



2024 Annual General Meeting of Shareholders

Meeting Handbook

2024/06/20

Note: This is a translation of the meeting handbook of the 2024 Annual general meeting of shareholders of YFY INC. This translation is intended for reference only and nothing else, the company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the handbook shall govern all and any matters related to the interpretation of the subject matter stated herein.

Table of Contents

Meeting Agenda	3
I. Items to Report	4
(I) YFY's 2023 Business Report is presented for review. (Proposed by the Board of Directors)	4
(II) Audit Committee's Review of 2023 Financial Statements is presented for review. (Proposed by the Audit Committee)	4
(III) YFY's 2023 Distribution of Cash Dividends is presented for review. (Proposed by the Board of Directors)	4
(IV) YFY's 2023 Distribution of Remuneration to Employees and Directors is presented for review. (Proposed by the Board of Directors)	4
(V) Report on YFY's amendment of "Board of Directors Meeting Procedures" is presented for review. (Proposed by the Board of Directors)	5
II. Ratifications	5
(I) YFY's 2023 Financial Statements are presented for ratification. (Proposed by the Board of Directors)	5
(II) YFY's 2023 Earnings Distribution Proposal is presented for ratification. (Proposed by the Board of Directors)	5
III. Discussions and Elections	6
(I) 29 th election for 4 director seats and 3 independent director seats. (Proposed by the Board of Directors)	6
(II) Proposal to remove the non-competition restriction for YFY's new directors and the institutional entities they represent is hereby presented for resolution. (Proposed by the Board of Directors)	7
IV. Extraordinary Motions	7
Appendixes	7
1. Business Report	8
2. CONSOLIDATED BALANCE SHEETS	11
3. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	12
4. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	15
5. CONSOLIDATED STATEMENTS OF CASH FLOWS	16
6. BALANCE SHEETS	19
7. STATEMENTS OF COMPREHENSIVE INCOME	20
8. STATEMENTS OF CHANGES IN EQUITY	22
9. STATEMENTS OF CASH FLOWS	23
10. 2023 Statement of Earnings Distribution	25
11. CPA's Audit Report-Consolidated Financial Statements	26
12. Audit Committee's Review Report	34
13. Board of Directors Meeting Procedures	35
14. List of Director and Independent Director Candidates	41
15. YFY Inc. Election Rules for Directors	44
16. The Content Of The Proposal To Remove The Competition For The Company's Directors	46
17. Rules of Procedure for Shareholders' Meetings	48
18. Articles of Incorporation	61
19. Current Shareholding of Directors of YFY Inc.	66

(For the complete Financial Report, please visit: <http://mops.twse.com.tw>)

The Agenda of YFY INC. 2024 Annual General Meeting of Shareholders

Meeting Agenda

Time: June 20, 2024(Thursday) 9:00 A.M.

Location: 5F, No. 24, Section 1, Hangzhou South Road, Zhongzheng District, Taipei City

GIS MOTC Convention Center

Method for convening: Physical

Meeting Procedure:

I. Meeting Called to Order

II. Chairperson Taking Seat

III. Chairperson's Remarks

IV. Items to Report

(I) YFY's 2023 Business Report is presented for review.

(II) Audit Committee's Review of 2023 Financial Statements are presented for review.

(III) YFY's 2023 Distribution of Cash Dividends is presented for review.

(IV) YFY's 2023 Distribution of Remuneration to Employees and Directors is presented for review.

(V) Report on YFY's amendment of "Board of Directors Meeting Procedures" is presented for review.

V. Ratifications

(I) YFY's 2023 Financial Statements are presented for ratification.

(II) YFY's 2023 Earnings Distribution Proposal is presented for ratification.

VI. Discussions and elections

(I) 29th election for 4 director seats, 3 independent director seats.

(II) Proposal to remove the non-competition restriction for YFY's new directors and the institutional entities they represent is hereby presented for resolution.

VII. Extraordinary Motions

VIII. Meeting Adjourned

I. Items to Report

(I) YFY's 2023 Business Report is presented for review. (Proposed by the Board of Directors)

- Description:1. YFY's 2023 consolidated revenue was reported at NT\$73,867,374 thousand (currency is assumed to be New Taiwan Dollars (NT\$) hereinafter), gross profit at NT\$10,083,296 thousand, operating income at NT\$137,065 thousand, net profit for the current year at NT\$2,100,339 thousand, of which NT\$1,826,693 thousand was attributed to the owners' net profit; the earnings per share was NT\$1.10.
2. The Business Report can be found in Appendix 1 of the Handbook (please refer to page 8 to 10).
3. Please review.

(II) Audit Committee's Review of 2023 Financial Statements is presented for review. (Proposed by the Audit Committee)

- Description:1. YFY's 2023 consolidated and individual financial statements have been audited and certified by CPAs, and have been reviewed and examined by the Audit Committee along with the Business Report and Proposal for Earnings Distribution. Audit and review reports have been submitted and are attached in Appendixes 11 to 12 (please refer to page 26 to 34).
2. The Audit Committee's convener is requested to read out the review reports and the reports are presented for review.

(III) YFY's 2023 Distribution of Cash Dividends is presented for review. (Proposed by the Board of Directors)

- Description:1. In accordance with YFY's Articles of Incorporation, cash dividends are distributed upon the resolution of the Board of Directors and reported to the shareholders' meeting. YFY has passed the resolution at the 16th meeting of the 28th Board of Directors held on March 14, 2024 to distribute 2023 cash dividends of NT\$0.9 per share, set the ex-dividend date on July 19, 2024 and the dividend payment date on August 9, 2024.
2. Please review.

(IV) YFY's 2023 Distribution of Remuneration to Employees and Directors is presented for review. (Proposed by the Board of Directors)

- Description:1. In accordance with YFY's Articles of Incorporation, YFY shall distribute NT\$1,981,000 (currency is assumed to be New Taiwan Dollars (NT\$) hereinafter) as the 2023 remuneration for employees and NT\$22,000,000 as the remuneration for directors, which was approved at the 10th meeting of the 5th Remuneration Committee held on March 12, 2024 and resolved at the 16th board meeting of the 28th Board of Directors held on March 14, 2024.
2. Please review.

(V) Report on YFY's amendment of "Board of Directors Meeting Procedures" is presented for review. (Proposed by the Board of Directors)

- Description: 1. In response to January 11, 2024 Order No. Financial Supervisory Securities Corporate 1120383996 of the Financial Supervisory Commission, the competent authorities made amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". The 16th board meeting of the 28th Board of Directors held on March 14, 2024, approved of the amendments on the Company's "Board of Directors Meeting Procedures."
2. The amended "Board of Directors Meeting Procedures" and amendment chart are attached in Appendix 13 (please refer to pages 35 to 39).
3. Please review.

II. Ratifications

(I) YFY's 2023 Financial Statements are presented for ratification. (Proposed by the Board of Directors)

- Description: 1. YFY's 2023 consolidated and individual financial statements have been audited by CPAs, and along with the Business Report, have been reviewed and approved by the Audit Committee with no discrepancies found. Related files (including the Business Report as well as consolidated and individual financial statements) are attached in Appendixes 1-9 (please refer to page 8 to 24).
2. Please ratify.

Resolution:

(II) YFY's 2023 Earnings Distribution Proposal is presented for ratification. (Proposed by the Board of Directors)

- Description: 1. For the year 2023, the company's net profit after tax amounts to NT\$1,826,693,089. Adding the previous year's accumulated undistributed earnings of NT\$11,940,918,679, the reassessment of defined benefit plans of NT\$349,519,200, and the reversal of special reserves of NT\$2,483,227, and deducting the changes in the equity of the investee company recognized at NT\$25,392,379, the total distributable amount is NT\$14,094,221,816. After the statutory reserve of NT\$215,330,314 is set aside according to the law, a cash dividend of NT\$0.9 per common share will be distributed, totaling NT\$1,494,334,346. The remaining NT\$12,384,557,156 will be retained for future distribution.
2. In order to coordinate with computer checks and difficulties in currency exchange, the disbursement of cash dividends will be rounded to the nearest

dollar. If the total amount of allocated cash dividends is less than NT\$1, the amount will be transferred to the YFY Employee Welfare Committee.

3. This proposal was approved at 16th board meeting of the 28th Board of Directors. The 2023 Earnings Distribution Proposal is attached in Appendix 10 (Please refer to page 25). Please ratify.

