

**TON YI INDUSTRIAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and subsidiaries (the "Group") as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$7,227,484 thousand and NT\$10,829,719 thousand, constituting 21.54% and 29.88% of the consolidated total assets, and total liabilities of NT\$2,767,503 thousand and NT\$2,869,805 thousand, constituting 21.06% and 20.21% of the consolidated total liabilities as at September 30, 2023 and 2022, respectively and total comprehensive income of NT\$16,924 thousand, NT\$146,901 thousand, NT\$267,179 thousand and NT\$269,771 thousand, constituting 2.63%, 17.02%, 44.39% and 10.08% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and 2022, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Yeh, Fang-Ting

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

November 8, 2023

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
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,684,002	11	\$ 3,168,365	9	\$ 3,172,685	9
1150	Notes receivable, net	6(2)(3) and 12	817,155	2	1,042,219	3	1,403,221	4
1170	Accounts receivable, net	6(2) and 12	1,370,145	4	1,771,155	5	1,361,030	4
1180	Accounts receivable - related parties	6(2) and 7	1,989,401	6	1,902,411	5	2,059,156	5
1200	Other receivables		50,403	-	101,738	-	112,489	-
1220	Current income tax assets	6(25)	201	-	2,466	-	202	-
130X	Inventories	6(4)	3,901,885	12	4,702,077	14	5,115,095	14
1410	Prepayments		675,540	2	209,132	1	307,959	1
1476	Other financial assets - current		1,195	-	1,200	-	1,197	-
11XX	Total current assets		<u>12,489,927</u>	<u>37</u>	<u>12,900,763</u>	<u>37</u>	<u>13,533,034</u>	<u>37</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	118,423	-	89,241	-	73,788	-
1600	Property, plant and equipment	6(6)	17,621,635	53	18,860,972	54	18,946,358	52
1755	Right-of-use assets	6(7) and 7	1,829,084	6	2,016,559	6	2,114,898	6
1760	Investment property, net	6(9)	86,111	-	90,729	-	91,808	-
1780	Intangible assets	6(10)	4,200	-	7,881	-	317,880	1
1840	Deferred income tax assets	6(25)	1,223,038	4	835,568	3	862,263	3
1915	Prepayments for business facilities	6(6)	131,146	-	63,242	-	258,872	1
1920	Guarantee deposits paid	7	31,217	-	28,514	-	31,606	-
1975	Net defined benefit assets - non-current	6(14)	9,912	-	-	-	-	-
1990	Other non-current assets, others		15,842	-	12,494	-	13,008	-
15XX	Total non-current assets		<u>21,070,608</u>	<u>63</u>	<u>22,005,200</u>	<u>63</u>	<u>22,710,481</u>	<u>63</u>
1XXX	Total assets		<u>\$ 33,560,535</u>	<u>100</u>	<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 36,243,515</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 3,563,363	11	\$ 2,429,889	7	\$ 2,525,511	7
2130	Contract liabilities - current	6(18) and 7	68,079	-	70,503	-	74,798	-
2170	Accounts payable		1,321,287	4	1,292,874	4	1,565,700	4
2180	Accounts payable - related parties	7	192,508	1	299,838	1	307,453	1
2200	Other payables		1,423,639	4	1,746,443	5	1,684,466	5
2220	Other payables - related parties	7	86,887	-	88,935	-	124,346	-
2230	Current income tax liabilities	6(25)	147,715	-	548,889	2	480,958	1
2280	Lease liabilities - current	7	235,951	1	228,187	1	229,161	1
2305	Other financial liabilities - current		21,443	-	30,958	-	30,598	-
2365	Refund liabilities - current		22,522	-	18,432	-	10,093	-
21XX	Total current liabilities		<u>7,083,394</u>	<u>21</u>	<u>6,754,948</u>	<u>20</u>	<u>7,033,084</u>	<u>19</u>
Non-current liabilities								
2540	Long-term borrowings	6(12)	3,600,000	11	3,800,000	11	4,540,000	13
2550	Provisions - non-current	6(13)	85,463	-	84,277	-	83,890	-
2570	Deferred income tax liabilities	6(25)	1,133,787	3	669,151	2	749,026	2
2580	Lease liabilities - non-current	7	1,182,168	4	1,370,132	4	1,449,352	4
2630	Long-term deferred revenue		22,108	-	22,258	-	26,771	-
2640	Net defined benefit liabilities - non-current	6(14)	-	-	15,462	-	280,039	1
2645	Guarantee deposits received		35,447	-	36,283	-	36,039	-
25XX	Total non-current liabilities		<u>6,058,973</u>	<u>18</u>	<u>5,997,563</u>	<u>17</u>	<u>7,165,117</u>	<u>20</u>
2XXX	Total liabilities		<u>13,142,367</u>	<u>39</u>	<u>12,752,511</u>	<u>37</u>	<u>14,198,201</u>	<u>39</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(15)	15,791,453	47	15,791,453	45	15,791,453	44
3200	Capital surplus	6(16)	232,045	1	232,045	1	231,673	1
Retained earnings								
3310	Legal reserve	6(17)	2,307,402	7	2,062,280	6	2,062,280	6
3320	Special reserve		1,412,342	4	1,829,875	5	1,829,875	5
3350	Unappropriated retained earnings		1,137,926	3	2,549,470	7	2,354,660	6
3400	Other equity interest		(1,497,698)	(4)	(1,412,342)	(4)	(1,365,745)	(4)
31XX	Equity attributable to owners of the parent		<u>19,383,470</u>	<u>58</u>	<u>21,052,781</u>	<u>60</u>	<u>20,904,196</u>	<u>58</u>
36XX	Non-controlling interests		<u>1,034,698</u>	<u>3</u>	<u>1,100,671</u>	<u>3</u>	<u>1,141,118</u>	<u>3</u>
3XXX	Total equity		<u>20,418,168</u>	<u>61</u>	<u>22,153,452</u>	<u>63</u>	<u>22,045,314</u>	<u>61</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total liabilities and equity		<u>\$ 33,560,535</u>	<u>100</u>	<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 36,243,515</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18) and 7	\$ 8,483,827	100	\$ 11,849,596	100	\$ 27,280,845	100	\$ 34,401,487	100
5000	Operating costs	6(4)(10)(14)(23)(24) and 7	(7,837,607)	(92)	(10,061,534)	(85)	(24,378,693)	(89)	(28,962,007)	(84)
5900	Gross profit from operations		<u>646,220</u>	<u>8</u>	<u>1,788,062</u>	<u>15</u>	<u>2,902,152</u>	<u>11</u>	<u>5,439,480</u>	<u>16</u>
	Operating expenses	6(9)(10)(14)(23)(24), 7 and 12								
6100	Selling expenses		(216,331)	(3)	(470,275)	(4)	(895,546)	(3)	(1,561,409)	(5)
6200	Administrative expenses		(271,192)	(3)	(407,755)	(3)	(913,078)	(4)	(1,214,728)	(3)
6450	Expected credit gains		<u>1,494</u>	-	<u>8,553</u>	-	<u>5,836</u>	-	<u>14,176</u>	-
6000	Total operating expenses		(486,029)	(6)	(869,477)	(7)	(1,802,788)	(7)	(2,761,961)	(8)
6900	Operating income		<u>160,191</u>	<u>2</u>	<u>918,585</u>	<u>8</u>	<u>1,099,364</u>	<u>4</u>	<u>2,677,519</u>	<u>8</u>
	Non-operating income and expenses									
7100	Interest income	6(19)	15,932	-	12,262	-	44,836	-	35,113	-
7010	Other income	6(5)(8)(9)(20)	26,051	-	24,330	-	63,165	-	82,499	-
7020	Other gains and losses	6(7)(21) and 12	21,459	-	76,244	1	11,926	-	186,249	-
7050	Finance costs	6(3)(6)(7)(13)(22) and 7	(45,237)	-	(48,695)	(1)	(137,343)	-	(132,671)	-
7000	Total non-operating income and expenses		<u>18,205</u>	-	<u>64,141</u>	-	<u>(17,416)</u>	-	<u>171,190</u>	-
7900	Profit before income tax		<u>178,396</u>	<u>2</u>	<u>982,726</u>	<u>8</u>	<u>1,081,948</u>	<u>4</u>	<u>2,848,709</u>	<u>8</u>
7950	Income tax expense	6(25)	(107,584)	(1)	(251,569)	(2)	(388,778)	(1)	(668,060)	(2)
8200	Profit for the period		<u>\$ 70,812</u>	<u>1</u>	<u>\$ 731,157</u>	<u>6</u>	<u>\$ 693,170</u>	<u>3</u>	<u>\$ 2,180,649</u>	<u>6</u>
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	6(5)	\$ 8,236	-	(\$ 4,218)	-	\$ 29,182	-	(\$ 14,415)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Exchange differences on translation		<u>565,307</u>	<u>7</u>	<u>136,193</u>	<u>1</u>	(120,501)	-	<u>511,378</u>	<u>2</u>
8300	Other comprehensive income (loss) for the period		<u>\$ 573,543</u>	<u>7</u>	<u>\$ 131,975</u>	<u>1</u>	<u>(\$ 91,319)</u>	-	<u>\$ 496,963</u>	<u>2</u>
8500	Total comprehensive income for the period		<u>\$ 644,355</u>	<u>8</u>	<u>\$ 863,132</u>	<u>7</u>	<u>\$ 601,851</u>	<u>3</u>	<u>\$ 2,677,612</u>	<u>8</u>
	Profit (loss) attributable to:									
8610	Owners of the parent		\$ 92,870	1	\$ 760,977	6	\$ 753,180	3	\$ 2,256,416	6
8620	Non-controlling interests		(22,058)	-	(29,820)	-	(60,010)	-	(75,767)	-
			<u>\$ 70,812</u>	<u>1</u>	<u>\$ 731,157</u>	<u>6</u>	<u>\$ 693,170</u>	<u>3</u>	<u>\$ 2,180,649</u>	<u>6</u>
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		\$ 637,346	8	\$ 884,203	7	\$ 667,824	3	\$ 2,720,546	8
8720	Non-controlling interests		<u>7,009</u>	-	(21,071)	-	(65,973)	-	(42,934)	-
			<u>\$ 644,355</u>	<u>8</u>	<u>\$ 863,132</u>	<u>7</u>	<u>\$ 601,851</u>	<u>3</u>	<u>\$ 2,677,612</u>	<u>8</u>
	Earnings per share (in dollars)	6(26)								
9750	Basic		\$ 0.06		\$ 0.48		\$ 0.48		\$ 1.43	
9850	Diluted		\$ 0.06		\$ 0.48		\$ 0.48		\$ 1.42	

