,262)	(2,262)
Effect of foreign currency exchange differences	-	(7,438)	(7,438)
Balance at December 31, 2017	$ 94,940	$ 168,693	$ 263,633
Accumulated depreciation and impairment			
Balance at January 1, 2017	$ 3,969	$ 79,957	$ 83,926
Depreciation expense	-	3,699	3,699
Disposal	-	(1,765)	(1,765)
Effect of foreign currency exchange differences	-	(4,443)	(4,443)
Balance at December 31, 2017	$ 3,969	$ 77,448	$ 81,417
Carrying amounts at December 31, 2017	$ 90,971	$ 91,245	$ 182,216

The investment properties were depreciated using the straight-line method over their estimated useful lives of 3 to 55 years.

Part of the Group’s investment properties are located in Toufen Industrial District. Due to the characteristics of the district, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties is not reliably measurable. For the remaining investment properties, the fair value of the investment properties were $722,446 thousand and $736,303 thousand at December 31, 2017 and 2016, respectively, which did not evaluated by an independent qualified professional valuer. The management of the Group used the valuation model that market participants would use in determining fair value, and the fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. Were the nearby land price to go up or down by 10%, the fair value of the investment properties of the Group for the years ended December 31, 2017 and 2016 would have increased or decreased by $72,245 thousand and $73,630 thousand, respectively.

All of the Group’s investment properties was held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 37.

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	December 31	
	2017	**2016**
Goodwill (a)	$ 269,026	$ 269,026
Other intangible assets (b)		
Licenses and franchises	$ 19,159	$ 42,388
Computer software	14,287	30,760
Patents	59,903	75,446
	$ 93,349	$ 148,594

a. Goodwill

	For the Year Ended December 31	
	2017	**2016**
Balance at January 1	$ 269,026	$ 310,891
Impairment losses recognized	-	(41,865)
Balance at December 31	$ 269,026	$ 269,026

No impairment assessment was performed for the year ended December 31, 2017 as there was no indication of impairment.

Union Polymer International Investment Corporation will test the goodwill for impairment annually. The recoverable amount of goodwill was based on a value in use model. For the year ended December 31, 2016, Union Polymer International Investment Corporation recognized an impairment loss of $40,000 thousand for goodwill relating to Taita Chemical Company, Ltd., which was determined based on value in use and a discount rate of 12.65%. The impairment loss recognized included under other gains and losses in the consolidated statements of comprehensive income.

For the year ended December 31, 2016, INOMA recognized an impairment loss of $1,865 thousand in relation to goodwill. Refer to Note 16 for details.

b. Other intangible assets

	Licenses and Franchises	**Computer Software**	**Patents**	**Total**
Cost				
Balance at January 1, 2016	$ 179,270	$ 113,702	$ 82,329	$ 375,301
Additions	-	8,249	30,429	38,678
Disposals	-	(3,781)	-	(3,781)
Reclassification	-	(3,112)	-	(3,112)
Effect of foreign currency exchange differences	-	(4,512)	-	(4,512)
Balance at December 31, 2016	$ 179,270	$ 110,546	$ 112,758	$ 402,574

(Continued)

	Licenses and Franchises	Computer Software	Patents	Total
Accumulated amortization and impairment				
Balance at January 1, 2016	$ 113,653	$ 59,130	$ 29,471	$ 202,254
Amortization expenses	23,229	29,721	7,841	60,791
Disposals	-	(3,781)	-	(3,781)
Reclassification	-	(1,108)	-	(1,108)
Effect of foreign currency exchange differences	-	(4,176)	-	(4,176)
Balance at December 31, 2016	$ 136,882	$ 79,786	$ 37,312	$ 253,980
Carrying amounts at December 31, 2016	$ 42,388	$ 30,760	$ 75,446	$ 148,594
Cost				
Balance at January 1, 2017	$ 179,270	$ 110,546	$ 112,758	$ 402,574
Additions	-	6,945	-	6,945
Effect of foreign currency exchange differences	-	(4,525)	-	(4,525)
Balance at December 31, 2017	$ 179,270	$ 112,966	$ 112,758	$ 404,994
Accumulated amortization and impairment				
Balance at January 1, 2017	$ 136,882	$ 79,786	$ 37,312	$ 253,980
Amortization expenses	23,229	23,152	15,543	61,924
Effect of foreign currency exchange differences	-	(4,259)	-	(4,259)
Balance at December 31, 2017	$ 160,111	$ 98,679	$ 52,855	$ 311,645
Carrying amounts at December 31, 2017	$ 19,159	$ 14,287	$ 59,903	$ 93,349

(Concluded)

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

Licenses and franchises	5 to 7 years
Computer software	1 to 3 years
Patents	5 to 7 years

19. PREPAYMENTS FOR LEASES

	December 31 2017	December 31 2016
Current assets (included in prepayments)	$ 9,973	$ 8,661
Non-current assets	525,845	387,556
	$ 535,818	$ 396,217

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

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

20. BORROWINGS

a. Short-term borrowings

	December 31 2017	December 31 2016
Secured borrowings		
Bank loans	$ 412,768	$ 648,401
Unsecured borrowings		
Line of credit borrowings	3,339,500	4,300,767
	$ 3,752,268	$ 4,949,168
Range of interest rates	0.83%-4.79%	0.90%-4.79%

b. Short-term bills payable

	December 31 2017	December 31 2016
Commercial paper	$ 1,685,000	$ 2,473,000
Less: Unamortized discount on bills payable	(494)	(932)
	$ 1,684,506	$ 2,472,068
Range of interest rates	0.40%-1.18%	0.49%-1.21%

c. Long-term borrowings

	December 31	
	2017	**2016**
<u>Bank borrowings</u>		
Far Eastern International Bank		
USIO -		
Loan term: 2015.06-2017.06		
Annual rate: 2016.12.31: 1.23%-1.39%	$ -	$ 200,000
Taipei Fubon Commercial Bank Co., Ltd.		
UPIIC -		
Loan term: 2012.03-2019.09;		
Annual rate: 2017.12.31: 1.31%		
2016.12.31: 1.31%	400,000	500,000
APC -		
Credit line: 500,000 thousand		
Loan term: 2016.08-2019.09		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 2017.12.31: 1.307%		
2016.12.31: 1.306%	450,000	450,000
SPC -		
Loan term: 2017.12-2020.09		
Revolving loan facility, the annual rate is based on Reuters data prior to the borrowing date, and is calculated at TAIBOR plus 0.75%, and divided by 0.946, with interest payments of $231 thousand per month, and the principal is paid at maturity.	200,000	-
O-Bank		
ACME -		
Loan term: 2015.10-2018.10		
Annual rate: 2016.12.31: 1.46%	-	200,000
TTC -		
Revolving loan facility, and the principal is paid at maturity.		
Loan term: 2013.10-2018.10		
Annual rate: 2017.12.31: 1.20%		
2016.12.31: 1.20%	100,000	300,000
SPC -		
Loan term: 2014.07-2019.11		
From November 15, 2016, it required three monthly installments of $40,000 thousand, and it is set for 5 installments. Interest rate is calculated at Reuters 90-day commercial paper on secondary market plus contract interest.	160,000	200,000
SPC -		
Loan term: 2013.12-2018.12		
From January 15, 2017, it required monthly installments of $4,200 thousand, and it is set for 24 installments. The last installment is $3,400 thousand. Interest rate is calculated at a 2-year fixed deposit rate of postal savings funds plus contract interest.	89,600	100,000

(Continued)

	December 31	
	2017	2016
Chang Hwa Commercial Bank		
TTC -		
Revolving loan facility, and the principal is paid at maturity.		
Loan term: 2012.11-2018.10		
Annual rate: 2017.12.31: 1.10%		
2016.12.31: 1.20%	$ 900,000	$ 700,000
UPIIC -		
Loan term: 2011.05-2020.01		
Annual rate: 2017.12.31: 1.10%		
2016.12.31: 1.20%	200,000	200,000
SPC -		
Loan term: 2015.12-2020.12		
From December 2015, the first installment is paid on the day after 54 months expire, and the rest is paid on due of $51,600 thousand. Interest rate is calculated at 3-month TAIBOR plus a floating rate of 0.57%, and when the loan interest rate is below 1.45%, it is calculated at 1.45%.	103,200	103,200
USIO -		
Loan term: 2013.12-2019.12		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 2016.12.31: 1.65%-1.70%	-	300,000
APC -		
Revolving loan facility, and the principal is paid at maturity.		
Loan term: 2015.11-2018.06		
Annual rate: 2016.12.31: 1.20%	-	400,000
UPIIC -		
Loan term: 2016.06-2017.07		
Annual rate: 2016.12.31: 1.20%	-	300,000
KGI Bank		
SPC -		
Loan term: 2017.06-2019.06		
From June 23, 2017, it required four monthly installments of $37,500, and it is set for 4 installments. Interest rate is calculated based on TAIBOR 1, 2, 3 or 6 month fixed interest rate plus 0.80%. Interest period is 1, 2, 3 or 6 month, and will be updated when expired.	250,000	150,000
CGPCP -		
Loan term: 2015.03-2018.11		
Annual rate: 2017.12.31: 1.04%		
2016.12.31: 0.99%	500,000	500,000
CGPCP -		
Loan term: 2016.11-2021.11		
Annual rate: 2017.12.31: 1.04%		
2016.12.31: 1.06%	550,000	550,000
UPIIC -		
Loan term: 2015.03-2020.02		
Annual rate: 2017.12.31: 1.04%		
2016.12.31: 0.99%	300,000	300,000

(Continued)

	December 31	
	2017	2016
APC-		
Credit line: $400,000 thousand and $200,000 thousand, respectively.		
Loan term: 2015.10-2021.03 and 2016.07-2019.04, respectively.		
Annual rate: 2017.12.31: 1.036%-1.175%		
2016.12.31: 0.9856%-1.175%	$ 600,000	$ 600,000
Mega International Commercial Bank		
USIO -		
Loan term: 2016.07-2018.09		
Annual rate is calculated at interest rate on secondary markets plus a floating rate.		
Annual rate: 2016.12.31: 1.49%-1.585%	-	100,000
ACME -		
Loan term: 2010.06-2018.09		
Annual rate is calculated at interest rate on secondary markets plus a floating rate.		
Annual rate: 2016.12.31: 1.45%-1.60%	-	149,800
ACME -		
Loan term: 2013.09-2018.09		
From September 2016, it required six monthly installments and it is set for 5 installments. Interest rate is calculated at Reuters average rate of 90-day Taiwan Bills on secondary market plus a floating rate.		
Annual rate: 2016.12.31: 1.50%	-	130,200
ACME -		
Loan term: 2017.09-2022.09		
Annual rate: 2017.12.31: 1.30%	300,000	-
ACME -		
Loan term: 2017.09-2019.06		
Annual rate: 2017.12.31: 1.25%	50,000	-
UPIIC -		
Loan term: 2014.04-2019.04		
Annual rate: 2017.12.31: 1.10%	100,000	-
Hua Nan Bank		
UPIIC -		
Loan term: 2011.10-2020.07		
Annual rate: 2017.12.31: 1.10%		
2016.12.31: 1.18%	100,000	500,000
Shin Kong Bank		
APC -		
Loan term: 2015.10-2018.10		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 2017.12.31: 1.00%		
2016.12.31: 1.00%	450,000	450,000
Yuanta Bank		
APC -		
Loan term: 2015.10-2021.01		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 2017.12.31: 1.15%		
2016.12.31: 1.20%	500,000	50,000

(Continued)

	December 31	
	2017	2016
SinoPac Bank		
APC-		
Loan term: 2017.08-2020.06		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 2017.12.31: 1.05%		
2016.12.31: 1.00%	$ 500,000	$ 500,000
UPIIC -		
Loan term: 2017.03-2019.03		
Annual rate: 2017.12.31: 1.08%	300,000	-
First Commercial Bank		
APC -		
Credit line: $500,000 thousand		
Loan term: 2017.12.31-2020.11		
Revolving loan facility, and the principal is paid at maturity.		
Annual rate: 1.04%	400,000	-
	7,502,800	7,933,200
Commercial paper		
ACME -		
O-Bank promised, China Bills underwriting		
Loan term: 2017.10-2020.10		
Annual discount rate: 2017.12.31: 1.348%	200,000	-
Amortized discount on bills payable	(52)	-
	199,948	-
	7,702,748	7,933,200
Current portions	(799,600)	(685,400)
	$ 6,903,148	$ 7,247,800

(Concluded)

UPIIC had offered its 32,500 thousand shares in APC, 27,500 thousand shares in CGPC and 27,500 thousand shares in TTC as long-term loan collateral, each of which were endorsed by the Company.

According to the loan contracts of part of subsidiaries, the current ratios, bank loan ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide the improvements to the bank if the requirements been not met. As of December 31, 2017, the subsidiaries did not violate the requirements.

21. BONDS PAYABLE

	December 31	
	2017	2016
Domestic unsecured bonds 104-1A - issuance on February 12, 2015, 5 years, total amount $1,000,000 thousand, coupon rate 1.55%, bullet repayment	$ 1,000,000	$ 1,000,000
Domestic unsecured bonds 104-1B - issuance on February 12, 2015, 7 years, total amount $1,000,000 thousand, coupon rate 1.90%, bullet repayment	1,000,000	1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount $2,000,000 thousand, coupon rate 0.80%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount $2,000,000 thousand, coupon rate 1.10%, bullet repayment	2,000,000	-
	6,000,000	4,000,000
Less: Discounts on bonds payable	(9,833)	(6,936)
	$ 5,990,167	$ 3,993,064

In order to avoid the rise of the interest rate risk, the Company applied for issuing the first and second naked debentures with the amount of $1,000,000 thousand in January 2011 and June 2011, respectively, to reimburse the long-term debt, and the bonds were paid at maturity in January 2016 and in June 2016, respectively.

The Company applied for issuing the first naked debenture of 2015 with the amount of $2,000,000 thousand in December 2014 in order to reimburse the due bonds and to increase working capital. The naked debentures were all issued in February 2015.

The Company applied for issuing the first naked debenture of 2016 with the amount of $2,000,000 thousand in October 2016 in order to reimburse the bank loans, and the naked dentures were issued in October 2016.

The Company applied for issuing the first naked debenture of 2017 with the amount of $2,000,000 thousand in October 2017 in order to reimburse the bank loans, and the naked dentures were issued in October 2017.

22. NOTES AND ACCOUNTS PAYABLE

	December 31	
	2017	2016
Operating		
Notes payable	$ 360	$ 504
Accounts payable	3,965,084	3,580,532
	$ 3,965,444	$ 3,581,036

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

23. OTHER PAYABLES

	December 31	
	2017	2016
Payables for salaries and bonuses	$ 755,412	$ 747,062
Payables for water and electricity	147,131	178,515
Payables for purchases of equipment	237,632	221,151
Payables for fares	104,684	134,153
Payables for interests	40,219	35,537
Payables for dividends	21,537	21,149
Payables for insurance	17,516	26,837
Payables for fuel fees	19,192	19,479
Others	628,773	572,779
	$ 1,972,096	$ 1,956,662

24. PROVISIONS - CURRENT

	December 31	
	2017	2016
Customer returns and rebates	$ 32,205	$ 23,041

The movements of the customer returns and rebates were as follows:

	For the Year Ended December 31	
	2017	2016
Balance at January 1	$ 23,041	$ 21,384
Additional provisions recognized	18,579	10,102
Actual occurrence	(9,415)	(8,445)
Balance at December 31	$ 32,205	$ 23,041

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

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plans adopted by the Company and domestic subsidiaries of the Group in accordance with the Labor Standards Law are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 9% (the percentage increased to 12% since November 10, 2016) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Subsidiaries make monthly contributions at certain percentages of the basic salaries of their employees (APC is 10%; CGPC, TTC, TVCM and CGTD are 9%; SPC is 3.5%; ACME, USII, UM and TUVM are 2%). Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2017	2016
Present value of defined benefit obligation	$ (3,986,665)	$ (4,104,599)
Fair value of plan assets	1,566,768	1,117,477
Net defined benefit liabilities - non-current	$ (2,419,897)	$ (2,987,122)

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2016	$ (4,078,172)	$ 746,070	$ (3,332,102)
Current service cost	(52,043)	-	(52,043)
Net interest income (expense)	(53,298)	9,669	(43,629)
Recognized in profit or loss	(105,341)	9,669	(95,672)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,634)	(3,634)
Actuarial loss - changes in demographic assumptions	(22,952)	-	(22,952)
Actuarial loss - changes in financial assumptions	(84,140)	-	(84,140)
Actuarial loss - experience adjustments	(95,988)	-	(95,988)
Recognized in other comprehensive income	(203,080)	(3,634)	(206,714)
Contributions from the employer	-	647,175	647,175
Benefits paid	281,803	(281,803)	-
The Company's payments	191	-	191
Balance at December 31, 2016	$ (4,104,599)	$ 1,117,477	$ (2,987,122)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2017	$ (4,104,599)	$ 1,117,477	$ (2,987,122)
Current service cost	(46,356)	-	(46,356)
Net interest income (expense)	(42,555)	13,096	(29,459)
Recognized in profit or loss	(88,911)	13,096	(75,815)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,661)	(1,661)
Actuarial loss - changes in demographic assumptions	(10,538)	-	(10,538)
Actuarial loss - changes in financial assumptions	(61,442)	-	(61,442)
Actuarial gain - experience adjustments	14,625	-	14,625
Recognized in other comprehensive income	(57,355)	(1,661)	(59,016)
Contributions from the employer	4,061	696,688	700,749
Benefits paid	258,832	(258,832)	-
The Company's payments	1,307	-	1,307
Balance at December 31, 2017	$ (3,986,665)	$ 1,566,768	$ (2,419,897)

(Concluded)

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

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.

