

JIYUAN PACKAGING HOLDINGS LIMITED AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
2023 and 2022
(Stock Code: 8488)

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Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Report for 2023 and 2022

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Independent Auditors' Report

(2024) Financial Audit Report No. 23004024

To the Board of Directors and Shareholders of Jiyuan Packaging Holdings Limited:

Audit Opinion

We have audited the accompanying consolidated balance sheets of Jiyuan Packaging Holdings Limited and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC).

Basis for Opinion

We have conducted the audit work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants," and the Standards on Auditing in the Republic of China (TWSA). The responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of this report. The personnel of the accounting firm to which the accountant belongs have maintained independence from the Group in accordance with the Code of Occupational Ethics for Accountants of the Republic of China, and have fulfilled other responsibilities under this code. We are confident that sufficient and appropriate audit evidence has been obtained to serve as the basis for expressing the audit opinion.

Key Audit Matters

Key audit matters are those matters that, in the our professional judgement, were of most significance in the audit of the Group's consolidated financial statements for the fiscal year 2023. Such matters have been dealt with in the course of auditing and compiling the consolidated financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Estimate of Provision of Loss Allowance for Accounts Receivables

Key Audit Matters

Please refer to Note IV (IX) of the consolidated financial statements for the accounting policy regarding accounts receivable. For the accounting estimates and assumptions regarding the provision for doubtful accounts receivable and the uncertainties therein, please refer to Note V (II) of the consolidated financial statements. For the explanation of the accounting items related to accounts receivable, please refer to Note VI (II) of the consolidated financial statements. For the disclosure of relevant credit risk information, please refer to Note XII (II) of the consolidated financial statements.

The Group is primarily involved in the processing, manufacturing, and sales of tinplate and aluminum cans. After sales, management is responsible for collecting payments from customers and managing accounts receivable, while also assuming the associated credit risks. Management regularly assesses the credit quality and collection status of customers, and adjusts the credit policy for customers in a timely manner. Additionally, the assessment of accounts receivable impairment is conducted in accordance with IFRS 9, 'Financial Instruments', to evaluate expected credit losses. Management considers various factors that may impact customers' ability to make payments, such as the overdue period of individual customers and their financial and economic conditions. Prospective information is also incorporated to establish an expected loss rate. Given the significant amount of accounts receivable held by the Group and the judgement involved in estimating the allowance for doubtful accounts, the auditor considers the estimation of loss allowance for accounts receivable as a key audit matter.

Audit Procedure

We performed the audit procedures in response to the aforementioned key audit matter as follows:

1. Understood the credit quality of customers, and evaluated the reasonableness of their policies and procedures for the provision of loss allowance on accounts receivable.
2. Obtained and reviewed the historical loss rate in previous years provided by management, and considered the future prospective information to assess the provision rate.
3. Performed test on the changes in the age of receivables and checked the relevant verification documents for the dates of its receivables to ensure the correctness of the categories in terms of age.
4. Obtained an understanding of the reason for overdue receivables, reviewed the subsequent collections and discussed with management about the loss on allowance appropriated for those with significant amounts of overdue receivables.
5. Recalculated the provision for doubtful accounts based on the provision rate.

Cut-off of Sales Revenue

Key Audit Matters

For accounting policies related to revenue recognition, please refer to Note IV (XXVII) of the consolidated financial statements. For explanations regarding the accounting items of operating revenue, please refer to Note VI (XX) of the consolidated financial statements.

The Group is primarily involved in the processing, manufacturing, and sales of tinplate and aluminum cans. The sales patterns mainly consist of two types: selling the can and can lids as a complete set, and selling them separately. For sales where the can and can lids are sold as a complete set, revenue is recognized when both the can and can lids are shipped (transfer of control). The Group primarily relies on actual shipment data and reconciliations with customer invoices as the basis for revenue recognition. Due to the manual adjustments involved in the revenue recognition process for these types of sales, there is a possibility of incorrect timing of revenue recognition. Therefore, the auditor considers the cut-off of sales revenue as one of the key audit matters.

Audit Procedure

We performed the audit procedures in response to the aforementioned key audit matter as follows:

1. Obtained an understanding of the internal control procedures of the Group regarding periodic reconciliations with customers for complete set sales, and accounting treatment. Sampled relevant forms to verify compliance with control procedures, as well as cross-referencing related documents and confirming the accuracy of revenue recognition timing.
2. Performed cut-off tests on the shipment records for cans and can lids to verify the sales revenue transactions after reconciling the balance sheet, and cross-checked the supporting documents.
3. Sent letters of confirmation out to a sample of customers involved in the complete set sales. If there were discrepancies in the replies, reasons for such were investigated. Tests were also performed on the adjustment items prepared by The Group to ensure major differences had been appropriately accounted for.

Assessment of Allowance for Valuation of Inventory

Key Audit Matters

For accounting policies related to inventory valuation, please refer to Note IV (XIII) of the consolidated financial statements. For accounting estimates and assumptions regarding inventory valuation and uncertainties therein, please refer to Note V (II) of the consolidated financial statements. For explanations regarding the accounting items of inventory, please refer to Note VI (IV) of the consolidated financial statements.

The Group is primarily involved in the processing, manufacturing, and sales of tinplate and aluminum cans. These inventories are vulnerable to market competition and fluctuations in raw material prices, which can impact their net realizable value and potentially lead to inventory write-downs. The Group employs judgement and estimation to determine the net realizable value of inventories on the balance sheet date, and compares it item-by-item with the lower of cost and net realizable value. Since inventory valuation by the Group involves management's judgement and the inventory amounts are significant, the auditor considers inventory valuation as one of the key audit matters.

Audit Procedure

We performed the audit procedures in response to the aforementioned key audit matter as follows:

1. Understood the inventory valuation policy, assessed its provisioning policy, and verified the implementation of the inventory valuation policy for the current financial reporting period.
2. Performed a year-end physical inventory observation to identify any inventory that is obsolete, damaged, or unsaleable.
3. Performed inventory aging tests based on inventory aging reports, sampled inventory item numbers to reconcile with inventory movement records, and confirmed the classification of aging intervals and assessing their impact on inventory valuation.
4. Obtained the net realizable value report for inventory, verified the calculation logic, and sampled to test relevant data against the corresponding valuation documents. Additionally, recalculated and compared the cost to the net realizable value item-by-item, and determined the provision for valuation losses accordingly.

Responsibilities of Management and the Governance Body 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 the IFRS, IAS, IFRIC, and SIC as endorsed by the FSC, 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.

The governance body, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The purpose of the auditor's examination of the consolidated financial statements is to obtain reasonable assurance that the entirety of statements are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance represents a high level of confidence, but it is important to note that the audit work conducted in accordance with the auditing standards of the Republic of China cannot guarantee all material misstatements in the consolidated financial statements will be detected. Material misstatements may result from either errors or fraud. If the individual or total amounts of the misstatements are reasonably expected to impact the economic decisions of users of the consolidated financial statements, they are considered to be material.

When conducting the audit in accordance with the auditing standards of the ROC, we exercise professional judgement and skepticism. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the consolidated financial statements resulting from fraud or error; appropriate responses will be designed and implemented to address the identified risks; sufficient and appropriate audit evidence will be obtained to support the audit opinion. Due to the potential involvement of collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal controls, the risk of material misstatement due to fraud is higher than that due to error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under 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 all accounting policies used and the reasonableness of accounting estimates and any related disclosures made by the management.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor identifies such uncertainties, they must inform the users of the consolidated financial statements in the audit report to be mindful of the relevant disclosures or modify the audit opinion if those disclosures are considered inappropriate. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may result in the Group no longer having the ability to continue as a going concern.
5. Evaluate the overall expression, structure, and content of the consolidated financial statements (including related notes) and whether the consolidated financial statements include the relevant transactions and events expressed adequately.

6. Obtain adequate and relevant audit evidence to express an opinion on the consolidated financial statements of the entities within the Group. The auditor is responsible for guiding, supervising, and conducting the group audit engagement, as well as forming the audit opinion on the consolidated financial statements.

We communicate with the governance body 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 provided the governance body with a statement regarding the independence of personnel adhering to the independence standards of the firm to which the auditor belongs, in accordance with the Code of Occupational Ethics for Accountants of the Republic of China. Additionally, communication is conducted with the governance body regarding all relationships and other matters (including relevant safeguards) that may be perceived to affect the independence of the auditor.

We determined key audit matters for the audit of the consolidated financial statements of the Group for the year ended in 2023 based on communications with the governance body. We describe these matters in our audit 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.

PWC Taiwan

Yeh, Tsui-Miao

CPA

Lin, Chia-hung

Formerly known as the Securities and Futures Bureau of the
Financial Supervisory Commission under the Executive Yuan

Approved Visa Document Number: 0960058737 (Financial
Supervisory Commission Six-Character Number)

Visa Document Number Approved by the Financial
Supervisory Commission: FSC Visa Approval No.
1080323093

March 11, 2024

JYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022
Unit: in Thousand NT Dollars

Assets		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	VI (I)	\$ 539,388	10	\$ 371,916	6
1110	Financial assets at fair value	VI (II)				
	through profit or loss – current		180	-	-	-
1136	Current financial assets at	VI (I) and VIII				
	amortized cost		414,892	8	406,737	7
1150	Notes receivables, net	VI (III) and VIII	73,571	1	380,673	7
1170	Accounts receivable, net	VI (III)	917,466	17	974,781	17
1200	Other receivables		28,593	1	3,813	-
1220	Current tax assets	VI (XXVII)	-	-	4,628	-
130X	Inventories	VI (IV)	329,971	6	400,414	7
1410	Prepayments		30,140	1	54,834	1
11XX	Current Assets		2,334,201	44	2,597,796	45
Non-current assets						
1535	Non-current financial assets at	VI (I) and VIII				
	amortized cost		69,393	1	6,142	-
1600	Property, plant and equipment	VI (V)	2,431,719	46	2,686,040	47
1755	Right-of-use assets	VI (VI) and VII (II)	160,825	3	167,695	3
1760	Investment property, net	VI (VIII)	78,247	2	64,609	1
1780	Intangible assets		6,770	-	8,394	-
1840	Deferred tax assets	VI (XXVII)	77,986	1	118,797	2
1900	Other non-current assets	VI (IX)	143,508	3	133,013	2
15XX	Total non-current assets		2,968,448	56	3,184,690	55
1XXX	Total assets		\$ 5,302,649	100	\$ 5,782,486	100

(continued)

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022
Unit: in Thousand NT Dollars

Liability and equity	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	VI (XI)	\$ -	-	\$ 116,864	2
2130 Contract liabilities – current	VI (XX)	24,247	-	29,649	1
2150 Notes payable		1,519,266	29	1,443,158	25
2170 Accounts payable		237,341	4	369,239	6
2200 Other payables	VI (XII)	188,123	4	170,753	3
2230 Current tax liabilities	VI (XXVII)	1,471	-	9,897	-
2280 Leasing liabilities – current	VII (II)	995	-	987	-
2320 Long-term loans matured within one year or one operating cycle	VI (XIV)	172,338	3	195,724	3
2399 Other current liabilities – others		190	-	498	-
21XX Current liabilities		<u>2,143,971</u>	<u>40</u>	<u>2,336,769</u>	<u>40</u>
Non-Current liabilities					
2530 Bonds payable	VI (XIII)	282,220	5	-	-
2540 Long-term loans	VI (XIV)	486,030	9	920,346	16
2580 Leasing liabilities – non-current	VII (II)	574	-	1,591	-
2600 Other non-current liabilities	VI (XV)	27,341	1	30,898	1
25XX Total non-current liabilities		<u>796,165</u>	<u>15</u>	<u>952,835</u>	<u>17</u>
2XXX Total liabilities		<u>2,940,136</u>	<u>55</u>	<u>3,289,604</u>	<u>57</u>
Equity attributable to owners of parent					
Share capital	VI (XVII)				
3110 Common stock		675,000	13	675,000	12
3140 Advance payment of capital		556	-	-	-
Capital surplus	VI (XVIII)				
3200 Capital surplus		1,808,095	34	1,814,996	31
Retained earnings	VI (XIX)				
3310 Legal reserve		-	-	19,739	-
3320 Special reserve		447,020	8	447,020	8
3350 (to offset deficits)		(118,051)	(2)	(54,297)	(1)
Other equity					
3400 Other equity		(450,107)	(8)	(409,576)	(7)
31XX Equity attributable to owners of the parent		<u>2,362,513</u>	<u>45</u>	<u>2,492,882</u>	<u>43</u>
3XXX Total equity		<u>2,362,513</u>	<u>45</u>	<u>2,492,882</u>	<u>43</u>
Significant contingent liabilities and unrecognized contractual commitments	IX				
Significant events after the balance sheet date	XI				
3X2X Total liabilities and equity		<u>\$ 5,302,649</u>	<u>100</u>	<u>\$ 5,782,486</u>	<u>100</u>

The Notes to the Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.

Chairman: Lin, Han-Ching

General Manager: Chen, Chin-Lung

Accounting Supervisor: Li, Tsung-Hsien

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
YEARS ENDED DECEMBER 31, 2023 AND 2022
Unit: in Thousand NT Dollars
(EXCEPT FOR (DEFICIT) PER SHARE IN NTD)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	VI (XX)	\$ 3,833,440	100	\$ 3,927,963	100
5000	Operating costs	VI (IV) (XXVI)	(3,598,840)	(94)	(3,771,589)	(96)
5950	Net operating margin		<u>234,600</u>	<u>6</u>	<u>156,374</u>	<u>4</u>
	Operating expenses	VI (XXVI)				
6100	Selling expenses		(60,625)	(2)	(59,247)	(2)
6200	General and administrative expenses		(185,311)	(5)	(169,275)	(4)
6300	Costs of research and development		(19,032)	-	(18,072)	(1)
6450	Expected credit impairment gain	XII (II)	21,628	1	24,751	1
6000	Total operating expenses		<u>(243,340)</u>	<u>(6)</u>	<u>(221,843)</u>	<u>(6)</u>
6900	Operating loss		<u>(8,740)</u>	<u>-</u>	<u>(65,469)</u>	<u>(2)</u>
	Non-operating income and expenses					
7100	Interest revenue	VI (XXI)	11,373	-	10,385	-
7010	Other income	VI (XXII)	28,920	1	82,363	2
7020	Other gains and losses	VI (XXIII)	(35,226)	(1)	(42,777)	(1)
7050	Finance costs	VI (XXIV)	(67,758)	(2)	(58,301)	(1)
7000	Total non-operating income and expenses		<u>(62,691)</u>	<u>(2)</u>	<u>(8,330)</u>	<u>-</u>
7900	Net loss before taxes		<u>(71,431)</u>	<u>(2)</u>	<u>(73,799)</u>	<u>(2)</u>
7950	Income tax (expenses) profit	VI (XXVII)	(46,620)	(1)	5,451	-
8200	Net loss		<u><u>(\$ 118,051)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 68,348)</u></u>	<u><u>(2)</u></u>
	Other comprehensive income (net)					
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating foreign operations		<u>(\$ 40,531)</u>	<u>(1)</u>	<u>\$ 37,444</u>	<u>1</u>
8360	Total items that may be reclassified subsequently to profit or loss		<u>(40,531)</u>	<u>(1)</u>	<u>37,444</u>	<u>1</u>
8300	Other comprehensive income (net)		<u><u>(\$ 40,531)</u></u>	<u><u>(1)</u></u>	<u><u>\$ 37,444</u></u>	<u><u>1</u></u>
8500	Total comprehensive income		<u><u>(\$ 158,582)</u></u>	<u><u>(4)</u></u>	<u><u>(\$ 30,904)</u></u>	<u><u>(1)</u></u>
	Net loss attributable to:					
8610	Owners of the parent company		<u><u>(\$ 118,051)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 68,348)</u></u>	<u><u>(2)</u></u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		<u><u>(\$ 158,582)</u></u>	<u><u>(4)</u></u>	<u><u>(\$ 30,904)</u></u>	<u><u>(1)</u></u>
	Loss per share	VI (XXVIII)				
9750	Basic and diluted		<u><u>(\$ 1.75)</u></u>		<u><u>(\$ 1.01)</u></u>	

The Notes to the Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.

