

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2021 AND 2020

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. (the "Company") as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Refer to Note 4(25) for the accounting policy on revenue recognition.

The primary business of the Company is selling Tin Plate products. The Company has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different locations such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the sales revenue transactions need more time for verification. This matter also exists in the subsidiaries of the Company (investments accounted for using equity method). Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

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

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

Inventory valuation

Description

Refer to Note 4(6) for accounting policy on inventory valuation, and Note 5(2) for the accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(3) for details of inventories. For the year ended December 31, 2021, inventory and allowance to reduce inventory to market amounted to NT\$3,899,088 thousand and NT\$32,000 thousand, respectively.

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

This matter also applies to the subsidiaries of the Company (investments accounted for using equity method). Thus, the inventory valuation has been identified as a key audit matter.

How our audit addressed the matter

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

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

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company

only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Yung-Chih

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2022

The accompanying parent company only 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 parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 13,038	-	\$ 69,298	-
1150	Notes receivable, net	6(2) and 12	152,088	-	74,372	-
1170	Accounts receivable, net	6(2) and 12	1,553,297	5	363,948	1
1180	Accounts receivable - related parties	6(2) and 7	832,788	3	355,484	1
1200	Other receivables		162,315	1	81,094	1
1220	Current income tax assets	6(25)	39,466	-	39,466	-
130X	Inventories	5(2) and 6(3)	3,867,088	12	1,874,852	7
1410	Prepayments		49,504	-	56,058	-
1476	Other current financial assets		-	-	942	-
11XX	Total current assets		<u>6,669,584</u>	<u>21</u>	<u>2,915,514</u>	<u>10</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	88,203	-	68,246	-
1550	Investments accounted for using equity method	6(5)	17,878,715	55	17,341,777	60
1600	Property, plant and equipment	6(6)	7,216,802	23	8,153,499	28
1755	Right-of-use assets	6(7) and 7	364,914	1	387,211	1
1760	Investment property, net	6(9)	1,066	-	1,066	-
1840	Deferred income tax assets	6(25)	125,981	-	161,418	1
1915	Prepayments for business facilities	6(6)	-	-	5,158	-
1920	Guarantee deposits paid		226	-	226	-
15XX	Total non-current assets		<u>25,675,907</u>	<u>79</u>	<u>26,118,601</u>	<u>90</u>
1XXX	Total assets		<u>\$ 32,345,491</u>	<u>100</u>	<u>\$ 29,034,115</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 2,798,456	9	\$ 1,826,324	6
2110	Short-term notes and bills payable	6(11)	399,900	1	-	-
2130	Current contract liabilities	6(18)	169,878	-	42,760	-
2170	Accounts payable		239,483	1	377,521	1
2200	Other payables		724,116	2	522,713	2
2230	Current income tax liabilities	6(25)	235,949	1	-	-
2280	Lease liabilities, current	7	10,116	-	11,941	-
2305	Other current financial liabilities		17,088	-	5,320	-
2365	Current refund liabilities		15,085	-	10,712	-
21XX	Total current liabilities		<u>4,610,071</u>	<u>14</u>	<u>2,797,291</u>	<u>9</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	7,050,000	22	6,520,000	23
2550	Non-current provisions	6(13)	82,727	-	81,204	-
2570	Deferred income tax liabilities	6(25)	224,363	1	220,221	1
2580	Lease liabilities, non-current	7	300,001	1	310,917	1
2640	Net defined benefit liabilities, non-current	6(14)	311,034	1	316,693	1
2645	Guarantee deposits received		4,500	-	4,500	-
25XX	Total non-current liabilities		<u>7,972,625</u>	<u>25</u>	<u>7,453,535</u>	<u>26</u>
2XXX	Total liabilities		<u>12,582,696</u>	<u>39</u>	<u>10,250,826</u>	<u>35</u>
Equity						
Share capital						
3110	Common stock	6(15)	15,791,453	48	15,791,453	54
3200	Capital surplus	6(16)	231,673	1	231,690	1
Retained earnings						
3310	Legal reserve		1,878,827	6	1,793,153	6
3320	Special reserve		1,811,806	6	1,922,076	7
3350	Unappropriated retained earnings		1,878,911	6	856,723	3
3400	Other equity interest		(1,829,875)	(6)	(1,811,806)	(6)
3XXX	Total equity		<u>19,762,795</u>	<u>61</u>	<u>18,783,289</u>	<u>65</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		<u>\$ 32,345,491</u>	<u>100</u>	<u>\$ 29,034,115</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18) and 7	\$ 22,872,434	100	\$ 14,306,713	100
5000	Operating costs	6(3)(14)(23)(24) and 7	(19,890,372)	(87)	(13,240,086)	(92)
5900	Gross profit from operations		2,982,062	13	1,066,627	8
5910	Unrealized profit from sales	6(5) and 7	(36,827)	-	(19,673)	-
5920	Realized profit from sales	6(5) and 7	19,673	-	5,909	-
5950	Gross profit from operations		2,964,908	13	1,052,863	8
	Operating expenses	6(14)(23)(24), 7 and 12				
6100	Selling expenses		(1,203,267)	(5)	(739,680)	(5)
6200	Administrative expenses		(522,648)	(3)	(365,663)	(3)
6450	Expected credit (losses) gains		(12,914)	-	3,798	-
6000	Total operating expenses		(1,738,829)	(8)	(1,101,545)	(8)
6900	Operating income (loss)		1,226,079	5	48,682	-
	Non-operating income and expenses					
7100	Interest income	6(19)	68	-	163	-
7010	Other income	6(4)(8)(20)	33,096	-	21,372	-
7020	Other gains and losses	6(7)(21) and 12	(7,252)	-	(41,812)	-
7050	Finance costs	6(6)(7)(13)(22) and 7	(105,117)	-	(109,652)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(5)	985,415	4	1,071,986	7
7000	Total non-operating income and expenses		906,210	4	942,057	6
7900	Profit before income tax		2,132,289	9	893,375	6
7950	Income tax (expense) benefit	6(25)	(280,141)	(1)	27,885	-
8200	Profit for the year		\$ 1,852,148	8	\$ 921,260	6
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plan	6(14)	(\$ 22,011)	-	(\$ 80,671)	(1)
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(4)	19,957	-	(29,113)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	4,402	-	16,134	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(5)	(38,237)	-	213,148	2
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(25)	211	-	658	-
8300	Other comprehensive (loss) income for the year		(\$ 35,678)	-	\$ 120,156	1
8500	Total comprehensive income for the year		\$ 1,816,470	8	\$ 1,041,416	7
	Earnings per share (in dollars)	6(26)				
9750	Basic		\$ 1.17		\$ 0.58	
9850	Diluted		\$ 1.17		\$ 0.58	

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>2020</u>									
Balance at January 1, 2020		\$ 15,791,453	\$ 231,168	\$ 1,739,515	\$ 1,378,569	\$ 597,145	(\$ 1,714,941)	(\$ 281,558)	\$ 17,741,351
Profit for the year		-	-	-	-	921,260	-	-	921,260
Other comprehensive income (loss) for the year	6(4)	-	-	-	-	(64,537)	213,806	(29,113)	120,156
Total comprehensive income (loss)		-	-	-	-	856,723	213,806	(29,113)	1,041,416
Distribution of 2019 net income:									
Legal reserve		-	-	53,638	-	(53,638)	-	-	-
Special reserve	6(17)	-	-	-	543,507	(543,507)	-	-	-
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(16)	-	522	-	-	-	-	-	522
Balance at December 31, 2020		\$ 15,791,453	\$ 231,690	\$ 1,793,153	\$ 1,922,076	\$ 856,723	(\$ 1,501,135)	(\$ 310,671)	\$ 18,783,289
<u>2021</u>									
Balance at January 1, 2021		\$ 15,791,453	\$ 231,690	\$ 1,793,153	\$ 1,922,076	\$ 856,723	(\$ 1,501,135)	(\$ 310,671)	\$ 18,783,289
Profit for the year		-	-	-	-	1,852,148	-	-	1,852,148
Other comprehensive income (loss) for the year	6(4)	-	-	-	-	(17,609)	(38,026)	19,957	(35,678)
Total comprehensive income (loss)		-	-	-	-	1,834,539	(38,026)	19,957	1,816,470
Distribution of 2020 net income:									
Legal reserve		-	-	85,674	-	(85,674)	-	-	-
Cash dividends	6(17)	-	-	-	-	(836,947)	-	-	(836,947)
Reverval of special reserve	6(17)	-	-	-	(110,270)	110,270	-	-	-
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(16)	-	369	-	-	-	-	-	369
Payment of unpaid cash dividends from previous years transferred to capital reserve	6(16)	-	(386)	-	-	-	-	-	(386)
Balance at December 31, 2021		\$ 15,791,453	\$ 231,673	\$ 1,878,827	\$ 1,811,806	\$ 1,878,911	(\$ 1,539,161)	(\$ 290,714)	\$ 19,762,795

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,132,289	\$ 893,375
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses (gains)	12	12,914	(3,798)
(Reverl of allowance) provision for inventory market price decline	6(3)	(38,000)	1,000
Share of profit of associates and joint ventures accounted using equity method	6(5)	(985,415)	(1,071,986)
Unrealized profit from sales	6(5)	36,827	19,673
Realized profit from sales	6(5)	(19,673)	(5,909)
Depreciation	6(6)(7)(23)	996,799	1,018,497
Gain on disposal of property, plant and equipment	6(21)	(45)	(4,350)
(Gain) loss from lease modifications	6(21)	(1,319)	2,235
Dividend income	6(4)(20)	(3,607)	-
Interest income	6(19)	(68)	(163)
Interest expense	6(22)	105,117	109,652
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(78,501)	42,898
Accounts receivable		(1,201,478)	339,087
Accounts receivable - related parties		(477,304)	110,878
Other receivables		(81,221)	(9,309)
Inventories		(1,954,236)	124,450
Prepayments		6,554	3,773
Changes in operating liabilities			
Contract liabilities, current		127,118	15,099
Notes payable		-	(2,095)
Accounts payable		(138,038)	260,752
Other payables		206,568	5,313
Current refund liabilities		4,373	696
Net defined benefit liabilities, non-current		(27,670)	(41,878)
Cash (outflow) inflow generated from operations		(1,378,016)	1,807,890
Dividends received		396,693	-
Interest received		68	163
Interest paid		(102,915)	(110,041)
Income tax paid		-	(1,811)
Net cash flows (used in) from operating activities		(1,084,170)	1,696,201

