

**TON YI INDUSTRIAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2022 AND 2021**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and subsidiaries (the "Group") as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$10,991,333 thousand and NT\$9,854,863 thousand, constituting 29.15% and 27.82% of the consolidated total assets, and total liabilities of NT\$ 2,334,726 thousand and NT\$2,082,880 thousand, constituting 15.12% and 13.68% of the consolidated total liabilities as at March 31, 2022 and 2021, respectively and total comprehensive income of NT\$27,574 thousand and NT\$98,343 thousand, constituting 2.08% and 58.47% of the consolidated total comprehensive income for the three-month periods ended March 31, 2022 and 2021, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Yung-Chih

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

May 10, 2022

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

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

Assets	Notes	March 31, 2022		December 31, 2021		March 31, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,578,991	7	\$ 2,664,025	7	\$ 2,376,816	7
1150	Notes receivable, net	6(2)(3) and 12	1,105,665	3	845,273	2	502,977	2
1170	Accounts receivable, net	6(2) and 12	2,468,417	7	3,149,090	8	1,631,583	5
1180	Accounts receivable - related parties	6(2) and 7	1,545,987	4	1,345,104	4	1,382,370	4
1200	Other receivables		141,626	-	165,358	1	104,741	-
1220	Current income tax assets	6(26)	21,875	-	60,565	-	46,720	-
130X	Inventories	6(4)	5,838,389	16	5,657,333	15	4,293,076	12
1410	Prepayments		507,570	1	480,809	1	496,538	1
1476	Other current financial assets		1,225	-	35,144	-	6,130	-
11XX	Total current assets		<u>14,209,745</u>	<u>38</u>	<u>14,402,701</u>	<u>38</u>	<u>10,840,951</u>	<u>31</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(5)	101,355	-	88,203	-	87,811	-
1600	Property, plant and equipment	6(6)	19,830,856	53	19,903,177	53	20,785,527	59
1755	Right-of-use assets	6(7)	2,260,963	6	2,257,043	6	2,448,838	7
1760	Investment property, net	6(9)	94,666	-	92,931	-	97,681	-
1780	Intangible assets	6(10)	292,614	1	285,339	1	322,291	1
1840	Deferred income tax assets	6(26)	725,000	2	656,609	2	598,688	2
1915	Prepayments for business facilities		147,494	-	109,497	-	199,345	-
1920	Guarantee deposits paid	7	32,259	-	41,054	-	25,591	-
1990	Other non-current assets, others		12,478	-	11,769	-	13,431	-
15XX	Total non-current assets		<u>23,497,685</u>	<u>62</u>	<u>23,445,622</u>	<u>62</u>	<u>24,579,203</u>	<u>69</u>
1XXX	Total assets		<u>\$ 37,707,430</u>	<u>100</u>	<u>\$ 37,848,323</u>	<u>100</u>	<u>\$ 35,420,154</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

Liabilities and Equity	Notes	March 31, 2022		December 31, 2021		March 31, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 2,364,748	6	\$ 2,798,456	7	\$ 2,794,213	8
2110	Short-term notes and bills payable	6(12)	-	-	399,900	1	199,957	1
2130	Current contract liabilities	6(19) and 7	160,069	-	187,357	1	86,171	-
2150	Notes payable	7	392	-	-	-	2,975	-
2170	Accounts payable		1,138,181	3	1,289,212	3	1,025,482	3
2180	Accounts payable - related parties	7	181,452	1	273,426	1	77,071	-
2200	Other payables		1,366,792	4	1,627,554	4	1,106,156	3
2220	Other payables - related parties	7	78,026	-	88,643	-	96,852	-
2230	Current income tax liabilities	6(26)	433,614	1	271,989	1	63,733	-
2280	Lease liabilities, current	7	227,857	1	213,772	1	210,999	1
2305	Other current financial liabilities		33,320	-	34,462	-	27,588	-
2365	Current refund liabilities		12,473	-	15,085	-	11,121	-
21XX	Total current liabilities		<u>5,996,924</u>	<u>16</u>	<u>7,199,856</u>	<u>19</u>	<u>5,702,318</u>	<u>16</u>
Non-current liabilities								
2540	Long-term borrowings	6(13)	6,750,000	18	7,050,000	19	6,750,000	19
2550	Non-current provisions	6(14)	83,114	-	82,727	-	81,585	-
2570	Deferred income tax liabilities	6(26)	663,183	2	611,048	2	572,686	2
2580	Lease liabilities, non-current	7	1,582,399	4	1,591,394	4	1,757,439	5
2630	Long-term deferred revenue		27,090	-	26,129	-	30,483	-
2640	Net defined benefit liabilities, non-current	6(15)	298,466	1	311,034	1	305,127	1
2645	Guarantee deposits received		36,458	-	29,288	-	27,980	-
25XX	Total non-current liabilities		<u>9,440,710</u>	<u>25</u>	<u>9,701,620</u>	<u>26</u>	<u>9,525,300</u>	<u>27</u>
2XXX	Total liabilities		<u>15,437,634</u>	<u>41</u>	<u>16,901,476</u>	<u>45</u>	<u>15,227,618</u>	<u>43</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(16)	15,791,453	41	15,791,453	41	15,791,453	45
3200	Capital surplus	6(17)	231,673	1	231,673	1	231,690	1
Retained earnings								
3310	Legal reserve	6(18)	1,878,827	5	1,878,827	5	1,793,153	5
3320	Special reserve		1,811,806	5	1,811,806	5	1,922,076	5
3350	Unappropriated retained earnings		2,500,174	7	1,878,911	5	1,042,523	3
3400	Other equity interest		(1,156,644)	(3)	(1,829,875)	(5)	(1,826,619)	(5)
31XX	Equity attributable to owners of the parent		<u>21,057,289</u>	<u>56</u>	<u>19,762,795</u>	<u>52</u>	<u>18,954,276</u>	<u>54</u>
36XX	Non-controlling interests		<u>1,212,507</u>	<u>3</u>	<u>1,184,052</u>	<u>3</u>	<u>1,238,260</u>	<u>3</u>
3XXX	Total equity		<u>22,269,796</u>	<u>59</u>	<u>20,946,847</u>	<u>55</u>	<u>20,192,536</u>	<u>57</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total liabilities and equity		<u>\$ 37,707,430</u>	<u>100</u>	<u>\$ 37,848,323</u>	<u>100</u>	<u>\$ 35,420,154</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

				Three months ended March 31			
Items		Notes		2022		2021	
				AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7		\$ 10,431,846	100	\$ 8,163,284	100
5000	Operating costs	6(4)(9)(10)(15)(24) (25) and 7		(8,864,340)	(85)	(7,289,314)	(89)
5900	Gross profit from operations			<u>1,567,506</u>	<u>15</u>	<u>873,970</u>	<u>11</u>
	Operating expenses	6(9)(10)(15)(24)(2 5), 7 and 12					
6100	Selling expenses			(457,431)	(4)	(303,445)	(4)
6200	Administrative expenses			(390,896)	(4)	(299,079)	(4)
6450	Expected credit gains (losses)			4,895	-	(952)	-
6000	Total operating expenses			(843,432)	(8)	(603,476)	(8)
6900	Operating income			<u>724,074</u>	<u>7</u>	<u>270,494</u>	<u>3</u>
	Non-operating income and expenses						
7100	Interest income	6(20)		10,748	-	8,711	-
7010	Other income	6(8)(9)(21)		24,213	-	21,777	-
7020	Other gains and losses	6(7)(22) and 12		65,312	1	(11,517)	-
7050	Finance costs	6(3)(6)(7)(23) and 7		(40,732)	-	(42,467)	-
7000	Total non-operating income and expenses			<u>59,541</u>	<u>1</u>	<u>(23,496)</u>	<u>-</u>
7900	Profit before income tax			<u>783,615</u>	<u>8</u>	<u>246,998</u>	<u>3</u>
7950	Income tax expense	6(26)		(176,922)	(2)	(61,858)	(1)
8200	Profit for the period			<u>\$ 606,693</u>	<u>6</u>	<u>\$ 185,140</u>	<u>2</u>
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss						
8316	Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income	6(5)		\$ 13,152	-	\$ 19,565	-
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translation			<u>703,104</u>	<u>7</u>	<u>(36,502)</u>	<u>-</u>
8300	Other comprehensive income (loss) for the period			<u>\$ 716,256</u>	<u>7</u>	<u>(\$ 16,937)</u>	<u>-</u>
8500	Total comprehensive income for the period			<u>\$ 1,322,949</u>	<u>13</u>	<u>\$ 168,203</u>	<u>2</u>
	Profit (loss), attributable to:						
8610	Owners of the parent			\$ 621,263	6	\$ 185,800	2
8620	Non-controlling interests			(14,570)	-	(660)	-
				<u>\$ 606,693</u>	<u>6</u>	<u>\$ 185,140</u>	<u>2</u>
	Comprehensive income (loss) attributable to:						
8710	Owners of the parent			\$ 1,294,494	13	\$ 170,987	2
8720	Non-controlling interests			28,455	-	(2,784)	-
				<u>\$ 1,322,949</u>	<u>13</u>	<u>\$ 168,203</u>	<u>2</u>
	Earnings per share (in dollars)	6(27)					
9750	Basic			\$ 0.39		\$ 0.12	
9850	Diluted			\$ 0.39		\$ 0.12	

