

**TON YI INDUSTRIAL CORP. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 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.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standards 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

TON YI INDUSTRIAL CORP.

March 7, 2023

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### **Opinion**

We have audited the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and its subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

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

### **Key audit matters**

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

## **Existence of sales revenues of Tin Plate products**

### Description

Refer to Note 4(28) for the accounting policy on revenue recognition.

The Group has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different locations such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the sales revenue transactions need more time for verification. Thus, the existence of sales revenue of tin plate products has been identified as a key audit matter.

### How our audit addressed the matter

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

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

## **Inventory valuation of Tin Plate products**

### Description

Refer to Note 4(9) for accounting policy on inventory valuation, and Note 5(2) for the accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(4) for details of inventories. For the year ended December 31, 2022, inventory and allowance for price decline of inventories amounted to NT \$4,903,677 thousand and NT \$201,600 thousand, respectively.

The Group's raw materials are often subject to fluctuations in the international steel prices. However, as the Tin Plate products are considered necessities, such price changes may not be immediately reflected in material costs. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. Thus, the inventory valuation has been identified as a key audit matter.

#### How our audit addressed the matter

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

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

#### **Intangible Assets – Impairment assessment of Goodwill**

##### Description

Refer to Note 4(17) and Note 4(18) for the accounting policy on intangible assets – goodwill and impairment of non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumption uncertainty in relation to impairment assessment of goodwill, and Note 6(10) and Note 6(11) for details of intangible assets and impairment of non-financial assets, respectively.

The Group's management regularly performs the impairment assessment of goodwill. As the objective evidence for the impairment assessment and the various factors considered in determining the recoverable amount involve management's objective judgement and contain a high degree of estimation uncertainty. Thus, the impairment assessment of goodwill has been identified as a key audit matter.

#### How our audit addressed the matter

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

1. Confirming the objective evidence, processes and factors considered in impairment assessment are consistently adopted by management to identify whether the goodwill is impairment and confirming the reliability of the relevant information.
2. Assessing the competence and objectiveness of external appraisal experts appointed by management and adopting the report of impairment assessment of goodwill prepared by an external appraisal expert as one of the evidences to the audit. The audit procedures performed by the internal appraisal expert and used by the auditors are as follows:
  - (1) Reviewing the setting of the valuation method and calculation formulas used by the external appraisal experts.
  - (2) Reviewing the valuation multiples and comparing to the market value of comparable companies and relevant financial information.
  - (3) Assessing the appropriateness of the method used and the relevance and justifiability of the key assumptions applied.

## **Other matter – Parent company only financial reports**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Ton Yi Industrial Corp. as of and for the years ended December 31, 2022 and 2021.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, including audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yeh, Fang-Ting

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2023

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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 independent auditors' report 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**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 3,168,365	9	\$ 2,664,025	7
1150	Notes receivable, net	6(2)(3) and 12	1,042,219	3	845,273	2
1170	Accounts receivable, net	6(2) and 12	1,771,155	5	3,149,090	8
1180	Accounts receivable - related parties	6(2) and 7	1,902,411	5	1,345,104	4
1200	Other receivables		101,738	-	165,358	1
1220	Current income tax assets	6(27)	2,466	-	60,565	-
130X	Inventories	5(2) and 6(4)	4,702,077	14	5,657,333	15
1410	Prepayments		209,132	1	480,809	1
1476	Other financial assets - current		1,200	-	35,144	-
11XX	<b>Total current assets</b>		<u>12,900,763</u>	<u>37</u>	<u>14,402,701</u>	<u>38</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(5)	89,241	-	88,203	-
1600	Property, plant and equipment	6(6) and 7	18,860,972	54	19,903,177	53
1755	Right-of-use assets	6(7) and 7	2,016,559	6	2,257,043	6
1760	Investment property, net	6(9)	90,729	-	92,931	-
1780	Intangible assets	5(2) and 6(10)	7,881	-	285,339	1
1840	Deferred income tax assets	6(27)	835,568	3	656,609	2
1915	Prepayments for business facilities	6(6)	63,242	-	109,497	-
1920	Guarantee deposits paid	7	28,514	-	41,054	-
1990	Other non-current assets, others		12,494	-	11,769	-
15XX	<b>Total non-current assets</b>		<u>22,005,200</u>	<u>63</u>	<u>23,445,622</u>	<u>62</u>
1XXX	<b>Total assets</b>		<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 37,848,323</u>	<u>100</u>

(Continued)

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 2,429,889	7	\$ 2,798,456	7
2110	Short-term notes and bills payable	6(13)	-	-	399,900	1
2130	Contract liabilities - current	6(20)	70,503	-	187,357	1
2170	Accounts payable		1,292,874	4	1,289,212	3
2180	Accounts payable - related parties	7	299,838	1	273,426	1
2200	Other payables		1,746,443	5	1,627,554	4
2220	Other payables - related parties	7	88,935	-	88,643	-
2230	Current income tax liabilities	6(27)	548,889	2	271,989	1
2280	Lease liabilities - current	7	228,187	1	213,772	1
2305	Other financial liabilities - current		30,958	-	34,462	-
2365	Refund liabilities - current		18,432	-	15,085	-
21XX	<b>Total current liabilities</b>		<u>6,754,948</u>	<u>20</u>	<u>7,199,856</u>	<u>19</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	3,800,000	11	7,050,000	19
2550	Provisions - non-current	6(15)	84,277	-	82,727	-
2570	Deferred income tax liabilities	6(27)	669,151	2	611,048	2
2580	Lease liabilities - non-current	7	1,370,132	4	1,591,394	4
2630	Long-term deferred revenue		22,258	-	26,129	-
2640	Net defined benefit liabilities - non-current	6(16)	15,462	-	311,034	1
2645	Guarantee deposits received		36,283	-	29,288	-
25XX	<b>Total non-current liabilities</b>		<u>5,997,563</u>	<u>17</u>	<u>9,701,620</u>	<u>26</u>
2XXX	<b>Total liabilities</b>		<u>12,752,511</u>	<u>37</u>	<u>16,901,476</u>	<u>45</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(17)	15,791,453	45	15,791,453	41
3200	Capital surplus	6(18)	232,045	1	231,673	1
Retained earnings						
3310	Legal reserve	6(19)	2,062,280	6	1,878,827	5
3320	Special reserve		1,829,875	5	1,811,806	5
3350	Unappropriated retained earnings		2,549,470	7	1,878,911	5
3400	Other equity interest		(1,412,342)	(4)	(1,829,875)	(5)
31XX	<b>Equity attributable to owners of the parent</b>		<u>21,052,781</u>	<u>60</u>	<u>19,762,795</u>	<u>52</u>
36XX	<b>Non-controlling interests</b>		<u>1,100,671</u>	<u>3</u>	<u>1,184,052</u>	<u>3</u>
3XXX	<b>Total equity</b>		<u>22,153,452</u>	<u>63</u>	<u>20,946,847</u>	<u>55</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 37,848,323</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 YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 43,480,280	100	\$ 41,889,726	100
5000	Operating costs	6(4)(9)(10)(16)(2)				
		5)(26) and 7	( 37,035,948)	( 85)	( 36,436,871)	( 87)
5900	Gross profit from operations		<u>6,444,332</u>	<u>15</u>	<u>5,452,855</u>	<u>13</u>
	Operating expenses	6(9)(10)(16)(25)(				
		26), 7 and 12				
6100	Selling expenses		( 1,935,351)	( 5)	( 1,639,383)	( 4)
6200	Administrative expenses		( 1,500,995)	( 3)	( 1,442,652)	( 3)
6450	Expected credit gains (losses)		<u>11,161</u>	<u>-</u>	<u>( 16,734)</u>	<u>-</u>
6000	Total operating expenses		<u>( 3,425,185)</u>	<u>( 8)</u>	<u>( 3,098,769)</u>	<u>( 7)</u>
6900	Operating income		<u>3,019,147</u>	<u>7</u>	<u>2,354,086</u>	<u>6</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	47,623	-	42,117	-
7010	Other income	6(5)(8)(9)(22)	112,715	-	207,252	-
7020	Other gains and losses	6(6)(7)(10)(11)(2				
		3), 7 and 12	( 85,364)	-	( 26,443)	-
7050	Finance costs	6(3)(6)(7)(15)(24				
		) and 7	<u>( 180,758)</u>	<u>-</u>	<u>( 174,661)</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>( 105,784)</u>	<u>-</u>	<u>48,265</u>	<u>-</u>
7900	<b>Profit before income tax</b>		<u>2,913,363</u>	<u>7</u>	<u>2,402,351</u>	<u>6</u>
7950	Income tax expense	6(27)	<u>( 778,941)</u>	<u>( 2)</u>	<u>( 603,755)</u>	<u>( 2)</u>
8200	<b>Profit for the year</b>		<u>\$ 2,134,422</u>	<u>5</u>	<u>\$ 1,798,596</u>	<u>4</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311 Gain (loss) on remeasurements of defined benefit plan	6(16)	\$ 255,986	-	(\$ 22,011)	-
8316 Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income	6(5)	1,038	-	19,957	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	( 51,197)	-	4,402	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361 Exchange differences on translation		445,996	1	( 41,677)	-
8399 Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(27)	( 867)	-	211	-
8300 <b>Other comprehensive income (loss) for the year</b>		<u>\$ 650,956</u>	<u>1</u>	<u>(\$ 39,118)</u>	<u>-</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 2,785,378</u>	<u>6</u>	<u>\$ 1,759,478</u>	<u>4</u>
Profit (loss) attributable to:					
8610 Owners of the parent		\$ 2,246,437	5	\$ 1,852,148	4
8620 Non-controlling interests		( 112,015)	-	( 53,552)	-
		<u>\$ 2,134,422</u>	<u>5</u>	<u>\$ 1,798,596</u>	<u>4</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 2,868,759	6	\$ 1,816,470	4
8720 Non-controlling interests		( 83,381)	-	( 56,992)	-
		<u>\$ 2,785,378</u>	<u>6</u>	<u>\$ 1,759,478</u>	<u>4</u>
Earnings per share (in dollars)	6(28)				
9750 Basic		<u>\$</u>	<u>1.42</u>	<u>\$</u>	<u>1.17</u>
9850 Diluted		<u>\$</u>	<u>1.41</u>	<u>\$</u>	<u>1.17</u>