Resolution:

III. Discussions and Elections

(I) 29th election for 4 director seats and 3 independent director seats. (Proposed by the Board of Directors)

Description: 1. YFY's current directors were elected at the shareholders' meeting held on May 17, 2021, and the three (3) year term of office is coming to an end; new elections will be held according to the Company's Articles of Incorporation.

2. In accordance with the Article 20 of the Articles of Incorporation "The Company shall have 7 to 13 director seats. The Board meeting is authorized to approve the elected numbers of seats of director. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates in accordance with Article 198 of the Company Act. The term of office shall be three (3) years, and the director may be eligible for re-election." "The seats of independent directors shall be at least three and shall not be less than one-fifth of the total seats of directors specified in the preceding paragraph."

3. To comply with YFY's Articles of Incorporation and in accordance with the current practice and needs of the board meeting, seven (7) seats will be elected for the 29th board of directors (including 4 director seats and 3 independent director seats), which will assume the office after the election on June 20, 2024, with a three (3) year term of office lasting until June 19, 2027.

4. The candidate nomination system is adopted. Nominations are proposed in the list of director candidates by the Company's board meeting and can be found in Appendix 14 (please see page 41 to 43).

5. Please proceed to elect nominated directors in accordance with YFY's Election Rules for Directors attached in Appendix 15. (Please see page 44 to 45).

Chairperson announces commencement of elections.

Chairperson announces results of the elections.

(II) Proposal to remove the non-competition restriction for YFY's new directors and the institutional entities they represent is hereby presented for resolution. (Proposed by the Board of Directors)

- Description:
1. In accordance with Article 209, Paragraph 1 of the Company Act: "The director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
 2. The newly elected directors and the institutional entities they represent may either invest in or operate other companies that are related or similar to the scope of YFY's business. So long as it does not hinder their duties as a director, they may request the shareholders with the said Act to remove the competition prohibition restrictions and the institutional entities they represent.
 3. The proposal to remove the restrictions for the Company's directors is attached in Appendix 16 (please refer to page 46 to 47).

Resolution:-

IV. Extraordinary Motions

Appendixes

YFY Inc.

1.Business Report

The global economy has gradually recovered from the impacts of the pandemic, war, and inflation crisis, yet geopolitical and regional conflicts continue to emerge. The International Monetary Fund (IMF) forecasted that the worldwide economic would grow at 3.0% for 2023, with a mild slowdown to 2.9% anticipated in 2024. Despite challenged macroeconomic, YFY Inc. (YFY) maintains a cautiously optimistic view for future growth and takes proactive steps to strengthen our competitive edge to embrace the upcoming opportunities.

2023 revenue was NT\$73.87 billion, a decrease of 7.2% from 2022, primarily due to weak demand for industrial paper & packaging and fluctuations in pulp prices. Non-operating income amounted to NT\$2.43 billion, a decrease of 0.6% from the year before, mainly due to reduced profits from equity-method entities and dividend income. Net profit attributable to the parent company was NT\$1.83 billion, a reduction of 15.8% from last year. Earnings per share were NT\$1.10, a decrease of 16.0%.

YFY management team keeps the principle of "Specialization, Innovation, and Sustainability" in mind to enhance operational resilience and competitiveness through the five strategic directions. These approaches build a solid foundation for the group's long-term development, and detail achievements as follow:

1. Renewable Energy and Energy Management

YFY was the first Taiwan papermaking company to join RE100, committed to use 100% renewable energy by 2040. As circular economy in practice, by-products from papermaking are transformed into fuel for electricity and biogas generation which result in self-retain energy cycle. In 2023, the biomass energy system at Chung Hwa Pulp Corp. (CHP) Hualien mill was capable of generating 150 million kWh of green electricity a year. Furthermore, Ensilience Co., Ltd., an affiliate of YFY, has undertaken energy storage solutions and collaborated with CHP to establish Taiwan's first post-meter cogeneration energy storage system, aimed at optimizing electricity usage while achieving carbon reduction targets.

2. Industry 4.1 and Building Upstream/ Downstream Industrial Ecosystems

Through the integration of advanced Automated Virtual Metrology (AVM), the joint effort between the YFY group and National Cheng Kung University's Smart Manufacturing Center has collaborated the application of big data and AI technologies to improve the production processes. The implementation of AVM in the CHP Jiutang mill, specifically for quality inspections, has resulted in significant improvements in product quality, operational efficiency, and considerable decrease in energy use. This innovative application has not only enhanced production efficiency but has also highlighted the importance of digital transformation in modernizing traditional manufacturing sectors. This accomplishment also earned recognition for Smart Manufacturing Transformation Award and special ESG Award by "Harvard Business Review" outstanding representation in the large manufacturing category.

3. Continuous Development of the Circular Economy

YFY has pioneered sustainable cycles throughout 5 subdivisions in agriculture, paper, water, energy, and carbon. The operation model has received BS 8001 circular economy certification, as the first Taiwan papermaking entity to satisfy the standard. Leveraging agricultural and forestry by-products, the company produces bio-based products which are environmental friendly by preserving the carbon captured and stored in woods from photosynthesis, reduces greenhouse gas

emission, and realizes green economy. YFY has committed to recover and recycle of water resources. We have turned agricultural waste to production material, and engaged in afforestation for carbon capture. Genovella Renewables Inc., a YFY affiliate, transforms bio-waste into sustainable building materials and organic fertilizers to promote resource optimization.

4. The Saccharide Economy and New Materials Development

YFY Academy has advocated for the extraction of biomaterials from saccharides, employing cellulose and starch-derived saccharides to develop sustainable and low-carbon materials that are environmentally friendly. The objective is to replace conventional use of petrochemical plastics with eco-friendly alternatives. Recyclable paper tape is the revolution product to meet the purpose. The tape features biodegradable paper and glue can tolerate refrigerated condition and recycle together with cardboard box without additional process. The ultimate goal is to reduce carbon footprint, reliance on plastics, and material waste which we believe can be achieved by innovation of new materials.

5. Invest and Grow on New Business

YFY expands its investment horizon and utilizes its management expertise and resources to support the growth of its invested entities. The intention is to generate sustainable value through strategically IPO invested entities. The funds raised from these IPOs will be reinvested into nurturing the next generation entities, establishing a pattern of sustainable value creation. In the first quarter, Arizon RFID Technology (6863) launched a successful listing in the Taiwan Stock Exchange. Up till now, there were four entities, including Taigen Biopharmaceuticals Holdings Limited (4157.TW), ShenFeng Specialty and Applied Material Co., Ltd (6582.TW), Yuen Foong Yu Consumer Products (6790.TW), and Arizon RFID Technology (6863.TW) have been listed. Equity investments and dividend income from associated companies have contributed reliable profits reflecting the returns on our dedication to innovation.

Modern day's challenges and opportunities for manufacture companies are highly interconnected with impacts caused by climate change. Given the escalating threat that climate change presents to the environment, human well-being, and businesses, the principles of ESG have attracted unparalleled attention. Globally, more than 130 countries have pledged to reach net-zero emissions by the year 2050, indicating a universal agreement and determination to reduce greenhouse gas emissions.

The implementation of carbon pricing and trading systems in Taiwan marks a significant step forward in global efforts to reach net-zero emissions. This development has prompted a stronger focus on energy efficiency, carbon reduction, and the transition to alternative energy sources within the manufacturing industry. Concurrently, these changes have paved the way for new business models and opportunities.

Energy Transition and Smart Power Grids

- Ensilience Co., Ltd. aims to expand the scope of its energy storage system activities, and build on the present strategy to enhance in-house energy storage capabilities. By consolidating self-generated power, out-sourced electricity, and energy storage solutions, the company offers advanced smart power grid solutions for customers.
- YFY plans to assist waste water treatment centers across the country in 2024 transforming waste into energy under the Reconstruction–Operation–Transfer (ROT) model. Turn each waste water station into biogas electricity facilities.

Innovation and Automation

- ShenFeng Specialty and Applied Material Co., Ltd and Industrial Paper Xinwu mill schedule to implement AI technology to improve production yield and optimize efficiency.

- The papermaking operations can improve production quality and decrease errors by implementing Automated Optical Inspection (AOI) system to identify potential issues, enhance quality, and boost yield.

Sustainable Materials Research and Development

- CHP has partnered with Sustainable Carbohydrate Innovation Co. Ltd., an affiliate of YFY, developing biodegradable paper yarn. This innovation aims to provide an alternative for chemical fiber and influence sustainable thinking into fashion industry.

