

**TON YI INDUSTRIAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
SEPTEMBER 30, 2015 AND 2014**

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and subsidiaries as of September 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements of changes in equity and of cash flows for the nine-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in Note 4(3), we did not review the financial statements of certain insignificant consolidated subsidiaries, whose statements reflect total assets of NT\$10,316,674 thousand and NT\$11,466,289 thousand, constituting 21.22% and 23.99% of the consolidated total assets, and total liabilities of NT\$3,820,074 thousand and NT\$4,285,329 thousand, constituting 13.71% and 15.53% of the consolidated total liabilities as of September 30, 2015 and 2014, respectively, and total comprehensive income (loss) of (NT\$5,541) thousand, NT\$33,960 thousand, NT\$183,242 thousand and NT(\$28,067) thousand, constituting (1.40%), 7.76%, 21.80% and (4.61%) of the consolidated total comprehensive income (loss) for the three-month and nine-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these subsidiaries as of September 30, 2015 and 2014.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the R.O.C. “Rules Governing the Preparation of Financial Statements by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

Republic of China

November 4, 2015

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

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Assets	Notes	September 30, 2015 AMOUNT	December 31, 2014 AMOUNT	September 30, 2014 AMOUNT	
Current assets					
1100	Cash and cash equivalents	6(1) and 8	\$ 1,811,106	\$ 1,571,903	\$ 1,823,810
1150	Notes receivable, net	6(2)(3)	1,239,572	1,255,436	931,732
1170	Accounts receivable, net	6(3) and 8	1,414,280	2,041,830	1,786,793
1180	Accounts receivable - related parties	7 and 8	1,675,861	689,692	1,198,432
1200	Other receivables		137,176	143,211	171,069
1220	Current income tax assets	6(26)	26,154	35,848	16,832
130X	Inventories	5(2) and 6(4)	4,679,385	5,053,426	5,310,937
1410	Prepayments	6(8)(28) and 7	1,302,562	1,778,101	1,500,715
1460	Non-current assets held for sale - net	6(5)(28)	-	39,928	318,391
1476	Other current financial assets	8	45,983	53,979	17,217
11XX	Total current assets		<u>12,332,079</u>	<u>12,663,354</u>	<u>13,075,928</u>
Non-current assets					
1523	Available-for-sale financial assets - non-current	6(6)	106,992	178,340	152,100
1543	Financial assets carried at cost - non-current	6(7)	501,050	501,050	501,050
1600	Property, plant and equipment - net	6(8)(9)(28)	33,846,066	35,344,195	32,524,221
1760	Investment property - net	6(8)(9)(28)	165,243	167,463	164,355
1780	Intangible assets	6(10)	468,137	488,186	484,561
1840	Deferred income tax assets	5(2) and 6(26)	478,470	356,162	264,446
1915	Prepayments for business facilities	6(8)(28)	41,939	907	4,572
1920	Guarantee deposits paid	7	85,998	53,530	59,215
1985	Long-term prepaid rents	6(11)	525,362	499,142	488,230
1990	Other non-current assets, others		59,600	76,490	75,533
15XX	Total non-current assets		<u>36,278,857</u>	<u>37,665,465</u>	<u>34,718,283</u>
1XXX	Total assets		<u>\$ 48,610,936</u>	<u>\$ 50,328,819</u>	<u>\$ 47,794,211</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2015 AMOUNT	December 31, 2014 AMOUNT	September 30, 2014 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(12) and 8 \$ 4,271,530	\$ 4,102,556	\$ 5,439,274
2110	Short-term notes and bills payable	6(13) -	99,942	1,699,220
2150	Notes payable	17,722	19,571	20,584
2170	Accounts payable	1,343,496	601,615	1,230,147
2180	Accounts payable - related parties	7 255,551	172,561	227,064
2200	Other payables	6(28) 1,478,058	1,637,040	1,528,673
2220	Other payables - related parties	6(28) and 7 163,957	1,282,736	69,351
2230	Current income tax liabilities	6(26) 33,546	71,440	41,397
2260	Liabilities directly related to non-current assets held for sale	6(5) -	-	970
2305	Other current financial liabilities	17,898	16,437	31,846
2310	Advance receipts	6(28) 61,906	157,810	52,669
2320	Long-term liabilities, current portion	6(15) and 9 5,637,506	4,737,529	4,124,222
21XX	Total current liabilities	<u>13,281,170</u>	<u>12,899,237</u>	<u>14,465,417</u>
Non-current liabilities				
2530	Corporate bonds payable	6(14) 737,420	-	-
2540	Long-term borrowings	6(15) and 9 13,054,869	16,026,489	12,348,694
2550	Provisions for liabilities - non-current	6(16)(23) 73,661	72,639	72,305
2570	Deferred income tax liabilities	6(26) 316,691	272,344	254,453
2630	Long-term deferred revenue	49,654	48,848	47,332
2640	Accrued pension liabilities - non-current	5(2) and 6(17) 348,633	390,035	394,930
2645	Guarantee deposits received	10,003	10,180	8,500
25XX	Total non-current liabilities	<u>14,590,931</u>	<u>16,820,535</u>	<u>13,126,214</u>
2XXX	Total liabilities	<u>27,872,101</u>	<u>29,719,772</u>	<u>27,591,631</u>
Equity attributable to owners of parent				
Share capital				
3110	Share capital - common stock	6(18) 15,791,453	15,791,453	15,791,453
3200	Capital surplus	6(19) 228,178	228,178	228,178
Retained earnings				
3310	Legal reserve	6(20)(25)(26) 1,379,732	1,303,221	1,303,221
3320	Special reserve	826,453	826,453	826,453
3350	Unappropriated retained earnings	924,872	811,964	736,831
3400	Other equity interest	6(6) 464,742	473,223	167,976
31XX	Equity attributable to owners of the parent	<u>19,615,430</u>	<u>19,434,492</u>	<u>19,054,112</u>
36XX	Non-controlling interest	4(3) 1,123,405	1,174,555	1,148,468
3XXX	Total equity	<u>20,738,835</u>	<u>20,609,047</u>	<u>20,202,580</u>
Contingent liabilities and commitments				
3X2X	Total liabilities and equity	9 \$ <u>48,610,936</u>	\$ <u>50,328,819</u>	\$ <u>47,794,211</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 4, 2015.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Items	Notes	Three months ended September 30		Nine months ended September 30	
		2015	2014 (adjusted)	2015	2014 (adjusted)
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
4000					
4000	7	\$ 9,342,382	\$ 9,580,201	\$ 28,885,038	\$ 28,037,298
5000	6(4)(10)(11)(17)(24)(25), 7 and 9	(8,230,937)	(8,700,110)	(25,551,867)	(24,976,451)
5950		<u>1,111,445</u>	<u>880,091</u>	<u>3,333,171</u>	<u>3,060,847</u>
6100					
6100	6(9)(10)(11)(17)(24)(25), 7 and 9	(300,544)	(361,560)	(952,472)	(1,029,824)
6200		(308,836)	(273,945)	(980,854)	(794,209)
6000		<u>(609,380)</u>	<u>(635,505)</u>	<u>(1,933,326)</u>	<u>(1,824,033)</u>
6900		<u>502,065</u>	<u>244,586</u>	<u>1,399,845</u>	<u>1,236,814</u>
7010					
7010	6(9)(21)	32,610	40,155	111,973	113,837
7020	6(5)(22) and 12	(237,587)	57,376	(117,926)	(50,037)
7050	6(8)(23)	(160,032)	(127,058)	(495,113)	(377,878)
7000		<u>(365,009)</u>	<u>(29,527)</u>	<u>(265,214)</u>	<u>(314,078)</u>
7900		137,056	215,059	1,134,631	922,736
7950	6(26)	(22,421)	(57,359)	(293,611)	(238,352)
8200		<u>\$ 114,635</u>	<u>\$ 157,700</u>	<u>\$ 841,020</u>	<u>\$ 684,384</u>
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss					
8361					
8361		\$ 345,277	\$ 281,785	\$ 70,731	(\$ 49,472)
8362	6(6)	(64,419)	(1,902)	(71,348)	(25,479)
8300		<u>\$ 280,858</u>	<u>\$ 279,883</u>	<u>\$ 617</u>	<u>\$ 74,951</u>
8500		<u>\$ 395,493</u>	<u>\$ 437,583</u>	<u>\$ 840,403</u>	<u>\$ 609,433</u>
Profit (loss), attributable to:					
8610					
8610		\$ 143,796	\$ 161,608	\$ 900,034	\$ 689,975
8620		(29,161)	(3,908)	(59,014)	(5,591)
		<u>\$ 114,635</u>	<u>\$ 157,700</u>	<u>\$ 841,020</u>	<u>\$ 684,384</u>
Comprehensive income (loss) attributable to:					
8710					
8710		\$ 389,399	\$ 432,679	\$ 891,553	\$ 631,939
8720		6,094	4,904	(51,150)	(22,506)
		<u>\$ 395,493</u>	<u>\$ 437,583</u>	<u>\$ 840,403</u>	<u>\$ 609,433</u>
Earnings per share					
9750					
9750	6(27)	<u>\$ 0.09</u>	<u>\$ 0.10</u>	<u>\$ 0.57</u>	<u>\$ 0.44</u>
9850					
9850	6(27)	<u>\$ 0.09</u>	<u>\$ 0.10</u>	<u>\$ 0.57</u>	<u>\$ 0.44</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 4, 2015.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital Reserves				Retained Earnings			Other equity interest					
	Share capital - common stock	Capital surplus, additional paid-in capital	Treasury stock transactions	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total			
<u>Nine-month period ended September 30, 2014</u>													
	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,183,966	\$ 826,453	\$ 1,192,555	\$ 427,350	(\$ 201,338)	\$ 19,448,617	\$ 1,149,194	\$ 20,597,811	
	Distribution of 2013 net income :												
					119,255	(119,255)							
						(1,026,444)				(1,026,444)		(1,026,444)	
							689,975			689,975	(5,591)	684,384	
								(32,557)	(25,479)	(58,036)	(16,915)	(74,951)	
											21,780	21,780	
	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,303,221</u>	<u>\$ 826,453</u>	<u>\$ 736,831</u>	<u>\$ 394,793</u>	<u>(\$ 226,817)</u>	<u>\$ 19,054,112</u>	<u>\$ 1,148,468</u>	<u>\$ 20,202,580</u>	
<u>Nine-month period ended September 30, 2015</u>													
	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,303,221	\$ 826,453	\$ 811,964	\$ 673,800	(\$ 200,577)	\$ 19,434,492	\$ 1,174,555	\$ 20,609,047	
	Distribution of 2014 net income :												
					76,511	(76,511)							
						(710,615)				(710,615)		(710,615)	
							900,034			900,034	(59,014)	841,020	
								62,867	(71,348)	(8,481)	7,864	(617)	
	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 924,872</u>	<u>\$ 736,667</u>	<u>(\$ 271,925)</u>	<u>\$ 19,615,430</u>	<u>\$ 1,123,405</u>	<u>\$ 20,738,835</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 4, 2015.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine-month periods ended September 30,	
		2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the period		\$ 1,134,631	\$ 922,736
Adjustments to reconcile net income to net cash (in) provided by operating activities			
Income and expenses having no effect on cash flows			
Loss on financial assets at fair value through profit or loss		-	43
Reversal of allowance for doubtful accounts	6(3)	(8,658)	(27,282)
Provision for inventory market price decline	6(4)	27,863	38,304
Gain on disposal of non-current assets held for sale	6(5)(22)	(452,780)	-
Property, plant and equipment transferred to expenses	6(8)	369	-
Depreciation on property, plant and equipment	6(8)(9)	2,132,228	1,840,954
Loss on disposal of property, plant and equipment	6(22)	29,593	4,313
Gain on disposal of investment property	6(22)	-	(632)
Amortization	6(10)(24)	34,258	34,312
Amortization of long-term prepaid rent	6(11)	9,378	8,490
Dividend income	6(21)	(65)	(1,287)
Interest income	6(21)	(21,431)	(20,058)
Interest expense	6(23)	495,113	377,878
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		15,864	138,227
Accounts receivable		635,357	320,023
Accounts receivable - related parties		(986,169)	(316,477)
Other receivables		6,035	7,245
Inventories		344,878	(424,640)
Prepayments		481,403	115,994
Net changes in liabilities relating to operating activities			
Notes payable		(1,849)	(2,390)
Accounts payable		741,881	(56,477)
Accounts payable - related parties		82,990	17,781
Other payables		24,065	63,628
Other payables - related parties		112,844	69,351
Advance receipts		8,887	(107,243)
Long-term deferred revenue		806	47,332
Accrued pension liabilities - non-current		(41,402)	(40,848)
Cash generated from operations		4,806,089	3,009,277
Dividends received		65	1,287
Interest received		21,431	20,058
Interest paid		(473,817)	(382,862)
Income tax refund		-	12,591
Income tax paid		(394,814)	(410,302)
Net cash provided by operating activities		<u>3,958,954</u>	<u>2,250,049</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	<u>Nine-month periods ended September 30,</u>	
		<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of disposal groups held for sale	6(28)	\$ 387,937	\$ -
Increase in disposal group held for sale		-	(3,666)
Decrease (increase) in other current assets - other financial assets		7,996	(11,246)
Acquisition of property, plant and equipment	6(28)	(1,674,073)	(1,338,005)
Proceeds from disposal of property, plant and equipment		22,976	5,890
Acquisition of investment property	6(9)	(785)	(7,179)
Proceeds from disposal of investment property		-	1,094
Acquisition of intangible assets	6(10)	(281)	(14,392)
Increase in prepayments for equipment		(180,078)	(327,379)
Interest paid for prepayments for equipment	6(8)(23)	(667)	(38,421)
(Increase) decrease in guarantee deposits paid		(32,468)	57,988
Increase in long-term prepaid rent		(28,330)	(161,583)
Decrease in other non-current assets - others		16,890	7,447
Net cash used in investing activities		<u>(1,480,883)</u>	<u>(1,829,452)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		168,974	1,239,627
(Decrease) increase in notes and bills payable		(99,942)	1,699,220
Increase in other current liabilities - other financial liabilities		1,461	27,084
Proceeds from issuance of corporate bonds		717,242	-
Increase in long-term borrowings		29,379,557	10,866,550
Decrease in long-term borrowings		(31,824,042)	(12,226,261)
Decrease in guarantee deposits received		(177)	(7,287)
Cash dividends paid	6(20)	(710,615)	(1,026,444)
Net cash (used in) provided by financing activities		<u>(2,367,542)</u>	<u>572,489</u>
Effect of foreign exchange rate changes on cash and cash equivalents		128,674	25,899
Increase in cash and cash equivalents		239,203	1,018,985
Cash and cash equivalents at beginning of period	6(1)	1,571,903	804,825
Cash and cash equivalents at end of period	6(1)	<u>\$ 1,811,106</u>	<u>\$ 1,823,810</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 4, 2015.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

