TON YI INDUSTRIAL CORP.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND REPORT OF INDEPENDENT

ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. (the "Company") as of December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's 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 Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of 2018. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Refer to Note 4(27) for the accounting policy on revenue recognition. The Company’s sales revenues for the year ended December 31, 2018 was NT$19,013,654 thousand.

The primary business of Ton Yi Industrial Corp. is selling Tin Plate products. The Company has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different countries such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need more time for verification. This matter also exists in the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
2. Understanding, evaluating and validating management’s controls in respect of the Company’s sales transactions from customer order’s approval, goods delivery, sales recording, reconciliation of cash receipts and customer’s records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company’s effectiveness of revenue recognition.
3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sales revenues.

Inventory evaluation

Description

Refer to Note 4(8) for accounting policy on inventory valuation, Note 5(2) A for the accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(3) for details of inventories. For the year ended December 31, 2018, inventory and allowance to reduce inventory to market amounted to NT$2,275,825 thousand and NT$32 million, respectively.

The Company's raw materials are often subject to fluctuations in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in material costs. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. This matter also applies to the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
2. Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's 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 ROC GAAS 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 parent company only financial statements.

As part of an audit in accordance with ROC GAAS, 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 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 consolidated financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, including audit committee, 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, including audit committee, 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, including audit committee, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 25, 2019

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 32,961	-	$ 38,005	-
1150	Notes receivable, net	6(2) and 12	147,753	1	118,803	1
1170	Accounts receivable, net	3(1), 6(2) and 12	784,173	3	516,317	2
1180	Accounts receivable - related parties	7	1,156,882	4	928,225	3
1200	Other receivables		113,563	-	100,885	-
1220	Current income tax assets	6(23)	30,744	-	27,587	-
130X	Inventory	5(2) and 6(3)	2,243,825	7	2,007,127	7
1410	Prepayments		95,285	-	148,442	1
1476	Other current financial assets		-	-	997	-
11XX	**Total current assets**		4,605,186	15	3,886,388	14
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	3(1), 6(4) and 7	122,199	-	-	-
1523	Available-for-sale financial assets - non-current	3(1) and 12	-	-	178,731	1
1543	Financial assets carried at cost - non-current	3(1) and 12	-	-	501,050	2
1550	Investments accounted for under equity method	6(5) and 7	16,063,238	52	12,205,536	44
1600	Property, plant and equipment - net	6(6)	10,061,047	33	10,983,360	39
1760	Investment property - net	6(7)	1,066	-	5,914	-
1840	Deferred income tax assets	6(23)	123,604	-	102,145	-
1915	Prepayments for business facilities	6(6)	6,649	-	-	-
1920	Guarantee deposits paid		2,933	-	2,933	-
1985	Long-term prepaid rents	6(8)	64,985	-	61,226	-
1990	Other non-current assets		2,118	-	3,251	-
15XX	**Total non-current assets**		26,447,839	85	24,044,146	86
1XXX	**Total assets**		$ 31,053,025	100	$ 27,930,534	100

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TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)(26)	$ 2,380,107	8	$ 787,165	3
2110	Short-term notes and bills payable	6(10)(26)	399,927	1	699,816	2
2130	Current contract liabilities	3(1), 6(17) and 12	23,911	-	-	-
2150	Notes payable		15,245	-	23,659	-
2170	Accounts payable		164,446	1	255,238	1
2200	Other payables		698,713	2	527,661	2
2230	Current income tax liabilities	6(23)	63,416	-	-	-
2305	Other current financial liabilities	6(26)	310	-	2,300	-
2310	Advance receipts	3(1) and 6(17)	-	-	54,476	-
2365	Current refund liabilities	12	9,145	-	-	-
21XX	**Total current liabilities**		3,755,220	12	2,350,315	8
	Non-current liabilities					
2540	Long-term borrowings	6(11)(26)	8,100,000	26	6,500,000	23
2550	Provisions for liabilities - non-current	6(12)	78,242	-	76,802	-
2570	Deferred income tax liabilities	6(23)	205,358	1	204,498	1
2640	Accrued pension liabilities - non-current	6(13)	379,753	1	360,381	2
2645	Guarantee deposits received	6(26)	5,500	-	6,510	-
25XX	**Total non-current liabilities**		8,768,853	28	7,148,191	26
2XXX	**Total liabilities**		12,524,073	40	9,498,506	34
	Equity					
	Share capital					
3110	Share capital - common stock	6(14)	15,791,453	51	15,791,453	57
3200	**Capital surplus**	6(15)	230,261	1	230,047	1
	Retained earnings	3(1) and 6(16)				
3310	Legal reserve		1,596,669	5	1,536,659	5
3320	Special reserve		860,682	3	1,075,145	4
3350	Unappropriated retained earnings		1,428,456	5	659,405	2
3400	**Other equity interest**		(1,378,569)	(5)	(860,681)	(3)
3XXX	**Total equity**		18,528,952	60	18,432,028	66
	Contingent liabilities and commitments	9				
3X2X	**Total liabilities and equity**		$ 31,053,025	100	$ 27,930,534	100

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(17) and 7	$ 19,013,654	100	$ 17,001,461	100
5000	**Operating costs**	6(3)(8)(13)(21)(22), 7 and 9	(17,313,179)	(91)	(15,593,830)	(92)
5900	**Net operating margin**		1,700,475	9	1,407,631	8
5910	Unrealized profit from sales	6(5) and 7	(87,353)	-	(60,386)	-
5920	Realized profit from sales	6(5) and 7	60,386	-	142,201	1
5950	**Net operating margin**		1,673,508	9	1,489,446	9
	Operating expenses	6(13)(21)(22), 7, 9 and 12				
6100	Selling expenses		(749,814)	(4)	(757,834)	(5)
6200	General and administrative expenses		(439,380)	(3)	(337,199)	(2)
6450	Expected credit loss		(2,833)	-	-	-
6000	**Total operating expenses**		(1,192,027)	(7)	(1,095,033)	(7)
6900	**Operating profit**		481,481	2	394,413	2
	Non-operating income and expenses					
7010	Other income	6(18)	33,464	-	53,142	-
7020	Other gains and losses	6(19) and 12	48,479	-	(78,603)	-
7050	Finance costs	6(6)(12)(20)	(127,556)	-	(89,649)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(5)	1,135,516	6	375,937	2
7000	**Total non-operating income and expenses**		1,089,903	6	260,827	2
7900	**Profit before income tax**		1,571,384	8	655,240	4
7950	Income tax expense	6(23)	(85,131)	-	(55,136)	-
8200	**Profit for the year**		$ 1,486,253	8	$ 600,104	4
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plan	6(13)	($ 78,023)	-	$ 42,688	-
8316	Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	6(4)	(56,532)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	24,071	-	(7,256)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange translation differences arising on translation of foreign operations	6(5)	(461,374)	(3)	157,305	1
8362	Unrealized gain on valuation of available-for-sale financial assets	12	-	-	56,089	-
8399	Income tax relating to the components of other comprehensive income	6(23)	18	-	1,070	-
8300	**Other comprehensive (loss) income for the year**		($ 571,840)	(3)	$ 249,896	1
8500	**Total comprehensive income for the year**		$ 914,413	5	$ 850,000	5
	Earnings per share	6(24)				
9750	**Basic**		$	0.94	$	0.38
9850	**Diluted**		$	0.94	$	0.38

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained Earnings			Other Equity Interest			
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on valuation of financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Total equity
2017										
Balance at January 1, 2017		$ 15,791,453	$ 228,178	$ 1,439,699	$ 826,453	$ 969,596	($ 818,870)	$ -	($ 256,275)	$ 18,180,234
Profit for the year		-	-	-	-	600,104	-	-	-	600,104
Other comprehensive income for the year	12	-	-	-	-	35,432	158,375	-	56,089	249,896
Total comprehensive income		-	-	-	-	635,536	158,375	-	56,089	850,000
Distribution of 2016 net income										
Legal reserve		-	-	96,960	-	(96,960)	-	-	-	-
Special reserve		-	-	-	248,692	(248,692)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	(600,075)	-	-	-	(600,075)
Capital surplus - unclaimed cash dividends	6(15)	-	1,869	-	-	-	-	-	-	1,869
Balance at December 31, 2017		$ 15,791,453	$ 230,047	$ 1,536,659	$ 1,075,145	$ 659,405	($ 660,495)	$ -	($ 200,186)	$ 18,432,028
2018										
Balance at January 1, 2018		$ 15,791,453	$ 230,047	$ 1,536,659	$ 1,075,145	$ 659,405	($ 660,495)	$ -	($ 200,186)	$ 18,432,028
Effects of retrospective application	3(1) and 12	-	-	-	-	(28,130)	-	(200,186)	200,186	(28,130)
Balance at January 1 after adjustments		15,791,453	230,047	1,536,659	1,075,145	631,275	(660,495)	(200,186)	-	18,403,898
Profit for the year		-	-	-	-	1,486,253	-	-	-	1,486,253
Other comprehensive loss for the year	6(4)	-	-	-	-	(53,952)	(461,356)	(56,532)	-	(571,840)
Total comprehensive income (loss)		-	-	-	-	1,432,301	(461,356)	(56,532)	-	914,413
Distribution of 2017 net income										
Legal reserve		-	-	60,010	-	(60,010)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	(789,573)	-	-	-	(789,573)
Reversal of special reserve	6(16)	-	-	-	(214,463)	214,463	-	-	-	-
Capital surplus - unclaimed cash dividends	6(15)	-	214	-	-	-	-	-	-	214
Balance at December 31, 2018		$ 15,791,453	$ 230,261	$ 1,596,669	$ 860,682	$ 1,428,456	($ 1,121,851)	($ 256,718)	$ -	$ 18,528,952

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,571,384	$ 655,240
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		1,387	-
Expected credit loss	12	2,833	-
Provision for doubtful accounts	12	-	868
(Reversal of provision) provision for inventory market price decline	6(3)	(26,000)	50,000
Share of profit of associates and joint ventures	6(5)	(1,135,516)	(375,937)
Unrealized profit from sales	6(5)	87,353	60,386
Realized profit from sales	6(5)	(60,386)	(142,201)
Depreciation on property, plant and equipment	6(6)(21)	998,711	996,406
Loss on disposal of property, plant and equipment	6(19)	608	27,185
Gain on disposal of investment property	6(19)	(1,150)	-
Amortization of long-term prepaid rent	6(8)	4,250	3,951
Dividend income	6(18)	(5,510)	(18,439)
Interest income	6(18)	(908)	(456)
Interest expense	6(20)	127,556	89,649
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		471,533	-
Notes receivable		(29,242)	(21,508)
Accounts receivable		(262,259)	(35,233)
Accounts receivable - related parties		(228,657)	(214,065)
Other receivables		(12,678)	(3,535)
Inventories		(210,698)	(29,909)
Prepayments		53,157	21,405
Changes in operating liabilities			
Contract liabilities-current		(30,565)	-
Notes payable		(8,414)	10,334
Accounts payable		(90,792)	(149,840)
Other payables		161,601	(83,173)
Advance receipts		-	12,417
Current refund liabilities		1,007	-
Accrued pension liabilities - non-current		(58,651)	(56,391)
Cash inflow generated from operations		1,319,954	797,154
Dividends received		5,510	18,439
Interest received		908	456
Interest paid		(123,111)	(89,004)
Income tax paid		(21,382)	(156,507)
Net cash flows from operating activities		1,181,879	570,538

