

Stock Code: 9905



Great China Metal Ind. Co., Ltd.

2022 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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1、Letter to our Shareholders

Dear Shareholders,

Last year was a challenging year. In the first half of last year, the price of raw material reached a historical high in recent years. Fortunately, it was more restrained in the second half of the year. Taiwan and China were affected by the epidemic throughout the year. In particular, part of areas were lockdown in China, affecting the production and demand of products. Under such environment, the net operating revenue of the Company, already wrote-off the merger of intra-group transactions in 2022, amounting to NT\$ 8.775 billion, increased by 1.14% compared to the previous year, while the net profit after tax at NT\$ 465 million. Hereunder, we'd like to summarize the Company's business operations in 2022 and the outlook for 2023.

(1). Aluminum and iron cans, aluminum and iron ends-related business

In 2022, the net operating revenue of aluminum and iron cans, aluminum and iron ends of the Company came to NT\$8.26 billion, a 1.31% increase compared to NT\$8.15 billion in 2021. Analysed by region, the net operating revenue already wrote-off the merger of intra-group transactions was NT\$2.417 billion in Taiwan and NT\$5.786 billion in China. The operating revenue decrease in Taiwan was mainly due to a decline in export orders. The production and sales have been affected by the epidemic, but selling prices have risen with the costs of raw material, causing operating revenue growth in China. In terms of profitability, the decrease in production volume and sales volume in 2022, and the price of raw material rose in the first half of 2022, leading to a decline in profits.

Looking ahead to the 2023, the epidemic prevention policies continue to loosen in Taiwan and China. If there is no new epidemic peak, it can be expected that the demand for aluminum cans and ends will remain stable. However, the progress of economic recovery in China and the impact of the war on energy prices are expected to affect the price of aluminum. In this year, the Company will adopt appropriate policy to minimize the impact of changes in raw material prices, with the goal of restore previous profit.

(2).Stretch films-related business

The Company reinvested in Huatong United (Nantong) Plastic Industry Co., Ltd. and Sunshui Changlee United Container Co., Ltd. which have been engaged in the production and marketing of stretch films. The year-round net operating revenue in the stretch films undertakings in 2022 came to NT\$518 million, a 1.4% decrease from 2021 mainly due to the decrease in sales volume. In terms of profitability, the decrease in production volume and sales volume, and the impact of raw material price fluctuations, resulting in a decline in gross margin and net profit after tax decreased as compared with the corresponding period of the preceding year. Looking ahead to 2023, we shall put forth added efforts toward the stretch films business to expand both domestic and foreign sales. It is hoped that in the future, we shall be able to steadily expand the market and increase the overall production volume and sales volume, with the goal of achieve higher profits.

Finally, for and on behalf of Great China Metal Ind. Co., Ltd., I would like to express my sincerest gratitude to all shareholders for your consistent support. We are looking forward to greater support and concern from all our valued shareholders toward Great China Metal Ind. Co., Ltd. Here we will continuously team up with you all together to accomplish a performance satisfactory to you and share them with all our valued shareholders.

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

* Operating Performance in 2022

1. Consolidated financial statements

Unit: NT\$ thousands

Item	2022	2021	Percent Change
Operating revenue	8,774,698	8,675,485	1.14 %
Operating costs	7,768,905	7,399,742	4.99 %
Gross profit from operations	1,005,793	1,275,743	-21.16 %
Operating expenses	483,480	571,065	-15.34 %
Net operating income	522,313	704,678	-25.88 %
Non-operating income and expenses	101,331	68,686	47.53 %
Profit from continuing operations before tax	623,644	773,364	-19.36 %

2. Standalone financial statements

Unit: NT\$ thousands

Item	2022	2021	Percent Change
Operating revenue	2,433,757	2,700,977	-9.89 %
Operating costs	1,871,829	1,932,769	-3.15 %
Gross profit from operations	561,928	768,208	-26.85 %
Operating expenses	122,843	173,654	-29.26 %
Net operating income	439,085	594,554	-26.15 %
Non-operating income and expenses	154,883	158,682	-2.39 %
Profit from continuing operations before tax	593,968	753,236	-21.14 %

3. Profitability analysis

Item		2022	2021
Financial structure (%)	Debt Ratio	29.82	27.95
	Ratio of long-term capital to property, plant and equipment	351.11	341.05
Solvency (%)	Current ratio	298.95	321.48
	Quick ratio	219.15	229.88
	Interest earned ratio (times)	2,328.03	2,255.71
Profitability (%)	Return on total assets	4.34	5.74
	Return on stockholders' equity	6.11	7.87
	Profit ratio	5.39	6.94
	Earnings per share (NT\$)	1.55	1.97

4. Overview of annual research and development

4.1. Annual research plan results :

- (1) Product specification development, installation and test run in succession.
- (2) The independent production line was developed and put into production.
- (3) Development of reduce carbon emissions.

4.2. Future R&D plans :

- (1) Printing oven replacement and update.
- (2) Pneumatic cylinder replacement and update.
- (3) The remnant material of the ring cover is reused.

* Summary of business plan this year

1. Business policy

- 1.1. The management and labor work together, for co-existence and mutual prosperity, to create a win-win situation and fair interactive relationship between the Company and individuals, thus helping employees practice their skills and abilities to keep improving their creativity and expertise.
- 1.2. We are an organization committed to control trends, innovate and reform, and pursue excellence in management, form an efficient management team, emphasize speed, energy and flexibility, and uphold the customer-oriented production and sales culture.

2. Expected Sales Volume and Reference

The Company's estimated annual sale volume is primarily determined based on the economy, domestic and overseas, related industrial statistic report, and potential supply & demand in the future market, and expected to grow.

3. Important Production and Sales Policy

- 3.1. Customer first: Control movements in the market to satisfy customers' needs and practice business activities upholding the “customer first” philosophy.
- 3.2. Product diversification: The Company produces aluminum cans, steel cans, DRD cans and LLDPE stretch films of various specifications, and various aluminum and steel EOE, full open cans, and omnibus products to satisfy needs of all food and beverage customers.
- 3.3. Globalized strategic planning: The important operating strategy developed by the Company consistently aims to establish the regional business strategies maintaining close relations with local markets in major cities of the mainland China, and Vietnam, based on the Company's sufficient human resources, technology, equipment and assets.

* Future development strategies

The Company will keep focusing on sprout of its core business lines, R&D for upgrading of technological capabilities, enhancement of the Company's product system integration and sustainable competitiveness, thorough development of the domestic market, and active expansion of overseas markets.

* Impact posed by external competitive environment, regulatory environment, and overall business environment

1. Impact posed by external competitive environment

The Company will keep upgrading process technology and productivity, cut procurement costs, and mitigate the impact posed by potential external competitive environment.

2. Impact posed by regulatory environment

No material changes have taken place in the regulatory environment in which the Company's industry is in the most recent year. Therefore, no material positive or negative factors have derived.

3. Impact posed by overall business environment

In terms of the current overall business environment, the market demand, particularly in the mainland China, is expected to keep growing. Therefore, there is still room for the industry to develop.

2、Company Profile

2.1. Date of Incorporation : November 26, 1973

2.2. Company history

1. November 1973 : Founded, with the capital of NT\$ 10,000,000.
2. April 1974 : Capital of NT\$20,000,000 upon capital increase in cash, and official production of empty cans for the general purposes.
3. November 1975 : Capital of NT\$35,000,000 upon capital increase in cash, and preparation for establishment of the plant for three-piece steel cans for beverage.
4. January 1976 : Capital of NT\$50,000,000 upon capital increase in cash, and official production of aluminum EOE.
5. August 1979 : Capital of NT\$80,000,000 upon capital increase in cash, installation of additional #2, #3 and #4 EOE production lines, and successful independent development of dia. 209 aluminum EOE.
6. July 1980 : Capital of NT\$130,000,000 upon capital increase in cash, and preparation for establishment of the plant for two-piece aluminum cans.
7. August 1981 : Capital of NT\$190,000,000 upon capital increase in cash and from capital reserve, and purchase of the equipment for production of two-piece aluminum cans.
8. September 1981 : Completion of the test run for two-piece aluminum cans, and activation of mass production.
9. February 1982 : Execution of the technical cooperation agreement with the largest can manufacturer in the world, Continental Can.
10. July 1985 : Capital of NT\$256,500,000 upon capital increase from earnings, and investment in R&D of the equipment for two-piece draw-and-redraw food cans; capital of NT\$410,400,000 upon capital increase from earnings again at the end of July of the same year for repayment of the special loan for the equipment for two-piece aluminum cans.
11. September 1987 : Capital of NT\$923,400,000 upon capital increase from earnings, and installation of one additional fully-automated production line for two-piece aluminum cans and the equipment for production of aluminum EOE.
12. December 1988 : Completion of the test run for additional two-piece aluminum cans, and activation of mass production.
13. October 1989 : Capital of NT\$1,430,000,000 upon capital increase in cash and from earnings, and preparation for expansion of high-capacity two-piece aluminum cans and EOE production equipment.
14. May 1990 : Application for listing the issued shares, 143,000,000 common shares, approved by the competent authority.
15. August 1990 : Listing of the issued common shares, totaling 143,000,000 shares.
16. October 1990 : Completion of the test run for 209 aluminum full open ends developed independently, and activation of production.

17. December 1990 : Completed installation of 1000C.C. and 500C.C. two-piece aluminum can production line.
18. October 1991 : Capital of NT\$143,000,000 upon capital increase from earnings done in response to environmental protection, completed installation of the additional aluminum ends production line operating officially from 1993.
19. August 1994 : Capital of NT\$1,887,600,000 upon capital increase from earnings, totaling 31,460,000 shares, for improvement of financial structure.
20. 1995 : In order to expand business, the Company invested in foundation of Shanghai United Can Co., Ltd. in the mainland China via HAI HWA INVESTMENT CO., LTD., a British Bermuda company, in a third territory, in the amount of US\$20,000,000.
21. August 1995 : Capital of NT\$2,265,120,000 upon capital increase from earnings, totaling 37,752,000 shares, for improvement of financial structure.
22. May 1997 : In order to expand business, the Company invested in foundation of Huatong United (Nantong) Plastic Industry Co., Ltd. via HAI HWA INVESTMENT CO., LTD., a British Bermuda company, in a third territory, in the amount of US\$8,000,000.
23. August 1997 : Capital of NT\$2,722,000,000 upon capital increase from earnings, totaling 45,688,000 shares, for improvement of financial structure.
24. August 1998 : Capital of NT\$3,080,000,000 upon capital increase from earnings, totaling 35,800,000 shares, for improvement of financial structure.
25. July 1999 : Completed installation of the new PET bottle production line, and activation of production.
26. July 2000 : Investment in Hwa May Metal Technology Co., Ltd. in the amount of NT\$240,000,000 in response to diversification of business.
27. December 2003 : Capital increase in cash by private placement, NT\$23,000,000; issuance of 2,300,000 new shares; capital of NT\$3,050,000,000.
28. August 2004 : Completed installation of the new plastic top production line, and activation of production.
29. April 2006 : Completed installation of the third production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.
30. October 2006 : Completed construction of the plant for the investee in Vietnam, GCM PACKAGING (VIETNAM) CO., LTD. as invested via a third territory.
31. February 1997 : The investee in the mainland China, Shanghai United Can Co., Ltd., executed the joint venture agreement with Toyo Seikan Kaisha Ltd., in order to found Chongqing United Can Co., Ltd. in the district of Chongqing.
32. June 2007 : The Company founded Shanghai Huyang Cans Co., Ltd. via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiary, Shanghai United Can Co., Ltd., jointly, with the registered capital of US\$5,000,000.

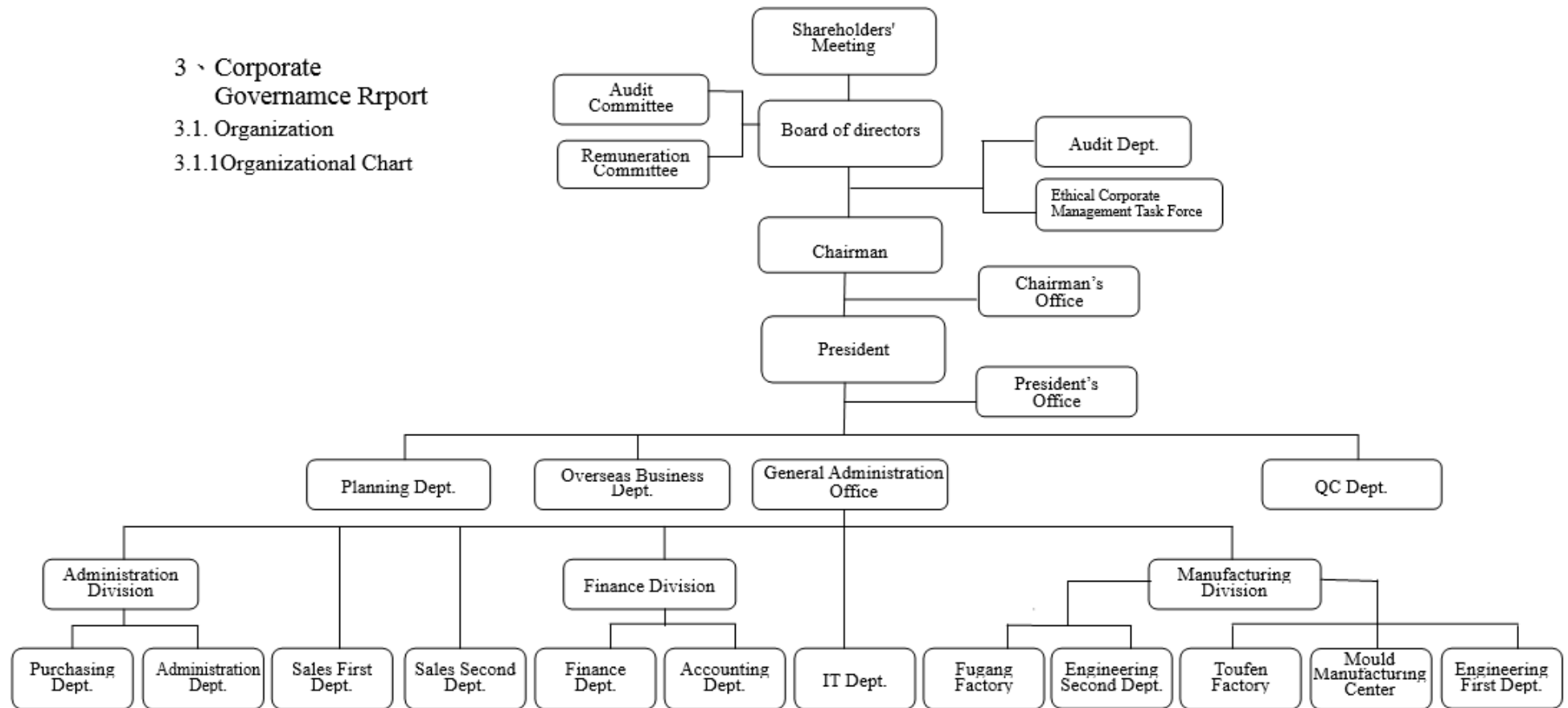
33. April 2008 : Completed installation and test run for the equipment of Chongqing United Can Co., Ltd., and activation of production of aluminum cans, with the registered capital of US\$14,000,000, 65% of which was contributed by the Company's indirect subsidiary, Shanghai United Can Co., Ltd.
34. December 2008 : Dissolution and liquidation of the indirect investee, Shanghai Huyang Cans Co., Ltd.
35. December 2009 : The Company founded Jinan United Can Co., Ltd. via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiaries, Huatong United (Nantong) Plastic Industry Co., Ltd. and Shanghai United Can Co., Ltd., jointly, with the registered capital of US\$23,000,000.
36. December 2010 : Dissolution and liquidation of the investee, Hwa May Metal Technology Co., Ltd.
37. February 2012 : Completed installation of the fourth production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.
38. May 2013 : The Company acquired 35% of the equity of Chongqing United Can Co., Ltd. from Toyo Seikan Kaisha Ltd. via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiary, Shanghai United Can Co., Ltd., jointly. Upon acquisition of the equity, the Company indirectly holds Chongqing United Can Co., Ltd. wholly.
39. December 2013 : Completed installation of the second two-piece aluminum can production line for the investee in the mainland China, Shanghai United Can Co., Ltd., and activation of production.
40. December 2013 : Completed installation of the second aluminum ends production line for the investee in Vietnam, GCM PACKAGING (VIETNAM) CO., LTD., and activation of production.
41. June 2015 : Completed relocation of the second production line of the investee in the mainland China, Shanghai United Can Co., Ltd., to investee, Chongqing United Can Co., Ltd., in response to the market demand, and activation of production.
42. December 2015 : Completed construction of the laminating aluminum can plant through technical cooperation with Toyo Seikan, and activation of production in 2016.
43. December 2016 : Completed installation of the fifth production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.
44. March 2018 : The investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., invested (increased the investment) in Sunshui Changlee United Container Co., Ltd. in Foshan City by RMB 31,050,000, and acquired 30% of the equity thereof accordingly.

45. December 2022 : Completed installation of the sixth production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.

3、Corporate Governance Rrport

3.1. Organization

3.1.1Organizational Chart



3.1.2. Function of Each Division

Division	Functions and Operations
General Administration Office	<ol style="list-style-type: none"> 1. Set the Company's business goals, and follow up the results. 2. Manage operations for accounting, finance and shareholders service. 3. Audit, promotion and implementation of internal control system. 4. Enact and execute management regulations and systems, and plan and execute welfare policies. 5. Perform procurement operations, domestically and overseas, and import & export of goods. 6. Develop business domestically and overseas, and draft, supervise and execute the business plan. 7. Draft domestic and overseas business plans, develop market, and analyze business results. 8. Plan and promote the information systems, improve operating procedures, and maintain software/hardware. 9. Establish, utilize and maintain information system databases.
QC Dept.	<ol style="list-style-type: none"> 1. Set forth, promote, execute and check quality standards. 2. Establish the quality inspection system, and research and develop improvement plans. 3. Establish and supervise self-inspection. 4. Analyze and manage SPC abilities. 5. Practice the quality inspection and ensure customer confidence.
Engineering Dept.	<ol style="list-style-type: none"> 1. Execute and supervise the production equipment and technology management. 2. Plan, execute and supervise production conditions and equipment care and maintenance systems. 3. Analyze the performance of equipment and malfunction, and draft and prepare corrective strategies. 4. Plan, execute and supervise technical HR training. 5. Manage, improve and judge the preparation for molds and spare parts;. 6. Set process technology and process, and execute and research projects. 7. Amend and manage engineering data and blueprints. 8. Draft, plan and execute new process. 9. Provide technical assistance and HR support.
Toufen Plant	<ol style="list-style-type: none"> 1. Set the production target based on the Company's business strategies, and execute the plan. 2. Produce aluminum and steel cans, and control raw materials, supplies and finished goods. 3. Manage the process and improve product quality. 4. Manage and maintain equipment, assets and resources. 5. Improve process, improve automated ability, upgrade production efficiency, and cut HR costs. 6. Comply with local government laws and regulations, and maintain the plant's safety and health.

Division	Functions and Operations
Fugang Plant	<ol style="list-style-type: none"> 1. Set the production target based on the Company's business strategies, and execute the plan. 2. Produce, coat and print various EOE types, and control raw materials, supplies and finished goods 3. Produce various repeated squeeze cans and laminating aluminum cans, and control raw materials, supplies and finished goods. 4. Manage the process and improve product quality. 5. Manage and maintain equipment, assets and resources. 6. Improve process, improve automated ability, upgrade production efficiency, and cut HR costs. 7. Comply with local government laws and regulations, and maintain the plant's safety and health.

3.2. Directors, Supervisors and Management Team and Remuneration

3.2.1. Directors and Supervisors

1. Directors (1)

As April 21, 2023

Title	Nationality/ Place of Incorporation	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Chairman	R.O.C.	ZHENG DA INVESTMENT CO., LTD.	NA	2020.6.23	3	2020.6.23	11,806,451	3.87%	11,806,451	3.87%	0	0%	0	0%
		Representative Chiang,Ming-Li	M 41-50	2020.6.23	3	2008.6.27	11,467,147	3.76%	11,467,147	3.76%	0	0%	0	0%
Director	R.O.C.	YONG ZEN INVESTMENT CO., LTD.	NA	2020.6.23	3	2020.6.23	10,205,000	3.35%	10,205,000	3.35%	0	0%	10,208,877	3.35%
		Representative Chiang,Kang-Ming	M 41-50	2020.6.23	3	2008.6.27	485,304	0.16%	485,304	0.16%	0	0%	0	0%
Director	R.O.C.	GLORY TASK ENTERPRISE CO., LTD.	NA	2020.6.23	3	2020.6.23	27,000	0.01%	22,059,503	7.23%	0	0%	0	0%
		Representative Chiang,Shao-May	F 71-80	2020.6.23	3	2002.6.18	1,042,507	0.34%	1,042,507	0.34%	617,264	0.20%	0	0%
Director	R.O.C.	Jazwin Ventures Ltd.	NA	2020.6.23	3	2014.6.24	2,715,676	0.89%	2,715,676	0.89%	0	0%	0	0%
		Representative Chiang,Man-Tzyy	F 71-80	2020.6.23	3	2014.6.24	0	0%	0	0%	0	0%	6,577,872	2.16%
Director	R.O.C.	Pinnacle Ventures Ltd.	NA	2020.6.23	3	2014.6.24	7,052,752	2.31%	7,052,752	2.31%	0	0%	0	0%
		Representative Chiang,Shou-Cheng	M 61-70	2020.6.23	3	2008.6.27	8,000	0%	8,000	0%	12,000	0%	11,426,067	3.75%
Director	R.O.C.	Liu,Fei-Hu	M 61-70	2020.6.23	3	2008.6.27	4,520	0%	4,520	0%	0	0%	0	0%
Director	R.O.C.	Chang,Jung-Fei	M 61-70	2020.6.23	3	2014.6.24	260	0%	260	0%	0	0%	0	0%

Independent director	R.O.C.	Tsai,Po-Hsien	M 71-80	2020.6.23	3	2017.6.27	0	0%	0	0%	46,000	0.02%	0	0%
Independent director	R.O.C.	Huang,Win-Jung	M 61-70	2020.6.23	3	2017.6.27	0	0%	0	0%	0	0%	0	0%
Independent director	R.O.C.	Hsieh,Ming-Jen	M 61-70	2020.6.23	3	2017.6.27	0	0%	0	0%	0	0%	0	0%

1. Directors (2)

Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
		Title	Name	Relation	
NA	NA	NA	NA	NA	NA
Graduate Studies (Incomplete) , East Asian Languages & Culture, University of California Los Angeles Bachelor of Economics & Religious Studies, California State University Long Beach	Chairman of : Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. Chairman and President of : GCM PACKAGING (VIETNAM) CO., LTD. Director and President of : HAI HWA INVESTMENT CO., LTD. Director of : China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Jinan United Can Co., Ltd. GCM HOLDING CO., LTD.	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
EASTERN MICHIGAN UNI	Chairman of China Can Printing and Metal MFG. Co., Ltd.	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
Tamsui Institute of Business Administration	Finance Director of Great China Metal Ind. Co., Ltd. Director of : Jinan United Can Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD. Supervisor of : China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd.	Director	Chiang,Man-Tzyy Chiang,Shou-Cheng	Sister Sister and brother	NA

	Chongqing United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd.				
NA	NA	NA	NA	NA	NA
Commercial High School	Director of : China Can Printing and Metal MFG. Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD.	Director	Chiang,Shao-May Chiang,Shou-Cheng	Sister Sister and brother	NA
NA	NA	NA	NA	NA	NA
FU-HSIN TRADE & ARTS SCHOOL	Chairman of : Jinan United Can Co., Ltd. OFFICEMART CORPORATION Chairman and President of : Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Director of : China Can Printing and Metal MFG. Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. HAI HWA INVESTMENT CO., LTD. GCM PACKAGING (VIETNAM) CO., LTD.	Director	Chiang,Shao-May Chiang,Man-Tzyy	Sister and brother Sister and brother	NA
Minghsin University of Science and Technology	Sales manager of Great China Metal Ind. Co., Ltd.	NA	NA	NA	NA
National Miao-Li Agricultural and Industrial Vocational Hight School	Plant manager of Great China Metal Ind. Co., Ltd.- Toufen Plant	NA	NA	NA	NA
Master of Accountancy National Chengchi University	Supervisor of New Taipei City FuJen Accounting Education Foundation	NA	NA	NA	NA
Department of Business Administration Feng Chia University	Secretary General of Importers and Exporters Association of Taipei	NA	NA	NA	NA
Master of Accountancy National Chengchi University	Adjunct Associate Professor of National Taipei University of Business	NA	NA	NA	NA

Note: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers must be disclosed.

2. Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders	
ZHENG DA INVESTMENT CO., LTD.	Chiang Wu,Hui-Lu	84.81 %
	Chiang,Ming-Li	15.19 %
YONG ZEN INVESTMENT CO., LTD.	Chiang,Kang-Ming	31.27 %
	Chiang,Ai-Chia	31.07 %
	Chiang,Ai-Min	31.07 %
	YONG CHENG INVESTMENT CO., LTD.	4.84 %
	Chiang Cheng,Chuang	0.97 %
	Chiang,Cheng-Shing	0.77 %
GLORY TASK ENTERPRISE CO., LTD.	Chiang,Shao-May	45.02 %
	Chao,Chun-Man	31.67 %
	Chao,Yan-Shiuan	23.31 %
Jazwin Ventures Ltd.	Chiang,Shou-Cheng	24.00 %
	Chiang,Man-Lan	14.00 %
	Chiang,Man-Tzyy	14.00 %
	Chiang,Man-Ping	12.00 %
	Chang,Che-Kuo	12.00 %
	Chiang,Man-Li	12.00 %
	Yeh,Shiaun	12.00 %
Pinnacle Ventures Ltd.	Chiang,Shou-Cheng	24.00 %
	Chiang,Man-Tzyy	23.00 %
	Chiang,Man-Lan	15.00 %
	Chiang,Man-Ping	12.00 %
	Chiang,Man-Li	12.00 %
	Yeh,Shiaun	12.00 %
	Chang,I-Ling	2.00 %

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation. If a contributor has passed way, it should be noted as Deceased.

3. Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders	
YONG CHENG INVESTMENT CO., LTD.	YONG ZEN INVESTMENT CO., LTD.	100 %

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation. If a contributor has passed way, it should be noted as Deceased.

4. Directors (2)

4-1 Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Title/ Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	Education : Graduate Studies (Incomplete) , East Asian Languages & Culture, University of California Los Angeles Bachelor of Economics & Religious Studies, California State University Long Beach Work Experience : Special assistant of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Please refer to Independence of the Board of Directors	0
Director YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming	Education : EASTERN MICHIGAN UNI Work Experience : Special assistant of Great China Metal Ind. Co., Ltd. 、 Chairman of China Can Printing and Metal MFG. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0

Director GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May	Education : Tamsui Institute of Business Administration Work Experience : Finance Director of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0
Director Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy	Education : Commercial High School Work Experience : HR Special assistant of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0
Director Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng	Education : FU-HSIN TRADE & ARTS SCHOOL Work Experience : Sales manager of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Please refer to Independence of the Board of Directors	0
Director Liu,Fei-Hu	Education : Minghsin University of Science and Technology Work Experience : QC manager of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0
Director Chang,Jung-Fei	Education : National Miao-Li Agricultural and Industrial Vocational Hight School Work Experience : Vice Plant manager of Great China Metal Ind. Co., Ltd. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0

Independent director Tsai,Po-Hsien	Education : Master of Accountancy National Chengchi University Work Experience : Supervisor of New Taipei City FuJen Accounting Education Foundation Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	All independent directors comply with the relevant provisions of Article 14-2 of “Securities and Exchange Act” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by Taiwan’s Securities and Futures Bureau.	0
Independent director Huang,Win-Jung	Education : Department of Business Administration Feng Chia University Work Experience : Secretary General of Importers and Exporters Association of Taipei. Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0
Independent director Hsieh,Ming-Jen	Education : Master of Accountancy National Chengchi University Work Experience : Adjunct Associate Professor of National Taipei University of Business Professional Qualification : NOTE (1). None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.		0

Diversity of the Board of Directors :

The Company's "Code of Practice on Corporate Governance", "Director Election Procedures" and regulations stipulate the composition, qualification and selection of board members.

All director candidates adopt the "candidate nomination system" for nomination and qualification review, and after the resolution of the board of directors is passed, they are submitted to the shareholders' meeting for election.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Ability to lead.
- (8) Ability to make policy decisions.

The composition of Board of Directors must be determined by taking diversity into consideration; the directors who serve as the Company's managerial officers concurrently must account for no more than one-thirds of the whole directors, and it is necessary to formulate an appropriate policy on diversity based on the Company's business operation, business type, and development needs; it is advisable that the policy must include, without being limited to, the following two general standards:

A. Basic requirements and values: Gender, age, nationality, and culture, etc.

B. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industrial experience.

A. Diversity of board members and their achievement:

The company pays attention to gender equality in the composition of the board of directors. The target ratio of female directors is more than 20%. There are 2 female directors, with a ratio of 20%, The average age of male directors is 72 and 8 male members, with a ratio of 80%. The average age of male directors is 61.

The average age of all directors is 63.20.

Three independent directors must serve the term of office for 5 years.

B. professional background, professional skills, and industrial experience

- (1) General directors: Including those with professional background, professional skills and industrial experience, graduated from Department of Economy, California State University, Long Beach, Eastern Michigan University, and departments of accounting, statistics, and mechanical engineering of other schools.
- (2) Independent directors: Including those with professional skills, and educational backgrounds or qualifications, such as the graduated institute, Department of Accounting of National Chengchi University, Department of Business Administration of Feng Chia University, CPA, Adjunct Associate Professor of National Taipei University of Business, Supervisor of New Taipei City FuJen Accounting Education Foundation, and Secretary General of Importers and Exporters Association of Taipei.
- (3) The implementation of the diversity policy for Board members Please refer to NOTE 1

Independence of the Board of Directors:

Among the board members, except that director Chiang,Shao-May and director Chiang,Man-Tzyy and director Chiang,Shou-Cheng are brothers and sisters, more than half of the directors have no spouse or relatives within second degree of kinship.

Three independent directors, which meets the requirement of Article 14-2 of the Securities and Exchange Act that the number of independent director shall not be less than two, and not less than one-fifth of the number of directors.

NOTE 1 : Professional background and competence of directors

Title/ Name		Basic component							
		Nationality/ Place of Incorporation	Gender	Employed by GCM	Age				Seniority of Independent director
					41 50	51 60	61 70	71 80	5 Years
Chairman	ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	R.O.C.	M		V				
Director	YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming	R.O.C.	M	V	V				
Director	GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May	R.O.C.	F	V				V	
Director	Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy	R.O.C.	F					V	
Director	Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng	R.O.C.	M	V			V		
Director	Liu,Fei-Hu	R.O.C.	M	V			V		
Director	Chang,Jung-Fei	R.O.C.	M	V			V		
Independent director	Tsai,Po-Hsien	R.O.C.	M					V	V
	Huang,Win-Jung	R.O.C.	M				V		V
	Hsieh,Ming-Jen	R.O.C.	M				V		V

Professional Ability								
Education & Experience Professional background	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective.	Ability to lead.	Ability to make policy decisions.
Economics & East Asian Languages & Culture	V	V	V	V	V	V	V	V
Economics & Art history	V		V	V	V		V	V
Accounting & Finance	V	V	V	V			V	V
HR	V	V		V	V	V		
Business Administration	V	V	V	V	V	V	V	V
Marketing	V		V		V	V	V	
mechanical			V	V	V		V	V
business Administration	V	V	V	V			V	V
International marketing			V		V	V	V	V
Accounting	V	V			V	V		V

3.2.2. Management Team

April 21, 2023

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
President	R.O.C	Chiang,Ming-Te	M	2022.08.02	1,949,385	0.64%	0	0%	0	0%
Finance Director	R.O.C	Chiang,Shao-May	F	2008.02.01	1,042,507	0.34%	617,264	0.20%	0	0%
Financial manager and Concurrently corporate governance officer	R.O.C	Chiang,Chia-Chun	F	1999.06.01	1,535,892	0.50%	0	0%	0	0%
Sales manager	R.O.C	Liu,Fei-Hu	M	2003.08.01	4,520	0%	0	0%	0	0%
Oversea manager	R.O.C	Huang,Tien-Chang	M	2010.04.01	0	0%	0	0%	0	0%

Experience (Education) (Note1)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note2)
		Title	Name	Relation	
University of California Food Science	Chairman of HuaDong United Can Co., Ltd. Director of Sunshui Changlee United Container Co., Ltd.	Financial manager and Concurrently corporate governance officer	Chiang, Chia-Chun	Brother and sister	-
Tamsui Institute of Business Administration	Supervisors of China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. Director of Jinan United Can Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD.	-	-	-	-
Finance, California State University	-	President	Chiang, Ming-Te	Brother and sister	-
Minghsin University of Science and Technology	-	-	-	-	-
Fu Jen Catholic University Master of Business administration	-	-	-	-	-

Note1: Directors who have ever hold positions in the auditor's agency or its affiliated companies : None.

Note2: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

3.2.3. Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Total Director Remuneration								Summation of A, B, C, and D and as a % of After-Tax Income	
		Remuneration (A)		Pensions (B)		Earnings Distribution (C)		Business Expenses (D)			
		The company	All consolidated companies	The company	All consolidated companies	The company	All consolidated companies s	The company	All consolidated companies	The company	All consolidated companies
Chairman	ZHENG DA INVESTMENT CO., LTD. Representative:Chiang,Ming-Li	2,898	2,898	30	30	8,662	8,662	180	180	2.49%	2.49%
Director	YONG ZEN INVESTMENT CO., LTD. Representative:Chiang,Kang-Ming										
	GLORY TASK ENTERPRISE CO., LTD. Representative:Chiang,Shao-May										
	Jazwin Ventures Ltd. Representative:Chiang,Man-Tzyy										
	Pinnacle Ventures Ltd. Representative: Chiang,Shou-Cheng										
	Liu,Fei-Hu										
	Chang,Jung-Fei										
Independent director	Tsai,Po-Hsien	0	0	0	0	3,712	3,712	85	85	0.80%	0.80%
	Huang,Win-Jung										
	Hsieh,Ming-Jen										

Compensation to Directors Also Serving as Company Employees								Summation of A,B,C, D, E, F and G and as a % of After-Tax Income		Remuneration from ventures other than subsidiaries or from the parent company
Salary, Bonuses, and Special Allowance (E)		Pensions (F)		Earnings Distribution (G)						
The company	All consolidated companies	The company	All consolidated companies	The company		All consolidated companies		The company	All consolidated companies	
				Cash	Stock	Cash	Stock			
6,589	6,789	190	190	564	0	564	0	4.04%	4.08%	0
0	0	0	0	0	0	0	0	0.80%	0.80%	0

- 1.Please state the policies, systems, standards and structure of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors: The procedure for defining remuneration to directors must be assessed based on the Company's "Regulations Governing Payment of Compensation to Directors" and "Regulations Governing Allocation of Remuneration to Directors" . In addition to the Company's overall operating performance and future operating risk, the payment of reasonable compensation must also take the contribution to the Company's operations into account.
- 2.Besides the disclosure shown in the table above, remuneration received by Directors of the company over the past year as a result of service provided to all companies within the financial report(such as serving as non-employee consultants for parent company/all the companies within the financial report/joint venture): : NA

* Separately list information for directors (non-independent directors) and independent directors.

Note 1 : In the past year, there was no any director don't have enough shareholding ratio for three(3) consecutive months and the average pledge of each director in each month was 0%.

Range of remuneration for directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	All consolidated companies (I)	The company	All consolidated companies (J)
Less than NT\$1,000,000	NA	NA	NA	NA
NT\$ 1,000,000 (incl.) - NT\$ 2,000,000	YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Liu,Fei-Hu 、Chang,Jung-Fei Tsai,Po-Hsien 、Huang,Win-Jung 、 Hsieh,Ming-Jen	YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Liu,Fei-Hu 、Chang,Jung-Fei Tsai,Po-Hsien 、Huang,Win-Jung 、 Hsieh,Ming-Jen	Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien 、Huang,Win-Jung 、 Hsieh,Ming-Jen	Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien 、Huang,Win-Jung 、 Hsieh,Ming-Jen
NT\$ 2,000,000 (incl.) - NT\$ 3,500,000	NA	NA	YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Liu,Fei-Hu 、Chang,Jung-Fei	YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Liu,Fei-Hu 、Chang,Jung-Fei
NT\$ 3,500,000 (incl.) - NT\$ 5,000,000	ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li
NT\$ 5,000,000 (incl.) - NT\$10,000,000	NA	NA	NA	NA
NT\$10,000,000 (incl.) - NT\$15,000,000	NA	NA	NA	NA
NT\$15,000,000 (incl.) - NT\$30,000,000	NA	NA	NA	NA
NT\$30,000,000 (incl.) - NT\$50,000,000	NA	NA	NA	NA
NT\$50,000,000 (incl.) - NT\$100,000,000	NA	NA	NA	NA
NT\$100,000,000 and above	NA	NA	NA	NA
Total (person)	10	10	10	10

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

2. Remuneration of Supervisors : NA

3. Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary (A)		Pensions (B)		Bonuses and Special Allowance (C)		Employee Compensation (D)				Summation of A, B, C, and D and as a % of After-Tax Income		Remuneration from ventures other than subsidiaries or from the parent company(Note)
		The company	All consolidated companies	The company	All consolidated companies	The company	All consolidated companies	The company		All consolidated companies		The company	All consolidated companies	
								Cash	Stock	Cash	Stock			
President	Chiang, Cheng-Shing	1,694	1,694	34	34	730	730	228	0	228	0	0.57%	0.57%	0
President	Chiang, Ming-Te													

Note1 : Mr. Chiang,Cheng-Shing : resignation on 2022/08/02. Note2 : Mr. Chiang,Ming-Te : new appointment on 2022/08/02.

* Regardless of job title, all positions equivalent to general manager or deputy general manager (for example: president, chief executive, director... etc.) should be disclosed.