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TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in other current financial assets		\$ 942	(\$ 420)
Acquisition of property, plant and equipment	6(27)	(31,132)	(7,066)
Proceeds from disposal of property, plant and equipment		52	6,690
Increase in prepayments for business facilities		(8,103)	(13,585)
Interest paid for prepayments for business facilities	6(6)(22)	(171)	(114)
Decrease in refundable deposits		-	2,707
Net cash flows used in investing activities		(38,412)	(11,788)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(28)	972,132	(748,670)
Increase in short-term notes and bills payable	6(28)	400,000	-
Increase in other current financial liabilities	6(28)	11,768	-
Payments of lease liabilities	6(28)	(10,614)	(36,907)
Increase in long-term borrowings	6(28)	900,000	720,000
Decrease in long-term borrowings	6(28)	(370,000)	(1,600,000)
Decrease in guarantee deposits received	6(28)	-	(1,000)
Cash dividends paid	6(17)	(836,947)	-
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(16)	369	522
Payment of unpaid cash dividends from previous years transferred to capital reserve	6(16)	(386)	-
Net cash flows from (used in) financing activities		1,066,322	(1,666,055)
Net (decrease) increase in cash and cash equivalents		(56,260)	18,358
Cash and cash equivalents at beginning of year	6(1)	69,298	50,940
Cash and cash equivalents at end of year	6(1)	\$ 13,038	\$ 69,298

The accompanying notes are an integral part of these parent company only financial statements.

TON YI INDUSTRIAL CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

- (1) Ton Yi Industrial Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 14, 1969. The Company is primarily engaged in the manufacture, processing and sales of various cans of steel and tin plate.
- (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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 7, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments as endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform– Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond June 30 2021’	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial position and financial performance based on the Company’s assessment.

Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’

The amendment extends the application period of the practical expedient by one year to cover COVID-19-related rent concessions that reduce only lease payments originally due on or before June 30, 2022, provided that all specified conditions are met. The original amendment covered only lease

payments originally due on or before June 30, 2021.

For the gain from changes in lease payments arising from applying the practical expedient, please refer to Note 6(7), 'Leasing arrangements – lessee'.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented,

unless otherwise stated.

(1) Compliance statement

These parent company only financial statements are prepared by the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- b. Financial assets at fair value through other comprehensive income/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 Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5. Critical accounting judgements, estimates and key sources of assumption uncertainty.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

- 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.

(4) 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.

(5) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(6) 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.

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

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

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

(10) Investments accounted for using equity method / Subsidiaries

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealized profit (loss) from the transactions between the Company and subsidiaries has been offset. The accounting policies of the subsidiaries have been adjusted to ensure consistency with the policies of the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
- D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(11) 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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the consumption patterns of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment

are as follows:

<u>Asset</u>	<u>Useful Lives</u>
Buildings	5 ~ 55 years
Machinery and equipment	2 ~ 30 years
Transportation equipment	3 ~ 20 years
Office equipment	2 ~ 8 years
Other equipment	2 ~ 40 years

(12) Leasing arrangements (lessor) – operating leases

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

(13) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

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

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

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

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

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

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

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

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

(14) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(15) Impairment of non-financial assets

The Company 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.

(16) Borrowings

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

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

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

(19) 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.

(20) Provision

Provision (decommissioning liabilities) is recognized when the Company 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.

(21) 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 plan

For defined contribution plan, 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 plan

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

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

C. Employees' compensation and directors' remuneration

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

(22) Income tax

A. The tax expense for the period 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 cases the tax is recognized in other comprehensive income or equity.

B. The Company's current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax

authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders 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 parent company only balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company 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 utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(23) Share capital

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

(24) 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.

(25) Revenue recognition

Sales of goods

- A. The Company manufactures and sells tinplate, cans, and PET package products. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts and volume discounts. The products are often sold with volume discounts based on estimated sales of each year. Accumulated experience is used to estimate and provide for the sales discounts and volume discounts, using the expected value method, and

revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and volume discounts payable to customers in relation to sales made until the end of the reporting period.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company’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 Company’s accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

B. As of December 31, 2021, the carrying amount of inventories was \$3,867,088.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash:		
Cash on hand	\$ -	\$ 42
Checking deposits and demand deposits	<u>13,038</u>	<u>69,256</u>
	<u>\$ 13,038</u>	<u>\$ 69,298</u>

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

B. The Company did not pledge cash and cash equivalents as collateral as at December 31, 2021 and 2020.

(2) Notes receivable and accounts receivable, net

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 153,624	\$ 75,123
Less: Allowance for doubtful accounts	(1,536)	(751)
	<u>\$ 152,088</u>	<u>\$ 74,372</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable	\$ 1,569,034	\$ 367,556
Less: Allowance for doubtful accounts	(15,737)	(3,608)
	<u>\$ 1,553,297</u>	<u>\$ 363,948</u>

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

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
1 to 30 days	\$ 119,823	\$ 1,945,284	\$ 62,531	\$ 481,181
31 to 60 days	29,021	449,401	10,943	225,135
61 to 90 days	4,780	7,137	1,649	16,724
	<u>\$ 153,624</u>	<u>\$ 2,401,822</u>	<u>\$ 75,123</u>	<u>\$ 723,040</u>

The above aging analysis was based on credit date.

- B. As of December 31, 2021 and 2020, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables (including related parties) from contracts with customers amounted to \$ 1,291,026.
- C. The Company did not pledge notes receivable and accounts receivable as collateral as at December 31, 2021 and 2020.
- D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable and accounts receivable held by the Company was the book value.
- E. Information relating to credit risk of notes receivable and accounts receivable are provided in Note 12(2), "Financial instruments."

(3) Inventories

		December 31, 2021		
	Cost	Allowance for price decline of inventories	Carrying amount	
Merchandise	\$ 5,515	\$ -	\$ 5,515	
Raw materials	1,560,217	(315)	1,559,902	
Supplies	200,873	-	200,873	
Work in process	754,703	(20,094)	734,609	
Finished goods	1,377,780	(11,591)	1,366,189	
	<u>\$ 3,899,088</u>	<u>(\$ 32,000)</u>	<u>\$ 3,867,088</u>	

		December 31, 2020		
	Cost	Allowance for price decline of inventories	Carrying amount	
Merchandise	\$ 2,307	\$ -	\$ 2,307	
Raw materials	397,470	(1,530)	395,940	
Supplies	123,300	(60)	123,240	
Work in process	420,532	(14,401)	406,131	
Finished goods	1,001,243	(54,009)	947,234	
	<u>\$ 1,944,852</u>	<u>(\$ 70,000)</u>	<u>\$ 1,874,852</u>	

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2021	2020
Cost of goods sold	\$ 20,333,572	\$ 13,495,290
(Reversal of allowance) provision for inventory market price decline (Note)	(38,000)	1,000
Income from sale of scraps	(392,991)	(246,075)
Indemnities	(12,209)	(10,129)
	<u>\$ 19,890,372</u>	<u>\$ 13,240,086</u>

(Note) For the year ended December 31, 2021, the Company reversed a previous inventory write – down as a result of subsequent sales of inventories which were previously provided with allowance.

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

Items	December 31, 2021	December 31, 2020
Listed stocks	\$ 378,917	\$ 378,917
Valuation adjustment	(290,714)	(310,671)
	<u>\$ 88,203</u>	<u>\$ 68,246</u>

A. The Company has elected to classify listed stocks that are considered to be strategic investments

as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$88,203 and \$68,246 as at December 31, 2021 and 2020, respectively.

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

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income (loss)	\$ 19,957	(\$ 29,113)
Dividend income recognized in profit (listed under “Other income”)	\$ 3,607	\$ –

C. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral as at December 31, 2021 and 2020.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2) “Financial instruments”.

(5) Investments accounted for using equity method

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 17,341,777	\$ 16,070,407
Share of profit of investments accounted using equity method	985,415	1,071,986
Earnings distribution from investments accounted using equity method	(393,086)	–
Unrealized profit from sales	(36,827)	(19,673)
Realized profit from sales	19,673	5,909
Changes in other equity items – Exchange differences on translation of foreign financial statements	(38,237)	213,148
Balance, end of year	<u>\$ 17,878,715</u>	<u>\$ 17,341,777</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cayman Ton Yi Industrial Holdings Ltd.	\$ 17,828,541	\$ 17,285,674
Tovecan Corp.	<u>50,174</u>	<u>56,103</u>
	<u>\$ 17,878,715</u>	<u>\$ 17,341,777</u>

Information on the Company’s subsidiaries is provided in Note 4(3) ‘Basis of consolidation in the Company’s 2021 consolidated financial statements’.

(6) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Equipment under installation and construction in progress</u>	<u>Total</u>
<u>Balance at January 1, 2021</u>								
Cost	\$ 615,892	\$ 5,066,171	\$ 27,702,265	\$ 213,898	\$ 4,919	\$ 3,085,138	\$ 2,806	\$ 36,691,089
Accumulated depreciation	<u>-</u>	<u>(3,580,460)</u>	<u>(22,341,126)</u>	<u>(205,752)</u>	<u>(4,914)</u>	<u>(2,405,338)</u>	<u>-</u>	<u>(28,537,590)</u>
	<u>\$ 615,892</u>	<u>\$ 1,485,711</u>	<u>\$ 5,361,139</u>	<u>\$ 8,146</u>	<u>\$ 5</u>	<u>\$ 679,800</u>	<u>\$ 2,806</u>	<u>\$ 8,153,499</u>
<u>For the year ended December 31, 2021</u>								
Balance at January 1, 2021	\$ 615,892	\$ 1,485,711	\$ 5,361,139	\$ 8,146	\$ 5	\$ 679,800	\$ 2,806	\$ 8,153,499
Additions - Cost	-	3,598	14,201	2,910	-	4,479	-	25,188
Transferred - Cost (Note)	-	-	6,202	-	-	-	7,230	13,432
Depreciation	-	(99,568)	(774,803)	(1,575)	-	(99,364)	-	(975,310)
Disposal - Cost	-	(2,888)	(6,597)	-	(474)	(6,322)	-	(16,281)
- Accumulated depreciation	<u>-</u>	<u>2,888</u>	<u>6,590</u>	<u>-</u>	<u>474</u>	<u>6,322</u>	<u>-</u>	<u>16,274</u>
Balance at December 31, 2021	<u>\$ 615,892</u>	<u>\$ 1,389,741</u>	<u>\$ 4,606,732</u>	<u>\$ 9,481</u>	<u>\$ 5</u>	<u>\$ 584,915</u>	<u>\$ 10,036</u>	<u>\$ 7,216,802</u>
<u>Balance at December 31, 2021</u>								
Cost	\$ 615,892	\$ 5,066,881	\$ 27,716,071	\$ 216,808	\$ 4,445	\$ 3,083,295	\$ 10,036	\$ 36,713,428
Accumulated depreciation	<u>-</u>	<u>(3,677,140)</u>	<u>(23,109,339)</u>	<u>(207,327)</u>	<u>(4,440)</u>	<u>(2,498,380)</u>	<u>-</u>	<u>(29,496,626)</u>
	<u>\$ 615,892</u>	<u>\$ 1,389,741</u>	<u>\$ 4,606,732</u>	<u>\$ 9,481</u>	<u>\$ 5</u>	<u>\$ 584,915</u>	<u>\$ 10,036</u>	<u>\$ 7,216,802</u>

(Note) Including transfer from prepayments for business facilities.

