

**TON YI INDUSTRIAL CORP. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2022 AND 2021**

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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.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders 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 June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-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 the 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***

The financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$10,563,246 thousand and NT\$10,841,961 thousand, constituting 28.06% and 29.10% of the consolidated total assets, and total liabilities of NT\$2,556,987 thousand and NT\$2,562,947 thousand, constituting 15.53% and 14.53% of the consolidated total liabilities as at June 30, 2022 and 2021, respectively and total comprehensive income of NT\$95,296 thousand, NT\$159,439 thousand, NT\$122,870 thousand and NT\$257,782 thousand, constituting 19.39%, 60.84%, 6.77% and 59.91% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, 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 and the information disclosed in Note 13 of certain non-significant subsidiaries been reviewed by independent auditors, 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 June 30, 2022 and 2021, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the 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.

Yeh, Fang-Ting

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

August 8, 2022

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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**  
**JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

Assets	Notes	June 30, 2022		December 31, 2021		June 30, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 2,899,716	8	\$ 2,664,025	7	\$ 3,124,896	8
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		44,369	-	-	-	-	-
1150	Notes receivable, net	6(3)(4) and 12	1,195,492	3	845,273	2	603,316	2
1170	Accounts receivable, net	6(3) and 12	2,427,629	6	3,149,090	8	2,235,127	6
1180	Accounts receivable - related	6(3) and 7						
	parties		1,706,143	4	1,345,104	4	1,699,333	5
1200	Other receivables		224,079	1	165,358	1	157,957	-
1220	Current income tax assets		1,338	-	60,565	-	44,894	-
130X	Inventories	6(5)	5,899,344	16	5,657,333	15	4,585,084	12
1410	Prepayments		327,593	1	480,809	1	572,025	2
1476	Other current financial assets		1,204	-	35,144	-	5,707	-
11XX	<b>Total current assets</b>		<u>14,726,907</u>	<u>39</u>	<u>14,402,701</u>	<u>38</u>	<u>13,028,339</u>	<u>35</u>
<b>Non-current assets</b>								
1517	Financial assets at fair value	6(6)						
	through other comprehensive							
	income - non-current		78,006	-	88,203	-	81,995	-
1600	Property, plant and equipment	6(7)	19,227,555	51	19,903,177	53	20,630,947	56
1755	Right-of-use assets	6(8) and 7	2,162,392	6	2,257,043	6	2,369,019	6
1760	Investment property, net	6(10)	92,920	-	92,931	-	95,223	-
1780	Intangible assets	6(11)	300,568	1	285,339	1	312,620	1
1840	Deferred income tax assets		808,163	2	656,609	2	617,776	2
1915	Prepayments for business							
	facilities		210,127	1	109,497	-	83,864	-
1920	Guarantee deposits paid	7	31,479	-	41,054	-	25,561	-
1990	Other non-current assets, others		10,676	-	11,769	-	12,919	-
15XX	<b>Total non-current assets</b>		<u>22,921,886</u>	<u>61</u>	<u>23,445,622</u>	<u>62</u>	<u>24,229,924</u>	<u>65</u>
1XXX	<b>Total assets</b>		<u>\$ 37,648,793</u>	<u>100</u>	<u>\$ 37,848,323</u>	<u>100</u>	<u>\$ 37,258,263</u>	<u>100</u>

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**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

Liabilities and Equity	Notes	June 30, 2022		December 31, 2021		June 30, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(12)	\$ 2,978,975	8	\$ 2,798,456	7	\$ 3,536,309	10
2110	Short-term notes and bills payable	6(13)	-	-	399,900	1	149,954	-
2130	Contract liabilities - current	6(20) and 7	130,775	-	187,357	1	113,886	-
2150	Notes payable		85	-	-	-	769	-
2170	Accounts payable		1,559,418	4	1,289,212	3	1,379,950	4
2180	Accounts payable - related parties	7	225,097	1	273,426	1	185,053	1
2200	Other payables	6(19)	2,400,488	7	1,627,554	4	1,919,736	5
2220	Other payables - related parties	6(19) and 7	874,963	2	88,643	-	496,338	1
2230	Current income tax liabilities		452,269	1	271,989	1	125,858	-
2280	Lease liabilities, current	7	225,334	1	213,772	1	221,259	1
2305	Other current financial liabilities		31,082	-	34,462	-	23,428	-
2365	Current refund liabilities		12,171	-	15,085	-	12,913	-
21XX	<b>Total current liabilities</b>		<u>8,890,657</u>	<u>24</u>	<u>7,199,856</u>	<u>19</u>	<u>8,165,453</u>	<u>22</u>
<b>Non-current liabilities</b>								
2540	Long-term borrowings	6(14)	4,950,000	13	7,050,000	19	6,750,000	18
2550	Non-current provisions	6(15)	83,502	-	82,727	-	81,965	-
2570	Deferred income tax liabilities		685,693	2	611,048	2	582,941	1
2580	Lease liabilities, non-current	7	1,505,023	4	1,591,394	4	1,700,602	5
2630	Long-term deferred revenue		26,618	-	26,129	-	30,202	-
2640	Net defined benefit liabilities, non-current	6(16)	289,349	1	311,034	1	296,371	1
2645	Guarantee deposits received		35,769	-	29,288	-	33,067	-
25XX	<b>Total non-current liabilities</b>		<u>7,575,954</u>	<u>20</u>	<u>9,701,620</u>	<u>26</u>	<u>9,475,148</u>	<u>25</u>
2XXX	<b>Total liabilities</b>		<u>16,466,611</u>	<u>44</u>	<u>16,901,476</u>	<u>45</u>	<u>17,640,601</u>	<u>47</u>
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	6(17)	15,791,453	41	15,791,453	41	15,791,453	42
3200	Capital surplus	6(18)	231,673	1	231,673	1	231,690	1
Retained earnings								
3310	Legal reserve	6(19)	2,062,280	6	1,878,827	5	1,878,827	5
3320	Special reserve		1,829,875	5	1,811,806	5	1,811,806	5
3350	Unappropriated retained earnings		1,593,683	4	1,878,911	5	696,657	2
3400	Other equity interest		(1,488,971)	(4)	(1,829,875)	(5)	(2,001,121)	(5)
31XX	<b>Equity attributable to owners of the parent</b>		<u>20,019,993</u>	<u>53</u>	<u>19,762,795</u>	<u>52</u>	<u>18,409,312</u>	<u>50</u>
36XX	<b>Non-controlling interests</b>		<u>1,162,189</u>	<u>3</u>	<u>1,184,052</u>	<u>3</u>	<u>1,208,350</u>	<u>3</u>
3XXX	<b>Total equity</b>		<u>21,182,182</u>	<u>56</u>	<u>20,946,847</u>	<u>55</u>	<u>19,617,662</u>	<u>53</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 37,648,793</u>	<u>100</u>	<u>\$ 37,848,323</u>	<u>100</u>	<u>\$ 37,258,263</u>	<u>100</u>

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 SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Reviewed, not audited)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2022		2021		2022		2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 12,120,045	100	\$ 10,559,475	100	\$ 22,551,891	100	\$ 18,722,759	100
5000	Operating costs	6(5)(10)(11)(16) and 7	( 10,036,133)	( 83)	( 9,230,598)	( 88)	( 18,900,473)	( 84)	( 16,519,912)	( 89)
5900	Gross profit from operations		<u>2,083,912</u>	<u>17</u>	<u>1,328,877</u>	<u>12</u>	<u>3,651,418</u>	<u>16</u>	<u>2,202,847</u>	<u>11</u>
	Operating expenses	6(10)(11)(16), 7 and 12								
6100	Selling expenses		( 633,703)	( 5)	( 388,096)	( 4)	( 1,091,134)	( 5)	( 691,541)	( 4)
6200	Administrative expenses		( 416,077)	( 3)	( 350,280)	( 3)	( 806,973)	( 3)	( 649,359)	( 3)
6450	Expected credit gains (losses)		<u>728</u>	-	( 3,516)	-	<u>5,623</u>	-	( 4,468)	-
6000	Total operating expenses		( 1,049,052)	( 8)	( 741,892)	( 7)	( 1,892,484)	( 8)	( 1,345,368)	( 7)
6900	Operating income		<u>1,034,860</u>	<u>9</u>	<u>586,985</u>	<u>5</u>	<u>1,758,934</u>	<u>8</u>	<u>857,479</u>	<u>4</u>
	Non-operating income and expenses									
7100	Interest income		12,103	-	8,515	-	22,851	-	17,226	-
7010	Other income	6(6)(9)(10)	33,956	-	34,880	-	58,169	-	56,657	-
7020	Other gains and losses	6(2)(8) and 12	44,693	-	( 19,040)	-	110,005	-	( 30,557)	-
7050	Finance costs	6(4)(7)(8) and 7	( 43,244)	-	( 43,243)	-	( 83,976)	-	( 85,710)	-
7000	Total non-operating income and expenses		<u>47,508</u>	-	( 18,888)	-	<u>107,049</u>	-	( 42,384)	-
7900	<b>Profit before income tax</b>		<u>1,082,368</u>	<u>9</u>	<u>568,097</u>	<u>5</u>	<u>1,865,983</u>	<u>8</u>	<u>815,095</u>	<u>4</u>
7950	Income tax expense		( 239,569)	( 2)	( 119,542)	( 1)	( 416,491)	( 2)	( 181,400)	( 1)
8200	<b>Profit for the period</b>		<u>\$ 842,799</u>	<u>7</u>	<u>\$ 448,555</u>	<u>4</u>	<u>\$ 1,449,492</u>	<u>6</u>	<u>\$ 633,695</u>	<u>3</u>

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**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Reviewed, not audited)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2022		2021		2022		2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>										
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>										
8316	Unrealized (loss) gain from investments in equity instruments measured at fair value through other comprehensive income	6(6)								
			(\$ 23,349)	-	(\$ 5,816)	-	(\$ 10,197)	-	\$ 13,749	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>										
8361	Exchange differences on translation		( 327,919)	( 3)	( 180,666)	( 2)	375,185	2	( 217,168)	( 1)
8300	<b>Other comprehensive (loss) income for the period</b>		(\$ 351,268)	( 3)	(\$ 186,482)	( 2)	\$ 364,988	2	(\$ 203,419)	( 1)
8500	<b>Total comprehensive income for the period</b>		\$ 491,531	4	\$ 262,073	2	\$ 1,814,480	8	\$ 430,276	2
Profit (loss) attributable to:										
8610	Owners of the parent		\$ 874,176	7	\$ 466,485	4	\$ 1,495,439	6	\$ 652,285	3
8620	Non-controlling interests		( 31,377)	-	( 17,930)	-	( 45,947)	-	( 18,590)	-
			\$ 842,799	7	\$ 448,555	4	\$ 1,449,492	6	\$ 633,695	3
Comprehensive income (loss) attributable to:										
8710	Owners of the parent		\$ 541,849	4	\$ 291,983	2	\$ 1,836,343	8	\$ 462,970	2
8720	Non-controlling interests		( 50,318)	-	( 29,910)	-	( 21,863)	-	( 32,694)	-
			\$ 491,531	4	\$ 262,073	2	\$ 1,814,480	8	\$ 430,276	2
Earnings per share (in dollars)										
9750	Basic		\$ 0.55		\$ 0.30		\$ 0.95		\$ 0.41	
9850	Diluted		\$ 0.55		\$ 0.30		\$ 0.94		\$ 0.41	

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 SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, no audited)

