

## **YFY Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 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 September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 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 14 and 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$28,190,026 thousand and NT\$34,054,389 thousand, respectively, representing 20% and 24%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$8,162,007 thousand and NT\$10,045,139 thousand, respectively, representing 12% and 14%, respectively, of the consolidated total liabilities; for the three and nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income of these non-significant subsidiaries were a gain of NT\$441,113 thousand, a gain of NT\$953,590 thousand, a gain of NT\$476,819 thousand and a gain of NT\$1,634,331 thousand, respectively, representing 18%, 27%, 15% and 21%, respectively, of the consolidated total comprehensive income. As of September 30, 2023 and 2022, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$132,201 thousand and NT\$140,577 thousand, respectively; for the three and nine months ended September 30, 2023

and 2022, the amounts of comprehensive income (loss) of investments accounted for using the equity method were a loss of NT\$914 thousand and a loss of NT\$3,821 thousand, a loss of NT\$4,920 thousand and a loss of NT\$19,338 thousand, respectively.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that has caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 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

November 13, 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)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 9,322,412	7	\$ 8,698,263	6	\$ 9,419,988	7
Current financial assets at fair value through profit or loss (Note 7)	1,299,726	1	914,843	1	1,167,703	1
Current financial assets at fair value through other comprehensive income (Notes 8 and 30)	9,197,256	7	7,967,004	6	8,228,024	6
Current financial assets at amortized cost (Note 9)	3,271,117	2	3,045,337	2	2,472,484	2
Notes receivable, net (Notes 11, 22 and 31)	2,564,769	2	2,842,143	2	2,777,214	2
Accounts receivable, net (Notes 11 and 22)	11,632,002	8	12,120,124	9	13,114,759	9
Accounts receivable due from related parties, net (Notes 22 and 30)	103,417	-	64,230	-	54,603	-
Current inventories (Note 12)	11,481,565	8	11,872,315	8	11,814,691	8
Current biological assets (Note 13)	3,446,486	2	3,255,711	2	3,353,409	2
Prepayments	2,021,174	1	2,198,126	2	1,874,953	1
Other current financial assets (Note 31)	528,004	-	827,945	1	910,648	1
Other current assets, others (Note 30)	<u>1,081,915</u>	<u>1</u>	<u>651,794</u>	<u>-</u>	<u>882,424</u>	<u>1</u>
Total current assets	<u>55,949,843</u>	<u>39</u>	<u>54,457,835</u>	<u>39</u>	<u>56,070,900</u>	<u>40</u>
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through profit or loss (Note 7)	117,095	-	-	-	-	-
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 30)	18,652,437	13	18,132,758	13	17,860,902	13
Non-current financial assets at amortized cost (Note 9)	1,691,428	1	1,918,107	1	1,542,825	1
Investments accounted for using equity method (Note 15)	7,953,021	6	7,466,226	5	7,014,549	5
Property, plant and equipment (Notes 16, 30 and 31)	48,842,245	34	49,015,451	35	48,978,209	35
Right-of-use assets (Notes 17 and 31)	2,324,413	2	2,097,384	2	2,120,637	1
Investment property, net (Notes 16, 18 and 30)	4,127,319	3	3,958,773	3	3,988,355	3
Goodwill	546,648	-	521,064	-	538,380	-
Deferred tax assets	324,022	-	305,525	-	316,870	-
Prepayments for business facilities (Note 16)	947,114	1	712,614	1	1,118,612	1
Net defined benefit asset, non-current (Note 20)	644,938	1	576,233	1	801,936	1
Other non-current assets, others (Note 31)	<u>329,133</u>	<u>-</u>	<u>310,354</u>	<u>-</u>	<u>309,540</u>	<u>-</u>
Total non-current assets	<u>86,499,813</u>	<u>61</u>	<u>85,014,489</u>	<u>61</u>	<u>84,590,815</u>	<u>60</u>
TOTAL ASSETS	<u>\$ 142,449,656</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>	<u>\$ 140,661,715</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 19 and 31)	\$ 11,526,708	8	\$ 8,812,071	7	\$ 9,639,792	7
Short-term notes and bills payable (Note 19)	19,210,751	14	2,723,116	2	11,018,218	8
Current financial liabilities at fair value through profit or loss (Note 7)	10,096	-	45,843	-	23,664	-
Current contract liabilities (Note 22)	531,926	-	496,039	-	504,306	-
Notes and accounts payable	9,967,475	7	10,759,751	8	11,201,540	8
Accounts payable to related parties (Note 30)	60,295	-	110,870	-	112,819	-
Other payables, others (Note 16)	4,218,738	3	4,124,484	3	3,999,848	3
Current tax liabilities	341,290	-	484,546	-	609,496	1
Current lease liabilities (Note 17)	270,116	-	203,868	-	200,680	-
Long-term liabilities, current portion (Notes 19 and 31)	-	-	-	-	300,000	-
Other current liabilities, others (Notes 10 and 30)	<u>1,284,893</u>	<u>1</u>	<u>1,237,851</u>	<u>1</u>	<u>1,458,974</u>	<u>1</u>
Total current liabilities	<u>47,422,288</u>	<u>33</u>	<u>28,998,439</u>	<u>21</u>	<u>39,069,337</u>	<u>28</u>
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Notes 19 and 31)	18,678,420	13	36,344,562	26	26,401,705	19
Deferred tax liabilities	3,570,960	3	3,565,188	3	3,610,923	3
Non-current lease liabilities (Note 17)	610,182	1	514,916	-	509,894	-
Net defined benefit liability, non-current (Note 20)	4,633	-	7,814	-	39,662	-
Other non-current liabilities, others	<u>445,073</u>	<u>-</u>	<u>448,012</u>	<u>-</u>	<u>434,331</u>	<u>-</u>
Total non-current liabilities	<u>23,309,268</u>	<u>17</u>	<u>40,880,492</u>	<u>29</u>	<u>30,996,515</u>	<u>22</u>
Total liabilities	<u>70,731,556</u>	<u>50</u>	<u>69,878,931</u>	<u>50</u>	<u>70,065,852</u>	<u>50</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 21 and 26)						
Share capital	16,603,715	12	16,603,715	12	16,603,715	12
Capital surplus	3,750,571	2	3,459,112	2	3,468,619	3
Retained earnings	22,397,751	16	22,536,470	16	22,842,352	16
Other equity interest	<u>13,510,175</u>	<u>9</u>	<u>12,037,107</u>	<u>9</u>	<u>12,827,329</u>	<u>9</u>
Total equity attributable to owners of parent	56,262,212	39	54,636,404	39	55,742,015	40
NON-CONTROLLING INTERESTS	<u>15,455,888</u>	<u>11</u>	<u>14,956,989</u>	<u>11</u>	<u>14,853,848</u>	<u>10</u>
Total equity	<u>71,718,100</u>	<u>50</u>	<u>69,593,393</u>	<u>50</u>	<u>70,595,863</u>	<u>50</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 142,449,656</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>	<u>\$ 140,661,715</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 13, 2023)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 30)								
Net sales revenue	\$ 16,330,319	88	\$ 17,847,395	87	\$ 47,957,807	89	\$ 52,441,494	87
Other operating revenue, net	<u>2,155,708</u>	<u>12</u>	<u>2,557,122</u>	<u>13</u>	<u>6,183,791</u>	<u>11</u>	<u>7,844,788</u>	<u>13</u>
Total operating revenue	<u>18,486,027</u>	<u>100</u>	<u>20,404,517</u>	<u>100</u>	<u>54,141,598</u>	<u>100</u>	<u>60,286,282</u>	<u>100</u>
OPERATING COSTS (Notes 12, 23 and 30)								
Cost of sales	14,347,433	78	15,761,569	77	42,555,126	78	45,617,604	75
Other operating costs	<u>1,659,525</u>	<u>9</u>	<u>1,922,739</u>	<u>10</u>	<u>4,703,201</u>	<u>9</u>	<u>5,946,361</u>	<u>10</u>
Total operating costs	<u>16,006,958</u>	<u>87</u>	<u>17,684,308</u>	<u>87</u>	<u>47,258,327</u>	<u>87</u>	<u>51,563,965</u>	<u>85</u>
LOSSES ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 13)	<u>(303)</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>(295)</u>	<u>-</u>	<u>(970)</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>2,478,766</u>	<u>13</u>	<u>2,720,195</u>	<u>13</u>	<u>6,882,976</u>	<u>13</u>	<u>8,721,347</u>	<u>15</u>
OPERATING EXPENSES (Notes 23 and 30)								
Selling expenses	1,451,103	8	1,437,530	7	4,079,372	8	4,296,025	7
Administrative expenses	978,824	5	971,588	4	2,863,342	5	2,812,796	5
Research and development expenses	<u>143,057</u>	<u>1</u>	<u>159,159</u>	<u>1</u>	<u>403,067</u>	<u>1</u>	<u>459,838</u>	<u>1</u>
Total operating expenses	<u>2,572,984</u>	<u>14</u>	<u>2,568,277</u>	<u>12</u>	<u>7,345,781</u>	<u>14</u>	<u>7,568,659</u>	<u>13</u>
NET OPERATING INCOME (LOSS)	<u>(94,218)</u>	<u>(1)</u>	<u>151,918</u>	<u>1</u>	<u>(462,805)</u>	<u>(1)</u>	<u>1,152,688</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs, net (Notes 4 and 23)	(272,505)	(2)	(249,769)	(1)	(818,904)	(2)	(578,578)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 15)	388,246	2	682,801	3	1,059,933	2	1,289,308	2
Interest income	114,560	1	80,640	-	310,047	1	165,594	-
Rent income (Notes 18 and 30)	16,189	-	15,411	-	49,024	-	40,938	-
Dividend income	785,589	4	941,973	5	842,134	2	990,379	2
Other income, others	142,187	1	137,500	1	392,127	1	304,934	1
Gains (losses) on disposals of property, plant and equipment	(2,251)	-	(1,946)	-	1,330	-	2,490	-
Gains on disposals of investment property	75,606	-	28	-	134,576	-	133,442	-
Gains on financial assets or liabilities at fair value through profit or loss (Note 4)	104,081	1	498,458	2	496,856	1	906,038	2
Miscellaneous disbursements	(7,554)	-	(9,917)	-	(25,320)	-	(29,578)	-
Net gains (losses) on foreign currency exchange (Note 33)	<u>157,459</u>	<u>1</u>	<u>(402,727)</u>	<u>(2)</u>	<u>(148,631)</u>	<u>-</u>	<u>(935,093)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>1,501,607</u>	<u>8</u>	<u>1,692,452</u>	<u>8</u>	<u>2,293,172</u>	<u>5</u>	<u>2,289,874</u>	<u>4</u>

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 1,407,389	7	\$ 1,844,370	9	\$ 1,830,367	4	\$ 3,442,562	6
TAX EXPENSE (Notes 4 and 24)	(183,414)	(1)	(130,754)	(1)	(446,503)	(1)	(640,725)	(1)
PROFIT FROM CONTINUING OPERATIONS	<u>1,223,975</u>	<u>6</u>	<u>1,713,616</u>	<u>8</u>	<u>1,383,864</u>	<u>3</u>	<u>2,801,837</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (Notes 4 and 21)								
Components of other comprehensive income 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	(280,936)	(1)	469,112	2	257,786	1	2,170,509	3
Share of other comprehensive income of associates accounted for using equity method	40,778	-	73,510	1	150,113	-	(44,488)	-
Components of other comprehensive income that will be reclassified to profit or loss:								
Exchange differences on translation	1,327,608	7	1,218,193	6	1,228,553	2	2,587,311	4
Gains on hedging instruments	(3,996)	-	-	-	(3,996)	-	-	-
Share of other comprehensive income of associates accounted for using equity method	<u>164,233</u>	<u>1</u>	<u>47,050</u>	<u>-</u>	<u>95,809</u>	<u>-</u>	<u>200,903</u>	<u>1</u>
Other comprehensive income, net	<u>1,247,687</u>	<u>7</u>	<u>1,807,865</u>	<u>9</u>	<u>1,728,265</u>	<u>3</u>	<u>4,914,235</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,471,662</u>	<u>13</u>	<u>\$ 3,521,481</u>	<u>17</u>	<u>\$ 3,112,129</u>	<u>6</u>	<u>\$ 7,716,072</u>	<u>13</u>
PROFIT, ATTRIBUTABLE TO:								
Profit, attributable to owners of parent	\$ 1,133,821	6	\$ 1,462,015	7	\$ 1,327,005	3	\$ 2,225,534	4
Profit, attributable to non-controlling interests	<u>90,154</u>	<u>-</u>	<u>251,601</u>	<u>1</u>	<u>56,859</u>	<u>-</u>	<u>576,303</u>	<u>1</u>
	<u>\$ 1,223,975</u>	<u>6</u>	<u>\$ 1,713,616</u>	<u>8</u>	<u>\$ 1,383,864</u>	<u>3</u>	<u>\$ 2,801,837</u>	<u>5</u>
COMPREHENSIVE INCOME, ATTRIBUTABLE TO:								
Comprehensive income, attributable to owners of parent	\$ 2,149,572	11	\$ 3,134,128	15	\$ 2,812,995	5	\$ 6,833,386	11
Comprehensive income, attributable to non-controlling interests	<u>322,090</u>	<u>2</u>	<u>387,353</u>	<u>2</u>	<u>299,134</u>	<u>1</u>	<u>882,686</u>	<u>2</u>
	<u>\$ 2,471,662</u>	<u>13</u>	<u>\$ 3,521,481</u>	<u>17</u>	<u>\$ 3,112,129</u>	<u>6</u>	<u>\$ 7,716,072</u>	<u>13</u>

(Continued)

## YFY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 25)								
Basic earnings per share	<u>\$ 0.68</u>		<u>\$ 0.88</u>		<u>\$ 0.80</u>		<u>\$ 1.34</u>	
Diluted earnings per share	<u>\$ 0.68</u>		<u>\$ 0.88</u>		<u>\$ 0.80</u>		<u>\$ 1.34</u>	

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

(With Deloitte & Touche review report dated November 13, 2023)