2) Interest risk: A decrease in government and corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2017	2016
Discount rate	1.00%-1.25%	1.00%-1.375%
Expected rate of salary increase	2.00%-2.50%	2.00%-2.50%

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

	December 31	
	2017	**2016**
Discount rate(s)		
0.25% increase	$ (81,280)	$ (87,584)
0.25% decrease	$ 83,201	$ 90,584
Expected rate(s) of salary increase		
0.25% increase	$ 84,706	$ 88,005
0.25% decrease	$ (82,948)	$ (85,534)

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

	December 31	
	2017	**2016**
The expected contributions to the plan for the next year	$ 191,349	$ 498,057
The average duration of the defined benefit obligation	8-12 years	8-13 years

26. GOVERNMENT GRANTS

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

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

For the years ended December 31, 2017 and 2016, the amount of deferred income that had not been amortized was RMB11,958 thousand ($54,461 thousand) and RMB12,540 thousand ($58,296 thousand), respectively.

27. EQUITY

	December 31 2017	December 31 2016
Share capital	$ 11,654,544	$ 11,426,024
Capital surplus	238,194	216,135
Retained earnings	6,738,561	6,474,504
Other equity items	(31,286)	85,739
Treasury shares	(475,606)	(475,606)
Non-controlling interests	16,684,012	14,292,690
	$ 34,808,419	$ 32,019,486

a. Share capital

	December 31 2017	December 31 2016
Number of shares authorized (in thousands)	1,342,602	1,342,602
Shares authorized	$ 13,426,024	$ 13,426,024
Number of shares issued and fully paid (in thousands)	1,165,454	1,142,602
Shares issued	$ 11,654,544	$ 11,426,024

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

On June 8, 2017, the Company's regular shareholders' meeting resolved to issue 22,852 thousand ordinary shares as share dividends appropriated from earnings, with a par value of $10, which increased the share capital issued and fully paid to $11,654,544 thousand. On June 22, 2017, this transaction was approved by the FSC, and the subscription base date was determined as at August 4, 2017 by the board of directors. The Company finished the change of registration on August 31, 2017.

b. Capital surplus

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

c. Retained earnings and dividends policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 8, 2016, and in that meeting, had resolved amendments to the Company's Articles of Incorporation ("the Articles"), particularly the amendment to the policy on dividends distribution and the addition of the policy on the distribution of employees' compensation and remuneration of directors.

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

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

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

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

Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company. The creditable ratio for individual shareholders residing in the ROC will be half of the original creditable ratio.

The appropriations of earnings for 2016 and 2015 approved in the shareholders' meetings on June 8, 2017 and June 8, 2016, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2016	**2015**	**2016**	**2015**
Legal reserve	$ 118,957	$ 87,963		
Special reserve	(35,883)	35,883		
Cash dividends	571,301	571,301	$0.5	$0.5
Share dividends	228,520	-	0.2	-
	$ 882,895	$ 695,147		

The appropriation of earnings for 2017 was proposed by the Company's board of directors on March 13, 2018. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 111,129	
Cash dividends	349,636	$0.3
Share dividends	233,091	0.2
	$ 693,856	

The appropriation of earnings for 2017 are subject to resolution in the shareholders' meeting to be held on June 5, 2018.

d. Other equity items

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

	For the Year Ended December 31	
	2017	2016
Balance at January 1	$ 8,204	$ 204,334
Exchange differences on translating foreign operations	(239,270)	(236,670)
Related income tax	40,186	40,540
Balance at December 31	$ (190,880)	$ 8,204

2) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31	
	2017	2016
Balance at January 1	$ 77,535	$ (258,186)
Unrealized (loss) gain on revaluation of available-for-sale financial assets	(8,212)	433,230
Cumulative gain (loss) reclassified to profit or loss on sale of available-for-sale financial assets	90,642	(97,568)
Related income tax	(371)	59
Balance at December 31	$ 159,594	$ 77,535

e. Non-controlling interests

	For the Year Ended December 31	
	2017	2016
Balance at January 1	$ 14,292,690	$ 14,024,285
Cash dividends distributed by subsidiaries	(807,986)	(550,056)
Attributable to non-controlling interests:		
Share of profit for the year	1,598,563	1,189,908
Exchange difference on translating foreign operations	(177,047)	(323,686)
Related income tax	25,752	52,371
Unrealized gain (loss) on available-for-sale financial assets	(69,786)	45,565
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	18,341	7,657
Related income tax	(776)	122
Remeasurement on defined benefit plans	(30,864)	(106,893)
Related income tax	5,084	16,485
Adjustments relating to changes accounted for using the equity method	22,312	830
Non-controlling interests arising from acquisition of subsidiaries	1,053,211	-
Changes in non-controlling interests	754,518	(63,898)
Balance at December 31	$ 16,684,012	$ 14,292,690

f. Treasury shares

Purpose of Buy-Back	Number of shares at January 1 (In Thousands of Shares)	Increase during the Year	Decrease during the Year	Number of shares at December 31 (In Thousands of Shares)
2017				
Shares held by subsidiaries	111,943	2,239	-	114,182
2016				
Shares held by subsidiaries	111,943	-	-	111,943

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2017			
Asia Polymer Corporation ("APC")	99,368	$ 1,377,381	$ 1,629,640
Taita Chemical Company, Limited ("TTC")	14,814	81,875	242,944
		$ 1,459,256	$ 1,872,584
December 31, 2016			
Asia Polymer Corporation ("APC")	97,420	$ 1,377,381	$ 1,544,106
Taita Chemical Company, Limited ("TTC")	14,523	81,875	230,192
		$ 1,459,256	$ 1,774,298

The Company's shares which subsidiaries hold are view as treasury shares. Investments accounted for using the equity method are reclassified as treasury shares.

APC and TTC holdings of the Company's shares are carried as available-for-sale financial assets and are valued at the closing price of December 31, 2017 and 2016. The carrying amount of investments accounted for using the equity method and the unrealized gain (loss) on available-for-sale financial assets were reduced by $140,670 thousand and $108,323 thousand, respectively.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	For the Year Ended December 31	
	2017	2016
Owners of the Company	$ 1,112,074	$ 1,181,796
Non-controlling interests	1,599,976	1,175,905
	$ 2,712,050	$ 2,357,701

Net profit from continuing operations includes the following:

a. Other income

	For the Year Ended December 31	
	2017	2016
Interest income		
Bank deposits	$ 75,382	$ 55,035
Structured deposits	765	3,960
Real estate securities	15,368	30,919
Repurchase agreements collateralized by bonds	13,247	3,152
Others	1,455	2,088
	106,217	95,154
Dividend income	185,187	152,347
Rental income	38,166	45,799
Grants income (Notes 16 and 26)	29,996	20,047
Claim income	34,438	10
Commission income	70,679	9,263
Others	113,572	144,483
	$ 578,255	$ 467,103

b. Other gains and losses

	For the Year Ended December 31	
	2017	2016
Gain on disposal of property, plant and equipment	$ 12,492	$ 6,791
Loss on disposal of property, plant and equipment	(3,186)	(30,929)
Loss on disposal of investment properties	(497)	-
Net gain on disposal of financial instruments	137,204	64,368
Net foreign exchange losses	(124,219)	(178,788)
Net loss on financial assets at fair value through profit or loss	(78,893)	(7,922)
Net loss on financial liabilities at fair value through profit or loss	(26,994)	(23,297)
Impairment losses on financial assets	(32,208)	-
Reversed (recognized) impairment losses on non-financial assets	304	(40,244)
Other gains and losses	(107,857)	(127,266)
	$ (223,854)	$ (337,287)

c. Finance costs

	For the Year Ended December 31	
	2017	2016
Interest on bank loans	$ 199,596	$ 199,154
Interest on bonds payable	52,022	42,402
Other interest expense	923	637
Less: Capitalized interest (included in construction in progress)	(15,284)	(30,427)
	$ 237,257	$ 211,766

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2017	2016
Capitalized interest	$ 15,284	$ 30,427
Capitalization rate	0.95%-1.20%	0.99%-1.76%

d. Depreciation and amortization

	For the Year Ended December 31	
	2017	2016
Property, plant and equipment	$ 1,831,809	$ 1,686,584
Investment properties	3,699	3,949
Intangible assets	61,924	60,791
Others	35,386	45,879
	$ 1,932,818	$ 1,797,203
An analysis of depreciation by function		
Operating costs	$ 1,704,831	$ 1,571,565
Operating expenses	117,275	107,547
Other gains and losses	13,402	11,421
	$ 1,835,508	$ 1,690,533
An analysis of amortization by function		
Operating costs	$ 36,878	$ 36,634
Selling and marketing expenses	-	934
General and administrative expenses	35,377	49,297
Research and development expenses	25,055	19,805
	$ 97,310	$ 106,670

e. Employee benefits expense

	For the Year Ended December 31	
	2017	2016
Post-employment benefits (Note 25)		
Defined contribution plans	$ 131,924	$ 139,146
Defined benefit plans	75,815	95,672
	207,739	234,818
Other employee benefits	4,081,543	4,041,395
Total employee benefits expense	$ 4,289,282	$ 4,276,213
An analysis of employee benefits expense by function		
Operating costs	$ 2,956,126	$ 3,114,552
Operating expenses	1,333,156	1,161,661
	$ 4,289,282	$ 4,276,213

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2017 and 2016, which were approved by the Company's board of directors on March 13, 2018 and March 16, 2017, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2017	2016
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.45%	0.54%

Amount

	For the Year Ended December 31	
	2017	2016
Employees' compensation	$ 12,247	$ 13,026
Remuneration of directors	5,500	7,000

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2016 and 2015.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2018 and 2017 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2017	2016
Foreign exchange gains	$ 312,725	$ 311,728
Foreign exchange losses	(436,944)	(490,516)
	$ (124,219)	$ (178,788)

29. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2017	2016
Current tax		
In respect of the current year	$ 553,611	$ 542,121
Income tax on unappropriated earnings	80,976	42,524
Adjustments for prior years	4,814	(2,384)
Deductible income tax paid overseas	(5,122)	-
	634,279	582,261
Deferred tax		
In respect of the current year	130,855	147,535
Adjustments for prior years	11,407	(14,562)
Others	(321)	(1,711)
	141,941	131,262
Income tax expense recognized in profit or loss	$ 776,220	$ 713,523

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

	For the Year Ended December 31	
	2017	2016
Profit before tax from continuing operations	$ 3,488,270	$ 3,071,224
Income tax expense calculated at the statutory rate	$ 1,064,868	$ 892,294
Nondeductible expenses in determining taxable income	(14,742)	1,156
Tax-exempt income	(405,802)	(339,149)
Income tax on unappropriated earnings	80,976	42,524
Unrecognized loss carryforwards and deductible temporary differences	69,586	147,982
Effect of tax rate changes	1,943	8,492
Adjustments for prior years	16,221	(16,946)
Others	(36,830)	(22,830)
Income tax expense recognized in profit or loss	$ 776,220	$ 713,523

The applicable corporate income tax rate used by the Company in the ROC is 17%.

In February 2018, it was announced that the Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate will be adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%. Deferred tax assets and deferred tax liabilities recognized as of December 31, 2017 are expected to be adjusted and increase by $111,061 thousand and $93,303 thousand, respectively, in 2018.

As the status of the 2018 appropriation of earnings is uncertain, the potential income tax consequences on the 2017 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2017	**2016**
Deferred tax		
In respect of the current year		
Recognized in other comprehensive income		
Translation of foreign operations	$ 65,938	$ 92,911
Fair value changes of available-for-sale financial assets	(1,147)	181
Remeasurement on defined benefit plans	9,003	42,643
Total income tax recognized in other comprehensive income	$ 73,794	$ 135,735

c. Current tax assets and liabilities

	December 31	
	2017	**2016**
Current income tax assets		
Tax refund receivable	$ 784	$ 20,847
Current income tax liabilities		
Income tax payable	$ 370,062	$ 341,875

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2017

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Exchange Differences**	**Closing Balance**
Deferred tax assets					
Temporary differences					
Defined benefit obligation	$ 454,101	$ (100,902)	$ 9,003	$ -	$ 362,202
Investments accounted for using the equity method	71,480	(921)	6,563	-	77,122
Allowance for inventory valuation	48,118	(1,475)	-	(481)	46,162
Allowance for impaired receivables	13,059	1,199	-	(230)	14,028
Unrealized gains on transactions with subsidiaries	10,042	(5,937)	-	(180)	3,925
Payables for annual leave	16,826	1,359	-	-	18,185
Others	54,868	14,036	5,428	651	74,983
	668,494	(92,641)	20,994	(240)	596,607
Loss carryforwards	74,478	(38,549)	-	(474)	35,455
	$ 742,972	$ (131,190)	$ 20,994	$ (714)	$ 632,062

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 444,747	$ 36,595	$ (29,275)	$ -	$ 452,067
Exchange differences on translating foreign operations	43,612	-	(24,007)	-	19,605
Differences on depreciation period between finance and tax	67,519	(16,433)	-	297	51,383
Revaluation increments of land	800,993	-	-	-	800,993
Others	14,633	(9,411)	482	(42)	5,662
	$ 1,371,504	$ 10,751	$ (52,800)	$ 255	$ 1,329,710

(Concluded)

For the year ended December 31, 2016

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit obligation	$ 461,829	$ (50,371)	$ 42,643	$ -	$ 454,101
Investments accounted for using the equity method	73,299	(6,883)	5,064	-	71,480
Allowance for inventory valuation	81,844	(31,577)	-	(2,149)	48,118
Allowance for impaired receivables	10,816	(138)	-	2,381	13,059
Unrealized gains on transactions with subsidiaries	11,154	(599)	-	(513)	10,042
Payables for annual leave	15,211	1,615	-	-	16,826
Others	69,078	(14,675)	308	157	54,868
	723,231	(102,628)	48,015	(124)	668,494
Loss carryforwards	83,570	(7,071)	-	(2,021)	74,478
	$ 806,801	$ (109,699)	$ 48,015	$ (2,145)	$ 742,972
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 451,048	$ 21,792	$ (28,093)	$ -	$ 444,747
Exchange differences on translating foreign operations	103,239	-	(59,627)	-	43,612
Differences on depreciation period between finance and tax	73,591	(4,874)	-	(1,198)	67,519
Revaluation increments of land	800,993	-	-	-	800,993
Others	10,137	4,645	-	(149)	14,633
	$ 1,439,008	$ 21,563	$ (87,720)	$ (1,347)	$ 1,371,504