Chairman: Lin, Han-Ching

General Manager: Chen, Chin-Lung

Accounting Supervisor: Li, Tsung-Hsien

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
**Consolidated Statements of Changes in Equity
YEARS ENDED DECEMBER 31, 2023 AND 2022**
Unit: in Thousand NT Dollars

		Equity Attributable to Owners of Parent							
		Share Capital		Retained Earnings			Other equity		
Notes		Common stock	Advance payment of capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (to offset deficits)	Exchange differences on translating foreign operations	Total equity
<u>2022</u>									
Balance at January 1, 2022		\$ 675,000	\$ -	\$ 1,814,996	\$ 14,706	\$ 432,616	\$ 53,738	(\$ 447,020)	\$ 2,544,036
Net loss		-	-	-	-	-	(68,348)	-	(68,348)
Other comprehensive (loss) income for the year		-	-	-	-	-	-	37,444	37,444
Total comprehensive (loss) income for the year		-	-	-	-	-	(68,348)	37,444	(30,904)
Appropriation and distribution of 2021 earnings VI (XIX)									
Provision for legal reserve		-	-	-	5,033	-	(5,033)	-	-
Provision for special reserve		-	-	-	-	14,404	(14,404)	-	-
Cash dividend		-	-	-	-	-	(20,250)	-	(20,250)
Balance at December 31, 2022		\$ 675,000	\$ -	\$ 1,814,996	\$ 19,739	\$ 447,020	(\$ 54,297)	(\$ 409,576)	\$ 2,492,882
<u>January 1 to December 31, 2023</u>									
Balance at January 1, 2023		\$ 675,000	\$ -	\$ 1,814,996	\$ 19,739	\$ 447,020	(\$ 54,297)	(\$ 409,576)	\$ 2,492,882
Net loss		-	-	-	-	-	(118,051)	-	(118,051)
Other comprehensive (loss) income for the year		-	-	-	-	-	-	(40,531)	(40,531)
Total comprehensive (loss) income for the year		-	-	-	-	-	(118,051)	(40,531)	(158,582)
Appropriation and distribution of 2022 earnings VI (XIX)									
Cover deficits with legal reserve		-	-	-	(19,739)	-	19,739	-	-
Cover deficits with additional paid-in capital		-	-	(34,558)	-	-	34,558	-	-
Capital increase by cash VI (XVII)		-	556	-	-	-	-	-	556
Issuance of convertible bonds VI (XIII)		-	-	27,657	-	-	-	-	27,657
Balance at December 31, 2023		\$ 675,000	\$ 556	\$ 1,808,095	\$ -	\$ 447,020	(\$ 118,051)	(\$ 450,107)	\$ 2,362,513

The Notes to the Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.

Chairman: Lin, Han-Ching

General Manager: Chen, Chin-Lung

Accounting Supervisor: Li, Tsung-Hsien

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2023 AND 2022
Unit: in Thousand NT Dollars

	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING</u>			
<u>ACTIVITIES</u>			
Net loss before tax		(\$ 71,431)	(\$ 73,799)
Adjustments			
Income and expense items			
Gains on financial assets at fair value through profit or loss	VI (XXIII)	(30)	-
Expected credit impairment gain	XII (II)	(21,628)	(24,751)
Depreciation charge (including depreciation charge on right-of-use assets)	VI (XXV)	183,443	176,464
Depreciation expenses of investment property	VI (XXIII)	3,246	3,919
Amortization charge	VI (XXV)	25,653	27,976
Interest expense	VI (XXIV)	67,758	58,301
Interest revenue	VI (XXI)	(11,373)	(10,385)
Loss (gain) on disposal of property, plant and equipment	VI (XXIII)	(5,221)	(15,740)
Impairment loss recognized in profit or loss, investment property	VI (XXIII)	21,330	-
Amortization of deferred government grants income	VI (XXII)	(2,876)	(2,883)
Changes in assets/liabilities relating to operating activities			
Net changes in operating assets			
Notes receivables, net		307,102	(122,962)
Accounts receivable, net		79,166	154,947
Other receivables		86,768	1,010
Inventories		70,443	96,004
Prepayments		24,694	(14,661)
Net changes in operating liabilities			
Contractual liabilities – current		(5,402)	(8,396)
Notes payable		76,108	(44,382)
Accounts payable		(131,898)	(141,842)
Other payables		17,766	(19,041)
Other current liabilities		(308)	(1,235)
Cash generated from/(used in) operations		713,310	38,544
Interest received		10,295	10,083
Income tax paid		(10,790)	(19,664)
Net cash flows from operating activities		712,815	28,963

(continued)

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2023 AND 2022
Unit: in Thousand NT Dollars

	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortized cost – current		(\$ 8,155)	\$ 88,054
Decrease in financial assets measured at amortized cost – non-current		(63,251)	10,466
Acquisition of property, plant and equipment	VI (XXIX)	(137,865)	(156,309)
Disposal of property, plant and equipment		15,693	18,709
Increase in intangible assets		(35)	-
Increase in prepaid equipment		(18,808)	(2,803)
Increase in other noncurrent assets		(16,508)	(28,413)
Increase in refundable deposits		(180)	-
Decreases in refundable deposits		10,359	1,281
Net cash outflows used in investing activities		(218,750)	(69,015)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	VI (XXX)	(117,441)	(959,201)
Increase in long-term borrowings	VI (XXX)	336,446	1,242,638
Payments in long-term borrowings	VI (XXX)	(790,260)	(380,954)
Increase (decrease) in deposits received		(248)	637
Interest paid		(69,804)	(54,730)
Principal repayment for leases	VI (XXX)	(2,350)	(904)
Issuance of convertible bonds	VI (XXX)	314,015	-
Payment of cash dividends	VI (XXX)	-	(20,250)
Capital collected in advance	VI (XVII)	556	-
Net cash outflows from financing activities		(329,086)	(172,764)
Effect of exchange rate changes		2,493	76,839
Net increase (decrease) in cash and cash equivalents for the year		167,472	(135,977)
Cash and cash equivalents at beginning of year		371,916	507,893
Cash and cash equivalents at end of year		<u>\$ 539,388</u>	<u>\$ 371,916</u>

The Notes to the Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.

Chairman: Lin, Han-Ching

General Manager: Chen, Chin-Lung

Accounting Supervisor: Li, Tsung-Hsien

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2023 AND 2022

Unit: in Thousand NT Dollars

(Unless Specified Otherwise)

1. Company History and Scope of Business Activities

Jiyuan Packaging Holdings Limited (the "Company") was incorporated as a company on March 27, 2014 in the British Cayman Island. It was established mainly for rearranging organizational structure in order to apply for listing in the Taiwan Stock Exchange. Business merger was conducted in October 2015 under common control. The Company holds 100% shareholding rights of GREEN LEAF HOLDINGS LIMITED and FAREAST VANTAGE HOLDINGS LIMITED by capital increase by stock transfer. The Company and its subsidiaries (hereinafter referred to as the "Group") are primarily engaged in production and sales of tin cans and aluminum cans. The Company established British Cayman Islands Jiyuan Packaging Holdings Limited Taiwan Branch on March 16, 2017.

The Company handled the public issuance of stocks for the first time on November 8, 2016 and became listed in the Taiwan Stock Exchange on December 13, 2016.

2. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2024.

3. Application of New and Amended Standards and Interpretations

- a. The impact of the newly issued, amended International Financial Reporting Standards (IFRS) adopted by the Financial Supervisory Commission (FSC), which have been approved and issued by the FSC and became effective.

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed and issued by the FSC that are applicable in 2023:

<u>New, Revised, and Amended Standards and Interpretations</u>	<u>Effective Date by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendment to IAS 12 "International Tax Reform – Pillar Two Blueprint"	May 23, 2023

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

- b. The impact of the new, revised, or amended IFRS approved by the FSC has not yet been adopted.

The table below summarizes the new issuances, amendments, and revisions of IFRS approved by the FSC for application in the year 2024:

<u>New, Revised, and Amended Standards and Interpretations</u>	<u>Effective Date by IASB</u>
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	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 contractual terms"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

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

- c. The IASB has issued IFRSs that have not yet been approved by the FSC and their impact.

The following table summarizes the new issuances, amendments, and revisions of IFRSs issued by the IASB, but not yet adopted by the FSC:

<u>New, Revised, and Amended Standards and Interpretations</u>	<u>Effective Date by IASB</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by the IASB
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

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

4. Summary of Significant Accounting Policies

The consolidated financial statements are prepared in accordance with the following principal accounting policies. Unless stated otherwise, these policies are consistently applied throughout the reporting period.

a. Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed and issued by the Financial Supervisory Commission (FSC) (collectively referred herein as the "IFRSs").

b. Basis of preparation

- 1) The consolidated financial statements are prepared on a historical cost basis, except for financial assets that are measured at fair value through profit or loss.
- 2) The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note V.

c. Basis of consolidation

1) Principle of Preparation of the Consolidated Financial Statements

- a) The Group includes all subsidiary companies when preparing the consolidated financial statements. Subsidiary companies are entities controlled by the Group, including structured entities. The Group exercises control over an entity when it encounters exposure to variable returns from its involvement with the entity, and has the power to influence those returns. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control, and are no longer consolidated from the date control is lost.
- b) In October 2015, the Group conducted a business combination under joint control, acquiring 100% equity interests of GREEN LEAF HOLDINGS LIMITED and FAREAST VANTAGE HOLDINGS LIMITED through a capital increase and share swap. As there is no specific guidance on business combinations under joint control in IFRS 3, the Group adopted the book value method in accordance with the letter issued by the Accounting Research and Development Foundation on December 17, 2012, with reference number 301. Accordingly, the Group prepared the consolidated financial statements for the aforementioned reorganization using the deemed merger method from inception.
- c) Transactions, balances, and unrealized gains or losses between companies within the group have been eliminated. The accounting policies of subsidiary companies have undergone a necessary adjustment to align with the policies adopted by the Group.
- d) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- e) If changes in the shareholding of a subsidiary do not result in a loss of control (and do not involve transactions with non-controlling interests), they are treated as equity transactions. This means that they are considered transactions with shareholders. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity.

2) Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership		Explanation
			December 31, 2023	December 31, 2022	
Jiyuan Packaging Holdings Limited	GREEN LEAF HOLDINGS LIMITED	Investment holding	100%	100%	(Note 1)
Jiyuan Packaging Holdings Limited	FAREAST VANTAGE HOLDINGS LIMITED	Investment Holding	100%	100%	(Note 1)
GREEN LEAF HOLDINGS LIMITED	Xiamen Jiyuan Enterprise Co., Ltd.	The production, processing, and sale of various beverages and food, along with the provision of packaging cans and boxes	100%	100%	
GREEN LEAF HOLDINGS LIMITED	Jifu (Xiamen) Industry Co., Ltd.	Processing of tin can, paper bowls, bottles and plastic color-printing	100%	100%	
GREEN LEAF HOLDINGS LIMITED	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	Processing and production of tin can, paper bowls, bottles and plastic color-printing, as well as manufacturing and processing various beverages and food packaging cans and boxes	25%	25%	
GREEN LEAF HOLDINGS LIMITED	Anhui Jiyuan Metal Printing Co., Ltd.	The production, processing, and sale of various beverages and food, along with the provision of packaging cans and boxes	100%	100%	
FAREAST VANTAGE HOLDINGS LIMITED	Guangdong Ji Duo Bao Can Making Co., Ltd.	Manufacturing, processing, and selling aluminum cans and lids for various beverages and food	50%	50%	Note 2
Xiamen Jiyuan Enterprise Co., Ltd.	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	Processing and production of tin can, paper bowls, bottles and plastic color-printing, as well as manufacturing and processing various beverages and food packaging cans and boxes	75%	75%	
Xiamen Jiyuan Enterprise Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	Manufacturing, processing, and selling aluminum cans and lids for various beverages and food	50%	50%	Note 2

The aforementioned subsidiaries included in the consolidated financial statements as of December 31, 2023 and 2022, have been audited by the Company's accountants.

Note 1: The Company conducted a business combination on October 16, 2015 under common control and held 100% shareholdings of GREEN LEAF HOLDINGS LIMITED and FAREAST VANTAGE HOLDINGS LIMITED by capital increase for share control. Since the merger started, the companies are incorporated into the consolidated financial statements, please refer to the explanations in Note IV(III)1.(2).

Note 2: The subsidiaries, FAREAST VANTAGE HOLDINGS LIMITED and Xiamen Jiyuan Enterprise Co., Ltd., which are directly or indirectly held by the Company originally held the equity of Guandong Ji Duo Bao Can Making Co., Ltd. of 70% and 30%, respectively. In the second quarter of 2017, Guandong Ji Duo Bao Can Making Co., Ltd. conducted capital increase by cash of USD\$10,000,000; FAREAST VANTAGE HOLDINGS LIMITED and Xiamen Jiyuan Enterprise Co., Ltd. did not subscribe based on the shareholding ratio. Hence, the shareholding ratios after capital increase are 63.33% and 36.67%, respectively.

In the second quarter of 2021, Guangdong Ji Duo Bao Can Making Co., Ltd. handled a cash capital increase of USD\$6,000,000. As of December 31, 2021, the cash capital increase was fully raised, and FAREAST VANTAGE HOLDINGS LIMITED and Xiamen Jiyuan Enterprise Co., Ltd. did not subscribe according to the shareholding ratio, and the shareholding ratios after the capital increase were 55.88% and 44.12%, respectively.

In the fourth quarter of 2022, Guangdong Ji Duo Bao Can Making Co., Ltd. handled a cash capital increase of USD\$6,000,000. As of December 31, 2022, the cash capital increase was fully raised, and FAREAST VANTAGE HOLDINGS LIMITED and Xiamen Jiyuan Enterprise Co., Ltd. did not subscribe according to the shareholding ratio, and the shareholding ratios after the capital increase were 50% and 50%, respectively.

- 3) Subsidiaries not included in the consolidated financial statements: None.
- 4) Adjustments for subsidiaries with different balance sheet dates: None.
- 5) Significant restrictions: None.

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

d. Foreign currency translation

The financial statements of each entity within the Group are measured in their respective functional currencies. For this consolidated financial statement, the functional currency is the New Taiwan Dollar for the Company, and the US Dollar and Chinese Yuan for the subsidiaries. However, local regulatory requirements for financial statement reporting necessitate that this consolidated financial statement be presented in New Taiwan Dollars as the reporting currency.

1) Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- b) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies measured at FVTOCI are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the initial transaction dates.
- d) All foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within "other gains and losses."

2) Translation of foreign operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) The assets and liabilities presented in each balance sheet are translated at the closing rate of the balance sheet date;
- b) The assets and liabilities presented in each composite income sheet are translated at the current average exchange rate; and
- c) All resulting exchange differences are recognized in other comprehensive income.

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

1) Assets that meet one of the following criteria are classified as current assets:

- a) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- b) Assets held mainly for trading purposes.
- c) Assets that are expected to be realized within twelve months from the balance sheet date.
- d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies assets not meeting the aforesaid criteria into non-current assets.