(Concluded)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent																
	Capital Surplus							Other Equity									
	Share Capital		Differences Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Others	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	Gains (Losses) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
								Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total						
	Shares (In Thousands)	Amount															
BALANCE AT JANUARY 1, 2022	1,660,372	\$ 16,603,715	\$ 1,778,263	\$ 1,023,927	\$ 293,124	\$ 193,204	\$ 3,288,518	\$ 4,429,367	\$ 4,000,001	\$ 14,490,398	\$ 22,919,766	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ 51,201,400	\$ 14,604,732	\$ 65,806,132
Appropriation of 2021 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	465,605	-	(465,605)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	-	(2,490,557)	-	(2,490,557)
Reversal of special reserve	-	-	-	-	-	-	-	-	(4,981)	4,981	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,330,944)	(1,330,944)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	60,917	60,917	-	-	(11,243)	(11,243)	370	-	-	50,044	2,350	52,394
Other changes in capital surplus	-	-	-	-	-	(26)	(26)	-	-	-	-	-	-	-	(26)	-	(26)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	85,492	-	-	-	85,492	-	-	-	-	36,905	-	-	122,397	586,200	708,597
Changes in ownership interests in subsidiaries	-	-	-	33,718	-	-	33,718	-	-	(1,806)	(1,806)	(6,541)	-	-	25,371	108,824	134,195
Profit for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	2,225,534	2,225,534	-	-	-	2,225,534	576,303	2,801,837
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	-	-	2,472,547	2,135,305	-	4,607,852	306,383	4,914,235
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	2,225,534	2,225,534	2,472,547	2,135,305	-	6,833,386	882,686	7,716,072
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	200,658	200,658	-	(200,658)	-	-	-	-
BALANCE AT SEPTEMBER 30, 2022	1,660,372	\$ 16,603,715	\$ 1,863,755	\$ 1,057,645	\$ 293,124	\$ 254,095	\$ 3,468,619	\$ 4,894,972	\$ 3,995,020	\$ 13,952,360	\$ 22,842,352	\$ 317,665	\$ 12,509,664	\$ -	\$ 55,742,015	\$ 14,853,848	\$ 70,595,863
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 2022 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	211,224	-	(211,224)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,494,334)	(1,494,334)	-	-	-	(1,494,334)	-	(1,494,334)
Reversal of special reserve	-	-	-	-	-	-	-	-	(2,483)	2,483	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(559,142)	(559,142)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	14,177	14,177	-	-	(1,701)	(1,701)	-	-	-	12,476	583	13,059
Other changes in capital surplus	-	-	-	-	-	(18)	(18)	-	-	-	-	-	-	-	(18)	-	(18)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	4,000	-	-	-	4,000	-	-	-	-	604	-	-	4,604	26,300	30,904
Changes in ownership interests in subsidiaries	-	-	-	273,300	-	-	273,300	-	-	-	-	16,785	-	-	290,085	732,024	1,022,109
Profit for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	-	1,327,005	1,327,005	-	-	-	1,327,005	56,859	1,383,864
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	-	-	-	1,148,483	339,848	(2,341)	1,485,990	242,275	1,728,265
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	-	1,327,005	1,327,005	1,148,483	339,848	(2,341)	2,812,995	299,134	3,112,129
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	30,311	30,311	-	(30,311)	-	-	-	-
BALANCE AT SEPTEMBER 30, 2023	1,660,372	\$ 16,603,715	\$ 1,871,508	\$ 1,325,965	\$ 293,124	\$ 259,974	\$ 3,750,571	\$ 5,106,196	\$ 3,992,537	\$ 13,299,018	\$ 22,397,751	\$ 808,698	\$ 12,703,818	\$ (2,341)	\$ 56,262,212	\$ 15,455,888	\$ 71,718,100

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

(With Deloitte & Touche review report dated November 13, 2023)



# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 1,830,367	\$ 3,442,562
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	3,342,605	3,232,066
Expected credit loss (gain)	33,658	(22,967)
Net gain on financial assets or liabilities at fair value through profit or loss	(496,856)	(906,038)
Finance costs	818,904	578,578
Interest income	(310,047)	(165,594)
Dividend income	(842,134)	(990,379)
Share-based payments	4,377	9,131
Share of profit of associates accounted for using equity method	(1,059,933)	(1,289,308)
Gain on disposal of property, plant and equipment	(1,330)	(2,490)
Gain on disposal of investment properties	(134,576)	(133,442)
Gain on disposal of investments	(64)	-
Reversal of impairment loss on non-financial assets	(6,477)	-
Write-downs of inventories (reversed)	(50,403)	18,077
Unrealized foreign exchange loss (gain)	(51,976)	1,038,379
Loss arising from changes in fair value less costs to sell of biological assets	295	970
Loss (gain) from lease modification	516	(48)
Changes in operating assets and liabilities		
Decrease in current financial assets at fair value through profit or loss, mandatorily measured at fair value	137,249	3,032,290
Decrease in notes receivable, net	397,312	1,948,492
Decrease in accounts receivable, net	818,429	841,347
Decrease (increase) in accounts receivable due from related parties, net	(39,187)	16,800
Decrease in current inventories	619,991	265,538
Increase in current biological assets	(125,917)	(64,397)
Decrease (increase) in prepayments	221,379	(274,310)
Decrease (increase) in other current assets, others	(105,334)	477,770
Decrease in financial liabilities held for trading	(150,897)	(244,425)
Increase (decrease) in current contract liabilities	25,427	(42,715)
Decrease in notes and accounts payable	(1,070,095)	(2,157,607)
Increase (decrease) in accounts payable to related parties	(50,575)	55,807
Decrease in other payable, others	(133,908)	(520,730)
Decrease in other current liabilities, others	(116,108)	(302,845)
Decrease in net defined benefit liability, non-current	(71,886)	(88,519)
Cash inflow generated from operations	3,432,806	7,751,993
Interest received	301,927	167,185
Dividends received	1,679,649	1,581,326

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
Interest paid	\$ (834,250)	\$ (572,979)
Income taxes paid	<u>(699,967)</u>	<u>(1,637,344)</u>
Net cash flows generated from operating activities	<u>3,880,165</u>	<u>7,290,181</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,494,685)	(416,527)
Proceeds from disposal of financial assets at fair value through other comprehensive income	11,147	116,452
Decrease in financial assets at amortized cost	82,222	803,273
Acquisition of investments accounted for using equity method	(9,278)	-
Proceeds from disposal of investments accounted for using equity method	10,348	-
Acquisition of property, plant and equipment	(2,594,874)	(3,031,584)
Proceeds from disposal of property, plant and equipment	30,477	16,354
Acquisition of use-of-right assets	(71,844)	-
Acquisition of investment properties	(278,976)	-
Proceeds from disposal of investment properties	222,803	222,983
Decrease (increase) in other financial assets	330,505	(492,725)
Increase in other non-current assets, others	<u>(67,100)</u>	<u>(55,247)</u>
Net cash flows used in investing activities	<u>(3,829,255)</u>	<u>(2,837,021)</u>
<b>CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>		
Net increase (decrease) in current borrowings	2,649,692	(670,368)
Increase in short-term notes and bills payable	16,487,635	1,722,061
Proceeds from (repayments of) long-term debt	(17,666,142)	122,546
Payments of lease liabilities	(208,505)	(167,534)
Increase (decrease) in other non-current liabilities, others	1,600	(76,860)
Cash dividends paid	(1,494,334)	(2,490,557)
Change in non-controlling interests	499,323	(439,206)
Overdue dividends paid	<u>(18)</u>	<u>(26)</u>
Net cash flows generated from (used in) financing activities	<u>269,251</u>	<u>(1,999,944)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>303,988</u>	<u>432,682</u>

(Continued)

## YFY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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	For the Nine Months Ended September 30	
	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 624,149	\$ 2,885,898
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>\$ 9,322,412</u>	<u>\$ 9,419,988</u>

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

(With Deloitte & Touche review report dated November 13, 2023)

(Concluded)

# YFY INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

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

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

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 13, 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 endorsed by the FSC for application starting from 2024

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
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 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity

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) the assets (including any goodwill) less liabilities and any non-controlling interests of the former subsidiary at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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

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

d. Other 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

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 20,855	\$ 19,816	\$ 19,136
Checking accounts and demand deposits	4,871,493	3,889,054	5,508,168
Cash equivalents			
Time deposits	4,353,964	4,705,393	3,773,377
Repurchase agreements collateralized by bonds	<u>76,100</u>	<u>84,000</u>	<u>119,307</u>
	<u>\$ 9,322,412</u>	<u>\$ 8,698,263</u>	<u>\$ 9,419,988</u>

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

	September 30, 2023	December 31, 2022	September 30, 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	\$ 513,667	\$ 171,541	\$ 483,132
Non-derivative financial assets			
Mutual funds	528,626	492,002	430,688
Hybrid financial assets			
Structured deposits	<u>257,433</u>	<u>251,300</u>	<u>253,883</u>
	<u>\$ 1,299,726</u>	<u>\$ 914,843</u>	<u>\$ 1,167,703</u>

### Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Convertible bonds	<u>\$ 117,095</u>	<u>\$ -</u>	<u>\$ -</u>

### Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 10,096</u>	<u>\$ 45,843</u>	<u>\$ 23,664</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2023</u>			
Buy	USD:RMB	2023.12.06-2024.09.06	USD41,000
Sell	RMB:USD	2023.10.18-2024.08.23	RMB1,599,664
Sell	USD:NTD	2023.10.11-2023.10.31	USD30,000
Sell	RMB:NTD	2023.10.11-2023.12.08	RMB93,000
Sell	EUR:NTD	2023.10.23	EUR3,000
<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

(Continued)



	Currency	Maturity Date	Notional Amount (In Thousands)
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>September 30, 2022</u>			
Buy	USD:RMB	2022.10.28-2023.06.21	USD48,900
Buy	USD:NTD	2022.10.24-2022.10.31	USD1,500
Buy	JPY:USD	2022.10.27	JPY200,000
Sell	USD:NTD	2022.10.07-2022.10.27	USD40,000
Sell	RMB:USD	2022.10.20-2023.09.25	RMB2,056,188
Sell	EUR:NTD	2022.10.03-2022.10.26	EUR14,000
(Concluded)			

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)

	September 30, 2023	December 31, 2022	September 30, 2022
Investments in equity instruments at FVTOCI - <u>current</u>			
Domestic investments			
Listed shares	<u>\$ 9,197,256</u>	<u>\$ 7,967,004</u>	<u>\$ 8,228,024</u>
Investments in equity instruments at FVTOCI - <u>non-current</u>			
Domestic investments			
Listed shares	\$ 13,368,745	\$ 12,210,429	\$ 12,127,032
Unlisted shares	<u>5,127,815</u>	<u>5,814,280</u>	<u>5,623,532</u>
	18,496,560	18,024,709	17,750,564
Foreign investments			
Unlisted shares	<u>155,877</u>	<u>108,049</u>	<u>110,338</u>
	<u>\$ 18,652,437</u>	<u>\$ 18,132,758</u>	<u>\$ 17,860,902</u>

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	\$ 2,821,662	\$ 2,824,865	\$ 2,472,484
Time deposits with original maturities of more than 1 year	<u>449,455</u>	<u>220,472</u>	<u>-</u>
	<u>\$ 3,271,117</u>	<u>\$ 3,045,337</u>	<u>\$ 2,472,484</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 1,691,428</u>	<u>\$ 1,918,107</u>	<u>\$ 1,542,825</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.77%-5.55%, 0.76%-5.07% and 0.68%-2.20% as of September 30, 2023, December 31, 2022 and September 30, 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 3.15%-3.99% as of September 30, 2023, December 31, 2022 and September 30, 2022.

## 10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2023	December 31, 2022	September 30, 2022
Financial liabilities for hedging - current (accounted for as other current liabilities, others)			
Foreign exchange forward contracts	<u>\$ 3,995</u>	<u>\$ -</u>	<u>\$ -</u>

The Group's hedge strategy is to enter into foreign exchange forward contracts to avoid exchange rate exposure of its foreign currency receipts and payments and to manage exchange rate exposure in of its forecasted foreign currency. When forecast purchases actually take place, basis adjustments are made to the initial carrying amounts of non-financial hedged items.

The terms of foreign exchange forward contracts are coordinated with the hedged item. As the end of reporting period, outstanding foreign exchange forward not under hedge accounting by the Group were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2023</u>			
Buy	JPY:NTD	2023.10.28-2024.02.20	JPY600,000

## 11. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable	\$ 2,565,534	\$ 2,842,908	\$ 2,777,979
Less: Allowance for impairment loss	<u>(765)</u>	<u>(765)</u>	<u>(765)</u>
	<u>\$ 2,564,769</u>	<u>\$ 2,842,143</u>	<u>\$ 2,777,214</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 11,851,043	\$ 12,381,434	\$ 13,386,625
Less: Allowance for impairment loss	<u>(219,041)</u>	<u>(261,310)</u>	<u>(271,866)</u>
	<u>\$ 11,632,002</u>	<u>\$ 12,120,124</u>	<u>\$ 13,114,759</u>

Notes receivable and accounts receivable were generated by operating activities.

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

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

### September 30, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 13,316,980	\$ 885,198	\$ 49,363	\$ 27,305	\$ 137,731	\$ 14,416,577
Loss allowance (Lifetime ECLs)	<u>(22,332)</u>	<u>(90,355)</u>	<u>(19,934)</u>	<u>(2,122)</u>	<u>(85,063)</u>	<u>(219,806)</u>
Amortized cost	<u>\$ 13,294,648</u>	<u>\$ 794,843</u>	<u>\$ 29,429</u>	<u>\$ 25,183</u>	<u>\$ 52,668</u>	<u>\$ 14,196,771</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>

## September 30, 2022

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

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 262,075	\$ 290,149
Add: Net remeasurement of loss allowance (gain on reversal)	33,658	(22,967)
Less: Disposal of subsidiaries	(73,196)	-
Less: Amounts written off	(5,477)	(2,771)
Effect of foreign currency exchange differences	<u>2,746</u>	<u>8,220</u>
Balance at September 30	<u>\$ 219,806</u>	<u>\$ 272,631</u>

For the nine months ended September 30, 2023 and 2022, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$2,727,093 thousand and \$2,097,080 thousand. For information on the transfer of financial instruments, refer to Note 29.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 31.

## **12. INVENTORIES**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Materials	\$ 4,838,576	\$ 5,298,000	\$ 5,528,656
Finished and purchased goods	5,313,351	5,393,291	5,084,056
Work-in-process	<u>1,329,638</u>	<u>1,181,024</u>	<u>1,201,979</u>
	<u>\$ 11,481,565</u>	<u>\$ 11,872,315</u>	<u>\$ 11,814,691</u>

The cost of goods sold for the three and nine months ended September 30, 2023 and 2022 included inventory write-downs reversed of \$25,412 thousand and \$50,403 thousand, reversal of write-downs of inventories was attributed to the disposal of inventories previously written down, and inventory write-downs of \$2,447 thousand and \$18,077 thousand, respectively.

