Stock Code : 1907



YFY Inc.

2023 Annual Report

For more information regarding this annual report, please visit
The Market Observation Post System: http://mops.twse.com.tw
Company Website: https://www.yfy.com
Printed on: 2024.04.30

I. Name, title, contact number, and email of the Company's spokesperson:

• President　David Lo　|　TEL：+886-2-2396-8020　|　E-mail：IR@yfy.com

II. Addresses and phone numbers of the headquarters, branch offices, and plants:

• YFY Inc. :

No. 14, Jiutang Road, Jiutang Village, Dashu District, Kaohsiung　|　TEL：+886-7-651-2611

• Taipei branch:　|　15F, No. 51, Chongqing S. Road Sec. 2, Taipei　|　TEL：+886-2-2396-8020

III.　Name, address, website, and telephone number of stock transfer agent:

• SinoPac Securities - Share Registration Services Department

3F, No. 17, Boai Road, Zhongzheng District, Taipei, Taiwan　|　TEL：+886-2-2381-6288

https://www.sinotrade.com.tw

IV. Name, firm name, address, website, and telephone number of the CPA who attested the most recent year's financial statements:

• CPA: Chih-Ming Shao and Hui-Min Huang.

Deloitte and Touche

20F, No. 100, Songren Rd., Xinyi Dist., Taipei, 11073, Taiwan　|　TEL：+886-2-2725-9988

https://www2.deloitte.com

V. Stock exchange(s) on which the stock is traded overseas and ways to obtain relevant information: N/A

VI. Company Website： https://www.yfy.com

Notice to readers

This English-version annual report is a translation version from the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Chapter1

Letter to Shareholders

The global economy has started to make a slow recovery from the pandemic, war, and inflation crisis. Geopolitical and regional tensions remain high. The International Monetary Fund (IMF) forecasted that the global economy will grow about 3.0% in 2023 and slow down slightly to 2.9% in 2024. Nonetheless, we maintain a cautiously optimistic outlook on future economic growth and are actively fortifying the foundation of our business in anticipation of further expansion.

For 2023, YFY Inc. (YFY) reported consolidated revenue of NT$73.867 billion. Income after tax attribute to the parent company amounted to NT$1.827 billion and earnings per share were NT$1.10. Despite a challenging macro environment during 2023, our affiliated companies under the equity method such as E Ink contributed NT$1.265 billion and SinoPac Holdings contributed majority of cash dividends of approximately NT$857 million.

YFY is recognized as a pioneer in circular economy and green technology, providing solutions to address climate change. Ongoing efforts in sustainability and the five strategic directions continue to enhance the company's operational resilience and competitiveness:

1. Renewable Energy and Energy Management

The Carbontech & Management Group (CMG) focuses on Smart Energy and Circular Economy, providing innovative energy systems and transforming waste into useful resources and biomass energy. CMG assists clients' energy planning and carbon reduction strategies through a carbon management platform, which helps clients establish carbon accounts, monitor emissions, and execute carbon reduction measures.

The papermaking process stands out for its unique characteristics in the field of circular economy when compared to other manufacturing industries. By converting production waste and residues into renewable energy and materials, YFY has embraced these advantages and is dedicated to developing low-carbon energy sources such as lignin biofuel, biogas, and solid recovered fuel (SRF). YFY has implemented energy generation and storage systems to create smart energy solutions, including the establishment of Taiwan's first co-generation post-meter energy storage system. The system integrates various functions including energy creation, storage, utilization, and adjustment, ultimately enhancing the energy efficiency of our factory. By reducing our reliance on Taipower during peak hours, we are able to lower electricity bills without placing additional strain on the public grid. Furthermore, it facilitates our cogeneration systems, allowing us to participate in Taipower's power trading platform and explore new business opportunities in the energy sector. By doing so, we contribute to enhancing the resilience of Taiwan's power grid.

In partnership with the Taoyuan City government, we have spearheaded the transformation of the Guishan Water Resource Recycling Center into Taiwan's green energy hub, operating under the Rehabilitate-Operate-Transfer (ROT) model. The center processes approximately 35,000 tons of domestic sewage and industrial wastewater daily, converting it into biogas energy. This initiative yields an annual generation of around 5MWh of electricity while also making a significant contribution to the environment by reducing 2,500 tons of CO2 emissions per year.

In 2024, YFY will continue to provide green solutions with a focus on Smart Energy and Circular Economy initiatives. We intend to promote virtual power plants based on the post-meter energy storage solutions. This will involve the aggregation of electricity, micro-grid, and renewable electricity trading, all as essential elements of our strategy.

2. Industry 4.1 and Creation of an Up/Downstream Industry Ecosystem

Chung Hwa Pulp Corporation (CHP), a subsidiary of YFY, has introduced "Automatic Virtual Metrology" into its production workflow. This cutting-edge system incorporates big data and AI into the papermaking process, particularly during coating, to create a visual detection system. By identifying potential issues, improving quality, and increasing yield, this system has led to a 2.16% boost in productivity and 6,000 tons of carbon emissions reduction annually. These achievements were honored with the "Smart Manufacturing Leader Award" and the "ESG Special Award" from Harvard Business Review's Digital Transformation Award. We will expand these experiences to other papermaking processes, and promote smart automation in collaboration with our value chain partners. We also provide training to employees on AI technology and sharing these experiences with other business divisions. The company has outlined key strategies focusing on automation, smart manufacturing, and low carbon transition.

3. Continuous Development of Circular Economy

YFY has been at the forefront of circular economy, producing paper products made from plant fibers, maximizing the value of saccharide material and circular resources. Carbon is stored throughout the complete paper lifecycle.

Within the YFY group, subsidiaries such as YFY Packaging, Chung Hwa Pulp Corporation and YFY Consumer Products have completed ISO 14067 carbon footprint certification. Fidelis IT Solutions Co., Ltd., has developed a carbon tracking platform to automate the measurement process. Genovella Renewables Inc., another YFY affiliate, repurposes factory waste into recycled Eco bricks (building materials), ensuring that all functional tests comply with the Taiwan CNS13295 standard. Other waste materials and sawdust from papermaking are processed into natural organic fertilizer.

Chung Hwa Pulp Corporation has established carbon sink experiment sites in Hualien and Taitung. These facilities continue their research in relevant methodologies and various measures to increase carbon sequestration.

4. The Saccharide Economy and New Materials Development

Wood is the primary material used in pulp and paper industry, with forests serving as crucial carbon sinks. Carbon is stored in the wood fibers and continues to be stored in the harvested wood products. Mr. Show-Chung Ho, President of the YFY Academy, proposed the differentiation between fossil-based carbon and biogenic carbon, and the consideration of "Green Carbon" at the 7th Asian Pulp and Paper Industry Conference. "Green Carbon" measurement is a more comprehensive method of measuring carbon as it includes the biogenic carbon stored in wood-based products and the carbon emissions generated during production. The proposed measurement is to subtract carbon emissions from biogenic carbon stored in products to obtain an accurate carbon assessment and disclosure. This approach underscores the dual function of the pulp and paper sector as a source of bio-materials and biogenic carbon pools. As the global community seeks viable options to reduce plastic use and carbon emissions, the pulp and paper industry has a unique role to play to contribute positively to climate change.

For a century, YFY has been a leader in the pulp and paper industry, dedicated to researching and developing renewable, low-carbon, and eco-friendly materials. Fong Tian Agricultural Paper is designed to replace plastic bags in farming. It is free from heavy metals and can be directly integrated into the soil to enhance the organic content of the farmland. CircuWell PE-free paper food containers have been developed as an alternative to traditional plastic coating containers. The PKT Series Tape is made from FSC-certified paper with special adhesives, making it biodegradable and an eco-friendly alternative to OPP/PVC-based plastic tapes. These tapes provide sustainable choices for the expanding e-commerce and packaging industries. Overall these products represent significant breakthroughs in replacing petrochemicals with saccharide-based materials.

5. Invest and Grow on New Business

In 2012, YFY underwent a name change and transitioned into a holding company. Since then, the company has been actively diversifying its business by expanding beyond its core papermaking operations. We have strategically supported our subsidiaries in their IPOs, with the funds raised being reinvested to nurture promising new entities, fostering a culture of sustainable value creation.

Subsidiaries such as TaiGen Biopharmaceuticals Holdings (4157.TW), Shin Foong Specialty and Applied Materials (6582.TW), Yuen Foong Yu Consumer Products (6790.TW), and Arizon RFID Technology (6863.TW) have all been successfully listed on the Taiwan Stock Exchange. In 2023, YFY acquired a substantial stake in FS-Tech, a startup in digital technologies, as part of our strategy in fields like digital transformation, AI, and smart manufacturing. Moving forward, YFY will continue to explore additional M&A opportunities.

As YFY celebrates its centennial in 2024, our commitment to business growth and corporate responsibility endures. In a future where opportunities and challenges are intertwined, the YFY management team is dedicated to maintaining agility and resilience. By harnessing digital technologies, advancing materials science, and implementing robust ESG strategies, we are poised to meet diverse challenges head-on and create enduring value for our shareholders.

Wishing you all good health and prosperity!



Jean Liu

Chairman of Board
YFY Inc.

Chapter 2.Company Profile

I. Date of Establishment: February 20, 1950

II. Company Milestones:

1924

- **Ho Jei Lai Trading Company** Mr. Ho Chuan, and his brothers, Mr. Ho Yung and Mr. Ho Yi, established Ho Jei Lai Trading Company., a company in their father's name. The company mainly trade in fertilizers, sugar, and grains.

1934

- **Yuen Foong Corporation** was established and the business transformed to a corporation.

1950

- **Established Yuen Foong Yu Paper Manufacturing Co., Ltd.**

  The pioneer of privately owned paper manufacturing plant, located in Jioutang Village, Dashu District in Kaohsiung, which produced Kraft paper and single-side coated paper.

1960

- **Developed the First Domestic Coated Paper**

  Developed the most advanced paper-coating technology and successfully produced coated paper to compete with imported products which put YFY in leading position for domestic cultural paper market.

1966

- **Merged with Yuen Foong Paper Co., Ltd.**

  The company locates at No. 21 Gushan 3rd Rd., Kaohsiung City.

1968

- **Alliance with Chung Hwa Pulp Co., Ltd.**

  In response to the government's investment policy in the east of Taiwan, YFY invested CHP in Hualien city. Established Taitung plant to manufacture coated white paper board.

1972

- **Merged Guo Guang Paper Co., Ltd.**

  Manufactured the first embossed tissue paper in Taiwan.

1977

- **YFY listed on the Taiwan Stock Exchange (Ticker # 1907.TW)**

1980

- **Established Taiwan's First Paper Manufacturer R&D Center**

  Established Taiwan's first and only paper manufacturer R&D center, focus on the paper manufacturing technology innovation and development.

1986

- **Launched "10 Billion Grand Vision Investment Plan"**
  - Established the company's paper industry foundation.
  - Develop talents for the company.
  - Launched conglomerate diversify strategies.
  - **Emerging into Paper Packaging Manufacturing Business**
  - Taoyuan packaging plant volume production.

1987

- Yangmei mill volume production to enhance competitiveness in the household paper product market.

1988

- **Issued the First Exchangeable Bond in Taiwan** with the shares of YFY subsidiary Chung Hwa Pulp Co., Ltd. as underlying stock.
- **Issued the First Convertible Preferred Stock in Taiwan**
- **Merged Yuen Foong Yuan Paper Manufacturing Co., Ltd.**

1989

- **Issued the First Foreign Convertible Corporate Bond**

1990

- Xinwu mill commenced production as YFY's first fully-automated plant equipped with a computerized integrated manufacturing (CIM) system.

1992

- **Emerging into Technology Business**
  - Invested in E-Ink as a pioneer company in Taiwan LCD panel industry.
  - Design and manufactured CHP's No. 2 paper dryer machine and commenced production.