The accompanying notes are an integral part of these consolidated financial statements.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

Notes	Equity attributable to owners of the parent									
	Retained earnings					Other equity interest				
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
<u>For the three-months period ended March 31, 2021</u>										
	\$ 15,791,453	\$ 231,690	\$ 1,793,153	\$ 1,922,076	\$ 856,723	(\$ 1,501,135)	(\$ 310,671)	\$ 18,783,289	\$ 1,241,044	\$ 20,024,333
	-	-	-	-	185,800	-	-	185,800	(660)	185,140
6(5)	-	-	-	-	-	(34,378)	19,565	(14,813)	(2,124)	(16,937)
	-	-	-	-	185,800	(34,378)	19,565	170,987	(2,784)	168,203
	<u>\$ 15,791,453</u>	<u>\$ 231,690</u>	<u>\$ 1,793,153</u>	<u>\$ 1,922,076</u>	<u>\$ 1,042,523</u>	<u>(\$ 1,535,513)</u>	<u>(\$ 291,106)</u>	<u>\$ 18,954,276</u>	<u>\$ 1,238,260</u>	<u>\$ 20,192,536</u>
<u>For the three-months period ended March 31, 2022</u>										
	\$ 15,791,453	\$ 231,673	\$ 1,878,827	\$ 1,811,806	\$ 1,878,911	(\$ 1,539,161)	(\$ 290,714)	\$ 19,762,795	\$ 1,184,052	\$ 20,946,847
	-	-	-	-	621,263	-	-	621,263	(14,570)	606,693
6(5)	-	-	-	-	-	660,079	13,152	673,231	43,025	716,256
	-	-	-	-	621,263	660,079	13,152	1,294,494	28,455	1,322,949
	<u>\$ 15,791,453</u>	<u>\$ 231,673</u>	<u>\$ 1,878,827</u>	<u>\$ 1,811,806</u>	<u>\$ 2,500,174</u>	<u>(\$ 879,082)</u>	<u>(\$ 277,562)</u>	<u>\$ 21,057,289</u>	<u>\$ 1,212,507</u>	<u>\$ 22,269,796</u>

The accompanying notes are an integral part of these consolidated financial statements.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	For the three-month periods ended March 31,	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 783,615	\$ 246,998
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit (gains) losses	12	(4,895)	952
(Reversal of allowance) provision for inventory market price decline	6(4)	(6,639)	17,006
Depreciation	6(6)(7)(9)	674,651	661,503
Gain on disposal of property, plant and equipment	6(22)	(112)	(788)
Gain from lease modifications	6(7)(22)	(152)	-
Amortization	6(10)(24)	2,457	2,434
Interest income	6(20)	(10,748)	(8,711)
Interest expense	6(23)	40,732	42,467
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(260,609)	97,551
Accounts receivable		684,769	(161,689)
Accounts receivable - related parties		(200,883)	(244,995)
Other receivables		23,732	(20,235)
Inventories		(177,434)	(1,045,765)
Prepayments		(26,590)	(98,263)
Changes in operating liabilities			
Contract liabilities, current		(27,288)	23,241
Notes payable		392	2,975
Accounts payable		(151,031)	(155,561)
Accounts payable - related parties		(91,974)	(81,918)
Other payables		(244,287)	(147,373)
Other payables - related parties		(10,617)	33,667
Current refund liabilities		(2,612)	409
Long-term deferred revenue		961	(60)
Net defined benefit liabilities, non-current		(12,568)	(11,566)
Cash inflow (outflow) generated from operations		982,870	(847,721)
Interest received		10,748	8,711
Income tax refund		39,466	-
Interest paid		(40,246)	(42,056)
Income tax paid		(27,378)	(8,077)
Net cash flows from (used in) operating activities		965,460	(889,143)

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	For the three-month periods ended March 31,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other current financial assets		\$ 33,919	\$ 423
Acquisition of property, plant and equipment	6(28)	(83,949)	(393,630)
Proceeds from disposal of property, plant and equipment		4,744	3,180
Increase in prepayments for business facilities		(51,967)	(114,118)
Interest paid for prepayments for business facilities	6(6)(23)	(30)	(40)
Decrease (increase) in refundable deposits		8,795	(639)
(Increase) decrease in other non-current assets, others		(709)	1,440
Net cash flows used in investing activities		(89,197)	(503,384)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(29)	(433,708)	946,072
(Decrease) increase in short-term notes and bills payable	6(29)	(400,000)	200,000
(Decrease) increase in other current financial liabilities	6(29)	(1,142)	1,877
Payments of lease liabilities	6(29)	(49,993)	(77,851)
Increase in long-term borrowings	6(29)	300,000	300,000
Decrease in long-term borrowings	6(29)	(600,000)	(70,000)
Increase in guarantee deposits received	6(29)	7,170	3,235
Net cash flows (used in) from financing activities		(1,177,673)	1,303,333
Effect of foreign exchange rate changes on cash and cash equivalents		216,376	(12,425)
Net decrease in cash and cash equivalents		(85,034)	(101,619)
Cash and cash equivalents at beginning of period	6(1)	2,664,025	2,478,435
Cash and cash equivalents at end of period	6(1)	\$ 2,578,991	\$ 2,376,816

The accompanying notes are an integral part of these consolidated financial statements.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

- (1) Ton Yi Industrial Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 14, 1969. The Company is primarily engaged in the manufacture, processing and sales of various cans of steel and tin plate. For the subsidiaries’ scope of business, please refer to Note 4(3), ‘Basis of consolidation’.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since January 1991.
- (3) Uni-President Enterprises Corp. holds 45.55% equity interest in the Company and is the ultimate parent company.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 10, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

None.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Initial Application of IFRS 17 and IFRS 9 – Comparative Information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - b. Financial assets at fair value through other comprehensive income.

c. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

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

(Note) The financial statements of certain subsidiaries included in the consolidated financial statements as of March 31, 2022 and 2021 were not reviewed by independent auditors.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash:			
Cash on hand	\$ 459	\$ 390	\$ 460
Checking deposits and demand deposits	<u>925,365</u>	<u>932,659</u>	<u>1,123,857</u>
	<u>925,824</u>	<u>933,049</u>	<u>1,124,317</u>
Cash equivalents:			
Time deposits	<u>1,653,167</u>	<u>1,730,976</u>	<u>1,252,499</u>
	<u>\$ 2,578,991</u>	<u>\$ 2,664,025</u>	<u>\$ 2,376,816</u>

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

B. The Group did not pledge cash and cash equivalents as collateral as at March 31, 2022, December 31, 2021 and March 31, 2021.

(2) Notes and accounts receivable, net

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable	\$ 1,108,185	\$ 847,576	\$ 504,150
Less: Allowance for doubtful accounts	(2,520)	(2,303)	(1,173)
	<u>\$ 1,105,665</u>	<u>\$ 845,273</u>	<u>\$ 502,977</u>
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable	\$ 2,507,074	\$ 3,191,843	\$ 1,684,456
Less: Allowance for doubtful accounts	(38,657)	(42,753)	(52,873)
	<u>\$ 2,468,417</u>	<u>\$ 3,149,090</u>	<u>\$ 1,631,583</u>

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

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
1 to 30 days	\$ 390,357	\$ 3,163,166	\$ 376,495	\$ 3,858,564
31 to 60 days	213,132	548,791	174,875	516,712
61 to 90 days	104,758	254,612	193,931	140,058
91 to 180 days	399,938	65,627	101,404	704
Over 181 days	-	20,865	871	20,909
	<u>\$ 1,108,185</u>	<u>\$ 4,053,061</u>	<u>\$ 847,576</u>	<u>\$ 4,536,947</u>

	<u>March 31, 2021</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
1 to 30 days	\$ 207,171	\$ 2,520,656
31 to 60 days	54,167	266,337
61 to 90 days	100,135	174,128
91 to 180 days	140,064	60,186
Over 181 days	2,613	45,519
	<u>\$ 504,150</u>	<u>\$ 3,066,826</u>

The above aging analysis was based on credit date.

B. As of March 31, 2022, December 31, 2021 and March 31, 2021, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables (including related parties) from contracts with customers amounted to \$3,261,843.

C. The Group did not pledge notes receivable and accounts receivable as collateral as of March 31, 2022, December 31, 2021 and March 31, 2021.

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable and accounts receivable held by the Group was the book value.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), “Financial instruments”.

(3) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety.

