# Great China Metal Ind. Co., Ltd.

# and Subsidiaries

## Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors’ Report

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**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 Zheng, Cin-Zong.

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)**

| | | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|---|
| **Code** | **Assets** | **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 | 8,370,933 | 76 | 8,073,490 | 75 |
| | 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 | 2,687,485 | 24 | 2,669,124 | 25 |
| 1XXX | TOTAL ASSETS | $11,058,418 | 100 | $10,742,614 | 100 |
| **Code** | **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 | 2,800,153 | 25 | 2,511,341 | 23 |
| | 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 | 497,474 | 5 | 491,339 | 5 |
| 2XXX | Total liabilities | 3,297,627 | 30 | 3,002,680 | 28 |
| | EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | |
| | Share capital | | | | |
| 3110 | Ordinary shares | 3,050,000 | 28 | 3,050,000 | 28 |
| | 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 | 24,431 | - | 24,431 | - |
| | 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 | 4,155,163 | 38 | 4,137,979 | 39 |
| | 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 | 255,401 | 2 | 247,638 | 2 |
| 36XX | NON-CONTROLLING INTERESTS | 275,796 | 2 | 279,886 | 3 |
| 3XXX | Total equity (Notes 4 and 19) | 7,760,791 | 70 | 7,739,934 | 72 |
| | TOTAL LIABILITIES AND EQUITY | $11,058,418 | 100 | $10,742,614 | 100 |

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, Min-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 Amount | % | For the Year Ended December 31, 2021 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 | 1,005,793 | 11 | 1,275,743 | 15 |
| | 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 | 522,313 | 6 | 704,678 | 8 |
| | 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 | 101,331 | 1 | 68,686 | 1 |
| 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 | 465,288 | 5 | 591,828 | 7 |
| | 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 | 76,464 | 1 | ( 9,009) | - |
| | | 76,464 | 1 | ( 9,009) | - |
| 8300 | Other comprehensive loss for the year, net of income tax | 13,069 | - | 42,374 | - |
| 8500 | TOTAL COMPREHENSIVE INCOME FOR THE YEAR | $ 478,357 | 5 | $ 634,202 | 7 |
| | NET INCOME ATTRIBUTABLE TO: | | | | |
| 8610 | Owners of the Corporation | $ 473,296 | 5 | $ 601,882 | 7 |
| 8620 | Non-controlling interests | ( 8,008) | - | ( 10,054) | - |
| 8600 | | $ 465,288 | 5 | $ 591,828 | 7 |
| | 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 | | $ 478,357 | 5 | $ 634,202 | 7 |
| | EARNINGS PER SHARE (Note 23) | | | | |
| | Form continuing operation | | | | |
| 9710 | Basic | $ 1.55 | | $ 1.97 | |
| 9810 | Diluted | $ 1.55 | | $ 1.97 | |

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, Min-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)**

| | | | Capital surplus | | Retained earnings | | Other equity | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Code** | | **Share capital** | **Additional paid-in capital** | **Ttreasury 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** | **Non-controlling interests** | **Total equity** |
| 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, Min-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)**

| 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 | $ 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 | Deffered 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 | 746,307 | 1,254,852 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| B00010 | Paymrnt for financial assets at fair value through other comprehensive income | ( 1,362 ) | - |
| B00040 | Paymrnt 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 | ( 296,854 ) | ( 604,187 ) |
| | 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 | ( 432,522 ) | ( 481,814 ) |
| DDDD | EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | 32,591 | 3,816 |
| EEEE | NET DECREASE IN CASH AND CASH EQUIVALENTS | 49,522 | 172,667 |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 670,372 | 497,705 |
| E00200 | CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | $ 719,894 | $ 670,372 |

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, Min-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 Augest’ 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 retranslatedat the rates prevailing at that date. Exchange differences on monetary items arising from settlement or ranslation 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.

<u>Revenue from the sale of goods</u>

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 at delivery. 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.