2) Liabilities that meet one of the following criteria are classified as current liabilities:

- a) Liabilities that are expected to be settled within the normal operating cycle.
- b) Assets held mainly for trading purposes.
- c) Liabilities that are expected to be settled within twelve months after the balance sheet date.
- d) The repayment deadline cannot be unconditionally extended to at least twelve months after the balance sheet date. If the terms of the debt permit the counterparty to choose, repayment can be made by issuing equity instruments without impacting its classification.

The Group classifies liabilities not meeting the aforesaid criteria into non-current liabilities.

f. Cash equivalents

Cash equivalents are short-term investments with high liquidity that can be easily converted into cash without significant risk of value fluctuation. Time deposits that meet this definition and are held to fulfill short-term cash commitments in operations are classified as cash equivalents.

g. Financial assets measured at fair value through profit or loss

- 1) This refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
- 2) The Group accounts for financial assets measured at fair value through profit or loss using the trade date accounting convention for conventional transactions.
- 3) The Group initially recognizes and measures assets at fair value, with transaction costs being recognized in profit or loss. Subsequently, the assets are measured at fair value, and any gains or losses are recognized in profit or loss.

h. Financial assets at amortized Cost

- 1) Financial assets at amortized cost are those that meet all of the following criteria:
 - a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - b) The financial asset's contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.
- 2) The Group uses the trade day accounting for financial assets measured at amortized cost and complied with trade practices.
- 3) At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- 4) The Group's time deposits which do not meet the condition of cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

i. Accounts receivables and notes receivables

- 1) Accounts receivables and notes receivables are accounts and notes of which the contractual right to consideration for goods sold or services rendered is unconditional.
- 2) The short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

j. Impairment of financial assets

The Group measures the loss allowance for financial assets measured at amortized cost after taking into account all reasonable and proving information (including foreseeing information) at each balance sheet date; where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at the 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance is measured at full lifetime expected credit losses; and where they are accounts receivables that do not comprise any significant financing components, the loss allowance is measured at full lifetime expected credit losses.

k. Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- 1) The contractual rights to receive the cash flows from the financial asset expire.
- 2) The contractual rights to receive cash flows of the financial asset have been transferred, and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- 3) The contractual rights to receive cash flows of the financial asset have been transferred, and the Company has not retained control of the financial asset.

l. Lease transactions for the lessors - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

m. Inventories

Inventory is valued at the lower of cost or net realizable value, using the weighted average method to determine cost. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated based on normal production capacity), but excludes borrowing costs. When comparing cost and net realizable value, the item-by-item comparison method is employed.

Net realizable value is the estimated selling price during normal business operations minus the estimated costs still to be incurred to complete the item and the estimated costs required to complete the sale.

n. Property, plant and equipment

- 1) Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- 2) Subsequent costs are included in the book value of assets or recognized as a separate asset only if they are expected to generate future economic benefits for the Group and if their costs can be accurately determined. The book value of the reset portion should be excluded. All other maintenance expenses are recognized as current expenses when they are incurred.
- 3) Property, plant, and equipment are valued using the cost model for subsequent measurement. Depreciation is calculated using the straight-line method, taking into account the estimated useful life. If any component of Property, plant, and equipment is significant, depreciation is recognized separately.
- 4) The Group reviews the residual values, useful lives, and depreciation methods of its assets at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or if there is a significant change in the pattern of future economic benefits consumed by the assets, adjustments are made in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors." The useful lives of various assets are as follows:

Buildings and property	3 to 30 years
Machinery and equipment	1 to 20 years
Office equipment	3 to 10 years
Transportation equipment	4 to 10 years
Others	1 to 10 years

o. Lease transactions for the lessees - Right-of-Use assets / lease liabilities

- 1) Leased assets are recorded as right-of-use assets and lease liabilities on the date they become available for use by the Group. If a lease contract is classified as a short-term lease or involves assets with low value, lease payments are recognized as expenses using the straight-line method over the lease term.

- 2) Lease liabilities are recognized on the lease commencement date based on the present value of lease payments that have not yet been paid, discounted at the borrowing rate of the Group. Lease payments are considered fixed payments, excluding any lease incentives that may be received. The interest method is then used to measure the lease liabilities at amortized cost, with interest expense recognized over the lease term. If there are changes to the lease term or lease payments that are not due to contract modifications, the lease liabilities are reassessed and the re-measurement amount is adjusted to the right-of-use assets.
- 3) Right-of-use assets are recognized at cost on the lease starting date. The cost refers to the initial measurement of the lease liabilities.

Depreciation expenses are recognized based on the subsequent cost model, either when the useful life of the right-of-use assets expires or when the lease term expires, whichever occurs earlier. Any re-measurement amounts of the lease liabilities are adjusted against the right-of-use assets when the lease liabilities are re-evaluated.

- 4) For lease modifications that reduce the scope of the lease, the lessee shall reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between this amount and the re-measurement amount of the lease liability in profit or loss.

p. Investment property

Investment properties are initially recognized at cost and then valued using the cost model. Depreciation is calculated on a straight-line basis over the estimated useful life, which ranges from 20 to 30 years.

q. Intangible assets

1) Patents

Individually acquired patents are recognized at cost. Patents are finite-lived assets and are amortized over their estimated useful life of 10 years using the straight-line method.

2) Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 ~ 10 years.

r. Impairment of non-financial assets

On the balance sheet date, the Group estimates the amount that can be reclaimed for assets that show signs of impairment. If the reclaimed amount is lower than the carrying value, an impairment loss is recognized. The reclaimed amount is determined as the higher of the fair value less disposal costs or the value in use of an asset. If the circumstances that led to asset impairment in previous years no longer exist or have improved, the impairment loss is reversed. However, the increase in the carrying amount of the asset resulting from the reversal of the impairment loss does not exceed the carrying amount after deducting depreciation or amortization, if the asset had not been impaired.

s. Borrowings

- 1) Borrowings refer to long and short-term borrowings obtained from banks. When the original recognition of the Group is based on its fair value less trade cost, any subsequent difference between the price and redemption value after deducting for transaction costs is recognized by the effective interest method for the circulation period, in profit or loss.
- 2) The expenses paid at the time of the loan quotas establishment, when it is very possible to withdraw part or all of the loan quotas, the expenses are endorsed as the transaction costs of the loan and deferred until the adjustment of the effective interest rate when the active expenditure occurs. When it is unlikely that part or all of the quotas will be withdrawn, the expense will be recognized as prepayments and amortized over the period in relevant quotas.

t. Accounts payables and notes payables

- 1) Accounts payables and notes payables refer to the debts incurred by purchase of materials, goods, or services on credit, and the notes payables incurred by both operating and non-operating activities.
- 2) The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

u. Convertible bonds payable

The Group's convertible corporate bonds include conversion rights, allowing holders to convert them into ordinary shares of the Group at a fixed rate. These bonds also have call options. The initial issuance price is categorized as either financial assets, financial liabilities,

or equity, depending on the issuance conditions. The treatment of the issuance price is as follows:

- 1) The embedded right of repurchase: At initial recognition, it is recognized at its net fair value as "Financial assets or liabilities at fair value through profit or loss"; subsequently, at each balance sheet date, it is revalued at fair value, with any difference recognized as "Gains or losses on financial assets (liabilities) at fair value through profit or loss."
- 2) Main contract for corporate bonds: At initial recognition, they are measured at fair value, and the difference between the fair value and the redemption value is recorded as a discount on payable corporate bonds. Subsequently, the effective interest method is applied to amortize the discount over the term of circulation and report it in the income statement as an adjustment item for 'financial costs'.
- 3) The embedded conversion option (as defined in equity) is accounted for as follows: Upon initial recognition, the issuance amount is reduced by the "fair value of financial assets or liabilities measured through profit or loss," and "corporate bonds payable." The remaining value is recorded in "capital surplus - stock options." Subsequent re-measurement is not necessary.
- 4) Any directly attributable transaction costs incurred in the issuance are allocated to the respective components of liabilities and equity based on the proportion of the original carrying amounts of each component as mentioned above.
- 5) When conversion occurs, the liability components (including "convertible bonds payable" and "financial assets or liabilities at fair value through profit or loss") are treated according to their subsequent measurement methods. The book value of the mentioned debt components is then combined with the book value of "capital surplus - stock options" to determine the issuance cost of the common stock.

v. Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

w. Employee benefits

- 1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

2) Pensions

For defined contribution plans, the amount of retirement benefits to be accrued is recognized as retirement benefit expense in the current period based on the obligation incurred. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

3) Termination benefits

Termination benefits are provided to employees when their employment is terminated before the normal retirement date or when they choose to accept the company's offer of benefits in exchange for termination. The Group recognizes the expense when the offer of termination benefits becomes irrevocable or when the related restructuring costs are recognized, whichever happens first. Benefits that are expected to be fully settled within twelve months after the balance sheet date should be discounted.

4) Employees' compensation and directors' remuneration

Employee and director remuneration is recognized as an expense and liability when there is a legal or constructive obligation and the amount can be reasonably estimated. Any differences between the actual distribution amount and the estimated amount are treated as changes in accounting estimates. In cases where employee remuneration is provided through stock issuance, the basis for calculating the number of shares is the closing price on the day before the board of directors' decision.

x. Income tax

- 1) The income tax expense includes current and deferred income taxes. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- 2) The Group calculates its current income tax based on the tax rates legislated or substantially legislated by the countries in which it operates and generates taxable income as of the balance sheet date. The management periodically evaluates the status of income tax filing in accordance with the applicable income tax regulations and, when necessary, estimates the income tax liability by recording the estimated tax payable to the tax authorities.

- 3) Deferred income taxes are recognized using the balance sheet method, which is based on the taxable basis of assets and liabilities and the temporary differences that arise from their book amounts in the consolidated balance sheet. If temporary differences arise from investments in subsidiaries, the Group has the ability to control the timing of the reversal of these differences. However, temporary differences that are unlikely to reverse in the foreseeable future are not recognized. The recognition of deferred income taxes occurs at the date of the balance sheet and is based on enacted or substantially enacted tax rates (and tax laws) that are expected to be applicable when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.
- 4) Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are re-assessed.
- 5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis, or realize the asset and settle the liability, simultaneously.

y. Share capital

Common stock is classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

z. Dividends

The dividend allocated to the shareholders of the Company shall be recognized in the financial report during the resolution of the shareholders' meeting to distribute dividend, while cash dividends shall be recognized as liabilities.

aa. Revenue recognition

- 1) Sales revenue

- a) The Group manufactures and sells tinplate and aluminum cans, and related products. Sales revenue is recognized when control of the product is transferred to the customer. This occurs when the products are delivered to the customer, and the customer has discretion over the sales channel and price. The Group has no remaining performance obligations that could affect the customers' acceptance of the product. The goods are considered delivered when they are shipped to the designated location, and the risks of obsolescence and loss have been transferred to the customer. The customer must accept the product in accordance with the sales contract, or there must be objective evidence that all acceptance criteria have been met.
- b) Sales revenue is recognized at the net amount of the contract price minus estimated sales returns and allowances. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- c) Accounts receivable is recognized when goods are delivered to customers because at which time the Group's right to the consideration for contracts from customers is unconditional, except for passage of time.

2) Processing revenue

The Group offers color printing and iron processing manufacturing services for tinplate cans. Revenue from these services is recognized as income during the financial reporting period when they are provided to customers. Revenue from fixed-price contracts is recognized based on the percentage of completion of the services. The completion percentage is determined by the delivered quantity as a proportion of the total quantity to be delivered.

bb. Government grants

Government grants are recognized at fair value when it is reasonably assured that the Company will comply with the conditions attached to the grant and that the grant will be received. If the government grant is intended to compensate for expenses incurred by the Group, it is recognized as income in the statement of profit or loss systematically over the periods necessary to match the grant with the related costs incurred. Government grants related to certain subsidiaries' property, plant, and equipment of the Company are recognized

as non-current liabilities and are recorded as income in the current period based on the estimated useful life of the related assets, using the straight-line method. Additionally, government grants related to subsidiaries' property, plant, and equipment of the Company are deducted from the carrying value of the assets, and are recognized as income in the income statement through a reduction in depreciation expenses over the useful life of the assets.

cc. Operating segments

The operating segments' information of the Group is reported in a manner consistent with the internal management reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operations segments and assessing their performance, and is identified as the board of directors of the Group.

5. Significant Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

When the Group prepared these consolidated financial statements, management exercised judgement in determining the accounting policies to be applied and made reasonable estimates and assumptions based on the circumstances existing at the date of the balance sheet for future events. Significant accounting estimates and assumptions made by management may differ from actual results, and these differences are continually assessed and adjusted in light of historical experience and other factors. Such estimates and assumptions carry the risk of adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following for details on significant accounting judgements, estimates, and assumptions uncertainties:

a. Significant judgments for applying the Company's accounting policies

Based on the Group's assessment, there is no significant uncertainty in the adoption of the accounting policies.

b. Significant accounting related estimates and assumptions

1) Assessment of allowances for accounts receivable

The Group's management oversees the collection from customers and debt collection operations, bearing associated credit risks. The management periodically evaluates credit quality of customers and receipt operations thereof to adjust the credit policy to customers in time. In addition, the evaluation on appropriation of loss for notes receivable is based on relevant regulations of IFRS 9 "Financial Instruments" to evaluate loss on expected credit. The management makes the evaluations based on multiple factors that could possibly affect the payment ability of the customers, such as

overdue period of individual customers on the record date of the balance sheet and in the past history, financial status of the customers, etc. and include future forward-looking information to create expected loss rate.

As of December 31, 2023, the Group recognized the carrying amount of accounts receivable. Please refer to Note VI (III) for details.

2) Inventory valuation

Since inventory is valued at the lower of cost and net realizable value, the Group must exercise judgement and estimation to determine the net realizable value of inventory as of the balance sheet date. Due to market competition and fluctuations in raw material prices, the Group assesses the amount of inventory at the balance sheet date that is impaired due to normal wear and tear, obsolescence, or lack of market sales value, and reduces inventory cost to the net realizable value. This inventory valuation is primarily based on estimated future demand for specific periods, which may result in significant fluctuations.

As of December 31, 2023, please refer to Note VI (IV) for details concerning the carrying amount of inventory of the Group.

6. Descriptions of Major Accounting Accounts

a. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 281	\$ 328
Demand deposits	496,184	371,588
Time deposits	42,923	-
	<u>\$ 539,388</u>	<u>\$ 371,916</u>

- 1) The Group deals with financial institutions having high credit quality. The Group also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is rather low.
- 2) The Group has reclassified pledged time deposits to financial assets measured at amortized cost - current, and financial assets measured at amortized cost - non-current.

The amounts of financial assets measured at amortized cost - current as of December 31, 2023, and December 31, 2022, were \$414,892 and \$406,737, respectively. The amounts of financial assets measured at amortized cost - non-current as of December 31, 2023, and December 31, 2022, were \$69,393 and \$6,142, respectively. For details regarding the pledged information, please refer to Note VIII. Additionally, for information on interest income recognized for financial assets measured at amortized cost, please refer to Note VI (XXI).

b. Financial assets measured at fair value through profit or loss

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current Items:		
Obligation of financial assets measured at fair value through profit or loss		
— Right of repurchase for convertible bonds issued	\$ 150	\$ -
Valuation adjustment	30	-
	<u>\$ 180</u>	<u>\$ -</u>

- 1) The net (loss) income recognized for financial assets measured at fair value through profit or loss by the Group in the years ended December 31, 2023 and 2022, respectively, is detailed in Note VI (XXIII).
- 2) For detailed information on the relevant fair value, please refer to Note XII (III).

c. Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	<u>\$ 73,571</u>	<u>\$ 380,673</u>
Accounts receivable	\$ 934,437	\$ 1,013,603
Less: Loss allowance	<u>(16,971)</u>	<u>(38,822)</u>
	<u>\$ 917,466</u>	<u>\$ 974,781</u>

- 1) The Group's aging analysis of notes and accounts receivable and information relating to credit risk are provided in the details of Note XII (II).
- 2) As of December 31, 2023 and 2022, notes and accounts receivable were all from

contracts with customers. And as of January 1, 2022, the balance of notes and accounts receivables from contracts with customers amounted to \$1,440,399.