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 YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
		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	Total	Non-controlling interest	Total equity
<b>For the year ended December 31, 2021</b>											
		\$ 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
		-	-	-	-	1,852,148	-	-	1,852,148	( 53,552 )	1,798,596
	6(5)	-	-	-	-	( 17,609 )	( 38,026 )	19,957	( 35,678 )	( 3,440 )	( 39,118 )
		-	-	-	-	1,834,539	( 38,026 )	19,957	1,816,470	( 56,992 )	1,759,478
Distribution of 2020 net income:											
		-	-	85,674	-	( 85,674 )	-	-	-	-	-
	6(19)	-	-	-	-	( 836,947 )	-	-	( 836,947 )	-	( 836,947 )
		-	-	-	( 110,270 )	110,270	-	-	-	-	-
	6(18)	-	369	-	-	-	-	-	369	-	369
	6(18)	-	( 386 )	-	-	-	-	-	( 386 )	-	( 386 )
		\$ 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
<b>For the year ended December 31, 2022</b>											
		\$ 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
		-	-	-	-	2,246,437	-	-	2,246,437	( 112,015 )	2,134,422
	6(5)	-	-	-	-	204,789	416,495	1,038	622,322	28,634	650,956
		-	-	-	-	2,451,226	416,495	1,038	2,868,759	( 83,381 )	2,785,378
Distribution of 2021 net income:											
		-	-	183,453	-	( 183,453 )	-	-	-	-	-
		-	-	-	18,069	( 18,069 )	-	-	-	-	-
	6(19)	-	-	-	-	( 1,579,145 )	-	-	( 1,579,145 )	-	( 1,579,145 )
	6(18)	-	431	-	-	-	-	-	431	-	431
	6(18)	-	( 59 )	-	-	-	-	-	( 59 )	-	( 59 )
		\$ 15,791,453	\$ 232,045	\$ 2,062,280	\$ 1,829,875	\$ 2,549,470	(\$ 1,122,666)	(\$ 289,676)	\$ 21,052,781	\$ 1,100,671	\$ 22,153,452

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 YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,913,363	\$ 2,402,351
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit (gains) losses	12	( 11,161 )	16,734
Provision for inventory market price decline	6(4)	89,625	4,411
Depreciation	6(6)(7)(9)	2,725,408	2,637,839
Loss on disposal of property, plant and equipment	6(23)	427	5,212
Gain from lease modifications	6(7)(23)	( 1,285 )	( 1,310 )
Gain on disposal of investment property	6(23)	( 418 )	-
Amortization	6(10)(25)	9,664	9,661
Loss on impairment of non-financial assets	6(6)(10)(11)(23)	275,849	20,999
Interest income	6(21)	( 47,623 )	( 42,117 )
Dividend income	6(5)(22)	( 6,051 )	( 3,607 )
Interest expense	6(24)	180,758	174,661
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 197,089 )	( 245,875 )
Accounts receivable		1,388,471	( 1,693,792 )
Accounts receivable - related parties		( 557,307 )	( 207,729 )
Other receivables		63,620	( 80,852 )
Inventories		862,914	( 2,397,316 )
Prepayments		282,282	( 82,417 )
Changes in operating liabilities			
Contract liabilities - current		( 116,854 )	124,427
Accounts payable		3,662	108,169
Accounts payable - related parties		26,412	114,437
Other payables		50,871	282,162
Other payables - related parties		292	25,458
Refund liabilities - current		3,347	4,373
Long-term deferred revenue		( 3,871 )	( 4,414 )
Net defined benefit liabilities - non-current		( 39,586 )	( 27,670 )
Cash inflow generated from operations		7,895,720	1,143,795
Interest received		47,623	42,117
Dividends received		6,051	3,607
Income tax refund		2,883	-
Interest paid		( 176,444 )	( 172,458 )
Income tax paid		( 616,287 )	( 370,744 )
Net cash flows from operating activities		<u>7,159,546</u>	<u>646,317</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in other financial assets - current		\$ 33,944	(\$ 28,591 )
Cash paid for acquisition of property, plant and equipment	6(29)	( 770,557 )	( 799,208 )
Proceeds from disposal of property, plant and equipment		15,544	23,823
Cash paid for acquisition of investment property	6(9)	( 2,916 )	-
Proceeds from disposal of investment property		1,052	-
Increase in prepayments for business facilities		( 269,559 )	( 454,653 )
Interest paid for prepayments for business facilities	6(6)(24)	( 137 )	( 171 )
Decrease (increase) in guarantee deposits paid		12,540	( 16,102 )
(Increase) decrease in other non-current assets, others		( 725 )	3,102
Net cash flows used in investing activities		( 980,814 )	( 1,271,800 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(30)	( 368,567 )	950,315
(Decrease) increase in short-term notes and bills payable	6(30)	( 400,000 )	400,000
(Decrease) increase in other financial liabilities - current	6(30)	( 3,504 )	8,751
Payments of lease liabilities	6(30)	( 218,836 )	( 241,898 )
Increase in long-term borrowings	6(30)	1,050,000	900,000
Decrease in long-term borrowings	6(30)	( 4,300,000 )	( 370,000 )
Increase in guarantee deposits received	6(30)	6,995	4,543
Cash dividends paid	6(19)(30)	( 1,579,145 )	( 836,947 )
Non-payment of expired cash dividends from previous years transferred to capital reserve	6(18)	431	369
Payment of unpaid cash dividends from previous years transferred to capital reserve	6(18)	( 59 )	( 386 )
Net cash flows (used in) from financing activities		( 5,812,685 )	814,747
Effect of foreign exchange rate changes on cash and cash equivalents		138,293	( 3,674 )
Net increase in cash and cash equivalents		504,340	185,590
Cash and cash equivalents at beginning of year	6(1)	2,664,025	2,478,435
Cash and cash equivalents at end of year	6(1)	<u>\$ 3,168,365</u>	<u>\$ 2,664,025</u>

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 YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. HISTORY AND ORGANIZATION

(1) Ton Yi Industrial Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 14, 1969. The Company is primarily engaged in the manufacture, processing and sales of various cans of steel and tin plate. For more information regarding the scope of business the Company and its subsidiaries (the “Group”) are engaged in, 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 March 7, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became 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 position and financial 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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - b. Financial assets at fair value through other comprehensive income.
  - c. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRS 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:
- a. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - b. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - c. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - d. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

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

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Group (%)		Note
			December 31, 2022	December 31, 2021	
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	General investment	100.00	100.00	—
Ton Yi Industrial Corp.	Tovecan Corp.	Manufacturing and sale of cans	51.00	51.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holding Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holding Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM, and sale of cans	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	100.00	100.00	—
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	General investment	100.00	100.00	—
Cayman Fujian Ton Yi Holding Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	86.80	86.80	—
Cayman Jiangsu Ton Yi Holding Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Sale of tinplate	82.86	82.86	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing and sale of new bottle can	66.50	66.50	—
Cayman Ton Yi (China) Holdings Ltd.	Ton Yi (China) Investment Co., Ltd.	General investment	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Group (%)		Note
			December 31, 2022	December 31, 2021	
Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	—

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) Foreign currency translation

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

##### A. Foreign currency transactions and balances

- a. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- b. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- c. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their

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

d. All foreign exchange gains and losses based on the nature of those transactions are presented in the consolidated statements of comprehensive income within “Other gains and losses”.

**B. Translation of foreign operations**

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

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

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

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

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

**(5) Classification of current and non-current items**

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

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

b. Assets held mainly for trading purposes;

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

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

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

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

b. Liabilities arising mainly from trading activities;

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

(6) Cash equivalents

- A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and 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.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - a. The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - b. The assets' contractual cash flows represent solely payments of principal and interest on the principal outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:  
The changes in fair value of equity instruments that were recognized in other comprehensive income. Cumulative gain or loss previously recognized in comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the instrument. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred, and the Group has not retained control of the financial asset.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the consumption patterns of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

<u>Asset</u>	<u>Useful Lives</u>
Buildings	5 ~ 55 years
Machinery	2 ~ 30 years
Transportation equipment	3 ~ 20 years
Office equipment	2 ~ 10 years
Other equipment	2 ~ 40 years

(14) Leasing arrangements (lessor) — operating leases

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

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

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

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

- a. Fixed payments, less any lease incentives receivable; and
- b. Variable lease payments that depend on an index or a rate.

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

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

- a. The amount of the initial measurement of lease liability;
- b. Any lease payments made at or before the commencement date; and
- c. Any initial direct costs incurred by the lessee.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(16) Investment property

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

(17) Intangible assets

A. Goodwill

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

B. Computer software

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

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal

should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(19) Borrowings

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

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

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

(22) Offsetting financial instruments

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

(23) Provision

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

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

a. Defined contribution plans

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

b. Defined benefit plans

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

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

C. Employees' compensation and directors' remuneration

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

(25) Income tax

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

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns

with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

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

(26) Share capital

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

(27) Dividends

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

(28) Revenue recognition

Sales of goods

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

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

(29) Government grants

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

(30) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

1. Evaluation of inventories

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

B. As of December 31, 2022, the carrying amount of inventories was \$4,702,077.

## 2. Impairment assessment of goodwill

A. The impairment assessment of goodwill relies on the subjective judgment of the Group, including identifying cash-generating units and determining the recoverable amounts of related cash-generating units.