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Other equipment	Equipment under installation and construction in progress	Total
<u>Balance at January 1, 2020</u>								
Cost	\$ 615,892	\$ 5,066,171	\$ 27,691,999	\$ 222,460	\$ 4,987	\$ 3,113,869	\$ 7,970	\$ 36,723,348
Accumulated depreciation	-	(3,481,021)	(21,559,958)	(211,284)	(4,981)	(2,347,641)	-	(27,604,885)
	<u>\$ 615,892</u>	<u>\$ 1,585,150</u>	<u>\$ 6,132,041</u>	<u>\$ 11,176</u>	<u>\$ 6</u>	<u>\$ 766,228</u>	<u>\$ 7,970</u>	<u>\$ 9,118,463</u>
<u>For the year ended December 31, 2020</u>								
Balance at January 1, 2020	\$ 615,892	\$ 1,585,150	\$ 6,132,041	\$ 11,176	\$ 6	\$ 766,228	\$ 7,970	\$ 9,118,463
Additions - Cost	-	-	4,986	1,448	-	5,568	-	12,002
Transferred - Cost (Note)	-	-	6,150	-	-	7,555	(5,164)	8,541
Depreciation	-	(99,439)	(782,037)	(2,178)	(1)	(99,512)	-	(983,167)
Disposal - Cost	-	-	(870)	(10,010)	(68)	(41,854)	-	(52,802)
- Accumulated depreciation	-	-	869	7,710	68	41,815	-	50,462
Balance at December 31, 2020	<u>\$ 615,892</u>	<u>\$ 1,485,711</u>	<u>\$ 5,361,139</u>	<u>\$ 8,146</u>	<u>\$ 5</u>	<u>\$ 679,800</u>	<u>\$ 2,806</u>	<u>\$ 8,153,499</u>
<u>Balance at December 31, 2020</u>								
Cost	\$ 615,892	\$ 5,066,171	\$ 27,702,265	\$ 213,898	\$ 4,919	\$ 3,085,138	\$ 2,806	\$ 36,691,089
Accumulated depreciation	-	(3,580,460)	(22,341,126)	(205,752)	(4,914)	(2,405,338)	-	(28,537,590)
	<u>\$ 615,892</u>	<u>\$ 1,485,711</u>	<u>\$ 5,361,139</u>	<u>\$ 8,146</u>	<u>\$ 5</u>	<u>\$ 679,800</u>	<u>\$ 2,806</u>	<u>\$ 8,153,499</u>

(Note) Including transfer from prepayments for business facilities.

- A. The Company's property, plant and equipment are all owner-occupied as at December 31, 2021 and 2020.
- B. Amount of borrowing costs capitalized as part of property, plant and equipment prepayment for business facilities and the range of the interest rates for such capitalization are as follows:

	For the years ended December 31,	
	2021	2020
Amount capitalized	\$ 171	\$ 114
Interest rate	1.30%	1.30%

- C. The Company did not pledge property, plant and equipment as collateral as at December 31, 2021 and 2020.

(7) Leasing arrangements – lessee

- A. The Company leases various assets including land and other equipment. Rental contracts are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	\$ 364,446	\$ 385,340
Other equipment	468	1,871
	<u>\$ 364,914</u>	<u>\$ 387,211</u>

	For the years ended December 31,	
	2021	2020
	Depreciation	Depreciation
Land	\$ 20,086	\$ 33,943
Other equipment	1,403	1,387
	<u>\$ 21,489</u>	<u>\$ 35,330</u>

- C. For the years ended December 31, 2021 and 2020, the additions and remeasurement to right-of-use assets were (\$808) and \$3,522, respectively.
- D. The information on profit or loss relating to lease contracts is as follows:

<u>Items affecting profit or loss</u>	For the years ended December 31,	
	2021	2020
Interest expense on lease liabilities	\$ 6,102	\$ 6,922
(Gain) Loss from lease modification	(1,319)	2,235

- E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$16,716 and \$43,829, respectively.
- F. The Company has applied the practical expedient to "Covid-19-related rent concessions", and recognized the gain from changes in lease payments arising from the rent concessions amounting

to \$1,319 and \$1,371 (listed under “Other gains and losses”) by decreasing rent expense for the years ended December 31, 2021 and 2020 respectively.

(8) Leasing arrangements – lessor

- A. The Company leases various assets including buildings and machineries. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor’s ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. For the years ended December 31, 2021 and 2020, the Company recognized rent income (listed under “Other income”) in the amounts of \$5,336 and \$5,398, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity date analysis of the unrealized lease payments of the Company under operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Within 1 year	\$ 5,336	\$ 5,378
1 to 2 years	2,640	5,378
2 to 3 years	–	2,640
	<u>\$ 7,976</u>	<u>\$ 13,396</u>

(9) Investment property, net

<u>Land</u>	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Balance, beginning and end of year		
Cost	\$ 3,785	\$ 3,785
Accumulated impairment	(2,719)	(2,719)
	<u>\$ 1,066</u>	<u>\$ 1,066</u>

- A. The fair values of the investment property held by the Company as at December 31, 2021 and 2020 were \$1,468 for both years, which were categorized within Level 2. Land is valued according to Current Land Value announced by the Department of Land Administration.
- B. As of December 31, 2021 and 2020, no investment property held by the Company was pledged to others as collateral.

(10) Short-term borrowings

<u>Nature</u>	<u>December 31, 2021</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 2,798,456</u>	0.62%~0.80%	None
<u>Nature</u>	<u>December 31, 2020</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 1,826,324</u>	0.62%~1.06%	None

- A. For more information about interest expenses recognized by the Company for the years ended December 31, 2021 and 2020, please refer to Note 6(22), 'Finance costs'.
- B. For information on the terms and conditions of all the loan contracts the Company entered into with financial institutions, please refer to Note 9, 'Significant contingent liabilities and unrecognized contract commitments'.

(11) Short-term notes and bills payable

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

There was no such situation as of December 31, 2020.

- A. For more information about interest expenses recognized by the Company for the year ended December 31, 2021, please refer to Note 6(22), 'Finance costs'.
- B. The above commercial papers were issued and secured by finance institutions such as China Bills Finance Corporation, etc. for short-term financing.

(12) Long-term borrowings

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

Nature	Range of maturity dates	Range of interest rates	Collateral	December 31, 2020
Unsecured bank borrowings	2022. 2. 9~ 2023. 12. 28	0.93%~ 1.15%	None	<u>\$ 6,520,000</u>

- C. For more information about interest expenses recognized by the Company for the years ended December 31, 2021 and 2020, please refer to Note 6(22), 'Finance costs'.
- D. For information on the terms and conditions of all the loan contracts the Company entered into with financial institutions, please refer to Note 9, 'Significant contingent liabilities and unrecognized contract commitments'.

(13) Non-current provision

<u>Decommissioning liabilities</u>	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 81,204	\$ 79,709
Unwinding of discount	1,523	1,495
Balance, end of year	<u>\$ 82,727</u>	<u>\$ 81,204</u>

According to the policy published, applicable agreement or the law and regulation, the Company has obligations to restore certain property, plant and equipment located in Yong-Kang District, Tainan City in the future. A provision is recognized for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will be settled within 50 years from the beginning of contract.

(14) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 14% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The rate was adjusted to 10% as approved by the Bureau of Labor Affairs, Tainan City Government in February, 2020. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

a. The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	(\$ 1,604,794)	(\$ 1,592,052)
Fair value of plan assets	<u>1,293,760</u>	<u>1,275,359</u>
Net defined benefit liability, non-current	<u>(\$ 311,034)</u>	<u>(\$ 316,693)</u>

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

<u>For the year ended December 31, 2021</u>	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2021	(\$ 1,592,052)	\$ 1,275,359	(\$ 316,693)
Past service cost	(9,996)	-	(9,996)
Current service cost	(15,857)	-	(15,857)
Interest (expense) income	(9,906)	8,088	(1,818)
	<u>(1,627,811)</u>	<u>1,283,447</u>	<u>(344,364)</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	14,563	14,563
Changes in financial assumptions	(50,145)	-	(50,145)
Experience adjustments	<u>13,571</u>	<u>-</u>	<u>13,571</u>
	<u>(36,574)</u>	<u>14,563</u>	<u>(22,011)</u>
Pension fund contribution	<u>-</u>	<u>55,341</u>	<u>55,341</u>
Paid pension	<u>59,591</u>	<u>(59,591)</u>	<u>-</u>
Balance at December 31, 2021	<u>(\$ 1,604,794)</u>	<u>\$ 1,293,760</u>	<u>(\$ 311,034)</u>
<u>For the year ended December 31, 2020</u>	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2020	(\$ 1,488,994)	\$ 1,211,094	(\$ 277,900)
Current service cost	(16,444)	-	(16,444)
Interest (expense) income	(14,823)	12,406	(2,417)
	<u>(1,520,261)</u>	<u>1,223,500</u>	<u>(296,761)</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	35,787	35,787
Changes in financial assumptions	(70,532)	-	(70,532)
Experience adjustments	<u>(45,926)</u>	<u>-</u>	<u>(45,926)</u>
	<u>(116,458)</u>	<u>35,787</u>	<u>(80,671)</u>
Pension fund contribution	<u>-</u>	<u>60,739</u>	<u>60,739</u>
Paid pension	<u>44,667</u>	<u>(44,667)</u>	<u>-</u>
Balance at December 31, 2020	<u>(\$ 1,592,052)</u>	<u>\$ 1,275,359</u>	<u>(\$ 316,693)</u>