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

	December 31	
	2017	2016
Loss carryforwards	$ 2,695,572	$ 3,068,611
Deductible temporary differences		
Defined benefit obligation	$ 133,918	$ 165,959
Overseas investment loss under the equity method	896,207	1,020,873
Write-down of inventories	196,007	186,780
Impairment loss on property, plant and equipment	316,637	316,637
Differences on depreciation period between finance and tax	27,724	33,510
Others	17,434	18,124
	$ 1,587,927	$ 1,741,883

f. Unused loss carryforwards

As of December 31, 2017, the Group's unused loss carryforwards were $2,862,584 thousand and will expire in 2030.

g. Integrated income tax

	December 31	
	2017	2016
Unappropriated earnings		
Generated before January 1, 1998	$ -	$ 97,591
Generated on and after January 1, 1998	-	3,270,230
	$ - (Note)	$ 3,367,821
Shareholder-imputed credits account	$ - (Note)	$ 531,040

	For the Year Ended December 31	
	2017	2016
Creditable ratio for distribution of earnings	(Note)	19.61%

Note: Since the amended Income Tax Act announced in February 2018 abolished the imputation tax system, related information for 2017 is not applicable.

h. Income tax assessments

The income tax returns of INOMA through 2016 have been assessed by the tax authorities. The income tax returns of the Company, ACME, APC, APCI, UPIIC, CGPC, CGPCPOL, TVCM, TTC, USIIC, TMC, TUVC, UM, TUVM and SPC through 2015 have been assessed by the tax authorities. The income tax returns of USIO, CLT and CGTD through 2014 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2017	**2016**
Basic and diluted earnings per share		
From continuing operations and discontinued operations	$ 1.06	$ 1.13
From discontinued operations	-	(0.01)
From continuing operations	$ 1.06	$ 1.12

The weighted average number of shares outstanding used in the computation of earnings per share was adjusted retroactively for the issuance of bonus shares on August 4, 2017. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2016 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic and diluted earnings per share		
From continuing operations and discontinued operations	$ 1.15	$ 1.13
From discontinued operations	-	(0.01)
From continuing operations	$ 1.15	$ 1.12

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

Net Profit for the Year

	For the Year Ended December 31	
	2017	**2016**
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	$ 1,111,290	$ 1,189,570
Add: Loss (gain) for the period from discounted operations used in computation of basic earnings per share from discounted operations	784	(7,774)
Earnings used in the computation of basic and diluted earnings per share from continuing operations	$ 1,112,074	$ 1,181,796

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

	For the Year Ended December 31	
	2017	**2016**
Weighted average number of ordinary shares used in computation of basic earnings per share	1,051,272	1,051,272
Effect of potentially dilutive ordinary shares:		
Employees' compensation issued to employees	911	984
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,052,183	1,052,256

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

31. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of ACME and its subsidiaries were granted 1,395 units of option on December 6, 2007 and 4,000 units of option on May 5, 2009. Each unit of option entitles the holder to subscribe for one thousand ordinary shares of ACME when exercisable. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date. Based on the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, before the listing of ACME, the share options which are granted at the exercise price shall not be lower than the net book value per share in the financial statements which are audited by the CPA near the issue date. The share options were granted at an exercise price not lower than the closing price of ACME's ordinary shares quoted on the grant date. For any subsequent changes in ACME's paid-in capital for issuance of bonus shares or any share dividends and cash dividends issued, the exercise price will be adjusted accordingly.

ACME did not issue employee share options for the years ended December 31, 2017 and 2016.

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

	For the Year Ended December 31			
	2017		**2016**	
	Number of Options	**Weighted-average Exercise Price (NT$)**	**Number of Options**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	675	$ 10.0	685	$ 10.1
Options exercised	(8)	8.2	-	-
Options expired	(104)	19.9	(10)	19.9
Balance at December 31	563	8.2	675	10.0
Options exercisable, end of period	563	8.2	675	10.0

The weighted-average share price at the date of exercise of share options for the year ended December 31, 2017 was $21.8. (2016: None)

Information about outstanding options as of December 31, 2017 and 2016 was as follows:

December 31			
2017		2016	
Weighted-average Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)	Weighted-average Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)
$ -	-	$ 19.9	0.9
8.2	1.3	8.2	2.3

Qualified employees of USIO were granted 3,133 units of option based on the resolution made in the meeting of the board of directors held on May 7, 2012. Each unit of option entitles the holder to subscribe for one thousand ordinary shares of USIO. The options granted are valid for 10 years. The exercise price per share cannot be lower than the book value per share or the par value as stated in the USIO financial statements which are audited or reviewed by the CPA near the issue date. For any subsequent changes in USIO's paid-in capital for issuance of bonus share or any cash dividends issued, the exercise prices will be adjusted by the stipulated formula.

USIO did not have new employee share option plan for years ended December 31, 2017 and 2016.

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

	For the Year Ended December 31			
	2017		2016	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance at January 1	295	$12.1	401	$12.1
Options expired	(101)	12.1	(106)	12.1
Balance at December 31	194	12.1	295	12.1
Options exercisable, end of year	194	12.1	295	12.1

Information about outstanding options as of December 31, 2017 and 2016 was as follows:

December 31			
2017		2016	
Weighted-average Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)	Weighted-average Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)
$ 12.1	4.4	$ 12.1	5.4

Option granted were priced using the binomial option pricing model and inputs to the model were as follows:

Expected volatility	60.5%
Risk-free interest rate	1.3%
Expected life	10 years
Expected dividend yield	12%
Weighted average fair value (NT$/shares)	4.805

Expected volatility was based on the average annualized historical share price volatility of comparable companies.

32. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Ever Victory Global Limited	January 13, 2017	66.4	$ 2,094,730

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

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

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

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

b. Consideration transferred

Cash	$ 1,939,511
Fair value before business combinations	155,219
Net cash outflow	$ 2,094,730

c. Assets acquired and liabilities assumed at the date of acquisition

Current assets	
Cash	$ 2,938,643
Other current assets	269
Non-current assets	
Prepaid investments	213,154
Current liabilities	
Other payables	(4,125)
Identifiable net assets	3,147,941
Non-controlling interests	(1,053,211)
	$ 2,094,730

d. Non-controlling interests

The non-controlling interest (a 33.6% ownership interest in Ever Victory Global Limited) recognized at the acquisition date was measured by proportion of the identifiable net assets of Ever Victory Global Limited; the amount was $1,053,211 thousand.

e. Net cash outflow (inflow) on acquisition of subsidiaries

Consideration paid in cash	$ 1,939,511
Less: Cash balances acquired	(2,938,643)
Net cash inflow	$ (999,132)

f. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	From January 13, 2017 to December 31, 2017
Profit	$ 3,417

33. OPERATING LEASE AGREEMENTS

a. The Group as lessee

Operating leases are related to leases of office space and staff quarters with lease terms between 1 and 6 years. As of December 31, 2017 and 2016, the Group's refundable deposits paid resulting from operating lease agreements were $8,646 thousand and $8,684 thousand, respectively.

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

	December 31	
	2017	2016
Not later than 1 year	$ 33,475	$ 27,520
Later than 1 year and not later than 5 years	59,575	39,401
	$ 93,050	$ 66,921

b. The Group as lessor

Operating leases are related to leases of investment properties with lease terms between 1 and 5 years. All operating lease agreements contain market review clauses in the event that the lessees exercise their options to renew. The lessees do not have bargain purchase options to acquire the properties at the expiry of the lease periods.

As of December 31, 2017 and 2016, the Group's guarantee deposits received resulting from operating lease agreements were $11,304 thousand and $10,128 thousand, respectively.

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

	December 31	
	2017	2016
Not later than 1 year	$ 19,844	$ 21,756
Later than 1 year and not later than 5 years	30,598	50,623
	$ 50,442	$ 72,379

34. CAPITAL MANAGEMENT

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

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

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

35. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amount of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values. Otherwise, the fair values cannot be measured realizably.

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

1) Fair value hierarchy

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 4,189	$ -	$ 4,189
Non-derivative financial assets held for trading	5,311,705	-	-	5,311,705
	$ 5,311,705	$ 4,189	$ -	$ 5,315,894
Available-for-sale financial assets				
Domestic listed shares and over-the-counter shares	$ 2,052,768	$ -	$ -	$ 2,052,768
Foreign listed shares and over-the-counter shares	17,212	-	-	17,212
Domestic emerging market shares	-	-	7,589	7,589
	$ 2,069,980	$ -	$ 7,589	$ 2,077,569
Financial liabilities at FVTPL				
Derivatives financial liabilities	$ -	$ 7,883	$ -	$ 7,883

December 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,685	$ -	$ 3,685
Non-derivative financial assets held for trading	6,597,581	-	-	6,597,581
	$ 6,597,581	$ 3,685	$ -	$ 6,601,266
Available-for-sale financial assets				
Domestic listed shares and over-the-counter shares	$ 2,157,435	$ -	$ -	$ 2,157,435
Foreign listed shares and over-the-counter shares	19,953	-	-	19,953
Domestic emerging market shares	-	-	6,219	6,219
	$ 2,177,388	$ -	$ 6,219	$ 2,183,607
Financial liabilities at FVTPL				
Derivatives financial liabilities	$ -	$ 9,027	$ -	$ 9,027

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

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

	For the Year Ended December 31	
	2017	2016
Available-for-sale financial assets - no public offering equity investment		
Balance at January 1	$ 6,219	$ 7,757
Total gain (loss)		
Recognized in other comprehensive income	1,370	(1,538)
Balance at December 31	$ 7,589	$ 6,219

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which is carried out by the financial department. Via information from independent resources, the Group keeps the result close to the market state and reviews such results periodically to ensure they are reasonable. The fair values of domestic unlisted equity securities were determined using the market approach. The discount for the lack of marketability is adjusted by the same or similar transaction price with investees. If the discount for the lack of marketability decrease, the fair value of investment will increase.

c. Categories of financial instruments

	December 31	
	2017	**2016**
Financial assets		
Financial assets at fair value through profit or loss (FVTPL)		
Held for trading	$ 5,315,894	$ 6,601,266
Loans and receivables (Note 1)	17,624,208	19,976,853
Available-for-sale financial assets (Note 2)	2,753,689	2,986,664
Refundable deposits	140,530	140,502
Financial liabilities		
Financial liabilities at fair value through profit or loss (FVTPL)		
Held for trading	7,883	9,027
Financial liabilities measured at amortized cost (Note 3)	25,067,229	24,885,198
Guarantee deposits	13,039	16,111

Note 1: The balance includes loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, accounts receivable and other receivables (including related parties).

Note 2: The balance includes the carrying amount of available-for-sale financial assets measured at cost.

Note 3: The balance includes financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable, accounts payable, other payables, current portion of long-term borrowings, bonds payable and long-term borrowing.

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (US dollar denominated items). When the Group's functional currency against the USD appreciates/depreciates by 3%, the Group's profit before tax in 2017 will decrease/increase $78,854 thousand; the profit before tax in 2016 will decrease/increase $125,371 thousand.

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

b) Interest rate risk

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

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

	December 31	
	2017	**2016**
Fair value interest rate risk		
Financial assets	$ 5,871,048	$ 10,344,477
Financial liabilities	11,364,719	11,253,368
Cash flow interest rate risk		
Financial assets	1,801,948	2,131,990
Financial liabilities	7,764,970	8,094,132

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2017 and 2016 would have decreased/increased by $29,815 thousand and $29,810 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, profit before tax for the years ended December 31, 2017 and 2016 would have increased/decreased by $265,585 thousand and $329,879 thousand, respectively, as a result of the changes in fair value of held-for-trading investments, and the other comprehensive income before tax for the years ended December 31, 2017 and 2016 would have increased/decreased by $103,878 thousand and $109,180 thousand, respectively, as a result of the changes in fair value of available-for-sale financial assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

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

3) Liquidity risk

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

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates.

December 31, 2017

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 5,937,540	$ -	$ -
Floating interest rate liabilities	0.50-4.35	3,474,970	4,290,000	-
Fixed interest rate liabilities	0.40-1.90	3,461,353	2,912,408	4,990,958
		$ 12,873,863	$ 7,202,408	$ 4,990,958

December 31, 2016

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 5,537,698	$ -	$ -
Floating interest rate liabilities	0.73-3.92	3,074,132	5,020,000	-
Fixed interest rate liabilities	0.65-1.90	5,032,503	3,226,440	2,994,425
		$ 13,644,333	$ 8,246,440	$ 2,994,425

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

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

December 31, 2017

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
Gross settled			
Foreign exchange forward contracts			
Inflows	$ 774,990	$ 1,611,954	$ 91,897
Outflows	(776,782)	(1,616,673)	(92,873)
	$ (1,792)	$ (4,719)	$ (976)

December 31, 2016

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
Gross settled			
Foreign exchange forward contracts			
Inflows	$ 315,692	$ 645,658	$ -
Outflows	(319,899)	(647,013)	-
	$ (4,207)	$ (1,355)	$ -

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of December 31, 2017 and 2016, the unused amounts of bank loan facilities were as follows:

	December 31	
	2017	**2016**
Bank loan facilities		
Amount unused	$ 23,835,609	$ 17,210,483

36. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties' names and their relationships

Related Party Names	Relationship with the Group
Dynamic Ever Investments Limited	Associate (Since January 13, 2017 as a subsidiary, included in the consolidated financial statements)
Fujian Gulei Petrochemical Co., Ltd.	Joint venture
USI Education Foundation	Other related party

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

	For the Year Ended December 31	
Related Party Category	**2017**	**2016**
Other related party		
USI Education Foundation	$ 5,000	$ 5,000

c. Rental income (classified as other income)

	For the Year Ended December 31	
Related Party Category	**2017**	**2016**
Associate	$ -	$ 555

The Company entered into a housing lease contract between the Company and Dynamic Ever Investments Limited in May 2016, and the lease period is started from May 2016 and ended in April 2018. The rental income was received monthly in accordance with the contract.

d. Management services income (classified as other income)

Related Party Category	For the Year Ended December 31 2017	2016
Joint venture	$ 17,431	$ -
Associate	-	4,183
	$ 17,431	$ 4,183

e. Other receivables

Related Party Category	December 31 2017	2016
Joint venture	$ 14,642	$ -
Associate	-	1,397
	$ 14,642	$ 1,397

f. Compensation of key management personnel

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

	For the Year Ended December 31 2017	2016
Short-term employee benefits	$ 81,208	$ 83,520
Post-employment benefits	594	648
	$ 81,802	$ 84,168

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

37. ASSETS PLEDGED AS COLLATERAL

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

	December 31 2017	2016
Time deposits		
Current (classified as debt investments with no active market)	$ 426,370	$ 432,207
Non-current (classified as debt investments with no active market)	311,573	310,660
Equity shares	1,998,723	2,248,600
Property, plant and equipment	4,537,237	5,827,443
Investment properties, net	108,179	108,178
Land use rights (classified as long-term prepayments for leases)	37,809	277,744
Refundable deposits (classified as other non-current assets)	521,455	52,079
	$ 7,941,346	$ 9,256,911

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

a. As of December 31, 2017 and 2016, the Company's unused letter of credit amounted to $4,002,441 thousand and $3,433,974 thousand, respectively.

b. The following is regarding the subsidiary, CGTD, who had been commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014, the Kaohsiung District Prosecutor Office instituted a public prosecution against the related personnel of the Kaohsiung City Government, LCY Chemical Corp. and CGTD employees on December 18, 2014. As of the reporting date, the attribution of responsibility for the gas explosion and the subsequent impact is still pending the conclusion of the in-progress trial of the Kaohsiung District Court.

   CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $226,983 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. At the end of February 2018, the provisionally attached property was worth $151,229 thousand.

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

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

   Up to February 2018, victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. Along with the formerly mentioned compensation, the accumulated amount of compensation is $4,038,198 thousand, and the actual payment of CGTD depends on the verdict of the civil procedures. The date of the criminal procedures is estimated to be on May 11, 2018 and part of the civil procedures will be held on June 22, 2018.