YFY has dedicated efforts toward research and investment in leading-edge areas, including next-generation materials, new energy sources, and automation on industrial process. This approach highlights the group's dedication to environmental stewardship, going beyond mere compliance with regulations and carbon emission reduction. By actively seeking out transformative innovations and changes, YFY not only embraces the benefit for operational changes but also positions itself to seize emerging opportunities for future growth.

Facing the impacts of climate change and net-zero emissions targets, YFY has actively promoting circular economy, digital transformation, economy driven by saccharide-based materials, proper use of resources, and sustainable operations. Looking forward, we will progress along the group's five strategic directions, further enhancing our commitments toward energy transition and technology innovation to achieve energy saving, carbon reduction, and resource optimization. Additionally, YFY will conduct a thorough assessment of its operations across various dimensions, including human capital, financial performance, environmental impact, and regulatory compliance, ensuring alignment with global trends and technology advancements to preserve its adaptability and resilience. YFY firmly believes that through ongoing innovation and transformation, we can unlock new business opportunities while continuing to be a sustainable enterprise that delivers value to its shareholders, society, and the environment.

Chairman: Jean Liu

President: David Lo

Accounting Manager: Shu-Fan Lin

YFY INC. AND SUBSIDIARIES
2. CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Appendix 2

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)	<u>1,118,335</u>	<u>1</u>	<u>651,794</u>	<u>-</u>
Total current assets	<u>55,031,966</u>	<u>38</u>	<u>54,457,835</u>	<u>39</u>
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)	<u>371,605</u>	<u>-</u>	<u>310,354</u>	<u>-</u>
Total non-current assets	<u>89,360,648</u>	<u>62</u>	<u>85,014,489</u>	<u>61</u>
TOTAL ASSETS	<u>\$ 144,392,614</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>
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)	<u>1,172,732</u>	<u>1</u>	<u>1,237,851</u>	<u>1</u>
Total current liabilities	<u>41,998,357</u>	<u>29</u>	<u>28,998,439</u>	<u>21</u>
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	<u>420,110</u>	<u>-</u>	<u>448,012</u>	<u>-</u>
Total non-current liabilities	<u>28,323,049</u>	<u>20</u>	<u>40,880,492</u>	<u>29</u>
Total liabilities	<u>70,321,406</u>	<u>49</u>	<u>69,878,931</u>	<u>50</u>
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	<u>14,915,141</u>	<u>10</u>	<u>12,037,107</u>	<u>9</u>
Total equity attributable to owners of parent	58,472,583	40	54,636,404	39
NON-CONTROLLING INTERESTS	<u>15,598,625</u>	<u>11</u>	<u>14,956,989</u>	<u>11</u>
Total equity	<u>74,071,208</u>	<u>51</u>	<u>69,593,393</u>	<u>50</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 144,392,614</u>	<u>100</u>	<u>\$ 139,472,324</u>	<u>100</u>

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

YFY INC. AND SUBSIDIARIES

Appendix 3

3. 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>

(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)

	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
4. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Appendix 4

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
								Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total						
	Shares (In Thousands)	Amount															
BALANCE AT JANUARY 1, 2022	1,660,372	\$ 16,603,715	\$ 1,778,263	\$ 1,023,927	\$ 293,124	\$ 193,204	\$ 3,288,518	\$ 4,429,367	\$ 4,000,001	\$ 14,490,398	\$ 22,919,766	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ 51,201,400	\$ 14,604,732	\$ 65,806,132
Appropriation of 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
5. CONSOLIDATED STATEMENTS OF CASH FLOWS

Appendix 5

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>
CASH FLOWS USED IN INVESTING ACTIVITIES		
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>
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES		
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>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<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)**

	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)

DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash (Note 6)	\$ 6,050	-	\$ 9,703	-
Current financial assets at fair value through profit or loss (Note 7)	48,692	-	20,411	-
Accounts receivable due from related parties, net (Note 21)	-	-	130	-
Other receivables	8,666	-	7,035	-
Other current assets, others	<u>4,386</u>	<u>-</u>	<u>4,712</u>	<u>-</u>
Total current assets	<u>67,794</u>	<u>-</u>	<u>41,991</u>	<u>-</u>
NON-CURRENT ASSETS (Note 4)				
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 21)	17,234,446	21	15,835,430	21
Investments accounted for using equity method (Notes 9 and 21)	62,910,839	75	58,994,196	76
Property, plant and equipment (Notes 10 and 21)	609,432	1	611,901	1
Right-of-use assets (Note 11)	2,918	-	3,190	-
Investment property, net (Notes 12 and 21)	2,064,986	2	1,862,758	2
Deferred tax assets (Note 17)	-	-	2,517	-
Net defined benefit asset, non-current (Note 14)	518,463	1	8,884	-
Other non-current assets, others	<u>26,004</u>	<u>-</u>	<u>13,655</u>	<u>-</u>
Total non-current assets	<u>83,367,088</u>	<u>100</u>	<u>77,332,531</u>	<u>100</u>
TOTAL ASSETS	<u>\$ 83,434,882</u>	<u>100</u>	<u>\$ 77,374,522</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Current borrowings (Note 13)	\$ 2,990,000	4	\$ 840,000	1
Short-term notes and bills payable (Note 13)	6,819,499	8	1,523,840	2
Accounts payable to related parties (Note 21)	759	-	776	-
Other payables, others (Note 10)	87,170	-	94,477	-
Current tax liabilities	20,178	-	85,143	-
Current lease liabilities (Note 11)	1,266	-	1,137	-
Other current liabilities, others	<u>19,014</u>	<u>-</u>	<u>4,523</u>	<u>-</u>
Total current liabilities	<u>9,937,886</u>	<u>12</u>	<u>2,549,896</u>	<u>3</u>
NON-CURRENT LIABILITIES (Note 4)				
Non-current portion of non-current borrowings (Note 13)	14,527,474	17	19,777,456	26
Deferred tax liabilities (Note 17)	476,994	1	389,628	-
Non-current lease liabilities (Note 11)	1,688	-	2,043	-
Other non-current liabilities, others	<u>18,257</u>	<u>-</u>	<u>19,095</u>	<u>-</u>
Total non-current liabilities	<u>15,024,413</u>	<u>18</u>	<u>20,188,222</u>	<u>26</u>
Total liabilities	<u>24,962,299</u>	<u>30</u>	<u>22,738,118</u>	<u>29</u>
EQUITY (Notes 4 and 15)				
Share capital	16,603,715	20	16,603,715	21
Capital surplus	3,760,772	4	3,459,112	5
Retained earnings	23,192,955	28	22,536,470	29
Other equity interest	<u>14,915,141</u>	<u>18</u>	<u>12,037,107</u>	<u>16</u>
Total equity	<u>58,472,583</u>	<u>70</u>	<u>54,636,404</u>	<u>71</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 83,434,882</u>	<u>100</u>	<u>\$ 77,374,522</u>	<u>100</u>

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

7. 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				
Investment (Note 4)	\$ 2,120,880	100	\$ 2,217,566	100
OPERATING EXPENSES (Notes 14, 16 and 21)	<u>388,187</u>	<u>19</u>	<u>408,897</u>	<u>19</u>
NET OPERATING INCOME	<u>1,732,693</u>	<u>81</u>	<u>1,808,669</u>	<u>81</u>
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses	282	-	111	-
Finance costs (Notes 4 and 16)	(438,542)	(21)	(313,213)	(14)
Rent income (Notes 12 and 21)	38,167	2	39,103	2
Dividend income	450,260	21	568,484	26
Other income, others	13,748	1	42,920	2
Gains on disposal of investment property (Note 21)	58,344	3	119,418	5
Miscellaneous disbursements	<u>(200)</u>	<u>-</u>	<u>(259)</u>	<u>-</u>
Total non-operating income and expenses	<u>122,059</u>	<u>6</u>	<u>456,564</u>	<u>21</u>
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	1,854,752	87	2,265,233	102
TAX EXPENSE (Notes 4 and 17)	<u>(28,059)</u>	<u>(1)</u>	<u>(95,723)</u>	<u>(4)</u>
PROFIT FROM CONTINUING OPERATIONS	<u>1,826,693</u>	<u>86</u>	<u>2,169,510</u>	<u>98</u>
OTHER COMPREHENSIVE INCOME(Notes 4, 14, 15 and 17)				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	349,519	16	(308,555)	(14)
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	1,109,016	52	1,693,949	76
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	<u>2,051,313</u>	<u>97</u>	<u>373,427</u>	<u>17</u>
	<u>3,509,848</u>	<u>165</u>	<u>1,758,821</u>	<u>79</u>

(Continued)

YFY INC.

