

## **YFY Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2022 and 2021 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
YFY Inc.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of YFY Inc. and its subsidiaries (collectively referred to as the "Group") as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Notes 14 and 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT\$34,054,389 thousand and NT\$28,295,623 thousand, respectively, representing 24% and 21%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$10,045,139 thousand and NT\$9,233,062 thousand, respectively, representing 14% and 13%, respectively, of the consolidated total liabilities; for the three and nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income of these non-significant subsidiaries were a gain of NT\$953,590 thousand, a gain of NT\$647,361 thousand, a gain of NT\$1,634,331 thousand and a gain of NT\$1,124,131 thousand, respectively, representing 27%, 31%, 21% and 14%, respectively, of the consolidated total comprehensive income. As of September 30, 2022 and 2021, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$140,577 thousand and NT\$168,309 thousand, respectively; for the three and nine months ended September 30, 2022

and 2021, the amounts of comprehensive income (loss) of investments accounted for using the equity method were a loss of NT\$3,821 thousand and a loss of NT\$14,087 thousand, a loss of NT\$19,338 thousand and a gain of NT\$21,620 thousand, respectively.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that has caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih-Ming Shao and Hui-Min Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 11, 2022

### *Notice to Readers*

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

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

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 9,419,988	7	\$ 6,534,090	5	\$ 7,000,571	5
Current financial assets at fair value through profit or loss (Note 7)	1,167,703	1	3,026,461	2	2,731,412	2
Current financial assets at fair value through other comprehensive income (Notes 8 and 32)	8,228,024	6	7,675,476	6	6,596,574	5
Current financial assets at amortized cost (Note 9)	2,472,484	2	4,352,267	3	4,250,456	3
Notes receivable, net (Notes 10, 22 and 33)	2,777,214	2	4,431,191	3	4,498,784	3
Accounts receivable, net (Notes 10 and 22)	13,114,759	9	13,092,096	10	11,677,863	9
Accounts receivable due from related parties, net (Notes 22 and 32)	54,603	-	71,403	-	65,738	-
Current inventories (Note 11)	11,814,691	8	11,705,050	9	11,308,330	9
Current biological assets (Note 12)	3,353,409	2	3,193,535	2	3,222,758	2
Prepayments	1,874,953	1	1,504,008	1	1,997,752	2
Disposal group classified as held for sale (Note 13)	-	-	-	-	56,558	-
Other current financial assets (Note 33)	910,648	1	345,076	-	372,475	-
Other current assets, others (Note 32)	882,424	1	692,009	1	759,748	1
Total current assets	56,070,900	40	56,622,662	42	54,539,019	41
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 32)	17,860,902	13	15,919,513	12	15,222,414	12
Non-current financial assets at amortized cost (Note 9)	1,542,825	1	434,148	-	429,426	-
Investments accounted for using equity method (Note 15)	7,014,549	5	6,102,801	4	5,617,689	4
Property, plant and equipment (Notes 16 and 33)	48,978,209	35	48,402,268	35	48,147,913	36
Right-of-use assets (Notes 17 and 33)	2,120,637	1	2,037,520	2	1,939,430	2
Investment property, net (Notes 18 and 32)	3,988,355	3	3,532,991	3	3,542,767	3
Goodwill	538,380	-	470,573	-	473,452	-
Deferred tax assets	316,870	-	351,334	-	320,322	-
Prepayments for business facilities (Note 16)	1,118,612	1	1,519,458	1	1,346,028	1
Net defined benefit asset, non-current (Note 20)	801,936	1	710,988	1	511,547	1
Other non-current assets, others (Note 33)	309,540	-	330,008	-	340,079	-
Total non-current assets	84,590,815	60	79,811,602	58	77,891,067	59
TOTAL ASSETS	\$ 140,661,715	100	\$ 136,434,264	100	\$ 132,430,086	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 19 and 33)	\$ 9,639,792	7	\$ 10,079,552	8	\$ 11,113,775	8
Short-term notes and bills payable (Note 19)	11,018,218	8	9,296,157	7	13,865,010	11
Current financial liabilities at fair value through profit or loss (Notes 7 and 31)	23,664	-	69,687	-	46,116	-
Current contract liabilities (Note 22)	504,306	-	516,177	-	550,162	-
Notes and accounts payable	11,201,540	8	12,225,726	9	11,441,783	9
Accounts payable to related parties (Note 32)	112,819	-	57,012	-	70,693	-
Other payables, others (Note 16)	3,999,848	3	4,377,129	3	4,081,138	3
Current tax liabilities	609,496	1	1,437,612	1	1,244,494	1
Current lease liabilities (Note 17)	200,680	-	177,846	-	153,038	-
Liabilities related to disposal group classified as held for sale (Note 13)	-	-	-	-	4,331	-
Long-term liabilities, current portion (Notes 19 and 33)	300,000	-	57,933	-	800,000	1
Other current liabilities, others (Note 32)	1,458,974	1	1,221,889	1	1,172,539	1
Total current liabilities	39,069,337	28	39,516,720	29	44,543,079	34
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Notes 19 and 33)	26,401,705	19	26,519,989	20	20,647,973	16
Deferred tax liabilities	3,610,923	3	3,603,758	3	3,586,250	3
Non-current lease liabilities (Note 17)	509,894	-	471,777	-	397,310	-
Net defined benefit liability, non-current (Note 20)	39,662	-	37,233	-	44,292	-
Other non-current liabilities, others	434,331	-	478,655	-	387,600	-
Total non-current liabilities	30,996,515	22	31,111,412	23	25,063,425	19
Total liabilities	70,065,852	50	70,628,132	52	69,606,504	53
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 13, 21, 26 and 29)						
Share capital	16,603,715	12	16,603,715	12	16,603,715	12
Capital surplus	3,468,619	3	3,288,518	2	3,250,210	2
Retained earnings	22,842,352	16	22,919,766	17	22,162,476	17
Other equity interest	12,827,329	9	8,389,401	6	6,385,153	5
Total equity attributable to owners of parent	55,742,015	40	51,201,400	37	48,401,554	36
NON-CONTROLLING INTERESTS	14,853,848	10	14,604,732	11	14,422,028	11
Total equity	70,595,863	50	65,806,132	48	62,823,582	47
TOTAL LIABILITIES AND EQUITY	\$ 140,661,715	100	\$ 136,434,264	100	\$ 132,430,086	100

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

(With Deloitte & Touche review report dated November 11, 2022)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
(Notes 4, 22 and 32)								
Net sales revenue	\$ 17,847,395	87	\$ 15,864,820	80	\$ 52,441,494	87	\$ 50,739,793	80
Other operating revenue, net	<u>2,557,122</u>	<u>13</u>	<u>3,921,586</u>	<u>20</u>	<u>7,844,788</u>	<u>13</u>	<u>12,911,320</u>	<u>20</u>
Total operating revenue	<u>20,404,517</u>	<u>100</u>	<u>19,786,406</u>	<u>100</u>	<u>60,286,282</u>	<u>100</u>	<u>63,651,113</u>	<u>100</u>
OPERATING COSTS (Notes 11, 23 and 32)								
Cost of sales	15,761,569	77	13,596,902	69	45,617,604	75	41,494,350	65
Other operating costs	<u>1,922,739</u>	<u>10</u>	<u>2,380,489</u>	<u>12</u>	<u>5,946,361</u>	<u>10</u>	<u>7,290,254</u>	<u>11</u>
Total operating costs	<u>17,684,308</u>	<u>87</u>	<u>15,977,391</u>	<u>81</u>	<u>51,563,965</u>	<u>85</u>	<u>48,784,604</u>	<u>76</u>
GAIN (LOSS) ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 12)	<u>(14)</u>	<u>-</u>	<u>698</u>	<u>-</u>	<u>(970)</u>	<u>-</u>	<u>2,848</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>2,720,195</u>	<u>13</u>	<u>3,809,713</u>	<u>19</u>	<u>8,721,347</u>	<u>15</u>	<u>14,869,357</u>	<u>24</u>
OPERATING EXPENSES (Notes 23 and 32)								
Selling expenses	1,437,530	7	1,343,727	7	4,296,025	7	4,249,474	7
Administrative expenses	971,588	4	982,422	5	2,812,796	5	2,886,567	4
Research and development expenses	<u>159,159</u>	<u>1</u>	<u>135,263</u>	<u>1</u>	<u>459,838</u>	<u>1</u>	<u>482,709</u>	<u>1</u>
Total operating expenses	<u>2,568,277</u>	<u>12</u>	<u>2,461,412</u>	<u>13</u>	<u>7,568,659</u>	<u>13</u>	<u>7,618,750</u>	<u>12</u>
NET OPERATING INCOME	<u>151,918</u>	<u>1</u>	<u>1,348,301</u>	<u>6</u>	<u>1,152,688</u>	<u>2</u>	<u>7,250,607</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs, net (Notes 4 and 23)	(249,769)	(1)	(142,314)	(1)	(578,578)	(1)	(404,480)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 15)	682,801	3	190,001	1	1,289,308	2	742,607	1
Interest income	80,640	-	27,917	-	165,594	-	82,622	-
Rent income (Notes 18 and 32)	15,411	-	16,205	-	40,938	-	65,338	-
Dividend income	941,973	5	872,739	4	990,379	2	909,264	1
Other income, others (Note 27)	137,500	1	129,738	1	304,934	1	371,685	1
Gains (losses) on disposal of property, plant and equipment	(1,946)	-	7,418	-	2,490	-	26,195	-
Gains on disposal of investment property	28	-	-	-	133,442	-	-	-
Gains (losses) on financial assets or liabilities at fair value through profit or loss (Note 4)	498,458	2	(27,160)	-	906,038	2	(93,270)	-
Miscellaneous disbursements	(9,917)	-	(21,313)	-	(29,578)	-	(39,275)	-
Foreign exchange losses (Note 36)	<u>(402,727)</u>	<u>(2)</u>	<u>(68,889)</u>	<u>-</u>	<u>(935,093)</u>	<u>(2)</u>	<u>(172,714)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,692,452</u>	<u>8</u>	<u>984,342</u>	<u>5</u>	<u>2,289,874</u>	<u>4</u>	<u>1,487,972</u>	<u>2</u>

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# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 1,844,370	9	\$ 2,332,643	11	\$ 3,442,562	6	\$ 8,738,579	14
TAX EXPENSE (Notes 4 and 24)	<u>(130,754)</u>	<u>(1)</u>	<u>(411,121)</u>	<u>(2)</u>	<u>(640,725)</u>	<u>(1)</u>	<u>(1,787,801)</u>	<u>(3)</u>
PROFIT FROM CONTINUING OPERATIONS	<u>1,713,616</u>	<u>8</u>	<u>1,921,522</u>	<u>9</u>	<u>2,801,837</u>	<u>5</u>	<u>6,950,778</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)								
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:								
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	469,112	2	354,272	2	2,170,509	3	1,894,562	3
Share of other comprehensive income (loss) of associates accounted for using equity method	73,510	1	(47,455)	-	(44,488)	-	261,979	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss:								
Exchange differences on translation	1,218,193	6	(82,219)	(1)	2,587,311	4	(687,140)	(1)
Gains on hedging instruments	-	-	-	-	-	-	5,199	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>47,050</u>	<u>-</u>	<u>(75,066)</u>	<u>-</u>	<u>200,903</u>	<u>1</u>	<u>(208,181)</u>	<u>-</u>
Other comprehensive income (loss), net	<u>1,807,865</u>	<u>9</u>	<u>149,532</u>	<u>1</u>	<u>4,914,235</u>	<u>8</u>	<u>1,266,419</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,521,481</u>	<u>17</u>	<u>\$ 2,071,054</u>	<u>10</u>	<u>\$ 7,716,072</u>	<u>13</u>	<u>\$ 8,217,197</u>	<u>13</u>
PROFIT, ATTRIBUTABLE TO:								
Profit, attributable to owners of parent	\$ 1,462,015	7	\$ 1,300,930	6	\$ 2,225,534	4	\$ 4,554,958	7
Profit, attributable to non-controlling interests	<u>251,601</u>	<u>1</u>	<u>620,592</u>	<u>3</u>	<u>576,303</u>	<u>1</u>	<u>2,395,820</u>	<u>4</u>
	<u>\$ 1,713,616</u>	<u>8</u>	<u>\$ 1,921,522</u>	<u>9</u>	<u>\$ 2,801,837</u>	<u>5</u>	<u>\$ 6,950,778</u>	<u>11</u>
COMPREHENSIVE INCOME, ATTRIBUTABLE TO:								
Comprehensive income, attributable to owners of parent	\$ 3,134,128	15	\$ 1,480,625	7	\$ 6,833,386	11	\$ 5,835,386	9
Comprehensive income, attributable to non-controlling interests	<u>387,353</u>	<u>2</u>	<u>590,429</u>	<u>3</u>	<u>882,686</u>	<u>2</u>	<u>2,381,811</u>	<u>4</u>
	<u>\$ 3,521,481</u>	<u>17</u>	<u>\$ 2,071,054</u>	<u>10</u>	<u>\$ 7,716,072</u>	<u>13</u>	<u>\$ 8,217,197</u>	<u>13</u>

(Continued)

## YFY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 25)								
Basic earnings per share	\$ 0.88		\$ 0.78		\$ 1.34		\$ 2.74	
Diluted earnings per share	\$ 0.88		\$ 0.78		\$ 1.34		\$ 2.74	

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

(With Deloitte & Touche review report dated November 11, 2022)

(Concluded)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of Parent																	
	Capital Surplus							Retained Earnings				Other Equity						
	Share Capital		Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated		Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Equity Related to Disposal Group Classified as Held for Sale	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount								Retained Earnings	Total							
BALANCE AT JANUARY 1, 2021	1,660,372	\$ 16,603,715	\$ 1,560,211	\$ 445,695	\$ 293,124	\$ 205,164	\$ 2,504,194	\$ 3,822,784	\$ 4,001,813	\$ 12,931,484	\$ 20,756,081	\$ (1,509,007)	\$ 6,633,307	\$ (3,025)	\$ -	\$ 44,985,265	\$ 13,302,734	\$ 58,287,999
Appropriation of 2020 earnings																		
Legal reserve appropriated	-	-	-	-	-	-	-	606,583	-	(606,583)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	-	-	(2,490,557)	-	(2,490,557)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(869,623)	(869,623)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	(16,405)	(16,405)	-	-	961	961	-	(2,712)	-	-	(18,156)	(7,134)	(25,290)
Other changes in capital surplus	-	-	-	-	-	(64)	(64)	-	-	-	-	-	-	-	-	(64)	-	(64)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	195,852	-	-	-	195,852	-	-	(687,604)	(687,604)	5	(1,001)	-	-	(492,748)	(1,032,083)	(1,524,831)
Changes in ownership interests in subsidiaries	-	-	-	566,633	-	-	566,633	-	-	26	26	15,795	(26)	-	-	582,428	646,323	1,228,751
Profit for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	-	4,554,958	4,554,958	-	-	-	-	4,554,958	2,395,820	6,950,778
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	-	(749,599)	2,026,366	3,025	636	1,280,428	(14,009)	1,266,419
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	-	4,554,958	4,554,958	(749,599)	2,026,366	3,025	636	5,835,386	2,381,811	8,217,197
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	28,611	28,611	-	(28,611)	-	-	-	-	-
BALANCE AT SEPTEMBER 30, 2021	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 1,756,063</u>	<u>\$ 1,012,328</u>	<u>\$ 293,124</u>	<u>\$ 188,695</u>	<u>\$ 3,250,210</u>	<u>\$ 4,429,367</u>	<u>\$ 4,001,813</u>	<u>\$ 13,731,296</u>	<u>\$ 22,162,476</u>	<u>\$ (2,242,806)</u>	<u>\$ 8,627,323</u>	<u>\$ -</u>	<u>\$ 636</u>	<u>\$ 48,401,554</u>	<u>\$ 14,422,028</u>	<u>\$ 62,823,582</u>
BALANCE AT JANUARY 1, 2022	1,660,372	\$ 16,603,715	\$ 1,778,263	\$ 1,023,927	\$ 293,124	\$ 193,204	\$ 3,288,518	\$ 4,429,367	\$ 4,000,001	\$ 14,490,398	\$ 22,919,766	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ -	\$ 51,201,400	\$ 14,604,732	\$ 65,806,132
Appropriation of 2021 earnings																		
Legal reserve appropriated	-	-	-	-	-	-	-	465,605	-	(465,605)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	-	-	(2,490,557)	-	(2,490,557)
Reversal of special reserve	-	-	-	-	-	-	-	-	(4,981)	4,981	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,330,944)	(1,330,944)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	60,917	60,917	-	-	(11,243)	(11,243)	370	-	-	-	50,044	2,350	52,394
Other changes in capital surplus	-	-	-	-	-	(26)	(26)	-	-	-	-	-	-	-	-	(26)	-	(26)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	85,492	-	-	-	85,492	-	-	-	-	36,905	-	-	-	122,397	586,200	708,597
Changes in ownership interests in subsidiaries	-	-	-	33,718	-	-	33,718	-	-	(1,806)	(1,806)	(6,541)	-	-	-	25,371	108,824	134,195
Profit for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	2,225,534	2,225,534	-	-	-	-	2,225,534	576,303	2,801,837
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	-	-	2,472,547	2,135,305	-	-	4,607,852	306,383	4,914,235
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	2,225,534	2,225,534	2,472,547	2,135,305	-	-	6,833,386	882,686	7,716,072
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	200,658	200,658	-	(200,658)	-	-	-	-	-
BALANCE AT SEPTEMBER 30, 2022	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 1,863,755</u>	<u>\$ 1,057,645</u>	<u>\$ 293,124</u>	<u>\$ 254,095</u>	<u>\$ 3,468,619</u>	<u>\$ 4,894,972</u>	<u>\$ 3,995,020</u>	<u>\$ 13,952,360</u>	<u>\$ 22,842,352</u>	<u>\$ 317,665</u>	<u>\$ 12,509,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,742,015</u>	<u>\$ 14,853,848</u>	<u>\$ 70,595,863</u>

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

(With Deloitte & Touche review report dated November 11, 2022)



# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 3,442,562	\$ 8,738,579
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	3,232,066	3,134,430
Expected credit gain	(22,967)	(2,098)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(906,038)	93,270
Finance costs	578,578	404,480
Interest income	(165,594)	(82,622)
Dividend income	(990,379)	(909,264)
Share-based payments	9,131	7,692
Share of profit of associates accounted for using equity method	(1,289,308)	(742,607)
Gain on disposal of property, plant and equipment	(2,490)	(26,195)
Gain on disposal of investment property	(133,442)	-
Loss on disposal of investments	-	8,733
Write-downs of inventories (reversed)	18,077	(4,128)
Unrealized foreign exchange loss	1,038,379	441,479
Loss (gain) arising from changes in fair value less costs to sell of biological assets	970	(2,848)
Gain from lease modification	(48)	(2)
Gain from derecognition of subsidiary (Note 27)	-	(34,372)
Changes in operating assets and liabilities		
Decrease in current financial assets at fair value through profit or loss, mandatorily measured at fair value	3,032,290	237,095
Decrease (increase) in notes receivable, net	1,948,492	(1,175,226)
Decrease (increase) in accounts receivable, net	841,347	(82,446)
Decrease in accounts receivable due from related parties, net	16,800	32,445
Decrease (increase) in current inventories	265,538	(2,379,235)
Decrease (increase) in current biological assets	(64,397)	54,347
Increase in prepayments	(274,310)	(4,168)
Decrease (increase) in other current assets, others	477,770	(316,177)
Decrease in financial liabilities held for trading	(244,425)	(466,567)
Decrease in current contract liabilities	(42,715)	(1,093)
Increase (decrease) in notes and accounts payable	(2,157,607)	1,490,297
Increase (decrease) in accounts payable to related parties	55,807	(15,267)
Decrease in other payable, others	(520,730)	(211,640)
Increase (decrease) in other current liabilities, others	(302,845)	89,341
Decrease in net defined benefit liability, non-current	(88,519)	(437,145)
Cash inflow generated from operations	7,751,993	7,839,088
Interest received	167,185	83,778

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
Dividends received	\$ 1,581,326	\$ 1,328,102
Interest paid	(572,979)	(396,908)
Income taxes paid	<u>(1,637,344)</u>	<u>(1,670,863)</u>
Net cash flows generated from operating activities	<u>7,290,181</u>	<u>7,183,197</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(416,527)	(75,472)
Proceeds from disposal of financial assets at fair value through other comprehensive income	116,452	185,524
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	64,254
Proceeds from disposal of (acquisition of) financial assets at amortized cost	803,273	(1,954,467)
Disposal of financial assets for hedging	-	5,303
Proceeds from liquidation of investments accounted for using equity method	-	140,887
Derecognition of subsidiaries (Note 27)	-	(230)
Proceeds from disposal of subsidiaries (Note 28)	-	(133)
Acquisition of property, plant and equipment	(3,031,584)	(4,129,167)
Proceeds from disposal of property, plant and equipment	16,354	50,218
Proceeds from disposal of investment properties	222,983	-
Increase in other financial assets	(492,725)	(350,369)
Decrease (increase) in other non-current assets, others	<u>(55,247)</u>	<u>93,761</u>
Net cash flows used in investing activities	<u>(2,837,021)</u>	<u>(5,969,891)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Increase (decrease) in current borrowings	(670,368)	4,549,357
Increase in short-term notes and bills payable	1,722,061	4,466,196
Proceeds from (repayment of) long-term debt	122,546	(5,628,277)
Payments of lease liabilities	(167,534)	(139,650)
Increase (decrease) in other non-current liabilities, others	(76,860)	39,640
Cash dividends paid	(2,490,557)	(2,490,557)
Change in non-controlling interests	(439,206)	(1,167,349)
Overdue dividends paid	<u>(26)</u>	<u>(32)</u>
Net cash flows used in financing activities	<u>(1,999,944)</u>	<u>(370,672)</u>

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ 432,682	\$ (79,216)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,885,898	763,418
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,534,090	6,283,121
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 9,419,988	\$ 7,046,539

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as at September 30, 2022 and 2021:

	September 30	
	2022	2021
Cash and cash equivalents in the consolidated balance sheets	\$ 9,419,988	\$ 7,000,571
Cash and cash equivalents included in disposal group classified as held for sale	-	45,968
Cash and cash equivalents in the consolidated statements of cash flows	\$ 9,419,988	\$ 7,046,539

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

(With Deloitte & Touche review report dated November 11, 2022)

(Concluded)

# YFY INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

YFY Inc. (the “Company”) was incorporated in Kaohsiung in February 1950. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since February 1977.

