YFY Inc. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 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, 2026 and 2025, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, 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, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT$25,958,730 thousand and NT$21,131,581 thousand, respectively, both representing 13% of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT$7,710,268 thousand and NT$5,889,379 thousand, respectively, representing 9% and 7%, respectively, of the consolidated total liabilities; for the three and six months ended June 30, 2026 and 2025, the amounts of combined comprehensive income of these non-significant subsidiaries were a gain of NT$637,683 thousand, a loss of NT$249,940 thousand, a gain of NT$713,586 thousand, and a loss of NT$168,015 thousand, respectively, representing 5%, 9%, 4% and 6%, respectively, of the consolidated total comprehensive income. As of June 30, 2026 and 2025, the carrying amounts of the above mentioned investments accounted for using the equity method were NT$237,322 thousand and NT$234,371 thousand, respectively; for the three and six months ended June 30, 2026 and 2025, the amounts of comprehensive income (loss) of investments accounted for using the equity method were a loss of NT$6,250 thousand, a gain of NT$1,470 thousand, a loss of NT$10,383 thousand and a gain of NT$2,542 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, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 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 Shu-Jiuan Ye and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 13, 2026

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, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	$ 11,212,283	6	$ 11,679,948	7	$ 9,298,690	6
Current financial assets at fair value through profit or loss (Note 7)	1,413,151	1	818,899	1	1,321,192	1
Current financial assets at fair value through other comprehensive income (Note 8)	21,956,416	11	15,771,312	9	12,840,543	8
Current financial assets at amortized cost (Note 9)	3,674,171	2	2,129,142	1	3,927,471	3
Notes receivable, net (Notes 12, 24 and 32)	2,054,340	1	2,422,504	1	2,304,043	2
Accounts receivable, net (Notes 12 and 24)	12,857,033	7	12,342,283	7	11,419,995	7
Accounts receivable due from related parties, net (Notes 24 and 31)	79,857	-	76,438	-	73,139	-
Current inventories (Note 13)	13,747,674	7	13,115,667	8	12,990,750	8
Current biological assets (Note 14)	3,958,368	2	3,750,092	2	3,378,050	2
Prepayments	2,305,318	1	2,408,881	1	2,078,307	1
Other current financial assets (Note 32)	759,268	-	693,052	-	641,344	-
Other current assets, others (Note 11)	1,880,165	1	995,029	1	1,937,306	1
Total current assets	75,898,044	39	66,203,247	38	62,210,830	39
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through profit or loss (Notes 7 and 21)	517,973	-	294,580	-	381,440	-
Non-current financial assets at fair value through other comprehensive income (Note 8)	38,613,812	20	29,345,227	17	24,236,362	16
Non-current financial assets at amortized cost (Note 9)	5,929,380	3	5,126,931	3	2,672,411	2
Investments accounted for using equity method (Note 16)	12,513,427	7	11,416,718	7	9,795,078	6
Property, plant and equipment (Notes 17 and 32)	48,497,868	25	48,402,935	28	47,681,383	30
Right-of-use assets (Notes 18 and 32)	2,605,880	1	2,650,621	2	2,128,149	1
Investment property, net (Note 19)	4,081,932	2	4,052,211	2	4,119,760	3
Goodwill	537,450	-	530,397	-	494,732	-
Deferred tax assets	965,735	1	982,831	1	847,321	1
Prepayments for business facilities (Notes 17 and 19)	1,460,290	1	1,253,816	1	1,517,484	1
Net defined benefit asset, non-current (Note 22)	1,210,260	1	1,177,502	1	1,127,520	1
Other non-current assets, others (Note 32)	833,573	-	821,006	-	562,603	-
Total non-current assets	117,767,580	61	106,054,775	62	95,564,243	61
TOTAL ASSETS	$ 193,665,624	100	$ 172,258,022	100	$ 157,775,073	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 20 and 32)	$ 14,849,034	8	$ 13,162,520	8	$ 15,679,850	10
Short-term notes and bills payable (Note 20)	23,892,047	13	12,832,217	8	22,887,014	15
Current financial liabilities at fair value through profit or loss (Note 7)	282,055	-	197,434	-	40,306	-
Current contract liabilities (Note 24)	408,451	-	339,725	-	393,716	-
Notes and accounts payable	11,753,445	6	10,728,224	6	9,647,493	6
Accounts payable to related parties (Note 31)	35,016	-	55,016	-	80,841	-
Other payables, others (Note 17)	6,206,871	3	4,309,933	3	5,745,721	4
Current tax liabilities	579,487	-	563,422	-	418,890	-
Current lease liabilities (Note 18)	301,993	-	299,141	-	254,245	-
Current portion of long-term borrowings (Note 20)	73,822	-	270,000	-	-	-
Other current liabilities, others (Note 11)	1,404,381	1	1,350,285	1	1,310,972	1
Total current liabilities	59,786,602	31	44,107,917	26	56,459,048	36
NON-CURRENT LIABILITIES (Note 4)						
Corporate bonds payable (Note 21)	970,593	1	959,431	1	948,397	1
Long-term borrowings (Notes 20 and 32)	19,225,524	10	30,340,705	18	17,833,017	11
Deferred tax liabilities	3,681,294	2	3,690,489	2	3,672,223	3
Non-current lease liabilities (Note 18)	603,095	-	678,511	-	374,001	-
Net defined benefit liability, non-current (Note 22)	1,370	-	1,636	-	10,542	-
Other non-current liabilities, others	564,459	-	529,024	-	399,527	-
Total non-current liabilities	25,046,335	13	36,199,796	21	23,237,707	15
Total liabilities	84,832,937	44	80,307,713	47	79,696,755	51
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 23 and 28)						
Share capital	16,603,715	9	16,603,715	10	16,603,715	11
Capital surplus	4,024,960	2	3,977,862	2	3,921,808	2
Retained earnings	24,088,331	12	24,372,050	14	22,289,467	14
Other equity interest	46,397,096	24	30,130,426	17	19,549,733	12
Total equity attributable to owners of parent	91,114,102	47	75,084,053	43	62,364,723	39
NON-CONTROLLING INTERESTS	17,718,585	9	16,866,256	10	15,713,595	10
Total equity	108,832,687	56	91,950,309	53	78,078,318	49
TOTAL LIABILITIES AND EQUITY	$ 193,665,624	100	$ 172,258,022	100	$ 157,775,073	100

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

(With Deloitte & Touche review report dated August 13, 2026)

YFY INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 31)								
Net sales revenue	$ 16,585,661	83	$ 15,443,557	85	$ 31,610,677	83	$ 30,510,828	84
Other operating revenue, net	3,309,570	17	2,737,096	15	6,248,915	17	5,738,188	16
Total operating revenue	19,895,231	100	18,180,653	100	37,859,592	100	36,249,016	100
OPERATING COSTS (Notes 13, 25 and 31)								
Cost of sales	14,537,656	73	13,575,112	75	27,872,968	74	27,162,050	75
Other operating costs	2,455,800	12	2,087,833	11	4,659,674	12	4,309,634	12
Total operating costs	16,993,456	85	15,662,945	86	32,532,642	86	31,471,684	87
LOSSES ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 14)	(1,262)	-	(30)	-	(1,854)	-	(34)	-
GROSS PROFIT FROM OPERATIONS	2,900,513	15	2,517,678	14	5,325,096	14	4,777,298	13
OPERATING EXPENSES (Notes 25 and 31)								
Selling expenses	1,594,624	8	1,464,019	8	3,047,123	8	2,874,863	8
Administrative expenses	1,014,373	5	936,398	5	1,931,230	5	2,031,299	5
Research and development expenses	158,023	1	157,374	1	290,468	1	317,475	1
Total operating expenses	2,767,020	14	2,557,791	14	5,268,821	14	5,223,637	14
NET OPERATING INCOME (LOSS)	133,493	1	(40,113)	-	56,275	-	(446,339)	(1)
NON-OPERATING INCOME AND EXPENSES								
Finance costs, net (Notes 4 and 25)	(314,347)	(2)	(306,800)	(2)	(620,584)	(2)	(613,503)	(2)
Share of profit of associates accounted for using equity method, net (Notes 4 and 16)	590,950	3	478,778	3	1,033,236	3	833,137	2
Interest income	138,384	1	123,924	1	260,577	1	261,359	1
Rent income (Notes 19 and 31)	36,580	-	24,017	-	71,868	-	47,582	-
Dividend income	57,364	-	53,359	-	57,364	-	56,621	-
Other income, others	160,271	1	181,310	1	292,196	1	319,933	1
Foreign exchange gains (losses) (Note 34)	168,430	1	(572,224)	(3)	429,502	1	(434,063)	(1)
Miscellaneous disbursements	(71,714)	-	(7,847)	-	(83,729)	-	(17,113)	-
Gains (losses) on financial assets or liabilities at fair value through profit or loss (Note 4)	(76,705)	(1)	169,944	1	(221,862)	(1)	70,232	-
Total non-operating income and expenses	689,213	3	144,461	1	1,218,568	3	524,185	1
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	822,706	4	104,348	1	1,274,843	3	77,846	-
TAX EXPENSE (Notes 4 and 26)	(251,086)	(1)	(88,605)	(1)	(446,643)	(1)	(188,149)	-
PROFIT (LOSS) FROM CONTINUING OPERATIONS	571,620	3	15,743	-	828,200	2	(110,303)	-

(Continued)

YFY INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 23)								
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:								
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	$ 11,849,374	60	$ 2,126,421	12	$ 15,856,059	42	$ 1,159,576	3
Share of other comprehensive income of associates accounted for using equity method	1,211,288	6	570,407	3	1,089,504	3	716,068	2
Components of other comprehensive income (loss) that will be reclassified to profit or loss:								
Exchange differences on translation	72,584	-	(4,780,553)	(26)	1,052,445	3	(4,278,095)	(12)
Losses on hedging instruments	(7,985)	-	-	-	(9,249)	-	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	(18,619)	-	(607,005)	(4)	20,237	-	(521,148)	(1)
Other comprehensive income (loss), net	13,106,642	66	(2,690,730)	(15)	18,008,996	48	(2,923,599)	(8)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 13,678,262	69	$ (2,674,987)	(15)	$ 18,837,196	50	$ (3,033,902)	(8)
PROFIT (LOSS), ATTRIBUTABLE TO:								
Profit (loss), attributable to owners of parent	$ 570,541	3	$ 73,165	-	$ 779,368	2	$ (71,516)	-
Profit (loss), attributable to non-controlling interests	1,079	-	(57,422)	-	48,832	-	(38,787)	-
	$ 571,620	3	$ 15,743	-	$ 828,200	2	$ (110,303)	-
COMPREHENSIVE INCOME (LOSS), ATTRIBUTABLE TO:								
Comprehensive income (loss), attributable to owners of parent	$ 12,886,351	65	$ (1,911,150)	(11)	$ 17,643,323	47	$ (2,347,365)	(6)
Comprehensive income (loss), attributable to non-controlling interests	791,911	4	(763,837)	(4)	1,193,873	3	(686,537)	(2)
	$ 13,678,262	69	$ (2,674,987)	(15)	$ 18,837,196	50	$ (3,033,902)	(8)
EARNINGS (LOSS) PER SHARE (Note 27)								
Basic earnings (loss) per share	$0.34		$0.05		$0.47		$(0.04)	
Diluted earnings per share	$0.34		$0.05		$0.47			

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

(With Deloitte & Touche review report dated August 13, 2026) (Concluded)

YFY INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of Parent																
	Share Capital		Capital Surplus					Retained Earnings				Other Equity					
	Shares (In Thousands)	Amount	Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	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
BALANCE ON JANUARY 1, 2025	1,660,372	$ 16,603,715	$ 1,885,069	$ 1,428,018	$ 293,124	$ 258,859	$ 3,865,070	$ 5,321,527	$ 3,992,537	$ 14,197,597	$ 23,511,661	$ 1,170,374	$ 20,849,638	$ -	$ 66,000,458	$ 16,597,171	$ 82,597,629
Appropriation of the 2024 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	181,304	-	(181,304)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,328,297)	(1,328,297)	-	-	-	(1,328,297)	-	(1,328,297)
Reversal of special reserve	-	-	-	-	-	-	-	-	(2)	2	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(487,807)	(487,807)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	27,789	27,789	-	-	3,613	3,613	-	(3,613)	-	27,789	1,344	29,133
Other changes in capital surplus	-	-	-	-	-	(13)	(13)	-	-	-	-	-	-	-	(13)	-	(13)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149,454	149,454
Actual disposal or acquisition of interests in subsidiaries	-	-	(15,950)	-	-	-	(15,950)	-	-	-	-	-	-	-	(15,950)	(59,462)	(75,412)
Changes in ownership interests in subsidiaries	-	-	-	45,813	-	(901)	44,912	-	-	-	-	(982)	(15,829)	-	28,101	199,432	227,533
Loss for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	(71,516)	(71,516)	-	-	-	(71,516)	(38,787)	(110,303)
Other comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	-	-	(4,036,996)	1,761,147	-	(2,275,849)	(647,750)	(2,923,599)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	(71,516)	(71,516)	(4,036,996)	1,761,147	-	(2,347,365)	(686,537)	(3,033,902)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	174,006	174,006	-	(174,006)	-	-	-	-
BALANCE ON JUNE 30, 2025	1,660,372	$ 16,603,715	$ 1,869,119	$ 1,473,831	$ 293,124	$ 285,734	$ 3,921,808	$ 5,502,831	$ 3,992,535	$ 12,794,101	$ 22,289,467	$ (2,867,604)	$ 22,417,337	$ -	$ 62,364,723	$ 15,713,595	$ 78,078,318
BALANCE ON JANUARY 1, 2026	1,660,372	$ 16,603,715	$ 1,869,119	$ 1,487,307	$ 293,124	$ 328,312	$ 3,977,862	$ 5,502,831	$ 3,991,529	$ 14,877,690	$ 24,372,050	$ (171,144)	$ 30,295,770	$ 5,800	$ 75,084,053	$ 16,866,256	$ 91,950,309
Appropriation of the 2025 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	218,969	-	(218,969)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,660,372)	(1,660,372)	-	-	-	(1,660,372)	-	(1,660,372)
Reversal of special reserve	-	-	-	-	-	-	-	-	(136)	136	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(353,112)	(353,112)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	38,065	38,065	-	-	5,202	5,202	-	(5,202)	-	38,065	1,828	39,893
Other changes in capital surplus	-	-	-	-	-	(50)	(50)	-	-	-	-	-	-	-	(50)	-	(50)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,052	6,052
Changes in ownership interests in subsidiaries	-	-	-	9,083	-	-	9,083	-	-	-	-	-	-	-	9,083	3,688	12,771
Profit for the six months ended June 30, 2026	-	-	-	-	-	-	-	-	-	779,368	779,368	-	-	-	779,368	48,832	828,200
Other comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	-	-	-	-	-	838,094	16,031,201	(5,340)	16,863,955	1,145,041	18,008,996
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	-	-	-	779,368	779,368	838,094	16,031,201	(5,340)	17,643,323	1,193,873	18,837,196
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	592,083	592,083	-	(592,083)	-	-	-	-
BALANCE ON JUNE 30, 2026	1,660,372	$ 16,603,715	$ 1,869,119	$ 1,496,390	$ 293,124	$ 366,327	$ 4,024,960	$ 5,721,800	$ 3,991,393	$ 14,375,138	$ 24,088,331	$ 666,950	$ 45,729,686	$ 460	$ 91,114,102	$ 17,718,585	$ 108,832,687

