

**TON YI INDUSTRIAL CORP. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" 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***

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\$10,829,719 thousand and NT\$11,217,228 thousand, constituting 29.88% and 29.08% of the consolidated total assets, and total liabilities of NT\$2,869,805 thousand and NT\$2,525,979 thousand, constituting 20.21% and 13.86% of the consolidated total liabilities as at September 30, 2022 and 2021, respectively and total comprehensive income of NT\$146,901 thousand, NT\$154,636 thousand, NT\$269,771 thousand and NT\$412,418 thousand, constituting 17.02%, 21.19%, 10.08% and 35.55% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 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 September 30, 2022 and 2021, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Yeh, Fang-Ting

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

November 8, 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 independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

| Assets                    | Notes   | September 30, 2022 |                      | December 31, 2021 |                      | September 30, 2021 |                      |            |
|---------------------------|---|--------------------|----------------------|-------------------|----------------------|--------------------|----------------------|------------|
|                           |   | AMOUNT             | %                    | AMOUNT            | %                    | AMOUNT             | %                    |            |
| <b>Current assets</b>     |   |                    |                      |                   |                      |                    |                      |            |
| 1100                      | Cash and cash equivalents   | 6(1)               | \$ 3,172,685         | 9                 | \$ 2,664,025         | 7                  | \$ 3,132,999         | 8          |
| 1150                      | Notes receivable, net   | 6(2)(3) and 12     | 1,403,221            | 4                 | 845,273              | 2                  | 670,690              | 2          |
| 1170                      | Accounts receivable, net  | 6(2) and 12        | 1,361,030            | 4                 | 3,149,090            | 8                  | 2,924,783            | 8          |
| 1180                      | Accounts receivable - related parties   | 6(2) and 7         | 2,059,156            | 5                 | 1,345,104            | 4                  | 1,579,900            | 4          |
| 1200                      | Other receivables   |                    | 112,489              | -                 | 165,358              | 1                  | 172,106              | -          |
| 1220                      | Current income tax assets   | 6(26)              | 202                  | -                 | 60,565               | -                  | 39,651               | -          |
| 130X                      | Inventories   | 6(4)               | 5,115,095            | 14                | 5,657,333            | 15                 | 5,689,873            | 15         |
| 1410                      | Prepayments   |                    | 307,959              | 1                 | 480,809              | 1                  | 582,846              | 1          |
| 1476                      | Other current financial assets  |                    | 1,197                | -                 | 35,144               | -                  | 1,457                | -          |
| 11XX                      | <b>Total current assets</b>   |                    | <u>13,533,034</u>    | <u>37</u>         | <u>14,402,701</u>    | <u>38</u>          | <u>14,794,305</u>    | <u>38</u>  |
| <b>Non-current assets</b> |   |                    |                      |                   |                      |                    |                      |            |
| 1517                      | Financial assets at fair value through other comprehensive income - non-current | 6(5)               | 73,788               | -                 | 88,203               | -                  | 105,638              | -          |
| 1600                      | Property, plant and equipment   | 6(6)               | 18,946,358           | 52                | 19,903,177           | 53                 | 20,252,174           | 53         |
| 1755                      | Right-of-use assets   | 6(7) and 7         | 2,114,898            | 6                 | 2,257,043            | 6                  | 2,306,959            | 6          |
| 1760                      | Investment property, net  | 6(9)               | 91,808               | -                 | 92,931               | -                  | 93,796               | -          |
| 1780                      | Intangible assets   | 6(10)              | 317,880              | 1                 | 285,339              | 1                  | 310,146              | 1          |
| 1840                      | Deferred income tax assets  | 6(26)              | 862,263              | 3                 | 656,609              | 2                  | 622,274              | 2          |
| 1915                      | Prepayments for business facilities   | 6(6)               | 258,872              | 1                 | 109,497              | -                  | 45,048               | -          |
| 1920                      | Guarantee deposits paid   | 7                  | 31,606               | -                 | 41,054               | -                  | 25,720               | -          |
| 1990                      | Other non-current assets, others  |                    | 13,008               | -                 | 11,769               | -                  | 12,112               | -          |
| 15XX                      | <b>Total non-current assets</b>   |                    | <u>22,710,481</u>    | <u>63</u>         | <u>23,445,622</u>    | <u>62</u>          | <u>23,773,867</u>    | <u>62</u>  |
| 1XXX                      | <b>Total assets</b>   |                    | <u>\$ 36,243,515</u> | <u>100</u>        | <u>\$ 37,848,323</u> | <u>100</u>         | <u>\$ 38,568,172</u> | <u>100</u> |

(Continued)

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

|      | Liabilities and Equity   | Notes       | September 30, 2022   |            | December 31, 2021    |            | September 30, 2021   |            |
|------|--|-------------|----------------------|------------|----------------------|------------|----------------------|------------|
|      |  |             | AMOUNT               | %          | AMOUNT               | %          | AMOUNT               | %          |
|      | <b>Current liabilities</b>   |             |                      |            |                      |            |                      |            |
| 2100 | Short-term borrowings  | 6(11)       | \$ 2,525,511         | 7          | \$ 2,798,456         | 7          | \$ 3,865,720         | 10         |
| 2110 | Short-term notes and bills payable                                       | 6(12)       | -                    | -          | 399,900              | 1          | 1,399,757            | 4          |
| 2130 | Contract liabilities - current   | 6(19) and 7 | 74,798               | -          | 187,357              | 1          | 75,696               | -          |
| 2150 | Notes payable  |             | -                    | -          | -                    | -          | 284                  | -          |
| 2170 | Accounts payable   |             | 1,565,700            | 4          | 1,289,212            | 3          | 1,213,998            | 3          |
| 2180 | Accounts payable - related parties                                       | 7           | 307,453              | 1          | 273,426              | 1          | 205,071              | 1          |
| 2200 | Other payables   |             | 1,684,466            | 5          | 1,627,554            | 4          | 1,540,886            | 4          |
| 2220 | Other payables - related parties   | 7           | 124,346              | -          | 88,643               | -          | 86,054               | -          |
| 2230 | Current income tax liabilities   | 6(26)       | 480,958              | 1          | 271,989              | 1          | 167,472              | -          |
| 2280 | Lease liabilities, current   | 7           | 229,161              | 1          | 213,772              | 1          | 214,748              | 1          |
| 2305 | Other current financial liabilities                                      |             | 30,598               | -          | 34,462               | -          | 26,310               | -          |
| 2365 | Current refund liabilities   |             | 10,093               | -          | 15,085               | -          | 13,325               | -          |
| 21XX | <b>Total current liabilities</b>   |             | <u>7,033,084</u>     | <u>19</u>  | <u>7,199,856</u>     | <u>19</u>  | <u>8,809,321</u>     | <u>23</u>  |
|      | <b>Non-current liabilities</b>   |             |                      |            |                      |            |                      |            |
| 2540 | Long-term borrowings   | 6(13)       | 4,540,000            | 13         | 7,050,000            | 19         | 6,750,000            | 17         |
| 2550 | Non-current provisions   | 6(14)       | 83,890               | -          | 82,727               | -          | 82,346               | -          |
| 2570 | Deferred income tax liabilities  | 6(26)       | 749,026              | 2          | 611,048              | 2          | 596,023              | 2          |
| 2580 | Lease liabilities, non-current   | 7           | 1,449,352            | 4          | 1,591,394            | 4          | 1,636,095            | 4          |
| 2630 | Long-term deferred revenue   |             | 26,771               | -          | 26,129               | -          | 30,249               | -          |
| 2640 | Net defined benefit liabilities, non-current                             | 6(15)       | 280,039              | 1          | 311,034              | 1          | 287,520              | 1          |
| 2645 | Guarantee deposits received  |             | 36,039               | -          | 29,288               | -          | 29,054               | -          |
| 25XX | <b>Total non-current liabilities</b>                                     |             | <u>7,165,117</u>     | <u>20</u>  | <u>9,701,620</u>     | <u>26</u>  | <u>9,411,287</u>     | <u>24</u>  |
| 2XXX | <b>Total liabilities</b>   |             | <u>14,198,201</u>    | <u>39</u>  | <u>16,901,476</u>    | <u>45</u>  | <u>18,220,608</u>    | <u>47</u>  |
|      | <b>Equity attributable to owners of parent</b>                           |             |                      |            |                      |            |                      |            |
|      | Share capital  |             |                      |            |                      |            |                      |            |
| 3110 | Common stock   | 6(16)       | 15,791,453           | 44         | 15,791,453           | 41         | 15,791,453           | 41         |
| 3200 | Capital surplus  | 6(17)       | 231,673              | 1          | 231,673              | 1          | 231,690              | 1          |
|      | Retained earnings  | 6(18)       |                      |            |                      |            |                      |            |
| 3310 | Legal reserve  |             | 2,062,280            | 6          | 1,878,827            | 5          | 1,878,827            | 5          |
| 3320 | Special reserve  |             | 1,829,875            | 5          | 1,811,806            | 5          | 1,811,806            | 5          |
| 3350 | Unappropriated retained earnings   |             | 2,354,660            | 6          | 1,878,911            | 5          | 1,397,536            | 3          |
| 3400 | Other equity interest  |             | (1,365,745)          | (4)        | (1,829,875)          | (5)        | (1,948,323)          | (5)        |
| 31XX | <b>Equity attributable to owners of the parent</b>                       |             | <u>20,904,196</u>    | <u>58</u>  | <u>19,762,795</u>    | <u>52</u>  | <u>19,162,989</u>    | <u>50</u>  |
| 36XX | <b>Non-controlling interests</b>   |             | <u>1,141,118</u>     | <u>3</u>   | <u>1,184,052</u>     | <u>3</u>   | <u>1,184,575</u>     | <u>3</u>   |
| 3XXX | <b>Total equity</b>  |             | <u>22,045,314</u>    | <u>61</u>  | <u>20,946,847</u>    | <u>55</u>  | <u>20,347,564</u>    | <u>53</u>  |
|      | Significant contingent liabilities and unrecognized contract commitments | 9           |                      |            |                      |            |                      |            |
| 3X2X | <b>Total liabilities and equity</b>                                      |             | <u>\$ 36,243,515</u> | <u>100</u> | <u>\$ 37,848,323</u> | <u>100</u> | <u>\$ 38,568,172</u> | <u>100</u> |

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

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Reviewed, not audited)

| Items | Notes                                   | Three months ended September 30   |                   |           |                   | Nine months ended September 30 |                     |           |                     |           |
|-------|---|-----------------------------------|-------------------|-----------|-------------------|--------------------------------|---------------------|-----------|---------------------|-----------|
|       |   | 2022                              |                   | 2021      |                   | 2022                           |                     | 2021      |                     |           |
|       |   | AMOUNT                            | %                 | AMOUNT    | %                 | AMOUNT                         | %                   | AMOUNT    | %                   |           |
| 4000  | Operating revenue                       | 6(19) and 7                       | \$ 11,849,596     | 100       | \$ 11,686,431     | 100                            | \$ 34,401,487       | 100       | \$ 30,409,190       | 100       |
| 5000  | Operating costs                         | 6(4)(9)(10)(15)(24)(25)<br>and 7  | ( 10,061,534)     | ( 85)     | ( 9,975,816)      | ( 86)                          | ( 28,962,007)       | ( 84)     | ( 26,495,728)       | ( 87)     |
| 5900  | Gross profit from operations            |                                   | <u>1,788,062</u>  | <u>15</u> | <u>1,710,615</u>  | <u>14</u>                      | <u>5,439,480</u>    | <u>16</u> | <u>3,913,462</u>    | <u>13</u> |
|       | Operating expenses                      | 6(9)(10)(15)(24)(25), 7<br>and 12 |                   |           |                   |                                |                     |           |                     |           |
| 6100  | Selling expenses                        |                                   | ( 470,275)        | ( 4)      | ( 444,418)        | ( 4)                           | ( 1,561,409)        | ( 5)      | ( 1,135,959)        | ( 4)      |
| 6200  | Administrative expenses                 |                                   | ( 407,755)        | ( 3)      | ( 398,278)        | ( 3)                           | ( 1,214,728)        | ( 3)      | ( 1,047,637)        | ( 4)      |
| 6450  | Expected credit gains (losses)          |                                   | <u>8,553</u>      | -         | ( 12,408)         | -                              | <u>14,176</u>       | -         | ( 16,876)           | -         |
| 6000  | Total operating expenses                |                                   | ( 869,477)        | ( 7)      | ( 855,104)        | ( 7)                           | ( 2,761,961)        | ( 8)      | ( 2,200,472)        | ( 8)      |
| 6900  | Operating income                        |                                   | <u>918,585</u>    | <u>8</u>  | <u>855,511</u>    | <u>7</u>                       | <u>2,677,519</u>    | <u>8</u>  | <u>1,712,990</u>    | <u>5</u>  |
|       | Non-operating income and expenses       |                                   |                   |           |                   |                                |                     |           |                     |           |
| 7100  | Interest income                         | 6(20)                             | 12,262            | -         | 12,397            | -                              | 35,113              | -         | 29,623              | -         |
| 7010  | Other income                            | 6(5)(8)(9)(21)                    | 24,330            | -         | 28,093            | -                              | 82,499              | -         | 84,750              | -         |
| 7020  | Other gains and losses                  | 6(7)(22) and 12                   | 76,244            | 1         | 5,944             | -                              | 186,249             | -         | ( 24,613)           | -         |
| 7050  | Finance costs                           | 6(3)(6)(7)(23) and 7              | ( 48,695)         | ( 1)      | ( 43,916)         | -                              | ( 132,671)          | -         | ( 129,626)          | -         |
| 7000  | Total non-operating income and expenses |                                   | <u>64,141</u>     | -         | <u>2,518</u>      | -                              | <u>171,190</u>      | -         | ( 39,866)           | -         |
| 7900  | <b>Profit before income tax</b>         |                                   | <u>982,726</u>    | <u>8</u>  | <u>858,029</u>    | <u>7</u>                       | <u>2,848,709</u>    | <u>8</u>  | <u>1,673,124</u>    | <u>5</u>  |
| 7950  | Income tax expense                      | 6(26)                             | ( 251,569)        | ( 2)      | ( 183,330)        | ( 1)                           | ( 668,060)          | ( 2)      | ( 364,730)          | ( 1)      |
| 8200  | <b>Profit for the period</b>            |                                   | <u>\$ 731,157</u> | <u>6</u>  | <u>\$ 674,699</u> | <u>6</u>                       | <u>\$ 2,180,649</u> | <u>6</u>  | <u>\$ 1,308,394</u> | <u>4</u>  |

(Continued)

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Reviewed, not audited)

| Items   | Notes   | Three months ended September 30 |            |        |            | Nine months ended September 30 |              |        |              |   |
|---|---|---------------------------------|------------|--------|------------|--------------------------------|--------------|--------|--------------|---|
|   |   | 2022                            |            | 2021   |            | 2022                           |              | 2021   |              |   |
|   |   | AMOUNT                          | %          | AMOUNT | %          | AMOUNT                         | %            | AMOUNT | %            |   |
| <b>Other comprehensive income (loss)</b>  |   |                                 |            |        |            |                                |              |        |              |   |
| <b>Components of other comprehensive income that will not be reclassified to profit or loss</b> |   |                                 |            |        |            |                                |              |        |              |   |
| 8316  | Unrealized (loss) gain from investments in equity instruments measured at fair value through other comprehensive income | 6(5)                            |            |        |            |                                |              |        |              |   |
|   |   |                                 | (\$ 4,218) | -      | \$ 23,643  | -                              | (\$ 14,415)  | -      | \$ 37,392    | - |
| <b>Components of other comprehensive income that will be reclassified to profit or loss</b>     |   |                                 |            |        |            |                                |              |        |              |   |
| 8361  | Exchange differences on translation   |                                 | 136,193    | 1      | 31,560     | -                              | 511,378      | 2      | (185,608)    | - |
| 8300  | <b>Other comprehensive income (loss) for the period</b>   |                                 | \$ 131,975 | 1      | \$ 55,203  | -                              | \$ 496,963   | 2      | (\$ 148,216) | - |
| 8500  | <b>Total comprehensive income for the period</b>  |                                 | \$ 863,132 | 7      | \$ 729,902 | 6                              | \$ 2,677,612 | 8      | \$ 1,160,178 | 4 |
| Profit (loss) attributable to:  |   |                                 |            |        |            |                                |              |        |              |   |
| 8610  | Owners of the parent  |                                 | \$ 760,977 | 6      | \$ 700,879 | 6                              | \$ 2,256,416 | 6      | \$ 1,353,164 | 4 |
| 8620  | Non-controlling interests   |                                 | (29,820)   | -      | (26,180)   | -                              | (75,767)     | -      | (44,770)     | - |
|   |   |                                 | \$ 731,157 | 6      | \$ 674,699 | 6                              | \$ 2,180,649 | 6      | \$ 1,308,394 | 4 |
| Comprehensive income (loss) attributable to:  |   |                                 |            |        |            |                                |              |        |              |   |
| 8710  | Owners of the parent  |                                 | \$ 884,203 | 7      | \$ 753,677 | 6                              | \$ 2,720,546 | 8      | \$ 1,216,647 | 4 |
| 8720  | Non-controlling interests   |                                 | (21,071)   | -      | (23,775)   | -                              | (42,934)     | -      | (56,469)     | - |
|   |   |                                 | \$ 863,132 | 7      | \$ 729,902 | 6                              | \$ 2,677,612 | 8      | \$ 1,160,178 | 4 |
| Earnings per share (in dollars)   |   |                                 |            |        |            |                                |              |        |              |   |
| 9750  | Basic   | 6(27)                           | \$ 0.48    |        | \$ 0.44    |                                | \$ 1.43      |        | \$ 0.86      |   |
| 9850  | Diluted   |                                 | \$ 0.48    |        | \$ 0.44    |                                | \$ 1.42      |        | \$ 0.85      |   |