39. SIGNIFICANT CONTRACT

a. TVCM along with Formosa Plastics Corporation, Sabic Asia Pacific PTE. Ltd., Mitsubishi Corp., Mitsui Corp., Tricon Energy Ltd. and Marubeni Corp. signed a dichloromethane purchase agreement in which the purchase prices are calculated by the buyers and sellers in accordance with a pricing formula.

b. Significant operating contract

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

Commissioned Company	Operation Contract Period
Taita Chemical Company, Ltd.	2017.01.01-2019.12.31
Taiwan VCM Corporation	2017.01.01-2019.12.31
USI Corporation	2017.01.01-2017.12.31
Asia Polymer Corporation	2017.01.01-2017.12.31
Oriental Union Chemical Corporation	2017.01.01-2017.12.31
LCY Chemical Corporation	2017.01.01-2019.12.31
Transformational Chemistry Corporation	2017.01.01-2019.12.31
NANTEX Industry Co., Ltd.	2017.01.01-2019.12.31
En Chuan Chemical Industries Co., Ltd.	2017.01.01-2019.12.31
Xin Long Guang Plastics Co., Ltd.	2017.01.01-2019.12.31
Taiwan Styrene Monomer Corporation	2017.01.01-2019.12.31

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

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign and Functional Currencies in Thousands

	December 31, 2017				
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 153,882	29.76	(USD:NTD)	$ 4,579,528	$ 4,579,528
USD	5,649	6.53	(USD:RMB)	36,910	168,109
USD	3,809	4.21	(USD:MYR)	16,029	113,356
RMB	209,407	4.55	(RMB:NTD)	953,473	953,743
RMB	2,223	0.15	(RMB:USD)	340	10,134
JPY	86,200	0.26	(JPY:NTD)	22,756	22,756
AUD	754	23.19	(AUD:NTD)	17,481	17,481
EUR	695	35.57	(EUR:NTD)	24,733	24,733
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	1,150,895	6.53	(RMB:USD)	176,134	5,241,747

(Continued)

	December 31, 2017			
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
Foreign currency liabilities				
Monetary items				
USD	$ 53,582	29.76 (USD:NTD)	$ 1,594,598	$ 1,594,598
USD	21,436	6.53 (USD:RMB)	140,068	637,938
RMB	34,743	4.55 (RMB:NTD)	158,237	158,237

(Concluded)

	December 31, 2016			
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 184,477	32.25 (USD:NTD)	$ 5,949,396	$ 5,949,396
USD	4,335	6.94 (USD:RMB)	30,077	139,828
USD	3,011	4.67 (USD:MYR)	14,063	97,107
RMB	58,617	4.65 (RMB:NTD)	272,510	272,510
RMB	95,500	0.14 (RMB:USD)	13,768	431,777
JPY	44,450	0.28 (JPY:NTD)	12,251	12,251
AUD	923	23.29 (AUD:NTD)	21,492	21,492
EUR	783	33.90 (EUR:NTD)	26,545	26,545
Non-monetary items				
Associates accounted for using the equity method				
USD	4,813	32.25 (USD:NTD)	155,219	155,219
Foreign currency liabilities				
Monetary items				
USD	35,323	32.25 (USD:NTD)	1,139,217	1,139,217
USD	26,596	6.94 (USD:RMB)	184,495	857,717
USD	322	4.67 (USD:MYR)	1,503	10,380
RMB	26,736	4.65 (RMB:NTD)	124,298	124,298
RMB	14,425	0.14 (RMB:USD)	2,079	65,211

For the years ended December 31, 2017 and 2016, realized and unrealized net foreign exchange gains (losses) were $(124,219) thousand and $(178,788) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

41. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 4)

5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (Table 5)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 7)

9) Trading in derivative instruments. (Note 7 and Note 34)

10) Intercompany relationships and significant intercompany transactions. (Table 10)

11) Information on investees. (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 2)

e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

42. SEGMENT INFORMATION

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

a. Reportable segment income information

	For the Year Ended December 31, 2017						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	$ 11,551,511	$ 14,701,741	$ 19,821,042	$ 2,370,715	$ 6,404,467	$ 4,973,441	$ 59,822,917
Interest income	22,755	13,600	12,461	5,959	16,426	35,016	106,217
Interest expense	(43,818)	(13,028)	(48,934)	(26,688)	(44,275)	(60,514)	(237,257)
Depreciation and amortization	(400,266)	(455,361)	(185,935)	(235,749)	(290,762)	(377,367)	(1,945,440)
Impairment losses	(3,047)	(2,083)	(3,035)	-	(10,173)	(13,566)	(31,904)
Reportable segment profit (loss) before tax	1,206,938	1,616,143	677,851	(98,455)	655,753	885,384	4,943,614
Reportable segment tax expense	(95,648)	(274,672)	(175,772)	(43,215)	(90,399)	(96,514)	(776,220)
Reportable segment net profit (loss)	1,111,290	1,341,471	502,079	(141,670)	565,354	788,870	4,167,394

	For the Year Ended December 31, 2016						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	$ 11,458,198	$ 14,157,389	$ 16,419,055	$ 2,389,051	$ 5,780,935	$ 4,634,885	$ 54,839,513
Interest income	24,053	11,865	18,524	9,323	13,107	18,282	95,154
Interest expense	(22,719)	(22,139)	(47,000)	(37,434)	(23,431)	(59,043)	(211,766)
Depreciation and amortization	(257,110)	(413,703)	(193,590)	(411,451)	(182,754)	(352,063)	(1,810,671)
Impairment losses	-	-	-	(256,936)	(244)	(53,227)	(310,407)
Reportable segment profit (loss) before tax	1,282,560	1,801,154	197,319	(606,863)	786,084	575,455	4,035,709
Reportable segment tax expense	(92,990)	(279,847)	(76,442)	(65,845)	(120,259)	(78,140)	(713,523)
Reportable segment net profit (loss)	1,189,570	1,521,307	120,877	(672,708)	665,825	497,315	3,322,186

b. Reportable segment income and other major adjusted of items

1) Segment income and operating results

	For the Year Ended December 31	
	2017	2016
Reportable segment net profit before tax	$ 4,058,230	$ 3,460,254
Reportable segment tax expense	(679,706)	(635,383)
Reportable segment profit after tax	3,378,524	2,824,871
Other non-reportable segment profit	788,870	497,315
Less: Profit between segments	(1,455,344)	(964,485)
Profit from continuing operations	2,712,050	2,357,701
Profit or loss from discontinued operations	(2,197)	21,777
Net profit after tax	$ 2,709,853	$ 2,379,478

2) Other significant items reconciliation

	For the Year Ended December 31, 2017							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	$ 22,755	$ 13,600	$ 12,461	$ 5,959	$ 16,426	$ 35,016	$ -	$ 106,217
Interest expense	(43,818)	(13,028)	(48,934)	(26,688)	(44,275)	(60,514)	-	(237,257)
Depreciation and amortization	(400,266)	(455,361)	(185,935)	(235,749)	(290,762)	(377,367)	889	(1,944,551)
Impairment losses	(3,047)	(2,083)	(3,035)	-	(10,173)	(13,566)	-	(31,904)

	For the Year Ended December 31, 2016							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	$ 24,053	$ 11,865	$ 18,524	$ 9,323	$ 13,107	$ 18,282	$ -	$ 95,154
Interest expense	(22,719)	(22,139)	(47,000)	(37,434)	(23,431)	(59,043)	-	(211,766)
Depreciation and amortization	(257,110)	(413,703)	(193,590)	(411,451)	(182,754)	(352,063)	889	(1,809,782)
Impairment losses	-	-	-	(256,936)	(244)	(53,227)	-	(310,407)

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

c. Revenue from major products

	For the Year Ended December 31	
	2017	2016
Products		
Plastic materials	$ 55,218,669	$ 50,147,800
Electronic materials	2,349,246	2,251,742
Others	566,028	702,455
	$ 58,133,943	$ 53,101,997

d. Geographical information

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

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

	For the Year Ended December 31	
	2017	2016
Asia	$ 51,865,408	$ 48,535,953
America	3,284,164	2,256,914
Europe	643,616	300,251
Oceania	344,685	597,890
Others	1,996,070	1,410,989
	$ 58,133,943	$ 53,101,997

e. Major customers

No single customer contributed 10% or more to the Group's revenue for both 2017 and 2016.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation (ACME))

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Notes 2 and 4)	Actual Borrowing Amount (Notes 2 and 4)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	$ 211,820 (US$ 7,000 thousand)	$ 208,320 (US$ 7,000 thousand)	$ 148,800 (US$ 5,000 thousand)	1.6286-2.39073	2	$ -	Business turnover	$ -	-	-	$ 545,229	$ 545,229
		Acme Electronics (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	251,317 (RMB 56,000 thousand)	127,526 (RMB 28,000 thousand)	87,028 (RMB 19,108 thousand)	2.30522-4.785	2	-	Business turnover	-	-	-	545,229	545,229

Note 1: Total financing provided to others amounts shall not exceed 40% of ACME's net value, and the highest aggregate financing limits are calculated by the net value as of December 31, 2017.

Note 2: The ending balance of the consolidated financial statements is already written-off.

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

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

Note 4: The amount is calculated using the spot exchange rate of December 31, 2017.

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

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
1	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Long-term receivables - related parties	Yes	$ -	$ -	$ -	-	1	$ 7,403	-	$ -	-	-	$ 116,293	$ 116,293
		PT Swanson Plastics Indonesia	Long-term receivables - related parties	Yes	3,260	3,206	3,206	-	1	2,334	-	-	-	-	116,293	116,293
		A.S. Holding (UK) Limited	Long-term receivables - related parties	Yes	9,369	8,895	8,895	-	1	-	-	-	-	-	116,293	116,293
		Swanson Plastics (India) Private Limited	Long-term receivables - related parties	Yes	130,373	87,272	87,272	-	1	2,350	-	-	-	-	116,293	116,293
		Swanson International Ltd.	Other receivables - related parties	Yes	97,326	92,405	92,405	-	2	-	Business turnover	-	-	-	116,293	116,293
		Swanson Plastics (Nantong) Co., Ltd.	Long-term receivables - related parties	Yes	145,419	122,924	122,924	-	1	-	-	-	-	-	116,293	116,293
2	Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	82,260	81,981	81,981	4.35	2	-	Business turnover	-	-	-	922,586	922,586
		Swanson Plastics (Nantong) Co., Ltd.	Other receivables - related parties	Yes	45,720	-	-	-	2	-	Business turnover	-	-	-	922,586	922,586
3	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Nantong) Co., Ltd.	Other receivables -related parties	Yes	45,545	45,545	45,545	4.35	2	-	Business turnover	-	-	-	527,013	527,013
		Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	128,016	104,754	104,754	4.35	2	-	Business turnover	-	-	-	527,013	527,013
4	Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Limited	Other receivables - related parties	Yes	138,431	108,349	108,349	-	1	-	-	-	-	-	314,359	314,359
		PT Swanson Plastics Indonesia	Other receivables - related parties	Yes	183,541	77,467	77,467	-	1	-	-	-	-	-	314,359	314,359

Note 1: Fill in the nature of financing provided as follow:

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

Note 2: Financing provided to others limits shall not exceed 40% of SPC's net value.

Note 3: The foreign currency amount is calculated using the spot exchange rate of December 31, 2017.

Note 4: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 2 and 4)	Aggregate Financing Limits (Notes 2 and 4)
													Item	Value		
1	CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (Zhong Shan) Co., Ltd.	Other receivables - related parties	Yes	$ 119,040 (US$ 4,000 thousand)	$ 119,040 (US$ 4,000 thousand)	$ -	-	2	$ -	Business turnover	$ -	-	-	$ 347,575	$ 347,575

Note 1: The total amount of financing by CGPC to others shall not exceed 40% of the net worth of CGPC. CGPC has no financing provided to others as of December 31, 2017.

Note 2: The total amount of financing by the CGPC (BVI) Holding Co., Ltd. to others collectively and to any individual entity shall not exceed 40% of its net worth. However, the total amount of financing provided to any subsidiary wholly-owned by CGPC shall not exceed 100% of the net worth of CGPC according to the most recent audit.

Note 3: The alphabetic indications for the nature of financing are described as follows:

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

Note 4: The amount is calculated using the spot exchange rate as on December 31, 2017.

Note 5: The above transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Limited (TTC))

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount (Note 4)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)
													Item	Value		
1	Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	$ 910,900 (RMB 200,000 thousand)	$ 455,450 (RMB 100,000 thousand)	$ 273,270 (RMB 60,000 thousand)	5.22	2	$ -	Operating capital	$ -	-	$ -	$ 1,918,118	$ 1,918,118

Note 1: The total amount of lending to TTC for funding for a short-term period shall not exceed 40% of the net worth of TTC. As of December 31, 2017, TTC didn't loan funds to anyone.

Note 2: The total amount of lending to a company for funding for a short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As December 31, 2017, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. is RMB421,148 thousand.

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

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

Note 4: The amount is calculated using the spot exchange rate of December 31, 2017.

Note 5: The ending balance of the consolidated financial statements is already written-off.

TABLE 2

USI CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	$ 10,874,644	$ 4,000,000	$ 3,900,000	$ 1,526,000	None	21.52	$ 10,874,644	Yes	No	No
		Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	10,874,644	317,600 (US$ 10,000 thousand) (NT$ 20,000 thousand)	317,600 (US$ 10,000 thousand) (NT$ 20,000 thousand)	68,773	None	1.75	10,874,644	Yes	No	No
		Forum Pacific Trading Ltd.	Subsidiary which Chong Loong Co. directly held more than 50% of ordinary shares	10,874,644	148,800 (US$ 5,000 thousand)	148,800 (US$ 5,000 thousand)	-	None	0.82	10,874,644	Yes	No	No
		Usig (Shanghai) Co., Ltd.	Parent company and subsidiary totally held more than 50% of ordinary shares	10,874,644	479,469 (RMB 53,000 thousand) (US$ 8,000 thousand)	479,469 (RMB 53,000 thousand) (US$ 8,000 thousand)	245,767	None	2.64	10,874,644	Yes	No	Yes

Note: Both total endorsements/guarantees provided amounts and the amount of endorsements/guarantees for an individual entity shall not exceed 60% of the Company’s net value. Maximum limits on endorsement/guarantees provided is calculated by net value of December 31, 2017.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	$ 4,089,219	$ 695,859 (US$ 22,200 thousand)	$ 357,120 (US$ 12,000 thousand)	$ 238,080 (US$ 8,000 thousand)	None	26.20	$ 4,089,219	Yes	No	Yes
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	4,089,219	407,485 (US$ 13,000 thousand)	297,600 (US$ 10,000 thousand)	-	None	21.83	4,089,219	Yes	No	Yes
		ACME Ferrite Products Sdn. Bhd.	Subsidiary of ACME (Cayman)	4,089,219	125,380 (US$ 4,000 thousand)	119,040 (US$ 4,000 thousand)	-	None	8.73	4,089,219	Yes	No	No

Note 1: The rate is calculated by the ending balance of equity of the endorser/guarantor as of December 31, 2017.

Note 2: The maximum total endorsement/guarantee shall not exceed 300% of the equity attributable to owners of the endorser/guarantor. The maximum of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2017.

Note 3: The foreign currency amount is calculated based on the spot exchange rate on December 31, 2017.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 3)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 3)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 3)
		Name	Relationship										
0	Swanson Plastics Corporation	Forever Young Company Limited	Subsidiary	$ 6,199,885	$ 2,757,752	$ 2,107,616	$ 550,560	$ -	85	$ 6,199,885	No	No	No
		Swanson Plastics (Singapore) Private Limited	Subsidiary	6,199,885	94,035	89,280	-	-	4	6,199,885	No	No	No
		Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	6,199,885	31,345	29,760	-	-	1	6,199,885	No	No	No
		Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	6,199,885	125,380	119,040	57,073	-	5	6,199,885	No	No	Yes
		Swanson Technologies Corporation	Subsidiary	6,199,885	122,690	89,760	88,000	-	4	6,199,885	No	No	No
						$ 2,435,456							

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

Note 2: The foreign currency amount is calculated based on the spot exchange rate on December 31, 2017.

Note 3: On the condition that the public parent company endorses the subsidiary, the subsidiary endorses the public parent company and endorsements for mainland China-based entities shall be coded "Yes".

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

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	$ 11,709,512	$ 3,297,600	$ 3,297,600	$ 514,880	None	42.24	$ 11,709,512	Yes	No	No

Note 1: The ration is calculated by the ending balance of equity of CGPC as of December 31, 2017.

Note 2: The maximum total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of CGPC. The maximum amount of endorsement/guarantee was calculated based on the equity of CGPC as of December 31, 2017.

Note 3: The foreign currency amount is calculated based on the spot exchange rate on December 31, 2017.