1993~1999

- **Extended Exposure in China.**

  Built plants started from Guanzhou, Kunshan to Xiamen to developed southern China market, and built household paper plant in Kunshan. Invested Guangdong Dingfeng Pulp and Paper Co., Ltd. for China pulp market.

2000

- Emerging into Organic Food Industry

  Set up Yuen Foong Yu Biotech Co., Ltd. to develop organic food in Taiwan and China. Through the various channel such as retail shops, door to door delivery, restaurant uses organic produces to promote organic life style.

2001



- **Invested in TaiGen Biotechnology Co., Ltd.**

  Invested in pharmaceutical R & D Company, TaiGen Biopharmaceuticals Holdings Limited, as a leading company in Taiwan Biopharmaceutical industry.

2003

- **Expand Investment Portfolio into Biomedical Business**

  Established YFY Biotech Management Company and form a consulting team to evaluate investment and operation direction for biopharmaceutical businesses.
- Laiya Co., a YFY subsidiary, acquired P & G Taiwan Qinshui operations.

2004

- **Established YFY Paper (Vietnam) Co., Ltd.**
  - Emerging into Vietnam market.
  - E-ink listed in Taiwan OTC board.
  - Established subsidiary YFY Paper Manufacturing (Yangzhou) Co., Ltd. as initiative entry of China's containerboard market.

2005

- **Commercialized The First E-reader Device with key component, E-paper, supplied by E-Ink.**
  - Spun off containerboard and packaging business and renamed as YFY Packaging Inc.

2006

- Paper plant commenced production in Yangzhou plant.

2007

- Spun off consumer product division and formed Yuen Foong Yu Consumer Products Co., Ltd.
- Signed strategic alliance memorandum of cooperation with Japan's Nippon Paper Group, Inc.(NPG).

2008

- **Further Expansion of Technology Business**
- YEON Technologies Co., Ltd. established Asia Pacific RFID Certification Center, which was the only RD center that qualified by EPC Global in Asia.
- **Received the First FSC Certification for Forest Management in Domestic Paper Manufacturing Industry.**

2009

- **Acquired E Ink Corporation USA with leading technology of electronic paper display and e-paper R & D to further expand the development and exposure of e-paper.**
- YFY Packaging Inc. established a packaging lab and certified by Taiwan Accreditation Foundation (TAF) which is an international organization. The lab became the first ISO/ IEC 17025 certified containerboard packaging lab in Taiwan.
- Acquired Jupiter Group, a US packaging and brand design company, expects to be a leading global company in graphic design and packaging services.

2010

- **Acquired Arizon RFID Technology (Yangzhou) Co., Ltd.**
- Established Yuen Foong Yu Blue Economy Natural Resources (Yangzhou) Co., Ltd. to utilize agricultural straw in the bio pulping progress.

2012

- **Name change to YFY INC.**
- Yuen Foong Yu Paper Manufacturing Co., Ltd. renamed to YFY Inc.,as a investment holding entity. Transferred paper and paperboard division to Chung Hwa Pulp Co., Ltd. integrating pulp and paper operations.

2013

- The new eco technology commenced volume production in Yangzhou plant after 12 years research on nPulp technology.

2014

- **Arizon RFID Technology (Yangzhou) Co., Ltd. New Plant** Equip with the most advanced manufacturing line and the finest manufacturing procedures, the new plant set a new standard to the RFID industry.
- The technology of nPulp was honored by Edison Award.
- Established YFY Shop to develop a platform for e-commerce and monetary services.

2016



- **Shin Foong Specialty & Applied Materials listed in OTC market (Ticker # 6582.TW).**

2017

- Orange House products, eco-friendly cleaning products, volume production in Taoyuan.
- Shin Foong Specialty & Applied Materials listed in TWSE (Ticker # 6582.TW)

2018



- Increased investment in Southern Vietnam and consolidated Vietnam packaging operation. Volume production for packaging factories located in Northern Vietnam.

2019



- YFY Packaging Inc. Xinwu mill initiated biogas power generation system which was Taiwan's largest operations. The implementation set YFY as a role model of Circular Economy.

2020

- YFY Packaging Inc. Xinwu mill certified for BS8001 as the very first circular economy recognition for paper industry.
- Chung Hwa Pulp Corp. acquired facility in Taoyuan county Guanyin district for production of plastic-free materials.
- Arizon RFID Technology Co., Ltd. ramp up capacity in New Taipei City Tucheng district to meet customer demand and secured leading position in the supply chain.

2021



- Established YFY Academy
- YFY Packaging Inc. Xinwu mill pioneered a Taiwan's first industrial grade SRF (Solid Recovered Fuel) boiler operation which is coal free.
- YFY Consumer Products Co., Ltd. listed on TWSE (Ticker # 6790.TW)

2022

- Established the Carbontech & Management Group..

2023

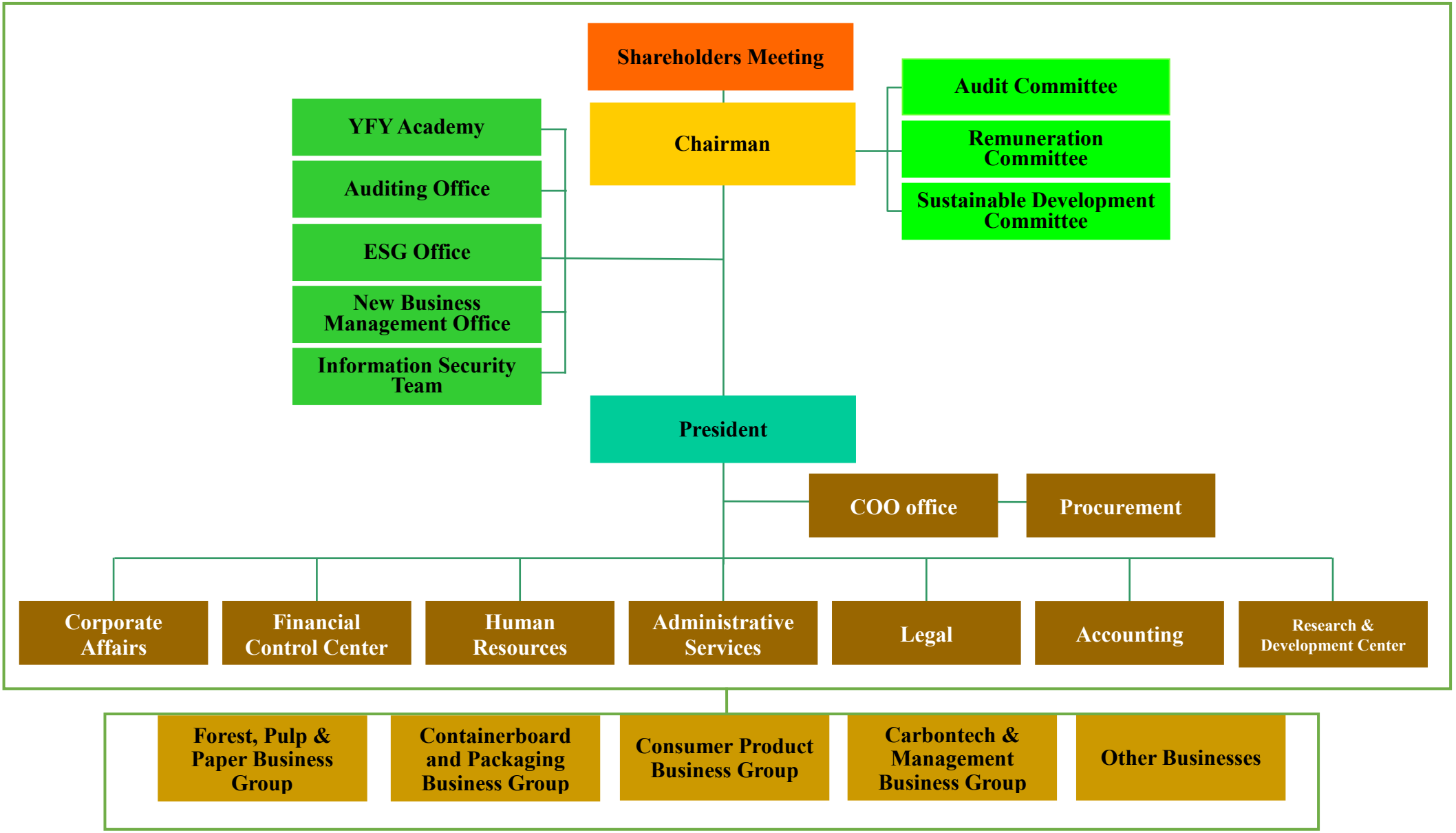
- Arizon Technology (Cayman) Co. Ltd. listed in Taiwan Stock Exchange (Ticker # 6863.TW)

Chapter 3. Corporate Governance Report

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II. Profiles Of President, VP, AVPS, And Managers
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IX. Information About Spouses, Kinship Within Second Degree, And Relationships Between Any Of The Top Ten Shareholders
X. Numbers Of Shares Held In Invested Enterprises By The Company, The Company's Directors, Independent Directors, Managers, And Enterprises Directly Or Indirectly Controlled By The Company And The Consolidated Shareholding Ratio

I. Organization

Data date: As of the printed date of the annual report



II. Profiles of Directors, Independent Directors, President, VP, VPs, and Managers

(I) Profiles of Directors and Independent Directors

December 31, 2023

Title	Nationality Or Place Of Registration	Name	Gender & Age			Date Elected	Term (Year)	First Elected	Shares Held When Elected		Shares Currently Held		Current Shares Held By Spouse And Underage Children		Shares Held In Names Of Third Parties		Education And Work Experience	Positions Concurrently Held At The Company Or Other Companies	Spouse Or Relatives Within Second Degree Of Kinship Who Also Act As Directors, Supervisors, Or Other Department Heads			Notes
			50-60	61-70	>71				Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage			Title	Name	Relation	
Chairman	ROC	Yuen Foong Paper Co., Ltd. Representative: Jean Liu	Female			2021/05/17	3	2021/05/17	18,268,073	1.10	18,268,073	1.10	0	0	0	0	Ph.D. in Chemistry, University of Northwestern	Note 1	N/A	N/A	N/A	
			✓						0	0.00	0	0.00										
Director	ROC	Yuen Foong Paper Co., Ltd. Representative: David Lo	Male			2021/05/17	3	2022/02/07	18,268,073	1.10	18,268,073	1.10	0	0	0	0	MBA, Johnson School of Management, Cornell University	Note 2	N/A	N/A	N/A	
			✓						0	0.00	0	0.00										
Director	ROC	Yuen Foong Paper Co., Ltd. Representative: Kirk Hwang	Male			2021/05/17	3	2016/03/16	18,268,073	1.10	18,268,073	1.10	0	0	0	0	Ph.D. in Materials Chemistry, University of Wisconsin	Note 3	N/A	N/A	N/A	
					✓				*51,909	0.00	*51,909	0.00										
Director	ROC	Shin-Yi Enterprise Co., Ltd. Representative: Chin-San Wang	Male			2021/05/17	3	2018/06/21	77,794,610	4.69	77,794,610	4.69	0	0	0	0	EMBA, Accounting and Management Strategy, National Taiwan University	Note 4	N/A	N/A	N/A	
					✓				0	0.00	0	0.00										
Director	ROC	Shin-Yi Enterprise Co., Ltd. Representative Chun-Chieh Huang	Male			2021/05/17	3	2021/05/17	77,794,610	4.69	77,794,610	4.69	0	0	0	0	Master of Science and Technology Management Institute, National Chengchi University	Director & President, Huacheng Capital Co., Ltd. President, Huicheng Capital Co., Ltd. Director, YFY Paradigm Investment Co., Ltd. Director, CT Micro International Corp. (Cayman)	N/A	N/A	N/A	
				✓					0	0.00	0	0.00										