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	%
Components of other comprehensive income that will be reclassified to profit or loss:				
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	\$ (323,376)	(15)	\$ 1,797,707	81
Other comprehensive income, net	\$ 3,186,472	150	\$ 3,556,528	160
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 5,013,165	236	\$ 5,726,038	258
EARNINGS PER SHARE (Note 18)				
Basic earnings per share	\$ 1.10		\$ 1.31	
Diluted earnings per share	\$ 1.10		\$ 1.31	

The accompanying notes are an integral part of the financial statements. (Concluded)

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

	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 Equity
	Shares (In Thousands)	Amount						Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total				
BALANCE AT JANUARY 1, 2022	1,660,372	\$ 16,603,715	\$ 1,778,263	\$ 1,023,927	\$ 293,124	\$ 193,204	\$ 3,288,518	\$ 4,429,367	\$ 4,000,001	\$ 14,490,398	\$ 22,919,766	\$ (2,185,616)	\$ 10,575,017	\$ -	\$ 51,201,400
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)
Reversal of special reserve	-	-	-	-	-	-	-	-	(4,981)	4,981	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	-	52,641	52,641	-	-	-	-	371	-	-	53,012
Other changes in capital surplus	-	-	-	-	-	(30)	(30)	-	-	-	-	-	-	-	(30)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	89,245	-	-	-	89,245	-	-	-	-	36,905	-	-	126,150
Changes in ownership interests in subsidiaries	-	-	-	28,738	-	-	28,738	-	-	(1,806)	(1,806)	(6,541)	-	-	20,391
Profit	-	-	-	-	-	-	-	-	-	2,169,510	2,169,510	-	-	-	2,169,510
Other comprehensive income	-	-	-	-	-	-	-	-	-	(237,069)	(237,069)	1,797,707	1,995,890	-	3,556,528
Total comprehensive income	-	-	-	-	-	-	-	-	-	1,932,441	1,932,441	1,797,707	1,995,890	-	5,726,038
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
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)
Reversal of special reserve	-	-	-	-	-	-	-	-	(2,483)	2,483	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	-	21,532	21,532	-	-	(1,701)	(1,701)	-	-	-	19,831
Other changes in capital surplus	-	-	-	-	-	2,186	2,186	-	-	-	-	-	-	-	2,186
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	4,000	-	-	-	4,000	-	-	-	-	604	-	-	4,604
Changes in ownership interests in subsidiaries	-	-	-	273,942	-	-	273,942	-	-	-	-	16,785	-	-	290,727
Profit	-	-	-	-	-	-	-	-	-	1,826,693	1,826,693	-	-	-	1,826,693
Other comprehensive income	-	-	-	-	-	-	-	-	-	289,564	289,564	(319,841)	3,220,284	(3,535)	3,186,472
Total comprehensive income	-	-	-	-	-	-	-	-	-	2,116,257	2,116,257	(319,841)	3,220,284	(3,535)	5,013,165
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

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

9. 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	\$ 1,854,752	\$ 2,265,233
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	4,745	7,064
Net gain on financial assets or liabilities at fair value through profit or loss	(281)	(109)
Finance costs	438,542	313,213
Interest income	(79)	(3,100)
Dividend income	(450,260)	(568,484)
Share of profit of subsidiaries and associates accounted for using equity method	(2,120,880)	(2,217,566)
Gain on disposal of property, plant and equipment	(9)	-
Gain on disposal of investment property	(58,344)	(119,418)
Loss on disposal of investments	10	-
Unrealized foreign exchange gain	-	(1)
Loss (gain) from lease modification	(46)	11
Changes in operating assets and liabilities		
Increase in current financial assets at fair value through profit or loss, mandatorily measured at fair value	(28,000)	(14,000)
Decrease in accounts receivable due from related parties, net	130	26,495
Decrease (increase) in other receivable	(1,631)	678
Increase in other current assets, others	(37)	(384)
Increase in net defined benefit asset, non-current	(72,680)	(62,714)
Decrease in accounts payable to related parties	(17)	(655)
Decrease in other payable, others	(8,402)	(12,596)
Increase in other current liabilities, others	14,491	838
Cash outflow used in operations	(427,996)	(385,495)
Interest received	79	3,100
Dividends received	1,711,144	2,959,200
Interest paid	(437,523)	(304,402)
Income taxes paid	(90,355)	(152,955)
Net cash flows generated from operating activities	<u>755,349</u>	<u>2,119,448</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(290,000)	-
Acquisition of investments accounted for using equity method	(1,022,396)	(414,641)
Proceeds from disposal of investments accounted for using equity method	8,838	-
Acquisition of property, plant and equipment	(194)	(697)

(Continued)

YFY INC.

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

	2023	2022
Proceeds from disposal of property, plant and equipment	\$ 117	\$ -
Acquisition of investment properties	(221,336)	(311)
Proceeds from disposal of investment properties	61,384	126,231
Increase in other non-current assets, others	<u>(12,932)</u>	<u>(367)</u>
Net cash flows used in investing activities	<u>(1,476,519)</u>	<u>(289,785)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in current borrowings	2,150,000	(740,000)
Net increase in short-term notes and bills payable	5,300,000	1,042,000
Proceeds from (repayments of) long-term debt	(5,254,000)	360,000
Payments of lease liabilities	(1,522)	(1,308)
Increase (decrease) in other non-current liabilities, others	15,187	(3,254)
Cash dividends paid	(1,494,334)	(2,490,557)
Overdue dividends received (paid)	<u>2,186</u>	<u>(30)</u>
Net cash flows generated from (used in) financing activities	<u>717,517</u>	<u>(1,833,149)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	<u>-</u>	<u>1</u>
NET DECREASE IN CASH	(3,653)	(3,485)
CASH AT THE BEGINNING OF THE YEAR	<u>9,703</u>	<u>13,188</u>
CASH AT THE END OF THE YEAR	<u>\$ 6,050</u>	<u>\$ 9,703</u>

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

(Concluded)

10. 2023 Statement of Earnings Distribution

UNIT:NTD

Item	Amount
Distributable retained earnings	
A Undistributed earnings at beginning of the fiscal year	11,940,918,679
B Net profit for the year ended Dec 31, 2021	1,826,693,089
C Re-assessment of defined benefit plans	349,519,200
D Changes in ownership interests in subsidiaries	(25,392,379)
E Reversal of special reserve	2,483,227
Total	14,094,221,816
Distribution Items	
1 Legal Reserve ((B~E)*10%)	215,330,314
2 Cash Dividend(0.9 per share)	1,494,334,346
2 Undistributed retained earnings	12,384,557,156
Total	14,094,221,816

Chairman: Jean Liu

President: David Lo

Controller: Shu-Fan Lin

YFY Inc.

11.CPA's Audit Report-Consolidated Financial Statements

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 in 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 Recognized on Receivable

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

For related policies and relevant information on the estimation of expected credit loss of 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 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 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 analyzed overdue receivables and performed sampling on the collections of overdue receivables after the balance sheet date. We assessed the reasonableness of the expected credit loss recognized on receivable based on customers' historical payment records, credit line control and overdue receivables tracking.

Other Matter

We have also audited the financial statements of YFY Inc. as of and for the years 2023 and 2022 on which we have issued an auditors' report, 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 auditing standards in 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 auditing standards in the Republic of China, we exercise professional judgment and maintain 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.

CPA's Audit Report-Financial Statements YFY Inc.

Opinion

The Board of Directors and Shareholders
YFY Inc.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 Financial Statements section of our report. We are independent of the Company 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the 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 Company's financial statements for the year ended December 31, 2023 are stated as follows:

Valuation of Receivables

The Company has a large number of customers and its notes and accounts receivable are material in amount. When evaluating the impairment of receivables, the management estimated the loss allowance based on the lifetime expected credit loss. The valuation of receivables involves accounting estimates and assumptions determined by the management. Therefore, we considered the valuation of receivables as a key audit matter.

For the disclosures related to receivables, refer to Notes 4 and 9 to the accompanying financial statements.

Other audit procedures for the abovementioned key audit matter included the following:

1. We obtained the reports of impaired receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 financial statements for the year ended December 31, 2022 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

The accompanying financial statements are intended only to present the 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 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 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 financial statements shall prevail.