TABLE 2-4

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

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Taita Chemical Company, Ltd.	Taita (BVI) Holding Co., Ltd.	Subsidiary	$ 7,811,100	$ 1,482,080 (US$ 33,000 thousand) (NT$ 500,000 thousand)	$ 1,482,080 (US$ 33,000 thousand) (NT$ 500,000 thousand)	$ 720,787 (US$ 24,220 thousand)	$ -	37.95	$ 7,811,100	Yes	No	No
		Taita Chemical (Zhongsan) Co., Ltd.	100% voting shares indirectly owned by TTC	7,811,100	239,890 (US$ 5,000 thousand) (RMB 20,000 thousand)	239,890 (US$ 5,000 thousand) (RMB 20,000 thousand)	-	-	6.14	7,811,100	Yes	No	Yes
		Taita Chemical (Tianjin) Co., Ltd.	100% voting shares indirectly owned by TTC	7,811,100	297,600 (US$ 10,000 thousand)	148,800 (US$ 5,000 thousand)	148,800 (US$ 5,000 thousand)	-	3.81	7,811,100	Yes	No	Yes

Note 1: The amount is calculated at the spot exchange rate on December 31, 2017.

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

USI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	Shares							
	Vanguard International Semiconductor Corporation	-	Available-for-sale financial assets - non-current	1,538,343	$ 101,530	0.10	$ 101,530	
	AU Optronic Corporation	-	Available-for-sale financial assets - non-current	8,514,006	105,574	0.21	105,574	
	CTCI Corporation	-	Available-for-sale financial assets - non-current	15,180,656	685,407	1.99	685,407	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	18,200,000	182,000	11.90	-	
	Global BioPharma, Inc.	-	Financial assets measured at cost - non-current	310,000	4,650	0.45	-	
	Teratech Corp.	-	Financial assets measured at cost - non-current	110,000	-	-	-	Note
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	30,950	-	30,950	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,500,000	24,525	-	24,525	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	830,000	26,270	-	26,270	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	229,127	3,150	-	3,150	
	Beneficiary certificates							
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,061,105	49,659	-	49,659	
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	6,641,554	100,999	-	100,999	
	Shin Kong Chi-Shin Money-Market Fund	-	Financial assets at fair value through profit or loss - current	3,982,392	61,351	-	61,351	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	14,417,605	145,638	-	145,638	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,861,923	153,837	-	153,837	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,788,001	46,323	-	46,323	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,516,652	24,513	-	24,513	
	Taishin Ta-chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,542,105	50,024	-	50,024	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017 Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,120,378	$ 50,051	-	$ 50,051	
	FSITC Money Market	-	Financial assets at fair value through profit or loss - current	312,467	55,423	-	55,423	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,233	50,050	-	50,050	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,608,393	169,545	-	169,545	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	861,156	10,013	-	10,013	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,582,049	67,482	-	67,482	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,035,366	41,052	-	41,052	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,841,100	21,921	-	21,921	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,672,231	75,727	-	75,727	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,650,272	138,590	-	138,590	
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,956,314	50,917	-	50,917	
	Beneficiary certificates (REIT)							
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	8,000,000	90,960	-	90,960	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	3,000,000	43,530	-	43,530	
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	64,925	-	64,925	
	Mega Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	33,275	-	33,275	
Union Polymer Int'l Investment Corp.	Shares							
	Asia Polymer Corporation	Equity-method investee	Available-for-sale financial assets - non-current	19,356,952	373,589	3.74	373,589	
	China General Plastics Corporation	Equity-method investee	Available-for-sale financial assets - non-current	3,784,347	122,613	0.77	122,613	
	Taita Chemical Company, Ltd.	Equity-method investee	Available-for-sale financial assets - non-current	376,000	5,715	0.11	5,715	
Swanlake Traders Ltd.	Shares							
	SOHOware Inc.	-	Financial assets measured at cost - non-current	1,150,000	-	1.05	-	Note
	TGF Linux Communications Inc.	-	Financial assets measured at cost - non-current	300,000	-	2.14	-	Note
	Neurosky Inc. Preferred D	-	Financial assets measured at cost - non-current	2,397,364	4,113	0.70	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	Shares							
	AU Optronic Corporation	-	Available-for-sale financial assets - current	1,266,061	$ 15,699	0.01	$ 15,699	
	AU Optronic Corporation	-	Available-for-sale financial assets - non-current	1,266,061	15,699	0.01	15,699	
	Wafer Works Corporation	-	Available-for-sale financial assets - non-current	3,000,891	127,838	0.64	127,838	
	Solargiga Energy Holdings Ltd.	-	Available-for-sale financial assets - non-current	11,876,111	12,886	0.37	12,886	
	Dah Chung Bills Finance Corporation	-	Financial assets measured at cost - non-current	470,914	4,000	0.10	-	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets measured at cost - non-current	207,403	1,330	0.14	-	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets measured at cost - non-current	165,279	1,471	0.25	-	
	Digimax, Inc.	-	Financial assets measured at cost - non-current	23,234	170	0.05	-	
	Global BioPharma, Inc.	-	Financial assets measured at cost - non-current	712,000	10,680	1.03	-	
	Silicon Technology Investment (Cayman) Corp.	-	Financial assets measured at cost - non-current	1,215,798	42,419	2.36	-	
	Boldworks Inc.	-	Financial assets measured at cost - non-current	300,000	-	-	-	Note
	TGF Linux Communication, Inc.	-	Financial assets measured at cost - non-current	200,000	-	-	-	Note
	!Hey Inc.	-	Financial assets measured at cost - non-current	557,661	-	-	-	Note
	SOHOware Ordinary	-	Financial assets measured at cost - non-current	9,000,000	-	8.19	-	Note
	SOHOware Preferred A	-	Financial assets measured at cost - non-current	4,950,000	-	4.51	-	Note
	SOHOware Preferred A (new)	-	Financial assets measured at cost - non-current	700,000	-	-	-	Note
	SOHOware Preferred D	-	Financial assets measured at cost - non-current	7,725,000	-	7.03	-	Note
	SOHOware Preferred E	-	Financial assets measured at cost - non-current	5,000,000	-	4.55	-	Note
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	426,298	13,812	0.09	13,812	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,474,588	28,460	0.28	28,460	
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,132,098	17,208	0.35	17,208	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	354,000	11,204	0.04	11,204	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	500,000	8,175	0.01	8,175	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	2,465,005	$ 33,894	0.24	$ 33,894	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	9,200	0.27	9,200	
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	678,000	1,071	-	1,071	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,239,968	33,738	-	33,738	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,470,081	40,035	-	40,035	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	2,149,137	30,868	-	30,868	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,151,207	63,793	-	63,793	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	750,000	9,983	-	9,983	
Taiwan United Venture Capital Corp.	Beneficiary certificates							
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	4,384,556	62,976	-	62,976	
	Shares							
	Neo Solar Power Corp.	-	Available-for-sale financial assets - current	4,593,286	63,158	0.45	63,158	
	Mitac Holdings Corp.	-	Available-for-sale financial assets - current	1,392,422	49,709	0.17	49,709	
	Chitec Technology Co., Ltd.	-	Available-for-sale financial assets - current	374,418	7,589	1.37	7,589	
	Leadwell Cnc Machines Mfg., Corp.	-	Financial assets measured at cost - non-current	419,753	3,651	0.68	-	
	Digimax, Inc.	-	Financial assets measured at cost - non-current	720,804	-	0.73	-	
	Orgchem Technology, Inc.	-	Financial assets measured at cost - non-current	518,898	3,804	1.18	-	
	Hexawave, Inc.	-	Financial assets measured at cost - non-current	594,594	20,400	1.04	-	
	Global BioPharma, Inc.	-	Financial assets measured at cost - non-current	770,000	7,703	1.08	-	
	Uranus Chemicals Co., Ltd.	-	Financial assets measured at cost - non-current	712,000	10,680	1.03	-	
	Teratech Corp.	-	Financial assets measured at cost - non-current	8,022	120	0.03	-	
	B4 Composites, Inc.	-	Financial assets measured at cost - non-current	90,000	-	0.58	-	Note
		-	Financial assets measured at cost - non-current	4,000	-	4.00	-	Note

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017 Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
	<u>Preference shares</u>							
	SOHOware Inc.	-	Financial assets measured at cost - non-current	750,000	$ -	0.68	$ -	Note
	TGF Linux Communications Inc.	-	Financial assets measured at cost - non-current	600,000	-	4.26	-	Note
	Intergrafx, Inc.	-	Financial assets measured at cost - non-current	167,000	-	1.20	-	Note
	Neurosky Inc. Preferred A	-	Financial assets measured at cost - non-current	10,000,000	9,862	2.14	-	
	Neurosky Inc. Preferred B	-	Financial assets measured at cost - non-current	12,595,523	21,608	2.62	-	
	Neurosky Inc. Preferred C	-	Financial assets measured at cost - non-current	4,532,823	7,776	0.97	-	
	IWICS, Inc.	-	Financial assets measured at cost - non-current	500,000	-	0.40	-	
Taiwan United Venture Management Corp.	<u>Beneficiary certificates</u>							
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	91,730	1,318	-	1,318	
	<u>Shares</u>							
	Sohoware Inc. Preferred B2	-	Financial assets measured at cost - non-current	5,277,560	-	4.80	-	Note
	Sohoware Inc. Preferred C	-	Financial assets measured at cost - non-current	1,250,458	-	1.14	-	Note
Thintec Materials Corporation	<u>Beneficiary certificates</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,600,167	21,517	-	21,517	
USI Management Consulting Corp.	<u>Beneficiary certificates</u>							
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,848,497	25,000	-	25,000	
Inoma Corporation	<u>Beneficiary certificates</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,616,732	21,740	-	21,740	
	Taishin Lucky Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,085,963	12,013	-	12,013	
USI Optronics Corporation	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,082,411	60,124	-	60,124	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,483,573	35,075	-	35,075	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	596,073	8,015	-	8,015	

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

(Concluded)

TABLE 3-1

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Closed-end fund beneficiary certificates							
	Fubon No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	5,000,000	$ 56,850	-	$ 56,850	1
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,268,000	56,551	-	56,551	1
	Shin Kong No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	3,000,000	43,530	-	43,530	1
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	2,500,000	33,275	-	33,275	1
	Open-end fund beneficiary certificates							
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,518,158	144,744	-	144,744	1
	TCB Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,991,755	111,032	-	111,032	1
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,249,509	84,037	-	84,037	1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,194,133	50,220	-	50,220	1
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,710,217	50,179	-	50,179	1
	Shin Kong Chi-Shin Money-market Fund	-	Financial assets at fair value through profit or loss - current	3,247,534	50,030	-	50,030	1
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,805,646	45,515	-	45,515	1
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	248,133	44,013	-	44,013	1
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,188,217	43,027	-	43,027	1
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,431,581	39,002	-	39,002	1
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,106,999	35,009	-	35,009	1
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,101,771	23,026	-	23,026	1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,378,417	$ 21,502	-	$ 21,502	1
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,615,339	20,004	-	20,004	1
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	877,683	11,002	-	11,002	1
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	430,108	5,001	-	5,001	1
	<u>Ordinary shares</u>							
	KHL IB Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	9,100,000	91,000	5.95	-	1
Taiwan VCM Corporation (TVCM)	<u>Open-end fund beneficiary certificates</u>							
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,205,806	50,008	-	50,008	1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,540,976	50,008	-	50,008	1
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,352,443	50,008	-	50,008	1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,180,641	50,008	-	50,008	1
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,085,429	50,008	-	50,008	1
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,200,022	50,007	-	50,007	1
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,805,815	30,004	-	30,004	1
	<u>Ordinary shares</u>							
	Asia Polymer Corporation	The major shareholders are the same as the those of CGPC	Available-for-sale financial assets - non-current	113,656	2,194	0.02	2,194	1
CGPC Polymer Corporation	<u>Open-end fund beneficiary certificates</u>							
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,199,457	50,001	-	50,001	1
	TCB Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,969,885	30,000	-	30,000	1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,132,944	16,000	-	16,000	1
CGPC (BVI) Holding Co., Ltd.	<u>Shares</u>							
	Teratech Corporation - ordinary shares	-	Financial assets measured at cost - non-current	112,000	-	0.67	-	1 and 3
	Sohoware, Inc. - preference shares	-	Financial assets measured at cost - non-current	100,000	-	-	-	1, 2 and 3

(Continued)

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

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

Note 3: The carrying amount has been fully recognized as accumulated impairment loss.

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Ordinary shares							
	USI Corporation	Parent company	Available-for-sale financial assets - non-current	14,813,629	$ 242,944	1.27	$ 242,944	1
	Harbinger Venture Capital	-	Financial assets measured at cost - non-current	170,000	1,700	0.50	-	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial instruments at fair value through profit or loss (FVTPL)	4,900,000	64,925	-	64,925	1
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial instruments at FVTPL	2,500,000	33,275	-	33,275	1
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial instruments at FVTPL	4,000,000	58,040	-	58,040	1
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial instruments at FVTPL	6,600,000	75,042	-	75,042	1
	Mutual funds and beneficiary certificates							
	Franklin Templeton SinoAm Money Market Fund	-	Financial instruments at FVTPL	4,866,985	50,000	-	50,000	2
	TCB Taiwan Money Market Fund	-	Financial instruments at FVTPL	2,276,912	23,000	-	23,000	2
Taita (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd. - ordinary shares	-	Financial assets measured at cost - non-current	127,980	983 (US$ 33 thousand)	2.22	-	
	Teratech Corporation - ordinary shares	-	Financial assets measured at cost - non-current	112,000	-	0.72	-	3
	Sohoware Inc. - preference shares	-	Financial assets measured at cost - non-current	100,000	-	-	-	3

Note 1: Fair value was based on the closing price of the Taiwan Stock Exchange as on December 31, 2017.

Note 2: Fair value was based on the carrying amount as on December 31, 2017.

Note 3: The carrying amount was zero as of December 31, 2017 due to the impairment loss recognized over the years.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Ordinary shares							
	Harbinger Venture Capital Corp.	-	Financial assets measured at cost - non-current	408,000	$ 4,080	1.20	$ -	
	Riselink Venture Capital	-	Financial assets measured at cost - non-current	769,516	7,695	1.67	-	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	18,200,000	182,000	11.90	-	
	USI Corporation	Ultimate parent company	Available-for-sale financial assets - non-current	99,368,307	1,629,640	8.53	1,629,640	
	CTCI Corporation	-	Available-for-sale financial assets - non-current	14,496,107	654,499	1.90	654,499	
	AU Optronic Corporation	-	Available-for-sale financial assets - non-current	9,618,516	119,270	0.10	119,270	
	Wafer Works Corporation	-	Available-for-sale financial assets - current	2,017,271	85,936	0.43	85,936	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	229,127	3,150	0.02	3,150	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,500,000	24,525	0.04	24,525	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	866,000	27,409	0.10	27,409	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	30,950	0.01	30,950	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,901,000	64,938	-	64,938	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	33,275	-	33,275	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	29,020	-	29,020	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	5,000,000	56,850	-	56,850	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,534,072	52,048	-	52,048	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,262,916	26,000	-	26,000	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,089,187	50,115	-	50,115	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,308	50,050	-	50,050	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,013,116	$ 50,064	-	$ 50,064	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,844,627	92,040	-	92,040	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,396,007	70,071	-	70,071	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	798,148	10,005	-	10,005	
	Taishin Securities Investment Tr Co Ltd	-	Financial assets at fair value through profit or loss - current	3,476,051	49,091	-	49,091	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,570,721	74,082	-	74,082	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,649,432	166,121	-	166,121	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	862,076	10,024	-	10,024	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,715,649	50,252	-	50,252	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,741,512	80,267	-	80,267	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,319,943	50,004	-	50,004	
	Shin Kong Chi-Shin Money-Market Fund	-	Financial assets at fair value through profit or loss - current	3,245,636	50,001	-	50,001	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,230,679	40,009	-	40,009	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,814,087	89,035	-	89,035	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,120,417	50,051	-	50,051	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd. - ordinary shares	-	Financial assets measured at cost - non-current	256,140	1,975	4.45	-	
	Teratech Corp. - ordinary shares	-	Financial assets measured at cost - non-current	112,000	-	0.67	-	1
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	Financial assets measured at cost - non-current	1,519,701	48,938	2.95	-	
	NeuroSky, Inc. - series D preference shares	-	Financial assets measured at cost - non-current	2,397,364	4,113	0.55	-	
	TGF Linux Communication, Inc. - preference shares	-	Financial assets measured at cost - non-current	300,000	-	-	-	1
	Sohoware, Inc. - preference shares	-	Financial assets measured at cost - non-current	450,000	-	-	-	1
	Boldworks, Inc. - preference shares	-	Financial assets measured at cost - non-current	689,266	-	-	-	1
	Solargiga Energy Holdings Ltd. - preference shares		Available-for-sale financial assets - non-current	15,868,333	17,212	0.49	17,212	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017 Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
APC Investment Corporation	Ordinary shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	43,930	$ 720	-	$ 720	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	500,000	8,175	0.01	8,175	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	350,000	11,078	0.04	11,078	
	Beneficiary securities							
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,112,602	16,758	-	16,758	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,999,525	24,762	-	24,762	
	Ordinary shares							
	Neo Solar Power Corp.	-	Available-for-sale financial assets - non-current	1,131,920	15,564	0.11	15,564	

Note 1: The carrying amount was zero as of December 31, 2017 due to the impairment loss recognized in prior years.