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Retained Earnings					Other Equity Interest			Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income				
<u>For the nine-month period ended September 30, 2022</u>												
Balance at January 1, 2022		\$ 15,791,453	\$ 231,673	\$ 1,878,827	\$ 1,811,806	\$ 1,878,911	(\$ 1,539,161)	(\$ 290,714)	\$ 19,762,795	\$ 1,184,052	\$ 20,946,847	
Profit (loss) for the period		-	-	-	-	2,256,416	-	-	2,256,416	(75,767)	2,180,649	
Other comprehensive income (loss) for the period	6(5)	-	-	-	-	-	478,545	(14,415)	464,130	32,833	496,963	
Total comprehensive income (loss)		-	-	-	-	2,256,416	478,545	(14,415)	2,720,546	(42,934)	2,677,612	
Distribution of 2021 net income:												
Legal reserve		-	-	183,453	-	(183,453)	-	-	-	-	-	
Special reserve	6(17)	-	-	-	18,069	(18,069)	-	-	-	-	-	
Cash dividends	6(17)	-	-	-	-	(1,579,145)	-	-	(1,579,145)	-	(1,579,145)	
Balance at September 30, 2022		\$ 15,791,453	\$ 231,673	\$ 2,062,280	\$ 1,829,875	\$ 2,354,660	(\$ 1,060,616)	(\$ 305,129)	\$ 20,904,196	\$ 1,141,118	\$ 22,045,314	
<u>For the nine-month period ended September 30, 2023</u>												
Balance at January 1, 2023		\$ 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	
Profit (loss) for the period		-	-	-	-	753,180	-	-	753,180	(60,010)	693,170	
Other comprehensive income (loss) for the period	6(5)	-	-	-	-	-	(114,538)	29,182	(85,356)	(5,963)	(91,319)	
Total comprehensive income (loss)		-	-	-	-	753,180	(114,538)	29,182	667,824	(65,973)	601,851	
Distribution of 2022 net income:												
Legal reserve		-	-	245,122	-	(245,122)	-	-	-	-	-	
Reversal of special reserve	6(17)	-	-	-	(417,533)	417,533	-	-	-	-	-	
Cash dividends	6(17)	-	-	-	-	(2,337,135)	-	-	(2,337,135)	-	(2,337,135)	
Balance at September 30, 2023		\$ 15,791,453	\$ 232,045	\$ 2,307,402	\$ 1,412,342	\$ 1,137,926	(\$ 1,237,204)	(\$ 260,494)	\$ 19,383,470	\$ 1,034,698	\$ 20,418,168	

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,081,948	\$ 2,848,709
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gains	12	(5,836)	(14,176)
(Reversal of allowance) provision for inventory market price decline	6(4)	(63,479)	119,876
Depreciation	6(6)(7)(9)	2,060,722	2,041,061
Loss (gain) on disposal of property, plant and equipment	6(21)	57	(1,348)
Gain from lease modifications	6(7)(21)	(8)	(154)
Amortization	6(10)(23)	3,606	7,262
Interest income	6(19)	(44,836)	(35,113)
Dividend income	6(5)(20)	(1,360)	(3,701)
Interest expense	6(22)	137,343	132,671
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		226,297	(558,462)
Accounts receivable		405,684	1,801,799
Accounts receivable - related parties		(86,990)	(714,052)
Other receivables		51,335	52,869
Inventories		864,615	418,904
Prepayments		(465,080)	178,127
Net defined benefit assets - non-current		(9,912)	-
Changes in operating liabilities			
Contract liabilities - current		(2,424)	(112,559)
Accounts payable		28,413	276,488
Accounts payable - related parties		(107,330)	34,027
Other payables		(280,491)	9,531
Other payables - related parties		(2,048)	35,703
Refund liabilities - current		4,090	(4,992)
Long-term deferred revenue		(150)	642
Net defined benefit liabilities - non-current		(15,462)	(30,995)
Cash inflow generated from operations		3,778,704	6,482,117
Interest received		44,836	35,113
Dividends received		1,360	3,701
Income tax refund		-	4,090
Interest paid		(137,125)	(129,943)
Income tax paid		(711,854)	(467,111)
Net cash flows from operating activities		<u>2,975,921</u>	<u>5,927,967</u>

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TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other financial assets - current		\$ 5	\$ 33,947
Cash paid for acquisition of property, plant and equipment	6(27)	(444,004)	(441,226)
Proceeds from disposal of property, plant and equipment		3,573	14,420
Cash paid for acquisition of investment property	6(9)	(929)	(1,514)
Increase in prepayments for business facilities		(382,919)	(256,784)
Interest paid for prepayments for business facilities	6(6)(22)	(387)	(97)
(Increase) decrease in guarantee deposits paid		(2,703)	9,448
Increase in other non-current assets, others		(3,348)	(1,239)
Net cash flows used in investing activities		(830,712)	(643,045)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(28)	1,133,474	(272,945)
Decrease in short-term notes and bills payable	6(28)	-	(400,000)
Decrease in other financial liabilities - current	6(28)	(9,515)	(3,864)
Payments of lease liabilities	6(28)	(189,423)	(172,117)
Increase in long-term borrowings	6(28)	650,000	1,050,000
Decrease in long-term borrowings	6(28)	(850,000)	(3,560,000)
(Decrease) increase in guarantee deposits received	6(28)	(836)	6,751
Cash dividends paid	6(17)	(2,337,135)	(1,579,145)
Net cash flows used in financing activities		(1,603,435)	(4,931,320)
Effect of foreign exchange rate changes on cash and cash equivalents		(26,137)	155,058
Net increase in cash and cash equivalents		515,637	508,660
Cash and cash equivalents at beginning of period	6(1)	3,168,365	2,664,025
Cash and cash equivalents at end of period	6(1)	<u>\$ 3,684,002</u>	<u>\$ 3,172,685</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(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 November 8, 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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“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
Amendments to IAS 12, ‘International tax reform — pillar two model rules’	May 23, 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.

(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 and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	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.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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 MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2022. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and IAS 34, ‘Interim Financial Reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2022.

(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 assets and liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 ‘Critical accounting judgements, estimates and key sources of assumption uncertainty’.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Group (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	General investment	100.00	100.00	100.00	—
Ton Yi Industrial Corp.	Tovecan Corp.	Manufacturing and sale of cans	51.00	51.00	51.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	General investment	100.00	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holding Ltd.	General investment	100.00	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holding Ltd.	General investment	100.00	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM, and sale of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	100.00	100.00	100.00	(Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	General investment	100.00	100.00	100.00	—
Cayman Fujian Ton Yi Holding Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	86.80	86.80	86.80	—
Cayman Jiangsu Ton Yi Holding Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Sale of tinplate	82.86	82.86	82.86	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing and sale of new bottle can	66.50	66.50	66.50	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Ton Yi (China) Investment Co., Ltd.	General investment	100.00	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	100.00	100.00	100.00	—
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	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	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	100.00	(Note 1)
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	100.00	(Note 1)
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	100.00	(Note 2)
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	100.00	(Note 1)
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	100.00	(Note 1)
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	100.00	(Note 1)

(Note 1) The financial statements of certain subsidiaries included in the consolidated financial statements as of September 30, 2023 and 2022 were not reviewed by independent auditors.

(Note 2) The financial statements of the subsidiary included in the consolidated financial statements as of September 30, 2023 were not reviewed by independent auditors.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

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

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

There have been no significant changes during the period. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash:			
Cash on hand	\$ 419	\$ 451	\$ 422
Checking deposits and demand deposits	<u>2,919,621</u>	<u>1,870,353</u>	<u>1,711,657</u>
	<u>2,920,040</u>	<u>1,870,804</u>	<u>1,712,079</u>
Cash equivalents:			
Time deposits	<u>763,962</u>	<u>1,297,561</u>	<u>1,460,606</u>
	<u>\$ 3,684,002</u>	<u>\$ 3,168,365</u>	<u>\$ 3,172,685</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 September 30, 2023, December 31, 2022 and September 30, 2022.