- 3) The Group assesses that for the notes receivable transferred to other parties by endorsement to pay the supplier's accounts payable in the same amount, if the acceptor refuses to pay when due, the Group is obliged to pay the endorser. However, if the acceptor has a higher credit rating, the derecognition requirements for financial assets are met. On December 31, 2023 and 2022, the Group's outstanding and derecognized notes receivable were \$130,009 and \$75,844, respectively, and the outstanding and underecognized notes receivable were \$9,950 and \$166,675, respectively.
- 4) The Group assesses that for the notes receivable discounted to banks, if the acceptor refuses to pay when due, the Group is obliged to pay the endorser. However, if the acceptor has a higher credit rating, the derecognition requirements for financial assets are met. On December 31, 2023 and 2022, the Group's outstanding and derecognized notes receivable discounted to banks were \$457,009 and \$260,661, respectively.
- 5) The Group does not hold any collateral for the above notes and accounts receivable. In addition, please refer to Note VIII for the details of the Group's guarantee of notes receivable in order to issue bank acceptance bills.

d. Inventories

December 31, 2023			
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 138,555	(\$ 1,177)	\$ 137,378
Work in progress	47,757	(103)	47,654
Finished goods	159,270	(14,331)	144,939
	<u>\$ 345,582</u>	<u>(\$ 15,611)</u>	<u>\$ 329,971</u>

December 31, 2022			
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 175,264	(\$ 6,724)	\$ 168,540
Work in progress	42,002	(319)	41,683
Finished goods	200,946	(10,755)	190,191
	<u>\$ 418,212</u>	<u>(\$ 17,798)</u>	<u>\$ 400,414</u>

- 1) None of the above inventories was pledged to others as collateral.
- 2) The cost of inventories recognized as expense for the year:

	2023	2022
Inventory cost has been sold	\$ 3,770,413	\$ 3,910,149
(Recovery gain) from price decline (1,925)	3,222
Loss on scrapping inventory	10,087	3,321
Scraps sale revenues	(179,735)	(145,103)
	<u>\$ 3,598,840</u>	<u>\$ 3,771,589</u>

In the fiscal year 2023, the Group generated reversal of impairment gains due to the reduction in provision for inventory impairment resulting from the clearance of inventory previously impaired.

(Blank below)

e. Property, plant and equipment

	Buildings and structures for own use	Lease	Sub-total	Machinery and equipment for own use	Office equipment for own use	Transportation equipment for own use	Other equipment for own use	Unfinished construction and equipment for own use	Total
<u>January 1, 2023</u>									
Cost	\$ 1,273,583	\$ -	\$ 1,273,583	\$ 2,934,371	\$ 28,630	\$ 36,077	\$ 26,353	\$ 20,150	\$ 4,319,164
Accumulated depreciation and impairment	(436,111)	-	(436,111)	(1,124,433)	(21,338)	(28,970)	(22,272)	-	(1,633,124)
	<u>\$ 837,472</u>	<u>\$ -</u>	<u>\$ 837,472</u>	<u>\$ 1,809,938</u>	<u>\$ 7,292</u>	<u>\$ 7,107</u>	<u>\$ 4,081</u>	<u>\$ 20,150</u>	<u>\$ 2,686,040</u>
<u>2023</u>									
January 1	\$ 837,472	\$ -	\$ 837,472	\$ 1,809,938	\$ 7,292	\$ 7,107	\$ 4,081	\$ 20,150	\$ 2,686,040
Additions	-	-	-	7,628	253	972	458	125,916	135,227
Disposals	-	-	-	(10,003)	(22)	(436)	(11)	-	(10,472)
Reclassifications	(38,720)	-	(38,720)	9,725	57	1,658	42	(21,415)	(48,653)
Government grants (Note)	-	-	-	(110,470)	-	-	-	-	(110,470)
Depreciation expenses	(47,689)	-	(47,689)	(125,130)	(2,164)	(1,676)	(1,296)	-	(177,955)
Net exchange difference	(13,177)	-	(13,177)	(25,742)	(85)	(92)	(47)	(2,855)	(41,998)
December 31	<u>\$ 737,886</u>	<u>\$ -</u>	<u>\$ 737,886</u>	<u>\$ 1,555,946</u>	<u>\$ 5,331</u>	<u>\$ 7,533</u>	<u>\$ 3,227</u>	<u>\$ 121,796</u>	<u>\$ 2,431,719</u>
<u>December 31, 2023</u>									
Cost	\$ 1,181,534	\$ -	\$ 1,181,534	\$ 2,700,955	\$ 27,798	\$ 29,780	\$ 21,505	\$ 121,796	\$ 4,083,368
Accumulated depreciation and impairment	(443,648)	-	(443,648)	(1,145,009)	(22,467)	(22,247)	(18,278)	-	(1,651,649)
	<u>\$ 737,886</u>	<u>\$ -</u>	<u>\$ 737,886</u>	<u>\$ 1,555,946</u>	<u>\$ 5,331</u>	<u>\$ 7,533</u>	<u>\$ 3,227</u>	<u>\$ 121,796</u>	<u>\$ 2,431,719</u>

Note: Government grants represent subsidies from local governments in Mainland China for the development of advanced manufacturing industries (enterprise technology transformation) that can be received by the Company's subsidiaries in Mainland China. The Company records these subsidies as a deduction from the carrying amount of the corresponding assets. Subsequently, the government grants are recognized as income over the remaining useful life of the assets that were subsidized. This is achieved by reducing depreciation expense.

	Buildings and structures for own use	Lease	Sub-total	Machinery and equipment for own use	Office equipment for own use	Transportation equipment for own use	Other equipment for own use	Unfinished construction and equipment for own use	Total
<u>January 1, 2022</u>									
Cost	\$ 1,236,284	\$ 84,684	\$ 1,320,968	\$ 2,411,049	\$ 25,340	\$ 37,653	\$ 25,746	\$ 495,097	\$ 4,315,853
Accumulated depreciation and impairment	(385,656)	(19,626)	(405,282)	(1,023,295)	(18,969)	(29,520)	(20,775)	-	(1,497,841)
	<u>\$ 850,628</u>	<u>\$ 65,058</u>	<u>\$ 915,686</u>	<u>\$ 1,387,754</u>	<u>\$ 6,371</u>	<u>\$ 8,133</u>	<u>\$ 4,971</u>	<u>\$ 495,097</u>	<u>\$ 2,818,012</u>
<u>2022</u>									
January 1	\$ 850,628	\$ 65,058	\$ 915,686	\$ 1,387,754	\$ 6,371	\$ 8,133	\$ 4,971	\$ 495,097	\$ 2,818,012
Additions	-	-	-	32,979	2,552	322	767	9,844	46,464
Disposals	(257)	-	(257)	(2,383)	(8)	(270)	(51)	-	(2,969)
Reclassifications	21,102	(66,477)	(45,375)	486,413	473	269	-	(492,784)	(51,004)
Depreciation expenses	(47,818)	-	(47,818)	(118,104)	(2,212)	(1,443)	(1,688)	-	(171,265)
Net exchange difference	<u>13,817</u>	<u>1,419</u>	<u>15,236</u>	<u>23,279</u>	<u>116</u>	<u>96</u>	<u>82</u>	<u>7,993</u>	<u>46,802</u>
December 31	<u>\$ 837,472</u>	<u>\$ -</u>	<u>\$ 837,472</u>	<u>\$ 1,809,938</u>	<u>\$ 7,292</u>	<u>\$ 7,107</u>	<u>\$ 4,081</u>	<u>\$ 20,150</u>	<u>\$ 2,686,040</u>
<u>December 31, 2022</u>									
Cost	\$ 1,273,583	\$ -	\$ 1,273,583	\$ 2,934,371	\$ 28,630	\$ 36,077	\$ 26,353	\$ 20,150	\$ 4,319,164
Accumulated depreciation and impairment	(436,111)	-	(436,111)	(1,124,433)	(21,338)	(28,970)	(22,272)	-	(1,633,124)
	<u>\$ 837,472</u>	<u>\$ -</u>	<u>\$ 837,472</u>	<u>\$ 1,809,938</u>	<u>\$ 7,292</u>	<u>\$ 7,107</u>	<u>\$ 4,081</u>	<u>\$ 20,150</u>	<u>\$ 2,686,040</u>

1. Interest-free capitalization of the Group.
2. The provision of property, plant and equipment that were pledged to others by the Group as collateral is provided in the details of Note VIII.

f. Lease transaction - The lessee

- 1) The assets leased by the Group include land use rights, offices, factories, and transportation equipment. The lease contracts for offices, factories, and transportation equipment have a duration of 3 to 5 years, while the contract for land use rights has a duration of 2 to 50 years. These lease contracts are individually negotiated and include various terms and conditions. Apart from the restriction that the leased assets cannot be used as collateral for borrowings, no other significant restrictions are imposed.
- 2) Information on the carrying amount and depreciation expense of the right-of-use assets is:

	<u>Land use rights</u>	<u>Buildings and property</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1, 2023	\$ 165,125	\$ 456	\$ 2,114	\$ 167,695
Additions	1,359	-	-	1,359
Depreciation expenses	(4,480)	(114)	(894)	(5,488)
Net exchange difference	(2,723)	-	(18)	(2,741)
December 31, 2023	<u>\$ 159,281</u>	<u>\$ 342</u>	<u>\$ 1,202</u>	<u>\$ 160,825</u>

	<u>Land use rights</u>	<u>Buildings and property</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1, 2022	\$ 166,715	\$ 570	\$ 308	\$ 167,593
Additions	-	-	2,604	2,604
Depreciation expenses	(4,292)	(114)	(793)	(5,199)
Net exchange difference	2,702	-	(5)	2,697
December 31, 2022	<u>\$ 165,125</u>	<u>\$ 456</u>	<u>\$ 2,114</u>	<u>\$ 167,695</u>

- 3) The profit and loss items related to the lease contracts are:

	2023	2022
<u>Items affecting loss (profit) for the current period</u>		
Interest expense on lease liabilities	\$ 60	\$ 52
Expense on leases with low-value underlying assets	598	933
	<u>\$ 658</u>	<u>\$ 985</u>

- 4) For the years ended 2023 and 2022, apart from the cash outflow for the expenses on leases described in Note VI (VI)3, please see the details of Note VI (XXX) for the Group's cash outflow for repayment of leases, respectively.
- 5) Extension and termination options:

The Group, when determining the lease term, considers all facts and circumstances that create economic incentives to exercise extension options or not to exercise termination options. Significant events triggering reassessment of the lease term occur when there are substantial changes in the assessment of exercising extension options or not exercising termination options.

g. Lease Transaction - Lessor

- 1) The Group leases various assets including plant and dormitory. Rental contracts are typically made for periods of 1 and 18 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- 2) For the year ended 2023 and 2022, please see the details of Note VI (XXII) for the Group recognized rent income based on the operating lease agreement.
- 3) The maturity and analysis of the lease payments of leasing by the Group under operating leases are:

	December 31, 2023	December 31, 2022
2023	\$ -	\$ 13,200
2024	11,818	10,537
2025	10,910	10,537
2026	11,173	10,800
2027	11,961	11,590
2028 and after	75,171	68,963
	<u>\$ 121,033</u>	<u>\$ 125,627</u>

h. Investment property

<u>January 1</u>	<u>2023</u>	<u>2022</u>
Cost	\$ 116,762	\$ 52,464
Accumulated depreciation and impairment	(52,153)	(29,447)
	<u>\$ 64,609</u>	<u>\$ 23,017</u>
January 1	\$ 64,609	\$ 23,017
Reclassifications	38,720	45,375
Depreciation expenses	(3,246)	(3,919)
Provision for impairment	(21,330)	-
Net exchange difference	(506)	136
December 31	<u>\$ 78,247</u>	<u>\$ 64,609</u>
<u>December 31</u>		
Cost	\$ 185,352	\$ 116,762
Accumulated depreciation and impairment	(107,105)	(52,153)
	<u>\$ 78,247</u>	<u>\$ 64,609</u>

1) Rental revenue and direct operating expenses of investment property

	<u>2023</u>	<u>2022</u>
Rental revenue of investment property	<u>\$ 16,779</u>	<u>\$ 14,012</u>
Direct operating expenses incurred by investment property generating rental revenue in the current period	<u>\$ 3,246</u>	<u>\$ 3,919</u>

- 2) The fair values of the investment property held by the Group as at December 31, 2023 and 2022 were \$234,587 and \$176,803, respectively. The fair values were assessed based on evaluation results of independent evaluation experts, refer to the market value of similar real estate transactions in neighboring areas and discounted cash flow using the rentals contained in the leases, etc.
- 3) For details on the impairment of investment properties, please refer to Note VI (X).

i. Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for business facilities	\$ 21,246	\$ 2,865
Refundable deposits	1,488	1,334
Long-term deferred expenses	45,845	54,901
Others	74,929	73,913
	<u>\$ 143,508</u>	<u>\$ 133,013</u>

j. Impairment of non-financial assets

The Group incurred impairment on investment properties due to a fire incident in March, 2023. The carrying amount of the investment properties has been adjusted based on the recoverable amount, and impairment loss has been recognized. Details are as follows:

	2023		2022	
	Recognized in current (loss) gain	Recognized in other comprehensive (loss) income	Recognized in current (loss) gain	Recognized in other comprehensive (loss) income
Impairment				
Loss - Investment Properties	(\$ 21,330)	\$ -	\$ -	\$ -

k. Short-term borrowings

December 31, 2023: None.

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loans	\$ 116,864	3.20%~5.11%	None

The Group recognizes interest expense in profit or loss. Please refer to Note VI (XXIV) for details.

l. Other payables

	December 31, 2023	December 31, 2022
Payable on social insurance and surplus	\$ 72,135	\$ 59,679
VAT payable	30,620	30,817
Salary and award payable	22,552	21,185
Spare parts payable	12,132	12,614
Equipment expenses payable	1,351	3,989
Others	49,333	42,469
	<u>\$ 188,123</u>	<u>\$ 170,753</u>

m. Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	\$ 300,000	\$ -
Less: discounted bonds payable	(17,780)	-
	<u>\$ 282,220</u>	<u>\$ -</u>

- 1) This is the company's inaugural domestic issuance of convertible corporate bonds with guaranteed conversion conditions.
 - a) This is the company's inaugural domestic issuance of convertible corporate bonds with guaranteed conversion conditions.
 - i. The Company has been approved by the regulatory authority to issue the first domestically secured convertible bonds, with a total issuance amount of \$300,000, a coupon rate of 0%, a three-year issuance period, and a trading period from December 19, 2023, to December 19, 2026. The convertible bonds will be redeemed in cash at face value upon maturity. The convertible corporate bonds were listed for trading on the Taipei Exchange on December 19, 2023.
 - ii. Bondholders of this convertible corporate bond have the option to convert it into common stock of the company at any time, starting from three months after the issuance date until the maturity date, except during any suspension period required by regulations or laws. Upon conversion, the rights and obligations of the common shares shall be the same as those of the previously issued common shares.
 - iii. The conversion price of the convertible corporate bonds is determined based on the pricing model specified in the conversion rules. If the conversion price is affected by the company's anti-dilution clause, it will be adjusted using the same pricing model. The conversion price at the time of issuance is NT\$18.5.
 - iv. Starting from three months after the issuance date of these convertible bonds until forty days before the end of the issuance period, if the closing price of the Company's common shares exceeds 30% (inclusive) of the then conversion price of the bonds for thirty consecutive trading days, the Company may, within the next thirty trading days, redeem all of the bonds at face value in cash.
 - v. Starting from three months after the issuance of these convertible bonds until forty days before the end of the issuance period, if the outstanding balance of

the convertible bonds in circulation is less than ten percent of the original issuance amount, the Company may, at any time thereafter, redeem all of the bonds at face value in cash.