<u>The Group as lessee</u>

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 |
| | $ 719,894 | $ 670,372 |

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

| Financial Assets - current | December 31, 2022 | December 31, 2021 |
|---|---|---|
| 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 | 952,760 | 446,378 |
| | $ 1,830,977 | $ 1,488,214 |

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 |
|---|---|---|
| Current | | |
| Equity instrument at fair value through other comprehensive income | $ 194,243 | $ 257,664 |

Equity instruments

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Current | | |
| Domestic investments | | |
| Listed shares and emerging market shares | $ 194,243 | $ 257,664 |

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 |
|---|---|---|
| Current | | |
| Domestic investments | | |
| Restricted assets－bank deposit | $ 1,029,260 | $ 888,079 |
| Certificate deposit in bank with original maturities of less than 3 months | 820,329 | 1,023,987 |
| Total | $ 1,849,589 | $ 1,912,066 |

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 |
|---|---|---|
| Notes receivable | | |
| At amortized cost | | |
| Gross Carrying amount | $ 64,144 | $ 146,070 |
| Less: Allowance for impairment loss | - | - |
| | $ 64,144 | $ 146,070 |
| | | |
| Accounts receivable | | |
| At amortized cost | | |
| Gross Carrying amount | $ 1,427,915 | $ 1,221,954 |
| Less: Allowance for impairment loss | ( 2,161 ) | ( 2,622 ) |
| | $ 1,425,754 | $ 1,219,332 |

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 | $ 1,427,915 | $ 1,221,954 |

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 | 48 | ( 14 ) |
| Balance at ending of the year | $ 2,161 | $ 2,622 |

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 | - | - |
| Total | $ 64,144 | $ 146,070 |

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 | - | 1,126 |
| | $ 2,102,594 | $ 2,044,049 |

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 | 50,356 | 27,573 |
| | $ 7,768,905 | $ 7,399,742 |

## 12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

| Investor | Investee | Main Businesses | % of Ownership December 31, 2022 | % of Ownership December 31, 2021 | Note |
|---|---|---|---|---|---|
| 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 | % of Ownership 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:

| | Profit and loss allocated to non-controlling interests | | Non-controlling interests | |
|---|---|---|---|---|
| Subsidiarie | For the year ended December 31, 2022 | For the year ended 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 liabilites | ( 9,681) | ( 8,335) |
| Equity | $ 372,264 | $ 377,623 |
| Equity attribute to: | | |
| Owners of the Corporation | $ 96,468 | $ 97,737 |
| Non-controlling interests of Sunshui Changlee United Container Co Ltd | 275,796 | 279,886 |
| | $ 372,264 | $ 377,623 |

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---|---|---|
| Ravenue | $ 144,386 | $ 110,533 |
| 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 |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| 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 | $ 59,074 | $ 1,322,151 | $ 6,904,478 | $ 69,004 | $ 45,202 | $ 127,297 | $ 199,841 | $ 57,764 | $ 8,784,811 |
| Accumulated depreciation | | | | | | | | | |
| 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 currenc | - | - | - | - | - | - | - | - | - |
| exchange differences | - | 7,202 | 35,491 | - | 362 | 1,143 | 1,912 | - | 46,110 |
| Balance at December 31, 2022 | $ - | $ 794,430 | $ 5,489,343 | $ 58,511 | $ 38,217 | $ 125,487 | $ 184,559 | $ - | $ 6,690,547 |
| Accumulated impairment | | | | | | | | | |
| Balance at January 1, 2022 | $ - | $ - | $ 51,971 | $ - | $ - | $ - | $ - | $ - | $ 51,971 |
| Impairment loss | - | - | - | - | - | - | - | - | - |
| Effect of foreign currency exchange differences | - | - | 615 | - | - | - | - | - | 615 |
| Balance at December 31, 2022 | $ - | $ - | $ 52,586 | $ - | $ - | $ - | $ - | $ - | $ 52,586 |
| Carrying amounts at December 31, 2022 | $ 59,074 | $ 542,519 | $ 1,564,322 | $ 10,493 | $ 9,979 | $ 2,173 | $ 4,989 | $ 158,487 | $ 2,352,036 |
| Cost | | | | | | | | | |
| 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 | $ 59,074 | $ 1,322,151 | $ 6,904,478 | $ 69,004 | $ 45,202 | $ 127,297 | $ 199,841 | $ 57,764 | $ 8,784,811 |
| Accumulated depreciation | | | | | | | | | |
| 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 | $ - | $ 747,152 | $ 5,161,213 | $ 56,979 | $ 35,364 | $ 125,400 | $ 193,217 | $ - | $ 6,319,325 |
| Accumulated impairment | | | | | | | | | |
| Balance at January 1, 2021 | $ - | $ - | $ 52,288 | $ - | $ - | $ - | $ - | $ - | $ 52,288 |
| Impairment loss | - | - | - | - | - | - | - | - | - |
| Effect of foreign currency exchange differences | - | - | (317) | - | - | - | - | - | (317) |
| Balance at December 31, 2021 | $ - | $ - | $ 51,971 | $ - | $ - | $ - | $ - | $ - | $ 51,971 |
| Carrying amounts at December 31, 2021 | $ 59,074 | $ 574,999 | $ 1,691,294 | $ 12,025 | $ 9,838 | $ 1,897 | $ 6,624 | $ 57,764 | $ 2,413,515 |

