

YFY Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 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 June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, 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 15 and 16 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 June 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$23,983,467 thousand and NT\$21,770,678 thousand, respectively, representing both of 15%, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$7,152,203 thousand and NT\$6,349,372 thousand, respectively, representing both of 9%, of the consolidated total liabilities; for the three and six months ended June 30, 2024 and 2023, the amounts of combined comprehensive income of these non-significant subsidiaries were a gain of NT\$217,174 thousand, a loss of NT\$53,713 thousand, a gain of NT\$577,711 thousand, and a gain of NT\$35,706 thousand, respectively, representing 4%, 5%, 5% and 6%, respectively, of the consolidated total comprehensive income. As of June 30, 2024 and 2023, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$139,999 thousand and NT\$119,100 thousand, respectively; for the three and six months ended June 30, 2024 and 2023, the amounts of comprehensive income (loss) of investments accounted for using the equity method were a loss of NT\$7,120 thousand, a gain of NT\$2,747 thousand, a loss of NT\$6,411 thousand and a loss of NT\$4,006 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 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 June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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 Hui-Min Huang and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 13, 2024

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	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 10,650,198	7	\$ 8,917,405	6	\$ 9,472,277	7
Current financial assets at fair value through profit or loss (Note 7)	957,535	1	1,109,842	1	1,226,419	1
Current financial assets at fair value through other comprehensive income (Notes 8 and 31)	13,028,723	8	10,393,391	7	9,007,467	6
Current financial assets at amortized cost (Note 9)	1,459,842	1	2,458,360	2	3,266,281	2
Notes receivable, net (Notes 12, 23 and 32)	2,695,608	2	2,279,143	2	2,755,789	2
Accounts receivable, net (Notes 12 and 23)	12,538,305	8	11,655,418	8	11,073,039	8
Accounts receivable due from related parties, net (Notes 23 and 31)	62,105	-	113,464	-	71,042	-
Current inventories (Note 13)	12,358,356	8	11,489,250	8	12,056,823	9
Current biological assets (Note 14)	3,613,275	2	3,339,318	2	3,234,538	2
Prepayments	1,906,562	1	1,700,401	1	2,068,526	2
Other current financial assets (Note 32)	606,671	-	457,639	-	465,420	-
Other current assets, others (Note 31)	1,991,899	1	1,118,335	1	1,926,634	1
Total current assets	<u>61,869,079</u>	<u>39</u>	<u>55,031,966</u>	<u>38</u>	<u>56,624,255</u>	<u>40</u>
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through profit or loss (Note 7)	124,781	-	118,492	-	-	-
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 31)	25,199,108	16	20,215,348	14	18,873,550	13
Non-current financial assets at amortized cost (Note 9)	4,122,651	3	2,737,304	2	1,622,054	1
Investments accounted for using equity method (Note 16)	8,664,722	5	8,299,432	6	7,340,088	5
Property, plant and equipment (Notes 17 and 32)	48,868,810	31	48,167,524	33	47,977,820	34
Right-of-use assets (Notes 18 and 32)	2,265,010	1	2,260,380	2	2,200,365	2
Investment property, net (Note 19)	4,107,414	3	4,090,086	3	3,932,290	3
Goodwill	548,415	-	520,261	-	528,394	-
Deferred tax assets	548,850	-	493,434	-	310,511	-
Prepayments for business facilities (Notes 17 and 19)	1,382,094	1	1,040,934	1	1,221,461	1
Net defined benefit asset, non-current (Note 21)	1,092,617	1	1,045,848	1	626,487	1
Other non-current assets, others (Note 32)	355,776	-	371,605	-	318,820	-
Total non-current assets	<u>97,280,248</u>	<u>61</u>	<u>89,360,648</u>	<u>62</u>	<u>84,951,840</u>	<u>60</u>
TOTAL ASSETS	<u>\$ 159,149,327</u>	<u>100</u>	<u>\$ 144,392,614</u>	<u>100</u>	<u>\$ 141,576,095</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 20 and 32)	\$ 15,315,061	10	\$ 9,887,216	7	\$ 11,869,068	9
Short-term notes and bills payable (Note 20)	17,634,324	11	15,744,335	11	16,841,672	12
Current financial liabilities at fair value through profit or loss (Note 7)	7,396	-	28,414	-	19,390	-
Current contract liabilities (Note 23)	480,245	-	391,775	-	447,825	-
Notes and accounts payable	11,237,520	7	9,682,757	7	10,068,119	7
Accounts payable to related parties (Note 31)	53,594	-	53,991	-	65,345	-
Other payables, others (Note 17)	6,058,068	4	4,346,946	3	5,616,653	4
Current tax liabilities	435,445	-	416,806	-	365,253	-
Current lease liabilities (Note 18)	294,781	-	273,385	-	218,679	-
Other current liabilities, others (Note 11)	1,181,635	1	1,172,732	1	1,241,856	1
Total current liabilities	<u>52,698,069</u>	<u>33</u>	<u>41,998,357</u>	<u>29</u>	<u>46,753,860</u>	<u>33</u>
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Notes 20 and 32)	18,940,073	12	23,652,786	16	21,019,364	15
Deferred tax liabilities	3,684,366	2	3,656,140	3	3,568,358	3
Non-current lease liabilities (Note 18)	531,050	1	578,820	1	577,133	-
Net defined benefit liability, non-current (Note 21)	14,575	-	15,193	-	6,017	-
Other non-current liabilities, others	453,892	-	420,110	-	413,405	-
Total non-current liabilities	<u>23,623,956</u>	<u>15</u>	<u>28,323,049</u>	<u>20</u>	<u>25,584,277</u>	<u>18</u>
Total liabilities	<u>76,322,025</u>	<u>48</u>	<u>70,321,406</u>	<u>49</u>	<u>72,338,137</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 22 and 27)						
Share capital	16,603,715	11	16,603,715	11	16,603,715	12
Capital surplus	3,777,083	2	3,760,772	3	3,726,041	2
Retained earnings	22,198,533	14	23,192,955	16	21,255,440	15
Other equity interest	23,933,523	15	14,915,141	10	12,502,914	9
Total equity attributable to owners of parent	<u>66,512,854</u>	<u>42</u>	<u>58,472,583</u>	<u>40</u>	<u>54,088,110</u>	<u>38</u>
NON-CONTROLLING INTERESTS	<u>16,314,448</u>	<u>10</u>	<u>15,598,625</u>	<u>11</u>	<u>15,149,848</u>	<u>11</u>
Total equity	<u>82,827,302</u>	<u>52</u>	<u>74,071,208</u>	<u>51</u>	<u>69,237,958</u>	<u>49</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 159,149,327</u>	<u>100</u>	<u>\$ 144,392,614</u>	<u>100</u>	<u>\$ 141,576,095</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 13, 2024)

YFY INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)								
Net sales revenue	\$ 16,700,337	85	\$ 16,084,398	89	\$ 32,146,884	85	\$ 31,627,488	89
Other operating revenue, net	<u>3,027,875</u>	<u>15</u>	<u>2,039,773</u>	<u>11</u>	<u>5,503,477</u>	<u>15</u>	<u>4,028,083</u>	<u>11</u>
Total operating revenue	<u>19,728,212</u>	<u>100</u>	<u>18,124,171</u>	<u>100</u>	<u>37,650,361</u>	<u>100</u>	<u>35,655,571</u>	<u>100</u>
OPERATING COSTS (Notes 13, 24 and 31)								
Cost of sales	14,922,226	76	14,338,400	79	28,249,156	75	28,207,693	79
Other operating costs	<u>2,268,801</u>	<u>11</u>	<u>1,527,658</u>	<u>9</u>	<u>4,164,632</u>	<u>11</u>	<u>3,043,676</u>	<u>9</u>
Total operating costs	<u>17,191,027</u>	<u>87</u>	<u>15,866,058</u>	<u>88</u>	<u>32,413,788</u>	<u>86</u>	<u>31,251,369</u>	<u>88</u>
GAINS ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 14)	<u>1,345</u>	<u>-</u>	<u>322</u>	<u>-</u>	<u>1,671</u>	<u>-</u>	<u>8</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>2,538,530</u>	<u>13</u>	<u>2,258,435</u>	<u>12</u>	<u>5,238,244</u>	<u>14</u>	<u>4,404,210</u>	<u>12</u>
OPERATING EXPENSES (Notes 24 and 31)								
Selling expenses	1,458,305	7	1,360,808	7	2,854,343	7	2,628,269	7
Administrative expenses	1,011,333	5	956,469	5	1,991,567	5	1,884,518	5
Research and development expenses	<u>160,636</u>	<u>1</u>	<u>132,413</u>	<u>1</u>	<u>291,015</u>	<u>1</u>	<u>260,010</u>	<u>1</u>
Total operating expenses	<u>2,630,274</u>	<u>13</u>	<u>2,449,690</u>	<u>13</u>	<u>5,136,925</u>	<u>13</u>	<u>4,772,797</u>	<u>13</u>
NET OPERATING INCOME (LOSS)	<u>(91,744)</u>	<u>-</u>	<u>(191,255)</u>	<u>(1)</u>	<u>101,319</u>	<u>1</u>	<u>(368,587)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs, net (Notes 4 and 24)	(264,726)	(1)	(248,634)	(1)	(519,866)	(1)	(546,399)	(2)
Share of profit of associates accounted for using equity method, net (Notes 4 and 16)	318,255	2	394,232	2	533,042	1	671,687	2
Interest income	110,961	-	80,801	-	217,631	-	195,487	1
Rent income (Notes 19 and 31)	23,368	-	16,531	-	46,739	-	32,835	-
Dividend income	35,463	-	56,545	-	35,463	-	56,545	-
Other income, others	118,671	1	142,991	1	262,075	1	249,940	1
Gains on disposals of investment property	-	-	58,344	-	-	-	58,970	-
Foreign exchange gains (losses) (Note 35)	3,180	-	(428,908)	(2)	101,120	-	(306,090)	(1)
Gains on financial assets or liabilities at fair value through profit or loss (Note 4)	51,174	-	475,350	3	217,721	1	392,775	1
Miscellaneous disbursements	(26,464)	-	(7,086)	-	(36,828)	-	(17,766)	-
Gains (losses) on disposals of property, plant and equipment	<u>(6,231)</u>	<u>-</u>	<u>(4,127)</u>	<u>-</u>	<u>(33,047)</u>	<u>-</u>	<u>3,581</u>	<u>-</u>
Total non-operating income and expenses	<u>363,651</u>	<u>2</u>	<u>536,039</u>	<u>3</u>	<u>824,050</u>	<u>2</u>	<u>791,565</u>	<u>2</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 271,907	2	\$ 344,784	2	\$ 925,369	3	\$ 422,978	1
TAX EXPENSE (Notes 4 and 25)	(144,558)	(1)	(176,996)	(1)	(327,778)	(1)	(263,089)	(1)
PROFIT FROM CONTINUING OPERATIONS	<u>127,349</u>	<u>1</u>	<u>167,788</u>	<u>1</u>	<u>597,591</u>	<u>2</u>	<u>159,889</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 22)								
Components of other comprehensive income that will not be reclassified to profit or loss:								
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	4,921,775	25	959,716	5	7,534,936	20	538,722	2
Share of other comprehensive income of associates accounted for using equity method	212,371	1	55,879	-	457,224	1	109,335	-
Components of other comprehensive income that will be reclassified to profit or loss:								
Exchange differences on translation	372,871	2	(89,848)	-	1,825,623	5	(99,055)	-
Losses on hedging instruments	(3,667)	-	-	-	(6,759)	-	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>23,597</u>	<u>-</u>	<u>19,554</u>	<u>-</u>	<u>183,926</u>	<u>-</u>	<u>(68,424)</u>	<u>-</u>
Other comprehensive income, net	<u>5,526,947</u>	<u>28</u>	<u>945,301</u>	<u>5</u>	<u>9,994,950</u>	<u>26</u>	<u>480,578</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,654,296</u>	<u>29</u>	<u>\$ 1,113,089</u>	<u>6</u>	<u>\$ 10,592,541</u>	<u>28</u>	<u>\$ 640,467</u>	<u>2</u>
PROFIT (LOSS), ATTRIBUTABLE TO:								
Profit, attributable to owners of parent	\$ 12,862	-	\$ 190,347	1	\$ 291,890	1	\$ 193,184	-
Profit (loss), attributable to non-controlling interests	<u>114,487</u>	<u>1</u>	<u>(22,559)</u>	<u>-</u>	<u>305,701</u>	<u>1</u>	<u>(33,295)</u>	<u>-</u>
	<u>\$ 127,349</u>	<u>1</u>	<u>\$ 167,788</u>	<u>1</u>	<u>\$ 597,591</u>	<u>2</u>	<u>\$ 159,889</u>	<u>-</u>
COMPREHENSIVE INCOME (LOSS), ATTRIBUTABLE TO:								
Comprehensive income, attributable to owners of parent	\$ 5,198,704	27	\$ 1,138,977	6	\$ 9,518,294	25	\$ 663,423	2
Comprehensive income (loss), attributable to non-controlling interests	<u>455,592</u>	<u>2</u>	<u>(25,888)</u>	<u>-</u>	<u>1,074,247</u>	<u>3</u>	<u>(22,956)</u>	<u>-</u>
	<u>\$ 5,654,296</u>	<u>29</u>	<u>\$ 1,113,089</u>	<u>6</u>	<u>\$ 10,592,541</u>	<u>28</u>	<u>\$ 640,467</u>	<u>2</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 26)								
Basic earnings per share	<u>\$0.01</u>		<u>\$0.12</u>		<u>\$0.18</u>		<u>\$0.12</u>	
Diluted earnings per share	<u>\$0.01</u>		<u>\$0.12</u>		<u>\$0.18</u>		<u>\$0.12</u>	

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

(With Deloitte & Touche review report dated August 13, 2024)

(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							Retained Earnings					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	Legal Reserve	Special Reserve	Unappropriated 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
	Shares (In Thousands)	Amount								Total	Total						
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	-	-	-	-	-	-	-	211,224	-	(211,224)	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	(1,494,334)	(1,494,334)	-	-	-	(1,494,334)	-	(1,494,334)
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	-	-	(2,483)	2,483	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(557,974)	(557,974)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	8,857	8,857	-	-	(1,701)	(1,701)	-	-	-	7,156	336	7,492
Other changes in capital surplus	-	-	-	-	-	(14)	(14)	-	-	-	-	-	-	-	(14)	-	(14)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	4,000	-	-	-	4,000	-	-	-	-	604	-	-	4,604	13,192	17,796
Changes in ownership interests in subsidiaries	-	-	-	254,086	-	-	254,086	-	-	-	-	16,785	-	-	270,871	760,261	1,031,132
Profit (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	-	-	193,184	193,184	-	-	-	193,184	(33,295)	159,889
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	-	-	-	-	(103,510)	573,749	-	470,239	10,339	480,578
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	-	-	193,184	193,184	(103,510)	573,749	-	663,423	(22,956)	640,467
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	21,821	21,821	-	(21,821)	-	-	-	-
BALANCE AT JUNE 30, 2023	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 1,871,508</u>	<u>\$ 1,306,751</u>	<u>\$ 293,124</u>	<u>\$ 254,658</u>	<u>\$ 3,726,041</u>	<u>\$ 5,106,196</u>	<u>\$ 3,992,537</u>	<u>\$ 12,156,707</u>	<u>\$ 21,255,440</u>	<u>\$ (443,295)</u>	<u>\$ 12,946,209</u>	<u>\$ -</u>	<u>\$ 54,088,110</u>	<u>\$ 15,149,848</u>	<u>\$ 69,237,958</u>
BALANCE AT JANUARY 1, 2024	1,660,372	\$ 16,603,715	\$ 1,871,508	\$ 1,326,607	\$ 293,124	\$ 269,533	\$ 3,760,772	\$ 5,106,196	\$ 3,992,537	\$ 14,094,222	\$ 23,192,955	\$ (659,626)	\$ 15,578,302	\$ (3,535)	\$ 58,472,583	\$ 15,598,625	\$ 74,071,208
Appropriation of 2023 earnings	-	-	-	-	-	-	-	215,331	-	(215,331)	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	(1,494,334)	(1,494,334)	-	-	-	(1,494,334)	-	(1,494,334)
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(373,427)	(373,427)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	14,677	14,677	-	-	2,920	2,920	-	(2,920)	-	14,677	694	15,371
Other changes in capital surplus	-	-	-	-	-	(255)	(255)	-	-	-	-	-	-	-	(255)	-	(255)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,211	13,211
Changes in ownership interests in subsidiaries	-	-	-	1,889	-	-	1,889	-	-	-	-	-	-	-	1,889	1,098	2,987
Profit for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	291,890	291,890	-	-	-	291,890	305,701	597,591
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	-	-	1,696,742	7,533,622	(3,960)	9,226,404	768,546	9,994,950
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	291,890	291,890	1,696,742	7,533,622	(3,960)	9,518,294	1,074,247	10,592,541
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	205,102	205,102	-	(205,102)	-	-	-	-
BALANCE AT JUNE 30, 2024	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 1,871,508</u>	<u>\$ 1,328,496</u>	<u>\$ 293,124</u>	<u>\$ 283,955</u>	<u>\$ 3,777,083</u>	<u>\$ 5,321,527</u>	<u>\$ 3,992,537</u>	<u>\$ 12,884,469</u>	<u>\$ 22,198,533</u>	<u>\$ 1,037,116</u>	<u>\$ 22,903,902</u>	<u>\$ (7,495)</u>	<u>\$ 66,512,854</u>	<u>\$ 16,314,448</u>	<u>\$ 82,827,302</u>

