

YFY Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 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 March 31, 2023 and 2022, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2023 and 2022, 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 13 and 14 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 March 31, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$28,046,163 thousand and NT\$33,483,845 thousand, respectively, representing 20% and 24%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$8,121,880 thousand and NT\$10,314,933 thousand, respectively, representing 11% and 14%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2023 and 2022, the amounts of combined comprehensive income of these non-significant subsidiaries were a gain of NT\$89,419 thousand and a gain of NT\$943,966 thousand, respectively, representing 19% and 17%, respectively, of the consolidated total comprehensive income. As of March 31, 2023 and 2022, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$120,082 thousand and NT\$141,492 thousand, respectively; for the three months ended March 31, 2023 and 2022, the

amounts of comprehensive income (loss) of investments accounted for using the equity method were a loss of NT\$6,753 thousand and a loss of NT\$13,009 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 March 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2023 and 2022 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

May 12, 2023

Notice to Readers

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

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 8,936,627	6	\$ 8,698,263	6	\$ 8,313,273	6
Current financial assets at fair value through profit or loss (Note 7)	758,681	1	914,843	1	2,914,192	2
Current financial assets at fair value through other comprehensive income (Notes 8 and 29)	8,633,140	6	7,967,004	6	8,711,111	6
Current financial assets at amortized cost (Note 9)	3,059,169	2	3,045,337	2	3,531,236	3
Notes receivable, net (Notes 10, 21 and 30)	2,570,683	2	2,842,143	2	3,962,243	3
Accounts receivable, net (Notes 10 and 21)	11,477,239	8	12,120,124	9	12,277,748	9
Accounts receivable due from related parties, net (Notes 21 and 29)	56,385	-	64,230	-	73,480	-
Current inventories (Note 11)	12,151,844	9	11,872,315	8	11,119,594	8
Current biological assets (Note 12)	3,294,202	2	3,255,711	2	3,373,301	2
Prepayments	2,089,859	2	2,198,126	2	1,676,231	1
Other current financial assets (Note 30)	560,871	1	827,945	1	397,894	-
Other current assets, others (Note 29)	<u>1,781,043</u>	<u>1</u>	<u>651,794</u>	<u>-</u>	<u>1,356,646</u>	<u>1</u>
Total current assets	<u>55,369,743</u>	<u>40</u>	<u>54,457,835</u>	<u>39</u>	<u>57,706,949</u>	<u>41</u>
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 29)	18,284,608	13	18,132,758	13	18,479,531	13
Non-current financial assets at amortized cost (Note 9)	1,924,082	1	1,918,107	1	698,918	-
Investments accounted for using equity method (Note 14)	6,867,505	5	7,466,226	5	6,018,511	4
Property, plant and equipment (Notes 15 and 30)	48,720,255	35	49,015,451	35	49,536,550	35
Right-of-use assets (Notes 16 and 30)	2,194,252	2	2,097,384	2	2,131,447	2
Investment property, net (Notes 17 and 29)	3,953,652	3	3,958,773	3	3,583,700	3
Goodwill	516,855	-	521,064	-	486,696	-
Deferred tax assets	312,850	-	305,525	-	339,307	-
Prepayments for business facilities (Notes 15 and 17)	763,229	1	712,614	1	1,038,481	1
Net defined benefit asset, non-current (Note 19)	607,437	-	576,233	1	717,957	1
Other non-current assets, others (Note 30)	<u>323,897</u>	<u>-</u>	<u>310,354</u>	<u>-</u>	<u>328,987</u>	<u>-</u>
Total non-current assets	<u>84,468,622</u>	<u>60</u>	<u>85,014,489</u>	<u>61</u>	<u>83,360,085</u>	<u>59</u>
TOTAL ASSETS	<u>\$ 139,838,365</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>	<u>\$ 141,067,034</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 18 and 30)	\$ 11,740,072	8	\$ 8,812,071	6	\$ 11,995,037	9
Short-term notes and bills payable (Note 18)	21,195,026	15	2,723,116	2	12,170,983	9
Current financial liabilities at fair value through profit or loss (Note 7)	61,887	-	45,843	-	40,559	-
Current contract liabilities (Note 21)	564,475	-	496,039	1	578,501	-
Notes and accounts payable	9,620,959	7	10,759,751	8	11,344,393	8
Accounts payable to related parties (Note 29)	82,447	-	110,870	-	50,682	-
Other payables, others (Note 15)	5,034,226	4	4,124,484	3	6,948,997	5
Current tax liabilities	508,973	-	484,546	-	1,542,861	1
Current lease liabilities (Note 16)	215,169	-	203,868	-	186,710	-
Long-term liabilities, current portion (Notes 18 and 30)	800,000	1	-	-	360,040	-
Other current liabilities, others (Note 29)	<u>1,192,411</u>	<u>1</u>	<u>1,237,851</u>	<u>1</u>	<u>1,441,340</u>	<u>1</u>
Total current liabilities	<u>51,015,645</u>	<u>36</u>	<u>28,998,439</u>	<u>21</u>	<u>46,660,103</u>	<u>33</u>
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Notes 18 and 30)	15,800,894	11	36,344,562	26	22,084,021	16
Deferred tax liabilities	3,565,886	3	3,565,188	3	3,606,996	3
Non-current lease liabilities (Note 16)	559,420	1	514,916	-	519,540	-
Net defined benefit liability, non-current (Note 19)	6,446	-	7,814	-	52,576	-
Other non-current liabilities, others	<u>439,741</u>	<u>-</u>	<u>448,012</u>	<u>-</u>	<u>451,765</u>	<u>-</u>
Total non-current liabilities	<u>20,372,387</u>	<u>15</u>	<u>40,880,492</u>	<u>29</u>	<u>26,714,898</u>	<u>19</u>
Total liabilities	<u>71,388,032</u>	<u>51</u>	<u>69,878,931</u>	<u>50</u>	<u>73,375,001</u>	<u>52</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 20 and 26)						
Share capital	16,603,715	12	16,603,715	12	16,603,715	12
Capital surplus	3,718,868	3	3,459,112	2	3,301,997	2
Retained earnings	21,039,333	15	22,536,470	16	20,808,097	15
Other equity interest	<u>11,580,044</u>	<u>8</u>	<u>12,037,107</u>	<u>9</u>	<u>12,931,630</u>	<u>9</u>
Total equity attributable to owners of parent	52,941,960	38	54,636,404	39	53,645,439	38
NON-CONTROLLING INTERESTS	<u>15,508,373</u>	<u>11</u>	<u>14,956,989</u>	<u>11</u>	<u>14,046,594</u>	<u>10</u>
Total equity	<u>68,450,333</u>	<u>49</u>	<u>69,593,393</u>	<u>50</u>	<u>67,692,033</u>	<u>48</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 139,838,365</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>	<u>\$ 141,067,034</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 12, 2023)

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 March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 29)				
Net sales revenue	\$ 15,543,090	89	\$ 17,037,990	86
Other operating revenue, net	<u>1,988,310</u>	<u>11</u>	<u>2,777,688</u>	<u>14</u>
Total operating revenue	<u>17,531,400</u>	<u>100</u>	<u>19,815,678</u>	<u>100</u>
OPERATING COSTS (Notes 11, 22 and 29)				
Cost of sales	13,869,293	79	14,802,045	75
Other operating costs	<u>1,516,018</u>	<u>9</u>	<u>2,072,868</u>	<u>10</u>
Total operating costs	<u>15,385,311</u>	<u>88</u>	<u>16,874,913</u>	<u>85</u>
GAINS (LOSSES) ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 12)	<u>(314)</u>	<u>-</u>	<u>114</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>2,145,775</u>	<u>12</u>	<u>2,940,879</u>	<u>15</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling expenses	1,267,461	7	1,427,891	7
Administrative expenses	928,049	5	929,627	5
Research and development expenses	<u>127,597</u>	<u>1</u>	<u>151,960</u>	<u>1</u>
Total operating expenses	<u>2,323,107</u>	<u>13</u>	<u>2,509,478</u>	<u>13</u>
NET OPERATING INCOME (LOSS)	<u>(177,332)</u>	<u>(1)</u>	<u>431,401</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs, net (Notes 4 and 22)	(297,765)	(2)	(134,167)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 14)	277,455	1	224,322	1
Interest income	114,686	1	32,317	-
Rent income (Notes 16 and 29)	16,304	-	12,647	-
Other income, others (Note 27)	107,575	1	58,345	-
Gains (losses) on disposals of property, plant and equipment	7,708	-	(326)	-
Foreign exchange gains (Note 32)	122,818	1	83,694	1
Miscellaneous disbursements	(10,680)	-	(13,854)	-
Losses on financial assets or liabilities at fair value through profit or loss (Note 4)	<u>(82,575)</u>	<u>(1)</u>	<u>(75,175)</u>	<u>-</u>
Total non-operating income and expenses	<u>255,526</u>	<u>1</u>	<u>187,803</u>	<u>1</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 March 31			
	2023		2022	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 78,194	-	\$ 619,204	3
TAX EXPENSE (Notes 4 and 23)	<u>(86,093)</u>	<u>-</u>	<u>(216,359)</u>	<u>(1)</u>
PROFIT (LOSS) FROM CONTINUING OPERATIONS	<u>(7,899)</u>	<u>-</u>	<u>402,845</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (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	(420,994)	(2)	3,495,052	17
Share of other comprehensive income of associates accounted for using equity method	53,456	-	147,977	1
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	(9,207)	-	1,214,566	6
Share of other comprehensive income of associates accounted for using equity method	<u>(87,978)</u>	<u>(1)</u>	<u>137,512</u>	<u>1</u>
Other comprehensive income, net	<u>(464,723)</u>	<u>(3)</u>	<u>4,995,107</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ (472,622)</u>	<u>(3)</u>	<u>\$ 5,397,952</u>	<u>27</u>
PROFIT (LOSS), ATTRIBUTABLE TO:				
Profit, attributable to owners of parent	\$ 2,837	-	\$ 244,446	1
Profit (loss), attributable to non-controlling interests	<u>(10,736)</u>	<u>-</u>	<u>158,399</u>	<u>1</u>
	<u>\$ (7,899)</u>	<u>-</u>	<u>\$ 402,845</u>	<u>2</u>
COMPREHENSIVE INCOME, ATTRIBUTABLE TO:				
Comprehensive income, attributable to owners of parent	\$ (475,554)	(3)	\$ 4,927,658	25
Comprehensive income, attributable to non-controlling interests	<u>2,932</u>	<u>-</u>	<u>470,294</u>	<u>2</u>
	<u>\$ (472,622)</u>	<u>(3)</u>	<u>\$ 5,397,952</u>	<u>27</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 March 31			
	2023		2022	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	\$ -		\$ 0.15	
Diluted earnings per share	\$ -		\$ 0.15	

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

(With Deloitte & Touche review report dated May 12, 2023)

(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											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	Retained Earnings				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount						Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total					
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 the 2021 earnings Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	(2,490,557)	-	(2,490,557)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,010,790)	(1,010,790)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	3,392	3,392	-	-	-	-	-	-	3,392	159	3,551
Other changes in capital surplus	-	-	-	-	-	(9)	(9)	-	-	-	-	-	-	(9)	-	(9)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(5,428)	-	-	-	(5,428)	-	-	-	-	-	-	(5,428)	1,706	(3,722)
Changes in ownership interests in subsidiaries	-	-	-	15,524	-	-	15,524	-	-	-	-	(6,541)	-	8,983	(19,507)	(10,524)
Profit for the three months ended March 31, 2022	-	-	-	-	-	-	-	-	-	244,446	244,446	-	-	244,446	158,399	402,845
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	-	-	-	-	-	1,159,614	3,523,598	4,683,212	311,895	4,995,107
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	-	-	-	244,446	244,446	1,159,614	3,523,598	4,927,658	470,294	5,397,952
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	134,442	134,442	-	(134,442)	-	-	-
BALANCE AT MARCH 31, 2022	1,660,372	\$ 16,603,715	\$ 1,772,835	\$ 1,039,451	\$ 293,124	\$ 196,587	\$ 3,301,997	\$ 4,429,367	\$ 4,000,001	\$ 12,378,729	\$ 20,808,097	\$ (1,032,543)	\$ 13,964,173	\$ 53,645,439	\$ 14,046,594	\$ 67,692,033
BALANCE AT JANUARY 1, 2023	1,660,372	\$ 16,603,715	\$ 1,867,508	\$ 1,052,665	\$ 293,124	\$ 245,815	\$ 3,459,112	\$ 4,894,972	\$ 3,995,020	\$ 13,646,478	\$ 22,536,470	\$ (357,174)	\$ 12,394,281	\$ 54,636,404	\$ 14,956,989	\$ 69,593,393
Appropriation of the 2022 earnings Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,494,334)	(1,494,334)	-	-	(1,494,334)	-	(1,494,334)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(217,847)	(217,847)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	2,507	2,507	-	-	(1,701)	(1,701)	-	-	806	38	844
Other changes in capital surplus	-	-	-	-	-	(8)	(8)	-	-	-	-	-	-	(8)	-	(8)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	3,796	-	-	-	3,796	-	-	-	-	604	-	4,400	6,595	10,995
Changes in ownership interests in subsidiaries	-	-	-	253,461	-	-	253,461	-	-	-	-	16,785	-	270,246	759,666	1,029,912
Profit (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	-	2,837	2,837	-	-	2,837	(10,736)	(7,899)
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	-	-	-	(101,601)	(376,790)	(478,391)	13,668	(464,723)
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	-	2,837	2,837	(101,601)	(376,790)	(475,554)	2,932	(472,622)
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	(3,939)	(3,939)	-	3,939	-	-	-
BALANCE AT MARCH 31, 2023	1,660,372	\$ 16,603,715	\$ 1,871,304	\$ 1,306,126	\$ 293,124	\$ 248,314	\$ 3,718,868	\$ 4,894,972	\$ 3,995,020	\$ 12,149,341	\$ 21,039,333	\$ (441,386)	\$ 12,021,430	\$ 52,941,960	\$ 15,508,373	\$ 68,450,333