B. As of December 31, 2022, the carrying amount of goodwill was \$—.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash:		
Cash on hand	\$ 451	\$ 390
Checking deposits and demand deposits	<u>1,870,353</u>	<u>932,659</u>
	<u>1,870,804</u>	<u>933,049</u>
Cash equivalents:		
Time deposits	<u>1,297,561</u>	<u>1,730,976</u>
	<u>\$ 3,168,365</u>	<u>\$ 2,664,025</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 December 31, 2022 and 2021.

### (2) Notes and accounts receivable, net

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 1,044,665	\$ 847,576
Less: Allowance for doubtful accounts	<u>(2,446)</u>	<u>(2,303)</u>
	<u>\$ 1,042,219</u>	<u>\$ 845,273</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 1,803,372	\$ 3,191,843
Less: Allowance for doubtful accounts	<u>(32,217)</u>	<u>(42,753)</u>
	<u>\$ 1,771,155</u>	<u>\$ 3,149,090</u>

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

	December 31, 2022		December 31, 2021	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
1 to 30 days	\$ 268,304	\$ 3,212,743	\$ 376,495	\$ 3,858,564
31 to 60 days	179,464	372,412	174,875	516,712
61 to 90 days	79,231	86,305	193,931	140,058
91 to 180 days	517,221	16,026	101,404	704
Over 181 days	445	18,297	871	20,909
	<u>\$ 1,044,665</u>	<u>\$ 3,705,783</u>	<u>\$ 847,576</u>	<u>\$ 4,536,947</u>

The above aging analysis was based on credit date.

B. As of December 31, 2022 and 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 at December 31, 2022 and 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".

### (3) 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 December 31, 2022 and 2021, the Group derecognized the transferred notes receivable, and the related information is as follows:

December 31, 2022				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 125,783</u>	<u>\$ 125,783</u>	<u>\$ 125,783</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%

(b) The Group has recognized financial expense (listed under “Finance costs”) of \$291 and \$1,897, respectively, when transferring the derecognized notes receivable for the years ended December 31, 2022 and 2021, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(4) Inventories

	December 31, 2022		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1,630,553	(\$ 30,859)	\$ 1,599,694
Raw materials in transit	21,717	( 143)	21,574
Supplies	624,313	( 7,721)	616,592
Work in process	882,218	( 30,373)	851,845
Finished goods	<u>1,744,876</u>	<u>( 132,504)</u>	<u>1,612,372</u>
	<u>\$ 4,903,677</u>	<u>(\$ 201,600)</u>	<u>\$ 4,702,077</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	<u>2,040,290</u>	<u>( 70,170)</u>	<u>1,970,120</u>
	<u>\$ 5,766,591</u>	<u>(\$ 109,258)</u>	<u>\$ 5,657,333</u>

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2022	2021
Cost of goods sold	\$ 37,351,295	\$ 36,885,172
Provision for inventory market price decline	89,625	4,411
Loss on disposal of inventory	1,843	480
Revenue from sale of scraps	( 395,998)	( 440,983)
Indemnities	( 10,817)	( 12,209)
	<u>\$ 37,035,948</u>	<u>\$ 36,436,871</u>

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

Items	December 31, 2022	December 31, 2021
Equity instruments		
Listed stocks	\$ 378,917	\$ 378,917
Valuation adjustment	( 289,676)	( 290,714)
	<u>\$ 89,241</u>	<u>\$ 88,203</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 December 31, 2022 and 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 years ended December 31,</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 income	\$ <u>1,038</u>	\$ <u>19,957</u>
Dividend income recognized in profit (listed under “Other income”)	\$ <u>6,051</u>	\$ <u>3,607</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”.

(6) Property, plant and equipment

	Land	Buildings	Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction in progress	Total
			Owner-occupied	Lease		Owner-occupied	Lease	Owner-occupied	Lease		
<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 year ended December 31, 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	-	1,351	51,825	-	8,767	3,675	-	97,626	4,785	667,882	835,911
Transferred - Cost (Note)	-	66,451	1,006,925	( 12,009)	2,357	588	-	91,877	-	( 850,843)	305,346
Transferred - Accumulated depreciation	-	-	( 5,609)	5,609	-	-	-	-	-	-	-
Depreciation	-	( 261,139)	( 1,875,028)	( 24,583)	( 6,255)	( 7,085)	( 71)	( 282,013)	( 367)	-	( 2,456,541)
Gain on reversal of impairment loss	-	-	-	13,290	-	-	-	-	-	-	13,290
Disposal - Cost	-	-	( 43,201)	-	( 2,377)	( 1,175)	-	( 16,293)	-	-	( 63,046)
Disposal - Accumulated depreciation	-	-	30,443	-	2,161	1,166	-	13,305	-	-	47,075
Net currency exchange differences	-	76,878	170,579	3,004	390	483	6	12,472	( 2)	11,950	275,760
Balance at December 31, 2022	<u>\$ 615,892</u>	<u>\$ 4,747,668</u>	<u>\$ 11,841,196</u>	<u>\$ 123,022</u>	<u>\$ 27,164</u>	<u>\$ 20,883</u>	<u>\$ 209</u>	<u>\$ 1,103,683</u>	<u>\$ 4,423</u>	<u>\$ 376,832</u>	<u>\$ 18,860,972</u>
<u>Balance at December 31, 2022</u>											
Cost	\$ 615,892	\$ 10,704,256	\$ 48,015,194	\$ 1,113,221	\$ 271,411	\$ 217,956	\$ 2,080	\$ 6,229,218	\$ 7,664	\$ 376,832	\$ 67,553,724
Accumulated depreciation	-	( 5,956,588)	( 36,129,482)	( 972,392)	( 244,247)	( 197,073)	( 1,871)	( 5,125,535)	( 3,241)	-	( 48,630,429)
Accumulated impairment	-	-	( 44,516)	( 17,807)	-	-	-	-	-	-	( 62,323)
	<u>\$ 615,892</u>	<u>\$ 4,747,668</u>	<u>\$ 11,841,196</u>	<u>\$ 123,022</u>	<u>\$ 27,164</u>	<u>\$ 20,883</u>	<u>\$ 209</u>	<u>\$ 1,103,683</u>	<u>\$ 4,423</u>	<u>\$ 376,832</u>	<u>\$ 18,860,972</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 year ended December 31, 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	-	4,631	40,817	-	5,215	5,962	-	66,273	-	593,048	715,946
Transferred - Cost (Note)	-	622,814	292,321	( 2,199)	2,282	7,373	-	102,458	2,517	( 583,028)	444,538
Transferred - Accumulated depreciation	-	-	82	( 82)	-	-	-	2,517	( 2,517)	-	-
Depreciation	-	( 250,601)	( 1,813,117)	( 26,358)	( 4,485)	( 6,468)	( 299)	( 270,308)	( 22)	-	( 2,371,658)
Disposal - Cost	-	( 2,888)	( 39,366)	( 3,220)	( 4,022)	( 1,139)	-	( 59,705)	-	-	( 110,340)
Disposal - Accumulated depreciation	-	2,888	21,998	1,518	3,988	1,137	-	49,776	-	-	81,305
Net currency exchange differences	-	( 6,437)	( 19,306)	( 409)	( 76)	( 52)	( 2)	( 1,737)	-	( 1,034)	( 29,053)
Balance at December 31, 2021	<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>Balance at December 31, 2021</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>

(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 years ended December 31,	
	2022	2021
Amount capitalized	\$ 137	\$ 171
Range of interest rates	0.95%~1.39%	1.30%

- B. Reversal of impairment of property, plant and equipment is provided in Note 6(11), “Impairment of non-financial assets”.
- C. The Group did not pledge property, plant and equipment as collateral as at December 31, 2022 and 2021.

(7) 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:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	\$ 818,161	\$ 828,920
Buildings	1,198,398	1,427,655
Other equipment	-	468
	<u>\$ 2,016,559</u>	<u>\$ 2,257,043</u>

	For the years ended December 31,	
	2022	2021
	Depreciation	Depreciation
Land	\$ 29,936	\$ 30,982
Buildings	231,970	227,477
Other equipment	468	1,403
	<u>\$ 262,374</u>	<u>\$ 259,862</u>

- D. For the years ended December 31, 2022 and 2021, the additions and remeasurement to right-of-use assets were \$9,273 and \$13,682, respectively.

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

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 65,618	\$ 73,664
Expense on leases of low-value assets	189	154
Gain from lease modification	( 1,285)	( 1,310)

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$284,643 and \$315,716, 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 \$152 and \$1,319 (listed under "Other gains and losses") by decreasing rent expense for the years ended December 31, 2022 and 2021, respectively.