Title	Nationality or place of registration	Name	Gender & Age			Date elected	Term (Year)	First elected	Shares held when elected		Shares currently held		Shares held when elected		Shares held when elected		Education and work experience	Positions concurrently held at the Company or other companies	Spouse or relatives within second degree of kinship who also act as directors, supervisors, or other department heads			Notes
			50~60	61~70	>71				Number of shares	Number of shares	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
Independent Director	ROC	Hsi-Peng Lu	Male			2021/05/17	3	2015/06/30	0	0.00	0	0.00	0	0	0	0	Ph.D. in Industrial Engineering, University of Wisconsin - Madison	Note 5	N/A	N/A	N/A	
				✓					0	0.00	0	0.00										
Independent Director	ROC	Di-Shi Huang	Male			2021/05/17	3	2021/05/17	0	0.00	0	0.00	0	0	0	0	Master of Criminal Justice Management Institute, Oklahoma City University	N/A	N/A	N/A	N/A	
				✓					0	0.00	0	0.00										
Independent Director	ROC	Yie-Yun Chang	Female			2021/05/17	3	2021/05/17	0	0.00	0	0.00	0	0	0	0	LL.D in University of Munich	Note 6	N/A	N/A	N/A	
				✓					0	0.00	0	0.00										
Independent Director	ROC	Jin-Li Hu	Male			2021/05/17	3	2021/05/17	0	0.00	0	0.00	0	0	0	0	PhD in Economics, State University of New York, Stony Brook	Note7	N/A	N/A	N/A	
			✓						0	0.00	0	0.00										

*Personal holdings

Note 1.
Chairman, Fidelis IT Solutions Co., Ltd.; Director, YFY Mauritius; Director, Shin Foong Specialty and Applied Materials Co., Ltd.; Director, Effion Enertech Co., Ltd.; Director, Chung Hwa Pulp Corp.; Director, Ensilience Co., Ltd. Corp.

Note 2.
President, YFY Inc.; Director, YFY Packaging Inc.; Director, YFY Consumer Products Co., Ltd.; Director, Yuen Foong Yu Consumer Products Investment Ltd. ; Chairman, YFY Corporate Advisory & Services Co., Ltd.; Chairman, YFY Paradigm Investment Co., Ltd.; Chairman, YFY Development Corp.; Director, Fidelis IT Solutions Co., Ltd.; Director, YFY Biotech Management Company; Director, Taiwan Sotck Exchange Corporation; Director, YFY International B.V.; Director, YFY Global Investment B.V.; Director, YFY Mauritius Corp.; Director, Arizon RFID Technology (Cayman) Co., Ltd.; Director, YFY Capital Holdings Corp.; Superviser, Ensilience Co., Ltd.; Director, Taiwan Venture Capital Association

Note. 3.
Chief Technology Officer, YFY Inc.; Chairman, Chung Hwa Pulp Corp.; Director, Guangdong Dingfung Pulp & Paper Co., Ltd.; Director, Shin Foong Specialty and Applied Materials Co., Ltd.; Director, Sustainable Carbohydrate Innovation; Director, CHP International (BVI) Corporation; Director, Global Views Educational Foundation; Chairman, Taiwan Paper Industry Association; Director, Center for Corporate Sustainability; Executive Director, Taiwan Carbon

Capture Storage and Utilization Association; Director, Taiwan-US Carbon Capture, Reuse and Storage Industry Promotion Alliance; President, Taiwan Technical Textiles Association

Note 4.
Independent Director, Taiwan Cement; Independent Director, Taiwan Navigation Co. Ltd.; Independent Director, DACIN Construction Co., Ltd.; Independent Director, Fulin Plastic Industry (Cayman) Holding Co., Ltd.; Director, Yageo Corporation; Supervisor, Win-link Venture Capital Corp.; Director, T N Soong Foundation

Note 5
Distinguished Professor, Department of Information Management, National Taiwan University of Science and Technology; Independent Director, Systex Corporation; Independent Director, Taiwan Mobile Co., Ltd.; Independent Director, 91APP Inc.; Director, National Taiwan University System Cultural Foundation

Note 6
Executive Vice President, Fu Jen Catholic University; Director, Dadong Resin Chemical Co., Ltd.; Independent Director, Ocean Plastic Co., Ltd.; Member of the Sustainable Development Committee, Advanced Lithium Electrochemistry (KY) Co.,Ltd.; Legal Consultant, Intellectual Property Office of the Ministry of Economic Affairs; Committee Member, Appeal Review Committee of the Ministry of Transportation and Communications; Committee Member, Public Expenses Study Abroad Review Committee of the Ministry of Education; Committee Member, Appeal Review Committee of The Control Yuan

Note 7
Professor, Institute of Business and Management, NYCU; Executive supervisor, Taiwan Association of Environmental and Resource Economics; Vice President, Association for China Economic Studies; Member, National Council For Sustainable Development

(1). Major Direct Institutional Shareholders

December 31, 2023

Name of Institutional Shareholder	Major Direct Institutional Shareholders
Shin-Yi Enterprise Co., Ltd.	S. C. Ho (27.84%), Jucheng Investment & Management Co., Ltd. (12.50%), BRILLIANT PRIDE LIMITED (12.50%), Gao Da Global Ltd. (12.50%), Mei-Yu Ho (12.50%), Guan Yu Investment Co., Ltd. (5.91%), Hui-Shin Ho Tsai (2.48%), Richard Ho (2.18%), Jin Jie Investment Ltd.(1.52%), Hoss Educational Foundation (1.48%), Hoss Cultural Foundation (1.48%)
Yuen Foong Paper Co., Ltd.	Shin-Yi Enterprise Co., Ltd. (27.39%), S. C. Ho (16.65%), Hsinex International Corp. (9.93%), Yu Hai Investment Corp. (9.69%), Hoss Venture Inc. (5.81%), Mei-Yu Ho (3.59%), Jucheng Investment & Management Co., Ltd. (3.59%), BRILLIANT PRIDE LIMITED (3.59%), Gao Da Global Ltd. (3.59%), Hui-Shin Ho Tsai (3.18%)

(2). Major Indirect Institutional Shareholders

December 31, 2023

Name of Institutional Shareholders	Major Indirect Institutional Shareholders
Jucheng Investment & Management Co., Ltd.	RAINBOW TIME LIMITED (Samoa) (100.0%)
BRILLIANT PRIDE LIMITED	LEE SWEE HIONG 100.0%

Name of Institutional Shareholders	Major Indirect Institutional Shareholders
Gao Da Global Ltd.	Jin-Xing Lin (100.0%)
Guan Yu Investment Co., Ltd.	Hui-Shin Ho Tsai (57.49%), Jie-Ru Ho (7.5%), Wen-Hua Ho (7.5%), Yi-Jin Huang (6.25%), Yi-Xuan Huang (6.25%), Jie-Xi Liu (3.75%), Jie-Ya Liu (3.75%), Jie-Xiu Ka (3.75%), Jie-Ke Ka (3.75%), Richard Ho (0.01%)
Jin Jie Investment Ltd.	Guan Yu Investment Co., Ltd. 100.0%
Hoss Educational Foundation	Founded in 2001 with Hui-Mei Chen as the main donor at the time of founding (100%)
Hoss Cultural Foundation	Founded in 2004 with Chen-Kuan Sun (95%) and Hui-Mei Chen (5%) as the main donor at the time of founding
Yu Hai Investment Corp.	Yu Hai Enterprise Co., Ltd. (34.78%), Shan Tao Investment Ltd. (25.04%), Jie Lai Investment Ltd. (19.98%), Ka Feng Investment Ltd. (19.98%), Hui-Shin Ho Tsai (0.18%), Miao-Zhen Lin (0.04%)
Hsinex International Corp.	S. C. Ho (53.13%), Yi-Jia Ho (24.48%), Felix Ho (22.28%), Cheng Yu Co., Ltd. (0.11%)
Hoss Venture Inc.	Hoss Cultural Foundation (49.07%), Hoss Educational Foundation (40.03%), Yu-Hui Ho (6.81%), Ho Shi Investment Corp. (3.04%), Ho Shi International Corp. (0.37%), Hui-Mei Chen (0.26%), Shiou-Chuan Ho (0.19%), De Yong Chen (0.15%), Yo Tian Chuang (0.04%), Hui-Zhu Chen (0.04%)

I. Disclosure Of Information On The Professional Qualifications Of Directors And The Independence Of Independent Directors:

December 31, 2023

Term / Name	Professional qualifications and experience	The information of independence	Number of concurrent posts at other listed companies as independent director
Jean Liu	Director of Chief Technology officer, Delta Electronics Managing, Consultant, IBM Global Business Services, Vice President of Customer Strategy , Schneider Electric		0
David Lo	Managing Director, UBS Taiwan District, Deputy General Manager of Shin Kong Bank, Director of Capital Operation Division, Chang Hwa Bank		0
Kirk Hwang	Chairman, Chung Hwa Pulp Corp. , President, Kang Na Hsiung Enterprise Co., Ltd. , Head of Asia Pacific Business Developmental Department, 3M		0
Chin-San Wang	Chairman, National Taiwan University EMBA Alumni Foundation, Vice Chairman Deloitte Touche Tohmatsu Limited Associate Professor of Department of Accounting, CPA Associations R.O.C Member of Financial Accounting Committee		4
Chun-Chieh Huang	President, SinoPac Securities Venture Capital Corporation, Vice President, Sercomm Corporation President, Director, Taiwan Venture Capital Association		0
Hsi-Peng Lu	Dean of School of Management/ Dean of Academic Affairs/ Dean of Information Management department/ Executive Director of EMBA/ Director of E-Commerce Center, National Taiwan University of Science and Technology (accounting or finance expertise)	1. The two years before the election and the term of office meet the independence requirements of Article 3 of the "Measures for the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed". 2. Signed a declaration of independence of	3

		independent directors at the time of appointment.	
Di-Shi Huang	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	Same content as Hsi-Peng Lu	0
Yie-Yun Chang	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	Same content as Hsi-Peng Lu	1
Jin-Li Hu	Dean/Associate Dean, School of Management, National Chiao Tung University, Director, Institute of Management, Associate Professor, Department of Industrial Economics, Tamkang University, Associate Professor, Ming Chuan School of Management Department of Financial Management (accounting or finance expertise)	Same content as Hsi-Peng Lu	0

Note 1: For the academic experience of each director of YFY, please refer to Item (1) of Chapter 2 - Information on directors and independent directors. None of the directors of YFY has any of the circumstances specified in Article 30 of Company Law.

Note 2: The independent directors of YFY have met the requirements for independence in Article 3 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to Be Followed" during the two years before the election and during their tenure.

II. Diversity and independence of the board of directors:

1. Diversity of the board of directors:

(1) Board Diversity Policy:

On November 13, 2018, the Board passed a resolution to introduce a Code of Corporate Governance. YFY's board diversity policy is set out in Chapter 3 (Composition and Powers of the Board), Article 19 of the Code. This includes adopting a candidate nomination system and complying with the company's Director Election Rules and Code of Corporate Governance to ensure the diversity of board members.

(2) The Board Members' Diversity Management Goals

The Board Members' Diversity Management Goals	**The Achievement of 2023**
(1) Directors concurrently serving as company officers not exceed one-third of the total number of the board members	Achieved, currently only 1 manager serve as director.
(2) The board must include at least one female director.	Achieved, currently the board has 2 female directors.
(3) The professional backgrounds of the board members should encompass business management, financial accounting, legal, and risk management.	Achieved, currently among the board members' backgrounds: 9 in risk management, 8 in business management, 2 in law, and 1 in financial accounting.