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

(With Deloitte & Touche review report dated August 13, 2026)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	$ 1,274,843	$ 77,846
Adjustments to reconcile profit		
Depreciation and amortization expenses	2,410,477	2,361,178
Expected credit loss recognized/(reversed) on trade receivables	11,617	(2,288)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	221,862	(70,232)
Finance costs	620,584	613,503
Interest income	(260,577)	(261,359)
Dividend income	(57,364)	(56,621)
Share-based payments	7,507	123,247
Share of profit of associates accounted for using equity method	(1,033,236)	(833,137)
Loss on disposal of property, plant and equipment	1,095	83
Gain on disposal of investment properties	(981)	-
Gain on disposal of investments	(158)	(89)
Write-downs (reversal) of inventories	(50,925)	52,522
Unrealized foreign exchange loss (gain)	(242,408)	301,648
Gain from derecognition of subsidiary	-	(35)
Loss arising from changes in fair value less costs to sell of biological assets	1,854	34
Loss (gain) from lease modification	415	(1,980)
Changes in operating assets and liabilities		
Current financial assets at fair value through profit or loss, mandatorily measured at fair value	(771,213)	(90,387)
Notes receivable, net	466,100	151,026
Accounts receivable, net	(334,314)	901,431
Accounts receivable due from related parties, net	(3,419)	(1,005)
Current inventories	(396,012)	(238,904)
Current biological assets	(37,727)	(119,639)
Prepayments	147,576	64,958
Other current assets, others	419,647	(458,165)
Financial liabilities held for trading	(182,457)	(72,544)
Current contract liabilities	60,117	(55,794)
Notes and accounts payable	753,758	(1,993,382)
Accounts payable to related parties	(20,000)	20,243
Other payables, others	(67,408)	(436,099)
Other current liabilities, others	(210,795)	677,813
Net defined benefit liability, non-current	(33,024)	(36,120)
Cash inflow generated from operations	2,695,434	617,752
Interest received	234,712	245,648
Dividends received	1,305	4,834

(Continued)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
Interest paid	$ (629,982)	$ (616,429)
Income taxes paid	(488,861)	(380,835)
Net cash flows generated from (used in) operating activities	1,812,608	(129,030)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(199,904)	(377,199)
Proceeds from disposal of financial assets at fair value through other comprehensive income	604,596	315,205
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	25,664
Increase in financial assets at amortized cost	(2,184,134)	(1,094,722)
Disposal of financial assets for hedging	9,074	-
Acquisition of investments accounted for using the equity method	-	(117,664)
Acquisition of property, plant and equipment	(1,877,381)	(2,753,888)
Proceeds from disposal of property, plant and equipment	6,963	13,335
Acquisition of right-of-use assets	-	(98,589)
Acquisition of investment properties	-	(165)
Proceeds from disposal of investment properties	1,166	-
Decrease (increase) in other financial assets	(30,681)	101,947
Increase in other non-current assets, others	(46,252)	(42,406)
Net cash flows used in investing activities	(3,716,553)	(4,028,482)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Proceeds from current borrowings	1,671,049	4,871,945
Increase in short-term notes and bills payable	11,059,830	9,766,016
Decrease in long-term borrowings	(11,312,469)	(12,133,673)
Payments of lease liabilities	(172,131)	(159,262)
Increase (decrease) in other non-current liabilities, others	21,190	(1,801)
Change in non-controlling interests	(52,404)	151,140
Overdue dividends paid	(50)	(13)
Net cash flows generated from financing activities	1,215,015	2,494,352
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	221,265	(957,643)

(Continued)

YFY INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (467,665)	$ (2,620,803)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,679,948	11,919,493
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 11,212,283	$ 9,298,690

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

(With Deloitte & Touche review report dated August 13, 2026) (Concluded)

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, 2026.

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

a. Initial application of the amendments to 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 a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

(Concluded)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments and Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

The amendments to IAS 28 clarify that aforementioned "similar entity" includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

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

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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 the 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 7 and 8 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, 2025.

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, 2025.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 12,627	$ 8,660	$ 13,406
Checking accounts and demand deposits	7,354,276	6,722,442	5,483,939
Cash equivalents			
Time deposits	3,618,270	4,439,329	3,614,775
Repurchase agreements collateralized by bonds	227,110	509,517	186,570
	$ 11,212,283	$ 11,679,948	$ 9,298,690

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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 9,003	$ 1,678	$ 155,285
Non-derivative financial assets			
Mutual funds	1,267,159	684,332	1,165,907
Convertible bonds	136,989	132,889	-
	$ 1,413,151	$ 818,899	$ 1,321,192

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Redemption options on convertible bonds	$ -	$ -	$ 200
Non-derivative financial assets			
Mutual funds	301,367	294,580	262,891
Convertible bonds	16,606	-	118,349
Subordinated debt	200,000	-	-
	$ 517,973	$ 294,580	$ 381,440
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 282,055	$ 197,434	$ 40,306

(Concluded)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2026			
Buy	USD:RMB	2026.08.05-2027.04.14	USD35,500
Sell	EUR:NTD	2026.07.21-2026.12.22	EUR17,000
Sell	RMB:NTD	2026.07.14-2026.12.28	RMB280,000
Sell	USD:NTD	2026.07.07-2026.12.24	USD52,000
Sell	RMB:USD	2026.07.15-2027.06.17	RMB1,808,665
December 31, 2025			
Buy	USD:RMB	2026.01.20-2026.09.08	USD35,500
Sell	EUR:NTD	2026.01.05-2026.03.30	EUR19,000
Sell	RMB:NTD	2026.01.14-2026.03.31	RMB290,000
Sell	USD:NTD	2026.01.05-2026.03.30	USD43,500
Sell	RMB:USD	2026.01.16-2026.12.30	RMB1,796,061
June 30, 2025			
Buy	USD:RMB	2025.08.05-2026.04.17	USD35,500
Sell	EUR:NTD	2025.07.14-2025.08.26	EUR5,000
Sell	RMB:NTD	2025.07.07-2025.11.14	RMB361,000
Sell	USD:NTD	2025.07.08-2025.10.15	USD37,900
Sell	RMB:USD	2025.07.08-2026.06.17	RMB1,694,940

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Investments in equity instruments at FVTOCI - current			
Domestic investments			
Listed shares	$ 21,956,416	$ 15,771,312	$ 12,840,543
Investments in equity instruments at FVTOCI - non-current			
Domestic investments			
Listed shares	$ 30,325,331	$ 21,373,024	$ 17,334,508
Unlisted shares	8,226,906	7,918,022	6,830,198
	38,552,237	29,291,046	24,164,706
Foreign investments			
Unlisted shares	60,162	51,971	69,867
Mutual funds	1,413	2,210	1,789
	61,575	54,181	71,656
	$ 38,613,812	$ 29,345,227	$ 24,236,362

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, 2026	December 31, 2025	June 30, 2025
Current			
Corporate bonds	$ 280,145	$ 613,541	$ 524,522
Time deposits and repurchase agreements with original maturities of more than 3 months and not exceeding 1 year	3,113,446	1,226,446	1,884,512
Time deposits with original maturities of more than 1 year	280,580	289,155	1,518,437
	$ 3,674,171	$ 2,129,142	$ 3,927,471
Non-current			
Corporate bonds	$ 4,105,612	$ 3,427,722	$ 2,467,763
Time deposits with original maturities of more than 1 year	1,823,768	1,699,209	204,648
	$ 5,929,380	$ 5,126,931	$ 2,672,411

The ranges of interest rates for time deposits and repurchase agreements with original maturities of more than 3 months and not exceeding 1 year were 0.95%-8.00%, 1.39%-7.30% and 1.29%-5.04% as of June 30, 2026, December 31, 2025 and June 30, 2025.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 1.69%-2.60%, 1.69%-4.30% and 1.69%-3.99% as of June 30, 2026, December 31, 2025 and June 30, 2025.

The range of annual interest rates for corporate bonds were 1.00%-6.00%, 1.00%-6.00% and 0.75%-5.88% as of June 30, 2026, December 31, 2025 and June 30, 2025.

Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.

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, 2026	December 31, 2025	June 30, 2025
Financial assets for hedging - current (accounted for as other current assets, others)			
Foreign exchange forward contracts	$ -	$ 10,045	$ -
Financial liabilities for hedging - current (accounted for as other current liabilities, others)			
Foreign exchange forward contracts	$ 8,278	$ -	$ -

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 contracts designated under hedge accounting by the Group were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2026			
Buy	EUR:NTD	2026.07.07-2026.11.12	EUR10,000
December 31, 2025			
Buy	EUR:NTD	2026.04.07-2026.04.17	EUR6,000

12. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
Notes receivable	$ 2,054,820	$ 2,422,984	$ 2,304,497
Less: Allowance for impairment loss	(480)	(480)	(454)
	$ 2,054,340	$ 2,422,504	$ 2,304,043
Accounts receivable			
Accounts receivable	$ 13,044,680	$ 12,526,502	$ 11,581,089
Less: Allowance for impairment loss	(187,647)	(184,219)	(161,094)
	$ 12,857,033	$ 12,342,283	$ 11,419,995

Notes receivable and accounts receivable were generated by operating activities.

At the end of the reporting period, the accounts receivable that are overdue but have not been recognized as provision for doubtful debts, the Group measures the credit quality has not significantly changed and the amount is still recoverable. Additionally, the Group holds collateral or other credit enhancements for some of the accounts receivable, the Group does not have the legal right to offset the receivables against the corresponding payables for the same counterparty.

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, 2026

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 13,828,000	$ 924,765	$ 53,484	$ 40,820	$ 252,431	$ 15,099,500
Loss allowance (Lifetime ECLs)	(34,019)	(3,263)	(13,893)	(31,738)	(105,214)	(188,127)
Amortized cost	$ 13,793,981	$ 921,502	$ 39,591	$ 9,082	$ 147,217	$ 14,911,373

December 31, 2025

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 13,929,772	$ 625,376	$ 120,349	$ 15,245	$ 258,744	$ 14,949,486
Loss allowance (Lifetime ECLs)	(17,550)	(10,472)	(30,502)	(7,190)	(118,985)	(184,699)
Amortized cost	$ 13,912,222	$ 614,904	$ 89,847	$ 8,055	$ 139,759	$ 14,764,787

June 30, 2025

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 12,917,914	$ 750,246	$ 12,285	$ 96,409	$ 108,732	$ 13,885,586
Loss allowance (Lifetime ECLs)	(25,176)	(5,279)	(978)	(21,383)	(108,732)	(161,548)
Amortized cost	$ 12,892,738	$ 744,967	$ 11,307	$ 75,026	$ -	$ 13,724,038

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 184,699	$ 249,734
Net remeasurement of loss allowance (reversal gain)	11,617	(2,288)
Amounts written off	(11,602)	(70,378)
Effect of foreign currency exchange differences	3,413	(15,520)
Balance at June 30	$ 188,127	$ 161,548

Certain trade receivables overdue for more than one year have been secured by collateral in the form of the counterparties' pledged assets and other credit enhancement measures.

For the six months ended June 30, 2026 and 2025, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of $3,489,786 thousand and $2,130,326 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, 2026	December 31, 2025	June 30, 2025
Finished and purchased goods	$ 7,189,656	$ 6,534,075	$ 6,618,639
Materials	4,923,119	4,904,439	4,725,022
Work-in-process	1,634,899	1,677,153	1,647,089
	$ 13,747,674	$ 13,115,667	$ 12,990,750

The cost of goods sold for the three and six months ended June 30, 2026 and 2025 included inventory write-downs reversed of $44,449 thousand, write-downs of $30,917 thousand, write-downs reversed of $50,925 thousand and write-downs of $52,522 thousand, respectively. Inventory write-downs reversed was a result of increased selling prices.

14. BIOLOGICAL ASSETS

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 3,750,092	$ 3,641,170
Increases due to planting	120,097	201,341
Loss on changes in fair value less costs to sell	(1,854)	(34)
Decreases due to harvesting	(82,370)	(81,702)
Effect of foreign currency exchange differences	172,403	(382,725)
Balance at June 30	$ 3,958,368	$ 3,378,050

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

	June 30, 2026	December 31, 2025	June 30, 2025
Eucalyptus (Level 3)	$ 4,093,795	$ 3,878,606	$ 3,493,922

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	
	2026	2025
Balance at January 1	$ 3,878,606	$ 3,763,862
Increases due to planting	123,476	211,857
Loss on changes in fair value less costs to sell	(1,907)	(36)
Decreases due to harvesting	(84,688)	(85,969)
Effect of foreign currency exchange differences	178,308	(395,792)
Balance at June 30	$ 4,093,795	$ 3,493,922

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, 2026, refer to Table 1):

Investor	Investee	Main Business	Proportion of Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Remark
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	56.9	56.9	56.9	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	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Remark
YFY Inc.	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 Enterprises 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	
	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing. b. Wholesale of information software and electric appliances.	100.0	100.0	100.0	
	SCI Co., Ltd.	Researching and development	100.0	100.0	100.0	
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	100.0	1)
	Ensilience Co., Ltd.	Renewable energy retail industry, specific electricity supply business, energy technology service industry and automated control equipment engineering	100.0	100.0	100.0	
YFY International B.V.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	13.5	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	100.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	100.0	
	YFY Mauritius Corp.	Investment and holding	100.0	100.0	100.0	1)
YFY Mauritius Corp.	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	6)
YFY Packaging (Yangzhou) Investment 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 (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	-	-	6)
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	66.8	
	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0	
YFY Cayman Co., Ltd.	Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	70.0	
	Willpower Industries Ltd.	Sale of various paper products	100.0	100.0	100.0	
Winsong Packaging Investment Company Limited	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	
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging (Nghe An) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	-	3)
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	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	
YFY Global Investment B.V.	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	61.02	61.02	61.02	1)
	YFY Jupiter (Cayman Islands) Co., Ltd.	Investment and holding	84.0	84.0	82.0	4)
	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	100.0	
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	100.0	
	Arizon Technology (Vietnam) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
YFY RFID Co. Limited	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.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	100.0	
YFY Jupiter (Cayman Islands) Co., Ltd.	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	
	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	0.01	
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	1.0	
Mobius105 Ltd.	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	
YFY Jupiter (Shenzhen) Ltd.	Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
Jupiter Prestige Group Holdings Limited	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	
	JPG CONTRAST UK LIMITED (originally named as Foster and Baylis (Prestige) Limited)	Graphic design	50.98	50.98	50.98	
Jupiter Prestige Group North America Inc.	Contrast LLC	Brand design	80.0	80.0	80.0	
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	100.0	
Opal BPM Limited	Opal BPM India Private Limited	Workflow system coding	100.0	100.0	100.0	
	Opal BPM Consulting Limited	Consulting services of workflow system coding	-	-	100.0	5)
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	100.0	100.0	100.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	100.0	
	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
	Livebricks Inc.	Information processing services	100.0	100.0	100.0	
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Remark
YFY Development Corp.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	1)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	1.9	1)
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.13	0.13	1)
Effion Enertech Co., Ltd.	Fun Spring Circutech Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	98.1	98.1	98.1	
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	4.1	4.1	4.1	2)
	YFY Biotech Management Co., Ltd.	Consulting	100.0	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.7	0.7	0.7	1)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	6.4	6.4	6.4	1)
	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)
San Ying Enterprises Co., Ltd.	Fun Spring Circutech Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	1.9	1.9	1.9	
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	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	
Hwa Fong Investment Co., Ltd.	Genovella Renewables Inc.	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	100.0	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	10.7	10.7	10.7	2)
Guangdong Dingfung Pulp & Paper Co., Ltd.	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	66.3	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	100.0	100.0	100.0	
	Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	100.0	100.0	100.0	
Zhaoqing Dingfung Forestry Co., Ltd.	Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	67.0	67.0	67.0	

(Concluded)

Remarks:

1) Except for the review financial statements for the six months ended June 30, 2026 and 2025 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 7 and 8, and the audit of financial statements for the six months ended June 30, 2026 and 2025 of Arizon RFID Technology (Cayman) Co., Ltd. and investees mentioned in Tables 7 and 8, 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) YFY Packaging (Nghe An) Co., Ltd. was established in August 2025 and included in the consolidated financial statement.

