

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

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

The financial statements and the information disclosed in Note 13 of certain non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$9,236,390 thousand and NT\$10,563,246 thousand, constituting 27.53% and 28.06% of the consolidated total assets, and total liabilities of NT\$2,918,484 thousand and NT\$2,556,987 thousand, constituting 21.19% and 15.53% of the consolidated total liabilities as at June 30, 2023 and 2022, respectively and total comprehensive income of NT\$211,786 thousand, NT\$95,296 thousand, NT\$250,255 thousand and NT\$122,870 thousand, constituting (87.87%), 19.39%, (588.78%) and 6.77% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2023 and 2022, respectively.

Qualified Conclusion

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

Yeh, Fang-Ting

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

August 8, 2023

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

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

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

Assets	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,593,004	11	\$ 3,168,365	9	\$ 2,899,716	8
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		-	-	-	-	44,369	-
1150	Notes receivable, net	6(3)(4) and 12	771,341	2	1,042,219	3	1,195,492	3
1170	Accounts receivable, net	6(3) and 12	1,609,656	5	1,771,155	5	2,427,629	6
1180	Accounts receivable - related	6(3) and 7						
	parties		2,160,075	6	1,902,411	5	1,706,143	4
1200	Other receivables		52,236	-	101,738	-	224,079	1
1220	Current income tax assets	6(26)	200	-	2,466	-	1,338	-
130X	Inventories	6(5)	3,867,068	12	4,702,077	14	5,899,344	16
1410	Prepayments		480,872	1	209,132	1	327,593	1
1476	Other financial assets - current		1,160	-	1,200	-	1,204	-
11XX	Total current assets		<u>12,535,612</u>	<u>37</u>	<u>12,900,763</u>	<u>37</u>	<u>14,726,907</u>	<u>39</u>
Non-current assets								
1517	Financial assets at fair value	6(6)						
	through other comprehensive							
	income - non-current		110,187	-	89,241	-	78,006	-
1600	Property, plant and equipment	6(7)	17,599,967	53	18,860,972	54	19,227,555	51
1755	Right-of-use assets	6(8) and 7	1,837,617	6	2,016,559	6	2,162,392	6
1760	Investment property, net	6(10)	85,220	-	90,729	-	92,920	-
1780	Intangible assets	6(11)	4,841	-	7,881	-	300,568	1
1840	Deferred income tax assets	6(26)	1,152,953	3	835,568	3	808,163	2
1915	Prepayments for business	6(7)						
	facilities		168,000	1	63,242	-	210,127	1
1920	Guarantee deposits paid	7	30,305	-	28,514	-	31,479	-
1975	Net defined benefit assets -	6(15)						
	non-current		5,709	-	-	-	-	-
1990	Other non-current assets, others		13,976	-	12,494	-	10,676	-
15XX	Total non-current assets		<u>21,008,775</u>	<u>63</u>	<u>22,005,200</u>	<u>63</u>	<u>22,921,886</u>	<u>61</u>
1XXX	Total assets		<u>\$ 33,544,387</u>	<u>100</u>	<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 37,648,793</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 1,824,892	5	\$ 2,429,889	7	\$ 2,978,975	8
2130	Contract liabilities - current	6(19) and 7	58,215	-	70,503	-	130,775	-
2150	Notes payable		-	-	-	-	85	-
2170	Accounts payable		1,649,284	5	1,292,874	4	1,559,418	4
2180	Accounts payable - related parties	7	169,644	-	299,838	1	225,097	1
2200	Other payables	6(18)	2,613,823	8	1,746,443	5	2,400,488	7
2220	Other payables - related parties	6(18) and 7	1,245,736	4	88,935	-	874,963	2
2230	Current income tax liabilities	6(26)	175,588	1	548,889	2	452,269	1
2280	Lease liabilities - current	7	236,314	1	228,187	1	225,334	1
2305	Other financial liabilities - current		27,742	-	30,958	-	31,082	-
2365	Refund liabilities - current		14,260	-	18,432	-	12,171	-
21XX	Total current liabilities		<u>8,015,498</u>	<u>24</u>	<u>6,754,948</u>	<u>20</u>	<u>8,890,657</u>	<u>24</u>
Non-current liabilities								
2540	Long-term borrowings	6(13)	3,350,000	10	3,800,000	11	4,950,000	13
2550	Provisions - non-current	6(14)	85,068	-	84,277	-	83,502	-
2570	Deferred income tax liabilities	6(26)	1,048,165	3	669,151	2	685,693	2
2580	Lease liabilities - non-current	7	1,215,939	4	1,370,132	4	1,505,023	4
2630	Long-term deferred revenue		21,465	-	22,258	-	26,618	-
2640	Net defined benefit liabilities - non-current	6(15)	-	-	15,462	-	289,349	1
2645	Guarantee deposits received		34,439	-	36,283	-	35,769	-
25XX	Total non-current liabilities		<u>5,755,076</u>	<u>17</u>	<u>5,997,563</u>	<u>17</u>	<u>7,575,954</u>	<u>20</u>
2XXX	Total liabilities		<u>13,770,574</u>	<u>41</u>	<u>12,752,511</u>	<u>37</u>	<u>16,466,611</u>	<u>44</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(16)	15,791,453	47	15,791,453	45	15,791,453	41
3200	Capital surplus	6(17)	232,045	1	232,045	1	231,673	1
Retained earnings								
3310	Legal reserve	6(18)	2,307,402	7	2,062,280	6	2,062,280	6
3320	Special reserve		1,412,342	4	1,829,875	5	1,829,875	5
3350	Unappropriated retained earnings		1,045,056	3	2,549,470	7	1,593,683	4
3400	Other equity interest		(2,042,174)	(6)	(1,412,342)	(4)	(1,488,971)	(4)
31XX	Equity attributable to owners of the parent		<u>18,746,124</u>	<u>56</u>	<u>21,052,781</u>	<u>60</u>	<u>20,019,993</u>	<u>53</u>
36XX	Non-controlling interests		<u>1,027,689</u>	<u>3</u>	<u>1,100,671</u>	<u>3</u>	<u>1,162,189</u>	<u>3</u>
3XXX	Total equity		<u>19,773,813</u>	<u>59</u>	<u>22,153,452</u>	<u>63</u>	<u>21,182,182</u>	<u>56</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total liabilities and equity	9	<u>\$ 33,544,387</u>	<u>100</u>	<u>\$ 34,905,963</u>	<u>100</u>	<u>\$ 37,648,793</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 SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 9,893,828	100	\$ 12,120,045	100	\$ 18,797,018	100	\$ 22,551,891	100
5000	Operating costs	6(5)(11)(15)(24)(25) and 7	(8,748,841)	(88)	(10,036,133)	(83)	(16,541,086)	(88)	(18,900,473)	(84)
5900	Gross profit from operations		<u>1,144,987</u>	<u>12</u>	<u>2,083,912</u>	<u>17</u>	<u>2,255,932</u>	<u>12</u>	<u>3,651,418</u>	<u>16</u>
	Operating expenses	6(10)(11)(15)(24)(25), 7 and 12								
6100	Selling expenses		(294,695)	(3)	(633,703)	(5)	(679,215)	(4)	(1,091,134)	(5)
6200	Administrative expenses		(316,888)	(4)	(416,077)	(3)	(641,886)	(3)	(806,973)	(3)
6450	Expected credit gains		<u>774</u>	-	<u>728</u>	-	<u>4,342</u>	-	<u>5,623</u>	-
6000	Total operating expenses		(610,809)	(7)	(1,049,052)	(8)	(1,316,759)	(7)	(1,892,484)	(8)
6900	Operating income		<u>534,178</u>	<u>5</u>	<u>1,034,860</u>	<u>9</u>	<u>939,173</u>	<u>5</u>	<u>1,758,934</u>	<u>8</u>
	Non-operating income and expenses									
7100	Interest income	6(20)	15,100	-	12,103	-	28,904	-	22,851	-
7010	Other income	6(6)(9)(10)(21)	18,912	-	33,956	-	37,114	-	58,169	-
7020	Other gains and losses	6(2)(8)(22) and 12	(7,384)	-	44,693	-	(9,533)	-	110,005	-
7050	Finance costs	6(4)(7)(8)(14)(23) and 7	(44,870)	-	(43,244)	-	(92,106)	-	(83,976)	-
7000	Total non-operating income and expenses		(18,242)	-	47,508	-	(35,621)	-	107,049	-
7900	Profit before income tax		<u>515,936</u>	<u>5</u>	<u>1,082,368</u>	<u>9</u>	<u>903,552</u>	<u>5</u>	<u>1,865,983</u>	<u>8</u>
7950	Income tax expense	6(26)	(177,826)	(2)	(239,569)	(2)	(281,194)	(2)	(416,491)	(2)
8200	Profit for the period		<u>\$ 338,110</u>	<u>3</u>	<u>\$ 842,799</u>	<u>7</u>	<u>\$ 622,358</u>	<u>3</u>	<u>\$ 1,449,492</u>	<u>6</u>
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	6(6)	\$ 14,148	-	(\$ 23,349)	-	\$ 20,946	-	(\$ 10,197)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Exchange differences on translation		(593,269)	(5)	(327,919)	(3)	(685,808)	(3)	375,185	2
8300	Other comprehensive (loss) income for the period		(\$ 579,121)	(5)	(\$ 351,268)	(3)	(\$ 664,862)	(3)	\$ 364,988	2
8500	Total comprehensive (loss) income for the period		<u>(\$ 241,011)</u>	<u>(2)</u>	<u>\$ 491,531</u>	<u>4</u>	<u>(\$ 42,504)</u>	<u>-</u>	<u>\$ 1,814,480</u>	<u>8</u>
	Profit (loss) attributable to:									
8610	Owners of the parent		\$ 360,149	3	\$ 874,176	7	\$ 660,310	3	\$ 1,495,439	6
8620	Non-controlling interests		(22,039)	-	(31,377)	-	(37,952)	-	(45,947)	-
			<u>\$ 338,110</u>	<u>3</u>	<u>\$ 842,799</u>	<u>7</u>	<u>\$ 622,358</u>	<u>3</u>	<u>\$ 1,449,492</u>	<u>6</u>
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		(\$ 189,051)	(2)	\$ 541,849	4	\$ 30,478	-	\$ 1,836,343	8
8720	Non-controlling interests		(51,960)	-	(50,318)	-	(72,982)	-	(21,863)	-
			<u>(\$ 241,011)</u>	<u>(2)</u>	<u>\$ 491,531</u>	<u>4</u>	<u>(\$ 42,504)</u>	<u>-</u>	<u>\$ 1,814,480</u>	<u>8</u>
	Earnings per share (in dollars)	6(27)								
9750	Basic		\$ 0.23		\$ 0.55		\$ 0.42		\$ 0.95	
9850	Diluted		\$ 0.23		\$ 0.55		\$ 0.42		\$ 0.94	