The Company was originally principally engaged in the manufacture and sale of paper and paper-related products and the design, manufacture and sale of equipment. To increase its sales and competitiveness, the Company carried out a restructuring of the organization and spin-off of its specialized divisions. The Company spun off the assets, liabilities, and operations of its consumer products and packaging segments to its subsidiaries, Yuen Foong Yu Consumer Products Co., Ltd., in October 2007 and YFY Packaging Inc., in September 2005.

In addition, the Company spun off the assets, liabilities and operations of its paper and cardboard business segment to Chung Hwa Pulp Corporation (CHPC) and acquired the shares issued by CHPC on October 1, 2012. After this transaction, CHPC became a subsidiary of the Company, and the Company became an investment holding company, with investment as its main business.

The consolidated financial statements of the Company and its subsidiaries, hereto forth collectively referred to as the Group, are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 11, 2022.

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

- a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

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

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, biological assets (excluding bearer plants) which are measured at fair value less costs to sell, net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets, investments accounted for using the equity method and the lower of cost or net realizable value on inventories.

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisitions or up to the effective date of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the share of the assets (including any goodwill) less liabilities and any non-controlling interests of the former subsidiary at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or financial assets.

Refer to Note 14 and Tables 8 and 9 for more information on subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 and the economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2021.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 19,136	\$ 17,244	\$ 33,443
Checking accounts and demand deposits	5,508,168	4,313,350	4,922,053
Cash equivalents			
Time deposits	3,773,377	2,005,996	1,894,075
Repurchase agreements collateralized by bonds	<u>119,307</u>	<u>197,500</u>	<u>151,000</u>
	<u>\$ 9,419,988</u>	<u>\$ 6,534,090</u>	<u>\$ 7,000,571</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 483,132	\$ 3,555	\$ 524
Currency exchange contracts	-	237	-
Non-derivative financial assets			
Mutual funds	430,688	1,516,927	1,287,737
Hybrid financial assets			
Structured deposits	<u>253,883</u>	<u>1,505,742</u>	<u>1,443,151</u>
	<u>\$ 1,167,703</u>	<u>\$ 3,026,461</u>	<u>\$ 2,731,412</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 23,664	\$ 69,687	\$ 45,343
Currency exchange contracts	<u>-</u>	<u>-</u>	<u>773</u>
	<u>\$ 23,664</u>	<u>\$ 69,687</u>	<u>\$ 46,116</u>

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2022</u>			
Buy	USD:RMB	2022.10.28-2023.06.21	USD48,900
Buy	USD:NTD	2022.10.24-2022.10.31	USD1,500
Buy	JPY:USD	2022.10.27	JPY200,000
Sell	USD:NTD	2022.10.07-2022.10.27	USD40,000
Sell	RMB:USD	2022.10.20-2023.09.25	RMB2,056,188
Sell	EUR:NTD	2022.10.03-2022.10.26	EUR14,000
<u>December 31, 2021</u>			
Buy	USD:RMB	2022.01.18-2022.03.28	USD35,000
Buy	JPY:USD	2022.01.20	JPY220,000
Sell	USD:NTD	2022.01.03-2022.01.27	USD9,900
Sell	RMB:USD	2022.01.10-2022.03.24	RMB2,365,814
Sell	EUR:NTD	2022.01.26	EUR1,000

(Continued)



	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2021</u>			
Buy	USD:RMB	2021.10.18-2021.12.28	USD39,000
Buy	USD:NTD	2021.11.30	USD3,000
Buy	JPY:USD	2021.11.04	JPY220,000
Sell	USD:NTD	2021.10.01-2021.11.01	USD22,300
Sell	RMB:USD	2021.10.12-2022.01.12	RMB2,304,535 (Concluded)

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

At the end of the reporting period, outstanding currency exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2021</u>			
Currency exchange contracts	USD:NTD	2022.02.17	USD2,000/NTD55,620
<u>September 30, 2021</u>			
Currency exchange contracts	USD:NTD	2022.02.17	USD15,000/NTD417,150

The Group entered into currency exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	September 30, 2022	December 31, 2021	September 30, 2021
Investments in equity instruments at FVTOCI - <u>current</u>			
Domestic investments			
Listed shares	\$ 8,228,024	\$ 7,675,476	\$ 6,596,574
Investments in equity instruments at FVTOCI - <u>non-current</u>			
Domestic investments			
Listed shares	\$ 12,127,032	\$ 11,073,719	\$ 10,157,120
Unlisted shares	<u>5,623,532</u>	<u>4,711,909</u>	<u>4,920,268</u>
	17,750,564	15,785,628	15,077,388
Foreign investments			
Unlisted shares	<u>110,338</u>	<u>133,885</u>	<u>145,026</u>
	<u>\$ 17,860,902</u>	<u>\$ 15,919,513</u>	<u>\$ 15,222,414</u>

The Group invested in listed and unlisted on domestic or foreign equity securities and elected to designate these investments in equity instruments as at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	\$ 2,472,484	\$ 4,135,193	\$ 4,035,743
Time deposits with original maturities of more than 1 year	<u>-</u>	<u>217,074</u>	<u>214,713</u>
	<u>\$ 2,472,484</u>	<u>\$ 4,352,267</u>	<u>\$ 4,250,456</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 1,542,825</u>	<u>\$ 434,148</u>	<u>\$ 429,426</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.68%-2.20%, 0.18%-2.10% and 0.18%-2.10% as of September 30, 2022, December 31, 2021 and September 30, 2021.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 3.15%-3.99%, 3.96%-3.99% and 3.96%-3.99% as of September 30, 2022, December 31, 2021 and September 30, 2021.

## 10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable</u>			
Notes receivable	\$ 2,777,979	\$ 4,431,956	\$ 4,501,549
Less: Allowance for impairment loss	<u>(765)</u>	<u>(765)</u>	<u>(2,765)</u>
	<u>\$ 2,777,214</u>	<u>\$ 4,431,191</u>	<u>\$ 4,498,784</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 13,386,625	\$ 13,381,480	\$ 11,873,354
Less: Allowance for impairment loss	<u>(271,866)</u>	<u>(289,384)</u>	<u>(195,491)</u>
	<u>\$ 13,114,759</u>	<u>\$ 13,092,096</u>	<u>\$ 11,677,863</u>

Notes receivable and accounts receivable were generated by operating activities.

The Group reviews the recoverable amounts at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

#### September 30, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 15,013,260	\$ 805,031	\$ 121,288	\$ 16,324	\$ 208,701	\$ 16,164,604
Loss allowance (Lifetime ECLs)	(48,687)	(4,573)	(7,649)	(3,645)	(208,077)	(272,631)
Amortized cost	<u>\$ 14,964,573</u>	<u>\$ 800,458</u>	<u>\$ 113,639</u>	<u>\$ 12,679</u>	<u>\$ 624</u>	<u>\$ 15,891,973</u>

#### December 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 16,443,657	\$ 874,272	\$ 217,322	\$ 46,840	\$ 231,345	\$ 17,813,436
Loss allowance (Lifetime ECLs)	(14,809)	(14,044)	(25,972)	(4,080)	(231,244)	(290,149)
Amortized cost	<u>\$ 16,428,848</u>	<u>\$ 860,228</u>	<u>\$ 191,350</u>	<u>\$ 42,760</u>	<u>\$ 101</u>	<u>\$ 17,523,287</u>

#### September 30, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 15,323,201	\$ 784,996	\$ 134,458	\$ 7,895	\$ 124,353	\$ 16,374,903
Loss allowance (Lifetime ECLs)	(42,482)	(5,175)	(23,733)	(2,981)	(123,885)	(198,256)
Amortized cost	<u>\$ 15,280,719</u>	<u>\$ 779,821</u>	<u>\$ 110,725</u>	<u>\$ 4,914</u>	<u>\$ 468</u>	<u>\$ 16,176,647</u>

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 290,149	\$ 430,271
Less: Net remeasurement of loss allowance	(22,967)	(2,098)
Less: Amounts written off	(2,771)	(227,496)
Effect of foreign currency exchange differences	<u>8,220</u>	<u>(2,421)</u>
Balance at September 30	<u>\$ 272,631</u>	<u>\$ 198,256</u>

For the nine months ended September 30, 2022 and 2021, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$2,097,080 thousand and \$907,410 thousand. For information on the transfer of financial instruments, refer to Note 31.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 33.

## 11. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Materials	\$ 5,528,656	\$ 5,581,643	\$ 5,465,226
Finished and purchased goods	5,084,056	5,190,371	4,925,289
Work-in-process	<u>1,201,979</u>	<u>933,036</u>	<u>917,815</u>
	<u>\$ 11,814,691</u>	<u>\$ 11,705,050</u>	<u>\$ 11,308,330</u>

The cost of goods sold for the three and nine months ended September 30, 2022 and 2021 included inventory write-downs of \$2,447 thousand and \$18,077 thousand, inventory write-downs \$64,223 thousand and inventory write-downs reversed of \$4,128 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices.

## 12. BIOLOGICAL ASSETS

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 3,193,535	\$ 3,327,526
Increases due to planting	256,630	141,585
Gain (loss) on changes in fair value less costs to sell	(970)	2,848
Decreases due to harvesting	(192,233)	(195,932)
Effect of foreign currency exchange differences	<u>96,447</u>	<u>(53,269)</u>
Balance at September 30	<u>\$ 3,353,409</u>	<u>\$ 3,222,758</u>

The biological assets and their fair values measured on a recurring basis (before deducting costs to sell) were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Eucalyptus (Level 3)	<u>\$ 3,462,043</u>	<u>\$ 3,295,021</u>	<u>\$ 3,329,231</u>

The movements in the fair value of the assets within Level 3 of the hierarchy were as follows:

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 3,295,021	\$ 3,437,755
Increases due to planting	273,092	147,070
Gain (loss) on changes in fair value less costs to sell	(1,032)	2,958
Decreases due to harvesting	(204,564)	(203,520)
Effects of foreign currency exchange differences	<u>99,526</u>	<u>(55,032)</u>
Balance at September 30	<u>\$ 3,462,043</u>	<u>\$ 3,329,231</u>

The financial risks related to biological assets arose from the estimation of eucalyptus volume since the method used in estimation is highly uncertain.

### 13. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On September 3, 2021, the board of directors of the subsidiary, San Ying Enterprise Co., Ltd., resolved to dispose of all its ownership of Kunshan Actview Carbon Technology Co., Ltd. The contract was signed in October 2021 with an estimated amount of RMB28,194 thousand. The Group expects to complete the sale within 12 months. Thus, the assets, liabilities, and equity attributable to Kunshan Actview Carbon Technology Co., Ltd. were reclassified as held for sale and were presented separately in the consolidated balance sheets for the nine months ended September 30, 2021. The sales proceeds substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognized after remeasurement at the lower of carrying amount and fair value less costs to sell. The major classes of assets, liabilities, and equity of Kunshan Actview Carbon Technology Co., Ltd. which were classified as held for sale were as follows:

	<b>Kunshan Actview Carbon Technology Co., Ltd.</b>
Cash	\$ 45,968
Accounts receivable, net	4,518
Other current assets, others	7
Property, plant and equipment	3,566
Right-of-use assets	<u>2,499</u>
Disposal group classified as held for sale	<u>\$ 56,558</u>
Accounts payable	\$ 17
Other payables, others	13
Other current liabilities, others	6
Other non-current liabilities, others	<u>4,295</u>
Liabilities related to disposal group classified as held for sale	<u>\$ 4,331</u>
Equity related to disposal group classified as held for sale	<u>\$ 636</u>

The Group completed the disposal in December 2021 and lost control of Kunshan Actview Carbon Technology Co., Ltd. The sales proceeds of RMB18,707 thousand were fully collected in January 2022.

### 14. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements (for the diagram of investment structure of the Group as at September 30, 2022, refer to Table 1):

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	57.8	57.8	57.8	1)
	YFY International B.V.	Investment and holding	100.0	100.0	100.0	1)
	YFY Global Investment B.V.	Investment and holding	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	59.1	59.1	59.1	1) and 15)
	Shin Foong Specialty and Applied Materials Co., Ltd.	Production and sale of SBR (styrene butadiene rubber) latex	48.0	48.0	48.0	1) and 2)
	China Color Printing Co., Ltd.	Design and printing of magazines, posters and books	49.7	49.7	49.7	2)
	Effion Eneritech Co., Ltd.	To operate cogeneration and provide power technology	100.0	49.0	49.0	20)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
YFY Inc.	YFY Development Corp.	Real estate investment and development	100.0	100.0	100.0	4)
	YFY Corporate Advisory & Services Co., Ltd.	Consulting	100.0	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	18.9	18.9	18.9	2)
	YFY Paradigm Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	San Ying Enterprise Co., Ltd.	Design and construction of water processing and environmental facilities	100.0	100.0	100.0	1)
	YFY Japan Co., Ltd.	Trade of paper, chemical material and machinery	100.0	100.0	100.0	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	50.9	50.9	50.9	
	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing.	100.0	100.0	100.0	
		b. Wholesale of information software and electric appliances.				
	Sustainable Carbohydrate Innovation Co., Ltd.	Researching and development	100.0	100.0	100.0	
YFY International B.V.	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	100.0	1) and 4)
	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	13.5	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0	94.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	100.0	
	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	60.0	
	YFY Mauritius Corp.	Investment and holding	100.0	100.0	100.0	
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	3)
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY Mauritius Corp.	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	-	-	64.6	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	3)
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	3)
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	93.8	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	3)
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	3)
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	100.0	3)
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	-	-	90.0	
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	100.0	100.0	35.4	3)
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	3)
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8	-	3)
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	3)
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	3)
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0	-	3)
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	
	YFY International Labuan Co., Ltd.	Investment and holding	-	100.0	100.0	21)
	YFY Cayman Co., Ltd.	Investment and holding	-	-	-	
	YFY Packaging Capital Corp.	Investment and holding	70.0	70.0	70.0	7)
	Winsong Packaging Investment Company Limited	Sale of various paper products	100.0	100.0	100.0	
	Willpower Industries Ltd.	Investment and holding	-	100.0	100.0	12)
	YFYPack Advance Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	9)
	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Willpower Industries Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Manufacture and sale of cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Jupiter (BVI) Inc.	Investment and holding	100.0	100.0	100.0	
	YFY Jupiter Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Investment and holding	58.3	58.3	58.3	
YFY Jupiter US, Inc.	YFY Jupiter US, Inc.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	99.0	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	1.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	1.0	
	Spectiv Brands, LLC	General trade	100.0	100.0	100.0	
	YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	1.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	99.0	
	Jupiter Vietnam Company Limited	Design of packaging	100.0	100.0	100.0	
YFY Jupiter (Shenzhen) Ltd.	Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Graphic design	100.0	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Graphic design	100.0	100.0	100.0	
	Opal BPM Limited	Design of process system and assistance in graphic design	82.5	82.5	82.5	
	Jupiter Prestige Group North America Inc.	Design of packaging and sale of paper	100.0	100.0	100.0	
	Contrast LLC	Brand Design	80.0	80.0	80.0	10)
	Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	100.0	
	Opal BPM Limited	Workflow system coding	100.0	100.0	100.0	
	Opal BPM Consulting Limited	Consulting services of workflow system coding	100.0	100.0	100.0	
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	-	-	-	5)
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Design and print of advertisements	-	-	-	
	YFY Packaging Inc.	Investment and holding	100.0	100.0	100.0	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	66.8	
	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	69.55	-	-	
	YFY RFID Co. Limited	Investment and holding	-	86.5	100.0	14) and 22)
	YFY Jupiter (BVI) Inc.	Investment and holding	83.7	85.3	85.3	
	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY RFID Co. Limited	Investment and holding	100.0	-	-	
Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	86.5	14)
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	-	100.0	-	
						14) and 17)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
Arizon RFID Technology Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	100.0	
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	100.0	
	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	100.0	6)
Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	100.0	100.0	
YFY Development Corp.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	1)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	1.9	1) and 15)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	1.0	1.0	20)
Effion Enertech Co., Ltd.	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.15	-	-	22)
YFY Capital Holdings Corp.	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	100.0	
	YFY (Shanghai) Financial Services Co., Ltd.	Export factoring, domestic factoring, business factoring and related consulting services, development of credit risk management platform	100.0	100.0	100.0	
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	4.1	4.1	4.1	2)
	YFY Biotech Management Co., Ltd.	Consulting	100.0	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.7	0.7	0.7	1)
	Livebricks Inc.	Information processing services	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	6.5	6.5	5.9	1) and 15)
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	0.07	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	0.03	0.03	0.03	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.15	-	-	22)
Yuen Foong Shop Co., Ltd.	Shanghai YFY International Trade Co., Ltd.	General trade	-	-	-	11)
	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
San Ying Enterprise Co., Ltd.	Kunshan Actview Carbon Technology Co., Ltd.	Manufacture and sale of active carbon	-	-	66.4	16)
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	49.0	49.0	20)
	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
CHP International (BVI) Corporation	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	1.0	1.0	20)
	Genovella Renewables Inc.	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	100.0	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	6.4	4.1	2.8	2) and 19)
Guangdong Dingfung Pulp & Paper Co., Ltd.	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	66.3	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	100.0	100.0	100.0	
	Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	100.0	100.0	100.0	
Zhaoqing Dingfung Forestry Co., Ltd.	Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	67.0	67.0	-	18)

(Concluded)

#### Remarks:

- 1) Except for YFY International B.V., YFY Mauritius Corp., Chung Hwa Pulp Corporation, Yuen Foong Yu Consumer Products Co., Ltd., YFY Packaging Inc., Shin Foong Specialty and Applied Materials Co., Ltd., and YFY Paradigm Investment Co., Ltd. and investees mentioned in Tables 8 and 9, the financial statements of the remaining non-significant subsidiaries were not reviewed by the auditors.
- 2) China Color Printing Co., Ltd. and Union Paper Corp. were deemed subsidiaries because the Group had substantial control over them even though the Group held less than 50% equity interest in each of the subsidiaries' voting shares; the Group disposed of its partial ownership of Shin Foong Specialty and Applied Materials Co., Ltd. and equity changes such as employee share options, which reduced its shareholding ratio to 48.0%. Shin Foong Specialty and Applied Materials Co., Ltd. was deemed a subsidiary since the Group did not cease to have control over these subsidiaries.