	Equity attributable to owners of the parent											
	Notes	Retained Earnings					Other equity interest			Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income				
<u>For the six-month period ended June 30, 2021</u>												
Balance at January 1, 2021		\$ 15,791,453	\$ 231,690	\$ 1,793,153	\$ 1,922,076	\$ 856,723	(\$ 1,501,135)	(\$ 310,671)	\$ 18,783,289	\$ 1,241,044	\$ 20,024,333	
Profit (loss) for the period		-	-	-	-	652,285	-	-	652,285	( 18,590 )	633,695	
Other comprehensive income (loss) for the period	6(6)	-	-	-	-	-	( 203,064 )	13,749	( 189,315 )	( 14,104 )	( 203,419 )	
Total comprehensive income (loss)		-	-	-	-	652,285	( 203,064 )	13,749	462,970	( 32,694 )	430,276	
Distribution of 2020 net income:												
Legal reserve		-	-	85,674	-	( 85,674 )	-	-	-	-	-	
Cash dividends	6(19)	-	-	-	-	( 836,947 )	-	-	( 836,947 )	-	( 836,947 )	
Reversal of special reserve	6(19)	-	-	-	( 110,270 )	110,270	-	-	-	-	-	
Balance at June 30, 2021		<u>\$ 15,791,453</u>	<u>\$ 231,690</u>	<u>\$ 1,878,827</u>	<u>\$ 1,811,806</u>	<u>\$ 696,657</u>	<u>(\$ 1,704,199)</u>	<u>(\$ 296,922)</u>	<u>\$ 18,409,312</u>	<u>\$ 1,208,350</u>	<u>\$ 19,617,662</u>	
<u>For the six-month period ended June 30, 2022</u>												
Balance at January 1, 2022		\$ 15,791,453	\$ 231,673	\$ 1,878,827	\$ 1,811,806	\$ 1,878,911	(\$ 1,539,161)	(\$ 290,714)	\$ 19,762,795	\$ 1,184,052	\$ 20,946,847	
Profit (loss) for the period		-	-	-	-	1,495,439	-	-	1,495,439	( 45,947 )	1,449,492	
Other comprehensive income (loss) for the period	6(6)	-	-	-	-	-	351,101	( 10,197 )	340,904	24,084	364,988	
Total comprehensive income (loss)		-	-	-	-	1,495,439	351,101	( 10,197 )	1,836,343	( 21,863 )	1,814,480	
Distribution of 2021 net income:												
Legal reserve		-	-	183,453	-	( 183,453 )	-	-	-	-	-	
Special reserve	6(19)	-	-	-	18,069	( 18,069 )	-	-	-	-	-	
Cash dividends	6(19)	-	-	-	-	( 1,579,145 )	-	-	( 1,579,145 )	-	( 1,579,145 )	
Balance at June 30, 2022		<u>\$ 15,791,453</u>	<u>\$ 231,673</u>	<u>\$ 2,062,280</u>	<u>\$ 1,829,875</u>	<u>\$ 1,593,683</u>	<u>(\$ 1,188,060)</u>	<u>(\$ 300,911)</u>	<u>\$ 20,019,993</u>	<u>\$ 1,162,189</u>	<u>\$ 21,182,182</u>	

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 SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

	Notes	For the six-month periods ended June 30,	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,865,983	\$ 815,095
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss	6(2)	( 6 )	-
Expected credit (gains) losses	12	( 5,623 )	4,468
Provision (reversal of allowance) for inventory market price decline	6(5)	102,442	( 90 )
Depreciation	6(7)(8)(10)	1,357,933	1,316,846
Loss on disposal of property, plant and equipment		143	3,685
Gain from lease modifications	6(8)	( 152 )	( 180 )
Amortization	6(11)	4,852	4,844
Interest income		( 22,851 )	( 17,226 )
Dividend income	6(6)	( 3,662 )	( 529 )
Interest expense		83,976	85,710
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 44,363 )	-
Notes receivable		( 350,535 )	( 2,832 )
Accounts receivable		726,735	( 768,221 )
Accounts receivable - related parties		( 361,039 )	( 561,958 )
Other receivables		( 55,059 )	( 72,922 )
Inventories		( 346,373 )	( 1,319,765 )
Prepayments		154,457	( 173,126 )
Changes in operating liabilities			
Contract liabilities - current		( 56,582 )	50,956
Notes payable		85	769
Accounts payable		270,206	198,907
Accounts payable - related parties		( 48,329 )	26,064
Other payables		( 45,606 )	98,215
Other payables - related parties		14,817	24,256
Current refund liabilities		( 2,914 )	2,201
Long-term deferred revenue		489	( 341 )
Net defined benefit liabilities, non-current		( 21,685 )	( 20,322 )
Cash inflow (outflow) generated from operations		3,217,339	( 305,496 )
Interest received		22,851	17,226
Income tax refund		13,269	-
Interest paid		( 81,546 )	( 84,700 )
Income tax paid		( 264,737 )	( 72,597 )
Net cash flows from (used in) operating activities		<u>2,907,176</u>	<u>( 445,567 )</u>

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TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

	Notes	For the six-month periods ended June 30,	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in other current financial assets		\$ 33,940	\$ 846
Cash paid for acquisition of property, plant and equipment		( 255,058 )	( 461,218 )
Proceeds from disposal of property, plant and equipment		6,020	19,639
Acquisition of investment property	6(10)	( 1,506 )	-
Increase in prepayments for business facilities		( 153,427 )	( 362,077 )
Interest paid for prepayments for business facilities	6(7)	( 68 )	( 89 )
Decrease (increase) in refundable deposits		9,575	( 609 )
Decrease in other non-current assets, others		1,093	1,952
Net cash flows used in investing activities		( 359,431 )	( 801,556 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		180,519	1,688,168
(Decrease) increase in short-term notes and bills payable		( 400,000 )	150,000
Decrease in other current financial liabilities		( 3,380 )	( 2,283 )
Payments of lease liabilities		( 104,255 )	( 113,024 )
Increase in long-term borrowings		300,000	300,000
Decrease in long-term borrowings		( 2,400,000 )	( 70,000 )
Increase in guarantee deposits received		6,481	8,322
Net cash flows (used in) from financing activities		( 2,420,635 )	1,961,183
Effect of foreign exchange rate changes on cash and cash equivalents		108,581	( 67,599 )
Net increase in cash and cash equivalents		235,691	646,461
Cash and cash equivalents at beginning of period	6(1)	2,664,025	2,478,435
Cash and cash equivalents at end of period	6(1)	\$ 2,899,716	\$ 3,124,896

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 SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

(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, refer to Note 4(3), ‘Basis of consolidation’.
- (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 August 8, 2022.

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 the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board  (“IASB”)</u>
Amendments to IFRS 3, ‘Reference to the Conceptual Framework’	January 1, 2022
Amendments to IAS 16, ‘Property, Plant and Equipment – Proceeds before Intended Use’	January 1, 2022
Amendment to IAS 37, ‘Onerous Contracts – Cost of Fulfilling a Contract’	January 1, 2022
Annual improvements to IFRS Standards 2018 – 2020	January 1, 2022

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

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

(3) Effect of 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 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Initial Application of IFRS 17 and IFRS 9 – Comparative Information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023

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

Except for the compliance statement, basis of preparation, basis of consolidation, and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. 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.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2021.

(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 (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 ‘Critical accounting judgements, estimates and key sources of assumption uncertainty’.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2021.

## B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Group (%)			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	General investment	100.00	100.00	100.00	—
Ton Yi Industrial Corp.	Tovecan Corp.	Manufacturing of cans and sales	51.00	51.00	51.00	(Note)
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 and sales	100.00	100.00	100.00	(Note)
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	100.00	100.00	100.00	(Note)
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	100.00	100.00	100.00	(Note)
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 and sales	86.80	86.80	86.80	—
Cayman Jiangsu Ton Yi Holding Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Sale of tinplate	82.86	82.86	82.86	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing of cans and sales	66.50	66.50	66.50	(Note)
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 and sales	100.00	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	(Note)
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	(Note)
Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	(Note)
Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	(Note)
Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages and sales	100.00	100.00	100.00	(Note)

(Note) The financial statements of certain subsidiaries included in the consolidated financial statements as of June 30, 2022 and 2021 were not reviewed by independent auditors.

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: None.

(4) 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 recognizes 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.

(5) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived 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.

(6) Income tax

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.

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

There have been no significant changes during the period. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Cash:			
Cash on hand	\$ 451	\$ 390	\$ 469
Checking deposits and demand deposits	<u>1, 558, 061</u>	<u>932, 659</u>	<u>1, 232, 594</u>
	<u>1, 558, 512</u>	<u>933, 049</u>	<u>1, 233, 063</u>
Cash equivalents:			
Time deposits	<u>1, 341, 204</u>	<u>1, 730, 976</u>	<u>1, 891, 833</u>
	<u>\$ 2, 899, 716</u>	<u>\$ 2, 664, 025</u>	<u>\$ 3, 124, 896</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to diversify credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group did not pledge cash and cash equivalents as collateral as at June 30, 2022, December 31, 2021 and June 30, 2021.

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

<u>Items</u>	<u>June 30, 2022</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Structured notes	\$ 44,363
Valuation adjustment	<u>6</u>
	<u>\$ 44,369</u>

There is no such situation as of December 31, 2021 and June 30, 2021.

- A. All structured notes contracted with financial institutions held by the Group were capital guarantee financial instruments.
- B. The Group recognized net loss on financial assets mandatorily measured at fair value through profit or loss amounting to \$2,766 for the three-month and six-month period ended June 30, 2022 (listed under “Other gains and losses”), respectively.
- C. The Group did not pledge financial assets at fair value through profit or loss as collateral as at June 30, 2022.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), “Financial instruments”.

(3) Notes and accounts receivable, net

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes receivable	\$ 1,198,111	\$ 847,576	\$ 604,533
Less: Allowance for doubtful accounts	( 2,619)	( 2,303)	( 1,217)
	<u>\$ 1,195,492</u>	<u>\$ 845,273</u>	<u>\$ 603,316</u>
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Accounts receivable	\$ 2,465,108	\$ 3,191,843	\$ 2,290,988
Less: Allowance for doubtful accounts	( 37,479)	( 42,753)	( 55,861)
	<u>\$ 2,427,629</u>	<u>\$ 3,149,090</u>	<u>\$ 2,235,127</u>



A. The aging analysis of notes receivable and accounts receivable (including related parties) is as follows:

	June 30, 2022		December 31, 2021	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
1 to 30 days	\$ 240,077	\$ 3,634,247	\$ 376,495	\$ 3,858,564
31 to 60 days	419,004	412,356	174,875	516,712
61 to 90 days	155,628	71,633	193,931	140,058
91 to 180 days	383,402	33,514	101,404	704
Over 181 days	-	19,501	871	20,909
	<u>\$ 1,198,111</u>	<u>\$ 4,171,251</u>	<u>\$ 847,576</u>	<u>\$ 4,536,947</u>

	June 30, 2021	
	Notes Receivable	Accounts Receivable
1 to 30 days	\$ 234,594	\$ 3,359,285
31 to 60 days	163,207	485,721
61 to 90 days	143,548	83,817
91 to 180 days	63,184	18,692
Over 181 days	-	42,806
	<u>\$ 604,533</u>	<u>\$ 3,990,321</u>

The above aging analysis was based on credit date.