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

	Notes	Equity attributable to owners of the parent									
		Retained Earnings					Other Equity Interest				
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
<u>For the six-month period ended June 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		-	-	-	-	1,495,439	-	-	1,495,439	(45,947)	1,449,492
Other comprehensive income (loss) for the period	6(6)	-	-	-	-	-	351,101	(10,197)	340,904	24,084	364,988
Total comprehensive income (loss)		-	-	-	-	1,495,439	351,101	(10,197)	1,836,343	(21,863)	1,814,480
Distribution of 2021 net income:											
Legal reserve		-	-	183,453	-	(183,453)	-	-	-	-	-
Special reserve		-	-	-	18,069	(18,069)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(1,579,145)	-	-	(1,579,145)	-	(1,579,145)
Balance at June 30, 2022		\$ 15,791,453	\$ 231,673	\$ 2,062,280	\$ 1,829,875	\$ 1,593,683	(\$ 1,188,060)	(\$ 300,911)	\$ 20,019,993	\$ 1,162,189	\$ 21,182,182
<u>For the six-month period ended June 30, 2023</u>											
Balance at January 1, 2023		\$ 15,791,453	\$ 232,045	\$ 2,062,280	\$ 1,829,875	\$ 2,549,470	(\$ 1,122,666)	(\$ 289,676)	\$ 21,052,781	\$ 1,100,671	\$ 22,153,452
Profit (loss) for the period		-	-	-	-	660,310	-	-	660,310	(37,952)	622,358
Other comprehensive income (loss) for the period	6(6)	-	-	-	-	-	(650,778)	20,946	(629,832)	(35,030)	(664,862)
Total comprehensive income (loss)		-	-	-	-	660,310	(650,778)	20,946	30,478	(72,982)	(42,504)
Distribution of 2022 net income:											
Legal reserve		-	-	245,122	-	(245,122)	-	-	-	-	-
Reversal of special reserve		-	-	-	(417,533)	417,533	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(2,337,135)	-	-	(2,337,135)	-	(2,337,135)
Balance at June 30, 2023		\$ 15,791,453	\$ 232,045	\$ 2,307,402	\$ 1,412,342	\$ 1,045,056	(\$ 1,773,444)	(\$ 268,730)	\$ 18,746,124	\$ 1,027,689	\$ 19,773,813

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

	Notes	Six months ended June 30	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 903,552	\$ 1,865,983
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss	6(2)	-	(6)
Expected credit gains	12	(4,342)	(5,623)
(Reversal of allowance) provision for inventory market price decline	6(5)	(71,099)	102,442
Depreciation	6(7)(8)(10)	1,376,201	1,357,933
Loss on disposal of property, plant and equipment	6(22)	665	143
Gain from lease modifications	6(8)(22)	(8)	(152)
Amortization	6(11)(24)	2,833	4,852
Interest income	6(20)	(28,904)	(22,851)
Dividend income	6(6)(21)	(1,353)	(3,662)
Interest expense	6(23)	92,106	83,976
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	(44,363)
Notes receivable		271,073	(350,535)
Accounts receivable		166,340	726,735
Accounts receivable - related parties		(257,664)	(361,039)
Other receivables		50,855	(55,059)
Inventories		909,314	(346,373)
Prepayments		(271,333)	154,457
Net defined benefit assets - non-current		(5,709)	-
Changes in operating liabilities			
Contract liabilities - current		(12,288)	(56,582)
Notes payable		-	85
Accounts payable		356,410	270,206
Accounts payable - related parties		(130,194)	(48,329)
Other payables		(268,204)	(45,606)
Other payables - related parties		14,976	14,817
Refund liabilities - current		(4,172)	(2,914)
Long-term deferred revenue		(793)	489
Net defined benefit liabilities - non-current		(15,462)	(21,685)
Cash inflow generated from operations		3,072,800	3,217,339
Interest received		28,904	22,851
Income tax refund		-	13,269
Interest paid		(91,233)	(81,546)
Income tax paid		(600,266)	(264,737)
Net cash flows from operating activities		<u>2,410,205</u>	<u>2,907,176</u>

(Continued)

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

	Notes	Six months ended June 30	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other financial assets - current		\$ 40	\$ 33,940
Cash paid for acquisition of property, plant and equipment	6(28)	(326,658)	(255,058)
Proceeds from disposal of property, plant and equipment		96	6,020
Cash paid for acquisition of investment property	6(10)	(902)	(1,506)
Increase in prepayments for business facilities		(248,350)	(153,427)
Interest paid for prepayments for business facilities	6(7)(23)	(330)	(68)
(Increase) decrease in guarantee deposits paid		(1,791)	9,575
(Increase) decrease in other non-current assets, others		(1,482)	1,093
Net cash flows used in investing activities		(579,377)	(359,431)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(29)	(604,997)	180,519
Decrease in short-term notes and bills payable	6(29)	-	(400,000)
Decrease in other financial liabilities - current	6(29)	(3,216)	(3,380)
Payments of lease liabilities	6(29)	(109,845)	(104,255)
Increase in long-term borrowings	6(29)	400,000	300,000
Decrease in long-term borrowings	6(29)	(850,000)	(2,400,000)
(Decrease) increase in guarantee deposits received	6(29)	(1,844)	6,481
Net cash flows used in financing activities		(1,169,902)	(2,420,635)
Effect of foreign exchange rate changes on cash and cash equivalents		(236,287)	108,581
Net increase in cash and cash equivalents		424,639	235,691
Cash and cash equivalents at beginning of period	6(1)	3,168,365	2,664,025
Cash and cash equivalents at end of period	6(1)	\$ 3,593,004	\$ 2,899,716

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 SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
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 position and financial performance based on the Group’s assessment.

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

None.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
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
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

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, 2022. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

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

- b. Financial assets at fair value through other comprehensive income.
- c. Defined benefit assets and liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

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

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

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

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash:			
Cash on hand	\$ 319	\$ 451	\$ 451
Checking deposits and demand deposits	<u>2,875,350</u>	<u>1,870,353</u>	<u>1,558,061</u>
	<u>2,875,669</u>	<u>1,870,804</u>	<u>1,558,512</u>
Cash equivalents:			
Time deposits	<u>717,335</u>	<u>1,297,561</u>	<u>1,341,204</u>
	<u>\$ 3,593,004</u>	<u>\$ 3,168,365</u>	<u>\$ 2,899,716</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 June 30, 2023, December 31, 2022 and June 30, 2022.

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

Items	June 30, 2022
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Structured notes	\$ 44,363
Valuation adjustment	6
	\$ 44,369

There is no such situation as of June 30, 2023 and December 31, 2022.

- A. All structured notes contracted with financial institutions held by the Group were capital guarantee financial instruments.
- B. The Group recognized net loss on financial assets mandatorily measured at fair value through profit or loss amounting to \$2,766 for the three-month and six-month periods ended June 30, 2022 (listed under “Other gains and losses”), respectively.
- C. The Group did not pledge financial assets at fair value through profit or loss as collateral as at June 30, 2022.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), “Financial instruments”.

(3) Notes and accounts receivable, net

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable	\$ 773,592	\$ 1,044,665	\$ 1,198,111
Less: Allowance for doubtful accounts	(2,251)	(2,446)	(2,619)
	\$ 771,341	\$ 1,042,219	\$ 1,195,492
	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	\$ 1,622,438	\$ 1,803,372	\$ 2,465,108
Less: Allowance for doubtful accounts	(12,782)	(32,217)	(37,479)
	\$ 1,609,656	\$ 1,771,155	\$ 2,427,629

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

	June 30, 2023		December 31, 2022	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
1 to 30 days	\$ 236,102	\$ 3,079,867	\$ 268,304	\$ 3,212,743
31 to 60 days	178,004	554,421	179,464	372,412
61 to 90 days	173,839	89,784	79,231	86,305
91 to 180 days	185,218	56,375	517,221	16,026
Over 181 days	429	2,066	445	18,297
	<u>\$ 773,592</u>	<u>\$ 3,782,513</u>	<u>\$ 1,044,665</u>	<u>\$ 3,705,783</u>
			June 30, 2022	
			Notes Receivable	Accounts Receivable
1 to 30 days			\$ 240,077	\$ 3,634,247
31 to 60 days			419,004	412,356
61 to 90 days			155,628	71,633
91 to 180 days			383,402	33,514
Over 181 days			-	19,501
			<u>\$ 1,198,111</u>	<u>\$ 4,171,251</u>

The above aging analysis was based on credit date.

- B. As of June 30, 2023, December 31, 2022 and June 30, 2022, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables (including related parties) from contracts with customers amounted to \$5,384,523.
- C. The Group did not pledge notes receivable and accounts receivable as collateral.
- D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable and accounts receivable held by the Group was the book value.
- E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), "Financial instruments".
- (4) 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 June 30, 2023, December 31, 2022 and June 30, 2022, the Group derecognized the transferred notes receivable, and the related information is as follows:

June 30, 2023

Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 122,732	\$ 122,732	\$ 122,732	3.30%

December 31, 2022

Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 125,783	\$ 125,783	\$ 125,783	3.30%

June 30, 2022

Purchase of notes receivable	Notes receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
China Construction Bank	\$ 135,883	\$ 135,883	\$ 135,883	3.30%

B. The Group has recognized financial expense (listed under “Finance costs”) of \$130, \$58, \$321 and \$121, respectively, when transferring the derecognized notes receivable for the three-month and six-month periods ended June 30, 2023 and 2022, respectively. Part of the financial expense when transferring the derecognized notes receivable was not borne by the Group.

(5) Inventories

June 30, 2023

	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1,502,448	(\$ 41,392)	\$ 1,461,056
Supplies	588,327	(1,768)	586,559
Supplies in transit	5,681	-	5,681
Work in process	652,348	(20,848)	631,500
Finished goods	1,245,559	(63,287)	1,182,272
	<u>\$ 3,994,363</u>	<u>(\$ 127,295)</u>	<u>\$ 3,867,068</u>

	December 31, 2022		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 1,630,553	(\$ 30,859)	\$ 1,599,694
Raw materials in transit	21,717	(143)	21,574
Supplies	624,313	(7,721)	616,592
Work in process	882,218	(30,373)	851,845
Finished goods	<u>1,744,876</u>	<u>(132,504)</u>	<u>1,612,372</u>
	<u>\$ 4,903,677</u>	<u>(\$ 201,600)</u>	<u>\$ 4,702,077</u>
	June 30, 2022		
	Cost	Allowance for price decline of inventories	Carrying amount
Raw materials	\$ 2,346,982	(\$ 67,913)	\$ 2,279,069
Raw materials in transit	13,791	(1,815)	11,976
Supplies	698,181	(41,777)	656,404
Supplies in transit	22,505	(358)	22,147
Work in process	1,125,709	(12,954)	1,112,755
Finished goods	<u>1,905,796</u>	<u>(88,803)</u>	<u>1,816,993</u>
	<u>\$ 6,112,964</u>	<u>(\$ 213,620)</u>	<u>\$ 5,899,344</u>

The cost of inventories recognized as expense for the period:

	For the three-month periods ended June 30,	
	2023	2022
Cost of goods sold	\$ 8,789,143	\$ 10,049,493
Provision for inventory market price decline	28,687	109,081
Loss on disposal of inventory	575	1,060
Revenue from sale of scraps	(66,398)	(121,398)
Indemnities	<u>(3,166)</u>	<u>(2,103)</u>
	<u>\$ 8,748,841</u>	<u>\$ 10,036,133</u>
	For the six-month periods ended June 30,	
	2023	2022
Cost of goods sold	\$ 16,764,369	\$ 19,035,490
(Reversal of allowance) provision for inventory market price decline (Note)	(71,099)	102,442
Loss on disposal of inventory	577	1,586
Revenue from sale of scraps	(146,238)	(234,810)
Indemnities	<u>(6,523)</u>	<u>(4,235)</u>
	<u>\$ 16,541,086</u>	<u>\$ 18,900,473</u>

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

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

Items	June 30, 2023	December 31, 2022	June 30, 2022
Equity instruments			
Listed stocks	\$ 378,917	\$ 378,917	\$ 378,917
Valuation adjustment	(268,730)	(289,676)	(300,911)
	\$ 110,187	\$ 89,241	\$ 78,006

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 June 30, 2023, December 31, 2022 and June 30, 2022.

