TON YI INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2019 AND 2018

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.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and subsidiaries (the "Group") as of March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain non-significant consolidated subsidiaries were not reviewed by independent accountants, whose statements reflect total assets of NT$10,356,797 thousand and NT$9,086,997 thousand, constituting 26.28% and 23.89% of the consolidated total assets, and total liabilities of NT$3,104,121 thousand and NT$3,304,747 thousand, constituting 16.44% and 18.14% of the consolidated total liabilities as at March 31, 2019 and 2018, respectively and total comprehensive income of NT57,357 thousands, and NT$45,428 thousand, constituting 9.48% and 12.37% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain non-consolidated subsidiaries been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
May 6, 2019

The accompanying consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

			March 31, 2019		December 31, 2018		March 31, 2018	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,998,303	5	$ 2,265,386	6	$ 817,041	2
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	-	-	829	-
1150	Notes receivable, net	6(3) and 8	778,919	2	928,680	3	1,361,564	3
1170	Accounts receivable, net	6(3)	1,881,941	5	2,143,012	6	1,764,347	5
1180	Accounts receivable - related parties	7	1,475,170	4	1,248,553	3	1,372,587	4
1200	Other receivables		193,814	-	247,046	1	105,089	-
1220	Current income tax assets	6(27)	53,074	-	52,465	-	55,285	-
130X	Inventories	5(2) and 6(4)	3,934,349	10	3,903,529	10	4,084,822	11
1410	Prepayments	3(1)	641,525	2	376,439	1	671,913	2
1476	Other current financial assets	8	714,261	2	698,578	2	246,587	1
11XX	**Total current assets**		11,671,356	30	11,863,688	32	10,480,064	28
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(5) and 7	130,696	-	122,199	-	146,776	-
1600	Property, plant and equipment - net	6(6)(12)	23,189,837	59	23,286,735	63	25,800,054	68
1755	Right-of-use assets	6(7)	2,663,171	7	-	-	-	-
1760	Investment property - net	6(9)(12)	116,309	-	114,763	-	124,219	-
1780	Intangible assets	6(10)	362,184	1	362,330	1	354,503	1
1840	Deferred income tax assets	6(27)	621,373	2	590,016	2	530,829	2
1915	Prepayments for business facilities	6(6) and 7	617,126	1	335,343	1	3,463	-
1920	Guarantee deposits paid	7	27,242	-	26,996	-	85,004	-
1985	Long-term prepaid rents	3(1) and 6(11)	-	-	494,267	1	492,930	1
1990	Other non-current assets	3(1)	17,343	-	16,496	-	19,625	-
15XX	**Total non-current assets**		27,745,281	70	25,349,145	68	27,557,403	72
1XXX	**Total assets**		$ 39,416,637	100	$ 37,212,833	100	$ 38,037,467	100

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%	March 31, 2018 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	$ 3,417,650	9	$ 3,712,581	10	$ 2,476,676	7
2110	Short-term notes and bills payable	6(14)	349,780	1	399,927	1	399,780	1
2130	Current contract liabilities	6(21) and 7	69,761	-	71,206	-	119,021	-
2150	Notes payable		14,180	-	15,245	-	14,187	-
2170	Accounts payable		1,104,373	3	1,035,480	3	1,393,665	4
2180	Accounts payable - related parties	7	130,200	1	134,098	-	93,178	-
2200	Other payables		1,307,888	3	1,504,902	4	1,084,683	3
2220	Other payables - related parties	7	84,682	-	67,824	-	89,586	-
2230	Current income tax liabilities	6(27)	117,217	-	212,191	1	18,205	-
2280	Lease liabilities - current	3(1), 6(7) and 7	204,508	1	-	-	-	-
2305	Other current financial liabilities		21,293	-	20,180	-	19,568	-
2320	Long-term liabilities, current portion	6(15)	844,158	2	850,829	2	1,231,896	3
2365	Current refund liabilities		7,749	-	9,145	-	-	-
2399	Other current liabilities		-	-	-	-	244,997	1
21XX	**Total current liabilities**		7,673,439	20	8,033,608	21	7,185,442	19
	Non-current liabilities							
2540	Long-term borrowings	6(15)	8,100,000	20	8,100,000	22	10,144,760	27
2550	Provisions for liabilities - non-current	6(16)	78,609	-	78,242	-	77,162	-
2570	Deferred income tax liabilities	6(27)	687,638	2	664,485	2	446,256	1
2580	Lease liabilities - non-current	3(1), 6(7) and 7	1,932,396	5	-	-	-	-
2630	Long-term deferred revenue		20,663	-	-	-	-	-
2640	Accrued pension liabilities - non-current	6(17)	361,679	1	379,753	1	342,042	1
2645	Guarantee deposits received		26,760	-	26,086	-	26,974	-
25XX	**Total non-current liabilities**		11,207,745	28	9,248,566	25	11,037,194	29
2XXX	**Total liabilities**		18,881,184	48	17,282,174	46	18,222,636	48
	Equity attributable to owners of parent							
	Share capital							
3110	Share capital - common stock	6(18)	15,791,453	40	15,791,453	43	15,791,453	42
3200	**Capital surplus**	6(19)	230,261	1	230,261	1	230,047	-
	Retained earnings	6(20)						
3310	Legal reserve		1,596,669	4	1,596,669	4	1,536,659	4
3320	Special reserve		860,682	2	860,682	2	1,075,145	3
3350	Unappropriated retained earnings		1,556,862	4	1,428,456	4	748,708	2
3400	**Other equity interest**		(922,350)	(3)	(1,378,569)	(4)	(623,298)	(2)
31XX	**Equity attributable to owners of the parent**		19,113,577	48	18,528,952	50	18,758,714	49
36XX	**Non-controlling interest**	4(3)	1,421,876	4	1,401,707	4	1,056,117	3
3XXX	**Total equity**		20,535,453	52	19,930,659	54	19,814,831	52
	Contingent liabilities and commitments	9						
3X2X	**Total liabilities and equity**		$ 39,416,637	100	$ 37,212,833	100	$ 38,037,467	100

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars, except as earnings per share)
(REVIEWED, NOT AUDITED)

			Three months ended March 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(21) and 7	$ 7,777,284	100	$ 8,153,062	100
5000	**Operating costs**	6(4)(9)(10)(11)(17)(25)(26), 7 and 9	(7,109,861)	(91)	(7,369,667)	(90)
5900	**Net operating margin**		667,423	9	783,395	10
	Operating expenses	6(10)(11)(17)(25)(26), 7, 9 and 12				
6100	Selling expenses		(297,714)	(4)	(297,409)	(4)
6200	General and administrative expenses		(247,297)	(3)	(240,213)	(3)
6450	Expected credit gains (losses)		3,335	-	(9,941)	-
6000	**Total operating expenses**		(541,676)	(7)	(547,563)	(7)
6900	**Operating profit**		125,747	2	235,832	3
	Non-operating income and expenses					
7010	Other income	6(8)(9)(22)	92,103	1	18,291	-
7020	Other gains and losses	6(2)(23) and 12	19,977	-	(20,974)	-
7050	Finance costs	6(6)(7)(16)(24) and 7	(85,969)	(1)	(88,422)	(1)
7000	**Total non-operating income and expenses**		26,111	-	(91,105)	(1)
7900	**Profit before income tax**		151,858	2	144,727	2
7950	Income tax expense	6(27)	(40,928)	-	(34,186)	-
8200	**Profit for the period**		$ 110,930	2	$ 110,541	2
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)	$ 8,497	-	($ 31,955)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	-	-	8,466	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange translation differences arising on translation of foreign operations		485,367	6	280,143	3
8399	Income tax relating to the components of other comprehensive income	6(27)	-	-	188	-
8300	**Other comprehensive income for the period**		$ 493,864	6	$ 256,842	3
8500	**Total comprehensive income for the period**		$ 604,794	8	$ 367,383	5
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 128,406	2	$ 108,967	2
8620	Non-controlling interest		(17,476)	-	1,574	-
			$ 110,930	2	$ 110,541	2
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 584,625	8	$ 354,816	5
8720	Non-controlling interest		20,169	-	12,567	-
			$ 604,794	8	$ 367,383	5
	Earnings per share	6(28)				
9750	**Basic**		$	0.08	$	0.07
9850	**Diluted**		$	0.08	$	0.07

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent										
				Retained Earnings			Other Equity Interest					
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	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	Non-controlling interest	Total equity
For the three-month period ended March 31, 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	$ 965,453	$ 19,397,481
Effects of retrospective application		-	-	-	-	(28,130)	-	(200,186)	200,186	(28,130)	-	(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	965,453	19,369,351
Profit for the period		-	-	-	-	108,967	-	-	-	108,967	1,574	110,541
Other comprehensive income (loss) for the period	6(5)	-	-	-	-	8,466	269,338	(31,955)	-	245,849	10,993	256,842
Total comprehensive income		-	-	-	-	117,433	269,338	(31,955)	-	354,816	12,567	367,383
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	78,097	78,097
Balance at March 31, 2018		$ 15,791,453	$ 230,047	$ 1,536,659	$ 1,075,145	$ 748,708	($ 391,157)	($ 232,141)	$ -	$ 18,758,714	$ 1,056,117	$ 19,814,831
For the three-month period ended March 31, 2019												
Balance at January 1, 2019		$ 15,791,453	$ 230,261	$ 1,596,669	$ 860,682	$ 1,428,456	($ 1,121,851)	($ 256,718)	$ -	$ 18,528,952	$ 1,401,707	$ 19,930,659
Profit for the period		-	-	-	-	128,406	-	-	-	128,406	(17,476)	110,930
Other comprehensive income for the period	6(5)	-	-	-	-	-	447,722	8,497	-	456,219	37,645	493,864
Total comprehensive income		-	-	-	-	128,406	447,722	8,497	-	584,625	20,169	604,794
Balance at March 31, 2019		$ 15,791,453	$ 230,261	$ 1,596,669	$ 860,682	$ 1,556,862	($ 674,129)	($ 248,221)	$ -	$ 19,113,577	$ 1,421,876	$ 20,535,453