- 3) In order to improve the investment management efficiency and management performance of packaging business in mainland China, the Company's board of directors approved the investment structure adjustment of packaging business in mainland China in December 2020. The Company proceeds with the investment structure adjustment which included 11 subsidiaries with YFY Packaging (Yangzhou) Investment Co., Ltd. as the holding company. The application was approved by the competent authority in March 2021 and the above process was completed in December 2021.
- 4) In order to specialize on its major business operation, the Company's board of directors approved the "division spin-off capital reduction proposal" that spin-off assets, liabilities and business operation of the Chenggong plant of YFY Packaging Inc., integrate them into YFY Development Corp. and issue new shares by YFY Development Corp. as the consideration for the transfer of the division in January 2021. The above process has been finished in January 2021.
- 5) Kunshan YFY Advertising and Printing Co., Ltd. entered the bankruptcy procedure in January 2021. Due to the Group's loss of control, it has not been included in the consolidated financial statements since January 2021, refer to Note 27.
- 6) YFY Consumer Products, Co. was established in February 2021 and has been included in the consolidated financial statements since then.
- 7) YFY Packaging Capital Corp. entered the liquidation in March 2021. Due to the Group's loss of control, it has not been included in the consolidated financial statements since March 2021.
- 8) YFY Jupiter (BVI) Inc. acquired 1.3% ownership of Jupiter Prestige Group Holdings Limited for the three months ended March 31, 2021. Thus, the shareholding ratio of the YFY Jupiter (BVI) Inc. in Jupiter Prestige Group Holdings Limited increased to 58.3%.
- 9) YFYPack Advance Ltd. was established in May 2021 and had been included in the consolidated financial statements. YFYPack Advance Ltd. was liquidated in response to the Group's operational strategy. Due to the Group's loss of control, it has not been included in the consolidated financial statements since January 2022.
- 10) Jupiter Prestige Group North America Inc. acquired 20.0% ownership of Contrast LLC for the six months ended June 30, 2021. Thus, the shareholding ratio of the Jupiter Prestige Group North America Inc. in Contrast LLC increased to 80.0%.
- 11) In order to respond the changes in the mainland China market, the board of directors of the subsidiary, Yuen Foong Shop Co., Ltd., resolved to dispose of all of its ownership of Shanghai YFY International Trade Co., Ltd. in July 2021. The disposal was completed in August 2021.
- 12) The Company's board of directors approved YFY Cayman Co., Ltd. to acquire all shares of Willpower Industries Ltd. owned by Great Pacific Investments Limited in August 2021. Thus, the shareholding ratio of the YFY Cayman Co., Ltd. in Willpower Industries Ltd. increased to 100%.
- 13) Due to the equity changes such as YFY Jupiter (BVI) Inc. purchase of treasury shares and transfer of treasury shares to employees, the shareholdings ratio of the YFY Global Investment B.V. in YFY Jupiter (BVI) Inc. were changed.
- 14) In September 2021, the Company's board of directors approved the resolution of submitting the listed application of the Arizon RFID Technology Co., Ltd. on the stock exchange in Taiwan and carried out a restructuring of the organization. After the adjustment, Arizon RFID Technology (Cayman) Co., Ltd. are expected to be the main entity listed in Taiwan. The submission application was completed in October 2022. Due to the restructuring, part of the shareholding ratio was changed, but the Group did not cease to have control over these subsidiaries.



- 15) Due to the equity changes, the Group's subscription of additional shares of Yuen Foong Yu Consumer Products Co., Ltd. at a percentage different from its existing ownership percentage in September 2021, the shareholding ratio of the Group in Yuen Foong Yu Consumer Products Co., Ltd. was reduced to 66.9%. In October 2021, the Group acquired 0.6% shareholding in Yuen Foong Yu Consumer Products Co., Ltd., and the shareholding ratio of the Group in Yuen Foong Yu Consumer Products Co., Ltd. increased to 67.5%.
- 16) In response to the changes in the mainland China market, the board of directors of the subsidiary, San Ying Enterprise Co., Ltd., resolved to dispose of all of its ownership of Kunshan Actview Carbon Technology Co., Ltd. in September 2021. The disposal was completed in December 2021.
- 17) Arizon RFID Technology (Cayman) Co., Ltd. was established in October 2021 and included in the consolidated financial statements.
- 18) Guizhou Yuanfung Forestry Co., Ltd. was established in December 2021 and included in the consolidated financial statements.
- 19) Hwa Fong Investment Co., Ltd. acquired 2.78%, 1.3% and 2.3% ownership of Union Paper Corp. respectively, for the nine months ended in September 2021, from October through December in 2021 and for the nine months ended in September 2022, respectively. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 6.4%.
- 20) In order to improve management performance, the Group carried out a restructuring of the organization. Chung Hwa Pulp Corporation, YFY Development Corp. and Hwa Fong Investment Co., Ltd. sold their shares in Effion Enertech Co., Ltd. to the Company. The above process was completed in March 2022.
- 21) YFY International Labuan Co., Ltd. entered the liquidation in August 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2022.
- 22) Due to the equity changes, the Group subscribed additional shares of Arizon RFID Technology (Cayman) Co., Ltd. at a percentage different from its existing ownership percentage in August 2022 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. to YFY Development Corp., YFY Paradigm Investment Co., Ltd., specific investors and financial investors. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 69.85%, which include its shareholding ratio of 69.55% in YFY Global Investment B.V., 0.15% in YFY Development Corp. and 0.15% in YFY Paradigm Investment Co., respectively. Arizon RFID Technology (Cayman) Co., Ltd. was deemed a subsidiary since the Group did not cease to have control over this subsidiary.

Refer to Tables 8 and 9 for the information on place of incorporation and principal place of business.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	September 30, 2022	December 31, 2021	September 30, 2021
Chung Hwa Pulp Corporation	41.4%	41.4%	41.4%

Chung Hwa Pulp Corporation and subsidiaries

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Current assets	\$ 15,655,577	\$ 14,411,937	\$ 14,358,214
Non-current assets	19,461,802	19,556,519	19,627,412
Current liabilities	(11,324,411)	(13,203,844)	(13,960,983)
Non-current liabilities	<u>(5,689,431)</u>	<u>(3,131,048)</u>	<u>(2,358,919)</u>
Equity	18,103,537	17,633,564	17,665,724
Consolidated adjustments	<u>94,109</u>	<u>94,109</u>	<u>94,109</u>
Adjusted equity	<u>\$ 18,197,646</u>	<u>\$ 17,727,673</u>	<u>\$ 17,759,833</u>
Equity attributable to:			
Owners of Chung Hwa Pulp Corporation	\$ 9,313,835	\$ 9,117,982	\$ 9,135,314
Non-controlling interests of Chung Hwa Pulp Corporation	6,583,987	6,445,539	6,457,791
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>2,299,824</u>	<u>2,164,152</u>	<u>2,166,728</u>
	<u>\$ 18,197,646</u>	<u>\$ 17,727,673</u>	<u>\$ 17,759,833</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Operating revenue	<u>\$ 6,163,399</u>	<u>\$ 5,176,563</u>	<u>\$ 17,911,924</u>	<u>\$ 16,395,066</u>
Profit for the period	\$ 312,802	\$ 135,670	\$ 446,015	\$ 657,536
Other comprehensive income (loss) for the period	<u>213,187</u>	<u>(91,060)</u>	<u>461,496</u>	<u>26,015</u>
Total comprehensive income for the period	<u>\$ 525,989</u>	<u>\$ 44,610</u>	<u>\$ 907,511</u>	<u>\$ 683,551</u>
Profit attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ 170,513	\$ 89,686	\$ 233,936	\$ 384,317
Non-controlling interests of Chung Hwa Pulp Corporation	116,756	63,399	156,616	271,675
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>25,533</u>	<u>(17,415)</u>	<u>55,463</u>	<u>1,544</u>
	<u>\$ 312,802</u>	<u>\$ 135,670</u>	<u>\$ 446,015</u>	<u>\$ 657,536</u>

(Continued)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Total comprehensive income attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ 282,332	\$ 41,612	\$ 472,726	\$ 420,356
Non-controlling interests of Chung Hwa Pulp Corporation	195,771	29,507	313,659	297,242
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>47,886</u>	<u>(26,509)</u>	<u>121,126</u>	<u>(34,047)</u>
	<u>\$ 525,989</u>	<u>\$ 44,610</u>	<u>\$ 907,511</u>	<u>\$ 683,551</u>
				(Concluded)

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Net cash inflow from:		
Operating activities	\$ 652,777	\$ 408,875
Investing activities	(355,661)	(1,165,820)
Financing activities	268,171	942,473
Effects of exchange rate changes	<u>48,061</u>	<u>(5,743)</u>
Net cash inflow	<u>\$ 613,348</u>	<u>\$ 179,785</u>
Dividends paid to non-controlling interests	<u>\$ 182,693</u>	<u>\$ -</u>

## 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Material associates			
E Ink Holdings Inc.	\$ 6,873,972	\$ 5,948,270	\$ 5,449,380
Associates that are not individually material	<u>140,577</u>	<u>154,531</u>	<u>168,309</u>
	<u>\$ 7,014,549</u>	<u>\$ 6,102,801</u>	<u>\$ 5,617,689</u>

Refer to Tables 8 and 9 for the nature of activities, principal place of business and country of incorporation of the associates.

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	September 30, 2022	December 31, 2021	September 30, 2021
E Ink Holdings Inc.	16.2%	16.2%	16.2%

The investments in E Ink Holdings Inc. was accounted for using the equity method since the Group had significant influence over E Ink Holdings Inc. even though the Company held less than 20% of the investee's voting shares.

In 2013, the Group increased its investment in E Ink Holdings Inc. by buying 40,000 thousand shares of the investee's privately placed ordinary shares for \$658,000 thousand. Under the related regulations, privately placed ordinary shares should not be transferred within three years from the date of acquisition. E Ink Holdings Inc. has not yet completed publishing procedures as of the report date. The other rights and obligations are the same as those of ordinary shares.

Investments in material associates were accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on financial statements which have been reviewed.

Fair values (Level 1) of investments in E Ink Holdings Inc. with available published price quotations were summarized as follows (excluding the privately placed ordinary shares):

September 30, 2022	December 31, 2021	September 30, 2021
<u>\$ 30,670,294</u>	<u>\$ 21,845,351</u>	<u>\$ 10,676,735</u>

The summarized financial information below represents amounts shown in the financial statements of E Ink Holdings Inc. prepared in accordance with IFRSs and has been adjusted by the Group for equity accounting purposes:

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 24,779,824	\$ 19,263,374	\$ 18,617,652
Non-current assets	39,229,353	37,746,625	32,975,131
Current liabilities	(15,926,915)	(17,839,575)	(16,014,799)
Non-current liabilities	<u>(6,650,901)</u>	<u>(3,472,539)</u>	<u>(2,970,899)</u>
Equity	41,431,361	35,697,885	32,607,085
Non-controlling interests	<u>(547,597)</u>	<u>(530,719)</u>	<u>(523,496)</u>
	<u>\$ 40,883,764</u>	<u>\$ 35,167,166</u>	<u>\$ 32,083,589</u>
Proportion of the Group's ownership	16.2%	16.2%	16.2%
Equity attributable to the Group	\$ 6,620,512	\$ 5,694,810	\$ 5,195,920
Goodwill	<u>253,460</u>	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 6,873,972</u>	<u>\$ 5,948,270</u>	<u>\$ 5,449,380</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating revenue	\$ 8,103,880	\$ 4,396,760	\$ 21,517,163	\$ 12,882,941
Net profit for the period	\$ 4,267,106	\$ 1,235,145	\$ 8,127,976	\$ 3,830,065
Other comprehensive income (loss)	733,299	(723,230)	935,860	609,693
Total comprehensive income for the period	\$ 5,000,405	\$ 511,915	\$ 9,063,836	\$ 4,439,758

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
The Group's share of:				
Net profit (loss) for the period	\$ (3,821)	\$ (9,015)	\$ (18,336)	\$ 125,208
Other comprehensive income (loss)	-	(7,811)	(1,002)	(55,204)
Total comprehensive income (loss) for the period	\$ (3,821)	\$ (16,826)	\$ (19,338)	\$ 70,004

Except for the review financial statements for the eight months ended August 31, 2021 of Taiwan Global BioFund Co., Ltd., investments in associates that are not individually material were accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on financial statements which have not been reviewed.

## 16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 14,256,398	\$ 15,977,069	\$ 66,799,914	\$ 13,617,300	\$ 1,112,761	\$ 111,763,442
Additions	383,274	156,755	920,711	281,143	1,651,912	3,393,795
Disposals	-	(27,361)	(296,893)	(252,029)	-	(252,029)
Transfer from constructions	-	38,665	741,842	61,170	(841,677)	-
Reclassification to investment properties	(499,200)	-	-	-	-	(499,200)
Reclassification	-	-	-	-	(22,394)	(22,394)
Effect of foreign currency exchange differences	-	314,679	888,607	157,804	21,695	1,382,785
Balance at September 30, 2022	\$ 14,140,472	\$ 16,459,807	\$ 69,054,181	\$ 13,865,388	\$ 1,922,297	\$ 115,442,145

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<b>Accumulated depreciation and impairment</b>						
Balance at January 1, 2022	\$ 612	\$ 7,697,750	\$ 45,592,381	\$ 10,070,431	\$ -	\$ 63,361,174
Depreciation expense	-	396,658	1,995,570	548,560	-	2,940,788
Disposals	-	(22,433)	(291,488)	(248,498)	-	(562,419)
Effect of foreign currency exchange differences	-	107,519	503,371	113,503	-	724,393
Balance at September 30, 2022	<u>\$ 612</u>	<u>\$ 8,179,494</u>	<u>\$ 47,799,834</u>	<u>\$ 10,483,996</u>	<u>\$ -</u>	<u>\$ 66,463,936</u>
Carrying amount at January 1, 2022	<u>\$ 14,255,786</u>	<u>\$ 8,279,319</u>	<u>\$ 21,207,533</u>	<u>\$ 3,546,869</u>	<u>\$ 1,112,761</u>	<u>\$ 48,402,268</u>
Carrying amount at September 30, 2022	<u>\$ 14,139,860</u>	<u>\$ 8,280,313</u>	<u>\$ 21,254,347</u>	<u>\$ 3,381,392</u>	<u>\$ 1,922,297</u>	<u>\$ 48,978,209</u>
<b>Cost</b>						
Balance at January 1, 2021	\$ 13,948,225	\$ 15,384,056	\$ 64,867,359	\$ 13,074,493	\$ 1,677,494	\$ 108,951,627
Additions	1,075,034	339,482	1,265,318	386,717	939,164	4,005,715
Disposals	(7,262)	(39,901)	(373,450)	(89,849)	-	(510,462)
Transfer from constructions	-	492,256	913,475	172,945	(1,578,676)	-
Transfer due to derecognition of subsidiary	-	-	-	(63,717)	-	(63,717)
Reclassification to investment properties	(786,024)	(208,808)	-	-	-	(994,832)
Reclassification as held for sale	-	(21,262)	-	-	-	(21,262)
Reclassification	-	(5,190)	(31,892)	37,488	(160,420)	(160,014)
Effect of foreign currency exchange differences	-	(133,345)	(403,577)	(63,523)	(11,135)	(611,580)
Balance at September 30, 2021	<u>\$ 14,229,973</u>	<u>\$ 15,807,288</u>	<u>\$ 66,237,233</u>	<u>\$ 13,454,554</u>	<u>\$ 866,427</u>	<u>\$ 110,595,475</u>
<b>Accumulated depreciation and impairment</b>						
Balance at January 1, 2021	\$ 2,597	\$ 7,377,349	\$ 43,670,154	\$ 9,546,670	\$ -	\$ 60,596,770
Depreciation expense	-	380,234	1,944,005	527,393	-	2,851,632
Disposals	(2,076)	(21,816)	(363,340)	(88,162)	-	(475,394)
Transfer due to derecognition of subsidiary	-	-	-	(63,717)	-	(63,717)
Reclassification to investment properties	-	(128,050)	-	-	-	(128,050)
Reclassification as held for sale	-	(17,696)	-	-	-	(17,696)
Reclassification	-	11,800	(18,089)	6,862	-	573
Effect of foreign currency exchange differences	-	(47,855)	(223,920)	(44,781)	-	(316,556)
Balance at September 30, 2021	<u>\$ 521</u>	<u>\$ 7,553,966</u>	<u>\$ 45,008,810</u>	<u>\$ 9,884,265</u>	<u>\$ -</u>	<u>\$ 62,447,562</u>
Carrying amount at January 1, 2021	<u>\$ 13,945,628</u>	<u>\$ 8,006,707</u>	<u>\$ 21,197,205</u>	<u>\$ 3,527,823</u>	<u>\$ 1,677,494</u>	<u>\$ 48,354,857</u>
Carrying amount at September 30, 2021	<u>\$ 14,229,452</u>	<u>\$ 8,253,322</u>	<u>\$ 21,228,423</u>	<u>\$ 3,570,289</u>	<u>\$ 866,427</u>	<u>\$ 48,147,913</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	15-55 years
Others	3-50 years
Machinery and equipment	3-20 years
Miscellaneous equipment	3-50 years

The non-cash investing activities of the Group for the nine months ended September 30, 2022 and 2021 are as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment	\$ 3,393,795	\$ 4,005,715
Changes in prepayments for business facilities	(351,109)	(537,086)
Changes in payment of payables on equipment (accounted for as other payables, others)	<u>(11,102)</u>	<u>660,538</u>
	<u><b>\$ 3,031,584</b></u>	<u><b>\$ 4,129,167</b></u>

The Group acquired land for expansion of the factory spaces in September 30, 2022. However, the Group was unable to transfer the ownership of the land due to legal restrictions, therefore choosing to enter into a name-borrowing contract with others. The others consented to fully cooperate with the Group in changing the ownership of the land in the future and pledge with the lands in priority to the Group. As of September 30, 2022, the lands registered by others was \$193,125 thousand.

For the amounts of collateral pledged for bank borrowings, refer to Note 33.

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Carrying amount</u>			
Land	\$ 1,554,549	\$ 1,469,516	\$ 1,399,740
Buildings	402,438	399,973	365,126
Others	<u>163,650</u>	<u>168,031</u>	<u>174,564</u>
	<u><b>\$ 2,120,637</b></u>	<u><b>\$ 2,037,520</b></u>	<u><b>\$ 1,939,430</b></u>
	<b>For the Nine Months Ended September 30</b>		
	<b>2022</b>	<b>2021</b>	
Additions to right-of-use assets		<u>\$ 220,241</u>	<u>\$ 247,253</u>
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
Depreciation charge for right-of-use assets			
Land	\$ 18,761	\$ 11,024	\$ 51,522
Buildings	34,137	34,747	97,165
Others	<u>18,834</u>	<u>15,370</u>	<u>55,124</u>
	<u><b>\$ 71,732</b></u>	<u><b>\$ 61,141</b></u>	<u><b>\$ 203,811</b></u>
			<u><b>\$ 176,737</b></u>

Except for the aforementioned addition and recognized depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2022 and 2021.

For the amounts of collateral pledged for bank borrowings, refer to Note 33.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 200,680</u>	<u>\$ 177,846</u>	<u>\$ 153,038</u>
Non-current	<u>\$ 509,894</u>	<u>\$ 471,777</u>	<u>\$ 397,310</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	0.88%-1.68%	0.97%-1.68%	0.97%-1.68%
Buildings	0.86%-11.70%	0.97%-11.70%	0.97%-11.70%
Others	0.86%-6.00%	0.97%-6.00%	0.97%-6.00%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Expenses relating to short-term leases and low-value asset leases	<u>\$ 86,411</u>	<u>\$ 76,315</u>	<u>\$ 254,913</u>	<u>\$ 221,810</u>
Total cash outflow for leases	<u>\$ 152,140</u>	<u>\$ 127,788</u>	<u>\$ 435,215</u>	<u>\$ 369,843</u>

## 18. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2022	\$ 3,861,276
Additions	53,343
Disposals	(92,435)
Transfer from property, plant and equipment	<u>499,200</u>
Balance at September 30, 2022	<u>\$ 4,321,384</u>

(Continued)



	<b>Amount</b>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 328,285
Depreciation expense	7,638
Disposals	<u>(2,894)</u>
Balance at September 30, 2022	<u>\$ 333,029</u>
Carrying amount at January 1, 2022	<u>\$ 3,532,991</u>
Carrying amount at September 30, 2022	<u>\$ 3,988,355</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 2,867,764
Transfer from property, plant and equipment	<u>994,832</u>
Balance at September 30, 2021	<u>\$ 3,862,596</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2021	\$ 183,460
Depreciation expense	8,319
Transfer from property, plant and equipment	<u>128,050</u>
Balance at September 30, 2021	<u>\$ 319,829</u>
Carrying amount at January 1, 2021	<u>\$ 2,684,304</u>
Carrying amount at September 30, 2021	<u>\$ 3,542,767</u> (Concluded)

The fair values of the investment properties owned by the Group were \$9,795,951 thousand, \$9,459,760 thousand and \$9,461,359 thousand as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively. The valuations were partially made by the Group using market transaction prices for similar properties and not by independent qualified professional valuers. The rental incomes were \$11,721 thousand, \$12,713 thousand, \$31,983 thousand and \$53,686 thousand for the three and nine months ended September 30, 2022 and 2021, respectively.

The Company's board of directors approved the resolution of carrying out a joint construction of housing with Ho Tien Co., Ltd. (as a substantive related party of the Company) and cooperated in the construction of a portion of land in the Zhongshan Section of Zhongshan District, Taipei City. The Company provided the land, and Ho Tien Co., Ltd. was responsible for completing the construction. The joint construction was completed in October 2021 and a license for use was obtained and the transfer of ownership was completed in February 2022.

The investment properties held by the Group were depreciated over their estimated useful lives of 20 to 55 years, using the straight-line method.

All of the Group's investment properties were held under freehold interests.