4) Due to the equity changes such as YFY Jupiter (Cayman Islands) Co., Ltd. purchase of treasury shares for the year ended December 31, 2025, the shareholdings ratio of the YFY Global Investment B.V. in YFY Jupiter (Cayman Islands) Co., Ltd. were changed.

5) Opal BPM Consulting Limited completed its liquidation process in September 2025. Consequently, it has not been included in the consolidated financial statements since September 2025.

6) In order to improve management performance, the Group carried out a restructuring of the organization. In August 2025, the board of directors of the Subsidiary YFY Packaging (Yangzhou) Investment Co., Ltd. resolved to issue new shares as consideration for acquiring all of the equity interest in Company YFY Paper Enterprise (Jiaxing) Co., Ltd. held by Company YFY Mauritius Corp. The above process was completed in April 2026.

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, 2026	December 31, 2025	June 30, 2025
Chung Hwa Pulp Corporation	42.3%	42.3%	42.3%

Chung Hwa Pulp Corporation and subsidiaries

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 21,369,627	$ 20,212,472	$ 18,082,722
Non-current assets	20,751,007	20,228,875	20,169,518
Current liabilities	(16,192,788)	(17,573,778)	(16,662,734)
Non-current liabilities	(6,284,811)	(4,280,428)	(4,458,409)
Equity	19,643,035	18,587,141	17,131,097
Consolidated adjustments	94,109	94,109	94,109
Adjusted equity	$ 19,737,144	$ 18,681,250	$ 17,225,206
Equity attributable to:			
Owners of Chung Hwa Pulp Corporation	$ 9,925,030	$ 9,366,901	$ 8,647,962
Non-controlling interests of Chung Hwa Pulp Corporation	7,264,564	6,856,042	6,329,818
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	2,547,550	2,458,307	2,247,426
	$ 19,737,144	$ 18,681,250	$ 17,225,206

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Operating revenue	$ 4,686,273	$ 4,736,901	$ 9,080,585	$ 9,566,706
Loss for the period	$ (430,767)	$ (278,273)	$ (607,652)	$ (614,960)
Other comprehensive income (loss) for the period	1,218,792	(757,168)	1,652,601	(711,188)
Total comprehensive income (loss) for the period	$ 788,025	$ (1,035,441)	$ 1,044,949	$ (1,326,148)

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Loss attributable to:				
Owners of Chung Hwa Pulp Corporation	$ (232,226)	$ (161,196)	$ (334,163)	$ (360,744)
Non-controlling interests of Chung Hwa Pulp Corporation	(169,977)	(118,306)	(244,589)	(261,608)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	(28,564)	1,229	(28,900)	7,392
	$ (430,767)	$ (278,273)	$ (607,652)	$ (614,960)
Total comprehensive income (loss) attributable to:				
Owners of Chung Hwa Pulp Corporation	$ 455,079	$ (429,687)	$ 555,057	$ (623,265)
Non-controlling interests of Chung Hwa Pulp Corporation	333,170	(314,733)	406,700	(453,682)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	(224)	(291,021)	83,192	(249,201)
	$ 788,025	$ (1,035,441)	$ 1,044,949	$ (1,326,148)

(Concluded)

	For the Six Months Ended June 30	
	2026	2025
Net cash inflow (outflow) from:		
Operating activities	$ 11,838	$ (360,741)
Investing activities	(841,967)	(1,509,638)
Financing activities	544,459	1,400,211
Effects of exchange rate changes	(24,428)	(65,775)
Net cash outflow	$ (310,098)	$ (535,943)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Material associates			
E Ink Holdings Inc.	$ 12,276,105	$ 11,172,161	$ 9,560,707
Associates that are not individually material	237,322	244,557	234,371
	$ 12,513,427	$ 11,416,718	$ 9,795,078

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	June 30, 2026	December 31, 2025	June 30, 2025
E Ink Holdings Inc.	16.0%	16.0%	16.1%

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, 2026, 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, 2026	December 31, 2025	June 30, 2025
$ 31,031,972	$ 28,644,898	$ 31,972,335

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 38,873,586	$ 33,189,321	$ 33,019,268
Non-current assets	82,060,061	74,055,846	65,151,823
Current liabilities	(25,097,219)	(19,907,402)	(22,521,039)
Non-current liabilities	(18,821,874)	(17,427,288)	(16,412,364)
Equity	77,014,554	69,910,477	59,237,688
Non-controlling interests	(1,263,698)	(1,200,067)	(1,254,385)
	$ 75,750,856	$ 68,710,410	$ 57,983,303
Proportion of the Group's ownership	16.0%	16.0%	16.1%
Equity attributable to the Group	$ 12,115,061	$ 11,011,117	$ 9,307,247
Goodwill	253,460	253,460	253,460
Consolidated adjustments	(92,416)	(92,416)	-
Carrying amount	$ 12,276,105	$ 11,172,161	$ 9,560,707

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Operating revenue	$ 10,216,093	$ 10,625,522	$ 18,849,583	$ 18,684,959
Net profit for the period	$ 3,758,264	$ 2,960,790	$ 6,553,462	$ 5,157,749
Other comprehensive income (loss)	7,458,917	(196,444)	6,943,150	1,243,745
Total comprehensive income for the period	$ 11,217,181	$ 2,764,346	$ 13,496,612	$ 6,401,494

b. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
The Group's share of:				
Net gain (loss) for the period	$ (6,250)	$ 1,470	$ (10,383)	$ 2,542
Total comprehensive income (loss) for the period	$ (6,250)	$ 1,470	$ (10,383)	$ 2,542

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
Cost						
Balance at January 1, 2026	$ 14,535,501	$ 17,791,946	$ 74,530,569	$ 15,865,450	$ 2,413,677	$ 125,137,143
Additions	12,505	96,688	273,903	113,205	1,173,483	1,669,784
Disposals	-	(4,902)	(77,388)	(33,804)	-	(116,094)
Transfer from constructions	-	566,948	521,045	52,372	(1,140,365)	-
Reclassified as investment properties	(34,810)	-	-	-	-	(34,810)
Effect of foreign currency exchange differences	-	376,074	1,178,825	199,850	15,791	1,770,540
Balance at June 30, 2026	$ 14,513,196	$ 18,826,754	$ 76,426,954	$ 16,197,073	$ 2,462,586	$ 128,426,563
Accumulated depreciation and impairment						
Balance at January 1, 2026	$ 612	$ 9,898,996	$ 54,454,574	$ 12,380,026	$ -	$ 76,734,208
Depreciation expense	-	283,636	1,494,992	388,453	-	2,167,081
Disposals	-	(824)	(76,823)	(30,389)	-	(108,036)
Effect of foreign currency exchange differences	-	186,298	812,654	136,490	-	1,135,442
Balance at June 30, 2026	$ 612	$ 10,368,106	$ 56,685,397	$ 12,874,580	$ -	$ 79,928,695
Carrying amount at January 1, 2026	$ 14,534,889	$ 7,892,950	$ 20,075,995	$ 3,485,424	$ 2,413,677	$ 48,402,935
Carrying amount at June 30, 2026	$ 14,512,584	$ 8,458,648	$ 19,741,557	$ 3,322,493	$ 2,462,586	$ 48,497,868

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2025	$ 14,838,619	$ 17,906,347	$ 73,169,004	$ 15,233,030	$ 2,039,866	$ 123,186,866
Additions	1,561	41,873	551,628	228,522	1,409,058	2,232,642
Disposals	-	(64,358)	(110,589)	(34,935)	-	(209,882)
Transfer from constructions	-	210,149	850,875	152,015	(1,213,039)	-
Effect of foreign currency exchange differences	-	(970,127)	(2,914,509)	(431,983)	(83,096)	(4,399,715)
Balance at June 30, 2025	$ 14,840,180	$ 17,123,884	$ 71,546,409	$ 15,146,649	$ 2,152,789	$ 120,809,911
Accumulated depreciation and impairment						
Balance at January 1, 2025	$ 612	$ 9,496,494	$ 52,611,606	$ 11,807,060	$ -	$ 73,915,772
Depreciation expense	-	322,104	1,424,161	385,537	-	2,131,802
Disposals	-	(63,773)	(101,422)	(31,269)	-	(196,464)
Effect of foreign currency exchange differences	-	(443,157)	(1,944,084)	(335,341)	-	(2,722,582)
Balance at June 30, 2025	$ 612	$ 9,311,668	$ 51,990,261	$ 11,825,987	$ -	$ 73,128,528
Carrying amount at June 30, 2025	$ 14,839,568	$ 7,812,216	$ 19,556,148	$ 3,320,662	$ 2,152,789	$ 47,681,383

(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, 2026 and 2025 were as follows:

	For the Six Months Ended June 30	
	2026	2025
Acquisition of property, plant and equipment	$ 1,669,784	$ 2,232,642
Changes in prepayments for business facilities	201,866	567,213
Changes in payment of payables on equipment (accounted for as other payables, others)	5,731	(45,967)
	$ 1,877,381	$ 2,753,888

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, 2026, December 31, 2025 and June 30, 2025, the lands registered by others were $657,291 thousand, $644,876 thousand and $644,869 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, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	$ 1,791,431	$ 1,775,640	$ 1,611,538
Buildings	673,152	712,065	359,094
Others	141,297	162,916	157,517
	$ 2,605,880	$ 2,650,621	$ 2,128,149

	For the Six Months Ended June 30	
	2026	2025
Additions to right-of-use assets	$ 112,399	$ 204,046

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation charge for right-of-use assets				
Land	$ 19,254	$ 18,112	$ 38,414	$ 41,266
Buildings	55,926	52,968	113,859	96,053
Others	22,471	24,042	45,247	48,939
	$ 97,651	$ 95,122	$ 197,520	$ 186,258

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, 2026 and 2025.

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

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	$ 301,993	$ 299,141	$ 254,245
Non-current	$ 603,095	$ 678,511	$ 374,001

Range of discount rates for lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	0.88%-2.11%	0.88%-2.11%	0.88%-2.11%
Buildings	1.45%-11.00%	0.88%-11.00%	0.88%-11.70%
Others	0.88%-4.80%	0.88%-4.80%	0.88%-4.80%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases and low-value asset leases	$ 132,481	$ 126,120	$ 261,457	$ 250,084
Total cash outflow for leases	$ 224,331	$ 205,602	$ 444,241	$ 515,334

19. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2026	$ 4,507,785
Transfer from property, plant, and equipment	34,810
Disposals	(185)
Effect of foreign currency exchange differences	7,903
Balance at June 30, 2026	$ 4,550,313
Accumulated depreciation and impairment	
Balance at January 1, 2026	$ 455,574
Depreciation expense	9,380
Effect of foreign currency exchange differences	3,427
Balance at June 30, 2026	$ 468,381
Carrying amount at January 1, 2026	$ 4,052,211
Carrying amount at June 30, 2026	$ 4,081,932
Cost	
Balance at January 1, 2025	$ 4,455,993
Additions	21,141
Balance at June 30, 2025	$ 4,477,134

(Continued)

	Amount
Accumulated depreciation and impairment	
Balance at January 1, 2025	$ 352,805
Depreciation expense	4,569
Balance at June 30, 2025	$ 357,374
Carrying amount at June 30, 2025	$ 4,119,760

(Concluded)

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

	For the Six Months Ended June 30	
	2026	2025
Acquisition of investment properties	$ -	$ 21,141
Changes in prepayments for business facilities	-	(20,976)
	$ -	$ 165

The fair values of the investment properties owned by the Group were $11,662,466 thousand, $10,817,103 thousand and $10,520,135 thousand as of June 30, 2026, December 31, 2025 and June 30, 2025, 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 $34,498 thousand, $22,026 thousand, $67,590 thousand and $43,651 thousand for the three and six months ended June 30, 2026 and 2025, 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, 2026	December 31, 2025	June 30, 2025
Bank credit loans	$ 14,849,034	$ 13,162,520	$ 15,320,030
Bank secured loans	-	-	359,820
	$ 14,849,034	$ 13,162,520	$ 15,679,850

Current borrowings include bank credit and bank secured loans. As of June 30, 2026, December 31, 2025 and June 30, 2025, the interest rate intervals of bank credit loans were 1.78%-7.60% per annum, 1.78%-6.10% per annum and 1.78%-6.29% per annum, respectively. As of June 30, 2025, the interest rate of bank secured loans was 2.80%-4.30% per annum.

b. Short-term notes and bills payable

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial paper	$ 23,905,000	$ 12,846,000	$ 22,907,000
Less: Unamortized discounts on bills payable	(12,953)	(13,783)	(19,986)
	$ 23,892,047	$ 12,832,217	$ 22,887,014

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.94%-2.26% per annum, 1.82%-2.14% per annum and 1.88%-2.21% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

c. Non-current borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Syndicated loans	$ 13,840,104	$ 24,240,867	$ 12,274,884
Long-term bank credit loans	5,245,676	6,085,254	5,355,314
Long-term bank secured loans	213,566	284,584	202,819
Less: Current portion	(73,822)	(270,000)	-
	$ 19,225,524	$ 30,340,705	$ 17,833,017

Long-term bank loans included syndicated, credit and secured loans. Syndicated loans with monthly interest payments expire in December 2030 and have interest rate intervals of 2.10%-2.17% per annum, 2.09%-2.17% per annum and 2.09%-2.27% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively; secured and credit loans expire in August 2034 and have interest rate intervals of 1.18%-6.41% per annum, 1.18%-5.29% per annum and 1.18%-2.70% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

21. CORPORATE BONDS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured domestic convertible bonds	$ 970,593	$ 959,431	$ 948,397

The subsidiary, Arizon RFID Technology (Cayman) Co., Ltd. resolved on August 7, 2024, to issue its first unsecured convertible bonds for first time in Taiwan. The bonds were issued on October 15, 2024, with a maturity period of 3 years, a total face value of $1,000,000 thousand, a coupon rate of 0%, and a total issuance amount of $1,114,566 thousand.

Each bondholder has the right to convert the bond into common shares of Arizon RFID Technology (Cayman) Co., Ltd. at a price of $294.9 per share. In case of stock rights or dividends, the conversion price will be adjusted according to the conversion rules. Bondholders may request to convert their bonds into Company’s common shares at any time within the period from the following day after three months from the issuance date (January 16, 2025) to maturity date (October 15, 2027).

From January 16, 2025 to September 5, 2027, if the bonds have not been converted and the closing price of the company's common stock on TWSE, for a total of 30 days consecutive trading days, has reached at least 130% of the total amount of the conversion price, the subsidiary, Arizon RFID Technology (Cayman) Co., Ltd. may send a registered "Bond Redemption Notice" to bondholders within the following 30 business days. The period for this notice will start from the date the subsidiary sends the letter, with the redemption base date being the last day of that 30-day period. The subsidiary will redeem the bonds for cash at face value within five business days after the redemption base date.

This convertible bond includes both liability and equity component. The equity component was expressed under equity as capital surplus - options. The effective interest rate of the liability component at initial recognition is 2.32%.

Proceeds from issuance (less transaction costs of $7,307 thousand)	$ 1,107,259
Equity component (less transaction costs allocated to the equity component of $1,161 thousand)	(176,205)
Components of net debt as of the issuance date (bonds payable of $932,954 thousand and financial assets at fair value through profit or loss - non-current of $1,900 thousand)	$ 931,054
Liability component, net at January 1, 2025 (bonds payable of $937,491 thousand and financial assets at fair value through profit or loss - non-current of $1,300 thousand)	$ 936,191
Interest charged at an effective interest rate of 2.32%	10,906
Net loss on financial assets at FVTPL	1,100
Liability component, net at June 30, 2025 (bonds payable of $948,397 thousand and financial assets at fair value through profit or loss - non-current of $200 thousand)	$ 948,197
Liability component, net at January 1, 2026 (bonds payable of $959,431 thousand)	$ 959,431
Interest charged at an effective interest rate of 2.32%	11,162
Liability component, net at June 30, 2026 (bonds payable of $970,593 thousand)	$ 970,593

22. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were $6,517 thousand, $7,150 thousand, $12,684 thousand and $14,513 thousand for the three and six months ended June 30, 2026 and 2025, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2025 and 2024.