Note 2: Refer to Table 7-5 and Table 8-5 for information about subsidiaries and associates.

(Concluded)

USI CORPORATION AND SUBSIDIARIES
(China General Terminal & Distribution Co.)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares							
	Asia Polymer Corporation	Equity-method investor	Available-for-sale financial assets - non-current	4,616,599	$ 89,100	0.89	$ 89,100	Note 2
	China General Plastics Corporation	Equity-method investor	Available-for-sale financial assets - non-current	2,490,089	80,679	0.51	80,679	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Available-for-sale financial assets - non-current	1,877,484	28,538	0.57	28,538	Note 1
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	499,552	12,364	-	12,364	Note 3

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

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

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

TABLE 4

USI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note 1)		Acquisition		Disposal				Ending Balance (Notes 1 and 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
USI Corporation	Shares													
	Ever Conquest Global Limited	Investments accounted for using the equity method	-	Subsidiary	(Note 3)	$ 91,665	(Note 3)	$ 2,313,514	-	$ -	$ -	$ -	(Note 3)	$ 2,375,283
	USI Optronics Corporation	Investments accounted for using the equity method	-	Subsidiary	-	-	33,000,000	330,000	-	-	-	-	330,000	241,439
	Beneficiary certificates													
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	20,188,052	248,621	13,458,590	167,400	33,646,642	418,246	416,021	2,225	-	-
	FSITC Money Market	Financial assets at fair value through profit or loss - current	-	-	1,150,662	202,700	3,345,530	592,600	4,183,725	741,082	739,900	1,182	312,467	55,400
	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	14,183,429	212,700	18,486,740	278,000	32,670,169	491,196	490,700	496	-	-
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,248,952	81,500	34,292,317	534,000	29,679,346	462,046	461,800	246	9,861,923	153,700
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,280,669	62,600	25,316,059	300,900	28,755,628	341,766	341,600	166	1,841,100	21,900
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,224,199	100,400	19,555,255	316,500	21,107,223	341,444	341,200	244	4,672,231	75,700
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	9,026,770	107,400	24,621,692	293,700	33,648,462	401,348	401,100	248	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	16,874,242	247,300	47,949,809	704,600	60,242,002	885,478	884,515	963	4,582,049	67,385
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,646,181	249,600	40,128,549	539,000	46,166,337	619,487	619,100	387	12,608,393	169,500
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,788,678	18,000	87,261,553	880,100	74,632,626	752,709	752,500	209	14,417,605	145,600
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	125,568	1,900	24,387,173	370,200	17,871,187	271,357	271,200	157	6,641,554	100,900
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	31,334,124	342,800	18,683,852	204,328	204,300	28	12,650,272	138,500
Ever Conquest Global Limited	Shares													
	Ever Victory Global Limited	Investments accounted for using the equity method	-	Subsidiary	(Note 3)	155,219	(Note 3)	3,691,437	-	-	-	-	(Note 3)	3,796,226
Ever Victory Global Limited	Shares													
	Dynamic Ever Investments Limited	Investments accounted for using the equity method	-	Subsidiary	(Note 3)	488,910	(Note 3)	5,117,728	-	-	-	-	(Note 3)	5,565,831
Dynamic Ever Investments Limited	Shares													
	Fujian Gulei Petrochemical Co., Ltd.	Investments accounted for using the equity method	-	Joint venture	-	-	(Note 3)	5,150,364	-	-	-	-	(Note 3)	5,241,747

(Continued)

Note 1: Carrying amount includes the original acquisition cost, investments gain (loss) on valuation for using equity method, effects of exchange rate and net value changes.

Note 2: The ending balance of beneficiary certificates is at the original investment cost.

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
China General Plastics Corporation	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	203,859	$ 36,000	3,385,939	$ 599,500	3,341,665	$ 591,717	$ 591,500	$ 217	248,133	$ 44,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,495,273	87,000	33,848,684	454,500	34,094,448	457,603	457,500	103	6,249,509	84,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	9,763,872	142,937	39,158,039	575,500	48,921,911	719,337	718,437	900	-	-
	TCB Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	68,459,581	690,500	57,467,806	579,579	579,500	79	10,991,775	111,000
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	19,995,988	246,958	8,042,918	100,000	28,038,906	348,425	346,958	1,467	-	-
Taiwan VCM Corporation	Beneficiary certificates													
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	20,275,936	250,000	20,110,824	250,000	40,386,760	501,958	500,000	1,958	-	-
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	192,475	34,000	2,847,354	504,000	3,039,829	538,280	538,000	280	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	29,953,256	356,000	25,753,234	306,048	306,000	48	4,200,022	50,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	13,051,361	191,001	19,594,354	288,000	32,645,715	479,769	479,001	768	-	-
	TCB Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,968,796	50,000	47,817,505	482,000	52,786,301	532,174	532,000	174	-	-
CGPC Polymer Corporation	Beneficiary certificates													
	TCB Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	62,363,316	628,900	59,393,431	598,967	598,900	67	2,969,885	30,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	28,066,041	412,746	28,066,041	412,787	412,746	41	-	-

Note: The amount as of December 31, 2017 was accounted for as the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition (Note)		Disposal				Ending Balance (Note)	
					Number of Shares	Amount (Note)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Taita Chemical Company, Ltd.	Beneficiary certificates													
	FSITC Money Market Fund	Financial instruments at fair value through profit or loss (FVTPL)	-	-	73,571	$ 13,000	3,141,155	$ 556,000	3,214,726	$ 569,066	$ 569,000	$ 66	-	$ -
	FSITC Taiwan Money Market Fund	Financial instruments at FVTPL	-	-	-	-	24,758,506	375,800	24,758,506	375,837	375,800	37	-	-
	Jih Sun Money Market Fund	Financial instruments at FVTPL	-	-	2,386,049	35,000	48,802,637	717,500	51,188,686	752,592	752,500	92	-	-
	Franklin Templeton SinoAm Money Market Fund	Financial instruments at FVTPL	-	-	-	-	30,575,310	313,500	25,708,325	263,533	263,500	33	4,866,985	50,000
	TCB Taiwan Money Market Fund	Financial instruments at FVTPL	-	-	-	-	64,170,053	647,200	61,893,141	624,248	624,200	48	2,276,912	23,000

Note: The amount as of December 31, 2017 was accounted for as the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Asia Polymer Corporation	Shares													
	Ever Conquest Global Limited	Investments accounted for using the equity method	-	Associate	2,171,000	$ 63,554	44,099,000	$ 1,377,923	-	$ -	$ -	$ -	46,270,000	$ 1,420,944 (Note 1)
	Beneficiary certificate													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,538,306	248,000	33,085,671	444,300	44,779,350	601,232	600,300	932	6,844,627	92,040 (Note 2)
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	47,665,006	480,700	38,850,919	392,037	391,715	322	8,814,087	89,035 (Note 3)
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	10,862,044	159,000	15,710,003	231,000	23,037,975	339,156	337,972	1,184	3,534,072	52,048 (Note 4)
	Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	22,731,694	354,000	12,082,262	188,259	188,000	259	10,649,432	166,121 (Note 5)

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

Note 2: The ending balance includes the original investment amount of $92,000 thousand and adjustments for fair value changes of $40 thousand.

Note 3: The ending balance includes the original investment amount of $88,985 thousand and adjustments for fair value changes of $50 thousand.

Note 4: The ending balance includes the original investment amount of $52,028 thousand and adjustments for fair value changes of $20 thousand.

Note 5: The ending balance includes the original investment amount of $166,000 thousand and adjustments for fair value changes of $121 thousand.

USI CORPORATION AND SUBSIDIARIES

(USI Optronics Corporation (USIO))

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
USI Optronics Corporation	Plant and partial attached electromechanical equipment	2017.02.22	Acquisition in 2008 and 2011, continue to decorating until 2014	$ 275,314	$ 290,000	Fully collected at the end of Jane 30, 2017	$ 14,686	China General Plastics Corporation	Have the same chairman	For raising operating capital and repaying bank loans	Appraisal report prepared by CCIS Real Estate Joint Appraisers Firm with appraisal price $324,536 thousand	None

Note 1: The disposal assets which should be appraised under regulations must note the appraisal conclusion in the column entitled “Price Reference”.

Note 2: The paid-in capital is defined by USIO. The issuer issued none or NT$10 par value shares, according to the present value of the defined 20% of the paid-in capital as calculated with reference to the 10% equity of USIO as indicated in the balance sheets.

Note 3: The event date refers to the earliest contract date, payment date, delegate delivery date, transfer date, the board of directors meeting date or date and transaction amount which can be define by the counterparty.

Note 4: The ending balance of the consolidated financial statements is already written-off.

TABLE 6

USI CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
USI Corporation	USI Far East (HK) Co., Ltd.	Subsidiary	Sale	$ (235,571)	(2.04)	Collection within 60 days after selling on credit	No significant difference	No significant difference	$ 11,759	0.89	
	Swanson Plastics Corp.	Subsidiary	Sale	(100,376)	(0.87)	Collection within 60 days after selling on credit	No significant difference	No significant difference	13,033	0.99	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(131,711)	(1.14)	Collection within 60 days after selling on credit	No significant difference	No significant difference	37,810	2.88	
	Asia Polymer Corporation	Investee of UPI under equity method	Purchase	596,780	6.55	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(96,995)	(7.38)	
USI Far East (HK) Co., Ltd.	USI Corporation	Parent company	Purchase	235,571	2.58	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(11,759)	(55.04)	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Parent company	Purchase	131,711	1.44	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(37.810)	(53.75)	

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (includes processing fees)	$ 469,748	57	55 days	$ -	-	$ (158,038)	71	Note 2
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (includes processing fees)	(469,748)	45	55 days	-	-	158,038	45	Note 2
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Sale	(190,357)	18	55 days	-	-	37,059	14	Note 2
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary of ACME (Cayman)	Purchase	190,357	76	55 days	-	-	(37,059)	82	Note 2
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Sale	(125,572)	12	55 days	-	-	13,592	5	Note 2
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Purchase	125,572	29	55 days	-	-	(13,592)	43	Note 2

Note 1: The transaction terms and prices between Acme Electronics Corporation, Acme Electronics (Guang-Zhou) Co., Ltd. and Acme Electronics (Kunshan) Co., Ltd. have no significant difference from abnormal transactions.

Note 2: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance (Note)	% of Total	
Swanson Plastics Corporation	USI Corporation	Investor of company accounting for using the equity method	Purchase	$ 100,376	10	Net 60 days from the end of the month of when invoice is issued	$ -	-	Accounts payable - related parties $ (13,033)	15	
Swanson Plastics Corporation	Forever Young Company Limited	Subsidiary	Sale	(104,553)	9	Net 120 days from the end of the month of when invoice is issued	-	-	Accounts receivable - related parties 35,984	21	
Forever Young Company Limited	Our Company	Parent company	Purchase	104,553	8	Net 120 days from the end of the month of when invoice is issued	-	-	Accounts payable - related parties (35,984)	15	

Note: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance (Note)	% of Total
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	$ 3,970,741	72	45 days	No significant difference	No significant difference	Accounts payable to related parties $ (710,651)	(77)
	CGPC America Corporation	Subsidiary	Sale	(437,174)	(5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 118,018	12
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(3,970,741)	(43)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 710,651	47
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(4,279,656)	(46)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 724,061	48
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	4,279,656	96	45 days	No significant difference	No significant difference	Accounts payable to related parties (724,061)	(97)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	437,174	86	90 days	No significant difference	No significant difference	Accounts payable to related parties (118,018)	(99)

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Limited)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	Sub-subsidiary	Sales	$ (619,497) (US$ -20,294 thousand)	(4.72)	30 days	No significant difference	No significant difference	Accounts receivables from related parties $ 58,796 (US$ 1,976 thousand)	3.74	Note

Note: The amount was eliminated upon consolidation.

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	$ (596,780)	(9.32)	60 days	No significant difference	No significant difference	Accounts receivable - related parties $ 99,228	16.42
			Purchase	275,942	4.83	30 days	No significant difference	No significant difference	Accounts payable - related parties 63,843	35.96

USI CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Actions Taken		
USI Corporation	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties	$ 322,683	-	$ -	-	$ 322,683	Note 1
	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties	231,747	-	-	-	231,747	Note 1

Note 1: The assessment does not need to recognize an allowance for impairment loss.

Note 2: The subsequent period is between January 1, 2108 and March 16, 2018.

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary of ACME	Other receivables - related parties	$ 150,767	-	$ -	-	$ 61,613	$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Accounts receivable - related parties	158,038	3.31	-	-	84,568	-

Note 1: The assessment does not need to recognize an allowance for impairment loss.

Note 2: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SWANSON))

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 3)		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss (Note 1)
						Amount	Actions Taken		
Forever Young Company Limited	Swanson Plastics (Nantong) Co., Ltd.	Have the same parent company	Long-term receivables - related parties	$ 122,924 (US$ 4,130,506)	-	$ -	-	$ -	$ -
	Swanson Plastics (India) Private Ltd.	Have the same ultimate parent company	Accounts receivable - related parties	$ 125,296 (US$ 4,210,208)	-	-	-	-	-
	Swanson Plastics (India) Private Ltd.	Have the same ultimate parent company	Long-term receivables - related parties	$ 87,272 (US$ 2,932,530)	-	-	-	9,281 (US$ 311,850)	-
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Accounts receivable - related parties	$ 248,944 (US$ 8,365,056)	-	-	-	-	-
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Accounts receivable - related parties	$ 108,781 (US$ 3,655,290)	-	-	-	3,092 (US$ 103,885)	-
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Long-term receivables - related parties	$ 3,206 (US$ 107,728)	-	-	-	3,206 (US$ 107,728)	-
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other receivables - related parties	$ 104,951 (¥ 23,043,258)	-	-	-	-	-
Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Accounts receivable - related parties	$ 23,992 (¥ 5,267,774)	-	-	-	-	-
	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other receivables - related parties	$ 82,582 (¥ 18,131,950)	-	-	-	-	-
Swanson Plastics (Singapore) Private Limited	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Other receivables - related parties	$ 108,349 (US$ 3,640,750)	-	-	-	-	-
	Swanson Plastics (India) Private Ltd.	Have the same ultimate parent company	Other receivables - related parties	$ 124,132 (US$ 4,171,102)	-	-	-	-	-

Note 1: The assessment does not need to recognize an allowance for impairment loss.

Note 2: The subsequent period refers to the period between January 1, 2108 and February 28, 2018.

Note 3: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable from related parties	$ 118,018	3.66	$ -	-	$ 49,397	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties	$ 710,651	7.51	-	-	710,651	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties	$ 724,061	8.27	-	-	724,061	Note 1

Note 1: There is no allowance of impairment loss after an impairment assessment.

Note 2: The subsequent period is between January 1 and February 26, 2018.