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

(With Deloitte & Touche review report dated May 12, 2023)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 78,194	\$ 619,204
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	1,110,535	1,081,998
Expected credit loss (gain)	4,907	(29,349)
Net loss on financial assets or liabilities at fair value through profit or loss	82,575	75,175
Finance costs	297,765	134,167
Interest income	(114,686)	(32,317)
Dividend income	-	(10)
Share-based payments	1,578	3,130
Share of profit of associates accounted for using equity method	(277,455)	(224,322)
Loss (gain) on disposal of property, plant and equipment	(7,708)	326
Gain on disposal of investment properties	(626)	-
Loss on disposal of investments	30	-
Write-downs of inventories (reversed)	(20,543)	7,519
Unrealized foreign exchange loss (gain)	(223,819)	42,071
Loss (gain) arising from changes in fair value less costs to sell of biological assets	314	(114)
Loss (gain) from lease modification	(82)	9
Changes in operating assets and liabilities		
Decrease in current financial assets at fair value through profit or loss, mandatorily measured at fair value	135,092	199,263
Decrease in notes receivable, net	283,623	574,746
Decrease in accounts receivable, net	658,674	1,092,204
Decrease (increase) in accounts receivable due from related parties, net	7,845	(2,077)
Decrease (increase) in current inventories	(253,343)	703,507
Increase in current biological assets	(22,785)	(55,054)
Decrease (increase) in prepayments	112,292	(145,963)
Decrease (increase) in other current assets, others	(231,587)	62,727
Decrease in financial liabilities held for trading	(45,724)	(150,454)
Increase in current contract liabilities	69,104	44,540
Decrease in notes and accounts payable	(1,071,111)	(1,131,310)
Decrease in accounts payable to related parties	(28,423)	(6,330)
Decrease in other payable, others	(752,527)	(921,593)
Increase (decrease) in other current liabilities, others	(19,848)	29,791
Increase (decrease) in net defined benefit liability, non-current	(32,572)	8,374
Cash inflow (outflow) generated from operations	(260,311)	1,979,858
Interest received	112,108	33,815
Dividends received	-	10

(Continued)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
Interest paid	\$ (312,146)	\$ (151,893)
Income taxes paid	<u>(135,433)</u>	<u>(102,605)</u>
Net cash flows generated from (used in) operating activities	<u>(595,782)</u>	<u>1,759,185</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,251,478)	(149,706)
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,829	54,512
Proceeds from disposal of (acquisition of) in financial assets at amortized cost	(11,963)	586,449
Proceeds from disposal of investments accounted for using equity method	10,348	-
Acquisition of property, plant and equipment	(745,486)	(1,069,755)
Proceeds from disposal of property, plant and equipment	18,279	5,244
Acquisition of use-of-right assets	(49,645)	-
Acquisition of investment properties	-	(311)
Proceeds from disposal of investment properties	3,358	-
Decrease (increase) in other financial assets	263,432	(43,622)
Increase in other non-current assets, others	<u>(27,394)</u>	<u>(28,066)</u>
Net cash flows used in investing activities	<u>(1,779,720)</u>	<u>(645,255)</u>
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Increase in current borrowings	2,930,305	1,805,807
Increase in short-term notes and bills payable	18,471,910	2,874,826
Repayments of long-term debt	(19,743,668)	(4,134,450)
Payments of lease liabilities	(62,260)	(52,489)
Decrease in other non-current liabilities, others	(7,322)	(42,641)
Change in non-controlling interests	1,037,551	15,015
Overdue dividends paid	<u>(8)</u>	<u>(9)</u>
Net cash flows generated from financing activities	<u>2,626,508</u>	<u>466,059</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(12,642)</u>	<u>199,194</u>
		(Continued)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 238,364	\$ 1,779,183
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,698,263</u>	<u>6,534,090</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 8,936,627</u>	<u>\$ 8,313,273</u>

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

(With Deloitte & Touche review report dated May 12, 2023)

(Concluded)

YFY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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 May 12, 2023.

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 in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 MATERIAL ACCOUNTING POLICY INFORMATION

- 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 statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, 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) 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 13 and Tables 8 and 9 for more information on subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

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) Income tax expense

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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting 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 the cash flow projection, growth rate, discount rate, profitability, and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 23,125	\$ 19,816	\$ 21,374
Checking accounts and demand deposits	4,353,055	3,889,054	4,655,273
Cash equivalents			
Time deposits	4,327,347	4,705,393	3,120,657
Repurchase agreements collateralized by bonds	<u>233,100</u>	<u>84,000</u>	<u>515,969</u>
	<u>\$ 8,936,627</u>	<u>\$ 8,698,263</u>	<u>\$ 8,313,273</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
<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	\$ 43,626	\$ 171,541	\$ 9,865
Non-derivative financial assets			
Mutual funds	462,566	492,002	2,060,311
Hybrid financial assets			
Structured deposits	<u>252,489</u>	<u>251,300</u>	<u>844,016</u>
	<u>\$ 758,681</u>	<u>\$ 914,843</u>	<u>\$ 2,914,192</u>
			(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 61,887	\$ 45,843	\$ 40,559 (Concluded)

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>March 31, 2023</u>			
Buy	JPY:NTD	2023.04.20	JPY80,880
Buy	USD:RMB	2023.07.19-2024.04.03	USD41,000
Sell	USD:NTD	2023.04.10-2023.04.28	USD32,700
Sell	RMB:USD	2023.07.10-2024.03.27	RMB1,949,453
Sell	RMB:NTD	2023.04.18-2023.04.28	RMB31,600
Sell	EUR:NTD	2023.04.13-2023.04.28	EUR13,000
<u>December 31, 2022</u>			
Buy	USD:RMB	2023.01.12-2023.06.30	USD36,800
Buy	USD:VND	2023.01.17	USD3,000
Buy	JPY:USD	2023.02.24	JPY200,000
Sell	USD:NTD	2023.01.13-2023.03.15	USD41,700
Sell	RMB:USD	2023.01.05-2023.12.15	RMB1,877,780
Sell	RMB:NTD	2023.01.12-2023.03.31	RMB67,300
Sell	EUR:NTD	2023.01.30-2023.02.06	EUR11,000
<u>March 31, 2022</u>			
Buy	USD:RMB	2022.04.20-2022.06.28	USD35,000
Buy	USD:NTD	2022.04.18-2022.04.21	USD1,000
Buy	JPY:USD	2022.04.07	JPY200,000
Sell	USD:NTD	2022.04.01-2022.05.24	USD21,200
Sell	RMB:USD	2022.04.07-2022.08.24	RMB2,245,273
Sell	EUR:NTD	2022.04.11-2022.04.19	EUR6,000

The Group entered into foreign exchange forward 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)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Investments in equity instruments at FVTOCI - current</u>			
Domestic investments			
Listed shares	<u>\$ 8,633,140</u>	<u>\$ 7,967,004</u>	<u>\$ 8,711,111</u>
<u>Investments in equity instruments at FVTOCI - non-current</u>			
Domestic investments			
Listed shares	\$ 12,717,724	\$ 12,210,429	\$ 12,581,109
Unlisted shares	<u>5,454,444</u>	<u>5,814,280</u>	<u>5,767,185</u>
	18,172,168	18,024,709	18,348,294
Foreign investments			
Unlisted shares	<u>112,440</u>	<u>108,049</u>	<u>131,237</u>
	<u>\$ 18,284,608</u>	<u>\$ 18,132,758</u>	<u>\$ 18,479,531</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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	\$ 2,673,653	\$ 2,824,865	\$ 3,531,236
Time deposits with original maturities of more than 1 year	<u>385,516</u>	<u>220,472</u>	<u>-</u>
	<u>\$ 3,059,169</u>	<u>\$ 3,045,337</u>	<u>\$ 3,531,236</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 1,924,082</u>	<u>\$ 1,918,107</u>	<u>\$ 698,918</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.76%-5.08%, 0.76%-5.07% and 0.15%-2.10% as of March 31, 2023, December 31, 2022 and March 31, 2022.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 1.39%-3.99%, 3.10%-3.99% and 3.99% as of March 31, 2023, December 31, 2022 and March 31, 2022.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
Notes receivable	\$ 2,571,448	\$ 2,842,908	\$ 3,963,008
Less: Allowance for impairment loss	<u>(765)</u>	<u>(765)</u>	<u>(765)</u>
	<u>\$ 2,570,683</u>	<u>\$ 2,842,143</u>	<u>\$ 3,962,243</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 11,743,855	\$ 12,381,434	\$ 12,545,471
Less: Allowance for impairment loss	<u>(266,616)</u>	<u>(261,310)</u>	<u>(267,723)</u>
	<u>\$ 11,477,239</u>	<u>\$ 12,120,124</u>	<u>\$ 12,277,748</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.

March 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 11,856,056	\$ 2,066,656	\$ 158,152	\$ 95,527	\$ 138,912	\$ 14,315,303
Loss allowance (Lifetime ECLs)	<u>(100,039)</u>	<u>(9,158)</u>	<u>(3,211)</u>	<u>(16,460)</u>	<u>(138,513)</u>	<u>(267,381)</u>
Amortized cost	<u>\$ 11,756,017</u>	<u>\$ 2,057,498</u>	<u>\$ 154,941</u>	<u>\$ 79,067</u>	<u>\$ 399</u>	<u>\$ 14,047,922</u>

December 31, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 12,818,076	\$ 2,084,951	\$ 71,712	\$ 47,278	\$ 202,325	\$ 15,224,342
Loss allowance (Lifetime ECLs)	<u>(34,333)</u>	<u>(10,924)</u>	<u>(6,774)</u>	<u>(7,883)</u>	<u>(202,161)</u>	<u>(262,075)</u>
Amortized cost	<u>\$ 12,783,743</u>	<u>\$ 2,074,027</u>	<u>\$ 64,938</u>	<u>\$ 39,395</u>	<u>\$ 164</u>	<u>\$ 14,962,267</u>

March 31, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 15,170,756	\$ 937,097	\$ 157,679	\$ 32,849	\$ 210,098	\$ 16,508,479
Loss allowance (Lifetime ECLs)	<u>(43,674)</u>	<u>(3,224)</u>	<u>(3,777)</u>	<u>(8,359)</u>	<u>(209,454)</u>	<u>(268,488)</u>
Amortized cost	<u>\$ 15,127,082</u>	<u>\$ 933,873</u>	<u>\$ 153,902</u>	<u>\$ 24,490</u>	<u>\$ 644</u>	<u>\$ 16,239,991</u>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 262,075	\$ 290,149
Add: Net remeasurement of loss allowance (gain on reversal)	4,907	(29,349)
Less: Amounts written off	(417)	(122)
Effect of foreign currency exchange differences	<u>816</u>	<u>7,810</u>
Balance at March 31	<u>\$ 267,381</u>	<u>\$ 268,488</u>

For the three months ended March 31, 2023 and 2022, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$592,469 thousand and \$983,073 thousand. For information on the transfer of financial instruments, refer to Note 28.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 30.

11. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Finished and purchased goods	\$ 5,625,187	\$ 5,393,291	\$ 4,981,266
Materials	5,326,480	5,298,000	5,232,351
Work-in-process	<u>1,200,177</u>	<u>1,181,024</u>	<u>905,977</u>
	<u>\$ 12,151,844</u>	<u>\$ 11,872,315</u>	<u>\$ 11,119,594</u>

The cost of goods sold for the three months ended March 31, 2023 and 2022 included inventory write-downs reversed of \$20,543 thousand and inventory write-downs of \$7,519 thousand, respectively. Inventory write-downs reversed was a result of increased selling prices.

12. BIOLOGICAL ASSETS

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 3,255,711	\$ 3,193,535
Increases due to planting	45,403	74,653
Gain (loss) on changes in fair value less costs to sell	(314)	114
Decreases due to harvesting	(22,618)	(19,599)
Effect of foreign currency exchange differences	<u>16,020</u>	<u>124,598</u>
Balance at March 31	<u>\$ 3,294,202</u>	<u>\$ 3,373,301</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Eucalyptus (Level 3)	<u>\$ 3,399,517</u>	<u>\$ 3,359,818</u>	<u>\$ 3,481,001</u>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 3,359,818	\$ 3,295,021
Increases due to planting	46,808	77,689
Gain (loss) on changes in fair value less costs to sell	(324)	119
Decreases due to harvesting	(23,319)	(20,397)
Effect of foreign currency exchange differences	<u>16,534</u>	<u>128,569</u>
Balance at March 31	<u>\$ 3,399,517</u>	<u>\$ 3,481,001</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. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements (for the diagram of investment structure of the Group as at March 31, 2023, refer to Table 1):