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

|   | Equity attributable to owners of the parent |                              |                   |                     |                     |                                  |  |  |                      |                     |                          |              |
|---|---|------------------------------|-------------------|---------------------|---------------------|----------------------------------|--|--|----------------------|---------------------|--------------------------|--------------|
|   | Notes                                       | Retained Earnings            |                   |                     |                     |                                  | Other Equity Interest  |  |                      | Total               | Non-controlling interest | Total equity |
|   |   | Share capital - common stock | Capital surplus   | Legal reserve       | Special reserve     | Unappropriated retained earnings | Exchange differences on translation of foreign financial statement | Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income |                      |                     |                          |              |
| <u>For the nine-month period ended September 30, 2021</u> |   |                              |                   |                     |                     |                                  |  |  |                      |                     |                          |              |
| Balance at January 1, 2021                                |   | \$ 15,791,453                | \$ 231,690        | \$ 1,793,153        | \$ 1,922,076        | \$ 856,723                       | (\$ 1,501,135)   | (\$ 310,671)   | \$ 18,783,289        | \$ 1,241,044        | \$ 20,024,333            |              |
| Profit (loss) for the period                              |   | -                            | -                 | -                   | -                   | 1,353,164                        | -  | -  | 1,353,164            | ( 44,770)           | 1,308,394                |              |
| Other comprehensive income (loss) for the period          | 6(5)  | -                            | -                 | -                   | -                   | -                                | ( 173,909)   | 37,392   | ( 136,517)           | ( 11,699)           | ( 148,216)               |              |
| Total comprehensive income (loss)                         |   | -                            | -                 | -                   | -                   | 1,353,164                        | ( 173,909)   | 37,392   | 1,216,647            | ( 56,469)           | 1,160,178                |              |
| Distribution of 2020 net income:                          |   |                              |                   |                     |                     |                                  |  |  |                      |                     |                          |              |
| Legal reserve   |   | -                            | -                 | 85,674              | -                   | ( 85,674)                        | -  | -  | -                    | -                   | -                        |              |
| Cash dividends  | 6(18)                                       | -                            | -                 | -                   | -                   | ( 836,947)                       | -  | -  | ( 836,947)           | -                   | ( 836,947)               |              |
| Reversal of special reserve                               | 6(18)                                       | -                            | -                 | -                   | ( 110,270)          | 110,270                          | -  | -  | -                    | -                   | -                        |              |
| Balance at September 30, 2021                             |   | <u>\$ 15,791,453</u>         | <u>\$ 231,690</u> | <u>\$ 1,878,827</u> | <u>\$ 1,811,806</u> | <u>\$ 1,397,536</u>              | <u>(\$ 1,675,044)</u>  | <u>(\$ 273,279)</u>  | <u>\$ 19,162,989</u> | <u>\$ 1,184,575</u> | <u>\$ 20,347,564</u>     |              |
| <u>For the nine-month period ended September 30, 2022</u> |   |                              |                   |                     |                     |                                  |  |  |                      |                     |                          |              |
| Balance at January 1, 2022                                |   | \$ 15,791,453                | \$ 231,673        | \$ 1,878,827        | \$ 1,811,806        | \$ 1,878,911                     | (\$ 1,539,161)   | (\$ 290,714)   | \$ 19,762,795        | \$ 1,184,052        | \$ 20,946,847            |              |
| Profit (loss) for the period                              |   | -                            | -                 | -                   | -                   | 2,256,416                        | -  | -  | 2,256,416            | ( 75,767)           | 2,180,649                |              |
| Other comprehensive income (loss) for the period          | 6(5)  | -                            | -                 | -                   | -                   | -                                | 478,545  | ( 14,415)  | 464,130              | 32,833              | 496,963                  |              |
| Total comprehensive income (loss)                         |   | -                            | -                 | -                   | -                   | 2,256,416                        | 478,545  | ( 14,415)  | 2,720,546            | ( 42,934)           | 2,677,612                |              |
| Distribution of 2021 net income:                          |   |                              |                   |                     |                     |                                  |  |  |                      |                     |                          |              |
| Legal reserve   |   | -                            | -                 | 183,453             | -                   | ( 183,453)                       | -  | -  | -                    | -                   | -                        |              |
| Special reserve   | 6(18)                                       | -                            | -                 | -                   | 18,069              | ( 18,069)                        | -  | -  | -                    | -                   | -                        |              |
| Cash dividends  | 6(18)                                       | -                            | -                 | -                   | -                   | ( 1,579,145)                     | -  | -  | ( 1,579,145)         | -                   | ( 1,579,145)             |              |
| Balance at September 30, 2022                             |   | <u>\$ 15,791,453</u>         | <u>\$ 231,673</u> | <u>\$ 2,062,280</u> | <u>\$ 1,829,875</u> | <u>\$ 2,354,660</u>              | <u>(\$ 1,060,616)</u>  | <u>(\$ 305,129)</u>  | <u>\$ 20,904,196</u> | <u>\$ 1,141,118</u> | <u>\$ 22,045,314</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

|  | Notes      | Nine months ended September 30 |                    |
|--|------------|--------------------------------|--------------------|
|  |            | 2022                           | 2021               |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>       |            |                                |                    |
| Profit before tax  |            | \$ 2,848,709                   | \$ 1,673,124       |
| Adjustments  |            |                                |                    |
| Adjustments to reconcile profit (loss)                   |            |                                |                    |
| Expected credit (gains) losses                           | 12         | ( 14,176 )                     | 16,876             |
| Provision for inventory market price decline             | 6(4)       | 119,876                        | 2,616              |
| Depreciation   | 6(6)(7)(9) | 2,041,061                      | 1,974,118          |
| (Gain) loss on disposal of property, plant and equipment | 6(22)      | ( 1,348 )                      | 6,068              |
| Gain from lease modifications                            | 6(7)(22)   | ( 154 )                        | ( 1,310 )          |
| Amortization   | 6(10)(24)  | 7,262                          | 7,238              |
| Interest income  | 6(20)      | ( 35,113 )                     | ( 29,623 )         |
| Dividend income  | 6(5)(21)   | ( 3,701 )                      | ( 532 )            |
| Interest expense   | 6(23)      | 132,671                        | 129,626            |
| Changes in operating assets and liabilities              |            |                                |                    |
| Changes in operating assets                              |            |                                |                    |
| Notes receivable   |            | ( 558,462 )                    | ( 70,276 )         |
| Accounts receivable                                      |            | 1,801,799                      | ( 1,470,322 )      |
| Accounts receivable - related parties                    |            | ( 714,052 )                    | ( 442,525 )        |
| Other receivables  |            | 52,869                         | ( 87,600 )         |
| Inventories  |            | 418,904                        | ( 2,427,669 )      |
| Prepayments  |            | 178,127                        | ( 184,507 )        |
| Changes in operating liabilities                         |            |                                |                    |
| Contract liabilities - current                           |            | ( 112,559 )                    | 12,766             |
| Notes payable  |            | -                              | 284                |
| Accounts payable   |            | 276,488                        | 32,955             |
| Accounts payable - related parties                       |            | 34,027                         | 46,082             |
| Other payables   |            | 9,531                          | 163,824            |
| Other payables - related parties                         |            | 35,703                         | 22,869             |
| Current refund liabilities                               |            | ( 4,992 )                      | 2,613              |
| Long-term deferred revenue                               |            | 642                            | ( 294 )            |
| Net defined benefit liabilities, non-current             |            | ( 30,995 )                     | ( 29,173 )         |
| Cash inflow (outflow) generated from operations          |            | 6,482,117                      | ( 652,772 )        |
| Interest received  |            | 35,113                         | 29,623             |
| Dividends received                                       |            | 3,701                          | 532                |
| Income tax refund  |            | 4,090                          | -                  |
| Interest paid  |            | ( 129,943 )                    | ( 128,141 )        |
| Income tax paid  |            | ( 467,111 )                    | ( 201,122 )        |
| Net cash flows from (used in) operating activities       |            | <u>5,927,967</u>               | <u>( 951,880 )</u> |

(Continued)

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

|  | Notes     | Nine months ended September 30 |              |
|--|-----------|--------------------------------|--------------|
|  |           | 2022                           | 2021         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |           |                                |              |
| Decrease in other current financial assets                           |           | \$ 33,947                      | \$ 5,096     |
| Cash paid for acquisition of property, plant and equipment           | 6(28)     | ( 441,226 )                    | ( 636,604 )  |
| Proceeds from disposal of property, plant and equipment              |           | 14,420                         | 20,627       |
| Acquisition of investment property                                   | 6(9)      | ( 1,514 )                      | -            |
| Increase in prepayments for business facilities                      |           | ( 256,784 )                    | ( 362,203 )  |
| Interest paid for prepayments for business facilities                | 6(6)(23)  | ( 97 )                         | ( 137 )      |
| Decrease (increase) in refundable deposits                           |           | 9,448                          | ( 768 )      |
| (Increase) decrease in other non-current assets, others              |           | ( 1,239 )                      | 2,759        |
| Net cash flows used in investing activities                          |           | ( 643,045 )                    | ( 971,230 )  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |           |                                |              |
| (Decrease) increase in short-term borrowings                         | 6(29)     | ( 272,945 )                    | 2,017,579    |
| (Decrease) increase in short-term notes and bills payable            | 6(29)     | ( 400,000 )                    | 1,400,000    |
| (Decrease) increase in other current financial liabilities           | 6(29)     | ( 3,864 )                      | 599          |
| Payments of lease liabilities  | 6(29)     | ( 172,117 )                    | ( 184,389 )  |
| Increase in long-term borrowings                                     | 6(29)     | 1,050,000                      | 600,000      |
| Decrease in long-term borrowings                                     | 6(29)     | ( 3,560,000 )                  | ( 370,000 )  |
| Increase in guarantee deposits received                              | 6(29)     | 6,751                          | 4,309        |
| Cash dividends paid  | 6(18)(29) | ( 1,579,145 )                  | ( 836,947 )  |
| Net cash flows (used in) from financing activities                   |           | ( 4,931,320 )                  | 2,631,151    |
| Effect of foreign exchange rate changes on cash and cash equivalents |           | 155,058                        | ( 53,477 )   |
| Net increase in cash and cash equivalents                            |           | 508,660                        | 654,564      |
| 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)      | \$ 3,172,685                   | \$ 3,132,999 |

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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, refer to Note 4(3), ‘Basis of consolidation’.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since January 1991.
- (3) Uni-President Enterprises Corp. holds 45.55% equity interest in the Company and is the ultimate parent company.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on November 8, 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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

| <u>New Standards, Interpretations and Amendments</u>   | <u>Effective date by IASB</u> |
|--|-------------------------------|
| Amendments to IAS 1, ‘Disclosure of accounting policies’   | January 1, 2023               |
| Amendments to IAS 8, ‘Definition of accounting estimates’  | January 1, 2023               |
| Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’ | January 1, 2023               |

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

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

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

| <u>New Standards, Interpretations and Amendments</u>  | <u>Effective date by IASB</u> |
|---|-------------------------------|
| Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’ | To be determined by IASB      |
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’  | January 1, 2024               |
| IFRS 17, ‘Insurance contracts’  | January 1, 2023               |
| Amendments to IFRS 17, ‘Insurance contracts’  | January 1, 2023               |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’                               | January 1, 2023               |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’  | January 1, 2024               |
| Amendments to IAS 1, ‘Non-current liabilities with covenants’   | January 1, 2024               |

The above standards and interpretations have no significant impact to the Group’s financial 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 (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   |
|--|---|---|-----------------------------------|-------------------|--------------------|--------|
|  |   |   | September 30, 2022                | December 31, 2021 | September 30, 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 September 30, 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) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

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

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(5) 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.

(6) Income tax

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

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

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

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

|                                       | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------------------|---------------------------|--------------------------|---------------------------|
| Cash:                                 |                           |                          |                           |
| Cash on hand                          | \$ 422                    | \$ 390                   | \$ 430                    |
| Checking deposits and demand deposits | <u>1,711,657</u>          | <u>932,659</u>           | <u>930,401</u>            |
|                                       | <u>1,712,079</u>          | <u>933,049</u>           | <u>930,831</u>            |
| Cash equivalents:                     |                           |                          |                           |
| Time deposits                         | <u>1,460,606</u>          | <u>1,730,976</u>         | <u>2,202,168</u>          |
|                                       | <u>\$ 3,172,685</u>       | <u>\$ 2,664,025</u>      | <u>\$ 3,132,999</u>       |

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

B. The Group did not pledge cash and cash equivalents as collateral as at September 30, 2022, December 31, 2021 and September 30, 2021.

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

|                                       | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------------------|---------------------------|--------------------------|---------------------------|
| Notes receivable                      | \$ 1,406,038              | \$ 847,576               | \$ 671,977                |
| Less: Allowance for doubtful accounts | ( <u>2,817</u> )          | ( <u>2,303</u> )         | ( <u>1,287</u> )          |
|                                       | <u>\$ 1,403,221</u>       | <u>\$ 845,273</u>        | <u>\$ 670,690</u>         |
|                                       | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Accounts receivable                   | \$ 1,390,044              | \$ 3,191,843             | \$ 2,993,089              |
| Less: Allowance for doubtful accounts | ( <u>29,014</u> )         | ( <u>42,753</u> )        | ( <u>68,306</u> )         |
|                                       | <u>\$ 1,361,030</u>       | <u>\$ 3,149,090</u>      | <u>\$ 2,924,783</u>       |



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

|                | September 30, 2022  |                        | December 31, 2021   |                        |
|----------------|---------------------|------------------------|---------------------|------------------------|
|                | Notes<br>Receivable | Accounts<br>Receivable | Notes<br>Receivable | Accounts<br>Receivable |
| 1 to 30 days   | \$ 300,400          | \$ 2,779,140           | \$ 376,495          | \$ 3,858,564           |
| 31 to 60 days  | 273,731             | 480,408                | 174,875             | 516,712                |
| 61 to 90 days  | 263,214             | 160,349                | 193,931             | 140,058                |
| 91 to 180 days | 567,404             | 10,062                 | 101,404             | 704                    |
| Over 181 days  | <u>1,289</u>        | <u>19,241</u>          | <u>871</u>          | <u>20,909</u>          |
|                | <u>\$ 1,406,038</u> | <u>\$ 3,449,200</u>    | <u>\$ 847,576</u>   | <u>\$ 4,536,947</u>    |

|                | September 30, 2021  |                        |
|----------------|---------------------|------------------------|
|                | Notes<br>Receivable | Accounts<br>Receivable |
| 1 to 30 days   | \$ 209,374          | \$ 3,840,626           |
| 31 to 60 days  | 111,359             | 494,713                |
| 61 to 90 days  | 171,158             | 112,610                |
| 91 to 180 days | 179,239             | 78,055                 |
| Over 181 days  | <u>847</u>          | <u>46,985</u>          |
|                | <u>\$ 671,977</u>   | <u>\$ 4,572,989</u>    |

The above aging analysis was based on credit date.