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

(Unaudited)

1. HISTORY AND ORGANIZATION

- (1) Ton Yi Industrial Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 14, 1969. The Company is primarily engaged in the manufacture, processing and sales of various cans of steel and tin plate.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since January 1991.
- (3) Uni-President Enterprises Corp. holds 45.55% equity interest in the Company and is the ultimate parent company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on November 4, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, ‘Financial instruments’) as endorsed by the FSC and Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as the “2013 version of IFRS”) in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 1, ‘Presentation of financial statements’

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Company and its subsidiaries (collectively referred herem as the “Group”) will adjust its presentation of the statement of comprehensive income.

B. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

C. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC :

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Improvements to IFRSs 2012-2014	January 1, 2016
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact on the consolidated financial statements will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Available-for-sale financial assets measured at fair value.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting

Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transaction- that is, as transactions with the owners in their capacity as owners. The difference between non-controlling interest adjustments and consideration paid or received is recorded in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Company (%)		Note
			September 30, 2015	December 31, 2014	
TON YI INDUSTRIAL CORP.	Cayman Ton Yi Industrial Holdings Ltd.	General trading and investments	100.00	100.00	—
TON YI INDUSTRIAL CORP.	Tovecan Corp.	Manufacturing of cans	51.00	51.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Industrial Holding Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Industrial Holding Ltd.	General investment	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Sales of cans	100.00	100.00	—
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	General investment	100.00	100.00	—
Cayman Fujian Ton Yi Industrial Holding Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	86.80	86.80	—
Cayman Jiangsu Ton Yi Holdings Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	82.86	82.86	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	—	100.00	(Note 1)
Cayman Ton Yi (China) Holdings Ltd.	Ton Yi (China) Investment Co., Ltd.	General investment	100.00	100.00	—
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)

<u>Name of investors</u>	<u>Name of subsidiaries</u>	<u>Business activities</u>	<u>Percentage owned by the Company (%)</u>		<u>Note</u>
			<u>September 30, 2015</u>	<u>December 31, 2014</u>	
Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—	(Note 1)
Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	(Note 2)
Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	100.00	(Note 2)

Name of investors	Name of subsidiaries	Business activities	Percentage owned by Company (%)	
			September 30, 2014	Note
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	General trading and investments	100.00	—
Ton Yi Industrial Corp.	Tovecan Corp.	Manufacturing of cans	51.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	General investment	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Industrial Holdings Ltd.	General investment	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Industrial Holdings Ltd.	General investment	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	(Note 3)
Cayman Ton Yi Industrial Holdings Ltd.	Changsha Ton Yi Industrial Co., Ltd.	Sales of cans	100.00	—
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	General investment	100.00	—
Cayman Fujian Ton Yi Industrial Holdings Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	86.80	—
Cayman Jiangsu Ton Yi Industrial Holdings Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	82.86	—

Name of investors	Name of subsidiaries	Business activities	Percentage owned by Company (%)	
			September 30, 2014	Note
Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	Manufacturing of cans	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	100.00	—
Cayman Ton Yi (China) Holdings Ltd.	Ton Yi (China) Investment Co., Ltd.	General investment	100.00	—

(Note 1) In May 2015, Ton Yi (China) Investment Co., Ltd. increased its capital and issued new stocks in order to exchange all shares of Taizhou Ton Yi Industrial Co., Ltd., Zhangzhou Ton Yi Industrial Co., Ltd., Kunshan Ton Yi Industrial Co., Ltd., Beijing Ton Yi Industrial Co., Ltd., Huizhou Ton Yi Industrial Co., Ltd. and Chengdu Ton Yi Industrial Co., Ltd. held by Cayman Ton Yi (China) Holdings Ltd.

(Note 2) Newly-established companies during the fourth quarter of 2014.

(Note 3) In accordance with IFRS 5, “Non-current assets held for sale and discontinued operations”, the subsidiary is classified as long-term equity investment held for sale on October 6, 2013. For more information regarding disposal groups held for sale, please refer to Note 6(5).

Except for Cayman Ton Yi Industrial Holdings Ltd., Cayman Ton Yi Holdings Ltd., Cayman Fujian Ton Yi Industrial Holdings Ltd., Chengdu Ton Yi Industrial Packing Co., Ltd., Cayman Ton Yi (China) Holdings Limited, Fujian Ton Yi Tinsplate Co., Ltd., Jiangsu Ton Yi Tinsplate Co.,

Ltd., Ton Yi (China) Investment Co., Ltd., Taizhou Ton Yi Industrial Co., Ltd., Zhangzhou Ton Yi Industrial Co., Ltd., Sichuan Ton Yi Industrial Co., Ltd. and Zhanjiang Ton Yi Industrial Co., Ltd., the financial statements of subsidiaries and disclosures in Note 13 included in the consolidated financial statements as of September 30, 2015 were not reviewed by independent accountants as the subsidiaries do not meet the definition of significant subsidiaries. Except for Cayman Ton Yi Industrial Holdings Ltd., Cayman Fujian Ton Yi Industrial Holdings Ltd. Cayman Jiangsu Ton Yi Industrial Holdings Ltd., Fujian Ton Yi Tinsplate Co., Ltd., Jiangsu Ton Yi Tinsplate Co., Ltd., Taizhou Ton Yi Industrial Co., Ltd., and Zhangzhou Ton Yi Industrial Co., Ltd., the financial statements of subsidiaries included in the consolidated financial statements as of September 30, 2014 were not reviewed by independent accountants. The total assets of these subsidiaries were \$10,316,674 and \$11,466,289, constituting 21.22% and 23.99% of the Group's consolidated total assets, and total liabilities were \$3,820,074 and \$4,285,329, constituting 13.71% and 15.53% of the Group's consolidated total liabilities as of September 30, 2015 and 2014, respectively; and the total comprehensive income (loss) was (\$5,541), \$33,960, \$183,242 and (\$28,067), constituting (1.40%), 7.76%, 21.80% and (4.61%) of the Group's consolidated comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

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

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

E. Significant restrictions: None.

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

As of September 30, 2015, December 31, 2014 and September 30, 2014, the non-controlling interest amounted to \$1,123,405, \$1,174,555 and \$1,148,468, representing 2.31%, 2.33% and 2.40% of the consolidated total assets, respectively. None of the non-controlling interest is material to the Group.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are

re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

- (a) The financial performance and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realized within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

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

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

(6) Cash equivalents

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

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

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

- (a) Hybrid (combined) contracts;
- (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
- (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy or investment strategy.

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

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

are recognized in profit or loss.

(8) Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, for short-term accounts receivable which are not interest bearing, as the effect of discounting is insignificant, they are measured subsequently at the original invoice amount.

(9) Inventories

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

(10) Disposal groups held for sale

Disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(11) Available-for-sale financial assets

- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- B. For regular way purchase or sale, available-for-sale financial assets are recognized and derecognized using trade date accounting.
- C. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets carried at cost'.

(12) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
- (a) Significant financial difficulty of the issuer or debtor;
 - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (c) The disappearance of an active market for that financial asset because of financial difficulties;
 - (d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
 - (e) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the equity investment may not be recovered;
 - (f) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.
- C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting treatment for impairment is as follows:
- (a) Financial assets measured at amortized cost
The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost that would have been at the date of reversal had the impairment loss not been recognized previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Financial assets carried at cost

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

(c) Available-for-sale financial assets

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

(13) Derecognition of financial assets

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

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

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their

estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

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

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

(15) Lease (Lessor)

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

(16) Lease (Lessee)

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

(17) Investment property

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

(18) Intangible assets

A. Goodwill

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

B. Royalties

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

C. Computer software

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

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Notes and accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, for short-term accounts payable which are not interest bearing, as the effect of discounting is insignificant, they are measured subsequently at the original invoice amount.

(22) Financial liabilities instruments

Ordinary corporate bonds issued by the Group are initially recognized at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted

for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

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

(25) Provision

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

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. The liability recognized on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yields of government

bonds (at the balance sheet date).

- ii Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise, and presented in retained earnings.
- iii. 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.

C. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the shareholders at their shareholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(27) Income tax

- A. The tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which case the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not

reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported on the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. 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.

(28) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases its outstanding shares, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. When such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(29) Dividends

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

(30) Revenue recognition

The Group manufactures and sells tinsplate, empty can and PET package, etc. Revenue is measured at the fair value of the consideration received or receivable taking into account the value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured

reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement nor effective control over the goods sold, and the customer has accepted the goods according to the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(31) Government grants

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

(32) Operating segments

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

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

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

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

Financial assets - impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset - equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would suffer a loss in its financial statements, being the transfer of the amounts recognized in other equity on the unrealized gain (loss) on the impaired available-for-sale financial assets to profit or loss.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

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

(b) As of September 30, 2015, the carrying amount of inventories was \$4,679,385.

B. Realisability of deferred income tax assets

(a) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realisability of deferred income tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, and tax planning, etc. Any change in the global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

(b) As of September 30, 2015, the Group recognized deferred income tax assets amounting to \$478,470.

C. Calculation of net defined benefit liabilities - non-current

(a) When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on the balance sheet date, including discount rates and future salary growth rate. Any change in these assumptions could significantly impact the carrying amount of defined pension obligations.

(b) As of September 30, 2015, the carrying amount of net defined benefit liabilities - non-current was \$348,633. If the adopted discount rate used in the actuarial valuation had increased/decreased by 0.25%, the Group's net defined benefit liabilities - non-current would decrease/increase by \$47,770 and \$50,082, respectively.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Cash:			
Cash on hand and petty cash	\$ 1,236	\$ 900	\$ 995
Checking deposits and demand deposits	<u>1,233,263</u>	<u>1,185,770</u>	<u>1,331,882</u>
	<u>1,234,499</u>	<u>1,186,670</u>	<u>1,332,877</u>
Cash equivalents:			
Time deposits	<u>576,607</u>	<u>385,233</u>	<u>490,933</u>
	<u>\$ 1,811,106</u>	<u>\$ 1,571,903</u>	<u>\$ 1,823,810</u>

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

B. Details of the Group's cash and cash equivalents pledged to others as collateral as of September 30, 2015, December 31, 2014, September 30, 2014 are provided in Note 8, "Pledged assets".

(2) Notes receivable, net

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Notes receivable	\$ 1,241,041	\$ 1,256,905	\$ 932,860
Less: Allowance for doubtful accounts	(<u>1,469</u>)	(<u>1,469</u>)	(<u>1,128</u>)
	<u>\$ 1,239,572</u>	<u>\$ 1,255,436</u>	<u>\$ 931,732</u>

A. The Group has no significant past due but not impaired notes receivable.

B. Movements of financial assets that were impaired are shown in Note 6(3).

C. The Group's notes receivable are of good credit quality, not past due and not impaired.

D. The Group did not pledge notes receivable as collateral as of September 30, 2015, December 31, 2014 and September 30, 2014.

(3) Accounts receivable, net

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Accounts receivable	\$ 1,481,856	\$ 2,117,213	\$ 1,850,538
Less: Allowance for doubtful accounts	(<u>67,576</u>)	(<u>75,383</u>)	(<u>63,745</u>)
	<u>\$ 1,414,280</u>	<u>\$ 2,041,830</u>	<u>\$ 1,786,793</u>

A. Aging analysis of the Group's accounts receivable, including those with related party, that are past due but not impaired is as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Within 90 days	\$ 46,793	\$ 396,105	\$ 25,074

The above ageing analysis was based on past due date.

B. Movements of financial assets that were impaired including notes receivable and accounts receivable, are as follows:

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
	<u>Group provision</u>	<u>Group provision</u>
At January 1	\$ 76,852	\$ 92,097
Reversal of impairment	(8,658)	(27,282)
Effect of foreign exchange rate changes	851	58
At September 30	<u>\$ 69,045</u>	<u>\$ 64,873</u>

C. Accounts receivable, including those with related parties, that were neither past due nor impaired have good credit quality.