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

	For the three-month periods ended June 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income (loss)	\$ 14,148	(\$ 23,349)
Dividend income recognized in profit (listed under “Other income”)	\$ 1,353	\$ 3,662
	For the six-month periods ended June 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income (loss)	\$ 20,946	(\$ 10,197)
Dividend income recognized in profit (listed under “Other income”)	\$ 1,353	\$ 3,662

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”.

(7) Property, plant and equipment

	Land	Buildings	Machinery		Transportation equipment	Office equipment		Other equipment		Equipment under installation and construction	Total
			Owner-occupied	Lease		Owner-occupied	Lease	Owner-occupied	Lease	in progress	
<u>Balance at January 1, 2023</u>											
Cost	\$ 615,892	\$ 10,704,256	\$ 48,015,194	\$ 1,113,221	\$ 271,411	\$ 217,956	\$ 2,080	\$ 6,229,218	\$ 7,664	\$ 376,832	\$ 67,553,724
Accumulated depreciation	-	(5,956,588)	(36,129,482)	(972,392)	(244,247)	(197,073)	(1,871)	(5,125,535)	(3,241)	-	(48,630,429)
Accumulated impairment	-	-	(44,516)	(17,807)	-	-	-	-	-	-	(62,323)
	<u>\$ 615,892</u>	<u>\$ 4,747,668</u>	<u>\$ 11,841,196</u>	<u>\$ 123,022</u>	<u>\$ 27,164</u>	<u>\$ 20,883</u>	<u>\$ 209</u>	<u>\$ 1,103,683</u>	<u>\$ 4,423</u>	<u>\$ 376,832</u>	<u>\$ 18,860,972</u>
<u>For the six-month period ended June 30, 2023</u>											
Balance at January 1, 2023	\$ 615,892	\$ 4,747,668	\$ 11,841,196	\$ 123,022	\$ 27,164	\$ 20,883	\$ 209	\$ 1,103,683	\$ 4,423	\$ 376,832	\$ 18,860,972
Additions - Cost	-	982	13,270	-	1,096	1,552	-	20,629	3,847	225,474	266,850
Transferred - Cost (Note)	-	-	228,778	(181,869)	3,447	377	-	13,593	(8,461)	87,650	143,515
Transferred - Accumulated depreciation	-	-	(153,322)	154,537	(2,351)	(14)	(452)	1,602	-	-	-
Depreciation	-	(131,649)	(950,905)	(11,614)	(3,485)	(3,724)	(18)	(140,594)	(1,287)	-	(1,243,276)
Disposal - Cost	-	(2,881)	(1,310)	-	(14)	(658)	-	(43,119)	-	-	(47,982)
Disposal - Accumulated depreciation	-	2,744	906	-	14	643	-	42,914	-	-	47,221
Net currency exchange differences	-	(120,503)	(269,430)	(4,082)	(500)	(629)	(7)	(19,026)	(124)	(13,032)	(427,333)
Balance at June 30, 2023	<u>\$ 615,892</u>	<u>\$ 4,496,361</u>	<u>\$ 10,709,183</u>	<u>\$ 79,994</u>	<u>\$ 25,371</u>	<u>\$ 18,430</u>	<u>\$ 184</u>	<u>\$ 977,628</u>	<u>\$ -</u>	<u>\$ 676,924</u>	<u>\$ 17,599,967</u>
<u>Balance at June 30, 2023</u>											
Cost	\$ 615,892	\$ 10,503,211	\$ 47,537,245	\$ 891,681	\$ 274,465	\$ 211,639	\$ 2,006	\$ 6,109,002	\$ 2,777	\$ 676,924	\$ 66,824,842
Accumulated depreciation	-	(6,006,850)	(36,785,132)	(794,515)	(249,094)	(193,209)	(1,822)	(5,131,374)	(2,777)	-	(49,164,773)
Accumulated impairment	-	-	(42,930)	(17,172)	-	-	-	-	-	-	(60,102)
	<u>\$ 615,892</u>	<u>\$ 4,496,361</u>	<u>\$ 10,709,183</u>	<u>\$ 79,994</u>	<u>\$ 25,371</u>	<u>\$ 18,430</u>	<u>\$ 184</u>	<u>\$ 977,628</u>	<u>\$ -</u>	<u>\$ 676,924</u>	<u>\$ 17,599,967</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	
Balance at January 1, 2022											
Cost	\$ 615,892	\$ 10,514,012	\$ 46,570,851	\$ 1,100,770	\$ 261,234	\$ 210,293	\$ 2,035	\$ 5,991,064	\$ 2,817	\$ 547,843	\$ 65,816,811
Accumulated depreciation	-	(5,649,885)	(34,022,040)	(932,575)	(239,113)	(187,062)	(1,761)	(4,804,355)	(2,810)	-	(45,839,601)
Accumulated impairment	-	-	(43,549)	(30,484)	-	-	-	-	-	-	(74,033)
	<u>\$ 615,892</u>	<u>\$ 4,864,127</u>	<u>\$ 12,505,262</u>	<u>\$ 137,711</u>	<u>\$ 22,121</u>	<u>\$ 23,231</u>	<u>\$ 274</u>	<u>\$ 1,186,709</u>	<u>\$ 7</u>	<u>\$ 547,843</u>	<u>\$ 19,903,177</u>
For the six-month period ended June 30, 2022											
Balance at January 1, 2022	\$ 615,892	\$ 4,864,127	\$ 12,505,262	\$ 137,711	\$ 22,121	\$ 23,231	\$ 274	\$ 1,186,709	\$ 7	\$ 547,843	\$ 19,903,177
Additions - Cost	-	1,346	12,764	-	6,524	1,713	-	30,349	-	211,705	264,401
Transferred - Cost (Note)	-	14,429	503,126	-	1,186	295	-	23,698	152	(491,262)	51,624
Transferred - Accumulated depreciation	-	-	-	-	-	-	-	10	(10)	-	-
Depreciation	-	(130,234)	(933,670)	(12,824)	(2,749)	(3,558)	(36)	(139,987)	(4)	-	(1,223,062)
Disposal - Cost	-	(2,881)	(5,101)	-	(1,202)	(500)	-	(9,815)	-	-	(19,499)
Disposal - Accumulated depreciation	-	2,669	808	-	998	499	-	8,362	-	-	13,336
Net currency exchange differences	-	65,244	147,729	2,569	328	433	6	11,215	-	10,054	237,578
Balance at June 30, 2022	<u>\$ 615,892</u>	<u>\$ 4,814,700</u>	<u>\$ 12,230,918</u>	<u>\$ 127,456</u>	<u>\$ 27,206</u>	<u>\$ 22,113</u>	<u>\$ 244</u>	<u>\$ 1,110,541</u>	<u>\$ 145</u>	<u>\$ 278,340</u>	<u>\$ 19,227,555</u>
Balance at June 30, 2022											
Cost	\$ 615,892	\$ 10,629,703	\$ 47,441,433	\$ 1,121,348	\$ 268,878	\$ 215,649	\$ 2,073	\$ 6,089,883	\$ 3,021	\$ 278,340	\$ 66,666,220
Accumulated depreciation	-	(5,815,003)	(35,166,153)	(962,838)	(241,672)	(193,536)	(1,829)	(4,979,342)	(2,876)	-	(47,363,249)
Accumulated impairment	-	-	(44,362)	(31,054)	-	-	-	-	-	-	(75,416)
	<u>\$ 615,892</u>	<u>\$ 4,814,700</u>	<u>\$ 12,230,918</u>	<u>\$ 127,456</u>	<u>\$ 27,206</u>	<u>\$ 22,113</u>	<u>\$ 244</u>	<u>\$ 1,110,541</u>	<u>\$ 145</u>	<u>\$ 278,340</u>	<u>\$ 19,227,555</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 June 30,	
	2023	2022
Amount capitalized	\$ 201	\$ 38
Range of interest rates	1.83%	0.95%
	For the six-month periods ended June 30,	
	2023	2022
Amount capitalized	\$ 330	\$ 68
Range of interest rates	1.75%~1.83%	0.95%~1.30%

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

(8) 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:

	June 30, 2023	December 31, 2022	June 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 789,441	\$ 818,161	\$ 823,705
Buildings	1,048,176	1,198,398	1,338,687
	<u>\$ 1,837,617</u>	<u>\$ 2,016,559</u>	<u>\$ 2,162,392</u>

	For the three-month periods ended June 30,	
	2023	2022
	Depreciation	Depreciation
Land	\$ 7,522	\$ 7,454
Buildings	56,944	58,405
Other equipment	–	117
	<u>\$ 64,466</u>	<u>\$ 65,976</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 15,068	\$ 14,876
Buildings	114,579	116,294
Other equipment	–	468
	<u>\$ 129,647</u>	<u>\$ 131,638</u>

D. For the six-month periods ended June 30, 2023 and 2022, the additions and remeasurement to right-of-use assets were \$6,409 and \$1,410, respectively.

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 13,913	\$ 16,837
Expense on leases of low-value assets	48	42
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 28,635	\$ 34,113
Expense on leases of low-value assets	101	84
Gain from lease modification	8	152

F. For the six-month periods ended June 30, 2023 and 2022, the Group's total cash outflow for leases were \$138,581 and \$138,452, respectively.