- B. As of September 30, 2022, December 31, 2021 and September 30, 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 September 30, 2022, December 31, 2021 and September 30, 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 September 30, 2022, December 31, 2021 and September 30, 2021, the Group derecognized the transferred notes receivable, and the related information is as follows:

September 30, 2022

| Purchase of<br>notes<br>receivable | Notes<br>receivable<br>transferred | Amount<br>derecognized | Amount<br>advanced | Interest rate of<br>amount<br>advanced |
|------------------------------------|------------------------------------|------------------------|--------------------|--|
| China Construction Bank            | <u>\$ 109,895</u>                  | <u>\$ 109,895</u>      | <u>\$ 109,895</u>  | (Note)                                 |

December 31, 2021

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

September 30, 2021

| Purchase of<br>notes<br>receivable | Notes<br>receivable<br>transferred | Amount<br>derecognized | Amount<br>advanced | Interest rate of<br>amount<br>advanced |
|------------------------------------|------------------------------------|------------------------|--------------------|--|
| China Construction Bank            | <u>\$ 134,239</u>                  | <u>\$ 134,239</u>      | <u>\$ 134,239</u>  | 3.35%                                  |

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

(b) The Group has recognized financial expense (listed under “Finance costs”) of \$154, \$269, \$275 and \$1,588, respectively, when transferring the derecognized notes receivable for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(4) Inventories

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

| December 31, 2021        |                     |   |                     |
|--------------------------|---------------------|---|---------------------|
|                          | Cost                | Allowance for price<br>decline of inventories | Carrying amount     |
| Raw materials            | \$ 2,188,723        | (\$ 16,181)                                   | \$ 2,172,542        |
| Supplies                 | 600,805             | -   | 600,805             |
| Work in process          | 936,773             | ( 22,907)                                     | 913,866             |
| Finished goods           | 2,040,290           | ( 70,170)                                     | 1,970,120           |
|                          | <u>\$ 5,766,591</u> | <u>(\$ 109,258)</u>                           | <u>\$ 5,657,333</u> |
| September 30, 2021       |                     |   |                     |
|                          | Cost                | Allowance for price<br>decline of inventories | Carrying amount     |
| Raw materials            | \$ 2,113,296        | (\$ 43,814)                                   | \$ 2,069,482        |
| Raw materials in transit | 330,110             | -   | 330,110             |
| Supplies                 | 531,343             | ( 5)  | 531,338             |
| Supplies in transit      | 15,178              | -   | 15,178              |
| Work in process          | 1,041,889           | ( 8,259)                                      | 1,033,630           |
| Finished goods           | 1,765,128           | ( 54,993)                                     | 1,710,135           |
|                          | <u>\$ 5,796,944</u> | <u>(\$ 107,071)</u>                           | <u>\$ 5,689,873</u> |

The cost of inventories recognized as expense for the period:

|  | For the three-month periods ended September 30, |                      |
|--|---|----------------------|
|  | 2022  | 2021                 |
| Cost of goods sold                           | \$ 10,134,179                                   | \$ 10,092,926        |
| Provision for inventory market price decline | 17,434  | 2,706                |
| Loss on disposal of inventory                | 48  | 20                   |
| Revenue from sale of scraps                  | ( 87,016)                                       | ( 115,927)           |
| Indemnities                                  | ( 3,111)  | ( 3,909)             |
|  | <u>\$ 10,061,534</u>                            | <u>\$ 9,975,816</u>  |
|  | For the nine-month periods ended September 30,  |                      |
|  | 2022  | 2021                 |
| Cost of goods sold                           | \$ 29,169,669                                   | \$ 26,827,463        |
| Provision for inventory market price decline | 119,876   | 2,616                |
| Loss on disposal of inventory                | 1,634   | 177                  |
| Revenue from sale of scraps                  | ( 321,826)                                      | ( 324,284)           |
| Indemnities                                  | ( 7,346)  | ( 10,244)            |
|  | <u>\$ 28,962,007</u>                            | <u>\$ 26,495,728</u> |

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

| <u>Items</u>         | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|----------------------|---------------------------|--------------------------|---------------------------|
| Equity instruments   |                           |                          |                           |
| Listed stocks        | \$ 378,917                | \$ 378,917               | \$ 378,917                |
| Valuation adjustment | ( 305,129)                | ( 290,714)               | ( 273,279)                |
|                      | <u>\$ 73,788</u>          | <u>\$ 88,203</u>         | <u>\$ 105,638</u>         |

- A. The Group has elected to classify listed stocks that are considered to be strategic investment as financial assets at fair value through other comprehensive income. The fair value of such investments was approximately its book value as of September 30, 2022, December 31, 2021 and September 30, 2021.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

|  | <u>For the three-month periods ended September 30,</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 (loss) income          | <u>(\$ 4,218)</u>                                      | <u>\$ 23,643</u> |
| Dividend income recognized in profit (listed under “Other income”)         | <u>\$ 39</u>   | <u>\$ 3</u>      |
|  | <u>For the nine-month periods ended September 30,</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 (loss) income          | <u>(\$ 14,415)</u>                                     | <u>\$ 37,392</u> |
| Dividend income recognized in profit (listed under “Other income”)         | <u>\$ 3,701</u>  | <u>\$ 532</u>    |

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

(6) Property, plant and equipment

|   | Land              | Buildings           | Machinery            |                   | Transportation equipment | Office equipment |               | Other equipment     |                 | Equipment under installation and construction in progress | Total                |
|---|-------------------|---------------------|----------------------|-------------------|--------------------------|------------------|---------------|---------------------|-----------------|---|----------------------|
|   |                   |                     | Owner-occupied       | Lease             |                          | Owner-occupied   | Lease         | Owner-occupied      | Lease           |   |                      |
| <u>Balance at January 1, 2022</u>                         |                   |                     |                      |                   |                          |                  |               |                     |                 |   |                      |
| Cost  | \$ 615,892        | \$ 10,514,012       | \$ 46,570,851        | \$ 1,100,770      | \$ 261,234               | \$ 210,293       | \$ 2,035      | \$ 5,991,064        | \$ 2,817        | \$ 547,843  | \$ 65,816,811        |
| Accumulated depreciation                                  | -                 | ( 5,649,885)        | ( 34,022,040)        | ( 932,575)        | ( 239,113)               | ( 187,062)       | ( 1,761)      | ( 4,804,355)        | ( 2,810)        | -   | ( 45,839,601)        |
| Accumulated impairment                                    | -                 | -                   | ( 43,549)            | ( 30,484)         | -                        | -                | -             | -                   | -               | -   | ( 74,033)            |
|   | <u>\$ 615,892</u> | <u>\$ 4,864,127</u> | <u>\$ 12,505,262</u> | <u>\$ 137,711</u> | <u>\$ 22,121</u>         | <u>\$ 23,231</u> | <u>\$ 274</u> | <u>\$ 1,186,709</u> | <u>\$ 7</u>     | <u>\$ 547,843</u>   | <u>\$ 19,903,177</u> |
| <u>For the nine-month period ended September 30, 2022</u> |                   |                     |                      |                   |                          |                  |               |                     |                 |   |                      |
| Balance at January 1, 2022                                | \$ 615,892        | \$ 4,864,127        | \$ 12,505,262        | \$ 137,711        | \$ 22,121                | \$ 23,231        | \$ 274        | \$ 1,186,709        | \$ 7            | \$ 547,843  | \$ 19,903,177        |
| Additions - Cost  | -                 | 1,354               | 20,056               | -                 | 8,887                    | 3,102            | -             | 62,292              | 4,796           | 386,655   | 487,142              |
| Transferred - Cost (Note)                                 | -                 | 53,501              | 537,332              | ( 12,036)         | 2,262                    | 443              | -             | 49,506              | -               | ( 528,779)  | 102,229              |
| Transferred - Accumulated depreciation                    | -                 | -                   | ( 5,622)             | 5,622             | -                        | -                | -             | -                   | -               | -   | -                    |
| Depreciation  | -                 | ( 195,689)          | ( 1,403,122)         | ( 18,764)         | ( 4,509)                 | ( 5,325)         | ( 54)         | ( 211,292)          | ( 138)          | -   | ( 1,838,893)         |
| Disposal - Cost   | -                 | ( 2,881)            | ( 39,829)            | -                 | ( 2,380)                 | ( 840)           | -             | ( 11,989)           | -               | -   | ( 57,919)            |
| Disposal - Accumulated depreciation                       | -                 | 2,669               | 28,671               | -                 | 2,164                    | 837              | -             | 10,506              | -               | -   | 44,847               |
| Net currency exchange differences                         | -                 | 85,253              | 189,110              | 3,264             | 478                      | 538              | 7             | 13,916              | -               | 13,209  | 305,775              |
| Balance at September 30, 2022                             | <u>\$ 615,892</u> | <u>\$ 4,808,334</u> | <u>\$ 11,831,858</u> | <u>\$ 115,797</u> | <u>\$ 29,023</u>         | <u>\$ 21,986</u> | <u>\$ 227</u> | <u>\$ 1,099,648</u> | <u>\$ 4,665</u> | <u>\$ 418,928</u>   | <u>\$ 18,946,358</u> |
| <u>Balance at September 30, 2022</u>                      |                   |                     |                      |                   |                          |                  |               |                     |                 |   |                      |
| Cost  | \$ 615,892        | \$ 10,701,851       | \$ 47,565,098        | \$ 1,115,771      | \$ 271,748               | \$ 218,054       | \$ 2,085      | \$ 6,162,786        | \$ 7,682        | \$ 418,928  | \$ 67,079,895        |
| Accumulated depreciation                                  | -                 | ( 5,893,517)        | ( 35,688,622)        | ( 968,741)        | ( 242,725)               | ( 196,068)       | ( 1,858)      | ( 5,063,138)        | ( 3,017)        | -   | ( 48,057,686)        |
| Accumulated impairment                                    | -                 | -                   | ( 44,618)            | ( 31,233)         | -                        | -                | -             | -                   | -               | -   | ( 75,851)            |
|   | <u>\$ 615,892</u> | <u>\$ 4,808,334</u> | <u>\$ 11,831,858</u> | <u>\$ 115,797</u> | <u>\$ 29,023</u>         | <u>\$ 21,986</u> | <u>\$ 227</u> | <u>\$ 1,099,648</u> | <u>\$ 4,665</u> | <u>\$ 418,928</u>   | <u>\$ 18,946,358</u> |

(Note) Including transfers from prepayments for business facilities.

|   | Land              | Buildings           | Machinery            |                   | Transportation equipment | Office equipment |               | Other equipment     |              | Equipment under installation and construction | Total                |
|---|-------------------|---------------------|----------------------|-------------------|--------------------------|------------------|---------------|---------------------|--------------|---|----------------------|
|   |                   |                     | Owner-occupied       | Lease             |                          | Owner-occupied   | Lease         | Owner-occupied      | Lease        | in progress                                   |                      |
| <u>Balance at January 1, 2021</u>                         |                   |                     |                      |                   |                          |                  |               |                     |              |   |                      |
| Cost  | \$ 615,892        | \$ 9,899,196        | \$ 46,315,272        | \$ 1,108,327      | \$ 257,996               | \$ 198,470       | \$ 2,039      | \$ 5,887,541        | \$ 300       | \$ 538,857                                    | \$ 64,823,890        |
| Accumulated depreciation                                  | -                 | ( 5,405,476)        | ( 32,249,806)        | ( 909,322)        | ( 238,777)               | ( 182,052)       | ( 1,464)      | ( 4,590,106)        | ( 271)       | -   | ( 43,577,274)        |
| Accumulated impairment                                    | -                 | -                   | ( 43,633)            | ( 30,544)         | -                        | -                | -             | -                   | -            | -   | ( 74,177)            |
|   | <u>\$ 615,892</u> | <u>\$ 4,493,720</u> | <u>\$ 14,021,833</u> | <u>\$ 168,461</u> | <u>\$ 19,219</u>         | <u>\$ 16,418</u> | <u>\$ 575</u> | <u>\$ 1,297,435</u> | <u>\$ 29</u> | <u>\$ 538,857</u>                             | <u>\$ 21,172,439</u> |
| <u>For the nine-month period ended September 30, 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               | 17,242               | -                 | 3,430                    | 4,879            | -             | 41,617              | -            | 514,440                                       | 585,206              |
| Transferred - Cost (Note)                                 | -                 | 588,716             | 114,809              | 794               | 2,264                    | 7,333            | -             | 67,688              | 2,888        | ( 367,936)                                    | 416,556              |
| Transferred - Accumulated depreciation                    | -                 | -                   | 794                  | ( 794)            | -                        | -                | -             | 2,888               | ( 2,888)     | -   | -                    |
| Depreciation  | -                 | ( 186,426)          | ( 1,357,696)         | ( 19,830)         | ( 3,240)                 | ( 4,770)         | ( 257)        | ( 202,121)          | ( 16)        | -   | ( 1,774,356)         |
| Disposal - Cost   | -                 | ( 2,888)            | ( 31,891)            | -                 | ( 3,535)                 | ( 1,118)         | -             | ( 43,527)           | -            | -   | ( 82,959)            |
| Disposal - Accumulated depreciation                       | -                 | 2,888               | 15,036               | -                 | 3,501                    | 1,117            | -             | 33,722              | -            | -   | 56,264               |
| Net currency exchange differences                         | -                 | ( 28,531)           | ( 79,989)            | ( 1,552)          | ( 95)                    | ( 141)           | ( 5)          | ( 5,506)            | ( 1)         | ( 5,156)                                      | ( 120,976)           |
| Balance at September 30, 2021                             | <u>\$ 615,892</u> | <u>\$ 4,871,077</u> | <u>\$ 12,700,138</u> | <u>\$ 147,079</u> | <u>\$ 21,544</u>         | <u>\$ 23,718</u> | <u>\$ 313</u> | <u>\$ 1,192,196</u> | <u>\$ 12</u> | <u>\$ 680,205</u>                             | <u>\$ 20,252,174</u> |
| <u>Balance at September 30, 2021</u>                      |                   |                     |                      |                   |                          |                  |               |                     |              |   |                      |
| Cost  | \$ 615,892        | \$ 10,442,201       | \$ 46,235,835        | \$ 1,098,462      | \$ 259,751               | \$ 207,704       | \$ 2,019      | \$ 5,926,382        | \$ 3,185     | \$ 680,205                                    | \$ 65,471,636        |
| Accumulated depreciation                                  | -                 | ( 5,571,124)        | ( 33,492,484)        | ( 921,134)        | ( 238,207)               | ( 183,986)       | ( 1,706)      | ( 4,734,186)        | ( 3,173)     | -   | ( 45,146,000)        |
| Accumulated impairment                                    | -                 | -                   | ( 43,213)            | ( 30,249)         | -                        | -                | -             | -                   | -            | -   | ( 73,462)            |
|   | <u>\$ 615,892</u> | <u>\$ 4,871,077</u> | <u>\$ 12,700,138</u> | <u>\$ 147,079</u> | <u>\$ 21,544</u>         | <u>\$ 23,718</u> | <u>\$ 313</u> | <u>\$ 1,192,196</u> | <u>\$ 12</u> | <u>\$ 680,205</u>                             | <u>\$ 20,252,174</u> |

(Note) Including transfers from prepayments for business facilities.

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

|                     | For the three-month periods ended September 30, |        |
|---------------------|---|--------|
|                     | 2022  | 2021   |
| Amount capitalized  | \$ 29   | \$ 48  |
| Interest rate range | 0.95%~1.30%                                     | 1.30%  |
|                     | For the nine-month periods ended September 30,  |        |
|                     | 2022  | 2021   |
| Amount capitalized  | \$ 97   | \$ 137 |
| Interest rate range | 0.95%~1.30%                                     | 1.30%  |

- B. The Group did not pledge property, plant and equipment as collateral as at September 30, 2022, December 31, 2021 and September 30, 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:

|                 | September 30, 2022  | December 31, 2021   | September 30, 2021  |
|-----------------|---------------------|---------------------|---------------------|
|                 | Carrying amount     | Carrying amount     | Carrying amount     |
| Land            | \$ 826,956          | \$ 828,920          | \$ 832,855          |
| Buildings       | 1,287,942           | 1,427,655           | 1,473,285           |
| Other equipment | –                   | 468                 | 819                 |
|                 | <u>\$ 2,114,898</u> | <u>\$ 2,257,043</u> | <u>\$ 2,306,959</u> |

|                 | For the three-month periods ended September 30, |                  |
|-----------------|---|------------------|
|                 | 2022  | 2021             |
|                 | Depreciation                                    | Depreciation     |
| Land            | \$ 7,535  | \$ 7,371         |
| Buildings       | 58,132  | 56,389           |
| Other equipment | –   | 351              |
|                 | <u>\$ 65,667</u>                                | <u>\$ 64,111</u> |

|                 | For the nine-month periods ended September 30, |                   |
|-----------------|--|-------------------|
|                 | 2022   | 2021              |
|                 | Depreciation                                   | Depreciation      |
| Land            | \$ 22,411                                      | \$ 23,578         |
| Buildings       | 174,426  | 170,397           |
| Other equipment | 468  | 1,053             |
|                 | <u>\$ 197,305</u>                              | <u>\$ 195,028</u> |

D. For the nine-month periods ended September 30, 2022 and 2021, the additions and remeasurement to right-of-use assets were \$9,276 and \$13,571, respectively.

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

|                                       | For the three-month periods ended September 30, |           |
|---------------------------------------|---|-----------|
|                                       | 2022  | 2021      |
| <u>Items affecting profit or loss</u> |   |           |
| Interest expense on lease liabilities | \$ 16,167                                       | \$ 17,980 |
| Expense on leases of low-value assets | 54  | 37        |
| Gain from lease modification          | 2   | 1,130     |

|                                       | For the nine-month periods ended September 30, |           |
|---------------------------------------|--|-----------|
|                                       | 2022   | 2021      |
| <u>Items affecting profit or loss</u> |  |           |
| Interest expense on lease liabilities | \$ 50,280                                      | \$ 56,035 |
| Expense on leases of low-value assets | 138  | 107       |
| Gain from lease modification          | 154  | 1,310     |

F. For the nine-month periods ended September 30, 2022 and 2021, the Group's total cash outflow for leases were \$222,535 and \$240,531, 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 \$—, \$1,139, \$152 and \$1,319 (listed under "Other gains and losses") by decreasing rent expense for the three-month and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 2022 and 2021, the Group recognized rent income (listed under "Other income") in the amounts of \$10,243, \$11,077, \$30,948 and \$32,821, respectively, based on the operating lease agreement, which does not include variable lease payments.