D. Details of the accounts receivable (including from related parties) pledged as collateral as at September 30, 2015, December 31, 2014 and September 30, 2014 are provided in Note 8, "Pledged assets".

E. The Group did not pledge accounts receivable, including those with related party, as collateral as at September 30, 2015, December 31, 2014 and September 30, 2014.

(4) Inventories

	<u>September 30, 2015</u>		
	<u>Cost</u>	<u>Allowance for price decline of inventories</u>	<u>Carrying amount</u>
	Raw materials	\$ 2,048,178	(\$ 21,996)
Supplies	578,998	(3,664)	575,334
Supplies in transit	20,496	-	20,496
Work in process	701,853	(14,792)	687,061
Finished goods	1,447,352	(77,040)	1,370,312
	<u>\$ 4,796,877</u>	<u>(\$ 117,492)</u>	<u>\$ 4,679,385</u>

December 31, 2014			
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 2,107,780	(\$ 12,737)	\$ 2,095,043
Supplies	559,309	(6,808)	552,501
Supplies in transit	12,860	-	12,860
Work in process	841,778	(11,814)	829,964
Finished goods	<u>1,620,028</u>	<u>(56,970)</u>	<u>1,563,058</u>
	<u>\$ 5,141,755</u>	<u>(\$ 88,329)</u>	<u>\$ 5,053,426</u>
September 30, 2014			
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1,961,984	(\$ 19,854)	\$ 1,942,130
Raw materials in transit	311,951	-	311,951
Supplies	498,591	(4,082)	494,509
Work in process	884,733	(25,506)	859,227
Finished goods	<u>1,747,465</u>	<u>(44,345)</u>	<u>1,703,120</u>
	<u>\$ 5,404,724</u>	<u>(\$ 93,787)</u>	<u>\$ 5,310,937</u>

The cost of inventories recognized as expense for the period:

	Three-month periods ended September 30,	
	2015	2014
Cost of goods sold	\$ 8,283,937	\$ 8,793,566
Loss on decline in market value	7,593	-
Gain on reversal of decline in market value (Note)	-	(18,189)
Loss on disposal of inventory	125	3,007
Revenue from sale of scraps	<u>(60,718)</u>	<u>(78,274)</u>
Total cost of sales	<u>\$ 8,230,937</u>	<u>\$ 8,700,110</u>
	Nine-month periods ended September 30,	
	2015	2014
Cost of goods sold	\$ 25,733,952	\$ 25,238,815
Loss on decline in market value	27,863	38,304
Loss on disposal of inventory	378	3,652
Revenue from sale of scraps	<u>(210,326)</u>	<u>(304,320)</u>
Total cost of sales	<u>\$ 25,551,867</u>	<u>\$ 24,976,451</u>

(Note) The Group reversed a previous inventory write-down and was accounted for as a reduction of cost of goods sold as a result of the increase in selling prices of inventories.

(5) Disposal group classified as held for sale

The assets and liabilities related to Chengdu Ton Yi Industrial Packing Co., Ltd. have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on October 6, 2013 to sell Chengdu Ton Yi Industrial Packing Co., Ltd. The disposal group held for sale is tinsplate segment in Mainland China. The transaction was expected to be completed in June 2014, however, as of June 30, 2014, the equity transfer was in the process of administrative application. On June 30, 2014, a supplemental agreement was signed by both the buyer and seller which provides that there will be no restriction in the original agreement for not completing the equity transfer as of June 30, 2014, as the equity transfer was in the process of administrative application before June 30, 2014. If the administrative acceptance could not be obtained, the equity transfer agreements and supplemental agreement will automatically be terminated. The assets and liabilities of the disposal group held for sale was \$318,391 and \$970 as of September 30, 2014, respectively.

Due to the local land policy restrictions, the administrative acceptance could not be obtained and thus the above equity transfer agreements and supplemental agreement were automatically terminated in December 2014. On December 3, 2014, the Group signed an indemnity agreement for land expropriation and plant demolition and relocation with the People's Government of Xindu District of Chengdu, whereby the Group will demolish all buildings and complete transfer of land within 120 days after the effective date of the agreement. The assets and liabilities not relating to the indemnity agreement was transferred out from the disposal group held for sale for the termination of share capital transfer agreement and supplemental agreement and award of indemnity agreement. The assets and liabilities of the disposal group held for sale was \$39,928 and \$— as of December 31, 2014, respectively.

The above disposal group held for sale had been disposed in February 2015, and gain on disposal of held-for-sale non-current assets (shown as other gains and losses) of \$452,780 was recognized.

A. Assets of disposal group classified as held for sale:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Cash and cash equivalents	\$ —	\$ —	\$ 263,411
Current income tax asset	—	—	1,489
Property, plant and equipment	—	17,902	31,944
Long-term prepaid rent	—	22,026	21,547
	<u>\$ —</u>	<u>\$ 39,928</u>	<u>\$ 318,391</u>

B. Liabilities directly relating to non-current assets classified as held for sale:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Other payables	\$ —	\$ —	\$ 970

C. The disposal group classified as held for sale was measured at the lower of carrying amount and fair value less expected cost of disposal. No impairment was identified after measurement.

(6) Available-for-sale financial assets - non-current

	September 30, 2015	December 31, 2014	September 30, 2014
Listed stocks	\$ 378,917	\$ 378,917	\$ 378,917
Adjustments for change in fair value of available-for-sale financial assets	(271,925)	(200,577)	(226,817)
	<u>\$ 106,992</u>	<u>\$ 178,340</u>	<u>\$ 152,100</u>

A. The Group recognized fair value change in other comprehensive income of (\$64,419), (\$1,902), (\$71,348) and (\$25,479) for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively, and the amount of \$— was reclassified from equity to profit or loss for the period.

B. The Group did not pledge available-for-sale financial assets as collateral as at September 30, 2015, December 31, 2014 and September 30, 2014.

(7) Financial assets carried at cost - non-current

	September 30, 2015	December 31, 2014	September 30, 2014
Unlisted stocks	<u>\$ 501,050</u>	<u>\$ 501,050</u>	<u>\$ 501,050</u>

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

B. The Group did not pledge financial assets measured at cost - non-current as collateral as at September 30, 2015, December 31, 2014 and September 30, 2014.

(8) Property, plant and equipment

Nine-month period ended								Construction	Total
	September 30, 2015	Land	Buildings	Machinery	Vehicles	Office equipment	Others	in progress and equipment to be inspected	
At January 1									
Cost	\$ 615,892	\$ 10,974,383	\$ 46,344,149	\$ 315,192	\$ 172,118	\$ 5,195,561	\$ 2,942,231	\$ 66,559,526	
Accumulated depreciation	—	(4,321,731)	(24,047,803)	(225,143)	(54,526)	(2,566,128)	—	(31,215,331)	
	<u>\$ 615,892</u>	<u>\$ 6,652,652</u>	<u>\$ 22,296,346</u>	<u>\$ 90,049</u>	<u>\$ 117,592</u>	<u>\$ 2,629,433</u>	<u>\$ 2,942,231</u>	<u>\$ 35,344,195</u>	
Opening net book amount	\$ 615,892	\$ 6,652,652	\$ 22,296,346	\$ 90,049	\$ 117,592	\$ 2,629,433	\$ 2,942,231	\$ 35,344,195	
Additions - Cost	—	14,784	58,500	7,469	6,751	50,168	101,457	239,129	
Transfers - Cost (Note)	—	10,049	2,502,436	1,232	35,367	609,984	(3,025,588)	133,480	
Depreciation charge	—	(246,845)	(1,449,054)	(18,795)	(27,731)	(384,373)	—	(2,126,798)	
Disposal - Cost	—	—	(90,467)	(9,856)	(1,357)	(30,117)	—	(131,797)	
Disposal - Accumulated depreciation	—	—	60,149	6,649	1,160	11,270	—	79,228	
Net exchange differences	—	68,298	151,983	363	1,070	14,374	72,541	308,629	
Closing net book value	<u>\$ 615,892</u>	<u>\$ 6,498,938</u>	<u>\$ 23,529,893</u>	<u>\$ 77,111</u>	<u>\$ 132,852</u>	<u>\$ 2,900,739</u>	<u>\$ 90,641</u>	<u>\$ 33,846,066</u>	
At September 30									
Cost	\$ 615,892	\$ 11,092,627	\$ 49,059,369	\$ 314,858	\$ 216,103	\$ 5,859,491	\$ 90,641	\$ 67,248,981	
Accumulated depreciation	—	(4,593,689)	(25,529,476)	(237,747)	(83,251)	(2,958,752)	—	(33,402,915)	
	<u>\$ 615,892</u>	<u>\$ 6,498,938</u>	<u>\$ 23,529,893</u>	<u>\$ 77,111</u>	<u>\$ 132,852</u>	<u>\$ 2,900,739</u>	<u>\$ 90,641</u>	<u>\$ 33,846,066</u>	

(Note) Including transfer of \$139,713 from Prepayment for equipment; transfer of \$5,864 into Prepayment; transfer of \$369 into expenses.

Nine-month period ended								Construction	Total
	September 30, 2014	Land	Buildings	Machinery	Vehicles	Office equipment	Others	in progress and equipment to be inspected	
At January 1									
Cost	\$ 615,892	\$ 8,413,184	\$ 43,650,625	\$ 296,811	\$ 104,287	\$ 4,700,473	\$ 3,221,916	\$ 61,003,188	
Accumulated depreciation	—	(3,986,636)	(22,136,586)	(203,704)	(31,152)	(2,199,066)	—	(28,557,144)	
	<u>\$ 615,892</u>	<u>\$ 4,426,548</u>	<u>\$ 21,514,039</u>	<u>\$ 93,107</u>	<u>\$ 73,135</u>	<u>\$ 2,501,407</u>	<u>\$ 3,221,916</u>	<u>\$ 32,446,044</u>	
Opening net book amount	\$ 615,892	\$ 4,426,548	\$ 21,514,039	\$ 93,107	\$ 73,135	\$ 2,501,407	\$ 3,221,916	\$ 32,446,044	
Additions - Cost	—	226,052	81,718	4,112	19,571	136,725	1,034,564	1,502,742	
Transfers - Cost (Note)	—	1,636,829	1,753,442	10,293	25,230	231,015	(3,281,410)	375,399	
Depreciation charge	—	(218,824)	(1,311,029)	(17,141)	(15,634)	(274,809)	—	(1,837,437)	
Disposal - Cost	—	(7,090)	(55,460)	(3,534)	(496)	(36,532)	—	(103,112)	
Disposal - Accumulated depreciation	—	7,058	50,302	3,277	448	31,824	—	92,909	
Net exchange differences	—	8,053	27,722	123	73	1,890	9,815	47,676	
Closing net book value	<u>\$ 615,892</u>	<u>\$ 6,078,626</u>	<u>\$ 22,060,734</u>	<u>\$ 90,237</u>	<u>\$ 102,327</u>	<u>\$ 2,591,520</u>	<u>\$ 984,885</u>	<u>\$ 32,524,221</u>	
At September 30									
Cost	\$ 615,892	\$ 10,279,413	\$ 45,482,996	\$ 308,169	\$ 148,892	\$ 5,036,735	\$ 984,885	\$ 62,856,982	
Accumulated depreciation	—	(4,200,787)	(23,422,262)	(217,932)	(46,565)	(2,445,215)	—	(30,332,761)	
	<u>\$ 615,892</u>	<u>\$ 6,078,626</u>	<u>\$ 22,060,734</u>	<u>\$ 90,237</u>	<u>\$ 102,327</u>	<u>\$ 2,591,520</u>	<u>\$ 984,885</u>	<u>\$ 32,524,221</u>	

(Note) Including transfer of \$526,027 from Prepayment for equipment; transfer of \$150,628 into Investment property.

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

	Three-month periods ended September 30,	
	2015	2014
Amount capitalized	\$ 118	\$ 10,745
Interest rate range	1.30%~3.03%	1.30%~6.15%
	Nine-month periods ended September 30,	
	2015	2014
Amount capitalized	\$ 667	\$ 38,421
Interest rate range	1.30%~3.03%	1.30%~6.15%

B. The Group did not pledge property, plant and equipment as collateral as at September 30, 2015, December 31, 2014 and September 30, 2014.

