

## **YFY Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2023 and 2022 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

YFY INC.

By:

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HUI-JEAN LIU  
Chairman

March 14, 2024

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
YFY Inc.

### **Opinion**

We have audited the accompanying consolidated financial statements of YFY Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### Estimation of Expected Credit Loss of Accounts Receivable

The accounts receivable of the Group's significant components are material in amount. In consideration of transactions with various counterparties, the recoverability of accounts receivable is subject to not only each customer's financial condition but also management's judgment. Therefore, we identified the estimation of expected credit loss recognized on accounts receivable as a key audit matter.

For related policies and relevant information on the estimation of expected credit loss of accounts receivable, refer to Notes 4, 5 and 12 to the accompanying consolidated financial statements.

The key audit procedures that we performed in respect of the expected credit loss on accounts receivable included the following:

1. We obtained and assessed the reasonableness of the method and the information used by management for the estimation of expected credit loss recognized on accounts receivable.
2. We tested sample items in the aging report on the balance sheet date and verified the correctness of the calculation of the expected credit loss.
3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

#### **Other Matter**

We have also audited the financial statements of YFY Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion, respectively.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2024

Notice to Readers

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

*For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.*

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Note 6)	\$ 8,917,405	6	\$ 8,698,263	6
Current financial assets at fair value through profit or loss (Note 7)	1,109,842	1	914,843	1
Current financial assets at fair value through other comprehensive income (Notes 8 and 33)	10,393,391	7	7,967,004	6
Current financial assets at amortized cost (Note 9)	2,458,360	2	3,045,337	2
Notes receivable, net (Notes 12, 23 and 34)	2,279,143	2	2,842,143	2
Accounts receivable, net (Notes 12 and 23)	11,655,418	8	12,120,124	9
Accounts receivable due from related parties, net (Notes 23 and 33)	113,464	-	64,230	-
Current inventories (Note 13)	11,489,250	8	11,872,315	8
Current biological assets (Note 14)	3,339,318	2	3,255,711	2
Prepayments	1,700,401	1	2,198,126	2
Other current financial assets (Note 34)	457,639	-	827,945	1
Other current assets, others (Note 33)	1,118,335	1	651,794	-
Total current assets	55,031,966	38	54,457,835	39
NON-CURRENT ASSETS (Note 4)				
Non-current financial assets at fair value through profit or loss (Note 7)	118,492	-	-	-
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 33)	20,215,348	14	18,132,758	13
Non-current financial assets at amortized cost (Note 9)	2,737,304	2	1,918,107	1
Investments accounted for using equity method (Note 16)	8,299,432	6	7,466,226	5
Property, plant and equipment (Notes 17, 33 and 34)	48,167,524	33	49,015,451	35
Right-of-use assets (Notes 18 and 34)	2,260,380	2	2,097,384	2
Investment property, net (Notes 17, 19 and 33)	4,090,086	3	3,958,773	3
Goodwill	520,261	-	521,064	-
Deferred tax assets (Note 25)	493,434	-	305,525	-
Prepayments for business facilities (Notes 17 and 19)	1,040,934	1	712,614	1
Net defined benefit asset, non-current (Note 21)	1,045,848	1	576,233	1
Other non-current assets, others (Note 34)	371,605	-	310,354	-
Total non-current assets	89,360,648	62	85,014,489	61
TOTAL ASSETS	\$ 144,392,614	100	\$ 139,472,324	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Current borrowings (Notes 20 and 34)	\$ 9,887,216	7	\$ 8,812,071	7
Short-term notes and bills payable (Note 20)	15,744,335	11	2,723,116	2
Current financial liabilities at fair value through profit or loss (Note 7)	28,414	-	45,843	-
Current contract liabilities (Note 23)	391,775	-	496,039	-
Notes and accounts payable	9,682,757	7	10,759,751	8
Accounts payable to related parties (Note 33)	53,991	-	110,870	-
Other payables, others (Note 17)	4,346,946	3	4,124,484	3
Current tax liabilities	416,806	-	484,546	-
Current lease liabilities (Note 18)	273,385	-	203,868	-
Other current liabilities, others (Notes 11 and 33)	1,172,732	1	1,237,851	1
Total current liabilities	41,998,357	29	28,998,439	21
NON-CURRENT LIABILITIES (Note 4)				
Non-current portion of non-current borrowings (Notes 20 and 34)	23,652,786	16	36,344,562	26
Deferred tax liabilities (Note 25)	3,656,140	3	3,565,188	3
Non-current lease liabilities (Note 18)	578,820	1	514,916	-
Net defined benefit liability, non-current (Note 21)	15,193	-	7,814	-
Other non-current liabilities, others	420,110	-	448,012	-
Total non-current liabilities	28,323,049	20	40,880,492	29
Total liabilities	70,321,406	49	69,878,931	50
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 22, 27, and 30)				
Share capital	16,603,715	11	16,603,715	12
Capital surplus	3,760,772	3	3,459,112	2
Retained earnings	23,192,955	16	22,536,470	16
Other equity interest	14,915,141	10	12,037,107	9
Total equity attributable to owners of parent	58,472,583	40	54,636,404	39
NON-CONTROLLING INTERESTS	15,598,625	11	14,956,989	11
Total equity	74,071,208	51	69,593,393	50
TOTAL LIABILITIES AND EQUITY	\$ 144,392,614	100	\$ 139,472,324	100

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

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 33)				
Net sales revenue	\$ 65,101,797	88	\$ 69,663,113	87
Other operating revenue, net	<u>8,765,577</u>	<u>12</u>	<u>9,972,765</u>	<u>13</u>
Total operating revenue	<u>73,867,374</u>	<u>100</u>	<u>79,635,878</u>	<u>100</u>
OPERATING COSTS (Notes 21, 24 and 33)				
Cost of sales	57,146,884	77	60,979,239	77
Other operating costs	<u>6,636,319</u>	<u>9</u>	<u>7,538,681</u>	<u>9</u>
Total operating costs	<u>63,783,203</u>	<u>86</u>	<u>68,517,920</u>	<u>86</u>
LOSSES ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 14)	<u>(875)</u>	<u>-</u>	<u>(2,403)</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>10,083,296</u>	<u>14</u>	<u>11,115,555</u>	<u>14</u>
OPERATING EXPENSES (Notes 21, 24 and 33)				
Selling expenses	5,550,575	8	5,619,924	7
Administrative expenses	3,854,523	5	3,794,503	5
Research and development expenses	<u>541,133</u>	<u>1</u>	<u>554,228</u>	<u>1</u>
Total operating expenses	<u>9,946,231</u>	<u>14</u>	<u>9,968,655</u>	<u>13</u>
NET OPERATING INCOME	<u>137,065</u>	<u>-</u>	<u>1,146,900</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs, net (Notes 4 and 24)	(1,061,687)	(1)	(862,303)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 16)	1,256,462	2	1,590,502	2
Interest income	415,955	1	264,015	-
Rent income (Notes 19 and 33)	65,702	-	57,756	-
Dividend income	856,642	1	1,028,392	1
Other income, others	601,660	1	454,299	1
Gains on disposal of investment property (Note 33)	154,677	-	140,241	-
Gains on financial assets or liabilities at fair value through profit or loss (Note 4)	350,434	-	734,828	1
Miscellaneous disbursements (Note 28)	(76,992)	-	(145,566)	-
Gains (losses) on disposal of property, plant and equipment	(13,943)	-	41,779	-
Foreign exchange losses (Note 35)	<u>(123,900)</u>	<u>-</u>	<u>(864,421)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>2,425,010</u>	<u>4</u>	<u>2,439,522</u>	<u>4</u>

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# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 2,562,075	4	\$ 3,586,422	5
TAX EXPENSE (Notes 4 and 25)	<u>(461,736)</u>	<u>(1)</u>	<u>(739,844)</u>	<u>(1)</u>
PROFIT FROM CONTINUING OPERATIONS	<u>2,100,339</u>	<u>3</u>	<u>2,846,578</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 21, 22 and 25)				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	271,752	-	(200,189)	-
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	3,014,686	4	1,919,191	2
Share of other comprehensive income of associates accounted for using equity method	<u>447,034</u>	<u>1</u>	<u>50,068</u>	<u>-</u>
	<u>3,733,472</u>	<u>5</u>	<u>1,769,070</u>	<u>2</u>
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	(308,002)	(1)	1,754,694	2
Losses on hedging instruments	(6,034)	-	-	-
Share of other comprehensive income of associates accounted for using equity method	<u>(70,429)</u>	<u>-</u>	<u>259,841</u>	<u>-</u>
	<u>(384,465)</u>	<u>(1)</u>	<u>2,014,535</u>	<u>2</u>
Other comprehensive income, net	<u>3,349,007</u>	<u>4</u>	<u>3,783,605</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,449,346</u>	<u>7</u>	<u>\$ 6,630,183</u>	<u>8</u>
PROFIT, ATTRIBUTABLE TO:				
Profit, attributable to owners of parent	\$ 1,826,693	3	\$ 2,169,510	3
Profit, attributable to non-controlling interests	<u>273,646</u>	<u>-</u>	<u>677,068</u>	<u>1</u>
	<u>\$ 2,100,339</u>	<u>3</u>	<u>\$ 2,846,578</u>	<u>4</u>

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
COMPREHENSIVE INCOME, ATTRIBUTABLE TO:				
Comprehensive income, attributable to owners of parent	\$ 5,013,165	7	\$ 5,726,038	7
Comprehensive income, attributable to non-controlling interests	<u>436,181</u>	<u>-</u>	<u>904,145</u>	<u>1</u>
	<u>\$ 5,449,346</u>	<u>7</u>	<u>\$ 6,630,183</u>	<u>8</u>
EARNINGS PER SHARE (Note 26)				
Basic earnings per share	<u>\$ 1.10</u>		<u>\$ 1.31</u>	
Diluted earnings per share	<u>\$ 1.10</u>		<u>\$ 1.31</u>	

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

(Concluded)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent																
	Capital Surplus							Other Equity									
	Share Capital		Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Retained Earnings				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
								Shares (In Thousands)	Amount	Legal Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2022	1,660,372	\$ 16,603,715	\$ 1,778,263	\$ 1,023,927	\$ 293,124	\$ 193,204	\$ 3,288,518	\$ 4,429,367	\$ 4,000,001	\$ 14,490,398	\$ 22,919,766	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ 51,201,400	\$ 14,604,732	\$ 65,806,132
Appropriation of the 2021 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	465,605	-	(465,605)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	-	(2,490,557)	-	(2,490,557)
Reversal of special reserve	-	-	-	-	-	-	-	-	(4,981)	4,981	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,332,010)	(1,332,010)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	52,641	52,641	-	-	-	-	371	-	-	53,012	2,489	55,501
Other changes in capital surplus	-	-	-	-	-	(30)	(30)	-	-	-	-	-	-	-	(30)	-	(30)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	89,245	-	-	-	89,245	-	-	-	-	36,905	-	-	126,150	578,127	704,277
Changes in ownership interests in subsidiaries	-	-	-	28,738	-	-	28,738	-	-	(1,806)	(1,806)	(6,541)	-	-	20,391	199,506	219,897
Profit	-	-	-	-	-	-	-	-	-	2,169,510	2,169,510	-	-	-	2,169,510	677,068	2,846,578
Other comprehensive income	-	-	-	-	-	-	-	-	-	(237,069)	(237,069)	1,797,707	1,995,890	-	3,556,528	227,077	3,783,605
Total comprehensive income	-	-	-	-	-	-	-	-	-	1,932,441	1,932,441	1,797,707	1,995,890	-	5,726,038	904,145	6,630,183
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	176,626	176,626	-	(176,626)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	1,660,372	16,603,715	1,867,508	1,052,665	293,124	245,815	3,459,112	4,894,972	3,995,020	13,646,478	22,536,470	(357,174)	12,394,281	-	54,636,404	14,956,989	69,593,393
Appropriation of the 2022 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	-	211,224	-	(211,224)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,494,334)	(1,494,334)	-	-	-	(1,494,334)	-	(1,494,334)
Reversal of special reserve	-	-	-	-	-	-	-	-	(2,483)	2,483	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(559,142)	(559,142)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	21,532	21,532	-	-	(1,701)	(1,701)	-	-	-	19,831	924	20,755
Other changes in capital surplus	-	-	-	-	-	2,186	2,186	-	-	-	-	-	-	-	2,186	-	2,186
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	4,000	-	-	-	4,000	-	-	-	-	604	-	-	4,604	26,300	30,904
Changes in ownership interests in subsidiaries	-	-	-	273,942	-	-	273,942	-	-	-	-	16,785	-	-	290,727	737,373	1,028,100
Profit	-	-	-	-	-	-	-	-	-	1,826,693	1,826,693	-	-	-	1,826,693	273,646	2,100,339
Other comprehensive income	-	-	-	-	-	-	-	-	-	289,564	289,564	(319,841)	3,220,284	(3,535)	3,186,472	162,535	3,349,007
Total comprehensive income	-	-	-	-	-	-	-	-	-	2,116,257	2,116,257	(319,841)	3,220,284	(3,535)	5,013,165	436,181	5,449,346
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	36,263	36,263	-	(36,263)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	1,660,372	\$ 16,603,715	\$ 1,871,508	\$ 1,326,607	\$ 293,124	\$ 269,533	\$ 3,760,772	\$ 5,106,196	\$ 3,992,537	\$ 14,094,222	\$ 23,192,955	\$ (659,626)	\$ 15,578,302	\$ (3,535)	\$ 58,472,583	\$ 15,598,625	\$ 74,071,208

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

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 2,562,075	\$ 3,586,422
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	4,488,283	4,389,569
Expected credit loss (gain)	64,012	(22,833)
Net gain on financial assets or liabilities at fair value through profit or loss	(350,434)	(734,828)
Finance costs	1,061,687	862,303
Interest income	(415,955)	(264,015)
Dividend income	(856,642)	(1,028,392)
Share-based payments	5,874	43,635
Share of profit of associates accounted for using equity method	(1,256,462)	(1,590,502)
Loss (gain) on disposal of property, plant and equipment	13,943	(41,779)
Gain on disposal of investment properties	(154,677)	(140,241)
Loss on disposal of investments	17	-
Reversal of impairment loss on non-financial assets	(10,127)	-
Write-downs of inventories (reversed)	(46,029)	61,741
Unrealized foreign exchange loss (gain)	(148,744)	730,821
Loss from derecognition of subsidiary (Note 28)	-	345
Loss arising from changes in fair value less costs to sell of biological assets	875	2,403
Gain from lease modification	(142)	(36)
Changes in operating assets and liabilities		
Decrease in current financial assets at fair value through profit or loss, mandatorily measured at fair value	196,979	3,165,201
Decrease in notes receivable, net	625,983	1,857,855
Decrease in accounts receivable, net	472,479	1,565,303
Decrease (increase) in accounts receivable due from related parties, net	(49,234)	7,173
Decrease in current inventories	490,877	67,013
Increase in current biological assets	(142,126)	(14,660)
Decrease (increase) in prepayments	500,074	(643,226)
Decrease (increase) in other current assets, others	(300,877)	476,107
Decrease in financial liabilities held for trading	(182,556)	(312,667)
Decrease in current contract liabilities	(101,217)	(38,639)
Decrease in notes and accounts payable	(1,061,236)	(2,328,224)
Increase (decrease) in accounts payable to related parties	(56,879)	53,858
Decrease in other payable, others	(84,914)	(386,208)
Decrease in other current liabilities, others	(37,213)	(359,748)
Decrease in net defined benefit liability, non-current	(122,548)	(144,896)
Cash inflow generated from operations	5,105,146	8,818,855
Interest received	403,271	252,906
Dividends received	1,698,001	1,620,605

(Continued)

# YFY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	\$ (1,068,090)	\$ (846,467)
Income taxes paid	<u>(788,994)</u>	<u>(1,696,307)</u>
Net cash flows generated from operating activities	<u>5,349,334</u>	<u>8,149,592</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,506,369)	(685,109)
Proceeds from disposal of financial assets at fair value through other comprehensive income	11,471	117,168
Increase in financial assets at amortized cost	(287,530)	(155,250)
Derecognition of financial liabilities for hedging	(1,879)	-
Acquisition of investments accounted for using equity method	(31,846)	-
Proceeds from disposal of investments accounted for using equity method	10,348	-
Acquisition of property, plant and equipment	(3,566,570)	(3,936,737)
Proceeds from disposal of property, plant and equipment	50,497	56,195
Acquisition of use-of-right assets	(100,775)	-
Acquisition of investment properties	(282,721)	(311)
Proceeds from disposal of investment properties	281,987	224,966
Decrease (increase) in other financial assets	384,981	(440,888)
Increase in other non-current assets, others	<u>(145,277)</u>	<u>(85,663)</u>
Net cash flows used in investing activities	<u>(5,183,683)</u>	<u>(4,905,629)</u>
<b>CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>		
Net increase (decrease) in current borrowings	1,061,511	(1,463,821)
Net increase (decrease) in short-term notes and bills payable	13,021,219	(6,573,041)
Proceeds from (repayments of) long-term debt	(12,691,776)	9,766,929
Payments of lease liabilities	(281,281)	(227,531)
Decrease in other non-current liabilities, others	(8,119)	(22,470)
Cash dividends paid	(1,494,334)	(2,490,557)
Change in non-controlling interests	503,162	(353,284)
Overdue dividends received (paid)	<u>2,186</u>	<u>(30)</u>
Net cash flows generated from (used in) financing activities	<u>112,568</u>	<u>(1,363,805)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(59,077)</u>	<u>284,015</u>
		(Continued)

## YFY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 219,142	\$ 2,164,173
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>8,698,263</u>	<u>6,534,090</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 8,917,405</u>	<u>\$ 8,698,263</u>

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

(Concluded)

# **YFY INC. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. GENERAL INFORMATION**

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

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

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

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

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Company’s board of directors on March 14, 2024.