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	For the three-month periods ended March 31, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 151,858	$ 144,727
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss	6(23)	-	558
Expected credit (gains) losses	12	(3,335)	9,941
Provision for inventory market price decline	6(4)	9,975	11,472
Depreciation on property, plant and equipment	6(6)(7)(9)	701,062	646,100
(Gain) loss on disposal of property, plant and equipment	6(23)	(652)	1,774
Gain arising from lease modifications	6(23)	(193)	-
Gain on disposal of investment property	6(23)	-	(1,150)
Amortization	6(10)(25)	2,411	2,433
Amortization of long-term prepaid rent		-	3,494
Interest income	6(22)	(4,473)	(2,048)
Interest expense	6(24)	85,969	88,422
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	471,533
Notes receivable		149,761	(419,521)
Accounts receivable		262,735	(11,432)
Accounts receivable - related parties		(226,617)	(496,449)
Other receivables		53,232	3,524
Inventories		(42,844)	(359,846)
Prepayments		(282,723)	(184,314)
Changes in operating liabilities			
Contract liabilities - current		(1,445)	35,497
Notes payable		(1,065)	(9,472)
Accounts payable		68,893	147,014
Accounts payable - related parties		(3,898)	(18,992)
Other payables		(184,421)	(143,070)
Other payables - related parties		16,858	34,653
Current refund liabilities		(1,396)	-
Long-term deferred revenue		20,663	-
Accrued pension liabilities - non-current		(18,074)	(18,339)
Cash inflow (outflow) generated from operations		752,281	(63,491)
Interest received		4,473	2,048
Interest paid		(65,385)	(108,413)
Income tax paid		(147,475)	(10,422)
Net cash flows from (used in) operating activities		543,894	(180,278)

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	For the three-month periods ended March 31, 2019	For the three-month periods ended March 31, 2018
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other current assets - other financial assets		($ 15,683)	$ 1,604
Cash paid for acquisition of property, plant and equipment	6(29)	(127,643)	(46,656)
Proceeds from disposal of property, plant and equipment		1,394	15,875
Proceeds from disposal of investment property		-	5,998
Increase in prepayments for equipment		(320,682)	(5,245)
Interest paid for prepayments for equipment	6(6)(24)	(84)	(89)
Increase in guarantee deposits paid		(246)	(531)
Increase in long-term prepaid rent		-	(8,009)
(Increase) decrease in other non-current assets		(2,965)	2,596
Net cash flows used in investing activities		(465,909)	(34,457)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(30)	(294,931)	859,160
Decrease in notes and bills payable	6(30)	(50,000)	(300,000)
Increase in other current liabilities - other financial liabilities	6(30)	1,113	5
Payments of lease liabilities	6(30)	(97,581)	-
Decrease in corporate bonds payable	6(30)	-	(654,271)
Increase in long-term borrowings	6(30)	-	593,906
Decrease in long-term borrowings	6(30)	(30,589)	(524,735)
Increase in guarantee deposits received	6(30)	674	17,582
Change in non-controlling interests		-	78,097
Net cash flows (used in) from financing activities		(471,314)	69,744
Effect of foreign exchange rate changes on cash and cash equivalents		126,246	55,700
Net decrease in cash and cash equivalents		(267,083)	(89,291)
Cash and cash equivalents at beginning of period	6(1)	2,265,386	906,332
Cash and cash equivalents at end of period	6(1)	$ 1,998,303	$ 817,041

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, NOT AUDITED)

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. For the subsidiaries' scope of business, please refer to Note 4(3) for details.

(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 CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 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 as 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 Company and its subsidiaries' (collectively referred herein as the "Group") financial performance and financial position based on the Group's assessment.

A. 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.

B. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Group increased 'right-of-use assets' and 'lease liabilities' by $2,657,730 and $2,143,708, respectively, and decreased 'prepayments', 'long-term prepaid rents' and 'other non-current assets' by $17,637, $494,267 and $2,118, respectively, with respect to the lease contracts of lessees on January 1, 2019.

C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:

a. Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.

b. The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

c. The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

d. The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

D. The Group calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate ranging from 1.95% to 7.5%.

E. The Group recognized lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognized as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	908,750
Less: Low-value assets	(	948)
Contracts reassessed as service agreements	(	18,932)
Add: Adjustments as a result of a different treatment of extension and termination options		1,719,957
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	$	2,608,827
Incremental borrowing interest rate at the date of initial application		1.95%~7.5%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	$	2,143,708

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

None.

(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 endorsed by the FSC effective from 2018 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 Internatinal Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated 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.

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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

a. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

b. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

c. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d. Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transaction- that is, as transactions with the owners in their capacity as owners. The difference between non-controlling interest adjustments and consideration paid or received is recorded in equity.

e. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Percentage owned by the Company (%)			
Name of investors	Name of subsidiaries	Business activities	March 31, 2019	December 31, 2018	March 31, 2018	Note
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	General trading and investments	100.00	100.00	100.00	–
Ton Yi Industrial Corp.	Tovecan Corp.	Manufacturing of cans	51.00	51.00	51.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	General investment	100.00	100.00	100.00	–
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holding Ltd.	General investment	100.00	100.00	100.00	–
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holding Ltd.	General investment	100.00	100.00	100.00	–
Cayman Ton Yi Industrial Holdings Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Manufacturing of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	General investment	100.00	100.00	100.00	–
Cayman Fujian Ton Yi Holding Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	86.80	86.80	86.80	–
Cayman Jiangsu Ton Yi Holding Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	82.60	82.86	82.86	–
Wuxi Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing of cans	66.50	66.50	66.50	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Ton Yi (China) Investment Co., Ltd.	General investment	100.00	100.00	100.00	–
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	–
Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	–
Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	–
Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	(Note 1)

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Company (%) March 31, 2019	December 31, 2018	March 31, 2018	Note
Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	100.00	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Tian Jin Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	−	(Note 1) (Note 2)

(Note 1)The financial statements of certain subsidiaries included in the consolidated financial statements as of March 31, 2019 and 2018 were not reviewed by independent accountants. The total assets of these subsidiaries were \$10,356,797 and \$9,086,997, constituting 26.28% and 23.89% of the Group's consolidated total assets, and total liabilities were \$3,104,121 and \$3,304,747, constituting 16.44% and 18.14% of the Group's consolidated total liabilities as of March 31, 2019 and 2018, respectively; and the total comprehensive income was \$57,357 and \$45,428, constituting 9.48% and 12.37% of the Group's consolidated comprehensive income for the three-month periods then ended March 31, respectively.

(Note2) It was established in July, 2018.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2019, December 31, 2018 and March 31, 2018, the non-controlling interest amounted to \$1,421,876, \$1,401,707 and \$1,056,117, representing 3.61%, 3.77% and 2.78% of the consolidated total assets, respectively. None of the non-controlling interest is material to the Group.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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.

B. Translation of foreign operations

a. The financial performance and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognized in other comprehensive income.

b. When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) <u>Classification of current and non-current items</u>

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.

(6) Cash equivalents

A. 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.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) 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 amortized 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 recognized and derecognized using trade date accounting.

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

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group 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.

(9) 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.

(10) 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 Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

a. The objective of the Group's business model is achieved both by collecting contractual cashflows 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 recognized and derecognized using trade date accounting.

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

The changes in fair value of equity investments that were recognized 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 recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(11) 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 Group 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

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

B. The contractual rights to receive cash flows from 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 from the financial asset have been transferred, and the Group has not retained control of the financial asset.

(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 Group 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 ～ 10 years
Other equipment	2 ～ 40 years

(14) Leasing arrangements (lessor) – operating leases

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

(15) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities (Effective 2019)

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

a. Fixed payments, less any lease incentives receivable; and

b. Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

a. The amount of the initial measurement of lease liability;

b. Any lease payments made at or before the commencement date; and

c. Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the leaseterm. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Leased assets/ operating leases (lessee) (Prior to 2019)

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.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 10 years.

(19) Impairment of non-financial assets

A. The Group 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.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(20) Borrowings

Borrowings comprise long-term and short-term bank 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.

(21) Notes and accounts payable

A. Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

B. For short-term accounts payable which are not interest bearing, as the effect of discounting is insignificant, they are measured subsequently at the original invoice amount.

(22) Financial liabilities instruments

Ordinary corporate bonds issued by the Group are initially recognized at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

(23) Derecognition of financial liabilities

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

(24) 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.

(25) Provision

Provision (decommissioning liabilities) is recognized when the Group 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.

(26) 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 plans

For defined contribution plans, 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 plans

(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 Group in current period or prior period. The liability recognised in the balance sheet in respect of defined benefit pension plans 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 plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

(c) Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derive`d from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized 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 Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Income tax

A. The tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which case the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. 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 shareholders resolve to retain the earnings.

C. Deferred income 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 consolidated financial statements. However, the deferred income 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 income 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 Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income 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 income tax assets are reassessed.

E. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

F. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

(28) Share capital

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.

(29) 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.

(30) Revenue recognition

A. Sales of goods

a. The Group 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 Group 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 the estimated 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.

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the period in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group'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 Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

a. As inventories are stated at the lower of cost and net realizable value, the Group 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 Group 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 March 31, 2019, the carrying amount of inventories was $3,934,349.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2019	December 31, 2018	March 31, 2018
Cash:			
Cash on hand and petty cash	$ 609	$ 856	$ 765
Checking accounts and demand deposits	1, 371, 578	1, 771, 297	715, 021
	1, 372, 187	1, 772, 153	715, 786
Cash equivalents:			
Time deposits	626, 116	493, 233	101, 255
	$ 1, 998, 303	$ 2, 265, 386	$ 817, 041

A. The Group 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. For cash and cash equivalents pledged to others as collateral, please refer to Note 8.

