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USI CORPORATION
Annual Report 2022

USI Company Website: <https://www.usife.com>

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None

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Chapter 1. Letter to Shareholders

Dear Shareholders,

Looking back at 2022, the Company's has posted consolidated revenue of NT\$66.44 billion, a decrease of NT\$5.32 billion from the previous year, of which the budget achievement rate was 97%. The Company's consolidated profit before tax was NT\$700 million, a decrease of NT\$12.05 billion from last year. The consolidated net loss after tax was NT\$60 million, budgeted at (1)%, the consolidated net loss attributable to the owners of the Company is a net profit of NT\$1.56 billion.

The Company's operating performance in 2022 was as follows:

Sales and Marketing:

For operations of this year, due to the influence of the war between Ukraine and Russia, international oil prices rose sharply, breaking the unit price of NT\$100, and the high material cost and the epidemic continued to rage inhibited the pace of global economic recovery. In June, the United States Fed greatly raised interest rates, which caused the global economic recession. In terms of EVA, owing to the demand of green economy, the strong demand for EVA solar energy at the beginning of the year pushed up the market of EVA. The price reached the peak in May. Later, due to the soaring demand of raw materials, the demand of module factory became weak, which affected the demand of packaging film. In addition to the reduced demand of shoe manufacturers, the price in EVA market turned down in June. Although the market stopped falling and rebounded in September, the subsequent demand did not improve, and the price turned down again in mid-October and stabilized in mid-December. In total, this year's EVA sales amount to 207,000 tons, 8% less than last year. HDPE is mainly sold in domestic market. Due to the serious impact of the epidemic this year, the demand has been significantly reduced, 22% less than last year. In terms of ABS/PS products, demand for consumer electronics in Europe and the United States has fallen

significantly due to the impact of inflation, with sales down 24% from last year. Due to the epidemic, GPS products driven disposable tableware consumption, but affected by inflation, its demand declined slightly, but there is still a stable spread. EPS products in mainland China are still in oversupply. However, due to the continuous development of markets outside mainland China and Hong Kong, the sales volume of this year is similar to that of last year, although demand of last year fell due to inflation. On Vinyl Chain, the VCM and PVC market briefly rebounded to annual highs due to the Russia-Ukraine war and accidents among Asian producers. Subsequently, due to the global interest rate hike and the epidemic prevention policy of mainland China, the demand for PVC in mainland China shrank, and excess inventory was shifted to overseas markets, resulting in a weakening of the VCM and PVC market, which severely eroded product spreads. . After deducting the amount of VCM used for the production of PVC powder, the Company has exported 32,000 tons of VCM, an increase of 24% from the previous year. PCV, after deducting the quantity for own use for producing downstream processed goods, saw an export of 350,000 tons, a decrease of 2% from last year. In terms of chemical products, due to the increase in global energy prices, the supply of caustic soda and hydrochloric acid remained tight and the price remained high. The annual production of chemical products was 66,000 tons (based on 100% concentration), and the sales of 60,000 tons was 0.3% lower than last year. In PVC powder homemade processing products, due to the rise of public projects such as solar energy and offshore wind power business opportunities, the sales of building materials products increased. On the other hand, the sales volume of rubber cloth and rubber leather products declined due to the contraction of terminal market and the temporary suspension of trading by Russian customers and the high inflation in North America, which crowded out unnecessary demand. The iron core business was affected by low market demand, inflation, price increase of raw materials and the COVID-19 policies in mainland China, and the overall performance was poor. The sales volume of this year was 9,000 tons, 16% less than that of last year.

**Production Management:**

The annual production volume of PE/EVA was 338,000 tons, and that of ABS/PS was 374,000 tons. The annual production volume of VCM was 417,000 tons, and that of PVC was 390,000 tons. The annual production volume of ferrite cores was 10,000 tons. To implement energy saving and carbon reduction programs, the cumulative grid-connected capacity of the invested solar energy field can reach 5.9MW, generate about 7.3 million KWH of green electricity every year, and contribute about 3,700 tons of carbon dioxide equivalent to carbon reduction, so as to achieve the Company's sustainable development and carbon reduction goals. Continuously improve production process, replace old equipment, improve production efficiency and quality to reduce production cost, and actively trial production of niche products. Actively improve work safety and environmental protection, and promote process safety management to ensure the safety of plant and operating environment.

Corporate Social Responsibility:

The Company continues to promote sustainable development, actively responds to energy conservation and carbon reduction policies of the government, conducts strategic planning of green electricity, conducts efficiency testing and energy-saving measures discussion for major energy-consuming equipment, and adopts a new afforestation plan of 5 hectares in cooperation with the Experimental Forest of Taiwan University. This year, we obtained the product carbon footprint verification statement and water resource efficiency management certificate. We will continue to promote process safety management and strive to ensure public safety. In terms of social welfare, in addition to participating in public welfare and epidemic prevention related activities, and providing local job opportunities, through USI Education Foundation, we support education for disadvantaged rural residents and caring for the environment, by setting up scholarships and grants for colleges and universities, sponsoring educational public welfare organization, and sponsoring service association activities in colleges and universities. In terms of

employee care, the Company has been certified as a sports enterprise by the Sports Administration for four consecutive years to strengthen employee health management.

Research and Development:

Continue to optimize the production process of annular block copolymers of optical grade materials to improve raw material quality and performance, and develop new high heat resistance specifications to target electronic applications and other high heat demand applications. The Company continued to expand the market application of high VA EVA products to inks, shoe foaming, and wires and cables. High MI HDPE raw materials have been stable produced, and have been ordered and shipped in injection molding and other processing applications. Continuous process improvement and quality improvement have been carried out for existing PE products, which have been gradually promoted to the optical application market. Develop heat-resistant ABS products to reduce rubber consumption and improve the particle size concentration and preservation of EPS products. Advanced vehicle, data center, AI, industry, medical treatment, aviation, 5G, Internet of Things, and other applications continue to develop, continue to cooperate with this market context, actively develop related products. In the automotive electronics market, due to the rise of the electric vehicle market, the market demand for passive components has increased significantly. In terms of electricity, there are charging piles, on-board chargers and DC power converters. In terms of sensors, there are keyless sensor antenna stick tire pressure detector and Internet of vehicles. After years of hard work, it is growing continuously.



Comprehensive Annual Operating Performance:

Operating conditions of the year, due to rising raw material costs, product spreads decreased and profit decreased. The consolidated net operating income from the Company's businesses was NT\$ 5.74 billion, an decrease of 55% from the previous year, with the budget achieving rate of 85%. In addition, the consolidated net loss, including joint venture losses using the equity method, amounted to NT\$5.04 billion.

Overview of 2023 Business Plan and Strategic Planning for Future Development:

Looking ahead to 2023, the uncertainty caused by monetary policy tightening and economic slowdown due to higher inflation remains high, and the market's expectations for future economic conditions are not optimistic. In terms of PE/EVA products, the Company will strive to seek stable low price ethylene material sources, reduce production costs, strive to improve product quality and technical services, develop differentiated products, and strengthen the development of markets outside the mainland to diversify risks. In addition to increasing the proportion of direct customers, ABS and GPS have increased the proportion of sales in markets other than mainland China and Hong Kong, and EPS has the main goal of selling all the production; at the same time, we will continue to control the inventory of raw materials and finished products to avoid market fluctuations and affect operational performance. Global inflation is peaking, the impact of geopolitical conflicts is fading, and the demand after the opening-up of mainland China is optimistic. The PVC market has been improving since last December. In the future, it is expected that mainland China will continue to relax restrictions on house purchase, ensure corporate financing and accelerate rural construction. The expansion of infrastructure and energy industry investment in emerging markets, are conducive to the positive development of PVC/VCM market. Make good use of the vertical integration mechanism and active and effective management, implement the improvement of industrial safety

and environmental protection and fulfill the corporate social responsibility, create and expand the niche to maximize the operating performance, and strive for the maximum profit space with the overall planning of the industrial chain. It is expected to achieve an annual sales volume of 365,000 tons for PE/EVA products, 520,000 tons for the Vinyl series and the downstream processed products, and 413,000 tons for ABS/PS products. With constant launch of new applications, the electronics industry abounds with emerging opportunities. Given this, along with its efforts in sharpening the competitive edge of the ferrite core business and in actively developing new business, the Company hopes to continue the growth and progress and generate better profits. Due to the rapid development of electric vehicles, the market application of SiC has gradually developed. All countries in the world have listed SiC as a strategic key material, and Taiwan has also listed the material as a policy development project. The Company has made certain progress in the development of high-purity SiC powder, whose sales continue to grow, and will upscale production and sales in line with the development of markets, e.g., the electric vehicle market and PV solar photoelectricity market. The Company will also actively develop the application market for high-purity SiCC ceramic products to prepare for the next new opportunity. In addition to its commitment to developing high value-added products, the Company also continuously strives to ensure product quality and service advantage, make good use of vertical integration, actively engage in effective management and enhance product competitiveness to enable the sustainable development and growth of the Company.

I would like to express my utmost gratitude to all our beloved shareholders for your continuous support and encouragement for the Company. I wish everyone good health and all the best.

Chairman

Wu, Yi-Gui



General Manager

Pei-Chi Wu





Chapter 2. Company Profile

I. Date of Founding

The Company was founded on May 26, 1965.

II. Company history:

1. The Company's current capital is NT\$11.9 billion, with over 100,000 shareholders and 400 employees. Since 1972, the Company has been listed on the Taiwan Stock Exchange.
2. The main business of the Company is to design, develop, manufacture and sell polyethylene (PE) plastic pellets. The Company's head office and factory are located in Renwu District, Kaohsiung. The Company's main products are divided into four kinds: low density polyethylene resin (LDPE), ethylene-vinyl acetate resin (EVA), high density polyethylene resin (HDPE), linear low density polyethylene resin (LLDPE). Polyethylene plastic pellets are processed by downstream manufacturers to produce a wide range of plastic products for everyday use.
3. At the beginning of our founding, the Company was a wholly-owned subsidiary of National Distillers and Chemical Corporation (NDCC) from the United States of America. The Company built Taiwan's first ever LDPE plant in the Kaohsiung area, where production started in May 1968. After consecutive expansions and the addition of EVA production lines, the current production capacity of the plant stands at 150,000 metric tons per annum.
4. In July 1980, the Company merged with United Polymers Corporation and added the production and sale of HDPE, thus having an annual production capacity of 80,000 metric tons.
5. In December 1989, the Company's LLDPE plant was completed. In addition to LLDPE, the plant was also designed to produce HDPE. The annual production capacity of the second plant stands at approximately 130,000 metric tons.
6. The primary raw material for the Company's product is ethylene, which is supplied by the third, fourth and fifth naphtha cracking plants owned by CPC Corporation.
7. On November 15, 1982, NDCC sold all its shares in the Company (approximately 43% of the total shares issued) to a Hong Kong company, Shing Lee Enterprises Limited.

8. The Company set up a research and development (R&D) division in Linkou, Greater Taipei, which serves as an independent R&D center. Due to its outstanding performance, the Company was awarded the top prize in the consumer petrochemical category during the 4th National Industrial Innovation Award organized by the Ministry of Economic Affairs on December 18, 1995.
9. Since March 1, 1997, the Company participated in the management of China General Plastics Corporation (CGPC) via indirect investment, thereby expanding our scope of business and creating the synergistic effect of resource integration. Furthermore, the Company is also actively diversifying our investments in various sectors, including electronics, materials, finance, venture capital, and others, to enhance our profitability.
10. In September 1997, CGPC subscribed to NT\$800 million worth of new shares issued by Taiwan VCM Corporation (TVCM), thus achieving an actual shareholding ratio of 87.22% in the company.
11. In March 1998, our plant successfully obtained its ISO 14001 certification. On March 10, 1999, the Company won the Outstanding Plant Award in the 1998 Pollution Control Assessment by the Environmental Protection Administration under the Executive Yuan. The Company's mission is to provide excellent products and services and satisfy customer needs. Through total quality management, as well as environmental, safety and health management, the Company is committed to enhancing operating performance to gain a competitive advantage.
12. In May 2000, Taita Chemical Company (TTC) completed the first EPS production line at its Zhongshan plant in Mainland China. The second production line was completed in October of the same year, and went into production smoothly.
13. In June 2000, Acme Electronics Corporation (ACME) established Acme Electronics (Cayman) Corp. in the Cayman Islands, with a shareholding ratio of 21.05%, and invested in Acme Electronics (Kunshan) Co., Ltd. through Acme Electronics (Cayman) Corp.
14. In July 2000, Acme Electronics (Kunshan) Co., Ltd. successfully obtained a business license, and began the construction of its plant. The plant went into production in July 2001.
15. In March 2001, the Company obtained OHSAS 18001 certification, and in May 2020, the Company converted the version and completed ISO 45001 certification.



16. In May 2001, the trial run for the new GPS/IPS NOVA production process was completed at TTC's Cianjhen plant with an annual production capacity of 100,000 metric tons, and the plant went into production smoothly.
17. USI Management Consulting Corporation (UM), which was founded in 2001, is responsible for implementing a common platform for the Group's administration, industrial relations, information engineering, finance and accounting operations in order to enhance the synergistic effect of resource integration through common service functions in our group.
18. In December 2002, the Company converted our ISO 9002 certification to ISO 9001 certification.
19. In response to the promotion of the use of electronic systems by the Industrial Development Bureau, the Company set up an electronic e-service system for the petrochemical industry in 2003.
20. In October 2004, the third EPS production line at TTC's Zhongshan plant in Mainland China was completed, thus increasing its production capacity to 150,000 tons.
21. In November 2004, Acme Electronics Corporation invested 100% in Acme Electronics (Guangzhou) Co., Ltd. via a company established in a third region, namely Golden Amber Enterprises Ltd.
22. In September 2005, TTC completed the construction of its EPS plant in Tianjin, Mainland China. A production trial run was also completed in October in the same year. Its production capacity is 100,000 metric tons.
23. In March 2006, the Company invested in USI Trading (Shanghai) Co., Ltd. via Swanlake Traders Ltd. This company was then transferred to Asia Polymer Corporation (APC) on October 19, 2016.
24. In March 2008, ACME presented the outcome of the New Leading Sapphire Product Development Guidance Program.
25. In the third quarter of 2008, TTC completed the debottlenecking project at its Cianjhen plant, and its Zhongshan plant in Mainland China, thus increasing the production capacity at each plant to 66,000 tons and 180,000 tons respectively.
26. In May 2009, CGPC established a wholly-owned subsidiary known as CGPC Polymer Corporation, with a registered capital of NT\$800 million. A PVC powder plant with an annual production capacity of 170,000 tons was built in Linyuan Industrial Park, Kaohsiung. The plant officially began operations in February 2012.
27. In December 2009, ACME acquired Acme Components (Malaysia) Sdn. Bhd. via Acme Electronics (Cayman) Corp.

28. In 2010, the Company engaged in capital increase by earnings and issued 120 new shares for every one thousand shares owned, thus issuing 92,568,379 shares in total. The Company's paid-in capital after the capital increase was NT\$8,639,715 thousand.
29. In June 2010, the Company won the Excellence Award in the 2009 Excellent Unit for the Promotion of Labor Health and Safety organized by the Ministry of Labor under the Executive Yuan.
30. In October 2010, ACME divested its Sapphire business and transferred this business to its wholly-owned subsidiary, USI Optronics Corporation to implement organization restructuring and specialization, thereby enhancing competitiveness and operating performance.
31. In 2011, the Company engaged in capital increase by earnings and issued 150 new shares for every one thousand shares owned, thus issuing 129,595,731 shares in total. The Company's paid-in capital after the capital increase was NT\$ 9,935,673 thousand.
32. In June 2011, the Company won the Excellence Award in the 2010 Excellent Unit for the Promotion of Labor Health and Safety organized by the Ministry of Labor under the Executive Yuan.
33. In December 2011, the Company's Board of Directors decided to invest NT\$ 3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons at the Kaohsiung plant. The production line went into production in 2016.
34. In December 2011, APC's Board of Directors decided to invest NT\$ 3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons at its Linyuan plant. The production line went into production in 2016.
35. In 2012, the Company engaged in capital increase from earnings and issued 150 new shares for every one thousand shares owned, thus issuing 149,035,091 ordinary shares in total. The Company's paid-in capital after the capital increase reached NT\$11,426,024 thousand.
36. In March 2013, the Company's Board of Directors decided to invest NT\$2.7 billion in building a cyclic block copolymer production plant.
37. In November 2013, the Company's Board of Directors decided to establish USIG (Shanghai) Co., Ltd. ("USIG") through investment.
38. In February 2014, the Company's Board of Directors decided to invest indirectly in the production of petrochemical-related products in Gulei Petrochemical Industrial Park located in Zhangzhou City, Fujian, Mainland China via the investment by a company established in a third region.

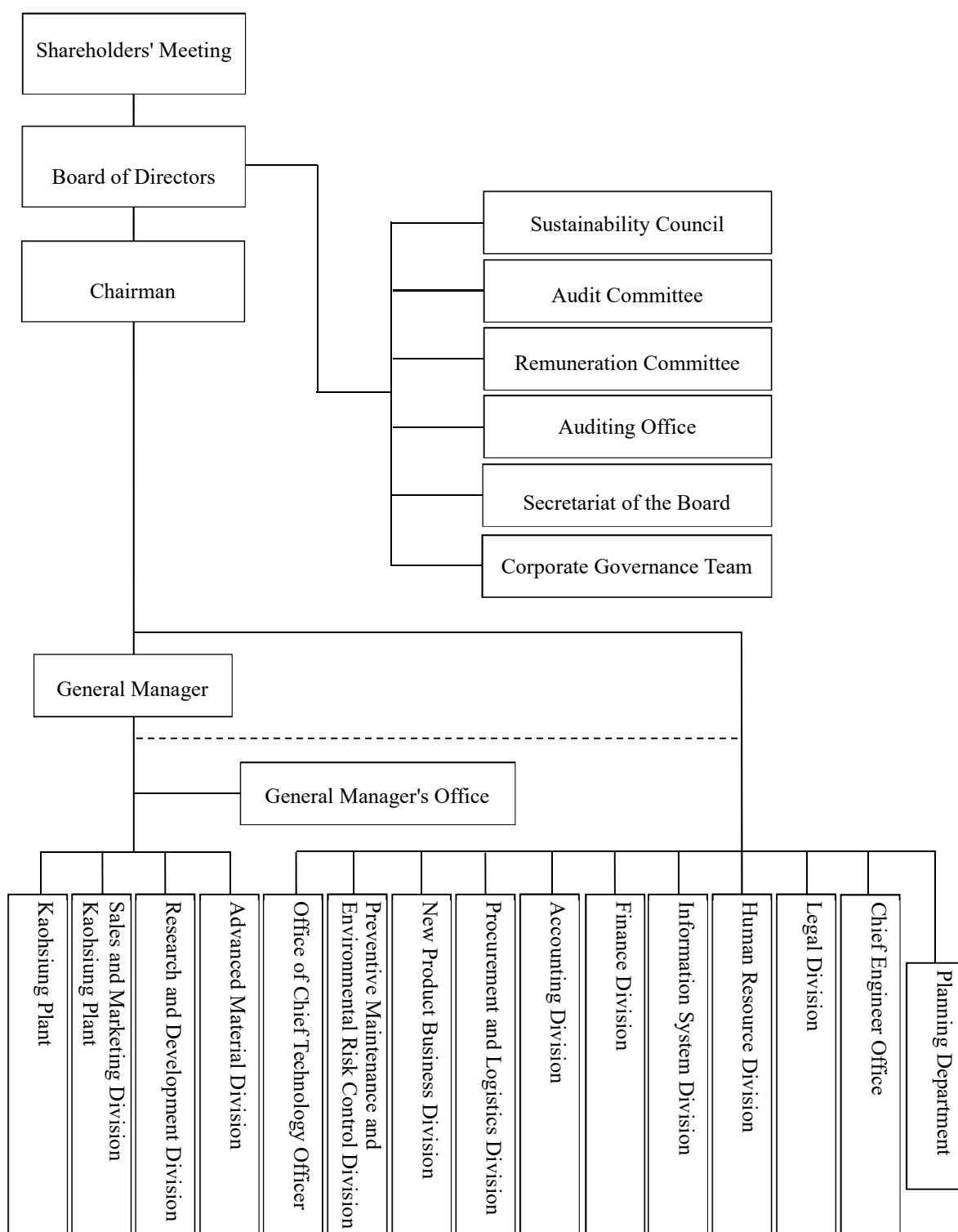


39. In March 2014, the Company's Board of Directors decided to establish INOMA Corporation via a joint venture.
40. On August 30, 2016, the Ministry of Economic Affairs approved the change of the Company's registered address to No. 330, Fengren Road, Renwu District, Kaohsiung City.
41. In November 2016, the Company indirectly invested in the establishment of Fujian Gulei Petrochemical Co., Ltd. for the production of petrochemical-related products at Gulei Petrochemical Park located in Zhangzhou, Fujian, China.
42. In 2017, the Company engaged in capital increase by earnings and issued 20 new shares for every one thousand shares owned, thus issuing 22,852,047 ordinary shares in total. The Company's paid-in capital after the capital increase was NT\$11,654,544 thousand.
43. In 2018, the Company engaged in capital increase by earnings and issued 20 new shares for every one thousand shares owned, thus issuing 23,309,088 ordinary shares in total. The Company's paid-in capital after the capital increase was NT\$11,887,635 thousand.
44. In August 2020, the board of directors of the Company decided to indirectly invest in and establish Zhangzhou Taiju Trading Co., Ltd., which has completed the establishment registration in March 2022, in Fujian, Mainland China via its wholly-owned subsidiary, Swanlake Traders Ltd. and APC(BVI) Holding Co., Ltd. with an investment ratio of 70%:30%.
45. In order to implement sustainable development and energy saving and carbon reduction, the Company acquired USI Green Energy Corporation / USIGE through investment by the board of directors in July 2021, and engaged in green power generation with the Company.

Chapter 3. Corporate Governance Report

I. Organization System

(I) Organization Chart: March 31, 2023





(II) Responsibilities and Functions of Major Divisions

Unit	Main Responsibilities
General Manager	Responsible for the Company's overall operations
Advanced Material Division	<ol style="list-style-type: none"> 1. Plan and develop high value-added products. 2. Responsible for CBC-related businesses and focus on marketing strategies and market development. 3. Coordination of fireproof materials and coating-related businesses. 4. Integrate the Group's resources and green environmental protection building materials planning and development.
Kaohsiung Plant	Responsible for matters related to manufacturing, research and development (R&D), storage, quality control, coordinating transportation of company products and maintenance of plant equipment, work safety and environmental protection
Office of Chief Technology Officer	Responsible for integrating product R&D and innovation at each affiliated company.
Research and Development Division	<ol style="list-style-type: none"> 1. Optimize research and production process of new product and new technology. 2. Client technical support and quality service assistance. 3. New application market for products development.
Sales and Marketing Division	<ol style="list-style-type: none"> 1. Sale products. 2. Market analysis and product promotion. 3. Customer service. 4. Accept and deal with customer complaints.
Procurement and Logistics Division	<ol style="list-style-type: none"> 1. Purchase and audit major capital expenditures including bulk raw materials, machinery and equipment. 2. Plan the supervision and execution of trading and transportation, warehousing and customs-related operations.
Accounting Division	<ol style="list-style-type: none"> 1. Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies. 2. Establishment, evaluation and implementation of accounting systems. 3. Planning and reporting of various taxes 4. Regular announcement or reporting of financial performance.
Finance Division	<ol style="list-style-type: none"> 1. Capital dispatch and foreign exchange management. 2. Financing planning and financial investment. 3. Product insurance and claims. 4. Customer credit and risk control. 5. Shareholder affairs and compliance. 6. Financial project planning and implementation.
Information System Division	<ol style="list-style-type: none"> 1. Plan, build, develop and manage various information systems and facilities at the Company. 2. Plan and implement the information security system, including five aspects of network security architecture: identification, protection, detection, response, and recovery.
Legal Division	<ol style="list-style-type: none"> 1. Review of contracts and legal documents. 2. Handling of legal disputes. 3. Research on special legal issues. 4. General legal advice. 3. Other legal matters.
Human Resource Division	<ol style="list-style-type: none"> 1. Undertake the Group's vision and strategic objectives, and plan the Group's human resources strategy and system. 2. Plan and conduct annual training programmes to cultivate professionals at all ranks. 3. Manage talent recruitment and appointment, promote campus talent recruitment and industry-school cooperation internship. 4. Develop and promote strategic payroll management system and set up payroll operation center. 5. Manage annual promotion, salary adjustment and year-end bonus. 6. Conduct trade union relations and comply with labor laws. 7. Assist overseas branches in organizational planning, as well as dispatch and training of personnel. 8. Provide employee services and handle general affairs.
Chief Engineer Office	<ol style="list-style-type: none"> 1. Assist and participate in the construction of new plants, or deal with such constructions entirely. 2. Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such projects entirely. 3. Integration of engineering personnel and engineering specifications.

Unit	Main Responsibilities
New Product Business Division	<ol style="list-style-type: none"> 1. Assist in formulating marketing strategies for new businesses, and establish appropriate business models. 2. Responsible for developing new products or acquiring new customers to increase revenue. 3. Integrate company resources and generate synergy so as to enhance the successful development of new businesses.
Preventive Maintenance and Environmental Risk Control Division	<ol style="list-style-type: none"> 1. Assist the Group in establishing preventive maintenance systems at all plants 2. Improve and enhance existing equipment 3. Equipment fault management and prevention 4. Routine/non-routine audit, counseling and training 5. Environment risk management planning and technical supervision. 6. Plan and promote compliance with laws related to energy conservation and carbon reduction, and establish related systems.
Planning Department	<ol style="list-style-type: none"> 1. Develop and propose product trees, according to markets for current products and products to be invested in the future, as well as the technical strengths and weaknesses of such products, for future planning and development. 2. Track and analyze the macroeconomy. 3. Track and analyze upstream industries and future competitors. 4. Coordination and follow-up of various projects.
Auditing Office	<ol style="list-style-type: none"> 1. Implement internal audit and improve work flows in the Company. 2. Evaluate the soundness and reasonableness of the Company's internal control systems, as well as the effectiveness of their implementations at all departments and divisions.
Secretariat of the Board	<ol style="list-style-type: none"> 1. Plan and handle matters related to Board of Directors' meetings. 2. Handle matters related to Shareholders' meetings such as convening Shareholders' meetings, dealing with various announcements and reporting associated with Shareholders' meetings, preparing agenda handbooks and keeping information regarding shareholders presence at Shareholders' meetings in accordance with the law. 3. Assist in promoting and handling the administrative orders of the competent authorities.
Remuneration Committee	<ol style="list-style-type: none"> 1. The Committee evaluates the remuneration policy and system of the Directors and managers objectively and make suggestions to the Board of Directors accordingly for policy-making reference. 2. The Committee adopts a comprehensive remuneration management system to encourage managerial officers to perform their duties for business operations, improve management performance, core competitiveness, and short, mid, and long-term profitability and create value for shareholders.
Audit Committee	<ol style="list-style-type: none"> 1. Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2. Stipulate or amend procedures for acquiring or disposing of assets, derivatives trading, provision of capital loans to other parties, the provision of endorsements or guarantees to other parties, and other major financial activities. 3. Major assets or derivative trading. 4. Major loaning of funds, making of endorsements or provision of guarantees. 5. Appointment, dismissal and compensation of CPAs. 6. Review the financial report stamped with the seal of the Chairman, manager and principal accounting officer. 7. Other major items required by the Company or the competent authority.
Sustainability Council	<ol style="list-style-type: none"> 1. Agree on sustainable development policies. 2. Agree on sustainable development strategic plan, annual plan and project plan. 3. Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation. 4. Review the Sustainability Report. 5. Annual report to the Board of Directors on the annual results of sustainable development. 6. Other matters to be conducted by the Committee per board resolution.
Corporate Governance Team	<ol style="list-style-type: none"> 1. Formulate corporate governance policies and coordinate the corporate governance evaluation. 2. Implement corporate social responsibility and compile sustainable reports. 3. Implement the internal control system and ISO 9001 quality management system. 4. Plan and set up knowledge management system of each department. 5. Supervise the company registration and change registration in accordance with the law. 6. Supervise and assist the Board of Directors and the Shareholders' Meetings to handle the meeting minutes according to law and assist the Company to comply with the relevant laws and regulations of the Board of Directors and the Shareholders' Meeting. 7. Coordinate with related units to provide Independent Directors and Directors with information required for the exercise of their duties and arrange courses for Directors in accordance with law. 8. Supervise and coordinate the relevant units to handle matters related to investor relations in a timely manner.

II. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of various departments or branches:

(I) Composition of the Board of Directors

1. Information of members of the Board of Directors

April 2, 2023; Unit: Shares

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experience (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)			Title	Name	Relationship	
Chairman and CEO	Hong Kong	Shing Lee Enterprises (Hong Kong) Limited	—	2020.06.12	3 years	1982.12.02	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	Chairman of USI	(Note 7)	Director	Yu, Ching- Shou	In-law	(Note 5)
	Taiwan (R.O.C.)	Representative: Wu, Quintin	Male 71-75 years old			1982.12.02 (Note 6)	—	—	113,122	0.01%	—	—	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	2020.06.12	3 years	2020.06.12	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	Bachelor of Engineering, Kyushu University (Japan)	Director: Shing Lee Enterprise (Hong Kong) Limited, Union Polymer Int'l Investment Corp., Ever Victory	Chairman	Wu, Yi- Gui	In-law	
	Hong Kong	Representative: Yu, Ching-Shou	Male 91-95 years old			1982.12.02	—	—	0	0%	12,500,000	1.05%	0	0%						
Director	Taiwan (R.O.C.)	Asia Polymer Corporation	—	2020.06.12	3 years	2020.06.12	101,355,673	8.53%	101,355,673	8.53%	—	—	0	0%	(Note 8)	Director: INOMA Corporation	No	No	No	
	Taiwan (R.O.C.)	Representative: Kao, Che-I	Male 81-85 years old			2017.06.08	—	—	0	0%	0	0%	0	0%						
Director	Taiwan (R.O.C.)	(Taifa Chemical Company, Ltd.)	—	2020.06.12	3 years	2020.06.12	15,109,901	1.27%	15,109,901	1.27%	—	—	0	0%	Bachelor of Electrical Engineering, National Taiwan University (Taiwan); General Manager at Taiwan VCM Corporation; General Manager at Asia Polymer Corporation; General Manager at USI Corporation	Supervisor: Taiwan VCM Corporation	No	No	No	
	Taiwan (R.O.C.)	Representative: Huang, Kuang-Che	Male 81-85 years old			2008.06.13	—	—	125,000	0.01%	0	0%	0	0%						
Director and General Manager	Taiwan (R.O.C.)	(Taifa Chemical Company, Ltd.)	—	2022.09.23	8 months	2020.06.12	15,109,901	1.27%	15,109,901	1.27%	—	—	0	0%	(Note 9)	(Note 10)	No	No	No	
	Taiwan (R.O.C.)	Representative: Wu, Pei-Chi	Male 56-60 years old			2022.09.23	—	—	0	0%	0	0%	0	0%						
Director and General Manager	Taiwan (R.O.C.)	(Taifa Chemical Company, Ltd.)	—	2020.06.12	-	2020.06.12	15,109,901	1.27%	15,109,901	1.27%	—	—	0	0%	(Note 12)	No	No	No	No	
	Taiwan (R.O.C.)	Representative: Wang, Ke-Shun (Note 11)	Male 56-60 years old			2018.04.25	—	—	As of the publication date of the annual report, Mr. Wang, Ke-Shun is no longer the director and general manager of the company											
Director	Hong Kong	Shing Lee Enterprises (Hong Kong) Limited	—	2020.06.12	3 years	1982.12.02	173,776,546	14.62%	173,776,546	14.62%	—	—	0	0%	(Note 13)	(Note 14)	No	No	No	
	Taiwan (R.O.C.)	Representative: Wu, Hung Ting	Male 36-40 years old			2020.06.12	—	—	50,418	0%	2,973	0%	0	0%						



Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares held when elected		Number of shares currently held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experience (Note 4)	Titles also held in the Company and other companies.	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark (Note 5)
							Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)			Title	Name	Relationship	
Independent Director	Taiwan (R.O.C.)	Chen, Chung	Male 71-75 years old	2020.06.12	3 years	2014.06.06	0	0%	0	0%	0	0%	0	0%	(Note 15)	(Note 16)	No	No	No	
Independent Director	Taiwan (R.O.C.)	Tu, Tzu-Chun	Male 61-65 years old	2020.06.12	3 years	2019.06.12	0	0%	0	0%	0	0%	0	0%	(Note 17)	(Note 18)	No	No	No	
Independent Director	Taiwan (R.O.C.) U.S.	Hai, Ying-Chun	Male 71-75 years old	2020.06.12	3 years	2014.06.06	0	0%	0	0%	0	0%	0	0%	(Note 19)	(Note 20)	No	No	No	

Note 1. For institutional shareholders, their names and representatives should be stated (for representatives, the names of institutional shareholders they represent should be indicated respectively), and filled in Table 1.

Note 2. Please list the actual age, and express it in interval mode, such as 41-50 years old or 51-60 years old.

Note 3. Any disruption of duty as a director or supervisor after the date they are elected should be included in a separate note.

Note 4. Work experiences of any individual in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 5. If the Chairman, General Manager, or personnel with an equivalent position (top-level manager) are the same person, spouses, or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the Directors not serving as employees or managerial officers concurrently) shall be addressed.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 6. From February 17, 1992 to May 18, 1993, institutional shareholder Shing Lee Enterprise (Hong Kong) Limited experienced a disruption of duty as a Director because the representative of the company was replaced.

Note 7. Chairman: APC, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USIFE Investment Co., Ltd., CGPC Polymer Corporation, APC Investment, Taiwan United Venture Capital Corp., USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics (Kunshan) Co., Ltd., Golden Amber, ACME (Kunshan), ACME (Guang-Zhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-SWANSON (KUNSHAN), Acme Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai), PT. Swanson Plastics Indonesia, USIGE, ZTC, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group.

General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: USI Corporation, Asia Polymer Corporation, China General Plastics Corporation, Taita Chemical Company Limited, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 8. Department of Chemical Engineering, National Taiwan University; PhD in Chemical Engineering, Perdue University; Chief Scientist, Dow Chemical; Senior Consultant and Expert, Industrial Technology Research Institute (Chairman Office); Senior Advisor, Chi Lin Technology Co., Ltd.

Note 9. General Manager, Thermosetting Materials Business Unit, Asia Pacific, Dow Chemical Company; Sales Director, Basic Plastics, Greater China; Sales Engineer, ESSO Taiwan Branch.

Note 10. Chairman: USIGE, Taita Chemical (Zhongshan), Taita Chemical (Tianjin), USIT (Shanghai), Zhangzhou Taita, USIG (Shanghai), and Zhangzhou Taiju.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., Asia Polymer, USI, CGPC, CGTD, USIFE Investment, APC Investment, CLT, Swanson Plastics, STC, INOMA, USI Education Foundation, TUVU, UPIIC, UM, ACME (Kunshan), Fujian Gulei Petrochemical, USIO, and USI (Hong Kong).

General Manager: USI, Taita, Asia Polymer, CLT, USI (Shanghai), and USIG (Shanghai).

Note 11. The corporate shareholder of Taita Chemical Company, Ltd. / TTC appointed Mr. Wu, Pei-Chi as the representative on September 23, 2022 to replace the former representative Mr. Wang, Ke-Shun as the director. The information on Mr. Wang, Ke-Shun has been disclosed until the date of the replacement.

- Note 12. Master of Business Administration, Andrews University, Michigan (U.S.A.); Bachelor of Chemistry, National Tsing Hua University (Taiwan); and General Manager, China Petrochemical Development Corporation
- Note 13. Master of International Business Administration, Antai College of Economics & Management, Shanghai Jiao Tong University; analyst at Yuanta Securities Investment Consulting Co., Ltd.; Legal Affairs Manager and Financial Affairs Manager of Aetas Technology Inc.
- Note 14. Founder and CEO of Foxli Networks (Shanghai) Technology Co., Ltd.; Director of Oak Analytics; Initial capital investor of Bloominous, Inc..
- Note 15. Masters of Law, National Taiwan University (Taiwan); Office of the President (Taiwan); President of the Executive Yuan, Taiwan (R.O.C.); Vice President of the Executive Yuan, Taiwan (R.O.C.); Chairman of the Financial Supervisory Commission under the Executive Yuan, Taiwan (R.O.C.); Chairman of the Taiwan Stock Exchange; Deputy Minister of the Minister of Finance, Taiwan (R.O.C.); Director General of Finance Bureau, Ministry of Finance, Taiwan (R.O.C.); Director General of Insurance Bureau, Ministry of Finance, Taiwan (R.O.C.); and Chairman of Taiwan Cooperative Bank.
- Note 16. Chair Professor at School of Law and School of Business, Soochow University (Taiwan).
Chairman: The Appacus Foundation and the Prospect Foundation.
Director: Lien Hwa Industrial Corporation and Union Petrochemical Corporation.
- Note 17. Ph.D., School of Forestry and Resource Conservation, National Taiwan University; Minister of the Ministry of Economic Affairs, Chairman of National Development Council; Vice Premier, Executive Yuan; and Adjunct Associate Professor, Department of Business Administration, Soochow University.
- Note 18. Consultant, Institute of Taiwan Electrical and Electronics Manufacturers' Association; Highest Consultant, Taiwan Transportation Vehicle Manufacturers Association; Highest Consultant, National Federation of Industries; a member and Chairman, the Industrial Development & Investment Promotion Committee of Taoyuan.
Director: Shinfox Energy Co., Ltd.
Independent Director: Macronix International Co., Ltd. and CDIB Capital Group
- Note 19. Master of International Business Management, University of Texas at Dallas; Vice Chairman and Chief Executive Officer, Delta Electronics, and Chairman, Business Strategy Management Committee; General Manager, GE Capital Taiwan.
- Note 20. Chairman: Delta Electronics.
Director: Delta Networks, Inc., Delta Capital Co., Ltd., Cytotec Co., Ltd., CTCI, and Delta Electronics (Shanghai) Co., Limited.
Independent Director: Taiwan Semiconductor Manufacturing.
Functional Committees: Chairperson of Delta Electronics Sustainability Committee, Member of Chin-Poon Industrial Sustainability and Net Zero Committee, Member of TSMC Audit and Risk Committee, Member of Compensation and Talent Development Committee, Member of Nomination, Governance and Sustainability Committee.
Other organizational positions: Taiwan Climate Change Alliance Chairman, Board member of the Taiwan Institute for Sustainable Energy, Advisor to the Taiwan Cloud Computing & IoT Association, Director of the Delta Electronics Foundation, Director of the Zhang Xin-Qi Memorial Foundation for Business and Management Education, Director of the Chiang Ching-kuo Foundation for International Scholarly Exchange and member of its finance committee.
Honors: Academician of the Industrial Technology Research Institute (ITRI)

2. Major shareholders of institutional shareholders

April 2, 2023

Name of corporate shareholder (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
Shing Lee Enterprises (Hong Kong) Limited	XANADU INTERNATIONAL. CO.,LTD.	27.27%
	SILVER HERO VENTURES LTD.	18.18%
	SOCIAL LUCKY INT'L INVESTMENT LTD.	18.18%
	RICH GRADE HOLDINGS LTD.	18.18%
	ASIA DYNAMIC OVERSEAS LTD.	10.61%
	BEST PERSPECTIVE OVERSEAS LTD.	7.58%
Asia Polymer Corporation	Union Polymer Int'l Investment Corp.	36.08%
	Chunghwa Post Co., Ltd.	2.39%
	Taiwan Union International Investment Corporation	1.99%
	JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	0.93%
	JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund Company	0.90%
	(China General Terminal & Distribution Co.)	0.89%
	Prudential International Insurance Holdings, Ltd.	0.84%
	TransGlobe Life Insurance Inc.	0.64%
	Taiwan Life Insurance Co., Ltd.	0.57%
	Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment	0.55%
(Taita Chemical Company, Ltd.)	Union Polymer Int'l Investment Corp.	36.79%
	Taiwan Union International Investment Corporation	2.23%
	(China General Terminal & Distribution Co.)	0.57%
	Chien Shing Stainless Steel Co., Ltd.	0.53%
	Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment	0.45%
	Lin, Tse-Tien	0.43%
	USIFE Investment Co., Ltd.	0.36%
	Huang Kuo -Hsing	0.34%
	The new labor pension fund has entrusted Fubon Investment special account for the second time in 2020	0.34%
	Citi (Taiwan) commercial bank is entrusted with the custody of special account for the sub-fund in emerging market microfunds of DFA Investment Trust Company.	0.24%

Note 1. For directors whose representatives are institutional shareholders, the name of these representatives should be filled.

Note 2. Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, his/her name should be filled in Table 2 below.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders (refer to the announcement of Judicial Yuan) shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio). If the donor has passed away, a note of "deceased" should be added.



3. Institutional shareholders whose major shareholders are juristic persons

April 2, 2023

Name of Institutions (Note 1)	Major Shareholders of the Institution (Note 2)	
SILVER HERO VENTURES LTD.	JEFFREY WU	90%
SOCIAL LUCKY INT'L INVESTMENT LTD.	WU, I-KUANG	100%
ASIA DYNAMIC OVERSEAS LTD.	SEAQUEST VENTURES INC.	100%
BEST PERSPECTIVE OVERSEAS LIMITED	SEAQUEST VENTURES INC.	100%
XANADU INTERNATIONAL CO., LTD.	WU SHUNG, HUI-CHENG	99%
RICH GRADE HOLDINGS LTD.	WU , CHIAO-FENG	99.99%
Union Polymer Int'l Investment Corp.	USI CORPORATION	100%
Chunghwa Post Co., Ltd.	Ministry Of Transportation and Communications	100%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100%
(China General Terminal & Distribution Co.)	China General Plastics Corporation Asia Polymer Corporation (Taita Chemical Company, Ltd.)	33.33% 33.33% 33.33%
Prudential International Insurance Holdings, Ltd.	Prudential International Insurance Holdings, Ltd.	100%
TransGlobe Life Insurance Inc.	Chung Wei Yi Co. Ltd.	100%
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.	100%
USIFE Investment Co., Ltd.	USI CORPORATION	100%

Note 1. If the major shareholder of institutional shareholders as shown in Table 1 is a juristic person, the name of the juristic person should be filled.

Note 2. Fill in the name of the major shareholders of these institutions (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders (refer to the announcement of Judicial Yuan) shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio). If the donor has passed away, a note of "deceased" should be added.

4. Information regarding members of the Board of Directors

(1) Disclosure of professional qualifications of Directors and Supervisors and independence Information of independent Directors:

March 31, 2023

Criteria Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of companies in which the director or supervisor also serves concurrently as an Independent Director
Wu, Yi-Gui	(1) Currently, he serves as the chairman and chief executive officer of USI and a number of affiliated enterprises. He has professional field of corporate operation management and direct supervision experience of financial supervisor, accounting supervisor, etc. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	N/A	N/A
Yu, Ching-Shou	(1) As a director of the company for many years, he has profound expertise in finance, chemical industry and other fields. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		
Kao, Che-I	(1) He received a Doctor's degree in chemical engineering from Purdue University, and served as chief scientist of Dow Chemical (U.S.A.). He has profound professional experience in chemical engineering. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		
Huang Kuang-Che	(1) He has served as the general manager of the Company and has the chemical industry expertise required by the Company. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		
Wu, Pei-Chi	(1) Currently serving as General Manager for our company, Asia Polymer Corporation and Taita Chemical Company, Ltd with job experience overseeing financial and accounting executives directly. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		
Wu, Hung Ting	(1) Working experience and professional qualifications in legal, financial and other positions. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		
Chen, Chung	(1) He is currently a Chair Professor of Law and Business at Soochow University. He has served as the dean of the administration, the head of the Ministry of Finance and Economics, and the head of the financial sector. He has written extensively on the state of the financial sector and related public policy issues, and has professional experience in strengthening corporate governance and the functioning of the board. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the	0
Tu, Tzu-Chun	(1) He was adjunct Associate Professor in the Department of Business Administration of Soochow University, Vice President of the Executive Yuan and head of the Ministry of Finance and Economics. Currently, he serves as a director of several listed companies, with experience in industrial development planning, industrial technology research and development and management. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	3



Criteria Name	Professional qualifications <u>and experience</u> (Note 1)	Independence situation (Note 2)	Number of companies in which the director or supervisor also serves concurrently as an Independent Director
Hai, Ying-Chun	(1) As the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the board of directors. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		1

(2) Diversity and independence of the Board of Directors:

Diversity of the Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles," diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- Ability to make sound business judgments.
- Ability to perform accounting and financial analysis.
- Ability to manage a business.
- Ability to handle crisis management.
- Knowledge of the industry.
- An international market perspective.
- Leadership skills.
- Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.

The current directors were appointed on June 12, 2020. In order to bring outstanding external talents to the board of directors of the Company and achieve the goal of diversifying the board members, Wu, Hung Ting is the new director. He majored in finance and commercial Law from Boston University School of Business and Management, and has worked as a legal and financial executive in a technology company. It is helpful to improve the quality of board review proposals and achieve the goal of implementing the policy of diversity of board members. In the future, the Company aims to add a director with professional experience in sustainable development to assist the company in implementing

its carbon reduction target and green electricity policy; It is also planned to add a professional in business risk control to enhance the sustainable competitiveness of the company and improve the function of the board of directors.

Independence of the Board of Directors:

None of the three independent directors of the Company has served more than 3 consecutive terms. Two of the directors are foreign nationals and the rest are native nationals. The proportion of composition is 33% of 3 independent directors; 22% of 2 employee directors. Three Directors are aged over 80, three are among 70-79 years old, another one are among 60-69 years old, and the remaining two are 60 years old or under. Except for Wu, Yi-Gui and Yu Ching-Shou, the directors of the Company who are two relatives by marriage, the other directors do not have spouses, immediate family members or relatives within the second degree of kinship.

- Note 1. Professional qualifications and experience: State the professional qualifications and experience of the individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, state their accounting or financial background and work experience, and indicate whether Article 30 of the Companies Act is absent.
- Note 2. For independent director, state the independence criteria, including but not limited to whether the director, the spouse and immediate family members or relatives within the second degree of kinship of the director are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the director, the spouse and immediate family members or relatives within the second degree of kinship of the director (or in the name of others); Whether the director is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Paragraph 5-8, Item 1, Article 3 of the Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed); Amount of remuneration obtained in the last 2 years for providing business, legal, financial, and accounting services to the Company or its affiliated companies.
- Note 3. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.

(II) General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches:

April 2, 2023; Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 2)	Other Positions Held in Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Remark
					Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)	Ordinary Shares Outstanding	Percentage of Ownership (%)			Title	Name	Relationship	
Chief Executive Officer	Taiwan (R.O.C.)	Wu, Yi-Gui	Male	2007.3.22	113,122	0.01%	—	—	0	0%	Chairman of USI	(Note 4)	No	No	No	(Note 3)
General Manager	Taiwan (R.O.C.)	Pei-Chi Wu (Note 5)	Male	2022.9.2	0	0%	0	0%	0	0%	(Note 6)	(Note 7)	No	No	No	
Deputy General Manager	Taiwan (R.O.C.)	Liu, Han-Tai	Male	2009.9.8	0	0%	0	0%	0	0%	PhD in Chemical Engineering, Pennsylvania State University	(Note 8)	No	No	No	
Deputy General Manager of Business	Taiwan (R.O.C.)	Wu, Ming-Tsung	Male	2021.7.1	9	0%	0	0%	0	0%	Master of Chemical Engineering, National Taiwan University (Taiwan)	Directors: USIT (Shanghai), CLT, USIG (Shanghai), Ever Victory Global, Dynamic Ever Investments, and ZTC General Manager: ZTC Deputy General Manager of Business: Asia Polymer	No	No	No	
Corporate Governance Officer	Taiwan (R.O.C.)	Yung-Chih Chen	Male	2019.5.13	0	0%	0	0%	0	0%	(Note 9)	(Note 10)	No	No	No	
Finance Manager	Taiwan (R.O.C.)	Yang Wen-Li	Male	2018.12.6	0	0%	0	0%	0	0%	(Note 11)	(Note 12)	No	No	No	
Accounting Manager	Taiwan (R.O.C.)	Kuo, Chuan-Hua	Female	2015.9.1	0	0%	0	0%	0	0%	Master of Accounting, Tamkang University (Taiwan)	Accounting Manager: Union Polymer Int'l Investment Corp. and USI Management Consulting Corporation	No	No	No	

Note 1. Information regarding General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches should be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or Senior Managers should be disclosed regardless of job title.

Note 2. Work experiences of any individual in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 3. If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 4. Chairman: APC, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USIFE Investment Co., Ltd., CGPC Polymer Corporation, APC Investment, Taiwan United Venture Capital Corp., USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics (Kunshan) Co., Ltd., Golden Amber, ACME (Kunshan), ACME (Guang-Zhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-SWANSON (KUNSHAN), Acme Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai), PT. Swanson Plastics Indonesia, USIGE, ZTC, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group.

General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: APC, CGPC, TTC, ACME, and USIO

Executive Director: Chinese National Federation of Industries

Note 5. General Manager Wang, Ke-Shun Wang, Ke-Shun was relieved of his position on September 2, 2022 and replaced by General Manager Wu, Pei-Chi.

Note 6. General Manager, Thermosetting Materials Business Unit, Asia Pacific, Dow Chemical Company; Sales Director, Basic Plastics, Greater China; Sales Engineer, ESSO Taiwan Branch.

Note 7. Chairman: USIGE, Taita Chemical (Zhongshan), Taita Chemical (Tianjin), USIT (Shanghai), Zhangzhou Taita, USIG (Shanghai), and Zhangzhou Taiji.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., Asia Polymer, USI, CGPC, CGTD, USIFE Investment, APC Investment, CLT, Swanson Plastics, STC, INOMA, USI Education Foundation, TUVV, UPIIC, UM, ACME (Kunshan), Fujian Gulei Petrochemical, USIO, and USI (Hong Kong).

General Manager: Taita, Asia Polymer, CLT, USI (Shanghai), and USIG (Shanghai).

Note 8. Directors: Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, Swanson (Malaysia), CGPC, CGPC (Zhongshan), Taiwan VCM Corporation, Swanson, INOMA, USIGE, ZTC, Taiwan United Venture Capital Corporation, CGTD, STC, ASK-Swanson, Swanson (Tianjin) and Swanson (Kunshan).

Supervisor: Fujian Gulei Petrochemical.

Note 9. PhD in Law, University of Munich, Germany; Arbitrator of Chinese Arbitration Association, Taipei.

Lawyer: Winkler Partners - Attorneys at Law of Taiwan and Foreign Legal Affairs

Note 10. Corporate Governance Officer: CGPC, APC, TTC, and Acme Electronics Corporation.

Director: CGPC (Zhongshan), ACME (Kunshan), and ACME (Guang-Zhou).

Independent Director: Manzai Industrial Co. Ltd.

Supervisor: Union Polymer, ZTC, USIG (Shanghai), CLT, INOMA, USIGE, USIO, Swanson, Swanson (Kunshan), Swanson (Tianjin), ASK-Swanson, USIFE Investment, APC Investment, Taiwan United Venture Capital Corporation, TUVV, Delmind Inc., Global Green Technology Corporation, CGPC CONSUMER PRODUCTS CORPORATION / CGPC (CP), Cerebra Technologies Co., Ltd., and FiduciaEdge Technologies Co., Ltd.

Note 11. Master of Accountancy and Information Systems, Cleveland State University; Senior Vice President, Chief Financial Officer, and Spokesperson, Apex Medical Corp.; Executive Assistant to CEO of Primax Electronics Ltd. and Vice President of US subsidiary; CPA(USA).

Note 12. Director: CGPC (BVI), Forever Young, Swanlake, Taita (BVI), USI International, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corp., Ever Victory Global, Dynamic Ever Investments, TTC (Zhongshan), Taiwan Highpolymer Corp. (Zhongshan), CGPC (Zhongshan),

Zhangzhou Taita Chemical, and USI Management Consulting Corporation.

Supervisor: USI (Shanghai), Fujian Gulei Petrochemical, Zhangzhou Taiji, ACME (Kunshan), and PT. Swanson Plastics Indonesia.



(III) If the Chairman, General Manager, or personnel with an equivalent position (top-level manager) are the same person, spouses, or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the Directors not serving as employees or managerial officers concurrently) shall be addressed.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency.

More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainability Council, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

III. Remuneration Paid to Directors (Including Independent Directors), Supervisors, General Manager, and Deputy Manager During the Most Recent Fiscal Year

- I. If any of the following applies to a Company, the name of the Director or Supervisor involved and the remuneration paid to him/her shall be disclosed. For the remaining Directors or Supervisors, the Company may opt to either disclose information in aggregate remuneration with their names indicated in each numerical range or disclose their names and method of remuneration individually (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration):
- (I) The name and remuneration of the "directors and supervisors" should be disclosed individually if pre-tax losses have been recorded in its parent company-only or individual financial statements in the most recent three (3) fiscal years. However, the preceding sentence shall not apply if the company's parent company-only or individual financial statements in the most recent fiscal year indicates a net income after taxes which is sufficient to cover cumulative losses [Note 1].
 - (II) A company with directors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual directors. A company with supervisors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual supervisors [Note 2].
 - (III) A company with an average ratio of shares pledged by directors or supervisors that exceeds 50 percent in any three (3) months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor who owns a ratio of shares pledged that exceeds 50 percent for each of these three months [Note 3].
 - (IV) If the total amount of remuneration received by all the directors and supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual director or supervisor exceeds NT\$ 15 million, the company shall disclose the amount of remuneration paid to individual directors or supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)
 - (V) A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation. [Note 4]



(VI) The average annual salary of a full-time employee of a listed company who does not hold a managerial position in the most recent year has not reached NT\$500,000. [Note 5]

II. If the circumstance in sub-item "(I)" or in sub-item "(V)" of the preceding item applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., General Manager, Deputy General Managers, Chief Executive Officer, or Chief Financial Officer).

【Note 1.】 For example, in the case of the 2019 annual report prepared for the shareholders' meeting of the Company, if it is a loss after tax in the Company's parent company only or individual financial statements in any year from 2017 to 2019, individual disclosure shall be adopted. However, although it was a loss after tax in the parent company only or individual financial statements for the fiscal year of 2017 and/or 2018, but the net profit after tax in the parent company only or individual financial statements for the fiscal year of 2019 is sufficient to make up for the accumulated losses; thus, individual disclosure is not may not be adopted.

【Note 2.】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. The company should opt for individual disclosure of remuneration information if its directors or supervisors were found to have insufficient shareholding percentages for three (3) or more consecutive months between January 2009 and December 2009. In another example, if the company's directors or supervisors were found to have insufficient shareholding percentages in January 2009 for three (3) or more consecutive months (i.e. three consecutive months including November 2008, December 2008 and January 2009), the company should opt for individual disclosure of remuneration information.

【Note 3.】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. If the ratio of shares pledged by all the directors of a company exceeded 50 percent in three separate months within 2009 (e.g. February, May and August 2009), the company shall disclose the amount of remuneration paid to each director for the months when the ratio of shares pledged exceeded 50 percent, namely February, May and August 2009. In another example, if the ratio of shares pledged by the supervisors of a company exceeded 50 percent in any three months, the company shall disclose the amount of remuneration paid to each supervisor for the months when the ratio of shares pledged exceeded 50 percent.

※The average ratio of share pledged by all Directors per month: $\text{Number of shares pledged by all Directors} / \text{Number of shares held by all Directors (including retained decision-making trust shares)}$. The average ratio of shares pledged by all Supervisors per month: $\text{Number of shares pledged by all Supervisors} / \text{Number of shares held by all Supervisors (including retained decision-making trust shares)}$.

【Note 4.】 Example: Suppose the 2021 Annual Report was prepared by the Shareholders' Meeting in 2022. If the results of corporate governance evaluation have not been published for the most recent year (i.e. 2021) on the date of publication of the annual report of the shareholders' meeting of the TWSE Listed or TPEx Listed Companies, the results of corporate governance evaluation for the most recent year (i.e. 2020) can be used first. After the results of the most recent annual corporate governance evaluation are published, if it is the last level of the corporate governance evaluation and the remuneration is disclosed by the method of disclosure of names by summarizing and matching the level of disclosure, the annual report of the shareholders' meeting should be amended immediately and the public information observatory should be uploaded to practice the integrity of the information disclosure.

【Note 5.】 Example: Suppose the 2021 Annual Report was prepared by the Shareholders' Meeting in 2022. If a TWSE Listed or TPEX Listed company prepares the annual report of the shareholders' meeting after the end of the most recent year (i.e. 2021), the annual average salary of full-time employees who are not in charge of their positions in the most recent year (2021) has been fully collected. Therefore, the most recent year (2021) data should be used to assess whether the amount is less than NT\$500,000. The remuneration of individual directors and supervisors for the most recent year shall be disclosed.

(I) Remuneration to Directors and Independent Directors

1. Collective disclosure

Unit: In Thousands of New Taiwan Dollars

Title	Name (Note 1)	Remuneration								Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 10)		Relevant remuneration received by directors who also serve as employees								Percentage of the total of 7 items A, B, C, D, E, F, G, and net income after taxes (Note 10)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 9 and 11)
		Remuneration (A) (Note 2)		Separation Pay and Pension (B)		Director's Rewards (C) (Note 3)		Business Expenses (D) (Note 4)				Salaries, Bonuses and Special Allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee Remuneration (G) (Note 6)						
		The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	Cash	Stock	Amount of Cash	Stock	The Company	All the Companies Included in the Consolidated Financial Statements (Note 7)	
Chairman	Wu I-Kuei (Representative of Shing Lee Enterprise (Hong Kong) Limited)																					
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)																					
Director	Kao, Che-I (Representative of Asia Polymer Corporation)																					
Director	Huang, Kuang-Che (Representative of Taita Chemical Company, Ltd.)	0	0	0	0	3,000	3,000	672	950	3,672 / 0.24%	3,950 / 0.25%	24,738	55,803	180	288	86	0	272	0	28,676 / 1.84%	60,313 / 3.88%	2,185
Director	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.) (Note 12)																					
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)																					
Director	Wang, Ke-Shun (Representative of Taita Chemical Company, Ltd.) (Note 12)																					
Independent Director	Chen, Chung																					
Independent Director	Tu, Tzu-Chun	4,500	4,500	0	0	0	0	504	504	5,004 / 0.32%	5,004 / 0.32%	0	0	0	0	0	0	0	0	5,004 / 0.32%	5,004 / 0.32%	0
Independent Director	Hai, Ying-Chun																					
<p>1. Please describe the policy, system, standards and structure of the compensation of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment: The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. The methods of distribution are filed to the Remuneration Committee for approval and the Board of Directors for resolution before implementation. Independent Directors do not receive other remuneration except for the fixed remuneration.</p> <p>2. Unless disclosed above, the Directors of the current year received remuneration for providing services (such as serving as a non-employee consultant of the parent company/all the companies included in the financial statements/investee Companies) to the companies listed in the consolidated financial statements: None.</p>																						

2. Compensation Range

Range of Remuneration Paid to the Directors of the Company	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All the Companies Listed in the Consolidated Financial Statements (Note 9) H	The Company (Note 8)	The Company and All the Investees Included in the Financial Statements (Note 9, 11) I
Less than NT\$1,000,000	Wu, Yi-Gui, Yu Ching-Shou, Kao, Che-I, Huang, Kuang-Che, Wu, Pei-Chi (Note 12), Wu, Hung Ting, and Wang, Ke-Shun (Note 12)	Wu, Yi-Gui, Yu Ching-Shou, Kao, Che-I, Huang, Kuang-Che, Wu, Pei-Chi (Note 12), Wu, Hung Ting, and Wang, Ke-Shun (Note 12)	Yu Ching-Shou, Kao, Che-I, Huang, Kuang-Che, and Wu, Hung Ting	Yu Ching-Shou, Kao, Che-I, Huang, Kuang-Che, and Wu, Hung Ting
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Shing Lee, Asia Polymer, Taita Chemical, Chen, Chung, Tu, Tzu-Chun; Hai, Ying-Chun.	Shing Lee, Asia Polymer, Taita Chemical, Chen, Chung, Tu, Tzu-Chun; Hai, Ying-Chun.	Shing Lee, Asia Polymer, Taita Chemical, Chen, Chung, Tu, Tzu-Chun; Hai, Ying-Chun.	Shing Lee, Asia Polymer, Taita Chemical, Chen, Chung, Tu, Tzu-Chun; Hai, Ying-Chun.
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—	Wu, Pei-Chi (Note 12)	—
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	—	—	Wang, Ke-Shun (Note 12)	Wang, Ke-Shun (Note 12)
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—	Wu, Yi-Gui	Wu, Pei-Chi (Note 12)
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—	—	Wu, Yi-Gui
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	NT\$8,676 thousand	NT\$8,954 thousand	NT\$33,680 thousand	NT\$67,502 thousand

Note 1. The name of Directors shall be listed, respectively (for institutional shareholders, the name of institutional shareholders and their representatives shall be listed, respectively), and the name of Directors and Independent Directors shall be listed respectively; the payment amount shall be disclosed in aggregation. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.

Note 2. Compensation received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).

Note 3. Fill the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.

Note 4. Business expenses paid to the Directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note.

Note 5. Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes



of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The drivers' annual remuneration amounted to NT\$1,401 thousand; The cost of official cars Part B was NT\$6,291 thousand, and the book value at the end of 2022 was NT\$6,186 thousand; The annual rent of the leased houses amounted to NT\$1,247 thousand. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 6. For directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 7. The total amount of all the remuneration paid to the company's directors by all the companies (including the company) listed in its consolidated financial statements shall be disclosed.

Note 8. The name of each director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the director by the company.

Note 9. The total amount of all the remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 10. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 11.

a. The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).

b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees".

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.

d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 12. The corporate shareholder of Taita Chemical Company, Ltd. / TTC appointed Mr. Wu, Pei-Chi as the representative on September 23, 2022 to replace the former representative Mr. Wang, Ke-Shun as the director. The information on Mr. Wang, Ke-Shun has been disclosed until the date of the replacement.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

(II) Remuneration Paid to Supervisors: Not applicable.

(III) Remuneration Paid to General Manager and Deputy General Manager

1. Collective disclosure

Unit: In Thousands of New Taiwan Dollars

Title	Name (Note 1)	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and Allowances (C) (Note 3)		Dollar Amount of Employee rewards (D) (Note 4)				Percentage of the total of 4 items A, B, C, D, and net income after taxes (Note 8)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 7 and 9)
		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All the Companies Listed in the Consolidated Financial Statements (Note 5)	
								Cash	Stock	Amount of Cash	Stock			
Chief Executive Officer	Wu, Yi-Gui	15,730	35,114	810	918	23,225	37,991	171	0	358	0	39,936 / 2.57%	74,381 / 4.78%	2,185
General Manager	Wu, Pei-Chi (Note 10)													
General Manager	Wang, Ke-Shun (Note 10)													
Deputy General Manager:	Liu, Han-Tai													
Deputy General Manager:	Wu, Ming-Tsung													

* Regardless of job titles, positions that are equivalent to general manager, deputy general manager (such as president, chief executive director and director) shall be disclosed.



2. Compensation Range

Range of Remuneration Paid to the General Manager and Deputy General Manager	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	The Company and All Investees (Notes 7 and 9) E
Less than NT\$1,000,000	–	–
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	–	–
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Wu, Pei-Chi (Note 10)	–
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Wu, Ming-Tsung	–
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	Wang, Ke-Shun (Note 10)	Wang, Ke-Shun (Note 10), Wu, Ming-Tsung
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Liu, Han-Tai	Liu, Han-Tai
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	Wu, Yi-Gui	Wu, Pei-Chi (Note 10)
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	–	Wu, Yi-Gui
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	–	–
More than NT\$100,000,000	–	–
Total	NT\$39,936 thousand	NT\$76,566 thousand

Note 1. The name of the general manager and deputy general manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2-1) and (1-2-2) above.

Note 2. Fill in the salary, job-related allowances and severance pay received by the General Manager and Deputy General Manager in the most recent fiscal year.

Note 3. Fill in the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The driver received an annual remuneration of NT\$ 1,401 thousand, while an annual housing allowance of NT\$ 492 thousand was provided to the general manager and deputy general manager. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 4. Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.

Note 5. The total amount of all the remuneration paid to the Company's General Manager and Deputy General Manager by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note 6. The name of each General Manager and Deputy General Manager shall be disclosed in the range of remuneration corresponding to the amount paid to the General Manager and Deputy General Manager by the Company.

Note 7. The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 8. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 9.

a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").

b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."

c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.

d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 10. General Manager Wang, Ke-Shun was relieved of his position on September 2, 2022 and replaced by General Manager Wu, Pei-Chi.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.



(IV) The remuneration of the top five executives with the highest remuneration (name and remuneration shall be disclosed individually): Not applicable.

(V) Name of managerial officers who distribute employee bonuses and the situation of distribution

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

	Title (Note 1)	Name (Note 1)	Stock	Amount of Cash	Total	Percentage of total compensations on NIAT (%)
Managerial Officers	Chief Executive Officer	Wu, Yi-Gui	0	299	299	0.0192%
	General Manager	Wu, Pei-Chi (Note 5)				
	General Manager	Wang, Ke-Shun (Note 5)				
	Deputy General Manager:	Liu, Han-Tai				
	Deputy General Manager:	Wu, Ming-Tsung				
	Corporate Governance Officer	Yung-Chih Chen				
	Finance Manager	Yang Wen-Li				
	Accounting Manager	Kuo, Chuan-Hua				

Note 1. Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2. Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the managerial officers in the most recent fiscal year. If this amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 3. The scope of application for the term "managerial officer" shall follow the approved document with Ref. No. Tai Tsai Cheng San Tzu 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) General Manager and Equivalent
- (2) Deputy General Manager and Equivalent
- (3) Senior Manager and Equivalent
- (4) Supervisor of Finance Department
- (5) Supervisor of Accounting Department
- (6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4. Directors, General Manager and Deputy General Manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

Note 5. General Manager Wang, Ke-Shun Wang, Ke-Shun was relieved of his position on September 2, 2022 and replaced by General Manager Wu, Pei-Chi.

(VI) Analysis and comparison of percentages of remuneration paid to the Company's Directors, General and Deputy General Manager by the Company and all the Companies listed in its consolidated financial statements in the most recent two fiscal years to the net income after taxes recorded in its parent company-only or individual financial



statements, and explanation on the remuneration policies, standards and packages, procedures for determining remuneration and their correlations with its business performance and future risk exposure.

1. Analysis of percentages of remuneration paid to directors, general manager and deputy general manager:

Title	The Company				All the Companies Listed in the Consolidated Financial Statements			
	2022		2021		2022		2021	
	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax
General Directors' remuneration (Note 1)	3,672	0.24%	3,672	0.07%	3,950	0.25%	3,918	0.08%
Independent Directors' remuneration (Note 1)	5,004	0.32%	5,018	0.10%	5,004	0.32%	5,018	0.10%
General Directors' remuneration (Note 2)	28,676	1.84%	31,352	0.60%	60,313	3.88%	52,783	1.02%
Independent Directors' remuneration (Note 2)	5,004	0.32%	5,018	0.10%	5,004	0.32%	5,018	0.10%
General Managers and Deputy General Managers	39,936	2.57%	41,868	0.81%	74,381	4.78%	64,913	1.25%
Net income after taxes (NIAT)	1,555,097	-	5,191,394	-	1,555,097	-	5,191,394	-

Note 1. Excluding the remuneration to those who work as employees concurrently.

Note 2. Including the remuneration to those who work as employees concurrently.

The proportion of remuneration of general directors and independent directors in net profit after tax increased in 2022 compared with 2021, which was caused by the decrease in net profit after tax in 2022. The decrease in total remuneration of General Manager and Deputy General Manager compared with 2021 is due to the decrease in net profit after tax and the decrease in bonus payments.

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

(1) Remuneration Policies, Standards and Packages

- The remuneration of the directors is in accordance with Article 19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference." The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees shall not be less than one percent of the profit for the year in accordance with

Article 34 of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the Company's operating performance and the results of the evaluation of the directors' performance. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The aspects of performance evaluation for the Directors: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

- Remuneration for managers shall be approved by the board of directors in accordance with relevant personnel regulations of the company and Article 31 of the articles of association, and shall be determined in consideration of operating performance. The business performance includes evaluation of the achievement rate in terms of finance aspect (operating income, operating profit and net profit before tax), customer aspect, product aspect, talent aspect, safety aspect and project aspect.
 - The Company's remuneration packages, according to the organization rules of the Compensation Committee, including cash remuneration, stock options, dividends, retirement benefits or severance benefits, various allowances and other measures with substantial incentives; Its scope is consistent with that of directors and managers in the criteria of annual retribution records of public issuing companies.
- (2) Procedures for determining remuneration
- To evaluate the remuneration of directors and managers on a regular basis, based on the results of the evaluation conducted by the Company's "Regulations Governing the



Evaluation of the Performance of the Board of Directors" and the applicable "Performance Management Method" for managers and employees.

- The relevant performance assessment and compensation rationality of directors and managers are assessed and reviewed annually by the remuneration committee and the board of directors. In addition to referring to the performance achievement rate and contribution to the Company, the Company's overall operating performance, future risks and development trends of the industry, as well as timely review of the remuneration system based on the actual operating conditions and relevant laws and regulations, reasonable remuneration will be given, to seek the company's sustainable operation and risk control balance.
- (3) The correlation with the Company's business performance and future risk exposure

The Remuneration Committee references the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company's Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company's Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company's Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company's risk appetite.

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of five (5) meetings (A) were held by the Board of Directors in the most recent fiscal year (2022). The attendance of the members of the Board are as follows:

⊙: Attendance in Person; ☆: Attendance by Proxy

Title	Name (Note 1)	20nd meeting of 10rd Meeting 2022/03/10	20nd meeting of the 18th Board of Directors 2022/05/05	19nd meeting of 12rd Meeting 2022/08/04	20nd meeting of the 18th Board of Directors 2022/09/02	20nd meeting of 14rd Meeting 2022/11/03	Attendance in Person B	Attendance by proxy	Attendance in Person Rate (%) [B/A] (Note 2)	Remark
Chairman	Wu I-Kuei (Representative of Shing Lee Enterprise (Hong Kong) Limited)	⊙	⊙	⊙	⊙	⊙	5	0	100.00	Reappointed
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	⊙	⊙	☆	⊙	⊙	4	1	80.00	Reappointed
Director	Kao, Che-I (Representative of Asia Polymer Corporation)	⊙	☆	⊙	☆	⊙	3	2	60.00	Reappointed
Director	Huang, Kuang-Che (Representative of Taita Chemical Company, Ltd.)	⊙	⊙	⊙	⊙	⊙	5	0	100.00	Reappointed
Director and General Manager	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.)	—	—	—	—	⊙	1	0	100.00	Incoming Director, required to attend 1 meetings (Note 3)
Director	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)	⊙	⊙	⊙	⊙	⊙	5	0	100.00	Reappointed
Independent Director	Chen, Chung	⊙	⊙	⊙	⊙	☆	4	1	80.00	Reappointed
Independent Director	Tu, Tzu-Chun	⊙	⊙	⊙	⊙	⊙	5	0	100.00	Reappointed
Independent Director	Hai, Ying-Chun	⊙	⊙	⊙	⊙	⊙	5	0	100.00	Reappointed

Title	Name (Note 1)	20nd meeting of 10rd Meeting 2022/03/10	20nd meeting of the 18th Board of Directors 2022/05/05	19nd meeting of 12rd Meeting 2022/08/04	20nd meeting of the 18th Board of Directors 2022/09/02	20nd meeting of 14rd Meeting 2022/11/03	Attendance in Person B	Attendance by proxy	Attendance in Person Rate (%) [B/A] (Note 2)	Remark
Director and General Manager	Wang, Ke-Shun (Representative of Taita Chemical Company, Ltd.)	◎	◎	◎	◎	—	4	0	100.00	Outgoing Director, required to attend 4 meetings (Note 3)

Note 1. For directors who are institutions, the name of institutional shareholders and their representatives shall be disclosed.

Note 2.

- (1) Where directors or supervisors resign before the end of the year, the "remark" column shall be annotated with the date of resignation. Actual presence (attendance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual presence (attendance) during the term of service.
- (2) If directors or supervisors are re-elected before the end of the fiscal year, incoming and outgoing directors or supervisors shall be listed accordingly, and the Remark column shall indicate whether the status of a director is "outgoing", "incoming" or "re-elected", and the date of re-election. The director's percentage of attendance in person (%) should be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

Note 3. The corporate shareholder of Taita Chemical Company, Ltd. / TTC appointed Mr. Wu, Pei-Chi as the representative on September 23, 2022 to replace the former representative Mr. Wang, Ke-Shun as the director.



Other matters to be noted:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent Directors and the Company's actions in response to the opinions of independent Directors shall be stated:

(I) Items listed in Section 3, Article 14 of Securities and Exchange Act.

Board of Directors	Resolution and Follow-up Actions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors	
20nd meeting of 10rd Meeting 2022.03.10	1. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd.	v	No	
	2. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No	
	3. Ratify endorsements/guarantees made for USI Green Energy Corporation	v	No	
	4. Approve the 2021 directors' and employee reward distribution plan.	v	No	
	5. Approve the amendment of certain articles in the Regulations Governing the Acquisition and Disposal of Assets.	v	No	
	6. Approved the appointment of CPAs for year 2022.	v	No	
	7. Approve the issuance of unsecured ordinary corporate bonds.	v	No	
	Opinions of independent directors: None.			
	The Company's actions in response to the opinions of Independent Directors: None			
	Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.			
20nd meeting of the 18th Board of Directors 2022.05.05	8. Approve the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting	v	No	
	Opinions of independent directors: None.			
	The Company's actions in response to the opinions of Independent Directors: None			
	Voting results: The Chair consulted all Directors present, except for the Chairman Wu, Yi-Gui, Independent Director Chen, Chung, and General Manager Wang, Ke-Shun who had to recuse themselves from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.			
	1. Ratify the purchase of production equipment from related parties.	v	No	
	Opinions of independent directors: None.			
	The Company's actions in response to the opinions of Independent Directors: None			
	Voting results: The Chair consulted all Directors present, except for the Chairman Wu, Yi-Gui who had to recuse himself from voting due to conflict of interest, and they voted unanimously in favor of the resolution.			
	2. Passed the endorsements/guarantees made for USI Green Energy Corporation	v	No	
	Opinions of independent directors: None.			
The Company's actions in response to the opinions of Independent Directors: None				
Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.				
20nd meeting of 12rd Meeting 2022.08.04	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No	
	2. Passed the amendments to the Company's internal control system.	v	No	
	Opinions of independent directors: None.			
The Company's actions in response to the opinions of Independent Directors: None				
Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.				



Board of Directors	Resolution and Follow-up Actions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
	3. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd. / CLT	v	No
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: The Acting Chair consulted all Directors present, except for the Chairman Wu, Quintin and General Manager Wang, Ke-Shun who had to recuse themselves from voting due to a conflict of interest; the rest of Directors voted unanimously in favor of the resolution.		
20nd meeting of the 18th Board of Directors 2022.09.02	Passed the change of the General Manager of the Company.	v	No
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: The Chair consulted all Directors present, except for the Director Wang Ke-Shun who had to recuse himself from voting due to conflict of interest, and they voted unanimously in favor of the resolution.		
20nd meeting of 14rd Meeting 2022.11.03	1. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd. / CLT.	v	No
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: The Acting Chair consulted all Directors present, except for the Chairman Wu, Yi-Gui and Director Wu, Pei-Chi who had to recuse themselves from voting due to a conflict of interest; the rest of Directors voted unanimously in favor of the resolution.		
	2. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No
	3. Ratify endorsements/guarantees made for USI Green Energy Corporation.	v	No
	4. Approved remuneration of CPAs for year 2022.	v	No
	5. Passed the amendments to the Company's internal control system.	v	No
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.		

(II) Other resolutions of the Board, which the Independent Director(s) voiced dissenting or qualified opinions that are documented or issued through a written statement in addition to the above: No such occurrences.

II. In regards to the recusal of directors from voting due to conflict of interests, the name of the directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Name of Director	Proposal	Reason for recusal	Participation in Voting	Remark
Wu, Yi-Gui Chen, Chung Wang, Ke-shun	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	10th Meeting of 20th Term 2022.03.10
Wu, Yi-Gui Wang, Ke-shun	Donations to the USI Education Foundation	They recused themselves due to conflict of interest as they serve as Directors of the foundation.	Did not participate in voting	
Wu, Yi-Gui	Purchase the production equipment from related parties	They recused themselves due to a conflict of interest as they serve as Directors of the related parties.	Did not participate in voting	11th Meeting of 20th Term 2022.05.05
Wu, Yi-Gui Wang, Ke-shun	Proposal for endorsements/guarantees made for Chong Loong Trading Co. Ltd.	They recused themselves due to a conflict of interest as they serve as Directors of Chong Loong Trading Co., Ltd. / CLT	Did not participate in voting	12th Meeting of 20th Term 2022.08.04
Wang, Ke-shun	Managerial officers engage in competitions	Directors had conflicts of interest.	Did not participate in voting	12th Meeting of 20th Term 2022.08.04
Wang, Ke-shun	Changes of the General Manager of the Company.	Directors had conflicts of interest.	Did not participate in voting	13th Meeting of the 20th Term 2022.09.02
Wu, Yi-Gui Pei-Chi Wu	Proposal for endorsements/guarantees made for Chong Loong Trading Co. Ltd.	They recused themselves due to a conflict of interest as they serve as Directors of Chong Loong Trading Co., Ltd. / CLT	Did not participate in voting	14th Meeting of the 20th Term 2022.11.03
Pei-Chi Wu	Managerial officers engage in competitions.	Directors had conflicts of interest.	Did not participate in voting	14th Meeting of the 20th Term 2022.11.03



III. A listed company shall disclose information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors and fill out the implementation status of the evaluation of the Board in Table 2 (2).

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Annually	January 1, 2022 to December 31, 2022	Board of Directors Performance Evaluation	Board of Directors Self-evaluation	I. Performance evaluation of the Board of Directors 1. Degree of participation in the Company's operations. 2. Improvement in the quality of decision-making of the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the Directors. 5. Internal control.
		Performance evaluation of individual director member	Board of Directors Self-evaluation of the members	II. Performance evaluation of director members 1. Understanding of the Company's goals and tasks. 2. Understanding of the Director's responsibilities. 3. Degree of participation in the Company's operations. 4. Management and communication of the internal relations. 5. Expertise and continuing education of the Directors. 6. Internal control.
		Evaluation of functional committees' performance	Self-evaluation of the members of functional committees	III. Evaluation of the Audit Committee's Performance 1. Degree of participation in the Company's operations. 2. Understanding of the Audit Committee's duties. 3. Improvement of the decision-making quality of the Audit Committee. 4. Composition of the Audit Committee and selection of committee members. 5. Internal control.
				IV. Performance evaluation of the Remuneration Committee 1. Degree of participation in the Company's operations. 2. Understanding of the Remuneration Committee's roles and responsibilities. 3. Improvement in the Remuneration Committee's decision-making quality. 4. Composition and member selection of the Remuneration Committee.

※ The performance evaluation results of the Board of Directors and functional committees of 2022 have been submitted to the first meeting of the Board of Directors of 2023 on March 7, 2023, and disclosed on the Company's website after the meeting, capable of accurately evaluating and supervising the Company's existing and potential risks and providing a basis for improvement.

Note 1. Fill in the cycle of the evaluation of Board of Directors; for example: once a year.

Note 2. Fill out the period for the evaluation of the Board of Directors such as the period for the evaluation of the performance of the Board of Directors is from January 1, 2022 to December 31, 2022.

Note 3. The scope of evaluation covers the evaluation of the performance of the Board of Directors,

individual Directors, and functional committees.

Note 4. The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Directors, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5. The evaluation content includes at least the following items according to the evaluation scope:

- (1) Performance evaluation of the Board of Directors: It shall at least include the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous learning of directors, and internal control.
- (2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.
- (3) Performance evaluation of functional committees: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement in the quality of functional committee decisions, functional committee composition and election of members, and internal control.



IV. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:

1. The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possess necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.
2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and Rules Governing the Scope of Powers of Independent Directors, and evaluates its Audit Committee Charter, Remuneration Committee Charter in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.
3. To have a corporate governance officer to safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Corporate Governance Officer was established to support operations of the Board on May 13, 2019.
4. The Company has formed functional committees such as the Remuneration Committee and the Audit Committee in 2011 and 2014, respectively, and continues to improve the effectiveness of these functional committees.
5. The Company's website and the Market Observation Post System disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.

6. The Company organizes 6-hour training courses for Directors per year and encourages Directors to attend corporate governance-related courses. Below details the continued training sessions attended by the Company's Directors in 2022:

Title	Name	Date of Course	Organized by	Course Title	Duration of the Course
Chairman	Wu, Yi-Gui	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Director	Yu, Ching-Shou	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Director	Kao, Che-I	2022/11/18	Accounting Research and Development Foundation	Driving green transition: towards net zero carbon emissions	3
		2022/12/01	Accounting Research and Development Foundation	Global net zero emissions impact and ESG actions	3
Director	Huang Kuang-Che	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Director and General Manager	Pei-Chi Wu	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Director	Wu, Hung Ting	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Independent Director	Chen, Chung	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Independent Director	Tu, Tzu-Chun	2022/02/25	Taiwan Institute of Directors	Risks and Opportunities in Climate Action - Carbon Neutral Driving	3
		2022/08/10	Taiwan Corporate Governance Association	Business Management Practice: New Knowledge of Digital Transformation	3
		2022/09/12	Taiwan Academy of Banking and Finance	Standards and compliance of major capital security in the financial industry	3
		2022/11/07	Taiwan Corporate Governance Association	Challenges and implications of IFRS 17 implementation on insurance business	3
		2022/11/10	Taiwan Corporate Governance Association	Transnational management and sustainable operation	3
Independent Director	Hai, Ying-Chun	2022/02/24	Taiwan Corporate Governance Association	The latest development and revision trend of international tax and domestic tax	3
		2022/07/28	Taiwan Corporate Governance Association	Net zero emissions, carbon neutrality, and corporate compliance	3



Title	Name	Date of Course	Organized by	Course Title	Duration of the Course
Corporate Governance Officer	Yung-Chih Chen	2022/04/22	Taiwan Institute for Sustainable Energy	Taishin 30th Anniversary Sustainable Net Zero Summit Forum - Serious Net Zero Achievement Sustainable 2030	3
		2022/04/28	Taiwan Institute for Sustainable Energy	The 28th TCCS Council Meeting and CEO Lecture Hall	2
		2022/05/20	Securities & Futures Institute	2022 Insider Trading Prevention Seminar	3
		2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/07/27	Taiwan Stock Exchange Corporation (TWSE)	Sustainable development roadmap industry theme promotion meeting	2
		2022/07/28~2022/07/29	Taiwan Institute for Sustainable Energy	2022 Net Zero and Sustainable Development Forum	7
		2022/09/29	Taiwan Stock Exchange Corporation (TWSE)	2022 Independent Directors and Audit Committee to exercise their functions and powers reference guidelines and the Board of Directors Promotion meeting	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
		2022/10/14	Securities & Futures Institute	2022 Insider Trading Prevention Seminar	3
		2022/10/27	Taiwan Institute for Sustainable Energy	The 13th TCCS Council Meeting and CEO Lecture Hall	2
		2022/11/03	Taiwan Corporate Governance Association	Fubon ESG Trends and Risk Management Seminar	3
		2022/11/11	Securities & Futures Institute	TWSE or TPEx Listed Companies - Seminar on Derivatives Trading Strategy and Market Outlook	3
		2022/11/11	Taiwan Corporate Governance Association	Directors Reading - the highlights of TCFD disclosure	3
2022/12/16	Taiwan Corporate Governance Association	How can enterprises effectively manage risk	3		
Accounting Manager	Kuo, Chuan-Hua	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/10/13	Securities & Futures Institute	An introduction to the dispute over corporate management rights and the trial law of commercial matters	3
Finance Manager	Yang Wen-Li	2022/07/14	Securities & Futures Institute	Risks and opportunities of climate change and net zero emission policies for business operations	3
		2022/11/03	Taiwan Corporate Governance Association	Fubon ESG Trends and Risk Management Seminar	3

The number of learning hours, scope of learning, learning system, arrangements and information on the abovementioned training sessions which comply with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" should be disclosed.

(II) Information Regarding the Implementation of the Audit Committee or the Participation of Supervisors in the Operations of the Board of Directors:

1. Status of operations and main functions of the Audit Committee:

- (1) The functions and main review items of the Audit Committee are as follows:
- Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
 - Assessment of the effectiveness of the internal control system
 - Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
 - Matters concerning the personal interests of Directors
 - CPAs explain the status of checking or reviewing financial reports on a quarterly basis, and the audit committee discusses and communicates with the questions raised by the participants. The audit committee also communicates separately with the CPAs and the internal audit supervisors on a regular basis.
 - Review the internal control system and relevant policies and procedures
 - Major assets or derivative trading.
 - Major loaning of funds, making of endorsements or provision of guarantees.
 - The offering, issuance, or private placement of equity-type securities
 - Compliance with laws and regulations and filing requests to managers for development of response plans for amendments to the laws.
 - Review internal audit reports (including risk management of information security and internal controls), and maintain communication with the head of internal audit
 - Evaluation of the qualifications, independence, and performance of the CPAs.
 - Appointment or dismissal of CPAs, or remuneration given thereto.
 - Appointment and dismissal of finance manager, accounting manager, and head of internal audit
 - Review the performance of the Audit Committee
 - Review the annual financial report stamped with the seal of the Chairman, manager and principal accounting officer.
 - Accept and deal with whistleblowing cases in accordance with the functions listed in this article
 - Other material matters as may be required by the Company or by the competent authority
 - Supervise the implementation of risk management policies.



- (2) A total of four (4) meetings (A) were held by the Audit Committee in the most recent fiscal year. The attendance of the independent directors were as follows:

Title (Note 3)	Name	Attended in Person (B)	Attendance by proxy	Percentage of Attendance in Person (B/A)(Note 1 and Note 2)	Remark
Independent Director (Convener)	Chen, Chung	3	1	75.00	Re-elected. A re-election for Directors (including three seats of Independent Director) was held at the Shareholders' Meeting on June 12, 2020.
Independent Director	Tu, Tzu-Chun	4	0	100.00	
Independent Director	Hai, Ying-Chun	4	0	100.00	

- (3) Operations in the current year:

- I. If one of the following circumstances occurs in the operation of the audit committee, it shall state the date and period of the audit committee meeting, the contents of the motions, the objections of the independent directors, the contents of the reserved opinions or major suggestions, the results of the audit committee's resolutions and the company's handling of the opinions of the audit committee.

- (I) Items listed in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Resolution and Follow-up Actions	Items listed under Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee
3rd meeting of 9rd Meeting 2022.03.10	1. Proposal for endorsements/guarantees made for Chong Loong Trading Co. Ltd.. Request for approval to amend warranty Limit and ratify it.	v	No
	2. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No
	3. Ratify endorsements/guarantees made for USI Green Energy Corporation.	v	No
	4. Prepare the 2021 Account Book and submit the document for deliberation	v	No
	5. Submit the proposal for the 2021 Profit Distribution Plan for deliberation.	v	No
	6. Submit the evaluation of the independence of the CPAs appointed for 2022 for deliberation.	v	No
	7. Submit the appointment of CPAs for 2022 for deliberation.	v	No
	8. For the purpose of issuing the 2021 "Statement on Internal Control Systems," submit the statement for deliberation.	v	No
	9. Submit the proposal for the issuance of unsecured ordinary corporate bonds for NT\$2 billion for deliberation.	v	No
	10. Recommend to amend certain articles in the Procedures for Handling Acquisitions or Disposal of Assets, and submit the recommendation for deliberation	v	No
	11. The proposal for the removal of the non-competition clause for Directors is submitted for deliberation.	v	No
Voting results of the Audit Committee: All the members of the Audit Committee voted in favor of Proposal 1 to Proposal 10, which were then submitted to the Board of Directors for deliberation. With the exception of the recusal of independent director Mr. Chen Chung due to a conflict of interest, the Chair (The independent director Mr. Tu, Tzu-Chun was appointed as the interim Chairman.) asked for the opinions of other members in attendance who agreed unanimously. The Proposal 11 was passed as proposed and submitted to the Board of Directors for discussion.			
The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.			

Audit Committee	Resolution and Follow-up Actions	Items listed under Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee	
3rd meeting of 10rd Meeting 2022.05.05	1. In order to purchase production equipment from related parties, submit a proposal for ratification.	v	No	
	2. Submit the endorsements/guarantees made for USI Green Energy Corporation for discussion.	v	No	
	3. Prepare the 2022 Quarter 1 Consolidated Financial Statements and submit them for deliberation.	v	No	
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.			
	The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.			
3rd meeting of the 18th Board of Directors 2022.08.04	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No	
	2. Proposal for ratifying endorsements/guarantees made for Chong Loong Trading Co. Ltd.	v	No	
	3. Prepare the 2022 Quarter 2 Consolidated Financial Statements and submit them for deliberation.	v	No	
	4. Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	No	
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.			
	The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.			
3rd meeting of 12rd Meeting 2022.11.03	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.	v	No	
	2. Proposal for ratifying endorsements/guarantees made for Chong Loong Trading Co. Ltd.	v	No	
	3. Ratify endorsements/guarantees made for USI Green Energy Corporation.	v	No	
	4. Prepare the 2022 Quarter 3 Consolidated Financial Statements and submit them for deliberation.	v	No	
	5. Submit the proposal for compensation paid to the Company's CPAs for 2022 deliberation.	v	No	
	6. Deliberate the amendment to some articles of the Procedures for Handling Material Internal Information.	v	No	
	7. Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	No	
	8. Submit the 2023 audit plan for deliberation.	v	No	
	Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.			
The Company's actions in response to the opinions of the Audit Committee: All the directors present voted in favor of the resolution.				



(II) In addition to the aforementioned motions, other motions not passed by the Audit Committee but passed by at least two thirds of the votes of the entirety of the Board of Directors: No such occurrences.

II. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Name of Director	Proposal	Reason for recusal	Participation in Voting	Remark
Chen, Chung	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	9th Meeting of the 3rd Term 2022.03.10

III. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status shall be included)

1. Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications. Summary of communications between the Audit Committee and the Head of Internal Audit:

Start Date	Key Communications Points	Recommendations and Results
2022/03/10	1. 9th internal audit execution report for the 3rd term 2. 2021 Statement on Internal Control System.	No dissenting opinion
2022/05/05	1. The 10th Meeting of the 3rd Term: Internal Audit Report. 2. Amended the Company's "Internal Control System - Procedures for Shareholder Services" in accordance with the amended "Standards for the Internal Control Systems of Shareholder Service Units" promulgated by the Taiwan Depository & Clearing Corporation.	No dissenting opinion
2022/08/04	11th internal audit execution report in the 3rd term	No dissenting opinion
2022/11/03	1. Review the annual internal audit plan for 2023. 2. Review the amendment to the internal control system	No dissenting opinion

2. CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial statements) and review of governance-related matters every quarter, and report them to the Audit Committee in accordance with the "Auditing Standards Bulletin No. 39 - Communication with Those Charged with Governance" and the letter with the Ref No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004. Both the Company's Audit Committee and CPAs have maintained good communications.

Summary of communication between the Audit Committee and CPAs:

Start Date	Key Communications Points	Recommendations and Results
2022/03/10	<ol style="list-style-type: none"> 1. CPAs reported the status of audit of the Company's 2021 financial statements, as well as discussed and responded to questions raised by attendees. 2. Review of CPAs' qualifications, performances and independence 3. Appointment of CPAs for 2022 4. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact. 	No dissenting opinion
2022/05/05	CPAs reported the status of the audit of the Company's 2022 Quarter 1 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion
2022/08/04	CPAs reported the status of the audit of the Company's 2022 Quarter 2 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion
2022/11/03	CPAs reported the status of review of the Company's 2022Q3 financial statements, as well as discussed and responded to questions raised by attendees.	No dissenting opinion

Note:

- (1) Where an independent director resigns before the end of the fiscal year, the "remark" column should be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) should be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.
- (2) If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors should be listed accordingly and the "remark" column should indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected" and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during the member's term of office.
- (3) For the professional qualifications and experience of the members of the Audit Committee of the Company, please refer to Notes 15 to 20 on page 17 of the Annual Report.

3. Communications between independent directors and head of internal audit and CPAs

- (1) In order to fully exercise their functions and powers and have a better understanding of the Company's financial reports and financial and business conditions, independent directors shall, without the presence of the general directors and management, communicate with the CPAs and the internal audit supervisors separately to the audit committee at least once a year.
- (2) The CPAs of the Company shall report to the Audit Committee quarterly the governance matters checked or reviewed in the consolidated financial report of the Company (annual and including the individual financial report), and compile the information; Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and CPAs have maintained good communications.
- (3) Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.



(4) Independent director's individual communication with CPAs and internal audit supervisors:

Start Date	Attendees	Communication Matters	Communication Results
2022.11.03 Audit Committee The 3rd term The 12th meeting	Independent Director Chen, Chung (filled in by Hai, Ying-Chun) Independent Director Tu, Tzu-Chun Independent Director Hai, Ying-Chun CPA Chuang, Pi-Yu Head of Internal Audit Chiang, I-Ting	CPA: 1. Annual audit scope, methods, key audit items and other evaluation plans. 2. Brief introduction of Audit Quality Indicators (AQI) disclosure framework and timeline, as well as major legislative amendments and their impact. Discuss and communicate issues raised by the participants. Chief Internal Auditor: 1. Internal audit of business performance report. 2. Amendment to the internal control system. 3. 2022 annual internal control and self-evaluation schedule. 4. 2023 audit plan.	No dissenting opinion

4. For the professional qualifications of audit Committee members, please refer to the details disclosed on page 20~21 of the Annual Report.
5. Information regarding the participation of Supervisors in the operations of the Board of Directors: Not applicable.