(9) Investment property

Nine-month period ended	September 30, 2015		
	Land	Buildings	Total
At January 1			
Cost	\$ 41,638	\$ 162,861	\$ 204,499
Accumulated depreciation	-	(5,497)	(5,497)
Accumulated impairment	(31,539)	-	(31,539)
	<u>\$ 10,099</u>	<u>\$ 157,364</u>	<u>\$ 167,463</u>
Opening net book value	\$ 10,099	\$ 157,364	\$ 167,463
Additions-Cost	-	785	785
Depreciation	-	(5,430)	(5,430)
Net currency exchange difference	-	2,425	2,425
Closing net book value	<u>\$ 10,099</u>	<u>\$ 155,144</u>	<u>\$ 165,243</u>
At September 30			
Cost	\$ 41,638	\$ 166,332	\$ 207,970
Accumulated depreciation	-	(11,188)	(11,188)
Accumulated impairment	(31,539)	-	(31,539)
	<u>\$ 10,099</u>	<u>\$ 155,144</u>	<u>\$ 165,243</u>

Nine-month period ended September 30, 2014	Land	Buildings	Total
At January 1			
Cost	\$ 42,100	\$ -	\$ 42,100
Accumulated impairment	(31,539)	-	(31,539)
	<u>\$ 10,561</u>	<u>\$ -</u>	<u>\$ 10,561</u>
Opening net book value	\$ 10,561	\$ -	\$ 10,561
Additions-Cost	-	7,179	7,179
Transfer from property, plant and equipment-Cost	-	150,628	150,628
Depreciation	-	(3,517)	(3,517)
Disposal-Cost	(462)	-	(462)
Net currency exchange difference	-	(34)	(34)
Closing net book value	<u>\$ 10,099</u>	<u>\$ 154,256</u>	<u>\$ 164,355</u>
At September 30			
Cost	\$ 41,638	\$ 157,807	\$ 199,445
Accumulated depreciation	-	(3,551)	(3,551)
Accumulated impairment	(31,539)	-	(31,539)
	<u>\$ 10,099</u>	<u>\$ 154,256</u>	<u>\$ 164,355</u>

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

	Three-month periods ended September 30,	
	2015	2014
Rental income of investment property	<u>\$ 6,805</u>	<u>\$ 6,576</u>
Direct operating expenses from the investment property that generated income in the period	<u>\$ 3,023</u>	<u>\$ 2,921</u>
	<u>\$ 3,782</u>	<u>\$ 3,655</u>
	Nine-month periods ended September 30,	
	2015	2014
Rental income of investment property	<u>\$ 20,326</u>	<u>\$ 15,395</u>
Direct operating expenses from the investment property that generated income in the period	<u>\$ 9,028</u>	<u>\$ 6,253</u>
	<u>\$ 11,298</u>	<u>\$ 9,142</u>

B. The fair values of the investment property held by the Group as at September 30, 2015, December 31, 2014 and September 30, 2014 were \$292,532, \$280,837 and \$291,606, respectively. Land is valued according to Current Land Value announced by the Department of Land Administration. Buildings are valued based on discounted recoverable amounts of future rent income.

C. The Company purchased an agricultural purpose land in the amount of \$23,108 but registered it in the name of a natural person. Before changing the land registration, the land will then be mortgaged to the Company. The decision on the purpose of the land has not yet been decided; thus, this was recognized as Investment property.

D. As of September 30, 2015, December 31, 2014 and September 30, 2014, no investment property held by the Group was pledged to others.

(10) Intangible assets

Nine-month period ended September 30, 2015	Goodwill	Royalties	Computer Software	Total
At January 1				
Cost	\$ 342, 773	\$ 387, 569	\$ 99, 890	\$ 830, 232
Accumulated amortization	-	(316, 931)	(17, 030)	(333, 961)
Net exchange differences	(12, 450)	-	4, 365	(8, 085)
	<u>\$ 330, 323</u>	<u>\$ 70, 638</u>	<u>\$ 87, 225</u>	<u>\$ 488, 186</u>
Net value at January 1	\$ 330, 323	\$ 70, 638	\$ 87, 225	\$ 488, 186
Additions-separately acquired	-	-	281	281
Amortization	-	(26, 489)	(7, 769)	(34, 258)
Net exchange differences	12, 733	-	1, 195	13, 928
Net value at September 30	<u>\$ 343, 056</u>	<u>\$ 44, 149</u>	<u>\$ 80, 932</u>	<u>\$ 468, 137</u>
At September 30				
Cost	\$ 342, 773	\$ 387, 569	\$ 100, 171	\$ 830, 513
Accumulated amortization	-	(343, 420)	(24, 799)	(368, 219)
Net exchange differences	283	-	5, 560	5, 843
	<u>\$ 343, 056</u>	<u>\$ 44, 149</u>	<u>\$ 80, 932</u>	<u>\$ 468, 137</u>

Nine-month period ended September 30, 2014	Goodwill	Royalties	Computer Software	Total
At January 1				
Cost	\$ 342,773	\$ 387,569	\$ 85,401	\$ 815,743
Accumulated amortization	-	(281,612)	(6,074)	(287,686)
Net exchange differences	(31,706)	-	1,402	(30,304)
	<u>\$ 311,067</u>	<u>\$ 105,957</u>	<u>\$ 80,729</u>	<u>\$ 497,753</u>
Net value at January 1	\$ 311,067	\$ 105,957	\$ 80,729	\$ 497,753
Additions-separately acquired	-	-	14,392	14,392
Amortization	-	(26,489)	(7,823)	(34,312)
Net exchange differences	6,419	-	309	6,728
Net value at September 30	<u>\$ 317,486</u>	<u>\$ 79,468</u>	<u>\$ 87,607</u>	<u>\$ 484,561</u>
At September 30				
Cost	\$ 342,773	\$ 387,569	\$ 99,793	\$ 830,135
Accumulated amortization	-	(308,101)	(13,897)	(321,998)
Net exchange differences	(25,287)	-	1,711	(23,576)
	<u>\$ 317,486</u>	<u>\$ 79,468</u>	<u>\$ 87,607</u>	<u>\$ 484,561</u>

A. No borrowing costs were capitalized as part of intangible assets.

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

	Three-month periods ended September 30,	
	2015	2014
Operating costs	\$ 9,284	\$ 9,500
Selling expenses	179	178
Administrative expenses	1,961	1,922
	<u>\$ 11,424</u>	<u>\$ 11,600</u>
	Nine-month periods ended September 30,	
	2015	2014
Operating costs	\$ 27,855	\$ 28,004
Selling expenses	536	389
Administrative expenses	5,867	5,919
	<u>\$ 34,258</u>	<u>\$ 34,312</u>

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Tinplate factory located in China	\$ 343,056	\$ 330,323	\$ 317,486

(11) Long-term prepaid rent

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Land use right	\$ 525,362	\$ 499,142	\$ 488,230

The Group entered into a land lease agreement with Taiwan Sugar Corporation and local authority of People's Republic of China for use of property located in Yong-Kang District, Tainan and various properties in China. Lease periods are from 48 to 70 years. The Group recognized \$3,113, \$3,022, \$9,378 and \$8,490 of rental expense (under operating cost and operating expense) for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively.

(12) Short-term borrowings

<u>Nature</u>	<u>September 30, 2015</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 4,271,530	0.98%~4.85%	None

<u>Nature</u>	<u>December 31, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 4,026,176	0.98%~5.71%	None
Secured bank borrowings	76,380	5.60%	Accounts receivable (including related party)

\$ 4,102,556

<u>Nature</u>	<u>September 30, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 5,365,264	0.93%~5.71%	None
Secured bank borrowings	74,010	5.60%	Accounts receivable (including related party)

\$ 5,439,274

(13) Short-term commercial paper

	<u>December 31, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
Commercial paper payable	\$ 100,000	1.12%	None
Less: unamortized discount	(58)		
	<u>\$ 99,942</u>		

	<u>September 30, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
Commercial paper payable	\$ 1,700,000	1.05%~1.14%	None
Less: unamortized discount	(780)		
	<u>\$ 1,699,220</u>		

A. There was no short-term commercial paper at September 30, 2015.

B. The above commercial papers were issued and secured by China Bills Finance Co., Ltd. and other financing institutions for short-term financing.

(14) Bonds payable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>	<u>Pledged or collateral</u>
Unsecured corporate bonds	\$ <u>737,420</u>	\$ <u>-</u>	\$ <u>-</u>	None

The subsidiary – Cayman Ton Yi Industrial Holdings Ltd. issued the first unsecured ordinary bonds of RMB 142 million in February 2015. The terms are as follows:

- (1) Total issuance: RMB 142 million (\$717,242)
- (2) Issuance price: fully issued at par value of RMB 1 million per bond
- (3) Coupon rate: fixed rate at 4.20% per annum
- (4) Interest payment method: starting from the issuance date, interest is accrued at the coupon rate and paid annually
- (5) Repayment of principal: payable in full 3 years after the issuance date
- (6) Issuance deadline: 3 years (February 3, 2015 to February 3, 2018)
- (7) Depository bank: CTBC Bank Co., Ltd.

(15) Long-term borrowings

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>September 30, 2015</u>
Unsecured bank borrowings	2015. 10. 26~ 2019. 12. 19	1. 08%~5. 75%	None	\$ 18,693,290
Less: amortised discount				(915)
				18,692,375
Less: current portion of long-term borrowings				(5,637,506)
				<u>\$ 13,054,869</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2014</u>
Unsecured bank borrowings	2015. 01. 08~ 2019. 12. 19	1. 10%~6. 15%	None	\$ 20,765,096
Less: amortised discount				(1,078)
				20,764,018
Less: current portion of long-term borrowings				(4,737,529)
				<u>\$ 16,026,489</u>

Nature	Range of maturity dates	Range of interest rates	Collateral	September 30, 2014
Unsecured bank borrowings	2014. 11. 22~ 2018. 09. 09	1. 17%~6. 15%	None	\$ 16, 473, 530
Less: amortised discount				(614)
				16, 472, 916
Less: current portion of long-term borrowings				(4, 124, 222)
				<u>\$ 12, 348, 694</u>

For information on the terms and conditions of all the loan contracts the Group entered into with financial institutions, please refer to Note 9(4), “Significant contingent liabilities and unrecognized contract commitments”.

(16) Provision - non-current

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
<u>Decommissioning liabilities</u>		
At January 1	\$ 72, 639	\$ 71, 302
Unwinding of discount	<u>1, 022</u>	<u>1, 003</u>
At September 30	<u>\$ 73, 661</u>	<u>\$ 72, 305</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.

(17) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 14% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The pension costs under the defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2015 and 2014 were \$6,420, \$6,644, \$19,260 and \$19,931, respectively.

- (c) Total contributions expected to be paid to the defined benefit pension plans of the Group within one year from September 30, 2015 amounts to \$73,424.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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.
- (b) The Company’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.
- (c) The pension costs under the defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2015 and 2014 were \$47,291, \$34,800, \$133,141 and \$99,856, respectively.

(18) Share capital - Common stock

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

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Beginning and ending balance	<u>1, 579, 145</u>	<u>1, 579, 145</u>

- B. As of September 30, 2015, the Company’s authorized capital was \$17,847,009, and the paid-in capital was \$15,791,453 with a par value of \$10 (in dollars) per share, consisting of 1,579,145 thousand shares of ordinary stock. All proceeds from shares issued have been collected.

(19) Capital surplus

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

(20) Retained earnings

- A. The legal reserve shall be exclusively used to offset accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.
- B. Since the Company operates in a volatile business environment and is in stable growth stage, the appropriation of earnings should consider fund requirements and capital budgets to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. According to the Company's Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution approved by the Board of Directors and then approved at the shareholders' meeting. Of the amount to be distributed by the Company, shareholders' dividends shall comprise 50% to 100% of the unappropriated retained earnings, distributed half as cash dividend and half as stock dividend.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances in other equity items at the balance sheet date before distributing earnings. When debit balances in other equity items are reversed subsequently, an equal amount could then be used for distribution.
(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets, those other than land, are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are land.
- D. The Company recognized dividends distributed to owners amounting to \$1,026,444 (\$0.65 (in dollars) per share as cash dividend) for the year ended December 31, 2014. On June 30, 2015, total dividends for 2014 of \$710,615, constituting \$0.45 (in dollars) per share for cash dividends, was proposed in the shareholders' meeting.
- E. For the information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(25).