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

|               | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------|---------------------------|--------------------------|---------------------------|
| Within 1 year | \$ 41,211                 | \$ 41,056                | \$ 43,023                 |
| 1 to 2 years  | 30,572                    | 33,109                   | 35,089                    |
| 2 to 3 years  | 30,548                    | 29,826                   | 29,544                    |
| 3 to 4 years  | 30,487                    | 29,756                   | 29,527                    |
| 4 to 5 years  | 17,930                    | 26,692                   | 29,527                    |
| Over 5 years  | 25,401                    | 37,917                   | 41,967                    |
|               | <u>\$ 176,149</u>         | <u>\$ 198,356</u>        | <u>\$ 208,677</u>         |

(9) Investment property, net

|   | <u>Land</u>     | <u>Buildings</u> | <u>Total</u>     |
|---|-----------------|------------------|------------------|
| <u>Balance at January 1, 2022</u>                         |                 |                  |                  |
| Cost  | \$ 3,785        | \$ 140,875       | \$ 144,660       |
| Accumulated depreciation                                  | -               | ( 49,010)        | ( 49,010)        |
| Accumulated impairment                                    | ( 2,719)        | -                | ( 2,719)         |
|   | <u>\$ 1,066</u> | <u>\$ 91,865</u> | <u>\$ 92,931</u> |
| <u>For the nine-month period ended September 30, 2022</u> |                 |                  |                  |
| Carrying amount at January 1                              | \$ 1,066        | \$ 91,865        | \$ 92,931        |
| Additions – cost  | -               | 1,514            | 1,514            |
| Depreciation  | -               | ( 4,863)         | ( 4,863)         |
| Net currency exchange differences                         | -               | 2,226            | 2,226            |
| Carrying amount at September 30                           | <u>\$ 1,066</u> | <u>\$ 90,742</u> | <u>\$ 91,808</u> |
| <u>Balance at September 30, 2022</u>                      |                 |                  |                  |
| Cost  | \$ 3,785        | \$ 145,850       | \$ 149,635       |
| Accumulated depreciation                                  | -               | ( 55,108)        | ( 55,108)        |
| Accumulated impairment                                    | ( 2,719)        | -                | ( 2,719)         |
|   | <u>\$ 1,066</u> | <u>\$ 90,742</u> | <u>\$ 91,808</u> |

|                                   | <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 nine-month period ended  
September 30, 2021

|                                   |                 |                  |                  |
|-----------------------------------|-----------------|------------------|------------------|
| Carrying amount at January 1      | \$ 1,066        | \$ 98,394        | \$ 99,460        |
| Depreciation                      | -               | ( 4,734)         | ( 4,734)         |
| Net currency exchange differences | -               | ( 930)           | ( 930)           |
| Carrying amount at September 30   | <u>\$ 1,066</u> | <u>\$ 92,730</u> | <u>\$ 93,796</u> |

Balance at September 30, 2021

|                          |                 |                  |                  |
|--------------------------|-----------------|------------------|------------------|
| Cost                     | \$ 3,785        | \$ 139,790       | \$ 143,575       |
| Accumulated depreciation | -               | ( 47,060)        | ( 47,060)        |
| Accumulated impairment   | ( 2,719)        | -                | ( 2,719)         |
|                          | <u>\$ 1,066</u> | <u>\$ 92,730</u> | <u>\$ 93,796</u> |

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

|   | <u>For the three-month periods ended September 30,</u> |                  |
|---|--|------------------|
|   | <u>2022</u>  | <u>2021</u>      |
| Rental income from the lease of the investment property   | <u>\$ 4,453</u>  | <u>\$ 4,323</u>  |
| Direct operating expenses arising from the investment property that generated rental income during the period | <u>\$ 2,483</u>  | <u>\$ 2,394</u>  |
|   | <u>For the nine-month periods ended September 30,</u>  |                  |
|   | <u>2022</u>  | <u>2021</u>      |
| Rental income from the lease of the investment property   | <u>\$ 13,363</u>                                       | <u>\$ 13,069</u> |
| Direct operating expenses arising from the investment property that generated rental income during the period | <u>\$ 7,424</u>  | <u>\$ 7,238</u>  |

B. The fair values of the investment property held by the Group as at September 30, 2022, December 31, 2021 and September 30, 2021 were \$109,025, \$116,592 and \$118,947, respectively, which were categorized within Level 2 and Level 3 in the fair value hierarchy. Land is valued according to Current Land Value announced by the Department of Land Administration. Buildings are valued based on discounted recoverable amounts of future rent income.

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, no investment property held by the Group was pledged to others as collateral.

(10) Intangible assets

|   | <u>Goodwill</u>   | <u>Computer<br/>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> |
| <br>  |                   |                              |                   |
| <u>For the nine-month period ended<br/>September 30, 2022</u> |                   |                              |                   |
| Carrying amount at January 1                                  | \$ 268,129        | \$ 17,210                    | \$ 285,339        |
| Amortization  | -                 | ( 7,262)                     | ( 7,262)          |
| Net currency exchange differences                             | <u>39,425</u>     | <u>378</u>                   | <u>39,803</u>     |
| Carrying amount at September 30                               | <u>\$ 307,554</u> | <u>\$ 10,326</u>             | <u>\$ 317,880</u> |
| <br>  |                   |                              |                   |
| <u>Balance at September 30, 2022</u>                          |                   |                              |                   |
| Cost  | \$ 342,773        | \$ 107,600                   | \$ 450,373        |
| Accumulated amortization                                      | -                 | ( 92,412)                    | ( 92,412)         |
| Accumulated impairment  | ( 20,999)         | -                            | ( 20,999)         |
| Net currency exchange differences                             | ( 14,220)         | ( 4,862)                     | ( 19,082)         |
|   | <u>\$ 307,554</u> | <u>\$ 10,326</u>             | <u>\$ 317,880</u> |

|                                   | <u>Goodwill</u>   | <u>Computer<br/>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 nine-month period ended  
September 30, 2021

|                                   |                   |                  |                   |
|-----------------------------------|-------------------|------------------|-------------------|
| Carrying amount at January 1      | \$ 297,239        | \$ 26,954        | \$ 324,193        |
| Amortization                      | -                 | ( 7,238)         | ( 7,238)          |
| Net currency exchange differences | ( 6,575)          | ( 234)           | ( 6,809)          |
| Carrying amount at September 30   | <u>\$ 290,664</u> | <u>\$ 19,482</u> | <u>\$ 310,146</u> |

Balance at September 30, 2021

|                                   |                   |                  |                   |
|-----------------------------------|-------------------|------------------|-------------------|
| Cost                              | \$ 342,773        | \$ 107,600       | \$ 450,373        |
| Accumulated amortization          | -                 | ( 82,727)        | ( 82,727)         |
| Net currency exchange differences | ( 52,109)         | ( 5,391)         | ( 57,500)         |
|                                   | <u>\$ 290,664</u> | <u>\$ 19,482</u> | <u>\$ 310,146</u> |

A. No borrowing costs were capitalized as part of intangible assets for the nine-month periods ended September 30, 2022 and 2021.

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

|                         | <u>For the three-month periods ended September 30,</u> |                 |
|-------------------------|--|-----------------|
|                         | <u>2022</u>  | <u>2021</u>     |
| Operating costs         | \$ 435   | \$ 422          |
| Selling expenses        | 284  | 275             |
| Administrative expenses | 1,691  | 1,697           |
|                         | <u>\$ 2,410</u>  | <u>\$ 2,394</u> |

|                         | <u>For the nine-month periods ended September 30,</u> |                 |
|-------------------------|---|-----------------|
|                         | <u>2022</u>   | <u>2021</u>     |
| Operating costs         | \$ 1,306  | \$ 1,277        |
| Selling expenses        | 852   | 833             |
| Administrative expenses | 5,104   | 5,128           |
|                         | <u>\$ 7,262</u>                                       | <u>\$ 7,238</u> |

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

|   | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Tinplate factory located in<br>Mainland China | \$ 307,554                | \$ 268,129               | \$ 290,664                |

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 and nine-month periods ended September 30, 2022 and 2021.

E. The Group had no intangible assets pledged as collateral as at September 30, 2022, December 31, 2021 and September 30, 2021.

(11) Short-term borrowings

| <u>Nature</u>             | <u>September 30, 2022</u> | <u>Range of interest rates</u> | <u>Collateral</u> |
|---------------------------|---------------------------|--------------------------------|-------------------|
| Unsecured bank borrowings | \$ 2,525,511              | 0.70%~4.39%                    | 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>September 30, 2021</u> | <u>Range of interest rates</u> | <u>Collateral</u> |
| Unsecured bank borrowings | \$ 3,865,720              | 0.55%~0.84%                    | None              |

A. For more information about interest expenses recognized by the Group for the three-month and nine-month periods ended September 30, 2022 and 2021, 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, 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>September 30, 2021</u> | <u>Collateral</u> |
| Commercial paper payable   | \$ 1,400,000              | None              |
| Less: Unamortized discount | ( 243)                    |                   |
|                            | <u>\$ 1,399,757</u>       |                   |
| Range of interest rates    | <u>0.77%~0.82%</u>        |                   |

There was no such situation as of September 30, 2022.

A. For more information about interest expenses recognized by the Group for the three-month and nine-month periods ended September 30, 2022 and 2021, 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>September 30, 2022</u> |
|---------------------------|--------------------------------|--------------------------------|-------------------|---------------------------|
| Unsecured bank borrowings | 2023. 11. 22~<br>2025. 8. 15   | 1.19%~1.59%                    | None              | <u>\$ 4,540,000</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~<br>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>September 30, 2021</u> |
|---------------------------|--------------------------------|--------------------------------|-------------------|---------------------------|
| Unsecured bank borrowings | 2022. 10. 24~<br>2024. 8. 4    | 0.93%~1.08%                    | None              | <u>\$ 6,750,000</u>       |

A. For more information about interest expenses recognized by the Group for the three-month and nine-month periods ended September 30, 2022 and 2021, 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, refer to Note 9, "Significant contingent liabilities and unrecognized contract commitments".

(14) Non-current provision

|                                    | <u>For the nine-month periods ended September 30,</u> |                  |
|------------------------------------|---|------------------|
|                                    | <u>2022</u>   | <u>2021</u>      |
| <u>Decommissioning liabilities</u> |   |                  |
| Balance, beginning of period       | \$ 82,727   | \$ 81,204        |
| Unwinding of discount              | 1,163   | 1,142            |
| Balance, end of period             | <u>\$ 83,890</u>                                      | <u>\$ 82,346</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 and nine-month periods ended September 30, 2022 and 2021 were \$4,051, \$4,419, \$12,152 and \$13,256, 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. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group (listed under "Operating cost" and "Operating expense") for the three-month and nine-month periods ended September 30, 2022 and 2021 were \$51,738, \$44,701, \$152,287, and \$131,425, 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 nine-month periods ended September 30, |                    |
|------------------------------|--|--------------------|
|                              | 2022   | 2021               |
| Beginning and ending balance | <u>1, 579, 145</u>                             | <u>1, 579, 145</u> |

B. As of September 30, 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 nine-month period ended September 30, 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 nine-month period ended September 30, 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 September 30, 2022, December 31, 2021, and September 30, 2021, special reserve of \$1,829,875, \$1,811,806 and \$1,811,806, respectively, was set aside in accordance with the Company Act on special reserve, and no dividends shall be distributed.
- b. The amounts previously set aside by the Company as special reserve of \$826,453 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets, those other than land, are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are 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 May 24, 2022, the stockholders during their meeting resolved for the distribution of cash dividends from 2021 earnings in the amount of \$1,579,145 at \$1 (in dollars) per share.

(19) Operating revenue

|                                       | <u>For the three-month periods ended September 30,</u> |                      |
|---------------------------------------|--|----------------------|
|                                       | <u>2022</u>  | <u>2021</u>          |
| Revenue from contracts with customers | <u>\$ 11,849,596</u>                                   | <u>\$ 11,686,431</u> |
|                                       | <u>For the nine-month periods ended September 30,</u>  |                      |
|                                       | <u>2022</u>  | <u>2021</u>          |
| Revenue from contracts with customers | <u>\$ 34,401,487</u>                                   | <u>\$ 34,409,190</u> |

A. Disaggregation of revenue from contracts with customers

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

| For the three-month period ended September 30, 2022 |                                      |  |
|---|--------------------------------------|--|
| <u>Segment</u>                                      | Revenue from<br>products of Tinplate | Revenue from<br>products of Plastic pack |
| Taiwan  | \$ 4,822,187                         | \$ 14,053                                |
| Mainland China - tinplate products                  | 998,098                              | -  |
| Mainland China - plastic products                   | -                                    | 5,141,396                                |
| Others  | 873,862                              | -  |
|   | <u>\$ 6,694,147</u>                  | <u>\$ 5,155,449</u>                      |
| For the three-month period ended September 30, 2021 |                                      |  |
| <u>Segment</u>                                      | Revenue from<br>products of Tinplate | Revenue from<br>products of Plastic pack |
| Taiwan  | \$ 4,768,821                         | \$ 10,216                                |
| Mainland China - tinplate products                  | 1,545,646                            | -  |
| Mainland China - plastic products                   | -                                    | 4,446,074                                |
| Others  | 915,674                              | -  |
|   | <u>\$ 7,230,141</u>                  | <u>\$ 4,456,290</u>                      |
| For the nine-month period ended September 30, 2022  |                                      |  |
| <u>Segment</u>                                      | Revenue from<br>products of Tinplate | Revenue from<br>products of Plastic pack |
| Taiwan  | \$ 15,177,266                        | \$ 36,646                                |
| Mainland China - tinplate products                  | 3,670,822                            | -  |
| Mainland China - plastic products                   | -                                    | 12,908,546                               |
| Others  | 2,608,207                            | -  |
|   | <u>\$ 21,456,295</u>                 | <u>\$ 12,945,192</u>                     |
| For the nine-month period ended September 30, 2021  |                                      |  |
| <u>Segment</u>                                      | Revenue from<br>products of Tinplate | Revenue from<br>products of Plastic pack |
| Taiwan  | \$ 11,529,581                        | \$ 30,901                                |
| Mainland China - tinplate products                  | 4,459,541                            | -  |
| Mainland China - plastic products                   | -                                    | 12,209,324                               |
| Others  | 2,179,843                            | -  |
|   | <u>\$ 18,168,965</u>                 | <u>\$ 12,240,225</u>                     |

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

|                              | September 30, 2022 | December 31, 2021 | September 30, 2021 | January 1, 2021  |
|------------------------------|--------------------|-------------------|--------------------|------------------|
| Current contract liabilities | <u>\$ 74,798</u>   | <u>\$ 187,357</u> | <u>\$ 75,696</u>   | <u>\$ 62,930</u> |

Revenue recognized that was included in the contract liability balance at the beginning of the nine-month periods ended September 30, 2022 and 2021 were \$186,695 and \$37,032, respectively.

(20) Interest income

|                                    | For the three-month periods ended September 30, |           |
|------------------------------------|---|-----------|
|                                    | 2022  | 2021      |
| Interest income from bank deposits | \$ 12,262                                       | \$ 12,397 |
|                                    | For the nine-month periods ended September 30,  |           |
|                                    | 2022  | 2021      |
| Interest income from bank deposits | \$ 35,113                                       | \$ 29,623 |

(21) Other income

|                   | For the three-month periods ended September 30, |           |
|-------------------|---|-----------|
|                   | 2022  | 2021      |
| Rental income     | \$ 10,243                                       | \$ 11,077 |
| Dividend income   | 39  | 3         |
| Government grants | 5,293   | 5,969     |
| Other income      | 8,755   | 11,044    |
|                   | \$ 24,330                                       | \$ 28,093 |
|                   | For the nine-month periods ended September 30,  |           |
|                   | 2022  | 2021      |
| Rental income     | \$ 30,948                                       | \$ 32,821 |
| Dividend income   | 3,701   | 532       |
| Government grants | 21,669  | 20,365    |
| Other income      | 26,181  | 31,032    |
|                   | \$ 82,499                                       | \$ 84,750 |

(22) Other gains and losses

|   | For the three-month periods ended September 30, |          |
|---|---|----------|
|   | 2022  | 2021     |
| Net gain on financial assets at fair value through profit or loss | \$ 93   | \$ -     |
| Net gain (loss) on disposal of property, plant and equipment      | 1,491   | ( 2,383) |
| Gain from lease modifications                                     | 2   | 1,130    |
| Net currency exchange gain  | 84,055  | 12,243   |
| Other losses  | ( 9,397)  | ( 5,046) |
|   | \$ 76,244                                       | \$ 5,944 |

|   | <u>For the nine-month periods ended September 30,</u> |                    |
|---|---|--------------------|
|   | <u>2022</u>   | <u>2021</u>        |
| Net loss on financial assets at fair value through profit or loss | (\$ 2,673)  | \$ -               |
| Net gain (loss) on disposal of property, plant and equipment      | 1,348   | ( 6,068)           |
| Gain from lease modifications                                     | 154   | 1,310              |
| Net currency exchange gain (loss)                                 | 212,520   | ( 7,408)           |
| Other losses  | ( 25,100)   | ( 12,447)          |
|   | <u>\$ 186,249</u>                                     | <u>(\$ 24,613)</u> |