(2) Notes and accounts receivable, net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 818,368	\$ 1,044,665	\$ 1,406,038
Less: Allowance for doubtful accounts	(1,213)	(2,446)	(2,817)
	<u>\$ 817,155</u>	<u>\$ 1,042,219</u>	<u>\$ 1,403,221</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable	\$ 1,382,656	\$ 1,803,372	\$ 1,390,044
Less: Allowance for doubtful accounts	(12,511)	(32,217)	(29,014)
	<u>\$ 1,370,145</u>	<u>\$ 1,771,155</u>	<u>\$ 1,361,030</u>

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

	<u>September 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
1 to 30 days	\$ 229,678	\$ 2,693,028	\$ 268,304	\$ 3,212,743
31 to 60 days	166,339	569,231	179,464	372,412
61 to 90 days	104,704	94,873	79,231	86,305
91 to 180 days	314,994	8,731	517,221	16,026
Over 181 days	2,653	6,194	445	18,297
	<u>\$ 818,368</u>	<u>\$ 3,372,057</u>	<u>\$ 1,044,665</u>	<u>\$ 3,705,783</u>
			<u>September 30, 2022</u>	
			<u>Notes Receivable</u>	<u>Accounts Receivable</u>
1 to 30 days			\$ 300,400	\$ 2,779,140
31 to 60 days			273,731	480,408
61 to 90 days			263,214	160,349
91 to 180 days			567,404	10,062
Over 181 days			1,289	19,241
			<u>\$ 1,406,038</u>	<u>\$ 3,449,200</u>

The above aging analysis was based on credit date.

B. As of September 30, 2023, December 31, 2022, and September 30, 2022, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables (including related parties) from contracts with customers amounted to \$5,384,523.

C. The Group did not pledge notes receivable and accounts receivable as collateral.

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 September 30, 2023, December 31, 2022 and September 30, 2022, the Group derecognized the transferred notes receivable, and the related information is as follows:

September 30, 2023				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 124,704	\$ 124,704	\$ 124,704	3.20%
December 31, 2022				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 125,783	\$ 125,783	\$ 125,783	3.30%
September 30, 2022				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 109,895	\$ 109,895	\$ 109,895	(Note)

(Note) The financial expense when transferring the derecognized notes receivable was not borne by the Group.

B. The Group has recognized financial expense (listed under “Finance costs”) of \$134, \$154, \$455 and \$275, respectively, when transferring the derecognized notes receivable for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(4) Inventories

	September 30, 2023		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1, 278, 268	(\$ 27, 531)	\$ 1, 250, 737
Raw materials in transit	205, 568	(10, 877)	194, 691
Supplies	651, 969	(2, 487)	649, 482
Supplies in transit	31, 645	-	31, 645
Work in process	605, 018	(18, 416)	586, 602
Finished goods	1, 266, 594	(77, 866)	1, 188, 728
	<u>\$ 4, 039, 062</u>	<u>(\$ 137, 177)</u>	<u>\$ 3, 901, 885</u>

	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	1, 744, 876	(132, 504)	1, 612, 372
	<u>\$ 4, 903, 677</u>	<u>(\$ 201, 600)</u>	<u>\$ 4, 702, 077</u>

	September 30, 2022		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1, 924, 551	(\$ 66, 479)	\$ 1, 858, 072
Supplies	617, 150	(31, 181)	585, 969
Work in process	785, 394	(19, 364)	766, 030
Finished goods	2, 020, 592	(115, 568)	1, 905, 024
	<u>\$ 5, 347, 687</u>	<u>(\$ 232, 592)</u>	<u>\$ 5, 115, 095</u>

The cost of inventories recognized as expense for the period:

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 7,897,505	\$ 10,134,179
Provision for inventory market price decline	7,620	17,434
Loss on disposal of inventory	916	48
Revenue from sale of scraps	(54,745)	(87,016)
Indemnities	(13,689)	(3,111)
	<u>\$ 7,837,607</u>	<u>\$ 10,061,534</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 24,661,874	\$ 29,169,669
(Reversal of allowance) provision for inventory market price decline (Note)	(63,479)	119,876
Loss on disposal of inventory	1,493	1,634
Revenue from sale of scraps	(200,983)	(321,826)
Indemnities	(20,212)	(7,346)
	<u>\$ 24,378,693</u>	<u>\$ 28,962,007</u>

(Note) For the nine-month period ended September 30, 2023, the Group reversed a previous inventory write-down as a result of the subsequent sales of inventories which were previously provided with allowance.

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

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Equity instruments			
Listed stocks	\$ 378,917	\$ 378,917	\$ 378,917
Valuation adjustment	(260,494)	(289,676)	(305,129)
	<u>\$ 118,423</u>	<u>\$ 89,241</u>	<u>\$ 73,788</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 September 30, 2023, December 31, 2022 and September 30, 2022.

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

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income (loss)	\$ 8,236	(\$ 4,218)
Dividend income recognized in profit (listed under "Other income")	\$ 7	\$ 39
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income (loss)	\$ 29,182	(\$ 14,415)
Dividend income recognized in profit (listed under "Other income")	\$ 1,360	\$ 3,701

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	Total
			Owner-occupied	Lease		Owner-occupied	Lease	Owner-occupied	Lease	in progress	
<u>Balance at January 1, 2023</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>
<u>For the nine-month period ended September 30, 2023</u>											
Balance at January 1, 2023	\$ 615,892	\$ 4,747,668	\$ 11,841,196	\$ 123,022	\$ 27,164	\$ 20,883	\$ 209	\$ 1,103,683	\$ 4,423	\$ 376,832	\$ 18,860,972
Additions - Cost	-	11,411	24,121	-	3,122	2,534	-	36,447	3,962	321,062	402,659
Transferred - Cost (Note)	-	391,595	293,236	(187,325)	4,408	496	-	31,768	(8,715)	(211,389)	314,074
Transferred - Accumulated depreciation	-	-	(157,957)	159,172	(2,351)	(14)	-	(500)	1,650	-	-
Depreciation	-	(198,248)	(1,426,346)	(15,773)	(5,326)	(5,498)	(18)	(209,152)	(1,283)	-	(1,861,644)
Disposal - Cost	-	(2,881)	(24,926)	-	(2,265)	(985)	-	(50,106)	-	-	(81,163)
Disposal - Accumulated depreciation	-	2,744	24,399	-	2,044	935	-	47,411	-	-	77,533
Net currency exchange differences	-	(23,660)	(58,628)	(920)	(88)	(168)	(2)	(4,840)	(37)	(2,453)	(90,796)
Balance at September 30, 2023	<u>\$ 615,892</u>	<u>\$ 4,928,629</u>	<u>\$ 10,515,095</u>	<u>\$ 78,176</u>	<u>\$ 26,708</u>	<u>\$ 18,183</u>	<u>\$ 189</u>	<u>\$ 954,711</u>	<u>\$ -</u>	<u>\$ 484,052</u>	<u>\$ 17,621,635</u>
<u>Balance at September 30, 2023</u>											
Cost	\$ 615,892	\$ 11,067,462	\$ 48,174,767	\$ 918,428	\$ 276,579	\$ 218,572	\$ 2,066	\$ 6,226,507	\$ 2,860	\$ 484,052	\$ 67,987,185
Accumulated depreciation	-	(6,138,833)	(37,615,454)	(822,565)	(249,871)	(200,389)	(1,877)	(5,271,796)	(2,860)	-	(50,303,645)
Accumulated impairment	-	-	(44,218)	(17,687)	-	-	-	-	-	-	(61,905)
	<u>\$ 615,892</u>	<u>\$ 4,928,629</u>	<u>\$ 10,515,095</u>	<u>\$ 78,176</u>	<u>\$ 26,708</u>	<u>\$ 18,183</u>	<u>\$ 189</u>	<u>\$ 954,711</u>	<u>\$ -</u>	<u>\$ 484,052</u>	<u>\$ 17,621,635</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, 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>
For the nine-month period ended September 30, 2022											
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	-	1,354	20,056	-	8,887	3,102	-	62,292	4,796	386,655	487,142
Transferred - Cost (Note)	-	53,501	537,332	(12,036)	2,262	443	-	49,506	-	(528,779)	102,229
Transferred - Accumulated depreciation	-	-	(5,622)	5,622	-	-	-	-	-	-	-
Depreciation	-	(195,689)	(1,403,122)	(18,764)	(4,509)	(5,325)	(54)	(211,292)	(138)	-	(1,838,893)
Disposal - Cost	-	(2,881)	(39,829)	-	(2,380)	(840)	-	(11,989)	-	-	(57,919)
Disposal - Accumulated depreciation	-	2,669	28,671	-	2,164	837	-	10,506	-	-	44,847
Net currency exchange differences	-	85,253	189,110	3,264	478	538	7	13,916	-	13,209	305,775
Balance at September 30, 2022	<u>\$ 615,892</u>	<u>\$ 4,808,334</u>	<u>\$ 11,831,858</u>	<u>\$ 115,797</u>	<u>\$ 29,023</u>	<u>\$ 21,986</u>	<u>\$ 227</u>	<u>\$ 1,099,648</u>	<u>\$ 4,665</u>	<u>\$ 418,928</u>	<u>\$ 18,946,358</u>
<u>Balance at September 30, 2022</u>											
Cost	\$ 615,892	\$ 10,701,851	\$ 47,565,098	\$ 1,115,771	\$ 271,748	\$ 218,054	\$ 2,085	\$ 6,162,786	\$ 7,682	\$ 418,928	\$ 67,079,895
Accumulated depreciation	-	(5,893,517)	(35,688,622)	(968,741)	(242,725)	(196,068)	(1,858)	(5,063,138)	(3,017)	-	(48,057,686)
Accumulated impairment	-	-	(44,618)	(31,233)	-	-	-	-	-	-	(75,851)
	<u>\$ 615,892</u>	<u>\$ 4,808,334</u>	<u>\$ 11,831,858</u>	<u>\$ 115,797</u>	<u>\$ 29,023</u>	<u>\$ 21,986</u>	<u>\$ 227</u>	<u>\$ 1,099,648</u>	<u>\$ 4,665</u>	<u>\$ 418,928</u>	<u>\$ 18,946,358</u>

(Note) Including transfers from prepayments for business facilities.