(III) Implementation of corporate governance, discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies"?	✓		The Company has established its "Corporate Governance Best Practice Principles" in compliance with the "Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies" to promote the implementation of corporate governance and disclosed the information on its website.	No significant difference
II. Shareholder Structure and Shareholders' Rights				
(I) Has the company established an internal operating procedure for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	✓		The Company has appointed dedicated personnel to be in charge of such matters.	No significant difference
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	✓		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No significant difference
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	✓		The Company has established and implemented a system to monitor its subsidiaries.	No significant difference
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	✓		Under Article 10 of the Company's Corporate Governance Best Practice Principles and Article 14 of the Procedures for Ethical Management and Guidelines for Conduct, company insiders are prohibited from using undisclosed information to trade securities.	Consistent with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors formulate a diversity policy, specific management objectives and implement them?	✓		<p>◎ Diversity Policy of the Board Members</p> <p>According to Article 20 of the Company's "Corporate Governance Best Practice Principles," diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> • Ability to make sound business judgments. • Ability to perform accounting and financial analysis. • Ability to manage a business. • Ability to handle crisis management. • Knowledge of the industry. • An international market perspective. • Leadership skills. 	No significant difference

Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies																																																																																																																																		
	Yes	No																																																																																																																																			
		<p>Abstract Illustration</p> <ul style="list-style-type: none"> Decision-making ability. <p>In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.</p> <p>◎ Specific management objectives of diversity of the board members The current directors were appointed on June 12, 2020. In order to bring outstanding external talents to the board of directors of the Company and achieve the goal of diversifying the board members, Wu, Hung Ting is the new director. He majored in finance and commercial Law from Boston University School of Business and Management, and has worked as a legal and financial executive in a technology company. It is helpful to improve the quality of board review proposals and achieve the goal of implementing the policy of diversity of board members. In the future, the Company aims to add a director with professional experience in sustainable development to assist the company in implementing its carbon reduction target and green electricity policy; It is also planned to add a professional in business risk control to enhance the sustainable competitiveness of the company and improve the function of the board of directors.</p> <p>◎ The implementation of diversity of directors For details on the diversity of Board members, refer to the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Gender</th> <th colspan="10">Core Diversification Item</th> </tr> <tr> <th>Business judgment</th> <th>Accounting and finance</th> <th>Business management</th> <th>Crisis management</th> <th>Industry</th> <th>Knowledge of the international markets</th> <th>Leadership Ability</th> <th>Decision making Ability</th> <th>Legal</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Wu, Yi-Gui</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Yu, Ching-Shou</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Kao, Che-I</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Huang Kuang-Che</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Pei-Chi Wu</td> <td>Male</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Wu, Hung Ting</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Chen, Chung (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Tu, Tzu-Chun (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Hai, Ying-Chun (Note)</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>	Name of Director	Gender	Core Diversification Item										Business judgment	Accounting and finance	Business management	Crisis management	Industry	Knowledge of the international markets	Leadership Ability	Decision making Ability	Legal	Environmental protection	Wu, Yi-Gui	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Yu, Ching-Shou	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Kao, Che-I	Male	✓		✓	✓	✓	✓	✓	✓	✓		Huang Kuang-Che	Male	✓		✓	✓	✓	✓	✓	✓	✓		Pei-Chi Wu	Male	✓		✓	✓	✓	✓	✓	✓	✓		Wu, Hung Ting	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓		Chen, Chung (Note)	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Tu, Tzu-Chun (Note)	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Hai, Ying-Chun (Note)	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
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Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies												
	Yes	No													
(II) Has the company voluntarily established other functional committees, other than the remuneration committee and audit committee that are established in accordance with the law?	✓		No significant difference												
(III) Has the company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?	✓														
		<p>Note: None of the three independent directors has served more than 3 consecutive terms.</p> <p>The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 33%. Three Directors are aged over 80, three are among 70-79 years old, another one are among 60-69 years old, and the remaining two are 60 years old or under.</p> <p>The Company has established a Remuneration Committee and an Audit Committee which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company also voluntarily set up a Sustainable Development Committee, which exercises its functions and powers and function smoothly in accordance with the "Organization Rules of the Sustainable Development Committee".</p> <p>I. 2022 Results of Performance Evaluation of the Board of Directors and Individual Directors</p> <ol style="list-style-type: none"> The Company passed the Rules Governing the Performance Evaluation of the Board of Directors in November 2019, stipulating that the performance evaluation of the Board of Directors and individual Directors shall be executed at the end of each year. The Secretariat of the Board is responsible for the execution of the performance evaluation of the Board of Directors and individual Directors which shall be conducted based on an internal self-evaluation. The results of performance assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term. The Company completed the performance evaluation of the Board of Directors in January 2023 for the evaluation period from January 1 to December 31, 2022. The below summarizes the evaluation result: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td style="text-align: center;">4.83</td> </tr> <tr> <td>Improvement in the quality of decision-making of the Board of Directors</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Composition and structure of the Board of Directors</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Election and continuing education of the Directors</td> <td style="text-align: center;">4.67</td> </tr> <tr> <td>Internal control</td> <td style="text-align: center;">5.00</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p>	Performance aspect	Score (Note)	Degree of participation in the Company's operations	4.83	Improvement in the quality of decision-making of the Board of Directors	5.00	Composition and structure of the Board of Directors	5.00	Election and continuing education of the Directors	4.67	Internal control	5.00	No significant difference
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Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies														
	Yes	No															
			<p>Overall performance evaluation results of the board of directors</p> <ul style="list-style-type: none"> The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result. In the past year, the international situation was unstable, the Russia-Ukraine war and the continued epidemic had an impact on the Company's operation. In the face of the uncertainties in the future political and economic situation, the board of directors and management should always pay attention to the challenges and risks faced by the Company, and timely supervise the units with authority and responsibility to put forward appropriate measures. In addition, to achieve the goal of sustainable development, the Company will continue to implement the carbon reduction target and plan green electricity program, the period can meet the international standards. <p>(2) Performance of director members</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> </tr> </thead> <tbody> <tr> <td>Understanding of the Company's goals and tasks</td> <td>4.93</td> </tr> <tr> <td>Understanding of the Director's responsibilities</td> <td>4.79</td> </tr> <tr> <td>Degree of participation in the Company's operations</td> <td>4.75</td> </tr> <tr> <td>Management and communication of the internal relations</td> <td>4.83</td> </tr> <tr> <td>Election and continuing education of the Directors</td> <td>4.81</td> </tr> <tr> <td>Internal control</td> <td>4.85</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>Performance evaluation results of director members The Director's self-evaluation result shows that the average score of the six aspects is above 4.7, which is a good evaluation result</p> <p>4. The results of 2022 performance evaluation of the Board of Directors and individual Directors have been submitted to the Board meeting dated March 7, 2023.</p> <p>II. Evaluation of the Audit Committee's Performance</p> <p>1. The Audit Committee's performance evaluation cover the following items:</p>	Performance aspect	Score (Note)	Understanding of the Company's goals and tasks	4.93	Understanding of the Director's responsibilities	4.79	Degree of participation in the Company's operations	4.75	Management and communication of the internal relations	4.83	Election and continuing education of the Directors	4.81	Internal control	4.85
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Understanding of the Company's goals and tasks	4.93																
Understanding of the Director's responsibilities	4.79																
Degree of participation in the Company's operations	4.75																
Management and communication of the internal relations	4.83																
Election and continuing education of the Directors	4.81																
Internal control	4.85																



Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies														
	Yes	No															
			<p>(1) Degree of participation in the Company's operations. (2) Understanding of the Audit Committee's duties. (3) Improvement of the decision-making quality of the Audit Committee. (4) Composition of the Audit Committee and selection of committee members. (5) Internal control.</p> <p>2. The performance evaluation of the Audit Committee is conducted by the Accounting Division using an internal questionnaire self-evaluation to evaluate the operation of the Audit Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. Upon full collection of the questionnaires in January each year, the Company's Accounting Division will report the results to the Board of Directors in accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors."</p> <p>4. The Company completed the Audit Committee performance evaluation in January 2023 for the evaluation period from January 1 to December 31, 2022. The results of the performance evaluation of the Audit Committee was reported to the Board of Directors for review and improvement on March 7, 2023 with a view to accurately assessing and monitoring the Company's existing or potential risks.</p> <p>5. The evaluation results for each category are as follows:</p> <table border="1" data-bbox="1131 962 1724 1292"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>5</td> <td rowspan="5">The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 5 points, an embodiment of a good evaluation result.</td> </tr> <tr> <td>Understanding of the Audit Committee's duties</td> <td>5</td> </tr> <tr> <td>Improvement of the decision-making quality of the Audit Committee</td> <td>5</td> </tr> <tr> <td>Composition of the Audit Committee and selection of committee members</td> <td>5</td> </tr> <tr> <td>Internal control</td> <td>5</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>III. Performance evaluation of the Remuneration Committee</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	5	The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 5 points, an embodiment of a good evaluation result.	Understanding of the Audit Committee's duties	5	Improvement of the decision-making quality of the Audit Committee	5	Composition of the Audit Committee and selection of committee members	5	Internal control	5
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Composition of the Audit Committee and selection of committee members	5																
Internal control	5																

No significant difference

Evaluation Item	Implementation Status (Note)		Abstract Illustration	Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies												
	Yes	No														
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>1. The Remuneration Committee's performance evaluation covers the following four items:</p> <p>(1) Degree of participation in the Company's operations.</p> <p>(2) Understanding of the Remuneration Committee's roles and responsibilities.</p> <p>(3) Improvement in the Remuneration Committee's decision-making quality.</p> <p>(4) Composition and member selection of the Remuneration Committee.</p> <p>2. The performance evaluation of the Remuneration Committee is conducted by the Human Resource Division through an internal questionnaire self-evaluation which is filled out by the members of the Committee. The results of performance assessment will be adopted as reference for the Company's review and improvement.</p> <p>3. The Company completed the performance evaluation of the Remuneration Committee in January 2023 for the evaluation period from January 1 to December 31, 2022. The evaluation results for 2022 were good in all aspects, and have been submitted to the Board of Directors for review on March 7, 2023 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td style="text-align: center;">4.75</td> <td rowspan="4">The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.7, which is a good evaluation result.</td> </tr> <tr> <td>Understanding of the Remuneration Committee's roles and responsibilities</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Improvement in the Remuneration Committee's decision-making quality</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Composition and member selection of the Remuneration Committee</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p style="margin-left: 20px;">Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>The Company's Audit Committee and Board of Directors assess the independence and suitability of its CPAs annually. In addition to requiring the member team of CPAs to provide "Statement of Independence" and "Audit Quality Index (AQIs)", the audit Committee evaluates the independence and suitability of its CPAs in accordance with the criteria in the following table and the five dimensions of AQI index (including 13 indicators). Having confirmed that it has no financial interest or business relationship with the Company other than verification and tax case expenses, that its family members do not violate the independence requirement, and having confirmed with</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	4.75	The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.7, which is a good evaluation result.	Understanding of the Remuneration Committee's roles and responsibilities	5	Improvement in the Remuneration Committee's decision-making quality	5	Composition and member selection of the Remuneration Committee	5	
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			<p>reference to the AQI indicators information that the CPAs and firms are above the industry average in terms of experience and hours of training, In addition, we will introduce audit innovation tools, expand audit support center and introduce cloud audit platform to improve audit quality. The results of the latest annual evaluation were discussed and approved by the 13th meeting of the 3rd Audit Committee on March 7, 2023, and submitted to the 15th meeting of the 20th Board of Directors on the same day for the independence and suitability evaluation of CPAs.</p> <p>Evaluation of the Independence of CPAs:</p> <table border="1"> <thead> <tr> <th>ITEM</th> <th>Evaluation Results</th> <th>Whether the CPA is independent</th> </tr> </thead> <tbody> <tr> <td>1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>2. The CPA does not have significant financial interest in his/her trustor.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>3. The CPA avoids any inappropriate relationship with his/her trustor.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>4. The CPA shall ensure that his/her assistants are honest, fair and independent.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>6. The CPA may not permit others to practice under his/her name.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>7. The CPA does not own any shares of the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>13. The CPA does not have a spouse, immediate family members or relatives within the second degree of</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	ITEM	Evaluation Results	Whether the CPA is independent	1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.	Yes	Yes	2. The CPA does not have significant financial interest in his/her trustor.	Yes	Yes	3. The CPA avoids any inappropriate relationship with his/her trustor.	Yes	Yes	4. The CPA shall ensure that his/her assistants are honest, fair and independent.	Yes	Yes	5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.	Yes	Yes	6. The CPA may not permit others to practice under his/her name.	Yes	Yes	7. The CPA does not own any shares of the Company and its affiliated companies.	Yes	Yes	8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.	Yes	Yes	9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.	Yes	Yes	10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.	Yes	Yes	11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.	Yes	Yes	12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.	Yes	Yes	13. The CPA does not have a spouse, immediate family members or relatives within the second degree of	Yes	Yes
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IV. Has the TWSE/TPEX listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	✓		<p>In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 13, 2019. Mr. Chen, Yung-Chih has more than seven years of experience in services as a manager of a public company's legal affairs unit. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, and assisting Directors in legal compliance.</p> <p>Key points for business execution in 2022:</p> <p>I. Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies:</p> <ol style="list-style-type: none"> 1. Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time. 2. Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business. 3. Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories. 	No significant difference																											



Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	
			<p>4. Assisted Independent Directors in arranging meetings with the head of internal audit or CPAs when there is a need for Independent Directors to meet them in order to understand the Company's financial operations.</p> <p>5. Assist the Company in arranging at least six hours of continuing education for Board members.</p> <p>6. Verified that the Company has purchased the liability insurance for "Directors and key persons" for members of the Board of Directors and reported to the Board of Directors.</p> <p>II. Organized matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions:</p> <p>1. Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period.</p> <p>2. Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, and meeting minutes within the statutory time limit.</p> <p>3. Confirm that the convening of the Board of Directors meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>4. Change registration.</p> <p>III. Maintain relations with investors:</p> <p>IV. The Company updates website information from time to time to keep investors abreast of the Company's financial, business, and corporate governance information and protect the interests of shareholders.</p> <p>Directors' continuing education in 2022 is as follows: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," a listed company shall arrange continuing professional education for its corporate governance officer. A newly appointed chief corporate governance officer shall complete a minimum of 18 CPE hours within the year from the person's appointment and a minimum of 12 CPE hours per year in each following year. In 2022, Chen, Yung-Chih, corporate governance officer of the Company, had completed 43 hours of continuing education classes. The contents of the classes are as follows:</p>

Evaluation Item	Implementation Status (Note)				Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies							
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			<table border="1"> <tr> <td>2022/11/11</td> <td>Taiwan Corporate Governance Association</td> <td>Directors Reading - the highlights of TCFD disclosure</td> <td>3</td> </tr> <tr> <td>2022/12/16</td> <td>Taiwan Corporate Governance Association</td> <td>How can enterprises effectively manage risk</td> <td>3</td> </tr> </table>	2022/11/11	Taiwan Corporate Governance Association	Directors Reading - the highlights of TCFD disclosure	3	2022/12/16	Taiwan Corporate Governance Association	How can enterprises effectively manage risk	3	
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V. Has the company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		The Company has set up a stakeholders' section under Corporate Sustainable Development on its website, which features the categories of stakeholders and contact information as channels of communication. We disclose issues related to frequency, response methods, quality, the environment, occupational safety and health policies, employee rights, as well as social and product liabilities. In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. Communication can be performed through interviews, telephone calls, or dedicated mailboxes. For details of communication with all interested parties, please refer to https://www.usife.com/ESG/zh-tw/ESG13.aspx ; For details of report to the board of directors of implementation, please refer to page 63.	No significant difference								
VI. Does the Company commission a professional shareholder services agency to arrange shareholders' meetings and other relevant affairs?	✓		The Company takes charge of its own shares-related affairs and handles matters related to shareholders' meetings in accordance with the law.	The Company handles its own stockholder affairs to ensure quality and efficiency.								
VII. Information Disclosure												
(I) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		The Company has set up a website (https://www.usife.com) and regularly discloses company information.	No significant difference								
(II) Has the company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the company's website)?	✓		In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. Website: https://www.usife.com/USIEnHome Investor conferences: https://www.usife.com/zh-tw/dirInvestor/firmInvestor7	No significant difference								
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?	✓		The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No significant difference								
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of directors and supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies, and the company's purchase of liability insurance for its directors and supervisors)?	✓		(I) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, purchases group insurance and issues USI E-Newsletter. In addition, employees volunteered to organize the Employee Assistance	No significant difference								

Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	
		<p>Program Center (EAPC) that assists employees in solving problems relating to work, life, and mental health.</p> <p>(II) The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation.</p> <p>(III) With regard to the promotion of environmental protection and occupational safety and health, the Company not only complies with the relevant laws and regulations, but also expects to meet internationally recognized standards, where the Company has successfully obtained ISO 14001, ISO 14064-1, ISO 14067, ISO 46001, ISO 50001, and ISO 45001 certifications. To enhance self-inspection, the Company has established the Group Safety and Health Partners Regional Joint Rescue system led by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.</p> <p>(IV) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work.</p> <p>(V) The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains contact with its major shareholders.</p> <p>(VI) The Company encourages its directors to participate in continuing education. In addition to providing its directors with details on continuing education, the Company also organizes such courses from time to time and invites its directors to attend courses related to corporate governance.</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems, and possesses clear rules and regulations on authorized limits. The Company also performs internal audit to control risks. The implementation status shall be reported to the Board of Directors at least quarterly by the audit officer and at least annually by the General Manager's Office.</p> <p>(VIII) Implementation of consumer protection or customer policy: The Company has formulated its quality policy in order to improve product</p>	



Evaluation Item	Implementation Status (Note)		Discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	
			<p>and service quality, as well as continuously strives to enhance customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits.</p> <p>(IX) The Company has purchased liability insurance for its directors.</p> <p>(X) Since 2022, the Company has been compiling the "Sustainability Report" (Corporate Social Responsibility Reports published in previous years has been disclosed on the Company's website.) to disclose the implementation of employee rights, employee care, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of client relations policies.</p>
<p>IX. Improvements made in the most recent fiscal year in response to the results of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items to be improved (Leave this section blank if the company is not included in the evaluation process)</p> <p>Improvements:</p> <p>(I) More than half of the Directors and the convener of the Audit Committee attended the general shareholders' meeting in person. (Number 1.3)</p> <p>(II) Convene the general shareholders meeting before the end of May. (No. 1.6)</p>			

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.



(IV) If the company has established a remuneration committee or a nominations committee, the composition, responsibilities and operations of the committee shall be disclosed:

The Company's Remuneration Committee was officially established on December 28, 2011 and the establishment was announced. The composition, duties, and operations of the Remuneration Committee are as follows:

1. Information regarding the members of the Remuneration Committee

December 31, 2022

Title (Note 1)	Name	Criteria Professional qualifications and experience (Note 2)	Criteria Independence situation (Note 3)	Number of other public companies in which the member also serves as a member of the remuneration committee
Independent Director (Convener)	Hai, Ying-Chun	As the chairman of Delta Electronics, with experience in setting the Company's business development direction, planning the organizational structure, promoting and implementing strategic innovation, strengthening corporate governance and the functioning of the board of directors.	In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	1
Independent Director	Chen, Chung	He is currently a Chair Professor of Law and Business at Soochow University. He has served as the dean of the administration, the head of the Ministry of Finance and Economics, and the head of the financial sector. He has written extensively on the state of the financial sector and related public policy issues, and has professional experience in strengthening corporate governance and the functioning of the board.	In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Independent Director	Tu, Tzu-Chun	He was adjunct Associate Professor in the Department of Business Administration of Soochow University, Vice President of the Executive Yuan and head of the Ministry of Finance and Economics. Currently, he serves as a director of several listed companies, with experience in industrial development planning, industrial technology research and development and management.	In the two years prior to his election and during his term of office, he did not have the situation described in Item 1 of Article 3 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	3

Note 1. Please specify the relevant seniority, professional qualifications, experience, and independence of the members of the remuneration committee in this form. For independent directors, please refer to Attached Table 1 (I) of Directors and Supervisors on page 14. Please specify as independent director or other (note if convener).

Note 2. Professional qualifications and experience: State the professional qualifications and experience of the members of the Remuneration Committee.

Note 3. Independence criteria: For the members of the Remuneration Committee, state the independence criteria, including but not limited to whether the director, the spouse and immediate family members or relatives within the second degree of kinship of the director

are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of the Company's shares held by the director, the spouse and immediate family members or relatives within the second degree of kinship of the director (or in the name of others); Whether the director is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Paragraph 5-8, Item 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); Amount of remuneration obtained in the last 2 years for providing business, legal, financial, and accounting services to the Company or its affiliated companies: None

Note 4. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.

2. Responsibilities:

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

- (1) Regularly review the Committee Charter and propose recommendations to amend it when necessary.
- (2) Establishing and regularly reviewing the BOD and Managerial Officer's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
- (3) Regular evaluation and stipulation on the compensation of Directors and Managerial Officers.

3. Operations of the Remuneration Committee

- (1) There are three members in the Compensation Committee of the Company.
- (2) The term of the current Remuneration Committee: June 15, 2020 to June 11, 2023. A total of 3 (A) Remuneration Committee meetings were held in the current year. The eligibility and attendance of the members was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy by Proxy	Percentage of Attendance in Person [B/A](Note)	Remark
Convener	Hai, Ying-Chun	3	0	100%	No
Committee Member	Chen, Chung	2	1	67%	No
Committee Member	Tu, Tzu-Chun	3	0	100%	No

Other matters to be noted:

- I. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.



II. If the members of the Remuneration Committee have any dissenting or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated:

Remuneration Committee	Resolution and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
4th meeting of 6th Meeting 2022.03.10	1. The Company's 2021 remuneration distribution proposal for Directors and employees.	No
	2. Discussed the 2021 special bonus for managerial officers.	No
	3. Review of the remuneration policy and the performance evaluation system for Directors and managerial officers.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.	
	The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.	
4th meeting of 7th Meeting 2022.08.04	Annual salary adjustment.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	
4th meeting of 8th Meeting 2022.11.03	1. Amended certain articles of the "Remuneration Committee Charter".	No
	2. Establish 2023 Business Plan of the Committee.	No
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	

Note:

- (1) Note: When a member of the Compensation Committee resigns before the end of the year, the remark column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated based on the number of meetings held by the Compensation Committee and the number of actual attendance during the term of service.
- (2) When an election is held for the Compensation Committee before end of the year, members of both the new and old committee shall be listed in separate columns and noted as new, old or reelected members, along with the elected date, in the "Remark(s)" column. Actual attendance percentage (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

(IV) Information on the membership and operation of the nominating committee: Not applicable.

(V) The implementation situation of promoting sustainable development and the differences with the Code of Practice for sustainable Development of TWSE or TPEX Listed Companies and the reasons

Items affected	Implementation (Note 1)		Abstract Illustration	Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
I. Does the Company have a governance structure to promote sustainable development and a dedicated (and part-time) unit to promote sustainable development that is handled by senior management authorized by the Board of Directors and supervised by the Board of Directors? (TWSE/TPEX Listed Companies shall report the implementation situation, not compliance or interpretation.)	✓		<p>1. The Company set up corporate social responsibility committee in 2014, promoted to the board of directors of the functional committee and established corporate social responsibility committee organizational rules (https://www.usife.com/USIWebFiles/Others/USI_CSROrgRule.pdf) in 2018 , renamed the Commission on Sustainable Development in Q1 2022.</p> <p>2. The Committee consists of the Chairman, the General Manager, and two Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner. Under the Committee are a secretary and three teams, namely the Corporate Governance Team, Environmental Protection Team, and Social Relations Team.</p> <p>3. The committee shall hold at least two meetings every year and has held two meetings in 2022.</p> <p>(1) On March 10, 2022, the Committee presented to the Board of Directors the results of the 2021 business implementation and the 2022 Implementation Plan.</p> <p>(2) The implementation results of the first half of the year 2022 was submitted to the Board of directors on August 4, 2022. The Corporate Governance Team communicates with investors, customers, suppliers, and government agencies on topics we face for achieving sustainable operations to maintain trust between our company and our stakeholders. The Environmental Protection Team integrates internal measures and plans relating to environmental protection, energy conservation, emissions reduction, and occupational health and safety; follows up and reviews implementation outcomes; and discusses topics in environmental protection that are key to meeting stakeholder expectations, so as to meet stakeholders' expectation. The Social Relations Team communicates with employees, community residents, and non-profit organizations on topics relating to employee care, social care and social engagement to contribute to the creation of a fair, just, safe, and harmonious society. The members of each team are composed of task teams representing the relevant departments, responsible for promoting the work related to sustainable development. The committee will report to the Board of Directors on the implementation of sustainable</p>	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>development annually. Please refer to the "Sustainable Development Committee" under "2.1 Corporate Governance" of the Company's 2021 Sustainable Report. https://www.usife.com/ESG/ESGFiles/Report/USI_ESG2021.pdf#page=34</p> <p>4. Supervision of the board of directors (including but not limited to: management policy, strategy and goal setting, review measures, etc.) The authority and operation of the committee shall be handled according to the organizational regulations: (1) Agree on sustainable development policies. (2) Agree on sustainable development strategic plan, annual plan and project plan. (3) Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation. (4) Review the Sustainability Report. (5) Annual report to the Board of Directors on the annual results of sustainable development. (6) Other matters to be conducted by the Committee per board resolution. (7) The Commission's implementation and future work initiatives are revealed in the Sustainability report.</p>	
<p>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (TWSE/TPEX Listed Companies shall report the implementation situation, not compliance or interpretation.) (Note 2)</p>	✓		<p>The Company has established a Sustainable Development Committee as a dedicated unit for promoting sustainable development. To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. Conduct risk assessments on environmental, social, or corporate governance issues related to the company's operations in accordance with the principle of materiality. In 2020, the Board passed the "Regulations Governing Risk Management Policy and Procedures" (The risk management covers the Company and its subsidiaries.), which stipulates that the General Manager's Office should supervise the operation of the various risk management units, regularly assess risks annually, define the various risks pertaining to the Company's overall operating directives, and early identify, accurately measure, effectively supervise, and strictly control the risk management, and thereby prevent any possible losses within tolerable risks. The Company always keeps an eye on the evolution of risk management systems at home and abroad to review and improve this Policy, and keeps adjusting and best improving the risk management methods based on changes in internal and external environment, so as to raise the implementation effectiveness</p>	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>



Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>of the Company's risk management, thereby protect the interest of the Company, employees, shareholders, and stakeholders.</p> <p>The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website.</p> <p>On November 3, 2022, the Company reported to the Audit Committee and the Board of Directors on the operation of risk management in the current year and presented the key execution plan for risk management in 2023. The company's risk management process includes: risk identification, risk measurement, risk monitoring, risk reporting and disclosure, risk response. According to the principle of significance of sustainable development (ESG), integrate the main risk sources of enterprise operation, and determine the risk categories by considering the feasibility of practical operation. Each risk management unit will adjust the control mechanism regularly according to the changes in the operating environment of the internal (external) department. 14 risks will be identified in 2022. Adjust the control mechanism regularly:</p> <ul style="list-style-type: none"> I. Financial risks II. Risk of strategy and operation III. Risk of material prices and supply chains IV. Occupational safety risk V. Information Security Risk VI. Legal risk VII. Human resources risks VIII. Research and development risk IX. Environmental and Energy Resource Risks X. Climate change risks XI. Risk of disasters and accidents XII. Technology risk XIII. Environmental event risks XIV. Transport Safety Risks (Underground pipelines) <p>For detailed risk management, please refer to the Company's website: https://www.usife.com/CSR/zh-tw/CSR23.aspx and 7. Review and Analysis of Financial Position and Performance and Risk Items / 6. Risk Analysis and Assessment / 14. Response to Environmental, Social, and Corporate Governance Risks.</p>	

Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on the characteristics of the industry to which it belongs?</p> <p>(II) Is the company committed to improving energy efficiency and using recycled materials with low environmental load impact?</p> <p>(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?</p> <p>(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption,</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company established the ISO 14001 environmental management system in 1998, which has been operating for more than 20 years and verified by the third-party. This environmental management system has provided the Company with an excellent environmental protection structure to control and reduce the impact on the environment, to prevent accidents from impacting the environment, and to ensure compliance with regulations. Greenhouse gas inventory was conducted according to ISO 14064-1 standard. The Company also completed the ISO 50001 energy management system certification audit on October 16, 2019 and established a complete energy management system (the certification is valid from November 17, 2022 to November 11, 2025).</p> <p>(II) The Company's product manufacturing process is committed to improving the efficiency of raw material recovery, hoping to reduce raw material consumption, The recovery methods included high pressure recovery system improvement project of the second plant, setting of Monomer Refine Tower (MRT), connecting new Tower tank with old tower tank, Ethylene Purification Tower (EPT) is equipped with a condenser at the front end and a new compressor leak gas recovery system. The recovery rate of raw materials is increased from 12.3% in 2021 to 13.1% in 2022. In 2022, energy saving schemes will be promoted, such as the updating of chillers, the updating of cooling water pumps, and the decommissioning of power, so as to effectively improve energy efficiency.</p> <p>(III) In order to implement the commitments to corporate sustainable development and to continuously manage the risks associated with climate change and response strategies and measures, in addition to following the energy conservation and carbon reduction targets set by the USI Group, the Company has referred to the identification process of climate risks and opportunities under the Task Force on Climate-related Financial Disclosures (TCFD) framework released by the Financial Stability Board (FSB) in 2017 to identify risks and opportunities while establishing response measures and implementing plans. Please refer to our 2021 Sustainability report "4.3 Climate Change and Energy Management" (https://www.usife.com/ESG/ESGFiles/Report/USI_ESG2021.pdf#page=83) and our official website (https://www.usife.com/ESG/zh-tw/ESG35.aspx).</p> <p>(IV) To keep track of the Company's greenhouse gas emissions and comply with the environmental protection law "Business shall inventory and record the</p>	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>



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	Yes	No	Abstract Illustration	
and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?			<p>sources of greenhouse gas emissions" (Notice on 2022.08.08), the Kaohsiung Plant conducts an annual greenhouse gas inventory and reports it on the website of the Environmental Protection Agency. The Operation Control Law collects emissions for major emission sources. In line with the government's GHG reduction policy, the Company has formulated energy conservation and carbon reduction plans for each unit and set plant-wide energy conservation and carbon reduction goals. In addition, the Company has also established a energy conservation and carbon reduction team with the help of the affiliated companies of USI Corporation, and put together consistent approaches through resource integration and experience sharing in order to jointly promote practical and effective energy conservation and carbon reduction plans and perform quarterly review of implementation results.</p> <ul style="list-style-type: none"> ● Greenhouse gas emissions: CO2e: 148,173 metric tons in 2021 (Scope 1+Scope 2+Scope 4). (USI Corporation Kaohsiung Plant obtained ISO 14064-1 (2018) Greenhouse Gas Inspection Declaration on May 4, 2022) CO2e: 142,588 metric tons in 2022 (Scope 1+Scope 2+Scope 4). (Including USI Corporation Kaohsiung Plant, Guishan R&D Division, and Taipei headquarters) ● Total Water Withdrawal (USI Corporation Kaohsiung Plant): 998.098 million liters in 2021. 925.439 million liters in 2022. ● Total Waste (USI Corporation Kaohsiung Plant): 890.82 metric tons in 2021.(22.23 metric tons of hazardous waste and 868.59 metric tons of non-hazardous waste.) 480.66 metric tons in 2022.(16.72 metric tons of hazardous waste and 457.28 metric tons of non-hazardous waste.) <p>The implementation plans and results of energy conservation and carbon reduction, water conservation, and waste management policy of the Company in 2022 are as follows:</p> <p>I. Energy saving and carbon reduction:</p> <ol style="list-style-type: none"> 1.Target: Cut greenhouse gas emissions by 2,323 metric tons from 2021. 2.Measure: 2022 Plant-wide Energy Conservation Plan. <p>Implementation method:</p> <ol style="list-style-type: none"> (1)W-238 Renewal of refrigerating machine. (2)The updating of J-290A/C cooling water pumps. 	

Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
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			<p>(3)Primary compressor inlet pressure drop operation at Plant No. 1. (4)MULTI CYCLONE FEEDER is disabled. (5)Reactor pressure drop operation at Plant No. 1. (6)MRT Steam reduction operation. (7)The TO stove is disabled. (8)Demand bidding.</p> <p>3.Implementation results: The target power saving rate for 2022 was 1.71%, and the actual achievement rate was 67.1%, and 1,560 metric tons of CO2e of greenhouse gas emissions were reduced.</p> <p>II. Water conservation (USI Corporation Kaohsiung Plant):</p> <ol style="list-style-type: none"> 1. Target: Reduce water emissions by 5,280 metric tons from 2021. 2. Measures: Continuous wastewater monitoring and recycling. 3. Implementation methods and results: <ol style="list-style-type: none"> (1)The system continuously monitors the quality of effluent from the plant and increases the response capacity for wastewater treatment. It also ensures that the effluent meets control standards. The effluent is processed in the recycling system and used to replenish water in the cooling tower to reduce the usage of tap water and reduce process wastewater effluent. The total waste water recovered in 2022 was 32,153 metric tons. (2)The Company has implemented a programme over the years to promote the recycling and reuse of water resources, including the improvement of the steam condensate recovery system, the recovery of granular overflow water, the continuous monitoring and recovery of wastewater, the recovery of flood detention ponds, the recovery of rainwater in the tank area and the recovery of MRT steam condensate water. The total amount of water recovered and reused in 2022 is estimated to be 130,679 metric tons. (3)In 2022, the Company obtained ISO 46001:2019 validation of water efficiency management system. <p>III. Methods and results of waste management implementation:</p> <ol style="list-style-type: none"> 1. Target: To strengthen the control of waste flow direction. 2. Management policy: Audit on waste removal and disposal companies. 3. Implementation results: Random inspection was conducted on 9 waste removal manufacturers and 7 waste disposal manufacturers, and the inspection results were all in line with relevant laws and regulations. 	



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	Yes	No	Abstract Illustration	
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) ◎ Human Rights Policy The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group in March 2018, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner. ◎ Human rights risk mitigation measures The Company undertakes to reasonably ensure the safety of its employees and working environment, the respect and dignity of its employees, the environmental protection of its operations and the compliance with regulations and ethics. To demonstrate this commitment, we should respect employees based on integrity, assign special personnel to carry out employees' occupational safety and health operations in accordance with the law, implement human rights policies into daily life in addition to continuous advocacy and education, and establish channels for reasonable complaints. ◎ Human rights concerns and practices 1. Provide a safe and healthy working environment The Company has approved ISO 14001 (Environmental Management System) valid until 2 July 2025, ISO 45001 (Occupational Safety and Health Management System) valid until 16 April 2025 and ISO 50001 (Energy Management System) valid until 16 October 2025. In addition, the Kaohsiung Plant completed ISO 14064 (Greenhouse Gas Inventory) for 2021 on 14 May, 2022. The Company actively promotes energy conservation, disaster prevention, pollution prevention and other improvement activities to reasonably ensure a safe working environment. In addition to providing a safe and healthy working environment based on laws and regulations, the Company has set up specialized units and committees for occupational safety and health, employs professional doctors and nursing staff, conducts regular education and training on safety and health, fire prevention and other related issues, and takes	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>necessary preventive measures to prevent occupational disasters, so as to reduce the risk factors in the working environment.</p> <p>2.Prohibiting illegal discrimination to ensure equal work opportunities, etc The Company will implement the human rights policy in internal control procedures, in employment, compensation and benefits, training opportunities, promotion, dismissal or retirement and other labor rights and interests; Employees and job seekers shall not be treated unfairly based on race, class, language, ideology, religion, party, origin, birthplace, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disorders, constellation, blood type, and other factors.</p> <p>3.No child labor To ensure compliance with corporate social responsibility and ethics, the Company has prohibited child labor since the beginning of recruitment. By the end of December 2022, the total number of employees is 453, including no child labor.</p> <p>4.Prohibit forced labor. The Company does not force or coerce any unwilling personnel to perform labor acts. For the daily, weekly normal working hours and extended working hours, leave, special leave and other leave provisions are in line with the laws and standards. Set up a reminder function when employees in the attendance system apply for overtime work, provide overtime pay or compensatory leave after overtime work, and there are specially-assigned people to inspect and control the working hours of the factory every month.</p> <p>5.Assist employees to maintain physical and mental health and work life balance (1)The Company provides venues or sponsorship funds to encourage employees to participate in health activities. Employees form their own clubs to unite the emotions of colleagues through club activities. (2)Besides holding spring party, Mid-Autumn evening party, guessing lantern riddles and other activities to adjust the body and mind of employees and cohesion of the centripetal force, the Company also sets sports and fitness equipment for employees to use after work. (3)To encourage independent exercise and health management of employees, sports competitions and annual healthy weight loss</p>	



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	Yes	No	Abstract Illustration	
			<p>competitions are held from time to time, which are beneficial to physical and mental health.</p> <p>(4) During the COVID-19 pandemic in 2022, some activities and fitness facilities were suspended to avoid gathering together, but the Personnel Department kept paying attention to the physical and mental condition of colleagues and provided necessary assistance and care at any time.</p> <p>6. Human rights protection training practices</p> <p>(1) Orientation Training Upon arrival, employees are required to conduct relevant legal compliance education and training, including sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment.</p> <p>(2) Prevention of workplace violence Through publicity and announcements, employees are made aware of their responsibilities to help ensure that there is no illegal infringement in the workplace during the performance of their duties, and expose the complaint line to jointly create a friendly working environment.</p> <p>(3) Occupational safety training Including safety and health education training, fire safety training, emergency response, first aid personnel training, etc.</p> <p>(4) Integrity and moral advocacy Education and communication on the standards of daily behavior and ethics to provide a healthy and positive workplace culture.</p> <p>◎ The Company continues to pay attention to human rights protection and carry out relevant training to improve the awareness of human rights protection and reduce the possibility of related risks. In 2022, a total of 882 participants and 3,631 hours of training were held to promote human rights protection. The participants and training are listed as follows:</p>	

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(II) Does the Company formulate and implement reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?	✓		<p>(II)</p> <ul style="list-style-type: none"> ◎ Employee compensation The Company has a compensation committee to review the compensation policy regularly. The rewards and punishments are linked to year-end bonuses to make the reward and punishment system clear and effective. Pay year-end bonuses according to the Company's profit, employee's individual performance, and the achievement rate of organizational goals. ◎ Employee welfare measures The Company has multiple welfare measures: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Welfare</th> <th>Content</th> </tr> </thead> <tbody> <tr> <td>Bonus</td> <td>Year-end bonus, performance bonus</td> </tr> <tr> <td>Vacation</td> <td>Parental leave, physiological leave, family care leave, maternity leave, maternity examination leave, paternity examination and paternity leave without pay</td> </tr> <tr> <td>Insurance</td> <td>Accident Insurance, life insurance, employee/dependant group insurance, employee pension, employee business travel group injury insurance</td> </tr> <tr> <td>Catering</td> <td>Staff canteen, meal allowances</td> </tr> <tr> <td>Transportation</td> <td>Employee parking lots, transportation allowance</td> </tr> <tr> <td>Entertainment</td> <td>Employee gym, travel, regular dinner</td> </tr> <tr> <td>Subsidy</td> <td>Employee in-service education and training, employee at home/abroad study subsidies</td> </tr> <tr> <td>Other</td> <td>Employee maternity allowance, wedding and funeral allowance, travel allowance, senior employee praise, holiday bonus, periodic physical examination</td> </tr> </tbody> </table>	Welfare	Content	Bonus	Year-end bonus, performance bonus	Vacation	Parental leave, physiological leave, family care leave, maternity leave, maternity examination leave, paternity examination and paternity leave without pay	Insurance	Accident Insurance, life insurance, employee/dependant group insurance, employee pension, employee business travel group injury insurance	Catering	Staff canteen, meal allowances	Transportation	Employee parking lots, transportation allowance	Entertainment	Employee gym, travel, regular dinner	Subsidy	Employee in-service education and training, employee at home/abroad study subsidies	Other	Employee maternity allowance, wedding and funeral allowance, travel allowance, senior employee praise, holiday bonus, periodic physical examination	
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(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(III) The Company continues to promote the acquisition of ISO 14001 Environmental Management System validation (valid until July 2, 2025) and ISO 45001 Occupational Safety and Health Management System Validation (valid until April 16, 2025). The work safety department and the responsible department of construction of the plant shall conduct regular inspection and inspection of various operations on a daily basis, and further implement the safety and health management by combining the mutual supervision and experience exchange of the related enterprises of USI Group. The Company has an “Occupational Safety and Health Committee (OSHC)” established in accordance with the “Regulations for Occupational Safety and Health Management,” with labor representatives elected or appointed by the union. The committee meets with management every quarter to discuss, coordinate, plan, and make decisions on issues related to occupational safety and health, and implement employee participation, consultation, and communication. We team up with the Taiwan Responsible Care Association (TRCA) to promote industrial safety, health, and environmental protection together and learn</p>																			

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			<p>from one another in order to improve the protection of employee safety and health. In addition, we organize fire exercises and industrial safety education and training biannually to develop emergency response skills and self-safety management of employees. Based on the production activities of the Company, we have established emergency response procedures for raw material (chemical) leakage, fire, explosions, and earthquakes. In addition, we have classified incidents into three levels and have planned different response measures. In 2021, we reviewed the fire protection team personnel of our factory again. In addition to the regular day shift personnel, we also incorporated the holiday and night shift personnel planning into the emergency personnel team, so that we can effectively respond to and deal with the accident immediately when it happens.</p> <p>According to the severity of the accident, the corresponding strain mode is adopted. The relevant strain process is described as follows:</p> <p>Stage 1: Minor leakage of hazardous substances and a minor fire occur within the plant.</p> <ul style="list-style-type: none"> ● The on-duty officer should be the scene response commander, who directs the fire protection team members of the shift to carry out the initial response and disposal. <p>Stage 2: Major leakage of hazardous substances and a major fire occur within the plant where the emergency response team of the incident occurring unit cannot effectively control the situation, and it must mobilize the plant's emergency response organization to support. Supervisors at all levels shall be notified, and relevant units outside the plant shall be requested for personnel and emergency equipment support.</p> <ul style="list-style-type: none"> ● The on-duty officer sends request for support to the head of unit and mobilizes the emergency response organization according to the alert and reporting procedure. ● Based on the emergency situation, request for support outside of the plant and notify relevant agencies when necessary. ● Determine the need to immediately shut down plant operations and isolate the incident affected area. ● The site commander can be the head of the incident occurring unit or department, until the general plant manager or his/her deputy takes over the command. 	



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			<ul style="list-style-type: none"> ● Set up a response command center to gather information regarding the latest situation for the chief commander to make decisions and notify the response organization. <p>Stage 3: The incident may spread outside of the plant and its impact reaches outside of the plant.</p> <ul style="list-style-type: none"> ● The general plant manager or his/her deputy becomes the chief commander to command the emergency plan within the plant and report the situation to the Fire Bureau of Kaohsiung City and other units related to industrial safety and environmental protection, and transfer the command to Disaster Response Center, Kaohsiung City. ● If the situation is out of control and endangers the lives of employees and relief personals, an evacuation shall be ordered. <p>Every year we commission major hospitals to give health examinations to employees to protect their physical health and report the examination results to competent authorities for reference as necessary. We also arrange special health examinations for employees of specific plant engaging in noise, dusty, ionizing radiation, n-hexane, and 1,3-Butadiene work. At USI, the safety management of contractors and suppliers is equally important. Therefore, we have established the “Contractor Management Regulations” and the “Contractor Entry Management Manual.” Both documents include industrial safety education and training for contractors, and they must pass safety certification before they can perform their contracts at USI. To strengthen safety supervision during construction, we have established the “Labor Safety and Health Tour Inspection Regulations” to implement ESH tour inspections every day within the plant to improve the safety of all processes and ensure the safety, life, and health of employees. Before implementing high-risk work, we run a risk assessment process to identify hazards, assess risk, take precautionary measures, and review the emergency response plan. We also hold communication and coordination meetings with contractors before commencement of work to ensure operation safety. Education, training, and publicity are the foundation to promote ESH awareness to employees and contractors. By establishing the "Labor Safety and Health Education and Training Regulations," we provide knowledge and skill training for different categories of employees and contractor personnel based on actual need. In 2022, there are 1,502 environmental health education and training personnel, 4,545 hours of training, 115 sessions.</p> <p>◎ Work safety check</p>	

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			<p>Before the contractor enters the factory, the security guard shall confirm the physical and mental condition of the contractor and the vehicle control, conduct liquor test in time, and preliminarily master the safety state of the vehicle entering the factory. The Department of Work Safety conducts a comprehensive inspection and confirmation for all on-site operations every day to reduce the occurrence of unsafe behaviors on site. The inspection results will be logged in the "Environmental Safety and Health Management platform" and reported in the quarterly meeting of the Occupational Safety Committee, to effectively grasp the deficiencies and track the management of improved results. The Group's Audit Office provides semi-annual audit guidance, and the factory also immediately improves and tracks missing items. In addition, the general manager leads the first-level and second-level supervisors to carry out 6S inspection of the whole factory area from time to time, and carry out on-the-spot review of defects and division of rights and responsibilities. USI aims to enhance occupational safety and process safety through comprehensive work safety audit management.</p> <table border="1"> <thead> <tr> <th>Implementation Focus (Audit Unit)</th> <th>Implementation Frequency</th> </tr> </thead> <tbody> <tr> <td>Physical and mental condition check of contractor before entering the factory (guard)</td> <td>Non-scheduled</td> </tr> <tr> <td>Contractor Agreement Organization Data Audit (Work Safety Division)</td> <td>Daily</td> </tr> <tr> <td>Operation site inspection and Recording (Industrial Safety Division)</td> <td>Daily</td> </tr> <tr> <td>Presentation on Defect and Improvement Review (Work Safety Division)</td> <td>Quarterly (Occupational Safety Committee)</td> </tr> <tr> <td>6S inspection of the whole factory area (Senior executives)</td> <td>Semiannually</td> </tr> <tr> <td>Safety operation and regulation audit (Audit Office)</td> <td>Semiannually</td> </tr> </tbody> </table> <p>◎ Equipment safety management The Company carries out hierarchical management of equipment according to the regulations of labor inspection, and lists and conducts regular inspection of dangerous machinery and equipment according to law to ensure the safety of equipment. In 2022, five dangerous mechanical equipment and 230 dangerous equipment were inspected, all of which passed the inspection. In addition, replaced the old with the new of 6 dangerous equipment to maintain safe operation and uninterrupted production.</p>	Implementation Focus (Audit Unit)	Implementation Frequency	Physical and mental condition check of contractor before entering the factory (guard)	Non-scheduled	Contractor Agreement Organization Data Audit (Work Safety Division)	Daily	Operation site inspection and Recording (Industrial Safety Division)	Daily	Presentation on Defect and Improvement Review (Work Safety Division)	Quarterly (Occupational Safety Committee)	6S inspection of the whole factory area (Senior executives)	Semiannually	Safety operation and regulation audit (Audit Office)	Semiannually	
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(IV) Has the Company established an effective career developmental plan for its employees?	✓		<p>In 2022, no occupational injury occurred during the operation of the Company's employees, and the frequency of incapacitated injury in the last two years was 0.</p> <p>(IV) The Company has established an all-round education and training system in coordination with the external environment, its business principles, department performance goals and employees' career development needs, in order to provide training courses required by all-round talents. In regards to the employees' continuing education and learning, the Company conducts the employee training needs survey in the fourth quarter of every year to formulate education and training implementation plans and budgets. At the same time, the Company has also set up a digital learning platform as a means for self-learning, and regularly holds employee functional training, management training, seminars, health talks and various conferences to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. In order to improve coworkers' qualities and overall competitiveness, courses are conducted using diverse methods. In addition to lectures, in-class activities are designed according to course attributes, while case study discussions or group discussions are carried out, with a view to making learning livelier and more productive. Additionally, online e-learning courses allows coworkers to effectively participate in learning activities anytime, anywhere, thereby enhancing their career development and overall work performance.</p>	
(V) Has the company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing and labeling, and formulated relevant consumer or client protection policies and grievance procedures?	✓		<p>(V) The Company strives to provide clients with satisfying services and hopes to establish long-term partnerships with them while following relevant laws and international standards and formulating relevant consumer protection policies and complaint procedures to maintain customers' health and safety. In terms of customer data protection, the Group's Information Technology Division has established various regulations to protect and control all types of information. It has also adopted measures such as strengthening firewall management, access authority control, and separation of the test environment and the physical working environment to implement rigorous access control strategies and procedures for customer data and avoid the risks of leakage of customers' confidential information. In 2022, there were no violations of product labeling regulations and fines thereof, nor breaches of customer privacy or leaks of their data.</p>	
(VI) Does the company formulate a supplier management policy that requires suppliers to follow relevant	✓		<p>(VI) The Company establishes long-term cooperation with high-quality suppliers based on quality, capability and environmental protection policies, fulfills</p>	

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regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented?			corporate social responsibilities, and delivers the idea of environmental protection policies to contractors and carriers. At the same time, the Company complies with the Restriction of Hazardous Substances (RoHS) directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management. Therefore, before corresponding with suppliers, the Company must evaluate and screen them. For those who have poor records on adversely impacting the environment and society in the past, the Company avoids doing business with them. Besides, the Company encourages new/existing suppliers to fill in the social responsibility commitment form for self-evaluation and requires them to follow relevant regulations on issues such as environmental protection, occupational safety and health, or human rights of labors. Also, by consulting the Transparent Footprint website (https://thaubing.gcaa.org.tw/), the Company inquires about whether suppliers had material environmental or labor safety violations and whether they had hit any news in this regard.	
V. Does the Company prepare corporate Sustainability Reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the Company obtain third-party assurance or qualified opinion for the reports above?	✓		The 2022 report complies with GRI Standards:2021 and is externally guaranteed by AFNOR, an independent third-party assurance agency, in accordance with the Type 1 moderate-level assurance of the AA1000AS v3 standards and the degree of compliance set out in the GRI Standards:2021.	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
VI. If the Company has its own Code of Practice for Sustainable Development under the Code of Practice for sustainable Development of TWSE or TPEX Listed Companies, please state how its operation differs from the Code: The Company operates the Code of Practice for Sustainable Development under the Code of Practice for sustainable Development of TWSE or TPEX Listed Companies without any material difference from the Code.				
VII. Other important information for understanding the implementation of sustainable development: (I) Composition, functions, and operation of the Sustainable Development Committee: The Company's Sustainable Development Committee was officially established on June 26, 2018 and its composition, duties, and operations are as follows: 1. Information on the Members:				
	Title	Name	Specialties	
	Committee Chairman	Tu, Tzu-Chun Independent Director	Operational judgement, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, and environmental protection	
	Deputy Committee Chairman	Pei-Chi Wu Director and General Manager	Operational judgement, business management, crisis management, industry knowledge, leadership, decision-making	
	Committee Member	Wu, Yi-Gui	Operational judgement, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making	



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<p>(1) The current term of office is from June 15, 2020 to June 11, 2023.</p> <p>(2) The Sustainable Development Committee holds at least two meetings a year. Two meetings were held in the most recent year with 100% attendance in person.</p> <p>(3) General Manager Wang, Ke-Shun resigned on September 2, 2022. The post of Deputy Chairman of the Sustainable Development Committee will be assumed by the new General Manager, Mr. Wu, Pei-Chi, in accordance with the establishment of the Sustainable Development Committee.</p> <p>2. Responsibilities:</p> <p>(1) Agree on sustainable development policies.</p> <p>(2) Agree on sustainable development strategic plan, annual plan and project plan.</p> <p>(3) Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation.</p> <p>(4) Review the Sustainability Report.</p> <p>(5) Annual report to the Board of Directors on the annual results of sustainable development.</p> <p>(6) Other matters to be conducted by the Committee per board resolution.</p> <p>3. Implementation status:</p> <p>First meeting in 2022 (The Corporate Social Responsibility Committee was renamed the Sustainable Development Committee)</p> <p>(1) Date of Meeting: March 10, 2022</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wang, Ke-Shun, Wu, Quintin, and Hai, Ying-Chun</p> <p>(3) Report on 2021 CSR Implementation Results and Future Promotion Goals.</p> <p>(4) Report on the identity of stakeholders, issues of concern, communication channels and response methods in 2021.</p> <p>(5) Report on the implementation progress and planning of the 2021 Sustainability Report.</p> <p>(6) Amendment to some articles of the Company's Corporate Social Responsibility Best-Practice Principles.</p> <p>(7) Amendment to some articles of the Company's Corporate Social Responsibility Committee Charter.</p> <p>The 2nd meeting in 2022</p> <p>(1) Date of Meeting: August 4, 2022</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wang, Ke-Shun, Wu, Quintin, and Hai, Ying-Chun</p> <p>(3) Report on the implementation of the Company's sustainable development plan for the first half of 2022.</p> <p>(4) Report on the Company's 2021 Sustainable report implementation results.</p> <p>(5) Report on the Company's greenhouse gas inventory performance.</p> <p>(6) Report on the Climate Change Driving Planning and Implementation Performance.</p> <p>The 1st meeting in 2023</p> <p>(1) Date of Meeting: March 7, 2023</p> <p>(2) Committee members present: Tu, Tzu-Chun, Wu, Pei-Chi, Wu, Yi-Gui, and Hai, Ying-Chun</p> <p>(3) Report on 2022 Stakeholder Agreement results, including stakeholder identity, issues of concern, lines of communication, and responses.</p> <p>(4) Report on the Company's sustainable development performance and future promotion goals in 2022.</p> <p>(5) Report on the Company's implementation progress and planning of the 2022 Sustainability Report.</p> <p>(6) Report on the Company's greenhouse gas inventory and verification performance.</p>										

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<p>(7)Approve the amendment of certain articles in "Code of Practice for Sustainable Development"</p> <p>(II) Implementation of Environmental Protection and Occupational Safety and Health:</p> <ol style="list-style-type: none"> 1. Environmental Protection Policies: <ol style="list-style-type: none"> (1) Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations. (2) Continue to conserve and reuse resources and energy, as well as reducing industrial waste. (3) Prevent pollution and reduce potential risks in operations (4) Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health. (5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health. (6) To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities 2. The Company has been a member of the Taiwan Responsible Care Association since 1998. The Company applies the "Responsible Care Management Practices" established by TRCA to its entire plant, and reports its safety, health and environmental protection performance indicators every year. 3. The Company continues to implement industrial waste reduction, improve workplace safety, and enhance environmental protection and occupational safety and health training for employees. 4. The Company determines the characteristic of waste in accordance with the "Standards for Defining Hazardous Industrial Waste" and details such information in the "Waste Cleanup Plan" before submitting the plan to the competent authority. In addition, the waste shall be classified and stored according to the characteristics of its main components in accordance with the Standards for Methods and Facilities for Storage, Removal and Treatment of Business Wastes, and shall be labeled in the storage location, containers, and facilities. Waste removal and treatment operations are entrusted with qualified permits to remove the disposal of institutions, and in accordance with the Waste Disposal Act. 5. Participated in the Joint Hazard Prevention Organization for Underground Industrial Safety. In 2022, USI Corporation served as the leader of the bundle maintenance and management function group, and was selected as an excellent organization for joint prevention operation by the Industrial Development Bureau. 6. The Company's Renwu Plant has been actively implementing the green procurement plan since 2019, and the green procurement amount in 2022 is NT\$9.62 million, with a total of about NT\$26.6 million. 7. The Company's subsidiary Taiwan VCM Corporation rented part of the land from China Petrochemical Development Corporation's Qianzhen Plant from January 1, 1970 to December 31, 1989 to set up its plant and manufacture VCM. In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biology" engineering method developed by INOMA Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government from January 11, 2016 to January 12, 2016, it was announced on April 11, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region. In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from Kaohsiung Environmental Protection Bureau: The Kaohsiung City Environmental Protection Bureau recognizes the performance of Taiwan VCM Corporation's Environmental Development Department in the delisted control site of CPDC's Qianzhen Plant. 8. In 2010, part of the land occupied by China General Plastics Corporation's Toufen Plant was listed as a groundwater pollution control site and included in the groundwater pollution control region by environment unit. Therefore, the Company introduced and implemented the "Physics+Chemistry+Biology" engineering method developed by Taiwan VCM Corporation to carry out remediation and improvement of the area. After the field samples collected were verified by environmental protection agencies, it was found that various data have complied with the government's control standards. The site was removed as a groundwater pollution control site by the Environmental Protection Administration on February 24, 2017 and the Environmental Protection Bureau of the Miaoli County Government on March 21, 2017. In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from the Environmental Protection Administration (EPA) of the 				



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<p>Executive Yuan: The EPA recognizes the performance of Taiwan VCM Corporation's Environmental Development Department in the delisted site of the Company's Toufen Plant.</p> <p>9. Taiwan VCM Corporation, a subsidiary of the Company, has won the certificate of explanation and analysis of treatment technology for polluted site issued by the Environmental Protection Agency of Executive Yuan. Through promoting the certification and validation of remediation technologies, and collecting information from domestic manufacturers and successful cases of separation, the EPD recently announced the remediation technologies of Environmental Development Department of Taiwan VCM Corporation in the "soil and groundwater pollution remediation network" of EPD.</p> <p>10. Director Chien, Hua-I from Taiwan VCM Corporation, a subsidiary of the Company, won the Outstanding Planning Manager Award for 2020 conferred by Taiwan Association for Soil and Underground Environment Protection.</p> <p>11. Taiwan VCM Corporation (TVCM), a subsidiary of the Company, was awarded the "Soil and Groundwater Symposium - Best Paper Award" from the Chinese Institute of Environmental Engineering - 33rd Annual Conference and from various other specialized academic seminars.</p> <p>12. Newly developed oil-degrading bacteria in 2022: After the soil of oil-polluted sites were domesticated in laboratories, bacteria with degradative functions were screened out; and following fermentation and cultivation, toluene and naphthalene degradation genes were detected, which showed the ability to degrade benzene and toluene. In addition, the properties of diesel oil can be used for on-site renovation.</p> <p>13. CGPC, a subsidiary of the Company, declared a green procurement amount of NT\$77.31 million in 2022 and was awarded a certificate of appreciation by the Department of Environmental Protection, Taipei City Government.</p> <p>14. The Company's subsidiaries CGPC, TVCM, and CGPCPOL are committed to environmental protection, cooperating with Miaoli County Government's "Cooperation Agreement on Seasonal Voluntary Reduction of Air Pollution" and Kaohsiung City Government's Environmental Protection Bureau to promote the signing of "Kaohsiung City Air Pollution Purification Area Management Plan 2022" and the letter of appreciation.</p> <p>15. In response to the government's action plan to promote green finance, CGPC, a subsidiary of the Company, participates in the "Green Deposit" launched by Cathay Bank.</p> <p>(III) Implementation of Energy Conservation and Carbon Reduction:</p> <p>1. Energy Conservation and Carbon Reduction Policies:</p> <p>(1) To achieve energy conservation and carbon reduction regulations set by the government, as well as actively promote and develop energy conservation and carbon reduction projects</p> <p>(2) To demonstrate the Company's commitment towards energy conservation and carbon reduction, and rewards the incorporation of energy conservation and carbon reduction cases in order to propose improvements to the system</p> <p>(3) To promote energy conservation and carbon reduction plans at departmental level and carry out energy conservation and carbon reduction education and promotional work.</p> <p>(4) To implement energy conservation and carbon reduction-related individual job details and continuously provide employees with education and training in order to implement energy conservation and carbon reduction</p> <p>2. Outcomes of Energy Conservation and Carbon Reduction:</p> <p>(1) The carbon dioxide emissions of the Company and its subsidiaries in 2022 and 2021 are 682,449 tons and 740,172 tons respectively, resulting in a reduction of 59,000 tons and 64,343 tons of carbon dioxide emissions respectively.</p> <p>(2) The Environmental Protection Agency of Executive Yuan announced on August 8 2022 that "Enterprises should inventory the sources of recorded greenhouse gas emissions". The Company's Renwu Plant is a manufacturing process emission source of the plant's total annual emissions of greenhouse gases from the direct emission of fossil fuel combustion and the indirect emission from the use of electric power up to 25,000 metric tons of carbon dioxide equivalent. The inventory and log of greenhouse gas emissions of the previous year shall be completed before August 31 each year (including), and the Company's Renwu Plant handled it in accordance with regulations. To control the greenhouse gas emission status of the Company's Renwu Plant, the annual voluntary greenhouse gas inventory operation will be</p>				

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			<p>carried out. Since 2022, the inventory organization boundary will be expanded to cover the Company's Kaohsiung Renwu Plant, Guishan R&D Division, and Taipei headquarters. The Operational Control Law will be adopted to consolidate emissions for major emission sources. Apply "ISO 14064-1:2018" as the verification standard for GHG inventory, and cooperated with external experts to integrate GHG inventory data and establish a systematic system, on which we also entrusted a third-party to conduct verification. The GHG emission factor is based on version 6.0.4 of the Greenhouse Gas Emission Factor Management Table of the Environmental Protection Agency, and the Global Warming Potentials (GWP) is cited from the IPCC Fifth Assessment Report (2013). The Company has completed the greenhouse gas inventory and confirmation of the individual parent company in 2022 as follows:</p> <p><u>Renwu Plant in Kaohsiung</u> Direct GHG emissions in Scope 1 were 24,670 metric tons of CO2e per year, indirect GHG emissions in Scope 2 were 117,580 metric tons of CO2e per year and 130 metric tons of CO2e per year in Scope 4. Direct and indirect GHG emissions were 142,370 metric tons of CO2e per year.</p> <p><u>Guishan R&D Division</u> Direct GHG emissions in Scope 1 were 10 metric tons of CO2e per year, indirect GHG emissions in Scope 2 were 90 metric tons of CO2e per year. Direct and indirect GHG emissions were 100 metric tons of CO2e per year.</p> <p><u>Taipei Headquarters</u> Direct GHG emissions in Scope 1 were 0 metric tons of CO2e per year, indirect GHG emissions in Scope 2 were 120 metric tons of CO2e per year. Direct and indirect GHG emissions were 120 metric tons of CO2e per year.</p> <p>(3) ISO 46001 (2019) Water Resources Efficiency Management system validation was completed on February 22, 2022. (4) ISO 14067 (2018) carbon footprint verification Statement was obtained on March 3, 2022. (5) ISO 46001:2019 Water Resource Efficiency Management System certificate was obtained on March 17, 2022. (6) ISO 14064-1 (2018) Greenhouse Gas Inspection Declaration 2021 Greenhouse Gas Emission Information obtained on May 4, 2022.</p> <p>3. Energy Conservation and Carbon Reduction Plans: In accordance with the Group's policies and regulations, the Company has determined to save 1% electricity per year from 2020 to 2025, set 2017 as the base year for carbon reduction path, and aim to reduce 27% carbon emissions in 2020 compared with the base year, and carry out dynamic review in line with national policies and regulations. Key tasks are as follows: (1) Ice water machine motor renewal, refrigerator replacement, air compressor replacement, motor replacement to IE3 high efficiency motor, box air conditioner replacement, street lamp replacement to LED lamps and cooling water pump replacement... (2) According to the actual use of the process, the cooling pump is operated by two instead of three to reduce the cooling pump use.</p> <p>(IV) Implementation of Social Services and Public Welfare: 1. Special Renda Class for the Petrochemical Industry in Kaohsiung Thirteen companies at Renda Industrial Park (including Formosa Renwu Plant, Changchun, and Dashe Industrial Park Manufacturers' Association) and the Company's Renwu Plant jointly established an industry-academia collaboration project with Renwu Senior High School from August 2018 to July 2023 to provide students of Renwu Senior High School with scholarships. We provide ten students, in each of the three grades, totaling 90 students over five years, with a total of NT\$1.08 million in scholarships and subsidies of NT\$330,000 as hourly rates for professional courses for three years. On the one hand, cultivate the grassroots talents needed in the future and improve the quality of manpower; On the other hand, schools can activate teaching by introducing enterprise resources, strengthen the competitive advantage of local schools, and attract excellent students. It is hoped that through this tripartite cooperation mode, students can develop appropriately in learning, pursue excellence, and guarantee future employment. Enterprises can integrate into the local development of good neighborly relations, recruit high-quality manpower; Thus, it can promote local prosperity, shorten the gap between urban and rural areas, activate regional economy, reduce the phenomenon of population emigration, and create a win-win situation for enterprises, schools and local governments.</p>	



Items affected	Implementation (Note 1)			Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>2. Donation to USI Education Foundation</p> <p>USI Group adheres to the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society". USI Education Foundation was established on December 30, 2011 with the joint donation of Asia Polymer Corporation was officially put into operation in 2012, with the purpose of engaging in educational public welfare undertakings and focusing on the disadvantaged, rural and environmental care. Conduct the following business in accordance with the relevant laws:</p> <p>(1) Sponsor education in rural areas. (2) Establish scholarships. (3) Hold talks, seminars or other education-related charitable activities. (4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama. (5) Conduct industry-academia collaboration. (6) Other education-related charitable services that are consistent with the objectives of the foundation.</p> <p>To upscale public welfare participation, China General Plastics Corporation and Taiwan VCM Corporation joined the ranks of sponsors in 2017, and Taita Chemical Company, Ltd. also took part in the foundation in 2018, allowing the USI Education Foundation to invest more resources in the charity business, including rural education and environmental sustainability, in order to give back to society. In 2022, USI Group donated a total of NT\$20 million to the USI Education Foundation. In 2022, the total sponsorship expenditure of the USI Education Foundation was NT\$13.61 million:</p> <p>(1) Awarded NT\$3 million worth of scholarships: The foundation has offered scholarships to outstanding students from underprivileged backgrounds, who pursued studies in areas, including chemical engineering, materials engineering, and applied chemistry at 15 public and private universities to promote education related to the afore-mentioned areas and talent cultivation, as well as to motivate students at university and graduate school to work hard, thereby cultivating outstanding talents for the society. In 2022, the foundation awarded 31 students from 17 departments in 11 public and private universities, including 10 PhD students, 16 Master's degree students and 5 Bachelor's degree students, where 23 of them came from poor families. The Scholarship Award Ceremony and Luncheon was held on December 9, 2022 to encourage and cultivate more outstanding students from the poor to have a positive impact on society in the future. In the 11 years since the foundation was established, a total of NT\$17.1 million has been awarded in scholarships to a total of 297 students.</p> <p>(2) Sponsor Taitung Jun-Yi Experimental High School NT\$6 million and the Alliance Cultural Foundation NT\$2 million: Jun-Yi School - Rural Education Practice. To invest more resources in rural education and the sustainable development of Huadong, the Alliance Cultural Foundation and Taitung Jun-Yi Experimental High School have been the main sponsoring subjects for a long time. The mission of Jun-Yi Experimental High School (hereinafter referred to as Jun-yi School) is to transform the learning mode of children from rural areas in Taiwan. The core concept of education is to teach students to become world citizens, to care for the land, to think independently, to reflect on themselves, to know how to communicate with others, to have compassion, and to cultivate students' ability to behave, work, live, cooperate with others and be altruistic. In response to the quality-oriented education concept of 108 Syllabus, the school plans experimental courses in the middle school, including the creative group courses of "Green Architecture", "International Dining and tourism", "contemporary art" in high school, or the most popular courses of "life exploration" and "international connection", to guide students to explore and show their own characteristics.</p> <p>Since 2012, the platform has set up the "Rural Education Seed Cultivation Program" to support economically disadvantaged children in Huadong Rural areas (including Pingtung in recent years) to attend Jun-Yi school, providing one-third of seventh grade freshmen and opening applications to 10th grade freshmen every year. As the program enters its next decade in 2022, it has so far nurtured 210 students from low-income and middle-income families, single parent families, separated generations, or families who are actively involved in aborigines culture but cannot afford to pay full tuition. More than 80% of them are aborigines students, including the Amis, Puyuma, Bunun, Paiwan, Drekey, Tao, Truku, Tsou, and Atayal. It is hoped that every educated student will become a young person with "good character", "humanities and art" and "civic thinking", as well as a world citizen with enthusiasm, confidence and international outlook, and return to the tribe in the future to become the seed of tribal change.</p>				

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			<p>Students living in rural areas with insufficient resources need more international connections to expand more possibilities for the future of their hometown. Therefore, in 2017, the charity platform launched the "Innovative Study Abroad Program", which allows students to apply when they graduate from high school by changing lanes and overtaking buses. Go abroad to a two-year community College, a United World College or a four-year university as a new starting point for international connections, to acquire skills and expand your international perspective, and to become a force for change in your tribe and home. Since the establishment of the program, 22 students of Jun-Yi high school have gone abroad to study in 6 countries. As the epidemic has slowed down, and as more seniors have shared their experiences and encouraged them, students have begun to think more about and prepare for studying abroad, including improving their English skills. In 2022, the number of students going abroad has increased slightly, to a total of 7.</p> <p>Since its establishment 13 years ago, "the Alliance Cultural Foundation" has always had a blueprint in mind, hoping that Jun-yi School can become a base for cultivating future talents for Huadong. Assist in building "Jiangxian II Art Park" to become an international landmark of Taiwan culture and art in Taitung; The "Luan Mountain Forest Museum" in Yanping, Taitung, and the "Alpine Forest Base" in Fengbin, Hualien, are examples of Aboriginal culture and art in every corner of Huadong. The USI Education Foundation recognizes Mr. Stanley Yen's care for rural education in Taiwan and his idea on sustainable development. Therefore, the foundation supports his efforts to implement various projects related to implementing and fostering rural education and culture by sponsoring the Alliance Cultural Foundation and Jun-yi Experimental High School.</p> <p>(3) In conjunction with the Harvest365 Foundation (hereinafter referred to as "Harvest"), the Foundation cooperates with Miaoli County Toufen Junior High School Music Education Project in September 2021.</p> <p>(4) Other educational public welfare activities NT\$2.61 million: Other educational public welfare projects in 2022. The main sponsors are Boyo Social Welfare Foundation, Teach for Taiwan Education Foundation, Fluorescent Education Association, Yunmen Culture and Art Foundation, Taiwan Azure Alliance, etc. In order to ensure stable support for these highly recognized units to continue helping more children, the Foundatio will continue to support them.</p> <p>3. Kaohsiung employees were organized to donate blood and 12,500cc of blood was collected.</p> <p>4. USI Group has been co-organizing blood donation activities for thousands of employees for seven times since 2020 and for two times in 2022. 91 employees of USI Group completed blood donation and 33,750cc of blood was collected. From 2020 to 2022, a total of 327 employees donated blood and 122,750cc of blood was collected.</p> <p>5. Continued to sponsor the "Kaohsiung City Air Purification Zone Management Project" from 2018 to 2020.</p> <p>6. Responded to "Earth Hour" to turn off the lights.</p> <p>7. Donate epidemic prevention supplies to neighborhoods and schools.</p> <p>8. Hold the third annual Group charity Slow Pitch Softball Cup of USI Group in 2022.</p> <p>9. Continue to promote the Adoption afforestation Program in cooperation with the Experimental Forest Management Office of Taiwan University.</p> <p>10. Other expenditures to give back to the local and community amounted to over NT\$560 thousand.</p> <p>11. The Company's Love and Care Society has been established for 50 years and has 72 members, with five times of visiting in 2022 and a total of 102 times from 2010 to 2022. Jointly uphold the concept of "spreading love and caring for the society", and give play to the spirit of the CCPG employees who are kind and never fall behind. We continue to participate in the activities of adopting poor children in the home support center every year, and visit the poor and sick, orphanages and elderly centers from time to time.</p> <p>12. Since 2017, 500 meters of the beach of Longfeng Fishing Port in Zhunan Township has been adopted. In September 2022, the 6th (after the adoption) beach cleaning activity was held. This time, 150 people were mobilized to remove a total of 750 kilograms of waste. Since 2017, a total of 762 people have participated and 2,903 kilograms of waste has been removed.</p> <p>13. The Company participated in the Public Welfare, Environmental Protection and Social Services event held by Yungchen Temple in Toufen Township and provided fund sponsorship to the event.</p>	



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<p>14. Since 2010, a volunteer team (with about 60 members) has been set up to clean up and maintain the environment around Wing Chung Palace, Nam Tin Street and Pak Tin Street in Tau Phuk Town. The number of participants is about 10 to 15 at a time, and about 760 people have been mobilized since 2010 to 2022.</p> <p>15. Since 2010, adopted and maintained street lamps around the first part of the factory.</p> <p>16. Since 2014, the Company has adopted the Jhonggang River Dongxing Bridge Wetland Park in Miaoli.</p> <p>17. In 2022, we continued to participate in the activities of Anwei Family in Miaoli County as the core family, and invited contractors to participate together to improve the safety management level of contractors. The "Anwei Family" is supported by the Occupational Safety Administration and established by each county and municipal government to promote and supervise, aiming at enterprises with less than 100 employees, improving the working environment and promoting employment services.</p> <p>18. In 2022, as the COVID-19 epidemic continued to spread, USI Group (five companies in southern: USI, Asia Polymer, TTC Linyuan Plant, Taiwan VCM Corporation, and CGPC) donated 250 sets of protective clothing to the Kaohsiung Environmental Protection Bureau in order to understand the hard work and danger of the staff working for epidemic prevention.</p> <p>19. In view of the severity of the COVID-19 pandemic, the chairman of the board of Directors presented each employee with Sun Ten Astragalus Tea and All Mightea to enhance the body immunity.</p> <p>(V) Certificates and Awards for Promoting Sustainable Development:</p> <ol style="list-style-type: none"> 1. Top 6%-20% of listed companies in the 8th Corporate Governance Evaluation in 2022. 2. In 2022, the Company won the "Taiwan Top 100 Sustainable Enterprises Award" and the "Taiwan Enterprise Sustainability Report Platinum Award" at the 15th TCSA Taiwan Sustainability Award in 2022. 3. Awarded the 2022 Underground Industrial Pipeline Joint Prevention Organization Model of good discipline Award. 4. In October 2022, the Company was awarded the Import Manufacturer Certificate with Excellent performance in 2021. 5. Awarded the 2022 Annual i sports Enterprise Certification. 6. Selected in Taiwan Stock Exchange Corporate Governance 100 Index. <p>(VI) In 2022, the Company invested 1MW rooftop solar farm in central Taiwan and has been connected to the grid with Taiwan Power Company. The cumulative grid-connected capacity of the farm will reach 5MW, and it is expected to generate 6 million KWH of green electricity annually, and continue to move towards the goal of setting 10MW and 15MW solar farms separately in 2023 and 2025.</p>				

Note 1. If "Yes" is checked, please specify the important policies, strategies, measures adopted and the implementation situation; If "No" is checked, please explain the circumstances and reasons for the differences from the Code of Practice on Sustainable Development of Listed Companies in the field of "Discrepancies from “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons" and explain the plan to adopt relevant policies, strategies and measures in the future.

Note 2. The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.

Note 3. For disclosure methods, please refer to the Best Practices Reference on the TWSE Corporate Governance Center website.

(VI) Implementation of ethical corporate management and measures for its implementation

Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Assessed Item	Status of Implementation (Note 1)		Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?</p> <p>(II) Does the company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	<p>✓</p> <p>✓</p>	<p>(I) The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Board of Directors has approved that the company has established the "Ethical Corporate Management Best Practice Principles" "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to specify its ethical corporate management policies. The Company's Board of Directors and the General Manager have signed statements of ethical management to fulfill their commitments in management policies.</p> <p>(II) The Company has established the "Ethical Corporate Management Principles," approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures.</p> <p>The prevention programs adopted by the Company include preventive measures against the following:</p> <ol style="list-style-type: none"> 1.To bribe and receive a bribe. 2.To provide illegal political donations. 3.To offer improper charitable donations or sponsorships. 4.To offer or accept unjustified presents or hospitality, or other improper benefits. 	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies."</p>



Assessed Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
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(III) Has the company established policies to prevent unethical conduct with relevant procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, and implemented the policies, and reviewed the aforementioned policies on a regular basis?	✓		<p>5.To infringe on business secrets, trademarks, patents, copyrights, and other intellectual property rights.</p> <p>6.To engage in unfair competition.</p> <p>7.Products and services directly or indirectly impair the rights, health, and safety of consumers or other stakeholders when they are developed, purchased, manufactured, supplied or sold.</p> <p>None of the above dishonest situations occurred in the Company for 2021.</p> <p>(III)</p> <p>1.The Board of directors of the Company has formulated the "Code of Ethical Operation" and the "Ethical Operation Procedures and Conduct Guide" to specifically regulate the matters that should be noted by directors, managers, employees and substantive controllers in the execution of business, and the punishment and appeal system for violations.</p> <p>2.The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Any employee or external party can freely choose to access the Company's website or a dedicated hotline set up at the Audit Office to report cases of illegal, unethical, or dishonest conduct through the following units:</p> <ul style="list-style-type: none"> ◎ Audit Committee: Accept reports from shareholders, investors, and other stakeholders. ◎ Audit Office: Accept reports from customers, suppliers, and contractors. ◎ Human Resources Department: Accept reports from employees of the Company. <p>No illegal report was received by any division in 2022.</p> <p>3.Implementation of relevant regulations and continuous offering of education and training to raise employees' awareness.</p>	
II. Implementation of ethical corporate management				
(I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct."	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies."
(II) Does the Company have a unit under the Board of Directors that specializes in promoting ethical	✓		(II) To enhance ethical corporate management, the Corporate Governance Work Group is responsible for the formulation and supervision of the	

Assessed Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
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<p>corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? ✓</p> <p>(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit ✓</p>			<p>implementation of ethical corporate management policies and prevention solutions. The Corporate Governance Officer is responsible for regular reports (at least once every year) to the Board of Directors: The Head of Corporate Governance will report to the Board of Directors on 3 November 2022 on the annual performance of ethical operations, including the following:</p> <ol style="list-style-type: none"> 1.Cooperate with laws and regulations to formulate and implement relevant rules and regulations for the implementation of integrity management policy. 2.Regularly analyze and evaluate the risk of dishonest behavior within the business scope - Evaluate the risk of dishonest behavior within the business scope according to the "Point Checklist for Assessing the Risk of dishonest Behavior". After evaluation, there is no significant risk in this year. 3.The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4.It promoted and coordinated of honesty policy advocacy training. 5.Planning a whistleblowing system to ensure effective enforcement - Statistics show that no illegal incidents have been reported this year. 6.Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures. <p>(III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflicts of interest and provide suitable channels (the Audit Committee mailbox, a dedicated section for stakeholders, a dedicated section for shareholders' questions and answers, and a dedicated section for investor services on the Company's website: https://www.usife.com.tw/) for Directors, managerial officers, and employees to explain any potential conflict of interest with the Company. Responses to shareholders' questions are also included in the shareholders' Q&A section for public viewing.</p> <p>(IV) The accounting system and internal control system of the company can operate independently and objectively, and the internal auditors report their findings to the audit committee and the board of directors regularly. CPAs appointed</p>	



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<p>follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?</p> <p>(V) Does the Company regularly hold internal and external training related to ethical corporate management?</p>	✓		<p>by the Company regularly perform internal audits and hold discussions with the management.</p> <p>The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.</p> <p>(V) In order to keep our employees informed of the code of ethics, the Company, in addition to publishing the relevant regulations on its official website, continuously invites well-known scholars, experts, or attorneys to offer education and training to increase Directors', managerial officers', employees', and substantive controllers' awareness, so as to allow them to fully understand the Company's determination, policies, prevention programs, and consequences of violation of ethical conduct.</p> <p>To implement ethical management and ethical behavior, the company continues to promote and regularly hold relevant training courses. In 2022, the company will hold education and training courses related to ethical management issues, with a total of 102 employees and directors attending and 243 hours of training. Course details are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Course Title</th> <th rowspan="2">Hours</th> <th colspan="2">Total</th> </tr> <tr> <th>Participants</th> <th>hours</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>[Ethics Seminar] Insider Trading Practical Cases and Related Legal Liabilities</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">6</td> </tr> <tr> <td style="text-align: center;">2</td> <td>[Ethics Seminar] Fair Trade Law and Case Study</td> <td style="text-align: center;">3</td> <td style="text-align: center;">27</td> <td style="text-align: center;">81</td> </tr> <tr> <td style="text-align: center;">3</td> <td>[Ethics Seminar] On the Prevention of Illegal Infringement in Workplace</td> <td style="text-align: center;">2</td> <td style="text-align: center;">61</td> <td style="text-align: center;">122</td> </tr> <tr> <td style="text-align: center;">4</td> <td>[Ethics Seminar] Brief Introduction of Trade Secrets Act and Case Study</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">12</td> </tr> <tr> <td style="text-align: center;">5</td> <td>[Ethics Seminar] Study on Labor Act for HR Personnel</td> <td style="text-align: center;">3</td> <td style="text-align: center;">5</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="text-align: center;">6</td> <td>[Ethics Seminar] Break into the USIG Island</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">7</td> <td>[Ethics Seminar] Legal Liability and Case Study of Breach of Trust</td> <td style="text-align: center;">3</td> <td style="text-align: center;">1</td> <td style="text-align: center;">3</td> </tr> </tbody> </table>	No.	Course Title	Hours	Total		Participants	hours	1	[Ethics Seminar] Insider Trading Practical Cases and Related Legal Liabilities	3	2	6	2	[Ethics Seminar] Fair Trade Law and Case Study	3	27	81	3	[Ethics Seminar] On the Prevention of Illegal Infringement in Workplace	2	61	122	4	[Ethics Seminar] Brief Introduction of Trade Secrets Act and Case Study	3	4	12	5	[Ethics Seminar] Study on Labor Act for HR Personnel	3	5	15	6	[Ethics Seminar] Break into the USIG Island	2	1	2	7	[Ethics Seminar] Legal Liability and Case Study of Breach of Trust	3	1	3	
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<p>III. Implementation of the Company's Whistleblowing System</p> <p>(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</p>	✓		<p>(I) The Company's Board of Directors passed the "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct" and disclosed such procedures on the Company's official website. (website: https://www.usife.com/USIWebFiles/Others/USI_IllegalReport.pdf)</p> <p>1. Report channel:</p> <p>(1) Personal report: Face-to-face explanation.</p> <p>(2) Telephone report: 02-26503783</p> <p>(3) Written report: Audit Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City.</p> <p>2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the whistleblower with appropriate rewards.</p> <p>3. Responsible personnel:</p> <p>(1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders.</p> <p>(2) Audit Office: Accept reports from customers, suppliers, and contractors.</p> <p>(3) Human Resources Department: Accept reports from employees.</p> <p>4. Whistleblower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.</p>	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies."										
<p>(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the</p>	✓		<p>(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistleblower and the relevant confidentiality mechanism; where whistleblower is anonymous or did not use his/her true name, or the content</p>											



Assessed Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>investigation, and related confidentiality mechanisms?</p> <p>(III) Has the company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?</p>	✓		<p>stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws.</p> <p>(III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.</p>	
<p>IV. Enhancing information disclosure</p> <p>Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?</p>	✓		<p>The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website (Website: https://www.usife.com.tw/zh-tw/dirInvestor/frmlInvestor1), which is available for employees at any time. In the Annual report (which is also posted on the Open Information Observatory), information on ethical management and results are disclosed.</p>	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies."</p>
<p>V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE or TPEX Listed Companies, state the discrepancies between these principles and its implementation: The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers," the "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," the "Code of Conduct for Employees Regarding Concurrent and Part-time Work," and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct." There was no material discrepancy during the implementation of these rules and regulations.</p>				
<p>VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's "Ethical Corporate Management Best Practice Principles")</p> <p>1. By referring to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the competent authority, the Company has formulated own "Ethical Management Best Practice Principles," "Ethical Management Operating Procedures" and "Code of Conducts," and "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct," which has been effective after reporting to and approving by the Board of Directors. The same rule shall apply to any amendments thereof. The Corporate Governance Officer reports to the Board of Directors at least annually on the implementation matters of ethical management. Matters of ethical management of 2022 have been reported to the Board of Directors on November 3, 2022.</p> <p>2. In accordance with the Code of Corporate Governance amended by the competent Authority in August 2022, the Company has amended the Company's "Guide to Ethical Business Procedures and Conduct" to stipulate that, in addition to complying with the ban on insider trading, the directors of the Company shall not trade in the Company's shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</p>				

Note 1. Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.



(VII) Methods of inquiry in the Corporate Governance Best Practice Principles and related regulations established by the Company:

1. The Company has established the following operating procedures:
 - (1) Articles of Association
 - (2) Corporate Governance Principles
 - (3) Rules of Procedure for Board of Directors' Meetings
 - (4) Procedures for Election of Directors
 - (5) Procedures Governing the Evaluation of the Performance of the Board of Directors
 - (6) Rules Governing the Scope of Powers of Independent Directors
 - (7) Rules of Procedure for Shareholders' Meetings
 - (8) Procedures Governing the Acquisition and Disposal of Assets
 - (9) Procedures for Making of Endorsements / Guarantees
 - (10) Procedures Governing the Loaning of Funds to Others
 - (11) Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers
 - (12) Ethical Corporate Management Best Practice Principles
 - (13) Procedures for Ethical Management and Guidelines for Conduct
 - (14) Remuneration Committee Charter
 - (15) Audit Committee Charter
 - (16) Procedures for Handling Material Insider Information
 - (17) Code of Practice for Sustainable Development
 - (18) Rules of Organization for the Commission on Sustainable Development
 - (19) Guidelines for the Management of Staff Complaints and Complaints Response Boxes
 - (20) Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct
 - (21) Standard Operating Procedures for Requests Filed by Directors
 - (22) Human Rights Policy and Management Plan
 - (23) Risk Management Policy and Procedures
 - (24) Corporate Governance Self-Evaluation Report
 - (25) Transaction Procedures for Related Parties, Specific Companies, and Corporate Groups.
2. For related procedures, please visit the following websites
 - (1) The corporate governance webpage of the Market Observation Post System (<https://mops.twse.com.tw/mops/web/index>).
 - (2) Corporate Governance section under Investor Relations on the Company's official website (<https://www.usife.com.tw>)

(VIII) Other material information that can enhance the understanding of the state of corporate governance at the Company:

The Company regularly performs audit of its subsidiaries, and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(IX) The following items related to the implementation of internal control systems shall be disclosed:

1. Internal Control Statement

USI CORPORATION
Statement on Internal Control System

Date: March 7, 2023

According to the results from our self-evaluation, the Company shall make the following statements on our internal control system in 2022:

- I. The Company acknowledges that the establishment, implementation and maintenance of internal control systems are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such systems. The objective of this system is to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and safety protection), and ensuring the reliability, timeliness, transparency and regulatory compliance of reporting, thereby providing reasonable assurance.
- II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems are equipped with self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiency.
- III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes several items. For more information on the above-mentioned items, please refer to the Regulations.
- IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.
- V. Based on the above results, the Company believes that the design and implementation of its internal control systems (including supervision and management of its subsidiaries), as of December 31, 2022 and understanding the level of goal achievement in regards to operational benefits and efficiency, as well as whether the reporting is reliable, timely and transparent and whether it complies with the relevant laws and regulations, is effective and can reasonably assure the accomplishment of the above mentioned goals.
- VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the abovementioned content contain illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement was adopted by the Board of Directors of the Company on March 7, 2023, and the nine directors present agree to the content of this statement and hereby declare.

USI CORPORATION

Chairman: Wu, Yi-Gui



Signature and Seal

General Manager: Pei-Chi Wu



Signature and Seal



2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs shall be disclosed: Not applicable
- (X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.
- (XI) Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions
2022	2022/5/31	<p>The minutes of the Shareholders' Meeting were posted onto MOPS on June 16, 2022. The key resolutions and their status of implementation are as follows:</p> <ol style="list-style-type: none"> 1. Approved the 2021 Account Book. Status of Implementation: Approved. 2. Approve the 2021 earnings distribution plan. Status of Implementation: Approved. The distribution of cash dividends of NT\$594,381,750 to the shareholders with NT\$2.2 per share, with August 5, 2022 as the record date, was completed on August 31, 2022. 3. Discussed the amendment of the "Procedures for Acquisition or Disposal of Assets". Status of Implementation: The resolution was approved and has been implemented. 4. Deliberate on the removal of the non-compete clause for Directors Status of Implementation: Approved.

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
10th Meeting of 20th Term (1st Meeting in 2022)	2022/3/10	<ol style="list-style-type: none"> 1. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd. 2. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. 3. Ratify endorsements/guarantees made for USI Green Energy Corporation. 4. Ratify a three-year medium-term loan limit signed with Export-Import Bank of the Republic of China. 5. Approved the 2021 Account Book. 6. Approved the 2021 directors' and employee reward distribution plan. 7. Approved the 2021 earnings distribution plan. 8. Approve the amendment of certain articles in the Regulations Governing the Acquisition and Disposal of Assets 9. Approve the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting 10. Approved matters related to the convening of the 2022 general shareholders' meeting. 11. Established the period for acceptance of shareholders' proposals: March 26, 2022 to April 5, 2022.

Session (Year) of Meeting	Date of Meeting	Key Resolutions
		<p>12. Approved the 2022 Evaluation of the Independence of Appointed CPAs.</p> <p>13. Approved the appointment of CPAs for year 2022.</p> <p>14. Approve the issuance of unsecured ordinary corporate bonds</p> <p>15. Approved the amendment of certain articles in the Corporate Social Responsibility Code of Practice.</p> <p>16. Approved the amendment of certain articles in Corporate Social Responsibility Committee Charter.</p> <p>17. Approved the issuance of the 2021 Statement on Internal Control System.</p> <p>18. Authorize the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions</p> <p>19. Approve donations to the USI Education Foundation</p>
11th Meeting of 20th Term (2nd Meeting in 2022)	2022/5/5	<p>1. Ratify the purchase of production equipment from related parties.</p> <p>2. Approved the 2022 Quarter 1 Consolidated Financial Statements.</p> <p>3. Approved endorsements/guarantees made for USI Green Energy Corporation.</p> <p>4. Approved the authorization of the Chairman to change the venue of the 2022 regular shareholder's meeting in the light of the outbreak of the COVID-19 epidemic.</p>
12th Meeting of 20th Term (3rd Meeting in 2022)	2022/8/4	<p>1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.</p> <p>2. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd. / CLT.</p> <p>3. Approved the 2022 Quarter 2 Consolidated Financial Statements.</p> <p>4. Permitted managerial officers to engage in competitions</p> <p>5. Passed the amendments to the Company's internal control system.</p> <p>6. Approved the amendment of certain articles in the Corporate Governance Best Practice Principles.</p>
13th Meeting of the 20th Term (4th Meeting in 2022)	2022/9/2	<p>1. Ratify short-term credit loan contracts and related documents signed and delivered to financial institutions</p> <p>2. Passed the change of the General Manager of the Company.</p> <p>3. Permitted managerial officers to engage in competitions</p>
14th Meeting of the 20th Term (5th Meeting in 2022)	2022/11/3	<p>1. Ratify endorsements/guarantees made for Chong Loong Trading Co., Ltd. / CLT.</p> <p>2. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd.</p> <p>3. Ratify endorsements/guarantees made for USI Green Energy Corporation.</p> <p>4. Ratify the renewal of the three-year medium-term loan limit signed with Chang Hwa Commercial Bank, Ltd.</p> <p>5. Ratify the renewal of the three-year medium-term loan limit signed with Taipei Fubon Bank</p> <p>6. Ratify the renewal of the three-year medium-term consolidated limit newly signed with MUFG Bank Ltd.</p> <p>7. Ratify short-term credit loan contracts and related documents signed and delivered to financial institutions</p> <p>8. Approved the 2022 Quarter 3 Consolidated Financial Statements.</p> <p>9. Approved the 2023 Company budget.</p> <p>10. Approved remuneration of CPAs for year 2022.</p> <p>11. Approved the 2023 Annual Audit Plan.</p> <p>12. Passed the amendments to the Company's internal control system.</p> <p>13. Approved the amendment of certain articles in the Rules of Procedure for Board of Directors' Meetings.</p> <p>14. Approved the amendment of certain articles in the Procedures for Handling Material Inside Information.</p> <p>15. Approved the amendment of certain articles in the Remuneration Committee Charter.</p> <p>16. Approved the amendment of certain articles in the Procedures for Ethical Management and Guidelines for Conduct.</p> <p>17. Permitted managerial officers to engage in competitions</p>



Session (Year) of Meeting	Date of Meeting	Key Resolutions
15th Meeting of the 20th Term (1st Meeting in 2023)	2023/3/7	<ol style="list-style-type: none"> 1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. 2. Approved the 2022 Account Book. 3. Approved the 2022 remuneration distribution plan for Directors and employees. 4. Approved the 2022 earnings distribution plan 5. Approved the amendment of certain articles in the Articles of Association 6. Approved the amendment of certain articles in the Rules of Procedure for Shareholders' Meetings 7. Approve the amendment of certain articles in the Regulations Governing the Election of Board Members 8. Approve the re-election of directors at the Annual General Meeting in this fiscal year 9. Approve the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting 10. Approved matters related to the convening of the 2023 general shareholders' meeting. 11. Established the period for acceptance of shareholders' proposals: March 31, 2023 to April 10, 2023. 12. Approved the 2023 Independence and Suitability Evaluation of Appointed CPAs. 13. Approved the appointment of CPAs for year 2023. 14. Approved the amendment to certain articles of the "Code of Practice for Sustainable Development". 15. Approved the issuance of the 2022 Internal Control System Statement. 16. Authorize the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions 17. Approve donations to the USI Education Foundation

(XII) (12) Dissenting opinions or qualified opinions on resolutions passed by the Board of Directors that are made by directors and supervisors, and are documented or issued through written statements, in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

(XIII) Summary of resignation and dismissal of the Company's Chairman, General Manager, Accounting Manager, Finance Manager, Head of Internal Audit and Head of Research and Development in the most recent fiscal year up to the publication date of this annual report:

Title	Name	Date of assumption of duty	Date of dismissal	Reasons for resignation or dismissal
General Manager	Wang, Ke-shun	2017/10/1	2022/9/2	Resignation for personal reasons
Director	Wang, Ke-shun	2018/4/25	2022/9/23	Reorganization of corporate shareholders

V. Information Regarding CPA Fees:

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	CPA's duration of audit	Audit Fee	Non-Audit Fees	Total	Remark
Deloitte & Touche	Chuang Pi-Yu Kuo Tzu-Jung	2022	4,670	620	5,290	Non-audit fees and details of other services: Fees for verification of the tax is NT\$620 thousand.
	Kuo Cheng-Hung Kuo Tzu-Jung	2022				

Please specify the non-audit services (e.g. tax verification, assurance or other financial advisory services).

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "remark" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. Non-audit expenses shall be accompanied by a note indicating the content of their services.

- (I) If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services shall be disclosed:

The non-audit fees paid by the Company did not exceed one-fourth of the audit fees.

- (II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed:

The Company did not replace the CPA firm.

- (III) Where accounting fee paid for the year was 10% (or above) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The audit fees paid by the Company in 2022 has increased compared to that in 2021.



VI. Information Regarding the Replacement of CPAs:

(I) Previous CPAs: Not applicable

Date of Replacement			
Replacement reasons and explanations			
State whether the appointer or the CPAs have terminated the appointment, or whether the appointer or the CPAs have rejected the appointment	Contracting Party	Kuo Tzu-Jung	Appointer
	Scenario	N/A	
	Termination initiated by client CPA declined to accept (continue) the appointment		
Other issues (except for unqualified issues) in the audit reports within the last two years			
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	No		
	Explanation:		
Other items for disclosure (where Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulation should be disclosed)			

(II) Successor CPAs: Not applicable

Name of accounting firm	/
Name of CPA	
Date of Appointment	
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	

(III) Former CPAs reply to Item 1 and Item 2-3, Subparagraph 6, Article 10 of the Regulations: Not applicable

VII. The Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year: No such situation

VIII. Equity transfer or changes in equity pledged by the Company's directors, supervisors, managerial officers or shareholders with shareholding percentage exceeding ten (10)

percent in the most recent fiscal year up to the publication date of this annual report:

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers and Major Shareholders

Unit: Share

Title (Note 1)	Name	2022		Current fiscal year up to April 2, 2023	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
holding over 10% of shares	Shing Lee Enterprises (Hong Kong) Limited	0	0	0	0
Director	Wu I-Kuei (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0
	Wu, Hung Ting (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Director	Yu, Ching-Shou (Representative of Asia Polymer Corporation)	0	0	0	0
	Kao, Che-I (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	(Taita Chemical Company, Ltd.)	0	0	0	0
Director	Huang, Kuang-Che (Representative of Taita Chemical Company, Ltd.)	0	0	0	0
	Wu, Pei-Chi (Representative of Taita Chemical Company, Ltd.) (Newly appointed on September 23, 2022)	0	0	0	0
	Wang, Ke-Shun (Representative of Taita Chemical Company, Ltd.) (Dismissed on September 23, 2022)	0	0	N/A	
Independent Director	Chen, Chung	0	0	0	0
	Tu, Tzu-Chun	0	0	0	0
	Hai, Ying-Chun	0	0	0	0
General Manager	Wu, Pei-Chi (Newly appointed on September 2, 2022)	0	0	0	0
General Manager	Wang, Ke-Shun (Dismissed on September 2, 2022)	10,000	0	N/A	
Deputy General Manager:	Liu, Han-Tai	0	0	0	0
Deputy General Manager of Business	Wu, Ming-Tsung	0	0	0	0
Corporate Governance Supervisor	Yung-Chih Chen	0	0	0	0
Finance Manager	Yang Wen-Li	0	0	0	0
Accounting Manager	Kuo, Chuan-Hua	0	0	0	0

Note 1. Note: Shareholders who hold more than ten (10) percent of the Company's shares shall be noted as major shareholders and listed separately.

Note 2. Counterparties involved in equity transfer or pledging of equity are related parties and shall be listed in the following table.



(II) Information regarding equity transfer

Unit: Share

Name (Note 1)	Reason for Equity Transfer (Note 2)	Date of Transaction	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Ordinary Shares Outstanding	Transaction Price
Not applicable						

Note 1. Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent

Note 2. Fill either "Acquisition" or "Disposal".

(III) Information regarding pledging of shares

Name (Note 1)	Reason for Pledge (Note 2)	Date of Transaction	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Ordinary Shares	of	Pledged %	Shares (Redeemed)	Pledged
Not applicable									

Note 1. Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent

Note 2. Fill either "Pledge" or "Redemption"

IX. Information regarding the top 10 shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship:

April 2, 2023

Name (note 1)	Current shareholding		Shares held by spouse and underage children		Shareholding by nominee arrangement		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (note 3)		Remark
	Ordinary Shares Outstanding	Percentage of Ownership (%) (Note 2)	Ordinary Shares Outstanding	Percentage of Ownership (%) (Note 2)	Ordinary Shares Outstanding	Percentage of Ownership (%) (Note 2)	Title (or name)	Relationship	
Shing Lee Enterprises (Hong Kong) Limited Representative: Wu, Hung Cheng	173,776,546	14.62%	—	—	0	0%	Asia Polymer Corporation	Note 4	
	3,000	0%	0	0%	0	0%	No	No	
Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25%	—	—	0	0%	No	No	
Asia Polymer Corporation Representative: Wu, Quintin	101,355,673	8.53%	—	—	0	0%	Shing Lee Enterprises (Hong Kong) Limited	Note 4	
	113,122	0.01%	—	—	0	0%	No	No	
Fubon Life Insurance Co., Ltd. Representative: Ming-Hsing Tsai	53,422,000	4.49%	—	—	0	0%	No	No	
	0	0%	0	0%	0	0%	No	No	
Taixing Investment Co., Ltd. Representative: Hsueh, Mei-Liang	24,233,695	2.04%	—	—	—	—	No	No	
	0	0%	0	0%	0	0%	Hsueh, Hui-Liang	Note 5	
Lin, Hua Hsin	20,756,936	1.75%	0	0%	0	0%	No	No	
Yueh Hsing Hua Investment Co., Ltd. Representative: Hsueh, Hui-Liang	20,621,422	1.73%	—	—	—	—	Hsueh, Mei-Liang	Company Director	
	0	0%	0	0%	0	0%	Hsueh, Mei-Liang	Note 5	
Yu, Wen-Hsuan	16,750,000	1.41%	0	0%	0	0%	Note 6	Note 6	
Yu, Wen-tsung	16,750,000	1.41%	0	0%	0	0%	Note 6	Note 6	
Yu, Wen-Yu	16,750,000	1.41%	0	0%	0	0%	Note 6	Note 6	

Note 1. All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives shall be listed separately.

Note 2. Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3. Relationships between the aforementioned shareholders, including institutional and natural person shareholders should be disclosed based on the financial reporting standards used by the issuer.

Note 4. Shing Lee Enterprises (Hong Kong) Limited is the corporate director of our company and a subsidiary of Asia Polymer Corporation, the ultimate parent company

Note 5. The representative of Yueh Hsing Hua Investment Co., Ltd. and the representative of Tai-Hsing Investment Co., Ltd. are relatives within the second degree of kinship

Note 6. Miss Yu Wen-Hsuan, Mr. Yu Wen-Tsung and Miss Yu Wen-Yu are relatives within the second degree of kinship.