Note 3: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Limited)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 4)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Accounts receivable $ 18 Other receivables 160,928 (US$ 5,408 thousand) (Note 1)	-	$ -	-	$ -	$ -
Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables 283,076 (RMB 62,153 thousand) (Note 2)	-	-	-	57 (RMB 13 thousand)	-

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

Note 2: The total amount of other receivables of Taita Chemical (Zhongsan) Co., Ltd. from Taita Chemical (Tianjin) Co., Ltd. includes the amount of financing provided, interest receivables and rental receivables.

Note 3: The amount received in the subsequent period means the collection made from January 1, 2018 to March 12, 2018.

Note 4: The amount was eliminated upon consolidation.

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2017			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2017	December 31, 2016	Number of Shares	%	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Investment (focus on "product, transportation, storage, building, bank, securities investment and trading industry")	$ 550,000	$ 550,000	87,250,000	100.00	$ 744,391	$ 10,952	$ 7,734	Subsidiary
	Swanlake Traders Ltd.	Citco Building, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,270,833	10,759	10,759	Subsidiary
	USI Far East (HK) Co., Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	129,596	(1,446)	(1,446)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Investment (focus on "product and service industry")	3,490,255	3,490,255	462,758,000	100.00	5,142,634	663,670	644,331	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Venture capital (focus on "high technology industry")	471,800	471,800	32,900,000	70.00	224,863	20,110	14,077	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Engaging in import and export trade	28,323	28,323	3,758,195	99.93	32,484	1,000	999	Subsidiary
	Swanson Plastics Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	171,210	171,210	60,792,524	40.58	1,001,333	164,402	66,711	Subsidiary
	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	27.00	352,649	(103,454)	(37,577)	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Engaging in optical products and fireproof materials	250,354	210,796	9,126,786	93.20	71,417	(39,279)	(35,799)	Subsidiary (Note 2)
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Providing management services	1,000	1,000	671,400	100.00	(2,841)	996	996	Subsidiary (Note 1)
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	127,270	10,884	10,884	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Reinforced plastic products manufacturing	36,250	36,250	1,825,000	30.42	7,616	(866)	(264)	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	2,407,735	94,221	77,346,000	62.57	2,375,283	2,289	1,421	Subsidiary (Note 3)
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of sapphire crystal	330,000	-	33,000,000	50.85	241,439	(175,708)	(52,186)	Subsidiary (Note 4)
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	3,678,812 (US$ 123,616 thousand)	157,795 (US$ 5,302 thousand)	(Note 6)	67.89	3,796,226 (US$127,561,371)	3,417 (US$ 115,185)		Sub-subsidiary (Note 3)
Ever Victory Global Limited	Dynamic Ever Investments Limited	Hong Kong	Investment	5,412,660 (US$ 181,877 thousand)	494,016 (US$ 16,600 thousand)	(Note 6)	100.00	5,565,831 (US$187,023,877)	4,043 (US$ 135,894)		Sub-subsidiary (Note 3)
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	1,749,212	1,749,212	120,159,750	36.67	1,685,281	502,079		Sub-subsidiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	167,598,922	32.35	3,674,890	565,354		Sub-subsidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	119,060,262	24.20	2,018,752	1,269,808		Sub-subsidiary
USIFE Investment Co., Ltd.	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	155,632	155,632	16,424,242	9.00	132,189	(103,454)		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production, marketing and development of EVA packaging film and other value added plastic products	30,000	30,000	3,000,000	15.00	(9,397)	(21,502)		Sub-subsidiary (Note 1)
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Business management consulting	8,000	8,000	800,000	100.00	15,628	1,206		Sub-subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2017	Original Investment Amount December 31, 2016	As of December 31, 2017 Number of Shares	As of December 31, 2017 %	As of December 31, 2017 Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Reinforced plastic products manufacturing	$ 21,465	$ 21,465	900,000	15.00	$ 3,756	$ 130		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Engaging in import and export trade	6,547 (US$ 220 thousand)	6,547 (US$ 220 thousand)	220,000	100.00	33,751	(2,302) (US$ -76 thousand)		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Reinvestment	105,278 (US$ 3,538 thousand)	105,278 (US$ 3,538 thousand)	5,609,231	11.23	128,573 (US$ 4,320 thousand)	(50,195) (US$ -1,699 thousand)		Sub-subsidiary

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

Note 2: The shareholders, in the shareholders' meeting for INOMA Corporation, approved a capital reduction project for the make-up of losses in the amount of $67,500 thousand and a capital increase project on June 26, 2017. The board of directors approved the issuance of 4,000 thousand shares. The Company invested a proportionate share of the accumulated additional capital equivalent to $39,558 thousand.

Note 3: The Company and APC invested additional capital in the amount of US$37,752 thousand (approximately $1,200,087 thousand) and US$23,086 thousand (approximately $739,424 thousand) in Ever Conquest Global Limited in January 2017, respectively, and reinvested in Ever Victory Global Limited via Ever Conquest Global Limited as well as in Dynamic Ever Investments Limited. Moreover, the Company and APC invested additional capital in the amount of US$36,643 thousand (approximately $1,113,427 thousand) and US$21,013 thousand (approximately $638,499 thousand) in Ever Conquest Global Limited in July 2017, respectively. For more explanation, refer to Note 32.

Note 4: To cover for the loss of $966,795 thousand, USIO performed a capital reduction by cancelling 96,680 thousand shares, 80.18% of the amount of USIO's capital reduction, on May 24, 2017, as approved in the shareholder's meeting held on April 7, 2017. USIO performed a capital increase of 41,000 thousand shares on June 8, 2017. The Company subscribed for 33,000 thousand shares.

Note 5: Information on investments in mainland china is provided in Table 9.

Note 6: There are zero shares of the limited company.

Note 7: The ending balance of the consolidated financial statements is already written-off.

(Concluded)

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of December 31, 2017			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2017	December 31, 2016	Number of Shares	%	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	$ 605,182 (US$ 18,336 thousand)	$ 605,182 (US$ 18,336 thousand)	25,621,692	51.27	$ 586,684	$ (50,915) (US$ -1,699 thousand)	$ (25,423) (US$ -847 thousand)	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	638,676 (US$ 19,800 thousand)	638,676 (US$ 19,800 thousand)	19,800,000	100.00	792,622	68,614	69,046	Note 1
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	23,923 (US$ 730 thousand)	23,923 (US$ 730 thousand)	730,000	100.00	541	(75) (US$ -2 thousand)	(75) (US$ -2 thousand)	Note 1
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of sapphire monocrystal	646,200	626,200	22,064,224	34.00	161,429	(175,708)	(108,561)	Note 4
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	US$ 11,891 thousand	US$ 11,891 thousand	39,600,000	100.00	US$ 19,013 thousand	US$ 1,523 thousand (MYR 6,867 thousand)		Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 5,500 thousand	MYR 5,500 thousand	5,500,000	100.00	MYR 45,708 thousand	MYR 6,956 thousand		Note 1

Note 1: The carrying amount and share of profits (loss) in the consolidated financial statements are already written-off.

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

Note 3: Information on investments in mainland china is provided in Table 9-1.

Note 4: The Group lost control of USIO starting from June 2016 and recognized an investment loss in the consolidated financial statements which is already written-off.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2017			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2017 (Note 2)	December 31, 2016 (Note 2)	Number of Shares	%	Carrying Amount (Notes 2 and 4)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	16 Pandan Road Singapore 60926	Production and marketing of plastic products	$ 808,506	$ 808,506	36,863	100	$ 1,873,976	$ 107,793	$ 107,793	Note 3
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Import, export and agency services	1,297	1,297	50	100	116,240	5,528	5,547	
	Swanson International Ltd.	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100	1,347,066	81,868	81,868	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	689	(367)	(367)	Note 3
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production, sales and development of EVA packaging film and other value added plastic products	140,000	140,000	14,000	70	(43,850)	(21,502)	(15,052)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	5,486	4,588	180	1	4,315	(24,141)	(241)	
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai	Production and marketing of plastic products	196,220 (US$ 6,593,398)	196,220 (US$ 6,593,398)	20,000	100	708,513 (US$ 23,807,555)	124,487 (RMB 17,571,514)		
	Swanson Plastics (India) Private Ltd.	PLOT No. 2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	102,995 (US$ 3,460,850)	102,995 (US$ 3,460,850)	16,543	100	69,482 (US$ 2,334,747)	23,577 (INR 50,323,622)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	530,323 (US$ 17,820,000)	441,936 (US$ 14,850,000)	17,820	99	431,502 (US$ 14,499,386)	(24,141) (IDR -10,579,944,583)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	211,120 (US$ 7,094,082)	211,120 (US$ 7,094,082)	-	100	515,704 (US$ 17,328,758)	18,283 (US$ 600,782)		Notes 1 and 3

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

Note 2: The original investment amount and carrying amount are translated at the spot exchange rate of December 31, 2017.

Note 3: Information on investments in mainland china is provided in Table 9-2.

Note 4: The ending balance of the consolidated financial statements is already written-off.

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Nature of Activities	Original Investment Amount		As of December 31, 2017			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2017	December 31, 2016	Number of Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacture and marketing of vinyl chloride monomer	$ 2,930,994	$ 2,930,994	196,198,860	87.22	$ 2,642,545	$ 543,460	$ 477,156	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of PVC resin	800,000	800,000	56,478,291	100.00	845,548	248,678	248,678	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	347,575	(4,427)	(4,427)	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehouse of petrochemical raw materials	41,106	41,106	17,079,108	33.33	272,509	53,358	17,786	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S. A.	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	198,483	9,101	9,101	Subsidiary
	Krystal Star International Corporation	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Marketing of PVC second - and third-time processed products	283,502	283,502	5,780,000	100.00	72,489	744	744	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	23,731	(103,454)	(1,801)	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	2,504	(866)	(87)	Associate accounted for using the equity method

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Limited)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2017			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note 1
				December 31, 2017	December 31, 2016	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	Taita (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 1,837,323 (US$ 61,738 thousand)	$ 1,837,323 (US$ 61,738 thousand)	61,738,000	100.00	$ 1,447,102 (US$ 48,646 thousand)	$ 122,436 (US$ 4,021 thousand)	$ 122,436 (US$ 4,021 thousand)	Subsidiary (Note 2)
	China General Plastics Corporation	Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	9,751,224	1.98	154,719	1,269,808	25,168	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	17,079,107	33.33	272,509	53,358	17,786	Investments accounted for using the equity method
	Acme Electronics Corporation	Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.44	33,212	(103,454)	(2,521)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taiwan	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	2,504	(866)	(87)	Investments accounted for using the equity method
Taita (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corporation	British Virgin Islands	Reinvestment	50,593 (US$ 1,700 thousand)	50,593 (US$ 1,700 thousand)	2,695,619	5.39	61,788 (US$ 2,076 thousand)	(50,915) (US$ -1,699 thousand)		Investments accounted for using the equity method

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

Note 2: The amount was eliminated upon consolidation.

Note 3: Investments in mainland China are included in Table 9-4.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2017			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2017	December 31, 2016	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 409,938 (US$ 13,774,806)	$ 409,938 (US$ 13,774,806)	11,342,594	100.00	$ 435,497	$ (8,545)	$ (8,545)	Subsidiary (Note)
	APC Investment Corporation	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00	108,578	3,315	3,315	Subsidiary (Note)
	USI International Corp.	British Virgin Islands	Reinvestment	83,328 (US$ 2,800,000)	83,328 (US$ 2,800,000)	2,800,000	70.00	121,144	4,898	3,428	Subsidiary (Note)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	39,700,480	8.07	629,910	1,269,808	102,464	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,802	41,802	17,079,107	33.33	272,509	53,358	17,786	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	11,909,495	7.95	197,140	164,402	13,069	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.32	45,253	(103,454)	(3,435)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	26,748	20,110	1,675	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei, Taiwan	Manufacture and marketing of reinforced plastic products	36,250	36,250	1,825,000	30.42	7,617	(866)	(263)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	-	5,972,464	9.20	43,697	(175,708)	(16,028)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	1,376,995 (US$ 46,270,000)	64,609 (US$ 2,171,000)	46,270,000	37.43	1,420,944	10,291	868	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Virgin Islands	Reinvestment	156,088 (US$ 5,244,903)	156,088 (US$ 5,244,903)	8,316,450	16.64	190,627	(50,915)		Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	35,712 (US$ 1,200,000)	35,712 (US$ 1,200,000)	1,200,000	30.00	51,919	4,898		Investments accounted for using the equity method (Note 1)
APC Investment Corporation	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03	14,081	(103,454)		Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(9,397)	(21,502)		Investments accounted for using the equity method

Note: All intercompany transactions have been eliminated on consolidation.

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of December 31, 2017 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of December 31, 2017
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 914,376 (US$ 30,725,000)	Note 1	$ 83,850 (US$ 2,817,528)	$ -	$ -	$ 83,850 (US$ 2,817,528)	$ (77,698) (US$ -2,573,830)	11.23	$ (8,722) (US$ -288,915)	$ 80,642 (US$ 2,709,748)	$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	148,800 (US$ 5,000,000)	Note 2	148,800 (US$ 5,000,000)	-	-	148,800 (US$ 5,000,000)	10,884 (US$ 358,249)	100.00	10,884 (US$ 358,249)	127,270 (US$ 4,276,539)	-
Fujian Gulei Petrochemical Co., Ltd. (“Gulei”)	Manufacture of crude oil and petroleum products	10,497,207 (RMB 2,304,800,000)	Note 3	-	2,147,889 (US$ 72,173,674)	-	2,147,889 (US$ 72,173,674)	(13,083) (US$ -436,755)	21.24	2,602 (US$ 86,918)	2,226,694 (US$ 74,821,716)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$2,632,233 (US$88,448,702)	$7,915,253 (US$265,969,510) (Note 5)	$ - (Note 4)

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

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

Note 3: The Company reinvested in 50% of the outstanding shares of Gulei at first via Ever Conquest Global Limited (62.57%), then via Ever Victory Global Limited (67.89%), and finally via Dynamic Ever Investments Limited (100%).

Note 4: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10320406700 on March 25, 2014, the upper limit on investment in mainland China pursuant to the “Principle of Investment or Technical Cooperation in Mainland China” is not applicable.

Note 5: As included in the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10500116380 on September 1, 2016 and No. 10500234240 on December 29, 2016, the Company was able to wire transfer US$198,595 thousands to Gulei.

Note 6: The carrying amount and share of profits (loss) in the consolidated financial statements are already written-off.

Note 7: Except for Gulei, whose financial statements are audited by KPMG and adjusted according to the ROC GAAP, the financial statements of ACME Electronics (Kunshan) and USIG (Shanghai) are calculated by the CPA of the ROC parent company.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation (ACME))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017 (Note 6)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017 (Note 6)	Net Income (Loss) of the Investee (Note 7)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 4、5 and 7)	Carrying Amount as of December 31, 2017 (Notes 5 and 8)	Accumulated Repatriation of Investment Income as of December 31, 2017
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US$ 30,725 thousand	-	$ 374,188 (US$ 11,144 thousand)	$ -	$ -	$ 374,188 (US$ 11,144 thousand)	$ (77,698) (RMB -17,065 thousand)	51.27	$ (39,835) (RMB -8,749 thousand)	$ 368,355 (RMB 80,877 thousand)	$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US$ 19,200 thousand	-	619,676 (US$ 19,200 thousand)	-	-	619,676 (US$ 19,200 thousand)	69,445 (RMB 15,449 thousand)	100.00	69,445 (RMB 15,449 thousand)	817,486 (RMB 179,490 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$903,037 (US$30,344 thousand) (Notes 3 and 8)	$1,090,198 (US$36,633 thousand) (Notes 3 and 8)	$- (Note 2)

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

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

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

Note 4: The carrying amount and share of profits (loss) in the consolidated financial statements are already written-off.

Note 5: ACME recognized the investment gain (loss), according to Certified Public Accountants and auditing financial report accepted in the ROC.

Note 6: The calculation was based on the exchange rate on the original investment date.

Note 7: The calculation was based on the average exchange rate from January 1, 2017 to December 31, 2017.