(23) Finance costs

|   | <u>For the three-month periods ended September 30,</u> |                  |
|---|--|------------------|
|   | <u>2022</u>  | <u>2021</u>      |
| Interest expense:                                 |  |                  |
| Bank borrowings                                   | \$ 32,015  | \$ 25,334        |
| Interest expense on lease liabilities             | 16,167   | 17,980           |
| Financial expense of transferred notes receivable | 154  | 269              |
| Provisions - unwinding of discount                | 388  | 381              |
|   | <u>48,724</u>  | <u>43,964</u>    |
| Less: Capitalization of qualifying assets         | ( 29)  | ( 48)            |
|   | <u>\$ 48,695</u>                                       | <u>\$ 43,916</u> |

|   | <u>For the nine-month periods ended September 30,</u> |                   |
|---|---|-------------------|
|   | <u>2022</u>   | <u>2021</u>       |
| Interest expense:                                 |   |                   |
| Bank borrowings                                   | \$ 81,050   | \$ 70,998         |
| Interest expense on lease liabilities             | 50,280  | 56,035            |
| Financial expense of transferred notes receivable | 275   | 1,588             |
| Provisions - unwinding of discount                | 1,163   | 1,142             |
|   | <u>132,768</u>  | <u>129,763</u>    |
| Less: Capitalization of qualifying assets         | ( 97)   | ( 137)            |
|   | <u>\$ 132,671</u>                                     | <u>\$ 129,626</u> |

(24) Expenses by nature

|                           | <u>For the three-month period ended September 30, 2022</u> |                          |                   | <u>For the three-month period ended September 30, 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 | <u>\$ 536,248</u>  | <u>\$ 279,916</u>        | <u>\$ 816,164</u> | <u>\$ 477,928</u>  | <u>\$ 259,274</u>        | <u>\$ 737,202</u> |
| Depreciation              | <u>\$ 602,352</u>  | <u>\$ 79,146</u>         | <u>\$ 681,498</u> | <u>\$ 578,903</u>  | <u>\$ 76,803</u>         | <u>\$ 655,706</u> |
| Amortization              | <u>\$ 435</u>  | <u>\$ 1,975</u>          | <u>\$ 2,410</u>   | <u>\$ 422</u>  | <u>\$ 1,972</u>          | <u>\$ 2,394</u>   |

  

|                           | <u>For the nine-month period ended September 30, 2022</u> |                          |                     | <u>For the nine-month period ended September 30, 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 | <u>\$ 1,535,635</u>                                       | <u>\$ 845,541</u>        | <u>\$ 2,381,176</u> | <u>\$ 1,413,956</u>                                       | <u>\$ 673,195</u>        | <u>\$ 2,087,151</u> |
| Depreciation              | <u>\$ 1,797,410</u>                                       | <u>\$ 238,788</u>        | <u>\$ 2,036,198</u> | <u>\$ 1,744,718</u>                                       | <u>\$ 224,666</u>        | <u>\$ 1,969,384</u> |
| Amortization              | <u>\$ 1,306</u>   | <u>\$ 5,956</u>          | <u>\$ 7,262</u>     | <u>\$ 1,277</u>   | <u>\$ 5,961</u>          | <u>\$ 7,238</u>     |

(25) Employee benefits expense

|                                     | <u>For the three-month period ended September 30, 2022</u> |                          |                     | <u>For the three-month period ended September 30, 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                  | \$ 411,070   | \$ 223,397               | \$ 634,467          | \$ 372,003   | \$ 206,231               | \$ 578,234          |
| Labor and health insurance expenses | 37,276   | 11,491                   | 48,767              | 31,974   | 10,664                   | 42,638              |
| Pension costs                       | 41,927   | 13,862                   | 55,789              | 36,553   | 12,567                   | 49,120              |
| Other personnel expenses            | 45,975   | 31,166                   | 77,141              | 37,398   | 29,812                   | 67,210              |
|                                     | <u>\$ 536,248</u>  | <u>\$ 279,916</u>        | <u>\$ 816,164</u>   | <u>\$ 477,928</u>  | <u>\$ 259,274</u>        | <u>\$ 737,202</u>   |
|                                     |  |                          |                     |  |                          |                     |
|                                     | <u>For the nine-month period ended September 30, 2022</u>  |                          |                     | <u>For the nine-month period ended September 30, 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                  | \$ 1,180,169   | \$ 673,193               | \$ 1,853,362        | \$ 1,102,896   | \$ 528,199               | \$ 1,631,095        |
| Labor and health insurance expenses | 106,751  | 39,248                   | 145,999             | 96,664   | 34,259                   | 130,923             |
| Pension costs                       | 122,959  | 41,480                   | 164,439             | 107,812  | 36,869                   | 144,681             |
| Other personnel expenses            | 125,756  | 91,620                   | 217,376             | 106,584  | 73,868                   | 180,452             |
|                                     | <u>\$ 1,535,635</u>  | <u>\$ 845,541</u>        | <u>\$ 2,381,176</u> | <u>\$ 1,413,956</u>  | <u>\$ 673,195</u>        | <u>\$ 2,087,151</u> |

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the three-month and nine-month periods ended September 30, 2022 and 2021, employees' compensation was accrued at \$43,339, \$36,004, \$128,691 and \$65,126, respectively, while directors' remuneration was accrued at \$13,698, \$12,616, \$40,616 and \$24,357, 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 is distributed in the form of cash. The difference of \$35 had been adjusted in the consolidated profit or loss for the nine-month period ended September 30, 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 September 30,</u> |                   |
|---|--|-------------------|
|   | <u>2022</u>  | <u>2021</u>       |
| Current income tax:                               |  |                   |
| Income tax incurred in current period             | \$ 242,336   | \$ 167,164        |
| Under provision of prior year's income tax        | -  | 7,582             |
|   | <u>242,336</u>   | <u>174,746</u>    |
| Deferred income tax:                              |  |                   |
| Origination and reversal of temporary differences | 9,233  | 8,584             |
| Income tax expense                                | <u>\$ 251,569</u>                                      | <u>\$ 183,330</u> |

|   | <u>For the nine-month periods ended September 30,</u> |                   |
|---|---|-------------------|
|   | <u>2022</u>   | <u>2021</u>       |
| Current income tax:                               |   |                   |
| Income tax incurred in current period             | \$ 732,598  | \$ 359,904        |
| Under provision of prior year's income tax        | <u>3,138</u>  | <u>9,361</u>      |
|   | <u>735,736</u>  | <u>369,265</u>    |
| Deferred income tax:                              |   |                   |
| Origination and reversal of temporary differences | ( <u>67,676</u> )                                     | ( <u>4,535</u> )  |
| Income tax expense                                | <u>\$ 668,060</u>                                     | <u>\$ 364,730</u> |

B. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As of November 8, 2022, there was no administrative lawsuit.

(27) Earnings per share

|  | <u>For the three-month period ended September 30, 2022</u> |   |  |
|--|--|---|--|
|  | <u>Amount after tax</u>                                    | <u>Weighted average<br/>number of ordinary<br/>shares outstanding<br/>(shares in thousands)</u> | <u>Earnings<br/>per share<br/>(in dollars)</u> |
| <u>Basic earnings per share</u>  |  |   |  |
| Profit attributable to ordinary shareholders of the parent   | <u>\$ 760,977</u>  | <u>1,579,145</u>  | <u>\$ 0.48</u>                                 |
| <u>Diluted earnings per share</u>  |  |   |  |
| Profit attributable to ordinary shareholders of the parent   | \$ 760,977   | 1,579,145   |  |
| Assumed conversion of all dilutive potential ordinary shares   |  |   |  |
| Employees' compensation  | <u>-</u>   | <u>7,130</u>  |  |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 760,977</u>  | <u>1,586,275</u>  | <u>\$ 0.48</u>                                 |



|  | <u>For the three-month period ended September 30, 2021</u> |   |  |
|--|--|---|--|
|  | <u>Amount after tax</u>                                    | <u>Weighted average<br/>number of ordinary<br/>shares outstanding<br/>(shares in thousands)</u> | <u>Earnings<br/>per share<br/>(in dollars)</u> |
| <u>Basic earnings per share</u>  |  |   |  |
| Profit attributable to ordinary shareholders of the parent   | <u>\$ 700,879</u>  | <u>1,579,145</u>  | <u>\$ 0.44</u>                                 |
| <u>Diluted earnings per share</u>  |  |   |  |
| Profit attributable to ordinary shareholders of the parent   | \$ 700,879   | 1,579,145   |  |
| Assumed conversion of all dilutive potential ordinary shares   |  |   |  |
| Employees' compensation  | <u>-</u>   | <u>4,754</u>  |  |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 700,879</u>  | <u>1,583,899</u>  | <u>\$ 0.44</u>                                 |

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

|  | <u>For the nine-month period ended September 30, 2021</u> |   |  |
|--|---|---|--|
|  | <u>Amount after tax</u>                                   | <u>Weighted average<br/>number of ordinary<br/>shares outstanding<br/>(shares in thousands)</u> | <u>Earnings<br/>per share<br/>(in dollars)</u> |
| <u>Basic earnings per share</u>  |   |   |  |
| Profit attributable to ordinary shareholders of the parent   | \$ 1,353,164  | 1,579,145   | \$ 0.86  |
| <u>Diluted earnings per share</u>  |   |   |  |
| Profit attributable to ordinary shareholders of the parent   | 1,353,164   | 1,579,145   |  |
| Assumed conversion of all dilutive potential ordinary shares   |   |   |  |
| Employees' compensation  | -   | 5,861   |  |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 1,353,164  | 1,585,006   | \$ 0.85  |

(28) Supplemental cash flow information

A. Investing activities with partial cash flows:

Cash paid for acquisition of property, plant and equipment:

|  | <u>For the nine-month periods ended September 30,</u> |             |
|--|---|-------------|
|  | <u>2022</u>   | <u>2021</u> |
| Acquisition of property, plant and equipment               | \$ 487,142  | \$ 585,206  |
| Add: Beginning balance of other payables                   | 170,752   | 233,672     |
| Beginning balance of other payables<br>— related parties   | -   | 20,342      |
| Less: Ending balance of other payables                     | (216,668)   | (202,616)   |
| Cash paid for acquisition of property, plant and equipment | \$ 441,226  | \$ 636,604  |

B. Investing activities with no cash flow effect:

|   | <u>For the nine-month periods ended September 30,</u> |                   |
|---|---|-------------------|
|   | <u>2022</u>   | <u>2021</u>       |
| a. Prepayment for business facilities reclassified to prepayments                   | <u>\$ 5,277</u>                                       | <u>\$ 274</u>     |
| b. Prepayment for business facilities reclassified to property, plant and equipment | <u>\$ 102,229</u>                                     | <u>\$ 416,556</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 nine-month period ended September 30, 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            | ( 272,945)            | ( 400,000)                         | ( 172,117)         | ( 2,510,000)         | (1,576,258)      | ( 4,931,320)                                |
| Changes in other non-cash items                           | -                     | 100                                | 9,122              | -                    | 1,579,145        | 1,588,367                                   |
| Impact of changes in foreign exchange rate                | -                     | -                                  | 36,342             | -                    | -                | 36,342                                      |
| Balance at September 30, 2022                             | <u>\$2,525,511</u>    | <u>\$ -</u>                        | <u>\$1,678,513</u> | <u>\$4,540,000</u>   | <u>\$ 66,637</u> | <u>\$ 8,810,661</u>                         |
|   |                       |                                    |                    |                      |                  |   |
|   | Short-term borrowings | Short-term notes and bills payable | Lease liabilities  | Long-term borrowings | Others           | Total liabilities from financing activities |
| <u>For the nine-month period ended September 30, 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            | 2,017,579             | 1,400,000                          | ( 184,389)         | 230,000              | ( 832,039)       | 2,631,151                                   |
| Changes in other non-cash items                           | -                     | ( 243)                             | 12,261             | -                    | 836,947          | 848,965                                     |
| Impact of changes in foreign exchange rate                | -                     | -                                  | ( 15,896)          | -                    | -                | ( 15,896)                                   |
| Balance at September 30, 2021                             | <u>\$3,865,720</u>    | <u>\$1,399,757</u>                 | <u>\$1,850,843</u> | <u>\$6,750,000</u>   | <u>\$ 55,364</u> | <u>\$13,921,684</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

| Names of related parties                       | Relationship with the Group  |
|--|--|
| 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

|  | For the three-month periods ended September 30, |                      |
|--|---|----------------------|
|  | 2022  | 2021                 |
| Sales of goods   |   |                      |
| Parent company to entities with joint control or significant influence | \$ <u>5,349,103</u>                             | \$ <u>4,307,809</u>  |
|  |   |                      |
|  | For the nine-month periods ended September 30,  |                      |
|  | 2022  | 2021                 |
| Sales of goods   |   |                      |
| Parent company to entities with joint control or significant influence | \$ <u>13,156,829</u>                            | \$ <u>11,749,342</u> |

The Group's collection terms and methods for related party are wire transfer within 28~90 days of monthly statements, and wire transfer within 15~45 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

|  | <u>For the three-month periods ended September 30,</u> |                     |
|--|--|---------------------|
|  | <u>2022</u>  | <u>2021</u>         |
| Purchases of goods:  |  |                     |
| Parent company to entities with joint control or significant influence | \$ 670,417   | \$ 518,810          |
| Others   | 7  | -                   |
|  | <u>\$ 670,424</u>                                      | <u>\$ 518,810</u>   |
|  | <u>For the nine-month periods ended September 30,</u>  |                     |
|  | <u>2022</u>  | <u>2021</u>         |
| Purchases of goods:  |  |                     |
| Parent company to entities with joint control or significant influence | \$ 1,574,873   | \$ 1,259,492        |
| Others   | 552  | 199                 |
|  | <u>\$ 1,575,425</u>                                    | <u>\$ 1,259,691</u> |

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

C. Receivables from related parties

|  | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Receivables from related parties:                                      |                           |                          |                           |
| Parent company to entities with joint control or significant influence |                           |                          |                           |
| Guangzhou President Enterprises Co., Ltd.                              | \$ 394,659                | \$ 256,352               | \$ 385,333                |
| Chengdu President Enterprises Food Co., Ltd.                           | 371,548                   | 317,155                  | 276,280                   |
| Others   | 1,292,949                 | 771,597                  | 918,287                   |
|  | <u>\$ 2,059,156</u>       | <u>\$ 1,345,104</u>      | <u>\$ 1,579,900</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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Parent company to entities with joint control or significant influence | \$ <u>24,997</u>          | \$ <u>24,398</u>         | \$ <u>24,210</u>          |

E. Current contract liabilities

|  | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Parent company to entities with joint control or significant influence | \$ <u>5,616</u>           | \$ <u>-</u>              | \$ <u>7</u>               |

F. Payables to related parties

|  | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Payables to related parties:   |                           |                          |                           |
| Parent company to entities with joint control or significant influence | \$ 431,792                | \$ 362,069               | \$ 291,125                |
| Others   | <u>7</u>                  | <u>-</u>                 | <u>-</u>                  |
|  | <u>\$ 431,799</u>         | <u>\$ 362,069</u>        | <u>\$ 291,125</u>         |

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

G. Lease transactions – lessee

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

|  | <u>For the nine-month periods ended September 30,</u> |                  |
|--|---|------------------|
|  | <u>2022</u>   | <u>2021</u>      |
| Parent company to entities with joint control or significant influence |   |                  |
| Beijing President Enterprises  |   |                  |
| Drinks Co., Ltd.   | \$ <u>686</u>   | \$ <u>10,325</u> |

## (c) Lease liabilities and interest expense

|  | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 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.                          | \$ 343,025                | \$ 359,867               | \$ 353,440                |
| Taizhou President Enterprises Co., Ltd.                                | 320,861                   | 356,995                  | 368,429                   |
| Zhanjiang President Enterprises Co., Ltd.                              | 302,391                   | 312,089                  | 332,805                   |
| Kunshan President Enterprises Food Co., Ltd.                           | 181,424                   | 200,484                  | 206,516                   |
| Others   | <u>212,901</u>            | <u>254,743</u>           | <u>268,515</u>            |
|  | <u>\$ 1,360,602</u>       | <u>\$ 1,484,178</u>      | <u>\$ 1,529,705</u>       |

|  | <u>For the three-month periods ended September 30,</u> |                         |
|--|--|-------------------------|
|  | <u>2022</u>  | <u>2021</u>             |
|  | <u>Interest expense</u>                                | <u>Interest expense</u> |
| Parent company to entities with joint control or significant influence |  |                         |
| Uni-President Enterprises (TianJin) Co., Ltd.                          | \$ 3,579   | \$ 3,690                |
| Taizhou President Enterprises Co., Ltd.                                | 3,429  | 3,945                   |
| Zhanjiang President Enterprises Co., Ltd.                              | 3,232  | 3,564                   |
| Kunshan President Enterprises Food Co., Ltd.                           | 2,047  | 2,317                   |
| Others   | <u>2,208</u>   | <u>2,770</u>            |
|  | <u>\$ 14,495</u>                                       | <u>\$ 16,286</u>        |



|  | For the nine-month periods ended September 30, |                  |
|--|--|------------------|
|  | 2022   | 2021             |
|  | Interest expense                               | Interest expense |
| Parent company to entities with joint control or significant influence |  |                  |
| Uni-President Enterprises (TianJin) Co., Ltd.                          | \$ 10,911                                      | \$ 11,317        |
| Taizhou President Enterprises Co., Ltd.                                | 10,774   | 12,384           |
| Zhanjiang President Enterprises Co., Ltd.                              | 10,033   | 11,091           |
| Kunshan President Enterprises Food Co., Ltd.                           | 6,402  | 7,248            |
| Others   | 7,122  | 8,847            |
|  | <u>\$ 45,242</u>                               | <u>\$ 50,887</u> |

(4) Key management compensation

|   | For the three-month periods ended September 30, |                  |
|---|---|------------------|
|   | 2022  | 2021             |
| Salaries and other short-term employee benefits | <u>\$ 7,085</u>                                 | <u>\$ 6,240</u>  |
|   |   |                  |
|   | For the nine-month periods ended September 30,  |                  |
|   | 2022  | 2021             |
| Salaries and other short-term employee benefits | <u>\$ 20,682</u>                                | <u>\$ 18,057</u> |

8. PLEGGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT

COMMITMENTS

A. As of September 30, 2022, December 31, 2021 and September 30, 2021, the remaining balance due for construction in progress and prepayments for equipment are \$544,648, \$417,004 and \$121,879, respectively.