X. The Number of Shares Held by The Company, The Directors, Supervisors And Managers of The Company And The Company Directly or Indirectly Control The Businesses in The Same Reinvested Business And The Combined Shareholding Ratio

December 31, 2022

Unit: shares; %

Investee Companies (Note)	Invested by the Company		Investment by Directors, Supervisors, managerial officers and directly or indirectly controlled companies		Combined Investment	
	Ordinary Shares Outstanding	Percentage of Shares Held	Ordinary Shares Outstanding	Percentage of Shares Held	Ordinary Shares Outstanding	Percentage of Shares Held
USIFE Investment Co., Ltd.	89,647,000	100.0%	-	0.0%	89,647,000	100.0%
Swanlake Traders Ltd.	30,000,000	100.0%	-	0.0%	30,000,000	100.0%
USI (Hong Kong) Company Limited	159,999	100.0%	1	0.0%	160,000	100.0%
USI Management Consulting Corp.	671,400	100.0%	-	0.0%	671,400	100.0%
Union Polymer Int'l Investment Corp.	897,354,122	100.0%	-	0.0%	897,354,122	100.0%
Taiwan United Venture Capital Corp.	25,900,000	70.0%	3,080,866	8.3%	28,980,866	78.3%
Chong Loong Trading Co., Ltd.	5,749,062	99.9%	-	0.0%	5,749,062	99.9%
Acme Electronics Corporation	49,250,733	26.9%	33,768,784	18.5%	83,019,517	45.4%
Swanson Plastics Corporation	62,616,299	40.6%	20,519,558	13.3%	83,135,857	53.9%
INOMA Corporation	9,243,369	94.4%	-	0.0%	9,243,369	94.4%
Ever Conquest Global Limited	246,670,000	59.1%	170,475,000	40.9%	417,145,000	100.0%
USI Optronics Corporation	33,000,000	50.8%	28,263,712	43.5%	61,263,712	94.4%
USI Green Energy Corporation	7,259,418	100.0%	-	0.0%	7,259,418	100.0%
Delmind Inc.	9,000,000	30.0%	-	0.0%	9,000,000	30.0%
USIG (Shanghai) Co., Ltd.	It is a limited company, and the company invests USD 5,000,000, holding 100% of the shares.					

Note: Invested by the Company using the equity method.

Chapter 4. Funding Status

I. Capital and Shares

(I) Source of Share Capital

1. Disclose the types of shares issued by the Company in the most recent fiscal year up to the date of the publication of this annual report

As of April 2, 2023; Unit: Shares; NT\$

Year and Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Ordinary Shares Outstanding	Amount	Number of Shares	Amount	Sources of share capital	Capital Increased by Assets Other than Cash	Others
2011.09	10	993,567,274	9,935,672,740	993,567,274	9,935,672,740	Capital increase by retained earnings NT\$1,295,957,310	No	Note 2 (1)
2012.08	10	1,142,602,365	11,426,023,650	1,142,602,365	11,426,023,650	Capital increase by retained earnings NT\$1,490,350,910	No	Note 2 (2)
2013.06	10	1,342,602,365	13,426,023,650	1,142,602,365	11,426,023,650	-	No	Note 2 (3)
2017.08	10	1,342,602,365	13,426,023,650	1,165,454,412	11,654,544,120	Capital increase by retained earnings NT\$228,520,470	No	Note 2 (4)
2018.08	10	1,342,602,365	13,426,023,650	1,188,763,500	11,887,635,000	Capital increase by retained earnings NT\$233,090,880	No	Note 2(5)

Note 1. Fill information for the current fiscal year as of the publication date of this annual report.

Note 2. For any capital increase, the effective (approval) date and the document number shall be added.

(1) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10001195590.

(2) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10101178710.

(3) Approved document with Reference No. Ching Shou Shang Tzu 10201118240 (change of authorized capital).

(4) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10601121280.

(5) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10701105950.

Note 3. Shares issued for less than par value shall be indicated in a conspicuous manner.

Note 4. Capital increase by currency debts or technology shall be stated, and the type and amount of assets involved in such capital increase shall be noted.

Note 5. Private placement of corporate bonds shall be indicated in a clear manner.

April 2, 2023; Unit: Shares

Types of shares	Authorized Capital			Remark
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered common shares	1,188,763,500	153,838,865	1,342,602,365	Listed

Note: Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEX shall be noted).

2. Information of shelf registration: Not applicable



(II) Shareholder Structure

April 2, 2023; Unit: Shares

Shareholder Structure Quantity	Government Institutions	Financial Institutions	Other Institutions	Domestic Natural Persons	Foreign Institutions and Foreigners	Total
Number of People	0	2	285	108,385	244	108,916
Number of Shares Held	0	2,040	265,527,846	512,397,904	410,835,710	1,188,763,500
Percentage of Shares Held	0%	0%	22.34%	43.10%	34.56%	100%

Note: Companies primarily listed on the TWSE and the TPEX shall disclose the proportion of their shares held by investors from Mainland China. Investors from Mainland China refer to natural persons, legal persons, organizations, institutions or companies in areas other than Taiwan and Mainland China that are invested by persons of such identity as stipulated in Article 3 of the "Regulations Governing Investment of Mainland Chinese in Taiwan."

(III) Distribution of Equity Ownership

1. Shares

April 2, 2023; Unit: Shares

Shareholder Ownership (Unit: Shares)	Number of Shareholders	Number of Shares Held	Percentage of Shares Held
1 to 999	46,548	7,471,188	0.63%
1,000 to 5,000	46,436	100,011,841	8.38%
5,001 to 10,000	8,269	64,014,967	5.39%
10,001 to 15,000	2,593	32,444,864	2.73%
15,001 to 20,000	1,619	29,306,486	2.47%
20,001 to 30,000	1,325	33,481,814	2.82%
30,001 to 40,000	638	22,551,984	1.90%
40,001 to 50,000	379	17,440,142	1.47%
50,001 to 100,000	635	44,971,046	3.78%
100,001 to 200,000	264	36,324,126	3.06%
200,001 to 400,000	99	27,463,644	2.31%
400,001 to 600,000	31	14,934,910	1.26%
600,001 to 800,000	17	11,488,749	0.97%
800,001 to 1,000,000	13	12,259,913	1.03%
1,000,001 and above (The Company can further classify this range where necessary)	50	734,597,826	61.80%
Total	108,916	1,188,763,500	100.00%

2. Preferred shares: None.

(IV) List of Major Shareholders

April 2, 2023

Names of Major Shareholders	Shares	Number of Shares Held (Unit: Shares)	Percentage of Shares Held
Shing Lee Enterprises (Hong Kong) Limited		173,776,546	14.62%
Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.		110,000,000	9.25%
Asia Polymer Corporation		101,355,673	8.53%
Fubon Life Insurance Co., Ltd.		53,422,000	4.49%
Taixing Investment Co., Ltd.		24,233,695	2.04%
Lin, Hua Hsin		20,756,936	1.75%
Yueh Hsing Hua Investment Co., Ltd.		20,621,422	1.73%
Yu, Wen-Hsuan		16,750,000	1.41%
Yu, Wen-Tsung		16,750,000	1.41%
Yu, Wen-Yu		16,750,000	1.41%

(V) Market Price, Net Asset Value Per Share (NAVPS), Earnings Per Share (EPS), Dividends Per Share (DPS) and Related Information in the Most Recent Two Fiscal Years

Unit: New Taiwan Dollars (NT\$)/Share

Item	YEAR		2022	2021	Current year as of April 2, 2023 (Note 8)
	Market Price Per Share (Note 1)	Highest		32.90	44.85
Lowest			19.00	18.55	21.90
Average			26.43	34.53	24.81
Net Asset Value Per Share (Note 2)	Before Distribution		20.61	21.42	20.55
	After Distribution		—※	19.22	—※
EARNINGS PER SHARE (Note 3)	Weighted average number of shares (thousand shares)		1,072,298	1,072,298	1,072,298
	Diluted earnings per share		1.45	4.84	(0.09)
	Earnings per share after adjustment		—※	4.84	—※
Dividends Per Share (DPS)	Cash dividends		0.7※	2.2	—
	Stock Dividends	Dividends from capital surplus earnings	—※	—	—
		Capital Surplus Distribution	—※	—	—
	Cumulative undistributed dividends (Note 4)		—	—	—
Return on Investment	Price/earnings ratio (Note 5)		17.15	6.50	(68.11)
	Price/dividend ratio (note 6)		35.53	14.30	—
	Cash dividend yield (Note 7)		2.81%	6.99%	—

※Based on the earnings distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting

※If any revenue or capital surplus is transferred to capital increase or common stock, disclose the information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1. List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2. Fill these rows based on the board of directors or the number of shares that have been issued at the end of the fiscal year and the distribution plan approved at the Shareholders' Meeting in the subsequent fiscal year.

Note 3. If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4. If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year has to be accumulated till the year when a profit is recorded, the Company shall separately disclose cumulative undistributed dividends as of the current fiscal year.

Note 5. Price/earnings ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6. Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note 7. Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year.

Note 8. For net asset value per share and earnings per share, data from the most recent quarter that has been verified (reviewed) by CPAs as of the publication date of this annual report should be filled. For other fields in this column, data from the current fiscal year as of the publication date of this annual report should be filled.



(VI) Dividend Policy and Its Implementation:

1. Dividend policy stipulated in the Company's Articles of Association

If the Company posts a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, ten (10) percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that have been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company's profit based on its business performance.

In regards to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking in account R&D needs and business diversification, dividends paid to shareholders shall not be less than ten (10) percent of distributable profit in the current fiscal year, where cash dividends shall not be less than ten (10) percent of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT\$0.1.

2. Distribution of dividends proposed at the most recent Shareholders' Meeting

Cash dividends: The allocation of NT\$832,134,450 from earnings in 2022 for the distribution of cash dividends, where a dividend of NT\$0.7 will be paid for every share, has been proposed. The proposal is still pending approval at the Annual General Meeting before the Chairman of the Board is given the authority to set the date for the distribution of cash dividends.

3. Any expected material changes to the dividend policy should further be explained:

The Company's dividend policy is not expected to experience any material changes as of the publication date of this annual report.

(VII) Effects on the Company's business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent Shareholders' Meeting:

Unit: New Taiwan Dollars (NT\$)

ITEM	YEAR	2023 (Estimated)
Beginning paid-in capital		11,887,635,000
Distribution of dividends in the current fiscal year (Note 1)	Cash dividends per share	0.7
	Number of shares distributed per share held due to capital increase from surplus earnings	—
	Number of shares distributed per share held due to capital increase by capital reserve	—
Changes in Operating Performance	Operating profit	Not applicable (Note 2)
	Percentage of increase (decrease) in operating income YoY	
	Net income after taxes (NIAT)	
	Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year	
	EARNINGS PER SHARE	
	Percentage of increase (decrease) in EPS over the same period in the previous fiscal year	
	Annual average return on investment (reciprocal of average annual price/earnings ratio)	
Pro forma earnings per share and price/earnings Ratio	If capital increase by retained earnings is entirely replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserve is not used for capital increase	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserve is not used for capital increase and capital increase from surplus earnings is replaced by distribution of cash dividends	Pro forma earnings per share
		Pro forma average annual return on investment

Note 1. Distribution of dividends in 2022 is based on the profit distribution plan approved by the Board of Directors on March 7, 2023.

Note 2. The Company has no regulations in place for the publication of its financial forecast. Hence, changes in the Company's operating performance, pro forma earnings per share and price-to-earnings ratio are not applicable.

(VIII) Rewards Distributed to Employees and Directors:

1. Percentage or range of rewards distributed to employees and directors as stipulated in the Company's Articles of Association:

- (1) Employee rewards: Employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded. The above-mentioned employee remuneration can be distributed in the form of shares or cash. Remuneration may also be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.
- (2) Directors' remuneration: Directors' remuneration shall not exceed one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded.



2. Basis for estimating the amount of remuneration to be distributed to employees and directors, basis for calculating the number of shares to be distributed as employee remuneration and accounting treatment for discrepancies between the actual and estimated amount of remuneration to be distributed for this period:

- (1) Basis for estimating employee compensation: To be calculated based on the condition that employee remuneration shall not be less than one (1) percent of the Company's profit in the current fiscal year.
- (2) Basis for calculating the number of shares to be distributed as employee rewards: Not applicable.
- (3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed: If there is any material change made to the amount of rewards upon approval by the Board of Directors, such changes shall be adjusted as annual expenses in the current fiscal year.

3. Distribution of remuneration approved by the Board of Directors:

- (1) Remuneration for employees and directors shall be distributed in the form of cash or shares. If there is any discrepancy between the abovementioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

Employee rewards: NT\$19,542,779, distributed in the form of cash.

Director remuneration: NT\$3,000,000 is distributed in the form of cash.

There was no discrepancy between the amount of rewards to be distributed as approved by the Board of Directors and the recognized amount of rewards for employees and directors.

- (2) Amount of employee remuneration distributed in the form of shares and its proportion to NIAT provided in the parent company only or individual financial statements, as well as its proportion to the total amount of employee remuneration:

Not applicable as employee rewards were not distributed in the form of shares.

4. If there is any discrepancy between the actual amount of rewards distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated.

(1) Distribution of rewards to employees and directors in the previous fiscal year:

Unit: New Taiwan Dollars (NT\$)

Item	2021 directors' and employee reward distribution plan		Discrepancy	Description of Reason for Discrepancy
	Approved at the Annual General Meeting via resolution on May 31, 2022	Approved by the Board of Directors' Meeting on March 10, 2022		
Remuneration of directors	3,000,000	3,000,000	0	—
Employees' remuneration	59,331,734	59,331,734	0	—

(2) If there is any discrepancy between the actual amount and the recognized amount of remuneration for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy should be noted: There is no discrepancy between the actual amount and the recognized amount of remuneration distributed.

(IX) Repurchase of the Company's Own Shares: None.



II. Issuance of Corporate Bonds

(I) Unpaid Corporate Bonds:

April 2, 2023

Type of Corporate Bonds (Note 2)	2019-1 Unsecured Ordinary Corporate Bonds (Note 5)
Issue Date	2019/04/26
Denomination	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange
Issue Price	NT\$ 1 million
Total amount	NT\$ 1 billion
Interest rate	0.98% per annum
Maturity	5 years Maturity Date: April 26, 2024
Guarantor	No
Trustee	Taipei Fubon Commercial Bank
Underwriter	Yuanta Securities Co., Ltd.
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	Payment upon maturity
Outstanding principal balance	NT\$ 1 billion
Terms of redemption or early repayment	N/A
Restrictions (Note 4)	No
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 21, 2018
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report
	N/A
	Issuance and Conversion (Swap or Subscription) Methods
	No
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A
Name of commissioned custodian of exchangeable underlying	N/A

Type of Corporate Bonds (Note 2)	2021-1 Unsecured Ordinary Corporate Bonds Corporate Bond A (Note 5)	2021-1 Unsecured Ordinary Corporate Bonds Corporate Bond B (Note 5)
Issue Date	2021/06/23	2021/06/23
Denomination	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange	Taipei Exchange
Issue Price	NT\$ 1 million	NT\$ 1 million
Total amount	NT\$ 1 billion	NT\$ 1 billion
Interest rate	0.63% per annum	0.73% per annum
Maturity	5 years Maturity Date: June 6, 2026	7 years Maturity Date: June 6, 2028
Guarantor	No	No
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue
Outstanding principal balance	NT\$ 1 billion	NT\$ 1 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	No	No
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA- 2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA- 2 by Taiwan Ratings Corporation on December 29, 2020
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	No
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlying	N/A	N/A



Type of Corporate Bonds (Note 2)	2021-2 Unsecured Ordinary Corporate Bonds Corporate Bond A (Note 5)	2021-2 Unsecured Ordinary Corporate Bonds Corporate Bond B (Note 5)
Issue Date	October 26, 2021	October 26, 2021
Denomination	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange	Taipei Exchange
Issue Price	NT\$ 1 million	NT\$ 1 million
Total amount	NT\$700 million	NT\$1.3 billion
Interest rate	0.63% per annum	0.77% per annum
Maturity	5 years Maturity Date: October 26, 2026	7 years Maturity Date: October 26, 2028
Guarantor	No	No
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Kuo, Hui-Chi	True Honesty International Law Offices Lawyer Kuo, Hui-Chi
Certified Public Accountant	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Deloitte & Touche CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung
Repayment method	1/2 the capital shall be repaid in the fourth and fifth years from the date of issue	1/2 the capital shall be repaid in the sixth and seventh years from the date of issue
Outstanding principal balance	NT\$700 million	NT\$1.3 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	No	No
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	USI Group was given a long-term and short-term rating of tw A-/twA- 2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA- 2 by Taiwan Ratings Corporation on December 29, 2020
Additional rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	No
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlying	N/A	N/A

Note 1. The issuance of corporate bonds includes public offering and private placement corporate bonds that are still under preparation. Public offering corporate bonds still under preparation refer to corporate bonds that have already been confirmed valid (approved) by the SFB, whereas private placement bonds still under preparation refer to corporate bonds that have already been approved by the Company's Board of Directors.

Note 2. Adjust the number of rows based on the number of issuance.

Note 3. To be filled as well if corporate bonds are issued overseas.

Note 4. Such as restrictions on the distribution of cash dividends, foreign investments or requirement for maintaining the asset ratio at a certain level.

Note 5. Private placement of corporate bonds shall be indicated in a clear manner.

Note 6. Information on corporate bond conversion, information on corporate bond swap, status of shelf registration for corporate bonds and information on equity warrant bonds shall be tabulated according to characteristics.

(II) Corporate Bonds Still Under Preparation: None.

(III) Information on the Conversion of Corporate Bonds: None.

(IV) Information on Corporate Bond Swap: None.

(V) Information on Shelf Registration for Corporate Bonds: None.

(VI) Information on Equity Warrant Bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of Global Depository Receipts: None

V. Issuance of Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

VIII. Implementation of Capital Utilization Plan

(I) Content:

As of one quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have not been completed, or that have been completed but are yet to record any benefit within the past three fiscal years: None.

(II) Status of Implementation:

N/A.



Chapter 5. Operations Overview - Consolidated Information

I. Business Content:

(I) Scope of Business:

1. Main purpose of the Company's businesses

- (1) Manufacture, process and sell polyethylene plastic raw materials (including ethylene vinyl acetate resin)
- (2) Manufacture, process and sell polyethylene plastic products (including ethylene vinyl acetate resin products)
- (3) Manufacture, process and sell ring block copolymer materials.
- (4) Manufacture, process and sell catalyzers and related chemicals required by the plastics industry.
- (5) Research and development of technologies in the plastics industry; the acquisition and sales of proprietary technologies and patents in the plastic industry, and licenses of such technologies and patents to others
- (6) Design, manufacture, process and sell plastic processing equipment.
- (7) General import/export trade businesses (except for those subject to license approval).
- (8) Businesses that are not prohibited or restricted by law, except for those subject to license approval.
- (9) Manufacture of plastic and its raw materials.
- (10) Manufacture plastic processed products and their required chemical products.
- (11) Manufacturing, storage, transport, sales, import and export, and resale of VCM.
- (12) Manufacturing and sales of technical services (including design and installation) for chemical machinery equipment (including vinyl chloride monomer (VCM) plant equipment).
- (13) Groundwater regulation business.
- (14) Manufacture and sales of degradable plastic materials.
- (15) Machinery wholesaling.
- (16) Trading of plastic raw materials.
- (17) Manufacturing and sales of polystyrene (GPS) resins and foaming polystyrene (EPS) resins.
- (18) Manufacture and sales of acrylonitrile-butadiene-styrene copolymer resin (ABS).

- (19) Manufacturing and sales of styrene-acrylonitrile copolymer resin (SAN).
- (20) Manufacture and sell plastic raw materials and processed products.
- (21) Manufacturing and sales of glass wool and related products.
- (22) Production and sales of cubic printing and related products.
- (23) E303020 noise and vibration control engineering.
- (24) E01010 interior decoration.
- (25) Manufacture and sell manganese-zinc and nickel-zinc soft ferrite powder, ferrite cores, carborundum powder and other components related to inductors.
- (26) Engage in venture capital investments in invested businesses
- (27) Business management and consulting services for invested businesses and other venture capital investments.
- (28) Electricity supply industry.

2. Ratio

The revenue and proportion of the Company's main products are as follows:

Product Item	Proportion of Revenue (%)
Plastic materials	95
Electronic Materials	4
Others	1

3. The Company's current product items

- (1) Low-density polyethylene (LDPE)
- (2) Ethylene vinyl acetate resin (EVA)
- (3) High-density polyethylene (HDPE)
- (4) Linear low density polyethylene (LLDPE)
- (5) Cyclic Block Copolymer (CBC)
- (6) Vinyl chloride monomer
- (7) PVC powder, plastic pellets and chemicals
- (8) PVC construction products: Pipes, pipe fittings, door panels and anti-corrosion protection panels
- (9) Plastic sheets: Soft plastic sheets, rigid plastic sheets, semi-rigid plastic sheets, adhesive plastic sheets and print plastic sheets.
- (10) Rubber and soft rubber leather
- (11) Expanded polystyrene (EPS)
- (12) Acrylonitrile-butadiene-styrene copolymer resin (ABS)
- (13) General purpose polystyrene (GPS)
- (14) Glasswool products



- (15) Cubic printing
 - (16) Impact-resistant polystyrene (IPS)
 - (17) Mn-Zn soft ferrite powder
 - (18) Ni-Zn soft ferrite powder
 - (19) Manganese-zinc (Mn-Zn) soft ferrite cores (hereinafter referred to as "Mn-Zn cores")
 - (20) Nickel-zinc (Ni-Zn) soft ferrite powder (hereinafter referred to as "Ni-Zn cores")
 - (21) High Purity SiC powder
4. New products development
- (1) Development of new optical-grade applied materials - Cyclic block copolymer
 - (2) High-speed laminating film-grade EVA products
 - (3) High-viscosity pre-coating film-grade EVA products
 - (4) Hot-melt adhesive-grade ethylene vinyl acetate resin products
 - (5) Other special-grade ethylene vinyl acetate resin products
 - (6) Low-membrane rapidly gelatinized PVC powder of raw materials
 - (7) PVC dispersant antibiotics testing
 - (8) Residual hydrogen energy
 - (9) 100% flattened non-cracking pipe and valve plastic pellet compounds
 - (10) PVC wire bundle tape
 - (11) Easy-to-cut door edge tape
 - (12) Car foot pads with high softening temperature
 - (13) Japanese marking tape
 - (14) Development of Casting Furniture Replicas Through the Use of Soft Leather
 - (15) Development of Extra Black Cooling Leather for Marine Vehicle Seats
 - (16) Development of Smooth Leather for Marine Vehicles
 - (17) TPO antistatic transparent membrane
 - (18) TPO fish-electric symbiotic pool cloth
 - (19) TPO automobile dashboard light transmitting membrane
 - (20) Development of Antiviral Door Panels
 - (21) Development of High Hydrolysis Resistant TPU Materials and Related Products
 - (22) Low VOC PVC/TPE series rubber sheets
 - (23) Solvent-free surface treatment leather for PVC/TPE
 - (24) TPE leather for finished product recycling

- (25) Development of Solvent-Free TPE/PVC Paste Cloth
- (26) GRS Global Recycling Standard Certification
- (27) Development of Antiviral Hard Leather
- (28) Development of Bio-Shell Powder Anti-bacterial and Anti-fungal Leather
- (29) Development of TPU Headset Cover Tape
- (30) TPO automobile islands/Foot mats
- (31) Development of acrylonitrile-butadiene-styrene (ABS) low-residue monomer high gloss materials
- (32) Development of acrylonitrile-butadiene-styrene (ABS) Heat Resistant Grade materials
- (33) Development of rapid prototyping grade foamed polystyrene materials
- (34) Development of design application frequency up to 10MHz material and iron core
- (35) Development of 3D/4D automotive sensor iron cores
- (36) Development of power materials and iron cores for electric vehicle charger boxes
- (37) High flux/high Curie temperature choke materials and iron cores for automotive applications
- (38) Development of CAN bus materials and iron cores for automotive applications
- (39) Development of automotive airbag connector materials and iron cores
- (40) Development of amorphous and superfine alloy materials and iron cores
- (41) Development of power supply design high temperature current resistant material and iron cores

(II) Industry Overview:

1. The current state and development of the industry

Since the launch of the 6th Naphtha Cracking Project by Formosa Plastics Corporation, the production of PE/EVA has gradually increased year over year, and generally, has reached a stable status recently. Currently, there are three PE/EVA manufacturers in the domestic industry, including USI Corporation and Asia Polymer Corporation, both under the Group, and Formosa Plastics Corporation. As USI Corporation and Asia Polymer Corporation each launched a new EVA production line in 2016, the total domestic production volume reached 1,065,000 tons, including 443,000 tons of HDPE, 153,000 tons of LLDPE, and 470,000 tons of LDPE (including EVA). As to the domestic PE/EVA market in 2022, generally, the status is still in oversupply, with the demand for HDPE amounting to 348,000 tons, and for LLDPE, amounting to 257,000 tons, and for LDPE (including EVA), amounting to 213,000 tons. The import tariff was low and the product price was competitive.



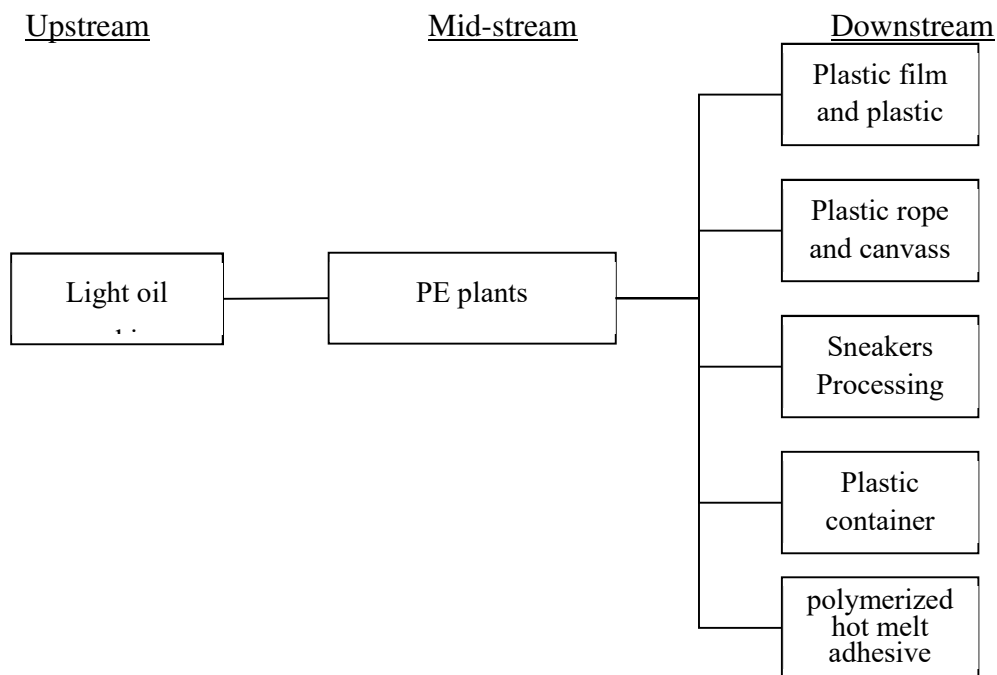
In 2022, PVC and VCM briefly rebounded to annual highs due to the Russia-Ukraine war and the unexpected impact of Asian producers. Subsequently, due to the impact of global interest rate hike and China's zero-clearing policy, the price of PVC in Asia fell for eight months in a row, severely hitting the overall demand for VCM. PVC manufacturers even sold VCM to reduce inventory risk. VCM market subsequently also sharply revised prices, once came to the lowest price in two years. In terms of raw materials: nearly 10 million tons of new ethylene production capacity was added in the past two years. However, the outbreak of the Russia-Ukraine war pushed up energy prices, affecting ethylene output, and the deterioration of global inflation depressed the demand for petrochemical raw materials. By the end of the year, the price in Northeast Asia was volatile at CFR \$900/mt. EDC in the first half of the year due to tight supply and booming PVC domestic demand, export volume fell year-on-year, the price remained high. In the second half of the year, the alkali price rose, the operation rate of chlorine and alkali plants in the United States and Asia remained high, but the global PVC demand was weak, EDC supply oversupply, the price loosened significantly.

There are four manufacturers of ABS/GPS/EPS in domestic, and the domestic demand only accounts for 15% of the annual output of each product. The rest need to be maintained by export sales. Due to cost competitiveness and trade competition between the United States and China, downstream processing plants are gradually moving from mainland China to Southeast Asia and other countries, while the Middle East, Africa, Central and South America and other regions are emerging markets with high potential for demand growth. With abundant manufacturers engaged in EPS production in Mainland China, the total production capacity of EPS in the country is also far greater than the domestic demand. According to the statistics 2022, the annual production capacity of EPS was 7.70 million tons in Mainland China, with an operating rate of only 50% or so. EPS demand by application is basically divided into four segments: electrical appliances packaging, fruit and vegetable boxes, ceramic packaging, and panels, of which electrical appliances packaging and construction panels are dominant. As regards market distribution by region, it is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei and Shandong) and Northeast China (Heilongjiang, Jilin and Liaoning). South China and East China are mainly for electrical appliances packaging whereas North China and Northeast China are mainly for construction panels. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in South China and East China have gradually relocated inland along the Yangtze river basin. The relocation is exemplified in the emerging appliance manufacturing bases in Hefei, Wuhan, Chongqing, and Chengdu. The demand of North China and Northeast China market is still limited by the impact of serious overcapacity, resulting in fierce competition in the regional market. Moreover, the increasingly stringent environmental protection policies have led to early closure or relocation of some EPS molding plants.

In respect to ferrite powder and iron cores, such materials are mainly applied in the production of coil inductors which is a type of inductive material of passive components Inductors are mainly used for preventing electromagnetic interference, filtering noise in electric current and power conversion. In addition to the

aforementioned functions, inductors can also be used along with resistors and capacitors to demonstrate filtering functions. For example, inductors can be used as upstream material for filters, chokes, ballasts, switch power supplies, various transformers (e.g. inverters, converters, inductors and telecoms), and can be further applied to common electronic products such as (wireless) chargers, cloud servers, desktop computers, notebook computers, liquid crystal displays, LED TVs, smartphones, automotive electronics and communication network devices. Because inductors can stabilize electric current, remove noise and suppress electromagnetic radiation, inductors are widely used in electronic digital and consumer products. In 2022, under the impact of negative factors such as global inflation triggered by the Russia-Ukraine war, strong interest rate hike in the United States, and pandemic containment in the mainland, the demand for consumer electronics such as mobile phones, laptops and game consoles weakened, and the passive component industry showed a slight decline, with an annual decline of 5.9%.

2. The correlation among the upstream, midstream and downstream of the industry



The Company has maintained a good upstream and downstream relationship with CPC Corporation, Taiwan, and they have complemented each other over a long period. In the future, the Company will actively seek to establish a closer partnership with CPC Corporation, Taiwan. There are three PE manufacturers in Taiwan and each of these manufacturers has its own supply and sales system. Nevertheless, the Company continuously strives for excellence by improving product quality and production volume, thereby being able to provide high-quality products to a large number of downstream processing companies which subsequently enhance their product processing standards and lead to cooperation with the Company in market development.

Ethylene dichloride (EDC), the raw material for VCM in the upstream, is supplied by Formosa Plastics Corporation and overseas manufacturers. Ethylene is supplied by CPC Corporation, Taiwan and overseas manufacturers. while liquid chlorine is



supplied by Taiwan Chlorine Industries Ltd. EDC is cracked to produce VCM and hydrochloric acid gas. Ethylene, oxygen and hydrochloric acid produce EDC via oxychlorination. VCM produces PVC resin via polymerization, which is then supplied to secondary plastic processing plants in Taiwan in order to produce a series of plastic products such as plastic leather, plastic sheets, plastic pipes and pellets.

The primary raw material for GPS and EPS is styrene monomer (SM) while that for ABS includes SM, acrylonitrile (AN), and butadiene (BD). SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2 million MTA (annual demand is approximately 1.85 million MTA in Taiwan). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore, it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources. The total annual production capacity of SM producers in Mainland China is currently about 14.08 million tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in Mainland China seek to export SMs. The main raw material SM of EPS in Zhongshan Factory of our company is mainly obtained from domestic SM Plants of mainland China, and we can also purchase SM from overseas when necessary. AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 500,000 MTA, sufficient for all domestic demand (annual demand is approximately 380,000 MTA in Taiwan). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore not favored for long-distance transportation. The AN required by the Company is mainly from domestic sources. BD producers in Taiwan include CPC Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 600,000 MTA, which equals the overall domestic demand of 600,000 MTA. However, companies sometimes import the product during annual maintenance shutdowns. The main users are the rubber industry and ABS plants. Most of the BD required by the Company can be obtained from domestic. The upstream materials for ABS/PS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers. Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS plants have to meet the downstream customers' needs and provide technical services and material recommendations upon request.

In respect to magnetic iron oxide powder and cores:

Upstream	Mid-stream	Downstream	Product Application
Iron oxide	Manganese-zinc ferrite core	Upstream component for power transformers, load coils, choke coils and degaussing coils	Digital products: Power supplies, monitors, motherboards, hard drives, optical drives, printers, scanners and other computer peripheral devices
Manganese oxide	Nickel-zinc ferrite core		Telecommunication products:
Zinc oxide	Manganese-zinc ferrite powder		Transmission devices such as smartphones, telephones, fax machines, switches and servers, as well as end-user devices
Nickel oxide	Nickel-zinc ferrite powder		Consumer electronics: tablets, digital cameras, game consoles, CD/DVD players, LED TV, audio, etc.
Copper oxide			Others: Automotive electronics, solar energy, wireless chargers etc.

3. Product development trends and competition

In terms of domestic sales, there are currently three domestic PE and EVA manufacturers. Over the years, their respective supply and marketing systems have been formed. However, due to the low import tariffs, LDPE, HDPE, and LLDPE products still account for a considerable proportion of the import. In terms of the export market, Taiwan is always the main exporter of petrochemical products, such as PE and EVA; the export areas are mainly Mainland China, Southeast Asia, and South Asia. In addition to the Middle East and some ocean-going goods from Europe and the US, the main competitors in Asia include manufacturers from Japan, South Korea, Thailand, Singapore, Malaysia, India, Indonesia, and Mainland China. In recent years, with rising local protectionism, countries, including ASEAN members, Mainland China, and India, have successively implemented differentiated tariff policies. Our main competitor, South Korea, has taken a lead in trade negotiations. Even ASEAN countries, such as Thailand and Singapore, have continuously expanded their production capacity in recent years with the benefits of preferential tariffs, plus the RECP takes effect in early 2022, which has greatly affected the competitiveness of Taiwan's petrochemical products. Moreover, new PE production capacity of several million tons has been put into operation in North America in the past two years with the shale gas as a raw material; the low cost of ethylene produced accordingly has posed a great threat to Asia's light cracking naphtha plants; the mainland China is also actively expanding PE and EVA production capacity. Faced with this severe challenge, the Company has continued to develop differentiated products for the market in recent years to avoid general specification-based price-undercutting competition while actively strengthening its international marketing capabilities and developing its business layout in Russia, Pakistan, Vietnam, Cambodia, Myanmar, and Central and South America to avoid the risk of excessive market concentration.

In the current PVC industry in Taiwan, the annual production volume of VCM at the Company and Formosa Plastics Corporation is 485 thousand tons and 1.644 million tons respectively. The annual production volume of PVC resin at the Company, Formosa Plastics Corporation and Ocean Plastics Co., Ltd. is 450 thousand tons, 1.785 million tons and 150 thousand tons respectively. Downstream



PVC processed products consist mainly of PVC film/sheet, PVC leather and construction products. In 2022, the number of domestic private housing sales and construction projects declined compared with 2021. Since the second quarter, the construction industry has been affected by global inflation, the consumption contraction, the domestic export boom and the government's housing construction. The quarter by quarter recession, affecting the building materials and leather livelihood base materials and consumer products demand decline. In 2022, the COVID-19 pandemic continued, affected by supply shortage and soaring freight rates, PVC transaction price in the first quarter to a new annual high, the second quarter began to be affected by cooling demand, PVC supply in the United States increased, the international market fell for eight months, down as much as 47%, resulting in a significant decline in revenue and profit. In 2022, the business tone is still to maintain full production and full sales, although the upstream EDC/ethylene and other costs are adjusted with the PVC powder market, the overall business strategy continues to focus on volume and price control and strive for high price single source as the main planning.

ABS resin are widely used in automotive engineering, electronics, electrical appliances, equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its modability and surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In Mainland China, the downstream consumption of ABS is mainly concentrated in the household appliance industry, accounting for 60% of the total market share. Among all the applications, air conditioners, vacuum cleaner, refrigerator and laundry machines incur the most demand for ABS. In 2022, due to the Russia-Ukraine war and the rising interest rate, the demand for consumer electronics in the European and American markets has sharply decreased since the second half of the year, leading to a sharp decline in the global ABS operating rate. The Company's ABS products are also affected by inflation, and the overall sales volume decreased by about 24% compared to 2021. In the future, the market competition will become more intense due to the continuous increase of new production capacity in mainland China. GPS is widely used plastic whose market value mainly fluctuates with the price of its raw material, SM. The GPS market leader in Taiwan is Formosa Chemicals and Fibre Corporation (FCFC). With the advantage of vertical integration of supply chain in the GPS production line, FCFC can supply the material at low costs compared to other suppliers. Other manufacturers in Taiwan (including the Company) all use externally purchased SM material to feed their GPS production lines; therefore, SM price have a material impact on these companies' competitiveness. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market and is mainly distributed in Taiwan, Southeast Asia, and Mainland China. The main market of GPS is disposable tableware and food packaging materials, which is the only market with stable demand growth. In the second half of the year, due to the impact of global inflation and interest rate rise, the demand declined slightly, but GPS still has a stable interest rate spread. The company continues to develop markets other than mainland China and Hong Kong to maximize production and sales and ensure profit improvement. And the future market competition must

continue to pay attention to the impact of the new capacity of GPS in mainland China. Due to the gradual relocation of EPS large processing plants in Taiwan, the demand of EPS packaging market has shrunk significantly. At the same time, Taiwan is located in the subtropical zone, and EPS is rarely used as building materials for insulation. Therefore, about 90% of the four EPS producing factories in Taiwan need to be exported. Due to the continuous development of EPS outside mainland China and Hong Kong market and achieved results, the sales volume in 2022 will still be the same as that in 2021 although the demand will decline due to inflation in 2022.

In respect to ferrite powder and iron cores, rapid development of 3C products has encouraged downstream manufacturers to continuously launch new products in response to changing consumer demand. With the function of electronic products enhanced and the polarized market trend evolving towards the development of large-sized transformers as well as the development of micro-miniature inductors, customers' demand regarding product characteristics such as functions, materials, and shapes should all be considered into the design of a product's materials, formulas, impedances, dimensions and appearances. The requirement for temperature endurance, high frequency, resistance to high electric current and micro-miniature size just complicates the market trend but should not be eliminated in product design either. The Company's products are mainly sold in Mainland China. Currently, the Company's principal competitors are the iron core manufacturers in Mainland China and Japan. Since there are many competitors in this industry, and the price competition is fierce, the Company has established a competitive advantage by enhancing the added value of its products, improving the manufacturing process to reduce production costs, and bettering the quality of its products in a comprehensive fashion for effective market differentiation. In addition, the Company has established an all-round support service to be in line with customers' need for product development. This has helped the Company shaping competitive advantage in differentiation over other competitors. By cooperating with customers in the research and development of future products, the Company has been able to keep a close eye on market dynamics as well as enhancing its business competitiveness.



(III) Research and Development:

1. Research and development expenditures invested during the most recent fiscal year

Unit: In Thousands of New Taiwan Dollars

	2022	As of the end of March, 2023
R&D Expenses	436,993	118,155

2. Technologies and/or products successfully developed

- (1) New specifications of ethylene vinyl acetate resin
- (2) Specification Development of High mobility HDPE
- (3) Development of the application of high-performance shoes made of foaming material
- (4) Production technology for the large batch production of V18161 low crystal point coating-grade EVA product
- (5) Production technologies for low crystallization point coating-grade high-speed laminating film EVA product V18251
- (6) High reflection cooling water based paint
- (7) Development of new dosage and application of fire-retardant addition liquid
- (8) CX grade Low VOCs corrosion protection paint
- (9) Development of Non-benzene solvent TPE Paste Cloth
- (10) 30LPVC synthesis test
- (11) PVC powder moisture AI monitoring
- (12) PVC foaming pipe production technologies
- (13) PVC rigid-foaming door panel production technologies and formula
- (14) Waterproof submerged pump cable plastic pellets
- (15) 25KV non-toxic cable
- (16) PVC foam door panels
- (17) PVC Ink-jet advertising cloth
- (18) Non-p tile protective layer
- (19) PVC low shrinkage masking tape cloth
- (20) Low temperature resistant outdoor PVC door frame tape
- (21) Domestic tourist car seats & interior soft leather
- (22) Marine & jet ski seat leather
- (23) Mih Electric Bus Seat Soft leather
- (24) Development of non-arsenic anti-mildew and black color tablets
- (25) Soft leather for agricultural machinery seats
- (26) League baseball glove soft leather
- (27) TPE shoe series (R-grade)
- (28) Antiviral rubber
- (29) Recycled carbon black TPE rubber for scrap tire
- (30) Foamed polystyrene (EPS) particle size concentration increased
- (31) Rapid-grade foaming polystyrene (EPS) quality improvement

- (32) Acrylonitrile-butadiene-styrene polymer (ABS) General grade ABS formula optimization, reduce rubber consumption
- (33)(A044i: The wide temperature permeability material can further reduce the αF coefficient of the inductance temperature characteristic of high and low temperature, in order to meet the higher design requirements of customers.)
- (34)(A10i: Modify the required characteristics of high conductivity wideband materials to meet customer requirements.)
- (35)A104i: For high conductivity and high temperature material characteristics correction to meet customer use
- (36)P6X: High-frequency has gradually become a trend, optimize the loss above 1MHz, cooperate with end customers GaN/SiC MOSFET application, focus on the cloud /5G power supply/vehicle power supply market application
- (37)F30: Developed for the wide temperature material requirements for vehicles, the application range of $-40\sim 160^{\circ}\text{C}$ is applied to the T6 series requirements of CanBus small T project
- (38)K201: Aiming at EMI material requirements for vehicles, the magnetic permeability is increased to 2000 under the premise that the temperature of Kuli is 130°C (meeting the AEC-Q200 Level 1 specification)

(IV) Long-term and short-term business development plans

1. Short-term business development plans:

For short-term business planning, due to lack of ethylene supply based on the contract with CPC Corporation, the Company not only is committed to searching for sources of low-priced ethylene, but also continuously develop differentiated products, optimizes product mix, and reduces production costs, thereby enhancing product profitability and the competitiveness in the domestic market. In terms of exports, the Company plans to continuously solidify its position in the markets outside the market in China to diversify risks. Additionally, the Company will comprehensively enhance service quality, improve product structure and focus on differentiation and customization to address niche market needs in order to avoid vicious low-price competition. The Company has the advantages of high quality and reputation in the solar packaging film-grade and special hot melt adhesive market. In recent years, the solar market has developed vigorously. To meet clients' urgent needs, the company established EVA production lines with a production capacity of 90,000 tons, which was successfully put into production in the middle of 2016. The products were immediately recognized by clients. At present, the overall EVA sales were smooth. For the investment in the Gulei project, the Company has established most plants with the aim of having a stable supply of raw materials in the upstream section and integrating both petrochemical raw materials and plastics refining in the mid-stream section, so as to enhance its overall cost support and reduce transportation costs while alleviating the price competition in the international market, thereby enabling the Company to establish a foothold in the Greater China market. The Company will continue to engage in the research and development of CBC optical materials and food-grade container materials, and



continuously investigate and evaluate the market potential for high-value ethylene derivatives / copolymer and the feasibility of mass production for these products.

The Company will strengthen integrated operations of VCM-related industry chain in order to stabilize high production volume and quality and actively explore stable sources of raw material supply. In view of PVC, the Company is keenly to establish cooperative and reciprocal relationship with major clients of PVC powder, while continuously acquiring new clients, enhancing development in high-value sectors, and participating in domestic public works. Therefore, both domestic sales and the market share are expected to be maintained in 2023. The production capacity of the plants in Toufen and Linyuan are utilized in flexible ways to enable product diversification, labor division, thereby decentralizing the customer and market base. The Company has set up policies to select customers with good credit ratings for sales and strengthen major distribution channels to increase the proportion of sales with downstream manufacturers. All these have been done in an attempt to balance market fluctuations between the peak and off-peak seasons, and eliminate the bottleneck of excessive sales concentration on retailers. In 2022, the domestic economic economy is weakening, and the electronics and communication industries are starting to decline along with the export demand. However, the quotation of liquid alkali in Asia is firm, and the domestic chemical production/sales will be at the same price/volume in 2022. In 2023, the Company will continue to strengthen the relationship with the sales channel and expand the integration of downstream sales, comprehensively improve the quality of service, ensure stable supply and increase sales. Particularly for the 45% liquid caustic soda product, the Company keeps making solid relationship with core customers in order to maintain its market share. The Company will continue to develop new PVC pellet products with niche and medical devices, hard pipes and relevant parts, and low-odor transparent pellets as the mainstream. Additionally, the Company will continue to enhance product quality, and ensure accurate delivery and services. Develop tubing business opportunities in South Asia, cooperate with local large manufacturers and agents to promote products. Through business services, seize the opportunity of online sales in key markets to promote the rubber marketing to mainland China, Northeast Asia, Southeast Asia, and other emerging markets. The PVC plastic products part optimized the pipe product mix, maintained the stability and increased the market share of construction pipe, and actively participated in the supply of public works to increase the profit by reflecting the raw material cost. Promote the application of functional products of environmental protection materials, enhance product added value and brand image, and pursue material innovation to increase sales and profits. On top of that, advertisements on media, website broadcasting design, and participation of various major exhibitions are made to enhance product awareness and expand business opportunities for the plastic leather / sheet products. The Company will also join forces with its peers to strengthen the supply of various types of artificial leather, with the purpose of increasing its product portfolio and enhancing horizontal competitiveness. The formula of the FORBID stain-resistant product is upgraded to improve the cleaning effect. A water-based formula is developed to improve the fog surface feel and create more market opportunities. The business of leather for agricultural equipment and seats in North America has been stable. In this market, the Company has successfully clinched an order from a major tractor seat manufacturer in the U.S. This order serves as a stable source of

revenue for the year. The Company's product portfolio and sales performance will also experience a strong rise, thereby significantly benefiting the Company. In addition to the original OEM truck market, cooperate with customers to develop electric vehicle seat leather to increase the sales of interior leather and seat leather, and expand the product application range. The upgraded anti-mold formula for plastic leather used in ships have met the REACH requirements. Hence, the Company is expected to establish and benefit from a stable source of orders for this product in the European market. Meanwhile, the anti-UV formula of plastic leather used in ships will be upgraded to step into the US OEM market of plastic leather for ships. The Company will also make improvements in formulas and related labels to make them in line with the regulatory requirements of Prop #65 implemented in the North American market; hence, the Company's market operations in this region is expected to be more sound and robust. Strengthen the promotion of brand greening, continue to optimize the upgrading of the formula of TPO, TPU and other environmental protection materials, and launch the cooling rubber, which is mainly promoted in the market of furniture, marine, locomotive and shoe materials. Material innovation and deep awareness of environmental protection will improve the performance in the market. Actively promote transparent leather in various applications such as amusement park, car interior, casino, office equipment, hotel facilities. The main market is still OEM car and electric car market. Strengthen the operation of the Asian rigid tape market, has effectively improved the market share, and is expected to substantially increase the sales performance in 2023. The COVID-19 epidemic has slowed down, countries have lifted lockdown, which is conducive to the holding of trade fairs and the continuous use of e-commerce/Internet services to grasp business opportunities in various markets.

ABS is fully produced and fully sold, continuously increasing the proportion of direct customers and developing markets outside the mainland China and Hong Kong. In the production of ABS, new Toyo SAN manufacturing process is set in place, and improvement in the background color and quality of the ABS product has also been seen. In the future, we will make good use of this advantage and expand the market application. GPS also needs to continue to explore markets outside mainland China and Hong Kong, while leveraging NOVA's quality advantages in the food packaging market for continued growth opportunities. The company's former plant EPS still needs to increase the global sales layout, to ensure that the full production of the target. The Company will realize the integrated supply chain management to maximize production and sales and maintain the inventory of raw materials and finished products at a low level. Strengthen business development ability, develop low market share markets and product market applications, expand sales base customer base, and stabilize market sales. The Company will expand functionality and flexible organization and actively expand export sales, particularly develop the market in emerging and developing countries. In the South China market, EPS continues to improve and stabilize the quality of fast materials and extra light materials, and expand market sales. . Continue to strengthen the core market (Yunnan, Guangdong province) and continue to develop Guangxi, Fujian, Hubei and other markets. Make use of the complementarity of market demand specifications, balance sales specifications, continue to improve and expand technical customer service capabilities and scope, increase customer



loyalty. The Company will improve the pellet size and concentration to meet market demand.

In terms of ferrite powder and cores, the Company will continue to develop new materials, new technology and new products, and integrate the cost advantage of factories in Mainland China to increase competitiveness and market share. Taiwan, Malaysia, South China, East China and Chengdu offices and other sales bases, with service bases in Japan, continue to strengthen the service to downstream customers, close to the customer base, in order to quickly meet customer needs. The Company will also work in collaboration with international major manufacturers to implement the Design-in/Spec-in process and recognize their new product designs. Product portfolio will also be adjusted in order to increase profitability.

2. Long-term business development plans

In the long-term planning of its PE/EVA business, the Company will actively expand this business into markets including Southeast Asia, South Asia, East Asia, the Middle East and the Americas in order to diversify risks due to excessive market concentration. In addition, the Company will find a stable source of ethylene and seek opportunities for vertical integration, thereby controlling the cost of raw materials in the upstream to get a foothold in the global market, and expanding its sales strategies by integrating refineries in both the upstream and the downstream.

In VCM business, occupational health and safety policies will be intensified companywide and production processes will be stabilized in plants; all these will be made in the hope to reduce cost and ensure long-term stability for the Company's product supply. The Company will enhance differentiation in PVC powder products processing and continue to expand selling for special specifications. The Company will also fully utilize its existing Chemical Products production capacity and improve the debottlenecking of its equipment in order to increase product quality and establish stable sales and distribution channels. In the meantime, the Company will continue to enhance PVC pellet product quality and to develop new functional formulas, while engaging in the research and development of high-end products to be in line with market demands and to increase the competitiveness of the PVC pellet products. The Company will enhance research on processing technologies for PVC plastic products, and improve equipment and its environment in order to produce differentiated products, thereby segmenting the increasingly competitive traditional product market. The Company will improve the production capacity and raw material formula of PVC plastic product machines, develop high value-added products, and expand the production capacity of professional products to increase the market share. The PVC products will continuously be promoted in regions with high economic growth potential, such as Southeast Asia, South Asia, and South America. The product assortment to be promoted includes SRT stain-resistant leather, cooling leather, automotive leather, and stationery/universal/pool adhesive sheets. The Company will search for information on fashion and trends to continuously develop trendy emboss and color combinations for PVC plastic products, and jointly develop new PVC plastic products with peers to create a more complete product portfolio to develop more customers. In line with the updated environmental protection regulations, the Company will continue to adjust the formula and various supporting measures for PVC plastic products, and optimize

the equipment in order to enhance the value of the products. The Company will continue to develop and promote environmentally friendly materials for PVC plastic products to the markets ranging from footwear, automotive, furniture, marine to flooring products. The Company will put efforts to reduce the production cost of environmental protection materials, in order to improve the market competitiveness and acceptance. Continue to observe the changes in geopolitical competition between China and the United States, the development of the Russia-Ukraine war and the impact of the COVID-19 epidemic in 2023 on the economy and industry, and pay attention to the production and marketing trends derived from downstream production bases. Planning export of artificial rubber as a carbon footprint inventory object, enhance the competitiveness of international brands.

Collect the trend of ABS/PS selection of industrial materials and develop suitable product materials. With the improvement of physical properties of its products, the Company will enhance its market share in the "high-quality, high-priced" market segment. The Company will continuously increase its market share in overseas emerging markets.

Resources of the Company will be integrated to continuously make development in the ferrite powder and iron core products as well as new material business lines. The Company will also acquire potential customers and develop new sales bases so as to increase market share. On the other hand, the Company will continue to nurture international marketing talents, set up overseas sales offices, and keep abreast of information related to international markets in order to achieve the goal of internationalization.



II. Overview of Market and Production and Marketing:

(I) Market Analysis:

1. Sales regions and market share for major products

Domestic polyethylene (PE) plastic raw materials are used by USI, APC, and Formosa Plastics Corporation to manufacture low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA). High-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) are manufactured by both USI and Formosa Plastics Corporation as well. USI Corporation's PE / EVA sales account for 38% of the total domestic sales, where its PE / EVA exports account for 62%. APC's PE/EVA sales in the domestic market account for 23% of total, while 70% of the sales are originated from export. The Company's products are exported to different countries, including the United Arab Emirates, Australia, Bangladesh, Brazil, mainland, Ecuador, Egypt, Britain, Hong Kong, Indonesia, Israel, India, Iran, Japan, Cambodia, Sri Lanka, Myanmar, Mexico, Malaysia, Nigeria, New Zealand, Peru, Philippines, Pakistan, Poland, Russia, Senegal, Thailand, Turkey, United States, Venezuela, Vietnam, South Africa, with 67% of the sales orders of USI Corporation arising from Hong Kong and Mainland China, while 78% of the sales orders of APC Corporation arising from Hong Kong and Mainland China. Among all the plastic materials exported overseas, ethylene vinyl acetate (EVA) is the most important item, followed by low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). USI's low density polyethylene (LDPE) accounts for about 2.2% of the domestic market, while the rest is supplied by APC and imports. Of the total sales volume of ethylene vinyl acetate (EVA) in the domestic market, sales by USI account for 41%, whereas 40% were sold by APC and Formosa Plastics Corporation, and the remaining 19% are from import. In view of high-density polyethylene (HDPE), 16% of domestic sales are from USI, and the Company's linear low-density polyethylene (LLDPE) accounts for 4% of the total market share. The rest is supplied by Formosa Plastics Corporation and import. Since the total domestic production volume has exceeded the demand, the Company strives to increase export sales in an attempt to absorb excess production and achieve the balance between production and sales.

For VCM, the ratio of domestic sales to export sales and self-use products is approximately 8:0:92. For PVC powder, the ratio of domestic sales to exports to personal use is 12 : 78 : 10. The main export regions include Bangladesh, India, Southeast Asia, the Middle East, South America, and Africa. Chemical products are mainly sold to companies based in Hsinchu Science Park, Central Taiwan Science Park and northern regions, with sales in these areas accounting for about 70% of the total. Customers for these products mainly come from electronic industries and petrochemical industries. The Company's market share in the domestic market ranges approximately from 2% to 3% for the liquid caustic soda product, and ranges approximately from 16% to 18% for the hydrochloric acid and the liquid bleach product. At present, the sales proportion of PVC pellets is concentrated on domestic sales. Due to the high raw materials and freight prices brought by the COVID-19 epidemic in the export market, the original customers need to be purchased in the local market, and a new project should be developed. The PVC plastic product portfolio consists of: (1) building products: mainly sold

domestically. Domestic market share: approximately 18% for PVC pipes and a gradual increase in PVC door panels. (2) PVC film/sheet: The ratio of domestic sales to exports is 55:45 and the Company's market share in the domestic market is approximately 21%. These products are exported mainly to the Americas, Europe, Australia, South Africa, Russia, Japan, China, Vietnam, Bangladesh and Southeast Asia. (3) PVC leather: The ratio of domestic sales to exports is 40:60, while its market share in the domestic market is approximately 28%. These products are exported mainly to North America, Europe, Australia, Japan, Mainland China, Malaysia and India.

ABS/PS is mainly exported, accounting for about 90% of the turnover. Within the export region, the proportion of ABS/PS is the largest in mainland China and Hong Kong, and the sales in Southeast Asia/South Asia/Central and South America/North America/Egypt and other regions have also been growing. The percentage of sales in the domestic market is as follows: 9% for ABS / PS and 65% for glass wool products. In addition, EPS products produced in the Company's plants located in Mainland China are basically all sold within Mainland China.

In view of ferrite powder and iron cores, the domestic demand for inductor is around 12% to 15% of the total domestic demand for passive components; therefore The estimated market share of the Company's ferrite powder and iron cores is about 5% to 6%.

2. Market supply and demand and market growth in the future

In 2022, domestic demand for PE and EVA showed a decline due to the epidemic. In terms of export market, global PE demand declined due to the COVID-19 pandemic and the trade war between China and the United States. In North America, more than 7 million tons of new PE capacity is coming on stream. The cost advantage of producing ethylene from shale gas compared to petro-brain feed-light fracturing plants in Asia cannot be underestimated. In the following days, new PE/EVA capacity will be put into production in mainland China. Fortunately, the world continues to pay attention to green energy issues, and the demand for solar energy is still good, which has little impact on EVA products exported by the Company. The Company's PE products are mainly sold in domestic market. In recent years, the Company has actively developed differentiated products and experienced in responding to the expansion wave in the Middle East. We believe that the Company has the confidence to cope with this severe challenge successfully.

Due to the weak demand for PVC in 2022, some VCM factories cut production, and the inventory of all manufacturers is low. The low inventory situation continues to the first quarter of 2023. The annual repair and unexpected shutdown of VCM factories in Asia make the short-term demand phenomenon of VCM short supply, PVC and rebound, and it is estimated that the market situation of VCM will recover simultaneously. SP Chemicals's new 400,000 tons of VCM capacity is coming soon, and its supporting PVC production will be delayed until next year. The supply of VCM in Asia may gradually ease after the first quarter. Overall, the reopening of the COVID-19 pandemic has contributed to the simultaneous recovery of global PVC and VCM demand. The PVC market experienced three



quarters of price correction in 2022, and the main market inventory was at a low level, urgently waiting for new supply. After the market bottomed out in early 2023, India has taken the lead in a large number of replenishment, pushing up the transaction price, while driving other markets to actively chase prices. In 2023, the domestic market will be depleted due to the demand for public works and the quarterly increase in downstream industrial inventories. Second and third processing industry to provide support for PVC powder demand. However, the downstream processing industry is affected by the rising cost of raw materials and the rising Taiwan dollar exchange rate, which makes a weak response and inhibits the growth of export and domestic industries. The overall estimate is still growth over 2022. The demand from domestic large chemical users is expected to remain stable in 2023, which is mainly influenced by the growth of upstream production capacity of the wafer, panels and petrochemicals industries. The colloidal domestic market is estimated to grow in 2023 compared with 2022. Overseas sales will continue to develop the South Asian pipe factory and the opportunities for colloidal users in Central Asia, Southeast Asia and South America. In 2023, the government's housing policy will continue to curb speculation and rising house prices, with interest rate hikes and credit control measures to combat real estate speculation. However, at the same time, the public construction projects are expected to be released one after another, and the overall sales of building materials products is expected to be stable in 2023. In 2022, due to the severe global high inflation, the contraction of end-consumption, the difficulties of the supply chain's high inventory, and the reduction of construction load, the demand decreases sharply, affecting the purchasing power. Looking forward to 2023, the domestic and international economic recovery continued quarter by quarter. The Company's product portfolio will still put weight in the existing products with profitability as well as the promotion of high value-added products. The export market is based on the company's stable customer source and long-term customer cooperation between us; Both the Company and its customers spared no effort in developing new products and new markets and we have achieved significant results in this respect. At the same time, the Company's export team continued to develop new customers and new markets, thereby significantly contributing to the Company's sales volume and profitability. Looking forward to 2023, the domestic sales of PVC plastic leather will continue to expand the indirect export channels and promote a series of functional and environmentally-friendly products, while in terms of export, the U.S.-based market will continue to be maintained steadily. Despite low-price competition from Vietnam, India, Mexico, and Mainland China, the Company's production and sales team will research and develop new products, expand product assortment, and develop new markets; the sales volume is expected to increase in 2023.

ABS: In 2022, due to the impact of inflation, the demand for consumer electronics in Europe and the United States declined significantly. In 2023, it is still necessary to continue to pay attention to the impact of inflation and other factors on the market. At the same time, it is estimated that about 3 million tons of new production capacity will be invested in mainland China in 2023, and the market competition will become increasingly fierce. The Company's strategy is to continuously develop the direct customer ratio with higher profits, and develop markets outside the mainland China and Hong Kong to achieve the strategic goal

of full production and full sales, so as to ensure operating performance. GPS: In 2022, GPS market demand is expected to continue to increase due to the epidemic driving the consumption of disposable tableware. In 2023, it is estimated that about 3 million tons of new PS capacity will be put into the market in mainland China. Therefore, the Company is still actively developing markets outside the mainland China and Hong Kong to cope with the situation and maintain full production and full sales to ensure operating performance. EPS: In 2022, EPS in mainland China will still be in oversupply. It is estimated that there will be about 1.6 million tons of new capacity input in 2023 from mainland China. Looking forward to 2023, the sea freight has gradually recovered before the epidemic, and the development of new markets/new customers, such as the growth of Southeast Asia, Egypt, Central and South America and other markets, the company's strategy to achieve the EPS full production and sales target, improve the operating performance. EPS in Mainland China: There are four major EPS manufacturers in South China. In November 2020, Rengeng will put into operation 300,000 tons of new production capacity in Zhuhai, which will increase the production capacity in South China to about 1.2 million tons. Zhongshan plant of the Company, with its advantages in the quality of ordinary materials and fast materials, and continuous improvement in the quality of extra-light materials, strengthens the Company's competition in the main purpose electrical packaging and panel market; At the same time, improve the concentration of production particle size, increase the output ratio of effective specification products, reduce the generation of dull materials, strengthen the production efficiency; At the same time in order to achieve the goal of sustainable development, also extremely promote the Gulei plant 200,000 tons of new plant set up. Glass wool products: the domestic market will grow by 10% in 2022, and the import volume will account for 7% of the whole market. India and South Korea are the main import countries, accounting for 92% and 6% of the import volume respectively. The domestic market is forecast to grow by about 1% in 2023 compared to 2022. For export to Southeast Asian markets, due to fierce competition and low unit price, export sales will focus on New Zealand, Australia, and other markets with high unit price. At present, in addition to the stable sales in New Zealand and Australia, we continue to develop other market opportunities and actively improve the breadth and depth of export markets; The proportion of domestic and export sales is projected to be 64% and 36% in 2023.

Oxygen and magnetism and iron and iron cores: In 2022, the outbreak of the Russia-Ukraine war accelerated the global inflation pressure and affected consumer confidence. The passive component market is affected by the weak demand for consumer electronics such as mobile phones, laptops and game consoles, the strong interest rate hike in the United States, the lockdown measures in the mainland and the supply chain. Overall, the passive component industry showed a small decline in 2022. For passive components, it's still optimistic about the development of advanced automotive, AI, industrial, medical, aerospace, 5G/iot applications.

3. Competitive Niches

The Company has always been known for its decent management. Our business philosophy is "Solid Operation, Professional Management, Seeking Excellence



and Serving the Society." The Company's current business strategy is to manufacture and sell PE / EVA products with higher added value using limited sources of ethylene, and continuously change its product portfolio in order to generate higher profits. The Company has set up a research and development division in Guishan, which is responsible for development of new products and development of new market application, and is also committed to product optimization and customer technical support, with the effect affirmed by downstream customers.

In production, VCM process equipment is improved to stabilize production capacity and maximize utility rate. In purchase, the Company purchases competitive raw materials to increase production efficiency and reduce cost, thereby enhancing profitability in the overall industrial chain. Adhered to the spirit of integration of the vinyl chain and worked together toward the goal of maximizing the production and sales of VCM/PVC/processed products and other products. We seek to minimize costs while stabilizing ourselves amid a series of challenges as we wait for opportunities to create profitability. In sales, products are made in stable and proper quality, and delivered on time and in accuracy. Full understanding of customers' needs and full support for them is the key to create competitiveness in the domestic sales and export of PVC powder. The Company has built long-term cooperative relationship with business partners situated in Hsinchu Science Park and Central Taiwan Science Park, and the quality of chemical products and services supplied to the aforementioned companies is also highly regarded. Besides, the Company has plants situated in vicinity to Hsinchu Science Park and Central Taiwan Science Park; the geographic advantage enables the Company to make speedy delivery of goods to its business partners. The Company holds the advantage to stably supply PVC compound and possesses experienced R&D teams that strive to improve quality and develop high value-added new products for its customers. PVC plastic products because of (1) private brand, brand awareness established; (2) Good quality control and after-sales service; (3) Existing product lines and downstream sales categories are wide, which is not affected by the peak season of a single industry, affecting the overall sales volume; (4) Vertical integration of VCM, PVC powder and downstream processing; (5) Complete supply of technical professionals; (6) Complete international marketing bases; (7) IATF16949(International Automotive Task Force) and ISO 9001 quality control system complete, provide excellent quality certification system; (8) Environmental regulations are becoming more and more rigorous, such as: Prop#65, REACH, RoHS. The Company is capable of meeting the requirements, for the export market competition with advantage.

The competitive niche of ABS/PS and glass wool products is (1) maintaining the business strategy of full production and full sales and continuously optimizing the customer mix to ensure the operating performance. At the same time, under the premise of full production and full sales, we effectively control the reasonable inventory of raw materials and finished products to avoid the impact of large fluctuations in market prices on the company's operating performance; (2) to continuously strengthen its development capacity and effectively develop markets outside the mainland China and Hong Kong; (3) Continuous development of

customized products; (4) Fast and timely customer service and regular customer visit plan, strengthen after-sales service and enhance product added value.

Reinvested in Kunshan City, Jiangsu Province and Zengcheng City, Guangdong Province, engaged in the forming, sintering and grinding of magnet core, nearby to serve customers in East and South China; To meet the timely needs of customers, shorten the delivery time and provide stable quality products, to establish a competitive brand image. The technical experience and product scale of Japan, Europe, and the US are in a dominant position. The magnetic powder formula of the ferrite magnet cores greatly affect the magnet process and the final quality as the content of the formula is closely related to the magnetic permeability, density, energy conversion efficiency of the manganese-zinc ferrite, as well as the time and yield required for future sintering. Therefore, ferrite magnet factory regards the formula content as top secret. Since establishment, the Company has continuously accelerated talent cultivation and the development of technology research to establish the self-development ability for materials. The Company has also caught up with the pioneer of material development. In addition, the products need to be aligned with the applications of downstream manufacturers for different purposes. Therefore, the Company participates in the planning at the beginning of the downstream clients' product design, and then supplies it to the downstream system terminal product manufacturers to make finished products. Once the downstream clients adopts this model, it is not easy for them to change suppliers in normal conditions, and the product loyalty is high.

4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

Favorable factors affecting the Company's development prospects:

- (1) With regards to PE / EVA, the Company has established an excellent supply chain relationship with CPC Corporation, and has implemented flexible measures to obtain a stable supply of ethylene from various sources and maintain the stability of raw material supply.
- (2) In view of PE/EVA, the Company has established long-term cooperation relationship with downstream customers and developed such relationship into partnerships. Apart from the stable mutual supplies and sales with these partners, the Company has engaged in technical cooperation with partners to jointly develop new products and product applications.
- (3) In view of EVA used in membrane-encapsulated solar cells, the Company has a leading edge in terms of quality and technology. In addition, the Company's customers play a vital role in the industry. Over the years, these customers have collaborated and grown with the Company, and thus deep and solid partnerships have been established.
- (4) In view of PE/EVA, the Company's efforts to actively expand its related business in a number of emerging markets have shown excellent results. The Company will continue to target effort at different regions and products in order to meet product needs from these market segments, and thereby expanding into emerging economy markets.



- (5) The new EVA production line has entered mass production in 2016 and the sales of PV photovoltaic-grade materials and high-end forming materials are expanded which has increased revenue.
- (6) Gulei investment project has been mostly completed and put into production, will enhance the competitiveness of the company in the future.
- (7) Vertical integration for VCM and PVC powder
- (8) Fully seizing sources of the main raw material EDC and ethylene
- (9) Fully utilizing the Company's VCM production capacity to effectively reduce production costs.
- (10) The price reduction of upstream raw materials, such as ethylene and EDC, will help improve the profitability of the PVC industry.
- (11) With Toufen and Linyuan two factories complementary production, PVC powder product features more diversified, adequate inventory and fast delivery elasticity.
- (12) Vertical integration for VCM and PVC powder and the secondary processed products.
- (13) The Company's relationship with PVC powder customers and the depth of its services.
- (14) The Company continues to break bottlenecks in PVC powder production and sales, thereby effectively reducing production costs.
- (15) The Company has long been reputed for good quality of its chemical products.
- (16) For chemical products, the Company has a good customer portfolio as market demand for these products is experiencing stable growth.
- (17) Vertical integration of upstream and downstream processing of PVC plastic products
- (18) The Company has its own brand for PVC plastic products, along with good quality control and after-sales services.
- (19) The Company has readily available professionals in the area of PVC plastic product technology.
- (20) The automotive leather for PVC plastic products has been certified by IATF16,949.
- (21) In view of PVC plastic products, the Company is engaging in the research and development of new products including high value-added and eco-friendly materials.
- (22) For PVC plastic products, the Company continues to improve related equipment, manufacturing processes and product quality.
- (23) The Company has established sales offices and distribution channels overseas which can facilitate market expansion.
- (24) For PVC plastic products, exported plastic leather and plastic sheets, the Company has printed its corporate identification labels on the products in order to increase brand awareness, thereby effectively raising customers' willingness in purchase.
- (25) Continuous research and development of environmentally friendly materials for PVC plastic products helps enhance product segmentation and market

promotion. In 2023, the Company will plan consecutive new product launches focusing on the US markets for furniture and the interior of ships. It is expected for the Company to experience an increase in profit and performance in the American markets.

- (26) The surface treatment technology applied to PVC plastic product is expanded its use to plastic leather and plastic sheet; it is expected to increase sales volumes in the US market for the inner lining products for machinery and equipment.
- (27) The stable quality of ABS/PS products, integration of research and development capabilities, strengthening of customer service and implementation of management system will help customers to have confidence in our products.
- (28) For GPS, the Company uses NOVA process technology, which has the advantages of heat resistance and low residual monomer quality.
- (29) The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.
- (30) There is still space for domestic demand in the South China market to grow. Since the demand for EPS is still growing, this will bring benefit to the operation of the Company's Zhongshan plant.
- (31) The new production capacity of the main raw material SM in mainland China continues to increase, which is conducive to Taita Chemical's bargaining power for raw material SM.
- (32) The Company is a leading brand in the glass wool market, and the product quality is well recognized.
- (33) The Company offers high level of services associated with the glass wool products so as to effectively eliminate product competition among other foreign goods.
- (34) The Company has stable marketing channels for glass wool products, which is an advantage for market development and competition.
- (35) Glass wool is used as filler in the calcium silicate board partition system. This application has been gradually accepted in the market.
- (36) With annual increases in sales for the gypsum board partition system, the use of glass wool is expected to increase as well.
- (37) The conversion of the non-combustibility test of CNS6532 to CNS14705 can facilitate the fiberglass ceiling panel products to pass the test.
- (38) In addition to the successful renewal of BRANZ certification in New Zealand and Australia, the Company has also helped its New Zealand customers successfully obtain the Environmental Choice New Zealand (ECNZ) eco-friendly label, thereby facilitating bids for government projects.
- (39) The market of fireproof glass wool for roof and exterior wall is growing steadily, and the sales in 2022 grew by 16% compared with 2021.
- (40) Regulations related to floor impact sound will be implemented in January 2021. Newly developed product, i.e. the glass wool sound insulation system



for Porter panels and wood floors has passed the test, thus facilitating new market development.

- (41) The newly developed six-sided-covered design can add value to the Company's products.
- (42) Electromagnetic radiation interference between electronic products has been attracting growing attention. Europe and the U.S. were the first to pay attention to the issue of electromagnetic radiation, and have established strict electromagnetic test standards. In the future, products must pass these electromagnetic radiation tests, which will help increase demand for products such as ferrite cores and inductors.
- (43) With the thriving development in the global automotive, information, network communication, and consumer electronics industries, the global market scale continues to expand, thereby increasing the demand for magnetic cores and inductors. Moreover, due to a wide range of applications for downstream products, the Company will be less affected by the condition of a single industry.
- (44) The Company has gained extensive experience in managing the product development trends, which is tough and cohesive, manufacturing and sales operations in the industry. In addition, the Company's management fully understands that quality is the essence of good sales and promotion. Therefore, since its establishment, the Company puts emphasis on total quality improvement, and comprehensively promotes quality control all across the company to ensure that requirements of product quality and environmental protection are met.
- (45) With a large production scale and excellent production efficiency, can increase its own competitive strength. the Company has put emphasis on the improvement and enhancement of production processes over the years in order to streamline the management of production lines. In response to industry development trends, the Company has shifted its production abroad, where the Company can effectively use local resources to achieve the economy of scale arising from mass production. Besides products that provide cost advantage, the overseas operations also enable the Company to provide customers with products and services that come from nearby.

Unfavorable factors and corresponding countermeasures:

PE/EVA:

- (1) The Company relies on purchasing from third parties to complement the shortage of ethylene supply. The price of ethylene is fluctuated in line with the international market, thus are difficult to manage.
- (2) The low production capacity of the production line increases unit production costs.

- (4) Taiwan's low import tariff for LDPE/EVA has enabled price-cut imported materials to compete with domestic suppliers in the market. In addition to the aforementioned reduced market share, LDPE/EVA product price is also indirectly suppressed by the impact.
- (5) As Taiwan did not join the ASEAN Free Trade Area, and many countries are keen to sign double tax treaties among themselves, such as RECP, the Company's LDPE/EVA export market is full of trade barriers and unfair competition; this has also caused significant impact on the Company's LDPE/EVA sales volume and product prices.

Countermeasures:

Apart from continuously seeking sources of low-priced ethylene, making investment in the Gulei petrochemical projects, improving and enhancing the stability and operating rate of production equipment, increasing production capacity and product quality to reduce production cost to win over the market, the Company is even more committed to offering reasonable product prices and providing services to customers. Besides, the Company also develops high value-added products in response to market trends, and expands export sales into emerging markets, such as Mainland China, to establish stable customer base for the long term and therefore increase operating profits. In addition, due to the rise of environmental awareness, on March 3, 2022, products obtained ISO 14067 (2018) carbon footprint verification statement.

VCM:

- (1) With domestic environmental protection policies getting more and more stringent and proposals for energy saving and carbon reduction being accelerated in implementation, coupled with the revision of the Labor Standards Act, the auxiliary measures and grace periods for businesses in the related issues turned out to be not as good as expected, and this will impose limitation on the Company's business transformation and development.
- (2) The international situation is unpredictable, affecting the transportation and price of raw materials. The war between Russia and Ukraine may lead to high costs.
- (3) Domestic supply of ethylene is unstable, while the cost of ethylene is fluctuated.
- (4) Inflation worries will create more uncertainty on the demand side.

Countermeasures:

- (1) Update production equipment, accelerate energy saving, water saving, electricity saving, carbon reduction improvement and investment, while improving operation efficiency, maintain high productivity.
- (2) Continue to communicate with the relevant government agencies on plans related to corporate social responsibility and environmental responsibility to reach a consensus between both parties
- (3) Continue to obtain sources of competitive raw materials, and respond to ever-changing market changes using flexible production and sales strategies



- (4) VCM is mostly for self-use, and the inventory will be carefully adjusted to enhance the advantages of vertical integration and increase overall profitability.

PVC powder:

- (1) The United States overcame the supply problem, coupled with the addition of new production capacity, oversupply and inventory pressure affect the global PVC powder market supply and demand balance.
- (2) The international market of PVC powder began to rise at the beginning of 2023, accelerating the Chinese PVC powder plant to pull up the operating rate, waiting for a low export order, interference with the market order.
- (3) Without signing FTA with major consumers of PVC powder, while China, Japan, South Korea and Southeast Asian manufacturers enjoy preferential tariffs, sales market for Taiwan is compressed.

Countermeasures:

- (1) Actively acquire the market of commercial materials for PVC powder downstream manufacturers in Southeast Asia, India, Bangladesh, and Brazil and establish stable cooperative relationships with them.
- (2) Actively establish strong customer base in both India and Bangladesh through agents and traders as demand for PVC in both countries is rapidly increasing, with the purpose of expanding sources of sales orders.
- (3) Actively apply for certification, in order to meet the requirements of PVC powder raw materials or processed products and expand business opportunities; Projects completed or under application include ISO 14001 Environmental Management system, SGS 2021 Greenhouse Gas Inspection Statement, carbon footprint certification, etc.
- (4) Seek long-term support from PVC powder key customers in every region
- (5) Enhance PVC powder product quality and develop products with unique specifications and market differentiation
- (6) Streamline organization, improve operational efficiency and enhance customer service.

Alkali-chlorine:

- (1) Expansion of domestic potassium sulfate plants has led to an increase in the production of secondary hydrochloric acid, thereby impacting the hydrochloric acid market.
- (2) Domestic sales of alkali face competition from those imported from Mainland China, thus squeezing profit margins for this product.

Countermeasures:

- (1) Segment sales markets to establish stable sales and distribution channels
- (2) Continuously increase production quality and efficiency, and optimize production and sales planning

PVC processed products:

- (1) Development of high value-added and differentiated products is not yet completed.

- (2) The cost of green eco-friendly materials is high.
- (3) OEM automotive leather exports are restricted by rigorous quality requirements and the long testing and development schedule delays qualification certification.
- (4) Environmental regulations in Europe and the United States are becoming stricter, North America furniture leather limits the addition of flame resistant agents, adjust the product formula and sales regional restructuring.
- (5) Low-cost competition with the Company's foreign peers and tariff barriers have led to obstacles in its export expansion plans.
- (6) Some markets have replaced PVC with other materials.
- (7) The Company continues to face exchange rate pressure, which reduces export competitiveness.

Countermeasures:

- (1) Securing the right to supply building materials for civil engineering projects and private construction projects.
- (2) Continue to develop environmental protection materials and high value-added products, establish and obtain environmental protection materials GRS certification, increase competitiveness.
- (3) Engage in product and market segmentation to acquire markets for high value-added products.
- (4) Continuous reduction of production costs and improvement of production technology, VOC treatment equipment construction, in line with the requirements of regulations, product competitiveness greatly improved.
- (5) With the MIH platform and the production technology and experience of the Company's existing automotive products, we will actively promote the business opportunities of electric vehicle seat leather at home and abroad.
- (6) Actively develop new products, and choose to apply for invention patents or new patents, rubber products have obtained two new patents in 2023, providing specific help to product popularity and expand business opportunities.
- (7) Develop business opportunities in emerging markets and launch new products to capture market share
- (8) Use North America's successful high-end product portfolio and promote them in marine or furniture markets abroad, where the main target regions are Europe, Australia and Asia.
- (9) Cooperate with professional companies specializing in channels related to U.S. OEM automotive leather, and utilize collaborations with such professional companies to accelerate the Company's entry into the supply chain of the automobile industry
- (10) Establish strategic alliances with domestic and overseas brands, as well as develop new materials
- (11) Engage in horizontal promotion of unique products in each individual region to each major market through exchange of product information.

ABS/PS products:



- (1) Continued investment in new production capacity in mainland China has led to a trend of excess capacity and fierce market competition.
- (2) The main raw material SM market is unstable on the ups and downs.

Countermeasures:

- (1) Enhance product quality and product added value, segment markets, and avoid market price competition.
- (2) Maximize capacity, reduce cost, as well as select and sell products with relatively good profit margin.
- (3) Analyse and monitor the market trends, develop new potential markets outside mainland China and Hong Kong.
- (4) Effectively bring the integrated supply chain management into full play and lower the inventory level of raw material and finished goods so as to reduce risk.

Glass wool products:

- (1) India's import cost is low and its products have passed the one-hour calcium silicate board fire test, thus making a big impact on the domestic market.
- (2) Substitutes are flooding the market.
- (3) Products from Mainland China are entering the Taiwanese market through project import.

Countermeasures:

- (1) Carry out special sales for imported specifications and consolidate distribution network.
- (2) Strengthen project tracking and conduct direct sales.
- (3) Enhance project visits and control to prevent changes in glass wool materials.
- (4) Actively participate in related trade associations, maintain contact with the Industrial Development Bureau, and keep an eye on product trends in Mainland China at all times.

In regard to ferrite magnetic powder and iron cores:

- (1) Costs of domestic and foreign workers are gradually increasing every year, thereby increasing production and operating costs.
- (2) There are many competitors in the industry, which leads to intense price competition.

Countermeasures:

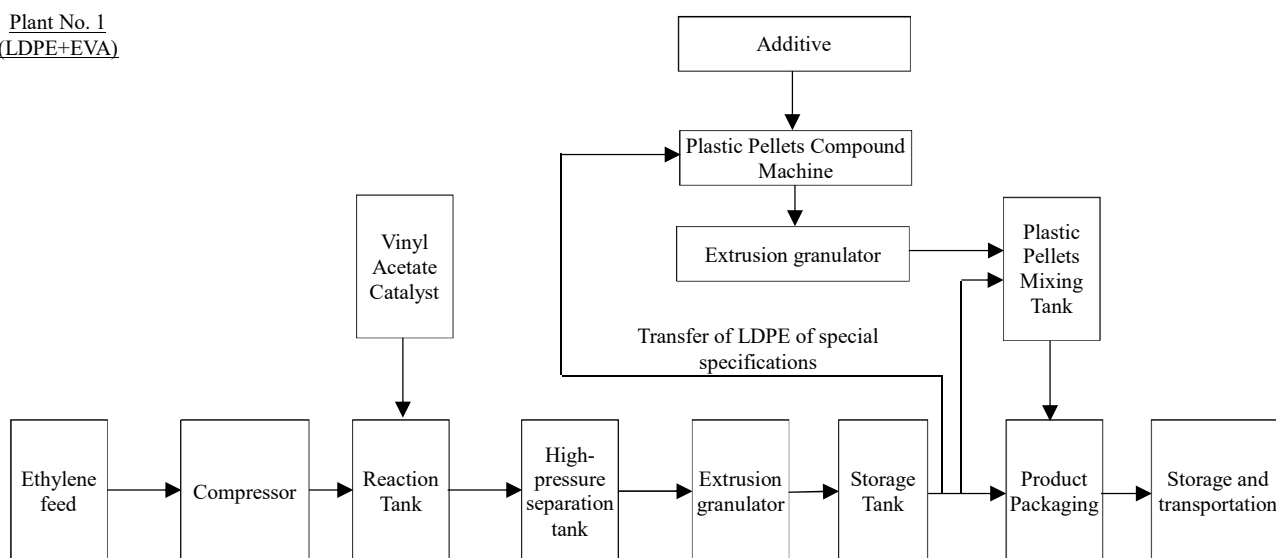
- (1) Improve quality, lean production, and automated production through the purchase of advanced machines and equipment and improvement of manufacturing processes, as well as enhance employees' on-the-job training in order to improve efficiency and productivity.
- (2) Increase the added value of products, implement the refinement of various manufacturing processes and improve such processes to reduce production costs and enhance overall product quality, thereby engaging in effective market segmentation and establishing a competitive advantage in the market. In addition, establishing all-around support service capabilities in line with customers' product development needs, shaping the Company's competitive

advantage over other competitors, as well as jointly developing future products according to development trends in order to quickly grasp market dynamics and enhance competitiveness.

(II) Important Uses and Production Processes of Main Products

The Company's polyethylene plastic pellets are supplied to domestic and overseas processing plants. These pellets are used in a wide range of plastic products for daily use, such as plastic bags, handbags, food bags, plastic films, bubble cloth, woven bags, woven canvas, window nets, fishing nets, ropes, plastic tubes, plastic flowers (trees), plastic turf, plastic lunch boxes, plastic containers, bottles, baskets, boxes, beer boxes, bottle caps, non-woven fabrics, carpet adhesives, and even hot-melt adhesives for cartons, just to name a few. As PE is non-toxic and easy to process, the number of new products made from PE is still increasing. Another product, ethylene vinyl acetate copolymer resin (EVA), is mainly used in the production of foaming shoes, sports equipment, various types of films, membrane-encapsulated films for solar batteries, hot-melt adhesives, protective films, wire and cable insulation shields, and low-smoke halogen-free materials due to its high level of toughness and flexibility. The process of producing low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA) is as follows. Raw materials, ethylene (its finished product is LDPE) or ethylene vinyl acetate (its finished product is EVA) is fed into a high-pressure reactor after going through multiple times of pressurization. Next, organic peroxides are used as catalysts to carry out polymerization. Semi-finished polymer products are then packaged into pellets after pelletizing, and unreacted gases are repeatedly recycled.

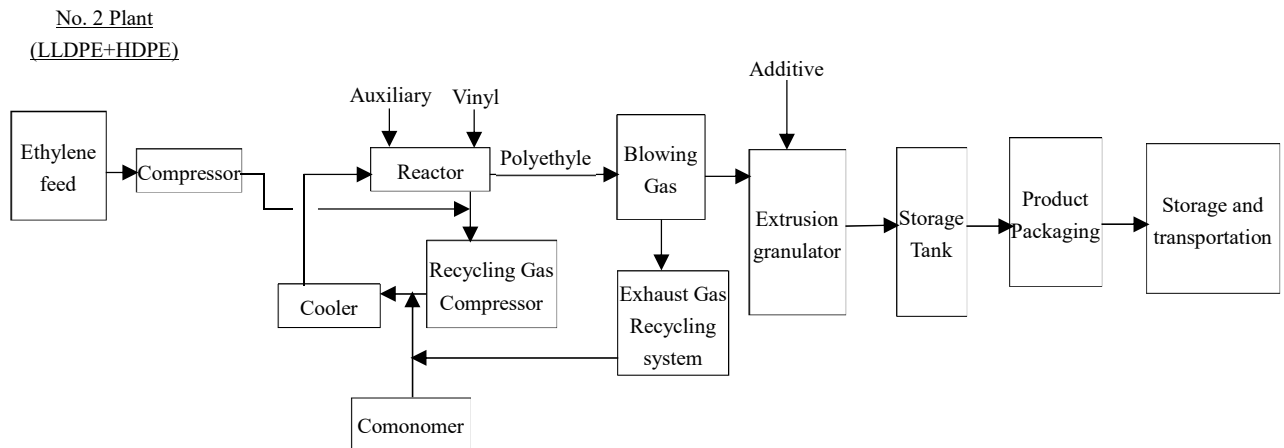
Plant No. 1
(LDPE+EVA)



The process of producing high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) includes the following steps: First, the raw material, ethylene (HDPE is the finished product) or ethylene and butane (LLDPE is the finished product) is pressurized multiple times and fed into a high-pressure reactor. Next, transition-metal catalysts are added as catalyst to carry out polymerization. The



granular semi-finished products are then packaged into commercially available products after granulation, and unreacted gases are recycled after separation.



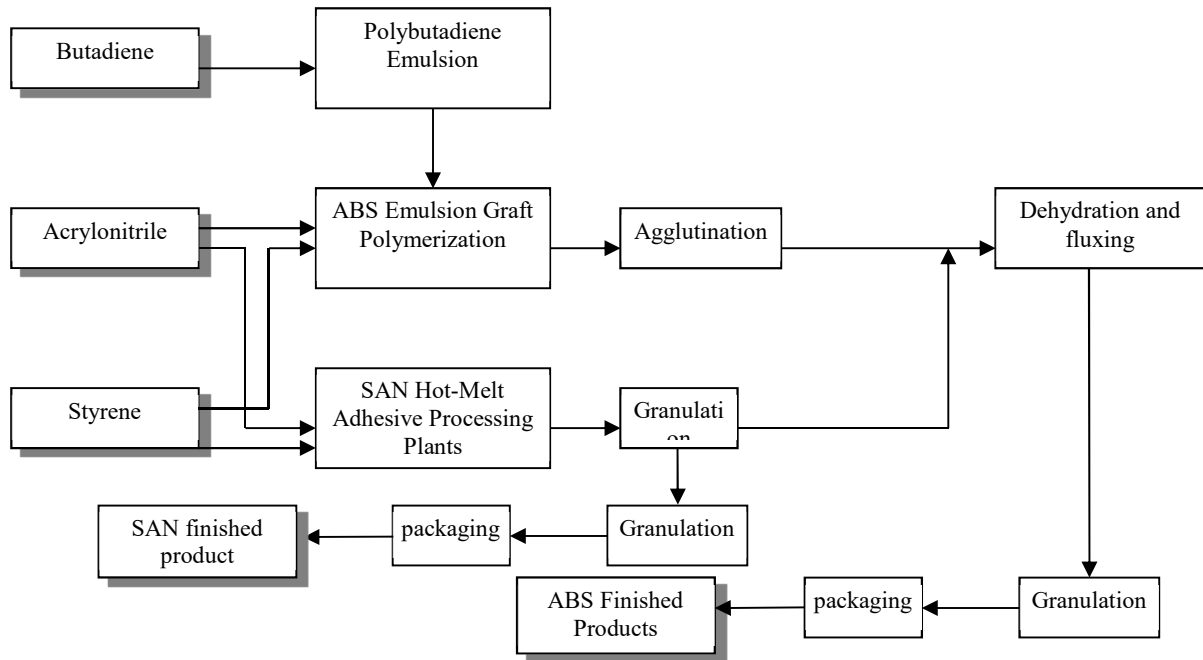
VCM is mainly used in the production of PVC powder, where EDC is used as a raw material. After cracking, VCM and hydrochloric acid gas are produced. Through the oxychlorination reaction on ethylene, oxygen and hydrochloric acid gas, EDC is then produced (back to cracking process). PVC powder is mainly used for producing flexible film/sheet, leather, rigid film/sheet, rigid pipes, and extrusion construction products. The materials include VCM, initiators, and dispersants and it is produced through polymerization and drying processes. Chemicals are mainly used in water treatment and the production of food MSG, synthetic fibers, detergents, dyes, pulp, steel, etc. and the materials consist of industrial salt, other indirect materials, and water which are refined into pure brine and then electrolyzed into liquid caustic soda, hydrogen, and chlorine using ion-exchange membranes. Chlorine gas is then reacted with hydrogen and liquid caustic soda to synthesize hydrochloric acid and bleaching liquid. PVC building materials and products (PVC pipes, foamed PVC pipes, glass-reinforced plastics door panels, foamed door panels, and anti-corrosion lining) mainly for buildings (water pipes, drainage pipes for rain/domestic sewage, electrical protection sleeves, room door, toilet door, and partitions) and public construction projects (water supply and drainage works, electrical protection sleeves, and wastewater sewage). The materials include PVC powder and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting. Soft plastic sheets can be used to produce tape cloth, semi-rigid cloth, stationery cloth, transparent cloth, waterproof film, swimming pool cloth, mesh cloth, cloth for gas blowing, bonding cloth, furniture cloth, advertising cloth, screen cloth, raincoat cloth, table towel cloth, shower curtain cloth, and curtain cloth. Soft plastic sheet is made of PVC powder, plasticizer, and other auxiliary materials through the process of cold and hot mixing, gelation, filtration, calendaring, cooling, and coiling. These sheets/cloth can also be printed and laminated to increase their added value. Hard plastic sheets can be used for the production of vacuum forming cloth, drug packaging cloth, cooling tower dripping cloth, collar lining cloth, flitch cloth, protective cloth, printing cloth, stationery cloth, and ceiling cloth. They are produced from PVC powder and other auxiliary materials which are mixed before undergoing

procedures including gelatinization, extrusion, deferred pressure, cooling, and coiling extraction. They can also be processed or embossed to increase added value. Plastic leather is used in the production of foaming soft leather and non-foaming leather after surface treatment and air-pinning. Soft leather and non-foaming leather are mainly used to produce sofa skin for cars, motorcycles, bicycles and marine vehicles, SPA cover, shoe leather, baseball gloves, sports equipment, and medical chairs. etc. Plastic leather is made of (1) plastic powder, plasticizers and other auxiliary materials, and (2) Non-PVC environmental protection materials is put through various processes in production, including mixing, gelatinizing, filtering, and being stretched by tape machine, laminating to base fabric, and finally being foamed and embossed in the foaming furnace or embossing machine. Moreover, special treatments such as printing, stain-resistant or water-based scratch-resistant treatment can be performed to increase added value. Plastic pellets are used for the production of electrical wires, car foot pads, and shrink wraps. They are made from PVC powder, plasticizers, and other auxiliary materials which undergo procedures including mixing, gelatinization, extrusion, and cooling.

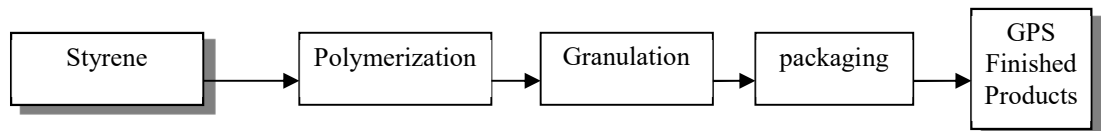
ABS resins are mainly used for producing information equipment, OA equipment, home appliances and electronic parts and appliances, electronic accessories, bathroom ware, toys, automotive and scooter components, heels, suitcases, daily necessity items, telephones, stationery, sports equipment, batteries, safety helmets, and tool machine. SAN resins are mainly used to produce juice blender casing, powder boxes, coffee machine water tank, transparent decorations, air-conditioning fan, blades, stationary, and tableware. Important applications of the general-purpose polystyrene include lighting, stationery, household appliance, daily accessories, diffusion boards, insulation boards, disposable tableware, food and pharmaceutical packaging materials. Expanded polystyrene is applied to building material insulation boards, packaging materials, antistatic packaging materials, vegetable and vegetable boxes, fishing boxes, insulation materials, boards, construction thermal insulation walls, and helmet cushion. Impact-resistant polystyrene is mainly applied to digital equipment, home appliances, toys, everyday accessories, stationery, electronic components and disposable cups. Glass wool is mainly applied to cooling materials for air-conditioning ducts, metal roofs, heat-insulating materials for walls, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, heat-insulating materials used in machinery and equipment installed in the petrochemical industry, heat-insulating and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and heat-insulating materials for curtain walls. Cubic printing is used mainly in special printing techniques for plastics, metals, wood, plaster, glass and ceramics. In view of the long-term and continuous contraction of the curved surface printing market, after discussion, we decided to temporarily stop the production and business of the curved surface printing department from April 2021. The production processes for major products are demonstrated as follows:



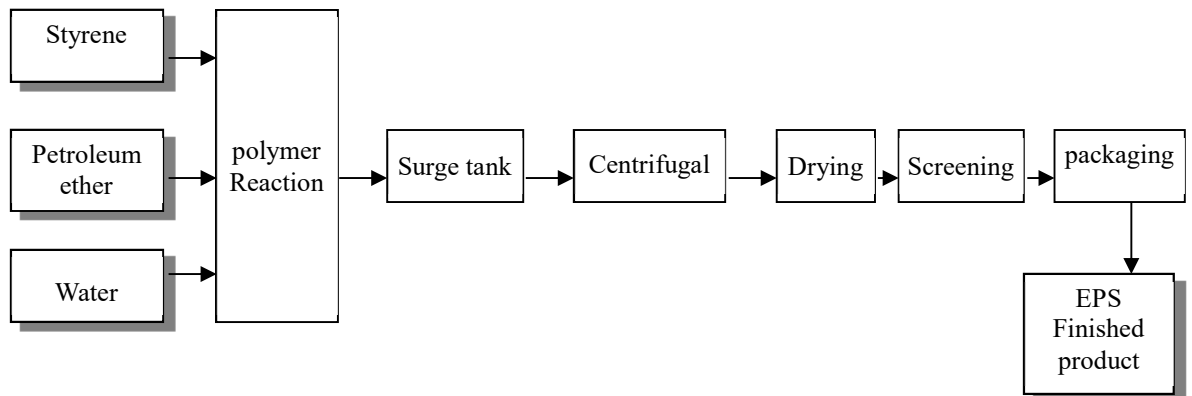
(1) Production process for styrene acrylonitrile-butadiene-styrene (ABS) and acrylonitrile-styrene copolymer resin (SAN)



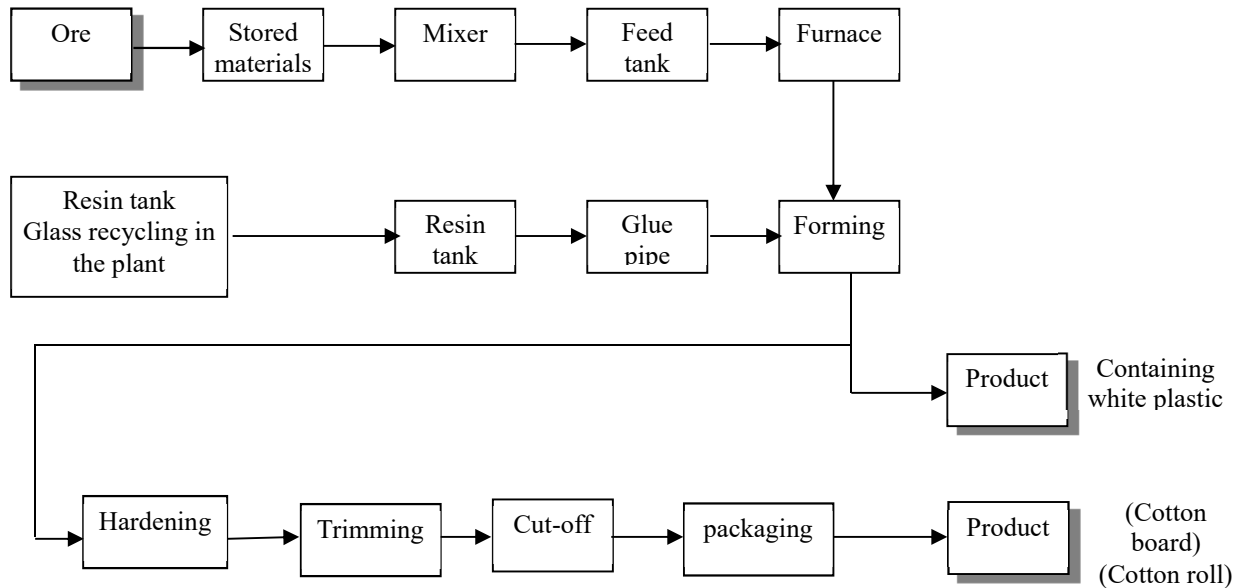
(2) Polystyrene (GPS) resin production process



(3) Foamed polystyrene (EPS) resin production process



(4) Production process of glass wool products



The production process for ferrite powder and cores is divided into four stages: milling, forming, sintering, and abrasive machining. The main uses for these products are as follows:

Product Category	Downstream Products	Use
Traditional magnetic core	Filters, adapters, and light tube stabilizers	Power supplies, modems, scanners, (wireless) chargers, LED TVs, laptops, smartphones, tablets, game consoles, routers, central office switches and telecommunication network equipment, automotive electronics and medical equipment
Magnetic core for inverters	Inverters	
Magnetic core for communications	Communication transformers and splitters	
Polished magnetic core for filtering	Electromagnetic interference filters	
Ring-type magnetic core	Electromagnetic interference filters and light tube stabilizers	
Magnetic core for power inductors	Power inductors	
Nickel-zinc series magnetic core	Communication transformers and power inductors	
Soft ferrite powder	Raw materials used in iron cores	



(III) Supply of major raw materials

Ethylene is the basic raw material for the Company's polyethylene plastic products, and the material is mainly supplied by CPC Corporation. The Company also partially relies on imported ethylene to cover the shortage of supply by CPC. Part of EVA raw materials, namely vinyl acetate monomers (VAM), are supplied by Dairen Chemical Corporation or supplemented by imported VAM. Other fillers are mostly imported from abroad as they are either used in small quantities or produced outside Taiwan.