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

(With Deloitte & Touche review report dated August 13, 2024)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 925,369	\$ 422,978
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	2,306,314	2,215,959
Expected credit loss (gain)	(1,912)	25,297
Net gain on financial assets or liabilities at fair value through profit or loss	(217,721)	(392,775)
Finance costs	519,866	546,399
Interest income	(217,631)	(195,487)
Dividend income	(35,463)	(56,545)
Share-based payments	3,092	3,155
Share of profit of associates accounted for using equity method	(533,042)	(671,687)
Loss (gain) on disposal of property, plant and equipment	33,047	(3,581)
Gain on disposal of investment properties	-	(58,970)
Loss (gain) on disposal of investments	(212)	30
Write-downs of inventories reversed	(10,484)	(24,991)
Reversal of impairment loss on non-financial assets	(7,289)	(3,219)
Unrealized foreign exchange loss (gain)	(246,697)	139,638
Gain arising from changes in fair value less costs to sell of biological assets	(1,671)	(8)
Loss (gain) from lease modification	472	(247)
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	466,622	140,039
Decrease (increase) in notes receivable, net	(304,300)	111,275
Decrease (increase) in accounts receivable, net	(471,157)	1,130,380
Decrease (increase) in accounts receivable due from related parties, net	51,359	(6,812)
Increase in current inventories	(643,780)	(122,999)
Increase in current biological assets	(102,869)	(53,812)
Decrease (increase) in prepayments	(153,383)	146,499
Decrease (increase) in other current assets, others	323,262	(197,636)
Decrease in financial liabilities held for trading	(100,173)	(83,416)
Increase (decrease) in current contract liabilities	77,520	(45,983)
Increase (decrease) in notes and accounts payable	1,257,281	(774,938)
Decrease in accounts payable to related parties	(397)	(45,525)
Decrease in other payable, others	(126,834)	(507,778)
Decrease in other current liabilities, others	(224,655)	(8,425)
Decrease in net defined benefit liability, non-current	(47,387)	(52,051)
Cash inflow generated from operations	2,517,147	1,574,764
Interest received	219,205	189,510
Dividends received	9,487	1,365

(Continued)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Interest paid	\$ (529,228)	\$ (561,870)
Income taxes paid	<u>(402,635)</u>	<u>(507,464)</u>
Net cash flows generated from operating activities	<u>1,813,976</u>	<u>696,305</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(399,857)	(1,251,478)
Proceeds from disposal of financial assets at fair value through other comprehensive income	325,435	10,829
Decrease (increase) in financial assets at amortized cost	(152,908)	39,827
Derecognition of financial liabilities for hedging	(8,123)	-
Proceeds from disposal of investments accounted for using equity method	-	10,348
Acquisition of property, plant and equipment	(2,567,475)	(1,758,556)
Proceeds from disposal of property, plant and equipment	15,723	16,378
Acquisition of use-of-right assets	-	(71,367)
Acquisition of investment properties	(9,634)	-
Proceeds from disposal of investment properties	-	64,742
Decrease (increase) in other financial assets	(119,813)	368,379
Increase in other non-current assets, others	<u>(18,366)</u>	<u>(42,299)</u>
Net cash flows used in investing activities	<u>(2,935,018)</u>	<u>(2,613,197)</u>
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Increase in current borrowings	5,380,671	3,035,199
Increase in short-term notes and bills payable	1,889,989	14,118,556
Repayments of long-term debt	(4,712,713)	(15,325,198)
Payments of lease liabilities	(154,330)	(126,493)
Increase (decrease) in other non-current liabilities, others	16,438	(15,752)
Change in non-controlling interests	8,108	981,415
Overdue dividends paid	<u>(255)</u>	<u>(14)</u>
Net cash flows generated from financing activities	<u>2,427,908</u>	<u>2,667,713</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>425,927</u>	<u>23,193</u>

(Continued)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended	
	June 30	
	2024	2023
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 1,732,793	\$ 774,014
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,917,405</u>	<u>8,698,263</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 10,650,198</u>	<u>\$ 9,472,277</u>

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

(With Deloitte & Touche review report dated August 13, 2024)

(Concluded)

YFY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 August 13, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations 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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

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

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

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

Refer to Note 15 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, 2023.

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 climate change and related government policies and regulations 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, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 13,975	\$ 16,848	\$ 20,744
Checking accounts and demand deposits	4,938,156	4,514,224	4,751,969
Cash equivalents			
Time deposits	5,337,307	4,200,091	4,315,337
Repurchase agreements collateralized by bonds	<u>360,760</u>	<u>186,242</u>	<u>384,227</u>
	<u>\$ 10,650,198</u>	<u>\$ 8,917,405</u>	<u>\$ 9,472,277</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
<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	\$ 205,104	\$ 256,218	\$ 440,738
Currency exchange contracts	-	2,207	-
Non-derivative financial assets			
Mutual funds	488,739	602,363	540,124
Hybrid financial assets			
Structured deposits	<u>263,692</u>	<u>249,054</u>	<u>245,557</u>
	<u>\$ 957,535</u>	<u>\$ 1,109,842</u>	<u>\$ 1,226,419</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL

Non-derivative financial assets

Convertible bonds	<u>\$ 124,781</u>	<u>\$ 118,492</u>	<u>\$ -</u>
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Financial liabilities at FVTPL - current

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)

Foreign exchange forward contracts	<u>\$ 7,396</u>	<u>\$ 28,414</u>	<u>\$ 19,390</u>
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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>June 30, 2024</u>			
Buy	USD:RMB	2024.07.19-2025.04.17	USD36,000
Sell	EUR:NTD	2024.07.19-2024.07.24	EUR8,000
Sell	USD:NTD	2024.07.03-2024.08.02	USD56,000
Sell	RMB:USD	2024.08.14-2025.06.17	RMB1,698,829
Sell	RMB:NTD	2024.07.15-2024.12.24	RMB263,000
<u>December 31, 2023</u>			
Buy	USD:RMB	2024.03.28-2024.09.06	USD36,000
Sell	EUR:NTD	2024.01.12	EUR4,000
Sell	RMB:NTD	2024.01.04-2024.02.20	RMB92,000
Sell	USD:NTD	2024.01.08-2024.03.29	USD29,200
Sell	RMB:USD	2024.01.17-2024.12.30	RMB1,600,522

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2023</u>			
Buy	USD:RMB	2023.07.19-2024.04.03	USD41,000
Sell	USD:NTD	2023.07.03-2023.07.27	USD42,000
Sell	RMB:USD	2023.09.06-2024.06.17	RMB1,663,661
Sell	RMB:NTD	2023.07.12-2023.07.27	RMB68,000
Sell	EUR:NTD	2023.07.13-2023.07.20	EUR5,000
(Concluded)			

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

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			

Currency exchange contracts	NTD:USD	2024.01.08-2024.03.22	USD4,000/NTD124,508
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The Group entered into currency exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Investments in equity instruments at FVTOCI - current</u>			
Domestic investments			
Listed shares	<u>\$ 13,028,723</u>	<u>\$ 10,393,391</u>	<u>\$ 9,007,467</u>
<u>Investments in equity instruments at FVTOCI - non-current</u>			
Domestic investments			
Listed shares	\$ 18,596,010	\$ 14,819,794	\$ 13,432,812
Unlisted shares	<u>6,490,448</u>	<u>5,247,382</u>	<u>5,287,241</u>
	25,086,458	20,067,176	18,720,053
Foreign investments			
Unlisted shares	<u>112,650</u>	<u>148,172</u>	<u>153,497</u>
	<u>\$ 25,199,108</u>	<u>\$ 20,215,348</u>	<u>\$ 18,873,550</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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	\$ 1,150,525	\$ 2,241,599	\$ 2,835,325
Time deposits with original maturities of more than 1 year	<u>309,317</u>	<u>216,761</u>	<u>430,956</u>
	<u>\$ 1,459,842</u>	<u>\$ 2,458,360</u>	<u>\$ 3,266,281</u>
<u>Non-current</u>			
Corporate bonds	\$ 2,665,615	\$ 1,105,630	\$ -
Time deposits with original maturities of more than 1 year	<u>1,457,036</u>	<u>1,631,674</u>	<u>1,622,054</u>
	<u>\$ 4,122,651</u>	<u>\$ 2,737,304</u>	<u>\$ 1,622,054</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 1.05%-5.27%, 0.77%-5.71% and 0.76%-5.52% as of June 30, 2024, December 31, 2023 and June 30, 2023.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 1.57%-3.99%, 1.39%-3.99% and 1.39%-3.99% as of June 30, 2024, December 31, 2023 and June 30, 2023.

The range of annual interest rates for corporate bonds in June 30, 2024 and December 31, 2023 were 0.75%-5.88% and 0.75%-5.65%.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. There was no significant increase in credit risk of such debt instrument since initial recognition leading to changes in interest rates and terms, and there was also no significant change in bond issuer's operation affecting the ability performing debt obligation. The Group continues to monitor credit risk exposures by closely tracking external credit ratings. The Group also reviews changes in bond yields and other public information to assess whether there has been a significant increase in credit risk.

11. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2024	December 31, 2023	June 30, 2023
Financial liabilities for hedging - current (accounted for as other current liabilities, others)			
Foreign exchange forward contracts	<u>\$ 2,791</u>	<u>\$ 4,155</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>June 30, 2024</u>			
Buy	JPY:NTD	2024.07.11-2024.07.22	JPY244,650
<u>December 31, 2023</u>			
Buy	JPY:NTD	2024.01.18-2024.02.20	JPY594,150

12. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
Notes receivable	\$ 2,696,310	\$ 2,279,845	\$ 2,756,554
Less: Allowance for impairment loss	<u>(702)</u>	<u>(702)</u>	<u>(765)</u>
	<u>\$ 2,695,608</u>	<u>\$ 2,279,143</u>	<u>\$ 2,755,789</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 12,782,102	\$ 11,897,600	\$ 11,355,669
Less: Allowance for impairment loss	<u>(243,797)</u>	<u>(242,182)</u>	<u>(282,630)</u>
	<u>\$ 12,538,305</u>	<u>\$ 11,655,418</u>	<u>\$ 11,073,039</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.

June 30, 2024

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 14,203,032	\$ 902,026	\$ 124,346	\$ 21,219	\$ 227,789	\$ 15,478,412
Loss allowance (Lifetime ECLs)	<u>(29,302)</u>	<u>(9,318)</u>	<u>(10,112)</u>	<u>(12,118)</u>	<u>(183,649)</u>	<u>(244,499)</u>
Amortized cost	<u>\$ 14,173,730</u>	<u>\$ 892,708</u>	<u>\$ 114,234</u>	<u>\$ 9,101</u>	<u>\$ 44,140</u>	<u>\$ 15,233,913</u>

December 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 13,100,929	\$ 773,589	\$ 51,850	\$ 31,754	\$ 219,323	\$ 14,177,445
Loss allowance (Lifetime ECLs)	<u>(27,976)</u>	<u>(8,177)</u>	<u>(14,568)</u>	<u>(24,595)</u>	<u>(167,568)</u>	<u>(242,884)</u>
Amortized cost	<u>\$ 13,072,953</u>	<u>\$ 765,412</u>	<u>\$ 37,282</u>	<u>\$ 7,159</u>	<u>\$ 51,755</u>	<u>\$ 13,934,561</u>

June 30, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 13,083,283	\$ 742,029	\$ 63,895	\$ 32,595	\$ 190,421	\$ 14,112,223
Loss allowance (Lifetime ECLs)	<u>(99,545)</u>	<u>(6,308)</u>	<u>(20,841)</u>	<u>(5,641)</u>	<u>(151,060)</u>	<u>(283,395)</u>
Amortized cost	<u>\$ 12,983,738</u>	<u>\$ 735,721</u>	<u>\$ 43,054</u>	<u>\$ 26,954</u>	<u>\$ 39,361</u>	<u>\$ 13,828,828</u>

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

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 242,884	\$ 262,075
Add: Net remeasurement of loss allowance (gain on reversal)	(1,912)	25,297
Less: Amounts written off	(2,607)	(415)
Effect of foreign currency exchange differences	<u>6,134</u>	<u>(3,562)</u>
Balance at June 30	<u>\$ 244,499</u>	<u>\$ 283,395</u>

For the six months ended June 30, 2024 and 2023, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$1,956,180 thousand and \$1,750,904 thousand. For information on the transfer of financial instruments, refer to Note 30.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 32.

13. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished and purchased goods	\$ 5,479,013	\$ 5,574,780	\$ 5,472,013
Materials	5,318,157	4,644,271	5,311,346
Work-in-process	<u>1,561,186</u>	<u>1,270,199</u>	<u>1,273,464</u>
	<u>\$ 12,358,356</u>	<u>\$ 11,489,250</u>	<u>\$ 12,056,823</u>

The cost of goods sold for the three and six months ended June 30, 2024 and 2023 included inventory write-downs reversed of \$39,101 thousand, \$10,484 thousand, \$4,448 thousand and \$24,991 thousand, respectively. Reversal of write-downs of inventories was attributed to the disposal of inventories previously written down.