Range of Remuneration	Name of President	
	The company	All consolidated companies (E)
Less than NT\$1,000,000	NA	NA
NT\$ 1,000,000 (incl.) - NT\$ 2,000,000	Chiang,Cheng-Shing Chiang,Ming-Te	Chiang,Cheng-Shing Chiang,Ming-Te
NT\$ 2,000,000 (incl.) - NT\$ 3,500,000	NA	NA
NT\$ 3,500,000 (incl.) - NT\$ 5,000,000	NA	NA
NT\$ 5,000,000 (incl.) - NT\$10,000,000	NA	NA
NT\$10,000,000 (incl.) - NT\$15,000,000	NA	NA
NT\$15,000,000 (incl.) - NT\$30,000,000	NA	NA
NT\$30,000,000 (incl.) - NT\$50,000,000	NA	NA
NT\$50,000,000 (incl.) - NT\$100,000,000	NA	NA
NT\$100,000,000 and above	NA	NA
Total (person)	2	2

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

4. Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company (disclose their names and remuneration method) : The company did not have the following circumstances, no need to disclose.
- (1) There has been an after-tax deficit shown in the parent company only or standalone financial reports for the most recent three years, please disclose the “directors and supervisors” individually by name and remuneration. Notwithstanding, the preceding provision does not apply if the parent company only or standalone financial reports for the most recent year report after-tax net profit, which is sufficient to make up the accumulated deficit.
- (2) A TWSE/TPEX-listed company is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, or the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company must be excluded from evaluation.

5. Distribution of bonuses to Company management during 2022

Unit: NT\$ thousands

	Title	Name	Stock Bonus	Cash Bonus	Total	Total as a % of After-Tax Income
Executive Officers	President (Note1)	Chiang, Cheng-Shing	0	732	732	0.15%
	President (Note2)	Chiang, Ming-Te				
	Finance Director	Chiang, Shao-May				
	Sales manager	Liu, Fei-Hu				
	Financial manager and Concurrently corporate governance officer	Chiang, Chia-Chun				
	Oversea manager	Huang, Tien-Chang				

Note1 : Mr. Chiang, Cheng-Shing : resignation on 2022/08/02.

Note2 : Mr. Chiang, Ming-Te : new appointment on 2022/08/02.

3.2.4. Separately compare and describe

Amount of remuneration paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company's directors, General Manager, and Vice Manager, and their respective proportions to net income, as well as the policies, standards, and packages by which they were paid, the procedures through which remunerations were determined, and their association with business performance and future risks:

1. Analysis of the ratio of the remuneration paid to the company's directors, the remuneration of the general manager and the deputy general manager to the net profit after tax by the company and all companies in the consolidated financial statements in the most recent two years:

Year	Director's remuneration amount	Percentage of net profit after tax
2021	NT\$ 15,743 thousands	2.62 %
2022	NT\$ 12,374 thousands	2.61 %

Year	General Manager and Deputy General Manager Remuneration amount	Percentage of net profit after tax
2021	NT\$ 2,212 thousands	0.37 %
2022	NT\$ 2,686 thousands	0.57 %

Directors' remuneration decreased compared to 2021 due to the decrease in after-tax net profit in 2022

The total remuneration of the general manager and deputy general manager has increased compared with 2021, which is due to the increase in the payment of bonuses and special allowance.

2. Policies, standards and combinations of remuneration, procedures for determining remuneration, and their relationship to business performance and future risks:

2.1. Remuneration policy, standard and combination:

- (1). The remuneration of the directors of the company shall be determined according to the remuneration of the directors for performing their duties, the participation level and contribution value of the individual directors, and the board of directors shall consider the usual level of the industry. Article 11 stipulates that no more than 5% of the remuneration of directors shall be allocated, and the remuneration of directors shall be regularly evaluated. The relevant performance appraisal and the rationality of remuneration shall be reviewed by the Remuneration and Remuneration Committee and the Board of Directors.
- (2). The company's managers' remuneration, according to the salary regulations, clearly stipulates various work allowances and bonuses to show compassion and reward employees for their hard work at work. Relevant bonuses also depend on the company's annual operating performance, financial status, operating conditions and personal work. If the company makes a profit in the current year, it shall allocate no less than 1% as employee compensation in accordance with Article 31 of the company's articles of association. The performance evaluation results implemented by the company in accordance with the "Performance Performance Appraisal Management Regulations" are used as the reference for managers' bonuses. The performance evaluation items for managers are divided into one. Financial indicators: According to the company's management profit and loss report, each business group department will The distribution of the company's profit contribution, and the achievement rate of the manager's goals shall be taken into consideration; 2. Non-financial indicators: the practice of the company's core values, operational management capabilities, and participation in sustainable operations. Review the remuneration system at any time according to the actual operating conditions and relevant laws and regulations.
- (3). The combination of remuneration paid by the company shall be determined in accordance with the organizational regulations of the Compensation and Compensation Committee, including cash remuneration, stock options, dividends, retirement benefits or resignation benefits, various allowances and other measures with substantial incentives; its scope is related to the public offering The remuneration of directors and managers in the company's annual report should be consistent with the standards for recorded matters.

2.2. Procedure for setting remuneration:

- (1). In order to evaluate the remuneration of directors and managers on a regular basis, the results of the company's "Directors' Remuneration Payment Method", "Director's Remuneration Distribution Method" and "Performance Appraisal Management Method" applicable to managers and employees are used respectively. Based on the evaluation items, such as: moral hazard events of directors and managers or other risk events that cause negative impact on company image, goodwill, improper internal management, personnel malpractice, etc., and give reasonable remuneration. We will review the remuneration system of directors and managers at any time in accordance with the actual operating conditions and relevant laws and regulations.
- (2). In 2022, the performance self-assessment results of the board of directors, directors and members of each functional committee will significantly exceed the standard. In addition, the global economy will be affected by the Ukrainian-Russian War in 2022, and the price of raw materials will fluctuate greatly. Although the company is committed to maintaining stable purchase and sales prices, but EPS1.55 in 2022 is still decreased 21%, lower than 1.97 in 2021; according to the results of the company's manager performance evaluation in 2022, the performance of all managers has reached or exceeded the predetermined target requirements, and the company's annual operating indicators The results are also up to standard.
- (3). The actual amount of remuneration for directors and managers of the Company for 2022 will be reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval.

2.3. Relevance to business performance and future risks:

- (1). The review of the company's remuneration policy-related payment standards and systems takes the company's overall operating conditions as the main consideration, and determines the payment standards based on the performance achievement rate and contribution, so as to improve the overall organizational team effectiveness of the board of directors and management departments. Also refer to the industry's salary standard to ensure that the

salary of the company's management is competitive in the industry, so as to retain excellent management talents.

- (2). The company's managers' performance goals are combined with "risk control" to ensure that possible risks within the scope of responsibility can be managed and prevented, and the results of the rating based on actual performance are linked to relevant human resources and related Salary and Remuneration Policy. The important decisions of the company's management are made after balancing various risk factors. The performance of the relevant decisions is reflected in the company's profitability, and the compensation of the management is related to the performance of risk control.

3.3. Implementation of Corporate Governance

3.3.1.

1. Operations of the Board of Directors

The Company's Board of Directors held a total of 6 meetings in 2022.

The actual attendance rate of all directors is 98.33%.

The attendance is described as following:

Title	Name	Should attend frequency (A)	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	ZHENG DA INVESTMENT CO., LTD. Representative:Chiang,Ming-Li	6	6	0	100%	
Director	YONG ZEN INVESTMENT CO., LTD. Representative:Chiang,Kang-Ming	6	6	0	100%	
Director	GLORY TASK ENTERPRISE CO., LTD. Representative:Chiang,Shao-May	6	6	0	100%	
Director	Jazwin Ventures Ltd. Representative:Chiang,Man-Tzyy	6	6	0	100%	
Director	Pinnacle Ventures Ltd. Representative: Chiang,Shou-Cheng	6	6	0	100%	
Director	Liu,Fei-Hu	6	6	0	100%	
Director	Chang,Jung-Fei	6	6	0	100%	
Independent director	Tsai,Po-Hsien	6	6	0	100%	
Independent director	Huang,Win-Jung	6	5	1	83.33%	
Independent director	Hsieh,Ming-Jen	6	6	0	100%	
Total		60	59	1		

Other mentionable items:

1.If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1)Matters referred to in Article 14-3 of the Securities and Exchange Act.

Please refer to Functionality of the Auditing Committee.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None

2. Directors' avoidance of motions which involves conflict of interest, and the names of directors, details of the motions, reasons to avoid conflict of interest, and the participation in voting shall be disclosed:

16-16 Board Meeting : 2022.08.02

Directors' Name : Chiang Kang-Ming, Chiang Shao-May, Chiang Man-Tzyy, Chiang Shou-Cheng

Contents of the case : The pension pays for President.

Reason for avoidance of conflict of interest and the status of voting : Chiang Kang-Ming, Chiang Shao-May, Chiang Man-Tzyy, Chiang Shou-Cheng and General Manager Chiang Cheng-Shing in this case are second-degree blood relatives and interested parties. They abstained from discussion and voting in accordance with the law, and were approved by the remaining directors present.

3. The TWSE/TPEx-listed company must disclose the appraisal cycle and period, scope of appraisal, method and contents of

appraisal about the Board of Directors' self (or peer) performance appraisal, and specify the status of appraisal in the Schedule attached hereto. :

Evaluation cycle	During evaluation	Evaluation scope	Evaluation method	Evaluation content
Once a year	2022.1.1~2022.12.31	a. Board of directors b. Board member c. Audit Committee d. Remuneration Committee	The evaluation is carried out by the management department and is carried out by means of an internal questionnaire. After all the questionnaires are collected in January every year, the management department of the company will analyze the results according to the previous regulations, report the results to the board of directors, and propose measures for improvement based on the directors' suggestions. And the board meeting held on March 07, 2023 will report the evaluation results. This year's evaluation scores range from 4.84 to 4.95 (out of 5), which is still good. Evaluation of the company by independent directors: excellent performance, sound organization, smooth operation, good functional performance, and no abnormalities.	a. "Performance appraisal on Board of Directors" consists of the five major indicators, namely, degree of engagement in the Company's operation, quality of the Board of Directors' decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control, etal.. b. "Performance appraisal on Board Members" consists of the six major indicators, namely, alignment with the Company's goals and mission, awareness toward directors' responsibilities and duties, degree of engagement in the Company's operation, management of internal relations and communication, expertise and continuing education of directors, and internal control, etal.. c. "Performance appraisal on functional committees" consists of the five major indicators, namely, degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control, etal..

4. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of Audit Committee, improvement of information transparency, etc.), and the progress of such enhancements:

- (1) The Company's Board of Directors already established the two functional committees, namely, Remuneration Committee (in 2011) and Auditing Committee (in 2017), to help the Board of Directors perform its supervisory duty. The Auditing Committee consists of the whole (3) independent directors. The Remuneration Committee consists of the whole (3) independent directors under appointment by the Board of Directors. Each committee's articles of association must be subject to approval of the Board of Directors. Each committee must report its resolutions and execution thereof to the Board of Directors periodically.
- (2) Establishment of the Auditing Committee, and enactment of the "Parliamentary Rules for Meetings of the Board of Directors", "Corporate Governance Best-Practice Principles", and "Standard Operating Procedure for Handling Directors' Requirements"

3.3.2. Functionality of the Auditing Committee :

The Company's "Auditing Committee" was established on July 5, 2017, which replaced the supervisors. The Committee members consist of the whole independent directors. One independent director is elected by the whole members to serve as the convener.

Professional Qualification and Experience Please refer to 3.2.1-4 Directors (2) page 20.

It must operate in accordance with the Company's "Articles of Association of the Auditing Committee" , and perform the functions including:

1. Official powers of the audit committee

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A material asset or derivatives transaction.
- (6) A material monetary loan, endorsement, or provision of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or the compensation given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (10) Annual and quarterly financial reports, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- (11) Any other material matter so required by the company or the Competent Authority.

2. Highlights in 2022 :

(1) Appraisal on effectiveness of the internal control system

The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" to determine whether the design and execution of the 2021 internal control system are effective.

It was passed at 9th meeting of Auditing Committee in 2nd Session on March 15, 2022. The "Declaration of Statement for Internal Control System" 2021 was issued upon approval as resolved at 13th meeting of the Board of Directors in 16nd Session on March 15, 2022.

(2) Audit on Financial Reports

The 2021 financial statements produced by the Board of Directors were already audited by Deloitte & Touche, Taiwan, and an audit report was issued by Deloitte Taiwan accordingly. It, together with the business report and motion for allocation of earnings, was passed at 9th meeting of Auditing Committee in 2nd Session on March 15, 2022. The same was also passed at 13th meeting of the Board of Directors in 16nd Session on March 15, 2022, and already submitted to a shareholders' meeting in 2022 for recognition.

(3) Appointment of External Auditor

The Auditing Committee is appointed to supervise the CPA's independence to ensure the impartiality of financial statements. In order to ensure the CPA office's independence, the Auditing Committee must prepare the independence assessment form in accordance with Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 "Integrity, Objectivity and Independence" to appraise the independence, expertise and competence of the CPA and determine whether the external auditor is a related party with the Company or has business or financial interest with the Company. It was passed at 10th

meeting of Auditing Committee in 2nd Session on May 10, 2022. Then, Liu,Ming-Hsien, CPA and Cheng,Chin-Tsung, CPA of Deloitte & Touche, Taiwan were held satisfying the independence appraisal indicators as resolved at 14th meeting of the Board of Directors in 16nd Session on May 10, 2022 and, therefore, qualified as the CPAs certifying the Company's finance and taxation.

A total of 5(A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person(B)	Proxy Attendance	Attendance Rate (B/A)	Remarks
Independent director	Tsai,Po-Hsien	5	0	100%	
Independent director	Huang,Win-Jung	4	1	80%	
Independent director	Hsieh,Ming-Jen	5	0	100%	
Other mentionable items:					
1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:					
(1) Matters referred to in Article 14-5 of the Securities and Exchange Act. : Note 1					
(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors. : None.					
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: : None.					
3.Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.) : Note 2 、Note 3 、Note 4					

Note 1: Matters referred to in Article 14-5 of the Securities and Exchange Act.

Term	Contents	The opinions of all members	The Company's response to the Audit Committee's opinion
9th Meeting in 2nd Session 2022.03.15	1. The financial statements of 2021. 2. The distribution of retained earnings of 2021. 3. CPA replacement due to the internal reorganization of the the accounting firm. 4. Te statement of internal control system of 2021. 5. The business report of 2021.	The proposal was approved as proposed	According to the resolution
10th Meeting in 2nd Session 2022.05.10	1. The consolidated financial statements for first quarter of 2022. 2. The evaluation of external auditor's independence.	The proposal was approved as proposed	According to the resolution
11th Meeting in 2nd Session 2022.08.02	1. The financial statements for first half year of 2022. 2. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd.. 3. Formulated the company's "Ethical Corporate Management Best Practice Principles ". 4. Formulated the company's "Procedures for Ethical Management and Guidelines for Conduct ". 5. Revised the "Procedure for the Acquisitions or Dispositions of Assets" of the company's direct and indirect investment companies.	The proposal was approved as proposed	According to the resolution

12th Meeting in 2nd Session 2022.11.01	1. The consolidated financial statements for third quarter of 2022. 2. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Shanghai United Can Co., Ltd..	The proposal was approved as proposed	According to the resolution
13th Meeting in 2nd Session 2022.12.13	1. Internal auditing proposal of 2023. 2. The Company's loan transactions with financial institutions and execution of various trading contracts. 3. Authorization of the financial hedge against foreign exchange positions underwritten by the Company in 2023.	The proposal was approved as proposed	According to the resolution

Note 2. Communication between independent directors and the chief internal auditor & CPAs

- (1) The monthly audit report and quarterly follow-up report will be sent to independent directors. Meanwhile, the chief internal auditor will report to the independent directors on business at the Auditing Committee meeting periodically, and communicate with the Committee members about the execution result about the audit report, and follow-up on the deficiencies and suggestions fed back upon internal audit.
- (2) The CPAs will report to the independent directors about their audit (review) on financial statements and internal control system at the Auditing Committee meeting on a quarterly basis. Meanwhile, they will also communicate with the independent directors about adjustment of entries and whether new/amended laws and regulations would affect the financial statements.

Note 3. Summary of communications between independent directors and chief internal auditor

The communications with the Company's independent directors about audit operations and results thereof are considered fair.

Communication issues in 2022 are showed as follows

Date	Communication focus
2022.03.15	1. Internal audit report in Jan. - Feb. 2. Judgment on effectiveness of the internal control system in 2021
2022.05.10	1. Internal audit report in Mar. - Apr.
2022.08.02	1. Internal audit report in May - Jun.
2022.11.01	1. Internal audit report in Jul. - Sep.
2022.12.13	1. Internal audit report in Oct. - Dec. 2. Audit Project for 2023

No additional suggestions have been raised by independent directors at last communication meeting.

Note 4. Summary of communications between independent directors and CPAs

The communications between independent directors and CPAs are considered fair.

The communicated matters in 2022 are summarized as following:

Date	Communication focus
2022.03.15	Results of parent company only and consolidated financial statements 2021 and discussion and communication about impact posed by new/amended laws and regulations.
2022.05.10	Result of the Company's consolidated financial statements for 2022 Q1, and discussion and communication about impact posed by new/amended laws and regulations.
2022.08.02	Result of the Company's consolidated financial statements for 2022 Q2, and discussion and communication about impact posed by new/amended laws and regulations.
2022.11.01	1.Result of the Company's consolidated financial statements for 2022 Q3, and discussion and communication about impact posed by new/amended laws and regulations. 2. The CPAs briefed the key audit matters communicated (before the audit) between the CPAs and governance unit.

No additional suggestions have been raised by independent directors at last communication meeting.

Attendance of Supervisors at Board Meetings : NA

3.3.3. Composition, responsibilities, and functionality of the Remuneration Committee

The Company's "Remuneration Committee" was established on December 27, 2011. The Committee members consist of the whole independent directors. One independent director is elected by the whole members to serve as the convener.

Professional Qualification and Experience Please refer to 3.2.1-4 Directors (2) page 20..

It must operate in accordance with the Company's "Articles of Association of Remuneration Committee" .

Functionality

The Committee evaluates the remuneration policy and system related to directors and managerial officers, professionally and objectively.

It convenes at least two meetings annually, and special meetings whenever necessary, in order to propose suggestions to the Board of

Directors as the reference for the Board' s decision making.

Authority

The Committee members must exercise the following authority with due diligence as a good administrator, take responsibility toward the

Board of Directors and submit all of its suggestions to the Board of Directors for discussion:

1. Stipulate and review regularly the performance appraisal and compensation policies, systems, standards and structures of the directors and managerial officers.
2. Regularly review and set directors' and managerial officer's compensation policies.

The Remuneration Committee must comply with the following standards when exercising its authority.

1. The compensation and salary must be managed in line with the Company's compensation philosophy.
2. Never guide directors and managerial officers to engage in any activities beyond the Company's exposure to risk to pursue rewards.
3. The Committee members must recuse themselves from discussion and voting for any decision made for personal compensation and salary.

(1) Information Regarding Remuneration Committee

Title	Criteria Name	Professional Qualification And Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member
Convener Independent director	Tsai,Po-Hsien	(Note)	(Note)	0
Independent director	Huang,Win-Jung			0
Independent director	Hsieh,Ming-Jen			0

(Note) : Please refer to 3.2.1-4 Directors (2) page 20.

(2) Operations of the Remuneration Committee:

The Company's Remuneration Committee is composed of three members.

The term of office for current members runs from 1 July 2020 through 22 June 2023. The Company's Remuneration Committee held a total of 3 meetings in 2022, Member attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended By Proxy	Personal Attendance Rate (B/A) (Note)	Remark
Convener	Tsai,Po-Hsien	3	0	100%	
Member	Huang,Win-Jung	2	1	66.67%	
Member	Hsieh,Ming-Jen	3	0	100%	

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) Resolutions decided upon by the Remuneration Committee during the most recent year of the Annual Report:

Term	Contents	The opinions of All members	The Company's response to the Remuneration Committee's opinion
5th Meeting in 4nd Session 2022.03.15	1. The company's directors and managers' remuneration and bonuses. 2. The salary distribution of employees and directors in 2021.	The proposal was approved as proposed.	According to the resolution
6th Meeting in 4nd Session 2022.08.02	1. The pension pays for President.	The proposal was approved as proposed.	According to the resolution
7th Meeting in 4nd Session 2022.12.13	1. The company's directors and managers' remuneration and bonuses. 2. Set the 2023 meeting schedule of the compensation committee.	The proposal was approved as proposed.	According to the resolution

3.3.4. Corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Assessment criteria	Actual governance			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
1.Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company establishes its own "Corporate Governance Best-Practice Principles" based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". The Principles were already posted on the MOPS.	None
2.Equity structure and shareholders' interests (1)Has the Company set forth and implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	V		(1)The Company appoints dedicated personnel and gathers advisors from various departments/offices to verify the suggestions, queries and disputes raised by shareholders, and then the Company's spokesperson or deputy spokesperson is appointed to provide explanation or response to the shareholders.	None
(2)Does the Company possess the lists of the Company's major shareholders and ultimate controllers of the major shareholders?	V		(2)The Company's shareholders service unit will ask its shareholders service agency for the roster of shareholders periodically, in order to control any changes in the major shareholders and ultimate controllers of the major shareholders from time-to-time.	None
(3)Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		(3)The Company has established the "Regulations Governing Management of Subsidiaries" and urged its subsidiaries to establish internal control systems, in order to expressly define its management authority, have all transactions carried out pursuant to related systems and regulations, and stop any non-arm's length transactions. Meanwhile, the Company identifies the supervision and management of subsidiaries as one of the audit indicators in its annual audit plan.	None
(4)Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		(4) The company stipulates in Article 17 of the " Ethical Corporate Management Best Practice Principles ", Article 15 of the " Procedures for Ethical Management and Guidelines for Conduct ", and Article 5 of the " Management of Prevention of Insider Trading " that prohibit company insiders from using unpublished information Buy and sell securities to protect the relevant rights and interests	None

			of shareholders. During pre-employment training, new recruits also arrange education and publicity on "preventing insider trading" and related laws and regulations; and hold "preventing insider trading" promotions for directors, managers, and employees , the course counts as 1 hour. which made 52 people and 52 hours of integrity training.	
3. Formation and structure of the Board of Directors (1) Has the Board devised and implemented diversified policies and specific management goals?	V		<p>(1)The Company has established a diversification policy for the composition of its Board of Directors and specific management goals: According to Article 20 of the Company's "Corporate Governance Best-Practice Principles" (abilities to be possessed by the entire Board of Directors), the composition of Board of Directors must be determined by taking diversity into consideration; the directors who serve as the Company's managerial officers concurrently must account for no more than one-thirds of the whole directors, and it is necessary to formulate an appropriate policy on diversity based on the Company's business operation, business type, and development needs; it is advisable that the policy must include, without being limited to, the following two general standards:</p> <p>A.Basic requirements and values: Gender, age, nationality, and culture, etc.</p> <p>B.Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industrial experience.</p> <p>Please refer to pages 18-23.</p>	None
(2) Does the Company, in addition to setting the Remuneration Committee and Auditing Committee lawfully, have other functional committee set up voluntarily?		V	(2) The Company has established the Remuneration Committee and Auditing Committee pursuant to laws.	Follow Article 28、28-1 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies" .
(3) Has the Company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and applied the same as reference for remuneration to	V		(3) The Company has established the "Regulations Governing Performance Appraisal on Board of Directors" , expressly defining that the Board members' performance should be appraised based on quantified indicators annually. The Board of Director's self (peer) performance appraisal was implemented as of 2020. The evaluation report will be submitted to the board of directors in March of the next year, and posted on the MOPS.	None

individual directors and nomination?				
(4) Does the Company have the independence of the public accountant evaluated regularly?	V		(4) The audit committee of the company evaluates the independence and suitability of the certified accountants of the company every year. In addition to requiring the certified accountants to provide "transcendent independence statement" and "audit quality indicators (AQIs)", it also conducts in accordance with the standards in Note 1 and 13 AQI indicators Evaluate. It is confirmed that the accountant has no other financial interests or business relationship with the company except for visa and financial and tax case fees, and the accountant's family members do not violate the independence requirements. With reference to the AQI index information, it is confirmed that the accountant and the firm have excellent experience in the audit. In addition, in the last three years, it will continue to introduce innovative audit tools, expand audit support centers, and introduce cloud audit platforms to improve audit quality. After the assessment results of the latest year were discussed and approved by the Audit Committee on March 7, 2023, it was submitted to the board of directors for approval on March 7, 2023 to evaluate the independence and suitability of accountants.	None
4. Whether the TWSE/TPEX-listed company assigns the adequate number of competent corporate governance officers, and appoints the corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance, organization of the Board of Directors meetings and shareholders' meetings under laws, and preparation of Board meeting and shareholders' meeting minutes, et al.)?	V		As approved upon resolution adopted by the meeting of Board of Directors on November 4, 2020, the existing Financial Manager, Chiang, Chia-Chun, was appointed to hold the position as the corporate governance officer dedicated to protecting shareholders' equity and strengthening the Board's functions. Manager Chiang, Chia-Chun has held the position as a financial manager in the public company for more than three years. Meanwhile, Ms. Chen, Shu-Ling from the Chairman Office (with the experience in shareholder services and qualified upon passing the proficiency test for shareholders service professionals under 108-Zheng-Ji-Gu-Ce-Zheng-Zi No. 4610256012) is assigned to assist in the corporate governance operations. The main responsibilities include the following: 1.Organize the Board of Directors meetings and shareholders' meetings under laws. 2.Prepare Board meeting and shareholders' meeting minutes. 3.Help directors perform duties and continue education. 4.Provide directors with the information needed to perform	None

		<p>their duties.</p> <p>5.Help directors with compliance</p> <p>6. Report to the board of directors the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure.</p> <p>7. Handle matters related to the change of directors.</p> <p>8.Any other matters set forth in the Articles of Incorporation or contracts.</p> <p>2022:</p> <p>1.Business practicing is stated as following:</p> <p>(1) Organize the Board of Directors meetings under laws: To notify all directors to attend the meeting and provide the relevant information within 7 days prior to the Board meeting; remind a director or a juristic person represented by the director who is an interested party in relation to an agenda item of recusal for conflict of interest in advance; distribute the meeting minute to each director within 20 days after the meeting.</p> <p>(2) Organize the shareholders' meetings under laws: To record the date of shareholders' meeting by the statutory due date annually; produce and report the meeting advice, parliamentary handbook and minute by the prescribed due date; and, complete the registration of changes in company registration entries upon amendments to the Articles of Incorporation or upon reelection of directors.</p> <p>(3) Evaluate the Board's performance periodically in accordance with the "Regulations Governing Performance Appraisal on Board of Directors" : To collect the information related to the Board's activities at the end of each year, distribute and complete the self-assessment questionnaire, and submit the assessment result to the Board for review and improvement.</p> <p>(4) Help directors with compliance with laws and best-practice principles: To organize the continuing education programs for directors each year, and provide directors with the information needed by them to perform their duties to help directors understand the latest development of laws & regulations. Meanwhile, Director Chiang, Shao-May and principal financial officers and accounting officer would meet with the CPAs to discuss about the financial statements after each quarterly financial statement is audited. The Auditing Committee will invite the CPAs to attend the Committee's meeting on a quarterly basis, in order to communicate and exchange opinion with independent directors about any update on the financial statements, IFRSs, securities management laws & regulations, and taxation laws & regulations.</p> <p>(5) Deal with investor relation-related affairs: To provide</p>	
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			the information about shareholders' meeting, important news, financial statements and investors' meetings. 2. Continued education: has completed 16.5 hours in 2022. please refer to Note 3.	
5. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to, shareholders, employees, customers and suppliers)?	V		The Company's website provides the shareholders' information and stakeholders sections, and discloses the contact information about shareholders and stakeholders. The Company communicates with stakeholders via the business transaction departments as the communication channels, and also establishes documented and electronic communication channels to keep communication of information successful.	None
6. Does the Company engage a professional shareholders service agency o handle shareholders' meeting affairs?	V		The Company appoints Capital Securities Corporation to act as its professional shareholders service agency.	None
7.Disclosure of information (1) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(1) The Company's website (at www.greatchina.com.tw) discloses the Company's overview and related business, and links with the “MOPS” to disclose the financial information, as well as the corporate governance information.	None
(2) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)?	V		(2) The Company's website in English version is accessible. Dedicated personnel are also appointed to collect and disclose the Company's information, in order to help the Company perform the obligation to disclose information as a TWSE-listed company loyally. The Company also implements a spokesperson system. Meanwhile, the Company discloses the information about investors' meetings on its website.	None
(3) Whether the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2, and Q3 and monthly operation overview before the prescribed time limit?		V	(3) The Company discloses its financial reports for Q1, Q2, and Q3, annual reports, and monthly operation overview by the due date prescribed by the competent authority.	Follow Article 7 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies” .
8. Does the Company have other information that enables a better understanding of the company's corporate	V		(1) Employees' rights: The Company has established the Worker Welfare Committee. The Committee convenes meetings periodically to improve employee benefit policies. The Company has established the “Work	None

<p>governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company directors and supervisors)?</p>		<p>Rules” to expressly define the right and obligation of both management and labors to help employees understand and maintain their interests and rights.</p> <p>(2) Employee care: Establish fair relations with employees through various welfare policies and the employee grievance system.</p> <p>(3) Investor relations: Dedicated personnel are appointed to deal with affairs related to shareholders.</p> <p>(4)Supplier relations, and stakeholders' interests : The Company treats all suppliers and stakeholders fairly, and maintains fair relations with them.</p> <p>(5)Continuing education of directors/supervisors : Provide related laws & regulations and information to directors and arrange continuing education programs for them from time to time. (Note 2)</p> <p>(6) Implementation of risk management policies and risk measurements: The Company has established the internal control system and various policies to conduct the risk assessment and management.</p> <p>(7)Corporate governance continuing education programs attended by the Company's managerial officers(Note 3)</p> <p>(8)Current progress in the customer policy: The Company delegates dedicated personnel to help solve any customer's problems to protect the customer's rights.</p> <p>(9)Insuring against liabilities of the Company's directors and supervisor: The Company has maintained the liability insurance for directors, and reported the insurance to the Board of Directors.</p>	
<p>9.Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. According to the 9th Corporate Governance Evaluation result, the issues that are yet to be rectified are listed as following:</p> <p>(1)Whether the Company has disclosed the specific promotion plans and implementation results of corporate sustainable development (ESG) on its website,annual reports or ESG report.</p>			

Note 1 : Criteria for assessing the independence of accountants

Evaluation Items	Evaluation Result	Whether it meets independence
Whether the accountants and their family members have direct or significant indirect financial interests with the company	None	Yes
Whether the accountants and their family members have financing or guarantee activities with the company or the directors of the company, if it is done in normal business practices	None	Yes
Whether the accountants and their family members have any commercial behaviors that affect independence with the company or the directors and managers of the company	None	Yes
Whether the accountant has served as a director, supervisor, manager or position that has a significant impact on the audit work in the company at present or in the last two years; or whether he has committed to take up the aforementioned related positions	None	Yes
During the audit period, whether the family members of the accountant served as the company's directors, supervisors, managers, or positions that have direct and significant influence on the audit work	None	Yes
During the audit period, whether the accountants and the directors, supervisors, and managers of the company are related by direct blood, lineal marriage, or collateral blood relatives within the second degree (or during the audit period, whether the accountants' close relatives and friends serve as the company's directors, supervisors, managers, or Matters that directly and significantly affect the audit work, but whether the degree of violation of independence has not been reduced to an acceptable level)	None	Yes
Whether the accountant has accepted the company or the company's directors, supervisors, managers or major shareholders' gifts or gifts of great value (beyond the general social etiquette standards)	None	Yes
Whether the accountants and audit team have implemented the necessary independence/conflict of interest procedures, and there are no violations of independence or unresolved conflicts of interest	None	Yes

Note 2 : Continuing education attended by directors

Name	Date	Organizer	Course	Education hours
ZHENG DA INVESTMENT CO., LTD. Representative : Chiang,Ming-Li	2022.03.10	TWSE & QIC & Georgeson	On Independent Directors and Board Oversight from an International Perspective	1
ZHENG DA INVESTMENT CO., LTD. Representative : Chiang,Ming-Li	2022.06.10	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
ZHENG DA INVESTMENT CO., LTD. Representative : Chiang,Ming-Li	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
ZHENG DA INVESTMENT CO., LTD. Representative : Chiang,Ming-Li	2022.12.02	Taiwan Institute of Directors	The 11th Annual Chinese Family Business Forum	3
ZHENG DA INVESTMENT CO., LTD. Representative : Chiang,Ming-Li	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
YONG ZEN INVESTMENT CO., LTD. Representative : Chiang,Kang-Ming	2022.03.10	TWSE & QIC & Georgeson	On Independent Directors and Board Oversight from an International Perspective	1
YONG ZEN INVESTMENT CO., LTD. Representative : Chiang,Kang-Ming	2022.10.14	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
YONG ZEN INVESTMENT CO., LTD. Representative : Chiang,Kang-Ming	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
GLORY TASK ENTERPRISE CO., LTD. Representative : Chiang,Shao-May	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
GLORY TASK ENTERPRISE CO., LTD. Representative : Chiang,Shao-May	2022.11.10~ 2022.11.11	Accounting Research and Development Foundation	Continuing Education for Securities Issuers, Securities Firms, and Chief Accounting Officer	12
GLORY TASK ENTERPRISE CO., LTD. Representative : Chiang,Shao-May	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Jazwin Ventures Ltd. Representative : Chiang,Man-Tzyy	2022.10.21	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3

Jazwin Ventures Ltd. Representative : Chiang,Man-Tzyy	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Pinnacle Ventures Ltd. Representative : Chiang,Shou-Cheng	2022.05.20	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Pinnacle Ventures Ltd. Representative : Chiang,Shou-Cheng	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Liu,Fei-Hu	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
Liu,Fei-Hu	2022.10.14	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Liu,Fei-Hu	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Chang,Jung-Fei	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
Chang,Jung-Fei	2022.10.21	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Chang,Jung-Fei	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Tsai,Po-Hsien	2022.06.10	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Tsai,Po-Hsien	2022.07.07	TWSE	Sustainable Development Roadmap Industry Theme Promotion Conference	2
Tsai,Po-Hsien	2022.09.29	TWSE	2022 Release of Reference Guidelines for Independent Directors and Audit Committee to Exercising Powers and Directors' Supervisors Publicity Meeting	3
Tsai,Po-Hsien	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Huang,Win-Jung	2022.06.10	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Huang,Win-Jung	2022.07.13	TWSE	Sustainable Development Roadmap Industry Theme Promotion Conference	2
Huang,Win-Jung	2022.10.11	TWSE	2022 Release of Reference Guidelines for Independent Directors and Audit Committee to Exercising Powers and Directors' Supervisors Publicity Meeting	3
Hsieh,Ming-Jen	2022.05.20	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3

Hsieh,Ming-Jen	2022.10.18	SECURITIES & FUTURES INST.	Discussion on Legal Risks and Responses of Directors and Supervisors from Major Corporate Malpractice Cases	3
Hsieh,Ming-Jen	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5

Note 3 : Corporate governance continuing education programs attended by the Company's managerial officers

Title	Name	Date	Organizer	Course	Education hours
President	Chiang,Ming-Te	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
President	Chiang,Ming-Te	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Finance Director	Chiang,Shao-May	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
Finance Director	Chiang,Shao-May	2022.11.10~ 2022.11.11	Accounting Research and Development Foundation	Continuing Education for Securities Issuers, Securities Firms, and Chief Accounting Officer	12
Finance Director	Chiang,Shao-May	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Sales manager	Liu,Fei-Hu	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
Sales manager	Liu,Fei-Hu	2022.10.14	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Sales manager	Liu,Fei-Hu	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.06.10	SECURITIES & FUTURES INST.	Prevention of insider trading publicity meeting	3
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.07.07	TWSE	Sustainable Development Roadmap Industry Theme Promotion Conference	2

Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.07.26	TAIWAN CORPPORATE GOVERNANCE ASSOCIATION	Demystifying "insider trading"	3
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.09.16	TAIWAN CORPPORATE GOVERNANCE ASSOCIATION	Seminar on Misrepresentation of Financial Statements and Directors' Responsibilities	3
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.09.28	Great China Metal Ind. Co., Ltd.	Preparation of ESG Report	2
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.11.18	TWSE	2022 TWSE-Listed Company Business Promotion	3
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Oversea manager	Huang,Tien-Chang	2022.10.26	FOUNDATION OF TAIWAN INDUSTRY SERVICE	Overseas manufacturing carbon inventory and carbon footprint workshop	3
Oversea manager	Huang,Tien-Chang	2022.11.24	Deloitte & Touche,Taiwan,Republic of China	Self-compiled courses for company financial reporting and CFC system, 2023 IFRS standards	3
Oversea manager	Huang,Tien-Chang	2022.12.13	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5

3.3.5-1. Fulfillment of ESG and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from “Corporate Social Responsibility(ESG) Best Practice Principles of TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish exclusive (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the ESG policies and reporting to the board?	√		<p>The Company established the " Greenhouse Gas Inventory Promotion Team " in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies. The board of directors authorized the general manager of the operation team to serve as the management representative, and the factory manager of the Toufen factory was the leader of the promotion team. Carry out the internal and external information management of the greenhouse gas inventory for corporate sustainable development, and complete the company's greenhouse gas inventory and certification work.</p> <p>The GHG inventory promotion team regularly (at least once a year) reports to the board of directors on the implementation plan and results of the GHG inventory. Reported to the board of directors for 3 times in 2022, including: (1) drafting the parent company's greenhouse gas inventory and verification schedule (2) formulating the organizational structure and scope of duties of the greenhouse gas inventory promotion group (3) promoting the education and training of group members class schedule.</p> <p>The company’ s board of directors regularly listens to the reports of the promotion team every quarter, and provides timely suggestions and guidance on the company’ s greenhouse gas promotion</p>	None

			schedule, personnel training content, and promotion team duties, and improves the functions of the board of directors through the company's organization and mechanism.	
2.Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		<p>The risk assessment is based on the relevant operating activities in Taiwan as the main assessment boundary, including the company's operating bases (general management office, Fugang plant area, and Toufen plant area).</p> <p>Following the definition of materiality in GRI Standards, the company will regularly conduct materiality questionnaires on various issues to collect the opinions of stakeholders, and use the questionnaires to inform key stakeholders about the impact of sustainable issues such as comprehensive economy, environment and society (including human rights) Extensive surveys to identify major issues of concern to stakeholders. For the assessment process of major issues such as environment and social corporate governance, relevant risk management policies and strategies will be included in the relevant chapters of the annual ESG sustainability report.</p>	None
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company has successfully passed the FSSC 22000 certification and, as a result, put various infrastructure and structures, e.g., buildings, working spaces, public facilities and process equipment, into sound control to assure the stability of product quality and safety. For relevant instructions, please refer to Chapter 3 of the Company's ESG Sustainability Report.	None
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		<p>(2)a. The major raw materials required by the Company are aluminum and iron materials that can be 100% recycled and re-used and all such materials shall be in compliance with the specifications and be non-polluting as the very key factors in our purchase considerations.</p> <p>b. Our Company has endeavored to build standard operating procedures (SOP). In each and every month, we conduct prudent</p>	None

			inspection over the use of water, electricity, gas and other resources to ensure the maximum possible effective use of all sorts of resources. c. Inside our Company, we have set up resource recycling bins and conducted internal resource classification and recycling promotion measures for the entire staff. Thanks to such efforts, all sorts of resources can be effectively recycled and re-used inside our Company. For relevant instructions, please refer to Chapter 3 of the Company's ESG Sustainability Report.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		For the identification of climate change risks and opportunities, the company proposes five major categories of climate risks and subdivides the actual situation of several items as the items for climate risk identification through internal consultation, industry type analysis and current trend observation, so as to comprehensively Pay close attention to the possible risks of climate change. The content of potential risks and opportunities related to climate change will be included in the content of the sustainability report issued by the company every year. At the same time, the company is actively promoting the introduction of the climate change-related financial disclosure TCFD system, and plans to disclose the company's response to climate change through the four core elements of TCFD: "governance", "strategy", "risk management" and "indicators and goals". , and in the face of the transition risks brought about by climate change, 7 short-, medium- and long-term opportunity issues and 6 types of risk projects have been identified. Through cross-departmental discussions and formulation of relevant management measures for follow-up management, the impact of various risks will be reduced. It is also disclosed on the company website and Chapter 3 of the Sustainability Report.	None
(4) Does the Company collect data for greenhouse gas	V		(4) In each and every year, we work out statistics to analyze VOCs emissions,	None