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 |
| | $ 198,161 | $ 206,387 |

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---|---|---|
| Additions to right-of-use assets | $ - | $ - |
| | | |
| Depreciation charge for right-of-use assets | | |
| Land | $ 5,021 | $ 4,902 |
| Buildings | 5,844 | 5,844 |
| Transportation Equipment | 421 | 1,010 |
| | $ 11,286 | $ 11,756 |

b. Lease liabilities

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Carrying amounts | | |
| Current | $ 5,890 | $ 6,252 |
| Non-current | $ 15,200 | $ 21,090 |

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

| Current | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Raw materials | $ 82,708 | $ 166,762 |
| Overpaid tax | 37,603 | 52,193 |
| Other | 11,413 | 37,499 |
| | $ 131,724 | $ 256,454 |

## 16. SHORT-TERM BORROWINGS

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Unsecured borrowings | | |
| －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 |
| | $ 294,579 | $ 273,774 |

## 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 | $ 51,881 | $ 65,568 |

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

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 lan 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) | 330,000 | 330,000 |
| Shares authorized | $ 3,300,000 | $ 3,300,000 |
| Number of shares issued and fully paid (in thousands) | 305,000 | 305,000 |
| Shares issued | $ 3,050,000 | $ 3,050,000 |

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 | $ 61,054 | $ 55,930 |
| Cash dividends | $ 457,500 | $ 457,500 |
| 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 | $ 47,468 |
| Cash dividends | $ 366,000 |
| 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 | $ 8,774,698 | $ 8,675,485 |

## 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 | $ 30,478 | $ 24,760 |

b. Other income

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---|---|---|
| Dividend income | $ 7,578 | $ 8,013 |
| Others | 48,364 | 38,816 |
| | $ 55,942 | $ 46,829 |

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 ) |
| | $ 15,179 | ( $ 2,560 ) |

d. Finance costs

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---|---|---|
| Interest on lease liabilities | $ 268 | $ 343 |

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 | 24,096 | 25,736 |
| | $ 407,225 | $ 439,417 |
| | | |
| Amortization expense by function | | |
| Operating costs | $ 101 | $ 99 |
| Operating expenses | 7,570 | 10,748 |
| | $ 7,671 | $ 10,847 |

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 | 579 | 1,020 |
| | 35,156 | 31,977 |
| Other employee benefits | 486,636 | 541,407 |
| Total | $ 521,792 | $ 573,384 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 374,861 | $ 391,662 |
| Operating expenses | 146,931 | 181,722 |
| | $ 521,792 | $ 573,384 |

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 |
| | 128,544 | 160,770 |
| Deferred tax | | |
| In respect of the current year | 29,812 | 20,766 |
| Income tax expense recognized in profit or loss | $ 158,356 | $ 181,536 |

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 | $ 623,644 | $ 773,364 |
| 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 | $ 158,356 | $ 181,536 |

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 | 1,690 | ( 135 ) | - | 1,555 |
| | $ 20,377 | ($ 2,777 ) | ($ 347 ) | $ 17,253 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Unappropriated earnings from subsidiary | $367,216 | $ 27,039 | $ - | $394,255 |
| Others | 144 | ( 4 ) | - | 140 |
| | $367,360 | $ 27,035 | $ - | $394,395 |