The main raw materials of VCM are EDC and ethylene. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw material of PVC powder is vinyl chloride monomer (VCM), which is produced by the Company for self-use. The main raw material of alkali-chlorine is industrial salt. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw materials to produce plastic sheets and leather are PVC powder and plasticizers, and the supply condition is described as follows: (1) PVC powder: Most of the PVC powder is produced by the Company for self use in production, and only a small quantity is purchased from external sources; (2) Plasticizers: Plasticizers are mainly supplied by Nan Ya Plastics Corporation, while special plasticizers are imported from abroad. The main raw material of building materials is PVC powder, which is mainly self-produced and supplied, and thus the source of this raw material is stable.

The supply and demand of styrene monomer (SM) is currently in balance. The Company has routinely purchased SM from Taiwan Styrene Monomer Corporation, Formosa Chemicals and Fibre Corporation, China Petrochemical Development Corporation, CNOOC and Shell Petrochemicals Company Limited, whereas supplemental supply is also secured from direct import of goods from a few foreign suppliers such as SHELL, SABIC, in order to balance price risk and overcome the shortage of supply. The Company has established supply contract with CPDC for the supply of acrylonitrile (AN). Domestic procurement is also regularly made with Formosa Plastics Corporation. The Company also imports the material from abroad from time to time dependent on the status of supply and demand in order to increase flexibility in inventory support and ensure stable source of material supply. In view of butadiene (BD), material supply agreements have been signed with CPC Corporation and Formosa Petrochemical Corporation. The Company imports the material from time to time depending on the status of supply and demand to provide full support in private use. Petroleum ether (PENTANE) is mainly spot from abroad, the consumption is stable, the supply is not short. Glass-quality sand is the main raw material to produce glass wool products. Because the unit price is relatively low, it is constantly purchased domestically. Changes in the quantity and price of glass-quality sand is minimal so can be fully controlled.

The main raw materials and suppliers of ferrite powder and cores are as follows and the supply of such materials are stable:

Main Raw Materials	Name of Main Supplier
Iron oxide	High-tech magnetic technology
Manganese oxide	Hunan Jinrui Xinye Material
Zinc oxide	Ciyang Technology
Nickel oxide	Prior Company, Ltd.

(IV) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their dollar amount and proportion of purchase (or sales) of goods in any one of the most recent two fiscal years, and an explanation of the reason for changes in these figures

1. Name of customers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase (or sales) of goods

Unit: In Thousands of New Taiwan Dollars

ITEM	2022 (audited and verified)				2021 (audited and verified)				2023 up to the previous quarter (reviewed) (Note 2)			
	Item	Amount	Percentage of Net Purchase for the Current Year (%)	Relationship with the Issuer	Item	Amount	Percentage of Net Purchase for the Current Year (%)	Relationship with the Issuer	Item	Amount	Percentage of Net Purchase for the Current Year as of the End of the Preceding Quarter (%)	Relationship with the Issuer
1	CPC Corporation	8,526,796	18	No	CPC Corporation	8,697,577	18	No	CPC Corporation	1,777,240	19	No
2	Others	39,079,528	82	Note 3	Others	42,024,205	82	Note 3	Others	7,493,004	81	Note 3
	Net purchases of goods	47,606,324	100		Net purchases of goods	50,721,782	100		Net purchases of goods	9,270,244	100	

Note 1. List the name of suppliers who account for more than ten (10) percent of the total purchases (or sales) of goods and their dollar amount and proportion of purchase (or sales) of goods in the most recent two fiscal years. However, if the name of suppliers or counterparties who are individuals or non-related persons cannot be revealed due to contractual agreements, a code may be used.

Note 2. As of the publication date of this annual report, if financial information of companies that are publicly listed or whose shares are traded on the TPEX were recently audited or reviewed by CPAs, such information shall be disclosed.

Note 3. No suppliers account for more than ten (10) percent of the total purchases of goods. In 2022 and 2021, the Company purchased NT\$2,439,050 thousand and NT\$267,768 thousand respectively from Fujian Gulei Petrochemical Company, accounting for 5.12% and 0.52% of the purchase rate. In the first quarter of 2023, the Company purchased NT\$882,452 thousand with 9.52% of the purchase rate. Fujian Gulei Petrochemical Company is a joint venture company recognized by the equity method.

Reasons for changes in purchase: Affected by the war between Ukraine and Russia, the international oil price has soared, the cost of materials at high altitude, and the epidemic continues to rage, inflation, the demand has weakened and the purchase has decreased.

2. Name of customers who account for more than ten (10) percent of the total sales of goods and their dollar amount and proportion of purchase (or sales) of goods: None.



(V) Production volume and value in the most recent two fiscal years

Unit: metric tons / thousand yards / grids / NT\$ thousands

Production Volume and Value Main Product	2022			For the Year Ended December 31, 2021		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
LDPE / EVA (metric tons)	300,000	244,286	12,603,127	300,000	268,909	12,208,200
HDPE / LLDPE (metric tons)	130,000	93,247	3,565,950	130,000	116,621	3,944,295
Plastic Powder, Chemical Products (tons)	531,375	460,570	13,586,197	531,375	504,228	15,741,563
Plastic Products (metric tons)	99,360	43,912	2,262,713	99,360	50,537	2,844,999
Plastic Leather (thousand yards)	8,600	4,792	480,230	8,600	8,493	826,533
Vinyl Chloride Monomer (metric tons)	485,000	441,709	12,074,965	485,000	476,165	12,134,168
ABS Resins (metric tons)	100,000	91,106	4,359,980	100,000	123,143	5,736,633
Polystyrene (metric tons)	480,000	283,379	11,354,224	480,000	314,563	11,738,870
Cubic Printing (grids of jig)	50,000	12,288	11,590	200,000	48,128	41,954
Glass wool products (MT)	8,600	9,116	318,884	8,600	8,724	277,944
Ferrite Powder and Cores (metric tons)	13,000	9,538	2,562,376	12,500	10,229	2,476,410
Packaging Films (metric tons)	43,955	43,955	2,883,731	49,363	49,363	2,762,274
Others		719	806,773			762,055
Total			66,870,740			71,495,898

(VI) Sales Volume and Value in the Most Recent Two Years

Unit: metric tons / thousand yards / grids / NT\$ thousands

Sales Volume and Value Main Product	YEAR	2022				For the Year Ended December 31, 2021			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
LDPE/EVA (MT)		40,712	2,948,248	198,185	16,796,493	45,713	3,047,188	214,453	16,247,409
HDPE/LLDPE (MT)		67,080	2,712,663	23,577	987,097	85,929	3,143,452	28,348	1,080,578
Plastic Powder and Chemical Products (metric tons)		107,167	2,680,976	298,720	10,430,961	107,952	2,559,733	316,211	12,655,678
Plastic Products (metric tons)		31,559	1,731,658	11,128	809,894	35,319	1,972,573	13,549	935,282
Plastic Leather (thousand yards)		1,829	220,379	4,131	774,396	2,700	281,510	5,157	809,352
Vinyl Chloride Monomer (metric tons)		31,600	965,897	-	-	25,492	1,007,396	-	-
ABS Resins (metric tons)		9,244	487,509	82,696	4,231,853	8,334	578,327	112,856	6,857,098
Polystyrene (metric tons)		13,614	591,335	268,334	12,237,275	17,454	716,150	293,902	12,083,949
Cubic Printing (grids of jig)		14,044	13,963	-	-	49,760	41,119	-	-
Glass wool products (MT)		8,919	407,422	3,157	114,442	9,524	381,077	3,542	113,445
Ferrite Powder and Cores (metric tons)		27	18,431	8,993	2,863,883	50	23,720	10,631	2,994,690
Packaging Films (metric tons)		9,860	695,275	36,663	2,877,827	10,037	671,174	41,694	2,703,996
Others (square meters)		-	163,153	-	676,092	-	169,543	-	681,103
Total			13,636,909		52,800,213		14,592,962		57,162,580



III. Average Years of Service, Average Age, and Distribution of Academic Qualifications of Employees in the Most Recent Two Fiscal Years up to the Publication Date of this Annual Report

Yrar		2022	2021	Current Fiscal Year as of April 6, 2023
Number of employees	Staff	1,890	1,820	1,896
	Direct Labor	3,041	3,326	2,946
	Total	4,931	5,146	4,842
Average Age		41.11	40.58	41.39
Average Year of Service		11.08	10.84	11.23
Distribution of Academic Qualifications	Doctor	0.53%	0.49%	0.50%
	Master	9.84%	8.92%	10.06%
	University/College	37.52%	34.98%	38.60%
	Senior High School	27.84%	28.29%	27.84%
	Below high school	24.27%	27.32%	23.00%

IV. Disbursements for Environmental Protection:

- (I) In the most recent years as of the publication date of this annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts that may occur, and responding measures:

Unit: NTD

Penalty Date /Document No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
2022/09/29 / 20-111-090026	Paragraph 1, Article 20 of the Air Pollution Control Act	120	On August 19, 2022, the Inspection Department of Kaohsiung Environmental Protection Bureau sent staff to our factory for sampling inspection of the odor of RTO discharge pipe. The test result showed that the odor concentration was 3,090, exceeding the emission standard by 2,000, which violated the provisions of Item 1 of Article 20 of the Air Pollution Law and Article 2 of the emission standard of fixed pollution sources.	<ol style="list-style-type: none"> We will entrust the testing company to take samples for confirmation, and send the qualified report to the Environmental Protection Bureau for reference. The Environmental Protection Bureau may send samples to the factory for retesting. The improvement will only be completed if the samples are qualified. (Retested and improved on 2022.11.16) Weekly self-test RTO volatile organic compounds concentration, and confirm whether the operating parameters meet the range and discharge standards, to ensure the normal operation of the site.
2022/10/27 / 40-111-100021	Subparagraph 1, Paragraph 1, Article 31 of the Waste Disposal Act	0.6	On September 15, 2022, the Environmental Protection Department of the Executive Yuan (Southern District Environmental Inspection Team) came to Linyuan Factory for the Dioxin inspection of the incinerator discharge pipe. On the same day, on-site inspection was conducted, and it was found that the waste filter bags generated by the bag dust collector of the incinerator were not reported in the waste cleaning plan as required, which violated the provisions of Article 31, Item 1, Paragraph 1 of the Waste cleaning Law.	Report the waste filter bag of the bag dust collector in the waste disposal plan in accordance with the "Waste Disposal Act" (Application for change of Scrap Clearance Letter has been submitted to the Environmental Protection Bureau on 2022.10.19).
2022/02/16 / 40-111-020010	Article 31, Item 1, Paragraph 2 of the Waste Disposal Act	6	The waste liquid of the process is carried by Baker drums.	Waste liquid shall not be carried on by Baker drums, and shall be collected directly by special management to the waste water treatment plant.
2022/02/16 / 40-111-020011	Article 31, Item 1, Paragraph 1 of the Waste Disposal Act	6	The waste has not been released to the staging yard.	Require on-site waste output to be immediately released to the staging area.
2022/02/16 / 40-111-020012	Article 31, Item 1 of the Waste Disposal Act	12	Light and heavy boiling content is identified as wastes and shall be declared in accordance with relevant regulations.	Conduct component analysis to determine the waste code, and submit the cleaning plan to the Environmental Protection Agency for removal.
2022/03/31 / 20-111-030018	Article 24 (2) of the Air Pollution Act	100	The raw material does not conform to the approval of the operation license, and the operation does not comply with the content of the license.	Operating license change.
2022/07/25 / 20-111-070020	Article 24 (2) of the Air Pollution Act	100	It was found that the exhaust gas decomcalciner (E009) was operated but not recorded, which was not in accordance with the permit.	Strengthen educational communication and add a supervisor signature field to the form to confirm that the form is true.



Penalty Date /Document No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
2022/08/19 / 40-111-080001	Article 52 of the Waste Disposal Act	30	Waste storage is not marked in Chinese, storage location is not consistent with the waste clearance form.	The waste is clearly marked, and the storage location is in accordance with the waste clearance document.
2022/09/22 / 20-111-090021	Article 20 (1) of the Air Pollution Act	450	M 01 Device element 2 point leak.	Fix it immediately.
2022/05/05 / 20-111-040024	Article 32, item 1, paragraph 1 of air pollution control law	225	On March 28, 2022, Linyuan Plant was shut down due to the power failure on March 3, 2022. When the second production line was running, the catalyst which had been prepared in the adding tank deteriorated because it was stored for too long. As a result, there was a violent reaction when the catalyst was injected, resulting in the sudden rise of the reactor R-1201 pressure and the rupture of the safety device. Produces distinct granular pollutants that disperse in the air.	The catalyst shall be tested if it has not been used for 10 days and unloaded for 14 days and stored in the refrigerated warehouse for subsequent processing to avoid deterioration and affect production.
2022/12/28 / 20-111-120038	Article 34 (4) of the Air Pollution Prevention Act cum Section 5 of Measures for the establishment and management of Air pollution Prevention Specialist units or staff	200	On August 1, 2022, Kaohsiung Municipal Environmental Protection Bureau inspected the installation of specialized personnel for factory entry. According to the inspection, the director of the Industrial safety Office is also the specialized personnel for Class A air pollution prevention and control and the supervisor for Class A safety and health business.	Conduct education training and strengthen personnel training.
2022/01/03 / 20-111-010001	Article 23 (2) of the Air Pollution Control Act	18	In a letter from Kaohsiung Municipal Environmental Protection Bureau on December 1, 2021, Renwu Plant used the exhaust gas combustion tower for several days from January to September of 2021 except for the annual repair period (Flow greater than 1,000 cubic meters date: 1/14, 28, 3/5, 7, 8, 21-24, 26-31, 4/1-2, 5/1, 6/19, 21-22, 7/9-10, 13-15, 17, 19-20, 22), which was inconsistent with the approved contents of the exhaust gas combustion tower operation plan (emergency: abnormal electrical jumping in process area, RTO failure, start and stop, annual repair of M01, M02, M08).	1. The replacement of GE flowmeter is more accurate and stable than that of other brands, and the flowmeter has been updated. 2. Improve the process of exhaust gas to the TO furnace treatment, reduce Flare emission.
2022/10/14 / 20-111-100005	Article 32, item 1, paragraph 1 of air pollution control law	150	Renwu Plant carried out pipeline (air pipe) connection project on July 14, 2022, and started the windmill to import Silo air volume into TO furnace. At around 17:48, air explosion occurred in the inlet air pipe of the inlet damper of the furnace, resulting in pipeline rupture. At that time, there were obvious granular pollutants	1. C1/C2/K-6001 Windmill outlet pipe is equipped with a detection port to measure combustible gas. 2. The water seal tank is equipped with an artificial detection port to monitor the concentration of combustible gas in the water seal tank.

Penalty Date /Document No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
			spreading in the air and the perimeter	<ol style="list-style-type: none"> 3. The pipeline from V-320 TO SV-105, which is the source of combustible gas, met the TO furnace stopped and opened SV-105 again with nitrogen blowing before starting. 4. Before starting the TO furnace, water changing operation should be carried out in the water seal tank to avoid volatilization of volatile organic compounds in the water. 5. Re-examine working standards or procedures and develop a complete driving checklist. 6. Personnel education and training. In addition to detailed inspection before starting the mechanical equipment, it is necessary to observe whether the operation conditions of the relevant process are abnormal during the starting process.
2022/11/02 / 20-111-110001	Article 23 (2) of the Air Pollution Prevention Law	225	On September 24, 2022, personnel from Kaohsiung Environmental Protection Bureau inspected Renwu Plant and found that the flame ion detector detected the exhaust inlet air supply motor at the front end of RTO (A055) of the anti-control equipment in the process, and the detected value was 1006.3ppm. Failure to comply with Clause 13 of the VOC Air Pollution Control and Emission Standard that the discharge pipe should be collected in a closed air collection system. Renwu Plant did not collect air pollutants effectively.	<ol style="list-style-type: none"> 1. Replace the gasket around the peep hole of the air supply motor to avoid VOCs leakage. 2. The results after repair were measured using the TVA-2020. 3. The results after repair were measured using the TVA-2020. Ask the testing company to measure and confirm that the repair results are in line with the standards (2.6ppm/5.5ppm/5.1ppm).
112/01/31 / 20-112-010028	Article 23 of the Air Pollution Control Act	450	On December 26, 2022, personnel from Kaohsiung Environmental Protection Bureau checked and found that the process control equipment RTO (A055) of Renwu Plant dropped the combustion temperature in the furnace at 4:30 a.m. on December 26, because the damper was not fixed. The combustion temperature between 6 a.m. and 11 a.m. on the same day did not reach 700 degrees Celsius (i.e., it did not comply with the approved range of fixed source operating Permit - 700 degrees Celsius to 1,000 degrees Celsius), indicating that the normal treatment of incoming exhaust gas was not possible. Your plant does not maintain proper operation of air pollution control facilities.	The fault of the sensor of the damper lifting positioner causes the combustion temperature to fail to reach 700°C. The lifting valve positioner has been repaired and corrected.



Penalty Date /Document No.	Laws violated	Penalty Amount (NT\$ thousands)	Facts of Violation	Improvement Action
2022/11/21 / Suihuan increased penalty (2022) No. 6	Article 78, Items 1 and 2 of the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste	RMB371	The grinding sludge was directly sold to the manufacturer after standing and dewatering. The mixing and sintering procedures were not implemented according to the EIA process. The inspection by Guangzhou Bureau of Ecological Environment indicated that the grinding sludge was not utilized as resources according to the EIA.	According to the environmental assessment of resource utilization of the grinding sludge, the water removal, stirring and sintering were completed in the plant, and the product (soft magnetic ferrite granules) was processed for reselling. Install monitoring at the machining site and keep the processing documents.

(II) Current and future potential estimated amount and response measures:

1. Comply with relevant environmental protection and occupational safety and health regulations, as well as relevant requirements derived from such regulations.
2. Sustainable energy saving, regeneration and industrial waste reduction.
3. Prevent pollution and reduce potential risks in operations
4. Continue to provide employees with education and training, implement measures related to environmental protection and occupational safety and health.
5. Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.
6. Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.
7. Promote the process safety management system (PSM) to achieve safe process operation and maintenance personnel safety by "prior prevention, impact mitigation and abnormal improvement" of accidents.
8. Implement ISO 14064-1 management system for all potential sources of greenhouse gases within the organization, and conduct emission source inventory and data collection.

The material environmental protection expenses of the Company in the most recent fiscal year up to the publication date of this annual report are as follows:

Unit: In Thousands of New Taiwan Dollars

Pollution Prevention Equipment Installed or Expenditure Content		Amount
1.	Renwu Plant C/EF Rx Middle Catalyst Pump Update	3
2.	Improvement project of positive pressure system of electric room in process area of Renwu Plant No.1	1,880
3.	Renwu Plant No.1 applied for a Recycle Cooler inner pipe	630
4.	Renwu plant No.1 process control valve replacement operation	3,130
5.	Improvement project of radiation level switch in processing room of Renwu Plant No.1	320
6.	C-line Updates Modifier Pump for Renwu Plant No.1	312
7.	Boiler black smoke identification system of Renwu Plant No.1	236
8.	Vinyl unloading pump of Renwu Plant No.1	28
9.	Renwu Plant No.1 updated VA transfer Pump and V-405 groove pressure control	368
10.	Renwu Plant E-217 Recycle cooler renovation project	13,864
11.	Renwu Plant purchased two plant cooling water tower leaf disk, blade	408
12.	The second ILI Inspection project of existing industrial underground pipeline in Renwu Plant	319
13.	Renwu Plant RTO improve safety mechanism	15
14.	Renwu Plant UHV cable old renewal project	1,580
15.	Linyuan Plant L3 wastewater system drainage pipeline blockage replanning preparation project	415
16.	Linyuan Plant RTO DP-12/DP-13 wind door renewal project	401

	Pollution Prevention Equipment Installed or Expenditure Content	Amount
17.	Linyuan Plant RTO-6601 A/B tank heat storage materials renewal project	2,495
18.	Heat and coolness reservation construction project and 111 CUI inspection in Linyuan Plant	6,847
19.	Purchase of additional volatile organic matter (VOC) detectors at Linyuan Plant	534
20.	VOC improvement in blowing bag room of experimental class of Linyuan Plant	585
21.	A heat exchanger is added to the outlet line of aeration windmill in the second-line biological aeration tank of Linyuan Plant	1,205
22.	A new high efficiency cooling Water tower (E6208E-3) in the common area of Linyuan Plant	7,900
23.	Linyuan Plant cooling water tower (E6208-1) update	3,076
24.	P2772 (heat medium main circulating pump) in Zone 27 of Linyuan Plant replace the pump without shaft seal	2,250
25.	The styrene circulating pump (P1101-2) and styrene discharge pump (P1101-3) in Zone 11 (single storage tank area) of Linyuan Plant were updated into non-leakage pumps	360
26.	The TAP-I/II reaction tank pressure discharge control valve in Zone 24 of Linyuan Plant has been updated to be non-leakage type	1,660
27.	Linyuan Plant 25 zone (SUKA SAN process area) A/B line monomer (AN/SM) into S2513-1/2 feed control valve (FV2512A/B, FV2511A/B) updated to non-leakage type	1,120
28.	The single (AN/SM) feed control valve in Zone 24 of Linyuan Plant has been updated to be non-leakage type	1,640
29.	Linyuan Plant Zone 25 (SUKA SAN process area) AB line recovery unit control valve (FV2542A/FV2542B) updated to non-leakage type	580
30.	Linyuan Plant Zone 25 (SUKA SAN process zone) AB line reaction tank feed control valve (FV2514A/FV2514B) updated to non-leakage type	1,050
31.	Linyuan Plant incinerator bag filter upgrade and filter bag to ceramic filter tube engineering	8,220
32.	Linyuan Plant Zone 25 D2561 heat medium temperature control valve TV2562 renewal	750
33.	The material of 13U/21U TAP- I RBD pipeline in Linyuan Plant is updated from carbon steel to stainless steel	1,600
34.	Maintenance and repair of incinerator at Linyuan Plant	700
35.	Update of FLARE STACK top outlet line and burner (including master fire line and control system) in Linyuan Plant	4,900
36.	Linyuan Plant Zone 26 (ABS process area) old RTO explosion-proof box in front of the air duct added isolation valve	552
37.	Qianzhen Plant EPS class washing tank reducer High efficiency energy-saving motor (IE3)	570
38.	PDA inspection machine of Qianzhen Plant	264
39.	Qianzhen Plant NOVA R1 Agitator Reduction Box Gear and Mechanical shaft Seal (avoid VOCs leakage)	1,141
40.	Qianzhen Plant New type refrigerated oil circulating pump and valve (energy saving and carbon reducing)	580
41.	Qianzhen Plant High efficiency energy-saving Motor (IE3) (Energy saving and carbon Reducing)	1,146
42.	Qianzhen Plant NOVA adsorption tank steam reducing valve, (avoid excessive use of steam)	175
43.	Qianzhen Plant Upgrade of EPS process console Plant Scape(server) system	1,065
44.	Qianzhen Plant EPS reaction tank mechanical shaft seal and shaft (avoid VOCs leakage)	1,507
45.	Qianzhen Plant EPS class mixer axis (avoid VOCs leakage at shaft seal gap)	390
46.	Qianzhen Plant 3500GPM fire pump engine intake turbine refurbishment	247
47.	Mobile loading platform of Qianzhen Plant (reduce diesel consumption of stacker)	450
48.	Qianzhen Plant frequency conversion air compressor (energy saving and carbon reduction)	5,040
49.	Qianzhen Plant NOVA Key pump (pump without shaft seal) standby stage requirement (reduce VOCs leakage)	1,946
50.	Replacement of filter bag of the dust collector filter in Toufen Plant	149
51.	Internal cleaning of electrostatic dust collector in Toufen Plant	200
52.	Rectification of discharge pipe of electrostatic dust collector in Toufen Plant	108
53.	Toufen Plant outdoor raw material broken glass storage area with roof, new waste water collection ditch	2,444
54.	Ammonia gas detector update in Toufen Plant	150
55.	Annual exhaust water and gas inspection expenses of Zhongshan Plant	2,427
56.	Zhongshan plant RTO equipment	38,856
57.	Zhongshan plant CCR construction project	6,946
58.	Zhongshan plant DCS&SIS system upgrade	25,398
59.	Taoyuan Plant foreign staff dormitory rectification	832
60.	Plant maintenance for Taoyuan Plant	1,182
61.	Taoyuan Plant workplace lighting equipment renovation	330
62.	Working environment improvement expenses at Taoyuan Plant	652
63.	New air conditioning and maintenance in Guangzhou Plant to improve the ambient temperature	723
64.	Guangzhou Plant toilet upgrade rectification	432



Pollution Prevention Equipment Installed or Expenditure Content		Amount
65.	Guangzhou Plant office renovation	67
66.	Kunshan Plant toilet renovation	649
67.	Kunshan Plant air conditioning system replacement	701
68.	Malay Plant air conditioning equipment improvement	1,360
69.	Malay Plant toilet improvement	33
70.	Malay Plant restaurant and rest area rectification	188
71.	Malay Plant working equipment improvement	832
Total		171,113

The Company's expected environmental protection expenditures in 2023 are as follows:

Unit: In Thousands of New Taiwan Dollars

Proposed Pollution Prevention Equipment or Expenditure		Amount
1.	Renwu Plant Old Recycle Cooler Replacement Project	39,000
2.	Fire identification system for storage tanks and warehouses in the first plant of Renwu Plant	2,100
3.	Renewal and integration of gas detector system in Renwu Factory No. 1	4,800
4.	Explosion-proof improvement project for transformers in the process area of Renwu Factory No. 1	2,500
5.	Renwu Plant 69KV UHV Cable Old Renewal Project	1,500
6.	Replacement of old and new process control valves in Renwu Factory No. 1	4,500
7.	Renwu factory update E-209D-1 Aftercooler shell side tee	3,500
8.	Renwu plant K-21 780 feeder CT renewal project	2,000
9.	Linyuan Plant added mixed direct - fired boiler integration equipment	168,800
10.	Additional reactor emergency discharge system in L1 of Linyuan Plant	276,000
11.	Heat and coolness reservation construction project and 112 CUI inspection in Linyuan Plant	11,500
12.	Acquisition of spare parts for the first and second reactor motor of Linyuan Plant	11,000
13.	Linyuan Plant 82A biological aeration pool blower (B8266-3) renewal	2,650
14.	Linyuan Plant Zone 26 B2644C Lu blower replaced with energy-saving air suspension blower	3,360
15.	Linyuan Plant Zone 34 B3473 Lu blower replaced with energy-saving air suspension blower	3,500
16.	Linyuan Plant Zone 24 P2432-1 Monomer Reflow Pump Renewal	430
17.	Linyuan Plant Zone 21/22 (PBDL/ABSL process area) feed flowmeter according to the specifications of the model to purchase three sets of old replacement and change models	790
18.	Oxygen analyzer Sensor in flue of secondary incinerator of Linyuan Plant	120
19.	Linyuan Plant incinerator equipment rust removal paint project	200
20.	Maintenance and repair of incinerator at Linyuan Plant	770
21.	Linyuan Plant Zone 32 Z3285-2 electrostatic dust collector (EP) Renewal	5,440
22.	Linyuan Plant Zone 27 single feed control valve FV272022/FV27110A/LV27203/LV27601 updated to Non-leakage type	1,490
23.	Linyuan Plant Zone 25 DMF pump P2542 updated to Non-leakage type	240
24.	Linyuan Plant Zone 25/27 emergency discharge tank discharge line into the combustion tower	400
25.	The steam for EP cleaning in Zone 27 of Linyuan Plant was changed from 2S to 4S	450
26.	Qianzhen Plant GPS process cooling water tower (energy saving and carbon reducing)	14,230
27.	Qianzhen Plant Replaced 3 IE3 motors in the GPS process and 1 high efficiency explosion-proof motor in the EPS process (motor efficiency improvement)	2,900
28.	EPS process meter of Qianzhen Plant purchased 5 reducer cases (including motor replacement with high efficiency IE3), (reduce energy consumption, improve efficiency, save energy and reduce carbon)	1,300
29.	Qianzhen Plant GPS reaction tank weight display (avoid raw material leakage)	260
30.	Qianzhen Plant Pure water system 2B3T resin renewal (improve pure water manufacturing efficiency and reduce regenerative drug consumption)	600
31.	Qianzhen Plant EPS process dryer Replacement (improves energy efficiency, saves energy and reduces carbon)	700
32.	Apply to purchase the instrument control spare parts of heat medium boiler (FB-650) of Qianzhen Plant to avoid damage of control parts, which may cause boiler abnormal and lead to environmental pollution	530
33.	Qianzhen Plant EPS process purchase new type shaftless pump (avoid VOCs leakage)	900
34.	Qianzhen Plant Steam control valve (avoid steam leakage, reduce energy waste)	900
35.	Coating and heat insulation case for the roof of dangerous goods warehouse and RTO control machine room of Qianzhen Plant (reduce the temperature in the plant, save energy and reduce carbon)	780
36.	Qianzhen Plant Steam flowmeter, thermometer and pressure regulator valve (stabilize boiler liquid level and	390

Proposed Pollution Prevention Equipment or Expenditure		Amount
	steam quality, improve energy efficiency)	
37.	Qianzhen Plant GPS process 4 tank area process cooling water pipeline corrosion replacement of old (to avoid leakage)	200
38.	Qianzhen Plant GPS process ice water machine (improve operation efficiency, energy saving and carbon reduction)	1,050
39.	Qianzhen Plant Air dryer active aluminum ball renewal (reduce energy consumption, energy saving and carbon reduction)	320
40.	Qianzhen Plant EPS 24 area process recovery condensate main line rust local replacement, avoid leakage caused by environmental pollution	500
41.	Qianzhen Plant GPS process computer DCS program processor module (HPMM) failure replacement, to ensure safe operation of the process	1,600
42.	Addition of waste storage facilities at Toufen Plant	5,120
43.	Toufen Plant Improvement of pollution source equipment - drying furnace E007~9	3,500
44.	Toufen Plant electrostatic dust collector regular maintenance	200
45.	Operating expenses for environmental protection facilities at Zhongshan Plant	7,040
46.	Hazardous waste disposal charges at the Zhongshan Plant	66
47.	Annual exhaust water and gas inspection expenses of Zhongshan Plant	1,760
48.	Operating expenses for ISO 14001 system at Zhongshan Plant	37
49.	Zhongshan Plant annual LDAR outsourcing testing cost	304
50.	Zhongshan Plant sewage treatment plant water reuse project	24,200
51.	Zhongshan Plant security risk intelligent management and control platform construction	11,440
52.	Operating and maintenance charges for exhaust gas treatment equipment at Toufen Plant	60,000
53.	Operating and maintenance charges for wastewater treatment equipment at Toufen Plant	40,000
54.	Air pollution prevention expenses of Toufen Plant	16,000
55.	Industrial waste cleanup and treatment expenses of Toufen Plant	6,000
56.	Regular application for inspection of stationary sources of pollution at Toufen Plant	3,000
57.	Pressure vessel inspection charges at Toufen Plant	500
58.	Plant maintenance for Taoyuan Plant	3,200
59.	Domestic sewage pipeline reforming of Taoyuan Plant	600
60.	New air conditioning and maintenance for staff dormitory in Guangzhou Plant	675
61.	Guangzhou Plant added central air conditioning	2,250
62.	Kunshan Plant limited space improvement	9,000
63.	Kunshan Plant air conditioning improvement	1,350
64.	Malay Plant air conditioning equipment improvement	58
65.	Malay Plant toilet improvement	2
Total		770,502

(III) In response to the European Union's Restriction of Hazardous Substances Directive (RoHS):

The Company is RoHS-compliant, and the restriction has no effect in the Company's financial operations.

V. Labor Relations:

(I) List the Company's employee welfare measures, continuing education, training, retirement system and implementation status, as well as agreements between the employer and employees and measures for protecting employee rights and interests:

1. Employee welfare measures

(1) The Company provides a diversified and competitive salary system, on the premise of external competition, internal fairness and legality, and upholds the concept of sharing profits with employees to draw, retain, cultivate and motivate outstanding talents. The remuneration of the Company's employees consists of



monthly salaries, bonuses for production performance, and employee compensation for the distribution of each year's earnings.

- (2) In order to maintain the overall salary competitiveness, the Company conducts annual salary increase according to the profit situation, market salary level, price index, company salary policy, annual performance and development potential of colleagues. The salary increase range of employees in 2022 is about 3%~4%. The remuneration of employees shall not be less than 1% of the distributable earnings of the year. The proposed employee compensation of NT\$19,543 thousand for 2023 was approved by the Board of Directors on March 7, 2022.
- (3) The Company rewards employees for their contributions and motivates them to continue their efforts through employee compensation, so that the interests of employees and shareholders are directly aligned to create a win-win-win situation for the Company, shareholders and employees. The Company bases the distribution of employee bonuses on the results of the Company's operations while referring to the payout levels in R.O.C. industry. The amount allocated to each employee is based on individual contribution and performance.
- (4) As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.
- (5) The Company regularly arranges health checkups every year. The head office in Taipei is equipped with a gym and shower rooms. The plants are staffed by certified nurses to provide its employees with health care and medical assistance. Female employees are provided with menstrual leave and independent spaces for nursing. We cooperate with childcare services to provide childcare services.
- (6) Employees who have served in the Company for 3 months (or above), are entitled a birth allowance of NT\$ 10,000 for each new born child in the family. The amount is doubled for twins. Employees' application for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended to up to two years.
- (7) The Company has established the Employee Welfare Committee and sets aside fund for the welfare fund in accordance with the Employee Welfare Fund Act. The Company manages the use of the employee welfare fund for various beneficial activities to promote the physical and mental health of employees. All employees of the Company are entitled to fair access to all benefits provided by the Employee Welfare Committee. The retention and use of the employee welfare fund are processed by the Employee Welfare Committee.

2. Workplace Diversity and Equality

In 2022, according to the characteristics of the petrochemical industry, although there is a slight difference in the ratio of male to female, it still approaches 1 to 1, showing the achievement of gender equality. (Compared with the full salary, the ratio of male to female in the middle and upper ranks was 1.06:1, and that of male

to female in the general staff was 0.86:1; In terms of salary, the ratio of male to female is 1.08:1, and that of male to female is 0.80:1).

3. Employee education and training

(1) Every year, the Company shall conduct surveys on requirements of employee training, and complete annual training plans in accordance with the Company's employee training regulations. The Company shall also create budget for the implementation of trainings. Employee functional training, management training, seminars, health lectures and various types of conferences are all included in the scope of training. Employees can participate in learning through various learning methods including work instructions given by supervisors, classroom lectures, educational CDs or online learning.

(2) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.

(3) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in local universities, which are supplemented with career adjustments in their respective positions in order to nurture leaders required by enterprises.

(4) Employee training is recorded and archived. Every year, employees have to attend at least 8 hours of internal training, which is taken into account during employees' performance appraisal. At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys will also be organized at the end of every year to collect employees' opinions and recommendations on employee training as a reference to improve training.

(5) Expenditures on employees' training in the most recent fiscal year: The annual employees' training expenditure for 2022 was NT\$8,303 thousand.

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Continuing Courses for Directors and Supervisors: Risks and opportunities of climate change and net zero emission policies for business operations (Directors and Supervisors)	Chairman's Office	The international trend of net zero carbon emission and the green transformation of chemical industry	Research and Development Division
Net zero carbon emission strategy - Discussion on geothermal energy and carbon sequestration technology development	General Manager's Office	[Ethics Seminar] Fair Trade Law and Case Study	Sales and Marketing Division
Study on Labor Act for HR Personnel	Renwu Plant	Fire Marshalling and Emergency Response Training	Renwu Plant
On the Prevention of Illegal Infringement in Workplace	Renwu Plant	Working principle and maintenance of windmills	Renwu Plant
Introduction to metal valve parts API and low escape testing	Renwu Plant	Training for the Protection and Safety of Free Radiation	Renwu Plant
Principle and operation training of gas detector	Renwu Plant	Principle and application of liquid permeation/visual detection method	Renwu Plant
Process safety management compliance audit method education training	Renwu Plant	Explosion-proof electrical equipment education and training	Renwu Plant
Sharing of equipment disassembly experience and technology	Renwu Plant	Protective layer analysis LOPA training	Renwu Plant



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Working principle and maintenance of refrigerating machine	Renwu Plant	Introduction and operation training of gas detector	Renwu Plant
On-the-job training and retraining of soil pollution assessment investigators	Related employees	Corporate Sustainability Elite Training Workshop	ESG Operators
Mitalk6 Workshop for Young Scientists	Related employees	Equipment systems technology training course	Engineering Department personnel
Professional training course for chemical process engineers	Related employees	Technical Seminar on Industrial Hydrogen Value Chain, TUV Rheinland, Germany	R&D personnel
Unit 1-2, Training of piping supervision Engineer	Related employees	Operation education and training of 250HP air compressor	Maintenance/Instrument and electrical Personnels
2022 Industrial Water Pollution Control Regulations and control Technology and Emerging Wastewater Treatment Technology Seminar	Related employees	AI Basic Education Training	Engineer
5975/5977 GC/MSD Chemstation Basic operation and maintenance training	Related employees	CNS45001 outline and product process requirements and applications	Quality Technology Section personnel
C6102 return control valve FV116 downstream additional temperature transmission	Related employees	DCS hardware diagnosis course	Instrument and electrical Personnels
DCS basic operation, disk control principle, operation training	Related employees	GC-7890-2101C 7890GC Basic operation and maintenance training	Equipment operator
ERP procurement system operation practice, project supervision practice	Related employees	GC-7890-2202C GC troubleshooting and routine maintenance operation training	Equipment operator
GRI criterion education training	Related employees	GHP education training course	Alkali-Chlorine Section personnel
ISO 9001 Measuring instrument calibration and management practice	Related employees	GRS global recovery standard provision education training	Heads of Divisions
ISO management system training	Related employees	GRS regulatory review/Environmental considerations and occupational safety hazard analysis training	Heads of Divisions
Explanation of PVC, VCM Factory Process	Related employees	ISO 46001 - Internal education and training	Auditors
T6402B liquid level gauge body flange gasket PTFE replaced with rubber material	Related employees	Retraining of TAF certification provisions and test standards (all)	Inspection personnel
VOC Analysis Technology	Related employees	TTQS Enterprise Edition Case Analysis and Practical Training	Training operators
HR Position Salary Awards System Planning Practical Class	Related employees	VCM detector operation and calibration education and training	Electrical Instrumentation Division/Coincidence Section personnel
Study on Labor Act for HR Personnel	Related employees	Introduction to VOC processing equipment and operation of parking inspection	Plastic Leather Section 2 personnel
Soil and Groundwater Professional Training Course - Groundwater Workshop	Related employees	General Catering Hygiene Workshop	Alkali-Chlorine Section personnel
Soil and Groundwater Sample Molecular Biological Testing Workshop	Related employees	Safety and Health On-the-Job Training for Acetylene Welding Operators	Acetylene welding operators
Industrial Catalyst Workshop	Related employees	Class B boiler operator safety and health education training class	Class B Boiler operators
An introduction to the dispute over corporate management rights and the trial law of commercial matters (Directors and Supervisors)	Related employees	Work Safety Promotion	Maintenance staff
Utility/Storage/Laboratory Data Interpretation	Related employees	Internet technology trends and new thinking of auditors	Auditors

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Laboratory Data Interpretation SOP/ISO System Study Chemical Machinery Equipment Material Overview Public Inspection Maintenance Raw Material Efficiency Improvement Advanced Public Process	Related employees	Brief description of the public production process and hazard awareness	Maintenance/Instrument and electrical Personnels
Biotechnology products fermentation technical personnel training class	Related employees	Brief introduction of natural gas boiler process and hazard identification treatment	Utilities Section personnel
Taguchi DOE Experimental Program Basic Application class	Related employees	Space packaging machine inflatable packaging education training	Material Storage and Transportation Section personnel
Class A Air Pollution Prevention Specialists	Related employees	Moisture analyzer education and training	Overlap class/electronics class staff
Class A boiler operation simulator system training course	Related employees	Water resources management system and water footprint inventory	Auditors
Financial analysis and decision-making, enterprise finance and tax processing common problems analysis	Related employees	Formosa Plastic automatic warehousing education and training	Staff member of Raw Material Storage and Transportation Department/Raw Material Works Department/Electronic Control Department
Corporate carbon reduction workshop: ESG analysis and implementation training course	Related employees	Training course for Operators of fixed crane less than 3 tons	Related employees
The Crisis Beneath the Iceberg: Exploring the Key to business Operation from the digital	Related employees	Type A Occupational Safety and Health Manager	Safety and health business supervisor
Underground pipeline (ethylene) hazard identification detection and personal protective equipment training	Related employees	Common dispute type and internal control management practice of business contract signed by enterprises	Auditors
Description of operation procedures related to underground pipeline maintenance and pre-service training of pipeline business	Related employees	Training Class for Operators of Fixed Cranes with Hoisting Capacity of 3 Tons or More	Related employees
Successful presentation skills	Related employees	Education and training of safety supervision personnel	Safety Supervisor
Instant Fluorescence Quantitative Polymerase Reactor LC-480 Education Training	Related employees	Health and Safety Training for Supervisors of Organic Solvent Operations	Organic Solvent Operations Supervisors
Hazard prevention training for confined spaces and hypoxic operations	Related employees	Automatic packaging machine equipment operation/maintenance education and training	Repair/Electrical Appliances
Material damage analysis	Related employees	Self-defense firefighting training and civil defense training	Self-defense and fire marshalling team personnel
Fire Prevention Personnel Retraining	Related employees	Carbon Footprint Training Course for Voluntary Products	ESG Operators
Explosion Proof Electrical Inspection and Installation Practice Seminar	Related employees	Adsorption dryer overview	Alkali Chlorine Class/Maintenance Class
Introduction of PMI alloy material composition inspection procedures and pipeline non-destructive detection procedures for critical equipment	Related employees	Technical grade toxicity and attention to chemical substances professional contingency personnel	Professional responders
Instructions for Regular Inspection and Oil Sampling Operations and Inspection	Related employees	Antiviral Mechanisms, Test Standards and Product Certification	Product development personal



Name of Representative Training	Recipients	Name of Representative Training	Recipients
of Critical Pressure Vessels, Pipelines and Rotating Equipment			
Fixed crane operators	Related employees	Tsunami Resistance Exercise	Related employees
Retraining for Air Pollution Prevention Specialists	Related employees	Hoisting operators using cranes	Related employees
Introduction to metal valve parts API and low escape testing	Related employees	Security Supervisor Retraining	Security supervisors
Protective layer analysis LOPA training class	Related employees	Security Inspector Training Course	Security inspectors
Corporate Environmental Sustainability in the Post-COVID-19 Era	Related employees	Seminar on Energy-saving Carbon Reduction Application Protection Technology of Thermal Insulation Materials	Engineering personnel
Toxicity and Chemical Substances of Concern Professional Emergency Response Personnel Training	Related employees	Customer Quality Control	Plastic Leather Section 2 personnel
Pump Repair Work Instructions	Related employees	Safety and Health On-the-Job Training for First Aid Personnel	First aid personnel
Pump shaft seal cooling water use	Related employees	Safety and Health On-the-Job Training for First Aid Personnel	First aid personnel
Prevention of Carcinogenic Chemical Hazards	Related employees	Brief description of the overlap process and hazard awareness	Coincidence Section personnel
Travel Reporting Online Request	Related employees	Industrial Safety Fire Awareness Training	Whole Plant Personnel
Vibration analysis technician	Related employees	Co-curricular process, PDA and CMMS education and training	Coincidence Section personnel
Time Management	Related employees	Fan Basics/Fan Energy Saving/Fan Noise	Engineering Department personnel
Risks and opportunities of climate change and net zero emission policies for business operations	Related employees	Raw Material/Material Inspection, Test Development and Automotive Leather Inspection Retraining	Inspection personnel
High-speed lathe operation instructions/tweezers	Related employees	Introduction to Vibration Analysis VAI	Equipment inspector
Kaohsiung City pipeline excavation project management personnel certification program training	Related employees	Special Chemical Operations Supervisor Training Class	Training for Operators of Specific Chemical Operations
Analysis of health test results/Obesity and weight loss/intestinal health/New perspectives on cancer prevention and treatment	Related employees	Dust operation supervisor safety and health education training	Dust operator
Hot Work Hazard and Work Safety Permit Education Training	Related employees	Introduction to Pure Water Process and Hazard Identification	Utilities Section personnel
Fire safety and fire control personnel training	Related employees	Oxygen-deficiency Supervisor Safety and Health Education Training	Anoxic operator
PSM General Education Course	Related employees	Distribution Engineering Design and Practice Workshop	Instrument and electrical technicians
Common problems and precautions in civil engineering contracting	Related employees	Special Safety and Health Education Training Course for Aerial Workers	Aerial Worker
Group Products - Recycled Plastics/Anti-corrosion Coatings	Related employees	In-service education and training for high-pressure gas operations	High-pressure gas operators
Occupational safety law determination of affiliation	Related employees	Safety and Health On-the-Job Training for High-Pressure Gas Operations Supervisors	High-pressure gas operations supervisors
Ability to identify people - recruitment interview skills	Related employees	International Vibration Analyst Training Course	Equipment inspector

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Effective Communication Practices	Related employees	Expert/Command/Operational/Toxicity and Chemicals of Concern Professional Response Personnel	Professional responders
Net zero carbon emission strategy - Discussion on geothermal energy and carbon sequestration technology development	Related employees	Professional training for nursing and related personnel engaged in occupational health services	Paramedics
On-site equipment switching power supply operation procedure	Related employees	Winder Reel Work Safety Training	Plastic Sheet Section 2 personnel
Industrial Air Pollution Prevention and Control Regulations and Technology Seminar	Related employees	Net-zero carbon emissions, product carbon footprint education and training	Unit Supervisor
Operating Instructions for Mobile Electric Generator Welders	Related employees	The international trend of net zero carbon emission and the green transformation of chemical industry	General employees
Instructions for locking and sealing the equipment	Related employees	Safety and Health On-the-Job Training for Type I Pressure Vessel Operators	Operator
Introduction to Equipment Maintenance Work Procedures, Work Order Work Procedures and Disassembly Procedures	Related employees	The first pressure vessel operator training course	Operator
Training and introduction of cathode corrosion protection system maintenance and detection	Related employees	Organized Greenhouse Gas Inventory Training Course	ESG Operators
Hierarchy Training: Goal Setting and Planning Expansion	Related employees	On-the-job training of operators with a load of more than one metric ton	Operator
Add E-6225/E-6226	Related employees	Safety and Health On-the-Job Training for Personnel in Charge of Handling or Using Dangerous Materials and Hazardous Operations	Related employees
Communications and Conflict Management	Related employees	Latest regulations, new products, new equipment introduction and explanation	Business and Product Developer
Energy saving and carbon reduction technology	Related employees	Hardware Diagnostics and Vibration Analysis Course	Instrument and electrical Personnels
Insider Trading Practical Cases and Related Legal Liabilities	Related employees	Tobacco Prevention Education and Training	General employees
Fair Trade Law and Case Study	Related employees	Instructions for the use of PT1 detector and explanation of condensation recovery equipment	Equipment Usage and Maintenance Personnel
Legal Liabilities and Case Analysis of Breach of Trust	Related employees	Group North Factory HSE Education Training	Safety Supervisor
Copyright Protection and Reasonable Use	Related employees	Plasticizer operation and judgment training	Technical quality control personnel
Internet copyright and legitimate use of software	Related employees	Top100 + Plastic Trends Expert Forum	Supervisor
On the Prevention of Illegal Infringement in Workplace	Related employees	Plastic processing equipment and process introduction	Personnel at plastic leather factory
Introduction to the Business Secrets Act and Case Study	Related employees	Plastic Rheological Processing and Plastic Composite Seminar	General Personnel
Firefighting training.	Related employees	Loader/Bobcat (Forklift Training)	Loader/Big Mountain Cat Operator
Pipeline Thinning Advocacy and Hand Valve Replacement	Related employees	Laser overview and operation training	Maintenance Section Personnel
Corrosion Mechanism Course	Related employees	Gasket seal construction training	Maintenance Section Personnel
Process Hazard Analysis Practice Discussion Training Seminar	Related employees	Laboratory accreditation specifications ISO/IEC 17025 training	Inspection personnel



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Process technology/Industrial safety and environmental education training/Personal protective equipment training	Related employees	Green Factory Marking Application Counseling	Unit Supervisor
Process Modification and Process Safety Management Procedure Reference Practice Session	Related employees	Emergency Drill (with Process Overview)	Whole Plant Personnel
Introduction to Electrical Appliances	Related employees	On-Job Health and Safety Training for Process Safety Assessment Personnel	Process Safety Assessment Personnel Training
Instrument use management education training GC-2014 and online analyzer operation training	Related employees	Process Safety Management (PSM) Training	Processor
Spray drying equipment education and training	Related employees	Certification test check comparison and practical training (1 ~ 4)	Inspection personnel
Trainings and seminars on joint prevention of tanker accidents	Related employees	Instrument and Electrical Maintenance and Repair Training	PVC sheet maintenance personnel
Sample pre-processing and principle application	Related employees	Instrument calibration and quality training	Quality inspectors
Familiar with the training of related raw materials, auxiliary materials and finished compounds/safety and health code of practice/common area process operation training	Related employees	Hot groove vibration analysis on line monitoring education training	PVC sheet maintenance personnel
Please purchase the package acceptance procedure	Related employees	PVC Sheet Quality Inspection Training	Quality control personnel
Radiation operator training	Related employees	Introduction to Tape Raw Materials - Color Powder	Quality control personnel
Office of 6s.	Related employees	Gelatin Process Inspection and Finished Product Random Inspection Training	Plastic Pellets Section personnel
Storage System Pollution Monitoring Staff Training	Related employees	Brief description of the gelatin production process and hazard awareness	Repair/Electrical Appliances
Operational Strain and Safety of Storage System V6006/4B to Huaju VCM Feed Pipeline Updated and Added Valves	Related employees	Mechanical Maintenance Training	PVC sheet maintenance personnel
Environmental Responsibility (Job), Technician On-the-job Training	Related employees	Mechatronics Sensing Correction and Computer-Aided Simulation Sealing Practice Training	Maintenance personnel
Instructions for use of bolts	Related employees	Coal-fired boiler process introduction and hazard identification	Utilities Section personnel
Occupational safety law determination of affiliation	Related employees	Radiation Protection Workshop (Continued Re-education)	Radiation equipment operators
Rotating Mechanical Practice Workshop	Related employees	Storage and Transportation Division Space Packaging Machine Hazard Awareness	Raw Materials Department personnel
Centrifugal air compressor oil filter replacement training	Related employees	Safety and Health On-the-Job Training for Boiler Operators	Boiler operators
Ability to identify people - recruitment interview skills	Related employees	The best design of adhesive and adhesive tape and countermeasures for bad problems	General Personnel
111 annual system security and risk assessment technical personnel training	Related employees	Transformer operation and operation introduction education and training	Instrument and electrical Personnels
ESG Trends and Practices	Related employees	Brief description of the alkali chlorine process and hazard awareness	Raw Materials Department personnel
ISO 14064-1 Greenhouse gas emission inventories and ISO 14067 product carbon footprint inventories	Related employees	Specialist in Toxic Chemical Substances Occupational Training	Related employees

Name of Representative Training	Recipients	Name of Representative Training	Recipients
PSM Training Course: Aging Management Domestic and Foreign Trend Explanation Course	Related employees	Employee information, workplace etiquette, ethics, sexual harassment prevention	Related employees
PSM Training Course - API-754 (PSM Performance Indicators) 2. Compliance Audit	Related employees	Communication and Effective Leadership within Organization	Related employees
Talent Alchemy	Related employees	Complaint and Conflict Management	Related employees
Negotiation skills for office workers	Related employees	Information security, green workers	Related employees
Work Instruction, Talent Cultivation Planning and Implementation	Related employees	Process Safety Management (PSM) Internal Auditor Training Program	Related employees
CommonWealth Innovation Academy	Related employees	Wastewater treatment personnel retraining	Related employees
Introduction to Taiwan-Japan Relationship Companies and Meet Senior Executives	Related employees	Health Risk Assessment Specialist Retraining	Related employees
Target Management and Performance Evaluation	Related employees	The Final Battle of Digital Transformation and the Counterattack of Metaverse and Web 3.0	Related employees
Fork Lift Operation Training	Machine Repair Section	Radiation training (video)	Chiu Chin-Hui
Acetylene operation retraining	Sukhumvit/Gold Fortune	Group Products - Recycled Plastics/Anti-corrosion Coatings	All employees at Linyuan Plant
Delta V Configuration Training	Pan, Hsin Hung	Retraining for Air Pollution Control Specialists	All employees at Linyuan Plant
ISO 14064 greenhouse gas inventory starts meeting	All employees at Linyuan Plant	Wastewater treatment personnel training	Kung, Shih Hung
PSM Audit	Liao, Wen Shih/Kuo, Hao Sheng	Occupational safety law determination of affiliation	Labor Safety Office
Security inspectors retraining	Lin, Shih-Wei	High Pressure Gas Specific Equipment Operation	All employees at Linyuan Plant
Specific chemical substance supervisor retraining	Lu, Chung-Yi/Li, Yi-Ta	Health Risk Assessment Specialist On-the-job Training	Hsü, Chün Wei
Fire Prevention Personnel Retraining	Hsu Ting-Hsiang	Class B boiler operation training	All employees at Linyuan Plant
Process Safety Assessment Personnel Training	Kuo, Hao Sheng	The first type of pressure vessel operation retraining	All employees at Linyuan Plant
High-pressure gas operation supervisor retraining	Li I-Ta	Underground pipeline cathode corrosion level-2 theory	Li, Wei Te
MI Training - Corrosion Loop/Suitability Assessment	Inspection Section	Hoisting Operations on Fixed Cranes with Hoisting Capacity of 3 Tons or More	Electrical Section
Pipeline flange sealing implementation	Li, Wei Te	Fire Commander Response Training	All employees at Linyuan Plant
Radiation Protection Continued Training	Electrical Section	Supervisor training on dust operations	Liao, Chi Chih
Fire Prevention Personnel Retraining	Lin, Shih-Wei	Poisonous substance hazard response personnel training (technical level)	Synthesis Section
Introduction to Vibration Analysis	Li, Wei Te	Air pollution prevention and control personnel business exchange talks	Hsü, Chün Wei
Waste removal specialist retraining	Hsü, Chün Wei	Degradation of equipment corrosion mechanism	Machine Repair Section
Industrial Emergency Preparedness Unit Simulation	All employees at Linyuan Plant	ISO 18436-2 International Vibration Analyst Level 2 Training and Certification	Li, Wei Te
Dust operation supervisor retraining	Li I-Ta	Study on Labor Act for HR Personnel	Chou, Wen Hsien/Hsü, Wen Ching
Fixed crane operation retraining	Machine Repair Section	Introduction to Metal Valve API and Low Escape Testing	All employees at Linyuan Plant
2022 underground pipeline emergency personnel drill	All employees at Linyuan Plant	2022 Group Factory Technology Exchange Meeting	All employees at Linyuan Plant



Name of Representative Training	Recipients	Name of Representative Training	Recipients
Retraining for Type 1 Pressure Vessel Operators	All employees at Linyuan Plant	ESG Reporting Special Training Course	Pan, Hsin Hung
Introduction to video conferencing	Manufacturing Methods Section	2022 Labor Education and Training	All employees at Linyuan Plant
Oxygen-deficient operations supervisor retraining	All employees at Linyuan Plant	Protective layer analysis LOPA training class	All employees at Linyuan Plant
Training System Administrator Operation Instructions	Chou, Wen Hsien/Hsü, Wen Ching	Space-restricted operations (and on-the-job training for supervisors of oxygen-deficient operations)	Machine Repair Section
Organic Solvent Operations Supervisor Retraining	All employees at Linyuan Plant	Pipeline excavation project management personnel retraining	Engineering Section
Boiler Operation Training Retraining	Huang, Chün Lin	Explosion-proof electrical inspection and installation practices	Electrical Section
Retraining for Type 1 Pressure Vessel Operators	Huang, Chün Lin	Health Talk "have a good sleep"	All employees at Linyuan Plant
Industrial Emergency Preparedness - Practical Simulation	All employees at Linyuan Plant	Restricted Space and Hazardous Operations Hazard Prevention Awareness Session	Mechanical maintenance class/industrial safety room
Labor Health Service Nursing Personnel Retraining	Yeh, Hsueh-Mei	Supervisor Retraining on Specific Chemical Operations	Yen, Hung Wen
Retraining for First Aid Personnel	Li, I Ta/Yen, Hung Wen	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Chen, Cheng-Shun
8890GC Basic Operation and Maintenance	Wu, Yü Ting	Board of Directors and functional committee (audit, compensation) regulation analysis and audit focus	Chuang, Chia-Fang
Firefighting training	Labor Safety Office	In the face of climate change and sustainable development, the impact on enterprise internal control and countermeasures are explored from the perspective of ESG risk	Chuang, Chia-Fang
2021 New GRI Notes/2022 ESG Report Writing Essentials	Pan, Hsin Hung	How to Adjust Internal Controls to the New ESG Specification	Lin, Chia-Huei
Health Seminar "Talking about Dementia"	All employees at Linyuan Plant	Fund loan, endorsement guarantee, acquisition and disposal of assets regulation and practice analysis	Lin, Chia-Huei
2022 Process Safety Achievements and Smart Disaster Prevention Application Practice Forum	Lin, Shih Chüan	On the Prevention of Illegal Infringement in Workplace	All staff
Common problems and precautions in civil engineering contracting	Chuang, Chia Fang/Lin, Chia Hui	Introduction to metal valve parts API and low escape testing	Lin, Chia-Huei
Occupational safety law determination of affiliation	Chuang, Chia Fang/Lin, Chia Hui	Group Products - Recycled Plastics/Anti-corrosion Coatings	Chuang, Chia Fang/Lin, Chia Hui
Continuing Courses for Directors and Supervisors: Risks and opportunities of climate change and net zero emission policies for business operations	Chen, Cheng-Shun	An introduction to the dispute over corporate management rights and the trial law of commercial matters	Chen, Cheng-Shun
On the Prevention of Illegal Infringement in Workplace	All staff	Question impact workshop	All staff
The Final Battle of Digital Transformation and the Counterattack of Metaverse and Web 3.0	All staff	Talent selection (Ability to identify people - recruitment interview skills)	All staff
CommonWealth Innovation Academy digital Learning Platform in 2022	All staff	Internal Development Association meals and refreshments	All staff
The Crisis Beneath the Iceberg: Exploring the Key to business Operation from the digital	All staff	Goal Setting and Planning Expand	All staff
PSM General Education Course	All staff	Study on Labor Act for HR Personnel	All staff

Name of Representative Training	Recipients	Name of Representative Training	Recipients
Net zero carbon emission strategy - Discussion on geothermal energy and carbon sequestration technology development	All staff	2022 Energy Camp Asker results presentation	All staff
Group product general course	All staff	Performance Interview Management	All staff
Effective Communication Practices	All staff	Success Presentation Skills Training	All staff
Fair Trade Law and Case Study	All staff	Workflow Improvements and Optimizations	All staff
Guiding Questions and Levels of Listening Practice	All staff		

4. Employee Retirement System

ITEM	Labor Pension	
	Old	New
Legal Basis	Labor Standards Act	Labor Pension Act (Effective from July 1, 2005)
Proportion of Salary Contributed to Pension	The Company set up the "Labor Pension Reserve Supervision Committee," and contributes 12% of employees' monthly salaries to the pension reserve fund.	Employer: Employee's monthly salary 6% Employee: 0-6% per month (which can be fully exempted from employees' individual consolidated income tax amount of the current year)
Custodian Institution	Bank of Taiwan	Labor and Insurance Bureau
Eligibility and Application Method	When an employee whose service for a company constitutes the eligibility for pension payment in accordance with Labor Standards Act for the employee, the employer shall make such payment upon the employee's retirement.	At the age of 60, an employee may apply for return to the Labor Insurance Bureau for the accumulated amount in his/her individual pension account.
Degree of Employees' Participation in Pension Plan	100%	100%
Appropriation	Accumulated appropriation of NT\$1,985,861 thousand	NT\$162,562 thousand was allocated in 2022
<p>Note:</p> <ol style="list-style-type: none"> In old pension system, if the balance in the fund, after actuarial evaluation, is insufficient to pay to all employees qualified for retirement in following year, the Company shall make up the difference in one appropriation by the end of March in the following year. The appropriation shall be submitted to the Supervisory Committee of Labor Retirement Reserve for deliberation. The amended Labor Pension Act took effect on July 1, 2005. Employees who were hired prior to the enactment of the amended articles and remain working for the Company thereafter are allowed to choose between the amended or the old system until July 15, 2005. Those who failed to make decision before the aforementioned deadline shall continually apply to the old system. Employees applicable to the amended pension system shall make pension contribution from their salaries starting from July 1, 2005. Employees, who continuously choose to be applicable to the old mechanism may, within five years (before June 30, 2010), choose to be applicable to the amended pension system. Employees who are employed after July 1, 2005 or are re-employed after resignation after the aforementioned date shall be applicable to the amended pension system. Employees who are applicable to the amended pension system in accordance with the Labor Standards Act may not choose to be applicable to the old pension system. Provisions of Labor Pension Act applicable to the Company include the following: Voluntary retirement: A worker may apply for voluntary retirement under any of the following conditions: (the provisions shall apply, mutatis mutandis, to those who are in the amended Labor Pension Act system) <ol style="list-style-type: none"> Where the worker attains the age of fifty-five and has worked for fifteen years. Where the worker has worked for more than twenty-five years. Where the worker attains the age of sixty and has worked for ten years. Mandatory retirement: Unless any one of the following circumstances is met, the Company shall not force an employee to retire: <ol style="list-style-type: none"> Where the worker attains the age of sixty-five Where the worker is totally incompetent at work due to mental disorders or physical disabilities. 		



The Company may request the central competent authority to adjust the age prescribed above if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided. However, that the age shall not be reduced below fifty-five.

Pension payment standard:

- (1) Employees who have service seniority accumulated before or after the application of the Labor Standards Act, and choose to be applicable to the Labor Standards Act in accordance with Labor Pension Act or service seniority preserved before the application of the Labor Pension Act, shall have their retirement benefit paid in accordance with Article 55 and Article 84-2 of the Labor Standards Act.
- (2) Employees who have service seniority calculated according to the preceding pension payment standard and are forced to retire in accordance with Subparagraph 2 of Paragraph 1 of Article 35 of the Labor Standards Act, an additional 20% on top of the amount calculated according to the preceding pension payment standard shall be given to the worker forced to retire due to disability incurred from the execution of their duties, as set forth in Subparagraph 2 of Paragraph 1 of Article 55.
- (3) For employees who are applicable to the provisions of the Labor Pension Act, 6% of the amount of employee's salary into employees' individual account of labor pension.

Pension payment:
The Company shall pay the due amount of pension within 30 days after an employee's retirement.

5. Employer/employee agreement and maintenance of various employee rights

In order to establish a rule-based channel for agreements between the employer and employees, meetings are regularly held between the employer and employees in order to effectively solve problems between the employer and employees.

6. Related certifications obtained from the relevant competent authorities by personnel of the Company involved with the transparency of financial information

Unit	Name	Certification
Accounting Division	Kuo, Chuan-Hua	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Kuo Chien-Chou	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Chen, Cheng-Shun	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
		Passed the Accountant Examination in the 2008 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (97) Chuan Kao Hui Tzu No. 000012
	Lin, Chin-Tsai	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Chang, Sheng-Chuan	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
		Passed the Accountant Examination in the 2007 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (96) Chuan Kao Hui Tzu No. 000147
Wu, Chia-Ling	Passed the Accountant Examination in the 2011 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (100) Chuan Kao Hui Tzu No. 000114	
Auditing Office	Chiang I-Ting	Certified Internal Auditor (CIA)
		Fund loan, endorsement guarantee, acquisition and disposal of assets regulation and practice analysis Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1111952
		Continuous audit and monitoring of assets and security: Application of configuration security management in the face of climate change and sustainable development, explore the impact of ESG risk on enterprise internal control and countermeasures Certificate No.: Tien Hsieh Cheng Tzu No. 1115016

Unit	Name	Certification
	Li Ta-Cheng	Certified Internal Auditor (CIA)
		Certification of internal audit personnel's advanced study and test Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1110877 Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1112910
		Internal Audit Association of the Republic of China Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1112309 Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1118388
	Hsu, Liang-Wei	International Certified Auditor certification Certificate No.: Chi Hsieh Cheng Tzu No. 1060022.
		Internal Audit Association of the Republic of China Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1092979
		Computer Audit Association Certificate No.: Tien Hsieh Cheng Tzu No. 1090869
	Lin, Chia-Huei	Certified Internal Auditor (CIA)
		Certification of Qualification for Enterprise Internal Control Basic Abilities Test offered by the Securities and Futures Institute
	Tu, Ying-Chun	Certified Internal Auditor (CIA)
	Jiang, Kang-Nian	Certified Internal Auditor (CIA)
	Kuo, Shih To	Board of Directors and functional committee (audit, compensation) regulation analysis and audit focus Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1110170
		Practical Audit Skills Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1112848

7. Employee Code of Conduct or Ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

- (1) Every employee is given a Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.
- (2) Pre-employment training for new employees covers basic education on ethics, environmental protection, occupational safety and health management.
- (3) Signing of Letter of Undertaking by employees: This document establishes employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets and prevents employees from infringing on the interests of the Company.
- (4) The Company's website discloses the following: Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers, Ethical Corporate Management Best Practice Principles, Procedures for Handling Material Inside Information and Procedures for Ethical Management and Guidelines for Conduct.

For Employee Work Rules, please visit the Corporate Governance section under Investor Services on the Company's website: <https://www.usife.com>



8. Protection Measures for Work Environment and Employees' Personal Safety

- (1) The Company has passed ISO 14001 and OHSAS18001 (completed in May 2020 and obtained ISO 45001 certificate, currently valid from May 9, 2022 to April 16, 2025) management system certification, and actively promotes energy conservation, disaster prevention, pollution prevention and other improvement activities.
- (2) In order to enhance self-inspection of all aspects of work safety, the Company complies with the "Group Safety and Health Partners Regional Joint Rescue" system recommended and guided by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.
- (3) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, as well as helps contractors build a safe and healthy environmental management system. In addition, the Company also participates in community events and cares for product protection in order to create a better living environment.
- (4) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides group insurance, annual health checkups, sports and fitness equipment, as well as organizes various outdoor recreational activities and talks on mental, emotional and spiritual health.
- (5) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner.

9. Fulfilling Social Responsibilities

- (1) The Company makes contributions to our social and economic well-being.
- (2) The Company encourages its employees to participate in various service activities to promote community and social development.
- (3) The Company does its best to reduce the negative impact of its business activities on the environment in line with government regulations, and achieve the objectives of the Group's environmental policies (environmental protection responsibilities (carbon reduction and greenhouse effect reduction) such as using eco-friendly refrigerants and energy-saving lamps).
- (4) The Company does its best to take in to account local cultural and social traditions when conducting various business activities.
- (5) The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their

race, gender, age, religion, nationality or political affiliation.

- (II) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company has always attached importance to labor-management communication and harmony. On the basis of good labor-management relations, in addition to being committed to improving employee benefits, welfare, ability, and work environment, and the Company has maintained smooth communication channels to understand employees' difficulties and needs. Thus, all labor-management issues can receive attention from supervisors at all levels and can be communicated and resolved on the basis of mutual integrity. No loss has resulted from labor dispute in the most recent fiscal year up to the publication date of this annual report.



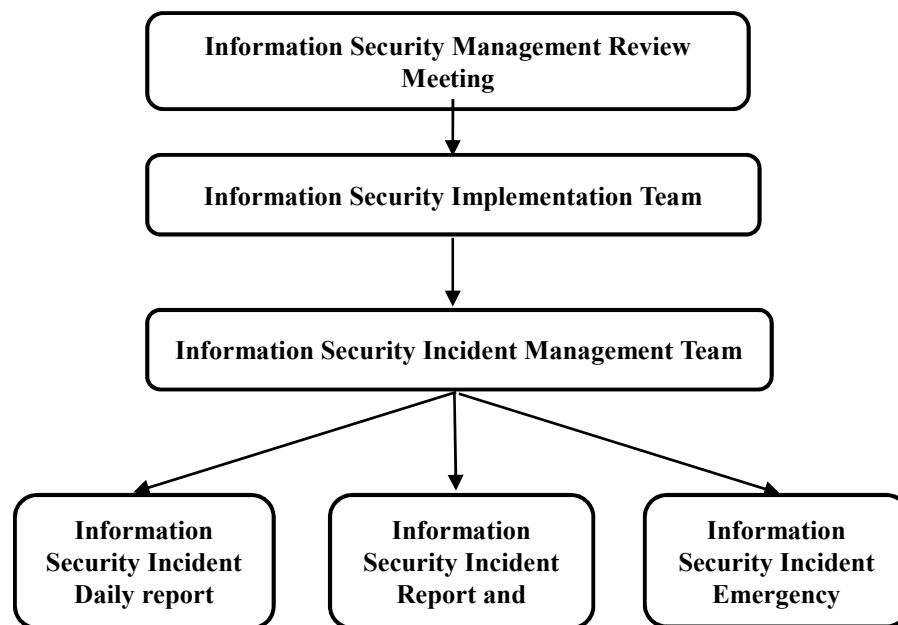
VI. Information Security Management:

(I) Explain the security risk management structure, security policy, specific management plan and resources invested in security management of Capital Communication.

1. Information security risk management framework:

(1) Enterprise information security governance Organization:

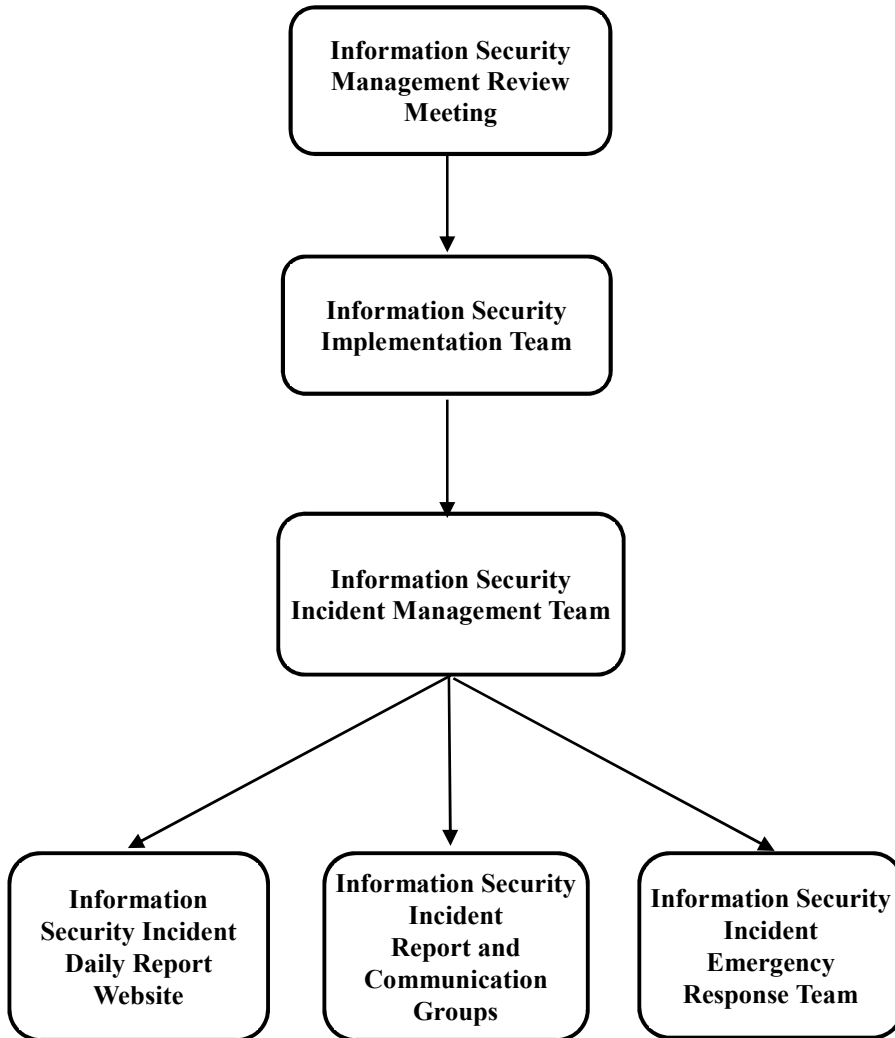
The Information Security Management Review Meeting is held regularly every year. Adjudication of 6 major input items of asset security management system (handling status of previous management review proposals, changes of internal and external issues related to information security management system, feedback of information security performance, feedback from interested parties, results of risk assessment and status of risk treatment plan, and opportunities for continuous improvement) and agreement on 2 major output items of asset security management system (decisions related to opportunities for continuous improvement Policy, any need for changes to the information security management system) to achieve the objectives of the information security management system. The organisation chart of the Information Security Management Audit Committee is as follows:

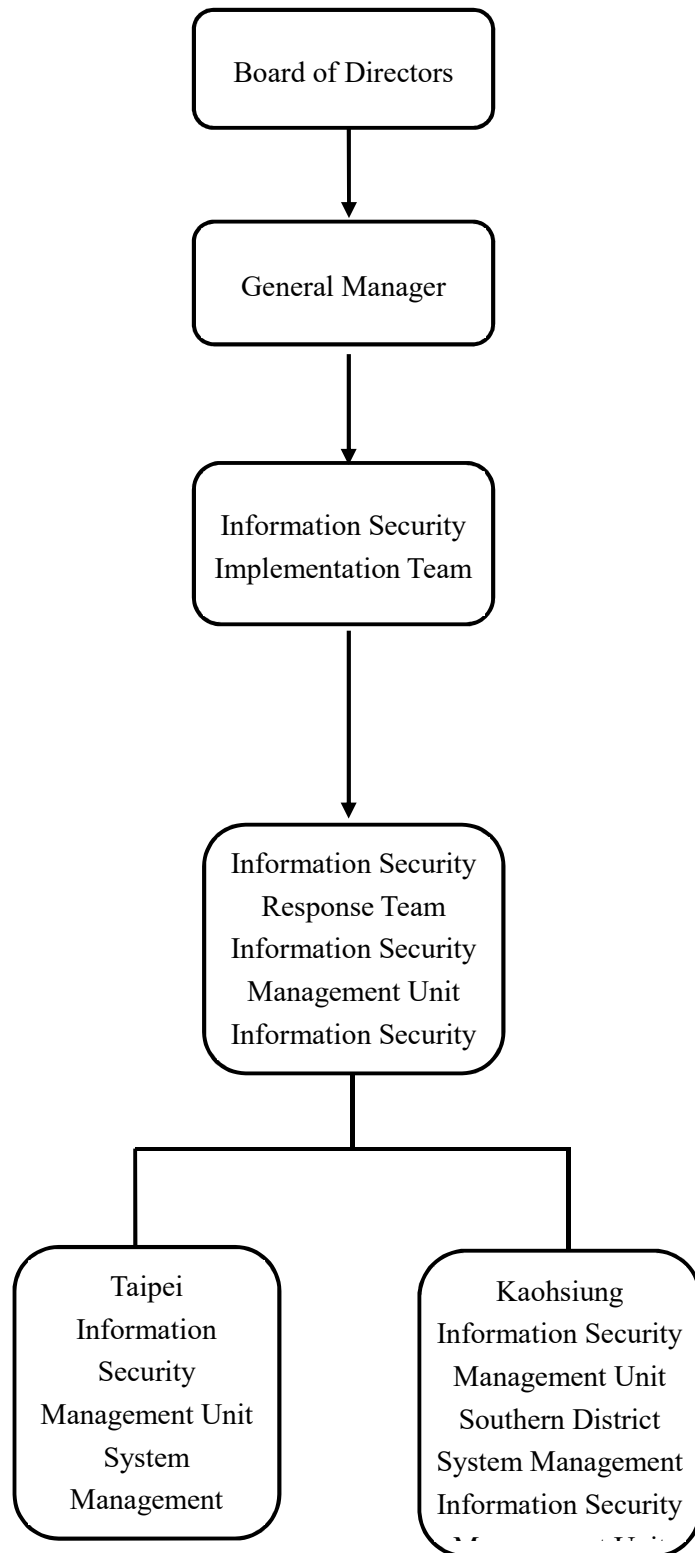


(2) Enterprise information security Organization Structure:

We established the "Information Security Implementation Team" in accordance with the regulations defined in the "Information Security Implementation Organization Regulations" in the Company's internal standard operating procedures to supervise the implementation status of information security management of the Group and clarify the roles and duties of various organizations. The meeting is held once a year. If there is a major information security incident, it can be held immediately. The director of Information Technology Division serves as the convener of the team and is responsible for the convening of the team's meetings and the resolution and arbitration of its

opinions; the heads of department under the Information Technology Division are team members. Any major information security incidents will be reported to the general manager or relevant department heads by the director of Information Technology Division. The organisation chart of the Information Security Facilitation Team is as follows:





Responsibilities of Information Security Promotion Team:

- Establish the information security risk management framework and information security policies

- Conduct information security risk assessments and analyses
- Information security maintenance and execution
- Verification of the effectiveness of information security operations

(3) Establishment of the Chief Security Officer and Special Security Units:

In September 2022, the Company set up a dedicated information Security unit with a Chief security Officer and dedicated personnel.

2. Information Security Policy:

(1) Enterprise Information Security Management Policy and Structure

- ISO 27001 Info Security System:

ISO/IEC 27001 has been established since 2014: In 2013, the asset safety management system was continuously operated and promoted. Every year, the British Standards Institution (BSI), an external professional asset safety inspection and certification company, was invited to conduct the review. It has been certified for 8 consecutive years (the current certificate is valid from July 4, 2020 to July 3, 2023).

- NIST CSF Info Security Management Framework:

Included in the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Enterprise information security Risk Management and continuous Improvement Framework

Based on the ISO 27001 asset safety management system, supported by the NIST CSF asset safety management framework, strengthen the management of risks, enhance the resilience of asset safety and the ability to withstand, contain and quickly recover asset safety events, in order to continue to provide critical operational services.

(3) Specific management plan:

- Scanning and detection of weaknesses: It has been carried out for six years in a row to periodically scan and detect the weaknesses of the server operating system, identify potential risks, modify the system or propose compensatory measures to improve the safety of the capital.
- Information asset management and control: Establish an information asset management platform, log in information assets, note asset items, use status, maintenance records, and conduct regular inspection and maintenance.
- Firewall and industrial control equipment: Adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- Key server (SEVER) : Crowd Strike endpoint detection software is built, which uses non-feature matching artificial intelligence (AI) and machine learning (ML) mode to analyze the attack behavior in real time and block the known and unknown potential threats.



- Email: Use Microsoft Office 365 solution with advanced Threat protection (ATP) service mechanism to protect against unknown malicious code and viruses. The number of active Directory (AD) and Domain Controller (DC) hosts is gradually reduced to reduce the number of attack planes.
- Office equipment (IT) : Use the Trend Micro antivirus software to detect abnormal network behaviors. For example, monitor the user's login behavior to the Active Directory (AD) host.
- Personnel security management: Prevent incidents such as hacking or data leakage, and information personnel conduct at least four hours of information security education and training each year.
- Social engineering exercise: At least twice a year, the Company entrusts an external professional security consulting company to carry out social engineering drills, so as to effectively enhance employees' awareness of security, protect data from external intrusion and tampering.

(4)Resources invested in security management:

- Standard books: 16 standard books were developed.
- Information security standards: ISO 27001 certification for 8 consecutive years.
- Number of email users: The total number of users is 2,172.
- Investment expenditure: A total of about NT\$13,000 thousand.
- Information Security Notices: 17 notices were issued.
- Social Engineering Exercise (Group) : 2 exercises were held with a total of 4,344 people.

(II) Communications Security Risks and Response Measures

1. Risks to Information Technology Security:

Plant maintenance management is the core of the manufacturing industry, and its production processes and procedures are mainly managed and controlled by Operational Technology (OT), such as Distributed Control System (Distributed Control System. DCS), Supervisory Control and Data Acquisition system (SCADA), etc. Based on requirements such as production stability, the operating System or program itself is often not upgraded and updated after installation, and becomes the so-called Legacy System. Its security protection level is compared with that of general Information Technology (IT), such as: ERP, CRM, OA and other hardware equipment, is obviously insufficient.

2. IT security management measures:

(1)The internal audit department of the company and the external professional security consulting company will conduct the audit regularly. The external company also requests the British Standards Institution Taiwan Branch (BSI), an internationally renowned certification company, to conduct the ISO 27001 certification audit every year. In addition to reviewing the framework for information security risk management, provide guidance and prevention on internal and external issues, and conduct information security risk assessment and analysis.

- (2) A Multi-Factor Authentication (MFA) mechanism is fully implemented for the Group's web mail system, where in addition to first factor authentication via password, second factor authentication via a separate device is required in order to enhance security levels.
- (3) The Group's OT adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- (4) Implement the management of OT equipment, establish a Plant Equipment (OT) Management Platform, conduct a comprehensive assessment of the security risks of plant OT equipment, and control and manage as well as strengthen the security system for important equipment in order to avoid human factors and external threats from causing interruptions to production and affecting operations.
- (5) We appoint professional external information security consulting companies to conduct vulnerability assessments each year to identify potential risks for system corrections or propose remedial measures.
- (6) Strengthen personnel security management to prevent incidents such as hacking or data leakage, and information personnel conduct at least four hours of information security education and training each year.

(III) Major information security incidents:

State the losses suffered in the most recent year and up to the date of publication of the annual report as a result of major information security incidents, possible impacts and countermeasures, and if it is not reasonably possible to estimate, state the fact that it is not reasonably possible to estimate.

As of the date of publication of the annual report, the Company has not suffered any loss or possible impact due to major security incidents.

VII. Important Contracts:

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Ethylene and Propylene Purchase Contract	CPC Corporation	2022.01.01-2022.12.31	Annual volume and price of ethylene and propylene supplied to USI Corporation's Kaohsiung Plant	None.
Ethylene purchase contract	Fujian Gulei Petrochemical Co., Ltd.	2022.01.01-2022.12.31	Annual volume and price of ethylene supplied to USI Corporation's Kaohsiung Plant	None.
Vinyl acetate purchase contract	Dairen Chemical Corporation	2022.01.01-2022.12.31	Annual contract volume and price of vinyl acetate supplied to USI's Kaohsiung Plant	None.
Vinyl acetate purchase contract	HELM	2022.01.01-2022.12.31	Annual contract volume and price of vinyl acetate supplied to USI's Kaohsiung Plant	None.
2019-1 Unsecured Ordinary Corporate Bonds	Trustee: Taipei Fubon Commercial Bank Co., Ltd	2019.04.26-2024.04.26	USI issued corporate bonds worth NT\$2 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.98%.	None.
2021-1 Unsecured	The trustee is Bank	2021.06.23-	USI Corporation issued corporate bonds	None.



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Corporate Bonds (Bond A)	SinoPac Company Limited	2026.06.23	worth NT\$ 1 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 5-year term with fixed interest rate of 0.63%.	
2021-1 Unsecured Corporate Bonds (Bond B)	The trustee is Bank SinoPac Company Limited	2021.06.23-2028.06.23	USI Corporation issued corporate bonds worth NT\$ 1 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 7-year term with fixed interest rate of 0.73%.	None.
2021-2 Unsecured Corporate Bonds (Bond A)	The trustee is Bank SinoPac Company Limited	2021.10.26-2026.10.26	USI Corporation issued corporate bonds worth NT\$0.7 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 5-year term with fixed interest rate of 0.63%.	None.
2021-2 Unsecured Corporate Bonds (Bond B)	The trustee is Bank SinoPac Company Limited	2021.10.26-2028.10.26	USI issued corporate bonds worth NT\$1.3 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.77%.	None.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	2020.10.28-2023.10.27	USI and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Far Easter International Bank	2021.02.03-2024.02.03	USI signed with Far Easter International Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$500 million.	Based on the consolidated annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	First Commercial Bank	2021.04.01-2024.04.01	USI and First Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Bank SinoPac	2021.06.30-2024.06.30	USI signed with Bank SinoPac to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Entie Commercial Bank	2021.07.28-2024.07.28	USI signed with Entie Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	None.
Medium-term Lending Limit Contract	Mizuho Bank	2021.08.25-2024.08.25	USI Corporation signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	2020.09.07-2025.09.07	USI Corporation and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million,	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
			which is a revolving loan facility.	
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2022.10.06-2025.09.12	USI Corporation signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	2022.10.04-2025.10.04	USI signed with Bank of Tokyo-Mitsubishi UFJ to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$500 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	The Export-Import Bank of the Republic of China	2022.10.21-2025.10.21	USI Corporation and the Export-Import Bank of the Republic of China signed a three-year medium-term lending limit contract worth NT\$300 million.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2021.10.15-2026.10.15	USI Corporation and Taipei Fubon Commercial Bank signed a five-year medium-term lending limit contract worth NT\$804.8 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	E.Sun Commercial Bank	2021.11.15-2026.10.15	USI Corporation and E.Sun Commercial Bank signed a five-year medium-term lending limit contract worth NT\$400 million.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	2020.11.05-2023.11.05	Union Polymer International Investment Co., Ltd. signed with Chang Hwa Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	None.
Medium-term Lending Limit Contract	Bank SinoPac	2021.06.30-2024.06.30	Union Polymer International Investment Co., Ltd. signed with Bank SinoPac to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term	Taipei Fubon	2022.10.05-	Union Polymer International Investment	The liability ratio



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Lending Limit Contract	Commercial Bank	2025.03.12	Co., Ltd. signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	(liabilities/net worth) of UPI's annual individual financial statements shall not be higher than 150%. Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taishin Commercial Bank	2022.07.01-2025.11.30	Union Polymer International Investment Co., Ltd. signed with Taishin Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Joint Venture Contract	Ho Tung Chemical Corporation, LCY Group, Asia Polymer Corporation, Hsintay Petroleum Co., Ltd., Chenergy Global Co., Ltd., Lien Hwa International Corporation, CTCI Corporation, Fubon Financial Capital, HF Investment and other companies	2019.12.18	USI Corporation and other nine companies jointly invested in the Gulei Industrial Park located in Zhangzhou, Fujian Province, China, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Joint Venture Contract	Ever Victory Global Limited and DOR PO Company	2019.06.05	Jointly invested in Dynamic Ever Investments Limited before jointly investing in Gulei Park, Zhangzhou, Fujian Province, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Material Purchase Contract	Formosa Plastics Corporation	2022.01.01-2022.12.31	Taiwan VCM Corporation and Formosa Plastics Corporation signed a contract for the purchase of dichloroethane. The price is agreed upon by both parties.	None.
Material Purchase Contract	MITSUI & CO., LTD.	2022.01.01-2022.12.31	Taiwan VCM Corporation and Mitsui & Co., Ltd. signed a contract for the purchase of dichloroethane, with the price of the material agreed by both the buyer and the seller.	None.
Material Purchase Contract	CPC Corporation	2022.01.01-2022.12.31	Taiwan VCM Corporation and CPC Corporation signed a contract for the purchase of ethylene, with the price of the material agreed by both the buyer and the seller.	None.
Material Purchase Contract	Dampier Salt Limited	2022.01.01-2023.12.31	CGPC and Dampier signed a contract for the purchase of industrial salt, with the	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
			price of the material agreed by both the buyer and the seller.	
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2021.07.02-2024.07.02	CGPC and Yuanta Commercial Bank signed a three-year medium-term consolidated lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual report of CCPG Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Chang Hwa Bank	2021.08.03-2024.08.03	CGPC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	2022.03.15-2025.03.14	CGPC and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of CGPC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2022.10.11-2025.09.12	CGPC and Taipei Fubon Commercial Bank signed a three-year medium-term lending limit contract worth NT\$200 million, where it can be used cyclically.	Based on the consolidated semi-annual and annual report of CGPC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Chang Hwa Bank	2022.02.15-2027.02.15	CGPC and Chang Hwa Bank signed a five-year medium-term lending limit contract worth NT\$400 million.	None.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2022.04.15-2027.04.15	CGPC and Yuanta Commercial Bank signed a five-year medium-term lending limit contract worth NT\$562.4 million.	Based on the consolidated annual report of CCPG Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Hua Nan Bank	2020.08.28-2023.08.28	CGPC and Hua Nan Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	First Commercial Bank	2022.09.29-2025.09.29	CGPC and First Commercial Bank signed a three-year medium-term lending limit contract worth NT\$100 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Taishin International Commercial Bank	2022.11.15-2025.11.30	Taiwan VCM Corporation and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual report or semi-annual report of Taiwan VCM Corporation, its



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
				current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Cathay United Bank	2021.10.15-2026.10.15	TVCM and Cathay United Bank signed a five-year medium-term lending limit contract worth NT\$10.71 billion.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2021.10.15-2026.10.15	TVCM and Taipei Fubon Commercial Bank signed a five-year medium-term lending limit contract worth NT\$595.2 million.	Based on the annual report of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	E.Sun Bank	2021.11.15-2026.11.15	TVCM and E.Sun Commercial Bank signed a five-year medium-term lending limit contract worth NT\$776 million.	None.
Medium-term Lending Limit Contract	Bank of Taiwan	2022.02.15-2027.02.15	TVCM and Bank of Taiwan signed a five-year medium-term lending limit contract worth NT\$300 million.	None.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2022.04.15-2027.04.15	TVCM signed with Yuanta Commercial Bank to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$235.2 million.	Based on the annual report of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Material Purchase Contract	CPC Corporation	2023.01.01-2023.12.31	Annual contract volumes and pricing for the supply of ethylene and propylene from APC	None.
Material Purchase Contract	Dairen Chemical Corporation	2023.01.01-2023.12.31	Annual contract volumes and pricing for the supply of vinyl acetate from APC	None.
Medium-term Lending Limit Contract	Shin Kong Bank	109.11.12-2023.11.12	Asia Polymer Corporation signed with Shin Kong Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$450 million.	Based on the consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Far Easter International Bank	2021.02.03-2024.02.03	Asia Polymer Corporation signed with Far Easter International Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$500 million.	Based on the consolidated annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Hua Nan Bank	2021.05.28-2024.05.28	APC and Hua Nan Bank signed a three-year medium-term lending limit contract	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Contract			worth NT\$500 million, which is a revolving loan facility.	
Medium-term Lending Limit Contract	Bank SinoPac	2021.06.30-2024.06.30	Asia Polymer Corporation signed with Bank SinoPac to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	Based on the consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Chang Hwa Bank	2021.07.12-2024.07.12	APC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Entie Commercial Bank	2021.07.28-2024.07.28	APC and Entie Commercial Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2021.10.01-2024.10.01	Asia Polymer Corporation and Yuanta Commercial Bank signed a three-year medium-term consolidated lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	2021.10.28-2024.10.27	APC and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Mizuho Bank	2021.12.31-2024.12.31	Asia Polymer Corporation signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	None.
Medium-term Lending Limit Contract	DBS Bank (Taiwan)	2021.12.31-2025.07.25	Asia Polymer Corporation signed with DBS Bank (Taiwan) to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$150 million.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2022.10.06-2025.09.12	APC and Taipei Fubon Commercial Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term	Bank of Tokyo-	2022.10.03-	Asia Polymer Corporation signed with	Based on the



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Lending Limit Contract	Mitsubishi UFJ	2025.10.03	Bank of Tokyo-Mitsubishi UFJ to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$500 million.	consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	First Commercial Bank	2022.11.15-2025.11.15	Asia Polymer Corporation and First Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Taishin International Bank	2022.12.26-2025.12.26	APC and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Asia Polymer Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Cathay United Bank	2021.10.15-2026.10.15	Asia Polymer Corporation and Cathay United Bank signed a five-year medium-term lending limit contract worth NT\$14.19 billion.	None.
Medium-term Lending Limit Contract	Hua Nan Bank	2021.10.15-2026.10.15	CGTD and Chang Hwa Bank signed a five-year medium-term lending limit contract worth NT\$121.2 million.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	2021.11.15-2026.10.15	CGTD and Chang Hwa Bank signed a five-year medium-term lending limit contract worth NT\$217.2 million.	None.
Purchase of material	Taiwan Styrene Monomer Corporation	2021.01.01-2022.12.31 (Renew every two years)	Purchase of styrene from Taiwan Styrene Monomer Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	Formosa Chemicals & Fibre Corporation	2022.01.01-2022.12.31 (Contract renewal every year)	Purchase of styrene from Formosa Chemicals & Fibre Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	CPC Corporation	2022.01.01-2022.12.31 (Contract renewal every year)	CPC Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by CPC Corporation. Payment for the material must be settled on the 15th of the following month after delivery.	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
Purchase of material	Formosa Petrochemical Corporation	2022.01.01-2022.12.31 (Contract renewal every year)	Formosa Petrochemical Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by Formosa Petrochemical Corporation. Payment for the material must be settled on the 14th of the following month after delivery.	None.
Purchase of material	China Petrochemical Development Corporation	2021.01.01-2022.12.31	China Petrochemical Development Corporation agreed to sell and supply acrylonitrile to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled on the 15th of the following month after delivery.	None.
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	2022.01.01-2022.12.31 (Contract renewal every year)	Import of styrene from CHOOC and Shell Petrochemicals Co., Ltd. to be supplied to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties, and a domestic letter of credit should be issued before shipment.	None.
Purchase of material	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	2022.01.01-2022.12.31 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	None.
Technical Cooperation	TAICA (Japanese Company)	Starting from November 25, 1996, the request will be automatically extended every five years if there is no objection by both parties after the contract expires.	This contract involves the transfer of cubic printing technology to Taita Chemical Co., Ltd., where this technology is the first of its kind in the world and enables printing of various patterns on uneven surfaces (such as telephones, automobile parts and components), thereby enhancing the added value of products. This technology has been patented in many countries, including the U.S., Japan, Canada, Western Germany, the Netherlands, France and the United Kingdom.	None.
Provision of Technology	Owens Corning Company (American Company)	2014.04.01-2024.03.31	Provision of expertise to Taita Chemical with regards to the manufacture of glass wool insulation products	None.
Medium-term Lending Limit Contract	Hua Nan Commercial Bank	2020.07.03-2023.07.03	Taita Chemical Co., Ltd. signed with Bank of South China to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	None.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2021.02.18-2024.02.18	Taita Chemical Company and Yuanta Commercial Bank signed a three-year medium-term consolidated lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual report of Taita Chemical Company, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
				150%.
Medium-term Lending Limit Contract	Far Easter International Bank	2021.05.06-2024.05.06	Taita Chemical Company signed with Far Easter International Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	Based on the consolidated annual report of Taita Chemical Company, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 175%.
Medium-term Lending Limit Contract	Chang Hwa Bank	2021.07.12-2024.07.12	Taita Chemical Company and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Mizuho Bank	2021.08.30-2024.08.30	Taita Chemical Company signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	None.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	2022.07.26-2025.07.25	Taita Chemical Company and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Taita Chemical Company, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank Co., Ltd.	2022.11.07-2025.09.12	Taita Chemical Company and Taipei Fubon Commercial Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Taita Chemical Company, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taishin International Bank	2022.09.15-2025.09.15	Taita Chemical Co., Ltd. and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual and annual report of Taita Chemical Company, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 175%.
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	2022.03.15-2027.03.15	The land and plant of Acme Electronics' Taoyuan plant is a collateralized to secure a loan of NT\$ 87 million.	There are limitations on current ratio and net debt ratio.
Medium-term Secured Lending Credit Limit Contract	Yuanta Commercial Bank	2022.03.15-2025.03.15	The land and plant of Acme Electronics' Taoyuan plant is a collateralized to secure a loan of NT\$ 13 million.	Limits on net value and current ratio.
Medium-term unsecured loan	Chang Hwa Bank	2021.09.28-2024.09.28	The credit line for Acme Electronics is NT\$300 million.	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provisions
line contract				
Medium-term Unsecured Lending Limit Contract	Mega International Commercial Bank	2022.10.06-2024.10.05	The credit line for Acme Electronics is NT\$100 million.	None.
Medium-term Unsecured Lending Limit Contract	Bank SinoPac	2022.06.15-2025.06.30	The credit line for Acme Electronics is NT\$200 million.	Limited by current ratio and net worth.
Medium-term Unsecured Lending Limit Contract	Shanghai Commercial and Savings Bank	2022.11.09-2025.11.09	The credit line for Acme Electronics is NT\$200 million.	None.
Medium-term Lending Limit Contract	HSBC Bank (Taiwan) Limited	2022.05.05-2024.05.05	USIGE signed with HSBC Bank (Taiwan) Limited to secure a 2-year medium-term lending contract with a revolving credit limit of NT\$ 300 million.	None.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	2022.01.14-2025.01.14	USIGE and the Bank of Tokyo-Mitsubishi UFJ signed a three-year medium-term lending limit contract worth NT\$200 million.	None.
Medium-term Lending Limit Contract	DBS Bank (Taiwan)	2022.10.17-2025.08.04	USIGE Corporation signed with DBS Bank (Taiwan) to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank	2022.10.19-2025.09.12	USIGE Corporation signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$200 million.	Based on the consolidated semi-annual and annual report of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	2022.10.14-2025.10.14	USIGE Corporation signed with Bank of Tokyo-Mitsubishi UFJ to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 300 million.	None.