14. BIOLOGICAL ASSETS

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 3,339,318	\$ 3,255,711
Increases due to planting	201,860	112,444
Gain on changes in fair value less costs to sell	1,671	8
Decreases due to harvesting	(98,991)	(58,632)
Effect of foreign currency exchange differences	<u>169,417</u>	<u>(74,993)</u>
Balance at June 30	<u>\$ 3,613,275</u>	<u>\$ 3,234,538</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Eucalyptus (Level 3)	<u>\$ 3,733,549</u>	<u>\$ 3,448,240</u>	<u>\$ 3,338,127</u>

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

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 3,448,240	\$ 3,359,818
Increases due to planting	213,043	116,381
Gain on changes in fair value less costs to sell	1,764	9
Decreases due to harvesting	(104,475)	(60,686)
Effect of foreign currency exchange differences	<u>174,977</u>	<u>(77,395)</u>
Balance at June 30	<u>\$ 3,733,549</u>	<u>\$ 3,338,127</u>

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

15. SUBSIDIARIES

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

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	57.8	57.8	57.8	1)
	YFY International B.V.	Investment and holding	100.0	100.0	100.0	1)
	YFY Global Investment B.V.	Investment and holding	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	59.1	59.1	59.1	1)
	Shin Foong Specialty and Applied Materials Co., Ltd.	Production and sale of SBR (styrene butadiene rubber) latex	48.0	48.0	48.0	1) and 2)
	China Color Printing Co., Ltd.	Design and printing of magazines, posters and books	49.7	49.7	49.7	2)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	100.0	100.0	100.0	
	YFY Development Corp.	Real estate investment and development	100.0	100.0	100.0	1)
	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	
YFY International B.V.	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing.	100.0	100.0	100.0	
	Sustainable Carbohydrate Innovation Co., Ltd.	b. Wholesale of information software and electric appliances. 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)
	Ensilience Co., Ltd.	Renewable energy retail industry, energy technology service industry	100.0	100.0	100.0	
	Guangdong Dingfeng Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfeng Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	13.5	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0	94.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	100.0	
	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	60.0	
	YFY Mauritius Corp.	Investment and holding	100.0	100.0	100.0	1)
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	100.0	100.0	100.0	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8	93.8	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	YFY Paper Enterprise (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 (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	
	YFY Paper Enterprise (Kunshan) 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 Cayman Co., Ltd.	Investment and holding	70.0	70.0	70.0
Winsong Packaging Investment Company Limited		Investment and holding	100.0	100.0	100.0	
Willpower Industries Ltd.		Sale of various paper products	100.0	100.0	100.0	
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.		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 Packaging (Quang Ngai) Co., Ltd.		Manufacture and sale of paper and cardboard	100.0	100.0	100.0	6)
Mobius105 Ltd.		Investment and holding	100.0	100.0	100.0	
YFY Jupiter Limited		Design of packaging and sale of paper	100.0	100.0	100.0	
Jupiter Prestige Group Holdings Limited		Investment and holding	59.0	59.0	59.0	8)
YFY Jupiter US, Inc.		Design of packaging and sale of paper	100.0	100.0	100.0	
YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	99.0	99.0	99.0		
YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	1.0		
YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	0.01	0.01	-	9)	
YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	1.0		
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0		
YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	1.0		
YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	99.0		
YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	99.0		
Jupiter Vietnam Company Limited	Design of packaging	100.0	100.0	100.0		
YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	99.99	99.99	99.99	9)	
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0		
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	100.0		
Jupiter Prestige Group Europe Limited	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.	Design of packaging and sale of paper	100.0	100.0	100.0		
Foster and Baylis (Prestige) Limited	Graphic design	50.98	50.98	50.98		
Contrast LLC	Brand Design	80.0	80.0	80.0		
Jupiter Prestige Group North America Inc.	Graphic design	100.0	100.0	100.0		
Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	100.0		
Opal BPM India Private Limited	Workflow system coding	100.0	100.0	100.0		
Opal BPM Consulting Limited	Consulting services of workflow system coding	100.0	100.0	100.0		
YFY Packaging Inc.	Manufacture and sale of containers	66.8	66.8	66.8		
YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0		
YFY Global Investment B.V.	Investment and holding	61.49	61.49	61.49	1) and 3)	
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Investment and holding	78.4	78.4	78.5	4)	
YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	100.0		

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Investment and holding	100.0	100.0	100.0	
	Arizon Corporation	Product distribution and technical consulting services	100.0	100.0	-	10)
YFY RFID Co. Limited	Arizon Technology (Vietnam) Co., Ltd.	Product distribution and R&D services	100.0	-	-	12)
	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	99.98	
Arizon RFID Technology Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
YFY RFID Technologies Co., Ltd.	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	100.0	
	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	100.0	
	YFY Consumer Products Co., Ltd.	IP management and sale of consumer products by e-commerce	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
Shin Foong Specialty and Applied Materials Co., Ltd.	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	
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 Eneritech Co., Ltd.	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.13	0.13	1) and 3)
	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	100.0	
YFY Capital Holdings Corp.	Fun Spring Circutech Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	98.1	95.0	95.0	13)
	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	11)
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	-	-	-	7)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	6.5	6.5	6.5	
Yuen Foong Shop Co., Ltd.	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	0.07	
	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	0.13	0.13	1) and 3)
	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	100.0	100.0	7)
	Fun Spring Circutech Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	1.9	5.0	5.0	13)
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	100.0	
	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
CHP International (BVI) Corporation	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
Hwa Fong Investment Co., Ltd.	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	
	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 Dingfung Pulp & Paper Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	8.7	8.7	8.7	2) and 5)
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	66.3	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	100.0	100.0	100.0	
Zhaoqing Dingfung Forestry Co., Ltd.	Zhaoqing Dingfun 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	
	Guizhou Yuanfung 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 six months ended June 30, 2024 and 2023 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., YFY Development Corp., investees mentioned in Tables 8 and 9, and the audit of financial statements for the six months ended June 30, 2024 and 2023 of Arizon RFID Technology (Cayman) Co., Ltd., mentioned in Tables 8 and 9, 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) 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.
- 4) 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.
- 5) Hwa Fong Investment Co., Ltd. acquired Union Paper Corp. in the three months ended March 31, 2023. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 8.7%.
- 6) YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.
- 7) 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.
- 8) Jupiter Prestige Group Holdings Limited purchased treasury shares of YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) to write down in the three months ended March 31, 2023, the shareholdings ratio of the YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) in Jupiter Prestige Group Holdings Limited was increased to 59.0%.
- 9) YFY Jupiter (Thailand) Co., Ltd. has been included in the consolidated financial statements since June 2023.
- 10) Arizon Corporation has been included in the consolidated financial statements since August 2023.
- 11) 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.
- 12) Arizon Technology (Vietnam) Co., Ltd. was established in February 2024 and the capital has not invested as of the end of June 2024.
- 13) Fun Spring Circutech Co., Ltd. completed a cash capital increase in June 2024, which was fully subscribed by Effion Eneritech Co., Ltd. The shareholdings ratio of the Effion Eneritech Co., Ltd. in Fun Spring Circutech Co., Ltd. was increased to 98.1%, and the shareholdings ratio of the San Ying Enterprise Co., Ltd. in Fun Spring Circutech Co., Ltd. was decreased to 1.9%.

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			
	June 30, 2024	December 31, 2023	June 30, 2023	
Chung Hwa Pulp Corporation	41.4%	41.4%	41.4%	
<u>Chung Hwa Pulp Corporation and subsidiaries</u>				
	June 30, 2024	December 31, 2023	June 30, 2023	
Current assets	\$ 18,037,024	\$ 16,252,980	\$ 16,571,775	
Non-current assets	19,324,155	19,176,247	19,124,122	
Current liabilities	(15,717,130)	(14,362,527)	(14,667,722)	
Non-current liabilities	<u>(3,120,247)</u>	<u>(3,582,806)</u>	<u>(3,792,944)</u>	
Equity	18,523,802	17,483,894	17,235,231	
Consolidated adjustments	<u>94,109</u>	<u>94,109</u>	<u>94,109</u>	
Adjusted equity	<u>\$ 18,617,911</u>	<u>\$ 17,578,003</u>	<u>\$ 17,329,340</u>	
Equity attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ 9,451,761	\$ 8,939,925	\$ 8,813,691	
Non-controlling interests of Chung Hwa Pulp Corporation	6,681,488	6,319,670	6,230,434	
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>2,484,662</u>	<u>2,318,408</u>	<u>2,285,215</u>	
	<u>\$ 18,617,911</u>	<u>\$ 17,578,003</u>	<u>\$ 17,329,340</u>	
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating revenue	<u>\$ 5,406,616</u>	<u>\$ 5,051,855</u>	<u>\$ 10,689,411</u>	<u>\$ 10,516,946</u>
Loss for the period	\$ (163,452)	\$ (389,371)	\$ (101,896)	\$ (524,996)
Other comprehensive income (loss) for the period	<u>515,793</u>	<u>15,321</u>	<u>1,126,505</u>	<u>(16,397)</u>
Total comprehensive income (loss) for the period	<u>\$ 352,341</u>	<u>\$ (374,050)</u>	<u>\$ 1,024,609</u>	<u>\$ (541,393)</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Profit (loss) attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ (107,934)	\$ (219,956)	\$ (80,571)	\$ (317,323)
Non-controlling interests of Chung Hwa Pulp Corporation	(76,298)	(155,734)	(56,955)	(228,419)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>20,780</u>	<u>(13,681)</u>	<u>35,630</u>	<u>20,746</u>
	<u>\$ (163,452)</u>	<u>\$ (389,371)</u>	<u>\$ (101,896)</u>	<u>\$ (524,996)</u>
Total comprehensive income (loss) attributable to:				
Owners of Chung Hwa Pulp Corporation	\$ 180,596	\$ (173,310)	\$ 510,556	\$ (295,892)
Non-controlling interests of Chung Hwa Pulp Corporation	127,709	(122,760)	361,134	(213,269)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>44,036</u>	<u>(77,980)</u>	<u>152,919</u>	<u>(32,232)</u>
	<u>\$ 352,341</u>	<u>\$ (374,050)</u>	<u>\$ 1,024,609</u>	<u>\$ (541,393)</u>

(Concluded)

	For the Six Months Ended June 30	
	2024	2023
Net cash inflow (outflow) from:		
Operating activities	\$ 22,049	\$ (165,891)
Investing activities	(95,712)	71,964
Financing activities	739,576	945,341
Effects of exchange rate changes	<u>48,577</u>	<u>(548)</u>
Net cash inflow	<u>\$ 714,490</u>	<u>\$ 850,866</u>

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
Material associates			
E Ink Holdings Inc.	\$ 8,524,723	\$ 8,159,556	\$ 7,220,988
Associates that are not individually material	<u>139,999</u>	<u>139,876</u>	<u>119,100</u>
	<u>\$ 8,664,722</u>	<u>\$ 8,299,432</u>	<u>\$ 7,340,088</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		
	June 30, 2024	December 31, 2023	June 30, 2023
E Ink Holdings Inc.	16.1%	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 August 13, 2024, 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):

June 30, 2024	December 31, 2023	June 30, 2023
<u>\$ 36,457,142</u>	<u>\$ 28,500,226</u>	<u>\$ 32,551,020</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 32,541,503	\$ 26,515,690	\$ 27,790,808
Non-current assets	53,033,843	47,940,543	41,261,425
Current liabilities	(24,594,434)	(17,033,843)	(19,465,649)
Non-current liabilities	<u>(9,014,076)</u>	<u>(7,873,918)</u>	<u>(6,251,772)</u>
Equity	51,966,836	49,548,472	43,334,812
Non-controlling interests	<u>(688,085)</u>	<u>(640,651)</u>	<u>(599,213)</u>
	<u>\$ 51,278,751</u>	<u>\$ 48,907,821</u>	<u>\$ 42,735,599</u>
Proportion of the Group's ownership	16.1%	16.2%	16.2%
Equity attributable to the Group	\$ 8,271,263	\$ 7,906,096	\$ 6,967,528
Goodwill	<u>253,460</u>	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 8,524,723</u>	<u>\$ 8,159,556</u>	<u>\$ 7,220,988</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating revenue	\$ 7,655,897	\$ 7,236,126	\$ 13,298,674	\$ 14,465,802
Net profit for the period	\$ 2,038,474	\$ 2,436,415	\$ 3,371,553	\$ 4,202,590
Other comprehensive income (loss)	1,451,824	167,612	3,985,012	(45,108)
Total comprehensive income for the period	\$ 3,490,298	\$ 2,604,027	\$ 7,356,565	\$ 4,157,482

b. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Group's share of:				
Net profit (loss) for the period	\$ (7,120)	\$ 2,747	\$ (6,411)	\$ (4,005)
Other comprehensive loss	-	-	-	(1)
Total comprehensive income (loss) for the period	\$ (7,120)	\$ 2,747	\$ (6,411)	\$ (4,006)

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.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 14,174,359	\$ 17,198,029	\$ 70,646,866	\$ 14,516,366	\$ 1,300,352	\$ 117,835,972
Additions	468,781	106,285	702,888	220,400	665,954	2,164,308
Disposals	-	(19,464)	(264,947)	(63,867)	-	(348,278)
Transfer from constructions	-	92,287	647,848	134,945	(875,080)	-
Effect of foreign currency exchange differences	-	374,440	1,172,306	184,349	9,345	1,740,440
Balance at June 30, 2024	\$ 14,643,140	\$ 17,751,577	\$ 72,904,961	\$ 14,992,193	\$ 1,100,571	\$ 121,392,442
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ 612	\$ 8,755,337	\$ 49,859,853	\$ 11,052,646	\$ -	\$ 69,668,448
Depreciation expense	-	303,713	1,417,287	367,252	-	2,088,252
Disposals	-	(16,667)	(224,449)	(58,392)	-	(299,508)
Reversal of the impairment loss	-	-	(3,990)	(3,299)	-	(7,289)
Effect of foreign currency exchange differences	-	171,572	761,856	140,301	-	1,073,729
Balance at June 30, 2024	\$ 612	\$ 9,213,955	\$ 51,810,557	\$ 11,498,508	\$ -	\$ 72,523,632
Carrying amount at January 1, 2024	\$ 14,173,747	\$ 8,442,692	\$ 20,787,013	\$ 3,463,720	\$ 1,300,352	\$ 48,167,524
Carrying amount at June 30, 2024	\$ 14,642,528	\$ 8,537,622	\$ 21,094,404	\$ 3,493,685	\$ 1,100,571	\$ 48,868,810

(Continued)

	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	33,960	65,370	354,109	147,246	663,587	1,264,272
Disposals	-	(9,944)	(197,145)	(67,313)	-	(274,402)
Transfer from constructions	-	56,239	332,078	51,407	(439,724)	-
Effect of foreign currency exchange differences	-	(150,931)	(471,854)	(97,150)	(8,713)	(728,648)
Balance at June 30, 2023	<u>\$ 14,174,432</u>	<u>\$ 16,571,071</u>	<u>\$ 69,088,084</u>	<u>\$ 13,957,329</u>	<u>\$ 2,144,942</u>	<u>\$ 115,935,858</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	-	277,030	1,387,004	363,002	-	2,027,036
Disposals	-	(9,310)	(186,908)	(65,387)	-	(261,605)
Reversal of impairment loss	-	-	(2,796)	(423)	-	(3,219)
Effect of foreign currency exchange differences	-	(69,132)	(302,469)	(91,758)	-	(463,359)
Balance at June 30, 2023	<u>\$ 612</u>	<u>\$ 8,460,282</u>	<u>\$ 48,754,179</u>	<u>\$ 10,742,965</u>	<u>\$ -</u>	<u>\$ 67,958,038</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 June 30, 2023	<u>\$ 14,173,820</u>	<u>\$ 8,110,789</u>	<u>\$ 20,333,905</u>	<u>\$ 3,214,364</u>	<u>\$ 2,144,942</u>	<u>\$ 47,977,820</u>

(Concluded)

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

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

The non-cash investing activities of the Group for the six months ended June 30, 2024 and 2023 were as follows:

	For the Six Months Ended June 30	
	2024	2023
Acquisition of property, plant and equipment	\$ 2,164,308	\$ 1,264,272
Changes in prepayments for business facilities	340,232	511,809
Changes in payment of payables on equipment (accounted for as other payables, others)	<u>62,935</u>	<u>(17,525)</u>
	<u>\$ 2,567,475</u>	<u>\$ 1,758,556</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 June 30, 2024, December 31, 2023 and June 30, 2023, the lands registered by others were \$687,401 thousand, \$218,619 thousand and \$216,059 thousand, respectively (accounted for as property, plant and equipment and investment properties).

For the amounts of collateral pledged for bank borrowings, refer to Note 32.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023	
<u>Carrying amount</u>				
Land	\$ 1,635,422	\$ 1,594,622	\$ 1,615,355	
Buildings	455,298	478,997	421,103	
Others	<u>174,290</u>	<u>186,761</u>	<u>163,907</u>	
	<u>\$ 2,265,010</u>	<u>\$ 2,260,380</u>	<u>\$ 2,200,365</u>	
		For the Six Months Ended June 30		
		2024	2023	
Additions to right-of-use assets		<u>\$ 127,857</u>	<u>\$ 296,469</u>	
		For the Three Months Ended June 30		
	2024	2023	For the Six Months Ended June 30	
			2024	2023
Depreciation charge for right-of-use assets				
Land	\$ 22,034	\$ 20,574	\$ 43,839	\$ 41,234
Buildings	44,076	37,472	86,434	70,708
Others	<u>23,683</u>	<u>20,260</u>	<u>47,179</u>	<u>40,354</u>
	<u>\$ 89,793</u>	<u>\$ 78,306</u>	<u>\$ 177,452</u>	<u>\$ 152,296</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 six months ended June 30, 2024 and 2023.