(9) 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 six-month periods ended June 30, 2023 and 2022, the Group recognized rent income (listed under "Other income") in the amounts of \$9,618, \$10,308, \$19,889 and \$20,705, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Within 1 year	\$ 32,284	\$ 37,264	\$ 44,949
1 to 2 years	31,296	30,570	30,405
2 to 3 years	30,701	30,417	30,373
3 to 4 years	20,272	27,285	30,312
4 to 5 years	17,252	17,889	20,949
Over 5 years	11,501	20,871	29,713
	<u>\$ 143,306</u>	<u>\$ 164,296</u>	<u>\$ 186,701</u>

(10) Investment property, net

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2023</u>			
Cost	\$ 1,532	\$ 146,921	\$ 148,453
Accumulated depreciation	-	(56,624)	(56,624)
Accumulated impairment	(1,100)	-	(1,100)
	<u>\$ 432</u>	<u>\$ 90,297</u>	<u>\$ 90,729</u>
<u>For the six-month period ended June 30, 2023</u>			
Carrying amount at January 1	\$ 432	\$ 90,297	\$ 90,729
Additions – cost	-	902	902
Depreciation	-	(3,278)	(3,278)
Net currency exchange differences	-	(3,133)	(3,133)
Carrying amount at June 30	<u>\$ 432</u>	<u>\$ 84,788</u>	<u>\$ 85,220</u>
<u>Balance at June 30, 2023</u>			
Cost	\$ 1,532	\$ 142,587	\$ 144,119
Accumulated depreciation	-	(57,799)	(57,799)
Accumulated impairment	(1,100)	-	(1,100)
	<u>\$ 432</u>	<u>\$ 84,788</u>	<u>\$ 85,220</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 3,785	\$ 140,875	\$ 144,660
Accumulated depreciation	-	(49,010)	(49,010)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 91,865</u>	<u>\$ 92,931</u>
<u>For the six-month period ended June 30, 2022</u>			
Carrying amount at January 1	\$ 1,066	\$ 91,865	\$ 92,931
Additions – cost	-	1,506	1,506
Depreciation	-	(3,233)	(3,233)
Net currency exchange differences	-	1,716	1,716
Carrying amount at June 30	<u>\$ 1,066</u>	<u>\$ 91,854</u>	<u>\$ 92,920</u>
<u>Balance at June 30, 2022</u>			
Cost	\$ 3,785	\$ 145,014	\$ 148,799
Accumulated depreciation	-	(53,160)	(53,160)
Accumulated impairment	(2,719)	-	(2,719)
	<u>\$ 1,066</u>	<u>\$ 91,854</u>	<u>\$ 92,920</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 June 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of the investment property	<u>\$ 4,395</u>	<u>\$ 4,475</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 2,471</u>	<u>\$ 2,484</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of the investment property	<u>\$ 8,856</u>	<u>\$ 8,910</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 4,975</u>	<u>\$ 4,941</u>

B. The fair values of the investment property held by the Group as at June 30, 2023, December 31, 2022 and June 30, 2022 were \$93,468, \$104,187, and \$111,912, 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 June 30, 2023, December 31, 2022 and June 30, 2022, no investment property held by the Group was pledged to others as collateral.

(11) Intangible assets

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2023</u>			
Cost	\$ 320,513	\$ 75,269	\$ 395,782
Accumulated amortization	-	(67,388)	(67,388)
Accumulated impairment	(320,513)	-	(320,513)
	<u>\$ -</u>	<u>\$ 7,881</u>	<u>\$ 7,881</u>
For the six-month period ended			
<u>June 30, 2023</u>			
Carrying amount at January 1	\$ -	\$ 7,881	\$ 7,881
Amortization	-	(2,833)	(2,833)
Disposal - Cost	-	(31,695)	(31,695)
Disposal - Accumulated amortization	-	31,695	31,695
Net currency exchange differences	-	(207)	(207)
Carrying amount at June 30	<u>\$ -</u>	<u>\$ 4,841</u>	<u>\$ 4,841</u>
<u>Balance at June 30, 2023</u>			
Cost	\$ 325,000	\$ 40,892	\$ 365,892
Accumulated amortization	-	(36,051)	(36,051)
Accumulated impairment	(325,000)	-	(325,000)
	<u>\$ -</u>	<u>\$ 4,841</u>	<u>\$ 4,841</u>

	<u>Goodwill</u>	<u>Computer Software</u>	<u>Total</u>
<u>Balance at January 1, 2022</u>			
Cost	\$ 288,889	\$ 96,540	\$ 385,429
Accumulated amortization	-	(79,330)	(79,330)
Accumulated impairment	(20,760)	-	(20,760)
	<u>\$ 268,129</u>	<u>\$ 17,210</u>	<u>\$ 285,339</u>
<u>For the six-month period ended June 30, 2022</u>			
Carrying amount at January 1	\$ 268,129	\$ 17,210	\$ 285,339
Amortization	-	(4,852)	(4,852)
Net currency exchange differences	19,761	320	20,081
Carrying amount at June 30	<u>\$ 287,890</u>	<u>\$ 12,678</u>	<u>\$ 300,568</u>
<u>Balance at June 30, 2022</u>			
Cost	\$ 310,180	\$ 98,345	\$ 408,525
Accumulated amortization	-	(85,667)	(85,667)
Accumulated impairment	(22,290)	-	(22,290)
	<u>\$ 287,890</u>	<u>\$ 12,678</u>	<u>\$ 300,568</u>

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

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 231	\$ 437
Selling expenses	109	285
Administrative expenses	657	1,673
	<u>\$ 997</u>	<u>\$ 2,395</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 465	\$ 871
Selling expenses	219	568
Administrative expenses	2,149	3,413
	<u>\$ 2,833</u>	<u>\$ 4,852</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Tinplate factory located in Mainland China	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,890</u>

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

(12) Short-term borrowings

<u>Nature</u>	<u>June 30, 2023</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 1,824,892</u>	1.06%~6.32%	None
<u>Nature</u>	<u>December 31, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 2,429,889</u>	1.36%~6.03%	None
<u>Nature</u>	<u>June 30, 2022</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 2,978,975</u>	0.62%~2.94%	None

- A. For more information about interest expenses recognized by the Group for the three-month and six-month periods ended June 30, 2023 and 2022, 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”.

(13) Long-term borrowings

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>June 30, 2023</u>
Unsecured bank borrowings	2025. 2. 15~ 2026. 6. 12	1. 61%~1. 93%	None	<u>\$ 3, 350, 000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Unsecured bank borrowings	2024. 1. 28~ 2025. 12. 5	1. 38%~1. 69%	None	<u>\$ 3, 800, 000</u>

<u>Nature</u>	<u>Range of maturity dates</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>June 30, 2022</u>
Unsecured bank borrowings	2023. 8. 18~ 2025. 2. 15	1. 04%~1. 43%	None	<u>\$ 4, 950, 000</u>

- A. For more information about interest expenses recognized by the Group for the three-month and six-month periods ended June 30, 2023 and 2022, 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) Provision - non-current

<u>Decommissioning liabilities</u>	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Balance, beginning of period	\$ 84, 277	\$ 82, 727
Unwinding of discount	791	775
Balance, end of period	<u>\$ 85, 068</u>	<u>\$ 83, 502</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 10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The rate was reduced to 6% since May 2023 and approved by the Bureau of Labor Affairs, Tainan City Government on May 19, 2023. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

- a. The pension cost under the defined benefit pension plan of the Company (listed under "Operating cost" and "Operating expense") for the three-month and six-month periods ended June 30, 2023 and 2022 were \$2,671, \$4,050, \$5,342 and \$8,101, respectively.
 - b. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$55,789.
- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act") , covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group's subsidiaries have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group (listed under "Operating cost" and "Operating expense") for the three-month and six-month periods ended June 30, 2023 and 2022 were \$53,587, \$50,906, \$107,654 and \$100,549, 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 six-month periods ended June 30,	
	2023	2022
Beginning and ending balance	<u>1, 579, 145</u>	<u>1, 579, 145</u>

- B. As of June 30, 2023, the Company's authorized capital was \$17,847,009, and the paid-in capital was \$15,791,453, consisting of 1,579,145 thousand shares of ordinary stock with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(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.

Movement of the Company's capital reserve for the six-month periods ended June 30, 2023 and 2022 are as follows:

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

	<u>For the six-month period ended June 30, 2022</u>				
	<u>Share premium</u>	<u>Treasury transactions</u>	<u>Donations</u>	<u>Others</u>	<u>Total</u>
Beginning and ending balance	<u>\$58,271</u>	<u>\$169,088</u>	<u>\$ 819</u>	<u>\$ 3,495</u>	<u>\$231,673</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 included in the distributable earnings. As of June 30, 2023, December 31, 2022 and June 30, 2022, special reserve of \$1,412,342, \$1,829,875 and \$1,829,875, respectively, was set aside in accordance with the Company Act on special reserve, and no dividends shall be distributed.

- b. The amounts previously set aside by the Company as special reserve of \$826,453 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets, those other than land, are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The Company recognized dividends distributed to owners amounting to \$1,579,145, constituting \$1 (in dollars) per share as cash dividend from the distribution of 2021 earnings. On June 15, 2023, the stockholders during their meeting resolved for the distribution of cash dividends from 2022 earnings in the amount of \$2,337,135 at \$1.48 (in dollars) per share. As of June 30, 2023, the balance of cash dividends that has not yet been paid was \$2,337,135 (listed under “Other payables” and “Other payables - related parties”).

(19) Operating revenue

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 9,893,828</u>	<u>\$ 12,120,045</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 18,797,018</u>	<u>\$ 22,551,891</u>

A. Disaggregation of revenue from contracts with customers

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

<u>Segment</u>	<u>For the three-month period ended June 30, 2023</u>	
	<u>Revenue from products of Tinline</u>	<u>Revenue from products of Plastic pack (including filling)</u>
Taiwan	\$ 2,758,531	\$ 8,558
Mainland China - tinline products	871,381	-
Mainland China - plastic products	-	5,484,007
Others	771,351	-
	<u>\$ 4,401,263</u>	<u>\$ 5,492,565</u>

For the three-month period ended June 30, 2022		
<u>Segment</u>	Revenue from products of Tinfoil	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 5,778,480	\$ 12,877
Mainland China - tinfoil products	1,380,404	-
Mainland China - plastic products	-	4,138,856
Others	809,428	-
	<u>\$ 7,968,312</u>	<u>\$ 4,151,733</u>
For the six-month period ended June 30, 2023		
<u>Segment</u>	Revenue from products of Tinfoil	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 6,160,705	\$ 16,112
Mainland China - tinfoil products	1,658,124	-
Mainland China - plastic products	-	9,503,866
Others	1,458,211	-
	<u>\$ 9,277,040</u>	<u>\$ 9,519,978</u>
For the six-month period ended June 30, 2022		
<u>Segment</u>	Revenue from products of Tinfoil	Revenue from products of Plastic pack (including filling)
Taiwan	\$ 10,355,079	\$ 22,593
Mainland China - tinfoil products	2,672,724	-
Mainland China - plastic products	-	7,767,150
Others	1,734,345	-
	<u>\$ 14,762,148</u>	<u>\$ 7,789,743</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>January 1, 2022</u>
Contract liabilities -current	<u>\$ 58,215</u>	<u>\$ 70,503</u>	<u>\$ 130,775</u>	<u>\$ 187,357</u>

Revenue recognized that was included in the contract liability balance at the beginning of the six-month periods ended June 30, 2023 and 2022 were \$68,311 and \$186,674, respectively.