<p>emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?</p>		<p>production water consumption and waste output. We further formulate annual reduction ratios to achieve energy-saving and carbon-reduction targets.</p> <p>a. VOCs emissions: The total emission of VOCs in 2022 is 112.11 metric tons, which is 54.52 metric tons less than 166.63 metric tons in 2021, a decrease of 32.72%.</p> <p>The company has established a "Greenhouse Gas Inventory Promotion Team" to complete the company's greenhouse gas inventory and certification work according to the planned progress. In response to the reduction of greenhouse gases, introduce advanced technologies to develop low-carbon products, install regenerative combustion furnaces and other equipment in the factory area to save energy consumption, control the use of energy in office and factory space operations, etc., and achieve comprehensive energy management through multiple energy-saving strategies.</p> <p>b. Water consumption: The total water consumption in 2022 will be 89,415 degrees, a decrease of 14,070 degrees compared with the same period of the same period, a decrease of 13.60%.</p> <p>Water resources management is a very important part of the company's production and manufacturing. It is committed to reducing water consumption in the process, improving the effectiveness of wastewater treatment, and pursuing the maximization of water efficiency, setting water-saving goals for regular inspections, and promoting water-saving plans to implement water-saving results.</p> <p>c. Total waste: In 2022, the output of non-hazardous waste was 143.960 metric tons and hazardous waste was 1.746 metric tons, totaling 145.706 metric tons, a decrease of 41.904 metric tons or 22.34% over the same</p>	
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			<p>period.</p> <p>With the main goal of reducing the output of industrial waste, reusing waste, and reducing environmental pollution, the company strengthens resource recovery, properly classifies waste, and appoints professional and qualified processing manufacturers to clean and transport waste according to different types.</p> <p>The annual output is statistically analyzed every year, and the output ratio is required to be reduced year by year to achieve truly environmentally friendly production. Please refer to Chapter 3 of the Company's ESG Sustainability Report for the foregoing description.</p>	
<p>4. Social Topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	V		<p>(1) Our Company faithfully complies with the Labor Standards Law, Employment Service Act, Act of Gender Equality in Employment as well as other related laws and regulations concerned to ensure the principle of labor-oriented human rights and safeguard the legitimate rights and interests of our entire staff. And formulate the human rights declaration policy and announce it on the company website. The Company has established an "Internal Control System" and the company-related labor laws and regulations into the company system. All such laws and ordinances concerned function as the very basis for the work of all departments and to safeguard the rights and interests of our employees. Through outsourcing (certified public accountants, auditors), we conduct sound audit in performance in each and every year to firmly safeguard the rights and interests of the employees. For relevant content, please refer to the company website and Chapter 5 of the ESG Sustainability Report.</p>	None
<p>(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements</p>	V		<p>(2)a. Article 31 of the company's articles of association: "If the company makes profits in the year, no less than 1% should be appropriated as employee remuneration, and the board of directors will decide to distribute it in the form of stock or cash.</p>	None

with employee salary and compensation?		<p>Employees; the company can increase the amount of profits, and the resolution of the board of directors should allocate no more than 5% as director remuneration. The distribution of employee remuneration and director remuneration should be reported to the shareholders' meeting. However, if the company has accumulated losses, it should be reported in advance. Retain the supplementary amount, and then allocate employee remuneration and director remuneration in proportion to the preceding paragraph.” The company's employee remuneration distribution in the past three years is 2% of the pre-tax net profit, and the company's operating results are shared with the employee remuneration simultaneously.</p> <p>b. The main items of employee remuneration include basic salary, job bonus, post allowance, special service allowance, environmental allowance, meal allowance, full attendance bonus, performance bonus, and year-end bonus, etc. Staff salary refers to the salary market situation, the company's operating conditions and organizational structure, and sets the salary payment standard. It is also adjusted with reference to the achievement of individual performance goals of employees, market salary dynamics, and changes in the overall economic and industrial prosperity.</p> <p>c. Performance bonus: The performance bonus system will be implemented in 2022 to motivate the company's colleagues and share business results. In addition to evaluating the department's work goals and the performance appraisal of colleagues' annual work performance, the performance bonus system also measures the company's annual EPS and various operating KPI indicators, such as: production and operation indicators, sales comprehensive indicators, environmental safety and health</p>	
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		<p>indicators, product quality indicators , and administrative affairs indicators, etc., in order to clarify and effective incentive reward system, reflected in the employee compensation policy, and combined with corporate governance and overall operation, in order to achieve the goal of sustainable development.</p> <p>d.The company provides 14 types of leave according to the needs of employees, especially the seven-day paternity leave for male colleagues, seven-day family care leave, anti-epidemic isolation leave, anti-epidemic care leave, vaccination leave, and ritual leave for indigenous peoples, etc.</p> <p>e.The company established the Employee Welfare Committee in 1990 to carry out annual domestic (foreign) travel, family day activities, distribution of company uniforms, lunch supply, subsidies for weddings and funerals, distribution of gifts (vouchers) for May Day and the Third Festival, birthday gift certificates, and annual processing Welfare measures such as employee health checks, children's education grants and grants, and long-term awards for senior employees.</p>	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V	<p>(3)a. Our Company has, as well, set up labor safety and health management personnel to take charge of planning, execution, inspection, review and other operations of employee safety and health affairs and further perform work environment inspections and improvements on a quarterly basis. Thanks to such dedicated efforts, we are able to provide employees with very safe and healthy working environment.</p> <p>b. All newly hired employees of the Company shall receive and satisfactorily complete strict training programs focusing on work safety, sanitation and fire protection before they can officially start on their jobs. Further on a semiannual basis, we carry out labor safety and health awareness oriented training programs.</p> <p>c. Every year, we conduct operating environment monitoring and examination, provide safety protective instruments to</p>	None

		<p>employees and further provide health examination for all employees on an annual basis.</p> <p>d. In response to the extreme climate conditions on earth to lower the high temperature of the factories in summertime, the Company has additionally set up ice water machines and air-conditioning boxes to the production areas of the aluminum can production lines in Toufen plant. Thanks to such installation, the temperature in the production area can be effectively lowered by about 6-8 degrees. With such thoughtful efforts, our entire staff have actively improved efficiency while safeguarding their health. For the above description, please refer to Chapter 5 of the Company's ESG Sustainability Report.</p>	
(4) Has the Company established effective career development training plans?	V	<p>(4) a. Exactly in accordance with the laws and regulations concerned in line with the work needs of various units and departments and further through the process of coaching and guidance by supervisors and senior colleagues, we try by all means to help new recruits to understand the culture inside our Company, a variety of managerial rules to familiarize themselves with job positions to, in turn, accomplish the maximum possible performance.</p> <p>b. Aiming at varied work needs for different duty positions in coordination with the personal career development of colleagues, we map out the necessary technical and academic training programs for each and every position to enhance the professional skills of our entire staff.</p> <p>For the above description, please refer to Chapter 5 of the Company's ESG Sustainability Report.</p>	None
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' rights and consumer appeal procedures?	V	<p>(5)a. The Company has established a sound food safety policy and expressly formulated standard procedures for communication with consumers and customers. The contents of such standard operating procedures (SOP) cover the storage and use of products, handling of defective products, as well as customer feedback, procedures to take charge of customer complaints and grievances.</p> <p>b. At the Company, we firmly adhere to the</p>	None

			business philosophy of decent honesty toward customers with premier customer-oriented products, solid technology and high-quality services. For the above description, please refer to Chapter 4 of the Company's ESG Sustainability Report.	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		<p>(6) a. Our Company has enacted "Regulations Governing the Evaluation of Affiliates or Sub-contractors" to evaluate and appraise the suppliers in their performance capability, look into their previous records toward impact upon environment and society in an effort to assure that our quality and delivery schedule would be consistent with the Company's requirements. In turn, we assure the stable quality of products to jointly endeavor toward corporate social responsibility (ESG).</p> <p>b. Where in transactions with suppliers, other than the quality of the products they provide to us, we closely watch and make sure whether or not their manufacturing process has been consistent with the requirements of corporate social responsibility (ESG). Whenever a supplier is found with significant impact upon the environment or the society, we shall either cut the supply volume or replace it with another forthwith. For the above description, please refer to Chapter 4 of the Company's ESG Sustainability Report.</p>	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as ESG reports? Do the reports above obtain assurance from a third party verification unit?	V		5.The Company will refer to the Global Reporting Initiative (GRI) from 2022, follow the requirements of the new version of GRI Standards (2021) to compile the sustainability report, and publish it on the company website. The report currently does not have procedures such as confirmation or guarantee opinions of third-party verification units.	None
6. If the Company has established the corporate social responsibility principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" , please describe any discrepancy between the Principles and their implementation : None.				
7. Other important information to facilitate better understanding of the Company's corporate social responsibility practices : None.				

3.3.6.Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from th Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		(1)The Company passed the resolution of the board meeting on August 2, 2022, and established the Company's " Ethical Corporate Management Best Practice Principles ", which clearly stated the Company's policies and practices of integrity management, and the commitment of the board of directors and management to actively implement this business policy; and made it public on the Company's website Disclose relevant norms such as the " Ethical Corporate Management Best Practice Principles " and " Procedures for Ethical Management and Guidelines for Conduct ".	None
(2)Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(2) The Company abides by various laws and regulations and other laws and regulations related to business conduct. The relevant preventive measures of the " Ethical Corporate Management Best Practice Principles " stipulated by the company have covered the preventive measures for the behaviors of Article 7, Item 2 of the " Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies ". And require all units of the Company to implement it. Besides, the Company has further expressly provided that “an employee of the Company who uses his or her power or convenience in official affairs to profit himself or herself or others or who engages in other private frauds that may cause damage to the Company" shall be dismissed forthwith without notice. The Company tries hard to educate its employees so that they fully understand the Company's firm resolve to operate with integrity, policies and	None

			the consequences of violations of dishonest behavior.	
(3)Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The Company formulated the " Ethical Corporate Management Best Practice Principles " on August 2, 2022, specifying the relevant operation procedures, behavior guidelines, punishment and complaint system for violations, and established the " Ethical Corporate Management Task Force " to implement various tasks.	None
2.Fulfill operations integrity policy				
(1)Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) All contracts executed with the Company bear confidentiality obligations and intellectual property right clauses to assure business performance in a fair and honest manner.	None
(2)Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2)The Company proposes to set up an " Ethical Corporate Management Task Force ", which is affiliated to the board of directors, with the director of corporate governance as the convener, and cross-departmental units to jointly promote corporate integrity management actions, and report to the board of directors on a regular basis (at least once a year) on the implementation of various tasks.	None
(3)Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) A conflict of interest found among business performance, if any, shall be reported to the supervisor and an employee involved in such conflict shall withdraw to prevent such conflict. On various motions or proposals, a director who is proven to be involved in conflict of interest shall withdraw from discussion or voting process in accordance with the principles of recusal.	None
(4)Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4)a. The Company refrains from dealings with people with records of dishonest behavior and expressly stipulates the integrity behavior clause onto all business contracts. All important legal papers of the Company shall be rechecked by legal personnel or legal advisors who will, in turn, offer professional opinions and suggestions. b. The Company's Audit Department is an independent unit subordinate to the board of directors. The Audit Department shall assume the responsibility for the implementation of integrity management. The internal auditors shall, on a regular basis, check the compliance status and further for monitoring and reporting on the performance of various business	None

			operations.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company conducts integrity management behavior education and training for colleagues through internal and external education and training courses, regular meeting publicity, etc., to implement the implementation of integrity management; the Company will hold internal and external education and training related to issues of integrity management in 2022, including There were 1,019 person-times and 1,860 hours of courses related to compliance and publicity of business regulations, food safety, environmental hygiene, quality management, accounting system and internal control.	None
3.Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) In an attempt to guide employees into faithful enforcement of the high ethical standards within the business scope to prevent illegal acts from occurring, the Company has set strict preventive measures and disciplines and established reporting and grievance channels. The Human Resources Administrative Department is the competent authority in charge of such affairs.	None
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) While the Company accepts a grievance report, in order to safeguard the rights of the complainant, the complaint case shall be handled in a confidential manner and the name of the complainant or other relevant information sufficient to identify the identity of the complainant shall be kept in confidence and shall not be disclosed.	None
(3) Does the company provide proper whistleblower protection?	V		(3) Whenever a person of the Company proves to have violated the code of ethics and behaviors under this standard, he or she shall be punished in accordance with the relevant provisions of the Company's work rules on rewards and punishments. Where the punished person considers that the Company has infringed upon his or her legitimate rights and interests, he or she may follow the Company's relevant regulations to appeal to the Human Resources Administrative Department in accordance with relevant grievance rules of the Company for a sound remedy.	None
4.Strengthening information disclosure				
Does the company disclose its ethical	V		The Company discloses the ethical corporate	None

corporate management policies and the results of its implementation on the company's website and MOPS?			management policies and the results on the company's website, annual report and MOPS.	
<p>5.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>There have been no differences.</p>				
<p>6.Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).</p> <p>(1) The Company has set up "Ethical Corporate Management Best Practice Principles" , "Procedures for Ethical Management and Guidelines for Conduct" , "Regulations Governing Management over Prevention of Insider Trading" and publicized such Regulations for directors, managers and employees either on a regular basis or from time to time on a periodic basis, advising them not to disclose material information inside the Company to others.</p> <p>(2) The Company's "Rules of Procedures Governing Board of Directors' Meetings" expressly stipulate that directors who have gotten involved in interests in a motion in the meeting shall duly withdraw themselves along with their juristic person from participating in the discussion and from the voting process.</p> <p>(3) The Company has faithfully abided by the Company Act, Rules of Exchange- (Over-The-Counter) Listed Companies, taxation and accounting-related laws to put into implementation thoroughly Best-Practice Principles on Good Faith Management.</p>				

3.3.7. If the Company has established corporate governance principles and other relevant guidelines, references to such principles shall be disclosed:

The Company has established its own "Corporate Governance Best-Practice Principles", "Parliamentary Rules for Meetings of Board of Directors" , " Ethical Corporate Management Best Practice Principles" , "Procedures for Ethical Management and Guidelines for Conduct", and "Standard Operating Procedure for Handling Directors’ Requirements". The same are posted on the MOPS and disclosed on the Company's website.

3.3.8. Other information material to the understanding of corporate governance within the Company

In order to established a fair mechanism dedicated to processing and disclosing internal important information, and ensure consistency and accuracy of the information disclosed by the Company to the public, the Company defines the "Regulations on Management of Prevention of Insider Trading", which are communicated to employees by public notice, and must be followed by managerial officers and directors.

3.3.9. Implementation Status of Internal Control System.

1. Internal Control Declaration

Great China Metal Ind. Co., Ltd.
Statement of Internal Control System

Date: March 07, 2023

The internal control system from January 1 to December 31, 2022, according to the result of self-assessment is thus stated as follows :

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.
3. According to the effective judgment items for the internal control system specified in "Highlights for Implementation of Establishing Internal control System by Listed Companies" (hereinafter referred to as "Highlights") promulgated by Securities and Futures Commission, Ministry of Finance R.O.C., the Company has made judgment whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by “Highlights” are, based on the process of management control, for classifying the internal control into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to "Highlights".
4. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of design and execution of internal control system.
5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability of financial reporting, the compliance of applicable law and regulations has been effective and they can reasonably assure the aforesaid goals have been achieved.
6. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors on March 07, 2023, and those 10 directors in presence all agree at the contents of this statement.

Great China Metal Ind. Co., Ltd.
Chairman : Chiang,Ming-Li
President : Chiang,Ming-Te

2. If the company has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: NA.

3.3.10. Conviction of corporate or employees' wrongdoings, Company's punishment on employee for violation of internal control, major faults and improvements during recent fiscal period and to the publish date of the annual report:None.

3.3.11. Major Resolutions of Shareholders Meeting and Board Meeting :

Major resolutions of 2022 Shareholders Meeting

Date	Major resolutions	Implementation status
2022.06.24	Accepted the business report and financial statements of 2021.	The proposal was approved by the participating shareholders with 98.90% approved percentage.
	Approved the distribution of retained earnings of 2021, amounting to NT\$1.5 per share for cash dividend payment.	1.The proposal was approved by the participating shareholders with 98.95% approved percentage. 2.Ex-Dividend Trading Date:2022.07.29. Cash Dividend Payout Date:2022.08.25.
	Approved the Proposal to lift new non-compete restrictions for incumbent directors.	1.The proposal was approved by the participating shareholders with 98.91% approved percentage. 2.Effective on the resolutions at general shareholders meeting.

Major resolutions of 2022 Board Meeting

Date	Term	Major resolutions
2022.05.10	14th Meeting in 16nd Session	1.The consolidated financial statements for first quarter of 2022. 2.The evaluation of external auditor's independence.
2022.06.24	15th Meeting in 16nd Session	1.Set the record date of distribution of cash dividend of 2021.
2022.08.02	16th Meeting in 16nd Session	1.The financial statements for first half of 2022. 2.In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd.. 3.Formulated the company's "Ethical Corporate Management Best Practice Principles". 4.Formulated the company's "Procedures for Ethical Management and Guidelines for Conduct". 5.Revised the "Procedure for the Acquisitions or Dispositions of Assets" of the company's direct and indirect investment companies. 6.Reappointment of directors of the company's overseas subsidiaries. 7. Retirement of the President of the company. 8.The pension pays for President. (Note 2) 9.Appointment of the President of the company and basic monthly remuneration. 10.The Company's board of directors resolved to remove the non-competition restrictions on manager.
2022.11.01	17th Meeting in 16nd Session	1.The consolidated financial statements for third quarter of 2022. 2.In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Shanghai United Can Co., Ltd.. 3.The amendments to "Rules of Procedure for Board of Directors Meetings".
2022.12.13	18th Meeting in 16nd Session	1.Internal auditing proposal of 2023. 2.The Company's loan transactions with financial institutions and execution of

		various trading contracts. 3. Authorization of the financial hedge against foreign exchange positions underwritten by the Company in 2023. 4. The business plan of 2023. 5. Formulated the company's "Internal major information processing procedures ".
2023.03.07	19th Meeting in 16nd Session	1. Report the company's "Board Performance Evaluation" 2. To formulate the general principles of the company's pre-approved non-confirmation service policy. 3. The evaluation of external auditor's independence. 4. The salary distribution of employees and directors in 2022. 5. The financial statements of 2022. 6. The distribution of retained earnings of 2022. 7. The statement of internal control system of 2022. 8. The business report of 2022. 9. The amendments to "Procedure for the Acquisitions or Dispositions of Assets". 10. The amendments to "Operating Procedure for Loaning of Funds and Making of Endorsements/Guarantees". 11. The company's New appointment Chief Internal Auditor. 12. The amendments to "Corporate Governance Best Practice Principles". 13. Approved the related operating procedures for shareholder proposal right. The period for shareholder to submit their proposals.

Note : 1. The opinions of all members : The above proposals were approved by all the directors present without objection.

2. The opinions of all members : Chiang Kang-Ming, Chiang Shao-May, Chiang Man-Tzyy, Chiang Shou-Cheng and General Manager Chiang Cheng-Shing in this case are second-degree blood relatives and interested parties. They abstained from discussion and voting in accordance with the law, and were approved by the remaining directors present.

3. Implementation status : According to the resolution.

3.3.12. Document or written statement that states different opinions by board members or supervisors against the approved major resolutions by the board meeting in recent fiscal period and to the publish date of the annual report: None.

3.3.13. Summary of the resignations and dismissals of the chairman, president, accountant division manager, chief financial officer, internal auditing manager, and R&D manager during the last year and up to the time of printing:

Title	Name	Elected (inauguration) Date	Resignation Date	Reason of resignation and dismissal
President	Chiang, Cheng-Shing	1996/06/01	2022/08/02	retirement
Chief internal auditor	Lee, Ching-Hui	2019/05/07	2023/02/17	resignation

3.4. Auditing Notes

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA' s Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche, Taiwan, Republic of China	Liu, Ming-Hsien	2022/01/01~2022/12/31	3,750	62	3,812	The engaged certified public accountants had been replaced to meet the needs of the internal adjustment of Deloitte & Touche, Taiwan. The former CPAs are Chang, Ching-Fu and Cheng, Chin-Tsung, the successor CPAs are Liu, Ming-Hsien and Cheng, Chin-Tsung.
	Cheng, Chin-Tsung					

Please describe the service content of the non-audit fees: : Typing and printing is NT\$ 62 thousands.

- (1) If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons: NA.
- (2) If the audit fee is reduced by more than 10% over that in the previous year, please disclose the amount of audit fee reduced, the proportion and reason for the reduction: NA.
- (3) If there is any CPA or CPA Firm being replaced in current year, the auditing period should be indicated separately and the reason for such replacement should be detailed in the remark column; also, the information regarding the audit and non-audit fee paid should be disclosed. Non-audit CPA fees should be annotated to explain the service content.

3.5. Changing of auditors:

3.5.1. Regarding the former CPA

Replacement Date	Since Q1 of 2022		
Replacement reasons and explanations	The engaged certified public accountants had been replaced to meet the needs of the internal adjustment of Deloitte & Touche, Taiwan. The former CPAs are Chang,Ching-Fu and Cheng,Chin-Tsung, the successor CPAs are Liu,Ming-Hsien and Cheng,Chin-Tsung.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties		
	Status	CPA	The Company
	Termination of appointment	None	
No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
		-	
	None	✓	
	Remarks/specify details:		
Other Revealed Matters	None		

3.5.2.Regarding the successor CPA

Name of accounting firm	Deloitte & Touche,Taiwan,Republic of China
Name of CPA	Liu,Ming-Hsien and Cheng,Chin-Tsung
Date of appointment	Mar. 15, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.6. If the Company's Chairman, President, or managers responsible for financial and accounting affairs have held any position in the accounting firm or its affiliates during the past year, all relevant information should be disclosed: None.

3.7. Net Change in shareholdings and in shares pledged by directors, supervisors, management, and shareholders holding more than a 10% share in the Company. :

3.7.1 Recent changes:

Title	Name	2022		As of Apr. 21, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	ZHENG DA INVESTMENT CO., LTD.	0	0	0	0
Director	Representative Chiang, Ming-Li	0	0	0	0
Director	YONG ZEN INVESTMENT CO., LTD.	0	0	0	0
	Representative Chiang, Kang-Ming	0	0	0	0
Director	GLORY TASK ENTERPRISE CO., LTD.	0	0	0	0
	Representative Chiang, Shao-May	0	0	0	0
Director	Jazwin Ventures Ltd.	0	0	0	0
	Representative Chiang, Man-Tzyy	0	0	0	0
Director	Pinnacle Ventures Ltd.	0	0	0	0
	Representative Chiang, Shou-Cheng	0	0	0	0
Director	Liu, Fei-Hu	0	0	0	0
Director	Chang, Jung-Fei	0	0	0	0
Independent director	Tsai, Po-Hsien	0	0	0	0
	Huang, Win-Jung	0	0	0	0
	Hsieh, Ming-Jen	0	0	0	0
President	Chiang, Cheng-Shing	0	0	0	0
President	Chiang, Ming-Te	0	0	0	0
Finance Director	Chiang, Shao-May	0	0	0	0
Financial manager and Concurrently corporate governance office	Chiang, Chia-Chun	0	0	0	0

3.7.2. Shares Trade with Related Party

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT\$)
None	None	None	None	None	None	None

3.7.3. Shares Pledge with Related Party : None.

3.8. Information Disclosing the Relationship between any of the Company's Top Ten Shareholders :

Name	Current Shareholding		Spouse's / minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May	22,059,503	7.23%	0	0%	0	0%	-	-	-
	1,042,507	0.34%	617,264	0.20%	0	0%	Chiang, Cheng-Shing Chiang, Shou-Cheng	Brother and sister	-
Jian Da Investment Co., Ltd. Representative Cheng,Jian-Yun	20,764,950	6.81%	0	0%	0	0%	-	-	-
	0	0%	0	0%	0	0%	-	-	-
Kong Nee Investment Co., Ltd. Representative Chiang,Hsiao-Chun	19,551,088	6.41%	0	0%	0	0%	-	-	-
	1,535,175	0.50%	0	0%	0	0%	-	-	-
Yuan Da Investment Corp. Representative Chiang,Hsiao-Chun	15,975,476	5.24%	0	0%	0	0%	-	-	-
	1,535,175	0.50%	0	0%	0	0%	-	-	-
ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	11,806,451	3.87%	0	0%	0	0%	-	-	-
	11,467,147	3.76%	0	0%	0	0%	-	-	-
Fubon Life Insurance Co., Ltd. Representative Richard M. Tsai.	11,632,000	3.81%	0	0%	0	0%	-	-	-
	0	0%	0	0%	0	0%	-	-	-
Chiang,Ming-Li	11,467,147	3.76%	0	0%	0	0%	-	-	-
JE Ventures Ltd. Representative Chiang,Shou-Cheng	11,426,067	3.75%	0	0%	0	0%	-	-	-
	8,000	0%	12,000	0%	0	0%	Chiang, Cheng-Shing Chiang, Shao-May	Brother and sister	-
YONG CHENG INVESTMENT CO., LTD. Representative Chiang,Cheng-Shing	10,208,877	3.35%	0	0%	0	0%	-	-	-
	4,408,516	1.45%	90,340	0.03%	0	0%	Chiang, Shao-May Chiang, Shou-Cheng	Brother and sister	-
YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Cheng-Shing	10,205,000	3.35%	0	0%	0	0%	-	-	-
	4,408,516	1.45%	90,340	0.03%	0	0%	Chiang, Shao-May Chiang, Shou-Cheng	Brother and sister	-

3.9. Total Percentage of Ownership of Investees

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
HAI HWA INVESTMENT CO., LTD.	-	100	-	-	-	100
GCM HOLDING CO., LTD.	-	100	-	-	-	100
Shanghai United Can Co., Ltd.	-	-	-	100	-	100
Huatong United (Nantong) Plastic Industry Co., Ltd.	-	-	-	100	-	100
Chongqing United Can Co., Ltd.	-	-	-	100	-	100
Jinan United Can Co., Ltd.	-	-	-	100	-	100
GCM PACKAGING (VIETNAM) CO., LTD.	-	-	-	100	-	100
Sunshui Changlee United Container Co., Ltd.	-	-	-	30	-	30

4、Capital Overview

4.1. Capital and Shares

4.1.1 Source of Capital

1. Type of Stock

April 21, 2023

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	305,000,000	25,000,000	330,000,000	

2. Issued Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1998.07	10	330,000,000	3,300,000,000	308,000,000	3,080,000,000			
2002.03	10	330,000,000	3,300,000,000	302,700,000	3,027,000,000			Note1
2003.12	10	330,000,000	3,300,000,000	305,000,000	3,050,000,000			Note2

Note1 : The application for registration of cancellation of treasury stock and capital decrease has been approved by Ministry of Economic Affairs Letter under Jing-Shou-Shang-Zi No. 09101090450 dated March 14, 2002.

Note2 : The common stock, totaling 2,300,000 shares, by private placement has been issued upon approval on May 10, 2007.

3. Information for Shelf Registration : None.

4.1.2. Status of Shareholders

April 21, 2023

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	0	2	159	75	18,465	18,701
Shareholding (shares)	0	11,952,000	183,848,919	8,432,443	100,766,638	305,000,000
Percentage	0.00%	3.92%	60.28%	2.76%	33.04%	100.00%

Note : Ratio of shares held by investors in China: 0%.

4.1.3. Common Shares

April 21, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	9,530	545,228	0.18 %
1,000 ~ 5,000	6,744	14,517,808	4.76 %
5,001 ~ 10,000	1,194	9,705,036	3.18 %
10,001 ~ 15,000	399	5,116,746	1.68 %
15,001 ~ 20,000	244	4,537,742	1.49 %
20,001 ~ 30,000	204	5,224,351	1.71 %
30,001 ~ 40,000	108	3,907,428	1.28 %
40,001 ~ 50,000	65	3,028,226	0.99 %
50,001 ~ 100,000	113	8,040,200	2.64 %
100,001 ~ 200,000	34	4,731,528	1.55 %
200,001 ~ 400,000	25	6,757,006	2.22 %
400,001 ~ 600,000	3	1,461,304	0.48 %
600,001 ~ 800,000	3	1,832,264	0.60 %
800,001 ~ 1,000,000	1	842,000	0.28 %
Over 1,000,001	34	234,753,133	76.96 %
Total	18,701	305,000,000	100.00 %

4.1.4. List of Major Shareholders

Shareholder's Name	Shareholding	
	Shares	Percentage
GLORY TASK ENTERPRISE CO., LTD.	22,059,503	7.23 %
Jian Da Investment Co., Ltd.	20,764,950	6.81 %
Kong Nee Investment Co., Ltd.	19,551,088	6.41 %
Yuan Da Investment Corp.	15,975,476	5.24 %
ZHENG DA INVESTMENT CO., LTD.	11,806,451	3.87 %
Fubon Life Insurance Co., Ltd.	11,632,000	3.81 %
Chiang,Ming-Li	11,467,147	3.76 %
JE Ventures Ltd.	11,426,067	3.75 %
YONG CHENG INVESTMENT CO., LTD.	10,208,877	3.35 %
YONG ZEN INVESTMENT CO., LTD.	10,205,000	3.35 %

4.1.5. Market Price, Net Worth, Earnings, and Dividends per Share

Items	2022		2021	01/01/2023- 03/31/2023
Market Price per Share				
Highest Market Price	27.15		31.20	25.35
Lowest Market Price	23.85		21.80	24.00
Average Market Price	25.56		25.95	24.58
Net Worth per Share				
Before Distribution	24.54		24.46	24.95
After Distribution	23.26	Note	22.96	—
Earnings per Share				
Weighted Average Shares	305,000,000		305,000,000	305,000,000
Diluted Earnings Per Share	1.55		1.97	0.25
Dividends per Share				
Cash Dividends	1.20	Note	1.50	—
Stock Dividends				
Dividends from Retained Earnings	—		—	—
Dividends from Capital Surplus	—		—	—
Accumulated Undistributed Dividends	—		—	—
Return on Investment				
Price / Earnings Ratio	16.49	Note	13.17	—
Price / Dividend Ratio	21.30	Note	17.30	—
Cash Dividend Yield Rate (%)	4.69	Note	5.78	—

Note : Pending Shareholders' Meeting Resolution.

4.1.6. Dividend Policy and Implementation Status

1. Dividend policy

If the Company retains earnings upon final account of any fiscal year, it must first pay the taxes, make up any losses from past years, and then make contribution of 10% as the legal reserve unless the legal reserve has reached the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the motion for distribution of the balance, if any, plus the accumulative undistributed profit is formulated by the Board of Directors and submitted to a shareholders' meeting for resolution. The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest. As the Company is still growing, in response to the potential business expansion plan, the Company may allocate at least 30% of the earnings after tax for the current year as bonus to shareholders, unless no earnings are retained for the current year. The bonus to shareholders may be allocated in the form of cash dividends and stock dividends (50%~100% for cash dividends and 50%~0% for stock dividends). Notwithstanding, the Company may adjust the percentage for allocation of cash dividends and stock dividends, subject to the economic overview, industrial development and funding needs, if necessary.

Distribution of stock dividends proposed at the shareholders' meeting: In response to the motion for distribution of the Company's 2022 earnings, the Board of Directors resolved to allocate the cash dividend at NT\$1.2 per share. Upon approval of the allocation per resolution adopted by this general shareholders' meeting, the Board of Directors will be authorized to set the ex-dividend date and date of distribution.

Expected major changes : None

2. 2022 PROFIT DISTRIBUTION TABLE :

Unit : NT\$

Beginning retained earnings		1,809,919,040
Net profit after tax	473,295,773	
Remeasurement of defined benefit obligation	1,388,554	
Net profit for the year		474,684,327
10% legal reserve		(47,468,433)
Net profit excluding legal reserve		427,215,894
Distributable items		
Dividend to shareholders (NT\$1.2 per share)		(366,000,000)
Unappropriated retained earnings		1,871,134,934

4.1.7. Impacts of Stock Dividends on Operation Results and EPS : NA.

4.1.8. Employee Bonus and Directors' Remuneration

1. Proportion of employee profit and ranges of remuneration to employees and directors specified in the Articles of Incorporation

If the Company retains earnings at end of any fiscal year, the Company must allocate no less than 1% of the earnings as the remuneration to employees, which must be distributed in the form of stock or in cash upon a resolution adopted at a meeting of the Board of Directors. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may also allocate no more than 5% of said earnings as the remuneration to directors upon a resolution adopted at a meeting of the Board of Directors. The motion for allocation of remuneration to employees and directors must be reported to a shareholders' meeting. Notwithstanding, where the Company retains accumulated losses, the losses must have been covered first, and the remainder, if any, must be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

2. Estimate Foundation of Employee Bonus and Directors' Remuneration : None.

3. Allocation of remuneration passed by the Board of Directors

- (1) The Board of Directors has resolved to allocate the remuneration to the employees, NT\$ 12,374,329, and to directors, NT\$12,374,329, from the Company's 2022 earnings.

- (2) Proposed amount of employees' stock bonus as a percentage to the current period net profit after tax and the total amount of employees' bonus : None.

- (3) Hypothetical EPS after distributing the remuneration to employees and directors: N/A, as the remuneration to employees and directors has been expensed as incurred.

4. The actual distribution of bonus to employees and remuneration to directors resolved by a shareholders' meeting in 2021 is found identical with the projected distribution passed by the Board of Directors.

Distribution Earnings : Employee Bonus-in Cash	NT\$ 15,743,161
Directors' Remuneration	NT\$ 15,743,161

4.1.9. Buyback of Treasury Stock: : None

4.2. Corporate Bonds : None

4.3. Preferred Shares : None

4.4. Global Depository Receipts : None

4.5. Employee Stock Options : None

4.6. Restricted Stock Awards : None

4.7. Status of New Shares Issuance in Connection with Mergers and Acquisitions : None

4.8. Financing Plans and Implementation : None

5、Operational Highlights

5.1. Business Activities

5.1.1. Business Scope

1. The Company's business lines are described as following:
 - (1) Metal Containers Manufacturing
 - (2) Other Metal Products Manufacturing
 - (3) Mold and Die Manufacturing
 - (4) Machinery and Equipment Manufacturing
 - (5) Manufacture of Plastic Sheets, Pipes, Boards, and Tubes
 - (6) Manufacture of Plastic Films and Bags
 - (7) Plastic Daily Necessities Manufacturing
 - (8) Industrial Plastic Products Manufacturing
 - (9) Plastic Leathers Products Manufacturing
 - (10) Other Plastic Products Manufacturing
 - (11) Housing and Building Development
 - (12) New Towns and New Community Development
 - (13) All business items that are not prohibited or restricted by law, except those that are subject to special approval

2. Operating proportion :

Item	proportion %
Aluminum Cans	65%
Top End / Bottom End	18%
Stretch Films	6%
Steel Cans	2%
Other	9%
Total	100%

3. Product Category :

- (1) Aluminum Cans
 - (2) Steel Cans
 - (3) DRD Cans
 - (4) Full Open End / Sot End / Bottom End
 - (5) Stretch Films
4. Business development under planning :
 - (1) To develop the market for laminating aluminum cans domestically or overseas
 - (2) To develop various aluminum (steel) cans/top end types and new materials to provide the complete product series
 - (3) To keep completing the construction of production and sales locations for supply to ASEAN.

5.1.2. Industry Overview

1. Current and future industry prospects

The metal can industry refers to an industry requiring high capital intensity and technology. Especially, the investment capital required by a set of production lines for aluminum cans, in addition to land and plant and working capital, often amounts to NT\$1 billion at least. Given the high capital intensity and technical threshold for the market access in the industry, the food and beverage industry is considered engaging in production of seasonal products, and its demand appears to be concentrated in peak seasons. In response to customers' needs,

the production lines are automated and largely computerized and, therefore, are less dependent on the labor force.

2. Association between upstream, midstream, and downstream industry participants

Metal can products may be categorized into two-piece aluminum cans, three-piece steel cans, DRD squeeze cans, and aluminum (steel) EOE top/bottom ends. Most of the aluminum materials required for such products are imported after they are priced in an international market and processed into aluminum alloy coils by certain multinational aluminum manufacturers. The tinplates are manufactured and supplied by domestic and foreign tinplate manufacturers respectively. Accordingly, association is closed between upstream and downstream industry participants. Most can manufacturers refer to the food and beverage industry participants. The top ends required by the industry are generally divided into ordinary and high thermal resistance aluminum and steel top ends.

3. Overall economy and industry development trends, and product competition

With the economic development in Taiwan, apparently beverages have become some daily necessity in the people's livelihood. Aluminum and steel cans can block air and light effectively with perfect tightness and, therefore, are identified as the best containers for foods and beverage to help keep perfect flavor of foods and beverages remain the same. Meanwhile, they are subject to the lowest recycling costs and pose very little impact to the environment. In consideration of the social interests and reduction of impact posed by waste to the environment, aluminum and steel cans are considered as the containers with the strongest competitiveness. Therefore, aluminum and steel cans will still be the main containers adopted in the food and beverage packaging markets.

Despite the stable market share of metal packaging in the market of various food packaging materials, for the industrial prospective development, it is still necessary to improve the existing product functions, and introduce new technologies, process and can types to make the products become more attractive.