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

	For the three-month periods ended September 30,	
	2023	2022
Amount capitalized	\$ 57	\$ 29
Range of interest rates	1.99%	0.95%~1.30%

	For the nine-month periods ended September 30,	
	2023	2022
Amount capitalized	\$ 387	\$ 97
Range of interest rates	1.75%~1.99%	0.95%~1.30%

- B. The Group did not pledge property, plant and equipment as collateral as at September 30, 2023, December 31, 2022 and September 30, 2022.

(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:

	September 30, 2023	December 31, 2022	September 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 806,972	\$ 818,161	\$ 826,956
Buildings	1,022,112	1,198,398	1,287,942
	<u>\$ 1,829,084</u>	<u>\$ 2,016,559</u>	<u>\$ 2,114,898</u>

	For the three-month periods ended September 30,	
	2023	2022
	Depreciation	Depreciation
Land	\$ 7,673	\$ 7,535
Buildings	56,846	58,132
	<u>\$ 64,519</u>	<u>\$ 65,667</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 22,741	\$ 22,411
Buildings	171,425	174,426
Other equipment	–	468
	<u>\$ 194,166</u>	<u>\$ 197,305</u>

D. For the nine-month periods ended September 30, 2023 and 2022, the additions and remeasurement to right-of-use assets were \$18,695 and \$9,276, respectively.

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

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 13,324	\$ 16,167
Expense on leases of low-value assets	53	54
Gain from lease modification	–	2

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 41,959	\$ 50,280
Expense on leases of low-value assets	154	138
Gain from lease modification	8	154

F. For the nine-month periods ended September 30, 2023 and 2022, the Group's total cash outflow for leases were \$231,536 and \$222,535, 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 three-month and nine-month periods ended September 30, 2023 and 2022, the Group recognized rent income (listed under “Other income”) in the amounts of \$9,687, \$10,243, \$29,576 and \$30,948, 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>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Within 1 year	\$ 38,331	\$ 37,264	\$ 41,211
1 to 2 years	32,152	30,570	30,572
2 to 3 years	31,152	30,417	30,548
3 to 4 years	17,769	27,285	30,487
4 to 5 years	17,769	17,889	17,930
Over 5 years	7,404	20,871	25,401
	<u>\$ 144,577</u>	<u>\$ 164,296</u>	<u>\$ 176,149</u>

(9) Investment property, net

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2023</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>For the nine-month period ended September 30, 2023</u>			
Carrying amount at January 1	\$ 432	\$ 90,297	\$ 90,729
Additions – cost	-	929	929
Depreciation	-	(4,912)	(4,912)
Net currency exchange differences	-	(635)	(635)
Carrying amount at September 30	<u>\$ 432</u>	<u>\$ 85,679</u>	<u>\$ 86,111</u>
<u>Balance at September 30, 2023</u>			
Cost	\$ 1,532	\$ 146,864	\$ 148,396
Accumulated depreciation	-	(61,185)	(61,185)
Accumulated impairment	(1,100)	-	(1,100)
	<u>\$ 432</u>	<u>\$ 85,679</u>	<u>\$ 86,111</u>

	<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 nine-month period ended September 30, 2022</u>			
Carrying amount at January 1	\$ 1,066	\$ 91,865	\$ 92,931
Additions – cost	-	1,514	1,514
Depreciation	-	(4,863)	(4,863)
Net currency exchange differences	-	2,226	2,226
Carrying amount at September 30	<u>\$ 1,066</u>	<u>\$ 90,742</u>	<u>\$ 91,808</u>
<u>Balance at September 30, 2022</u>			
Cost	\$ 3,785	\$ 145,850	\$ 149,635
Accumulated depreciation	-	(55,108)	(55,108)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 90,742</u>	<u>\$ 91,808</u>

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

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of the investment property	<u>\$ 4,391</u>	<u>\$ 4,453</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 2,475</u>	<u>\$ 2,483</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of the investment property	<u>\$ 13,247</u>	<u>\$ 13,363</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 7,450</u>	<u>\$ 7,424</u>

B. The fair values of the investment property held by the Group as at September 30, 2023, December 31, 2022 and September 30, 2022 were \$92,671, \$104,187, and \$109,025, 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 September 30, 2023, December 31, 2022 and September 30, 2022, 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, 2023</u>			
Cost	\$ 320,513	\$ 75,269	\$ 395,782
Accumulated amortization	-	(67,388)	(67,388)
Accumulated impairment	(320,513)	-	(320,513)
	<u>\$ -</u>	<u>\$ 7,881</u>	<u>\$ 7,881</u>
For the nine-month period ended			
<u>September 30, 2023</u>			
Carrying amount at January 1	\$ -	\$ 7,881	\$ 7,881
Amortization	-	(3,606)	(3,606)
Disposal - Cost	-	(32,645)	(32,645)
Disposal - Accumulated amortization	-	32,645	32,645
Net currency exchange differences	-	(75)	(75)
Carrying amount at September 30	<u>\$ -</u>	<u>\$ 4,200</u>	<u>\$ 4,200</u>
<u>Balance at September 30, 2023</u>			
Cost	\$ 336,794	\$ 42,119	\$ 378,913
Accumulated amortization	-	(37,919)	(37,919)
Accumulated impairment	(336,794)	-	(336,794)
	<u>\$ -</u>	<u>\$ 4,200</u>	<u>\$ 4,200</u>

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 288,889	\$ 96,540	\$ 385,429
Accumulated amortization	-	(79,330)	(79,330)
Accumulated impairment	(20,760)	-	(20,760)
	<u>\$ 268,129</u>	<u>\$ 17,210</u>	<u>\$ 285,339</u>
<u>For the nine-month period ended September 30, 2022</u>			
Carrying amount at January 1	\$ 268,129	\$ 17,210	\$ 285,339
Amortization	-	(7,262)	(7,262)
Net currency exchange differences	39,425	378	39,803
Carrying amount at September 30	<u>\$ 307,554</u>	<u>\$ 10,326</u>	<u>\$ 317,880</u>
<u>Balance at September 30, 2022</u>			
Cost	\$ 331,367	\$ 98,911	\$ 430,278
Accumulated amortization	-	(88,585)	(88,585)
Accumulated impairment	(23,813)	-	(23,813)
	<u>\$ 307,554</u>	<u>\$ 10,326</u>	<u>\$ 317,880</u>

A. No borrowing costs were capitalized as part of intangible assets for the nine-month periods ended September 30, 2023 and 2022.

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

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 169	\$ 435
Selling expenses	75	284
Administrative expenses	529	1,691
	<u>\$ 773</u>	<u>\$ 2,410</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 634	\$ 1,306
Selling expenses	294	852
Administrative expenses	2,678	5,104
	<u>\$ 3,606</u>	<u>\$ 7,262</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Tinplate factory located in Mainland China	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,554</u>

- D. The Group’s goodwill is tested for impairment on an annual basis, and 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 value multipliers, transaction price of similar targets in the region or according to the cost method after considering various factors such as the use of various assets and liabilities. The fair value is at level 3 and has reflected the specific risks of the relevant operating units. Based on the Group’s assessment, an impairment loss was recognized for the goodwill due to the recoverable amount which was determined based on the fair value less costs to sell is less than the carrying amount for the year ended December 31, 2022, and the cost of goodwill has been fully recognized in impairment loss by the Group. Impairment loss of goodwill previously recognized in profit or loss will not be reversed in the following years.
- E. The Group had no intangible assets pledged as collateral as at September 30, 2023, December 31, 2022 and September 30, 2022.

(11) Short-term borrowings

<u>Nature</u>	<u>September 30, 2023</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 3,563,363</u>	1.08%~7.00%	None
<u>Nature</u>	<u>December 31, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 2,429,889</u>	1.36%~6.03%	None
<u>Nature</u>	<u>September 30, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 2,525,511</u>	0.70%~4.39%	None

- A. For more information about interest expenses recognized by the Group for the three-month and nine-month periods ended September 30, 2023 and 2022, refer to Note 6(22), “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”.

(12) Long-term borrowings

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Unsecured bank borrowings	2025. 2. 15~ 2026. 6. 12	1. 65%~1. 93%	None	\$ <u>3, 600, 000</u>

<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>September 30, 2022</u>
Unsecured bank borrowings	2023. 11. 22~ 2025. 8. 15	1. 19%~1. 59%	None	\$ <u>4, 540, 000</u>

A. For more information about interest expenses recognized by the Group for the three-month and nine-month periods ended September 30, 2023 and 2022, refer to Note 6(22), "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) Provision - non-current

<u>Decommissioning liabilities</u>	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Balance, beginning of period	\$ 84, 277	\$ 82, 727
Unwinding of discount	<u>1, 186</u>	<u>1, 163</u>
Balance, end of period	\$ <u>85, 463</u>	\$ <u>83, 890</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.

(14) 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. The rate was reduced to 6% since May 2023 and approved by the Bureau of Labor Affairs, Tainan City Government on May 19, 2023. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- a. The pension cost under the defined benefit pension plan of the Company (listed under "Operating cost" and "Operating expense") for the three-month and nine-month periods ended September 30, 2023 and 2022 were \$2,672, \$4,051, \$8,014 and \$12,152, respectively.
- b. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$55,789.
- 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 three-month and nine-month periods ended September 30, 2023 and 2022 were \$54,900, \$51,738, \$162,554 and \$152,287, respectively.