### **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)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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



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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. 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 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 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 interests of the Group 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) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts 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 had the Group directly disposed of the related assets or liabilities.

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

Refer to Note 15 and Tables 8 and 9 for more information on subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a Subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a Subsidiary that does not result in the Company losing control over a Subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Biological assets

Biological assets are measured at fair value less costs to sell on initial recognition and on each balance sheet date. Any gain or loss arising from the change in fair value less costs to sell is recognized in profit or loss when it is incurred.

Agricultural produce harvested from biological assets is measured initially at fair value less costs to sell at the point of harvest, subsequently transferred to inventory and accounted for accordingly.

h. Investment in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rental or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a contract where a land owner provides land for the construction of buildings by a property developer in exchange for a certain percentage of buildings, any exchange gain or loss is recognized when the exchange transaction occurs, if the buildings acquired are classified as investment properties and if the exchange transaction has commercial substance.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

l. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any gains or losses on such financial assets are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporate any dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 32.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

### iii Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

### b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group) when internal or external information show that the debtor is unlikely to pay its creditors.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

### c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.



## 2) Financial liabilities

### a) Subsequent measurement

Except for financial liabilities at FVTPL, all the financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on the financial liability. Fair value is determined in the manner described in Note 32.

### b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## 3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks, including foreign exchange forward contracts and currency exchange contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts, that contain financial asset hosts that is within the scope of IFRS 9, are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

## n. Hedge accounting

The Group designates certain hedging instruments as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

p. Revenue recognition

Revenue from merchandise sales mainly comes from sales of various types of paper and cardboard products. When control over the ownership of goods has been transferred, revenue and receivables are recognized; advance receipts received before the merchandise has been transferred are recognized as a contractual liability.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

q. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at present value of the lease payments and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

u. Share-based payment arrangements

The fair value at the grant date of the share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus-employee share options and non-controlling interests. It is recognized as an expense in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options and non-controlling interests.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences or unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

### 3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## 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 on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 and the economic environment implications when making its critical accounting estimates on the cash flow projection, growth rate, discount rate, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### Estimated Impairment of Accounts Receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 16,848	\$ 19,816
Checking accounts and demand deposits	4,514,224	3,889,054
Cash equivalents		
Time deposits	4,200,091	4,705,393
Repurchase agreements collateralized by bonds	<u>186,242</u>	<u>84,000</u>
	<u>\$ 8,917,405</u>	<u>\$ 8,698,263</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 256,218	\$ 171,541
Currency exchange contracts	2,207	-
Non-derivative financial assets		
Mutual funds	602,363	492,002
Hybrid financial assets		
Structured deposits	<u>249,054</u>	<u>251,300</u>
	<u>\$ 1,109,842</u>	<u>\$ 914,843</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Convertible bonds	<u>\$ 118,492</u>	<u>\$ -</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 28,414</u>	<u>\$ 45,843</u>

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

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>December 31, 2023</u>			
Buy	USD:RMB	2024.03.28-2024.09.06	USD36,000
Sell	EUR:NTD	2024.01.12	EUR4,000
Sell	RMB:NTD	2024.01.04-2024.02.20	RMB92,000
Sell	USD:NTD	2024.01.08-2024.03.29	USD29,200
Sell	RMB:USD	2024.01.17-2024.12.30	RMB1,600,522
<u>December 31, 2022</u>			
Buy	USD:RMB	2023.01.12-2023.06.30	USD36,800
Buy	USD:VND	2023.01.17	USD3,000
Buy	JPY:USD	2023.02.24	JPY200,000
Sell	USD:NTD	2023.01.13-2023.03.15	USD41,700
Sell	RMB:USD	2023.01.05-2023.12.15	RMB1,877,780
Sell	RMB:NTD	2023.01.12-2023.03.31	RMB67,300
Sell	EUR:NTD	2023.01.30-2023.02.06	EUR11,000

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

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Currency exchange contracts	NTD:USD	2024.01.08-2024.03.22	USD4,000/NTD124,508

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

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

	<u>December 31</u>	
	2023	2022
<u>Investments in equity instruments at FVTOCI - current</u>		
Domestic investments		
Listed shares	<u>\$ 10,393,391</u>	<u>\$ 7,967,004</u>
<u>Investments in equity instruments at FVTOCI - non-current</u>		
Domestic investments		
Listed shares	\$ 14,819,794	\$ 12,210,429
Unlisted shares	<u>5,247,382</u>	<u>5,814,280</u>
	20,067,176	18,024,709
Foreign investments		
Unlisted shares	<u>148,172</u>	<u>108,049</u>
	<u>\$ 20,215,348</u>	<u>\$ 18,132,758</u>

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months and not exceeding 1 year	\$ 2,241,599	\$ 2,824,865
Time deposits with original maturities of more than 1 year	<u>216,761</u>	<u>220,472</u>
	<u>\$ 2,458,360</u>	<u>\$ 3,045,337</u>

(Continued)

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Non-current</u>		
Corporate bonds	\$ 1,105,630	\$ -
Time deposits with original maturities of more than 1 year	<u>1,631,674</u>	<u>1,918,107</u>
	<u>\$ 2,737,304</u>	<u>\$ 1,918,107</u>
		(Concluded)

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.77%-5.71% and 0.76%-5.07%, respectively, as at the end of the reporting period.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 1.39%-3.99% and 3.10%-3.99% respectively, as at the end of the reporting period.

The range of annual interest rates for corporate bonds in 2023 is 4.96%-5.86%.

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**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Financial liabilities for hedging - current (accounted for as other current liabilities, others)		
Foreign exchange forward contracts	<u>\$ 4,155</u>	<u>\$ -</u>

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



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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Buy	JPY:NTD	2024.01.18-2024.02.20	JPY594,150

## 12. NOTES RECEIVABLES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2023	2022
<u>Notes receivable</u>		
Notes receivable	\$ 2,279,845	\$ 2,842,908
Less: Allowance for impairment loss	<u>(702)</u>	<u>(765)</u>
	<u>\$ 2,279,143</u>	<u>\$ 2,842,143</u>
<u>Accounts receivable</u>		
Accounts receivable	\$ 11,897,600	\$ 12,381,434
Less: Allowance for impairment loss	<u>(242,182)</u>	<u>(261,310)</u>
	<u>\$ 11,655,418</u>	<u>\$ 12,120,124</u>

Notes receivable and accounts receivable were generated by operating activities.

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

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

### December 31, 2023

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

December 31, 2022

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

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 262,075	\$ 290,149
Less: Net remeasurement of loss allowance (gain on reversal)	64,012	(22,833)
Less: Disposal of subsidiaries	(73,196)	-
Less: Amounts written off	(6,803)	(10,422)
Effect of foreign currency exchange differences	<u>(3,204)</u>	<u>5,181</u>
Balance at December 31	<u>\$ 242,884</u>	<u>\$ 262,075</u>

For the years ended December 31, 2023 and 2022, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$3,586,344 thousand and \$2,550,718 thousand. For information on the transfer of financial instruments, refer to Note 32.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 34.

### 13. INVENTORIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Finished and purchased goods	\$ 5,574,780	\$ 5,393,291
Materials	4,644,271	5,298,000
Work-in-process	<u>1,270,199</u>	<u>1,181,024</u>
	<u>\$ 11,489,250</u>	<u>\$ 11,872,315</u>

The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs reversed of \$46,029 thousand and inventory write-downs of \$61,741 thousand, respectively, reversal of write-downs of inventories was attributed to the disposal of inventories previously written down.

## 14. BIOLOGICAL ASSETS

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 3,255,711	\$ 3,193,535
Increases due to planting	322,123	327,924
Loss on changes in fair value less costs to sell	(875)	(2,403)
Decreases due to harvesting	(179,997)	(313,264)
Effect of foreign currency exchange differences	<u>(57,644)</u>	<u>49,919</u>
Balance at December 31	<u>\$ 3,339,318</u>	<u>\$ 3,255,711</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Eucalyptus (Level 3)	<u>\$ 3,448,240</u>	<u>\$ 3,359,818</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 3,359,818	\$ 3,295,021
Increases due to planting	337,406	355,779
Loss on changes in fair value less costs to sell	(917)	(2,608)
Decreases due to harvesting	(188,537)	(339,876)
Effect of foreign currency exchange differences	<u>(59,530)</u>	<u>51,502</u>
Balance at December 31	<u>\$ 3,448,240</u>	<u>\$ 3,359,818</u>

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

## 15. SUBSIDIARIES

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

Investor	Investee	Main Business	Proportion of Ownership		Remark
			(%)		
			December 31		
			2023	2022	
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	57.8	57.8	
	YFY International B.V.	Investment and holding	100.0	100.0	
	YFY Global Investment B.V.	Investment and holding	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	
	Shin Foong Specialty and Applied Materials Co., Ltd.	Production and sale of SBR (styrene butadiene rubber) latex	48.0	48.0	1)
	China Color Printing Co., Ltd.	Design and printing of magazines, posters and books	49.7	49.7	1)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	100.0	100.0	6)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark	
			December 31			
			2023	2022		
YFY International B.V.	YFY Development Corp.	Real estate investment and development	100.0	100.0	1)	
	YFY Corporate Advisory & Services Co., Ltd.	Consulting	100.0	100.0		
	Union Paper Corp.	Manufacture and sale of paper	18.9	18.9		
	YFY Paradigm Investment Co., Ltd.	Investment and holding	100.0	100.0		
	San Ying Enterprise Co., Ltd.	Design and construction of water processing and environmental facilities	100.0	100.0		
	YFY Japan Co., Ltd.	Trade of paper, chemical material and machinery	100.0	100.0	10)	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	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		
	Sustainable Carbohydrate Innovation Co., Ltd.	Researching and development	100.0	100.0		
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0		
	Ensilience Co., Ltd.	Renewable energy self-use power generation equipment industry, energy technology service industry	100.0	100.0		
	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	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		
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0		
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0		
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0		
YFY Mauritius Corp.	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0		
	YFY Mauritius Corp.	Investment and holding	100.0	100.0		
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0		
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	100.0	100.0		
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8		
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0		
	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	
	Winsong Packaging Investment Company Limited	YFY International Labuan Co., Ltd.	Investment and holding	-	-	7)
		Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	
		Willpower Industries Ltd.	Sale of various paper products	100.0	100.0	2)
YFYPack Advance Ltd.		Investment and holding	-	-		
YFY Packaging (Ha Nam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0			
Willpower Industries Ltd.	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0		

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2023	2022	
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	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Packaging (Quang Ngai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	-	13)
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Mobius105 Ltd.	Investment and holding	100.0	100.0	
	YFY Jupiter Limited	Design of packaging and sale of paper	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Investment and holding	59.0	58.3	15)
YFY Jupiter US, Inc.	YFY Jupiter US, Inc.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	
YFY Jupiter US, Inc.	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	0.01	-	16)
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	
	Spectiv Brands, LLC	General trade	-	-	12)
Mobius105 Ltd.	YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	
YFY Jupiter (Shenzhen) Ltd.	YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	
	Jupiter Vietnam Company Limited	Design of packaging	100.0	100.0	
	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	99.99	-	16)
Jupiter Prestige Group Holdings Limited	Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	
	Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	
Jupiter Prestige Group North America Inc.	Jupiter Prestige Group Australia Pty Ltd.	Graphic design	100.0	100.0	
	Opal BPM Limited	Design of process system and assistance in graphic design	82.5	82.5	
	Jupiter Prestige Group North America Inc.	Design of packaging and sale of paper	100.0	100.0	
Jupiter Prestige Group Europe Limited	Foster and Baylis (Prestige) Limited	Graphic design	50.98	50.98	8)
	Contrast LLC	Brand design	80.0	80.0	
	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	
Opal BPM Limited	Opal BPM India Private Limited	Workflow system coding	100.0	100.0	
	Opal BPM Consulting Limited	Consulting services of workflow system coding	100.0	100.0	
	YFY Packaging Inc.	YFY Packaging (BVI) Corp.	Investment and holding	-	-
YFY Global Investment B.V.	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	
	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	61.49	69.55	3)
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Investment and holding	-	-	3)
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Investment and holding	78.4	83.7	4)
	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	
YFY RFID Co. Limited	YFY RFID Co. Limited	Investment and holding	100.0	100.0	3)
	Arizon Corporation	Product distribution and technical consulting services	100.0	-	17)
	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	3)
Arizon RFID Technology Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	
	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	
	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2023	2022	
YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	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	
YFY Development Corp.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.15	3)
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	
	Fun Spring Circuteck Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	95.0	95.0	9)
YFY Capital Holdings Corp.	YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.)	Supply chain management information and business management related consulting services	-	100.0	18)
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	4.1	4.1	
	YFY Biotech Management Co., Ltd.	Consulting	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.7	0.7	
	Livebricks Inc.	Information processing services	-	100.0	14)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	6.5	6.5	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	0.03	0.03	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.15	3)
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	
	Livebricks Inc.	Information processing services	100.0	-	14)
San Ying Enterprise Co., Ltd.	Fun Spring Circuteck Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	5.0	5.0	9)
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
CHP International (BVI) Corporation	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	
	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	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	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
	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	
Guangdong Dingfung Pulp & Paper Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	8.7	7.6	1) and 5)
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	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	
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	

(Concluded)

Remarks:

- 1) 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.
- 2) YFYPack Advance Ltd. was liquidated in response to the Group's operational strategy. Due to the Group's loss of control, it has not been included in the consolidated financial statements since January 2022.
- 3) In September 2021, the Company's board of directors approved the resolution of submitting the listed application of the Arizon RFID Technology Co., Ltd. on the stock exchange in Taiwan, in October 2021 established Arizon RFID Technology (Cayman) Co., Ltd. and carried out a restructuring of the organization. After the adjustment, Arizon RFID Technology (Cayman) Co., Ltd. are expected to be the main entity listed in Taiwan. The submission application was completed in October 2022. Due to the restructuring, part of the shareholding ratio was changed, but the Group did not cease to have control over these subsidiaries. Due to the equity changes, the Group subscribed additional shares of Arizon RFID Technology (Cayman) Co., Ltd. at a percentage different from its existing ownership percentage in August 2022 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. to YFY Development Corp., YFY Paradigm Investment Co., Ltd., specific investors and financial investors. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 69.85% on December 31, 2022, which include its shareholding ratio of 69.55% in YFY Global Investment B.V., 0.15% in YFY Development Corp. and 0.15% in YFY Paradigm Investment Co., respectively. Due to the equity changes, the Group subscribed additional shares of Arizon RFID Technology (Cayman) Co., Ltd. at a percentage different from its existing ownership percentage in March 2023 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 61.75%, which include its shareholding ratio of 61.49% in YFY Global Investment B.V., 0.13% in YFY Development Corp. and 0.13% in YFY Paradigm Investment Co., respectively. Arizon RFID Technology (Cayman) Co., Ltd. was deemed a subsidiary since the Group did not cease to have control over this subsidiary.
- 4) Due to the equity changes such as YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.). purchase of treasury shares and implement treasury shares to employees, the shareholdings ratio of the YFY Global Investment B.V. in YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) were changed.
- 5) Hwa Fong Investment Co., Ltd. acquired 3.5% and 1.1% ownership of Union Paper Corp. respectively, in 2022 and 2023. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 8.7%.
- 6) In order to improve management performance, the Group carried out a restructuring of the organization. Chung Hwa Pulp Corporation, YFY Development Corp. and Hwa Fong Investment Co., Ltd. sold their shares in Effion Eneritech Co., Ltd. to the Company. The above process was completed in March 2022.
- 7) YFY International Labuan Co., Ltd. entered the liquidation in August 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2022.

- 8) Jupiter Prestige Group Holdings Limited acquired ownership of Foster and Baylis (Prestige) Limited and purchase of treasury shares of Foster and Baylis (Prestige) Limited to write down. The shareholding ratio of the Group in Foster and Baylis (Prestige) Limited was increase from 33.3% to 50.98% and has been included in the consolidated financial statements since October 2022.
- 9) Fun Spring Circuteck Co., Ltd. has been included in the consolidated financial statements since October 2022.
- 10) Ensilience Co., Ltd. has been included in the consolidated financial statements since November 2022.
- 11) YFY Packaging (BVI) Corp. entered the liquidation in November 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since November 2022.
- 12) Spectiv Brands, LLC entered the liquidation in December 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since December 2022.
- 13) YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.
- 14) In order to improve management performance, the Group carried out a restructuring of the organization. YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.
- 15) Due to the equity changes such as Jupiter Prestige Group Holdings Limited purchase of treasury shares and write-off treasury shares, the shareholdings ratio of the YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) in Jupiter Prestige Group Holdings Limited were changed.
- 16) YFY Jupiter (Thailand) Co., Ltd. has been included in the consolidated financial statements since June 2023.
- 17) Arizon Corporation has been included in the consolidated financial statements since August 2023.
- 18) YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.