- B. As of June 30, 2022, December 31, 2021 and June 30, 2021, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables (including related parties) from contracts with customers amounted to \$3,261,843.
- C. The Group did not pledge notes receivable and accounts receivable as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021.
- D. 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.
- E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), "Financial instruments".

(4) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety.

- A. The Group entered into a factoring agreement with China Construction Bank to sell its notes receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred notes receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred notes receivable. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group derecognized the transferred notes receivable, and the related information is as follows:

June 30, 2022				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 135,883</u>	<u>\$ 135,883</u>	<u>\$ 135,883</u>	3.30%

December 31, 2021				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 129,035</u>	<u>\$ 129,035</u>	<u>\$ 129,035</u>	4.12%

June 30, 2021				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 162,819</u>	<u>\$ 162,819</u>	<u>\$ 162,819</u>	3.35%

(b) The Group has recognized financial expense (listed under “Finance costs”) of \$58, \$526, \$121 and \$1,319, respectively, when transferring the derecognized notes receivable for the three-month and six-month periods ended June 30, 2022 and 2021, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(5) Inventories

June 30, 2022			
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 2,346,982	(\$ 67,913)	\$ 2,279,069
Raw materials in transit	13,791	( 1,815)	11,976
Supplies	698,181	( 41,777)	656,404
Supplies in transit	22,505	( 358)	22,147
Work in process	1,125,709	( 12,954)	1,112,755
Finished goods	<u>1,905,796</u>	<u>( 88,803)</u>	<u>1,816,993</u>
	<u>\$ 6,112,964</u>	<u>(\$ 213,620)</u>	<u>\$ 5,899,344</u>

December 31, 2021			
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 2,188,723	(\$ 16,181)	\$ 2,172,542
Supplies	600,805	-	600,805
Work in process	936,773	( 22,907)	913,866
Finished goods	2,040,290	( 70,170)	1,970,120
	<u>\$ 5,766,591</u>	<u>(\$ 109,258)</u>	<u>\$ 5,657,333</u>

June 30, 2021			
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1,563,912	(\$ 41,299)	\$ 1,522,613
Raw materials in transit	85,354	( 206)	85,148
Supplies	456,964	( 37)	456,927
Supplies in transit	18,807	-	18,807
Work in process	1,028,412	( 14,986)	1,013,426
Finished goods	1,535,591	( 47,428)	1,488,163
	<u>\$ 4,689,040</u>	<u>(\$ 103,956)</u>	<u>\$ 4,585,084</u>

The cost of inventories recognized as expense for the period:

	For the three-month periods ended June 30,	
	2022	2021
Cost of goods sold	\$ 10,049,493	\$ 9,364,243
Provision (reversal of allowance)		
for inventory market price decline (Note)	109,081 (	17,096)
Loss on disposal of inventory	1,060	145
Revenue from sale of scraps	( 121,398) (	113,683)
Indemnities	( 2,103) (	3,011)
	<u>\$ 10,036,133</u>	<u>\$ 9,230,598</u>

	For the six-month periods ended June 30,	
	2022	2021
Cost of goods sold	\$ 19,035,490	\$ 16,734,537
Provision (reversal of allowance)		
for inventory market price decline (Note)	102,442 (	90)
Loss on disposal of inventory	1,586	157
Revenue from sale of scraps	( 234,810) (	208,357)
Indemnities	( 4,235) (	6,335)
	<u>\$ 18,900,473</u>	<u>\$ 16,519,912</u>

(Note) For the three-month and six-month periods ended June 30, 2021, the Group reversed a previous inventory write-down as a result of the subsequent sales of inventories which were previously provided with allowance.

(6) Non-current financial assets at fair value through other comprehensive income

<u>Items</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Equity instruments			
Listed stocks	\$ 378,917	\$ 378,917	\$ 378,917
Valuation adjustment	( 300,911)	( 290,714)	( 296,922)
	<u>\$ 78,006</u>	<u>\$ 88,203</u>	<u>\$ 81,995</u>

A. The Group has elected to classify listed stocks that are considered to be strategic investment as financial assets at fair value through other comprehensive income. The fair value of such investments was approximately its book value as of June 30, 2022, December 31, 2021 and June 30, 2021.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive loss	(\$ 23,349)	(\$ 5,816)
Dividend income recognized in profit (listed under "Other income")	<u>\$ 3,662</u>	<u>\$ 529</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive (loss) income	(\$ 10,197)	<u>\$ 13,749</u>
Dividend income recognized in profit (listed under "Other income")	<u>\$ 3,662</u>	<u>\$ 529</u>

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 of financial assets at fair value through other comprehensive income is provided in Note 12(2), "Financial instruments".

(7) Property, plant and equipment

	Land	Buildings	Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction	Total
			Owner-occupied	Lease		Owner-occupied	Lease	Owner-occupied	Lease	in progress	
<u>Balance at January 1, 2022</u>											
Cost	\$ 615,892	\$ 10,514,012	\$ 46,570,851	\$ 1,100,770	\$ 261,234	\$ 210,293	\$ 2,035	\$ 5,991,064	\$ 2,817	\$ 547,843	\$ 65,816,811
Accumulated depreciation	-	( 5,649,885)	( 34,022,040)	( 932,575)	( 239,113)	( 187,062)	( 1,761)	( 4,804,355)	( 2,810)	-	( 45,839,601)
Accumulated impairment	-	-	( 43,549)	( 30,484)	-	-	-	-	-	-	( 74,033)
	<u>\$ 615,892</u>	<u>\$ 4,864,127</u>	<u>\$ 12,505,262</u>	<u>\$ 137,711</u>	<u>\$ 22,121</u>	<u>\$ 23,231</u>	<u>\$ 274</u>	<u>\$ 1,186,709</u>	<u>\$ 7</u>	<u>\$ 547,843</u>	<u>\$ 19,903,177</u>
<u>For the six-month period ended June 30, 2022</u>											
Balance at January 1, 2022	\$ 615,892	\$ 4,864,127	\$ 12,505,262	\$ 137,711	\$ 22,121	\$ 23,231	\$ 274	\$ 1,186,709	\$ 7	\$ 547,843	\$ 19,903,177
Additions - Cost	-	1,346	12,764	-	6,524	1,713	-	30,349	-	211,705	264,401
Transferred - Cost (Note)	-	14,429	503,126	-	1,186	295	-	23,698	152	( 491,262)	51,624
Transferred - Accumulated depreciation	-	-	-	-	-	-	-	10	( 10)	-	-
Depreciation	-	( 130,234)	( 933,670)	( 12,824)	( 2,749)	( 3,558)	( 36)	( 139,987)	( 4)	-	( 1,223,062)
Disposal - Cost	-	( 2,881)	( 5,101)	-	( 1,202)	( 500)	-	( 9,815)	-	-	( 19,499)
Disposal - Accumulated depreciation	-	2,669	808	-	998	499	-	8,362	-	-	13,336
Net currency exchange differences	-	65,244	147,729	2,569	328	433	6	11,215	-	10,054	237,578
Balance at June 30, 2022	<u>\$ 615,892</u>	<u>\$ 4,814,700</u>	<u>\$ 12,230,918</u>	<u>\$ 127,456</u>	<u>\$ 27,206</u>	<u>\$ 22,113</u>	<u>\$ 244</u>	<u>\$ 1,110,541</u>	<u>\$ 145</u>	<u>\$ 278,340</u>	<u>\$ 19,227,555</u>
<u>Balance at June 30, 2022</u>											
Cost	\$ 615,892	\$ 10,629,703	\$ 47,441,433	\$ 1,121,348	\$ 268,878	\$ 215,649	\$ 2,073	\$ 6,089,883	\$ 3,021	\$ 278,340	\$ 66,666,220
Accumulated depreciation	-	( 5,815,003)	( 35,166,153)	( 962,838)	( 241,672)	( 193,536)	( 1,829)	( 4,979,342)	( 2,876)	-	( 47,363,249)
Accumulated impairment	-	-	( 44,362)	( 31,054)	-	-	-	-	-	-	( 75,416)
	<u>\$ 615,892</u>	<u>\$ 4,814,700</u>	<u>\$ 12,230,918</u>	<u>\$ 127,456</u>	<u>\$ 27,206</u>	<u>\$ 22,113</u>	<u>\$ 244</u>	<u>\$ 1,110,541</u>	<u>\$ 145</u>	<u>\$ 278,340</u>	<u>\$ 19,227,555</u>

(Note) Including transfers from prepayments for business facilities.

	Land	Buildings	Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction	Total
			Owner-occupied	Lease		Owner-occupied	Lease	Owner-occupied	Lease	in progress	
<u>Balance at January 1, 2021</u>											
Cost	\$ 615,892	\$ 9,899,196	\$ 46,315,272	\$ 1,108,327	\$ 257,996	\$ 198,470	\$ 2,039	\$ 5,887,541	\$ 300	\$ 538,857	\$ 64,823,890
Accumulated depreciation	-	( 5,405,476)	( 32,249,806)	( 909,322)	( 238,777)	( 182,052)	( 1,464)	( 4,590,106)	( 271)	-	( 43,577,274)
Accumulated impairment	-	-	( 43,633)	( 30,544)	-	-	-	-	-	-	( 74,177)
	<u>\$ 615,892</u>	<u>\$ 4,493,720</u>	<u>\$ 14,021,833</u>	<u>\$ 168,461</u>	<u>\$ 19,219</u>	<u>\$ 16,418</u>	<u>\$ 575</u>	<u>\$ 1,297,435</u>	<u>\$ 29</u>	<u>\$ 538,857</u>	<u>\$ 21,172,439</u>
<u>For the six-month period ended June 30, 2021</u>											
Balance at January 1, 2021	\$ 615,892	\$ 4,493,720	\$ 14,021,833	\$ 168,461	\$ 19,219	\$ 16,418	\$ 575	\$ 1,297,435	\$ 29	\$ 538,857	\$ 21,172,439
Additions - Cost	-	3,598	13,992	-	3,427	3,049	-	25,930	-	376,524	426,520
Transferred - Cost (Note)	-	587,804	48,094	793	104	7,238	-	31,688	2,884	( 301,599)	377,006
Transferred - Accumulated depreciation	-	-	793	( 793)	-	-	-	2,884	( 2,884)	-	-
Depreciation	-	( 122,742)	( 907,104)	( 13,316)	( 2,136)	( 3,058)	( 172)	( 134,222)	( 11)	-	( 1,182,761)
Disposal - Cost	-	( 2,888)	( 20,794)	-	( 1,802)	( 511)	-	( 31,030)	-	-	( 57,025)
Disposal - Accumulated depreciation	-	2,888	7,171	-	1,768	509	-	21,365	-	-	33,701
Net currency exchange differences	-	( 32,985)	( 91,761)	( 1,762)	( 135)	( 156)	( 5)	( 6,151)	-	( 5,978)	( 138,933)
Balance at June 30, 2021	<u>\$ 615,892</u>	<u>\$ 4,929,395</u>	<u>\$ 13,072,224</u>	<u>\$ 153,383</u>	<u>\$ 20,445</u>	<u>\$ 23,489</u>	<u>\$ 398</u>	<u>\$ 1,207,899</u>	<u>\$ 18</u>	<u>\$ 607,804</u>	<u>\$ 20,630,947</u>
<u>Balance at June 30, 2021</u>											
Cost	\$ 615,892	\$ 10,433,619	\$ 46,146,572	\$ 1,096,760	\$ 259,162	\$ 206,088	\$ 2,016	\$ 5,882,832	\$ 3,180	\$ 607,804	\$ 65,253,925
Accumulated depreciation	-	( 5,504,224)	( 33,031,202)	( 913,175)	( 238,717)	( 182,599)	( 1,618)	( 4,674,933)	( 3,162)	-	( 44,549,630)
Accumulated impairment	-	-	( 43,146)	( 30,202)	-	-	-	-	-	-	( 73,348)
	<u>\$ 615,892</u>	<u>\$ 4,929,395</u>	<u>\$ 13,072,224</u>	<u>\$ 153,383</u>	<u>\$ 20,445</u>	<u>\$ 23,489</u>	<u>\$ 398</u>	<u>\$ 1,207,899</u>	<u>\$ 18</u>	<u>\$ 607,804</u>	<u>\$ 20,630,947</u>

(Note) Including transfers from prepayments for business facilities.