Note 8: The calculation was based on the spot exchange rate on December 31, 2017.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2017 (Note 5)	Accumulated Repatriation of Investment Income as of December 31, 2017
					Outflow	Inflow						
Swanson Plastics (Nantong) Co., Ltd. (Note 3)	Production and sale of heavy bags, garbage bags, diapers and so on	$ 119,040 (US$ 4,000,000)	1. Indirect investment Swanson Plastics (Nantong) Corp. (95.5%) via Curtana (HK) Company Ltd. 2. Indirect investment Swanson Plastics (Nantong) Corp. (4.5%) via Curtana (HK) Company Ltd.	$ 113,369	$ -	$ -	$ 113,369	$ (7,773) (RMB -1,725,412)	100	$ (7,773) (Note 1)	$ 15,325 (Note 1)	$ -
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film and so on	395,510 (US$ 13,290,000)	Indirect investment it via Swanson (BVI) International Ltd.	223,930	-	-	223,930	63,585 (US$ 2,089,408)	100	63,585 (US$ 2,089,408)	922,586 (US$ 31,000,867)	-
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	270,816 (US$ 9,100,000)	Indirect investment A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	18,283 (US$ 600,782)	100	18,283 (US$ 600,782)	527,013 (US$ 17,708,753)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film and so on	258,912 (US$ 8,700,000)	Indirect investment it via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(27,191) (US$ -893,502)	100	(27,201) (US$ -894,122)	197,752 (US$ 6,644,903)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$701,500	$1,041,126 (US$34,984,062)	$ - (Note 4)

Note 1: The amount is the total amount between Curtana Company Ltd. and Swanson Plastics Corporation.

Note 2: Paid in capital and upper limit on the amount investment stipulated by Industrial Development Bureau, MOEA was calculated based on the spot exchange rate on December 31, 2017.

Note 3: Swanson Plastics Corporation disposed of Swanson Plastics (Nantong) Corp. as agreed in the meeting of the board of directors held in April 2016. Swanson Plastics (Nantong) Corp. has not completed the liquidation process as of December 31, 2017.

Note 4: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10620415720, the upper limit on investment in mainland China pursuant to the “Principle of Investment or Technical Cooperation in Mainland China” is not applicable, and the effective period is the year-end from 2017 to 2020.

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

USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Nature of Activities	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017 (Note 1)	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 5 and 6)	Carrying Amount as of December 31, 2017 (Notes 1 and 6)	Accumulated Repatriation of Investment Income as of December 31, 2017
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	$ 595,200 (US$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	$ 595,200 (US$ 20,000 thousand)	$ -	$ -	$ 595,200 (US$ 20,000 thousand)	$ (4,449) (US$ -148 thousand)	100.00	$ (4,449) (US$ -148 thousand)	$ 261,767 (US$ 8,796 thousand)	$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	44,640 (US$ 1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	44,640 (US$ 1,500 thousand)	-	-	44,640 (US$ 1,500 thousand)	2,252 (US$ 74 thousand)	100.00	2,252 (US$ 74 thousand)	14,167 (US$ 476 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
$805,960 (US$27,082 thousand)	$1,020,619 (US$34,295 thousand)	$4,683,805

Note 1: The calculation was based on the spot exchange rate as on December 31, 2017.

Note 2: Pursuant to the Letter No. 09704604680 of the Ministry of Economic Affairs, the amount is determined as 60% of the equity attributable to owners of CGPC as on December 31, 2017.

Note 3: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)") retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of $20,356 thousand (US$684 thousand), the investment amount of Union (ZS) of $26,724 thousand (US$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of $119,040 thousand (US$4,000 thousand).

Note 4: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 2011. As of December 31, 2017, the dissolution procedures have not yet been completed.

Note 5: The investment income (loss) recognition in 2017 is based on the financial statements audited by the parent company's R.O.C.-based CPA.

Note 6: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Limited (TTC))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2017 (Note 5)	Accumulated Repatriation of Investment Income as of December 31, 2017 (Note 5)
					Outflow	Inflow						
Taita Chemical (Zhongsan) Co., Ltd. (“TAITA (ZS)”)	Production and marketing of polystyrene derivatives	$ 1,376,400 (US$ 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	$ 1,279,680 (US$ 43,000 thousand)	$ -	$ -	$ 1,279,680 (US$ 43,000 thousand)	$ 234,197 (US$ 7,716 thousand)	100.00	$ 234,197 (US$ 7,716 thousand) (Note 6)	$ 1,918,118 (US$ 64,453 thousand) (Note 6)	$ -
Taita Chemical (Tianjin) Co., Ltd. (“TAITA (TJ)”)	Producing and marketing of polystyrene derivatives	813,936 (US$ 27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	773,760 (US$ 26,000 thousand)	-	-	773,760 (US$ 26,000 thousand)	(86,042) (US$ -2,848 thousand)	100.00	(86,042) (US$ -2,848 thousand) (Note 6)	188,852 (US$ 6,346 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. (“ACME (KS)”)	Manufacturing and marketing of manganese-zinc soft ferrite core	914,376 (US$ 30,725 thousand)	Investment through a holding company registered in a third region	40,295 (US$ 1,354 thousand)	-	-	40,295 (US$ 1,354 thousand)	(77,699) (US$ -2,574 thousand)	5.39	(4,191) (US$ -139 thousand)	38,754 (US$ 1,302 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 2,093,735 (US$ 70,354 thousand)	$ 2,256,323 (US$ 75,817 thousand) (Note 3)	$ 2,343,330 (Note 4)

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

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

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

Note 4: The limit cannot exceed 60% of Taita Chemical Co., Ltd.’s net asset value.

Note 5: The basis for investment income (loss) recognition is financial statements audited and attested by the parent company’s ROC-based CPA.

Note 6: The amount was eliminated upon consolidation.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2017	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2017 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2017
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 914,376 (US$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	$ 124,319 (US$ 4,177,369)	$ -	$ -	$ 124,319 (US$ 4,177,369)	(Note 2,2) $ (77,698)	16.64	$ (12,931)	$ 119,563	$ -
USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment, and plastic products; wholesale of electronic materials, commission agency services and related supporting import and export services	74,400 (US$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	90,339 (US$ 3,035,601)	-	-	90,339 (US$ 3,035,601)	(Note 2,2) 6,555	100.00	6,555	99,903	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	10,497,207 (RMB 2,304,800,000)	(2) Dynamic Ever Investments Ltd.	-	1,284,912 (US$ 43,175,806)	-	1,284,912 (US$ 43,175,806)	(Note 2,1) (13,083)	12.71	(1,662)	1,332,033	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,643,017 (Note 4) (US$55,208,912)	$4,802,717 (US$161,381,608)	- (Note 5)

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

a. Direct investment: 1.
b. Investments through a holding company registered in a third region: 2.
c. Others: 3.

Note 2: For the column of investment gain (loss):

a. If there is no investment gain (loss) during the preparation, it should be noted.

b. If the basis for the recognition of investment gain (loss) is classified into the following three type, it should be noted as follows:

1) Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.
2) Financial statements audited by the parent company's CPA.
3) Others.

Note 3: The calculation was based on the exchange rate as at December 31, 2017.

Note 4: The accumulated outward remittance includes the investments in Wafer Works Epitaxial Corp., Wafer Works (Shanghai) Corp., Shanghai JingJi Electronic Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Jinzhou Youhua Silicon Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Qinghai Chenguang New Energy Co., Ltd., USI Trading (Shanghai) Co., Ltd. ("USIT"), and Fujian Gulei Petroleum Company.

a. APC invested in Wafer Works Epitaxial Corp. and Wafer Works (Shanghai) Corp. through Silicon Technology Investment (Cayman) Corp.

b. APC invested in Solar Technology Investment (Cayman) Corp. and Risheng Investment Limited through Solargiga Energy Holdings Limited, which indirectly invested in Solar Energy Silicon Materials Co., Ltd. and then in Shanghai JingJi Electronic Materials Co., Ltd. Risheng Investment Limited indirectly invested in Jinzhou Yangguang Energy Co., Ltd., Jinzhou Youhua Silicon Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., and Qinghai Chenguang New Energy Co., Ltd.

Note 5: As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10520427730 on November 11, 2016, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

TABLE 10

USI CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Sales revenue	$ 235,571	No significant difference	0.41
		Swanson Plastics Corporation	a	Sales revenue	100,376	No significant difference	0.17
		Forever Young Company Ltd.	a	Sales revenue	57,682	No significant difference	0.10
		USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	131,710	No significant difference	0.23
		Asia Polymer Corporation	a	Purchases	596,780	No significant difference	1.03
		Swanson Plastics Corporation	a	Purchases	70,728	No significant difference	0.12
		Swanson Plastics Corporation	a	Accounts receivable	13,033	No significant difference	0.02
		Forever Young Company Ltd.	a	Accounts receivable	21,516	No significant difference	0.03
		USI Far East (HK) Co., Ltd.	a	Accounts receivable	11,759	No significant difference	0.02
		USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	37,810	No significant difference	0.06
		Asia Polymer Corporation	a	Other receivables	322,683	No significant difference	0.50
		Taiwan VCM Corporation	a	Other receivables	231,305	No significant difference	0.36
		Asia Polymer Corporation	a	Management services expense	231,747	No significant difference	0.36
		China General Terminal & Distribution Corporation	a	Accounts payable - related parties	56,685	No significant difference	0.10
		USI Management Consulting Corporation	a	Accounts payable - related parties	95,350	No significant difference	0.16
		Asia Polymer Corporation	a	Accounts payable - related parties	96,995	No significant difference	0.15
1	Asia Polymer Corporation (APC)	Swanson Plastics Corporation	c	Sales revenue	83,537	No significant difference	0.14
		Forever Young Company Ltd.	c	Sales revenue	71,596	No significant difference	0.12
		USI Far East (HK) Co., Ltd.	c	Sales revenue	25,704	No significant difference	0.04
		Swanson Plastics Corporation	c	Purchases	38,934	No significant difference	0.07
		China General Terminal & Distribution Corporation	c	Storage tank operating costs	42,991	No significant difference	0.07
		USI Trading (Shanghai) Co., Ltd.	c	Accounts receivable	30,659	No significant difference	0.05
		USI Trading (Shanghai) Co., Ltd.	c	Sales revenue	66,242	No significant difference	0.10
2	China General Plastics Corporation (CGPC)	China General Terminal & Distribution Corporation	c	Purchases costs	93,186	No significant difference	0.16
		China General Terminal & Distribution Corporation	c	Other payable	13,101	No significant difference	0.02
		USI Management Consulting Corporation	c	Management services expense	61,599	No significant difference	0.10
		Taiwan VCM Corporation	c	Accounts payable	710,651	No significant difference	1.10
		Taiwan VCM Corporation	c	Purchases	3,970,741	No significant difference	6.17
		CGPC America Corporation	c	Accounts receivable	118,018	No significant difference	0.18
		CGPC America Corporation	c	Sales revenue	437,174	No significant difference	0.68

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
3	Taita Chemical Company, Limited	USI Management Consulting Corporation	c	Management services expense	$ 47,866	No significant difference	0.08
		China General Terminal & Distribution Corporation	c	Storage tank operating costs	16,546	No significant difference	0.03
		Taita Chemical (Zhong Shan) Co., Ltd.	c	Accounts receivable	58,796	No significant difference	-
		Taita Chemical (Zhong Shan) Co., Ltd.	c	Sales revenue	619,497	No significant difference	1.07
		Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	160,928	No significant difference	0.28
		Taita Chemical (Tianjin) Co., Ltd.	c	Cost of goods sold	19,068	No significant difference	0.03
4	Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	c	Management services expense	12,249	No significant difference	0.02
		ACME Electronics (Cayman) Corp.	c	Other receivables	150,766	No significant difference	0.26
		ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	22,251	No significant difference	0.04
		Golden Amber Enterprises Limited	c	Other receivables	19,261	No significant difference	0.03
		Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	190,357	No significant difference	0.33
		Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	39,915	No significant difference	0.07
		Acme Electronics (Kunshan) Co., Ltd.	c	Premium revenue	13,926	No significant difference	0.02
		Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable	37,059	No significant difference	0.06
		Acme Electronics (Kunshan) Co., Ltd.	c	Other receivables	100,561	No significant difference	0.17
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	125,572	No significant difference	0.22
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Processing cost	463,959	No significant difference	0.80
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	13,592	No significant difference	0.02
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Notes and accounts payable	158,038	No significant difference	0.27
5	Swanson Plastics Corporation	Asia Polymer Corporation	c	Accounts payable	12,303	No significant difference	0.02
		Asia Polymer Corporation	c	Sales revenue	38,934	No significant difference	0.07
		Asia Polymer Corporation	c	Cost of goods sold	71,596	No significant difference	0.12
		USI Management Consulting Corporation	c	Management services expense	13,638	No significant difference	0.02
		Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts receivable	12,288	No significant difference	0.02
		Swanson Plastics (Kunshan) Co., Ltd.	c	Cost of goods sold	17,628	No significant difference	0.03
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	12,275	No significant difference	0.02
		Swanson Plastics (Singapore) Private Limited	c	Sales revenue	28,010	No significant difference	0.04
		Swanson Plastics (Singapore) Private Limited	c	Sales revenue	14,764	No significant difference	0.02
		Forever Young Company Limited	c	Sales revenue	61,589	No significant difference	0.10
		Forever Young Company Limited	c	Management services expense	16,457	No significant difference	0.03
6	USI Management Consulting Corporation	Asia Polymer Corporation	c	Management services income	30,190	No significant difference	0.05
		USI Management Consulting Corporation	c	Management services income	13,638	No significant difference	0.02
7	USIG (Shanghai) Co., Ltd.	Taita Chemical Company, Limited	c	Purchases	32,076	No significant difference	0.06
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable to related parties	724,061	No significant difference	1.25
		Taiwan VCM Corporation	c	Other payable to related parties	23,323	No significant difference	0.04
		Taiwan VCM Corporation	c	Purchases	4,279,656	No significant difference	7.36
9	Taita Chemical (Zhong Shan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	283,076	No significant difference	0.49
		Taita Chemical (Tianjin) Co., Ltd.	c	Interest revenue	10,818	No significant difference	0.02

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
10	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	$ 24,545	No significant difference	0.04
		ACME Ferrite Product Sdn. Bhd.	c	Cost of goods sold	16,295	No significant difference	0.03
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	46,128	No significant difference	0.08
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Accounts receivable	10,497	No significant difference	0.02
11	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	c	Accounts receivable	212,568	No significant difference	0.37
		Swanson Plastics (India) Private Ltd.	c	Sales revenue	119,214	No significant difference	0.21
		Swanson Plastics (Singapore) Private Limited	c	Sales revenue	42,665	No significant difference	0.07
		Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts receivable	248,944	No significant difference	0.43
		Swanson Plastics (Kunshan) Co., Ltd.	c	Sales revenue	358,115	No significant difference	0.62
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	41,199	No significant difference	0.07
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	27,019	No significant difference	0.05
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	285,168	No significant difference	0.49
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	403,397	No significant difference	0.69
		Swanson Plastics (Nantong) Co., Ltd.	c	Accounts receivable	122,924	No significant difference	0.21
11	Forever Young Company Limited	PT. Swanson Plastics Indonesia	c	Accounts receivable	108,781	No significant difference	0.19
		PT. Swanson Plastics Indonesia	c	Sales revenue	110,133	No significant difference	0.19
		Swanson International Ltd.	c	Accounts receivable	92,405	No significant difference	0.16
12	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts payable	19,172	No significant difference	0.03
		Swanson Plastics (Kunshan) Co., Ltd.	c	Cost of goods sold	99,091	No significant difference	0.17
		Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	104,754	No significant difference	0.18
		Swanson Plastics (Nantong) Co., Ltd.	c	Accounts receivable	45,545	No significant difference	0.08
13	Swanson Plastics (Kunshan) Corp.	Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	106,574	No significant difference	0.18
14	Swanson Plastics (Malaysia) Sdn. Bhd.	Swanson Plastics (Singapore) Private Limited	c	Accounts receivable	28,866	No significant difference	0.05
		Swanson Plastics (Singapore) Private Limited	c	Cost of goods sold	13,943	No significant difference	0.02
		Swanson Plastics (Singapore) Private Limited	c	Sales revenue	212,692	No significant difference	0.37
15	Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (India) Private Ltd.	c	Accounts receivable	108,349	No significant difference	0.19
		PT. Swanson Plastics Indonesia	c	Accounts receivable	124,132	No significant difference	0.21

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

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

Note 2: Investment types as follows:

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

(Continued)

Note 3: The above transactions were not included in the consolidated financial statements.

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

(Concluded)