(21) Other income

	Three-month periods ended September 30,	
	2015	2014
Interest income	\$ 7,918	\$ 7,651
Rental income	8,530	7,896
Other income	16,162	24,608
	<u>\$ 32,610</u>	<u>\$ 40,155</u>

	Nine-month periods ended September 30,	
	2015	2014
Dividend income	\$ 65	\$ 1,287
Interest income	21,431	20,058
Rental income	24,840	19,355
Other income	65,637	73,137
	<u>\$ 111,973</u>	<u>\$ 113,837</u>

(22) Other gains and losses

	Three-month periods ended September 30,	
	2015	2014
Loss on financial assets at fair value through profit or loss	(\$ 940)	\$ -
Net loss on disposal of property, plant and equipment	(20,379)	(3,254)
Net currency exchange (loss) gain	(207,693)	68,222
Miscellaneous expenses	(8,575)	(7,592)
	<u>(\$ 237,587)</u>	<u>\$ 57,376</u>

	Nine-month periods ended September 30,	
	2015	2014
Gain on disposal of non-current assets held for sale	\$ 452,780	\$ -
Net gain on disposal of investment property	-	632
Loss on financial assets at fair value through profit or loss	(528)	(127)
Net loss on disposal of property, plant and equipment	(29,593)	(4,313)
Net currency exchange loss	(275,248)	(15,817)
Miscellaneous expenses	(29,485)	(30,412)
	<u>\$ 117,926</u>	<u>(\$ 50,037)</u>

(23) Finance costs

	<u>Three-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Interest expense:		
Bank borrowings	\$ 152,133	\$ 137,469
Corporate bond	7,676	-
Provisions – unwinding of discount	341	334
	<u>160,150</u>	<u>137,803</u>
Less: capitalization of qualifying assets	(<u>118</u>)	(<u>10,745</u>)
	<u>\$ 160,032</u>	<u>\$ 127,058</u>
	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Interest expense:		
Bank borrowings	\$ 474,725	\$ 415,296
Corporate bond	20,033	-
Provisions – unwinding of discount	1,022	1,003
	<u>495,780</u>	<u>416,299</u>
Less: capitalization of qualifying assets	(<u>667</u>)	(<u>38,421</u>)
	<u>\$ 495,113</u>	<u>\$ 377,878</u>

(24) Expenses by nature

	<u>Three-month period ended September 30, 2015</u>			<u>Three-month period ended September 30, 2014</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	\$ 468,180	\$ 154,880	\$ 623,060	\$ 381,614	\$ 151,591	\$ 533,205
Depreciation	668,021	43,058	711,079	590,442	38,123	628,565
Amortization	<u>9,284</u>	<u>2,140</u>	<u>11,424</u>	<u>9,500</u>	<u>2,100</u>	<u>11,600</u>
	<u>\$ 1,145,485</u>	<u>\$ 200,078</u>	<u>\$ 1,345,563</u>	<u>\$ 981,556</u>	<u>\$ 191,814</u>	<u>\$ 1,173,370</u>

	<u>Nine-month period ended September 30, 2015</u>			<u>Nine-month period ended September 30, 2014</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	\$ 1,351,646	\$ 502,780	\$ 1,854,426	\$ 1,103,520	\$ 442,009	\$ 1,545,529
Depreciation	1,994,992	131,806	2,126,798	1,746,506	90,931	1,837,437
Amortization	<u>27,855</u>	<u>6,403</u>	<u>34,258</u>	<u>28,004</u>	<u>6,308</u>	<u>34,312</u>
	<u>\$ 3,374,493</u>	<u>\$ 640,989</u>	<u>\$ 4,015,482</u>	<u>\$ 2,878,030</u>	<u>\$ 539,248</u>	<u>\$ 3,417,278</u>

(25) Employee benefits expense

	<u>Three-month period ended September 30, 2015</u>			<u>Three-month period ended September 30, 2014</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	\$ 358,566	\$ 123,117	\$ 481,683	\$ 291,771	\$ 122,089	\$ 413,860
Labor and health insurance expense	35,146	9,484	44,630	27,024	7,830	34,854
Pension costs	42,664	11,047	53,711	32,442	9,002	41,444
Other personnel expenses	31,804	11,232	43,036	30,377	12,670	43,047
	<u>\$ 468,180</u>	<u>\$ 154,880</u>	<u>\$ 623,060</u>	<u>\$ 381,614</u>	<u>\$ 151,591</u>	<u>\$ 533,205</u>

	<u>Nine-month period ended September 30, 2015</u>			<u>Nine-month period ended September 30, 2014</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	\$ 1,039,792	\$ 400,059	\$ 1,439,851	\$ 844,621	\$ 352,620	\$ 1,197,241
Labor and health insurance expense	98,187	29,377	127,564	80,006	26,236	106,242
Pension costs	120,908	31,493	152,401	94,599	25,188	119,787
Other personnel expenses	92,759	41,851	134,610	84,294	37,965	122,259
	<u>\$ 1,351,646</u>	<u>\$ 502,780</u>	<u>\$ 1,854,426</u>	<u>\$ 1,103,520</u>	<u>\$ 442,009</u>	<u>\$ 1,545,529</u>

A. According to the Articles of Incorporation of the Company, when distributing earnings after tax, the Company pays remuneration to the directors and supervisors that account for 2% and distributes bonus to the employees that shall be no less than 0.2% of the total distributed amount. However, in accordance with the Company Act amended in May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

- B. For the three-month and nine-month periods ended September 30, 2015 and 2014, employees' remuneration (bonus) and directors' and supervisors' remuneration was accrued at \$13,875, \$20,730, \$74,305 and \$60,517, respectively. The expenses recognized were accrued based on the net income and the percentage specified in the Articles of Incorporation of the Company, taking into account other factors such as legal reserve. The difference of (\$1,019) between employees' bonus and directors' and supervisors' remuneration of \$58,920 as resolved by the stockholders and the amount of \$59,939 recognized in the 2014 financial statements had been adjusted in the 2015 statement of comprehensive income.

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

(26) Income tax

A. Income tax

(a) Components of income tax expense

	<u>Three-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Current income tax:		
Income tax incurred in current period	\$ 86,660	\$ 41,510
Under provision in prior years	<u>2,486</u>	<u>1,974</u>
	<u>89,146</u>	<u>43,484</u>
Deferred income tax:		
Origination and reversal of temporary differences	(<u>66,725</u>)	<u>13,875</u>
Income tax expense	<u>\$ 22,421</u>	<u>\$ 57,359</u>
	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Current income tax:		
Income tax incurred in current period	\$ 360,064	\$ 210,054
Additional 10% income tax imposed on unappropriated earnings	-	4,685
Under provision in prior years	<u>11,508</u>	<u>21,195</u>
	<u>371,572</u>	<u>235,934</u>
Deferred income tax:		
Origination and reversal of temporary differences	(<u>77,961</u>)	<u>2,418</u>
Income tax expense	<u>\$ 293,611</u>	<u>\$ 238,352</u>

- B. The Company's income tax returns through 2012 have been assessed and approved by the Tax Authority. As of November 4, 2015, there was no administrative lawsuit.

C. Unappropriated retained earnings:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Earnings generated in and after 1998	\$ <u>924,872</u>	\$ <u>811,964</u>	\$ <u>736,831</u>

D. As of September 30, 2015, December 31, 2014 and September 30, 2014, the balance of the imputation tax credit account was \$4,460, \$96,229 and \$6,938, respectively. As dividends were approved at the shareholders' meeting on June 30, 2015 and June 13, 2014 with the dividend distribution date set on July 25, 2015 and July 10, 2014, respectively, by the Board of Directors, the creditable tax rates for the unappropriated retained earnings of 2014 and 2013 is 17.96% and 14.89%, respectively.

(27) Earnings per share

	<u>Three-month period ended September 30, 2015</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ <u>143,796</u>	<u>1,579,145</u>	\$ <u>0.09</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	143,796	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	<u>3,749</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ <u>143,796</u>	<u>1,582,894</u>	\$ <u>0.09</u>

<u>Three-month period ended September 30, 2014</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 161,608	1,579,145	\$ 0.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	161,608	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2,415	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 161,608	1,581,560	\$ 0.10

<u>Nine-month period ended September 30, 2015</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 900,034	1,579,145	\$ 0.57
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	900,034	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	5,364	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 900,034	1,584,509	\$ 0.57

	<u>Nine-month period ended September 30, 2014</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 689,975	1,579,145	\$ 0.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	689,975	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2,415	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 689,975	1,581,560	\$ 0.44

(28) Non-cash transactions

A. Investing activities with partial cash payments:

(a) Cash received from disposal groups held for sale:

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Disposal groups held-for-sale	\$ 492,728	\$ -
Less: Opening balance of advance receipts	(104,791)	-
Cash received from disposal groups held-for-sale	\$ 387,937	\$ -

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

	Nine-month periods ended September 30,	
	2015	2014
Purchase of property, plant and equipment and investment property	\$ 239,129	\$ 1,502,742
Add: Opening balance of other payables	360,188	32,385
Opening balance of other payables - related parties	1,231,623	-
Less: Ending balance of other payables	(156,867)	(197,122)
Cash paid for acquisition of property, plant and equipment and investment property	<u>\$ 1,674,073</u>	<u>\$ 1,338,005</u>

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

(a) Reclassification of prepayments:

	Nine-month periods ended September 30,	
	2015	2014
Property, plant and equipment	<u>\$ 5,864</u>	<u>\$ -</u>

(b) Reclassification of property, plant and equipment:

	Nine-month periods ended September 30,	
	2015	2014
Prepayment for equipment, net	<u>\$ 139,713</u>	<u>\$ 526,027</u>

(c) Reclassification of investment property:

	Nine-month periods ended September 30,	
	2015	2014
Property, plant and equipment	<u>\$ -</u>	<u>\$ 150,628</u>

7. RELATED PARTY TRANSACTIONS

(1) Significant transactions and balances with related parties

A. Sales

	Three-month periods ended September 30,	
	2015	2014
Sales of goods		
Parent company to entities with joint control or significant influence	<u>\$ 4,479,925</u>	<u>\$ 3,299,703</u>

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods		
Parent company to entities with joint control or significant influence	<u>\$ 13,626,376</u>	<u>\$ 9,905,193</u>

The Group's collection terms and methods for related party are wire transfer within 28~60 days of monthly statements, wire transfer within 22 days of statements settled twice a month, wire transfer within 30~50 days of invoice receipt and wire transfer within 20~45 days after receiving the receipt. The collection terms are similar to that of a third party. The Group only sells to the subsidiaries; thus there is no comparable price for sales made at arm's length.

B. Purchases of goods

	<u>Three-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Purchases of goods		
Parent company to entities with joint control or significant influence	<u>\$ 445,659</u>	<u>\$ 343,671</u>

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Purchases of goods		
Parent company to entities with joint control or significant influence	<u>\$ 1,833,873</u>	<u>\$ 1,068,172</u>

Purchase price from related party is similar to that of a third party. Except for some transactions in letters of credit, the payment terms are similar to those of third parties, which are payments within 28~45 days of monthly statement, 15~48 days of invoice receipt, wire transfer within 7~45 days after receiving the receipt and 15 days upon receipt of goods.

C. Rental expense (recorded under Operating cost and Operating expense)

	<u>Leased subject</u>	<u>of rent</u>	<u>Determination</u>	<u>Payment</u>	<u>Three-month periods ended September 30,</u>	
					<u>method</u>	<u>2015</u>
Parent company to entities with joint control or significant influence	Plant and office	Negotiation	(Note)		<u>\$ 77,732</u>	<u>\$ 43,101</u>

	<u>Leased subject</u>	<u>of rent</u>	<u>Determination</u>	<u>Payment</u>	<u>Nine-month periods ended September 30,</u>	
					<u>method</u>	<u>2015</u>
Parent company to entities with joint control or significant influence	Plant and office	Negotiation	(Note)		<u>\$ 232,175</u>	<u>\$ 134,301</u>

(Note) Prepayment for three months.

D. Outstanding balance of receivables from related parties

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Receivables from related party:			
Parent company to entities with joint control or significant influence	\$ <u>1,675,861</u>	\$ <u>689,692</u>	\$ <u>1,198,432</u>

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

E. Prepayments

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Parent company to entities with joint control or significant influence	\$ <u>25,327</u>	\$ <u>-</u>	\$ <u>15,677</u>

F. Refundable deposit

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Parent company to entities with joint control or significant influence	\$ <u>75,662</u>	\$ <u>40,080</u>	\$ <u>38,836</u>

G. Outstanding balance of payables to related parties

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Payables to related party:			
Parent company to entities with joint control or significant influence	\$ <u>419,508</u>	\$ <u>1,455,297</u>	\$ <u>296,415</u>

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

(2) Key management compensation

	<u>Three-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Salaries and other short-term employee benefits	\$ <u>6,476</u>	\$ <u>6,906</u>
	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Salaries and other short-term employee benefits	\$ <u>19,358</u>	\$ <u>21,281</u>

8. PLEGDED ASSETS

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

Assets	Book Value			Purpose of collateral
	September 30, 2015	December 31, 2014	September 30, 2014	
Accounts receivable (including related party)	\$ -	\$ 76,380	\$ 74,010	Short-term borrowings
Demand deposits (Recognised as "Other financial assets-current")	-	10,185	-	Guaranteed by issuance of letter of credit
	<u>\$ -</u>	<u>\$ 86,565</u>	<u>\$ 74,010</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- A. As of September 30, 2015, December 31, 2014 and September 30, 2014, the balances for contracts that the Group entered into but not yet due are \$131,841, \$138,319 and \$231,357, respectively.
- B. As of September 30, 2015, December 31, 2014 and September 30, 2014, the unused letters of credit amounted to \$564,808, \$564,318 and \$656,531, respectively.
- C. The details of endorsements and guarantees provided are described in Note 13-1-B.
- D. (a) The Company has entered into a lending agreement with Bank of Tokyo-Mitsubishi UFJ in 2015. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000. Should the Company fail to meet the above covenants, the bank has the right to demand the Company to pay off the loan balance immediately.
- (b) The Company has entered into a lending agreement with KGI Bank (formerly China Development Industrial Bank, which has transferred its main business to KGI Bank in May 2015) in 2014. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: maintain consolidated debt-to-equity ratio at or below 180%, interest coverage ratio at 200% or above. Should the Company fail to meet the above covenants, the Company has to improve the conditions within four months after the announcement of the financial reports. If the Company fails to meet the required financial covenants by then, the banks have the right to demand the Company to pay off the loan balance immediately.
- (c) The Company has signed a syndicated loan agreement with Taiwan Bank and Mega International Commercial Bank in 2012 and 2011, respectively. The Company has to maintain a

consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000. Under the terms of the loan agreement, if any of the financial covenants above had been violated, the Company has to improve the conditions within four months after the announcement of financial reports. Should the Company meet the required financial covenants by then, it will not be considered as a violation of the agreement. There will be an additional 0.1% interest imposed on the annual floating rate from the day after the announcement of the financial report which violates the financial covenants above to the day before the Company meets the required financial covenants. Otherwise, the banks have the right to demand the Company to pay off the loan balance immediately. However, if the Company fails to meet the required financial covenants because of the adoption of IFRSs, it will not be considered as a violation of the agreement. The Company can renegotiate with the managing bank about the required financial covenants, which shall later be agreed by majority of other syndicated banks.