(8) 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 years ended December 31, 2022 and 2021, the Group recognized rent income (listed under "Other income") in the amounts of \$41,242 and \$42,981, 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>December 31, 2022</u>	<u>December 31, 2021</u>
Within 1 year	\$ 37,264	\$ 41,056
1 to 2 years	30,570	33,109
2 to 3 years	30,417	29,826
3 to 4 years	27,285	29,756
4 to 5 years	17,889	26,692
Over 5 years	20,871	37,917
	<u>\$ 164,296</u>	<u>\$ 198,356</u>

(9) 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>
<u>For the year ended December 31, 2022</u>			
Carrying amount at January 1	\$ 1,066	\$ 91,865	\$ 92,931
Additions – cost	-	2,916	2,916
Depreciation	-	( 6,493)	( 6,493)
Disposal - Cost	( 2,253)	-	( 2,253)
Disposal - Accumulated impairment	1,619	-	1,619
Net currency exchange differences	-	2,009	2,009
Carrying amount at December 31	<u>\$ 432</u>	<u>\$ 90,297</u>	<u>\$ 90,729</u>
<u>Balance at December 31, 2022</u>			
Cost	\$ 1,532	\$ 146,921	\$ 148,453
Accumulated depreciation	-	( 56,624)	( 56,624)
Accumulated impairment	( 1,100)	-	( 1,100)
	<u>\$ 432</u>	<u>\$ 90,297</u>	<u>\$ 90,729</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>
<u>For the year ended December 31, 2021</u>			
Carrying amount at January 1	\$ 1,066	\$ 98,394	\$ 99,460
Depreciation	-	( 6,319)	( 6,319)
Net currency exchange differences	-	( 210)	( 210)
Carrying amount at December 31	<u>\$ 1,066</u>	<u>\$ 91,865</u>	<u>\$ 92,931</u>
<u>Balance at December 31, 2021</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>

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

	For the years ended December 31,	
	2022	2021
Rental income from the lease of the investment property	\$ 17,802	\$ 17,445
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 9,905	\$ 9,662

B. The fair values of the investment property held by the Group as at December 31, 2022 and 2021 were \$104,187 and \$116,592, 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 December 31, 2022 and 2021, no investment property held by the Group was pledged to others as collateral.

(10) 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>
<u>For the year ended December 31, 2022</u>			
Carrying amount at January 1	\$ 268,129	\$ 17,210	\$ 285,339
Amortization	-	( 9,664)	( 9,664)
Impairment loss	( 289,139)	-	( 289,139)
Disposal - Cost	-	( 23,416)	( 23,416)
Disposal - Accumulated depreciation	-	23,416	23,416
Net currency exchange differences	21,010	335	21,345
Carrying amount at December 31	<u>\$ -</u>	<u>\$ 7,881</u>	<u>\$ 7,881</u>
<u>Balance at December 31, 2022</u>			
Cost	\$ 342,773	\$ 84,184	\$ 426,957
Accumulated amortization	-	( 71,398)	( 71,398)
Accumulated impairment	( 310,138)	-	( 310,138)
Net currency exchange differences	( 32,635)	( 4,905)	( 37,540)
	<u>\$ -</u>	<u>\$ 7,881</u>	<u>\$ 7,881</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>
<u>For the year ended December 31, 2021</u>			
Carrying amount at January 1	\$ 297,239	\$ 26,954	\$ 324,193
Amortization	-	( 9,661)	( 9,661)
Impairment loss	( 20,999)	-	( 20,999)
Net currency exchange differences	( 8,111)	( 83)	( 8,194)
Carrying amount at December 31	<u>\$ 268,129</u>	<u>\$ 17,210</u>	<u>\$ 285,339</u>
<u>Balance at December 31, 2021</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>

A. No borrowing costs were capitalized as part of intangible assets for the years ended December 31, 2022 and 2021.

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

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 1,740	\$ 1,705
Selling expenses	1,135	1,112
Administrative expenses	6,789	6,844
	<u>\$ 9,664</u>	<u>\$ 9,661</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tinplate factory located in Mainland China	<u>\$ -</u>	<u>\$ 268,129</u>

D. For information about impairment loss of the intangible assets, refer to Note 6(11), "Impairment of non-financial assets".

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

(11) Impairment of non-financial assets

A. The Group recognized (impairment loss) gain on reversal of impairment loss (listed under “Other gains and losses”) for the years ended December 31, 2022 and 2021, and the details are as follows:

Item	For the year ended December 31, 2022	
	Recognized in profit or loss	Recognized in other comprehensive income
Gain on reversal of impairment loss – Property, plant and equipment	\$ 13,290	\$ –
Impairment loss – Goodwill	(289,139)	–
	<u>(\$ 275,849)</u>	<u>\$ –</u>

  

Item	For the year ended December 31, 2021	
	Recognized in profit or loss	Recognized in other comprehensive income
Impairment loss – Goodwill	<u>(\$ 20,999)</u>	<u>\$ –</u>

B. The gain on reversal of impairment loss reported by operating segments is as follows:

Segments	For the year ended December 31, 2022	
	Recognized in profit or loss	Recognized in other comprehensive income
Others	\$ 13,290	\$ –
Tinplate factories located in mainland China	(289,139)	–
	<u>(\$ 275,849)</u>	<u>\$ –</u>

  

Segments	For the year ended December 31, 2021	
	Recognized in profit or loss	Recognized in other comprehensive income
Tinplate factories located in mainland China	<u>(\$ 20,999)</u>	<u>\$ –</u>

C. The Group’s goodwill is tested for impairment on an annual basis. As the tinplate factories located in Mainland China was affected by raw material costs, product prices, supply and demand in the local market and government policies, the Group expected that the future operations of the cash-generating unit would not reach the Group’s expectation and the recoverable amount will be lower than its carrying amount. Thus, the Group assessed that the goodwill is impaired. Additionally, in accordance with the impairment assessment report of goodwill issued by the external appraisal expert who was commissioned by the management, the recoverable amount is estimated according to the fair value less costs to sell. 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 valuation multiples, 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, the recoverable amount of goodwill which was determined based on the fair value less costs to sell is less than the carrying amount. Thus, an impairment loss was recognized amounted to \$289,138 and \$20,999 for the years ended December 31, 2022 and 2021, respectively.

(12) Short-term borrowings

<u>Nature</u>	<u>December 31, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,429,889	1.36%~6.03%	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

A. For more information about interest expenses recognized by the Group for the years ended December 31, 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>	

There was no such situation as of December 31, 2022.

A. For more information about interest expenses recognized by the Group for the years ended December 31, 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>December 31, 2022</u>
Unsecured bank borrowings	2024.1.28~ 2025.12.5	1.38%~1.69%	None	<u>\$ 3,800,000</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>

- A. For more information about interest expenses recognized by the Group for the years ended December 31, 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) Provision - non-current

	For the years ended December 31,	
	2022	2021
<u>Decommissioning liabilities</u>		
Balance, beginning of year	\$ 82,727	\$ 81,204
Unwinding of discount	1,550	1,523
Balance, end of year	<u>\$ 84,277</u>	<u>\$ 82,727</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 10% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is 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 amounts recognized in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 1,422,863)	(\$ 1,604,794)
Fair value of plan assets	<u>1,407,401</u>	<u>1,293,760</u>
Net defined benefit liabilities - non-current	<u>(\$ 15,462)</u>	<u>(\$ 311,034)</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
<u>For the year ended December 31, 2022</u>			
Balance at January 1, 2022	(\$ 1,604,794)	\$ 1,293,760	(\$ 311,034)
Current service cost	( 14,426)	-	( 14,426)
Interest (expense) income	( 9,944)	8,167	( 1,777)
	<u>( 1,629,164)</u>	<u>1,301,927</u>	<u>( 327,237)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	101,813	101,813
Change in financial assumptions	176,661	-	176,661
Experience adjustments	( 22,488)	-	( 22,488)
	<u>154,173</u>	<u>101,813</u>	<u>255,986</u>
Pension fund contribution	-	55,789	55,789
Paid pension	52,128	( 52,128)	-
Balance at December 31, 2022	<u>(\$ 1,422,863)</u>	<u>\$ 1,407,401</u>	<u>(\$ 15,462)</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
<u>For the year ended December 31, 2021</u>			
Balance at January 1, 2021	(\$ 1,592,052)	\$ 1,275,359	(\$ 316,693)
Past service cost	( 9,996)	-	( 9,996)
Current service cost	( 15,857)	-	( 15,857)
Interest (expense) income	( 9,906)	8,088	( 1,818)
	<u>( 1,627,811)</u>	<u>1,283,447</u>	<u>( 344,364)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	14,563	14,563
Change in financial assumptions	( 50,145)	-	( 50,145)
Experience adjustments	13,571	-	13,571
	<u>( 36,574)</u>	<u>14,563</u>	<u>( 22,011)</u>
Pension fund contribution	-	55,341	55,341
Paid pension	59,591	( 59,591)	-
Balance at December 31, 2021	<u>(\$ 1,604,794)</u>	<u>\$ 1,293,760</u>	<u>(\$ 311,034)</u>

- c. The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- d. The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2022	2021
Discount rate	1.75%	0.63%
Future salary increase rate	3.00%	3.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021.

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

	Discount rate		Future salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 35,743)	\$ 36,963	\$ 35,726	(\$ 34,737)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 44,775)	\$ 46,429	\$ 44,450	(\$ 43,122)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing

the sensitivity analysis did not change compared to the previous period.

e. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$55,789.

f. As of December 31, 2022, the weighted average duration of the retirement plan is 12 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	28, 346
2-5 years		212, 527
6-10 years		406, 323
11-12 years		<u>252, 791</u>
	\$	<u>899, 987</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”) , covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group’s subsidiaries have defined contribution plans. Monthly contributions to 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 years ended December 31, 2022 and 2021 were \$203,611 and \$176,664, 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):

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Beginning and ending balance	<u>1, 579, 145</u>	<u>1, 579, 145</u>

B. As of December 31, 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.

Movement of the Company's capital reserve for the years ended December 31, 2022 and 2021 are as follow:

	For the year ended December 31, 2022				
	Share premium	Treasury share transactions	Donations	Others	Total
Balance, beginning of year	\$ 58,271	\$ 169,088	\$ 819	\$ 3,495	\$ 231,673
Non-payment of expired cash dividends from previous years transferred to capital reserve	-	-	-	431	431
Payment of unpaid cash dividends from previous years transferred to capital reserve	-	-	-	(59)	(59)
Balance, end of year	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 3,867</u>	<u>\$ 232,045</u>

  

	For the year ended December 31, 2021				
	Share premium	Treasury share transactions	Donations	Others	Total
Balance, beginning of year	\$ 58,271	\$ 169,088	\$ 819	\$ 3,512	\$ 231,690
Non-payment of expired cash dividends from previous years transferred to capital reserve	-	-	-	369	369
Payment of unpaid cash dividends from previous years transferred to capital reserve	-	-	-	(386)	(386)
Balance, end of year	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 3,495</u>	<u>\$ 231,673</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 included in the distributable earnings. As of December 31, 2022 and 2021, special reserve of \$1,829,875 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 investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The Company recognized dividends distributed to owners amounting to \$836,947, constituting \$0.53 (in dollars) per share as cash dividend from the distribution of 2020 earnings. 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. On March 7, 2023, the distribution of 2022 earnings amounted to \$2,337,135, constituting \$1.48 (in dollars) per share as cash dividends, was proposed by the Board of Directors.