For the Year Ended December 31, 2021

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred Tax Assets | | | | |
| 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 | 2,229 | ( 539) | - | 1,690 |
| | $ 19,503 | $ 3,039 | ($ 2,165) | $ 20,377 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Unappropriated earnings from subsidiary | $343,027 | $ 24,189 | $ - | $367,216 |
| Others | 528 | ( 384) | - | 144 |
| | $343,555 | $ 23,805 | $ - | $367,360 |

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 | 24,669 | - |
| | $ 218,823 | $ 284,158 |

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 | $ 473,296 | $ 601,882 |

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 | 633 | 727 |
| Weighted average number of ordinary shares used in computation of basic loss per share | 305,633 | 305,727 |

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss (FVTPL) | | | | |
| Financial product denominated in Chinese Yen | $ - | $ - | $ 952,760 | $ 952,760 |
| Beneficiary certification for fund | 878,217 | - | - | 878,217 |
| Total | $ 878,217 | $ - | $ 952,760 | $ 1,830,977 |
| | | | | |
| Financial assets at fair value through Other comprehensive income | | | | |
| Equity instruments | | | | |
| －Shares of publicly quoted entity | $ 194,243 | $ - | $ - | $ 194,243 |

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 | $ 1,041,836 | $ - | $ 446,378 | $ 1,488,214 |
| | | | | |
| 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 |
| Recongnized 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 | $ 952,760 |

For For the year ended December 31, 2021

| Financial Assets | Financial instruments at fair value through profit or loss (FVTPL) |
|---|---|
| Beginning balance | $ 930,571 |
| Recongnized 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 | $ 446,378 |

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 |
|---|---|---|
| Financial assets | | |
| 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 |
| | | |
| Financial liabilities | | |
| 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 Gruop 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 Gruop'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 Gruop did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) 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).

a) 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 changein 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) |

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixedand floating interest rates. The risk is managed by the Group by maintaining an appropriate mix offixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interestrates 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.

c) 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 theGroup 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.

a) 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 |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| 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 | - | - |
| | $ 738,522 | $ 887,892 | $ 888,245 | $ 15,420 |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | Over 5 Years |
|---|---|---|---|
| Lease liabilities | $ 6,092 | $ 15,420 | $ - |

December 31, 2021

| | On Demand or Less than 1 Month | 1 to 3 Month | 3 Month to 1 Year | Over 1 Year |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| 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 | - | - |
| | $ 580,374 | $ 800,295 | $ 751,704 | $ 21,512 |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | Over 5 Years |
|---|---|---|---|
| Lease liabilities | $ 6,520 | $ 21,512 | $ - |

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 | 1,388,716 | 1,310,212 |
| | $ 1,667,365 | $ 1,571,920 |
| Secured bank facilities: | | |
| －Amount used | $ 592,508 | $ 402,248 |
| －Amount unused | 565,791 | 498,240 |
| | $ 1,158,299 | $ 900,488 |

## 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 Gruop |
|---|---|
| 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 | 1,533 | 3,542 |
| | | $ 196,198 | $ 223,892 |

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. | $ 2,072 | $ 1,471 |

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. | $ 37,297 | $ 46,357 |
| | HuaDong United Can Co., Ltd | 400 | 263 |
| | | $ 37,697 | $ 46,620 |

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. | $ 613 | $ 460 |

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. | $ - | $ 97 |

g. Disposal of property, plant and equipment

| | Proceeds | | Loss (gain) on disposal of property, plant and equipment | |
|---|---|---|---|---|
| Related Party | 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 Liabilitiy | Related party in substance China Can Printing and Metal MFG. Co., Ltd. | $ 19,611 | $ 25,077 |

| Related Party | For the year ended December 31, 2022 | For the year ended December 31, 2022 |
|---|---|---|
| Interest expense | | |
| Related party in substance | | |
| China Can Printing and Metal MFG. Co., Ltd. | $ 248 | $ 308 |

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

| Related Party | Operationg expense and Manufacturing expense | | Nature |
|---|---|---|---|
| | For the year ended December 31, 2022 | For the year ended December 31, 2022 | |
| Related party in substance | | | |
| China Can Printing and Metal MFG. Co., Ltd. | $ - | $ 33 | Processing expense and other expenses |
| Anhui Fanchang Baifu Joint Tank Co., Ltd | $ - | $ 829 | 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 | $ 28,059 | $ 32,849 |
| Post-employment benefits | 351 | 22,200 |
| | $ 28,410 | $ 55,049 |