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, the unused letters of credit amounted to \$249,757, \$913,279 and \$508,809, 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 **【(Total liability less cash and cash equivalents) / consolidated tangible shareholders' equity】** of less than 180%, interest coverage ratio of over 200%, and the

consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, 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  $\left[ \frac{\text{Total liability less cash and cash equivalents}}{\text{consolidated tangible shareholders' equity}} \right]$  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 September 30, 2022, December 31, 2021, and September 30, 2021, the Group has not violated any of the above covenants.

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

#### 12. OTHERS

##### (1) Capital management

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

##### (2) Financial instruments

###### A. Financial instruments by category

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

###### B. Financial risk management policies

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

b. Risk management is carried out by a central treasury department (Group Finance Department) under policies approved by the board of directors. Group Finance Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange risk

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

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

|   |                       |                      |                        | December 31, 2021  |  |  |
|---|-----------------------|----------------------|------------------------|--------------------|--|--|
|   |                       |                      |                        | Foreign Currency   |  |  |
| (Foreign currency: functional currency) | <u>(in thousands)</u> | <u>Exchange Rate</u> | <u>Carrying Amount</u> |                    |  |  |
| <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                 |                    |  |  |
|   |                       |                      |                        | September 30, 2021 |  |  |
|   |                       |                      |                        | Foreign Currency   |  |  |
| (Foreign currency: functional currency) | <u>(in thousands)</u> | <u>Exchange Rate</u> | <u>Carrying Amount</u> |                    |  |  |
| <u>Financial assets</u>                 |                       |                      |                        |                    |  |  |
| <u>Monetary items</u>                   |                       |                      |                        |                    |  |  |
| USD : NTD                               | \$ 88,278             | 27.85                | \$ 2,458,542           |                    |  |  |
| USD : CNY                               | 4,769                 | 6.44                 | 132,817                |                    |  |  |
| <u>Financial liabilities</u>            |                       |                      |                        |                    |  |  |
| <u>Monetary items</u>                   |                       |                      |                        |                    |  |  |
| USD : NTD                               | 16,677                | 27.85                | 464,454                |                    |  |  |
| USD : CNY                               | 44,890                | 6.44                 | 1,250,187              |                    |  |  |

- iv. As of September 30, 2022, December 31, 2021 and September 30, 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 nine-month periods ended September 30, 2022 and 2021 would have increased/decreased by \$383 and \$7,014, 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 and nine-month periods ended September 30, 2022 and 2021 amounted to \$84,055, \$12,243, \$212,520 and (\$7,408), 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 profit or loss and 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 nine-month periods ended September 30, 2022 and 2021 would have increased/decreased by \$738 and \$1,056, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(c) Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the nine-month periods ended September 30, 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 nine-month periods ended September 30, 2022 and 2021 would have decreased/increased by \$651 and \$581, 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:

|                                | <u>For the nine-month period ended September 30, 2022</u> |                   |                  |
|--------------------------------|---|-------------------|------------------|
|                                | <u>Notes</u>  | <u>Accounts</u>   |                  |
|                                | <u>receivable</u>   | <u>receivable</u> | <u>Total</u>     |
| Balance, beginning of period   | \$ 2,303  | \$ 42,753         | \$ 45,056        |
| Expected credit losses (gains) | 492   | ( 14,668)         | ( 14,176)        |
| Effect of foreign exchange     | 22  | 929               | 951              |
| Balance, end of period         | <u>\$ 2,817</u>   | <u>\$ 29,014</u>  | <u>\$ 31,831</u> |

  

|                              | <u>For the nine-month period ended September 30, 2021</u> |                   |                  |
|------------------------------|---|-------------------|------------------|
|                              | <u>Notes</u>  | <u>Accounts</u>   |                  |
|                              | <u>receivable</u>   | <u>receivable</u> | <u>Total</u>     |
| Balance, beginning of period | \$ 1,279  | \$ 51,896         | \$ 53,175        |
| Expected credit losses       | 13  | 16,863            | 16,876           |
| Effect of foreign exchange   | ( 5)  | ( 453)            | ( 458)           |
| Balance, end of period       | <u>\$ 1,287</u>   | <u>\$ 68,306</u>  | <u>\$ 69,593</u> |

#### c. Liquidity risk

- (a) Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance Department. Group Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(b) Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the Group Finance Department. Group Finance Department invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

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

| September 30, 2022                            | Less than 1 year | Between<br>1 and 2 years | Between<br>2 and 5 years | More than<br>5 years |
|---|------------------|--------------------------|--------------------------|----------------------|
| Non-derivative financial liabilities:         |                  |                          |                          |                      |
| Short-term borrowings                         | \$ 2,534,126     | \$ -                     | \$ -                     | \$ -                 |
| Accounts payable<br>(including related party) | 1,873,153        | -                        | -                        | -                    |
| Other payables<br>(including related party)   | 1,808,812        | -                        | -                        | -                    |
| Lease liabilities (current and non-current)   | 288,142          | 296,856                  | 729,565                  | 632,618              |
| Other current financial liabilities           | 30,598           | -                        | -                        | -                    |
| Current refund liabilities                    | 10,093           | -                        | -                        | -                    |
| Long-term borrowings                          | 60,853           | 3,625,099                | 958,753                  | -                    |
| Guarantee deposits received                   | -                | 7,261                    | 10,931                   | 17,847               |

| <u>December 31, 2021</u>                    | <u>Less than 1 year</u> | <u>Between<br/>1 and 2 years</u> | <u>Between<br/>2 and 5 years</u> | <u>More than<br/>5 years</u> |
|---|-------------------------|----------------------------------|----------------------------------|------------------------------|
| Non-derivative financial liabilities:       |                         |                                  |                                  |                              |
| Short-term borrowings                       | \$ 2,802,972            | \$ -                             | \$ -                             | \$ -                         |
| Short-term notes and bills payable          | 400,000                 | -                                | -                                | -                            |
| Accounts payable (including related party)  | 1,562,638               | -                                | -                                | -                            |
| Other payables (including related party)    | 1,716,197               | -                                | -                                | -                            |
| Lease liabilities (current and non-current) | 278,087                 | 289,785                          | 783,519                          | 779,589                      |
| Other current financial liabilities         | 34,462                  | -                                | -                                | -                            |
| Current refund liabilities                  | 15,085                  | -                                | -                                | -                            |
| Long-term borrowings                        | 70,790                  | 3,812,714                        | 3,314,882                        | -                            |
| Guarantee deposits received                 | -                       | 11,868                           | -                                | 17,420                       |
|   |                         | <u>Between</u>                   | <u>Between</u>                   | <u>More than</u>             |
| <u>September 30, 2021</u>                   | <u>Less than 1 year</u> | <u>1 and 2 years</u>             | <u>2 and 5 years</u>             | <u>5 years</u>               |
| Non-derivative financial liabilities:       |                         |                                  |                                  |                              |
| Short-term borrowings                       | \$ 3,870,252            | \$ -                             | \$ -                             | \$ -                         |
| Short-term notes and bills payable          | 1,400,000               | -                                | -                                | -                            |
| Notes payable                               | 284                     | -                                | -                                | -                            |
| Accounts payable (including related party)  | 1,419,069               | -                                | -                                | -                            |
| Other payables (including related party)    | 1,626,940               | -                                | -                                | -                            |
| Lease liabilities (current and non-current) | 280,561                 | 288,705                          | 787,252                          | 835,381                      |
| Other current financial liabilities         | 26,310                  | -                                | -                                | -                            |
| Current refund liabilities                  | 13,325                  | -                                | -                                | -                            |
| Long-term borrowings                        | 67,694                  | 1,910,051                        | 4,922,110                        | -                            |
| Guarantee deposits received                 | -                       | 11,769                           | -                                | 17,285                       |

(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. The fair value of the Group's investment in structured notes is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of financial assets and financial liabilities not measured at fair value including 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, current 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>September 30, 2022</u>   | <u>Level 1</u>   | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>     |
|---|------------------|----------------|----------------|------------------|
| Assets:   |                  |                |                |                  |
| <u>Recurring fair value measurements</u>                                |                  |                |                |                  |
| Financial assets at fair value<br>through other comprehensive<br>income |                  |                |                |                  |
| Equity securities   | <u>\$ 73,788</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 73,788</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>September 30, 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>\$ 105,638</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 105,638</u> |

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

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

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

(b) When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts without active market and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants or by reference to counterparty quotes. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

E. For the nine-month periods ended September 30, 2022 and 2021, there was no transfer into or out between Level 1 and Level 2.

F. For the nine-month periods ended September 30, 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 nine-month period ended September 30, 2022.

#### (1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 3.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- I. Trading in derivative financial instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting period: Refer to table 5.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 8.

#### (4) Major shareholders information

Major shareholders information: Refer to table 9.

### 14. SEGMENT INFORMATION

#### (1) General information

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

#### (2) Measurement of segment information

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

(3) Information about segment profit or loss and assets

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

For the nine-month period ended September 30, 2022

|                                 | Taiwan               | Tinplate Products<br>(in Mainland China) | Plastic Products<br>(in Mainland China) | Others               | Total                |
|---------------------------------|----------------------|--|---|----------------------|----------------------|
| Revenue from external customers | \$ 15,213,912        | \$ 3,670,822                             | \$ 12,908,546                           | \$ 2,608,207         | \$ 34,401,487        |
| Revenue from internal customers | 3,875,618            | 591,785                                  | 37,187                                  | 146,499              | 4,651,089            |
| Segment revenue                 | <u>\$ 19,089,530</u> | <u>\$ 4,262,607</u>                      | <u>\$ 12,945,733</u>                    | <u>\$ 2,754,706</u>  | <u>\$ 39,052,576</u> |
| Segment income                  | <u>\$ 2,834,602</u>  | <u>(\$ 550,831)</u>                      | <u>\$ 1,113,000</u>                     | <u>\$ 314,225</u>    | <u>\$ 3,710,996</u>  |
| Segment assets                  | <u>\$ 30,361,748</u> | <u>\$ 7,303,027</u>                      | <u>\$ 16,753,672</u>                    | <u>\$ 23,345,034</u> | <u>\$ 77,763,481</u> |

For the nine-month period ended September 30, 2021

|                                 | Taiwan               | Tinplate Products<br>(in Mainland China) | Plastic Products<br>(in Mainland China) | Others               | Total                |
|---------------------------------|----------------------|--|---|----------------------|----------------------|
| Revenue from external customers | \$ 11,560,482        | \$ 4,459,541                             | \$ 12,209,324                           | \$ 2,179,843         | \$ 30,409,190        |
| Revenue from internal customers | 4,556,639            | 497,826                                  | 24,704                                  | 70,745               | 5,149,914            |
| Segment revenue                 | <u>\$ 16,117,121</u> | <u>\$ 4,957,367</u>                      | <u>\$ 12,234,028</u>                    | <u>\$ 2,250,588</u>  | <u>\$ 35,559,104</u> |
| Segment income                  | <u>\$ 1,434,494</u>  | <u>(\$ 158,692)</u>                      | <u>\$ 1,520,082</u>                     | <u>\$ 937,919</u>    | <u>\$ 3,733,803</u>  |
| Segment assets                  | <u>\$ 33,071,106</u> | <u>\$ 7,603,687</u>                      | <u>\$ 15,338,937</u>                    | <u>\$ 22,873,662</u> | <u>\$ 78,887,392</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:

|   | <u>For the nine-month periods ended September 30,</u> |                     |
|---|---|---------------------|
|   | <u>2022</u>   | <u>2021</u>         |
| Reportable segments profit and loss                     | \$ 3,396,771  | \$ 2,795,884        |
| Other segments profit and loss                          | 314,225   | 937,919             |
| Elimination of intersegment transactions                | (862,287)   | (2,060,679)         |
| Net income before income tax from continuing operations | <u>\$ 2,848,709</u>                                   | <u>\$ 1,673,124</u> |

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

|  | <u>September 30, 2022</u> | <u>September 30, 2021</u> |
|--|---------------------------|---------------------------|
| Assets of reportable segments            | \$ 54,418,447             | \$ 56,013,730             |
| Assets of other operating segments       | 23,345,034                | 22,873,662                |
| Elimination of intersegment transactions | (41,519,966)              | (40,319,220)              |
| Total assets                             | <u>\$ 36,243,515</u>      | <u>\$ 38,568,172</u>      |

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the nine-month period ended September 30, 2022

Table 1

Expressed in thousands of NTD

| NO. | Name of lender                              | Name of borrower                         | Account           | Related party | Maximum balance | Ending balance | Actual amount |               | Nature of financial activity (Note 1) | Total transaction amount | Reason for short-term financing | Allowance for doubtful accounts | Collateral |       | Loan limit per entity | Maximum amount available for loan | Note   |
|-----|---|--|-------------------|---------------|-----------------|----------------|---------------|---------------|---------------------------------------|--------------------------|---------------------------------|---------------------------------|------------|-------|-----------------------|-----------------------------------|--------|
|     |   |  |                   |               |                 |                | drawn down    | Interest rate |                                       |                          |                                 |                                 | Item       | Value |                       |                                   |        |
| 1   | Kunshan Ton Yi Industrial Co., Ltd.         | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | \$ 133,855      | \$ 133,855     | \$ 58,004     | 2.315         | 2                                     | \$ -                     | Operational use                 | \$ -                            | -          | \$ -  | \$ 1,070,399          | \$ 1,070,399                      | Note 2 |
| 1   | Kunshan Ton Yi Industrial Co., Ltd.         | Chengdu Ton Yi Industrial Co., Ltd.      | Other receivables | Y             | 312,329         | 223,092        | 223,092       | 3.365~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,070,399             | 1,070,399                         | Note 2 |
| 1   | Kunshan Ton Yi Industrial Co., Ltd.         | Huizhou Ton Yi Industrial Co., Ltd.      | Other receivables | Y             | 89,237          | -              | -             | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,070,399             | 1,070,399                         | Note 2 |
| 1   | Kunshan Ton Yi Industrial Co., Ltd.         | Fujian Ton Yi Tinplate Co., Ltd.         | Other receivables | Y             | 133,855         | 133,855        | 133,855       | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 214,080               | 428,160                           | Note 2 |
| 2   | Chengdu Ton Yi Industrial Packing Co., Ltd. | Wuxi Ton Yi Industrial Packing Co., Ltd. | Other receivables | Y             | 290,020         | 290,020        | 290,020       | 3.365~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 397,277               | 397,277                           | Note 2 |
| 3   | Taizhou Ton Yi Industrial Co., Ltd.         | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -             | 2.315~2.465   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,627,949             | 1,627,949                         | Note 2 |
| 3   | Taizhou Ton Yi Industrial Co., Ltd.         | Fujian Ton Yi Tinplate Co., Ltd.         | Other receivables | Y             | 290,020         | 290,020        | 156,164       | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 325,590               | 651,180                           | Note 2 |
| 3   | Taizhou Ton Yi Industrial Co., Ltd.         | Wuxi Ton Yi Daiwa Industrial Co., Ltd.   | Other receivables | Y             | 178,474         | 178,474        | 178,474       | 3.365~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 325,590               | 651,180                           | Note 2 |
| 4   | Sichuan Ton Yi Industrial Co., Ltd.         | Wuxi Ton Yi Industrial Packing Co., Ltd. | Other receivables | Y             | 245,401         | 223,092        | 156,164       | 3.465~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,270,318             | 1,270,318                         | Note 2 |
| 4   | Sichuan Ton Yi Industrial Co., Ltd.         | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | 31,233        | 2.315~2.465   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,270,318             | 1,270,318                         | Note 2 |