- vi. In accordance with the conversion regulations, all convertible corporate bonds repurchased by the Company (including those bought back by securities firms) and those redeemed or converted will be canceled. Additionally, all rights and obligations associated with the bonds will be extinguished and will no longer be issued.
 - b) As of December 31, 2023, the convertible corporate bonds have not been converted into common stock.
 - c) As of December 31, 2023, the Company has repurchased convertible corporate bonds with a face value of \$0 from securities firms.
- 2) When issuing convertible corporate bonds, the Group separates the conversion rights, which are considered equity, from the various debt components in accordance with IAS 32 "Financial Instruments: Presentation." The amount of \$27,657 is recorded under "Capital Surplus - Stock Subscription Rights." The embedded call and put options are separated and accounted for as "Financial Assets Measured at Fair Value through Profit or Loss" in accordance with IFRS 9 "Financial Instruments," as they are not closely related to the economic characteristics and risks of the host contract debt instrument. The effective interest rate of the host contract debt after separation is 2.0966%.

n. Long-term loans

Type of borrowings	Loan period and repayment method	Interest rate range	Foreign currency information	Collateral	December 31, 2023
Long-term bank borrowings					
Syndicated loan from 5 banks including CTBC Bank, etc. - Item A	Please refer to 2.(3).A for an explanation of the repayment of principal.	5.27~7.88%	USD\$4.975 million RMB\$28.05 million	Please refer to the details of Note VIII	\$ 274,381
Syndicated loan from 5 banks including CTBC Bank, etc. - Item B	Please refer to 2.(3).B for an explanation of the repayment of principal.	5.27%	RMB\$59.85 million	Please refer to the details of Note VIII	259,482
Syndicated loan from 5 banks including CTBC Bank, etc. - Item C	Please refer to 2.(3).C for an explanation of the repayment of principal.	5.27%	RMB\$30.15 million	Please refer to the details of Note VIII	130,717
					664,580
Less: Long-term borrowings due within one year or one operating cycle					(172,338)
Less: Transaction cost for long-term loans					(6,212)
					<u>\$ 486,030</u>

(continued)

Type of borrowings	Loan period and repayment method	Interest rate range	Foreign currency information	Collateral	December 31, 2022
Long-term bank borrowings					
CTBC Bank	From August 30, 2022 to August 30, 2024; principal is repayable at end of the term and interest is repayable monthly	2.95~3.33%	RMB\$42.76 million	Please refer to Note VII	\$ 188,570
Syndicated loan from 5 banks including CTBC Bank, etc. - Item A	Please refer to 2.(3).A for an explanation of the repayment of principal.	4.94~5.40%	USD\$12.825 million RMB\$31.35 million	Please refer to the details of Note VIII	532,154
Syndicated loan from 5 banks including CTBC Bank, etc. - Item B	Please refer to 2.(3).B for an explanation of the repayment of principal.	4.94%	RMB\$63 million	Please refer to the details of Note VIII	277,827
Syndicated loan from 5 banks including CTBC Bank, etc. - Item C	Please refer to 2.(3).C for an explanation of the repayment of principal.	4.94%	RMB\$28.53 million	Please refer to the details of Note VIII	125,816
					<u>1,124,367</u>
Less: Long-term borrowings due within one year or one operating cycle					(195,724)
Less: Transaction cost for long-term loans					(8,297)
					<u>\$ 920,346</u>

1) The Company's subsidiary, Guangdong Ji Duo Bao Can Making Co., Ltd., signed a joint credit agreement with a consortium of five banks led and managed by China Trust Commercial Bank on January 26, 2022. The main terms of the loan agreement are outlined below:

a) Credit line: The total credit amount is USD\$35 million.

i. A:

i) A I: The amount of USD\$13.50 million is not allowed to be used discretely or cyclically.

ii) A II: The amount of RMB\$33.00 million is not allowed to be used discretely or cyclically.

ii. B: The amount of USD\$10.00 million is not allowed to be used cyclically.

iii.C: The amount of USD\$6.50 million is allowed to be used cyclically.

b) Credit period:

i. A: 5 years from the date of first use.

ii. B: 5 years from the date of first use.

iii.C: 3 years (or 5 years if there is an extension based on the agreement) from the date of first use.

- c) Repayment
- i. A: The principal is repayable in 10 installments semi-annually after the first repayment which is made 6 months after the first drawdown. The first and the sixth installments repaid 5% each of the outstanding principal balance, the seventh to the eighth installments repaid 10% each of the outstanding principal balance and the ninth and the tenth installments repaid 25% each of the outstanding principal balance.
 - ii. B: The principal is repayable in 8 installments semi-annually after the first repayment which is made 18 months after the first drawdown. The first and the fourth installments repaid 5% each of the outstanding principal balance, the fifth to the sixth installments repaid 10% each of the outstanding principal balance and the seventh and the eighth installments repaid 30% each of the outstanding principal balance.
 - iii. C: Repaying the loans according to the maturity date of the loan as stated in the application, and use it cyclically.
- d) Joint guarantor: The Company, GREEN LEAF HOLDINGS LIMITED, FAREAST VANTAGE HOLDINGS LIMITED, Xiamen Jiyuan Enterprise Co., Ltd.; Hubei Jiyuan Metal Printing Can Making Co., Ltd.; Anhui Jiyuan Metal Printing Co., Ltd.; Zong Da Construction Co., Ltd.; Lin, Han-Ching and Lin, Tzu-Min.
- e) Guarantee settlement collateral: Provide the first mortgage of the land use right, construction and ancillary facilities of Guangdong Ji Duo Bao Can Making Co., Ltd. to the management bank. The insurance benefits of each collateral item will be assigned to the managing bank, with the managing bank as the beneficiary.
- The collaterals above were completed in the fourth quarter of 2022. For information on the guarantees provided by the Group, please refer to Note VIII.
- f) The negative pledge provides land use rights, construction and ancillary facilities, and their related interests as collateral and no longer use the collateral to set a mortgage or otherwise dispose of it to a third party or make any commitment to a third party.
- g) Financial Ratio Limit:
- i. During the contract period, Guangdong Ji Duo Bao Can Making Co., Ltd. is required to calculate and maintain annually that current ratio and debt ratio meet the lower limit agreed in the contract based on the audited annual consolidated financial statements.

- ii. Starting from the year 2023, during the contract period, the Group is required to calculate and maintain semi-annually that financial ratios such as current ratio, debt ratio and times interest earned ratio and net tangible assets meet the lower limit agreed in the contract based on the audited annual consolidated financial statements and the reviewed semi-annual consolidated financial statements.
 - 2) The long-term bank borrowings of Guangdong Ji Duo Bao Can Making Co., Ltd., a subsidiary of the Company mentioned in Note VI (XIV) 1 above, violated the financial ratio provisions of the bank syndicated loan arrangement in the fiscal year 2023. The interest coverage ratio in the consolidated financial statements for 2023 did not comply with the financial ratio provisions of the bank syndicated loan. The Company obtained formal bank waiver consent from the majority of the banking consortium on November 9, 2023, exempting the above-mentioned financial ratio provisions.
 - 3) The Group recognizes interest expense in profit or loss. Please refer to Note VI (XXIV) for details.
- o. Other non-current liabilities

	December 31, 2023	December 31, 2022
Deferred government grant income	\$ 25,737	\$ 29,046
Guarantee deposits	1,604	1,852
	<u>\$ 27,341</u>	<u>\$ 30,898</u>

The deferred government grants revenue refers to the Company's Mainland China subsidiaries receiving special subsidies for capital construction, implementing use management and used for the construction of the project infrastructure that the local government grants to support the development of the enterprise. Deferred government grants revenue was recognized after acquiring the special subsidies for capital construction. The subsidies were used in expenses on relevant constructions of buildings and structures (shown as buildings and structures). The deferred revenue was amortized in instalments according to the useful lives (between 10 to 20 years) of the assets that were subsidized and was recognized in non-operating income - other income.

p. Pensions

- 1) The Group, registered in the Republic of China (Taiwan), has established a defined contribution retirement plan in accordance with the Labor Pension Act, applicable to Taiwanese employees. Under this plan, a monthly contribution of 6% of the salary is made to the individual accounts of employees with the Labor Insurance Bureau. Upon retirement, employees can choose to receive their pension either as monthly payments

or as a lump sum, based on the balance in their individual retirement accounts and accumulated earnings.

- 2) The Company's Mainland subsidiary company adheres to the retirement insurance system regulated by the government of the People's Republic of China. A specific percentage of the local employees' total salary is allocated as retirement insurance each month. The government manages and coordinates the retirement benefits of each employee, and the Group has no additional obligations beyond the monthly allocation.
- 3) The Company and its subsidiaries, GREEN LEAF HOLDINGS LIMITED and FAREAST VANTAGE HOLDINGS LIMITED, have no employee pension plans.
- 4) The pension costs under defined contribution pension plans of the Group for the year ended 2023 and 2022, were \$24,503 and \$14,788, respectively.

q. Share capital/advance receipts for shares/post-period matters

- 1) As of December 31, 2023, the Company's authorized capital is \$2,000,000, divided into 200,000 thousand shares of ordinary stock, with a paid-in capital of \$675,000 and a par value of NT\$10 per share. All the share capital issued by the Company has been fully collected. The number of outstanding ordinary shares of the Company remained unchanged throughout the period.
- 2) On August 14, 2023, the Board of Directors resolved to carry out a cash capital increase by issuing 6,000 thousand shares of ordinary stock, with a par value of NT\$10 per share. The reference date for the capital increase was January 15, 2024, and the actual issuance price was NT\$15.5 per share. The total amount of the cash capital increase was \$93,000. As of December 31, 2023, \$556 of share capital has been received in advance. The full payment for the shares was received before January 15, 2023 (the reference date for the cash capital increase), and the registration change has been completed.

r. Capital surplus

- 1) According to company law, the surplus from issuing shares above the face value and the capital surplus received from donations, apart from being used to offset losses, may be distributed as new shares or cash to shareholders in proportion to their existing shareholdings when there are no accumulated losses in the company. Additionally, based on relevant provisions of the Securities and Exchange Act, when allocating the above-mentioned capital surplus to increase capital, the total amount allocated each year should not exceed ten percent of the paid-in capital. If the Company still has insufficient reserves to cover capital losses after using surplus from retained earnings, it is not allowed to use capital surplus to make up for the shortfall.

- 2) In the absence of any loss during the listing period, the Company may, in addition to the Cayman Act, issue a special resolution of the shareholders' meeting to allocate the capital of the share premium account or the proceeds of the grant of all or partial capital reserve to issue new shares or pay cash to shareholders.

s. Retained earnings

- 1) During the listing period, unless otherwise specified by the Cayman Companies Act, listing regulations, or the company's articles of association, or unless the rights attached to the shares specify otherwise, any surplus at the end of a fiscal year shall be subject to the payment of all relevant taxes, the offsetting of losses (including losses from previous years and adjusted undistributed earnings, if any), and the allocation of statutory surplus reserves in accordance with listing regulations (unless the total of statutory surplus reserves equals the total amount of the company's issued share capital, in which case it does not apply). After setting aside any special surplus reserves, if applicable, the remaining distributable earnings (including those from the reversed special surplus reserves) may be distributed to shareholders by an ordinary resolution, at no less than ten percent of the distributable earnings, plus any or all of the undistributed earnings from the previous year as determined by an ordinary resolution of the shareholders' meeting (including adjusted undistributed earnings), based on the proportion of shares held by each shareholder. The amount of cash dividends/distributions shall not be less than ten percent of the total amount distributed for that dividend/distribution. However, if the cumulative distributable earnings for the fiscal year (i.e., distributable earnings plus undistributed earnings from previous years) are less than ten percent of the company's issued share capital for that fiscal year, dividends or distributions may not be distributed to shareholders.
- 2) The Company is in the growth stage. The dividends/bonus of the Company can be allotted to the shareholders of the Company in cash or/and shares, and such allocation shall be considered for the Company's capital expenditure, future business expansion plan, finance planning and other programs for sustainable development.
- 3) In the absence of any loss during the listing period, the Company may, in addition to the Cayman's law, transfer a full or a portion of legal reserve to capital, issue new shares or pay cash to the shareholders. The legal reserve may only be used to offset losses and cannot be utilized for other purposes.
- 4) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

5) Distributions of the company's earnings

- a) On June 16, 2023 and August 17, 2022, the distribution of dividends for the year ended 2022 and 2021 was resolved by the resolution of the shareholders' meetings as follows:

	2022		2021	
	Amount	Dividends of per share (in dollars)	Amount	Dividends of per share (in dollars)
Cover deficits with legal reserve	(\$ 19,739)		\$ -	
Cover deficits with additional paid-in capital	(34,558)		-	
Provision for legal reserve	-		5,033	
Provision for special reserve	-		14,404	
Cash dividend	-		20,250	0.3
	<u>(\$ 54,297)</u>		<u>\$ 39,687</u>	

- b) The appropriation of profit or loss for the year ended 2023 as resolved by the Boards of Directors on March 11, 2024 as follows:

	2023	
	Amount	Dividends of per share (in dollars)
Cover deficits with additional paid-in capital	<u>(\$ 118,051)</u>	

The profit and loss appropriation plan for the fiscal year 2023 has not been resolved by the shareholders' meeting as of March 11, 2024.

t. Operating revenue

1) The statement of the income for the Group is as follows:

Revenue from contracts with clients	Timing of revenue recognition	2023	2022
Sales revenue	At a point in time	\$ 3,785,789	\$ 3,862,273
Processing revenue	Over time	47,651	65,690
		<u>\$ 3,833,440</u>	<u>\$ 3,927,963</u>

2) Contractual liabilities

a) The contract liabilities in relation to contract with customers recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - sales contract of products	\$ 24,247	\$ 29,649	\$ 38,045

b) Provision for opening contract liabilities

	2023	2022
Sales contract of products	\$ 29,106	\$ 38,045

u. Interest revenue

	2023	2022
Bank interest income	\$ 11,373	\$ 10,385

v. Other income

	2023	2022
Government incentive income	\$ 2,557	\$ 5,659
Amortization of deferred government grants income	2,876	2,883
Rent income	20,603	15,275
The written off receivable has been remitted (Note)	-	53,686
Others	2,884	4,860
	<u>\$ 28,920</u>	<u>\$ 82,363</u>

Note: In previous years, the Group exercised recourse procedures for the uncollected receivables of the specific counterpart and wrote off the amount of the accounts that could not reasonably be expected to be remitted. However, the Group received the court's judgement notice on the auction of assets under the counterpart's name, and the amount was allocated in April, 2022, with other income listed as \$53,686.

w. Other gains and (losses)