23. EQUITY

a. Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Numbers of shares authorized (in thousands)	2,200,000	2,200,000	2,200,000
Value of shares authorized	$ 22,000,000	$ 22,000,000	$ 22,000,000
Number of shares issued and fully paid (in thousands)	1,660,372	1,660,372	1,660,372
Value of shares issued	$ 16,603,715	$ 16,603,715	$ 16,603,715

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 IFRS Accounting Standards" 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 2025 and 2024 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2025	2024
Legal reserve	$ 218,969	$ 181,304
Cash dividends	$ 1,660,372	$ 1,328,297
Cash dividends per share (NT$)	$ 1	$ 0.8

The aforementioned appropriation for cash dividends had been resolved by the board of directors on March 13, 2026 and March 14, 2025, respectively. The other proposed appropriations of earnings for 2025 and 2024 were resolved by the shareholders' meetings on June 12, 2026 and June 20, 2025, 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
For the six months ended June 30, 2026				
Balance at January 1	$ (171,144)	$ 30,295,770	$ 5,800	$ 30,130,426
Exchange differences on translation of foreign financial statements	818,782	-	-	818,782
Unrealized gains on financial assets measured at FVTOCI	-	14,991,564	-	14,991,564
Losses on hedging instruments	-	-	(5,340)	(5,340)
Share of other comprehensive income of associates accounted for using equity method	19,312	1,039,637	-	1,058,949
Changes in equity of associates accounted for using equity method	-	(5,202)	-	(5,202)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(592,083)	-	(592,083)
Balance at June 30	$ 666,950	$ 45,729,686	$ 460	$ 46,397,096
For the six months ended June 30, 2025				
Balance at January 1	$ 1,170,374	$ 20,849,638	$ -	$ 22,020,012
Exchange differences on translation of foreign financial statements	(3,539,702)	-	-	(3,539,702)
Unrealized gains on financial assets measured at FVTOCI	-	1,077,853	-	1,077,853
Share of other comprehensive (loss) income of associates accounted for using equity method	(497,294)	683,294	-	186,000
Changes in equity of associates accounted for using equity method	-	(3,613)	-	(3,613)
Changes in ownership interests in subsidiaries	(982)	(15,829)	-	(16,811)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(174,006)	-	(174,006)
Balance at June 30	$ (2,867,604)	$ 22,417,337	$ -	$ 19,549,733

e. Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 16,866,256	$ 16,597,171
Share of profit (loss) for the period	48,832	(38,787)
Other comprehensive income (loss) for the period:		
Exchange differences on translation of foreign financial statements	233,663	(738,393)
Unrealized gains on financial assets measured at FVTOCI	864,495	81,723
Losses on hedging instruments	(3,909)	-
Share of other comprehensive income of associates accounted for using the equity method	50,792	8,920
Cash dividends	(353,112)	(487,807)
Changes in equity of associates accounted for using equity method	1,828	1,344
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(59,462)
Changes in non-controlling interests	6,052	149,454
Changes in ownership interests in subsidiaries	3,688	199,432
Balance at June 30	$ 17,718,585	$ 15,713,595

24. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers - revenue from sale of goods	$ 16,585,661	$ 15,443,557	$ 31,610,677	$ 30,510,828
Revenue from contracts with customers - other	3,309,570	2,737,096	6,248,915	5,738,188
	$ 19,895,231	$ 18,180,653	$ 37,859,592	$ 36,249,016

Contract Balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable, net	$ 2,054,340	$ 2,422,504	$ 2,304,043
Accounts receivable, net	$ 12,857,033	$ 12,342,283	$ 11,419,995
Accounts receivable due from related parties, net	$ 79,857	$ 76,438	$ 73,139
Contract liabilities	$ 408,451	$ 339,725	$ 393,716

25. NET PROFIT (LOSS)

a. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans and corporate bonds	$ 316,276	$ 307,468	$ 623,158	$ 613,486
Interest on lease liabilities	5,123	3,676	10,653	7,399
Less: Capitalization amount of interest	(7,052)	(4,344)	(13,227)	(7,382)
	$ 314,347	$ 306,800	$ 620,584	$ 613,503

Information about capitalized interest is as follows:

	For the Six Months Ended June 30	
	2026	2025
Capitalization rate	1.53%-2.01%	1.52%-2.04%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant and equipment	$ 1,089,747	$ 1,051,170	$ 2,167,081	$ 2,131,802
Investment properties	4,700	2,399	9,380	4,569
Right-of-use assets	97,651	95,122	197,520	186,258
Other non-current assets	18,383	18,781	36,496	38,549
	$ 1,210,481	$ 1,167,472	$ 2,410,477	$ 2,361,178
An analysis of depreciation by function				
Operating costs	$ 1,057,847	$ 1,021,211	$ 2,110,297	$ 2,066,100
Operating expenses	134,251	127,480	263,684	256,529
	$ 1,192,098	$ 1,148,691	$ 2,373,981	$ 2,322,629
An analysis of amortization by function				
Operating costs	$ 11,021	$ 10,590	$ 21,835	$ 22,410
Operating expenses	7,362	8,191	14,661	16,139
	$ 18,383	$ 18,781	$ 36,496	$ 38,549

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	$ 65,455	$ 57,253	$ 127,004	$ 113,446
Defined benefit plans	6,517	7,150	12,684	14,513
	71,972	64,403	139,688	127,959
Share-based payments	3,793	-	7,507	123,247
Other employee benefits	2,436,562	2,323,504	4,818,965	4,757,057
Total employee benefits expense	$ 2,512,327	$ 2,387,907	$ 4,966,160	$ 5,008,263
An analysis of employee benefits expense by function				
Operating costs	$ 1,544,798	$ 1,436,188	$ 3,052,546	$ 2,959,814
Operating expenses	967,529	951,719	1,913,614	2,048,449
	$ 2,512,327	$ 2,387,907	$ 4,966,160	$ 5,008,263

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.

In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the amendments explicitly stipulating compensation of employees at the rates no less than 10% as the compensation distributions for non-executive employees to the Company's Articles were resolved by the shareholders' meetings on June 20, 2025.

The compensation of employees and remuneration of directors for the three and six months ended June 30, 2026 were as follows:

Amount

	For the Three Months Ended June 30, 2026	For the Six Months Ended June 30, 2026
Compensation of employees	$ 939	$ 2,012
Remuneration of directors	$ 4,500	$ 9,000

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, 2025 and 2024 which have been approved by the Company's board of the directors on March 13, 2026 and March 14, 2025, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	$ 2,135	$ 1,796
Remuneration of directors	$ 18,000	$ 20,000

There is no difference between the actual amounts of compensation of employees and remuneration of director paid and declared on March 13, 2026 and March 14, 2025, by board of the Company, recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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.

26. 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	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 249,208	$ 190,853	$ 438,742	$ 358,619
Deferred tax				
In respect of the current period	1,878	(102,248)	7,901	(170,470)
	$ 251,086	$ 88,605	$ 446,643	$ 188,149

b. Income tax approved situation

	Final Approved Year
The Company	2023
YFY Packaging Inc.	2022
Chung Hwa Pulp Corporation	2023
Yuen Foong Shop Co., Ltd.	2023
YFY Development Corp.	2023
Yuen Foong Yu Consumer Products Co., Ltd.	2024
Fidelis IT Solutions Co., Ltd.	2024
Yuen Yan Paper Container Co., Ltd.	2024
Union Paper Corp.	2024

(Continued)

	Final Approved Year
Genovella Renewables Inc.	2024
Pek Crown Paper Co., Ltd.	2024
Ever Growing Agriculture Biotech Co., Ltd.	2024
YFY Corporate Advisory & Services Co., Ltd.	2024
SCI Co., Ltd.	2024
Shin Foong Specialty And Applied Materials Co., Ltd.	2024
Effion Enertech Co., Ltd.	2024
YFY Paradigm Investment Co., Ltd.	2024
YFY Biotech Management Co., Ltd.	2024
San Ying Enterprises Co., Ltd.	2024
Livebricks Inc.	2024
Hwa Fong Investment Co., Ltd.	2024
China Color Printing Co., Ltd.	2024
Ensilience Co., Ltd.	2024
Fun Spring Circutech Co., Ltd.	2024
	(Concluded)

c. Pillar Two income tax legislation

YFY Global Investment B.V. was incorporated in Netherlands, where the Pillar Two income tax legislation had been in effect. Under the legislation, YFY Global Investment B.V. will be required to pay, in Netherlands, a top-up tax on the profits of its group entities that are taxed at an effective tax rate of less than 15 percent. The main jurisdictions subject to this tax include Hong Kong. As of June 30, 2026, there has been no significant impact on the Group's current tax.

27. EARNINGS (LOSS) PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings (loss) per share (NT$)	$ 0.34	$ 0.05	$ 0.47	$ (0.04)
Diluted earnings per share (NT$)	$ 0.34	$ 0.05	$ 0.47	

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

Net Profit (Loss) for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Profit (loss) for the period attributable to owners of the Company	$ 570,541	$ 73,165	$ 779,368	$ (71,516)
Earnings used in the computation of diluted earnings per share	$ 570,541	$ 73,165	$ 779,368	

Number of Share (In Thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
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	74	67	109	
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,660,446	1,660,439	1,660,481	

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. However, the Group included the converted ordinary shares into the calculation of diluted net loss per share. Due to the anti-dilutive effect, it was not included in the calculation of diluted earnings per share.

28. SHARE-BASED PAYMENT ARRANGEMENTS

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

The board of directors of the subsidiary resolved to issue 690 employee share options in April 14, 2025. Each option entitles the holder to subscribe for 1 thousand ordinary share. The eligible participants for share options are the employees who meet certain specific requirements the exercise price is 145 per share. The options granted for 6 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. The subsidiary adjusted the exercise price per share in accordance with in the employee share option issuance and exercise regulations.

Information on compensatory employee share options issued in September 2025 was as follows:

Employee Share Options	Number of Options (Units)	Exercise Price ($)
Granted in September 2025	690	$ 145
Weighted-average fair value of options granted in September 2025 ($)	$ 62.59	

Employee Share Options	For the Six Months Ended June 30, 2026	
	Number of Options (Units)	Exercise Price ($)
Balance on January 1	690	
Options granted	-	
Options exercised	-	
Balance on June 30	690	
Options exercisable, end of the period	-	$ 145

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	$145
Exercise price	$145
Expected volatility (%)	51.87
Expected lives (years)	4-5
Risk free interest rate (%)	1.25-1.28

The employee benefit expenses recognized on the employee share option plans were $3,793 thousand and $7,507 thousand for the three and six months ended June 30, 2026, respectively.

b. Employee share options plan of the subsidiary - Chung Hwa Pulp Corporation

Pursuant to the resolution adopted by the Board of Directors of the subsidiary on November 13, 2024, the subsidiary approved the transfer of treasury shares for employee subscription, totaling 15,944 thousand shares. Accordingly, on January 7, 2025 (the date on which the number of shares subscribed by employees was confirmed), the subsidiary granted eligible employees the right to subscribe to treasury shares under specified conditions, amounting to a total of 15,944 thousand shares, at a subscription price of $8.58 per share.

Share Options Certificates	For the Six Months Ended June 30, 2025	
	Number of Options (In Thousands of Units)	Exercise Price ($)
Balance on January 1	-	
Options granted	15,944	
Options exercised	(15,944)	
Balance on June 30	-	
Options exercisable, end of period	-	$ 8.58
The weighted average fair value at grant date of treasury stock-based share rights for the period.	$ 7.73	

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

Share price at the grant date	$16.30
Exercise price	$8.58
Expected volatility (%)	29.61
Expected lives (days)	46
Risk free interest rate (%)	1.26

The employee benefit expenses recognized on the employee share option plans was $123,247 thousand for the six months ended June 30, 2025.

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, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 9,003	$ -	$ 9,003
Mutual funds	1,568,526	-	-	1,568,526
Convertible bonds	-	-	153,595	153,595
Subordinated debt	-	200,000	-	200,000
	$ 1,568,526	$ 209,003	$ 153,595	$ 1,931,124
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 52,281,747	$ -	$ -	$ 52,281,747
Domestic and foreign unlisted shares	-	-	8,287,068	8,287,068
Mutual funds	-	-	1,413	1,413
	$ 52,281,747	$ -	$ 8,288,481	$ 60,570,228

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 282,055	$ -	$ 282,055
Hedging derivative financial liabilities				
Derivative financial liabilities	$ -	$ 8,278	$ -	$ 8,278

(Concluded)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 1,678	$ -	$ 1,678
Mutual funds	978,912	-	-	978,912
Convertible bonds	-	-	132,889	132,889
	$ 978,912	$ 1,678	$ 132,889	$ 1,113,479
Hedging derivative financial assets				
Derivative financial assets	$ -	$ 10,045	$ -	$ 10,045
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 37,144,336	$ -	$ -	$ 37,144,336
Domestic and foreign unlisted shares	-	-	7,969,993	7,969,993
Mutual funds	-	-	2,210	2,210
	$ 37,144,336	$ -	$ 7,972,203	$ 45,116,539
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 197,434	$ -	$ 197,434

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 155,485	$ -	$ 155,485
Mutual funds	1,428,798	-	-	1,428,798
Convertible bonds	-	-	118,349	118,349
	$ 1,428,798	$ 155,485	$ 118,349	$ 1,702,632
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 30,175,051	$ -	$ -	$ 30,175,051
Domestic and foreign unlisted shares	-	-	6,900,065	6,900,065
Mutual funds	-	-	1,789	1,789
	$ 30,175,051	$ -	$ 6,901,854	$ 37,076,905
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 40,306	$ -	$ 40,306

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2026 and 2025.

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

For the six months ended June 30, 2026

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Debt Instruments	Equity Instruments
Balance at January 1, 2026	$ 132,889	$ 7,972,203
Recognized in profit or loss	5,036	-
Recognized in other comprehensive gain (accounted for as unrealized gains on investments in equity instruments designated as at FVTOCI)	-	401,306
Acquisitions	15,670	-
Disposals	-	(85,005)
Effect of exchange rate differences	-	(23)
Balance at June 30, 2026	$ 153,595	$ 8,288,481

For the six months ended June 30, 2025

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Debt Instruments	Equity Instruments
Balance at January 1, 2025	$ 129,002	$ 6,961,592
Recognized in profit or loss	(10,653)	-
Recognized in other comprehensive loss (accounted for as unrealized losses on investments in equity instruments designated as at FVTOCI)	-	(26,238)
Disposals	-	(117)
Capital reduction refund to shareholders	-	(25,664)
Effect of exchange rate differences	-	(7,719)
Balance at June 30, 2025	$ 118,349	$ 6,901,854

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

Financial Instruments	Valuation Techniques and Inputs
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.
Derivatives - redemption options of convertible bonds	Assuming that the corporate bond will be redeemed on September 5, 2027, the discount rate based on the 2-year and 5-year government bond yields with publicly quoted rates by using the interpolation method.
Subordinated debt	Pricing information calculated by an independent third-party valuation agency based on observable market inputs.

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

Financial Instruments	Valuation Techniques and Inputs
Domestic and foreign unlisted shares	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. 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.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
	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.
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.
Mutual funds	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.

(Concluded)

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 1,931,124	$ 1,113,479	$ 1,702,632
FVTOCI	60,570,228	45,116,539	37,076,905
Financial assets for hedging	-	10,045	-
Amortized cost (1)	36,590,998	34,473,722	30,340,517
Financial liabilities			
FVTPL			
Held for trading	282,055	197,434	40,306
Financial liabilities for hedging	8,278	-	-
Amortized cost (2)	77,006,352	72,658,046	72,822,333

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, long-term borrowings (include current portion of long-term borrowings), and bonds payable.