Chapter 6. Financial Summary

I. Condensed Balance Sheet, Statement of Comprehensive Income, as well as Name and Audit Opinions of CPAs in the Most Recent Five Years

(I) Condensed consolidated balance sheet and consolidated comprehensive income statement

1. Condensed consolidated balance sheet - IFRS

Unit: NT\$ 1,000

Item	Year	Financial information in the most recent five fiscal years (audited and verified)					Financial information of the current fiscal year up to March 31, 2023 (Reviewed)
		2022	2021	2020	2019	2018	
Current assets		31,614,950	35,367,040	28,539,554	28,020,172	30,099,382	31,342,876
Property, plant and equipment		25,520,104	24,471,011	23,169,313	23,228,911	23,825,239	25,666,292
Intangible assets		318,485	314,194	279,833	286,030	302,403	316,593
Other assets		20,288,030	24,672,968	25,335,816	19,890,673	14,764,014	20,252,868
Total Assets		77,741,569	84,825,213	77,324,516	71,425,786	68,991,038	77,578,629
Current liabilities	Before Distribution	10,775,857	15,549,577	12,703,826	12,634,382	14,651,784	9,969,068
	After distribution (Note 1)	11,607,991	18,164,857	13,892,589	13,228,764	15,008,413	- (Note 2)
Non-current liabilities		16,040,827	13,630,675	15,897,047	19,614,457	17,884,545	16,910,004
Total Liabilities	Before Distribution	26,816,684	29,180,252	28,600,873	32,248,839	32,536,329	26,879,072
	After distribution (Note 1)	27,648,818	31,795,532	29,789,636	32,843,221	32,892,958	- (Note 2)
Equity attributable to owners of the parent company		24,496,092	25,461,999	20,990,778	18,659,503	18,187,153	24,428,619
Share capital		11,887,635	11,887,635	11,887,635	11,887,635	11,887,635	11,887,635
Capital surplus		449,960	366,185	321,798	271,613	253,738	448,224
Retained Per Share (EPS)	Before Distribution	12,625,207	13,599,427	9,497,146	7,756,919	6,814,829	12,474,469
	After distribution (Note 1)	11,793,073	10,984,147	8,308,383	7,162,537	6,458,200	- (Note 2)
Other equity		8,896	84,358	(240,195)	(781,058)	(293,443)	93,897
Treasury shares		(475,606)	(475,606)	(475,606)	(475,606)	(475,606)	(475,606)
Non-controlling Interests		26,428,793	30,182,962	27,732,865	20,517,444	18,267,556	26,270,938
Total equity	Before Distribution	50,924,885	55,644,961	48,723,643	39,176,947	36,454,709	50,699,557
	After distribution (Note 1)	50,092,751	53,029,681	47,534,880	38,582,565	36,098,080	- (Note 2)

Note 1: The figures after distribution shall be filled in accordance with the resolutions of the Board of Directors in 2022, and for the rest years, in accordance with the resolutions of the shareholders' meeting of the next year. The company's articles of association stipulate that cash dividends must still be submitted to the shareholders' meeting.

Note 2: It is not listed unless the resolution has been passed by the Shareholders' Meeting.

2. Condensed consolidated statement of comprehensive income - IFRS

Unit: NT\$ 1,000

Item	Year	Financial information in the most recent five fiscal years (audited and verified)					Financial information of the current fiscal year up to March 31, 2023 (Reviewed)
		2022	2021	2020	2019	2018	
Revenue		66,437,122	71,755,542	50,201,273	55,656,741	60,892,513	13,175,556
Gross operating profit		10,940,146	17,753,701	10,479,882	6,732,369	5,794,740	1,748,750
Net Profit from Operations		5,735,991	12,882,918	6,886,592	2,931,733	1,932,799	738,256
Non-operating revenue and expenses		(5,039,001)	(130,476)	236,403	429,637	589,628	(1,294,647)
Net profit before tax		696,990	12,752,442	7,122,995	3,361,370	2,522,427	(556,391)
Income from operations of continued segments - after tax		—	—	—	2,541,226	1,868,349	—
Gain (loss) from discontinued operations		—	—	—	4,175	7,467	—
Net income (loss) for the year		(61,189)	10,079,451	5,682,637	2,545,401	1,875,816	(588,023)
Other comprehensive income - Net amount after taxes		714,590	(187,249)	516,772	(993,485)	(60,577)	140,444
Total comprehensive income for the year		653,401	9,892,202	6,199,409	1,551,916	1,815,239	(447,579)
Net income attributable to owners of the parent company		1,555,097	5,191,394	2,409,778	1,281,364	539,935	(96,523)
Net income attributable to non-controlling interests		(1,616,286)	4,888,057	3,272,859	1,264,037	1,335,881	(491,500)
Total comprehensive income attributable to owners of the parent company		1,567,260	5,615,597	2,875,537	822,153	366,533	(11,522)
Total comprehensive income attributable to non-controlling interest		(913,859)	4,276,605	3,323,872	729,763	1,448,706	(436,057)
Earnings Per Share	Before Adjustment	1.45	4.84	2.25	1.19	0.50	(0.09)
	After adjustment (Note 1)	- (Note 2)	4.84	2.25	1.19	0.50	- (Note 2)

Note 1. The earnings distribution has been retroactively adjusted.

Note 2. It is not listed unless the resolution has been passed by the Shareholders' Meeting.

(II) Condensed balance sheet and statement of comprehensive income

1. Condensed balance sheet - IFRS

Unit: NT\$ 1,000

Item	Year	Financial information in the most recent five fiscal years (audited and verified)				
		2022	2021	2020	2019	2018
Current assets		6,481,551	8,112,835	5,882,803	6,038,900	6,585,770
Property, plant and equipment		6,331,437	6,511,029	6,473,623	6,609,957	6,682,004
Intangible assets		666	40	155	333	470
Other assets		21,456,331	23,228,538	20,536,054	18,682,731	16,199,526
Total Assets		34,269,985	37,852,442	32,892,635	31,331,921	29,467,770
Current liabilities	Before Distribution	2,796,375	5,964,947	4,089,828	3,102,159	3,293,739
	After distribution (Note 1)	3,628,509	8,580,227	5,278,591	3,696,541	3,650,368
Non-current liabilities		6,977,518	6,425,496	7,812,029	9,570,259	7,986,878
Total Liabilities	Before Distribution	9,773,893	12,390,443	11,901,857	12,672,418	11,280,617
	After distribution (Note 1)	10,606,027	15,005,723	13,090,620	13,266,800	11,637,246
Share capital		11,887,635	11,887,635	11,887,635	11,887,635	11,887,635
Capital surplus		449,960	366,185	321,798	271,613	253,738
Retained Earnings	Before Distribution	12,625,207	13,599,427	9,497,146	7,756,919	6,814,829
	After distribution (Note 1)	11,793,073	10,984,147	8,308,383	7,162,537	6,458,200
Other equity		8,896	84,358	(240,195)	(781,058)	(293,443)
Treasury shares		(475,606)	(475,606)	(475,606)	(475,606)	(475,606)
Total equity	Before Distribution	24,496,092	25,461,999	20,990,778	18,659,503	18,187,153
	After distribution (Note 1)	23,663,958	22,846,719	19,802,015	18,065,121	17,830,524

Note 1. The figures after distribution shall be filled in accordance with the resolutions of the Board of Directors in 2022, and for the rest years, in accordance with the resolutions of the shareholders' meeting of the next year. The company's articles of association stipulate that cash dividends must still be submitted to the shareholders' meeting.

2. Parent company-only statement of comprehensive income - IFRS

Unit: NT\$ 1,000

Item	Year	Financial information in the most recent five fiscal years (audited and verified)				
		2022	2021	2020	2019	2018
Revenue		15,632,151	16,034,251	10,172,220	10,966,471	11,763,140
Gross operating profit		4,193,933	4,303,866	1,507,409	1,382,167	807,962
Net Profit from Operations		3,468,706	3,521,910	908,440	702,720	112,137
Non-operating revenue and expenses		(1,536,971)	2,348,931	1,651,882	756,267	508,205
Net profit before tax		1,931,735	5,870,841	2,560,322	1,458,987	620,342
Net income for the year		1,555,097	5,191,394	2,409,778	1,281,364	539,935
Other comprehensive income - Net amount after taxes		12,163	424,203	465,759	(459,211)	(173,402)
Total comprehensive income for the year		1,567,260	5,615,597	2,875,537	822,153	366,533
Net income attributable to owners of the parent company		1,555,097	5,191,394	2,409,778	1,281,364	539,935
Total comprehensive income attributable to owners of the parent company		1,567,260	5,615,597	2,875,537	822,153	366,533
Earnings per share	Before Adjustment	1.45	4.84	2.25	1.19	0.50
	After adjustment (Note 1)	—(註 2)	4.84	2.25	1.19	0.50

Note 1. The earnings distribution has been retroactively adjusted.

Note 2. It is not listed unless the resolution has been passed by the Shareholders' Meeting.

3. Name of CPAs and their audit opinions in the most recent five fiscal years

Year	Accounting Firm	Name of CPAs	Audit opinion
2018	Deloitte & Touche	CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Unqualified opinion
2019	Deloitte & Touche	CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Unqualified opinion
2020	Deloitte & Touche	CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Unqualified opinion
2021	Deloitte & Touche	CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Unqualified opinion
2022	Deloitte & Touche	CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung	Unqualified opinion

II. Financial Analysis in the Most Recent Five Fiscal Years

(I) Financial analysis - IFRS

USI and its subsidiaries

Analysis Item (Note 3)		Year (Note 1)					Current year up to March 31, 2023 (Verified) (Note 2)
		Financial Analysis for the most recent 5 years (audit and certification)					
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt-to-assets ratio	34.49	34.40	36.99	45.15	47.16	34.65
	Ratio of long-term capital to property, plant and equipment	262.40	283.09	277.85	253.10	228.07	263.42
Solvency (%)	Current ratio	293.39	227.45	224.65	221.78	205.43	314.40
	Quick ratio	215.25	172.08	184.80	176.65	154.61	227.84
	Interest coverage ratio	417	7,608	3,272	1,205	1,020	(746.20)
Operation ability	Receivables turnover ratio (times)	7.59	8.42	6.82	7.05	7.23	7.35
	Average collection days	48	43	54	52	50	50
	Inventory turnover ratio (times)	7.50	9.08	8.62	8.42	8.13	6.22
	Payables turnover ratio (times)	16.14	15.57	12.89	15.91	14.98	14.35
	Average days of sales	49	40	42	43	45	59
	Property, plant, and equipment (PP&E) turnover ratio (times)	2.66	3.01	2.16	2.37	2.56	2.06
	Total asset turnover ratio (times)	0.82	0.89	0.67	0.79	0.91	0.68
Profitability	Return on assets (%)	0.14	12.60	7.89	3.96	3.12	(2.76)
	Return on equity (%)	(0.11)	19.32	12.93	6.73	5.26	(4.63)
	Income before tax to paid-in capital ratio (%)	5.86	107.27	59.88	28.28	21.22	(18.72)
	Net profit margin (%)	(0.09)	14.05	11.32	4.57	3.08	(4.46)
	Earnings per share (NT\$)						
	Before Adjustment	1.45	4.84	2.25	1.19	0.50	(0.09)
	After adjustment	1.45※	4.84	2.25	1.19	0.50	(0.09)
Cash Flow	Cash flow ratio (%)	90.48	57.45	85.14	48.06	15.15	10.07
	Cash flow adequacy ratio (%)	102.97	79.81	78.88	62.54	56.13	104.03
	Cash reinvestment ratio (%)	7.32	7.76	10.86	6.53	2.26	1.03
Leverage	Degree of operating leverage (DOL)	1.42	1.18	1.34	1.76	2.06	1.85
	Degree of financial leverage (DFL)	1.04	1.01	1.03	1.11	1.14	1.10

Reasons for changes in various financial ratios in the most recent two fiscal years. (Analysis is not be required if such changes are within 20%).

1. Due to the current increase in raw material costs, decrease in product spreads, and decreased profit, interest coverage ratio, return on asset, return on equity, ratio of net profit to paid-in capital, net profit margin, earnings per share, and degree of operating leverage decreased by 95%, 99%, 101%, 95%, 101%, 70% and 20%, respectively.
2. Current ratio, quick ratio, and cash flow ratio increased by 29%, 25%, and 57%, respectively, which was mainly due to the repayment of bonds leading to a decrease in current liabilities.
3. Average inventory turnover days increased by 21% due to the increase in average amount of inventory.
4. Cash flow adequacy ratio increased by 29% due to the increase in the current net cash flow of operating activities.

※Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting

USI

Analysis Item (Note 3)		Financial Analysis for the most recent 5 years (audit and certification)				
		2022	2021	2020	2019	2018
Financial structure (%)	Debt-to-assets ratio	28.52	32.73	36.18	40.45	38.28
	Ratio of long-term capital to property, plant and equipment	497.10	489.75	444.93	427.08	391.71
Solvency (%)	Current ratio	231.78	136.01	143.84	194.67	199.95
	Quick ratio	173.77	111.59	120.65	155.74	153.14
	Interest coverage ratio	2,634	6,128	2,478	1,285	787
Operation ability	Receivables turnover ratio (times)	6.69	8.63	6.97	7.40	8.16
	Average collection days	55	42	52	49	45
	Inventory turnover ratio (times)	8.58	11.57	9.49	7.93	8.08
	Payables turnover ratio (times)	8.46	10.13	9.53	10.26	9.69
	Average days of sales	43	32	38	46	45
	Property, plant, and equipment (PP&E) turnover ratio (times)	2.43	2.47	1.55	1.65	1.78
Profitability	Total asset turnover ratio (times)	0.43	0.45	0.32	0.36	0.42
	Return on assets (%)	4.48	14.89	7.77	4.50	2.10
	Return on equity (%)	6.23	22.35	12.16	6.96	2.97
	Income before tax to paid-in capital ratio (%)	16.25	49.39	21.54	12.27	5.22
	Net profit margin (%)	9.95	32.38	23.69	11.68	4.59
Earnings per share (NT\$)	Before Adjustment	1.45	4.84	2.25	1.19	0.50
	After adjustment	1.45※	4.84	2.24	1.19	0.50
Cash Flow	Cash flow ratio (%)	174.29	46.56	42.41	27.71	10.13
	Cash flow adequacy ratio (%)	78.54	43.74	34.19	17.23	21.87
	Cash reinvestment ratio (%)	6.10	4.27	3.40	1.54	(0.05)
Leverage	Degree of operating leverage (DOL)	1.18	1.18	1.68	1.74	4.84
	Degree of financial leverage (DFL)	1.02	1.03	1.13	1.17	2.16

Reasons for changes in various financial ratios in the most recent two fiscal years. (Analysis is not be required if such changes are within 20%).

1. Current ratio, quick ratio, and cash flow ratio increased by 70%, 56%, and 274%, respectively, which was mainly due to the repayment of bonds leading to a decrease in current liabilities.
2. Interest coverage ratio, return on asset, return on equity, ratio of net profit to paid-in capital, net profit margin, and earnings per share, decreased by 57%, 70%, 72%, 67%, 69%, 70% respectively.
3. Receivables turnover ratio and average days of collection decreased by 22% and increased by 29%, respectively, due to the increase in ending accounts receivable.
4. Inventory turnover ratio and average days of sales decreased by 26% and increased by 35%, respectively, due to the increase in ending inventory.
5. Cash flow adequacy ratio and cash reinvestment ratio increased by 80% and 42%, respectively.

※Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting

Note 1. Years not audited and certified by CPAs shall be noted.

Note 2. As of the publication date of the annual report, companies that have been listed or have been traded at TPEX should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 3. The table at the end of the annual report shall include the following formulas:

1. Financial structure

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Proportion of long-term capital in property, plant and equipment ratio = (Total equities + non-current liabilities) / Total net value property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3) Interest coverage ratio = Income before income tax and interest expense / Interest expense of the current period

3. Operation ability

- (1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net operating revenue / average balance of receivable of the period (including accounts receivable and business-related notes receivable).
- (2) Average collection days = 365 / Receivables turnover ratio.
- (3) Inventory turnover ratio = cost of goods sold / average amount of inventory.
- (4) Payable (including accounts payable and notes payable arising from business) turnover ratio = net sales revenue / average balance of payable for each period (including accounts payable and notes payable arising from business).
- (5) Average days for sale = 365 / Inventory turnover ratio.
- (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
- (7) Total asset turnover rate = net sales / average total assets.

4. Profitability

- (1) Return on assets = [net income after taxes + interest expense x (1 - tax rate)] / average total assets
- (2) Return on equity = net income after taxes / average equity
- (3) Net profit margin = Net income after tax / Net sales.
- (4) Earnings per share = (net income (loss) attributable to the owners of the parent Company – dividends on preferred shares) / weighted average number of shares issued shares. (Note 4)

5. Cash Flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most past five years.
- (3) Cash re-investment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross value of property, plant and equipment + Long-term Investment + Other non-current assets + Working capital) (Note 5)

6. Leverage:

- (1) Degree of operating leverage (DOL) = (net operating revenue - variable operating cost and expenses) / operating profit (Note 6)
- (2) Degree of Financial Leverage (DFL) = operating profit / (operating profit - interest expense).

Note 4. Special attention shall be paid to the following items when calculating the earnings per share by the above-mentioned formula:

1. The weighted average number of ordinary shares shall prevail, instead of the number of year-end outstanding shares.
2. Shares from cash capital increase or treasury stock transactions shall be considered when calculating the weighted average number of shares.
3. In the event of capital increase by earnings or capital reserves, when calculating the earnings per share of the previous year and the semi-annual earning per share, it shall be retrospectively adjusted according to the proportion of capital increase, and there is no need to consider the period of the capital increase.
4. If the preferred share cannot be converted into cumulative preferred share, then the dividend of the year (whether paid or not) is deducted from net income after tax (NIAT), or included as a net loss after tax. If the preferred shares are non-accumulated preferred shares, where net income after taxes is available, preferred share dividends should be deducted from the net income after taxes, or increase the net loss after taxes. If there is loss, no adjustment is needed.

Note 5. In calculating cash flow, special attention should be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflows for capital investments.
3. The increase in inventory is included only if the balance at the end of the year is greater than the balance at the beginning of the year. If it is the other way around, the number used should be zero.
4. Cash dividends include cash dividends from ordinary shares and preferred shares.
5. Gross property, plant and equipment refers to the total amount of real estate, plant and equipment before the deduction of accumulated depreciation.

Note 6. The issuer shall classify the various operating costs and operating expenses into fixed and variable according to their nature, and shall pay attention to their rationality and maintain consistency if there is any estimation or subjective judgment involved.

Note 7. If the Company's stock is not denominated or the denomination is not NT\$10, the calculation of the paid-in capital ratios shall be based on the equity attributable to owners of the parent company in the balance sheet.

III. Audit Committee's Audit Report in the Most Recent Fiscal Year

Audit Report by the Audit Committee of USI Corporation


The Audit Committee has completed the review of the 2022 Business Report, produced by the Board of Directors, and financial statements (including consolidated financial statements and parent company-only financial statements) and earnings distribution plan, audited by CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung from Deloitte & Touche, in accordance with the law, and no inconsistencies were found. Please review the Report which has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,
2023 Annual Shareholders' Meeting of USI Corporation

Audit Committee of USI Corporation
Independent Director: Chen, Chung



Independent Director: Tu, Tzu-Chun



Independent Director: Hai, Ying-Chun



March 10, 2023



- IV. Financial report for the most recent year: Please refer to page 261.
- V. Financial report verified and assured by the CPAs for the most recent year: Please refer to page 416.
- VI. If the Company or its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report Shall Explain How Said Difficulties Affect the Company's Financial Situation: None.

Chapter 7. Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information

I. Financial Position

Major reasons for material changes in assets, liabilities and shareholders' equity, as well as related effects in the most recent two fiscal years, and response measures in the future if such effects are significant.

Unit: NT\$ 1,000

Item	Year	End of 2022	End of 2021	Difference	
				Amount	%
Current assets		\$31,614,950	\$35,367,040	(3,752,090)	(11)
Long-term investments		16,030,899	22,004,872	(5,973,973)	(27)
Property, plant and equipment		25,520,104	24,471,011	1,049,093	4
Intangible assets		318,485	314,194	4,291	1
Other assets		4,257,131	2,668,096	1,589,035	60
Total Assets		77,741,569	84,825,213	(7,083,644)	(8)
Current liabilities		10,775,857	15,549,577	(4,773,720)	(31)
Non-current liabilities		16,040,827	13,630,675	2,410,152	18
Total Liabilities		26,816,684	29,180,252	(2,363,568)	(8)
Share capital		11,887,635	11,887,635	0	0
Retained Earnings		12,625,207	13,599,427	(974,220)	(7)
Equity attributable to shareholders of the parent company		24,496,092	25,461,999	(965,907)	(4)
Non-controlling Interests		26,428,793	30,182,962	(3,754,169)	(12)
Total equity		50,924,885	55,644,961	(4,720,076)	(8)

(I) Major reasons for material changes

The decrease in long-term investments was due to the increase in the current share of loss of joint ventures accounted for using the equity method.

The increase in other assets was due to the increase in current right-of-use assets and deferred tax assets.

The decrease in current liabilities was due to the decrease in current portion of long-term borrowings.

(II) Effects

None.

(III) Future response plan

N/A.

II. Financial Performance

Major reasons for material changes in revenue, operating income and net profit before taxes in the most recent two fiscal years are estimated sales volume and its basis, as well as possible effects on the Company's financial operations and response measures in the future

Unit: NT\$ 1,000

Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information



Item \ Year	2022	2021	Increase (decrease)	
			Amount	(%)
Revenue	\$66,437,122	\$71,755,542	(5,318,420)	(7)
Operating costs	(55,496,976)	(54,001,841)	1,495,135	3
Gross operating profit	10,940,146	17,753,701	(6,813,555)	(38)
Operating expenses	(5,204,155)	(4,870,783)	333,372	7
Operating profit	5,735,991	12,882,918	(7,146,927)	(55)
Non-operating revenue and expenses	(5,039,001)	(130,476)	(4,908,525)	(3,762)
Net profit before tax	696,990	12,752,442	(12,055,452)	(95)
Income tax expenses	(758,179)	(2,672,991)	(1,914,812)	(72)
Net income for the year	(61,189)	10,079,451	(10,140,640)	(101)
Other comprehensive income (net amount after taxes)	714,590	(187,249)	901,839	482
Total comprehensive income for the year	653,401	9,892,202	(9,238,801)	(93)

(I) Major reasons for material changes

1. The decrease in operating revenue, operating profit, income tax expenses, net profit for the year, and total comprehensive profit and loss in current year was mainly due to the increase in cost of raw materials, decrease in product spreads, and decrease in profit.
2. The non-operating revenue and expenses and net profit before tax declined, mainly due to the increase in the share of loss of joint ventures accounted for using the equity method.
3. The increase in other comprehensive income (net amount after taxes) was mainly due to the increase in the re-measurements of defined benefit plans and increase in the exchange differences on translating the financial statements of foreign operations.

(II) Estimated sales volume and its basis

The Company forecasts the target of PE/EVA sales volume in 2023 to be approximately 365,000 tons; the Vinyl series and its downstream processed products have a sales target of approximately 520,000 tons; the ABS/PS sales target is about 413,000 tons; the sales target of glass wool products is about 13,000 tons; and the ferrite magnet powder and ferrite core sales target is about 10,000 tons. In principle, the production and sales balance and the niche products are the priority sales goals.

(III) Possible effects on the Company's financial operations in the future

No material effect.

(IV) Future response plan

N/A.

III. Cash Flow

Analysis of changes in cash flow and improvement plans for liquidity shortage in the most recent fiscal year, and cash liquidity analysis in the coming fiscal year

(I) Analysis and explanation of changes in cash flow in the most recent fiscal year

Unit: NT\$ 1,000

Period- beginning cash balance	Annual net cash flow from operating activities	Other cash outflows throughout the year	Cash Balance	Remedies for cash deficit	
				Investment projects	Financing plans
10,365,353	9,749,787	8,616,725	11,498,415	-	-

1. Operating activities:

The net cash inflow was NT\$9,749,787 thousand, an increase from the previous year, which was mainly due to the transfer financial assets measured at fair value through profit and loss to the present.

2. Investing activities

The net cash outflow from financing activities reached NT\$2,513,962 thousand, due mainly to the Group's acquisitions of property, plant, and equipment.

3. Financing activities

The net cash outflow amounted to NT\$6,102,763 thousand mainly due to the increase in the Group's payment of cash dividends.

(II) Improvement plans for liquidity shortage

There is no liquidity shortage situation.

(III) Cash flow analysis for the coming fiscal year

Cash at beginning of year: NT\$11,498,415 thousand

Annual cash inflow: NT\$ 4,969,369 thousand

Annual cash outflow: (NT\$ 5,026,054) thousand

Ending cash balance (shortage): NT\$ 11,441,730 thousand

IV. Material expenditure and its impact on the Company's financial operations in the most recent fiscal year:

1. To ensure adequate supply of ethylene raw materials, the Company expects that ethylene storage tanks will be built within 10% of NT\$906 million.
2. In order to ensure adequate supply of ethylene raw materials, APC expected that ethylene storage tanks and ethylene underground pipelines will be built at NT\$1.02 billion.

These expenses will first be paid using the Company's own funds, while the Company will also assess the cost of raising capital in the capital market and the cost of borrowing from financial institutions.



V. Investment policies, profit/loss analysis and improvement plans in the most recent fiscal year, as well as investment plans for the coming fiscal year.

(I) Investments whose amounts exceed 5% of paid-in capital at the end of 2022:

Item	Remark	Amount (NT\$ thousands)	Policy	Main reasons for profit or loss	Improvement plan	Other future investment plans
CTCI Corporation		1,237,788	Investment Diversification	Steady growth in overall performance, and hence continuously profitable	None	—
Fujian Gulei Petrochemical Co., Ltd.		13,527,463	Petrochemical investments	Started operation in December 2021, due to high raw material acquisition costs, downstream products not easy to pass on, and Eva production line has not been completed, resulting in losses	None	—

(II) Investments expected in the next year that exceed 5% of paid-in capital: None.

VI. Risk Analysis and Evaluation

The Company has enhanced its risk management operations, and designated specific executive and responsible units to assess specific matters or risks. Moreover, the Company has also established a monitoring mechanism, where the organizational structure is as follows:

Important risk assessment matters	Execution and responsible units	Supervision unit
1. Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures	Finance Division	Auditing Division
2. Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives trading, main reasons for profits or losses generated, and future response measures to be undertaken		
4. Changes to local and overseas policies and laws that impact the company's financial operations and response measures	All relevant units	
5. Impact of changes in science and technology (including information security risk) as well as industry on the Company's financial operations and countermeasures	Sales and Marketing Division/Information System Division	
6. Impact of changes in corporate image on corporate crisis management and countermeasures	Human Resource Division	
7. Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures	Planning Department/Finance Division	
8. The Expected Benefits and Possible Risks to Expand the Plants and the Countermeasures	Various plants	
9. Risks faced with concentrated procurement and sales, and countermeasures	Procurement and Logistics Division Sales and Marketing Division	
10. Effects and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures	Finance Division	
11. Effects and risks related to any changes in management control in the Company, and related response measures	Board of Directors	
12. For any litigious or non-litigious matters, the company and company's Directors, Supervisors, General Managers, person with actual responsibility in the company, and substantial shareholders holding more than 10% of the company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the printing date of the annual report, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as at the date of printing of the report	Legal Division	
13. Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.	Corporate Governance Team	
14. Risks of environmental, social and corporate governance issues	Corporate Governance Team	
15. Other significant matters and action plans	Trust Department	

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(I) Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures:

1. Implementation or Responsible Unit: Finance Division.
2. Impact on the Company's profit and loss:

Item	2022 (NT\$ 1,000; %)
Net interest income (expense)	(68,922)
Net currency exchange gain (loss)	463,721
Ratio of net interest income (expense) to net revenue	(0.10%)
Ratio of net interest income (expense) to net profit before taxes	(9.89%)
Ratio of net currency exchange gain (loss) to net revenue	0.70%
Ratio of net currency exchange gain (loss) to net income before taxes	66.53%

3. Interest rate: The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

	As of December 31, 2022 (NT\$ 1,000)
Fair value interest rate risk	
— Financial assets	9,261,151
— Financial liabilities	10,608,268
Cash flow interest rate risk	
- Financial assets	2,921,919
— Financial liabilities	5,806,148

An increase or decrease of 0.5% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the Company's senior management team. With all other variables remaining unchanged, an increase or decrease of 0.5% in market interest rates will lead to a decrease or increase of NT\$14,121 thousand in the Company's net profit before taxes in 2022.

For risk of interest rate changes, please refer to pages 225 to 226 of the Annual Report.

4. Exchange Rate: For risk of exchange rate changes, please refer to page 226 of the Annual Report. The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar and RMB denominated items). When the Company's functional currency appreciates/depreciates against U.S. dollar and Renminbi by 3%, the Company's net profit before taxes in 2022 will decrease/increase by NT\$151,772 thousand.
5. Inflation: The prime cost of the Company is the cost of raw materials; the price of the product fluctuates in the same direction as the cost of raw materials. Continue to assess the impact of changes in raw material and electricity prices on the Company, dispose of old energy-consuming equipment, and implement energy conservation and carbon reduction policies.

(II) Policies to engage in high-risk and high-leverage investments, provision of loads to others, making guarantees and endorsements, as well as derivative trading, major reasons for profits and losses, as well as future response measures:

1. Implementation or Responsible Unit: Finance Division.
2. Engaging in high-risk and high-leverage investments, and provision of loans to others

The Company's "Regulations Governing the Acquisition and Disposal of Assets" stipulate that it shall not engage in high-risk and high-leverage investments. The Company has also established the "Procedures for Loaning of Funds to Others", and effectively implements prior evaluation and subsequent follow-up for funds loaned to others.
3. Endorsement and guarantee: Ensure to implement the prior evaluation and subsequent follow-up according to the company's endorsements and guarantees procedures.
4. Derivative trading: The Company engages in derivative commodity trading for the purpose of avoiding operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

(III) Future R&D projects and estimated R&D expenditure:

1. Executive and responsible unit: Research and Development Division
2. The plans are as follows:

Unit: NT\$ 1,000

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
Development of Highly Heat Resistant CBCs	20%	30,000	2024	Equipment, formula and process technology
Development of Foam Materials for Special Cross-Linking Systems	50%	10,000	2024	Equipment, formula and process technology
Improved raw material performance for cables	50%	10,000	2024	Equipment, formula and process technology
Development of Low Gel, Optical Grade Film Materials	60%	10,000	2024	Equipment, formula and process technology
Development of Fire-Resistant Masterbatch Formulas	10%	15,000	2024	Professional talents and formulation technologies
Development of Flame-Resistant Paint Formulas	20%	10,000	2024	Professional talents and formulation technologies
Development of Cooling Masterbatch/Color Paste	30%	12,000	2024	Professional talents and formulation technologies
CUI corrosion resistant coating	70%	7,000	2023	Professional talents and formulation technologies
Development of Hot Melt Adhesive Grade Eva Production Technologies	11%	26,800	Before the end of 2023	Cultivation of R&D talents, inheritance of technology, sufficient market intelligence and addition of necessary equipment
Low VOC PVC/TPE series rubber sheets	50%	15,000	Before the end of 2023	Equipment, formulas and process conditions
Residual hydrogen energy	0%	1,000	Before the end	Equipment and process

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Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
			of 2026	conditions
Solvent-free surface treatment leather for PVC/TPE	75%	500	Before mid-2023	Equipment, formulas and process conditions
Development of TPU Headset Cover Tape	50%	500	Before mid-2023	Raw material formulas and process conditions
TPO automobile islands/Foot mats	75%	500	Before mid-2023	Raw material formulas and process conditions
TPO fish-electric symbiotic pool cloth	25%	500	Before mid-2023	Raw material formulas and process conditions
PVC wire bundle tape	0%	1,000	Before the end of 2023	Raw material formulas and process conditions
Development of Casting Furniture Replicas Through the Use of Soft Leather	25%	500	Before the end of 2023	Raw material formulas and process conditions
TPO antistatic transparent membrane	25%	500	Before the end of 2023	Equipment, formulas and process conditions
TPO automobile dashboard light transmitting membrane	25%	500	Before the end of 2023	Raw material formulas and process conditions
Low-membrane fast-gelatinization PVC powder	25%	500	By the end of 2024	Equipment, formulas and process conditions
TPE leather for car seats	75%	300	Before mid-2023	Raw material formulas and process conditions
Development of Antiviral Door Panels	75%	300	Before mid-2023	Raw material formulas and process conditions
Development of Solvent-Free PVC Paste Clothe	25%	300	Before mid-2023	Equipment, formulas and process conditions
GRS Global Recycling Standard Certification	75%	300	Before mid-2023	Raw material formulas and process conditions
Development of Antiviral Hard Leather	75%	300	Before mid-2023	Raw material formulas and process conditions
Car foot pads with high softening temperature	0%	300	Before the end of 2023	Raw material formulas and process conditions
Development of Extra Black Cooling Leather for Marine Vehicle Seats	25%	300	Before the end of 2023	Raw material formulas and process conditions
Development of High Hydrolysis Resistant TPU Materials and Related Products	25%	300	Before the end of 2023	Raw material formulas and process conditions
TPE leather for finished product recycling	50%	300	Before the end of 2023	Raw material formulas and process conditions
Development of Solvent-Free TPE Paste Clothe	25%	300	Before the end of 2023	Equipment, formulas and process conditions
Development of Bio-Shell Powder Anti-bacterial and Anti-fungal Leather	50%	300	Before the end of 2023	Equipment, formulas and process conditions
PVC dispersant antibiotics testing	0%	300	By the end of 2024	Raw material formulas and process conditions
Easy-to-cut door edge tape	0%	200	Before the end of 2023	Raw material formulas and process conditions
Japanese marking tape	0%	200	Before the end of 2023	Raw material formulas and process conditions
Development of Smooth Leather for Marine Vehicles	25%	200	Before the end of 2023	Raw material formulas and process conditions
100% flattened non-cracking pipe and valve plastic pellet compounds	0%	200	By the end of 2024	Raw material formulas and process conditions
Development of Heat Resistant Grade ABS (Acrylonitrile-Butadiene-Styrene Polymer).	90%	100	2023	Processing hardware equipment, raw material procurement costs, and business layout based on market demand

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for the completion of mass production	Main factors affecting the success of R&D in the future
ABS extrusion dehydrators, increase production capacity, and improve cake VOC release efficiency	30%	400	2023	Process hardware assessment and design
Make improvements to ABS butadiene emulsion polymerization-reactor mixing blades, and control the diameter size and concentration of PBDL particles	50%	9,200	2023	Process hardware assessment and design
EPS efficiency improvement (increased concentration for particle diameter)	70%	1,000	2023	Process hardware assessment and design
EPS preservability improvement	60%	1,000	2023	Polymer recipe design and process hardware
Alloy material technology development	Material development	30,000	December 2023	Electrical vehicle market and PV/wind inverter demand
CIM new forming technology development	Product testing and validation stages	17,000	December 2023	Approval progress for car parts
SiC Ceramic Powder and Parts	Sample delivery and testing	300,000	December 2024	Semiconductor equipment demand and verification

(IV) Changes to local and overseas policies and laws that impact the company's financial operations and response measures:

1. Implementation or Responsible Unit: All relevant units.

2. Impact on financial operations:

(1) Please refer to Chapter V in this annual report: the third section of "Information Regarding Environmental Protection Expenditure" indicated in "Operations Overview" In response to the European Union's Restriction of Hazardous Substances Directive (RoHS).

(2) Continuously assess the impact of IFRSs issued by IASB but not yet approved and issued in effect by FSC. Examples include amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", IFRS 16 "Lease Liability in a Sale and Leaseback", IFRS 17 "Insurance Contracts", and amendment of "classification of liabilities as current or non-current" in IAS 1.

(3) Continuously assess the impact of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing and Economic Substance Act in Tax Havens.

(4) Pursuant to Article 23-3 of the Statute for Industrial Innovation, the Company shall apply for a reduction in the taxes applicable to undistributed earnings by using undistributed earnings in substantial investments.

(5) Pursuant to Article 10-1 of the Statute for Industrial Innovation, investment in brand-new smart machines and investment in related brand-new hardware, software, technology or technical services for introducing 5th-generation mobile networks and information security products or services are applicable to the tax exemption.

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- (6) Continue to assess the impact of changes in water and electricity prices on the Company.
 - (7) Continue to assess the impact of the European Union's Carbon Border Adjustment Mechanism (CBAM), as well as Taiwan's carbon pricing, levies on carbon taxes and fees, and drafting of the Climate Change Adaptation Act.
 - (8) Continue to assess the impact of the CFC system, changes in the Hong Kong tax system, and implementation status of the Global Minimum Tax.
3. Response measures: The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts and relevant legal documents and warn of risks in advance, and provide legal advance to handle legal affairs where necessary in order to reduce default risk and losses. In addition, the Accounting Division assesses the changes in accounting and tax-related laws and regulations, and evaluates such the effects of such changes on the Company's financial operations and formulates related response measures. Besides, discussions are held with CPAs to make prior planning for related changes.
- (V) Impact of changes in science and technology (including information security risk) as well as industry on the Company's financial operations and countermeasures:
1. Executive and responsible unit: Sales and Marketing Division and Information System Division
 2. IT security risks:

The maintenance and management of plant operations is the core of the manufacturing industry. The production processes and procedures for plants are mainly controlled by Operational Technology (OT), which include Distributed Control System (DCS), Supervisory Control and Data Acquisition System (SCADA), etc. Owing to production stability and other requirements, the operating systems or program themselves for these OT equipment often have not been upgraded and updated for many years, and have become so-called legacy systems. Compared with general information systems (Information Technology, IT), such as ERP, CRM, and OA, and other hardware and software, the degree of information security protection for such equipment is clearly insufficient.
 3. IT security management measures:
 - (1) Regular internal audits are conducted by the Company's internal audit department as well as external professional information security consulting companies that are appointed, whereas BSI Taiwan is appointed for the ISO 27001 certification each year. In addition to reviewing the framework for information security risk management, provide guidance and prevention on internal and external issues, and conduct information security risk assessment and analysis.
 - (2) A Multi-Factor Authentication (MFA) mechanism is fully implemented for the Group's web mail system, where in addition to first factor authentication via

password, second factor authentication via a separate device is required in order to enhance security levels.

- (3)The Group's OT adopts Palo Alto networks 3220, using a next-generation 7-layer firewall system to improve the filtering efficiency for incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.
- (4)Implement the management of OT equipment, establish a Plant Equipment (OT) Management Platform, conduct a comprehensive assessment of the security risks of plant OT equipment, and control and manage as well as strengthen the security system for important equipment in order to avoid human factors and external threats from causing interruptions to production and affecting operations.
- (5)We appoint professional external information security consulting companies to conduct vulnerability assessments each year to identify potential risks for system corrections or propose remedial measures.
- (6)Strengthen personnel and information security management to prevent hacker attacks or information disclosure. Information personnel shall be annually educated and trained regarding information security for four hours at minimum.

4. Please refer to "(II) Industry Overview," under "I. Business Content" of "Chapter 5 Operations Overview."

(VI)Impact of changes in corporate image on corporate crisis management and countermeasures:

1. Executive and responsible unit: Human Resource Division
2. The Company has always adhered to upright and down-to-earth management, sound financial operations and good product quality, and has garnered positive reviews from the industry. In the event of a crisis, the Company not only will submit report according to its organization system, but can also obtain help from external organizations to help overcome the crisis.

(VII) Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures:

1. Executive and responsible unit: Finance Division.
2. There was no merger and acquisition implemented by the Company in the most recent fiscal year up to the publication date of this annual report.

(VIII) The Expected Benefits and Possible Risks to Expand the Plants and the Countermeasures:

Invest in the construction of storage tanks for ethylene, vinyl chloride, dichloroethane and underground pipelines for ethylene.

Expected benefits: Ensure stable supply of main raw materials, namely ethylene and dichloroethane, as well as the production and sales scheduling of vinyl chloride.

Possible risks: Increase in supply, thereby leading to the product's price to drop.

Response measures:Develop high-quality and niche products to avoid price

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competition.

(IX) Risks faced with concentrated procurement and sales, and countermeasures:

1. Executive and responsible unit: Material Planning Division
2. The Company has decentralized global sources of goods and purchased goods in multiple pricing modes to avoid specific centralized sources.
3. Part of the purchase volume of spot goods will be set aside, and purchases will be made according to the spot market and production needs, whichever is better.
4. The Company focuses on studying information of the petrochemicals and plastics market and strengthening production, sales, and procurement business strategies to maximize profits, to minimize risks associated with over-concentration in purchase or sale.

(X) Effects and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures:

1. Executive and responsible unit: Finance Division.
2. There was no such situation at the Company in the most recent fiscal year up to the publication date of this annual report.

(XI) Effects and risks related to any changes in management control in the Company, and related response measures:

1. Executive and responsible unit: Board of Directors
2. There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

(XII) For any litigious or non-litigious matters, the company and company's Directors, Supervisors, General Managers, person with actual responsibility in the company, and substantial shareholders holding more than 10% of the company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the printing date of the annual report, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as at the date of printing of the report;

1. Executive and responsible unit: Legal division.
2. Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:
 - (1) The Company: None.
 - (2) Directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10% of the company's shares: None.
 - (3) Subsidiary:

Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with the Kaohsiung City Government on February 12, 2015 to provide pledged bank deposit worth NT\$ 228,904 thousand (including interests) to the Kaohsiung City Government as guarantee for the losses suffered during the gas explosion disaster. Kaohsiung City Government has also filed civil lawsuits against CGTD, LCY and CPC Corporation. In addition, Taiwan Power Company applied to the court to execute provisional attachments on the properties of CGTD on August 27 and November 26, 2015, respectively. CGTD has provided a cash deposit of NT\$99,207 thousand to the court to avoid the provisional attachments. Taiwan Water Corporation applied to the court to execute provisional attachments on the properties of CGTD on February 3 and March 2, 2017, respectively. As of March 31, 2023, the property value impounded against CGTD amounted to NT\$11,161 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

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

As of March 31, 2023, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is

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NT\$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,470,793 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately NT\$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand. For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The remaining cases are still pending in the Court of First Instance (the amount claimed is approximately NT\$1,882,829 thousand). CGTD and its insurance company signed a settlement agreement, covering the proportion of the liability for negligence determined in the first-instance judgment, the estimated amount of the settlement with the victims and the severely injured, and the amount of compensation in civil cases (including cases that have been settled); after the maximum insurance claims is deducted, the estimated amount that should be borne by CGTD and has been recognized is NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

(XIII) Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc:

Climate change is a problem faced jointly by countries across the globe. In order to align with international trends and meet the requirements of sustainable development, the Legislative Yuan passed the third reading of the Climate Change Response Act on January 10, 2023. Faced with the impact of climate change, carbon reduction has become a common global goal. In order to strengthen efforts for carbon reduction, USI set the carbon reduction target "27% reduction in carbon emissions in 2030 from 2017" in early 2022, and has actively implemented corresponding response strategies and management mechanisms. The Group's nine domestic core production plants continue to implement ISO 14064-1 greenhouse gas inventory and verification, and have planned to implement carbon reduction plans. The Group has also actively developed external renewable power plants. As of the 2022, the cumulative generation capacity of solar power plants reached 5.9MW. As per the Group's carbon reduction target for 2030, the Company has reduced its greenhouse gas emissions by 16.9% from the base year (2017), and in the future will make even more active efforts to implement energy-saving carbon reduction plans, improve energy efficiency, use renewable energy and use low-carbon fuels, and implement carbon reduction targets to promote sustainable development. The Sustainability Council is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and assesses matters of climate change strategies and targets, climate change risk management, opportunity initiatives, and current implementation statuses, and

reports to the Board of Directors every year. The Company references the procedures for the identification of climate risks and opportunities set forth in the Task Force on Climate-Related Financial Disclosures (TCFD). Evaluation is conducted on the risks, opportunities, and financial impact for different departments, and response plans are also formulated. The Company plans to restart the full assessment every three years, and review and update it annually. The last assessment was completed in 2021. Became one of the 1,846 companies worldwide that support TCFD in November 2020. Participated in the annual Earth Hour event where all lights are turned off for one hour since 2018; joined the Carbon Neutrality Alliance in April 2022 and signed the Taiwan Chemical Industry Association (TCIA)'s Net Zero Emissions Declaration in August of the same year.

1. The Company's TCFD framework

Governance	Sustainability Council	The Sustainability Council is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and reports the implementation, plans, and actual performance in climate change in meetings every six months.
	Business Management Meeting	With the Chairman of the Board of Directors serving as the chair, regular meetings are held to discuss strategies and present results in the major policies for energy conservation and carbon reduction.
	Group-level environmental management quarterly meeting	The meeting is USI Group's highest energy management unit and it is responsible for reporting the implementation planning, progress, and decision-making to the Chairman of the Group each quarter.
	Group Green Energy Team	As the primary unit responsible for the promotion of green energy, the Group Green Energy Team reports monthly to the Chairman on the progress of green power development and future plans.
Strategy	Identify risks and opportunities	According to risk and opportunity items, each company identifies major items based on the probability and impact.
	Evaluate potential financial shocks	Potential financial impact evaluation is conducted for major risks and opportunities identified.
	Scenario analysis	Formulate net-zero solutions based on different scenarios.
Risk Management	Adoption of TCFD	Use the TCFD framework to identify risks and opportunities, communicate with main responsible units, and confirm with senior executives.
	Identification result report	While including the Company's annual risk management evaluation items, the General Manager reports to the Audit Committee and the Board of Directors every year on the status of control measures and management operations.
Indicator and target	The Group's carbon reduction target	Using 2017 as the base year, a carbon emissions reduction of 27% by 2030.
	Climate response strategies	Equipment replacement, installation of renewable energy equipment, optimization of production schedules, air conditioning planning of buildings, energy management systems, and extreme climate emergency response plan are included.
	Disclosure of greenhouse gas emissions	The Scope 1 and Scope 2 emission data are disclosed in the Sustainability report every year, Category 4 inventory continues to be enforced, and review of the reasons for the increase or decrease is conducted regularly.

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2. Identify climate risks and opportunities

The impact of climate change on operations has become increasingly severe. The Company shall carefully assess any possible risks and grasp potential new business opportunities. CGPC has continuously promoted energy conservation and carbon reduction plans in recent years. We have dedicated full efforts into increasing production capacity and efficiency, and replacement of old equipment with high-efficiency energy-saving equipment. The TCFD method was adopted to identify eight major risk items and ten major opportunity items and further classify them in terms of occurrence time. In the future, the Company will review the response actions year by year and establish a resilient climate change culture.

3. Potential financial impact of risks and Response measures

Type	Climate-related risks	Time scope	Risk/Degree	Potential financial impact	Response measures	Specific description of the Company
Transformation	Increased greenhouse gas emissions pricing	Short-medium term	Medium-high	Increase in capital expenditure Increased cost of operations	<ol style="list-style-type: none"> 1. Build an energy management system 2. Invest in green power, energy saving and carbon reduction facilities and increase the carbon fee cost 	The company's core business is based on the production and operation of products, for which electricity accounts for 7.9% of the production costs. In order to reduce greenhouse gas emissions, an annual electricity conservation target of 1% and a carbon reduction target for the year 2030 have been set. The Company financially quantifies carbon control risks, with the carbon fee mechanism set to be introduced in as soon as 2024. Assuming that a carbon fee of NT\$300 per ton is levied on direct carbon emissions and indirect carbon emissions from the use of electricity, in this scenario the Company would be levied nearly NT\$45 million.
	Increase in raw material cost	Short-medium term	Medium-high	Increased cost of operations Increase in capital expenditure	The Company will accelerate the schedule for AI introduction, improve the efficiency and reduce the loss from specification change of raw materials.	Ethylene is the major raw material for the Company's products. To diversify import sources of ethylene, the Company invested nearly NT\$8 billion and NT\$906 million in Gulei and the ethylene storage tank project of the Kaohsiung Intercontinental Dock, respectively. The recycling rate of raw materials was 11.9% in 2022, amounting to about NT\$1.45 billion.
	Stigmatization of the industry	Short-medium term	Medium-high	Asset value reduction Reduced profits	<ol style="list-style-type: none"> 1. Accelerate transformation 2. Investing in green equipment and using green products 3. Plastic recycling and reuse 	The High-Value Research and Development Center in which NT\$170 million was invested officially opened for operations in 2022, accelerating the progress of research and development.
	Greater obligation of emission reporting	Short-medium term	Medium-high	Increased cost of operations	<ol style="list-style-type: none"> 1. ISO 14064, promotion of Category 4, and ISO 14067 carbon footprint 	<ol style="list-style-type: none"> 1. The Company's Kaohsiung Plant completed guidance and inspection payments for ISO 14064-1 in 2022. 2. ISO 14067 certification is valid until March 2, 2024. As such, the

Type	Climate-related risks	Time scope	Risk/Degree	Potential financial impact	Response measures	Specific description of the Company
					<ul style="list-style-type: none"> verification of products. 2. Increase website and media disclosure 	Company's Renwu Plant does not need to conduct carbon footprint verification for products in 2022.
Physical	Changes in rainfall patterns and extreme changes in climate patterns	Short-medium term	Medium-high	<ul style="list-style-type: none"> Increase in capital expenditure Increase in operating expenses 	<ul style="list-style-type: none"> 1. The Company has built an AI water intelligence system, which can determine production response measures based on rainfall in the reservoir. 2. Promotion of ISO 46001 water efficiency management systems 3. Improve the wastewater recycling system and strengthen the operation management to increase the amount of recycled water 	<ul style="list-style-type: none"> 1. In case of water deficiency, the Company will buy water trucks. If the situation is severe, the Company will reduce production line output or suspend all productions. The water purchasing cost is expected to rise by NT\$100,000 every day. If it is necessary to stop a single production line, the loss will reach some NT\$2.50 million per day, and given a comprehensive business suspension, the loss will exceed NT\$10 million per day. 2. In 2022, the Company obtained ISO 46001 Water Efficiency Management System Certification 3. In 2022, 32,153 tons of recycled water were recovered, and in 2023, the amount of recycled water is expected to be increased by 2%, priced at NT\$12 per unit of tap water, saving NT\$385,836.
	Increased severity of extreme weather events, such as typhoons and floods	Short-medium term	Medium-high	<ul style="list-style-type: none"> Increase in capital expenditure Increase in operating expenses 	Increase flood prevention and drainage facilities	To reduce the loss of business suspension due to flooding, the Company has successively earmarked a budget of NT\$14 million and increased flood prevention and drainage facilities, or the loss given a business suspension will reach some 650 tons.
	Rising sea levels	Long-Term	Medium-high	<ul style="list-style-type: none"> Increase in capital expenditure Increase in operating expenses 	<ul style="list-style-type: none"> 1. Equipment base height 2. Increase flood prevention and drainage facilities 	They are intended to adapt to changes in rain patterns, extreme changes in climate models and rising synchronization of extreme climate events like hurricane and flood.
	Rising average temperatures	Long-Term	Medium-high	<ul style="list-style-type: none"> Increase in capital expenditure Increase in operating expenses 	<ul style="list-style-type: none"> 1. Adopt environmental protection heat insulation coating, reduce VA gas emissions, save on air conditioner 2. Change the frequency controls for cooling water towers, and strengthen heat preservation and cold preservation measures for pipelines and equipment 	They are intended to adapt to changes in rain patterns, extreme changes in climate models and rising synchronization of extreme climate events like hurricane and flood.

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4. Potential financial impact of opportunities and Response measures

Type	Climate-related Opportunities	Time Scope	Risk/ Opportunities	Potential financial impact	Response measures	Specific description of the Company
Resource efficiency	Reduction of water use and water consumption	Short-medium term	Medium-high	Increase in capital expenditure Lower operating costs	<ol style="list-style-type: none"> 1. Invest in wastewater recovery facilities 2. Use process equipment and operation improvements to reduce steam volume 3. Continuously develop reduction plans for water consumption 	<ol style="list-style-type: none"> 1. In 2020 NT\$1.6 million was invested to improve the process of steam condensate recovery, for which the annual recovery volume was 17,500 metric tons. In 2022 process operations were improved to reduce steam, saving 3,403 metric tons of water. 2. Continuously develop reduction plans for water consumption
	Recycling and reuse	Short-medium term	Medium-high	Increase in revenue Lower operating costs	<ol style="list-style-type: none"> 1. Wax processing and reuse 2. Improvement of raw material recovery 	<ol style="list-style-type: none"> 1. The cost of wax recovery equipment was NT\$776,574. In 2022, the total wax waste recovered was 17,650 kg, leading to a profit of NT\$35,300 and saving about NT\$1 million in waste wax treatment. 2. The raw material recovery rate was 13.1%.
Energy source	Participation in carbon trade markets	Medium-long term	Medium-high	Increased cost of operations	Continuously track relevant laws and regulations and seek transaction opportunities	The Company has continuously tracked relevant laws and regulations and seek transaction opportunities and participated in relevant workshops and meetings from time to time.
	Use of low-carbon energy	Short-medium term	Medium-high	Increased asset value	Implementation of renewable energy plan within three years	Continuously assess and find appropriate solutions and aim to implement renewable energy plan within three years.
	Use of new technologies	Long-Term	Medium-high	Increase in asset value Lower operating costs	<ol style="list-style-type: none"> 1. Continuously improve carbon utilization in the process 2. High efficiency of investment 3. Purchase green energy labelled equipment 	The Company has continuously watched the energy consumption status of various equipment items and formally launched the intelligent plant system in 2021.
	Adoption of incentive policies	Short-medium term	Medium-high	Decreased capital expenditure	Support for the Renewable Energy Development Act	Support for the Renewable Energy Development Act and implementation of responsive action

Type	Climate-related Opportunities	Time Scope	Risk/ Opportunities	Potential financial impact	Response measures	Specific description of the Company
Products and services	Development of New Products and R&D and Innovation of Services	Medium-long term	Medium-high	Increase in asset value Increase in revenue Increase in capital expenditure	Expand into new markets, industrial transformation, develop plastic reduction and low energy consumption products	Expand into new markets, industrial transformation, the new R&D center began operations in 2022
	Changes in consumer preferences	Long-Term	Low-medium	Increase in revenue	Development of CBC new material	The Company has developed the CBC new material to respond to the epidemic.
Resilience	Participation in renewable energy items and adoption of energy conservation measures	Medium-long term	Medium-high	Increase in asset value Lower operating costs	Continuous participation in related events	Continuous participation in related events, continuous local procurement and implementation of green procurement.
	Energy alternation/diversification	Medium-long term	Medium-high	Increase in asset value	Green power investment	Actively find suitable sites for investment in green power development plans. A total of 5.9MW of solar power generation capacity was invested in 2022.

5. The Group's companies continue to invest in innovative materials and products to reduce the impact of climate change

(1)The temperature in Taiwan hits new highs every summer. The extreme high temperature constantly reminds us of the threat of global warming. As such, the Company has developed in succession products that are environmentally friendly, green, and energy-saving. The latest cooling technology product developed by the Company, Cooltact™ contains special cooling ceramic materials which can effectively reduce the absorption of heat energy by colorants. Cooltact™ can be applied to a variety of material surfaces. It can not only achieve bright colors, but also has the property of slowing down the temperature rise of the surface under sunlight, which greatly increases the comfort of skin contact. According to the test results of the ASTM D 4803-10 standard, synthetic leather introduced with Cooltact™ technology can effectively reduce the temperature by up to 20°C. Due to the reduction of heat energy absorption, it can greatly reduce the aging phenomenon of materials caused by heat, prolong the service life of products, and reduce the impact of product replacement and waste on the environment. At present, this technology has been applied to motorcycle seats, ship seats, outdoor sofas and other purposes.

(2)According to the statistics of the Food and Agriculture Organization of the United Nations, the proportion of vegetables and fruits that are discarded or worn out is as high as 45%. The Company has developed fresh-keeping technology for vegetables and fruits, which can absorb the aging hormones in plants, prolong the fresh-keeping period of vegetables and fruits, and

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then reduce the proportion of food waste. It is a reusable PE bag material, which can also reduce waste of resources indirectly. The cut surface of the meat is exposed to oxygen, which increases oxidation and causes the meat to deteriorate. Therefore, blocking oxygen becomes very important for the preservation of meat products. The company has developed a food lock bag that is 500 times better than the commercially available oxygen barrier technology. It completely isolates oxygen, delaying the deterioration and oxidation of meat and thereby improving the quality of meat preservation. It can also be reused to extend the shelf life of meat.

(3)The highly weather-resistant reflective anti-corrosion coating system is a breakthrough coating technology. It simultaneously has the three functions of sun protection, corrosion protection and weather resistance. The use of a low-solvent design reduces the air pollution caused by the volatilization of organic solvents. The topcoat has a total sunlight reflectance of 90%, which can greatly reduce the temperature in the tank, maintain the quality and stability of the chemicals in the tank, and reduce the emission of VOCs.

(XIV)Risks of environmental, social and corporate governance issues:

To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. In 2020, the Board passed the "Regulations Governing Risk Management Policy and Procedures," which stipulates that the General Manager's Office should supervise the operation of the various risk management units, regularly assess risks annually, define the various risks pertaining to the Company's overall operating directives, and early identify, accurately measure, effectively supervise, and strictly control the risk management, and thereby prevent any possible losses within tolerable risks. The Company always keeps an eye on the evolution of risk management systems at home and abroad to review and improve this Policy, and keeps adjusting and best improving the risk management methods based on changes in internal and external environment, so as to raise the implementation effectiveness of the Company's risk management, thereby protect the interest of the Company, employees, shareholders, and stakeholders.

The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website. The management policies or strategies to various risks at this stage are as follows:

Risk Categories	Risk Profile	Risk Management Policy or Strategy
Financial risks	Risk of interest rate changes	<p>Due to the COVID-19 pandemic and the Russian-Ukrainian war, global commodity prices have soared, causing inflation to rise and central banks to raise interest rates to curb inflation.</p> <ol style="list-style-type: none"> As to short-term borrowings in the NT\$, the Company will closely monitor the changes in the overnight interbank offering rate published by the Central Bank of the Republic of China and the interest rate on the negotiable certificate of deposit with different terms published by the central bank and moderately adjust the borrowing term to effectively reduce the cost. For medium- and long-term capital needs, the Company obtains medium- and long-term lines of credit from financial institutions during periods of rising

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>interest rates or issues common bonds at appropriate times to lock in capital costs at fixed interest rates to avoid the risk of future interest rate increases. The Company has increased the levels of the lines of credit, adjusted the proportion of short, medium, and long-term borrowings, and kept the application rate of short-term lines of credit at no higher than 50%, making the overall financial structure more prudential and reducing the risk of interest rate fluctuation.</p>
	Risk of exchange rate changes	<p>The U.S. Federal Reserve raised interest rates sharply in order to fight inflation, resulting in great volatility in the international foreign exchange market. In principle, to avoid risks foreign exchange operations use 100% of the Company's net positions; however, when the exchange rate market trend is obviously beneficial to the Company, the hedge ratio will be appropriately adjusted in accordance with the controllable risk range.</p>
	Risk of property loss	<p>The COVID-19 epidemic has posed a very small impact on the property loss risk. The Company has purchased various property insurances based on the size of the Company's business assets and replacement costs to transfer risks to insurance company appropriately.</p>
	Risk of endorsement and guarantee	<p>Endorsement beneficiaries of the Company are the subsidiaries 100% and 99.96% owned by the Company, which helps reduce capital costs and increase flexibility in capital movement. They are consistent with the Company's current operational strategies and whether the risks the Company bears are under the tolerable level by the Company. During the epidemic, the Company closely monitored the use of guarantee limit to avoid an increase in the default risk due to the credit expansion while not affecting the business operation.</p>
	Risk of accounts receivable	<p>For a customer making an overdue payment, the Company will suspend the shipment, visit the customer immediately to find out the reason for overdue payment and assess whether the customer's payment is abnormal. If necessary, the Company will initiate the preservation procedure to conduct a false attachment on and seal the customer's properties. The Company holds a monthly meeting to assess the customer's operating status or analyze its financial report. If anything is found to have gone wrong with the customer, the Company will suggest suspending the shipment or reducing the line of credit.</p> <p>For a domestic sales customer, the Company will require an additional substantive guarantee as well as qualified joint and several guarantors. For an overseas sales customer, the Company will seek to increase the line of credit insurance and increase the country purchasing the credit insurance (such as Nepal and Egypt).</p>
Risk of strategy and operation	<ul style="list-style-type: none"> • Risk of strategy and operation • Industry risk • Investment Risks 	<ol style="list-style-type: none"> 1. The Company's Sustainability Council identifies major issues, proposes short, medium and long-term goals for each major issue, and regularly reviews performance. 2. Following internal evaluation and analysis, the Company invested in a rooftop solar field in the central region. 3. In March and August, the operating units of the Company held the respective meetings of the Board of Directors and the Sustainability Council and completed their CSR report, which covers the strategic planning, annual plan, special plan and other issues.
Risk of material prices and supply chains	Change in material prices	<p>In 2022, the market was affected by the war and the epidemic, and the fluctuations in the price of raw materials increased. The purchase price was set at a fixed price or purchased in batches based on formulas with set parameters, which can effectively reduce inventory risks. At the same time, purchases from different regional sources reduced the impact of price changes.</p>
	Material inventory and logistics management	<p>This year marks the third year since the outbreak of the pandemic. The delay in international shipping due to the impact of the epidemic has gradually eased, but downstream demand has changed rapidly, resulting in an increase in the inventory of some raw materials. After coordinating with factories and suppliers to delay delivery or cancel some orders, inventory and price risks were reduced. At the same time, alternative testing is still being actively promoted, and goods from different sources have been introduced to increase inventory stability.</p>
	Production equipment spare parts planning	<p>Important equipment that are custom-made products and long lead times have set inventory requirements for spare parts. Procurement Department II continues to remind purchasing units to increase inventory for spare parts and open purchase requisitions in advance, and regularly checks purchase order times and manufacturer's delivery dates. Most of the important equipment and spare parts do not have an overdue delivery status, but spare parts for packaging machines</p>

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>remain overdue due to the impact of the epidemic and the Russian-Ukrainian war on the supply of raw materials. The overdue status has not affected the operation of the factory area.</p>
Occupational safety risk	Occupational accidents of employees and contractors in the operation process	<ol style="list-style-type: none"> 1. The Chairman of the Group signed and issued the "Safety Philosophy of USI Group" on March 31, 2020, and the Company's top executives signed the "Letter of Commitment of USI Group on Zero Workplace Disaster and Safety" on March 15, 2022. 2. Continue to promote the five-zero goals for environmental safety (zero pollution, zero discharge, zero occupational accidents, zero accidents, and zero breakdowns), and introduce a process safety management system to reduce the probability of accidents through system construction optimization, data quantitative analysis, and cross-audits of the factory area . 3. The Kaohsiung Plant promoted the ISO 45001 occupational safety and health management system, arranged internal audits every month, completed external audits in April, and conducted follow-up tracking for audit observations. The overall implementation results were stellar. Continue to implement the process safety management system (PSM), and conduct PSM education and training to strengthen occupational safety and health management. 4. <ol style="list-style-type: none"> (1) Contractors participate in environmental safety and health education and training before entering the factory. Through continuous training, advocacy, and setting of requirements, contractors are urged to comply with various safety and health regulations and achieve the goal of zero accidents. (2) Security guards supervise the entry of contractors into the factory and manage vehicle control, conduct alcohol testing operations in a timely manner, and ensure the safety status of people and vehicles entering the factory. (3) Ensure the contracting work environment and hazard notifications, and arrange work safety meetings as well as protocol meetings. Strengthen the toolbox meeting for the management of each work permit; announce and explain the contents of operations, potential hazards of the working environment, and safety protection and regulations; and complete the safety inspection of on-site construction equipment and tools. (4) The Labor Safety Section conducts inspections for various operations on site every day to reduce the occurrence of unsafe conditions and behaviors on site. 5. From September 22 to 23, 2022, the Group's annual environmental safety audit plan was implemented at the Kaohsiung Plant, during which compliance with industrial safety and health, environmental protection, and fire protection regulations was checked (or checked for legal compliance). The Kaohsiung Plant also implemented follow-up tracking based on the deficiencies found in the Group's audit. 6. <ol style="list-style-type: none"> (1) Every year, the Kaohsiung Plant legally holds relevant workplace safety and health licenses, organizes incumbent education and training, identifies laws and regulations related to the plant contained in the new announcement, and reports them to the quarterly meeting of the Environmental, Safety and Health Management Committee. (2) In 2022, environmental safety awareness and training programs were implemented, including courses such as accident investigation and drills and equipment degradation and corrosion mechanisms, etc., to enhance colleague's environmental safety professional knowledge and skills. 7. The Company adheres to safety and health management rules, process hazard analysis guidelines, safety, health, fire and environmental management education and training guidelines, occupational safety and health hazard identification and opportunity assessment and control management guidelines, various operating standards, and emergency response plan guidelines, etc. 8. The Engineering Department and the production units have thoroughly performed preventive equipment repair and PDA inspection.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 9. In 2022, the Kaohsiung Plant conducted 2 emergency response and fire drills, 1 planned emergency response to toxic chemical substances, 2 emergency response drills on toxic chemical substances without warning, and also conducted 3 emergency response equipment trainings to strengthen personnel emergency response. 10. Corresponding response measures were implemented according to the Statement on Preventive Measure and Response against Severe Special Contagious Disease formulated for the Kaohsiung Plant. 11. The Group's annual Factory Technical Exchange Seminar was held in 2022. Exemplary cases were presented, among which the best were selected and given awards to encourage plants to continue to implement and improve industrial safety and environmental protection, equipment pre-insurance, energy conversation, and carbon reduction. 12. The number of major occupational accidents and the cumulative number of safety days in each plant of the Group are counted every month. Every time the accumulated safety days for a plant reaches 1,000 days, the plant is given a performance trophy and publicly commended. 13. The Group's Information Technology Division was requested to assist in the establishment of the "USIG Environmental Safety Instant Notification" platform, a major occupational accident notification platform of the Group. The platform was officially launched on June 27 this year. 14. Annual environmental safety professional training was held in the southern and northern Districts. The courses included southern district hot fire management, environmental safety responsibilities of supervisory personnel, FTA techniques for investigating the causes of disasters, and fire extinguishing skills. 15. In response to major occupational accidents that occurred within the Group, advocacy materials were produced and provided to each factory to learn from the accidents and prevent similar accidents from recurring. 16. Publicize the CCPS "Process Safety Beacon" e-newsletter at the beginning of each month and periodically publicize major industrial environmental safety news at home and abroad for reference and to prevent similar accidents by learning from other accidents. 17. In the first quarter of this year, no-warning tests were conducted to assess the fire emergency response capabilities of Linyuan No. 4 Plant and Taiju Kaohsiung Plant. Afterwards, special training classes were held for fire commanders in two stages on August 23 and August 29 in order to enhance the fire command capability of each factory. 18. The Group holds quarterly resource integration conferences at the southern plant area, during which various departments under the Environmental Protection Division deliver work reports to communicate and advocate the various environmental safety work promoted by the Group.
Information Security Risk	Security protection of information maintenance and operating systems, production industrial control systems, sensitive data, and customer transactions	<ol style="list-style-type: none"> 1. Due to the advancement of technology, the information security risks borne by enterprises are increasing day by day. According to the statistics of information security insurance claims, 54% of breaches are through phishing emails, 28% through remote access, 6% through other social engineering techniques, 3% through the supply chain, and another 3% through brute force techniques. At present, all email services have been fully transferred to Microsoft M365 cloud email hosting service operations. Through the enterprise-level in-depth protection mechanism it provides, emails are effectively protected from the loss of sensitive data and business losses caused by malicious phishing emails and ransomware. As a result, the mail system is effectively protected from threats and external information security attacks. 2. Introduce endpoint detection and response software (EDR) into important system service hosts to block the execution of potential viruses and malicious programs, and issue alarms for external attacks. 3. Replace and update the next-generation external firewall device. Through the L7 protection function of the device, improve the executive efficiency of filtering incoming and outgoing packets, and reduce the risk of system vulnerability exposure. At the same time, provide functions such as intrusion detection and defense, web page type filtering, malware analysis and blocking, and network behavior analysis to strengthen the information

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<p>security of usage environments inside and outside the company. And during the epidemic, colleagues can work remotely in a secure environment (SSL VPN).</p> <ol style="list-style-type: none"> 4. Every year, the Company periodically engages an internationally famous company to assure the Company's implementation of the ISO-27001 certification. This year, the Company has passed the ISO-27001 certification for nine consecutive years. The Group's internal audit department performs two information security audits every year. 5. For the main system hosts, implement privilege controls for maintenance personnel. Based on the principle of least privilege, clarify management rights and responsibilities to avoid maintenance risks caused by the expansion of privileges. 6. Use the springboard mechanism to effectively manage maintenance personnels' entering into the system host through use of the least privilege method, and establish a permission management team to avoid unauthorized personnel from entering into the system host. 7. Conduct comprehensive asset and security inventories for the Group's OT equipment (Operation Technology, industrial control system equipment). 8. The Company periodically implements the disaster recovery drill for the Group's critical systems hosts, and reinforces system recovery speed and capacity. The Group observes the 3-2-1 backup principle for key system data in the hope of quickly recovering the normal working status and ensuring the sustainable operation capacity in case of a disaster. 9. The server hosts of important service systems are assigned to a professional information security consulting firm to perform vulnerability scanning to identify potential risks for correction and strengthen the ability to block hacker attacks. In addition, security parameter settings are checked and corrections are made for imperfections for important network equipment (routers, firewalls). 10. The Company has enlarged the scope of implementation of the sensitive information monitoring system and exerted control over portable storage device (such as USB flash disk) to avoid unauthorized access and drainage of sensitive information. The Company also strengthened the monitoring of the network for abnormal access flow and strictly exerts access security control. 11. Two-factor authentication is implemented to strengthen the security management of personal accounts. 12. The Company periodically organizes educational and training events, communicates new knowledge on information security and reinforces the information security education. We appoint professional information security consulting companies to organize the social work drill twice every year to effectively raise employees' information security awareness and ensure data security. 13. Upgrade the AD host system and simplify the tree structure in order to strengthen management and reduce opportunities for hackers due to information security vulnerabilities in the operating system. 14. Store wireless hotspots in the firewall for control and management, and plan a dedicated network segment to ensure that all connections can be made under safe protection to avoid hidden information security loopholes. 15. Implement in-depth defense measures on the settings and structures of network and information security-related equipment such as firewalls, routers, and core switches, and used the "Best Management Practices" as a standard to assess the degree that system security parameters need to be strengthened. 16. In accordance with the requirements of the Financial Supervisory Commission, establish a dedicated information security unit, and appoint information security chiefs, supervisors, and personnel, etc. to be responsible for the planning, monitoring, and implementation of information security management operations and supervision.
Legal risk	Compliance risk	<ol style="list-style-type: none"> 1. This year, the Legal Division provided timely written and oral consultations as well as response suggestions regarding those legal questions advanced by different user units, and ensured that the activities of the Company complied with legal provisions.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 2. The Company conducted overall assessment and researched relevant overall solutions in relation to the latest important laws and policies at home and abroad to provide related people of the Company for reference at an appropriate time. 3. When necessary, the Company will solicit opinions from competent authorities or external parties to confirm whether relevant legal opinions are appropriate. 4. Operations were normal this year.
	Transaction risk	<ol style="list-style-type: none"> 1. The Legal Division accepts the preparation and review of legal documents related to various transactions, fully understands the background fact, our stance and contracting purpose through individual discussion or meeting and provides appropriate and feasible suggestions to promote the completion of transaction while ensuring the Company's interests and avoid the derived default risk and liability. 2. Pursuant to regulations of the Company, special person is designated to manage and use the seals of the Company, and the Legal Division requires the clarification or supplement of noncompliant legal or contractual documents to well perform the management responsibility. 3. Operations were normal this year.
	Dispute resolution	<ol style="list-style-type: none"> 1. Provide written or oral advice to assist user units in responding to inquiries from competent authorities. 2. No lawsuits were filed by the Legal Division this year.
	Awareness and behavior of compliance	<ol style="list-style-type: none"> 1. Assist relevant units in holding internal education and training programs; participate in educational and training events organized by competent authorities or external institutions; timely remind and reinforce legal risk awareness among colleagues of different departments through individual discussion, meeting discussion, or opportunity when the legal assistance is provided; and internalize the awareness in the daily working behaviors of colleagues, thereby reducing the risks of the Company. 2. Operations were normal this year.
Human resources risks	Risk of human resource shortage	<ol style="list-style-type: none"> 1. The Company has continuously updated relevant information on its human resource website, CSR website and FB community website.
	Risk of increase in labor costs - backlog risk	<ol style="list-style-type: none"> 2. Set up the training map and make the plan: CCPG's training and education is divided into new personnel training, core and managerial function training, professional function training, common sense courses, and language courses, etc. according to common scope and course targets. There are also different units responsible for training and education.
	Risk of employee turnover	<ol style="list-style-type: none"> 3. In 2022, the Company has promoted a total of 3 persons and held 1 meeting of the Talent Promotion Review Committee. 4. Pursuant to the annual human resource management cycle, the Company periodically updates and reviews the human resources plan for next year every December. 5. Pursuant to the annual human resource management cycle, the Company periodically updates and reviews the list of successors for next year every December. 6. In 2022, the Company has held a total of 1 labor relationship meeting, 1 members' conference and 4 meetings of directors and supervisors in order to establish good cooperation between the capital and the labor through frequent communication and interaction. 7. The Company sets the annual accrual ratio of employees' remuneration to reasonably distribute the operating income and share the operating result with all employees. 8. The Company has set the working rules according to the Labor Standards Act and some welfares are even superior to those specified by the act. As to award, the Company has the performance award encouraging the output increase, the attendance check award encouraging attendance, the end-of-year award related to the net operating profit, and allocating surplus as employee bonuses, which are all based on regulations and policies.
	Compliance risk	<ol style="list-style-type: none"> 1. The Company has formulated the Code of Honest Operation, the Operating procedure and Behavioral Guide to Honest Operation, and the Group has formulated the Codes of Ethical Conduct for Directors and Managerial Officers and the Code of Conduct for Part-time Employees.

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Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 2. In 2022, the Company held 2 ethics seminars and recorded a total of 93 participants and a total of 218 training hours. 3. In 2022, the Company has organized a total of 1 courses promoting the Labor Standards Act and recorded a total of 5 participants and a total of 15 training hours. 4. The Company has engaged Yu Heng Attorneys-At-Law to serve as the legal consulting team of the Company to ensure that all human resource management measures and procedures of the Company comply with laws and regulations. 5. The Group has set the Audit Department and engaged professional auditors to ensure that all operating measures of the Company are legitimate and compliant with corporate specifications. 6. In 2022, the Company organized a total of 2 internal audits of the ISO, a total of 30 internal audits regarding the remuneration operation every month, one external audit by PwC Taiwan and one external audit of SGS.
Research and development risk	<ul style="list-style-type: none"> • Product technology risk • Market risk 	<ol style="list-style-type: none"> 1. Add confidential watermarks to relevant R&D meeting and briefing materials to strengthen statement of data confidentiality. 2. Confirm and regularly update the data access permissions for WSS project systems. 3. Far Eastern New Century, a major HD customer, continues to be affected by market competition. As a result, its purchase volume this year has decreased compared to last year. Since the J catalyst project for plant No. 2 has been completed, the plant has been actively creating new orders for HD protective films and striving to win back two-way LLD customers in order to make up for the reduced orders of Far Eastern New Century. 4. Continue to promote high VA products
Environmental and Energy Resource Risks	Environmental impact of carbon emissions from operating processes	<ol style="list-style-type: none"> 1. Reference TCFD and international research reports to identify climate change risks and opportunities and devise major projects based on the likelihood of occurrence and impact. Conduct potential financial impact evaluation for the year 2022 on major operating risks and opportunities identified. Report the identified major risks and opportunities and explain response measures to the annual ESG Committee 2. The Group sets an average energy conservation rate of 1.2% or more from 2020 to 2025, and conducts reviews every three years. In addition, the Group re-assessed the carbon reduction target based on its carbon emission structure, setting a carbon reduction target of 27% by 2030 (as compared with the base year 2017), actively implemented corresponding response strategies and management mechanisms, and required domestic core production plants to fully Implement greenhouse gas inventory and verification work, plan and implement relevant action plans, and actively participate in the Group's renewable energy planning and development. 3. In order to effectively manage energy performance, continuously improve and promote the establishment of the ISO 50001 energy management system in plants. At present, 9 USIG plants have passed the verification process. The Group will continue to carry out actions of energy conservation and carbon reduction in hopes of exerting an influence and reducing environmental impact. 4. Continue to pay attention to and grasp the changes in policies and regulations related to energy and carbon reduction, actively participate in public hearings on new (revision to) relevant laws and regulations such as the Climate Change Response Act, and evaluate the impact and response of changes in laws and regulations. 5. The Group carried out the annual Group Plant Visit Plan for Energy Conservation and Carbon Reduction. On July 14 this year, a visit was made to the Kaohsiung Plant to advocate energy conservation and carbon reduction trends and policies. Discussion at the meeting mainly focused on efficiency testing for existing equipment, energy-saving measures, on-site surveying of compressed air and steam leakage, and regular follow-up tracking was implemented after the meeting. 6. The Group's annual Factory Technical Exchange Seminar was held in 2022. Exemplary cases were presented, among which the best were selected and given awards to encourage plants to continue to implement and improve

Risk Categories	Risk Profile	Risk Management Policy or Strategy
	Environmental pollution caused by operating processes	<p>industrial safety and environmental protection, equipment pre-insurance, energy conservation, and carbon reduction.</p> <p>7. The Group participated in the regular meetings of the Task Force on the Response of the Petrochemical Industry to Temperature Control Laws and the regular meetings of the Task Force for Industry Net Zero Carbon Emissions Promotion of the Consultation Meeting for Key Players of the Petrochemical Industry, and made continued efforts to cooperate with national policies.</p> <p>1. The Company did the workplace health and safety work in accordance with the Group Health, Safety and Environmental Guide.</p> <p>2. The Kaohsiung Plant promoted the ISO 14001 environmental management system, arranged internal audits every month, completed external audits in April, and conducted follow-up tracking for audit observations. The overall implementation results were stellar.</p> <p>3. From September 22 to 23, 2022, the Group's annual environmental safety audit plan was implemented at the Kaohsiung Plant, during which compliance with industrial safety and health, environmental protection, and fire protection regulations was checked (or checked for legal compliance). The Kaohsiung Plant also implemented follow-up tracking based on the deficiencies found in the Group's audit.</p> <p>4. (1) Every year, the Kaohsiung Plant legally holds relevant workplace safety and health licenses, organizes incumbent education and training, identifies laws and regulations related to the plant contained in the new announcement, and reports them to the quarterly meeting of the Environmental, Safety and Health Management Committee. (2) In 2022, environmental safety awareness and training programs were implemented, including courses such as accident investigation and drills and equipment degradation and corrosion mechanisms, etc., to enhance colleague's environmental safety professional knowledge and skills.</p> <p>5. Continue to pay attention to and grasp the changes in environmental protection regulations, and through public associations, actively participate in public hearings on new (revised) environmental laws and regulations held by competent authorities.</p> <p>6. Record monthly statistics on the environmental fines and violations for each of the Group's factories. Implement self-review for each plant, and if the same problems reoccur, implement improvement measures immediately, so as to avoid recurrence in the Group's other plants factories and continuously improve the Group's environmental protection performance.</p> <p>7. Organize annual environmental safety professional training, and hold training courses such as southern district hot fire management, environmental safety responsibilities of supervisory personnel, and FTA techniques for investigating the causes of disasters. Through continuous training, raise the environmental safety and environmental awareness of plants, enhance professional knowledge of industrial safety and environmental protection, and strengthen fire fighting skills.</p> <p>8. In response to news of major environmental accidents within the Group as well as domestically and abroad, prepare one-page advocacy documents and reminders and provide them to the Group's plants for reference, so that they can learn from accidents and prevent similar accidents from happening.</p>
Climate change risks	<ul style="list-style-type: none"> • Water resource management • Carbon neutral/Carbon tax 	<p>1. Continue to pay attention to and grasp the changes in policies and regulations related to energy and carbon reduction, actively participate in public hearings on new (revision to) relevant laws and regulations such as the Climate Change Response Act, and evaluate the impact and response of changes in laws and regulations.</p> <p>2. ISO 46001—Water resource efficiency management systems certification was completed in March 2022. Through the review of the comprehensive water usage situation of plants and systematic water management, water risks and opportunities were identified, planned, managed, and improved. In this way, the management of water resources needs can be optimized, which can help to effectively achieve the goals for measures such as water conservation and emission reduction, improve water resource utilization efficiency, and reduce costs.</p>

Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information



Risk Categories	Risk Profile	Risk Management Policy or Strategy
		<ol style="list-style-type: none"> 3. The Group has set a carbon reduction target of 27% for the year 2030 as compared to 2017, implemented corresponding response strategies and management mechanisms, actively invested in the Group's renewable energy planning and development, and required domestic core production plants to fully implement the greenhouse gas inventory and verification work, and plan and implement relevant action plans. 4. The Group carried out the annual Group Plant Visit Plan for Energy Conservation and Carbon Reduction. On July 14, a visit was made to the Kaohsiung Plant to advocate energy conservation and carbon reduction trends and policies. Discussion at the meeting mainly focused on efficiency testing for existing equipment, energy-saving measures, on-site surveying of compressed air and steam leakage, and regular follow-up tracking was implemented after the meeting. 5. The Group's annual Factory Technical Exchange Seminar was held in 2022. Exemplary cases were presented, among which the best were selected and given awards to encourage plants to continue to implement and improve industrial safety and environmental protection, equipment pre-insurance, energy saving and carbon reduction. 6. The Group participated in the regular meetings of the Task Force on the Response of the Petrochemical Industry to Temperature Control Laws and the regular meetings of the Task Force for Industry Net Zero Carbon Emissions Promotion of the Consultation Meeting for Key Players of the Petrochemical Industry, and made continued efforts to cooperate with national policies. 7. Reference TCFD and international research reports to identify climate change risks and opportunities and devise major projects based on the likelihood of occurrence and impact, 8. In response to the opportunity for energy transformation provided by climate change, the Group is actively planning for the on-site development of new energy sources. Solar photovoltaics will be the focus at the initial stage, after which other new energy opportunities will be researched and analyzed.
Risk of disasters and accidents	<ul style="list-style-type: none"> • Risk of not tracking and reviewing the causes of accidents and improvement plans • Risk of operation and property/personnel loss • Risk of employee job hazard • Risk of operation interruption 	<ol style="list-style-type: none"> 1. In 2022, the Company revised the methods for accident investigation and the investigation and management of false-alarm accidents, and re-examined the procedures for accident investigation, including both accidents and false-alarm accidents. Education, training, and drills were also held on accident investigation and analysis techniques in order to strengthen professional knowledge and skills for accident investigation. 2. Regularly track the progress internal and external audits to maintain the validity of ISO 14001 and ISO 45001 certificates. Continues to promote the strengthening of occupational health management and PSM. 3. In 2022, revisions were made to "Measures for Emergency Preparedness and Response Management" and "Emergency Response Plan and Procedures" in an effort to reassess the organization structure for emergency response organization and strengthen the reporting process for emergency response. The goal is that organizational members can be quickly mobilized in the event of an emergency and take correct actions to effectively control disasters and reduce losses. 4. In 2022, the Kaohsiung Plant conducted 2 emergency response and fire drills, 1 planned emergency response to toxic chemical substances, 2 emergency response drills on toxic chemical substances without warning, and also conducted 3 emergency response equipment trainings to strengthen personnel emergency response. Environmental safety and fire trainings are held in the quarterly safety meetings of each unit to enhance colleagues' environmental safety culture and knowledge. 5. The Repair section carries out the repair and maintenance of machinery and equipment according to the annual repair and regular maintenance plan. 6. The Company continues to take out public liability insurance, toxic chemical substance operators liability insurance, transportation insurance, and operation interruption insurance to reduce operational losses.
Technology risk	Triggering of information security	<ol style="list-style-type: none"> 1. In response to the COVID-19, the Company has implemented the WFH (Work From Home) policy, and employees have substantially increased the connection with the Intranet through the VPN (Virtual Private Network),

Risk Categories	Risk Profile	Risk Management Policy or Strategy
	risks by use of new technologies	<p>RDS (Remote Desktop Service) or BYOD (bring your own device) device. For such behavior, the Company has implemented the basic endpoint protection for devices by, for example, installing antivirus software. At the same time, the Company has strengthened the awareness of information security in the Internet use among employees and avoid the loss of the Company and employees due to the network attack.</p> <ol style="list-style-type: none"> 2. The five functions of the National Institute of Standards and Technology (NIST) CSF (Cybersecurity Framework) of identify, protect, detect, response, and recover was used as a basis and simplified into a practical and implementable three-stage defense system for the Company; that is, the three stages of before, during and after. 3. The continuous threat protection process, which features overall protection, is more important than preventing ransomware attacks that have caused big losses from time to time in recent years. Therefore, the Company has made the ISO-27001 and NIST CSF frameworks supplement one another to improve the cyber lexicon, and expected to gain the capacity to tolerate and resist an information security event, realize quick recovery and continuously provide key operation services. 4. Risks are governed for the introduction of digital transformation. The Board of Directors plays a key role in focusing on organizational risks and executing decisions and priorities. 5. Conduct a comprehensive inventory of equipment that may be used as a major vulnerability attack on Apache Log4j, and protect them through various means such as firewalls, log4j*.jar, Apex One, and CrowdStrike; change the file name and extension of the log4j-core file, and move it to a separate folder in the root directory of D slot; and update the Treat or IPS version of the firewall. Apex One activates protection policies through Central, and CrowdStrike activates protection policies.
	Lagging in response to market consumption habits and production technology	<ol style="list-style-type: none"> 1. The Company continued to expand the market application of high VA EVA products to inks, shoe foaming, and wires and cables. 2. Successfully developed new high-fluidity PE products, which have been able to be stably mass-produced for customer orders. 3. The new catalyst system was completed and officially put into production 4. Complete the existing PSI program, preliminary database, and relevant data audit and collection and education and training.
Other risks	Environmental incidents	<ol style="list-style-type: none"> 1. No major environmental water pollution incidents occurred this year. When a pollution incident occurs, the water pollution response plan is used as the basis of response. 2. This year, the Company completed training, drills, and education campaigns for toxic chemical disaster prevention and rescue, including 2 no-warning tests and 1 comprehensive drill. 3. Manage waste storage, removal, and disposal according to the waste cleanup response plan, and complete records, statistics, compilation, and reporting. No inconsistencies were found in the monthly on-site audits conducted this year. 4. The factory has established crisis handling measures and emergency preparedness and response management measures. A crisis handling team has been established for emergencies or crisis incidents, and carries out relevant notification and crisis response work.
	Transportation safety - underground pipes	<ol style="list-style-type: none"> 1. Use the framework for underground pipeline integrity management systems formulated by the Economic Development Bureau of the Kaohsiung City Government as a basis; complete the Economic Development Bureau and the Industrial Development Bureau's audit and review processes, and make responses based on the review opinions. 2. In response to the earthquakes of magnitude 4 or above in Nanzi District, Kaohsiung City, emergency inspections for natural disasters and contingencies were initiated to confirm the integrity of pipeline transportation, and the routes and efficiency of emergency inspections for natural disasters were evaluated and improved. 3. The various plants of regionally allied organizations jointly entrusted a professional information security company to perform daily monitoring and irregular inspections. 4. Irregularly monitor third-party excavations to maintain pipeline safety.

Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information



Risk Categories	Risk Profile	Risk Management Policy or Strategy
		5. Regularly carry out pipeline maintenance management, cathodic anti-corrosion inspection, the thickness measurement of exposed pipe sections, and stray current monitoring to ensure the normal operation of the pipeline anti-corrosion system. 6. Cooperate with the requirements of the Pipeline Management Center of the Economic Development Bureau to complete the emergency response training and drills for patrol personnel and operators.
	COVID-19	Response to COVID-19 In addition to continuing to implement the epidemic prevention and control mechanism shown on the left, the following epidemic prevention and control measures will be carried out in accordance with the epidemic information announced by the Central Epidemic Command Center (hereinafter referred to as the "Command Center"). 1. According to the changes of the epidemic situation, adjust corresponding control measures on a rolling basis. 2. Taking into account the information published by the Central Epidemic Command Center, that the threat of the new mutant strain Omicron remained at large, and that the local pandemic situation had continued to increase in severity, the Taipei office made work-at-home arrangements for groups A and B from April 22 to June 20, 2022 in order to ensure continuous operation and personnel epidemic prevention. Depending on the local epidemic situation and considering the overall operational needs, the top executives of plants are authorized to factory area to make corresponding work arrangements. The reading and retrieving of information during remote and work-at-home situations is based on permission settings, and the related risks are well controlled. 3. During the epidemic, communication between the personnel of different offices was mostly conducted electronically to reduce the risk of contact. 4. In accordance with the "USI Group's Implementation Guidelines for Epidemic Prevention and Screening", four epidemic prevention and control categories have been established that correspond to different epidemic prevention and control measures. 5. All colleagues must take the initiative to report their own health online. The system assists personnel in carrying out management and control for each category, and specialized persons are designated to implement follow-up. 6. Establish screening controls. 7. Regulations for the return-to-work of COVID-positive employees

(XV) Other significant matters and action plans

1. Recovery risk of accounts receivable

(1) Executive and responsible unit: Trust Department

(2) Conduct usual transactions through advance receipts or letter of credit (L/C), provide credit to customers based on their credit limits and risks after performing credit assessment, and purchase accounts receivable insurances involving mainland customers whose risks are beyond its control to reduce risks to a manageable level.

2. As of the publication date of this annual report, there has been no other risk issues in the Company.

VII. Other Important Matters

(I) Key performance indicators of USI

1. Injury-free working hours: The production environment at Renwu plant, with a strong emphasis on occupational safety, health and environmental protection, won the Excellence Award in the “Selection of Excellent Units and Employees Promoting Occupational Safety and Health” conducted by the Ministry of Labor. Renwu Plant paid special attention to the production environment as well as workplace safety and environmental protection. As of December 31, 2022, it has accumulated a total of 2,099,705 injury-free working hours.
2. Equipment operating rate: In 2022, the equipment operating rate was 75.2%.

(II) Key performance indicators of Asia Polymer Corporation (APC)

1. Injury-free working hours: As of December 31, 2022, the high-temperature and high-pressure production environment at Linyuan plant, with a strong emphasis on occupational safety, health and environmental protection, has accumulated 458,154 hours in terms of injury-free working hours in total.
2. Equipment operating rate: Equipment operating rate: Apart from production shutdown due to equipment maintenance and power outage in coordination with Tai Power Company, production at the plant remains normal for the rest of the time. The equipment operating rate in 2022 was 95.13%.

(III) Key performance indicators of CGPC

1. Production rate: Compared to the annual target, the production rate for raw material products was 96.00%, and 81.80% for processed products.
2. Yield rate : Compared to the annual target, the yield rate for raw material products was 100.10%, and 99.80% for processed products.
3. Customer objections: The ratio of annual losses from customer complaints (excluding quantity discounts) was 0.013% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.
4. Employee proposals: There were 406 proposals (established cases) and the estimated savings is NT\$55.95 million.
5. Workplace accidents: Injury frequency (number of disabled persons per million hours): 2.25
Injury severity rate (total number of days of losses due to disability and injury per million hours): 119

Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information



The incidence of work safety is still within a manageable range for the Company.

(IV) Key performance indicators of TTC

1. Injury-free working hours: As of December 31, 2022, Cianjhen Plant recorded a total of 2,317,911 injury-free working hours, and this figure was 1,403,078 hours for Linyuan Plant, 1,047,474 hours for Toufen Plant, and 2,076,333 hours for Zhongshan Plant.
2. Equipment operating rate: In 2022, the equipment operating rate for ABS/SAN was 75.9%; GPS 92.9%; EPS 96.5%; Glasswool 95.7%; and Zhongshan Plant 79.3%.

(V) Key performance indicators of ACME Electronics Corporation

1. Inventory turnover rate (times): 2.66 in 2022.
2. Property, plant and equipment turnover (times): 1.89 times in 2022

(VI) Pollution prevention:

1. The Company's subsidiary, Taiwan VCM Corporation rented part of the land occupied by the China Petrochemical Development Corporation's Cianjhen Plant from January 1, 1970 to December 31, 1989 to set up its plant and manufacture VCM. In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biology" engineering method developed by INOMA Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government on January 11 to 12, 2016, it was announced on April 11, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region. In 2022, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from Kaohsiung Environmental Protection Bureau: The Kaohsiung City Environmental Protection Bureau recognizes the performance of Taiwan VCM Corporation's Environmental Development Department in the delisted control site of CPDC's Qianzhen Plant.
2. In 2010, part of the land occupied by the Company's Toufen Plant was listed as a groundwater pollution control site and included in the groundwater pollution control region by environment unit. Therefore, the Company introduced and implemented the "Physics+Chemistry+Biology" engineering method developed by Taiwan VCM Corporation to carry out remediation and improvement of the area. After the field samples collected were verified by environmental protection agencies, it was found that various data have complied with the government's control standards. The site was removed as a groundwater pollution control site by the Environmental Protection Administration on February 24, 2017 and the Environmental Protection Bureau of the Miaoli County Government on March 21, 2017. In 2021, the second Certificate of Technology Applied in Delisted Soil and Groundwater Contamination Site was obtained from the Environmental Protection Administration (EPA) of the Executive Yuan: The EPA recognizes the

performance of Taiwan VCM Corporation's Environmental Development Department in the delisted site of the Company's Toufen Plant.

3. Taiwan VCM Corporation, a subsidiary of the Company, has won the certificate of explanation and analysis of treatment technology for polluted site issued by the Environmental Protection Agency of Executive Yuan. Through promoting the certification and validation of remediation technologies, and collecting information from domestic manufacturers and successful cases of separation, the EPD recently announced the remediation technologies of Environmental Development Department of Taiwan VCM Corporation in the "soil and groundwater pollution remediation network" of EPD.
4. Director Hua-I Chien from Taiwan VCM Corporation, a subsidiary of the Company, won the Outstanding Planning Manager Award for 2020 conferred by Taiwan Association for Soil and Underground Environment Protection.
5. Taiwan VCM Corporation (TVCM), a subsidiary of the Company, was awarded the "Soil and Groundwater Symposium - Best Paper Award" from the Chinese Institute of Environmental Engineering - 33rd Annual Conference and from various other specialized academic seminars.
6. Newly developed oil-degrading bacteria in 2022: After the soil of oil-polluted sites were domesticated in laboratories, bacteria with degradative functions were screened out; and following fermentation and cultivation, toluene and naphthalene degradation genes were detected, which showed the ability to degrade benzene and toluene. In addition, the properties of diesel oil can be used for on-site renovation.