	2023	2022
Net foreign exchange gain (loss)	(\$ 15,897)	(\$ 53,273)
Depreciation expenses of investment property	(3,246)	(3,919)
(Loss) gain on disposal of property, plant and equipment	5,221	15,740
Gains on financial assets at fair value through profit or loss	30	-
Impairment loss recognized in profit or loss, investment property	(21,330)	-
Others	(4)	(1,325)
	<u>(\$ 35,226)</u>	<u>(\$ 42,777)</u>

x. Finance costs

	2023	2022
Interest expense from bank borrowings	\$ 67,206	\$ 58,249
Interest expense on lease liabilities	60	52
Amortization of discounted bonds payable	492	-
	<u>\$ 67,758</u>	<u>\$ 58,301</u>

y. Additional information regarding the nature of expenses

	2023	2022
Employee benefit expense	<u>\$ 235,404</u>	<u>\$ 213,704</u>
Depreciation charge (including depreciation charge on right-of-use assets)	<u>\$ 183,443</u>	<u>\$ 176,464</u>
Amortization charge	<u>\$ 25,653</u>	<u>\$ 27,976</u>

z. Employee benefit expense

	2023	2022
Wages and salaries	\$ 173,739	\$ 169,663
Labor and health insurance expenses	11,529	7,589
Pension expenses	24,503	14,788
Director's remuneration	1,580	1,490
Other employee benefit expense	24,053	20,174
	<u>\$ 235,404</u>	<u>\$ 213,704</u>

- 1) In accordance with the Articles of Incorporation of the Company, during the listing period, except for the Cayman Act, the listing(OTC) regulations or otherwise specified in the Articles of Incorporation, if there are any profits in the current year, it shall appreciate no less than 0.5% for employees' compensation, and no more than 5% for directors' remuneration.
- 2) As a result of pre-tax net losses in fiscal years 2023 and 2022, the company did not allocate funds for employee and director remuneration.
- 3) For relevant information on the Company's remunerations for employees and directors as approved by the Board of Directors, please refer to the Market Observation Post System.

aa. Income tax

1) Income tax expenses (profit)

a) Components of income tax expense (gain)

	2023	2022
Current tax:		
Current tax assets	\$ -	(\$ 4,628)
Current tax liabilities	1,471	9,897
Initial income tax payable has not been paid	-	(4,318)
Under (over)estimation of income tax in previous years	444	(1,785)
Temporary deducted tax payment	5,077	12,362
Total current tax	6,992	11,528
Deferred tax		
Initial recognition and reversal of temporary differences	39,598	(16,984)
Effect of exchange rate changes	30	5
Income tax expenses (profit)	<u>\$ 46,620</u>	<u>(\$ 5,451)</u>

- b) The Group had no income tax related to other comprehensive gains and losses and to direct debit or credit equity for the years ended 2023 and 2022.

2) Relation between income tax expense and accounting profit

	2023	2022
Tax calculated based on profit before tax and statutory (Note)	(\$ 21,992)	(\$ 21,492)
Items unrecognized and unrealized by tax regulations	16,807	13,058
Under (over)estimation of income tax in previous years	444	(1,785)
Change in realizability evaluation of deferred tax liabilities	51,361	4,768
Income tax expenses (profit)	<u>\$ 46,620</u>	<u>(\$ 5,451)</u>

Note: Tax calculated at domestic tax rate applicable in relevant country.

3) Deferred tax assets as a result of temporary differences and tax losses are:

	2023			
	January 1	Recognized in (Losses) Gains	Exchange Differences	December 31
Deferred tax assets:				
Temporary differences				
— Deferred income	\$ 7,261	(\$ 719)	(\$ 108)	\$ 6,434
— Loss allowance	10,196	(5,613)	(60)	4,523
— Provision for the impairment of fixed assets	-	5,143	(103)	5,040
— Tax differential on subsidies for construction in progress	1,984	(221)	(29)	1,734
Tax losses	<u>99,356</u>	<u>(38,188)</u>	<u>(913)</u>	<u>60,255</u>
Total	<u>\$ 118,797</u>	<u>(\$ 39,598)</u>	<u>(\$ 1,213)</u>	<u>\$ 77,986</u>

(Continued)

	2022			
	January 1	Recognized in (Losses) Gains	Exchange Differences	December 31
Deferred tax assets:				
Temporary differences				
— Deferred income	\$ 7,852	(\$ 721)	\$ 130	\$ 7,261
— Loss allowance	24,240	(14,516)	472	10,196
— Tax differential on subsidies for construction in progress	2,170	(222)	36	1,984
Tax losses	66,034	32,443	879	99,356
Total	\$ 100,296	\$ 16,984	\$ 1,517	\$ 118,797

- 4) Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are:

December 31, 2023					
Year Incurred	Declared Amount/Approved Amount	Unused Amount	Unrecognized Deferred Tax Assets	Final Year Tax Credits are Due	
2018	\$ 215,801	\$ 215,801	\$ 215,801	2023	
2019	27,926	27,926	-	2024	
2020	15,088	15,088	-	2025	
2021	10,470	3,307	-	2026	
2022	135,895	127,139	-	2027	
2023	<u>67,559</u>	<u>67,559</u>	-	2028	
	<u>\$ 472,739</u>	<u>\$ 456,820</u>	<u>\$ 215,801</u>		

December 31, 2022					
Year Incurred	Declared Amount/Approved Amount	Unused Amount	Unrecognized Deferred Tax Assets	Final Year Tax Credits are Due	
2017	\$ 26,091	\$ 26,091	\$ 26,091	2022	
2018	219,505	219,505	24,255	2023	
2019	28,405	28,405	-	2024	
2020	15,347	15,347	-	2025	
2021	10,331	10,331	-	2026	
2022	<u>148,087</u>	<u>148,087</u>	-	2027	
	<u>\$ 447,766</u>	<u>\$ 447,766</u>	<u>\$ 50,346</u>		

- 5) The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 2,517	\$ 2,627

The aforementioned deductible temporary differences deferred income.

- 6) The Company is registered in the British Cayman Islands. In accordance with local laws and regulations, its profit-making income is tax-free.
- 7) Xiamen Jiyuan Enterprise Co., Ltd.; Jifu(Xiamen) Industry Co., Ltd.; Hubei Jiyuan Metal Printing Can Making Co., Ltd.; Anhui Jiyuan Metal Printing Co., Ltd.; and Guangdong Ji Duo Bao Can Making Co., Ltd. are registered in the People's Republic of China, and the income tax rate is 25% for all.
- 8) British Cayman Islands Jiyuan Packaging Holdings Limited Taiwan Branch was established on March 16, 2017. The company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

bb. Loss per share

2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	(Deficits) per share (in dollars)
<u>Basic/Diluted earnings (loss) per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 118,051)	67,500	(1.75)
2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	(Deficits) Per Share (in dollars)
<u>Basic/Diluted earnings (loss) per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 68,348)	67,500	(1.01)

cc. Supplemental cash flow information

Investment activities with only partial cash payment

	2023	2022
Acquisition of property, plant and equipment	\$ 135,227	\$ 46,464
Add: Equipment payable, beginning of period	3,989	7,696
Add: Notes payable, beginning of period	-	117,792
Less: Equipment payable, end of period	(1,351)	(3,989)
Less: Notes receivable transfer payment	-	(11,654)
Cash paid during the year	<u>\$ 137,865</u>	<u>\$ 156,309</u>

dd. Changes in liabilities from financing activities

	Other payables - cash dividends payable	Short-term borrowings	Bonds payable	Long-term loans (including loans due within one year)	Lease liabilities (including current portion)
January 1, 2023	\$ -	\$ 116,864	\$ -	\$ 1,116,070	\$ 2,578
Decrease in short-term loans	-	(117,441)	-	-	-
Increase in long-term borrowings	-	-	-	336,446	-
Payments in long-term borrowings	-	-	-	(790,260)	-
Issuance of convertible bonds	-	-	314,015	-	-
Amortization of discounted bonds payable	-	-	492	-	-
Increase in lease liabilities	-	-	-	-	1,359
Principal repayment for leases	-	-	-	-	(2,350)
Other non-cash changes	-	-	(32,287)	-	-
Impact of changes in foreign exchange rate	-	577	-	(3,888)	(18)
December 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,220</u>	<u>\$ 658,368</u>	<u>\$ 1,569</u>

(Continued)

	Other payables - cash dividends payable	Short-term borrowings	Bonds payable	Long-term loans (including loans due within one year)	Lease liabilities (including current portion)
January 1, 2022	\$ -	\$ 1,029,212	\$ -	\$ 211,381	\$ 882
Decrease in short-term loans	-	(959,201)	-	-	-
Increase in long-term borrowings	-	-	-	1,242,638	-
Payments in long-term borrowings	-	-	-	(380,954)	-
Increase in lease liabilities	-	-	-	-	2,604
Principal repayment for leases	-	-	-	-	(904)
Cash dividend announced	20,250	-	-	-	-
Cash dividends paid	(20,250)	-	-	-	-
Impact of changes in foreign exchange rate	-	46,853	-	43,005	(4)
December 31, 2022	<u>\$ -</u>	<u>\$ 116,864</u>	<u>\$ -</u>	<u>\$ 1,116,070</u>	<u>\$ 2,578</u>

7. Related-party transactions

a. Name and relationship of related parties

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Lin, Han-Ching	Chairman of the Group
Chen, Chin-Lung	General Manager of the Group
Zong Da Construction Co., Ltd. (Zong Da Construction)	The Group's Chairman is the Company's representative
All directors, general managers and key management personnel	The key management and governance body of the Group

b. Significant transactions with related parties

1) Lease transactions (lessee)

	December 31, 2023		December 31, 2022	
	Lease liability		Lease liability	
	Current	Non-current	Current	Non-current
Zong Da				
Construction	\$ 112	\$ 235	\$ 109	\$ 347

Items that affect profit or loss	2023	2022
Interest expense on leasing liabilities	\$ 11	\$ 1

2) Endorsements and guarantees

As of December 31, 2023 and 2022, the Group's major management groups provided endorsement guarantees such as loan quotas, loan amounts and interest for the Group's subsidiaries, and provided their properties as collateral for bank guarantee loans.

c. Information on the remunerations of the key management

	2023	2022
Short-term employee benefits	\$ 6,811	\$ 6,830

8. Pledged Assets

The Group's assets provided as pledge and guarantee are listed as follows:

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Current financial assets at amortized cost			
— Restricted time deposits	\$ 414,892	\$ 406,737	Security deposit for issued bank's acceptance bills, guarantee for short-term loans, and security for power supply
Non-current financial assets at amortized cost			
— Restricted time deposits	69,393	6,142	The collateral for long-term borrowings and the guarantees for corporate bonds
Property, plant and equipment			
— Buildings and property	122,641	131,219	Guarantee for long-term borrowings
Right-of-use assets			
— Land use rights	74,638	77,720	Guarantee for long-term borrowings
Notes receivable			Guarantee for issued bank's acceptance bills
	-	1,323	
	\$ 681,564	\$ 623,141	

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

a. Significant contingent liabilities

None.

b. Significant unrecognized contractual commitments

Expenditure contracted for at the balance sheet date but not yet incurred is

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 29,202	\$ 243

The above-mentioned expenditures for which agreements have been signed but expenditures have not yet occurred pertain to the contractual commitments of the Group for the purchase of machinery, equipment, and engineering for production purposes.

10. Significant Disaster Losses

None.

11. Significant Events after the Balance Sheet Date

- a. For details related to the cash capital increase of the Company, please refer to Note VI (XVII).
- b. On March 11, 2024 the Board resolution of the Company addressed the profit and loss allocation for 2023. Please refer to Note VI (XIX) for details.

12. Others

a. Capital management

The capital management objective of the Group is to ensure the continuity of operations, maintain an optimal capital structure to reduce the cost of capital, and provide returns to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital using the debt-to-capital ratio, which is calculated by dividing total debt by total capital. Total capital is calculated by adding equity as reported in the consolidated balance sheet to total debt.

During the year ended December 31, 2023, the Group's strategy was unchanged from 2022. Please refer to the consolidated balance sheet as of December 31, 2023 and 2022, for details regarding the Group's debt-to-capital ratio.

b. Financial instruments

1) Financial instruments by category

Please refer to the consolidated balance sheet and Note VI for detailed information on the Group's financial assets (cash and cash equivalents, financial assets at fair value through profit or loss - current, financial assets measured at amortized cost - current, notes receivable, accounts receivable, other receivables, financial assets measured at amortized cost - non-current, other non-current assets - deposits as collateral) and financial liabilities (short-term borrowings, notes payable, accounts payable, other payables, corporate bonds payable, long-term borrowings (including those due within one year), other non-current liabilities - deposits as collateral, lease liabilities (current/non-current)).

2) Financial risk management policies

- a) The Group's daily operations are affected by various financial risks, e.g., market risks(including exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk.
- b) The Group treasury carries out risk management work in accordance with the Group's policies. It closely collaborates with various operating units within the group to identify, assess, and mitigate financial risks.

3) Nature and degree of material financial risks

a) Market risk

i. Exchange rate risk

- i) The Group operates internationally and is exposed to foreign exchange risk arising from various functional currency exposures, primarily with respect to the USD and RMB. The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii) The management of this group has implemented a policy to govern the management of foreign exchange rate risks in relation to their respective functional currencies within the group. It is expected that each company will hedge its overall foreign exchange rate risk through the Finance Department of the Group.
- iii) The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other subsidiaries' functional currency: USD and RMB). The information on assets and liabilities

denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	2,461	30.7050	\$ 75,565
RMB: USD	37,570	0.1412	162,885
RMB: NTD	52,095	4.3355	225,858
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: RMB	5,001	7.0827	\$ 153,556
RMB: USD	42,663	0.1412	184,965
December 31, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	215	30.7100	\$ 6,603
RMB: USD	235	0.1436	1,036
RMB: NTD	568	4.4100	2,505
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: RMB	22,864	6.9646	\$ 702,153
RMB: USD	42,761	0.1436	188,576

- iv) Please refer to the Note VI (XXIII) for details on the total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended 2023 and 2022, respectively.

- v) Foreign currency market risks arising from significant foreign exchange variation are analyzed as follows:

2023			
Sensitivity Analysis			
	Degree of variation	Effect on gains and losses	Effect on other comprehensive (loss) income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	1%	\$ 756	\$ -
RMB: USD	1%	1,629	-
RMB: NTD	1%	2,259	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: RMB	1%	(\$ 1,536)	\$ -
RMB: USD	1%	(1,850)	-

2022			
Sensitivity Analysis			
	Degree of variation	Effect on gains and losses	Effect on other comprehensive (loss) income
(Foreign currency: Functional currency)			
<u>Financial Assets</u>			
<u>Monetary Items</u>			
USD: NTD	1%	\$ 66	\$ -
RMB: USD	1%	10	-
RMB: NTD	1%	25	-
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD: RMB	1%	(\$ 7,022)	\$ -
RMB: USD	1%	(1,886)	-

ii. Price risk

As a result that the Group did not hold equity instruments as of December 31, 2023 and 2022, the Group has no price risk for the same.

iii. Cash flow interest rate risks and fair value interest rate risks

- i) The Group is exposed to interest rate risk from both short-term and long-term borrowings. Borrowings with floating interest rates expose the Group to cash flow interest rate risk, which is partially mitigated by cash held at floating interest rates. Borrowings with fixed interest rates, however, expose the Group to fair value interest rate risk. The Group's borrowings are primarily denominated in RMB and USD for 2023 and 2022, respectively, and are mostly at floating interest rates.
- ii) If the borrowing rate increases or decreases by 1%, under the situation of all other factors being unchanged, the net profit before tax for the years ended 2023 and 2022, will reduce or raise by \$6,584 and \$12,329, respectively, which is because of incremental interests arising out of the loans on the basis of floating interest rates.

b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. This risk primarily arises from counterparties' inability to settle notes receivable and accounts receivable within the specified payment terms.
- ii. The Group implements credit risk management from a group perspective. In accordance with the internally defined credit policy, every operating entity within the Group and each new customer must undergo management and credit risk analysis before establishing payment terms and conditions and making deliveries. Internal risk control is carried out by evaluating the credit quality of customers based on their financial condition, past experience, and other factors. The limit for individual risks is established by the management based on internal or external ratings, and the use of credit limits is regularly monitored.
- iii. The Group assesses credit risk based on historical collection experience and customer risk level. When the contracted payment is overdue for more than 90 days according to the agreed payment terms, it will be regarded as the credit risk has significantly increased since the original recognition of the financial assets, which serves as the base to judge whether the credit risk of financial instruments after the original recognition has a significant degree of increase.
- iv. The Group classifies group assessment based on historical collection experience and customer risk level. When the contract payment is overdue according to the agreed payment terms, the group will be overdue for more than 365 days or more than 720 days respectively.