- A. Amount of borrowing costs capitalized as part of prepayment for business facilities and the range of the interest rates for such capitalization are as follows:

	For the three-month periods ended June 30,	
	2022	2021
Amount capitalized	\$ 38	\$ 49
Interest rate range	0.95%	1.30%
	For the six-month periods ended June 30,	
	2022	2021
Amount capitalized	\$ 68	\$ 89
Interest rate range	0.95%~1.30%	1.30%

- B. The Group did not pledge property, plant and equipment as collateral as at June 30, 2022, December 31, 2021 and June 30, 2021.

(8) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and other equipment. 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.
- B. Low-value assets are comprised of multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 823,705	\$ 828,920	\$ 840,426
Buildings	1,338,687	1,427,655	1,527,424
Other equipment	-	468	1,169
	<u>\$ 2,162,392</u>	<u>\$ 2,257,043</u>	<u>\$ 2,369,019</u>

	For the three-month periods ended June 30,	
	2022	2021
	Depreciation	Depreciation
Land	\$ 7,454	\$ 7,954
Buildings	58,405	56,727
Other equipment	117	351
	<u>\$ 65,976</u>	<u>\$ 65,032</u>

	For the six-month periods ended June 30,	
	2022	2021
	Depreciation	Depreciation
Land	\$ 14,876	\$ 16,207
Buildings	116,294	114,008
Other equipment	468	702
	<u>\$ 131,638</u>	<u>\$ 130,917</u>

D. For the six-month periods ended June 30, 2022 and 2021, the additions and remeasurement to right-of-use assets were \$1,410 and \$14,410, respectively.

E. The information on profit or loss relating to lease contracts is as follows:

	For the three-month periods ended June 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 16,837	\$ 18,671
Expense on leases of low-value assets	42	36
Gain from lease modification	–	180
	For the six-month periods ended June 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 34,113	\$ 38,055
Expense on leases of low-value assets	84	70
Gain from lease modification	152	180

F. For the six-month periods ended June 30, 2022 and 2021, the Group's total cash outflow for leases were \$138,452 and \$151,149, respectively.

G. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$–, \$180, \$152 and \$180 (listed under "Other gains and losses") by decreasing rent expense for the three-month and six-month periods ended June 30, 2022 and 2021, respectively.

(9) Leasing arrangements – lessor

A. The Group leases various assets including buildings and machineries. Rental contracts are typically made for periods of 1 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the three-month and six-month periods ended June 30, 2022 and 2021, the Group recognized rent income (listed under "Other income") in the amounts of \$10,308, \$10,933, \$20,705 and \$21,744, respectively, based on the operating lease agreement, which does not include variable lease payments.



C. The maturity date analysis of the unrealized lease payments of the Group under operating leases is as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Within 1 year	\$ 44,949	\$ 41,056	\$ 36,672
1 to 2 years	30,405	33,109	25,155
2 to 3 years	30,373	29,826	17,364
3 to 4 years	30,312	29,756	17,339
4 to 5 years	20,949	26,692	17,339
Over 5 years	<u>29,713</u>	<u>37,917</u>	<u>46,237</u>
	<u>\$ 186,701</u>	<u>\$ 198,356</u>	<u>\$ 160,106</u>

(10) Investment property, net

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 3,785	\$ 140,875	\$ 144,660
Accumulated depreciation	-	( 49,010)	( 49,010)
Accumulated impairment	( 2,719)	-	( 2,719)
	<u>\$ 1,066</u>	<u>\$ 91,865</u>	<u>\$ 92,931</u>
For the six-month period ended			
<u>June 30, 2022</u>			
Carrying amount at January 1	\$ 1,066	\$ 91,865	\$ 92,931
Additions – cost	-	1,506	1,506
Depreciation	-	( 3,233)	( 3,233)
Net currency exchange differences	-	1,716	1,716
Carrying amount at June 30	<u>\$ 1,066</u>	<u>\$ 91,854</u>	<u>\$ 92,920</u>
<u>Balance at June 30, 2022</u>			
Cost	\$ 3,785	\$ 145,014	\$ 148,799
Accumulated depreciation	-	( 53,160)	( 53,160)
Accumulated impairment	( 2,719)	-	( 2,719)
	<u>\$ 1,066</u>	<u>\$ 91,854</u>	<u>\$ 92,920</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2021</u>			
Cost	\$ 3,785	\$ 141,147	\$ 144,932
Accumulated depreciation	-	( 42,753)	( 42,753)
Accumulated impairment	( 2,719)	-	( 2,719)
	<u>\$ 1,066</u>	<u>\$ 98,394</u>	<u>\$ 99,460</u>

For the six-month period ended  
June 30, 2021

Carrying amount at January 1	\$ 1,066	\$ 98,394	\$ 99,460
Depreciation	-	( 3,168)	( 3,168)
Net currency exchange differences	-	( 1,069)	( 1,069)
Carrying amount at June 30	<u>\$ 1,066</u>	<u>\$ 94,157</u>	<u>\$ 95,223</u>

Balance at June 30, 2021

Cost	\$ 3,785	\$ 139,573	\$ 143,358
Accumulated depreciation	-	( 45,416)	( 45,416)
Accumulated impairment	( 2,719)	-	( 2,719)
	<u>\$ 1,066</u>	<u>\$ 94,157</u>	<u>\$ 95,223</u>

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from the lease of the investment property	<u>\$ 4,475</u>	<u>\$ 4,351</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 2,484</u>	<u>\$ 2,409</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from the lease of the investment property	<u>\$ 8,910</u>	<u>\$ 8,746</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 4,941</u>	<u>\$ 4,844</u>

B. The fair values of the investment property held by the Group as at June 30, 2022, December 31, 2021 and June 30, 2021 were \$111,912, \$116,592 and \$122,165, respectively, which were categorized within Level 2 and Level 3 in the fair value hierarchy. 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. As of June 30, 2022, December 31, 2021 and June 30, 2021, no investment property held by the Group was pledged to others as collateral.

(11) Intangible assets

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	( 85,150)	( 85,150)
Accumulated impairment	( 20,999)	-	( 20,999)
Net currency exchange differences	( 53,645)	( 5,240)	( 58,885)
	<u>\$ 268,129</u>	<u>\$ 17,210</u>	<u>\$ 285,339</u>
For the six-month period ended			
<u>June 30, 2022</u>			
Carrying amount at January 1	\$ 268,129	\$ 17,210	\$ 285,339
Amortization	-	( 4,852)	( 4,852)
Net currency exchange differences	<u>19,761</u>	<u>320</u>	<u>20,081</u>
Carrying amount at June 30	<u>\$ 287,890</u>	<u>\$ 12,678</u>	<u>\$ 300,568</u>
<u>Balance at June 30, 2022</u>			
Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	( 90,002)	( 90,002)
Accumulated impairment	( 20,999)	-	( 20,999)
Net currency exchange differences	( 33,884)	( 4,920)	( 38,804)
	<u>\$ 287,890</u>	<u>\$ 12,678</u>	<u>\$ 300,568</u>

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2021</u>			
Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	( 75,489)	( 75,489)
Net currency exchange differences	( 45,534)	( 5,157)	( 50,691)
	<u>\$ 297,239</u>	<u>\$ 26,954</u>	<u>\$ 324,193</u>

For the six-month period ended  
June 30, 2021

Carrying amount at January 1	\$ 297,239	\$ 26,954	\$ 324,193
Amortization	-	( 4,844)	( 4,844)
Net currency exchange differences	( 6,471)	( 258)	( 6,729)
Carrying amount at June 30	<u>\$ 290,768</u>	<u>\$ 21,852</u>	<u>\$ 312,620</u>

Balance at June 30, 2021

Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	( 80,333)	( 80,333)
Net currency exchange differences	( 52,005)	( 5,415)	( 57,420)
	<u>\$ 290,768</u>	<u>\$ 21,852</u>	<u>\$ 312,620</u>

A. No borrowing costs were capitalized as part of intangible assets for the six-month periods ended June 30, 2022 and 2021.

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 437	\$ 426
Selling expenses	285	278
Administrative expenses	<u>1,673</u>	<u>1,706</u>
	<u>\$ 2,395</u>	<u>\$ 2,410</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 871	\$ 855
Selling expenses	568	558
Administrative expenses	<u>3,413</u>	<u>3,431</u>
	<u>\$ 4,852</u>	<u>\$ 4,844</u>

C. Goodwill distributed to cash-generating unit according to operating segment is shown below:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Tinplate factory located in Mainland China	\$ 287,890	\$ 268,129	\$ 290,768

D. The Group's goodwill is tested for impairment on an annual basis, and the recoverable amount is according to the fair value less costs of disposal. The fair value is based on the evaluation result after adjusting the various assets and liabilities of the cash-generating unit according to the market method with reference to the transaction price of similar targets in the region or according to the cost method after considering various factors such as the use of various assets and liabilities. The fair value is at level 3 and has reflected the specific risks of the relevant operating units. Based on the Group's assessment, an impairment loss was recognized for the goodwill due to the recoverable amount which was determined based on the fair value less costs of disposal is less than the carrying amount for the year ended December 31, 2021. There was no such situation for the three-month and six-month periods ended June 30, 2022 and 2021.

E. The Group had no intangible assets pledged as collateral as at June 30, 2022, December 31, 2021 and June 30, 2021.

(12) Short-term borrowings

<u>Nature</u>	<u>June 30, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,978,975	0.62%~2.94%	None
<u>Nature</u>	<u>December 31, 2021</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,798,456	0.62%~0.80%	None
<u>Nature</u>	<u>June 30, 2021</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 3,536,309	0.57%~0.95%	None

A. For more information about interest expenses recognized by the Group for the three-month and six-month periods ended June 30, 2022 and 2021, 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, refer to Note 9, "Significant contingent liabilities and unrecognized contract commitments".

(13) Short-term notes and bills payable

	<u>December 31, 2021</u>	<u>Collateral</u>
Commercial paper payable	\$ 400,000	None
Less: Unamortized discount	( 100)	
	<u>\$ 399,900</u>	
Range of interest rates	<u>0.83%</u>	

	<u>June 30, 2021</u>	<u>Collateral</u>
Commercial paper payable	\$ 150,000	None
Less: Unamortized discount	( 46)	
	<u>\$ 149,954</u>	
Range of interest rates	<u>0.74%</u>	

There was no such situation as of June 30, 2022.

A. For more information about interest expenses recognized by the Group for the three-month and six-month periods ended June 30, 2022 and 2021, refer to Note 6(24), "Finance costs."