For the amounts of collateral pledged for bank borrowings, refer to Note 32.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 294,781</u>	<u>\$ 273,385</u>	<u>\$ 218,679</u>
Non-current	<u>\$ 531,050</u>	<u>\$ 578,820</u>	<u>\$ 577,133</u>

Range of discount rates for lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	0.88%-1.76%	0.88%-1.75%	0.88%-1.75%
Buildings	0.88%-11.70%	0.88%-11.70%	0.88%-11.70%
Others	0.88%-6.00%	0.88%-6.00%	0.88%-6.00%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 99,888</u>	<u>\$ 111,785</u>	<u>\$ 228,805</u>	<u>\$ 212,517</u>
Total cash outflow for leases	<u>\$ 182,918</u>	<u>\$ 202,643</u>	<u>\$ 392,303</u>	<u>\$ 420,658</u>

19. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2024	\$ 4,434,226
Additions	<u>21,767</u>
Balance at June 30, 2024	<u>\$ 4,455,993</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 344,140
Depreciation expense	<u>4,439</u>
Balance at June 30, 2024	<u>\$ 348,579</u>
Carrying amount at January 1, 2024	<u>\$ 4,090,086</u>
Carrying amount at June 30, 2024	<u>\$ 4,107,414</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 4,294,127
Disposals	<u>(22,241)</u>
Balance at June 30, 2023	<u>\$ 4,271,886</u>

(Continued)

	Amount
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 335,354
Depreciation expense	4,686
Disposals	<u>(444)</u>
Balance at June 30, 2023	<u>\$ 339,596</u>
Carrying amount at January 1, 2023	<u>\$ 3,958,773</u>
Carrying amount at June 30, 2023	<u>\$ 3,932,290</u>
	(Concluded)

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

	For the Six Months Ended June 30	
	2024	2023
Acquisition of investment properties	\$ 21,767	\$ -
Changes in prepayments for business facilities	<u>(12,133)</u>	<u>-</u>
	<u>\$ 9,634</u>	<u>\$ -</u>

The fair values of the investment properties owned by the Group were \$9,957,268 thousand, \$9,936,135 thousand and \$9,713,872 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, 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 \$21,861 thousand, \$13,580 thousand, \$43,572 thousand and \$27,170 thousand for the three and six months ended June 30, 2024 and 2023, 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.

20. BORROWINGS

a. Current borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Bank credit loans	\$ 15,275,253	\$ 9,747,665	\$ 11,626,635
Bank secured loans	<u>39,808</u>	<u>139,551</u>	<u>242,433</u>
	<u>\$ 15,315,061</u>	<u>\$ 9,887,216</u>	<u>\$ 11,869,068</u>

Current borrowings include bank credit and bank secured loans. As of June 30, 2024, December 31, 2023 and June 30, 2023, the interest rate intervals of bank credit loans were 1.81%-6.23% per annum, 1.63%-6.98% per annum and 1.63%-8.60% per annum, respectively. As of June 30, 2024, December 31, 2023 and June 30, 2023, the interest rate of bank secured loans were 5.40% per annum, 2.45% per annum and 4.95%-5.50% per annum, respectively.

b. Short-term notes and bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper	\$ 17,666,000	\$ 15,770,000	\$ 16,870,000
Less: Unamortized discounts on bills payable	<u>(31,676)</u>	<u>(25,665)</u>	<u>(28,328)</u>
	<u>\$ 17,634,324</u>	<u>\$ 15,744,335</u>	<u>\$ 16,841,672</u>

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.88%-2.11% per annum, 1.77%-1.96% per annum and 1.74%-1.92% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

c. Non-current borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Syndicated loans	\$ 13,946,368	\$ 18,782,930	\$ 16,934,808
Long-term bank credit loans	4,782,025	4,658,176	3,980,906
Long-term bank secured loans	<u>211,680</u>	<u>211,680</u>	<u>103,650</u>
	<u>\$ 18,940,073</u>	<u>\$ 23,652,786</u>	<u>\$ 21,019,364</u>

Long-term bank loans included syndicated, credit and secured loans. Syndicated loans with monthly interest payments expire in December 2028 and have interest rate intervals of 2.02%-2.24% per annum, 1.88%-2.10% per annum and 1.87%-2.10% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively; secured and credit loans expire in February 2032 and have interest rate intervals of 0.30%-1.88% per annum, 0.30%-1.76% per annum and 0.30%-1.79% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$9,506 thousand, \$12,531 thousand, \$20,440 thousand and \$25,584 thousand for the three and six months ended June 30, 2024 and 2023, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2023 and 2022.

22. EQUITY

a. Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
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. 1090150022 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 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	<u>\$ 215,331</u>	<u>\$ 211,224</u>
Cash dividends	<u>\$ 1,494,334</u>	<u>\$ 1,494,334</u>
Cash dividends per share (NT\$)	<u>\$ 0.9</u>	<u>\$ 0.9</u>

The aforementioned appropriation for cash dividends had been resolved by the board of directors on March 14, 2024 and March 15, 2023, respectively. The other proposed appropriations of earnings for 2023 and 2022 were resolved by the shareholders’ meetings on June 20, 2024 and 2023, respectively.

d. Other equity items

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total
<u>For the six months ended June 30, 2024</u>				
Balance at January 1	\$ (659,626)	\$ 15,578,302	\$ (3,535)	\$ 14,915,141
Exchange differences on translation of foreign financial statements	1,521,064	-	-	1,521,064
Unrealized gains on financial assets measured at FVTOCI	-	7,096,905	-	7,096,905
Losses on hedging instruments	-	-	(3,960)	(3,960)
Share of other comprehensive income of associates accounted for using equity method	175,678	436,717	-	612,395
Changes in equity of associates accounted for using equity method	-	(2,920)	-	(2,920)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(205,102)	-	(205,102)
Balance at June 30	<u>\$ 1,037,116</u>	<u>\$ 22,903,902</u>	<u>\$ (7,495)</u>	<u>\$ 23,933,523</u>
<u>For the six months ended June 30, 2023</u>				
Balance at January 1	\$ (357,174)	\$ 12,394,281	\$ -	\$ 12,037,107
Exchange differences on translation of foreign financial statements	(38,155)	-	-	(38,155)
Unrealized gains on financial assets measured at FVTOCI	-	469,318	-	469,318
Share of other comprehensive income (loss) of associates accounted for using equity method	(65,355)	104,431	-	39,076
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	-	(21,821)	-	(21,821)
Balance at June 30	<u>\$ (443,295)</u>	<u>\$ 12,946,209</u>	<u>\$ -</u>	<u>\$ 12,502,914</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 15,598,625	\$ 14,956,989
Share of profit (loss) for the period	305,701	(33,295)
Other comprehensive income (loss) for the period:		
Exchange differences on translation of foreign financial statements	304,559	(60,900)
Unrealized gains on financial assets measured at FVTOCI	438,031	69,404
Loss on hedging instruments	(2,799)	-
Share of other comprehensive income of associates accounted for using the equity method	28,755	1,835
Cash dividends	(373,427)	(557,974)
Changes in equity of associates accounted for using equity method	694	336
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	13,192
Changes in non-controlling interests	13,211	-
Changes in ownership interests in subsidiaries	<u>1,098</u>	<u>760,261</u>
Balance at June 30	<u>\$ 16,314,448</u>	<u>\$ 15,149,848</u>

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers - revenue from sale of goods	\$ 16,700,337	\$ 16,084,398	\$ 32,146,884	\$ 31,627,488
Revenue from contracts with customers - other	<u>3,027,875</u>	<u>2,039,773</u>	<u>5,503,477</u>	<u>4,028,083</u>
	<u>\$ 19,728,212</u>	<u>\$ 18,124,171</u>	<u>\$ 37,650,361</u>	<u>\$ 35,655,571</u>

Contract Balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Notes receivable, net	<u>\$ 2,695,608</u>	<u>\$ 2,279,143</u>	<u>\$ 2,755,789</u>	<u>\$ 2,842,143</u>
Accounts receivable, net	<u>\$ 12,538,305</u>	<u>\$ 11,655,418</u>	<u>\$ 11,073,039</u>	<u>\$ 12,120,124</u>
Accounts receivable due from related parties, net	<u>\$ 62,105</u>	<u>\$ 113,464</u>	<u>\$ 71,042</u>	<u>\$ 64,230</u>
Contract liabilities - sale of goods	<u>\$ 480,245</u>	<u>\$ 391,775</u>	<u>\$ 447,825</u>	<u>\$ 496,039</u>

24. NET PROFIT

a. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 261,662	\$ 247,263	\$ 513,120	\$ 542,660
Interest on lease liabilities	4,427	4,903	9,168	10,281
Less: Capitalization amount of interest	<u>(1,363)</u>	<u>(3,532)</u>	<u>(2,422)</u>	<u>(6,542)</u>
	<u>\$ 264,726</u>	<u>\$ 248,634</u>	<u>\$ 519,866</u>	<u>\$ 546,399</u>

Information about capitalized interest is as follows:

	For the Six Months Ended June 30	
	2024	2023
Capitalization rate	1.27%-2.03%	1.28%-1.99%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 1,056,766	\$ 1,007,268	\$ 2,088,252	\$ 2,027,036
Investment properties	2,216	2,297	4,439	4,686
Right-of-use assets	89,793	78,306	177,452	152,296
Other non-current assets	<u>18,260</u>	<u>17,553</u>	<u>36,171</u>	<u>31,941</u>
	<u>\$ 1,167,035</u>	<u>\$ 1,105,424</u>	<u>\$ 2,306,314</u>	<u>\$ 2,215,959</u>
An analysis of depreciation by function				
Operating costs	\$ 1,029,256	\$ 939,811	\$ 2,029,161	\$ 1,927,957
Operating expenses	<u>119,519</u>	<u>148,060</u>	<u>240,982</u>	<u>256,061</u>
	<u>\$ 1,148,775</u>	<u>\$ 1,087,871</u>	<u>\$ 2,270,143</u>	<u>\$ 2,184,018</u>
An analysis of amortization by function				
Operating costs	\$ 9,718	\$ 10,378	\$ 19,266	\$ 17,566
Operating expenses	<u>8,542</u>	<u>7,175</u>	<u>16,905</u>	<u>14,375</u>
	<u>\$ 18,260</u>	<u>\$ 17,553</u>	<u>\$ 36,171</u>	<u>\$ 31,941</u>

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 54,473	\$ 49,854	\$ 110,404	\$ 104,236
Defined benefit plans	<u>9,506</u>	<u>12,531</u>	<u>20,440</u>	<u>25,584</u>
	63,979	62,385	130,844	129,820
Share-based payments	1,594	1,577	3,092	3,155
Other employee benefits	<u>2,379,654</u>	<u>2,249,512</u>	<u>4,759,704</u>	<u>4,477,784</u>
Total employee benefits expense	<u>\$ 2,445,227</u>	<u>\$ 2,313,474</u>	<u>\$ 4,893,640</u>	<u>\$ 4,610,759</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,456,764	\$ 1,381,609	\$ 2,917,100	\$ 2,745,624
Operating expenses	<u>988,463</u>	<u>931,865</u>	<u>1,976,540</u>	<u>1,865,135</u>
	<u>\$ 2,445,227</u>	<u>\$ 2,313,474</u>	<u>\$ 4,893,640</u>	<u>\$ 4,610,759</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 six months ended June 30, 2024 and 2023 were as follows:

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	<u>\$ 680</u>	<u>\$ 1,078</u>	<u>\$ 1,797</u>	<u>\$ 1,629</u>
Remuneration of directors	<u>\$ 5,500</u>	<u>\$ 8,250</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>

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

The Compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of the directors on March 14, 2024 and March 15, 2023, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 1,981	\$ 2,403
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 14, 2024 and March 15, 2023, by board of the Company, recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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.

25. INCOME TAXES

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 157,843	\$ 169,290	\$ 354,968	\$ 262,010
Land value increment tax	<u>-</u>	<u>2,895</u>	<u>-</u>	<u>2,895</u>
	157,843	172,185	354,968	264,905
Deferred tax				
In respect of the current period	<u>(13,285)</u>	<u>4,811</u>	<u>(27,190)</u>	<u>(1,816)</u>
	<u>\$ 144,558</u>	<u>\$ 176,996</u>	<u>\$ 327,778</u>	<u>\$ 263,089</u>

b. Income tax approved situation

	<u>Final Approved Year</u>
The Company	2019
YFY Packaging Inc.	2020
Yuen Foong Yu Consumer Products Co., Ltd.	2021
Yuen Foong Shop Co., Ltd.	2021
YFY Development Corp.	2021
Yuen Yan Paper Container Co., Ltd.	2021
Union Paper Corp.	2021
Genovella Renewables Inc.	2022
Chung Hwa Pulp Corporation	2022
Pek Crown Paper Co., Ltd.	2022
Fidelis IT Solutions Co., Ltd.	2022
Ever Growing Agriculture Biotech Co., Ltd.	2022
YFY Corporate Advisory & Services Co., Ltd.	2022
Sustainable Carbohydrate Innovation Co., Ltd.	2022
Shin Foong Specialty And Applied Materials Co., Ltd.	2022
Yeon Technologies Co., Ltd.	2022
Effion Eneritech Co., Ltd.	2022
YFY Paradigm Investment Co., Ltd.	2022
YFY Biotech Management Co., Ltd.	2022
San Ying Enterprise Co., Ltd.	2022
Livebricks Inc.	2022
Hwa Fong Investment Co., Ltd.	2022
China Color Printing Co., Ltd.	2022
Ensilience Co., Ltd.	2022
Fun Spring Circutech Co., Ltd.	2022

c. Pillar Two Income Tax legislation

The governments of Netherlands and Japan, where part of the subsidiaries are incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024 and April 1, 2024, respectively. The Group has no significant impact current tax exposure as of June 30, 2024.

26. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share (NT\$)	<u>\$ 0.01</u>	<u>\$ 0.12</u>	<u>\$ 0.18</u>	<u>\$ 0.12</u>
Diluted earnings per share (NT\$)	<u>\$ 0.01</u>	<u>\$ 0.12</u>	<u>\$ 0.18</u>	<u>\$ 0.12</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	<u>\$ 12,862</u>	<u>\$ 190,347</u>	<u>\$ 291,890</u>	<u>\$ 193,184</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 12,862</u>	<u>\$ 190,347</u>	<u>\$ 291,890</u>	<u>\$ 193,184</u>

Number of Share (In Thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
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>58</u>	<u>44</u>	<u>84</u>	<u>80</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,430</u>	<u>1,660,416</u>	<u>1,660,456</u>	<u>1,660,452</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.

27. SHARE-BASED PAYMENT ARRANGEMENTS

- a. Employee share options plan of the subsidiary - YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as 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 employees (including the controlling companies and subordinate companies) who meet certain specific requirements the exercise price is US\$1.5 per share. The options granted for 3 years and the exercisable at the schedule below since the grant date. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

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

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

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

	For the Six Months Ended June 30			
	2024		2023	
Share Options Certificates	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Balance at January 1	28,000		32,243	
Options exercised	<u>-</u>		<u>-</u>	
Balance at June 30	<u>28,000</u>		<u>32,243</u>	
Options exercisable, end of period	<u>28,000</u>	<u>\$ 1.5</u>	<u>32,243</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

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 full-time employees (including the controlling companies and subordinate companies) who meet certain specific requirements the exercise price is US\$2.18 per share. The options granted for 0.1 years and the exercisable at the schedule below since the grant date. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

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

Employee Share Options	Number of Options (Units)	Exercise Price (US\$)
Granted in November 2022	<u>557,846</u>	<u>\$ 2.18</u>
Weighted-average fair value of options granted in November 2022 (US\$)	<u>\$ 1.59</u>	

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

Employee Share Options	Number of Options (In Thousands of Units)	Exercise Price (\$)
Granted in August 2022	<u>595</u>	<u>\$ 57.4</u>
Weighted-average fair value of options granted in August 2022 (\$)	<u>\$ 21.2</u>	

	For the Six Months Ended June 30			
	2024		2023	
	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Share Options Certificates				
Balance at January 1	595		595	
Options exercised	-		-	
Options lapsed	<u>-</u>		<u>-</u>	
Balance at June 30	<u>595</u>		<u>595</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 57.4</u>	<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 \$1,594 thousand, \$1,577 thousand, \$3,092 thousand and \$3,155 thousand for the three and six months ended June 30, 2024 and 2023, respectively.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Arizon RFID Technology (Cayman) Co., Ltd.