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

March 31, 2022				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 111,204</u>	<u>\$ 111,204</u>	<u>\$ 111,204</u>	4.12%

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

March 31, 2021				
Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	<u>\$ 170,458</u>	<u>\$ 170,458</u>	<u>\$ 170,458</u>	3.35%

(b) The Group has recognized financial expense (listed under “Finance costs”) of \$63 and \$793 when transferring the derecognized notes receivable for the three-month periods ended March 31, 2022 and 2021, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(4) Inventories

March 31, 2022			
	<u>Cost</u>	<u>Allowance for price decline of inventories</u>	<u>Carrying amount</u>
Raw materials	\$ 2,012,235	(\$ 19,795)	\$ 1,992,440
Supplies	592,702	-	592,702
Work in process	1,021,102	(8,172)	1,012,930
Finished goods	<u>2,317,986</u>	<u>(77,669)</u>	<u>2,240,317</u>
	<u>\$ 5,944,025</u>	<u>(\$ 105,636)</u>	<u>\$ 5,838,389</u>

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

March 31, 2021			
	<u>Cost</u>	<u>Allowance for price decline of inventories</u>	<u>Carrying amount</u>
Raw materials	\$ 1,478,865	(\$ 22,388)	\$ 1,456,477
Supplies	445,455	(49)	445,406
Supplies in transit	15,720	-	15,720
Work in process	756,381	(20,693)	735,688
Finished goods	<u>1,718,619</u>	<u>(78,834)</u>	<u>1,639,785</u>
	<u>\$ 4,415,040</u>	<u>(\$ 121,964)</u>	<u>\$ 4,293,076</u>

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 8,985,997	\$ 7,370,294
(Reversal of allowance) provision for inventory market price decline (Note)	(6,639)	17,006
Loss on disposal of inventory	526	12
Revenue from sale of scraps	(113,412)	(94,674)
Indemnities	<u>(2,132)</u>	<u>(3,324)</u>
	<u>\$ 8,864,340</u>	<u>\$ 7,289,314</u>

(Note) For the three-month period ended March 31, 2022, the Group reversed a previous inventory write-down as a result of the subsequent sales of inventories which were previously provided

with allowance.

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

<u>Items</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Equity instruments			
Listed stocks	\$ 378,917	\$ 378,917	\$ 378,917
Valuation adjustment	(277,562)	(290,714)	(291,106)
	<u>\$ 101,355</u>	<u>\$ 88,203</u>	<u>\$ 87,811</u>

- A. The Group has elected to classify listed stocks that are considered to be strategic investment as financial assets at fair value through other comprehensive income. The fair value of such investments was approximately its book value as of March 31, 2022, December 31, 2021 and March 31, 2021, 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 three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 13,152</u>	<u>\$ 19,565</u>

- C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral as at March 31, 2022 and 2021.
- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), "Financial instruments".

(6) Property, plant and equipment

	Land		Buildings		Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction	Total
	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Owner-occupied	Owner-occupied	Lease	Owner-occupied	Lease	in progress			
<u>Balance at January 1, 2022</u>													
Cost	\$ 615,892	\$ 10,514,012	\$ 46,570,851	\$ 1,100,770	\$ 261,234	\$ 210,293	\$ 2,035	\$ 5,991,064	\$ 2,817	\$ 547,843	\$ 65,816,811		
Accumulated depreciation	-	(5,649,885)	(34,022,040)	(932,575)	(239,113)	(187,062)	(1,761)	(4,804,355)	(2,810)	-	(45,839,601)		
Accumulated impairment	-	-	(43,549)	(30,484)	-	-	-	-	-	-	(74,033)		
	<u>\$ 615,892</u>	<u>\$ 4,864,127</u>	<u>\$ 12,505,262</u>	<u>\$ 137,711</u>	<u>\$ 22,121</u>	<u>\$ 23,231</u>	<u>\$ 274</u>	<u>\$ 1,186,709</u>	<u>\$ 7</u>	<u>\$ 547,843</u>	<u>\$ 19,903,177</u>		
<u>For the three-month period ended March 31, 2022</u>													
Balance at January 1, 2022	\$ 615,892	\$ 4,864,127	\$ 12,505,262	\$ 137,711	\$ 22,121	\$ 23,231	\$ 274	\$ 1,186,709	\$ 7	\$ 547,843	\$ 19,903,177		
Additions - Cost	-	-	8,675	-	101	746	-	13,813	-	44,140	67,475		
Transferred - Cost (Note)	-	2,404	424,496	-	1,207	268	-	10,187	45	(424,778)	13,829		
Depreciation	-	(64,859)	(463,047)	(6,591)	(1,287)	(1,755)	(18)	(69,823)	(2)	-	(607,382)		
Disposal - Cost	-	-	(5,173)	-	(1,210)	(114)	-	(3,970)	-	-	(10,467)		
Disposal - Accumulated depreciation	-	-	806	-	1,002	114	-	3,913	-	-	5,835		
Net currency exchange differences	-	126,816	284,520	4,914	438	814	10	21,105	-	19,772	458,389		
<u>Balance at March 31, 2022</u>	<u>\$ 615,892</u>	<u>\$ 4,928,488</u>	<u>\$ 12,755,539</u>	<u>\$ 136,034</u>	<u>\$ 22,372</u>	<u>\$ 23,304</u>	<u>\$ 266</u>	<u>\$ 1,161,934</u>	<u>\$ 50</u>	<u>\$ 186,977</u>	<u>\$ 19,830,856</u>		
<u>Balance at March 31, 2022</u>													
Cost	\$ 615,892	\$ 10,716,614	\$ 47,696,364	\$ 1,141,245	\$ 262,938	\$ 218,762	\$ 2,110	\$ 6,117,989	\$ 2,966	\$ 186,977	\$ 66,961,857		
Accumulated depreciation	-	(5,788,126)	(34,895,675)	(973,606)	(240,566)	(195,458)	(1,844)	(4,956,055)	(2,916)	-	(47,054,246)		
Accumulated impairment	-	-	(45,150)	(31,605)	-	-	-	-	-	-	(76,755)		
	<u>\$ 615,892</u>	<u>\$ 4,928,488</u>	<u>\$ 12,755,539</u>	<u>\$ 136,034</u>	<u>\$ 22,372</u>	<u>\$ 23,304</u>	<u>\$ 266</u>	<u>\$ 1,161,934</u>	<u>\$ 50</u>	<u>\$ 186,977</u>	<u>\$ 19,830,856</u>		

(Note) Including transfer from prepayments for business facilities.

	Land		Buildings		Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction	Total
	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Owner-occupied	Owner-occupied	Lease	Owner-occupied	Lease	in progress			
<u>Balance at January 1, 2021</u>													
Cost	\$ 615,892	\$ 9,899,196	\$ 46,315,272	\$ 1,108,327	\$ 257,996	\$ 198,470	\$ 2,039	\$ 5,887,541	\$ 300	\$ 538,857	\$ 64,823,890		
Accumulated depreciation	-	(5,405,476)	(32,249,806)	(909,322)	(238,777)	(182,052)	(1,464)	(4,590,106)	(271)	-	(43,577,274)		
Accumulated impairment	-	-	(43,633)	(30,544)	-	-	-	-	-	-	(74,177)		
	<u>\$ 615,892</u>	<u>\$ 4,493,720</u>	<u>\$ 14,021,833</u>	<u>\$ 168,461</u>	<u>\$ 19,219</u>	<u>\$ 16,418</u>	<u>\$ 575</u>	<u>\$ 1,297,435</u>	<u>\$ 29</u>	<u>\$ 538,857</u>	<u>\$ 21,172,439</u>		
<u>For the three-month period ended March 31, 2021</u>													
Balance at January 1, 2021	\$ 615,892	\$ 4,493,720	\$ 14,021,833	\$ 168,461	\$ 19,219	\$ 16,418	\$ 575	\$ 1,297,435	\$ 29	\$ 538,857	\$ 21,172,439		
Additions - Cost	-	3,598	2,501	-	1,194	1,000	-	5,029	-	205,890	219,212		
Transferred - Cost (Note)	-	-	(184)	800	-	25	-	4,585	2,910	6,005	14,141		
Transferred - Accumulated depreciation	-	-	800	(800)	-	-	-	2,910	(2,910)	-	-		
Depreciation	-	(61,293)	(455,293)	(6,692)	(1,104)	(1,580)	(58)	(68,000)	(6)	-	(594,026)		
Disposal - Cost	-	(2,888)	(2,460)	-	(1,835)	(66)	-	(5,984)	-	-	(13,233)		
Disposal - Accumulated depreciation	-	2,888	197	-	1,800	66	-	5,890	-	-	10,841		
Net currency exchange differences	-	(5,726)	(15,710)	(302)	(1)	(25)	(1)	(1,020)	-	(1,062)	(23,847)		
Balance at March 31, 2021	<u>\$ 615,892</u>	<u>\$ 4,430,299</u>	<u>\$ 13,551,684</u>	<u>\$ 161,467</u>	<u>\$ 19,273</u>	<u>\$ 15,838</u>	<u>\$ 516</u>	<u>\$ 1,240,845</u>	<u>\$ 23</u>	<u>\$ 749,690</u>	<u>\$ 20,785,527</u>		
<u>Balance at March 31, 2021</u>													
Cost	\$ 615,892	\$ 9,890,494	\$ 46,278,911	\$ 1,106,932	\$ 257,324	\$ 199,046	\$ 2,034	\$ 5,885,660	\$ 3,210	\$ 749,690	\$ 64,989,193		
Accumulated depreciation	-	(5,460,195)	(32,683,680)	(914,983)	(238,051)	(183,208)	(1,518)	(4,644,815)	(3,187)	-	(44,129,637)		
Accumulated impairment	-	-	(43,547)	(30,482)	-	-	-	-	-	-	(74,029)		
	<u>\$ 615,892</u>	<u>\$ 4,430,299</u>	<u>\$ 13,551,684</u>	<u>\$ 161,467</u>	<u>\$ 19,273</u>	<u>\$ 15,838</u>	<u>\$ 516</u>	<u>\$ 1,240,845</u>	<u>\$ 23</u>	<u>\$ 749,690</u>	<u>\$ 20,785,527</u>		

(Note) Including transfer from prepayments for business facilities.