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TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other financial assets - current		$ 997	($ 997)
Acquisition of investments accounted for under the equity method - subsidiaries	6(5) and 7	(3,210,527)	(2,325,174)
Acquisition of property, plant and equipment	6(25)	(70,569)	(13,271)
Proceeds from disposal of property, plant and equipment		120	64
Proceeds from disposal of investment property		5,998	-
Increase in prepayments for equipment		(6,487)	(68,323)
Interest paid for prepayments for equipment	6(6)(20)	(162)	(1,123)
Decrease in guarantee deposits paid		-	3,324
Increase in long-term prepaid rent		(8,009)	-
Decrease in other non-current assets		1,133	4,934
Net cash flows used in investing activities		(3,287,506)	(2,400,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(26)	1,592,942	(236,635)
(Decrease) increase in notes and bills payable	6(26)	(300,000)	350,000
(Decrease) increase in other financial liabilities - current	6(26)	(1,990)	2,300
Increase in long-term borrowings	6(26)	3,050,000	5,100,000
Decrease in long-term borrowings	6(26)	(1,450,000)	(2,759,550)
(Decrease) increase in guarantee deposits received	6(26)	(1,010)	1,010
Cash dividends paid	6(16)	(789,573)	(600,075)
Reversal of unclaimed cash dividends	6(15)	214	1,869
Net cash flows from financing activities		2,100,583	1,858,919
Net (decrease) increase in cash and cash equivalents		(5,044)	28,891
Cash and cash equivalents at beginning of year	6(1)	38,005	9,114
Cash and cash equivalents at end of year	6(1)	$ 32,961	$ 38,005

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Ton Yi Industrial Corp. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 14, 1969. The Company is primarily engaged in the manufacture, processing and sales of various cans of steel and tin plate.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since January 1991.

(3) Uni-President Enterprises Corp. holds 45.55% equity interest in the Company and is the ultimate parent company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 25, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9 Financial instruments with IFRS 4, Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15 Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

A. Amendments to IAS 7, 'Disclosure initiative'

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Company expects to provide additional disclosure to explain the changes in liabilities arising from financing activities.

B. IFRS 9, 'Financial instruments'

(a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(b) The Company applied the new rules under IFRS 9 retrospectively from January 1, 2018, with the practical expedients permitted under the statement. The significant effects of applying the new standard as of January 1, 2018 are summarized below:

i. In accordance with IFRS 9, the Company reclassified available-for-sale financial assets in the amount of $178,731, by increasing financial assets at fair value through other comprehensive income in the amount of $178,731.

ii. In accordance with IFRS 9, the Company reclassified financial assets at cost in the amount of $501,050, by increasing financial assets at fair value through comprehensive income in the amount of $472,920, and decreasing retained earnings in the amount of $28,130.

C. IFRS 15, 'Revenue from contracts with customers' and amendments

(a) IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer.

Step 2: Identify separate performance obligations in the contract(s).

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) In first adopting IFRS 15 effective January 1, 2018, the Company has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognized as retained earnings as of January 1, 2018. The significant effects of applying the new standard as of January 1, 2018 are summarized below:

i. Under IFRS 15, liabilities in relation to sales contracts are recognized as contract liabilities, but were previously presented as advance sales receipts (shown as 'other current liabilities') in the balance sheet. As of December 31, 2017, the balance amounted to $54,476.

ii. Under IFRS 15, liabilities in relation to expected sales discounts and allowances were previously presented as accounts receivable – allowance for sales discounts in the balance sheet. As of December 31, 2017, the balance amounted to $8,138.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Company's assessment:

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Company expects to recognize the lease contract of lessees in line with IFRS 16. However, the Company does not intend to restate the financial statements of prior period (referred herein as the "modified retrospective approach"). On January 1, 2019, it is expected that 'right-of-use asset' and 'lease liability' will be increased by $493,957 and $419,685, respectively, and 'prepayment', 'long-term prepaid rents' and 'other non-current assets' will be decreased by $7,169, $64,985 and $2,118, respectively.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting
IFRS 17, 'Insurance contracts'	January 1, 2021

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements are prepared by the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

b. Financial assets at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.

c. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5. Critical accounting judgements, estimates and key sources of assumption uncertainty.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Company has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognized as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 11 ('IAS 11'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

a. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

b. Assets held mainly for trading purposes;

c. Assets that are expected to be realized within twelve months from the balance sheet date;

d. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

a. Liabilities that are expected to be paid off within the normal operating cycle;

b. Liabilities arising mainly from trading activities;

c. Liabilities that are to be paid off within twelve months from the balance sheet date;

d. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost to completion and applicable variable selling expenses. When the cost of inventory is lower than net realizable value, a write down is provided and recognized in operating costs. If the circumstances that caused the write-down cease to exist, such that all or part of the write down is no longer needed, it should be reversed to that extent and recognized as deduction of operating costs.

(9) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

a. The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

b. The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met;

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Investments accounted for using equity method / Subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized profit (loss) from the transactions between the Company and subsidiaries has been offset. The accounting policies of the subsidiaries have been adjusted to ensure consistency with the policies of the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the consumption patterns of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Asset Name	Useful Lives
Buildings	2 ～ 55 years
Machinery and equipment	2 ～ 30 years
Transportation equipment	3 ～ 20 years
Office equipment	2 ～ 8 years
Other equipment	2 ～ 40 years

(14) Lease (Lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(15) Lease (Lessee)

Payments made under an operating lease (net of any incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the lease term.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged, cancelled or expired.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported at net amount on the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(22) Provision

Provision (decommissioning liabilities) is recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provision is measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in that period when the employees render service.

B. Pensions

a. Defined contribution plan

For defined contribution plan, the contributions are recognized as pension expenses on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

b. Defined benefit plan

(a) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

(b) Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The Company's current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries , except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases its outstanding shares, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. When such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares and share premium on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

A. The Company manufactures and sells tinplate, cans, and PET package products. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognized based on the price specified in the contract, net of theestimated sales discounts and volume discounts. The products are often sold with volume discounts based on estimated sales of each year. Accumulated experience is used to estimate and provide for the sales discounts and volume discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and volume discounts payable to customers in relation to sales made until the end of the reporting period.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Because of the change in market demand and the sales strategy, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2018, the carrying amount of inventories was $2,243,825.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Cash:		
Cash on hand and petty cash	$ 182	$ 132
Checking accounts and demand deposits	32, 779	37, 873
	$ 32, 961	$ 38, 005

A. The Company transacts with a variety of financial institutions all with high credit rankings to diversify credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash pledged to others as of December 31, 2018 and 2017.

(2) Notes receivable and accounts receivable, net

	December 31, 2018
Notes receivable	$ 149, 245
Less: Allowance for doubtful accounts	(1, 492)
	$ 147, 753

	December 31, 2018
Accounts receivable	$ 791, 966
Less: Allowance for doubtful accounts	(7, 793)
	$ 784, 173

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2018	
	Notes receivable	Accounts receivable
1 to 30 days	$ 100, 590	$ 686, 345
31 to 60 days	26, 789	104, 353
61 to 90 days	21, 866	1, 073
91 to 180 days	-	195
	$ 149, 245	$ 791, 966

The above ageing analysis was based on invoice date.

B. The Company did not pledge notes and accounts receivable as collateral as of December 31, 2018.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company’s notes and accounts receivable were both its book value.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

E. Information relating to notes receivable and accounts receivable on December 31, 2017 is provided in Note 12(4), 'Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017'.

(3) Inventories

	December 31, 2018		
	Cost	Allowance for price decline of inventories	Carrying amount
Merchandise	$ 3,367	$ -	$ 3,367
Raw materials	770,305	(472)	769,833
Raw materials in transit	18,121	(90)	18,031
Supplies	132,430	(116)	132,314
Supplies in transit	24,147		24,147
Work in process	597,373	(19,017)	578,356
Finished goods	730,082	(12,305)	717,777
	$ 2,275,825	($ 32,000)	$ 2,243,825

	December 31, 2017		
	Cost	Allowance for price decline of inventories	Carrying amount
Merchandise	$ 1,822	$ -	$ 1,822
Raw materials	734,685	(8,447)	726,238
Raw materials in transit	17,293	(57)	17,236
Supplies	144,166	(1,888)	142,278
Work in process	516,719	(31,828)	484,891
Finished goods	650,442	(15,780)	634,662
	$ 2,065,127	($ 58,000)	$ 2,007,127

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2018	2017
Cost of goods sold	$ 17,723,124	$ 15,825,266
(Gain on reversal of) loss on decline in market value (Note)	(26,000)	50,000
Revenue from sale of scraps	(367,244)	(273,471)
Indemnities	(16,701)	(7,965)
	$ 17,313,179	$ 15,593,830

(Note) For the year 2018, the Company reversed a previous inventory write-down which was accounted for as a reduction of cost of goods sold as a result of the increase in selling prices of inventories.

(4) Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2018
Listed stocks	$ 378,917
Valuation adjustment	(256,718)
	$ 122,199

A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $122,199 as at December 31, 2018.

B. The Company recognized fair value change in other comprehensive income of ($56,532) for the year ended December 31, 2018.

C. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral as of December 31, 2018.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

E. Information on available-for-sale financial assets and financial assets at cost as of December 31, 2017 is provided in Note 12(4), 'Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017'.

(5) Investments accounted for using equity method

	Years ended December 31,	
	2018	2017
At January 1	$ 12,205,536	$ 9,265,305
Addition of investments accounted for using the equity method	3,210,527	2,325,174
Share of profit or loss of investments accounted for using the equity method	1,135,516	375,937
Unrealized gain from sale	(87,353)	(60,386)
Realized gain from sale	60,386	142,201
Changes in other equity items－financial statements translation differences of foreign operations	(461,374)	157,305
At December 31	$ 16,063,238	$ 12,205,536

	December 31, 2018	December 31, 2017
Cayman Ton Yi Industrial Holdings Ltd.	$ 16,004,553	$ 12,140,137
Tovecan Corp.	58,685	65,399
	$ 16,063,238	$ 12,205,536

Information on the Company's subsidiaries is provided in Note 4(3) Basis of consolidation in the Company's 2018 consolidated financial statements.