(3) Implementation of Board Diversity Policy:

The professional backgrounds of the Board includes industry, management and accounting. The members of our 28th Board of Directors who excel in leadership, operational decision-making, business management and crisis management include directors Jean Liu, David Lo, Kirk Hwang, and Chun-Chieh Huang, as well

as accountant Chin-San Wang. Our independent directors include Hsi Peng Lu, Yie-Yun Chang, Jin-li Hu are all university professors; and Di-Shi Huang has expertise in criminal investigation.

Among the members of the Company's Board of Directors, there are two directors with employee status. There are 4 independent directors, 1 independent director has served for 6 years and the other three are all elected as independent directors from 2021. In terms of age, there are 2 directors over the age of 70, 3 directors between the ages of 60 and 70, 4 directors between the ages of 50 and 60.The Company also emphasizes gender equality in the composition of the Board of Directors. The current term of the Board of Directors includes two female members (one of whom is an independent director).

Name		Jean Liu	David Lo	Kirk Hwang	Chin-San Wang	Chun-Chieh Huang	Hsi-Peng Lu	Di-Shi Huang	Yie-Yun Chang	Jin-li Hu
Title		Chairman	Director	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Basic Background Information	Gender	F	M	M	M	M	M	M	F	M
	Also serves as manager	N	Y	Y	N	N	N	N	N	N
	Ranges of age	50~60	50~60	>70	>70	60~70	50~60	60~70	60~70	50~60
Professional Background	Industry	V	V	V		V				
	Business Management	V	V	V		V	V	V	V	V
	Accounting				V					
Professional Competence	**The expertise and relevance of the board members to the company's business.**	**The professional competence of board members.**								
Leadership	The current board members recruited are all outstanding professional managers and scholars in their respective fields, possessing excellent leadership in internal	V	V	V	V	V	V	V	V	V

Name		Jean Liu	David Lo	Kirk Hwang	Chin-San Wang	Chun-Chieh Huang	Hsi-Peng Lu	Di-Shi Huang	Yie-Yun Chang	Jin-li Hu
	communication and problem-solving skill for the company.									
Operational Judgments	YFY's various assets are utilized to generate revenue and profit for the company.	V	V	V	V	V				
Business Management	Board members review the plan, organization, and control of existing resources of YFY according to their decision-making authority, enabling the management team to achieve profit goals	V	V	V		V	V	V	V	V
Crisis Management	In the event of a crisis, providing experiences from various perspectives of industry, government, and academia: 1. How to identify the causes and prevent further damage; 2. How to control risks.	V	V	V			V	V	V	V
Industry Knowledge	YFY is an investment company, with board members whose experiences span across various industries including foreign-owned machinery and electrical engineering, banking, chemical consumer goods, venture capital, and more, showcasing rich diversity in business expertise. Among the independent	V	V	V		V	V			V

Name		Jean Liu	David Lo	Kirk Hwang	Chin-San Wang	Chun-Chieh Huang	Hsi-Peng Lu	Di-Shi Huang	Yie-Yun Chang	Jin-li Hu
	directors, Jin-li Hu has conducted profound research on how international geopolitical developments influence the economy; Hsi-Peng Lu has deep insights and observations on international technology trends and the job market, digital currencies, and e-commerce trends.									
International Market Insights	The board members' educational and professional backgrounds encompass the technical aspects of the company and its subsidiaries, as well as industries related to upstream and downstream suppliers/customers, banking, accounting, information technology, and law. This diverse array of expertise provides multi-faceted industry knowledge and risk management perspectives, contributing to the operational management and analytical decision-making of the company.	V	V	V	V	V	V	V	V	V
Risk Management		V	V	V	V	V	V	V	V	V

2. Board Independence:

The 28th board of directors of YFY consists of 9 directors, including 4 independent directors, accounting for 44% of all directors. None of the directors of YFY has a spouse or relative within the second degree of kinship as stipulated in Item 3, Article 26-3 of the Securities and Exchange Act. None of YFY's

independent directors, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of YFY, affiliated companies, or companies that have a specific relationship with YFY, and do not hold company shares. None has not provided business, legal, financial, accounting and other services to YFY or related companies in the past two years.

II. Profiles of President, VP, AVPs, and Management

December 31, 2023

Title	Nationality Or Place Of Registration	Name	Gender	Date Elected	Shares Held Shares		Shares Held By Spouse And Underage Children		Shares Held In Names Of Third Parties		Education And Work Experience	Positions Concurrently Held At Other Companies	Manager Who Is A Spouse Or Relative Within Second Degree Of Kinship			Notes
					Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage			Title	Name	Relation	
President	ROC	David Lo	Male	2022/02/07	0	0	0	0	0	0	MBA, Johnson School of Management, Cornell University	Note 1	N/A	N/A	N/A	
CTO	ROC	Kirk Hwang	Male	2016/01/01	51,909	0	0	0	0	0	Ph.D. in Materials Chemistry, University of Wisconsin	Note 2	N/A	N/A	N/A	
Carbontech & Management Group Leader	ROC	Huey-Ching Yeh	Male	2022/12/01	0	0	0	0	0	0	Master of Economics, National Chengchi University	Chariman, San Ying Enterprise Co., Ltd. Chariman, EFFION Enertech Co., Ltd. Chariman,,Ensilience Co., Ltd.	N/A	N/A	N/A	
COO	ROC	Cheng-Hsien Chu	Male	2021/11/15	0	0	0	0	0	0	Ph.D., Institute of Mechanical Engineering, National Cheng Kung University	Director, YFY Packaging Inc. Director, Fidelis IT Solutions Co., Ltd. Director, FS-Tech CompanyLtd.	N/A	N/A	N/A	
VP, Human Resources Department	ROC	Jeff Huang	Male	2021/08/02	40,000	0	35,000	0	0	0	Master of Labor Research Institute, National Chengchi University	Director, YFY Corporate Advisory & Services Co., Ltd. Director, Hwa Fong Paper (Hong Kong) Co., Ltd.	N/A	N/A	N/A	
VP, Finance Control Center	ROC	Vincent Min	Male	2022/09/27	0	0	0	0	0	0	Master of Finance, National Taiwan University	Note 3	N/A	N/A	N/A	

Title	Nationality Or Place Of Registration	Name	Gender	Date Elected	Shares Held Shares		Shares Held By Spouse And Underage Children		Shares Held In Names Of Third Parties		Education And Work Experience	Positions Concurrently Held At Other Companies	Manager Who Is A Spouse Or Relative Within Second Degree Of Kinship			Notes
					Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage			Title	Name	Relation	
AVP, Accounting Department (Retired on 2023/07/01)	ROC	C. F. Wu	Male	2011/07/01	0	0	0	0	0	0	B. Acc., Feng Chia University	N/A	N/A	N/A	N/A	
Manager, Accounting Department	ROC	Shu-Fan Lin	Male	2023/07/01	0	0	0	0	0	0	B. Acc., Tamkang University	Note 4	N/A	N/A	N/A	
AVP, Legal Department and Corporate Governance	ROC	Vincent Chan	Male	2015/07/01	5,470	0	2,109	0	0	0	LL.B., National Chung Hsing University	Note 5	N/A	N/A	N/A	
AVP, Procurement Department	ROC	Claudia Kun	Female	2019/06/17	0	0	0	0	0	0	Management Science, National Chiao Tung University	Director, YFY Corporate Advisory & Services Co., Ltd.	N/A	N/A	N/A	
AVP, Auditing Department (Appointed on 2023/03/15)	ROC	Miles Chang	Male	2023/03/15	0	0	0	826	0	0	Master for Eminent Public Administrators, Social Economics Section, National Chengchi University	N/A	N/A	N/A	N/A	
AVP, New Business Management Office	ROC	Jack Su	Male	2021/10/01	0	0	0	0	0	0	B. EE, Tamkang University	N/A	N/A	N/A	N/A	
AVP, Treasury Management Department	ROC	Allen Chen	Male	2022/09/27	0	0	0	0	0	0	Master of Finance, National Chengchi University	Supervisor, YFY Packaging (Yangzhou) Investment Co., Ltd.	N/A	N/A	N/A	
Chief Information Security Officer	ROC	York Kuo	Male	2022/11/11	0	0	0	0	0	0	Master of Information Management, National Yunlin University of Science & Technology	President, Fidelis IT Solutions Co., Ltd.	N/A	N/A	N/A	

Note 1.

Director, YFY Packaging Inc.; Director, YFY Consumer Products Co., Ltd.; Director, Yuen Foong Yu Consumer Products Investment Ltd. ; Chairman, YFY Corporate Advisory & Services Co., Ltd.; Chairman, YFY Paradigm Investment Co., Ltd.; Chairman, YFY Development Corp.; Director, Fidelis IT Solutions Co., Ltd.; Director, YFY Biotech Management Company; Director, Taiwan Stock Exchange Corporation; Director, YFY International B.V.; Director, YFY Global Investment B.V.; Director, YFY Mauritius Corp.; Director, Arizon RFID Technology (Cayman) Co., Ltd.; Director, YFY Capital Holdings Corp.; Supervisor, Ensilience Co., Ltd.; Director, Taiwan Venture Capital Association

Note 2

Chairman, Chung Hwa Pulp Corp.; Director, Guangdong Dingfung Pulp & Paper Co., Ltd.; Director, Shin Foong Specialty and Applied Materials Co., Ltd.; Director, Sustainable Carbohydrate Innovation; Director, CHP International (BVI) Corporation; Director, Global Views Educational Foundation; Chairman, Taiwan Paper Industry Association; Director, Center for Corporate Sustainability; Executive Director, Taiwan Carbon Capture Storage and Utilization Association; Director, Taiwan-US Carbon Capture, Reuse and Storage Industry Promotion Alliance; President, Taiwan Technical Textiles Association

Note 3

Director & President, YFY Paradigm Investment Co., Ltd; Director, YFY Biotech Management Co., Ltd.; Supervisor, China Color Printing Co., Ltd.; Supervisor, YFY Japan Co., Ltd.; Director, YEON Technologies Co., Ltd.; Supervisor, Effion Enertech Co., Ltd.; Supervisor, Arizon RFID Technology Co., Ltd.; Director, Locus Publishing Co., Ltd.; Director, Guangyuan Investment Co., Ltd.; Supervisor, FS-Tech Company Ltd.; Director, Global Investment Holding; Supervisor, Shin Taiwan Kubota Co., Ltd.; Director, China Investment and Development Co., Ltd.; Director, Universal Venture Capital Investment Corp.

Note 4

Supervisor, YFY Packaging Inc.; Supervisor, Union Paper Corp.; Supervisor, Supervisor, YFY Development Co, Ltd.; Supervisor, YFY Paradigm Investment Co., Ltd.; Supervisor, San Ying Enterprise Co., Ltd.; Supervisor, Fidelis IT Solutions Co., Ltd.; Supervisor, China Investment and Development Co., Ltd.; Supervisor, Sustainable Carbohydrate Innovation Co., Ltd.

Note 5

Supervisor, YFY Corporate Advisory & Services Co., Ltd.; Supervisor, Guangdong Dingfung Pulp & Paper Co., Ltd.; Supervisor, Zhaoqing Dingfung Forestry Co., Ltd.; Director, YFY Paper Mfg. (Jiangyin) Co., Ltd.; Director, Hwa Fong Paper (Hong Kong) Co., Ltd.; Supervisor, Shenzhen Jinglun Paper Co., Ltd.; Supervisor, Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.; Supervisor, Shin-Yi Enterprise Co., Ltd.; Supervisor, Fu Hwa Enterprise Co., Ltd.