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 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 5% strengthening of the respective currencies would affect the amount of pre-tax profit. A 5% weakening of the respective currencies would affect the pre-tax profit in the reverse order of magnitude.

	For the Six Months Ended June 30	
	2026	**2025**
Influence to profit or loss at 5% variance		
USD	$ (166,999)	$ (98,679)
RMB	$ (158,531)	$ (158,047)

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, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	$ 14,232,865	$ 12,901,394	$ 11,045,995
Financial liabilities	24,862,640	13,791,648	23,835,411
Lease liabilities	905,088	977,652	628,246
Cash flow interest rate risk			
Financial assets	7,354,276	6,722,442	5,483,939
Financial liabilities	34,148,380	43,773,225	33,512,867

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 (loss) for the six months ended June 30, 2026 and 2025 would have decreased/increased by $26,794 thousand and $28,029 thousand, respectively.

c) Other price risk

The Group was exposed to equity and commodity price risk through its investments in equity securities, debt investments, 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, 2026 and 2025 would have increased/decreased by $96,106 thousand and $77,357 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, 2026 and 2025 would have increased/decreased by $3,028,511 thousand and $1,853,845 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, 2026, December 31, 2025 and June 30, 2025, the amounts of unused financing facilities were $61,214,242 thousand, $60,831,970 thousand and $56,888,737 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, 2026

	Less than 1 Year	**1 - 5 Years**	**5+ Years**
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 15,444,085	$ 19,586,949	$ 249,246
Fixed interest rate liabilities	23,905,000	1,000,000	-
Lease liabilities	317,059	549,998	78,069
	$ 39,666,144	$ 21,136,947	$ 327,315

December 31, 2025

	Less than 1 Year	1 - 5 Years	5+ Years
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 14,130,063	$ 31,493,857	$ 374,661
Fixed interest rate liabilities	12,846,000	1,000,000	-
Lease liabilities	317,235	593,331	108,906
	$ 27,293,298	$ 33,087,188	$ 483,567

June 30, 2025

	Less than 1 Year	1 - 5 Years	5+ Years
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 16,103,196	$ 18,403,218	$ 284,120
Fixed interest rate liabilities	22,907,000	1,000,000	-
Lease liabilities	260,752	301,191	90,235
	$ 39,270,948	$ 19,704,409	$ 374,355

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	
	2026	2025
The discounted amount	$ 3,489,786	$ 2,130,326
The received amount	$ 3,472,667	$ 2,119,900
Interest rates	0.65%-1.75%	0.85%-2.10%

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

Related Party	Relationship with the Group
Hsin-Yi Enterprise Co., Ltd.	Entity with key management personnel
Yuen Foong Paper Co., Ltd.	Entity with key management personnel
YFY Biotech Co., Ltd.	Associate
E Ink Holdings Inc.	Associate
YuanHan Materials Inc.	Associate
Linfiny Corporation	Associate
Transcend Optronics (Yangzhou) Co., Ltd.	Associate
JLD Logistics Ltd.	Associate
YJY Packaging Ltd.	Associate
Chengdu JingShiTong Packing Co., Ltd.	Associate
FS-Tech Company Ltd.	Associate
Vinh Phu Packing And Printing Company Limited	Associate
Yfy Printing Packaging Technology 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
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
SHEN'S Art Printing Co., Ltd.	Substantive related party
Ru Chuan Sustainability Foundation	Substantive related party

b. Operating revenue

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Entities with key management personnel	$ 46,778	$ 45,875	$ 99,220	$ 90,209
Associate	13,485	26,986	25,133	58,520
Substantive related party	10,672	18,900	21,831	33,927
	$ 70,935	$ 91,761	$ 146,184	$ 182,656

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	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Associate	$ 24,088	$ 56,758	$ 49,850	$ 86,988
Substantive related party	4,303	4,428	8,351	9,151
Entities with key management personnel	663	2,956	5,235	4,434
	$ 29,054	$ 64,142	$ 63,436	$ 100,573

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, 2026	December 31, 2025	June 30, 2025
Receivables from related parties	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	$ 54,929	$ 53,829	$ 47,821
	Others	218	250	224
		55,147	54,079	48,045
	Associate			
	Vinh Phu Packing And Printing Company Limited	-	2,374	7,944
	Others	15,177	7,354	6,699
		15,177	9,728	14,643

(Continued)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Receivables from related parties	Substantive related party			
	SHEN'S Art Printing Co., Ltd.	$ 6,973	$ 9,910	$ 6,786
	Others	2,560	2,721	3,665
		9,533	12,631	10,451
		$ 79,857	$ 76,438	$ 73,139

(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, 2026	December 31, 2025	June 30, 2025
Payables to related parties	Associate			
	YJY Packaging Ltd.	$ 14,002	$ 29,560	$ 49,919
	Vinh Phu Packing And Printing Company Limited	6,135	3,021	3,193
	JLD Logistics Ltd.	2,636	12,105	2,170
	Others	787	161	12,058
		23,560	44,847	67,340
	Entities with key management personnel			
	Hsin-Yi Enterprise Co., Ltd.	6,035	5,803	5,956
	Others	1,236	1,253	3,150
		7,271	7,056	9,106
	Substantive related party	4,185	3,113	4,395
		$ 35,016	$ 55,016	$ 80,841

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of financial assets

In March 2025, YFY Consumer Products Corporation acquired a 15% equity interest in Yongshengpu Agricultural Biotechnology Company from a related party Chen Yu Co., Ltd. for a cash consideration of $73,200 thousand.

g. Others

Rental income

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Associate				
E Ink Holdings Inc.	$ 16,662	$ 3,868	$ 33,323	$ 7,736
Entities with key management personnel	2,052	2,052	4,103	4,103
Substantive related party	1,961	1,965	3,921	3,925
	$ 20,675	$ 7,885	$ 41,347	$ 15,764

Rental expenses (accounted for as operating expenses)

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Entities with key management personnel	$ 13,444	$ 12,991	$ 26,285	$ 26,124
Substantive related party	363	363	726	726
	$ 13,807	$ 13,354	$ 27,011	$ 26,850

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	
	2026	2025	2026	2025
Short-term employee benefits	$ 21,712	$ 21,315	$ 43,405	$ 42,183
Post-employment benefits	108	108	216	216
	$ 21,820	$ 21,423	$ 43,621	$ 42,399

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, 2026	December 31, 2025	June 30, 2025
Notes receivable, net (Note)	$ 1,331,265	$ 1,438,950	$ 1,435,259
Property, plant and equipment	372,240	376,692	692,710
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	713,184	625,752	555,776
Pledged deposits (classified as other current financial assets)	70,750	70,723	88,992
Land use rights (accounted for as right-of-use assets)	-	-	82,080
	$ 2,487,439	$ 2,512,117	$ 2,854,817

Note: The transaction of $213,451 thousand, $480,785 thousand and $595,639 thousand have been eliminated in preparing the consolidated financial statements on June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

33. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of June 30, 2026, December 31, 2025 and June 30, 2025, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $1,388,330 thousand, $1,361,989 thousand and $380,114 thousand, respectively.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the contract of commitment to acquire land, property, plant and equipment amounted to $164,754 thousand, $400,332 thousand and $429,824 thousand, respectively. The unpaid amounts were $74,817 thousand, $70,260 thousand and $99,583 thousand, respectively.

34. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2026		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 2,442,404	0.147 (RMB:USD)	$ 11,421,481
USD	116,297	31.850 (USD:NTD)	3,704,072
RMB	324,278	4.676 (RMB:NTD)	1,516,431
USD	43,590	6.811 (USD:RMB)	1,388,346
Foreign currency liabilities			
Monetary items			
USD	38,521	26,310 (USD:VND)	1,226,908

	December 31, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 2,420,269	0.142 (RMB:USD)	$ 10,822,481
USD	121,882	31.430 (USD:NTD)	3,830,752
RMB	353,126	4.472 (RMB:NTD)	1,579,040
USD	38,012	7.029 (USD:RMB)	1,194,724

	June 30, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 2,421,806	0.139 (RMB:USD)	$ 9,912,400
USD	125,862	29.30 (USD:NTD)	3,687,758
RMB	406,418	4.093 (RMB:NTD)	1,663,459
Foreign currency liabilities			
Monetary items			
USD	56,104	29.30 (USD:NTD)	1,643,838

For the three and six months ended June 30, 2026 and 2025, realized and unrealized net foreign exchange gains (losses) were gain of $168,430 thousand, loss of $572,224 thousand, gain of $429,502 thousand and loss of $434,063 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 2)

2) Endorsements/guarantees provided. (Table 3)

3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 4)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

6) Intercompany relationships and significant intercompany transactions. (Table 9)

b. Information on investees (Table 7)

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 8)

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 5)

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)

36. SEGMENT INFORMATION

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

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging	Business Unit of Consumer Products	Other Segment	Total
For the six months ended June 30, 2026					
Revenue from external customers	$ 8,348,572	$ 17,246,858	$ 5,339,585	$ 6,924,577	$ 37,859,592
Revenue from other internal operating segments	732,013	111,038	17,105	609,031	1,469,187
Segment revenue	$ 9,080,585	$ 17,357,896	$ 5,356,690	$ 7,533,608	39,328,779
Eliminations					(1,469,187)
Consolidated revenue					$ 37,859,592
Total profit or loss for reportable segments	$ (682,016)	$ (22,169)	$ 475,561	$ 230,203	$ 1,579
Eliminations					54,696
Segment profit or loss					56,275
Finance costs					(620,584)
Interest income					260,577
Net loss on fair value change of financial instruments at fair value through profit or loss					(221,862)
Foreign exchange gain					429,502
Net non-operating income and expenses					1,370,935
Profit before income tax					$ 1,274,843
For the six months ended June 30, 2025					
Revenue from external customers	$ 8,636,411	$ 15,786,353	$ 5,386,001	$ 6,440,251	$ 36,249,016
Revenue from other internal operating segments	930,295	312,563	37,934	670,369	1,951,161
Segment revenue	$ 9,566,706	$ 16,098,916	$ 5,423,935	$ 7,110,620	38,200,177
Eliminations					(1,951,161)
Consolidated revenue					$ 36,249,016
Total profit or loss for reportable segments	$ (708,152)	$ (391,986)	$ 467,145	$ 132,609	$ (500,384)
Eliminations					54,045
Segment profit or loss					(446,339)
Finance costs					(613,503)
Interest income					261,359
Net gain on fair value change of financial instruments at fair value through profit or loss					70,232
Foreign exchange loss					(434,063)
Net non-operating income and expenses					1,240,160
Profit before income tax					$ 77,846

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. Segment performance is measured based on operating profit or loss. 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, 2026	December 31, 2025	June 30, 2025
Segment assets			
Business unit of pulp and fine paper	$ 42,120,634	$ 40,441,347	$ 38,252,240
Business unit of containerboard and packaging	41,034,028	39,540,376	37,482,459
Business unit of consumer products	10,869,438	10,471,359	10,231,693
Other segments	136,731,347	117,585,450	105,231,172
Adjustment and elimination	(37,089,823)	(35,780,510)	(33,422,491)
Consolidated total assets	$ 193,665,624	$ 172,258,022	$ 157,775,073

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.

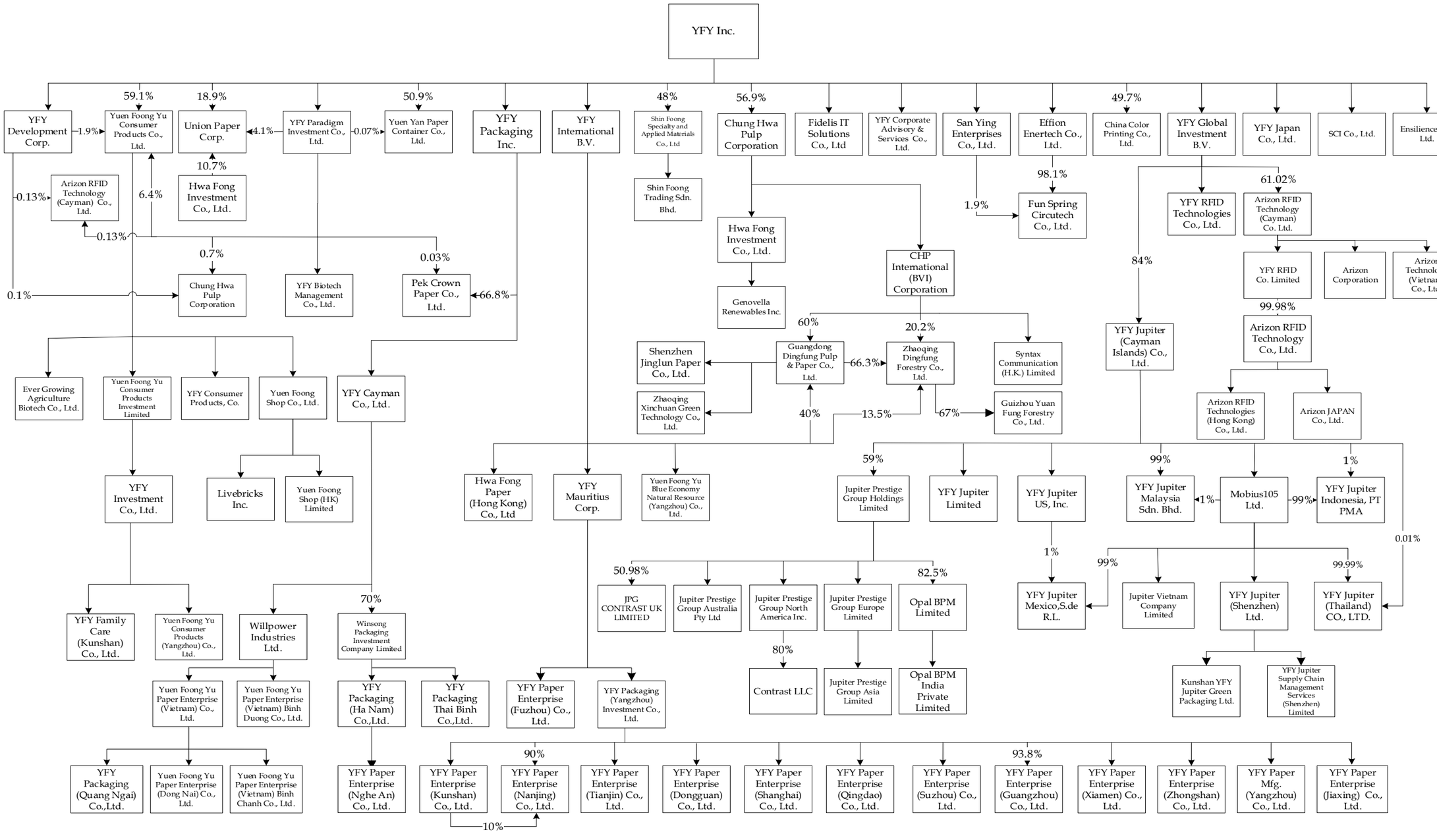
	Revenue from External Customers For the Six Months Ended June 30		Non-current Assets		
	2026	2025	June 30, 2026	December 31, 2025	June 30, 2025
Taiwan	$ 17,227,347	$ 17,504,631	$ 39,091,117	$ 39,044,810	$ 39,296,277
China	12,820,741	11,703,434	14,419,100	14,372,653	13,686,964
Others	7,811,504	7,040,951	4,506,776	4,293,523	3,520,870
	$ 37,859,592	$ 36,249,016	$ 58,016,993	$ 57,710,986	$ 56,504,111

Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2026 and 2025.

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE
JUNE 30, 2026



Note：100% of Ownership, Unless Otherwise Stated.

YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
1	YFY Global Investment B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	$ 2,787,091	$ 2,787,091	$ 2,787,091	2.50	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 18,428,139	$ 18,428,139	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	161,838	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	18,428,139	18,428,139	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	6,887,530	5,961,617	5,681,037	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	27,308,777	27,308,777	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	803,412	494,522	494,522	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	27,308,777	27,308,777	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	36,971	36,971	11,059	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	36,974	147,896	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	210,626	210,626	197,049	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	847,101	847,101	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	86,238	73,320	-	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	293,286	293,286	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	514,433	514,433	276,571	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	1,067,102	1,067,102	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	293,734	293,734	153,026	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	1,205,016	1,205,016	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	129,936	129,936	107,750	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	519,749	519,749	-
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	433,870	433,870	272,302	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	893,640	893,640	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	375,500	375,500	171,238	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	752,073	752,073	-
11	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,338,164	2,338,164	290,718	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	631,304	631,304	594,068	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	233,816	233,816	177,863	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	233,816	233,816	83,468	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	116,908	116,908	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	116,908	116,908	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	116,908	116,908	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	116,908	116,908	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	116,908	116,908	14,974	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-

(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			
11	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	$ 46,763	$ 46,763	$ -	2.60	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 5,472,954	$ 5,472,954	-
		Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	116,908	116,908	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	5,472,954	5,472,954	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	46,763	46,763	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	273,648	1,094,591	-
12	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	212,876	212,876	185,750	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	871,741	871,741	-
13	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	116,497	116,497	116,205	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	233,002	233,002	-
14	YFY Jupiter (Shenzhen) Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	134,254	106,639	12,042	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	213,286	213,286	-
15	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	64,603	64,603	30,691	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	64,606	64,606	-
16	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	45,749	41,451	34,723	1.30	Short-term financing	-	Financing for working capital requirements	-	-	-	82,903	82,903	-
17	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	293,128	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	536,206	536,206	-
		YFY Jupiter (Thailand) Co., Ltd.	Other receivables from related parties	Yes	8,329	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	536,206	536,206	-
18	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	106,729	31,850	31,850	2.67	Short-term financing	-	Financing for working capital requirements	-	-	-	1,166,437	1,166,437	-
		YFY Jupiter (Thailand) Co., Ltd.	Other receivables from related parties	Yes	23,516	10,670	10,670	2.67	Short-term financing	-	Financing for working capital requirements	-	-	-	1,166,437	1,166,437	-
		Winshine Jupiter Co., Ltd.	Other receivables from related parties	Yes	6,143	6,115	6,115	2.67	Short-term financing	-	Financing for working capital requirements	-	-	-	233,287	233,287	2
19	YFY Jupiter (Cayman Islands) Co., Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	406,592	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	452,115	452,115	-
20	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	137,952	137,952	137,952	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,324,546	2,324,546	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	1,112,966	1,112,966	1,112,966	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,324,546	2,324,546	-
21	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	338,624	338,624	32	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	698,648	698,648	-
22	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,500,061	1,500,061	23	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	3,061,796	3,061,796	-
23	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,197,208	2,197,208	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,437,136	4,437,136	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,197,208	2,197,208	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,437,136	4,437,136	-
24	Effion Enertech Co., Ltd.	Fidelis IT Solutions Co., Ltd.	Other receivables from related parties	Yes	55,000	15,000	-	1.80	Short-term financing	-	Financing for working capital requirements	-	-	-	194,466	194,466	-

(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 Development Corp.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	$ 900,000	$ 900,000	$ 332,000	1.88	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 3,796,786	$ 3,796,786	-
26	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon Corporation	Other receivables from related parties	Yes	191,970	191,100	-	3.70	Short-term financing	-	Financing for working capital requirements	-	-	-	618,020	2,472,080	-
		Arizon RFID Technology (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	319,950	318,500	-	3.70	Short-term financing	-	Financing for working capital requirements	-	-	-	2,472,080	2,472,080	-
27	Arizon RFID Technology Co., Ltd.	Arizon RFID Technology (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	511,920	509,600	254,800	3.70	Short-term financing	-	Financing for working capital requirements	-	-	-	580,357	2,321,430	-

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. The Company'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: Unless otherwise specified, 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, 2026
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
	Endorsement/guarantee												
1	YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	$ 117,312,087	$ 3,107,929	$ 3,107,929	$ 671,016	$ -	3.97	$ 156,416,116	Yes	No	Yes
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a.	117,312,087	1,122,319	1,122,319	-	-	1.44	156,416,116	Yes	No	Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Note 3 a.	3,878,084	729,000	726,600	130,767	-	28.10	5,170,778	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Note 3 a.	3,878,084	729,000	726,600	234,297	-	28.10	5,170,778	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a.	3,878,084	145,800	145,320	-	-	5.62	5,170,778	Yes	No	No
3	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 b.	3,000,966	243,000	242,200	57,106	-	12.11	4,001,288	No	No	No
4	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Note 3 a.	2,143,608	862,650	859,810	133,881	-	60.17	2,858,144	Yes	No	No
5	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technology (Vietnam) Co., Ltd.	Note 3 a.	9,270,300	959,850	955,550	668,288	-	15.46	12,360,400	Yes	No	No
		Arizon Corporation	Note 3 a.	9,270,300	90,123	89,714	-	-	1.45	12,360,400	Yes	No	No
6	YFY Jupiter (Cayman Islands) Co., Ltd.	YFY Jupiter Limited	Note 3 a.	1,695,439	127,980	127,400	-	-	11.27	2,260,586	Yes	No	No
	Credit line (Note 4)												
1	YFY Inc.	YFY Development Corp.	Note 3 a.	117,312,087	2,850,000	2,850,000	1,550,000	-	3.64	156,416,116	No	No	No
		YFY Paradigm Investment Co., Ltd.	Note 3 a.	117,312,087	2,470,000	2,470,000	400,000	-	3.16	156,416,116	No	No	No
		Fun Spring Circutech Co., Ltd.	Note 3 a.	117,312,087	225,000	225,000	114,547	-	0.29	156,416,116	No	No	No
		Ensilience Co., Ltd.	Note 3 a.	117,312,087	700,000	700,000	15,000	-	0.90	156,416,116	No	No	No
		Effion Enertech Co., Ltd.	Note 3 a.	117,312,087	225,000	225,000	-	-	0.29	156,416,116	No	No	No
		YFY International B.V.	Note 3 a.	117,312,087	2,431,620	2,420,600	100,267	-	3.10	156,416,116	No	No	No
		YFY Global Investment B.V.	Note 3 a.	117,312,087	1,631,745	1,624,350	74,691	-	2.08	156,416,116	No	No	No
		YFY Jupiter Limited	Note 3 a.	117,312,087	519,950	468,500	148,549	-	0.60	156,416,116	No	No	No
		Mobius105 Ltd.	Note 3 a.	117,312,087	159,975	159,250	-	-	0.20	156,416,116	No	No	No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Note 3 a.	24,457,754	575,910	573,300	42,998	-	3.52	32,610,338	No	No	No
		Hwa Fong Investment Co., Ltd.	Note 3 a.	24,457,754	130,000	130,000	90,000	-	0.80	32,610,338	No	No	No
3	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 3 a.	9,270,300	2,061,000	2,061,000	900,000	-	33.35	12,360,400	No	No	No
4	YFY Jupiter (Cayman Islands) Co., Ltd.	Mobius105 Ltd.	Note 3 a.	1,695,439	255,960	254,800	-	-	22.54	2,260,586	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.

YFY INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 2026
(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, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	2,203,071	$ 32,683	-	$ 32,683	
	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	550,488,061	21,964,474	3.8	21,964,474	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at FVTOCI	6,072,354	3,825,583	0.6	3,825,583	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at FVTOCI	97,502,590	839,497	13.7	839,497	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at FVTOCI	51,968,792	7,131,110	3.0	7,131,110	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	20,826,000	257,947	12.9	257,947	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	14,939,982	127,776	14.9	127,776	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,999,371	96,140	13.9	96,140	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	4,200,000	78,982	14.0	78,982	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,221,228	49,843	3.1	49,843	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,612	33,821	5.5	33,821	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,600,000	22,624	8.0	22,624	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at FVTOCI	544,067	13,887	0.7	13,887	
	China Trade and Development Corp.	-	Non-current financial assets at FVTOCI	377,634	2,565	0.6	2,565	
	Supercell Biotechnology Corporation	-	Non-current financial assets at FVTOCI	696,564	2,334	3.0	2,334	
YFY International B.V.	Beneficiary certificates							
	PIMCO Global Income Fund	-	Non-current financial assets at FVTPL	279,330	US$ 5,020 thousand	-	US$ 5,020 thousand	
	Corporate bonds							
	Korea Electric Power Corporation	-	Current financial assets at amortized cost	-	US$ 1,921 thousand	-	US$ 1,921 thousand	
	Charles Schwab Corporation	-	Current financial assets at amortized cost	-	US$ 1,903 thousand	-	US$ 1,903 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US$ 1,656 thousand	-	US$ 1,656 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US$ 1,733 thousand	-	US$ 1,733 thousand	
	F, Hoffmann-La Roche AG	-	Non-current financial assets at amortized cost	-	US$ 1,483 thousand	-	US$ 1,483 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY International B.V.	Corporate bonds							
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US$ 2,113 thousand	-	US$ 2,113 thousand	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US$ 1,959 thousand	-	US$ 1,959 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US$ 1,577 thousand	-	US$ 1,577 thousand	
	Korea East-West Power Company Co., Ltd.	-	Non-current financial assets at amortized cost	-	US$ 1,989 thousand	-	US$ 1,989 thousand	
	MITSUI & CO., LTD.	-	Non-current financial assets at amortized cost	-	US$ 1,942 thousand	-	US$ 1,942 thousand	
	Intercontinental Exchange, Inc.	-	Non-current financial assets at amortized cost	-	US$ 1,020 thousand	-	US$ 1,020 thousand	
	Nippon Telegraph and Telephone Public Corporation	-	Non-current financial assets at amortized cost	-	US$ 1,981 thousand	-	US$ 1,981 thousand	
	Honda Taiwan Motor CO., LTD.	-	Non-current financial assets at amortized cost	-	US$ 2,013 thousand	-	US$ 2,013 thousand	
	Unitedhealth Group Inc.	-	Non-current financial assets at amortized cost	-	US$ 2,040 thousand	-	US$ 2,040 thousand	
	Saudi Arabian government bonds	-	Non-current financial assets at amortized cost	-	US$ 1,953 thousand	-	US$ 1,953 thousand	
	Taiwan Life Insurance Co., Ltd.	-	Non-current financial assets at amortized cost	-	US$ 2,000 thousand	-	US$ 2,000 thousand	
	Comcast Corporation	-	Non-current financial assets at amortized cost	-	US$ 2,287 thousand	-	US$ 2,287 thousand	
	Alphabet Inc.	-	Non-current financial assets at amortized cost	-	US$ 2,955 thousand	-	US$ 2,955 thousand	
	Meta Platforms, Inc.	-	Non-current financial assets at amortized cost	-	US$ 3,000 thousand	-	US$ 3,000 thousand	
YFY Paper Enterprise (Xiamen) Co., Ltd.	Share certificate							
	Xiamen Taiwanese Investment Association Management Company	-	Non-current financial assets at FVTOCI	-	RMB 70 thousand	-	RMB 70 thousand	
YFY Global Investment B.V.	Beneficiary certificates							
	PIMCO Global Income Fund	-	Non-current financial assets at FVTPL	247,219	US$ 4,443 thousand	-	US$ 4,443 thousand	
	WI Harper INC Fund VII LP	-	Non-current financial assets at FVTOCI	-	US$ 44 thousand	0.2	US$ 44 thousand	
	Ordinary shares							
	Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at FVTOCI	1,692,250	US$ 788 thousand	6.5	US$ 788 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at FVTOCI	8,124,999	US$ 316 thousand	19.9	US$ 316 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Global Investment B.V.	Corporate bonds							
	Charles Schwab Corporation	-	Current financial assets at amortized cost	-	US$ 1,052 thousand	-	US$ 1,052 thousand	
	Korea Electric Power Corporation	-	Current financial assets at amortized cost	-	US$ 1,921 thousand	-	US$ 1,921 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US$ 1,657 thousand	-	US$ 1,657 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US$ 1,736 thousand	-	US$ 1,736 thousand	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US$ 2,451 thousand	-	US$ 2,451 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US$ 910 thousand	-	US$ 910 thousand	
	Franklin Resources, Inc.	-	Non-current financial assets at amortized cost	-	US$ 513 thousand	-	US$ 513 thousand	
	Charles Schwab Corporation	-	Non-current financial assets at amortized cost	-	US$ 921 thousand	-	US$ 921 thousand	
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US$ 2,075 thousand	-	US$ 2,075 thousand	
	Korea East-West Power Company Co., Ltd.	-	Non-current financial assets at amortized cost	-	US$ 1,989 thousand	-	US$ 1,989 thousand	
	MITSUI & CO., LTD.	-	Non-current financial assets at amortized cost	-	US$ 976 thousand	-	US$ 976 thousand	
	Intercontinental Exchange, Inc.	-	Non-current financial assets at amortized cost	-	US$ 2,762 thousand	-	US$ 2,762 thousand	
	Honda Taiwan Motor CO., LTD.	-	Non-current financial assets at amortized cost	-	US$ 2,013 thousand	-	US$ 2,013 thousand	
	Unitedhealth Group Inc.	-	Non-current financial assets at amortized cost	-	US$ 2,040 thousand	-	US$ 2,040 thousand	
	Mercedes-Benz Finance North America LLC	-	Non-current financial assets at amortized cost	-	US$ 2,007 thousand	-	US$ 2,007 thousand	
	Saudi Arabian government bonds	-	Non-current financial assets at amortized cost	-	US$ 1,952 thousand	-	US$ 1,952 thousand	
	Comcast Corporation	-	Non-current financial assets at amortized cost	-	US$ 2,287 thousand	-	US$ 2,287 thousand	
	Taiwan Life Insurance Co., Ltd.	-	Non-current financial assets at amortized cost	-	US$ 2,000 thousand	-	US$ 2,000 thousand	
	Alphabet Inc.	-	Non-current financial assets at amortized cost	-	US$ 2,955 thousand	-	US$ 2,955 thousand	
	Meta Platforms, Inc.	-	Non-current financial assets at amortized cost	-	US$ 3,000 thousand	-	US$ 3,000 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shin Foong Specialty and Applied Materials Co., Ltd.	Subordinated debt							
	Non-cumulative unsecured perpetual subordinated financial bonds, phase 2, 2026, Taipei Fubon Commercial Bank Co., Ltd.	-	Non-current financial assets at FVTPL	-	$ 200,000	-	$ 200,000	
	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	48,428,740	1,932,307	0.3	1,932,307	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at FVTOCI	2,884,415	63,867	11.8	63,867	
	Special share							
	TS Financial Holding Co., Ltd. (originally named as Taishin Financial Holding Co., Ltd.)	-	Non-current financial assets at FVTOCI	7,181,000	366,948	0.2	366,948	
	Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	5,706,000	362,902	0.4	362,902	
	Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	5,688,000	341,280	0.4	341,280	
	Yulon Finance Corporation	-	Non-current financial assets at FVTOCI	3,213,000	162,578	3.2	162,578	
	KGI Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	15,442,000	123,382	1.0	123,382	
	CTBC Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	706,000	45,396	0.1	45,396	
	Corporate bonds							
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	63,747	-	63,747	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	58,838	-	58,838	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	32,249	-	32,249	
	7-ELEVEN Company	-	Non-current financial assets at amortized cost	-	30,129	-	30,129	
	Cathay Life Company	-	Non-current financial assets at amortized cost	-	200,000	-	200,000	
	Fubon Life Company	-	Non-current financial assets at amortized cost	-	300,000	-	300,000	
	Mercuries Life Insurance Co., Ltd.	-	Non-current financial assets at amortized cost	-	50,045	-	50,045	
China Color Printing Co., Ltd.	Ordinary shares							
	KGI Financial Holding Co., Ltd.	-	Current financial assets at FVTOCI	10,058,673	288,683	0.1	288,683	
	China Parcel Co., Ltd.	-	Non-current financial assets at FVTOCI	463,970	2,846	10.8	2,846	
YFY Development Corp.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	53,298,740	789,956	-	789,956	
	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	244,167,137	9,742,269	1.7	9,742,269	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	3,490,949	30,057	0.5	30,057	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at FVTOCI	66,258	4,989	0.1	4,989	
	Universal Venture Capital Investment Corporation	Note 1	Non-current financial assets at FVTOCI	5,600,000	52,924	4.7	52,924	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	3,281,250	28,597	5.5	28,597	
	Everterminal Co., Ltd.	-	Non-current financial assets at FVTOCI	1,200,960	15,885	2.5	15,885	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paradigm Investment Co., Ltd.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	181,395,447	$ 7,237,678	1.3	$ 7,237,678	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at FVTOCI	43,109	772	0.1	772	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,654,353	152,004	2.5	152,004	
	Ordinary shares							
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	2,574,000	31,881	1.6	31,881	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,370,730	30,351	5.6	30,351	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at FVTOCI	1,050,000	19,745	3.5	19,745	
	Locus Publishing Company	Note 1	Non-current financial assets at FVTOCI	1,440,291	17,652	13.9	17,652	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at FVTOCI	1,000,000	10,538	1.1	10,538	
	Supercell Biotechnology Corporation	-	Non-current financial assets at FVTOCI	696,435	2,334	3.0	2,334	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at FVTOCI	3,590	492	0.0	492	
Chung Hwa Pulp Corporation	Ordinary shares							
	NTU Innovation & Incubation Co., Ltd.	Note 1	Non-current financial assets at FVTPL	800,000	-	6.3	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	114,854,061	4,582,677	0.8	4,582,677	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,829,132	153,509	2.5	153,509	
	Direct Insight Inc.	-	Non-current financial assets at FVTOCI	286,200	25,414	0.9	25,414	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	14,939,982	127,776	14.9	127,776	
Hwa Fong Investment Co., Ltd.	Ordinary shares							
	Everest Technology Inc.	-	Non-current financial assets at FVTPL	150,000	-	0.2	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	2,614,953	104,337	0.0	104,337	
Yuen Foong Yu Consumer Products Investment Limited	Corporate bonds							
	Korea Electric Power Corporation	-	Current financial assets at amortized cost	-	US$ 2,000 thousand	-	US$ 2,000 thousand	
	Mitsubishi UFJ Leasing Co., Ltd.	-	Non-current financial assets at amortized cost	-	US$ 7,059 thousand	-	US$ 7,059 thousand	
	BMW US Capital LLC	-	Non-current financial assets at amortized cost	-	US$ 4,842 thousand	-	US$ 4,842 thousand	
	The Norinchukin Bank	-	Non-current financial assets at amortized cost	-	US$ 3,017 thousand	-	US$ 3,017 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US$ 4,856 thousand	-	US$ 4,856 thousand	
	BMW US Capital LLC	-	Non-current financial assets at amortized cost	-	US$ 5,010 thousand	-	US$ 5,010 thousand	
	Honda Taiwan Motor CO., LTD.	-	Non-current financial assets at amortized cost	-	US$ 2,022 thousand	-	US$ 2,022 thousand	
	Brookfield Corporation	-	Non-current financial assets at amortized cost	-	US$ 3,104 thousand	-	US$ 3,104 thousand	
	Brookfield Corporation	-	Non-current financial assets at amortized cost	-	US$ 6,019 thousand	-	US$ 6,019 thousand	
	Kohlberg Kravis Roberts & Co.	-	Non-current financial assets at amortized cost	-	US$ 1,955 thousand	-	US$ 1,955 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Corporate Advisory & Services Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	5,404,059	$ 80,170	-	$ 80,170	
YFY Japan Co., Ltd.	Ordinary shares Beautone Japan Co., Ltd.	-	Non-current financial assets at FVTOCI	440	JPY 125,669 thousand	36.7	JPY 125,669 thousand	
Effion Enertech Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	14,547,408	215,814	-	215,814	
Genovella Renewables Inc.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	25,082	372	-	372	
SCI Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	311,974	4,627	-	4,627	
Ensilience Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	3,191,822	47,351	-	47,351	
Fidelis IT Solutions Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	3,243,749	48,122	-	48,122	
San Ying Enterprises Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	2,609,603	38,702	-	38,702	
YFY Biotech Management Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	631,045	9,362	-	9,362	
	Convertible bonds Micareo Convertible Bonds	-	Current financial assets at FVTPL	-	136,989	-	136,989	
	Micareo Convertible Bonds	-	Non-current financial assets at FVTPL	-	16,606	-	16,606	
	Ordinary shares NeuroSky, 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, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arizon RFID Technology Co., Ltd.	Negotiable certificates of deposit							
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2023	-	Current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 396 in 2024	-	Current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2579 in 2024	-	Non-current financial assets at amortized cost	-	RMB 20,000 thousand	-	RMB 20,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 1689 in 2025	-	Non-current financial assets at amortized cost	-	RMB 20,000 thousand	-	RMB 20,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 1825 in 2025	-	Non-current financial assets at amortized cost	-	RMB 10,000 thousand	-	RMB 10,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2761 in 2025	-	Non-current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2762 in 2025	-	Non-current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3210 in 2025	-	Non-current financial assets at amortized cost	-	RMB 50,000 thousand	-	RMB 50,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3180 in 2025	-	Non-current financial assets at amortized cost	-	RMB 40,000 thousand	-	RMB 40,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 3357 in 2025	-	Non-current financial assets at amortized cost	-	RMB 50,000 thousand	-	RMB 50,000 thousand	
	Merchants Bank Co., Ltd. RMB Large-denomination Certificate of Deposit for Corporate Clients No. 5119 in 2025	-	Non-current financial assets at amortized cost	-	RMB 20,000 thousand	-	RMB 20,000 thousand	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients in 2025	-	Non-current financial assets at amortized cost	-	RMB 70,000 thousand	-	RMB 70,000 thousand	