B. The above commercial papers were issued and secured by China Bills Finance Corporation for short-term financing.

(14) Long-term borrowings

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>June 30, 2022</u>
Unsecured bank borrowings	2023. 8. 18~ 2025. 2. 15	1.04%~1.43%	None	<u>\$ 4,950,000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Unsecured bank borrowings	2023. 2. 9~ 2024. 10. 21	0.93%~1.08%	None	<u>\$ 7,050,000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>June 30, 2021</u>
Unsecured bank borrowings	2022. 7. 28~ 2024. 6. 15	0.93%~1.08%	None	<u>\$ 6,750,000</u>

A. For more information about interest expenses recognized by the Group for the three-month and six-month periods ended June 30, 2022 and 2021, 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, refer to Note 9, "Significant contingent liabilities and unrecognized contract commitments".

(15) Non-current provision

	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>Decommissioning liabilities</u>		
Balance, beginning of period	\$ 82,727	\$ 81,204
Unwinding of discount	<u>775</u>	<u>761</u>
Balance, end of period	<u>\$ 83,502</u>	<u>\$ 81,965</u>

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.

(16) 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. The rate was adjusted to 10% as approved by the Bureau of Labor Affairs, Tainan City Government in February 2020. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient 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 contributions to cover the deficit by next March.
- a. The pension cost under the defined benefit pension plan of the Company (listed under "Operating cost" and "Operating expense") for the three-month and six-month periods ended June 30, 2022 and 2021 were \$4,050, \$4,418, \$8,101 and \$8,837, respectively.
  - b. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to \$50,371.
- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension 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 an independent 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 and six-month periods ended June 30, 2022 and 2021 were \$50,906, \$43,172, \$100,549, and \$86,724, respectively.

(17) 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 six-month periods ended June 30,	
	2022	2021
Beginning and ending balance	<u>1, 579, 145</u>	<u>1, 579, 145</u>

B. As of June 30, 2022, 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.

(18) 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 six-month period ended June 30, 2022				
	Share premium	Treasury share transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58, 271</u>	<u>\$169, 088</u>	<u>\$ 819</u>	<u>\$ 3, 495</u>	<u>\$231, 673</u>

	For the six-month period ended June 30, 2021				
	Share premium	Treasury share transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58, 271</u>	<u>\$169, 088</u>	<u>\$ 819</u>	<u>\$ 3, 512</u>	<u>\$231, 690</u>

(19) 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 the accumulated distributable earnings. Of the



amount to be distributed by the Company, shareholders' dividends shall comprise 50% to 100% of the accumulated distributable earnings and cash dividends shall not be lower than 30% of the total dividends distributed. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders.

C. Special reserve

- a. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances in other equity items at the balance sheet date before distributing earnings. When debit balances in other equity items are reversed subsequently, an equal amount could be used for distribution. As of June 30, 2022, December 31, 2021, and June 30, 2021, special reserve of \$1,829,875, \$1,811,806 and \$1,811,806, respectively, was set aside in accordance with the Company Act on special reserve, and no dividends shall be distributed.
- b. The amounts previously set aside by the Company as special reserve of \$826,453 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 \$836,947, constituting \$0.53 (in dollars) per share as cash dividend for the year ended December 31, 2020. On May 24, 2022, the stockholders during their meeting resolved for the distribution of cash dividends from 2021 earnings in the amount of \$1,579,145 at \$1 (in dollars) per share. As of June 30, 2022, the balance of cash dividends that has not yet been paid was \$1,579,145 (listed under "Other payables" and "Other payables - related parties").

(20) Operating revenue

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	<u>\$ 12,120,045</u>	<u>\$ 10,559,475</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	<u>\$ 22,551,891</u>	<u>\$ 18,722,759</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product and segment:

For the three-month period ended June 30, 2022		
<u>Segment</u>	Revenue from products of Tinplate	Revenue from products of Plastic pack
Taiwan	\$ 5,778,480	\$ 12,877
Mainland China - tinplate products	1,380,404	-
Mainland China - plastic products	-	4,138,856
Others	809,428	-
	<u>\$ 7,968,312</u>	<u>\$ 4,151,733</u>
For the three-month period ended June 30, 2021		
<u>Segment</u>	Revenue from products of Tinplate	Revenue from products of Plastic pack
Taiwan	\$ 4,013,428	\$ 19,132
Mainland China - tinplate products	1,527,796	-
Mainland China - plastic products	-	4,317,949
Others	681,170	-
	<u>\$ 6,222,394</u>	<u>\$ 4,337,081</u>
For the six-month period ended June 30, 2022		
<u>Segment</u>	Revenue from products of Tinplate	Revenue from products of Plastic pack
Taiwan	\$ 10,355,079	\$ 22,593
Mainland China - tinplate products	2,672,724	-
Mainland China - plastic products	-	7,767,150
Others	1,734,345	-
	<u>\$ 14,762,148</u>	<u>\$ 7,789,743</u>
For the six-month period ended June 30, 2021		
<u>Segment</u>	Revenue from products of Tinplate	Revenue from products of Plastic pack
Taiwan	\$ 6,760,760	\$ 20,685
Mainland China - tinplate products	2,913,895	-
Mainland China - plastic products	-	7,763,250
Others	1,264,169	-
	<u>\$ 10,938,824</u>	<u>\$ 7,783,935</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>	<u>January 1, 2021</u>
Current contract liabilities	<u>\$ 130,775</u>	<u>\$ 187,357</u>	<u>\$ 113,886</u>	<u>\$ 62,930</u>

Revenue recognized that was included in the contract liability balance at the beginning of the six-month periods ended June 30, 2022 and 2021 were \$186,674 and \$36,677, respectively.

(21) Interest income

	For the three-month periods ended June 30,	
	2022	2021
Interest income from bank deposits	\$ 12,103	\$ 8,515
	For the six-month periods ended June 30,	
	2022	2021
Interest income from bank deposits	\$ 22,851	\$ 17,226

(22) Other income

	For the three-month periods ended June 30,	
	2022	2021
Rental income	\$ 10,308	\$ 10,933
Dividend income	3,662	529
Government grants	12,393	12,956
Other income	7,593	10,462
	\$ 33,956	\$ 34,880
	For the six-month periods ended June 30,	
	2022	2021
Rental income	\$ 20,705	\$ 21,744
Dividend income	3,662	529
Government grants	16,376	14,396
Other income	17,426	19,988
	\$ 58,169	\$ 56,657

(23) Other gains and losses

	For the three-month periods ended June 30,	
	2022	2021
Net loss on financial assets at fair value through profit or loss	(\$ 2,766)	\$ -
Net loss on disposal of property, plant and equipment	( 255)	( 4,473)
Gain from lease modifications	-	180
Net currency exchange gain (loss)	56,297	( 10,739)
Other losses	( 8,583)	( 4,008)
	\$ 44,693	(\$ 19,040)

	For the six-month periods ended June 30,	
	2022	2021
Net loss on financial assets at fair value through profit or loss	(\$ 2,766)	\$ -
Net loss on disposal of property, plant and equipment	( 143)	( 3,685)
Gain from lease modifications	152	180
Net currency exchange gain (loss)	128,465	( 19,651)
Other losses	( 15,703)	( 7,401)
	<u>\$ 110,005</u>	<u>(\$ 30,557)</u>

(24) Finance costs

	For the three-month periods ended June 30,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 25,999	\$ 23,715
Interest expense on lease liabilities	16,837	18,671
Financial expense of transferred notes receivable	58	526
Provisions – unwinding of discount	<u>388</u>	<u>380</u>
	43,282	43,292
Less: Capitalization of qualifying assets	( 38)	( 49)
	<u>\$ 43,244</u>	<u>\$ 43,243</u>

	For the six-month periods ended June 30,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 49,035	\$ 45,664
Interest expense on lease liabilities	34,113	38,055
Financial expense of transferred notes receivable	121	1,319
Provisions – unwinding of discount	<u>775</u>	<u>761</u>
	84,044	85,799
Less: Capitalization of qualifying assets	( 68)	( 89)
	<u>\$ 83,976</u>	<u>\$ 85,710</u>

(25) Expenses by nature

	<u>For the three-month period ended June 30, 2022</u>			<u>For the three-month period ended June 30, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Employee benefits expense	<u>\$ 524,050</u>	<u>\$ 293,238</u>	<u>\$ 817,288</u>	<u>\$ 477,309</u>	<u>\$ 225,546</u>	<u>\$ 702,855</u>
Depreciation	<u>\$ 602,896</u>	<u>\$ 78,760</u>	<u>\$ 681,656</u>	<u>\$ 579,510</u>	<u>\$ 74,257</u>	<u>\$ 653,767</u>
Amortization	<u>\$ 437</u>	<u>\$ 1,958</u>	<u>\$ 2,395</u>	<u>\$ 426</u>	<u>\$ 1,984</u>	<u>\$ 2,410</u>

  

	<u>For the six-month period ended June 30, 2022</u>			<u>For the six-month period ended June 30, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Employee benefits expense	<u>\$ 999,387</u>	<u>\$ 565,625</u>	<u>\$ 1,565,012</u>	<u>\$ 936,028</u>	<u>\$ 413,921</u>	<u>\$ 1,349,949</u>
Depreciation	<u>\$ 1,195,058</u>	<u>\$ 159,642</u>	<u>\$ 1,354,700</u>	<u>\$ 1,165,815</u>	<u>\$ 147,863</u>	<u>\$ 1,313,678</u>
Amortization	<u>\$ 871</u>	<u>\$ 3,981</u>	<u>\$ 4,852</u>	<u>\$ 855</u>	<u>\$ 3,989</u>	<u>\$ 4,844</u>

(26) Employee benefits expense

	<u>For the three-month period ended June 30, 2022</u>			<u>For the three-month period ended June 30, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 406,581	\$ 236,307	\$ 642,888	\$ 374,114	\$ 177,400	\$ 551,514
Labor and health insurance expenses	35,545	11,265	46,810	32,161	11,405	43,566
Pension costs	41,421	13,535	54,956	35,349	12,241	47,590
Other personnel expenses	40,503	32,131	72,634	35,685	24,500	60,185
	<u>\$ 524,050</u>	<u>\$ 293,238</u>	<u>\$ 817,288</u>	<u>\$ 477,309</u>	<u>\$ 225,546</u>	<u>\$ 702,855</u>

  

	<u>For the six-month period ended June 30, 2022</u>			<u>For the six-month period ended June 30, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 769,099	\$ 449,796	\$ 1,218,895	\$ 730,893	\$ 321,968	\$ 1,052,861
Labor and health insurance expenses	69,475	27,757	97,232	64,690	23,595	88,285
Pension costs	81,032	27,618	108,650	71,259	24,302	95,561
Other personnel expenses	79,781	60,454	140,235	69,186	44,056	113,242
	<u>\$ 999,387</u>	<u>\$ 565,625</u>	<u>\$ 1,565,012</u>	<u>\$ 936,028</u>	<u>\$ 413,921</u>	<u>\$ 1,349,949</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, 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 and six-month periods ended June 30, 2022 and 2021, employees' compensation was accrued at \$49,942, \$21,988, \$85,352 and \$29,122, respectively, while directors' remuneration was accrued at \$15,735, \$8,397, \$26,918 and \$11,741, 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 employees' compensation and directors' remuneration resolved by the Board of Directors were \$100,460 and \$32,660, respectively, for the year ended December 31, 2021, and the employees' compensation is distributed in the form of cash. The difference of \$35 had been adjusted in the consolidated profit or loss for the six-month period ended June 30, 2022.