12. Audit Committee's Review Report

The YFY Inc.'s 2023 business report, financial statements, earnings distribution proposal, and auditors' reports relating to the financial statements were compiled by the Board of Directors, and have been examined and determined to be correct and accurate by the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Annual General Meeting of Shareholders

Audit Committee Convener: Hsi-Peng Lu

March 14, 2024

YFY INC.**13. Board of Directors Meeting Procedures**

- Article 1. These Procedures are established in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies to provide guidance over board meetings, and thereby enhance the supervisory role of the Company's board of directors.
- Article 2. All issues related to the company's board of directors meetings, such as agendas, procedures, minutes recording, and announcements, shall be handled in accordance with standards set forth in these Procedures.
- Article 3. YFY's board meetings shall be convened at least once every quarter.
When convening a board meeting, the convener shall clearly explain in the meeting notice the purpose of the meeting and shall notify all directors seven days prior to the meeting. However, a board of directors' meeting may be called at any time in the event of an emergency.
The abovementioned meeting notice, following the agreement of the corresponding person, shall be sent via email.
Items under Article 7, Paragraph 1 of these Procedures shall list the reasons for convening a meeting, and the items may not be raised in the form of an extraordinary motion.
- Article 4. Board meetings shall be convened within YFY's premises during office hours or at another suitable time and at a place deemed convenient for the board of directors.
- Article 5. YFY's law department is designated by the board of directors to administer board meeting affairs.
The designated department for administering board meeting affairs shall prepare the meeting agenda and provide comprehensive information for the meeting. Such meeting information shall be delivered along with the meeting notice.
Should they consider the existing information to be insufficient, directors may request the designated department for administering board meeting affairs to provide supplemental information. Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.
- Article 6. Agenda items for the board of directors' meetings of the Company shall include, at a minimum, the following:
I. Reported items:
(I) Minutes of the last meeting and implementation status.
(II) Reports on key financial information.
(III) Reports on the internal audit progress.
(IV) Reports on other important issues.
II. Discussions:
(I) Discussions carried forward from the previous meeting.
(II) Discussions for the current meeting.
III. Extraordinary motions:
- Article 7. The following issues shall be raised for discussion in the Company's board meetings:
I. YFY's business plans.
II. Financial Reports are duly signed or sealed by the Chairman, managerial officer, and accounting officer, and second-quarter Financial Reports are audited by a certified public accountant.
III. According to Article 14-1 of the Securities and Exchange Act, there shall be an establishment and amendment to the internal control system and an

assessment of its effectiveness.

- IV. According to Article 36-1 of the Securities and Exchange Act, there shall be an establishment and amendment of procedures governing acquisition or disposal of assets, transaction of derivatives, lending funds to third parties, endorsements and guarantees, or other provisions for the processing of major financial business activities.
- V. Public offering, issuance, or private offering of equity securities
- VI. Appointment or removal of Chairman.
- VII. Appointment or removal of chief officers of finance, accounting and internal audit.
- VIII. Donations to related parties or major donations to non-related parties. However, charitable donations for emergency rescues due to major natural disasters must be submitted for subsequent ratification at the next board meeting.
- IX. Decisions that shall be resolved through a shareholders' meeting or a board meeting according to Article 14-3 of the Securities and Exchange Act, the Articles of Incorporation or other regulations, and any major issues prompted by the competent authority.

The "related persons" mentioned in Subparagraph 8 of the preceding paragraph refers to the related persons as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The mentioned significant donation to non-related persons refers to a single donation or the accumulation within one year of over NT\$100 million to the same person; or amounted to 1% of the Company's net income; or over 5% of the Company's paid-in capital as calculated according to the most recent CPA certified financial report.

The above-mentioned "one year" shall date back one year from the date when the current board meeting was convened. Donations already approved by the board of directors at that time shall be excluded.

Paragraph 2 concerning the amount to be 5% of the paid-in capital: if foreign company stock shares have no face value or face value per share is not equivalent to NT\$10, the calculation for the amount of 5% should be calculated according to 2.5% of shareholders' equity.

At least one independent director shall be in attendance at board meetings; in the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes.

Article 8. Attendance logs shall be provided during board meetings and signed by all directors present at the meeting.

Directors are required to attend board meetings in person. Those who are unable to attend in person may designate another director as a proxy in accordance with the Company's articles of association. Directors who participate in meetings via video conferencing shall be deemed to have personally attended the meeting.

If a director wishes to seek proxy attendance by another director, a new proxy form shall be issued for each board meeting, and the extent of delegated authority shall be specified for each agenda.

A director may only act as proxy, as mentioned in the 2 preceding Paragraphs, on behalf of one director at a time.

Article 9. The Company's Board meetings that are convened by the Chairman shall be chaired

by the Chairman. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

If the Chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his or her behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.

Article 10. Members of relevant departments or subsidiaries may be notified to attend a board meeting depending on the agenda.

Certified public accountants, lawyers, or other professionals may also be invited to participate in board meetings if necessary. However, these professionals need to be dismissed during the discussion and voting stage.

Article 11. The Company shall make audio or video recordings of the entire proceedings of board meetings and retain the recordings for at least five years, in electronic form or otherwise.

If, before the end of the retention period referred to in the preceding paragraph, any litigation arises in connection with a resolution of a board of directors' meeting, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

Where meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes and properly retained during YFY's existence.

Article 12. The chairperson of the meeting may commence the board meeting when it is time to begin and at least half of all directors are present. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting **on that day**. A meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 3, Paragraph 2.

The term "all directors" mentioned above and in Article 17, Paragraph 2, Subparagraph 2 of these Procedures shall refer to those who are currently in office.

Article 13. YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.

YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice.

In YFY's board meetings, if the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to follow the provisions of Paragraph 2 by declaring an adjournment, the appointment of their proxy shall be governed by the provisions of Article 9, Paragraph 2.

Article 14. When the chairperson at a board meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the end of discussion and bring the matter to vote.

When a motion is made to resolve a proposal by YFY's board of directors, the matter is deemed approved if the chairperson puts the matter before all directors present at the meeting and none voices an objection. Should an objection be expressed upon a query by the chairperson, the agenda shall proceed to the voting process.

Article 15. Unless otherwise specified in the Securities and Exchange Act and the Company Act,

all board resolutions shall be affected with the presence of more than half of the board and the support of more than half of those present at the meeting.

The chairperson may choose to proceed with voting in any of the following methods, but if there is any objection from any attendants, the chairperson shall proceed according to the opinion of the majority:

- I. Vote by a show of hands.
- II. Vote by roll call.
- III. Ballot votes.
- IV. Other voting methods determined by YFY.

"All directors present at the meeting," as mentioned in Article 14, Paragraph 2 and the preceding paragraph, does not include directors who are prohibited from exercising voting rights, as mentioned in Article 16, Paragraph 1

irperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. In the event that one of the cases has already been resolved, however, the other cases shall be considered rejected, and no further voting is required.

If it is necessary to appoint personnel to monitor or count the votes, the chairperson shall make such appointments accordingly. The individuals monitoring the votes, however, shall be the directors of the Company.

The results of each vote shall be announced on the spot and recorded in the meeting minutes.

- Article 16. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

With respect to a resolution of YFY's board of directors, where a director is forbidden from exercising his/her voting rights pursuant to the preceding paragraphs, the provisions of Article 180, Paragraph 2 of the Company Act which applies mutatis mutandis to Article 206, Paragraph 3 of the same Act shall be followed.

- Article 17. All meetings of YFY's board of directors shall be recorded in the meeting minutes, which shall include detailed accounts of the following items:

- I. The meeting session (or year), time, and location.
- II. The name of the chairperson.
- III. Director attendance, including the names and number of the directors who are attending, on leave, and absent.
- IV. The names and titles of the attendees.
- V. The name of the recorder.
- VI. Items to report.
- VII. Discussions: Includes the resolution method and the outcome of the motion, a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; objections or qualified opinions expressed at the meeting that were included in records or stated in writing; and any opinions issued in writing by an independent director under Article 7, Paragraph 5.
- VIII. Extraordinary motions: The name of the proposer, the method of resolution and the result for each motion, a summary of the comments made by directors, supervisors, experts, or other persons. The name of any director that is an interested party as referred to in Paragraph 1 of the preceding

article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal. Opinions or qualified opinions expressed at the meeting that were included in records or stated in writing.