5.1.3. Research and Development

Research and Development Expenses in Past Two Years

Unit : NT\$ thousands

Year	2022	2021	2020
Research fee	965	1,412	1,638

1. Future research and development plan : Please refer to page 3.

5.1.4. Long-term and Short-term Development :

1. Short-term business development plan :

Practice the quality control, improve process and technological capabilities, and provide omnibus products to pursue sustainable business growth.

2. Long-term business development plan :

- (1) Expand overseas locations to get closer to customers and cut transportation costs
- (2) Improve management and production performance and cut costs
- (3) Improve logistic ability and establish high-efficiency service systems
- (4) Effective inventory management
- (5) Active and stable financial management

5.2. Market and Sales Overview

5.2.1. Market Overview

Great China Metal Ind. Co., Ltd. is the only one manufacture engaged in production of comprehensive packaging and containers domestically. Its products cover various aluminum (steel) cans, LLDPE films, and aluminum (steel) EOE and full open can top ends. It is dedicated to providing the omnibus product series to provide complete services in the food and beverage industry.

In consideration of the impact posed by the significant fluctuation in the price of aluminum and steel raw materials and the economy in the market, under the circumstance that the aluminum can sales declined by 23 % in 2022 from last year, while the steel can sales declined by 64 %, the various aluminum (steel) top end sales also declined by 8%.

The actual sales performance of export accounts for 6% of the total turnover. The international market is still under development. The Company has established the production and sales locations for aluminum (steel) EOE top ends in Vietnam, in order to promote the sales performance in the territories of South East Asia under the international labor division system. It is believed to be help the Company's overall operating revenue substantially.

※ The ratio of domestic sales and export sales is 94% and 6%.

※ Upcoming opportunities and threats, and the responsive strategies

1. Opportunities

- (1) Stable finance and technical team are advantageous to diversified investment projects.
- (2) As a manufacturer with its own molds and spare parts/components, the Company's self-made rate attains more than 90%, which may help cut the costs significantly and also respond to customers' demand for change of types rapidly.
- (3) Diversified product types and wide marketing channels to deepen the competitiveness in market.
- (4) The Company focuses on globalization and keeps construction plants and expanding sales channels overseas to mitigate its market risk.

2. Threats

- (1) The fluctuation in the price of such raw materials as aluminum and steel sheets poses an impact to the production cost and thereby make it difficult to reflect the selling price.
- (2) The peer competition causes reduction of short-term earnings.
- (3) The electronics industry's advantages causes the effect of crowding out and thereby make the traditional industry to recruit talents.
- (4) Customers' demand for products tends to be small quantity and diversification and thereby increases the production costs, and also increases the frequency of startup so as to result in increase in the plant's cost.

3. Responsive measures for improvement

- (1) Continue to improve the process technology and productivity, cut production costs and increase profitability.
- (2) Establish know-how through the exchange and cooperation with domestic academic research institutions to create the knowledge value ahead of the others in the same industry.
- (3) Continue to expand the products in depth and width, in hopes to keep the strength in scale of economy until it becomes a growth engine.
- (4) Establish more closer supply and demand relations to cut production costs.

5.2.2. The major purpose of Main Products and Production Process of Main Products

1. The major purpose of Major Product :

Major products	The major purpose (Features)
Aluminum Cans	The aluminum cans are widely applied for carbonated drinks, beer and drinks with Nitrogen (juice, coffee, tea, sport drinks)
Steel Cans	The steel cans are widely applied for juice, coffee, tea, dairy products, sport drinks, congee, dessert and so on.
Top End / Bottom End	Suitable for beverage cans, food cans and related containers.
Stretch Films	Full range of stretch films are available covering machine stretch films, handmade films, paperless tube films, colored films, slitting small films. The films are widely applied for packing transportation for fields of beverage drinks, chemical raw material, paper printing, fiber products, electric product, car accessories, decorative board, can-making container, warehouse logistic and so on.

2. Production Process of Main Products :

2-Piece Aluminum Can production process

Aluminum coil inspection→cupping→body making→edge trimming→can washing→printing, glazing→inside coating→necking and flanging→can inspection→packaging.

3-Piece Steel Can production process

Tinplate→Printing→Cutting→Forming welding→Side repainting→necking and flanging→Seaming End Or bottom→Vacuum inspection tank→Can body repainting→Packaging.

Aluminum Or Tinplate Can Ends production process

Aluminum Or Steel sheet→coating→cutting→press forming→gluing→combined punch processing→packaging.

5.2.3. Supply status of major raw materials

High energy costs remain a threat to supply

Energy costs soared after Russia's invasion of Ukraine, squeezing producers' margins, with energy-intensive metals particularly affected. Aluminum is the most energy-intensive base metal, requiring about 40 times.

More energy to produce it than copper. Since December 2021, major European smelters have already made several cuts, including Alcoa's San Cyprian smelter and Hydro's plant in Slovakia.

As of mid-October, Europe and the United States together cut about 1.7 million mt of capacity from the second half of 2021, accounting for 25% of European production and 2.1% of global production.

Production in Europe will be reduced by about 1.4 million tonnes. In the United States, more than 300,000 tons of capacity have been cut, including Alcoa's Warrick plant and Century aluminum's Hawesville plant.

Despite the recent weakness in energy prices, we do not expect capacity to recover in the near term as winter approaches Europe and the war with Russia continues. Given the uncertainty surrounding energy prices next year, further smelter closures and production cuts are highly likely. Any news of further shutdowns could lead to a spike in aluminum prices, but any potential rebound could be unsustainable.

We do not expect smelters in Europe to restart until 2024.

5.2.4. List of suppliers that have accounted for at least 10% of procurement over the past two years:

Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2022				2021				2023(As of March 31) (Note2)			
	Company Name	Amount	Percent [%]	Relation with Issuer	Company Name	Amount	Percent [%]	Relation with Issuer	Company Name	Amount	Percent [%]	Relation with Issuer
1	K	1,451,829	24	NA	K	1,409,634	23	NA	L	323,819	22	NA
2	I	879,084	14	NA	L	1,043,398	17	NA	K	246,535	16	NA
3	M	772,746	13	NA	D	687,310	11	NA	M	167,613	11	NA
4	L	696,739	11	NA	M	660,191	11	NA	O	166,443	11	NA
5	D	624,662	10	NA	I	407,700	7	NA	Others	595,856	40	NA
6	Others	1,723,268	28	NA	Others	1,956,899	31					
	Net Total Supplies	6,148,328	100		Net Total Supplies	6,165,132	100		Net Total Supplies	1,500,266	100	

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2022				2021				2023(As of March 31) (Note2)			
	Company Name	Amount	Percent [%]	Relation with Issuer	Company Name	Amount	Percent [%]	Relation with Issuer	Company Name	Amount	Percent [%]	Relation with Issuer
NA	NA	NA	NA	NA	NA	NA	NA	NA	A	227,629	12	NA
									Others	1,713,392	88	NA
	Net Sales	8,774,698			Net Sales	8,675,485			Net Sales	1,941,021	100	

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

5.2.5. Production in the Last Two Years

Unit: thousands

Year	2022			2021		
Output	Capacity (Note)	Quantity	Amount	Capacity (Note)	Quantity	Amount
Major Products						
Aluminum Cans	1,647,155	3,066,401	5,268,269	1,647,355	3,407,070	4,967,072
Top End / Bottom End	1,714,672	977,540	671,730	1,748,368	1,472,993	739,270
Stretch Films (Ton)	10,000	10,153	475,046	10,000	10,901	472,361
Steel Cans	105,446	46,989	109,852	104,408	74,394	158,471
Total	-	-	6,524,897	-	-	6,337,174

Note 1 : Production capacity means the quantity which may be produced by the Company within a shift period with the existing production equipment and under the normal operation, after ruling out such factors as required suspension of work and holidays.

Note 2 : In the event of alternative production, the production capacity may be consolidated and explained in the notes hereto.

5.2.6. Shipments and Sales in the Last Two Years

Unit: thousands

Year	2022				2021			
Shipments & Sales	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Major Products								
Aluminum Cans	2,922,802	5,565,285	59,065	182,535	3,190,802	5,131,873	229,482	573,686
Top End / Bottom End	2,545,980	1,542,401	78,107	64,580	2,806,452	1,473,503	87,634	58,836
Stretch Films(Ton)	7,893	410,515	2,083	107,423	8,311	408,461	2,400	116,884
Steel Cans	37,040	118,092	10,156	29,667	56,974	146,808	18,264	41,948
Others	-	625,034	-	129,166	-	681,947	-	41,539
Total	-	8,261,327	-	513,371	-	7,842,592	-	832,893

5.3. Human Resources

Year		2021	2022	As of Mar 31, 2023
Number of Employees		873	823	814
Average Age		41.70	43.10	43.90
Average Years of Service		9.20	10.10	10.30
Level of Education %	Ph.D.	0.11	0.12	0.12
	Masters	1.95	2.07	2.21
	Bachelor' s Degree	35.17	35.36	34.64
	Senior High School	29.44	29.65	29.85
	Below Senior High School	33.33	32.81	33.17

5.4. Expenditure of Environmental Protection

5.4.1. Losses resulting from environmental pollution in the most recent year and as of the publication date of the annual report:

The company has in recent years purchased and installed or updated environmental protection-related machinery and equipment according to the laws and regulations and conducted monthly inspections, maintenance of pollution prevention equipment as well as training programs for pollution prevention technicians. Such efforts have been faithfully exerted exactly in accordance with regulations to respond to increasingly stringent environmental protection measures. In recent years, the Company has not incurred any significant financial losses resulting from environmental pollution and there has not been estimated amount of financial losses due to environmental pollution. The Company, nevertheless, will strengthen continuously environmental protection measures and exert every effort to comply with legal requirements to eliminate any cause of pollution to the environment from possible occurrence.

5.4.2. Establishment of environmental protection related facilities

1. Efforts to apply for fixed pollution source operation permits: Our Fugang plant has successfully obtained the license in 2001. Our Toufen plant has successfully obtained the operating license of fixed pollution source in 2005, as well.

2. Establishment of pollution prevention equipment.

(1) Regarding wastewater treatment, we have set up a wastewater treatment facility capable of treating 720 tons (currently, the actual treatment is 560 tons). In 1994, we invested NT\$7 million to build additional biological treatment equipment for which we further invested NT\$1 million yuan to update in 2006. Thanks to the updating efforts, other than reducing the operating costs of wastewater treatment, our Company could better satisfy the discharged water standards/criteria promulgated by the Environmental Protection Administration, the Executive Yuan.

In our Company, we designed by ourselves the equipment to improve oil-water separation equipment in 2009 to further improve the removal rate of the original wastewater solids and

slick oil.

In 2013, we added a drainage water recycling system to use the qualified drainage water to clean the pallets and to recycle the wastewater treatment equipment for reprocessing. By such efforts, we achieved the benefits of full re-use of resources, minimize waste and accomplish the benefit in water resource conservation.

- (2) In terms of air pollution prevention and control, we have equipped our Fugang plant with hot smoke and exhaust gas combustion equipment which burns the generated exhaust gas at high temperature to significantly minimize the emission of volatile organic compounds. In addition, the combustion tower would return part of the exhaust gas to the secondary combustion as an alternative fuel to reduce fuel use, lowering CO₂ emissions. Since the second half of 2020, we have invested NT\$14.5 million toward the activated purchase fluidized bed equipment for adsorption and desorption (The equipment was officially put into operation in November 2020) to efficiently collect, control the odor of the oven emissions and safeguard the air quality around the plants. We started mapping out Toufen Plant in the second quarter of 2017, designing the additional air pollution prevention equipment. In 2018, we invested approximately NT\$35 million to add regenerative combustion furnaces and manifolds and other air pollution prevention equipment and other related projects. The manifolds would collect exhaust gas which would be combusted in high-temperature to minimize the emission of volatile organic compounds by as much as more than 98%.The regenerative design can save energy consumption and cut down CO₂ emissions. Such air pollution control system is scheduled to be completed and put into operation in the third quarter of Year 2019.
- (3) In 2016, the old technical pressure type sludge de-watering machine was replaced and updated with a filter type de-watering machine to enhance the efficiency of the de-watering machine and reduce the output of sludge.
3. Personnel serving with the dedicated unit of environmental protection: We have assigned one person to be in charge of water pollution prevention and control, and one person in charge of waste removal.
4. In terms of waste treatment, in all events, we have outsourced qualified waste disposal firms to clean, transport and process waste. Since 2021, the empty barrels for various raw materials have been properly handled according to the characteristics of the contents, such as entrusting legal operators to properly handle them or requiring suppliers to recycle and reuse empty barrels or improve the packaging method to reduce the output of waste empty barrels.
5. Our solvent distillation recovery equipment would be able to collect and re-use the waste solvent out of the cleaning equipment, reduce pollution and improve the solvent re-use rate.

5.4.3. Losses resulting from polluted environment and our future countermeasures

Other than relevant equipment, personnel, monthly inspection along with efforts for upkeeps for pollution-related equipment as required by laws and ordinances concerned, we have cultivated and trained pollution prevention and control technicians in accordance with requirements in response to increasingly stringent environmental protection standards.

5.4.4. For raw materials, manufacturing process and shipping process of the products, our Company, as always, strictly controls the source and conducts sampling and testing to ensure superior product quality. In recent years, we put FSSC 22000 food safety system verification into overall comprehensively enforcement to reduce the frequency of unqualified products and cut costs to

better satisfy customers' requirements for the safety of food packaging containers and enhance the Company's product safety credibility through the verification unit by means of a food safety management system.

5.4.5. In response to the mounting awareness for energy savings, carbon reduction, water saving, environmental protection and food safety from both government and people in common, our Company took the lead in introducing metal packaging containers with low environmental load advantages-aTULC cans. Under the policy, we adopted PET-coated aluminum instead of the original paint that isolates the contents and the inner surface of the metal packaging containers. During the entire canning process, we are not required at all to use metal processing liquid lubricating fluid for the lubrication needs. In turn, there is no need for the process of can washing and drying at all. In the entire manufacturing process and the internal spraying and re-drying process, we are not required at all to consume water resources with all such problems of wastewater treatment and solid waste treatment, thereby greatly reducing energy consumption, carbon dioxide and volatile organic compound VOC emissions and other emission-related problems would fade into oblivion. Other than the advantages yielded by the new generation TULC cans to greatly reduce the environmental load, the patented PET coating formula in such new generation products would not contain bisphenol A, melamine, plasticizers and other ingredients that can improve the quality, safety and sanitation of domestic food packaging containers. Our Company, therefore, satisfies the food hygiene and safety standards of Japanese and European and American countries. In our Company, we will continuously introduce industry-leading can-making technology, make an effort towards the earth's environment, and also safeguard the food safety of our valued customers.

5.5. Labor-management relationship

5.5.1. Our employees have been assured and benefited with handsome welfare measures, notably chances for continued refresher studies, training programs, sound retirement systems which have been put into sound enforcement. Such labor-management agreements and various employee rights protection measures are as follows:

1. Welfare measures, chances for continued refresher studies, training programs and the implementation thereof
 - (1) The Company established the Employee Welfare Committee as early as 1990 to implement annual domestic (overseas) tours, uniform distribution, lunch supply and wedding and funeral subsidies, Three Festival Gifts (vouchers), birthday vouchers, annual employee health examinations and child education scholarship as well as such generous welfare benefits.
 - (2) All employees are insured with labor insurance/national health insurance policies, as well as group insurance or travel insurance for those employees who travel frequently on business needs to safeguard employees for their insurance needs in full.
 - (3) In an attempt to encourage employees to participate in the Company's business management, the "Proposal Improvement Suggestion Method" has been specifically formulated to provide a sound channel for employees to offer suggestions on the Company's policies, laws and regulations, production processes, environmental improvement, safety and health, environmental protection and the like toward the Company. Thanks to the hands-on participation from employees, the Company has been significantly benefited in cutting operating costs, improvement of production efficiency and good relations between labor and management.

- (4) We have set up the "Personnel Evaluation Committee" to strengthen the function of administration and management and as a sound channel for labor grievances to arrange for appointment and dismissal, rewards and punishments, promotion of employees to assure more reasonable and fairer treatment. Overall, the Committee achieves the goal of labor-management harmony and assures a win-win target.
- (5) In recent years, we have been more active in building a sound working environment, improving safety and health measures and moving towards the goal of "zero disasters" to perfectly ensure labor safety and improve production efficiency.
- (6) In the Company, we set up a sound employee grievance system to enhance labor-management relations as well as general equality at work.
- (7) In the work rules and personnel management rules we have established, we definitely stipulate the rights and obligations between labor and management and management matters which are made fully aware to the entire staff. Thanks to such efforts, the employees can fully understand and protect their rights and interests to the utmost.
- (8) As always, we have attached great importance to the educational and training programs toward employees. We have established an "Employee Education and Training" standard book. Along with the training needs of employees and units, we elaborate design and provide pre-employment training, on-the-job training and work instructions and the like to enhance the quality and skills of our entire staff.

State of implementation: an employee is encouraged to submit an application himself or herself or the unit would handle the issue exactly as the actual requirements may justify.

The overall performance of employee training in 2022 is stated as below:

In-House Training (Number of hours)	Outside Training (Number of hours)	Training Expense (NT\$)
1,728	132	55,440

As always since the Company came into being, we have deemed our entire staff as the Company's supreme assets. Our high-level managerial officers are seriously concerned about the implementation and effectiveness of education and training and of strictly requesting each plant to continually strengthen the basic skills and quality management concepts of employees through the implementation of education and training. implement the skills learned in the training programs into hands-on production process and faithfully practice the Company's quality Policy: whole staff participation, quality first, sustainable pursuit toward superior quality.

Here at the Company, we design and provide a variety of hands-on professional on-the-job education and training programs including notably new recruit training, occupational safety and health education and training, aluminum can production professional courses and the like. Through such endeavors, we would enhance employees' professional capabilities and core competitiveness and further strengthen sound channels for the integral training and education. Exactly in response to the requirements from the competent authority and regulations, our financial accounting and auditing-related personnel are arranged to enroll in advanced learning courses every year.

2. Pension system and implementation status:

Retirement of employees is completely handled exactly in accordance with the relevant laws and

regulations under the Labor Standards Act. The Company has set up a "Labor Pension Reserve Fund Supervisor Board," responsible for management and supervision of pension affairs. The monthly employee pension reserve is appropriated on a monthly basis exactly according to the laws and ordinances concerned from the government. Besides, in accordance with the provisions of the "Labor Pension Act" and the "Monthly Pay Grading Table" promulgated by Bureau of Labor Insurance, the Company appropriates 6% of the monthly wages of employees into the individual pension accounts established by employees with the Bureau of Labor Insurance. Employees are entitled to, at their discretion, contribute an additional 6% of the monthly salary to increase their retirement annuity.

3. Facts of performance over disputes between labor and management and measures to safeguard employees' rights and interests:

Over the past two years, the Company has not undergone any losses resulting from a labor dispute or a labor row.

5.5.2. Over the past two years and up to the publication date of the present annual report, the losses suffered by the Company as a result of labor disputes (including labor inspection results that violate the Labor Standards Act for which the sanction date, sanction file number, laws and regulations involved in the violation and contents of sanctions should be expressly specified). Meanwhile, the estimated amount of the penalty at the moment and in the future, as well as the designed countermeasures.

In the last two years and up to the present moment, the Company has enjoyed very harmonious labor relationship without any labor disputes or a significant loss resulting therefrom at all. Furthermore, at the moment and in the future, there is no possible labor dispute and any estimated impairment that often results therefrom. Nevertheless, the Company shall still, as always, continuously strengthen the communication and coordination between labor and management and put forth maximum possible efforts to implement welfare measures to promote a more harmonious labor-management relationship. Thanks to such policy and effort, the potential labor dispute will eventually fade into oblivion.

5.6. Information security management

1. Information security management strategy and structure

(1) Information security risk management Structure

Great China Metal Co., Ltd. established the information security Regulations in 1998, and the computer center is responsible for the management of enterprise information security. Coordinate the policy, implementation and risk management of information security and protection related policies to reduce the probability of information security accidents, and further manage the related risks caused by accidents to an acceptable level to ensure the normal and smooth operation of the company's business. In the current year, established the company's information security organizational structure and the information protection committee structure.

(2) Information Security Policy

The information security policy of Great China Metal Company is to establish a complete information security management system to reduce the threat of enterprise information communication risks from the system, technical and procedural aspects. Establish an information security policy that complies with regulations and customer needs. Through education and training, instill the consensus that information security is everyone's responsibility to maintain the confidentiality and integrity of customer and company information, and establish firewall intrusion detection and anti-virus systems based on anti-virus, anti-hack, and anti-leakage standards to improve the company's ability to defend against external attacks ensures the security of company information.

(3) The security strategy Implemented ,controlled and put into the construction of resource

Has already established the company's information security organizational structure and the Information protection committee structure in the current year , by increasing and improving the manpower cost of relevant work, progress greatly and guarantee the security strategy to implement continuously. Chief manager as convener, check and approve the relevant standard work avoid potentially threaten in any time. Every unit executive, implement the standard work, and feedback can't be carried out, revise then implement. The computer center superintendent of security, need to accept professional security training, make or revise the secure information standard work to progress through government's suggestions in time. The auditor check if the standard work is correctly perform. The administration department select suitable place and time for training, check the situation if the essential persons attend. In the current year has already been put into 37 people hours.

In the current year, has continuously constructed and performed many secure control backup devices to avoid damages of important information leaked, huge financial affairs lose for restoring date and enterprise reputation because of ransomware.

In the current year, has continuously constructed remote cloud storage device controlled high securely at our other remote work place to avoid destruction of information cause by unpredictable calamity. Also prepare to increase communication bandwidth to assure communicate correctly.

2. Information security risks and reaction

In order to cope with the risks of information security and network, Great China Metal has constructed a system of security measures. First of all, a firewall of information security is built in the network, and an anti-virus device system are also established for computer equipment and

severs. However, any security precautions may be at risk of being invaded. Therefore, a backup system is established to ensure the backup and preservation of important information and avoid being damaged by hackers. At the same time, disaster recovery operations have also been established to prevent disaster recovery drills from being able to quickly recover and resume normal operations after a disaster. At the same time, establish a notification system to join Twcert - Taiwan Computer Emergency Response Team to share information on security information.

3. Major information security incidents: None.

5.7. Important Contracts : None.

6、Financial Information

6.1. Five-Year Financial Summary

6.1.1 Financial information-IFRS

1. Condensed non-consolidated balance sheet-IFRS

Unit: NT\$ thousands

Year Item		Financial information for the most recent five years				
		2022	2021	2020	2019	2018
Current assets		3,426,810	3,620,805	3,278,865	2,710,518	2,633,453
Fixed assets machinery and equipment		651,439	782,519	912,547	1,067,626	1,125,653
Intangible assets		-	-	-	628	1,369
Other assets		4,303,357	4,090,856	3,993,745	3,870,208	3,888,342
Total assets		8,381,606	8,494,180	8,185,157	7,648,980	7,648,817
Current liabilities	Before distribution	435,135	580,114	466,965	297,437	408,208
	After distribution	Note 2	1,037,614	924,465	602,437	713,208
Non-current Liabilities		461,476	454,018	446,984	439,303	404,874
Total liabilities	Before distribution	896,611	1,034,132	913,949	736,740	813,082
	After distribution	Note 2	1,491,632	1,371,449	1,041,740	1,118,082
Capital		3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
Capital reserve		24,431	24,431	24,431	24,431	24,431
Retained earnings	Before distribution	4,155,163	4,137,979	3,984,936	3,730,639	3,556,066
	After distribution	Note 2	3,680,479	3,527,436	3,425,639	3,251,066
Other equity		255,401	247,638	211,841	107,170	205,238
Treasury stock		-	-	-	-	-
Total equity	Before distribution	7,484,995	7,460,048	7,271,208	6,912,240	6,835,735
	After distribution	Note 2	7,002,548	6,813,708	6,607,240	6,530,735

Note 1 : The above-mentioned financial information of each year has been checked and certified by accountants.

Note 2 : Pending Shareholders' Meeting Resolution.

2. Condensed consolidated balance sheet- IFRS

Unit: NT\$ thousands

Year Item		Financial information for the most recent five years					As of Mar 31, 2023 (Note 1)
		2022	2021	2020	2019	2018	
Current assets		8,370,933	8,073,490	7,237,855	6,338,725	5,730,520	8,657,202
Fixed assets machinery and equipment		2,352,036	2,413,515	2,724,570	3,157,907	3,540,049	2,322,924
Intangible assets		4,343	11,517	19,373	20,812	12,565	3,739
Other assets		331,106	244,092	264,331	250,295	279,269	279,817
Total assets		11,058,418	10,742,614	10,246,129	9,767,739	9,562,403	11,263,682
Current liabilities	Before distribution	2,800,153	2,511,341	2,206,183	2,092,933	1,971,978	2,887,437
	After distribution	Note 2	2,968,841	2,663,683	2,397,933	2,276,978	-
Non current liabilities		497,474	491,339	476,714	468,718	483,332	490,216
Total liabilities	Before distribution	3,297,627	3,002,680	2,682,897	2,561,651	2,410,310	3,377,653
	After distribution	Note 2	3,460,180	3,140,397	2,866,651	2,715,310	-
Equity attributable to owners of the parent		-	-	-	-	-	-
Capital		3,050,000	3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
Capital reserve		24,431	24,431	24,431	24,431	24,431	24,431
Retained Earnings	Before distribution	4,155,163	4,137,979	3,984,936	3,730,639	3,556,066	4,231,965
	After distribution	Note 2	3,680,479	3,527,436	3,425,639	3,251,066	-
Other equity		255,401	247,638	211,841	107,170	205,238	303,994
Treasury stock		-	-	-	-	-	-
Non-controlling interest		275,796	279,886	292,024	293,848	316,358	275,639
Total equity	Before distribution	7,760,791	7,739,934	7,563,232	7,206,088	7,152,093	7,886,029
	After distribution	Note 2	7,282,434	7,105,732	6,901,088	6,847,093	-

Note 1 : Financial information regarding the first quarter of 2023 follows IFRS and has been verified by independent auditors.

Note 2 : Pending Shareholders' Meeting Resolution.

6.1.2.

1. Condensed non-consolidated income statement - IFRS

Unit: NT\$ thousands

Item \ Year	Financial information for the most recent five years				
	2022	2021	2020	2019	2018
Revenue	2,433,757	2,700,977	2,557,779	2,672,584	2,575,915
Gross Profit	561,928	768,208	696,732	591,845	618,653
Operating Profit	439,085	594,554	549,872	447,666	468,851
Non-Operating Income (Expenses)	154,883	158,682	144,133	147,316	(4,787)
Net Income Before Tax	593,968	753,236	694,005	594,982	464,064
Net Income from Continuing Operations	593,968	753,236	694,005	594,982	464,064
Income (or Loss) from Discontinued Operations	-	-	-	-	-
Net Income (Loss)	473,296	601,882	559,377	477,345	448,079
Other Comprehensive Income (Loss) (After-Tax)	9,151	44,458	104,591	(95,840)	(65,232)
Total Comprehensive Income (Losses)	482,447	646,340	663,968	381,505	382,847
Earnings per share (NT\$)	1.55	1.97	1.83	1.57	1.47

2. Condensed consolidated income statement-IFRS

Unit: NT\$ thousands

Item \ Year	Financial information for the most recent five years					As of Mar 31, 2023 (Note 1)
	2022	2021	2020	2019	2018	
Revenue	8,774,698	8,675,485	7,257,633	8,060,828	7,132,593	1,941,021
Gross Profit	1,005,793	1,275,743	1,115,822	1,079,638	930,434	184,763
Operating Profit	522,313	704,678	630,711	551,102	423,783	71,262
Non-Operating Income (Expenses)	101,331	68,686	92,476	56,826	47,997	32,466
Net Income Before Tax	623,644	773,364	723,187	607,928	471,780	103,728
Net Income from Continuing Operations	623,644	773,364	723,187	607,928	471,780	103,728
Income (or Loss) from Discontinued Operations	-	-	-	-	-	-
Net Income (Loss)	465,288	591,828	553,022	465,681	439,755	75,281
Other Comprehensive Income (Loss) (After-Tax)	13,069	42,374	109,122	(106,686)	(75,994)	49,957
Total Comprehensive Income (Losses)	478,357	634,202	662,144	358,995	363,761	125,238
Net Income Attributable to the Parent	473,296	601,882	559,377	477,345	448,079	76,802
Net Income Attributable to NonControlling Interests	(8,008)	(10,054)	(6,355)	(11,664)	(8,324)	(1,521)
Total Comprehensive Income Attributable to the Parent	482,447	646,340	663,968	381,505	382,847	125,395
Total Comprehensive Income Attributable to Non-Controlling Interests	(4,090)	(12,138)	(1,824)	(22,510)	(19,086)	(157)
Earnings per share (NT\$)	1.55	1.97	1.83	1.57	1.47	0.25

Note1 :Financial information regarding the first quarter of 2023 follows IFRS and has been verified by independent auditors.

6.1.3. Auditors' Opinions from 2018 to 2022

Year	Accounting Firm	Audit Opinion
2018	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2019	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2020	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2021	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2022	Deloitte & Touche,Taiwan,Republic of China	Unqualified

6.2. Five-Year Financial Analysis

1. Financial Analysis-IFRS (non-consolidated)

Item \ Year		Financial Analysis for the Past Five Years				
		2022	2021	2020	2019	2018
Financial structure (%)	Debt Ratio	10.70	12.17	11.17	9.63	10.63
	Ratio of long-term capital to property, plant and equipment	1,219.83	1,011.36	845.79	688.59	643.24
Solvency (%)	Current ratio	787.53	624.15	702.17	911.29	645.13
	Quick ratio	563.70	481.72	569.73	637.08	403.95
	Interest earned ratio (times)	2,217.30	2,197.02	1,637.80	1,200.56	0
Operating performance	Accounts receivable turnover (times)	5.72	6.54	6.66	7.24	6.66
	Average collection period	64	56	55	50	55
	Inventory turnover (times)	2.12	2.75	2.62	2.34	2.30
	Accounts payable turnover (times)	10.15	10.58	17.02	14.59	10.80
	Average days in sales	172	133	139	156	159
	Property, plant and equipment turnover (times)	3.39	3.19	2.58	2.44	2.15
	Total assets turnover (times)	0.29	0.32	0.32	0.34	0.33
Profitability (%)	Return on total assets (%)	5.61	7.22	7.07	6.25	5.78
	Return on stockholders' equity	6.33	8.17	7.89	6.94	6.49
	Pre-tax income to paid-in capital	19.47	24.70	22.75	19.51	15.22
	Profit ratio	19.45	22.28	21.87	17.86	17.39
	Earnings per share (NT\$)	1.55	1.97	1.83	1.57	1.47
Cash flow (%)	Cash flow ratio	90.02	103.40	105.10	95.95	175.77
	Cash flow adequacy ratio	93.4	102.84	95.39	84.40	82.79
	Cash reinvestment ratio	-0.62	2.80	1.82	-0.20	2.12
Leverage	Operating leverage	1.83	1.83	1.72	1.88	1.88
	Financial leverage	1.00	1.00	1.00	1.00	1.00
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)		1. Long-term fund to fixed assets ratio increase: Due to the decrease of net properties. 2. Current ratio increase: Due to the decrease of current liabilities. 3. Average inventory turnover decrease: Due to the increase of inventory. 4. Return on total assets decrease: Due to the decrease of net income. 5. Return ratio on stockholders' equity decrease: Due to the decrease of net income. 6. Pre-tax income to paid-in capital decrease: Due to the decrease of pre-tax income. 7. Earnings per share decrease: Due to the decrease of net income. 8. Cash flow reinvestment ratio decrease: Due to the decrease in net cash flow from operating activities.				

2. Financial Analysis-IFRS (consolidated)

Item \ Year		Financial Analysis for the Past Five Years					As of Mar 31, 2023 (Note)
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt Ratio	29.82	27.95	26.18	26.23	25.21	29.99
	Ratio of long-term capital to property, plant and equipment	351.11	341.05	295.09	243.03	214.42	360.59
Solvency (%)	Current ratio	298.95	321.48	328.07	302.86	290.60	299.82
	Quick ratio	219.15	229.88	249.87	211.13	191.16	216.01
	Interest earned ratio (times)	2,328.03	2,255.71	1,018.14	177.62	114.60	1,820.79
Operating performance	Accounts receivable turnover (times)	6.15	6.57	5.40	6.19	5.45	4.98
	Average collection period	59	56	68	59	67	73
	Inventory turnover (times)	3.75	4.07	3.65	3.91	3.70	3.27
	Accounts payable turnover (times)	3.99	4.50	4.00	4.81	4.84	3.33
	Average days in sales	97	90	100	93	99	112
	Property, plant and equipment turnover (times)	3.68	3.38	2.47	2.41	2.02	3.32
	Total assets turnover (times)	0.80	0.83	0.73	0.83	0.75	0.70
Profitability (%)	Return on total assets (%)	4.34	5.74	5.60	4.97	4.78	0.67
	Return on stockholders' equity	6.11	7.87	7.57	6.65	6.35	0.96
	Pre-tax income to paid-in capital	20.45	25.36	23.71	19.93	15.47	3.40
	Profit ratio	5.39	6.94	7.71	5.92	6.28	3.88
	Earnings per share (NT\$)	1.55	1.97	1.83	1.57	1.47	0.25
Cash flow (%)	Cash flow ratio	26.65	49.97	16.39	41.31	72.97	2.49
	Cash flow adequacy ratio	115.10	105.41	110.12	102.58	97.81	NA
	Cash reinvestment ratio	1.93	5.46	0.40	4.25	7.20	0.47
Leverage	Operating leverage	2.51	2.10	2.41	2.64	0.81	2.06
	Financial leverage	1.00	1.00	1.00	1.01	1.01	1.00

Please explain the reasons for changes in financial ratios over the past two years:

1. Return on total assets decrease: Due to the decrease of net income.
2. Return ratio on stockholders' equity decrease: Due to the decrease of net income.
3. Pre-tax income to paid-in capital decrease: Due to the decrease of pre-tax income.
4. Net income to net sales decrease: Due to the decrease of net income.
5. Earnings per share decrease: Due to the decrease of net income.
6. Cash flow ratio decrease: Due to the decrease in net cash flow from operating activities.
7. Cash flow reinvestment ratio decrease: Due to the decrease in net cash flow from operating activities

Note :Financial information regarding the first quarter of 2023 follows IFRS and has been verified by independent auditors.

The calculation formula of financial analysis:

1. Capital Structure Analysis

- (1) Debt ratio = Total Liabilities / Total Assets
- (2) Long-term fund to fixed assets ratio = (Shareholders' Equity + Long-term Liabilities) / Net Properties

2. Liquidity Analysis

- (1) Current ratio = Current Assets / Current Liabilities
- (2) Quick ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
- (3) Times interest earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis

- (1) Average collection turnover = Net Sales / Average Trade Receivables
- (2) Average collection days = 365 / Receivables Turnover rate
- (3) Average inventory turnover = Cost of Sales / Average inventory
- (4) Average inventory turnover days = 365 / Inventory Turnover rate
- (5) Average payment turnover = Cost of Sales / Average Trade Payables
- (6) Fixed assets turnover = Net Sales / Average Net Properties
- (7) Total assets turnover = Net Sales / Average Total Assets

4. Profitability Analysis

- (1) Return on total assets = {Net Income + Interest Expenses * (1 - Effective tax rate)} / Average Total Assets
- (2) Return ratio on stockholders' equity = Net Income / Average Shareholders' Equity
- (3) Operating income to paid-in capital = Operating Income / Capital
- (4) Pre-tax income to paid-in capital = Income before tax / Capital
- (5) Net income to net sales = Net Income / Net Sales
- (6) Earnings per share = (Net Income - Preferred Stock Dividend) / Weighted Average Number of Share Outstanding

5. Cash Flow

- (1) Cash flow ratio = Net Cash Provided by Operating Activities / Current Liabilities
- (2) Cash Flow Adequacy Ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends.
- (3) Cash flow reinvestment ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Plant + Investment + Other Assets + Working Capital)

6. Leverage

- (1) Operating leverage = (Net Sales - Variable Cost) / Income from Operations
- (2) Financial leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3. Audit Committee's Review Report

Great China Metal Ind. Co., Ltd.

Audit Committee's Review Report

(Translated from Chinese)

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2022 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Liu, Ming-Hsien and Cheng, Chin-Tsung of Deloitte & Touche, Taiwan, Republic of China, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2023 General Shareholders' Meeting of Great China Metal Ind. Co., Ltd.

Great China Metal Ind. Co., Ltd.

Chairman of the Audit Committee: Tsai, Po-Hsien

Mar. 7, 2023

6.4. Non-consolidated financial statements and report of independent accountants:

Please refer to page 112.

6.5. Consolidated financial statements and report of independent accountants :

Please refer to page 180.

6.6. Financial Difficulties

The Company should disclose the financial impact to the Company and its affiliated companies have incurred any financial or cash flow difficulties from Jan. 1, 2022 through until Apr. 30, 2023 : None.

7. Review of Financial Conditions, Operating Results, and Risk Management

7.1. Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Current Assets	8,370,933	8,073,490	297,443	3.68
Fixed Assets	2,352,036	2,413,515	(61,479)	(2.55)
Fixed Assets	335,449	255,609	79,840	31.24
Total Assets	11,058,418	10,742,614	315,804	2.94
Current Liabilities	2,800,153	2,511,341	288,812	11.50
Total Liabilities	3,297,627	3,002,680	294,947	9.82
Capital stock	3,050,000	3,050,000	0	0
Capital surplus	24,431	24,431	0	0
Retained Earnings	4,155,163	4,137,979	17,184	0.42
Total Stockholders' Equity	7,760,791	7,739,934	20,857	0.27

Explanation for variance (if the variation is 20 % or more):

1. Other asset: Mainly due to Chongqing United Can Co., Ltd. paid a security deposit of \$91,778 thousand (CNY 20,823 thousand).

7.2. Analysis of Operation Results

Unit: NT\$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Operating revenue	8,774,698	8,675,485	99,213	1.14
Operating costs	(7,768,905)	(7,399,742)	369,163	4.99
Gross profit from operations	1,005,793	1,275,743	(269,950)	(21.16)
operating expenses	(483,480)	(571,065)	(87,585)	(15.34)
Net operating income	522,313	704,678	(182,365)	(25.88)
non-operating income and expenses	101,331	68,686	32,645	47.53
Profit from continuing operations before tax	623,644	773,364	(149,720)	(19.36)
tax expense	(158,356)	(181,536)	(23,180)	(12.77)
Profit from continuing operations	465,288	591,828	(126,540)	(21.38)
Cumulative Effect of Change in Accounting Principles	-	-	-	-
Profit	465,288	591,828	(126,540)	(21.38)

Explanation for variance (if the variation is 20 % or more):

1. Gross profit and net income decreased: It was caused by the increase in operating costs due to the increase in the price of materials.
2. Non-operating income and expenses increased: Mainly due to increase of the Net foreign exchange gains \$19,099 thousand.