(20) Interest income

	For the three-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 15,100	\$ 12,103

	For the six-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 28,904	\$ 22,851

(21) Other income

	For the three-month periods ended June 30,	
	2023	2022
Rental income	\$ 9,618	\$ 10,308
Dividend income	1,353	3,662
Government grants	1,424	12,393
Other income	6,517	7,593
	<u>\$ 18,912</u>	<u>\$ 33,956</u>

	For the six-month periods ended June 30,	
	2023	2022
Rental income	\$ 19,889	\$ 20,705
Dividend income	1,353	3,662
Government grants	3,237	16,376
Other income	12,635	17,426
	<u>\$ 37,114</u>	<u>\$ 58,169</u>

(22) Other gains and losses

	For the three-month periods ended June 30,	
	2023	2022
Net loss on financial assets at fair value through profit or loss	\$ -	(\$ 2,766)
Net loss on disposal of property, plant and equipment	(681)	(255)
Net currency exchange gain	371	56,297
Other losses	(7,074)	(8,583)
	<u>(\$ 7,384)</u>	<u>\$ 44,693</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Net loss on financial assets at fair value through profit or loss	\$ -	(\$ 2,766)
Net loss on disposal of property, plant and equipment	(665)	(143)
Gain from lease modifications	8	152
Net currency exchange gain	3,086	128,465
Other losses	(11,962)	(15,703)
	<u>(\$ 9,533)</u>	<u>\$ 110,005</u>

(23) Finance costs

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 30,632	\$ 25,999
Interest expense on lease liabilities	13,913	16,837
Financial expense of transferred notes receivable	130	58
Provisions – unwinding of discount	396	388
	<u>45,071</u>	<u>43,282</u>
Less: Capitalization of qualifying assets	(201)	(38)
	<u>\$ 44,870</u>	<u>\$ 43,244</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 62,689	\$ 49,035
Interest expense on lease liabilities	28,635	34,113
Financial expense of transferred notes receivable	321	121
Provisions – unwinding of discount	791	775
	<u>92,436</u>	<u>84,044</u>
Less: Capitalization of qualifying assets	(330)	(68)
	<u>\$ 92,106</u>	<u>\$ 83,976</u>

(24) Expenses by nature

	For the three-month period ended June 30, 2023			For the three-month period ended June 30, 2022		
	<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>\$ 543,590</u>	<u>\$ 222,615</u>	<u>\$ 766,205</u>	<u>\$ 524,050</u>	<u>\$ 293,238</u>	<u>\$ 817,288</u>
Depreciation	<u>\$ 606,168</u>	<u>\$ 78,491</u>	<u>\$ 684,659</u>	<u>\$ 602,896</u>	<u>\$ 78,760</u>	<u>\$ 681,656</u>
Amortization	<u>\$ 231</u>	<u>\$ 766</u>	<u>\$ 997</u>	<u>\$ 437</u>	<u>\$ 1,958</u>	<u>\$ 2,395</u>

	For the six-month period ended June 30, 2023			For the six-month period ended June 30, 2022		
	<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>\$ 1,029,423</u>	<u>\$ 456,165</u>	<u>\$ 1,485,588</u>	<u>\$ 999,387</u>	<u>\$ 565,625</u>	<u>\$ 1,565,012</u>
Depreciation	<u>\$ 1,215,711</u>	<u>\$ 157,212</u>	<u>\$ 1,372,923</u>	<u>\$ 1,195,058</u>	<u>\$ 159,642</u>	<u>\$ 1,354,700</u>
Amortization	<u>\$ 465</u>	<u>\$ 2,368</u>	<u>\$ 2,833</u>	<u>\$ 871</u>	<u>\$ 3,981</u>	<u>\$ 4,852</u>

(25) Employee benefits expense

	<u>For the three-month period ended June 30, 2023</u>			<u>For the three-month period ended June 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 421,194	\$ 175,634	\$ 596,828	\$ 406,581	\$ 236,307	\$ 642,888
Labor and health insurance expenses	36,559	11,345	47,904	35,545	11,265	46,810
Pension costs	42,906	13,352	56,258	41,421	13,535	54,956
Other personnel expenses	42,931	22,284	65,215	40,503	32,131	72,634
	<u>\$ 543,590</u>	<u>\$ 222,615</u>	<u>\$ 766,205</u>	<u>\$ 524,050</u>	<u>\$ 293,238</u>	<u>\$ 817,288</u>

	<u>For the six-month period ended June 30, 2023</u>			<u>For the six-month period ended June 30, 2022</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Wages and salaries	\$ 781,967	\$ 343,575	\$ 1,125,542	\$ 769,099	\$ 449,796	\$ 1,218,895
Labor and health insurance expenses	73,445	28,860	102,305	69,475	27,757	97,232
Pension costs	86,007	26,989	112,996	81,032	27,618	108,650
Other personnel expenses	88,004	56,741	144,745	79,781	60,454	140,235
	<u>\$ 1,029,423</u>	<u>\$ 456,165</u>	<u>\$ 1,485,588</u>	<u>\$ 999,387</u>	<u>\$ 565,625</u>	<u>\$ 1,565,012</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 six-month periods ended June 30, 2023 and 2022, employees' compensation was accrued at \$20,945, \$49,942, \$38,132 and \$85,352, respectively, while directors' remuneration was accrued at \$6,483, \$15,735, \$11,886, and \$26,918, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the profit of current period distributable and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$139,558 and \$52,473, respectively, for the year ended December 31, 2022, and the employees' compensation will be distributed in the form of cash. The difference due to estimates of \$12,037 had been adjusted in profit or loss for the six-month period ended June 30, 2023.

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

(26) Income tax

A. Income tax expense

Components of income tax expense

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax incurred in current period	\$ 111,194	\$ 297,084
Tax on unappropriated earnings	9,000	-
Under provision of prior year's income tax	<u>2,707</u>	<u>3,138</u>
	<u>122,901</u>	<u>300,222</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>54,925</u>	<u>(60,653)</u>
Income tax expense	<u>\$ 177,826</u>	<u>\$ 239,569</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax incurred in current period	\$ 207,933	\$ 490,262
Tax on unappropriated earnings	9,000	-
Under provision of prior year's income tax	<u>2,632</u>	<u>3,138</u>
	<u>219,565</u>	<u>493,400</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>61,629</u>	<u>(76,909)</u>
Income tax expense	<u>\$ 281,194</u>	<u>\$ 416,491</u>

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

(27) Earnings per share

	<u>For the three-month period ended June 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 360,149</u>	<u>1,579,145</u>	<u>\$ 0.23</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 360,149	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>2,087</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 360,149</u>	<u>1,581,232</u>	<u>\$ 0.23</u>

<u>For the three-month period ended June 30, 2022</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 874,176	1,579,145	\$ 0.55
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 874,176	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	5,846	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 874,176	1,584,991	\$ 0.55
<u>For the six-month period ended June 30, 2023</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 660,310	1,579,145	\$ 0.42
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 660,310	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	4,774	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 660,310	1,583,919	\$ 0.42

	For the six-month period ended June 30, 2022		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,495,439	1,579,145	\$ 0.95
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,495,439	1,579,145	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,267	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,495,439	1,587,412	\$ 0.94

(28) Supplemental cash flow information

A. Investing activities with partial cash collection and payments:

a. Cash received from cash dividends:

	For the six-month periods ended June 30,	
	2023	2022
Cash dividend income	\$ 1,353	\$ 3,662
Less: Ending balance of other receivables	(1,353)	(3,662)
Cash received from cash dividends	\$ -	\$ -

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

	For the six-month periods ended June 30,	
	2023	2022
Acquisition of property, plant and equipment	\$ 266,850	\$ 264,401
Add: Beginning balance of other payables	236,106	170,752
Less: Ending balance of other payables	(176,298)	(180,095)
Cash paid for acquisition of property, plant and equipment	\$ 326,658	\$ 255,058

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

	For the six-month periods ended June 30,	
	2023	2022
a. Prepayment for business facilities reclassified to prepayments	\$ 407	\$ 1,241
b. Prepayment for business facilities reclassified to property, plant and equipment	\$ 143,515	\$ 51,624
c. Write-off of allowance for doubtful accounts	\$ 14,594	\$ -
d. Cash dividends	\$ 2,337,135	\$ 1,579,145
Less: Ending balance of other payables	(1,195,310)	(807,642)
Ending balance of other payables — related parties	(1,141,825)	(771,503)
Cash paid for cash dividends	\$ -	\$ -

(29) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities	
For the six-month period ended June 30, 2023						
Balance at January 1, 2023	\$ 2,429,889	\$ 1,598,319	\$ 3,800,000	\$ 67,241	\$ 7,895,449	
Changes in cash flow from financing activities	(604,997)	(109,845)	(450,000)	(5,060)	(1,169,902)	
Changes in other non-cash items	-	6,401	-	2,337,135	2,343,536	
Impact of changes in foreign exchange rate	-	(42,622)	-	-	(42,622)	
Balance at June 30, 2023	<u>\$ 1,824,892</u>	<u>\$ 1,452,253</u>	<u>\$ 3,350,000</u>	<u>\$ 2,399,316</u>	<u>\$ 9,026,461</u>	
For the six-month period ended June 30, 2022	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Others	Total liabilities from financing activities
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	180,519	(400,000)	(104,255)	(2,100,000)	3,101	(2,420,635)
Changes in other non-cash items	-	100	1,258	-	1,579,145	1,580,503
Impact of changes in foreign exchange rate	-	-	28,188	-	-	28,188
Balance at June 30, 2022	<u>\$2,978,975</u>	<u>\$ -</u>	<u>\$1,730,357</u>	<u>\$4,950,000</u>	<u>\$ 1,645,996</u>	<u>\$11,305,328</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Names of related parties and relationship

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

(3) Significant transactions and balances with related parties

A. Sales

	For the three-month periods ended June 30,	
	2023	2022
Sales of goods		
Uni-President Enterprises Corp. Parent company to entities with joint control or significant influence	\$ 9,014	\$ 13,735
Guangzhou President Enterprises Co., Ltd.	1,064,065	876,659
Chengdu President Enterprises Food Co., Ltd.	1,105,810	742,392
Others	3,350,267	2,530,290
	<u>\$ 5,529,156</u>	<u>\$ 4,163,076</u>
	For the six-month periods ended June 30,	
	2023	2022
Sales of goods		
Uni-President Enterprises Corp. Parent company to entities with joint control or significant influence	\$ 17,164	\$ 23,837
Guangzhou President Enterprises Co., Ltd.	1,886,444	1,712,883
Chengdu President Enterprises Food Co., Ltd.	1,885,378	1,373,181
Others	5,814,703	4,697,825
	<u>\$ 9,603,689</u>	<u>\$ 7,807,726</u>

Sales price from related party is similar to that of a third party. The Group's collection terms and methods for related parties 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 those of third parties.

B. Purchases

	For the three-month periods ended June 30,	
	2023	2022
Purchases of goods:		
Parent company to entities with joint control or significant influence	\$ 628,060	\$ 477,721
Others	25	202
	<u>\$ 628,085</u>	<u>\$ 477,923</u>
	For the six-month periods ended June 30,	
	2023	2022
Purchases of goods:		
Parent company to entities with joint control or significant influence	\$ 1,117,125	\$ 904,456
Others	287	545
	<u>\$ 1,117,412</u>	<u>\$ 905,001</u>

Purchase price from related party is similar to that of a third party. Payments are made within 25~28 days of monthly statement, 5~45 days after invoice date, wire transfer within 7~45 days after receipt of the invoice and 15~45 days after delivery.