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

Except for YFY Japan Co., Ltd., the subsidiaries which included in the Group's consolidated financial statements were audited. Management believes there will not be a material differences even if the financial statements of the two subsidiaries mentioned above were audited.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2023	2022
Chung Hwa Pulp Corporation	41.4%	41.4%



Chung Hwa Pulp Corporation and subsidiaries

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current assets	\$ 16,252,980	\$ 15,935,904
Non-current assets	19,176,247	19,503,267
Current liabilities	(14,362,527)	(6,343,318)
Non-current liabilities	<u>(3,582,806)</u>	<u>(11,001,243)</u>
Equity	17,483,894	18,094,610
Consolidated adjustments	<u>94,109</u>	<u>94,109</u>
Adjusted equity	<u>\$ 17,578,003</u>	<u>\$ 18,188,719</u>
Equity attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ 8,939,925	\$ 9,302,544
Non-controlling interests of Chung Hwa Pulp Corporation	6,319,670	6,576,007
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>2,318,408</u>	<u>2,310,168</u>
	<u>\$ 17,578,003</u>	<u>\$ 18,188,719</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 20,955,451</u>	<u>\$ 23,651,129</u>
Profit (loss) for the year	\$ (554,497)	\$ 539,691
Other comprehensive income for the year	<u>237,324</u>	<u>353,398</u>
Total comprehensive income for the year	<u>\$ (317,173)</u>	<u>\$ 893,089</u>
Profit (loss) for the year attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ (333,524)	\$ 269,035
Non-controlling interests of Chung Hwa Pulp Corporation	(239,871)	176,899
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>18,898</u>	<u>93,757</u>
	<u>\$ (554,497)</u>	<u>\$ 539,691</u>
Total comprehensive income (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ (171,151)	\$ 463,427
Non-controlling interests of Chung Hwa Pulp Corporation	(125,064)	302,557
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>(20,958)</u>	<u>127,105</u>
	<u>\$ (317,173)</u>	<u>\$ 893,089</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net cash inflow from:		
Operating activities	\$ 112,829	\$ 482,053
Investing activities	(486,935)	(873,341)
Financing activities	449,040	646,203
Effects of exchange rate changes	<u>(8,319)</u>	<u>14,253</u>
Net cash inflow	<u>\$ 66,615</u>	<u>\$ 269,168</u>
Dividends paid to non-controlling interests	<u>\$ 135,039</u>	<u>\$ 182,693</u>

(Concluded)

## 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Material associates		
E Ink Holdings Inc.	\$ 8,159,556	\$ 7,327,912
Associates that are not individually material	<u>139,876</u>	<u>138,314</u>
	<u>\$ 8,299,432</u>	<u>\$ 7,466,226</u>

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

### a. Material associates

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
<b>Name of Associate</b>	<b>2023</b>	<b>2022</b>
E Ink Holdings Inc.	16.2%	16.2%

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

In 2013, the Group increased its investment in E Ink Holdings Inc. by buying 40,000 thousand shares of the investee's privately placed ordinary shares for \$658,000 thousand. Under the related regulations, privately placed ordinary shares should not be transferred within three years from the date of acquisition. E Ink Holdings Inc. has not yet completed publishing procedures as of March 14, 2024, the report date. The other rights and obligations are the same as those of ordinary shares.

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):

<b>December 31</b>	
<b>2023</b>	<b>2022</b>
<u>\$ 28,500,226</u>	<u>\$ 23,292,063</u>

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

	December 31	
	2023	2022
Current assets	\$ 26,515,690	\$ 25,164,715
Non-current assets	47,940,543	39,961,345
Current liabilities	(17,033,843)	(13,408,141)
Non-current liabilities	<u>(7,873,918)</u>	<u>(7,454,715)</u>
Equity	49,548,472	44,263,204
Non-controlling interests	<u>(640,651)</u>	<u>(576,216)</u>
	<u>\$ 48,907,821</u>	<u>\$ 43,686,988</u>
Proportion of the Group’s ownership	16.2%	16.2%
Equity attributable to the Group	\$ 7,906,096	\$ 7,074,452
Goodwill	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 8,159,556</u>	<u>\$ 7,327,912</u>

For the Year Ended December 31	
2023	2022
<u>\$ 27,119,755</u>	<u>\$ 30,060,509</u>
\$ 7,866,226	\$ 9,939,345
<u>2,326,203</u>	<u>1,933,092</u>
<u>\$ 10,192,429</u>	<u>\$ 11,872,437</u>

b. Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Group’s share of:		
Net loss for the year	\$ (8,827)	\$ (14,556)
Other comprehensive loss	<u>(1)</u>	<u>(926)</u>
Total comprehensive loss for the year	\$ (8,828)	\$ (15,482)

Except for YJY Packaging Ltd., JLD Logistics Ltd., Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., Chengdu JingShiTong Packing Co., Ltd., in 2023 and 2022, investments 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 the audited financial statements. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements of associates that have been audited.

## 17. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 14,140,472	\$ 16,610,337	\$ 69,070,896	\$ 13,923,139	\$ 1,929,792	\$ 115,674,636
Additions	34,814	380,194	1,406,976	524,172	1,218,117	3,564,273
Disposals	-	(23,261)	(486,839)	(134,632)	-	(644,732)
Transfer from constructions	-	378,455	1,167,753	296,307	(1,842,515)	-
Reclassification to investment properties	(927)	(467)	-	-	-	(1,394)
Reclassification	-	(307)	870	(3,380)	(462)	(3,279)
Effect of foreign currency exchange differences	-	(146,922)	(512,790)	(89,240)	(4,580)	(753,532)
Balance at December 31, 2023	<u>\$ 14,174,359</u>	<u>\$ 17,198,029</u>	<u>\$ 70,646,866</u>	<u>\$ 14,516,366</u>	<u>\$ 1,300,352</u>	<u>\$ 117,835,972</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 612	\$ 8,261,694	\$ 47,859,348	\$ 10,537,531	\$ -	\$ 66,659,185
Depreciation expense	-	565,989	2,779,634	730,206	-	4,075,829
Reversal of impairment loss	-	-	(8,220)	(1,907)	-	(10,127)
Disposals	-	(10,019)	(447,434)	(122,839)	-	(580,292)
Reclassification	-	(285)	447	(273)	-	(111)
Effect of foreign currency exchange differences	-	(62,042)	(323,922)	(90,072)	-	(476,036)
Balance at December 31, 2023	<u>\$ 612</u>	<u>\$ 8,755,337</u>	<u>\$ 49,859,853</u>	<u>\$ 11,052,646</u>	<u>\$ -</u>	<u>\$ 69,668,448</u>
Carrying amounts at December 31, 2023	<u>\$ 14,173,747</u>	<u>\$ 8,442,692</u>	<u>\$ 20,787,013</u>	<u>\$ 3,463,720</u>	<u>\$ 1,300,352</u>	<u>\$ 48,167,524</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 14,256,398	\$ 15,977,069	\$ 66,799,914	\$ 13,617,300	\$ 1,112,761	\$ 111,763,442
Additions	383,274	433,460	1,616,417	438,909	1,843,235	4,715,295
Disposals	-	(33,169)	(744,680)	(345,565)	-	(1,123,414)
Transfer from constructions	-	47,448	897,929	91,563	(1,036,940)	-
Reclassification to investment properties	(499,200)	-	-	-	-	(499,200)
Reclassification	-	-	(1,446)	1,446	(2,112)	(2,112)
Effect of foreign currency exchange differences	-	185,529	502,762	119,486	12,848	820,625
Balance at December 31, 2022	<u>\$ 14,140,472</u>	<u>\$ 16,610,337</u>	<u>\$ 69,070,896</u>	<u>\$ 13,923,139</u>	<u>\$ 1,929,792</u>	<u>\$ 115,674,636</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 612	\$ 7,697,750	\$ 45,592,381	\$ 10,070,431	\$ -	\$ 63,361,174
Depreciation expense	-	532,530	2,737,069	726,928	-	3,996,527
Disposals	-	(26,642)	(746,282)	(336,074)	-	(1,108,998)
Reclassification	-	-	(556)	556	-	-
Effect of foreign currency exchange differences	-	58,056	276,736	75,690	-	410,482
Balance at December 31, 2022	<u>\$ 612</u>	<u>\$ 8,261,694</u>	<u>\$ 47,859,348</u>	<u>\$ 10,537,531</u>	<u>\$ -</u>	<u>\$ 66,659,185</u>
Carrying amounts at December 31, 2022	<u>\$ 14,139,860</u>	<u>\$ 8,348,643</u>	<u>\$ 21,211,548</u>	<u>\$ 3,385,608</u>	<u>\$ 1,929,792</u>	<u>\$ 49,015,451</u>

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 years ended December 31, 2023 and 2022 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of property, plant and equipment	\$ 3,564,273	\$ 4,715,295
Changes in prepayments for business facilities	322,191	(756,509)
Increase in payment of payables on equipment (accounted for as other payables, others)	<u>(319,894)</u>	<u>(22,049)</u>
	<u><b>\$ 3,566,570</b></u>	<u><b>\$ 3,936,737</b></u>

The Group acquired land for expansion of the factory spaces. However, the Group was unable to transfer the ownership of the land due to legal restrictions, therefore choosing to enter into a name-borrowing contract with others. The others consented to fully cooperate with the Group in changing the ownership of the land in the future and pledge with the lands in priority to the Group. As of December 31, 2023 and 2022, the lands registered by others was \$218,619 thousand and \$185,578 thousand, respectively (accounted for as property, plant and equipment and investment properties).

For the amounts of collateral pledged for bank borrowings, refer to Note 34.

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Land	\$ 1,594,622	\$ 1,520,217
Buildings	478,997	414,166
Others	<u>186,761</u>	<u>163,001</u>
	<u><b>\$ 2,260,380</b></u>	<u><b>\$ 2,097,384</b></u>

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	\$ 549,473	\$ 289,965
Depreciation charge for right-of-use assets		
Land	\$ 82,612	\$ 65,585
Buildings	162,222	133,633
Others	<u>85,949</u>	<u>73,338</u>
	<u>\$ 330,783</u>	<u>\$ 272,556</u>

Except for the aforementioned addition and recognized depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets in 2023 and 2022.

For the amounts of collateral pledged for bank borrowings, refer to Note 34.

b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Current	\$ 273,385	\$ 203,868
Non-current	<u>\$ 578,820</u>	<u>\$ 514,916</u>

Range of discount rates for lease liabilities was as follows:

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

c. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases and low-value asset leases	\$ 402,006	\$ 345,244
Total cash outflow for leases	<u>\$ 801,859</u>	<u>\$ 590,253</u>

## 19. INVESTMENT PROPERTIES

	<b>Amount</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 4,294,127
Additions	282,721
Disposals	(144,016)
Transfer from property, plant and equipment	<u>1,394</u>
Balance at December 31, 2023	<u>\$ 4,434,226</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 335,354
Depreciation expense	9,467
Disposals	<u>(681)</u>
Balance at December 31, 2023	<u>\$ 344,140</u>
Carrying amount at December 31, 2023	<u>\$ 4,090,086</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 3,861,276
Additions	53,343
Disposals	(119,692)
Transfer from property, plant and equipment	<u>499,200</u>
Balance at December 31, 2022	<u>\$ 4,294,127</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 328,285
Depreciation expense	9,963
Disposals	<u>(2,894)</u>
Balance at December 31, 2022	<u>\$ 335,354</u>
Carrying amount at December 31, 2022	<u>\$ 3,958,773</u>

The price of acquisition of investment property includes non-cash items and the related reconciliation is as follows:

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Acquisitions of investment properties	\$ 282,271	\$ 53,343
Decrease in prepayments for business equipments	<u>-</u>	<u>(53,032)</u>
	<u>\$ 282,271</u>	<u>\$ 311</u>

The fair values of the investment properties owned by the Group were \$9,936,135 thousand and \$9,779,982 thousand as of December 31, 2023 and 2022, respectively. The valuations were partially made by the Group using market transaction prices for similar properties and not by independent qualified professional valuers. The rental incomes were \$54,401 thousand and \$45,272 thousand for the years ended December 31, 2023 and 2022, respectively.

The Company's board of directors approved the resolution of carrying out a joint construction of housing with Ho Tien Co., Ltd. (as a substantive related party of the Company) and cooperated in the construction of a portion of land in the Zhongshan Section of Zhongshan District, Taipei City. The Company provided the land, and Ho Tien Co., Ltd. was responsible for completing the construction. The joint construction was completed in October 2021 and a license for use was obtained and the transfer of ownership was completed in February 2022. As of May 2023 and 2022, the Company disposed investment properties and recognized the gain on disposal amount of \$58,344 thousand and \$119,418 thousand, respectively.

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

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

## 20. BORROWINGS

### a. Current borrowings

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank credit loans	\$ 9,747,665	\$ 8,740,924
Bank secured loans	<u>139,551</u>	<u>71,147</u>
	<u><b>\$ 9,887,216</b></u>	<u><b>\$ 8,812,071</b></u>

Current borrowings include bank credit and bank secured loans. As of December 31, 2023 and 2022, the interest rate intervals of bank credit loans were 1.63%-6.98% per annum and 1.21%-10.20% per annum, respectively. As of December 31, 2023 and 2022, the interest rate of bank secured loans were 2.45% per annum and 5.32%-5.38% per annum, respectively.

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Commercial paper	\$ 15,770,000	\$ 2,725,000
Less: Unamortized discounts on bills payable	<u>(25,665)</u>	<u>(1,884)</u>
	<u><b>\$ 15,744,335</b></u>	<u><b>\$ 2,723,116</b></u>

The commercial paper is due within one year. Interest rate intervals on these bills payable were 1.77%-1.96% per annum and 1.76%-2.19% per annum as of December 31, 2023 and 2022, respectively.



c. Non-current borrowings

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Syndicated loans	\$ 18,782,930	\$ 35,060,692
Long-term bank credit loans	4,658,176	1,251,220
Long-term bank secured loans	<u>211,680</u>	<u>32,650</u>
	<u>\$ 23,652,786</u>	<u>\$ 36,344,562</u>

Long-term bank loans included syndicated, credit and secured loans.; Syndicated loans with monthly interest payments expire in December 2028 and have interest rate intervals of 1.88%-2.10% per annum and 1.79%-1.96% per annum as of December 31, 2023 and 2022, respectively; secured and credit loans expire in February 2032 and have interest rate intervals of 0.30%-1.76% per annum and 0.30%-1.68% per annum as of December 31, 2023 and 2022, respectively.

## 21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and certain subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiary in mainland China and Vietnam are members of a state-managed retirement benefit plan operated by the government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The Company and certain subsidiaries of the Group in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company and certain subsidiaries contribute amounts equal to certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 2,510,302	\$ 2,638,214
Fair value of plan assets	<u>(3,540,957)</u>	<u>(3,206,633)</u>
Defined benefit assets, net	(1,030,655)	(568,419)
Net defined benefit assets	<u>1,045,848</u>	<u>576,233</u>
Net defined benefit liabilities	<u>\$ 15,193</u>	<u>\$ 7,814</u>

Movements in net defined benefit liabilities (assets) were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
Balance at January 1, 2023	<u>\$ 2,638,214</u>	<u>\$ (3,206,633)</u>	<u>\$ (568,419)</u>
Service cost			
Current service cost	29,089	-	29,089
Net interest expense (income)	<u>43,494</u>	<u>(54,245)</u>	<u>(10,751)</u>
Recognized in profit or loss	<u>72,583</u>	<u>(54,245)</u>	<u>18,338</u>
Remeasurement			
Return on plan assets	-	(422,154)	(422,154)
Actuarial loss			
Changes in financial assumptions	31,386	-	31,386
Experience adjustments	<u>51,080</u>	<u>-</u>	<u>51,080</u>
Recognized in other comprehensive income (loss)	<u>82,466</u>	<u>(422,154)</u>	<u>(339,688)</u>
Contributions from the employer	-	(139,761)	(139,761)
Benefits paid	(281,836)	281,836	-
Liabilities extinguished on settlement	<u>(1,125)</u>	<u>-</u>	<u>(1,125)</u>
Balance at December 31, 2023	<u>\$ 2,510,302</u>	<u>\$ (3,540,957)</u>	<u>\$ (1,030,655)</u>
Balance at January 1, 2022	<u>\$ 2,990,480</u>	<u>\$ (3,664,235)</u>	<u>\$ (673,755)</u>
Service cost			
Current service cost	32,895	-	32,895
Net interest expense (income)	<u>21,315</u>	<u>(26,769)</u>	<u>(5,454)</u>
Recognized in profit or loss	<u>54,210</u>	<u>(26,769)</u>	<u>27,441</u>
Remeasurement			
Return on plan assets	-	304,190	304,190
Actuarial loss (gain)			
Changes in financial assumptions	(145,731)	-	(145,731)
Experience adjustments	<u>91,777</u>	<u>-</u>	<u>91,777</u>
Recognized in other comprehensive income (loss)	<u>(53,954)</u>	<u>304,190</u>	<u>250,236</u>
Contributions from the employer	-	(171,695)	(171,695)
Benefits paid	(351,876)	351,876	-
Liabilities extinguished on settlement	<u>(646)</u>	<u>-</u>	<u>(646)</u>
Balance at December 31, 2022	<u>\$ 2,638,214</u>	<u>\$ (3,206,633)</u>	<u>\$ (568,419)</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Operating costs	\$ 10,544	\$ 19,809
Operating expenses	<u>7,794</u>	<u>7,632</u>
	<u>\$ 18,338</u>	<u>\$ 27,441</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2 year time deposit with local banks. The pension fund monitoring committee of the Group invested the pension fund in domestic equity securities. The income from the investment in the equity securities will affect the fair value of plan assets and the status of financial contribution.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates	1.50%	1.75%
Expected rates of salary increase	1.00%-1.50%	1.00%-1.50%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates		
0.125% increase	<u>\$ (15,349)</u>	<u>\$ (17,313)</u>
0.125% decrease	<u>\$ 15,597</u>	<u>\$ 17,595</u>
Expected rates of salary increase		
0.125% increase	<u>\$ 15,765</u>	<u>\$ 17,619</u>
0.125% decrease	<u>\$ (15,550)</u>	<u>\$ (17,353)</u>

The sensitivity analysis presented above might not have been representative of the actual change in the present value of the defined benefit obligation because it was unlikely that the changes in assumptions had occurred in isolation of one another, i.e., some of the assumptions might have been correlated.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
The expected contributions to the plan for the next year	<u>\$ 104,424</u>	<u>\$ 92,115</u>
The average duration of the defined benefit obligation	4.7-9.7 years	5-8.8 years