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

	March 31, 2018
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Hybrid instruments	$ 829

A. The Group recognized $829 on financial assets at fair value through profit or loss - current in "other gains and losses" for the three-month period ended March 31, 2018.

B. The Group recognized ($1,387) on financial assets at fair value through profit or loss – non-current in "other gains and losses" for the three-month period ended March 31, 2018.

C. The non-hedging derivative instruments transaction and contract information are as follows:

	March 31, 2018	
Derivative instruments	Contract amount (notional principal)	Contract period
Forward foreign exchange contracts	EUR 2,000 (in thousands)	2018.3~2018.5

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

D. There is no such situation as of March 31, 2019 and December 31, 2018.

(3) Notes receivable and accounts receivable, net

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable	$ 780,411	$ 930,172	$ 1,362,764
Less: Allowance for doubtful accounts	(1,492)	(1,492)	(1,200)
	$ 778,919	$ 928,680	$ 1,361,564

	March 31, 2019	December 31, 2018	March 31, 2018
Accounts receivable	$ 1,948,554	$ 2,211,289	$ 1,833,245
Less: Allowance for doubtful accounts	(66,613)	(68,277)	(68,898)
	$ 1,881,941	$ 2,143,012	$ 1,764,347

A. The aging analysis of the Group's notes and accounts receivable is as follows:

	March 31, 2019		December 31, 2018		March 31, 2018	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
1 to 30 days	$ 219,596	$ 1,320,002	$ 387,038	$ 1,635,419	$ 469,958	$ 1,018,243
31 to 60 days	118,113	271,235	185,382	377,236	268,572	420,004
61 to 90 days	163,124	191,822	178,893	135,950	290,790	233,651
91 to 180 days	277,741	120,892	178,859	19,170	328,806	116,192
Over 180 days	1,837	44,603	-	43,514	4,638	45,155
	$ 780,411	$ 1,948,554	$ 930,172	$ 2,211,289	$ 1,362,764	$ 1,833,245

The above aging analysis was based on invoice date.

B. Details of the Group's notes receivable pledged to others as collateral are provided in Note 8.

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 notes receivable and accounts receivable held by the Group was the book value.

D. Information relating to credit risk is provided in Note 12(2), "Financial instruments"

(4) Inventories

	March 31, 2019		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	$ 1,376,082	($ 19,044)	$ 1,357,038
Raw materials in transit	10,152	(101)	10,051
Supplies	391,421	(1,128)	390,293
Supplies in transit	13,277	-	13,277
Work in process	883,547	(21,945)	861,602
Finished goods	1,379,498	(77,410)	1,302,088
	$ 4,053,977	($ 119,628)	$ 3,934,349

	December 31, 2018		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	$ 1,547,165	($ 38,230)	$ 1,508,935
Raw materials in transit	18,121	(90)	18,031
Supplies	431,777	(652)	431,125
Supplies in transit	24,147	-	24,147
Work in process	803,440	(23,559)	779,881
Finished goods	1,186,483	(45,073)	1,141,410
	$ 4,011,133	($ 107,604)	$ 3,903,529

	March 31, 2018		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	$ 1,760,109	($ 33,093)	$ 1,727,016
Raw materials in transit	10,026	-	10,026
Supplies	435,957	(762)	435,195
Supplies in transit	25,833	-	25,833
Work in process	723,284	(25,335)	697,949
Finished goods	1,214,048	(25,245)	1,188,803
	$ 4,169,257	($ 84,435)	$ 4,084,822

The cost of inventories recognized as expense for the period:

	Three-month periods ended March 31, 2019	Three-month periods ended March 31, 2018
Cost of goods sold	$ 7,184,314	$ 7,457,691
Loss on decline in market value	9,975	11,472
Loss on disposal of inventory	-	1,331
Revenue from sale of scraps	(77,123)	(98,779)
Indemnities	(7,305)	(2,048)
	$ 7,109,861	$ 7,369,667

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

	March 31, 2019	December 31, 2018	March 31, 2018
Unlisted stocks	$ 378,917	$ 378,917	$ 378,917
Valuation adjustment	(248,221)	(256,718)	(232,141)
	$ 130,696	$ 122,199	$ 146,776

A. The Group has elected to classify unlisted stocks that are considered as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $130,696, $122,199, and $146,776 as at March 31, 2019, December 31, 2018, and March 31, 2018, respectively.

B. The Group recognized the change of fair value amounting to $8,497 and ($31,955) in other comprehensive income in relation to the financial assets at fair value through other comprehensive income for the three-month periods ended March 31, 2019 and 2018, respectively.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

D. Information relating to credit risk is provided in Note 12(2), “Financial instruments”.

(6) Property, plant and equipment

	Land	Buildings	Machinery Owner-occupied	Machinery Lease	Transportation Equipment	Office equipment Owner-occupied	Office equipment Lease	Others Owner-occupied	Others Lease	Construction in progress and equipment to be inspected	Total	
At January 1, 2019												
Cost	$ 615,892	$ 9,812,991	$ 45,520,318	$ 825,223	$ 275,045	$ 187,729	$ 2,087	$ 5,609,361	$ 229	$ 80,981	$ 62,929,856	
Accumulated depreciation	-	(4,956,212)	(29,379,243)	(694,398)	(246,858)	(162,498)	(780)	(4,127,028)	(193)	-	(39,567,210)	
Accumulated impairment	-	-	(44,654)	(31,257)	-	-	-	-	-	-	(75,911)	
	$ 615,892	$ 4,856,779	$ 16,096,421	$ 99,568	$ 28,187	$ 25,231	$ 1,307	$ 1,482,333	$ 36	$ 80,981	$ 23,286,735	
For the three-month period ended March 31, 2019												
Opening net book amount	$ 615,892	$ 4,856,779	$ 16,096,421	$ 99,568	$ 28,187	$ 25,231	$ 1,307	$ 1,482,333	$ 36	$ 80,981	$ 23,286,735	
Additions - Cost	-	1,503	582	-	-	46	-	12,825	-	100,499	115,455	
Transfers - Cost	-	451	3,426	-	-	-	-	737	-	34,369	38,983	(Note)
Depreciation	-	(63,767)	(445,850)	(3,753)	(2,597)	(5,324)	(96)	(100,758)	(11)	-	(622,156)	
Disposal - Cost	-	-	(18,635)	-	(1,183)	(59)	-	(6,471)	-	-	(26,348)	
Disposal - Accumulated depreciation	-	-	17,999	-	1,090	49	-	6,468	-	-	25,606	
Net exchange differences	-	89,354	258,913	1,416	229	2,030	36	17,524	177	1,883	371,562	
Closing net book value	$ 615,892	$ 4,884,320	$ 15,912,856	$ 97,231	$ 25,726	$ 21,973	$ 1,247	$ 1,412,658	$ 202	$ 217,732	$ 23,189,837	
At March 31, 2019												
Cost	$ 615,892	$ 9,948,495	$ 46,009,216	$ 846,188	$ 275,005	$ 195,032	$ 2,146	$ 5,684,853	$ 2,683	$ 217,732	$ 63,797,242	
Accumulated depreciation	-	(5,064,175)	(30,050,443)	(716,815)	(249,279)	(173,059)	(899)	(4,272,195)	(2,481)	-	(40,529,346)	
Accumulated impairment	-	-	(45,917)	(32,142)	-	-	-	-	-	-	(78,059)	
	$ 615,892	$ 4,884,320	$ 15,912,856	$ 97,231	$ 25,726	$ 21,973	$ 1,247	$ 1,412,658	$ 202	$ 217,732	$ 23,189,837	

(Note) Including transfer from prepayment for equipment.

	Land	Buildings	Machinery	Transportation Equipment	Office equipment	Others	Construction in progress and equipment to be inspected	Total	
At January 1, 2018									
Cost	$ 615,892	$ 10,330,221	$ 46,916,903	$ 277,606	$ 205,479	$ 5,622,481	$ 44,683	$ 64,013,265	
Accumulated depreciation	-	(4,967,343)	(28,642,579)	(246,752)	(152,088)	(3,795,738)	-	(37,804,500)	
	$ 615,892	$ 5,362,878	$ 18,274,324	$ 30,854	$ 53,391	$ 1,826,743	$ 44,683	$ 26,208,765	
For the three-month period ended March 31, 2018									
Opening net book amount	$ 615,892	$ 5,362,878	$ 18,274,324	$ 30,854	$ 53,391	$ 1,826,743	$ 44,683	$ 26,208,765	
Additions - Cost	-	-	6,358	-	171	25,313	5,733	37,575	
Transfers - Cost	-	-	32,946	1,177	-	5,045	(33,741)	5,427	(Note)
Depreciation	-	(70,849)	(456,479)	(2,864)	(7,437)	(106,794)	-	(644,423)	
Disposal - Cost	-	(2,267)	(20,556)	(473)	(71)	(3,077)	-	(26,444)	
Disposal - Accumulated depreciation	-	1,832	3,567	300	71	3,025	-	8,795	
Net exchange differences	-	49,362	147,890	74	701	12,288	44	210,359	
Closing net book value	$ 615,892	$ 5,340,956	$ 17,988,050	$ 29,068	$ 46,826	$ 1,762,543	$ 16,719	$ 25,800,054	
At March 31, 2018									
Cost	$ 615,892	$ 10,400,649	$ 47,201,813	$ 278,648	$ 208,393	$ 5,685,149	$ 16,719	$ 64,407,263	
Accumulated depreciation	-	(5,059,693)	(29,213,763)	(249,580)	(161,567)	(3,922,606)	-	(38,607,209)	
	$ 615,892	$ 5,340,956	$ 17,988,050	$ 29,068	$ 46,826	$ 1,762,543	$ 16,719	$ 25,800,054	

(Note) Including transfer from prepayment 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:

	For the three-month periods ended March 31,	
	2019	2018
Amount capitalized	$ 84	$ 89
Interest rate	1.30%	1.30%

B. The Group did not pledge property, plant and equipment as collateral as at March 31, 2019, December 31, 2018 and March 31, 2018.