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

	For the three-month periods ended March 31,	
	2022	2021
Amount capitalized	\$ 30	\$ 40
Interest rate range	0.95%~1.30%	1.30%

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

(7) Leasing arrangements—lessee

A. The Group leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Low-value assets are comprised of multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation are as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 839,204	\$ 828,920	\$ 852,640
Buildings	1,421,642	1,427,655	1,594,677
Other equipment	117	468	1,521
	<u>\$ 2,260,963</u>	<u>\$ 2,257,043</u>	<u>\$ 2,448,838</u>

	For the three-month periods ended March 31,	
	2022	2021
	Depreciation	Depreciation
Land	\$ 7,422	\$ 8,253
Buildings	57,889	57,281
Other equipment	351	351
	<u>\$ 65,662</u>	<u>\$ 65,885</u>

D. For the three-month periods ended March 31, 2022 and 2021, the additions and remeasurement to right-of-use assets were \$1,410 and \$10,405, respectively.

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

	For the three-month periods ended March 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 17,276	\$ 19,384
Expense on leases of low-value assets	42	34
Profit from lease modification	152	-

F. For the three-month periods ended March 31, 2022 and 2021, the Group’s total cash outflow for leases were \$67,311 and \$97,269, respectively.

G. The Group has applied the practical expedient to “Covid-19-related rent concessions”, and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$152 and \$— (listed under “Other gains and losses”) by decreasing rent expense for the three-month periods ended March 31, 2022 and 2021, respectively.

(8) Leasing arrangements—lessor

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

B. For the three-month periods ended March 31, 2022 and 2021, the Group recognized rent income (listed under “Other income”) in the amounts of \$10,397 and \$10,811, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Within 1 year	\$ 40,368	\$ 41,056	\$ 35,603
1 to 2 years	32,270	33,109	26,281
2 to 3 years	30,914	29,826	18,851
3 to 4 years	30,850	29,756	17,502
4 to 5 years	24,497	26,692	17,499
Over 5 years	34,776	37,917	51,040
	<u>\$ 193,675</u>	<u>\$ 198,356</u>	<u>\$ 166,776</u>

(9) Investment property, net

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 3,785	\$ 140,875	\$ 144,660
Accumulated depreciation	-	(49,010)	(49,010)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 91,865</u>	<u>\$ 92,931</u>
For the three-month period ended			
<u>March 31, 2022</u>			
Carrying amount at January 1	\$ 1,066	\$ 91,865	\$ 92,931
Depreciation	-	(1,607)	(1,607)
Net currency exchange differences	-	3,342	3,342
Carrying amount at March 31	<u>\$ 1,066</u>	<u>\$ 93,600</u>	<u>\$ 94,666</u>
<u>Balance at March 31, 2022</u>			
Cost	\$ 3,785	\$ 146,055	\$ 149,840
Accumulated depreciation	-	(52,455)	(52,455)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 93,600</u>	<u>\$ 94,666</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2021</u>			
Cost	\$ 3,785	\$ 141,147	\$ 144,932
Accumulated depreciation	-	(42,753)	(42,753)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 98,394</u>	<u>\$ 99,460</u>
For the three-month period ended			
<u>March 31, 2021</u>			
Carrying amount at January 1	\$ 1,066	\$ 98,394	\$ 99,460
Depreciation	-	(1,592)	(1,592)
Net currency exchange differences	-	(187)	(187)
Carrying amount at March 31	<u>\$ 1,066</u>	<u>\$ 96,615</u>	<u>\$ 97,681</u>
<u>Balance at March 31, 2021</u>			
Cost	\$ 3,785	\$ 140,868	\$ 144,653
Accumulated depreciation	-	(44,253)	(44,253)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 96,615</u>	<u>\$ 97,681</u>

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from the lease of the investment property	\$ <u>4,435</u>	\$ <u>4,395</u>
Direct operating expenses arising from the investment property that generated rental income during the period	\$ <u>2,457</u>	\$ <u>2,435</u>

B. The fair values of the investment property held by the Group as at March 31, 2022, December 31, 2021 and March 31, 2021 were \$117,572, \$116,592 and \$126,684, respectively, which were categorized within Level 2 and Level 3 in the fair value hierarchy. Land is valued according to Current Land Value announced by the Department of Land Administration. Buildings are valued based on discounted recoverable amounts of future rent income.

C. As of March 31, 2022, December 31, 2021 and March 31, 2021, no investment property held by the Group was pledged to others as collateral.

(10) Intangible assets

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	(85,150)	(85,150)
Accumulated impairment	(20,999)	-	(20,999)
Net currency exchange differences	(53,645)	(5,240)	(58,885)
	<u>\$ 268,129</u>	<u>\$ 17,210</u>	<u>\$ 285,339</u>
<u>For the three-month period ended March 31, 2022</u>			
Carrying amount at January 1	\$ 268,129	\$ 17,210	\$ 285,339
Amortization	-	(2,457)	(2,457)
Net currency exchange differences	<u>9,154</u>	<u>578</u>	<u>9,732</u>
Carrying amount at March 31	<u>\$ 277,283</u>	<u>\$ 15,331</u>	<u>\$ 292,614</u>
<u>Balance at March 31, 2022</u>			
Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	(87,607)	(87,607)
Accumulated impairment	(20,999)	-	(20,999)
Net currency exchange differences	(44,491)	(4,662)	(49,153)
	<u>\$ 277,283</u>	<u>\$ 15,331</u>	<u>\$ 292,614</u>

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

For the three-month period ended
March 31, 2021

Carrying amount at January 1	\$ 297,239	\$ 26,954	\$ 324,193
Amortization	-	(2,434)	(2,434)
Net currency exchange differences	574	(42)	532
Carrying amount at March 31	<u>\$ 297,813</u>	<u>\$ 24,478</u>	<u>\$ 322,291</u>

Balance at March 31, 2021

Cost	\$ 342,773	\$ 107,600	\$ 450,373
Accumulated amortization	-	(77,923)	(77,923)
Net currency exchange differences	(44,960)	(5,199)	(50,159)
	<u>\$ 297,813</u>	<u>\$ 24,478</u>	<u>\$ 322,291</u>

A. No borrowing costs were capitalized as part of intangible assets for the three-month periods ended March 31, 2022 and 2021.

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 434	\$ 429
Selling expenses	283	280
Administrative expenses	1,740	1,725
	<u>\$ 2,457</u>	<u>\$ 2,434</u>

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Tinplate factory located in Mainland China	<u>\$ 277,283</u>	<u>\$ 297,813</u>

D. The Group's goodwill is tested for impairment on an annual basis, and the recoverable amount is according to the fair value less costs of disposal. The fair value is based on the evaluation result after adjusting the various assets and liabilities of the cash-generating unit according to the market method with reference to the transaction price of similar targets in the region or according to the cost method after considering various factors such as the use of various assets and liabilities.

The fair value is at level 3 and has reflected the specific risks of the relevant operating units. Based on the Group's assessment, an impairment loss was recognized for the goodwill due to the recoverable amount which was determined based on the fair value less costs of disposal is less than the carrying amount for the year ended December 31, 2021. There was no such situation for the three-month periods ended March 31, 2022 and 2021.

E. The Group did not pledge intangible assets as collateral as at March 31, 2022, December 31, 2021 and March 31, 2021.

(11) Short-term borrowings

<u>Nature</u>	<u>March 31, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,364,748	0.62%~1.53%	None
<u>Nature</u>	<u>December 31, 2021</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,798,456	0.62%~0.80%	None
<u>Nature</u>	<u>March 31, 2021</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 2,794,213	0.62%~0.90%	None

A. For more information about interest expenses recognized by the Group for the three-month periods ended March 31, 2022 and 2021, please refer to Note 6(23), 'Finance costs'.

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

(12) Short-term notes and bills payable

	<u>December 31, 2021</u>	<u>Collateral</u>
Commercial paper payable	\$ 400,000	None
Less: Unamortized discount	(100)	
	<u>\$ 399,900</u>	
Range of interest rates	<u>0.83%</u>	
	<u>March 31, 2021</u>	<u>Collateral</u>
Commercial paper payable	\$ 200,000	None
Less: Unamortized discount	(43)	
	<u>\$ 199,957</u>	
Range of interest rates	<u>0.83%</u>	

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

A. For more information about interest expenses recognized by the Group for the three-month periods ended March 31, 2022 and 2021, please refer to Note 6(23), "Finance costs."