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

(27) Income tax

A. Income tax expense

Components of income tax expense

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Income tax incurred in current period	\$ 297,084	\$ 126,596
Under provision of prior year's income tax	<u>3,138</u>	<u>1,779</u>
	<u>300,222</u>	<u>128,375</u>
Deferred income tax:		
Origination and reversal of temporary differences	( <u>60,653</u> )	( <u>8,833</u> )
Income tax expense	<u>\$ 239,569</u>	<u>\$ 119,542</u>

	For the six-month periods ended June 30,	
	2022	2021
Current income tax:		
Income tax incurred in current period	\$ 490,262	\$ 192,740
Under provision of prior year's income tax	3,138	1,779
	<u>493,400</u>	<u>194,519</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 76,909)	( 13,119)
Income tax expense	<u>\$ 416,491</u>	<u>\$ 181,400</u>

B. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As of August 8, 2022, there was no administrative lawsuit.

(28) Earnings per share

	For the three-month period ended June 30, 2022		
	<u>Amount after tax</u>	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 874,176</u>	<u>1,579,145</u>	<u>\$ 0.55</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 874,176	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5,846	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 874,176</u>	<u>1,584,991</u>	<u>\$ 0.55</u>



	<u>For the three-month period ended June 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 466,485</u>	<u>1,579,145</u>	<u>\$ 0.30</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 466,485	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,920</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 466,485</u>	<u>1,581,065</u>	<u>\$ 0.30</u>

	<u>For the six-month period ended June 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 1,495,439</u>	<u>1,579,145</u>	<u>\$ 0.95</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,495,439	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>8,267</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,495,439</u>	<u>1,587,412</u>	<u>\$ 0.94</u>

	For the six-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 652,285	1,579,145	\$ 0.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	652,285	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,590	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 652,285	1,582,735	\$ 0.41

(29) Supplemental cash flow information

A. Operating and investing activities with partial cash collection and payments:

a. Cash received from cash dividends:

	For the six-month periods ended June 30,	
	2022	2021
Cash dividend income	\$ 3,662	\$ 529
Less: Ending balance of other receivables	( 3,662)	( 529)
Cash received from cash dividends	\$ -	\$ -

b. Cash paid for acquisition of property, plant and equipment:

	For the six-month periods ended June 30,	
	2022	2021
Acquisition of property, plant and equipment	\$ 264,401	\$ 426,520
Add: Beginning balance of other payables	170,752	233,672
Beginning balance of other payables — related parties	-	20,342
Less: Ending balance of other payables	( 180,095)	( 219,316)
Cash paid for acquisition of property, plant and equipment	\$ 255,058	\$ 461,218

B. Investing activities with no cash flow effect:

	For the six-month periods ended June 30,	
	2022	2021
a. Prepayment for business facilities reclassified to prepayments	\$ <u>1,241</u>	\$ <u>834</u>
b. Prepayment for business facilities reclassified to property, plant and equipment	\$ <u>51,624</u>	\$ <u>377,006</u>

C. Financing activities with no cash flow effects:

	For the six-month periods ended June 30,	
	2022	2021
Cash dividends	\$ 1,579,145	\$ 836,947
Less: Ending balance of other payables	( 807,642)	( 428,050)
Ending balance of other payables — related parties	( <u>771,503</u> )	( <u>408,897</u> )
Cash paid for cash dividends	\$ <u>—</u>	\$ <u>—</u>

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
<u>For the six-month period June 30, 2022</u>						
Balance at January 1, 2022	\$ 2,798,456	\$ 399,900	\$ 1,805,166	\$ 7,050,000	\$ 63,750	\$12,117,272
Changes in cash flow from financing activities	180,519	( 400,000)	( 104,255)	( 2,100,000)	3,101	( 2,420,635)
Changes in other non-cash items	-	100	1,258	-	1,579,145	1,580,503
Impact of changes in foreign exchange rate	-	-	28,188	-	-	28,188
Balance at June 30, 2022	<u>\$ 2,978,975</u>	<u>\$ -</u>	<u>\$ 1,730,357</u>	<u>\$ 4,950,000</u>	<u>\$ 1,645,996</u>	<u>\$11,305,328</u>
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
<u>For the six-month period June 30, 2021</u>						
Balance at January 1, 2021	\$ 1,848,141	\$ -	\$ 2,038,867	\$ 6,520,000	\$ 50,456	\$10,457,464
Changes in cash flow from financing activities	1,688,168	150,000	( 113,024)	230,000	6,039	1,961,183
Changes in other non-cash items	-	( 46)	14,230	-	836,947	851,131
Impact of changes in foreign exchange rate	-	-	( 18,212)	-	-	( 18,212)
Balance at June 30, 2021	<u>\$ 3,536,309</u>	<u>\$ 149,954</u>	<u>\$ 1,921,861</u>	<u>\$ 6,750,000</u>	<u>\$ 893,442</u>	<u>\$13,251,566</u>



The Group's collection terms and methods for related party are wire transfer within 28~90 days of monthly statements, and wire transfer within 25~45 days after receipt of the invoice. The collection terms are similar to that of a third party. The Group mainly sells to the subsidiaries of ultimate parent company; thus, there is no comparable price for sales made at arm's length.

B. Purchases

	For the three-month periods ended June 30,	
	2022	2021
Purchases of goods		
Parent company to entities with joint control or significant influence	\$ 477,721	\$ 395,004
Others	202	-
	<u>\$ 477,923</u>	<u>\$ 395,004</u>
	For the six-month periods ended June 30,	
	2022	2021
Purchases of goods		
Parent company to entities with joint control or significant influence	\$ 904,456	\$ 740,682
Others	545	199
	<u>\$ 905,001</u>	<u>\$ 740,881</u>

Purchase price from related party is similar to that of a third party. Payments are made within 28 days of monthly statement, 5~45 days of invoice receipt, wire transfer within 7~45 days after receipt of the invoice and 15~45 days after delivery.

C. Receivables from related parties

	June 30, 2022	December 31, 2021	June 30, 2021
Receivables from related parties:			
Parent company to entities with joint control or significant influence			
Guangzhou President Enterprises Co., Ltd.	\$ 317,438	\$ 256,352	\$ 424,058
Others	1,388,705	1,088,752	1,275,275
	<u>\$ 1,706,143</u>	<u>\$ 1,345,104</u>	<u>\$ 1,699,333</u>

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

D. Guarantee deposit paid

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company to entities with joint control or significant influence	<u>\$ 24,854</u>	<u>\$ 24,398</u>	<u>\$ 24,172</u>

E. Current contract liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Parent company to entities with joint control or significant influence	\$ 22,046	\$ -	\$ 18,021

F. Payables to related parties

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Payables to related parties:			
Ultimate parent	\$ 737,743	\$ 20,511	\$ 387,418
Parent company to entities with joint control or significant influence	<u>362,317</u>	<u>341,558</u>	<u>293,973</u>
	<u>\$ 1,100,060</u>	<u>\$ 362,069</u>	<u>\$ 681,391</u>

Payables to related parties arise from purchase of goods, collections and payments on behalf of others and dividends. These payables do not incur interest.

G. Lease transactions — lessee

- (a) The Group leases plants and other equipment from related parties. Rental contracts are typically made for periods of 3 to 9 years. Rents are prepaid for three months or paid monthly.
- (b) Acquisition of right-of-use assets

	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Parent company to entities with joint control or significant influence		
Beijing President Enterprises Drinks Co., Ltd.	\$ 682	\$ 10,309

## (c) Lease liabilities and interest expense

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
	<u>Lease liabilities</u>	<u>Lease liabilities</u>	<u>Lease liabilities</u>
Parent company to entities with joint control or significant influence			
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 346,502	\$ 359,867	\$ 366,745
Taizhou President Enterprises Co., Ltd.	334,067	356,995	381,870
Zhanjiang President Enterprises Co., Ltd.	311,076	312,089	341,993
Kunshan President Enterprises Food Co., Ltd.	188,420	200,484	213,681
Beijing President Enterprises Drinks Co., Ltd.	146,133	157,247	169,794
Others	<u>81,714</u>	<u>97,496</u>	<u>113,609</u>
	<u>\$ 1,407,912</u>	<u>\$ 1,484,178</u>	<u>\$ 1,587,692</u>
	<u>For the three-month periods ended June 30,</u>		
	<u>2022</u>		<u>2021</u>
	<u>Interest expense</u>		<u>Interest expense</u>
Parent company to entities with joint control or significant influence			
Uni-President Enterprises (TianJin) Co., Ltd.	\$	3,655	\$ 3,768
Taizhou President Enterprises Co., Ltd.		3,609	4,122
Zhanjiang President Enterprises Co., Ltd.		3,360	3,692
Kunshan President Enterprises Food Co., Ltd.		2,145	2,412
Beijing President Enterprises Drinks Co., Ltd.		1,399	1,624
Others		<u>987</u>	<u>1,321</u>
		<u>\$ 15,155</u>	<u>\$ 16,939</u>



	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Interest expense</u>	<u>Interest expense</u>
Parent company to entities with joint control or significant influence		
Taizhou President Enterprises Co., Ltd.	\$ 7,345	\$ 8,439
Uni-President Enterprises (TianJin) Co., Ltd.	7,332	7,627
Zhanjiang President Enterprises Co., Ltd.	6,801	7,527
Kunshan President Enterprises Food Co., Ltd.	4,355	4,931
Beijing President Enterprises Drinks Co., Ltd.	2,856	3,332
Others	2,058	2,745
	<u>\$ 30,747</u>	<u>\$ 34,601</u>

(4) Key management compensation

	<u>For the three-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	<u>\$ 6,561</u>	<u>\$ 6,028</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	<u>\$ 13,597</u>	<u>\$ 11,817</u>

8. PLEGDED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT

COMMITMENTS

A. As of June 30, 2022, December 31, 2021 and June 30, 2021, the remaining balance due for construction in progress and prepayments for equipment are \$426,555, \$417,004 and \$101,970, respectively.

B. As of June 30, 2022, December 31, 2021 and June 30, 2021, the unused letters of credit amounted to \$743,817, \$913,279 and \$759,214, respectively.

C. Lending agreements of the Group are summarized below:

(a) The Company has entered into a loan agreement with CTBC Bank in 2021 and 2020. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the

consolidated debt-to-equity ratio  $\left[ \frac{\text{(Total liability less cash and cash equivalents)}}{\text{consolidated tangible shareholders' equity}} \right]$  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 2020. 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  $\left[ \frac{\text{(Total liability less cash and cash equivalents)}}{\text{consolidated tangible shareholders' equity}} \right]$  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 are 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.

As of June 30, 2022, December 31, 2021, and June 30, 2021, the Group has not violated any of the above covenants.