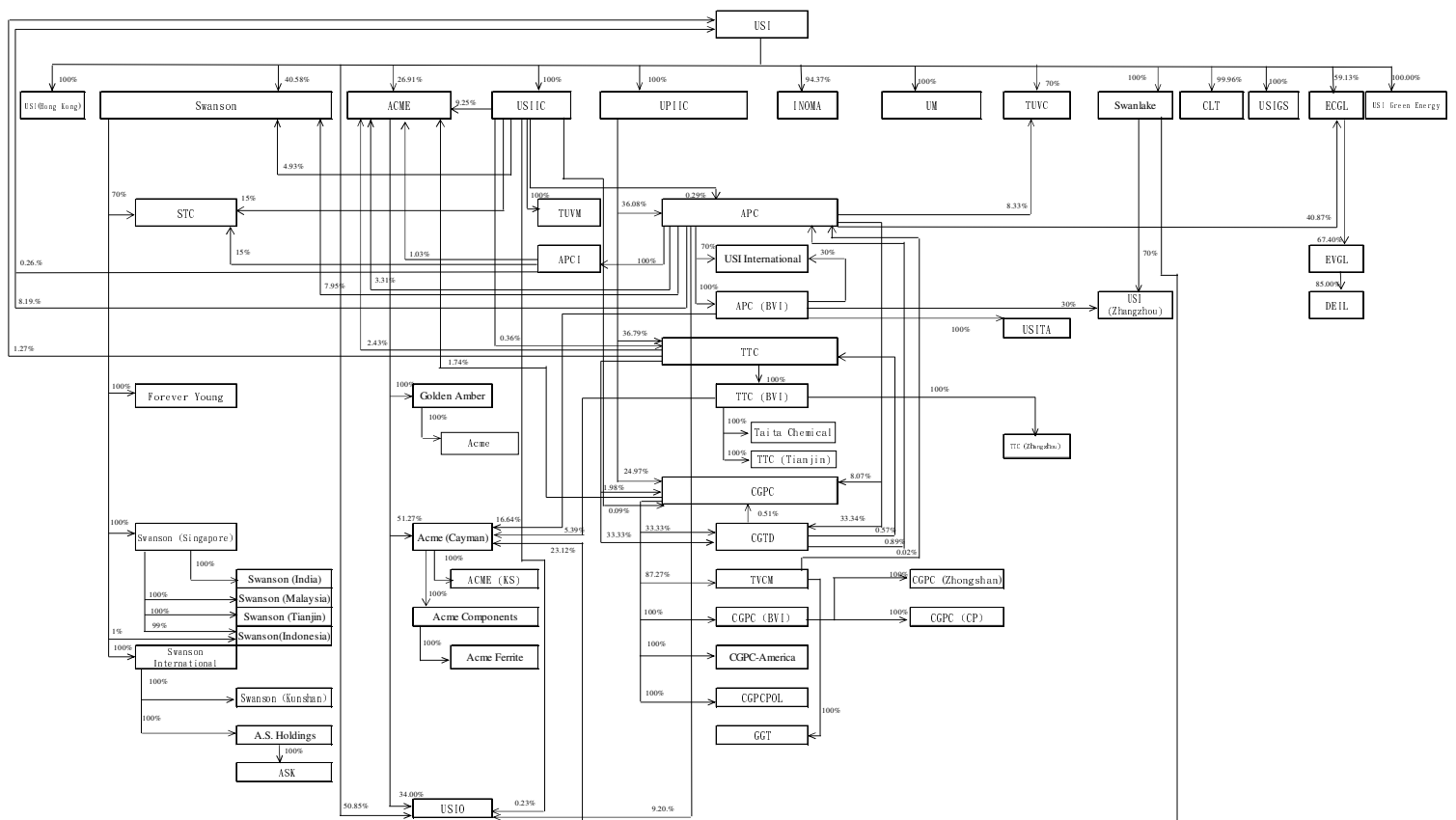
Chapter 8. Special Notes

I. Information Regarding Affiliated Companies

(I) Consolidated Business Report of Affiliated Companies

1. The organizational chart for affiliated companies (as of December 31, 2022) is shown in the following. In addition, the shareholding structures of affiliated companies are also detailed in the following section, whereas the financial statements, including both the consolidated financial statements and related notes, in the most recent four fiscal years, are also included in the consolidated financial statements of its subsidiaries.

USI CORPORATION
Related Business Organization Chart (12.31. 2022)



2. Basic Information of Various Affiliated Companies

December 31, 2022

Unit: Amount in New Taiwan dollar (NT\$ 1,000), unless otherwise stated

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main Business or Production Items
Swanson Plastics Corporation	1986.07.03	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	1,543,119	Production and sales of embossed films, stretch films, heavy bags, and industrial multi-layer packaging films
Forever Young Company Limited	1993.03.03	Skelton Building, Main Street, P.O. Box 3136, Road Town, Tortola, British Virgin Islands	1,536 (USD50,000)	Trading and agency businesses
Swanson Plastics (Singapore) Pte. Ltd.	1997.07.23	16 Pandan Road Singapore 60926	807,935 (USD 26,308,543)	Production and marketing of plastic products
Acme Electronics Corporation	1991.09.05	8th Floor, No. 39, Jihu Road, Neihu District, Taipei City	1,829,937	1. Manufacture and sale of soft ferrite powder, cores and other related electromagnetic components and raw materials 2. Design, manufacture, processing, and sales of production equipment for the products mentioned above 3. Import and export of the products mentioned above, and other businesses excluding those subject to individual approval
Acme Electronics Corporation—Guanyin Plant	1992.10.07	No. 2, Guojian 2nd Rd., Guanyin Dist., Taoyuan City 328		
Golden Amber Enterprises Ltd.	1998.03.26	Citco Building, Wickhams Cay, PO Box 662, Road Town, Tortola, BVI	669,072 (USD20,800,000)	Corporate investments
USIFE Investment Co., Ltd.	1989.05.22	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	896,470	Investment (focused on "production, transportation, storage, building, bank, securities investment and trading industry")
Taiwan United Venture Management Corporation	1998.01.07	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	8,000	Corporate management consulting
Union Polymer International Investment Corporation	1996.10.09	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	8,973,541	Investment (focused on "production and service industry")
Swanlake Traders Ltd.	1996.09.21	Citco Building Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	744,723 (USD24,250,184.6)	Trading and investment
Acme Components (Malaysia) Sdn. Bhd.	1989.09.06	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	285,377 (RM42,600,000)	Corporate investments
Acme Ferrite Products Sdn. Bhd.	1990.09.21	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	248,133	Manufacturing and marketing of soft ferrite core

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main Business or Production Items
Chong Loong Trading Co., Ltd.	1960.06.22	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City	57,512	Import and export business (excluding those subject to individual approval), sales agent, and distribution of products from domestic and overseas manufacturers, (excluding derivatives), commodity wholesaling and retail sales, management, and investments related to the businesses mentioned above
Taiwan United Venture Capital Corp.	1995.04.10	10F, No. 39, Jihu Road, Neihsu District, Taipei City	370,000	Engage in venture capital investments in invested businesses Planning, consulting, engagement and management services to invested businesses Corporate business, management and consulting services to other venture capital businesses Other relevant businesses approved by the government
USI (Hong Kong) Company Ltd.	1999.12.08	6/F., Caltex House, 258 Hennessy Road, Hong Kong.	63,008 (HKD16,000,000)	Engage in various trading businesses
(Taita Chemical Company, Ltd.)	1960.04.06	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City	3,975,868	Production and sales of ABS, PS, glass wool insulation products and Cubic printing
(Taita Chemical Company, Ltd.) - Linyuan Plant	1979.08	No. 5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan		Production and sale of ABS
(Taita Chemical Company, Ltd.) - Cianjhen Plant	1959.04.06	No. 3, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)		Production and sales of PS
Taita Chemical Company, Ltd. - Toufen Plant	1992.03	No. 571, Minzu Road, Toufen Township, Miaoli County, Taiwan		Production and sales of glass wool products
Taita (BVI) Holding Co., Ltd.	1997.04.10	CITCO Building, Wickhams CAY, P.O. Box 662, Road Town, Tortola, British Virgin Island	2,755,854 (USD89,738,000)	Investment holding company
Taita Chemical (Zhongshan) Co., Ltd.	1999.03.24	YenJiang East 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	1,420,338 (USD46,250,000)	Production and sales of expanded polystyrene (EPS) derivatives
Asia Polymer Corporation	1977.01.25	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City	5,937,438	Manufacture and sales of medium- and low-density polyethylene and ethylene vinyl acetate copolymer resins
Asia Polymer Corporation— Linyuan Plant	1979.03	No. 3, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City		
APC (BVI) Holding Co., Ltd.	1997.04.10	Citco Building, Wickham Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	348,331 (USD11,342,594)	Reinvestment business
China General Plastics Corporation	1964.04.29	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City	5,810,505	Production and sales of PVC raw materials and processed products
China General Plastics Corporation	1964.02	No. 571, Minzu Road, Toufen Township, Miaoli County		



Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main Business or Production Items
- Toufen Plant				
Taiwan VCM Corporation	1970.01.21	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	2,974,425	Manufacturing and marketing of VCM
Taiwan VCM Corporation - Linyuan Plant	1992.11.30	No. 1, Gongye 1st Road, 832 Linyuan Industrial Park, Kaohsiung City		
China General Terminal & Distribution Co., Ltd.	1989.02.25	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	716,786	Warehousing and transportation of petrochemical raw materials
Swanson Plastics (Malaysia) Sdn. Bhd.	1989.04.10	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan, Zon Perdagangan Bebas, 13600 Prai, Penang Malaysia	133,980 (RM20,000,000)	Manufacture and sales of plastic products
CGPC America Corporation	1988.06.21	11310 Harrel Street Mira Loma CA 91752	615,736 (USD20,050,000)	Marketing of PVC two- or three-time processed products
CGPC (BVI) Holding Co., Ltd.	1987.04.10	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	500,827 (USD16,308,258)	Reinvestment
Continental General Plastics (Zhongshan) Co., Ltd.	1997.12.02	Yanjiang East 2nd Road, Zhongshan Torch Hi-tech Industrial Development Zone, Huoju, Zhongshan City, Guangdong Province	614,200 (USD20,000,000)	Manufacture and sale of secondary and tertiary processed PVC products
Acme Electronics (Cayman) Corp.	2000.06.28	Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies	153,459 (USD4,997,052)	Corporate investments
Acme Electronics (Kunshan) Co., Ltd.	2000.07.27	No. 533, Huangpujiang North Road, Kunshan City, Jiangsu Province, China	943,565 (USD30,725,000)	Production and sales of soft ferrite cores
USI Management Consulting Corp.	2001.03.16	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	6,714	Corporate management consulting
Swanson International Limited	2001.03.29	Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies	492,625 (USD14,541,205)	Trading and agency businesses
Swanson Plastics (Kunshan) Co., Ltd.	2001.10.08	No. 289, Qingyang North Road, Kunshan City, Jiangsu Province, China	408,176 (USD13,290,000)	Production, sale and development of multifunctional membranes and photolysis membranes
USI International Corporation	2002.09.20	TrustNet Chambers, P.O.Box3444, Road Town, Tortola, British Virgin Island.	92,130 (USD3,000,000)	Investment
Taita Chemical (Tianjin) Co., Ltd.	2003.11.27	No. 8, Hengshan Road, Chemical Industry Park, Development Zone, Tianjin City, China	839,919 (USD27,350,000)	Production and sale of expanded polystyrene (EPS) derivatives
Acme Electronics (Guang-Zhou) Co., Ltd.	2004.11.24	No. 1, Fuqian Road, Zengjiang Street, Zengcheng District, Guangzhou City, Guangdong Province, China	589,632 (USD19,200,000)	Manufacturing and sales of manganese-zinc soft ferrite core
A.S. Holdings (UK) Limited	2004.02.02	7/10 Chandos Street Cavendish Square London W1G 9DQ	117,093 (UK3,156,993)	Investment
USI Trading (Shanghai) Co., Ltd.	2006.03.13	6A, No. 1358, Yan'an West Road, Shanghai City	76,775 (USD2,500,000)	Engage in wholesaling, commission agency, import and export and related supporting businesses for products including petrochemical products and related equipment, rubber products and electronic materials
ASK-Swanson (Kunshan) Co.,	2004.02.17	No. 528, Huangpujiang North Road, Zhoushi Town,	279,461	Production and sales of PE release film and other

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main Business or Production Items
Ltd.		Kunshan City, Jiangsu Province, China	(USD9,100,000)	release products
CGPC Consumer Products Corporation	2007.02.13	Yanjiang East 2nd Road, Zhongshan Torch Hi-tech Industrial Development Zone, Huoju, Zhongshan City, Guangdong Province	46,065 (USD1,500,000)	Manufacturing and sales of PVC third-time processed products
APC Investment Corporation	2007.12.20	10F, No. 39, Jihu Road, Neihu District, Taipei City	200,000	Investment
CGPC Polymer Corporation	2009.05.19	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	1,000,000	Manufacturing and marketing of PVC resins
Swanson Technologies Corporation	2009.10.12	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	150,001	Production, sale, and development of EVA packaging films and other high value-added plastic products
USI Optronics Corporation	2010.10.07	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	649,018	Manufacture and sale of sapphire ingots and other related crystals
Swanson Plastics (India) Private Limited	2011.03.08	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	398,488 (INR1,073,513,900)	Manufacturing and sales of plastic products
Swanson Plastics (Tianjin) Co., Ltd.	2012.05.02	No. 888, Cui Yang Road, Shuangtang Top Grade Hardware Products Industrial Park, Jinghai District, Tianjin, China	301,633 (USD10,700,000)	Manufacturing and sales of plastic products
PT. Swanson Plastics Indonesia	2013.12.27	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	522,021	Manufacturing and sales of plastic products
USIG (Shanghai) Co., Ltd.	2014.03.13	Block A, 6th Floor, Yinglong Building, No. 1358, Yan'an West Road, Shanghai, Postcode: 200052	153,550 (USD5,000,000)	Import and distribution of various types of chemical raw materials and products
Ever Conquest Global Limited	2014.05.21	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	12,810,523 (USD417,145,000)	Engage in investment business
INOMA Corporation	2014.04.17	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	97,950	Optical products and fireproof materials
Ever Victory Global Limited	2013.05.21	P.O. Box 957, OffshoreIncorporations Centre, Road Town, Tortola, British Virgin Islands	19,005,958 (USD618,885,000)	Engage in investment business
Dynamic Ever Investments Limited	2013.09.03	FLAT/RM 1902, 19/F ,LEE GARDEN ONE 33 HYSAN AVENUE CAUSEWAY BAY HK	21,274,813 (USD692,765,000)	Engage in investment business
Zhangzhou Taita Chemical Co., Ltd.	2021.06.04	No. 569, Shugang Avenue South, Gulei Town, Gulei Port Economic Development Zone, Zhangzhou City, Fujian Province	1,491,879 (USD48,580,000)	Production and sale of expanded polystyrene (EPS) derivatives
Zhangzhou Taiju Trading Co., Ltd.	2022.03.12	No. 569, Shugang Avenue South, Gulei Town, Gulei Port Economic Development Zone, Zhangzhou City, Fujian Province	44,094 (RMB10,000,000)	Sales of chemical products
Global Green Technology Corporation	2022.02.11	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	50,000	Environmental detection services
USI Green Energy Corporation	2020.05.04	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	72,594	Solar power generation business

3. Information of shareholders with corporate governance power while working in the company: None.

4. Businesses engaged by affiliated companies and their relationships:

Industry	Enterprise Name	Business relationship with other affiliates
Petrochemical industry	Asia Polymer Corporation	Purchase of goods, sales of goods, ethylene transfer, and dispense
	Taiwan VCM Corporation	Ethylene transfer and dispense
	(Taita Chemical Company, Ltd.)	Purchase
	Global Green Technology Corporation	Purchase
Manufacture and sales of plastic products	China General Plastics Corporation	Sales
	Swanson Plastics Corporation	Purchase and sales of goods
	Swanson Technologies Corporation	Sales
Trading	Forever Young Co., Ltd.	Sales
	USI (Hong Kong) Company Ltd.	Sales
	USI Trading (Shanghai) Co., Ltd.	Sales
	Chong Loong Trading Co., Ltd.	Purchase

5. Information on the directors, supervisors and general managers of each affiliated enterprise

December 31, 2022

Unit: shares; %

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
USI Corporation	Chairman	Wu, Yi-Gui (assigned by Shing Lee Enterprise (Hong Kong) Limited)	113,122/0.01	173,776,546/14.62
	Director	Yu, Ching-Shou (assigned by Asia polymer Co., Ltd.)	0/0	101,355,673/8.53
	Director	Kao, Che-I (assigned by Asia polymer Co., Ltd.)	0/0	
	Director	Huang, Kuang-Che (Assigned by Taita Chemical Company, Ltd.)	125,000/0.01	15,109,901/1.27
	Director	Wu, Pei-Chi (assigned by Taita Chemical Company, Ltd.)	0/0	
	Director	Wu, Hung-Ting (assigned by Shing Lee Enterprise (Hong Kong) Limited)	50,418/0	173,776,546/14.62
	Independent Director	Chen, Chung	0/0	—
	Independent Director	Tu, Tzu-Chun	0/0	—
	Independent Director	Hai, Ying-Chun	0/0	—
	General Manager	Wu, Pei-Chi	0/0	—
Swanson Plastics Corporation	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	146,884/0.10	62,616,299/40.58
	Vice Chairman	Wu, Tung-Yang (assigned by USI Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Liu, Han-Tai (assigned by USI Corporation)	0/0	
	Director	Wang, Chao-An (assigned by USI Corporation)	0/0	
	Director	Wu, Wen-Hao (assigned by USI Corporation)	0/0	

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Director	Chueh, Wei-Te (assigned by USI Corporation)	0/0	
	Supervisors	Huang, Ya-I	44,262/0.03	—
	Supervisors	Chen, Yung-Chih	0/0	—
	General Manager	Wu, Wen-Hao	0/0	—
Forever Young Company Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Tung-Yang	0/0	—
	Director	Wu, Wen-Hao	0/0	—
	Director	Tang, Hai-Hao	0/0	—
	Director	Yang, Wen-Li	0/0	—
Swanson Plastics (Singapore) Pte. Ltd. Swanson Plastics (Singapore) Co., Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Tung-Yang	0/0	—
	Director	Wu, Wen-Hao	0/0	—
	Director	Tang, Hai-Hao	0/0	—
	Director	Tan Seng Kiat	0/0	—
	General Manager	Tang, Hai-Hao	0/0	—
Acme Electronics Corporation	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	1,256,284/0.69	49,250,733/26.91
	Director	Hsu, Shan-Ke (assigned by USI Corporation)	78,695/0.04	
	Director	Cheng, Hui-Ming (assigned by Asia polymer Corporation)	0/0	6,056,623/3.31
	Director	Wu, Xian-Cong (assigned by Asia polymer Corporation)	15,462/0.01	
	Director	Huang, Chun-Hui (Assigned by Taita Chemical Company, Ltd.)	0/0	4,445,019/2.43
	Director	Wu, Wen-Hao (Assigned by Taita Chemical Company, Ltd.)	2,000/0	
	Independent Director	Chang, Li-Chiu	0/0	—
	Independent Director	Chen, Piao-Chun	0/0	—
	Independent Director	Lin, Shun-Tian	0/0	—
	General Manager	Wu, Wen-Hao	2,000/0	—
Golden Amber Enterprises Ltd.	Director	Wu, Wen-Hao	0/0	—
	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	General Manager	Wu, Wen-Hao	0/0	—
USIFE Investment Co., Ltd.	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	0/0	89,647,000/100
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Huang, Ya-I (assigned by USI Corporation)	0/0	
	Supervisors	Chen, Yung-Chih (assigned by USI Corporation)	0/0	—
	General Manager	Huang, Ya-I	0/0	—
Taiwan United Venture Management	Chairman	Wu, Yi-Gui (assigned by USIFE Investment Co., Ltd.)	0/0	800,000/100

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
Corporation	Director	Yang, Wen-Li (assigned by USIFE Investment Co., Ltd.)	0/0	—
	Director	Huang, Ya-I (assigned by USIFE Investment Co., Ltd.)	0/0	
	Supervisors	Chen, Yung-Chih (assigned by USIFE Investment Co., Ltd.)	0/0	
	General Manager	Huang, Ya-I	0/0	
Union Polymer International Investment Corporation	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	0/0	897,354,122/100
	Director	Yu, Ching-Shou (assigned by USI Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Huang, Ya-I (assigned by USI Corporation)	0/0	
	Supervisors	Chen, Yung-Chih (assigned by USI Corporation)	0/0	
	General Manager	Wu, Yi-Gui	0/0	
Swanlake Traders Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Yang, Wen-Li	0/0	—
Acme Components (Malaysia) Sdn. Bhd.	Chairman	Ho Sew Kong	0/0	42,600,000/100
	Director	Wu, Yi-Gui	0/0	
	Director	Wu, Wen-Hao	0/0	
	Director	Khor Kim Boon	0/0	
	Director	Vasudevan A/L Karunakaran Nair	0/0	
	General Manager	Wu, Wen-Hao	0/0	
Acme Ferrite Products Sdn. Bhd.	Chairman	Ho Sew Kong	0/0	9,120,000/100
	Director	Wu, Yi-Gui	0/0	
	Director	Wu, Wen-Hao	0/0	
	Director	Khor Kim Boon	0/0	
	Director	Vasudevan A/L Karunakaran Nair	0/0	
Chong Loong Trading Co., Ltd.	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	0/0	5,749,062/99.96
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Wu, Ming-Tsung (appointed by USI Corporation)	0/0	
	Supervisors	Chen, Yung-Chih	0/0	
	General Manager	Wu, Pei-Chi	0/0	
Taiwan United Venture Capital Corp.	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	0/0	25,900,000/70.00
	Director	Liu, Han-Tai (assigned by USI Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Yang, Wen-Li (assigned by USI Corporation)	0/0	
	Director	Huang, Ya-I (assigned by USI Corporation)	0/0	



Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Supervisors	Chen, Yung-Chih (assigned by Asia polymer Corporation)	0/0	3,080,866/8.33
	General Manager	Huang, Ya-I	0/0	—
USI Far East (HK) Co., Ltd.	Director	Wu, Yi-Gui	1/0	—
	Director	Wu, Pei-Chi	0/0	—
(Taita Chemical Company, Ltd.)	Chairman	Wu, Yi-Gui (assigned by Union Polymer International Investment Corporation)	0/0	146,263,260/36.79
	Director	Ma, Yi-Kung (appointed by USIFE Investment Co., Ltd.)	0/0	1,415,368/0.36
	Director	Wu, Pei-Chi (assigned by Union Polymer International Investment Corporation)	0/0	146,263,260/36.79
	Director	Ying, Pao-Lo (assigned by USIFE Investment Co., Ltd.)	32,091/0.01	1,415,368/0.36
	Director	Ko, I-Shao (assigned by Taiwan Union International Investment Co., Ltd.)	0/0	8,854,995/2.23
	Independent Director	Chen, Tien-Wen	0/0	—
	Independent Director	Wei, Yung-Tu	0/0	—
	Independent Director	Li, Guo-Xiang	0/0	—
	Independent Director	Juan, Chi-Ying	0/0	—
	General Manager	Wu, Pei-Chi	0/0	—
Taita (BVI) Holding Co., Ltd. Taita (BVI) Holding Co., Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Ko, I-Shao	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Yang, Wen-Li	0/0	—
Taita Chemical (Zhongshan) Co., Ltd.	Chairman	Wu, Pei-Chi (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution USD46,250,000/100
	Director	Chang, Te-Wei (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Yang, Wen-Li (Taita (BVI) Holding Co., Ltd. 指派)	0/0	
	Director	Kan, Lin (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Yen, Tai-Ming (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisor:	Huang, Ya-I (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Yen, Tai-Ming	0/0	—
Asia Polymer Corporation	Chairman	Wu, Yi-Gui (assigned by Union Polymer International Investment Corporation)	0/0	214,245,822/36.08
	Director	Li, Kuo-Hung (assigned by Union Polymer International Investment Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by USIFE Investment Co., Ltd.)	0/0	1,714,180/0.29

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Director	Wu, Hung-Chu (assigned by USIFE Investment Co., Ltd.)	0/0	
	Director	Ko, I-Shao (assigned by Taiwan Union International Investment Co., Ltd.)	0/0	11,811,014/1.99
	Independent Director	Chen, Ta-Hsiung	0/0	—
	Independent Director	Shen, Shang-Hung	0/0	—
	Independent Director	Cheng, Tun-Chien	0/0	—
	Independent Director	Chen, Jian-Ping	0/0	—
	General Manager	Wu, Pei-Chi	0/0	—
APC (BVI) Holding Co., Ltd. APC (BVI) Holding Co., Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Ko, I-Shao	0/0	—
	Director	Huang, Ya-I	0/0	—
China General Plastics Corporation	Chairman	Wu, Yi-Gui (assigned by Union Polymer International Investment Corporation)	0/0	145,079,236/24.97
	Vice Chairman	Lin, Han-Fu (assigned by Union Polymer International Investment Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by Asia polymer Corporation)	0/0	46,886,185/8.07
	Director	Liu, Han-Tai (assigned by Asia polymer Corporation)	0/0	
	Director	Wu, Hung-To (assigned by USIFE Investment Co., Ltd.)	0/0	550,722/0.09
	Independent Director	Li, Zu-De	0/0	—
	Independent Director	Zheng, Ying-Bin	0/0	—
	Independent Director	Li, Liang-Xian	0/0	—
	Independent Director	Hsu, Cheng-Yi	0/0	—
	General Manager	Lin, Han-Fu	0/0	—
Taiwan VCM Corporation	Chairman	Lin, Han-Fu (Representative of China General Plastics Corporation)	0/0	
	Director	Wu, Yi-Gui (Appointed by China General Plastics Corporation)	0/0	
	Director	Wang, Ping-I (Appointed by China General Plastics Corporation)	0/0	259,591,005/87.27
	Director	Li, Kuo-Hung (Appointed by China General Plastics Corporation)	0/0	
	Director	Liu, Han-Tai (Appointed by China General Plastics Corporation)	0/0	
	Director	Chen, Chin-Yuan (Appointed by Ocean Plastics Co. Ltd.)	0/0	37,062,395/12.46
	Director	Hu, Chi-Hong (Appointed by China General Plastics Corporation)	0/0	259,591,005/87.27
	Supervisors	Huang, Kuang-Che	0/0	—

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Supervisors	Huang, Ya-I	0/0	—
	General Manager	Lin, Han-Fu	0/0	—
(China General Terminal & Distribution Co.)	Chairman	Chang, Hung-Chiang (assigned by China General Plastics Corporation)	0/0	23,892,872/33.33
	Director	Lin, Han-Fu (Representative of China General Plastics Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by Asia polymer Corporation)	0/0	23,892,871/33.33
	Director	Liu, Han-Tai (assigned by Asia polymer Corporation)	0/0	
	Director	Hu, Chi-Hong (Appointed by China General Plastics Corporation)	0/0	23,892,872/33.33
	Director	Yen, Tai-Ming (assigned by Asia polymer Corporation)	0/0	23,892,871/33.33
	Director	Ko, I-Shao (assigned by Asia polymer Corporation)	0/0	
	Supervisors	Huang, Ya-I (assigned by Taita Chemical Company, Ltd.)	0/0	23,892,871/33.33
	Supervisors	Wu, Sheng-Chuan (Assigned by Taita Chemical Company, Ltd.)	0/0	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Director	Wu, Yi-Gui	0/0
Director		Ho Sew Kong	0/0	—
Director		Wu, Wen-Hao	0/0	—
Director		Wu, Tung-Yang	0/0	—
Director		Tang, Hai-Hao	0/0	—
General Manager		Tang, Hai-Hao	0/0	—
CGPC America Corporation	Director	Wu, Yi-Gui	0/0	—
	Director	Lin, Han-Fu	0/0	—
	Director	Hu, Chi-Hong	0/0	—
	Director	Sun, Meng-Wen	0/0	—
	General Manager	Hu, Chi-Hong	0/0	—
CGPC (BVI) Holding Co., Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Lin, Han-Fu	0/0	—
	Director	Hu, Chi-Hong	0/0	—
	Director	Yang, Wen-Li	0/0	—
Continental General Plastics (ZhongShan) Co., Ltd.	Chairman	Lin, Han-Fu (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution USD20,000,000/100
	Director	Liu, Han-Tai (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Yang, Wen-Li (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Hu, Chi-Hong (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Chen, Yung-Chih (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisor:	Huang, Ya-i (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Lin, Han-Fu	0/0	—
Acme Electronics (Cayman) Corp.	Chairman	Wu, Yi-Gui	0/0	—
	Director	Wu, Wen-Hao	0/0	—

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
Acme Electronics (Kunshan) Co., Ltd.	Chairman	Wu, Wen-Hao (assigned by Acme Electronics (Cayman) Corporation)	0/0	Capital Contribution USD30,725,000/100
	Director	Wu, Yi-Gui (appointed by Acme Electronics (Cayman) Corporation)	0/0	
	Director	Huang, Ya-I (assigned by Acme Electronics (Cayman) Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by Acme Electronics (Cayman) Corporation)	0/0	
	Director	Chen, Yung-Chih (appointed by Acme Electronics (Cayman) Corporation)	0/0	
	Supervisor:	Yang, Wen-Li (appointed by Acme Electronics (Cayman) Corporation)	0/0	
	General Manager	Wu, Wen-Hao	0/0	—
USI Management Consulting Corp.	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	0/0	671,400/100
	Director	Yang, Wen-Li (assigned by USI Corporation)	0/0	
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Supervisors	Huang, Ya-I (assigned by USI Corporation)	0/0	
	General Manager	Wu, Yi-Gui	0/0	—
Swanson International Limited	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Wen-Hao	0/0	
	Director	Tang, Hai-Hao	0/0	
Swanson Plastics (Kunshan) Co., Ltd.	Chairman	Wu, Wen-Hao (appointed by Swanson International Limited)	0/0	Capital Contribution USD13,290,000/100
	Director	Wu, Yi-Gui (Appointed by Swanson International Limited)	0/0	
	Director	Wu, Tung-Yang (Appointed by Swanson International Limited)	0/0	
	Director	Wang, Chao-An (Appointed by Swanson International Limited)	0/0	
	Director	Tang, Hai-Hao (Appointed by Swanson International Limited)	0/0	
	Supervisor:	Chen, Yung-Chih (appointed by Swanson International Limited)	0/0	
	General Manager	Tang, Hai-Hao	0/0	—
USI International Corporation USI International Corporation	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Yang, Wen-Li	0/0	—
	Director	Huang, Ya-I	0/0	—
Taita Chemical (Tianjin) Co., Ltd.	Chairman	Wu, Pei-Chi (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution USD27,350,000/100
	Director	Yen, Tai-Ming (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Kan, Lin (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisor:	Huang, Ya-I (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Yen, Tai-Ming	0/0	-
Acme Electronics (Guangzhou) Co., Ltd.	Chairman	Wu, Wen-Hao (assigned by Golden Amber Enterprises Ltd.)	0/0	Capital Contribution USD19,200,000/100

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Director	Wu, Yi-Gui (appointed by Golden Amber Enterprises Ltd.)	0/0	
	Director	Chen, Yung-Chih (appointed by Golden Amber Enterprises Ltd.)	0/0	
	Supervisor:	Huang, Ya-I (appointed by Golden Amber Enterprises Ltd.)	0/0	
	General Manager	Wu, Wen-Hao	0/0	
A.S. Holdings (UK) Limited	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Tung-Yang	0/0	—
	Director	Wu, Wen-Hao	0/0	—
USI Trading (Shanghai) Co., Ltd.	Chairman	Wu, Pei-Chi (appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution USD2,500,000/100
	Vice Chairman	Wu, Chiao-Feng (appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Director	Huang, Ya-I (appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Director	Wu, Ming-Tsung (appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Supervisor:	Yang, Wen-Li (appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Wu, Pei-Chi	0/0	—
ASK-Swanson (Kunshan) Co., Ltd.	Chairman	Wu, Wen-Hao (A.S. appointed by Holdings (UK) Limited)	0/0	Capital Contribution USD9,100,000/100
	Director	Wu, Yi-Gui (A.S. appointed by Holdings (UK) Limited)	0/0	
	Director	Wu, Tung-Yang (A.S. appointed by Holdings (UK) Limited)	0/0	
	Director	Wang, Chao-An (A.S. appointed by Holdings (UK) Limited)	0/0	
	Director	Tang, Hai-Hao (A.S. appointed by Holdings (UK) Limited)	0/0	
	Supervisor:	Chen, Yung-Chih (A.S. appointed by Holdings (UK) Limited)	0/0	
	General Manager	Tang, Hai-Hao	0/0	—
CGPC Consumer Products Corporation	Chairman	Lin, Han-Fu (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution USD1,500,000/100
	Director	Yang, Wen-Li (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Hu, Chi-Hong (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Chen, Wan-Ta (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Huang, Ya-i (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisor:	Chen, Yung-Chih (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Lin, Han-Fu	0/0	—
APC Investment Corporation	Chairman	Wu, Yi-Gui (assigned Asia polymer Corporation)	0/0	20,000,000/100
	Director	Wu, Pei-Chi (assigned by Asia polymer Corporation)	0/0	
	Director	Huang, Ya-I (assigned by Asia polymer Corporation)	0/0	

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Supervisors	Chen, Yung-Chih (assigned by Asia polymer Corporation)	0/0	
	General Manager	Huang, Ya-I	0/0	—
CGPC Polymer Corporation	Chairman	Wu, Yi-Gui (Appointed by China General Plastics Corporation)	0/0	100,000,000/100
	Director	Lin, Han-Fu (Representative of China General Plastics Corporation)	0/0	
	Director	Hu, Chi-Hong (Appointed by China General Plastics Corporation)	0/0	
	Supervisors	Huang, Ya-I (Appointed by China General Plastics Corporation)	0/0	
	General Manager	Lin, Han-Fu	0/0	—
Swanson Technologies Corporation	Chairman	Wu, Yi-Gui (assigned by Swanson Plastics Corp.)	0/0	10,500,070/70.00
	Vice Chairman	Wu, Tung-Yang (assigned by Swanson Plastics Corp.)	0/0	
	Director	Liu, Han-Tai (appointed by USIFE Investment Co., Ltd.)	0/0	2,250,015/15.00
	Director	Wu, Pei-Chi (assigned by APC Investment Corporation)	0/0	2,250,015/15.00
	Director	Wu, Wen-Hao (designated by Swanson Plastics Corporation)	0/0	10,500,070/70.00
	Supervisors	Huang, Ya-I	0/0	—
	General Manager	Wu, Wen-Hao	0/0	—
USI Optronics Corporation	Chairman	Wu, Yi-Gui (assigned by USI Corporation)	61,745/0.10	33,000,000/50.85
	Vice Chairman	Wu, Tung-Yang (assigned by USI Corporation)	0/0	
	Director	Huang, Chun-Hui (assigned by USI Corporation)	480,415/0.74	
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0	
	Director	Wu, Wen-Hao (assigned by USI Corporation)	0/0	
	Supervisors	Huang, Ya-I (assigned by USIFE Investment Co., Ltd.)	6,408/0.01	165,279/0.25
	Supervisors	Chen, Yung-Chih (assigned by USIFE Investment Co., Ltd.)	0/0	
	General Manager	Huang, Chun-Hui	480,415/0.74	
Swanson Plastics (India) Private Limited	Director	Wu, Yi-Gui	0/0	—
	Director	Wu, Wen-Hao	0/0	—
	Director	Tang, Hai-Hao	0/0	—
	Director	Lee Beng Joo	0/0	—
	General Manager	Tang, Hai-Hao	0/0	—
Swanson Plastics (Tianjin) Co., Ltd.	Chairman	Wu, Wen-Hao (appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0	Capital Contribution USD10,700,000/100
	Director	Wu, Yi-Gui (Appointed by Swanson Plastics (Singapore) Pte.Ltd)	0/0	
	Director	Wu, Tung-Yang (appointed by Swanson Plastics (Singapore) Pte.Ltd)	0/0	



Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage	
	Director	Wang, Chao-An (Appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0		
	Director	Tang, Hai-Hao (Appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0		
	Supervisor:	Chen, Yung-Chih (appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0		
	General Manager	Tang, Hai-Hao	0/0		—
PT. Swanson Plastics Indonesia Swanson Plastics (Indonesian) Co., Ltd.	Director	Wu, Yi-Gui	0/0	—	
	Director	Wu, Wen-Hao	0/0	—	
	Director	Tang, Hai-Hao	0/0	—	
	Supervisors	Yang, Wen-Li	0/0	—	
USIG (Shanghai) Co., Ltd.	Chairman	Wu, Pei-Chi (assigned by USI Corporation)	0/0	Capital Contribution USD5,000,000/100	
	Director	Wu, Yi-Gui (assigned by USI Corporation)	0/0		
	Director	Wu, Ming-Tsung (appointed by USI Corporation)	0/0		
	Supervisor:	Chen, Yung-Chih (assigned by USI Corporation)	0/0		
	Supervisor:	Huang, Ya-I (assigned by USI Corporation)	0/0		
	General Manager	Wu, Pei-Chi	0/0		—
Ever Conquest Global Limited Ever Conquest Global Limited	Director	Wu, Yi-Gui	0/0	—	
	Director	Liu, Han-Tai	0/0	—	
	Director	Wu, Pei-Chi	0/0	—	
INOMA Corporation	Chairman	Jhou, Chun-Hsiung (assigned by USI Corporation)	0/0	9,126,786/93.18	
	Director	Kao, Che-I (assigned by USI Corporation)	0/0		
	Director	Wu, Pei-Chi (assigned by USI Corporation)	0/0		
	Director	Liu, Han-Tai (assigned by USI Corporation)	0/0		
	Director	Liu, Hsing-Tse (assigned by USI Corporation)	0/0		
	Supervisors	Chen, Yung-Chih	0/0		—
	General Manager	Liu, Hsing-Tse	0/0		—
Ever Victory Global Ltd. Ever Victory Global Limited	Director	Wu, Yi-Gui	0/0	—	
	Director	Yu, Ching-Shou	0/0	—	
	Director	Miao, Matthew	0/0	—	
	Director	Yu, Chun-Yen	0/0	—	
	Director	Li, Lun-Chia	0/0	—	
	Director	Wu, Yi-Fang	0/0	—	
	Director	Wu, Pei-Chi	0/0	—	
	Director	Liu, Han-Tai	0/0	—	

Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Director	Yu, Wen-tsung	0/0	—
	Director	Yang, Wen-Li	0/0	—
	Director	Wu, Ming-Tsung	0/0	—
	General Manager	Wu, Yi-Gui	0/0	—
Dynamic Ever Investments Ltd. Dynamic Ever Investments Limited	Director	Wu, Yi-Gui	0/0	—
	Director	Yu, Jing-Chang	0/0	—
	Director	Miao, Matthew	0/0	—
	Director	Yu, Chun-Yen	0/0	—
	Director	Li, Lun-Chia	0/0	—
	Director	Wu, Yi-Fang	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Liu, Han-Tai	0/0	—
	Director	Yu, Wen-tsung	0/0	—
	Director	Yang, Wen-Li	0/0	—
	Director	Wu, Ming-Tsung	0/0	—
	General Manager	Wu, Yi-Gui	0/0	—
	Zhangzhou Taita Chemical Co., Ltd.	Chairman	Wu, Pei-Chi (Appointed by APC (BVI) Holding Co., Ltd.)	0/0
Director		Yen, Tai-Ming (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
Director		Yang, Wen-Li (Taita (BVI) Holding Co., Ltd. 指派)	0/0	
Supervisor:		Huang, Ya-I (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
General Manager		Yen, Tai-Ming	0/0	—
USI Green Energy Corporation	Chairman	Wu, Pei-Chi (assigned by USI Corporation)	0/0	7,259,418/100
	Director	Wu, Yi-Gui (assigned by USI Corporation)	0/0	
	Director	Liu, Han-Tai (assigned by USI Corporation)	0/0	
	Supervisors	Chen, Yung-Chih (assigned by USI Corporation)	0/0	
Global Green Technology Corporation	Chairman	Tsai, Sheng-Xiong (appointed by Taiwan VCM Corporation)	0/0	5,000,000/100
	Director	Lin, Han-Fu (appointed by Taiwan VCM Corporation)	0/0	
	Director	Ye, Jun-Zhen (appointed by Taiwan VCM Corporation)	0/0	
	Supervisors	Chen, Yung-Chih (appointed by Taiwan VCM Corporation)	0/0	
	General Manager	Ye, Jun-Zhen	0/0	—
Zhangzhou Taiju Trading Co., Ltd.	Chairman	Wu, Pei-Chi (appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution RMB 3 million/30
	Director	Wu, Yi-Gui (appointed by Swanlake Traders Ltd.)	0/0	Capital Contribution RMB 7 million/70
	Director	Liu, Han-Tai (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution RMB 3 million/30



Company Name or Responsible Unit	Title	Name/Assignment	Number of shares held by the person / Shareholding percentage	Number of shares held by juristic persons represented / Shareholding percentage
	Director	Wu, Ming-Tsung (appointed by Swanlake Traders Ltd.)	0/0	Capital Contribution RMB 7 million/70
	Director	Huang, Ya-I (appointed by Swanlake Traders Ltd.)	0/0	
	Supervisor:	Chen, Yung-Chih (appointed by Swanlake Traders Ltd.)	0/0	
	Supervisor:	Yang, Wen-Li (appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution RMB 3 million/30
	General Manager	Wu, Ming-Tsung	0/0	—

6. Overview of the operations of affiliates

December 31, 2022

Unit: NT\$ 1,000

Company Name	Paid-in capital (NT\$)	Total Assets	Total Liabilities	Net value	Revenue	Net Profit from Operations	Current Profit and Loss (After Taxes)	Earnings per share (NT\$) (after tax)
USI Corporation	11,887,635	34,269,985	9,773,893	24,496,092	15,632,151	3,468,706	1,555,097	1.45
Swanson Plastics Corporation	1,543,118	4,408,756	1,820,742	2,588,014	1,113,781	(104,846)	(48,865)	-0.32
Forever Young Company Limited	1,536	214,348	176,265	38,083	25,181	3,225	(548)	-11.03
Swanson Plastics (Singapore) Pte Ltd.	807,935	1,819,438	49,122	1,770,316	255,446	3,474	32,425	0.89
Acme Electronics Corporation	1,829,937	3,337,478	1,959,775	1,377,703	1,379,326	(33,743)	16,348	0.09
Golden Amber Enterprises Ltd.	669,072	1,053,558	690	1,052,868	0	(820)	52,427	2.52
USIFE Investment Co., Ltd.	896,470	974,232	16,632	957,600	(1,020)	(49,332)	(49,098)	-0.55
Taiwan United Venture Management Corporation	8,000	21,935	6,422	15,513	6,679	204	263	0.33
Union Polymer International Investment Corporation	8,973,541	11,134,221	800	11,133,421	0	(2,650)	601,472	0.67
Swanlake Traders Ltd.	744,723	1,415,115	1,053	1,414,062	0	(1,344)	15,773	0
Acme Components(Malaysia) Sdn. Bhd.	285,377	699,132	132	699,000	0	(137)	51,199	1.2
Acme Ferrite Products Sdn. Bhd.	254,321	822,961	123,626	699,335	694,599	65,111	51,774	5.68
Chong Loong Trading Co., Ltd.	57,512	103,572	29,740	73,832	324,051	14,683	12,600	2.19
Taiwan United Venture Capital Corp.	370,000	265,812	230	265,582	7,416	1,550	1,961	0.05
USI Far East (HK) Co., Ltd.	63,008	79,873	10,462	69,411	343,662	(1,133)	(1,233)	-
(Taita Chemical Company, Ltd.)	3,975,868	9,131,440	1,925,226	7,206,214	12,870,472	304,683	412,077	1.04
Taita (BVI) Holding Co., Ltd.	2,755,854	3,150,738	6,385	3,144,353	0	(5,072)	(37,084)	-0.41
Taita Chemical (Zhongshan) Co., Ltd.	1,420,338	1,928,577	101,913	1,826,664	5,216,362	(45,091)	(19,457)	-
Asia Polymer Corporation	5,937,438	16,338,466	2,121,508	14,216,958	9,614,583	2,935,824	1,447,369	2.44
APC (BVI) Holding Co., Ltd.	348,331	586,541	0	586,541	0	(125)	14,072	-

Company Name	Paid-in capital (NT\$)	Total Assets	Total Liabilities	Net value	Revenue	Net Profit from Operations	Current Profit and Loss (After Taxes)	Earnings per share (NT\$) (after tax)
China General Plastics Corporation	5,810,505	12,806,184	3,359,412	9,446,772	10,186,976	(210,084)	(370,247)	-0.64
Taiwan VCM Corporation	2,974,425	7,651,244	2,979,930	4,671,314	12,678,348	(189,110)	21,552	0.07
(China General Terminal & Distribution Co.)	716,786	2,527,297	1,460,463	1,066,834	272,591	29,026	29,772	0.42
Swanson Plastics (Malaysia) Sdn. Bhd.	133,980	571,380	80,225	491,154	915,183	52,103	38,983	2.09
CGPC America Corporation	615,736	409,213	161,918	247,295	746,007	(46,499)	(47,522)	-475216.61
CGPC (BVI) Holding CO., Ltd.	500,827	333,626	0	333,626	0	(96)	(24,490)	-1.5
Continental General Plastics (ZhongShan) Co., Ltd.	614,200	249,829	9,601	240,228	0	(47,144)	(26,469)	-
Acme Electronics (Cayman) Corp.	153,459	1,507,964	258,503	1,249,461	0	(4,544)	(5,960)	-
Acme Electronics (Kunshan) Co., Ltd.	943,565	1,305,189	511,235	793,954	1,012,959	(20,365)	(45,406)	-
USI Management Consulting Corp.	6,714	97,177	93,965	3,212	0	4,033	3,237	4.8
Swanson International Ltd.	492,625	1,643,122	0	1,643,122	0	0	17,032	1.19
Swanson Plastics (Kunshan) Co., Ltd.	408,136	1,311,635	235,551	1,076,084	1,022,236	(18,483)	(16,857)	-
USI International Corporation	92,130	101,257	2,203	99,054	0	(1,872)	97	-
Taita Chemical (Tianjin) Co., Ltd.	839,919	132,204	284,901	(152,697)	0	(24,701)	(37,119)	-
Acme Electronics (Guangzhou) Co., Ltd.	589,632	1,192,291	144,441	1,047,850	1,131,687	36,465	52,558	-
A.S. Holding (UK) Ltd	117,093	564,582	0	564,582	0	(264)	39,747	12.52
USI Trading (Shanghai) Co., Ltd.	76,775	237,728	86,946	150,782	430,817	11,949	12,645	-
ASK-Swanson (Kunshan) Co., Ltd.	279,461	888,038	324,079	563,960	373,037	43,435	40,011	-
CGPC Consumer Products Corporation	46,065	14,317	0	14,317	0	156	653	-
APC Investment Corporation	200,000	156,786	712	156,074	23,372	(12,240)	(12,287)	-0.61
CGPC Polymer Corporation	1,000,000	2,544,252	1,842,545	701,707	6,215,768	(745,794)	(522,042)	-5.22
Swanson Technologies Corporation	150,001	33,417	35,615	(2,197)	4,077	(31,007)	(31,248)	-2.08
USI Optronics Corporation	649,018	72,552	5,667	66,885	10,946	(44,389)	(27,848)	-0.43



Company Name	Paid-in capital (NT\$)	Total Assets	Total Liabilities	Net value	Revenue	Net Profit from Operations	Current Profit and Loss (After Taxes)	Earnings per share (NT\$) (after tax)
Swanson Plastics (India) Private Ltd.	398,488	302,238	23,166	279,077	262,584	(5,297)	(5,191)	-0.05
Swanson Plastics (Tianjin) Co., Ltd.	301,633	236,335	183,965	52,370	0	(16,361)	(22,943)	-
PT Swanson Plastics Indonesia	522,021	776,032	17,395	758,637	408,544	29,001	21,048	0.80
USIG (Shanghai) Co., Ltd.	153,550	130,815	59	130,756	0	(5,457)	(1,571)	-
Ever Conquest Global Limited	12,810,523	8,629,306	0	8,629,306	0	0	(3,522,647)	-
INOMA Corporation	97,950	14,316	172	14,144	0	(3,886)	(3,716)	-0.38
Ever Victory Global Limited	19,005,958	12,802,924	307	12,802,617	0	(419)	(5,226,273)	-
Dynamic Ever Investments Limited	21,274,813	13,978,460	14,561	13,963,899	0	(52,546)	(6,167,854)	-
Zhangzhou Taita Chemical Co., Ltd.	1,491,879	1,368,826	3,343	1,365,483	0	(4,364)	12,104	-
USI Green Energy Corporation	72,594	311,231	231,515	79,716	30,425	10,593	6,844	0.94
Global Green Technology Corporation	50,000	69,523	16,881	52,642	24,104	3,220	2,642	0.53
Zhangzhou Taiju Trading Co., Ltd.	44,094	50,851	9,776	41,075	0	(3,299)	(3,038)	-

Note: If the affiliate company is a foreign company, all the relevant figures shall be expressed in New Taiwan Dollar (NT\$) based on the exchange rates on the date of this annual report.



(II) Consolidated financial statements of affiliated companies

Statement of Declaration

For year 2022 (January 1 to December 31, 2022), affiliated businesses of the Company that shall be included in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as the companies that shall be included into the consolidated financial statement of the parent company and its subsidiaries in accordance with the International Financial Reporting Standards No. 10 (IFRS 10). All information to be disclosed in the consolidated financial statements of affiliated companies have already been disclosed in the consolidated financial statement of the parent company and its subsidiaries. Hence, the consolidated financial statements of affiliated companies were therefore not generated separately.

Hereby declare

Company Name: USI Corporation
Person in charge: Wu, Yi-Gui



March 7, 2023

II. Private placement of securities of the most recent year up to the publication date of this report: None.

III. Holding or disposal of company shares in the most recent fiscal year up to the publication date of this annual report:

March 31, 2023 Unit: NT\$ 1,000; Shares; %

Name of Subsidiary (Note 1)	Paid-in capital	Source of capital	Shareholding percentage of the Company	Date of acquisition or disposal	Number and amount of shares acquired	Number and amount of shares disposed	Gain and loss on investment	Number and amount of shares as of the publication date of this annual report	Pledge status	Amount of endorsements and guarantees provided to subsidiaries by the Company	Loans provided to subsidiaries by the Company
Asia Polymer Corporation	5,937,438 NT\$ thousands	Own funds	Comprehensive shareholding percentage 37.28%	N/A	—	—	—	101,355,673 shares NT\$2,685,925 thousand	None	None	None
Taita Chemical Company, Ltd.	3,975,868 NT\$ thousands	Own funds	Comprehensive shareholding percentage 37.71%	N/A	—	—	—	15,109,901 shares NT\$400,412 thousand	None	None	None

Note 1. List each subsidiary separately.

IV. Other necessary supplementary notes to be included: None.

V. Any Event which has a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, that Have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report Shall be Indicated Individually: None.

Statement of Consolidated Financial Statements of Affiliated Companies

In 2022 (from January 1 to December 31 2022), the "companies" required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards No. 10 (IFRS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Hereby declare

Company name: USI Corporation

Representative: Yi-Gui Wu

March 7, 2023

Independent Auditors' Report

TO USI Corporation

Audit opinion

We have audited the consolidated balance sheets of USI Corporation and its subsidiaries (the Group) as of the years ended December 31, 2022 and 2021, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2022 and 2021. The accountant opinions are that the accompanying consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, making it impossible to properly express the consolidated financial position of the Group as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2022 and 2021.

Basis for audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance for the Group in our audit of the consolidated financial statements for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows.

Authenticity of specific sales revenue

In 2022, the Group's sales revenue from specific customers and specific regions increased year-on-year. Whether the sales revenue is properly recognized at the time of meeting performance obligations will have a material impact on the Consolidated Financial Statements and is therefore considered a key audit matter for the current year.

For accounting policies relating to sales revenue and relevant disclosure information, please refer to Notes 4(17) and 26 to the Consolidated Financial Statements.

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

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

Other matters

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of management and those charging with governance for the consolidated financial statements

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

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

Those in charge 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 in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 the management.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report are Pi-Yu Chuang and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2023

Notice to Readers

The accompanying 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, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 11,498,415	15	\$ 10,365,353	12
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4, 7 and 36)	2,724,497	3	5,742,266	7
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	97,183	-	145,921	-
Financial assets at amortized cost - current (Notes 4, 9 and 36)	439,929	1	349,137	1
Notes receivable, net (Notes 4 and 10)	544,546	1	875,745	1
Accounts receivable, net (Notes 4, 5 and 10)	7,395,035	10	8,515,477	10
Other receivables (Notes 4, 10 and 35)	259,201	-	511,725	1
Current tax assets (Notes 4 and 28)	18,802	-	8,931	-
Inventories (Notes 4, 5 and 11)	7,199,654	9	7,599,843	9
Prepayments (Note 31)	1,220,781	2	1,009,420	1
Other current assets (Notes 4 and 14)	216,907	-	243,222	-
Total current assets	31,614,950	41	35,367,040	42
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	2,060,835	3	2,286,817	3
Financial assets at amortized cost - non-current (Notes 4, 9, 36 and 37)	358,679	-	382,501	-
Investments accounted for using the equity method (Notes 4 and 13)	13,611,385	17	19,335,554	23
Property, plant and equipment (Notes 4, 14, 31 and 36)	25,520,104	33	24,471,011	29
Right-of-use assets (Notes 4, 15 and 36)	1,634,654	2	727,341	1
Investment properties, net (Notes 4 and 16)	624,562	1	711,345	1
Goodwill (Notes 4, 17 and 31)	270,211	-	270,211	-
Other intangible assets, net (Notes 4, 17 and 31)	48,274	-	43,983	-
Deferred tax assets (Notes 4 and 28)	1,341,378	2	651,568	1
Other non-current assets (Notes 13, 23 and 36)	656,537	1	577,842	-
Total non-current assets	46,126,619	59	49,458,173	58
Total Assets	\$ 77,741,569	100	\$ 84,825,213	100
	Liabilities and Equity			
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 36)	\$ 2,400,326	3	\$ 2,498,041	3
Short-term notes payable (Note 18)	290,613	1	279,635	-
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	27,839	-	3,380	-
Trade payables (Note 20)	3,349,040	4	3,528,998	4
Other payables (Notes 21 and 31)	2,262,374	3	2,894,818	3
Current tax liabilities (Notes 4 and 28)	1,647,045	2	2,618,632	3
Lease liability - current (Notes 4 and 15)	102,435	-	73,065	-
Current portion of long-term borrowings (Notes 18, 19 and 36)	-	-	3,059,116	4
Refund liabilities - current (Note 21)	28,247	-	28,630	-
Other current liabilities (Note 26)	667,938	1	565,262	1
Total current liabilities	10,775,857	14	15,549,577	18
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	5,992,228	8	5,989,773	7
Long-term borrowings (Notes 18 and 36)	6,366,223	8	4,453,323	5
Provisions - non-current (Notes 5, 22 and 37)	136,375	-	136,375	-
Deferred tax liabilities (Notes 4 and 28)	1,395,175	2	1,417,922	2
Lease liabilities - non-current (Notes 4 and 15)	1,262,591	1	387,502	1
Net defined benefit liabilities - non-current (Notes 4 and 23)	754,722	1	1,151,009	1
Other non-current liabilities (Note 24)	133,513	-	94,771	-
Total non-current liabilities	16,040,827	20	13,630,675	16
Total Liabilities	26,816,684	34	29,180,252	34
Equity attributable to owners of the Company (Notes 4, 8, 12, 23, 25 and 28)				
Share capital	11,887,635	15	11,887,635	14
Capital surplus	449,960	1	366,185	-
Retained earnings				
Legal reserve	3,872,190	5	3,343,086	4
Special reserve	375,127	-	375,127	-
Unappropriated earnings	8,377,890	11	9,881,214	12
Total retained earnings	12,625,207	16	13,599,427	16
Other equity	8,896	-	84,358	-
Treasury shares	(475,606)	-	(475,606)	-
Total equity attributable to owners of the Company	24,496,092	32	25,461,999	30
Non-controlling Interests	26,428,793	34	30,182,962	36
Total equity	50,924,885	66	55,644,961	66
Total liabilities and equity	\$ 77,741,569	100	\$ 84,825,213	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, 2022 and 2021

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

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)	\$ 66,437,122	100	\$ 71,755,542	100
COST OF GOODS SOLD (Notes 4, 11, 14, 15, 17, 23, 27 and 35)	55,496,976	83	54,001,841	75
GROSS PROFIT	10,940,146	17	17,753,701	25
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 23, 24, 27 and 35)				
Selling and marketing expenses	3,406,260	5	3,163,322	4
Administrative expenses	1,360,037	2	1,279,057	2
Research and development expenses	436,993	1	429,830	1
Expected credit loss (profit) reversed on accounts receivable	865	-	(1,426)	-
Total operating expenses	5,204,155	8	4,870,783	7
PROFIT FROM OPERATIONS	5,735,991	9	12,882,918	18
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 27)	146,498	-	79,601	-
Other income (Notes 4, 24, 27 and 35)	950,949	1	627,387	1
Other gains and losses (Notes 4, 16, 27 and 39)	233,549	-	57,628	-
Finance costs (Notes 4, 18, 19 and 27)	(215,420)	-	(167,097)	-
Share of loss of associates and joint ventures accounted for using the equity method (Notes 4 and 13)	(6,154,577)	(9)	(727,995)	(1)
Total non-operating income and expenses	(5,039,001)	(8)	(130,476)	-
Net profit before income tax	696,990	1	12,752,442	18
Income tax expense (Notes 4 and 28)	758,179	1	2,672,991	4
Net (loss) income for the year	(61,189)	-	10,079,451	14

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	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4, 23 and 25)	\$ 247,135	-	(\$ 9,779)	-
Unrealized gain (loss) on equity instruments at FVTOCI (Notes 4 and 25)	(222,591)	-	107,187	-
Income tax relating to items that will not be reclassified (Notes 4, 25 and 28)	(38,886)	-	(1,691)	-
	(14,342)	-	95,717	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 25)	860,412	1	(337,228)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 25 and 28)	(131,480)	-	54,262	-
	728,932	1	(282,966)	-
Other comprehensive income for the period, net of income tax	714,590	1	(187,249)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 653,401	1	\$ 9,892,202	14
Net (loss) profit attributable to				
Owners of the Company	\$ 1,555,097	2	\$ 5,191,394	7
Non-controlling Interests	(1,616,286)	(2)	4,888,057	7
	(\$ 61,189)	-	\$ 10,079,451	14
Total comprehensive income attributable to				
Owners of the Company	\$ 1,567,260	2	\$ 5,615,597	8
Non-controlling Interests	(913,859)	(1)	4,276,605	6
	\$ 653,401	1	\$ 9,892,202	14
Earnings per share (Note 29)				
From continuing operations				
Basic earnings per share	\$ 1.45		\$ 4.84	
Diluted earnings per share	\$ 1.45		\$ 4.83	

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

USI CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company											Non-controlling Interests (Notes 8, 1 2 and 25)	Total equity
	Share Capital (Notes 4 and 25)	Capital surplus			Retained earnings			Other Equity			Total		
		Treasury Share Transactions (Note 25)	Shares of Changes in Capital Surplus of Associates (Notes 4, 12 and 25)	Others (Note 25)	Legal Reserve (Note 25)	Special Reserve (Note 25)	Unappropriated Earnings (Notes 4, 8, 12, 23 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 25 and 28)	Unrealized gain (loss) on financial assets at FVTOCI (Notes 4, 8, 25 and 28)	Treasury shares (Note 25)			
Balance as of January 1, 2021	\$ 11,887,635	\$ 264,647	\$ 37,211	\$ 19,940	\$ 3,109,625	\$ 781,059	\$ 5,606,462	(\$ 583,855)	\$ 343,660	(\$ 475,606)	\$ 20,990,778	\$ 27,732,865	\$ 48,723,643
Distribution of earnings in 2020													
Provision for legal reserve	-	-	-	-	233,461	-	(233,461)	-	-	-	-	-	-
Reversal of special surplus reserve	-	-	-	-	-	(405,932)	-	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	(1,188,763)	-	-	-	(1,188,763)	-	(1,188,763)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,714,633)	(1,714,633)
Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394	4,888,057	10,079,451
Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	(804)	(127,118)	552,125	-	424,203	(611,452)	(187,249)
Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	(127,118)	552,125	-	5,615,597	4,276,605	9,892,202
Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	-	-	-	-	4,691	2,586	7,277
Changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367	-	1,367
Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329	-	38,329
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	100,454	-	(100,454)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(114,461)	(114,461)
Balance as of December 31, 2021	11,887,635	302,976	41,902	21,307	3,343,086	375,127	9,881,214	(710,973)	795,331	(475,606)	25,461,999	30,182,962	55,644,961
Distribution of earnings in 2022													
Provision for legal reserve	-	-	-	-	529,104	-	(529,104)	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	(2,615,280)	-	-	-	(2,615,280)	-	(2,615,280)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,804,905)	(2,804,905)
Net profit (loss) for the year 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097	(1,616,286)	(61,189)
Other comprehensive income for the year 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	(414,211)	-	12,163	702,427	714,590
Total comprehensive income for the year 2022	-	-	-	-	-	-	1,641,691	339,780	(414,211)	-	1,567,260	(913,859)	653,401
Changes in equity of subsidiaries recognized by equity method	-	-	(1,955)	-	-	-	(1,662)	-	-	-	(3,617)	4,326	709
Other changes in capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325	-	84,325
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	1,031	-	(1,031)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(39,731)	(39,731)
Balance as of December 31, 2022	<u>\$ 11,887,635</u>	<u>\$ 387,301</u>	<u>\$ 39,947</u>	<u>\$ 22,712</u>	<u>\$ 3,872,190</u>	<u>\$ 375,127</u>	<u>\$ 8,377,890</u>	<u>(\$ 371,193)</u>	<u>\$ 380,089</u>	<u>(\$ 475,606)</u>	<u>\$ 24,496,092</u>	<u>\$ 26,428,793</u>	<u>\$ 50,924,885</u>

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, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax for the year	\$ 696,990	\$ 12,752,442
Income (expenses) items		
Depreciation expenses	2,350,740	2,272,146
Amortization expense	58,946	63,774
Expected credit loss (profit) reversed on accounts receivable	865	(1,426)
Net loss (gain) on financial assets and liabilities at FVTPL	117,767	(336,404)
Finance costs	215,420	167,097
Interest income	(146,498)	(79,601)
Dividend income	(463,584)	(390,903)
Share of loss of associates and joint ventures accounted for using the equity method	6,154,577	727,995
(Gain) loss of disposal and scrapping of property, plant and equipment	(1,188)	64,669
Provision for write-downs of inventories and obsolescence losses	262,016	32,415
Gain on revised lease	-	(660)
Recognition of refund liabilities	7,330	19,165
Changes in operating assets and liabilities		
Decrease in financial assets and liabilities mandatorily classified as at FVTPL	2,924,461	88,477
Decrease (increase) in notes receivable	331,199	(204,169)
Decrease (increase) in accounts receivable	1,119,159	(1,703,446)
Decrease (increase) in other receivables	262,793	(269,309)
Decrease (increase) in inventories	134,495	(3,334,541)
Increase in prepayments	(610,074)	(196,392)
Decrease (increase) in other current assets	26,315	(61,585)
(Decrease) increase in accounts payable	(179,958)	122,161
(Decrease) increase in other payables	(614,894)	525,173
Decrease in refund liabilities	(7,713)	(6,925)
Decrease in net defined benefit liabilities	(301,437)	(140,684)
Increase in other current liabilities	<u>102,676</u>	<u>190,761</u>
Cash generated from operations	12,440,403	10,300,230
Interest received	136,229	79,222

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	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Interest paid	(\$ 215,453)	(\$ 159,354)
Income tax paid	(2,611,392)	(1,286,929)
Net cash generated from operating activities	<u>9,749,787</u>	<u>8,933,169</u>
Cash flows from investing activities		
Acquisition of FVTOCI	(43)	(4,835)
Disposal of FVTOCI	28,399	203,458
Return of capital from financial assets at FVTOCI	41,329	52,244
Purchase of financial assets at amortized cost	(83,098)	(71,820)
Acquisition of long-term equity investments using the equity method	(90,000)	-
Net cash outflows from acquisition of subsidiaries (Note 31)	-	(34,056)
Acquisitions of property, plant and equipment	(2,770,191)	(3,622,312)
Proceeds from disposal of property, plant and equipment	41,615	36,325
Increase in refundable deposits	(48,811)	(6,401)
Acquisition of other intangible assets	(10,581)	(733)
Acquisition of right-of-use assets	-	(25,567)
Acquisition of investment properties	(3,714)	(3,298)
Increase in other non-current assets	(82,451)	(280,145)
Dividends received	<u>463,584</u>	<u>390,903</u>
Net cash used in investing activities	<u>(2,513,962)</u>	<u>(3,366,237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(97,715)	(228,229)
Increase (decrease) in short-term notes payable	11,000	(377,000)
Issuing of bonds	-	3,991,268
Repayments of bonds	(3,000,000)	(2,000,000)
Proceeds from mid- to long-term borrowings	21,407,630	24,225,000
Repayments of mid- to long-term borrowings	(19,566,743)	(27,277,000)
Proceeds from guarantee deposits received	16,661	6,186
Repayments of the principal portion of lease liabilities	(89,717)	(70,349)
Increase (decrease) in other non-current liabilities	22,081	(1,670)
Cash dividends paid	(2,615,280)	(1,188,763)
Change in non-controlling interests	(39,731)	(114,461)
Cash dividends paid on non-controlling interests	<u>(2,804,905)</u>	<u>(1,714,633)</u>
Net cash used in financing activities	<u>(6,756,719)</u>	<u>(4,749,651)</u>

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>\$ 653,956</u>	<u>(\$ 88,935)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,133,062	728,346
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>10,365,353</u>	<u>9,637,007</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 11,498,415</u>	<u>\$ 10,365,353</u>

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

USI CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to and issued by the Company's board of directors on March 7, 2023.

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

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies.

b. New IFRSs endorsed and issued into effect by the FSC applied in 2023

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

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

Note 2. The amendments are applicable to the changes of the accounting estimates and changes of accounting policies which happen on the annual reporting periods beginning on or after January 1, 2023.

Note 3. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

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

c. IFRSs issued by IASB but not endorsed and issued by FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents (not including the asset restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the balance sheet date; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

d. 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 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 Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Please refer to Note 12, Table 7 and Table 8 for detailed information on subsidiaries, percentages of ownership and main businesses.

e. Business combination

Business combination is accounted for by acquisition method. Acquisition related costs are included as expenses in the period when costs are incurred and services are acquired. Goodwill is measured by the aggregate of the fair value of the transfer consideration and the fair value at the acquisition date of the acquirer's previously held interests in the

acquire exceeding the net identifiable assets acquired and liabilities assumed at the acquisition date.

f. Foreign currency

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

Monetary items denominated in foreign currencies are retranslated at the rates prevailing on each balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the re-translation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the re-translation 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 on the date of the transaction and will not be translated again.

In presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries, associates and joint ventures in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Group and non-controlling interests as appropriate).

When disposing of all or part of the subsidiaries of foreign operations which resulted in losing control of the foreign operations, all the accumulated exchange differences attributable to the owners of the Company and related to such foreign operations are classified as profit and loss.

When disposing of part of the subsidiaries and associates which did not result in losing control of the foreign operations, the accumulated exchange differences will be attributed pro rata to the non-controlling interests of the subsidiary rather than profit or loss. In other

disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by moving average method.

h. Investments in associates

An associate is an entity over which the Group has significant influence on and that is not a subsidiary or joint venture. A joint venture is a joint agreement whereby the Group has joint control with another company and has rights to the net assets.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the An associate is an entity over which . In addition, changes in the Group's share of equity in the associates and joint ventures are recognized according to the shareholding ratio.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's shares of losses of an associate equal or exceed its equity in that associate (which includes any carrying amount of the investment accounted for by using

the equity method and long-term equity that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

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

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

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

i. Property, plant and equipment

Property, plant and equipment are recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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

Except for self-owned land, which is not depreciated, the remaining real property, plant and equipment are depreciated separately for each significant part on a straight-line basis over their useful lives. The Group shall review the estimated useful life, residual value and depreciation method at least at each financial year-end, and shall prospectively apply the effects of changes in accounting estimates.

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

j. Investment properties

Investment property refers to property held for the purpose of earning rent or capital appreciation or both (including right-of-use assets that meet the definition of investment property).

Self-owned investment properties are initially recognized at cost (including transaction cost) and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired by lease are initially measured at cost (including the original measurement amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at cost less the accumulated amount of depreciation and impairment loss, and re-measurements of adjustments on lease liabilities. All investment property is depreciated on a straight-line basis.

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

Property, plant and equipment are recognized as investment properties at the carrying amount at the time of termination for owner-occupation.

When investment property is de-recognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

k. Goodwill

Goodwill acquired through M&A uses the goodwill value recognized on the M&A day as the cost, subsequently measured by cost deducting accrued impairment loss.

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

The cash generation unit shared with the goodwill conducts impairment test through comparison between its face value containing goodwill and recoverable value every year (and the time with sign showing potential impairment). If the goodwill with such shares was acquired by corporate M&A, then, the unit should conduct impairment test at end of the year. If the recoverable amount of the cash generation unit with shared goodwill is less than its face value, firstly, the loss deducts the face value with shared goodwill, second, decrease the face value of each asset with respect of the proportion in the unit.

Any impairment loss is recognized directly as a loss of the current period and goodwill impairment loss may not be reversed subsequently.

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

1. Intangible assets

1) Separate acquisition

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period by the Group, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets without definite service life shall be presented at cost minus accumulated impairment loss.

2) Acquisition by business combination

Intangible assets acquired by a business combination shall be recognized at fair value on the acquisition date, and subsequently measured by the same method as that of intangible assets acquired separately, and the goodwill shall be recognized separately.

3) Derecognition

On de-recognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets (other than goodwill)

On each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

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

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

n. Non-current assets available for sale

Non-current assets are classified as available for sale when their carrying amounts are expected to be recovered primarily through a sale transaction rather than continued use. Non-current assets that qualify for this classification must be available for immediate sale in their current state and must be highly likely available for sale. A non-current asset is highly likely available for sale when an appropriate management level commits to a plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as available for sale are measured at the lower of their carrying amount and fair value minus the cost of sale, of which the depreciation of shall be ceased.

o. Financial instruments

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

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets held by the Group are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivative instruments and fund beneficiary certificates that do not meet the criteria to classify as at amortized cost or at FVTOCI.

Financial assets at FVTPL are measured at fair value, with the generated dividends and interest recognized in other income and interest income respectively, and with the profits or losses arising from re-measurement are recognized in other profits and losses. Please refer to Note 34 for the method of determining the fair value.

ii. Financial assets measured at amortized cost

The Group's financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

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

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- i) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.
- ii) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has major financial difficulties, defaults, and the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for financial assets disappear due to financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

Dividends on these investments using equity instruments at other FVTOCI are recognized in profit or loss when the Group's right to receive the

dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) on each balance sheet date.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable as allowance for loss. For other financial assets, the Group evaluates if there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly, the Company recognizes the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If there is a significant increase, the Company recognizes the lifetime expected credit losses accordingly.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

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

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

c) De-recognition 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 de-recognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. Upon de-recognition of investment using equity instruments measured at fair value through other comprehensive profits and losses as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the acquired prices deducting costs of direct issuance

Reacquiring the Company's own equity instruments is recognized and deducted under equity. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities measured at fair value through profit and loss, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities held for transactions are measured pursuant to fair price, wherein their profits or losses generated from re-measurements is recognized as other benefits and losses. Please refer to Note 34 for the method of determining the fair value.

b) De-recognition of financial liabilities

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

4) Derivatives

The Group enters into a variety of derivatives 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 is positive, the derivative is recognized as a financial asset; when the fair value of a derivative is negative, the derivative is recognized as a financial liability.

p. Provisions

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

q. Revenue recognition

The Group identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Provision for refund liabilities are reasonable estimates of future returns based on past experience and other relevant factors.

1) Revenue from the sale of goods

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

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so the income is not recognized when the material is removed.

2) Service revenue

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

r. 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.

s. Leasing

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

1) The Group as lessor

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

When the Group subleases the right-of-use asset, it uses the right-of-use asset (instead of underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Group applies the recognition exemption, the sublease is classified as an operating lease.

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

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

2) The Group as lessee

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

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the amount after the cost less the accumulated depreciation, and the remeasured amount of the lease liability is adjusted. Except for those as defined for investment properties, the right-of-use assets are presented on a separate line in the consolidated balance sheets. For the recognition and measurement of right-of-use asset as defined for investment properties, please refer to i. Investment Properties Accounting Policy.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted

using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in an index or a rate used to determine those payments leading to a change in future lease payments, the Group re-measures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the re-measurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

t. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until the time when the assets are substantially ready for their intended use or sale. Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

u. Government subsidy

Government subsidies are not usually recognized, unless they are reasonable to be certain that the Group will follow supplemental conditions for the same and they are receivable. Revenue-related government subsidies are recognized as the profit and loss based on system with attempted compensation of related costs recognized as expenditure by the Group. Government subsidies conditioned on the acquisition, construction or other acquisition of non-current assets by the Group are recognized as deferred income, and are recognized as profit or loss over the useful life of the relevant assets on a reasonable and systematic basis.

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

The difference between the amount of the government loans obtained by the Group at below-market interest rates and their fair value calculated at the prevailing market interest rates is recognized as a government subsidy.

v. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

w. Share-based payment arrangements

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

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

The Group amends the expected employee stock option forecast on every balance sheet date. Any effect from amendments to original forecast is recognized as profit or loss to reflect accrued expenses and make adjustment on the non-controlling interests.

x. Income tax

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

1) Current tax

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

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year of the shareholder meetings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based

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

3) Current tax and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group will incorporate the recent developments of the COVID-19 pandemic and its possible impact on the economic environment into accounting estimates. Management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

a. Impairment loss estimates of accounts receivable

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

b. Inventory Impairment

As a result that inventory requires pricing at lower one between cost and net realized value; hence, the Group has to judge and estimate the net realization of inventory at the end of financial statements. The Group evaluated inventory price due to normal

consumption, overdue or no market value as of the end of financial statements and write down inventory cost to net realization. This inventory evaluation is mainly based on product historic sales experiences and in demand during upcoming specified period, as such significant change might derive. Refer to Note 11 for the carrying amount of the Group's inventory.

c. Estimate of compensation for the subsidiary's gas explosion incident

As for the civil damages incurred by the gas explosion of the subsidiary, China General Terminal & Distribution Co., which is recognized as a liability provision, the management estimates the amount of the liability provision by taking into account the progress of civil and criminal proceedings and settlements as well as the legal advice. However, actual results may differ from current estimates. Please refer to Note 37 for a detailed description.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 4,560	\$ 70,667
Checking accounts and demand deposits	3,232,891	3,383,659
Cash equivalents		
Time deposits	6,606,811	6,655,811
Reserve repurchase agreements collateralized by bonds	<u>1,654,153</u>	<u>255,216</u>
	<u>\$ 11,498,415</u>	<u>\$ 10,365,353</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits	0.88%~4.91%	0.08%~2.50%
Reserve repurchase agreements collateralized by bonds	1.05%~4.23%	0.06%~0.90%

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

CURRENT

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 2,121	\$ 8,297
Non-derivative financial assets		
- Domestic listed (OTC) shares	228,677	603,956
- Fund beneficiary certificates	2,259,780	4,896,869
- Beneficiary securities	233,828	232,680
- Overseas listed shares	91	464
Sub-total	<u>2,722,376</u>	<u>5,733,969</u>
	<u>\$ 2,724,497</u>	<u>\$ 5,742,266</u>
<u>Financial liabilities held for trading</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 27,839	\$ 3,380

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

	<u>Currency</u>	<u>Expiration date</u>	<u>Contract Amount (In Thousands)</u>	
<u>December 31, 2022</u>				
Sell	RMB/NTD	2023.01.09-2023.03.30	RMB 511,100 /NTD	2,236,999
Sell	USD/MYR	2023.03.13	USD 100 /MYR	440
Sell	EUR/MYR	2023.03.17-2023.03.31	EUR 270 /MYR	1,254
Buy	NTD/USD	2023.01.03-2023.02.23	NTD 672,391 /USD	21,620
Buy	JPY/USD	2023.01.20-2023.02.24	JPY 120,000 /USD	862
<u>December 31, 2021</u>				
Sell	RMB/NTD	2022.01.03-2022.03.24	RMB 375,900 /NTD	1,625,844
Sell	USD/MYR	2022.04.29-2022.10.31	USD 2,150 /MYR	9,075
Sell	USD/NTD	2022.01.03-2022.03.30	USD 45,290 /NTD	1,259,790
Sell	EUR/MYR	2022.01.31-2022.02.28	EUR 60 /MYR	304
Buy	NTD/USD	2022.03.07	NTD 128,458 /USD	4,640
Buy	JPY/USD	2022.01.18-2022.02.24	JPY 100,000 /USD	883

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.

Please refer to Note 36 for the pledge of investments in equity instruments at FVTPL

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Investments in equity instruments		
Domestic investments		
Listed (OTC) shares	\$ <u>97,183</u>	\$ <u>145,921</u>
<u>Non-current</u>		
Investments in equity instruments		
<u>Domestic</u> investments		
Listed (OTC) shares	\$ 1,531,870	\$ 1,672,941
Emerging market shares	-	21,677
Unlisted shares	<u>359,548</u>	<u>437,569</u>
	<u>1,891,418</u>	<u>2,132,187</u>
<u>Overseas</u> investments		
Listed (OTC) shares	30,041	40,855
Unlisted shares	<u>139,376</u>	<u>113,775</u>
	<u>169,417</u>	<u>154,630</u>
	<u>\$ 2,060,835</u>	<u>\$ 2,286,817</u>

The Group invested the listed shares and over-the-counter shares, emerging market shares and unlisted shares for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. For the year ended December 31, 2022, the Group sold the investments in equity instruments at FVTOCI, and the related other equity - the unrealized gain of financial assets measured at fair value through other comprehensive income of NT\$1,031 thousand is transferred to retained earnings.

For the year ended December 31, 2021, the Group sold the investments in equity instruments at FVTOCI, and the related other equity - the unrealized benefit of financial assets measured at fair value through other comprehensive income of NT\$149,287 thousand is transferred to retained surplus of NT\$100,454 thousand and non-controlling equity of NT\$48,833 thousand, respectively.

For the years ended December 31, 2022 and 2021, due to the reduction of capital and refund of shares respectively by the invested company, the Group shall recover NT\$41,329 thousand and NT\$52,244 thousand according to the proportion of shares held, respectively.

The Group recognized dividend income of NT\$120,996 thousand and NT\$190,222 thousand, respectively, for the years ended December 31, 2022 and 2021.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Pledged time deposits	\$ 424,685	\$ 349,137
Constricted bank deposits	<u>15,244</u>	<u>-</u>
	<u>\$ 439,929</u>	<u>\$ 349,137</u>
<u>Non-current</u>		
Constricted bank deposits	<u>\$ 358,679</u>	<u>\$ 382,501</u>

Range of Interest Rates

Pledged time deposits 0.19%~2.60% 0.04%~1.85%

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

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	<u>\$ 544,546</u>	<u>\$ 875,745</u>
<u>Accounts receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	\$ 7,481,614	\$ 8,600,861
Less: allowance for loss	<u>(86,579)</u>	<u>(85,384)</u>
	<u>\$ 7,395,035</u>	<u>\$ 8,515,477</u>
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 200,055	\$ 299,915
Lent material fees receivable	-	70,090
Others	<u>59,146</u>	<u>141,720</u>
	<u>\$ 259,201</u>	<u>\$ 511,725</u>

a. Notes and accounts receivable

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

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Expected credit losses over the life period are calculated using a reserve matrix, which takes into account the customer's past default record and current financial condition, industry economic situation and industry outlook.

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

The following table details the loss allowance of notes receivables and accounts receivable based on the Group's allowance matrix.

December 31, 2022

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61-90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 4,888,004	\$ 391	\$ 3,624	\$ 4,892,019
Loss allowance (Lifetime ECLs)	(11,842)	(391)	(3,615)	(15,848)
Amortized cost	<u>\$ 4,876,162</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 4,876,171</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 235,721	\$ 768,055	\$ 301,535	\$ 1,828,830	\$ 3,134,141
Loss allowance (Lifetime ECLs)	-	(4,374)	(5,025)	(61,332)	(70,731)
Amortized cost	<u>\$ 235,721</u>	<u>\$ 763,681</u>	<u>\$ 296,510</u>	<u>\$ 1,767,498</u>	<u>\$ 3,063,410</u>

December 31, 2021

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 4,887,767	\$ 835	\$ 8,156	\$ 4,896,758
Loss allowance (Lifetime ECLs)	(<u>12,511</u>)	(<u>330</u>)	(<u>4,209</u>)	(<u>17,050</u>)
Amortized cost	<u>\$ 4,875,256</u>	<u>\$ 505</u>	<u>\$ 3,947</u>	<u>\$ 4,879,708</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 366,796	\$ 1,174,614	\$ 296,804	\$ 2,741,634	\$ 4,579,848
Loss allowance (Lifetime ECLs)	-	(<u>6,728</u>)	(<u>5,191</u>)	(<u>56,415</u>)	(<u>68,334</u>)
Amortized cost	<u>\$ 366,796</u>	<u>\$ 1,167,886</u>	<u>\$ 291,613</u>	<u>\$ 2,685,219</u>	<u>\$ 4,511,514</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 2,922,962	\$ 4,251,618
Up to 60 days	147,336	251,874
Over 61 days	<u>63,843</u>	<u>76,356</u>
	<u>\$ 3,134,141</u>	<u>\$ 4,579,848</u>

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

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 85,384	\$ 90,056
Provision (reversal) in the current year	865	(1,426)
Less: Amounts written off during the period as uncollectible	(88)	(2,981)
Foreign exchange translation gains and losses	<u>418</u>	(<u>265</u>)
Balance at December 31	<u>\$ 86,579</u>	<u>\$ 85,384</u>

b. Other receivables

Other receivables mainly consisted of tax refund receivable, lent material fees receivable, etc. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date, and an impairment loss was assessed based on the expected credit losses. There were no other overdue receivables with an unrecognized allowance for doubtful accounts in the Group as of December 31, 2022 and 2021.

11. INVENTORIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finished goods	\$ 4,213,873	\$ 4,567,525
Work in progress	750,562	476,649
Raw materials	1,810,162	1,980,596
Supplies	394,092	359,533
Inventory in transit	<u>30,965</u>	<u>215,540</u>
	<u>\$ 7,199,654</u>	<u>\$ 7,599,843</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$55,496,976 thousand and NT\$54,001,802 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$262,016 thousand and NT\$32,415 thousand, respectively.

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by the following subjects:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
The Company	USI Investment Co., Ltd. (USII)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
	Swanlake Traders Ltd. (Swanlake)	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	
	USI (Hong Kong) Company Ltd.	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	
	USI Management Consulting Corp. (UM)	Providing management services	<u>100.0%</u>	<u>100.0%</u>	
	Chong Loong Trading Co., Ltd. (CLT)	Import and export trade	<u>100.0%</u>	<u>99.9%</u>	13
	Union Polymer International Investment Corporation (UPIIC)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
	Cypress Epoch Limited	Investment business	<u>-</u>	<u>-</u>	1
	INOMA Corporation (INOMA)	Optical products and fire protection materials	<u>94.4%</u>	<u>94.4%</u>	
	USIG (Shanghai) Co., Ltd. (USIG)	Import and distribution of various types of chemical raw materials and products	<u>100.0%</u>	<u>100.0%</u>	1
	USI Green Energy Corporation (USIGE)	Solar power generation business	<u>100.0%</u>	<u>100.0%</u>	2
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	
Asia Polymer Corporation (APC)			<u>8.3%</u>	<u>8.3%</u>	
			<u>78.3%</u>	<u>78.3%</u>	11
The Company	Swanson Plastics Corporation (SPC)	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	

(Continued)

(Continued)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
Asia Polymer Corporation			8.0%	8.0%	
USIFE Investment Co., Ltd.			6.4%	6.0%	
			<u>55.0%</u>	<u>54.6%</u>	3
The Company	Acme Electronics Corp. (ACME)	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	
China General Plastics Corporation			1.7%	1.7%	
USIFE Investment Co., Ltd.			9.3%	9.3%	
Asia Polymer Corporation			3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	
APC Investment Corporation			1.0%	1.0%	
			<u>44.6%</u>	<u>44.6%</u>	15
The Company	USI Optronics Corporation (USIO)	Manufacturing and marketing of sapphire crystal	50.9%	50.9%	
Acme Electronics Corporation			34.0%	34.0%	
Asia Polymer Corporation			9.2%	9.2%	
USIFE Investment Co., Ltd.			0.2%	0.2%	
			<u>94.3%</u>	<u>94.3%</u>	
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	
Swanlake Traders Ltd.			23.1%	16.7%	4
APC (BVI) Holding Co., Ltd.			16.6%	16.6%	
TAITA (BVI) Holding Co., Ltd.			5.4%	5.4%	
			<u>96.4%</u>	<u>90.0%</u>	
Acme Electronics Corporation	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd. ("ACME Electronics (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
	ACME Components (Malaysia) Sdn.Bhd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
Golden Amber Enterprises Limited	Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer International Investment Corporation	Asia Polymer Corporation (APC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	36.1%	36.1%	
China General Terminal & Distribution Co.			0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	
Taiwan VCM Corporation			-	-	
			<u>37.3%</u>	<u>37.3%</u>	15
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. (APC (BVI))	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
Asia Polymer Corporation	USI International Corporation	Reinvestment business	70.0%	70.0%	
APC (BVI) Holding Co., Ltd.			30.0%	30.0%	
			<u>100.0%</u>	<u>100.0%</u>	
Asia Polymer Corporation	APC Investment Corporation (APC)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
APC (BVI) Holding Co., Ltd.	USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment and plastic products and whole sale of electronic materials, commission agency services and related supporting import and export services	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd. (TTC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	36.8%	36.8%	
China General Terminal & Distribution Co.			0.6%	0.6%	
USIFE Investment Co., Ltd.			0.4%	0.4%	
			<u>37.8%</u>	<u>37.8%</u>	15
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co, Ltd. (TAITA (BVI))	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	5

(Continued)

(Continued)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
TAITA (BVI) Holding Co, Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TTC (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	6
	Zhangzhou Taita Chemical Company, Limited (ZTC)	Production and marketing of polystyrene derivatives	<u>100.0%</u>	-	5
Swanlake Traders Ltd.	Zhangzhou Taiju Trading Co., Ltd. (ZTC)	Sales of chemical products	70.0%	-	
APC (BVI) Holding Co., Ltd.			<u>30.0%</u>	-	
Union Polymer International Investment Corporation	China General Plastics Corporation (CGPC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	<u>100.0%</u>	-	8
			25.0%	25.0%	
Asia Polymer Corporation			8.0%	8.0%	
Taita Chemical Company, Ltd.			2.0%	2.0%	
China General Terminal & Distribution Co.			0.5%	0.5%	
USIFE Investment Co., Ltd.			<u>0.1%</u>	<u>0.1%</u>	
China General Plastics Corporation	Taiwan VCM Corporation (TVCM)	Manufacturing and marketing of vinyl chloride monomer and related petrochemical products	<u>35.6%</u>	<u>35.6%</u>	15
	CGPC (BVI) Holding Co., Ltd. CGPC America Corporation	Reinvestment business Marketing of PVC two- or three-time processed products	<u>87.3%</u>	<u>87.3%</u>	7
Taiwan VCM Corporation	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	
	Global Green Technology Corporation (GGC)	Environmental detection services	<u>100.0%</u>	-	12
CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)")	Manufacturing & marketing of PVC film and consumer products	<u>100.0%</u>	<u>100.0%</u>	10
	CGPC Consumer Products Corporation	Manufacturing & marketing of PVC film and consumer products	<u>100.0%</u>	<u>100.0%</u>	10
China General Plastics Corporation	China General Terminal & Distribution Corporation (CGTD)	Warehousing petrochemical raw materials	33.3%	33.3%	
Taita Chemical Company, Ltd.			33.3%	33.3%	
Asia Polymer Corporation			<u>33.4%</u>	<u>33.4%</u>	
USIFE Investment Co., Ltd.			<u>100.0%</u>	<u>100.0%</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. (TUVM)	Business management consulting	<u>100.0%</u>	<u>100.0%</u>	
ACME Components (Malaysia) Sdn.Bhd.	ACME Ferrite Products Sdn.Bhd (ACME Ferrite)	Manufacturing and marketing of soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	Curtana Company Ltd.	Reinvestment business	-	-	9
	Forever Young Company Ltd.	Trading and agency businesses	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson International Ltd.	Import and export trade	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	PT. Swanson Plastics Indonesia Ltd.	Production and marketing of plastic products	1.0%	1.0%	
Swanson Plastics (Singapore) Pte., Ltd.			<u>99.0%</u>	<u>99.0%</u>	
Swanson Plastics Corporation	Swanson Technologies Corporation ("STC")	Production, marketing and development of EVA packaging film and other value added plastic products	<u>100.0%</u>	<u>100.0%</u>	
			70.0%	70.0%	
APC Investment Corporation			15.0%	15.0%	
USIFE Investment Co., Ltd.			<u>15.0%</u>	<u>15.0%</u>	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (India) Private Limited	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	

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Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
Swanson International Ltd.	A.S.Holdings (UK) Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Kunshan) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	
A.S. Holdings (UK) Limited	ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	<u>100.0%</u>	<u>100.0%</u>	
The Company Asia Polymer Corporation	Ever Conquest Global Limited ("ECGL")	Investment business	59.1%	59.1%	
			<u>40.9%</u>	<u>40.9%</u>	
Ever Conquest Global Limited	Ever Victory Global Limited(EVGL)	Investment business	<u>100.0%</u>	<u>100.0%</u>	14
			<u>67.4%</u>	<u>67.4%</u>	14 and 15
Ever Victory Global Limited	Dynamic Ever Investments Limited(DEIL)	Investment business	<u>85.0%</u>	<u>85.0%</u>	14

- 1) To simplify investing framework, the Company hanged its indirect investment in USIG (Shanghai) Co., Ltd. in China with approval of the Investment Commission, Ministry of Economic Affairs (Investment Commission) dated January 25, 2021, as such, with the approval, it was revised to be direct investment. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021.
- 2) In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, Xuanju Co., Ltd. on July 5, 2021 at a purchase price of NT\$34,092 thousand, which was confirmed by the Board of Directors on July 8, 2021. Please refer to Note 31 for details. In addition, USIGE issued 7,000 thousand ordinary shares through cash capital increase by resolution of the board of directors on November 3, 2021, which was subscribed by the Company in full. The paid-up capital after capital increase was NT\$70,100 thousand.
- 3) USI Investment Co., Ltd. (USII) acquired 1.1% and 0.4% equity from external shareholders of Swanson Plastics Corporation (SPC) in 2022 and 2021 based on medium and long-term investment strategy, thus acquired a price of NT\$19,691 thousand and NT\$7,925 thousand, respectively.
- 4) On January 21, 2021 and September 1, 2022, Swanlake acquired 5.42% equity and 6.47% equity from the external shareholders of ACME Electronics (Cayman) Corp. approved by the Investment Commission, MOEA with the purchase price of US\$2,172 thousand and US\$2,879 thousand, respectively. After the purchase of equity, the proportion of equity held by the Group in ACME Electronics (Cayman) Corp. increased from 84.53% to 89.95% and from 89.95% to 96.42%, respectively. As these transactions did not change the Group's control over the subsidiary, it is

deemed as an equity transaction. Differences generated from the aforementioned equity transaction were adjusted to increases in capital surplus of NT\$3,564 thousand and to decrease in capital surplus of NT\$4,071 thousand and retained earnings of NT\$1,662 thousand, respectively.

- 5) The board of directors of TTC decided on December 3, 2020 to invest RMB 314,000 thousand through TAITA (BVI) to establish ZTC Co. The company completed the establishment registration on June 28, 2021, and TAITA (BVI) has injected capital of RMB 306,950 thousand on March 8, 2022.
- 6) The management of TTC decided to suspend the main production of expanded polystyrene (EPS) by TTC (Tianjin) from April 2019 due to the assessment of the demand reduction of its subsidiary TTC (Tianjin) in the local market. Please refer to Note 14 for relevant explanation.
- 7) Based on the medium- and long- term investment strategy, the Group acquired 157 thousand shares of Taiwan VCM Corporation (TVCM) from external shareholders from March to September 2021 at a price of NT\$2,653 thousand. After the purchase of shares, the equity proportion of the Group to Taiwan VCM Corporation (TVCM) increased from 87.22% to 87.27%. As these transactions did not change the Group's control over the subsidiary, it is deemed as an equity transaction. Differences generated from the aforementioned equity transaction were adjusted to increases in capital surplus of NT\$252 thousand.
- 8) In order to sell the products produced by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture company, Zhangzhou Taiju Trading Co., Ltd., in Fujian Province, China. The company completed registration on March 12, 2022 and the capital was invested by Swanlake and APC (BVI) on May 20, 2022 in the amount of RMB7,000 thousand and RMB3,000 thousand, respectively.
- 9) In August 2020, Swanson Plastics Corporation (SPC) resolved to dissolve and liquidate the subsidiary Curtana Company Ltd., with the dissolution and liquidation procedure completed on February 5, 2021.
- 10) CGPC disposed of CGPC (ZS) and CGPC Consumer Products Corporation (“CGPC (CP)”) by resolution as approved in the meeting of the board of directors in October 2011. However, since CGPC leased out the idle plant of the discontinued unit in 2021, considering that the operation of the plant is not substantially discontinued, the discontinued operation is reversed to continuing operation after evaluation.