C. Information relating to impairment of property, plant and equipment is provided in Note 6(12).

(7) Leasing arrangements—lessee (Effective 2019)

A. The Group leases various assets including land, buildings and multifunction printers. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	At March 31, 2019	For the three-month period ended March 31, 2019
	Carrying amount	Depreciation charge
Land	$ 952, 474	$ 14, 371
Buildings	1, 710, 697	62, 873
	$ 2, 663, 171	$ 77, 244

D. For the three-month period ended March 31, 2019, the addition to right-of-use assets was $22,029.

E. The information on income and expense accounts relating to lease contracts is as follows:

	For the three-month period ended March 31, 2019
Items affecting profit or loss	
Interest expense on lease liabilities	$ 20, 768
Expense on leases of low-value assets	22
	$ 20, 790

F. For the three-month period ended March 31, 2019, the Group's total cash outflow for leases was $97,603.

(8) Leasing arrangements—lessor

A. The Group leases various assets including buildings and machineries. Rental contracts are typically made for periods of 2 and 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. For the three-month periods ended March 31, 2019, and 2018, the Group recognized rent income in the amount of $11,334 and $6,563, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	March 31, 2019
Within 1 year	$ 45,664
Between 1 to 2 years	40,089
Between 2 to 3 years	28,611
Between 3 to 4 years	18,452
Between 4 to 5 years	18,452
Over 5 years	90,724
	$ 241,992

(9) Investment property - net

	Land	Buildings	Total
At January 1, 2019			
Cost	$ 3,785	$ 144,450	$ 148,235
Accumulated depreciation	-	(30,753)	(30,753)
Accumulated impairment	(2,719)	-	(2,719)
	$ 1,066	$ 113,697	$ 114,763
For the three-month period ended March 31, 2019			
Opening net book value	$ 1,066	$ 113,697	$ 114,763
Depreciation	-	(1,662)	(1,662)
Net currency exchange difference	-	3,208	3,208
Closing net book value	$ 1,066	$ 115,243	$ 116,309
At March 31, 2019			
Cost	$ 3,785	$ 148,537	$ 152,322
Accumulated depreciation	-	(33,294)	(33,294)
Accumulated impairment	(2,719)	-	(2,719)
	$ 1,066	$ 115,243	$ 116,309

		Land		Buildings		Total
January 1, 2018						
Cost	$	26,892	$	147,953	$	174,845
Accumulated depreciation		-	(	24,840)	(	24,840)
Accumulated impairment	(	20,978)		-	(	20,978)
	$	5,914	$	123,113	$	129,027
For the three-month period ended March 31, 2018						
Opening net book value	$	5,914	$	123,113	$	129,027
Depreciation		-	(	1,677)	(	1,677)
Disposal - Cost	(	23,107)		-	(	23,107)
Disposal - Accumulated depreciation		18,259		-		18,259
Net currency exchange difference		-		1,717		1,717
Closing net book value	$	1,066	$	123,153	$	124,219
March 31, 2018						
Cost	$	3,785	$	150,030	$	153,815
Accumulated depreciation		-	(	26,877)	(	26,877)
Accumulated impairment	(	2,719)		-	(	2,719)
	$	1,066	$	123,153	$	124,219

A. Rental income from investment property and direct operating expenses arising from the investment property are shown below:

	For the three-month periods ended March 31,			
	2019		2018	
Rental income from investment property	$	4,590	$	4,629
Direct operating expenses from the investment property that generated income in the period	$	2,542	$	2,564

B. The fair values of the investment property held by the Group as at March 31, 2019, December 31, 2018 and March 31, 2018 were $157,304, $156,056 and $171,299, respectively. Land is valued according to Current Land Value announced by the Department of Land Administration. Buildings are valued based on discounted recoverable amounts of future rent income.

C. The Company purchased an agricultural purpose land in the amount of $23,107 but registered it in the name of a natural person. Pending the change of the land registration, the land is 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.

D. As of March 31, 2019, December 31, 2018 and March 31, 2018, no investment property held by the Group was pledged to others.

E. Information relating to accumulated impairment is provided in Note 6(12).

(10) Intangible assets

	Goodwill	Computer Software	Total
At January 1, 2019			
Cost	$ 342,773	$ 102,615	$ 445,388
Accumulated amortization	-	(56,593)	(56,593)
Net exchange differences	(22,208)	(4,257)	(26,465)
	$ 320,565	$ 41,765	$ 362,330
For the three-month period ended March 31, 2019			
Net value at January 1	$ 320,565	$ 41,765	$ 362,330
Amortization	-	(2,411)	(2,411)
Net exchange differences	1,096	1,169	2,265
Net value at March 31	$ 321,661	$ 40,523	$ 362,184
At March 31, 2019			
Cost	$ 342,773	$ 102,615	$ 445,388
Accumulated amortization	-	(59,004)	(59,004)
Net exchange differences	(21,112)	(3,088)	(24,200)
	$ 321,661	$ 40,523	$ 362,184

	Goodwill	Computer Software	Total
At January 1, 2018			
Cost	$ 342,773	$ 102,640	$ 445,413
Accumulated amortization	-	(46,976)	(46,976)
Net exchange differences	(32,175)	(3,211)	(35,386)
	$ 310,598	$ 52,453	$ 363,051
For the three-month period ended March 31, 2018			
Net value at January 1	$ 310,598	$ 52,453	$ 363,051
Amortization	-	(2,433)	(2,433)
Net exchange differences	(6,836)	721	(6,115)
Net value at March 31	$ 303,762	$ 50,741	$ 354,503
At March 31, 2018			
Cost	$ 342,773	$ 102,640	$ 445,413
Accumulated amortization	-	(49,409)	(49,409)
Net exchange differences	(39,011)	(2,490)	(41,501)
	$ 303,762	$ 50,741	$ 354,503

A. No borrowing costs were capitalized as part of intangible assets during January to March, 2019 and 2018.

B. Details of amortization on intangible assets are as follows:

	For the three-month periods ended March 31,	
	2019	2018
Operating costs	$ 406	$ 410
Selling expenses	302	286
Administrative expenses	1,703	1,737
	$ 2,411	$ 2,433

C. The Group applied value in use method when calculating recoverable amount of goodwill and determined the recoverable amount to be greater than the carrying amount; thus, no impairment was identified. Goodwill distributed to cash generating unit according to operating segment is shown below:

	March 31, 2019	December 31, 2018	March 31, 2018
Tinplate factory located in China	$ 321,661	$ 320,565	$ 303,762

(11) Long-term prepaid rent

	December 31, 2018	March 31, 2018
Land use right	$ 494, 267	$ 492, 930

The Group entered into a land lease agreement with Taiwan Sugar Corporation and local authority of People's Republic of China for use of property located in Yong-Kang District, Tainan and various properties in China, respectively. Lease periods are for 50 years. The Group recognized $3,494 of rental expense (under "operating cost "and "operating expense ") for the three-month period ended March 31, 2018.

(12) Impairment of non-financial assets

A. In 2018, Tinplate factory located in China of the Group was requisitioned by the government that resulted in an impairment in the Group's property, plant and equipment. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognized an impairment loss of $77,490 accordingly. The recoverable amount is the property's fair value less costs of disposal. Fair value was evaluated by cost method and classified as a level 3 fair value. The part was measured based on value in use, which was calculated at a discount rate of 4.18%.

B. As of March 31, 2019, December 31, 2018 and March 31, 2017, the balances for accumulated impairment of property, plant and equipment were $80,778, $78,630 and $2,719, respectively.

(13) Short-term borrowings

Nature	March 31, 2019	Interest rate range	Collateral
Unsecured bank borrowings	$ 3, 417, 650	0. 53%～4. 35%	None

Nature	December 31, 2018	Interest rate range	Collateral
Unsecured bank borrowings	$ 3, 712, 581	0. 82%～4. 35%	None

Nature	March 31, 2018	Interest rate range	Collateral
Unsecured bank borrowings	$ 2, 407, 108	0. 66%～4. 79%	None
Secured bank borrowings	69, 568	4. 70%	Notes receivable
	$ 2, 476, 676		

A. For more information about interest expenses recognized by the Group for the three-month periods ended March 31, 2019 and 2018, please refer to Note 6(24), 'Finance costs'.

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

(14) Short-term notes and bills payable

	March 31, 2019	Interest rate range	Collateral
Commercial paper payable	$ 350,000	0.91%～0.99%	None
Less: Unamortized discount	(220)		
	$ 349,780		

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

	March 31, 2018	Interest rate range	Collateral
Commercial paper payable	$ 400,000	0.88%～0.94%	None
Less: Unamortized discount	(220)		
	$ 399,780		

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 Group for the three-month periods ended March 31, 2019 and 2018, please refer to Note 6(24), 'Finance costs'.

(15) Long-term borrowings

Nature	Range of maturity dates	Range of interest rates	Collateral	March 31, 2019
Unsecured bank borrowings	2019.6.24～ 2021.12.19	1.04%～4.75%	None	$ 8,944,158
Less: Current portion of long-term liabilities				(844,158)
				$ 8,100,000

Nature	Range of maturity dates	Range of interest rates	Collateral	December 31, 2018
Unsecured bank borrowings	2019.2.15～ 2021.12.19	1.04%～4.75%	None	$ 8,950,829
Less: Current portion of long-term liabilities				(850,829)
				$ 8,100,000

Nature	Range of maturity dates	Range of interest rates	Collateral	March 31, 2018
Unsecured bank borrowings	2018.4.28～ 2020.9.22	1.04%～4.75%	None	$ 11,376,656
Less: Current portion of long-term liabilities				(1,231,896)
				$ 10,144,760

A. For information on the terms and conditions of all the loan contracts the Group 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 Group for the three-month periods ended March 31, 2019 and 2018, please refer to Note 6(24), 'Finance costs'.