III. Remuneration to Directors, Independent Directors, President, and VP in the Past Year

(1) Director remuneration

December 31, 2023 Unit: NT$ thousand

Title	Name	Director Remuneration								Ratio Of Total Compensation (A+B+C+D) To After-Tax Income (%)		Concurrent Employee Remuneration								Ratio Of Total Compensation (A+B+C+D+E+F+G) To After-Tax Income (%)		Parent Company And All Reinvested Businesses
		Remuneration (A)		Severance Pay And Pension (B)		Director's Remuneration (C)		Performance Compensation (D)				Salaries, Incentives And Allowances (E) (Note)		Severance Pay And Pension (F)		Employee's Remuneration (G)						
																YFY		All Companies In The Financial Statements				
		YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	Amount In Cash	Amount In	Amount In Cash	Amount In	YFY	All Companies In The Financial Statements	
Chairman	Yuen Foong Paper Co., Ltd. Representative：Jean Liu	0	0	0	0	14,000	14,000	408	1,224	14,408 0.789%	15,224 0.833%	39,819	49,591,	108	108	8	0	8	0	54,343 2.975%	64,931 3.554%	286
Director	Yuen Foong Paper Co., Ltd. Representative：Kirk Hwang																					
Director	Yuen Foong Paper Co., Ltd. Representative：David Lo																					
Director	Shin-Yi Enterprise Co., Ltd. Representative：Chin-San Wang																					
Director	Shin-Yi Enterprise Co., Ltd. Representative：Chun-Chieh Huang																					
Shin-Yi Enterprise Co., Ltd.																						
Yuen Foong Paper Co., Ltd.																						
Independent Director	Hsi-Peng Lu	0	0	0	0	8,000	8,000	288	288	8,288 0.454%	8,288 0.454%	0	0	0	0	0	0	0	0	8,288 0.454%	8,288 0.454%	0
Independent Director	Yie-Yun Chang																					
Independent Director	Jin-li Hu																					
Independent Director	Di-Shi Huang																					

1. The remuneration for the Company's Independent Directors is determined based on the education, experience, and social status of the Independent Director, salary market surveys, and prevailing standards in the industry. As a principle, the Company provides remuneration that meets general standards in the industry and decides the remuneration based on the Company's business results and the contributions of Independent Directors in their duties. The remuneration is reviewed by the Remuneration Committee and reported to the Board of Directors for approval. The Company shall continue to review the

remuneration policy for Independent Directors based on the business status and regulations to ensure the reasonableness of remuneration and the Company's sustainability.

2. Except as disclosed above, remuneration received by directors in the last year for on-balance sheet services (e.g., acting as non-employee consultant) rendered to the Company: N/A.

Note 1: Including car rental expenses of NT$1,689 thousand

Range Of Remuneration To All Directors	Name		Range Of Remuneration To All Directors	Name	
	Total Amount For The 4 Preceding Remunerations (A+B+C+D)			Total Amount For The 7 Preceding Remunerations (A+B+C+D+E+F+G)	
	YFY	All Companies In The Financial Statements		YFY	All Companies In The Financial Statements
Less than NT$1,000,000	Jean Liu Kirk Hwang David Lo Chin-San Wang Chun-Chieh Huang	Jean Liu Kirk Hwang David Lo Chin-San Wang Chun-Chieh Huang	Less than NT$1,000,000	Chin-San Wang Chun-Chieh Huang	Chin-San Wang Chun-Chieh Huang
NT$1,000,000 (incl.) ~ NT$2,000,000			NT$1,000,000 (incl.) ~ NT$2,000,000		
NT$2,000,000 (incl.) ~ NT$3,500,000	Hsi-Peng Lu Yie-Yun Chang Jin-li Hu Di-Shi Huang	Hsi-Peng Lu Yie-Yun Chang Jin-li Hu Di-Shi Huang	NT$2,000,000 (incl.) ~ NT$3,500,000	Hsi-Peng Lu Yie-Yun Chang Jin-li Hu Di-Shi Huang	Hsi-Peng Lu Yie-Yun Chang Jin-li Hu Di-Shi Huang
NT$3,500,000 (incl.) ~ NT$5,000,000	Shin-Yi Enterprise Co., Ltd.	Shin-Yi Enterprise Co., Ltd.	NT$3,500,000 (incl.) ~ NT$5,000,000	Shin-Yi Enterprise Co., Ltd.	Shin-Yi Enterprise Co., Ltd.
NT$5,000,000 (incl.) ~ NT$10,000,000	Yuen Foong Paper Co., Ltd	Yuen Foong Paper Co., Ltd	NT$5,000,000 (incl.) ~ NT$10,000,000	Yuen Foong Paper Co., Ltd Kirk Hwang	Yuen Foong Paper Co., Ltd
NT$10,000,000 (incl.) ~ NT$15,000,000			NT$10,000,000 (incl.) ~ NT$15,000,000		Kirk Hwang
NT$15,000,000 (incl.) ~ NT$30,000,000			NT$15,000,000 (incl.) ~ NT$30,000,000	Jean Liu David Lo	Jean Liu David Lo
NT$30,000,000 (incl.) ~ NT$50,000,000			NT$30,000,000 (incl.) ~ NT$50,000,000		
NT$50,000,000 (incl.) ~ NT$100,000,000			NT$50,000,000 (incl.) ~ NT$100,000,000		
More than NT$100,000,000			More than NT$100,000,000		
Total	11	11	Total	1	1

(2). Remuneration to supervisors.

Starting from 2015, supervisors were replaced by the newly established Audit Committee.

(3). Remuneration to the President and VP

Unit: NT$ thousand

Title	Name	Salary (A)		Severance Pay And Pension (B)		Bonuses And Allowances (C) (Note)		Employee's Remuneration (D)				Ratio Of Total Compensation (A+B+C+D) To After-Tax Income (%)		Parent Company And All Reinvested Businesses
		YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY		All Companies In The Financial Statements		YFY	All Companies In The Financial Statements	
								Amount In Cash	Amount In Stocks	Amount In Cash	Amount In Stocks			
President	David Lo	23,370	27,042	432	540	21,618	26,091	40	0	40	0	45,460 2.489%	53,713 2.940%	286
Carbontech & Management Group Leader	Huey-Ching Yeh													
COO	Cheng-Hsien Chu													
VP	Jeff Huang													
VP	Vincent Min													

Note1: Including car rental expenses of NT$959 thousand.

Note2: The Board of Directors approved the proposed distribution of employee compensation of NT$1,981 thousand (all in cash) for 2023, but the list of employee compensation distribution has not been decided as of the printing date.

Range Of Remuneration To President And VP	Name Of President And VP	
	YFY	Parent Company And All Reinvested Businesses
Less than NT$1,000,000	Vincent Min	
NT$1,000,000 (incl.) ~ NT$2,000,000		
NT$2,000,000 (incl.) ~ NT$3,500,000		
NT$3,500,000 (incl.) ~ NT$5,000,000		
NT$5,000,000 (incl.) ~ NT$10,000,000	Cheng-Hsien Chu Jeff Huang	Cheng-Hsien Chu Jeff Huang Vincent Min
NT$10,000,000 (incl.) ~ NT$15,000,000	Huey-Ching Yeh	Huey-Ching Yeh
NT$15,000,000 (incl.) ~ NT$30,000,000	David Lo	David Lo
NT$30,000,000 (incl.) ~ NT$50,000,000		
NT$50,000,000 (incl.) ~ NT$100,000,000		
More than NT$100,000,000		
Total	5	5

(4). Name of management who distribute employee salaries and distribution status:

Titles		Name	Shares Amount	Cash Amount	Total (Note)	Amounts In Proportion Of Net Profits (%)
Managements	President	David Lo	0	72	72	0.004%
	CTO	Kirk Hwang				
	Carbontech & Management Group Leader	Huey-Ching Yeh				
	COO	Cheng-Hsien Chu				
	VP, Human Resources Department	Jeff Huang				
	VP, Finance Control Center	Vincent Min				
	AVP, Legal Department and Corporate Governance Officer	Vincent Chan				
	AVP, Procurement Department	Claudia Kung				
	Manager, Auditing Department	Miles Chang				
	AVP, New Business Management Office	Jack Su				
	AVP, Treasury Management Department	Allen Chen				
	Chief Information Security Officer	York Kuo				
	Manager, Accounting Department	Shu-Fan Lin				

Note: The Board of Directors approved the proposed distribution of employee compensation of NT$1,981 thousand (all in cash) for the year 2023, and since the list of employee compensation distribution has not yet been decided, this table is an estimate of the proposed amount.

(5). Detailed ratios of total remuneration of YFY's directors, president, and executive vice presidents to after-tax profit with respect to the individual and consolidated financial statements in the past two years, and description of the remuneration policy, standards and combinations, determination of remuneration, and connection to business performance and future risks

1. Detailed ratios of total remuneration of YFY's directors, president, and executive vice presidents to after tax profit with respect to the individual and consolidated financial statements in the past two years

Recipient	Ratio Of Total Remuneration To After-Tax Profit					
	2023		2022		Differences	
	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements	YFY	All Companies In The Financial Statements
Director	2.975%	3.554%	2.788%	3.260%	0.187%	0.294%
Independent Director	0.454%	0.454%	0.382%	0.382%	0.072%	0.072%
President and VPs	2.489%	2.940%	2.052%	2.142%	0.437%	0.798%

2. Description of the remuneration policy, standards and combinations, determination of remuneration, and connection to business performance and future risks：

(1)The Company's Articles of Incorporation specifies that 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. The remuneration of directors shall be paid in cash, and the remuneration of employees shall be paid in the form of cash or stock. The recipients of the distribution may include employees of subordinate companies who meet certain conditions, which shall be authorized by the board of directors. The distribution ratio of directors' remuneration, and the payment method and ratio

of employee's remuneration shall be determined by the board of directors with the attendance of more than two-thirds of the directors and a resolution approved by more than half of the directors present, and reported to the shareholders' meeting. When calculating the remuneration of employees and directors, the accumulated losses shall be deducted from the profit of the current year (i.e., the profit before tax deducting the profit before distribution of employees and directors' remuneration), and then the remuneration of employees and directors shall be calculated based on the balance. The standards and procedures for the provision of director's remuneration have been specified and the director's remuneration has been linked to the company's performance. The remuneration rate and amount of directors for the current year have been reviewed and approved by the Remuneration Committee and the Board of Directors, and reported to the shareholders' meeting. The company will review the remuneration distribution policy in a timely manner based on the overall operating environment and corporate operating performance and development strategies to take into account operational risks, corporate governance and safeguarding the interests of shareholders.

(2)The remuneration of the president and vice presidents is based on individual professional qualifications and with reference to market salary trends, and is submitted to the remuneration committee for discussion and subsequent approval by the board of directors. The fixed monthly salary includes monthly salary, allowances (job allowances, meal allowances, etc.) and other recurring payments. The annual bonuses and employee remuneration are paid separately. The performance appraisal results carried out by the company in accordance with the "Performance Management Measures" are used as a reference for the annual bonus of managers and employee remuneration. Performance appraisal items are divided into work result indicators and core competencies. The indicator setting is based on the company's operating strategy and business unit strategic priorities and job responsibilities, including financial and non-financial indicators.

IV. Corporate Governance Practice

(I) Board of Directors operating status

A total of 4 meetings of the 28th Board of Directors were held in 2023. Directors' attendances were described as below:

Title	Name	Attendance In Person	Attendance By Proxy Time(S)	Attendance In Person Rate (%)	Notes
Chairman	Yuen Foong Paper Co., Ltd. Representative: Jean Liu	4	0	100%	28th
Director	Yuen Foong Paper Co., Ltd. Representative: Kirk Hwang	4	0	100%	28th
Director	Yuen Foong Paper Co., Ltd. Representative: David Lo	4	0	100%	28th
Director	Shin-Yi Enterprise Co., Ltd. Representative: Chin-San Wang	3	1	75%	28th
Director	Shin-Yi Enterprise Co., Ltd. Representative: Chun-Chieh Huang	4	0	100%	28th
Independent Director	Hsi-Peng Lu	4	0	100%	28th
Independent Director	Di-Shi Huang	4	0	100%	28th
Independent Director	Yie-Yun Chang	4	0	100%	28th
Independent Director	Jin-li Hu	4	0	100%	28th

Other statutory information:

I. If any of the following circumstances have occurred amid operations of the Board of Directors, the date, period, agenda content, the opinions of all independent directors, and the handling of the opinions of the independent directors by the Company shall be specified:

(I) Matters prescribed under Article 14-3 of the Securities and Exchange Act:

The Company has set up an Audit Committee. Matters prescribed under Article 14-5 of the Securities and Exchange Act include matters prescribed under Article 14-3 of the Securities and Exchange Act. Please refer to the "Operating status of the Audit Committee" for details.