- v. The Group classifies customers' accounts receivable in accordance with product types and credit rating of customer. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. After recourse procedures, the Group reverses the amount of financial assets that cannot be reasonably expected to be reclaimed. However, the Group will continue to pursue legal procedures for recourse in order to preserve the rights of claims.
- vii. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. The assessment is as follows:

December 31, 2023	Not past due	Less than 3 months past due	3-6 months past due	7-12 months past due	13-18 month past due	19-24 months past due	More than 24 months	Total
Expected loss rate	1%~3%	1%~3%	1%~10%	10%~30%	30%~50%	50%~75%	100%	
Notes receivable	\$ 73,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,571
Accounts receivable	898,204	30,556	2,631	3,046	-	-	-	934,437
	<u>\$ 971,775</u>	<u>\$ 30,556</u>	<u>\$ 2,631</u>	<u>\$ 3,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,008,008</u>
Loss allowance	<u>\$ 16,334</u>	<u>\$ 306</u>	<u>\$ 26</u>	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,971</u>

December 31, 2022	Not past due	Less than 3 months past due	3-6 months past due	7-12 months past due	13-18 month past due	19-24 months past due	More than 24 months	Total
Expected loss rate	1%~7%	1%~7%	1%~14%	10%~34%	30%~54%	50%~79%	100%	
Notes receivable	\$ 380,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,673
Accounts receivable	939,971	73,446	186	-	-	-	-	1,013,603
	<u>\$ 1,320,644</u>	<u>\$ 73,446</u>	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,394,276</u>
Loss allowance	<u>\$ 38,085</u>	<u>\$ 735</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,822</u>

The aging analysis above is based on the number of days overdue.

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable are:

	2023	2022
January 1	\$ 38,822	\$ 64,861
Expected credit impairment gain (21,628)	(24,751)
Write-off of unrecoverable accounts	-	(2,484)
Effect of exchange rate changes	(223)	1,196
December 31	<u>\$ 16,971</u>	<u>\$ 38,822</u>

c) Liquidity risk

- i. The operational entities within the group are responsible for cash flow forecasting, which is then consolidated by the Group treasury. The Group

treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Group treasury invests surplus cash in interest bearing current accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	\$ 1,152,239	\$ 1,190,176
Expiring beyond one year	361,410	403,769
	<u>\$ 1,513,649</u>	<u>\$ 1,593,945</u>

iv. The Group had no non-derivative financial liabilities. The non-derivative financial liabilities are analyzed based on the remaining period from the consolidated balance sheet date to the contractual maturity date. The contractual cash flow amount disclosed in the following table is the undiscounted amount:

December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Lease liabilities (current/non-current)	\$ 1,017	\$ 494	\$ 120	\$ 1,631
Long-term loans (including loans due within one year)	195,297	99,570	490,406	785,273
Bonds payable	-	-	300,000	300,000

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Lease liabilities (current/non-current)	\$ 1,047	\$ 1,032	\$ 620	\$ 2,699
Long-term loans (including loans due within one year)	229,881	320,769	772,895	1,323,545

c. Fair value information:

- 1) The different levels of inputs used in the valuation techniques for measuring the fair value of financial and non-financial instruments have been defined as follows:

Level 1: The enterprise obtains identical assets or liabilities at unadjusted quoted prices in active markets on the measurement date. A market is regarded as active where transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Comprises observable input values for assets or liabilities, both directly and indirectly, excluding those included in Level 1 quotes. It also includes the fair value of the call option on convertible corporate bonds issued by the Group.

Level 3: Unobservable input value for assets and liabilities.

- 2) Fair value information of investment property at cost is provided in Note VI (VIII).
- 3) Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments that are not measured at fair value, including cash and cash equivalents, financial assets at amortized cost – current, notes receivable, accounts receivable, other receivables, financial assets measured at amortized cost – non-current, other non-current assets – guarantee deposit paid, short-term loans, notes payable, accounts payable, other payables, long-term loans (including current portion), lease liabilities (current / non-current), and other non-current liabilities-guarantee deposit received are approximate to their fair values.

- 4) The Group classifies financial and non-financial instruments measured at fair value based on their nature, characteristics, risk, and fair value hierarchy of assets and liabilities. The relevant information is as follows:

- a) The Group categorizes its assets and liabilities based on their nature. The relevant information is as follows:

<u>December 31, 2023</u>	<u>Level 1:</u>	<u>Level 2:</u>	<u>Level 3:</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets				
measured at fair				
value through				
profit or loss				
Right of				
repurchase for				
convertible				
bonds issued	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 180</u>

December 31, 2022: None.

- b) The methods and assumptions used by the Group to measure fair value are described as follows:

The fair value of financial instruments is determined using valuation techniques or quoted prices from reference market participants. Fair values obtained through valuation techniques may refer to the fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow methods, or other valuation techniques, including models utilizing market information available at the date of the consolidated balance sheet.

- 5) No transfers of any kind occurred between level 1 and level 2 in 2023 and 2022.
- 6) There were no transfers in or out of level 3 in 2023 and 2022.

13. Supplementary Disclosures

a. Related information on significant transactions

- 1) Loans to others: Please refer to Table 1.
- 2) Provision of endorsements and guarantees to others: Please refer to Table 2.
- 3) Holding of marketable securities at the end of the period (excluding subsidiaries, associates and joint ventures): None.
- 4) Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- 5) Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- 6) Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- 7) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 3.
- 8) Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
- 9) For details on engaging in derivative instrument trading, please refer to Notes VI (II) and XII (III).
- 10) The situation and amount of business relationship and important transactions between the parent company and the subsidiaries and between subsidiaries: Please refer to Table 5.

b. Information on investees

Names, locations and other information of investee companies (excluding investees in Mainland China): Please refer to Table 6.

c. Information on investments in Mainland China

- 1) Basic information: Please refer to Table 7.
- 2) Significant transactions with the investees in Mainland China either directly or indirectly through other companies in the third areas: None.

d. Information on major shareholders

Information on major shareholders: Table 8.

14. Information on Operating Segments

a. General information

The Group operates business only in a single industry. The main business items are related to the R&D, manufacturing and sales of various metal packaging containers. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

b. Measurement of segment information

The accounting policies of the operating segments of the Group are the same as those of the Company. The Company's chief operating decision-maker evaluates each operating segment by their net operating profit and loss.

c. Information on segment profit or loss, assets, and liabilities

The Group has only a single reportable segment, and information on segments' profit and loss, assets and liabilities are measured consistently with the amounts in the consolidated statements of comprehensive income and consolidated balance sheet, and the accounting policies and estimations of the operating segments are in agreement with the summary of accounting policies and significant estimations and assumptions disclosed in Notes IV and V.

d. Information on the adjustment of segment profits and losses

- 1) Sales between segments are conducted based on the principle of fair value transactions. External revenues reported to key operational decision-makers are measured consistently with the revenues in the comprehensive income statement. The departmental (loss) income and the adjustment to the pre-tax (loss) income of the continuing operations department should be reported as follows:

	2023	2022
(Loss) profit of reportable segments (\$	8,740)	(\$ 65,469)
Interest revenue	11,373	10,385
Other income	28,920	82,363
Other gains and losses	(35,226)	(42,777)
Finance costs	(67,758)	(58,301)
(Loss) profit before tax from continuing operations	(\$ 71,431)	(\$ 73,799)

- 2) The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the Group's consolidated financial statements.

e. Information on products and services

The Group uses products to distinguish income from external customers. Please refer to Note VI (XX) for details.

f. Regional information

The income from external clients of the Group is classified according to the location of the sales customers and the non-current assets are listed as follows according to the location of the assets:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland				
China	<u>\$ 3,833,440</u>	<u>\$ 2,819,581</u>	<u>\$ 3,927,963</u>	<u>\$ 3,058,417</u>

Note: Non-current assets do not include financial assets, deferred income tax assets and guarantee deposits paid.

g. Major client information

The Group's Major client information is as below:

	2023		2022	
	Revenue	Segment	Revenue	Segment
Customer B	\$ 481,013	Single segment	\$ 562,515	Single segment
Customer F	479,141	Single segment	194,020	Single segment
Customer D	417,789	Single segment	492,987	Single segment

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Loans to others
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars(Unless Specified Otherwise)
Table 1

No. (Note 1)	Financing company	Borrower	General ledger account	Is a related party	Highest endorsement or guarantee amount for current period (Note 5)	Balance at end of period	Actual amount drawn down	Interest rate range	Nature of financing	Amount of business transaction	Reason for short-term financing	Allowance for doubtful debts	Collateral		Financing limit for each borrower	Ceiling on total loans granted (Note 2)	Remarks
													Name	Value			
0	Jiyuan Packaging Holdings Limited	Guangdong Ji Duo Bao Can Making Co., Ltd.	Other receivables - related parties	Yes	\$ 184,230	\$ 92,115	\$ -	0.00%	Necessity of short-term financing	-	Working capital	\$ -	-	-	\$ 945,005	\$ 945,005	Note 2
0	Jiyuan Packaging Holdings Limited	Xiamen Jiyuan Enterprise Co., Ltd.	Other receivables - related parties	Yes	184,230	184,230	-	0.00%	Necessity of short-term financing	-	Working capital	-	-	-	945,005	945,005	Note 2
0	Jiyuan Packaging Holdings Limited	GREEN LEAF HOLDINGS LIMITED	Other receivables - related parties	Yes	184,230	184,230	184,230	4.81%	Necessity of short-term financing	-	Working capital	-	-	-	945,005	945,005	Note 2
1	Jifu (Xiamen) Industry Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	Other receivables - related parties	Yes	184,230	184,230	-	0.00%	Necessity of short-term financing	-	Working capital	-	-	-	527,086	527,086	Note 3
1	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd.	Other receivables - related parties	Yes	173,422	173,422	173,422	3.20%	Necessity of short-term financing	-	Working capital	-	-	-	527,086	527,086	Note 3
2	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	Other receivables - related parties	Yes	130,066	130,066	65,033	3.20%	Necessity of short-term financing	-	Working capital	-	-	-	688,480	688,480	Note 3

(Continued)

(Continued)

No. (Note 1)	Financing company	Borrower	General ledger account	Is a related party	Highest endorsement or guarantee amount for current period (Note 5)	Balance at end of period	Actual amount drawn down	Interest rate range	Nature of financing	Amount of business transaction	Reason for short-term financing	Allowance for doubtful debts	Collateral		Financing limit for each borrower	Ceiling on total loans granted (Note 2)	Remarks
													Name	Value			
2	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd.	Other receivables - related parties	Yes	173,422	173,422	-	0.00%	Necessity of short-term financing	-	Working capital	-	-	-	688,480	688,480	Note 3
3	GREEN LEAF HOLDINGS LIMITED	Guangdong Ji Duo Bao Can Making Co., Ltd.	Other receivables - related parties	Yes	706,215	429,870	161,282	4.27~4.54%	Necessity of short-term financing	-	Working capital	-	-	-	1,840,029	1,840,029	Note 3
3	GREEN LEAF HOLDINGS LIMITED	Jiyuan Packaging Holdings Limited	Other receivables - related parties	Yes	92,115	-	-	0.00%	Necessity of short-term financing	-	Working capital	-	-	-	1,840,029	1,840,029	Note 3
4	Anhui Jiyuan Metal Printing Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	Other receivables - related parties	Yes	86,711	86,711	86,711	3.2%	Necessity of short-term financing	-	Working capital	-	-	-	356,859	356,859	Note 3

Note 1: The numbers filled are described as follows:

(1) For the issuer, fill in 0.

(2) The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The maximum limit for individual loans and the total limit for loans granted by Jiyuan Packaging Holdings Limited to specific entities should not exceed forty percent of the net value of the financial statements that have been verified or reviewed by the company's auditors in the most recent period.

Note 3: Jiyuan Packaging Holdings Limited holds 100% of the voting shares in foreign companies involved in the loaning of funds, either directly or indirectly. The lending company's net worth sets the maximum limits for individual lending and total lending to specific entities, which cannot exceed 100%.

Note 4: The amounts listed above were based on the exchange rates of USD: NTD=1: 30.705 and RMB: NTD=1: 4.3355.

Note 5: The maximum amount for this period is determined by the funding loan limit approved by the Board of Directors.

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Provision of Endorsements and Guarantees to Others
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars (Unless Specified Otherwise)
Table 2

No. (Note 1)	Endorsements/ guarantees provider company name	Parties being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for current period (Note 4)	Outstanding endorsement/ guarantee amount for current period (Note 5)	Amount actually drawn (Note 6)	Endorsements/ guarantees secured with collateral	Ratio of cumulative endorsements/ guarantees to the net equity stated in the latest financial statements	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements /guarantees by parent company to subsidiary (Note 7)	Provision of endorsements /guarantees by subsidiary to parent company (Note 7)	Provision of endorsements /guarantees to the party in Mainland China (Note 7)	Remarks
		Name of company	Relationship with the endorser/ guarantor (Note 2)											
0	Jiyuan Packaging Holdings Limited	GREEN LEAF HOLDINGS LIMITED	2	\$ 8,268,796	\$ 383,813	\$ 383,813	\$ -	\$ -	16%	\$ 8,268,796	Y	N	N	
0	Jiyuan Packaging Holdings Limited	Guangdong Ji Duo Bao Can Making Co., Ltd.	2	8,268,796	715,365	715,365	236,832	-	30%	8,268,796	Y	N	Y	
0	Jiyuan Packaging Holdings Limited	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	2	8,268,796	411,877	322,998	124,242	-	14%	8,268,796	Y	N	Y	
0	Six companies including Jiyuan Packaging Holdings Limited	Guangdong Ji Duo Bao Can Making Co., Ltd.	2	8,268,796	1,688,775	1,074,675	664,569	-	45%	8,268,796	Y	N	Y	Note 9
1	Xiamen Jiyuan Enterprise Co., Ltd.	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	2	3,220,296	390,199	390,199	-	-	48%	3,220,296	N	N	Y	
1	Xiamen Jiyuan Enterprise Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	2	3,220,296	216,777	216,777	212,488	-	27%	3,220,296	N	N	Y	
1	Xiamen Jiyuan Enterprise Co., Ltd.	Jifu (Xiamen) Industry Co., Ltd.	4	3,220,296	377,193	346,844	55,534	-	43%	3,220,296	N	N	Y	
1	Xiamen Jiyuan Enterprise Co., Ltd., Jifu (Xiamen) Industry Co., Ltd., Guangdong Ji Duo Bao Can Making Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd., Jifu (Xiamen) Industry Co., Ltd., Guangdong Ji Duo Bao Can Making Co., Ltd.	4	3,220,296	216,777	216,777	216,661	-	27%	3,220,296	N	N	Y	Note 10
1	Xiamen Jiyuan Enterprise Co., Ltd., Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd., Jifu (Xiamen) Industry Co., Ltd.	4	3,220,296	693,687	173,422	90,074	-	22%	3,220,296	N	N	Y	Note 11
2	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd.	4	2,108,344	151,744	151,744	-	-	29%	2,108,344	N	N	Y	

Note 1: The numbers filled are described as follows:

(1) For the issuer, fill in 0.