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

(13) Long-term borrowings

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>March 31, 2022</u>
Unsecured bank borrowings	2023. 6. 30~ 2025. 2. 15	0. 93%~1. 31%	None	<u>\$ 6, 750, 000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Unsecured bank borrowings	2023. 2. 9~ 2024. 10. 21	0. 93%~1. 08%	None	<u>\$ 7, 050, 000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>March 31, 2021</u>
Unsecured bank borrowings	2022. 5. 15~ 2024. 3. 31	0. 93%~1. 15%	None	<u>\$ 6, 750, 000</u>

- A. For more information about interest expenses recognized by the Group for the three-month periods ended March 31, 2022 and 2021, please refer to Note 6(23), ‘Finance costs’.
- B. For information on the terms and conditions of all the loan contracts the Group entered into with financial institutions, please refer to Note 9, “Significant contingent liabilities and unrecognized contract commitments”.

(14) Non-current provision

<u>Decommissioning liabilities</u>	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Balance, beginning of period	\$ 82, 727	\$ 81, 204
Unwinding of discount	<u>387</u>	<u>381</u>
Balance, end of period	<u>\$ 83, 114</u>	<u>\$ 81, 585</u>

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

(15) Pensions

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

wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The rate was adjusted to 10% as approved by the Bureau of Labor Affairs, Tainan City Government in February 2020. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

- a. The pension cost under the defined benefit pension plan of the Company (listed under “Operating cost” and “Operating expense”) for the three-month periods ended March 31, 2022 and 2021 were \$4,051 and \$4,419, respectively.
 - b. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to \$50,371.
- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act , covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group’s subsidiaries have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations are based on certain percentage of employees’ monthly salaries and wages. Due to the impact of Covid-19, certain subsidiaries reduced their pension contributions in accordance with the regulation of the government. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group (listed under “Operating cost” and “Operating expense”) for the three-month periods ended March 31, 2022 and 2021 were \$49,643 and \$43,552, respectively.

(16) 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 three-month periods ended March 31,	
	2022	2021
Beginning and ending balance	1, 579, 145	1, 579, 145

- B. As of March 31, 2022, the Company’s authorized capital was \$17,847,009, and the paid-in capital was \$15,791,453, consisting of 1,579,145 thousand shares of ordinary stock with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to offset accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the

Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit after the legal reserve is used.

	For the three-month period ended March 31, 2022				
	Share premium	Treasury share transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58,271</u>	<u>\$169,088</u>	<u>\$ 819</u>	<u>\$ 3,495</u>	<u>\$231,673</u>

	For the three-month period ended March 31, 2021				
	Share premium	Treasury share transactions	Donations	Others	Total
Beginning and ending balance	<u>\$58,271</u>	<u>\$169,088</u>	<u>\$ 819</u>	<u>\$ 3,512</u>	<u>\$231,690</u>

(18) Retained earnings

- A. The legal reserve shall be exclusively used to offset accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.
- B. According to the Articles of Incorporation of the Company, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with related regulations. The remaining amount plus the accumulated unappropriated earnings from prior years is the accumulated distributable earnings. Of the amount to be distributed by the Company, shareholders' dividends shall comprise 50% to 100% of the accumulated distributable earnings and cash dividends shall not be lower than 30% of the total dividends distributed. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders.
- C. Special reserve
 - a. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances in other equity items at the balance sheet date before distributing earnings. When debit balances in other equity items are reversed subsequently, an equal amount could be used for distribution. As of March 31, 2022, December 31, 2021, and March 31, 2021, special reserve of \$1,811,806, \$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 land.

D. The Company recognized dividends distributed to owners amounting to \$836,947, constituting \$0.53(in dollars) per share as cash dividend for the year ended December 31, 2020. On 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. These consolidated financial statements do not reflect the dividend payable.

(19) Operating revenue

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	<u>\$ 10,431,846</u>	<u>\$ 8,163,284</u>

A. Disaggregation of revenue from contracts with customers

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

<u>Segment</u>	<u>For the three-month period ended March 31, 2022</u>	
	<u>Revenue from</u>	<u>Revenue from</u>
	<u>products of Tinsplate</u>	<u>products of Plastic pack</u>
Taiwan	\$ 4,576,599	\$ 9,716
Mainland China - tinsplate products	1,292,320	-
Mainland China - plastic products	-	3,628,294
Others	924,917	-
	<u>\$ 6,793,836</u>	<u>\$ 3,638,010</u>

<u>Segment</u>	<u>For the three-month period ended March 31, 2021</u>	
	<u>Revenue from</u>	<u>Revenue from</u>
	<u>products of Tinsplate</u>	<u>products of Plastic pack</u>
Taiwan	\$ 2,747,332	\$ 1,553
Mainland China - tinsplate products	1,386,099	-
Mainland China - plastic products	-	3,445,301
Others	582,999	-
	<u>\$ 4,716,430</u>	<u>\$ 3,446,854</u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>	<u>January 1, 2021</u>
Current contract liabilities	<u>\$ 160,069</u>	<u>\$ 187,357</u>	<u>\$ 86,171</u>	<u>\$ 62,930</u>

Revenue recognized that was included in the contract liability balance at the beginning of the three-month periods ended March 31, 2022 and 2021 was \$24,255 and \$31,003, respectively.

(20) Interest income

	For the three-month periods ended March 31,	
	2022	2021
Interest income from bank deposits	\$ 10,748	\$ 8,711

(21) Other income

	For the three-month periods ended March 31,	
	2022	2021
Rental income	\$ 10,397	\$ 10,811
Government grants	3,983	1,440
Other income	9,833	9,526
	<u>\$ 24,213</u>	<u>\$ 21,777</u>

(22) Other gains and losses

	For the three-month periods ended March 31,	
	2022	2021
Net gain on disposal of property, plant and equipment	\$ 112	\$ 788
Gain from lease modifications	152	-
Net currency exchange gain (loss)	72,168	(8,912)
Other losses	(7,120)	(3,393)
	<u>\$ 65,312</u>	<u>(\$ 11,517)</u>

(23) Finance costs

	For the three-month periods ended March 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 23,036	\$ 21,949
Interest expense on lease liabilities	17,276	19,384
Financial expense of transferred notes receivable	63	793
Provisions - unwinding of discount	387	381
	<u>40,762</u>	<u>42,507</u>
Less: Capitalization of qualifying assets	(30)	(40)
	<u>\$ 40,732</u>	<u>\$ 42,467</u>

(24) Expenses by nature

	<u>For the three-month period ended March 31, 2022</u>			<u>For the three-month period ended March 31, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Employee benefits expense	\$ 475,337	\$ 272,387	\$ 747,724	\$ 458,719	\$ 188,375	\$ 647,094
Depreciation of property, plant and equipment and right-of-use assets	\$ 592,162	\$ 80,882	\$ 673,044	\$ 586,305	\$ 73,606	\$ 659,911
Amortization of intangible assets	\$ 434	\$ 2,023	\$ 2,457	\$ 429	\$ 2,005	\$ 2,434

(25) Employee benefits expense

	<u>For the three-month period ended March 31, 2022</u>			<u>For the three-month period ended March 31, 2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 362,518	\$ 213,489	\$ 576,007	\$ 356,779	\$ 144,568	\$ 501,347
Labor and health insurance expenses	33,930	16,492	50,422	32,529	12,190	44,719
Pension costs	39,611	14,083	53,694	35,910	12,061	47,971
Other personnel expenses	39,278	28,323	67,601	33,501	19,556	53,057
	<u>\$ 475,337</u>	<u>\$ 272,387</u>	<u>\$ 747,724</u>	<u>\$ 458,719</u>	<u>\$ 188,375</u>	<u>\$ 647,094</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the three-month periods ended March 31, 2022 and 2021, employees' compensation was accrued at \$35,410 and \$7,134, respectively, while directors' remuneration was accrued at \$11,183 and \$3,344, 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 had been adjusted in the consolidated profit or loss for the year ended December 31, 2022.
- Information about employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

Components of income tax expense

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Income tax incurred in current period	\$ 193,178	\$ 66,144
Deferred income tax:		
Origination and reversal of temporary differences	(16,256)	(4,286)
Income tax expense	<u>\$ 176,922</u>	<u>\$ 61,858</u>

- B. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As of May 10, 2022, there was no administrative lawsuit.