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
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)
	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 Enertech Co., Ltd.	To operate cogeneration and provide power technology	100.0	100.0	100.0	7)
	YFY Development Corp.	Real estate investment and development	100.0	100.0	100.0	
	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	1)
	San Ying Enterprise Co., Ltd.	Design and construction of water processing and environmental facilities	100.0	100.0	100.0	
	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	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
YFY International B.V.	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing.	100.0	100.0	100.0	
	Sustainable Carbohydrate Innovation Co., Ltd.	b. Wholesale of information software and electric appliances.	100.0	100.0	100.0	
	YFY Packaging Inc.	Researching and development	100.0	100.0	100.0	1)
	Ensilience Co., Ltd.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	-	11)
	Guangdong Dingfeng Pulp & Paper Co., Ltd.	Renewable energy self-use power generation equipment industry, energy technology service industry	40.0	40.0	40.0	
	Zhaoqing Dingfeng Forestry Co., Ltd.	Pulp and paper production and trading business	13.5	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	100.0	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Sale and print of paper merchandise	94.0	94.0	94.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Manufacture, sale and print of cardboard and paper	100.0	100.0	100.0	
	YFY Biopulp Technology Limited	Technological development of agricultural resource recycling	60.0	60.0	60.0	
YFY Mauritius Corp.	YFY Mauritius Corp.	Investment and holding	100.0	100.0	100.0	1)
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	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	100.0	100.0	100.0	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8	93.8	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	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	100.0	
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY Cayman Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0	90.0	
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	
Winsong Packaging Investment Company Limited	YFY International Labuan Co., Ltd.	Investment and holding	-	-	100.0	8)
	Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	70.0	
Willpower Industries Ltd.	Willpower Industries Ltd.	Sale of various paper products	100.0	100.0	100.0	
	YFYPack Advance Ltd.	Investment and holding	-	-	-	3)
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	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	
YFY Jupiter (BVI) Inc.	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 US, Inc.	YFY Packaging (Quang Ngai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	-	-	14)
	Mobius105 Ltd.	Investment and holding	100.0	-	-	
YFY Jupiter Malaysia Sdn. Bhd.	YFY Jupiter Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Investment and holding	59.0	58.3	58.3	16)
YFY Jupiter Indonesia, PT PMA	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 Mexico, S. de R.L.	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	
YFY Jupiter (Shenzhen) Ltd.	Spectiv Brands, LLC	General trade	-	-	100.0	13)
	YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
YFY Jupiter (Shenzhen) Ltd.	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	
Jupiter Prestige Group Holdings Limited	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	
Jupiter Prestige Group North America Inc.	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 Europe Limited	Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	100.0	
	Jupiter Prestige Group Australia Pty Ltd.	Graphic design	100.0	100.0	100.0	
Jupiter Prestige Group North America Inc.	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	
Jupiter Prestige Group Europe Limited	Foster and Baylis (Prestige) Limited	Graphic design	50.98	50.98	33.3	9)
	Contrast LLC	Brand Design	80.0	80.0	80.0	
Opal BPM Limited	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	100.0	
YFY Packaging Inc.	Opal BPM India Private 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 Global Investment B.V.	YFY Packaging (BVI) Corp.	Investment and holding	-	-	100.0	12)
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	66.8	
YFY RFID Technology (Cayman) Co., Ltd.	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	61.49	69.55	86.5	1) and 4)
YFY RFID Co. Limited	YFY RFID Co. Limited	Investment and holding	-	-	-	4)
	YFY Jupiter (BVI) Inc.	Investment and holding	78.5	83.7	83.7	5)
YFY RFID Technology Co., Ltd.	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY RFID Co. Limited	Investment and holding	100.0	100.0	100.0	4)
Yuen Foong Yu Consumer Products Co., Ltd.	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	99.98	4)
	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
YFY RFID Technologies Co., Ltd.	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	
Yuen Foong Yu Consumer Products Investment Limited	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	100.0	
YFY Investment Co., Ltd.	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	
Shin Foong Specialty and Applied Materials Co., Ltd.	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	100.0	
	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
YFY Development Corp.	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	
Effion Enertech Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	
Arizon RFID Technology (Cayman) Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	1.9	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	-	7)
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.15	-	1) and 4)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	100.0	10)
	Foong Chuan Green Energy Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	95.0	95.0	-	
YFY Capital Holdings Corp.	YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.)	Supply chain management information and business management related consulting services	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	15)
	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	
	Livebricks Inc.	Information processing services	-	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	6.5	
Yuen Foong Shop Co., Ltd.	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	0.07	1) and 4)
	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	0.13	0.15	-	
	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
	Livebricks Inc.	Information processing services	100.0	-	-	
San Ying Enterprise Co., Ltd.	Foong Chuan Green Energy Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	5.0	5.0	-	10)
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	100.0	7)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	-	
CHP International (BVI) Corporation	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Guangdong Dingfong Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
	Zhaoqing Dingfong Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
Hwa Fong Investment Co., Ltd.	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	7)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	-	
	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	
Guangdong Dingfong Pulp & Paper Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	8.7	7.6	5.4	2) and 6)
	Zhaoqing Dingfong 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 Dingfong Forestry Co., Ltd.	Guizhou Yuanfong Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	67.0	67.0	67.0	

(Concluded)

Remarks:

- 1) Except for the review financial statements for the three months ended March 31, 2023 and 2022 of 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., YFY Paradigm Investment Co., Ltd. the review of financial statements for the three months ended March 31, 2020 of Arizon RFID Technology (Cayman) 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) Shin Foong Specialty and Applied Materials Co., Ltd., 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.
- 3) 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.
- 4) 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, in October 2021 established Arizon RFID Technology (Cayman) Co., Ltd. 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. 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% on December 31, 2022, 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. 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 March 2023 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 61.75%, which include its shareholding ratio of 61.49% in YFY Global Investment B.V., 0.13% in YFY Development Corp. and 0.13% 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.

- 5) Due to the equity changes such as YFY Jupiter (BVI) Inc. purchase of treasury shares and implement treasury shares to employees, the shareholdings ratio of the YFY Global Investment B.V. in YFY Jupiter (BVI) Inc. were changed.
- 6) Hwa Fong Investment Co., Ltd. acquired 1.3%, 2.2% and 1.1% ownership of Union Paper Corp. respectively, for the three months ended in March 2022, from April through December in 2022 and for the three months ended in March 2023, respectively. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 8.7%.
- 7) 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.
- 8) 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.
- 9) Jupiter Prestige Group Holdings Limited acquired ownership of Foster and Baylis (Prestige) Limited and purchase of treasury shares of Foster and Baylis (Prestige) Limited to write down. The shareholding ratio of the Group in Foster and Baylis (Prestige) Limited was increase from 33.3% to 50.98% and has been included in the consolidated financial statements since October 2022.
- 10) Foong Chuan Green Energy Co., Ltd. has been included in the consolidated financial statements since October 2022.
- 11) Ensilience Co., Ltd. has been included in the consolidated financial statements since November 2022.
- 12) YFY Packaging (BVI) Corp. entered the liquidation in November 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since November 2022.
- 13) Spectiv Brands, LLC entered the liquidation in December 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since December 2022.
- 14) YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.
- 15) In order to improve management performance, the Group carried out a restructuring of the organization. YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.
- 16) Due to the equity changes such as Jupiter Prestige Group Holdings Limited purchase of treasury shares and write-off treasury shares, the shareholdings ratio of the YFY Jupiter (BVI) Inc. in Jupiter Prestige Group Holdings Limited were changed.

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

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	For the Three Months Ended March 31	
	2023	2022
Total comprehensive income (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ (122,582)	\$ 211,090
Non-controlling interests of Chung Hwa Pulp Corporation	(90,509)	144,645
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>45,748</u>	<u>90,535</u>
	<u>\$ (167,343)</u>	<u>\$ 446,270</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (608,478)	\$ 413,018
Investing activities	(155,523)	218,090
Financing activities	758,657	(221,506)
Effects of exchange rate changes	<u>(180)</u>	<u>25,661</u>
Net cash inflow (outflow)	<u>\$ (5,524)</u>	<u>\$ 435,263</u>
		(Concluded)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2023	December 31, 2022	March 31, 2022
Material associates			
E Ink Holdings Inc.	\$ 6,747,423	\$ 7,327,912	\$ 5,877,019
Associates that are not individually material	<u>120,082</u>	<u>138,314</u>	<u>141,492</u>
	<u>\$ 6,867,505</u>	<u>\$ 7,466,226</u>	<u>\$ 6,018,511</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		
	March 31, 2023	December 31, 2022	March 31, 2022
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 May 13, 2022, 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):

	March 31, 2023	December 31, 2022	March 31, 2022
	<u>\$ 26,691,836</u>	<u>\$ 23,292,063</u>	<u>\$ 26,764,172</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:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 28,070,426	\$ 25,164,715	\$ 22,965,781
Non-current assets	40,280,307	39,961,345	38,154,525
Current liabilities	(20,867,833)	(13,408,141)	(21,161,539)
Non-current liabilities	<u>(6,781,796)</u>	<u>(7,454,715)</u>	<u>(4,501,157)</u>
Equity	40,701,104	44,263,204	35,457,610
Non-controlling interests	<u>(573,933)</u>	<u>(576,216)</u>	<u>(548,090)</u>
	<u>\$ 40,127,171</u>	<u>\$ 43,686,988</u>	<u>\$ 34,909,520</u>
Proportion of the Group's ownership	16.2%	16.2%	16.2%
Equity attributable to the Group	\$ 6,493,963	\$ 7,074,452	\$ 5,623,559
Goodwill	<u>253,460</u>	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 6,747,423</u>	<u>\$ 7,327,912</u>	<u>\$ 5,877,019</u>

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 7,229,676</u>	<u>\$ 5,960,861</u>
Net profit for the period	\$ 1,766,175	\$ 1,469,605
Other comprehensive income	<u>(212,720)</u>	<u>1,708,018</u>
Total comprehensive income for the period	<u>\$ 1,553,455</u>	<u>\$ 3,177,623</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2023	2022
The Group's share of:		
Net loss for the period	\$ (6,752)	\$ (15,459)
Other comprehensive income	<u>(1)</u>	<u>2,450</u>
Total comprehensive income (loss) for the period	<u>\$ (6,753)</u>	<u>\$ (13,009)</u>

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.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 14,140,472	\$ 16,610,337	\$ 69,070,896	\$ 13,923,139	\$ 1,929,792	\$ 115,674,636
Additions	2,472	24,406	251,509	65,885	323,134	667,406
Disposals	-	(1,884)	(184,972)	(39,132)	-	(225,988)
Transfer from constructions	-	30,098	264,753	21,126	(315,977)	-
Effect of foreign currency exchange differences	-	35,349	110,294	11,860	(129)	157,374
Balance at March 31, 2023	<u>\$ 14,142,944</u>	<u>\$ 16,698,306</u>	<u>\$ 69,512,480</u>	<u>\$ 13,982,878</u>	<u>\$ 1,936,820</u>	<u>\$ 116,273,428</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 612	\$ 8,261,694	\$ 47,859,348	\$ 10,537,531	\$ -	\$ 66,659,185
Depreciation expense	-	138,366	699,064	182,338	-	1,019,768
Disposals	-	(1,289)	(175,750)	(38,378)	-	(215,417)
Effect of foreign currency exchange differences	-	14,907	67,489	7,241	-	89,637
Balance at March 31, 2023	<u>\$ 612</u>	<u>\$ 8,413,678</u>	<u>\$ 48,450,151</u>	<u>\$ 10,688,732</u>	<u>\$ -</u>	<u>\$ 67,553,173</u>
Carrying amount at January 1, 2023	<u>\$ 14,139,860</u>	<u>\$ 8,348,643</u>	<u>\$ 21,211,548</u>	<u>\$ 3,385,608</u>	<u>\$ 1,929,792</u>	<u>\$ 49,015,451</u>
Carrying amount at March 31, 2023	<u>\$ 14,142,332</u>	<u>\$ 8,284,628</u>	<u>\$ 21,062,329</u>	<u>\$ 3,294,146</u>	<u>\$ 1,936,820</u>	<u>\$ 48,720,255</u>
<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	159,186	51,978	221,693	94,268	958,467	1,485,592
Disposals	-	(1,654)	(44,198)	(188,915)	-	(234,767)
Transfer from constructions	-	1,883	609,002	22,136	(633,021)	-
Reclassification to others	-	-	-	-	(18,162)	(18,162)
Effect of foreign currency exchange differences	-	316,071	939,440	138,047	18,773	1,412,331
Balance at March 31, 2022	<u>\$ 14,415,584</u>	<u>\$ 16,345,347</u>	<u>\$ 68,525,851</u>	<u>\$ 13,682,836</u>	<u>\$ 1,438,818</u>	<u>\$ 114,408,436</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 612	\$ 7,697,750	\$ 45,592,381	\$ 10,070,431	\$ -	\$ 63,361,174
Depreciation expense	-	130,350	669,523	182,067	-	981,940
Disposals	-	(924)	(39,834)	(188,439)	-	(229,197)
Effect of foreign currency exchange differences	-	117,304	545,123	95,542	-	757,969
Balance at March 31, 2022	<u>\$ 612</u>	<u>\$ 7,944,480</u>	<u>\$ 46,767,193</u>	<u>\$ 10,159,601</u>	<u>\$ -</u>	<u>\$ 64,871,886</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 March 31, 2022	<u>\$ 14,414,972</u>	<u>\$ 8,400,867</u>	<u>\$ 21,758,658</u>	<u>\$ 3,523,235</u>	<u>\$ 1,438,818</u>	<u>\$ 49,536,550</u>

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 three months ended March 31, 2023 and 2022 were as follows:

	For the Three Months Ended March 31	
	2023	2022
Acquisition of property, plant and equipment	\$ 667,406	\$ 1,485,592
Changes in prepayments for business facilities	50,470	(435,175)
Changes in payment of payables on equipment (accounted for as other payables, others)	<u>27,610</u>	<u>19,338</u>
	<u>\$ 745,486</u>	<u>\$ 1,069,755</u>

The Group acquired land for expansion of the factory spaces. 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 March 31, 2023, December 31, 2022 and March 31, 2022, the lands registered by others were \$185,578 thousand, \$185,578 thousand and \$159,186 thousand, respectively (accounted for as property, plant and equipment and investment properties).

For the amounts of collateral pledged for bank borrowings, refer to Note 30.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Land	\$ 1,639,061	\$ 1,520,217	\$ 1,576,811
Buildings	387,874	414,166	393,633
Others	<u>167,317</u>	<u>163,001</u>	<u>161,003</u>
	<u>\$ 2,194,252</u>	<u>\$ 2,097,384</u>	<u>\$ 2,131,447</u>

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 165,846</u>	<u>\$ 104,835</u>
Depreciation charge for right-of-use assets		
Land	\$ 20,660	\$ 18,251
Buildings	33,236	30,740
Others	<u>20,094</u>	<u>18,414</u>
	<u>\$ 73,990</u>	<u>\$ 67,405</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 three months ended March 31, 2023 and 2022.