(16) Provision - non-current

	For the three-month periods ended March 31,	
Decommissioning liabilities	2019	2018
At January 1	$ 78, 242	$ 76, 802
Unwinding of discount	367	360
At March 31	$ 78, 609	$ 77, 162

According to the policy published, applicable agreement or the law and regulation, the Group 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.

(17) 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 pension costs under the defined benefit pension plan of the Company (listed under "Operating cost" and "Operating expense") for the three-month periods ended March 31, 2019 and 2018 were $5,420 and $5,724, respectively.

b. Total contributions expected to be paid under the defined benefit pension plan of the Company within one year from March 31, 2019 amount to $72,399.

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 Group's subsidiaries have defined contribution plans. Monthly contributions to anindependent fund administered by the government in accordance with the pension regulations are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group (listed under "Operating cost" and "Operating expense") for the three-month periods ended March 31, 2019 and 2018 were $46,127 and $45,449, respectively.

(18) Share capital - Common stock

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

	For the three-month periods ended March 31,	
	2019	2018
Beginning and ending balance	1,579,145	1,579,145

B. As of March 31, 2019, 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.

(19) Capital surplus

Pursuant to the R.O.C. 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 R.O.C. 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 reserve should not be used to cover accumulated deficit after the legal reserve is used.

	For the three-month period ended March 31, 2019				
	Share premium	Treasury share transactions	Donated assets	Others	Total
Beginning and ending balance	$ 58,271	$169,088	$ 819	$ 2,083	$230,261

	For the three-month period ended March 31, 2018				
	Share premium	Treasury share transactions	Donated assets	Others	Total
Beginning and ending balance	$ 58,271	$169,088	$ 819	$ 1,869	$230,047

(20) 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 Articles of Incorporation of the Company, 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 this 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 in other equity items are reversed subsequently, an equal amount could then be used for distribution. The other equity debit balance decreased due to Unrealized Gain or Loss on Available-for-sale Financial Assets and Exchange Differences on Translation of Foreign Financial Statements, resulting in a special reserve of $214,463 in 2018. As of March 31, 2019, special reserve of $860,682 was set aside in accordance with the Company Act on special reserve. 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 ($0.50 (in dollars) per share as cash dividend) for the year ended December 31, 2018. 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. Such dividend payable is not disclosed in this consolidated financial report.

(21) Operating revenue

	For the three-month periods ended March 31,	
	2019	2018
Revenue from contracts with customers	$ 7,777,284	$ 8,153,062

A. Disaggregation of revenue from contracts with customers

The Group 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:

	For the three-month periods ended March 31,	
	2019	2018
Revenue from products of Tinplate	$ 4,835,202	$ 5,098,693
Revenue from products of Plastic pack	2,942,082	3,054,369
	$ 7,777,284	$ 8,153,062

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

	March 31, 2019	December 31, 2018	March 31, 2018
Contract liabilities - current	$ 69,761	$ 71,206	$ 119,021

Revenue recognized that was included in the contract liability balance at the beginning of the three-month periods ended March 31, 2019 and 2018 were $55,963 and $58,452, respectively.

(22) Other income

	For the three-month periods ended March 31,	
	2019	2018
Interest income:		
Bank deposits	$ 4,473	$ 2,048
Rental income	11,334	6,563
Government subsidy income	67,387	59
Other income	8,909	9,621
	$ 92,103	$ 18,291

(23) Other gains and losses

	For the three-month periods ended March 31,	
	2019	2018
Loss on financial assets at fair value through profit or loss	$ -	($ 558)
Net gains (losses) on disposal of property, plant and equipment	652	(1,774)
Gains arising from lease modifications	193	-
Gains on disposals of investment property	-	1,150
Net currency exchange gains (losses)	23,256	(16,269)
Miscellaneous expenses	(4,124)	(3,523)
	$ 19,977	($ 20,974)

(24) Finance costs

	For the three-month periods ended March 31,	
	2019	2018
Interest expense:		
Bank borrowings	$ 64,918	$ 85,987
Provisions – unwinding of discount	367	360
Lease liabilities	20,768	-
Corporate bonds	-	2,164
	86,053	88,511
Less: Capitalization of qualifying assets	(84)	(89)
	$ 85,969	$ 88,422

(25) Expenses by nature

	For the three-month period ended March 31, 2019			For the three-month period ended March 31, 2018		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense	$ 428,646	$ 168,942	$ 597,588	$ 431,552	$ 157,059	$ 588,611
Depreciation	652,566	46,834	699,400	616,734	27,689	644,423
Amortization	406	2,005	2,411	410	2,023	2,433
	$1,081,618	$ 217,781	$1,299,399	$1,048,696	$ 186,771	$1,235,467

(26) Employee benefits expense

	For the three-month period ended March 31, 2019			For the three-month period ended March 31, 2018		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Wages and salaries	$ 325,205	$ 127,138	$ 452,343	$ 327,920	$ 117,868	$ 445,788
Labor and health insurance expense	31,836	11,879	43,715	31,204	10,708	41,912
Pension costs	39,396	12,151	51,547	39,292	11,881	51,173
Other personnel expenses	32,209	17,774	49,983	33,136	16,602	49,738
	$ 428,646	$ 168,942	$ 597,588	$ 431,552	$ 157,059	$ 588,611

A. 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.

B. For the three-month periods ended March 31, 2019 and 2018, employees' compensation was accrued at \$6,683 and \$4,797, respectively; while directors' remuneration was accrued at \$2,311 and \$1,961, 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. The amounts of employees' compensation and directors' remuneration were \$73,866 and \$14,869 as resolved by the Board of Directors, respectively. The amounts of employees' compensation was the same with the amounts recognized in the 2018 financial statements. The difference of (\$545) in directors' remuneration, mainly resulting from estimation, had been adjusted in the consolidated profit or loss for the three-month period ended March 31, 2019. The employees' compensation was distributed in the form of cash.

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

(27) Income tax

A. Income tax

a. Components of income tax expense

	For the three-month periods ended March 31,	
	2019	2018
Current income tax:		
Income tax incurred in current period	$ 49,132	$ 22,000
Deferred income tax:		
Origination and reversal of temporary differences	(8,204)	20,242
Impact of change in tax rate	-	(8,056)
	(8,204)	12,186
Income tax expense	$ 40,928	$ 34,186

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

	For the three-month periods ended March 31,	
	2019	2018
Impact of change in tax rate	$ -	($ 8,654)

B. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority. As of May 6, 2019, there was no administrative lawsuit.

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

(28) Earnings per share

	For the three-month period ended March 31, 2019		
	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 of the parent	$ 128, 406	1, 579, 145	$ 0. 08
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 128, 406	1, 579, 145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5, 663	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 128, 406	1, 584, 808	$ 0. 08

	For the three-month period ended March 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 of the parent	$ 108, 967	1, 579, 145	$ 0. 07
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 108, 967	1, 579, 145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2, 507	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 108, 967	1, 581, 652	$ 0. 07

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

Cash paid for acquisition of property, plant and equipment:

	For the three-month periods ended March 31,	
	2019	2018
Acquisition of property, plant and equipment	$ 115, 455	$ 37, 575
Add: Opening balance of other payables	36, 845	36, 622
Less: Ending balance of other payables	(24, 657)	(27, 541)
Cash paid for acquisition of property, plant and equipment	$ 127, 643	$ 46, 656

B. Investing activities with no cash flow effect:

Prepayment for equipment:

	For the three-month periods ended March 31,	
	2019	2018
Reclassification of property, plant and equipment	$ 38, 983	$ 5, 427

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Liabilities from financing activities-gross
At January 1, 2019	$ 3,712,581	$ 399,927	$ 2,143,708	$ 8,950,829	$ 46,266	$ 15,253,311
Changes in cash flow from financing activities	(294,931)	(50,000)	(97,581)	(30,589)	1,787	(471,314)
Impact of changes in foreign exchange rate	-	-	48,173	23,918	-	72,091
Changes in other non-cash items	-	(147)	42,604	-	-	42,457
At March 31, 2019	$ 3,417,650	$ 349,780	$ 2,136,904	$ 8,944,158	$ 48,053	$ 14,896,545

	Short-term borrowings	Short-term notes and bills payable	Corporate bonds	Long-term borrowings	Others	Liabilities from financing activities-gross
At January 1, 2018	$ 1,617,516	$ 699,816	$ 650,687	$ 11,329,639	$ 28,955	$ 14,326,613
Changes in cash flow from financing activities	859,160	(300,000)	(654,271)	69,171	17,587	(8,353)
Impact of changes in foreign exchange rate	-	-	3,584	(22,154)	-	(18,570)
Changes in other non-cash items	-	(36)	-	-	-	(36)
At March 31, 2018	$ 2,476,676	$ 399,780	$ -	$ 11,376,656	$ 46,542	$ 14,299,654

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The ultimate parent of the Company is Uni-President Enterprises Corp. The ultimate controlling party of the Company is 45.55%.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Guangzhou President Enterprises Co., Ltd.	Parent company to entity with joint control or significant influence
Beijing President Enterprises Drinks & Food Co., Ltd.	Parent company to entity with joint control or significant influence
Uni-President Trading (Kunshan) Co., Ltd.	Parent company to entity with joint control or significant influence
Taizhou President Enterprises Co., Ltd.	Parent company to entity with joint control or significant influence
Chengdu President Enterprises Food Co., Ltd.	Parent company to entity with joint control or significant influence
Zhanjiang President Enterprises Co., Ltd.	Parent company to entity with joint control or significant influence
Kunshan President Enterprises Food Co., Ltd.	Parent company to entity with joint control or significant influence
TTET Union Corp.	Parent company to entity with joint control or significant influence
Shanghai E & P Trading Co., Ltd.	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
Daiwa Can Co., Ltd.	Entity to subsidiary-Wuxi Ton Yi Daiwa Industrial Co.,Ltd. with joint control or significant influence

(3) Significant related party transactions

A. Sales

	For the three-month periods ended March 31,	
	2019	2018
Sales of goods:		
Parent company to entities with joint control or significant influence		
Guangzhou President Enterprises Co., Ltd.	$ 742, 585	$ 854, 407
Others	2, 236, 609	2, 291, 749
	$ 2, 979, 194	$ 3, 146, 156

The Group's collection terms and methods for related party are wire transfer within 28~60 days of monthly statements, wire transfer within 22 days of statements settled twice a month and wire transfer within 20~45 days after receiving the receipt. The collection terms are similar to that of a third party. The Group only sells to the subsidiaries; thus there is no comparable price for sales made at arm's length.