## 19. BORROWINGS

### a. Current borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Bank credit loans	\$ 9,510,721	\$ 9,795,555	\$ 10,828,034
Bank secured loans	<u>129,071</u>	<u>283,997</u>	<u>285,741</u>
	<u>\$ 9,639,792</u>	<u>\$ 10,079,552</u>	<u>\$ 11,113,775</u>

Current borrowings include bank credit and bank secured loans. As of September 30, 2022, December 31, 2021 and September 30, 2021, the interest rate intervals of bank credit loans were 1.10%-7.40% per annum, 0.52%-4.30% per annum and 0.52%-3.85% per annum, respectively. As of September 30, 2022, December 31, 2021 and September 30, 2021, the interest rate of bank secured loans were 6.05% per annum, 1.09% per annum and 1.09% per annum, respectively.

### b. Short-term notes and bills payable

	September 30, 2022	December 31, 2021	September 30, 2021
Commercial paper	\$ 11,025,000	\$ 9,299,000	\$ 13,876,000
Less: Unamortized discounts on bills payable	<u>(6,782)</u>	<u>(2,843)</u>	<u>(10,990)</u>
	<u>\$ 11,018,218</u>	<u>\$ 9,296,157</u>	<u>\$ 13,865,010</u>

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.32%-1.72% per annum, 0.79%-0.93% per annum and 0.70%-0.96% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

### c. Non-current borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Syndicated loans	\$ 24,317,835	\$ 24,550,836	\$ 19,450,045
Long-term bank credit loans	2,351,220	1,911,220	1,851,220
Long-term bank secured loans	<u>32,650</u>	<u>115,866</u>	<u>146,708</u>
	26,701,705	26,577,922	21,447,973
Less: Current portion	<u>(300,000)</u>	<u>(57,933)</u>	<u>(800,000)</u>
	<u>\$ 26,401,705</u>	<u>\$ 26,519,989</u>	<u>\$ 20,647,973</u>

Long-term bank loans included syndicated, credit and secured loans. Syndicated loans with monthly interest payments expire in September 2027 and have interest rate intervals of 1.79% per annum, 1.79%-1.80% per annum and 1.79% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively; secured and credit loans expire in February 2032 and have interest rate intervals of 0.30%-1.30% per annum, 0.39%-2.78% per annum and 0.39%-2.78% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

## 20. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$12,991 thousand, \$15,245 thousand, \$40,604 thousand and \$45,528 thousand for the three and nine months ended September 30, 2022 and 2021, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2021 and 2020.

## 21. EQUITY

### a. Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Numbers of shares authorized (in thousands)	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
Value of shares authorized	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,660,372</u>	<u>1,660,372</u>	<u>1,660,372</u>
Value of shares issued	<u>\$ 16,603,715</u>	<u>\$ 16,603,715</u>	<u>\$ 16,603,715</u>

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

### b. Capital surplus

Depending on the source, capital surplus may be used in these ways: (1) arising from shares issued in excess of par (including share premiums from the issuance of ordinary shares for mergers, treasury share transactions, and excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) - may be used to offset a deficit; in addition, when the Company has no deficit, this capital surplus may be distributed as cash dividends, or may be transferred to share capital once a year within a certain percentage of the Company's capital surplus; (2) arising from the effect of changes in ownership interests in subsidiaries due to equity transactions other than actual disposals or acquisitions - may be used to offset a deficit.; (3) arising from changes in equity in associates - may be used in compliance with related regulations if the capital surplus source is either of the foregoing two sources.

### c. Retained earnings and dividend policy

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

In making its dividend policy, the Company takes into account future capital expenditures and working capital requirements. Based on this policy, dividends should be distributed as follows:

- 1) At least 20% as cash dividends; and
- 2) The remainder after the distribution of cash dividends as share dividends. If there is a requirement for capital expenditures, the Company may distribute only share dividends.

The board of directors of the Company is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

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

Items referred to under Rule No. 1010012865 (Rule No. 1090150022 issued by the FSC was adopted in appropriations of earnings since 2021) and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company. For any subsequent reversal of the deduction in other shareholders' equity, the appropriate amount of earnings distribution should be reversed from the net debit balance.

The appropriations of earnings for 2021 and 2020 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 465,605	\$ 606,583
Cash dividends	\$ 2,490,557	\$ 2,490,557
Cash dividends per share (NT\$)	\$ 1.5	\$ 1.5

The aforementioned appropriation for cash dividends had been resolved by the board of directors on March 15, 2022 and February 26, 2021, respectively. The other proposed appropriations of earnings for 2021 and 2020 were resolved by the shareholders' meetings on June 23, 2022 and May 17, 2021, respectively.

d. Other equity items

	<b>Exchange Differences on Translation of Foreign Financial Statements</b>	<b>Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	<b>Gains (Losses) on Hedging Instruments</b>	<b>Equity Related to Disposal Group Classified as Held for Sale</b>	<b>Total</b>
For the nine months ended September 30, 2022					
Balance at January 1	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ -	\$ 8,389,401
Exchange differences on translation of foreign financial statements	2,280,804	-	-	-	2,280,804
Unrealized gains on financial assets measured at FVTOCI	-	2,177,798	-	-	2,177,798
Share of other comprehensive income (loss) of associates accounted for using equity method	191,743	(42,493)	-	-	149,250
Changes in equity of associates accounted for using equity method	370	-	-	-	370
Acquisition or disposal of partial interests in subsidiaries	36,905	-	-	-	36,905
Changes in ownership interest in subsidiaries	(6,541)	-	-	-	(6,541)
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(200,658)	-	-	(200,658)
Balance at September 30	\$ 317,665	\$ 12,509,664	\$ -	\$ -	\$ 12,827,329

(Continued)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Equity Related to Disposal Group Classified as Held for Sale	Total
For the nine months ended September 30, 2021					
Balance at January 1	\$ (1,509,007)	\$ 6,633,307	\$ (3,025)	\$ -	\$ 5,121,275
Exchange differences on translation of foreign financial statements	(550,969)	-	-	-	(550,969)
Reclassification of equity related to disposal group classified as held for sale	-	-	-	636	636
Unrealized gains on financial assets measured at FVTOCI	-	1,774,864	-	-	1,774,864
Gains on hedging instruments	-	-	3,025	-	3,025
Share of other comprehensive income (loss) of associates accounted for using equity method	(198,630)	251,502	-	-	52,872
Changes in equity of associates accounted for using equity method	-	(2,712)	-	-	(2,712)
Disposal of partial interests in subsidiaries	5	(1,001)	-	-	(996)
Changes in ownership interest in subsidiaries	15,795	(26)	-	-	15,769
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(28,611)	-	-	(28,611)
Balance at September 30	<u>\$ (2,242,806)</u>	<u>\$ 8,627,323</u>	<u>\$ -</u>	<u>\$ 636</u>	<u>\$ 6,385,153</u>
					(Concluded)

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 14,604,732	\$ 13,302,734
Share of profit for the period	576,303	2,395,820
Other comprehensive income (loss) for the period:		
Exchange differences on translation of foreign financial statements	306,507	(136,807)
Unrealized gains (losses) on financial assets measured at FVTOCI	(7,289)	119,698
Gains on hedge instruments	-	2,174
Share of other comprehensive income of associates accounted for using the equity method	7,165	926
Cash dividends	(1,330,944)	(869,623)
Changes in equity of associates accounted for using equity method	2,350	(7,134)
Changes in ownership interests in subsidiaries	108,824	646,323
Acquisition or disposal of partial interests in subsidiaries	<u>586,200</u>	<u>(1,032,083)</u>
Balance at September 30	<u>\$ 14,853,848</u>	<u>\$ 14,422,028</u>

## 22. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Revenue from contracts with customers - revenue from sale of goods	\$ 17,847,395	\$ 15,864,820	\$ 52,441,494	\$ 50,739,793
Revenue from contracts with customers - other	<u>2,557,122</u>	<u>3,921,586</u>	<u>7,844,788</u>	<u>12,911,320</u>
	<u>\$ 20,404,517</u>	<u>\$ 19,786,406</u>	<u>\$ 60,286,282</u>	<u>\$ 63,651,113</u>

### Contract Balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Notes receivable, net	<u>\$ 2,777,214</u>	<u>\$ 4,431,191</u>	<u>\$ 4,498,784</u>	<u>\$ 3,453,523</u>
Accounts receivable, net	<u>\$ 13,114,759</u>	<u>\$ 13,092,096</u>	<u>\$ 11,677,863</u>	<u>\$ 11,811,120</u>
Accounts receivable due from related parties, net	<u>\$ 54,603</u>	<u>\$ 71,403</u>	<u>\$ 65,738</u>	<u>\$ 98,198</u>
Contract liabilities - sale of goods	<u>\$ 504,306</u>	<u>\$ 516,177</u>	<u>\$ 550,162</u>	<u>\$ 552,667</u>

## 23. NET PROFIT

### a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Interest on bank loans	\$ 246,971	\$ 140,285	\$ 569,304	\$ 402,317
Interest on lease liabilities	4,553	3,713	12,768	8,383
Less: Capitalization amount of interest	<u>(1,755)</u>	<u>(1,684)</u>	<u>(3,494)</u>	<u>(6,220)</u>
	<u>\$ 249,769</u>	<u>\$ 142,314</u>	<u>\$ 578,578</u>	<u>\$ 404,480</u>

Information about capitalized interest is as follows:

	For the Nine Months Ended September 30	
	2022	2021
Capitalization rate	0.80%-1.51%	0.79%-1.46%

b. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 954,987	\$ 961,933	\$ 2,940,788	\$ 2,851,632
Investment properties	2,457	2,762	7,638	8,319
Right-of-use assets	71,732	61,141	203,811	176,737
Other non-current assets	<u>24,343</u>	<u>27,779</u>	<u>79,829</u>	<u>97,742</u>
	<u>\$ 1,053,519</u>	<u>\$ 1,053,615</u>	<u>\$ 3,232,066</u>	<u>\$ 3,134,430</u>
An analysis of depreciation by function				
Operating costs	\$ 916,382	\$ 904,122	\$ 2,829,077	\$ 2,672,142
Operating expenses	<u>112,794</u>	<u>121,714</u>	<u>323,160</u>	<u>364,546</u>
	<u>\$ 1,029,176</u>	<u>\$ 1,025,836</u>	<u>\$ 3,152,237</u>	<u>\$ 3,036,688</u>
An analysis of amortization by function				
Operating costs	\$ 2,956	\$ 10,415	\$ 19,163	\$ 40,519
Operating expenses	<u>21,387</u>	<u>17,364</u>	<u>60,666</u>	<u>57,223</u>
	<u>\$ 24,343</u>	<u>\$ 27,779</u>	<u>\$ 79,829</u>	<u>\$ 97,742</u>

c. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Post-employment benefits				
Defined contribution plans	\$ 49,840	\$ 46,119	\$ 152,892	\$ 139,542
Defined benefit plans	<u>12,991</u>	<u>15,245</u>	<u>40,604</u>	<u>45,528</u>
	62,831	61,364	193,496	185,070
Share-based payments	2,709	7,692	9,131	7,692
Other employee benefits	<u>2,163,863</u>	<u>2,284,428</u>	<u>6,637,922</u>	<u>6,811,347</u>
Total employee benefits expense	<u>\$ 2,229,403</u>	<u>\$ 2,353,484</u>	<u>\$ 6,840,549</u>	<u>\$ 7,004,109</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,296,185	\$ 1,317,534	\$ 4,004,711	\$ 4,064,176
Operating expenses	<u>933,218</u>	<u>1,035,950</u>	<u>2,835,838</u>	<u>2,939,933</u>
	<u>\$ 2,229,403</u>	<u>\$ 2,353,484</u>	<u>\$ 6,840,549</u>	<u>\$ 7,004,109</u>

d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three and nine months ended September 30, 2022 and 2021 are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Compensation of employees	0.09%	0.08%
Remuneration of directors	0.71%	0.35%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Compensation of employees	\$ (869)	\$ 1,293	\$ 2,088	\$ 3,880
Remuneration of directors	\$ 5,500	\$ 5,500	\$ 16,500	\$ 16,500

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

The compensation of employees and remuneration of directors for the years ended December 31, 2021 and 2020, which have been approved by the Company's board of directors on March 15, 2022 and February 26, 2021, respectively, are as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 5,550	\$ 5,361
Remuneration of directors	22,000	22,000

There is no difference between the actual amounts of compensation of employees and remuneration of director paid and declared on March 15, 2022 and February 26, 2021, by board of the Company, recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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



## 24. INCOME TAXES

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 113,665	\$ 367,651	\$ 599,096	\$ 1,652,951
Deferred tax				
In respect of the current period	<u>17,089</u>	<u>43,470</u>	<u>41,629</u>	<u>134,850</u>
	<u>\$ 130,754</u>	<u>\$ 411,121</u>	<u>\$ 640,725</u>	<u>\$ 1,787,801</u>

### b. Income tax recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
Disposal of partial interests in subsidiaries	<u>\$ 60,582</u>	<u>\$ -</u>	<u>\$ 60,582</u>	<u>\$ -</u>

### c. Income tax approved situation

	<u>Final Approved Year</u>
The Company	2017
Yuen Foong Yu Consumer Products Co., Ltd.	2017
Effion Enertech Co., Ltd.	2020
YFY Development Corp.	2020
San Ying Enterprise Co., Ltd.	2020
Fidelis IT Solutions Co., Ltd.	2020
Ever Growing Agriculture Biotech Co., Ltd.	2020
YFY Biotech Management Co., Ltd.	2020
YFY Corporate Advisory & Service Co., Ltd.	2020
Livebricks Inc.	2020
Yuen Foong Shop Co., Ltd.	2020
Sustainable Carbohydrate Innovation Co., Ltd.	2020
Hwa Fong Investments Co., Ltd.	2020
Shin Foong Specialty and Applied Materials Co., Ltd.	2020
China Color Printing Co., Ltd.	2020
YFY Paradigm Investment Co., Ltd.	2020
Yuen Yan Paper Container Co., Ltd.	2020
Genovella Renewables Inc.	2020
Pek Crown Paper Co., Ltd.	2020
Chung Hwa Pulp Corporation	2020
Union Paper Corp.	2019
Yeon Technologies Co., Ltd.	2019
YFY Packaging Inc.	2018

## 25. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Basic earnings per share (NT\$)	<u>\$ 0.88</u>	<u>\$ 0.78</u>	<u>\$ 1.34</u>	<u>\$ 2.74</u>
Diluted earnings per share (NT\$)	<u>\$ 0.88</u>	<u>\$ 0.78</u>	<u>\$ 1.34</u>	<u>\$ 2.74</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

### Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Profit for the period attributable to owners of the Company	<u>\$ 1,462,015</u>	<u>\$ 1,300,930</u>	<u>\$ 2,225,534</u>	<u>\$ 4,554,958</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,462,015</u>	<u>\$ 1,300,930</u>	<u>\$ 2,225,534</u>	<u>\$ 4,554,958</u>

### Number of Share (In Thousands)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>87</u>	<u>114</u>	<u>131</u>	<u>155</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,459</u>	<u>1,660,486</u>	<u>1,660,503</u>	<u>1,660,527</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the board of directors resolve the number of shares to be distributed to employees in the following year.

## 26. SHARE-BASED PAYMENT ARRANGEMENTS

- a. Employee share options reserved when the subsidiary issued new shares - Yuen Foong Yu Consumer Products Co., Ltd.

The board of directors of the subsidiary resolved to issue 22,223 thousand shares in June 2021. In accordance with Company Act, Yuen Foong Yu Consumer Products Co., Ltd. reserved 10% of the issued shares, which totaled 2,223 thousand shares, as employee share options in September 2021. The eligible participants of the share options are the full-time employees (including the full-time employees of the subordinate companies) who meet certain specific requirements. The options granted are valid for 0.01 years and the exercise price is \$52 per share.

Information on employee share options reserved when issued new shares in September 2021 was as follows:

<b>Employee Share Options</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (\$)</b>
Granted in September 2021	<u>2,223</u>	<u>\$ 52</u>
Weighted-average fair value of options granted in September 2021 (\$)	<u>\$ 3.46</u>	

The subsidiary measured employee share options by using the Black-Scholes-Merton Option Pricing Model, and the inputs to the models were as follows:

Share price at the grant date	\$55.29
Exercise price	\$52
Expected volatility (%)	44.85
Expected lives (years)	0.01
Risk free interest rate (%)	0.13

The employee benefit expenses recognized on the employee share option plans were \$7,692 thousand for the three and nine months ended September 30, 2021.

- b. Employee share options plan of the subsidiary - Shin Foong Specialty and Applied Materials Co., Ltd.

In order to attract and retain the professional talents needed by the subsidiary, improve the employees' cohesion and sense of belonging to the subsidiary, and jointly create the interests of subsidiary and shareholders, the board of directors of the subsidiary resolved to issue 2,318 employee share options in April 2016. Each option entitles the holder to subscribe for 1,000 ordinary shares of Shin Foong Specialty and Applied Materials Co., Ltd. The eligible participants for share options are the full-time employees who meet certain specific requirements of the subsidiary. The options granted are valid for 5 years and exercisable at the following vesting conditions after the second anniversary from the grant date. Under the terms of the plan, share options are granted at an exercise price equal to or not less than its net value per share as reported in the financial reports for the most recent fiscal period audited by the CPA at the issue date. For any subsequent changes in the subsidiary's capital structure, the exercise price is adjusted according to the terms. The subsidiary resolved to distribute cash dividends in the shareholders' meeting in 2020. Thus, the exercise price was adjusted from \$18.3 to \$17.7 in August 2020.

<b>Vesting Conditions</b>	<b>The Ratio of Entitled Exercise (%) (Accumulated)</b>
The second anniversary from the grant date	50
The third anniversary from the grant date	75
The fourth anniversary from the grant date	100

Information on compensatory employee share options issued in April 2016 was as follows:

<b>Employee Share Options</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (\$)</b>
Granted in April 2016	<u>2,318</u>	<u>\$ 23</u>
Weighted-average fair value of options granted in April 2016 (NT\$)	<u>\$ 50.97</u>	

Employee share options certificates that the subsidiary issued was expired in April 2021, the information was as follows:

	<b>For the Nine Months Ended September 30, 2021</b>	
<b>Share Options Certificates</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (\$)</b>
Balance at January 1	350	
Options exercised	(50)	
Options expired	<u>(300)</u>	
Balance at September 30	<u>-</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 17.7</u>

The subsidiary measured employee share options by using the Black-Scholes-Merton Option Pricing Model, and the inputs to the models were as follows:

Share price at the grant date	\$73.21
Exercise price	\$23
Expected volatility (%)	31.09-31.92
Expected lives (years)	3.5-4.5
Expected dividend yield (%)	-
Expected grant (%)	100
Risk free interest rate (%)	0.53-0.58

The employee benefit expenses recognized on the employee share option plans were both \$0 thousand for the three and nine months ended September 30, 2021.

c. Employee share options plan of the subsidiary - YFY Jupiter (BVI) Inc.

In order to attract and retain the professional talents needed by the subsidiary, improving the employees' cohesion and sense of belongingness to the subsidiary, and jointly create the interests of subsidiary and shareholders, the board of directors of the subsidiary resolved to issue 544,000 employee share options in September 2021. Each option entitles the holder to subscribe for 1 ordinary share of YFY Jupiter (BVI) Inc. The eligible participants for share options are the full-time employees (including the controlling companies and subordinate companies) who meet certain specific requirements. The options granted for 3 years and the exercisable at the schedule below since the grant date. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

<b>Vesting Conditions</b>	<b>The Ratio of Entitled Exercise (%) (Accumulated)</b>
Issue date	50
The first anniversary from the grant date	80
The second anniversary from the grant date	100

Information on compensatory employee share options issued in September 2021 was as follows:

<b>Employee Share Options</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (US\$)</b>
Granted in September 2021	<u>544</u>	<u>\$ 1.5</u>
Weighted-average fair value of options granted in September 2021 (US\$)	<u>\$ 1.29</u>	

Information for employee share options certificates that the subsidiary issued was as follows:

	<b>For the Nine Months Ended September 30, 2022</b>	
<b>Share Options Certificates</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (US\$)</b>
Balance at January 1	544	
Options exercised	<u>(227)</u>	
Balance at September 30	<u>317</u>	
Options exercisable, end of period	<u>317</u>	<u>\$ 1.5</u>

The subsidiary measured employee share options by using the Black-Scholes-Merton Option Pricing Model, and the inputs to the models were as follows:

Share price at the grant date (US\$)	\$3.54
Exercise price (US\$)	\$1.5
Expected volatility (%)	35.21-35.62
Expected lives (years)	3
Expected dividend yield (%)	-
Expected grant (%)	100
Risk free interest rate (%)	0.17-0.21

The employee benefit expenses recognized on the employee share option plans were \$2,709 thousand and \$9,131 thousand for the three and nine months ended September 30, 2022, respectively.

## 27. DERECOGNITION OF SUBSIDIARY

The subsidiary, Kunshan YFY Advertising and Printing Co., Ltd., entered the bankruptcy procedure in January 2021. The trustee in bankruptcy was appointed by the court. The Group no longer has the ability to direct Kunshan YFY Advertising and Printing Co., Ltd., due to loss of control. Thus, the Group derecognized the assets and liabilities of the former subsidiary.