(15) Share capital - Common stock

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

	For the nine-month periods ended September 30,	
	2023	2022
Beginning and ending balance	<u>1, 579, 145</u>	<u>1, 579, 145</u>

B. As of September 30, 2023, 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.

(16) 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 nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the nine-month period ended September 30, 2023				
	Share premium	Treasury transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58, 271</u>	<u>\$169, 088</u>	<u>\$ 819</u>	<u>\$ 3, 867</u>	<u>\$232, 045</u>

	For the nine-month period ended September 30, 2022				
	Share premium	Treasury transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58, 271</u>	<u>\$169, 088</u>	<u>\$ 819</u>	<u>\$ 3, 495</u>	<u>\$231, 673</u>

(17) 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. For the nine-month periods ended September 30, 2023 and 2022, special reserve of (\$417,533) and \$18,069, respectively, was (reversed) set aside in accordance with the Company Act on special reserve.
 - 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 \$1,579,145, constituting \$1 (in dollars) per share as cash dividend from the distribution of 2021 earnings. On June 15, 2023, the stockholders during their meeting resolved for the distribution of cash dividends from 2022 earnings in the amount of \$2,337,135 at \$1.48 (in dollars) per share.

(18) Operating revenue

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 8,483,827</u>	<u>\$ 11,849,596</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 27,280,845</u>	<u>\$ 34,401,487</u>

A. Disaggregation of revenue from contracts with customers

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

For the three-month period ended September 30, 2023		
<u>Segment</u>	Revenue from products of Tinline	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 1,566,091	\$ 8,423
Mainland China - tinline products	913,748	-
Mainland China - plastic products	-	5,278,372
Others	717,193	-
	<u>\$ 3,197,032</u>	<u>\$ 5,286,795</u>
For the three-month period ended September 30, 2022		
<u>Segment</u>	Revenue from products of Tinline	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 4,822,187	\$ 14,053
Mainland China - tinline products	998,098	-
Mainland China - plastic products	-	5,141,396
Others	873,862	-
	<u>\$ 6,694,147</u>	<u>\$ 5,155,449</u>
For the nine-month period ended September 30, 2023		
<u>Segment</u>	Revenue from products of Tinline	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 7,726,796	\$ 24,535
Mainland China - tinline products	2,571,872	-
Mainland China - plastic products	-	14,782,238
Others	2,175,404	-
	<u>\$ 12,474,072</u>	<u>\$ 14,806,773</u>
For the nine-month period ended September 30, 2022		
<u>Segment</u>	Revenue from products of Tinline	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 15,177,266	\$ 36,646
Mainland China - tinline products	3,670,822	-
Mainland China - plastic products	-	12,908,546
Others	2,608,207	-
	<u>\$ 21,456,295</u>	<u>\$ 12,945,192</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	<u>January 1, 2022</u>
Contract liabilities - curren	\$ 68,079	\$ 70,503	\$ 74,798	\$ 187,357

Revenue recognized that was included in the contract liability balance at the beginning of the nine-month periods ended September 30, 2023 and 2022 were \$68,660 and \$186,695, respectively.

(19) Interest income

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	<u>\$ 15,932</u>	<u>\$ 12,262</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	<u>\$ 44,836</u>	<u>\$ 35,113</u>

(20) Other income

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income	\$ 9,687	\$ 10,243
Dividend income	7	39
Government grants	11,165	5,293
Other income	<u>5,192</u>	<u>8,755</u>
	<u>\$ 26,051</u>	<u>\$ 24,330</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income	\$ 29,576	\$ 30,948
Dividend income	1,360	3,701
Government grants	14,402	21,669
Other income	<u>17,827</u>	<u>26,181</u>
	<u>\$ 63,165</u>	<u>\$ 82,499</u>

(21) Other gains and losses

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Net gain on financial assets at fair value through profit or loss	\$ -	\$ 93
Net gain on disposal of property, plant and equipment	608	1,491
Gain from lease modifications	-	2
Net currency exchange gain	23,862	84,055
Other losses	(3,011)	(9,397)
	<u>\$ 21,459</u>	<u>\$ 76,244</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Net loss on financial assets at fair value through profit or loss	\$ -	(\$ 2,673)
Net (loss) gain on disposal of property, plant and equipment	(57)	1,348
Gain from lease modifications	8	154
Net currency exchange gain	26,948	212,520
Other losses	(14,973)	(25,100)
	<u>\$ 11,926</u>	<u>\$ 186,249</u>

(22) Finance costs

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 31,441	\$ 32,015
Interest expense on lease liabilities	13,324	16,167
Financial expense of transferred notes receivable	134	154
Provisions – unwinding of discount	395	388
	<u>45,294</u>	<u>48,724</u>
Less: Capitalization of qualifying assets	(<u>57</u>)	(<u>29</u>)
	<u>\$ 45,237</u>	<u>\$ 48,695</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 94,130	\$ 81,050
Interest expense on lease liabilities	41,959	50,280
Financial expense of transferred notes receivable	455	275
Provisions – unwinding of discount	1,186	1,163
	<u>137,730</u>	<u>132,768</u>
Less: Capitalization of qualifying assets	(<u>387</u>)	(<u>97</u>)
	<u>\$ 137,343</u>	<u>\$ 132,671</u>

(23) Expenses by nature

	<u>For the three-month period ended September 30, 2023</u>			<u>For the three-month period ended September 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Employee benefits expense	<u>\$ 545,919</u>	<u>\$ 190,066</u>	<u>\$ 735,985</u>	<u>\$ 536,248</u>	<u>\$ 279,916</u>	<u>\$ 816,164</u>
Depreciation	<u>\$ 603,263</u>	<u>\$ 79,624</u>	<u>\$ 682,887</u>	<u>\$ 602,352</u>	<u>\$ 79,146</u>	<u>\$ 681,498</u>
Amortization	<u>\$ 169</u>	<u>\$ 604</u>	<u>\$ 773</u>	<u>\$ 435</u>	<u>\$ 1,975</u>	<u>\$ 2,410</u>

	<u>For the nine-month period ended September 30, 2023</u>			<u>For the nine-month period ended September 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Employee benefits expense	<u>\$ 1,575,342</u>	<u>\$ 646,231</u>	<u>\$ 2,221,573</u>	<u>\$ 1,535,635</u>	<u>\$ 845,541</u>	<u>\$ 2,381,176</u>
Depreciation	<u>\$ 1,818,974</u>	<u>\$ 236,836</u>	<u>\$ 2,055,810</u>	<u>\$ 1,797,410</u>	<u>\$ 238,788</u>	<u>\$ 2,036,198</u>
Amortization	<u>\$ 634</u>	<u>\$ 2,972</u>	<u>\$ 3,606</u>	<u>\$ 1,306</u>	<u>\$ 5,956</u>	<u>\$ 7,262</u>

(24) Employee benefits expense

	<u>For the three-month period ended September 30, 2023</u>			<u>For the three-month period ended September 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 417,182	\$ 146,673	\$ 563,855	\$ 411,070	\$ 223,397	\$ 634,467
Labor and health insurance expenses	37,191	11,172	48,363	37,276	11,491	48,767
Pension costs	43,950	13,622	57,572	41,927	13,862	55,789
Other personnel expenses	47,596	18,599	66,195	45,975	31,166	77,141
	<u>\$ 545,919</u>	<u>\$ 190,066</u>	<u>\$ 735,985</u>	<u>\$ 536,248</u>	<u>\$ 279,916</u>	<u>\$ 816,164</u>

	<u>For the nine-month period ended September 30, 2023</u>			<u>For the nine-month period ended September 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 1,199,149	\$ 490,248	\$ 1,689,397	\$ 1,180,169	\$ 673,193	\$ 1,853,362
Labor and health insurance expenses	110,636	40,032	150,668	106,751	39,248	145,999
Pension costs	129,957	40,611	170,568	122,959	41,480	164,439
Other personnel expenses	135,600	75,340	210,940	125,756	91,620	217,376
	<u>\$ 1,575,342</u>	<u>\$ 646,231</u>	<u>\$ 2,221,573</u>	<u>\$ 1,535,635</u>	<u>\$ 845,541</u>	<u>\$ 2,381,176</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the three-month and nine-month periods ended September 30, 2023 and 2022, employees' compensation was accrued at \$5,375, \$43,339, \$43,507 and \$128,691, respectively, while directors' remuneration was accrued at \$1,671, \$13,698, \$13,557, and \$40,616, 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 had been adjusted in profit or loss for the nine-month period ended September 30, 2023.

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.

(25) Income tax

A. Income tax expense

Components of income tax expense

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax incurred in current period	\$ 92,047	\$ 242,336
Deferred income tax:		
Origination and reversal of temporary differences	<u>15,537</u>	<u>9,233</u>
Income tax expense	<u>\$ 107,584</u>	<u>\$ 251,569</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax incurred in current period	\$ 299,980	\$ 732,598
Tax on unappropriated earnings	9,000	-
Under provision of prior year's income tax	<u>2,632</u>	<u>3,138</u>
	<u>311,612</u>	<u>735,736</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>77,166</u>	<u>(67,676)</u>
Income tax expense	<u>\$ 388,778</u>	<u>\$ 668,060</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. As of November 8, 2023, there was no administrative lawsuit.