The remuneration of directors and key executives was determined by the remuneration committee basedon 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 |
|---|---|---|
| Aaaets pledged（Financial assets at amortized cost） | $ 1,029,260 | $ 888,079 |
| Property, plant and equipment, net | 100,250 | 108,665 |
| | $ 1,129,510 | $ 996,744 |

## 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

| | Foreign Currencies | Exchange Rate | Carrying value |
|---|---|---|---|
| Assets in foreign currencies | | | |
| Monetary items | | | |
| 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 |
| Non - monetary items | | | |
| USD | 17 | 30.71（USD：NTD） | 535 |
| Liabilities in foreign currencies | | | |
| Monetary items | | | |
| 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

| | Foreign Currencies | Exchange Rate | Carrying value |
|---|---|---|---|
| Assets in foreign currencies | | | |
| Monetary items | | | |
| 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 |
| Non - monetary items | | | |
| USD | 23 | 27.68（USD：NTD） | 647 |
| Liabilities in foreign currencies | | | |
| Monetary items | | | |
| 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 theexchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

| | For the Year Ended December 31, 2022 | | For the Year Ended December 31, 2021 | |
|---|---|---|---|---|
| **Functional currencies** | **Exchange Rate** | **Net Foreign Exchange Gain (Loss)- NTD** | **Exchange Rate** | **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 ) |
| | | $ 16,791 | | ($ 2,308 ) |

## 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 thefinancial 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 | 206,933 | 166,640 | ( 17,337 ) | ( 22,669 ) |
| | 9,187,030 | 9,113,166 | 525,921 | 701,000 |
| Less: income or loss between operations | ( 412,332 ) | ( 437,681 ) | ( 3,608 ) | 3,678 |
| Form continuing operation | $ 8,774,698 | $ 8,675,485 | 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 | | | $ 623,644 | $ 773,364 |

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 thepurpose 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 | 754,200 | 723,486 |
| | $ 8,774,698 | $ 8,675,485 |

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 | 481,798 | 635,621 | | - |
| | $ 8,774,698 | $ 8,675,485 | $ 2,574,400 | $ 2,648,104 |

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 Name | Endorsee/Guarantee Relationship (Note 2) | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | Great China Metal Ind. Co., Ltd | Huatong United (Nantong) Plastic Industry Co., Ltd | b | $ 3,742,498 | $ 83,475<br>( 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<br>( USD 4,500 ) | 138,195<br>( USD 4,500 ) | 50,025<br>( 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<br>(1) | 428,840<br>( USD 10,000 )<br>( CNY 35,000 ) | 154,280<br>( CNY 35,000 ) | 70,396<br>( CNY 15,970 ) | - | 2.06 | 7,484,995<br>(2) | Y | N | Y | – |
| 1 | Shanghai United Can Co., Ltd | Chongqing United Can Co., Ltd | b | 1,083,478<br>( CNY 245,798 )<br>(1) | 176,320<br>( CNY 40,000 ) | 176,320<br>( CNY 40,000 ) | 65,143<br>( CNY 14,778 ) | 176,320 | 8.14 | 2,166,951<br>( CNY 491,595 )<br>(2) | N | N | Y | – |
| 2 | Chongqing United Can Co.Ltd | Shanghai United Can Co., Ltd | c | 832,557<br>( CNY 188,874 ) | 247,830<br>( CNY 55,000 ) | - | - | - | - | 832,557<br>( CNY 188,874 ) | N | 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. 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 | 40,037 | - | 40,037 | |
| | | | | | $ 194,243 | | $ 194,243 | |
| | 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 | |
| | | | | | $ 878,217 | | $ 878,217 | |

（Continued on the next page）

（Continued from the previous page）

| 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 (AMHQLXTTZS01) | 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) |
| | Fund | | | | | | | | | | | | | |
| Great China Metal Ind. Co., Ltd | 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 |
| | Financial investment | | | | | | | | | | | | | |
| Shanghai United Can Co., Ltd | 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 (AMHQLXTTZS 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 INVESTEES**
**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-subsidiary |

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 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 Decembe 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.

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).