For the amounts of collateral pledged for bank borrowings, refer to Note 30.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	<u>\$ 215,169</u>	<u>\$ 203,868</u>	<u>\$ 186,710</u>
Non-current	<u>\$ 559,420</u>	<u>\$ 514,916</u>	<u>\$ 519,540</u>

Range of discount rates for lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	0.88%-1.70%	0.88%-1.68%	0.88%-1.68%
Buildings	0.86%-11.70%	0.86%-11.70%	0.86%-11.70%
Others	0.88%-6.00%	0.86%-6.00%	0.88%-6.00%

c. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	<u>\$ 100,732</u>	<u>\$ 82,852</u>
Total cash outflow for leases	<u>\$ 218,015</u>	<u>\$ 139,431</u>

17. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2023	\$ 4,294,127
Disposals	<u>(2,732)</u>
Balance at March 31, 2023	<u>\$ 4,291,395</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 335,354
Depreciation expense	<u>2,389</u>
Balance at March 31, 2023	<u>\$ 337,743</u>
Carrying amount at January 1, 2023	<u>\$ 3,958,773</u>
Carrying amount at March 31, 2023	<u>\$ 3,953,652</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 3,861,276
Additions	<u>53,343</u>
Balance at March 31, 2022	<u>\$ 3,914,619</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 328,285
Depreciation expense	<u>2,634</u>
Balance at March 31, 2022	<u>\$ 330,919</u>
Carrying amount at January 1, 2022	<u>\$ 3,532,991</u>
Carrying amount at March 31, 2022	<u>\$ 3,583,700</u>

The acquisition of investment properties which included non-cash transactions were as follows:

	For the Three Months Ended March 31	
	2023	2022
Acquisition of investment properties	\$ -	\$ 53,343
Changes in prepayments for business facilities	<u>-</u>	<u>(53,032)</u>
	<u>\$ -</u>	<u>\$ 311</u>

The fair values of the investment properties owned by the Group were \$9,776,482 thousand, \$9,779,982 thousand and \$9,469,419 thousand as of March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$13,590 thousand and \$9,779 thousand for the three months ended March 31, 2023 and 2022, 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.

18. BORROWINGS

a. Current borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Bank credit loans	\$ 11,726,580	\$ 8,740,924	\$ 11,872,972
Bank secured loans	<u>13,492</u>	<u>71,147</u>	<u>122,065</u>
	<u>\$ 11,740,072</u>	<u>\$ 8,812,071</u>	<u>\$ 11,995,037</u>

Current borrowings include bank credit and bank secured loans. As of March 31, 2023, December 31, 2022 and March 31, 2022, the interest rate intervals of bank credit loans were 1.50%-8.80% per annum, 1.21%-10.20% per annum and 0.52%-3.85% per annum, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the interest rate of bank secured loans were 5.25%-5.45% per annum, 5.32%-5.38% per annum and 1.09% per annum, respectively.

b. Short-term notes and bills payable

	March 31, 2023	December 31, 2022	March 31, 2022
Commercial paper	\$ 21,246,000	\$ 2,725,000	\$ 12,181,000
Less: Unamortized discounts on bills payable	<u>(50,974)</u>	<u>(1,884)</u>	<u>(10,017)</u>
	<u>\$ 21,195,026</u>	<u>\$ 2,723,116</u>	<u>\$ 12,170,983</u>

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.69%-1.86% per annum, 1.76%-2.19% per annum and 0.79%-1.27% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

c. Non-current borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Syndicated loans	\$ 14,474,024	\$ 35,060,692	\$ 19,970,111
Long-term bank credit loans	2,051,220	1,251,220	2,351,220
Long-term bank secured loans	75,650	32,650	122,730
Less: Current portion	<u>(800,000)</u>	<u>-</u>	<u>(360,040)</u>
	<u>\$ 15,800,894</u>	<u>\$ 36,344,562</u>	<u>\$ 22,084,021</u>

Long-term bank loans included syndicated, credit and secured loans. Syndicated loans with monthly interest payments expire in December 2027 and have interest rate intervals of 1.79%-2.10% per annum, 1.79%-1.96% per annum and 1.79% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively; secured and credit loans expire in February 2032 and have interest rate intervals of 0.30%-1.80% per annum, 0.30%-1.68% per annum and 0.30%-3.75% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

19. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$13,053 thousand and \$14,033 thousand for the three months ended March 31, 2023 and 2022, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2022 and 2021.

20. EQUITY

a. Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
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), Rule No. 1010047490, Rule No. 1030006415 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 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 211,224	\$ 465,605
Cash dividends	\$ 1,494,334	\$ 2,490,557
Cash dividends per share (NT\$)	\$ 0.9	\$ 1.5

The aforementioned appropriation for cash dividends had been resolved by the board of directors on March 15, 2023 and 2022, respectively. The other appropriations of earnings for 2021 were resolved by the shareholders' meetings on June 23, 2022. The other proposed appropriations will be resolved by the shareholders' meeting to be held on June 20, 2023.

d. Other equity items

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total
<u>For the three months ended March 31, 2023</u>			
Balance at January 1	\$ (357,174)	\$ 12,394,281	\$ 12,037,107
Exchange differences on translation of foreign financial statements	(17,569)	-	(17,569)
Unrealized loss on financial assets measured at FVTOCI	-	(427,848)	(427,848)
Share of other comprehensive income (loss) of associates accounted for using equity method	(84,032)	51,058	(32,974)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	604	-	604
Changes in ownership interest in subsidiaries	16,785	-	16,785
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>3,939</u>	<u>3,939</u>
Balance at March 31	<u>\$ (441,386)</u>	<u>\$ 12,021,430</u>	<u>\$ 11,580,044</u>
<u>For the three months ended March 31, 2022</u>			
Balance at January 1	\$ (2,185,616)	\$ 10,575,017	\$ 8,389,401
Exchange differences on translation of foreign financial statements	1,034,872	-	1,034,872
Unrealized gains on financial assets measured at FVTOCI	-	3,382,258	3,382,258
Share of other comprehensive income of associates accounted for using equity method	124,742	141,340	266,082
Changes in ownership interest in subsidiaries	(6,541)	-	(6,541)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(134,442)</u>	<u>(134,442)</u>
Balance at March 31	<u>\$ (1,032,543)</u>	<u>\$ 13,964,173</u>	<u>\$ 12,931,630</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 14,956,989	\$ 14,604,732
Share of profit (loss) for the period	(10,736)	158,399
Other comprehensive income for the period:		
Exchange differences on translation of foreign financial statements	8,362	179,694
Unrealized gains on financial assets measured at FVTOCI	6,854	112,794
Share of other comprehensive income (loss) of associates accounted for using the equity method	(1,548)	19,407
Cash dividends	(217,847)	(1,010,790)
Changes in equity of associates accounted for using equity method	38	159
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6,595	1,706
Changes in ownership interests in subsidiaries	<u>759,666</u>	<u>(19,507)</u>
Balance at March 31	<u>\$ 15,508,373</u>	<u>\$ 14,046,594</u>

21. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from contracts with customers - revenue from sale of goods	\$ 15,543,090	\$ 17,037,990
Revenue from contracts with customers - other	<u>1,988,310</u>	<u>2,777,688</u>
	<u>\$ 17,531,400</u>	<u>\$ 19,815,678</u>

Contract Balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Notes receivable, net	<u>\$ 2,570,683</u>	<u>\$ 2,842,143</u>	<u>\$ 3,962,243</u>	<u>\$ 4,431,191</u>
Accounts receivable, net	<u>\$ 11,477,239</u>	<u>\$ 12,120,124</u>	<u>\$ 12,277,748</u>	<u>\$ 13,092,096</u>
Accounts receivable due from related parties, net	<u>\$ 56,385</u>	<u>\$ 64,230</u>	<u>\$ 73,480</u>	<u>\$ 71,403</u>
Contract liabilities - sale of goods	<u>\$ 564,475</u>	<u>\$ 496,039</u>	<u>\$ 578,501</u>	<u>\$ 516,177</u>

22. NET PROFIT

a. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank loans	\$ 295,397	\$ 131,211
Interest on lease liabilities	5,378	4,090
Less: Capitalization amount of interest	<u>(3,010)</u>	<u>(1,134)</u>
	<u>\$ 297,765</u>	<u>\$ 134,167</u>

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2023	2022
Capitalization rate	1.66%-1.88%	0.80%-1.51%

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	\$ 1,019,768	\$ 981,940
Investment properties	2,389	2,634
Right-of-use assets	73,990	67,405
Other non-current assets	<u>14,388</u>	<u>30,019</u>
	<u>\$ 1,110,535</u>	<u>\$ 1,081,998</u>
An analysis of depreciation by function		
Operating costs	\$ 988,146	\$ 946,154
Operating expenses	<u>108,001</u>	<u>105,825</u>
	<u>\$ 1,096,147</u>	<u>\$ 1,051,979</u>
An analysis of amortization by function		
Operating costs	\$ 7,188	\$ 11,267
Operating expenses	<u>7,200</u>	<u>18,752</u>
	<u>\$ 14,388</u>	<u>\$ 30,019</u>

c. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 54,382	\$ 51,111
Defined benefit plans	<u>13,053</u>	<u>14,033</u>
	67,435	65,144
Share-based payments	1,578	3,130
Other employee benefits	<u>2,228,272</u>	<u>2,258,562</u>
Total employee benefits expense	<u>\$ 2,297,285</u>	<u>\$ 2,326,836</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,364,015	\$ 1,357,569
Operating expenses	<u>933,270</u>	<u>969,267</u>
	<u>\$ 2,297,285</u>	<u>\$ 2,326,836</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 months ended March 31, 2023 and 2022 were as follows:

Amount

	For the Three Months Ended March 31	
	2023	2022
	Cash	Cash
Compensation of employees	<u>\$ 551</u>	<u>\$ 1,478</u>
Remuneration of directors	<u>\$ 2,750</u>	<u>\$ 5,500</u>

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, 2022 and 2021 which have been approved by the Company's board of the directors on March 15, 2023 and 2022, respectively, are as follows:

Amount

	For the Three Months Ended March 31	
	2022	2021
	Cash	Cash
Compensation of employees	\$ 2,403	\$ 5,550
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, 2023 and 2022, by board of the Company, recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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.

23. INCOME TAXES

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

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current period	\$ 92,720	\$ 201,094
Deferred tax		
In respect of the current period	<u>(6,627)</u>	<u>15,265</u>
	<u>\$ 86,093</u>	<u>\$ 216,359</u>

b. Income tax approved situation

	<u>Final Approved Year</u>
The Company	2018
Yuen Foong Yu Consumer Products Co., Ltd.	2018
Fidelis IT Solutions Co., Ltd.	2021
Ever Growing Agriculture Biotech Co., Ltd.	2021
YFY Corporate Advisory & Service Co., Ltd.	2021
Sustainable Carbohydrate Innovation Co., Ltd.	2021
Shin Foong Specialty and Applied Materials Co., Ltd.	2021
Union Paper Corp.	2021
Pek Crown Paper Co., Ltd.	2021
Yeon Technologies Co., Ltd.	2021
Effion Enertech Co., Ltd.	2021
YFY Paradigm Investment Co., Ltd.	2021
YFY Biotech Management Co., Ltd.	2021
YFY Development Corp.	2020
San Ying Enterprise Co., Ltd.	2020
Livebricks Inc.	2020
Yuen Foong Shop Co., Ltd.	2020
Hwa Fong Investments Co., Ltd.	2020
China Color Printing Co., Ltd.	2020
Yuen Yan Paper Container Co., Ltd.	2020
Genovella Renewables Inc.	2020
Chung Hwa Pulp Corporation	2020
YFY Packaging Inc.	2020

24. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2023	2022
Basic earnings per share (NT\$)	\$ -	\$ 0.15
Diluted earnings per share (NT\$)	\$ -	\$ 0.15

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 March 31	
	2023	2022
Profit for the period attributable to owners of the Company	\$ 2,837	\$ 244,446
Earnings used in the computation of diluted earnings per share	\$ 2,837	\$ 244,446

Number of Share (In Thousands)

	For the Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares:		
Compensation of employees	94	178
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,466</u>	<u>1,660,550</u>

The Group may settle compensation paid to employees in cash or shares, the Group assumed 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.

25. SHARE-BASED PAYMENT ARRANGEMENTS

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

For the year ended December 31, 2021

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 exercise price is US\$1.5 per share. 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.

Vesting Conditions	The Ratio of Entitled Exercise (%) (Accumulated)
Issue date	50
The second anniversary from the grant date	100

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

Employee Share Options	Number of Options (Units)	Exercise Price (US\$)
Granted in September 2021	<u>544,000</u>	<u>\$ 1.5</u>
Weighted-average fair value of options granted in September 2021 (US\$)	<u>\$ 2.04</u>	

	For the Three Months Ended March 31			
	2023		2022	
	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Share Options Certificates				
Balance at January 1	32,243		544,000	
Options exercised	<u>-</u>		<u>(226,887)</u>	
Balance at March 31	<u>32,243</u>		<u>317,113</u>	
Options exercisable, end of period	<u>32,243</u>	<u>\$ 1.5</u>	<u>45,113</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
Risk free interest rate (%)	0.17-0.21

The employee benefit expenses recognized on the employee share option plans was \$3,130 thousand for the three months ended March 31, 2022.

For the year ended December 31, 2022

The board of directors of the subsidiary resolved to issue 557,846 employee share options in November 2022. Each option entitles the holder to subscribe for 1 ordinary share of YFY Jupiter (BVI) Inc. The eligible participants for share options are the employees (including the controlling companies and subordinate companies) who meet certain specific requirements the exercise price is US\$2.18 per share. The options granted for 0.1 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.