IX. Other statutory information:

If the board resolution involves any of the following, the details of which shall be addressed in the meeting minutes and reported to the information reporting website designated by the competent authority within two days after the board resolution is made:

- I. Objections or qualified opinions expressed by independent directors on record or in writing.
- II. Any matters that are not agreed upon by the Audit Committee but passed by more than two-thirds of the full amount of directors.

The attendance book constitutes part of the board meeting minutes and shall therefore be properly retained for the duration of YFY's existence.

The meeting minutes shall be signed or sealed by the chairperson of the meeting and the recorder, issued to each member within 20 days after the meeting, classified as YFY's critical documents, and properly retained during YFY's existence.

The preparation and distribution of meeting minutes as prescribed in Paragraph 1 may be made in electronic form.

- Article 18. These Principles shall become effective upon approval by the board of directors and reported in the shareholders meeting.

YFY INC.YFY INC.

Amendment chart of the Board of Directors Meeting Procedures

Article	Amended article	Existing Article	Description
Article 12	<p>The chairperson of the meeting may commence the board meeting when it is time to begin and at least half of all directors are present. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting. A meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 3, Paragraph 2.</p> <p>The term "all directors" mentioned above and in Article 17, Paragraph 2, Subparagraph 2 of these Procedures shall refer to those who are currently in office.</p>	<p>The chairperson of the meeting may commence the board meeting when it is time to begin and at least half of all directors are present. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting on that day. A meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 3, Paragraph 2.</p> <p>The term "all directors" mentioned above and in Article 17, Paragraph 2, Subparagraph 2 of these Procedures shall refer to those who are currently in office.</p>	<p>Taking into account the important matters related to the company's operation in Article 7, Paragraph 1, these matters should be stated in the agenda of the meeting, so that the directors have sufficient information and time to evaluate the proposal before making a decision.</p>
Article 13	<p>YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.</p> <p>YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice.</p>	<p>YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.</p> <p>YFY's board meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice.</p> <p><u>In YFY's board meetings, if the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to follow the provisions of Paragraph 2 by declaring an adjournment, the appointment of their proxy shall be governed by the provisions of Article 9, Paragraph 2.</u></p>	<p>According to Article 208, Paragraphs 1 and 2 of the Company Act, the appointment of the chairman is the functional duties and powers of the board of directors. Although the Company Act does not specify the method of removal of the chairman, it is more reasonable for the board of directors' original appointed to make the decision. Therefore, the paragraph 6 has been added to specify that the appointment and removal of the chairman should be discussed by the board of directors</p>

14. List of Director and Independent Director Candidates

YFY Inc.

List of Director and Independent Director Candidates

S N	Title	Candidates	Gender	Education	Experiences	Number of shares (Note)
1	Director	Yuen Foong Paper Co., Ltd. Representative: Huey-Ching Yeh	Male	Master of of Economics, National Chengchi University	Chief Secretary of Ministry of Economic Affairs Director-General, Bureau of Energy, Ministry of Economic Affairs Director, Tainan City Government Economic Development Bureau Director, New Taipei City Government Economic Development Bureau Deputy Mayor, New Taipei City Chairman, Tatung Forever Energy Co. Chairman, Cinzhi Power Co., Ltd.	18,268,073
2	Director	Yuen Foong Paper Co., Ltd. Representative: David Lo	Male	Master of Financial Management, S.C. Johnson College of Business, Cornell University, USA	Managing Director, UBS Taipei Branch, Deputy General Manager of Shin Kong Bank, Director of Capital Operation Division, Chang Hwa Bank	18,268,073
3	Director	Shin-Yi Enterprise Co., Ltd. Representative	Male	Bachelor in Accounting, Soochow University	Chairman, National Taiwan University EMBA Alumni Foundation Vice Chairman, Deloitte	77,794,610

		Chin-San Wang		EMBA, Accounting and Management Strategy, National Taiwan University	Touche Tohmatsu Limited Associate Professor of Department of Accounting, Yuan Ze University Executive Director, CPA Associations R.O.C Member of Financial Accounting Committee Accounting Research and Development Foundation Member of Auditing Committee, Accounting Research and Development Foundation Member of Accounting Research and Discussion Group, Accounting Research and Development Foundation	
4	Director	Shin-Yi Enterprise Co., Ltd. Representative: Chun-Chieh Huang	Male	Bachelor in Chemical Engineering, National Cheng Kung University Master of Science and Technology Management Institute, National Chengchi University	President, SinoPac Securities Venture Capital Corporation Vice President, Sercomm Corporation President, Yitai Venture Capital Director, Taiwan Venture Capital Association	77,794,610
5	Independent Director	Jin-li Hu	Male	Ph.D. in Economic, State University of New York at Stony Brook	Dean/Associate Dean, School of Management, National Chiao Tung University Director, Institute of Management, National Chiao Tung University Associate Professor, Department of Industrial	0

Note: The
until the book
(April 22, 2024)
shareholders'

					Economics, Tamkang University Associate Professor, Ming Chuan School of Management Department of Financial Management	
6	Independent Director	Di-Shi Huang	Male	Bachelor of Law, National Taiwan University Master of Criminal Justice Management Institute, Oklahoma City University	Deputy Director of Investigation Bureau, Ministry of Justice Director of Taipei City Investigation dpt, Ministry of Justice Director of New Taipei City Investigation dpt, Ministry of Justice Director of Agency Against Corruption, Ministry of Justice Investigation Bureau Legal Secretary of Department of Justice in Houston, Ministry of Justice Investigation Bureau	0
7	Independent Director	Yie-Yun Chang	Female	LL.D in University of Munich	Dean, Fu Jen Catholic University Academic Associate Dean and Head of Department of Economics and Law, Fu Jen Catholic University Member of the 6th Fair Trade Commission Adjunct Professor at Department of Finance, National Chengchi University	0

shareholdings up
closure date
of the current
meeting.

15. YFY Inc. Election Rules for Directors

Appendix 15

[Amendment effective as of the shareholders' meeting on June 30, 2015]

YFY Inc. Election Rules for Directors

- I. YFY conducts the election of directors in accordance with the Rules.
- II. The disclosed cumulative voting method shall be used for the election of directors. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The attendance's pass number printed on the ballot is deemed the voter's name.
- III. YFY's directors are elected by shareholders' meetings using a candidate nomination system. Directors are elected from the list of candidates in accordance with YFY's Articles of Incorporation and with the number of directors set by the board of directors in YFY's Articles of Incorporation; votes of independent and non-independent directors are counted separately, and the seats are to be filled for candidates with the highest election weight until all seats are filled. When two or more candidates have the same number of votes and there is only one seat remaining, the outcome shall be determined via a draw. The absentee shall be represented at the draw by the chairperson.
- IV. Before the election begins, the chairperson shall appoint a certain number of persons to perform the respective duties of vote monitoring and vote tallying.
- V. The board of directors shall prepare ballots for the election of directors, numbering them by order of attendance pass number and determining the election weight.
- VI. YFY shall prepare the ballot box which shall, before the election begins, be opened for inspection by the vote monitoring personnel.
- VII. If the candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot; if the candidate is not a shareholder, the voter must fill in the candidate's full name and National ID number. If the candidate is an institutional shareholder, the name of the institution shall be entered in the "candidate" column of the ballot; the name of the institution along with the personal name of its representative may also be provided.
- VIII. A ballot shall become invalid under any of the following circumstances:
 - (I) It is not a ballot specified under these Rules.
 - (II) The ballot has been cast into the ballot box as a blank ballot.

- (III) The ballot has been marked with illegible writing.
 - (IV) When the candidate is a shareholder, the stated account name and shareholder account number do not match information on the shareholders' list; when the candidate is not a shareholder, the stated full name and National ID number do not match after verification.
 - (V) Other text entered has been entered aside from the candidate's account name (full name) and shareholder account number (National ID number).
 - (VI) When the candidate's name is similar to that of another shareholder and the following are not marked for the purpose of further identification: shareholder's account number or National ID number.
 - (VII) Two or more candidates are specified on a single ballot.
- IX. After the elections have concluded, ballots shall be immediately tallied on site and the results of the vote shall be announced by the chairperson on site.
 - X. Newly-elected directors shall be notified of their appointment by the board of directors.
 - XI. These Rules shall come into effect following the approval of the shareholders' meeting. Amendments shall follow the same procedure.