C. Receivables from related parties

	June 30, 2023	December 31, 2022	June 30, 2022
Receivables from related parties:			
Uni-President Enterprises Corp.	\$ 4,193	\$ 3,021	\$ 5,539
Parent company to entities with joint control or significant influence			
Guangzhou President Enterprises Co., Ltd.	394,419	448,313	317,438
Chengdu President Enterprises Food Co., Ltd.	386,753	333,796	273,325
Others	1,374,710	1,117,281	1,109,841
	<u>\$ 2,160,075</u>	<u>\$ 1,902,411</u>	<u>\$ 1,706,143</u>

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

D. Guarantee deposit paid

	June 30, 2023	December 31, 2022	June 30, 2022
Parent company to entities with joint control or significant influence	<u>\$ 23,965</u>	<u>\$ 21,922</u>	<u>\$ 24,854</u>

E. Contract liabilities - current

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company to entities with joint control or significant influence			
Guangzhou President Enterprises Co., Ltd.	\$ 9,559	\$ -	\$ 9,982
Others	<u>326</u>	<u>-</u>	<u>12,064</u>
	<u>\$ 9,885</u>	<u>\$ -</u>	<u>\$ 22,046</u>

F. Payables to related parties

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Payables to related parties:			
Uni-President Enterprises Corp.	\$ 1,072,712	\$ 26,587	\$ 737,743
Parent company to entities with joint control or significant influence	342,668	362,091	362,317
Others	<u>-</u>	<u>95</u>	<u>-</u>
	<u>\$ 1,415,380</u>	<u>\$ 388,773</u>	<u>\$ 1,100,060</u>

Payables to related parties arise from purchase of goods, dividends and other expenses. These payables do not incur interest.

G. Lease transactions – lessee

(a) The Group leases plants and other equipment from related parties. Rental contracts are typically made for periods of 3 to 15 years. Rents are prepaid for three months or paid monthly.

(b) Acquisition of right-of-use assets

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Parent company to entities with joint control or significant influence		
Beijing President Enterprises Drinks Co., Ltd.	<u>\$ 2,089</u>	<u>\$ 682</u>

(c) Lease liabilities and interest expense

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	<u>Lease liabilities</u>	<u>Lease liabilities</u>	<u>Lease liabilities</u>
Parent company to entities with joint control or significant influence			
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 286,742	\$ 315,841	\$ 346,502
Taizhou President Enterprises Co., Ltd.	264,091	304,868	334,067
Zhanjiang President Enterprises Co., Ltd.	260,043	291,132	311,076
Kunshan President Enterprises Food Co., Ltd.	160,478	172,858	188,420
Others	<u>158,870</u>	<u>196,024</u>	<u>227,847</u>
	<u>\$ 1,130,224</u>	<u>\$ 1,280,723</u>	<u>\$ 1,407,912</u>

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</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.	\$ 3,095	\$ 3,655
Taizhou President Enterprises Co., Ltd.	2,894	3,609
Zhanjiang President Enterprises Co., Ltd.	2,850	3,360
Kunshan President Enterprises Food Co., Ltd.	1,759	2,145
Others	<u>1,643</u>	<u>2,386</u>
	<u>\$ 12,241</u>	<u>\$ 15,155</u>

	For the six-month periods ended June 30,	
	2023	2022
	Interest expense	Interest expense
Parent company to entities with joint control or significant influence		
Uni-President Enterprises (TianJin) Co., Ltd.	\$ 6,290	\$ 7,332
Taizhou President Enterprises Co., Ltd.	6,000	7,345
Zhanjiang President Enterprises Co., Ltd.	5,859	6,801
Kunshan President Enterprises Food Co., Ltd.	3,634	4,355
Others	3,520	4,914
	<u>\$ 25,303</u>	<u>\$ 30,747</u>

(4) Key management compensation

	For the three-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 6,478	\$ 6,561
	For the six-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 13,490	\$ 13,597

8. PLEGGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of June 30, 2023, December 31, 2022 and June 30, 2022, the remaining balances due to capital expenditure contracted for at the balance sheet date but not yet incurred were \$497,565, \$574,981 and \$426,555, respectively.

B. As of June 30, 2023, December 31, 2022 and June 30, 2022, the unused letters of credit amounted to \$473,673, \$333,662 and \$743,817, respectively.

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

- a. The Company has entered into a loan agreement with CTBC Bank in 2022 and 2021. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the 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 of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment.

Under the terms of the loan agreement, if any of the financial covenants were not met, and the Company has not improved its financial condition, the bank has the right to cancel or reduce the credit line, shorten the credit period, or principal and interest deemed as due.

- b. The Company has entered into a loan agreement with KGI Bank in 2022. In accordance with the agreement, the Company has to maintain the following financial ratios and terms: the consolidated debt-to-equity ratio $\left[\frac{\text{(Total liability less cash and cash equivalents)}}{\text{consolidated tangible shareholders' equity}} \right]$ of less than 180%, interest coverage ratio of over 200%, and the consolidated tangible shareholders' equity of not less than \$15,000,000 at the annual assessment. Under the terms of the loan agreement, if any of the financial covenants were not met, and the Company has not improved its financial condition within four months, the bank has the right to cancel or reduce the credit line, shorten the credit period or principal and interest deemed as due.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group has not violated any of the above covenants.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

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

B. Financial risk management policies

- a. The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group seeks to minimize potential adverse effects on the Group's financial performance. The Group hedges foreign exchange risk by using forward foreign exchange contracts.
- b. Risk management is carried out by a central treasury department (Group Finance Department) under policies approved by the board of directors. Group Finance Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies

covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange risk

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

(Foreign currency: Functional currency)	June 30, 2023		
	Foreign Currency (in thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 35,781	31.14	\$ 1,114,220
USD : CNY	3,549	7.25	110,516
EUR : NTD	977	33.81	33,032
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	13,658	31.14	425,310
USD : CNY	14,534	7.25	452,589

December 31, 2022			
(Foreign currency: Functional currency)	Foreign Currency		
	<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 33,163	30.71	\$ 1,018,436
USD : CNY	2,975	6.90	91,362
EUR : NTD	3,818	32.72	124,925
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	14,594	30.71	448,182
USD : CNY	10,605	6.90	325,680
USD : VND	1,149	23,633.00	35,286

June 30, 2022			
(Foreign currency: Functional currency)	Foreign Currency		
	<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 60,060	29.72	\$ 1,784,983
USD : CNY	9,680	6.70	287,690
EUR : NTD	3,632	31.05	112,774
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	16,649	29.72	494,808
USD : CNY	26,894	6.70	799,290
USD : VND	1,658	23,282.00	49,276

- iv. As of June 30, 2023 and 2022, if the functional currency exchange rate had appreciated/depreciated by 1%, with all other factors remaining constant, the Group's post-tax profit for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by \$3,039 and \$6,737, respectively.
- v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2023 and 2022 amounted to \$371, \$56,297, \$3,086 and \$128,465, respectively.

(b) Price risk

- i. The Group's structured notes and equity securities, which are exposed to price risk, are held as 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 structured notes and equity securities, the Group evaluates investment activities carefully. Accordingly, no material market risk is expected.

- ii. The Group's investments in structured notes and equity securities comprise the prices of structured notes and equity securities would change due to the change of the future value of investee companies. If the prices of these structured notes and equity securities had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by \$ — and \$444, respectively, as a result of gains/losses on structured notes classified as at fair value through profit or loss. Other components of equity for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by \$1,102 and \$780, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(c) Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rate. For the six-month periods ended June 30, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars and Japanese yens.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six-month periods ended June 30, 2023 and 2022 would have decreased/increased by \$504 and \$393, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

b. Credit risk

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

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

	For the six-month period ended June 30, 2023		
	Notes	Accounts	Total
	receivable	receivable	
Balance, beginning of period	\$ 2,446	\$ 32,217	\$ 34,663
Expected credit gains	(167)	(4,175)	(4,342)
Write-off of allowance for doubtful accounts	-	(14,594)	(14,594)
Effect of foreign exchange	(28)	(666)	(694)
Balance, end of period	<u>\$ 2,251</u>	<u>\$ 12,782</u>	<u>\$ 15,033</u>

	For the six-month period ended June 30, 2022		
	Notes	Accounts	Total
	receivable	receivable	
Balance, beginning of period	\$ 2,303	\$ 42,753	\$ 45,056
Expected credit losses (gains)	302	(5,925)	(5,623)
Effect of foreign exchange	14	651	665
Balance, end of period	<u>\$ 2,619</u>	<u>\$ 37,479</u>	<u>\$ 40,098</u>

c. Liquidity risk

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

facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

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

June 30, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 1,829,426	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,818,928	-	-	-
Other payables (including related parties)	3,859,559	-	-	-
Lease liabilities (current and non-current)	284,995	256,018	597,299	541,329
Other financial liabilities - current	27,742	-	-	-
Refund liabilities - current	14,260	-	-	-
Long-term borrowings	58,665	656,945	2,780,346	-
Guarantee deposits received	-	10,420	6,847	17,172
December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 2,442,414	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,592,712	-	-	-
Other payables (including related parties)	1,835,378	-	-	-
Lease liabilities (current and non-current)	291,771	283,462	691,358	576,978
Other financial liabilities - current	30,958	-	-	-
Refund liabilities - current	18,432	-	-	-
Long-term borrowings	60,056	2,090,393	1,769,158	-
Guarantee deposits received	-	7,570	10,907	17,806

June 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 2,984,455	\$ -	\$ -	\$ -
Notes payable	85	-	-	-
Accounts payable (including related parties)	1,784,515	-	-	-
Other payables (including related parties)	3,275,451	-	-	-
Lease liabilities (current and non-current)	286,307	294,888	761,084	670,049
Other financial liabilities - current	31,082	-	-	-
Refund liabilities - current	12,171	-	-	-
Long-term borrowings	61,514	4,241,654	752,826	-
Guarantee deposits received	-	7,155	10,869	17,745

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

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

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 110,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,187</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 89,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,241</u>
<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Structured notes	\$ -	\$ 44,369	\$ -	\$ 44,369
Financial assets at fair value through other comprehensive income				
Equity securities	<u>78,006</u>	<u>-</u>	<u>-</u>	<u>78,006</u>
	<u>\$ 78,006</u>	<u>\$ 44,369</u>	<u>\$ -</u>	<u>\$ 122,375</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 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 six-month periods ended June 30, 2023 and 2022, there was no transfer into or out between Level 1 and Level 2.