(20) Operating revenue

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	<u>\$ 43,480,280</u>	<u>\$ 41,889,726</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 year ended December 31, 2022		
<u>Segment</u>	Revenue from products of Tinfoil	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 18,845,114	\$ 40,684
Mainland China - tinfoil products	4,575,771	-
Mainland China - plastic products	-	16,852,466
Others	3,166,245	-
	<u>\$ 26,587,130</u>	<u>\$ 16,893,150</u>
For the year ended December 31, 2021		
<u>Segment</u>	Revenue from products of Tinfoil	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 17,077,196	\$ 40,604
Mainland China - tinfoil products	6,230,888	-
Mainland China - plastic products	-	15,241,695
Others	3,299,343	-
	<u>\$ 26,607,427</u>	<u>\$ 15,282,299</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities-current	<u>\$ 70,503</u>	<u>\$ 187,357</u>	<u>\$ 62,930</u>

Revenue recognized that was included in the contract liability balance at the beginning of the years ended December 31, 2022 and 2021 were \$186,690 and \$37,162, respectively.

(21) Interest income

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	<u>\$ 47,623</u>	<u>\$ 42,117</u>

(22) Other income

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
Rental income	\$ 41,242	\$ 42,981
Dividend income	6,051	3,607
Government grants	29,785	122,061
Other income	35,637	38,603
	<u>\$ 112,715</u>	<u>\$ 207,252</u>

(23) Other gains and losses

	For the years ended December 31,	
	2022	2021
Net loss on financial assets at fair value through profit or loss	(\$ 2,673)	\$ -
Net loss on disposal of property, plant and equipment	( 427)	( 5,212)
Gain from lease modifications	1,285	1,310
Net gain on disposal of investment property	418	-
Loss on impairment of non-financial assets	( 275,849)	( 20,999)
Net currency exchange gain	223,394	17,144
Other losses	( 31,512)	( 18,686)
	<u>(\$ 85,364)</u>	<u>(\$ 26,443)</u>

(24) Finance costs

	For the years ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 113,436	\$ 97,748
Interest expense on lease liabilities	65,618	73,664
Financial expense of transferred notes receivable	291	1,897
Provisions - unwinding of discount	<u>1,550</u>	<u>1,523</u>
	180,895	174,832
Less: Capitalization of qualifying assets	( 137)	( 171)
	<u>\$ 180,758</u>	<u>\$ 174,661</u>

(25) Expenses by nature

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	<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>\$ 2,019,533</u>	<u>\$ 1,019,751</u>	<u>\$ 3,039,284</u>	<u>\$ 1,877,658</u>	<u>\$ 931,390</u>	<u>\$ 2,809,048</u>
Depreciation	<u>\$ 2,401,714</u>	<u>\$ 317,201</u>	<u>\$ 2,718,915</u>	<u>\$ 2,327,876</u>	<u>\$ 303,644</u>	<u>\$ 2,631,520</u>
Amortization	<u>\$ 1,740</u>	<u>\$ 7,924</u>	<u>\$ 9,664</u>	<u>\$ 1,705</u>	<u>\$ 7,956</u>	<u>\$ 9,661</u>

(26) Employee benefits expense

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	<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	\$ 1,545,773	\$ 805,642	\$ 2,351,415	\$ 1,458,883	\$ 725,065	\$ 2,183,948
Labor and health insurance expenses	141,943	50,536	192,479	128,866	45,295	174,161
Pension costs	164,629	55,185	219,814	144,426	59,909	204,335
Other personnel expenses	167,188	108,388	275,576	145,483	101,121	246,604
	<u>\$ 2,019,533</u>	<u>\$ 1,019,751</u>	<u>\$ 3,039,284</u>	<u>\$ 1,877,658</u>	<u>\$ 931,390</u>	<u>\$ 2,809,048</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 years ended December 31, 2022 and 2021, employees' compensation was accrued at \$139,558 and \$100,460, respectively, while directors' remuneration was accrued at \$40,436 and \$32,625, 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 \$139,558 and \$52,473, respectively, for the year ended December 31, 2022, and the employees' compensation will be distributed in the form of cash. The difference due to estimates of \$12,037 will be adjusted in profit or loss for the year ended December 31, 2023. 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 was distributed in the form of cash. The difference due to estimates of \$35 had been adjusted in profit or loss for the year ended December 31, 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

a. Components of income tax expense

	For the years ended December 31,	
	2022	2021
Current income tax:		
Income tax incurred in current period	\$ 946,944	\$ 611,397
Tax on unappropriated earnings	194	2,219
Under provision of prior year's income tax	4,723	9,371
	<u>951,861</u>	<u>622,987</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 172,920)	( 19,232)
Income tax expense	<u>\$ 778,941</u>	<u>\$ 603,755</u>

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

	For the years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligations	\$ 51,197	(\$ 4,402)
Currency translation differences	867	( 211)
	<u>\$ 52,064</u>	<u>(\$ 4,613)</u>

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2022	2021
Income tax expense at the statutory tax rate	\$ 880,265	\$ 1,007,222
Effect from items disallowed by tax regulation	( 165,612)	( 415,566)
Tax losses and temporary differences not recognized as deferred income tax assets	59,347	509
Tax on unappropriated earnings	194	2,219
Separate taxation	24	-
Under provision of prior year's income tax	4,723	9,371
Income tax expense	<u>\$ 778,941</u>	<u>\$ 603,755</u>

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

	For the year ended December 31, 2022			
	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Deferred income tax assets				
Temporary differences:				
Unrealized sales returns and allowance	\$ 3,017	\$ 669	\$ -	\$ 3,686
Unrealized profit from sales	7,366	31	-	7,397
Loss on doubtful debts	6,008	( 870)	-	5,138
Loss on inventories from market value decline	22,415	22,018	-	44,433
Depreciation	193,998	29,901	-	223,899
Unused compensated absences	7,556	153	-	7,709
Maintenance fees for machinery	16,852	( 2,364)	-	14,488
Unrealized provision	14,073	413	-	14,486
Unrealized losses	20,005	( 4,424)	-	15,581
Remeasurement of defined benefit obligation	83,770	-	( 51,197)	32,573
Currency translation differences	2,303	-	( 867)	1,436
Others	6,735	( 1,137)	-	5,598
Tax losses	<u>272,511</u>	<u>186,633</u>	<u>-</u>	<u>459,144</u>
	<u>\$656,609</u>	<u>\$231,023</u>	<u>(\$ 52,064)</u>	<u>\$835,568</u>
Deferred income tax liabilities				
Temporary differences:				
Pensions	(\$ 21,563)	(\$ 7,917)	\$ -	(\$ 29,480)
Foreign investment income	( 5,761)	( 312)	-	( 6,073)
Depreciation	( 386,685)	( 47,408)	-	( 434,093)
Land value incremental tax	( 197,039)	-	-	( 197,039)
Unrealized gain	-	( 2,466)	-	( 2,466)
	<u>(\$611,048)</u>	<u>(\$ 58,103)</u>	<u>\$ -</u>	<u>(\$669,151)</u>
	<u>\$ 45,561</u>	<u>\$172,920</u>	<u>(\$ 52,064)</u>	<u>\$166,417</u>

For the year ended December 31, 2021

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
<b>Deferred income tax assets</b>				
Temporary differences:				
Unrealized sales returns and allowance	\$ 2,142	\$ 875	\$ -	\$ 3,017
Unrealized profit from sales	3,935	3,431	-	7,366
Loss on doubtful debts	10,006	( 3,998)	-	6,008
Loss on inventories from market value decline	19,770	2,645	-	22,415
Depreciation	161,346	32,652	-	193,998
Unused compensated absences	7,678	(122)	-	7,556
Maintenance fees for machinery	12,740	4,112	-	16,852
Unrealized provision	13,665	408	-	14,073
Unrealized losses	20,641	( 636)	-	20,005
Remeasurement of defined benefit obligation	79,368	-	4,402	83,770
Currency translation differences	2,092	-	211	2,303
Others	-	6,735	-	6,735
Tax losses	<u>247,275</u>	<u>25,236</u>	<u>-</u>	<u>272,511</u>
	<u>\$580,658</u>	<u>\$ 71,338</u>	<u>\$ 4,613</u>	<u>\$656,609</u>
<b>Deferred income tax liabilities</b>				
Temporary differences:				
Pensions	(\$ 16,029)	(\$ 5,534)	\$ -	(\$ 21,563)
Foreign investment income	( 6,637)	876	-	( 5,761)
Depreciation	( 338,721)	( 47,964)	-	( 386,685)
Land value incremental tax	( 197,039)	-	-	( 197,039)
Unrealized gain	( 516)	516	-	-
	<u>(\$558,942)</u>	<u>(\$ 52,106)</u>	<u>\$ -</u>	<u>(\$611,048)</u>
	<u>\$ 21,716</u>	<u>\$ 19,232</u>	<u>\$ 4,613</u>	<u>\$ 45,561</u>

D. Expiration dates of unused tax losses and amounts of unrecognized deferred income tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
2018~2022	<u>\$2,285,957</u>	<u>\$ 2,080,995</u>	<u>\$ 244,419</u>	2023~2027

  

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
2018~2021	<u>\$1,452,847</u>	<u>\$ 1,090,043</u>	<u>\$ -</u>	2023~2026

E. The Group did not recognize temporary differences arising from gains on investment in overseas subsidiaries. As of December 31, 2022 and 2021, unrecognized deferred income tax liabilities were \$4,513,656 and \$4,455,874, respectively.