## 22. EQUITY

### a. Ordinary shares

	December 31	
	2023	2022
Numbers of shares authorized (in thousands)	<u>2,200,000</u>	<u>2,200,000</u>
Value of shares authorized	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,660,372</u>	<u>1,660,372</u>
Value of shares issued	<u>\$ 16,603,715</u>	<u>\$ 16,603,715</u>

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

### b. Capital surplus

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

### c. Retained earnings and dividend policy

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

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

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

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

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

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

The appropriations of earnings for 2022 and 2021 were as follows:

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

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

The appropriations of earnings for 2023 had been proposed by the Company’s board of directors on March 14, 2024. The appropriations and dividends per share were as follows:

	<b>For the Year Ended December 31, 2023</b>
Legal reserve	\$ 215,331
Cash dividends	\$ 1,494,334
Cash dividends per share (NT\$)	\$ 0.9

The aforementioned appropriation for cash dividends had been resolved by the board of directors; the other proposed appropriations will be resolved by the shareholders’ meeting to be held on June 20, 2024.

d. Special reserves

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning at January 1	\$ 3,995,020	\$ 4,000,001
Reversal:		
Disposal of investment properties	(2,483)	(4,981)
Balance at December 31	\$ 3,992,537	\$ 3,995,020

e. Other equity items

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total
<u>2023</u>				
Balance at January 1	\$ (357,174)	\$ 12,394,281	\$ -	\$ 12,037,107
Exchange differences on translation of foreign financial statements	(252,572)	-	-	(252,572)
Unrealized gains on financial assets measured at FVTOCI	-	2,791,075	-	2,791,075
Losses on hedging instruments	-	-	(3,535)	(3,535)
Share of other comprehensive income (loss) of associates accounted for using equity method	(67,269)	429,209	-	361,940
Disposal of partial interests in subsidiaries	604	-	-	604
Changes in ownership interest in subsidiaries	16,785	-	-	16,785
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(36,263)	-	(36,263)
Balance at December 31	<u>\$ (659,626)</u>	<u>\$ 15,578,302</u>	<u>\$ (3,535)</u>	<u>\$ 14,915,141</u>
<u>2022</u>				
Balance at January 1	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ 8,389,401
Exchange differences on translation of foreign financial statements	1,549,666	-	-	1,549,666
Unrealized gains on financial assets measured at FVTOCI	-	1,947,319	-	1,947,319
Share of other comprehensive income (loss) of associates accounted for using equity method	248,041	48,571	-	296,612
Changes in equity of associates accounted for using equity method	371	-	-	371
Disposal of partial interests in subsidiaries	36,905	-	-	36,905
Changes in ownership interest in subsidiaries	(6,541)	-	-	(6,541)
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(176,626)	-	(176,626)
Balance at December 31	<u>\$ (357,174)</u>	<u>\$ 12,394,281</u>	<u>\$ -</u>	<u>\$ 12,037,107</u>

f. Non-controlling interests

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 14,956,989	\$ 14,604,732
Share of profit for the year	273,646	677,068
Other comprehensive income (loss) for the year:		
Exchange differences on translation of foreign financial statements	(55,430)	205,028
Unrealized gains (losses) on financial assets measured at FVTOCI	223,611	(28,128)
Losses on hedge instruments	(2,499)	-
		(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Remeasurement on defined benefit plans	\$ (20,038)	\$ 36,131
Share of other comprehensive income of associates accounted for using the equity method	16,891	14,046
Cash dividends	(559,142)	(1,332,010)
Changes in equity of associates accounted for using equity method	924	2,489
Actual acquisition or disposal of partial interests in subsidiaries	26,300	578,127
Changes in ownership interests in subsidiaries	<u>737,373</u>	<u>199,506</u>
Balance at December 31	<u>\$ 15,598,625</u>	<u>\$ 14,956,989</u>

(Concluded)

## 23. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers - revenue from sale of goods	\$ 65,101,797	\$ 69,663,113
Other operating revenue	<u>8,765,577</u>	<u>9,972,765</u>
	<u>\$ 73,867,374</u>	<u>\$ 79,635,878</u>

### Contract Balances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes receivable, net	<u>\$ 2,279,143</u>	<u>\$ 2,842,143</u>	<u>\$ 4,431,191</u>
Accounts receivable, net	<u>\$ 11,655,418</u>	<u>\$ 12,120,124</u>	<u>\$ 13,092,096</u>
Accounts receivable due from related parties, net	<u>\$ 113,464</u>	<u>\$ 64,230</u>	<u>\$ 71,403</u>
Contract liabilities - sale of goods	<u>\$ 391,775</u>	<u>\$ 496,039</u>	<u>\$ 516,177</u>

## 24. NET PROFIT

### a. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on bank loans	\$ 1,056,195	\$ 848,786
Interest on lease liabilities	17,797	17,478
Less: Capitalization amount of interest	<u>(12,305)</u>	<u>(3,961)</u>
	<u>\$ 1,061,687</u>	<u>\$ 862,303</u>

Information about capitalized interest is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Capitalization rate	1.29%-1.84%	0.80%-1.67%
b. Depreciation and amortization		
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Property, plant and equipment	\$ 4,075,829	\$ 3,996,527
Investment properties	9,467	9,963
Right-of-use assets	330,783	272,556
Other non-current assets	<u>72,204</u>	<u>110,523</u>
	<u>\$ 4,488,283</u>	<u>\$ 4,389,569</u>
An analysis of depreciation by function		
Operating costs	\$ 3,890,801	\$ 3,847,936
Operating expenses	<u>525,278</u>	<u>431,110</u>
	<u>\$ 4,416,079</u>	<u>\$ 4,279,046</u>
An analysis of amortization by function		
Operating costs	\$ 36,283	\$ 29,290
Operating expenses	<u>35,921</u>	<u>81,233</u>
	<u>\$ 72,204</u>	<u>\$ 110,523</u>
c. Employee benefits expense		
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Post-employment benefits		
Defined contribution plans	\$ 214,100	\$ 207,428
Defined benefit plans	<u>18,338</u>	<u>27,441</u>
	232,438	234,869
Share-based payments	5,874	43,635
Other employee benefits	<u>9,065,052</u>	<u>8,840,581</u>
Total employee benefits expense	<u>\$ 9,303,364</u>	<u>\$ 9,119,085</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 5,541,142	\$ 5,370,507
Operating expenses	<u>3,762,222</u>	<u>3,748,578</u>
	<u>\$ 9,303,364</u>	<u>\$ 9,119,085</u>



d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 14, 2024 and March 15, 2023 are as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	0.11%	0.10%
Remuneration of directors	1.17%	0.96%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 1,981	\$ 2,403
Remuneration of directors	22,000	22,000

There is no difference between the actual amounts of compensation of employees and remuneration of director paid and declared on March 15, 2023 and 2022, by board of the Company, recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

## 25. INCOME TAXES

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 662,529	\$ 548,716
Income tax on unappropriated earnings	23,720	168,623
Adjustment for prior year	(61,545)	(45,092)
Land value increment tax	2,895	5,569
House and land transactions income tax	93	239
	<u>627,692</u>	<u>678,055</u>
Deferred tax		
In respect of the current year	(164,974)	62,390
Adjustment for prior year	(982)	(601)
	<u>(165,956)</u>	<u>61,789</u>
Income tax expense recognized in profit or loss	<u>\$ 461,736</u>	<u>\$ 739,844</u>

A reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Income before tax	\$ <u>2,562,075</u>	\$ <u>3,586,422</u>
Income tax expense calculated at the statutory rate (20%)	\$ 512,415	\$ 717,284
Nondeductible expenses in determining taxable income	14,821	21,117
Tax-exempt income (loss)	(651,479)	(822,906)
Land value increment tax	2,895	5,569
House and land transactions income tax	93	239
Additional income tax under the Income Basic Tax Act	172	688
Unrecognized loss carryforwards and deductible temporary differences	561,198	662,538
Income tax on unappropriated earnings	23,720	168,623
Loss carryforwards	(4,435)	(1,878)
Overseas company withholding income taxes	61,021	29
Effect of different tax rate of entities in the Group operating in other jurisdictions	3,842	34,234
Adjustments for prior year	<u>(62,527)</u>	<u>(45,693)</u>
Income tax expense recognized in profit or loss	\$ <u>461,736</u>	\$ <u>739,844</u>

b. Income tax recognized directly in equity

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
Disposal of partial interests in subsidiaries	\$ <u>-</u>	\$ <u>60,582</u>

c. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ 67,938	\$ (50,047)
Share of the other comprehensive income of associates	<u>583</u>	<u>(196)</u>
	\$ <u>68,521</u>	\$ <u>(50,243)</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Defined benefit plan	\$ 4,920	\$ 87,197	\$ (84,167)	\$ -	\$ 7,950
Loss carryforwards	84,170	174,461	-	-	258,631
Allowance for impaired receivables	5,937	887	-	(58)	6,766
Payable for annual leave	28,658	7,029	-	(29)	35,658
Unrealized loss on inventories	43,499	(11,500)	-	(158)	31,841
Deferred revenue	28,690	(11,308)	-	(51)	17,331
Others	<u>109,651</u>	<u>26,801</u>	<u>-</u>	<u>(1,195)</u>	<u>135,257</u>
	<u>\$ 305,525</u>	<u>\$ 273,567</u>	<u>\$ (84,167)</u>	<u>\$ (1,491)</u>	<u>\$ 493,434</u>
<u>Deferred tax liabilities</u>					
Reserve for land revaluation increment tax	\$ 3,313,013	\$ -	\$ -	\$ -	\$ 3,313,013
Others	<u>252,175</u>	<u>107,611</u>	<u>(16,229)</u>	<u>(430)</u>	<u>343,127</u>
	<u>\$ 3,565,188</u>	<u>\$ 107,611</u>	<u>\$ (16,229)</u>	<u>\$ (430)</u>	<u>\$ 3,656,140</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Defined benefit plan	\$ 23,275	\$ (92,979)	\$ 74,624	\$ -	\$ 4,920
Loss carryforwards	102,800	(18,629)	-	(1)	84,170
Allowance for impaired receivables	10,757	(4,869)	-	49	5,937
Payable for annual leave	27,803	830	-	25	28,658
Unrealized loss on inventories	41,955	1,339	-	205	43,499
Deferred revenue	37,670	(9,026)	-	46	28,690
Others	<u>107,074</u>	<u>(1,957)</u>	<u>-</u>	<u>4,534</u>	<u>109,651</u>
	<u>\$ 351,334</u>	<u>\$ (125,291)</u>	<u>\$ 74,624</u>	<u>\$ 4,858</u>	<u>\$ 305,525</u>
<u>Deferred tax liabilities</u>					
Reserve for land revaluation increment tax	\$ 3,313,013	\$ -	\$ -	\$ -	\$ 3,313,013
Others	<u>290,745</u>	<u>(63,502)</u>	<u>24,577</u>	<u>355</u>	<u>252,175</u>
	<u>\$ 3,603,758</u>	<u>\$ (63,502)</u>	<u>\$ 24,577</u>	<u>\$ 355</u>	<u>\$ 3,565,188</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss carryforwards		
Expire in 2023	\$ -	\$ 1,399,657
Expire in 2024	888,489	987,356
Expire in 2025	537,263	552,662
Expire in 2026	1,080,402	1,113,623
Expire in 2027	2,709,655	2,679,233
Expire in 2028	316	316
Expire in 2029	178,148	181,199
Expire in 2030	401,289	408,596
Expire in 2031	280,318	283,388
Expire in 2032	43,491	42,457
Expire in 2033	69,657	-
Unlimited (Note)	<u>14,268</u>	<u>14,301</u>
	<u>\$ 6,203,296</u>	<u>\$ 7,662,788</u>

Note: Generated from Hong Kong subsidiaries.

- f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised of:

<b>Unused Amount</b>	<b>Expiry Year</b>
\$ 888,489	2024
537,263	2025
1,080,402	2026
2,709,655	2027
316	2028
279,594	2029
720,695	2030
280,318	2031
43,491	2032
941,962	2033
<u>14,268</u>	Unlimited (Note)
<u>\$ 7,496,453</u>	

Note: Generated from Hong Kong subsidiaries.

g. Income tax approved situation

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

h. Pillar Two Income Tax legislation

In December 2023, the governments of Netherlands and Japan, where part of the subsidiaries are incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024 and April 1, 2024, respectively. Since the Pillar Two income tax legislation was not effective at the reporting date, the Group has no related current tax exposure.

## 26. EARNINGS PER SHARE

	<u>For the Year Ended December 31</u>	
	2023	2022
Basic earnings per share (NT\$)	<u>\$ 1.10</u>	<u>\$ 1.31</u>
Diluted earnings per share (NT\$)	<u>\$ 1.10</u>	<u>\$ 1.31</u>

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

### Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit for the year attributable to owners of the Company	<u>\$ 1,826,693</u>	<u>\$ 2,169,510</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,826,693</u>	<u>\$ 2,169,510</u>

## Number of Share (In Thousands)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>79</u>	<u>131</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,451</u>	<u>1,660,503</u>

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

## 27. SHARE-BASED PAYMENT ARRANGEMENTS

- a. Employee share options plan of the subsidiary - YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.).

For the year ended December 31, 2021

The board of directors of the subsidiary resolved to issue 544,000 employee share options in September 2021. Each option entitles the holder to subscribe for 1 ordinary share of YFY Jupiter (BVI) Inc. The eligible participants for share options are the full-time employees (including the controlling companies and subordinate companies) who meet certain specific requirements the exercise price is US\$1.5 per share. The options granted for 3 years and the exercisable at the schedule below since the grant date. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

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

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

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

Share Options Certificates	For the Year Ended December 31			
	2023		2022	
	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Balance at January 1	32,243		317,113	
Options exercised	<u>(4,243)</u>		<u>(284,870)</u>	
Balance at December 31	<u>28,000</u>		<u>32,243</u>	
Options exercisable, end of period	<u>28,000</u>	<u>\$ 1.5</u>	<u>32,243</u>	<u>\$ 1.5</u>

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

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

The employee benefit expenses recognized on the employee share option plans was \$12,241 thousand for the year ended December 31, 2022.

#### For the year ended December 31, 2022

The board of directors of the subsidiary resolved to issue 557,846 employee share options in November 2022. Each option entitles the holder to subscribe for 1 ordinary share of YFY Jupiter (BVI) Inc. The eligible participants for share options are the employees (including the controlling companies and subordinate companies) who meet certain specific requirements the exercise price is US\$2.18 per share. The options granted for 0.1 years and the exercisable at the schedule below since the grant date. For any subsequent changes in the subsidiary's capital surplus, the exercise price is adjusted accordingly.

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

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

Share Options Certificates	For the Year Ended December 31			
	2023		2022	
	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Balance at January 1	88,148		-	
Options exercised	(88,144)		557,846	
Options lapsed	<u>(4)</u>		<u>(469,698)</u>	
Balance at December 31	<u>-</u>		<u>88,148</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 2.18</u>	<u>88,148</u>	<u>\$ 2.18</u>

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

Share price at the grant date (US\$)	\$3.77
Exercise price (US\$)	\$2.18
Expected volatility (%)	33.18
Expected lives (years)	0.1
Risk free interest rate (%)	1.20

The employee benefit expenses recognized on the employee share option plans was \$20,304 thousand for the year ended December 31, 2022.

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

For the year ended December 31, 2022

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

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

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



Share Options Certificates	For the Year Ended December 31			
	2023		2022	
	Number of Options (Units)	Exercise Price (US\$)	Number of Options (Units)	Exercise Price (US\$)
Balance at January 1	595		-	
Options exercised	-		595	
Options lapsed	<u>-</u>		<u>-</u>	
Balance at December 31	<u>595</u>		<u>595</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 57.4</u>	<u>-</u>	<u>\$ 57.4</u>

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

Share price at the grant date	\$65.64
Exercise price	\$57.40
Expected volatility (%)	42.47
Expected lives (years)	2.5
Risk free interest rate (%)	0.92

The employee benefit expenses recognized on the employee share option plans were \$5,874 thousand and \$2,366 thousand for the years ended December 31, 2023 and 2022, respectively.

- c. Employee share options of the subsidiary increase capital in cash - Arizon RFID Technology (Cayman) Co., Ltd.

For the year ended December 31, 2022

The board of directors of the subsidiary resolved to increase capital in cash of 1,060 thousand shares in July 12, 2022. Since all the original shareholders gave up to participate, all the shares issued this time were subscribed by employees. In August 2022, the employees (including subsidiaries) who meet certain specific requirements were given the right to subscribe for new shares, with a total subscription of 1,060 thousand shares, and the exercise price is 57.4 per share.

Information on employee share options when issued new shares in August 2022 was as follows:

Employee Share Options	Number of Options (In Thousands of Units)	Exercise Price (\$)
Granted in August 2022	<u>1,060</u>	<u>\$ 57.4</u>
Weighted-average fair value of options granted in August 2022 (\$)	<u>\$ 8.24</u>	

	For the Year Ended December 31, 2022	
	Number of Options (In Thousands of Units)	Exercise Price (\$)
<b>Employee Share Options</b>		
Balance at January 1	-	
Options granted	1,060	
Options exercised	<u>(1,060)</u>	
Balance at December 31	<u>-</u>	
Options exercisable, end of period	<u>-</u>	<u>\$ 57.4</u>

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

Share price at the grant date	\$65.64
Exercise price	\$57.40
Expected volatility (%)	42.13
Expected lives (date)	2
Risk free interest rate (%)	0.74

The employee benefit expenses recognized on the employee share option plans was \$8,724 thousand for the year ended December 31, 2022.

## 28. DERECOGNITION OF SUBSIDIARY

### YFY Packaging (BVI) Corp.

The subsidiary, YFY Packaging (BVI) Corp. entered the liquidation procedure in November 2022 and finished in December 2022. Due to loss of control, the Group derecognized the assets and liabilities of the former subsidiary.