(27) Earnings per share

	<u>For the three-month period ended March 31, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 621,263</u>	<u>1,579,145</u>	<u>\$ 0.39</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 621,263	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>6,946</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 621,263</u>	<u>1,586,091</u>	<u>\$ 0.39</u>

	<u>For the three-month period ended March 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 185,800</u>	<u>1,579,145</u>	<u>\$ 0.12</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	185,800	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>3,984</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 185,800</u>	<u>1,583,129</u>	<u>\$ 0.12</u>

(28) Supplemental cash flow information

A. Investing activities with partial cash collection and payments:

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment	\$ 67,475	\$ 219,212
Add: Beginning balance of other payables	170,752	233,672
Beginning balance of other payables-related parties	-	20,342
Less: Ending balance of other payables	(154,278)	(79,596)
Cash paid for acquisition of property, plant and equipment	<u>\$ 83,949</u>	<u>\$ 393,630</u>

B. Investing activities with no cash flow effect:

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
a. Prepayment for business facilities reclassified to prepayments	<u>\$ 171</u>	<u>\$ 210</u>
b. Prepayment for business facilities reclassified to property, plant and equipment	<u>\$ 13,829</u>	<u>\$ 14,141</u>

(29) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
<u>For the three-month period March 31, 2022</u>						
Balance at January 1, 2022	\$ 2,798,456	\$ 399,900	\$ 1,805,166	\$ 7,050,000	\$ 63,750	\$12,117,272
Changes in cash flow from financing activities	(433,708)	(400,000)	(49,993)	(300,000)	6,028	(1,177,673)
Changes in other non-cash items	-	100	1,258	-	-	1,358
Impact of changes in foreign exchange rate	-	-	53,825	-	-	53,825
Balance at March 31, 2022	<u>\$ 2,364,748</u>	<u>\$ -</u>	<u>\$ 1,810,256</u>	<u>\$ 6,750,000</u>	<u>\$ 69,778</u>	<u>\$10,994,782</u>
<u>For the three-month period March 31, 2021</u>						
Balance at January 1, 2021	\$ 1,848,141	\$ -	\$ 2,038,867	\$ 6,520,000	\$ 50,456	\$10,457,464
Changes in cash flow from financing activities	946,072	200,000	(77,851)	230,000	5,112	1,303,333
Changes in other non-cash items	-	(43)	10,405	-	-	10,362
Impact of changes in foreign exchange rate	-	-	(2,983)	-	-	(2,983)
Balance at March 31, 2021	<u>\$ 2,794,213</u>	<u>\$ 199,957</u>	<u>\$ 1,968,438</u>	<u>\$ 6,750,000</u>	<u>\$ 55,568</u>	<u>\$11,768,176</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Names of related parties and relationship

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

(3) Significant transactions and balances with related parties

A. Sales

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Sales of goods		
Parent company to entities with joint control or significant influence	\$ 3,644,650	\$ 3,270,172

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

B. Purchases

	For the three-month periods ended March 31,	
	2022	2021
Purchases of goods		
Parent company to entities with joint control or significant influence	\$ 426,735	\$ 345,678
Others	343	199
	<u>\$ 427,078</u>	<u>\$ 345,877</u>

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

C. Receivables from related parties

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Receivables from related parties:			
Parent company to entities with joint control or significant influence	<u>\$ 1,545,987</u>	<u>\$ 1,345,104</u>	<u>\$ 1,382,370</u>

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

D. Guarantee deposit paid

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company to entities with joint control or significant influence	<u>\$ 25,295</u>	<u>\$ 24,398</u>	<u>\$ 24,396</u>

E. Current contract liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company to entities with joint control or significant influence	<u>\$ 18,934</u>	<u>\$ -</u>	<u>\$ 6,561</u>

F. Payables to related parties

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Payables to related parties:			
Parent company to entities with joint control or significant influence	<u>\$ 259,486</u>	<u>\$ 362,069</u>	<u>\$ 173,923</u>

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

G. Lease transactions — lessee

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

(b) Lease liabilities and interest expense

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
	<u>Lease liabilities</u>	<u>Lease liabilities</u>	<u>Lease liabilities</u>
Parent company to entities with joint control or significant influence			
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 358,129	\$ 359,867	\$ 366,356
Taizhou President Enterprises Co., Ltd.	355,138	356,995	399,399
Zhanjiang President Enterprises Co., Ltd.	327,083	312,089	354,851
Kunshan President Enterprises Food Co., Ltd.	199,852	200,484	223,134
Beijing President Enterprises Drinks Co., Ltd.	156,260	157,247	169,735
Others	<u>92,037</u>	<u>97,496</u>	<u>123,097</u>
	<u>\$ 1,488,499</u>	<u>\$ 1,484,178</u>	<u>\$ 1,636,572</u>
	<u>For the three-month periods ended March 31,</u>		
	<u>2022</u>	<u>2021</u>	
	<u>Interest expense</u>	<u>Interest expense</u>	
Parent company to entities with joint control or significant influence			
Taizhou President Enterprises Co., Ltd.	\$ 3,736	\$ 4,317	
Uni-President Enterprises (TianJin) Co., Ltd.	3,677	3,859	
Zhanjiang President Enterprises Co., Ltd.	3,441	3,835	
Kunshan President Enterprises Food Co., Ltd.	2,210	2,519	
Beijing President Enterprises Drinks Co., Ltd.	1,457	1,708	
Others	<u>1,071</u>	<u>1,424</u>	
	<u>\$ 15,592</u>	<u>\$ 17,662</u>	

(4) Key management compensation

	<u>For the three-month periods ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	<u>\$ 7,036</u>	<u>\$ 5,789</u>

8. PLEGDED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT

COMMITMENTS

- A. As of March 31, 2022, December 31, 2021 and March 31, 2021, the remaining balance due for construction in progress and prepayments for equipment are \$573,602, \$417,004 and \$116,150, respectively.
- B. As of March 31, 2022, December 31, 2021 and March 31, 2021, the unused letters of credit amounted to \$600,231, \$913,279 and \$423,034, respectively.
- C. Lending agreements of the Group are summarized below:
- (a) The Company has entered into a loan agreement with CTBC Bank in 2021 and 2020. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, the Company has to improve the conditions. Otherwise, the bank has the right to cancel or reduce the credit line, shorten credit period, or principal and interest deemed as due.
- (b) The Company has signed a loan agreement with KGI Bank in 2020. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the Company has to maintain a consolidated debt-to-equity ratio of less than 180%, interest coverage ratio at over 200%, and consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. If any of the financial covenants are not met, the Company has to improve within four months. Otherwise, the bank has the right to demand the Company to pay off the loan balance immediately.

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6, 'Financial assets.'

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, EUR and China Yuan (the 'CNY'). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.
- ii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group's foreign operations are considered strategic investments; thus, no hedging for the purpose is conducted.
- iii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD; certain subsidiaries' functional currency: USD, CNY and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2022			
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 63,069	28.63	\$ 1,805,665
USD : CNY	10,333	6.34	295,834
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,736	28.63	479,152
USD : CNY	29,480	6.34	844,012
JPY : CNY	95,621	0.05	22,500
USD : VND	997	22,837.00	28,544
December 31, 2021			
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 79,074	27.68	\$ 2,188,768
USD : CNY	8,210	6.36	227,253
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,648	27.68	460,817
USD : CNY	27,362	6.36	757,380
USD : VND	1,347	22,826.00	37,285
March 31, 2021			
(Foreign currency: functional currency)	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 27,671	28.54	\$ 789,730
USD : CNY	2,182	6.55	62,274
EUR : NTD	764	33.48	25,579
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	17,006	28.54	485,351
USD : CNY	18,803	6.55	536,638

- iv. As of March 31, 2022, December 31, 2021 and March 31, 2021, if the functional currency exchange rate had appreciated/depreciated by 1%, with all other factors remaining constant, the Group's post-tax profit for the three-month periods ended March 31, 2022 and 2021 would have increased/decreased by \$5,818 and \$1,155, respectively.

- v. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2022 and 2021 amounted to \$72,168 and (\$8,912), respectively.

(b) Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise the prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the three-month periods ended March 31, 2022 and 2021 would have increased/decreased by \$1,014 and \$878 respectively.

(c) Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the three-month periods ended March 31, 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars, JPY dollars, and CNY dollars.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the three-month periods ended March 31, 2022 and 2021 would have decreased/increased by \$185 and \$182, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

b. Credit risk

- (a) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
- (b) The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit

limits is regularly monitored.

- (c) In line with credit risk management procedure, when the contract payments are past due over certain number days, the default has occurred.
- (d) The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
- i. If the contract payments are past due over certain number of days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - ii. If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- (e) The Group classifies customers' accounts receivable in accordance with product types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and used the forecastability concern to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Group applied the simplified approach to provide loss allowance for notes and accounts receivable as follows:

For the three-month period ended March 31, 2022

	Notes receivable	Accounts receivable	Total
Balance, beginning of period	\$ 2,303	\$ 42,753	\$ 45,056
Expected credit loss (gains)	186	(5,081)	(4,895)
Effect of foreign exchange	31	985	1,016
Balance, end of period	<u>\$ 2,520</u>	<u>\$ 38,657</u>	<u>\$ 41,177</u>

For the three-month period ended March 31, 2021

	Notes receivable	Accounts receivable	Total
Balance, beginning of period	\$ 1,279	\$ 51,896	\$ 53,175
Expected credit (gains) loss	(105)	1,057	952
Effect of foreign exchange	(1)	(80)	(81)
Balance, end of period	<u>\$ 1,173</u>	<u>\$ 52,873</u>	<u>\$ 54,046</u>

c. Liquidity risk

- (a) Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance Department. Group Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational

needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

<u>March 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 2,368,369	\$ -	\$ -	\$ -
Notes payable	392	-	-	-
Accounts payable (including related party)	1,319,633	-	-	-
Other payables (including related party)	1,444,818	-	-	-
Lease liabilities	292,260	299,886	792,427	743,796
Other current financial liabilities	33,320	-	-	-
Refund liabilities	12,473	-	-	-
Long-term borrowings	73,501	3,809,058	3,010,271	-
Guarantee deposits received	-	7,337	11,062	18,060

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 (including related party)	1,562,638	-	-	-
Other payables (including related party)	1,716,197	-	-	-
Lease liabilities	278,087	289,785	783,519	779,589
Other current financial liabilities	34,462	-	-	-
Refund liabilities	15,085	-	-	-
Long-term borrowings	70,790	3,812,714	3,314,882	-
Guarantee deposits received	-	11,868	-	17,420

March 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	\$ 2,798,025	\$ -	\$ -	\$ -
Short-term notes and bills payable	200,000	-	-	-
Notes payable	2,975	-	-	-
Accounts payable (including related party)	1,102,553	-	-	-
Other payables (including related party)	1,203,008	-	-	-
Lease liabilities	281,948	290,103	811,996	963,336
Other current financial liabilities	27,588	-	-	-
Refund liabilities	11,121	-	-	-
Long-term borrowings	69,027	3,643,192	3,170,639	-
Guarantee deposits received	-	10,344	218	17,418

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

(3) Fair value information

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.
- B. Fair value of the Group'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, notes payable, accounts payable (including related parties), other payables (including related parties), 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>March 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 101,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,355</u>
<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>March 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>\$ 87,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,811</u>

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

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

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

E. For the three-month periods ended March 31, 2022 and 2021, there was no transfer into or out between Level 1 and Level 2.