(6) Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Office equipment	Others	Construction in progress and equipment to be inspected	Total
At January 1, 2018								
Cost	$ 615,892	$ 5,064,301	$ 27,644,584	$ 218,693	$ 5,091	$ 3,081,030	$ 41,491	$ 36,671,082
Accumulated depreciation	-	(3,285,524)	(20,026,766)	(201,510)	(5,079)	(2,168,843)	-	(25,687,722)
	$ 615,892	$ 1,778,777	$ 7,617,818	$ 17,183	$ 12	$ 912,187	$ 41,491	$ 10,983,360
2018								
At January 1	$ 615,892	$ 1,778,777	$ 7,617,818	$ 17,183	$ 12	$ 912,187	$ 41,491	$ 10,983,360
Additions - Cost	-	3,150	35,771	839	-	22,953	14,413	77,126
Transferred - Cost		-	31,328	3,288	-	6,875	(41,491)	-
Depreciation charge	-	(103,809)	(791,242)	(6,056)	(5)	(97,599)	-	(998,711)
Disposal - Cost	-	(2,796)	(14,932)	-	(90)	(3,938)	-	(21,756)
- Accumulated depreciation	-	2,362	14,643	-	90	3,933	-	21,028
At December 31	$ 615,892	$ 1,677,684	$ 6,893,386	$ 15,254	$ 7	$ 844,411	$ 14,413	$ 10,061,047
At December 31, 2018								
Cost	$ 615,892	$ 5,064,655	$ 27,696,751	$ 222,820	$ 5,001	$ 3,106,920	$ 14,413	$ 36,726,452
Accumulated depreciation	-	(3,386,971)	(20,803,365)	(207,566)	(4,994)	(2,262,509)	-	(26,665,405)
	$ 615,892	$ 1,677,684	$ 6,893,386	$ 15,254	$ 7	$ 844,411	$ 14,413	$ 10,061,047

	Land	Buildings	Machinery	Vehicles	Office equipment	Others	Construction in progress and equipment to be inspected	Total	
At January 1, 2017									
Cost	$ 615,892	$ 5,057,037	$ 27,657,135	$ 217,758	$ 5,175	$ 3,087,798	$ 79,230	$ 36,720,025	
Accumulated depreciation	-	(3,174,821)	(19,329,879)	(195,643)	(5,157)	(2,086,799)	-	(24,792,299)	
	$ 615,892	$ 1,882,216	$ 8,327,256	$ 22,115	$ 18	$ 1,000,999	$ 79,230	$ 11,927,726	
2017									
At January 1	$ 615,892	$ 1,882,216	$ 8,327,256	$ 22,115	$ 18	$ 1,000,999	$ 79,230	$ 11,927,726	
Additions - Cost	-	1,600	1,712	1,000	-	5,471	-	9,783	
Transferred - Cost	-	5,781	98,310	570	-	2,584	(37,739)	69,506	(note)
Accumulated depreciation	-	-	570	(570)	-	-	-	-	
Depreciation charge	-	(110,820)	(782,795)	(5,926)	(6)	(96,859)	-	(996,406)	
Disposal - Cost	-	(117)	(112,573)	(635)	(84)	(14,823)	-	(128,232)	
- Accumulated depreciation	-	117	85,338	629	84	14,815	-	100,983	
At December 31	$ 615,892	$ 1,778,777	$ 7,617,818	$ 17,183	$ 12	$ 912,187	$ 41,491	$ 10,983,360	
At December 31, 2017									
Cost	$ 615,892	$ 5,064,301	$ 27,644,584	$ 218,693	$ 5,091	$ 3,081,030	$ 41,491	$ 36,671,082	
Accumulated depreciation	-	(3,285,524)	(20,026,766)	(201,510)	(5,079)	(2,168,843)	-	(25,687,722)	
	$ 615,892	$ 1,778,777	$ 7,617,818	$ 17,183	$ 12	$ 912,187	$ 41,491	$ 10,983,360	

(note) Including transfers from prepayments for equipment.

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Years ended December 31,	
	2018	2017
Amount capitalized	$ 162	$ 1,123
Interest rate	1.30%	1.30%

B. The Company did not pledge property, plant and equipment as collateral as of December 31, 2018 and 2017.

(7) Investment property

	Years ended December 31,	
Land	2018	2017
At January 1		
Cost	$ 26,892	$ 26,892
Accumulated impairment	(20,978)	(20,978)
	$ 5,914	$ 5,914
Opening net book amount	$ 5,914	$ 5,914
Disposal - Cost	(23,107)	-
- Accumulated depreciation	18,259	-
Closing net book value	$ 1,066	$ 5,914
At December 31		
Cost	$ 3,785	$ 26,892
Accumulated impairment	(2,719)	(20,978)
	$ 1,066	$ 5,914

A. The fair values of the investment property held by the Company as of December 31, 2018 and 2017 were $1,468 and $7,320, respectively. Land is valued according to Current Land Value announced by the Department of Land Administration.

B. The Company purchased an agricultural purpose land in the amount of $23,107 but was registered in the name of a natural person. Before changing the land registration, the land was mortgaged to the Company. The decision on the purpose of the land has not yet been decided; thus, this was recognized as Investment property. The land was disposed in January, 2018.

C. As of December 31, 2018 and 2017, no investment property held by the Company was pledged to others.

D. For the years ended December 31, 2018 and 2017, the Company did not recognize impairment loss on the above investment property. As of December 31, 2018 and 2017, the accumulated impairment amounted to $2,719 and $20,978, respectively.

(8) Long-term prepaid rent

	December 31, 2018	December 31, 2017
Land use right	$ 64,985	$ 61,226

The Company entered into a land lease agreement with Taiwan Sugar Corporation for use of property located in Yong-Kang District, Tainan and the lease period is 50 years. The Company recognized $4,250 and $3,951 of rental expense (under operating cost) for the years ended December 31, 2018 and 2017, respectively.

(9) Short-term borrowings

Nature	December 31, 2018	Interest rate	Collateral
Unsecured bank borrowings	$ 2,380,107	0.82%～3.68%	None

Nature	December 31, 2017	Interest rate	Collateral
Unsecured bank borrowings	$ 787,165	0.82%~1.00%	None

For more information about interest expenses recognized by the Company for the years ended December 31, 2018 and 2017, please refer to Note 6(20), 'Finance costs'.

(10) Short-term notes and bills payable

	December 31, 2018	Interest rate	Collateral
Commercial paper payable	$ 400,000	0.95%~0.96%	None
Less: Unamortized discount	(73)		
	$ 399,927		

	December 31, 2017	Interest rate	Collateral
Commercial paper payable	$ 700,000	0.90%~0.94%	None
Less: Unamortized discount	(184)		
	$ 699,816		

A. The above commercial papers were issued and secured by Taiwan Finance Corporation for short-term financing.

B. For more information about interest expenses recognized by the Company for the years ended December 31, 2018 and 2017, please refer to Note 6(20), 'Finance costs'.

(11) Long-term borrowings

Nature	Range of maturity dates	Range of interest rates	Collateral	December 31, 2018
Unsecured bank borrowings	2020.4.16～ 2021.12.19	1.04%～1.32%	None	$ 8,100,000

Nature	Range of maturity dates	Range of interest rates	Collateral	December 31, 2017
Unsecured bank borrowings	2019.3.24～ 2020.9.22	1.04%～1.32%	None	$ 6,500,000

A. For information on the terms and conditions of all the loan contracts the Company entered into with financial institutions, please refer to Note 9, 'Significant contingent liabilities and unrecognized contract commitments'.

B. For more information about interest expenses recognized by the Company for the years ended December 31, 2018 and 2017, please refer to Note 6(20), 'Finance costs'.

(12) Provision - non-current

	Years ended December 31,			
Decommissioning liabilities	2018		2017	
At January 1	$	76,802	$	75,389
Unwinding of discount		1,440		1,413
At December 31	$	78,242	$	76,802

According to the policy published, applicable agreement or the law and regulation, the Company has obligations to restore certain property, plant and equipment located in Yong-Kang District, Tainan City in the future. A provision is recognized for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will be settled within 50 years from the beginning of contract.

(13) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 14% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.

(a) The amounts recognized in the balance sheet are as follows:

	December 31, 2018		December 31, 2017	
Present value of defined benefit obligations	($	1,490,276)	($	1,365,787)
Fair value of plan assets		1,110,523		1,005,406
Net defined benefit liability - non-current	($	379,753)	($	360,381)

(b) Movements in net defined benefit liabilities - non-current are as follows:

Year ended December 31, 2018	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 1,365,787)	$ 1,005,406	($ 360,381)
Current service cost	(17,668)	-	(17,668)
Interest (expense) income	(22,129)	16,901	(5,228)
	(1,405,584)	1,022,307	(383,277)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,710	23,710
Change in financial assumptions	(96,713)	-	(96,713)
Experience adjustments	(5,020)	-	(5,020)
	(101,733)	23,710	(78,023)
Pension fund contribution	-	81,547	81,547
Paid pension	17,041	(17,041)	-
Balance at December 31	($ 1,490,276)	$ 1,110,523	($ 379,753)

Year ended December 31, 2017	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 1,425,701)	$ 966,241	($ 459,460)
Current service cost	(19,115)	-	(19,115)
Interest (expense) income	(19,515)	13,708	(5,807)
	(1,464,331)	979,949	(484,382)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(4,184)	(4,184)
Change in financial assumptions	49,377	-	49,377
Experience adjustments	(2,505)	-	(2,505)
	46,872	(4,184)	42,688
Pension fund contribution	-	81,313	81,313
Paid pension	51,672	(51,672)	-
Balance at December 31	($ 1,365,787)	$ 1,005,406	($ 360,381)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement

Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2018	2017
Discount rate	1.625%	1.375%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
December 31, 2018	0.25%	0.25%	0.25%	0.25%
Effect on present value of defined benefit obligation	($ 49,355)	$ 51,448	$ 49,613	($ 47,877)
December 31, 2017				
Effect on present value of defined benefit obligation	($ 47,302)	$ 49,377	$ 47,881	($ 46,133)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2018 are $72,399.

(f) As of December 31, 2018, the weighted average duration of that retirement plan is 14 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	10,621
2-5 years		104,988
6~10 years		288,694
	$	404,303

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2018 and 2017 were $25,060 and $23,904, respectively.

(14) Share capital - Common stock

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	Years ended December 31,	
	2018	2017
Beginning and ending balance	1,579,145	1,579,145

B. As of December 31, 2018, the Company's authorized capital was $17,847,009, and the paid-in capital was $15,791,453, consisting of 1,579,145 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(15) Capital surplus

A. Pursuant to the Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to offset accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserves should not be used to cover accumulated deficit after the legal reserve is used.

B. Movements of the Company's capital reserve for the years ended December 31, 2018 and 2017 are as follows:

	Year ended December 31, 2018				
	Share premium	Treasury share transactions	Donated assets	Other	Total
At January 1	$ 58, 271	$ 169, 088	$ 819	$1, 869	$230, 047
Capital surplus -unclaimed cash dividends	-	-	-	214	214
At December 31	$ 58, 271	$ 169, 088	$ 819	$2, 083	$230, 261

	Year ended December 31, 2017				
	Share premium	Treasury share transactions	Donated assets	Other	Total
At January 1	$ 58, 271	$ 169, 088	$ 819	$ -	$ 228,178
Capital surplus -unclaimed cash dividends	-	-	-	1, 869	1, 869
At December 31	$ 58, 271	$ 169, 088	$ 819	$1, 869	$230, 047

(16) Retained earnings

A. The legal reserve shall be exclusively used to offset accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.

B. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with related regulations. The remaining amount plus the accumulated unappropriated earnings from prior years is the accumulated distributable earnings. Of the amount to be distributed by the Company, shareholders' dividends shall comprise 50% to 100% of the accumulated distributable earnings and cash dividends shall not be lower than 30% of the total dividends distributed. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders.