- c. The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- d. The principal actuarial assumptions used were as follows:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Discount rate	<u>0.63%</u>	<u>1.00%</u>
Future salary increase rate	<u>3.00%</u>	<u>3.00%</u>

Future mortality rate was estimated based on the 6th and 5th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2021 and 2020, respectively. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
<u>December 31, 2021</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
Effect on present value of defined benefit obligation	<u>(\$ 44,775)</u>	<u>\$ 46,429</u>	<u>\$ 44,450</u>	<u>(\$ 43,122)</u>
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	<u>(\$ 47,466)</u>	<u>\$ 49,309</u>	<u>\$ 47,240</u>	<u>(\$ 45,749)</u>

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- e. Expected contributions to the defined benefit pension plan of the Company for the year ending

December 31, 2022 amount to \$50,371.

f. As of December 31, 2021, the weighted average duration of that retirement plan is 13 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	27,462
2~5 years		171,925
6~10 years		383,656
11~13 years		<u>349,900</u>
	\$	<u>932,943</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company (listed under “Operating cost” and “Operating expense”) for the years ended December 31, 2021 and 2020 were \$25,350 and \$25,300, respectively.

(15) Share capital – Common stock

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

	For the years ended December 31,	
	2021	2020
Balance as at January 1 and December 31	<u>1,579,145</u>	<u>1,579,145</u>

B. As of December 31, 2021, the Company’s authorized capital was \$17,847,009, and the paid-in capital was \$15,791,453, consisting of 1,579,145 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(16) Capital surplus

Pursuant to the 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 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 reserves should not be used to cover accumulated deficit after the legal reserve is used. Movements of the Company’s capital reserve for the years ended December 31, 2021 and 2020 are as follows:

	For the year ended December 31, 2021				
	Treasury share				
	<u>Share premium</u>	<u>transactions</u>	<u>Donations</u>	<u>Others</u>	<u>Total</u>
Balance, beginning of year	\$ 58,271	\$ 169,088	\$ 819	\$3,512	\$231,690
Non-payment of expired cash dividends from previous year transferred to capital reserve	-	-	-	369	369
Payment of unpaid cash dividends from previous years transferred to capital reserve	-	-	-	(386)	(386)
Balance, end of year	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$3,495</u>	<u>\$231,673</u>

	For the year ended December 31, 2020				
	Treasury share				
	<u>Share premium</u>	<u>transactions</u>	<u>Donations</u>	<u>Others</u>	<u>Total</u>
Balance, beginning of year	\$ 58,271	\$ 169,088	\$ 819	\$2,990	\$231,168
Non-payment of expired cash dividends from previous year transferred to capital reserve	-	-	-	522	522
Balance, end of year	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$3,512</u>	<u>\$231,690</u>

(17) Retained earnings

- A. The legal reserve shall be exclusively used to offset accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.
- B. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with related regulations. The remaining amount plus the accumulated unappropriated earnings from prior years is the accumulated distributable earnings. Of the amount to be distributed by the Company, shareholders' dividends shall comprise 50% to 100% of the accumulated distributable earnings and cash dividends shall not be lower than 30% of the total dividends distributed. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders.

C. Special reserve

a. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances in other equity items at the balance sheet date before distributing earnings. When debit balances on other equity items are reversed subsequently, an equal amount could be included in the distributable earnings. As of December 31, 2021 and 2020, special reserve of \$1,811,806 and \$1,922,076, respectively, was set aside in accordance with the Company Act on special reserve, and no dividends shall be distributed.

b. The amounts previously set aside by the Company as special reserve of \$826,453 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets, those other than land, are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The Company recognized dividends distributed to owners amounting to \$836,947 (\$0.53 (in dollars) per share as cash dividend) for the year ended December 31, 2020. The shareholders during their meeting resolved that no dividend of 2019 will be distributed because the year's earnings have been depleted after legal reserve and special reserve were set aside in accordance with related regulations. On March 7, 2022, total dividends for the year ended December 31, 2021 amounting to \$1,579,145, constituting \$1 (in dollars) per share as cash dividends, was proposed by the Board of Directors.

(18) Operating revenue

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers	<u>\$ 22,872,434</u>	<u>\$ 14,306,713</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major products:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue from products of Tinline	\$ 22,831,830	\$ 14,272,367
Revenue from products of Plastic pack	40,604	34,346
	<u>\$ 22,872,434</u>	<u>\$ 14,306,713</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Current contract liabilities	<u>\$ 169,878</u>	<u>\$ 42,760</u>	<u>\$ 27,661</u>

Revenue recognized that was included in the contract liability balance at the beginning of the

years ended December 31, 2021 and 2020 was \$16,667 and \$24,428, respectively.

(19) Interest income

	For the years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 68	\$ 163

(20) Other income

	For the years ended December 31,	
	2021	2020
Rental income	\$ 5,336	\$ 5,398
Dividend income	3,607	-
Other income	24,153	15,974
	<u>\$ 33,096</u>	<u>\$ 21,372</u>

(21) Other gains and losses

	For the years ended December 31,	
	2021	2020
Net gain on disposal of property, plant and equipment	\$ 45	\$ 4,350
Gain (loss) from lease modifications	1,319	(2,235)
Net currency exchange loss	(8,460)	(43,864)
Other losses	(156)	(63)
	<u>(\$ 7,252)</u>	<u>(\$ 41,812)</u>

(22) Finance costs

	For the years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 97,663	\$ 101,349
Provisions – unwinding of discount	1,523	1,495
Interest expense on lease liabilities	6,102	6,922
	105,288	109,766
Less: Capitalization of qualifying assets	(171)	(114)
	<u>\$ 105,117</u>	<u>\$ 109,652</u>

(23) Expenses by nature

	<u>For the year ended December 31, 2021</u>			<u>For the year ended December 31, 2020</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 expenses	\$ 686,104	\$ 484,614	\$ 1,170,718	\$ 673,622	\$ 340,045	\$ 1,013,667
Depreciation	\$ 990,424	\$ 6,375	\$ 996,799	\$ 1,011,866	\$ 6,631	\$ 1,018,497

(24) Employee benefits expense

	<u>For the year ended December 31, 2021</u>			<u>For the year ended December 31, 2020</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	\$ 552,752	\$ 387,942	\$ 940,694	\$ 548,734	\$ 274,191	\$ 822,925
Labor and health insurance expenses	61,006	22,116	83,122	57,953	19,992	77,945
Directors' remuneration	-	41,179	41,179	-	24,083	24,083
Pension costs	31,342	21,679	53,021	32,331	11,830	44,161
Other personnel expenses	41,004	11,698	52,702	34,604	9,949	44,553
	<u>\$ 686,104</u>	<u>\$ 484,614</u>	<u>\$ 1,170,718</u>	<u>\$ 673,622</u>	<u>\$ 340,045</u>	<u>\$ 1,013,667</u>

- A. As of December 31, 2021 and 2020, the Company had approximately 1,147 and 1,175 employees on average, respectively, including 8 directors for both years. The employee benefit expenses were \$992 and \$848, while the employee wages and salaries were \$826 and \$705 on average for the years ended December 31, 2021 and 2020, respectively. The employee wages and salaries for the year ended December 31, 2021 increased by approximately 17.16% compared to the year ended December 31, 2020. The Company has set up an audit committee, thus there is no remuneration of supervisors.
- B. Directors' remuneration is determined by the board of directors and measured according to the level of importance and value of contribution of directors to the Company, usually with an average level. President, vice president, and directors' remuneration are determined in accordance with the Company's articles of incorporation. The reward which the Company offers to the employees for the services rendered is measured based on the level of employees' contribution and value to the Company, and the market averages. It has a positive correlation with the performance of the Company's business. It mainly includes basic salary, bonus and fringe benefits. Basic salary is assessed by taking into account of the market averages and issued to the employees; the bonus is considered with each individual and divisional achievement or entire performance of the Company; the fringe benefits is planned in accordance with the law to meet the needs of employees. The Company has set up an audit committee, thus there is no policy on remuneration of supervisors.
- C. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- D. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$100,460 and \$42,172, respectively, while directors' remuneration was accrued at \$32,625 and \$16,583, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the profit of current period distributable and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$100,460 and \$32,660, respectively, for the year ended December 31, 2021, and the employees' compensation will be distributed in the form of cash. The difference of \$35 will be adjusted in profit or loss for the year ending December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$42,172 and \$17,626, respectively, for the year ended December 31, 2020, and the employees' compensation was distributed in the form of cash. The difference of \$1,043 had been adjusted in profit or loss for the year ended December 31, 2021.