#### a. Consideration received from derecognition

	<b>YFY Packaging (BVI) Corp.</b>
Cash	<u>\$ 465</u>

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

	<b>YFY Packaging (BVI) Corp.</b>
Current assets	
Cash	<u>\$ 465</u>
Net assets derecognized	<u>\$ 465</u>

c. Loss from derecognition of subsidiary

**YFY Packaging  
(BVI) Corp.**

Consideration received in cash	\$ 465
Net assets derecognized	(465)
Effect of foreign currency exchange differences	<u>(345)</u>
Loss from derecognition of subsidiary (accounted for as miscellaneous expense)	<u>\$ (345)</u>

d. Net cash outflow on derecognition of subsidiary

**YFY Packaging  
(BVI) Corp.**

Consideration received in cash	\$ 465
Less: Cash balance derecognized of	<u>(465)</u>
	<u>\$ -</u>

## 29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

For the year ended December 31, 2022

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

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

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

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

Line items adjusted for equity transactions

Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 81,764</u>
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For the year ended December 31, 2023

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

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

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

### **30. BUSINESS COMBINATIONS**

a. Subsidiaries acquired

The Group acquired ownership of Foster and Baylis (Prestige) Limited in October 2022 and buy back treasury shares and write-down. Ownership increased from 33.3% to 50.98%, leading to the Group having actual control over them as they became a subsidiary of the Group and has been included in the consolidated financial statements since then. The Group acquired Foster and Baylis (Prestige) Limited in order to continue the expansion of the Group's operations.

b. Consideration transferred

	<b>Foster and Baylis (Prestige) Limited</b>
Cash	<u>\$ 329</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	<b>Foster and Baylis (Prestige) Limited</b>
Current assets	
Accounts receivable, net	\$ 12,968
Inventories	4,477
Prepayments	1,390
Other current assets, others	4,846
Non-current assets	
Property, plant and equipment	415
Right-of-use assets	7,092
Current liabilities	
Accounts payable	(3,796)
Lease liabilities	(1,537)
Other current liabilities, others	(4,835)
Non-current liabilities	
Lease liabilities	<u>(5,601)</u>
	<u>\$ 15,419</u>

d. Net cash inflow on the acquisition of subsidiaries

	<b>Foster and Baylis (Prestige) Limited</b>
Consideration paid in cash	\$ (329)
Less: Cash and cash equivalent balances acquired	<u>329</u>
	<u>\$ -</u>

e. Impact of acquisitions on the results of the Group

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from continuing operations would have been \$79,639,595 thousand, and the profit from continuing operations would have been \$2,850,412 thousand for the year ended December 31, 2022. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2022, nor is it intended to be a projection of future results.

### 31. 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).

## 32. 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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 258,425	\$ -	\$ 258,425
Mutual funds	602,363	-	-	602,363
Structured deposits	-	249,054	-	249,054
Convertible bonds	-	-	118,492	118,492
	<u>\$ 602,363</u>	<u>\$ 507,479</u>	<u>\$ 118,492</u>	<u>\$ 1,228,334</u>
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 25,213,185	\$ -	\$ -	\$ 25,213,185
Domestic and foreign unlisted shares	-	-	5,395,554	5,395,554
	<u>\$ 25,213,185</u>	<u>\$ -</u>	<u>\$ 5,395,554</u>	<u>\$ 30,608,739</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 28,414	\$ -	\$ 28,414
Hedging derivative financial liabilities (accounted for as other current liabilities, others)				
Derivative financial liabilities	\$ -	\$ 4,155	\$ -	\$ 4,155

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 171,541	\$ -	\$ 171,541
Mutual funds	492,002	-	-	492,002
Structured deposits	-	251,300	-	251,300
	<u>\$ 492,002</u>	<u>\$ 422,841</u>	<u>\$ -</u>	<u>\$ 914,843</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	\$ 20,177,433	\$ -	\$ -	\$ 20,177,433
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>5,922,329</u>	<u>5,922,329</u>
	<u>\$ 20,177,433</u>	<u>\$ -</u>	<u>\$ 5,922,329</u>	<u>\$ 26,099,762</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 45,843</u>	<u>\$ -</u>	<u>\$ 45,843</u>
				(Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

	Financial Assets at FVTPL Debt Instruments	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ -	\$ 5,922,329
Recognized in profit or loss	6,709	-
Recognized in other comprehensive loss (accounted for as unrealized losses on investments in equity instruments designated as at FVTOCI)	-	(525,183)
Purchases	111,783	-
Disposals	-	(642)
Effect of exchange rate differences	<u>-</u>	<u>(950)</u>
Balance at December 31, 2023	<u>\$ 118,492</u>	<u>\$ 5,395,554</u>

For the year ended December 31, 2022

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ 4,845,794
Recognized in other comprehensive income (accounted for as unrealized gains (loss) on investments in equity instruments designated as at FVTOCI)	1,184,487
Disposals	(117,105)
Effects of foreign currency exchange differences	<u>9,153</u>
Balance at December 31, 2022	<u>\$ 5,922,329</u>

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

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

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

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

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b><u>Financial assets</u></b>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 1,228,334	\$ 914,843
FVTOCI	30,608,739	26,099,762
Amortized cost (1)	28,622,157	29,516,149
		(Continued)



	December 31	
	2023	2022
<u>Financial liabilities</u>		
FVTPL		
Held for trading	\$ 28,414	\$ 45,843
Financial liabilities for hedging	4,155	-
Amortized cost (2)	63,368,031	62,874,854
		(Concluded)

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

### Sensitivity analysis

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

The Group was mainly exposed to the USD and RMB.

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Influence to profit or loss at 5% variance		
USD	<u>\$ (414,189)</u>	<u>\$ (143,136)</u>
RMB	<u>\$ (197,490)</u>	<u>\$ (56,738)</u>

#### b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 10,043,060	\$ 10,584,206
Financial liabilities	15,744,335	2,723,116
Lease liabilities	852,205	718,784
Cash flow interest rate risk		
Financial assets	4,514,224	3,889,054
Financial liabilities	33,540,002	45,156,633

### Sensitivity analysis

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

If interest rates had been 0.25% basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by \$58,052 thousand and \$82,535 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity and commodity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$36,043 thousand and \$24,600 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 years ended December 31, 2023 and 2022 would have increased/decreased by \$1,530,437 thousand and \$1,304,988 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk of investments in equity securities increased during the year, 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 December 31, 2023 and 2022, the amount of unused financing facilities were \$63,943,294 thousand and \$57,379,028 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.

December 31, 2023

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

December 31, 2022

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

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:

	<u><b>For the Year Ended December 31</b></u>	
	<b>2023</b>	<b>2022</b>
The discounted amount	<u>\$ 3,586,344</u>	<u>\$ 2,550,718</u>
The received amount	<u>\$ 3,561,709</u>	<u>\$ 2,515,171</u>
Interest rates	0.45%-4.15%	1.18%-4.30%

### 33. TRANSACTIONS WITH RELATED PARTIES

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

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

<b>Related Party</b>	<b>Relationship with the Group</b>
Hsin-Yi Enterprise Co., Ltd.	Entity with key management personnel
Yuen Foong Paper Co., Ltd.	Entity with key management personnel
YFY Biotech Co., Ltd.	Associate
E Ink Holdings Inc.	Associate
YuanHan Materials Inc.	Associate
Transcend Optronics (Yangzhou) Co., Ltd.	Associate
E Ink Technology B.V.(originally named as PVI Global B.V.)	Associate
E Ink Netherlands B.V.(originally named as Dream Pacific International B.V.)	Associate
Chengdu JieLianDa Warehousing Co., Ltd.	Associate
Chengdu JingShiTong Packing Co., Ltd.	Associate
JLD Logistics Ltd.	Associate
YJY Packaging Ltd.	Associate
Vinh Phu Packing and Printing Company Limited	Associate
SinoPac Financial Holdings Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
SinoPac Leasing Corporation	Substantive related party
Bank SinoPac	Substantive related party
Beautone Co., Ltd.	Substantive related party
Hsinex International Corp.	Substantive related party
Fu Hwa Development Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
YFY BioTechnology (Kunshan) Co., Ltd.	Substantive related party
YFY Green Food (Shanghai) Co., Ltd.	Substantive related party
Lui Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Chen Yu Co., Ltd.	Substantive related party
Ho Tien Co., Ltd.	Substantive related party
Hoi Toy&Play Corporation	Substantive related party
YFY Co., Ltd.	Substantive related party
Synmax Biochemical Co., Ltd.	Substantive related party
Shanghai Futai Foods Co., Ltd.	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party

#### b. Operating revenue

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Entities with key management personnel	\$ 218,044	\$ 90,212
Associate	98,709	48,263
Substantive related party	<u>19,848</u>	<u>150,962</u>
	<u>\$ 336,601</u>	<u>\$ 289,437</u>

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

c. Purchases of goods

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Associate	\$ 160,986	\$ 240,141
Substantive related party	12,942	13,008
Entities with key management personnel	<u>5,633</u>	<u>3,655</u>
	<u>\$ 179,561</u>	<u>\$ 256,804</u>

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

d. Receivables from related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
Receivables from related parties	Entities with key management personnel		
	Yuen Foong Paper Co., Ltd.	\$ 71,097	\$ 19,747
	Others	<u>220</u>	<u>249</u>
		<u>71,317</u>	<u>19,996</u>
	Associate		
	E Ink Holdings Inc.	31,563	8,870
	Others	<u>8,942</u>	<u>9,077</u>
		<u>40,505</u>	<u>17,947</u>
	Substantive related party		
	Beautone Co., Ltd.	2	23,163
	Others	<u>1,640</u>	<u>3,124</u>
		<u>1,642</u>	<u>26,287</u>
		<u>\$ 113,464</u>	<u>\$ 64,230</u>
Other receivables (accounted for as other current assets)	Associate	\$ 1,122	\$ 849
	Entities with key management personnel	106	22
	Substantive related party	<u>-</u>	<u>15</u>
		<u>\$ 1,228</u>	<u>\$ 886</u>

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

e. Payables to related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Payables to related parties	Associate		
	YJY Packaging Ltd.	\$ 38,790	\$ 87,157
	Others	<u>6,723</u>	<u>12,672</u>
		45,513	99,829
	Entities with key management personnel	6,304	6,946
	Substantive related party	<u>2,174</u>	<u>4,095</u>
		<u>\$ 53,991</u>	<u>\$ 110,870</u>

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of investment properties

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

The Company completed transfer of ownership of a joint construction of housing in February 2022, refer to Note 19.

g. Acquisitions of financial assets

For the year ended December 31, 2023

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

h. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Associate	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>

i. Others

Rental income

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Associate		
E Ink Holdings Inc.	\$ 15,462	\$ 5,799
Others	<u>422</u>	<u>1,649</u>
	<u>15,884</u>	<u>7,448</u>
Entities with key management personnel		
Yuen Foong Paper Co., Ltd	7,900	7,885
Others	<u>153</u>	<u>155</u>
	<u>8,053</u>	<u>8,040</u>
Substantive related party	<u>5,785</u>	<u>5,966</u>
	<u>\$ 29,722</u>	<u>\$ 21,454</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Entities with key management personnel	\$ 46,215	\$ 45,198
Substantive related party	<u>2,063</u>	<u>4,356</u>
	<u>\$ 48,278</u>	<u>\$ 49,554</u>

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

j. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 109,590	\$ 105,364
Post-employment benefits	<u>540</u>	<u>1,115</u>
	<u>\$ 110,130</u>	<u>\$ 106,479</u>

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



### 34. 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:

	December 31	
	2023	2022
Notes receivable, net (Note)	\$ 1,894,587	\$ 2,871,130
Property, plant and equipment	607,330	498,396
Pledged deposits (classified as other current financial assets)	160,771	89,216
Land use rights (accounted for as right-of-use assets)	96,731	102,201
Pledged time deposits (accounted for other current financial assets and other non-current assets, others)	<u>300,292</u>	<u>754,152</u>
	<u>\$ 3,059,711</u>	<u>\$ 4,315,095</u>

Note: The transaction of \$940,268 thousand and \$1,310,385 thousand has been eliminated in preparing the consolidated financial on December 31, 2023 and 2022, respectively.

### 35. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials and machinery equipment amounted to approximately \$637,327 thousand and \$558,199 thousand, respectively.

As of December 31, 2023 and 2022, the contract of commitment to acquire property, plant and equipment amounted to \$323,307 thousand and \$988,040 thousand, respectively. The unrecorded amounts were \$61,894 thousand and \$701,986 thousand, respectively.

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

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

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

December 31, 2022			
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,202,430	0.144 (RMB:USD)	\$ 9,711,490
USD	95,118	30.71 (USD:NTD)	2,921,068

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were a loss of \$123,900 thousand and a loss of \$864,421 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 entities of the group entities.

### 37. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions:

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

#### b. Information on investees (Table 8)

c. Information on investments in mainland China

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

### 38. SEGMENT INFORMATION

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

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging	Business Unit of Consumer Products	Other Segment	Total
For the year ended December 31, 2023					
Revenue from external customers	\$ 18,825,407	\$ 33,871,533	\$ 10,214,282	\$ 10,956,152	\$ 73,867,374
Revenue from other internal operating segments	<u>2,130,044</u>	<u>560,330</u>	<u>50,521</u>	<u>1,052,086</u>	<u>3,792,981</u>
Segment revenue	<u>\$ 20,955,451</u>	<u>\$ 34,431,863</u>	<u>\$ 10,264,803</u>	<u>\$ 12,008,238</u>	<u>77,660,355</u>
Eliminations					<u>(3,792,981)</u>
Consolidated revenue					<u>\$ 73,867,374</u>
Total profit or loss for reportable segments	<u>\$ (859,198)</u>	<u>\$ 100,183</u>	<u>\$ 1,129,938</u>	<u>\$ (330,312)</u>	<u>\$ 40,611</u>
Eliminations					<u>96,454</u>
Segment profit or loss					<u>137,065</u>
Finance costs					<u>(1,061,687)</u>
					(Continued)

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging	Business Unit of Consumer Products	Other Segment	Total
Interest income					\$ 415,955
Net gain on fair value change of financial instruments at fair value through profit or loss					350,434
Foreign exchange loss					(123,900)
Net non-operating income and expenses					<u>2,844,208</u>
Profit before income tax					<u>\$ 2,562,075</u>
For the year ended <u>December 31, 2022</u>					
Revenue from external customers	\$ 20,495,876	\$ 36,356,298	\$ 10,076,062	\$ 12,707,642	\$ 79,635,878
Revenue from other internal operating segments	<u>3,155,253</u>	<u>1,098,659</u>	<u>48,731</u>	<u>945,220</u>	<u>5,247,863</u>
Segment revenue	<u>\$ 23,651,129</u>	<u>\$ 37,454,957</u>	<u>\$ 10,124,793</u>	<u>\$ 13,652,862</u>	84,883,741
Eliminations					<u>(5,247,863)</u>
Consolidated revenue					<u>\$ 79,635,878</u>
Total profit or loss for reportable segments	<u>\$ 240,572</u>	<u>\$ (368,229)</u>	<u>\$ 896,230</u>	<u>\$ 300,433</u>	\$ 1,069,006
Eliminations					<u>77,894</u>
Segment profit or loss					1,146,900
Finance costs					(862,303)
Interest income					264,015
Net gain on fair value change of financial instruments at fair value through profit or loss					734,828
Foreign exchange loss					(864,421)
Net non-operating income and expenses					<u>3,167,403</u>
Profit before income tax					<u>\$ 3,586,422</u>
					(Concluded)

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

a. Pulp and fine paper segment

Manufacture and sale of cardboard, paper and pulp.

b. Containerboard and packaging segment

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

c. Consumer product segment

Manufacture and sale of tissue paper, napkins and detergents.