C. Special reserve

a. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances in other equity items at the balance sheet date before distributing earnings. When debit balances on other equity items are reversed subsequently, an equal amount could then be used for distribution. The other equity debit balance decreased due to the Unrealized Gain or Loss on Available-for-sale and Exchange Differences on Translation of Foreign

Financial Statements, resulting in a special surplus reserve of $214,463. As of December 31, 2018, special reserve of $860,682 was set aside in accordance with the Company Act on special reserve, and no dividends shall be distributed.

b. The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets, those other than land, are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are land.

D. The Company recognized dividends distributed to owners amounting to $789,573 and $600,075 ($0.50 and $0.38 (in dollars) per share as cash dividends, respectively) for the years ended December 31, 2018 and 2017, respectively. On March 25, 2019, total dividends for 2018 of $742,198, constituting $0.47 (in dollars) per share as cash dividends, was proposed by the Board of Directors.

(17) Operating revenue

	Year ended December 31, 2018
Revenue from contracts with customers	$ 19,013,654

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Year ended December 31,2018
Revenue from Tinplate products	$ 18,979,851
Revenue from Plastic pack products	33,803
	$ 19,013,654

B. The Company has recognized the following revenue-related contract liabilities:

	December 31, 2018
Contract liabilities – current	$ 23,911

Revenue recognized that was included in the contract liability balance at the beginning of the year ended December 31, 2018 was $45,703 (including $4,221 which had been written off against accounts receivable).

(18)Other income

	Years ended December 31, 2018	Years ended December 31, 2017
Dividend income	$ 5,510	$ 18,439
Interest income	908	456
Rental income	5,372	5,383
Other income	21,674	28,864
	$ 33,464	$ 53,142

(19)Other gains and losses

	Years ended December 31, 2018	Years ended December 31, 2017
Gain on financial assets at fair value through profit or loss	$ 1,589	$ 1,437
Net gain on disposal of investment property	1,150	-
Net currency exchange gain (loss)	46,430	(52,672)
Net loss on disposal of property, plant and equipment	(608)	(27,185)
Miscellaneous expenses	(82)	(183)
	$ 48,479	($ 78,603)

(20)Finance costs

	Years ended December 31, 2018	Years ended December 31, 2017
Interest expense:		
Bank borrowings	$ 126,278	$ 89,359
Provisions – unwinding of discount	1,440	1,413
	127,718	90,772
Less: Capitalization of qualifying assets	(162)	(1,123)
	$ 127,556	$ 89,649

(21)Expenses by nature

	Year ended December 31, 2018			Year ended December 31, 2017		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense	$ 692, 994	$ 398, 760	$ 1, 091, 754	$ 679, 189	$ 302, 435	$ 981, 624
Depreciation	989, 925	8, 786	998, 711	986, 888	9, 518	996, 406
	$ 1, 682, 919	$ 407, 546	$ 2, 090, 465	$ 1, 666, 077	$ 311, 953	$ 1, 978, 030

(22)Employee benefits expense

	Year ended December 31, 2018			Year ended December 31, 2017		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Wages and salaries	$ 560, 417	$ 332, 351	$ 892, 768	$ 550, 585	$ 245, 316	$ 795, 901
Labor and health insurance expense	57, 802	19, 725	77, 527	56, 342	20, 220	76, 562
Director's remuneration	–	22, 914	22, 914	–	13, 501	13, 501
Pension costs	35, 283	12, 673	47, 956	35, 966	12, 860	48, 826
Other personnel expenses	39, 492	11, 097	50, 589	36, 296	10, 538	46, 834
	$ 692, 994	$ 398, 760	$ 1, 091, 754	$ 679, 189	$ 302, 435	$ 981, 624

A. As of December 31, 2018 and 2017, the Company had approximately 1,222 and 1,214 employees, respectively, including 8 directors for both years.

B. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

C. For the years ended December 31, 2018 and 2017, employees' compensation was accrued at $73,866 and $30,836, respectively, while directors' remuneration was accrued at $15,414 and $13,979, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the profit of current period distributable and the percentage specified in the Articles of Incorporation of the Company for the years ended December 31, 2018 and 2017. The employees' compensation and directors' remuneration resolved by the Board of Directors were $73,866 and $14,869, respectively, for the year ended December 31, 2018, and the employees' compensation will be distributed in the form of cash. The employees' compensation and directors' remuneration resolved by the Board of Directors were $30,836 and $13,979, respectively, for the year ended December 31, 2017. The amounts were the same with the amounts recognized in the 2017 financial statements, and the employees' compensation was distributed in the form of cash.

Information about employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23)Income tax

A. Income tax

a. Components of income tax expense

	Years ended December 31, 2018	Years ended December 31, 2017
Current income tax:		
Income tax incurred in current year	$ 81,738	$ 39,666
(Over) under provision in prior years	(97)	2,571
	81,641	42,237
Deferred income tax:		
Origination and reversal of temporary differences	11,546	12,899
Impact of change in tax rate	(8,056)	-
	3,490	12,899
Income tax expense	$ 85,131	$ 55,136

b. The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2018	2017
Remeasurement of defined benefit obligations	($ 15,605)	$ 7,256
Currency translation differences	170	(1,070)
Impact of change in tax rate	(8,654)	-
	($ 24,089)	$ 6,186

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2018	2017
Income tax expense at the statutory tax rate	$ 314,277	$ 111,391
Effect of amount not allowed to be recognized under regulations	(220,993)	(58,826)
(Over) under provision of prior year's income tax	(97)	2,571
Impact of change in tax rate	(8,056)	-
Income tax expense	$ 85,131	$ 55,136

C. Amounts of deferred tax assets or liabilities recognized as a result of temporary differences are as follows:

	Year ended December 31, 2018			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Unrealized sales allowance and returns	$ 1,383	$ 446	$ -	$ 1,829
Unrealized profit from sales	10,266	7,205	-	17,471
Loss on inventories from market value decline	9,860	(3,460)	-	6,400
Unused compensated absences	6,092	1,330	-	7,422
Unrealized provision	10,586	2,280	-	12,866
Pensions	13,293	(9,384)	-	3,909
Unrealized exchange loss	1,626	(1,047)	-	579
Remeasurement of defined benefit plan	47,972	-	24,071	72,043
Currency translation difference	1,067	-	18	1,085
	$ 102,145	($ 2,630)	$ 24,089	$ 123,604
Deferred income tax liabilities				
Temporary differences:				
Foreign investment income	($ 7,459)	($ 860)	$ -	($ 8,319)
Land value incremental tax	(197,039)	-	-	(197,039)
	($ 204,498)	($ 860)	$ -	($ 205,358)
	($ 102,353)	($ 3,490)	$ 24,089	($ 81,754)

	Year ended December 31, 2017			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Unrealized sales allowance and returns	$ 1,670	($ 287)	$ -	$ 1,383
Unrealized profit from sales	24,174	(13,908)	-	10,266
Loss on inventories from market value decline	1,360	8,500	-	9,860
Unused compensated absences	6,633	(541)	-	6,092
Unrealized provision	10,276	310	-	10,586
Pensions	22,880	(9,587)	-	13,293
Unrealized exchange loss	-	1,626	-	1,626
Remeasurement of defined benefit plan	55,228	-	(7,256)	47,972
Currency translation difference	-	-	1,067	1,067
	$ 122,221	($ 13,887)	($ 6,189)	$ 102,145
Deferred income tax liabilities				
Temporary differences:				
Foreign investment income	($ 6,968)	($ 491)	$ -	($ 7,459)
Land value incremental tax	(197,039)	-	-	(197,039)
Unrealized exchange gain	(1,479)	1,479	-	-
Currency translation differences	(3)	-	3	-
	($ 205,489)	$ 988	$ 3	($ 204,498)
	($ 83,268)	($ 12,899)	($ 6,186)	($ 102,353)

D. The Company did not recognize temporary differences arising from gain on investment in overseas subsidiaries. As of December 31, 2018 and 2017, unrecognized deferred tax liabilities were $2,672,043 and $1,996,470, respectively.

E. The Company’s income tax returns through 2016 have been assessed and approved by the Tax Authority. As of March 25, 2019, there was no administrative lawsuit.

F. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company’s applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Company has assessed the impact of the change in income tax rate.

(24)Earnings per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 1,486,253	1,579,145	$ 0.94
Diluted earnings per share			
Profit attributable to ordinary shareholders	1,486,253	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,604	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 1,486,253	1,585,749	$ 0.94

	Year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 600,104	1,579,145	$ 0.38
Diluted earnings per share			
Profit attributable to ordinary shareholders	600,104	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,152	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 600,104	1,582,297	$ 0.38

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

Cash paid for acquisition of property, plant and equipment:

	Years ended December 31, 2018	Years ended December 31, 2017
Acquisition of property, plant and equipment	$ 77,126	$ 9,783
Add: Opening balance of other payables	-	3,488
Less: Ending balance of other payables	(6,557)	-
Cash paid for acquisition of property, plant and equipment	$ 70,569	$ 13,271

B. Investing activities with no cash flow effect:

	Years ended December 31, 2018	Years ended December 31, 2017
Prepayment for equipment	$ -	$ 69,506

(26)Changes in liabilities from financing activities

For the year ended December 31, 2018	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Others	Liabilities from financing activities-gross
At January 1	$ 787, 165	$ 699, 816	$6, 500, 000	$ 8, 810	$ 7, 995, 791
Changes in cash flow from financing activities	1, 592, 942	(300, 000)	1, 600, 000	(3, 000)	2, 889, 942
Changes in other non-cash items	-	111	-	-	111
At December 31	$ 2, 380, 107	$ 399, 927	$8, 100, 000	$ 5, 810	$ 10, 885, 844

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Cayman Ton Yi Industrial Holdings Ltd.	Subsidiary
Tovecan Corporation Ltd.	Subsidiary
Fujian Ton Yi Tinplate Co., Ltd.	Subsidiary
Jiangsu Ton Yi Tinplate Co., Ltd.	Subsidiary
TTET Union Corp.	Parent company to entity with joint control or significant influence
Kai Yu Investment Co., Ltd.	Parent company to entity with joint control or significant influence

(2) Significant related party transactions

A. Sales

	Years ended December 31,	
	2018	2017
Sales of goods:		
Subsidiaries		
Fujian Ton Yi Tinplate Co., Ltd.	$ 3, 589, 122	$ 3, 242, 129
Jiangsu Ton Yi Tinplate Co., Ltd.	2, 472, 469	2, 239, 105
Others	152, 235	111, 926
Parent company to entities with joint control or significant influence	389, 460	337, 933
	$ 6, 603, 286	$ 5, 931, 093

a. The Company's collection terms and methods for related party are wire transfer within 30 days of monthly statements, within 50 days after packing or within 30 days after arrival at port. The collection terms are similar to that of a third party. The Company only sells to the subsidiaries; thus there is no comparable price for sales made at arm's length.

b. The unrealized gain arising from goods sold to subsidiaries of $87,353 and $60,386 was recorded as a reduction to 'investments accounted for using equity method' for the years ended December 31, 2018 and 2017, respectively.