### 13. BIOLOGICAL ASSETS

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 3,255,711	\$ 3,193,535
Increases due to planting	230,087	256,630
Loss on changes in fair value less costs to sell	(295)	(970)
Decreases due to harvesting	(104,170)	(192,233)
Effect of foreign currency exchange differences	<u>65,153</u>	<u>96,447</u>
Balance at September 30	<u>\$ 3,446,486</u>	<u>\$ 3,353,409</u>

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

	September 30, 2023	December 31, 2022	September 30, 2023
Eucalyptus (Level 3)	<u>\$ 3,557,381</u>	<u>\$ 3,359,818</u>	<u>\$ 3,462,043</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 3,359,818	\$ 3,295,021
Increases due to planting	238,680	273,092
Loss on changes in fair value less costs to sell	(306)	(1,032)
Decreases due to harvesting	(108,059)	(204,564)
Effect of foreign currency exchange differences	<u>67,248</u>	<u>99,526</u>
Balance at September 30	<u>\$ 3,557,381</u>	<u>\$ 3,462,043</u>

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

### 14. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements (for the diagram of investment structure of the Group as at September 30, 2023, refer to Table 1):

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 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 Eneritech 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
			September 30, 2023	December 31, 2022	September 30, 2022	
YFY Inc.	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing. b. Wholesale of information software and electric appliances.	100.0	100.0	100.0	
	Sustainable Carbohydrate Innovation Co., Ltd.	Researching and development	100.0	100.0	100.0	
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	100.0	1)
YFY International B.V.	Ensilience Co., Ltd.	Renewable energy self-use power generation equipment industry, energy technology service industry	100.0	100.0	-	11)
	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	13.5	13.5	13.5	
YFY Mauritius Corp.	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0	94.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	100.0	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	60.0	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Investment and holding	100.0	100.0	100.0	1)
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY Paper Enterprise (Kunshan) Co., Ltd.	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.	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 (Kunshan) Co., Ltd.	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 Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0	90.0	
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Investment and holding	-	-	-	8)
Winsong Packaging Investment Company Limited	Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	70.0	
	Willpower Industries Ltd.	Sale of various paper products	100.0	100.0	100.0	
	YFYPack Advance Ltd.	Investment and holding	-	-	-	3)
Willpower Industries 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) 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.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Manufacture and sale of cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) 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 Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
YFY Jupiter US, Inc.	Jupiter Prestige Group Holdings Limited	Investment and holding	59.0	58.3	58.3	16)
	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 US, Inc.	YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	1.0	
	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	0.01	-	-	17)
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	1.0	
Mobius105 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 Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	1.0	
YFY Jupiter (Shenzhen) Ltd.	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	99.0	
	Jupiter Vietnam Company Limited	Design of packaging	100.0	100.0	100.0	
Jupiter Prestige Group Holdings Limited	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	99.99	-	-	17)
	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 North America Inc.	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	
	Opal BPM Limited	Design of process system and assistance in graphic design	82.5	82.5	82.5	
Jupiter Prestige Group North America Inc.	Jupiter Prestige Group North America Inc.	Design of packaging and sale of paper	100.0	100.0	100.0	
	Foster and Baylis (Prestige) Limited	Graphic design	50.98	50.98	33.3	9)
	Contrast LLC	Brand Design	80.0	80.0	80.0	
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	100.0	
Opal BPM Limited	Opal BPM India Private Limited	Workflow system coding	100.0	100.0	100.0	
YFY Packaging Inc.	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 Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0	
Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	61.49	69.55	69.55	1) and 4)
	YFY RFID Co. Limited	Investment and holding	-	-	-	4)
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Investment and holding	78.5	83.7	83.7	5)
YFY RFID Co. Limited	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)
	Arizon Corporation	Product distribution and technical consulting services	100.0	-	-	18)
Arizon RFID Technology Co., Ltd.	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	99.98	4)
YFY RFID Technologies Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	100.0	
YFY Investment Co., Ltd.	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	100.0	
Shin Foong Specialty and Applied Materials Co., Ltd.	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
YFY Development Corp.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	1.9	
Effion Enertech Co., Ltd.	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	0.15	1) and 4)
	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	100.0	
	Foong Chuan Green Energy Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	95.0	95.0	-	10)
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	19)
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	4.1	4.1	4.1	
	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	15)
	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 Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	0.07	
Yuen Foong Shop Co., Ltd.	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	0.15	1) and 4)
	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
San Ying Enterprise Co., Ltd.	Livebricks Inc.	Information processing services	100.0	-	-	15)
	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	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	-	7)
CHP International (BVI) Corporation	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Guangdong Dingfeng Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
Hwa Fong Investment Co., Ltd.	Zhaoqing Dingfeng Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	-	7)
	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 Dingfeng Pulp & Paper Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	8.7	7.6	6.4	2) and 6)
	Zhaoqing Dingfeng 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 Dingfeng Forestry Co., Ltd.	Guizhou Yuanfeng 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 nine months ended September 30, 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., investees mentioned in Tables 8 and 9, and the review of financial statements for the nine months ended September 30, 2023 of Arizon RFID Technology (Cayman) Co., Ltd., 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 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 (Cayman Islands) Co., Ltd. (originally named 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 (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) were changed.
- 6) Hwa Fong Investment Co., Ltd. acquired 2.3%, 1.2% and 1.1% ownership of Union Paper Corp. for the nine months ended September 30, 2022, twelve months ended December 31, 2022, and the nine months ended September 30, 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 (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) in Jupiter Prestige Group Holdings Limited were changed.
- 17) YFY Jupiter (Thailand) Co., Ltd. has been included in the consolidated financial statements since June 2023.
- 18) Arizon Corporation has been included in the consolidated financial statements since August 2023.
- 19) YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	September 30, 2023	December 31, 2022	September 30, 2022
Chung Hwa Pulp Corporation	41.4%	41.4%	41.4%
<u>Chung Hwa Pulp Corporation and subsidiaries</u>			
	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 16,069,946	\$ 15,935,904	\$ 15,655,577
Non-current assets	19,165,317	19,503,267	19,461,802
Current liabilities	(15,065,750)	(6,343,318)	(11,324,411)
Non-current liabilities	<u>(2,804,221)</u>	<u>(11,001,243)</u>	<u>(5,689,431)</u>
Equity	17,365,292	18,094,610	18,103,537
Consolidated adjustments	<u>94,109</u>	<u>94,109</u>	<u>94,109</u>
Adjusted equity	<u>\$ 17,459,401</u>	<u>\$ 18,188,719</u>	<u>\$ 18,197,646</u>
Equity attributable to:			
Owners of Chung Hwa Pulp Corporation	\$ 8,834,027	\$ 9,302,544	\$ 9,313,835
Non-controlling interests of Chung Hwa Pulp Corporation	6,244,808	6,576,007	6,583,987
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>2,380,566</u>	<u>2,310,168</u>	<u>2,299,824</u>
	<u>\$ 17,459,401</u>	<u>\$ 18,188,719</u>	<u>\$ 18,197,646</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	\$ 4,980,365	\$ 6,163,399	\$ 15,497,311	\$ 17,911,924
Profit (loss) for the period	\$ (198,115)	\$ 312,802	\$ (723,111)	\$ 446,015
Other comprehensive income (loss) for the period	<u>314,473</u>	<u>213,187</u>	<u>298,076</u>	<u>461,496</u>
Total comprehensive income for (loss) the period	<u>\$ 116,358</u>	<u>\$ 525,989</u>	<u>\$ (425,035)</u>	<u>\$ 907,511</u>
Profit (loss) attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ (106,812)	\$ 170,513	\$ (424,135)	\$ 233,936
Non-controlling interests of Chung Hwa Pulp Corporation	(75,506)	116,756	(303,925)	156,616
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>(15,797)</u>	<u>25,533</u>	<u>4,949</u>	<u>55,463</u>
	<u>\$ (198,115)</u>	<u>\$ 312,802</u>	<u>\$ (723,111)</u>	<u>\$ 446,015</u>
Total comprehensive income (loss) attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ 19,990	\$ 282,332	\$ (275,902)	\$ 472,726
Non-controlling interests of Chung Hwa Pulp Corporation	14,129	195,771	(199,140)	313,659
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>82,239</u>	<u>47,886</u>	<u>50,007</u>	<u>121,126</u>
	<u>\$ 116,358</u>	<u>\$ 525,989</u>	<u>\$ (425,035)</u>	<u>\$ 907,511</u>
			For the Nine Months Ended September 30	
			2023	2022
Net cash inflow (outflow) from:				
Operating activities			\$ 164,868	\$ 652,777
Investing activities			(321,855)	(355,661)
Financing activities			440,986	268,171
Effects of exchange rate changes			<u>25,179</u>	<u>48,061</u>
Net cash inflow			<u>\$ 309,178</u>	<u>\$ 613,348</u>
Dividends paid to non-controlling interests			<u>\$ 135,039</u>	<u>\$ 182,693</u>

## 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
Material associates			
E Ink Holdings Inc.	\$ 7,820,820	\$ 7,327,912	\$ 6,873,972
Associates that are not individually material	<u>132,201</u>	<u>138,314</u>	<u>140,577</u>
	<u>\$ 7,953,021</u>	<u>\$ 7,466,226</u>	<u>\$ 7,014,549</u>

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

### a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	September 30, 2023	December 31, 2022	September 30, 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 the report date. The other rights and obligations are the same as those of ordinary shares.

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

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

September 30, 2023	December 31, 2022	September 30, 2022
<u>\$ 25,968,480</u>	<u>\$ 23,292,063</u>	<u>\$ 30,670,294</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:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 28,438,671	\$ 25,164,715	\$ 24,779,824
Non-current assets	43,946,994	39,961,345	39,229,353
Current liabilities	(18,272,521)	(13,408,141)	(15,926,915)
Non-current liabilities	<u>(6,731,726)</u>	<u>(7,454,715)</u>	<u>(6,650,901)</u>
Equity	47,381,418	44,263,204	41,431,361
Non-controlling interests	<u>(620,939)</u>	<u>(576,216)</u>	<u>(547,597)</u>
	<u>\$ 46,760,479</u>	<u>\$ 43,686,988</u>	<u>\$ 40,883,764</u>
Proportion of the Group's ownership	16.2%	16.2%	16.2%
Equity attributable to the Group	\$ 7,567,360	\$ 7,074,452	\$ 6,620,512
Goodwill	<u>253,460</u>	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 7,820,820</u>	<u>\$ 7,327,912</u>	<u>\$ 6,873,972</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 6,821,229</u>	<u>\$ 8,103,880</u>	<u>\$ 21,287,031</u>	<u>\$ 21,517,163</u>
Net profit for the period	\$ 2,411,744	\$ 4,267,106	\$ 6,614,334	\$ 8,127,976
Other comprehensive income (loss)	<u>1,559,891</u>	<u>733,299</u>	<u>1,514,783</u>	<u>935,860</u>
Total comprehensive income for the period	<u>\$ 3,971,635</u>	<u>\$ 5,000,405</u>	<u>\$ 8,129,117</u>	<u>\$ 9,063,836</u>

b. Aggregate information of associates that are not individually material

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
The Group's share of:				
Net loss for the period	\$ (914)	\$ (3,821)	\$ (4,919)	\$ (18,336)
Other comprehensive loss	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1,002)</u>
Total comprehensive loss for the period	<u>\$ (914)</u>	<u>\$ (3,821)</u>	<u>\$ (4,920)</u>	<u>\$ (19,338)</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.

## 16. 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	34,814	244,803	1,008,156	378,967	899,570	2,566,310
Disposals	-	(10,863)	(296,544)	(91,544)	-	(398,951)
Transfer from constructions	-	73,268	412,754	99,916	(585,938)	-
Reclassification to investment properties	(927)	-	-	-	-	(927)
Effect of foreign currency exchange differences	-	174,557	505,422	62,456	6,142	748,577
Balance at September 30, 2023	<u>\$ 14,174,359</u>	<u>\$ 17,092,102</u>	<u>\$ 70,700,684</u>	<u>\$ 14,372,934</u>	<u>\$ 2,249,566</u>	<u>\$ 118,589,645</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	-	419,970	2,081,366	543,870	-	3,045,206
Reversal of impairment loss	-	-	(5,872)	(605)	-	(6,477)
Disposals	-	(10,117)	(272,250)	(87,437)	-	(369,804)
Effect of foreign currency exchange differences	-	74,092	321,637	23,561	-	419,290
Balance at September 30, 2023	<u>\$ 612</u>	<u>\$ 8,745,639</u>	<u>\$ 49,984,229</u>	<u>\$ 11,016,920</u>	<u>\$ -</u>	<u>\$ 69,747,400</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 September 30, 2023	<u>\$ 14,173,747</u>	<u>\$ 8,346,463</u>	<u>\$ 20,716,455</u>	<u>\$ 3,356,014</u>	<u>\$ 2,249,566</u>	<u>\$ 48,842,245</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	383,274	156,755	920,711	281,143	1,651,912	3,393,795
Disposals	-	(27,361)	(296,893)	(252,029)	-	(576,283)
Transfer from constructions	-	38,665	741,842	61,170	(841,677)	-
Reclassification to investment properties	(499,200)	-	-	-	-	(499,200)
Reclassification	-	-	-	-	(22,394)	(22,394)
Effect of foreign currency exchange differences	-	314,679	888,607	157,804	21,695	1,382,785
Balance at September 30, 2022	<u>\$ 14,140,472</u>	<u>\$ 16,459,807</u>	<u>\$ 69,054,181</u>	<u>\$ 13,865,388</u>	<u>\$ 1,922,297</u>	<u>\$ 115,442,145</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	-	396,658	1,995,570	548,560	-	2,940,788
Disposals	-	(22,433)	(291,488)	(248,498)	-	(562,419)
Effect of foreign currency exchange differences	-	107,519	503,371	113,503	-	724,393
Balance at September 30, 2022	<u>\$ 612</u>	<u>\$ 8,179,494</u>	<u>\$ 47,799,834</u>	<u>\$ 10,483,996</u>	<u>\$ -</u>	<u>\$ 66,463,936</u>
Carrying amount at January 1, 2022	<u>\$ 14,255,786</u>	<u>\$ 8,279,319</u>	<u>\$ 21,207,533</u>	<u>\$ 3,546,869</u>	<u>\$ 1,112,761</u>	<u>\$ 48,402,268</u>
Carrying amount at September 30, 2022	<u>\$ 14,139,860</u>	<u>\$ 8,280,313</u>	<u>\$ 21,254,347</u>	<u>\$ 3,381,392</u>	<u>\$ 1,922,297</u>	<u>\$ 48,978,209</u>

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

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

The non-cash investing activities of the Group for the nine months ended September 30, 2023 and 2022 were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of property, plant and equipment	\$ 2,566,310	\$ 3,393,795
Changes in prepayments for business facilities	231,298	(351,109)
Increase in payment of payables on equipment (accounted for as other payables, others)	<u>(202,734)</u>	<u>(11,102)</u>
	<u><b>\$ 2,594,874</b></u>	<u><b>\$ 3,031,584</b></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 September 30, 2023, December 31, 2022 and September 30, 2022, the lands registered by others were \$218,619 thousand, \$185,578 thousand and \$193,125 thousand, respectively (accounted for as property, plant and equipment and investment properties).

For the amounts of collateral pledged for bank borrowings, refer to Note 31.