- (d) Cayman Ton Yi Industrial Holdings Ltd. (the 'Cayman Ton Yi'), a subsidiary of the Group, has signed a syndicated loan agreement with Mega International Commercial Bank in 2014. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual assessment. Should the Company fail to meet the above covenants, the banks have the right to demand Cayman Ton Yi to pay off the loan balance immediately.
- (e) Cayman Ton Yi Industrial Holdings Ltd. (the 'Cayman Ton Yi'), a subsidiary of the Group, has signed a syndicated loan agreement with Mega International Commercial Bank in 2012 and 2011. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual assessment. Under the terms of the loan agreement, if any of the financial covenants above had been violated, the Company has to improve the conditions within four months of October 1 from semi-annual financial report and within four months of June 1 of the following year of annual financial report. Should the Company meet the required financial covenants by then, it will not be considered as a violation under the agreement. Otherwise, the banks have the right to demand Cayman Ton Yi to pay off the loan balance immediately.
- (f) Fujian Ton Yi Tinplate Co., Ltd. (Fujian Ton Yi), a subsidiary of the Group, has signed a loan agreement with Bank of China in 2015. Fujian Ton Yi has to maintain a debt ratio of less than 80%. Should the company fail to meet the above covenants, the bank has the right to demand Fujian Ton Yi to pay off the loan balance immediately.

- (g) Fujian Ton Yi Tinsplate Co., Ltd. (Fujian Ton Yi), a subsidiary of the Group, has signed a syndicated loan agreement with BNP Paribas in 2013. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000. Should the Company fail to meet the above covenants, the banks have the right to demand Fujian Ton Yi to pay off the loan balance immediately.
- (h) Jiangsu Ton Yi Tinsplate Co., Ltd. (the 'Jiangsu Ton Yi'), a subsidiary of the Group, has signed a syndicated loan agreement with BNP Paribas in 2013. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual assessment. Should the Company fail to meet the above covenants, the banks have the right to demand Jiangsu Ton Yi to pay off the loan balance immediately.
- (i) Zhangzhou Ton Yi Industrial Co., Ltd. (the 'Zhangzhou Ton Yi'), a subsidiary of the Group, has signed a long-term loan agreement with Bonkon (Thailand) Bank and Bank of Tokyo-Mitsubishi in 2013 and 2012. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual assessment. Should the Company fail to meet the above covenants, the banks have the right to demand Zhangzhou Ton Yi to pay off the loan balance immediately.
- (j) Huizhou Ton Yi Industrial Co., Ltd. (the 'Huizhou Ton Yi'), a subsidiary of the Group, has signed a long-term loan agreement with Bonkon (Thailand) Bank in 2013. Huizhou Ton Yi has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual and annual assessment. Should Huizhou Ton Yi fail to meet the above covenants, the banks have the right to demand Huizhou Ton Yi to pay off the loan balance immediately.
- (k) Chengdu Ton Yi Industrial Co., Ltd. (the 'Chengdu Ton Yi'), a subsidiary of the Group, has signed a long-term loan agreement with China Construction Bank in 2014. Chengdu Ton Yi has to maintain a debt-to-asset ratio of less than 65%, balance of long-term investments of less than 10% of the net assets at December 31 of the previous year, and the accounting rate of greater than 80% of Chengdu Ton Yi's closing amount, and to maintain its account setting at the bank. Should Chengdu Ton Yi fail to meet the above covenants, the banks have the right to demand Chengdu Ton Yi to pay off the loan balance immediately.
- (l) Chengdu Ton Yi Industrial Co., Ltd. (the 'Chengdu Ton Yi'), a subsidiary of the Group, has signed a long-term loan agreement with BNP Paribas in 2013. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the semi-annual

assessment. Should the Company fail to meet the above covenants, the bank has the right to demand Chengdu Ton Yi to pay off the loan balance immediately.

(m) Sichuan Ton Yi Industrial Co., Ltd. (the ‘Sichuan Ton Yi’) and Zhanjiang Ton Yi Industrial Co., Ltd. (the ‘Zhanjiang Ton Yi’), a subsidiary of the Group, has signed a long-term loan agreement with BNP Paribas in 2014. The Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and consolidated tangible shareholders’ equity of not less than \$15,000,000 at the semi-annual assessment. Should the Company fail to meet the above covenants, the bank has the right to demand Sichuan Ton Yi and Zhanjiang Ton Yi to pay off the loan balance immediately.

As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group’s financial ratios have not violated the above covenants.

- E. The Company entered into a land lease agreement (the “Agreement”) with Taiwan Sugar Corporation (“TSC”) in July 1993. TSC agreed to grant the superficies of some of its land located in Yong-Kang District, San Kan Dian 141-8) in Tainan City to the Company for 50 years. The Company shall pay annual rent and an additional royalty fee for the superficies every 20 years. In 2013, the Agreement had been signed for 20 years but both sides have not reached a consensus about the amount of the said royalty fee. TSC is requesting for an amount of \$321,633, however, the Company argued the royalty fee should be \$52,609 and has paid the amount to TSC. TSC has filed a lawsuit against the Company and claimed for the payment of superficies for \$269,024, along with interest at 5% per annum from July 22, 2013 to the settlement date. The case is being processed as Chung-Su-Tze No. 142 (2015) at Tainan District Court. Based on the Company’s legal counsel, if the court will accept the Company’s defense, the possibility of paying additional royalty is remote and hence the Company has not recognized the additional royalty fee liabilities.
- F. The Group leases various land, offices, warehouses and equipment under operating lease agreements. For the three-month and nine-month periods ended September 30, 2015 and 2014, rental expense recorded under Operating cost and Operating expense amounted to \$86,353, \$56,856, \$257,381 and \$166,002, respectively. The future aggregate minimum lease payments under operating leases are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Within 1 year	\$ 181, 398	\$ 348, 044	\$ 27, 097
Between 1 and 5 years	237, 284	325, 141	82, 929
Over 5 years	<u>282, 427</u>	<u>291, 415</u>	<u>294, 411</u>
	<u>\$ 701, 109</u>	<u>\$ 964, 600</u>	<u>\$ 404, 437</u>

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. Fair value information of financial instruments

The financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related party), other receivables, other financial assets-current, refundable deposits, short-term borrowings, short-term commercial paper, notes payable, accounts payable (including related party), other payables (including related party) other financial liabilities-current, bonds payable, long-term borrowings (including current portion) and guarantee deposit received, are based on their book value as book value approximates fair value. The fair value information of financial instruments measured at fair value is provided in Note 12(3) Fair value estimation.

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, risk price and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge specific risks. For more information about financial instrument, please refer to Note 13(1)I, Trading in derivative financial instruments undertaken during the reporting periods.
- (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

(1) 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 China Yuan (the ‘CNY’). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.
- (ii) The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group’s foreign operations are considered strategic investments; thus, no hedging for the purpose is conducted.
- (iii) The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other 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, 2015		
	Foreign Currency		
	Amount		
	<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>Book Value</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 5,278	32.87	\$ 173,488
USD : CNY	1,239	6.35	40,726
EUR : NTD	971	36.92	35,849
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : CNY	98,857	6.35	3,249,430
CNY :USD	142,000	0.1575	734,992
EUR : CNY	6,342	7.13	234,147
JPY : CNY	292,423	0.0529	80,095
US : NTD	734	32.87	24,127

December 31, 2014			
Foreign Currency			
(foreign currency: functional currency)	Amount	Exchange Rate	Book Value
	(in thousands)		
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : CNY	\$ 9,488	6.22	\$ 300,295
USD : NTD	5,973	31.65	189,045
EUR : NTD	1,157	38.47	44,510
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : CNY	176,428	6.22	5,583,946
EUR : CNY	7,927	7.55	304,952
JPY : CNY	365,353	0.0520	96,672
September 30, 2014			
Foreign Currency			
(foreign currency: functional currency)	Amount	Exchange Rate	Book Value
	(in thousands)		
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 46,182	30.42	\$ 1,404,856
USD : CNY	11,492	6.17	349,587
EUR : NTD	1,750	38.59	67,533
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : CNY	191,893	6.17	5,837,385
USD : NTD	11,806	30.42	359,139
EUR : CNY	7,927	7.82	305,903
JPY : CNY	364,603	0.0563	101,360

- (iv) As of September 30, 2015 and 2014, if the exchange rate of the Group's functional currency to USD had appreciated/depreciated by 1%, with all other factors remaining constant, the post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by \$25,393 and \$36,869, respectively. If the exchange rate of the Group's functional currency to CNY had appreciated/depreciated by 1%, with all other factors remaining constant, the post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by \$6,100 and \$-, respectively. If the exchange rate of the Group's functional currency to EOR had appreciated/depreciated by 1%, with all other factors remaining constant, the post tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by \$1,646 and

\$1,978, respectively. If the exchange rate of the Group's functional currency to JPY had appreciated/depreciated by 1%, with all other factors remaining constant, the post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by \$665 and \$841, respectively.

- (v) The total exchange (loss) 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, 2015 and 2014 amounted to (\$207,693), \$68,222, (\$275,248) and (\$15,817), respectively.

(b) Price risk

- (i) The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as available-for-sale. To manage its price risk arising from investments in equity securities, the Group has carefully determined its investing portfolio and has set various stop-loss points to ensure that it is not exposed to significant risks. Accordingly, no material market risk is expected.
- (ii) The Group's investments in equity securities comprise domestic as well as foreign listed and unlisted stocks. The prices of equity securities would fluctuate due to the uncertainty 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 comprehensive income for the nine-month periods ended September 30, 2015 and 2014 would have increased/decreased by \$1,070 and \$1,521 as a result of valuation gains/losses on equity securities classified as available-for-sale, respectively.

(c) Interest rate risk

- (i) The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the nine-month periods ended September 30, 2015 and 2014, the Group's borrowings at variable rate were denominated in NTD, USD, EUR, JPY, and CNY.
- (ii) During the nine-month periods ended September 30, 2015 and 2014, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2015 and 2014 would have increased /decreased by \$4,106 and \$3,447, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(2) Credit risk

- (i) Credit risk refers to the risk that the clients or counterparties of financial instruments will cause a financial loss for the Group by failing to discharge a contractual obligation. According to the Group's credit policy, each local entity in the Group is responsible for

managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual credit limit is set by management through evaluating internal and external credit ratings. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents and outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with good ratings are accepted. The Group transacts with several banks to mitigate risk.

- (ii) No credit limits were breached during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- (iii) The Group provides endorsements and guarantees based on the Group's policies and procedures on endorsements and guarantees. The Group only provides endorsement or guarantee for subsidiaries that the Group directly holds more than 50% ownership, or for entities that the Group holds more than 50% ownership, either directly or indirectly, as well as the power to govern the policies. No collateral is requested for the endorsements and guarantees as the Group can control the credit risk of the subsidiary. The maximum credit risk is the guaranteed amount.
- (iv) For the credit ratings of the Group's financial assets, please refer to Note 6, Financial assets.

(3) Liquidity risk

- (i) 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.
- (ii) Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the Group Finance Department. Group Finance Department invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.
- (iii) The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted

cash flows.

<u>September 30, 2015</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	\$ 4,305,537	\$ -	\$ -	\$ -
Notes payable	17,722	-	-	-
Accounts payable (including related party)	1,599,047	-	-	-
Other payables (including related party)	1,642,015	-	-	-
Other financial liabilities - current	17,898	-	-	-
Corporate bonds payable	30,972	30,972	748,346	-
Long-term borrowings (including current portion)	5,976,065	7,148,843	6,258,306	-
Guarantee deposits received	-	3,002	5,500	1,501
<u>December 31, 2014</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	\$ 4,171,171	\$ -	\$ -	\$ -
Short-term notes and bills payable	100,000	-	-	-
Notes payable	19,571	-	-	-
Accounts payable (including related party)	774,176	-	-	-
Other payables (including related party)	2,919,776	-	-	-
Other financial liabilities - current	16,437	-	-	-
Long-term borrowings (including current portion)	5,152,067	9,535,838	7,049,234	-
Guarantee deposits received	-	3,727	-	6,453

<u>September 30, 2014</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	\$ 5,529,566	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,700,000	-	-	-
Notes payable	20,584	-	-	-
Accounts payable (including related party)	1,457,211	-	-	-
Other payables (including related party)	1,598,024	-	-	-
Other financial liabilities - current	31,846	-	-	-
Long-term borrowings (including current portion)	4,205,588	5,617,523	7,024,421	-
Guarantee deposits received	-	2,896	-	5,604

(iv) 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. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value is provided in Note 12(2) A "Fair value information of financial instruments". Details of the fair value of the Group's investment property measured at cost is provided in Note 6(9) "Investment property".

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2015, December 31, 2014 and September 30, 2014 is as follows:

<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	\$ 106,992	\$ -	\$ -	\$ 106,992
<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	\$ 178,340	\$ -	\$ -	\$ 178,340
<u>September 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	\$ 152,100	\$ -	\$ -	\$ 152,100

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

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

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

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

E. For the nine-month periods ended September 30, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. For the nine-month periods ended September 30, 2015 and 2014, there was no transfer from 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, 2015. The financial information of investees was audited by the independent accountants and disclosed individually. Elimination and adjustments for consolidation were not considered.)