7.3. Analysis of Cash Flow

Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2022	2021	Variance (%)
Cash Flow Ratio (%)	26.65	49.97	-46.67%
Cash Flow Adequacy Ratio (%)	115.10	105.41	9.19%
Cash Reinvestment Ratio (%)	1.93	5.46	-64.65%
Analysis of financial ratio change:			
1. Cash flow ratio decrease: Due to the decrease in net cash flow from operating activities.			
2. Cash reinvestment ratio decrease: Due to the decrease in net cash flow from operating activities.			

Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
719,894	901,089	667,963	953,020	-	-
Analysis of change in cash flow in the current year:					
1. Operating activities: The Company expects to generate cash flows from profit earned in current period.					
2. Investing activities: The Company expects to purchase equipment in the current period.					
3. Financing activities: The Company expects to pay cash dividends during current period.					

7.4. Major Capital Expenditure

1. Major Capital Expenditure Items and Source of Capital : None
2. Expected Benefits : None

7.5. Latest investment policy, major causes of profits and losses, and improvement plans for upcoming year

1. Direct investment policy of the most recent year: The Company's direct investment policy focused on integration of overseas resources in the most recent year. For the time being, among the Company's overseas investees, excepted Shanghai United Can Co., Ltd., which production and sales has affected by lockdown in Shanghai City, and Sunshui Changlee United Container Co., Ltd. in Fonshan City, which due to the stretch film product sales development less than expectation, while the other four overseas investees continued to earn profits. In the future, the Company will improve capacity utilization and production efficiency of Sunshui Changlee United Container Co., Ltd. and also use its best effort to cut the product cost to improve companies' losses.
2. Investment plan for the year ahead: In the upcoming year, the Company will integrate existing resources, focus on reform or partial expansion the existing production lines primarily.

7.6. Analysis of Risk Management :

7.6.1. Impacts of interest rates, exchange rates, and inflation to the Company's earnings, and the future responsive measures :

1. Interest rates: The Company has no owed long-term liabilities and, therefore, faces low interest rate risk. The Company's assets are primarily invested in short-term fixed-income products and term deposits with high-liquidity. The interest rate fluctuations might pose some impact to the interest revenue, but the impact is considered very limited.
2. Exchange rates: Some of the Company's raw materials are imported from abroad, and some products are exported. In general, the amount of imports is slightly larger than that of exports. The currency fluctuation has limited impact on the company. The responsive measures are :

A. Maintain the export currency.

B. Engage in foreign exchanges in batches within the time limit prescribed in the import letter of credit.

C. Adopt hedge tools to mitigate the impact posed by exchange rate fluctuations to the Company.

3. Inflation: Currently the risk of global inflation is rising. The Company will keep track of the impact posed by the international environment to the price of raw materials and supplies, and adjust inventories in a timely manner to respond to potential impacts.

7.6.2. Policies on high-risk and highly leveraged investments, loans to third parties, endorsements / guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future responsive measures :

1. The Company was never involved in high-risk leveraged investment.

2. Loans to third parties, endorsements/guarantees, and trading of derivatives must be governed by the competent authority's regulations.

7.6.3. Future Research & Development Projects and Corresponding Budget :

1. Future Research : Please refer to page 3.
2. The estimated budget is approximately NT\$ 40 million in 2023

7.6.4. The effect of major policy changes and legal practices, whether domestic or foreign, on the Company's treasury operations and responsive actions :

The Company is used to noticing and controlling any policies and laws critical to the Company potentially, and adjust its related internal systems in response to such policies and laws. The changes in related laws and regulations impose no significant impact to the Company this year.

7.6.5. Effects of technological (including cyber security risks) and industrial changes to the Company's treasury operations and the responsive actions :

The technological changes are used to rendering minor impacts to the Company's products. Notwithstanding, the Company will apply technologies in a timely manner to improve the Company's entire operating efficiency.

7.6.6. The Impact of the Changes of Corporate Image on Corporate Risk Management and our Action Plan : NA.

7.6.7. Anticipated Results and Risks of Acquisition : NA.

7.6.8. Anticipated Results and Risks of Expansion of Factory Buildings : NA.

7.6.9. Risks and responsive measures associated with concentrated sales or purchases:

Most of the main raw materials needed by the industry, e.g. aluminum and steel coils, largely rely on import. Only few of them are supplied by domestic suppliers. In order to diversify the

risk, the Company uses suppliers from different regions. Recently, in consideration of the increase in price of petroleum, canning steel and printing, etc., the canning industry has suffered the impact posed by drastic increase in the cost of raw materials. Given the booming international need for raw materials and supplies, and huge price increase, the short supply arises. Notwithstanding, the Company has established fair cooperative and interactive relations with suppliers. Therefore, the Company's sources remain unaffected.

The Company engages in production of various aluminum and steel cans, and aluminum and steel EOE containers, according to its complete production specifications. Its production capacity may satisfy customers' demand sufficiently. Therefore, the Company is well received by customers and secure a specific market share accordingly.

The domestic container market has tended to be saturated. In the recent years, the Company also started to develop overseas markets actively and achieved remarkable results, expected to help diversify the markets and mitigate the risk over market concentration to a certain extent.

7.6.10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%
As of the publication date of the present annual report, no such situation has ever occurred at all.

7.6.11. Effects of, Risks Relating to and Response to the Changes in Management Rights
As of the publication date of the present annual report, no such situation has ever occurred at all.

7.6.12. Litigation or Non-litigation Matters : None.

7.6.13. Other significant risks and responsive measures: None.

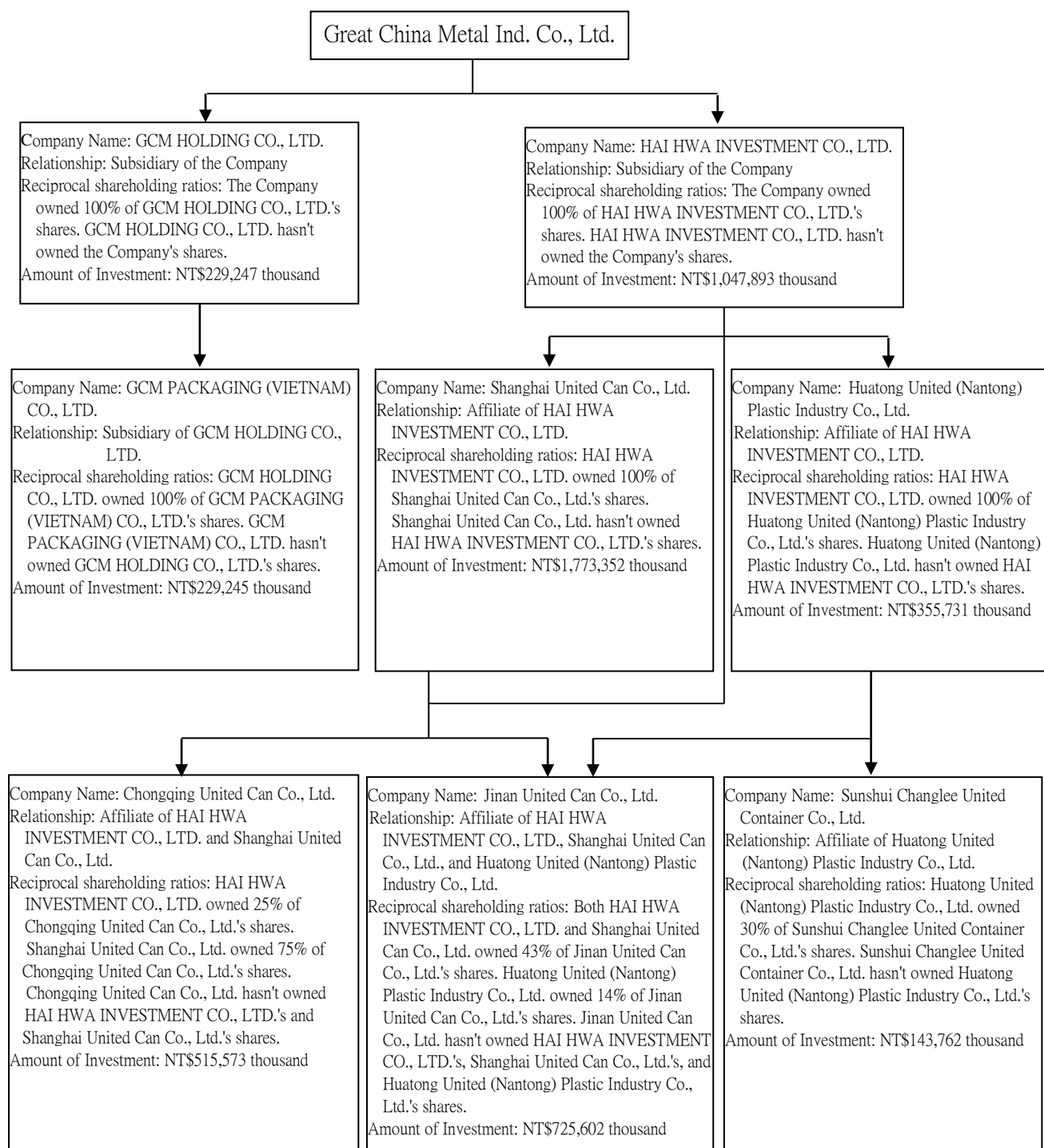
7.7. Other Important Matters : NA.

8、Special Disclosure

8.1. Summary of Affiliated Companies

8.1.1. Consolidated business report of Affiliated Companies

1. Chart of Affiliated Companies



Note 1: Amount of Investment was calculated until December 31, 2022.

2. Information Regarding Affiliated Companies :

Unit: NT\$ thousands

Company Name	Date of Incorporation	Address	Paid-in Capital	Major Business
HAI HWA INVESTMENT CO., LTD.	1995.02.21	Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda	NTD1,047,893	Investment Holding
Shanghai United Can Co., Ltd.	1994.10.07	No.89 Chexin Road, Chedun Town, Songjiang District, Shanghai, China	NTD1,773,352	2-piece Aluminum Can and Easy Open End
Chongqing United Can Co., Ltd.	2006.08.18	No.78, Aluminum City road in Xipeng, Jiulong Po District, Chongqing, China	NTD 515,573	2-piece Aluminum Can
Jinan United Can Co., Ltd.	2009.12.29	No.27399 of Panwang Road, Zhangqiu District, Jinan City, Shandong Province, China	NTD 725,602	2-piece Aluminum Can
Huatong United (Nantong) Plastic Industry Co., Ltd.	1995.12.08	No.895, Xiushan East Road, Haimen Sub-District, Haimen District, Nantong City, Jiangsu Province, China	NTD 355,731	Stretch Film for Packaging Use
Sunshui Changlee United Container Co., Ltd.	1992.05.19	Building 1, No. 5, Jinze Road, Xinan Street, Sanshui District, Foshan City, Guangdong Province, China	NTD 161,267	Stretch Film for Packaging Use
GCM HOLDING CO., LTD.	2004.10.13	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	NTD 229,247	Investment Holding
GCM PACKAGING (VIETNAM) CO., LTD.	2004.12.08	No. 29 Doc Lap Avenue, Vietnam-Singapore Industrial Park, Binh Hoa Ward, Thuan An City, Binh Duong Province, Vietnam	NTD 229,245	Easy Open End

3. Businesses covered by the whole affiliates and separation of duties:

3-1. Controlling corporation :

Great China Metal Ind. Co., Ltd. was founded on November 26, 1973, primarily engaged in manufacturing and trading of various metal printing, painting, metal containers and packaging equipment.

For the time being, its paid-in capital amounts to NT\$3,050,000,000. The stocks issued by the Company have already traded on TWSE.

3-2. Subsidiaries :

3-2.1. Purpose for incorporation of HAI HWA INVESTMENT CO., LTD.: To invest in Shanghai United Can Co., Ltd., Huatong United (Nantong) Plastic Industry Co.,

Ltd., Chongqing United Can Co., Ltd., and Jinan United Can Co., Ltd. via HAI HWA INVESTMENT CO., LTD.

- 3-2.2. Purpose for incorporation of Shanghai United Can Co., Ltd.: To take advantage of the lower production cost in the mainland China to produce aluminum cans and easy open ends, and launch into the market in the mainland China to increase profit.
- 3-2.3. Purpose for incorporation of Chongqing United Can Co., Ltd.: To take advantage of lower production cost in the mainland China to produce aluminum cans, and launch into the market in the mainland China to increase profit.
- 3-2.4. Purpose for incorporation of Jinan United Can Co., Ltd.: To take advantage of lower production cost in the mainland China to produce aluminum cans, and launch into the market in the mainland China to increase profit.
- 3-2.5. Purpose for incorporation of Huatong United (Nantong) Plastic Industry Co., Ltd.: To take advantage of the lower production cost in the mainland China to produce stretch films, and launch into the market in the mainland China to increase profit.
- 3-2.6. Direct investment in Sunshui Changlee United Container Co., Ltd. in Fongshan City: To take advantage of lower production cost in the mainland China to produce stretch films, and launch into the market in the South of China to increase profit.
- 3-2.7. Purpose for incorporation of GCM HOLDING CO., LTD.: Direct investment in GCM PACKAGING (VIETNAM) CO., LTD. via GCM HOLDING CO., LTD.
- 3-2.8. Purpose for incorporation of GCM PACKAGING (VIETNAM) CO., LTD.: To take advantage of the lower production cost in Vietnam to produce aluminum easy open ends, and launch into the market in Vietnam to increase profit.

4. Directors, Supervisors and Presidents of Affiliated Companies :

Unit: NT\$ thousands ; %

Company Name	Title	Name	Investment Amount	Investment Holding (%)	Notes
HAI HWA INVESTMENT CO., LTD.	Director and President	Chiang,Ming-Li	1,047,893	100%	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
Shanghai United Can Co., Ltd.	Chairman and President	Chiang,Shou-Cheng	1,773,352	100%	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company

Company Name	Title	Name	Investment Amount	Investment Holding (%)	Notes
Chongqing United Can Co., Ltd.	Chairman and President	Chiang,Shou-Cheng	515,573	100%	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
Jinan United Can Co., Ltd.	Chairman	Chiang,Shou-Cheng	725,602	100%	Representative of the Company
	President	Ma,Hong	-	-	
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Director	Chiang,Shao-May	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
	Supervisor	Lee,Chih-Wei	-	-	Representative of the Company
Huatong United (Nantong) Plastic Industry Co., Ltd.	Chairman	Chiang,Ming-Li	355,731	100%	Representative of the Company
	Director and President	Peng,Chun-Hui	-	-	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
Sunshui Changlee United Container Co., Ltd.	Chairman	Chiang,Ming-Li	48,380	30%	Representative of the Company
	Director and President	Peng,Chun-Hui	-	-	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	
	Director	Chiang,Cheng-Shing	-	-	
	Director	Chiang,Ming-Te	-	-	
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
GCM HOLDING CO., LTD.	Director	Chiang,Ming-Li	229,247	100%	Representative of the Company

Company Name	Title	Name	Investment Amount	Investment Holding (%)	Notes
GCM PACKAGING (VIETNAM) CO., LTD.	Chairman and President	Chiang,Ming-Li	229,245	100%	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Shao-May	-	-	Representative of the Company
	Director	Chiang,Chia-Chun	-	-	Representative of the Company
	Director	Chiang,Man-Tzyy	-	-	Representative of the Company

5. Operational Highlights of Affiliated Companies :

Unit: NT\$ thousands

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings Per Share (After Tax)
HAI HWA INVESTMENT CO., LTD.	\$ 1,047,893	\$ 3,848,683	\$ -	\$ 3,848,683	\$ -	\$ -	\$ 111,564	\$ -
Shanghai United Can Co., Ltd.	1,773,352	2,223,654	714,820	1,508,834	1,672,416	(58,644)	(30,502)	-
Chongqing United Can Co., Ltd.	515,573	1,782,741	1,088,945	693,796	2,210,272	87,927	73,104	-
Jinan United Can Co., Ltd.	725,602	1,893,068	1,107,096	785,972	2,235,778	51,000	42,833	-
Huatong United (Nantong) Plastic Industry Co., Ltd.	355,731	814,533	51,170	763,363	427,874	23,890	29,561	-
Sunshui Changlee United Container Co., Ltd.	161,267	381,945	9,681	372,264	144,385	(19,798)	(11,440)	-
GCM HOLDING CO., LTD.	229,247	401,347	-	401,347	-	(116)	23,629	-
GCM PACKAGING (VIETNAM) CO., LTD.	229,245	152,623	3,522	149,101	62,548	2,577	6,332	-

8.1.2. Consolidated financial report of Affiliated Companies : Please refer to page 180.

8.1.3. Affiliated Companies Report : NA

8.2. Issuance of Private Placement Securities : None

8.3. Acquisitions or Disposal of Great China Metal Ind. Co., Ltd.'s Shares by Subsidiaries : None

8.4. Other Necessary Supplement : None

9. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Great China Metal Ind. Co., Ltd

We have audited the financial statements of Great China Metal Ind. Co., Ltd (collectively referred to as the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the independent financial statements for the year ended December 31, 2022 in accordance with the Regulations Governing Auditing of Financial Statements and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2022 are stated as follows :

Revenue recognition

Refer to Note 19 to the financial statements.

Printing and painting of various metals, manufacturing and trading of metal containers and plastic products, are major business of Great China Metal Ind. Co., Ltd.. The specific transaction of sales revenue significantly affects the Company's overall revenue and profit. Revenue recognition is identified as a key audit matter since there are significant risks in the occurrence of revenue.

The key audit procedures that we performed in respect of specific revenue recognition included the following:

1. We understood and tested the design and operating effectiveness of the key controls over revenue recognition.

2. Select samples to perform test of details. Check the transaction documents from internal and external and perform the test of subsequent collection. Confirm the Company recognize revenue as the performance obligations are satisfied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the independent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the independent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the independent financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Liu, Ming-Hsien and Cheng, Chin-Tsung.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 7, 2023

Notice to Readers

The accompanying independent financial statements are intended only to present the independent financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such independent financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying independent financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and independent financial statements shall prevail.

GREAT CHINA METAL IND. CO., LTD
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 156,380	2	\$ 191,392	2
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	878,217	11	1,041,836	12
1120	Financial assets at fair value through other comprehensive income – current (Notes 4 and 8)	194,243	2	257,664	3
1136	Financial assets at amortized cost - current (Notes 4, 9)	819,830	10	852,597	10
1150	Notes receivable - from unrelated parties (Note 4 and 10)	37,508	-	52,461	1
1170	Accounts receivable - from unrelated parties (Note 4 and 10)	327,206	4	347,177	4
1180	Accounts receivable – from related parties (Note 10 and 25)	37,297	-	49,001	1
1200	Other receivables	2,182	-	2,375	-
130X	Inventories (Notes 4 and 11)	969,023	12	794,407	9
1470	Other current assets	4,924	-	31,895	1
11XX	Total current assets	<u>3,426,810</u>	<u>41</u>	<u>3,620,805</u>	<u>43</u>
	NON-CURRENT ASSETS				
1550	Investments accounted for using equity method (Notes 4 and 12)	4,248,301	51	4,039,944	48
1600	Property, plant and equipment (Notes 4, 13 and 25)	651,439	8	782,519	9
1755	Right-of-use assets (Note 4 and 14)	20,636	-	26,901	-
1840	Deferred tax assets (Notes 4 and 21)	17,253	-	20,377	-
1915	Prepayments for equipment	17,039	-	3,506	-
1920	Refundable deposits	128	-	128	-
15XX	Total non-current assets	<u>4,954,796</u>	<u>59</u>	<u>4,873,375</u>	<u>57</u>
1XXX	TOTAL ASSETS	<u>\$ 8,381,606</u>	<u>100</u>	<u>\$ 8,494,180</u>	<u>100</u>
Code	Liabilities				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 15)	\$ 106,211	1	\$ 69,868	1
2150	Notes payable - to unrelated parties	1,784	-	1,964	-
2170	Accounts payable - to unrelated parties	120,606	2	241,173	3
2180	Accounts payable - to related parties (Note 25)	1,035	-	2,427	-
2200	Other payables (Note 16)	105,426	1	125,594	1
2230	Current tax liabilities (Notes 4 and 21)	91,220	1	130,342	2
2280	Lease liabilities - current (Notes 4 and 14)	5,890	-	6,252	-
2300	Other current liabilities	2,963	-	2,494	-
21XX	Total current liabilities	<u>435,135</u>	<u>5</u>	<u>580,114</u>	<u>7</u>
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Notes 4 and 21)	394,395	5	367,360	4
2580	Lease liabilities - non-current (Notes 4 and 14)	15,200	-	21,090	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	51,881	1	65,568	1
25XX	Total non-current liabilities	<u>461,476</u>	<u>6</u>	<u>454,018</u>	<u>5</u>
2XXX	Total liabilities	<u>896,611</u>	<u>11</u>	<u>1,034,132</u>	<u>12</u>
	EQUITY (Notes 4 and 18)				
	Share capital				
3110	Ordinary shares	<u>3,050,000</u>	<u>36</u>	<u>3,050,000</u>	<u>36</u>
	Capital surplus				
3210	Capital surplus - additional paid-in capital	11,523	-	11,523	-
3220	Capital surplus - treasury stock transactions	12,908	-	12,908	-
3200	Total capital surplus	<u>24,431</u>	<u>-</u>	<u>24,431</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	1,870,559	23	1,809,505	21
3350	Unappropriated earnings	2,284,604	27	2,328,474	28
3300	Total retained earnings	<u>4,155,163</u>	<u>50</u>	<u>4,137,979</u>	<u>49</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	127,403	1	54,857	1
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	127,998	2	192,781	2
3400	Total other equity	<u>255,401</u>	<u>3</u>	<u>247,638</u>	<u>3</u>
3XXX	Total equity	<u>7,484,995</u>	<u>89</u>	<u>7,460,048</u>	<u>88</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 8,381,606</u>	<u>100</u>	<u>\$ 8,494,180</u>	<u>100</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

Code		For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
		Amount	%	Amount	%
	OPERATING REVENUE				
4100	Sales (Notes 4, 19 and 25)	\$2,433,757	100	\$2,700,977	100
	OPERATING COST				
5110	Cost of goods sold (Notes 11, 20, and 25)	(1,871,829)	(77)	(1,932,769)	(72)
5900	GROSS PROFIT	<u>561,928</u>	<u>23</u>	<u>768,208</u>	<u>28</u>
	OPERATING EXPENSES (Notes 20 and 25)				
6100	Selling and marketing expenses	(42,729)	(2)	(63,774)	(2)
6200	General and administrative expenses	(80,138)	(3)	(110,061)	(4)
6450	Expected credit (loss)/ gain	<u>24</u>	<u>-</u>	<u>181</u>	<u>-</u>
6000	Total operating expenses	(<u>122,843</u>)	(<u>5</u>)	(<u>173,654</u>)	(<u>6</u>)
6900	PROFIT FROM OPERATIONS	<u>439,085</u>	<u>18</u>	<u>594,554</u>	<u>22</u>
	NON-OPERATING INCOME AND EXPENSES(Notes 20)				
7100	Interest revenue	9,508	-	6,342	-
7010	Other revenue	14,743	1	29,801	1
7020	Other gains and losses	(4,293)	-	1,935	-
7050	Finance costs	(268)	-	(343)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method	<u>135,193</u>	<u>6</u>	<u>120,947</u>	<u>5</u>
7000	Total non-operating income and expenses	<u>154,883</u>	<u>7</u>	<u>158,682</u>	<u>6</u>
7900	PROFIT BEFORE INCOME TAX	593,968	25	753,236	28
7950	INCOME TAX EXPENSE (Notes 4 and 21)	(<u>120,672</u>)	(<u>5</u>)	(<u>151,354</u>)	(<u>6</u>)
8200	NET PROFIT FOR THE YEAR	<u>473,296</u>	<u>20</u>	<u>601,882</u>	<u>22</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	1,735	-	10,826	-
8316	Unrealized (gain) loss on investments in equity instruments at fair value through other comprehensive income	(64,783)	(3)	42,722	2
8349	Income tax expense relating to items that will not be reclassified subsequently to profit or loss	(<u>347</u>)	<u>-</u>	<u>2,165</u>	<u>-</u>
		(<u>63,395</u>)	(<u>3</u>)	<u>51,383</u>	<u>2</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	<u>72,546</u>	<u>3</u>	(<u>6,925</u>)	<u>-</u>
		<u>72,546</u>	<u>3</u>	(<u>6,925</u>)	<u>-</u>
8300	Other comprehensive loss for the year, net of income tax	<u>9,151</u>	<u>-</u>	<u>44,458</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 482,447</u>	<u>20</u>	<u>\$ 646,340</u>	<u>24</u>
	EARNINGS PER SHARE (Note 22)				
	Form continuing operation				
9710	Basic	<u>\$ 1.55</u>		<u>\$ 1.97</u>	
9810	Diluted	<u>\$ 1.55</u>		<u>\$ 1.97</u>	

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-Ma

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		Share capital	Capital surplus		Retained earnings		Other equity		Total equity
			Additional paid-in capital	Treasury stock transactions	Legal reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
A1	BALANCE AT JANUARY 1, 2021	\$ 3,050,000	\$ 11,523	\$ 12,908	\$ 1,753,575	\$ 2,231,361	\$ 61,782	\$ 150,059	\$ 7,271,208
	Appropriation of 2020 earnings (Notes 18)								
B1	Legal reserve	-	-	-	55,930	(55,930)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(457,500)	-	-	(457,500)
D1	Net profit for the year ended December 31, 2021	-	-	-	-	601,882	-	-	601,882
D3	Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	8,661	(6,925)	42,722	44,458
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	610,543	(6,925)	42,722	646,340
Z1	BALANCE AT DECEMBER 31, 2021	3,050,000	11,523	12,908	1,809,505	2,328,474	54,857	192,781	7,460,048
	Appropriation of 2021 earnings (Notes 18)								
B1	Legal reserve	-	-	-	61,054	(61,054)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(457,500)	-	-	(457,500)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	473,296	-	-	473,296
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	1,388	72,546	(64,783)	9,151
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	474,684	72,546	(64,783)	482,447
Z1	BALANCE AT DECEMBER 31, 2022	<u>\$ 3,050,000</u>	<u>\$ 11,523</u>	<u>\$ 12,908</u>	<u>\$ 1,870,559</u>	<u>\$ 2,284,604</u>	<u>\$ 127,403</u>	<u>\$ 127,998</u>	<u>\$ 7,484,995</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 593,968	\$ 753,236
A20010	Adjustments for:		
A20100	Depreciation expenses	153,877	163,266
A20300	Expected credit loss/(gain)	(24)	(181)
A20400	Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(53)	1,482
A20900	Finance costs	268	343
A21200	Interest income	(9,508)	(6,342)
A21300	Dividend income	(7,578)	(8,013)
A22400	Share of loss of associates accounted for using the equity method	(135,193)	(120,947)
A23800	Impairment and scrapped losses on inventory	937	19,846
A23900	Unrealized gain from trading with subsidiaries	(618)	(617)
A24100	Unrealized net loss (gain) on foreign currency exchange	4,788	(701)
A29900	Net gain on disposal of right-of-use assets	-	(4)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	163,672	78,696
A31130	Notes receivable	14,953	(14,708)
A31150	Accounts receivable	31,551	(56,207)
A31180	Other receivables	678	320
A31200	Inventories	(175,553)	(200,881)
A31240	Other current assets	26,971	(26,842)
A32130	Notes payable	(180)	849
A32150	Accounts payable	(121,787)	125,317
A32180	Other payable	(16,744)	6,985
A32230	Other current liabilities	469	(1,728)
A32240	Net defined benefit liabilities	(11,952)	436
A33000	Cash generated from operations	512,942	713,605
A33100	Interest received	9,023	6,285
A33300	Interest paid	(268)	(343)
A33500	Income tax paid	(129,982)	(119,708)
AAAA	Net cash generated from operating activities	<u>391,715</u>	<u>599,839</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Payment for financial assets at fair value through other comprehensive income	(1,362)	-
B00040	Payment for financial assets at amortized cost	(1,521,779)	(1,865,346)
B00050	Proceeds from sale of financial assets at amortized cost	1,554,546	1,772,344
B02700	Payments for property, plant and equipment	(20,400)	(11,889)
B02800	Proceeds from disposal of property, plant and equipment	444	-
B07100	Increase in prepayments for equipment	(13,533)	-
B07600	Dividend received	7,578	8,013
BBBB	Net cash used in investing activities	<u>5,494</u>	<u>(96,878)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	31,531	-
C00200	Decrease in short-term borrowings	-	(30,981)
C04020	Repayment of the principal portion of lease liabilities	(6,252)	(6,777)
C04500	Dividends paid	(457,500)	(457,500)
CCCC	Net cash used in financing activities	<u>(432,221)</u>	<u>(495,258)</u>
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,012)	7,703
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>191,392</u>	<u>183,689</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 156,380</u>	<u>\$ 191,392</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.ORGANIZATION AND OPERATIONS

Great China Metal Ind. Co., Ltd (collectively referred to as “the Company”) was incorporated in November, 1973, under the provisions of the Company Act of the Republic of China (R.O.C.). The major business of the Company is to provide printing services for metal, manufacturing and selling metal containers, other plastic products, and paking machines.

In August’ 1990, Great China Metal Ind. Co., Ltd became a publicly listed company on the Taiwan Stock Exchange.

The financial statements of the Company are presented in the Company’s functional currency, New Taiwan dollars.

2.APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’ s board of directors on March 7, 2023.

3.APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a.Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

b.The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to AS 1 “Disclosure of Accounting Policies”	Reporting period after January 1, 2023(Note1)
Amendments to AS 8 “Definition of Accounting Estimates”	Reporting period after January 1, 2023(Note2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	Reporting period after January 1, 2023(Note3)

- Note 1: The application of the present amendment will be postponed up to the annual reporting period starting from January 1, 2023.
- Note 2: This amendment that is applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period starting from January 1, 2023.
- Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the independent financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note1)
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 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note2)
IFRS 17 "Insurance Contracts"	January 1, 2024
Amendments to IFRS 17	January 1, 2024
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17—Comparative Information"	January 1, 2024
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

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16..

As of the date the independent financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The independent financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing its financial statements, the Company used equity method to account for its investment in subsidiary. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its independent financial statements, adjustments arising from the differences in accounting treatment between the parent company only basis and the independent basis were made to investments accounted for using equity method, share of profit or loss of subsidiary, share of other comprehensive income of subsidiary, and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period,
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign

currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting financial statements, the assets and liabilities of the Company's its foreign operations (including of the subsidiaries and associates) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period; and income and expense items are translated at the average exchange rates for the current period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is calculated as equity transaction and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Bank continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When assessing impairments, the Company considers the cash-generating unit as a whole in the financial statements, and compares the recoverable amount with the carrying amount. When the recoverable amount of an asset increases, a reversal of an impairment loss is recognized in profit or loss, but only the carrying amount after the impairment loss being reversed shall not exceed the carrying amount of the asset after deducting the amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated

depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction purposes are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis. On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of right-of-use assets, contract assets, intangible assets, property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to the group which the asset belongs.

The Company perform impairment testing for intangible assets which have still not available for use, if any indication of impairment exists, or at least once a year.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset

or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is designated as at FVTPL. A mandatory financial asset measured at fair value through profit and loss includes such equity instrument investments that are not specified at fair value through other comprehensive gains and losses not designated by the Company and such investment into liability instruments inconsistent with the classification as measured at amortized costs or measured at fair value through other comprehensive gains and losses.

The net gain or loss recognized in profit or loss on such a financial asset. Fair value is determined in the manner described in Note 24.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is

to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and notes receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The term "credit-impaired financial assets" as set forth herein denotes that where the issuer or debtor who has experienced major financial difficulties, defaults and where the debtor is likely to apply for bankruptcy or other financial reorganization, or where the active market for financial assets disappears due to financial difficulties. The term "cash equivalents" herein includes time deposits that are highly liquid within three months from the date of acquisition and could be converted into cash of a fixed amount at any time with little risk of value changes, as used to satisfy short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial

instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The allowance loss of debt instrument investment measured at fair value through other comprehensive income is, nevertheless, recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when

performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods is recognized when the goods are delivered to the customer's designated destination, once the goods are shipped, or once the goods are at delivery. In either case, the Company has transferred to the customer the significant risks and rewards of ownership of the goods. The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

I. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases which are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

m. Government grants

Government grants are not recognized until there is reasonable assurance that

the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company determines the current income (loss) in accordance with the regulations established by income tax authorities in each region, and calculates the payable (recoverable) income tax.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in

the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The

estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	\$ 212	\$ 207
Checking accounts and demand deposits	23,006	118,952
Cash equivalent (investments with original maturities of less than 3 months)	133,162	58,393
Certificate deposit in bank	-	13,840
	<u>\$ 156,380</u>	<u>\$ 191,392</u>

The market rate intervals of cash in bank and certificate deposit in bank with original maturities of less than 3 months, at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Cash in bank	0.005%~1.05%	0.001%~0.05%
Certificate deposit in the bank with original maturities of less than 3 months	0.92%~4.3%	0.09%~0.41%
Repurchase bond with original maturities of less than 3 months	-	0.3%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	December 31, 2021
<u>Financial Assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Beneficiary Certification for open ended fund	<u>\$ 878,217</u>	<u>\$1,041,836</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2022	December 31, 2021
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<u>Current</u>		
Equity instrument at fair value through other comprehensive income	<u>\$ 194,243</u>	<u>\$ 257,664</u>
<u>Equity instruments</u>	December 31, 2022	December 31, 2021
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares	<u>\$ 194,243</u>	<u>\$ 257,664</u>

These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes with the expectation of receiving dividends and selling them for profit. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
<u>Current</u>		
Domestic investments		
Restricted assets – bank deposit	\$ 92,499	\$ 91,915
Certificate deposit in bank with original maturities of less than 3 months	<u>727,331</u>	<u>760,682</u>
Total	<u>\$ 819,830</u>	<u>\$ 852,597</u>

The market rate intervals of certificate deposit in bank with original maturities of more than 3 months, for the year ended December 31, 2022 and 2021 were 0.91%~1.44% and 0.25%~0.815%.

For pledge of financial assets at amortized cost, refer to Note 26.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
<u>Notes receivable</u>		
At amortized cost		
Gross Carrying amount	\$ 37,508	\$ 52,461
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 37,508</u>	<u>\$ 52,461</u>
<u>Accounts receivable - from unrelated parties</u>		
At amortized cost		
Gross Carrying amount	\$ 327,206	\$ 347,201
Less: Allowance for impairment loss	<u>-</u>	(<u>24</u>)
	<u>\$ 327,206</u>	<u>\$ 347,177</u>
<u>Accounts receivable – from related parties</u>		

At amortized cost		
Gross Carrying amount	\$ 37,297	\$ 49,001
Less: Allowance for impairment loss	-	-
	<u>\$ 37,297</u>	<u>\$ 49,001</u>

a. Accounts receivable

In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on account receivables are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry, considerations of GDP forecast and industry trend. The expected credit loss rate for the year ended December 31, 2022 and 2021 were 0% and 0%~0.17%.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of accounts receivable were as follows:

	December 31, 2022	December 31, 2021
Not overdue	\$ 324,332	\$ 395,090
1~60 days	40,171	1,112
61~90 days	-	-
91~180 days	-	-
Over 181 days	-	-
Total	<u>\$ 364,503</u>	<u>\$ 396,202</u>

The above aging schedule was based on the number of overdue days from the posting date.

The movements of the allowance for doubtful trade receivables were as follows:

For the year ended December 31, 2022	For the year ended December 31, 2021

Balance at beginning of the year	<u>\$ 24</u>	\$ 205
Add: Net remeasurement of loss allowance	-	-
less: Reversal of loss allowance	(<u>24</u>)	(<u>181</u>)
Balance at ending of the year	<u><u>\$ 24</u></u>	<u><u>\$ 24</u></u>

b. Notes receivable

The aging analysis of notes receivables were as follows:

	December 31, 2022	December 31, 2021
Not overdue	<u>\$ 37,508</u>	<u>\$ 52,461</u>
Overdue	<u>-</u>	<u>-</u>
Total	<u><u>\$ 37,508</u></u>	<u><u>\$ 52,461</u></u>

The above aging schedule was based on the number of overdue days from the posting date.

11. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods	<u>\$ 366,119</u>	<u>\$ 272,414</u>
Work-in-progress	90,508	80,127
Raw materials	401,618	343,588
Leftover bits and pieces	104,144	90,315
Materials for subcontractor	5,960	6,277
Others	<u>674</u>	<u>1,686</u>
	<u><u>\$ 969,023</u></u>	<u><u>\$ 794,407</u></u>

The natures of cost of goods sold are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cost of good sold	<u>\$1,870,892</u>	<u>\$1,912,923</u>
Loss on inventory write-downs and retirement	<u>937</u>	<u>19,846</u>
	<u><u>\$1,871,829</u></u>	<u><u>\$1,932,769</u></u>

12. INVESTMENTS IN EQUITY METHOD

	December 31, 2022	December 31, 2021
Subsidiaries	<u>\$4,248,301</u>	<u>\$4,039,944</u>
HAI HWA INVESTMENT CO., LTD.	\$ 3,848,684	\$ 3,683,064
GCM HOLDING CO., LTD.	<u>399,617</u>	<u>356,880</u>
	<u><u>\$4,248,301</u></u>	<u><u>\$4,039,944</u></u>

The equity and voting rights in subsidiaries at December 31, 2022 and 2021 were both 100%.

Details of the subsidiaries which are indirectly held by the Company, refer to Note 30.