- 11) To improve the financial structure and activate the company's capital utilization, TUVU passed the resolution of the extraordinary shareholders' meeting on November 25, 2021 to cover losses of NT\$100,000 thousand with retained earnings, and to cancel the issued shares of 10,000 thousand shares. The capital reduction ratio was 21.28%, and the base date for it was December 3, 2021. After the capital reduction, the paid-in share capital of TUVU was NT\$370,000 thousand.
- 12) In order to plan for future pollution remediation, testing and other related businesses and public works/public institution projects to be conducted by an independent company, TVCM invested in GGC as a single corporate shareholder and acquired 100% of the shares for NT\$50,000 thousand. The case was approved by the competent authority for registration on February 11, 2022, with a registered capital of NT\$168,880 thousand.
- 13) The Company obtained 0.1% equity from the external shareholders of Chong Loong Trading Co., Ltd. in October 2022 based on the medium and long-term investment strategy, and the acquisition price was NT\$23 thousand.
- 14) As of December 31, 2022, the Company and APC invested capital amounted to USD 246,670 thousand (around NT\$7,645,981 thousand) and USD 170,475 thousand (around NT\$5,255,587 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of the Group in EVGL is 67.4%. For more detailed explanation, please refer to and Note 13.
- 15) This is a subsidiary with material non-controlling interests.
- b. Details of subsidiaries that have material non-controlling interests

<u>Name of Subsidiary</u>	<u>Proportion of Ownership and Voting Rights Held by Non-controlling Interests</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
CGPC	64.4%	64.4%
TTC	62.2%	62.2%
ACME	55.4%	55.4%
APC	62.7%	62.7%
EVGL	32.6%	32.6%

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

(Continued)

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Non-controlling Interests	
	For the Year Ended	For the Year Ended	December 31,	December 31,
	December 31, 2022	December 31, 2021	2022	2021
CGPC	<u>(\$ 243,436)</u>	<u>\$ 1,623,144</u>	<u>\$ 6,001,047</u>	<u>\$ 7,063,369</u>
TTC	<u>\$ 260,956</u>	<u>\$ 1,171,507</u>	<u>\$ 4,470,523</u>	<u>\$ 4,715,783</u>
ACME	<u>\$ 9,091</u>	<u>\$ 32,991</u>	<u>\$ 758,748</u>	<u>\$ 720,250</u>
APC	<u>\$ 979,177</u>	<u>\$ 2,097,980</u>	<u>\$ 8,791,329</u>	<u>\$ 9,385,928</u>
EVGL	<u>(\$ 1,703,625)</u>	<u>(\$ 207,283)</u>	<u>\$ 4,173,312</u>	<u>\$ 5,740,914</u>

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

CGPC and CGPC's subsidiaries

	December 31, 2022	December 31, 2021
Current assets	\$ 6,755,051	\$ 7,888,292
Non-current assets	9,928,728	9,087,023
Current liabilities	(3,108,612)	(2,992,501)
Non-current liabilities	(3,533,939)	(2,147,545)
Equity	<u>\$ 10,041,228</u>	<u>\$ 11,835,269</u>
Equity attributable to:		
Owners of the Company	\$ 3,445,725	\$ 4,099,608
Non-controlling interests of CGPC	6,001,047	7,063,369
Non-controlling interests of CGPC's subsidiaries	<u>594,456</u>	<u>672,292</u>
	<u>\$ 10,041,228</u>	<u>\$ 11,835,269</u>
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Revenue	<u>\$ 17,637,479</u>	<u>\$ 20,221,524</u>
Net (loss) profit in the current year	(\$ 337,717)	\$ 2,631,418
OTHER COMPREHENSIVE INCOME (LOSS)	<u>107,290</u>	(<u>14,961</u>)
Total comprehensive income	<u>(\$ 230,427)</u>	<u>\$ 2,616,457</u>
Net (loss) profit attributable to:		
Owners of the Company	(\$ 126,811)	\$ 845,532
Non-controlling interests of CGPC	(243,436)	1,623,144
Non-controlling interests of CGPC's subsidiaries	<u>32,530</u>	<u>162,742</u>
	<u>(\$ 337,717)</u>	<u>\$ 2,631,418</u>

(Continued)

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 152,656)	\$ 917,989
Non-controlling interests of CGPC	(113,477)	1,535,895
Non-controlling interests of CGPC's subsidiaries	<u>35,706</u>	<u>162,573</u>
	<u>(\$ 230,427)</u>	<u>\$ 2,616,457</u>
Cash Flows		
Operating activities	\$ 816,378	\$ 2,206,421
Investing activities	(1,528,615)	(1,697,443)
Financing activities	766,423	(64,629)
Effects of exchange rate changes	<u>2,068</u>	<u>(1,159)</u>
Net cash inflow	<u>\$ 56,254</u>	<u>\$ 443,190</u>
Dividends paid on non-controlling interests	<u>\$ 955,096</u>	<u>\$ 654,923</u>
<u>TTC and TTC's subsidiaries</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 6,006,957	\$ 7,290,336
Non-current assets	3,233,919	3,454,323
Current liabilities	(1,357,962)	(2,343,160)
Non-current liabilities	<u>(676,700)</u>	<u>(739,686)</u>
Equity	<u>\$ 7,206,214</u>	<u>\$ 7,661,813</u>
Equity attributable to:		
Owners of the Company	\$ 2,735,691	\$ 2,946,030
Non-controlling interests of TTC	<u>4,470,523</u>	<u>4,715,783</u>
	<u>\$ 7,206,214</u>	<u>\$ 7,661,813</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 18,083,799</u>	<u>\$ 20,771,165</u>
Net profit from continuing operations	\$ 412,078	\$ 1,849,932

(Continued)

(Continued)

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Other comprehensive income (loss)	(<u>110,476</u>)	<u>144,361</u>
Total comprehensive income	<u>\$ 301,602</u>	<u>\$ 1,994,293</u>
Net profit attributable to:		
Owners of the Company	\$ 151,122	\$ 678,425
Non-controlling interests of TTC	<u>260,956</u>	<u>1,171,507</u>
	<u>\$ 412,078</u>	<u>\$ 1,849,932</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 81,881	\$ 729,130
Non-controlling interests of TTC	<u>219,721</u>	<u>1,265,163</u>
	<u>\$ 301,602</u>	<u>\$ 1,994,293</u>
Cash Flows		
Operating activities	\$ 1,102,890	\$ 736,221
Investing activities	(100,351)	(91,278)
Financing activities	(958,558)	(490,800)
Effects of exchange rate changes	<u>19,824</u>	(<u>14,366</u>)
Net cash inflow	<u>\$ 63,805</u>	<u>\$ 139,777</u>
Dividends paid on non-controlling interests	<u>\$ 479,581</u>	<u>\$ 435,982</u>
 <u>ACME and ACME's subsidiaries</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 2,355,001	\$ 2,335,126
Non-current assets	2,423,891	2,005,472
Current liabilities	(1,182,908)	(1,600,758)
Non-current liabilities	(<u>1,607,905</u>)	(<u>804,698</u>)
Equity	<u>\$ 1,988,079</u>	<u>\$ 1,935,142</u>
Equity attributable to:		
Owners of the Company	\$ 618,955	\$ 614,791
Non-controlling interests of ACME	758,748	720,250
Non-controlling interests of ACME's subsidiaries	<u>610,376</u>	<u>600,101</u>
	<u>\$ 1,988,079</u>	<u>\$ 1,935,142</u>

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 3,057,217</u>	<u>\$ 3,070,315</u>
Net profit from continuing operations	\$ 14,717	\$ 90,481
Other comprehensive income (loss)	<u>36,040</u>	<u>(40,414)</u>
Total comprehensive income	<u>\$ 50,757</u>	<u>\$ 50,067</u>
Net profit attributable to:		
Owners of the Company	\$ 7,257	\$ 26,338
Non-controlling interests of ACME	9,091	32,991
Non-controlling interests of ACME's subsidiaries	<u>(1,631)</u>	<u>31,152</u>
	<u>\$ 14,717</u>	<u>\$ 90,481</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 17,990	\$ 16,726
Non-controlling interests of ACME	22,533	20,951
Non-controlling interests of ACME's subsidiaries	<u>10,234</u>	<u>12,390</u>
	<u>\$ 50,757</u>	<u>\$ 50,067</u>
Cash Flows		
Operating activities	(\$ 80,491)	\$ 71,338
Investing activities	(617,331)	(488,339)
Financing activities	496,647	438,971
Effects of exchange rate changes	<u>14,557</u>	<u>(27,555)</u>
Net cash outflow	<u>(\$ 186,618)</u>	<u>(\$ 5,585)</u>

APC and APC's subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 3,784,733	\$ 4,098,928
Non-current assets	12,605,336	14,879,618
Current liabilities	(1,550,109)	(1,942,077)
Non-current liabilities	<u>(623,002)</u>	<u>(1,574,420)</u>
Equity	<u>\$ 14,216,958</u>	<u>\$ 15,462,049</u>

(Continued)

(Continued)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity attributable to:		
Owners of the Company	\$ 5,425,629	\$ 6,076,121
Non-controlling interests of APC	<u>8,791,329</u>	<u>9,385,928</u>
	<u>\$ 14,216,958</u>	<u>\$ 15,462,049</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 9,815,332</u>	<u>\$ 9,565,813</u>
Net profit from continuing operations	\$ 1,447,369	\$ 3,101,127
Other comprehensive income (loss)	(<u>913,051</u>)	<u>947,852</u>
Total comprehensive income	<u>\$ 534,318</u>	<u>\$ 4,048,979</u>
Net profit attributable to:		
Owners of the Company	\$ 468,192	\$ 1,003,147
Non-controlling interests of APC	<u>979,177</u>	<u>2,097,980</u>
	<u>\$ 1,447,369</u>	<u>\$ 3,101,127</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 60,406)	\$ 1,739,582
Non-controlling interests of APC	<u>594,724</u>	<u>2,309,397</u>
	<u>\$ 534,318</u>	<u>\$ 4,048,979</u>
Cash Flows		
Operating activities	\$ 3,622,699	\$ 2,746,534
Investing activities	174,373	(5,161)
Financing activities	(3,092,920)	(2,579,254)
Effects of exchange rate changes	<u>13,882</u>	(<u>3,827</u>)
Net cash inflow	<u>\$ 718,034</u>	<u>\$ 158,292</u>
Dividends paid on non-controlling interests	<u>\$ 1,205,042</u>	<u>\$ 472,565</u>

(Continued)

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EVGL and EVGL's subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 1,384,612	\$ 1,253,726
Non-current assets	13,527,463	19,335,554
Current liabilities	(14,868)	(15,576)
Equity	<u>\$ 14,897,207</u>	<u>\$ 20,573,704</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity attributable to:		
Owners of the Company	\$ 8,629,305	\$ 11,870,694
Non-controlling interests of EVGL	4,173,312	5,740,914
Non-controlling interests of EVGL's subsidiaries	<u>2,094,590</u>	<u>2,962,096</u>
	<u>\$ 14,897,207</u>	<u>\$ 20,573,704</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Loss for the period	(\$ 6,151,453)	(\$ 748,375)
Other comprehensive loss	<u>474,956</u>	<u>(142,586)</u>
Total comprehensive income	<u>(\$ 5,676,497)</u>	<u>(\$ 890,961)</u>
Loss attributable to:		
Owners of the Company	(\$ 3,522,648)	(\$ 428,607)
Non-controlling interests of EVGL	(1,703,625)	(207,283)
Non-controlling interests of EVGL's subsidiaries	<u>(925,180)</u>	<u>(112,485)</u>
	<u>(\$ 6,151,453)</u>	<u>(\$ 748,375)</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 3,241,389)	(\$ 512,710)
Non-controlling interests of EVGL	(1,567,603)	(247,957)
Non-controlling interests of EVGL's subsidiaries	<u>(867,505)</u>	<u>(130,294)</u>
	<u>(\$ 5,676,497)</u>	<u>(\$ 890,961)</u>
Cash Flows		
Operating activities	(\$ 1,059)	(\$ 21,545)
Effects of exchange rate changes	<u>134,548</u>	<u>(36,104)</u>
Net cash Inflows (outflow)	<u>\$ 133,489</u>	<u>(\$ 57,649)</u>

(Continued)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	\$ 13,527,463	\$ 19,335,554
Investments in associates		
Investments in associates that are not individually material		
Delmind Inc. (Delmind)	<u>83,922</u>	<u>-</u>
	<u>\$ 13,611,385</u>	<u>\$ 19,335,554</u>

The aforementioned investments are accounted for using the equity method.

a. Associates that are individually material - Gulei Petrochemical Co., Ltd.

The Company and Asia Polymer Corporation (APC) entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, Chenergy Global Corporation and Lien Hwa Industrial Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to as "EVGL") and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited (hereinafter referred to as "DEIL) in Hong Kong, which purpose is to build oil refineries and produce seven products such as ethylene on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the competent authorities of the Republic of China and according to the business operation permitted by the Joint Venture's board of directors; and (2) DEIL established a joint venture company with Fujian Petrochemical Chemical Co., Ltd. ("FPCL") to operate the target business in Gulei Industrial Park, Zhangzhou, Fujian Province (hereinafter referred to as "Gulei") in accordance with the laws and regulations of the People's Republic of China and acquired 50% of the issued shares of Gulei as the basis for the joint investment.

Dynamic Ever Investments Limited and Fujian Refining and Chemical Co. signed "Fujian Gulei Petrochemical Corporation Limited Joint Venture Contract" which stipulated an increase in the investment amount, and this contract led to part of the original related contract entities being unable to keep their respective investment ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In

order to meet the business requirement of the original contract, the Company and APC resigned the joint venture contract on September 30, 2016 and added a new contractually promised related entity, CTCI Corp. On December 18, 2019, the Company and APC again resigned the joint venture contract and added new contractually promised related entities, Fubon Financial Holding Venture Capital Corporation and Hongfu Investment Co., Ltd. In order to enrich the working capital of Gulay, EVGL signed a joint venture agreement with the Hong Kong-based company DOR PO INVESTMENT COMPANY LIMITED (hereinafter referred to as “DOR PO”) on June 5, 2019 to jointly invest in Xutent. In accordance with the terms of the joint venture agreement, DOR PO shall contribute US\$109,215 thousand to increase the capital of DEIL, of which US\$103,915 thousand has been contributed as of December 31, 2022 to acquire 15% equity in DEIL.

As of December 31, 2022, the Company and APC cumulatively invested USD 246,670 thousand (approximately NT\$7,645,981 thousand) and USD 170,475 thousand (approximately NT\$5,255,587 thousand) in Ever Conquest Global Limited (ECGL), respectively, and reinvested in EVGL via ECGL as well as in DEIL. The Company and APC together hold 67.4% shares in EVGL in total. DEIL has invested capital amounted to RMB 4,657,200 thousand in Gulei.

The percentage of the Group’s ownership and voting rights were all 50% of the outstanding shares of Gulei as of December 31, 2022 and December 31, 2021.

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash	<u>\$ 8,680,668</u>	<u>\$ 5,030,725</u>
Current assets	\$ 23,308,566	\$ 20,980,740
Non-current assets	103,732,189	103,618,406
Current liabilities	(37,477,886)	(28,893,712)
Non-current liabilities	(62,507,943)	(57,034,326)
Equity	27,054,926	38,671,108
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 13,527,463</u>	<u>\$ 19,335,554</u>
Investment Carrying amount	<u>\$ 13,527,463</u>	<u>\$ 19,335,554</u>

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
The Group's share of:		
Loss for the period	(<u>\$ 6,148,499</u>)	(<u>\$ 727,995</u>)

Gulei has been in operation since November 2021 with revenue.

b. Associates that are not individually material - Delmind Inc.

The Company considered the needs of the transformation of the petrochemical industry in the future, and in line with the trend of energy saving, carbon reduction, and sustainable development, and it established a joint venture of DataWise Tech. Co., LTD. (DataWise) with Delta Electronics, Inc. through integration and connection knowledge and technology of both parties. It invests in assisting petrochemical and continuous process industries to develop and promote digital transformation, so as to improve industrial efficiency and continue to strengthen the industrial value of green and intelligent production. In April 2022, the Company has invested NT\$90,000 thousand to acquire 9,000 thousand shares of DataWise, with a shareholding ratio of 30%.

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
The Group's share of:		
Loss for the period	(<u>\$ 6,078</u>)	<u>\$ -</u>

The Company's Board of Directors approved the establishment of Huameng Renewable Energy Co., Ltd. (Huameng), a joint venture with Chang Chun Petrochemical Co., Ltd. and Chimei Corporation on November 3, 2022. Huameng will purchase offshore wind power in an integrated manner to achieve the Group's carbon neutrality plan. The total registered capital of Huameng was planned to be NT\$30,000 thousand, and the Company planned to contribute NT\$10,000 thousand (accounted into other non-current assets) on December 1, 2022 to acquire an expected 33.3% equity interest in Huameng. As of the date the consolidated financial statements were authorized for issue, Huameng didn't complete the registration.

14. PROPERTY, PLANT AND EQUIPMENT - FOR SELF-USE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Freehold Land	\$ 4,715,293	\$ 4,682,237
Land improvements	22,029	5,623
Buildings and Improvements	3,829,355	3,809,068
Machinery and Equipment	11,119,442	10,940,540
Transportation equipment	42,634	33,559
Other equipment	319,771	294,331
Construction in progress and equipment under installation	<u>5,471,580</u>	<u>4,705,653</u>
	<u>\$ 25,520,104</u>	<u>\$ 24,471,011</u>

	Freehold Land	Land improvements	Buildings and Improvements	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 4,682,237	\$ 124,218	\$ 8,088,698	\$ 37,799,378	\$ 198,127	\$ 1,756,831	\$ 4,707,730	\$ 57,357,219
Additions	-	-	7,310	238,667	5,260	25,082	2,509,218	2,785,537
Disposal	-	-	(20,735)	(842,086)	(22,447)	(33,343)	(13,375)	(931,986)
Internal transfer	33,056	18,279	276,888	1,764,103	18,425	85,165	(1,735,060)	460,856
Net foreign currency exchange differences	-	-	56,457	178,068	2,388	14,035	5,177	256,125
Balance as of December 31, 2022	<u>\$ 4,715,293</u>	<u>\$ 142,497</u>	<u>\$ 8,408,618</u>	<u>\$ 39,138,130</u>	<u>\$ 201,753</u>	<u>\$ 1,847,770</u>	<u>\$ 5,473,690</u>	<u>\$ 59,927,751</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 118,595	\$ 4,279,630	\$ 26,858,838	\$ 164,568	\$ 1,462,500	\$ 2,077	\$ 32,886,208
Depreciation expense	-	1,873	282,422	1,826,631	14,300	90,969	-	2,216,195
Disposal	-	-	(19,681)	(818,792)	(21,645)	(31,441)	-	(891,559)
Internal transfer	-	-	5,318	4,101	-	(3,971)	-	5,448
Net foreign currency exchange differences	-	-	31,574	147,910	1,896	9,942	33	191,355
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 120,468</u>	<u>\$ 4,579,263</u>	<u>\$ 28,018,688</u>	<u>\$ 159,119</u>	<u>\$ 1,527,999</u>	<u>\$ 2,110</u>	<u>\$ 34,407,647</u>
Net amount as of December 31, 2022	<u>\$ 4,715,293</u>	<u>\$ 22,029</u>	<u>\$ 3,829,355</u>	<u>\$ 11,119,442</u>	<u>\$ 42,634</u>	<u>\$ 319,771</u>	<u>\$ 5,471,580</u>	<u>\$ 25,520,104</u>
<u>Cost</u>								
Balance as of January 1, 2021	\$ 4,682,237	\$ 124,218	\$ 8,001,009	\$ 37,649,789	\$ 202,055	\$ 1,759,327	\$ 2,519,743	\$ 54,938,378
Additions	-	-	44,497	158,094	875	28,228	3,658,722	3,890,416
Disposal	-	-	(11,263)	(970,936)	(5,337)	(59,131)	(7,396)	(1,054,063)
Acquisition by business combination (Note 32)	-	-	-	-	-	-	13,073	13,073
Internal transfer	-	-	83,005	1,115,270	1,681	36,860	(1,299,100)	(62,284)
Rerecognized as non-current assets available for sale	-	-	-	-	-	-	(171,803)	(171,803)
Net foreign currency exchange differences	-	-	(28,550)	(152,839)	(1,147)	(8,453)	(5,509)	(196,498)
Balance as of December 31, 2021	<u>\$ 4,682,237</u>	<u>\$ 124,218</u>	<u>\$ 8,088,698</u>	<u>\$ 37,799,378</u>	<u>\$ 198,127</u>	<u>\$ 1,756,831</u>	<u>\$ 4,707,730</u>	<u>\$ 57,357,219</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2021	\$ -	\$ 117,264	\$ 4,026,422	\$ 26,022,974	\$ 155,120	\$ 1,437,803	\$ 9,482	\$ 31,769,065
Depreciation expense	-	1,331	277,081	1,779,633	15,682	87,477	-	2,161,204
Disposal	-	-	(10,768)	(871,027)	(5,337)	(58,541)	(7,396)	(953,069)
Internal transfer	-	-	-	(10,802)	-	-	-	(10,802)
Recognized impairment loss	-	-	-	39	-	-	-	39
Net foreign currency exchange differences	-	-	(13,105)	(61,979)	(897)	(4,239)	(9)	(80,229)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 118,595</u>	<u>\$ 4,279,630</u>	<u>\$ 26,858,838</u>	<u>\$ 164,568</u>	<u>\$ 1,462,500</u>	<u>\$ 2,077</u>	<u>\$ 32,886,208</u>
Net on December 31, 2021	<u>\$ 4,682,237</u>	<u>\$ 5,623</u>	<u>\$ 3,809,068</u>	<u>\$ 10,940,540</u>	<u>\$ 33,559</u>	<u>\$ 294,331</u>	<u>\$ 4,705,653</u>	<u>\$ 24,471,011</u>

In accordance with the New Taipei City Government Letter Development No. 1072133080 dated November 7, 2018, the land and buildings of the Company located in Linkou are within the scope of "Urban Land Redeveloping Zone at 1st Industrial Park in Linkou District". The land has been submitted for redeveloping and is expected to be returned in 2023.

In cooperation with the Taiwan International Ports Corporation, Ltd. (Ports Co.), Ministry of Transportation and Communications, to relocate the petrochemical oil storage tank facilities

of the old port area operators, CGTD leased the port facilities and storage areas of the Kaohsiung Port Intercontinental Container Center Second Phase Petrochemical Oil Storage and Transportation Center from Ports Co., the lease period being from August 1, 2017 to July 31, 2042, rent paid quarterly. In addition, the boards of directors of the Company, CGTD, APC and TVCM, resolved in 2019 to build the second phase of the Intercontinental Petrochemical Oil Products Center. As of December 31, 2022, the Group had paid NT\$2,405,383 thousand for the project, which was accounted for under construction in progress.

Due to shrinking demand of EPS in the local market, the main product of Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)"), the management decided to suspend the production of TAITA (TJ) starting from April 2019. TAITA (TJ) determined the recoverable amounts of the property, plant and equipment (including right-of-use assets), on the basis of fair values less costs of disposal. The fair value was measured by Level 3 inputs as at December 31, 2022 and 2021 by an independent appraisal company. The assessment was a revaluation of the replacement cost and economic useful life of the property, plant and equipment within the assessment scope, and the assessment results showed that the recoverable amount was lower than the book value. TAITA (TJ) recognized an impairment loss of NT\$39 thousand in 2021 (none in 2022), which was reported under operating costs in the consolidated statements of comprehensive income. The assessed fair values of the proceeds are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Plant and right-of-use assets	<u>\$ 260,489</u>	<u>\$ 266,579</u>
Equipment	-	<u>\$ 2,086</u>

SPC has completed the construction and acceptance of the plant before the end of 2022, which is expected to be sold and transferred in the future, thus transferring NT\$174,783 thousand of relevant buildings and structures to non-current assets available for sale. As the expected selling price exceeds the carrying amount of the assets to be sold, the buildings and structures are classified as a non-current assets available for sale (accounted for other current assets), without impairment loss to be recognized.

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

Freehold Land - land improvements	7-20 years
Buildings and improvements	
Plant, machine room and improvements	3-55 years
Office building, labs and improvements	20-50 years

General plants and improvements	3-60 years
Others	3-15 years
Machinery and equipment	2-26 years
Transportation equipment	2-10 years
Other equipment	2-25 years

For property, plant and equipment pledged as collateral for bank borrowings, please refer to Note 36.

For the related capitalized interest, please refer to Note 27 (4) finance cost.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Leasehold land	\$ 1,090,942	\$ 156,928
Land use rights	388,680	406,802
Buildings	82,699	90,272
Machinery and Equipment	71,104	71,521
Transportation equipment	<u>1,229</u>	<u>1,818</u>
	<u>\$ 1,634,654</u>	<u>\$ 727,341</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Addition for right-of-use assets	<u>\$ 989,621</u>	<u>\$ 104,277</u>
Depreciation expense of right-of-use assets		
Leasehold land	\$ 32,627	\$ 16,700
Land use rights	18,575	11,828
Buildings	25,812	30,921
Machinery and Equipment	13,961	7,758
Transportation equipment	<u>589</u>	<u>978</u>
	<u>\$ 91,564</u>	<u>\$ 68,185</u>

Except for the addition and recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease or impairments for the years ended December 31, 2022 and 2021.

The Group leases the office in Taipei and sublets it to another company on a operating lease basis. The related right-of-use assets are presented as investment properties, and please refer to Note 16. The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

The Group's right-of-use assets pledged as collateral for bank borrowings are set out in Notes 18 and 36.

b. Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 102,435</u>	<u>\$ 73,065</u>
Non-current	<u>\$ 1,262,591</u>	<u>\$ 387,502</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Leasehold land	0.83%~9.25%	0.83%~9.25%
Buildings	0.83%~4.75%	1.04%~2.00%
Machinery and Equipment	1.11%	1.04%~1.25%
Transportation equipment	1.66%~1.25%	1.06%~1.25%

c. Material lease-in activities and terms

The Group leases buildings for use as factories, offices, dormitories and R&D centers with lease terms of 3 to 14 years. The Group has options to lease office at the end of the lease terms.

d. Other lease information

For lease arrangements under operating leases for leasing out of investment properties, please refer to Note 16. For details of lease information, please refer to the following table (the Group as lessee).

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Expenses relating to short-term leases	<u>\$ 34,926</u>	<u>\$ 67,824</u>
Expenses relating to low-value asset leases	<u>\$ 235</u>	<u>\$ 884</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 83,236</u>	<u>\$ 41,990</u>
Total cash (outflow) for leases	<u>(\$ 220,934)</u>	<u>(\$ 187,757)</u>

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

16. INVESTMENT PROPERTIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Completed investment properties		
Land	\$ 198,760	\$ 204,024
Buildings	291,878	357,945
Right-of-use assets	<u>133,924</u>	<u>149,376</u>
	<u>\$ 624,562</u>	<u>\$ 711,345</u>

	<u>Land</u>	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2022	\$ 207,993	\$ 732,677	\$ 203,304	\$ 1,143,974
Additions	1,500	2,214	2,341	6,055
Reclassification	(6,764)	(55,379)	(803)	(62,946)
Net foreign currency exchange differences	-	<u>13,922</u>	<u>1,495</u>	<u>15,417</u>
Balance as of December 31, 2022	<u>\$ 202,729</u>	<u>\$ 693,434</u>	<u>\$ 206,337</u>	<u>\$ 1,102,500</u>
<u>Accumulated depreciation and impairment</u>				
Balance as of January 1, 2022	\$ 3,969	\$ 374,732	\$ 53,928	\$ 432,629
Depreciation expense	-	24,901	18,080	42,981
Reclassification	-	(5,448)	266	(5,182)
Net foreign currency exchange differences	-	<u>7,371</u>	<u>139</u>	<u>7,510</u>
Balance as of December 31, 2022	<u>\$ 3,969</u>	<u>\$ 401,556</u>	<u>\$ 72,413</u>	<u>\$ 477,938</u>
Net on December 31, 2022	<u>\$ 198,760</u>	<u>\$ 291,878</u>	<u>\$ 133,924</u>	<u>\$ 624,562</u>
<u>Cost</u>				
Balance as of January 1, 2021	\$ 204,695	\$ 736,810	\$ 203,817	\$ 1,145,322
Additions	3,298	-	-	3,298
Net foreign currency exchange differences	-	(4,133)	(513)	(4,646)
Balance as of December 31, 2021	<u>\$ 207,993</u>	<u>\$ 732,677</u>	<u>\$ 203,304</u>	<u>\$ 1,143,974</u>
<u>Accumulated depreciation and impairment</u>				
Balance as of January 1, 2021	\$ 3,969	\$ 352,327	\$ 35,806	\$ 392,102
Depreciation expense	-	24,600	18,157	42,757
Net foreign currency exchange differences	-	(2,195)	(35)	(2,230)
Balance as of December 31, 2021	<u>\$ 3,969</u>	<u>\$ 374,732</u>	<u>\$ 53,928</u>	<u>\$ 432,629</u>
Net on December 31, 2021	<u>\$ 204,024</u>	<u>\$ 357,945</u>	<u>\$ 149,376</u>	<u>\$ 711,345</u>

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

Total rents receivable of investment properties under operating lease as of December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 74,738	\$ 53,620
Year 2	42,284	46,713
Year 3	21,461	37,577
Year 4	14,859	17,734
Year 5	11,942	10,776
More than 5 years	<u>16,455</u>	<u>26,940</u>
	<u>\$ 181,739</u>	<u>\$ 193,360</u>

Except for the recognition of depreciation expense, there is no significant addition, disposal or impairment of the investment properties of the Group for the years ended December 31, 2022 and 2021.

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

Buildings	5-50 years
Right-of-use assets	3-50 years

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

The fair values of investment properties as of December 31, 2022 and 2021 were as follows:

Fair Value	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>\$ 1,555,675</u>	<u>\$ 1,556,205</u>

In order to improve the efficiency of asset management, the Group provided 10 parcels of land accounted for investment properties located in the third sub-section of Yanji Section, Songshan District, Taipei, and participated in the urban renewal plan of Huaku Development Co., Ltd. in cooperation with neighboring areas in the form of right transformation. The urban renewal plan was completed in 2022. It has obtained a license for the right of use and completed the transfer of property rights of the land and buildings in exchange.

17. GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Goodwill a.	<u>\$ 270,211</u>	<u>\$ 270,211</u>
Other intangible assets b.		
Technology royalties and patent right	\$ 533	\$ 933
Computer software	15,082	7,134
Plant design fee	2,001	3,601
Field project	<u>30,658</u>	<u>32,315</u>
	<u>\$ 48,274</u>	<u>\$ 43,983</u>

a. Goodwill

In response to the government's policy on green power, the Company acquired 100% equity from the non-related party, USIGE, on July 5, 2021. The premium of the investment cost and acquired net equity value has been classified as the field project into intangible assets of NT\$33,144 thousand and goodwill of NT\$1,185 thousand according to the acquisition price apportion evaluation analysis report. Please refer to Note 31 for details.

b. Other intangible assets

	Technology royalties and patent right	Computer software	Field project	Others	Total
<u>Cost</u>					
Balance as of January 1, 2022	\$ 227,484	\$ 100,614	\$ 33,144	\$ 34,201	\$ 395,443
Separate acquisition	-	10,581	-	-	10,581
Disposal	-	(681)	-	-	(681)
Net foreign currency exchange differences	-	765	-	-	765
Balance as of December 31, 2022	<u>\$ 227,484</u>	<u>\$ 111,279</u>	<u>\$ 33,144</u>	<u>\$ 34,201</u>	<u>\$ 406,108</u>
<u>Accumulated amortization and impairment</u>					
Balance as of January 1, 2022	\$ 226,551	\$ 93,480	\$ 829	\$ 30,600	\$ 351,460
Amortization expense	400	2,722	1,657	1,600	6,379
Disposal	-	(681)	-	-	(681)
Net foreign currency exchange differences	-	676	-	-	676
Balance as of December 31, 2022	<u>\$ 226,951</u>	<u>\$ 96,197</u>	<u>\$ 2,486</u>	<u>\$ 32,200</u>	<u>\$ 357,834</u>
Net on of December 31, 2022	<u>\$ 533</u>	<u>\$ 15,082</u>	<u>\$ 30,658</u>	<u>\$ 2,001</u>	<u>\$ 48,274</u>
<u>Cost</u>					
Balance as of January 1, 2021	\$ 227,484	\$ 100,420	\$ -	\$ 29,000	\$ 356,904
Separate acquisition	-	733	-	5,201	5,934
Acquisition by business combination (Note 31)	-	-	33,144	-	33,144
Disposal	-	(496)	-	-	(496)
Net foreign currency exchange differences	-	(43)	-	-	(43)
Balance as of December 31, 2021	<u>\$ 227,484</u>	<u>\$ 100,614</u>	<u>\$ 33,144</u>	<u>\$ 34,201</u>	<u>\$ 395,443</u>
<u>Accumulated amortization and impairment</u>					
Balance as of January 1, 2021	\$ 225,621	\$ 91,476	\$ -	\$ 29,000	\$ 346,097
Amortization expense	930	2,508	829	1,600	5,867
Disposal	-	(496)	-	-	(496)
Net foreign currency exchange differences	-	(8)	-	-	(8)
Balance as of December 31, 2021	<u>\$ 226,551</u>	<u>\$ 93,480</u>	<u>\$ 829</u>	<u>\$ 30,600</u>	<u>\$ 351,460</u>
Net on December 31, 2021	<u>\$ 933</u>	<u>\$ 7,134</u>	<u>\$ 32,315</u>	<u>\$ 3,601</u>	<u>\$ 43,983</u>

Except for the recognition of amortization expenses and the field project classified as intangible asset according to the acquisition price apportion evaluation analysis report, the Group's investment properties did not experience significant addition, disposal or impairment for the year ended December 31, 2022 and 2021.

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

Technology royalties and patent right	3 - 10 Years
Computer software	3 - 5 Years
Field project	20 years
Others	3 - 10 Years

18. BORROWINGS

a. Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Unsecured borrowings</u>		
- Line of credit borrowings	<u>\$ 2,400,326</u>	<u>\$ 2,498,041</u>
Range of Interest Rates	1.0641%~7.62%	0.51%~1.90%

b. Short-term bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial note payable	\$ 291,000	\$ 280,000
Less: Unamortized discount on bills payable	(<u>387</u>)	(<u>365</u>)
	<u>\$ 290,613</u>	<u>\$ 279,635</u>
Range of Interest Rates	1.66%~1.848%	0.98%~1.018%

c. Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured loans	\$ 1,000,000	\$ 400,000
Credit borrowings	<u>5,366,223</u>	<u>3,873,493</u>
Sub-total	<u>6,366,223</u>	<u>4,273,493</u>
Commercial note payable	-	240,000
Unamortized discount on bills payable	<u>-</u>	(<u>253</u>)
Sub-total	<u>-</u>	<u>239,747</u>
	6,366,223	4,513,240
Less: Portion due within one year	<u>-</u>	(<u>59,917</u>)
Long-term borrowings	<u>\$ 6,366,223</u>	<u>\$ 4,453,323</u>
Range of Interest Rates		
Secured loans	1.45%	1.11%
Credit borrowings	0.76%~1.96%	0.30%~0.94%
Commercial note payable	-	0.97%~1.09%

The Company entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to October 2025 with a total credit limit of NT\$5,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, the Company had borrowed NT\$300,000 thousand. UPIIC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to November 2025 with a total credit limit of NT\$1,600,000 thousand, which is used cyclically during the

validity period. As of December 31, 2022, UPIIC has not made any drawdown from the line of credit.

CGPC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$1,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, CGPC had borrowed NT\$300,000 thousand.

CGPCPOL entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$400,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, CGPCPOL had borrowed NT\$100,000 thousand.

TVCM entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to November 2025 with a total credit limit NT\$300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, TVCM has not made any drawdown from the line of credit.

TTC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$2,776,376 thousand, which is used cyclically during the validity period. As of December 31, 2022, TTC had borrowed NT\$300,000 thousand.

APC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to December 2025 with a total credit limit of NT\$6,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, APC has not made any drawdown from the line of credit.

ACME entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to March 2027 with a total credit limit of NT\$1,900,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, ACME had borrowed NT\$1,369,000 thousand.

SPC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to July 2025 with a total credit limit of NT\$1,550,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, SPC had borrowed NT\$700,000 thousand.

USIGE entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to October 2025

with a total credit limit of NT\$1,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, USIGE had borrowed NT\$210,000 thousand.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of December 31, 2022, the subsidiaries did not violate the requirements.

The Group has acquired a special low-interest bank loan line of NT\$6,586,000 thousand in accordance with the “Action Plan for Accelerated Investment by Domestic Corporations” and “Action Plan for Accelerated Investment by SMEs”, and has used NT\$3,129,100 thousand in December 2022, recognized and measured the loan at the market interest rate of. The difference between the market interest rate and the actual preferential repayment rate is recognized as government subsidy.

19. BONDS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds B 104-1 - issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ -	\$ 1,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount NT\$2,000,000 thousand, coupon rate 1.10%, bullet repayment	-	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.98%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds A 110-1 - issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 thousand in the 4th and 5th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds B 110-1- issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 thousand in the 6th and 7th years respectively from the issuance date	\$ 1,000,000	\$ 1,000,000

(Continued)

(Continued)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds A 110-2 - issuance on October 26, 2021, 5 years, total amount NT\$700,000 thousand, coupon rate 0.63%, repaid NT\$350,000 thousand in the 4th and 5th years respectively from the issuance date	700,000	700,000
Domestic unsecured bonds B 110-2 - issuance on October 26, 2021, 7 years, total amount NT\$1,300,000 thousand, coupon rate 0.77%, repaid NT\$650,000 thousand in the 6th and 7th years respectively from the issuance date	<u>1,300,000</u> 6,000,000	<u>1,300,000</u> 9,000,000
Discounts on bonds payable	(<u>7,772</u>) 5,992,228	(<u>11,028</u>) 8,988,972
Less: Portion due within one year	<u>-</u> <u>\$ 5,992,228</u>	(<u>2,999,199</u>) <u>\$ 5,989,773</u>

In December 2014, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2015 with the amount of NT\$2,000,000 thousand in order to reimburse the due bonds and to increase working capital. The unsecured ordinary corporate bonds with a 5-7-year maturity, due for repayment, were all issued in February 2015. The Company repaid due in February 2020 and February 2022, respectively.

In October 2016, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2016 with the amount of NT\$2,000,000 thousand and a coupon rate of 0.80% in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2016. The Company repaid due in October 2021.

In October 2017, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2017 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2017. The Company repaid due in October 2022.

In April 2019, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2019 with the amount of NT\$2,000,000 thousand in order to reimburse the

bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in April 2019.

In June 2021, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in June 2021.

In October 2021, the Company applied for the second issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in October 2021.

In March 2022, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2022 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans as approved by resolution of the board of directors. As of the date the consolidated only financial statements were authorized for issue, the unsecured ordinary corporate bonds have not yet been issued.

20. ACCOUNTS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Operating</u>		
Accounts payable	<u>\$ 3,349,040</u>	<u>\$ 3,528,998</u>

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

21. OTHER LIABILITIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 910,720	\$ 1,385,691
Payables for purchases of equipment	292,673	293,455
Payables for utilities and fuel fees	273,101	241,903
Payables for fares	184,562	251,643
Payables for insurance	40,077	34,394
Payable for taxes	36,932	36,317
Payables for interests	30,242	45,605
Dividends payable	27,294	20,551
Others	<u>466,773</u>	<u>585,259</u>
	2,262,374	2,894,818
Other liabilities		
Refund liabilities	<u>28,247</u>	<u>28,630</u>
	<u>\$ 2,290,621</u>	<u>\$ 2,923,448</u>

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

22. PROVISIONS

<u>Non-current</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>

Litigation provision is a result of the first-instance judgment and reconciliation of the Kaohsiung gas explosion case on July 31, 2014 for which cash outflows may be recognized in the near future. Please refer to Note 37 for the explanation related to the provision.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries of the Group adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company and domestic subsidiaries of the Group makes monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages. Besides, foreign subsidiary's formulated employee pension method pursuant to local competent authority is also the same one.

b. Defined benefit plans

The pension system in the "Labor Standards Act" that the Company and domestic subsidiary apply to is a defined benefit plan, where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. The Company contributes an amount 9% (from November 10, 2016, the contribution rate raises to 12%) of salaries paid each month to their respective pension funds, and subsidiaries appropriate pension based on specified percentage of total monthly employee salary (TTC 12%; APC, CGPC and TVCM 10%, CGTD 9%, SPC 3.5%; ACME, USII, UM and TUVVM all 2%) for Labor Pension Reserve Supervision Committee's deposit to specific account in Bank of Taiwan on its name. This specific account is consigned for management under Bureau of Labor Funds (MOL) and the Group has no right of affecting its investment and management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of funded defined benefit obligation	(\$ 2,740,327)	(\$ 3,146,524)
Fair value of plan assets	<u>1,985,861</u>	<u>1,995,515</u>
Net defined benefit liabilities - non-current	(\$ <u>754,466</u>)	(\$ <u>1,151,009</u>)

Summarized by subjects as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net defined benefit assets - non-current	\$ 256	\$ -
Net defined benefit liabilities - non-current	(<u>754,722</u>)	(<u>1,151,009</u>)
Defined benefit plans - Net	(\$ <u>754,466</u>)	(\$ <u>1,151,009</u>)

Change in defined benefits – net were as follow:

	<u>Present value of funded defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit plans - Net</u>
Balance as of January 1, 2021	(\$ 3,415,069)	\$ 2,123,016	(\$ 1,292,053)
Current service cost	(27,258)	-	(27,258)
Interest revenue (expense)	(<u>12,980</u>)	<u>8,288</u>	(<u>4,692</u>)
Amounts recognized in profit or loss	(<u>40,238</u>)	<u>8,288</u>	(<u>31,950</u>)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	30,795	30,795
Actuarial losses recognized from changes in demographic assumptions	(74,361)	-	(74,361)
Actuarial gains recognized from changes in financial assumptions	22,732	-	22,732
Actuarial gains recognized from experience adjustments	<u>11,055</u>	<u>-</u>	<u>11,055</u>
Amounts recognized in other comprehensive income	(<u>40,574</u>)	<u>30,795</u>	(<u>9,779</u>)
Contributions from employer	-	154,307	154,307
Benefits paid	320,891	(320,891)	-
Payment for provisions	<u>28,466</u>	<u>-</u>	<u>28,466</u>
Balance as of December 31, 2021	(\$ <u>3,146,524</u>)	<u>\$ 1,995,515</u>	(\$ <u>1,151,009</u>)

(Continued)

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	Present value of funded defined benefit obligation	Fair value of plan assets	Defined benefit plans - Net
Balance as of January 1, 2022	(<u>\$ 3,146,524</u>)	<u>\$ 1,995,515</u>	(<u>\$ 1,151,009</u>)
Current service cost	(20,826)	-	(20,826)
Interest revenue (expense)	(14,851)	9,456	(5,395)
Amounts recognized in profit or loss	(35,677)	9,456	(26,221)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 168,210	\$ 168,210
Actuarial gains recognized from changes in financial assumptions	122,579	-	122,579
Actuarial losses recognized from experience adjustments	(43,654)	-	(43,654)
Amounts recognized in other comprehensive income	<u>78,925</u>	<u>168,210</u>	<u>247,135</u>
Contributions from employer	-	166,435	166,435
Benefits paid	353,755	(353,755)	-
Payment for provisions	<u>9,194</u>	<u>-</u>	<u>9,194</u>
Balance as of December 31, 2022	<u>(<u>\$ 2,740,327</u>)</u>	<u>\$ 1,985,861</u>	<u>(<u>\$ 754,466</u>)</u>

The Group is exposed to following risks for the defined benefits plans under the "Labor Standards Act":

- 1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
- 2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
- 3) Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; hence the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Group was calculated by the independent actuary and material assumptions on the measurement date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.125%~1.50%	0.375%~0.50%
Expected rates of salary increase	2.25%~3.25%	2.00%~2.75%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
0.25% increase	(<u>\$ 46,456</u>)	(<u>\$ 56,142</u>)
0.25% decrease	<u>\$ 47,782</u>	<u>\$ 57,834</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 46,346</u>	<u>\$ 55,778</u>
0.25% decrease	(<u>\$ 45,293</u>)	(<u>\$ 54,439</u>)

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the next year	<u>\$ 129,936</u>	<u>\$ 137,236</u>
The average duration of the defined benefit obligation	5~11 years	6~12 years

24. GOVERNMENT SUBSIDY

- a. Acme Electronics (KS) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount. Furthermore, Kunshan Zhoushizhen People's Government subsidized Acme Electronics (KS)'s acquisition of the land for its new plant and the external line project for high voltage power during the relocation process. As of December 31, 2022 and 2021 the amounts of deferred income (booked under other non-current liabilities) that had not been amortized were RMB7,303 thousand (NT\$32,201 thousand), and RMB7,833 thousand (NT\$34,005 thousand) respectively.

- b. ACME applied for a subsidy of the Taiwan Industry Innovation Platform Program from the Taiwan government. As of December 31, 2022, it has received NT\$11,000 thousand, booked under operating expense as a reduction.

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

25. EQUITY

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	449,960	366,185
Retained earnings	12,625,207	13,599,427
Other equity	8,896	84,358
Treasury shares	(475,606)	(475,606)
Non-controlling Interests	<u>26,428,793</u>	<u>30,182,962</u>
	<u>\$ 50,924,885</u>	<u>\$ 55,644,961</u>

a. Share capital

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Share capital authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</u>	<u>1,188,763</u>
Share capital issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

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

b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the issuance of ordinary shares in excess of par value, the capital stock premium of shares issued due to merger, and treasury stock trading, etc) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where there is a profit in a fiscal year, the profit after tax shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the

remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 27(g).

The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall be no less than 10% of the distributable earnings in the current year, of which the cash dividends not be no less than 10% of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than NT\$0.1. The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31, 2022 and 2021 as approved in the shareholders' meetings on May 31, 2022 and July 26, 2021, respectively, were as follows:

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

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

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

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

d. Other equity

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	(\$ 710,973)	(\$ 583,855)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	425,859	(159,894)
Related income tax of the profits and losses on translating the financial statements of foreign operations	(86,079)	32,776
Balance at December 31	<u>(\$ 371,193)</u>	<u>(\$ 710,973)</u>

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 795,331	\$ 343,660
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	(414,342)	553,050
Related income tax	131	(925)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals	(1,031)	(100,454)
Balance at December 31	<u>\$ 380,089</u>	<u>\$ 795,331</u>

e. Non-controlling Interests

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 30,182,962	\$ 27,732,865
Cash dividends distributed by subsidiaries	(2,804,905)	(1,714,633)
Net profit (loss) in the current year	(1,616,286)	4,888,057
Other comprehensive income		
Exchange differences on translating the financial statements of foreign operations	434,553	(177,334)

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Income tax relating to exchange difference on translating foreign operations	(\$ 45,401)	\$ 21,486
Unrealized gain (loss) on financial assets at FVTOCI	191,751	(445,863)
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	273	(1,934)
Remeasurement of defined benefit plans	141,117	(8,959)
Income tax relating to remeasurements of defined benefits plan	(19,866)	1,152
Adjustments relating to changes accounted for using the equity method	4,326	2,586
Change in non-controlling interests	(<u>39,731</u>)	(<u>114,461</u>)
Balance at December 31	<u>\$ 26,428,793</u>	<u>\$ 30,182,962</u>

f. Treasury shares

<u>Purpose of Buy-Back</u>	<u>Number of Shares at January 1 (In Thousands of Shares)</u>	<u>Increase During the Year Ended</u>	<u>Decrease During the Year Ended</u>	<u>Number of Shares at December 31 (In Thousands of Shares)</u>
<u>For the Year Ended December 31, 2022</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the Year Ended December 31, 2021</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

The Company's shares held by its subsidiaries at the balance sheet date were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying amount	Market Price
<u>December 31, 2022</u>			
APC	101,356	\$ 1,377,381	\$ 2,239,960
TTC	15,110	<u>81,875</u>	<u>333,929</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,573,889</u>
 <u>December 31, 2021</u>			
APC	101,356	\$ 1,377,381	\$ 3,197,772
TTC	15,110	<u>81,875</u>	<u>476,717</u>
		<u>\$ 1,459,256</u>	<u>\$ 3,674,489</u>

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of December 31, 2022 and 2021. The carrying amounts of investments accounted for using the equity method and unrealized the gain on financial assets at FVTOCI were NT\$371,473 thousand and NT\$733,685 thousand, respectively.

26. REVENUE

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Revenue from the sale of goods		
Plastic raw materials	\$ 62,934,920	\$ 68,149,586
Electronic materials	3,057,090	3,018,410
Others	<u>445,112</u>	<u>587,546</u>
Total	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

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

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivables (Note 10)	<u>\$ 7,939,581</u>	<u>\$ 9,391,222</u>	<u>\$ 7,481,916</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 404,236</u>	<u>\$ 363,049</u>	<u>\$ 212,751</u>

b. Please refer to Note 41 for revenue breakdown list.

27. NET PROFIT (LOSS)

Net profit (loss) includes the following:

a. Interest income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Cash and cash equivalents	\$ 128,061	\$ 73,218
Financial assets at FVTPL	4,790	4,221
Financial assets measured at amortized cost	2,018	1,839
Others	<u>11,629</u>	<u>323</u>
	<u>\$ 146,498</u>	<u>\$ 79,601</u>

b. Other income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Dividend income	\$ 463,584	\$ 390,903
Settlement income	253,407	19,064
Rental income	142,334	156,014
Income from management services (Note 35)	36,052	42,221
Income from grants	9,034	15,369
Others	<u>46,538</u>	<u>3,816</u>
	<u>\$ 950,949</u>	<u>\$ 627,387</u>

c. Other gains and losses

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Gain (loss) on disposal of property, plant and equipment	\$ 1,188	(\$ 64,669)
Gains on disposal of financial instrument	-	641
Foreign exchange gain (loss) - net	463,721	(93,530)
Gain on financial assets at FVTPL - net	7,354	384,009
Loss on financial liabilities at FVTPL - net	(125,121)	(47,605)
Depreciation expense	(47,768)	(46,129)
Gain on revised lease	-	660
Other gains and losses	<u>(65,825)</u>	<u>(75,749)</u>
	<u>\$ 233,549</u>	<u>\$ 57,628</u>

d. Finance costs

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Interest on bank loans	\$ 101,186	\$ 75,987
Interest on bonds payable	71,119	86,901
Other interest expense	33,517	226
Interest on lease liabilities	12,820	6,710
Less: Capitalized interest (presented under construction in progress)	(<u>3,222</u>)	(<u>2,727</u>)
	<u>\$ 215,420</u>	<u>\$ 167,097</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Capitalized interest	\$ 3,222	\$ 2,727
Capitalization rate	0.50% ~ 1.35%	0.83% ~ 1.14%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Property, plant and equipment	\$ 2,216,195	\$ 2,161,204
Right-of-use assets	91,564	68,185
Investment properties	42,981	42,757
Intangible assets	6,379	5,867
Others	<u>52,567</u>	<u>57,907</u>
	<u>\$ 2,409,686</u>	<u>\$ 2,335,920</u>

An analysis of depreciation by
function

Operating costs	\$ 2,139,908	\$ 2,065,525
Operating expenses	163,064	160,492
Other gains and losses	<u>47,768</u>	<u>46,129</u>
	<u>\$ 2,350,740</u>	<u>\$ 2,272,146</u>

An analysis of amortization by
function

Operating costs	\$ 48,589	\$ 52,722
Selling and marketing expenses	-	14
Administrative expenses	7,441	4,872
Research and development expenses	<u>2,916</u>	<u>6,166</u>
	<u>\$ 58,946</u>	<u>\$ 63,774</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Post-employment benefits (Note 23)		
Defined contribution plans	\$ 162,562	\$ 163,437
Defined benefit plans	<u>26,221</u>	<u>31,950</u>
	188,783	195,387
Other employee benefits	<u>4,529,104</u>	<u>5,007,221</u>
Total employee benefits expenses	<u>\$ 4,717,887</u>	<u>\$ 5,202,608</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 3,244,992	\$ 3,707,409
Operating expenses	<u>1,472,895</u>	<u>1,495,199</u>
	<u>\$ 4,717,887</u>	<u>\$ 5,202,608</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 were approved by the Company's board of directors on March 7, 2023 and March 10, 2022, respectively, as follows:

Accrual rates

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

Amount

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	\$ 19,543	\$ 59,332
Remuneration of Directors	3,000	3,000

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 paid and the

amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

h. Gain of loss foreign currency exchange

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Foreign exchange gains	\$ 941,076	\$ 319,677
Foreign exchange losses	(477,355)	(413,207)
Net profit (loss)	<u>\$ 463,721</u>	<u>(\$ 93,530)</u>

28. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Current tax		
In respect of the current year	\$ 1,498,085	\$ 2,673,697
Surtax on undistributed earnings	195,016	109,744
Adjustments for prior years	(33,335)	(33,257)
Deductible income tax paid overseas	<u>(18,851)</u>	<u>(35,531)</u>
	<u>1,640,915</u>	<u>2,714,653</u>
Deferred tax		
In respect of the current year	(882,981)	(42,869)
Adjustments for prior years	245	1,094
Others	<u>-</u>	<u>113</u>
	<u>(882,736)</u>	<u>(41,662)</u>
Income tax expense recognized in profit or loss	<u>\$ 758,179</u>	<u>\$ 2,672,991</u>

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Net profit before income tax	<u>\$ 696,990</u>	<u>\$ 12,752,442</u>
Income tax expenses of net profit before tax calculated at statutory tax rate	\$ 786,963	\$ 4,176,520
Non-deductible expense loss in tax returns	4,151	667
Tax-exempt income	(137,992)	(1,511,602)

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Surtax on undistributed earnings	195,016	109,744
Unrecognized loss deduction and deductible temporary difference	22,718	7,521
The invested company's capital reduction and liquidation loss	-	(20,763)
Adjustments of current income tax expenses for prior year	(33,090)	(32,163)
Others	(<u>79,587</u>)	(<u>56,933</u>)
Income tax expense recognized in profit or loss	<u>\$ 758,179</u>	<u>\$ 2,672,991</u>

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

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	(\$ 131,480)	\$ 54,262
- Unrealized gain (loss) on financial assets at FVTOCI	404	(2,859)
- Remeasurements of defined benefit plan	(<u>39,290</u>)	<u>1,168</u>
Income tax recognized in other comprehensive income (expenses)	<u>(\$ 170,366)</u>	<u>\$ 52,571</u>

c. Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Tax refund receivable	<u>\$ 18,802</u>	<u>\$ 8,931</u>
Current income tax liabilities		
Income tax payable	<u>\$ 1,647,045</u>	<u>\$ 2,618,632</u>

d. Deferred tax assets and liabilities

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

For the Year Ended December 31, 2022

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax assets</u>					
Temporary difference					
Defined benefit retirement plan	\$ 214,228	(\$ 22,371)	(\$ 39,032)	\$ -	\$ 152,825
Investments accounted for using the equity method	87,265	703,065	(8,305)	-	782,025
Allowance for inventory valuation and obsolescence losses	49,246	52,354	-	192	101,792
Allowance for loss	11,253	1,847	-	65	13,165
Unrealized sale profits	23,338	(4,035)	-	-	19,303
Payable for annual leave	27,758	1,007	-	-	28,765
Others	<u>212,520</u>	<u>(29,861)</u>	<u>(94,561)</u>	<u>774</u>	<u>88,872</u>
	625,608	702,006	(141,898)	1,031	1,186,747
Loss deduction	<u>25,960</u>	<u>128,682</u>	<u>-</u>	<u>(11)</u>	<u>154,631</u>
	<u>\$ 651,568</u>	<u>\$ 830,688</u>	<u>(\$ 141,898)</u>	<u>\$ 1,020</u>	<u>\$ 1,341,378</u>

Deferred tax liabilities

Temporary difference					
Investments accounted for using the equity method	\$ 553,186	(\$ 85,105)	\$ 28,614	\$ -	\$ 496,695
Differences on depreciation period between finance and tax	50,312	(7,148)	-	826	43,990
Land revaluation surplus	800,993	-	-	-	800,993
Others	<u>13,431</u>	<u>40,205</u>	<u>(146)</u>	<u>7</u>	<u>53,497</u>
	<u>\$ 1,417,922</u>	<u>(\$ 52,048)</u>	<u>\$ 28,468</u>	<u>\$ 833</u>	<u>\$ 1,395,175</u>

For the Year Ended December 31, 2021

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax assets</u>					
Temporary difference					
Defined benefit retirement plan	\$ 234,488	(\$ 21,428)	\$ 1,168	\$ -	\$ 214,228
Investments accounted for using the equity method	72,361	12,688	2,216	-	87,265
Allowance for inventory valuation and obsolescence losses	39,073	10,213	-	(40)	49,246
Allowance for loss	12,511	(1,232)	-	(26)	11,253
Unrealized sale profits	2,112	21,226	-	-	23,338
Payable for annual leave	25,575	2,183	-	-	27,758
Others	<u>161,770</u>	<u>18,138</u>	<u>32,795</u>	<u>(183)</u>	<u>212,520</u>
	547,890	41,788	36,179	(249)	625,608
Loss deduction	<u>25,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,960</u>
	<u>\$ 573,850</u>	<u>\$ 41,788</u>	<u>\$ 36,179</u>	<u>(\$ 249)</u>	<u>\$ 651,568</u>

(Continued)

(Continued)

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax liabilities</u>					
Temporary difference					
Investments accounted for using the equity method	\$ 582,430	(\$ 1,849)	(\$ 19,251)	\$ -	\$ 561,330
Differences on depreciation period between finance and tax	41,939	8,991	-	(618)	50,312
Land revaluation surplus	800,993	-	-	-	800,993
Others	9,444	(7,016)	2,859	-	5,287
	<u>\$ 1,434,806</u>	<u>\$ 126</u>	<u>(\$ 16,392)</u>	<u>(\$ 618)</u>	<u>\$ 1,417,922</u>

e. Items not recognized as deferred tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss deduction	<u>\$ 3,646,710</u>	<u>\$ 3,623,868</u>
Deductible temporary differences		
Write-downs of inventories	\$ 323,203	\$ 314,605
Losses of property, plant and equipment	98,052	116,599
Impairment loss of accounts receivable	66,141	65,123
Foreign investment loss in equity method	-	181,158
Others	55,304	70,330
	<u>\$ 542,700</u>	<u>\$ 747,815</u>

f. Unused loss deduction

As of December 31, 2022, the Group's unused loss deductions were NT\$4,266,154 thousand and will expire in 2032.

g. Income tax assessments

The income tax return of the Company, ACME, TTC, CGPC, CGPCPOL, TVCM, APC, APC Investment Corporation, UM, USII, TUVK, TUVK, CLT, UPIIC, SPC, STC, USIGE, INOMA, CGTD and USIO as of December 31, 2020 has been assessed by the tax authorities.

29. EARNINGS PER SHARE

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

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

Net profit

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

Number of Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>1,285</u>	<u>2,100</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,583</u>	<u>1,074,398</u>

If the Group offered to settle remuneration 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, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

USIO didn't issue employee share options for the years ended December 31, 2022 and 2021.

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

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Unit	Weighted average Exercise Price (NT\$)	Unit	Weighted average Exercise Price (NT\$)
Employee share options				
Options exercisable at the beginning of the period	133	\$ 10.8	133	\$ 10.8
Options are to mature and become invalid this year	(133)	10.8	-	-
Options exercisable at the end of the year	-	-	133	10.8

As of the years ended December 31, 2021 (for the year ended December 31, 2022: None), the information related to employee share options outstanding and USIO is as follows:

December 31, 2021	
Scope of Exercise Price (NT\$)	Weighted average contract term before expired (year)
\$ 10.8	0.4

31. BUSINESS COMBINATION (FOR THE YEAR ENDED DECEMBER 31, 2022: NONE)

a. Acquisition of subsidiaries

	Main operating activities	Acquisition date	Voting ownership interest/Acquisition proportion (%)	Transfer consideration
USI Green Energy Corporation	Solar power generation business	July 5, 2021	100%	<u>\$ 34,092</u>

The Company acquired USIGE in July 2021 in response to the government's policy on green power.

b. Transfer consideration

Cash	<u>USIGE</u> <u>\$ 34,092</u>
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c. Assets acquired and liabilities assumed on the acquisition date

	<u>USIGE</u>
Current assets	
Cash and cash equivalents	\$ 36
Prepayments	654
Non-current assets	
Property, plant and equipment	13,073
Intangible assets	33,144
Current liabilities	
Other payables	(14,000)
	<u>\$ 32,907</u>

d. Goodwill generated from the acquisition

	<u>USIGE</u>
Transfer consideration	\$ 34,092
Less: fair value of identifiable net assets acquired	(32,907)
Goodwill generated from the acquisition	<u>\$ 1,185</u>

The goodwill generated from the acquisition of USIGE mainly comes from the control premium. In addition, the consideration paid for the combination includes the expected combination synergies, revenue growth and future market development. However, such benefits do not meet the requirements for recognition of identifiable intangible assets, thus they are not recognized separately.

The goodwill generated from the acquisition is not expected to be tax deductible.

e. Net cash outflows from acquisition of subsidiaries

	<u>USIGE</u>
Consideration paid in cash	\$ 34,092
Less: balance of cash and cash equivalent acquired	(36)
	<u>\$ 34,056</u>

f. The impact of business combination on operating results

As of the acquisition date, the operating results of the acquired company are as follows:

	<u>USIGE</u>
Revenue	<u>\$ 6,373</u>
Profit for the period	<u>\$ 3,801</u>

If the acquisition of USIGE in July 2021 took place on January 1, 2021, the proposed operating revenues and net profit of the Group for the year ended December 31, 2021 were NT\$71,755,542 thousand and NT\$10,079,227 thousand, respectively. These

amounts do not reflect the actual revenues and operating results of the Group that would have been generated had the combination been completed on the commencement date of the year of acquisition and shall not be used as a projection of future operating results.

32. CASH FLOW INFORMATION

a. Non-cash transactions

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

- 1) As of December 31, 2022 and 2021, the amounts of payables for purchases of equipment were NT\$292,673 thousand and NT\$293,455 thousand, respectively.
- 2) As of December 31, 2022 and 2021, the amounts of payables for dividends declared but not issued were NT\$27,294 thousand and NT\$20,551 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2022	Cash Flows	Non-cash Changes			December 31, 2022
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	
Short-term borrowings	\$ 2,498,041	(\$ 97,715)	\$ -	\$ -	\$ -	\$ 2,400,326
Short-term bills payable	279,635	11,000	-	-	(22)	290,613
Bonds payable (including those due within 1 year)	8,988,972	(3,000,000)	-	3,256	-	5,992,228
Long-term borrowings (including those due within 1 year)	4,513,240	1,840,887	-	12,096	-	6,366,223
Guarantee deposits received	29,528	16,661	-	-	-	46,189
Lease liabilities (including those due within 1 year)	460,567	(89,717)	991,962	12,820	2,214 (12,820)	1,365,026
Other non-current liabilities	65,243	22,081	-	-	-	87,324
	<u>\$ 16,835,226</u>	<u>(\$ 1,296,803)</u>	<u>\$ 991,962</u>	<u>\$ 28,172</u>	<u>\$ 2,214 (\$ 12,842)</u>	<u>\$ 16,547,929</u>

	January 1, 2021	Cash Flows	Non-cash Changes			December 31, 2021
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	
Short-term borrowings	\$ 2,726,270	(\$ 228,229)	\$ -	\$ -	\$ -	\$ 2,498,041
Short-term bills payable	656,704	(377,000)	-	-	(69)	279,635
Bonds payable (including those due within 1 year)	6,994,302	1,991,268	-	3,402	-	8,988,972
Long-term borrowings (including those due within 1 year)	7,590,000	(3,052,000)	-	-	(24,760)	4,513,240
Guarantee deposits received	23,342	6,186	-	-	-	29,528
Lease liabilities (including those due within 1 year)	459,686	(70,349)	78,710	6,710	(574) (13,616)	460,567
Other non-current liabilities	41,000	(1,670)	-	-	25,913	65,243
	<u>\$ 18,491,304</u>	<u>(\$ 1,731,794)</u>	<u>\$ 78,710</u>	<u>\$ 10,112</u>	<u>(\$ 574) (\$ 12,532)</u>	<u>\$ 16,835,226</u>

33. CAPITAL MANAGEMENT

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

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

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated

with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

34. FINANCIAL INSTRUMENTS

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

December 31, 2022

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

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	<u>\$ 8,988,972</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>

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

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 2,121	\$ -	\$ 2,121
Domestic listed (OTC) shares	228,677	-	-	228,677
Fund beneficiary certificates	2,259,780	-	-	2,259,780
Beneficiary securities	233,828	-	-	233,828
Foreign listed stocks	91	-	-	91
Total	<u>\$ 2,722,376</u>	<u>\$ 2,121</u>	<u>\$ -</u>	<u>\$ 2,724,497</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 1,629,053	\$ -	\$ -	\$ 1,629,053
- Domestic unlisted shares and emerging market shares	-	-	359,548	359,548
- Foreign listed (OTC) shares	30,041	-	-	30,041
- Overseas unlisted equity investments	-	-	139,376	139,376
Total	<u>\$ 1,659,094</u>	<u>\$ -</u>	<u>\$ 498,924</u>	<u>\$ 2,158,018</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 27,839</u>	<u>\$ -</u>	<u>\$ 27,839</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 8,297	\$ -	\$ 8,297
Domestic listed (OTC) shares	603,956	-	-	603,956
Fund beneficiary certificates	4,896,869	-	-	4,896,869
Beneficiary securities	232,680	-	-	232,680
Foreign listed stocks	464	-	-	464
Total	<u>\$ 5,733,969</u>	<u>\$ 8,297</u>	<u>\$ -</u>	<u>\$ 5,742,266</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 1,818,862	\$ -	\$ -	\$ 1,818,862
- Domestic emerging stocks	-	-	21,677	21,677
- Domestic unlisted shares and emerging market shares	-	-	437,569	437,569
- Foreign listed (OTC) shares	40,855	-	-	40,855
- Overseas unlisted equity investments	-	-	113,775	113,775
Total	<u>\$ 1,859,717</u>	<u>\$ -</u>	<u>\$ 573,021</u>	<u>\$ 2,432,738</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ -</u>	<u>\$ 3,380</u>

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

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

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<u>Financial assets at FVTOCI</u>		
Beginning balance	\$ 573,021	\$ 833,285
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(45,741)	(208,044)
Purchase	43	24
Disposal	(22,453)	-
Return of capital	(5,946)	(52,244)
Ending balance	<u>\$ 498,924</u>	<u>\$ 573,021</u>

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

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

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value would have decreased/increased by NT\$49,892 thousand and NT\$57,302 thousand, respectively for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 2,724,497	\$ 5,742,266
Financial assets measured at amortized cost		
Cash and cash equivalents	11,498,415	10,365,353
Pledged time and demand deposits	798,608	731,638
Notes receivable	544,546	875,745
Accounts receivable	7,395,035	8,515,477
Other receivables (including related parties)	59,146	211,810
Refundable deposits	222,205	173,394
Financial assets at FVTOCI - investments in equity instruments	2,158,018	2,432,738
<u>Financial liabilities</u>		
Financial liabilities at FVTPL - held for trading		
	27,839	3,380
Financial liabilities measured at amortized cost		
Short-term borrowings	2,400,326	2,498,041
Short-term bills payable	290,613	279,635
Accounts payable	3,349,040	3,528,998
Other payables (not including salaries payable or taxes payable)	1,314,722	1,472,810
Current portion of long-term borrowings	-	3,059,116
Bonds payable	5,992,228	5,989,773
Long-term borrowings	6,366,223	4,453,323
Guarantee deposits received	46,189	29,528

d. Financial Risk Management Objectives and Policies

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

1) Market risk

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

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

a) Foreign currency risk

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

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Group as of the balance sheet date, please refer to Note 39. For carrying amount of derivatives exposed to exchange rate risk, please refer to Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar and RMB denominated items). When the functional currency of the entities of the Group relative to the USD and RMB appreciates/depreciates by 3%, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$151,772 thousand and NT\$172,217 thousand, respectively.

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

b) Interest rate risk

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

of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
- Financial assets	\$ 9,261,151	\$ 7,781,222
- Financial liabilities	10,608,268	12,819,174
Cash flow interest rate risk		
- Financial assets	2,921,919	3,050,945
- Financial liabilities	5,806,148	3,921,281

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$14,121 thousand and NT\$4,352 thousand, respectively.

c) Other price risk

The Group was exposed to the equity price risk through its investments in domestic and foreign listed (OTC) shares, fund beneficiary certificates and other investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The following sensitivity analysis was determined based on the price of equity securities on the balance sheet date. However, the fund beneficiary certificates held by the Group are mainly money market funds, which have very low price volatility risk, so it is not included in sensitivity analysis.

If the equity price fluctuates by 5%, the pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$23,130 thousand and NT\$41,855 thousand, respectively, as a result of the changes in fair

value of financial assets at FVTPL (excluding fund beneficiary certificates); The pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$107,901 thousand and NT\$121,637 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

3) Liquidity risk

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

- a) Liquidity of non-derivative financial liabilities and interest risk table

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

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,663,762	\$ -	\$ -
Lease liabilities	0.83-9.25	126,352	441,267	1,143,962
Floating interest rate liabilities	0.76-7.62	1,054,236	4,985,850	-
Fixed interest rate liabilities	0.63-1.96	<u>1,771,843</u>	<u>6,509,349</u>	<u>1,155,996</u>
		<u>\$ 7,616,193</u>	<u>\$ 11,936,466</u>	<u>\$ 2,299,958</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 126,352</u>	<u>\$ 441,267</u>	<u>\$ 361,156</u>	<u>\$ 354,805</u>	<u>\$ 337,406</u>	<u>\$ 90,595</u>

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,001,808	\$ -	\$ -
Lease liabilities	0.83-9.25	79,836	246,828	288,585
Floating interest rate liabilities	0.10-1.90	970,600	2,986,558	-
Fixed interest rate liabilities	0.63-1.90	<u>4,877,712</u>	<u>5,209,600</u>	<u>2,300,000</u>
		<u>\$ 10,929,956</u>	<u>\$ 8,442,986</u>	<u>\$ 2,588,585</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 79,836</u>	<u>\$ 246,828</u>	<u>\$ 66,215</u>	<u>\$ 64,030</u>	<u>\$ 57,501</u>	<u>\$ 100,839</u>

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

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2022

	<u>On Demand or Less than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 1,188,165	\$ 1,750,606	\$ -
- Outflows	(1,197,036)	(1,768,780)	-
	<u>(\$ 8,871)</u>	<u>(\$ 18,174)</u>	<u>\$ -</u>

December 31, 2021

	<u>On Demand or Less than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 1,049,371	\$ 1,987,001	\$ 57,671
- Outflows	(1,052,384)	(1,991,684)	(59,512)
	<u>(\$ 3,013)</u>	<u>(\$ 4,683)</u>	<u>(\$ 1,841)</u>

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank loan facilities were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank loan facilities		
- Amount unused	<u>\$ 46,856,940</u>	<u>\$ 38,572,010</u>

35. RELATED PARTY TRANSACTIONS

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 other notes, details of transactions between the Group and its related parties are disclosed below:

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Group</u>
Fujian Gulei Petrochemical Co., Ltd.	Joint ventures
Delmind Inc.	Associate
USI Educational Foundation (USIF)	Other related parties

b. Purchase (classified as cost of goods sold)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Joint ventures	<u>\$ 2,439,051</u>	<u>\$ 267,768</u>

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

c. Donation (classified as administrative expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Other related parties		
USIF	<u>\$ 20,000</u>	<u>\$ 16,000</u>

d. Management services income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Joint ventures	\$ 32,481	\$ 42,221
Associate	<u>3,571</u>	<u>-</u>
	<u>\$ 36,052</u>	<u>\$ 42,221</u>

e. Rental income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Associate	<u>\$ 251</u>	<u>\$ -</u>

The Group lease the office buildings to the associates and the rental income was received monthly according to the contract. The associates has no rights to ease at the end of the lease terms.

f. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joint ventures	<u>\$ 15,819</u>	<u>\$ 21,083</u>

g. Compensation of key management personnel

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Short-term employee benefits	\$ 82,417	\$ 72,530
Retirement benefits	<u>918</u>	<u>491</u>
	<u>\$ 83,335</u>	<u>\$ 73,021</u>

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

36. COLLATERALIZED ASSETS

The following assets of the Group have been pledged as collateral for material purchase, outward documentary bill, long-term and short-term financing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 424,685	\$ 349,137
Property, plant and equipment	225,314	160,158
Land use right (classified as right-of-use assets)	20,099	20,578
Refundable deposits (classified as other non-current assets)	<u>127,211</u>	<u>121,685</u>
	<u>\$ 797,309</u>	<u>\$ 651,558</u>

37. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- a. As of December 31, 2022 and 2021, the Group's unused letter of credit amounted to NT\$2,952,429 thousand and NT\$3,177,888 thousand, respectively.
- b. Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

On February 12, 2015, CGTD entered into an agreement with the Kaohsiung City Government to provide the Kaohsiung City Government with pledge right set of a bank deposit certificate of NT\$228,904 thousand (including interests) as the guarantee for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015.

CGTD had deposited cash of NT\$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 23, 2023, the provisionally attached properties were worth NT\$11,393 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 23, 2023, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY, CGTD and CPC Corporation for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,440,672 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$401,979 thousand. (In particular, CGTD was exempted to pay NT\$6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after

another. The remaining cases are still pending in the Court of First Instance (the amount claimed is approximately NT\$1,912,949 thousand). CGTD and its insurance company signed a settlement agreement, covering the proportion of the liability for negligence determined in the first-instance judgment, the estimated amount of the settlement with the victims and the severely injured, and the amount of compensation in civil cases (including cases that have been settled); after the maximum insurance claims is deducted, the estimated amount that should be borne by CGTD and has been recognized is NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

38. SIGNIFICANT CONTRACTS

a. TVCM signed a dichloromethane purchase contract with CPC Corporation, Formosa Plastics Corporation and Mitsui Corp. The purchase price was negotiated by both parties according to a pricing formula.

b. Key operation contracts

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

<u>Commissioning Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2022.01.01-2022.12.31
Taiwan VCM Corporation	2022.01.01-2022.12.31
USI Corporation	2022.01.01-2022.12.31
Asia Polymer Corporation	2022.01.01-2022.12.31
LCY Chemical Corp.	2022.01.01-2022.12.31
TSRC Corporation	2022.01.01-2022.12.31
Nantex Industry Co., Ltd.	2022.01.01-2022.12.31
En Chuan Chemical Industries Co., Ltd.	2022.01.01-2022.12.31
Xin Long Guang Plastics Co., Ltd.	2022.01.01-2022.12.31
Oriental Union Chemical Corporation	2022.01.01-2022.12.31
Formosa Plastics Corporation	2022.01.01-2022.12.31
Chi Shen Transportation Co., Ltd.	2022.01.01-2022.12.31
LCY Grit Corp.	2022.01.01-2022.12.31
Shin Foong Specialty And Applied Materials Co., Ltd.	2022.01.01-2022.12.31

The aforesaid operation contracts may be renewed upon expiration.

39. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign and Functional Currencies in Thousands

	December 31, 2022				
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currencies	NT\$
<u>Foreign currency assets</u>					
<u>Monetary items</u>					
USD	\$ 161,638	30.71	(USD/NTD)	\$ 4,963,909	\$ 4,963,909
USD	4,274	6.96	(USD/RMB)	29,764	131,242
USD	4,612	4.58	(USD/MYR)	21,141	141,621
RMB	604,397	4.41	(RMB/NTD)	2,665,028	2,665,028
RMB	3,542	0.14	(RMB/USD)	508	15,607
AUD	707	20.83	(AUD/NTD)	14,732	14,732
EUR	851	32.72	(EUR/NTD)	27,839	27,839
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	3,067,840	0.14	(RMB/USD)	440,490	13,527,463
Derivatives					
Sell USD	3,220	30.71	(USD/NTD)	40	40
Sell USD	100	4.58	(USD/MYR)	8	51
Sell RMB	82,900	4.41	(RMB/NTD)	1,631	1,631
Sell EUR	270	4.88	(EUR/MYR)	60	399
<u>Foreign currency liabilities</u>					
<u>Monetary items</u>					
USD	69,686	30.71	(USD/NTD)	2,140,067	2,140,067
USD	19,924	6.96	(USD/RMB)	139,213	613,091
USD	1,659	4.58	(USD/MYR)	7,607	50,958
RMB	12,295	4.41	(RMB/NTD)	54,214	54,214
<u>Non-monetary items</u>					
Derivatives					
Purchase USD	18,400	30.71	(USD/NTD)	9,529	9,529
Sell RMB	428,200	4.41	(RMB/NTD)	16,781	16,781
Purchase JPY	120,000	0.01	(JPY/USD)	862	1,529

December 31, 2021					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currencies	NT\$
<u>Foreign currency assets</u>					
<u>Monetary items</u>					
USD	\$ 220,029	27.68	(USD/NTD)	\$ 6,090,148	\$ 6,090,148
USD	5,174	6.38	(USD/RMB)	32,987	143,214
USD	4,570	4.36	(USD/MYR)	19,906	126,505
RMB	495,301	4.34	(RMB/NTD)	2,150,425	2,150,425
RMB	1,611	0.16	(RMB/USD)	253	7,004
AUD	1,000	20.08	(AUD/NTD)	20,078	20,078
EUR	774	31.32	(EUR/NTD)	24,223	24,223
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	4,453,674	0.16	(RMB/USD)	698,539	19,335,554
Derivatives					
Sell USD	49,930	27.68	(USD/NTD)	6,308	6,308
Sell USD	1,850	4.36	(USD/MYR)	49	313
Sell RMB	137,000	4.34	(RMB/NTD)	1,133	1,133
Sell EUR	60	4.93	(EUR/MYR)	22	143
Purchase JPY	100,000	0.01	(JPY/USD)	14	400
<u>Foreign currency liabilities</u>					
<u>Monetary items</u>					
USD	76,741	27.68	(USD/NTD)	2,124,188	2,124,188
USD	19,106	6.38	(USD/RMB)	528,864	528,864
USD	1,209	4.36	(USD/MYR)	5,265	33,462
RMB	20,782	4.34	(RMB/NTD)	90,223	90,223
<u>Non-monetary items</u>					
Derivatives					
Sell USD	300	4.36	(USD/MYR)	4	28
Sell RMB	238,900	4.34	(RMB/NTD)	3,352	3,352

The net realized and unrealized foreign exchange gain or loss of the Group for the years ended December 31, 2022 and 2021, were NT\$463,721 thousand (gain) and NT\$93,530 thousand (loss), respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group's individual entities, thus the exchange gains and losses were not disclosed by currency of significant impact.

40. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. reinvestment business :
- 1) Financing provided to others. (Table 1)
 - 2) Endorsements/guarantees provided. (Table 2)
 - 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (table 4)
 - 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 9) Trading in derivative instruments. (Notes 7 and 34)
 - 10) Others: The Business Relationships and Significant Transactions and Amounts between Parent and Subsidiaries and between Subsidiaries. (Table 9)
 - 11) Information on investees. (Table 7)
- c. Information on Investments in Mainland China:
- 1) Information on investee company in mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China. (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Tables 5 and 9.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Tables 5 and 9.

- c) The amount of property transactions and the amount of the resultant gains or losses: None.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
- e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds: Table 1.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.
- d. Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 10)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the financial information of each individual company. The following was the information of the Group's reporting segments:

a. Profit or Loss of Reporting Segment

	For the Year Ended December 31, 2022						
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Total
Segment revenue	\$ 15,632,151	\$ 17,637,479	\$ 18,083,799	\$ 3,057,217	\$ 9,815,332	\$ 4,842,592	\$ 69,068,570
Interest income	16,538	10,127	42,437	7,964	11,475	57,998	146,539
Finance costs	(76,146)	(26,810)	(6,835)	(34,399)	(10,311)	(66,032)	(220,533)
Depreciation and amortization	(640,340)	(715,454)	(208,628)	(25,074)	(305,207)	(551,686)	(2,446,389)
Pre-tax profit of reporting segment	1,931,735	(517,183)	544,374	53,072	1,817,771	(5,604,317)	(1,774,548)
Income tax (expenses) profits of reporting segment	(376,638)	179,466	(132,296)	(38,355)	(370,402)	(19,954)	(758,179)
Net profit (loss) of reporting segment	1,555,097	(337,717)	412,078	14,717	1,447,369	(5,624,271)	(2,532,727)

	For the Year Ended December 31, 2021						
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Total
Segment revenue	\$ 16,034,251	\$ 20,221,524	\$ 20,771,165	\$ 3,070,315	\$ 9,565,813	\$ 4,865,493	\$ 74,528,561
Interest income	5,948	2,235	41,853	8,982	4,381	16,473	79,872
Finance costs	(97,352)	(5,294)	(5,163)	(16,399)	(22,743)	(25,602)	(172,553)
Depreciation and amortization	(621,389)	(705,030)	(201,501)	(201,259)	(312,444)	(351,751)	(2,393,374)
Pre-tax profit of reporting segment	5,870,841	3,307,034	2,407,444	143,781	3,738,206	1,958,899	17,426,205
Income tax expenses of reporting segment	(679,447)	(675,616)	(557,512)	(53,300)	(637,079)	(70,036)	(2,672,990)
Net profit of reporting segment	5,191,394	2,631,418	1,849,932	90,481	3,101,127	1,888,863	14,753,215

b. Profit and loss of reporting segment and other major adjustments

1) Segment revenue and results

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Pre-tax profit of reporting segment	\$ 3,829,769	\$ 15,467,306
Income tax expenses of reporting segment	(738,225)	(2,602,954)
Total of net after-tax profit of reporting segment	3,091,544	12,864,352
(Loss) profit of other non-reporting segments	(5,624,271)	1,888,863
Deduction of inter-segment loss (profit)	<u>2,471,538</u>	<u>(4,673,764)</u>
Consolidated net after-tax profit	<u>(\$ 61,189)</u>	<u>\$ 10,079,451</u>

2) Other significant items reconciliation

	<u>For the Year Ended December 31, 2022</u>							
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Adjustments	Total
Interest income	\$ 16,538	\$ 10,127	\$ 42,437	\$ 7,964	\$ 11,475	\$ 57,998	(\$ 41)	\$ 146,498
Finance costs	(76,146)	(26,810)	(6,835)	(34,399)	(10,311)	(66,032)	1,891	(218,642)
Depreciation and amortization	(640,340)	(715,454)	(208,628)	(25,074)	(305,207)	(551,686)	36,703	(2,409,686)

	<u>For the Year Ended December 31, 2021</u>							
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Adjustments	Total
Interest income	\$ 5,948	\$ 2,235	\$ 41,853	\$ 8,982	\$ 4,381	\$ 16,473	(\$ 271)	\$ 79,601
Finance costs	(97,352)	(5,294)	(5,163)	(16,399)	(22,743)	(25,602)	2,729	(169,824)
Depreciation and amortization	(621,389)	(705,030)	(201,501)	(201,259)	(312,444)	(351,751)	57,454	(2,335,920)

Since the Group's individual segment assets were not included in the segment information provided chief operating decision-maker, the measured amount of operating segment assets was not disclosed herein.

c. Revenue from main product

<u>Product</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Plastic raw materials	\$ 62,934,920	\$ 68,149,586
Electronic materials	3,057,090	3,018,410
Others	<u>445,112</u>	<u>587,546</u>
	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

d. Geographical information

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

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Asia	\$ 52,534,401	\$ 59,989,106
Americas	4,950,262	4,875,056
Europe	1,530,328	306,950
Africa	2,350,640	1,488,398
Oceania	369,129	341,961
Others	<u>4,702,362</u>	<u>4,754,071</u>
	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

e. Information on main customers

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

USI CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
Year 2022

TABLE 1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 200,000	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 9,798,437	\$ 9,798,437	

Note 1. The total capital loans shall not exceed 40% of the net value of the Company's most recent financial statements certified or audited by CPAs. The maximum capital loans is calculated on the net value as of December 31, 2022.

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

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

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
FINANCING PROVIDED TO OTHERS
Year 2022

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Maximum amount in current year (Note 3)	Balance at December 31	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 3,778,709	\$ 3,778,709	

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

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

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

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

Financing provided to others

Year 2022

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at the end of the year (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 48,333	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 76,167	\$ 114,250	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	177,308	174,171	174,171	3.65	2	-	Business turnover	-	-	-	563,960	563,960	

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

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

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

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

USI CORPORATION AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
Year 2022

TABLE 2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period (Note 2)	Outstanding Endorsement/Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 1)	Endorsement / Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	USI CORPORATION	Union Polymer International Investment Corporation	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,248,046	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	10.61	\$ 14,697,655	Yes	No	No	
0	USI CORPORATION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	1,300,000	1,300,000	210,000	-	5.31	14,697,655	Yes	No	No	
0	USI CORPORATION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	22,000	-	1.32	14,697,655	Yes	No	No	

Note 1. The total amount of endorsements/guarantees provided shall not exceed 60% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 50% of the Company's net value. The maximum amount of endorsements/guarantees was calculated based on net value as of December 31, 2022.

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

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation

Endorsements/Guarantees Provided

Year 2022

Table 2-1

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement /Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,066,555	\$ 720,586 (USD 16,500 thousand) (RMB 49,000 thousand)	\$ 630,646 (USD 13,500 thousand) (RMB 49,000 thousand)	\$ 261,035 (USD 8,500 thousand)	\$ -	45.78	\$ 2,755,406	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,066,555	96,645 (USD 3,000 thousand)	-	-	-	-	2,755,406	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,066,555	556,020 (USD 18,000 thousand)	307,100 (USD 10,000 thousand)	254,893 (USD 8,300 thousand)	-	22.29	2,755,406	No	No	No	

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

Note 2. The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2022.

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

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

Endorsements/Guarantees Provided

Year 2022

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement /Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement /Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Subsidiary	\$ 5,176,028	\$ 57,665	\$ 54,971	\$ -	\$ -	2.12	\$ 6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	5,176,028	38,658	36,852	-	-	1.42	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	5,176,028	96,645	92,130	-	-	3.56	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,176,028	349,720	349,720	32,400	-	13.51	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsidiary	5,176,028	32,215	30,710	-	-	1.19	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,176,028	64,430	61,420	-	-	2.37	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,176,028	1,476,698	1,317,459	-	-	50.91	6,470,035	No	No	No	

Note 1. The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity stated on the latest financial statements. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity stated on the latest financial statements.

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

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
ENDORSEMENTS/GUARANTEES PROVIDED
Year 2022

TABLE 2-3

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,668,063	\$ 1,000,000	\$ 600,000	\$ 100,000	\$ -	6.35	\$ 9,446,772	No	No	No	

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

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

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

Endorsements/Guarantees Provided

Year 2022

Table 2-4

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guar antee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiaries that the Company holds 100% of common equity directly	\$ 7,206,214	\$ 184,260 (USD 6,000 thousand)	\$ 184,260 (USD 6,000 thousand)	\$ -	\$ -	2.56	\$ 10,809,321	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that TTC's subsidiaries hold 100% of common equity directly	7,206,214	573,222 (RMB130,000 thousand)	352,572 (RMB 80,000 thousand)	-	-	4.90	10,809,321	No	No	Yes	

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

Note 2. The total amount of guarantee that may be provided by TTC shall not exceed 150% of TTC's net worth stated on its latest financial statements; the total amount of guarantee provided by TTC to any individual entity shall not exceed 100% of TTC's net worth stated on its latest financial statements.

The total amount of guarantee that may be provided by TTC and its subsidiaries shall not exceed 200% of TTC's net worth stated on the latest financial statements; the total amount of guarantee provided by TTC and its subsidiaries to any individual entity shall not exceed 150% of TTC's net worth stated on the latest financial statements.

USI CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD

December 31, 2022

Table 3

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

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

(Continued)

(Continued)

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

(Continued)

(Continued)

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

(Continued)

(Continued)

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

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

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

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

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	2,997,000	\$ 54,186	-	\$ 54,186	Note 1
	Fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	9,445,668	130,021	-	130,021	Note 1
	Jih Sun Money Market Fund	—	"	7,974,063	120,176	-	120,176	Note 1
	CTBC Hwa-Win Money Market Fund	—	"	4,475,635	50,030	-	50,030	Note 1
	Yuanta De-Li Money Market Fund	—	"	3,019,311	50,028	-	50,028	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at FVTPL - current	350,000	10,430	-	10,430	Note 1
	Tungho Steel Corporation	—	"	95,500	5,033	-	5,033	Note 1
Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI – non-current	4,977,475	67,644	5.95	67,644	Note 1	
Taiwan VCM Corporation	Fund beneficiary certificates							
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	8,593,337	124,011	-	124,011	Note 1
	Taishin 1699 Money Market Fund	—	"	8,735,968	120,252	-	120,252	Note 1
	Yuanta De-Li Money Market Fund	—	"	6,037,918	100,045	-	100,045	Note 1
	Hua Nan Phoenix Money Market Fund	—	"	2,119,619	35,015	-	35,015	Note 1
	Shares							
Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets at FVTOCI – non-current	130,244	3,673	0.02	3,673	Note 1	
CGPC Polymer Corporation	Fund beneficiary certificates							
	Cathay Taiwan Money Market Fund	—	Financial assets at FVTPL - current	3,963,221	50,013	-	50,013	Note 1
	Yuanta De-Li Money Market Fund	—	"	1,811,091	30,009	-	30,009	Note 1
CGPC (BVI) Holding Co., Ltd.	Shares							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67	-	Notes 1 and 3
	SOHWARE, Inc - preferred shares	—	"	100,000	-	-	-	Notes 1, 2, and 3

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

Note 2. The preferred shares are not used in the calculation of the shareholding ratio.

Note 3. As of the year ended December 31, 2022, CGPC evaluated the fair value of equity investment in the company as NT\$0.

Note 4. For information about investments in subsidiaries and associated enterprises, please refer to Table 7-3 and 8-3.

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

Marketable Securities Held

December 31, 2022

Table 3-2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTOCI – non-current	15,109,901	\$ 333,929	1.27	\$ 333,929	Note 1
	Harbinger Venture Capital Corp.	—	"	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at FVTPL - current	282,000	3,835	0.02	3,835	Note 1
	China Steel Corporation	—	"	350,000	10,430	-	10,430	Note 1
	Tungsho Steel Corporation	—	"	91,500	4,822	0.01	4,822	Note 1
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	Note 1
	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at FVTPL - current	1,816,596	30,009	-	30,009	Note 2
	Yuanta De-Li Money Market Fund	—	"	3,018,303	50,012	-	50,012	Note 2
	Yuanta De-Bao Money Market Fund	—	"	7,634,736	93,156	-	93,156	Note 2
	Shin Kong Chi-Shin Money-Market Fund	—	"	1,272,872	20,004	-	20,004	Note 2
	Taishin Ta-Chong Money Market Fund	—	"	3,465,868	50,016	-	50,016	Note 2
	Taishin 1699 Money Market Fund	—	"	6,539,203	90,013	-	90,013	Note 2
Beneficiary securities								
Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,280,000	59,302	-	59,302	Note 1	
TAITA (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	20,219	6	2.22	6	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. - Preferred Shares	—	"	100,000	-	-	-	Note 4

Note 1. The fair value was based on the Taiwan Stock Exchange closing price on the last trading day of December 2022.

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

Note 3. The fair value is evaluated by the asset method, and is determined by referring to the most recent net worth of the investee company and its observable financial and operating status.

Note 4. As of December 31, 2022, the fair value of equity investment was evaluated by TTC as 0.

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

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-3

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

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

(Continued)

(Continued)

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

Note 1. As a result of the recognition of investment losses over the years, the carrying amount of APC's long-term equity investments in the company is 0.

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

USI CORPORATION AND SUBSIDIARIES
China General Terminal & Distribution Co.
MARKETABLE SECURITIES HELD
December 31, 2022

Table 3-4

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares Asia Polymer Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at FVTOCI – non-current	5,290,482	\$ 149,192	0.89	\$ 149,192	Note 1
	China General Plastics Corporation	//	//	2,940,788	77,637	0.51	77,637	Note 1
	Taita Chemical Company, Ltd.	//	//	2,278,217	51,032	0.57	51,032	Note 1
	China Steel Corporation	—		Financial assets at FVTPL - current	499,552	14,887	-	14,887

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

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

USI CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
Year 2022

TABLE 4

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

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

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

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

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

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

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

Year 2022

Table 4-1

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

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

(Continued)

(Continued)

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
CGPC Polymer Corporation	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -	
	Jih Sun Money Market Fund	"	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-	
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-	
	Taishin 1699 Money Market Fund	"	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-	
	Nomura Taiwan Money Market Fund	"	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-	
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
	Fund beneficiary certificates														
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-	
	FSITC Taiwan Money Market Fund	"	-	-	3,178,916	49,000	36,160,382	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000	
	Hua Nan Phoenix Money Market Fund	"	-	-	7,629,121	125,000	16,094,751	264,000	14,949,274	245,056	245,000	56	8,774,597	144,000	
	Hua Nan Kirin Money Market Fund	"	-	-	3,315,451	40,000	48,446,773	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000	
	Yuanta De-Li Money Market Fund	"	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000	
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-	
	Capital Money Market Fund	"	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	8,941,582	128,000	37,239,819	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000	
	SinoPac TWD Money Market Fund	"	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-	
	Taishin 1699 Money Market Fund	"	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000	
	Nomura Taiwan Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-	
	Cathay Taiwan Money Market Fund	"	-	-	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-	
Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000		

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

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

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

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

Year 2022

TABLE 4-2

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Taita Chemical Company, Ltd.	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Money Market Fund	"	-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	FSITC Taiwan Money Market Fund	"	-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	UPAMC James Bond Money Market Fund	"	-	-	5,248,671	86,000	36,399,248	597,000	37,870,702	621,110	621,000	110	3,777,217	62,000
	Hua Nan Phoenix Money Market Fund	"	-	-	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Hua Nan Kirin Money Market Fund	"	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Capital Money Market Fund	"	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Jih Sun Money Market Fund	"	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Taishin 1699 Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Nomura Taiwan Money Market Fund	"	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	-	1,378,445	-	-	-	-	-	1,378,445
TAITA (BVI) Holding Co., Ltd.	Shares Zhangzhou Taita Chemical Co., Ltd.	Investments accounted for using the equity method	-	-	-	-	-	(USD 48,580 thousand)	-	-	-	-	-	(USD 48,580 thousand) (Note 3)

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

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

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

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

Year 2022

TABLE 4-3

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Asia Polymer Corporation	Fund beneficiary certificates													
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -
	FSITC Taiwan Money Market Fund	"	-	-	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000
	UPAMC James Bond Money Market Fund	"	-	-	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund	"	-	-	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund	"	-	-	6,381,916	77,000	16,550,041	200,000	8,453,185	102,017	102,000	17	14,478,773	175,000
	Yuanta De-Li Money Market Fund	"	-	-	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund	"	-	-	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund	"	-	-	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	5,672,048	63,000	5,392,241	60,000	5,672,048	63,012	63,000	12	5,392,241	60,000
	Taishin 1699 Money Market Fund	"	-	-	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Nomura Taiwan Money Market Fund	"	-	-	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	"	-	-	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-
APC Investment Corporation	Fund beneficiary certificates													
	Cathay Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	499,525	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138

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

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

USI CORPORATION AND SUBSIDIARIES

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

Year 2022

TABLE 5

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

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

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

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-1

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Purchase (including processing fee)	\$ 376,718	34	55 days	No significant difference	No significant difference	(\$ 54,149)	(54)	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Sale (including processing fee)	(376,718)	(34)	55 days	"	"	54,149	20	Note
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Sale	(145,822)	(11)	55 days	"	"	11,083	4	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	145,822	71	55 days	"	"	(11,083)	(75)	Note
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Sale	(247,321)	(18)	55 days	"	"	69,040	23	Note
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	247,321	79	55 days	"	"	(69,040)	(80)	Note
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary	Sale	(176,795)	(17)	55 days	"	"	32,284	11	Note
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchase	176,795	44	55 days	"	"	(32,284)	(52)	Note

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

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-2

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Swanson Plastics (Singapore) Pte., Ltd. Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 180,021	76	90 days	No significant difference	No significant difference	Accounts payables - related parties (\$29,500)	(91)	
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(379,588)	(39)	90 days	"	"	Accounts receivables - related parties 67,711	68	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(323,509)	(34)	90 days	"	"	Accounts receivables - related parties 17,732	18	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(136,270)	(14)	90 days	"	"	Accounts receivables - related parties 6,159	6	
	USI CORPORATION	Ultimate parent company	Purchase	176,788	19	75 days	"	"	Accounts payables - related parties (60,688)	(35)	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	379,588	40	90 days	"	"	Accounts payables - related parties (67,711)	(35)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(198,049)	(19)	60 days	"	"	Accounts receivables - related parties 52,932	18	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	323,509	43	90 days	"	"	Accounts receivables - related parties 17,732	(43)	
	Swanson Plastics (Singapore) Pte., Ltd.	Parent company	Sale	(180,021)	(20)	90 days	"	"	Accounts receivables - related parties 29,500	20	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	198,049	66	60 days	"	"	Accounts payables - related parties (52,932)	(87)	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	136,270	43	90 days	"	"	Accounts payables - related parties (6,159)	(143)	

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

"	Accounts payables - related parties (17,732)
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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

Year 2022

TABLE 5-3

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark	
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Sale	(\$ 452,012)	(4)	90 days	No significant difference	No significant difference	Accounts receivables - related parties	\$ 144,312	14	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(6,196,440)	(49)	45 days	"	"	Accounts receivables - related parties	790,837	47	Note
	CGPC Polymer Corporation	Fellow company	Sale	(5,516,012)	(44)	75 days	"	"	Accounts receivables - related parties	732,016	43	Note
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	1,071,372	10	Current Letter of Credit	"	"	Accounts payables - related parties	-	-	

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

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

Year 2022

TABLE 5-4

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,436,470)	(14.94)	60 days	No significant difference	No significant difference	Accounts receivables - related parties \$187,963	17.03	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(229,542)	(2.39)	90 days	"	"	Accounts receivables - related parties 32,830	2.97	
	USI CORPORATION	Ultimate parent company	Purchase	252,526	5.29	30 days	"	"	Accounts payables - related parties (20,004)	(7.15)	
	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchase	698,591	14.64	Letter of Credit	"	"	-	-	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	156,508	3.28	30 days	"	"	Accounts payables - related parties (30,630)	(10.94)	

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

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

December 31, 2022

Table 6

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI CORPORATION	Taiwan VCM Corporation	Subsidiary	Other receivables - related parties \$222,544	-	\$ -	—	\$ 222,544	Note 1
	Asia Polymer Corporation	Subsidiary	Other receivables -m related parties \$185,661	-	-	—	185,661	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

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

December 31, 2022

Table 6-1

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other accounts receivable - related parties \$ 174,873 (RMB 39,659 thousand)	-	\$ -	—	\$ -	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

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

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

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

December 31, 2022

Table 6-2

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable - related parties	\$ <u>144,312</u>	2.71	\$ -	—	\$ -	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties	\$ <u>790,837</u>	5.43	-	—	790,837	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties	\$ <u>732,016</u>	5.27	-	—	732,016	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

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

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

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

December 31, 2022

Table 6-3

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsiary	Other receivables \$ 281,862 (USD 9,178 thousand) (Notes 1 and 3)	-	\$ 281,862	Continuous Collection	\$ -	\$ -

Note 1. The other receivables of Taita Chemical Co., Ltd. are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., and transferred to other receivables since it had exceeded the normal credit term by a certain period.

Note 2. There was no amount received as of March 3, 2023.