F. For the three-month periods ended March 31, 2022 and 2021, there was no such situation of Level 3.

(4) Other information

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

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the three-month period ended March 31, 2022.

(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 NT\$300 million or 20% of the Company's paid-in capital: None.

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

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

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

H. Receivables from related parties reaching NT\$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 period: 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

(1) General information

The management of the Group has identified the operating segments based on information provided to the Group's chief operating decision-maker in order to make strategic decisions. The Group's organization, basis of identification and measurement of segment information had no significant changes in this period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of operating segments based on segment pre-tax income.

(3) Information about segment profit or loss and assets

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

For the three-month period ended March 31, 2022					
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 4,586,315	\$ 1,292,320	\$ 3,628,294	\$ 924,917	\$ 10,431,846
Revenue from internal customers	1,552,124	293,808	7,890	36,417	1,890,239
Segment revenue	<u>\$ 6,138,439</u>	<u>\$ 1,586,128</u>	<u>\$ 3,636,184</u>	<u>\$ 961,334</u>	<u>\$ 12,322,085</u>
Segment income	<u>\$ 779,955</u>	<u>(\$ 86,105)</u>	<u>\$ 240,066</u>	<u>\$ 43,034</u>	<u>\$ 976,950</u>
Segment assets	<u>\$ 32,264,251</u>	<u>\$ 7,708,379</u>	<u>\$ 15,665,626</u>	<u>\$ 23,573,966</u>	<u>\$ 79,212,222</u>

For the three-month period ended March 31, 2021					
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 2,748,885	\$ 1,386,099	\$ 3,445,301	\$ 582,999	\$ 8,163,284
Revenue from internal customers	1,119,635	117,332	338	2,960	1,240,265
Segment revenue	<u>\$ 3,868,520</u>	<u>\$ 1,503,431</u>	<u>\$ 3,445,639</u>	<u>\$ 585,959</u>	<u>\$ 9,403,549</u>
Segment income	<u>\$ 157,142</u>	<u>\$ 64,965</u>	<u>\$ 351,038</u>	<u>\$ 298,269</u>	<u>\$ 871,414</u>
Segment assets	<u>\$ 30,365,868</u>	<u>\$ 7,199,940</u>	<u>\$ 14,288,676</u>	<u>\$ 21,464,389</u>	<u>\$ 73,318,873</u>

(4) Reconciliation for segment income (loss) and assets

A. Sales between segments were carried out at arm's length. Basis of measurement remained consistent with revenue in the statements of comprehensive income and revenue from external parties reported to the chief operating decision-maker. A reconciliation of segment profit or loss before tax and the profit or loss before tax from continuing operations is shown below:

	For the three-month periods ended March 31,	
	2022	2021
Reportable segments profit and loss	\$ 933, 916	\$ 573, 145
Other segments profit and loss	43, 034	298, 269
Elimination of intersegment transactions	(193, 335)	(624, 416)
Net income before income tax from continuing operations	<u>\$ 783, 615</u>	<u>\$ 246, 998</u>

B. The amount of total assets provided to the Chief Operating Decision-Maker adopts the same basis of measurement as assets in the Group's financial statements. The reconciliations between reportable segments' assets and total assets are as follows:

	March 31, 2022	March 31, 2021
Assets of reportable segments	\$ 55, 638, 256	\$ 51, 854, 484
Assets of other operating segments	23, 573, 966	21, 464, 389
Elimination of intersegment transactions	(41, 504, 792)	(37, 898, 719)
Total assets	<u>\$ 37, 707, 430</u>	<u>\$ 35, 420, 154</u>

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the three-month period ended March 31, 2022

Table 1

Expressed in thousands of NTD

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							drawn down	Interest rate					Item	Value			
1	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 135,450	\$ 135,450	\$ -	—	2	\$ -	Operational use	\$ -	—	\$ -	\$ 1,074,455	\$ 1,074,455	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	316,049	225,749	225,749	3.365~3.515	2	-	Operational use	-	—	-	1,074,455	1,074,455	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	90,300	-	-	3.515	2	-	Operational use	-	—	-	1,074,455	1,074,455	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	135,450	135,450	135,450	3.515	2	-	Operational use	-	—	-	214,891	429,782	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	293,474	293,474	180,599	3.515	2	-	Operational use	-	—	-	402,009	402,009	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	99,330	2.365~2.465	2	-	Operational use	-	—	-	1,681,355	1,681,355	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	270,899	270,899	270,899	3.515	2	-	Operational use	-	—	-	336,271	672,542	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	180,599	180,599	180,599	3.515	2	-	Operational use	-	—	-	336,271	672,542	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	248,324	158,024	158,024	3.465~3.515	2	-	Operational use	-	—	-	1,285,448	1,285,448	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	94,815	2.365~2.465	2	-	Operational use	-	—	-	1,285,448	1,285,448	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	361,199	361,199	225,749	3.365~3.515	2	-	Operational use	-	—	-	1,285,448	1,285,448	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							drawn down	Interest rate					Item	Value			
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	\$ 135,450	\$ 135,450	\$ -	—	2	\$ -	Operational use	\$ -	—	\$ -	\$ 257,090	\$ 514,179	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	316,049	316,049	316,049	3.365~3.515	2	-	Operational use	-	—	-	810,406	810,406	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	810,406	810,406	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	3.465	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	248,324	248,324	112,875	3.365~3.515	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	-	—	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	135,450	135,450	90,300	3.365~3.465	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	1,061,021	1,061,021	880,422	3.365~3.515	2	-	Operational use	-	—	-	11,834,480	11,834,480	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	270,899	270,899	203,174	3.365~3.515	2	-	Operational use	-	—	-	2,366,896	4,733,792	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Interest rate	Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							Item	Value										
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	\$ 135,450	\$ 135,450	\$ 22,575	3.365	2	\$ -	Operational use	\$ -	-	\$ -	\$ 2,366,896	\$ 4,733,792	Note 2	
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	22,575	2.365~2.465	2	-	Operational use	-	-	-	1,959,264	1,959,264	Note 2	
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	-	-	2	-	Operational use	-	-	-	1,175,559	1,175,559	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	22,575	2.365~2.465	2	-	Operational use	-	-	-	966,632	966,632	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	158,024	158,024	158,024	3.515	2	-	Operational use	-	-	-	966,632	966,632	Note 2	
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	180,599	180,599	180,599	3.515	2	-	Operational use	-	-	-	193,326	386,653	Note 2	
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	-	-	2	-	Operational use	-	-	-	1,149,857	1,149,857	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	135,450	135,450	-	3.515	2	-	Operational use	-	-	-	474,102	948,204	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	Other receivables	Y	325,079	325,079	325,079	3.515	2	-	Operational use	-	-	-	474,102	948,204	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Tonyi Industrial Packing Co., Ltd.	Other receivables	Y	158,024	158,024	158,024	3.515	2	-	Operational use	-	-	-	474,102	948,204	Note 2	
12	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	135,450	135,450	-	-	2	-	Operational use	-	-	-	526,297	526,297	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 March 31, 2022 as follows: CNY:NTD 1 : 4.514984.