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. As of March 7, 2023, there was no administrative lawsuit.

(28) Earnings per share

	For the year ended December 31, 2022		
	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 ordinary shareholders of the parent	<u>\$ 2,246,437</u>	<u>1,579,145</u>	<u>\$ 1.42</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,246,437	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>9,386</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,246,437</u>	<u>1,588,531</u>	<u>\$ 1.41</u>

	For the year ended December 31, 2021		
	<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 ordinary shareholders of the parent	\$ 1,852,148	1,579,145	\$ 1.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,852,148	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	7,733	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,852,148	1,586,878	\$ 1.17

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment	\$ 835,911	\$ 715,946
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	(236,106)	(170,752)
Cash paid for acquisition of property, plant and equipment	\$ 770,557	\$ 799,208

B. Operating activities with no cash flow effect:

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
Write-off of allowance for doubtful amounts	\$ -	\$ 24,716

C. Investing activities with no cash flow effect:

	For the years ended December 31,	
	2022	2021
a. Prepayment for business facilities reclassified to prepayments	\$ 10,605	\$ 327
b. Prepayment for business facilities reclassified to property, plant and equipment	\$ 305,346	\$ 444,538

(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
For the year ended December 31, 2022						
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	( 368,567)	( 400,000)	( 218,836)	( 3,250,000)	(1,575,654)	( 5,813,057)
Changes in other non-cash items	-	100	( 20,627)	-	1,579,145	1,558,618
Impact of changes in foreign exchange rate	-	-	32,616	-	-	32,616
Balance at December 31, 2022	<u>\$2,429,889</u>	<u>\$ -</u>	<u>\$1,598,319</u>	<u>\$3,800,000</u>	<u>\$ 67,241</u>	<u>\$ 7,895,449</u>
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
For the year ended December 31, 2021						
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	950,315	400,000	( 241,898)	530,000	( 823,653)	814,764
Changes in other non-cash items	-	( 100)	12,372	-	836,947	849,219
Impact of changes in foreign exchange rate	-	-	( 4,175)	-	-	( 4,175)
Balance at December 31, 2021	<u>\$2,798,456</u>	<u>\$ 399,900</u>	<u>\$1,805,166</u>	<u>\$7,050,000</u>	<u>\$ 63,750</u>	<u>\$12,117,272</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

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

### (2) Names of related parties and relationship

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

(3) Significant transactions and balances with related parties

A. Sales

	For the years ended December 31,	
	2022	2021
Sales of goods		
Parent company to entities with joint control or significant influence	\$ 16,983,939	\$ 14,728,123

Sales price from related party is similar to that of a third party. The Group's collection terms and methods for related parties are wire transfer within 45~90 days of monthly statements, and wire transfer within 15~45 days after receipt of the invoice. The collection terms are similar to those of third parties.

B. Purchases

	For the years ended December 31,	
	2022	2021
Purchases of goods:		
Parent company to entities with joint control or significant influence	\$ 2,233,275	\$ 1,821,355
Others	972	624
	\$ 2,234,247	\$ 1,821,979

Purchase price from related party is similar to that of a third party. Payments are made within 25~28 days of monthly statement, 5~45 days after invoice date, wire transfer within 15~45 days after receipt of the invoice and 15~45 days after delivery.

C. Property transactions

Acquisition of property, plant and equipment:

	For the years ended December 31,	
	2022	2021
Tong-Sheng Finance Leasing Co., Ltd.	\$ 15,348	\$ 377

D. Receivables from related parties

	December 31, 2022	December 31, 2021
Receivables from related parties:		
Parent company to entities with joint control or significant influence		
Guangzhou President Enterprises Co., Ltd.	\$ 448,313	\$ 256,352
Others	1,454,098	1,088,752
	\$ 1,902,411	\$ 1,345,104

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

E. Guarantee deposit paid

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Parent company to entities with joint control or significant influence	\$ 21,922	\$ 24,398

F. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables to related parties:		
Parent company to entities with joint control or significant influence	\$ 338,678	\$ 362,069
Others	95	-
	<u>\$ 338,773</u>	<u>\$ 362,069</u>

Payables to related parties arise from purchase of goods, collections and payments on behalf of others. 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 years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Parent company to entities with joint control or significant influence		
Beijing President Enterprises Drinks Co., Ltd.	\$ 684	\$ 10,405

(c) Disposal of right-of-use assets

- (1) In November 2022, the Group's Board of Directors resolved to reduce the leased area of the plants rented from Uni-President Enterprises (TianJin) Co., Ltd. and to terminate certain lease contracts early. The right-of-use assets and lease liabilities were reduced by \$28,615 and \$29,751 respectively, and the gain from lease modification was \$1,133 (listed under “Other gains and losses”)
- (2) There was no such situation for the year ended December 31, 2021.

(d) Lease liabilities and interest expense

	<u>December 31, 2022</u>	<u>December 31, 2021</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.	\$ 315,841	\$ 359,867
Taizhou President Enterprises Co., Ltd.	304,868	356,995
Zhanjiang President Enterprises Co., Ltd.	291,132	312,089
Kunshan President Enterprises Food Co., Ltd.	172,858	200,484
Others	<u>196,024</u>	<u>254,743</u>
	<u>\$ 1,280,723</u>	<u>\$ 1,484,178</u>
	<u>For the years ended December 31,</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.	\$ 14,236	\$ 15,000
Taizhou President Enterprises Co., Ltd.	14,028	16,226
Zhanjiang President Enterprises Co., Ltd.	13,141	14,594
Kunshan President Enterprises Food Co., Ltd.	8,355	9,512
Others	<u>9,155</u>	<u>11,497</u>
	<u>\$ 58,915</u>	<u>\$ 66,829</u>

(4) Key management compensation

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	<u>\$ 131,787</u>	<u>\$ 109,024</u>

8. PLEGDED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- A. As of December 31, 2022 and 2021, the remaining balances due to capital expenditure contracted for at the balance sheet date but not yet incurred were \$574,981 and \$417,004, respectively.
- B. As of December 31, 2022 and 2021, the unused letters of credit amounted to \$333,662 and \$913,279, respectively.
- C. The commitments of the Group to sign loan agreements with banks are as follows::
- a. The Company has entered into a loan agreement with CTBC Bank in 2022 and 2021. 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, and the Company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.
  - b. The Company has entered into a loan agreement with KGI Bank in 2022. 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, and the Company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period or principal and interest deemed as due.

As of December 31, 2022 and 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 Company's functional currency: NTD; certain subsidiaries' functional currency: USD, CNY and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022			
(Foreign currency: Functional currency)	Foreign Currency		
	(in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 33,163	30.71	\$ 1,018,436
USD : CNY	2,975	6.90	91,362
EUR : NTD	3,818	32.72	124,925
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	14,594	30.71	448,182
USD : CNY	10,605	6.90	325,680
USD : VND	1,149	23,633.00	35,286

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

- iv. As of December 31, 2022 and 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 years ended December 31, 2022 and 2021 would have increased/decreased by \$3,405 and \$9,284, respectively.
- v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to \$223,394 and \$17,144, respectively.

(b) Price risk

- i. The Group's equity securities, which are exposed to price risk, are held as 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. Accordingly, no material market risk is expected.
- 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, other components of equity for the years ended December 31, 2022 and 2021 would have increased/decreased by \$892 and \$882, 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. For the years ended December 31, 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars and Japanese yens.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased/increased by \$910 and \$797, 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 those with a high credit rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- (c) In line with credit risk management procedure, when the contract payments are past due over certain number days, the default has occurred.
- (d) The Group adopts the following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - i. If the contract payments 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' notes and accounts receivable in accordance with credit rating of customers. 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 notes and accounts receivable. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	<u>For the year ended December 31, 2022</u>		
	<u>Notes</u>	<u>Accounts</u>	
	<u>receivable</u>	<u>receivable</u>	<u>Total</u>
Balance, beginning of year	\$ 2,303	\$ 42,753	\$ 45,056
Expected credit losses (gains)	126	( 11,287)	( 11,161)
Effect of foreign exchange	<u>17</u>	<u>751</u>	<u>768</u>
Balance, end of year	<u>\$ 2,446</u>	<u>\$ 32,217</u>	<u>\$ 34,663</u>
	<u>For the year ended December 31, 2021</u>		
	<u>Notes</u>	<u>Accounts</u>	
	<u>receivable</u>	<u>receivable</u>	<u>Total</u>
Balance, beginning of year	\$ 1,279	\$ 51,896	\$ 53,175
Expected credit losses	1,024	15,710	16,734
Write-offs	-	( 24,716)	( 24,716)
Effect of foreign exchange	<u>-</u>	<u>( 137)</u>	<u>( 137)</u>
Balance, end of year	<u>\$ 2,303</u>	<u>\$ 42,753</u>	<u>\$ 45,056</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 abovementioned 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.