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

the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense (benefit)

a. Components of income tax expense (benefit):

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Income tax incurred in current year	\$ 233,730	\$ -
Tax on unappropriated earnings	2,219	-
Under provision of prior year's income tax	-	1,811
	<u>235,949</u>	<u>1,811</u>
Deferred income tax:		
Origination and reversal of temporary differences	44,192	(29,696)
Income tax expense (benefit)	<u>\$ 280,141</u>	<u>(\$ 27,885)</u>

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

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Remeasurement of defined benefit obligations	(\$ 4,402)	(\$ 16,134)
Currency translation differences	(211)	(658)
	<u>(\$ 4,613)</u>	<u>(\$ 16,792)</u>

B. Reconciliation between income tax expense (benefit) and accounting profit

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Income tax expense at the statutory tax rate	\$ 426,458	\$ 178,675
Effect from items disallowed by tax regulation	(148,536)	(208,371)
Tax on unappropriated earnings	2,219	-
Under provision of prior year's income tax	-	1,811
Income tax expense (benefit)	<u>\$ 280,141</u>	<u>(\$ 27,885)</u>

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

	For the year ended December 31, 2021			
	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Deferred income tax assets				
Temporary differences:				
Unrealized sales returns and allowance	\$ 2,142	\$ 875	\$ -	\$ 3,017
Unrealized profit from sales	3,935	3,430	-	7,365
Loss on inventories from market value decline	14,000	(7,600)	-	6,400
Unused compensated absences	7,678	(122)	-	7,556
Unrealized provision	13,665	407	-	14,072
Unrealized loss on currency exchange	-	1,498	-	1,498
Remeasurement of defined benefit obligation	79,368	-	4,402	83,770
Currency translation difference	2,092	-	211	2,303
Tax losses	<u>38,538</u>	<u>(38,538)</u>	<u>-</u>	<u>-</u>
	<u>\$ 161,418</u>	<u>(\$ 40,050)</u>	<u>\$ 4,613</u>	<u>\$ 125,981</u>
Deferred income tax liabilities				
Temporary differences:				
Pensions	(\$ 16,029)	(\$ 5,534)	\$ -	(\$ 21,563)
Foreign investment income	(6,637)	876	-	(5,761)
Land value incremental tax	(197,039)	-	-	(197,039)
Unrealized gain on currency exchange	<u>(516)</u>	<u>516</u>	<u>-</u>	<u>-</u>
	<u>(\$ 220,221)</u>	<u>(\$ 4,142)</u>	<u>\$ -</u>	<u>(\$ 224,363)</u>
	<u>(\$ 58,803)</u>	<u>(\$ 44,192)</u>	<u>\$ 4,613</u>	<u>(\$ 98,382)</u>

For the year ended December 31, 2020

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Deferred income tax assets				
Temporary differences:				
Unrealized sales returns and allowance	\$ 2,003	\$ 139	\$ -	\$ 2,142
Unrealized profit from sales	1,182	2,753	-	3,935
Loss on inventories from market value decline	13,800	200	-	14,000
Unused compensated absences	7,592	86	-	7,678
Unrealized provision	13,263	402	-	13,665
Unrealized loss on currency exchange	738	(738)	-	-
Remeasurement of defined benefit obligation	63,234	-	16,134	79,368
Currency translation difference	1,434	-	658	2,092
Tax losses	3,468	35,070	-	38,538
	<u>\$ 106,714</u>	<u>\$ 37,912</u>	<u>\$ 16,792</u>	<u>\$ 161,418</u>
Deferred income tax liabilities				
Temporary differences:				
Pensions	(\$ 7,654)	(\$ 8,375)	\$ -	(\$ 16,029)
Foreign investment income	(7,312)	675	-	(6,637)
Land value incremental tax	(197,039)	-	-	(197,039)
Unrealized gain on currency exchange	-	(516)	-	(516)
	<u>(\$ 212,005)</u>	<u>(\$ 8,216)</u>	<u>\$ -</u>	<u>(\$ 220,221)</u>
	<u>(\$ 105,291)</u>	<u>\$ 29,696</u>	<u>\$ 16,792</u>	<u>(\$ 58,803)</u>

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

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
2019~2020	\$ 192,690	\$ -	\$ -	—

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
2019~2020	\$ 192,690	\$ 192,690	\$ -	2029~2030

E. The Company did not recognize temporary differences arising from gains on investment in overseas subsidiaries. As of December 31, 2021 and 2020, unrecognized deferred income tax liabilities were \$4,455,874 and \$3,896,346, respectively.

F. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As of March 7, 2022, there was no administrative lawsuit.

(26) Earnings per share

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,852,148	1,579,145	\$ 1.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,852,148	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	7,733	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 1,852,148	\$ 1,586,878	\$ 1.17

	For the year ended December 31, 2020		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 921,260	1,579,145	\$ 0.58
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 921,260	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,365	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 921,260	1,583,510	\$ 0.58

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	<u>2021</u>	<u>2020</u>
Acquisition of property, plant and equipment	\$ 25,188	\$ 12,002
Add: Beginning balance of other payables	5,944	1,008
Less: Ending balance of other payables	-	(5,944)
Cash paid for acquisition of property, plant and equipment	<u>\$ 31,132</u>	<u>\$ 7,066</u>

B. Investing activities with no cash flow effect:

	For the years ended December 31,	
	<u>2021</u>	<u>2020</u>
Prepayment for business facilities reclassification to property, plant and equipment	<u>\$ 13,432</u>	<u>\$ 8,541</u>

(28) Changes in liabilities from financing activities

For the year ended December 31, 2021	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
Balance at January 1, 2021	\$ 1,826,324	\$ -	\$ 322,858	\$ 6,520,000	\$ 9,820	\$ 8,679,002
Changes in cash flow from financing activities	972,132	400,000	(10,614)	530,000	11,768	1,903,286
Changes in other non-cash items	-	(100)	(2,127)	-	-	(2,227)
Balance at December 31, 2021	<u>\$ 2,798,456</u>	<u>\$ 399,900</u>	<u>\$ 310,117</u>	<u>\$ 7,050,000</u>	<u>\$ 21,588</u>	<u>\$ 10,580,061</u>

For the year ended December 31, 2020	Short-term borrowings	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
Balance at January 1, 2020	\$ 2,574,994	\$ 420,827	\$ 7,400,000	\$ 10,820	\$ 10,406,641
Changes in cash flow from financing activities	(748,670)	(36,907)	(880,000)	(1,000)	(1,666,577)
Changes in other non-cash items	-	(61,062)	-	-	(61,062)
Balance at December 31, 2020	<u>\$ 1,826,324</u>	<u>\$ 322,858</u>	<u>\$ 6,520,000</u>	<u>\$ 9,820</u>	<u>\$ 8,679,002</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The ultimate parent of the Company is Uni-President Enterprises Corp. which hold 45.55% equity interest in the Company.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Tovecan Corp.	Subsidiary
Fujian Ton Yi Tinsplate Co., Ltd.	Subsidiary
Jiangsu Ton Yi Tinsplate Co., Ltd.	Subsidiary
TTET Union Corp.	Parent company to entity with joint control or significant influence
President Tokyo Corp.	Parent company to entity with joint control or significant influence

(3) Significant transactions and balances with related parties

A. Sales

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
Subsidiaries		
Fujian Ton Yi Tinsplate Co., Ltd.	\$ 5,665,527	\$ 3,584,146
Others	89,107	79,017
Parent company to entities with joint control or significant influence	<u>379,952</u>	<u>369,447</u>
	<u>\$ 6,134,586</u>	<u>\$ 4,032,610</u>

- a. The Company's collection terms and methods for related party are wire transfer within 30 days of monthly statements, within 50 days after packing or within 30 days after arrival at port. The collection terms are similar to that of a third party. The Company only sells to the subsidiaries; thus there is no comparable price for sales made at arm's length.
- b. The unrealized gain arising from goods sold to subsidiaries of \$36,827 and \$19,673 was recorded as a reduction to 'investments accounted for using equity method' for the years ended December 31, 2021 and 2020, respectively.

B. Purchases

	For the years ended December 31,	
	2021	2020
Purchases of goods:		
Subsidiaries	\$ 31,779	\$ 25,671
Parent company to entities with joint control or significant influence	55,267	32,411
	<u>\$ 87,046</u>	<u>\$ 58,082</u>

Purchase price from related party is similar to that of a third party. The payment terms are similar to those of third parties, which are 30 days of invoice receipt.

C. Receivables from related parties

	December 31, 2021	December 31, 2020
Subsidiaries		
Fujian Ton Yi Tinplate Co., Ltd.	\$ 725,934	\$ 307,086
Others	37,223	9,297
	763,157	316,383
Parent company to entities with joint control or significant influence	69,631	39,101
	<u>\$ 832,788</u>	<u>\$ 355,484</u>

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

D. Lease transactions — lessee

(a) The Company leases other equipment from related parties. Rental contracts are typically made for periods of 3 years. Rents are paid monthly.

(b) Lease liabilities and interest expense:

	December 31, 2021	December 31, 2020
	Lease liabilities	Lease liabilities
Parent company to entities with joint control or significant influence		
President Tokyo Corp.	\$ 492	\$ 1,948

	For the years ended December 31,	
	2021	2020
Parent company to entities with joint control or significant influence		
President Tokyo Corp.	\$ 25	\$ 87

(4) Key management compensation

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	<u>\$ 100,427</u>	<u>\$ 60,723</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of December 31, 2021 and 2020, the remaining balances due for construction in progress and prepayments for equipments were \$57,898 and \$62,435, respectively.

B. As of December 31, 2021 and 2020, the unused letters of credit amounted to \$913,279 and \$651,335, respectively.

C. The commitments of the Company to sign loan agreements with banks are as follows:

a. The Company has entered into a loan agreement with CTBC Bank in 2021. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, and the company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.

b. The Company has entered into a loan agreement with CTBC Bank in 2020. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, the Company has to improve the conditions within four months after the release of financial reports. 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.

c. The Company has entered into a loan agreement with KGI Bank in 2020. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, and the company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.

As of December 31, 2021 and 2020, the Company has not violated any of the above covenants.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Company are described in Notes 6.

B. Financial risk management policies

a. The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company seeks to minimize potential adverse effects on the Company's financial performance. The Company hedges foreign exchange risk by using forward foreign exchange contracts.

b. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

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

iii. The Company's businesses involve some non-functional currency operations (the

Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2021			
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 79,074	27.68	\$ 2,188,768
<u>Investments accounted for using equity method</u>			
USD : NTD	645,064	27.68	17,855,372
VND : NTD	49,627,458	0.001213	60,198
<u>Financial liability</u>			
<u>Monetary items</u>			
USD : NTD	16,648	27.68	460,817
December 31, 2020			
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 14,346	28.48	\$ 408,574
<u>Investments accounted for using equity method</u>			
USD : NTD	607,298	28.48	17,295,847
VND : NTD	53,216,117	0.001233	65,615
<u>Financial liability</u>			
<u>Monetary items</u>			
USD : NTD	16,599	28.48	472,740

- iv. As of December 31, 2021 and 2020, if the functional currency exchange rate had appreciated/depreciated by 1%, with all other factors remaining constant, the Company's post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$13,824 and \$513, respectively.
- v. The total exchange loss, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to \$8,460 and \$43,864, respectively.

(b) Price risk

- i. The Company's equity securities, which are exposed to price risk, are held as financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of portfolio is done accordance with limits set by the Company. Accordingly, no material market risk is expected.
- ii. The Company's investments in equity securities comprise the prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by \$882 and \$682, respectively.