B. Purchases of goods

	Years ended December 31,	
	2018	2017
Purchases of goods		
Parent company to entities with joint control or significant influence	$ 32, 623	$ 40, 097
Subsidiaries	31, 409	8, 104
	$ 64, 032	$ 48, 201

Purchase price from related party is similar to that of a third party. The payment terms are similar to those of third parties, which are 30 days of invoice receipt.

C. Property transactions

Acquisition of financial assets:

	Accounts	No. of shares (in thousands)	Object	Year ended December 31, 2018 Consideration
Cayman Ton Yi Industrial Holdings Ltd.	Investments accounted for under equity	10,471	Cayman Ton Yi Industrial Holdings Ltd.	$ 3,210,527

	Accounts	No. of shares (in thousands)	Object	Year ended December 31, 2017 Consideration
Cayman Ton Yi Industrial Holdings Ltd.	Investments accounted for under equity	7,690	Cayman Ton Yi Industrial Holdings Ltd.	$ 2,325,174

Disposal of financial assets:

				Year ended December 31, 2018	
	Accounts	No. of shares (in thousands)	Object	Proceeds	Gain/(loss)
Kai Yu Investment Corp.	Financial assets at fair value through profit or loss - non-current	44,100	Unlisted stocks	$ 470,454	$ -
	Financial assets at fair value through profit or loss - non-current	108	Unlisted stocks	1,079	-
				$ 471,533	$ -

The Board of Directors adopted the resolution to sell the shareholding in unlisted companies (shown as 'Financial assets at fair value through profit or loss - non-current') to Kai-Yu Investment Corp. in March, 2018. The selling price was based on the expert's report.

D. Outstanding balance of receivables from related parties

	December 31, 2018	December 31, 2017
Subsidiaries		
Fujian Ton Yi Tinplate Co., Ltd.	$ 587,057	$ 542,883
Jiangsu Ton Yi Tinplate Co., Ltd.	457,370	307,601
Others	41,430	15,233
	1,085,857	865,717
Parent company to entities with joint control or significant influence	71,025	62,508
	$ 1,156,882	$ 928,225

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest.

(3) Key management compensation

	Years ended December 31,	
	2018	2017
Salaries and other short-term employee benefits	$ 66,000	$ 46,464

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of December 31, 2018 and 2017, the balances for contracts that the Company entered into but not yet due are $63,438 and $67,711, respectively.

B. As of December 31, 2018 and 2017, the unused letters of credit amounted to $735,481 and $588,335, respectively.

C. The commitments of the Company to sign loan contracts with banks are as follows:

a. The Company has entered into a lending agreement with CTBC Bank in 2018. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than $15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, and the company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.

b. The Company has entered into a lending agreement with KGB Bank in 2018. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than $15,000,000 at the annual assessment.

Under the terms of the loan agreement, if any of the financial covenants were not met, the Company has to improve the conditions within four months after the release of financial reports. Should the Company fail to meet the above covenants, the bank has the right to demand the Company to pay off the loan balance immediately.

c. The Company has entered into a lending agreement with CTBC Bank in 2017. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than $15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, and the company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.

d. The Company has entered into a lending agreement with Bank of Tokyo-Mitsubishi UFJ in 2017. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio at over 180%, and consolidated tangible shareholders' equity of not less than $15,000,000 at the annual assessment. Should the Company fail to meet the above covenants, the bank has the right to demand the Company to pay off the loan balance immediately.

As of December 31, 2018 and 2017, the Company's financial ratios have not violated the above covenants.

D. The Company leases various land under lease agreements. For the years ended December 31, 2018 and 2017, rental expense recorded under Operating cost and Operating expense amounted to $30,897 and $36,707, respectively. The future aggregate minimum lease payments under operating leases are as follows:

	December 31, 2018	December 31, 2017
Within 1 year	$ 24,515	$ 29,504
Between 1 and 5 years	116,642	157,801
Over 5 years	340,625	564,452
	$ 481,782	$ 751,757

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Notes 6 and 12(4), 'The effects on initial application of IFRS 9 and the description of adopting IAS 39'.

B. Financial risk management policies

a. The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company seeks to minimize potential adverse effects on the Company's financial performance. The Company hedges foreign exchange risk by using Forward foreign exchange contracts.

b. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Company's foreign operations are considered strategic investments; thus, no hedging for the purpose is conducted.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(foreign currency: functional currency)	December 31, 2018 Foreign Currency Amount (in thousands)	Exchange Rate	Book Value
Financial assets			
Monetary items			
USD : NTD	$ 52,301	30.72	$ 1,606,425
EUR : NTD	1,725	35.20	60,720
JPY : NTD	111,089	0.2782	30,905
Investments accounted for using equity method			
USD : NTD	523,247	30.72	16,071,532
VND : NTD	59,652,298	0.001325	79,039
Financial liability			
Monetary items			
USD : NTD	16,501	30.72	506,828

(foreign currency: functional currency)	December 31, 2017 Foreign Currency Amount (in thousands)	Exchange Rate	Book Value
Financial assets			
Monetary items			
USD : NTD	$ 37,748	29.76	$ 1,123,380
EUR : NTD	2,026	35.57	72,065
Investments accounted for using equity method			
USD : NTD	409,457	29.76	12,185,440
VND :NTD	61,390,979	0.001311	80,484

iv. As of December 31, 2018 and 2017, if the functional currency exchange rate had appreciated/depreciated by 1%, with all other factors remaining constant, the Company's post-tax profit for the years ended December 31, 2018 and 2017 would have increased/decreased by $9,530 and $9,922, respectively.

v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2018 and 2017 amounted to $46,430 and ($52,672), respectively.

(b) Price risk

i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the individual balance sheet as financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company has carefully determined its investing portfolio and has set various stop-loss points to ensure that it is not exposed to significant risks. Accordingly, no material market risk is expected.

ii. The Company's investments in equity securities comprise the prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other componements of equity for the years ended December 31, 2018 and 2017 would have increased/decreased by $1,222 and $1,787, respectively.

(c) Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. For the years ended December 31, 2018 and 2017, the Company's borrowings at variable rate were denominated in NTD and USD.

ii. During the years ended December 31, 2018 and 2017, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have decreased/increased by $1,010 and $742, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

b. Credit risk

(a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and financial assets measured at amortized cost based on the agreed terms.

(b) The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(c) The Company adopts management of credit risk, whereby the default occurs when the contract payments are past due over certain number of days.

(d) The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

i. If the contract payments were past due over certain number of days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

ii. If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low. When the investment target of the independent credit rating is set to be reduced by two grades, the company judges that the credit risk of the investment target has increased significantly.

(e) The Company classifies customer's accounts receivable in accordance with product types. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis, and used the forecastability concern to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Company applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	2018	
	Notes receivable	Accounts receivable
At January 1_IAS 39	$ 1,200	$ 5,252
Adjustments under new standards	-	-
At January 1_IFRS 9	1,200	5,252
Reversal of impairment loss	292	2,541
At December 31_IFRS 9	$ 1,492	$ 7,793

(f) Credit risk information for 2017 is provided in Note 12(4) 'Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017'.

C. Liquidity risk

(a) Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(b) Surplus cash held by the Company over and above the balance required for working capital management are transferred to the Finance Department. Finance Department invests surplus cash in interest bearing current accounts and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

(c) The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Short-term borrowings	$ 2,386,860	$ -	$ -	$ -
Short-term notes and bills payable	400,000	-	-	-
Notes payable	15,245	-	-	-
Accounts payable	164,446	-	-	-
Other payables	698,713	-	-	-
Other financial liabilities - current	310	-	-	-
Long-term borrowings	96,789	5,070,006	3,126,873	-
Guarantee deposits received	-	5,500	-	-

December 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Short-term borrowings	$ 789,285	$ -	$ -	$ -
Short-term notes and bills payable	700,000	-	-	-
Notes payable	23,659	-	-	-
Accounts payable	255,238	-	-	-
Other payables	527,661	-	-	-
Other financial liabilities - current	2,300	-	-	-
Long-term borrowings	77,753	2,816,424	3,775,289	-
Guarantee deposits received	-	6,510	-	-

(d) The Company does not expect the maturity date to end early nor the actual cash flow to be materially different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2:Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:Unobservable inputs for the asset or liability.

B. The fair value of the Company's financial assets and financial liabilities not measured at fair value including the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, other current financial assets, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, and other payables, other current financial liabilities, long-term borrowings, and guarantee deposits received are approximate to their fair values

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 122,199	$ -	$ -	$ 122,199

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Available-for-sale financial assets				
Equity securities	$ 178,731	$ -	$ -	$ 178,731

D. The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

E. For the years ended December 31, 2018 and 2017, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2018 and 2017, there was no transfer into or out from Level 3.

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summary of significant accounting policies adopted in 2017:

a. Financial assets at fair value through profit or loss

(a) They are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

i Hybrid (combined) contracts; or

ii They eliminate or significantly reduce a measurement or recognition inconsistency; or iii They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

(b) On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

(c) Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

b. Available for sale financial assets

(a) They are non-derivatives that are either designated in this category or not classified in any of the other categories.

(b) On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

(c) They are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

c. Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

d. Impairment of financial assets

(a) The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(b) The criteria that the Company uses to determine whether there is objective evidence of an impairment loss is as follows:

i Significant financial difficulty of the issuer or debtor;

ii A breach of contract, such as a default or delinquency in interest or principal payments;

iii The disappearance of an active market for that financial asset because of financial difficulties;

iv Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

v Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

vi A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

(c) When the Company assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

i Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account

ii Financial assets at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

iii Financial assets at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

B. Reconciliations of carrying amount of financial assets transferred from December 31, 2017, IAS 39, to January 1, 2018, IFRS 9, are provided in Note 3(1),' Effects of adoption of new issuances of or amendments to IFRS as endorsed by the FSC'.

C. The significant accounts for the year ended December 31, 2017 are as follows:

a. Notes and accounts receivable, net

	December 31, 2017
Notes receivable	$ 120,003
Less: Allowance for doubtful accounts	(1,200)
	$ 118,803

	December 31, 2017
Accounts receivable	$ 521,569
Less: Allowance for doubtful accounts	(5,252)
	$ 516,317

(a) Ageing analysis of the Company's accounts receivable, including those with related party, that were past due but not impaired is as follows:

	December 31, 2017
Within 90 days	$ 196

The above ageing analysis was based on past due date.