16.The Content Of The Proposal To Remove The Competition For The Company's Directors

Director or institutional entity they represent	Concurrent position at the Company	Position held	Notes
Yuen Foong Paper Co., Ltd.	Shen's Art Print Co., Ltd. Foongtone Technology Co., Ltd. Beautone Co., Ltd. China Micr Printing Co., Ltd. Han Tang Management Consulting Co., Ltd.	Director Director Director Director Supervisor	
Huey-Ching Yeh (Representative of Yuen Foong Paper Co., Ltd.)	Ensilience Co., Ltd. EFFION ENERTECH CO., LTD. SAN YING ENTERPRISES CO., LTD.	Chairman Chairman Chairman	
David Lo (Representative of Yuen Foong Paper Co., Ltd.)	YFY Packaging Inc. Yuen Foong Yu Consumer Products Co., Ltd. Yuen Foong Yu Consumer Products Investment Limited. YFY Corporate Advisory & Services Co., Ltd. YFY Paradigm Investment Co., Ltd. YFY Development Corp. YFY GROUP Fidelis IT Solutions Co., Ltd. YFY Biotech Management Co., Ltd. Taiwan Stock Exchange Corporation YFY International B.V. YFY Global Investment B.V. YFY Mauritius Corporation Arizon RFID Technology (Cayman) Co., Ltd. YFY Capital Holdings Corp. Ensilience Co., Ltd.	Director Director Director Chairman Chairman Chairman Director Director Director Director Director Director Director Director Director Director Director Supervisor	
Shin-Yi Enterprise Co., Ltd.	E Ink Holdings Inc. Shin-Yi Investment Co., Ltd. Yuen Shin Yi Enterprise Co., Ltd. Fu Hwa Enterprise Co., Ltd. MiCareo Inc.	Director Director Director Director Director	

Chin-San Wang (Representative of Shin-Yi Enterprise Co., Ltd.)	Taiwan Cement Corp Taiwan Navigation Co., Ltd. DACIN Construction Co., Ltd. Fulin Plastic Industry (Cayman) Holding Co. Yageo Corporation Win-link Venture Capital Corp.	Independent Director Independent Director Independent Director Independent Director Director Supervisor	
Chun-Chieh Huang (Representative of Shin-Yi Enterprise Co., Ltd.)	Huacheng Capital Co., Ltd. Huicheng Capital Co., Ltd. YFY Paradigm Investment Co., Ltd.	Director and President President Director	
Yie-Yun Chang	Ocean Plastics Co. Ltd. Great Eastern Resins Industrial Co. Ltd. Advanced Lithium Electrochemistry Co., Ltd.	Independent Director Director Member of Sustainable Development Committee	

YFY Inc. [Amendment effective as of the Shareholders' Meetings adopted on June 23, 2022]

17.Rules of Procedure for Shareholders' Meetings

Article 1. These Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and serve as the basis for YFY's shareholders' meeting governance mechanism.

Article 2. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. Changes to the method of convening the shareholders' meetings of the Company shall be subject to a resolution of the Board of Directors that shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual general meeting of shareholders or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental meeting materials and upload them to the MOPS before 30 days before the date of the annual general meeting of shareholders or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing the status of the Corporation as a public company, approval of competing with the Corporation by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extraordinary motions.

The notices for convening the shareholders' meeting have stated the election of directors and the date on which they assume office. After the re-election is completed, the same meeting cannot change the date of assumption of office through extraordinary motions or other methods.

Shareholders holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders, however only one matter shall be allowed in each single proposal. If a proposal contains more than one matter, then the said proposal shall not be included in the agenda. A shareholder proposal that urges the Corporation to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the Board of Directors. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before an annual general meeting of shareholders is held, the Company shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words. Proposals containing more than 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders'

meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6. This Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors

soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting.

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1. To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

III. How shareholders attend the virtual meeting and exercise their rights.

IV. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

1. To what time the meeting is postponed or from what time the meeting will resume if the above impediment continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
2. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
3. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all

proposals on meeting agenda of that shareholders meeting.

4. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

V. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7. Shareholders meetings that are convened by the Chairman shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to a leave of absence or any other reason, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint a delegate, one shall be elected by the directors from among them.

If the Meeting is chaired by a director other than the Chairman, it shall be one who is familiar with the Company's business and financial status and that had been appointed more than six months prior. The same shall be true for a representative of a juristic person director that serves as chairperson.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairman of the board in person, attended by a majority of directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by someone having the right to convene a meeting, but who is not a member of the Board of Directors, the said person shall chair the meeting. If more than one person has the right to convene the meeting, one shall be elected to chair the meeting.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected and the shares checked in on the virtual meeting platform plus the amount of shares where voting rights are exercised in writing or through electronic means.

The chairperson shall announce the commencement of the meeting as soon as the appointed time arrives and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

The Chairperson shall call the meeting to order as soon as the appointed time arrives. However, if those in attendance represent less than half of the Company's outstanding shares, the Chairperson may announce postponement up to two times for a period totaling no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be decided by the Board of Directors. Relevant motions (including extraordinary motions and amendments to the original motion) should be voted on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

However, extraordinary motions should be proposed within the scope permitted by law, within the time limit when the chairperson puts the matter before all shareholders present at the meeting, and can only be included in the agenda after receiving approval from the attending shareholders in accordance with legal procedures.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

Unless by the resolution of the shareholders' meeting, the chairperson may not declare the meeting ended until all items on the agenda (including extraordinary motions) arranged in the preceding two paragraphs have been completed. The shareholders cannot designate any other person as chairperson and continue the meeting in the same or another place after the meeting is adjourned. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and arrange an adequate voting time.

Article 11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12. Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights in writing or electronic means. The method of exercise shall be specified in the shareholders meeting notice. Shareholders exercising voting rights in writing or electronic means will be deemed to have attended the meeting in person. However, shareholders will be deemed to have waived their rights with respect to extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights in writing or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Corporation 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or on line, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronic means shall prevail. When a shareholder has exercised voting rights both in writing or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chairman declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and

results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including statistical weights). When directors are elected, the number of votes for each candidate should be disclosed. The minutes shall be kept permanently throughout the life of the Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's

name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies as well as the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18. When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs,

the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19. In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20. When the Company convenes a virtual-only shareholders meeting, both the chairman and secretary shall be in the same location, and the chairman shall declare the address of their location when the meeting is called to order.

Article 21. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the paragraph 2 , no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the paragraph 2.

Article 22. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

[Existing articles amendment effective as of the Shareholders' Meeting on June 23, 2022]

YFY Inc.

18. Articles of Incorporation

Chapter 1. General Provisions

Article 1: The Company shall be incorporated as a private company limited by shares in accordance with the Company Act and it shall be named: YFY Inc. (English name: YFY Inc.).

Article 2: The business scope of the Company is as follows:

1. H201010 General Investment.

Article 2-1: The Company may provide external guarantees.

Article 2-2: The Company shall be exempt from the restrictions on total investment amount, which shall not exceed forty percent of the paid-up capital.

Article 3: The head office of the Company is established in Kaohsiung and may, subject to business requirement, set up branch office(s) at other appropriate locations, either locally or abroad.

Article 4: Public announcements of the Company shall be made in accordance with the Company Act.

Chapter 2. Shares

Article 5: The total authorized capital of the Company shall be NT\$22 billion, divided into 22 billion shares with a par value of NT\$10 each. Such shares may be issued by installments.

Article 6: Stocks of the Company shall be registered, signed or sealed by the director representing the company. The stocks shall be issued after proper certification by the competent authority in charge of securities affairs or be duly certified by the bank which is competent to certify shares under the laws. Stocks issued by the Company as well as other securities are not required to be printed. The Company shall contact the centralized securities depository enterprise institution for registration of the share certificates.

Article 7: Shareholders shall fill in and submit to the Company a seal specimen card for safe keep. Such seal specimen shall serve as proof when collecting share dividends or exercising other rights.

Article 8: The Company shall handle share matters in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9: (Article Omitted.)

Article 10: (Article Omitted.)

Article 11: (Article Omitted.)

Article 12: Transfer of title for the stocks is not permitted within sixty days prior to the annual general meeting of shareholders; or within thirty days prior to the special meeting of shareholders, and within five days prior to the cut-off date determined for the distribution of dividends, bonus or other benefits.