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, and associates): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative financial instruments undertaken during the reporting periods:
 - a. As of September 30, 2015, the Company has not traded any derivative financial instrument. For the nine-month period ended September 30, 2015, the net loss recognized for trading derivative instruments amounted to \$528.
 - b. The subsidiaries have not traded derivative financial instruments.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

14. SEGMENT INFORMATION

(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 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 pre-tax income excluding non-recurring income.

(3) Information about segment profit or loss, assets

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

	Nine-month period ended September 30, 2015				
	Taiwan	Tinplate Manufacturing (in Mainland China)	PET Package manufacturing (in Mainland China)	Others	Total
Revenue from external customers	\$ 8,538,811	\$ 5,428,078	\$ 13,344,908	\$ 1,573,241	\$ 28,885,038
Revenue from internal customers	4,900,527	739,951	-	4,660,325	10,300,803
Segment revenue	<u>\$ 13,439,338</u>	<u>\$ 6,168,029</u>	<u>\$ 13,344,908</u>	<u>\$ 6,233,566</u>	<u>\$ 39,185,841</u>
Segment income	<u>\$ 968,402</u>	<u>(\$ 518,060)</u>	<u>\$ 861,299</u>	<u>\$ 1,065,127</u>	<u>\$ 2,376,768</u>
Segment assets	<u>\$ 28,400,203</u>	<u>\$ 11,548,170</u>	<u>\$ 18,916,877</u>	<u>\$ 20,388,098</u>	<u>\$ 79,253,348</u>

Nine-month period ended September 30, 2014

	Taiwan	Tinplate Manufacturing (in Mainland China)	PET Package manufacturing (in Mainland China)	Others	Total
Revenue from external customers	\$ 9,767,893	\$ 6,706,503	\$ 9,648,450	\$ 1,914,452	\$ 28,037,298
Revenue from internal customers	6,290,085	926,715	-	5,840,649	13,057,449
Segment revenue	<u>\$ 16,057,978</u>	<u>\$ 7,633,218</u>	<u>\$ 9,648,450</u>	<u>\$ 7,755,101</u>	<u>\$ 41,094,747</u>
Segment income	<u>\$ 801,030</u>	<u>(\$ 61,744)</u>	<u>\$ 447,420</u>	<u>\$ 187,411</u>	<u>\$ 1,374,117</u>
Segment assets	<u>\$ 30,002,940</u>	<u>\$ 12,152,324</u>	<u>\$ 15,891,892</u>	<u>\$ 18,836,916</u>	<u>\$ 76,884,072</u>

(4) Reconciliation for segment income (loss)

A. Sales between segments were carried out at arm's length. Basis of measurement remained consistent with revenue in the statements of comprehensive income and revenue from external parties reported to the chief operating decision-maker. A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operation for the nine-month periods ended September 30, 2015 and 2014 is shown below:

	<u>Nine-month periods ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Reportable segments profit and loss	\$ 1,311,641	\$ 1,186,706
Other segments profit and loss	1,065,127	187,411
Elimination of intersegment transactions	(1,242,137)	(451,381)
Income before income tax	<u>\$ 1,134,631</u>	<u>\$ 922,736</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, 2015</u>	<u>September 30, 2014</u>
Assets of reportable segments	\$ 58,865,250	\$ 58,047,156
Assets of other operating segments	20,388,098	18,836,916
Elimination of intersegment transactions	(30,642,412)	(29,089,861)
Total assets	<u>\$ 48,610,936</u>	<u>\$ 47,794,211</u>

Ton Yi Industrial Corp. and subsidiaries
Loans to others
Nine-month period ended September 30, 2015

Table 1

Expressed in thousands of NTD

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine-month period ended	Balance at	Actual amount	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2015	September 30, 2015	drawn down						Item	Value			
1	Cayman Ton Yi Industrial Holdings Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 591,660	\$ 328,700	\$ 197,220	1.73~1.81	2	\$ -	Operational use	\$ -	-	\$ -	\$ 10,926,561	\$ 10,926,561	Note 2
1	Cayman Ton Yi Industrial Holdings Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	587,500	258,800	258,800	1.73~4.50	2	-	Operational use	-	-	-	10,926,561	10,926,561	Note 2
1	Cayman Ton Yi Industrial Holdings Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	657,400	164,350	164,350	1.73~1.80	2	-	Operational use	-	-	-	10,926,561	10,926,561	Note 2
1	Cayman Ton Yi Industrial Holdings Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	657,400	-	-	1.73~1.78	2	-	Operational use	-	-	-	10,926,561	10,926,561	Note 2
1	Cayman Ton Yi Industrial Holdings Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	328,700	-	-	1.73~1.78	2	-	Operational use	-	-	-	10,926,561	10,926,561	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	Other receivables	Y	258,800	258,800	258,800	4.00	2	-	Operational use	-	-	-	691,343	691,343	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	129,400	129,400	129,400	4.00	2	-	Operational use	-	-	-	138,269	276,537	Note 3
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	Other receivables	Y	129,400	129,400	129,400	4.00	2	-	Operational use	-	-	-	138,269	276,537	Note 3
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	103,520	103,520	103,520	4.00	2	-	Operational use	-	-	-	691,343	691,343	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	25,880	25,880	25,880	4.00	2	-	Operational use	-	-	-	691,343	691,343	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine-month period ended		Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2015	September 30, 2015							Item	Value			
3	Fujian Ton Yi Tinplate Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 62,112	\$ -	\$ -	6.50	2	\$ -	Operational use	\$ -	-	\$ -	\$ 913,161	\$ 1,826,323	Note 3
4	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	41	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	51,761	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
4	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	-	4.00	2	-	Operational use	-	-	-	8,631,204	8,631,204	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	-	3.00	2	-	Operational use	-	-	-	1,606,165	1,606,165	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	25,880	-	-	5.00	2	-	Operational use	-	-	-	1,606,165	1,606,165	Note 2
5	Taizhou Ton Yi Industrial Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	25,880	-	-	6.00	2	-	Operational use	-	-	-	1,606,165	1,606,165	Note 2
6	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	26	3.00	2	-	Operational use	-	-	-	1,310,081	1,310,081	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	672,880	336,440	336,440	4.00-5.00	2	-	Operational use	-	-	-	1,127,070	1,127,070	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine-month period ended		Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2015	September 30, 2015							Item	Value			
7	Kunshan Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 155,280	\$ 155,280	\$ 155,280	4.00~5.00	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,127,070	\$ 1,127,070	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	155,280	155,280	155,280	4.00~5.00	2	-	Operational use	-	-	-	1,127,070	1,127,070	Note 2
7	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	108,696	108,696	-	3.00~6.00	2	-	Operational use	-	-	-	1,127,070	1,127,070	Note 2
8	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	-	3.00	2	-	Operational use	-	-	-	922,003	922,003	Note 2
9	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	27	3.00	2	-	Operational use	-	-	-	916,384	916,384	Note 2
10	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	23	3.00	2	-	Operational use	-	-	-	862,069	862,069	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	258,800	258,800	258,800	4.00~5.00	2	-	Operational use	-	-	-	980,481	980,481	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	16,850	3.00	2	-	Operational use	-	-	-	980,481	980,481	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	77,640	77,640	-	4.00	2	-	Operational use	-	-	-	980,481	980,481	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	51,760	51,760	51,760	4.00	2	-	Operational use	-	-	-	980,481	980,481	Note 2
11	Sichuan Ton Yi Industrial Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	25,880	25,880	25,880	4.00~5.00	2	-	Operational use	-	-	-	980,481	980,481	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	258,800	258,800	258,800	4.00	2	-	Operational use	-	-	-	765,718	765,718	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	103,520	103,520	34,994	3.00	2	-	Operational use	-	-	-	765,718	765,718	Note 2
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	103,520	103,520	103,520	4.00~5.00	2	-	Operational use	-	-	-	765,718	765,718	Note 2

NO.	Creditor	Borrower	General ledger account	Is a related party	Maximum	Balance at	Actual amount	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					outstanding balance during the nine-month period ended September 30, 2015								September 30, 2015	drawn down			
12	Zhanjiang Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 77,640	\$ 77,640	\$ 77,640	4.00~5.00	2	\$ -	Operational use	\$ -	—	\$ -	\$ 765,718	\$ 765,718	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) The maximum loan amount to others is 40% of the Company's net assets; the maximum amount for each short-term financing is 20% of the Company's net assets.

(Note 4) Foreign currencies were translated into New Taiwan Dollars with exchange rate as of September 30, 2015 as follows: USD:NTD 1 : 32.87 and CNY:NTD 1 : 5.1760.

Ton Yi Industrial Corp. and subsidiaries
Provision of endorsements and guarantees to others
Nine-month period ended September 30, 2015

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 1)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2015	Outstanding endorsement/ guarantee amount at September 30, 2015	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Ton Yi Industrial Corp.	Sichuan Ton Yi Industrial Co., Ltd.	2	\$ 13,730,801	\$ 1,294,000	\$ 1,294,000	\$ 1,294,000	\$ -	7	\$ 13,730,801	Y	N	Y	Note 2
0	Ton Yi Industrial Corp.	Zhanjiang Ton Yi Industrial Co., Ltd.	2	13,730,801	1,035,200	1,035,200	1,035,200	-	5	13,730,801	Y	N	Y	Note 2
0	Ton Yi Industrial Corp.	Chengdu Ton Yi Industrial Co., Ltd.	2	13,730,801	968,294	813,014	807,640	-	4	13,730,801	Y	N	Y	Note 2
0	Ton Yi Industrial Corp.	Zhangzhou Ton Yi Industrial Co., Ltd.	2	13,730,801	519,116	379,846	379,846	-	2	13,730,801	Y	N	Y	Note 2
0	Ton Yi Industrial Corp.	Huizhou Ton Yi Industrial Co., Ltd.	2	13,730,801	509,860	-	-	-	-	13,730,801	Y	N	Y	Note 2
0	Ton Yi Industrial Corp.	Fujian Ton Yi Timplate Co., Ltd.	2	13,730,801	438,486	-	-	-	-	13,730,801	Y	N	Y	Note 2

(Note 1) The following code represents the relationship with the Company:

(1) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(2) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(Note 2) The total endorsement and guarantee provided shall not exceed 70% of the Company's net asset; the amount provided for each counterparty shall not exceed 70% of the Company's net asset.

(Note 3) Foreign currencies were translated into New Taiwan Dollars with exchange rate as of September 30, 2015 as follows: USD:NTD 1:32.87 and CNY:NTD 1:5.1760.

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, 2015

Table 3

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account (Note)	As of September 30, 2015				Footnote
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	\$ 106,992	0.04	\$ 106,992	—
	President International Development Corp.	Same Chairman	2	44,100	500,000	3.33	-	—
	Grand Bills Finance Co.	Same director	2	108	1,050	0.02	-	—
	Emivest Aerospace Corporation	—	2	828	-	1.11	-	—

(Note) The code number explanation is as follows:

1. Available-for-sale financial assets - non-current
2. Financial assets carried at cost - non-current

Ton Yi Industrial Corp. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Nine-month period ended September 30, 2015

Table 4

Expressed in thousands of NTD

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2015		Addition		Disposal			Gain (loss) as at		Balance as at September 30, 2015			
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	
Stock:																	
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Note 1	Capital increase	—	210,000	\$ 7,501,182	20,000	\$ 657,400	-	\$ -	\$ -	-	-	\$ -	472,632	230,000	\$ 8,631,214
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Limited	Note 1	Capital increase	—	210,000	7,501,182	20,000	657,400	-	-	-	-	-	-	472,632	230,000	8,631,214
Cayman Ton Yi (China) Holdings Limited	Ton Yi (China) Investment Co., Ltd.	Note 1	Capital increase and in exchange of newly issued shares	—	-	974,804	-	7,479,725	-	-	-	-	-	-	176,685	-	8,631,214
Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Note 1	Capital increase	—	-	573,148	-	380,051	-	-	-	-	-	-	27,282	-	980,481

(Note 1) Long-term equity investments accounted for under the equity method.

(Note 2) Foreign currencies were translated into New Taiwan Dollars with exchange rate as of September 30, 2015 as follows: USD:NTD 1:32.87 and CNY:NTD 1:5.1760.