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

## Segment Total Assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Segment assets</u>		
Business unit of pulp and fine paper	\$ 35,429,227	\$ 35,439,171
Business unit of containerboard and packaging	40,260,133	42,710,732
Business unit of consumer products	8,895,052	8,275,075
Other segments	96,663,637	89,528,547
Adjustment and elimination	<u>(36,855,435)</u>	<u>(36,481,201)</u>
Consolidated total assets	<u>\$ 144,392,614</u>	<u>\$ 139,472,324</u>

## Geographical Information

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

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

	<b>Revenue from</b>		<b>Non-current Assets</b>	
	<b>External Customers</b>		<b>December 31</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Taiwan	\$ 36,136,235	\$ 39,722,651	\$ 38,279,174	\$ 37,747,276
Mainland China	26,336,639	27,280,947	14,906,500	15,984,401
Others	<u>11,394,500</u>	<u>12,632,280</u>	<u>3,265,116</u>	<u>3,460,196</u>
	<u>\$ 73,867,374</u>	<u>\$ 79,635,878</u>	<u>\$ 56,450,790</u>	<u>\$ 57,191,873</u>

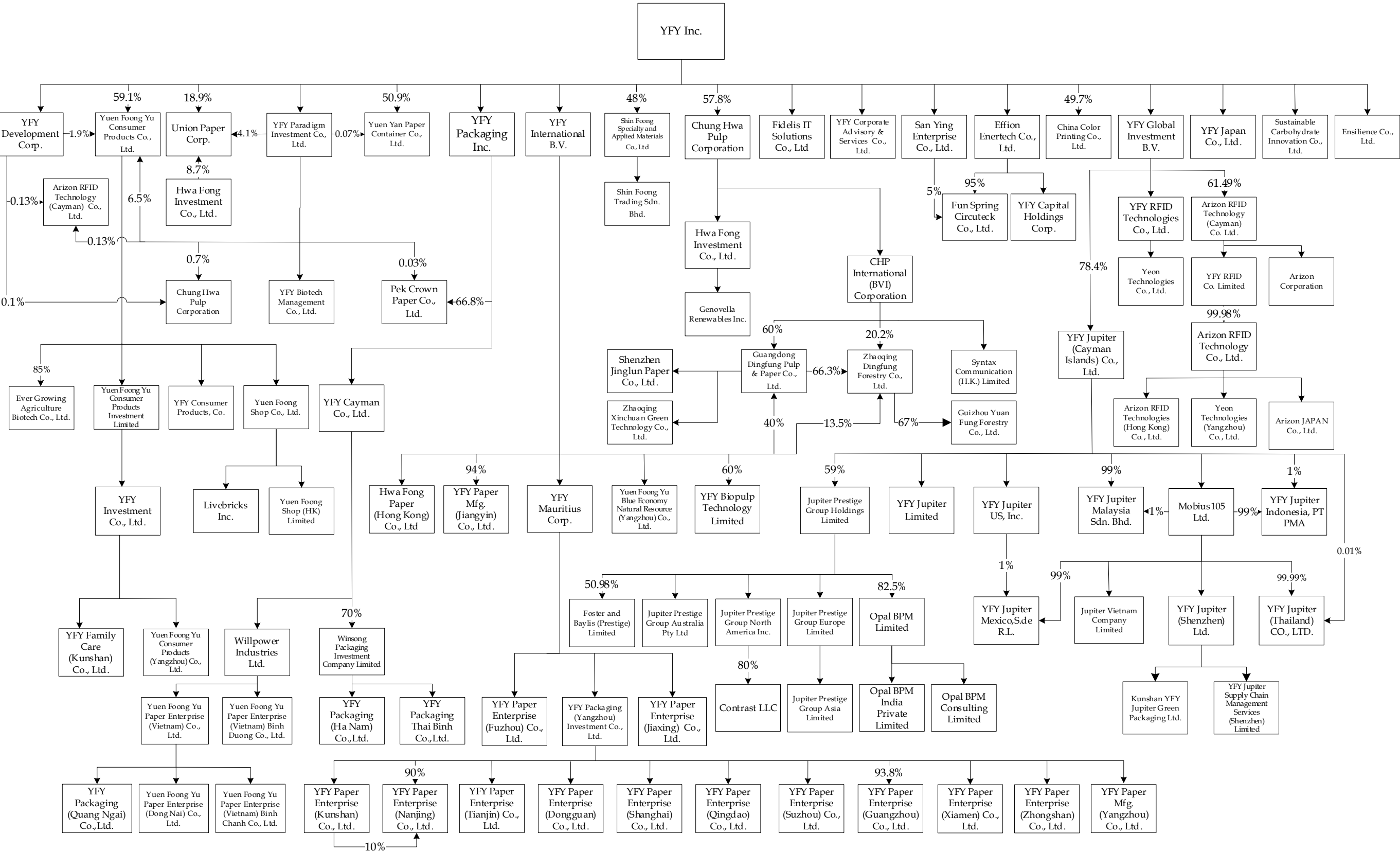
## Information about Major Customers

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

TABLE 1

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE  
DECEMBER 31, 2023



Note : 100% of Ownership, Unless Otherwise Stated.

TABLE 2

## YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
1	YFY Global Investment B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 1,865,969	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 14,150,735	\$ 14,150,735	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	2,600,989	2,562,110	2,562,110	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	14,150,735	14,150,735	-
2	YFY International B.V.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	3,637,529	390,169	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	28,369,839	28,369,839	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	6,444,434	6,016,623	6,016,623	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	28,369,839	28,369,839	-
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	36,733	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	36,564	146,257	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	37,675	36,156	11,792	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	36,564	146,257	-
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	438,276	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	807,180	807,180	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	438,276	399,793	133,257	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	807,180	807,180	-
5	YFY Paper Enterprise (Xiamen) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	247,974	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	463,158	463,158	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	247,974	231,578	57,526	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	463,158	463,158	-
6	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	435,566	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	807,140	807,140	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	435,566	401,523	152,981	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	807,140	807,140	-
7	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	430,781	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	898,917	898,917	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	430,781	397,691	27,630	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	898,917	898,917	-
8	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	287,395	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	482,919	482,919	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	287,395	241,458	110,781	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	482,919	482,919	-
9	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	410,278	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	805,450	805,450	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	423,455	402,724	175,542	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	805,450	805,450	-
10	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	403,103	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	734,487	734,487	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	403,103	367,240	191,026	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	734,487	734,487	-
11	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	245,317	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	452,956	452,956	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	246,266	226,476	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	452,956	452,956	-

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
12	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 2,665,670	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 8,452,962	\$ 8,452,962	-
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	7,679,475	7,369,859	7,026,190	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	127,534	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	36,642	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	587,254	563,577	465,369	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	451,734	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	666,418	433,521	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	111,070	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	112,933	108,380	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	112,933	108,380	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	112,933	108,380	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	8,452,962	8,452,962	-
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	451,734	422,644	-	2.60	Short-term financing	-	Financing for working capital requirements	-	-	-	422,648	1,690,592	-
13	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	372,105	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	682,263	682,263	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	372,105	341,129	37,984	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	682,263	682,263	-
14	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	94,111	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	117,741	117,741	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	94,111	58,868	-	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	117,741	117,741	-
15	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	108,416	104,045	103,410	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	207,039	207,039	-
16	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	243,669	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	379,252	379,252	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	243,669	189,622	51,541	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	379,252	379,252	-
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	62,243	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	151,241	151,241	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	78,796	75,619	58,699	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	151,241	151,241	-
18	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	75,190	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	107,660	107,660	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	75,190	53,826	26,946	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	107,660	107,660	-

(Continued)



No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
19	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	\$ 32,858	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 66,342	\$ 66,342	-
20	YFY Jupiter Limited	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	162,547	153,924	153,924	5.13-6.70	Short-term financing	-	Financing for working capital requirements	-	-	-	445,307	445,307	-
21	Mobius105 Ltd.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	89,720	84,961	84,961	6.50-6.70	Short-term financing	-	Financing for working capital requirements	-	-	-	551,134	551,134	-
22	Jupiter Prestige Group Holdings Limited	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Other receivables from related parties	Yes	97,946	68,513	68,513	4.00	Short-term financing	-	Financing for working capital requirements	-	-	-	128,944	128,944	-
23	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	452,364	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	463,328	1,853,311	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	452,364	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	463,328	1,853,311	-
24	CHP International (BVI) Corporation	Shenzhen Jinglun Paper Co., Ltd.	Long-term receivables from related parties	Yes	186,597	78,034	78,034	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,094,768	2,094,768	-
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	108,416	104,045	104,045	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,094,768	2,094,768	-
		Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	134,001	127,889	127,889	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,094,768	2,094,768	-
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	894,433	858,372	858,372	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,094,768	2,094,768	-
25	Shenzhen Jinglun Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	13,453	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	13,531	54,124	-
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	13,453	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	13,531	54,124	-
26	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	292,411	288,040	158,891	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	576,081	576,081	-
27	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,243,606	1,225,017	273,062	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,450,033	2,450,033	-
28	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,059,760	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,119,520	4,119,520	-
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,213,541	2,059,760	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,119,520	4,119,520	-
29	Effion Enertech Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	194,000	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	201,903	201,903	-
		Ensilience Co., Ltd.	Other receivables from related parties	Yes	194,000	194,000	-	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	201,903	201,903	-
30	YFY Japan Co., Ltd.	YFY International B.V.	Other receivables from related parties	Yes	46,180	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	127,158	127,158	-
31	San Ying Enterprise Co., Ltd.	YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	40,000	19,000	19,000	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	19,877	19,877	-
32	Arizon RFID Technology (Cayman) Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Other receivables from related parties	Yes	140,000	140,000	-	1.95	Short-term financing	-	Financing for working capital requirements	-	-	-	2,102,726	2,102,726	-

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

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

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

(Concluded)

TABLE 3

## YFY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	<u>Endorsement/guarantee</u> YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a. Note 3 a.	\$ 84,393,318 84,393,318	\$ 2,367,846 1,084,161	\$ 2,266,190 1,040,451	\$ 245,989 -	\$ - -	4.03 1.85	\$ 112,524,424 112,524,424	Yes Yes	No No	Yes Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd. Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd. Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a. Note 3 a. Note 3 a.	2,853,788 2,853,788 2,853,788	1,237,900 1,275,510 1,232,150	776,825 807,530 1,166,790	148,078 202,222 321,943	- - -	40.83 42.45 61.33	3,805,052 3,805,052 3,805,052	Yes Yes Yes	No No No	No No No
3	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 b.	2,112,132	159,360	151,800	151,786	-	10.78	2,816,176	No	No	No
4	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd. YFY Packaging Thai Binh Co., Ltd.	Note 3 a. Note 3 a.	1,290,734 1,290,734	853,335 97,275	838,235 92,115	58,997 13,932	- -	97.41 10.70	1,720,978 1,720,978	Yes Yes	No No	No No
1	<u>Credit line (Note 4)</u> YFY Inc.	YFY Development Corp. YFY Paradigm Investment Co., Ltd. Fun Spring Circuteck Co., Ltd. Ensilience Co., Ltd. YFY International B.V. YFY Global Investment B.V. YFY Paper Mfg. (Yangzhou) Co., Ltd. YFY Jupiter Limited YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) Mobius105 Ltd.	Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a.	84,393,318 84,393,318 84,393,318 84,393,318 84,393,318 84,393,318 84,393,318 84,393,318 84,393,318 84,393,318	3,450,000 2,370,000 225,000 575,000 3,734,973 1,750,280 271,040 480,785 486,375 129,700	3,450,000 2,370,000 225,000 575,000 3,669,247 1,719,480 260,113 476,935 460,575 122,820	1,320,000 725,000 12,000 - 51,834 35,066 - 104,513 - 6,720	- - - - - - - - - -	6.13 4.21 0.40 1.02 6.52 3.06 0.46 0.85 0.82 0.22	112,524,424 112,524,424 112,524,424 112,524,424 112,524,424 112,524,424 112,524,424 112,524,424 112,524,424 112,524,424	No No No No No No No No No No	No No No No No No No No No No	No No No No No No No No No No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation Hwa Fong Investment Co., Ltd.	Note 3 a. Note 3 a.	22,477,089 22,477,089	745,775 130,000	706,215 130,000	27,635 70,500	- -	4.71 0.87	29,969,452 29,969,452	No No	No No	No No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	10,772,459	518,800	491,280	-	-	6.84	14,363,278	No	No	No
4	Arizon RFID Technolog (Cayman) Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Note 3 a.	7,885,223	380,000	380,000	300,000	-	7.23	10,513,630	No	No	No

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

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

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

- a. Subsidiary.
- b. Same ultimate parent company.

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

TABLE 4

## YFY INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	3,404,802	\$ 48,692	-	\$ 48,692	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	510,033,992	10,047,670	4.1	10,047,670	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at FVTOCI	97,502,590	1,482,039	13.6	1,482,039	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at FVTOCI	7,464,617	813,643	0.8	813,643	
	Medeon Biodesign, Inc.	-	Non-current financial assets at FVTOCI	2,126,317	99,193	2.3	99,193	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at FVTOCI	34,761,734	4,122,623	3.0	4,122,623	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	20,826,000	230,155	12.9	230,155	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at FVTOCI	16,415,242	161,004	14.9	161,004	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	4,200,000	73,292	14.0	73,292	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,999,371	92,778	13.9	92,778	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,612	30,944	5.5	30,944	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,221,228	40,250	3.0	40,250	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,600,000	19,591	8.0	19,591	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at FVTOCI	544,067	13,659	0.7	13,659	
	Supercell Biotechnology Corporation	-	Non-current financial assets at FVTOCI	696,564	4,738	3.0	4,738	
	China Trade and Development Corp.	-	Non-current financial assets at FVTOCI	377,634	2,867	0.6	2,867	
YFY International B.V.	<u>Corporate bonds</u> TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 2,017 thousand	-	US\$ 2,017 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 1,485 thousand	-	US\$ 1,485 thousand	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,742 thousand	-	US\$ 1,742 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US\$ 1,715 thousand	-	US\$ 1,715 thousand	
	F, Hoffmann-La Roche AG	-	Non-current financial assets at amortized cost	-	US\$ 1,494 thousand	-	US\$ 1,494 thousand	
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US\$ 1,991 thousand	-	US\$ 1,991 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY International B.V.	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US\$ 1,967 thousand	-	US\$ 1,967 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 1,491 thousand	-	US\$ 1,491 thousand	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<u>Share certificate</u> Xiamen Taiwanese Investment Association Management Company	-	Non-current financial assets at FVTOCI	-	RMB 70 thousand	-	RMB 70 thousand	
YFY Global Investment B.V.	<u>Beneficiary certificates</u> WI Harper INC Fund VII LP	-	Non-current financial assets at FVTOCI	-	US\$ 134 thousand	0.2	US\$ 134 thousand	
	<u>Special share</u> Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at FVTOCI	1,692,250	US\$ 3,828 thousand	6.5	US\$ 3,828 thousand	
	Micareo Inc.	Note 1	Non-current financial assets at FVTOCI	8,124,999	US\$ 486 thousand	19.9	US\$ 486 thousand	
	<u>Corporate bonds</u> TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 2,020 thousand	-	US\$ 2,020 thousand	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	US\$ 1,488 thousand	-	US\$ 1,488 thousand	
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	US\$ 1,721 thousand	-	US\$ 1,721 thousand	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	US\$ 1,743 thousand	-	US\$ 1,743 thousand	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	US\$ 2,462 thousand	-	US\$ 2,462 thousand	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 862 thousand	-	US\$ 862 thousand	
	Franklin Resources, Inc.	-	Non-current financial assets at amortized cost	-	US\$ 471 thousand	-	US\$ 471 thousand	
	Charles Schwab Corporation	-	Non-current financial assets at amortized cost	-	US\$ 869 thousand	-	US\$ 869 thousand	
	National Broadband Network Company	-	Non-current financial assets at amortized cost	-	US\$ 1,966 thousand	-	US\$ 1,966 thousand	
	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	1,048,878	15,000	-	15,000	
	PIMCO GIS Total Return Bond Fund-E Class	-	Current financial assets at FVTPL	218,899	77,228	-	77,228	
	Hua Nan Phoenix Money Market Fund	-	Current financial assets at FVTPL	5,381,295	90,000	-	90,000	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shin Foong Specialty and Applied Materials Co., Ltd.	<u>Ordinary shares</u>							
	SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	41,130,388	\$ 810,269	0.3	\$ 810,269	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at FVTOCI	2,884,415	58,914	11.8	58,914	
	<u>Special share</u>							
	Cathay Financial Holdings Co., Ltd.	-	Non-current financial assets at FVTOCI	4,170,000	248,532	0.5	248,532	
	Fubon Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	4,114,000	251,365	0.7	251,365	
	Taishin Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	4,913,000	251,054	1.0	251,054	
	WPG Holdings Limited	-	Non-current financial assets at FVTOCI	2,113,000	99,311	1.1	99,311	
	Yulon Finance Corporation	-	Non-current financial assets at FVTOCI	2,026,000	100,186	2.0	100,186	
	CTBC Financial Holding Co., Ltd.	-	Non-current financial assets at FVTOCI	86,000	5,108	-	5,108	
	<u>Corporate bonds</u>							
	Crédit Agricole Group	-	Non-current financial assets at amortized cost	-	60,234	-	60,234	
	TSMC Global Corp	-	Non-current financial assets at amortized cost	-	85,210	-	85,210	
	Sumitomo Mitsui Trust Bank Ltd.	-	Non-current financial assets at amortized cost	-	57,949	-	57,949	
	Estée Lauder Companies, Inc.	-	Non-current financial assets at amortized cost	-	26,708	-	26,708	
	United Bank of Switzerland London Branch	-	Non-current financial assets at amortized cost	-	31,009	-	31,009	
China Color Printing Co., Ltd.	<u>Ordinary shares</u>							
	China Development Financial Holding Corporation	-	Current financial assets at FVTOCI	9,959,081	124,986	0.1	124,986	
	China Parcel Co., Ltd.	-	Non-current financial assets at FVTOCI	463,917	2,430	10.8	2,430	
YFY Development Corp.	<u>Ordinary shares</u>							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	238,413,958	4,696,755	1.9	4,696,755	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	642,911	29,992	0.7	29,992	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	3,490,949	53,062	0.5	53,062	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at FVTOCI	1,542,258	10,827	1.3	10,827	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	5,250,000	49,169	5.5	49,169	
	Universal Venture Capital Investment Corporation	Note 1	Non-current financial assets at FVTOCI	5,600,000	47,585	4.7	47,585	
YFY Paradigm Investment Co., Ltd.	Everterminal Co., Ltd.	-	Non-current financial assets at FVTOCI	1,200,960	15,657	2.5	15,657	
	<u>Ordinary shares</u>							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at FVTOCI	167,461,362	3,298,989	1.4	3,298,989	
	Zhen Ding Technology Holding Limited	-	Current financial assets at FVTOCI	467,106	50,914	0.1	50,914	
	Medeon Biodesign, Inc.	-	Current financial assets at FVTOCI	164,643	7,681	0.2	7,681	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at FVTOCI	43,109	614	0.1	614	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at FVTOCI	17,654,353	268,346	2.5	268,346	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	1,370,730	27,997	5.6	27,997	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at FVTOCI	2,574,000	28,446	1.6	28,446	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at FVTOCI	1,050,000	18,323	3.5	18,323	
	Locus Publishing Company	Note 1	Non-current financial assets at FVTOCI	1,440,291	20,179	13.9	20,179	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at FVTOCI	1,000,000	9,925	1.1	9,925	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paradigm Investment Co., Ltd.	<u>Ordinary shares</u> Supercell Biotechnology Corporation Taiwan Stock Exchange Corporation	Note 1 -	Non-current financial assets at FVTOCI Non-current financial assets at FVTOCI	696,435 2,402	\$ 4,737 285	3.0 -	\$ 4,737 285	
Chung Hwa Pulp Corporation	<u>Ordinary shares</u> NTU Innovation & Incubation Co., Ltd. Groundhog Technologies Inc. SinoPac Financial Holdings Co., Ltd. TaiGen Biopharmaceuticals Holdings Ltd. Medeon Biodesign, Inc. KHL IB Venture Capital Co., Ltd. Direct Insight Inc.	Note 1 - - - - - - -	Non-current financial assets at FVTPL Non-current financial assets at FVTPL Current financial assets at FVTOCI Non-current financial assets at FVTOCI Non-current financial assets at FVTOCI Non-current financial assets at FVTOCI Non-current financial assets at FVTOCI	800,000 275,000 108,368,224 17,829,132 407,550 16,415,242 286,200	- - 2,134,854 271,003 19,012 161,003 3	6.3 1.0 0.9 2.5 0.4 14.9 0.9	- - 2,134,854 271,003 19,012 161,003 3	
Hwa Fong Investment Co., Ltd.	<u>Ordinary shares</u> Everest Technology Inc. SinoPac Financial Holdings Co., Ltd.	- -	Non-current financial assets at FVTPL Current financial assets at FVTOCI	150,000 2,467,287	- 48,606	0.2 -	- 48,606	
YFY Corporate Advisory & Services Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	5,384,607	77,005	-	77,005	
YFY Japan Co., Ltd.	<u>Ordinary shares</u> Beautone Japan Co., Ltd.	-	Non-current financial assets at FVTOCI	440	JPY 52,096 thousand	36.7	JPY 52,096 thousand	
Effion Enertech Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	14,734,903	210,724	-	210,724	
Genovella Renewables Inc.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	452,369	6,469	-	6,469	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	324,058	4,634	-	4,634	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	1,709,359	24,446	-	24,446	
Ensilience Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	2,320,236	33,182	-	33,182	
YFY Biotech Management Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at FVTPL	1,047,674	14,983	-	14,983	
	<u>Convertible bonds</u> Micareo Convertible Bonds	-	Non-Current financial assets at FVTPL	-	118,492	-	118,492	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Biotech Management Co., Ltd.	Ordinary shares							
	Neuro Sky, Inc.	-	Non-current financial assets at FVTOCI	48,308,183	\$ -	10.3	\$ -	
	Elixir Pharmaceuticals Inc.	-	Non-current financial assets at FVTOCI	2,662,558	-	2.2	-	
	Nereus Pharmaceuticals Inc.	-	Non-current financial assets at FVTOCI	1,682,602	-	0.9	-	
	ACM Medical Technologies, Inc.	-	Non-current financial assets at FVTOCI	760,000	-	7.3	-	
Arizon RFID Technology Co., Ltd.	Negotiable certificates of deposit							
	Industrial and Commercial Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2 in 2021	-	Current financial assets at amortized cost	-	RMB 22,000 thousand	-	RMB 22,000 thousand	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 017 in 2021	-	Current financial assets at amortized cost	-	RMB 15,000 thousand	-	RMB 15,000 thousand	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients No. 55 in 2021	-	Current financial assets at amortized cost	-	RMB 13,000 thousand	-	RMB 13,000 thousand	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 46 in 2022	-	Non-current financial assets at amortized cost	-	RMB 60,000 thousand	-	RMB 60,000 thousand	
	Bank of Communications RMB Large-denomination Certificate of Deposit for Corporate Clients No. 131 in 2022	-	Non-current financial assets at amortized cost	-	RMB 30,000 thousand	-	RMB 30,000 thousand	