Chapter 3. Shareholders Meeting

Article 13: The Company holds general and extraordinary shareholders' meetings, the general meeting shall be convened at least once a year. It shall be convened by the Board of Directors within six months after the close of each fiscal year. The extraordinary meeting shall be held in accordance with the relevant statutory requirements whenever deemed necessary. Shareholders' meetings are convened in accordance with the Company's Rules of Procedure for the Shareholders' Meeting.

The Company 's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 14: Notices shall be sent to all shareholders for the convening of shareholders' meetings, at least thirty (30) days in advance, in case of an annual general meeting of shareholders; and at least fifteen (15) days in advance, in case of special meetings. For shareholders holding less than one thousand (1000) registered shares, the notice of meeting may be publicly announced on the Market Observation Post System.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Article 15: A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a power of attorney printed and issued by the Company, stating clearly the scope of the authorization. The regulations governing proxy attendance shall be pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, in addition to Article 177 of the Company Act.

Article 16: Unless otherwise provided by the Company Act, a shareholders' meeting shall be chaired by the Chairman of the Board. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is unavailable or no delegate is appointed by the Chairman, one shall be elected from among the directors to act on the Chairman's behalf.

Article 17: Unless otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 18: Unless otherwise prescribed by law, a shareholder shall have one voting right per share he or she is in possession of.

Voting rights can be exercised electronically or in writing during a shareholders' meeting. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, the aforesaid shareholders shall also be considered to have forfeited the voting rights on extraordinary motions and resolution amendments.

Article 19: Shareholders' meeting resolutions shall be compiled into minutes with details including the date and place of the meeting, the name of

Chairman, method of resolution, a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be signed or sealed by the Chairman and disseminated to each shareholder no later than 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form. The distribution of the meeting minutes mentioned in the preceding paragraph may be effected by way of public announcement on the Market Observation Post System.

The minutes mentioned in the preceding paragraph must be retained for as long as the company exists. Shareholders' attendance cards and proxy forms shall be kept by the Company for a duration of at least one year; however, in situations where a shareholder makes a litigious claim against the company according to Article 189 of the Company Act, the records shall be kept until the litigation is concluded.

Chapter 4. Directors and Managers

Article 20: The Company shall have 7 to 13 directors. The Board meeting is authorized to approve the number of directors. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates in accordance with Article 198 of the Company Act. The term of office shall be three years, and the director may be eligible for re-election.

The number of independent directors shall be at least two and shall not be less than one-fifth of the total number of directors specified in the preceding paragraph. Regarding other requirements on independent directors including professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other compliance matters, the Company shall observe the regulations announced by the competent authority for the securities industry.

Article 20-1: The Company has established an Audit Committee at the 26th board meeting. The committee shall be composed of independent directors only, with no fewer than three members, one of whom shall be the convener and at least one of them shall have expertise in accounting or finance. The authorities, organizational regulations, and other requirements pertaining to the Audit Committee shall be specified in related laws or the Company's Articles of Incorporation.

Article 21: The percentage of shareholdings of all of the Company's directors shall be based on the regulations of competent authority in charge of the securities industry.

Article 22: The directors shall organize the board meeting. The Chairman shall be elected from among the directors with at least two thirds in attendance and over half of those attending voting for him/her. A Vice Chairman may be elected in the same way. The Chairman of the Board shall represent the Company and handle all business affairs. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is unavailable or no delegate is appointed by the Chairman, one shall be elected from among the directors to act on the Chairman's behalf.

Article 23: A board meeting shall be convened once every three (3) months, and an impromptu board meeting may be held where necessary. Notifications of board meetings may be delivered electronically. If a director is unable to attend a meeting, he/she may appoint a proxy to attend the meeting by completing the company's proxy forms for each meeting, specifying the scope of delegation.

Each proxy may only represent one absent director.

In case a board meeting is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 24: Board meetings shall be chaired by the Chairman of the Board. If the Chairman is absent, the Vice Chairman shall act on the Chairman's

behalf. If the Vice Chairman is unavailable or no delegate is appointed by the Chairman, one shall be elected from among the directors to act on the Chairman's behalf.

Article 25: Unless otherwise prescribed in the Company Act, the resolutions made by the Board of Directors shall be passed by a majority vote at a meeting of the Board of Directors attended by more than half of all directors on the Board.

Article 26: The Board of Director shall be authorized to decide the directors' remunerations based on their level of engagement in and contribution to the Company as well as the standards adopted by the industry.

Article 27: (Article Omitted.)

Article 28: The Company shall have manager, whose title, appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 5. Accounting

Article 29: The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the annual general meeting of shareholders for acceptance:

1. Business Report.
2. Financial statements.
3. Surplus earning distribution or loss off-setting proposals.

Article 30: If the Company sustains profit every year, 0.1% or more of the income shall be set aside as remunerations to employees, and 2% or less shall be distributed as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Directors' remuneration may be distributed by way of cash dividends, and employees' remuneration may be distributed by way of cash dividends or stock dividends. The Board of Director shall be authorized to define the qualification requirements of employees entitled to receive shares or cash, including the employees of subsidiaries of the Company that meet certain specific requirements. The distribution ratio of directors' remunerations, and the method of distribution and ratio of employees' remunerations shall be resolved by a majority vote at a Board meeting attended by more than two thirds of the directors, and shall be reported at the shareholders' meeting.

Employee and director remunerations are calculated deducting the cumulative losses from the profit for the year (i.e., the profit before employee and director remunerations is deducted from profit before tax).

Article 30-1: If the Company has any surplus at the end of a year, it shall first be applied to pay income taxes according to the law and cover losses from the previous years. Then 10% of the balance will be allocated to a statutory surplus reserve, and a special surplus reserve shall be allocated or reserved according to the law. A special surplus reserve or retained earnings are set aside if needed. Any remaining balance shall be distributed as dividends and bonus by the total number of shares.

Article 30-2: In consideration of external factors and the objectives of long term financial planning and in the interest of stable business growth, the Company's dividend policy measures future cash flows based on the capital budget and uses retained earnings to meet the cash flow requirements. An appropriate percentage of the remaining surplus will be retained as needed to support the ongoing business operations, and a minimum of 20% of the remaining surplus will be distributed in the form of cash dividends and the rest in share dividends.

However, for the purpose of meeting other capital expenditure requirements, the Company may distribute the aforementioned remaining surplus in the form of share dividends only.

Article 30-3: The Board of Directors may distribute a proportion or the entirety of dividends and bonuses in cash, and report such action to the Shareholders' Meeting, in accordance with a resolution adopted by a simple majority vote at a meeting of the Board of Directors attended by over two-thirds of the directors.

Article 31: If there are any issues not covered in the Articles of Incorporation, the Company shall follow the provisions prescribed in the Company Act.

Article 32: These Articles of Incorporation were established on January 20, 1950. The 68th amendment was approved by the shareholders' meeting on June 23, 2022.

19. Current Shareholding of Directors of YFY Inc.

The shareholdings of all directors as recorded in the shareholder register up until the book closure date (April 22, 2024) of the current shareholders' meeting:

Title		Name	Date of appointment	Shares held when elected			Number of shares held as recorded in the shareholder register as of April 22, 2024		
				Type	Number of shares	Shareholding ratio	Type	Number of shares	Shareholding ratio
Chairman:	Yuen Foong Paper Co., Ltd. representative	Jean Liu	2021/5/17	Ordinary shares	18,268,073	1.10	Ordinary shares	18,268,073	1.10
Director		David Lo	2021/5/17						
Director		Kirk Hwang	2021/5/17						
Director	Shin-Yi Enterprise Co., Ltd. representative	Chin-San Wang	2021/5/17	Ordinary shares	77,794,610	4.69	Ordinary shares	77,794,610	4.69
Director		Chun-Chieh Huang	2021/5/17						
Independent Director	Hsi-Peng Lu		2021/5/17	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Independent Director	Di-Shi Huang		2021/5/17	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Independent Director	Yie-Yun Chang		2021/5/17	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Independent Director	Jin-Li Hu		2021/5/17	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Total					96,062,683	5.79		96,062,683	5.79

1. The Company's paid-in capital was NT\$16,603,714,950, and the total number of issued shares was 1,660,371,495.
2. Number of shares that must be held by all directors according to Article 26 of the Securities and Exchange Act (2.4%): 39,848,916 shares. Actual number of shares held (shares held by independent directors are not included in the number of shares held by directors): 96,062,683 shares. The number of shares has reached the legally required percentage.
3. The Company has set up an Audit Committee and therefore the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.