The investments accounted for using equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2022 and 2021 were based on the financial statements audited by the auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2022	\$ 59,074	\$ 477,349	\$ 2,671,202	\$ 69,004	\$ 12,930	\$ 50,476	\$ 59,162	\$ 324	\$ 3,399,521
Additions	-	723	14,216	-	272	523	316	926	16,976
Disposals	-	(200)	(2,240)	-	(158)	(533)	(16,796)	-	(19,927)
Reclassification	-	386	864	-	-	-	-	(1,250)	-
Balance at December 31, 2022	<u>\$ 59,074</u>	<u>\$ 478,258</u>	<u>\$ 2,684,042</u>	<u>\$ 69,004</u>	<u>\$ 13,044</u>	<u>\$ 50,466</u>	<u>\$ 42,682</u>	<u>\$ -</u>	<u>\$ 3,396,570</u>
Accumulated depreciation									
Balance at January 1, 2022	\$ -	\$ 302,716	\$ 2,127,938	\$ 57,237	\$ 11,382	\$ 49,521	\$ 57,987	\$ -	\$ 2,606,781
Disposals	-	(200)	(1,796)	-	(158)	(533)	(16,796)	-	(19,483)
Depreciation expense	-	8,746	136,011	1,532	383	625	315	-	147,612
Reclassification	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 311,262</u>	<u>\$ 2,262,153</u>	<u>\$ 58,769</u>	<u>\$ 11,607</u>	<u>\$ 49,613</u>	<u>\$ 41,506</u>	<u>\$ -</u>	<u>\$ 2,734,910</u>
Accumulated impairment									
Balance at January 1, 2022	\$ -	\$ -	\$ 10,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,221
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,221</u>
Carrying amounts at December 31, 2022	<u>\$ 59,074</u>	<u>\$ 166,996</u>	<u>\$ 411,668</u>	<u>\$ 10,235</u>	<u>\$ 1,437</u>	<u>\$ 853</u>	<u>\$ 1,176</u>	<u>\$ -</u>	<u>\$ 651,439</u>
Cost									
Balance at January 1, 2021	\$ 59,074	\$ 477,349	\$ 2,647,167	\$ 67,371	\$ 17,035	\$ 50,715	\$ 59,028	\$ -	\$ 3,377,739
Additions	-	-	24,067	1,762	97	-	134	324	26,384
Disposals	-	-	(161)	-	(4,202)	(239)	-	-	(4,602)
Reclassification	-	-	129	(129)	-	-	-	-	-
Balance at December 31, 2021	<u>\$ 59,074</u>	<u>\$ 477,349</u>	<u>\$ 2,671,202</u>	<u>\$ 69,004</u>	<u>\$ 12,930</u>	<u>\$ 50,476</u>	<u>\$ 59,162</u>	<u>\$ 324</u>	<u>\$ 3,399,521</u>
Accumulated depreciation									
Balance at January 1, 2021	\$ -	\$ 293,595	\$ 1,983,900	\$ 55,576	\$ 15,238	\$ 49,047	\$ 57,615	\$ -	\$ 2,454,971
Disposals	-	-	(161)	-	(4,202)	(239)	-	-	(4,602)
Depreciation expense	-	9,121	144,199	1,661	346	713	372	-	156,412
Reclassification	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 302,716</u>	<u>\$ 2,127,938</u>	<u>\$ 57,237</u>	<u>\$ 11,382</u>	<u>\$ 49,521</u>	<u>\$ 57,987</u>	<u>\$ -</u>	<u>\$ 2,606,781</u>
Accumulated impairment									
Balance at January 1, 2021	\$ -	\$ -	\$ 10,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,221
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,221</u>
Carrying amounts at December 31, 2021	<u>\$ 59,074</u>	<u>\$ 174,633</u>	<u>\$ 533,043</u>	<u>\$ 11,767</u>	<u>\$ 1,548</u>	<u>\$ 955</u>	<u>\$ 1,175</u>	<u>\$ 324</u>	<u>\$ 782,519</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the asset:

Building	
Main buildings	20 - 36 years
Engineering system	2 - 17 years
Machinery and Equipment	2 - 10 years
Utility Equipment	

Air conditioner pipe	35 years
Other power equipment	2 - 15 years
Transportation Equipment	2 - 5 years
Office Equipment	2 - 6 years
Other Equipment	2 - 7 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Buildings	\$ 20,636	\$ 26,480
Transportation Equipment	<u>-</u>	<u>421</u>
	<u>\$ 20,636</u>	<u>\$ 26,901</u>
	For the year ended December 31, 2022	For the year ended December 31, 2021
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 5,844	\$ 5,844
Transportation Equipment	<u>421</u>	<u>1,010</u>
	<u>\$ 6,265</u>	<u>\$ 6,854</u>

Except for the additions and depreciation expenses listed above, there was no significant sublease and impairment during the year ended December 31, 2022 and 2021 for the Company's right-of-use assets.

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	<u>\$ 5,890</u>	<u>\$ 6,252</u>
Non-current	<u>\$ 15,200</u>	<u>\$ 21,090</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Buildings	1.1%	1.1%
Transportation Equipment	1.1%	1.1%

c. Other lease information

The Company leases certain assets which qualify as short-term leases. The Company has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Expenses relating to short-term leases	<u>\$ 1,410</u>	<u>\$ 936</u>
Expenses relating to low-value asset leases	<u>\$ 37</u>	<u>\$ 47</u>
Total cash (outflow) for leases	<u>(\$ 7,967)</u>	<u>(\$ 8,103)</u>

15. SHORT-TERM BORROWINGS

	December 31, 2022	December 31, 2021
<u>Unsecured borrowings</u>		
— Bank loans for working capital	<u>\$106,211</u>	<u>\$ 69,868</u>

The rate intervals of bank revolving loan at December 31, 2022 and 2021 were 1.85%~5.51% and 0.5%~0.56% respectively.

16. OTHER PAYABLES

	December 31, 2022	December 31, 2021
Payables for salaries and bonuses	\$ 65,081	\$ 76,495
Freight payable	1,319	2,666
Payable for annual leave	5,122	5,418
Payables for purchases of equipment	4,129	7,552
Payables for utility bills	5,351	4,005
Others	<u>24,424</u>	<u>29,458</u>
	<u>\$105,426</u>	<u>\$125,594</u>

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is

managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	\$ 79,781	\$ 98,424
Fair value of plan assets	(<u>27,900</u>)	(<u>32,856</u>)
Net defined benefit liability	<u>\$ 51,881</u>	<u>\$ 65,568</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	<u>\$ 108,467</u>	(<u>\$ 32,509</u>)	<u>\$ 75,958</u>
Service cost			
Current service cost	414	-	414
Net interest expense (income)	<u>868</u>	(<u>262</u>)	<u>606</u>
Recognized in profit or loss	<u>1,282</u>	(<u>262</u>)	<u>1,020</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(360)	(360)
Actuarial loss - experience adjustments	(<u>10,466</u>)	<u>-</u>	(<u>10,466</u>)
Recognized in other comprehensive income	(<u>10,466</u>)	(<u>360</u>)	(<u>10,826</u>)
Contributions from the employer	-	(584)	(584)
Benefits paid – from carrying value	-	-	-
Benefits paid – from plan assets	(<u>859</u>)	<u>859</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 98,424</u>	(<u>\$ 32,856</u>)	<u>\$ 65,568</u>
Balance at January 1, 2022	<u>\$ 98,424</u>	(<u>\$ 32,856</u>)	<u>\$ 65,568</u>
Service cost			
Current service cost	253	-	253
Net interest expense (income)	<u>492</u>	(<u>166</u>)	<u>326</u>
Recognized in profit or loss	<u>745</u>	(<u>166</u>)	<u>579</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,607)	(2,607)
Actuarial loss - experience adjustments	<u>872</u>	<u>-</u>	<u>872</u>
Recognized in other comprehensive income	<u>872</u>	(<u>2,607</u>)	(<u>1,735</u>)
Contributions from the employer	-	(531)	(531)
Benefits paid – from carrying value	(12,000)	-	(12,000)
Benefits paid – from plan assets	(<u>8,260</u>)	<u>8,260</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 79,781</u>	(<u>\$ 27,900</u>)	<u>\$ 51,881</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.25%	0.5%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2022	December 31, 2021
Discount rate(s)		
0.25% increase	(\$ 567)	(\$ 945)
0.25% decrease	<u>\$ 585</u>	<u>\$ 976</u>
Expected rate(s) of salary increase		
1% increase	<u>\$ 2,516</u>	<u>\$ 4,114</u>
1% decrease	<u>(\$ 2,275)</u>	<u>(\$ 3,682)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2022	December 31, 2021
Expected contributions to the plans for the next year	<u>\$ 516</u>	<u>\$ 576</u>
Average duration of the defined benefit obligation	7.7 years	8.4 years

18. EQUITY

- a. Share capital
 Common shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	<u>330,000</u>	<u>330,000</u>
Shares authorized	<u>\$3,300,000</u>	<u>\$3,300,000</u>
Number of shares issued and fully paid (in thousands)	<u>305,000</u>	<u>305,000</u>
Shares issued	<u>\$3,050,000</u>	<u>\$3,050,000</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation's paid-in capital and to once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The dividends policy of the Company shall be made according to the Company's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Company is growing steadily. Consider in future operating expansion plans, dividends are distributed in a coordinated manner with cash dividends and share dividends. The cash dividend is about 50% to 100% and the share dividend is about 50% to 0%. The Company may adjust the distribution ratio of cash dividends and share dividends if necessary, which depending on factors such as economic conditions, industrial development and capital needs.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 24, 2022 and August 24, 2021, respectively, were as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Legal reserve	<u>\$ 61,054</u>	<u>\$ 55,930</u>
Cash dividends	<u>\$ 457,500</u>	<u>\$ 457,500</u>
Cash dividends per share	\$ 1.5	\$ 1.5

The appropriation of earnings for 2022 had been proposed by the Corporation's board of directors on March 7, 2023. The appropriation and dividends per share were as follows:

	For the year ended December 31, 2022
Legal reserve	<u>\$ 47,468</u>
Cash dividends	<u>\$ 366,000</u>
Cash dividends per share	\$ 1.2

The appropriation of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held on June, 2023.

19. Revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from contracts with customers		
Sale of goods	<u>\$ 2,433,757</u>	<u>\$ 2,700,977</u>

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Bank deposit	<u>\$ 9,508</u>	<u>\$ 6,342</u>

b. Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Dividend income	\$ 7,578	\$ 8,013
Others	<u>7,165</u>	<u>21,788</u>
	<u>\$ 14,743</u>	<u>\$ 29,801</u>

c. Other gains and losses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net gain on disposal of right-of-use assets	\$ -	\$ 4
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily at FVTPL	53	(1,482)
Net foreign exchange gains (losses)	(4,334)	3,436
Others	<u>(12)</u>	<u>(23)</u>
	<u>(\$ 4,293)</u>	<u>\$ 1,935</u>

d. Finance costs

	For the year ended	For the year ended
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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest on lease liabilities	<u>\$ 268</u>	<u>\$ 343</u>
e. Depreciation and amortization		
	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Depreciation expense by function		
Operating costs	\$ 147,000	\$ 155,699
Operating expenses	<u>6,877</u>	<u>7,567</u>
	<u>\$ 153,877</u>	<u>\$ 163,266</u>
f. Employee benefits expense		
	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Post-employment benefits		
Defined contribution plans	\$ 7,813	\$ 8,260
Defined benefit plans (Note 17)	<u>579</u>	<u>1,020</u>
	<u>8,392</u>	<u>9,280</u>
Other employee benefits		
Salary expenses	179,754	208,057
Labor and health insurance expenses	20,157	21,674
Others	<u>29,872</u>	<u>60,464</u>
	<u>229,783</u>	<u>290,195</u>
Total	<u>\$ 238,175</u>	<u>\$ 299,475</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 165,341	\$ 193,524
Operating expenses	<u>72,834</u>	<u>105,951</u>
	<u>\$ 238,175</u>	<u>\$ 299,475</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Corporation's board of directors on March 7, 2023 and March 15, 2022, respectively, were as follows:

<u>Amount</u>	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 12,374	\$ 15,743
Remuneration of directors	12,374	15,743

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax		
In respect of the current year	\$ 86,794	\$ 128,542
Income tax expense of unappropriated earnings	3,961	2,027
Adjustment for prior periods	105	19
	<u>90,860</u>	<u>130,588</u>
Deferred tax		
In respect of the current year	<u>29,812</u>	<u>20,766</u>
Income tax expense recognized in profit or loss	<u>\$ 120,672</u>	<u>\$ 151,354</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net income before tax from continuing operations	<u>\$ 593,968</u>	<u>\$ 753,236</u>
Income tax expense calculated at the statutory rate	\$ 118,794	\$ 150,647
Nondeductible expenses in determining taxable income	130	82
Tax-exempt income	(2,318)	(1,421)
Additional income tax on unappropriated earnings	3,961	2,027
Adjustments for prior year's tax	<u>105</u>	<u>19</u>
Income tax expense recognized in profit or loss	<u>\$ 120,672</u>	<u>\$ 151,354</u>

b. Deferred tax assets and liabilities

Movement for deferred tax assets and liabilities is as follow:

For the Year Ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				

Defined benefit obligation	\$ 13,113	(\$ 2,390)	(\$ 347)	\$ 10,376
Payable for annual leave	1,113	(59)	-	1,054
Unrealized inventory write-downs	4,461	(193)	-	4,268
Others	<u>1,690</u>	(<u>135</u>)	<u>-</u>	<u>1,555</u>
	<u>\$ 20,377</u>	(<u>\$ 2,777</u>)	(<u>\$ 347</u>)	<u>\$ 17,253</u>

Deferred tax liabilities

Temporary differences

Unappropriated earnings from subsidiary	\$ 367,216	\$ 27,039	\$ -	\$ 394,255
Others	<u>144</u>	(<u>4</u>)	<u>-</u>	<u>140</u>
	<u>\$ 367,360</u>	<u>\$ 27,035</u>	<u>\$ -</u>	<u>\$ 394,395</u>

For the Year Ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred Tax Assets</u>				
<u>Temporary differences</u>				
Defined benefit obligation	\$ 15,191	\$ 87	(\$ 2,165)	\$ 13,113
Payable for annual leave	1,086	27	-	1,113
Unrealized inventory write-downs	997	3,464	-	4,461
Others	<u>2,229</u>	(<u>539</u>)	<u>-</u>	<u>1,690</u>
	<u>\$ 19,503</u>	<u>\$ 3,039</u>	(<u>\$ 2,165</u>)	<u>\$ 20,377</u>

Deferred tax liabilities

Temporary differences

Unappropriated earnings from subsidiary	\$ 343,027	\$ 24,189	\$ -	\$ 367,216
Others	<u>528</u>	(<u>384</u>)	<u>-</u>	<u>144</u>
	<u>\$ 343,555</u>	<u>\$ 23,805</u>	<u>\$ -</u>	<u>\$ 367,360</u>

c. Income tax assessments

Income tax returns of the Corporation through 2020 have been examined and cleared by the tax authorities.

22. EARNINGS PER SHARE

Net Profit for Current year

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net Profit for Current year	<u>\$ 473,296</u>	<u>\$ 601,882</u>

Number of Shares (In Thousands)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Weighted average number of ordinary shares used in computation of basic loss per share	305,000	305,000
Dilutive effects		
- employees' compensation or bonus issue to employees	<u>633</u>	<u>727</u>

Weighted average number of ordinary
shares used in computation of basic
loss per share

305,633

305,727

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged in the past 2 years.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

24. FINANCIAL INSTRUMENTS

- a. Fair value information—The relevant financial instruments not measured by fair value

The Company management believes that the book value of financial assets and financial liabilities that are not measured by fair value is close to the fair value.

- b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	<u>\$ 878,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,217</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
— Shares of publicly quoted entity	<u>\$ 194,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,243</u>

December 31, 2021

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	<u>\$1,041,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,041,836</u>

Financial assets at fair value through other comprehensive income				
Equity instruments				
— Shares of publicly quoted entity	<u>\$ 257,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,664</u>

There were no transfers between Level 1 and 2 in the current and prior periods.

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
FVTPL		
Mandatorily at FVTPL	\$ 878,217	\$ 1,041,836
Financial assets at amortized cost (1)	1,380,367	1,494,540
Financial assets at fair value through other comprehensive income		
Equity instruments	194,243	257,664
Financial liabilities		
Financial liabilities at amortized cost (2)	263,582	352,693

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investment, notes receivable, accounts receivable and other receivables.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, notes payable, accounts payable and other payables.

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and debt investments, notes receivable, accounts receivable, other receivables, notes payable, accounts payable and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using financial derivatives to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written guidelines on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure

limits was reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within natural hedges. Hence, change of market exchange rate would change the fair value of related financial instrument.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Company was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Company's sensitivity to a 3% increase and decrease in New Taiwan dollars (the functional currency) against USD. The Company's sensitivity to a 3% increase and decrease in NTD (the functional currency) against the relevant foreign currencies represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis is for a 3% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease in pre-tax profit when New Taiwan dollars strengthen by 3% against USD. For a 3% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit or loss	(\$ 2,067)	(\$ 2,211)

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk — Financial assets	\$ 125,742	\$ 651,714

– Financial liabilities	21,090	27,342
Cash flow interest rate risk		
– Financial assets		354,235
– Financial liabilities	841,489	69,868

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would decrease by \$1,422 thousand and \$1,067 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and beneficiary certification for fund. The management of the Company manages risks by holding investment portfolios with different risk levels. The equity price risk of the Company is mainly from the equity instruments issued in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices increase/ decrease 5%, the profit before income tax for the year 2022 and 2021 would have increased/ decrease by \$43,911 thousand and \$52,092 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the year 2022 and 2021 would have increased/ decrease by \$9,712 thousand and \$12,883 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, is arising from:

- a) The carrying amount of the respective recognized financial assets as stated in the independent balance sheets.
- b) The amount of contingent liabilities due to the financial guarantees provided by the Company.

Since the counterparty of circulating capital and derivative financial instruments is the bank with a high credit rating given by the international credit rating agency, the credit risk is limited.

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas, thus, no other concentration of credit risk was observed.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. The Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 88,866	\$ 87,925	\$ 52,060	\$ -
Lease liabilities	508	1,015	4,569	15,420
Variable interest rate instrument	65,027	41,184	-	-
Financial guarantee liabilities	-	138,195	154,280	-
	<u>\$154,401</u>	<u>\$268,319</u>	<u>\$210,909</u>	<u>\$ 15,420</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 6,092</u>	<u>\$ 15,420</u>	<u>\$ -</u>

December 31, 2021

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
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<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing	\$ 90,934	\$ 209,844	\$ 70,380	\$ -
Lease liabilities	574	1,148	4,798	21,512
Variable interest rate instrument	46,776	23,092	-	-
Financial guarantee liabilities	138,400	207,600	290,440	-
	<u>\$ 276,684</u>	<u>\$ 441,684</u>	<u>\$ 365,618</u>	<u>\$ 21,512</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 6,520</u>	<u>\$ 21,512</u>	<u>\$ -</u>

The amount of floating interest rate instruments for the aforementioned non-derivative financial assets and liabilities would change amidst the difference between the floating interest rate and the interest rate estimated as of the balance sheet date.

b) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank facilities:		
– Amount used	\$ 278,649	\$ 261,708
– Amount unused	<u>1,388,716</u>	<u>1,310,212</u>
	<u>\$1,667,365</u>	<u>\$1,571,920</u>

25. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and related parties were disclosed below.

a. Related Party Categories / Names

Related Party	Relationship with the Company
Shanghai United Can Co., Ltd	Subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Subsidiary
GCM PACKAGING (VIETNAM) CO., LTD.	Subsidiary
China Can Printing and Metal MFG. Co., Ltd.	Related party in substance

b. Operating Revenue

Item	Related Party	For the year ended December 31, 2022	For the year ended December 31, 2021
Sales of goods	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	<u>\$ 16,844</u>	<u>\$ 18,566</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 194,665</u>	<u>\$ 220,350</u>

The price of sales to related parties approximated those for third parties. Collection terms are 60 to 150 days for third parties, T/T 60 days for GCM PACKAGING (VIETNAM) CO., LTD. and 90 days for China Can Printing and Metal MFG. Co., Ltd.

c. Trading transactions

Item	Related Party	For the year	For the year
------	---------------	--------------	--------------

		ended December 31, 2022	ended December 31, 2021
Purchase of goods	Subsidiaries		
	Shanghai United Can Co., Ltd	\$ 1,445	\$ 10,059
	GCM PACKAGING (VIETNAM) CO., LTD.	-	288
	Huatong United (Nantong) Plastic Industry Co., Ltd	<u>2,627</u>	<u>2,988</u>
		<u>\$ 4,072</u>	<u>\$ 13,335</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 2,072</u>	<u>\$ 1,471</u>

The price of purchase to related parties approximated those for third parties.

d. Receivables from related parties

Item	Related Party	December 31, 2022	December 31, 2021
Accounts receivable	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	<u>\$ -</u>	<u>\$ 2,644</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 37,297</u>	<u>\$ 46,357</u>

The outstanding account receivables from related parties are unsecured. The Company didn't recognize bad debt expenses for the account receivables from related parties in 2022 and 2021.

e. Payables from related parties

Item	Related Party	December 31, 2022	December 31, 2021
Accounts payable	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	<u>\$ 422</u>	<u>\$ 1,967</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 613</u>	<u>\$ 460</u>

The payment term of purchase to related parties approximated those for third parties.

The outstanding payables to related parties are unsecured.

f. Purchase on property, plant and equipment

Related Party	December 31, 2022	December 31, 2021
Related parties in substance		
China Can Printing and Metal MFG. Co., Ltd.	<u>\$ -</u>	<u>\$ 97</u>

g. Disposal of property, plant and equipment

Related Party	Proceeds		Loss (gain) on disposal of property, plant and equipment	
	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2022	For the year ended December 31, 2022
Related parties in substance				
China Can Printing and Metal MFG. Co., Ltd	\$ 444	\$ -	\$ -	\$ -

h. Lease agreement

Item	Related Party	December 31, 2022	December 31, 2021
Lease Liability	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	\$ 19,611	\$ 25,077
		For the year ended December 31, 2022	For the year ended December 31, 2021
	Related Party		
Interest expense			
Related party in substance			
China Can Printing and Metal MFG. Co., Ltd.		\$ 248	\$ 308

The Company leased an office building in Taishan District, New Taipei City, from China Can Printing and Metal MFG. Co., Ltd. with an area of approximately 1735.545 square meters. The lease term will end on June 30, 2026. The monthly rent will be \$476 thousand, and the rent will be prepaid for 3 months at the beginning of every quarter. The rent in the lease contract was negotiated with the reference on market price, and pay according to the agreed method in the lease contract.

i. Endorsements/guarantees provided

Related Party	December 31, 2022	December 31, 2021
Subsidiaries	\$ 292,475	\$ 636,440
	USD 4,500	USD 17,500
	CNY 35,000	CNY 35,000

Refer to Table1 for informations of endorsements/guarantees provided.

j. Other transactions with related parties

Related Party	For the year ended December 31, 2022	For the year ended December 31, 2021	Nature
Subsidiaries			
GCM PACKAGING (VIETNAM) CO., LTD.	\$ 9,787	\$ 10,732	Processing expense
Related parties in substance			
China Can Printing and Metal MFG. Co., Ltd.	\$ -	\$ 33	Processing expense and other expenses

k. Compensation of key management personnel

For the year	For the year
--------------	--------------

	ended December 31, 2022	ended December 31, 2021
Short-term benefits	\$ 27,859	\$ 32,849
Post-employment benefits	351	22,200
	<u>\$ 28,210</u>	<u>\$ 55,049</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2022	December 31, 2021
Assets pledged (Financial assets at amortized cost)	<u>\$ 92,499</u>	<u>\$ 91,915</u>

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2021 and 2020 were as follows:

a. Significant commitment

- 1) Unused letters of credit for purchases of raw materials and machinery and equipment amounted as follow:

	December 31, 2022	December 31, 2021
USD	\$ 1,130	\$ 1,218
NTD	132,179	152,966

- 2) Commitments with equipment suppliers are as follow:

	December 31, 2022	December 31, 2021
Unpaid amount		
—USD	\$ 95	\$ 55
—NTD	2,202	4,965
—GBP	13	5
—RMB	-	940

b. Significant contingent liabilities: None.

28. OTHER ITEMS

Starting from January, 2020, as a result of the spread of the coronavirus pandemic (COVID-19), a good number governments of various countries the world over have successively implemented various epidemic prevention controls. Meanwhile, where the Company's product sales market is primarily in Taiwan where the domestic pandemic slowed down and the government significantly loosened control, resulting in no major impact on the combined parent company's production and sales. Where the impact of the pandemic is still ambiguous. Nevertheless, the Company would continuously pay high attention to the development of the pandemic and take relevant response measures to alleviate the impact on the Company's business operations.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company entities and the exchange rates between

foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying value
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 317	30.71 (USD : NTD)	\$ 9,742
<u>Non - monetary items</u>			
USD	17	30.71 (USD : NTD)	535
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	2,561	30.71 (USD : NTD)	78,642

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying value
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 1,261	27.68 (USD : NTD)	\$ 34,900
<u>Non - monetary items</u>			
USD	23	27.68 (USD : NTD)	647
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	3,924	27.68 (USD : NTD)	108,611

The following information was aggregated by the functional currencies of the Company entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional currencies	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD
NTD	1 (NTD : NTD)	(\$ 4,334)	1 (NTD : NTD)	\$ 3,436

30. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees:
 - 1) Financing provided to others. (None)
 - 2) Endorsements/guarantees provided. (Table 1)
 - 3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities. (Table 2)
 - 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 3)
 - 5) Acquisition of individual real estate at costs of at least NT \$300 million or 20% of the paid-in capital. (None)
 - 6) Disposal of individual real estate at prices of at least NT \$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (Table 4)
 - 8) Receivables from related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (None)
 - 9) Trading in derivative instruments. (None)
- b. Information on investees. (Table 5)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range,

and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information on investors: Investors' name, holding shares and percentage for shareholding over 5%. (Table 7)

**GREAT CHINA METAL IND. CO., LTD.
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

Table 1 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note4)	Note
		Name	Relationship (Note 2)											
0	Great China Metal Ind. Co., Ltd	Huatong United (Nantong) Plastic Industry Co., Ltd	b	\$ 3,742,498	\$ 83,475 (USD 3,000)	\$ -	\$ -	\$ -	-	\$ 7,484,995	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Shanghai United Can Co., Ltd	b	3,742,498	144,968 (USD 4,500)	138,195 (USD 4,500)	50,025 (CNY 11,349)	-	1.85	7,484,995	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Jinan United Can Co., Ltd	b	3,742,498 (1)	428,840 (USD 10,000) (CNY 35,000)	154,280 (CNY 35,000)	70,396 (CNY 15,970)	-	2.06	7,484,995 (2)	Y	N	Y	—

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- a. Business relationship.
- b. A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- c. An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.
- d. Among the companies where the Company holds voting shares more than 90% either directly or indirectly.
- e. A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- f. Those companies that are endorsed and guaranteed by all capital shareholders pursuant to their shareholding ratio under a joint investment relationship.
- g. The inter-industry companies that are engaged in the joint guarantee of the performance guarantee of the pre-construction house sales contract in accordance with the Consumer Protection Act.

Note 3: (1)The endorsement/guarantee limit for each entity is 7,484,995 (Net value)×50% = 3,742,498.

(2)The endorsement/guarantee limit for the total endorsement/guarantee limit is 7,484,995 (Net value)×100% = 7,484,995.

Note 4: Those belong to an exchange-listed and/or over-the-counter listed parent company that endorses its subsidiary company and those where a subsidiary company renders guarantee toward its exchange-listed and/or over-the-counter listed parent company. In case of endorsement/guarantee toward Mainland China area, please fill in Y otherwise please fill in N.

GREAT CHINA METAL IND. CO., LTD.
MARKETABLE SECURITIES HELD
As of DECEMBER 31, 2022

Table 2 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Great China Metal Ind. Co., Ltd	Ordinary shares							
	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	47	\$ 4,450	-	\$ 4,450	
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through other comprehensive income – current	288	129,112	-	129,112	
	Sino Tactful Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	-	2	-	2	
	Xac Automation Corp.	None	Financial assets at fair value through other comprehensive income – current	-	8	-	8	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	516	20,634	-	20,634	
	Mega Financial Holding Company Limited	None	Financial assets at fair value through other comprehensive income – current	1,319	40,037	-	40,037	
					<u>\$ 194,243</u>		<u>\$ 194,243</u>	
	Fund							
	Fubon No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	1,500	\$ 23,700		\$ 23,700	
	Cathay No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	600	10,848	-	10,848	
	Fubon No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	2,000	30,400	-	30,400	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	370	6,586	-	6,586	
	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	930	15,240	-	15,240	
	Union Money Market Fund	None	Financial assets at fair value through profit or loss - current	9,586	128,606	-	128,606	
	Shanghai Growth Fund	None	Financial assets at fair value through profit or loss - current	99	535	-	535	
	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	7,863	100,135	-	100,135	
	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	27,282	\$ 375,545	-	\$ 375,545	
	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,811	30,003	-	30,003	
	Hua Nan Phoenix Money Market Fund	None	Financial assets at fair value through profit or loss - current	9,481	156,619	-	156,619	
					<u>\$ 878,217</u>		<u>\$ 878,217</u>	

GREAT CHINA METAL IND. CO., LTD.
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 3 (In Thousands of New Taiwan Dollars and Chinese Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount	Carrying Amount (Note)	Gain (Loss) on Disposal	Number of Shares (Thousands)	Amount (Note)
Great China Metal Ind. Co., Ltd	<u>Fund</u> Taishin 1699 Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,531	\$ 198,756	77,393	\$1,061,426	64,642	\$ 886,926	\$ 884,712	\$ 2,214	27,282	\$ 375,470
Great China Metal Ind. Co., Ltd	FSITC Taiwan Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,757	228,300	27,128	419,980	41,885	648,969	648,280	689	-	-
Great China Metal Ind. Co., Ltd	Franklin Templeton Sinoam Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	18,424	192,600	16,511	172,710	34,935	365,506	365,310	196	-	-
Great China Metal Ind. Co., Ltd	Jih Sun Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	23,023	345,031	18,978	284,683	42,001	630,292	629,714	578	-	-
Great China Metal Ind. Co., Ltd	Hua Nan Phoenix Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	-	-	18,941	312,600	9,460	156,255	156,000	255	9,481	156,600
Great China Metal Ind. Co., Ltd	Union Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	-	-	28,518	381,595	18,932	253,695	253,000	695	9,586	128,595

Note: Initial cost.

GREAT CHINA METAL IND. CO., LTD.
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 4

(In Thousands of New Taiwan Dollars)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Great China Metal Ind. Co., Ltd	China Can Printing and Metal MFG. Co., Ltd.	Related parties in substance	Sale	\$ 194,665	8%	90days	No significant difference	No significant difference	\$ 37,297	9%	

**GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Table 5

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Great China Metal Ind. Co., Ltd	HAI HWA INVESTMENT CO., LTD.	Bermuda	Makes investments	\$ 1,047,893	\$ 1,047,893	-	100%	\$ 3,848,683	\$ 111,564	\$ 111,564	Subsidiarie
Great China Metal Ind. Co., Ltd	GCM HOLDING CO., LTD.	Samoa	Makes investments	229,247	229,247	-	100%	399,618	23,629	23,629	Subsidiarie
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Vietnam	Aluminum pop can lid	229,245	229,245	-	100%	149,101	6,332	N/A	Sub-subsubsidiary

Note: Information on investees in mainland China, refer to Table 6.

GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 6

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of Decembet 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Shanghai United Can Co., Ltd	manufacture and sale 2-piece aluminum can and easy open end	Registered and contributed capital USD 49.2 million (Including capital increasing by earnings USD 27.05 million and capital increasing by cash from HAI HWA INVESTMENT CO., LTD. USD 2.15 million).	(2)	\$ 522,642	\$ -	\$ -	\$ 522,642	(\$ 30,502)	100%	(\$ 30,502) (2)B	\$ 1,487,137	\$ -
Huatong United (Nantong) Plastic Industry Co., Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 9.45 million (Including capital increasing by earnings USD 2.45 million).	(2)	187,479	-	-	187,479	29,561	100%	29,561 (2)B	907,125	-
Chongqing United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 107,568 thousands.	(3)A.	-	-	-	-	73,104	100%	73,104 (2)B	693,796	-
Jinan United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 157,052 thousands.	(3)B.	317,000	-	-	317,000	42,833	100%	42,833 (2)B	785,972	-
Sunshui Changlee United Container Co Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 6 million.	(3)C.	-	-	-	-	(11,440)	30%	(3,432) (2)B	118,199	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 1,027,121	USD 77,190 thousands	\$ 4,656,475 (Note 3)

Note 1: The investment methods are as follow:

(1)Direct investment in mainland China through the parent company.

(2)Invest in Mainland China through a third-region company (HAI HWA INVESTMENT CO.,LTD.).

(3)Other :

A. Invested by Shanghai United Can Co., Ltd and HAI HWA INVESTMENT CO., LTD.

B. Invested by HAI HWA INVESTMENT CO., LTD., Shanghai United Can Co., Ltd and Huatong United (Nantong) Plastic Industry Co., Ltd.

C. Invested by Huatong United (Nantong) Plastic Industry Co., Ltd

Note 2: Investment Gain (Loss)

(1)If it is under preparation and there is no investment gain or loss, it should be indicated.

(2)The recognition basis of investment gains or losses are as follow:

A. Financial statements were audited and certificated by International accounting firm which has a cooperative relationship with accounting firm in Taiwan.

B. Financial statements were audited and certificated by certified public accountant engaged by parent company in Taiwan.

C. Others.

Note 3: Consolidate net value of equity×60% = 7,760,791×60% = 4,656,475 。

**GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTOR
AS OF DECEMBER 31, 2022**

Table 7

Investor	Shares	
	Shares held	%
Glory Task Enterprise Co., Ltd.	22,059,503	7.23%
Jianda Investment Co., Ltd.	20,764,950	6.81%
Corning Investment Co., Ltd.	19,551,088	6.41%
Yuanta Investment Co., Ltd.	15,975,476	5.24%

Note 1: The key shareholder information covered within this table is based on the last business day at the end of each quarter and the total number of common shares and preferred shares held by such shareholders of the Company that have been completed the centralized securities depository company for the Company's disembodied (book entry) delivery (including treasury stocks) , as the data with total common shares and preferred shares up to 5%.The share capital recorded in the Company's standalone financial statement might possibly differ from the actual number of shares delivered without physical registration because of different calculation bases.

Note 2: Among the aforementioned information, where a shareholder delivers his or her shares into the trust, it would be disclosed in the individual account of the trustor in the trust account opened by the trustee. In case of a shareholder's declaration of insider's shareholdings in accordance with the Securities and Exchange Act, the shareholdings would include his or her own shareholdings plus the shares delivered to the trust and the right to use the trust property and the like. For more details regarding the information of insider's shareholdings, please refer to the Market Observation Post System (MOPS).

GREAT CHINA METAL IND. CO., LTD.
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GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022

Statement 1

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand and petty cash		<u>\$ 212</u>
Bank deposits		
Demand deposits		13,576
Foreign currency deposits	Including USD22 thousands (USD1=NTD30.71)	663
Checking deposits		<u>8,767</u>
Cash equivalent		<u>23,006</u>
Certificate deposit		
Bonds denominated in foreign currencies	Including USD40 thousands (USD1=NTD30.71)	
		<u>133,162</u>
		<u>\$156,380</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2022

Statement 2

(In Thousands of New Taiwan Dollars)

Item	Number of Shares (In Thousands)	Initial Cost	Fair Value	
			In Dollars / Per Share	Total Amount
Fund				
Fubon No.1 Real Estate Investment Trust	1,500	\$ 15,000	15.80	\$ 23,700
Cathay No.1 Real Estate Investment Trust	600	6,000	18.08	10,848
Fubon No.2 Real Estate Investment Trust	2,000	20,080	15.20	30,400
Cathay No.2 Real Estate Investment Trust	370	3,700	17.80	6,586
Taishin 1699 Money Market Fund	27,282	375,470	13.77	375,545
Capital Money Market Fund	930	15,238	16.39	15,240
Union Money Market Fund	9,586	128,595	13.42	128,606
Allianz Global Investors Taiwan Money Market Fund	7,863	100,125	12.74	100,135
Yuanta De-Li Money Market Fund	1,811	30,000	16.57	30,003
Hua Nan Phoenix Money Market Fund	9,481	156,600	16.52	156,619
Shanghai Growth Fund	99	10,941	5.40	535
		<u>\$ 861,749</u>		<u>\$ 878,217</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – CURRENT
DECEMBER 31, 2022

Statement 3

(In Thousands of New Taiwan Dollars)

Item	Number of Shares (In Thousands)	Carrying Amount	Initial Cost	Accumulated Impairment	Fair Value	
					In Dollars / Per Share	Total Amount
Ordinary shares						
Taiwan Semiconductor Manufacturing Company Limited	288	10	\$ 18,713	\$ -	615.00	\$ 177,043
ASE Technology Holding Co., Ltd.	47	10	795	-	106.50	5,047
Sino Tactful Co., Ltd.	-	10	2	-	13.25	2
Xac Automation Corp.	-	10	16	-	28.55	11
Cathay Financial Holding Co., Ltd.	477	10	24,038	-	62.50	29,807
Mega Financial Holding Company Limited	1,287	10	20,366	-	35.55	45,754
			<u>\$ 63,930</u>	<u>\$ -</u>		<u>\$ 257,664</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF NOTES RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2022

Statement 4

(In Thousands of New Taiwan Dollars)

Client Name	Amount
TA MAW FOODS CORPORATION	\$ 10,880
MING SHIN CAN WORK FACTORY CO., LTD.	9,953
GUANG HWA INDUSTRY CO., LTD.	4,326
LONG WELL CANNING CO., LTD.	3,914
COSMOS-SHOWA PRODUCTS CO., LTD.	2,802
FAMOUS HOUSE FOOD INDUSTRIAL CORP.	2,082
Others (Individual client does not exceed 5% of the account balance)	<u>3,551</u>
	<u><u>\$ 37,508</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2022

Statement 5

(In Thousands of New Taiwan Dollars)

Client Name	Amount
TAIWAN TOBACCO & LIQUOR CORPORATION	\$ 77,587
SWIRE COCA-COLA BEVERAGES LTD., TAIWAN BRANCH (B.V.I.	64,155
VITALON FOODS CO., LTD.	60,172
HEY-SONG CORPORATION	23,387
CHING CHUEN CHYUAN FOOD COMPANY LIMITED	18,284
Others (Individual client does not exceed 5% of the account balance)	<u>83,621</u>
	327,206
Less: Allowance for doubtful accounts	<u>-</u>
	<u>\$327,206</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022

Statement 6

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Finished goods	\$ 366,119	\$ 487,813
Work-in-progress	90,508	142,106
Raw materials	401,618	403,199
Leftover bits and pieces	104,144	129,999
Materials for subcontractor	5,960	7,979
Others	<u>674</u>	<u>674</u>
	<u>\$ 969,023</u>	<u>\$1,171,770</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 7

(In Thousands of New Taiwan Dollars)

Investees	Balance, January 1, 2022		Additions (Decrease) in Investment		Gain (Loss) on Investment	Balance, December 31, 2022			Market Value or Net Assets Value	Collateral or Pledge
	Share (In Thousands)	Amount	Share (In Thousands)	Amount		Share (In Thousands)	Ownership Interest (%)	Amount		
HAI HWA INVESTMENT CO.,LTD.	-	\$ 3,683,064	-	\$ 54,055	\$ 111,564	-	-	\$ 3,848,683	\$ 3,848,683	None
GCM HOLDING CO., LTD. (Note)	-	<u>356,880</u>	-	<u>19,109</u>	<u>23,629</u>	-	-	<u>399,618</u>	<u>399,618</u>	None
		<u>\$ 4,039,944</u>		<u>\$ 73,164</u>	<u>\$ 135,193</u>			<u>\$ 4,248,301</u>	<u>\$ 4,248,301</u>	

Note: The increased amount includes cumulative translation differences 72,546 thousands, unrealized gain on transactions with subsidiaries 618 thousands .