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

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

(Concluded)

TABLE 5

YFY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Number of Shares	Amount	
YFY Inc.	Ordinary shares YFY Packaging Inc.	Note 1	YFY Packaging Inc.	Subsidiary	410,150,000	\$ 6,776,860	57,110,000	\$ 999,996	-	\$ -	\$ -	\$ -	\$ 389,521 (Note 2)	467,260,000	\$ 8,166,377	Note 3
Winsong Packaging Investment Company Limited	Ordinary shares YFY Packaging (Ha Nam) Co., Ltd.	Note 1	YFY Packaging (Ha Nam) Co., Ltd.	Subsidiary	-	US\$ 16,104 thousand	-	US\$ 10,000 thousand	-	-	-	-	US\$ 1,695 thousand (Note 2)	-	US\$ 27,799 thousand	Note 3
YFY Packaging (Yangzhou) Investment Co., Ltd.	Stock certificate YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	-	RMB 280,585 thousand	-	RMB 156,240 thousand	-	-	-	-	RMB (219,181) thousand (Note 2)	-	RMB 217,644 thousand	Note 3

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

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

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



TABLE 6

## YFY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 a	Sales	\$ 864,795	13	In agreed terms	\$ -	-	\$ 199,902	8	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 a	Sales	460,239	7	In agreed terms	-	-	169,105	7	-
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 a	Sales	338,875	5	In agreed terms	-	-	28,280	1	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 a	Sales	134,225	2	In agreed terms	-	-	22,370	1	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 a	Sales	404,571	6	In agreed terms	-	-	216,638	9	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Note 1 a	Sales	367,755	5	In agreed terms	-	-	155,751	7	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Note 1 a	Sales	420,852	6	In agreed terms	-	-	195,457	8	-
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 a	Sales	3,360,069	49	In agreed terms	-	-	983,163	41	-
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 a	Sales	174,252	3	In agreed terms	-	-	81,923	3	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 a	Sales	210,174	3	In agreed terms	-	-	76,956	3	-
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	801,597	7	3 months after transaction month	-	-	139,562	7	-
	Chung Hwa Pulp Corporation	Note 1 b	Sales	381,530	3	2 months after transaction month	-	-	99,467	5	-
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 1 b	Sales	538,896	5	In agreed terms	-	-	60,015	3	-
Chung Hwa Pulp Corporation	YFY Development Corp.	Note 1 b	Sales	627,247	3	Half month after transaction month	-	-	41,881	1	-
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	536,842	3	2 months after transaction month	-	-	110,473	4	-
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 a	Sales	1,776,651	10	5 months after transaction month	-	-	996,454	32	-
	Union Paper Corp.	Note 1 b	Sales	734,996	4	1 month after transaction month	-	-	67,509	2	-
	Yuen Foong Paper Co., Ltd.	Note 1 c	Sales	160,011	1	1 month after transaction month	-	-	57,756	2	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	1,779,304	35	In agreed terms	-	-	222,511	44	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	Note 1 b	Sales	256,411	39	In agreed terms	-	-	52,226	26	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	308,537	99	In agreed terms	-	-	108,926	99	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 1 b	Sales	307,748	79	2 months after transaction month	-	-	104,166	100	-
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	724,313	98	In agreed terms	-	-	62,656	95	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	2,335,297	88	In agreed terms	-	-	219,650	88	-
	YFY Family Care (Kunshan) Co., Ltd.	Note 1 b	Sales	319,242	12	In agreed terms	-	-	29,234	12	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	658,977	10	In agreed terms	-	-	144,828	15	-

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	\$ 367,232	4	In agreed terms	\$ -	-	\$ 131,238	6	-
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	348,291	4	In agreed terms	-	-	77,367	3	-
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	218,886	2	In agreed terms	-	-	119,898	5	-
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Note 1 b	Sales	156,119	2	In agreed terms	-	-	28,830	1	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	Note 1 b	Sales	113,020	25	In agreed terms	-	-	108,869	57	-
Union Paper Corp.	Chung Hwa Pulp Corporation	Note 1 b	Sales	126,753	7	1 month after transaction month	-	-	18,573	8	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	221,735	25	4 months after transaction month	-	-	108,949	36	-
YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	Note 1 b	Sales	319,999	92	In agreed terms	-	-	-	-	-
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Note 1 a	Sales	207,656	12	In agreed terms	-	-	76,188	20	-
YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	Note 1 b	Sales	172,558	11	In agreed terms	-	-	32,579	8	-
YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	Note 1 b	Sales	105,945	32	In agreed terms	-	-	11,323	18	-

Note 1: The relationships are as follows:

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

Note 2: Unless otherwise specified, in preparing the consolidated financial statements, the transaction has been eliminated.

(Concluded)

**TABLE 7**

**YFY INC. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**DECEMBER 31, 2023**  
**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	\$ 139,562	5.41	\$ -	-	\$ 138,895	\$ -	-
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	996,454	2.05	-	-	208,814	-	-
	Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	110,473	3.20	-	-	85,461	-	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	119,898	1.29	-	-	12,448	-	-
	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	131,238	1.70	-	-	16,775	-	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	983,163	2.86	-	-	680,301	-	-
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	199,902	3.60	-	-	158,284	-	-
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	195,457	1.92	-	-	194,758	-	-
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	216,638	2.40	-	-	181,019	-	-
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	169,105	2.69	-	-	35,230	-	-
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	155,751	3.00	-	-	27,929	-	-
Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	108,949	2.07	-	-	21,103	-	-
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	144,828	4.45	-	-	144,828	-	-
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	222,511	9.97	-	-	222,511	-	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	219,650	9.21	-	-	219,650	-	-
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	108,926	2.54	-	-	80,771	-	-
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	104,166	2.98	-	-	104,166	-	-
Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	108,869	2.08	-	-	-	-	-

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

TABLE 8

## YFY INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	\$ 5,715,988	\$ 5,715,988	627,827,088	57.8	\$ 8,816,334	\$ (573,395)	\$ (334,255)	Notes 1, 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	59.1	3,331,343	965,992	571,376	Notes 1, 3 and 4
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	71,687	71,687	50,968,248	48.0	2,812,951	(107,862)	(51,182)	Notes 1, 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.7	5,721,460	7,814,326	914,500	Note 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.0	14,267,098	(424,953)	(424,953)	Notes 1, 3 and 4
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	7,451,802	6,451,806	467,260,000	100.0	8,166,377	498,033	499,334	Notes 1, 3 and 4
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.0	7,810,942	404,519	404,519	Notes 1, 3 and 4
	YFY Development Corp.	Taipei, Taiwan	Real estate investment and development	2,311,115	2,311,115	223,300,000	100.0	6,039,451	379,969	379,969	Notes 1, 3 and 4
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	192,358,000	100.0	4,260,190	174,630	174,630	Notes 1, 3 and 4
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	607,641	607,641	70,000,000	100.0	470,929	(27,902)	(25,890)	Notes 1, 3 and 4
	China Color Printing Co., Ltd.	New Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.7	452,259	(9,913)	(4,922)	Notes 1, 3 and 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.9	237,531	(8,220)	(1,553)	Notes 1, 3 and 4
	Ensilience Co., Ltd.	Taipei, Taiwan	Renewable energy self-use power generation equipment industry, energy technology service industry	150,000	150,000	15,000,000	100.0	132,133	(17,860)	(17,860)	Notes 1, 3, and 4
	Fidelis IT Solutions Co., Ltd.	Taipei, Taiwan	1. Provides services in information software and information processing. 2. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.0	84,428	9,780	9,780	Notes 1, 3 and 4
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.9	73,559	7,681	3,913	Notes 1, 3 and 4
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.0	72,490	550	550	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.0	53,182	19,936	19,936	Notes 1, 3 and 4
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.0	49,794	113	113	Notes 1, 3 and 4
YFY International B.V.	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.0	35,511	2,383	2,383	Notes 1, 3 and 4
	FS-TECH Company Ltd.	Tainan, Taiwan	Provides services in information software and information processing.	22,400	-	1,153,940	34.6	22,877	(1,424)	477	Note 4
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	5,613	-	-	-	77	15	Note 8
YFY Cayman Co., Ltd.	Hwa Fong Paper (Hong Kong) Co., Ltd.	Hong Kong, China	Sale and print of paper merchandise	US\$ 13,520 thousand	US\$ 13,520 thousand	116,000,000	100.0	US\$ 918 thousand	US\$ (162) thousand	US\$ (162) thousand	Notes 1, 3 and 4
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US\$ 90 thousand	US\$ 90 thousand	90,000	60.0	US\$ 2 thousand	US\$ (2) thousand	US\$ (1) thousand	Notes 1, 3 and 4
	YFY Mauritius Corp.	Mauritius	Investment and holding	US\$ 196,334 thousand	US\$ 196,334 thousand	312,501,731	100.0	US\$ 129,399 thousand	US\$ (23,805) thousand	US\$ (23,805) thousand	Notes 1, 3 and 4
Winsong Packaging Investment Company Limited	Willpower Industries Ltd.	British Virgin Islands	Sale of various paper products	US\$ 82,438 thousand	US\$ 82,438 thousand	19,100,000	100.0	US\$ 69,950 thousand	US\$ 9,367 thousand	US\$ 9,367 thousand	Notes 1, 3 and 4
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US\$ 20,370 thousand	US\$ 20,370 thousand	20,370,000	70.0	US\$ 20,975 thousand	US\$ 2,796 thousand	US\$ 1,957 thousand	Notes 1, 3 and 4
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 27,900 thousand	US\$ 17,900 thousand	-	100.0	US\$ 27,799 thousand	US\$ 2,495 thousand	US\$ 2,495 thousand	Notes 1, 3 and 4
	YFY Packaging Thai Binh Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	-	100.0	US\$ 2,149 thousand	US\$ 200 thousand	US\$ 200 thousand	Notes 1, 3 and 4
Perpetual Prosperity Printing Technology Co., 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	-	100.0	US\$ 11,300 thousand	US\$ 1,400 thousand	US\$ 1,400 thousand	Notes 1, 3 and 4
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 8,700 thousand	US\$ 8,700 thousand	-	100.0	US\$ 53,996 thousand	US\$ 8,282 thousand	US\$ 8,282 thousand	Notes 1, 3 and 4
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US\$ 4,500 thousand	US\$ 4,500 thousand	4,500,000	24.0	US\$ 2,753 thousand	US\$ (1,279) thousand	US\$ (307) thousand	Note 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	-	100.0	VND 73,560,389 thousand	VND (10,504,794) thousand	VND (10,504,794) thousand	Notes 1, 3 and 4
	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	-	100.0	VND640,381,315 thousand	VND100,405,057 thousand	VND100,405,057 thousand	Notes 1, 3 and 4
	YFY Packaging (Quang Ngai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 4,000 thousand	-	-	100.0	VND 95,122,426 thousand	VND 1,002,426 thousand	VND 1,002,426 thousand	Notes 1, 3, 4 and 5
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK\$ 10 thousand	HK\$ 10 thousand	10,000.	100.0	US\$ 4,309 thousand	US\$ 3,423 thousand	US\$ 3,423 thousand	Notes 1, 3 and 4
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.0	US\$ 7,596 thousand	US\$ (342) thousand	US\$ (342) thousand	Notes 1, 3 and 4
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	59.0	US\$ 6,421 thousand	US\$ 2,242 thousand	US\$ 1,321 thousand	Notes 1, 3 and 4
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.0	US\$ 1,636 thousand	US\$ 363 thousand	US\$ 363 thousand	Notes 1, 3 and 4
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.0	US\$ 2,205 thousand	US\$ 1,086 thousand	US\$ 1,075 thousand	Notes 1, 3 and 4
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.0	US\$ 18 thousand	US\$ 347 thousand	US\$ 3 thousand	Notes 3 and 4
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	-	-	2	0.01	-	US\$ (179) thousand	-	Notes 1, 3, 4 and 7
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.0	-	US\$ (4,779) thousand	US\$ (48) thousand	Notes 2, 3 and 4
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 413 thousand	US\$ 403 thousand	US\$ 141 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 125 thousand	US\$ 25 thousand	US\$ 9 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.0	US\$ 22 thousand	US\$ 1,086 thousand	US\$ 11 thousand	Notes 3 and 4
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.0	-	US\$ (4,779) thousand	US\$ (4,731) thousand	Notes 1, 2, 3 and 4
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.0	US\$ 1,772 thousand	US\$ 347 thousand	US\$ 344 thousand	Notes 1, 3 and 4
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.0	US\$ 1,006 thousand	US\$ 873 thousand	US\$ 873 thousand	Notes 1, 3 and 4
	Winshine Jupiter Co., Ltd.	Thailand	Manufacture and sale of packaging materials	THB 10,000 thousand	-	100,000	20.0	US\$ 241 thousand	US\$ (297) thousand	US\$ (59) thousand	-
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	THB 10,709 thousand	-	2,099,998	99.99	US\$ 133 thousand	US\$ (179) thousand	US\$ (179) thousand	Notes 1, 3, 4 and 7
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.0	US\$ 4,442 thousand	US\$ 617 thousand	US\$ 617 thousand	Notes 1, 3 and 4
	Jupiter Prestige Group North America Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.0	US\$ 1,823 thousand	US\$ 557 thousand	US\$ 557 thousand	Notes 1, 3 and 4
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.0	US\$ 453 thousand	US\$ 55 thousand	US\$ 55 thousand	Notes 1, 3 and 4
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousand	825	82.5	US\$ 654 thousand	US\$ 769 thousand	US\$ 635 thousand	Notes 1, 3 and 4
	Foster and Baylis (Prestige) Limited	United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US\$ 357 thousand	US\$ 307 thousand	US\$ 156 thousand	Notes 1, 3 and 4
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.0	US\$ 2,832 thousand	US\$ 195 thousand	US\$ 195 thousand	Notes 1, 3 and 4
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand Design	US\$ 66 thousand	US\$ 66 thousand	-	80.0	US\$ 565 thousand	US\$ 429 thousand	US\$ 343 thousand	Notes 1, 3 and 4
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.0	US\$ 174 thousand	US\$ 72 thousand	US\$ 72 thousand	Notes 1, 3 and 4
	Opal BPM Consulting Limited	United Kingdom	Consulting services of workflow system coding	GBP 1 thousand	GBP 1 thousand	1,000	100.0	US\$ 1 thousand	-	-	Notes 1, 3 and 4
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.8	427,997	88,354	60,561	Notes 1, 3 and 4
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,726,617	2,726,617	81,365,601	100.0	2,825,266	353,534	353,534	Notes 1, 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Global Investment B.V.	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	US\$ 90,733 thousand	US\$ 91,230 thousand	45,694,935	61.49	US\$ 104,361 thousand	US\$ 14,378 thousand	US\$ 9,108 thousand	Notes 1, 3 and 4
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Cayman Islands	Investment and holding	US\$ 16,862 thousand	US\$ 16,862 thousand	50,997,606	78.4	US\$ 29,585 thousand	US\$ (438) thousand	US\$ (353) thousand	Notes 1, 3 and 4
	YFY RFID Technologies Co., Ltd.	British Virgin Islands	Investment and holding	US\$ 5,330 thousand	US\$ 5,330 thousand	5,330,000	100.0	US\$ 360 thousand	-	-	Notes 1, 3 and 4
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	100.0	RMB 1,003,566 thousand	RMB 98,077 thousand	RMB 93,951 thousand	Notes 1, 3 and 4
	Arizon Corporation	USA	Product distribution and technical consulting services	US\$ 100 thousand	-	1,000	100.0	RMB 886 thousand	RMB 177 thousand	RMB 177 thousand	Notes 1, 3, 4 and 9
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Hong Kong, China	Product distribution and R&D services	US\$ 22,000 thousand	US\$ 22,000 thousand	22,000,000	100.0	RMB 98,487 thousand	RMB (9,163) thousand	RMB (9,877) thousand	Notes 1, 3 and 4
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.0	RMB 1,661 thousand	RMB 334 thousand	RMB 334 thousand	Notes 1, 3 and 4
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Taipei, Taiwan	Sale and design of RFID (radio frequency identification) products	US\$ 1,187 thousand	US\$ 1,187 thousand	2,500,001	100.0	US\$ 154 thousand	US\$ 1 thousand	US\$ 1 thousand	Notes 1, 3 and 4
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,845,458	3,845,458	150,013,000	100.0	3,208,043	37,567	37,567	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	261,902	37,767	38,724	Notes 1, 3 and 4
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.0	96,668	37,715	38,533	Notes 1, 3 and 4
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.0	-	-	-	Notes 1, 3 and 4
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited Livebricks Inc.	Hong Kong, China	General trade	-	-	-	100.0	-	-	-	Notes 1, 3 and 4
		Taipei, Taiwan	Information processing services	1,879	-	200,002	100.0	15,231	13,272	13,313	Notes 1, 3, 4 and 6
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	10,568	10,568	1,500,000	100.0	11,194	131	131	Notes 1, 3 and 4
YFY Development Corp.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	15,206	15,206	1,181,633	0.1	16,485	(573,395)	(630)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	1.9	108,294	965,992	18,574	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.0	1,054,531	7,814,326	159,821	Note 4
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	1,625	-	-	-	77	2	Note 8
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,015	447,933	620	Notes 3 and 4
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.0	120,389	2,257	2,257	Notes 1, 3 and 4
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.0	-	(38,722)	-	Note 4
	Fun Spring Circuteck Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	47,500	47,500	4,750,000	95.0	34,510	(13,639)	(12,957)	Notes 1, 3 and 4
YFY Paradigm Investment Co., Ltd.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	79,242	79,242	7,752,732	0.7	108,175	(573,395)	(4,131)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	281,907	281,907	17,386,815	6.5	366,582	965,992	62,874	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.7	527,336	7,814,326	53,936	Note 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.1	51,951	(8,220)	(340)	Notes 3 and 4
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.0	212,102	(12,388)	(12,388)	Notes 1, 3 and 4
	Livebricks Inc.	Taipei, Taiwan	Information processing services	-	2,000	-	-	-	13,272	(41)	Notes 3, 4 and 6
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	425	-	-	-	77	1	Note 8
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	107	7,681	6	Notes 3 and 4
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	212	88,354	29	Notes 3 and 4
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,015	447,933	620	Notes 3 and 4
	FS-TECH Company Ltd.	Tainan, Taiwan	Provides services in information software and information processing.	100	-	10,000	0.3	104	(1,424)	4	Note 4
San Ying Enterprise Co., Ltd.	Fun Spring Circuteck Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	2,500	2,500	250,000	5.0	1,816	(13,639)	(682)	Notes 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Chung Hwa Pulp Corporation	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	\$ 329,000	\$ 329,000	20,000,000	1.8	\$ 762,120	\$ 7,814,326	\$ 137,032	Note 4
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.0	5,308,450	123,619	128,616	Notes 1, 3 and 4
	Hwa Fong Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	36,000	36,000	6,600,000	100.0	113,244	9,026	9,026	Notes 1, 3 and 4
CHP International (BVI) Corporation	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.0	US\$ 196 thousand	US\$ (75) thousand	US\$ (75) thousand	Notes 1, 3 and 4
Hwa Fong Investment Co., Ltd.	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	63,571	55,659	9,027,682	8.7	109,495	(8,220)	(566)	Notes 3 and 4
	Genovella Renewables Inc.	Hualien, Taiwan	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	5,000	5,000	-	100.0	25,221	3,426	3,426	Notes 1, 3 and 4