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

Nine-month period ended September 30, 2015

Table 5

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/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	An investee company accounted for under the equity method	(Sales)	(\$ 4,663,042)	(35)	50 days after shipping	\$ -	—	\$ 903,302	61	—
Ton Yi Industrial Corp.	TTET Union Corp.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(209,979)	(2)	Monthly-closing basis on 30th next month, T/T	-	—	21,548	1	—
Cayman Ton Yi Industrial Holdings Ltd.	Ton Yi Industrial Corp.	The Company	Purchases	4,663,042	100	50 days after shipping	-	—	(903,302)	(100)	—
Cayman Ton Yi Industrial Holdings Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holding Ltd. accounted for under the equity method	(Sales)	(2,770,394)	(60)	50 days after shipping	-	—	563,364	65	—
Cayman Ton Yi Industrial Holdings Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	(Sales)	(1,881,201)	(40)	50 days after shipping	-	—	302,194	35	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	Purchases	398,129	62	67 days after invoice date, T/T	-	—	(133,069)	(69)	—
Wuxi Ton Yi Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holding Ltd. accounted for under the equity method	Purchases	138,561	22	67 days after invoice date, T/T	-	—	(33,024)	(17)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Fujian Ton Yi Tinplate Co., Ltd.	Cayman Ton Yi Industrial Holdings Ltd.	An investee company accounted for under the equity method	Purchases	\$ 2,770,394	89	50 days after shipping	\$ -	—	(\$ 563,364)	(92)	—
Fujian Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	(138,561)	(4)	67 days after invoice date, T/T	-	—	33,024	2	—
Fujian Ton Yi Tinplate Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Co., Ltd. accounted for under the equity method	(Sales)	(191,625)	(5)	67 days after invoice date, T/T	-	—	47,398	3	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Cayman Ton Yi Industrial Holdings Ltd.	An investee company accounted for under the equity method	Purchases	1,881,201	89	50 days after shipping	-	—	(302,194)	(90)	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	(Sales)	(398,129)	(18)	67 days after invoice date, T/T	-	—	133,069	24	—
Chengdu Tongxin Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holding Ltd. accounted for under the equity method	Purchases	191,625	81	67 days after invoice date, T/T	-	—	(47,398)	(73)	—
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(1,652,696)	(78)	Within 22 days of statements settled twice a month, T/T	-	—	281,097	78	—
Taizhou Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	143,706	11	15 days after invoice date, T/T	-	—	(34,742)	(15)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Taizhou Ton Yi Industrial Co., Ltd.	Uni-President Trading (Hubei) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	\$ 102,104	8	15 days after invoice date, T/T	\$ -	—	\$ -	—	—
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(1,878,936)	(85)	Within 22 days of statements settled twice a month, T/T	-	—	174,250	77	—
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(2,336,671)	(96)	Within 22 days of statements settled twice a month, T/T	-	—	248,430	91	—
Kunshan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	254,871	16	15 days after invoice date, T/T	-	—	(76,894)	(30)	—
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks & Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(2,076,791)	(99)	Within 22 days of statements settled twice a month, T/T	-	—	291,437	99	—
Beijing Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	157,839	12	15 days after invoice date, T/T	-	—	(40,136)	(19)	—
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(976,931)	(100)	Within 22 days of statements settled twice a month, T/T	-	—	142,282	100	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Huizhou Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	\$ 118,680	16	15 days after invoice date, T/T	\$ -	—	(\$ 16,111)	(12)	—
Chengdu Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(730,046)	(74)	Within 22 days of statements settled twice a month, T/T	-	—	20,987	23	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(1,503,444)	(92)	Within 22 days of statements settled twice a month, T/T	-	—	204,675	92	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	102,919	9	33 days after receiving receipts date, T/T	-	—	(197)	-	—
Sichuan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Purchases	102,887	9	15 days after receiving receipts date, T/T	-	—	(18,763)	(11)	—
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	(Sales)	(1,247,651)	(98)	Within 22 days of statements settled twice a month, T/T	-	—	87,566	100	—

(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 currencies were 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, 2015 (USD:NTD 1:32.87, CYN:NTD 1:5.1760); Amounts of transactions were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2015 (USD:NTD 1:31.445628, CYN:NTD 1:5.018656).

Ton Yi Industrial Corp. and subsidiaries

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

Nine-month period ended September 30, 2015

Table 6

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2015			Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Items	Amount	Turnover rate	Amount	Action taken		
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	An investee company accounted for under the equity method	Accounts receivable	\$ 903,302	6.67	\$ -	—	\$ 562,011	\$ -
Cayman Ton Yi Industrial Holdings Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Industrial Holdings Ltd. Accounted for under the equity method	Accounts receivable	563,364	6.44	-	—	385,793	-
Cayman Ton Yi Industrial Holdings Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	Accounts receivable	302,194	7.82	-	—	191,910	-
Cayman Ton Yi Industrial Holdings Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	265,648	-	-	—	-	-
Cayman Ton Yi Industrial Holdings Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	197,898	-	-	—	-	-
Cayman Ton Yi Industrial Holdings Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	164,915	-	-	—	-	-
Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Co., Ltd. accounted for under the equity method	Other receivables	258,800	-	-	—	258,800	-
Chengdu Ton Yi Industrial Packing Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Industrial Holdings Ltd. Accounted for under the equity method	Other receivables	129,716	-	-	—	-	-
Chengdu Ton Yi Industrial Packing Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for under the equity method	Other receivables	129,544	-	-	—	129,400	-
Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	104,509	-	-	—	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for under the equity method	Accounts receivable	133,069	4.34	-	—	50,706	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2015			Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Items	Amount	Turnover rate	Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	\$ 281,097	12.64	\$ -	-	\$ 281,097	\$ -
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	174,250	18.29	-	-	166,773	-
Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	336,842	-	-	-	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	248,430	16.27	-	-	248,430	-
Kunshan Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	155,453	-	-	-	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	155,453	-	-	-	-	-
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks & Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	291,437	14.04	-	-	290,841	-
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	142,282	12.90	-	-	142,282	-
Sichuan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for under the equity method	Other receivables	259,088	-	-	-	-	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Accounts receivable	204,675	20.20	-	-	204,639	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Other receivables	259,174	-	-	-	-	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) has joint control or significant influence	Other receivables	103,635	-	-	-	-	-

(Note) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable and subsequent collections were translated using the exchange rate as at September 30, 2015 (USD:NTD 1:32.87, CYN:NTD 1:5.1760).

Ton Yi Industrial Corp. and subsidiaries
Significant inter-company transactions during the reporting periods
Nine-month period ended September 30, 2015

Table 7

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)		
				General ledger account	Amount	Transaction terms			
0	Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	1	Sales	\$ 4,663,042	50 days after shipping	16%		
			1	Accounts receivable	903,302	—	2%		
		Sichuan Ton Yi Industrial Co., Ltd.	1	Endorsement and guarantees	1,294,000	—	3%		
		Zhanjiang Ton Yi Industrial Co., Ltd.	1	Endorsement and guarantees	1,035,200	—	2%		
		Chengdu Ton Yi Industrial Co., Ltd.	1	Endorsement and guarantees	813,014	—	2%		
1	Cayman Ton Yi Industrial Holdings Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	1	Endorsement and guarantees	379,846	—	1%		
			3	Sales	2,770,394	50 days after shipping	10%		
		Jiangsu Ton Yi Tinplate Co., Ltd.	3	Accounts receivable	563,364	—	1%		
			3	Sales	1,881,201	50 days after shipping	7%		
			3	Accounts receivable	302,194	—	1%		
		Kunshan Ton Yi Industrial Co., Ltd.	3	Other receivables	265,648	—	1%		
		Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	197,898	—	-		
		Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	164,915	—	-		
		2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	3	Other receivables	258,800	—	1%
					3	Other receivables	129,716	—	-
Jiangsu Ton Yi Tinplate Co., Ltd.	3			Other receivables	129,544	—	-		
Chengdu Ton Yi Industrial Co., Ltd.	3			Other receivables	104,509	—	-		

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
3	Fujian Ton Yi Tinplate Co., Ltd.	Chengdu Tongxin Industrial Packing Co., Ltd.	3	Sales	\$ 191,625	67 days after invoice date	1%
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Sales	138,561	67 days after invoice date	-
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Sales	398,129	67 days after invoice date	1%
			3	Accounts receivable	133,069	—	-
5	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	336,842	—	1%
		Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	155,453	—	-
		Beijing Ton Yi Industrial Co., Ltd.	3	Other receivables	155,453	—	-
6	Sichuan Ton Yi Industrial Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	3	Other receivables	259,088	—	1%
7	Zhanjiang Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	259,174	—	1%
		Zhangzhou Ton Yi Industrial Co., Ltd.	3	Other receivables	103,635	—	-

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

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

(1)Parent company is '0'.

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

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

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

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

(Note 5) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at September 30, 2015 (USD:NTD 1:32.87, CYN:NTD 1:5.1760); Amounts of transactions were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2015 (USD:NTD 1:31.445628, CYN:NTD 1:5.018656).

Ton Yi Industrial Corp. and subsidiaries
Information on investees
Nine-month period ended September 30, 2015

Table 8

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2015			Net profit (loss) of the investee for the nine-month period ended September 30, 2015	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2015	Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Ownership (%)	Book value			
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General trading and investment	\$ 7,863,787	\$ 7,863,787	25,309,700	100.00	\$ 10,836,155	\$ 592,471	\$ 592,471	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing of cans	43,740	43,740	-	51.00	55,039	2,408	1,228	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,560,100	6,902,700	230,000,000	100.00	8,631,214	634,800	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Industrial Holdings Ltd.	Cayman	General investment	2,105,720	2,105,720	8,727	100.00	4,049,349 (184,577)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Industrial Holdings Ltd.	Cayman	General investment	1,180,125	1,180,125	5,000	100.00	2,381,900 (155,331)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Limited	Cayman	General investment	7,560,100	6,902,700	230,000,000	100.00	8,631,214	634,800	-	Subsidiary (Note 1)

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

(Note 2) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at September 30, 2015 (USD:NTD 1:32.87); Amounts of transactions were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2015 (USD:NTD 1:31.445628).

Ton Yi Industrial Corp. and subsidiaries
Information on investments in Mainland China
Nine-month period ended September 30, 2015

Table 9

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	for the nine-month period ended September 30, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Net income of investee as of September 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2015	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
				Remitted to Mainland China	Remitted back to Taiwan										
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	\$ 319,496	Note 1	\$ 230,090	\$ -	\$ -	\$ 230,090	(\$ 3,969)	100.00	(\$ 29,348)	\$ 527,705	\$ -	Note 7		
Chengdu Ton Yi Industrial Packing Co., Ltd.	Manufacturing of cans	246,525	Note 1	246,525	-	-	246,525	347,123	100.00	356,577	691,344	-	Note 8		
Changsha Ton Yi Industrial Co., Ltd.	Sales of cans	230,090	Note 1	-	-	-	-	10,391	100.00	10,391	237,112	-	Note 7		
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	2,843,255	Note 2	1,753,516	-	-	1,753,516	(212,635)	86.80	(184,577)	3,976,220	-	Note 8		
Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing of tinplate	1,314,800	Note 3	912,142	-	-	912,142	(187,466)	82.86	(155,331)	2,239,441	-	Note 8		
Chengdu Tongxin Industrial Packing Co., Ltd.	Manufacturing of cans	155,280	Note 4	-	-	-	-	(20,221)	100.00	(20,221)	43,712	-	Note 7		
Ton Yi (China) Investment Co., Ltd.	General investment	7,560,100	Note 5	986,100	-	-	986,100	365,350	100.00	365,350	8,631,214	-	Note 8		
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	986,100	-	-	986,100	192,948	100.00	192,948	1,606,165	-	Note 8		
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	986,100	-	-	986,100	98,950	100.00	98,950	1,310,081	-	Note 8		
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	-	-	-	-	106,030	100.00	106,030	1,181,499	-	Note 7		
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	-	-	-	-	16,347	100.00	16,347	938,863	-	Note 7		
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	197,220	-	-	197,220	19,694	100.00	19,694	936,696	-	Note 7		
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	378,005	-	-	378,005	49,952	100.00	49,952	913,587	-	Note 7		
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	986,100	Note 6	-	-	-	-	26,452	100.00	26,452	980,481	-	Note 8		
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing of PET packages	657,400	Note 6	-	-	-	-	126,846	100.00	126,846	765,718	-	Note 8		

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 9)
Ton Yi Industrial Corp.	\$ 6,675,798	\$ 12,135,841	\$ 12,443,301

(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 Industrial 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 Industrial Holdings Ltd.), which then invested in the investee in Mainland China.

(Note 4) 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 5) 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 6) 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 7) Income (loss) was measured based on unreviewed financial statements of investees during the reporting period.

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

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

(Note 10) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable were translated using the exchange rate as at September 30, 2015 (USD:NTD 1:32.87, CYN:NTD 1:5.1760);

Amounts of transactions were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2015 (USD:NTD 1:31.445628, CYN:NTD 1:5.018656).

Ton Yi Industrial Corp. and subsidiaries

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

Nine-month period ended September 30, 2015

Table 10

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at September 30, 2015	%	Balance at September 30, 2015	Purpose	Maximum balance during the nine-month period ended September 30, 2015	Balance at September 30, 2015	Interest rate	Interest during the nine-month period ended September 30, 2015	Others
Fujian Ton Yi Tinplate Co., Ltd.	\$ 2,770,394	21	\$ -	-	\$ 563,364	42	\$ -	-	\$ -	\$ -	-	\$ -	-
Jiangsu Ton Yi Tinplate Co., Ltd.	1,881,201	14	-	-	302,194	22	-	-	-	-	-	-	-
Sichuan Ton Yi Industrial Co., Ltd.	-	-	-	-	-	-	1,294,000	Financing endorsement/guarante	-	-	-	-	-
Zhanjiang Ton Yi Industrial Co., Ltd.	-	-	-	-	-	-	1,035,200	Financing endorsement/guarante	-	-	-	-	-
Chengdu Ton Yi Industrial Co., Ltd.	-	-	-	-	-	-	813,014	Financing endorsement/guarante	-	-	-	-	-
Zhangzhou Ton Yi Industrial Co., Ltd.	-	-	-	-	-	-	379,846	Financing endorsement/guarante	-	-	-	-	-