(26) Earnings per share

	<u>For the three-month period ended September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 92,870</u>	<u>1,579,145</u>	<u>\$ 0.06</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 92,870	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>2,637</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 92,870</u>	<u>1,581,782</u>	<u>\$ 0.06</u>

For the three-month period ended September 30, 2022

	<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	\$ 760,977	1,579,145	\$ 0.48
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 760,977	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	7,130	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 760,977	1,586,275	\$ 0.48

For the nine-month period ended September 30, 2023

	<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	\$ 753,180	1,579,145	\$ 0.48
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 753,180	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,418	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 753,180	1,583,563	\$ 0.48

	<u>For the nine-month period ended September 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,256,416	1,579,145	\$ 1.43
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,256,416	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,735	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,256,416	1,587,880	\$ 1.42

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

Cash paid for acquisition of property, plant and equipment:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment	\$ 402,659	\$ 487,142
Add: Beginning balance of other payables	236,106	170,752
Less: Ending balance of other payables	(194,761)	(216,668)
Cash paid for acquisition of property, plant and equipment	\$ 444,004	\$ 441,226

B. Operating and investing activities with no cash flow effect:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
a. Prepayment for business facilities reclassified to prepayments	\$ 1,328	\$ 5,277
b. Prepayment for business facilities reclassified to property, plant and equipment	\$ 314,074	\$ 102,229
c. Write-off of allowance for doubtful accounts	\$ 15,032	-

(28) Changes in liabilities from financing activities

<u>For the nine-month period ended September 30, 2023</u>	Short-term		Long-term		Total liabilities from financing activities
	borrowings	Lease liabilities	borrowings	Others	
Balance at January 1, 2023	\$ 2,429,889	\$ 1,598,319	\$ 3,800,000	\$ 67,241	\$ 7,895,449
Changes in cash flow from financing activities	1,133,474	(189,423)	(200,000)	(2,347,486)	(1,603,435)
Changes in other non-cash items	-	18,687	-	2,337,135	2,355,822
Impact of changes in foreign exchange rate	-	(9,464)	-	-	(9,464)
Balance at September 30, 2023	<u>\$ 3,563,363</u>	<u>\$ 1,418,119</u>	<u>\$ 3,600,000</u>	<u>\$ 56,890</u>	<u>\$ 8,638,372</u>

<u>For the nine-month period ended September 30, 2022</u>	Short-term		Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
	Short-term borrowings	notes and bills payable				
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	(272,945)	(400,000)	(172,117)	(2,510,000)	(1,576,258)	(4,931,320)
Changes in other non-cash items	-	100	9,122	-	1,579,145	1,588,367
Impact of changes in foreign exchange rate	-	-	36,342	-	-	36,342
Balance at September 30, 2022	<u>\$2,525,511</u>	<u>\$ -</u>	<u>\$1,678,513</u>	<u>\$4,540,000</u>	<u>\$ 66,637</u>	<u>\$ 8,810,661</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>
Uni-President Enterprises Corp.	Ultimate parent company
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
President (Kunshan) Trading 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
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
Kunshan President Enterprises Food 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 three-month periods ended September 30,	
	2023	2022
Sales of goods:		
Uni-President Enterprises Corp. Parent company to entities with joint control or significant influence	\$ 8,395	\$ 13,935
Guangzhou President Enterprises Co., Ltd.	1,122,002	1,150,242
Chengdu President Enterprises Food Co., Ltd.	890,694	818,156
Others	3,293,192	3,366,770
	<u>\$ 5,314,283</u>	<u>\$ 5,349,103</u>
	For the nine-month periods ended September 30,	
	2023	2022
Sales of goods:		
Uni-President Enterprises Corp. Parent company to entities with joint control or significant influence	\$ 25,559	\$ 37,772
Guangzhou President Enterprises Co., Ltd.	3,008,446	2,863,125
Chengdu President Enterprises Food Co., Ltd.	2,776,072	2,191,337
Others	9,107,895	8,064,595
	<u>\$ 14,917,972</u>	<u>\$ 13,156,829</u>

Sales price from related party is similar to that of a third party. The Group's collection terms for related parties are within 28~90 days of monthly statements, and within 15~45 days after receipt of the invoice. The collection terms are similar to those of third parties.

B. Purchases

	For the three-month periods ended September 30,	
	2023	2022
Purchases of goods:		
Parent company to entities with joint control or significant influence	\$ 681,062	\$ 670,417
Others	354	7
	<u>\$ 681,416</u>	<u>\$ 670,424</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Purchases of goods:		
Parent company to entities with joint control or significant influence	\$ 1,798,187	\$ 1,574,873
Others	641	552
	<u>\$ 1,798,828</u>	<u>\$ 1,575,425</u>

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, within 15~45 days after receipt of the invoice and 15~45 days after delivery.

C. Receivables from related parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Receivables from related parties:			
Uni-President Enterprises Corp.	\$ 2,701	\$ 3,021	\$ 5,044
Parent company to entities with joint control or significant influence			
Guangzhou President Enterprises Co., Ltd.	523,987	448,313	394,659
Chengdu President Enterprises Food Co., Ltd.	293,305	333,796	371,548
Others	1,169,408	1,117,281	1,287,905
	<u>\$ 1,989,401</u>	<u>\$ 1,902,411</u>	<u>\$ 2,059,156</u>

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

D. Guarantee deposit paid

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company to entities with joint control or significant influence	<u>\$ 24,684</u>	<u>\$ 21,922</u>	<u>\$ 24,997</u>

E. Contract liabilities - current

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company to entities with joint control or significant influence	<u>\$ 3,547</u>	<u>\$ -</u>	<u>\$ 5,616</u>

F. Payables to related parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Payables to related parties:			
Uni-President Enterprises Corp.	\$ 9,200	\$ 26,587	\$ 27,254
Parent company to entities with joint control or significant influence	270,195	362,091	404,538
Others	-	95	7
	<u>\$ 279,395</u>	<u>\$ 388,773</u>	<u>\$ 431,799</u>

Payables to related parties arise from purchase of goods and other expenses. 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 15 years. Rents are prepaid for three months or paid monthly.

(b) Acquisition of right-of-use assets

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Parent company to entities with joint control or significant influence		
Beijing President Enterprises Drinks Co., Ltd.	<u>\$ 2,151</u>	<u>\$ 686</u>

(c) Lease liabilities and interest expense

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Lease liabilities</u>	<u>Lease liabilities</u>	<u>Lease liabilities</u>
Parent company to entities with joint control or significant influence			
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 290,188	\$ 315,841	\$ 343,025
Zhanjiang President Enterprises Co., Ltd.	257,001	291,132	302,391
Taizhou President Enterprises Co., Ltd.	256,356	304,868	320,861
Kunshan President Enterprises Food Co., Ltd.	146,877	172,858	181,424
Others	146,690	196,024	212,901
	<u>\$ 1,097,112</u>	<u>\$ 1,280,723</u>	<u>\$ 1,360,602</u>

	For the three-month periods ended September 30,	
	2023	2022
	Interest expense	Interest expense
Parent company to entities with joint control or significant influence		
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 3,039	\$ 3,579
Zhanjiang President Enterprises Co., Ltd.	2,732	3,232
Taizhou President Enterprises Co., Ltd.	2,725	3,429
Kunshan President Enterprises Food Co., Ltd.	1,668	2,047
Others	1,475	2,208
	<u>\$ 11,639</u>	<u>\$ 14,495</u>

	For the nine-month periods ended September 30,	
	2023	2022
	Interest expense	Interest expense
Parent company to entities with joint control or significant influence		
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 9,329	\$ 10,911
Taizhou President Enterprises Co., Ltd.	8,725	10,774
Zhanjiang President Enterprises Co., Ltd.	8,591	10,033
Kunshan President Enterprises Food Co., Ltd.	5,302	6,402
Others	4,995	7,122
	<u>\$ 36,942</u>	<u>\$ 45,242</u>

(4) Key management compensation

	For the three-month periods ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	<u>\$ 6,993</u>	<u>\$ 7,085</u>
	For the nine-month periods ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	<u>\$ 20,483</u>	<u>\$ 20,682</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of September 30, 2023, December 31, 2022 and September 30, 2022, the remaining balances due to capital expenditure contracted for at the balance sheet date but not yet incurred were \$369,029, \$574,981 and \$544,648, respectively.

B. As of September 30, 2023, December 31, 2022 and September 30, 2022, the unused letters of credit amounted to \$313,467, \$333,662 and \$249,757, 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. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio **【** (Total liability less cash and cash equivalents) / consolidated tangible shareholders' equity **】** 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 the 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 **【** (Total liability less cash and cash equivalents) / consolidated tangible shareholders' equity **】** 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 within four months, the bank has the right to cancel or reduce the credit line.

As of September 30, 2023, December 31, 2022 and September 30, 2022, 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 and EUR. 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:

(Foreign currency: Functional currency)	September 30, 2023		
	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 20,894	32.27	\$ 674,249
USD : CNY	1,861	7.30	60,054
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	8,647	32.27	279,039
USD : CNY	6,506	7.30	209,949
(Foreign currency: Functional currency)	December 31, 2022		
	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

(Foreign currency: Functional currency)	September 30, 2022		
	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 30,082	31.75	\$ 955,104
USD : CNY	5,755	7.12	182,721
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,631	31.75	528,034
USD : CNY	16,744	7.12	531,622
USD : VND	955	23,861.00	30,321