(b) Movements of financial assets that were impaired including notes receivable and accounts receivable are as follows:

	For the year ended December 31, 2017
	Group provision
At January 1	$ 5,584
Provision for impairment	868
At December 31	$ 6,452

(c) The Company's notes receivable and accounts receivable (including related parties) that are neither past due nor impaired are fully performing in line with the credit standards prescribed based on counterparties' industrial characteristics, scale of business and profitability.

(d) The Company did not pledge notes receivable and accounts receivable (including related parties) as collateral as of December 31, 2017.

(e) The Company did not hold collateral on accounts receivable (including related parties) as of December 31, 2017.

b. Available-for-sale financial assets - non-current

	December 31, 2017
Listed stocks	$ 378,917
Valuation adjustment	(200,186)
	$ 178,731

(a) The Company recognized fair value change in other comprehensive income of $56,089 for the year ended December 31, 2017, and no amount was reclassified from equity to profit or loss for the year ended December 31, 2017.

(b) The Company did not pledge available-for-sale financial assets - non-current as collateral as of December 31, 2017.

C Financial assets carried at cost - non-current

	December 31, 2017
Unlisted stocks	$ 501,050

(a) The Company classified some of its equity investments as available-for-sale financial assets based on its intention. However, as these stocks are not traded in an active market, and there is no sufficient information of similar companies in the same industry, fair value of the investments cannot be measured reliably. Accordingly, the Company classified these stocks as 'financial assets carried at cost'.

(b) The Company did not pledge financial assets carried at cost - non-current as collateral as of December 31, 2017.

D. Credit risk information for the year ended December 31, 2017 is as follows:

a. Credit risk refers to the risk of financial loss to the Comapny arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Compsny is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, accounts receivable and promised transactions. For banks and financial institutions, only independently rated parties with good ratings are accepted.

b. For the year ended December 31, 2017, no credit limits were exceeded during the reporting period, and management does not expect any significant losses from non-performance by these counterparties.

(5) Effects of initial application of IFRS 15 and information on application of IAS 11 and IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 are set out below.

Sales of goods

The Company manufactures and sells tinplate and empty can, etc. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Company's activities. Revenue arising from the sales of goods is recognized when the Company has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. The effects and description of current balance sheet and comprehensive income statement items if the Company continues adopting the above accounting policies are as follows:

		Year ended December 31, 2018		
Balance sheet items	Description	Balance by using IFRS 15	Balance by using previous accounting policies	Effects from changes in accounting policy
Contract liabilities - current	(1)	$ 23,911	$ -	$ 23,911
Refund liabilities - current	(2)	9,145	-	9,145
Advance sales receipts	(1)	-	23,911	(23,911)
Deductions on accounts receivable	(2)	-	9,145	(9,145)
		$ 33,056	$ 33,056	$ -

Explanation:

a. Under IFRS 15, the advance sales receipts are recognized as contract liabilities, but were previously presented as allowance sales receipts in the balance sheet.

b. Under IFRS 15, liabilities in relation to expected volume discounts and refunds to customers are recognized as current refund liabilities in the balance sheet.

c. There is no significant effect on the comprehensive income statement.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2018.

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative financial instruments undertaken during the reporting periods:

a. As of December 31, 2018, the Company has not traded any derivative financial instrument. For the year ended December 31, 2018, the net income recognized for trading derivative instruments amounted to $2,976.

b. The subsidiaries have not traded derivative financial instruments.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

14. SEGMENT INFORMATION

None.

Ton Yi Industrial Corp.

Loans to others

Year ended December 31, 2018

Table 1 | Expressed in thousands of NTD

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
1	Wuxi Ton Yi Industrial Packing Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Other receivables	Y	$ 49,119	$ -	$ -	4.00	2	$ -	Operational use	$ -	—	$ -	$ 212,351	$ 424,702	Note 2
1	Wuxi Ton Yi Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	49,119	-	-	4.00	2	-	Operational use	-	—	-	212,351	424,702	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	178,615	178,615	89,307	4.00	2	-	Operational use	-	—	-	357,205	357,205	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	102,703	102,703	22,327	4.00	2	-	Operational use	-	—	-	357,205	357,205	Note 2
3	Changsha Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	62,515	31,258	31,258	4.00	2	-	Operational use	-	—	-	219,669	219,669	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	-	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	40,188	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	-	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	40,188	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	116,099	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
4	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	$ 133,961	$ 133,961	$ 122,797	4.00	2	$ -	Operational use	$ -	—	$ -	$ 8,850,284	$ 8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	-	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	8,931	4.00	2	-	Operational use	-	—	-	8,850,284	8,850,284	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	357,229	178,615	178,615	4.00	2	-	Operational use	-	—	-	1,710,619	1,710,619	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	75,911	3.00	2	-	Operational use	-	—	-	1,710,619	1,710,619	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	66,980	66,980	4.00	2	-	Operational use	-	—	-	1,710,619	1,710,619	Note 2
6	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	-	3.00	2	-	Operational use	-	—	-	1,440,635	1,440,635	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	133,961	125,030	3.00	2	-	Operational use	-	—	-	1,008,319	1,008,319	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,961	-	-	4.00	2	-	Operational use	-	—	-	1,008,319	1,008,319	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	62,515	3.00	2	-	Operational use	-	—	-	1,008,319	1,008,319	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	133,961	-	-	4.00	2	-	Operational use	-	—	-	201,664	403,328	Note 2
8	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	-	3.00	2	-	Operational use	-	—	-	808,324	808,324	Note 2
9	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	-	3.00	2	-	Operational use	-	—	-	885,104	885,104	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
10	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	$ 133,961	$ 133,961	$ -	3.00	2	$ -	Operational use	$ -	—	$ -	$ 759,440	$ 759,440	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	31,258	3.00	2	-	Operational use	-	—	-	864,527	864,527	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	89,307	-	-	4.00	2	-	Operational use	-	—	-	864,527	864,527	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	357,229	267,922	245,595	4.00	2	-	Operational use	-	—	-	864,527	864,527	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	44,654	-	-	4.00	2	-	Operational use	-	—	-	864,527	864,527	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	245,595	133,961	133,961	4.00	2	-	Operational use	-	—	-	730,481	730,481	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	44,654	44,654	44,654	4.00	2	-	Operational use	-	—	-	730,481	730,481	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,961	133,961	-	3.00	2	-	Operational use	-	—	-	730,481	730,481	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	66,980	-	-	4.00	2	-	Operational use	-	—	-	730,481	730,481	Note 2

(Note 1) Nature of loans to others is filled as follows:
(1) For trading partner.
(2) For short-term financing.

(Note 2) The maximum loan amount is 40% of its net assets.
(1) Trading partner: The maximum amount for individual trading partner shall not exceed the higher of total purchase or sale transactions during the reporting period or the most recent year.
(2) Short-term financing: The maximum amount for short-term financing is 20% of the Company’s net assets; If the Company loans to foreign subsidiaries, which the Company holds 100% ownership directly or indirectly, the maximum amount for the subsidiary is 100% of the Company’s net assets.

(Note 3) Foreign currency was translated into New Taiwan Dollars with exchange rate as of December 31, 2018 as follows: CNY:NTD 1：4.465363.

Ton Yi Industrial Corp.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2018

Table 2

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2018				Footnote
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	–	1	250	$ 122,199	0.04	$ 122,199	—

(Note) The code number explanation is as follows:

1.Non-current financial assets at fair value through other comprehensive income

Ton Yi Industrial Corp.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2018

Table 3

Expressed in thousands of NTD

					Balance as at January 1, 2018		Addition		Disposal				Other increase (decrease)		Balance as at December 31, 2018	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
	Stock:															
Ton-Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Note 1	Capital increase by Cash	Subsidiaries	33,000	$ 12,140,137	10,471	$ 3,210,527	-	$ -	$ -	$ -	-	$ 653,889	43,471	$ 16,004,553
Ton-Yi Industrial Corp.	President International Development Corp.	Note 2	Kai-Yu Investment Co., Ltd.	Parent company to the entity with joint control or significant influence	44,100	471,870	-	-	(44,100)	470,454	(470,454)	-	-	(1,416)	-	-
Wuxi Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Note 1	Capital increase by Cash	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for under the equity method	-	-	-	807,749	-	-	-	-	-	(1,760)	-	805,989
Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Note 1	Capital increase by Cash	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	-	-	-	492,701	-	-	-	-	-	(399)	-	492,302

(Note1) Long-term equity investments accounted for under the equity method.

(Note2) Under IFRS 9, Financial assets at amortised cost was classfied to Financial assets at fair value through profit or loss - non-current on January 1, 2018.

Ton Yi Industrial Corp.

Disposal of real estate reaching $300 million or 20% of paid-in capital or more

Year ended December 31, 2018

Table 4

Corporation of disposal	Name of Property	Date of disposal	Original Date of acquisition	Book value	Trade amount	Status of collection of price	Gain (loss) on disposal (Note 1)	Name of the counter party	Relationship	Purpose of disposal	Basis of decision of price	Other terms
Jiangsu Ton Yi Tinplate Co., Ltd.	Buildings and Long-term prepaid rent	2017.12	1996.06	$ 174,271	$ 1,083,631	90% of price was collected	$ 784,806	Local government	None	Requisition by Local government	(Note 2)	None
Wuxi Ton Yi Industrial Packing Co., Ltd.	Buildings and Long-term prepaid rent	2017.12	1994.11~ 1994.12	50,880	471,766	100% of price was collected	417,607	Local government	None	Requisition by Local government	(Note 2)	None

(Note 1) Related costs of disposal has been deducted from gain (loss) on disposal, and gain (loss) on disposal was recognized as"Other income" of $608,644 amd "Other gains and losses" of $593,769.

(Note 2) It was not applied as the counterparty was local government.

(Note 3) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Book value was translated using the exchange rate as at December 31, 2018 (CNY:NTD 1:4.465363);

Gain (loss) on diposal was translated using the weighted-average exchange rate for the year ended December 31, 2018 (CNY:NTD 1:4.558209).