<u>December 31, 2022</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	\$ 2,442,414	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,592,712	-	-	-
Other payables (including related parties)	1,835,378	-	-	-
Lease liabilities (current and non-current)	291,771	283,462	691,358	576,978
Other financial liabilities - current	30,958	-	-	-
Refund liabilities - current	18,432	-	-	-
Long-term borrowings	60,056	2,090,393	1,769,158	-
Guarantee deposits received	-	7,570	10,907	17,806
<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 parties)	1,562,638	-	-	-
Other payables (including related parties)	1,716,197	-	-	-
Lease liabilities (current and non-current)	278,087	289,785	783,519	779,589
Other financial liabilities - current	34,462	-	-	-
Refund liabilities - current	15,085	-	-	-
Long-term borrowings	70,790	3,812,714	3,314,882	-
Guarantee deposits received	-	11,868	-	17,420

(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



(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 year ended December 31, 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 year ended December 31, 2022				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 18,885,798	\$ 4,575,771	\$ 16,852,466	\$ 3,166,245	\$ 43,480,280
Revenue from internal customers	4,515,500	709,822	88,355	1,211	5,314,888
Segment revenue	<u>\$ 23,401,298</u>	<u>\$ 5,285,593</u>	<u>\$ 16,940,821</u>	<u>\$ 3,167,456</u>	<u>\$ 48,795,168</u>
Segment income	<u>\$ 2,871,990</u>	<u>(\$ 802,573)</u>	<u>\$ 1,153,783</u>	<u>\$ 21,499</u>	<u>\$ 3,244,699</u>
Segment assets	<u>\$ 29,371,082</u>	<u>\$ 6,265,263</u>	<u>\$ 18,610,007</u>	<u>\$ 20,659,996</u>	<u>\$ 74,906,348</u>

  

	For the year ended December 31, 2021				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 17,117,800	\$ 6,230,888	\$ 15,241,695	\$ 3,299,343	\$ 41,889,726
Revenue from internal customers	5,754,634	715,570	34,197	120,319	6,624,720
Segment revenue	<u>\$ 22,872,434</u>	<u>\$ 6,946,458</u>	<u>\$ 15,275,892</u>	<u>\$ 3,419,662</u>	<u>\$ 48,514,446</u>
Segment income	<u>\$ 2,132,289</u>	<u>(\$ 291,215)</u>	<u>\$ 1,619,007</u>	<u>\$ 936,263</u>	<u>\$ 4,396,344</u>
Segment assets	<u>\$ 32,345,491</u>	<u>\$ 7,283,606</u>	<u>\$ 14,935,378</u>	<u>\$ 22,875,854</u>	<u>\$ 77,440,329</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 consolidated statements of comprehensive income and revenue from external parties reported to the chief operating decision-maker. A reconciliation of segment profit or loss before tax and the profit or loss before tax from continuing operations is shown below:

	For the years ended December 31,	
	2022	2021
Reportable segments profit or loss	\$ 3,223,200	\$ 3,460,081
Other segments profit or loss	21,499	936,263
Elimination of intersegment transactions	(331,336)	(1,993,993)
Net income before income tax from continuing operations	<u>\$ 2,913,363</u>	<u>\$ 2,402,351</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:

	December 31, 2022	December 31, 2021
Assets of reportable segments	\$ 54,246,352	\$ 54,564,475
Assets of other operating segments	20,659,996	22,875,854
Elimination of intersegment transactions	(40,000,385)	(39,592,006)
Total assets	<u>\$ 34,905,963</u>	<u>\$ 37,848,323</u>

(5) Information on products and services

The Group's revenue information for the years ended December 31, 2022 and 2021 is as follows:

	For the years ended December 31,	
	2022	2021
Revenue from products of Tinplate	\$ 26,587,130	\$ 26,607,427
Revenue from products of Plastic pack (including filling)	16,893,150	15,282,299
	<u>\$ 43,480,280</u>	<u>\$ 41,889,726</u>

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 4,052,248	\$ 6,655,276	\$ 3,825,071	\$ 7,582,781
Mainland China	23,812,446	14,360,988	24,344,045	15,035,381
Others	15,615,586	35,613	13,720,610	41,594
	<u>\$ 43,480,280</u>	<u>\$ 21,051,877</u>	<u>\$ 41,889,726</u>	<u>\$ 22,659,756</u>

(7) Major customer information

The income from each customer of the Group for the years ended December 31, 2022 and 2021 did not reach 10% of the amount of income on the consolidated statements of comprehensive income.

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the year ended December 31, 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	\$ 133,549	\$ 133,549	\$ 129,097	2.315	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,079,758	\$ 1,079,758	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	311,614	89,033	89,033	3.365~3.515	2	-	Operational use	-	-	-	\$ 1,079,758	\$ 1,079,758	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	89,033	-	-	3.515	2	-	Operational use	-	-	-	\$ 1,079,758	\$ 1,079,758	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	133,549	133,549	-	-	2	-	Operational use	-	-	-	\$ 1,079,758	\$ 1,079,758	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	133,549	133,549	-	3.515	2	-	Operational use	-	-	-	\$ 215,952	\$ 431,903	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	289,356	289,356	289,356	3.365~3.515	2	-	Operational use	-	-	-	426,856	426,856	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	-	2.315~2.465	2	-	Operational use	-	-	-	1,669,657	1,669,657	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	89,033	89,033	89,033	3.315	2	-	Operational use	-	-	-	1,669,657	1,669,657	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	289,356	133,549	133,549	3.315~3.515	2	-	Operational use	-	-	-	333,931	667,863	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	178,065	178,065	178,065	3.365~3.515	2	-	Operational use	-	-	-	333,931	667,863	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	244,840	244,840	244,840	3.315~3.515	2	-	Operational use	-	-	-	1,435,290	1,435,290	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										
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 133,549	\$ 133,549	\$ 26,710	2.315~2.465	2	\$ -	Operational use	\$ -	-	\$ -	1,435,290	1,435,290	Note 2	
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	445,163	356,130	356,130	3.315~3.515	2	-	Operational use	-	-	-	1,435,290	1,435,290	Note 2	
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinsplate Co., Ltd.	Other receivables	Y	133,549	133,549	133,549	3.365	2	-	Operational use	-	-	-	287,058	574,116	Note 2	
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	333,872	244,840	244,840	3.315~3.515	2	-	Operational use	-	-	-	830,624	830,624	Note 2	
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	13,355	2.315	2	-	Operational use	-	-	-	830,624	830,624	Note 2	
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinsplate Co., Ltd.	Other receivables	Y	133,549	133,549	133,549	3.315	2	-	Operational use	-	-	-	166,125	332,250	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	-	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	-	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	89,033	3.315	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	3.465	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	-	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	244,840	133,549	-	3.365~3.515	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	-	2	-	Operational use	-	-	-	12,066,199	12,066,199	Note 2	

NO.	Name of lender	Name of borrower	Account	Related party	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
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 133,549	\$ 133,549	\$ -	—	2	\$ -	Operational use	\$ -	—	\$ -	\$ 12,066,199	\$ 12,066,199	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	106,839	3.315~3.465	2	-	Operational use	-	—	-	12,066,199	12,066,199	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	1,046,133	823,551	690,002	3.315~3.515	2	-	Operational use	-	—	-	12,066,199	12,066,199	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	578,712	445,163	311,614	3.315~3.515	2	-	Operational use	-	—	-	2,413,240	4,826,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	133,549	133,549	-	3.315~3.365	2	-	Operational use	-	—	-	2,413,240	4,826,480	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	26,710	2.315~2.465	2	-	Operational use	-	—	-	1,869,371	1,869,371	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	89,033	89,033	89,033	3.315	2	-	Operational use	-	—	-	1,869,371	1,869,371	Note 2
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	-	2.365	2	-	Operational use	-	—	-	1,223,434	1,223,434	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	-	2.365~2.465	2	-	Operational use	-	—	-	1,012,818	1,012,818	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	200,323	200,323	200,323	3.315~3.365	2	-	Operational use	-	—	-	1,012,818	1,012,818	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	267,098	111,291	111,291	3.315~3.515	2	-	Operational use	-	—	-	1,012,818	1,012,818	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	178,065	111,291	111,291	3.315~3.515	2	-	Operational use	-	—	-	202,564	405,127	Note 2
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	-	—	2	-	Operational use	-	—	-	1,270,031	1,270,031	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			
11	Jiangsu Ton Yi Tintplate Co., Ltd.	Fujian Ton Yi Tintplate Co., Ltd.	Other receivables	Y	\$ 133,549	\$ 133,549	\$ 133,549		3.515	2	\$ -	Operational use	\$ -	-	\$ -	\$ 455,453	\$ 910,906	Note 2
11	Jiangsu Ton Yi Tintplate Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	320,517	178,065	178,065		3.365~3.515	2	-	Operational use	-	-	-	455,453	910,906	Note 2
11	Jiangsu Ton Yi Tintplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	155,807	155,807	155,807		3.365~3.515	2	-	Operational use	-	-	-	455,453	910,906	Note 2
12	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	133,549	133,549	-		-	2	-	Operational use	-	-	-	458,707	458,707	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 at December 31, 2022 as follows: CNY:NTD 1 : 4.451628.