B. Purchases of goods

	For the three-month periods ended March 31,	
	2019	2018
Purchases of goods:		
Parent company to entities with joint control or significant influence	$ 253, 254	$ 255, 117

Purchase price from related party is similar to that of a third party. Except for some transactions in letters of credit, the payment terms are similar to those of third parties, which are payments within 28~45 days of monthly statement, 10~30 days of invoice receipt, wire transfer within 7~88 days after receiving the receipt and 15 days upon receipt of goods.

C. Property transactions

Disposal of property, plant and equipment:

				For the three-month periods ended March 31, 2018	
	Accounts	No. of shares (in thousands)	Objects	Proceeds	Gain/(Loss)
Kai Yu Investment Co., Ltd.	Financial assets at fair value through profit or loss-non-curren	44, 100	Unlisted stocks	$470, 454	$ -
	Financial assets at fair value through profit or loss-non-curren	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.

There was no such situation for the three-month period ended March 31, 2019.

D. Rental expense (recorded under Operating cost and Operating expense) (Prior to 2019)

	Leased subject	Determination of rent	Payment method	For the three-month period ended March 31, 2018	
Parent company to entities with joint control or significant influence					
Taizhou President Enterprises Co., Ltd.	Plant and office	Negotiation	(Note 1)	$	20, 927
Zhanjiang President Enterprises Co., Ltd.	Plant and office	Negotiation	(Note 1)		14, 214
Chengdu President Enterprises Food Co., Ltd.	Plant and office	Negotiation	(Note 1)		11, 210
Beijing President Enterprises Drinks & Food Co., Ltd.	Plant and office	Negotiation	(Note 1)		9, 047
Kunshan President Enterprises Food Co., Ltd.	Plant and office	Negotiation	(Note 1)		8, 534
Others	Equipments, etc.	Negotiation	(Note 2)		5, 694
				$	69, 626

(Note 1) Prepayment for three months.

(Note 2) Payments within 15~45 days of invoice receipt.

E. Outstanding balance of receivables from related parties

	March 31, 2019		December 31, 2018		March 31, 2018	
Receivables from related party:						
Parent company to entities with joint control or significant influence						
Guangzhou President Enterprises Co., Ltd.	$	330, 423	$	338, 531	$	313, 957
Others		1, 144, 747		910, 022		1, 058, 630
	$	1, 475, 170	$	1, 248, 553	$	1, 372, 587

Receivables from related party arise primarily from sales of goods. These receivables have not been pledged and do not incur interest.

F. Prepayments for equipment

	March 31, 2019	December 31, 2018	March 31, 2018
Daiwa Can Co., Ltd.	$ 448,154	$ 204,314	$ -

G. Refundable deposits

	March 31, 2019	December 31, 2018	March 31, 2018
Parent company to entities with joint control or significant influence			
Taizhou President Enterprises Co., Ltd.	$ 7,277	$ 7,076	$ 22,051
Zhanjiang President Enterprises Co., Ltd.	4,945	4,809	14,986
Kunshan President Enterprises Food Co.,	4,467	4,344	14,234
Chengdu President Enterprises Food Co.,	3,471	3,802	16,271
Beijing President Enterprises Drink & Food Co., Ltd.	3,036	2,952	9,112
	$ 23,196	$ 22,983	$ 76,654

H. Outstanding balance of payables to related parties

	March 31, 2019	December 31, 2018	March 31, 2018
Payables to related party:			
Parent company to entities with joint control or significant influence	$ 214,882	$ 201,922	$ 182,764

Payables to related party arise from purchases of goods, property transactions and collections and payments on behalf of others. These payables do not incur interest.

I. Contract liabilities - current

	March 31, 2019	December 31, 2018	March 31, 2018
Parent company to entities with joint control or significant influence			
Guangzhou President Enterprises Co., Ltd.	$ 30, 168	$ 32, 107	$ 25, 184
Others	2, 892	2, 680	25
	$ 33, 060	$ 34, 787	$ 25, 209

J. Lease liabilities and interest expense (Effective 2019)

	Leased subject	Determination of rent	Payment method	For the three-month period ended March 31, 2019	
				Leased liabilities	Interest expense
Parent company to entities with joint control or significant influence					
Taizhou President Enterprises Co., Ltd.	Plant and office	Negotiation	(Note)	$ 514, 452	$ 5, 711
Zhanjiang President Enterprises Co., Ltd.	Plant and office	Negotiation	(Note)	452, 027	4, 838
Kunshan President Enterprises Food Co., Ltd.	Plant and office	Negotiation	(Note)	295, 338	3, 273
Beijing President Enterprises Drinks & Food Co., Ltd.	Plant and office	Negotiation	(Note)	229, 695	2, 459
Chengdu President Enterprises Food Co., Ltd.	Plant and office	Negotiation	(Note)	193, 086	2, 181
				$ 1, 684, 598	$ 18, 462

(Note) Prepayment for three months.

K. Key management compensation

	For the three-month periods ended March 31,	
	2019	2018
Salaries and other short-term employee benefits	$ 5, 829	$ 5, 233

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	March 31, 2019	December 31, 2018	March 31, 2018	
Bank deposits (Note)	$ 713, 719	$ 694, 031	$ 244, 997	Restricted performance bond
Notes receivable	-	-	69, 568	Short-term borrowings security
	$ 713, 719	$ 694, 031	$ 314, 565	

(Note) Recorded under "Other current financial assets."

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of March 31, 2019, December 31, 2018 and March 31, 2018, the balances for contracts that the Group entered into but not yet incurred are $829,937, $1,027,867 and $84,505, respectively.

B. As of March 31, 2019, December 31, 2018 and March 31, 2018, the unused letters of credit amounted to $1,256,031, $735,481 and $710,249, respectively.

C. Lending agreements of the Group are summarized below:

(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, the Company has to improve the conditions. Otherwise, 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 signed a loan agreement with KGI Bank in 2018. 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 200%, and consolidated tangible shareholders' equity of not less than $15,000,000 at the annual assessment. If any of the financial covenants were not met, the Company has to improve within four months. Otherwise, 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, the Company has to improve the conditions. Otherwise, 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 200%, 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.

(e) Zhangzhou Ton Yi Industrial Co., Ltd. (the 'Zhangzhou Ton Yi'), a subsidiary of the Group, has signed a loan agreement with BNP Paribas in 2016. In accordance with the agreement, Zhangzhou Ton Yi has to maintain the following financial ratios and terms: the tangible shareholders' equity of not less than CNY$195,000,000 at the annual assessment, and the total debt-to-total equity ratio of less than 160%. Should Zhangzhou Ton Yi fail to meet the above covenants, the banks have the right to demand Zhangzhou Ton Yi to pay off the loan balance immediately.

(f) Huizhou Ton Yi Industrial Co., Ltd. (the 'Huizhou Ton Yi'), a subsidiary of the Group, has signed a loan agreement with Mizoho Bank in 2016. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, 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 banks have the right to demand Huizhou Ton Yi to pay off the loan balance immediately.

(g) Chengdu Ton Yi Industrial Co., Ltd. (the 'Chengdu Ton Yi'), a subsidiary of the Group, has signed a loan agreement with Bangkok Bank in 2016. In accordance with the agreement, Chengdu Ton Yi has to maintain the following financial ratios and terms: the debt-to-equity ratio of less than 250%. Should Chengdu Ton Yi fail to meet the above covenants, the banks have the right to demand Chengdu Ton Yi to pay off the loan balance immediately.

(h) Chengdu Ton Yi, a subsidiary of the Group, has signed a loan agreement with United Overseas Bank in 2016 and 2015. In accordance with the agreement, Chengdu Ton Yi has to maintain the following financial ratios and terms: the ratio of the total borrowings to net tangible assets shall not exceed 225% at all times. Should Chengdu Ton Yi fail to meet the above covenants, the banks have the right to demand Chengdu Ton Yi to pay off the loan balance immediately.

As of March 31, 2019, December 31, 2018, and March 31, 2018, the Group has not violated the above covenants.

D. The Group leases various land, offices, warehouses and equipment under operating lease agreements. For the three-month period ended March 31, 2018, rental expense recorded under Operating cost and Operating expense amounted to $82,254. The future aggregate minimum lease payments under operating leases are as follows:

	December 31, 2018		March 31, 2018	
Within 1 year	$	248, 238	$	250, 767
Between 1 and 5 years		296, 356		160, 769
Over 5 years		364, 156		552, 140
	$	908, 750	$	963, 676

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, maintain an optimal capital structure to both reduce the cost of capital and to meet the monetary needs of improving productivity. In order to maintain or adjust the capital structure, the Group 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.

B. Financial risk management policies

(a) The Group'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 Group seeks to minimize potential adverse effects on the Group's financial performance The Group hedges foreign exchange risk by using Forward foreign exchange contracts.