(c) Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company 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 Company to fair value interest rate risk. For the years ended December 31, 2021 and 2020, the Company's borrowings at variable rate were denominated in New Taiwan dollars and US dollars.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased/increased by \$781 and \$811, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

b. Credit risk

- (a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms and the contract cash flows of debt instruments stated at amortized cost.
- (b) The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company 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 risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- (c) In line with credit risk management procedure, when the contract payments are past due

over certain number days, the default has occurred.

- (d) The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
- i. If the contract payments were past due over certain number of days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - ii. If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low. When the investment target of the independent credit rating is set to be reduced by two grades, the company judges that the credit risk of the investment target has increased significantly.
- (e) The Company classifies customers' accounts receivable in accordance with product types. The Company applies the simplified approach using the provision matrix to estimate expected credit loss, and used the forecastability concern to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Company applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	<u>For the year ended December 31, 2021</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
Balance, beginning of year	\$ 751	\$ 3,608	\$ 4,359
Expected credit gains	<u>785</u>	<u>12,129</u>	<u>12,914</u>
Balance, end of year	<u>\$ 1,536</u>	<u>\$ 15,737</u>	<u>\$ 17,273</u>
	<u>For the year ended December 31, 2020</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
Balance, beginning of year	\$ 1,180	\$ 6,977	\$ 8,157
Expected credit gains	<u>(429)</u>	<u>(3,369)</u>	<u>(3,798)</u>
Balance, end of year	<u>\$ 751</u>	<u>\$ 3,608</u>	<u>\$ 4,359</u>

C. Liquidity risk

- (a) Finance Department monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- (b) Surplus cash held by the Company over and above the balance required for working capital management are transferred to the Finance Department. Finance Department invests

surplus cash in interest bearing current accounts, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

- (c) The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Short-term borrowings	\$ 2,802,972	\$ -	\$ -	\$ -
Short-term notes and bills payable	400,000	-	-	-
Accounts payable	239,483	-	-	-
Other payables	724,116	-	-	-
Lease liabilities	15,999	15,505	46,474	303,534
Other current financial liabilities	17,088	-	-	-
Refund liabilities	15,085	-	-	-
Long-term borrowings	70,789	3,812,714	3,314,882	-
Guarantee deposits received	-	4,500	-	-
December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,828,251	\$ -	\$ -	\$ -
Accounts payable	377,521	-	-	-
Other payables	522,713	-	-	-
Lease liabilities	18,051	16,013	46,558	319,943
Other current financial liabilities	5,320	-	-	-
Refund liabilities	10,712	-	-	-
Long-term borrowings	66,719	3,718,853	2,875,973	-
Guarantee deposits received	-	4,500	-	-

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

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

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 88,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,203</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 68,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,246</u>

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

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

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

E. For the years ended December 31, 2021 and 2020, there was no transfer into or out between Level 1 and Level 2.

F. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

(4) Others

Due to the epidemic of the Covid-19, the Company has complied with the preventive measures that government has mandated, adopted workplace hygiene management and reinforced worker's self-health management. The Company has also maintained its close communication with suppliers, continued evaluating market needs and inventory management. Currently, the pandemic has no significant impact on the Company's operations. However, the impact of the pandemic on the Company's operations in the future will depend on the subsequent development of the pandemic.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2021.

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

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

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

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

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

None.

Ton Yi Industrial Corp.

Loans to others

For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
1	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 130,646	\$ 130,646	\$ -	2.515	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,031,261	\$ 1,031,261	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	348,390	217,744	217,744	3.515~4.00	2	-	Operational use	-	-	-	1,031,261	1,031,261	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	217,744	87,097	87,097	3.515~3.715	2	-	Operational use	-	-	-	1,031,261	1,031,261	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	130,646	130,646	130,646	3.515	2	-	Operational use	-	-	-	206,252	412,504	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	283,067	174,195	174,195	3.50~3.515	2	-	Operational use	-	-	-	387,753	387,753	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	2.515	2	-	Operational use	-	-	-	1,571,917	1,571,917	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	152,421	-	-	3.515	2	-	Operational use	-	-	-	1,571,917	1,571,917	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	174,195	-	-	3.515	2	-	Operational use	-	-	-	1,571,917	1,571,917	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	261,292	261,292	108,872	3.515	2	-	Operational use	-	-	-	314,383	628,767	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	174,195	174,195	174,195	3.515	2	-	Operational use	-	-	-	314,383	628,767	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	239,518	239,518	152,421	3.515	2	-	Operational use	-	-	-	1,239,863	1,239,863	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 130,646	\$ 130,646	\$ 43,549	2.515	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,239,863	\$ 1,239,863	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	479,036	348,390	87,097	3.515	2	-	Operational use	-	-	-	1,239,863	1,239,863	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	108,872	-	-	3.515	2	-	Operational use	-	-	-	247,973	495,945	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	65,323	-	-	3.515	2	-	Operational use	-	-	-	156,333	312,667	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	87,097	-	-	3.515	2	-	Operational use	-	-	-	781,667	781,667	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	239,518	239,518	239,518	3.515	2	-	Operational use	-	-	-	781,667	781,667	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	2.515	2	-	Operational use	-	-	-	781,667	781,667	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	195,969	130,646	-	3.515	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	130,646	130,646	-	3.515	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	391,938	239,518	108,872	3.515	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Interest rate	Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down							Item	Value			
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 130,646	\$ 130,646	\$ -	3.515	2	\$ -	Operational use	\$ -	-	\$ -	\$ 11,231,976	\$ 11,231,976	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	304,841	130,646	60,968	3.515	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	1,001,621	1,001,621	849,200	3.515	2	-	Operational use	-	-	-	11,231,976	11,231,976	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	261,292	261,292	130,646	3.515	2	-	Operational use	-	-	-	2,246,395	4,492,791	Note 2	
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	283,067	130,646	-	3.515	2	-	Operational use	-	-	-	2,246,395	4,492,791	Note 2	
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	1,855,807	1,855,807	Note 2	
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	1,106,859	1,106,859	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	65,323	2.515	2	-	Operational use	-	-	-	932,353	932,353	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	87,097	-	-	3.515	2	-	Operational use	-	-	-	932,353	932,353	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	152,421	152,421	152,421	3.515	2	-	Operational use	-	-	-	932,353	932,353	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	174,195	174,195	174,195	3.515	2	-	Operational use	-	-	-	186,471	372,941	Note 2	
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	1,109,081	1,109,081	Note 2	
11	Changsha Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	52,258	-	-	3.515	2	-	Operational use	-	-	-	317,872	317,872	Note 2	

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
11	Changsha Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	\$ 26,129	\$ -	\$ -	3.515	2	\$ -	Operational use	\$ -	-	\$ -	\$ 63,574	\$ 127,149	Note 2
12	Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	304,841	130,646	-	3.515	2	-	Operational use	-	-	-	457,235	914,471	Note 2
12	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	413,713	313,551	313,551	3.515~4.35	2	-	Operational use	-	-	-	457,235	914,471	Note 2
12	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	152,421	152,421	152,421	3.515	2	-	Operational use	-	-	-	457,235	914,471	Note 2
13	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	130,646	130,646	-	-	2	-	Operational use	-	-	-	507,634	507,634	Note 2

(Note 1) Nature of loans to others is filled as follows:

(1) For trading partner.

(2) For short-term financing.

(Note 2) The maximum loan amount is 40% of its net assets.

(1) Trading partner: The maximum amount for individual trading partner shall not exceed the higher of total purchase or sale transactions during the reporting period or the most recent year.

(2) Short-term financing: The maximum amount for short-term financing is 20% of the Company's net assets; If the Company loans to foreign subsidiaries, which the Company holds 100% ownership directly or indirectly, the maximum amount for the subsidiary is 100% of the Company's net assets.

(Note 3) Foreign currency was translated into New Taiwan Dollars with exchange rate as of December 31, 2021 as follows: CNY:NTD 1 : 4.354872.

Ton Yi Industrial Corp.

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

December 31, 2021

Table 2

Expressed in thousands of NTD

Investor	Marketable securities type and name	Relationship with the issuer	General ledger account (Note)	As of December 31, 2021				Note
				Shares/units (in thousands)	Book value	Percentage of ownership (%)	Fair value	
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	\$ 88,203	0.04%	\$ 88,203	—

(Note) The code number explanation is as follows:

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

Ton Yi Industrial Corp.

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

For the year ended December 31, 2021

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)			Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	
Ton Yi Industrial Corp.	Fujian Ton Yi Tinline Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	\$ 5,665,527)	(25)	50 days after shipping, T/T	\$ -	—	\$ 725,935	29	—
Ton Yi Industrial Corp.	TTET union Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(320,596)	(1)	Within 30 days of statements settled monthly, T/T	-	—	62,887	2	—
Wuxi Tonyi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	(488,320)	(21)	Within 30 days of statements settled monthly, T/T	-	—	64,851	18	—
Wuxi Tonyi Industrial Packing Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	(386,939)	(16)	Within 30 days of statements settled monthly, T/T	-	—	67,119	19	—
Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Purchases	488,320	96	Within 30 days of statements settled monthly, T/T	-	—	(64,851)	(97)	—
Changsha Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Purchases	386,939	36	Within 30 days of statements settled monthly, T/T	-	—	(67,119)	(28)	—
Changsha Ton Yi Industrial Co., Ltd.	Jiangsu Ton Yi Tinline Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	Purchases	509,252	47	67 days after invoice date, T/T	-	—	(128,855)	(54)	—
Changsha Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinline Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Purchases	188,420	17	67 days after invoice date, T/T	-	—	(40,736)	(17)	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Fujian Ton Yi Tinplate Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	\$ 5,665,527	90	50 days after shipping, T/T	\$ -	—	(\$ 725,935)	(92)	—
Fujian Ton Yi Tinplate Co., Ltd	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	(3,577,889)	(52)	67 days after invoice date, T/T	-	—	349,837	27	—
Fujian Ton Yi Tinplate Co., Ltd	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	(188,420)	(3)	67 days after invoice date, T/T	-	—	40,736	3	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Purchases	3,577,889	100	67 days after invoice date, T/T	-	—	(349,837)	(100)	—
Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	(Sales)	(509,252)	(14)	67 days after invoice date, T/T	-	—	128,855	14	—
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,456,968)	(78)	25 days after invoice date, T/T	-	—	114,466	73	—
Taizhou Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	287,566	17	15 days after invoice date, T/T	-	—	(32,742)	(20)	—
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,901,482)	(67)	25 days after invoice date, T/T	-	—	154,955	62	—
Taizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(166,157)	(6)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	8,254	3	—
Chengdu Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(503,786)	(44)	25 days after invoice date, T/T	-	—	92,449	59	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Chengdu Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	\$ 140,481	(12)	50% prepaid/ 50% 45 days after invoice date, T/T	\$ -	—	\$ 16,379	10	—
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,290,258)	(88)	25 days after invoice date, T/T	-	—	105,005	78	—
Kunshan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	219,613	13	15 days after invoice date, T/T	-	—	(16,870)	(11)	—
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(2,352,117)	(95)	25 days after invoice date, T/T	-	—	218,257	98	—
Beijing Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	164,700	15	15 days after invoice date, T/T	-	—	(12,146)	(11)	—
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,684,607)	(94)	25 days after invoice date, T/T	-	—	110,242	99	—
Sichuan Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	205,470	14	33 days after invoice date, T/T	-	—	(31,392)	(18)	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(2,030,772)	(96)	25 days after invoice date, T/T	-	—	224,706	100	—
Zhanjiang Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	166,364	18	5~45 days after invoice date, T/T	-	—	(12,982)	(13)	—
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,122,509)	(77)	25 days after invoice date, T/T	-	—	73,207	86	—