(2) The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: Relationship between the endorser/guarantor and the Company is classified into the following seven categories:

(1) Having business relationship.

- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
 - (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
 - (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
 - (5) Companies with the same industry or mutual project undertakers that have mutual guarantee based on contract agreements due to contractual project needs.
 - (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
 - (7) The performance guarantee of the pre-sale house sales contract in the inter-bank business in accordance with the Consumer Protection Law is jointly guaranteed.
- Note 3: (1) Endorsing Guarantor Company Names: Jiyuan Packaging Holdings Limited, GREEN LEAF HOLDINGS LIMITED, and FAREAST VANTAGE HOLDINGS LIMITED
- (A) The total amount of endorsements/guarantees for others shall not exceed 200% the net worth of the endorsing guarantor's company. The total amount of endorsements/guarantees for a single enterprise shall not exceed 100% the net worth of the endorsing guarantor's company.
 - (B) Limit on endorsements/guarantees provided for associate in the Group is 350% of the endorser/guarantor company's net worth, and limit on endorsements/guarantees provided for a single party is 350% of the endorser/guarantor company's net worth.
 - (C) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, limit on endorsements/guarantees provided for a single party is the higher value of the company's net assets or the company's total amount of business transactions.
 - (D) Limit on total endorsements/guarantees of the endorser/guarantor company and its subsidiaries as a whole is 350% the endorser/guarantor company's current net worth; limit on endorsements/guarantees provided for a single party is 350% of the endorser/guarantor company's net assets.
- (2) The names of the endorsing guarantor companies are as follows: domestic operating entities in China (Xiamen Jiyuan Enterprise Co., Ltd., Jifu (Xiamen) Industry Co., Ltd., Hubei Jiyuan Metal Printing Can Making Co., Ltd., Anhui Jiyuan Metal Printing Co., Ltd., Guangdong Ji Duo Bao Can Making Co., Ltd.)
- (A) The total amount of endorsements/guarantees for others shall not exceed 200% the net worth of the endorsing guarantor's company. The total amount of endorsements/guarantees for a single enterprise shall not exceed 100% the net worth of the endorsing guarantor's company.
 - (B) Limit on endorsements/guarantees provided for associate in the Group is 400% of the endorser/guarantor company's net worth, and limit on endorsements/guarantees provided for a single party is 400% of the endorser/guarantor company's net worth.
 - (C) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, limit on endorsements/guarantees provided for a single party is the higher value of the company's net assets or the company's total amount of business transactions.
 - (D) Limit on total endorsements/guarantees of the endorser/guarantor company and its subsidiaries as a whole is 400% the endorser/guarantor company's current net worth; limit on endorsements/guarantees provided for a single party is 400% of the endorser/guarantor company's net assets.
- Note 4: The maximum balance of endorsement/guarantee provided to others during the year.
- Note 5: The amount approved by the Board of Directors should be filled in; however, if the Board of Directors authorizes the Chairman to make decisions according to Paragraph 8, Article 12 of the "Regulations Governing Loaning of Funds and Making of Endorsement/guarantee by Public Companies," the amount decided by the Chairman shall be indicated.
- Note 6: The actual amount drawn down by the endorsed/guaranteed company within the endorsement/guarantee balance shall be filled in here.
- Note 7: Fill in "Y" for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.
- Note 8: The amounts listed above were based on the exchange rates of USD: NTD=1: 30.705 and RMB: NTD=1: 4.3355.
- Note 9: Endorsers/guarantors are Jiyuan Packaging Holdings Limited, GREEN LEAF HOLDINGS LIMITED, FAREAST VANTAGE HOLDINGS LIMITED, Xiamen Jiyuan Enterprise Co., Ltd., Hubei Jiyuan Metal Printing Can Making Co., Ltd., and Anhui Jiyuan Metal Printing Co., Ltd.
- Note 10: The joint credit line amounted to RMB\$50 million that Xiamen Jiyuan Enterprise Co., Ltd., Jifu(Xiamen) Industry Co., Ltd. and Guangdong Ji Duo Bao Can Making Co., Ltd. endorsed/guaranteed for each other.
- Note 11: The joint credit line amounted to RMB\$40 million that Xiamen Jiyuan Enterprise Co., Ltd. and Jifu(Xiamen) Industry Co., Ltd. endorsed/guaranteed for each other.

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars(Unless Specified Otherwise)
Table 3

			Transaction				Unusual trade conditions and its reasons		Notes /accounts receivable (payable)		Ratio to total notes or accounts receivable (payable)	Remarks
Purchaser/seller	Counter-party	Relationship	Purchases (sales)	Amount	Ratio to total purchase (sell)	Credit term	Unit price	Credit term	Balance			
Xiamen Jiuyan Enterprise Co., Ltd.	Hubei Jiuyan Metal Printing Can Making Co., Ltd.	Subsidiary	Sales	\$ 532,578	44%	Net 30 to 90 days after monthly billings or net 3 and 6 months bank acceptance bill	Based on the mutual agreement	Net 30 to 90 days after monthly billings or net 3 and 6 months bank acceptance bill	\$ 216,632	63%		
Hubei Jiuyan Metal Printing Can Making Co., Ltd.	Xiamen Jiuyan Enterprise Co., Ltd.	Parent company	Purchases	(532,578)	98%	Net 30 to 90 days after monthly billings or net 3 and 6 months bank acceptance bill	Based on the mutual agreement	Net 30 to 90 days after monthly billings or net 3 and 6 months bank acceptance bill	(216,632)	(95%)		
Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiuyan Enterprise Co., Ltd.	Fellow subsidiary	Sales	413,674	53%	Payment within 90 Days	Based on the mutual agreement	Payment within 90 Days	393,471	81%		
Xiamen Jiuyan Enterprise Co., Ltd.	Jifu (Xiamen) Industry Co., Ltd.	Fellow subsidiary	Purchases	(413,674)	38%	Payment within 90 Days	Based on the mutual agreement	Payment within 90 Days	(393,471)	(47%)		

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES**Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more****December 31, 2023****Unit: in Thousand NT Dollars(Unless Specified Otherwise)****Table 4**

Company under receivable	Counter-party	Relationship	Balance dues from related parties	Turnover rate	Overdue receivables		Subsequently recovered amount from related party	Allowance for doubtful debts
					Amount	Action taken		
Xiamen Jiyuan Enterprise Co., Ltd.	Hubei Jiyuan Metal Printing Can Making Co., Ltd.	Subsidiary	\$ 216,632	1.74	\$ -	-	\$ 200,590	\$ -
Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd.	Fellow subsidiary	393,471	1.05	123,964	It has been claimed in accordance with the policy	261,504	-
Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyuan Enterprise Co., Ltd.	Fellow subsidiary	176,096	Note	-	-	2,932	-

Note: It is not applicable because loans are lent to related receivable

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
The situation and amount of business relationship and important transactions between the parent company and the subsidiaries and between subsidiaries
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars(Unless Specified Otherwise)
Table 5

Number (Note 1)	Company name	Counterparty	Nature of Relationship (Note 2)	Transaction (Note 5)			Percentage of consolidated total operating revenues or total assets (Note 3)
				Accounts	Amount	Transaction terms (Note 4)	
1	Xiamen Jiyan Enterprise Co., Ltd.	Hubei Jiyan Metal Printing Can Making Co., Ltd.	1	Sales	\$ 532,578	1	14%
1	Xiamen Jiyan Enterprise Co., Ltd.	Hubei Jiyan Metal Printing Can Making Co., Ltd.	1	Notes receivable	167,081	2	3%
1	Xiamen Jiyan Enterprise Co., Ltd.	Hubei Jiyan Metal Printing Can Making Co., Ltd.	1	Accounts receivable	49,551	2	1%
2	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyan Enterprise Co., Ltd.	3	Sales	413,674	1	11%
2	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyan Enterprise Co., Ltd.	3	Notes receivable	138,938	3	3%
2	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyan Enterprise Co., Ltd.	3	Accounts receivable	254,533	3	5%
2	Jifu (Xiamen) Industry Co., Ltd.	Xiamen Jiyan Enterprise Co., Ltd.	3	Other receivables	176,096	5	3%
3	Hubei Jiyan Metal Printing Can Making Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	3	Other receivables	65,112	5	1%
4	Anhui Jiyan Metal Printing Co., Ltd.	Guangdong Ji Duo Bao Can Making Co., Ltd.	3	Other receivables	86,792	5	2%
5	GREEN LEAF HOLDINGS LIMITED	Guangdong Ji Duo Bao Can Making Co., Ltd.	1	Other receivables	74,660	5	1%

Note 1: Information on business transactions between the parent and subsidiaries shall be indicated in the code column as follows:

- (1) Parent company is "0."
- (2) The subsidiaries are numbered in order starting from "1."

Note 2: The relationship with the counterparty can be categorized into the following three types, simply indicate the type (if it is a transaction between parent and subsidiary companies or between subsidiaries, disclosure does not need to be duplicated). For example, Transactions between parent company and a subsidiary, if the parent company has disclosed the transaction, the subsidiary does not have to disclose it again; Transactions between one subsidiary and another subsidiary, if one subsidiary has disclosed the transaction, the other subsidiary does not have to disclose it again):

- (1) The parent to subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

- Note 3: The ratio of the transaction amount to the combined total revenue or total assets, if it is an item of assets and liabilities, shall be calculated by the ratio of the ending balance to the combined total assets; if it is a profit or loss item, shall be calculated by the ratio the cumulative amount to the combined total revenue.
- Note 4: Transaction terms:
- (1) Prices are determined based on mutual agreement.
 - (2) Terms are 30 to 90 days after monthly billings or 3 and 6 months bank acceptance bill.
 - (3) Terms are 90 days after monthly billings.
 - (4) Terms are 60 days after monthly billings.
 - (5) Mainly refer to financing and its interest, terms are based on mutual agreement.
 - (6) Mainly refer to equipment payment, terms are 90 days after monthly billings.
- Note 5: Individual transaction amounts less than NT\$10 million are not disclosed. Transactions are disclosed from each companies' income and assets side and are not disclosed from the opposite side.
- Note 6: The Group's provision of endorsements and guarantees to others: Please refer to Table II for details.

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Names, locations and other information of investee companies (excluding investees in Mainland China)
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars(Unless Specified Otherwise)
Table 6

Name of investor	Investee companies	Location	Main business activities	Initial investment amount		Held at the end of the period			(Loss) profit of the investee for the current period (Note)	(Loss) profit of investment recognized by the Company for the current period (Note)	Remarks
				Balance as at December 31, 2023	Balance as at December 31, 2022	Shares	%	Book value (Note)			
Jiyuan Packaging Holdings Limited	GREEN LEAF HOLDINGS LIMITED	Samoa	Investment holding	\$ 1,854,891	\$ 1,854,891	41,915,825	100	\$ 1,839,983	(\$ 51,785)	(\$ 51,785)	
Jiyuan Packaging Holdings Limited	FAREAST VANTAGE HOLDINGS LIMITED	Samoa	Investment holding	863,947	863,947	28,550,000	100	512,646	(42,615)	(42,615)	

Note: Based on financial statements that are audited and attested by parent company's CPA.

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Information on investments in Mainland China - Basic Information
From January 1, 2023 to December 31, 2023
Unit: in Thousand NT Dollars(Unless Specified Otherwise)
Table 7

Investee in Mainland China	Main business activities	Paid-up capital	Investment method (Note 1)	Cumulative investment amount remitted from Taiwan - Beginning of the period	Investment amount remitted or received for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	(Loss) profit of the investee for the year ended December 31, 2023	Shareholding ratio of the cleanaway/s investment, directly or indirectly	(Loss) profit investment recognized by the Company for the year ended December 31, 2023 (Note 2)	Carrying amount of investment as of September 30, 2020	Investment gains repatriated by the end of the current period	Remarks
					Remitted to Mainland China	Remitted from investee							
Xiamen Ji Yuan Enterprise Co., Ltd.	Production and sales of tin cans	\$ 429,870	2	\$ -	\$ -	\$ -	\$ -	(\$ 57,643)	100	(\$ 57,257)	\$ 804,143	\$ 162,372	Note 4
Jifu (Xiamen) Industry Co., Ltd.	Processing of tin cans color-printing	76,763	2	-	-	-	-	18,415	100	18,561	526,497	109,516	Note 4
Hubei Ji Yuan Metal Printing Can Making Co., Ltd.	Production and sales of tin cans	273,139	2	-	-	-	-	12,110	100	12,144	688,520	28,183	Note 4
Anhui Ji Yuan Metal Printing Co., Ltd.	Production and sales of tin cans	475,928	2	-	-	-	-	(22,342)	100	(22,342)	356,863	19,991	Note 4
Guangdong Ji Duo Bao Can Making Co., Ltd.	Production and sales of aluminum cans	1,750,185	2	-	-	-	-	(85,174)	100	(85,174)	1,024,758	-	Note 5

Note 1: Method of investment can be divided into three types as follows:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Other methods.

Note 2: Profit or loss of investment recognized by the Company for the year ended December 31, 2023 is based on financial statements that are audited and attested by parent company's CPA.

Note 3: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date of USD: NTD=1: 30.705, RMB: NTD=1: 4.3355.

Note 4: Through investing in an existing company in the third area(GREEN LEAF HOLDINGS LIMITED), which then invested in the investee in Mainland China.

Note 5: Through investing in an existing company in the third area(FAREAST VANTAGE HOLDINGS LKIMITED), which then invested in the investee in Mainland China.

ame of company	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Amount of investment approved by the Ministry of Economic Affairs Investment Committee	Ceiling on investment in Mainland China imposed by the Investment Commission, MOEA
-	\$ -	\$ -	\$ -

JIYUAN PACKAGING HOLDINGS LIMITED AND SUBSIDIARIES
Information on Major Shareholders
December 31, 2023

Table 8

Name of major shareholders	Shareholding		Remarks
	Shares held	Shareholding percentage	
HANDY CAPITAL LIMITED	11,963,595	17.72%	
ORIGINAL HOLDING LTD	5,915,188	8.76%	
Zong Heng Investments Limited	5,688,061	8.42%	
Ample Ocean Limited	5,592,147	8.28%	
Ever Jubilant Limited	4,851,523	7.18%	
SUN REACH INVESTMENT LTD	4,301,955	6.37%	

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, The discrepancy between the stated share capital in the company's financial reports and the actual number of shares issued and delivered may arise due to differences in calculation basis or other factors.

Note 2: The above information pertains to shareholders who have entrusted their shareholdings for delivery. It is disclosed separately under the individual accounts opened by the trustee for the trust accounts. As for the shareholders' shareholdings of more than 10% in accordance with the Securities and Exchange Act, their shareholdings include their own shareholdings plus their shares held in trust and have the right to decide on the use of the trust property, etc. Please refer to the Market Observation Post System(MOPS) for information on insider shareholdings.