- iv. As of September 30, 2023 and 2022, 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 nine-month periods ended September 30, 2023 and 2022 would have increased/decreased by \$1,963 and \$383, 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 three-month and nine-month periods ended September 30, 2023 and 2022 amounted to \$23,862, \$84,055, \$26,948 and \$212,520, 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 evaluates investment activities carefully. 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 nine-month periods ended September 30, 2023 and 2022 would have increased/decreased by \$1,184 and \$738, 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 nine-month periods ended September 30, 2023 and 2022, 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 nine-month periods ended September 30, 2023 and 2022 would have decreased/increased by \$757 and \$651, 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 notes and 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 nine-month period ended September 30, 2023</u>		
	Notes	Accounts	Total
	<u>receivable</u>	<u>receivable</u>	
Balance, beginning of period	\$ 2,446	\$ 32,217	\$ 34,663
Expected credit gains	(1,227)	(4,609)	(5,836)
Write-off of allowance for doubtful accounts	-	(15,032)	(15,032)
Effect of foreign exchange	(6)	(65)	(71)
Balance, end of period	<u>\$ 1,213</u>	<u>\$ 12,511</u>	<u>\$ 13,724</u>
	<u>For the nine-month period ended September 30, 2022</u>		
	Notes	Accounts	Total
	<u>receivable</u>	<u>receivable</u>	
Balance, beginning of period	\$ 2,303	\$ 42,753	\$ 45,056
Expected credit losses (gains)	492	(14,668)	(14,176)
Effect of foreign exchange	<u>22</u>	<u>929</u>	<u>951</u>
Balance, end of period	<u>\$ 2,817</u>	<u>\$ 29,014</u>	<u>\$ 31,831</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 analyzes 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>September 30, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 3,577,714	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,513,795	-	-	-
Other payables (including related parties)	1,510,526	-	-	-
Lease liabilities (current and non-current)	283,604	254,377	578,544	522,411
Other financial liabilities - current	21,443	-	-	-
Refund liabilities - current	22,522	-	-	-
Long-term borrowings	63,100	1,307,884	2,368,782	-
Guarantee deposits received	-	10,708	7,052	17,687
<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

September 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 2,534,126	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,873,153	-	-	-
Other payables (including related parties)	1,808,812	-	-	-
Lease liabilities (current and non-current)	288,142	296,856	729,565	632,618
Other financial liabilities - current	30,598	-	-	-
Refund liabilities - current	10,093	-	-	-
Long-term borrowings	60,583	3,625,099	958,753	-
Guarantee deposits received	-	7,261	10,931	17,847

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

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

<u>September 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 118,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,423</u>

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 89,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,241</u>

<u>September 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 73,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,788</u>

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

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

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

E. For the nine-month periods ended September 30, 2023 and 2022, there was no transfer into or out between Level 1 and Level 2.

F. For the nine-month periods ended September 30, 2023 and 2022, there was no such situation of Level 3.

13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month period ended September 30, 2023.)

(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 nine-month period ended September 30, 2023				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 7,751,331	\$ 2,571,872	\$ 14,782,238	\$ 2,175,404	\$ 27,280,845
Revenue from internal customers	1,680,196	447,157	88,452	–	2,215,805
Segment revenue	<u>\$ 9,431,527</u>	<u>\$ 3,019,029</u>	<u>\$ 14,870,690</u>	<u>\$ 2,175,404</u>	<u>\$ 29,496,650</u>
Segment income	<u>\$ 958,305</u>	<u>(\$ 386,228)</u>	<u>\$ 1,311,463</u>	<u>\$ 778,716</u>	<u>\$ 2,662,256</u>
Segment assets	<u>\$ 28,030,572</u>	<u>\$ 6,513,400</u>	<u>\$ 19,548,814</u>	<u>\$ 21,286,591</u>	<u>\$ 75,379,377</u>
	For the nine-month period ended September 30, 2022				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 15,213,912	\$ 3,670,822	\$ 12,908,546	\$ 2,608,207	\$ 34,401,487
Revenue from internal customers	3,875,618	591,785	37,187	146,499	4,651,089
Segment revenue	<u>\$ 19,089,530</u>	<u>\$ 4,262,607</u>	<u>\$ 12,945,733</u>	<u>\$ 2,754,706</u>	<u>\$ 39,052,576</u>
Segment income	<u>\$ 2,834,602</u>	<u>(\$ 550,831)</u>	<u>\$ 1,113,000</u>	<u>\$ 314,225</u>	<u>\$ 3,710,996</u>
Segment assets	<u>\$ 30,361,748</u>	<u>\$ 7,303,027</u>	<u>\$ 16,753,672</u>	<u>\$ 23,345,034</u>	<u>\$ 77,763,481</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:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Reportable segments profit or loss	\$ 1,883,540	\$ 3,396,771
Other segments profit or loss	778,716	314,225
Elimination of intersegment transactions	(1,580,308)	(862,287)
Net income before income tax from continuing operations	<u>\$ 1,081,948</u>	<u>\$ 2,848,709</u>

B. The amount of total assets provided to the chief operating decision-maker adopts the same basis of measurement as assets in the Group's financial statements. The reconciliations between reportable segments' assets and total assets are as follows:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Assets of reportable segments	\$ 54,092,786	\$ 54,418,447
Assets of other operating segments	21,286,591	23,345,034
Elimination of intersegment transactions	(41,818,842)	(41,519,966)
Total assets	<u>\$ 33,560,535</u>	<u>\$ 36,243,515</u>

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the nine-month period ended September 30, 2023

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	\$ 132,653	\$ 132,653	\$ -	2.215~2.315	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,135,587	\$ 1,135,587	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	176,870	88,435	88,435	3.315~3.365	2	-	Operational use	-	-	-	1,135,587	1,135,587	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	221,088	221,088	221,088	3.115~3.315	2	-	Operational use	-	-	-	1,135,587	1,135,587	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	132,653	132,653	132,653	3.315	2	-	Operational use	-	-	-	227,117	454,235	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	287,414	287,414	287,414	3.215~3.365	2	-	Operational use	-	-	-	423,992	423,992	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	1,657,749	1,657,749	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	265,306	265,306	265,306	3.315	2	-	Operational use	-	-	-	1,657,749	1,657,749	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	265,306	132,653	132,653	3.215~3.315	2	-	Operational use	-	-	-	331,550	663,100	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	221,088	176,870	176,870	3.315~3.365	2	-	Operational use	-	-	-	331,550	663,100	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			
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	\$ 243,197	\$ 221,088	\$ 154,762	3.315~3.465	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,425,660	\$ 1,425,660	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	2.215~2.315	2	-	Operational use	-	-	-	1,425,660	1,425,660	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	486,393	265,306	265,306	3.315~3.365	2	-	Operational use	-	-	-	1,425,660	1,425,660	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	132,653	66,326	66,326	3.115~3.365	2	-	Operational use	-	-	-	285,132	570,264	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	176,870	176,870	176,870	3.315	2	-	Operational use	-	-	-	285,132	570,264	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	420,067	420,067	331,632	3.115~3.365	2	-	Operational use	-	-	-	825,051	825,051	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	2.215~2.315	2	-	Operational use	-	-	-	825,051	825,051	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	132,653	132,653	132,653	3.315	2	-	Operational use	-	-	-	165,010	330,020	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	3.315	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	221,088	221,088	88,435	3.115~3.315	2	-	Operational use	-	-	-	13,081,873	13,081,873	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.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 132,653	\$ 132,653	\$ -	3.215~3.315	2	\$ -	Operational use	\$ -	-	\$ -	\$ 13,081,873	\$ 13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	132,653	132,653	-	3.215~3.315	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	994,896	596,937	464,285	3.215~3.465	2	-	Operational use	-	-	-	13,081,873	13,081,873	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	795,917	795,917	596,937	3.115~3.365	2	-	Operational use	-	-	-	2,616,375	5,232,749	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	132,653	88,435	-	-	2	-	Operational use	-	-	-	2,616,375	5,232,749	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	2.215~2.315	2	-	Operational use	-	-	-	1,824,428	1,824,428	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	88,435	-	-	3.315	2	-	Operational use	-	-	-	1,824,428	1,824,428	Note 2
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	1,215,225	1,215,225	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	2.215~2.315	2	-	Operational use	-	-	-	1,006,022	1,006,022	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	309,523	198,979	198,979	3.115~3.365	2	-	Operational use	-	-	-	1,006,022	1,006,022	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	110,544	110,544	110,544	3.315	2	-	Operational use	-	-	-	1,006,022	1,006,022	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	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	
					Maximum balance	Ending balance						drawn down	Item				Value
9	Beijing Ton Yi Industrial Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 88,435	\$ 88,435	\$ 88,435	3.215	2	\$ -	Operational use	\$ -	-	-	\$ 1,006,022	\$ 1,006,022	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	176,870	176,870	176,870	3.115~3.315	2	-	Operational use	-	-	-	201,204	402,409	Note 2
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	1,261,510	1,261,510	Note 2
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	397,958	397,958	397,958	3.215~3.515	2	-	Operational use	-	-	-	443,391	886,783	Note 2
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	176,870	22,109	22,109	3.115~3.365	2	-	Operational use	-	-	-	443,391	886,783	Note 2
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	154,762	154,762	154,762	3.315~3.365	2	-	Operational use	-	-	-	443,391	886,783	Note 2
12	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	132,653	132,653	-	-	2	-	Operational use	-	-	-	455,629	455,629	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 September 30, 2023 as follows: CNY:NTD 1 : 4.421759.