(II) Aside from the above matters, other resolutions adopted by the Board of Directors with regard to which an independent director had a dissenting or qualified opinion that is on record or stated in a written statement. Operations of the Board of Directors which did not receive dissenting or qualified opinions from independent directors that are on record or stated in a written statement.

II. Any directors who had to recuse from a proposal to prevent conflicts of interest:

(I) In the Board meeting held on March 15, 2023, the Board discussed the remuneration for directors and the distribution method. A conflict of interest existed for independent directors Jean Liu, Kirk Hwang, Chin-San Wang, and Chun-Chieh Huang on this matter; therefore, they recused themselves from discussing and voting on this proposal.

(II) In the Board meeting held on March 15, 2023, the Board discussed the remuneration for independent directors and the distribution method. A conflict of interest existed for independent directors Hsi-Peng Lu, Di-Shi Huang, Yie-Yun Chang and Jin-li Hu on this matter; therefore, they recused themselves from discussing and voting on this proposal.

III. Board of Directors evaluation status: According to "Board of Directors Performance Evaluation Guidelines", the following:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents	Evaluation results
The Company completed the performance evaluation of the board and functional committees in 2023 through internal self-evaluation	From November 1, 2022 to October 31, 2023	The scope of the performance included the board, the Audit Committee, Remuneration Committee, and Sustainability Committee	The Performance evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the directors, and self-evaluation of the Audit Committee, Remuneration Committee and Sustainability Committee	The criteria for evaluating the performance of the Company's Board of Directors shall cover the following five aspects: 1. Understanding and recommendations for the operation of the company; 2. Improvement of the quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of the directors; 5. Internal control. The criteria for evaluating the performance of the Company's directors shall cover the following six aspects: 1. Familiarity with the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Understanding and recommendations for the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; 6. Internal control. The criteria for evaluating the performance of the functional committees shall cover the following five aspects: 1. Understanding and recommendations for the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of the quality of the functional committee's decision making; 4. Functional committee composition and election of members; 5. Internal control.	The meeting organization of the Board of Directors delivered the self-evaluation questionnaire for the performance evaluation to each Director and member of the Audit Committee, Remuneration Committee, and Sustainability Committee before November 10, 2023 and recovered the questionnaires before November 30, 2023. According to the evaluation results, the results of the self-evaluation of the board, board members, Audit Committee, Remuneration Committee, and Sustainability Committee were "excellent".

The aforementioned performance evaluation results were reported in the meetings of the Audit Committee convened on March 12, 2024 and reported to the meeting of the Board of Directors convened on March 14, 2024 as reference for review and improvement.

IV. Evaluation of targets and performance of the Board's functions for current year and past year:

(I) The Company's Audit Committee was formed by four independent directors in substitution of supervisors. Matters prescribed under Article 14-5 of the Securities and Exchange Act are submitted to the Audit Committee for discussion and resolution. The convener of the Audit Committee is responsible for reporting the resolutions passed by the Audit Committee to the Board of Directors.

(II) The Company discloses information regarding attendance to board/shareholders' meetings, director continuing education, and important resolutions passed during board meetings and shareholders' meetings.

(III) In order to increase information transparency, the Company has disclosed important resolutions passed during Board/shareholders' meetings via the Company website right after the meetings.

(IV) In consideration of legal risks faced by directors and supervisors, the Company and its subsidiaries have purchased director and supervisor liability insurance for all directors and supervisors.

(V) In order to encourage directors continuously acquiring new knowledge in the fields of corporate governance, the company has provided subsidies for all the courses' expenses. The Secretary General of the Company's Board of Directors has regularly providing corporate governance related courses for directors who are interested in participating, and registering.

(II). Operating status of the Audit Committee

The Company's Audit Committee was composed of four independent directors. The Committee's key purpose was to verify the fair presentation of the Company's financial statements; hiring or dismissal of CPAs and their independence and performance; effectiveness regarding implementation of the Company's internal control system; compliance with relevant regulations and rules; and the Company's control of existing or foreseeable risks.

4 meeting was held for 3rd Audit Committee in 2023. The key focuses during the year were as below:

1. Review financial reports

The Board of Directors has issued a report on the Company's operations for the year 2023, the financial statements, and earnings distribution proposal. The financial statements have been audited and reported by Deloitte & Touche. The above-mentioned business report, financial statements and proposal for distribution of earnings were examined by the Audit Committee of the Company Board of Directors and were found to comply with regulation.

2. Assess effectiveness of internal control system

The Company's Audit Committee assessed the effectiveness of policies and procedures of the Company's internal control system (including finance, operations, risk management, information security, legal compliance, and other control measures) and audited the Company's Auditing Department and CPA, as well as regular reports by managers, including risk management and compliance.

3. Appointment of CPAs and evaluate the independence and competence of CPAs

The Company's Audit Committee evaluated that the CPAs Hui-Ming Huang, and Chih-Ming Shao of Deloitte and Touche Taiwan have not served as the Company's CPA for more than seven years; did not have direct or indirect interest in the Company that would compromise their independence; established a suitable method to communicate with the Company and its Audit Committee; and fulfill the independence and competence requirements of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

4. Develop a pre-approval policy for non-certified services provided by accounting firms

The non-audit services provided by Visa Accounting Firm for various departments and subsidiaries of the company must be approved by the company's board of directors before they can provide services. The Company's Audit Committee formulates pre-approved policies to meet the internal control needs of the firm and the needs of each unit from time to time.

Independent directors' attendance of the Audit Committee meetings in 2023 were described as below:

Title	Name	Attendance In Person	Attendance By Proxy	Attendance In Person Rate (%)	Notes
Independent Director	Hsi-Peng Lu	4	0	100%	3rd term
Independent Director	Di-Shi Huang	4	0	100%	3rd term
Independent Director	Yie-Yun Chang	4	0	100%	3rd term
Independent Director	Jin-li Hu	4	0	100%	3rd term

Other statutory information:

1. The date of the meeting, the term, contents of the proposals, independent directors' objections, reservations or major proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be specified under any of the following circumstances in the operations of the Audit Committee:

   (1) Matters prescribed under Article 14-5 of the Securities and Exchange Act.

Audit Committee Meeting Date	Sessions	Agenda Item	Independent Directors' Objections, Reservations Or Major Proposals	Resolutions Adopted By The Audit Committee	Actions Taken By The Company In Response To The Opinion Of The Audit Committee
2023.03.13	9th meeting of the 3rd Audit Committee	The Company's 2022 consolidated financial statements, CPA's audit report and 2022 business report.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023 and ratified in the 2023 shareholders' meeting
		The Company's 2022 earnings distribution proposal.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023 and ratified in the 2023 shareholders' meeting
		Issued the Company's 2022 Statement of Internal Control System.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
		Revised some provisions of the company's "Asset Acquisition and Disposal Procedures" and "Procedures for Transactions with Related Parties".	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
		The company's accountant visa remuneration case for 2023 and 2024	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
		Developed a pre-approval policy for non-certified services provided by accounting firms.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
		The company proposal to public auction factory and land located in Xinxin Rd., Tainan City.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
		Appointed associate VP Miles Zhang as the chief internal auditor.	N/A	Approved as proposed.	Approved in the Board meeting on March 15, 2023
2023.05.10	10th meeting of the 3rd Audit Committee	The company's financial report for the Q1 of 2023.	N/A	Approved as proposed.	Approved in the Board meeting on May 12, 2023
		The company formulated "Information Security Management and Control Guidelines".	N/A	Approved as proposed.	Approved in the Board meeting on May 12, 2023
2023.08.09	11th meeting of the 3rd Audit Committee	The company's financial report for the Q2 of 2023.	N/A	Approved as proposed.	Approved in the Board meeting on August 11, 2023
		The company formulated "Operating standards related to financial transactions between related parties".	N/A	Approved as proposed.	Approved in the Board meeting on August 11, 2023
		Appointment F. Lin Manager as accounting officer of the Company	N/A	Approved as proposed.	Approved in the Board meeting on August 11, 2023

Audit Committee Meeting Date	Sessions	Agenda Item	Independent Directors' Objections, Reservations Or Major Proposals	Resolutions Adopted By The Audit Committee	Actions Taken By The Company In Response To The Opinion Of The Audit Committee
2023.11.09	12th meeting of the 3rd Audit Committee	The company's financial report for the Q3 of 2023.	N/A	Approved as proposed.	Approved in the Board meeting on November 11, 2023
		The company's 2024 audit plan.	N/A	Approved as proposed.	Approved in the Board meeting on November 11, 2023
		The company participated in the cash capital increase of its subsidiary "YFY Packaging Inc.".	N/A	Approved as proposed.	Approved in the Board meeting on November 11, 2023

(2)In addition to matters above, other resolutions which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors.
Audit Committee operations which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors.

2. Any independent directors who had to recuse themselves to avoid conflicts of interest:
No independent directors had to recuse themselves to avoid conflicts of interest.

3. Communications between the Independent Directors, the Internal Auditors, and the Independent Auditors:

(1) On a regular basis

Audit reports were emailed to each independent director for review on a monthly basis. Any inquiries or instructions were notified to the internal auditors via email or phone.

Each quarter, an audit work report was presented at an audit committee meeting, detailing the audit status of the company and each of its subsidiaries, as well as any findings and progress on rectifying irregularities.

For semi-annual and annual financial reports, the independent auditors attend the audit committee meeting and discuss and communicate on the status of the audit, including method and scope, types of audit reports issued, key audit items, and financial report analysis.

(2) On a non-regular basis

Discussions on how to enhance the value of company audits and improve operational efficiency and results were normally carried out by phone, email or through meetings. Independent directors were notified in accordance with the law if any major violations were identified. Diverse and smooth communication channels existed between internal auditors and independent directors.

Irregular audit committee meetings were held to explain and communicate in cases of major or special items or related legal requirements.

The Major Items of Communication between the independent Auditors and the Internal Auditors

(1) Communications between the Independent Directors and Internal Auditors：

Date	The Major Items Of The Communication	Result
2023-11-09 Audit Committee	1. Audit Report Progress Report for Q3 2023. 2. Explain the 2024 internal audit plan based on risk assessment.	1. Noted and agreed. 2. Approved after deliberation.
2023-11-09 Closed Door Session	Reported the 2023 audit report.	1. Independent Director Hsi Peng Lu suggested strengthening internal audit control on information security. 2. Processing situation: Information security plans to audit in 2024 in accordance with the recommendations. 3. Noted and agreed.
2023-08-09 Audit Committee	Audit Report Progress Report for Q2 2023.	Noted and agreed.
2023-05-10 Audit Committee	Audit Report Progress Report for Q1 2023.	Noted and agreed.
2023-03-13 Audit Committee	1. Audit Report Progress Report for Q4 2022. 2. 2022 Statement of Internal Control System.	1. Noted and agreed. 2. Approved after deliberation.

(2) Communications between the Independent Directors and Independent Auditors：

Date	The Major Items of the Communication	Result
2023-11-09 Closed Door Session	1. Explained 2023Q3 financial report review methods and scope, types of reports issued by accountants. 2. Explained 2023Q3 financial report review result.	1. Noted and agreed. 2. Noted and agreed.
2023-03-13 Audit Committee	Independent auditors explained audit status of 2022 annual financial report. And explain the key points of IESBA and the Audit Quality Index.	Approved after discussing status of audit.