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022	
<u>Carrying amount</u>				
Land	\$ 1,642,742	\$ 1,520,217	\$ 1,554,549	
Buildings	501,172	414,166	402,438	
Others	<u>180,499</u>	<u>163,001</u>	<u>163,650</u>	
	<u>\$ 2,324,413</u>	<u>\$ 2,097,384</u>	<u>\$ 2,120,637</u>	
	<b>For the Nine Months Ended September 30</b>			
	<b>2023</b>	<b>2022</b>		
Additions to right-of-use assets		<u>\$ 454,312</u>	<u>\$ 220,241</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Depreciation charge for right-of-use assets				
Land	\$ 20,661	\$ 18,761	\$ 61,895	\$ 51,522
Buildings	46,281	34,137	116,989	97,165
Others	<u>22,430</u>	<u>18,834</u>	<u>62,784</u>	<u>55,124</u>
	<u>\$ 89,372</u>	<u>\$ 71,732</u>	<u>\$ 241,668</u>	<u>\$ 203,811</u>

Except for the aforementioned addition and recognized depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2023 and 2022.

For the amounts of collateral pledged for bank borrowings, refer to Note 31.

b. Lease liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 270,116</u>	<u>\$ 203,868</u>	<u>\$ 200,680</u>
Non-current	<u>\$ 610,182</u>	<u>\$ 514,916</u>	<u>\$ 509,894</u>

Range of discount rates for lease liabilities were as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Land	0.88%-1.75%	0.88%-1.68%	0.88%-1.68%
Buildings	0.88%-11.70%	0.86%-11.70%	0.86%-11.70%
Others	0.88%-6.00%	0.86%-6.00%	0.86%-6.00%

c. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 91,592</u>	<u>\$ 86,411</u>	<u>\$ 304,109</u>	<u>\$ 254,913</u>
Total cash outflow for leases	<u>\$ 176,964</u>	<u>\$ 152,140</u>	<u>\$ 597,622</u>	<u>\$ 435,215</u>

## 18. INVESTMENT PROPERTIES

	<b>Amount</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 4,294,127
Additions	278,976
Disposals	(104,738)
Transfer from property, plant and equipment	<u>927</u>
Balance at September 30, 2023	<u>\$ 4,469,292</u>
	(Continued)

	<b>Amount</b>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 335,354
Depreciation expense	7,105
Disposals	<u>(486)</u>
Balance at September 30, 2023	<u>\$ 341,973</u>
Carrying amount at January 1, 2023	<u>\$ 3,958,773</u>
Carrying amount at September 30, 2023	<u>\$ 4,127,319</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 3,861,276
Additions	53,343
Disposals	(92,435)
Transfer from property, plant and equipment	<u>499,200</u>
Balance at September 30, 2022	<u>\$ 4,321,384</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 328,285
Depreciation expense	7,638
Disposals	<u>(2,894)</u>
Balance at September 30, 2022	<u>\$ 333,029</u>
Carrying amount at January 1, 2022	<u>\$ 3,532,991</u>
Carrying amount at September 30, 2022	<u>\$ 3,988,355</u> (Concluded)

The fair values of the investment properties owned by the Group were \$9,936,135 thousand, \$9,779,982 thousand and \$9,795,951 thousand as of September 30, 2023, December 31, 2022 and September 30, 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 \$13,156 thousand, \$11,721 thousand, \$40,326 thousand and \$31,983 thousand for the three and nine months ended September 30, 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. As of May 2023 and 2022, the Company disposed investment properties and recognized the gain on disposal amount of \$58,344 thousand and \$119,418 thousand, respectively.

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

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



## 19. BORROWINGS

### a. Current borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Bank credit loans	\$ 11,344,413	\$ 8,740,924	\$ 9,510,721
Bank secured loans	<u>182,295</u>	<u>71,147</u>	<u>129,071</u>
	<u>\$ 11,526,708</u>	<u>\$ 8,812,071</u>	<u>\$ 9,639,792</u>

Current borrowings include bank credit and bank secured loans. As of September 30, 2023, December 31, 2022 and September 30, 2022, the interest rate intervals of bank credit loans were 1.63%-8.57% per annum, 1.21%-10.20% per annum and 1.10%-7.40% per annum, respectively. As of September 30, 2023, December 31, 2022 and September 30, 2022, the interest rate of bank secured loans were 2.5%-2.95% per annum, 5.32%-5.38% per annum and 6.05% per annum, respectively.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper	\$ 19,235,000	\$ 2,725,000	\$ 11,025,000
Less: Unamortized discounts on bills payable	<u>(24,249)</u>	<u>(1,884)</u>	<u>(6,782)</u>
	<u>\$ 19,210,751</u>	<u>\$ 2,723,116</u>	<u>\$ 11,018,218</u>

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.74%-1.94% per annum, 1.76%-2.19% per annum and 1.32%-1.72% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

### c. Non-current borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Syndicated loans	\$ 14,858,400	\$ 35,060,692	\$ 24,317,835
Long-term bank credit loans	3,661,130	1,251,220	2,351,220
Long-term bank secured loans	<u>158,890</u>	<u>32,650</u>	<u>32,650</u>
	18,678,420	36,344,562	26,701,705
Less: Current portion	<u>-</u>	<u>-</u>	<u>(300,000)</u>
	<u>\$ 18,678,420</u>	<u>\$ 36,344,562</u>	<u>\$ 26,401,705</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 1.87%-2.10% per annum, 1.79%-1.96% per annum and 1.79% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively; secured and credit loans expire in February 2032 and have interest rate intervals of 0.30%-1.78% per annum, 0.30%-1.68% per annum and 0.30%-1.30% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

## 20. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$12,559 thousand, \$12,991 thousand, \$38,143 thousand and \$40,604 thousand for the three and nine months ended September 30, 2023 and 2022, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2022 and 2021.

## 21. EQUITY

### a. Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 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) 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:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
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 proposed appropriations of earnings for 2022 and 2021 were resolved by the shareholders' meetings on June 20, 2023 and June 23, 2022, respectively.

d. Other equity items

	<b>Exchange Differences on Translation of Foreign Financial Statements</b>	<b>Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	<b>Gains (Losses) on Hedging Instruments</b>	<b>Total</b>
<u>For the nine months ended September 30, 2023</u>				
Balance at January 1	\$ (357,174)	\$ 12,394,281	\$ -	\$ 12,037,107
Exchange differences on translation of foreign financial statements	1,056,971	-	-	1,056,971
Unrealized gains on financial assets measured at FVTOCI	-	196,467	-	196,467
Losses on hedging instruments	-	-	(2,341)	(2,341)
Share of other comprehensive income of associates accounted for using equity method	91,512	143,381	-	234,893
Acquisition or disposal of partial interests in subsidiaries	604	-	-	604
Changes in ownership interest in subsidiaries	16,785	-	-	16,785
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(30,311)	-	(30,311)
Balance at September 30	\$ 808,698	\$ 12,703,818	\$ (2,341)	\$ 13,510,175

(Continued)

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

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 14,956,989	\$ 14,604,732
Share of profit for the period	56,859	576,303
Other comprehensive income (loss) for the period:		
Exchange differences on translation of foreign financial statements	171,582	306,507
Unrealized gains (losses) on financial assets measured at FVTOCI	61,319	(7,289)
Losses on hedging instruments	(1,655)	-
Share of other comprehensive income of associates accounted for using the equity method	11,029	7,165
Cash dividends	(559,142)	(1,330,944)
Changes in equity of associates accounted for using equity method	583	2,350
Changes in ownership interests in subsidiaries	732,024	108,824
Acquisition or disposal of partial interests in subsidiaries	<u>26,300</u>	<u>586,200</u>
Balance at September 30	<u>\$ 15,455,888</u>	<u>\$ 14,853,848</u>

## 22. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers - revenue from sale of goods	\$ 16,330,319	\$ 17,847,395	\$ 47,957,807	\$ 52,441,494
Revenue from contracts with customers - other	<u>2,155,708</u>	<u>2,557,122</u>	<u>6,183,791</u>	<u>7,844,788</u>
	<u>\$ 18,486,027</u>	<u>\$ 20,404,517</u>	<u>\$ 54,141,598</u>	<u>\$ 60,286,282</u>

### Contract Balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes receivable, net	<u>\$ 2,564,769</u>	<u>\$ 2,842,143</u>	<u>\$ 2,777,214</u>	<u>\$ 4,431,191</u>
Accounts receivable, net	<u>\$ 11,632,002</u>	<u>\$ 12,120,124</u>	<u>\$ 13,114,759</u>	<u>\$ 13,092,096</u>
Accounts receivable due from related parties, net	<u>\$ 103,417</u>	<u>\$ 64,230</u>	<u>\$ 54,603</u>	<u>\$ 71,403</u>
Contract liabilities - sale of goods	<u>\$ 513,926</u>	<u>\$ 496,039</u>	<u>\$ 504,306</u>	<u>\$ 516,177</u>

## 23. NET PROFIT

### a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 272,516	\$ 246,971	\$ 815,176	\$ 569,304
Interest on lease liabilities	2,883	4,553	13,164	12,768
Less: Capitalization amount of interest	<u>(2,894)</u>	<u>(1,755)</u>	<u>(9,436)</u>	<u>(3,494)</u>
	<u>\$ 272,505</u>	<u>\$ 249,769</u>	<u>\$ 818,904</u>	<u>\$ 578,578</u>

Information about capitalized interest is as follows:

	For the Nine Months Ended September 30	
	2023	2022
Capitalization rate	1.29%-1.84%	0.80%-1.51%

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 1,018,170	\$ 954,987	\$ 3,045,206	\$ 2,940,788
Investment properties	2,419	2,457	7,105	7,638
Right-of-use assets	89,372	71,732	241,668	203,811
Other non-current assets	<u>16,685</u>	<u>24,343</u>	<u>48,626</u>	<u>79,829</u>
	<u>\$ 1,126,646</u>	<u>\$ 1,053,519</u>	<u>\$ 3,342,605</u>	<u>\$ 3,232,066</u>
An analysis of depreciation by function				
Operating costs	\$ 981,840	\$ 916,382	\$ 2,909,797	\$ 2,829,077
Operating expenses	<u>128,121</u>	<u>112,794</u>	<u>384,182</u>	<u>323,160</u>
	<u>\$ 1,109,961</u>	<u>\$ 1,029,176</u>	<u>\$ 3,293,979</u>	<u>\$ 3,152,237</u>
An analysis of amortization by function				
Operating costs	\$ 6,286	\$ 2,956	\$ 23,852	\$ 19,163
Operating expenses	<u>10,399</u>	<u>21,387</u>	<u>24,774</u>	<u>60,666</u>
	<u>\$ 16,685</u>	<u>\$ 24,343</u>	<u>\$ 48,626</u>	<u>\$ 79,829</u>

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plans	\$ 53,531	\$ 49,840	\$ 157,767	\$ 152,892
Defined benefit plans	<u>12,559</u>	<u>12,991</u>	<u>38,143</u>	<u>40,604</u>
	66,090	62,831	195,910	193,496
Share-based payments	1,222	2,709	4,377	9,131
Other employee benefits	<u>2,272,514</u>	<u>2,163,863</u>	<u>6,750,298</u>	<u>6,637,922</u>
Total employee benefits expense	<u>\$ 2,339,826</u>	<u>\$ 2,229,403</u>	<u>\$ 6,950,585</u>	<u>\$ 6,840,549</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,399,730	\$ 1,296,185	\$ 4,145,354	\$ 4,004,711
Operating expenses	<u>940,096</u>	<u>933,218</u>	<u>2,805,231</u>	<u>2,835,838</u>
	<u>\$ 2,339,826</u>	<u>\$ 2,229,403</u>	<u>\$ 6,950,585</u>	<u>\$ 6,840,549</u>

d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three and nine months ended September 30, 2023 and 2022 were as follows:

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Compensation of employees	\$ 233	\$ (869)	\$ 1,862	\$ 2,088
Remuneration of directors	\$ 5,500	\$ 5,500	\$ 16,500	\$ 16,500

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

The compensation of employees and remuneration of directors for the years ended December 31, 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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>Cash</b>	<b>Cash</b>
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.

## 24. INCOME TAXES

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 194,323	\$ 113,665	\$ 456,333	\$ 593,527
Land value increment tax	<u>-</u>	<u>-</u>	<u>2,895</u>	<u>5,569</u>
	194,323	113,665	459,228	599,096
Deferred tax				
In respect of the current period	<u>(10,909)</u>	<u>17,089</u>	<u>(12,725)</u>	<u>41,629</u>
	<u>\$ 183,414</u>	<u>\$ 130,754</u>	<u>\$ 446,503</u>	<u>\$ 640,725</u>

### b. Income tax recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
Partial disposal of interests in subsidiaries	<u>\$ -</u>	<u>\$ 60,582</u>	<u>\$ -</u>	<u>\$ 60,582</u>

### c. Income tax approved situation

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



## 25. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share (NT\$)	<u>\$ 0.68</u>	<u>\$ 0.88</u>	<u>\$ 0.80</u>	<u>\$ 1.34</u>
Diluted earnings per share (NT\$)	<u>\$ 0.68</u>	<u>\$ 0.88</u>	<u>\$ 0.80</u>	<u>\$ 1.34</u>

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

### Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit for the period attributable to owners of the Company	<u>\$ 1,133,821</u>	<u>\$ 1,462,015</u>	<u>\$ 1,327,005</u>	<u>\$ 2,225,534</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,133,821</u>	<u>\$ 1,462,015</u>	<u>\$ 1,327,005</u>	<u>\$ 2,225,534</u>

### Number of Share (In Thousands)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>57</u>	<u>87</u>	<u>81</u>	<u>131</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,429</u>	<u>1,660,459</u>	<u>1,660,453</u>	<u>1,660,503</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.

## 26. 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.

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

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

<b>Employee Share Options</b>	<b>Number of Options (Units)</b>	<b>Exercise Price (US\$)</b>
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>	

	<b>For the Nine Months Ended September 30</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Number of Options (Units)</b>	<b>Exercise Price (US\$)</b>	<b>Number of Options (Units)</b>	<b>Exercise Price (US\$)</b>
<b>Share Options Certificates</b>				
Balance at January 1	32,243		317,113	
Options exercised	<u>-</u>		<u>-</u>	
Balance at September 30	<u>32,243</u>		<u>317,113</u>	
Options exercisable, end of period	<u>32,243</u>	<u>\$ 1.5</u>	<u>317,113</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 were \$2,709 thousand and \$9,131 thousand for the three and nine months ended September 30, 2022, respectively.

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:

<b>Employee Share Options</b>	<b>Number of Options (Units)</b>	<b>Exercise Price (US\$)</b>
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>	
	<b>For the Nine Months Ended September 30, 2023</b>	
	<b>Number of Options (Units)</b>	<b>Exercise Price (US\$)</b>
<b>Share Options Certificates</b>		
Balance at January 1	88,148	
Options exercised	(88,144)	
Options lapsed	<u>(4)</u>	
Balance at September 30	<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:

<b>Employee Share Options</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (\$)</b>
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>	

	<b>For the Nine Months Ended September 30, 2023</b>	
<b>Employee Share Options</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Exercise Price (\$)</b>
Balance at January 1	595	
Options granted	-	
Options exercised	<u>-</u>	
Balance at September 30	<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 were \$1,222 thousand and \$4,377 thousand for the three and nine months ended September 30, 2023, respectively.