Information on compensatory employee share options issued in November 2022 was as follows:

Employee Share Options	Number of Options (Units)	Exercise Price (US\$)
Granted in November 2022	<u>557,846</u>	<u>\$ 2.18</u>
Weighted-average fair value of options granted in November 2022 (US\$)	<u>\$ 1.59</u>	
	For the Three Months Ended March 31, 2022	
Share Options Certificates	Number of Options (Units)	Exercise Price (US\$)
Balance at January 1	88,148	
Options exercised	(88,144)	
Options lapsed	<u>(4)</u>	
Balance at December 31	<u>-</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 2.18</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\$)	\$3.77
Exercise price (US\$)	\$2.18
Expected volatility (%)	33.18
Expected lives (years)	0.1
Risk free interest rate (%)	1.20

b. Employee share options plan of the subsidiary - Arizon RFID Technology (Cayman) Co., Ltd.

The board of directors of the subsidiary resolved to issue 595 employee share options in July 12, 2022. Each option entitles the holder to subscribe for 1 thousand ordinary share of Arizon RFID Technology (Cayman) Co., Ltd. The eligible participants for share options are the employees who meet certain specific requirements the exercise price is 57.4 per share. The options granted for 3 years and the exercisable at the schedule below since the grant date for 2 years. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

Information on compensatory employee share options issued in August 2022 was as follows:

Employee Share Options	Number of Options (In Thousands of Units)	Exercise Price (\$)
Granted in August 2022	<u>595</u>	<u>\$ 57.4</u>
Weighted-average fair value of options granted in August 2022 (\$)	<u>\$ 21.2</u>	
	For the Three Months Ended March 31, 2022	
Employee Share Options	Number of Options (In Thousands of Units)	Exercise Price (\$)
Balance at January 1	595	
Options granted	-	
Options exercised	<u>-</u>	
Balance at December 31	<u>595</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 57.4</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	\$65.64
Exercise price	\$57.40
Expected volatility (%)	42.47
Expected lives (years)	2.5
Risk free interest rate (%)	0.92

The employee benefit expenses recognized on the employee share option plans was \$1,578 thousand for the three months ended March 31, 2023.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

The Group sold its partial ownership of Arizon RFID Technology (Cayman) Co., Ltd. in March 2023. Thus, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 61.75%, which include its shareholding ratio of 61.49% in YFY Global Investment B.V., 0.13% in YFY Development Corp. and 0.13% 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	\$ 20,847
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(17,225)
Reattribution of other equity from non-controlling interests	
Exchange differences on translation of foreign financial statements	<u>(604)</u>
Differences recognized from equity transactions	<u>\$ 3,018</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>\$ 3,018</u>

27. 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).

28. 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

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 43,626	\$ -	\$ 43,626
Mutual funds	462,566	-	-	462,566
Structured deposits	-	252,489	-	252,489
	<u>\$ 462,566</u>	<u>\$ 296,115</u>	<u>\$ -</u>	<u>\$ 758,681</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 21,350,864	\$ -	\$ -	\$ 21,350,864
Domestic and foreign unlisted shares	-	-	5,566,884	5,566,884
	<u>\$ 21,350,864</u>	<u>\$ -</u>	<u>\$ 5,566,884</u>	<u>\$ 26,917,748</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 61,887	\$ -	\$ 61,887

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 171,541	\$ -	\$ 171,541
Mutual funds	492,002	-	-	492,002
Structured deposits	-	251,300	-	251,300
	<u>\$ 492,002</u>	<u>\$ 422,841</u>	<u>\$ -</u>	<u>\$ 914,843</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 20,177,433	\$ -	\$ -	\$ 20,177,433
Domestic and foreign unlisted shares	-	-	5,922,329	5,922,329
	<u>\$ 20,177,433</u>	<u>\$ -</u>	<u>\$ 5,922,329</u>	<u>\$ 26,099,762</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 45,843	\$ -	\$ 45,843

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 9,865	\$ -	\$ 9,865
Mutual funds	2,060,311	-	-	2,060,311
Structured deposits	<u>-</u>	<u>844,016</u>	<u>-</u>	<u>844,016</u>
	<u>\$ 2,060,311</u>	<u>\$ 853,881</u>	<u>\$ -</u>	<u>\$ 2,914,192</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 21,292,220	\$ -	\$ -	\$ 21,292,220
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>5,898,422</u>	<u>5,898,422</u>
	<u>\$ 21,292,220</u>	<u>\$ -</u>	<u>\$ 5,898,422</u>	<u>\$ 27,190,642</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 40,559</u>	<u>\$ -</u>	<u>\$ 40,559</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

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

For the three months ended March 31, 2023

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 5,922,329
Recognized in other comprehensive loss (accounted for as unrealized loss on investments in equity instruments designated as at FVTOCI)	(354,578)
Effect of foreign currency exchange differences	<u>(867)</u>
Balance at March 31, 2023	<u>\$ 5,566,884</u>

For the three months ended March 31, 2022

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ 4,845,794
Recognized in other comprehensive income (accounted for as unrealized gains on investments in equity instruments designated as at FVTOCI)	1,104,447
Disposals	(54,449)
Effect of foreign currency exchange differences	<u>2,630</u>
Balance at March 31, 2022	<u>\$ 5,898,422</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	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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 758,681	\$ 914,843	\$ 2,914,192
FVTOCI	26,917,748	26,099,762	27,190,642
Amortized cost (1)	28,600,480	29,516,149	29,254,792
<u>Financial liabilities</u>			
FVTPL			
Held for trading	61,887	45,843	40,559
Amortized cost (2)	64,273,624	62,874,854	64,954,153

- 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 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 positive number below indicates an increase 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.

	For the Three Months Ended March 31	
	2023	2022
Influence to profit or loss at 5% variance		
USD	\$ (128,972)	\$ (14,692)
RMB	\$ (55,640)	\$ (66,838)

b) Interest rate risk

The Group was exposed to interest rate risk arising 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:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets	\$ 10,119,993	\$ 10,584,206	\$ 8,268,098
Financial liabilities	21,195,026	2,723,116	12,170,983
Lease liabilities	774,589	718,784	706,250
Cash flow interest rate risk			
Financial assets	4,353,055	3,889,054	4,655,273
Financial liabilities	28,340,966	45,156,633	34,439,098

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 years ended March 31, 2023 and 2022 would have decreased/increased by \$11,994 thousand and \$14,892 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 three months ended March 31, 2023 and 2022 would have increased/decreased by \$23,128 thousand and \$103,016 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 three months ended March 31, 2023 and 2022 would have increased/decreased by \$1,345,887 thousand and \$1,359,532 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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

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 March 31, 2023, December 31, 2022 and March 31, 2022, the amounts of unused financing facilities were \$56,987,417 thousand, \$57,379,028 thousand and \$55,069,295 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.

March 31, 2023

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 12,927,991	\$ 16,473,658	\$ 78,714
Fixed interest rate liabilities	21,246,000	-	-
Lease liabilities	<u>231,625</u>	<u>466,179</u>	<u>121,426</u>
	<u>\$ 34,405,616</u>	<u>\$ 16,939,837</u>	<u>\$ 200,140</u>

December 31, 2022

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 9,571,015	\$ 38,107,199	\$ 33,878
Fixed interest rate liabilities	2,725,000	-	-
Lease liabilities	<u>224,925</u>	<u>402,126</u>	<u>125,591</u>
	<u>\$ 12,520,940</u>	<u>\$ 38,509,325</u>	<u>\$ 159,469</u>

March 31, 2022

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 12,771,298	\$ 22,294,480	\$ 742,271
Fixed interest rate liabilities	12,181,000	-	-
Lease liabilities	<u>211,235</u>	<u>414,131</u>	<u>120,444</u>
	<u>\$ 25,163,533</u>	<u>\$ 22,708,611</u>	<u>\$ 862,715</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:

	For the Three Months Ended March 31	
	2023	2022
The discounted amount	<u>\$ 592,469</u>	<u>\$ 983,073</u>
The received amount	<u>\$ 586,319</u>	<u>\$ 964,015</u>
Interest rates	1.90%-4.15%	2.11%-4.30%

29. 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

Related Party	Relationship with the Group
Hsin-Yi Enterprise Co., Ltd.	Entities with key management personnel
Yuen Foong Paper Co., Ltd.	Entities with key management personnel
YFY Biotech Co., Ltd.	Associate
E Ink Holdings Inc.	Associate
YuanHan Materials Inc.	Associate
Transcend Optonics (Yangzhou) Co., Ltd.	Associate
PVI Global B.V.	Associate
Dream Pacific International B.V.	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.	Substantive related party
Lui Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Chen Yu Co., Ltd.	Substantive related party

(Continued)

Related Party	Relationship with the Group
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)

b. Operating revenue

Related Party Category/Name	For the Three Months Ended March 31	
	2023	2022
Entities with key management personnel	\$ 46,309	\$ 25,968
Associate	8,584	7,426
Substantive related party	<u>3,064</u>	<u>46,929</u>
	<u>\$ 57,957</u>	<u>\$ 80,323</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 March 31	
	2023	2022
Associate	\$ 47,585	\$ 29,725
Substantive related party	1,292	2,763
Entities with key management personnel	<u>1,145</u>	<u>665</u>
	<u>\$ 50,022</u>	<u>\$ 33,153</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	March 31, 2023	December 31, 2022	March 31, 2022
Receivables from related parties	Substantive related party			
	Beautone Co., Ltd.	\$ 5	\$ 23,163	\$ 26,665
	Others	<u>2,752</u>	<u>3,124</u>	<u>2,209</u>
		<u>2,757</u>	<u>26,287</u>	<u>28,874</u>
	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	45,702	19,747	25,855
	Others	<u>216</u>	<u>249</u>	<u>227</u>
		<u>45,918</u>	<u>19,996</u>	<u>26,082</u>
				(Continued)

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
	Associate			
	E Ink Holdings Inc.	\$ 446	\$ 8,870	\$ 8,493
	Others	<u>7,264</u>	<u>9,077</u>	<u>10,031</u>
		<u>7,710</u>	<u>17,947</u>	<u>18,524</u>
		<u>\$ 56,385</u>	<u>\$ 64,230</u>	<u>\$ 73,480</u>
Other receivables (accounted for as other current assets)	Entities with key management personnel	\$ 2,240	\$ 22	\$ 2,207
	Associate	1,311	849	336
	Substantive related party	<u>520</u>	<u>15</u>	<u>1,209</u>
		<u>\$ 4,071</u>	<u>\$ 886</u>	<u>\$ 3,752</u>
				(Concluded)

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	March 31, 2023	December 31, 2022	March 31, 2022
Payables to related parties	Associate			
	YJY Packaging Ltd.	\$ 65,426	\$ 87,157	\$ 15,442
	Vinh Phu Packing And Printing Company Limited	4,197	5,225	5,174
	JLD Logistics Ltd.	3,896	7,067	6,731
	Chengdu JingShiTong Packing Co., Ltd.	-	-	13,108
	Others	<u>49</u>	<u>380</u>	<u>571</u>
		<u>73,568</u>	<u>99,829</u>	<u>41,026</u>
	Entities with key management personnel	6,731	6,946	7,328
	Substantive related party	<u>2,148</u>	<u>4,095</u>	<u>2,328</u>
		<u>\$ 82,447</u>	<u>\$ 110,870</u>	<u>\$ 50,682</u>
Other payables (accounted for as other current liabilities)	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of investment properties

Related Party Category/Name	For the Three Months Ended March 31	
	2023	2022
Substantive related party Ho Tien Co., Ltd.	\$ <u>-</u>	\$ <u>53,032</u>

The Company completed transfer of ownership of a joint construction of housing in February 2022, refer to Note 17.

g. Acquisitions of financial assets

For the three months ended March 31, 2023

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds
Substantive related party	Current and non-current financial assets at fair value through other comprehensive income (loss)	81,609,991	Ordinary shares	\$ 1,224,150

h. Others

Rental income

Related Party Category/Name	For the Three Months Ended March 31	
	2023	2022
Associate		
E Ink Holdings Inc.	\$ 3,852	\$ -
Others	<u>304</u>	<u>412</u>
	<u>4,156</u>	<u>412</u>
Entities with key management personnel		
Yuen Foong Paper Co., Ltd.	1,971	1,971
Others	<u>38</u>	<u>40</u>
	<u>2,009</u>	<u>2,011</u>
Substantive related party	<u>1,447</u>	<u>1,627</u>
	<u>\$ 7,612</u>	<u>\$ 4,050</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended March 31	
	2023	2022
Entities with key management personnel	\$ 11,673	\$ 10,957
Substantive related party	<u>847</u>	<u>1,089</u>
	<u>\$ 12,520</u>	<u>\$ 12,046</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 March 31	
	2023	2022
Short-term employee benefits	\$ 25,642	\$ 26,088
Post-employment benefits	<u>135</u>	<u>119</u>
	<u>\$ 25,777</u>	<u>\$ 26,207</u>

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

30. ASSETS PLEDGED OR MORTGAGED

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

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable, net (Note)	\$ 2,535,364	\$ 2,871,130	\$ 3,211,255
Property, plant and equipment	519,226	498,396	987,964
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	472,380	754,152	243,672
Pledged deposits (classified as other current financial assets)	103,915	89,216	157,646
Land use rights (accounted for as right-of-use assets)	<u>101,324</u>	<u>102,201</u>	<u>97,132</u>
	<u>\$ 3,732,209</u>	<u>\$ 4,315,095</u>	<u>\$ 4,697,669</u>

Note: The transaction of \$1,056,898 thousand, \$1,310,385 thousand and \$630,141 thousand have been eliminated in preparing the consolidated financial statements on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

31. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2023, December 31, 2022 and March 31, 2022, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$708,702 thousand, \$558,199 thousand and \$805,226 thousand, respectively.

As of March 31, 2023, December 31, 2022 and March 31, 2022, the contract of commitment to acquire land, property, plant and equipment amounted to \$1,001,526 thousand, \$988,040 thousand and \$291,652 thousand, respectively. The unrecorded amounts were \$672,612 thousand, \$701,986 thousand and \$154,687 thousand, respectively.