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2022

Statement 8

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Total</u>
<u>Cost</u>			
January 1, 2022	\$ 44,012	\$ 2,345	\$ 46,357
Additions	-	-	-
Disposals	-	(2,345)	(2,345)
December 31, 2022	<u>\$ 44,012</u>	<u>\$ -</u>	<u>\$ 44,012</u>
<u>Accumulated depreciation</u>			
January 1, 2022	\$ 17,532	\$ 1,924	\$ 19,456
Additions	5,844	421	6,265
Disposals	-	(2,345)	(2,345)
December 31, 2022	<u>\$ 23,376</u>	<u>\$ -</u>	<u>\$ 23,376</u>
December 31, 2022 net	<u>\$ 20,636</u>	<u>\$ -</u>	<u>\$ 20,636</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE TO THIRD PARTIES
DECEMBER 31, 2022

Statement 9

(In Thousands of New Taiwan Dollars)

Client Name	Amount
C.S. ALUMINIUM CORPORATION	<u>\$ 76,901</u>
Global Eco-can Stock(Thailand)	12,941
Speira GmbH	7,428
Others (Individual supplier does not exceed 5% of the account balance)	<u>23,336</u>
	<u><u>\$120,606</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2022

Statement 10

(In Thousands of New Taiwan Dollars)

	<u>Lease period(Month)</u>	<u>Discount Rate</u>	<u>Ending Balance</u>
Buildings	90~96	1.1%	<u>\$ 21,090</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 11

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>
Aluminum Can	506,221	\$1,350,811
Lid (Bottom) of Aluminum Can	649,865	667,069
3-Piece Metal Can	47,196	147,759
Others	-	<u>268,118</u>
		<u><u>\$2,433,757</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 12

(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	\$ 343,588
Additions: Raw material purchased	1,501,613
Others	180
Deductions: Others	(665)
Raw materials, end of year	(401,618)
Raw materials used (1)	1,443,098
Direct labor (2)	56,540
Manufacturing expense (3)	399,557
Manufacturing cost (1)+(2)+(3)	1,899,195
Additions: Work in progress, beginning of year	80,127
Others	37,091
Deductions: Others	(198,359)
Work in progress, end of year	(90,508)
Cost of finished goods	1,727,546
Additions: Finished goods, beginning of year	272,414
Others	14,992
Deductions: Others	(1,309)
Finished goods, end of year	(366,119)
Cost of goods sold	1,647,524
Additions: Raw materials sold and cost of work in progress	131,468
Cost of leftover bits sold	90,579
Scrapped losses on inventory	937
Others	1,321
Operating cost	<u>\$ 1,871,829</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 13

(In Thousands of New Taiwan Dollars)

Item	Selling And Marketing Expenses	General And Administrative Expenses	Total
Freight	\$ 26,570	\$ -	\$ 26,570
Payroll and related expense	9,091	52,573	61,664
Depreciation expense	163	6,714	6,877
Others (Individual expense does not exceed 5% of the account balance)	<u>6,881</u>	<u>20,851</u>	<u>27,732</u>
	<u>\$ 42,705</u>	<u>\$ 80,138</u>	<u>\$122,843</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Statement 14

(In Thousands of New Taiwan Dollars)

Nature	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Salary and bonus	\$ 130,759	\$ 48,995	\$ 179,754	\$ 152,055	\$ 56,099	\$ 208,154
Labor and health insurance	15,367	4,790	20,157	16,753	4,921	21,674
Pension	6,215	2,177	8,392	6,891	2,389	9,280
Director's remuneration	-	12,669	12,669	-	37,798	37,798
Other employee benefits	<u>13,000</u>	<u>4,203</u>	<u>17,203</u>	<u>17,825</u>	<u>4,744</u>	<u>22,569</u>
Total employee benefit	<u>\$ 165,341</u>	<u>\$ 72,834</u>	<u>\$ 238,175</u>	<u>\$ 193,524</u>	<u>\$ 105,951</u>	<u>\$ 299,475</u>

Note 1: The average number of employees of the Company were 312 and 333, respectively, both of which include 5 and 4 board of directors, not serving concurrently as employees, respectively, for the years ended 2022 and 2021. There is no difference on the basis of calculation.

Note 2:a. The average employee benefit expenses were \$735 thousand for the years ended December 31, 2022 ("Current year employee benefit expenses - remuneration of directors"/"Current year average number of employees - board of directors without holding employment positions").

The average employee benefit expenses were \$795 thousand for the years ended December 31, 2021 ("Prior year employee benefit expenses - remuneration of directors"/"Prior year average number of employees - board of directors without holding employment positions").

b. The average salaries and bonuses were \$586 thousand for the years ended December 31, 2022 (Current year salary and bonus/"Current year average number of employees - board of directors without holding employment positions").

The average salaries and bonuses were \$633 thousand for the years ended December 31, 2021 (Prior year salary and bonus/"Prior year average number of employees - board of directors without holding employment positions").

c. The average change in salaries and bonuses was 7.00% ("Average salary and bonus for the year ended 2022 - average salary and bonus for the year ended 2021"/average salary and bonus for the year ended 2021).

Note 3: The Company adopts the audit committee to replace the supervisor system.

Note 4: Compensation of managers and employees, and remuneration of directors are as follow:

a. Directors: The Company use "Directors' Remuneration Payment Method" and "Directors' Remuneration Distribution Method" as the basis to formulate the remuneration procedures for director. The Company provides reasonable remuneration to directors by considering the company's overall operating performance, future operating risks and the contribution to the company's operations.

- b. Managers: The Company gives managers a reasonable compensation, which is reviewed by the compensation committee and approved by the board of directors, according to salary survey results of the metal industry, salary level of the peers, measures of the Company's business strategy and profitability, managers' performance and contribution, and other factors.
- c. Employees: The Company sets the salary payment standard, which refers to the salary market, the company's operating conditions and the organizational structure. The salary will also be adjusted with reference to individual performance, market salary dynamics, overall economic and industrial changes.

The Company regularly evaluates the performance of directors and managers, and sets the content and amount of their individual remuneration and compensation; conducts employee performance appraisals every year for their promotion, transfer, salary adjustment and bonus payment. The Company has set up a compensation committee on December 27, 2011 to review policies, systems, standards and structure of the Company's compensation.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,
GREAT CHINA METAL IND. CO., LTD.
By:

Chiang, Ming-Li
Chairman
March 7, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Great China Metal Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Great China Metal Ind. Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section below), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2022 in accordance with the Regulations Governing Auditing of Financial Statements and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows :

Revenue recognition

Refer to Note 20 to the financial statements.

Printing and painting of various metals, manufacturing and trading of metal containers and plastic products, are major business of Great China Metal Ind. Co., Ltd. and its subsidiaries.

The specific transaction of sales revenue significantly affects the Group 's overall revenue and profit. Revenue recognition is identified as a key audit matter since there are significant risks in the occurrence of revenue.

The key audit procedures that we performed in respect of specific revenue recognition included the following:

1. We understood and tested the design and operating effectiveness of the key controls over revenue recognition.
2. Select samples to perform test of details. Check the transaction documents from internal and external and perform the test of subsequent collection. Confirm the Group recognize revenue as the performance obligations are satisfied.

Other Matter

We have also audited the parent company only financial statements of Great China Metal Ind. Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified report with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Liu, Ming-Hsien and Cheng, Chin-Tsung.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 7, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 719,894	6	\$ 670,372	6
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,830,977	17	1,488,214	14
1120	Financial assets at fair value through other comprehensive income – current (Notes 4 and 8)	194,243	2	257,664	3
1136	Financial assets at amortized cost - current (Notes 4, 9 and 27)	1,849,589	17	1,912,066	18
1150	Notes receivable, net (Notes 4 and 10)	64,144	1	146,070	1
1170	Accounts receivable, net (Notes 4, 10, and 26)	1,425,754	13	1,219,332	11
1200	Other receivables	51,950	-	79,228	1
130X	Inventories (Notes 4, and 11)	2,102,594	19	2,044,049	19
1429	Prepayments (Notes 15)	131,724	1	256,454	2
1470	Other current assets	64	-	41	-
11XX	Total current assets	<u>8,370,933</u>	<u>76</u>	<u>8,073,490</u>	<u>75</u>
	NON-CURRENT ASSETS				
1600	Property, plant and equipment (Notes 4, 13, 27 and 28)	2,352,036	21	2,413,515	23
1755	Right-of-use assets (Notes 4 and 14)	198,161	2	206,387	2
1780	Intangible assets (Note 4)	4,343	-	11,517	-
1840	Deferred tax assets (Notes 4 and 22)	17,253	-	20,377	-
1915	Prepayments for equipment	19,860	-	16,685	-
1920	Refundable deposits	95,832	1	643	-
15XX	Total non-current assets	<u>2,687,485</u>	<u>24</u>	<u>2,669,124</u>	<u>25</u>
1XXX	TOTAL ASSETS	<u>\$11,058,418</u>	<u>100</u>	<u>\$10,742,614</u>	<u>100</u>
	Liabilities				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 16)	\$ 106,211	1	\$ 69,868	1
2130	Contract liability-current	163,027	1	229,879	2
2150	Notes payable	1,531,034	14	1,243,164	12
2170	Accounts payable (Note 26)	576,743	5	539,047	5
2200	Other payables (Note 17)	294,579	3	273,774	2
2230	Current tax liabilities (Notes 4 and 22)	119,050	1	138,285	1
2280	Lease liabilities - current (Notes 4 and 14)	5,890	-	6,252	-
2300	Other current liabilities	3,619	-	11,072	-
21XX	Total current liabilities	<u>2,800,153</u>	<u>25</u>	<u>2,511,341</u>	<u>23</u>
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Notes 4 and 22)	394,395	4	367,360	4
2580	Lease liabilities - non-current (Notes 4 and 14)	15,200	-	21,090	-
2630	Deferred revenue - non-current (Note 4)	26,518	-	27,540	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	51,881	1	65,568	1
2645	Guarantee deposits	9,480	-	9,781	-
25XX	Total non-current liabilities	<u>497,474</u>	<u>5</u>	<u>491,339</u>	<u>5</u>
2XXX	Total liabilities	<u>3,297,627</u>	<u>30</u>	<u>3,002,680</u>	<u>28</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
	Share capital				
3110	Ordinary shares	<u>3,050,000</u>	<u>28</u>	<u>3,050,000</u>	<u>28</u>
	Capital surplus				
3210	Capital surplus - additional paid-in capital	11,523	-	11,523	-
3220	Capital surplus - treasury stock transactions	12,908	-	12,908	-
3200	Total capital surplus	<u>24,431</u>	<u>-</u>	<u>24,431</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	1,870,559	17	1,809,505	17
3350	Unappropriated earnings	2,284,604	21	2,328,474	22
3300	Total retained earnings	<u>4,155,163</u>	<u>38</u>	<u>4,137,979</u>	<u>39</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	127,403	1	54,857	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	127,998	1	192,781	2
3400	Total other equity	<u>255,401</u>	<u>2</u>	<u>247,638</u>	<u>2</u>
36XX	NON-CONTROLLING INTERESTS	<u>275,796</u>	<u>2</u>	<u>279,886</u>	<u>3</u>
3XXX	Total equity (Notes 4 and 19)	<u>7,760,791</u>	<u>70</u>	<u>7,739,934</u>	<u>72</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$11,058,418</u>	<u>100</u>	<u>\$10,742,614</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

Code		For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
		Amount	%	Amount	%
	OPERATING REVENUE				
4100	Sales (Notes 4, 20 and 26)	\$8,774,698	100	\$8,675,485	100
	OPERATING COST				
5110	Cost of goods sold (Notes 11, 13, 21 and 26)	(7,768,905)	(89)	(7,399,742)	(85)
5950	GROSS PROFIT	<u>1,005,793</u>	<u>11</u>	<u>1,275,743</u>	<u>15</u>
	OPERATING EXPENSES (Notes 21 and 26)				
6100	Selling and marketing expenses	(297,066)	(3)	(359,453)	(4)
6200	General and administrative expenses	(186,923)	(2)	(211,935)	(3)
6450	Expected credit (loss)/gain	509	-	323	-
6000	Total operating expenses	(483,480)	(5)	(571,065)	(7)
6900	PROFIT FROM OPERATIONS	<u>522,313</u>	<u>6</u>	<u>704,678</u>	<u>8</u>
	NON-OPERATING INCOME AND EXPENSES (Note 21)				
7100	Interest revenue	30,478	-	24,760	-
7190	Other revenue	55,942	1	46,829	1
7020	Other gains and losses	15,179	-	(2,560)	-
7050	Finance costs	(268)	-	(343)	-
7000	Total non-operating income and expenses	<u>101,331</u>	<u>1</u>	<u>68,686</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX	623,644	7	773,364	9
7950	INCOME TAX EXPENSE (Notes 4 and 22)	(158,356)	(2)	(181,536)	(2)
8200	NET PROFIT FOR THE YEAR	<u>465,288</u>	<u>5</u>	<u>591,828</u>	<u>7</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	1,735	-	10,826	-
8316	Unrealized (gain) loss on investments in equity instruments at fair value through other comprehensive income	(64,783)	(1)	42,722	-
8349	Income tax expense relating to items that will not be reclassified subsequently to profit or loss	(347)	-	2,165	-
		(63,395)	(1)	51,383	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	<u>76,464</u>	<u>1</u>	(9,009)	-
		<u>76,464</u>	<u>1</u>	(9,009)	-
8300	Other comprehensive loss for the year, net of income tax	<u>13,069</u>	-	<u>42,374</u>	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 478,357</u>	<u>5</u>	<u>\$ 634,202</u>	<u>7</u>
	NET INCOME ATTRIBUTABLE TO:				
8610	Owners of the Corporation	\$ 473,296	5	\$ 601,882	7
8620	Non-controlling interests	(8,008)	-	(10,054)	-
8600		<u>\$ 465,288</u>	<u>5</u>	<u>\$ 591,828</u>	<u>7</u>
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owners of the Corporation	\$ 482,447	5	\$ 646,340	7
8720	Non-controlling interests	(4,090)	-	(12,138)	-
8700		<u>\$ 478,357</u>	<u>5</u>	<u>\$ 634,202</u>	<u>7</u>
	EARNINGS PER SHARE (Note 23)				
	Form continuing operation				
9710	Basic	<u>\$ 1.55</u>		<u>\$ 1.97</u>	
9810	Diluted	<u>\$ 1.55</u>		<u>\$ 1.97</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

						Other equity				
		Capital surplus			Retained earnings		Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Non-controlling interests	Total equity
Code		Share capital	Additional paid-in capital	Treasury stock transactions	Legal reserve	Unappropriated earnings				
A1	BALANCE AT JANUARY 1, 2021	\$ 3,050,000	\$ 11,523	\$ 12,908	\$ 1,753,575	\$ 2,231,361	\$ 61,782	\$ 150,059	\$ 292,024	\$ 7,563,232
	Appropriation of 2020 earnings (Note 19)									
B1	Legal reserve	-	-	-	55,930	(55,930)	-	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(457,500)	-	-	-	(457,500)
D1	Net profit for the year ended December 31, 2021	-	-	-	-	601,882	-	-	(10,054)	591,828
D3	Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	8,661	(6,925)	42,722	(2,084)	42,374
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	610,543	(6,925)	42,722	(12,138)	634,202
Z1	BALANCE AT DECEMBER 31, 2021	3,050,000	11,523	12,908	1,809,505	2,328,474	54,857	192,781	279,886	7,739,934
	Appropriation of 2021 earnings (Note 19)									
B1	Legal reserve	-	-	-	61,054	(61,054)	-	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(457,500)	-	-	-	(457,500)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	473,296	-	-	(8,008)	465,288
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	1,388	72,546	(64,783)	3,918	13,069
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	474,684	72,546	(64,783)	(4,090)	478,357
Z1	BALANCE AT DECEMBER 31, 2022	\$ 3,050,000	\$ 11,523	\$ 12,908	\$ 1,870,559	\$ 2,284,604	\$ 127,403	\$ 127,998	\$ 275,796	\$ 7,760,791

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		(In Thousands of New Taiwan Dollars)	
		For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Code			
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 623,644	\$ 773,364
A20010	Adjustments for:		
A20100	Depreciation expenses	407,225	439,417
A20210	Amortization expenses	7,671	10,847
A20300	Expected credit loss/(gain)	(509)	(323)
A20400	Net gain on fair value changes of financial assets at fair value through profit or loss	(13,840)	(14,832)
A20900	Finance costs	268	343
A21200	Interest income	(30,478)	(24,760)
A21300	Dividend income	(7,578)	(8,013)
A22500	Loss on disposal of property, plant and equipment	5,255	2,011
A23800	Impairment and scrapped losses on inventory	1,372	27,574
A24100	Unrealized net loss (gain) on foreign currency exchange	4,945	(4,936)
A29900	Net gain on disposal of right-of-use assets	-	(4)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(314,416)	576,430
A31130	Notes receivable	81,926	(40,809)
A31150	Accounts receivable	(206,356)	(47,270)
A31180	Other receivables	25,235	(46,885)
A31200	Inventories	(110,719)	(475,990)
A31230	Prepayments	124,730	(126,682)
A31240	Other current assets	(23)	40
A32125	Contract liability	(66,852)	76,278
A32130	Notes payable	287,870	247,721
A32150	Accounts payable	37,958	30,721
A32180	Other payable	24,932	(16,076)
A32230	Other current liabilities	(7,453)	1,120
A32250	Deferred revenue	(1,022)	(1,626)
A32240	Net defined benefit liabilities	(11,952)	436
A33000	Cash generated from operations	861,833	1,378,096
A33100	Interest received	32,521	24,121
A33300	Interest paid	(\$ 268)	(\$ 343)
A33500	Income tax paid	(147,779)	(147,022)
AAAA	Net cash generated from operating activities	<u>746,307</u>	<u>1,254,852</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Paymnt for financial assets at fair value through other comprehensive income	(1,362)	-
B00040	Paymnt for financial assets at amortized cost	(3,013,391)	(3,362,283)
B00050	Proceeds from sale of financial assets at amortized cost	3,075,868	2,888,873
B02700	Payments for property, plant and equipment	(271,557)	(149,338)
B02800	Proceeds from disposal of property, plant and equipment	4,639	13,311
B03700	Increase in refundable deposits	(95,189)	-
B03800	Decrease in refundable deposits	-	308
B04500	Purchase on intangible assets	(265)	(3,071)
B07100	Increase in prepayments for equipment	(3,175)	-
B07600	Dividend received	7,578	8,013
BBBB	Net cash used in investing activities	<u>(296,854)</u>	<u>(604,187)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase short-term borrowings	31,531	-
C00200	Decrease short-term borrowings	-	(26,754)
C03000	Increase in guarantee deposits	-	9,217
C03100	Decrease in guarantee deposits	(301)	-
C04020	Repayment of the principal portion of lease liabilities	(6,252)	(6,777)
C04500	Dividends paid	(457,500)	(457,500)
CCCC	Net cash used in financing activities	<u>(432,522)</u>	<u>(481,814)</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>32,591</u>	<u>3,816</u>
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	49,522	172,667
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>670,372</u>	<u>497,705</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 719,894</u>	<u>\$ 670,372</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 7, 2023)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD. ANDS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Great China Metal Ind. Co., Ltd (collectively referred to as “the Group”) was incorporated in November, 1973, under the provisions of the Company Act of the Republic of China (R.O.C.). The major business of the Group is to provide printing services for metal, manufacturing and selling metal containers, other plastic products, and paking machines.

In August’ 1990, Great China Metal Ind. Co., Ltd became a publicly listed company on the Taiwan Stock Exchange.

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as “the Group”) are presented in the Corporation’ s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation s board of directors on March 15, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to AS 1 “Disclosure of Accounting Policies”	Reporting period after January 1, 2023(Note1)
Amendments to AS 8 “Definition of Accounting Estimates”	Reporting period after January 1, 2023(Note2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	Reporting period after January 1, 2023(Note3)

Note 1: The application of the present amendment will be postponed up to the annual reporting period starting from January 1, 2023.

Note 2: This amendment that is applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period starting from January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note1)
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 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note2)
IFRS 17 "Insurance Contracts"	January 1, 2024
Amendments to IFRS 17	January 1, 2024
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17—Comparative Information"	January 1, 2024
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

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 12 and Table 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's its foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period; and income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction purposes are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

- i. Impairment of right-of-use assets, contract assets, intangible assets, property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to the group which the asset belongs.

The Group perform impairment testing for intangible assets which have still not available for use, if any indication of impairment exists, or at least once a year.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

- j. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

- 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

- a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is designated as at FVTPL. A mandatory financial asset measured at fair value through profit and loss includes such equity instrument investments that are not specified at fair value through other comprehensive gains and losses not designated by the Group and such investment into liability instruments inconsistent with the classification as measured at amortized costs or measured at fair value through other comprehensive gains and losses.

The net gain or loss recognized in profit or loss on such a financial asset. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and notes receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The term "credit-impaired financial assets" as set forth herein denotes that where the issuer or debtor who has experienced major financial difficulties, defaults and where the debtor is likely to apply for bankruptcy or other financial reorganization, or where the active market for financial assets disappears due to financial difficulties. The term "cash equivalents" herein includes time deposits that are highly liquid within three months from the date of acquisition and could be converted into cash of a fixed amount at any time with little risk of value changes, as used to satisfy short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The allowance loss of debt instrument investment measured at fair value through other comprehensive income is, nevertheless, recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods is recognized when the goods are delivered to the customer's designated destination, once the goods are shipped, or once the goods are delivered. In either case, the group has transferred to the customer the significant risks and rewards of ownership of the goods. The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases which are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the consolidated balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Group determines the current income (loss) in accordance with the regulations established by income tax authorities in each region, and calculates the payable (recoverable) income tax.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	\$ 555	\$ 356
Checking accounts and demand deposits	318,161	572,463
Cash equivalent (investments with original maturities of less than 3 months)		
Certificate deposit in bank	401,178	83,713
Repurchase bond	-	13,840
	<u>\$ 719,894</u>	<u>\$ 670,372</u>

The market rate intervals of cash in bank and certificate deposit in bank with original maturities of less than 3 months, at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Cash in bank	0.005%~1.71%	0.001%~1.71%
Certificate deposit in the bank with original maturities of less than 3 months	0.92%~4.3%	0.09%~3%
Repurchase bond with original maturities of less than 3 months	-	0.3%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	December 31, 2021
<u>Financial Assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Beneficiary Certification for open ended fund	\$ 878,217	\$ 1,041,836
Non-derivative financial assets		
— Financial product denominated in Chinese Yen	<u>952,760</u>	<u>446,378</u>
	<u>\$ 1,830,977</u>	<u>\$ 1,488,214</u>

The Group has signed the contract with the bank for principal-guaranteed and non- principal-guaranteed financial product. The entire contract was designated as financial asset at fair value through profit or loss upon initial recognition.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2022	December 31, 2021
<u>Current</u>		
Equity instrument at fair value through other comprehensive income	<u>\$ 194,243</u>	<u>\$ 257,664</u>
<u>Equity instruments</u>		
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares	<u>\$ 194,243</u>	<u>\$ 257,664</u>

These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes with the expectation of receiving dividends and selling them for profit. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
<u>Current</u>		
Domestic investments		
Restricted assets— bank deposit	\$ 1,029,260	\$ 888,079
Certificate deposit in bank with original maturities of less than 3 months	<u>820,329</u>	<u>1,023,987</u>
Total	<u>\$ 1,849,589</u>	<u>\$ 1,912,066</u>

The market rate intervals of certificate deposit in bank with original maturities of more than 3 months, for the year ended December-31, 2022 and 2021 were 0.91%~4.8% and 0.25%~4.8%.

For pledge of financial assets at amortized cost, refer to Note 27.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
<u>Notes receivable</u>		
At amortized cost		
Gross Carrying amount	\$ 64,144	\$ 146,070
Less: Allowance for impairment loss	-	-
	<u>\$ 64,144</u>	<u>\$ 146,070</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross Carrying amount	\$ 1,427,915	\$ 1,221,954
Less: Allowance for impairment loss	(2,161)	(2,622)
	<u>\$ 1,425,754</u>	<u>\$ 1,219,332</u>

a. Accounts receivable

In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on account receivables are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry, considerations of GDP forecast and industry trend. The expected credit loss rate for the year ended December 31, 2022 and 2021 were 0.34%~100% and 0.3%~100%.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of accounts receivable were as follows:

	December 31, 2022	December 31, 2021
Not overdue	\$ 1,319,544	\$ 1,179,524
1~60 days	104,459	38,356
61~90 days	1,380	833
91~180 days	232	1,721
Over 181 days	2,300	1,520
Total	<u>\$ 1,427,915</u>	<u>\$ 1,221,954</u>

The above aging schedule was based on the number of overdue days from the posting date.

The movements of the allowance for doubtful trade receivables were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at beginning of the year	\$ 2,622	\$ 2,959
Add: Net remeasurement of loss allowance	(509)	(323)
less: Reversal of loss allowance	<u>48</u>	<u>(14)</u>
Balance at ending of the year	<u>\$ 2,161</u>	<u>\$ 2,622</u>

b. Notes receivable

The aging analysis of notes receivables were as follows:

	December 31, 2022	December 31, 2021
Not overdue	\$ 64,144	\$ 146,070
Overdue	<u>-</u>	<u>-</u>
Total	<u>\$ 64,144</u>	<u>\$ 146,070</u>

The above aging schedule was based on the number of overdue days from the posting date.

11. INVENTORIES

	December 31, 2022	December 31, 2021
Merchandise	\$ 138,042	\$ 124,634
Finished goods	979,634	863,392
Work-in-progress	100,685	95,466
Raw materials	726,066	826,296
Leftover bits and pieces	150,414	124,662
Materials for subcontractor	7,753	8,473
Others	<u>-</u>	<u>1,126</u>
	<u>\$ 2,102,594</u>	<u>\$ 2,044,049</u>

The natures of cost of goods sold are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cost of good sold	\$ 7,717,177	\$ 7,344,595
Loss on inventory write-downs and retirement	1,372	27,574
Unallocated manufacturing expenses	<u>50,356</u>	<u>27,573</u>
	<u>\$ 7,768,905</u>	<u>\$ 7,399,742</u>

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Businesses	% of Ownership		Note
			December 31, 2022	December 31, 2021	
The Corporation	HAI HWA INVESTMENT CO.,LTD.	Investment	100%	100%	Significant subsidiary
The Corporation	GCM HOLDING CO., LTD.	Investment	100%	100%	
HAI HWA INVESTMENT CO.,LTD.	Shanghai United Can Co., Ltd	Aluminum pop can and lid	100%	100%	Significant subsidiary
HAI HWA INVESTMENT CO.,LTD.	Huatong United (Nantong) Plastic Industry Co., Ltd	Stretch films and other plastic product	100%	100%	
HAI HWA INVESTMENT CO.,LTD.	Chongqing United Can Co.Ltd	Steel pop can	25%	25%	Significant subsidiary
HAI HWA INVESTMENT CO.,LTD.	Jinan United Can Co., Ltd	Steel pop can	43%	43%	Significant subsidiary
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Aluminum lid of pop can	100%	100%	
Shanghai United Can Co., Ltd	Jinan United Can Co., Ltd	Steel pop can	43%	43%	Significant subsidiary
Shanghai United Can Co., Ltd	Chongqing United Can Co.Ltd	Steel pop can	75%	75%	Significant subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Jinan United Can Co., Ltd	Steel pop can	14%	14%	Significant subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Sunshui Changlee United Container Co Ltd	Stretch films and other plastic product	30%	30%	(1)

(1) The Group hold 30% of shares for Sunshui Changlee United Container Co Ltd. Because the Group occupies more than half of the board of directors of the company and has the substantive ability to lead the company's vital activities, the company is classified as a subsidiary.

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

c. Information on subsidiaries with significant non-controlling interests

Subsidiarie	% of Ownership	
	December 31, 2022	December 31, 2021
Sunshui Changlee United Container Co Ltd	70%	70%

The summary financial information of the following subsidiaries is compiled based on the amount before the elimination of inter-company transactions:

Subsidiarie	Profit and loss allocated to non-controlling interests		Non-controlling interests	
	For the year ended		For the year ended	
	For the year ended December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Sunshui Changlee United Container Co Ltd	(\$ 8,008)	(\$ 10,054)	\$ 275,796	\$ 279,886

Sunshui Changlee United Container Co Ltd

	December 31, 2022	December 31, 2021
Current assets	\$ 163,155	\$ 152,992
Non-current assets	218,790	232,966
Current liabilities	(9,681)	(8,335)
Equity	<u>\$ 372,264</u>	<u>\$ 377,623</u>
Equity attribute to:		
Owners of the Corporation	\$ 96,468	\$ 97,737
Non-controlling interests of Sunshui Changlee United Container Co Ltd	<u>275,796</u>	<u>279,886</u>
	<u>\$ 372,264</u>	<u>\$ 377,623</u>
	For the year ended December 31, 2022	For the year ended December 31, 2021
Ravenue	<u>\$ 144,386</u>	<u>\$ 110,533</u>
Net loss for the year	(\$ 11,440)	(\$ 14,363)
Comprehensive income(loss)	(\$ 5,843)	(\$ 17,339)
Net loss attribute to:		
Owners of the Corporation	(\$ 3,432)	(\$ 4,309)
Non-controlling interests of Sunshui Changlee United Container Co Ltd	(8,008)	(10,054)
	(\$ 11,440)	(\$ 14,363)
Comprehensive income(loss) attribute to:		
Owners of the Corporation	(\$ 1,753)	(\$ 5,201)
Non-controlling interests of Sunshui Changlee United Container Co Ltd	(4,090)	(12,138)
	(\$ 5,843)	(\$ 17,339)
Cash flows		
Operating activities	\$ 21,245	\$ 10,974
Investing activities	(26,274)	11,656
Financing activities	-	-
Net increase (decrease) in cash	(\$ 5,029)	\$ 22,630

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2022	\$ 59,074	\$ 1,322,151	\$ 6,904,478	\$ 69,004	\$ 45,202	\$ 127,297	\$ 199,841	\$ 57,764	\$ 8,784,811
Additions	-	723	132,017	-	3,632	1,950	5,482	123,626	267,430
Disposals	-	(200)	(58,874)	-	(1,132)	(2,742)	(17,773)	-	(80,721)
Reclassification	-	386	73,701	-	-	-	-	(23,465)	50,622
Effect of foreign currency exchange differences	-	13,889	54,929	-	494	1,155	1,998	562	73,027
Balance at December 31, 2022	<u>\$ 59,074</u>	<u>\$ 1,322,151</u>	<u>\$ 6,904,478</u>	<u>\$ 69,004</u>	<u>\$ 45,202</u>	<u>\$ 127,297</u>	<u>\$ 199,841</u>	<u>\$ 57,764</u>	<u>\$ 8,784,811</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2022	\$ -	\$ 747,152	\$ 5,161,213	\$ 56,979	\$ 35,364	\$ 125,400	\$ 193,217	\$ -	\$ 6,319,325
Disposals	-	(200)	(50,242)	-	(1,034)	(2,551)	(16,800)	-	(70,827)
Depreciation expense	-	40,276	342,881	1,532	3,525	1,495	6,230	-	395,939
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 794,430</u>	<u>\$ 5,489,343</u>	<u>\$ 58,511</u>	<u>\$ 38,217</u>	<u>\$ 125,487</u>	<u>\$ 184,559</u>	<u>\$ -</u>	<u>\$ 6,690,547</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2022	\$ -	\$ -	\$ 51,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,971
Impairment loss	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	615	-	-	-	-	-	615
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,586</u>
Carrying amounts at December 31, 2022	<u>\$ 59,074</u>	<u>\$ 542,519</u>	<u>\$ 1,564,322</u>	<u>\$ 10,493</u>	<u>\$ 9,979</u>	<u>\$ 2,173</u>	<u>\$ 4,989</u>	<u>\$ 158,487</u>	<u>\$ 2,352,036</u>
<u>Cost</u>									
Balance at January 1, 2021	\$ 59,074	\$ 1,327,449	\$ 7,012,003	\$ 67,371	\$ 52,211	\$ 133,398	\$ 129,967	\$ 25,177	\$ 8,806,650
Additions	-	-	99,529	1,762	3,630	281	8,719	32,238	146,159
Disposals	-	(851)	(95,496)	-	(10,407)	(5,784)	(26,954)	-	(139,492)
Reclassification	-	-	(92,649)	(129)	-	-	88,563	-	(4,215)
Effect of foreign currency exchange differences	-	(4,447)	(18,909)	-	(232)	(598)	(454)	349	(24,291)
Balance at December 31, 2021	<u>\$ 59,074</u>	<u>\$ 1,322,151</u>	<u>\$ 6,904,478</u>	<u>\$ 69,004</u>	<u>\$ 45,202</u>	<u>\$ 127,297</u>	<u>\$ 199,841</u>	<u>\$ 57,764</u>	<u>\$ 8,784,811</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2021	\$ -	\$ 709,835	\$ 4,978,194	\$ 55,576	\$ 42,614	\$ 125,495	\$ 118,078	\$ -	\$ 6,029,792
Disposals	-	(765)	(82,671)	-	(9,871)	(1,154)	(29,709)	-	(124,170)
Depreciation expense	-	40,244	364,803	1,532	2,819	1,607	16,656	-	427,661
Reclassification	-	-	(88,434)	(129)	-	-	88,563	-	-
Effect of foreign currency exchange differences	-	(2,162)	(10,679)	-	(198)	(548)	(371)	-	(13,958)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 747,152</u>	<u>\$ 5,161,213</u>	<u>\$ 56,979</u>	<u>\$ 35,364</u>	<u>\$ 125,400</u>	<u>\$ 193,217</u>	<u>\$ -</u>	<u>\$ 6,319,325</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2021	\$ -	\$ -	\$ 52,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,288
Impairment loss	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	(317)	-	-	-	-	-	(317)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,971</u>
Carrying amounts at December 31, 2021	<u>\$ 59,074</u>	<u>\$ 574,999</u>	<u>\$ 1,691,294</u>	<u>\$ 12,025</u>	<u>\$ 9,838</u>	<u>\$ 1,897</u>	<u>\$ 6,624</u>	<u>\$ 57,764</u>	<u>\$ 2,413,515</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the asset:

Building	
Main buildings	10 - 42 years
Engineering system	2 - 17 years
Machinery and Equipment	2 - 15 years
Utility Equipment	
Air conditioner pipe	35 years
Other power equipment	2 - 15 years
Transportation Equipment	2 - 10 years
Office Equipment	1 - 10 years
Other Equipment	2 - 10 years

Refer to Note 27 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Land	\$ 177,525	\$ 179,486
Buildings	20,636	26,480
Transportation Equipment	-	421
	<u>\$ 198,161</u>	<u>\$ 206,387</u>
	For the year ended December 31, 2022	For the year ended December 31, 2021
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 5,021	\$ 4,902
Buildings	5,844	5,844
Transportation Equipment	421	1,010
	<u>\$ 11,286</u>	<u>\$ 11,756</u>

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	\$ 5,890	\$ 6,252
Non-current	<u>\$ 15,200</u>	<u>\$ 21,090</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Buildings	1.1%	1.1%
Transportation Equipment	1.1%	1.1%

c. Other lease information

The Group leases certain assets which qualify as short-term leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Expenses relating to short-term leases	\$ 28,377	\$ 27,625
Expenses relating to low-value asset leases	\$ 176	\$ 1,531
Total cash (outflow) for leases	(\$ 35,073)	(\$ 36,276)

15. PREPAYMENTS

	December 31, 2022	December 31, 2021
<u>Current</u>		
Raw materials	\$ 82,708	\$ 166,762
Overpaid tax	37,603	52,193
Other	11,413	37,499
	<u>\$ 131,724</u>	<u>\$ 256,454</u>

16. SHORT-TERM BORROWINGS

	December 31, 2022	December 31, 2021
<u>Unsecured borrowings</u>		
— Bank loans for working capital	\$ 106,211	\$ 69,868
The rate intervals of bank revolving loan at December 31, 2022 and 2021 were 1.1%~5.51% and 0.5%~0.56% respectively.		