The Group sold its partial ownership of Arizon RFID Technology (Cayman) Co., Ltd. in March 2023. Thus, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 61.75%, which include its shareholding ratio of 61.49% in YFY Global Investment B.V., 0.13% in YFY Development Corp. and 0.13% in YFY Paradigm Investment Co., respectively.

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

	Arizon RFID Technology (Cayman) Co., Ltd.
Consideration received	\$ 20,847
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(17,225)
Reattribution of other equity from non-controlling interests	
Exchange differences on translation of foreign financial statements	<u>(604)</u>
Differences recognized from equity transactions	<u>\$ 3,018</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 3,018</u>

29. 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).

30. 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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 205,104	\$ -	\$ 205,104
Mutual funds	488,739	-	-	488,739
Structured deposits	-	263,692	-	263,692
Convertible bonds	<u>-</u>	<u>-</u>	<u>124,781</u>	<u>124,781</u>
	<u>\$ 488,739</u>	<u>\$ 468,796</u>	<u>\$ 124,781</u>	<u>\$ 1,082,316</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 31,624,733	\$ -	\$ -	\$ 31,624,733
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>6,603,098</u>	<u>6,603,098</u>
	<u>\$ 31,624,733</u>	<u>\$ -</u>	<u>\$ 6,603,098</u>	<u>\$ 38,227,831</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 7,396</u>	<u>\$ -</u>	<u>\$ 7,396</u>
Financial liabilities held for hedging (accounted for as other current liabilities, others)				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 2,791</u>	<u>\$ -</u>	<u>\$ 2,791</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 258,425	\$ -	\$ 258,425
Mutual funds	602,363	-	-	602,363
Structured deposits	-	249,054	-	249,054
Convertible bonds	<u>-</u>	<u>-</u>	<u>118,492</u>	<u>118,492</u>
	<u>\$ 602,363</u>	<u>\$ 507,479</u>	<u>\$ 118,492</u>	<u>\$ 1,228,334</u>
				(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 25,213,185	\$ -	\$ -	\$ 25,213,185
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>5,395,554</u>	<u>5,395,554</u>
	<u>\$ 25,213,185</u>	<u>\$ -</u>	<u>\$ 5,395,554</u>	<u>\$ 30,608,739</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 28,414</u>	<u>\$ -</u>	<u>\$ 28,414</u>
Financial liabilities held for hedging (accounted for as other current liabilities, others)				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,155</u>	<u>\$ -</u>	<u>\$ 4,155</u>
				(Concluded)

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 440,738	\$ -	\$ 440,738
Mutual funds	540,124	-	-	540,124
Structured deposits	<u>-</u>	<u>245,557</u>	<u>-</u>	<u>245,557</u>
	<u>\$ 540,124</u>	<u>\$ 686,295</u>	<u>\$ -</u>	<u>\$ 1,226,419</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 22,440,279	\$ -	\$ -	\$ 22,440,279
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>5,440,738</u>	<u>5,440,738</u>
	<u>\$ 22,440,279</u>	<u>\$ -</u>	<u>\$ 5,440,738</u>	<u>\$ 27,881,017</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 19,390</u>	<u>\$ -</u>	<u>\$ 19,390</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

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

For the six months ended June 30, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Debt Instruments	Equity Instruments
Balance at January 1, 2024	\$ 118,492	\$ 5,395,554
Recognized in profit or loss	6,289	-
Recognized in other comprehensive gain (accounted for as unrealized losses on investments in equity instruments designated as at FVTOCI)	-	1,201,518
Transfers	-	(3)
Effect of exchange rate differences	-	6,029
Balance at June 30, 2024	<u>\$ 124,781</u>	<u>\$ 6,603,098</u>

For the six months ended June 30, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023	\$ 5,922,329
Recognized in other comprehensive loss (accounted for as unrealized losses on investments in equity instruments designated as at FVTOCI)	(483,332)
Effect of foreign currency exchange differences	1,741
Balance at June 30, 2023	<u>\$ 5,440,738</u>

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

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

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,082,316	\$ 1,228,334	\$ 1,226,419
FVTOCI	38,227,831	30,608,739	27,881,017
Amortized cost (1)	32,138,804	28,622,157	28,729,326
<u>Financial liabilities</u>			
FVTPL			
Held for trading	7,396	28,414	19,390
Financial liabilities for hedging	2,791	4,155	-
Amortized cost (2)	69,238,640	63,368,031	65,480,221

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, net, accounts receivables, net, accounts receivables due from related parties, net and other financial assets 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 weakening 5% against the USD and RMB. For a 5% strengthening of New Taiwan dollars against the USD and RMB, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	For the Six Months Ended	
	June 30	
	2024	2023
Influence to profit or loss at 5% variance		
USD	<u>\$ (187,298)</u>	<u>\$ (124,102)</u>
RMB	<u>\$ (166,373)</u>	<u>\$ (161,099)</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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 11,890,655	\$ 10,043,060	\$ 10,056,743
Financial liabilities	17,634,324	15,744,335	16,841,672
Lease liabilities	825,831	852,205	795,812
Cash flow interest rate risk			
Financial assets	4,938,156	4,514,224	4,751,969
Financial liabilities	34,255,134	33,540,002	32,888,432

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 six months ended June 30, 2024 and 2023 would have decreased/increased by \$29,317 thousand and \$28,136 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 six months ended June 30, 2024 and 2023 would have increased/decreased by \$30,676 thousand and \$27,006 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 six months ended June 30, 2024 and 2023 would have increased/decreased by \$1,911,392 thousand and \$1,394,051 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 June 30, 2024, December 31, 2023 and June 30, 2023, the amounts of unused financing facilities were \$60,881,213 thousand, \$63,943,294 thousand and \$58,692,518 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.

June 30, 2024

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 15,742,674	\$ 18,733,555	\$ 874,535
Fixed interest rate liabilities	17,666,000	-	-
Lease liabilities	<u>310,973</u>	<u>441,341</u>	<u>106,920</u>
	<u>\$ 33,719,647</u>	<u>\$ 19,174,896</u>	<u>\$ 981,455</u>

December 31, 2023

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 10,373,427	\$ 23,906,735	\$ 737,502
Fixed interest rate liabilities	15,770,000	-	-
Lease liabilities	<u>290,218</u>	<u>489,465</u>	<u>110,097</u>
	<u>\$ 26,433,645</u>	<u>\$ 24,396,200</u>	<u>\$ 847,599</u>

June 30, 2023

	Less than 1 Year	1 - 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Floating interest rate liabilities	\$ 12,329,090	\$ 20,997,704	\$ 977,569
Fixed interest rate liabilities	16,870,000	-	-
Lease liabilities	<u>245,224</u>	<u>491,759</u>	<u>85,234</u>
	<u>\$ 29,444,314</u>	<u>\$ 21,489,463</u>	<u>\$ 1,062,803</u>

e. Transfers of financial assets

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

	For the Six Months Ended June 30	
	2024	2023
The discounted amount	<u>\$ 1,956,180</u>	<u>\$ 1,750,904</u>
The received amount	<u>\$ 1,946,781</u>	<u>\$ 1,734,434</u>
Interest rates	0.80%-3.70%	0.70%-4.15%

31. 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

<u>Related Party</u>	<u>Relationship with the Group</u>
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 Optronics (Yangzhou) Co., Ltd.	Associate
E Ink Technology B.V. (originally named as PVI Global B.V.)	Associate
E Ink Netherlands B.V. (originally named as Dream Pacific International B.V.)	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
Shanghai Futai Foods Co., Ltd.	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party
Hsin Yi Recreation Enterprise Co., Ltd.	Substantive related party
Foongtone Technology Co., Ltd.	Substantive related party

b. Operating revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Entities with key management personnel	\$ 39,706	\$ 54,338	\$ 81,989	\$ 100,647
Associate	17,852	10,731	31,993	19,315
Substantive related party	<u>10,357</u>	<u>2,863</u>	<u>13,227</u>	<u>5,927</u>
	<u>\$ 67,915</u>	<u>\$ 67,932</u>	<u>\$ 127,209</u>	<u>\$ 125,889</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Associate	\$ 27,984	\$ 40,740	\$ 57,877	\$ 88,325
Substantive related party	4,042	4,954	7,162	6,246
Entities with key management personnel	<u>695</u>	<u>1,149</u>	<u>1,322</u>	<u>2,294</u>
	<u>\$ 32,721</u>	<u>\$ 46,843</u>	<u>\$ 66,361</u>	<u>\$ 96,865</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	June 30, 2024	December 31, 2023	June 30, 2023
Receivables from related parties	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	\$ 42,390	\$ 71,097	\$ 58,761
	Others	<u>212</u>	<u>220</u>	<u>223</u>
		<u>42,602</u>	<u>71,317</u>	<u>58,984</u>
	Associate			
	Vinh Phu Packing And Printing Company Limited	9,151	4,541	4,912
	E Ink Holdings Inc.	2,434	31,563	506
	Others	<u>5,795</u>	<u>4,401</u>	<u>4,312</u>
		<u>17,380</u>	<u>40,505</u>	<u>9,730</u>
	Associate	<u>2,123</u>	<u>1,642</u>	<u>2,328</u>
		<u>\$ 62,105</u>	<u>\$ 113,464</u>	<u>\$ 71,042</u>

(Continued)

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables (accounted for as other current assets)	Associate	\$ 525	\$ 1,122	\$ 740
	Entities with key management personnel	88	106	53
	Substantive related party	<u>1</u>	<u>-</u>	<u>-</u>
		<u>\$ 614</u>	<u>\$ 1,228</u>	<u>\$ 793</u>
				(Concluded)

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

e. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Payables to related parties	Associate			
	YJY Packaging Ltd.	\$ 26,291	\$ 38,790	\$ 45,373
	Vinh Phu Packing And Printing Company Limited	7,341	3,956	5,287
	YFY Biotech Co., Ltd.	7,079	133	481
	Others	<u>2,124</u>	<u>2,634</u>	<u>3,661</u>
		<u>42,835</u>	<u>45,513</u>	<u>54,802</u>
	Entities with key management personnel			
	Hsin-Yi Enterprise Co., Ltd.	5,684	5,163	5,861
	Other	<u>1,116</u>	<u>1,141</u>	<u>1,227</u>
		<u>6,800</u>	<u>6,304</u>	<u>7,088</u>
Substantive related party	<u>3,959</u>	<u>2,174</u>	<u>3,455</u>	
	<u>\$ 53,594</u>	<u>\$ 53,991</u>	<u>\$ 65,345</u>	

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of financial assets

For the six months ended June 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	\$ 1,224,150

g. Others

Rental income

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Associate				
E Ink Holdings Inc.	\$ 3,866	\$ 3,879	\$ 7,733	\$ 7,731
Others	-	89	-	393
	<u>3,866</u>	<u>3,968</u>	<u>7,733</u>	<u>8,124</u>
Entities with key management personnel				
Yuen Foong Paper Co., Ltd.	1,996	1,971	3,983	3,942
Others	39	39	77	77
	<u>2,035</u>	<u>2,010</u>	<u>4,060</u>	<u>4,019</u>
Substantive related party	<u>2,475</u>	<u>1,445</u>	<u>3,921</u>	<u>2,892</u>
	<u>\$ 8,376</u>	<u>\$ 7,423</u>	<u>\$ 15,714</u>	<u>\$ 15,035</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Entities with key management personnel	\$ 12,197	\$ 11,736	\$ 24,085	\$ 23,409
Substantive related party	<u>363</u>	<u>484</u>	<u>726</u>	<u>1,331</u>
	<u>\$ 12,560</u>	<u>\$ 12,220</u>	<u>\$ 24,811</u>	<u>\$ 24,740</u>

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

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 26,403	\$ 31,169	\$ 53,813	\$ 56,811
Post-employment benefits	<u>132</u>	<u>135</u>	<u>267</u>	<u>270</u>
	<u>\$ 26,535</u>	<u>\$ 31,304</u>	<u>\$ 54,080</u>	<u>\$ 57,081</u>

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

32. 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable, net (Note)	\$ 2,643,406	\$ 1,894,587	\$ 2,718,864
Property, plant and equipment	779,411	607,330	515,210
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	559,291	300,292	415,073
Pledged deposits (classified as other current financial assets)	50,804	160,771	53,771
Land use rights (accounted for as right-of-use assets)	<u>96,068</u>	<u>96,731</u>	<u>102,403</u>
	<u>\$ 4,128,980</u>	<u>\$ 3,059,711</u>	<u>\$ 3,805,321</u>

Note: The transaction of \$1,547,684 thousand, \$940,268 thousand and \$1,120,412 thousand have been eliminated in preparing the consolidated financial statements on June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

33. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of June 30, 2024, December 31, 2023 and June 30, 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$560,390 thousand, \$637,327 thousand and \$385,227 thousand, respectively.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the contract of commitment to acquire land, property, plant and equipment amounted to \$324,292 thousand, \$323,307 thousand and \$1,134,287 thousand, respectively. The unrecorded amounts were \$57,654 thousand, \$61,894 thousand and \$669,827 thousand, respectively.

34. OTHER ITEMS

The President had announced amendments the Climate Change Response Act on February 15, 2023, that added to levy the regulations for carbon fees. The Ministry of Environment announced the draft of “the Regulations for Charging of Carbon Fees”, “the Regulations for Voluntary Emission Reduction Projects” and “the Regulations for Review of Carbon Fee-Based Reduction Targets” on April 29, 2024. According to the draft Regulations for Charging of Carbon Fees, the carbon fees are levied to comply with announcement of the Ministry of Environment that should be checked and inspected the emission sources. In addition, the power industry and large-scale manufacturing industry produce greenhouse gas emissions with a total annual emission value of 25,000 tons of carbon dioxide equivalent, and the direct emission of the whole plant (field) and the indirect emission of electricity. On the basis of the Group’s emissions in 2023, it is expected that the aforementioned threshold will be reached in 2024, however, the above-mentioned draft provisions are still in the advance stage and the carbon fees rate have not yet been announced, so, the Groups have not reasonable estimation of the impact of carbon fees yet.

35. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2024		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,366,194	0.140 (RMB:USD)	\$ 10,773,839
USD	90,385	32.45 (USD:NTD)	2,932,985
RMB	326,425	4.553 (RMB:NTD)	1,486,290
USD	45,053	7.127 (USD:RMB)	1,461,974

	December 31, 2023		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,338,475	0.141 (RMB:USD)	\$ 10,137,784
USD	185,735	7.083 (USD:RMB)	5,702,984
USD	73,251	30.705 (USD:NTD)	2,249,179
RMB	265,145	4.335 (RMB:NTD)	1,149,461

	June 30, 2023		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,236,684	0.138 (RMB:USD)	\$ 9,639,119
USD	80,706	31.14 (USD:NTD)	2,513,195
RMB	242,614	4.31 (RMB:NTD)	1,045,561

For the three and six months ended June 30, 2024 and 2023, realized and unrealized net foreign exchange gain or loss, were gain of \$3,180 thousand, loss of \$428,908 thousand, gain of \$101,120 thousand and loss of \$306,090 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.