32. 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 functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follow:

March 31, 2023			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,232,180	0.146 (RMB:USD)	\$ 9,891,274
USD	76,411	30.45 (USD:NTD)	2,326,716
NTD	1,479,165	0.226 (NTD:RMB)	1,479,165
December 31, 2022			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,202,430	0.144 (RMB:USD)	\$ 9,711,490
USD	95,118	30.71 (USD:NTD)	2,921,068
March 31, 2022			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,319,718	0.158 (RMB:USD)	\$ 10,459,961
USD	77,757	28.625 (USD:NTD)	2,225,783
RMB	222,012	4.509 (RMB:NTD)	1,001,085
<u>Foreign currency liabilities</u>			
Monetary items			
USD	43,307	28.625 (USD:NTD)	1,239,657
USD	38,985	6.3482 (USD:RMB)	1,115,959

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange gain and loss, was gain of \$122,818 thousand and was gain of \$83,694 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

33. 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)

34. 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	Business Unit of Consumer Products	Other Segment	Total
<u>For the three months ended March 31, 2023</u>					
Revenue from external customers	\$ 4,827,870	\$ 7,791,206	\$ 2,476,390	\$ 2,435,934	\$ 17,531,400
Revenue from other internal operating segments	<u>637,221</u>	<u>127,963</u>	<u>13,135</u>	<u>221,119</u>	<u>999,438</u>
Segment revenue	<u>\$ 5,465,091</u>	<u>\$ 7,919,169</u>	<u>\$ 2,489,525</u>	<u>\$ 2,657,053</u>	<u>18,530,838</u>
Eliminations					<u>(999,438)</u>
Consolidated revenue					<u>\$ 17,531,400</u>
Total profit or loss for reportable segments	<u>\$ (144,513)</u>	<u>\$ (143,615)</u>	<u>\$ 145,477</u>	<u>\$ (48,509)</u>	<u>\$ (191,160)</u>
Eliminations					<u>13,828</u>
Segment profit or loss					<u>(177,332)</u>
Finance costs					<u>(297,765)</u>
Net loss on fair value change of financial instruments at fair value through profit or loss					<u>(82,575)</u>
Foreign exchange gain					<u>122,818</u>
Net non-operating income and expenses					<u>513,048</u>
Profit before income tax					<u>\$ 78,194</u>
<u>For the three months ended March 31, 2022</u>					
Revenue from external customers	\$ 4,906,536	\$ 8,976,840	\$ 2,429,238	\$ 3,503,064	\$ 19,815,678
Revenue from other internal operating segments	<u>620,231</u>	<u>319,919</u>	<u>12,381</u>	<u>210,136</u>	<u>1,162,667</u>
Segment revenue	<u>\$ 5,526,767</u>	<u>\$ 9,296,759</u>	<u>\$ 2,441,619</u>	<u>\$ 3,713,200</u>	<u>20,978,345</u>
Eliminations					<u>(1,162,667)</u>
Consolidated revenue					<u>\$ 19,815,678</u>
Total profit or loss for reportable segments	<u>\$ (146,836)</u>	<u>\$ 71,550</u>	<u>\$ 277,827</u>	<u>\$ 211,718</u>	<u>\$ 414,259</u>
Eliminations					<u>17,142</u>
Segment profit or loss					<u>431,401</u>
Finance costs					<u>(134,167)</u>
Net loss on fair value change of financial instruments at fair value through profit or loss					<u>(75,175)</u>
Foreign exchange gain					<u>83,694</u>
Net non-operating income and expenses					<u>313,451</u>
Profit before income tax					<u>\$ 619,204</u>

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

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

c. Consumer product segment

Manufacture and sale of tissue paper, napkins and detergents.

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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Segment assets</u>			
Business unit of pulp and fine paper	\$ 35,695,229	\$ 35,439,171	\$ 34,181,063
Business unit of containerboard and packaging	41,586,876	42,710,732	44,324,523
Business unit of consumer products	7,910,881	8,275,075	7,924,225
Other segments	90,910,763	89,528,547	93,421,263
Adjustment and elimination	<u>(36,265,384)</u>	<u>(36,481,201)</u>	<u>(38,784,040)</u>
Consolidated total assets	<u>\$ 139,838,365</u>	<u>\$ 139,472,324</u>	<u>\$ 141,067,034</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 Three Months Ended March 31		March 31,	December 31,	March 31,
	2023	2022	2023	2022	2022
Taiwan	\$ 8,911,093	\$ 10,030,591	\$ 37,872,935	\$ 37,747,276	\$ 37,227,364
Mainland China	6,168,667	6,645,163	15,766,862	15,984,401	17,278,085
Others	<u>2,451,640</u>	<u>3,139,924</u>	<u>3,439,780</u>	<u>3,460,196</u>	<u>3,318,369</u>
	<u>\$ 17,531,400</u>	<u>\$ 19,815,678</u>	<u>\$ 57,079,577</u>	<u>\$ 57,191,873</u>	<u>\$ 57,823,818</u>

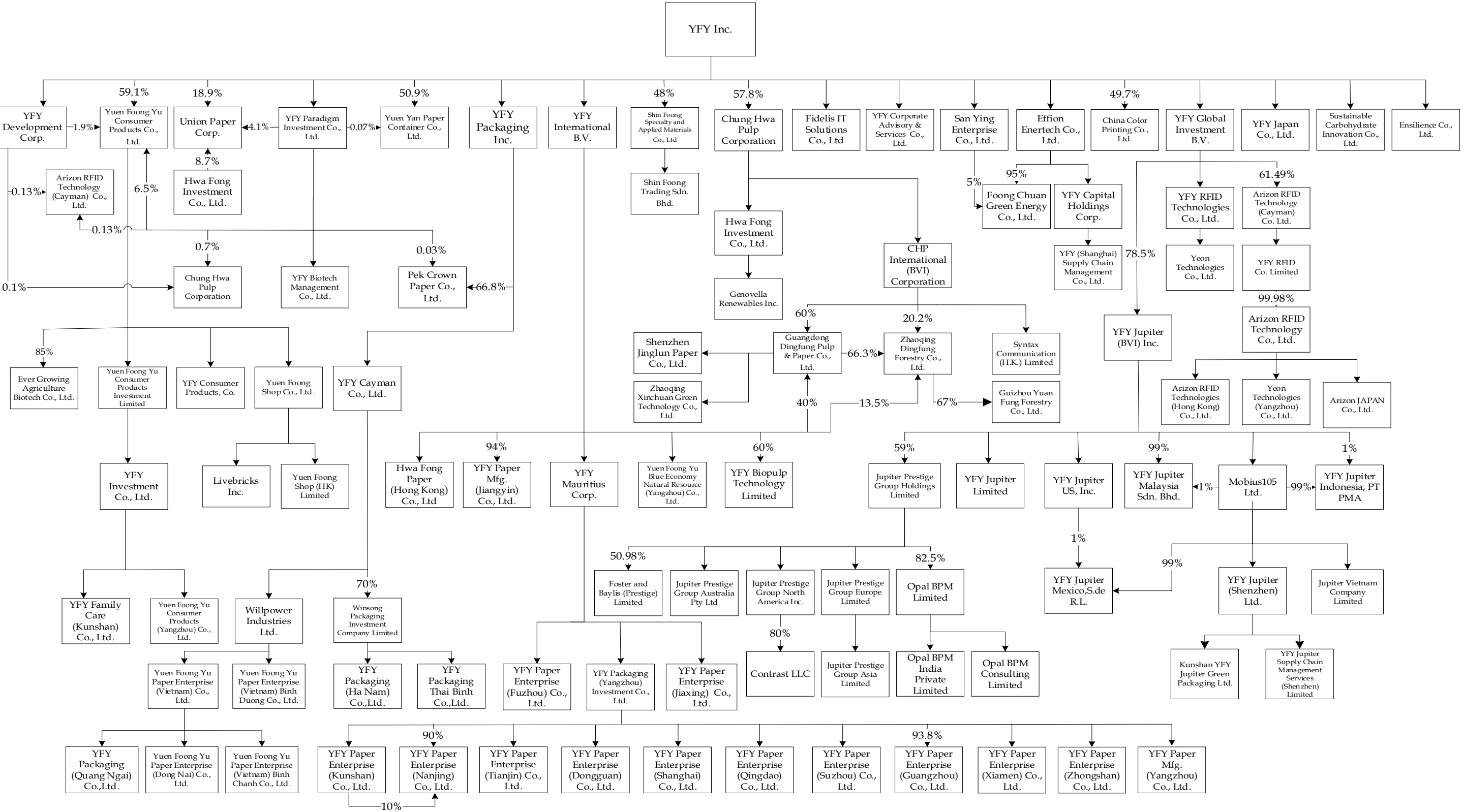
Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2023 and 2022.

TABLE 1

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE
MARCH 31, 2023



Note : 100% of Ownership, Unless Otherwise Stated.

TABLE 2

YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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	\$ 1,865,969	\$ 1,639,551	\$ 1,462,302	2.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 14,033,215	\$ 14,033,215	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,159,567	1,156,548	1,156,548	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	14,033,215	14,033,215	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	3,637,529	2,171,297	1,329,365	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	29,367,695	29,367,695	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	4,549,088	4,549,088	4,549,088	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	29,367,695	29,367,695	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	36,733	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	37,079	148,315	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	37,076	37,076	24,643	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	37,079	148,315	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	438,276	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	825,342	825,342	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	438,276	412,670	142,490	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	825,342	825,342	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	247,974	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,668	490,668	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	247,974	245,330	52,850	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,668	490,668	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	435,566	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	820,838	820,838	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	435,566	410,415	195,320	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	820,838	820,838	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	430,781	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	812,998	812,998	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	430,781	406,498	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	812,998	812,998	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	287,395	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	542,020	542,020	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	287,395	271,009	216,865	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	542,020	542,020	-
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	410,278	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	830,765	830,765	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	415,382	415,382	268,009	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	830,765	830,765	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	403,103	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	761,921	761,921	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	403,103	380,961	331,313	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	761,921	761,921	-
11	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	245,317	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	491,605	491,605	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	245,800	245,800	77,260	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	491,605	491,605	-
12	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,665,670	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	7,533,071	7,533,071	4,384,921	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-

(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			
12	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	\$ 444,278	\$ 443,122	\$ -	2.60	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 9,922,970	\$ 9,922,970	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	111,741	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	576,058	576,058	444,202	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	666,418	443,122	54,607	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	111,070	110,780	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	111,070	110,780	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	111,070	110,780	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,922,970	9,922,970	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	444,278	443,122	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	496,149	1,984,594	-
13	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	372,105	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	725,607	725,607	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	372,105	362,802	3,963	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	725,607	725,607	-
14	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	94,111	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	170,458	170,458	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	94,111	85,226	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	170,458	170,458	-
15	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	106,349	106,349	103,191	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	211,624	211,624	-
16	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	243,669	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	387,651	387,651	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	243,669	193,821	90,980	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	387,651	387,651	-
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	62,243	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	154,590	154,590	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	77,294	77,294	53,398	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	154,590	154,590	-
18	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	75,190	-	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	110,044	110,044	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	75,190	55,018	37,777	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	110,044	110,044	-
19	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	32,858	30,876	30,876	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	65,498	65,498	-

(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			
20	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	\$ 150,205	\$ 150,058	\$ 150,058	1.7-6.5	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 441,609	\$ 441,609	-
21	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	83,129	83,129	83,129	2.4-6.5	Short-term financing	-	Financing for working capital requirements	-	-	-	546,557	546,557	-
22	Jupiter Prestige Group Holdings Limited	YFY Jupiter (BVI) Inc.	Other receivables from related parties	Yes	96,059	96,059	96,059	1.3-4.0	Short-term financing	-	Financing for working capital requirements	-	-	-	127,873	127,873	-
23	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	452,364	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	473,252	1,893,006	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	452,364	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	473,252	1,893,006	-
24	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	134,001	130,721	130,721	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,078,160	2,078,160	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	186,597	186,111	186,111	2.5-3.5	Short-term financing	-	Financing for working capital requirements	-	-	-	2,078,160	2,078,160	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	879,671	877,381	877,381	2.5-3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,078,160	2,078,160	-
25	Shenzhen Jinglun Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	13,453	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	13,831	55,323	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	13,453	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	13,831	55,323	-
26	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	283,348	282,611	5,100	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	588,839	588,839	-
27	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,181,844	1,178,767	13,905	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,504,291	2,504,291	-
28	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,154,061	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,308,122	4,308,122	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,154,061	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,308,122	4,308,122	-
29	Effion Enertech Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	194,000	194,000	194,000	0.90	Short-term financing	-	Financing for working capital requirements	-	-	-	201,903	201,903	-
30	YFY Japan Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	46,180	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	133,949	133,949	-
31	San Ying Enterprise Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	40,000	19,000	19,000	0.9-1.5	Short-term financing	-	Financing for working capital requirements	-	-	-	19,877	19,877	-

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 THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

	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. YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a. Note 3 a.	\$ 81,954,606 81,954,606	\$ 2,302,352 1,066,268	\$ 2,302,352 1,063,493	\$ 1,286,396 -	\$ - -	4.35 2.01	\$ 109,272,808 109,272,808	Yes Yes	No No	Yes Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd. Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd. Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a. Note 3 a. Note 3 a.	2,830,088 2,830,088 2,830,088	852,600 944,760 1,157,100	852,600 791,700 1,157,100	52,658 57,068 358,943	- - -	43.63 40.52 59.22	3,773,450 3,773,450 3,773,450	Yes Yes Yes	No No No	No No No
3	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd. YFY Packaging Thai Binh Co., Ltd.	Note 3 a. Note 3 a.	1,280,015 1,280,015	518,160 91,440	517,650 91,350	- 29,301	- -	59.90 10.57	1,706,686 1,706,686	Yes Yes	No No	No No
1	<u>Credit line (Note 4)</u> YFY Inc.	YFY Development Corp. YFY Paradigm Investment Co., Ltd. Foong Chuan Green Energy Co., Ltd. YFY International B.V. YFY Global Investment B.V. YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Jupiter Limited YFY Jupiter (BVI) Inc. Mobius105 Ltd.	Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a.	81,954,606 81,954,606 81,954,606 81,954,606 81,954,606 81,954,606 81,954,606 81,954,606 81,954,606	3,450,000 2,370,000 100,000 2,921,280 1,402,080 266,567 414,880 457,200 121,800	3,450,000 2,370,000 100,000 2,522,850 1,400,700 265,873 395,150 456,750 121,800	1,690,000 717,000 - 157,738 65,094 - 59,377 - 91,350	- - - - - - - - -	6.52 4.48 0.19 4.77 2.65 0.50 0.75 0.86 0.23	109,272,808 109,272,808 109,272,808 109,272,808 109,272,808 109,272,808 109,272,808 109,272,808 109,272,808	No No No No No No No No No	No No No No No No No No No	No No No No No No No No No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation Hwa Fong Investment Co., Ltd.	Note 3 a. Note 3 a.	23,676,663 23,676,663	701,040 130,000	700,350 130,000	27,405 48,500	- -	4.59 0.85	31,568,884 31,568,884	No No	No No	No No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	10,168,073	487,680	487,200	-	-	7.09	13,557,430	No	No	No

Note 1: Limits on endorsement guarantee given on behalf of each party represents 150% of the net equity on the most current financial statements.