### a. Consideration received from derecognition

	<b>Kunshan YFY Advertising and Printing Co., Ltd.</b>
Cash	\$ <u>          -</u>

### b. Analysis of assets and liabilities on the loss of control date

	<b>Kunshan YFY Advertising and Printing Co., Ltd.</b>
Current assets	
Cash	\$ 230
Other current assets, others	399
Current liabilities	
Accounts payable	(25,340)
Other current liabilities, others	(9,871)
Non-current liabilities	
Other non-current liabilities, others	<u>          (2)</u>
Net liabilities derecognized	<u>\$ (34,584)</u>

c. Gain from derecognition of subsidiary

**Kunshan YFY  
Advertising and  
Printing Co.,  
Ltd.**

Net liabilities derecognized	\$ 34,584
Effect of foreign currency exchange differences	<u>(212)</u>
Gain from derecognition of subsidiary (accounted for as other income, others)	<u>\$ 34,372</u>

d. Net cash outflow on derecognition of subsidiary

**Kunshan YFY  
Advertising and  
Printing Co.,  
Ltd.**

Consideration received in cash	\$ -
Less: Cash balance derecognized of	<u>(230)</u>
	<u>\$ (230)</u>

## 28. DISPOSAL OF SUBSIDIARY

In July 2021, the board of directors of the subsidiary, Yuen Foong Shop Co., Ltd., resolved to dispose all its ownership of Shanghai YFY International Trade Co., Ltd. The contract was signed in August 2021. The Group completed the disposal in August 2021 and lost control of the subsidiary. The sales proceeds of RMB20 thousand were fully collected in September 2021.

a. Consideration received from disposals

**Shanghai YFY  
International  
Trade Co., Ltd.**

Cash	<u>\$ 86</u>
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b. Analysis of assets and liabilities on the loss of control date

**Shanghai YFY  
International  
Trade Co., Ltd.**

Current assets	
Cash	\$ 219
Accounts receivable, net	2,098
Other current assets, others	6,565
Non-current assets	
Other non-current assets, others	472
Current liabilities	
Other payables, others	(7,099)
Other current liabilities, others	<u>(3,696)</u>
Net liabilities disposed	<u>\$ (1,441)</u>

c. Gain on disposal of subsidiary

**Shanghai YFY  
International  
Trade Co., Ltd.**

Consideration received	\$ 86
Net liabilities disposed	1,441
Effect of foreign currency exchange differences	<u>236</u>
Gain on disposal of subsidiary	<u>\$ 1,763</u>

d. Net cash outflow on disposal of subsidiary

**Shanghai YFY  
International  
Trade Co., Ltd.**

Consideration received in cash	\$ 86
Less: Cash balance disposed of	<u>(219)</u>
	<u>\$ (133)</u>

## 29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

a. Arizon RFID Technology (Cayman) Co., Ltd.

For the nine months ended September 30, 2022

The Group sold its partial ownership of Arizon RFID Technology (Cayman) Co., Ltd. in August, 2022. Thus, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 69.85%, which include its shareholding ratio of 69.55% in YFY Global Investment B.V., 0.15% in YFY Development Corp. and 0.15% in YFY Paradigm Investment Co., respectively.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

**Arizon RFID  
Technology  
(Cayman) Co.,  
Ltd.**

Consideration received	\$ 773,540
Related expense	(60,582)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(598,788)
Reattribution of other equity from non-controlling interests	
Exchange differences on translation of foreign financial statements	<u>(32,406)</u>
Differences recognized from equity transactions	<u>\$ 81,764</u>

Line items adjusted for equity transactions

Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 81,764</u>
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b. Shin Foong Specialty and Applied Materials Co., Ltd.

For the nine months ended September 30, 2021

The Company disposed of its partial ownership of Shin Foong Specialty and Applied Materials Co., Ltd. for the nine months ended September 30, 2021. Thus, the shareholding ratio of the Group in Shin Foong Specialty and Applied Materials Co., Ltd. was reduced to 48%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	<b>Shin Foong Specialty and Applied Materials Co., Ltd.</b>
Consideration received	\$ 252,383
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(56,526)
Reattribution of other equity from non-controlling interests	
Exchange differences on translation of foreign financial statements	<u>(5)</u>
Differences recognized from equity transactions	<u>\$ 195,852</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 195,852</u>

c. Willpower Industries Ltd.

For the nine months ended September 30, 2021

The Group acquired all shares of Willpower Industries Ltd. owned by Great Pacific Investments Limited in the three months ended September 30, 2021. Thus, the shareholding ratio of the Group in Willpower Industries Ltd. was increased from 55.2% to 100%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	<b>Willpower Industries Ltd.</b>
Consideration paid	\$ (1,739,062)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>1,050,457</u>
Differences recognized from equity transactions	<u>\$ (688,605)</u>
<u>Line items adjusted for equity transactions</u>	
Retained earnings	<u>\$ (688,605)</u>

### 30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

### 31. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments that are not measured at fair value

The management of the Group considers that the carrying amounts of those financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

#### b. Fair value of financial instruments that are measured at fair value on a recurring basis

##### 1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 483,132	\$ -	\$ 483,132
Mutual funds	430,688	-	-	430,688
Structured deposits	-	253,883	-	253,883
	<u>\$ 430,688</u>	<u>\$ 737,015</u>	<u>\$ -</u>	<u>\$ 1,167,703</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 20,355,056	\$ -	\$ -	\$ 20,355,056
Domestic and foreign unlisted shares	-	-	5,733,870	5,733,870
	<u>\$ 20,355,056</u>	<u>\$ -</u>	<u>\$ 5,733,870</u>	<u>\$ 26,088,926</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 23,664	\$ -	\$ 23,664

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 3,792	\$ -	\$ 3,792
Mutual funds	1,516,927	-	-	1,516,927
Structured deposits	<u>-</u>	<u>1,505,742</u>	<u>-</u>	<u>1,505,742</u>
	<u>\$ 1,516,927</u>	<u>\$ 1,509,534</u>	<u>\$ -</u>	<u>\$ 3,026,461</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 18,749,195	\$ -	\$ -	\$ 18,749,195
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>4,845,794</u>	<u>4,845,794</u>
	<u>\$ 18,749,195</u>	<u>\$ -</u>	<u>\$ 4,845,794</u>	<u>\$ 23,594,989</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 69,687</u>	<u>\$ -</u>	<u>\$ 69,687</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 524	\$ -	\$ 524
Mutual funds	1,287,737	-	-	1,287,737
Structured deposits	<u>-</u>	<u>1,443,151</u>	<u>-</u>	<u>1,443,151</u>
	<u>\$ 1,287,737</u>	<u>\$ 1,443,675</u>	<u>\$ -</u>	<u>\$ 2,731,412</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 16,753,694	\$ -	\$ -	\$ 16,753,694
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>5,065,294</u>	<u>5,065,294</u>
	<u>\$ 16,753,694</u>	<u>\$ -</u>	<u>\$ 5,065,294</u>	<u>\$ 21,818,988</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 46,116</u>	<u>\$ -</u>	<u>\$ 46,116</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2022

	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2022	\$ 4,845,794
Recognized in other comprehensive income (accounted for as unrealized gains (losses) on investments in equity instruments designated as at FVTOCI)	992,337
Disposals	(116,389)
Effect of foreign currency exchange differences	<u>12,128</u>
Balance at September 30, 2022	<u>\$ 5,733,870</u>

For the nine months ended September 30, 2021

	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2021	\$ 4,962,769
Recognized in other comprehensive income (accounted for as unrealized gains (losses) on investments in equity instruments designated as at FVTOCI)	255,288
Disposals	(78,840)
Return of capital upon investees' capital reduction	(64,254)
Effect of foreign currency exchange differences	<u>(9,669)</u>
Balance at September 30, 2021	<u>\$ 5,065,294</u>

3) Valuation techniques and inputs used to make Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Structured deposits	Discounted cash flow method: The future cash flow is estimated based on the observable interest rate at the end of the period, discounted at the market interest rate.
Derivatives - foreign exchange forward contracts and currency exchange contracts	The fair value of each derivative contract is determined using the discounted cash flow method and: (a) The average exchange rate (i.e., difference between the highest and the lowest exchange rates) of the counterparties' financial institutions in accordance with the Reuters quoting system, or (b) The daily spot exchange rate quoted by financial institutions.

4) Valuation techniques and inputs used to make Level 3 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Domestic and foreign unlisted shares	<p>Asset-based approach: The fair value is determined based on the net asset value of the investment target. The significant unobservable inputs are discounted prices based on market liquidity and non-controlling interests.</p> <p>Market approach: The fair value is assessed according to the recent transaction price of the investment target or similar market transaction prices and market conditions. The significant unobservable inputs are discounted prices for the lack of marketability.</p> <p>Income approach: Discounted cash flows are determined based on the present value of the expected future economic benefits that will be derived from the investment. Unobservable inputs mainly include the long-term growth rate, discount rate and the discount of liquidity. The fair value will increase if the long-term growth rate increases, discount rate decreases or the discount for liquidity decreases.</p>

c. Categories of financial instruments

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,167,703	\$ 3,026,461	\$ 2,731,412
FVTOCI	26,088,926	23,594,989	21,818,988
Amortized cost (1)	30,292,521	29,260,271	28,345,799
<u>Financial liabilities</u>			
FVTPL			
Held for trading	23,664	69,687	46,116
Amortized cost (2)	62,673,922	62,613,498	62,020,402

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, net, accounts receivables, net, accounts receivables due from related parties, net and other financial assets.
- 2) The balances include financial liabilities measured at amortized cost, which comprise current borrowings, short-term notes and bills payables, notes and accounts payable, accounts payables to related parties, other payables and long-term borrowings (including current portion of long-term borrowings).

d. Financial risk management objectives and policies

The Group's main target of financial risk management was to manage the market risk related to operating activity (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. To reduce the potential and detrimental influence of the fluctuations in market on the Group's financial performance, the Group was devoted to identify, analyze and estimate related financial risk factor which may lead to unfavorable effect on the financial performance of the Group, and conduct related program to lower and hedge financial risk.

The Group seeks to minimize the effects of these risks by using both derivative and non-derivative financial instruments to avoid risk exposures. The use of financial instruments was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

a) Foreign currency risk

The Group had foreign currency denominated assets and liabilities, which exposed it primarily to the financial risks of changes in foreign currency exchange rates. The Group used foreign exchange forward contracts and currency exchange contracts to eliminate the risk of foreign currency exposure. These foreign exchange forward contracts are intended to reduce the influence of the exchange rate fluctuations on the Group's income.

Sensitivity analysis

For the proportion of financial assets and liabilities that had significant influence on the Group, the risk was measured by considering the net position of foreign currency forward contracts, and currency exchange contracts that are undue.

The Group was mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis included only outstanding foreign forward currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates an decrease in pre-tax profit associated with New Taiwan dollars strengthening 5% against the USD and RMB. For a 5% weakening of New Taiwan dollars against the USD and RMB, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Influence to profit or loss at 5% variance		
USD	<u>\$ (139,028)</u>	<u>\$ (61,228)</u>
RMB	<u>\$ (105,564)</u>	<u>\$ (85,063)</u>

b) Interest rate risk

The Group was exposed to interest rate risk from borrowing at both fixed and floating interest rates.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial assets	\$ 8,822,065	\$ 7,338,411	\$ 7,100,091
Financial liabilities	11,018,218	9,296,157	13,865,010
Lease liabilities	710,574	649,623	550,348
Cash flow interest rate risk			
Financial assets	5,508,168	4,313,350	4,922,053
Financial liabilities	36,341,497	36,657,474	32,561,748

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the nine months ended September 30, 2022 and 2021 would have decreased/increased by \$46,250 thousand and \$41,460 thousand, respectively.

c) Other price risk

The Group was exposed to equity and commodity price risk through its investments in equity securities and mutual funds. The management of the Group manages risk by holding different risk portfolios.

Sensitivity analysis

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

If equity and commodity prices had been 5% higher/lower, pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$21,534 thousand and \$64,387 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$1,304,446 thousand and \$1,090,949 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk increased during the period, which was mainly due to the fair value of equity investments increased.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amount of the respective recognized financial assets which comprise receivables from operating activities and financial assets from investing activities as stated in the consolidated balance sheets.

The Group's customer base is vast and various industries. The Group continuously evaluated the financial conditions of those customers.

To maintain the quality of the accounts receivable, the Group has built a credit risk management procedure to reduce the credit risk from specific customer. The credit evaluation of individual customer includes considering factors that will affect its payment ability such as financial condition, past transaction records and current economic conditions.

Credit risk of bank deposits, fixed - income investments and other financial instruments with banks is evaluated and monitored by the Group's financial department. Since the counterparties are creditworthy banks and financial institutions with good credit rating, thus, there's no significant credit risk.

## 3) Liquidity risk

The objective of liquidity risk management is to maintain adequate cash and cash equivalents with high liquidity and sufficient bank facilities that business operation requires and to ensure the Group has sufficient financial flexibility.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the amounts of unused financing facilities were \$59,600,936 thousand, \$54,758,140 thousand and \$52,579,010 thousand, respectively.

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

To the extent that interest cash flows paid at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

### September 30, 2022

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 10,466,744	\$ 27,230,205	\$ 33,795
Fixed interest rate liabilities	11,025,000	-	-
Lease liabilities	<u>239,793</u>	<u>408,006</u>	<u>113,936</u>
	<u>\$ 21,731,537</u>	<u>\$ 27,638,211</u>	<u>\$ 147,731</u>



December 31, 2021

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 10,603,742	\$ 26,841,044	\$ 740,602
Fixed interest rate liabilities	9,299,000	-	-
Lease liabilities	<u>195,128</u>	<u>353,766</u>	<u>136,358</u>
	<u>\$ 20,097,870</u>	<u>\$ 27,194,810</u>	<u>\$ 876,960</u>

September 30, 2021

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 12,301,601	\$ 20,841,737	\$ 741,813
Fixed interest rate liabilities	13,876,000	-	-
Lease liabilities	<u>169,899</u>	<u>306,069</u>	<u>106,776</u>
	<u>\$ 26,347,500</u>	<u>\$ 21,147,806</u>	<u>\$ 848,589</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to other bank in order to generate working capital. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the banker's acceptance bills. The Group's discounted and received amount and the ranges of interest rates were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
The discounted amount	\$ 2,097,080	\$ 907,410
The received amount	\$ 2,064,923	\$ 888,165
Interest rates	1.28%-4.30%	2.65%-4.30%

### 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

<b>Related Party</b>	<b>Relationship with the Group</b>
Hsin-Yi Enterprise Co., Ltd.	Entity with key management personnel
Yuen Foong Paper Co., Ltd.	Entity with key management personnel

(Continued)

<b>Related Party</b>	<b>Relationship with the Group</b>
Taiwan Global BioFund Co., Ltd. (Note 1)	Associate
YFY Biotech Co., Ltd.	Associate
E Ink Holdings Inc.	Associate
YuanHan Materials Inc.	Associate
Transcend Optronics (Yangzhou) Co., Ltd.	Associate
Chengdu JieLianDa Warehousing Co., Ltd.	Associate
Chengdu JingShiTong Packing Co., Ltd.	Associate
JLD Logistics Ltd.	Associate
YJY Packaging Ltd.	Associate
Vinh Phu Packing and Printing Company Limited	Associate
SinoPac Financial Holdings Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
SinoPac Leasing Corporation	Substantive related party
Bank SinoPac	Substantive related party
Beautone Co., Ltd.	Substantive related party
Hsinex International Corp.	Substantive related party
Fu Hwa Development Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
YFY BioTechnology (Kunshan) Co., Ltd.	Substantive related party
YFY Green Food (Shanghai) Co., Ltd. (Note 2)	Substantive related party
Lui Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Ho-Jielai Co., Ltd.	Substantive related party
Chen Yu Co., Ltd.	Substantive related party
Ho Tien Co., Ltd.	Substantive related party
Hoi Toy&Play Corporation	Substantive related party
YFY Co., Ltd.	Substantive related party
Synmax Biochemical Co., Ltd.	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party
	(Concluded)

Note 1: Taiwan Global BioFund Co., Ltd. was liquidated in September 2021. Therefore, only the transactions occurred prior to liquidation were listed.

Note 2: The subsidiary of YFY Biotech Co., Ltd. disposed of partial shareholding of YFY Green Food (Shanghai) Co., Ltd. in 2021. Due to lose control of YFY Green Food (Shanghai) Co., Ltd., associate turned into substantive related party since 2022.

b. Operating revenue

<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Substantive related party	\$ 32,530	\$ 46,008	\$ 110,262	\$ 125,591
Entities with key management personnel	17,383	19,292	67,944	64,081
Associate	<u>9,892</u>	<u>6,680</u>	<u>32,412</u>	<u>48,400</u>
	<u>\$ 59,805</u>	<u>\$ 71,980</u>	<u>\$ 210,618</u>	<u>\$ 238,072</u>

For sales of goods or providing services between related parties, the prices and terms of receivables were based on the agreements between parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Associate	\$ 76,239	\$ 49,252	\$ 164,403	\$ 176,712
Substantive related party	4,132	1,168	9,705	3,913
Entities with key management personnel	<u>630</u>	<u>253</u>	<u>1,737</u>	<u>2,251</u>
	<u>\$ 81,001</u>	<u>\$ 50,673</u>	<u>\$ 175,845</u>	<u>\$ 182,876</u>

For purchases of goods between related parties, the prices and terms of payables were based on the agreements between parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Receivables from related parties	Substantive related party			
	Beautone Co., Ltd.	\$ 23,474	\$ 26,839	\$ 26,886
	Others	<u>4,065</u>	<u>4,449</u>	<u>11,399</u>
		<u>27,539</u>	<u>31,288</u>	<u>38,285</u>
	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	17,326	30,292	19,214
	Others	<u>230</u>	<u>208</u>	<u>237</u>
		<u>17,556</u>	<u>30,500</u>	<u>19,451</u>
	Associate			
	Transcend Optronics (Yangzhou) Co., Ltd.	4,542	7,717	5,464
	Others	<u>4,966</u>	<u>1,898</u>	<u>2,538</u>
		<u>9,508</u>	<u>9,615</u>	<u>8,002</u>
		<u>\$ 54,603</u>	<u>\$ 71,403</u>	<u>\$ 65,738</u>
Other receivables (accounted for as other current assets)	Entities with key management personnel	\$ 2,214	\$ 23	\$ 52
	Associate	647	435	245
	Substantive related party			
	Ho Tien Co., Ltd.	-	26,520	-
	Others	<u>354</u>	<u>109</u>	<u>38</u>
		<u>354</u>	<u>26,629</u>	<u>38</u>
		<u>\$ 3,215</u>	<u>\$ 27,087</u>	<u>\$ 335</u>

The outstanding accounts receivable from related parties are unsecured and no expected credit losses should be recognized after estimating.

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Payables to related parties	Associate			
	YJY Packaging Ltd.	\$ 87,972	\$ 32,503	\$ 47,644
	JLD Logistics Ltd.	9,876	9,003	8,482
	Others	<u>2,856</u>	<u>4,746</u>	<u>4,014</u>
		<u>100,704</u>	<u>46,252</u>	<u>60,140</u>
	Entities with key management personnel	6,446	8,646	8,350
	Substantive related party	<u>5,669</u>	<u>2,114</u>	<u>2,203</u>
		<u>\$ 112,819</u>	<u>\$ 57,012</u>	<u>\$ 70,693</u>
Other payables (accounted for as other current liabilities)	Associate			
	YJY Packaging Ltd.	\$ -	\$ 6,754	\$ 13,332
	Others	<u>136</u>	<u>415</u>	<u>-</u>
		<u>\$ 136</u>	<u>\$ 7,169</u>	<u>\$ 13,332</u>

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of investment properties

Related Party Category/Name	For the Nine Months Ended September 30	
	2022	2021
Substantive related party		
Ho Tien Co., Ltd.	<u>\$ 53,032</u>	<u>\$ -</u>

The company completed transfer of ownership of a joint construction of housing in February 2022, refer to Note 18.

g. Acquisitions of financial assets

For the nine months ended September 30, 2021

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Note
Associate	Current and non-current financial assets at fair value through other comprehensive income (loss)	1,651,000	Ordinary shares	\$ 75,025	-
Associate	Current and non-current financial assets at fair value through other comprehensive income (loss)	20,014,552	Ordinary shares	<u>470,150</u>	(Note)
				<u>\$ 545,175</u>	

Note: Taiwan Global BioFund Co., Ltd. was liquidated in September 2021, and the remaining assets were distributed in accordance with the proportion of the original shareholders' capital contribution.

h. Others

Rental income

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Entities with key management personnel				
Yuen Foong Paper Co., Ltd	\$ 1,971	\$ 1,964	\$ 5,914	\$ 5,913
Others	<u>36</u>	<u>39</u>	<u>116</u>	<u>119</u>
	<u>2,007</u>	<u>2,003</u>	<u>6,030</u>	<u>6,032</u>
Substantive related party	1,448	1,802	4,520	5,405
Associate	<u>2,360</u>	<u>394</u>	<u>3,184</u>	<u>997</u>
	<u>\$ 5,815</u>	<u>\$ 4,199</u>	<u>\$ 13,734</u>	<u>\$ 12,434</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Entities with key management personnel	\$ 11,389	\$ 11,174	\$ 33,595	\$ 33,262
Substantive related party	<u>1,089</u>	<u>1,093</u>	<u>3,267</u>	<u>3,114</u>
	<u>\$ 12,478</u>	<u>\$ 12,267</u>	<u>\$ 36,862</u>	<u>\$ 36,376</u>

Depending on the agreements, rental income and expenses were received or paid by per month or per half-year.

i. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 26,425	\$ 26,215	\$ 77,030	\$ 75,809
Post-employment benefits	<u>109</u>	<u>92</u>	<u>336</u>	<u>6,204</u>
	<u>\$ 26,534</u>	<u>\$ 26,307</u>	<u>\$ 77,366</u>	<u>\$ 82,013</u>

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

### 33. ASSETS PLEDGED OR MORTGAGED

The following assets have been pledged or mortgaged as collateral for bank loans, guarantees provided on certain commitments, bank acceptance bills and other credit facilities:

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable, net (Note)	\$ 3,059,129	\$ 2,917,520	\$ 3,119,121
Property, plant and equipment	512,471	719,649	742,684
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	800,580	145,738	68,490
Pledged deposits (classified as other current financial assets)	113,492	202,762	306,644
Land use rights (accounted for as right-of-use assets)	<u>105,382</u>	<u>98,253</u>	<u>99,538</u>
	<u>\$ 4,591,054</u>	<u>\$ 4,083,922</u>	<u>\$ 4,336,477</u>

Note: The transaction of \$1,503,579 thousand has been eliminated in preparing the consolidated financial on September 30, 2022.