(b) Risk management is carried out by a central treasury department (Group Finance Department) under policies approved by the board of directors. Group Finance Department identifies, evaluates and hedges financial risks in close cooperation with the Group'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 Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, EUR and China

Yuan (the 'CNY'). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

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

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

	March 31, 2019		
(Foreign currency: functional currency)	Foreign Currency Amount (in thousands)	Exchange Rate	Book Value
Financial assets			
Monetary items			
USD : NTD	$ 17,505	30.82	$ 539,504
USD : CNY	1,245	6.71	38,371
EUR : NTD	1,285	34.61	44,474
Financial liabilities			
Monetary items			
USD : NTD	17,195	30.82	529,950

	December 31, 2018		
(Foreign currency: functional currency)	Foreign Currency Amount (in thousands)	Exchange Rate	Book Value
Financial assets			
Monetary items			
USD : NTD	$ 16,890	30.72	$ 518,776
USD : CNY	8,749	6.88	268,726
EUR : NTD	1,725	35.2	60,720
JPY : NTD	111,089	0.2782	30,905
Financial liabilities			
Monetary items			
USD : NTD	16,501	30.72	506,828

(Foreign currency: functional currency)	March 31, 2018 Foreign Currency Amount (in thousands)	Exchange Rate	Book Value
Financial assets			
Monetary items			
USD : NTD	$ 9,916	29.11	$ 288,605
EUR : NTD	1,055	35.87	37,843
USD : CNY	3,506	6.28	102,042
Financial liabilities			
Monetary items			
USD : NTD	6,851	29.11	199,398

iv. As of March 31, 2019 and 2018, if the exchange rate of the Group's functional currency to foreign currencies had appreciated/depreciated by 1%, with all other factors remaining constant, the post-tax profit for the three-month periods ended March 31, 2019 and 2018 would have increased/decreased by $739 and $1,833, respectively.

v. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2019 and 2018 amounted to $23,256 and ($16,269), respectively.

(b) Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss financial assets at fair value through other comprehensive income To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares 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 three-month periods ended March 31, 2019 and 2018 would have increased/decreased by $1,307 and $1,468, respectively.

(c) Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain its borrowings at fixed rate using interest rate swaps to achieve this when necessary. For the three-month periods ended March 31, 2019 and 2018, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars, JPY dollars, and CNY dollars.

ii. If the borrowing interest rate had increased/decreased by 1% or with all other variables held constant, profit, net of tax for the three-month periods ended March 31, 2019 and 2018 would have decreased /increased by $519 and $707, respectively. The main factor is that changes in interest expense result in floating-rate borrowings

b. Credit risk

(a) Credit risk refers to the risk of financial loss to the Group 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 based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.

(b) The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group 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) In line with credit risk management procedure, when the contract payments are past due over certain number days, the default has occurred.

(d) The Group adopts the following assumptions 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. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

(e) The Group classifies customer's accounts receivable in accordance with product types. The Group 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. The Group applying the simplified approach to provide loss allowance for accounts receivable is as follows:

	For the three-month period ended March 31, 2019	
	Notes receivable	Accounts receivable
At January 1	$ 1,492	$ 68,277
Expected credit gains	-	(3,335)
Effect of foreign exchange rate changes	-	1,671
At March 31	$ 1,492	$ 66,613

	For the three-month period ended March 31, 2018	
	Notes receivable	Accounts receivable
At January 1_IAS 39	$ 1,200	$ 58,191
Adjustments under new standards	-	-
At January 1_IFRS 9	1,200	58,191
Expected credit losses	-	9,941
Effect of foreign exchange rate changes	-	766
At March 31_IFRS 9	$ 1,200	$ 68,898

c. Liquidity risk

(a) Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance Department. Group Finance Department monitors rolling forecasts of the Group'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 Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

(c) The table below analyses the Group'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.

March 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 3, 440, 555	$ -	$ -	$ -
Short-term notes and bills payable	350, 000	-	-	-
Notes payable	14, 180	-	-	-
Accounts payable (including related party)	1, 234, 573	-	-	-
Other payables (including related party)	1, 392, 570	-	-	-
Lease liabilities	294, 057	283, 877	833, 884	1, 206, 106
Other financial liabilities - current	21, 293	-	-	-
Long-term borrowings	963, 222	5, 054, 447	3, 118, 017	-
Guarantee deposits received	-	6, 694	1, 699	18, 367

December 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 3, 732, 411	$ -	$ -	$ -
Short-term notes and bills payable	400, 000	-	-	-
Notes payable	15, 245	-	-	-
Accounts payable (including related party)	1, 169, 578	-	-	-
Other payables (including related party)	1, 572, 726	-	-	-
Other financial liabilities - current	20, 180	-	-	-
Long-term borrowings	977, 893	5, 070, 006	3, 126, 873	-
Guarantee deposits received	-	8, 000	223	17, 863

March 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 2,498,099	$ -	$ -	$ -
Short-term notes and bills payable	400,000	-	-	-
Notes payable	14,187	-	-	-
Accounts payable (including related party)	1,486,843	-	-	-
Other payables (including related party)	1,174,269	-	-	-
Other financial liabilities - current	19,568	-	-	-
Long-term borrowings	1,461,722	5,629,093	4,668,892	-
Guarantee deposits received	-	5,593	2,829	18,552

(d) The Group 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 Group'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. The fair value of the Group's investment in foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. The fair value of the Group'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 payable, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities - current, other current financial liabilities, long-term borrowings (including long-term liabilities - current portion), lease liabilities - non-current 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 at March 31, 2019, December 31, 2018 and March 31, 2018 is as follows:

March 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 130,696	$ -	$ -	$ 130,696

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

March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 829	$ -	$ 829
Financial assets at fair value through profit or loss				
Equity securities	146,776	-	-	146,776
	$ 146,776	$ 829	$ -	$ 147,605

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

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

	Listed shares
Market quoted price	Closing price

b. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

E. For the three-month periods ended March 31, 2019 and 2018, there was no transfer into or out between Level 1 and Level 2.

F. For the three-month periods ended March 31, 2019 and 2018, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the three-month period ended March 31, 2019.

(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 NT$300 million or 20% of the Company's paid-in capital: None.

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

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting period: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the operating segments based on information provided to the Group's chief operating decision-maker in order to make strategic decisions. The Group's organization, basis of identification and measurement of segment information had no significant changes in this period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of operating segments based on segment pre-tax income.

(3) Information about segment profit or loss and assets

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2019				
	Taiwan	Tinplate Manufacturing (in Mainland China)	PET Package Manufacturing (in Mainland China)	Others	Total
Revenue from external customers	$ 3,047,900	$ 1,357,444	$ 2,941,822	$ 430,118	$ 7,777,284
Revenue from internal customers	1,380,795	110,602	-	1,726	1,493,123
Segment revenue	$ 4,428,695	$ 1,468,046	$ 2,941,822	$ 431,844	$ 9,270,407
Segment income	$ 147,213	($ 124,065)	$ 126,738	$ 131,117	$ 281,003
Segment assets	$ 31,100,463	$ 8,994,207	$ 14,164,507	$ 19,404,501	$ 73,663,678

	For the three-month period ended March 31, 2018				
	Taiwan	Tinplate Manufacturing (in Mainland China)	PET Package Manufacturing (in Mainland China)	Others	Total
Revenue from external customers	$ 3,080,622	$ 1,514,420	$ 3,054,369	$ 503,651	$ 8,153,062
Revenue from internal customers	1,373,365	183,216	6,266	16,439	1,579,286
Segment revenue	$ 4,453,987	$ 1,697,636	$ 3,060,635	$ 520,090	$ 9,732,348
Segment income	$ 105,662	$ 25,541	$ 130,116	$ 77,986	$ 339,305
Segment assets	$ 27,502,170	$ 8,853,984	$ 13,120,050	$ 17,724,521	$ 67,200,725

(4) Reconciliation for segment income (loss) and assets

A. Sales between segments were carried out at arm's length. Basis of measurement remained consistent with revenue in the statements of comprehensive income and revenue from external parties reported to the chief operating decision-maker. A reconciliation of segment profit or loss before tax and the profit or loss before tax from continuing operations is shown below:

	For the three-month periods ended March 31, 2019	For the three-month periods ended March 31, 2018
Reportable segments profit and loss	$ 149,886	$ 261,319
Other segments profit and loss	131,117	77,986
Elimination of intersegment transactions	(129,145)	(194,578)
Net income before income tax from continuing operations	$ 151,858	$ 144,727

B. The amount of total assets provided to the Chief Operating Decision-Maker adopts the same basis of measurement as assets in the Group's financial statements. The reconciliations between reportable segments' assets and total assets are as follows:

	March 31, 2019	March 31, 2018
Assets of reportable segments	$ 54,259,177	$ 49,476,204
Assets of other operating segments	19,404,501	17,724,521
Elimination of intersegment transactions	(34,247,041)	(29,163,258)
Total assets	$ 39,416,637	$ 38,037,467

Ton Yi Industrial Corp. and subsidiaries

Loans to others

Three-month period ended March 31, 2019

Table 1

Expressed in thousands of NTD

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three-month period ended March 31, 2019	Balance at March 31, 2019	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	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	$ 137,751	$ 137,751	$ 76,314	3.00	2	$ -	Operational use	-	—	-	$ 1,042,131	$ 1,042,131	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	128,568	4.00	2	-	Operational use	-	—	-	1,042,131	1,042,131	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	183,668	183,668	-	—	2	-	Operational use	-	—	-	208,426	416,852	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	183,668	183,668	91,834	4.00	2	-	Operational use	-	—	-	367,312	367,312	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	105,609	105,609	-	4.00	2	-	Operational use	-	—	-	367,312	367,312	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	96,885	3.00	2	-	Operational use	-	—	-	1,831,628	1,831,628	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	183,668	183,668	183,668	4.00	2	-	Operational use	-	—	-	1,831,628	1,831,628	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	68,876	68,876	68,876	4.00	2	-	Operational use	-	—	-	1,831,628	1,831,628	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	366,326	732,651	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	53,264	3.00	2	-	Operational use	-	—	-	888,989	888,989	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three-month period ended March 31, 2019	Balance at March 31, 2019	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	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	$ 275,502	$ 275,502	$ 252,544	4.00	2	$ -	Operational use	-	—	-	$ 888,989	$ 888,989	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	137,751	4.00	2	-	Operational use	-	—	-	751,150	751,150	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	45,917	45,917	45,917	4.00	2	-	Operational use	-	—	-	751,150	751,150	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	751,150	751,150	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	82,651	4.00	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	95,967	4.00	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	71,171	4.00	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	133,160	4.00	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	-	4.00	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	9,195,772	9,195,772	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	1,488,209	1,488,209	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three-month period ended March 31, 2019	Balance at March 31, 2019	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
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	$ 137,751	$ 137,751	$ -	—	2	$ -	Operational use	-	—	-	$ 780,928	$ 780,928	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	831,195	831,195	Note 2
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	137,751	137,751	-	—	2	-	Operational use	-	—	-	910,147	910,147	Note 2
11	Changsha Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	32,142	-	-	4.00	2	-	Operational use	-	—	-	225,884	225,884	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 March 31, 2019 as follows: CNY:NTD 1 : 4.591708.