## 27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

#### For the nine months ended September 30, 2022

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

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

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

For the nine months ended September 30, 2023

The Group sold its partial ownership of Arizona RFID Technology (Cayman) Co., Ltd. in March 2023. Thus, the shareholding ratio of the Group in Arizona 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.

	<b>Arizon RFID Technology (Cayman) Co., Ltd.</b>
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>

## 28. 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).

## 29. FINANCIAL INSTRUMENTS

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

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

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

#### 1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 513,667	\$ -	\$ 513,667
Mutual funds	528,626	-	-	528,626
Structured deposits	-	257,433	-	257,433
Convertible bonds	-	-	117,095	117,095
	<u>\$ 528,626</u>	<u>\$ 771,100</u>	<u>\$ 117,095</u>	<u>\$ 1,416,821</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 22,566,001	\$ -	\$ -	\$ 22,566,001
Domestic and foreign unlisted shares	-	-	5,283,692	5,283,692
	<u>\$ 22,566,001</u>	<u>\$ -</u>	<u>\$ 5,283,692</u>	<u>\$ 27,849,693</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 10,096	\$ -	\$ 10,096
Hedging derivative financial liabilities (accounted for as other current liabilities, others)				
Derivative financial liabilities	\$ -	\$ 3,995	\$ -	\$ 3,995

December 31, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 171,541	\$ -	\$ 171,541
Mutual funds	492,002	-	-	492,002
Structured deposits	<u>-</u>	<u>251,300</u>	<u>-</u>	<u>251,300</u>
	<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	<u>-</u>	<u>-</u>	<u>5,922,329</u>	<u>5,922,329</u>
	<u>\$ 20,177,433</u>	<u>\$ -</u>	<u>\$ 5,922,329</u>	<u>\$ 26,099,762</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 45,843</u>	<u>\$ -</u>	<u>\$ 45,843</u>

September 30, 2022

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

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2023 and 2022.

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

For the nine months ended September 30, 2023

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
	<b>Debt Instruments</b>	<b>Equity Instruments</b>
Balance at January 1, 2023	\$ -	\$ 5,922,329
Recognized in profit or loss	5,312	-
Recognized in other comprehensive loss (accounted for as unrealized losses on investments in equity instruments designated as at FVTOCI)	-	(644,548)
Purchases	111,783	-
Disposals	-	(318)
Effect of exchange rate differences	-	6,229
Balance at September 30, 2023	<u>\$ 117,095</u>	<u>\$ 5,283,692</u>

For the nine months ended September 30, 2022

	<b>Financial Assets at FVTOCI</b>
	<b>Equity Instruments</b>
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)	992,337
Disposals	(116,389)
Effect of foreign currency exchange differences	12,128
Balance at September 30, 2022	<u>\$ 5,733,870</u>

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

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

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

c. Categories of financial instruments

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,416,821	\$ 914,843	\$ 1,167,703
FVTOCI	27,849,693	26,099,762	26,088,926
Amortized cost (1)	29,116,573	29,516,149	30,292,521
<u>Financial liabilities</u>			
FVTPL			
Held for trading	10,096	45,843	23,664
Financial liabilities for hedging	3,995	-	-
Amortized cost (2)	63,662,387	62,874,854	62,673,922

- 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, other financial assets and pledged time deposits (accounted for as other non-current assets, others).
- 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 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 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.

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Influence to profit or loss at 5% variance		
USD	<u>\$ (122,079)</u>	<u>\$ (139,028)</u>
RMB	<u>\$ (182,765)</u>	<u>\$ (105,564)</u>

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:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 9,924,037	\$ 10,584,206	\$ 8,822,065
Financial liabilities	19,210,751	2,723,116	11,018,218
Lease liabilities	880,298	718,784	710,574
Cash flow interest rate risk			
Financial assets	4,871,493	3,889,054	5,508,168
Financial liabilities	30,205,128	45,156,633	36,341,497

Sensitivity analysis

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

If interest rates had been 0.25% basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the nine months ended September 30, 2023 and 2022 would have decreased/increased by \$38,000 thousand and \$46,250 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity and commodity prices had been 5% higher/lower, pre-tax profit for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$32,286 thousand and \$21,534 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$1,392,485 thousand and \$1,304,446 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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

## 2) Credit risk

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

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

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

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

## 3) Liquidity risk

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

As of September 30, 2023, December 31, 2022 and September 30, 2022, the amounts of unused financing facilities were \$63,893,666 thousand, \$57,379,028 thousand and \$59,600,936 thousand, respectively.

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

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

### September 30, 2023

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 11,924,825	\$ 18,746,419	\$ 686,669
Fixed interest rate liabilities	19,235,000	-	-
Lease liabilities	<u>277,802</u>	<u>513,998</u>	<u>113,451</u>
	<u>\$ 31,437,627</u>	<u>\$ 19,260,417</u>	<u>\$ 800,120</u>

December 31, 2022

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 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>

September 30, 2022

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

e. Transfers of financial assets

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
The discounted amount	<u>\$ 2,727,093</u>	<u>\$ 2,097,080</u>
The received amount	<u>\$ 2,705,256</u>	<u>\$ 2,064,923</u>
Interest rates	0.7%-4.15%	1.28%-4.30%

### 30. TRANSACTIONS WITH RELATED PARTIES

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

#### a. Names and categories of related parties

<b>Related Party</b>	<b>Relationship with the Group</b>
Hsin-Yi Enterprise Co., Ltd.	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
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

#### b. Operating revenue

<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Entities with key management personnel	\$ 57,389	\$ 17,383	\$ 158,036	\$ 67,944
Associate	13,271	9,892	32,586	32,412
Substantive related party	<u>11,314</u>	<u>32,530</u>	<u>17,241</u>	<u>110,262</u>
	<u>\$ 81,974</u>	<u>\$ 59,805</u>	<u>\$ 207,863</u>	<u>\$ 210,618</u>

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

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	\$ 37,633	\$ 76,239	\$ 125,958	\$ 164,403
Substantive related party	2,678	4,132	8,924	9,705
Entities with key management personnel	<u>1,420</u>	<u>630</u>	<u>3,714</u>	<u>1,737</u>
	<u>\$ 41,731</u>	<u>\$ 81,001</u>	<u>\$ 138,596</u>	<u>\$ 175,845</u>

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

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Receivables from related parties	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	\$ 62,696	\$ 19,747	\$ 17,326
	Others	<u>231</u>	<u>249</u>	<u>230</u>
		<u>62,927</u>	<u>19,996</u>	<u>17,556</u>
	Associate			
	E Ink Holdings Inc.	26,829	8,870	246
	Others	<u>9,520</u>	<u>9,077</u>	<u>9,262</u>
		<u>36,349</u>	<u>17,947</u>	<u>9,508</u>
	Substantive related party			
	Beautone Co., Ltd.	4	23,163	23,474
Other receivables (accounted for as other current assets)	Others	<u>4,137</u>	<u>3,124</u>	<u>4,065</u>
		<u>4,141</u>	<u>26,287</u>	<u>27,539</u>
		<u>\$ 103,417</u>	<u>\$ 64,230</u>	<u>\$ 54,603</u>
	Entities with key management personnel	\$ 2,387	\$ 22	\$ 2,214
	Associate	528	849	647
	Substantive related party	<u>312</u>	<u>15</u>	<u>354</u>
		<u>\$ 3,227</u>	<u>\$ 886</u>	<u>\$ 3,215</u>

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

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Payables to related parties	Associate			
	YJY Packaging Ltd.	\$ 41,139	\$ 87,157	\$ 87,972
	Others	<u>7,423</u>	<u>12,672</u>	<u>12,732</u>
		<u>48,562</u>	<u>99,829</u>	<u>100,704</u>
	Entities with key management personnel	7,779	6,946	6,446
	Substantive related party	<u>3,954</u>	<u>4,095</u>	<u>5,669</u>
		<u>\$ 60,295</u>	<u>\$ 110,870</u>	<u>\$ 112,819</u>
Other payables (accounted for as other current liabilities)	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of investment properties

Related Party Category/Name	For the Nine Months Ended September 30	
	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 18.

g. Acquisitions of financial assets

For the nine months ended September 30, 2023

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds
Substantive related party	Current and non-current financial assets at FVTOCI	81,609,991	Ordinary shares	<u>\$ 1,224,150</u>

h. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (loss) on Disposal	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>



i. Others

Rental income

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate				
E Ink Holdings Inc.	\$ 3,866	\$ 1,947	\$ 11,597	\$ 1,947
Others	<u>29</u>	<u>413</u>	<u>422</u>	<u>1,237</u>
	<u>3,895</u>	<u>2,360</u>	<u>12,019</u>	<u>3,184</u>
Entities with key management personnel				
Yuen Foong Paper Co., Ltd	1,975	1,971	5,917	5,914
Others	<u>38</u>	<u>36</u>	<u>115</u>	<u>116</u>
	<u>2,013</u>	<u>2,007</u>	<u>6,032</u>	<u>6,030</u>
Substantive related party	<u>1,447</u>	<u>1,448</u>	<u>4,339</u>	<u>4,520</u>
	<u>\$ 7,355</u>	<u>\$ 5,815</u>	<u>\$ 22,390</u>	<u>\$ 13,734</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Entities with key management personnel	\$ 11,842	\$ 11,389	\$ 35,251	\$ 33,595
Substantive related party	<u>369</u>	<u>1,089</u>	<u>1,700</u>	<u>3,267</u>
	<u>\$ 12,211</u>	<u>\$ 12,478</u>	<u>\$ 36,951</u>	<u>\$ 36,862</u>

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

j. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 28,408	\$ 26,425	\$ 85,219	\$ 77,030
Post-employment benefits	<u>135</u>	<u>109</u>	<u>405</u>	<u>336</u>
	<u>\$ 28,543</u>	<u>\$ 26,534</u>	<u>\$ 85,624</u>	<u>\$ 77,366</u>

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

### 31. 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable, net (Note)	\$ 2,213,045	\$ 2,871,130	\$ 3,059,129
Property, plant and equipment	513,537	498,396	512,471
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	308,932	754,152	800,580
Pledged deposits (classified as other current financial assets)	222,496	89,216	113,492
Land use rights (accounted for as right-of-use assets)	<u>102,239</u>	<u>102,201</u>	<u>105,382</u>
	<u>\$ 3,360,249</u>	<u>\$ 4,315,095</u>	<u>\$ 4,591,054</u>

Note: The transaction of \$915,715 thousand, \$1,310,385 thousand and \$1,503,579 thousand have been eliminated in preparing the consolidated financial statements on September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

### 32. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of September 30, 2023, December 31, 2022 and September 30, 2022, unused letters of credit for purchases of raw materials and machinery equipment amounted to approximately \$523,120 thousand, \$558,199 thousand and \$733,472 thousand, respectively.

As of September 30, 2023, December 31, 2022 and September 30, 2022, the contract of commitment to acquire land, property, plant and equipment amounted to \$1,209,409 thousand, \$988,040 thousand and \$312,238 thousand, respectively. The unrecorded amounts were \$408,668 thousand, \$701,986 thousand and \$162,545 thousand, respectively.

### 33. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On November 13, 2023, the board of directors of subsidiary YFY Packaging Inc. resolved to issue 57,110 thousand ordinary shares with a par value of \$10, for a consideration of \$17.51 per share, and it is expected to raise \$999,996 thousand.

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

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

September 30, 2023			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,260,868	0.139 (RMB:USD)	\$ 10,161,593
USD	64,661	32.27 (USD:NTD)	2,086,625
RMB	245,068	4.495 (RMB:NTD)	1,101,473
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
September 30, 2022			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,528,304	0.141 (RMB:USD)	\$ 11,306,469
USD	113,210	31.75 (USD:NTD)	3,594,431
<u>Foreign currency liabilities</u>			
Monetary items			
USD	36,033	31.75 (USD:NTD)	1,144,045

For the three and nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gain or loss were gain of \$157,459 thousand, loss of \$402,727 thousand, loss of \$148,631 thousand and loss of \$935,093 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.

### 35. 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)

### 36. 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 nine months ended September 30, 2023</u>					
Revenue from external customers	\$ 13,852,020	\$ 24,988,994	\$ 7,516,473	\$ 7,784,111	\$ 54,141,598
Revenue from other internal operating segments	<u>1,645,291</u>	<u>398,548</u>	<u>39,030</u>	<u>702,618</u>	<u>2,785,487</u>
Segment revenue	<u>\$ 15,497,311</u>	<u>\$ 25,387,542</u>	<u>\$ 7,555,503</u>	<u>\$ 8,486,729</u>	<u>56,927,085</u>
Eliminations					<u>(2,785,487)</u>
Consolidated revenue					<u>\$ 54,141,598</u>
Total profit or loss for reportable segments	<u>\$ (906,483)</u>	<u>\$ (98,021)</u>	<u>\$ 750,103</u>	<u>\$ (278,283)</u>	<u>\$ (532,684)</u>
Eliminations					<u>69,879</u>
Segment profit or loss					<u>(462,805)</u>
Finance costs					<u>(818,904)</u>
Interest income					<u>310,047</u>
Net gain on fair value change of financial instruments at fair value through profit or loss					<u>496,856</u>
Foreign exchange loss					<u>(148,631)</u>
Net non-operating income and expenses					<u>2,453,804</u>
Profit before income tax					<u>\$ 1,830,367</u>
<u>For the nine months ended September 30, 2022</u>					
Revenue from external customers	\$ 15,544,661	\$ 27,451,026	\$ 7,347,277	\$ 9,943,318	\$ 60,286,282
Revenue from other internal operating segments	<u>2,367,263</u>	<u>954,058</u>	<u>38,640</u>	<u>726,771</u>	<u>4,086,732</u>
Segment revenue	<u>\$ 17,911,924</u>	<u>\$ 28,405,084</u>	<u>\$ 7,385,917</u>	<u>\$ 10,670,089</u>	<u>64,373,014</u>
Eliminations					<u>(4,086,732)</u>
Consolidated revenue					<u>\$ 60,286,282</u>
Total profit or loss for reportable segments	<u>\$ 142,177</u>	<u>\$ (165,308)</u>	<u>\$ 731,324</u>	<u>\$ 385,429</u>	<u>\$ 1,093,622</u>
Eliminations					<u>59,066</u>
Segment profit or loss					<u>1,152,688</u>
Finance costs					<u>(578,578)</u>
Interest income					<u>165,594</u>
Net gain on fair value change of financial instruments at fair value through profit or loss					<u>906,038</u>
Foreign exchange loss					<u>(935,093)</u>
Net non-operating income and expenses					<u>2,731,913</u>
Profit before income tax					<u>\$ 3,442,562</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**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Segment assets</u>			
Business unit of pulp and fine paper	\$ 35,235,263	\$ 35,439,171	\$ 35,117,379
Business unit of containerboard and packaging	41,621,072	42,710,732	44,550,279
Business unit of consumer products	8,415,094	8,275,075	7,988,183
Other segments	92,908,588	89,528,547	91,074,217
Adjustment and elimination	<u>(35,730,361)</u>	<u>(36,481,201)</u>	<u>(38,068,343)</u>
Consolidated total assets	<u>\$ 142,449,656</u>	<u>\$ 139,472,324</u>	<u>\$ 140,661,715</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.