Ton Yi Industrial Corp. and Subsidiaries

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

December 31, 2022

Table 2

Expressed in thousands of NTD

		As of December 31, 2022						
Investor	Marketable securities type and name	Relationship with the issuer	General ledger account (Note)	Shares/units (in thousands)	Book value	Percentage of ownership (%)	Fair value	Note
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	\$ 89,241	0.04%	\$ 89,241	—

(Note) The code number explanation is as follows:

1. 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 year ended December 31, 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)	\$ 4,454,395	(19)	50 days after shipping, T/T	\$ -	-	\$ 318,927	21	-
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)	( 334,599)	(1)	Within 30 days of statements settled monthly, T/T	-	-	62,751	4	-
Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 486,972)	(19)	Within 30 days of statements settled monthly, T/T	-	-	46,588	17	-
Wuxi Ton Yi Industrial Packing Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	( 426,360)	(17)	Within 30 days of statements settled monthly, T/T	-	-	36,084	13	-
Wuxi Ton Yi Industrial Packing 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)	( 227,266)	(9)	Within 90 days of statements settled monthly, T/T	-	-	67,156	25	-
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	Purchases	486,972	96	Within 30 days of statements settled monthly, T/T	-	-	( 46,588)	(91)	-
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	521,691	47	67 days after invoice date, T/T	-	-	( 75,242)	(62)	-
Changsha Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Purchases	426,360	39	Within 30 days of statements settled monthly, T/T	-	-	( 36,084)	(30)	-

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)	
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	\$ 156,294	14	67 days after invoice date, T/T	\$ -	—	(\$ 9,336)	(8)	—
Fujian Ton Yi Tinplate Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	4,454,395	89	50 days after shipping, T/T	-	—	( 318,927)	(90)	—
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)	( 2,365,488)	(45)	67 days after invoice date, T/T	-	—	91,586	13	—
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)	( 156,294)	(3)	67 days after invoice date, T/T	-	—	9,336	1	—
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	2,365,488	100	67 days after invoice date, T/T	-	—	( 91,586)	(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)	( 521,691)	(22)	67 days after invoice date, T/T	-	—	75,242	9	—
Zhangzhou 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	152,783	12	15 days after receipt of invoice, T/T	-	—	( 13,181)	(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)	( 1,672,055)	(78)	25 days after receipt of invoice, T/T	-	—	188,804	79	—
Taizhou 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	303,408	16	15 days after receipt of invoice, T/T	-	—	( 12,752)	(8)	—
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)	( 2,221,899)	(74)	25 days after receipt of invoice, T/T	-	—	193,675	65	—

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)	
Taizhou 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)	\$ 138,699	(5)	50% prepaid/ 50% 45 days after invoice date, T/T	\$ -	—	\$ 26,990	9	—
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)	( 583,467)	(51)	25 days after receipt of invoice, T/T	-	—	71,424	44	—
Chengdu 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)	( 118,078)	(10)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	18,486	11	—
Huizhou 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	134,762	13	15 days after receipt of invoice, T/T	-	—	( 26,620)	(19)	—
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)	( 1,478,584)	(88)	25 days after receipt of invoice, T/T	-	—	154,680	89	—
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	279,361	16	15 days after receipt of invoice, T/T	-	—	( 33,515)	(16)	—
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)	( 2,379,166)	(98)	25 days after receipt of invoice, T/T	-	—	291,487	98	—
Beijing 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	154,900	11	15 days after receipt of invoice, T/T	-	—	( 14,863)	(11)	—
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)	( 2,064,741)	(99)	25 days after receipt of invoice, T/T	-	—	188,211	100	—
Sichuan 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	210,978	13	15 days after receipt of invoice, T/T	-	—	( 37,287)	(16)	—

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)	
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)	(\$ 2,301,964)	(98)	25 days after receipt of invoice, T/T	\$ -	—	\$ 262,372	99	—
Zhanjiang 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	144,052	14	5~45 days after receipt of invoice, T/T	-	—	( 9,865)	(10)	—
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)	( 1,315,495)	(81)	25 days after receipt of invoice, T/T	-	—	66,624	61	—
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)	( 305,297)	(19)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	41,321	38	—
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)	( 589,065)	(91)	25 days after receipt of invoice, T/T	-	—	88,491	98	—

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchange rates: Ending balances of receivables and payables were translated using the exchange rate as at December 31, 2022 (USD:NTD 1:30.71 ; CNY:NTD 1:4.451628).

Purchases and sales were translated using the weighted-average exchange rate for the year ended December 31, 2022 (USD:NTD 1:29.848936 ; CNY:NTD 1:4.429843).

Ton Yi Industrial Corp. and Subsidiaries

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

For the year ended December 31, 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	\$ 318,927	8.53	\$ -	—	\$ 104,020	\$ -
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	289,653	-	-	—	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	178,248	-	-	—	-	-
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	155,967	-	-	—	-	-
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	134,296	-	-	—	134,296	-
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	705,256	-	-	—	138,086	-
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	316,765	-	-	—	-	-
Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	107,144	-	-	—	305	-
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	188,804	10.99	-	—	176,868	-
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	193,675	12.68	-	—	193,675	-

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.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	\$ 178,248	-	\$ -	-	\$ -	\$ -
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	134,459	-	-	-	-	-
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	Accounts receivable	154,680	11.34	-	-	84,510	-
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	291,487	9.29	-	-	291,487	-
Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	An investee company of Cayman Ton Yi (China) Holding Ltd. accounted for using equity method	Other receivables	129,286	-	-	-	49,157	-
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	188,211	13.79	-	-	188,211	-
Beijing 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	200,528	-	-	-	-	-
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	111,690	-	-	-	-	-
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	111,424	-	-	-	-	-
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	262,372	9.40	-	-	262,372	-
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	363,405	-	-	-	194	-
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	248,406	-	-	-	54	-
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	136,745	-	-	-	-	-

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		
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	\$ 245,089	-	\$ -	-	\$ -	\$ -
Zhanjiang 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	134,397	-	-	-	-	-

(Note) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and subsequent collections were translated using the exchange rate as at December 31, 2022 (CYN:NTD 1:4.451628 ; USD:NTD 1:30.71).

Ton Yi Industrial Corp. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the year ended December 31, 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	\$ 4,454,395	50 days after shipping, T/T	10
			1	Accounts receivable	318,927	—	1
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	289,653	—	1
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	486,972	Within 30 days of statements settled monthly, T/T	1
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	426,360	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	2,365,488	67 days after invoice date, T/T	5
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	156,294	67 days after invoice date, T/T	—
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	521,691	67 days after invoice date, T/T	1
		Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	178,248	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	155,967	—	—
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	134,296	—	—
5	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	705,256	—	2
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	316,765	—	1
		Tianjin Ton Yi Industrial Co., Ltd.	3	Other receivables	107,144	—	—
6	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	178,248	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	134,459	—	—
7	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	3	Other receivables	129,286	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	200,528	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	111,690	—	—
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	111,424	—	—

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	
9	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	\$ 363,405	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	248,406	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	136,745	—	—
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	245,089	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	134,397	—	—

(Note 1) Transactions among the company and subsidiaries with amount over NTD\$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 December 31, 2022 (CNY:NTD 1:4.451628); Sales were translated using the weighted-average exchange rate for the year ended December 31, 2022 (CNY:NTD 1:4.429843).

Ton Yi Industrial Corp. and Subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at December 31, 2022			Net income (loss) of the investee	Income (loss) recognized by the Company	Note
				Balance at December 31, 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	\$ 17,885,134	\$ 44,306	\$ 44,306	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	57,104	3,062	1,562	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,063,300	7,063,300	230,000,000	100.00	12,066,203	978,751	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,967,346	1,967,346	8,727	100.00	2,187,797	( 525,939)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,102,575	1,102,575	5,000	100.00	1,886,898	( 154,809)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	7,063,300	7,063,300	230,000,000	100.00	12,066,203	978,751	-	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 December 31, 2022 (USD:NTD 1:30.71); Profit and loss were translated using the weighted-average exchange rate for the year ended December 31, 2022 (USD:NTD 1:29.848936).

Ton Yi Industrial Corp. and Subsidiaries  
Information on investments in Mainland China - Basic information  
For the year ended December 31, 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 December 31, 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 December 31, 2022	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM, sale of cans	\$ 829,170	Note 1	\$ 214,970	\$ -	\$ -	\$ 214,970	(\$ 121,402)	100.00	(\$ 119,319)	\$ 1,013,240	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	230,325	Note 1	230,325	-	-	230,325	30,339	100.00	30,339	426,856	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	214,970	Note 1	-	-	-	-	7,132	100.00	7,132	332,102	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,656,415	Note 2	1,638,286	-	-	1,638,286	( 592,400)	86.80	( 514,229)	2,187,797	-	Note 7
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,228,400	Note 3	852,203	-	-	852,203	( 59,413)	82.86	( 49,229)	1,886,898	-	Note 7
Ton Yi (China) Investment Co., Ltd.	General investment	7,063,300	Note 4	921,300	-	-	921,300	1,024,797	100.00	1,024,797	12,066,203	820,032	Note 7
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	921,300	-	-	921,300	193,960	100.00	193,960	1,869,371	-	Note 7
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	921,300	-	-	921,300	284,000	100.00	284,000	1,669,657	-	Note 7
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	353,165	-	-	353,165	91,533	100.00	91,533	1,223,434	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	184,260	-	-	184,260	135,642	100.00	135,642	1,270,031	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	-	-	-	-	25,460	100.00	25,460	1,079,758	-	Note 7
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	-	-	-	-	59,458	100.00	59,458	1,012,818	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	921,300	Note 5	-	-	-	-	167,058	100.00	167,058	1,435,290	-	Note 7

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 December 31, 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 December 31, 2022	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	\$ 614,200	Note 5	\$ -	\$ -	\$ -	\$ -	\$ 120,033	100.00	\$ 120,033	\$ 830,624	\$ -	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	614,200	Note 5	-	-	-	-	( 59,911)	100.00	( 59,911)	458,707	-	Note 7
Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing and sale of new bottle can	1,228,400	Note 6	-	-	-	-	( 75,103)	66.50	( 49,944)	623,777	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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 8)
Ton Yi Industrial Corp.	\$ 6,237,109	\$ 12,483,222	\$ 13,292,071

(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 audited financial statements.

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

(Note 9) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending investment balances were translated using the exchange rate as at December 31, 2022 (CNY:NTD 1:4.451628, USD:NTD 1:30.71);

Investment gains or losses were translated using the weighted-average exchange rate for the year ended December 31, 2022 (CNY:NTD 1:4.429843, USD:NTD 1:29.848936).

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 year ended December 31, 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				
	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	Others
Fujian Ton Yi Tinplate Co., Ltd.	\$ 4,454,395	19	\$ -	-	\$ 318,927	21	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

December 31, 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.