36. 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. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 5)
- 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)

37. 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 six months ended June 30, 2024</u>					
Revenue from external customers	\$ 9,515,030	\$ 16,279,818	\$ 5,293,713	\$ 6,561,800	\$ 37,650,361
Revenue from other internal operating segments	<u>1,174,381</u>	<u>280,636</u>	<u>28,283</u>	<u>676,996</u>	<u>2,160,296</u>
Segment revenue	<u>\$ 10,689,411</u>	<u>\$ 16,560,454</u>	<u>\$ 5,321,996</u>	<u>\$ 7,238,796</u>	39,810,657
Eliminations					<u>(2,160,296)</u>
Consolidated revenue					<u>\$ 37,650,361</u>
Total profit or loss for reportable segments	<u>\$ (244,136)</u>	<u>\$ (442,161)</u>	<u>\$ 536,399</u>	<u>\$ 193,268</u>	\$ 43,370
Eliminations					<u>57,949</u>
Segment profit or loss					101,319
Finance costs					(519,866)
Interest income					217,631
Net gain on fair value change of financial instruments at fair value through profit or loss					217,721
Foreign exchange gain					101,120
Net non-operating income and expenses					<u>807,444</u>
Profit before income tax					<u>\$ 925,369</u>
<u>For the six months ended June 30, 2023</u>					
Revenue from external customers	\$ 9,344,776	\$ 16,296,731	\$ 4,955,380	\$ 5,058,684	\$ 35,655,571
Revenue from other internal operating segments	<u>1,172,170</u>	<u>262,087</u>	<u>25,849</u>	<u>455,662</u>	<u>1,915,768</u>
Segment revenue	<u>\$ 10,516,946</u>	<u>\$ 16,558,818</u>	<u>\$ 4,981,229</u>	<u>\$ 5,514,346</u>	37,571,339
Eliminations					<u>(1,915,768)</u>
Consolidated revenue					<u>\$ 35,655,571</u>
Total profit or loss for reportable segments	<u>\$ (548,189)</u>	<u>\$ (134,248)</u>	<u>\$ 396,313</u>	<u>\$ (128,605)</u>	\$ (414,729)
Eliminations					<u>46,142</u>
Segment profit or loss					(368,587)
Finance costs					(546,399)
Interest income					195,487
Net gain on fair value change of financial instruments at fair value through profit or loss					392,775
Foreign exchange loss					(306,090)
Net non-operating income and expenses					<u>1,055,792</u>
Profit before income tax					<u>\$ 422,978</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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Segment assets</u>			
Business unit of pulp and fine paper	\$ 37,361,179	\$ 35,429,227	\$ 35,695,897
Business unit of containerboard and packaging	41,514,775	40,260,133	40,770,605
Business unit of consumer products	10,325,414	8,895,052	8,345,070
Other segments	107,975,243	96,663,637	92,358,739
Adjustment and elimination	<u>(38,027,284)</u>	<u>(36,855,435)</u>	<u>(35,594,216)</u>
Consolidated total assets	<u>\$ 159,149,327</u>	<u>\$ 144,392,614</u>	<u>\$ 141,576,095</u>

Geographical Information

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

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

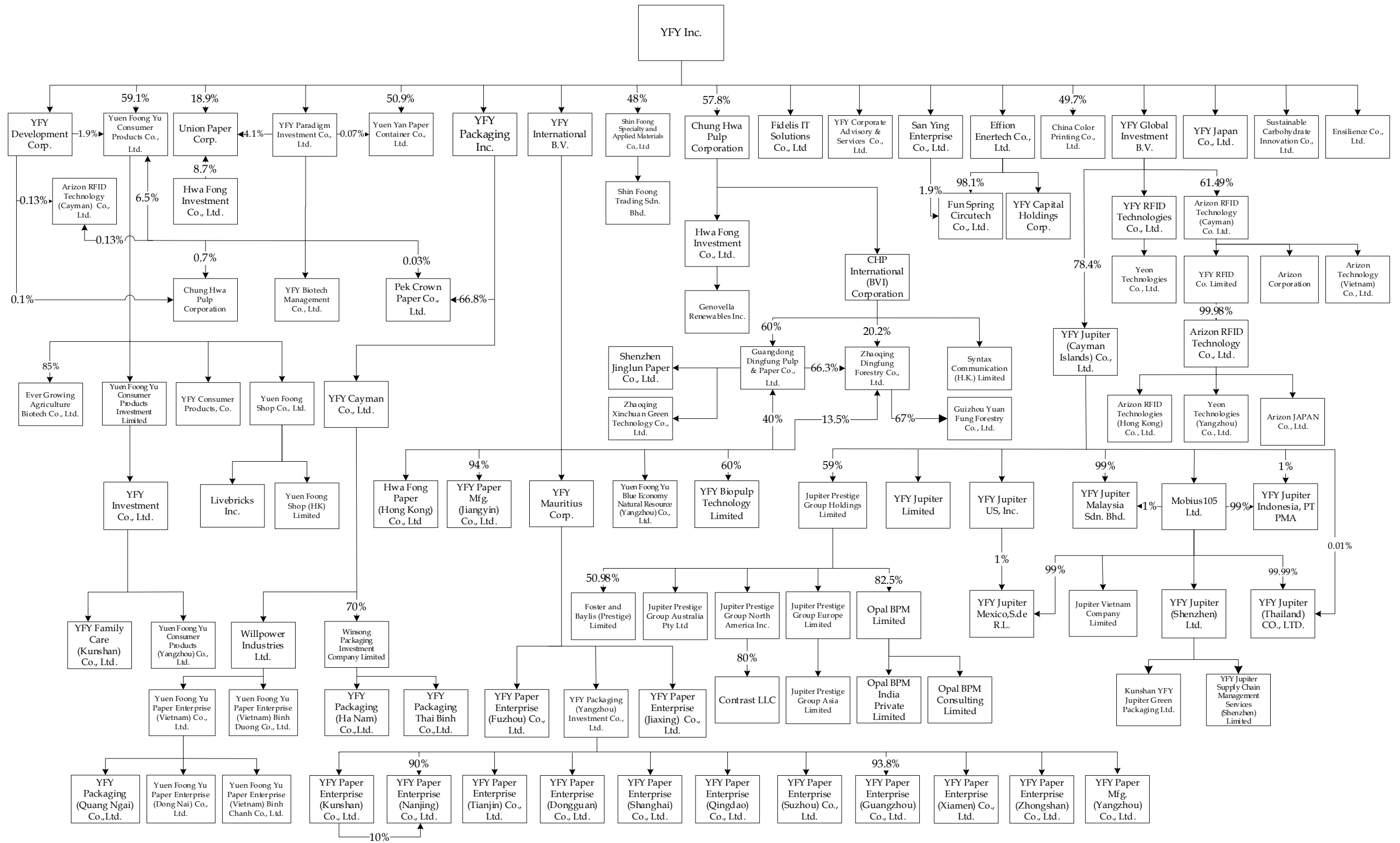
	Revenue from External Customers		Non-current Assets		
	For the Six Months Ended		June 30, 2024	December 31, 2023	June 30, 2023
	June 30 2024	2023			
Taiwan	\$ 18,455,680	\$ 17,866,986	\$ 39,069,159	\$ 38,279,174	\$ 38,198,687
Mainland China	13,130,148	12,539,821	15,249,661	14,906,500	15,140,234
Others	<u>6,064,533</u>	<u>5,248,764</u>	<u>3,208,699</u>	<u>3,265,116</u>	<u>3,466,716</u>
	<u>\$ 37,650,361</u>	<u>\$ 35,655,571</u>	<u>\$ 57,527,519</u>	<u>\$ 56,450,790</u>	<u>\$ 56,805,637</u>

Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2024 and 2023.

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE
JUNE 30, 2024



Note : 100% of Ownership, Unless Otherwise Stated.

YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	\$ 1,321,742	\$ 1,320,438	\$ 1,320,438	2.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 16,509,693	\$ 16,509,693	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	2,603,132	1,552,653	1,552,653	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	16,509,693	16,509,693	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	3,209,348	3,209,348	2,439,852	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	30,038,930	30,038,930	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	6,112,956	3,696,089	3,696,089	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	30,038,930	30,038,930	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	38,726	38,311	32,019	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	38,312	153,247	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	409,976	209,717	159,876	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	838,887	838,887	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	237,477	115,224	50,625	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	460,904	460,904	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	440,392	437,844	222,181	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	906,322	906,322	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	407,820	256,593	95,058	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	1,040,613	1,040,613	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	253,044	246,949	89,780	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	493,906	493,906	-
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	443,795	441,227	258,442	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	899,200	899,200	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	398,685	396,377	307,870	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	811,554	811,554	-
11	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	232,244	107,352	-	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	429,423	429,423	-
12	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	7,557,576	5,919,207	3,954,050	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Jiaying) Co., Ltd.	Other receivables from related parties	Yes	444,563	227,662	162,105	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	55,246	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	577,932	546,388	508,346	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-

(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			
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	\$ 444,563	\$ 113,831	\$ -	2.60	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 8,417,240	\$ 8,417,240	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	444,563	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	114,493	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	114,493	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	114,493	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	114,493	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,417,240	8,417,240	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	433,409	113,831	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	420,862	1,683,448	-
13	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	349,818	183,600	71,635	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	762,433	762,433	-
14	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	60,367	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	83,663	83,663	-
15	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	106,695	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	222,071	222,071	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	111,682	111,035	109,774	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	222,071	222,071	-
16	YFY Jupiter (Shenzhen) Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	194,452	151,400	43,688	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	302,800	302,800	-
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	77,545	69,806	45,833	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	139,618	139,618	-
18	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	55,197	45,100	15,471	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	90,201	90,201	-
19	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	222,640	221,990	221,990	4.14-6.70	Short-term financing	-	Financing for working capital requirements	-	-	-	492,995	492,995	-
		YFY Jupiter (Thailand) Co., Ltd.	Other receivables from related parties	Yes	12,980	12,980	12,980	3.91	Short-term financing	-	Financing for working capital requirements	-	-	-	492,995	492,995	-
20	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	90,052	89,789	89,789	4.44-6.70	Short-term financing	-	Financing for working capital requirements	-	-	-	279,657	279,657	-
21	Jupiter Prestige Group Holdings Limited	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Other receivables from related parties	Yes	69,965	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	150,905	150,905	-
22	CHP International (BVI) Corporation	Shenzhen Jinglun Paper Co., Ltd.	Long-term receivables from related parties	Yes	82,435	81,958	81,958	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,267,648	2,267,648	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	109,914	109,278	109,278	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,267,648	2,267,648	-
		Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	135,102	134,320	134,320	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,267,648	2,267,648	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	906,788	901,541	901,541	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,267,648	2,267,648	-
23	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	304,287	302,527	240	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	635,349	635,349	-
24	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,294,114	1,286,625	201	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,718,868	2,718,868	-

(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			
25	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	\$ 2,175,941	\$ 2,163,349	\$ -	3.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 4,397,359	\$ 4,397,359	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,175,941	2,163,349	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,397,359	4,397,359	-
26	Effion Enertech Co., Ltd.	Ensilience Co., Ltd.	Other receivables from related parties	Yes	194,000	94,000	94,000	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	189,915	189,915	-
27	San Ying Enterprise Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	19,000	19,000	19,000	1.60	Short-term financing	-	Financing for working capital requirements	-	-	-	19,917	19,917	-
28	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon Corporation	Other receivables from related parties	Yes	194,700	194,700	116,820	3.05	Short-term financing	-	Financing for working capital requirements	-	-	-	560,087	560,087	-
		Arizon RFID Technologies (Hong Kong) Co., Ltd.	Other receivables from related parties	Yes	140,000	140,000	140,000	1.95	Short-term financing	-	Financing for working capital requirements	-	-	-	2,240,349	2,240,349	-

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)

YFY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	Endorsement/guarantee YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a. Note 3 a.	\$ 91,961,787 91,961,787	\$ 2,325,306 1,099,138	\$ 1,993,261 1,092,777	\$ 525,603 -	\$ - -	3.25 1.78	\$ 122,615,716 122,615,716	Yes Yes	No No	Yes Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd. Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd. Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a. Note 3 a. Note 3 a.	3,390,191 3,390,191 3,390,191	793,950 841,970 1,236,710	740,600 837,950 1,233,100	233,245 234,926 90,921	- - -	32.77 37.08 54.56	4,520,256 4,520,256 4,520,256	Yes Yes Yes	No No No	No No No
3	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 b.	2,506,209	255,000	255,000	-	-	15.26	3,341,612	No	No	No
4	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd. YFY Packaging Thai Binh Co., Ltd.	Note 3 a. Note 3 a.	1,458,492 1,458,492	874,515 97,635	870,400 97,350	298,928 3,825	- -	89.52 10.01	1,944,656 1,944,656	Yes Yes	No No	No No
1	Credit line (Note 4) YFY Inc.	YFY Development Corp. YFY Paradigm Investment Co., Ltd. Fun Spring Circutech Co., Ltd. Ensilience Co., Ltd. Effion Eneritech Co., Ltd. YFY International B.V. YFY Global Investment B.V. YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Jupiter Limited YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) Mobius105 Ltd.	Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a.	91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787 91,961,787	3,450,000 2,370,000 225,000 805,000 125,000 3,889,128 1,822,520 274,784 526,815 460,575 130,180	3,450,000 2,370,000 225,000 805,000 125,000 3,877,775 1,817,200 273,194 526,150 162,250 129,800	1,360,000 771,000 57,000 - - 85,977 45,894 - 249,237 34,986 -	- - - - - - - - - - -	5.63 3.87 0.37 1.31 0.20 6.33 2.96 0.45 0.86 0.26 0.21	122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716 122,615,716	No No No No No No No No No No No	No No No No No No No No No No No	No No No No No No No No No No No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation Hwa Fong Investment Co., Ltd.	Note 3 a. Note 3 a.	23,595,225 23,595,225	748,535 130,000	746,350 130,000	29,205 71,200	- -	4.74 0.83	31,460,300 31,460,300	No No	No No	No No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	12,313,868	520,720	519,200	-	-	6.32	16,418,490	No	No	No
4	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 3 a.	8,401,310	830,000	830,000	500,000	-	14.82	11,201,746	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