Ton Yi Industrial Corp.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2018

Table 5

Expressed in thousands of NTD

			Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Ton Yi Industrial Corp.	Tovecan Corporation Limited	Investments accounted for using equity method	(Sales)	($ 152,235)	(1)	30 days after arriving	$ -	—	$ 41,430	2	—
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for under the equity method	(Sales)	(3,589,122)	(19)	50 days after shipping	-	—	587,057	28	—
Ton Yi Industrial Corp.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for undercthe equity method	(Sales)	(2,472,469)	(13)	50 days after shipping	-	—	457,370	22	—
Ton Yi Industrial Corp.	TTET Union Corp.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(339,170)	(2)	Within 30 days of statements settled a month,T/T	-	—	64,958	3	—
Tovecan Corporation Limited	Ton Yi Industrial Corp.	The Company	Purchases	152,235	87	30 days after arriving	-	—	(41,430)	(96)	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	Purchases	332,112	39	67 days after invoice date, T/T	-	—	(53,204)	(34)	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for under the equity method	Purchases	174,290	20	67 days after invoice date, T/T	-	—	(31,728)	(20)	—
Fujian Ton Yi Tinplate Co., Ltd.	Ton Yi Industrial Corp.	The Company	Purchases	3,589,122	91	50 days after shipping	-	—	(587,057)	(91)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Description and reasons for difference in transaction terms compared to third party transactions: Unit price	Description and reasons for difference in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Footnote
Fujian Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	($ 174,290)	(4)	67 days after invoice date, T/T	$ -	—	$ 31,728	3	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Ton Yi Industrial Corp.	The Company	Purchases	2,472,469	88	50 days after shipping	-	—	(457,370)	(86)	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	(332,112)	(10)	67 days after invoice date, T/T	-	—	53,204	6	—
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(1,794,648)	(73)	Within 22 days of statements settled twice a month, T/T	-	—	104,921	80	—
Taizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(151,413)	(6)	Within 22 days of statements settled twice a month, T/T	-	—	4,179	3	—
Taizhou Ton Yi Industrial Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	(Sales)	(119,436)	(5)	15 days after invoice date, T/T	-	—	3,545	3	—
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(1,487,970)	(84)	Within 22 days of statements settled twice a month, T/T	-	—	142,821	86	—
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(2,145,575)	(93)	Within 22 days of statements settled twice a month, T/T	-	—	215,948	98	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Description and reasons for difference in transaction terms compared to third party transactions: Unit price	Description and reasons for difference in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Footnote
Kunshan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Purchases	$ 189,148	12	15 days after invoice date, T/T	$ -	—	($ 18,386)	(12)	—
Kunshan Ton Yi Industrial Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Purchases	119,436	8	15 days after invoice date, T/T	-	—	(3,545)	(2)	
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks & Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(2,078,335)	(95)	Within 22 days of statements settled twice a month, T/T	-	—	121,289	100	—
Beijing Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Purchases	196,215	14	15 days after invoice date, T/T	-	—	(14,293)	(14)	—
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(1,166,687)	(100)	Within 22 days of statements settled twice a month, T/T	-	—	119,920	100	—
Huizhou Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Purchases	102,089	13	15 days after invoice date, T/T	-	—	(23,223)	(16)	—
Chengdu Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(679,921)	(60)	Within 22 days of statements settled twice a month, T/T	-	—	57,440	49	—
Chengdu Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(147,914)	(13)	Within 22 days of statements settled twice a month, T/T	-	—	15,651	13	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(1,606,321)	(94)	Within 22 days of statements settled twice a month, T/T	-	—	190,732	99	—

			Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	($ 532,527)	(53)	Within 22 days of statements settled twice a month, T/T	$ -	–	$ 83,221	56	–
Zhanjiang Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	(451,415)	(45)	Within 22 days of statements settled twice a month, T/T	-	–	$52,536	35	–

(Note 1) The above terms are in accordance with the Company’s policy on credit management, please refer to Note 7 Related Party Transactions for details.

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchange rates: Ending balances of receivables and payables were translated using the exchange rate as at December 31, 2018 (CNY:NTD 1:4.465363；USD:NTD 1:30.715；VND:NTD 1:0.001325); Amounts of transactions were translated using the weighted-average exchange rate for the year ended December 31, 2018 (CNY:NTD 1:4.558209；USD:NTD 1:30.17512；VND:NTD 1:0.001310).

Ton Yi Industrial Corp.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2018

Table 6

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for under the equity method	Accounts receivable	$ 587,057	6.35	$ -	—	$ 587,057	$ -
Ton Yi Industrial Corp.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	Accounts receivable	457,370	6.46	-	—	457,370	-
Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	123,149	-	-	—	20,446	-
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co.,Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	116,406	-	-	—	307	-
Taizhou Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	178,833	-	-	—	-	-
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	104,921	14.71	-	—	104,921	-
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	142,821	12.14	-	—	142,821	-
Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	125,159	-	-	—	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	215,948	14.94	-	—	215,948	-
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks & Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	121,289	24.39	-	—	121,289	-
Huizhou Ton Yi Industrial Co.,Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	119,920	8.77	-	—	119,920	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	Accounts receivable	190,732	9.56	-	—	190,732	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	246,031	-	-	—	74	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial packing Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	134,138	-	-	—	13	-

(Note) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable and subsequent collections were translated using the exchange rate as at December 31, 2018 (CYN:NTD 1:4.465363；USD:NTD 1:30.715).

Ton Yi Industrial Corp.

Significant inter-company transactions during the reporting period

Year ended December 31, 2018

Table 7

Expressed in thousands of NTD

				Transaction			
Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Ton Yi Industrial Corp.	Tovecan Corporation Limited.	1	Sales	$ 152,235	30 days after arriving	-
		Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	3,589,122	50 days after shipping	10%
			1	Accounts receivable	587,057	—	2%
		Jiangsu Ton Yi Tinplate Co., Ltd.	1	Sales	2,472,469	50 days after shipping	7%
			1	Accounts receivable	457,370	—	1%
1	Fujian Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Sales	174,290	67 days after invoice date	-
2	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Sales	332,112	67 days after invoice date	1%
3	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	123,149	—	-
		Huizhou Ton Yi Industrial Co.,Ltd.	3	Other receivables	116,406	—	-
4	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	125,159	—	-
5	Taizhou Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	178,833	—	-
		Kunshan Ton Yi Industrial Co., Ltd.	3	Sales	119,436	15 days after invoice date, T/T	-
6	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	246,031	—	1%
7	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	134,138	—	-

(Note 1) Only transactions amounting to more than $100 million are disclosed. Transactions between parent company and subsidiaries were disclosed on the previous sections, no duplicated information is disclosed in this section.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

(Note 5) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at December 31, 2018 (CNY:NTD 1:4.465363); Amounts of transactions were translated using the weighted-average exchange rate for the year ended December 31, 2018 (CNY:NTD 1:4.558209).

Ton Yi Industrial Corp.

Information on investees

Year ended December 31, 2018

Table 8

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General trading and investment	$ 13,399,488	$ 10,188,961	43,470,820	100.00	$ 16,004,553	$ 1,137,794	$ 1,137,794	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing of cans	43,740	43,740	-	51.00	58,685	(4,467)	(2,278)	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,064,450	7,064,450	230,000,000	100.00	8,850,312	629,733	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,967,667	1,967,667	8,727	100.00	3,224,952	(183,230)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,102,754	1,102,754	5,000	100.00	2,376,095	394,323	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	7,064,450	7,064,450	230,000,000	100.00	8,850,312	629,733	-	Subsidiary (Note 1)

(Note 1) Not required to disclose income (loss) recognized by the Company.

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at December 31, 2018 (USD:NTD 1:30.715); Amounts of transactions were translated using the weighted-average exchange rate for the year ended December 31, 2018 (USD:NTD 1:30.175120).

Ton Yi Industrial Corp.

Information on investments in Mainland China

Year ended December 31, 2018

Table 9

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee for rhe year ended December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	$ 298,550	Note 1	$ 215,005	$ -	$ -	$ 215,005	$ 445,420	100.00	$ 446,562	$ 1,043,248	$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	230,363	Note 1	230,363	-	-	230,363	(82,706)	100.00	(82,706)	357,206	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sales of cans	215,005	Note 1	-	-	-	-	9,171	100.00	9,171	219,670	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	2,656,848	Note 2	1,638,553	-	-	1,638,553	(211,083)	86.80	(183,230)	3,154,840	-	Note 7
Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	1,228,600	Note 3	852,341	-	-	852,341	475,902	82.86	394,323	2,244,959	-	Note 7
Ton Yi (China) Investment Co., Ltd.	General investment	7,064,450	Note 4	921,450	-	-	921,450	629,733	100.00	629,733	8,850,312	-	Note 7
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	921,450	-	-	921,450	232,638	100.00	232,638	1,710,619	-	Note 7
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	921,450	-	-	921,450	85,721	100.00	85,721	1,440,635	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	-	-	-	-	110,602	100.00	110,602	1,008,319	-	Note 7
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	-	-	-	-	25,986	100.00	25,986	808,324	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	184,290	-	-	184,290	56,576	100.00	56,576	885,104	-	Note 7
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	353,223	-	-	353,223	18,894	100.00	18,894	759,440	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	921,450	Note 5	-	-	-	-	41,342	100.00	41,342	864,527	-	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	614,300	Note 5	-	-	-	-	32,315	100.00	32,315	730,481	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	491,440	Note 5	-	-	-	-	(167)	100.00	(167)	492,302	-	Note 7
Wuxi Tonyi Daiwa Industrial Co., Ltd.	Manufacturing of cans	1,228,600	Note 6	-	-	-	-	5,345	66.50	3,554	805,989	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 8)
Ton Yi Industrial Corp.	$ 6,238,125	$ 11,954,499	$ 11,958,395

(Note 1) Through investing in an existing company in the third area (Cayman Ton Yi Industrial Holdings Ltd.), which then invested in the investee in Mainland China.

(Note 2) Through investing in an existing company in the third area (Cayman Fujian Ton Yi Holdings Ltd.), which then invested in the investee in Mainland China.

(Note 3) Through investing in an existing company in the third area (Cayman Jiangsu Ton Yi Holdings Ltd.), which then invested in the investee in Mainland China.

(Note 4) Through investing in an existing company in the third area (Cayman Ton Yi (China) Holdings Limited), which then invested in the investee in Mainland China.

(Note 5) Through investing in an existing company in the Mainland China (Ton Yi (China) Investment Co., Ltd.) , which then invested in the investee in Mainland China.

(Note 6) Through investing in an existing company in the Mainland China (Wuxi Ton Yi Industrial Packing Co., Ltd.) , which then invested in the investee in Mainland China.

(Note 7) The Company recognised income (loss) based on the audited financial statements.

(Note 8) The ceiling amount is 60% of consolidated net assets.

(Note 9) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at December 31, 2018 (CNY:NTD 1:4.465363, USD:NTD 1:30.715); Amounts of transactions were translated using the weighted-average exchange rate for year ended December 31, 2018 (CNY:NTD 1:4.558209, USD:NTD 1:30.175120).