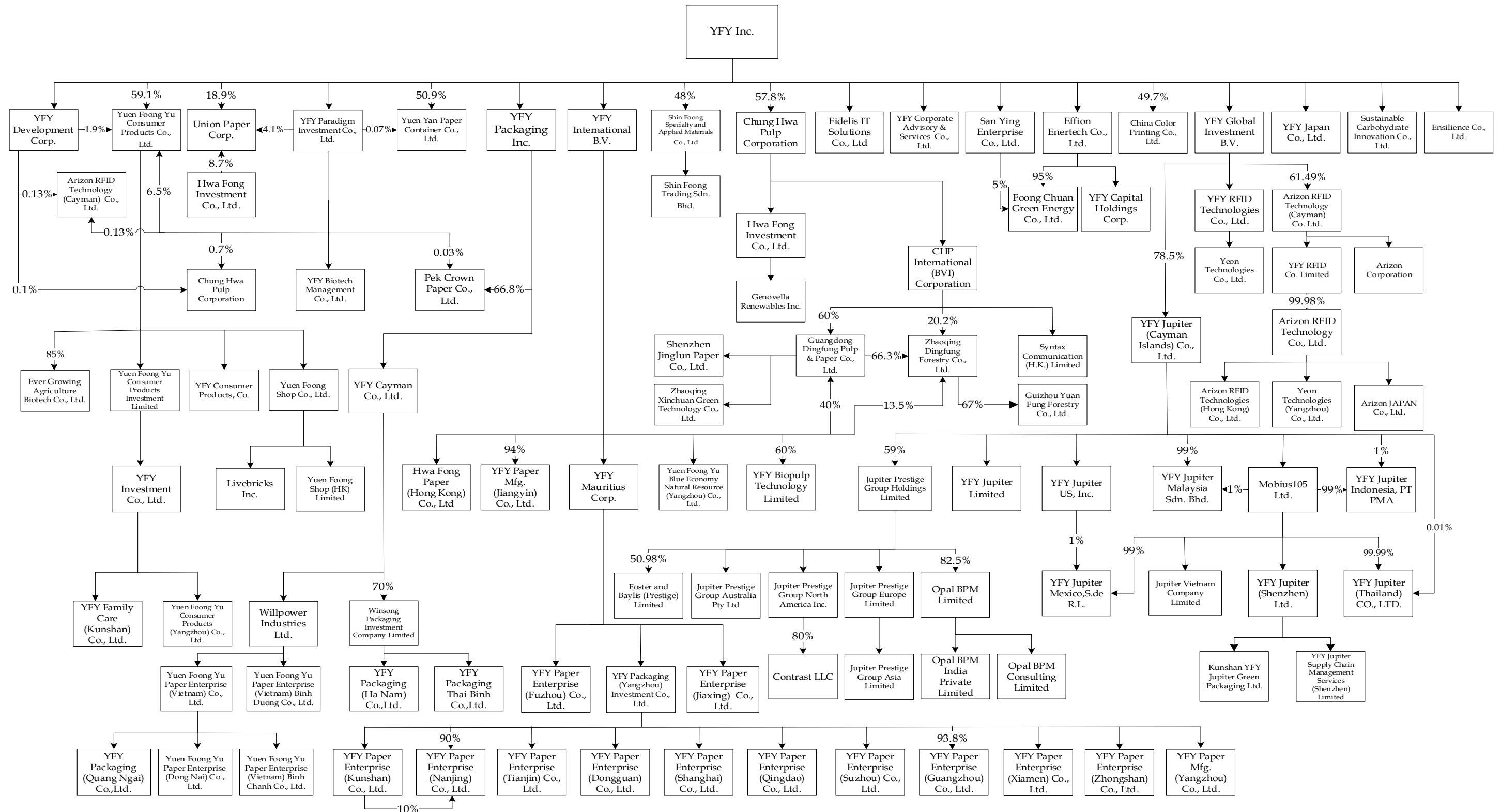
	<b>Revenue from External Customers</b>		<b>Non-current Assets</b>		
	<b>For the Nine Months Ended September 30</b>		<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Taiwan	\$ 26,690,850	\$ 30,251,718	\$ 38,097,548	\$ 37,747,276	\$ 37,805,741
Mainland China	19,246,767	20,364,901	15,534,455	15,984,401	16,548,142
Others	<u>8,203,981</u>	<u>9,669,663</u>	<u>3,484,869</u>	<u>3,460,196</u>	<u>3,501,786</u>
	<u>\$ 54,141,598</u>	<u>\$ 60,286,282</u>	<u>\$ 57,116,872</u>	<u>\$ 57,191,873</u>	<u>\$ 57,855,669</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  
SEPTEMBER 30, 2023**



Note : 100% of Ownership, Unless Otherwise Stated.

TABLE 2

## YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	\$ 179,782	\$ -	2.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 14,871,982	\$ 14,871,982	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	2,206,826	2,206,826	2,071,989	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	14,871,982	14,871,982	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	3,637,529	404,510	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	29,761,032	29,761,032	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	6,411,931	6,411,931	6,411,931	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	29,761,032	29,761,032	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	36,733	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	38,756	155,022	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	37,485	37,485	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	38,756	155,022	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	438,276	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	840,896	840,896	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	438,276	414,488	147,781	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	840,896	840,896	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	247,974	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	481,696	481,696	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	247,974	240,845	53,051	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	481,696	481,696	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	435,566	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	882,661	882,661	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	435,566	416,281	238,648	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	882,661	882,661	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	430,781	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	884,032	884,032	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	430,781	412,308	23,125	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	884,032	884,032	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	287,395	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	540,145	540,145	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	287,395	270,069	161,367	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	540,145	540,145	-
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	410,278	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	913,108	913,108	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	421,319	421,319	247,599	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	913,108	913,108	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	403,103	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	842,830	842,830	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	403,103	386,406	235,137	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	842,830	842,830	-
11	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	245,317	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	474,457	474,457	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	246,266	237,227	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	474,457	474,457	-

(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 Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 2,665,670	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 9,046,444	\$ 9,046,444	-
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	7,640,742	7,640,742	7,168,391	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	4,411	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	147,767	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	68,814	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	584,292	584,292	470,104	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	666,418	449,455	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	112,364	112,364	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	112,364	112,364	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	112,364	112,364	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	9,046,444	9,046,444	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	449,455	449,455	3,643	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	452,322	1,809,289	-
13	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	372,105	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	776,619	776,619	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	372,105	367,987	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	776,619	776,619	-
14	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	94,111	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	135,732	135,732	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	94,111	67,863	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	135,732	135,732	-
15	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	107,869	107,869	106,362	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	214,648	214,648	-
16	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	243,669	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	393,192	393,192	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	243,669	196,592	44,832	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	393,192	393,192	-
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	62,243	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	156,800	156,800	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	78,399	78,399	38,160	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	156,800	156,800	-
18	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	75,190	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	111,617	111,617	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	75,190	55,804	22,847	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	111,617	111,617	-

(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			
19	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	\$ 32,858	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 69,618	69,618	-
20	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	161,770	161,770	161,770	5.60-6.60	Short-term financing	-	Financing for working capital requirements	-	-	-	468,004	468,004	-
21	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	89,291	89,291	89,291	5.80-6.60	Short-term financing	-	Financing for working capital requirements	-	-	-	579,225	579,225	-
22	Jupiter Prestige Group Holdings Limited	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Other receivables from related parties	Yes	97,946	68,653	68,653	4.00	Short-term financing	-	Financing for working capital requirements	-	-	-	135,516	135,516	-
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	-	-	-	484,941	1,939,765	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	452,364	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	484,941	1,939,765	-
24	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	134,001	132,589	132,589	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,180,987	2,180,987	-
		Shenzhen Jinglun Paper Co., Ltd.	Long-term receivables from related parties	Yes	186,597	80,902	80,902	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,180,987	2,180,987	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	107,869	107,869	107,869	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,180,987	2,180,987	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	889,922	889,922	889,922	2.50-3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,180,987	2,180,987	-
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	-	-	-	14,028	56,113	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	13,453	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	14,028	56,113	-
26	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	286,650	286,650	14,375	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	597,255	597,255	-
27	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,195,615	1,195,615	1,003	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,540,086	2,540,086	-
28	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,125,321	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,250,641	4,250,641	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,125,321	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,250,641	4,250,641	-
29	Effion Enertech Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	194,000	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	201,903	201,903	-
		Ensilience Co., Ltd.	Other receivables from related parties	Yes	194,000	194,000	-	1.50	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	-	-	-	126,572	126,572	-
31	San Ying Enterprise Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	40,000	19,000	19,000	1.50	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 NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	<u>Endorsement/guarantee</u> YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	\$ 81,132,165	\$ 2,356,032	\$ 2,356,032	\$ 766,957	\$ -	4.19	\$ 108,176,220	Yes	No	Yes
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a.	81,132,165	1,078,693	1,078,693	-	-	1.92	108,176,220	Yes	No	Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Note 3 a.	2,999,243	1,235,560	1,235,560	6,109	-	57.39	3,998,990	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Note 3 a.	2,999,243	1,275,510	1,171,020	39,840	-	54.39	3,998,990	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a.	2,999,243	1,226,260	1,226,260	475,158	-	56.96	3,998,990	Yes	No	No
3	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 b.	2,217,321	159,360	159,360	-	-	9.62	2,956,428	No	No	No
4	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Note 3 a.	1,356,522	548,590	548,590	188,742	-	59.03	1,808,696	Yes	No	No
		YFY Packaging Thai Binh Co., Ltd.	Note 3 a.	1,356,522	96,810	96,810	14,626	-	10.42	1,808,696	Yes	No	No
1	<u>Credit line (Note 4)</u> YFY Inc.	YFY Development Corp.	Note 3 a.	81,132,165	3,450,000	3,450,000	1,340,000	-	6.13	108,176,220	No	No	No
		YFY Paradigm Investment Co., Ltd.	Note 3 a.	81,132,165	2,370,000	2,370,000	725,000	-	4.21	108,176,220	No	No	No
		Ensilience Co., Ltd.	Note 3 a.	81,132,165	125,000	125,000	-	-	0.22	108,176,220	No	No	No
		Foong Chuan Green Energy Co., Ltd.	Note 3 a.	81,132,165	100,000	100,000	12,000	-	0.18	108,176,220	No	No	No
		YFY International B.V.	Note 3 a.	81,132,165	2,944,500	2,888,165	4,193	-	5.13	108,176,220	No	No	No
		YFY Global Investment B.V.	Note 3 a.	81,132,165	1,484,420	1,484,420	13,764	-	2.64	108,176,220	No	No	No
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	81,132,165	269,673	269,673	-	-	0.48	108,176,220	No	No	No
		YFY Jupiter Limited	Note 3 a.	81,132,165	414,880	407,890	121,034	-	0.72	108,176,220	No	No	No
		YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Note 3 a.	81,132,165	484,050	484,050	4,840	-	0.86	108,176,220	No	No	No
		Mobius105 Ltd.	Note 3 a.	81,132,165	129,080	129,080	48,585	-	0.23	108,176,220	No	No	No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Note 3 a.	22,425,024	742,210	742,210	29,043	-	4.95	29,900,032	No	No	No
		Hwa Fong Investment Co., Ltd.	Note 3 a.	22,425,024	130,000	130,000	70,000	-	0.87	29,900,032	No	No	No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	10,575,618	516,320	516,320	-	-	7.19	14,100,824	No	No	No
4	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 3 a.	7,456,211	380,000	380,000	90,000	-	7.23	9,941,614	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.
- b. Same ultimate parent company.