JUNE 30, 2024

(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	June 30, 2024				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	1,032,334	\$ 14,863	-	\$ 14,863	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	510,033,992	12,954,864	4.1	12,954,864	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at FVTOCI	97,502,590	1,477,164	13.6	1,477,164	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at FVTOCI	7,464,617	966,668	0.8	966,668	
	Medeon Biodesign, Inc.	-	Non-current financial assets at FVTOCI	2,126,317	108,442	2.3	108,442	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at FVTOCI	34,761,734	5,273,798	3.0	5,273,798	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	20,826,000	278,612	12.9	278,612	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	16,415,242	151,242	14.9	151,242	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	4,200,000	82,434	14.0	82,434	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,999,371	114,887	13.9	114,887	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,612	24,564	5.5	24,564	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,221,228	42,769	3.0	42,769	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,600,000	20,024	8.0	20,024	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at FVTOCI	544,067	14,683	0.7	14,683	
	Supercell Biotechnology Corporation	-	Non-current financial assets at FVTOCI	696,564	2,393	3.0	2,393	
	China Trade and Development Corp.	-	Non-current financial assets at FVTOCI	377,634	1,934	0.6	1,934	
YFY International B.V.	<u>Corporate bonds</u> TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 2,068 thousand	-	US\$ 2,068 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 1,517 thousand	-	US\$ 1,517 thousand	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,744 thousand	-	US\$ 1,744 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US\$ 1,718 Thousand	-	US\$ 1,718 Thousand	
	F, Hoffmann-La Roche AG	-	Non-current financial assets at amortized cost	-	US\$ 1,492 Thousand	-	US\$ 1,492 Thousand	
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US\$ 2,014 thousand	-	US\$ 2,014 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY International B.V.	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US\$ 1,966 thousand	-	US\$ 1,966 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 1,507 thousand	-	US\$ 1,507 thousand	
	Korea East-West Power Company Co., Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,988 thousand	-	US\$ 1,988 thousand	
	Korea Electric Power Corporation	-	Non-current financial assets at amortized cost	-	US\$ 1,938 thousand	-	US\$ 1,938 thousand	
	MITSUI & CO., LTD.	-	Non-current financial assets at amortized cost	-	US\$ 1,967 thousand	-	US\$ 1,967 thousand	
	Nippon Telegraph and Telephone Public Corporation	-	Non-current financial assets at amortized cost	-	US\$ 2,020 thousand	-	US\$ 2,020 thousand	
	Charles Schwab Corporation	-	Non-current financial assets at amortized cost	-	US\$ 1,938 thousand	-	US\$ 1,938 thousand	
	Intercontinental Exchange, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 1,004 thousand	-	US\$ 1,004 thousand	
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\$ 83 thousand	0.2	US\$ 83 thousand	
	<u>Special share</u> Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at FVTOCI	-	US\$ 2,680 thousand	6.5	US\$ 2,680 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at FVTOCI	-	US\$ 286 thousand	19.9	US\$ 286 thousand	
	<u>Corporate bonds</u> TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 2,070 thousand	-	US\$ 2,070 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 1,520 thousand	-	US\$ 1,520 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US\$ 1,724 thousand	-	US\$ 1,724 thousand	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,744 thousand	-	US\$ 1,744 thousand	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US\$ 2,460 thousand	-	US\$ 2,460 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 871 thousand	-	US\$ 871 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Global Investment B.V.	Franklin Resources, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 479 thousand	-	US\$ 479 thousand	
	Charles Schwab Corporation	-	Non-current financial assets at amortized cost	-	US\$ 879 thousand	-	US\$ 879 thousand	
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US\$ 1,987 thousand	-	US\$ 1,987 thousand	
	Korea East-West Power Company Co., Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,988 thousand	-	US\$ 1,988 thousand	
	Nippon Telegraph and Telephone Public Corporation	-	Non-current financial assets at amortized cost	-	US\$ 2,020 thousand	-	US\$ 2,020 thousand	
	Korea Electric Power Corporation	-	Non-current financial assets at amortized cost	-	US\$ 1,938 thousand	-	US\$ 1,938 thousand	
	Charles Schwab Corporation	-	Non-current financial assets at amortized cost	-	US\$ 1,070 thousand	-	US\$ 1,070 thousand	
	MITSUI & CO., LTD.	-	Non-current financial assets at amortized cost	-	US\$ 988 thousand	-	US\$ 988 thousand	
	Intercontinental Exchange, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 2,718 thousand	-	US\$ 2,718 thousand	
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	80,480	-	80,480	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	41,130,388	1,044,712	0.3	1,044,712	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at FVTOCI	2,884,415	77,436	11.8	77,436	
	<u>Special share</u> Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	4,923,000	308,672	0.8	308,672	
	Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	5,000,000	305,500	0.6	305,500	
	Taishin Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	5,879,000	308,647	1.2	308,647	
	WPG Holdings Limited	-	Non-current financial assets at FVTOCI	3,174,000	155,526	1.6	155,526	
	Yulon Finance Corporation	-	Non-current financial assets at FVTOCI	3,019,000	154,573	3.0	154,573	
	CTBC Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	86,000	5,186	0.0	5,186	
	China Development Financial Holding Corporation	-	Non-current financial assets at FVTOCI	6,740,000	51,224	0.4	51,224	
	WT Microelectronics Co., Ltd.	-	Non-current financial assets at FVTOCI	2,128,000	100,654	1.6	100,654	
	<u>Corporate bonds</u> Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	64,989	-	64,989	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	92,233	-	92,233	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	62,239	-	62,239	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	57,717	-	57,717	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	33,176	-	33,176	
	7-ELEVEN Company	-	Non-current financial assets at amortized cost	-	28,729	-	28,729	
Cathay Life Company	-	Non-current financial assets at amortized cost	-	200,000	-	200,000		
Fubon Life Company	-	Non-current financial assets at amortized cost	-	200,000	-	200,000		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China Color Printing Co., Ltd.	<u>Ordinary shares</u>							
	China Development Financial Holding Corporation	-	Current financial assets at FVTOCI	9,959,081	\$ 150,382	0.1	\$ 150,382	
	China Parcel Co., Ltd.	-	Non-current financial assets at FVTOCI	463,917	2,430	10.8	2,430	
YFY Development Corp.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	11,530,421	166,010	-	166,010	
	<u>Ordinary shares</u>							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	230,378,958	5,851,626	1.9	5,851,626	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	642,911	32,788	0.7	32,788	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	3,490,949	52,888	0.5	52,888	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at FVTOCI	1,542,258	11,212	1.3	11,212	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,250,000	49,440	5.5	49,440	
Universal Venture Capital Investment Corporation		Note 1	Non-current financial assets at FVTOCI	5,600,000	52,556	4.7	52,556	
	Everterminal Co., Ltd.	-	Non-current financial assets at FVTOCI	1,200,960	16,045	2.5	16,045	
YFY Paradigm Investment Co., Ltd.	<u>Ordinary shares</u>							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	161,771,362	4,108,993	1.3	4,108,993	
	Zhen Ding Technology Holding Limited	-	Current financial assets at FVTOCI	467,106	60,490	0.1	60,490	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	164,643	8,397	0.2	8,397	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at FVTOCI	43,109	825	0.1	825	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,654,353	267,464	2.5	267,464	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,370,730	36,799	5.6	36,799	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	2,574,000	34,435	1.6	34,435	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at FVTOCI	1,050,000	20,609	3.5	20,609	
	Locus Publishing Company	Note 1	Non-current financial assets at FVTOCI	1,440,291	18,093	13.9	18,093	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at FVTOCI	1,000,000	10,054	1.1	10,054	
	Supercell Biotechnology Corporation	Note 1	Non-current financial assets at FVTOCI	696,435	2,392	3.0	2,392	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at FVTOCI	2,402	364	-	364	
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	2,752,553	0.9	2,752,553	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,829,132	270,111	2.5	270,111	
	Medeon Biodesign, Inc.	-	Non-current financial assets at FVTOCI	407,550	20,785	0.4	20,785	
	Direct Insight Inc.	-	Non-current financial assets at FVTOCI	286,200	42,930	0.9	42,930	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	16,415,242	151,242	14.9	151,242	
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	62,669	-	62,669	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yuen Foong Yu Consumer Products Investment Limited	<u>Corporate bonds</u> Mitsubishi UFJ Leasing Co., Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 7,108 thousand	-	US\$ 7,108 thousand	
	Korea Electric Power Corporation	-	Non-current financial assets at amortized cost	-	US\$ 2,001 thousand	-	US\$ 2,001 thousand	
	Incheon International Airport	-	Non-current financial assets at amortized cost	-	US\$ 923 thousand	-	US\$ 923 thousand	
YFY Corporate Advisory & Services Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	5,437,894	78,293	-	78,293	
YFY Japan Co., Ltd.	<u>Ordinary shares</u> Beautone Japan Co., Ltd.	-	Non-current financial assets at FVTOCI	440	JPY 66,433 thousand	36.7	JPY 66,433 thousand	
Effion Energetech Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	3,827,153	55,102	-	55,102	
Genovella Renewables Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	682,267	9,823	-	9,823	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	324,058	4,666	-	4,666	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	2,162,004	31,128	-	31,128	
Ensilience Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	2,592,982	37,333	-	37,333	
YFY Biotech Management Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	280,526	4,039	-	4,039	
	<u>Convertible bonds</u> Micareo Convertible Bonds	-	Current financial assets at FVTPL	-	124,781	-	124,781	
	<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	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arizon RFID Technology Co., Ltd.	<u>Negotiable certificates of deposit</u> Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 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	
Fidelis IT Solutions Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	486,364	7,002	-	7,002	

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)

YFY INC. AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Yuen Foong Yu Consumer Products Co., Ltd.	Land	May 13, 2024	\$ 327,282	Base on the terms in the contract	Natural person	Non-related-party transactions	-	-	-	\$ -	Negotiated based on the appraisal report by Glod Appraiser Firm	For operational use	-

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 SIX MONTHS ENDED JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	\$ 284,990	90	In agreed terms	\$ -	-	\$ 43,064	86	-
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	822,006	35	In agreed terms	-	-	-	-	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	1,144,180	88	In agreed terms	-	-	209,664	100	-
	YFY Family Care (Kunshan) Co., Ltd.	Note 1 b	Sales	155,951	12	In agreed terms	-	-	-	-	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	127,123	3	In agreed terms	-	-	128,677	5	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	172,613	4	In agreed terms	-	-	133,003	5	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	145,989	3	In agreed terms	-	-	56,115	2	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	174,265	5	In agreed terms	-	-	121,722	4	-
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 a	Sales	156,931	4	In agreed terms	-	-	19,779	1	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 a	Sales	206,026	6	In agreed terms	-	-	264,619	9	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Note 1 a	Sales	207,256	6	In agreed terms	-	-	145,513	5	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	415,384	12	In agreed terms	-	-	191,461	7	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Note 1 a	Sales	211,418	6	In agreed terms	-	-	196,991	7	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	1,863,809	53	In agreed terms	-	-	1,504,879	53	-
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 1 a	Sales	103,924	6	In agreed terms	-	-	58,064	7	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	Note 1 b	Sales	123,786	34	In agreed terms	-	-	128,838	58	-
Shin Foong Specialty And Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	128,858	19	4 months after transaction month	-	-	114,442	34	-
YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	284,619	95	In agreed terms	-	-	-	-	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 1 b	Sales	190,203	93	2 months after transaction month	-	-	-	-	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	122,923	9	2 months after transaction month	-	-	47,600	12	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	408,953	7	3 months after transaction month	-	-	148,905	8	-
	Chung Hwa Pulp Corporation	Note 1 b	Sales	195,343	3	2 months after transaction month	-	-	84,611	4	-
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 1 b	Sales	202,371	4	In agreed terms	-	-	48,994	2	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	382,237	11	In agreed terms	-	-	221,950	20	-

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	\$ 144,115	99	In agreed terms	\$ -	-	\$ 106,265	99	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	283,241	3	Half month after transaction month	-	-	29,882	1	-
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	238,103	3	2 months after transaction month	-	-	145,381	4	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 a	Sales	934,133	10	5 months after transaction month	-	-	1,249,162	34	-
	Union Paper Corp.	Note 1 b	Sales	455,969	5	1 month after transaction month	-	-	83,257	2	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Note 1 a	Sales	119,802	13	In agreed terms	-	-	44,886	12	-
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	Note 1 b	Sales	248,889	24	In agreed terms	-	-	96,575	20	-
YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	Note 1 b	Sales	199,561	60	In agreed terms	-	-	39,207	38	-

Note 1: The relationships are as follows:

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

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

(Concluded)

YFY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	\$ 133,003	2.61	\$ -	-	\$ 28,973	\$ -	-
	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	128,677	2.05	-	-	24,353	-	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	209,664	10.66	-	-	209,664	-	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Subsidiary	103,432	1.97	-	-	15,600	-	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	1,504,879	3.00	-	-	499,928	-	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	121,722	2.40	-	-	59,801	-	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	145,513	2.75	-	-	58,581	-	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	191,461	4.25	-	-	133,074	-	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	264,619	1.71	-	-	78,405	-	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	196,991	2.15	-	-	80,618	-	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	128,838	2.08	-	-	-	-	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	148,905	5.67	-	-	76,779	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	221,950	4.17	-	-	194,755	-	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	106,265	2.68	-	-	47,289	-	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	114,442	2.31	-	-	19,902	-	-
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	1,249,162	1.66	-	-	228,289	-	-
	Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	145,381	3.72	-	-	52,725	-	-