| NO. | Name of lender                        | Name of borrower                      | Account           | Related party | Actual amount   |                |            |               | Nature of financial activity (Note 1) | Total transaction amount | Reason for short-term financing | Allowance for doubtful accounts | Collateral |       | Loan limit per entity | Maximum amount available for loan | Note   |
|-----|---------------------------------------|---------------------------------------|-------------------|---------------|-----------------|----------------|------------|---------------|---------------------------------------|--------------------------|---------------------------------|---------------------------------|------------|-------|-----------------------|-----------------------------------|--------|
|     |                                       |                                       |                   |               | Maximum balance | Ending balance | drawn down | Interest rate |                                       |                          |                                 |                                 | Item       | Value |                       |                                   |        |
| 4   | Sichuan Ton Yi Industrial Co., Ltd.   | Chengdu Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | \$ 446,184      | \$ 356,947     | \$ 356,947 | 3.315~3.515   | 2                                     | \$ -                     | Operational use                 | \$ -                            | -          | \$ -  | \$ 1,270,318          | \$ 1,270,318                      | Note 2 |
| 4   | Sichuan Ton Yi Industrial Co., Ltd.   | Fujian Ton Yi Tinplate Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | 133,855    | 3.365         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 254,064               | 508,127                           | Note 2 |
| 5   | Zhanjiang Ton Yi Industrial Co., Ltd. | Huizhou Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 334,638         | 245,401        | 245,401    | 3.315~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 800,866               | 800,866                           | Note 2 |
| 5   | Zhanjiang Ton Yi Industrial Co., Ltd. | Ton Yi (China) Investment Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 800,866               | 800,866                           | Note 2 |
| 5   | Zhanjiang Ton Yi Industrial Co., Ltd. | Fujian Ton Yi Tinplate Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 160,173               | 320,347                           | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Zhangzhou Ton Yi Industrial Co., Ltd. | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Taizhou Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Chengdu Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Kunshan Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | 3.465         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Beijing Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Huizhou Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 245,401         | 133,855        | -          | 3.365~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Zhanjiang Ton Yi Industrial Co., Ltd. | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Sichuan Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | -          | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Tianjin Ton Yi Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | 107,084    | 3.315~3.465   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 12,370,648            | 12,370,648                        | 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 |                       |                                   |        |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Wuxi Ton Yi Industrial Packing Co., Ltd. | Other receivables | Y             | \$ 1,048,532    | \$ 825,440     | \$ 691,585    | 3.315~3.515   | 2                                     | \$ -                     | Operational use                 | \$ -                            | -          | \$ -  | \$ 12,370,648         | \$ 12,370,648                     | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Fujian Ton Yi Tinplate Co., Ltd.         | Other receivables | Y             | 580,039         | 580,039        | 504,188       | 3.315~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 2,474,130             | 4,948,259                         | Note 2 |
| 6   | Ton Yi (China) Investment Co., Ltd.   | Wuxi Ton Yi Daiwa Industrial Co., Ltd.   | Other receivables | Y             | 133,855         | 133,855        | 8,924         | 3.315~3.365   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 2,474,130             | 4,948,259                         | Note 2 |
| 7   | Zhangzhou Ton Yi Industrial Co., Ltd. | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | 31,233        | 2.315~2.465   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,841,745             | 1,841,745                         | Note 2 |
| 7   | Zhangzhou Ton Yi Industrial Co., Ltd. | Huizhou Ton Yi Industrial Co., Ltd.      | Other receivables | Y             | 89,237          | 89,237         | 89,237        | 3.315         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,841,745             | 1,841,745                         | Note 2 |
| 8   | Chengdu Ton Yi Industrial Co., Ltd.   | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -             | 2.365         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,218,418             | 1,218,418                         | Note 2 |
| 9   | Beijing Ton Yi Industrial Co., Ltd.   | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -             | 2.365~2.465   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 955,254               | 955,254                           | Note 2 |
| 9   | Beijing Ton Yi Industrial Co., Ltd.   | Huizhou Ton Yi Industrial Co., Ltd.      | Other receivables | Y             | 200,783         | 200,783        | 200,783       | 3.315~3.365   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 955,254               | 955,254                           | Note 2 |
| 9   | Beijing Ton Yi Industrial Co., Ltd.   | Wuxi Ton Yi Industrial Packing Co., Ltd. | Other receivables | Y             | 156,164         | 156,164        | 156,164       | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 955,254               | 955,254                           | Note 2 |
| 9   | Beijing Ton Yi Industrial Co., Ltd.   | Fujian Ton Yi Tinplate Co., Ltd.         | Other receivables | Y             | 178,474         | 178,474        | 178,474       | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 191,051               | 382,102                           | Note 2 |
| 10  | Huizhou Ton Yi Industrial Co., Ltd.   | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -             | -             | 2                                     | -                        | Operational use                 | -                               | -          | -     | 1,136,323             | 1,136,323                         | Note 2 |
| 11  | Jiangsu Ton Yi Tinplate Co., Ltd.     | Fujian Ton Yi Tinplate Co., Ltd.         | Other receivables | Y             | 133,855         | 133,855        | 133,855       | 3.515         | 2                                     | -                        | Operational use                 | -                               | -          | -     | 461,849               | 923,698                           | Note 2 |
| 11  | Jiangsu Ton Yi Tinplate Co., Ltd.     | Wuxi Ton Yi Daiwa Industrial Co., Ltd.   | Other receivables | Y             | 321,252         | 178,474        | 178,474       | 3.365~3.515   | 2                                     | -                        | Operational use                 | -                               | -          | -     | 461,849               | 923,698                           | Note 2 |



| NO. | Name of lender                      | Name of borrower                         | Account           | Related party | Maximum balance | Ending balance | Actual amount |   | Interest rate | Nature of financial activity (Note 1) | Total transaction amount | Reason for short-term financing | Allowance for doubtful accounts | Collateral |       | Loan limit per entity | Maximum amount available for loan | Note   |
|-----|-------------------------------------|--|-------------------|---------------|-----------------|----------------|---------------|---|---------------|---------------------------------------|--------------------------|---------------------------------|---------------------------------|------------|-------|-----------------------|-----------------------------------|--------|
|     |                                     |  |                   |               |                 |                | drawn down    |   |               |                                       |                          |                                 |                                 | Item       | Value |                       |                                   |        |
| 11  | Jiangsu Ton Yi Timplite Co., Ltd.   | Wuxi Ton Yi Industrial Packing Co., Ltd. | Other receivables | Y             | \$ 156,164      | \$ 156,164     | \$ 156,164    |   | 3.365~3.515   | 2                                     | \$ -                     | Operational use                 | \$ -                            | —          | \$ -  | \$ 461,849            | \$ 923,698                        | Note 2 |
| 12  | Tianjin Ton Yi Industrial Co., Ltd. | Ton Yi (China) Investment Co., Ltd.      | Other receivables | Y             | 133,855         | 133,855        | -             | — |               | 2                                     | -                        | Operational use                 | -                               | —          | -     | 520,102               | 520,102                           | 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 September 30, 2022 as follows: CNY:NTD 1 : 4.461839.

Ton Yi Industrial Corp. and Subsidiaries

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

September 30, 2022

Table 2

Expressed in thousands of NTD

| Investor                | Marketable securities type and name | Relationship with the issuer | General ledger account (Note) | As of September 30, 2022    |            |                             |            | Note |
|-------------------------|-------------------------------------|------------------------------|-------------------------------|-----------------------------|------------|-----------------------------|------------|------|
|                         |                                     |                              |                               | Shares/units (in thousands) | Book value | Percentage of ownership (%) | Fair value |      |
| Ton-Yi Industrial Corp. | Stocks:                             |                              |                               |                             |            |                             |            |      |
|                         | JFE Holdings Inc.                   | —                            | 1                             | 250                         | \$ 73,788  | 0.04%                       | \$ 73,788  | —    |

(Note) The code number explanation is as follows:

1. Financial assets at fair value through other comprehensive income - non - current

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2022

Table 3

Expressed in thousands of NTD

| Purchaser/seller                            | Counterparty                                | Relationship with the counterparty  | Transaction       |              |                                       | Description and reasons for difference in transaction terms compared to third party transactions |            | Notes or accounts receivable/(payable) |                |  | Note |
|---|---|---|-------------------|--------------|---------------------------------------|--|------------|--|----------------|--|------|
|   |   |   | Purchases (sales) | Amount       | Percentage of total purchases (sales) | Credit terms   | Unit price | Credit terms                           | Ending balance | Percentage of total notes or accounts receivable/(payable) |      |
| Ton Yi Industrial Corp.                     | Fujian Ton Yi Tinplate Co., Ltd.            | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | (Sales)           | \$ 3,818,427 | (20)                                  | 50 days after shipping, T/T  | \$ -       | -                                      | \$ 525,179     | 42   | -    |
| Ton Yi Industrial Corp.                     | TTET Union Co., Ltd.                        | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 251,973)   | (1)                                   | Within 30 days of statements settled monthly, T/T  | -          | -                                      | 28,814         | 2  | -    |
| Wuxi Ton Yi Industrial Packing Co., Ltd.    | Chengdu Ton Yi Industrial Packing Co., Ltd. | An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method                               | (Sales)           | ( 357,962)   | (18)                                  | Within 30 days of statements settled monthly, T/T  | -          | -                                      | 45,274         | 16   | -    |
| Wuxi Ton Yi Industrial Packing Co., Ltd.    | Changsha Ton Yi Industrial Co., Ltd.        | An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method                               | (Sales)           | ( 324,831)   | (17)                                  | Within 30 days of statements settled monthly, T/T  | -          | -                                      | 40,491         | 15   | -    |
| Wuxi Ton Yi Industrial Packing Co., Ltd.    | Uni-President Trading (Kunshan) Co., Ltd.   | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 160,570)   | (8)                                   | Within 90 days of statements settled monthly, T/T  | -          | -                                      | 50,461         | 18   | -    |
| Chengdu Ton Yi Industrial Packing Co., Ltd. | Wuxi Ton Yi Industrial Packing Co., Ltd.    | An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method                               | Purchases         | 357,962      | 96                                    | Within 30 days of statements settled monthly, T/T  | -          | -                                      | ( 45,274)      | (96)   | -    |
| Changsha Ton Yi Industrial Co., Ltd.        | Jiangsu Ton Yi Tinplate Co., Ltd.           | An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method                                  | Purchases         | 418,439      | 47                                    | 67 days after invoice date, T/T  | -          | -                                      | ( 46,169)      | (41)   | -    |
| Changsha Ton Yi Industrial Co., Ltd.        | Wuxi Ton Yi Industrial Packing Co., Ltd.    | An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method                               | Purchases         | 324,831      | 37                                    | Within 30 days of statements settled monthly, T/T  | -          | -                                      | ( 40,491)      | (36)   | -    |

| Purchaser/seller                      | Counterparty                              | Relationship with the counterparty  | Transaction       |              | Percentage of total purchases (sales) | Description and reasons for difference in transaction terms compared to third party transactions |            |              | Notes or accounts receivable/(payable) |  | Note |
|---------------------------------------|---|---|-------------------|--------------|---------------------------------------|--|------------|--------------|--|--|------|
|                                       |   |   | Purchases (sales) | Amount       |                                       | Credit terms   | Unit price | Credit terms | Ending balance                         | Percentage of total notes or accounts receivable/(payable) |      |
| Changsha Ton Yi Industrial Co., Ltd.  | Fujian Ton Yi Tinplate Co., Ltd.          | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Purchases         | \$ 146,275   | 16                                    | 67 days after invoice date, T/T  | \$ -       | —            | (\$ 25,252)                            | (23)   | —    |
| Fujian Ton Yi Tinplate Co., Ltd       | Ton Yi Industrial Corp.                   | The Company   | Purchases         | 3,818,427    | 89                                    | 50 days after shipping, T/T  | -          | —            | ( 525,179)                             | (94)   | —    |
| Fujian Ton Yi Tinplate Co., Ltd       | Jiangsu Ton Yi Tinplate Co., Ltd.         | An investee company of Cayman Jiangsu Ton Yi Holdings Ltd. accounted for using equity method                                  | (Sales)           | ( 1,947,386) | (46)                                  | 67 days after invoice date, T/T  | -          | —            | 269,003                                | 27   | —    |
| Fujian Ton Yi Tinplate Co., Ltd       | Changsha Ton Yi Industrial Co., Ltd.      | An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method                               | (Sales)           | ( 146,275)   | (3)                                   | 67 days after invoice date, T/T  | -          | —            | 25,252                                 | 3  | —    |
| Jiangsu Ton Yi Tinplate Co., Ltd.     | Fujian Ton Yi Tinplate Co., Ltd.          | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Purchases         | 1,947,386    | 100                                   | 67 days after invoice date, T/T  | -          | —            | ( 269,003)                             | (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)           | ( 418,439)   | (21)                                  | 67 days after invoice date, T/T  | -          | —            | 46,169                                 | 4  | —    |
| Zhangzhou Ton Yi Industrial Co., Ltd. | Shanghai E & P Trading Co., Ltd.          | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 100,184      | 10                                    | 15 days after receipt of invoice, T/T  | -          | —            | ( 8,402)                               | (6)  | —    |
| Zhangzhou Ton Yi Industrial Co., Ltd. | Guangzhou President Enterprises Co., Ltd. | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,258,013) | (76)                                  | 25 days after receipt of invoice, T/T  | -          | —            | 152,697                                | 68   | —    |
| Taizhou Ton Yi Industrial Co., Ltd.   | Shanghai E & P Trading Co., Ltd.          | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 204,628      | 14                                    | 15 days after receipt of invoice, T/T  | -          | —            | ( 36,333)                              | (13)   | —    |
| Taizhou Ton Yi Industrial Co., Ltd.   | Taizhou President Enterprises Co., Ltd.   | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,736,899) | (74)                                  | 25 days after receipt of invoice, T/T  | -          | —            | 280,994                                | 71   | —    |

| Purchaser/seller                      | Counterparty                                   | Relationship with the counterparty  | Transaction       |              |                                       | Description and reasons for difference in transaction terms compared to third party transactions |            | Notes or accounts receivable/(payable) |                |  | Note |
|---------------------------------------|--|---|-------------------|--------------|---------------------------------------|--|------------|--|----------------|--|------|
|                                       |  |   | Purchases (sales) | Amount       | Percentage of total purchases (sales) | Credit terms   | Unit price | Credit terms                           | Ending balance | Percentage of total notes or accounts receivable/(payable) |      |
| Chengdu Ton Yi Industrial Co., Ltd.   | Chengdu President Enterprises Food Co., Ltd.   | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | \$ 465,989)  | (51)                                  | 25 days after receipt of invoice, T/T  | \$ -       | —                                      | \$ 120,454     | 59   | —    |
| Huizhou Ton Yi Industrial Co., Ltd.   | Guangzhou President Enterprises Co., Ltd.      | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,155,503) | (88)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 172,849        | 97   | —    |
| Kunshan Ton Yi Industrial Co., Ltd.   | Shanghai E & P Trading Co., Ltd.               | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 213,935      | 16                                    | 15 days after receipt of invoice, T/T  | -          | —                                      | ( 41,413)      | (16)   | —    |
| Kunshan Ton Yi Industrial Co., Ltd.   | Uni-President Trading (Kunshan) Co., Ltd.      | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,793,059) | (97)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 236,756        | 97   | —    |
| Beijing Ton Yi Industrial Co., Ltd.   | Shanghai E & P Trading Co., Ltd.               | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 114,878      | 10                                    | 15 days after receipt of invoice, T/T  | -          | —                                      | ( 19,891)      | (10)   | —    |
| Beijing Ton Yi Industrial Co., Ltd.   | Beijing President Enterprises Drinks Co., Ltd. | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,708,148) | (98)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 209,321        | 95   | —    |
| Sichuan Ton Yi Industrial Co., Ltd.   | Shanghai E & P Trading Co., Ltd.               | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 133,827      | 11                                    | 33 days after receipt of invoice, T/T  | -          | —                                      | ( 25,676)      | (11)   | —    |
| Sichuan Ton Yi Industrial Co., Ltd.   | Chengdu President Enterprises Food Co., Ltd.   | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,725,348) | (97)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 251,095        | 98   | —    |
| Zhanjiang Ton Yi Industrial Co., Ltd. | Shanghai E & P Trading Co., Ltd.               | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Purchases         | 102,456      | 13                                    | 5~45 days after receipt of invoice, T/T  | -          | —                                      | ( 3,294)       | (3)  | —    |
| Zhanjiang Ton Yi Industrial Co., Ltd. | Zhanjiang President Enterprises Co., Ltd.      | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | ( 1,077,081) | (83)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 121,259        | 78   | —    |

| 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) |      |
| Zhanjiang Ton Yi Industrial Co., Ltd. | Guangzhou President Enterprises Co., Ltd.     | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | (Sales)           | (\$ 221,547) | (17)                                  | 50% prepaid/ 50% 45 days after invoice date, T/T   | \$ -       | —                                      | \$ 33,398      | 21   | —    |
| 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)           | ( 408,793)   | (88)                                  | 25 days after receipt of invoice, T/T  | -          | —                                      | 107,263        | 85   | —    |

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchange rates: Ending balances of receivables and payables were translated using the exchange rate as at September 30, 2022 (USD:NTD 1:31.75 ; CNY:NTD 1:4.461839).

Purchases and sales were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2022 (USD:NTD 1:29.331297 ; CNY:NTD 1:4.433871).