#### 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 Note 6, 'Financial assets.'

###### 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 Group'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:

(Foreign currency: functional currency)	June 30, 2022		
	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 60,060	29.72	\$ 1,784,983
USD : CNY	9,680	6.70	287,690
EUR : NTD	3,632	31.05	112,774
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,649	29.72	494,808
USD : CNY	26,894	6.70	799,290
USD : VND	1,658	23,282.00	49,276

	December 31, 2021		
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 79,074	27.68	\$ 2,188,768
USD : CNY	8,210	6.36	227,253
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,648	27.68	460,817
USD : CNY	27,362	6.36	757,380
USD : VND	1,347	22,826.00	37,285
	June 30, 2021		
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 61,565	27.86	\$ 1,715,201
USD : CNY	4,104	6.46	114,337
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	17,412	27.86	485,098
USD : CNY	33,389	6.46	930,218

- iv. As of June 30, 2022, December 31, 2021 and June 30, 2021, if the functional currency exchange rate had appreciated/depreciated by 1%, with all other factors remaining constant, the Group's post-tax profit for the six-month periods ended June 30, 2022 and 2021 would have increased/decreased by \$6,737 and \$3,314, 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 and six-month periods ended June 30, 2022 and 2021 amounted to \$56,297, (\$10,739), \$128,465 and (\$19,651), 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 and 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 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, post-tax profit for the six-month periods ended June 30, 2022 and 2021 would have increased/decreased by \$444 and \$—, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$780 and \$820, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(c) Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the six-month periods ended June 30, 2022 and 2021, 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% with all other variables held constant, profit, net of tax for the six-month periods ended June 30, 2022 and 2021 would have decreased/increased by \$393 and \$376, respectively. The main factor is that changes in interest expense result from 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 amortized cost.
- (b) The Group manages its 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 under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
- i. If the contract payments are 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 customers' accounts receivable in accordance with product types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and used the forecastability concern to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Group applied the simplified approach to provide loss allowance for notes and accounts receivable as follows:

	<u>For the six-month period ended June 30, 2022</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
Balance, beginning of period	\$ 2,303	\$ 42,753	\$ 45,056
Expected credit losses (gains)	302	( 5,925)	( 5,623)
Effect of foreign exchange	<u>14</u>	<u>651</u>	<u>665</u>
Balance, end of period	<u>\$ 2,619</u>	<u>\$ 37,479</u>	<u>\$ 40,098</u>

  

	<u>For the six-month period ended June 30, 2021</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
Balance, beginning of period	\$ 1,279	\$ 51,896	\$ 53,175
Expected credit (gains) losses	( 57)	4,525	4,468
Effect of foreign exchange	<u>( 5)</u>	<u>560</u>	<u>565</u>
Balance, end of period	<u>\$ 1,217</u>	<u>\$ 55,861</u>	<u>\$ 57,078</u>

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 and time deposits, 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.

June 30, 2022	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	\$ 2,984,455	\$ -	\$ -	\$ -
Notes payable	85	-	-	-
Accounts payable (including related party)	1,784,515	-	-	-
Other payables (including related party)	3,275,451	-	-	-
Lease liabilities (current and non-current)	286,307	294,888	761,084	670,049
Other current financial liabilities	31,082	-	-	-
Current refund liabilities	12,171	-	-	-
Long-term borrowings	61,514	4,241,654	752,826	-
Guarantee deposits received	-	7,155	10,869	17,745

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 2,802,972	\$ -	\$ -	\$ -
Short-term notes and bills payable	400,000	-	-	-
Accounts payable (including related party)	1,562,638	-	-	-
Other payables (including related party)	1,716,197	-	-	-
Lease liabilities (current and non-current)	278,087	289,785	783,519	779,589
Other current financial liabilities	34,462	-	-	-
Current refund liabilities	15,085	-	-	-
Long-term borrowings	70,790	3,812,714	3,314,882	-
Guarantee deposits received	-	11,868	-	17,420
<u>June 30, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 3,541,303	\$ -	\$ -	\$ -
Short-term notes and bills payable	150,000	-	-	-
Notes payable	769	-	-	-
Accounts payable (including related party)	1,565,003	-	-	-
Other payables (including related party)	2,416,074	-	-	-
Lease liabilities (current and non-current)	280,906	288,504	795,631	907,319
Other current financial liabilities	23,428	-	-	-
Current refund liabilities	12,913	-	-	-
Long-term borrowings	67,936	1,906,665	4,929,281	-
Guarantee deposits received	-	15,808	-	17,259

(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 structured notes is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

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

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

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Structured notes	\$ -	\$ 44,369	\$ -	\$ 44,369
Financial assets at fair value through other comprehensive income				
Equity securities	<u>78,006</u>	<u>-</u>	<u>-</u>	<u>78,006</u>
	<u>\$ 78,006</u>	<u>\$ 44,369</u>	<u>\$ -</u>	<u>\$ 122,375</u>

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 88,203	\$ -	\$ -	\$ 88,203
June 30, 2021	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 81,995	\$ -	\$ -	\$ 81,995

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:

	<u>Listed shares</u>
Market quoted price	Closing price

- (b) When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts without active market and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants or by reference to counterparty quotes. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

E. For the six-month periods ended June 30, 2022 and 2021, there was no transfer into or out between Level 1 and Level 2.

F. For the six-month periods ended June 30, 2022 and 2021, there was no such situation of Level 3.

(4) Other information

The Group is classified as a multinational enterprise. In response to the differences in the scale of the pandemic in each operating location and the preventive measures each local government has established, the Group has complied with the preventive measures that each local government has mandated, adopted workplace hygiene management and reinforced worker's self-health management. The Group has also maintained its close communication with clients and suppliers, continued evaluating market needs and inventory management. Currently, the pandemic has no significant impact on the Group's operations. However, the impact of the pandemic on the Group's operations in the future will depend on the subsequent development of the pandemic.

### 13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the six-month period ended June 30, 2022.

#### (1) Significant transactions information

- A. Loans to others: 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): 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: Refer to table 3.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: 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: Refer to table 5.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 8.

#### (4) Major shareholders information

Major shareholders information: Refer to table 9.

### 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 six-month period ended June 30, 2022					
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 10,377,672	\$ 2,672,724	\$ 7,767,150	\$ 1,734,345	\$ 22,551,891
Revenue from internal customers	2,992,939	483,775	23,180	94,722	3,594,616
Segment revenue	<u>\$ 13,370,611</u>	<u>\$ 3,156,499</u>	<u>\$ 7,790,330</u>	<u>\$ 1,829,067</u>	<u>\$ 26,146,507</u>
Segment income	<u>\$ 1,880,004</u>	<u>(\$ 319,408)</u>	<u>\$ 608,024</u>	<u>\$ 73,209</u>	<u>\$ 2,241,829</u>
Segment assets	<u>\$ 31,801,551</u>	<u>\$ 7,827,396</u>	<u>\$ 16,146,051</u>	<u>\$ 23,161,503</u>	<u>\$ 78,936,501</u>

  

For the six-month period ended June 30, 2021					
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 6,781,445	\$ 2,913,895	\$ 7,763,250	\$ 1,264,169	\$ 18,722,759
Revenue from internal customers	2,708,173	303,944	16,245	20,986	3,049,348
Segment revenue	<u>\$ 9,489,618</u>	<u>\$ 3,217,839</u>	<u>\$ 7,779,495</u>	<u>\$ 1,285,155</u>	<u>\$ 21,772,107</u>
Segment income	<u>\$ 641,472</u>	<u>(\$ 35,133)</u>	<u>\$ 946,977</u>	<u>\$ 640,677</u>	<u>\$ 2,193,993</u>
Segment assets	<u>\$ 31,429,126</u>	<u>\$ 7,378,987</u>	<u>\$ 15,226,396</u>	<u>\$ 22,267,396</u>	<u>\$ 76,301,905</u>

(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:

	<u>For the six-month periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Reportable segments profit and loss	\$ 2,168,620	\$ 1,553,316
Other segments profit and loss	73,209	640,677
Elimination of intersegment transactions	(375,846)	(1,378,898)
Net income before income tax from continuing operations	<u>\$ 1,865,983</u>	<u>\$ 815,095</u>

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:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assets of reportable segments	\$ 55,774,998	\$ 54,034,509
Assets of other operating segments	23,161,503	22,267,396
Elimination of intersegment transactions	(41,287,708)	(39,043,642)
Total assets	<u>\$ 37,648,793</u>	<u>\$ 37,258,263</u>

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the six-month period ended June 30, 2022

Table 1

Expressed in thousands of NTD

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							drawn down	Interest rate					Item	Value			
1	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 133,089	\$ 133,089	\$ -	—	2	\$ -	Operational use	\$ -	\$ -	\$ 1,045,319	\$ 1,045,319	Note 2	
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	310,540	221,814	221,814	3.365~3.515	2	-	Operational use	-	—	-	1,045,319	1,045,319	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	88,726	-	-	3.515	2	-	Operational use	-	—	-	1,045,319	1,045,319	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	133,089	133,089	133,089	3.515	2	-	Operational use	-	—	-	209,064	418,128	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	288,358	288,358	288,358	3.365~3.515	2	-	Operational use	-	—	-	395,002	395,002	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	53,235	2.365~2.465	2	-	Operational use	-	—	-	1,509,753	1,509,753	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	266,177	266,177	266,177	3.515	2	-	Operational use	-	—	-	301,951	603,901	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	177,451	177,451	-	3.515	2	-	Operational use	-	—	-	301,951	603,901	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	243,996	155,270	155,270	3.465~3.515	2	-	Operational use	-	—	-	1,263,042	1,263,042	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	31,054	2.365~2.465	2	-	Operational use	-	—	-	1,263,042	1,263,042	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	354,903	354,903	354,903	3.365~3.515	2	-	Operational use	-	—	-	1,263,042	1,263,042	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Interest rate	Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							drawn down							Item	Value			
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	\$ 133,089	\$ 133,089	\$ 133,089		3.365	2	\$ -	Operational use	\$ -	-	\$ -	\$ 252,608	\$ 505,217	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	310,540	243,996	243,996		3.365~3.515	2	-	Operational use	-	-	-	796,279	796,279	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	796,279	796,279	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-	3.465		2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	243,996	243,996	110,907		3.365~3.515	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	-		-	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,089	133,089	88,726		3.365~3.465	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	1,042,527	887,257	754,168		3.365~3.515	2	-	Operational use	-	-	-	11,912,505	11,912,505	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	576,717	576,717	266,177		3.365~3.515	2	-	Operational use	-	-	-	2,382,501	4,765,002	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Interest rate	Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							Item	Value										
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	\$ 133,089	\$ 133,089	\$ 97,598	3.365	2	\$ -	Operational use	\$ -	-	\$ -	\$ 2,382,501	\$ 4,765,002	Note 2	
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	-	2.365~2.465	2	-	Operational use	-	-	-	1,757,749	1,757,749	Note 2	
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	48,799	2.365	2	-	Operational use	-	-	-	1,174,587	1,174,587	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	-	2.365~2.465	2	-	Operational use	-	-	-	949,783	949,783	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	155,270	155,270	155,270	3.515	2	-	Operational use	-	-	-	949,783	949,783	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	177,451	177,451	177,451	3.515	2	-	Operational use	-	-	-	189,957	379,913	Note 2	
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	-	-	2	-	Operational use	-	-	-	1,129,814	1,129,814	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	133,089	133,089	133,089	3.515	2	-	Operational use	-	-	-	463,149	926,299	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	319,412	310,540	310,540	3.365~3.515	2	-	Operational use	-	-	-	463,149	926,299	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	155,270	155,270	155,270	3.365~3.515	2	-	Operational use	-	-	-	463,149	926,299	Note 2	
12	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,089	133,089	-	-	2	-	Operational use	-	-	-	517,124	517,124	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 June 30, 2022 as follows: CNY:NTD 1 : 4.436284.