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

TABLE 4

## YFY INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 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	September 30, 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 FVTPL	1,096,264	\$ 15,627	-	\$ 15,627	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	510,033,992	8,874,591	4.1	8,874,591	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at FVTOCI	97,502,590	1,408,912	13.6	1,408,912	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at FVTOCI	7,464,617	734,518	0.8	734,518	
	Medeon Biodesign, Inc.	-	Non-current financial assets at FVTOCI	2,126,317	110,356	2.3	110,356	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at FVTOCI	34,761,734	3,983,559	3.0	3,983,559	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	20,826,000	234,627	12.9	234,627	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	12,443,688	164,228	14.9	164,228	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	4,200,000	73,292	14.0	73,292	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,999,371	103,420	13.9	103,420	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,612	28,927	5.5	28,927	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,221,228	39,898	3.0	39,898	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,600,000	17,567	8.0	17,567	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at FVTOCI	544,067	13,656	0.7	13,656	
	Supercell Biotechnology Corporation	-	Non-current financial assets at FVTOCI	696,564	4,903	3.0	4,903	
	China Trade and Development Corp.	-	Non-current financial assets at FVTOCI	377,634	3,240	0.6	3,240	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<u>Share certificate</u> Xiamen Taiwanese Investment Association Management Company	-	Non-current financial assets at FVTOCI	-	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 FVTOCI	-	US\$ 164 thousand	0.2	US\$ 164 thousand	
	<u>Special share</u> Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at FVTOCI	1,692,250	US\$ 3,850 thousand	6.5	US\$ 3,850 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at FVTOCI	8,124,999	US\$ 474 thousand	19.9	US\$ 474 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shin Foong Specialty and Applied Materials Co., Ltd.	<u>Beneficiary certificates</u> PIMCO GIS Total Return Bond Fund-E Class	-	Current financial assets at FVTPL	218,899	\$ 76,572	-	\$ 76,572	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	41,130,388	715,669	0.3	715,669	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at FVTOCI	2,884,415	60,403	11.8	60,403	
	<u>Special share</u> Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	4,151,000	249,062	0.5	249,062	
	Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	4,104,000	251,165	0.7	251,165	
	Taishin Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	4,900,000	249,410	1.0	249,410	
	WPG Holdings Limited	-	Non-current financial assets at FVTOCI	2,075,000	95,239	1.0	95,239	
	Yulon Finance Corporation	-	Non-current financial assets at FVTOCI	1,975,000	95,490	2.0	95,490	
China Color Printing Co., Ltd.	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Current financial assets at FVTPL	995,500	15,197	-	15,197	
	Prudential Financial Money Market Fund	-	Current financial assets at FVTPL	313,179	5,075	-	5,075	
China Color Printing Co., Ltd.	<u>Ordinary shares</u> China Development Financial Holding Corporation	-	Current financial assets at FVTOCI	9,959,081	118,015	0.1	118,015	
	China Parcel Co., Ltd.	-	Non-current financial assets at FVTOCI	463,917	3,114	10.8	3,114	
YFY Development Corp.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	238,413,958	4,148,403	1.9	4,148,403	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	642,911	33,367	0.7	33,367	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	3,490,949	50,444	0.5	50,444	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at FVTOCI	1,542,258	11,181	1.3	11,181	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,250,000	50,219	5.5	50,219	
	Universal Venture Capital Investment Corporation	Note 1	Non-current financial assets at FVTOCI	5,600,000	46,104	4.7	46,104	
	Everterminal Co., Ltd.	-	Non-current financial assets at FVTOCI	1,200,960	15,551	2.5	15,551	
YFY Paradigm Investment Co., Ltd.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	167,461,362	2,913,827	1.4	2,913,827	
	Zhen Ding Technology Holding Limited	-	Current financial assets at FVTOCI	467,106	45,963	0.1	45,963	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	164,643	8,545	0.2	8,545	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at FVTOCI	43,109	597	0.1	597	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,654,353	255,105	2.5	255,105	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,370,730	28,705	5.6	28,705	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	2,574,000	28,999	1.6	28,999	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at FVTOCI	1,050,000	18,323	3.5	18,323	
	Locus Publishing Company	Note 1	Non-current financial assets at FVTOCI	1,440,291	18,966	13.9	18,966	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at FVTOCI	1,000,000	9,523	1.1	9,523	
	Supercell Biotechnology Corporation (originally named as Sino Cell Technologies Ltd.)	Note 1	Non-current financial assets at FVTOCI	696,435	4,902	3.0	4,902	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at FVTOCI	2,402	275	-	275	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 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 FVTPL	800,000	\$ -	6.3	\$ -	
	Groundhog Technologies Inc.	-	Non-current financial assets at FVTPL	275,000	-	1.0	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	108,368,224	1,885,608	0.9	1,885,608	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,829,132	257,631	2.5	257,631	
	Medeon Biodesign, Inc.	-	Non-current financial assets at FVTOCI	407,550	21,152	0.4	21,152	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	12,443,688	164,228	14.9	164,228	
	Direct Insight Inc.	-	Non-current financial assets at FVTOCI	286,200	3	0.9	3	
Hwa Fong Investment Co., Ltd.	<u>Ordinary shares</u>							
	Everest Technology Inc.	-	Non-current financial assets at FVTPL	150,000	-	0.2	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	2,467,287	42,931	-	42,931	
YFY Corporate Advisory & Services Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	4,684,290	66,773	-	66,773	
YFY Japan Co., Ltd.	<u>Ordinary shares</u>							
	Beautone Japan Co., Ltd.	-	Non-current financial assets at FVTOCI	440	JPY 49,504 thousand	36.7	JPY 49,504 thousand	
Effion Enertech Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	15,506,755	221,044	-	221,044	
Genovella Renewables Inc.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	452,369	6,448	-	6,448	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	324,058	4,619	-	4,619	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	1,919,262	27,359	-	27,359	
Ensilience Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	4,979,637	70,983	-	70,983	
YFY Biotech Management Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	1,327,861	18,928	-	18,928	
	<u>Convertible bonds</u>							
	Micareo Convertible Bonds	-	Non-current financial assets at FVTPL	-	117,095	-	117,095	
	<u>Ordinary shares</u>							
	Neuro Sky, Inc.	-	Non-current financial assets at FVTOCI	48,308,183	-	10.3	-	
	Elixir Pharmaceuticals Inc.	-	Non-current financial assets at FVTOCI	2,662,558	-	2.2	-	
	Nereus Pharmaceuticals Inc.	-	Non-current financial assets at FVTOCI	1,682,602	-	0.9	-	
	ACM Medical Technologies, Inc.	-	Non-current financial assets at FVTOCI	760,000	-	7.3	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arizon RFID Technology Co., Ltd.	Negotiable certificates of deposit							
	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	-	Current financial assets at amortized cost	-	RMB 15,000 thousand	-	RMB 15,000 thousand	
	Industrial and Commercial Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2 in 2021	-	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	-	Current financial assets at amortized cost	-	RMB 13,000 thousand	-	RMB 13,000 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	
	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 NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal		Number of Shares	Amount	
Winsong Packaging Investment Company Limited	Ordinary shares YFY Packaging (Ha Nam) Co., Ltd.	Note 1	YFY Packaging (Ha Nam) Co., Ltd.	Subsidiary	-	US\$ 16,104 thousand	-	US\$ 10,000 thousand	-	\$ -	\$ -	\$ -	US\$ 656 thousand (Note 2)	-	US\$ 26,760 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 NINE MONTHS ENDED SEPTEMBER 30, 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 Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	\$ 633,350	12	In agreed terms	\$ -	-	\$ 199,001	7	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	354,846	7	In agreed terms	-	-	167,854	6	-
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 a	Sales	247,321	5	In agreed terms	-	-	28,973	1	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 a	Sales	293,519	6	In agreed terms	-	-	149,022	5	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Note 1 a	Sales	279,683	6	In agreed terms	-	-	286,182	10	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Note 1 a	Sales	305,946	6	In agreed terms	-	-	170,123	6	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	2,498,618	49	In agreed terms	-	-	1,518,661	52	-
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 a	Sales	126,961	2	In agreed terms	-	-	57,188	2	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 a	Sales	162,664	3	In agreed terms	-	-	76,693	3	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	605,281	7	3 months after transaction month	-	-	145,966	7	-
	Chung Hwa Pulp Corporation	Note 1 b	Sales	257,860	3	2 months after transaction month	-	-	82,033	4	-
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 1 b	Sales	382,995	5	In agreed terms	-	-	117,458	6	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	457,184	3	Half month after transaction month	-	-	40,579	1	-
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	430,893	3	2 months after transaction month	-	-	86,453	3	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 a	Sales	1,255,681	9	5 months after transaction month	-	-	848,945	29	-
	Union Paper Corp.	Note 1 b	Sales	566,479	4	1 month after transaction month	-	-	89,733	3	-
	Yuen Foong Paper Co., Ltd.	Note 1 c	Sales	115,178	1	1 month after transaction month	-	-	53,002	2	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	1,332,824	36	In agreed terms	-	-	-	-	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	Note 1 b	Sales	183,527	39	In agreed terms	-	-	60,573	30	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	227,795	99	In agreed terms	-	-	112,982	100	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 1 b	Sales	180,825	81	2 months after transaction month	-	-	73,379	100	-
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	565,004	99	In agreed terms	-	-	78,483	96	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	1,721,052	88	In agreed terms	-	-	239,370	100	-
	YFY Family Care (Kunshan) Co., Ltd.	Note 1 b	Sales	232,703	12	In agreed terms	-	-	-	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	427,625	9	In agreed terms	-	-	160,899	15	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	270,369	4	In agreed terms	-	-	130,591	5	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	240,539	3	In agreed terms	-	-	44,726	2	-
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	161,512	2	In agreed terms	-	-	107,171	4	-
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Note 1 b	Sales	110,925	2	In agreed terms	-	-	16,369	1	-

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	\$ 155,323	24	4 months after transaction month	\$ -	-	\$ 95,468	34	-
YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	168,241	89	In agreed terms	-	-	-	-	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Note 1 a	Sales	142,145	11	In agreed terms	-	-	43,890	14	-
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	Note 1 b	Sales	128,416	11	In agreed terms	-	-	29,906	8	-

Note 1: The relationships are as follows:

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

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

(Concluded)

**TABLE 7****YFY INC. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****SEPTEMBER 30, 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 Packaging Inc.	Pek Crown Paper Co., Ltd. YFY Packaging (Yangzhou) Investment Co., Ltd.	Subsidiary	\$ 145,966	5.33	\$ -	-	\$ 78,433	\$ -	-
		The same ultimate parent company	117,458	4.21	-	-	87,370	-	-
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	848,945	2.12	-	-	101,963	-	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd. YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	107,171	1.32	-	-	21,539	-	-
		The same ultimate parent company	130,591	1.67	-	-	34,372	-	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	1,518,661	2.31	-	-	242,945	-	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	199,001	3.52	-	-	3,276	-	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	170,123	1.98	-	-	107,956	-	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	149,022	2.91	-	-	102,059	-	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	167,854	2.77	-	-	30,054	-	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	286,182	1.98	-	-	30,338	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	160,899	3.65	-	-	52,937	-	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	239,370	8.71	-	-	239,370	-	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	112,982	2.46	-	-	28,363	-	-

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

## YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 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	57.80	\$ 8,712,762	\$ (728,060)	\$ (422,753)	Notes 1, 3 and 4
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	71,687	71,687	50,968,248	48.00	2,815,379	(4,515)	(1,815)	Notes 1, 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	59.10	3,217,715	638,006	377,375	Notes 1, 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.70	5,476,623	6,575,804	769,632	Note 4
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	6,451,806	6,451,806	410,150,000	100.00	7,180,743	340,200	341,158	Notes 1, 3 and 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.00	14,907,909	(416,950)	(416,950)	Notes 1, 3 and 4
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.00	8,016,971	298,277	298,277	Notes 1 and 3
	China Color Printing Co., Ltd.	New Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.70	448,031	(11,925)	(5,922)	Notes 1 and 3
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	607,641	607,641	70,000,000	100.00	480,102	(22,643)	(21,134)	Notes 1 and 3
	YFY Development Corp.	Taipei, Taiwan	Real estate investment and development	2,311,115	2,311,115	223,300,000	100.00	5,436,713	339,392	339,392	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.00	52,359	15,920	15,920	Notes 1 and 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.90	238,059	(14,983)	(2,805)	Notes 1 and 3
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	192,358,000	100.00	3,838,945	152,689	152,689	Notes 1, 3 and 4
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.00	49,341	(352)	(352)	Notes 1 and 3
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.00	70,752	(326)	(326)	Notes 1 and 3
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.90	72,439	5,483	2,793	Notes 1 and 3
	Fidelis IT Solutions Co., Ltd.	Taipei, Taiwan	1. Provides services in information software and information processing. 2. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.00	90,928	16,281	16,281	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	Note 8
	Ensilience Co., Ltd.	Taipei, Taiwan	Renewable energy self-use power generation equipment industry, energy technology service industry	150,000	150,000	15,000,000	100.00	139,088	(10,905)	(10,905)	Notes 1 and 3
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.00	35,004	1,876	1,876	Notes 1 and 3
YFY International B.V.	Hwa Fong Paper (Hong Kong) Co., Ltd.	Hong Kong, China	Sale and print of paper merchandise	US\$ 13,520 thousand	US\$ 13,520 thousand	116,000,000	100.00	US\$ 959 thousand	US\$ (120) thousand	US\$ (120) thousand	Notes 1 and 3
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US\$ 90 thousand	US\$ 90 thousand	90,000	60.00	US\$ 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	100.00	US\$ 128,676 thousand	US\$ (22,884) thousand	US\$ (22,884) 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	100.00	US\$ 66,713 thousand	US\$ 6,514 thousand	US\$ 6,514 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	70.00	US\$ 20,160 thousand	US\$ 1,666 thousand	US\$ 1,166 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	-	100.00	US\$ 26,760 thousand	US\$ 1,487 thousand	US\$ 1,487 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	-	100.00	US\$ 2,021 thousand	US\$ 73 thousand	US\$ 73 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	-	100.00	US\$ 10,915 thousand	US\$ 1,031 thousand	US\$ 1,031 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	-	100.00	US\$ 51,342 thousand	US\$ 5,696 thousand	US\$ 5,696 thousand	Notes 1 and 3
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US\$ 4,500 thousand	US\$ 4,500 thousand	4,500,000	24.00	US\$ 2,851 thousand	US\$ (869) thousand	US\$ (209) thousand	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	-	100.00	VND 75,862,685 thousand	VND (8,202,498) thousand	VND (8,202,498) 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	-	100.00	VND 605,215,301 thousand	VND 65,182,597 thousand	VND 65,182,597 thousand	Notes 1 and 3
	YFY Packaging (Quang Ngai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 4,000 thousand	-	-	100.00	VND 94,120,000 thousand	-	-	Notes 1, 3 and 5
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.00	US\$ 5,393 thousand	US\$ 4,340 thousand	US\$ 4,340 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.00	US\$ 6,901 thousand	US\$ (1,010) thousand	US\$ (1,010) thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	59.00	US\$ 6,284 thousand	US\$ 1,324 thousand	US\$ 780 thousand	Notes 1 and 3
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.00	US\$ 626 thousand	US\$ (537) thousand	US\$ (537) thousand	Notes 1 and 3
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.00	US\$ 2,474 thousand	US\$ 959 thousand	US\$ 949 thousand	Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Jupiter US, Inc.	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.00	US\$ 22 thousand	US\$ 777 thousand	US\$ 8 thousand	Note 3
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	-	-	2	0.01	-	US\$ (91) thousand	-	Notes 1, 3 and 7
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.00	-	US\$ (3,198) thousand	US\$ (32) thousand	Notes 2 and 3
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.00	US\$ 538 thousand	US\$ 350 thousand	US\$ 122 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.00	US\$ 131 thousand	US\$ 41 thousand	US\$ 14 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.00	US\$ 25 thousand	US\$ 959 thousand	US\$ 10 thousand	Note 3
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.00	-	US\$ (3,198) thousand	US\$ (3,166) thousand	Notes 1, 2 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.00	US\$ 2,210 thousand	US\$ 777 thousand	US\$ 769 thousand	Notes 1 and 3
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.00	US\$ 649 thousand	US\$ 510 thousand	US\$ 510 thousand	Notes 1 and 3
	Winshine Jupiter Co., Ltd.	Thailand	Manufacture and sale of packaging materials	THB 10,000 thousand	-	100,000	20.00	US\$ 300 thousand	-	-	-
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	THB 4,523 thousand	-	904,540	99.99	US\$ 36 thousand	US\$ (91) thousand	US\$ (91) thousand	Notes 1, 3 and 7
	Jupiter Prestige Group Holdings Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.00	US\$ 4,335 thousand	US\$ 337 thousand	US\$ 337 thousand	Notes 1 and 3
	Jupiter Prestige Group North America Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.00	US\$ 1,581 thousand	US\$ 315 thousand	US\$ 315 thousand	Notes 1 and 3
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.00	US\$ 463 thousand	US\$ 62 thousand	US\$ 62 thousand	Notes 1 and 3
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousand	825	82.50	US\$ 715 thousand	US\$ 452 thousand	US\$ 373 thousand	Notes 1 and 3
	Foster and Baylis (Prestige) Limited	United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US\$ 405 thousand	US\$ 173 thousand	US\$ 88 thousand	Notes 1 and 3
	Jupiter Prestige Group Europe Limited	Hong Kong, China	Graphic design	-	-	100	100.00	US\$ 2,691 thousand	US\$ 54 thousand	US\$ 54 thousand	Notes 1 and 3
	Jupiter Prestige Group North America Inc.	USA	Brand Design	US\$ 66 thousand	US\$ 66 thousand	-	80.00	US\$ 393 thousand	US\$ 214 thousand	US\$ 171 thousand	Notes 1 and 3
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.00	US\$ 131 thousand	US\$ 25 thousand	US\$ 25 thousand	Notes 1 and 3
	Opal BPM Consulting Limited	United Kingdom	Consulting services of workflow system coding	GBP 1 thousand	GBP 1 thousand	1,000	100.00	US\$ 1 thousand	-	-	Notes 1 and 3
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.80	413,994	61,374	42,780	Notes 1 and 3
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,726,617	2,726,617	81,365,601	100.00	2,847,974	238,047	238,047	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\$ 100,161 thousand	US\$ 10,188 thousand	US\$ 6,534 thousand	Notes 1, 3 and 4
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Cayman Islands	Investment and holding	US\$ 16,862 thousand	US\$ 16,862 thousand	50,997,606	78.50	US\$ 28,003 thousand	US\$ (1,166) thousand	US\$ (924) thousand	Notes 1 and 3
	YFY RFID Technologies Co., Ltd.	British Virgin Islands	Investment and holding	US\$ 5,330 thousand	US\$ 5,330 thousand	5,330,000	100.00	US\$ 355 thousand	US\$ 2 thousand	US\$ 2 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	100.00	RMB 970,279 thousand	RMB 63,393 thousand	RMB 63,393 thousand	Notes 1, 3 and 4
	Arizon Corporation	USA	Product distribution and technical consulting services	-	-	-	100.00	-	-	-	Notes 1, 3, 4 and 9
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	100.00	RMB 97,353 thousand	RMB (7,363) thousand	RMB (8,697) thousand	Notes 1, 3 and 4
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.00	RMB 1,522 thousand	RMB 522 thousand	RMB 276 thousand	Notes 1, 3 and 4
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Taipei, Taiwan	Sale and design of RFID (radio frequency identification) products	US\$ 1,187 thousand	US\$ 1,187 thousand	2,500,001	100.00	US\$ 146 thousand	-	-	Notes 1 and 3
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,845,458	3,845,458	150,013,000	100.00	3,297,281	(6,223)	(6,223)	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.00	254,650	31,135	31,240	Notes 1 and 3
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.00	76,408	21,521	18,177	Notes 1 and 3
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.00	-	-	-	Notes 1 and 3
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.00	-	-	-	Notes 1 and 3
	Livebricks Inc.	Taipei, Taiwan	Information processing services	1,879	-	200,002	100.00	9,264	7,345	7,385	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	100.00	12,147	496	496	Notes 1, 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Development Corp.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	\$ 15,206	\$ 15,206	1,181,633	0.10	\$ 16,288	\$ (728,060)	\$ (798)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	1.90	104,600	638,006	12,268	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.00	1,011,738	6,575,804	134,504	Note 4
YFY Development Corp.	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	Note 8
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,076	315,105	441	Notes 3 and 4
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.00	124,063	1,515	1,515	Notes 1 and 3
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.00	-	(35,589)	-	-
	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	95.00	38,127	(9,832)	(9,340)	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	0.70	106,886	(728,060)	(5,235)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	281,907	281,907	17,386,815	6.50	354,079	638,006	41,526	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.70	512,906	6,575,804	45,392	Note 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.10	52,060	(14,983)	(620)	Note 3
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.00	215,373	(9,117)	(9,117)	Notes 1 and 3
	Livebricks Inc.	Taipei, Taiwan	Information processing services	-	2,000	-	-	-	7,345	(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	Note 8
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	106	5,483	4	Note 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	205	61,374	20	Note 3
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,076	315,105	441	Notes 3 and 4
San Ying Enterprise Co., Ltd.	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	5.00	2,007	(9,832)	(492)	Note 3
Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	329,000	329,000	20,000,000	1.80	725,444	6,575,804	115,325	Note 4
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.00	5,514,924	101,953	112,847	Notes 1, 3 and 4
CHP International (BVI) Corporation	Hwa Fong Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	36,000	36,000	6,600,000	100.00	107,587	7,993	8,223	Notes 1 and 3
	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.00	US\$ 187 thousand	US\$ (84) thousand	US\$ (84) thousand	Notes 1 and 3
Hwa Fong Investment Co., Ltd.	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	63,571	55,659	9,027,682	8.70	109,726	(14,983)	(1,156)	Note 3
	Genovella Renewables Inc.	Hualien, Taiwan	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	5,000	5,000	-	100.00	24,441	2,645	2,645	Notes 1 and 3