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Zhanjiang Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	\$ 318,790	(22)	30 ~ 45 days after invoice date, T/T	\$ -	—	\$ 5,056	6	—
Tianjin Ton Yi Industrial Co., Ltd.	Uni-President Enterprises (TianJin) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(321,317)	(52)	25 days after invoice date, T/T	-	—	38,494	76	—

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchange rates: Ending balances of receivables and payables were translated using the exchange rate as at December 31, 2021 (USD:NTD 1:27.68 ; CNY:NTD 1:4.354872).

Purchases and sales were translated using the weighted-average exchange rate for the year ended December 31, 2021 (USD:NTD 1:27.998266 ; CNY:NTD 1:4.340977).

Ton Yi Industrial Corp.

Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more

For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Accounts receivable	\$ 725,935	10.97	\$ -	—	\$ 198,382	\$ -
Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	174,382	-	-	—	-	-
Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	Accounts receivable	349,837	10.34	-	—	349,837	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Accounts receivable	128,855	5.07	-	—	128,855	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	313,888	-	-	—	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	152,584	-	-	—	-	-
Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	865,887	-	-	—	135,343	-
Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	131,267	-	-	—	149	-
Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co.,Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	109,975	-	-	—	30	-
Zhangzhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	114,466	15.55	-	—	108,590	-

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	\$ 154,955	14.78	\$ -	—	\$ 154,955	\$ -
Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	174,382	-	-	—	-	-
Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	108,989	-	-	—	-	-
Huizhou Ton Yi Industrial Co., Ltd.	Guangzhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	105,005	15.70	-	—	80,234	-
Kunshan Ton Yi Industrial Co., Ltd.	Uni-President Trading (Kunshan) Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	218,257	11.51	-	—	218,257	-
Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	220,422	-	-	—	-	-
Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	131,131	-	-	—	-	-
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	110,242	12.76	-	—	110,242	-
Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	175,351	-	-	—	-	-
Beijing Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	152,644	-	-	—	-	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	224,706	10.24	-	—	224,706	-
Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	155,782	-	-	—	90,044	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	239,775	-	-	—	-	-

(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 December 31, 2021 (CYN:NTD 1:4.354872 ; USD:NTD 1:27.68).

Ton Yi Industrial Corp.
Significant inter-company transactions during the reporting period
For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD

No (Note 2)	Company name	Counterparty	Relationship (Note 3)	Intercompany transaction			Percentage of consolidated net revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	\$ 5,665,527	50 days after shipping, T/T	14%
			1	Accounts receivable	725,935	—	2%
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	174,382	—	—
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	488,320	Within 30 days of statements settled monthly, T/T	1%
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	386,939	Within 30 days of statements settled monthly, T/T	1%
3	Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	3	Sales	3,577,889	67 days after invoice date, T/T	9%
			3	Accounts receivable	349,837	—	1%
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	188,420	67 days after invoice date, T/T	—
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	509,252	67 days after invoice date, T/T	1%
			3	Accounts receivable	128,855	—	—
		Wuxi Tonyi Daiwa Industrial Co., Ltd.	3	Other receivables	313,888	—	1%
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	152,584	—	—
5	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	865,887	—	2%
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	131,267	—	—
		Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	109,975	—	—
6	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	3	Other receivables	174,382	—	—
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	108,989	—	—
7	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	220,422	—	1%
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	131,131	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	175,351	—	—
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	152,644	—	—
9	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	155,782	—	—
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	239,775	—	1%

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

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

(Note 5) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivables were translated using the exchange rate as at December 31, 2021 (CNY:NTD 1:4.354872);

Sales were translated using the weighted-average exchange rate for the year December 31, 2021 (CNY:NTD 1:4.340977).

Ton Yi Industrial Corp.
Information on investees
For the year ended December 31, 2021

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at December 31, 2021			Net income (loss) of the investee	Income (loss) recognized by the Company	Note
				Balance at December 31, 2021	Balance at December 31, 2020	Number of shares	Ownership (%)	Book value			
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General investment	\$ 13,399,488	\$ 13,399,488	43,470,820	100.00	\$ 17,828,541	\$ 989,795	\$ 989,795	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	50,174 (8,590) (4,380)	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	6,366,400	6,366,400	230,000,000	100.00	11,231,963	1,207,245	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,773,238	1,773,238	8,727	100.00	2,718,350 (184,790)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	993,789	993,789	5,000	100.00	2,089,824 (3,875)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	6,366,400	6,366,400	230,000,000	100.00	11,231,963	1,207,245	-	Subsidiary (Note 1)

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances and carrying value were translated using the exchange rate as at December 31, 2021 (USD:NTD 1:27.68); Profit and loss were translated using the weighted-average exchange rate for the year ended December 31, 2021 (USD:NTD 1:27.998266).

Ton Yi Industrial Corp.
Information on investments in Mainland China
For the year ended December 31, 2021

Table 7

Expressed in thousands of NTD

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Investment amount		Accumulated amount of remittance from Taiwan as of December 31, 2021	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of December 31, 2021	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Sale of cans	\$ 747,360	Note 1	\$ 193,760	\$ -	\$ -	\$ 193,760	(\$ 57,806)	100.00	(\$ 57,277)	\$ 1,109,558	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	207,600	Note 1	207,600	-	-	207,600	21,182	100.00	21,182	387,752	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	193,760	Note 1	-	-	-	-	28,168	100.00	28,168	317,872	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,394,320	Note 2	1,476,645	-	-	1,476,645	(212,881)	86.80	(184,762)	2,656,625	-	Note 7
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,107,200	Note 3	768,120	-	-	768,120	(4,677)	82.86	(3,762)	1,992,187	-	Note 7
Ton Yi (China) Investment Co., Ltd.	General investment	6,366,400	Note 4	830,400	-	-	830,400	1,249,624	100.00	1,249,624	11,231,963	392,377	Note 7
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	830,400	-	-	830,400	183,588	100.00	183,588	1,855,807	-	Note 7
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	830,400	-	-	830,400	356,238	100.00	356,238	1,571,917	-	Note 7
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	318,320	-	-	318,320	169,359	100.00	169,359	1,106,859	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	166,080	-	-	166,080	156,210	100.00	156,210	1,109,081	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	-	-	-	-	71,224	100.00	71,224	1,031,261	-	Note 7
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	-	-	-	-	30,574	100.00	30,574	932,353	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	830,400	Note 5	-	-	-	-	177,195	100.00	177,195	1,239,863	-	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	553,600	Note 5	-	-	-	-	127,142	100.00	127,142	781,667	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	553,600	Note 5	-	-	-	(20,953)	100.00	(20,953)	507,634	-	Note 7	

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from	Investment amount			Accumulated amount	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value	Accumulated remittance	Note
				Taiwan to Mainland China as of January 1, 2021	Remitted to Mainland China	Remitted back to Taiwan	of remittance from Taiwan as of December 31, 2021	as of December 31, 2021						
Wuxi Tonyi Daiwa Industrial Co., Ltd.	Manufacturing and sale of cans	\$ 1,107,200	Note 6	\$ -	\$ -	\$ -	\$ -	(\$ 61,045)	66.50	(\$ 40,595)	\$ 659,318	\$ -	Note 7	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 8)
Ton Yi Industrial Corp.	\$ 5,621,725	\$ 11,251,566	\$ 12,568,108

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

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

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

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

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

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

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

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

(Note 9) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending investment balances were translated using the exchange rate as at December 31, 2021 (CNY:NTD 1:4.354872, USD:NTD 1:27.68);

Investment gains or losses were translated using the weighted-average exchange rate for the year ended December 31, 2021 (CNY:NTD 1:4.340977, USD:NTD 1:27.998266).

Ton Yi Industrial Corp.

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

For the year ended December 31, 2021

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Sales/(purchases)		Property transaction		Accounts receivable/ (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2021	%	Balance at December 31, 2021	Purpose	Maximum balance during the year ended December 31, 2021	Balance at December 31, 2021	Interest rate	Interest during the year ended December 31, 2021	Others
Fujian Ton Yi Tinplate Co., Ltd.	\$ 5,665,527	25	\$ -	-	\$ 725,935	29	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp.
Major shareholders information
December 31, 2021

Table 9

Express in shares

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

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

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

TON YI INDUSTRIAL CORP.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Client Name	Item	Amount
Duferco Steel Inc.	Accounts receivable	\$ 440,900
JFE Shoji America, LLC	Accounts receivable	213,127
Metal One Corporation (Taiwan) Ltd.	Accounts receivable	177,414
JFE Shoji Corporation	Accounts receivable	84,757
TATA International West Asia DMCC	Accounts receivable	81,177
Others (less than 5%)	Accounts receivable	<u>571,659</u>
		1,569,034
Less : Allowance for doubtful accounts		(<u>15,737</u>)
		<u>\$ 1,553,297</u>

TON YI INDUSTRIAL CORP.
STATEMENT OF ACCOUNTS RECEIVABLE-RELATED PARTIES, NET
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Client Name	Item	Amount	Note
Fujian Ton Yi Tinsplate Co., Ltd.	Accounts receivable	\$ 725,934	—
TTET Union Corp.	Accounts receivable	62,887	—
Others (less than 5%)	Accounts receivable	<u>43,967</u>	—
		<u>\$ 832,788</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Merchandise	—	\$ 5,515	\$ 6,738	(Note)
Raw materials	—	1,560,217	1,697,833	(Note)
Supplies	—	200,873	208,928	(Note)
Work in progress	—	754,703	810,088	(Note)
Finished goods	—	<u>1,377,780</u>	<u>1,499,018</u>	(Note)
		3,899,088	<u>\$ 4,222,605</u>	
Less : Allowance for price decline of inventories		(<u>32,000</u>)		
		<u>\$ 3,867,088</u>		

Note: Please refer to Note 4(6) for the method to determine the net realizable value.