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

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Taiwan	Pulp and paper production, trading and forestry business	\$ 5,715,988	\$ 5,715,988	627,827,088	57.80	\$ 9,322,141	\$ (137,526)	\$ (78,287)	Notes 1, 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	59.10	3,215,891	437,046	258,509	Notes 1, 3 and 4
	Shin Foong Specialty and Applied Materials Co., Ltd.	Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	71,687	71,687	50,968,248	48.0	2,957,768	14,384	6,464	Notes 1, 3 and 4
	E Ink Holdings Inc.	Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.70	5,985,394	3,340,703	389,896	Note 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.00	14,789,333	(242,294)	(242,294)	Notes 1, 3 and 4
	YFY Packaging Inc.	Taiwan	Production and sale of high-quality craft paper and corrugated paper	7,451,802	7,451,802	467,260,000	100.00	8,115,692	(82,672)	(80,431)	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	8,573,682	362,903	362,903	Notes 1 and 3
	YFY Development Corp.	Taiwan	Real estate investment and development	2,311,115	2,311,115	258,000,000	100.00	7,545,692	63,986	63,986	Notes 1, 3 and 4
	YFY Paradigm Investment Co., Ltd.	Taiwan	Investment and holding	619,177	619,177	192,358,000	100.00	5,143,393	27,640	27,640	Notes 1, 3 and 4
	Effion Eneritech Co., Ltd.	Taiwan	To operate cogeneration and provide power technology	607,641	607,641	70,000,000	100.00	465,489	(11,748)	(10,742)	Notes 1 and 3
	China Color Printing Co., Ltd.	Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.70	468,135	6,577	3,266	Notes 1 and 3
	Union Paper Corp.	Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.90	240,547	16,263	3,035	Notes 1 and 3
	Ensilience Co., Ltd.	Taiwan	Renewable energy retail industry, energy technology service industry	150,000	150,000	15,000,000	100.00	116,835	(15,298)	(15,298)	Notes 1 and 3
	Fidelis IT Solutions Co., Ltd.	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	79,313	3,885	3,885	Notes 1 and 3
	Yuen Yan Paper Container Co., Ltd.	Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.90	72,420	4,555	2,321	Notes 1 and 3
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.00	72,476	2,401	2,401	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taiwan	Consulting	30,000	30,000	3,000,000	100.00	48,124	10,010	10,010	Notes 1 and 3
	San Ying Enterprise Co., Ltd.	Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.00	50,207	(352)	(352)	Notes 1 and 3
	Sustainable Carbohydrate Innovation Co., Ltd.	Taiwan	Researching and development	30,000	30,000	3,000,000	100.00	36,283	772	772	Notes 1 and 3
	FS-TECH Company Ltd.	Taiwan	Provides services in information software and information processing.	22,400	22,400	1,153,940	34.60	22,449	(1,238)	(428)	-
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\$ 841 thousand	US\$ (77) thousand	US\$ (77) 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	-	-	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\$ 112,876 thousand	US\$ (15,777) thousand	US\$ (15,777) 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\$ 69,001 thousand	US\$ 2,446 thousand	US\$ 2,446 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\$ 20,794 thousand	US\$ 1,159 thousand	US\$ 811 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\$ 27,900 thousand	-	100.00	US\$ 27,359 thousand	US\$ 871 thousand	US\$ 871 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\$ 2,326 thousand	US\$ 282 thousand	US\$ 282 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\$ 10,865 thousand	US\$ 92 thousand	US\$ 92 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\$ 53,974 thousand	US\$ 2,543 thousand	US\$ 2,543 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\$ 2,576 thousand	US\$ (738) thousand	US\$ (177) 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 73,595,933 thousand	VND 35,544 thousand	VND 35,544 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 671,186,589 thousand	VND 30,805,274 thousand	VND 30,805,274 thousand	Notes 1 and 3
	YFY Packaging (Quang Ngai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 4,000 thousand	US\$ 4,000 thousand	-	100.00	VND 95,074,811 thousand	VND (47,616) thousand	VND (47,616) thousand	Notes 1 and 3
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\$ 7,082 thousand	US\$ 2,800 thousand	US\$ 2,800 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.00	US\$ 6,681 thousand	US\$ (915) thousand	US\$ (915) 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\$ 5,454 thousand	US\$ 467 thousand	US\$ 276 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\$ 1,664 thousand	US\$ 20 thousand	US\$ 20 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\$ 2,130 thousand	US\$ 333 thousand	US\$ 330 thousand	Notes 1 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.00	US\$ 34 thousand	US\$ 1,771 thousand	US\$ 18 thousand	Note 3
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	-	-	2	0.01	-	US\$ (98) thousand	-	Note 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	\$ -	\$ -	-	1.00	\$ -	US\$ (1,972) thousand	US\$ (20) 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\$ 413 thousand	US\$ (89) thousand	US\$ (31) thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.00	US\$ 150 thousand	US\$ 64 thousand	US\$ 23 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\$ 22 thousand	US\$ 333 thousand	US\$ 3 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\$ (1,972) thousand	US\$ (1,952) 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\$ 3,387 thousand	US\$ 1,771 thousand	US\$ 1,753 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\$ 1,095 thousand	US\$ 260 thousand	US\$ 260 thousand	Notes 1 and 3
	Winshine Jupiter Co., Ltd.	Thailand	Manufacture and sale of packaging materials	THB 10,000 thousand	THB 10,000 thousand	100,000	20.00	US\$ 251 thousand	US\$ (141) thousand	US\$ (28) thousand	-
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	THB 17,773 thousand	THB 10,709 thousand	3,499,998	99.99	US\$ 219 thousand	US\$ (98) thousand	US\$ (98) thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.00	US\$ 4,362 thousand	US\$ 225 thousand	US\$ 225 thousand
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\$ 1,596 thousand	US\$ (137) thousand	US\$ (137) thousand	Notes 1 and 3
Jupiter Prestige Group Australia Pty Ltd.		Australia	Graphic design	-	-	100	100.00	US\$ 444 thousand	US\$ 49 thousand	US\$ 49 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\$ 889 thousand	US\$ 294 thousand	US\$ 225 thousand	Notes 1 and 3
Foster and Baylis (Prestige) Limited		United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US\$ 451 thousand	US\$ 172 thousand	US\$ 88 thousand	Notes 1 and 3
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.00	US\$ 2,529 thousand	US\$ 175 thousand	US\$ 175 thousand	Notes 1 and 3
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand design	US\$ 66 thousand	US\$ 66 thousand	-	80.00	US\$ 452 thousand	US\$ (140) thousand	US\$ (112) 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\$ 160 thousand	US\$ 21 thousand	US\$ 21 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.	Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.80	420,035	43,079	32,093	Notes 1 and 3
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,726,617	2,726,617	81,365,601	100.00	2,959,401	104,390	104,390	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\$ 90,733 thousand	45,694,935	61.49	US\$ 107,176 thousand	US\$ 12,999 thousand	US\$ 7,993 thousand	Notes 1, 3 and 5
	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	78.40	US\$ 30,518 thousand	US\$ 145 thousand	US\$ 113 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\$ 3 thousand	US\$ 3 thousand	Notes 1 and 3
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	US\$ 127,603 thousand	US\$ 127,603 thousand	29,584,886	100.00	RMB 1,094,264 thousand	RMB 96,550 thousand	RMB 94,117 thousand	Notes 1, 3 and 5
	Arizon Corporation	USA	Product distribution and technical consulting services	US\$ 250 thousand	US\$ 100 thousand	25	100.00	RMB 3,277 thousand	RMB 1,312 thousand	RMB 1,312 thousand	Notes 1, 3 and 5
	Arizon Technology (Vietnam) Co., Ltd.	Vietnam	Product distribution and R&D services	-	-	-	100.00	-	-	-	Note 1
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 102,093 thousand	RMB 10,192 thousand	RMB 7,516 thousand	Notes 1, 3 and 5
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.00	RMB 1,354 thousand	RMB 80 thousand	RMB (109) thousand	Notes 1, 3 and 5
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	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	3,404,547	27,351	27,351	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.00	245,060	11,565	12,198	Notes 1 and 3
	Yuen Foong Shop Co., Ltd.	Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.00	92,753	29,258	30,089	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.	Taiwan	Information processing services	1,879	1,879	200,002	100.00	13,745	10,391	10,391	Notes 1 and 3
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	10,568	10,568	1,500,000	100.00	14,029	2,162	2,162	Notes 1, 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
YFY Development Corp.	Chung Hwa Pulp Corporation	Taiwan	Pulp and paper production, trading and forestry business	\$ 15,206	\$ 15,206	1,181,633	0.10	\$ 17,435	\$ (137,526)	\$ (149)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	1.90	104,541	437,046	8,404	Notes 3 and 4
	E Ink Holdings Inc.	Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.00	1,100,635	3,340,703	68,138	Note 4
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,613	414,687	558	Notes 3 and 5
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.00	127,317	861	861	Notes 1 and 3
	YFY Biotech Co., Ltd.	Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.00	-	(13,318)	-	-
	Fun Spring Circutech Co., Ltd.	Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	127,500	47,500	12,750,000	98.10	103,102	(11,203)	(10,643)	Notes 1 and 3
YFY Paradigm Investment Co., Ltd.	Chung Hwa Pulp Corporation	Taiwan	Pulp and paper production, trading and forestry business	79,242	79,242	7,752,732	0.70	114,407	(137,526)	(981)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taiwan	Production and sale of high quality paper and paper-related merchandise	281,907	281,907	17,386,815	6.50	353,878	437,046	28,446	Notes 3 and 4
	E Ink Holdings Inc.	Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.70	542,905	3,340,703	22,996	Note 4
	Union Paper Corp.	Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.10	52,619	16,263	673	Note 3
	YFY Biotech Management Co., Ltd.	Taiwan	Consulting	10,000	10,000	26,430,000	100.00	208,575	(3,527)	(3,527)	Notes 1 and 3
	Yuen Yan Paper Container Co., Ltd.	Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	105	4,555	3	Note 3
	Pek Crown Paper Co., Ltd.	Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	207	43,079	14	Note 3
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,613	414,687	558	Notes 3 and 5
	FS-TECH Company Ltd.	Taiwan	Provides services in information software and information processing.	100	100	10,000	0.30	100	(1,238)	(4)	-
San Ying Enterprise Co., Ltd.	Fun Spring Circutech Co., Ltd.	Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	2,500	2,500	250,000	1.90	2,022	(11,203)	(560)	Note 3
Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	329,000	329,000	20,000,000	1.70	801,680	3,340,703	58,424	Note 4
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.00	5,709,081	121,676	119,585	Notes 1, 3 and 4
	Hwa Fong Investment Co., Ltd.	Taiwan	Investment and holding	36,000	36,000	6,600,000	100.00	121,134	1,222	1,222	Notes 1 and 3
CHP International (BVI) Corporation	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.00	US\$ 224 thousand	US\$ 29 thousand	US\$ 29 thousand	Notes 1 and 3
Hwa Fong Investment Co., Ltd.	Union Paper Corp.	Taiwan	Manufacture and sale of paper	63,571	63,571	9,027,682	8.70	110,904	16,263	1,418	Note 3
	Genovella Renewables Inc.	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	25,729	508	508	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: Recognized from financial statements audited by the auditors for the same periods.

(Concluded)

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Information on investments in mainland China

Investee Company (Note 8)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 5)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 (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 June 30, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 162,250 (US\$ 5,000 thousand)	a.(a)	\$ 48,675 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 48,675 (US\$ 1,500 thousand)	\$ (23,475)	100.0	\$ (23,475) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	356,950 (US\$ 11,000 thousand)	a.(b)	227,150 (US\$ 7,000 thousand)	-	-	227,150 (US\$ 7,000 thousand)	(6,000)	100.0	(6,000) (Note 2)	417,760	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	227,150 (US\$ 7,000 thousand)	a.(b)	227,150 (US\$ 7,000 thousand)	-	-	227,150 (US\$ 7,000 thousand)	(27,155)	100.0	(27,155) (Note 2)	203,861	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	259,600 (US\$ 8,000 thousand)	a.(b)	259,600 (US\$ 8,000 thousand)	-	-	259,600 (US\$ 8,000 thousand)	22,022	100.0	22,022 (Note 2)	463,562	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	194,700 (US\$ 6,000 thousand)	a.(b)	64,900 (US\$ 2,000 thousand)	-	-	64,900 (US\$ 2,000 thousand)	(6,888)	100.0	(6,888) (Note 2)	244,597	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	259,600 (US\$ 8,000 thousand)	a.(b)	263,267 (US\$ 8,113 thousand)	-	-	263,267 (US\$ 8,113 thousand)	25,519	100.0	25,519 (Note 2)	393,083	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	259,600 (US\$ 8,000 thousand)	a.(b)	259,600 (US\$ 8,000 thousand)	-	-	259,600 (US\$ 8,000 thousand)	30,638	100.0	30,638 (Note 2)	468,915	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	323,170 (US\$ 9,959 thousand)	a.(m)	292,050 (US\$ 9,000 thousand)	-	-	292,050 (US\$ 9,000 thousand)	17,720	100.0	17,720 (Note 2)	531,159	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	308,275 (US\$ 9,500 thousand)	a.(b)	243,375 (US\$ 7,500 thousand)	-	-	243,375 (US\$ 7,500 thousand)	5,207	93.8	4,882 (Note 2)	365,920	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	210,925 (US\$ 6,500 thousand)	a.(b)	210,925 (US\$ 6,500 thousand)	-	-	210,925 (US\$ 6,500 thousand)	(19,731)	100.0	(19,731) (Note 2)	221,022	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	194,700 (US\$ 6,000 thousand)	a.(b)	155,760 (US\$ 4,800 thousand)	-	-	155,760 (US\$ 4,800 thousand)	17,848	100.0	17,848 (Note 2)	414,478	-

(Continued)

Investee Company (Note 8)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 5)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 (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 June 30, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 162,250 (US\$ 5,000 thousand)	a.(a)	\$ 162,250 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 162,250 (US\$ 5,000 thousand)	\$ (23,561)	100.0	\$ (23,561) (Note 2)	\$ 30,362	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	10,483,686 (US\$ 323,072 thousand)	a.(a)	2,823,150 (US\$ 87,000 thousand)	-	-	2,823,150 (US\$ 87,000 thousand)	(456,350)	100.0	(456,350) (Note 2)	3,962,801	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	11,250,253 (US\$ 346,695 thousand)	a.(b)	7,950,250 (US\$ 245,000 thousand)	-	-	7,950,250 (US\$ 245,000 thousand)	(519,220)	100.0	(519,220) (Note 2)	454,903	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	483,505 (US\$ 14,900 thousand)	a.(c)	454,495 (US\$ 14,006 thousand)	-	-	454,495 (US\$ 14,006 thousand)	2,745	94.0	2,581 (Note 7)	360,971	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	259,600 (US\$ 8,000 thousand)	a.(c)	259,600 (US\$ 8,000 thousand)	-	-	259,600 (US\$ 8,000 thousand)	931	100.0	931 (Note 7)	111,979	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	884,648 (RMB 194,290 thousand)	a.(e)	823,970 (US\$ 25,392 thousand)	-	-	823,970 (US\$ 25,392 thousand)	455,789	61.7	281,415 (Note 3)	3,084,196	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	36,426 (RMB 8,000 thousand)	a.(f)	-	-	-	-	(3,636)	61.7	(2,245) (Note 3)	21,902	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	11,358 (US\$ 350 thousand)	a.(g)	-	-	-	-	37,578	78.4	29,473 (Note 7)	114,912	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	9,106 (RMB 2,000 thousand)	a.(h)	-	-	-	-	3,220	78.4	2,526 (Note 7)	49,144	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	22,766 (RMB 5,000 thousand)	a.(h)	-	-	-	-	5,750	78.4	4,510 (Note 7)	31,490	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,830 (RMB 1,500 thousand)	a.(h)	-	-	-	-	(1,560)	27.5	(428) (Note 7)	2,710	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	(170)	27.5	(47) (Note 7)	68	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	9,106 (RMB 2,000 thousand)	a.(h)	-	-	-	-	4,147	27.5	1,138 (Note 7)	4,859	-
YFY Investment Co., Ltd.	Investment and holding and sale of paper	3,731,750 (US\$ 115,000 thousand)	a.(i)	3,731,750 (US\$ 115,000 thousand)	-	-	3,731,750 (US\$ 115,000 thousand)	(3,249)	67.6	(2,195) (Note 2)	1,478,651	-

(Continued)

Investee Company (Note 8)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 5)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 (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 June 30, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	\$ 973,500 (US\$ 30,000 thousand)	a.(j)	\$ 973,500 (US\$ 30,000 thousand)	\$ -	\$ -	\$ 973,500 (US\$ 30,000 thousand)	\$ 4,941	67.6	\$ 3,339 (Note 7)	\$ 218,073	\$ -
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	973,500 (US\$ 30,000 thousand)	a.(j)	973,500 (US\$ 30,000 thousand)	-	-	973,500 (US\$ 30,000 thousand)	30,030	67.6	20,295 (Note 7)	939,298	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,778,694 (US\$ 85,630 thousand)	a.(k)	713,900 (US\$ 22,000 thousand)	-	-	713,900 (US\$ 22,000 thousand)	84,781	75.2	63,714 (Note 2)	3,741,893	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	710,006 (US\$ 21,880 thousand)	a.(l)	239,481 (US\$ 7,380 thousand)	-	-	239,481 (US\$ 7,380 thousand)	12,732	75.2	9,568 (Note 7)	2,394,602	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	191,236 (RMB 42,000 thousand)	a.(n)	-	-	-	-	-	50.4	- (Note 7)	96,290	-
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	9,106 (RMB 2,000 thousand)	a.(d)	-	-	-	-	4,288	75.2	3,223 (Note 7)	19,070	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	14,570 (RMB 3,200 thousand)	a.(d)	-	-	-	-	(6,423)	75.2	(4,827) (Note 7)	77,435	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024 (Notes 1 and 6)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$17,534,617	\$23,348,458	\$53,074,349

(Continued)

- Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$31.901167 or RMB1=NT\$4.489802, the rest were translated at exchange rates of US\$1=NT\$32.45 or RMB1=NT\$4.553236 as of June 30, 2024.
- Note 2: Recognized from financial statements reviewed by the auditors for the same periods.
- Note 3: Recognized from financial statements audited by the auditors for the same periods.
- Note 4: 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 5: 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) Mobius105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Investment Limited (j) YFY investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (n) Zhaoqing Dingfung Forestry Co., Ltd.
- Note 6: In calculating the accumulated outward remittance for investment, the reinvestment amount of \$3,823,681 thousand made by investor of mainland China has been deducted.
- Note 7: Recognized from financial statements that have not been reviewed.
- Note 8: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.
2. Investment in mainland China's significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6, 7 and 10.

(Concluded)

YFY INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	\$ 284,990	By market price	0.8
2	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	822,006	By market price	2.2
3	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	Sales	172,613	By market price	0.5
		YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	Accounts receivable	133,003	In agreed terms	0.1
		YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	Sales	127,123	By market price	0.3
				Accounts receivable	128,677	In agreed terms	0.1
				Sales	145,989	By market price	0.4
4	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	1,144,180	By market price	3.0
		YFY Family Care (Kunshan) Co., Ltd.	The same ultimate parent company	Accounts receivable	209,664	In agreed terms	0.1
				Sales	155,951	By market price	0.4
5	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Sales	1,863,809	By market price	5.0
				Accounts receivable	1,504,879	In agreed terms	0.9
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	Sales	415,384	By market price	1.1
				Accounts receivable	191,461	In agreed terms	0.1
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	Sales	174,265	By market price	0.5
				Accounts receivable	121,722	In agreed terms	0.1
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Subsidiary	Sales	156,931	By market price	0.4
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	Sales	211,418	By market price	0.6
				Accounts receivable	196,991	In agreed terms	0.1
6	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	Sales	123,786	By market price	0.3
				Accounts receivable	128,838	In agreed terms	0.1
7	YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	284,619	By market price	0.8
8	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Sales	190,203	By market price	0.5

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
9	YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales	\$ 408,953	By market price 3 months after transaction month	1.1
				Accounts receivable	148,905		0.1
		Chung Hwa Pulp Corporation YFY Packaging (Yangzhou) Investment Co., Ltd.	The same ultimate parent company	Sales	195,343	By market price	0.5
			The same ultimate parent company	Sales	202,371	By market price	0.5
10	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	382,237	By market price	1.0
				Accounts receivable	221,950	In agreed terms	0.1
11	Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	128,858	By market price 4 months after transaction month	0.3
				Accounts receivable	114,442		0.1
12	Chung Hwa Pulp Corporation	YFY Development Corp. Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company	Sales	283,241	By market price	0.8
			Subsidiary	Sales	934,133	By market price	2.5
		Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	Accounts receivable	1,249,162	5 months after transaction month	0.8
				Sales	238,103	By market price	0.6
				Accounts receivable	145,381	2 months after transaction month	0.1
Union Paper Corp.	The same ultimate parent company	Sales	455,969	By market price	1.2		
13	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	The same ultimate parent company	Sales	122,923	By market price	0.3
14	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Sales	144,115	By market price In agreed terms	0.4
				Accounts receivable	106,265		0.1
15	Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Subsidiary	Sales	103,924	By market price	0.3
16	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Subsidiary	Sales	119,802	By market price	0.3
17	YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	The same ultimate parent company	Sales	248,889	By market price	0.7
18	YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	The same ultimate parent company	Sales	199,561	By market price	0.5

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
JUNE 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	134,599,028	8.10
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.