Ton Yi Industrial Corp. and Subsidiaries

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

June 30, 2022

Table 2

Expressed in thousands of NTD

Investor	Marketable securities type and name	Relationship with the issuer	General ledger account (Note)	As of June 30, 2022				Note
				Shares/units (in thousands)	Book value	Percentage of ownership (%)	Fair value	
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	2	250	\$ 78,006	0.04%	\$ 78,006	—
Sichuan Ton Yi Industrial Co., Ltd.	Structured products:							
	Fubon Bank (China) Co., Ltd. Structured Products	—	1	-	44,369	-	44,369	—

(Note) The code number explanation is as follows:

1. Financial assets at fair value through profit or loss - current
2. Financial assets at fair value through other comprehensive income - non - current

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

For the six-month period ended June 30, 2022

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)			Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	\$ 2,956,371)	(22)	50 days after shipping, T/T	\$ -	-	\$ 766,657	35	-
Ton Yi Industrial Corp.	TTET Union Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 181,136)	(1)	Within 30 days of statements settled monthly, T/T	-	-	25,209	1	-
Wuxi Tonyi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 253,650)	(21)	Within 30 days of statements settled monthly, T/T	-	-	54,435	22	-
Wuxi Tonyi Industrial Packing Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 223,877)	(18)	Within 30 days of statements settled monthly, T/T	-	-	35,844	15	-
Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Purchases	253,650	96	Within 30 days of statements settled monthly, T/T	-	-	( 54,435)	(97)	-
Changsha Ton Yi Industrial Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	Purchases	348,897	51	67 days after invoice date, T/T	-	-	( 92,888)	(58)	-
Changsha Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Purchases	223,877	33	Within 30 days of statements settled monthly, T/T	-	-	( 35,844)	(22)	-
Changsha Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Purchases	112,415	16	67 days after invoice date, T/T	-	-	( 30,941)	(19)	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Fujian Ton Yi Tinplate Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	\$ 2,956,371	88	50 days after shipping, T/T	\$ -	—	(\$ 766,657)	(93)	—
Fujian Ton Yi Tinplate Co., Ltd	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	( 1,518,956)	(49)	67 days after invoice date, T/T	-	—	481,485	38	—
Fujian Ton Yi Tinplate Co., Ltd	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 112,415)	(4)	67 days after invoice date, T/T	-	—	30,941	2	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Purchases	1,518,956	100	67 days after invoice date, T/T	-	—	( 481,485)	(100)	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 348,897)	(22)	67 days after invoice date, T/T	-	—	92,888	8	—
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 763,239)	(77)	25 days after receipt of invoice, T/T	-	—	204,742	82	—
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 991,309)	(72)	25 days after receipt of invoice, T/T	-	—	245,869	71	—
Chengdu Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 227,019)	(44)	25 days after receipt of invoice, T/T	-	—	37,933	32	—
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 687,132)	(89)	25 days after receipt of invoice, T/T	-	—	74,221	85	—
Kunshan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	106,704	14	15 days after receipt of invoice, T/T	-	—	( 23,804)	(9)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit terms	Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		Note
			Purchases (sales)	Amount			Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(\$ 1,045,054)	(98)	25 days after receipt of invoice, T/T	\$ -	—	\$ 272,663	98	—
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 1,023,363)	(99)	25 days after receipt of invoice, T/T	-	—	221,231	98	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 1,146,162)	(98)	25 days after receipt of invoice, T/T	-	—	235,392	96	—
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 702,116)	(85)	25 days after receipt of invoice, T/T	-	—	113,713	88	—
Zhanjiang Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 120,593)	(15)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	15,023	12	—
Tianjin Ton Yi Industrial Co., Ltd.	Uni-President Enterprises (TianJin) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	( 233,605)	(89)	25 days after receipt of invoice, T/T	-	—	23,651	85	—

(Note 1) The above terms are in accordance with the Company's policy on credit management, 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 June 30, 2022 (USD:NTD 1:29.72 ; CNY:NTD 1:4.436284).

Purchases and sales were translated using the weighted-average exchange rate for the six-month period ended June 30, 2022 (USD:NTD 1:28.755333 ; CNY:NTD 1:4.434588).

Ton Yi Industrial Corp. and Subsidiaries

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

For the six-month period ended June 30, 2022

Table 4

Expressed in thousands of NTD

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	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 using equity method	Accounts receivable	\$ 766,657	7.92	\$ -	—	\$ 203,605	\$ -
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 using equity method	Other receivables	288,632	-	-	—	-	-
Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	Accounts receivable	481,485	7.25	-	—	100,023	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	310,836	-	-	—	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	155,415	-	-	—	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	133,807	-	-	—	-	-
Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	762,738	-	-	—	83	-
Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	269,315	-	-	—	180	-
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	221,814	-	-	—	-	-
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	113,961	-	-	—	-	-
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	204,742	9.50	-	—	123,231	-
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	245,869	9.83	-	—	133,501	-

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	\$ 266,437	-	\$ -	-	\$ -	\$ -
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	272,663	8.45	-	-	129,684	-
Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	225,262	-	-	-	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	135,934	-	-	-	-	-
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	221,231	12.28	-	-	144,580	-
Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	181,766	-	-	-	-	-
Beijing Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	158,241	-	-	-	-	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	235,392	9.88	-	-	144,929	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	359,140	-	-	-	-	-
Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	158,301	-	-	-	50	-
Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	133,984	-	-	-	-	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	113,713	14.92	-	-	75,554	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co.,Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	244,231	-	-	-	-	-

(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 June 30, 2022 (CYN:NTD 1:4.436284 ; USD:NTD 1:29.72).

Ton Yi Industrial Corp. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the six-month period ended June 30, 2022

Table 5

Expressed in thousands of NTD

No (Note 2)	Company name	Counterparty	Relationship (Note 3)	Intercompany transaction			Percentage of consolidated net revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	\$ 2,956,371	50 days after shipping, T/T	13
				Accounts receivable	766,657	—	2
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	288,632	—	1
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	253,650	Within 30 days of statements settled monthly, T/T	1
				Sales	223,877	Within 30 days of statements settled monthly, T/T	1
3	Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	3	Sales	1,518,956	67 days after invoice date, T/T	7
				Accounts receivable	481,485	—	1
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	112,415	67 days after invoice date, T/T	—
				Sales	348,897	67 days after invoice date, T/T	2
				Other receivables	310,836	—	1
				Other receivables	155,415	—	—
5	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	133,807	—	—
				Other receivables	762,738	—	2
				Other receivables	269,315	—	1
				Other receivables	221,814	—	1
				Other receivables	113,961	—	—
6	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	266,437	—	1
				Other receivables	225,262	—	1
7	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	135,934	—	—
				Other receivables	181,766	—	—
				Other receivables	158,241	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	181,766	—	—
				Other receivables	158,241	—	—
				Other receivables	158,301	—	—
9	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	359,140	—	1
				Other receivables	158,301	—	—
				Other receivables	133,984	—	—
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	244,231	—	1

(Note 1) Transactions among the company and subsidiaries with amount over NTDS\$100,000 and one side of them are disclosed.

(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 receivables were translated using the exchange rate as at June 30, 2022 (CNY:NTD 1:4.436284);

Sales were translated using the weighted-average exchange rate for the six-month period ended June 30, 2022 (CNY:NTD 1:4.434588).

Ton Yi Industrial Corp. and Subsidiaries

Information on investees

For the six-month period ended June 30, 2022

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at June 30, 2022			Net income (loss) of the investee	Income recognized by the Company	Note
				Balance at June 30, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General investment	\$ 13,399,488	\$ 13,399,488	43,470,820	100.00	\$ 18,307,881	\$ 188,221	\$ 188,221	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	52,345	435	222	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	6,835,600	6,835,600	230,000,000	100.00	11,912,480	470,373	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,903,925	1,903,925	8,727	100.00	2,571,538 (	201,543)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,067,031	1,067,031	5,000	100.00	2,128,735 (	10,907)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	6,835,600	6,835,600	230,000,000	100.00	11,912,480	470,373	-	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 and carrying value were translated using the exchange rate as at June 30, 2022 (USD:NTD 1:29.72);

Profit and loss were translated using the weighted-average exchange rate for the six-month period ended June 30, 2022 (USD:NTD 1:28.755333).



Ton Yi Industrial Corp. and Subsidiaries  
Information on investments in Mainland China  
For the six-month period ended June 30, 2022

Table 7

Expressed in thousands of NTD

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Investment amount		Accumulated amount of remittance from Taiwan as of June 30, 2022	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of June 30, 2022	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of cans	\$ 802,440	Note 1	\$ 208,040	\$ -	\$ -	\$ 208,040	(\$ 85,154)	100.00	(\$ 84,335)	\$ 1,045,256	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	222,900	Note 1	222,900	-	-	222,900	10,255	100.00	10,255	405,260	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	208,040	Note 1	-	-	-	-	4,378	100.00	4,378	328,194	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,570,780	Note 2	1,585,473	-	-	1,585,473	( 232,181)	86.80	( 201,543)	2,505,265	-	Note 8
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,188,800	Note 3	824,730	-	-	824,730	( 13,164)	82.86	( 10,907)	2,023,902	-	Note 8
Ton Yi (China) Investment Co., Ltd.	General investment	6,835,600	Note 4	891,600	-	-	891,600	470,373	100.00	470,373	11,912,480	421,295	Note 8
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	891,600	-	-	891,600	89,029	100.00	89,029	1,757,749	-	Note 8
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	891,600	-	-	891,600	130,214	100.00	130,214	1,509,753	-	Note 8
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	341,780	-	-	341,780	47,017	100.00	47,017	1,174,587	-	Note 8
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	178,320	-	-	178,320	51,464	100.00	51,464	1,181,298	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	-	-	-	-	( 5,219)	100.00	( 5,219)	1,045,319	-	Note 8
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	-	-	-	-	40,407	100.00	40,407	990,205	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	891,600	Note 5	-	-	-	-	90,151	100.00	90,151	1,353,227	-	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	594,400	Note 5	-	-	-	-	62,245	100.00	62,245	769,823	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	594,400	Note 5	-	-	-	-	( 38,046)	100.00	( 38,046)	479,063	-	Note 7

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from	Investment amount			Accumulated amount	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value	Accumulated remittance	Note
				Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	of remittance from Taiwan as of June 30, 2022	as of June 30, 2022						
Wuxi Tonyi Daiwa Industrial Co., Ltd.	Manufacturing and sale of cans	\$ 1,188,800	Note 6	\$ -	\$ -	\$ -	\$ -	(\$ 39,600)	66.50	(\$ 26,334)	\$ 645,299	\$ -	Note 7	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Investment amount authorized 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.	\$ 6,036,043	\$ 12,080,800	\$ 12,709,309

(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 investment balances were translated using the exchange rate as at June 30, 2022 (CNY:NTD 1:4.436284, USD:NTD 1:29.72);

Investment gains or losses were translated using the weighted-average exchange rate for the six-month period ended June 30, 2022 (CNY:NTD 1:4.434588, USD:NTD 1:28.755333).

Ton Yi Industrial Corp. and Subsidiaries

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

For the six-month period ended June 30, 2022

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Sales/(purchases)		Property transaction		Accounts receivable/ (payable)		Provision of endorsements/guarantees or collaterals		Financing				Others
	Amount	%	Amount	%	Balance at June 30, 2022	%	Balance at June 30, 2022	Purpose	Maximum balance during the six-month period ended June 30, 2022	Balance at June 30, 2022	Interest rate	Interest during the six-month period ended June 30, 2022	
Fujian Ton Yi Tinplate Co., Ltd.	\$ 2,956,371	22	\$ -	-	\$ 766,657	35	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

June 30, 2022

Table 9

Express in shares

<u>Name of major shareholders</u>	<u>Number of shares held</u>	<u>Ownership Percentage</u>
Uni-President Enterprises Corp.	719,357,425	45.55%
Toyota Tsusho Corporation	88,549,987	5.60%

(Note) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.