### 34. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of September 30, 2022, December 31, 2021 and September 30, 2021, unused letters of credit for purchases of raw materials and machinery equipment amounted to approximately \$733,472 thousand, \$686,264 thousand and \$953,487 thousand, respectively.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the contract of commitment to acquire land, property, plant and equipment amounted to \$312,238 thousand, \$296,822 thousand and \$269,172 thousand, respectively. The unrecorded amounts were \$162,545 thousand, \$154,687 thousand and \$249,731 thousand, respectively.

### 35. OTHER ITEMS

In response to the COVID-19 pandemic, the epidemic prevention policies of some countries were changed by adopting the approach of coexistence with the virus. Due to the decrease in demand of anti-epidemic concept products, the Group's revenue and operating profit decreased in the third quarter of 2022 compared to the same period of the previous year. The Group will continue to evaluate the impact of subsequent epidemic events on its operations.

### 36. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follow:

<b>September 30, 2022</b>			
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,528,304	0.14085 (RMB:USD)	\$ 11,306,469
USD	113,210	31.75 (USD:NTD)	3,594,431
<u>Foreign currency liabilities</u>			
Monetary items			
USD	36,033	31.75 (USD:NTD)	1,144,045
<b>December 31, 2021</b>			
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,497,733	0.157 (RMB:USD)	\$ 10,843,866
USD	77,491	27.68 (USD:NTD)	2,144,960
VND	1,120,487,490	0.00004 (VND:USD)	1,358,762
RMB	258,936	4.341 (RMB:NTD)	1,124,165
<u>Foreign currency liabilities</u>			
Monetary items			
USD	54,271	27.68 (USD:NTD)	1,502,223
VND	1,001,490,308	0.00004 (VND:USD)	1,214,459
USD	37,152	6.3757 (USD:RMB)	1,028,369

September 30, 2021			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,445,461	0.154 (RMB:USD)	\$ 10,501,449
RMB	255,246	4.294 (RMB:NTD)	1,096,095
USD	110,066	27.85 (USD:NTD)	3,065,331
<u>Foreign currency liabilities</u>			
Monetary items			
USD	70,796	27.85 (USD:NTD)	1,971,679

For the three and nine months ended September 30, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were a loss of \$402,727 thousand, a loss of \$68,889 thousand, a loss of \$935,093 thousand and a loss of \$172,714 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities of the Group.

### 37. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions:

- 1) Financing provided to others. (Table 2)
- 2) Endorsements/guarantees provided. (Table 3)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 4)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 5)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
- 9) Trading in derivative instruments. (Note 7)
- 10) Intercompany relationships and significant intercompany transactions. (Table 10)



b. Information on investees (Table 8)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)
  - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 3)
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 2)
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 11)

### 38. SEGMENT INFORMATION

The following was an analysis of the Group's revenue and results by reportable segment.

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging in Taiwan	Business Unit of Container - Board and Packaging in Mainland China	Business Unit of Consumer Products	Business Unit of Special Materials	Other Segment	Total
<i>For the nine months ended September 30, 2022</i>							
Revenue from external customers	\$ 15,544,661	\$ 14,012,394	\$ 13,438,632	\$ 7,347,106	\$ 1,230,809	\$ 8,712,680	\$ 60,286,282
Revenue from other internal operating segments	<u>2,367,263</u>	<u>1,351,906</u>	<u>150,754</u>	<u>38,640</u>	<u>190,645</u>	<u>549,477</u>	<u>4,648,685</u>
Segment revenue	<u>\$ 17,911,924</u>	<u>\$ 15,364,300</u>	<u>\$ 13,589,386</u>	<u>\$ 7,385,746</u>	<u>\$ 1,421,454</u>	<u>\$ 9,262,157</u>	<u>64,934,967</u>
Eliminations							<u>(4,648,685)</u>
Consolidated revenue							<u>\$ 60,286,282</u>
Total profit or loss for reportable segments	<u>\$ 142,177</u>	<u>\$ 518,604</u>	<u>\$ (698,415)</u>	<u>\$ 731,260</u>	<u>\$ 217,620</u>	<u>\$ 167,873</u>	\$ 1,079,119
Eliminations							<u>73,569</u>
Segment profit or loss							<u>1,152,688</u>
Finance costs							<u>(578,578)</u>
Net gain on fair value change of financial instruments at fair value through profit or loss							<u>906,038</u>
Foreign exchange loss							<u>(935,093)</u>
Net non-operating income and expenses							<u>2,897,507</u>
Profit before income tax							<u>\$ 3,442,562</u>

(Continued)

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging in Taiwan	Business Unit of Container - Board and Packaging in Mainland China	Business Unit of Consumer Products	Business Unit of Special Materials	Other Segment	Total
<u>For the nine months ended September 30, 2021</u>							
Revenue from external customers	\$ 13,464,368	\$ 13,411,014	\$ 14,229,692	\$ 7,231,917	\$ 7,004,960	\$ 8,309,162	\$ 63,651,113
Revenue from other internal operating segments	<u>2,930,698</u>	<u>1,708,980</u>	<u>247,330</u>	<u>15,035</u>	<u>220,077</u>	<u>599,881</u>	<u>5,722,001</u>
Segment revenue	<u>\$ 16,395,066</u>	<u>\$ 15,119,994</u>	<u>\$ 14,477,022</u>	<u>\$ 7,246,952</u>	<u>\$ 7,225,037</u>	<u>\$ 8,909,043</u>	69,373,114
Eliminations							<u>(5,722,001)</u>
Consolidated revenue							<u>\$ 63,651,113</u>
Total profit or loss for reportable segments	<u>\$ 586,070</u>	<u>\$ 1,742,588</u>	<u>\$ (128,794)</u>	<u>\$ 971,722</u>	<u>\$ 4,043,962</u>	<u>\$ 16,381</u>	\$ 7,231,929
Eliminations							<u>18,678</u>
Segment profit or loss							<u>7,250,607</u>
Finance costs							<u>(404,480)</u>
Net loss on fair value change of financial instruments at fair value through profit or loss							<u>(93,270)</u>
Foreign exchange loss							<u>(172,714)</u>
Net non-operating income and expenses							<u>2,158,436</u>
Profit before income tax							<u>\$ 8,738,579</u>

(Concluded)

The Group classifies its products into three segments in accordance with their characteristics as follows:

a. Pulp and fine paper segment

Manufacture and sale of cardboard, paper and pulp.

b. Containerboard and packaging segment in Taiwan

Manufacture and sale of paper for cardboard cases, colored cases and food containers.

c. Containerboard and packaging segment in mainland China

Manufacture and sale of paper for cardboard cases.

d. Consumer product segment

Manufacture and sale of tissue paper, napkins and detergents.

e. Special materials segment

Manufacture and sale of SBR (styrene butadiene rubber) latex.

The accounting policies of each segment are the same as those accounting policies stated in Note 4. The performance of segments is measured at income after tax. Revenue and profit between segments have been adjusted; these adjustments include the elimination of intra-segment transactions to reconcile the segment information with that reported for the Group as a whole.

## Segment Total Assets

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Segment assets</u>			
Business unit of pulp and fine paper	\$ 35,117,379	\$ 33,968,456	\$ 33,985,626
Business unit of containerboard and packaging in Taiwan	23,124,203	22,018,519	20,899,821
Business unit of containerboard and packaging in mainland China	21,500,275	22,810,564	22,067,879
Business unit of consumer products	7,986,183	7,943,667	8,391,757
Business unit of special materials	6,521,910	8,731,610	8,482,439
Other segments	87,424,214	83,407,148	79,977,790
Adjustment and elimination	<u>(41,012,449)</u>	<u>(42,445,700)</u>	<u>(41,375,226)</u>
Consolidated total assets	<u>\$ 140,661,715</u>	<u>\$ 136,434,264</u>	<u>\$ 132,430,086</u>

## Geographical Information

The Group operates in two principal geographical areas - Taiwan and mainland China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets were detailed below.

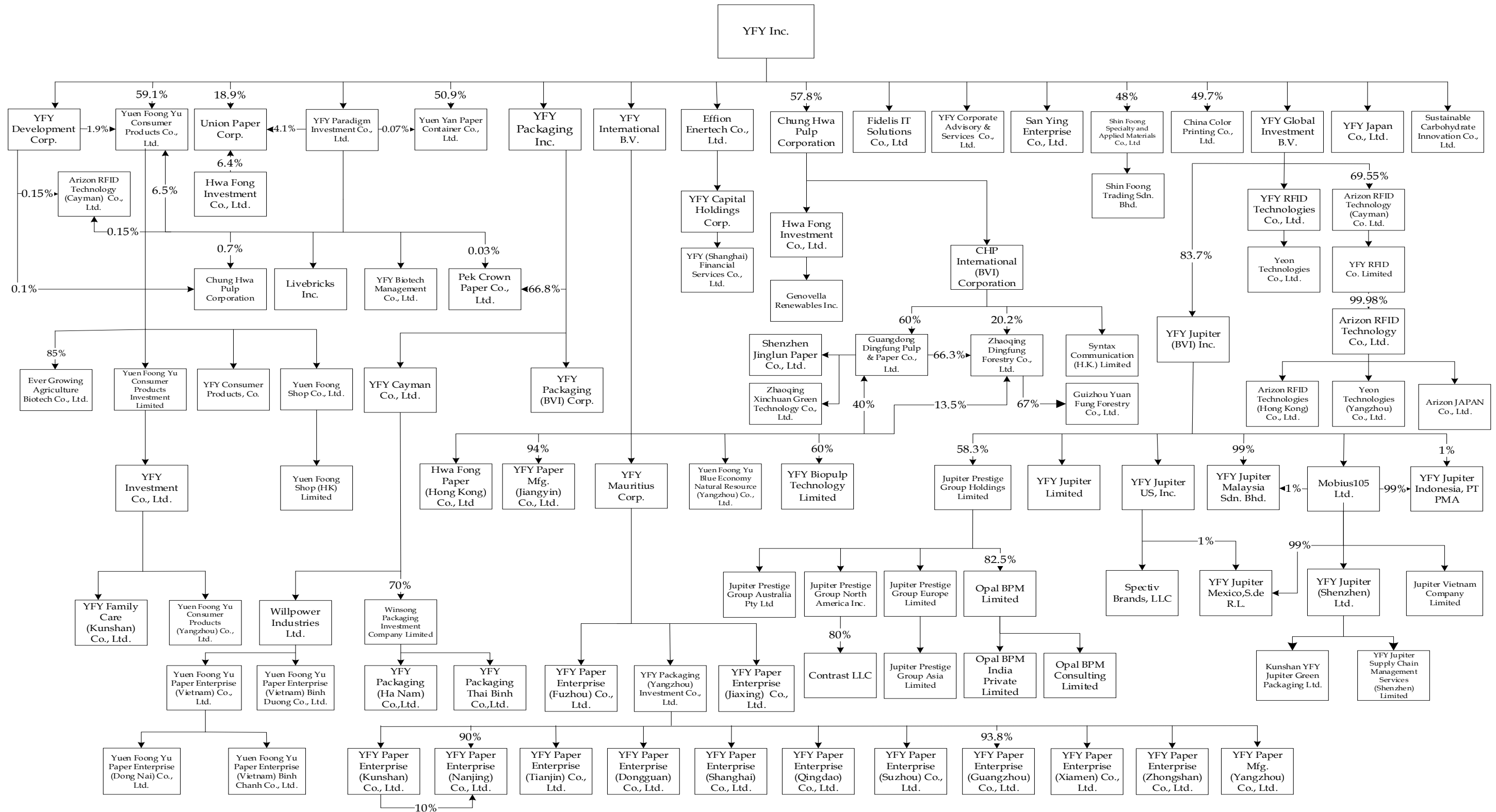
	Revenue from External Customers		Non-current Assets		
	For the Nine Months Ended		September 30,	December 31,	September 30,
	September 30		2022	2021	2021
	2022	2021			
Taiwan	\$ 30,251,718	\$ 34,027,142	\$ 37,805,741	\$ 36,894,374	\$ 36,220,269
Mainland China	20,364,901	20,695,378	16,548,142	16,962,863	16,977,011
Others	<u>9,669,663</u>	<u>8,928,593</u>	<u>3,501,786</u>	<u>3,146,569</u>	<u>3,103,936</u>
	<u>\$ 60,286,282</u>	<u>\$ 63,651,113</u>	<u>\$ 57,855,669</u>	<u>\$ 57,003,806</u>	<u>\$ 56,301,216</u>

## Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

**TABLE 1****YFY INC. AND SUBSIDIARIES**

**DIAGRAM OF INVESTMENT STRUCTURE  
SEPTEMBER 30, 2022**



Note : 100% of Ownership, Unless Otherwise Stated.

TABLE 2

## YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
1	YFY Global Investment B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 2,074,210	\$ 1,878,222	\$ 1,878,222	2.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 14,058,586	\$ 14,058,586	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	491,915	491,915	313,037	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	14,058,586	14,058,586	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	5,538,068	4,376,928	4,376,928	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	225,458	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	2,464,496	2,464,496	2,464,496	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	313,406	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	221,640	89,439	89,439	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	162,905	74,905	74,905	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	155,566	31,304	31,304	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	63,128	62,607	62,607	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	87,300	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	116,336	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	32,537,020	32,537,020	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	135,275	134,159	134,159	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	6,507,404	6,507,404	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	54,322	36,974	8	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	36,978	147,911	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	54,322	36,974	26,381	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	36,978	147,911	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	630,213	441,154	121,552	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	882,313	882,313	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	630,213	441,154	17,502	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	882,313	882,313	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	356,128	254,669	27	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	509,343	509,343	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	356,128	254,669	36,505	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	509,343	509,343	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,103,078	438,426	165,973	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	876,859	876,859	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,103,078	438,426	39,669	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	876,859	876,859	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	551,027	433,610	134,890	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	867,227	867,227	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	551,027	433,610	2	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	867,227	867,227	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	826,494	289,282	215,766	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	578,564	578,564	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	826,494	289,282	26,572	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	578,564	578,564	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	202,912	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	578,564	578,564	-

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 904,328	\$ 412,972	\$ 98,387	3.25	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 825,948	\$ 825,948	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	904,328	412,972	72,458	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	825,948	825,948	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,109,416	405,750	337,492	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	811,499	811,499	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,109,416	405,750	6,421	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	811,499	811,499	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	202,912	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	811,499	811,499	-
11	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	273,814	246,928	2	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	493,865	493,865	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	273,814	246,928	70,287	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	493,865	493,865	-
12	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,705,491	2,683,174	2,398	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,705,491	2,683,174	2,513,585	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	32,592	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	84,215	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	429,568	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	676,373	670,794	258,823	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	112,729	111,799	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	112,729	111,799	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	112,729	111,799	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	112,729	111,799	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	112,729	111,799	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,462,561	11,462,561	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	450,915	447,196	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	573,128	2,292,512	-
13	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	478,489	374,549	37	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	749,103	749,103	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	478,489	374,549	51	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	749,103	749,103	-
14	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	119,047	101,053	3	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	202,112	202,112	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	119,047	101,053	1,316	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	202,112	202,112	-

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
15	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 426,346	\$ -	\$ -	3.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ -	\$ -	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	213,173	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	213,173	-	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	426,346	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Mfg. (Jiangyin) Co., Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	21,317	-	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	-	-	-
16	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	104,824	103,960	103,352	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	207,927	207,927	-
17	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	309,604	245,269	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	490,539	490,539	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	247,309	245,269	7,553	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	490,539	490,539	-
18	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	109,525	62,652	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	125,304	125,304	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	63,173	62,652	58,365	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	125,304	125,304	-
19	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	76,313	75,683	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	151,375	151,375	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	76,313	75,683	36,214	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	151,375	151,375	-
20	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	46,468	35,878	35,878	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	96,704	96,704	-

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
21	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	\$ 131,074	\$ 131,074	\$ 131,074	1.60-5.80	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 321,150	\$ 321,150	-
22	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	57,150	57,150	57,150	2.40-5.80	Short-term financing	-	Financing for working capital requirements	-	-	-	698,590	698,590	-
23	Jupiter Prestige Group Holdings Limited	YFY Jupiter (BVI) Inc.	Other receivables from related parties	Yes	29,304	28,424	28,424	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	132,483	132,483	-
24	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	459,122	455,335	111,086	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	462,446	1,849,783	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	459,122	455,335	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	462,446	1,849,783	-
25	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	349,250	349,250	349,250	1.50-1.80	Short-term financing	-	Financing for working capital requirements	-	-	-	2,178,654	2,178,654	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	189,384	107,327	107,327	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,178,654	2,178,654	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	1,154,343	885,447	885,447	3.00-3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,178,654	2,178,654	-
26	Shenzhen Jinglun Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	14,557	13,541	5,102	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	13,543	54,173	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	13,654	13,541	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	13,543	54,173	-
27	Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	294,750	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	6,908,531	6,908,531	-
		YFY Investment Co., Ltd.	Other receivables from related parties	Yes	445,800	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	6,908,531	6,908,531	-
		YFY Investment Co., Ltd.	Other receivables from related parties	Yes	148,600	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	6,908,531	6,908,531	-
28	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	281,170	278,850	118,609	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	570,933	570,933	-
29	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,161,101	1,151,523	109,284	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,424,759	2,424,759	-
30	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,303,386	2,241,362	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,482,725	4,482,725	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,303,386	2,241,362	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,482,725	4,482,725	-
31	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Other receivables from related parties	Yes	55,650	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	2,672,559	2,672,559	-
32	Effion Enertech Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	378,000	194,000	194,000	0.90	Short-term financing	-	Financing for working capital requirements	-	-	-	194,847	194,847	-
33	YFY Japan Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	52,954	44,020	44,020	0.75	Short-term financing	-	Financing for working capital requirements	-	-	-	202,022	202,022	-
34	San Ying Enterprise Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	40,000	40,000	40,000	0.90	Short-term financing	-	Financing for working capital requirements	-	-	-	41,042	41,042	-

Note 1: a. Based on the provision of loans due to business relationships, the total amount of loans should not exceed 40% of the lender's net equity on the most current financial statements, and the amount of individual loans should not exceed the total purchases and sales between the lender and the borrower in the prior year. According to the provision of short-term loans, both individual loans and total loans should not exceed 40% of the lender's net equity on the most current financial statements. In summary, according to the provision of business dealings and short-term financing, both aggregate loans and individual loans should not exceed 80% of the lender's net equity on the most current financial statements.

b. YFY Inc.'s wholly-owned foreign subsidiaries are not subject to the foregoing 40% and 80% limitation when they provide financing with each other. For subsidiaries of YFY Inc., if the loan is for the borrower's business purposes or for short-term financing, the amount of financing should not exceed twice of the lender's net equity on the most current financial statements.

Note 2: In preparing the consolidated financial statements, the transaction has been eliminated.