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

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

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

December 31, 2022

Table 6-4

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

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

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

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

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
Year 2022

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies	\$ 550,000	\$ 550,000	89,647,000	100.00	\$ 956,056	(\$ 49,098)	(\$ 49,098)	Subsidiary
	Swanlake Traders Ltd.	Citco Building, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,400,415	15,773	15,773	Subsidiary
	USI (Hong Kong) Company Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	69,411	(1,233)	(1,233)	Subsidiary
	Union Polymer International Investment Corporation	12F., No. 37, Jihu Rd., Taipei City	Investment (focused on "production and service industry")	3,490,255	3,490,255	897,354,122	100.00	10,289,873	601,472	517,147	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Taipei City	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	185,908	1,961	1,373	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Import and export trade	28,323	28,323	5,749,062	99.96	73,805	12,600	12,593	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,045,181	(48,865)	(19,827)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	355,454	16,348	4,399	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Taipei City	Optical products and fire protection materials	250,354	250,354	9,243,369	94.37	13,347	(3,716)	(3,507)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Taipei City	Providing management services	1,000	1,000	671,400	100.00	3,212	3,237	3,237	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	59.13	5,102,760	(3,522,647)	(2,083,045)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	34,009	(27,848)	(14,159)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Taipei City	Solar power generation business	70,100	70,100	7,259,418	100.00	111,559	6,844	5,188	Subsidiary
	Delmind Inc.	No.18, Xinglong Rd., Taoyuan Dist., Taoyuan City	Manufacturing of machinery and equipment	90,000	-	9,000,000	30.00	83,922	(20,259)	(6,078)	Associate
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment business	12,818,523 (USD 417,145 thousand)	12,818,523 (USD 417,145 thousand)	417,145,000	67.40	8,629,306 (USD 280,993 thousand)	(5,226,273) (USD -174,699 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Aveme, Causeway Bay, Hong Kong	Investment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00	11,869,309 (USD 386,497 thousand)	(6,167,854) (USD -206,156 thousand)		Sub-subsiidiary
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	145,807,007	36.67	2,855,733	412,077		Sub-subsiidiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	192,063,336	32.35	5,098,353	1,447,369		Sub-subsiidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	140,609,929	24.20	2,415,725	(370,247)		Sub-subsiidiary

(Continued)

(Continued)

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

Note 1. Please refer to Table 8 for relevant information on mainland investee companies.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation
INFORMATION ON INVESTEEES

Year 2022

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of December 31, 2022			Net Income (Loss) of the Investee for the Period (Note 3)	Investment profit and loss recognized in current year (Note 3)	Remark
				Ending Balance for Current Period	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount (Note 2)			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$ 605,182	\$ 605,182	25,621,692	51.27	\$ 648,239	(\$ 5,960) (USD -195 thousand)	(\$ 25,643) (USD -860 thousand)	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100.00	1,074,377	52,427	47,075	Note 1
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	22,739	(27,848)	(9,467)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	365,173 (USD 11,891 thousand)	365,173 (USD 11,891 thousand)	42,600,000	100.00	708,904 (USD 23,048 thousand)	51,199 (MYR 7,836 thousand)		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.	Manufacturing and marketing of manganese-zinc soft ferrite core	254,321 (MYR 37,964 thousand)	254,321 (MYR 37,964 thousand)	9,120,000	100.00	699,335 (MYR 104,394 thousand)	51,774 (MYR 7,925 thousand)		Note 1

Note 1. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

Note 2. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2022.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

Note 4. Please refer to Table 8-1 for relevant information on mainland investee companies.

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation
 INFORMATION ON INVESTEEES
 Year 2022

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 3)	Investment profit and loss recognized in current year (Note 3)	Remark
				December 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount (Note 2)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,770,316	\$ 32,425	\$ 32,425	
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Trading and agency businesses	1,297	1,297	50	100.00	38,083	(548)	(548)	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	499,996	454,134	16,041	100.00	1,643,122	17,032	17,032	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	245,000	245,000	10,500	70.00	(1,538)	(31,248)	(21,874)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	7,979	7,979	261	1.00	7,586	21,048	210	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Manufacturing and marketing of plastic products	202,483 (USD 6,593 thousand)	202,483 (USD 6,593 thousand)	20,000	100.00	491,154 (USD 15,993 thousand)	38,983 (USD 1,308 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	507,048 (USD 16,511 thousand)	507,048 (USD 16,511 thousand)	107,351	100.00	279,077 (USD 9,087 thousand)	(5,191) (INR -13,735 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	793,547 (USD 25,840 thousand)	793,547 (USD 25,840 thousand)	25,840	99.00	751,050 (USD 24,456 thousand)	21,048 (IDR 10,447,802 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	217,859 (USD 7,094 thousand)	217,859 (USD 7,094 thousand)	3,157	100.00	564,582 (USD 18,384 thousand)	39,747 (USD 1,334 thousand)		

Note 1. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

Note 2. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2022.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

Note 4. Please refer to Table 8-2 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Investment Loss (Loss) for the Year Ended December 31, 2022	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,933,648	259,591,005	87.27	\$ 4,076,858	\$ 21,552	\$ 223,093	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of PVC resins	800,000	800,000	100,000,000	100.00	701,707	(522,042)	(522,042)	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	333,626	(24,490)	(24,490)	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	23,892,872	33.33	355,611	29,772	9,924	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC two- or three-time processed products	648,931	648,931	100	100.00	186,395	(47,552)	(47,552)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,911	16,348	284	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Taipei City	Environmental detection services	50,000	-	5,000,000	100.00	52,642	2,642	-	Subsidiary

Note 1. All the transactions were written off when preparing the consolidated financial statements.

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

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

INFORMATION ON INVESTEEES

Year 2022

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Note (Note 1)
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,755,854 (USD 89,738 thousand)	\$ 2,755,854 (USD 89,738 thousand)	89,738,000	100.00	\$ 3,144,353 (USD 102,389 thousand)	(\$ 37,084) (Loss in USD -1,129 thousand)	(\$ 37,084) (Loss in USD -1,129 thousand)	Subsidiary (Note 2)
	China General Plastics Corporation	Taipei City	Production and marketing of PVC tape and other plastic products	65,365	65,365	11,516,174	1.98	187,231	(370,247)	(7,339)	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	23,892,871	33.33	355,611	29,772	9,924	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Production and marketing of manganese-zinc soft ferrite powder	44,771	44,771	4,445,019	2.43	33,466	16,348	398	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,208 (USD 1,700 thousand)	52,208 (USD 1,700 thousand)	2,695,619	5.39	67,401 (USD 3,195 thousand)	(5,961) (Loss in USD -195 thousand)	-	Investments accounted for using the equity method

Note 1. The calculation is based on the financial statements of the investee company during the same period which have been audited by CPAs.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

Note 3. Please refer to Table 8-4 for relevant information on mainland investee companies.

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

INFORMATION ON INVESTEEES

Year 2022

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 423,024 (USD 13,775 thousand)	\$ 423,024 (USD 13,775 thousand)	11,342,594	100.00%	\$ 586,541	\$ 14,072	\$ 14,072	Subsidiary
	APC Investment Corporation	Taipei City	Investment business	200,000	200,000	20,000,000	100.00%	156,074	(12,287)	(12,287)	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	64,491 (USD 2,100 thousand)	64,491 (USD 2,100 thousand)	2,100,000	70.00%	69,338	97	68	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor-alkali products and other relevant products	247,412	247,412	46,886,185	8.07%	762,280	(370,247)	(29,876)	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	23,892,871	33.33%	355,611	29,772	9,924	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Production and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	205,730	(48,865)	(3,884)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	61,348	61,348	6,056,623	3.31%	45,599	16,348	541	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investments in high-tech undertakings	52,791	52,791	3,080,866	8.33%	22,114	1,961	163	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacturing and marketing of sapphire single crystal	59,725	59,725	5,972,464	9.20%	6,155	(27,848)	(2,563)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	5,235,287 (USD 170,475 thousand)	5,235,287 (USD 170,475 thousand)	170,475,000	40.87%	3,526,546	(3,522,647)	(1,439,602)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	161,071 (USD 5,245 thousand)	161,071 (USD 5,245 thousand)	8,316,450	16.64%	207,944	(5,961)	-	- APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	27,639 (USD 900 thousand)	27,639 (USD 900 thousand)	900,000	30.00%	29,716	97	-	- APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03%	14,188	16,348	-	- APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	22,500	2,250,015	15.00%	(330)	(31,248)	-	- APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	12,810,523 (USD 417,145 thousand)	12,810,523 (USD 417,145 thousand)	417,145,000	67.40%	8,629,306 (USD280,993 thousand)	(5,226,273) (USD -174,699 thousand)	-	- Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00%	11,869,309 (USD386,497 thousand)	(6,167,854) (USD -206,156 thousand)	-	- Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. All the transactions were written off when preparing the consolidated financial statements.

Note 2. Please refer to Table 8-5 for relevant information of mainland investee companies.

USI CORPORATION AND SUBSIDIARIES
Information on investments in mainland China
Year 2022

TABLE 8

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

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

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 7)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 7)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 7,541,471 (USD 245,371 thousand)	\$ 9,487,802(Note 5) (USD 308,948 thousand)	\$ -(Note 4)

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

Note 2. The Company directly invested in China-based companies (100%).

Note 3. The Company indirectly invested 50% in Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (59.13%), then reinvested Ever Victory Global Limited (67.40%), and finally reinvested Dynamic Ever Investments Limited (85.00%) in the third region.

Note 4. As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11251003100 on February 7, 2023, the upper limit on investment in mainland China is not applicable.

Note 5. It includes the investment amounted to US\$257,939 thousand in Fujian Gulei Petrochemical Co., Ltd. in the mainland region through remittance from the third region as approved by the Investment Commission, MOEA (2) No. 10500116380 dated on September 1, 2016, Investment Commission, MOEA (2) No. 10500234240 dated on December 29, 2016 and Investment Commission, MOEA (2) No. 10800262920 dated on February 26, 2020, the investment to establish a sales company amounted to US\$32,200 thousand through a third region as approved by the Investment Commission, MOEA (2) No. 10900245220 dated on October 5, 2020, and the investment amounted to US\$1,422 thousand in Acme Electronics (Kunshan) Co., Ltd. through a third region as approved by the Investment Commission, MOEA (2) No. 11000010830 dated on January 21, 2021.

Note 6. Except for the investment in Fujian Gulei Petrochemical Co., Ltd., the recognized investment gain (loss) and carrying amount in the period have been fully written off when preparing the consolidated financial statements.

Note 7. The calculation was based on the spot exchange rate of December 31, 2022.

Note 8. Except for the Fujian Gulei Petrochemical Co., Ltd., whose numbers were based on the review of Deloitte Touche Tohmatsu Limited and use the accounting principles to adjust and recognize like the parent company, the others were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 9. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

USI CORPORATION AND SUBSIDIARIES
Acme Electronics Corporation
Information on Investments in Mainland China
Year 2022

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 4)	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 4)	Net Income (Loss) of the Investee for the Period (Note 5)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Notes 3, 5 and 7)	Book value of investment at the end of the year (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 943,565 (USD 30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD 11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand)	(\$ 45,406) (RMB -10,188 thousand)	51.27%	(\$ 23,281) (RMB -5,224 thousand)	\$ 407,089 (RMB 92,323 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	589,632 (USD 19,200 thousand)	Indirect investment via GAEL.	619,676 (USD 19,200 thousand)	-	-	619,676 (USD 19,200 thousand)	52,558 (RMB 11,814 thousand)	100.00%	52,558 (RMB 11,814 thousand)	1,047,850 (RMB 237,640 thousand)	-

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

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

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

Note 3. The investment gain (loss) recognized for the year ended December 31, 2021 was calculated on the basis of financial statements audited and approved by CPAs of the parent company of ACME.

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

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

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

Note 7. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
Swanson Plastics Corporation
Information on Investments in Mainland China
Year 2022

TABLE 8-2

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 4)	Ownership Percentage of Direct or Indirect Investment (%)	Investment profit and loss recognized in current year (Note 4)	Carrying Amount as of the End of Period (Note 5)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022	Remark
					Outflow	Inflow							
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 408,136 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	(\$ 16,857) (USD -566 thousand)	100.00	(\$ 16,857) (USD -566 thousand)	\$ 1,076,094 (USD 35,041 thousand)	\$ 49,018 (USD 1,600 thousand)	Notes 6 and 8
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	279,461 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	40,011 (USD 1,342 thousand)	100.00	40,011 (USD 1,342 thousand)	563,965 (USD 18,364 thousand)	64,395 (USD 2,327 thousand)	Notes 7 and 8
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	328,597 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	(22,943) (USD -770 thousand)	100.00	(22,943) (USD -770 thousand)	52,371 (USD 1,705 thousand)	-	

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 588,131	\$1,006,850 (USD32,786 thousand)	\$ -(Note 2)

Note 1. The paid-in capital and the investment amount approved by the Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2022.

Note 2. As SPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410 on June 18, 2020, the upper limit on investment is not applicable.

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

Note 4. The amount is calculated based on the average exchange rate during the period from January 1 to December 31, 2022.

Note 5. The calculation was based on the spot exchange rate of December 31, 2022.

Note 6. Swanson International Ltd received a cash dividend of USD 1,600 thousand from its reinvestment company Swanson Plastics (Kunshan) Co., Ltd. in 2022, which has been remitted to Swanson Plastics Corporation.

Note 7. Swanson International Ltd received a cash dividend of USD 2,327 thousand from its reinvestment company API-Swanson (Kunshan) Co., Ltd. in 2021, which has been remitted to Swanson Plastics Corporation.

Note 8. Calculated at the exchange rate at remittance.

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
Information on investments in mainland China
Year 2022

TABLE 8-3

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

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

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

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

Note 2. As CGPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

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

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

USI CORPORATION AND SUBSIDIARIES
Taita Chemical Company, Ltd.
Information on Investments in Mainland China
Year 2022

TABLE 8-4

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 6)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 6)	Book value of investment at the end of the year (Note 6)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and sales of polystyrene derivatives	\$ 1,420,338 (USD 46,250 thousand) (Note 1)	Reinvest in the mainland companies by establishing a company through investment in the third region	\$ 1,320,530 (USD 43,000 thousand)	\$ -	\$ -	\$ 1,320,530 (USD 43,000 thousand)	(\$ 19,457) (USD -552 thousand)	100.00%	(\$ 19,457) (USD -552 thousand) (Note 7)	\$ 1,826,664 (USD 59,481 thousand) (Note 7)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)") (Note 8)	Production and sales of polystyrene derivatives	839,919 (USD 27,350 thousand) (Note 2)	Reinvest in the mainland companies by establishing a company through investment in the third region	798,460 (USD 26,000 thousand)	-	-	798,460 (USD 26,000 thousand)	(37,119) (USD -1,248 thousand)	100.00%	(37,119) (USD -1,248 thousand) (Note 7)	(152,697) (USD -4,972 thousand) (Note 7)	-
Zhangzhou Taita Chemical Company, Limited (ZTC)	Production and sales of polystyrene derivatives	1,491,879 (USD 48,580 thousand) (Note 3)	Reinvest in the mainland companies by establishing a company through investment in the third region	-	-	-	-	12,104 (USD 396 thousand)	100.00%	12,104 (USD 396 thousand) (Note 7)	1,365,483 (USD 44,464 thousand) (Note 7)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	943,565 (USD 30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	41,582 (USD 1,354 thousand)	-	-	41,582 (USD 1,354 thousand)	(45,406) (USD -1,488 thousand)	5.39%	(2,449) (USD -80 thousand)	42,829 (USD 1,395 thousand)	-

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

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

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

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

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

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

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

Note 7. All the transactions were written off when preparing the consolidated financial statements.

Note 8. TTC management has decided to suspend the production of TAITA (TJ) from April 2019, and please refer to Note 12 to the Consolidated Financial Statements Description.

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

TABLE 8-5

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 3)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 3)	Investment Carrying amount as of the Year Ended December 31, 2022 (Note 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 943,565 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 128,287 (USD 4,177 thousand)	\$ -	\$ -	\$ 128,287 (USD 4,177 thousand)	B (\$ 45,406)	16.64%	(\$ 7,557)	\$ 132,135	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	76,775 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,223 (USD 3,036 thousand)	-	-	93,223 (USD 3,036 thousand)	B 12,645	100.00%	12,645	150,782	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	41,070,915 (RMB9,314,400 thousand)	(2) Dynamic Ever Investments, Ltd. (Note 2)	4,848,583 (USD 157,883 thousand)	-	-	4,848,583 (USD 157,883 thousand)	A (12,297,060)	11.71%	(1,439,881)	2,951,151	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	44,094 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	-	13,643 (RMB 3,000 thousand)	-	13,643 (RMB 3,000 thousand)	A (3,038)	30.00%	(911)	12,323	-

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

Note 1. Methods of Investment can be divided into three categories as follows:

- (1) Direct investments in mainland companies.
- (2) Reinvestments in mainland companies through a holding company registered in a third region (please specify the holding company).
- (3) Others.

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

Note 3. For the column of Investment Gain (Loss) for the Year Ended December 31, 2022:

- (1) If there is no investment gain (loss) during the preparation, it shall be noted.
- (2) If the basis for the recognition of investment gain (loss) is classified into the following three categories, it shall be noted as follows:
 - A. Financial statements audited by international accounting firms in partnership with CPA firms in the Republic of China.
 - B. Financial statements audited by CPAs of the parent company in Taiwan.
 - C. Others.

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

Note 5. APC invested in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd. through APC (BVI) Holding Co., Ltd. to indirectly invest in companies in mainland China.

Note 6. As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11120425760 on August 23, 2022, the upper limit on investment is not applicable.

Note 7. Except for the investment in Fujian Gulei Petrochemical Co., Ltd., the recognized investment gain (loss) and book value in the period have been fully written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FROM JANUARY 1 TO DECEMBER 31, 2022

Table 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
0	USI CORPORATION	Swanson Plastics Corporation	1	Sales revenue	\$ 86,833	No significant difference	0.13%
0	USI CORPORATION	Forever Young Company Limited	1	Sales revenue	174,122	No significant difference	0.26%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Sales revenue	155,146	No significant difference	0.23%
0	USI CORPORATION	USI (Hong Kong) Company Ltd.	1	Sales revenue	321,883	No significant difference	0.48%
0	USI CORPORATION	Asia Polymer Corporation	1	Purchase	1,436,927	No significant difference	2.16%
0	USI CORPORATION	Swanson Plastics Corporation	1	Purchase	69,688	No significant difference	0.10%
0	USI CORPORATION	Dynamic Ever Investments Limited	1	Management service revenue	14,722	No significant difference	0.02%
0	USI CORPORATION	Asia Polymer Corporation	1	Sales revenue	252,526	No significant difference	0.32%
0	USI CORPORATION	Forever Young Company Limited	1	Accounts receivable	69,238	No significant difference	0.09%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Accounts receivable	30,630	No significant difference	0.04%
0	USI CORPORATION	Asia Polymer Corporation	1	Other receivables	185,661	No significant difference	0.24%
0	USI CORPORATION	Taiwan VCM Corporation	1	Other receivables	222,544	No significant difference	0.29%
0	USI CORPORATION	USI Management Consulting Corp.	1	Management service expenses	161,606	No significant difference	0.21%
0	USI CORPORATION	Asia Polymer Corporation	1	Accounts payable	184,404	No significant difference	0.24%
0	USI CORPORATION	China General Terminal & Distribution Co.	1	Storage tank operating expenses	33,680	No significant difference	0.05%
0	USI CORPORATION	Taiwan VCM Corporation	1	Accounts receivable	222,544	No significant difference	0.29%
1	Asia Polymer Corporation	China General Terminal & Distribution Co.	3	Storage tank operating expenses	33,307	No significant difference	0.05%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Purchase	42,693	No significant difference	0.05%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Sales revenue	24,044	No significant difference	0.03%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Accounts receivable	32,830	No significant difference	0.05%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Sales revenue	229,541	No significant difference	0.35%
2	China General Plastics Corporation	Swanson Plastics Corporation	3	Purchase	63,127	No significant difference	0.08%
2	China General Plastics Corporation	USI Management Consulting Corp.	3	Management service expenses	74,077	No significant difference	0.11%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Accounts payable	790,837	No significant difference	1.02%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Purchase	6,196,489	No significant difference	9.33%
2	China General Plastics Corporation	CGPC America Corporation	3	Accounts receivable	144,312	No significant difference	0.19%
2	China General Plastics Corporation	CGPC America Corporation	3	Sales revenue	454,504	No significant difference	0.68%
2	China General Plastics Corporation	CGPC Polymer Corporation	3	Purchase	48,475	No significant difference	0.07%

(Continued)

(Continued)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
3	Taita Chemical Company, Ltd.	USI Management Consulting Corp.	3	Management service expenses	\$ 70,290	No significant difference	0.09%
3	Taita Chemical Company, Ltd.	China General Terminal & Distribution Co.	3	Storage tank operating expenses	11,549	No significant difference	0.02%
3	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	3	Other receivables	281,862	No significant difference	0.42%
4	USI Management Consulting Corp.	Taiwan VCM Corporation	3	Management service revenue	27,715	No significant difference	0.04%
4	USI Management Consulting Corp.	Asia Polymer Corporation	3	Management service revenue	65,772	No significant difference	0.10%
4	USI Management Consulting Corp.	Swanson Plastics Corporation	3	Management service revenue	30,383	No significant difference	0.05%
4	USI Management Consulting Corp.	China General Terminal & Distribution Co.	3	Management service revenue	23,642	No significant difference	0.04%
4	USI Management Consulting Corp.	USI CORPORATION	2	Management service revenue	161,606	No significant difference	0.24%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Accounts payable	732,016	No significant difference	0.94%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Other payables	34,435	No significant difference	0.04%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Purchase	5,516,012	No significant difference	7.10%
6	China General Terminal & Distribution Co.	Taiwan VCM Corporation	3	Storage tank operating expenses	99,027	No significant difference	0.13%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Sales revenue	248,111	No significant difference	0.32%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	145,878	No significant difference	0.22%
7	Acme Electronics Corporation	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	27,371	No significant difference	0.04%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Cost of goods sold	38,503	No significant difference	0.06%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Royalty revenue	27,697	No significant difference	0.04%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Accounts receivable	69,040	No significant difference	0.09%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Accounts receivable	11,083	No significant difference	0.02%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Other receivables	25,265	No significant difference	0.03%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Notes and accounts payable	54,129	No significant difference	0.07%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	45,639	No significant difference	0.06%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Cost of goods sold	36,652	No significant difference	0.06%
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	176,795	No significant difference	0.23%
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Accounts receivable	32,284	No significant difference	0.04%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Revenue	27,406	No significant difference	0.04%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Management service revenue	21,236	No significant difference	0.03%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	3	Revenue	10,659	No significant difference	0.01%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	3	Accounts receivable	10,429	No significant difference	0.02%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Revenue	381,293	No significant difference	0.49%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Accounts receivable	67,711	No significant difference	0.09%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Revenue	323,509	No significant difference	0.49%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	57,200	No significant difference	0.09%

(Continued)

(Continued)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts receivable	\$ 17,732	No significant difference	0.02%
10	Forever Young Company Limited	Swanson Plastics (India) Private Limited	3	Revenue	65,488	No significant difference	0.08%
10	Forever Young Company Limited	PT. Swanson Plastics Indonesia	3	Revenue	136,270	No significant difference	0.18%
11	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	180,021	No significant difference	0.23%
11	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts payable	29,500	No significant difference	0.04%
11	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	3	Operating costs	56,508	No significant difference	0.07%
12	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Revenue	198,050	No significant difference	0.25%
12	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Accounts receivable	52,932	No significant difference	0.07%
12	Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	3	Accounts payable	49,698	No significant difference	0.06%
13	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	3	Other receivables	174,873	No significant difference	0.22%

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

1. The parent company: 0.
2. The subsidiaries were marked from 1 in order of numeric characters by the companies.

Note 2. Investment types are as follows:

1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.

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

Note 4. The ratio of transactions related to total sales revenue or assets is calculated as follows: a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and b. Income or loss: The ratio was calculated based on the ending accumulated amount of total consolidated sales revenue.

USI CORPORATION
INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2022

Table 10

Names of Major Shareholders	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Whole gainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25
Asia Polymer Corporation	101,355,673	8.52

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

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

Independent Auditors' Report

TO USI Corporation

Audit opinion

We have audited the Parent Company Only Balance Sheets of USI Corporation (USI) as of the years ended December 31, 2022 and 2021, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2022 and 2021.

The accountant opinions are that the preparations of significant issues of the Parent Company Only Financial Statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the accompanying financial conditions as of December 31 of 2022 and 2021 of USI Corporation and the accompanying financial performance and accompanying cash flows for the months from January 1 to December 31 of 2022 and of 2021.

Basis for audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance for USI in our audit of the Parent Company Only Financial Statements for the year 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2022 is as follows.

Authenticity of specific sales revenue

In 2022, USI Corporation's sales revenue of solar film products to specific customers increased year-on-year. Whether the sales revenue is properly recognized at the time of meeting performance obligations will have a material impact on the Parent Company Only Financial Statements and is therefore considered a key audit matter for the current year.

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

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

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

Responsibilities of management and governance for the Parent Company Only Financial Statements

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

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

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

Auditors' responsibilities for the audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent Company Only Financial Statements of the Company for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

Notice to Readers

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

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

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

(In Thousands of New Taiwan Dollars)

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

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

USI CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

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

(Continued)

(Continued)

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

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

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

(In Thousands of New Taiwan Dollars)

	Capital surplus				Retained earnings			Other equity			Total equity
	Share Capital (Notes 4 and 22)	Treasury Share Transactions (Note 22)	Shares of Changes in Capital Surplus of Subsidiaries recognized by Equity Method (Notes 4 and 22)	Others (Note 22)	Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 12, 21, 22 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 22 and 25)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 4, 8 and 22)	Treasury shares (Notes 4 and 22)	
Balance as of January 1, 2021	\$ 11,887,635	\$ 264,647	\$ 37,211	\$ 19,940	\$ 3,109,625	\$ 781,059	\$ 5,606,462	(\$ 583,855)	\$ 343,660	(\$ 475,606)	\$ 20,990,778
Distribution of earnings in 2020											
Provision for legal reserve	-	-	-	-	233,461	-	(233,461)	-	-	-	-
Reversal of special surplus reserve	-	-	-	-	-	(405,932)	405,932	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,188,763)	-	-	-	(1,188,763)
Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394
Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	(804)	(127,118)	552,125	-	424,203
Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	(127,118)	552,125	-	5,615,597
Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	100,454	-	(100,454)	-	4,691
Other changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367
Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329
Balance as of December 31, 2021	11,887,635	302,976	41,902	21,307	3,343,086	375,127	9,881,214	(710,973)	795,331	(475,606)	25,461,999
Distribution of earnings in 2021											
Provision for legal reserve	-	-	-	-	529,104	-	(529,104)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(2,615,280)	-	-	-	(2,615,280)
Net profit for the year 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097
Other comprehensive income for the year 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	(414,211)	-	12,163
Total comprehensive income for the year 2022	-	-	-	-	-	-	1,641,691	339,780	(414,211)	-	1,567,260
Changes in equity of subsidiaries recognized by equity method	-	-	(1,955)	-	-	-	(1,662)	-	-	-	(3,617)
Other changes in capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	1,031	-	(1,031)	-	-
Balance as of December 31, 2022	<u>\$ 11,887,635</u>	<u>\$ 387,301</u>	<u>\$ 39,947</u>	<u>\$ 22,712</u>	<u>\$ 3,872,190</u>	<u>\$ 375,127</u>	<u>\$ 8,377,890</u>	<u>(\$ 371,193)</u>	<u>\$ 380,089</u>	<u>(\$ 475,606)</u>	<u>\$ 24,496,092</u>

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

USI CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

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

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

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

USI CORPORATION

Notes to the Accompanying Financial Statements

For the Years Ended December 31, 2022 and 2021

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

1. GENERAL INFORMATION

USI Corporation (the "Company") was incorporated in May 1965. The Company mainly produces and sells polyethylene. In May 1972, the Company's shares have been listed on the Taiwan Stock Exchange ("TWSE").

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

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were reported to and issued by the Company's board of directors on March 7, 2023.

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

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company's accounting policies.

b. New IFRSs endorsed and issued into effect by the FSC applied in 2023

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

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

Note 2. The amendments are applicable to the changes of the accounting estimates and changes of accounting policies which happen on the annual reporting periods beginning on or after January 1, 2023.

Note 3. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

As of the date the accompanying financial statements were authorized for issue, the Company assessed that the aforesaid standards and the amendments of the interpretations would not have a significant impact on the Company's accompanying financial position and financial performance.

c. IFRSs issued by IASB but not endorsed and issued by FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

When preparing the individual financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income/equity for the year and total equity in the accompanying financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments were made for "investments accounted for using the equity method", "the recognized share of profit or loss of subsidiaries by using the equity method", "the recognized share of other comprehensive income of subsidiaries by using the equity method" and other equity items.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents (not including the asset restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the balance sheet date; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

d. Foreign currency

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

Monetary items denominated in foreign currencies are retranslated at the rates prevailing on each balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction and will not be translated again.

In presenting accompanying financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into the presentation currency, the New Taiwan dollar. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income.

When disposing of all or part of the subsidiaries of foreign operations which resulted in losing control of the foreign operations, all the accumulated exchange differences related to the foreign operations will be classified as profit and loss.

But when disposing of part of the subsidiaries and associates which did not result in losing control of the foreign operations, the accumulated exchange differences will be incorporated into the calculation of equity transactions rather than profit or loss. In other disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by moving average method.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. In addition, changes in the Company's interests of subsidiaries are recognized according to the ownership proportion.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. As for any differences between the carrying amount of the investment and the fair value of the consideration paid or received, the Company recognizes them directly as equity.

When the Company's shares of losses of a subsidiary equal or exceed its equity in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its losses according to the ownership proportion.

When the acquisition cost exceeds the net fair value of the Company's identifiable assets and liabilities of the subsidiary on the acquisition date, the exceeding amount is classified as goodwill, which is included in the carrying value of the investment and is not amortized; when the net fair value of the Company's net fair value of the subsidiary exceeds the acquisition cost, the exceeding amount is classified as current income.

When the Company assesses its investment for any impairment, it considers cash generating units on the entire financial statements and comparing the carrying amount with the estimated recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss as gain; however, the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized after deducting the amortization had no

impairment loss been recognized. The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures the investment retained in the former subsidiary at its fair value on the date when control is lost. The difference between the fair value of the retained investment plus any disposal proceeds and the carrying amount of the previous investment on the date when the control is lost is recognized as a profit or loss for current period. Besides, the Company accounts for all amounts previously recognized in other comprehensive income related to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The unrealized profits or losses resulting from downstream transactions between the Company and the subsidiaries are eliminated in the accompanying financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the accompanying financial statements only to the extent of interests in the subsidiaries of parties that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation.

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

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

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

h. Investment properties

Investment property refers to property held for the purpose of earning rent or capital appreciation or both (including right-of-use assets that meet the definition of investment property).

Self-owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the amount of cost less accumulated depreciation.

The investment property acquired by lease is initially measured at cost (including the original measurement amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at cost less the accumulated amount of depreciation and adjusted the re-measurement amount of the lease liability.

All investment property is depreciated on a straight-line basis.

When investment property is de-recognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis during the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On de-recognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets

On each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

The recoverable amount is the higher of fair value less costs of sale and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its

carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

k. Financial instruments

Financial assets and financial liabilities are recognized in the accompanying balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets held by the Company are classified into the following categories: financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, investment in equity instruments measured at fair value through other comprehensive profits and losses.

i. Financial assets at FVTPL

Financial assets measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivative instruments and fund beneficiary certificates that do not meet the criteria to classify as at amortized cost or at FVTOCI.

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

respectively, and with the profits or losses arising from re-measurement are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

ii. Financial assets measured at amortized cost

The Company's financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

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

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- i) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.
- ii) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has major financial difficulties, defaults, and the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for financial assets disappear due to financial difficulties.

Equivalent cash includes time deposits which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant

risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, if the equity investment is not held for trading or if it is not contingent consideration recognized by an acquirer in a business combination.

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

Dividends on these investments using equity instruments at other FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date.

The Company always recognizes lifetime expected credit losses for amount receivables as losses allowance. For other financial assets, the Group evaluates if there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly, the Company recognizes the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If there is a significant increase, the Company recognizes the lifetime expected credit losses accordingly.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of internal credit risk management, the Company determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. After overdue for more than 90 days, unless there is reasonable and corroborative information showing that it will be more appropriate to postpone the default criteria.

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

c) De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. Upon de-recognition of investment using equity instruments measured at fair value through other comprehensive profits and losses as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received less the cost of direct issuance.

Reacquiring the Company's own equity instruments is recognized and deducted under equity. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities measured at fair value through profit and loss, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities measured at fair value through profit and loss are financial liabilities held for trading. Related profits or losses are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

b) De-recognition of financial liabilities

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

4) Derivatives

The derivatives signed by the Company are forward foreign exchange contracts used to manage the Company's exchange rate risk.

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

1. Revenue recognition

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

Revenue from the sale of goods mainly comes from sales of polyethylene plastic pellets and related plastic products. When the goods are delivered to customer, the customer has full discretion to set the price and use of the goods, and has the main responsibility for resale, and bears the risks of obsolescence. The Company recognizes revenue and accounts receivable concurrently. The receipts in advance from goods sales are recognized as contract liabilities.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so the income is not recognized when the material is removed.

m. Leasing

At the inception of a contract, the Company assesses whether the contract is a lease.

1) The Company as lessor

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

When the Company subleases the right-of-use asset, it uses the right-of-use asset (not the underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

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

2) The Company as lessee

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

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the amount after the cost less the accumulated depreciation, and the remeasured amount of the lease liability is adjusted. Except for those that meet the definition of investment property, the right-to-use assets are separately expressed on the accompanying balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment property, please refer to the above (8) Accounting Policy for Investment Property.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily

determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

n. Borrowing costs

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

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

o. Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies related to income are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Company.

If the government subsidy is used to compensate for expenses or losses that have occurred or for the purpose of providing the Company with immediate financial support and there is no future related cost, it is recognized in the profit and loss during the period when it can be received.

The difference between the amount of the government loans obtained by the Company at below-market interest rates and their fair value calculated at the prevailing market interest rates is recognized as a government subsidy.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Income tax

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

1) Current tax

The Company determines the current income (loss) in accordance with the laws as well as regulations established by the income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year of the shareholder meetings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences. Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current tax and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company took the economic impact caused by the COVID-19 into consideration in its major accounting estimates. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

ESTIMATE OF COMPENSATION FOR THE SUBSIDIARY'S GAS EXPLOSION INCIDENT

As for the civil damages incurred by the gas explosion of the subsidiary, China General Terminal & Distribution Co., which is recognized as a liability provision, the management estimates the amount of the liability provision by taking into account the progress of civil and criminal proceedings and settlements as well as the legal advice. However, actual results may differ from current estimates.

6. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

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

The Company invested the domestic listed shares and over-the-counter shares and unlisted shares for medium- to long-term strategic purposes, and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

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

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

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Pledged time deposits	\$ 61,104	\$ 61,149
Constricted bank deposits	<u>15,244</u>	<u>-</u>
	<u>\$ 76,348</u>	<u>\$ 61,149</u>
<u>Non-current</u>		
Restricted time deposits	<u>\$ -</u>	<u>\$ 12,968</u>
Range of Interest Rates		
Pledged time deposits	0.77%~1.28%	0.10%~0.77%
Restricted time deposits	0.01%	0.15%

The trading partners of the Company's pledged time deposits are financial institutions with good credit ratings. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

Restricted bank deposit means the subsidiary's earning repatriation. The Company's filed applying to the Management, Utilization and Taxation for Patriated Offshore Funds Act was approved to repatriate the funds by the Ministry of Finance in 2020 and deposited the net value after tax to foreign exchange deposit account. The deposit is limited for free utilization by laws and regulations that three-year withdrawal is not permitted until five years of the deposit, except for financial investment or physical investments with partially free utilization by law. Please refer to Note 32 for the information related to financial assets measured at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable (a)</u>		
Operating	<u>\$ 88,808</u>	<u>\$ 119,379</u>
<u>Accounts receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	\$ 2,270,406	\$ 1,966,758
Less: allowance for loss	(<u>2,651</u>)	(<u>2,651</u>)
	<u>\$ 2,267,755</u>	<u>\$ 1,964,107</u>
<u>Accounts receivable - related party (1)</u>		
Operating (Note 31)	<u>\$ 118,818</u>	<u>\$ 106,468</u>
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 45,990	\$ 79,352
Receivables for sale of securities	-	9,439
Lent material fees receivable	602	9,262
Others	<u>1,561</u>	<u>8,365</u>
	<u>\$ 48,153</u>	<u>\$ 106,418</u>
<u>Other receivables - related party (Note 31)</u>		
Loans receivable		
Fixed interest rate (3)	\$ -	\$ 125,000
Others	<u>422,770</u>	<u>468,853</u>
	<u>\$ 422,770</u>	<u>\$ 593,853</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 90 days. No interest was charged on the receivables.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring

procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Company surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed periodically. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk is significantly reduced.

The Company recognizes the loss allowance of accounts receivable based on expected credit losses during the reporting period. The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry and an assessment of economic conditions at the reporting date.

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

The following table details the loss allowance of notes receivable and accounts receivable (including related parties) based on the Company's allowance matrix:

December 31, 2022

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,478,032	\$ -	\$ -	\$ 2,478,032
Loss allowance (Lifetime ECLs)	(2,651)	-	-	(2,651)
Amortized cost	<u>\$ 2,475,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,475,381</u>

December 31, 2021

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,192,605	\$ -	\$ -	\$ 2,192,605
Loss allowance (Lifetime ECLs)	(2,651)	-	-	(2,651)
Amortized cost	<u>\$ 2,189,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,189,954</u>

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

The allowance for loss recognized on the Company's notes and accounts receivable for the years ended December 31, 2022 and 2021 was not changed:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance between the start of the year and the end	<u>\$ 2,651</u>	<u>\$ 2,651</u>

b. Other receivables (excluding loans receivable)

Other receivables were mainly tax refund receivable. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date, and an impairment loss was assessed based on the expected credit losses. There were no other overdue receivables with an unrecognized allowance for loss in the Company as of December 31, 2022 and 2021.

c. Other receivables - loans receivable

The interest rate exposure and contract expiry dates for loans receivable with fixed rates of the Company are as follows:

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

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

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

11. INVENTORIES

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

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

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

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

a. Investment in subsidiaries

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

The Company's shareholdings in ACME and SPC are 26.9% and 40.6%, respectively. Considering the absolute voting rights, relative size and distribution compared to those held by other shareholders, the Company has the substantial ability to dominate ACME and SPC. Therefore, they are listed as subsidiaries. As for the statements of subsidiaries held indirectly by the Company, refer to Note 35, Tables 7 and 8.

By using the equity method to account for its investments in the over-the-counter (OTC) company, the fair value based on the closing price for the years ended December 31 in 2022 and 2021 was NT\$1,179,555 thousand and NT\$2,634,914 thousand, respectively.

Under the equity method, the Company's share of the profit or loss and other comprehensive income of the subsidiaries for the years ended December 31 in 2022 and 2021 was recognized based on the financial reports of each subsidiary audited by accountants during the same period.

For the year ended December 31 in 2021, the Company continued to recognize the losses of USI Management Consulting Corp ("UM") in accordance with its shareholding ratio, so the carrying value of its long-term equity investment was a loan surplus. The Company has listed the related loan surplus under non-current liabilities.

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

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

In October 2011, the Board of Directors of China General Plastics Corporation ("CGPC") decided to dissolve and liquidate Continental General Plastics (Zhongshan) Co., Ltd. and CGPC Consumer Products Corporation. However, CGPC leased the idle plants of the discontinued units from 2021 onwards, considering that the operations of the discontinued units are no longer in a state of discontinued operations. Accordingly, it is assessed that the discontinued units will be transferred back to a continuing entity.

In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, USIGE, on July 5, 2021 at a purchase price of NT\$34,092 thousand, which was confirmed to the Board of Directors on July 8, 2021. Please refer to Note 27 for details. In addition, USIGE issued 7,000 thousand ordinary shares through cash capital increase by resolution of the board of directors on November 3, 2021, which was subscribed by the Company in full. The paid-up capital after capital increase was NT\$70,100 thousand.

To improve the financial structure and activate the company's capital utilization, TUVK passed the resolution of the extraordinary shareholders' meeting on November 25, 2021 to cover losses of NT\$100,000 thousand with retained earnings, and to cancel the issued shares of 10,000 thousand shares. The capital reduction ratio was 21.28%, and the base date for it was December 3, 2021. After the capital reduction, the paid-in share capital of TUVK was NT\$370,000 thousand.

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

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

In order to sell the products produced by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture company, Zhangzhou Taiju Trading Co., Ltd., in Fujian Province, China. The company completed registration on March 12, 2022 and the capital was invested by Swanlake and APC (BVI) on May 20, 2022 in the amount of RMB7,000 thousand and RMB3,000 thousand, respectively.

b. Investments in associates

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

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

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

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

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

	Freehold land	Land improvements	Buildings and improvements	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 495,159	\$ 112,594	\$ 1,585,969	\$ 8,886,336	\$ 28,982	\$ 173,667	\$ 833,096	\$12,115,803
Additions	-	-	-	-	-	-	418,902	418,902
Disposal	-	-	-	(26,931)	(9,606)	(2,681)	(13,375)	(52,593)
Internal transfer	26,292	18,279	96,506	286,371	9,691	12,026	(435,909)	13,256
Balance as of December 31, 2022	<u>\$ 521,451</u>	<u>\$ 130,873</u>	<u>\$ 1,682,475</u>	<u>\$ 9,145,776</u>	<u>\$ 29,067</u>	<u>\$ 183,012</u>	<u>\$ 802,714</u>	<u>\$12,495,368</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2022	\$ -	\$ 107,769	\$ 465,625	\$ 4,835,938	\$ 26,929	\$ 168,513	\$ -	\$ 5,604,774
Depreciation expense	-	1,705	43,436	544,849	1,486	2,820	-	594,296
Disposal	-	-	-	(23,212)	(9,246)	(2,681)	-	(35,139)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 109,474</u>	<u>\$ 509,061</u>	<u>\$ 5,357,575</u>	<u>\$ 19,169</u>	<u>\$ 168,652</u>	<u>\$ -</u>	<u>\$ 6,163,931</u>
Net amount as of December 31, 2022	<u>\$ 521,451</u>	<u>\$ 21,399</u>	<u>\$ 1,173,414</u>	<u>\$ 3,788,201</u>	<u>\$ 9,898</u>	<u>\$ 14,360</u>	<u>\$ 802,714</u>	<u>\$ 6,331,437</u>
<u>Cost</u>								
Balance as of January 1, 2021	\$ 495,159	\$ 112,594	\$ 1,582,520	\$ 8,626,837	\$ 29,056	\$ 173,415	\$ 512,999	\$11,532,580
Additions	-	-	-	-	-	-	616,890	616,890
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Internal transfer	-	-	7,343	285,019	520	869	(296,793)	(3,042)
Balance as of December 31, 2021	<u>\$ 495,159</u>	<u>\$ 112,594</u>	<u>\$ 1,585,969</u>	<u>\$ 8,886,336</u>	<u>\$ 28,982</u>	<u>\$ 173,667</u>	<u>\$ 833,096</u>	<u>\$12,115,803</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2021	\$ -	\$ 106,606	\$ 427,944	\$ 4,332,584	\$ 25,082	\$ 166,741	\$ -	\$ 5,058,957
Depreciation expense	-	1,163	41,575	528,874	2,441	2,389	-	576,442
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 107,769</u>	<u>\$ 465,625</u>	<u>\$ 4,835,938</u>	<u>\$ 26,929</u>	<u>\$ 168,513</u>	<u>\$ -</u>	<u>\$ 5,604,774</u>
Net on December 31, 2021	<u>\$ 495,159</u>	<u>\$ 4,825</u>	<u>\$ 1,120,344</u>	<u>\$ 4,050,398</u>	<u>\$ 2,053</u>	<u>\$ 5,154</u>	<u>\$ 833,096</u>	<u>\$ 6,511,029</u>

In accordance with the New Taipei City Government Letter Development No. 1072133080 dated November 7, 2018, the land and buildings of the Company located in Linkou are within the scope of "Urban Land Redeveloping Zone at 1st Industrial Park in Linkou District". The land has been submitted for redeveloping and is expected to be returned in 2023.

The Company did not make any impairment assessment for the years ended December 31 in 2022 and 2021 since there were no signs of impairment.

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

Freehold Land - land improvements	7 to 10 Years
Buildings and improvements	3 to 55 Years
Machinery and equipment	2 to 15 Years
Transportation equipment	5 to 7 Years
Other equipment	3-5 Years

For the related capitalized interest, please refer to Note 24 (4) finance cost.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Buildings	<u>\$ 5,191</u>	<u>\$ 9,641</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 4,450</u>	<u>\$ 4,450</u>

The Company leased the office in Taipei and then subleased it to other companies with the way of operating leasing. The related right-of-use assets are accounted for as investment properties (please refer to Note 15). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 32,249</u>	<u>\$ 31,336</u>
Non-current	<u>\$ 85,188</u>	<u>\$ 115,187</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Buildings	1.16%~1.76%	1.16%

c. Material lease-in activities and terms

The Company leases the buildings for using as the offices and research center. The leases terms are 4 to 7 years. When the leases terms expire, the Company has the leasehold option to part of the office's lease.

d. Other lease information

Lease arrangements under operating leases for leasing out of investment properties are set out in Note 15. Other information of the Company as lessee is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Expenses relating to short-term leases	\$ <u>6,442</u>	\$ <u>7,099</u>
Expenses relating to low-value asset leases	\$ <u>99</u>	\$ <u>99</u>
Total cash (outflow) for leases	(\$ <u>39,507</u>)	(\$ <u>40,067</u>)

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

15. INVESTMENT PROPERTIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Completed investment properties		
Buildings	\$ 28,340	\$ 29,303
Right-of-use assets	<u>106,574</u>	<u>130,410</u>
	<u>\$ 134,914</u>	<u>\$ 159,713</u>

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

(Continued)

(Continued)

	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1 and December 31, 2021	<u>\$ 69,805</u>	<u>\$ 208,655</u>	<u>\$ 278,460</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	\$ 39,538	\$ 52,164	\$ 91,702
Depreciation expense	<u>964</u>	<u>26,081</u>	<u>27,045</u>
Balance as of December 31, 2021	<u>\$ 40,502</u>	<u>\$ 78,245</u>	<u>\$ 118,747</u>
Net on December 31, 2021	<u>\$ 29,303</u>	<u>\$ 130,410</u>	<u>\$ 159,713</u>

Investment properties are units of office space located in Taipei and subleased under operating leases to other companies. The investment properties were leased out for 1 to 8 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

The Company leases the investments properties with the way of operating leasing and the total future leases payments which it will receive are as follows:

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

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

Buildings	5 to 50 Years
Right-of-use assets	4 to 8 Years

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

The fair values of investment properties as of December 31, 2022 and 2021 were as follows:

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

16. INTANGIBLE ASSETS

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

	<u>Technology royalties and patent right</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 174,850	\$ 535	\$ 175,385
Increase	<u>-</u>	<u>750</u>	<u>750</u>
Balance as of December 31, 2022	<u>\$ 174,850</u>	<u>\$ 1,285</u>	<u>\$ 176,135</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	\$ 174,850	\$ 495	\$ 175,345
Amortization expense	<u>-</u>	<u>124</u>	<u>124</u>
Balance as of December 31, 2022	<u>\$ 174,850</u>	<u>\$ 619</u>	<u>\$ 175,469</u>
Net amount as of December 31, 2022	<u>\$ -</u>	<u>\$ 666</u>	<u>\$ 666</u>
<u>Cost</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 648	\$ 175,498
Disposal	<u>-</u>	<u>(113)</u>	<u>(113)</u>
Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 535</u>	<u>\$ 175,385</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 493	\$ 175,343
Amortization expense	-	115	115
Disposal	<u>-</u>	<u>(113)</u>	<u>(113)</u>
Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 495</u>	<u>\$ 175,345</u>
Net on December 31, 2021	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>

Except for the recognition of amortization expense, no impairment assessment was performed periodically as there was no indication of impairment on the Company's intangible assets for the years ended December 31, 2022 and 2021.

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

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

17. BORROWINGS

Long-term borrowings

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

The Company entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contracts will be effective up to October 2024 with a total credit limit of NT\$5,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, the company had borrowed NT\$300,000 thousand. According to the part loan contracts of the financial report of the Company, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The Company should provide improvements to the bank if the requirements were not met. As of December 31, 2022, the Company did not violate the requirements.

The Company has acquired a special low-interest bank loan line of NT\$1,204,800 thousand in accordance with the "Action Plan for Accelerated Investment by Domestic Corporations" in 2021, and has used NT\$434,800 thousand as of December 31, 2022, recognized and measured the loan at the market interest rate. The difference between the market interest rate and the actual preferential repayment rate is treated as government subsidy.

18. BONDS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds B 104-1 - issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ -	\$ 1,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount NT\$2,000,000 thousand, coupon rate 1.10%, bullet repayment	-	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.98%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds A 110-1 - issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 thousand in the 4th and 5th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds B 110-1- issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 thousand in the 6th and 7th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds A 110-2 - issuance on October 26, 2021, 5 years, total amount NT\$700,000 thousand, coupon rate 0.63%, repaid NT\$350,000 thousand in the 4th and 5th years respectively from the issuance date	700,000	700,000
Domestic unsecured bonds B 110-2 - issuance on October 26, 2021, 7 years, total amount NT\$1,300,000 thousand, coupon rate 0.77%, repaid NT\$650,000 thousand in the 6th and 7th years respectively from the issuance date	<u>1,300,000</u>	<u>1,300,000</u>
	6,000,000	9,000,000
Discounts on bonds payable	(<u>7,772</u>)	(<u>11,028</u>)
	5,992,228	8,988,972
Less: Portion due within one year	<u>-</u>	(<u>2,999,199</u>)
	<u>\$ 5,992,228</u>	<u>\$ 5,989,773</u>

In December 2014, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2015 with the amount of NT\$2,000,000 thousand in order to reimburse the due bonds and to increase working capital. The unsecured ordinary corporate bonds with a 5-7-year maturity, due for repayment, were all issued in February 2015. The Company repaid due in February 2020 and February 2022, respectively.

In October 2016, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2016 with the amount of NT\$2,000,000 thousand and a coupon rate of 0.80% in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2016. The Company repaid due in October 2021.

In October 2017, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2017 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2017. The Company repaid due in October 2022.

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

In June 2021, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in June 2021.

In October 2021, the Company applied for the second issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in October 2021.

In March 2022, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2022 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans as approved by resolution of the board of directors. As of the date the parent company only financial statements were authorized for issue, the unsecured ordinary corporate bonds have not yet been issued.

19. ACCOUNTS PAYABLE

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

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

20. OTHER PAYABLES

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

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The company adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company with the pension mechanism under the "Labor Standards Act" is considered as defined benefit plans under government administration. where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. The Company contributes an amount 9% (from November 10, 2016, the contribution rate raises to 12%) of salaries paid each month to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the names of the Committee in the Bank of Taiwan. Entities are required to contribute the difference in one appropriation to the Funds before the end of next March when the

balance of the Funds is insufficient to pay employees who will meet the retirement eligibility criteria within next year. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds.

The amounts included in the accompanying balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of funded defined benefit obligation	(\$ 439,292)	(\$ 530,808)
Fair value of plan assets	<u>344,940</u>	<u>358,131</u>
Net defined benefit liabilities - non-current	(\$ <u>94,352</u>)	(\$ <u>172,677</u>)

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

	<u>Present value of funded defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net Defined Benefit Liabilities</u>
Balance as of January 1, 2021	(\$ 577,615)	\$ 364,007	(\$ 213,608)
Current service cost	(4,025)	-	(4,025)
Interest revenue (expense)	(1,889)	<u>1,152</u>	(737)
Amounts recognized in profit or loss	(5,914)	<u>1,152</u>	(4,762)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	5,484	5,484
Actuarial losses recognized from changes in demographic assumptions	(11,778)	-	(11,778)
Actuarial gains recognized from changes in financial assumptions	4,388	-	4,388
Actuarial gains recognized from experience adjustments	<u>7,726</u>	<u>-</u>	<u>7,726</u>
Amounts recognized in other comprehensive income	<u>336</u>	<u>5,484</u>	<u>5,820</u>
Contributions from employer	-	25,251	25,251
Benefits paid	37,763	(37,763)	-
Payment for provisions	<u>14,622</u>	<u>-</u>	<u>14,622</u>
Balance as of December 31, 2021	(\$ <u>530,808</u>)	\$ <u>358,131</u>	(\$ <u>172,677</u>)

(Continued)

(Continued)

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

The Company is exposed to following risks for the defined benefits plans under the "Labor Standards Act":

- 1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
- 2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
- 3) Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Company was calculated by the independent actuary and material assumptions on the measurement date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.250%	0.500%
Expected rates of salary increase	2.25%	2.25%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

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

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

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

22. EQUITY

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

a. Share capital

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Share capital authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</u>	<u>1,188,763</u>
Share capital issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

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

b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the issuance of ordinary shares in excess of par value, the capital stock premium of shares issued due to merger, and treasury stock trading, etc) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where there is a profit in a fiscal year, the profit after tax shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to employees' compensation and remuneration of directors in Note 24(g).

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

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

The appropriations of earnings for the years ended December 31, 2022 and 2021 as approved in the shareholders' meetings on May 31, 2022 and July 26, 2021, respectively, were as follows:

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

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

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

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

d. Other equity

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

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

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

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

e. Treasury shares

Purpose of Buy-Back	Number of Shares at January 1 (In Thousands of Shares)	Increase During the Year Ended	Decrease During the Year Ended	Number of Shares at December 31 (In Thousands of Shares)
<u>For the Year Ended December 31, 2022</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the Year Ended December 31, 2021</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

The Company's shares held by its subsidiaries at the balance sheet date were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2022</u>			
APC	101,356	\$ 1,377,381	\$ 2,239,960
TTC	15,110	<u>81,875</u>	<u>333,929</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,573,889</u>
<u>December 31, 2021</u>			
APC	101,356	\$ 1,377,381	\$ 3,197,772
TTC	15,110	<u>81,875</u>	<u>476,717</u>
		<u>\$ 1,459,256</u>	<u>\$ 3,674,489</u>

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of December 31, 2022 and 2021. The carrying amounts of investments accounted for using the equity method and unrealized the gain on financial assets at FVTOCI were NT\$371,473 thousand and NT\$733,685 thousand, respectively.

23. REVENUE

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

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

a. Contract balances

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

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

24. NET PROFIT

Net profit includes the following:

a. Interest income

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

b. Other income

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

c. Other gains and losses

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

d. Finance costs

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

Information about capitalized interest is as follows:

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

e. Depreciation and amortization

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

An analysis of depreciation by function

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

An analysis of amortization by function

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

f. Employee benefits expense

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

An analysis of employee benefits expense by function

Operating costs	\$ 583,534	\$ 666,411
Operating expenses	<u>178,502</u>	<u>206,413</u>
	<u>\$ 762,036</u>	<u>\$ 872,824</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the years ended

December 31, 2022 and 2021 were approved by the Company's board of directors on March 7, 2023 and March 10, 2022, respectively, as follows:

Accrual rates

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

Amount

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	\$ 19,543	\$ 59,332
Remuneration of Directors	3,000	3,000

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Foreign exchange gains	\$216,717	\$ 82,695
Foreign exchange losses	(124,971)	(97,316)
Net profit (loss)	<u>\$ 91,746</u>	<u>(\$ 14,621)</u>

25. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Current tax		
In respect of the current year	\$699,635	\$690,471
Surtax on undistributed earnings	107,333	65,919
Adjustments for previous years	(<u>20,100</u>)	(<u>17,343</u>)
	<u>786,868</u>	<u>739,047</u>
Deferred tax		
In respect of the current year	(410,159)	(59,600)
Adjustments for previous years	(<u>71</u>)	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$376,638</u>	<u>\$679,447</u>

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

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

b. Income tax recognized in other comprehensive income

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

c. Current income tax assets and liabilities

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

d. Deferred tax assets and liabilities

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

For the Year Ended December 31, 2022

	<u>Balance at January 1</u>	<u>Amounts recognized in profit or loss</u>	<u>Amounts recognized in other comprehensive income</u>	<u>Balance at December 31</u>
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 11,875	\$ 6,350	\$ -	\$ 18,225
Defined benefit retirement plan	25,412	-	(8,256)	17,156
Payable for annual leave	4,870	(212)	-	4,658
Unrealized sales profits	14,872	(3,148)	-	11,724
Impairment loss on financial assets measured at FVTPL	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	2,440	(1,142)	-	1,298

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

For the Year Ended December 31, 2021

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 7,288	\$ 4,587	\$ -	\$ 11,875
Defined benefit retirement plan	26,576	-	(1,164)	25,412
Pension expenditures due to fiscal and taxation difference	287	(287)	-	-
Payable for annual leave	4,665	205	-	4,870
Unrealized sales profits	1,119	13,753	-	14,872
Impairment loss on financial assets measured at fair value through profit and loss	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	3,640	(1,200)	-	2,440
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785
Unrealized evaluation gains or losses of financial assets measured at fair value through profit and loss	2,305	(2,079)	-	226
Exchange differences on translating the financial statements of foreign operations	<u>58,145</u>	<u>-</u>	<u>18,093</u>	<u>76,238</u>
	<u>\$ 110,905</u>	<u>\$ 14,979</u>	<u>\$ 16,929</u>	<u>\$ 142,813</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ -	\$ 6,735	\$ -	\$ 6,735
The share of profits of foreign subsidiaries recognized by using equity method	99,412	(50,078)	-	49,334
Unrealized exchange gains	2,398	(1,278)	-	1,120
Land revaluation surplus	<u>43,580</u>	<u>-</u>	<u>-</u>	<u>43,580</u>
	<u>\$ 145,390</u>	<u>(\$ 44,621)</u>	<u>\$ -</u>	<u>\$ 100,769</u>

e. Income tax assessments

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

26. EARNINGS PER SHARE

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

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

Net Profit

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

Number of Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>1,285</u>	<u>2,100</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,583</u>	<u>1,074,398</u>

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

27. ACQUISITION OF INVESTMENTS IN SUBSIDIARIES - ACQUISITION OF CONTROL OF A BUSINESS

	Main operating activities	Acquisition date	Voting ownership interest/Acquisition proportion (%)	Transfer consideration
USI Green Energy Corporation	Solar power generation business	July 5, 2021	100%	<u>\$ 34,092</u>

The Company acquired USIGE in July 2021 in response to the government's policy on green power. For the explanation of acquiring USIGE, please refer to Note 31 to the Company's 2022 Consolidated Financial Statements.

28. CASH FLOW INFORMATION

a. Non-cash transactions

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

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

b. Changes in liabilities arising from financing activities

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

	January 1, 2021	Cash Flows	Non-cash Changes			December 31, 2021
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 499,000	(\$ 499,000)	\$ -	\$ -	\$ -	\$ -
Bonds payable (including those due within 1 year)	6,994,302	1,991,268	-	3,402	-	8,988,972
Long-term borrowings (including those due within 1 year)	2,300,000	(2,265,716)	-	26	-	34,310
Guarantee deposits received	6,046	591	-	-	-	6,637
Lease liabilities (including those due within 1 year)	177,497	(30,974)	-	1,895	(1,895)	146,523
Other non-current liabilities	-	516	-	-	-	516
	<u>\$ 9,976,845</u>	<u>(\$ 803,315)</u>	<u>\$ -</u>	<u>\$ 5,323</u>	<u>(\$ 1,895)</u>	<u>\$ 9,176,958</u>

29. CAPITAL MANAGEMENT

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

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

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

30. FINANCIAL INSTRUMENTS

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

December 31, 2022

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

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	<u>\$ 8,988,972</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>

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

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

1) Fair value hierarchy

December 31, 2022

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

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,364	\$ -	\$ 1,364
Domestic listed (OTC) shares	166,392	-	-	166,392
Fund beneficiary certificates	2,367,571	-	-	2,367,571
Beneficiary securities	60,554	-	-	60,554
	<u>\$ 2,594,517</u>	<u>\$ 1,364</u>	<u>\$ -</u>	<u>\$ 2,595,881</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 757,831	\$ -	\$ -	\$ 757,831
- Domestic unlisted shares and emerging market shares	-	-	164,720	164,720
	<u>\$ 757,831</u>	<u>\$ -</u>	<u>\$ 164,720</u>	<u>\$ 922,551</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 2,492	\$ -	\$ 2,492

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

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

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

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

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

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

The Company applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Company keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value would have decreased/increased by NT\$13,528 thousand and NT\$16,472 thousand, respectively, for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

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

(Continued)

(Continued)

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

Note 1. Balance is the financial assets measured at amortized cost, including cash and equivalent cash, pledged time deposit, constricted bank deposits, notes receivable and amounts receivable (including related parties), other receivables (including related parties, excluding business tax refund receivable).

Note 2. Balance is the financial liabilities measured at amortized cost, including short- and long-term loan, amounts receivable (including related parties and excluding advanced compensations and taxes), other receivables (including related parties) and bonds payable.

d. Financial risk management objectives and policies

The Company's conduct of risk controlling and hedging strategy is influenced by the operational environment. The Company monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

The Company had conducted foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Company's policies approved by the

board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not engage in any derivative transactions for speculative purposes.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Company as of the balance sheet date, please refer to Note 34. For carrying amount of derivatives exposed to exchange rate risk, please refer to Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar and RMB denominated items). When the functional currency of the entities of the Company relative to the USD and RMB appreciates/depreciates by 3%, the Company's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$69,867 thousand and NT\$56,741 thousand, respectively.

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

b) Interest rate risk

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

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

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

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Company's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Company's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$3,046 thousand and NT\$513 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in domestic listed (OTC) shares, fund beneficiary certificates and other investments. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor the price risk.

Sensitivity analysis

The following sensitivity analysis was determined based on the price of equity securities on the balance sheet date. However, since the fund beneficiary certificates held by the Company are mainly money market funds and its risk of price fluctuations is very low, they are not included in sensitivity analysis.

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

NT\$46,128 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

The Company adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the financial guarantee provided by the Company is customs duties and endorsement guarantee for the loan of the subsidiary. As of December 31, 2022 and 2021, the amounts for endorsement guarantee are NT\$4,223,550 thousand and NT\$3,108,400 thousand. Based on the expectation of the balance sheet, the subsidiaries are in good operation, hence, it is unlikely that the Company will have to pay endorsement guarantee amounts due to the subsidiaries' breach of contract.

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

3) Liquidity risk

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

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

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest dates on which the Company can be required to pay. The table

has been drawn up based on the undiscounted cash flows of financial liabilities, including interests and cash flows of principals.

December 31, 2022

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

December 31, 2021

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

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

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2022

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

December 31, 2021

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

c) Financing facilities

The Company relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank financing facilities were as follows:

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

31. RELATED PARTY TRANSACTIONS

Besides information disclosed elsewhere in other notes, details of transactions between the Company and related parties are disclosed as follows.

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
USIFE Investment Co., Ltd.	Subsidiary
Swanson Plastics Corporation (SPC)	Subsidiary
Acme Electronics Corp. (ACME)	Subsidiary
Chong Loong Trading Co., Ltd. (CLTC)	Subsidiary
Swanlake Traders Ltd.	Subsidiary
Union Polymer International Investment Corporation (UPIIC)	Subsidiary

(Continued)

(Continued)

<u>Name of the related party</u>	<u>Relationship with the Company</u>
USI (Hong Kong) Company Limited (USI (Hong Kong))	Subsidiary
USI Management Consulting Corp. (UM)	Subsidiary
Forever Young Company Limited (Forever Young)	Subsidiary
Swanson Technologies Corporation	Subsidiary
Taiwan United Venture Management Corp. (TUVM)	Subsidiary
China General Plastics Corporation (CGPC)	Subsidiary
Taita Chemical Company, Ltd (TTC)	Subsidiary
Asia Polymer Corporation (APC)	Subsidiary
Taiwan VCM Corporation (TVCM)	Subsidiary
CGPC Polymer Corporation	Subsidiary
China General Terminal & Distribution Corporation (CGTD)	Subsidiary
INOMA Corporation	Subsidiary
USIG (Shanghai) Co., Ltd.	Subsidiary
USI International Corp.	Subsidiary
USI Trading (Shanghai) Co., Ltd. (USI Trading (Shanghai))	Subsidiary
APC Investment Corporation	Subsidiary
USI Optronics Corporation	Subsidiary
Dynamic Ever Investments Limited (DEIL)	Subsidiary
USI Green Energy Corporation (USIGE)	Subsidiary
USI Educational Foundation (USIF)	Other related parties
Delmind Inc. (Delmind)	Associate
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Joint ventures

b. Sale

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

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

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

c. Purchase

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

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

d. Allotment of ethylene outside

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

e. Allotment of ethylene inside

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

f. Rental income (classified as other income)

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

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

g. Management services income (classified as other income)

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

In response to management needs and integrating the corporate resources, the Company signed a resource support contract with UM, a subsidiary, in July 2002. UM would coordinate resources and services of the Group's common service department. The fees are calculated and charged based on the contract.

In response to management needs, the Company signed a management service contract with DEIL in May 2015, and the Company would provide the service of management consultation. The fees are calculated and charged based on the contract.

h. Management service fees – investment (classified as other gains and losses)

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

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

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

j. Rental expense (classified as operating expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
APC	\$ 3,015	\$ 3,024
TTC	<u>306</u>	<u>910</u>
	<u>\$ 3,321</u>	<u>\$ 3,934</u>

Based on the rental contract between the Company and the related parties, the rents refer to the market rents of the neighboring building and are calculated based on the square feet and service proportion. The rental income was paid monthly according to the contract.

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

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

l. Storage tank operation expense (classified as cost of goods sold)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
CGTD	\$ <u>33,680</u>	\$ <u>30,260</u>

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

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

n. Donation (classified as administrative expenses)

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

o. Other expenses (classified as operating expenses, research and development expenses, and other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
	\$ <u>182</u>	\$ <u>221</u>

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

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

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

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

r. Gains on disposals of property, plant and equipment (classified as other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Subsidiary		
USI (Hong Kong)	<u>\$ 889</u>	<u>\$ 889</u>

The Hong Kong branch of the Company sold property, plant and equipment to USI (Hong Kong) in August 2005 for NT\$18,049 thousand (HKD 4,180 thousand). As of the end of 2022 and 2021, the unrealized gain is NT\$2,368 thousand and NT\$3,257 thousand, respectively, which have been deferred and are reversed and recognized based on the equipment estimated useful life.

s. Accounts receivable

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

No collateral has been received for the accounts receivable outstanding from related parties. No allowance for losses was provided for the accounts receivable for the years ended 2022 and 2021.

t. Other receivables

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

u. Accounts payable

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

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

v. Other payables

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

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

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

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

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

Interest income

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

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

y. Endorsement and Guarantees (customs and bank loans)

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

z. Compensation of key management personnel

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Short-term employee benefits	\$ 47,802	\$ 49,562
Retirement benefits	<u>810</u>	<u>491</u>
	<u>\$ 48,612</u>	<u>\$ 50,053</u>

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. COLLATERALIZED ASSETS

The following assets of the Company were provided as guarantees for the purchase payment and outward documentary bill:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits		
- classified as financial assets measured at amortized cost - current	\$ 61,104	\$ 61,149
- Classified as other non-current assets	<u>26,975</u>	<u>21,778</u>
	<u>\$ 88,079</u>	<u>\$ 82,927</u>

33. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

- b. Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

On February 12, 2015, CGTD entered into an agreement with the Kaohsiung City Government to provide the Kaohsiung City Government with pledge right set of a bank deposit certificate of NT\$228,904 thousand (including interests) as the guarantee for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 23, 2023, the provisionally attached properties were worth NT\$11,393 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 23, 2023, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY, CGTD and CPC Corporation for

compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,440,672 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$401,979 thousand. (In particular, CGTD was exempted to pay NT\$6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The remaining cases are still pending in the Court of First Instance (the amount claimed is approximately NT\$1,912,949 thousand). CGTD and its insurance company signed a settlement agreement, covering the proportion of the liability for negligence determined in the first-instance judgment, the estimated amount of the settlement with the victims and the severely injured, and the amount of compensation in civil cases (including cases that have been settled); after the maximum insurance claims is deducted, the estimated amount that should be borne by CGTD and has been recognized is NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign and Functional Currencies in Thousands

	December 31, 2022		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 34,051	30.71	\$ 1,045,717
RMB	445,984	4.41	1,966,522
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity method			
USD	212,205	30.71	6,516,822
HKD	17,626	3.94	69,412
RMB	29,654	4.41	130,756
Derivatives			
Sell RMB	61,200	4.41	1,206
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	22,252	30.71	683,350
<u>Non-monetary items</u>			
Derivatives			
Sell RMB	348,400	4.41	13,769
	December 31, 2021		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 41,774	27.68	\$ 1,156,058
RMB	325,789	4.34	1,414,490
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity method			
USD	299,996	27.68	8,303,880
HKD	17,942	3.55	63,676
RMB	30,005	4.34	130,269

(Continued)

(Continued)

	December 31, 2021		
	Foreign Currency	Exchange Rate	Carrying Amount
Derivatives			
Sell USD	\$ 4,260	27.68	\$ 624
Sell RMB	86,600	4.34	740
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	24,537	27.68	679,192
<u>Non-monetary items</u>			
Derivatives			
Sell RMB	151,100	4.34	2,492

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

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. reinvestment business

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least nt\$300 million or 20% of the paid-in capital. (table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments:

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

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

10) Information on investees. (Table 7)

c. Information on investments in mainland China

1) Information on investee company in mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China. (Table 8)

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Tables 5 and 8.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Tables 5 and 8.

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

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

e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds: Table 1.

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

d. Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 9)

USI CORPORATION AND INVESTEE COMPANIES
FINANCING PROVIDED TO OTHERS
Year 2022

TABLE 1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 200,000	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 9,798,437	\$ 9,798,437	

Note 1. The total capital loans shall not exceed 40% of the net value of the Company's most recent financial statements certified or audited by CPAs. The maximum capital loans is calculated on the net value as of December 31, 2022.

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

FINANCING PROVIDED TO OTHERS

Year 2022

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at December 31	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 3,778,709	\$ 3,778,709	

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

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Financing provided to others

Year 2022

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at the end of the year (Note 3)	Actual Borrowing Amount (Note 3)	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 48,333	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 76,167	\$ 114,250	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	177,308	174,171	174,171	3.65	2	-	Business turnover	-	-	-	563,960	563,960	

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

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

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

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

USI CORPORATION AND INVESTEE COMPANIES

ENDORSEMENTS/GUARANTEES PROVIDED

Year 2022

TABLE 2

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	USI CORPORAT ION	Union Polymer International Investment Corporation	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,248,046	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	10.61	\$ 14,697,655	Yes	No	No	
0	USI CORPORAT ION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	1,300,000	1,300,000	210,000	-	5.31	14,697,655	Yes	No	No	
0	USI CORPORAT ION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	22,000	-	1.32	14,697,655	Yes	No	No	

Note 1. The total amount of endorsements/guarantees provided shall not exceed 60% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 50% of the Company's net value. The maximum amount of endorsements/guarantees was calculated based on net value as of December 31, 2022.

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

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation
Endorsements/Guarantees Provided
Year 2022

Table 2-1

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,066,555	\$ 720,586 (USD 16,500 thousand) (RMB 49,000 thousand)	\$ 630,646 (USD 13,500 thousand) (RMB 49,000 thousand)	\$ 261,035 (USD 8,500 thousand)	\$ -	45.78	\$ 2,755,406	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,066,555	96,645 (USD 3,000 thousand)	-	-	-	-	2,755,406	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,066,555	556,020 (USD 18,000 thousand)	307,100 (USD 10,000 thousand)	254,893 (USD 8,300 thousand)	-	22.29	2,755,406	No	No	No	

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

Note 2. The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2022.

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

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Endorsements/Guarantees Provided

Year 2022

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Subsidiary	\$ 5,176,028	\$ 57,665	\$ 54,971	\$ -	\$ -	2.12	\$ 6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsiary	5,176,028	38,658	36,852	-	-	1.42	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsiary	5,176,028	96,645	92,130	-	-	3.56	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,176,028	349,720	349,720	32,400	-	13.51	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsiary	5,176,028	32,215	30,710	-	-	1.19	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,176,028	64,430	61,420	-	-	2.37	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,176,028	1,476,698	1,317,459	-	-	50.91	6,470,035	No	No	No	

Note 1. The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity stated on the latest financial statements. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity stated on the latest financial statements.

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

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

Year 2022

TABLE 2-3

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,668,063	\$ 1,000,000	\$ 600,000	\$ 100,000	\$ -	6.35	\$ 9,446,772	No	No	No	

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

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

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

Endorsements/Guarantees Provided

Year 2022

Table 2-4

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiaries that the Company holds 100% of common equity directly	\$ 7,206,214	\$ 184,260 (USD 6,000 thousand)	\$ 184,260 (USD 6,000 thousand)	\$ -	\$ -	2.56	\$ 10,809,321	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that TTC's subsidiaries hold 100% of common equity directly	7,206,214	573,222 (RMB130,000 thousand)	352,572 (RMB 80,000 thousand)	-	-	4.90	10,809,321	No	No	Yes	

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

Note 2. The total amount of guarantee that may be provided by TTC shall not exceed 150% of TTC's net worth stated on its latest financial statements; the total amount of guarantee provided by TTC to any individual entity shall not exceed 100% of TTC's net worth stated on its latest financial statements.

The total amount of guarantee that may be provided by TTC and its subsidiaries shall not exceed 200% of TTC's net worth stated on the latest financial statements; the total amount of guarantee provided by TTC and its subsidiaries to any individual entity shall not exceed 150% of TTC's net worth stated on the latest financial statements.

USI CORPORATION AND INVESTEE COMPANIES

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3

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

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

(Continued)

(Continued)

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

(Continued)

(Continued)

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

(Continued)

(Continued)

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

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

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

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

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	2,997,000	\$ 54,186	-	\$ 54,186	Note 1
	Fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	9,445,668	130,021	-	130,021	Note 1
	Jih Sun Money Market Fund	—	"	7,974,063	120,176	-	120,176	Note 1
	CTBC Hwa-Win Money Market Fund	—	"	4,475,635	50,030	-	50,030	Note 1
	Yuanta De-Li Money Market Fund	—	"	3,019,311	50,028	-	50,028	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at FVTPL - current	350,000	10,430	-	10,430	Note 1
	Tungho Steel Corporation	—	"	95,500	5,033	-	5,033	Note 1
Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI – non-current	4,977,475	67,644	5.95	67,644	Note 1	
Taiwan VCM Corporation	Fund beneficiary certificates							
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	8,593,337	124,011	-	124,011	Note 1
	Taishin 1699 Money Market Fund	—	"	8,735,968	120,252	-	120,252	Note 1
	Yuanta De-Li Money Market Fund	—	"	6,037,918	100,045	-	100,045	Note 1
	Hua Nan Phoenix Money Market Fund	—	"	2,119,619	35,015	-	35,015	Note 1
Shares								
Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets at FVTOCI – non-current	130,244	3,673	0.02	3,673	Note 1	
CGPC Polymer Corporation	Fund beneficiary certificates							
	Cathay Taiwan Money Market Fund	—	Financial assets at FVTPL - current	3,963,221	50,013	-	50,013	Note 1
	Yuanta De-Li Money Market Fund	—	"	1,811,091	30,009	-	30,009	Note 1
CGPC (BVI) Holding Co., Ltd.	Shares							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67	-	Notes 1 and 3
	SOHWARE, Inc - preferred shares	—	"	100,000	-	-	-	Notes 1, 2, and 3

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

Note 2. The preferred shares are not used in the calculation of the shareholding ratio.

Note 3. As of the year ended December 31, 2022, CGPC evaluated the fair value of equity investment in the company as NT\$0.

Note 4. For information about investments in subsidiaries and associated enterprises, please refer to Table 7-3 and 8-3.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

Marketable Securities Held

December 31, 2022

Table 3-2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTOCI – non-current	15,109,901	\$ 333,929	1.27	\$ 333,929	Note 1
	Harbinger Venture Capital Corp.	—	"	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at FVTPL - current	282,000	3,835	0.02	3,835	Note 1
	China Steel Corporation	—	"	350,000	10,430	-	10,430	Note 1
	Tungho Steel Corporation	—	"	91,500	4,822	0.01	4,822	Note 1
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	Note 1
	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at FVTPL - current	1,816,596	30,009	-	30,009	Note 2
	Yuanta De-Li Money Market Fund	—	"	3,018,303	50,012	-	50,012	Note 2
	Yuanta De-Bao Money Market Fund	—	"	7,634,736	93,156	-	93,156	Note 2
	Shin Kong Chi-Shin Money-Market Fund	—	"	1,272,872	20,004	-	20,004	Note 2
	Taishin Ta-Chong Money Market Fund	—	"	3,465,868	50,016	-	50,016	Note 2
Taishin 1699 Money Market Fund	—	"	6,539,203	90,013	-	90,013	Note 2	
TAITA (BVI) Holding Co., Ltd.	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,280,000	59,302	-	59,302	Note 1
	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	20,219	6	2.22	6	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. - Preferred Shares	—	"	100,000	-	-	-	Note 4

Note 1. The fair value was based on the Taiwan Stock Exchange closing price on the last trading day of December 2022.

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

Note 3. The fair value is evaluated by the asset method, and is determined by referring to the most recent net worth of the investee company and its observable financial and operating status.

Note 4. As of December 31, 2022, the fair value of equity investment was evaluated by TTC as 0.

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

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-3

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

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

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	40,467	\$ 7	4.45	\$ 7	
	Silicon Technology Investment (Cayman) Corp. - Preferred Shares	—	"	1,139,776	77,421	2.21	77,421	
	Neurosky Inc. - Preferred Stock D	—	"	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	"	15,863,333	17,179	0.48	17,179	
	Teratech Corporation	—	"	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. - Preferred Shares	—	Financial assets at FVTPL - non-current	300,000	-	-	-	Note 1
	Sohoware Inc. Preferred Shares	—	"	450,000	-	-	-	Note 1
Boldworks, Inc. - Preferred Shares	—	"	689,266	-	-	-	Note 1	
APC Investment Corporation	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTPL - current	44,808	990	-	990	
	Evergreen Marine Corporation	—	"	64,966	10,590	0.01	10,590	
	UPC Technology Corporation	—	"	116,000	1,578	0.01	1,578	
	China Steel Corporation	—	"	175,000	5,215	-	5,215	
	Tungho Steel Corporation	—	"	112,250	5,916	0.02	5,916	
	Quanta Storage Inc.	—	"	36,000	1,445	0.01	1,445	
	Fund beneficiary certificates							
Cathay Taiwan Money Market Fund	—	"	1,292,518	16,310	-	16,310		

Note 1. As a result of the recognition of investment losses over the years, the carrying amount of APC's long-term equity investments in the company is 0.

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

USI CORPORATION AND INVESTEE COMPANIES

China General Terminal & Distribution Co.

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-4

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares Asia Polymer Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at FVTOCI – non-current	5,290,482	\$ 149,192	0.89	\$ 149,192	Note 1
	China General Plastics Corporation	//	//	2,940,788	77,637	0.51	77,637	Note 1
	Taita Chemical Company, Ltd.	//	//	2,278,217	51,032	0.57	51,032	Note 1
	China Steel Corporation	—	Financial assets at FVTPL - current	499,552	14,887	-	14,887	Note 2

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

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

USI CORPORATION AND INVESTEE COMPANIES

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

Year 2022

TABLE 4

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

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

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

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

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

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

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

Year 2022

Table 4-1

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

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

(Continued)

(Continued)

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell				December 31, 2022 (Notes 1 and 2)	
					Unit/Share	Unit/Share	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
China General Plastics Corporation	Fund beneficiary certificates													
	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -
	Jih Sun Money Market Fund	"	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-
	Taishin 1699 Money Market Fund	"	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-
	Nomura Taiwan Money Market Fund	"	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-
Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
CGPC Polymer Corporation	Fund beneficiary certificates													
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-
	FSITC Taiwan Money Market Fund	"	-	-	3,178,916	49,000	36,160,382	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000
	Hua Nan Phoenix Money Market Fund	"	-	-	7,629,121	125,000	16,094,751	264,000	14,949,274	245,056	245,000	56	8,774,597	144,000
	Hua Nan Kirin Money Market Fund	"	-	-	3,315,451	40,000	48,446,773	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000
	Yuanta De-Li Money Market Fund	"	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-
	Capital Money Market Fund	"	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	8,941,582	128,000	37,239,819	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000
	SinoPac TWD Money Market Fund	"	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-
	Taishin 1699 Money Market Fund	"	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000
	Nomura Taiwan Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-
	Cathay Taiwan Money Market Fund	"	-	-	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-
Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000	

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

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

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

Year 2022

TABLE 4-2

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
Taita Chemical Company, Ltd.	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000	
	FSITC Money Market Fund		-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-	
	FSITC Taiwan Money Market Fund		-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000	
	UPAMC James Bond Money Market Fund		-	-	-	5,248,671	86,000	36,399,248	597,000	37,870,702	621,110	621,000	110	3,777,217	62,000
	Hua Nan Phoenix Money Market Fund		-	-	-	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Hua Nan Kirin Money Market Fund		-	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Shin Kong Chi-Shin Money-Market Fund		-	-	-	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Capital Money Market Fund		-	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Jih Sun Money Market Fund		-	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	Taishin Ta-Chong Money Market Fund		-	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	CTBC Hwa-Win Money Market Fund		-	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Taishin 1699 Money Market Fund		-	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Nomura Taiwan Money Market Fund		-	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-
Taiwan Cooperative Bank Money Market Fund	-	-	-	-	-	-	-	-	-	-	-	-	-		
TAITA (BVI) Holding Co., Ltd.	Shares	Investments accounted for using the equity method	-	-	-	-	-	1,378,445 (USD 48,580 thousand)	-	-	-	-	-	1,378,445 (USD 48,580 thousand)	

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

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

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

Year 2022

TABLE 4-3

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)				
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount		
Asia Polymer Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -		
	FSITC Money Market Fund				-	-	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000
	FSITC Taiwan Money Market Fund				-	-	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	UPAMC James Bond Money Market Fund				-	-	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Phoenix Money Market Fund				-	-	6,381,916	77,000	16,550,041	200,000	8,453,185	102,017	102,000	17	14,478,773	175,000
	Hua Nan Kirin Money Market Fund				-	-	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Yuanta De-Li Money Market Fund				-	-	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund				-	-	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Capital Money Market Fund				-	-	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Jih Sun Money Market Fund				-	-	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	Taishin Ta-Chong Money Market Fund				-	-	5,672,048	63,000	5,392,241	60,000	5,672,048	63,012	63,000	12	5,392,241	60,000
	CTBC Hwa-Win Money Market Fund				-	-	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Taishin 1699 Money Market Fund				-	-	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Nomura Taiwan Money Market Fund				-	-	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund				-	-	-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-
Taiwan Cooperative Bank Money Market Fund	-	-	-	-	-	-	-	-	-	-	-	-	-			
APC Investment Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	499,525	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138		

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

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

USI CORPORATION AND INVESTEE COMPANIES

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

Year 2022

TABLE 5

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

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

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-1

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Purchase (including processing fee)	\$ 376,718	34	55 days	No significant difference	No significant difference	(\$ 54,149)	(54)	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Sale (including processing fee)	(376,718)	(34)	55 days	"	"	54,149	20	Note
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Sale	(145,822)	(11)	55 days	"	"	11,083	4	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	145,822	71	55 days	"	"	(11,083)	(75)	Note
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Sale	(247,321)	(18)	55 days	"	"	69,040	23	Note
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	247,321	79	55 days	"	"	(69,040)	(80)	Note
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary	Sale	(176,795)	(17)	55 days	"	"	32,284	11	Note
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchase	176,795	44	55 days	"	"	(32,284)	(52)	Note

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-2

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 180,021	76	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 29,500)	(91)	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(379,588)	(39)	90 days	"	"	Trade receivables from related parties 67,711	68	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(323,509)	(34)	90 days	"	"	Trade receivables from related parties 17,732	18	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(136,270)	(14)	90 days	"	"	Trade receivables from related parties 6,159	6	
	USI CORPORATION	Ultimate parent company	Purchase	176,788	19	75 days	"	"	Trade payables to related parties (60,688)	(35)	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	379,588	40	90 days	"	"	Trade payables to related parties (67,711)	(35)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(198,049)	(19)	60 days	"	"	Trade receivables from related parties 52,932	18	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	323,509	43	90 days	"	"	Trade payables to related parties (17,732)	(43)	
	Swanson Plastics (Singapore) Pte., Ltd.	Parent company	Sale	(180,021)	(20)	90 days	"	"	Trade receivables from related parties 29,500	20	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	198,049	66	60 days	"	"	Trade payables to related parties (52,932)	(87)	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	136,270	43	90 days	"	"	Trade payables to related parties (6,159)	(143)	

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

Year 2022

TABLE 5-3

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Sale	(\$ 452,012)	(4)	90 days	No significant difference	No significant difference	Accounts receivable – related parties \$ 144,312	14	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(6,196,440)	(49)	45 days	"	"	Trade receivables from related parties 790,837	47	Note
	CGPC Polymer Corporation	Fellow company	Sale	(5,516,012)	(44)	75 days	"	"	Trade receivables from related parties 732,016	43	Note
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	1,071,372	10	Current Letter of Credit	"	"	Accounts payables - related parties -	-	

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

Year 2022

TABLE 5-4

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,436,470)	(14.94)	60 days	No significant difference	No significant difference	Accounts receivable– related parties \$ 187,963	17.03	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(229,542)	(2.39)	90 days	"	"	Trade receivables from related parties 32,830	2.97	
	USI CORPORATION Fujian Gulei Petrochemical Co., Ltd.	Ultimate parent company	Purchase	252,526	5.29	30 days	"	"	Trade payables to related parties (20,004)	(7.15)	
		Associate	Purchase	698,591	14.64	Letter of Credit	"	"	—	-	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	156,508	3.28	30 days	"	"	Trade payables to related parties (30,630)	(10.94)	

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

December 31, 2022

Table 6

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI CORPORATION	Taiwan VCM Corporation	Subsidiary	Other receivables - related parties NT\$222,544	-	\$ -	—	\$ 222,544	Note 1
	Asia Polymer Corporation	Subsidiary	Other receivables - related parties NT\$185,661	-	-	—	185,661	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

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

December 31, 2022

Table 6-1

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other accounts receivable - related parties NT\$174,873 (RMB 39,659 thousand)	-	\$ -	—	\$ -	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

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

December 31, 2022

Table 6-2

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable - related parties <u>\$ 144,312</u>	2.71	\$ -	—	\$ -	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties <u>\$ 790,837</u>	5.43	-	—	790,837	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties <u>\$ 732,016</u>	5.27	-	—	732,016	Note 1

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

December 31, 2022

Table 6-3

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 281,862 (USD 9,178 thousand) (Note 1)	-	\$ 281,862	Continuous Collection	\$ -	\$ -

Note 1. The other receivables of Taita Chemical Co., Ltd. are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., and transferred to other receivables since it had exceeded the normal credit term by a certain period.

Note 2. There was no amount received as of March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

December 31, 2022

Table 6-4

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

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

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

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND INVESTEE COMPANIES

INFORMATION ON INVESTEES

Year 2022

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies	\$ 550,000	\$ 550,000	89,647,000	100.00	\$ 956,056	(\$ 49,098)	(\$ 49,098)	Subsidiary
	Swanlake Traders Ltd.	Citco Building, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,400,415	15,773	15,773	Subsidiary
	USI (Hong Kong) Company Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	69,411	(1,233)	(1,233)	Subsidiary
	Union Polymer International Investment Corporation	12F., No. 37, Jihu Rd., Taipei City	Investment (focused on "production and service industry")	3,490,255	3,490,255	897,354,122	100.00	10,289,873	601,472	517,147	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Taipei City	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	185,908	1,961	1,373	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Import and export trade	28,323	28,323	5,749,062	99.96	73,805	12,600	12,593	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,045,181	(48,865)	(19,827)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	355,454	16,348	4,399	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Taipei City	Optical products and fire protection materials	250,354	250,354	9,243,369	94.37	13,347	(3,716)	(3,507)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Taipei City	Providing management services	1,000	1,000	671,400	100.00	3,212	3,237	3,237	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	59.13	5,102,760	(3,522,647)	(2,083,045)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	34,009	(27,848)	(14,159)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Taipei City	Solar power generation business	70,100	70,100	7,259,418	100.00	111,559	6,844	5,188	Subsidiary
	Delmind Inc.	No.18, Xinglong Rd., Taoyuan Dist., Taoyuan City	Manufacturing of machinery and equipment	90,000	-	9,000,000	30.00	83,922	(20,259)	(6,078)	Associate
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment business	12,818,523 (USD 417,145 thousand)	12,818,523 (USD 417,145 thousand)	417,145,000	67.40	8,629,306 (USD 280,993 thousand)	(5,226,273) (USD -174,699 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Aveme, Causeway Bay, Hong Kong	Investment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00	11,869,309 (USD 386,497 thousand)	(6,167,854) (USD -206,156 thousand)		Sub-subsiary
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	145,807,007	36.67	2,855,733	412,077		Sub-subsiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	192,063,336	32.35	5,098,353	1,447,369		Sub-subsiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	140,609,929	24.20	2,415,725	(370,247)		Sub-subsiary

(Continued)

(Continued)

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

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

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation
INFORMATION ON INVESTEES

Year 2022

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2022			Net Income (Loss) of the Investee for the Period (Note 2)	Investment profit and loss recognized in current year (Note 2)	Remark
				Ending Balance for Current Period	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount (Note 1)			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$ 605,182	\$ 605,182	25,621,692	51.27	\$ 648,239	(\$ 5,960) (USD -195 thousand)	(\$ 25,643) (USD -860 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100.00	1,074,377	52,427	47,075	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	22,739	(27,848)	(9,467)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	365,173 (USD 11,891 thousand)	365,173 (USD 11,891 thousand)	42,600,000	100.00	708,904 (USD 23,048 thousand)	51,199 (MYR 7,836 thousand)		
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of manganese-zinc soft ferrite core	254,321 (MYR 37,964 thousand)	254,321 (MYR 37,964 thousand)	9,120,000	100.00	699,335 (MYR 104,394 thousand)	51,774 (MYR 7,925 thousand)		

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

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

Note 3. Please refer to Table 8-1 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 2)	Investment profit and loss recognized in current year (Note 2)	Remark
				December 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount (Note 1)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,770,316	\$ 32,425	\$ 32,425	
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Trading and agency businesses	1,297	1,297	50	100.00	38,083	(548)	(548)	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	499,996	454,134	16,041	100.00	1,643,122	17,032	17,032	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	245,000	245,000	10,500	70.00	(1,538)	(31,248)	(21,874)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	7,979	7,979	261	1.00	7,586	21,048	210	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Manufacturing and marketing of plastic products	202,483 (USD 6,593 thousand)	202,483 (USD 6,593 thousand)	20,000	100.00	491,154 (USD 15,993 thousand)	38,983 (USD 1,308 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	507,048 (USD 16,511 thousand)	507,048 (USD 16,511 thousand)	107,351	100.00	279,077 (USD 9,087 thousand)	(5,191) (INR -13,735 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	793,547 (USD 25,840 thousand)	793,547 (USD 25,840 thousand)	25,840	99.00	751,050 (USD 24,456 thousand)	21,048 (IDR 10,447,802 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	217,859 (USD 7,094 thousand)	217,859 (USD 7,094 thousand)	3,157	100.00	564,582 (USD 18,384 thousand)	39,747 (USD 1,334 thousand)		

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

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

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

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Investment Loss (Loss) for the Year Ended December 31, 2022	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,933,648	259,591,005	87.27	\$ 4,076,858	\$ 21,552	\$ 223,093	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of PVC resins	800,000	800,000	100,000,000	100.00	701,707	(522,042)	(522,042)	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	333,626	(24,490)	(24,490)	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	23,892,872	33.33	355,611	29,772	9,924	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC two- or three-time processed products	648,931	648,931	100	100.00	186,395	(47,552)	(47,552)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,911	16,348	284	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Taipei City	Environmental detection services	50,000	-	5,000,000	100.00	52,642	2,642	-	Subsidiary

Note: Please refer to Table 8-3 for relevant information of mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

INFORMATION ON INVESTEES

Year 2022

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark (Note 1)
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,755,854 (USD 89,738 thousand)	\$ 2,755,854 (USD 89,738 thousand)	89,738,000	100.00	\$ 3,144,353 (USD 102,389 thousand)	(\$ 37,084) (Loss in USD -1,129 thousand)	(\$ 37,084) (Loss in USD -1,129 thousand)	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC tape and other plastic products	65,365	65,365	11,516,174	1.98	187,231	(370,247)	(7,339)	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	23,892,871	33.33	355,611	29,772	9,924	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Production and marketing of manganese-zinc soft ferrite powder	44,771	44,771	4,445,019	2.43	33,466	16,348	398	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,208 (USD 1,700 thousand)	52,208 (USD 1,700 thousand)	2,695,619	5.39	67,401 (USD 3,195 thousand)	(5,961) (Loss in USD -195 thousand)	-	Investments accounted for using the equity method

Note 1. The calculation is based on the financial statements of the investee company during the same period which have been audited by CPAs.

Note 2. Please refer to Table 8-4 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 423,024 (USD 13,775 thousand)	\$ 423,024 (USD 13,775 thousand)	11,342,594	100.00%	\$ 586,541	\$ 14,072	\$ 14,072	Subsidiary
	APC Investment Corporation	Taipei City	Investment business	200,000	200,000	20,000,000	100.00%	156,074	(12,287)	(12,287)	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	64,491 (USD 2,100 thousand)	64,491 (USD 2,100 thousand)	2,100,000	70.00%	69,338	97	68	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor-alkali products and other relevant products	247,412	247,412	46,886,185	8.07%	762,280	(370,247)	(29,876)	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	23,892,871	33.33%	355,611	29,772	9,924	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Production and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	205,730	(48,865)	(3,884)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	61,348	61,348	6,056,623	3.31%	45,599	16,348	541	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investments in high-tech undertakings	52,791	52,791	3,080,866	8.33%	22,114	1,961	163	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacturing and marketing of sapphire single crystal	59,725	59,725	5,972,464	9.20%	6,155	(27,848)	(2,563)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	5,235,287 (USD 170,475 thousand)	5,235,287 (USD 170,475 thousand)	170,475,000	40.87%	3,526,546	(3,522,647)	(1,439,602)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	161,071 (USD 5,245 thousand)	161,071 (USD 5,245 thousand)	8,316,450	16.64%	207,944	(5,961)	-	- APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	27,639 (USD 900 thousand)	27,639 (USD 900 thousand)	900,000	30.00%	29,716	97	-	- APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03%	14,188	16,348	-	- APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	22,500	2,250,015	15.00%	(330)	(31,248)	-	- APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	12,810,523 (USD 417,145 thousand)	12,810,523 (USD 417,145 thousand)	417,145,000	67.40%	8,629,306 (USD 280,993 thousand)	(5,226,273) (USD -174,699 thousand)	-	- Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00%	11,869,309 (USD 386,497 thousand)	(6,167,854) (USD -206,156 thousand)	-	- Ever Victory Global Ltd. Investments accounted for using the equity method

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

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

TABLE 8

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

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

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 6)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 6)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 7,541,471 (USD 245,371 thousand)	\$ 9,487,802(Note 5) (USD 308,948 thousand)	\$ -(Note 4)

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

Note 2. The Company directly invested in China-based companies (100%).

Note 3. The Company indirectly invested 50% in Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (59.13%), then reinvested Ever Victory Global Limited (67.40%), and finally reinvested Dynamic Ever Investments Limited (85.00%) in the third region.

Note 4. As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11251003100 on February 7, 2023, the upper limit on investment in mainland China is not applicable.

Note 5. It includes the investment amounted to US\$257,939 thousand in Fujian Gulei Petrochemical Co., Ltd. in the mainland region from the third region as approved by the Investment Commission, MOEA (2) No. 10500116380 dated on September 1, 2016, Investment Commission, MOEA (2) No. 10500234240 dated on December 29, 2016 and Investment Commission, MOEA (2) No. 10800262920 dated on February 26, 2020, the investment to establish a sales company amounted to US\$32,200 thousand through a third region as approved by the Investment Commission, MOEA (2) No. 10900245220 dated on October 5, 2020, and the investment amounted to US\$1,422 thousand in Acme Electronics (Kunshan) Co., Ltd. through a third region as approved by the Investment Commission, MOEA (2) No. 11000010830 dated on January 21, 2021.

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

Note 7. Except for the Fujian Gulei Petrochemical Co., Ltd., whose numbers were based on the review of Deloitte Touche Tohmatsu Limited and use the accounting principles to adjust and recognize like the parent company, the others were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 8. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

Information on Investments in Mainland China

Year 2022

TABLE 8-1

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

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

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

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

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

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

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

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

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

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Information on Investments in Mainland China

Year 2022

TABLE 8-2

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

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

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 588,131	\$1,006,850 (USD32,786 thousand)	\$ -(Note 2)

Note 1. The paid-in capital and the investment amount approved by the Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2022.

Note 2. As SPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410 on June 18, 2020, the upper limit on investment is not applicable.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 to December 31, 2022.

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

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

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

Note 7. Calculated at the exchange rate at remittance.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

Information on investments in mainland China

Year 2022

TABLE 8-3

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

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

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

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

Note 2. As CGPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

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

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

Information on Investments in Mainland China

Year 2022

TABLE 8-4

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

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

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

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

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

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

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

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

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

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

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

TABLE 8-5

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

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

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

Note 1. Methods of Investment can be divided into three categories as follows:

- (1) Direct investments in mainland companies.
- (2) Reinvestments in mainland companies through a holding company registered in a third region (please specify the holding company).
- (3) Others.

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

Note 3. For the column of Investment Gain (Loss) for the Year Ended December 31, 2022:

- (1) If there is no investment gain (loss) during the preparation, it shall be noted.
- (2) If the basis for the recognition of investment gain (loss) is classified into the following three categories, it shall be noted as follows:
 - A. Financial statements audited by international accounting firms in partnership with CPA firms in the Republic of China.
 - B. Financial statements audited by CPAs of the parent company in Taiwan.
 - C. Others.

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

Note 5. APC invested in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd. through APC (BVI) Holding Co., Ltd. to indirectly invest in companies in mainland China.

Note 6. As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11120425760 on August 23, 2022, the upper limit on investment is not applicable.

USI CORPORATION
 INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2022

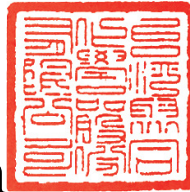
TABLE 9

Names of Major Shareholders	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25
Asia Polymer Corporation	101,355,673	8.52

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

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

USI Corporation



Chairman: Wu, Yi-Gui