Note 1:   Subsidiary.

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

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

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

Note 5:   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.

Note 7:   YFY Jupiter (Thailand) Co., Ltd has been included in the consolidated financial statements since June 2023.

Note 8:   YFY Inc., YFY Development Corp. and YFY Paradigm Investment Co., Ltd. disposed of all of its investments in Taiwan Genome Sciences, Inc., which has been completed in February 2023.

Note 9:   Arizon Corporation has been included in the consolidated financial statements since August 2023.

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 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 September 30, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 161,350 (US\$ 5,000 thousand)	a.(a)	\$ 48,405 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 48,405 (US\$ 1,500 thousand)	\$ (43,897)	100.0	\$ (43,897) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	354,970 (US\$ 11,000 thousand)	a.(b)	225,890 (US\$ 7,000 thousand)	-	-	225,890 (US\$ 7,000 thousand)	(142)	100.0	(142) (Note 2)	418,424	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	225,890 (US\$ 7,000 thousand)	a.(b)	225,890 (US\$ 7,000 thousand)	-	-	225,890 (US\$ 7,000 thousand)	(14,251)	100.0	(14,251) (Note 2)	234,802	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	258,160 (US\$ 8,000 thousand)	a.(b)	258,160 (US\$ 8,000 thousand)	-	-	258,160 (US\$ 8,000 thousand)	53,722	100.0	53,722 (Note 2)	417,528	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	193,620 (US\$ 6,000 thousand)	a.(b)	64,540 (US\$ 2,000 thousand)	-	-	64,540 (US\$ 2,000 thousand)	(6,825)	100.0	(6,825) (Note 2)	250,334	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	258,160 (US\$ 8,000 thousand)	a.(b)	261,807 (US\$ 8,113 thousand)	-	-	261,807 (US\$ 8,113 thousand)	36,691	100.0	36,691 (Note 2)	353,670	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	258,160 (US\$ 8,000 thousand)	a.(b)	258,160 (US\$ 8,000 thousand)	-	-	258,160 (US\$ 8,000 thousand)	39,460	100.0	39,460 (Note 2)	418,403	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	321,377 (US\$ 9,959 thousand)	a.(n)	290,430 (US\$ 9,000 thousand)	-	-	290,430 (US\$ 9,000 thousand)	52,701	100.0	52,701 (Note 2)	465,979	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	306,565 (US\$ 9,500 thousand)	a.(b)	242,025 (US\$ 7,500 thousand)	-	-	242,025 (US\$ 7,500 thousand)	21,655	93.8	20,301 (Note 2)	355,389	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	209,755 (US\$ 6,500 thousand)	a.(b)	209,755 (US\$ 6,500 thousand)	-	-	209,755 (US\$ 6,500 thousand)	(8,592)	100.0	(8,592) (Note 2)	240,091	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	193,620 (US\$ 6,000 thousand)	a.(b)	154,896 (US\$ 4,800 thousand)	-	-	154,896 (US\$ 4,800 thousand)	51,744	100.0	51,744 (Note 2)	380,742	-

(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 September 30, 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 September 30, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 161,350 (US\$ 5,000 thousand)	a.(a)	\$ 161,350 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 161,350 (US\$ 5,000 thousand)	\$ (24,954)	100.0	\$ (24,954) (Note 2)	\$ 61,034	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	10,425,533 (US\$ 323,072 thousand)	a.(a)	2,807,490 (US\$ 87,000 thousand)	-	-	2,807,490 (US\$ 87,000 thousand)	(638,825)	100.0	(638,825) (Note 2)	4,381,827	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	10,477,908 (US\$ 324,695 thousand)	a.(b)	7,906,150 (US\$ 245,000 thousand)	-	-	7,906,150 (US\$ 245,000 thousand)	(865,877)	100.0	(865,877) (Note 2)	365,982	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	480,823 (US\$ 14,900 thousand)	a.(c)	451,974 (US\$ 14,006 thousand)	-	-	451,974 (US\$ 14,006 thousand)	3,709	94.0	3,487 (Note 6)	352,371	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	258,160 (US\$ 8,000 thousand)	a.(c)	258,160 (US\$ 8,000 thousand)	-	-	258,160 (US\$ 8,000 thousand)	1,683	100.0	1,683 (Note 6)	109,038	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	873,247 (RMB 194,290 thousand)	a.(e)	819,400 (US\$ 25,392 thousand)	-	-	819,400 (US\$ 25,392 thousand)	279,431	61.7	181,020 (Note 2)	2,668,466	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	35,956 (RMB 8,000 thousand)	a.(f)	-	-	-	-	159	61.7	92 (Note 2)	39,415	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	11,295 (US\$ 350 thousand)	a.(g)	-	-	-	-	84,894	78.5	67,735 (Note 6)	106,918	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,989 (RMB 2,000 thousand)	a.(h)	-	-	-	-	19,077	78.5	15,102 (Note 6)	46,685	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	22,473 (RMB 5,000 thousand)	a.(h)	-	-	-	-	9,353	78.5	7,548 (Note 6)	33,920	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,742 (RMB 1,500 thousand)	a.(h)	-	-	-	-	(423)	27.5	(113) (Note 6)	3,034	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	(459)	27.5	(123) (Note 6)	67	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	8,989 (RMB 2,000 thousand)	a.(h)	-	-	-	-	(6,650)	27.5	(1,777) (Note 6)	3,710	-
YFY Investment Co., Ltd.	Investment and holding and sale of paper	3,711,050 (US\$ 115,000 thousand)	a.(i)	3,711,050 (US\$ 115,000 thousand)	-	-	3,711,050 (US\$ 115,000 thousand)	(48,490)	67.6	(32,770) (Note 2)	1,443,166	-

(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 September 30, 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 September 30, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outward	Inward						
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	\$ 968,100 (US\$ 30,000 thousand)	a.(j)	\$ 968,100 (US\$ 30,000 thousand)	\$ -	\$ -	\$ 968,100 (US\$ 30,000 thousand)	\$ 10,670	67.6	\$ 7,211 (Note 6)	\$ 209,159	\$ -
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	968,100 (US\$ 30,000 thousand)	a.(j)	968,100 (US\$ 30,000 thousand)	-	-	968,100 (US\$ 30,000 thousand)	57,023	67.6	38,537 (Note 6)	897,551	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,763,280 (US\$ 85,630 thousand)	a.(k)	709,940 (US\$ 22,000 thousand)	-	-	709,940 (US\$ 22,000 thousand)	3,357	75.2	2,523 (Note 2)	3,609,955	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	706,068 (US\$ 21,880 thousand)	a.(l)	238,153 (US\$ 7,380 thousand)	-	-	238,153 (US\$ 7,380 thousand)	26,733	75.2	20,090 (Note 6)	2,334,384	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	121,353 (RMB 27,000 thousand)	a.(o)	-	-	-	-	-	50.4	- (Note 6)	61,103	-
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	8,989 (RMB 2,000 thousand)	a.(d)	-	-	-	-	4,108	75.2	3,087 (Note 6)	15,427	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	14,383 (RMB 3,200 thousand)	a.(d)	-	-	-	-	(9,140)	75.2	(6,869) (Note 6)	98,430	-
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	224,728 (RMB 50,000 thousand)	a.(m)	224,728 (RMB 50,000 thousand)	-	-	224,728 (RMB 50,000 thousand)	1,340	-	1,340 (Note 8)	-	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 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
\$17,662,082	\$22,507,333	\$46,302,836

(Continued)

- Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$30.928111 or RMB1=NT\$4.413391, the rest were translated at exchange rates of US\$1=NT\$32.27 or RMB1=NT\$4.494554 as of September 30, 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 (Cayman Islands) Co., Ltd. (originally named as 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 International B.V. (d) Guangdong Dingfung Pulp & Paper Co., Ltd (e) YFY RFID Co. Limited (f) Arizon RFID Technology Co., Ltd. (g) Mobius 105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Co., Ltd. (j) YFY Investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) YFY Capital Holdings Corp. (n) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (o) Zhaoqing Dingfung Forestry Co., Ltd.
- Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of \$3,802,471 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.
- Note 8: YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.
2. Investment in mainland China's significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6, 7 and 10.

(Concluded)

**TABLE 10**

**YFY INC. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales	\$ 605,281	By market price	1.1
				Accounts receivable	145,966	3 months after transaction month	0.1
		Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	257,860	By market price	0.5
		YFY Packaging (Yangzhou) Investment Co., Ltd.	The same ultimate parent company	Sales	382,995	By market price	0.7
				Accounts receivable	117,458	In agreed terms	0.1
2	Chung Hwa Pulp Corporation	YFY Development Corp.	The same ultimate parent company	Sales	457,184	By market price	0.8
		Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	Sales	1,255,681	By market price	2.3
				Accounts receivable	848,945	5 months after transaction month	0.6
		Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	Sales	430,893	By market price	0.8
		Union Paper Corp.	The same ultimate parent company	Sales	566,479	By market price	1.0
3	Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	155,323	By market price	0.3
4	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	565,004	By market price	1.0
5	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	1,332,824	By market price	2.5
6	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	1,721,052	By market price	3.2
				Accounts receivable	239,370	In agreed terms	0.2
		YFY Family Care (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	232,703	By market price	0.4
7	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	183,527	By market price	0.3
8	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Sales	2,498,618	By market price	4.6
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Accounts receivable	1,518,661	In agreed terms	1.1
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	Sales	633,350	By market price	1.2
				Accounts receivable	199,001	In agreed terms	0.1
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	Sales	354,846	By market price	0.7
				Accounts receivable	167,854	In agreed terms	0.1
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Subsidiary	Sales	247,321	By market price	0.5
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	Sales	305,946	By market price	0.6
				Accounts receivable	170,123	In agreed terms	0.1
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	Sales	279,683	By market price	0.5
				Accounts receivable	286,182	In agreed terms	0.2
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	Sales	293,519	By market price	0.5
				Accounts receivable	149,022	In agreed terms	0.1

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
		YFY Paper Enterprise (Shanghai) Co., Ltd. YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary Subsidiary	Sales Sales	\$ 126,961 162,664	By market price By market price	0.2 0.3
9	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales Accounts receivable	427,625 160,899	By market price In agreed terms	0.8 0.1
10	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Sales	180,825	By market price	0.3
11	YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	168,241	By market price	0.3
12	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.  YFY Paper Enterprise (Shanghai) Co., Ltd.  YFY Paper Enterprise (Suzhou) 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	Sales Accounts receivable Sales Accounts receivable Sales Sales	270,369 130,591 161,512 107,171 240,539 110,925	By market price In agreed terms By market price In agreed terms By market price By market price	0.5 0.1 0.3 0.1 0.4 0.2
13	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Sales Accounts receivable	227,795 112,982	By market price In agreed terms	0.4 0.1
14	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Subsidiary	Sales	142,145	By market price	0.3
15	YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	The same ultimate parent company	Sales	128,416	By market price	0.2

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

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

(Concluded)

**TABLE 11****YFY INC.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	130,065,028	7.83
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.