Note 2: Aggregate endorsement guarantee limit represents 200% of the net equity on the most current financial statements.

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

a. Subsidiary.

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

MARCH 31, 2023

(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	March 31, 2023				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	1,939,167	\$ 27,471	-	\$ 27,471	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	500,033,326	8,300,553	4.1	8,300,553	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	97,502,590	1,462,539	13.6	1,462,539	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,464,617	850,966	0.8	850,966	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,025,078	122,517	2.3	122,517	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	30,762,597	4,280,480	3.0	4,280,480	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	20,826,000	218,665	12.9	218,665	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	12,443,688	167,714	14.9	167,714	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,999,371	86,491	13.9	86,491	
	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	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,221,228	41,171	3.0	41,171	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,612	41,543	5.5	41,543	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,600,000	20,106	8.0	20,106	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at fair value through other comprehensive income	544,067	13,397	0.7	13,397	
	Supercell Biotechnology Corporation	-	Non-current financial assets at fair value through other comprehensive income	696,564	5,809	3.0	5,809	
	China Trade and Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	377,634	3,587	0.6	3,587	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				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\$ 144 thousand	0.2	US\$ 144 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\$ 3,228 thousand	6.5	US\$ 3,228 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at fair value through other comprehensive income	8,124,999	US\$ 144 thousand	19.9	US\$ 144 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	3,115,690	40,001	-	40,001	
	PIMCO GIS Total Return Bond Fund-E Class	-	Current financial assets at fair value through profit or loss	218,899	75,653	-	75,653	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	40,323,910	669,377	0.3	669,377	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,884,415	77,039	11.8	77,039	
	<u>Special share</u> Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,329,000	199,407	0.4	199,407	
	Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,292,000	203,116	0.5	203,116	
	Taishin Financial Holding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,925,000	200,175	0.8	200,175	
	WPG Holdings Limited	-	Non-current financial assets at fair value through other comprehensive income	1,033,000	50,979	0.5	50,979	
	Yulon Finance Corporation	-	Non-current financial assets at fair value through other comprehensive income	990,000	49,995	1.0	49,995	
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	62,668	-	62,668	
	Prudential Financial Money Market Fund	-	Current financial assets at fair value through profit or loss	313,179	5,044	-	5,044	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				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	\$ 123,493	0.1	\$ 123,493	
	China Parcel Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	463,917	3,121	10.8	3,121	
YFY Development Corp.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	233,739,175	3,880,070	1.9	3,880,070	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	612,301	37,044	0.7	37,044	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,490,949	52,364	0.5	52,364	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,250,000	43,566	5.5	43,566	
	Universal Venture Capital Investment Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	5,600,000	41,391	4.7	41,391	
	Everterminal Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,200,960	29,944	2.5	29,944	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,542,258	11,814	1.3	11,814	
YFY Paradigm Investment Co., Ltd.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	164,177,806	2,725,352	1.4	2,725,352	
	Zhen Ding Technology Holding Limited	-	Current financial assets at fair value through other comprehensive income	467,106	53,250	0.1	53,250	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	156,804	9,487	0.2	9,487	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	43,109	651	0.1	651	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,654,353	264,815	2.5	264,815	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	2,574,000	27,026	1.6	27,026	
	Locus Publishing Company	Note 1	Non-current financial assets at fair value through other comprehensive income	1,402,386	18,487	13.8	18,487	
	Supercell Biotechnology Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	696,435	5,808	3.0	5,808	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,370,730	36,610	5.6	36,610	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at fair value through other comprehensive income	2,126	296	-	296	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	9,948	1.1	9,948	
	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	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
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	106,243,357	1,763,640	0.9	1,763,640	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,829,132	267,437	2.5	267,437	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	388,146	23,483	0.4	23,483	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	12,443,688	167,714	14.9	167,714	
	Direct Insight Inc.	-	Non-current financial assets at fair value through other comprehensive income	286,200	3	0.9	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	40,154	-	40,154	
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	4,051,763	57,399	-	57,399	
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 22,222 thousand	36.7	JPY 22,222 thousand	
Effion Enertech Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	239,584	3,394	-	3,394	
Genovella Renewables Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	452,369	6,408	-	6,408	
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	4,591	-	4,591	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,532,139	21,705	-	21,705	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Ensilience Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	9,630,635	\$ 136,431	-	\$ 136,431	
YFY Biotech Management Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,538,846	21,800	-	21,800	
	<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	-	
	ACM Medical Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	760,000	-	7.3	-	
	Nereus Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,682,602	-	0.9	-	
Arizon RFID Technology Co., Ltd.	<u>Negotiable certificates of deposit</u> Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 189 in 2020	-	Current financial assets at amortized cost	-	RMB 50,000 thousand	-	RMB 50,000 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	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 46 in 2022	-	Non-current financial assets at amortized cost	-	RMB 60,000 thousand	-	RMB 60,000 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	
	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	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients No. 131 in 2022	-	Non-current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 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 THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments (Note 2)	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal		Number of Shares	Amount	
Winsong Packaging Investment Company Limited	Ordinary shares YFY Packaging (Ha Nam) Co., Ltd.	Note 1	YFY Packaging (Ha Nam) Co., Ltd.	Subsidiary	17,900,000	US\$ 16,104 thousand	10,000,000	US\$ 10,000 thousand	-	\$ -	\$ -	\$ -	US\$ 309 thousand (Note 2)	27,900,000	US\$ 26,413 thousand	(Note 3)

Note 1: Accounted for as investments accounted for using equity method.

Note 2: Including capital surplus, exchange differences on translation of foreign financial statements and share of profit of associates accounted for using equity method, net.

Note 3: 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 THREE MONTHS ENDED MARCH 31, 2023
(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 Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	\$ 175,003	100	In agreed terms	\$ -	-	\$ 183,064	100	-
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	483,235	38	In agreed terms	-	-	228,323	39	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	601,872	89	In agreed terms	-	-	404,811	94	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	119,319	7	In agreed terms	-	-	226,255	9	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	171,240	11	In agreed terms	-	-	159,869	6	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	849,491	52	In agreed terms	-	-	1,458,124	55	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	196,871	7	3 months after transaction month	-	-	152,827	8	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	113,937	7	In agreed terms	-	-	81,499	9	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	140,985	3	Half month after transaction month	-	-	40,551	1	-
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	194,485	4	2 months after transaction month	-	-	203,863	6	-
	Union Paper Corp.	Note 1 b	Sales	181,820	4	1 month after transaction month	-	-	73,669	2	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 a	Sales	415,231	9	5 months after transaction month	-	-	762,012	22	-

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.

TABLE 7**YFY INC. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****MARCH 31, 2023****(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 Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	\$ 183,064	5.14	\$ -	-	\$ 97,487	\$ -	
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	211,375	1.52	-	-	43,869	-	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	118,542	2.27	-	-	3,088	-	
	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	146,558	1.16	-	-	1,196	-	
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	The same ultimate parent company	119,359	1.10	-	-	26,462	-	
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	228,323	10.65	-	-	228,323	-	
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	404,811	6.95	-	-	274,736	-	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	1,458,124	2.40	-	-	237,300	-	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	226,255	2.39	-	-	93,933	-	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	125,509	3.02	-	-	764	-	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	159,869	3.11	-	-	9,150	-	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	106,321	3.39	-	-	89,415	-	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	226,919	1.50	-	-	67,507	-	
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	152,827	5.08	-	-	70,845	-	
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	762,012	2.22	-	-	120,315	-	
	Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	203,863	3.62	-	-	78,227	-	

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

TABLE 8

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	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	57.8	\$ 8,862,130	\$ (170,052)	\$ (101,415)	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	48.0	2,794,896	(22,628)	(10,863)	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	59.1	3,217,014	117,049	69,233	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	11.7	4,700,837	1,755,071	205,413	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	100.0	6,872,317	102,047	102,047	Notes 1, 3 and 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.0	14,563,249	(221,698)	(221,698)	Notes 1, 3 and 4
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.0	7,463,098	100,626	100,626	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	49.7	463,088	(1,663)	(826)	Notes 1 and 3
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	607,641	343,000	70,000,000	100.0	496,527	(3,456)	(2,953)	Notes 1 and 3
	YFY Development Corp.	Taipei, Taiwan	Real estate investment and development	2,311,115	2,311,115	188,600,000	100.0	4,824,033	25,024	25,024	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.0	52,512	5,555	5,555	Notes 1 and 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.9	238,022	(15,103)	(2,857)	Notes 1 and 3
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	165,681,400	100.0	3,507,813	3,881	3,881	Notes 1, 3 and 4
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.0	49,562	(131)	(131)	Notes 1 and 3
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.0	68,127	(812)	(812)	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	50.9	73,538	1,576	803	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	100.0	91,080	5,233	5,233	Notes 1 and 3
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	5,613	-	-	-	77	15	-
	Ensilience Co., Ltd.	Taipei, Taiwan	Renewable energy self-use power generation equipment industry, energy technology service industry	150,000	150,000	15,000,000	100.0	150,339	347	347	Notes 1 and 3
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.0	34,048	921	921	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	100.0	US\$ 1,037 thousand	US\$ (39) thousand	US\$ (39) thousand	Notes 1 and 3
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US\$ 90 thousand	US\$ 90 thousand	90,000	60.0	US\$ 2 thousand	US\$ (2) thousand	US\$ (1) thousand	Notes 1 and 3
	YFY Mauritius Corp.	Mauritius	Investment and holding	US\$ 196,334 thousand	US\$ 196,334 thousand	312,501,731	100.0	US\$ 146,548 thousand	US\$ (11,240) thousand	US\$ (11,240) thousand	Notes 1, 3 and 4
YFY Cayman Co., Ltd.	Willpower Industries Ltd.	British Virgin Islands	Sale of various paper products	US\$ 82,438 thousand	US\$ 82,438 thousand	19,100,000	100.0	US\$ 64,170 thousand	US\$ 1,805 thousand	US\$ 1,805 thousand	Notes 1 and 3
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US\$ 20,370 thousand	US\$ 20,370 thousand	20,370,000	70.0	US\$ 19,867 thousand	US\$ 236 thousand	US\$ 165 thousand	Notes 1 and 3
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 27,900 thousand	US\$ 17,900 thousand	27,900,000	100.0	US\$ 26,413 thousand	US\$ 201 thousand	US\$ 201 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	100.0	US\$ 1,952 thousand	US\$ (67) thousand	US\$ (67) 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	100.0	US\$ 10,576 thousand	US\$ 311 thousand	US\$ 311 thousand	Notes 1 and 3
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 8,700 thousand	US\$ 8,700 thousand	8,700,000	100.0	US\$ 49,123 thousand	US\$ 1,691 thousand	US\$ 1,691 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	24.0	US\$ 2,853 thousand	US\$ (865) thousand	US\$ (207) thousand	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
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	100.0	VND81,878,196 thousand	VND (2,186,986) thousand	VND (2,186,986) 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	100.0	VND557,892,530 thousand	VND 17,859,827 thousand	VND 17,859,827 thousand	Notes 1 and 3
	YFY Packaging (Quang Ngai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 4,000 thousand	US\$ - thousand	4,000,000	100.0	VND94,120,000 thousand	VND - thousand	VND - thousand	Notes 1, 3 and 5
YFY Jupiter (BVI) Inc.	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.0	US\$ 8,098 thousand	US\$ 773 thousand	US\$ 773 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.0	US\$ 6,804 thousand	US\$ (473) thousand	US\$ (473) thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	59.0	US\$ 4,668 thousand	US\$ 476 thousand	US\$ 277 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	100.0	US\$ 1,414 thousand	US\$ (177) thousand	US\$ (177) 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	99.0	US\$ 2,411 thousand	US\$ 220 thousand	US\$ 218 thousand	Notes 1 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.0	US\$ 18 thousand	US\$ 207 thousand	US\$ 2 thousand	Note 3
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.0	-	US\$ (490) thousand	US\$ (5) thousand	Notes 2 and 3
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 233 thousand	US\$ 256 thousand	US\$ 90 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 276 thousand	US\$ 55 thousand	US\$ 19 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.0	US\$ 24 thousand	US\$ 220 thousand	US\$ 2 thousand	Note 3
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.0	-	US\$ (490) thousand	US\$ (485) 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	99.0	US\$ 1,821 thousand	US\$ 207 thousand	US\$ 205 thousand	Notes 1 and 3
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.0	US\$ 234 thousand	US\$ 82 thousand	US\$ 82 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	100.0	US\$ 4,796 thousand	US\$ 235 thousand	US\$ 235 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	100.0	US\$ 1,306 thousand	US\$ 39 thousand	US\$ 39 thousand	Notes 1 and 3
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.0	US\$ 411 thousand	US\$ (2) thousand	US\$ (2) 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	82.5	US\$ 568 thousand	US\$ 165 thousand	US\$ 136 thousand	Notes 1 and 3
	Foster and Baylis (Prestige) Limited	United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US\$ 281 thousand	US\$ 44 thousand	US\$ 22 thousand	Notes 1 and 3
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.0	US\$ 3,270 thousand	US\$ 187 thousand	US\$ 187 thousand	Notes 1 and 3
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand Design	US\$ 66 thousand	US\$ 66 thousand	-	80.0	US\$ 530 thousand	US\$ 10 thousand	US\$ 8 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	100.0	US\$ 129 thousand	US\$ 3 thousand	US\$ 3 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	100.0	US\$ 1 thousand	-	-	Notes 1 and 3
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.8	403,056	17,698	11,815	Notes 1 and 3
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,726,617	2,726,617	81,365,601	100.0	2,600,491	59,878	59,878	Notes 1 and 3
YFY Global Investment B.V.	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	US\$ 90,733 thousand	US\$ 91,230 thousand	45,694,935	61.49	US\$ 103,353 thousand	US\$ 3,356 thousand	US\$ 2,339 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	78.5	US\$ 32,422 thousand	US\$ (180) thousand	US\$ (151) 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	100.0	US\$ 362 thousand	US\$ - thousand	US\$ - 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	US\$ 128,999 thousand	29,584,886	100.0	RMB 930,362 thousand	RMB 23,772 thousand	RMB 23,772 thousand	Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
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\$ 22,000 thousand	22,000,000	100.0	RMB 103,008 thousand	RMB (3,257) thousand	RMB (3,257) 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	100.0	RMB 1,483 thousand	RMB 109 thousand	RMB 109 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	100.0	US\$ 154 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	100.0	3,173,762	(35,117)	(35,117)	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	271,871	6,339	9,598	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	100.0	104,088	3,639	4,548	Notes 1 and 3
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.0	-	-	-	Notes 1 and 3
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited Livebricks Inc.	Hong Kong, China	General trade	-	-	-	100.0	-	-	-	Notes 1 and 3
		Taipei, Taiwan	Information processing services	1,879	-	200,002	100.0	1,876	(44)	(3)	Notes 1, 3 and 6
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	100.0	9,350	(1,620)	(1,620)	Notes 1, 3 and 4
YFY Development Corp.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	15,206	15,206	1,181,633	0.1	16,572	(170,052)	(191)	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	1.9	104,577	117,049	2,251	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	2.0	876,134	1,755,071	35,900	Note 4
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	1,625	-	-	-	77	2	-
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	6,889	102,017	155	Note 3
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.0	121,436	644	644	Notes 1 and 3
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.0	-	(13,202)	-	-
	Foong Chuan Green Energy Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	47,500	47,500	4,750,000	95.0	44,660	(2,955)	(2,807)	Notes 1 and 3
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	0.7	108,745	(170,052)	(1,252)	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	6.5	354,001	117,049	7,618	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	0.7	467,139	1,755,071	12,114	Note 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.1	52,058	(15,103)	(625)	Note 3
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.0	219,282	(5,209)	(5,209)	Notes 1 and 3
	Livebricks Inc.	Taipei, Taiwan	Information processing services	-	2,000	-	-	-	(44)	(41)	Notes 3 and 6
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	425	-	-	-	77	1	-
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	107	1,576	1	Note 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	201	17,698	6	Note 3
San Ying Enterprise Co., Ltd.	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	6,889	102,017	155	Note 3
	Foong Chuan Green Energy Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	2,500	2,500	250,000	5.0	2,351	(2,955)	(148)	Note 3
	Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Research, development, production and sale of thin-film transistor liquid crystal monitors	329,000	329,000	20,000,000	1.8	609,204	1,755,071	30,779	Note 4
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation Hwa Fong Investment Co., Ltd.	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.0	5,314,315	72,798	72,798	Notes 1, 3 and 4
		Taipei, Taiwan	Investment and holding	36,000	36,000	6,600,000	100.0	122,478	3,986	3,986	Notes 1 and 3
CHP International (BVI) Corporation	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.0	US\$ 229 thousand	US\$ (40) thousand	US\$ (40) thousand	Notes 1 and 3
Hwa Fong Investment Co., Ltd.	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	63,094	55,659	8,959,854	8.7	108,898	(15,103)	(1,165)	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	-	100.0	21,712	(84)	(84)	Notes 1 and 3