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

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

(Concluded)

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, 2026
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	$ 1,575,405	50	In agreed terms	$ -	-	$ 340,988	43	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 a	Sales	114,952	4	In agreed terms	-	-	51,254	6	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Note 1 a	Sales	221,514	7	In agreed terms	-	-	53,000	7	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	209,204	7	In agreed terms	-	-	44,272	6	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Note 1 a	Sales	203,700	6	In agreed terms	-	-	49,061	6	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 a	Sales	132,830	4	In agreed terms	-	-	28,640	4	-
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 a	Sales	142,808	4	In agreed terms	-	-	23,968	3	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	360,366	11	In agreed terms	-	-	88,117	11	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	145,577	3	In agreed terms	-	-	131,837	5	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	106,961	2	In agreed terms	-	-	38,932	2	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	133,930	3	In agreed terms	-	-	100,154	4	-
YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	251,605	95	In agreed terms	-	-	-	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	471,028	13	In agreed terms	-	-	237,683	23	-
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	493,233	24	In agreed terms	-	-	-	-	-
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	332,444	100	In agreed terms	-	-	54,287	100	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	1,032,530	88	In agreed terms	-	-	194,634	100	
	YFY Family Care (Kunshan) Co., Ltd.	Note 1 b	Sales	144,812	12	In agreed terms	-	-	-	-	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	186,635	99	In agreed terms	-	-	154,098	99	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	159,702	61	4 months after transaction month	-	-	142,067	79	-
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 1 a	Sales	152,583	7	In agreed terms	-	-	60,651	5	-
	Arizon Corporation	Note 1 b	Sales	407,158	19	In agreed terms	-	-	327,197	27	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	Note 1 b	Sales	342,918	58	In agreed terms	-	-	740,951	87	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	220,582	3	Half month after transaction month	-	-	23,444	1	-
	Union Paper Corp.	Note 1 b	Sales	297,982	4	1 month after transaction month	-	-	53,165	2	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 a	Sales	721,416	9	5 months after transaction month	-	-	1,072,304	36	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 1 b	Sales	105,353	71	2 months after transaction month	-	-	44,384	100	-

(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	
YFY Packaging Inc.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 1 b	Sales	$ 276,445	5	In agreed terms	$ -	-	$ 85,995	5	-
	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	419,281	7	In agreed terms	-	-	160,654	9	-
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	Note 1 b	Sales	274,216	22	In agreed terms	-	-	97,609	18	-
YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	Note 1 b	Sales	196,100	54	In agreed terms	-	-	26,670	25	-

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, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	$ 340,988	7.13	$ -	-	$ 332,391	$ -	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	131,837	2.22	-	-	32,781	-	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	100,154	3.03	-	-	31,314	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	237,709	5.09	-	-	198,350	-	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	194,637	10.89	-	-	194,637	-	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	154,139	2.40	-	-	55,788	-	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	142,067	2.42	-	-	17,369	-	-
Arizon RFID Technology Co., Ltd.	Arizon Corporation	The same ultimate parent company	327,197	3.58	-	-	57,393	-	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	740,951	1.00	-	-	48,444	-	-
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	1,072,304	1.26	405,125	-	70,917	-	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	160,654	5.66	-	-	78,914	-	-

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

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	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	56.90	$ 9,742,055	$ (578,752)	$ (329,313)	Notes 1, 2 and 3
	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	3,305,282	407,139	240,819	Notes 1, 2 and 3
	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	48.00	3,295,731	(1,254)	(574)	Notes 1, 2 and 3
	E Ink Holdings Inc.	Taiwan	Research, development, manufactures and sells electronic paper display panels	1,361,355	1,361,355	133,472,904	11.60	8,763,534	6,517,750	754,287	Note 3
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.00	13,646,399	(295,065)	(295,065)	Notes 1, 2 and 3
	YFY Development Corp.	Taiwan	Real estate investment and development	2,311,115	2,311,115	336,400,000	100.00	12,571,616	113,644	113,644	Notes 1, 2 and 3
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.00	9,587,458	235,577	235,577	Notes 1 and 2
	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	8,423,306	335,836	335,075	Notes 1, 2 and 3
	YFY Paradigm Investment Co., Ltd.	Taiwan	Investment and holding	619,177	619,177	192,358,000	100.00	8,069,815	42,354	42,354	Notes 1, 2 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	544,126	5,988	2,973	Notes 1 and 2
	Effion Enertech Co., Ltd.	Taiwan	To operate cogeneration and provide power technology	607,641	607,641	70,000,000	100.00	513,865	27,699	27,699	Notes 1 and 2
	Union Paper Corp.	Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.90	243,721	25,134	4,754	Notes 1 and 2
	Ensilience Co., Ltd.	Taiwan	Renewable energy retail industry, specific electricity supply business, energy technology service industry and automated control equipment engineering	150,000	150,000	15,000,000	100.00	119,005	(5,182)	(3,853)	Notes 1 and 2
	Fidelis IT Solutions Co., Ltd.	Taiwan	a. Provides services in information software and information processing. b. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.00	100,125	18,660	18,660	Notes 1 and 2
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.00	89,821	2,654	2,654	Notes 1 and 2
	Yuen Yan Paper Container Co., Ltd.	Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.90	73,266	4,555	2,321	Notes 1 and 2
	YFY Corporate Advisory & Services Co., Ltd.	Taiwan	Consulting	30,000	30,000	3,000,000	100.00	50,659	8,838	8,838	Notes 1 and 2
	San Ying Enterprises Co., Ltd.	Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.00	44,644	(717)	(717)	Notes 1 and 2
	SCI Co., Ltd.	Taiwan	Researching and development	30,000	30,000	3,000,000	100.00	26,922	(204)	(204)	Notes 1 and 2
	FS-TECH Company Ltd.	Taiwan	Provides services in information software and information processing	22,400	22,400	1,153,940	34.60	23,327	2,147	743	-
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$ 490 thousand	US$ (86) thousand	US$ (86) thousand	Notes 1 and 2
	YFY Mauritius Corp.	Mauritius	Investment and holding	US$ 196,334 thousand	US$ 196,334 thousand	312,501,731	100.00	US$ 66,728 thousand	US$ (14,267) thousand	US$ (14,267) thousand	Notes 1, 2 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	427,011	19,867	10,336	Notes 1 and 2
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	3,055,957	3,055,957	91,365,601	100.00	3,731,504	117,308	117,308	Notes 1 and 2
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$ 84,672 thousand	US$ 3,541 thousand	US$ 3,541 thousand	Notes 1 and 2
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US$ 30,870 thousand	US$ 30,870 thousand	30,870,000	70.00	US$ 31,566 thousand	US$ 246 thousand	US$ 172 thousand	Notes 1 and 2
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 42,900 thousand	US$ 42,900 thousand	-	100.00	US$ 42,357 thousand	US$ 73 thousand	US$ 73 thousand	Notes 1 and 2
	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$ 2,637 thousand	US$ 172 thousand	US$ 172 thousand	Notes 1 and 2
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging (Nghe An) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	VND 123,360,000 thousand	VND 123,360,000 thousand	-	100.00	VND 121,001,345 thousand	VND (1,933,307) thousand	VND (1,933,307) thousand	Notes 1 and 2
	YFY PRINTING PACKAGING TECHNOLOGY COMPANY LIMITED	Vietnam	Manufacturing, packaging, printing, and sales of paper boxes	VND 94,914,960 thousand	VND 94,914,960 thousand	-	49.00	VND 76,819,066 thousand	VND (25,160,370) thousand	VND (12,328,581) thousand	-
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$ 14,155 thousand	US$ 418 thousand	US$ 418 thousand	Notes 1 and 2
	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$ 65,785 thousand	US$ 3,000 thousand	US$ 3,000 thousand	Notes 1 and 2
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US$ 4,500 thousand	US$ 4,500 thousand	4,500,000	24.00	US$ 3,179 thousand	US$ 562 thousand	US$ 135 thousand	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US$ 1,200 thousand	US$ 1,200 thousand	-	100.00	VND 75,185,840 thousand	VND (1,312,208) thousand	VND (1,312,208) thousand	Notes 1 and 2
	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 894,376,423 thousand	VND 44,284,835 thousand	VND 44,284,835 thousand	Notes 1 and 2
	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 93,907,761 thousand	VND (535,978) thousand	VND (535,978) thousand	Notes 1 and 2
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	61.02	US$ 119,344 thousand	US$ 4,578 thousand	US$ 2,793 thousand	Notes 1, 2 and 4
	YFY Jupiter (Cayman Islands) Co., Ltd.	Cayman Islands	Investment and holding	US$ 16,862 thousand	US$ 16,862 thousand	50,997,606	84.00	US$ 38,045 thousand	US$ 2,952 thousand	US$ 2,478 thousand	Notes 1 and 2
	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$ 360 thousand	US$ (1) thousand	US$ (1) thousand	Notes 1 and 2