(III) Corporate governance practice and compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Item	Practice			Compliance With Best Practice Principles And Reasons For Any Discrepancies
	Yes	No	Summary	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies in establishing and disclosing its corporate governance best practice principles?	V		The Company has established the "Corporate Governance Best Practice Principles", which were approved in the 3rd meeting of the 27th Board of Directors on November 13, 2018 and disclosed on the Company website.	Complained
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Does the Company have in place an internal operating procedure for handling shareholders' suggestions, questions, disputes, or litigation and abide by it?	V		A service department was already in place to handle related matters.	Complained
(II) Does the Company possess a list of major shareholders and a list of ultimate owners of those major shareholders?	V		Information can be obtained through shareholder service agents at any time.	Complained
(III) Does the Company have in place a risk management mechanism and firewall against its affiliates or implement it?	V		The companies stay financially independent from each other, and business performance was evaluated on a regular basis.	Complained
(IV) Does the Company have internal regulations in place to prevent its people from trading securities based on information yet to be public on the market?	V		The Company has established the "Procedures for Prevention of insider trading" & "Ethical Corporate Management Operating Procedures and Code of Conduct" to prevent the Company's insiders from using information yet to be made public on the market to purchase and sell marketable securities.	Complained
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors establish and implement a diversification policy for its composition?	V		On November 13, 2018, the Board passed a resolution to introduce a Code of Corporate Governance. YFY's board diversity policy was set out in Chapter 3 (Composition and Powers of the Board), Article 19 of the Code. The professional backgrounds of the Board includes industry, management and accounting. The members of our 28th Board of Directors who excel in leadership, operational decision-making, business management and crisis management include directors Jean Liu, David Lo, Kirk Hwang, and Chun-Chieh Huang, as well as accountant Chin-San Wang. Our independent directors included Hsi-Peng Lu, Yie-Yun Chang, Jin-Li Hu are all university professors; and Di-Shi Huang has expertise in criminal investigation. Our Board includes 1 inside director who is also employee of the company. There were 4 independent directors, 1 independent director has served for 6 years and the other three were all elected as independent directors from 2021. In terms of age, there were 2 directors over the age of 70, 2 directors between the ages of 60 and 70, 5 directors between the ages of 50 and 60. The Company also emphasized gender equality in the composition of the Board of Directors. The current term of the Board of Directors included two female members (one of whom is an independent director).	Complained Complained

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Practice</th><th rowspan="2">Compliance With Best Practice Principles And Reasons For Any Discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(II) Besides the Remuneration Committee and the Audit Committee established according to law, has the Company actively established other types of functional committees?</td><td>V</td><td></td><td>In addition to setting up the Remuneration Committee and the Audit Committee, the company also sets up functional committees such as the Sustainable Development Committee.</td><td>Complained</td></tr>
<tr><td>(III) Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?</td><td>V</td><td></td><td>The Company's Board of Directors established the "Board of Directors Performance Evaluation Guidelines" in the board meeting on November 12, 2020. The Company completed the performance evaluation of the board and functional committees in 2023 through “Taiwan Investor Relations Institute” to be dealt with by means of external evaluation. The external evaluation agency issued an evaluation report in 2023, and compiled the evaluation conclusions and suggestions for the company to use as a reference for subsequent research and development of relevant improvement measures. The company had reported the performance evaluation results to the meeting of the Board of Directors on March 14, 2023.</td><td>Complained</td></tr>
<tr><td>(IV) Does the Company periodically evaluate independence of the CPA?</td><td>V</td><td></td><td>Each year, the Audit Committee evaluates CPAs’ independence and competence based on the following indicators, and respective results are reported to the Board of Directors.
Evaluation indicator 1: Independence
<table><tr><th>Item No.</th><th>Evaluation item</th><th>Evaluation results</th><th>Fulfillment of independence criteria</th></tr><tr><td>1</td><td>Has the CPA submitted an independence declaration?</td><td>Yes</td><td>V</td></tr><tr><td>2</td><td>Does the CPA firm have a system for rotating CPAs?</td><td>Yes</td><td>V</td></tr><tr><td>3</td><td>Has YFY replaced CPAs so that no CPA has certified the Company's financial reports for more than 7 consecutive years?</td><td>Yes</td><td>V</td></tr><tr><td>4</td><td>Has YFY ensured that there are no direct or indirect material financial interests between the CPA and the Company?</td><td>Yes</td><td>V</td></tr><tr><td>5</td><td>Has YFY ensured that there are no financing or endorsements between the CPA and the Company or directors?</td><td>Yes</td><td>V</td></tr><tr><td>6</td><td>Has YFY ensured that the CPA is not a relative of the Company's directors, managerial officers, or other individuals in positions that may have significant impact on the audit? (Evaluate at least the relations such as the spouse, underage children, and close relatives)</td><td>Yes</td><td>V</td></tr><tr><td>7</td><td>Has YFY ensured that the CPA and the Company do not have close business relations? (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)</td><td>Yes</td><td>V</td></tr></table></td><td></td></tr>
</table>

Evaluation Item	Practice			Compliance With Best Practice Principles And Reasons For Any Discrepancies
	Yes	No	Summary	

8	Has YFY ensured that no members of the audit service team currently serve or had served as the Company's director, supervisor, managerial officer, or positions that may have significant impact on the audit in the most recent two years?	Yes	V
9	Has YFY ensured that the CPA has not accepted valuable (with value beyond regular social norms) gifts or presents from the Company, directors, or managerial officers?	Yes	V
10	Has YFY ensured that the CPA is not appointed by the Company to perform routine tasks, receive fixed salary, or serve as a director?	Yes	V
11	Has YFY ensured that the CPA is not involved in the decision-making process of the Company?	Yes	V
12	Has YFY ensured that the CPA does not provide the Company with appraisal services with material impact on the financial statements or highly subjective appraisals?	Yes	V

Evaluation indicator 2: Competence

Item No.	Evaluation item	Evaluation results	Fulfillment of competence criteria
1	Has the CPA been disciplined or received any other disciplinary action in the past 2 years that would impair his/her professionalism or independence?	Yes	V
2	Has the CPA actively provided YFY with the latest information on taxation, and securities supervisory regulations, and updates of IFRS accounting standards?	Yes	V
3	Has the CPA assisted YFY in coordinating communication and coordination with competent authorities?	Yes	V
4	Have all financial statements been completed within the deadline?	Yes	V
5	Has the CPA maintained adequate communication channels with YFY's management, Audit Committee, and Directors?	Yes	V

Evaluation indicator 3: AQIs

Item No.	Evaluation item	Evaluation results	Fulfillment of competence criteria
1	Has YFY ensured that the CPA whether the experience and training hours are sufficient?	Yes	V
2	Has the CPA spent the number of hours by certified accountants on financial report review is comparable to that of their peers?	Yes	V

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Practice</th><th rowspan="2">Compliance With Best Practice Principles And Reasons For Any Discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>3</td><td>Does the evaluation result of the case quality control review (EQCR) accountant in the past 2 years in compliance with the regulations?</td><td>Yes</td><td>V</td></tr>
<tr><td>4</td><td>Is the quality control personnel of the accounting firm capable of supporting the same industry level?</td><td>Yes</td><td>V</td></tr>
<tr><td>5</td><td>Does the accounting firm have any plans related to innovation and improvement of audit quality?</td><td>Yes</td><td>V</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Has the TWSE or TPEx listed company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?</td><td>V</td><td></td><td>The Board of Directors resolved in the meeting on May 14, 2019 to appoint Vincent Chan, the AVP of the Legal Department, as the Corporate Governance Officer to protect shareholder interests and strengthen the functions of the Board of Directors. Vincent Chan, the AVP of the Legal Department, has more than three years of work experience in legal affairs in public companies. The Corporate Governance Officer is responsible for related corporate governance affairs including: Handling matters relating to Board meetings and shareholders' meetings according to law; Producing minutes of Board meetings and shareholders' meetings; Assisting in work and continuing education of directors; Furnishing information required for business execution by directors and independent directors; and Assisting the Company in complying with laws and regulations governing such meetings.

The implementation of corporate governance affairs in 2023 listed as follows:
Convened one annual general meeting of shareholders and produced meeting minutes of the shareholders' meeting.
Convened 4 meetings and special meetings of the Board of Directors in 2023 and produced meeting minutes of the Board meetings.
Convened 4 meetings of the Audit Committee in 2023 and produced meeting minutes of the Audit Committee meetings.
Issued letters to the directors of YFY in January and July 2023 to verify the information on their concurrent positions to ensure the integrity of information on the directors' positions concurrently held at the Company or other companies.
Responded to letters from Taiwan Stock Exchange and issued notices to directors and other insiders of YFY to remind them of matters to be reported when they transfer shares of insiders.
Regularly provided information on material information reporting procedures and regulations to all departments of YFY.
Cooperated with the Human Resources Department in inviting external lecturers for the continuing education for directors and supervisors of YFY and subsidiaries.
Provided YFY's Directors with information on continuing education courses for Directors and supervisors organized by external training institutions and assisted Directors in registration and payment procedures.
The Corporate Governance Officer participated in a total of 18 hours of courses in 2023, and continued to study to strengthen his professional skills.</td><td>Complained</td></tr>
<tr><td>V. Does the Company have in place a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholders section on its website to properly address stakeholders' concerns regarding important corporate social responsibilities?</td><td>V</td><td></td><td>The Company has set up a dedicated section for stakeholders on its website, where contact information for employees, customers, suppliers/contractors, shareholders/investors, consumers, press members, and other stakeholders are listed for responding to questions concerning corporate social responsibility.</td><td>Complained</td></tr>
</table>

Evaluation Item	Practice			Compliance With Best Practice Principles And Reasons For Any Discrepancies
	Yes	No	Summary	
VI. Does the Company hire professional stock agencies to take care of affairs related to shareholders' meetings?	V		The Company has commissioned SinoPac Securities - Register & Transfer Agency Division to provide assistance.	Complained
VII. Information disclosure				
(I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		Regularly disclose information on the corporate website regarding the Company's financial, business, and corporate governance status.	Complained
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing dedicated personnel to collect and disclose corporate information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?	V		We have created an official Company website in both Chinese and English, and appointed the Corporate Affairs Department to compile and organize information for publication. Each unit has set up a dedicated contact channel, and information was disclosed through investor conferences or press releases.	Complained
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?		V	The Company uploads financial report in accordance with the deadline specified in regulations and had not published financial report ahead of schedule.	Changes were made gradually
VIII. Does the Company have other information that is helpful for understanding its status of corporate governance (including but not limited to employee rights and interests, employee well-being, investor relations, supplier relations, rights of stakeholders, further education sought by directors and supervisors, implementation of risk management policies and risk	V		We had already notified each director of the related regulations. Directors were notified immediately when there were regulation changes. Regulations relevant to insider trading among listed companies were also explained to directors at Board meetings. When a material issue that may impact the Company's stock prices was encountered during a Board meeting, the Legal Department would remind all directors and managers present that insider trading was strictly forbidden according to Article 157-1 of the Securities and Exchange Act. When the Company organized ethical corporate management training, the external lecturers or the employees of the Legal Department inform employees of the regulations prohibiting insider trading.	Complained

Evaluation Item	Practice			Compliance With Best Practice Principles And Reasons For Any Discrepancies
	Yes	No	Summary	
evaluation standards, implementation of customer policies, the purchase of liability insurance for directors and supervisors, etc.)?				

IX. Please mention any priority matters and measures that require improvement and improvements that have been made according to the Corporate Governance Evaluation results released by TWSE's Governance Center.