(Concluded)



**TABLE 3**

**YFY INC. AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	<u>Endorsement/guarantee</u> YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	\$ 78,695,925	\$ 2,610,814	\$ 2,338,820	\$ 409,831	\$ -	4.20	\$ 104,927,900	Yes	No	Yes
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a.	78,695,925	1,082,196	1,073,270	-	-	1.93	104,927,900	Yes	No	Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Note 3 a.	2,563,271	762,000	762,000	140,554	-	40.72	3,417,696	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Note 3 a.	2,563,271	857,250	857,250	211,713	-	45.81	3,417,696	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a.	2,563,271	1,143,000	1,143,000	506,599	-	61.07	3,417,696	Yes	No	No
		Vinh Phu Packing And Printing Company Limited	Note 3 b.	170,885	83,348	-	-	-	-	170,885	No	No	No
3	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Note 3 a.	615,821	539,750	539,750	363,480	-	97.34	821,094	Yes	No	No
		YFY Packaging Thai Binh Co., Ltd.	Note 3 a.	615,821	95,250	95,250	16,536	-	17.18	821,094	Yes	No	No
1	<u>Credit line (Note 4)</u> YFY Inc.	YFY Development Corp.	Note 3 a.	78,695,925	3,900,000	3,450,000	1,490,000	-	6.19	104,927,900	No	No	No
		YFY Paradigm Investment Co., Ltd.	Note 3 a.	78,695,925	2,370,000	2,370,000	385,000	-	4.25	104,927,900	No	No	No
		YFY International B.V.	Note 3 a.	78,695,925	3,173,813	3,030,500	256,412	-	5.44	104,927,900	No	No	No
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	78,695,925	450,915	268,317	-	-	0.48	104,927,900	No	No	No
		YFY Global Investment B.V.	Note 3 a.	78,695,925	1,460,500	1,460,500	33,498	-	2.62	104,927,900	No	No	No
		YFY Jupiter Limited	Note 3 a.	78,695,925	410,500	410,500	157,162	-	0.74	104,927,900	No	No	No
		YFY Jupiter (BVI) Inc.	Note 3 a.	78,695,925	476,250	476,250	24,130	-	0.85	104,927,900	No	No	No
		Mobius105 Ltd.	Note 3 a.	78,695,925	95,250	95,250	95,250	-	0.17	104,927,900	No	No	No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Note 3 a.	22,986,638	730,250	730,250	-	-	4.62	30,648,850	No	No	No
		Hwa Fong Investment Co., Ltd.	Note 3 a.	22,986,638	130,000	130,000	32,500	-	0.82	30,648,850	No	No	No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	10,022,099	508,000	508,000	-	-	7.47	13,362,798	No	No	No

Note 1: Represents 150% of the net equity on the most current financial statements, except Vinh Phu Packaging And Printing Company Limited represents 10% of net equity of Willpower Industries Ltd. on the most current financial statements.

Note 2: Represents 200% of the net equity on the most current financial statements, except Vinh Phu Packaging And Printing Company Limited represents 10% of net equity of Willpower Industries Ltd. on the most current financial statements.

Note 3: The relationships between the guarantor and the guarantee are as follows:

- a. Subsidiary.
- b. Associate.

Note 4: In accordance with regulations, the credit lines jointly issued by the Company are disclosed.

TABLE 4

## YFY INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,445,041	\$ 20,361	-	\$ 20,361	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	480,699,993	8,316,110	4.2	8,316,110	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	97,502,590	1,486,915	13.6	1,486,914	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,464,617	791,249	0.8	791,249	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,025,078	127,378	2.3	127,377	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	30,762,597	4,475,160	3.0	4,475,160	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	20,826,000	215,839	12.9	215,839	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	12,443,688	170,438	14.9	170,438	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,200,000	82,171	14.0	82,171	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,999,371	75,444	13.9	75,444	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,612	43,796	5.5	43,796	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,221,228	38,084	3.0	38,084	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,600,000	18,102	8.0	18,102	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at fair value through other comprehensive income	544,067	13,064	0.7	13,064	
	Supercell Biotechnology Corporation (originally named as Sino Cell Technologies Ltd.)	-	Non-current financial assets at fair value through other comprehensive income	696,564	6,966	3.0	6,966	
	China Trade and Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	377,634	3,403	0.6	3,403	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<u>Share certificate</u> Xiamen Taiwanese Investment Association Management Company	-	Non-current financial assets at fair value through other comprehensive income	-	RMB 70 thousand	-	RMB 70 thousand	
YFY Global Investment B.V.	<u>Beneficiary certificates</u> WI Harper INC Fund VII LP	-	Non-current financial assets at fair value through other comprehensive income	-	US\$ 147 thousand	0.2	US\$ 147 thousand	
	<u>Special share</u> Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,692,250	US\$ 2,902 thousand	6.5	US\$ 2,902 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at fair value through other comprehensive income	8,124,999	US\$ 127 thousand	19.9	US\$ 127 thousand	
Shin Foong Specialty and Applied Materials Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	4,967,957	70,002	-	70,002	
	PIMCO GIS Total Return Bond Fund-E Class	-	Current financial assets at fair value through profit or loss	218,899	76,729	-	76,729	
	<u>Special share</u> Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,431,000	143,186	0.3	143,186	
	Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,173,000	130,597	0.4	130,597	
	Taishin Financial Holding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,596,000	130,319	0.5	130,319	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	22,110,054	382,504	0.2	382,504	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,884,415	70,135	11.8	70,135	
China Color Printing Co., Ltd.	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	4,147,535	62,349	-	62,349	
	Prudential Financial Money Market Fund	-	Current financial assets at fair value through profit or loss	1,565,896	25,106	-	25,106	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China Color Printing Co., Ltd.	Ordinary shares							
	China Development Financial Holding Corporation	-	Current financial assets at fair value through other comprehensive income	9,959,081	\$ 127,974	0.1	\$ 127,974	
	China Parcel Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	463,917	3,664	10.8	3,664	
YFY Development Corp.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	214,412,783	3,709,341	1.9	3,709,341	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	612,301	38,514	0.7	38,514	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,490,949	53,237	0.5	53,237	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,542,258	11,644	1.3	11,644	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,250,000	42,649	5.5	42,649	
	Universal Venture Capital Investment Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	5,600,000	41,625	4.7	41,625	
	Everterminal Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,200,960	27,702	2.5	27,702	
YFY Paradigm Investment Co., Ltd.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	144,877,333	2,506,378	1.3	2,506,378	
	Zhen Ding Technology Holding Limited	-	Current financial assets at fair value through other comprehensive income	467,106	49,513	0.1	49,513	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	156,804	9,863	0.2	9,863	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	43,109	625	0.1	625	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,654,353	269,229	2.5	269,229	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,370,730	33,330	5.6	33,330	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	2,574,000	26,677	1.6	26,677	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,050,000	20,543	3.5	20,543	
	Locus Publishing Company	Note 1	Non-current financial assets at fair value through other comprehensive income	1,402,386	16,199	13.5	16,199	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	9,182	1.1	9,182	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paradigm Investment Co., Ltd.	Supercell Biotechnology Corporation (originally named as Sino Cell Technologies Ltd.)	Note 1	Non-current financial assets at fair value through other comprehensive income	696,435	\$ 6,964	3.0	\$ 6,964	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at fair value through other comprehensive income	2,126	309	-	309	
Chung Hwa Pulp Corporation	<u>Ordinary shares</u> NTU Innovation & Incubation Co., Ltd.	Note 1	Non-current financial assets at fair value through profit or loss	800,000	-	6.3	-	
	Groundhog Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	275,000	-	1.0	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	100,807,420	1,743,969	0.9	1,743,969	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,829,132	271,894	2.5	271,894	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	388,146	24,414	0.4	24,414	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	12,443,688	170,438	14.9	170,438	
	Direct Insight Inc.	-	Non-current financial assets at fair value through other comprehensive income	265,000	3	1.0	3	
Hwa Fong Investment Co., Ltd.	<u>Ordinary shares</u> Everest Technology Inc.	-	Non-current financial assets at fair value through profit or loss	150,000	-	0.2	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	2,418,909	41,847	-	41,847	
YFY Corporate Advisory & Services Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	4,406,276	62,087	-	62,087	
YFY Japan Co., Ltd.	<u>Ordinary shares</u> Beautone Japan Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	440	JPY 41,678 thousand	36.7	JPY 41,678 thousand	
Effion Enertech Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	3,716,611	52,370	-	52,370	
Genovella Renewables Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	452,369	6,374	-	6,374	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	324,058	\$ 4,566	-	\$ 4,566	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,071,666	15,101	-	15,101	
YFY Biotech Management Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	2,529,545	35,643	-	35,643	
	<u>Ordinary shares</u> Neuro Sky, Inc.	-	Non-current financial assets at fair value through other comprehensive income	48,308,183	-	10.3	-	
	Elixir Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,662,558	-	2.2	-	
	Nereus Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,682,602	-	0.9	-	
	ACM Medical Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	760,000	-	7.3	-	
Arizon RFID Technology Co., Ltd.	<u>Negotiable certificates of deposit</u> China Merchants Bank RMB Large-denomination Certificate of Deposit for Corporate Clients No. 111 in 2022	-	Non-current financial assets at amortized cost	-	RMB 55,000 thousand	-	RMB 55,000 thousand	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 189 in 2020	-	Non-current financial assets at amortized cost	-	RMB 50,000 thousand	-	RMB 50,000 thousand	
	Industrial and Commercial Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2 in 2021	-	Non-current financial assets at amortized cost	-	RMB 22,000 thousand	-	RMB 22,000 thousand	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 017 in 2021	-	Non-current financial assets at amortized cost	-	RMB 15,000 thousand	-	RMB 15,000 thousand	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients No. 55 in 2021	-	Non-current financial assets at amortized cost	-	RMB 13,000 thousand	-	RMB 13,000 thousand	

Note 1: The investor is a member of the board of directors or a supervisor.

Note 2: A member of the board of directors of the investor.

(Concluded)

**TABLE 5**

**YFY INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal		Number of Shares	Amount	
Shin Foong Specialty and Applied Materials Co., Ltd.	Beneficiary certificates															
	Mega Diamond Money Market Fund	Note 1	-	-	31,575,236	\$ 400,298	51,229,669	\$ 650,000	82,804,905	\$ 1,051,509	\$ 1,050,000	\$ 1,509	\$ (298)	-	\$ -	-
	SinoPac TWD Money Market Fund	Note 1	-	-	34,899,171	490,236	33,425,049	470,000	63,356,264	891,218	890,000	1,218	(Note 6) (234)	4,967,956	70,002	-
	Hua Nan Phoenix Money Market Fund	Note 1	-	-	15,236,099	250,170	-	-	15,236,099	250,958	250,000	958	(Note 6) 170	-	-	-
Effion Eneritech Co., Ltd.	Beneficiary certificates															
	SinoPac TWD Money Market Fund	Note 1	-	-	4,987,494	70,060	12,798,718	180,000	14,069,601	198,000	197,570	430	(120)	3,716,611	52,370	-
YFY Global Investment B.V.	Ordinary shares															
	YFY RFID Co. Limited	Note 2	Arizon RFID Technology (Cayman) Co., Ltd.	Subsidiary	25,600,000	US\$ 110,416 thousand	-	-	25,600,000	US\$ 111,624 thousand	US\$ 108,076 thousand	US\$ 3,548 thousand (Note 5)	US\$ (2,340) thousand (Note 7)	-	-	(Note 8)
	Arizon RFID Technology (Cayman) Co., Ltd.	Note 2	Notes 3 and 4	Notes 3 and 4	-	-	56,244,935	US\$ 111,624 Thousand (Note 3)	10,300,000	US\$ 25,883 thousand (Note 4)	US\$ 20,064 thousand	US\$ 5,819 thousand (Note 5)	US\$ (3,983) thousand (Note 7)	45,944,935	US\$ 87,577 thousand	(Note 8)
Arizon RFID Technology (Cayman) Co., Ltd.	Ordinary shares															
	YFY RFID Co. Limited	Note 2	Former shareholder of YFY RFID Co. Limited	Parent company	-	-	29,584,886	RMB 822,462 thousand	-	-	-	-	RMB 59,111 thousand (Note 7)	29,584,886	RMB 881,573 thousand	(Note 8)

Note 1: Accounted for as current financial assets at FVTPL.

Note 2: Accounted for as investments accounted for using equity method.

Note 3: Arizon RFID Technology (Cayman) Co. issued 56,244,934 shares for YFY Global Investment B.V. and YFY Global Investment B.V. acquired 1 share from YFY RFID Co. Limited by cash from original shareholders for the organizational reorganization.

Note 4: YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. to YFY Development Corp., YFY Paradigm Investment Co., Ltd., specific investors and financial investors.

Note 5: Accounted for as capital surplus.

Note 6: Accounted for as gain (loss) on financial assets or liabilities at FVTPL.

Note 7: Including capital surplus, retained earnings, exchange differences on translation and share of profit (loss) of associates accounted for using equity method, net.

Note 8: In preparing the consolidated financial statements, the transaction has been eliminated.

TABLE 6

## YFY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	Note 1 b	Sales	\$ 202,293	33	In agreed terms	\$ -	-	\$ 72,125	26	-
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	428,790	100	In agreed terms	-	-	70,375	100	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	258,241	3	In agreed terms	-	-	211,330	6	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	393,623	5	In agreed terms	-	-	213,112	6	-
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Note 1 b	Sales	178,649	2	In agreed terms	-	-	94,066	3	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	324,433	4	In agreed terms	-	-	128,246	4	-
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	1,076,842	31	In agreed terms	-	-	176,151	33	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	1,784,540	90	In agreed terms	-	-	267,464	91	-
	YFY Family Care (Kunshan) Co., Ltd.	Note 1 b	Sales	202,661	10	In agreed terms	-	-	24,915	9	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 a	Sales	132,688	2	In agreed terms	-	-	84,061	3	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 a	Sales	333,086	5	In agreed terms	-	-	298,752	9	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	449,458	7	In agreed terms	-	-	135,154	4	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Note 1 a	Sales	358,701	5	In agreed terms	-	-	264,087	8	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Note 1 a	Sales	254,492	4	In agreed terms	-	-	38,697	1	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 a	Sales	183,190	3	In agreed terms	-	-	83,014	3	-
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 a	Sales	308,584	5	In agreed terms	-	-	35,218	1	-
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Note 1 b	Sales	110,666	2	In agreed terms	-	-	35,519	1	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	628,559	9	In agreed terms	-	-	266,175	8	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 a	Sales	146,364	2	In agreed terms	-	-	30,856	1	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	3,908,729	57	In agreed terms	-	-	1,897,115	58	-
YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	153,912	93	In agreed terms	-	-	-	-	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	284,211	14	2 months after transaction month	-	-	97,779	24	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 1 b	Sales	337,430	92	2 months after transaction month	-	-	96,797	100	-
YFY Packaging Inc.	Chung Hwa Pulp Corporation	Note 1 b	Sales	659,701	7	2 months after transaction month	-	-	121,914	6	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 b	Sales	454,992	4	In agreed terms	-	-	16,353	1	-
	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	738,526	7	3 months after transaction month	-	-	173,781	8	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	609,798	13	In agreed terms	-	-	156,678	16	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	167,540	12	4 months after transaction month	-	-	108,900	49	-

(Continued)



Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	\$ 239,449	100	In agreed terms	\$ -	-	\$ 130,242	100	-
Union Paper Corp.	Chung Hwa Pulp Corporation	Note 1 b	Sales	102,327	7	1 month after transaction month	-	-	15,049	6	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	586,653	4	Half month after transaction month	-	-	41,039	1	-
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	538,876	3	2 months after transaction month	-	-	207,063	5	-
	Union Paper Corp.	Note 1 b	Sales	778,109	5	1 month after transaction month	-	-	133,833	3	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 b	Sales	897,639	6	5 months after transaction month	-	-	630,104	16	-
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	Note 1 b	Sales	133,987	12	In agreed terms	-	-	15,405	6	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Note 1 a	Sales	181,061	13	In agreed terms	-	-	4,264	1	-

Note 1: The relationships are as follows:

- a. Subsidiary.
- b. Parent company or the same ultimate parent company.

Note 2: In preparing the consolidated financial statements, the transaction has been eliminated.

(Concluded)

**TABLE 7****YFY INC. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****SEPTEMBER 30, 2022****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	\$ 213,112	2.44	\$ -	-	\$ 56,471	\$ -	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	128,246	3.51	-	-	2,281	-	
	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	211,330	1.73	-	-	-	-	
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	176,151	9.98	-	-	176,151	-	
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	267,464	9.45	-	-	267,464	-	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	1,897,115	3.18	-	-	1,126,173	-	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	135,154	4.71	-	-	61,664	-	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	266,175	4.95	-	-	91,697	-	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	298,752	2.50	-	-	102,605	-	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	264,087	3.07	-	-	107,947	-	
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	173,781	5.43	-	-	92,383	-	
	Chung Hwa Pulp Corporation	The same ultimate parent company	121,914	4.68	-	-	71,706	-	
YFY Development Corp.	YFY Packaging Inc.	The same ultimate parent company	113,543	0.02	-	-	59,516	-	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	156,678	4.71	-	-	48,269	-	
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	108,900	1.94	-	-	17,113	-	
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	130,242	2.33	-	-	25,831	-	
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company	630,104	1.59	-	-	59,284	-	
	Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	207,063	4.20	-	-	75,840	-	
	Union Paper Corp.	The same ultimate parent company	133,833	9.43	-	-	122,493	-	

Note: In preparing the consolidated financial statements, the transaction has been eliminated.

## YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	\$ 5,715,988	\$ 5,715,988	627,827,088	57.80	\$ 9,185,037	\$ 390,552	\$ 220,048	Notes 1, 3 and 4
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	71,687	71,687	50,968,248	48.00	2,867,048	188,366	90,790	Notes 1, 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	59.10	3,105,813	552,479	326,787	Notes 1, 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.70	4,792,301	8,075,118	945,112	Note 4
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	6,451,806	6,451,806	410,150,000	100.00	6,793,507	310,586	331,044	Notes 1, 3 and 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.00	15,505,245	(790,062)	(790,062)	Notes 1, 3 and 4
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.00	7,197,008	419,320	419,320	Notes 1 and 3
	China Color Printing Co., Ltd.	New Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.70	461,826	7,229	3,590	Notes 1 and 3
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	607,641	343,000	70,000,000	100.00	504,236	21,616	8,073	Notes 1 and 3
	YFY Development Corp.	Taipei, Taiwan	Real estate investment and development	2,311,115	2,311,115	188,600,000	100.00	4,862,443	335,296	335,296	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.00	47,586	12,315	12,315	Notes 1 and 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.90	240,424	10,257	1,958	Notes 1 and 3
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	165,681,400	100.00	3,550,316	175,819	175,819	Notes 1, 3 and 4
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.00	49,669	(137)	(137)	Notes 1 and 3
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.00	72,589	(2,027)	(2,027)	Notes 1 and 3
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.90	71,927	4,836	2,464	Notes 1 and 3
	Fidelis IT Solutions Co., Ltd.	Taipei, Taiwan	1. Provides services in information software and information processing. 2. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.00	98,289	24,791	24,791	Notes 1 and 3
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	5,613	5,613	561,291	19.40	9,555	601	116	-
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.00	34,132	4,687	4,687	Notes 1 and 3
YFY International B.V.	Hwa Fong Paper (Hong Kong) Co., Ltd.	Hong Kong, China	Sale and print of paper merchandise	US\$ 13,520 thousand	US\$ 13,520 thousand	116,000,000	100.00	US\$ 1,156 thousand	US\$ (367) thousand	US\$ (367) thousand	Notes 1 and 3
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US\$ 90 thousand	US\$ 90 thousand	90,000	60.00	US\$ 3 thousand	US\$ (3) thousand	US\$ (2) thousand	Notes 1 and 3
	YFY Mauritius Corp.	Mauritius	Investment and holding	US\$ 196,334 thousand	US\$ 196,334 thousand	312,501,731	100.00	US\$ 166,234 thousand	US\$ (29,626) thousand	US\$ (29,626) thousand	Notes 1, 3 and 4
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Malaysia	Investment and holding	-	US\$ 900 thousand	-	-	-	US\$ 4 thousand	US\$ 4 thousand	Notes 1, 3 and 6
	Willpower Industries Ltd.	British Virgin Islands	Sale of various paper products	US\$ 82,438 thousand	US\$ 78,838 thousand	19,100,000	100.00	US\$ 58,945 thousand	US\$ 3,687 thousand	US\$ 3,687 thousand	Notes 1 and 3
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US\$ 13,370 thousand	US\$ 9,520 thousand	13,370,000	70.00	US\$ 12,225 thousand	US\$ (414) thousand	US\$ (290) thousand	Notes 1 and 3
	YFYPack Advance Ltd.	British Virgin Islands	Investment and holding	-	-	-	-	-	-	-	Notes 1, 3 and 5
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 12,400 thousand	US\$ 12,400 thousand	12,400,000	100.00	US\$ 10,065 thousand	US\$ (703) thousand	US\$ (703) thousand	Notes 1 and 3
	YFY Packaging Thai Binh Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	1,200,000	100.00	US\$ 1,994 thousand	US\$ 281 thousand	US\$ 281 thousand	Notes 1 and 3
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 10,500 thousand	US\$ 10,500 thousand	10,500,000	100.00	US\$ 9,901 thousand	US\$ (197) thousand	US\$ (197) thousand	Notes 1 and 3
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 5,100 thousand	US\$ 5,100 thousand	5,100,000	100.00	US\$ 40,753 thousand	US\$ 4,589 thousand	US\$ 4,589 thousand	Notes 1 and 3
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US\$ 4,500 thousand	US\$ 4,500 thousand	4,500,000	24.00	US\$ 3,086 thousand	US\$ (2,833) thousand	US\$ (680) thousand	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	1,200,000	100.00	VND 83,897,224 thousand	VND 6,745,302 thousand	VND 6,745,302 thousand	Notes 1 and 3
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 6,285 thousand	US\$ 6,285 thousand	10,000,000	100.00	VND 512,662,947 thousand	VND 59,901,874 thousand	VND 59,901,874 thousand	Notes 1 and 3
YFY Jupiter (BVI) Inc.	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.00	US\$ 11,940 thousand	US\$ 8,656 thousand	US\$ 8,656 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.00	US\$ 5,046 thousand	US\$ 2,254 thousand	US\$ 2,254 thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	58.30	US\$ 6,223 thousand	US\$ 2,688 thousand	US\$ 1,566 thousand	Notes 1 and 3
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.00	US\$ 834 thousand	US\$ 63 thousand	US\$ 63 thousand	Notes 1 and 3
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.00	US\$ 1,975 thousand	US\$ 1,080 thousand	US\$ 1,069 thousand	Notes 1 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.00	US\$ 24 thousand	US\$ 1,001 thousand	US\$ 10 thousand	Note 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	\$ -	\$ -	-	1.00	\$ -	US\$ (46) thousand	\$ -	Notes 2 and 3
	Spectiv Brands, LLC	USA	General trade	-	-	-	100.00	US\$ 6 thousand	-	-	Notes 1 and 3
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.00	US\$ 233 thousand	US\$ 230 thousand	US\$ 80 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.00	US\$ 276 thousand	US\$ 73 thousand	US\$ 26 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.00	US\$ 20 thousand	US\$ 1,080 thousand	US\$ 11 thousand	Note 3
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.00	US\$ - thousand	US\$ (46) thousand	US\$ (46) thousand	Notes 1, 2 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.00	US\$ 2,350 thousand	US\$ 1,001 thousand	US\$ 991 thousand	Notes 1 and 3
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.00	US\$ 103 thousand	US\$ 6 thousand	US\$ 6 thousand	Notes 1 and 3
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.00	US\$ 5,779 thousand	US\$ 1,072 thousand	US\$ 1,072 thousand	Notes 1 and 3
	Jupiter Prestige Group North America Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.00	US\$ 1,041 thousand	US\$ 985 thousand	US\$ 985 thousand	Notes 1 and 3
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.00	US\$ 362 thousand	US\$ 182 thousand	US\$ 182 thousand	Notes 1 and 3
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousand	825	82.50	US\$ 997 thousand	US\$ 700 thousand	US\$ 578 thousand	Notes 1 and 3
	Foster and Balyis (Prestige) Limited	United Kingdom	Graphic design	-	-	300	33.30	US\$ 54 thousand	US\$ 115 thousand	US\$ 38 thousand	-
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.00	US\$ 3893 thousand	US\$ 908 thousand	US\$ 908 thousand	Notes 1 and 3
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand Design	US\$ 66 thousand	US\$ 66 thousand	-	80.00	US\$ 395 thousand	US\$ 273 thousand	US\$ 218 thousand	Notes 1 and 3
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.00	US\$ 144 thousand	US\$ 38 thousand	US\$ 38 thousand	Notes 1 and 3
	Opal BPM Consulting Limited	United Kingdom	Consulting services of workflow system coding	GBP 1 thousand	GBP 1 thousand	1,000	100.00	US\$ 1 thousand	-	-	Notes 1 and 3
YFY Packaging Inc.	YFY Packaging (BVI) Corp.	British Virgin Islands	Investment and holding	2,213,770	2,213,770	58,134,277	100.00	458	-	-	Notes 1 and 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.80	372,551	30,566	27,176	Notes 1 and 3
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,501,112	2,388,912	74,365,601	100.00	2,303,368	99,684	99,684	Notes 1 and 3
YFY Global Investment B.V.	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	-	US\$ 25,600 thousand	-	-	-	US\$ 9,815 thousand	-	Notes 1 and 3
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	US\$ 91,230 thousand	-	45,944,935	69.55	US\$ 87,577 thousand	US\$ 9,402 thousand	US\$ 8,014 thousand	Notes 1 and 3
	YFY Jupiter (BVI) Inc.	British Virgin Islands	Investment and holding	US\$ 16,862 thousand	US\$ 16,862 thousand	10,372,342	83.70	US\$ 31,979 thousand	US\$ 7,969 thousand	US\$ 6,705 thousand	Notes 1 and 3
	YFY RFID Technologies Co., Ltd.	British Virgin Islands	Investment and holding	US\$ 5,330 thousand	US\$ 5,330 thousand	5,330,000	100.00	US\$ 359 thousand	US\$ (3) thousand	US\$ (3) thousand	Notes 1 and 3
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	US\$ 128,999 thousand	-	29,584,886	100.00	RMB 881,573 thousand	RMB 64,750 thousand	RMB 64,750 thousand	Notes 1 and 3
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Hong Kong, China	Product distribution and R&D services	US\$ 22,000 thousand	US\$ 12,000 thousand	22,000,000	100.00	RMB 104,397 thousand	RMB (9,026) thousand	RMB (9,026) thousand	Notes 1 and 3
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.00	RMB 895 thousand	RMB (602) thousand	RMB (602) thousand	Notes 1 and 3
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Taipei, Taiwan	Sale and design of RFID (radio frequency identification) products	US\$ 1,187 thousand	US\$ 1,187 thousand	2,500,001	100.00	US\$ 148 thousand	US\$ (1) thousand	US\$ (1) thousand	Notes 1 and 3
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,845,458	3,845,458	150,013,000	100.00	3,317,175	(67,163)	(67,163)	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.00	252,997	38,846	31,504	Notes 1 and 3
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.00	99,199	47,163	46,370	Notes 1 and 3
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.00	-	-	-	Notes 1 and 3
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.00	-	-	-	Notes 1 and 3
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	10,568	10,568	1,500,000	100.00	13,408	1,648	1,648	Notes 1, 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
YFY Development Corp.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	\$ 15,206	\$ 15,206	1,181,633	0.10	\$ 17,179	\$ 390,552	\$ 411	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	1.90	100,963	552,479	10,623	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.00	892,119	8,075,118	165,170	Note 4
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	-	5,766	-	-	-	21,616	295	Note 3
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	1,625	1,625	75,988	2.60	1,294	601	16	-
Effion Enertech Co., Ltd.	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	-	100,000	0.15	6,053	275,334	32	Note 3
	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.00	122,175	31,379	31,379	Notes 1 and 3
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.00	-	(104,364)	(8,446)	-
YFY Paradigm Investment Co., Ltd.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	79,242	79,242	7,752,732	0.70	112,728	390,552	2,698	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	281,907	281,907	17,386,815	6.50	341,765	552,479	35,960	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.70	472,533	8,075,118	55,742	Note 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.10	52,585	10,257	424	Note 3
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.00	229,018	(9,418)	(9,418)	Notes 1 and 3
	Livebricks Inc.	Taipei, Taiwan	Information processing services	77,000	77,000	7,700,002	100.00	1,937	75	75	Notes 1 and 3
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	425	425	19,874	0.70	338	601	4	-
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	105	4,836	4	Note 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	186	30,566	10	Note 3
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	-	100,000	0.15	6,053	275,334	32	Note 3
Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	329,000	329,000	20,000,000	1.80	622,910	8,075,118	141,620	Note 4
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.00	5,290,746	69,721	76,068	Notes 1, 3 and 4
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	-	343,000	-	-	-	21,616	14,462	Note 3
CHP International (BVI) Corporation	Hwa Fong Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	36,000	36,000	3,600,000	100.00	113,245	17,712	17,712	Notes 1 and 3
	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.00	US\$ 310 thousand	US\$ (9) thousand	US\$ (9) thousand	Notes 1 and 3
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	-	7,000	-	-	-	21,616	295	Note 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	47,043	30,327	6,673,627	6.40	81,932	10,257	557	Note 3
	Genovella Renewables Inc.	Hualien, Taiwan	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	5,000	5,000	-	100.00	21,303	2,915	2,915	Notes 1 and 3

Note 1:   Subsidiary.

Note 2:   The amount was reclassified from investments accounted for using the equity method to other liabilities.

Note 3:   In preparing the consolidated financial statements, the transaction has been eliminated.

Note 4:   Recognized from financial statements reviewed by the auditors for the same periods.

Note 5:   YFYPack Advance Ltd. entered the liquidated in January 2022. Due to the Group’s loss of control, it has not been included in the consolidated financial statements since January 2022.

Note 6:   YFY International Labuan Co., Ltd. entered the liquidation in September 2022. Due to the Group’s loss of control, it has not been included in the consolidated financial statements since September 2022.

## YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

## 1. Information on investments in mainland China

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of September 30, 2022 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 158,750 (US\$ 5,000 thousand)	a.(a)	\$ 47,625 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 47,625 (US\$ 1,500 thousand)	\$ (46,981)	100.0	\$ (46,981) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	349,250 (US\$ 11,000 thousand)	a.(b)	222,250 (US\$ 7,000 thousand)	-	-	222,250 (US\$ 7,000 thousand)	(301)	100.0	(301) (Note 2)	442,966	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	222,250 (US\$ 7,000 thousand)	a.(b)	222,250 (US\$ 7,000 thousand)	-	-	222,250 (US\$ 7,000 thousand)	(9,735)	100.0	(9,735) (Note 2)	247,635	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	254,000 (US\$ 8,000 thousand)	a.(b)	254,000 (US\$ 8,000 thousand)	-	-	254,000 (US\$ 8,000 thousand)	38,264	100.0	38,264 (Note 2)	429,622	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	190,500 (US\$ 6,000 thousand)	a.(b)	63,500 (US\$ 2,000 thousand)	-	-	63,500 (US\$ 2,000 thousand)	17,497	100.0	17,497 (Note 2)	293,906	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	254,000 (US\$ 8,000 thousand)	a.(b)	257,588 (US\$ 8,113 thousand)	-	-	257,588 (US\$ 8,113 thousand)	45,541	100.0	45,541 (Note 2)	394,173	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	254,000 (US\$ 8,000 thousand)	a.(b)	254,000 (US\$ 8,000 thousand)	-	-	254,000 (US\$ 8,000 thousand)	30,824	100.0	30,824 (Note 2)	446,472	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	316,198 (US\$ 9,959 thousand)	a.(c)	285,750 (US\$ 9,000 thousand)	-	-	285,750 (US\$ 9,000 thousand)	46,682	100.0	46,682 (Note 2)	451,962	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	301,625 (US\$ 9,500 thousand)	a.(b)	238,125 (US\$ 7,500 thousand)	-	-	238,125 (US\$ 7,500 thousand)	7,942	93.8	7,446 (Note 2)	354,674	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	206,375 (US\$ 6,500 thousand)	a.(b)	206,375 (US\$ 6,500 thousand)	-	-	206,375 (US\$ 6,500 thousand)	(10,847)	100.0	(10,847) (Note 2)	249,606	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	190,500 (US\$ 6,000 thousand)	a.(b)	152,400 (US\$ 4,800 thousand)	-	-	152,400 (US\$ 4,800 thousand)	49,657	100.0	49,657 (Note 2)	419,799	-

(Continued)

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of September 30, 2022 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 158,750 (US\$ 5,000 thousand)	a.(a)	\$ 158,750 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 158,750 (US\$ 5,000 thousand)	\$ (22,922)	100.0	\$ (22,922) (Note 2)	\$ 94,732	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	10,257,536 (US\$ 323,072 thousand)	a.(a)	2,762,250 (US\$ 87,000 thousand)	-	-	2,762,250 (US\$ 87,000 thousand)	(797,467)	100.0	(797,467) (Note 2)	5,413,692	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	7,769,066 (US\$ 244,695 thousand)	a.(b)	7,778,750 (US\$ 245,000 thousand)	-	-	7,778,750 (US\$ 245,000 thousand)	(1,021,248)	100.0	(1,021,248) (Note 2)	-	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	473,075 (US\$ 14,900 thousand)	a.(d)	444,691 (US\$ 14,006 thousand)	-	-	444,691 (US\$ 14,006 thousand)	4,092	94.0	3,846 (Note 6)	345,845	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	254,000 (US\$ 8,000 thousand)	a.(d)	254,000 (US\$ 8,000 thousand)	-	-	254,000 (US\$ 8,000 thousand)	2,267	100.0	2,267 (Note 6)	106,248	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	868,857 (RMB 194,290 thousand)	a.(e)	806,196 (US\$ 25,392 thousand)	-	-	806,196 (US\$ 25,392 thousand)	291,679	69.8	246,876 (Note 6)	2,729,142	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	35,776 (RMB 8,000 thousand)	a.(f)	-	-	-	-	2,291	69.8	1,694 (Note 6)	43,617	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	11,113 (US\$ 350 thousand)	a.(g)	-	-	-	-	120,398	83.7	101,558 (Note 6)	195,708	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,944 (RMB 2,000 thousand)	a.(h)	-	-	-	-	37,745	83.7	31,781 (Note 6)	86,443	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	22,360 (RMB 5,000 thousand)	a.(h)	-	-	-	-	20,155	83.7	16,989 (Note 6)	46,132	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,708 (RMB 1,500 thousand)	a.(h)	-	-	-	-	343	29.3	97 (Note 6)	3,242	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	265	29.3	77 (Note 6)	-	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	8,944 (RMB 2,000 thousand)	a.(h)	-	-	-	-	16,390	29.3	4,793 (Note 6)	7,317	-

(Continued)

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of September 30, 2022 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
YFY Investment Co., Ltd.	Investment and holding and sale of paper	\$ 3,651,250 (US\$ 115,000 thousand)	a.(i)	\$ 3,651,250 (US\$ 115,000 thousand)	\$ -	\$ -	\$ 3,651,250 (US\$ 115,000 thousand)	\$ (81,502)	67.6	\$ (55,079) (Note 2)	\$ 1,505,752	\$ -
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	952,500 (US\$ 30,000 thousand)	a.(j)	952,500 (US\$ 30,000 thousand)	-	-	952,500 (US\$ 30,000 thousand)	9,970	67.6	6,738 (Note 6)	199,535	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	952,500 (US\$ 30,000 thousand)	a.(j)	952,500 (US\$ 30,000 thousand)	-	-	952,500 (US\$ 30,000 thousand)	41,623	67.6	28,129 (Note 6)	832,283	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,718,753 (US\$ 85,630 thousand)	a.(k)	698,500 (US\$ 22,000 thousand)	-	-	698,500 (US\$ 22,000 thousand)	130,812	75.2	98,307 (Note 2)	3,520,967	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	694,690 (US\$ 21,880 thousand)	a.(l)	234,315 (US\$ 7,380 thousand)	-	-	234,315 (US\$ 7,380 thousand)	23,262	75.2	17,482 (Note 6)	2,289,337	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	44,720 (RMB 10,000 thousand)	a.(m)	-	-	-	-	-	50.4	- (Note 6)	22,517	-
Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	8,944 (RMB 2,000 thousand)	a.(n)	-	-	-	-	4,728	75.2	3,553 (Note 6)	12,116	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	14,310 (RMB 3,200 thousand)	a.(n)	-	-	-	-	(2,767)	75.2	(2,079) (Note 6)	99,684	-
YFY (Shanghai) Financial Services Co., Ltd.	Export factoring, domestic factoring, business factoring and related consulting services, development of credit risk management platform	223,598 (RMB 50,000 thousand)	a.(o)	223,598 (RMB 50,000 thousand)	-	-	223,598 (RMB 50,000 thousand)	31,407	100.0	25,080 (Note 6)	121,984	-

(Continued)



Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2022 (Notes 1 and 5)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$17,379,965	\$19,607,141	\$46,384,288

Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$29.284556 or RMB1=NT4.438915, the rest were translated at exchange rates of US\$1=NT\$31.75 or RMB1=NT\$4.471957 as of September 30, 2022.

Note 2: Recognized from financial statements reviewed by the auditors for the same periods.

Note 3: Difference between the amount of the paid-in capital multiplied by percentage of ownership and the cumulative amount of investment exports from Taiwan at the end of period: Guangdong Dingfung Pulp & Paper Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. capitalized retained earnings; YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd. and YFY Paper Enterprise (Fuzhou) Co., Ltd. are subsidiaries reinvested earnings from China. YFY Jupiter (Shenzhen) Ltd. was acquired indirectly due to the acquirement of YFY Jupiter (BVI) Inc.

Note 4: Methods of investment and the related investors are as follow:

a. Investment in mainland China through companies set up in another company. The related investors are as follow:

(a) YFY Mauritius Corp. (b) YFY Packaging (Yangzhou) Investment Co., Ltd. (c) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (d) YFY International B.V. (e) YFY RFID Co. Limited (f) Arizon RFID Technology Co., Ltd. (g) Mobius105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Co., Ltd. (j) YFY Investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) Zhaoqing Dingfung Forestry Co., Ltd. (n) Guangdong Dingfung Pulp & Paper Co., Ltd. (o) YFY Capital Holdings Corp.

Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of \$3,741,198 thousand made by investor of mainland China has been deducted.

Note 6: Recognized from financial statements that have not been reviewed.

Note 7: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.

2. Investment in mainland China’s significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6, 7 and 10.

(Concluded)

**TABLE 10**

**YFY INC. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales	\$ 738,526	By market price	1.2
		Chung Hwa Pulp Corporation	The same ultimate parent company	Accounts receivable	173,781	3 months after transaction month	0.1
				Sales	659,701	By market price	1.1
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	The same ultimate parent company	Accounts receivable	121,914	2 months after transaction month	0.1
				Sales	454,992	By market price	0.8
2	Chung Hwa Pulp Corporation	YFY Development Corp.	The same ultimate parent company	Sales	586,653	By market price	1.0
		Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company	Sales	897,639	By market price	1.5
				Accounts receivable	630,104	5 months after transaction month	0.4
		Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	Sales	538,876	By market price	0.9
				Accounts receivable	207,063	2 months after transaction month	0.1
		Union Paper Corp.	The same ultimate parent company	Sales	778,109	By market price	1.3
				Accounts receivable	133,833	1 months after transaction month	0.1
		3	Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	167,540
Accounts receivable	108,900					4 months after transaction month	0.1
4	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	428,790	By market price	0.7
5	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	1,076,842	By market price	1.8
				Accounts receivable	176,151	In agreed terms	0.1
6	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	1,784,540	By market price	3.0
		YFY Family Care (Kunshan) Co., Ltd.	The same ultimate parent company	Accounts receivable	267,464	In agreed terms	0.2
				Sales	202,661	By market price	0.3
7	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	202,293	By market price	0.3

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
8	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Sales	\$ 3,908,729	By market price	6.5
				Accounts receivable	1,897,115	In agreed terms	1.3
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	Sales	628,559	By market price	1.0
				Accounts receivable	266,175	In agreed terms	0.2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	Sales	449,458	By market price	0.7
				Accounts receivable	135,154	In agreed terms	0.1
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Subsidiary	Sales	308,584	By market price	0.5
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	Sales	358,701	By market price	0.6
				Accounts receivable	264,087	In agreed terms	0.2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	Sales	254,492	By market price	0.4
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	Sales	333,086	By market price	0.6
				Accounts receivable	298,752	In agreed terms	0.2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Subsidiary	Sales	146,364	By market price	0.2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Subsidiary	Sales	132,688	By market price	0.2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary	Sales	183,190	By market price	0.3
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	The same ultimate parent company	Sales	110,666	By market price	0.2
9	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	609,798	By market price	1.0
				Accounts receivable	156,678	In agreed terms	0.1
10	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	The same ultimate parent company	Sales	284,211	By market price	0.5
11	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Sales	337,430	By market price	0.6
12	YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	153,912	By market price	0.3
13	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	Sales	393,623	By market price	0.7
				Accounts receivable	213,112	In agreed terms	0.2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	Sales	258,241	By market price	0.4
				Accounts receivable	211,330	In agreed terms	0.2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	Sales	324,433	By market price	0.5
				Accounts receivable	128,246	In agreed terms	0.1
14	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Sales	239,449	By market price	0.4
				Accounts receivable	130,242	In agreed terms	0.1
15	Union Paper Corp.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	102,327	By market price	0.2
16	YFY Development Corp.	YFY Packaging Inc.	The same ultimate parent company	Accounts receivable	113,543	In agreed terms	0.1
17	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Subsidiary	Sales	181,061	By market price	0.3
18	YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	The same ultimate parent company	Sales	133,987	By market price	0.2

(Continued)

Note 1: The table disclosed the transaction above NT\$100 million.

Note 2: In preparing the consolidated financial statements, the transaction has been eliminated.

(Concluded)

**TABLE 11****YFY INC.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2022**

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Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	162,265,028	9.77
Hsin-Yi Foundation	94,004,485	5.66

Note: The information of major shareholders presented in this table is provided by Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.