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2022

Table 4

Expressed in thousands of NTD

| Company name                                | Counterparty                              | Relationship<br>with the counterparty   | Ending balance      |            | Turnover rate | Overdue receivables |              | Amount received in<br>subsequent period | Allowance for<br>doubtful<br>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 | \$ 525,179 | 8.14          | \$ -                | —            | \$ 173,550                              | \$ -                                  |
| 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   | 290,291    | -             | -                   | —            | -                                       | -                                     |
| 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 | 269,003    | 8.33          | -                   | —            | 77,551                                  | -                                     |
| Jiangsu Ton Yi Tinplate Co., Ltd.           | Wuxi Ton Yi Daiwa Industrial Co., Ltd.    | An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method                             | Other receivables   | 178,640    | -             | -                   | —            | -                                       | -                                     |
| 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   | 156,310    | -             | -                   | —            | -                                       | -                                     |
| Jiangsu Ton Yi Tinplate Co., Ltd.           | Fujian Ton Yi Tinplate Co., Ltd.          | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Other receivables   | 134,591    | -             | -                   | —            | -                                       | -                                     |
| 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   | 700,904    | -             | -                   | —            | -                                       | -                                     |
| Ton Yi (China) Investment Co., Ltd.         | Fujian Ton Yi Tinplate Co., Ltd.          | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Other receivables   | 510,770    | -             | -                   | —            | 58,057                                  | -                                     |
| Ton Yi (China) Investment Co., Ltd.         | Tianjin Ton Yi Industrial Co., Ltd.       | An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method                                  | Other receivables   | 107,380    | -             | -                   | —            | 296                                     | -                                     |
| 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 | 152,697    | 12.50         | -                   | —            | 121,697                                 | -                                     |
| 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 | 280,994    | 10.60         | -                   | —            | 194,340                                 | -                                     |
| Taizhou Ton Yi Industrial Co., Ltd.         | Wuxi Ton Yi Daiwa Industrial Co., Ltd.    | An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method                             | Other receivables   | 178,640    | -             | -                   | —            | -                                       | -                                     |

| Company name                        | Counterparty                                   | Relationship with the counterparty  | Ending balance      |            | Turnover rate | Overdue receivables |              | Amount received in subsequent period | Allowance for doubtful accounts |
|-------------------------------------|--|---|---------------------|------------|---------------|---------------------|--------------|--------------------------------------|---------------------------------|
|                                     |  |   | Items               | Amount     |               | Amount              | Action taken |                                      |                                 |
| Taizhou Ton Yi Industrial Co., Ltd. | Fujian Ton Yi Tinplate Co., Ltd.               | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Other receivables   | \$ 156,317 | -             | \$ -                | -            | \$ -                                 | \$ -                            |
| 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 | Accounts receivable | 120,454    | 5.81          | -                   | -            | 79,223                               | -                               |
| 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 | 172,849    | 11.06         | -                   | -            | 112,680                              | -                               |
| 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 | 236,756    | 10.45         | -                   | -            | 158,751                              | -                               |
| 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   | 228,529    | -             | -                   | -            | -                                    | -                               |
| 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   | 137,920    | -             | -                   | -            | -                                    | -                               |
| 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 | 209,321    | 14.22         | -                   | -            | 132,553                              | -                               |
| Beijing Ton Yi Industrial Co., Ltd. | Huizhou Ton Yi Industrial Co., Ltd.            | An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method                                  | Other receivables   | 200,969    | -             | -                   | -            | -                                    | -                               |
| 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   | 184,416    | -             | -                   | -            | -                                    | -                               |
| 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   | 160,556    | -             | -                   | -            | -                                    | -                               |
| 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 | 251,095    | 9.62          | -                   | -            | 147,009                              | -                               |
| 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   | 361,207    | -             | -                   | -            | 140                                  | -                               |
| 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   | 160,609    | -             | -                   | -            | 54                                   | -                               |
| Sichuan Ton Yi Industrial Co., Ltd. | Fujian Ton Yi Tinplate Co., Ltd.               | An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method                                   | Other receivables   | 135,907    | -             | -                   | -            | -                                    | -                               |



| Company name                          | Counterparty                                  | Relationship<br>with the counterparty   | Ending balance      |            | Turnover rate | Overdue receivables |              | Amount received in<br>subsequent period | Allowance for<br>doubtful<br>accounts |
|---------------------------------------|---|---|---------------------|------------|---------------|---------------------|--------------|---|---------------------------------------|
|                                       |   |   | Items               | Amount     |               | Amount              | Action taken |   |                                       |
| Zhanjiang Ton Yi Industrial Co., Ltd. | Zhanjiang President Enterprises Co., Ltd.     | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Accounts receivable | \$ 121,259 | 14.73         | \$ -                | —            | \$ 68,652                               | \$ -                                  |
| Zhanjiang Ton Yi Industrial Co., Ltd. | Huizhou Ton Yi Industrial Co.,Ltd.            | An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method                                  | Other receivables   | 245,592    | -             | -                   | —            | -                                       | -                                     |
| Tianjin Ton Yi Industrial Co.,Ltd.    | Uni-President Enterprises (TianJin) Co., Ltd. | An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence | Accounts receivable | 107,263    | 7.48          | -                   | —            | 59,781                                  | -                                     |

(Note) Foreign currencies were translated into New Taiwan Dollars using the following exchanges: Ending balances of receivable and payable and subsequent collections were translated using the exchange rate as at September 30, 2022 (CNY:NTD 1:4.461839 ; USD:NTD 1:31.75).

Ton Yi Industrial Corp. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the nine-month period ended September 30, 2022

Table 5

Expressed in thousands of NTD

| No<br>(Note 2) | Company name                                | Counterparty                                | Relationship<br>(Note 3) | Intercompany transaction |              |  | Percentage of consolidated<br>net revenues or total assets<br>(Note 4) |
|----------------|---|---|--------------------------|--------------------------|--------------|--|--|
|                |   |   |                          | General ledger account   | Amount       | Transaction terms                                    |  |
| 0              | Ton Yi Industrial Corp.                     | Fujian Ton Yi Tinplate Co., Ltd.            | 1                        | Sales                    | \$ 3,818,427 | 50 days after shipping, T/T                          | 11   |
|                |   |   | 1                        | Accounts receivable      | 525,179      | —  | 1  |
| 1              | Chengdu Ton Yi Industrial Packing Co., Ltd. | Wuxi Ton Yi Industrial Packing Co., Ltd.    | 3                        | Other receivables        | 290,291      | —  | 1  |
| 2              | Wuxi Ton Yi Industrial Packing Co., Ltd.    | Chengdu Ton Yi Industrial Packing Co., Ltd. | 3                        | Sales                    | 357,962      | Within 30 days of statements<br>settled monthly, T/T | 1  |
|                |   |   | 3                        | Sales                    | 324,831      | Within 30 days of statements<br>settled monthly, T/T | 1  |
| 3              | Fujian Ton Yi Tinplate Co., Ltd.            | Jiangsu Ton Yi Tinplate Co., Ltd.           | 3                        | Sales                    | 1,947,386    | 67 days after invoice date, T/T                      | 6  |
|                |   |   | 3                        | Accounts receivable      | 269,003      | —  | 1  |
| 4              | Jiangsu Ton Yi Tinplate Co., Ltd.           | Changsha Ton Yi Industrial Co., Ltd.        | 3                        | Sales                    | 146,275      | 67 days after invoice date, T/T                      | —  |
|                |   |   | 3                        | Sales                    | 418,439      | 67 days after invoice date, T/T                      | 1  |
|                |   |   | 3                        | Other receivables        | 178,640      | —  | —  |
|                |   |   | 3                        | Other receivables        | 156,310      | —  | —  |
|                |   |   | 3                        | Other receivables        | 134,591      | —  | —  |
| 5              | Ton Yi (China) Investment Co., Ltd.         | Wuxi Ton Yi Industrial Packing Co., Ltd.    | 3                        | Other receivables        | 700,904      | —  | 2  |
|                |   |   | 3                        | Other receivables        | 510,770      | —  | 1  |
|                |   |   | 3                        | Other receivables        | 107,380      | —  | —  |
| 6              | Taizhou Ton Yi Industrial Co., Ltd.         | Wuxi Ton Yi Daiwa Industrial Co., Ltd.      | 3                        | Other receivables        | 178,640      | —  | —  |
|                |   |   | 3                        | Other receivables        | 156,317      | —  | —  |
| 7              | Kunshan Ton Yi Industrial Co., Ltd.         | Chengdu Ton Yi Industrial Co., Ltd.         | 3                        | Other receivables        | 228,529      | —  | 1  |
|                |   |   | 3                        | Other receivables        | 137,920      | —  | —  |
| 8              | Beijing Ton Yi Industrial Co., Ltd.         | Huizhou Ton Yi Industrial Co., Ltd.         | 3                        | Other receivables        | 200,969      | —  | 1  |
|                |   |   | 3                        | Other receivables        | 184,416      | —  | 1  |
|                |   |   | 3                        | Other receivables        | 160,556      | —  | —  |
| 9              | Sichuan Ton Yi Industrial Co., Ltd.         | Chengdu Ton Yi Industrial Co., Ltd.         | 3                        | Other receivables        | 361,207      | —  | 1  |
|                |   |   | 3                        | Other receivables        | 160,609      | —  | —  |
|                |   |   | 3                        | Other receivables        | 135,907      | —  | —  |
| 10             | Zhanjiang Ton Yi Industrial Co., Ltd.       | Huizhou Ton Yi Industrial Co., Ltd.         | 3                        | Other receivables        | 245,592      | —  | 1  |

(Note 1) Transactions among the company and subsidiaries with amount over NTDS100,000 and one side of them are disclosed.

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

(Note 5) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivables were translated using the exchange rate as at September 30, 2022 (CNY:NTD 1:4.461839);

Sales were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2022 (CNY:NTD 1:4.433871).

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2022

Table 6

Expressed in thousands of NTD

| Investor company                       | Investee company                       | Location | Main business activities       | Original investment amount    |                              | Shares held as at September 30, 2022 |               |               | Net income (loss) of the investee | Income recognized by the Company | Note                |
|--|--|----------|--------------------------------|-------------------------------|------------------------------|--------------------------------------|---------------|---------------|-----------------------------------|----------------------------------|---------------------|
|  |  |          |                                | Balance at September 30, 2022 | Balance at December 31, 2021 | Number of shares                     | Ownership (%) | Book value    |                                   |                                  |                     |
| Ton Yi Industrial Corp.                | Cayman Ton Yi Industrial Holdings Ltd. | Cayman   | General investment             | \$ 13,399,488                 | \$ 13,399,488                | 43,470,820                           | 100.00        | \$ 18,732,959 | \$ 431,576                        | \$ 431,576                       | Subsidiary          |
| Ton Yi Industrial Corp.                | Tovecan Corp.                          | Vietnam  | Manufacturing and sale of cans | 43,740                        | 43,740                       | -                                    | 51.00         | 56,758        | 1,167                             | 595                              | Subsidiary          |
| Cayman Ton Yi Industrial Holdings Ltd. | Cayman Ton Yi Holdings Ltd.            | Cayman   | General investment             | 7,302,500                     | 7,302,500                    | 230,000,000                          | 100.00        | 12,370,616    | 857,376                           | -                                | Subsidiary (Note 1) |
| Cayman Ton Yi Industrial Holdings Ltd. | Cayman Fujian Ton Yi Holdings Ltd.     | Cayman   | General investment             | 2,033,971                     | 2,033,971                    | 8,727                                | 100.00        | 2,457,014 (   | 334,880)                          | -                                | Subsidiary (Note 1) |
| Cayman Ton Yi Industrial Holdings Ltd. | Cayman Jiangsu Ton Yi Holdings Ltd.    | Cayman   | General investment             | 1,139,914                     | 1,139,914                    | 5,000                                | 100.00        | 2,137,687 (   | 27,243)                           | -                                | Subsidiary (Note 1) |
| Cayman Ton Yi Holdings Ltd.            | Cayman Ton Yi (China) Holdings Ltd.    | Cayman   | General investment             | 7,302,500                     | 7,302,500                    | 230,000,000                          | 100.00        | 12,370,616    | 857,376                           | -                                | Subsidiary (Note 1) |

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances and carrying value were translated using the exchange rate as at September 30, 2022 (USD:NTD 1:31.75);

Profit and loss were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2022 (USD:NTD 1:29.331297).

Ton Yi Industrial Corp. and Subsidiaries  
Information on investments in Mainland China - Basic information  
For the nine-month period ended September 30, 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 September 30, 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 September 30, 2022 | Accumulated remittance | Note   |
|---|--|-----------------|-------------------|--|----------------------------|-------------------------|---|-----------------------------------|--|---|-------------------------------------|------------------------|--------|
|   |  |                 |                   |  | Remitted to Mainland China | Remitted back to Taiwan |   |                                   |  |   |                                     |                        |        |
| Wuxi Ton Yi Industrial Packing Co., Ltd.    | Manufacturing and sale of cans         | \$ 857,250      | Note 1            | \$ 222,250   | \$ -                       | \$ -                    | \$ 222,250  | (\$ 85,434)                       | 100.00   | (\$ 83,974)                             | \$ 1,050,852                        | \$ -                   | Note 7 |
| Chengdu Ton Yi Industrial Packing Co., Ltd. | Sale of cans                           | 238,125         | Note 1            | 238,125  | -                          | -                       | 238,125   | 14,736                            | 100.00   | 14,736                                  | 412,105                             | -                      | Note 7 |
| Changsha Ton Yi Industrial Co., Ltd.        | Sale of cans                           | 222,250         | Note 1            | -  | -                          | -                       | -   | 5,561                             | 100.00   | 5,561                                   | 331,276                             | -                      | Note 7 |
| Fujian Ton Yi Tinplate Co., Ltd.            | Manufacturing and sale of tinplate     | 2,746,375       | Note 2            | 1,693,767  | -                          | -                       | 1,693,767   | ( 385,788)                        | 86.80  | ( 334,880)                              | 2,386,213                           | -                      | Note 8 |
| Jiangsu Ton Yi Tinplate Co., Ltd.           | Sales of tinplate                      | 1,270,000       | Note 3            | 881,063  | -                          | -                       | 881,063   | ( 32,879)                         | 82.86  | ( 27,243)                               | 2,025,694                           | -                      | Note 8 |
| Ton Yi (China) Investment Co., Ltd.         | General investment                     | 7,302,500       | Note 4            | 952,500  | -                          | -                       | 952,500   | 857,376                           | 100.00   | 857,376                                 | 12,370,616                          | 450,071                | Note 8 |
| Zhangzhou Ton Yi Industrial Co., Ltd.       | Manufacturing and sale of PET packages | 952,500         | Note 5            | 952,500  | -                          | -                       | 952,500   | 162,422                           | 100.00   | 162,422                                 | 1,841,745                           | -                      | Note 8 |
| Taizhou Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | 952,500  | -                          | -                       | 952,500   | 239,006                           | 100.00   | 239,006                                 | 1,627,949                           | -                      | Note 8 |
| Chengdu Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | 365,125  | -                          | -                       | 365,125   | 83,843                            | 100.00   | 83,843                                  | 1,218,418                           | -                      | Note 8 |
| Huizhou Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | 190,500  | -                          | -                       | 190,500   | 101,269                           | 100.00   | 101,269                                 | 1,238,230                           | -                      | Note 7 |
| Kunshan Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | -  | -                          | -                       | -   | 13,721                            | 100.00   | 13,721                                  | 1,070,399                           | -                      | Note 8 |
| Beijing Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | -  | -                          | -                       | -   | 68,087                            | 100.00   | 68,087                                  | 1,023,771                           | -                      | Note 7 |
| Sichuan Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 952,500         | Note 5            | -  | -                          | -                       | -   | 129,361                           | 100.00   | 129,361                                 | 1,400,494                           | -                      | Note 7 |
| Zhanjiang Ton Yi Industrial Co., Ltd.       | Manufacturing and sale of PET packages | 635,000         | Note 5            | -  | -                          | -                       | -   | 103,075                           | 100.00   | 103,075                                 | 815,354                             | -                      | Note 7 |
| Tianjin Ton Yi Industrial Co., Ltd.         | Manufacturing and sale of PET packages | 635,000         | Note 5            | -  | -                          | -                       | ( 48,255)   | 100.00                            | ( 48,255)  | 471,543                                 | -                                   | 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 September 30, 2022 |                                   |  |   | as of September 30, 2022 |                        |        |
| Wuxi Ton Yi Daiwa Industrial Co., Ltd. | Manufacturing and sale of cans | \$ 1,270,000    | Note 6            | \$ -   | \$ -                       | \$ -                    | \$ -   | (\$ 59,090)                       | 66.50  | (\$ 39,295)                             | \$ 635,969               | \$ -                   | Note 7 |

| Company name            | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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. | \$ 6,448,330  | \$ 12,905,969  | \$ 13,227,188  |

(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 September 30, 2022 (CNY:NTD 1:4.461839, USD:NTD 1:31.75);

Investment gains or losses were translated using the weighted-average exchange rate for the nine-month period ended September 30, 2022 (CNY:NTD 1:4.433871, USD:NTD 1:29.331297).

Ton Yi Industrial Corp. and Subsidiaries

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

For the nine-month period ended September 30, 2022

Table 8

Expressed in thousands of NTD

| Investee in<br>Mainland<br>China | Sales/(purchases) |    | Property transaction |   | Accounts receivable/<br>(payable)   |    | Provision of endorsements/guarantees or<br>collaterals |         | Financing   |                                     |               | Interest during the<br>nine-month period<br>ended September 30,<br>2022 | Others |
|----------------------------------|-------------------|----|----------------------|---|-------------------------------------|----|--|---------|---|-------------------------------------|---------------|---|--------|
|                                  | Amount            | %  | Amount               | % | Balance at<br>September 30,<br>2022 | %  | Balance at<br>September 30,<br>2022                    | Purpose | Maximum balance during<br>the nine-month period<br>ended September 30, 2022 | Balance at<br>September 30,<br>2022 | Interest rate |   |        |
| Fujian Ton Yi Tinplate Co., Ltd. | \$ 3,818,427      | 20 | \$ -                 | - | \$ 525,179                          | 42 | \$ -   | -       | \$ -  | \$ -                                | -             | \$ -  | -      |

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

September 30, 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.