Ton Yi Industrial Corp. and Subsidiaries

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

September 30, 2023

Table 2

Expressed in thousands of NTD

		As of September 30, 2023						
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	\$ 118,423	0.04%	\$ 118,423	—

(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 nine-month period ended September 30, 2023

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)	\$ 1,656,388	(18)	50 days after shipping, T/T	\$ -	-	\$ 207,580	22	-
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)	(260,365)	(3)	Within 30 days of statements settled monthly, T/T	-	-	60,368	6	-
Wuxi Ton Yi Industrial Packing Co., Ltd.	President (Kunshan) Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(614,103)	(27)	Within 90 days of statements settled monthly, T/T	-	-	65,643	22	-
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)	(408,428)	(18)	Within 30 days of statements settled monthly, T/T	-	-	46,411	16	-
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)	(317,167)	(14)	Within 30 days of statements settled monthly, T/T	-	-	37,578	13	-
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	408,428	97	Within 30 days of statements settled monthly, T/T	-	-	(46,411)	(96)	-
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	364,296	50	67 days after invoice date, T/T	-	-	(66,139)	(64)	-
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	317,167	43	Within 30 days of statements settled monthly, T/T	-	-	(37,578)	(36)	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Fujian Ton Yi Tinplate Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	\$ 1,656,388	60	50 days after shipping, T/T	\$ -	—	(\$ 207,580)	(86)	—
Fujian Ton Yi Tinplate Co., Ltd	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	(1,204,748)	(40)	67 days after invoice date, T/T	-	—	86,571	11	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Purchases	1,204,748	100	67 days after invoice date, T/T	-	—	(86,571)	(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)	(364,296)	(30)	67 days after invoice date, T/T	-	—	66,139	11	—
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	168,771	15	15 days after receipt of invoice, T/T	-	—	(40,219)	(22)	—
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)	(1,475,246)	(79)	25 days after receipt of invoice, T/T	-	—	284,279	80	—
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	160,628	11	15 days after receipt of invoice, T/T	-	—	(6,430)	(4)	—
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)	(1,752,382)	(72)	25 days after receipt of invoice, T/T	-	—	215,157	66	—
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)	(133,637)	(6)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	22,067	7	—
Chengdu 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	114,402	15	15 days after receipt of invoice, T/T	-	—	(2,105)	(10)	—

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)	
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)	\$ 939,506	(71)	25 days after receipt of invoice, T/T	-	—	\$ 40,054	32	—
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)	(111,217)	(8)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	17,943	14	—
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)	(1,031,681)	(83)	25 days after receipt of invoice, T/T	-	—	158,355	86	—
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	282,394	19	15 days after receipt of invoice, T/T	-	—	(17,363)	(9)	—
Kunshan Ton Yi Industrial Co., Ltd.	President (Kunshan) Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(2,057,007)	(97)	25 days after receipt of invoice, T/T	-	—	231,404	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	139,595	13	15 days after receipt of invoice, T/T	-	—	(14,660)	(9)	—
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,619,691)	(100)	25 days after receipt of invoice, T/T	-	—	166,974	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	154,852	12	15 days after receipt of invoice, T/T	-	—	(7,659)	(3)	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,836,566)	(98)	25 days after receipt of invoice, T/T	-	—	253,251	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	144,901	16	5~45 days after receipt of invoice, T/T	-	—	(13,951)	(12)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
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)	\$ 1,189,358	(84)	25 days after receipt of invoice, T/T	-	—	\$ 113,931	74	—
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)	(222,394)	(16)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	39,222	26	—
Tianjin 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	100,292	19	15 days after receipt of invoice, T/T	-	—	(16,971)	(18)	—
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)	(676,666)	(93)	25 days after receipt of invoice, T/T	-	—	115,194	96	—

(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 September 30, 2023 (USD:NTD 1:32.27 ; CNY:NTD 1:4.421759).

Purchases and sales were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2023 (USD:NTD 1:30.955859 ; CNY:NTD 1:4.39531).

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2023

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	\$ 207,580	8.39	\$ -	—	\$ 29,077	\$ -
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	287,677	-	-	—	-	-
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	398,921	-	-	—	-	-
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	154,904	-	-	—	-	-
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	600,230	-	-	—	57	-
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	469,914	-	-	—	-	-
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	284,279	8.39	-	—	159,844	-
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	215,157	11.54	-	—	215,157	-
Taizhou 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	269,630	-	-	—	-	-
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	177,033	-	-	—	-	-

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	\$ 133,873	-	\$ -	-	\$ -	\$ -
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	158,355	8.87	-	-	62,159	-
Kunshan Ton Yi Industrial Co., Ltd.	President (Kunshan) Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	231,404	10.59	-	-	145,168	-
Kunshan 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	224,905	-	-	-	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	135,853	-	-	-	-	-
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	166,974	12.28	-	-	136,194	-
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	199,144	-	-	-	-	-
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	180,282	-	-	-	-	-
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	113,455	-	-	-	-	-
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	253,251	9.59	-	-	253,251	-
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	269,305	-	-	-	164	-
Sichuan 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	179,818	-	-	-	-	-
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	159,259	-	-	-	68,391	-

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.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	\$ 113,931	17.72	\$ -	—	\$ 68,144	\$ -
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	331,884	-	-	—	-	-
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	136,830	-	-	—	136,830	-
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	Accounts receivable	115,194	8.94	-	—	74,461	-

(Note) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivables and subsequent collections were translated using the exchange rate as at September 30, 2023 (CNY:NTD 1:4.421759 ; USD:NTD 1:32.27).

Ton Yi Industrial Corp. and Subsidiaries
Significant inter-company transactions during the reporting period
For the nine-month period ended September 30, 2023

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	\$ 1,656,388	50 days after shipping, T/T	6
			1	Accounts receivable	207,580	—	1
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	287,677	—	1
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	408,428	Within 30 days of statements settled monthly, T/T	1
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	317,167	Within 30 days of statements settled monthly, T/T	1
3	Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	3	Sales	1,204,748	67 days after invoice date, T/T	4
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	364,296	67 days after invoice date, T/T	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	398,921	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	154,904	—	—
5	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	600,230	—	2
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	469,914	—	1
6	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	269,630	—	1
		Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	177,033	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	133,873	—	—
7	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	224,905	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	135,853	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	199,144	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	180,282	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	113,455	—	—
9	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	269,305	—	1
		Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	179,818	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	159,259	—	—

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	
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	\$ 331,884	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	136,830	—	—

(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 September 30, 2023 (CNY:NTD 1:4.421759); Sales were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2023 (CNY:NTD 1:4.39531).

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2023

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at September 30, 2023			Net income (loss) of the investee	Income (loss) recognized by the Company	Note
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General investment	\$ 13,399,488	\$ 13,399,488	43,470,820	100.00	\$ 18,639,716	\$ 809,215	\$ 809,215	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	54,960 (5,671) (2,892)	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,422,100	7,422,100	230,000,000	100.00	13,081,890	1,090,072	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	2,067,283	2,067,283	8,727	100.00	1,957,140 (214,686)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,158,583	1,158,583	5,000	100.00	1,836,929 (37,087)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	7,422,100	7,422,100	230,000,000	100.00	13,081,890	1,090,072	-	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 September 30, 2023 (USD:NTD 1:32.27);

Profit and loss were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2023 (USD:NTD 1:30.955859).

Ton Yi Industrial Corp. and Subsidiaries
Information on investments in Mainland China - Basic information
For the nine-month period ended September 30, 2023

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, 2023	Investment amount		Accumulated amount of remittance from Taiwan as of September 30, 2023	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of September 30, 2023	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	\$ 871,290	Note 1	\$ 225,890	\$ -	\$ -	\$ 225,890	(\$ 50,657)	100.00	(\$ 49,021)	\$ 956,494	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	242,025	Note 1	242,025	-	-	242,025	14,825	100.00	14,825	438,906	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	225,890	Note 1	-	-	-	-	5,112	100.00	5,112	335,017	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,791,355	Note 2	1,721,508	-	-	1,721,508	(247,322)	86.80	(214,686)	1,957,140	-	Note 8
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,290,800	Note 3	895,493	-	-	895,493	(44,760)	82.86	(37,087)	1,836,929	-	Note 8
Ton Yi (China) Investment Co., Ltd.	General investment	7,422,100	Note 4	968,100	-	-	968,100	1,090,072	100.00	1,090,072	13,081,890	861,687	Note 8
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	968,100	-	-	968,100	187,559	100.00	187,559	1,824,428	-	Note 8
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	968,100	-	-	968,100	263,018	100.00	263,018	1,657,749	-	Note 8
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	371,105	-	-	371,105	156,287	100.00	156,287	1,372,453	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	193,620	-	-	193,620	109,457	100.00	109,457	1,371,625	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	-	-	-	-	62,696	100.00	62,696	1,135,587	-	Note 8
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	968,100	Note 5	-	-	-	-	44,988	100.00	44,988	1,051,281	-	Note 7

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from	Investment amount		Accumulated amount	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of September 30, 2023	Accumulated remittance	Note
				Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	of remittance from Taiwan as of September 30, 2023						
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	\$ 968,100	Note 5	\$ -	\$ -	\$ -	\$ -	\$ 136,939	100.00	\$ 136,939	\$ 1,342,335	\$ -	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	645,400	Note 5	-	-	-	-	130,558	100.00	130,558	956,934	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	645,400	Note 5	-	-	-	(9,055)	100.00	(9,055)	(9,055)	446,520	-	Note 7
Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing and sale of new bottle can	1,290,800	Note 6	-	-	-	(50,516)	66.50	(33,593)	(33,593)	585,796	-	Note 7
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023</u>	<u>Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 9)</u>										
Ton Yi Industrial Corp.	\$ 6,553,941	\$ 13,117,342	\$ 12,250,901										

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

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

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

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

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

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

(Note 7) The Company recognized income (loss) based on unreviewed financial statements

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

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

(Note 10) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending investment balances were translated using the exchange rate as at September 30, 2023 (CNY:NTD 1:4.421759, USD:NTD 1:32.27);

Investment gains or losses were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2023 (CNY:NTD 1:4.39531, USD:NTD 1:30.955859).

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 nine-month period ended September 30, 2023

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			Interest during the nine-month period ended September 30, 2023	Others
	Amount	%	Amount	%	Balance at September 30, 2023	%	Balance at September 30, 2023	Purpose	Maximum balance during the nine-month period ended September 30, 2023	Balance at September 30, 2023	Interest rate		
Fujian Ton Yi Tinplate Co., Ltd.	\$ 1,656,388	18	\$ -	-	\$ 207,580	22	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

September 30, 2023

Table 9

Expressed 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.