(Continued)

- 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: YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.
- Note 6: YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.

(Concluded)

TABLE 9

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 (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 March 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 152,250 (US\$ 5,000 thousand)	a.(a)	\$ 45,675 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 45,675 (US\$ 1,500 thousand)	\$ (15,392)	100.0	\$ (15,392) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	334,950 (US\$ 11,000 thousand)	a.(b)	213,150 (US\$ 7,000 thousand)	-	-	213,150 (US\$ 7,000 thousand)	(4,033)	100.0	(4,033) (Note 2)	408,648	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	213,150 (US\$ 7,000 thousand)	a.(b)	213,150 (US\$ 7,000 thousand)	-	-	213,150 (US\$ 7,000 thousand)	(7,561)	100.0	(7,561) (Note 2)	238,261	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	243,600 (US\$ 8,000 thousand)	a.(b)	243,600 (US\$ 8,000 thousand)	-	-	243,600 (US\$ 8,000 thousand)	15,995	100.0	15,995 (Note 2)	431,337	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	182,700 (US\$ 6,000 thousand)	a.(b)	60,900 (US\$ 2,000 thousand)	-	-	60,900 (US\$ 2,000 thousand)	(3,966)	100.0	(3,966) (Note 2)	267,054	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	243,600 (US\$ 8,000 thousand)	a.(b)	247,041 (US\$ 8,113 thousand)	-	-	247,041 (US\$ 8,113 thousand)	7,345	100.0	7,345 (Note 2)	370,130	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	243,600 (US\$ 8,000 thousand)	a.(b)	243,600 (US\$ 8,000 thousand)	-	-	243,600 (US\$ 8,000 thousand)	8,703	100.0	8,703 (Note 2)	419,100	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	303,252 (US\$ 9,959 thousand)	a.(c)	274,050 (US\$ 9,000 thousand)	-	-	274,050 (US\$ 9,000 thousand)	15,692	100.0	15,692 (Note 2)	422,151	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	289,275 (US\$ 9,500 thousand)	a.(b)	228,375 (US\$ 7,500 thousand)	-	-	228,375 (US\$ 7,500 thousand)	(1,186)	93.8	(1,112) (Note 2)	346,504	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	197,925 (US\$ 6,500 thousand)	a.(b)	197,925 (US\$ 6,500 thousand)	-	-	197,925 (US\$ 6,500 thousand)	(7,677)	100.0	(7,677) (Note 2)	237,676	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	182,700 (US\$ 6,000 thousand)	a.(b)	146,160 (US\$ 4,800 thousand)	-	-	146,160 (US\$ 4,800 thousand)	17,515	100.0	17,515 (Note 2)	398,431	-

(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, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 (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 March 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 152,250 (US\$ 5,000 thousand)	a.(b)	\$ 152,250 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 152,250 (US\$ 5,000 thousand)	\$ (12,790)	100.0	\$ (12,790) (Note 2)	\$ 72,471	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding.	9,837,542 (US\$ 323,072 thousand)	a.(a)	2,649,150 (US\$ 87,000 thousand)	-	-	2,649,150 (US\$ 87,000 thousand)	(313,461)	100.0	(313,461) (Note 2)	4,648,820	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	9,886,963 (US\$ 324,695 thousand)	a.(b)	7,460,250 (US\$ 245,000 thousand)	-	-	7,460,250 (US\$ 245,000 thousand)	(354,878)	100.0	(354,878) (Note 2)	876,222	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	453,705 (US\$ 14,900 thousand)	a.(d)	426,483 (US\$ 14,006 thousand)	-	-	426,483 (US\$ 14,006 thousand)	951	94.0	894 (Note 6)	344,796	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	243,600 (US\$ 8,000 thousand)	a.(d)	243,600 (US\$ 8,000 thousand)	-	-	243,600 (US\$ 8,000 thousand)	539	100.0	539 (Note 6)	106,350	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	860,941 (RMB 194,290 thousand)	a.(e)	773,186 (US\$ 25,392 thousand)	-	-	773,186 (US\$ 25,392 thousand)	105,738	61.7	73,833 (Note 2)	2,521,948	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	35,450 (RMB 8,000 thousand)	a.(f)	-	-	-	-	(66)	61.7	(46) (Note 2)	38,721	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	10,658 (US\$ 350 thousand)	a.(g)	-	-	-	-	21,172	78.5	17,721 (Note 6)	160,032	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,862 (RMB 2,000 thousand)	a.(h)	-	-	-	-	2,527	78.5	2,115 (Note 6)	45,688	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	22,156 (RMB 5,000 thousand)	a.(h)	-	-	-	-	3,926	78.5	3,286 (Note 6)	46,030	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,647 (RMB 1,500 thousand)	a.(h)	-	-	-	-	184	27.5	54 (Note 6)	3,176	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	160	27.5	47 (Note 6)	129	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	8,862 (RMB 2,000 thousand)	a.(h)	-	-	-	-	2,667	27.5	781 (Note 6)	3,034	-
YFY Investment Co., Ltd.	Investment and holding and sale of paper	3,501,750 (US\$ 115,000 thousand)	a.(i)	3,501,750 (US\$ 115,000 thousand)	-	-	3,501,750 (US\$ 115,000 thousand)	(47,607)	67.6	(32,173) (Note 2)	1,423,640	-

(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, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 (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 March 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	\$ 913,500 (US\$ 30,000 thousand)	a.(j)	\$ 913,500 (US\$ 30,000 thousand)	\$ -	\$ -	\$ 913,500 (US\$ 30,000 thousand)	\$ (472)	67.6	\$ (319) (Note 6)	\$ 198,653	\$ -
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	913,500 (US\$ 30,000 thousand)	a.(j)	913,500 (US\$ 30,000 thousand)	-	-	913,500 (US\$ 30,000 thousand)	30,800	67.6	20,815 (Note 6)	866,972	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,607,434 (US\$ 85,630 thousand)	a.(k)	669,900 (US\$ 22,000 thousand)	-	-	669,900 (US\$ 22,000 thousand)	84,782	75.2	63,715 (Note 2)	3,620,105	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	666,246 (US\$ 21,880 thousand)	a.(l)	224,721 (US\$ 7,380 thousand)	-	-	224,721 (US\$ 7,380 thousand)	2,401	75.2	1,804 (Note 6)	2,283,117	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	57,606 (RMB 13,000 thousand)	a.(m)	-	-	-	-	-	50.4	- (Note 6)	29,005	-
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	8,862 (RMB 2,000 thousand)	a.(n)	-	-	-	-	2,357	75.2	1,771 (Note 6)	13,877	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	14,180 (RMB 3,200 thousand)	a.(n)	-	-	-	-	961	75.2	722 (Note 6)	104,660	-
YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.)	Supply chain management information and business management related consulting services	221,561 (RMB 50,000 thousand)	a.(o)	221,561 (RMB 50,000 thousand)	-	-	221,561 (RMB 50,000 thousand)	644	100.0	644 (Note 6)	121,247	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023 (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
\$16,675,462	\$18,811,447	\$44,476,819

(Continued)

- Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$30,394667 or RMB1=NT\$4.442496, the rest were translated at exchange rates of US\$1=NT\$30.45 or RMB1=NT\$4.431218 as of March 31, 2023.
- 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., Ltd. (f) Arizon RFID Technology Co., Ltd. (g) Mobius 105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Investment Limited (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 \$3,588,015 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 THREE MONTHS ENDED MARCH 31, 2023
(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 Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales Accounts receivable	\$ 175,003 183,064	By market price In agreed terms	1.0 0.1
2	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales Accounts receivable	483,235 228,323	By market price In agreed terms	2.8 0.2
3	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales Accounts receivable	601,872 404,811	By market price In agreed terms	3.4 0.3
4	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Tianjin) Co., Ltd. YFY Paper Enterprise (Guangzhou) Co., Ltd. YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Paper Enterprise (Qingdao) Co., Ltd. YFY Paper Enterprise (Zhongshan) Co., Ltd. YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary	Sales Accounts receivable Sales Accounts receivable Sales Accounts receivable Accounts receivable Accounts receivable Accounts receivable	119,319 226,255 171,240 159,869 849,491 1,458,124 125,509 106,321 226,919	By market price In agreed terms By market price In agreed terms By market price In agreed terms In agreed terms In agreed terms In agreed terms	0.7 0.2 1.0 0.1 4.8 1.0 0.1 0.1 0.2
5	YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales Accounts receivable	196,871 152,827	By market price 3 months after transaction month	1.1 0.1
6	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	113,937	By market price	0.6
7	Chung Hwa Pulp Corporation	YFY Development Corp. Yuen Foong Yu Consumer Products Co., Ltd. Union Paper Corp. Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company The same ultimate parent company The same ultimate parent company Subsidiary	Sales Sales Accounts receivable Sales Sales Accounts receivable	140,985 194,485 203,863 181,820 415,231 762,012	By market price By market price 2 months after transaction month By market price By market price 5 months after transaction month	0.8 1.1 0.1 1.0 2.4 0.5
8	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd. YFY Paper Enterprise (Suzhou) Co., Ltd. YFY Paper Enterprise (Shanghai) Co., Ltd. YFY Paper Enterprise (Jiaxing) Co., Ltd.	The same ultimate parent company The same ultimate parent company The same ultimate parent company The same ultimate parent company	Accounts receivable Accounts receivable Accounts receivable Accounts receivable	211,375 118,542 146,558 119,359	In agreed terms In agreed terms In agreed terms In agreed terms	0.2 0.1 0.1 0.1

(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
MARCH 31, 2023**

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.