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
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	$ 5,894,848	$ 305,765	$ 258,249	Notes 1, 2 and 4
	Arizon Corporation	USA	Product distribution and technical consulting services	US$ 10,250 thousand	US$ 10,250 thousand	1,025	100.00	221,442	(50,230)	(50,230)	Notes 1, 2 and 4
	Arizon Technology (Vietnam) Co., Ltd.	Vietnam	Product distribution and R&D services	US$ 14,000 thousand	US$ 14,000 thousand	-	100.00	346,126	(21,875)	(25,555)	Notes 1, 2 and 4
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 87,621 thousand	RMB (7,618) thousand	RMB (294) thousand	Notes 1, 2 and 4
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.00	RMB 1,759 thousand	RMB (167) thousand	RMB (172) thousand	Notes 1, 2 and 4
YFY Jupiter (Cayman Islands) Co., Ltd.	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK$ 10 thousand	HK$ 10 thousand	10,000	100.00	US$ 12,021 thousand	US$ 260 thousand	US$ 260 thousand	Notes 1 and 2
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.00	US$ 5,596 thousand	US$ 847 thousand	US$ 847 thousand	Notes 1 and 2
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	59.00	US$ 8,461 thousand	US$ 3,145 thousand	US$ 1,853 thousand	Notes 1 and 2
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US$ 15,009 thousand	US$ 1 thousand	100,000	100.00	US$ 5,313 thousand	US$ (106) thousand	US$ (106) thousand	Notes 1 and 2
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.00	US$ 1,842 thousand	US$ 182 thousand	US$ 180 thousand	Notes 1 and 2
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.00	US$ 43 thousand	US$ 436 thousand	US$ 4 thousand	Note 2
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	-	-	2	0.01	-	US$ (112) thousand	-	Note 2
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.00	US$ 29 thousand	US$ 152 thousand	US$ 2 thousand	Note 2
Mobius105 Ltd.	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.00	US$ 19 thousand	US$ 182 thousand	US$ 2 thousand	Note 2
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.00	US$ 2,906 thousand	US$ 152 thousand	US$ 150 thousand	Notes 1 and 2
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.00	US$ 4,304 thousand	US$ 436 thousand	US$ 432 thousand	Notes 1 and 2
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.00	US$ 1,637 thousand	US$ 301 thousand	US$ 301 thousand	Notes 1 and 2
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	THB 17,773 thousand	THB 17,773 thousand	3,499,998	99.99	US$ 186 thousand	US$ (112) thousand	US$ (112) thousand	Notes 1 and 2
	Winshine Jupiter Co., Ltd.	Thailand	Manufacture and sale of packaging materials	THB 10,000 thousand	THB 10,000 thousand	100,000	20.00	-	-	-	-
	YJY Packaging Ltd.	Hong Kong, China	General trade	HK$ 4 thousand	HK$ 4 thousand	3,500	35.00	US$ 170 thousand	US$ 10 thousand	US$ 4 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK$ 4 thousand	HK$ 4 thousand	3,500	35.00	US$ 102 thousand	US$ (24) thousand	US$ (8) thousand	-
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$ 6,526 thousand	US$ 1,191 thousand	US$ 1,191 thousand	Notes 1 and 2
	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$ 3,728 thousand	US$ 848 thousand	US$ 848 thousand	Notes 1 and 2
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.00	US$ 693 thousand	US$ 124 thousand	US$ 124 thousand	Notes 1 and 2
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousa1nd	825	82.50	US$ 1,170 thousand	US$ 581 thousand	US$ 479 thousand	Notes 1 and 2
	JPG CONTRAST UK LIMITED (originally named as Foster and Baylis (Prestige) Limited)	United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US$ 827 thousand	US$ 896 thousand	US$ 457 thousand	Notes 1 and 2
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.00	US$ 2,652 thousand	US$ 287 thousand	US$ 287 thousand	Notes 1 and 2
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand design	US$ 66 thousand	US$ 66 thousand	-	80.00	US$ 1,211 thousand	US$ 436 thousand	US$ 349 thousand	Notes 1 and 2
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.00	US$ 165 thousand	US$ 15 thousand	US$ 15 thousand	Notes 1 and 2
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,980,953	3,980,953	150,013,000	100.00	3,548,402	43,945	43,945	Notes 1, 2 and 3
	Ever Growing Agriculture Biotech Co., Ltd.	Taiwan	Wholesale of agriculture products	180,795	180,795	21,455,719	100.00	293,570	17,621	17,423	Notes 1 and 2
	Yuen Foong Shop Co., Ltd.	Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.00	95,398	20,611	18,652	Notes 1 and 2
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	3,122	-	10	100.00	3,554	(8)	24	Notes 1 and 2
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.00	-	-	-	Notes 1 and 2
	Livebricks Inc.	Taiwan	Information processing services	1,879	1,879	200,002	100.00	16,928	9,012	9,012	Notes 1 and 2
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	11,869	(363)	(363)	Notes 1, 2 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	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	$ 18,309	$ (578,752)	$ (620)	Notes 2 and 3
	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	107,447	407,139	7,829	Notes 2 and 3
	E Ink Holdings Inc.	Taiwan	Research, development, manufactures and sells electronic paper display panels	627,142	627,142	23,326,296	2.00	1,586,201	6,517,750	131,822	Note 3
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	8,316	144,715	193	Notes 2 and 4
Effion Enertech Co., Ltd.	YFY Biotech Co., Ltd.	Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.00	-	(4,225)	-	-
	Fun Spring Circutech Co., Ltd.	Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	127,500	127,500	12,750,000	98.10	143,131	21,993	21,570	Notes 1 and 2
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	120,181	(578,752)	(4,069)	Notes 2 and 3
	Yuen Foong Yu Consumer Products Co., Ltd.	Taiwan	Production and sale of high quality paper and paper-related merchandise	276,799	276,799	17,135,815	6.40	358,462	407,139	26,117	Notes 2 and 3
	E Ink Holdings Inc.	Taiwan	Research, development, manufactures and sells electronic paper display panels	374,929	374,929	7,872,000	0.70	706,706	6,517,750	44,486	Note 3
	Union Paper Corp.	Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.10	53,305	25,134	1,040	Note 2
	YFY Biotech Management Co., Ltd.	Taiwan	Consulting	10,000	10,000	26,430,000	100.00	182,132	(4,092)	(4,092)	Notes 1 and 2
	Yuen Yan Paper Container Co., Ltd.	Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	107	4,555	3	Note 2
	Pek Crown Paper Co., Ltd.	Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	213	19,867	7	Note 2
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	8,316	144,715	193	Notes 2 and 4
	FS-TECH Company Ltd.	Taiwan	Provides services in information software and information processing	100	100	10,000	0.30	108	2,147	6	-
San Ying Enterprises 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	2,807	21,993	423	Note 2
Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Taiwan	Research, development, manufactures and sells electronic paper display panels	329,000	329,000	20,000,000	1.70	1,207,963	6,517,750	113,025	Note 3
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.00	5,874,767	1,978	6,060	Notes 1, 2 and 3
	Hwa Fong Investment Co., Ltd.	Taiwan	Investment and holding	36,000	36,000	6,600,000	100.00	174,260	1,391	1,391	Notes 1 and 2
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$ 213 thousand	US$ (10) thousand	US$ (10) thousand	Notes 1 and 2
Hwa Fong Investment Co., Ltd.	Union Paper Corp.	Taiwan	Manufacture and sale of paper	78,253	78,253	11,118,971	10.70	138,377	25,134	2,700	Note 2
	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	23,135	(331)	(331)	Notes 1 and 2

Note 1: Subsidiary.

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

Note 3: Recognized from financial statements reviewed by the auditors for the same periods.

Note 4: 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, 2026
(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, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026 (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, 2026 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	$ 159,250 (US$ 5,000 thousand)	a.(a)	$ 47,775 (US$ 1,500 thousand)	$ -	$ -	$ 47,775 (US$ 1,500 thousand)	$ (26,585)	100.0	$ (26,585) (Note 2)	$ -	$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	350,350 (US$ 11,000 thousand)	a.(b)	222,950 (US$ 7,000 thousand)	-	-	222,950 (US$ 7,000 thousand)	7,639	100.0	7,639 (Note 2)	429,047	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	222,950 (US$ 7,000 thousand)	a.(b)	222,950 (US$ 7,000 thousand)	-	-	222,950 (US$ 7,000 thousand)	1,320	100.0	1,320 (Note 2)	184,240	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	254,800 (US$ 8,000 thousand)	a.(b)	254,800 (US$ 8,000 thousand)	-	-	254,800 (US$ 8,000 thousand)	23,096	100.0	23,096 (Note 2)	457,428	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	191,100 (US$ 6,000 thousand)	a.(b)	63,700 (US$ 2,000 thousand)	-	-	63,700 (US$ 2,000 thousand)	(310)	100.0	(310) (Note 2)	260,779	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	254,800 (US$ 8,000 thousand)	a.(b)	258,399 (US$ 8,113 thousand)	-	-	258,399 (US$ 8,113 thousand)	23,331	100.0	23,331 (Note 2)	449,558	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	254,800 (US$ 8,000 thousand)	a.(b)	254,800 (US$ 8,000 thousand)	-	-	254,800 (US$ 8,000 thousand)	45,261	100.0	45,261 (Note 2)	560,601	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	317,194 (US$ 9,959 thousand)	a.(m)	286,650 (US$ 9,000 thousand)	-	-	286,650 (US$ 9,000 thousand)	36,250	100.0	36,250 (Note 2)	624,451	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	302,575 (US$ 9,500 thousand)	a.(b)	238,875 (US$ 7,500 thousand)	-	-	238,875 (US$ 7,500 thousand)	(14,184)	93.8	(13,297) (Note 2)	336,818	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	207,025 (US$ 6,500 thousand)	a.(b)	207,025 (US$ 6,500 thousand)	-	-	207,025 (US$ 6,500 thousand)	(17,446)	100.0	(17,446) (Note 2)	137,522	-

(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, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026 (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, 2026 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	$ 191,100 (US$ 6,000 thousand)	a.(b)	$ 152,880 (US$ 4,800 thousand)	$ -	$ -	$ 152,880 (US$ 4,800 thousand)	$ (3,468)	100.0	$ (3,468) (Note 2)	$ 371,966	$ -
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	159,250 (US$ 5,000 thousand)	a.(b)	159,250 (US$ 5,000 thousand)	-	-	159,250 (US$ 5,000 thousand)	(17,981)	100.0	(17,981) (Note 2)	-	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	10,449,093 (US$ 328,072 thousand)	a.(a)	2,770,950 (US$ 87,000 thousand)	-	-	2,770,950 (US$ 87,000 thousand)	(414,927)	100.0	(414,927) (Note 2)	2,564,588	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	11,647,386 (US$ 365,695 thousand)	a.(b)	7,803,250 (US$ 245,000 thousand)	-	-	7,803,250 (US$ 245,000 thousand)	(515,151)	100.0	(515,151) (Note 2)	-	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	254,800 (US$ 8,000 thousand)	a.(c)	254,800 (US$ 8,000 thousand)	-	-	254,800 (US$ 8,000 thousand)	341	100.0	341 (Note 7)	116,849	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	908,564 (RMB 194,290 thousand)	a.(e)	808,735 (US$ 25,392 thousand)	-	-	808,735 (US$ 25,392 thousand)	342,947	61.3	210,132 (Note 3)	3,377,857	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	11,148 (US$ 350 thousand)	a.(g)	-	-	-	-	1,461	84.0	1,226 (Note 7)	92,231	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	9,353 (RMB 2,000 thousand)	a.(h)	-	-	-	-	6,683	84.0	5,610 (Note 7)	33,575	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	23,382 (RMB 5,000 thousand)	a.(h)	-	-	-	-	2,219	84.0	1,863 (Note 7)	36,704	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	7,014 (RMB 1,500 thousand)	a.(h)	-	-	-	-	5	29.4	1 (Note 7)	2,757	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	24	29.4	7 (Note 7)	261	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	9,353 (RMB 2,000 thousand)	a.(h)	-	-	-	-	(897)	29.4	(263) (Note 7)	6,213	-
YFY Investment Co., Ltd.	Investment and holding and sale of paper	3,662,750 (US$ 115,000 thousand)	a.(i)	3,662,750 (US$ 115,000 thousand)	-	-	3,662,750 (US$ 115,000 thousand)	10,309	67.5	6,957 (Note 2)	1,502,592	-

(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, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026 (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, 2026 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	$ 955,500 (US$ 30,000 thousand)	a.(j)	$ 955,500 (US$ 30,000 thousand)	$ -	$ -	$ 955,500 (US$ 30,000 thousand)	$ 1,553	67.5	$ 1,048 (Note 7)	$ 236,816	$ -
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	955,500 (US$ 30,000 thousand)	a.(j)	955,500 (US$ 30,000 thousand)	-	-	955,500 (US$ 30,000 thousand)	22,381	67.5	15,104 (Note 7)	1,048,560	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,861,086 (US$ 89,830 thousand)	a.(k)	700,700 (US$ 22,000 thousand)	-	-	700,700 (US$ 22,000 thousand)	(76,143)	74.6	(56,836) (Note 2)	3,693,295	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	696,878 (US$ 21,880 thousand)	a.(l)	235,053 (US$ 7,380 thousand)	-	-	235,053 (US$ 7,380 thousand)	11,530	74.6	8,606 (Note 7)	2,512,749	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	346,048 (RMB 74,000 thousand)	a.(n)	-	-	-	-	-	50.0	- (Note 7)	173,062	-
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	9,353 (RMB 2,000 thousand)	a.(d)	-	-	-	-	2,280	74.6	1,702 (Note 7)	24,386	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	14,964 (RMB 3,200 thousand)	a.(d)	-	-	-	-	(9,836)	74.6	(7,342) (Note 7)	64,954	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026 (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
$16,764,311	$23,683,800	$68,586,897

(Continued)

Note 1: Except for investment gain or loss which were translated at exchange rates of US$1=NT$31.614 or RMB1=NT$4.584651, the rest were translated at exchange rates of US$1=NT$31.85 or RMB1=NT$4.676328 as of June 30, 2026.

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.

Note 5: Methods of investment and the related investors are as follow:

a. Direct investment in mainland China

b. 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.

c. Others

Note 6: In calculating the accumulated outward remittance for investment, the reinvestment amount of $3,752,981 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, 5, 6 and 9.

(Concluded)

YFY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Sales	$ 1,575,405	By market price	4.2
				Accounts receivable	340,988	In agreed terms	0.2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary	Sales	114,952	By market price	0.3
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	Sales	221,514	By market price	0.6
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	Sales	209,204	By market price	0.6
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	Sales	203,700	By market price	0.5
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	Sales	132,830	By market price	0.4
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Subsidiary	Sales	142,808	By market price	0.4
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	Sales	360,366	By market price	1.0
2	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	Sales	145,577	By market price	0.4
				Accounts receivable	131,837	In agreed terms	0.1
		YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	Sales	106,961	By market price	0.3
		YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	Sales	133,930	By market price	0.4
				Accounts receivable	100,154	In agreed terms	0.1
3	YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	251,605	By market price	0.7
4	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	471,028	By market price	1.2
				Accounts receivable	237,683	In agreed terms	0.1
5	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	493,233	By market price	1.3
6	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	332,444	By market price	0.9
7	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	1,032,530	By market price	2.7
				Accounts receivable	194,634	In agreed terms	0.1
		YFY Family Care (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	144,812	By market price	0.4
8	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Sales	186,635	By market price	0.5
				Accounts receivable	154,098	In agreed terms	0.1
9	Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	159,702	By market price	0.4
				Accounts receivable	142,067	4 months after transaction month	0.1

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
10	Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd. Arizon Corporation	Subsidiary The same ultimate parent company	Sales Sales Accounts receivable	$ 152,583 407,158 327,197	By market price By market price In agreed terms	0.4 1.1 0.2
11	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	Sales Accounts receivable	342,918 740,951	By market price In agreed terms	0.9 0.4
12	Chung Hwa Pulp Corporation	YFY Development Corp. Union Paper Corp. Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company The same ultimate parent company Subsidiary	Sales Sales Sales Accounts receivable	220,582 297,982 721,416 1,072,304	By market price By market price By market price 5 months after transaction month	0.6 0.8 1.9 0.6
13	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Sales	105,353	By market price	0.3
14	YFY Packaging Inc.	YFY Packaging (Yangzhou) Investment Co., Ltd. Pek Crown Paper Co., Ltd.	The same ultimate parent company Subsidiary	Sales Sales Accounts receivable	276,445 419,281 160,654	By market price By market price 3 months after transaction month	0.7 1.1 0.1
15	YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	The same ultimate parent company	Sales	274,216	By market price	0.7
16	YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	The same ultimate parent company	Sales	196,100	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)