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Company Name	Beginning Balance		Additions		Decrease		Ending Balance			Market Value or Net Assets Value			
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Percentage of Ownership(%)	Amount	Unit Price (NT\$)	Total Amount	Collateral	Note
Cayman Ton Yi Industrial Holdings Ltd.	43,471	\$ 17,285,674	-	\$ 989,795	-	(\$ 446,928)	43,471	100%	\$ 17,828,541	\$ 411	\$ 17,855,362	None	-
Tovecan Corp.	-	56,103	-	-	-	(5,929)	-	51%	50,174	-	60,181	None	-
	<u>43,471</u>	<u>\$ 17,341,777</u>	<u>-</u>	<u>\$ 989,795</u>	<u>-</u>	<u>(\$ 452,857)</u>	<u>43,471</u>		<u>\$ 17,878,715</u>		<u>\$ 17,915,543</u>		

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-COST
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(6) for the information related to property, plant and equipment.

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED
DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(6) for the information related to property, plant and equipment, and Note 4(11) for the method to determine depreciation and useful lives of assets.

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-COST
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

	<u>Land</u>	<u>Other equipment</u>	<u>Total</u>
Balance at January 1, 2021	\$ 429,004	\$ 4,125	\$ 433,129
Additions	197	-	197
Decrease (Note)	(9,345)	-	(9,345)
Balance at December 31, 2021	<u>\$ 419,856</u>	<u>\$ 4,125</u>	<u>\$ 423,981</u>

(Note) Including the remeasurement of right-of-use asset (\$1005).

TON YI INDUSTRIAL CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

	<u>Land</u>	<u>Other equipment</u>	<u>Total</u>
Balance at January 1, 2021	\$ 43,664	\$ 2,254	\$ 45,918
Additions	20,086	1,403	21,489
Decrease	(8,340)	-	(8,340)
Balance at December 31, 2021	<u>\$ 55,410</u>	<u>\$ 3,657</u>	<u>\$ 59,067</u>

TON YI INDUSTRIAL CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2021

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

TYPE	Description	Balance, End of Year	Period of Contract	Range of Interest Rate	Loan Commitments	Collateral	Note
Unsecured loan	The Export-Import Bank of the Republic of China	\$ 500,000	2021.5.17~2022.12.29	(Note)	\$ 500,000	None	—
Unsecured loan	Bank of Taiwan	400,000	2021.10.18~2022.1.14	"	950,000	"	—
Unsecured loan	Sumitomo Mitsui Banking Corporation	400,000	2021.11.17~2022.2.17	"	USD 15,000 in thousands	"	—
Unsecured loan	MUFG Bank, Ltd.	400,000	2021.11.26~2022.2.25	"	500,000	"	—
Unsecured loan	HSBC Bank, Ltd.	279,501	2021.12.16~2022.4.22	"	USD 20,000 in thousands	"	—
Unsecured loan	DBS Bank	250,000	2021.11.12~2022.2.11	"	USD 10,000 in thousands	"	—
Unsecured loan	Bangkok Bank Public Company Ltd.	149,628	2021.11.15~2022.3.18	"	USD 20,000 in thousands	"	—
Unsecured loan	First Commercial Bank	100,000	2021.12.29~2022.1.27	"	800,000	"	—
Unsecured loan	Land Bank of Taiwan	100,000	2021.12.22~2022.1.21	"	400,000	"	—
Unsecured loan	Land Bank of Taiwan	72,244	2021.12.6~2022.3.17	"	400,000	"	—
Unsecured loan	Hua Nan Commercial Bank, Ltd.	93,712	2021.12.2~2022.2.24	"	500,000	"	—
Unsecured loan	E.Sun Commercial Bank, Ltd.	53,371	2021.12.20~2022.3.18	"	300,000	"	—
		<u>\$ 2,798,456</u>					

Note : Range of interest rate is 0.62%~0.80%。

TON YI INDUSTRIAL CORP.
STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Item	Guarantee or acceptance agency	Period of Contract	Interest Rate Range	Amount		Carrying Value	Note
				Issue Amount	Unamortized discount on short-term notes and bills payable		
Commercial paper payable	Mega Bills Finance Co., Ltd.	2021.12.23~2022.1.12	0.83%	\$ 200,000	(\$ 50)	\$ 199,950	—
Commercial paper payable	China Bills Finance Corporation	2021.12.23~2022.1.12	0.83%	200,000	(50)	199,950	—
				<u>\$ 400,000</u>	<u>(\$ 100)</u>	<u>\$ 399,900</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Payroll and bonus payable		\$ 258,439
Employees' compensation and directors' remuneration payable		133,085
Utilities payable		52,943
Others (less than 5%)		<u>279,649</u>
		<u>\$ 724,116</u>

TON YI INDUSTRIAL CORP.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Creditor	Description	Amount	Period of Contract	Rate	Collateral	Notes
Bangkok Bank Public Company Ltd.	Unsecured loan	\$ 1,300,000	2020. 6. 29~2024. 1. 28	(Note)	None	The amount revolves in credit facility until the expiry date, and payable upon maturity.
Mega International Commercial Bank Co., Ltd.	Unsecured loan	800,000	2021. 3. 31~2024. 4. 12	"	"	"
KGI Bank Co., Ltd.	Unsecured loan	800,000	2020. 12. 24~2023. 12. 24	"	"	"
E.Sun Commercial Bank, Ltd.	Unsecured loan	750,000	2020. 9. 9~2024. 6. 15	"	"	"
CTBC Bank Co., Ltd.	Unsecured loan	750,000	2020. 12. 9~2024. 8. 4	"	"	"
Bank of Taiwan	Unsecured loan	750,000	2021. 6. 3~2024. 6. 3	"	"	"
Yuanta Commercial Bank Co., Ltd.	Unsecured loan	650,000	2020. 8. 19~2023. 8. 18	"	"	"
Land Bank of Taiwan	Unsecured loan	500,000	2021. 10. 21~2024. 10. 21	"	"	"
Mizuho Bank Ltd.	Unsecured loan	500,000	2021. 6. 30~2023. 6. 30	"	"	"
Taipei Fubon Commercial Bank Co., Ltd.	Unsecured loan	250,000	2021. 2. 9~2023. 2. 9	"	"	"
		<u>\$ 7,050,000</u>				

Note : Range of Interest rate is 0.93% ~ 1.08% ◦

TON YI INDUSTRIAL CORP.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Amount	Note
TMBP & SPCC	449,662 tons	\$ 13,384,197	—
Tinplate	235,470 tons	8,658,184	—
Tin-Can	105,059 bottles in thousands 6,259 angled can in thousands	748,266	—
Other		<u>132,721</u>	—
		22,923,368	
Less : Sales return		(1,473)	—
Sales discounts and allowance		<u>(49,461)</u>	—
Operating revenue, net		<u>\$ 22,872,434</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Merchandise beginning of year	\$ 2,307
Add: Merchandise purchased	34,386
Merchandise end of year	(5,515)
Merchandise sold in this period	31,178
Raw materials beginning of year	397,470
Add: Raw materials purchased	18,386,819
Finished goods transfer in	6,784,216
Less: Transfer to manufacturing or operating expenses	(2,300)
Raw materials end of year	(1,560,217)
Raw materials used in this period	24,005,988
Supplies beginning of year	123,300
Add: Supplies purchased	907,609
Less: Disposal supplies	(1,834)
Supplies end of year	(200,873)
Supplies used in this period	828,202
Direct labor	454,269
Manufacturing overhead	2,534,797
Manufacturing cost	27,823,256
Work in process beginning of year	420,532
Less: Transfer to manufacturing or operating expenses	(26,864)
Work in process end of year	(754,703)
Cost of finished goods	27,462,221
Finished goods beginning of year	1,001,243
Add: Finished goods purchased	9,212
Less: Finished goods transfer out	(6,784,216)
Transfer to manufacturing or operating expenses	(10,120)
Finished goods end of year	(1,377,780)
Cost of production and marketing	20,300,560
Cost of supplies sold	1,834
Cost of inventories sold	20,333,572
Reversal of allowance for inventory market price decline	(38,000)
Revenue from sale of scraps	(392,991)
Revenue from indemnities	(12,209)
Operating cost	\$ 19,890,372

TON YI INDUSTRIAL CORP.
STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries	—	\$ 129,825	—
Repairs and maintenance expense	—	274,436	—
Utilities expense	—	437,872	—
Depreciation	—	990,424	—
Packing costs	—	257,557	—
Heating expenses	—	224,286	—
Others (less than 5%)	—	<u>220,397</u>	—
		<u>\$ 2,534,797</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Freight	—	\$ 1,084,480	—
Import and export expense	—	60,485	—
Others (less than 5%)	—	<u>58,302</u>	—
		<u>\$ 1,203,267</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries	—	\$ 382,213	—
Directors' remuneration	—	41,179	—
Others (less than 5%)	—	<u>99,256</u>	—
		<u>\$ 522,648</u>	

TON YI INDUSTRIAL CORP.
STATEMENT OF INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(19) for the information related to interest income.

TON YI INDUSTRIAL CORP.
STATEMENT OF OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(20) for the information related to other income.

TON YI INDUSTRIAL CORP.
STATEMENT OF OTHER GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(21) for the information related to other gains and losses.

TON YI INDUSTRIAL CORP.
STATEMENT OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(22) for the information related to finance costs.

TON YI INDUSTRIAL CORP.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
EXPENSES IN THE CURRENT PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(23) for the additional information related to expense by nature and Note 6(24) for the information related to employee benefits expense.