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

13. SUPPLEMENTARY DISCLOSURES

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

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

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

(4) Major shareholders information

Major shareholders information: Refer to table 9.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

(3) Information about segment profit or loss and assets

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

	For the six-month period ended June 30, 2023				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 6,176,817	\$ 1,658,124	\$ 9,503,866	\$ 1,458,211	\$ 18,797,018
Revenue from internal customers	1,336,482	332,891	46,233	–	1,715,606
Segment revenue	<u>\$ 7,513,299</u>	<u>\$ 1,991,015</u>	<u>\$ 9,550,099</u>	<u>\$ 1,458,211</u>	<u>\$ 20,512,624</u>
Segment income	<u>\$ 839,919</u>	<u>(\$ 239,810)</u>	<u>\$ 797,421</u>	<u>\$ 476,396</u>	<u>\$ 1,873,926</u>
Segment assets	<u>\$ 27,765,732</u>	<u>\$ 6,296,738</u>	<u>\$ 19,063,735</u>	<u>\$ 20,419,544</u>	<u>\$ 73,545,749</u>

	For the six-month period ended June 30, 2022				
	Taiwan	Tinplate Products (in Mainland China)	Plastic Products (in Mainland China)	Others	Total
Revenue from external customers	\$ 10,377,672	\$ 2,672,724	\$ 7,767,150	\$ 1,734,345	\$ 22,551,891
Revenue from internal customers	2,992,939	483,775	23,180	94,722	3,594,616
Segment revenue	<u>\$ 13,370,611</u>	<u>\$ 3,156,499</u>	<u>\$ 7,790,330</u>	<u>\$ 1,829,067</u>	<u>\$ 26,146,507</u>
Segment income	<u>\$ 1,880,004</u>	<u>(\$ 319,408)</u>	<u>\$ 608,024</u>	<u>\$ 73,209</u>	<u>\$ 2,241,829</u>
Segment assets	<u>\$ 31,801,551</u>	<u>\$ 7,827,396</u>	<u>\$ 16,146,051</u>	<u>\$ 23,161,503</u>	<u>\$ 78,936,501</u>

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

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

	For the six-month periods ended June 30,	
	2023	2022
Reportable segments profit or loss	\$ 1,397,530	\$ 2,168,620
Other segments profit or loss	476,396	73,209
Elimination of intersegment transactions	(970,374)	(375,846)
Net income before income tax from continuing operations	<u>\$ 903,552</u>	<u>\$ 1,865,983</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:

	June 30, 2023	June 30, 2022
Assets of reportable segments	\$ 53,126,205	\$ 55,774,998
Assets of other operating segments	20,419,544	23,161,503
Elimination of intersegment transactions	(40,001,362)	(41,287,708)
Total assets	<u>\$ 33,544,387</u>	<u>\$ 37,648,793</u>

Ton Yi Industrial Corp. and Subsidiaries

Loans to others

For the six-month period ended June 30, 2023

Table 1

Expressed in thousands of NTD

NO.	Name of lender	Name of borrower	Account	Related party	Maximum balance	Ending balance	Actual amount		Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
							drawn down	Interest rate					Item	Value			
1	Kunshan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 128,789	\$ 128,789	\$ 77,274	2.315	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,083,523	\$ 1,083,523	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	171,719	85,860	85,860	3.315~3.365	2	-	Operational use	-	-	-	1,083,523	1,083,523	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	128,789	128,789	128,789	3.315	2	-	Operational use	-	-	-	1,083,523	1,083,523	Note 2
1	Kunshan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinline Co., Ltd.	Other receivables	Y	128,789	128,789	128,789	3.315	2	-	Operational use	-	-	-	216,705	433,409	Note 2
2	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	279,044	279,044	279,044	3.365	2	-	Operational use	-	-	-	411,643	411,643	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	1,522,554	1,522,554	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	257,579	257,579	257,579	3.315	2	-	Operational use	-	-	-	1,522,554	1,522,554	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinline Co., Ltd.	Other receivables	Y	257,579	257,579	257,579	3.215~3.315	2	-	Operational use	-	-	-	304,511	609,021	Note 2
3	Taizhou Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	214,649	171,719	171,719	3.315~3.365	2	-	Operational use	-	-	-	304,511	609,021	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	\$ 236,114	\$ 150,254	\$ 150,254	3.315~3.465	2	\$ -	Operational use	\$ -	-	\$ -	\$ 1,384,140	\$ 1,384,140	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	-	2.315	2	-	Operational use	-	-	-	1,384,140	1,384,140	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	472,228	343,439	343,439	3.315~3.365	2	-	Operational use	-	-	-	1,384,140	1,384,140	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	128,789	-	-	3.365	2	-	Operational use	-	-	-	276,828	553,656	Note 2
4	Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	171,719	171,719	171,719	3.315	2	-	Operational use	-	-	-	276,828	553,656	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	321,974	321,974	321,974	3.215~3.365	2	-	Operational use	-	-	-	801,023	801,023	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	23,611	2.315	2	-	Operational use	-	-	-	801,023	801,023	Note 2
5	Zhanjiang Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	128,789	128,789	128,789	3.315	2	-	Operational use	-	-	-	160,205	320,409	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Zhangzhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	3.315	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Kunshan Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Beijing Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	214,649	214,649	85,860	3.315	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2

NO.	Name of lender	Name of borrower	Account	Related party	Actual amount				Nature of financial activity (Note 1)	Total transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Loan limit per entity	Maximum amount available for loan	Note
					Maximum balance	Ending balance	drawn down	Interest rate					Item	Value			
6	Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	Other receivables	Y	\$ 128,789	\$ 128,789	\$ -	3.315	2	\$ -	Operational use	\$ -	-	\$ -	\$ 12,283,206	\$ 12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Sichuan Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Tianjin Ton Yi Industrial Co., Ltd.	Other receivables	Y	128,789	128,789	103,032	3.315	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	965,921	665,412	622,482	3.315~3.465	2	-	Operational use	-	-	-	12,283,206	12,283,206	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	772,737	643,947	343,439	3.315~3.365	2	-	Operational use	-	-	-	2,456,641	4,913,283	Note 2
6	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	128,789	-	-	-	2	-	Operational use	-	-	-	2,456,641	4,913,283	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	-	2.315	2	-	Operational use	-	-	-	1,693,641	1,693,641	Note 2
7	Zhangzhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	85,860	85,860	85,860	3.315	2	-	Operational use	-	-	-	1,693,641	1,693,641	Note 2
8	Chengdu Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	-	-	2	-	Operational use	-	-	-	1,179,833	1,179,833	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	40,783	2.315	2	-	Operational use	-	-	-	976,723	976,723	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	Other receivables	Y	193,184	193,184	193,184	3.315~3.365	2	-	Operational use	-	-	-	976,723	976,723	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	107,325	107,325	107,325	3.315	2	-	Operational use	-	-	-	976,723	976,723	Note 2
9	Beijing Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	107,325	107,325	107,325	3.315	2	-	Operational use	-	-	-	195,345	390,689	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			
10	Huizhou Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	\$ 128,789	\$ 128,789	\$ -	—	2	\$ -	Operational use	\$ -	—	\$ -	\$ 1,224,770	\$ 1,224,770	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	Other receivables	Y	386,368	386,368	257,579	3.315~3.515	2	-	Operational use	-	—	-	433,190	866,380	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Other receivables	Y	171,719	-	-	3.365	2	-	Operational use	-	—	-	433,190	866,380	Note 2	
11	Jiangsu Ton Yi Tinplate Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	Other receivables	Y	150,254	150,254	150,254	3.315~3.365	2	-	Operational use	-	—	-	433,190	866,380	Note 2	
12	Tianjin Ton Yi Industrial Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	Other receivables	Y	128,789	128,789	-	—	2	-	Operational use	-	—	-	442,359	442,359	Note 2	

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

- (1) For trading partner.
- (2) For short-term financing.

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

- (1) Trading partner: The maximum amount for individual trading partner shall not exceed the higher of total purchase or sale transactions during the reporting period or the most recent year.
- (2) Short-term financing: The maximum amount for short-term financing is 20% of the Company's net assets; If the Company loans to foreign subsidiaries, which the Company holds 100% ownership directly or indirectly, the maximum amount for the subsidiary is 100% of the Company's net assets.

(Note 3) Foreign currency was translated into New Taiwan Dollars with exchange rate as at June 30, 2023 as follows: CNY:NTD 1 : 4.292982.

Ton Yi Industrial Corp. and Subsidiaries

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

June 30, 2023

Table 2

Expressed in thousands of NTD

Investor	Marketable securities type and name	Relationship with the issuer	General ledger account (Note)	As of June 30, 2023				
				Shares/units (in thousands)	Book value	Percentage of ownership (%)	Fair value	Note
Ton-Yi Industrial Corp.	Stocks:							
	JFE Holdings Inc.	—	1	250	\$ 110,187	0.04%	\$ 110,187	—

(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 six-month period ended June 30, 2023

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)			Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	(Sales)	\$ 1,331,780	(18)	50 days after shipping, T/T	\$ -	-	\$ 447,240	33	-
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)	(176,177)	(2)	Within 30 days of statements settled monthly, T/T	-	-	33,589	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)	(271,977)	(19)	Within 30 days of statements settled monthly, T/T	-	-	60,125	20	-
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)	(209,110)	(15)	Within 30 days of statements settled monthly, T/T	-	-	40,323	13	-
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)	(373,716)	(26)	Within 90 days of statements settled monthly, T/T	-	-	94,619	31	-
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	271,977	97	Within 30 days of statements settled monthly, T/T	-	-	(60,125)	(94)	-
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	277,029	52	67 days after invoice date, T/T	-	-	(122,859)	(69)	-
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	209,110	39	Within 30 days of statements settled monthly, T/T	-	-	(40,323)	(23)	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes or accounts receivable/(payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Ending balance	Percentage of total notes or accounts receivable/(payable)	Note
Fujian Ton Yi Tinplate Co., Ltd	Ton Yi Industrial Corp.	The Company	Purchases	\$ 1,331,780	70	50 days after shipping, T/T	\$ -	—	(\$ 447,240)	(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)	(778,886)	(39)	67 days after invoice date, T/T	-	—	74,638	10	—
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	778,886	100	67 days after invoice date, T/T	-	—	(74,638)	(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)	(277,029)	(35)	67 days after invoice date, T/T	-	—	122,859	20	—
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	106,135	15	15 days after receipt of invoice, T/T	-	—	(15,090)	(7)	—
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)	(941,767)	(79)	25 days after receipt of invoice, T/T	-	—	240,044	76	—
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)	(1,109,724)	(71)	25 days after receipt of invoice, T/T	-	—	242,427	64	—
Chengdu Ton Yi Industrial Co., Ltd.	Shanghai E & P Trading Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Purchases	107,065	18	15 days after receipt of invoice, T/T	-	—	(7,702)	(5)	—
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)	(723,739)	(74)	25 days after receipt of invoice, T/T	-	—	138,803	65	—
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)	(629,651)	(83)	25 days after receipt of invoice, T/T	-	—	91,525	73	—

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)	
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	\$ 160,985	17	15 days after receipt of invoice, T/T	\$ -	—	(\$ 32,044)	(15)	—
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)	(1,341,897)	(97)	25 days after receipt of invoice, T/T	-	—	262,171	95	—
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)	(995,005)	(100)	25 days after receipt of invoice, T/T	-	—	246,905	100	—
Sichuan Ton Yi Industrial Co., Ltd.	Chengdu President Enterprises Food Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	(Sales)	(1,161,639)	(98)	25 days after receipt of invoice, T/T	-	—	247,950	96	—
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)	(798,417)	(86)	25 days after receipt of invoice, T/T	-	—	157,394	88	—
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)	(121,933)	(13)	50% prepaid/ 50% 45 days after invoice date, T/T	-	—	18,084	10	—
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)	(395,502)	(94)	25 days after receipt of invoice, T/T	-	—	90,252	98	—

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

(Note 2) Foreign currency was translated into New Taiwan Dollars using the following exchange rates: Ending balances of receivables and payables were translated using the exchange rate as at June 30, 2023 (USD:NTD 1:31.14 ; CNY:NTD 1:4.292982).

Purchases and sales were translated using the weighted-average exchange rate for the six-month period ended June 30, 2023 (USD:NTD 1:30.558992 ; CNY:NTD 1:4.407433).