- Note 1:     Subsidiary.
- Note 2:     The amount was reclassified from investments accounted for using the equity method to other liabilities.
- Note 3:     In preparing the consolidated financial statements, the transaction has been eliminated.
- Note 4:     Recognized from financial statements audited by the auditors for the same periods.
- Note 5:     YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.
- Note 6:     YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.
- Note 7:     YFY Jupiter (Thailand) Co., Ltd has been included in the consolidated financial statements since June 2023.
- Note 8:     YFY Inc., YFY Development Corp. and YFY Paradigm Investment Co., Ltd. disposed of all of its investments in Taiwan Genome Sciences, Inc., which has been completed in February 2023.
- Note 9:     Arizon Corporation has been included in the consolidated financial statements since August 2023.

(Concluded)

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Information on investments in mainland China

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 153,525 (US\$ 5,000 thousand)	a.(a)	\$ 46,058 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 46,058 (US\$ 1,500 thousand)	\$ (55,761)	100.0	\$ (55,761) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	337,755 (US\$ 11,000 thousand)	a.(b)	214,935 (US\$ 7,000 thousand)	-	-	214,935 (US\$ 7,000 thousand)	(184)	100.0	(184) (Note 2)	403,549	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	214,935 (US\$ 7,000 thousand)	a.(b)	214,935 (US\$ 7,000 thousand)	-	-	214,935 (US\$ 7,000 thousand)	(20,570)	100.0	(20,570) (Note 2)	220,320	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	245,640 (US\$ 8,000 thousand)	a.(b)	245,640 (US\$ 8,000 thousand)	-	-	245,640 (US\$ 8,000 thousand)	71,582	100.0	71,582 (Note 2)	420,101	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	184,230 (US\$ 6,000 thousand)	a.(b)	61,410 (US\$ 2,000 thousand)	-	-	61,410 (US\$ 2,000 thousand)	(8,804)	100.0	(8,804) (Note 2)	239,536	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	245,640 (US\$ 8,000 thousand)	a.(b)	249,110 (US\$ 8,113 thousand)	-	-	249,110 (US\$ 8,113 thousand)	45,442	100.0	45,442 (Note 2)	349,621	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	245,640 (US\$ 8,000 thousand)	a.(b)	245,640 (US\$ 8,000 thousand)	-	-	245,640 (US\$ 8,000 thousand)	53,136	100.0	53,136 (Note 2)	416,879	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	305,791 (US\$ 9,959 thousand)	a.(n)	276,345 (US\$ 9,000 thousand)	-	-	276,345 (US\$ 9,000 thousand)	92,786	100.0	92,786 (Note 2)	488,616	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	291,698 (US\$ 9,500 thousand)	a.(b)	230,288 (US\$ 7,500 thousand)	-	-	230,288 (US\$ 7,500 thousand)	22,680	93.8	21,263 (Note 2)	343,684	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	199,583 (US\$ 6,500 thousand)	a.(b)	199,583 (US\$ 6,500 thousand)	-	-	199,583 (US\$ 6,500 thousand)	(10,745)	100.0	(10,745) (Note 2)	229,490	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	184,230 (US\$ 6,000 thousand)	a.(b)	147,384 (US\$ 4,800 thousand)	-	-	147,384 (US\$ 4,800 thousand)	62,230	100.0	62,230 (Note 2)	377,398	-

(Continued)



Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 153,525 (US\$ 5,000 thousand)	a.(a)	\$ 153,525 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 153,525 (US\$ 5,000 thousand)	\$ (32,374)	100.0	\$ (32,374) (Note 2)	\$ 51,658	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	9,919,926 (US\$ 323,072 thousand)	a.(a)	2,671,335 (US\$ 87,000 thousand)	-	-	2,671,335 (US\$ 87,000 thousand)	(653,417)	100.0	(653,417) (Note 2)	4,213,685	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	10,645,270 (US\$ 346,695 thousand)	a.(b)	7,522,725 (US\$ 245,000 thousand)	-	-	7,522,725 (US\$ 245,000 thousand)	(965,796)	100.0	(969,653) (Note 2)	943,532	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	457,505 (US\$ 14,900 thousand)	a.(c)	430,054 (US\$ 14,006 thousand)	-	-	430,054 (US\$ 14,006 thousand)	5,147	94.0	4,838 (Note 2)	341,194	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	245,640 (US\$ 8,000 thousand)	a.(c)	245,640 (US\$ 8,000 thousand)	-	-	245,640 (US\$ 8,000 thousand)	2,244	100.0	2,244 (Note 2)	105,719	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	842,288 (RMB 194,290 thousand)	a.(e)	779,661 (US\$ 25,392 thousand)	-	-	779,661 (US\$ 25,392 thousand)	433,436	61.7	274,664 (Note 2)	2,672,478	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	34,682 (RMB 8,000 thousand)	a.(f)	-	-	-	-	(208)	61.7	(134) (Note 2)	37,795	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	10,747 (US\$ 350 thousand)	a.(g)	-	-	-	-	98,223	78.4	78,200 (Note 2)	113,061	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,670 (RMB 2,000 thousand)	a.(h)	-	-	-	-	28,537	78.4	22,525 (Note 2)	52,132	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	21,676 (RMB 5,000 thousand)	a.(h)	-	-	-	-	10,541	78.4	8,481 (Note 2)	33,680	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,503 (RMB 1,500 thousand)	a.(h)	-	-	-	-	(246)	27.5	(64) (Note 6)	2,998	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(h)	-	-	-	-	(296)	27.5	(78) (Note 6)	110	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	8,670 (RMB 2,000 thousand)	a.(h)	-	-	-	-	(6,852)	27.5	(1,833) (Note 6)	3,527	-

(Continued)

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
YFY Investment Co., Ltd.	Investment and holding and sale of paper	\$ 3,531,075 (US\$ 115,000 thousand)	a.(i)	\$ 3,531,075 (US\$ 115,000 thousand)	\$ -	\$ -	\$ 3,531,075 (US\$ 115,000 thousand)	\$ (21,478)	67.6	\$ (14,515) (Note 2)	\$ 1,409,968	\$ -
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	921,150 (US\$ 30,000 thousand)	a.(j)	921,150 (US\$ 30,000 thousand)	-	-	921,150 (US\$ 30,000 thousand)	14,718	67.6	9,946 (Note 2)	204,407	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	921,150 (US\$ 30,000 thousand)	a.(j)	921,150 (US\$ 30,000 thousand)	-	-	921,150 (US\$ 30,000 thousand)	70,743	67.6	47,808 (Note 2)	874,725	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,629,269 (US\$ 85,630 thousand)	a.(k)	675,510 (US\$ 22,000 thousand)	-	-	675,510 (US\$ 22,000 thousand)	29,470	75.2	22,147 (Note 2)	3,501,198	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	671,825 (US\$ 21,880 thousand)	a.(l)	226,603 (US\$ 7,380 thousand)	-	-	226,603 (US\$ 7,380 thousand)	52,700	75.2	39,605 (Note 2)	2,270,701	-
Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	143,062 (RMB 33,000 thousand)	a.(o)	-	-	-	-	-	50.4	- (Note 2)	72,034	-
Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	8,670 (RMB 2,000 thousand)	a.(d)	-	-	-	-	4,343	75.2	3,264 (Note 2)	15,046	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	13,873 (RMB 3,200 thousand)	a.(d)	-	-	-	-	(31,639)	75.2	(23,777) (Note 2)	78,388	-
YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.)	Supply chain management information and business management related consulting services	216,761 (RMB 50,000 thousand)	a.(m)	216,761 (RMB 50,000 thousand)	-	-	216,761 (RMB 50,000 thousand)	1,340	-	1,340 (Note 8)	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Notes 1 and 5)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$16,808,455	\$22,094,235	\$47,846,974

(Continued)

- Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$31.154833 or RMB1=NT\$4.423988, the rest were translated at exchange rates of US\$1=NT\$30.705 or RMB1=NT\$4.335211 as of December 31, 2023.
- Note 2: Recognized from financial statements audited by the auditors for the same periods.
- Note 3: Difference between the amount of the paid-in capital multiplied by percentage of ownership and the cumulative amount of investment exports from Taiwan at the end of year: Guangdong Dingfung Pulp & Paper Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. capitalized retained earnings; YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd. and YFY Paper Enterprise (Fuzhou) Co., Ltd. are subsidiaries reinvested earnings from China. YFY Jupiter (Shenzhen) Ltd. was acquired indirectly due to the acquirement of YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc).
- Note 4: Methods of investment and the related investors are as follow:
- 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 Co., Ltd (j) YFY Investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) YFY Capital Holdings Corp. (n) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (o) Zhaoqing Dingfung Forestry Co., Ltd.
- Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of \$3,618,062 thousand made by investor of mainland China has been deducted.
- Note 6: Recognized from financial statements in the same period that have not been audited.
- Note 7: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.
- Note 8: YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group’s loss of control, it has not been included in the consolidated financial statements since August 2023.
2. Investment in mainland China’s significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6, 7 and 10.

(Concluded)

**TABLE 10**

**YFY INC. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales	\$ 801,597	By market price	1.1
				Accounts receivable	139,562	3 months after transaction month	0.1
		Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	381,530	By market price	0.5
		YFY Packaging (Yangzhou) Investment Co., Ltd.	The same ultimate parent company	Sales	538,896	By market price	0.7
2	Chung Hwa Pulp Corporation	YFY Development Corp.	The same ultimate parent company	Sales	627,247	By market price	0.8
		Shenzhen Jinglun Paper Co., Ltd.	Subsidiary	Sales	1,776,651	By market price	2.4
				Accounts receivable	996,454	5 months after transaction month	0.7
		Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	Sales	536,842	By market price	0.7
				Accounts receivable	110,473	2 months after transaction month	0.1
		Union Paper Corp.	The same ultimate parent company	Sales	734,996	By market price	1.0
3	Shin Foong Specialty and Applied Materials Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	221,735	By market price	0.3
				Accounts receivable	108,949	4 months after transaction month	0.1
4	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	724,313	By market price	1.0
5	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	1,779,304	By market price	2.4
				Accounts receivable	222,511	In agreed terms	0.2
6	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	2,335,297	By market price	3.2
				Accounts receivable	219,650	In agreed terms	0.2
		YFY Family Care (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	319,242	By market price	0.4
7	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Enterprise (Kunshan) Co., Ltd.	The same ultimate parent company	Sales	256,411	By market price	0.3
8	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary	Sales	3,360,069	By market price	4.5
				Accounts receivable	983,163	In agreed terms	0.7
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Subsidiary	Sales	864,795	By market price	1.2
				Accounts receivable	199,902	In agreed terms	0.1
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Subsidiary	Sales	460,239	By market price	0.6
				Accounts receivable	169,105	In agreed terms	0.1
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Subsidiary	Sales	338,875	By market price	0.5
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Subsidiary	Sales	420,852	By market price	0.6
				Accounts receivable	195,457	In agreed terms	0.1

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Subsidiary	Sales	\$ 367,755	By market price	0.5
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Subsidiary	Accounts receivable	155,751	In agreed terms	0.1
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Subsidiary	Sales	404,571	By market price	0.5
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Subsidiary	Accounts receivable	216,638	In agreed terms	0.2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary	Sales	134,225	By market price	0.2
				Sales	174,252	By market price	0.2
				Sales	210,174	By market price	0.3
9	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	658,977	By market price	0.9
				Accounts receivable	144,828	In agreed terms	0.1
10	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Sales	307,748	By market price	0.4
				Accounts receivable	104,166	2 months after transaction month	0.1
11	YFY Japan Co., Ltd.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	319,999	By market price	0.4
12	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	Sales	367,232	By market price	0.5
		YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	Accounts receivable	131,238	In agreed terms	0.1
		YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	Sales	218,886	By market price	0.3
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	The same ultimate parent company	Accounts receivable	119,898	In agreed terms	0.1
				Sales	348,291	By market price	0.5
				Sales	156,119	By market price	0.2
13	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Sales	308,537	By market price	0.4
				Accounts receivable	108,926	In agreed terms	0.1
14	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Arizon Corporation	The same ultimate parent company	Sales	113,020	By market price	0.2
				Accounts receivable	108,869	In agreed terms	0.1
15	Union Paper Corp.	Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	126,753	By market price	0.2
16	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Subsidiary	Sales	207,656	By market price	0.3
17	YFY Packaging (Ha Nam) Co., Ltd.	YFY Packaging Thai Binh Co., Ltd.	The same ultimate parent company	Sales	172,558	By market price	0.2
18	YFY Packaging Thai Binh Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd.	The same ultimate parent company	Sales	105,945	By market price	0.1

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

(Concluded)

**TABLE 11****YFY INC.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	131,002,028	7.88
Hsin-Yi Foundation	94,004,485	5.66

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