Ton Yi Industrial Corp. and Subsidiaries

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

March 31, 2022

Table 2

Expressed in thousands of NTD

Investor	Marketable securities type and name	Relationship with the issuer	General ledger account (Note)	As of March 31, 2022				
				Shares/units (in thousands)	Book value	Percentage of ownership (%)	Fair value	Note
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	\$ 101,355	0.04%	\$ 101,355	—

(Note) The code number explanation is as follows:

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

Ton Yi Industrial Corp. and Subsidiaries

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

For the three-month period ended March 31, 2022

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)			Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	
Ton Yi Industrial Corp.	Fujian Ton Yi Tinline Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	\$ 1,538,112)	(25)	50 days after shipping, T/T	\$ -	—	\$ 806,791	38	—
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)	(130,821)	(20)	Within 30 days of statements settled monthly, T/T	-	—	36,288	18	—
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)	(119,223)	(18)	Within 30 days of statements settled monthly, T/T	-	—	41,818	20	—
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	119,223	96	Within 30 days of statements settled monthly, T/T	-	—	(41,818)	(94)	—
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	210,426	52	67 days after invoice date, T/T	-	—	(169,718)	(69)	—
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	130,821	32	Within 30 days of statements settled monthly, T/T	-	—	(36,288)	(15)	—
Fujian Ton Yi Tinline Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	1,538,112	89	50 days after shipping, T/T	-	—	(806,791)	(95)	—
Fujian Ton Yi Tinline Co., Ltd	Jiangsu Ton Yi Tinline Co., Ltd.	An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	(815,868)	(52)	67 days after invoice date, T/T	-	—	338,901	27	—

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
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	\$ 815,868	100	67 days after invoice date, T/T	\$ -	—	(\$ 338,901)	(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)	(210,426)	(25)	67 days after invoice date, T/T	-	—	169,718	15	—
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)	(314,663)	(76)	25 days after receipt of invoice, T/T	-	—	123,258	75	—
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)	(432,118)	(71)	25 days after receipt of invoice, T/T	-	—	198,773	69	—
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)	(102,999)	(41)	25 days after receipt of invoice, T/T	-	—	23,756	24	—
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)	(367,079)	(95)	25 days after receipt of invoice, T/T	-	—	115,207	96	—
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)	(581,045)	(97)	25 days after receipt of invoice, T/T	-	—	258,637	98	—
Beijing Ton Yi Industrial Co., Ltd.	Beijing President Enterprises Drinks Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(443,581)	(100)	25 days after receipt of invoice, T/T	-	—	242,409	100	—
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)	(527,789)	(100)	25 days after receipt of invoice, T/T	-	—	192,249	99	—
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)	(288,900)	(82)	25 days after receipt of invoice, T/T	-	—	128,355	88	—

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)	
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)	(\$ 146,688)	(89)	25 days after receipt of invoice, T/T	\$ -	—	\$ 51,231	78	—

(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 March 31, 2022 (USD:NTD 1:28.625 ; CNY:NTD 1:4.514984).

Purchases and sales were translated using the weighted-average exchange rate for the three-month period ended March 31, 2022 (USD:NTD 1:28.021186 ; CNY:NTD 1:4.414901).

Ton Yi Industrial Corp. and Subsidiaries

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

For the three-month period ended March 31, 2022

Table 4

Expressed in thousands of NTD

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Accounts receivable	\$ 806,791	8.03	\$ -	—	\$ 88,496	\$ -
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	180,793	-	-	—	-	-
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	338,901	9.51	-	—	258,250	-
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	169,718	5.68	-	—	88,821	-
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	325,428	-	-	—	-	-
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	158,194	-	-	—	158,194	-
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	899,900	-	-	—	327	-
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	205,050	-	-	—	196	-
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	114,980	-	-	—	-	-
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	123,258	10.64	-	—	68,109	-
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	198,773	9.84	-	—	78,202	-
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	271,190	-	-	—	-	-

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Tonyi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	\$ 180,793	-	\$ -	-	\$ -	\$ -
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	115,207	13.40	-	-	64,059	-
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	258,637	9.80	-	-	139,614	-
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	227,286	-	-	-	-	-
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	137,142	-	-	-	-	-
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	242,409	10.17	-	-	155,969	-
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	183,385	-	-	-	-	-
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	159,645	-	-	-	-	-
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	192,249	10.15	-	-	103,024	-
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	227,905	-	-	-	-	-
Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	159,717	-	-	-	51	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Zhanjiang President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	128,355	11.57	-	-	67,814	-
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	316,373	-	-	-	-	-

(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 March 31, 2022 (CYN:NTD 1:4.514984 ; USD:NTD 1:28.625).

Ton Yi Industrial Corp. and Subsidiaries
Significant inter-company transactions during the reporting period
For the three-month period ended March 31, 2022

Table 5

Expressed in thousands of NTD

No (Note 2)	Company name	Counterparty	Relationship (Note 3)	Intercompany transaction			Percentage of consolidated net revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	\$ 1,538,112	50 days after shipping, T/T	15%
			1	Accounts receivable	806,791	—	2%
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	180,793	—	—
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	130,821	Within 30 days of statements settled monthly, T/T	1%
		Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	119,223	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	815,868	67 days after invoice date, T/T	8%
			3	Accounts receivable	338,901	—	1%
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	210,426	67 days after invoice date, T/T	2%
			3	Accounts receivable	169,718	—	—
		Wuxi Tonyi Daiwa Industrial Co., Ltd.	3	Other receivables	325,428	—	1%
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	158,194	—	—
5	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	899,900	—	2%
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	205,050	—	1%
		Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	114,980	—	—
6	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	271,190	—	1%
		Wuxi Tonyi Daiwa Industrial Co., Ltd.	3	Other receivables	180,793	—	—
7	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	227,286	—	1%
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	137,142	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	183,385	—	—
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	159,645	—	—
9	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	227,905	—	1%
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	159,717	—	—
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	316,373	—	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 March 31, 2022 (CNY:NTD 1:4.514984);

Sales were translated using the weighted-average exchange rate for the three-month period ended March 31, 2022 (CNY:NTD 1:4.414901).

Ton Yi Industrial Corp. and Subsidiaries

Information on investees

For the three-month period ended March 31, 2022

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at March 31, 2022			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	\$ 18,540,274	\$ 96,663	\$ 96,663	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	53,774	336	171	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	6,583,750	6,583,750	230,000,000	100.00	11,834,502	185,345	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,833,777	1,833,777	8,727	100.00	2,760,758	(56,082)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,027,717	1,027,717	5,000	100.00	2,166,383	226	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	6,583,750	6,583,750	230,000,000	100.00	11,834,502	185,345	-	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 March 31, 2022 (USD:NTD 1:28.625);

Profit and loss were translated using the weighted-average exchange rate for the three-month period ended March 31, 2022 (USD:NTD 1:28.021186).

Ton Yi Industrial Corp. and Subsidiaries
Information on investments in Mainland China
For the three-month period ended March 31, 2022

Table 7

Expressed in thousands of NTD

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Investment amount		Accumulated amount of remittance from Taiwan as of March 31, 2022	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of March 31, 2022	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of cans	\$ 772,875	Note 1	\$ 200,375	\$ -	\$ -	\$ 200,375	(\$ 39,529)	100.00	(\$ 39,367)	\$ 1,110,130	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	214,688	Note 1	214,688	-	-	214,688	4,842	100.00	4,842	406,961	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	200,375	Note 1	-	-	-	-	1,699	100.00	1,699	331,297	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,476,063	Note 2	1,527,058	-	-	1,527,058	(64,608)	86.80	(56,082)	2,696,925	-	Note 8
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,145,000	Note 3	794,344	-	-	794,344	273	82.86	226	2,065,412	-	Note 8
Ton Yi (China) Investment Co., Ltd.	General investment	6,583,750	Note 4	858,750	-	-	858,750	185,345	100.00	185,345	11,834,502	405,773	Note 8
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	858,750	-	-	858,750	34,445	100.00	34,445	1,959,264	-	Note 8
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	858,750	-	-	858,750	50,500	100.00	50,500	1,681,355	-	Note 8
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	329,188	-	-	329,188	27,384	100.00	27,384	1,175,559	-	Note 8
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	171,750	-	-	171,750	25,173	100.00	25,173	1,175,601	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	-	-	-	-	5,161	100.00	5,161	1,074,455	-	Note 8
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	-	-	-	-	8,062	100.00	8,062	974,877	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	858,750	Note 5	-	-	-	-	25,621	100.00	25,621	1,311,650	-	Note 7
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	572,500	Note 5	-	-	-	-	22,454	100.00	22,454	833,369	-	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages	572,500	Note 5	-	-	-	(14,828)	100.00	(14,828)	511,133	-	Note 7	

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from	Investment amount		Accumulated amount	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value	Accumulated remittance	Note
				Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	of remittance from Taiwan as of March 31, 2022				as of March 31, 2022		
Wuxi Tonyi Daiwa Industrial Co., Ltd.	Manufacturing and sale of cans	\$ 1,145,000	Note 6	\$ -	\$ -	\$ -	\$ -	(\$ 18,672)	66.50	(\$ 12,417)	\$ 670,860	\$ -	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 9)
Ton Yi Industrial Corp.	\$ 5,813,653	\$ 11,635,696	\$ 13,361,878

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

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

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

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

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

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

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

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

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

(Note 10) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending investment balances were translated using the exchange rate as at March 31, 2022 (CNY:NTD 1:4.514984, USD:NTD 1:28.625);

Investment gains or losses were translated using the weighted-average exchange rate for the three-month period ended March 31, 2022 (CNY:NTD 1:4.414901, USD:NTD 1:28.021186).

Ton Yi Industrial Corp. and Subsidiaries

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

For the three-month period ended March 31, 2022

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Sales/(purchases)		Property transaction		Accounts receivable/ (payable)		Provision of endorsements/guarantees or collaterals		Financing			Interest during the three-month period ended March 31, 2022	Others
	Amount	%	Amount	%	Balance at March 31, 2022	%	Balance at March 31, 2022	Purpose	Maximum balance during the three-month period ended March 31, 2022	Balance at March 31, 2022	Interest rate		
Fujian Ton Yi Tinplate Co., Ltd.	\$ 1,538,112	25	\$ -	-	\$ 806,791	38	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

March 31, 2022

Table 9

Express in shares

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

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

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