Ton Yi Industrial Corp.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2018

Table 10

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2018	%	Balance at December 31, 2018	Purpose	Maximum balance during the year ended December 31, 2018	Balance at December 31, 2018	Interest rate	Interest during the year ended December 31, 2018	Others
Fujian Ton Yi Tinplate Co., Ltd.	$ 3,589,122	19	$ -	-	$ 587,057	28	$ -	—	$ -	$ -	—	$ -	—
Jiangsu Ton Yi Tinplate Co., Ltd.	2,472,469	13	-	-	457,370	22	-	—	-	-	—	-	—

TON YI INDUSTRIAL CORP.
STATEMENT OF ACCOUNTS RECEIVABLE,NET
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Client Name	Item	Amount
Network Steel S.L.	Accounts receivable	$ 77,627
United Steel Global Trading Corporation	Accounts receivable	77,464
Reynolds Services, Inc.	Accounts receivable	73,552
King Car Industrial Co., Ltd.	Accounts receivable	65,408
PT.NS Bluescope Lndonesia	Accounts receivable	57,752
Crown Food Packaging (Thailand) Public Co., Ltd.	Accounts receivable	54,102
Toyota Tsusho Corp.	Accounts receivable	49,123
Prosperity Tieh Enterprise Co., Ltd.	Accounts receivable	46,187
Taiwan Nippon Steel & Sumikin Bussan	Accounts receivable	40,478
Others (less than 5%)	Accounts receivable	250,273
		791,966
Less：Allowance for doubtful accounts		(7,793)
		$ 784,173

TON YI INDUSTRIAL CORP.
STATEMENT OF ACCOUNTS RECEIVABLE-RELATED PARTIES,NET
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Client Name	Item	Amount	Note
Fujian Ton Yi Tinplate Co., Ltd.	Accounts receivable	$ 587,057	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Accounts receivable	457,370	—
TTET Union Corp.	Accounts receivable	64,958	—
Others (less than 5%)	Accounts receivable	47,497	—
		$ 1,156,882	

TON YI INDUSTRIAL CORP.
STATEMENT OF INVENTORIES
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Desciption	Amount: Cost	Amount: Net Realizable Value	Note
Merchandise	—	$ 3,367	$ 3,367	(Note)
Raw material	—	770,305	826,236	(Note)
Raw material in transit	—	18,121	19,994	(Note)
Supplies	—	132,430	132,934	(Note)
Supplies in transit	—	24,147	24,147	(Note)
Work in progress	—	597,373	651,773	(Note)
Finished goods	—	730,082	772,377	(Note)
		2,275,825	$ 2,430,828	
Less：Allowance for Inventory Valuation losses		(32,000)		
		$ 2,243,825		

Note: Please refer to Note 4(8) for the method to determine the net realizable value.

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGE IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Additions		Decrease		Ending Balance			Market Value or Net Assets Value		
Company Name	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Percentage of Ownership(%)	Amount	Unit Price (NT$)	Total Amount	Collateral
Cayman Ton Yi Industrial Holdings Ltd.	33,000	$ 12,140,137	10,471	$ 4,348,321	-	($ 483,905)	43,471	100%	$ 16,004,553	$ 370	$ 16,071,531	None
Tovecan Corp.	-	65,399	-	847	-	(7,561)	-	51%	58,685	-	79,060	None
	33,000	$ 12,205,536	10,471	$ 4,349,168	-	($ 491,466)	43,471		$ 16,063,238		$ 16,150,591	

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGE IN PROPERTY,PLANT AND EQUIPMENT-COST
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(6) for the information related to property, plant and equipment.

TON YI INDUSTRIAL CORP.

STATEMENT OF CHANGE IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED DEPRECIATION

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(6) for the information related to property, plant and equipment,and Note 4(13) for the method to determine depreciation and useful lives for assets.

TON YI INDUSTRIAL CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

TYPE	Description	Ending Balance	Period of Contract	Range of Interest Rate	Credit facility	Collateral	Note
Unsecured loan	Bank of Taiwan	$ 500,000	2018.11.28～2019.3.11	(Note)	$ 950,000	None	—
Unsecured loan	Bank of Taiwan	12,791	2018.12.7～2019.3.7	(Note)	USD 28,600 in thousands	None	—
Unsecured loan	First Commercial Bank	353,906	2018.12.14～2019.3.18	(Note)	800,000	None	—
Unsecured loan	The Export-Import Bank of the Republic of China	300,000	2018.6.29～2019.7.26	(Note)	300,000	None	—
Unsecured loan	Land Bank of Taiwan	297,698	2018.12.6～2019.3.6	(Note)	400,000	None	—
Unsecured loan	Bangkok Bank Public Company Ltd.	149,914	2018.12.20～2019.1.10	(Note)	USD 20,000 in thousands	None	—
Unsecured loan	Bangkok Bank Public Company Ltd.	79,270	2018.12.20～2019.3.15	(Note)	USD 20,000 in thousands	None	—
Unsecured loan	The Bank Of Tokyo-Mitsubishi UFJ, Ltd.	200,000	2018.12.26～2019.6.24	(Note)	500,000	None	—
Unsecured loan	HSBC Bank (Taiwan) Limited	167,024	2018.12.6～2019.4.26	(Note)	USD 20,000 in thousands	None	—
Unsecured loan	Bank SinoPac Company Limited	100,000	2018.11.23～2019.1.21	(Note)	500,000	None	—
Unsecured loan	E.Sun Commercial Bank, Ltd.	94,173	2018.11.13～2019.3.11	(Note)	300,000	None	—
Unsecured loan	Hua Nan Commercial Bank	64,535	2018.10.12～2019.6.18	(Note)	500,000	None	—
Unsecured loan	Mega International Commercial Bank Co., Ltd.	34,449	2018.10.29～2019.2.27	(Note)	950,000	None	—
Unsecured loan	Taiwan Cooperative Bank	14,435	2018.12.19～2019.3.27	(Note)	300,000	None	—
Unsecured loan	Taishin International Bank	11,912	2018.11.5～2019.2.5	(Note)	400,000	None	—
		$ 2,380,107					

Note：Range of Interest rate is 0.82%～3.68%。

TON YI INDUSTRIAL CORP.
STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Guarantee/ Accepting Agency	Period of Contract	Range of Interest Rate	Amount			Note
				Issue Amount	Unamortized Discount	Book value	
Commerical Paper Payable	Mega Bills Finance Co., Ltd.	2018.12.7～2019.1.4	(Note)	$ 100,000	$ 8	$ 99,992	－
Commerical Paper Payable	Taiwan Finance Corporation	2018.12.7～2019.1.4	(Note)	100,000	8	99,992	－
Commerical Paper Payable	Ta Ching Bills Finance Corporation	2018.11.6～2019.1.7	(Note)	100,000	15	99,985	－
Commerical Paper Payable	Dah Chung Bills Finance Corp.	2018.12.20～2019.1.17	(Note)	100,000	42	99,958	－
				$ 400,000	$ 73	$ 399,927	

Note：Range of interest rate is 0.95%～0.96%。

TON YI INDUSTRIAL CORP.
STATEMENT OF OTHER PAYABLES
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Desciption	Amount
Payroll and bonus payable		$ 231,815
Employees compensation and directors compensation payable		89,280
Utilities payable		82,250
Others (less than 5%)		295,368
		$ 698,713

TON YI INDUSTRIAL CORP.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Creditor	Description	Amount	Period of Contract	Rate	Collateral	Note
Bangkok Bank Public Company Ltd.	Unsecured loan	$ 1,300,000	2017.4.26～2021.11.22	(Note)	None	The amount revolves in credit facility until the expiry date, and repay upon maturity.
KGI Commercial Bank Co., Ltd.	Unsecured loan	800,000	2018.11.8～2021.12.6	(Note)	None	"
Mega International Commercial Bank Co., Ltd.	Unsecured loan	800,000	2017.7.3～2020.7.3	(Note)	None	"
Far Eastern International Bank	Unsecured loan	800,000	2017.8.24～2021.8.13	(Note)	None	"
Bank of Taiwan	Unsecured loan	750,000	2017.7.3～2020.7.3	(Note)	None	"
Chinatrust Commercial Bank	Unsecured loan	750,000	2017.8.17～2021.12.19	(Note)	None	"
E.Sun Commercial Bank, Ltd.	Unsecured loan	750,000	2017.5.4～2021.5.10	(Note)	None	"
The Bank Of Tokyo-Mitsubishi UFJ, Ltd.	Unsecured loan	600,000	2017.4.24～2020.4.24	(Note)	None	"
Land Bank of Taiwan	Unsecured loan	500,000	2017.9.22～2020.9.22	(Note)	None	"
Yuanta Commercial Bank Co., Ltd.	Unsecured loan	450,000	2018.8.3～2021.8.2	(Note)	None	"
Taipei Fubon Commercial Bank Co., Ltd.	Unsecured loan	300,000	2018.11.9～2020.11.9	(Note)	None	"
Mizuho Corporate Bank Ltd.	Unsecured loan	300,000	2018.6.30～2020.6.30	(Note)	None	"
		$ 8,100,000				

Note：Range of Interest rate is 1.04%～1.32%。

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGE IN DEFINED BENEFIT LIABILITY-NONCURRENT
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(13) for the information related to pension.

TON YI INDUSTRIAL CORP.
STATEMENT OF SALES REVENUE
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Amount	Note
TMBP&SPCC	499,178 tons	$ 11,130,734	—
Tinplate	247,192 tons	7,147,073	—
Tin-Can	113,617 bottles in thousands	736,057	—
Other		39,603	—
		19,053,467	
Less：Sale return		(1,559)	—
Sale discount and Allowance		(38,254)	—
Sale revenue, net		$ 19,013,654	

TON YI INDUSTRIAL CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Merchandise at January 1	$ 1,822
Add: Merchandise purchased	33,755
Merchandise at December 31	(3,367)
Merchandise sold in this period	32,210
Raw materials and material in transit at January 1	751,978
Add: Raw material purchased	14,023,279
Finished goods transfer in	5,824,008
Less: Transfer to expense	(700)
Raw materials and material in transit at December 31	(788,426)
Raw materials used in this period	19,810,139
Supplies at January 1	144,166
Add: Supplies purchased	690,553
Less: Disposal supplies	(4,647)
Supplies and Supplies in transit at December 31	(156,577)
Supplies used in this period	673,495
Direct labor	463,237
Manufacturing overhead	2,720,971
Manufacturing cost	23,667,842
Work in process at January 1	516,719
Less: Transfer to expense	(3,929)
Work in process at December 31	(597,373)
Cost of Finished goods	23,583,259
Finished goods at January 1	650,442
Add: Finished goods purchased	17,316
Less: Finished goods transfer out	(5,824,008)
Transfer to expense	(10,660)
Finished goods at December 31	(730,082)
Cost of production and marketing	17,686,267
Cost of supplies sold	4,647
Cost of inventory sold	17,723,124
Reversal of provision for inventory market price dedline	(26,000)
Revenue from sale of scraps	(367,244)
Revenue from indemnities	(16,701)
Operating cost	$ 17,313,179

TON YI INDUSTRIAL CORP.
STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wage and salaries	—	$ 132,463	—
Utilities	—	455,097	—
Depreciation	—	989,925	—
Packing expenses	—	255,898	—
Heating expenses	—	302,191	—
Others (less than 5%)	—	585,397	—
		$ 2,720,971	

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TON YI INDUSTRIAL CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Shipping	—	$ 623,938	—
Import and export charges	—	62,611	—
Others (less than 5%)	—	63,265	—
		$ 749,814	

TON YI INDUSTRIAL CORP.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wage and salaries	—	$ 319,178	—
Insurance	—	18,709	—
Others (less than 3%)	—	101,493	—
		$ 439,380	

TON YI INDUSTRIAL CORP.
STATEMENT OF FINANCIAL COSTS
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(20) for the information related to financial cost.

TON YI INDUSTRIAL CORP.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS,DEPRECIAION AND AMORTIZATION
EXPENSES IN THE CURRENT PERIOD
FOR THE YEAR ENDED DECEMBER 31,2018
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(21) for the additional information related to expense and Note 6(22) for the information related to employee benefits.