Ton Yi Industrial Corp. and subsidiaries

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

March 31, 2019

Table 2

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account (Note)	As of March 31, 2019				Footnote
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	$ 130,696	0.04	$ 130,696	—

(Note) The code number explanation is as follows:

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

Ton Yi Industrial Corp. and subsidiaries

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

Three-month period ended March 31, 2019

Table 3

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.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for under the equity method	(Sales)	($ 934,260)	(21)	50 days after shipping,T/T	$ -	—	$ 593,781	35	—
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)	(406,970)	(9)	50 days after shipping,T/T	-	—	132,338	8	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	(108,011)	(28)	Within 30 days of statements settled a month,T/T	-	—	62,108	33	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	(113,020)	(29)	Within 30 days of statements settled a month,T/T	-	—	53,580	29	—
Chengdu Ton Yi Industrial Packing 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	Purchases	108,011	100	Within 30 days of statements settled a month,T/T	-	—	(62,108)	(97)	—
Changsha Ton Yi Industrial 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	Purchases	113,020	100	Within 30 days of statements settled a month,T/T	-	—	(53,580)	(100)	—
Fujian Ton Yi Tinplate Co., Ltd.	Ton Yi Industrial Corp.	The Company	Purchases	934,260	92	50 days after shipping,T/T	-	—	(593,781)	(93)	—

			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
Jiangsu Ton Yi Tinplate Co., Ltd.	Ton Yi Industrial Corp.	The Company	Purchases	$ 406,970	92	50 days after shipping,T/T	$ -	—	($ 132,338)	(59)	—
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)	(306,067)	(88)	Within 22 days of statements settled twice a month, T/T	-	—	142,328	86	—
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)	(471,843)	(72)	Within 22 days of statements settled twice a month, T/T	-	—	205,210	71	—
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)	(173,418)	(54)	Within 22 days of statements settled twice a month, T/T	-	—	89,724	51	—
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)	(203,922)	(96)	Within 22 days of statements settled twice a month, T/T	-	—	81,886	99	—
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)	(439,302)	(95)	Within 22 days of statements settled twice a month, T/T	-	—	245,012	96	—
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)	(440,665)	(95)	Within 22 days of statements settled twice a month, T/T	-	—	238,788	96	—
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)	(370,801)	(98)	Within 22 days of statements settled twice a month, T/T	-	—	165,549	96	—

			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.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) which has joint control or significant influence	(Sales)	($ 103,694)	(52)	Within 22 days of statements settled twice a month, T/T	$ -	—	$ 47,057	61	—

(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 March 31, 2019 (CNY:NTD 1:4.591708 ; USD:NTD 1:30.82); Amounts of transactions were translated using the weighted-average exchange rate for the three-month period ended March 31, 2019 (CNY:NTD 1:4.568583 ; USD:NTD 1:30.829569).

Ton Yi Industrial Corp. and subsidiaries

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

Three-month period ended March 31, 2019

Table 4

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2019		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	$ 593,781	6.33	$ -	—	$ 210,803	$ -
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	132,338	5.52	-	—	131,976	-
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	133,606	-	-	—	14,222	-
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	142,328	8.51	-	—	118,145	-
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	205,210	12.12	-	—	205,210	-
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	183,893	-	-	—	-	-
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	245,012	7.56	-	—	245,012	-
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	128,725	-	-	—	-	-
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	238,788	9.75	-	—	238,788	-
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	165,549	8.24	-	—	165,517	-
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	252,927	-	-	—	75	-
Zhanjiang 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	137,936	-	-	—	-	-

(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 March 31, 2019 (CYN:NTD 1:4.591708 ; USD:NTD 1:30.82).

Ton Yi Industrial Corp. and subsidiaries

Significant inter-company transactions during the reporting period

Three-month period ended March 31, 2019

Table 5

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 4)
0	Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	$ 934,260	50 days after shipping,T/T	12%
			1	Accounts receivable	593,781	—	2%
		Jiangsu Ton Yi Tinplate Co., Ltd.	1	Sales	406,970	50 days after shipping,T/T	5%
			1	Accounts receivable	132,338	—	—
1	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	108,011	Within 30 days of statements settled a month,T/T	1%
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	113,020	Within 30 days of statements settled a month,T/T	1%
2	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co.,Ltd.	3	Other receivables	133,606	—	—
3	Taizhou Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	183,893	—	—
4	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	128,725	—	—
5	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	252,927	—	1%
6	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	137,936	—	—

(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 March 31, 2019 (CNY:NTD 1:4.591708); Amounts of transactions were translated using the weighted-average exchange rate for the three-month period ended March 31, 2019 (CNY:NTD 1:4.568583).

Ton Yi Industrial Corp. and subsidiaries

Information on investees

For the three-month period ended March 31, 2019

Table 6

Expressed in thousands of NTD

				Initial investment amount		Shares held as at March 31, 2019					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2019	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2019	Footnote
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General investment	$ 13,399,488	$ 13,399,488	43,470,820	100.00	$ 16,580,615	$ 65,476	$ 65,476	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing of cans	43,740	43,740	-	51.00	54,884	(3,907)	(1,992)	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,088,600	7,088,600	230,000,000	100.00	9,195,791	94,595	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,974,393	1,974,393	8,727	100.00	3,262,035	(50,414)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,106,524	1,106,524	5,000	100.00	2,405,735	(31,986)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	7,088,600	7,088,600	230,000,000	100.00	9,195,791	94,595	-	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 March 31, 2019 (USD:NTD 1:30.82);
Amounts of transactions were translated using the weighted-average exchange rate for the three-month period ended March 31, 2019 (USD:NTD 1:30.829569).

Ton Yi Industrial Corp. and subsidiaries

Information on investments in Mainland China

Three-month period ended March 31, 2019

Table 7

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, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2019: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2019: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the three-month period ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2019	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	$ 299,570	Note 1	$ 215,740	$ -	$ -	$ 215,740	$ 48,521	100.00	$ 49,259	$ 1,122,730	$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	231,150	Note 1	231,150	-	-	231,150	2,027	100.00	2,027	369,350	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Manufacturing of cans	215,740	Note 1	-	-	-	-	2,920	100.00	2,920	228,820	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	2,665,930	Note 2	1,644,155	-	-	1,644,155	(58,078)	86.80	(51,863)	3,193,132	-	Note 8
Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	1,232,800	Note 3	855,255	-	-	855,255	(38,604)	82.86	(31,461)	2,273,626	-	Note 8
Ton Yi (China) Investment Co., Ltd.	General investment	7,088,600	Note 4	924,600	-	-	924,600	94,595	100.00	94,595	9,195,791	-	Note 8
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	924,600	-	-	924,600	6,778	100.00	6,778	1,488,209	-	Note 8
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	924,600	-	-	924,600	72,242	100.00	72,242	1,831,628	-	Note 8
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	354,430	-	-	354,430	30,984	100.00	30,984	812,069	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	184,920	-	-	184,920	(1,673)	100.00	(1,673)	908,466	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	-	-	-	-	5,255	100.00	5,255	1,042,131	-	Note 8
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	-	-	-	-	(10,636)	100.00	(10,636)	820,505	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	924,600	Note 5	-	-	-	-	(5,511)	100.00	(5,511)	883,450	-	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	616,400	Note 5	-	-	-	-	(4,143)	100.00	(4,143)	746,986	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	493,120	Note 5	-	-	-	-	55	100.00	55	506,287	-	Note 7
Wuxi Tonyi Daiwa Industrial Co., Ltd.	Manufacturing of cans	1,232,800	Note 6	-	-	-	-	(3,823)	66.50	(2,542)	826,239	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	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 9)
Ton Yi Industrial Corp.	$ 6,259,450	$ 11,995,366	$ 12,321,272

(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 recognized income (loss) based on unreviewed financial statements.

(Note 8) The Company recognized income (loss) based on reviewed financial statements.

(Note 9) The ceiling amount is 60% of consolidated net assets.

(Note 10) 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 March 31, 2019 (CNY:NTD 1:4.591708, USD:NTD 1:30.82);
Amounts of transactions were translated using the weighted-average exchange rate for the three-month period ended March 31, 2019 (CNY:NTD 1:4.568583, USD:NTD 1:30.829569).

Ton Yi Industrial Corp. and subsidiaries

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

Three-month period ended March 31, 2019

Table 8

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 March 31, 2019	%	Balance at March 31, 2019	Purpose	Maximum balance during the three-month period ended March 31, 2019	Balance at March 31, 2019	Interest rate	Interest during the three-month period ended March 31, 2019	Others
Fujian Ton Yi Tinplate Co., Ltd.	$ 934,260	21	$ -	-	$ 593,781	35	$ -	—	$ -	$ -	—	$ -	—
Jiangsu Ton Yi Tinplate Co., Ltd.	406,970	9	-	-	132,338	8	-	—	-	-	—	-	—