17. OTHER PAYABLES

	December 31, 2022	December 31, 2021
Payables for salaries and bonuses	\$ 103,523	\$ 109,798
Payables for purchases of equipment	28,808	32,935
Freight payable	49,714	38,402
Payable for annual leave	6,214	6,612
Other	106,320	86,027
	<u>\$ 294,579</u>	<u>\$ 273,774</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China and Vietnam are members of a state-managed retirement benefit plan operated by the government of China and Vietnam. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	\$ 79,781	\$ 98,424
Fair value of plan assets	(27,900)	(32,856)
Net defined benefit liability	<u>\$ 51,881</u>	<u>\$ 65,568</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	<u>\$ 108,467</u>	<u>(\$ 32,509)</u>	<u>\$ 75,958</u>
Service cost			
Current service cost	414	-	414
Net interest expense (income)	<u>868</u>	<u>(262)</u>	<u>606</u>
Recognized in profit or loss	<u>1,282</u>	<u>(262)</u>	<u>1,020</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(360)	(360)
Actuarial loss - experience adjustments	<u>(10,466)</u>	<u>-</u>	<u>(10,466)</u>
Recognized in other comprehensive income	<u>(10,466)</u>	<u>(360)</u>	<u>(10,826)</u>
Contributions from the employer	-	(584)	(584)
Benefits paid – from carrying value	-	-	-
Benefits paid – from plan assets	<u>(859)</u>	<u>859</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 98,424</u>	<u>(\$ 32,856)</u>	<u>\$ 65,568</u>
Balance at January 1, 2022	<u>\$ 98,424</u>	<u>(\$ 32,856)</u>	<u>\$ 65,568</u>
Service cost			
Current service cost	253	-	253
Net interest expense (income)	<u>492</u>	<u>(166)</u>	<u>326</u>
Recognized in profit or loss	<u>745</u>	<u>(166)</u>	<u>579</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,607)	(2,607)
Actuarial loss - experience adjustments	<u>872</u>	<u>-</u>	<u>872</u>
Recognized in other comprehensive income	<u>872</u>	<u>(2,607)</u>	<u>1,735</u>
Contributions from the employer	-	(531)	(531)
Benefits paid – from carrying value	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>
Benefits paid – from plan assets	<u>(8,260)</u>	<u>8,260</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 79,781</u>	<u>(\$ 27,900)</u>	<u>\$ 51,881</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.25%	0.5%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2022	December 31, 2021
Discount rate(s)		
0.25% increase	(\$ 567)	(\$ 945)
0.25% decrease	\$ 585	\$ 976
Expected rate(s) of salary increase		
1% increase	\$ 2,516	\$ 4,114
1% decrease	(\$ 2,275)	(\$ 3,682)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2022	December 31, 2021
Expected contributions to the plans for the next year	\$ 516	\$ 576
Average duration of the defined benefit obligation	7.7 years	8.4 years

19. EQUITY

a. Share capital

Common shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	<u>330,000</u>	<u>330,000</u>
Shares authorized	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>
Number of shares issued and fully paid (in thousands)	<u>305,000</u>	<u>305,000</u>
Shares issued	<u>\$ 3,050,000</u>	<u>\$ 3,050,000</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation's paid-in capital and to once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The dividends policy of the Company shall be made according to the Company's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Company is growth steadily. Consider in future operating expansion plans, dividends are distributed in a coordinated manner with cash dividends and share dividends. The cash dividend is about 50% to 100% and the share dividend is about 50% to 0%. The Company may adjust the distribution ratio of cash dividends and share dividends if necessary, which depending on factors such as economic conditions, industrial development and capital needs.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 24, 2022 and August 24, 2021, respectively, were as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Legal reserve	<u>\$ 61,054</u>	<u>\$ 55,930</u>
Cash dividends	<u>\$ 457,500</u>	<u>\$ 457,500</u>
Cash dividends per share	\$ 1.5	\$ 1.5

The appropriation of earnings for 2022 had been proposed by the Corporation's board of directors on March 7, 2023. The appropriation and dividends per share were as follows:

	For the year ended December 31, 2022
Legal reserve	<u>\$ 47,468</u>
Cash dividends	<u>\$ 366,000</u>
Cash dividends per share	\$ 1.2

The appropriation of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held on June, 2023.

20. Revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from contracts with customers		
Sale of goods	<u>\$ 8,774,698</u>	<u>\$ 8,675,485</u>

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Bank deposit	<u>\$ 30,478</u>	<u>\$ 24,760</u>

b. Other income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Dividend income	\$ 7,578	\$ 8,013
Others	<u>48,364</u>	<u>38,816</u>
	<u>\$ 55,942</u>	<u>\$ 46,829</u>

c. Other gains and losses

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net gain on disposal of right-of-use assets	\$ -	\$ 4
(Loss) gain on disposal of property, plant and equipment	(5,255)	(2,011)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily at FVTPL	13,840	14,832
Net foreign exchange gains (losses)	16,791	(2,308)
Others	(10,197)	(13,077)
	<u>\$ 15,179</u>	<u>(\$ 2,560)</u>

d. Finance costs

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest on lease liabilities	<u>\$ 268</u>	<u>\$ 343</u>

e. Depreciation and amortization

	For the year ended December 31, 2022	For the year ended December 31, 2021
Depreciation expense by function		
Operating costs	\$ 383,129	\$ 413,681
Operating expenses	<u>24,096</u>	<u>25,736</u>
	<u>\$ 407,225</u>	<u>\$ 439,417</u>
Amortization expense by function		
Operating costs	\$ 101	\$ 99
Operating expenses	<u>7,570</u>	<u>10,748</u>
	<u>\$ 7,671</u>	<u>\$ 10,847</u>

f. Employee benefits expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Post-employment benefits(Note 18)		
Defined contribution plans	\$ 34,577	\$ 30,957
Defined benefit plans	<u>579</u>	<u>1,020</u>
	<u>35,156</u>	<u>31,977</u>
Other employee benefits	<u>486,636</u>	<u>541,407</u>
Total	<u>\$ 521,792</u>	<u>\$ 573,384</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 374,861	\$ 391,662
Operating expenses	<u>146,931</u>	<u>181,722</u>
	<u>\$ 521,792</u>	<u>\$ 573,384</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Corporation's board of directors on March 7, 2023 and March 15, 2022, respectively, were as follows:

Amount

	For the year ended December 31, 2022	For the year ended December 31, 2021
	Cash	Cash
Employees' compensation	\$ 12,374	\$ 15,743
Remuneration of directors	12,374	15,743

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax		
In respect of the current year	\$ 124,478	\$ 158,724
Income tax expense of unappropriated earnings	3,961	2,027
Adjustment for prior periods	105	19
	<u>128,544</u>	<u>160,770</u>
Deferred tax		
In respect of the current year	<u>29,812</u>	<u>20,766</u>
Income tax expense recognized in profit or loss	<u>\$ 158,356</u>	<u>\$ 181,536</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net income before tax from continuing operations	<u>\$ 623,644</u>	<u>\$ 773,364</u>
Income tax expense calculated at the statutory rate	\$ 124,729	\$ 154,673
Nondeductible expenses in determining taxable income	130	82
Tax-exempt income	(2,318)	(1,421)
Unrecognized non-deductible temporary differences	27,039	24,189
Additional income tax on unappropriated earnings	3,961	2,027
Unrecognized loss carryforwards	2,191	2,778
Effect of tax rate changes	2,519	(811)
Adjustments for prior year's tax	105	19
Income tax expense recognized in profit or loss	<u>\$ 158,356</u>	<u>\$ 181,536</u>

b. Deferred tax assets and liabilities

Movement for deferred tax assets and liabilities is as follow:

For the Year Ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Defined benefit obligation	\$ 13,113	(\$ 2,390)	(\$ 347)	\$ 10,376
Payable for annual leave	1,113	(59)	-	1,054
Unrealized inventory write-downs	4,461	(193)	-	4,268
Others	<u>1,690</u>	<u>(135)</u>	<u>-</u>	<u>1,555</u>
	<u>\$ 20,377</u>	<u>(\$ 2,777)</u>	<u>(\$ 347)</u>	<u>\$ 17,253</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings from subsidiary	\$367,216	\$ 27,039	\$ -	\$394,255
Others	<u>144</u>	<u>(4)</u>	<u>-</u>	<u>140</u>
	<u>\$367,360</u>	<u>\$ 27,035</u>	<u>\$ -</u>	<u>\$394,395</u>

For the Year Ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Defined benefit obligation	\$ 15,191	\$ 87	(\$ 2,165)	\$ 13,113
Payable for annual leave	1,086	27	-	1,113
Unrealized inventory write-downs	997	3,464	-	4,461
Others	<u>2,229</u>	<u>(539)</u>	<u>-</u>	<u>1,690</u>
	<u>\$ 19,503</u>	<u>\$ 3,039</u>	<u>(\$ 2,165)</u>	<u>\$ 20,377</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings from subsidiary	\$343,027	\$ 24,189	\$ -	\$367,216
Others	<u>528</u>	<u>(384)</u>	<u>-</u>	<u>144</u>
	<u>\$343,555</u>	<u>\$ 23,805</u>	<u>\$ -</u>	<u>\$367,360</u>

- c. Such deductible temporary difference amount and unused loss deduction for deferred income tax assets are not acknowledged into the balance sheet.

	December 31, 2022	December 31, 2021
Expires in 2022	\$ -	\$ 90,004
Expires in 2023	111,790	111,790
Expires in 2024	65,326	65,326
Expires in 2025	3,149	3,149
Expires in 2026	13,889	13,889
Expires in 2027	<u>24,669</u>	<u>-</u>
	<u>\$ 218,823</u>	<u>\$ 284,158</u>

- d. Income tax assessments

Income tax returns of the Corporation through 2020 have been examined and cleared by the tax authorities.

23. EARNINGS PER SHARE

Net Profit for Current year

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net Profit Attributable to Owners of the Corporation	<u>\$ 473,296</u>	<u>\$ 601,882</u>

Number of Shares (In Thousands)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Weighted average number of ordinary shares used in computation of basic loss per share	305,000	305,000
Dilutive effects		
-employees' compensation or bonus issue to employees	<u>633</u>	<u>727</u>
Weighted average number of ordinary shares used in computation of basic loss per share	<u>305,633</u>	<u>305,727</u>

Since the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the past 2 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

a. Fair value information—The relevant financial instruments not measured by fair value.

The Group management believes that the book value of financial assets and financial liabilities that are not measured by fair value is close to the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Financial product denominated in Chinese Yen	\$ -	\$ -	\$ 952,760	\$ 952,760
Beneficiary certification for fund	<u>878,217</u>	<u>-</u>	<u>-</u>	<u>878,217</u>
Total	<u>\$ 878,217</u>	<u>\$ -</u>	<u>\$ 952,760</u>	<u>\$ 1,830,977</u>

Financial assets at fair value
through Other comprehensive
income

Equity instruments

— Shares of publicly quoted
entity

<u>\$ 194,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,243</u>
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December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Financial product denominated in Chinese Yen	\$ -	\$ -	\$ 446,378	\$ 446,378
Beneficiary certification for fund	1,041,836	-	-	1,041,836
Total	<u>\$ 1,041,836</u>	<u>\$ -</u>	<u>\$ 446,378</u>	<u>\$ 1,488,214</u>
Financial assets at fair value through Other comprehensive income				
Equity instruments				
— Shares of publicly quoted entity	\$ 257,664	\$ -	\$ -	\$ 257,664

There were no transfers between Level 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments
For the year ended December 31, 2022

Financial Assets	Financial instruments at fair value through profit or loss (FVTPL)
Beginning balance	\$ 446,378
Recognized in profit or loss (Other income and loss)	
— Unrealized	411
— Realized	13,375
Disposal/ Purchase	478,089
Effective on exchange rate	14,507
Ended balance	<u>\$ 952,760</u>

For For the year ended December 31, 2021

Financial Assets	Financial instruments at fair value through profit or loss (FVTPL)
Beginning balance	\$ 930,571
Recognized in profit or loss (Other income and loss)	
— Unrealized	3,448
— Realized	12,866
Disposal/ Purchase	(497,734)
Effective on exchange rate	(2,773)
Ended balance	<u>\$ 446,378</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Group use counterparty quotations as the evaluation techniques and the significant unobservable inputs, which used to calculate the expected return form financial product denominated in Chinese Yen.

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
<u>Financial assets</u>		
FVTPL		
Mandatorily at FVTPL	\$ 1,830,977	\$ 1,488,214
Financial assets at amortized cost (1)	4,111,296	4,026,606
Financial assets at fair value through other comprehensive income		
Equity instruments	194,243	257,664
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	2,394,633	2,002,160

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investment, notes receivable, accounts receivable and other receivables.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, notes payable, accounts payable and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using financial derivatives to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written guidelines on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

2) Market risk

The Group's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

d) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within natural hedges. Hence, change of market exchange rate would change the fair value of related financial instrument.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Group's sensitivity to a 3% increase and decrease in New Taiwan dollars (the functional currency) against USD. The Group's sensitivity to a 3% increase and decrease in NTD (the functional currency) against the relevant foreign currencies represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis is for a 3% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease in pre-tax profit when New Taiwan dollars strengthen by 3% against USD. For a 3% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit or loss	\$ 8,218	(\$ 314)

e) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
— Financial assets	\$ 1,251,920	\$ 1,515,016
— Financial liabilities	21,090	27,342
Cash flow interest rate risk		
— Financial assets	1,308,241	1,029,233
— Financial liabilities	106,211	69,868

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been increase or decrease 50 basis points and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would increase or decrease by \$6,010 thousand and \$4,797 thousand, respectively.

f) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certification for fund. The management of the Group manages risks by holding investment portfolios with different risk levels. The equity price risk of the Group is mainly from the equity instruments issued in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices increase/ decrease 5%, the profit before income tax for the year 2022 and 2021 would have increased/ decrease by \$43,911 thousand and \$52,092 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the year 2022 and 2021 would have increased/ decrease by \$9,712 thousand and \$12,883 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

Since the counterparty of circulating capital and derivative financial instruments is the bank with a high credit rating given by the international credit rating agency, the credit risk is limited.

Counterparties of trade receivables consisted of a large number of different customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the customers' financial condition. The Group's concentration of credit risk by geographical location was mainly in Taiwan, China and Vietnam.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized short-term bank loan facilities set out in (b) below.

- b) Liquidity and interest rate risk tables for non-derivative financial liabilities
- The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 672,987	\$ 845,693	\$ 883,676	\$ -
Lease liabilities	508	1,015	4,569	15,420
Variable interest rate instrument	65,027	41,184	-	-
	<u>\$ 738,522</u>	<u>\$ 887,892</u>	<u>\$ 888,245</u>	<u>\$ 15,420</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 6,092</u>	<u>\$ 15,420</u>	<u>\$ -</u>

December 31, 2021

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 533,024	\$ 776,055	\$ 746,906	\$ -
Lease liabilities	574	1,148	4,798	21,512
Variable interest rate instrument	46,776	23,092	-	-
	<u>\$ 580,374</u>	<u>\$ 800,295</u>	<u>\$ 751,704</u>	<u>\$ 21,512</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 6,520</u>	<u>\$ 21,512</u>	<u>\$ -</u>

The amount of floating interest rate instruments for the aforementioned non-derivative financial assets and liabilities would change amidst the difference between the floating interest rate and the interest rate estimated as of the balance sheet date.

b) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank facilities:		
— Amount used	\$ 278,649	\$ 261,708
— Amount unused	<u>1,388,716</u>	<u>1,310,212</u>
	<u>\$ 1,667,365</u>	<u>\$ 1,571,920</u>
Secured bank facilities:		
— Amount used	\$ 592,508	\$ 402,248
— Amount unused	<u>565,791</u>	<u>498,240</u>
	<u>\$ 1,158,299</u>	<u>\$ 900,488</u>

26. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries, which were related parties of the Corporation, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below.

a. Related Party Categories / Names

Related Party	Relationship with the Group
China Can Printing and Metal MFG. Co., Ltd.	Related party in substance
HuaDong United Can Co., Ltd	Related party in substance
Anhui Fanchang Baifu Joint Tank Co., Ltd	Related party in substance

b. Operating Revenue

Item	Related Party	For the year ended December 31, 2022	For the year ended December 31, 2021
Sales of goods	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	\$ 194,665	\$ 220,350
	HuaDong United Can Co., Ltd	<u>1,533</u>	<u>3,542</u>
		<u>\$ 196,198</u>	<u>\$ 223,892</u>

The price of sales to related parties approximated those for third parties. Collection terms are 60 to 150 days for third parties, 90 days for China Can Printing and Metal MFG. Co., Ltd., and T/T 60 days for HuaDong United Can Co., Ltd.

c. Trading transactions

Item	Related Party	For the year ended December 31, 2022	For the year ended December 31, 2021
Purchase of goods	Related party in substance China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 2,072</u>	<u>\$ 1,471</u>

The price of purchase to related parties approximated those for third parties.

d. Receivables from related parties

Item	Related Party	December 31, 2022	December 31, 2021
Accounts receivable	Related party in substance China Can Printing and Metal MFG. Co., Ltd. HuaDong United Can Co., Ltd	\$ 37,297 400 <u>\$ 37,697</u>	\$ 46,357 263 <u>\$ 46,620</u>

The outstanding account receivables from related parties are unsecured. The Group didn't recognize bad debt expenses for the account receivables from related parties in 2022 and 2021.

e. Payables from related parties

Item	Related Party	December 31, 2022	December 31, 2021
Accounts payable	Related party in substance China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 613</u>	<u>\$ 460</u>

The payment term of purchase to related parties approximated those for third parties.

The outstanding payables to related parties are unsecured.

f. Purchase on property, plant and equipment

Related Party	December 31, 2022	December 31, 2021
Related party in substance China Can Printing and Metal MFG. Co., Ltd.	<u>\$ -</u>	<u>\$ 97</u>

g. Disposal of property, plant and equipment

Related Party	Proceeds		Loss (gain) on disposal of property, plant and equipment	
	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2022	For the year ended December 31, 2022
Related parties in substance China Can Printing and Metal MFG. Co., Ltd	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

h. Lease agreement

Item	Related Party	December 31, 2022	December 31, 2021
Lease Liability	Related party in substance China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 19,611</u>	<u>\$ 25,077</u>
		For the year ended December 31, 2022	For the year ended December 31, 2022
	Related Party		
<u>Interest expense</u>			
	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 248</u>	<u>\$ 308</u>

The corporation leased an office building in Taishan District, New Taipei City, from China Can Printing and Metal MFG. Co., Ltd. with an area of approximately 1735.545 square meters. The lease term will end on June 30, 2026. The monthly rent will be \$476 thousand, and the rent will be prepaid for 3 months at the beginning of every quarter. The rent in the lease contract was negotiated with the reference on market price, and pay according to the agreed method in the lease contract.

i. Other transactions with related parties

	Operationg expense and Manufacturing expense		
	For the year ended December 31, 2022	For the year ended December 31, 2022	Nature
Related Party			
Related party in substance			
China Can Printing and Metal MFG. Co., Ltd.	<u>\$ -</u>	<u>\$ 33</u>	Processing expense and other expenses
Anhui Fanchang Baifu Joint Tank Co., Ltd	<u>\$ -</u>	<u>\$ 829</u>	Rental income

j. Compensation of key management personnel

	For the year ended December 31, 2022	For the year ended December 31, 2022
Short-term benefits	<u>\$ 28,059</u>	<u>\$ 32,849</u>
Post-employment benefits	<u>351</u>	<u>22,200</u>
	<u>\$ 28,410</u>	<u>\$ 55,049</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2022	December 31, 2021
Assets pledged (Financial assets at amortized cost)	\$ 1,029,260	\$ 888,079
Property, plant and equipment, net	<u>100,250</u>	<u>108,665</u>
	<u>\$ 1,129,510</u>	<u>\$ 996,744</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

a. Significant commitment

- 1) Unused letters of credit for purchases of raw materials and machinery and equipment amounted as follow:

	December 31, 2021	December 31, 2020
USD	\$ 1,130	\$ 1,218
NTD	132,179	152,966
EUR	-	1,471

- 2) Commitments with equipment suppliers are as follow:

	December 31, 2021	December 31, 2020
Unpaid amount		
— USD	\$ 95	\$ 55
— NTD	2,202	4,965
— GBP	13	5
— RMB	27,050	940

b. Significant contingent liabilities: None.

29. OTHER ITEMS

Starting from January, 2020, as a result of the spread of the coronavirus pandemic (COVID-19), a good number governments of various countries the world over have successively implemented various epidemic prevention controls which would naturally affect the revenue and profit of Mainland China subsidiaries of the Group in the first quarter of the year. In the second quarter, the pandemic slowed down in Mainland China where purchase orders subsequently returned to a normal level. Meanwhile, where the combined parent company's product sales market is primarily in Taiwan where the domestic pandemic slowed down and the government significantly loosened control, resulting in no major impact on the combined parent company's production and sales. Where the impact of the pandemic is still ambiguous. Nevertheless, the Group would continuously pay high attention to the development of the pandemic and take relevant response measures to alleviate the impact on the Group's business operations.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying value</u>
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 8,524	30.71 (USD : NTD)	\$ 261,763
USD	3,050	6.9669 (USD : CNY)	93,654
USD	113	23,806 (USD : VND)	3,480
<u>Non - monetary items</u>			
USD	17	30.71 (USD : NTD)	535
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	2,561	30.71 (USD : NTD)	78,642
USD	191	6.9669 (USD : CNY)	5,859
USD	15	23,806 (USD : VND)	467

December 31, 2021

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying value</u>
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 1,279	27.68 (USD : NTD)	\$ 35,389
USD	2,154	6.3720 (USD : CNY)	59,609
USD	286	23,067 (USD : VND)	7,916
<u>Non - monetary items</u>			
USD	23	27.68 (USD : NTD)	647
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	3,924	27.68 (USD : NTD)	108,611
USD	157	6.3720 (USD : CNY)	4,337
USD	15	23,067 (USD : VND)	422

The following information was aggregated by the functional currencies of the group entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional currencies	Exchange Rate	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
		Net Foreign Exchange Gain (Loss)- NTD		Net Foreign Exchange Gain (Loss)- NTD	
VND	0.0012 (VND : NTD)	\$	26	0.0012 (VND : NTD)	(\$ 151)
NTD	1 (NTD : NTD)		9,610	1 (NTD : NTD)	700
CNY	4.344 (CNY : NTD)		7,155	4.282 (CNY : NTD)	(2,857)
		\$	<u>16,791</u>		(\$ <u>2,308</u>)

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities. (Table 3)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT \$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT \$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (Table 6)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Information on investees. (Table 8)

c. Information on investments in mainland China

- 1) Information on any investee companies in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

- a) The amount and percentage of purchases and the balance and

- percentage of the related payables at the end of the period.
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information on investors: Investors' name, holding shares and percentage for shareholding over 5%. (Table 10)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Great China Metal Ind. Co., Ltd
Shanghai United Can Co., Ltd
Jinan United Can Co., Ltd
Chongqing United Can Co. Ltd
Huatong United (Nantong) Plastic Industry Co., Ltd

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment revenues		Segment profit or loss	
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Great China Metal Ind. Co., Ltd	\$ 2,433,757	\$ 2,700,977	\$ 439,085	\$ 594,554
Shanghai United Can Co., Ltd	1,672,416	1,983,937	(58,644)	13,148
Jinan United Can Co., Ltd	2,210,272	2,034,248	87,927	28,586
Chongqing United Can Co., Ltd	2,235,778	1,768,960	51,000	48,684
Huatong United (Nantong) Plastic Industry Co., Ltd	427,874	458,404	23,890	38,697
Others	<u>206,933</u>	<u>166,640</u>	(<u>17,337</u>)	(<u>22,669</u>)
	9,187,030	9,113,166	525,921	701,000
Less: income or loss between operations	(<u>412,332</u>)	(<u>437,681</u>)	(<u>3,608</u>)	<u>3,678</u>
Form continuing operation	<u>\$ 8,774,698</u>	<u>\$ 8,675,485</u>	522,313	704,678
Interest income			30,478	24,760

Other income	55,942	46,829
Other gain and loss	15,179	(2,560)
Financial cost	(268)	(343)
Net income before tax	<u>\$ 623,644</u>	<u>\$ 773,364</u>

Segment profit represented the profit before tax earned by each segment without apportioned general and administrative expenses, remuneration of directors, other income, other gain and loss, financial cost and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Aluminum Cans	\$ 5,747,820	\$ 5,705,559
Aluminum/Steel lid and bottom	1,606,981	1,532,339
Stretch Film	517,938	525,345
Steel Cans	147,759	188,756
Others	<u>754,200</u>	<u>723,486</u>
	<u>\$ 8,774,698</u>	<u>\$ 8,675,485</u>

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Vietnam.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	December 31, 2022	December 31, 2021
Taiwan	\$ 2,168,533	\$ 2,262,108	\$ 687,384	\$ 810,578
China	6,041,675	5,545,730	1,834,490	1,782,101
Southeast Asia	82,692	232,026	52,526	55,425
Others	<u>481,798</u>	<u>635,621</u>		-
	<u>\$ 8,774,698</u>	<u>\$ 8,675,485</u>	<u>\$ 2,574,400</u>	<u>\$ 2,648,104</u>

Non-current assets exclude financial instruments and deferred tax assets.

e. Information on major customers

There is no single customers that contributing 10% or more to the Group's revenue in 2022 and 2021.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR YEAR ENDED DECEMBER 31, 2022

Table 1

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amount (Note 4)	Reasons for Short-term Financing (Note 5)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 6)	Aggregate Financing Limit (Note 6)	Note
													Item	Value			
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Other receivables	Yes	NTD292,890 (CNY 65,000)	NTD286,520 (CNY 65,000)	NTD286,520 (CNY 65,000)	3.5%	b	\$ -	Capital movement	\$ -	—	—	NTD429,808 (1)	NTD429,808 (1)	
2	Huatong United (Nantong) Plastic Industry Co., Ltd	Chongqing United Can Co., Ltd	Other receivables	Yes	NTD 89,460 (CNY 20,000)	NTD 88,160 (CNY 20,000)	NTD 88,160 (CNY 20,000)	3.5%	b	\$ -	Capital movement	\$ -	—	—	NTD396,210 (1)	NTD396,210 (2)	

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: If the subjects such as accounts receivable from related parties, shareholder transactions, prepayments, suspense payment and other subjects, are of the nature of capital loans, must be filled in this form.

Note 3: Reasons for financing are as follows:

- a. Business relationship.
- b. The need for short-term financing.

Note 4: Where the fund loan is attributed as 1, the business transaction amount should be filled in.

Note 5: Where the fund loan is attributed as 2, the reasons for the necessary loans and funds and the use of funds for the loans and objects, e.g., repayment of loans, purchase of equipment, business turnover, and the like should be definitely specified.

Note 6: (1) No. 1 calculation toward the individual target loanees shall not exceed the limit of 20% of CNY491,595.

No. 2 calculation toward the individual target loanees shall not exceed the limit of 40% of CNY224,711.

(2) No. 1 calculation of capital loans and total limit is confined to 20% that does not exceed the net value of the most recent financial statement CNY494,714.

No. 2 calculation of capital loans and total limit is confined to 40% that does not exceed the net value of the most recent financial statement CNY224,711.

**GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

Table 2 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Great China Metal Ind. Co., Ltd	Huatong United (Nantong) Plastic Industry Co., Ltd	b	\$ 3,742,498	\$ 83,475 (USD 3,000)	\$ -	\$ -	\$ -	-	\$ 7,484,995	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Shanghai United Can Co., Ltd	b	3,742,498	144,988 (USD 4,500)	138,195 (USD 4,500)	50,025 (CNY 11,349)	-	1.85	7,484,995	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Jinan United Can Co., Ltd	b	3,742,498 (1)	428,840 (USD 10,000) (CNY 35,000)	154,280 (CNY 35,000)	70,396 (CNY 15,970)	-	2.06	7,484,995 (2)	Y	N	Y	—
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	b	1,083,478 (CNY 245,798) (1)	176,320 (CNY 40,000)	176,320 (CNY 40,000)	65,143 (CNY 14,778)	176,320	8.14	2,166,951 (CNY 491,595) (2)	N	N	Y	—
2	Chongqing United Can Co.Ltd	Shanghai United Can Co., Ltd	c	832,557 (CNY 188,874)	247,830 (CNY 55,000)	-	-	-	-	832,557 (CNY 188,874)	N	N	Y	—

Note 1: The parent company and its subsidiaries are coded as follows:

- The parent company is coded "0".
- The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- Business relationship.
- A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.
- Among the companies where the Company holds voting shares more than 90% either directly or indirectly.
- A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- Those companies that are endorsed and guaranteed by all capital shareholders pursuant to their shareholding ratio under a joint investment relationship.
- The inter-industry companies that are engaged in the joint guarantee of the performance guarantee of the pre-construction house sales contract in accordance with the Consumer Protection Act.

Note 3: 1. No.0 the endorsement/guarantee limit for each entity is 7,484,995 (Net value)×50%=3,742,498.

No.1 the endorsement/guarantee limit for each entity is CNY491,595 (Net value)×50%=245,798.

No.2 the endorsement/guarantee limit for each entity is CNY157,395 (Net value)×120%=188,874.

2. No.0 the endorsement/guarantee limit for the total endorsement/guarantee limit is 7,484,995 (Net value)×100%=7,484,995.

No.1 the endorsement/guarantee limit for the total endorsement/guarantee limit is CNY491,595 (Net value)×100%=491,595.

No.2 the endorsement/guarantee limit for the total endorsement/guarantee limit is CNY157,395 (Net value)×120%=188,874.

Note 4: Those belong to an exchange-listed and/or over-the-counter listed parent company that endorses its subsidiary company and those where a subsidiary company renders guarantee toward its exchange-listed and/or over-the-counter listed parent company. In case of endorsement/guarantee toward Mainland China area, please fill in Y otherwise please fill in N.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
As of DECEMBER 31, 2022

Table 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Great China Metal Ind. Co., Ltd	Ordinary shares							
	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	47	\$ 4,450	-	\$ 4,450	
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through other comprehensive income – current	288	129,112	-	129,112	
	Sino Tactful Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	-	2	-	2	
	Xac Automation Corp.	None	Financial assets at fair value through other comprehensive income – current	-	8	-	8	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	516	20,634	-	20,634	
	Mega Financial Holding Company Limited	None	Financial assets at fair value through other comprehensive income – current	1,319	<u>40,037</u>	-	<u>40,037</u>	
					<u>\$ 194,243</u>		<u>\$ 194,243</u>	
	Fund							
	Fubon No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	1,500	\$ 23,700	-	\$ 23,700	
	Cathay No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	600	10,848	-	10,848	
	Fubon No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	2,000	30,400	-	30,400	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	370	6,586	-	6,586	
	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	930	15,240	-	15,240	
	Union Money Market Fund	None	Financial assets at fair value through profit or loss - current	9,586	128,606	-	128,606	
	Shanghai Growth Fund	None	Financial assets at fair value through profit or loss - current	99	535	-	535	
	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	7,863	100,135	-	100,135	
	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	27,282	375,545	-	375,545	
	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,811	\$ 30,003	-	\$ 30,003	
	Hua Nan Phoenix Money Market Fund	None	Financial assets at fair value through profit or loss - current	9,481	<u>156,619</u>	-	<u>156,619</u>	
					<u>\$ 878,217</u>		<u>\$ 878,217</u>	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shanghai United Can Co., Ltd	Financial investment China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	None	Financial assets at fair value through profit or loss - current	8,135	CNY 8,135	-	CNY 8,135	
	China Merchants Bank - Ri ri xin No.80008	None	Financial assets at fair value through profit or loss - current	40,572	CNY 40,572	-	CNY 40,572	
Chongqing United Can Co., Ltd	Financial investment China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	None	Financial assets at fair value through profit or loss - current	63,290	CNY 63,290		CNY 63,290	
Jinan United Can Co., Ltd	Financial investment Bank of China "accumulate day by day" currency fund (AMHQLXTTZO1)	None	Financial assets at fair value through profit or loss - current	14,904	CNY 14,904		CNY 14,904	
Huatong United (Nantong) Plastic Industry Co., Ltd	Financial investment China Merchants Bank - Increase profit step by step financial plan No.8699	None	Financial assets at fair value through profit or loss - current	6,839	CNY 6,839		CNY 6,839	
	Bank of China "accumulate day by day" currency fund(GSRJYL01)	None	Financial assets at fair value through profit or loss - current	8,006	CNY 8,006		CNY 8,006	
	China Merchants Bank - Ri ri xin No.80008	None	Financial assets at fair value through profit or loss - current	58,103	CNY 58,103		CNY 58,103	
Sunshui Changlee United Container Co Ltd	Financial investment "ICBC Wealth Management - "Tianlibao No. 2" net worth wealth management product for institution	None	Financial assets at fair value through profit or loss - current	16,294	CNY 16,294		CNY 16,294	

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 4

(In Thousands of New Taiwan Dollars and Chinese Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount	Carrying Amount (Note)	Gain (Loss) on Disposal	Number of Shares (Thousands)	Amount (Note)
Great China Metal Ind. Co., Ltd	<u>Fund</u> Taishin 1699 Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,531	\$ 198,756	77,393	\$ 1,061,426	64,642	\$ 886,926	\$ 884,712	\$ 2,214	27,282	\$ 375,470
Great China Metal Ind. Co., Ltd	FSITC Taiwan Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,757	228,300	27,128	419,980	41,885	648,969	648,280	689	-	-
Great China Metal Ind. Co., Ltd	Franklin Templeton Sinoam Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	18,424	192,600	16,511	172,710	34,935	365,506	365,310	196	-	-
Great China Metal Ind. Co., Ltd	Jih Sun Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	23,023	345,031	18,978	284,683	42,001	630,292	629,714	578	-	-
Great China Metal Ind. Co., Ltd	Hua Nan Phoenix Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	-	-	18,941	312,600	9,460	156,255	156,000	255	9,481	156,600
Great China Metal Ind. Co., Ltd	Union Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	-	-	28,518	381,595	18,932	253,695	253,000	695	9,586	128,595
Shanghai United Can Co., Ltd	<u>Financial investment</u> China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	Financial assets at FVTPL - current	Financial institution	None	18,142	CNY 18,142	73,560	CNY 73,560	84,000	CNY 84,000	CNY 83,631	CNY 369	8,071	CNY 8,071
Chongqing United Can Co., Ltd	China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	Financial assets at FVTPL	Financial institution	None	-	-	177,500	CNY177,500	114,660	CNY114,660	CNY114,454	CNY 206	63,046	CNY 63,046
Jinan United Can Co., Ltd	Bank of China "accumulate day by day" currency fund (AMHQLXTT2S 01)	Financial assets at FVTPL	Financial institution	None	-	-	83,300	CNY 83,300	68,657	CNY 68,657	CNY 68,506	CNY 151	14,794	CNY 14,794

Note: Initial cost

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 5

(In Thousands of New Taiwan Dollars and Chinese Dollars)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Great China Metal Ind. Co., Ltd	China Can Printing and Metal MFG. Co., Ltd.	Related party in substance	Sale	\$ 194,665	8%	90days	No significant difference	No significant difference	Accounts receivable \$ 37,297	9%	
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiarie	Sale	CNY 74,997	20%	180 days	No significant difference	No significant difference	Accounts receivable CNY 35,018	39%	
Chongqing United Can Co., Ltd	Shanghai United Can Co., Ltd	Parent company	Purchase	CNY 74,997	23%	180 days	No significant difference	No significant difference	Accounts payable CNY 35,018	28%	

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
As of DECEMBER 31, 2022

Table 6

(In Thousand Dollars)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Balance		Amount	Actions Taken		
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiary of the Company	Account receivable	CNY 35,018	2.14	CNY -	—	CNY 26,177	—
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiary of the Company	Other receivables	CNY 72,019	-	CNY -	—	CNY -	—

Note: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 7

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Great China Metal Ind. Co., Ltd	GCM PACKAGING (VIETNAM) CO., LTD.	a	Sale	\$ 16,844	No significant difference	-
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	c	Sale	331,263	No significant difference	4%
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	c	Account receivables	154,361	No significant difference	1%
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	c	Other receivables	317,459	—	3%
2	Huatong United (Nantong) Plastic Industry Co., Ltd	Chongqing United Can Co., Ltd	c	Other receivables	88,160	—	1%

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of December 31, 2022. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2022.

Note 4: The intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 8

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Great China Metal Ind. Co., Ltd	HAI HWA INVESTMENT CO.,LTD.	Bermuda	Makes investments	\$ 1,047,893	\$ 1,047,893		100%	\$ 3,848,683	\$ 111,564	\$ 111,564	Subsidiarie
Great China Metal Ind. Co., Ltd	GCM HOLDING CO., LTD.	Samoa	Makes investments	229,247	229,247		100%	399,618	23,629	23,629	Subsidiarie
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Vietnam	Aluminum pop can lid	229,245	229,245		100%	149,101	6,332	N/A	Sub-subsubsidiary

Note 1: Information on investees in mainland China, refer to Table 9.

Note 2: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022

Table 9

(In Thousands of New Taiwan Dollars)												
Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Shanghai United Can Co., Ltd	Manufacture and sale 2-piece aluminum can and easy open end	Registered and contributed capital USD 49.2 million (Including capital increasing by earnings USD 27.05 million and capital increasing by cash from HAI HWA INVESTMENT CO., LTD. USD 2.15 million).	(2)	\$ 522,642	\$ -	\$ -	\$ 522,642	(\$ 30,502)	100%	(\$ 30,502) (2)B	\$ 1,487,137	\$ -
Huatong United (Nantong) Plastic Industry Co., Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 9.45 million (Including capital increasing by earnings USD 2.45 million).	(2)	187,479	-	-	187,479	29,561	100%	29,561 (2)B	907,125	-
Chongqing United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 107,568 thousands.	(3)A.		-	-	-	73,104	100%	73,104 (2)B	693,796	-
Jinan United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 157,052 thousands.	(3)B.	317,000	-	-	317,000	42,833	100%	42,833 (2)B	785,972	-
Sunshui Changlee United Container Co Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 6 million.	(3)C.		-	-	-	(11,440)	30%	(3,432) (2)B	118,199	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,027,121	USD77,190 thousands	\$4,656,475 (Note 3)

Note 1: The investment methods are as follow:

- (1) Direct investment in mainland China through the parent company.
- (2) Invest in Mainland China through a third-region company (HAI HWA INVESTMENT CO.,LTD.).
- (3) Other :
 - A. Invested by Shanghai United Can Co., Ltd and HAI HWA INVESTMENT CO., LTD.
 - B. Invested by HAI HWA INVESTMENT CO., LTD., Shanghai United Can Co., Ltd and Huatong United (Nantong) Plastic Industry Co., Ltd.
 - C. Invested by Huatong United (Nantong) Plastic Industry Co., Ltd

Note 2: Investment Gain (Loss)

- (1) If it is under preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition basis of investment gains or losses are as follow:
 - A. Financial statements were audited and certificated by International accounting firm which has a cooperative relationship with accounting firm in Taiwan.
 - B. Financial statements were audited and certificated by certified public accountant engaged by parent company in Taiwan.
 - C. Others.

Note 3: Consolidate net value of equity \times 60%=7,760,791 \times 60%=4,656,475.

Note 4: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTOR
AS OF DECEMBER 31, 2022

Table 10

Investor	Shares	
	Shares held	%
Glory Task Enterprise Co., Ltd.	22,059,503	7.23%
Jianda Investment Co., Ltd.	20,764,950	6.81%
Corning Investment Co., Ltd.	19,551,088	6.41%
Yuanta Investment Co., Ltd.	15,975,476	5.24%

Note 1: The key shareholder information covered within this table is based on the last business day at the end of each quarter and the total number of common shares and preferred shares held by such shareholders of the Company that have been completed the centralized securities depository company for the Company's disembodied (book entry) delivery (including treasury stocks) , as the data with total common shares and preferred shares up to 5%.The share capital recorded in the Company's consolidated financial statement might possibly differ from the actual number of shares delivered without physical registration because of different calculation bases.

Note 2: Among the aforementioned information, where a shareholder delivers his or her shares into the trust, it would be disclosed in the individual account of the trustor in the trust account opened by the trustee. In case of a shareholder's declaration of insider's shareholdings in accordance with the Securities and Exchange Act, the shareholdings would include his or her own shareholdings plus the shares delivered to the trust and the right to use the trust property and the like. For more details regarding the information of insider's shareholdings, please refer to the Market Observation Post System (MOPS).

Great China Metal Ind. Co., Ltd.



Chairman: Chiang, Ming-Li