Ton Yi Industrial Corp. and Subsidiaries

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

For the six-month period ended June 30, 2023

Table 4

Expressed in thousands of NTD

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Accounts receivable	\$ 447,240	6.95	\$ -	-	\$ 276,941	\$ -
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	279,302	-	-	-	-	-
Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Accounts receivable	122,859	5.52	-	-	55,797	-
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	258,398	-	-	-	-	-
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	150,393	-	-	-	-	-
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	626,809	-	-	-	23,849	-
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	349,498	-	-	-	177,578	-
Ton Yi (China) Investment Co., Ltd.	Taizhou Ton Yi Industrial Co., Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	257,579	-	-	-	-	-
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	103,316	-	-	-	17,457	-
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	240,044	8.69	-	-	133,299	-

Company name	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
			Items	Amount		Amount	Action taken		
Taizhou Ton Yi Industrial Co., Ltd.	Taizhou President Enterprises Co., Ltd.	An investee company of parent company (Uni-President Enterprises Corp.) to entity with joint control or significant influence	Accounts receivable	\$ 242,427	10.07	\$ -	—	\$ 137,763	\$ -
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	260,730	-	-	—	-	-
Taizhou Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co.,Ltd.	An investee company of Ton Yi (China) Investment Co., Ltd. accounted for using equity method	Other receivables	260,322	-	-	—	-	-
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	171,877	-	-	—	-	-
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	138,803	13.58	-	—	71,149	-
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	262,171	9.62	-	—	152,798	-
Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	An investee company of Cayman Ton Yi Industrial Holdings Ltd. accounted for using equity method	Other receivables	131,141	-	-	—	-	-
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	130,806	-	-	—	-	-
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	246,905	9.05	-	—	146,983	-
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	193,363	-	-	—	-	-
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	109,499	-	-	—	-	-
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	109,242	-	-	—	-	-
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	247,950	9.03	-	—	129,441	-

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		
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	\$ 347,445	-	\$ -	-	\$ -	\$ -
Sichuan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Daiwa Industrial Co., Ltd.	An investee company of Wuxi Ton Yi Industrial Packing Co., Ltd. accounted for using equity method	Other receivables	173,127	-	-	-	-	-
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	153,339	-	-	-	-	-
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	157,394	14.03	-	-	78,863	-
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	322,268	-	-	-	-	-
Zhanjiang Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	An investee company of Cayman Fujian Ton Yi Holdings Ltd. accounted for using equity method	Other receivables	131,754	-	-	-	-	-

(Note) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivables and subsequent collections were translated using the exchange rate as at June 30, 2023 (CNY:NTD 1:4.292982 ; USD:NTD 1:31.14).

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

Table 5

Expressed in thousands of NTD

No (Note 2)	Company name	Counterparty	Relationship (Note 3)	Intercompany transaction			Percentage of consolidated net revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Ton Yi Industrial Corp.	Fujian Ton Yi Tinplate Co., Ltd.	1	Sales	\$ 1,331,780	50 days after shipping, T/T	7
			1	Accounts receivable	447,240	—	1
1	Chengdu Ton Yi Industrial Packing Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	279,302	—	1
2	Wuxi Ton Yi Industrial Packing Co., Ltd.	Chengdu Ton Yi Industrial Packing Co., Ltd.	3	Sales	271,977	Within 30 days of statements settled monthly, T/T	1
		Changsha Ton Yi Industrial Co., Ltd.	3	Sales	209,110	Within 30 days of statements settled monthly, T/T	1
3	Fujian Ton Yi Tinplate Co., Ltd.	Jiangsu Ton Yi Tinplate Co., Ltd.	3	Sales	778,886	67 days after invoice date, T/T	4
4	Jiangsu Ton Yi Tinplate Co., Ltd.	Changsha Ton Yi Industrial Co., Ltd.	3	Sales	277,029	67 days after invoice date, T/T	1
			3	Accounts receivable	122,859	—	—
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	258,398	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	150,393	—	—
5	Ton Yi (China) Investment Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	626,809	—	2
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	349,498	—	1
		Taizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	257,579	—	1
		Tianjin Ton Yi Industrial Co., Ltd.	3	Other receivables	103,316	—	—
6	Taizhou Ton Yi Industrial Co., Ltd.	Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	260,730	—	1
		Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	260,322	—	1
		Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	171,877	—	1
7	Kunshan Ton Yi Industrial Co., Ltd.	Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	131,141	—	—
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	130,806	—	—
8	Beijing Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	193,363	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	109,499	—	—
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	109,242	—	—

No (Note 2)	Company name	Counterparty	Relationship (Note 3)	Intercompany transaction			Percentage of consolidated net revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
9	Sichuan Ton Yi Industrial Co., Ltd.	Chengdu Ton Yi Industrial Co., Ltd.	3	Other receivables	\$ 347,445	—	1
		Wuxi Ton Yi Daiwa Industrial Co., Ltd.	3	Other receivables	173,127	—	1
		Wuxi Ton Yi Industrial Packing Co., Ltd.	3	Other receivables	153,339	—	—
10	Zhanjiang Ton Yi Industrial Co., Ltd.	Huizhou Ton Yi Industrial Co., Ltd.	3	Other receivables	322,268	—	1
		Fujian Ton Yi Tinplate Co., Ltd.	3	Other receivables	131,754	—	—

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

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

(Note 5) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending balances of receivables were translated using the exchange rate as at June 30, 2023 (CNY:NTD 1:4.292982);

Sales were translated using the weighted-average exchange rate for the six-month period ended June 30, 2023 (CNY:NTD 1:4.407433).

Ton Yi Industrial Corp. and Subsidiaries

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

For the six-month period ended June 30, 2023

Table 6

Expressed in thousands of NTD

Investor company	Investee company	Location	Main business activities	Original investment amount		Shares held as at June 30, 2023			Net income (loss) of the investee	Income (loss) recognized by the Company	Note
				Balance at June 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
Ton Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd.	Cayman	General investment	\$ 13,399,488	\$ 13,399,488	43,470,820	100.00	\$ 17,787,677	\$ 497,385	\$ 497,385	Subsidiary
Ton Yi Industrial Corp.	Tovecan Corp.	Vietnam	Manufacturing and sale of cans	43,740	43,740	-	51.00	55,545 (3,861) (1,969)	Subsidiary
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Ton Yi Holdings Ltd.	Cayman	General investment	7,162,200	7,162,200	230,000,000	100.00	12,283,234	664,269	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Fujian Ton Yi Holdings Ltd.	Cayman	General investment	1,994,893	1,994,893	8,727	100.00	1,981,692 (131,556)	-	Subsidiary (Note 1)
Cayman Ton Yi Industrial Holdings Ltd.	Cayman Jiangsu Ton Yi Holdings Ltd.	Cayman	General investment	1,118,013	1,118,013	5,000	100.00	1,794,667 (25,655)	-	Subsidiary (Note 1)
Cayman Ton Yi Holdings Ltd.	Cayman Ton Yi (China) Holdings Ltd.	Cayman	General investment	7,162,200	7,162,200	230,000,000	100.00	12,283,234	664,269	-	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 June 30, 2023 (USD:NTD 1:31.14);

Profit and loss were translated using the weighted-average exchange rate for the six-month period ended June 30, 2023 (USD:NTD 1:30.558992).

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

Table 7

Expressed in thousands of NTD

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Investment amount		Accumulated amount of remittance from Taiwan as of June 30, 2023	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of June 30, 2023	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Ton Yi Industrial Packing Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM, sale of cans	\$ 840,780	Note 1	\$ 217,980	\$ -	\$ -	\$ 217,980	(\$ 22,413)	100.00	(\$ 21,333)	\$ 955,805	\$ -	Note 7
Chengdu Ton Yi Industrial Packing Co., Ltd.	Sale of cans	233,550	Note 1	233,550	-	-	233,550	7,907	100.00	7,907	419,346	-	Note 7
Changsha Ton Yi Industrial Co., Ltd.	Sale of cans	217,980	Note 1	-	-	-	-	3,754	100.00	3,754	323,924	-	Note 7
Fujian Ton Yi Tinplate Co., Ltd.	Manufacturing and sale of tinplate	2,693,610	Note 2	1,661,226	-	-	1,661,226	(151,555)	86.80	(131,556)	1,981,692	-	Note 8
Jiangsu Ton Yi Tinplate Co., Ltd.	Sales of tinplate	1,245,600	Note 3	864,135	-	-	864,135	(30,963)	82.86	(25,655)	1,794,667	-	Note 8
Ton Yi (China) Investment Co., Ltd.	General investment	7,162,200	Note 4	934,200	-	-	934,200	664,269	100.00	664,269	12,283,234	831,514	Note 8
Zhangzhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	934,200	-	-	934,200	108,352	100.00	108,352	1,693,641	-	Note 8
Taizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	934,200	-	-	934,200	174,510	100.00	174,510	1,522,554	-	Note 8
Chengdu Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	358,110	-	-	358,110	113,590	100.00	113,590	1,290,474	-	Note 7
Huizhou Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	186,840	-	-	186,840	57,455	100.00	57,455	1,280,733	-	Note 7
Kunshan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	-	-	-	-	43,371	100.00	43,371	1,083,523	-	Note 8
Beijing Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	-	-	-	-	16,270	100.00	16,270	992,570	-	Note 7
Sichuan Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	934,200	Note 5	-	-	-	-	82,297	100.00	82,297	1,249,650	-	Note 7

Investee company	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Investment amount		Accumulated amount of remittance from Taiwan as of June 30, 2023	Net income (loss) of the investee	Ownership held by the Company (direct or indirect)	Income (loss) recognized by the Company	Book value as of June 30, 2023	Accumulated remittance	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Zhanjiang Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	\$ 622,800	Note 5	\$ -	\$ -	\$ -	\$ -	\$ 79,772	100.00	\$ 79,772	\$ 878,724	\$ -	Note 7
Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sale of PET packages and beverage filling OEM	622,800	Note 5	-	-	-	-	(17,373)	100.00	(17,373)	425,438	-	Note 7
Wuxi Ton Yi Daiwa Industrial Co., Ltd.	Manufacturing and sale of new bottle can	1,245,600	Note 6	-	-	-	-	(32,101)	66.50	(21,347)	580,755	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	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.	\$ 6,324,441	\$ 12,658,011	\$ 11,864,288

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

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

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

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

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

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

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

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

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

(Note 10) Foreign currency was translated into New Taiwan Dollars using the following exchanges: Ending investment balances were translated using the exchange rate as at June 30, 2023 (CNY:NTD 1:4.292982, USD:NTD 1:31.14);

Investment gains or losses were translated using the weighted-average exchange rate for the six-month period ended June 30, 2023 (CNY:NTD 1:4.407433, USD:NTD 1:30.558992).

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 six-month period ended June 30, 2023

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Sales/(purchases)		Property transaction		Accounts receivable/ (payable)		Provision of endorsements/guarantees or collaterals		Financing				Others
	Amount	%	Amount	%	Balance at June 30, 2023	%	Balance at June 30, 2023	Purpose	Maximum balance during the six-month period ended June 30, 2023	Balance at June 30, 2023	Interest rate	Interest during the six-month period ended June 30, 2023	
Fujian Ton Yi Tinplate Co., Ltd.	\$ 1,331,780	18	\$ -	-	\$ 447,240	33	\$ -	—	\$ -	\$ -	—	\$ -	—

Ton Yi Industrial Corp. and Subsidiaries

Major shareholders information

June 30, 2023

Table 9

Expressed in shares

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

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

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