The Company has committed to strengthening information disclosure in order to enhance corporate governance, and planned to disclose indices that failed to meet standard during the Corporate Governance Evaluation. The following section explained some of the items:

Index 2.9: Has the company formulated a succession plan for board members and key management, and disclosed its operations on the company's website or annual report?

When the company re-elected each session of the board of directors, it has considered that the replacement ratio of board members should not be too high, so that the management experience of the previous session of directors can be passed on to the next session of directors. The company regularly provided various information covering courses related to corporate governance topics such as finance, business, legal affairs, accounting, ESG or internal control systems to each director to ensure that board members have excellent corporate governance capabilities.

Index 2.22: Whether the company has an audit committee or a functional committee at the board level to supervise risk management, establish risk management policies and procedures approved by the board of directors, disclose the risk management organizational structure, risk management procedures and operations, and report to the board of directors at least once a year report?

The company has formulated "Risk management policies and procedures", and the sustainability committee was responsible for supervising risk management matters, and reported to the board of directors on the risk management organizational structure, risk management procedures and operations on November 13, 2023.

Index 2.27: Has the company formulated an intellectual property management plan that is linked to its operating goals, disclosed the implementation status on the company's website or annual report, and reported to the board of directors at least once a year?

The company has formulated an "Intellectual property management plan" linked to its operational goals and reported its implementation status to the board of directors on November 13, 2023.

Director continuing education in 2023:

Title Name	Title Name	Duration		Organizer	Course	Hours
		Start date	End date			
Representative of Institutional Director	Jean Liu	2023/03/30	2023/03/30	Chinese National Association of Industry and Commerce, Taiwan	Facing digital platform opportunities and fair competition	3
		2023/07/21	2023/07/21	Taiwan Corporate Governance Association	How to carry out equity planning and organizational structure design for new startups	3
		2023/07/25	2023/07/25	Taiwan Corporate Governance Association	Common legal issues in corporate merger and acquisition contracts	3
Representative of Institutional Director	David Lo	2023/06/16	2023/06/16	Taiwan Corporate Governance Association	Latest corporate M&A normative practices and case studies	3
		2023/07/12	2023/07/12	Securities & Futures Institute	Sharing of Corporate M&A Practices—Focusing on Hostile M&A	3
		2023/07/25	2023/07/25	Taiwan Corporate Governance Association	Common legal issues in corporate merger and acquisition contracts	3
		2023/07/28	2023/07/28	Taiwan Corporate Governance Association	How the audit committee interprets and uses audit quality indicators (AQI)	3
		2023/08/18	2023/08/18	Securities & Futures Institute	Establishment of corporate whistleblower protection and reporting system	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	The trend of net-zero emissions and the paper industry's response strategies; carbon rights management and net-zero assistance	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
		2023/09/12	2023/09/12	Taiwan Corporate Governance Association	Corporate growth strategies and external innovation	3
		2023/10/31	2023/10/31	Taiwan Corporate Governance Association	From the perspective of management rights and shareholder activism, analysis of foreign investment voting practice cases, international thinking on the responsibilities of directors and supervisors	3
		2023/11/17	2023/11/17	Taiwan Corporate Governance Association	Corporate Governance Compliance Practice	3
Representative of Institutional Director	Kirk Hwang	2023/08/21	2023/08/21	Taiwan Corporate Governance Association	The trend of net-zero emissions and the paper industry's response strategies; carbon rights management and net-zero assistance	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
Representative of Institutional Director	Chin-San Wang	2023/08/21	2023/08/21	Taiwan Corporate Governance Association	The trend of net-zero emissions and the paper industry's response strategies; carbon rights management and net-zero assistance	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
Representative of Institutional Director	Chun-Chieh Huang	2023/04/18	2023/04/18	Taiwan Corporate Governance Association	Corporate growth strategies and external innovation	3
		2023/04/25	2023/04/28	Taiwan Corporate Governance Association	Offensive and defensive strategies in management rights disputes and legal liability risks of company leaders (independent directors)	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
Independent Director	Hsi-Peng Lu	2023/10/03	2023/10/03	Independent Director Association Taiwan	Key new issues in the principle of fair hospitality-sustainable development of digital finance and consumer protection	3
		2023/10/06	2023/10/06	Independent Director Association Taiwan	Industry changes, opportunities and challenges under generative AI	3
		2023/10/21	2023/10/21	Taiwan Corporate Governance Association	Enter the Web3 world—on-chain is the future Internet access	3
Independent Director	Di-Shi Huang	2023/04/21	2023/04/21	Taiwan Corporate Governance Association	How the board of directors can formulate ESG sustainable governance strategies in 2023	3
		2023/05/05	2023/05/05	Taiwan Corporate Governance Association	Corporate governance trends and sustainable development of companies	3

Title Name	Title Name	Duration		Organizer	Course	Hours
		Start date	End date			
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	The trend of net-zero emissions and the paper industry's response strategies; carbon rights management and net-zero assistance	3
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
Independent Director	Yie-Yun Chang	2023/05/25	2023/05/25	Taiwan Corporate Governance Association	Corporate risk and compliance risk management issues and practice sharing	3
		2023/07/21	2023/07/21	Taiwan Corporate Governance Association	How to carry out equity planning and organizational structure design for new startups	3
Independent Director	Jin-Li Hu	2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Carbon rights management and net zero assistance	1.5
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Opportunities in Taiwan for the AI industry; Generative AI accelerates digital transformation and smart manufacturing	3
		2023/09/27	2023/09/27	Taiwan Investor Relations Institute	Empowering the board of directors to become the key force leading sustainable governance	5

(IV) Companies that have established a Remuneration Committee shall disclose the names and responsibilities of its members and committee operations

(1) Information on members of the Remuneration Committee

December 31, 2023

Position / Requirement / Name		Professional qualifications and experience	Independence	Number of other public companies in which the committee member also serves as a remuneration committee member
Independent Director (Convener)	Hsi-Peng Lu	Ph.D. in Industrial Engineering, University of Wisconsin - Madison Work experience including Dean of School of Management/ Dean of Academic Affairs/ Dean of Information Management department/ Executive Director of EMBA/ Director of E-Commerce Center, National Taiwan University of Science and Technology and the current position of Distinguished Professor, Department of Information Management, National Taiwan University of Science and Technology	There are no matters mentioned in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee" in the two years before the appointment and during the term of office.	2
Independent Director	Di-Shi Huang	Master of Criminal Justice Management Institute, Oklahoma City University Work experience including 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, and Legal Secretary of Department of Justice in Houston, Ministry of Justice Investigation Bureau	There are no matters mentioned in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee" in the two years before the appointment and during the term of office.	0
Independent Director	Yie-Yun Chang	LL.D in University of Munich Work experience including 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 and the current position of Vice Principal, Fu Jen Catholic University	There are no matters mentioned in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee" in the two years before the appointment and during the term of office.	1

Position \ Requirement / Name		Professional qualifications and experience	Independence	Number of other public companies in which the committee member also serves as a remuneration committee member
Independent Director	Jin-li Hu	Ph.D. in Economic, State University of New York at Stony Brook Work experience including Dean/Associate Dean, School of Management, National Chiao Tung University, Director, Institute of Management, National Chiao Tung University, Associate Professor, Department of Industrial Economics, Tamkang University, Associate Professor, Ming Chuan School of Management Department of Financial Management and the current position of Professor at the Institute of Business and Management, National Yang Ming Chiao Tung University	There are no matters mentioned in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee" in the two years before the appointment and during the term of office.	0

(II) Operation of the Remuneration Committee

1. There are 4 members in the Remuneration Committee.

2. Current term for the members: From May 2021 to May 2024. A total of 2 Remuneration Committee meetings were held in the stated period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chair	Hsi-Peng Lu	2	0	100%	
Member	Di-Shi Huang	2	0	100%	
Member	Yie-Yun Chang	2	0	100%	
Member	Jin-li Hu	2	0	100%	

Remuneration Committee	Agenda Item And Follow-Up	Results Of Resolution	Actions Taken By The Company In Response To The Opinion Of The Remuneration Committee
5th term Committee 7th Meeting 2023/1/6	1. Reviewed 2022 year-end bonus proposal for executive managers	Approved by all committee members as proposed.	
5th term Committee 8th Meeting 2023/3/13	1. Reviewed the proposal of employee remuneration in 2022 2. Reviewed the proposal of director remuneration in 2022	Approved by all committee members as proposed.	The Board of Directors approved the employee and director remuneration proposals in 2022 and reported to the shareholders' meeting.

Other statutory information:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion: N/A
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: N/A.

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**

Evaluation Items	Practice			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx listed companies and reasons for deviation
	Yes	No	Summary	
I. Does the Company set up a governance structure and a dedicated function to facilitate sustainability development? Is the sustainable development function managed by senior management, and is authorized by/reports the progress to the Board of Directors	V		The Company has a dedicated function to facilitate corporate sustainability. "Sustainability & Social Responsibility" unit was established under the Corporate Affairs Department since April 2013. The unit was renamed "CSR Office" and was separated from Corporate Affairs as an independent function in August 2020. The Office changed its name to "ESG Office" in February 2022 and reports directly to the Chairman, responsible for driving sustainability and ESG projects across the Group. YFY Inc. has established a cross-business group Sustainable Development Committee in September 2021. Seven major task force teams under the Committee include Corporate Governance, Environment Sustainability, Employee Relations, Responsible Supply Chain, Social Engagement, Information Security, and the newly established Risk Management team in 2023. The management of YFY Inc. serves as the team leader, coordinating the implementation of the members of the functional departments corresponding to the business groups, and promoting them together with the corresponding leaders of each business group. The Company took further steps by elevating the supervision role to the board level and, in May 2022, the Board has officially approved the establishment of Sustainable Development Committee other than the statutory functional committee of the Board. The Chairman of YFY Inc. is the Head of the Committee, while two directors and four independent directors serve as Committee members and ESG Office serves as the secretariat. The major task force teams convene work meeting every month and report to the Committee at least twice a year. In 2023, the Committee held a total of 2 meetings, with 100% member attendances. The report date of the Sustainable Development Committee and the key issues supervised by the Board in 2023: August 9 ·The 2022 Sustainability Report and key performance of ESG indicators ·The performances of the monthly sustainable work meeting in H1 2023. December 22 ·The performances of the Monthly Sustainable Work Meeting in H2 2023. ·Progress of Energy Conservation and Carbon Reduction Plans. ·Assessment of key emerging risks.	Compliant
II. Does the company evaluate business-related environmental, social and governance issues and risks based	V		The company adheres to the principle of prioritizing significant matters, conducting a major theme identification every two years. In 2023, we conducted risk assessments and internal management related to environmental, social, and corporate governance issues associated with the identified 16 major themes, and proposed action plans and goal directions. The boundaries and reviews are based on relevant international frameworks and best practices, including but not limited to GRI, TCFD, SASB Pulp and Paper industry guidance, MSCI paper industry ESG indicators, Corporate	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**				
on materiality principles?			Governance Principles of TWSE/TPEx Listed Companies and AA1000 Stakeholder Engagement Standards. Based on the level of significance and relevance of sustainability factors, the coverage of ESG boundaries includes Forest, Pulp & Paper Group, Containerboard and Packaging Group, and Consumer Products Group. The factories of the three business groups define management policies regarding climate-related risks and opportunities, such as energy-saving and carbon reduction, renewable energy, water resource management, occupational health and safety, regulatory compliance. For more details please refer to YFY Sustainability Report.	
III. Environmental issues (1)Has the Company established a proper environmental management system based on its industry characteristics?	V		The Company has established environmental management systems and received ISO certifications for its production sites in Taiwan and China. Management certificates include ISO 14001 Environmental Management, ISO 9001 Quality Management System, ISO 50001 Energy Management, FSC Sustainable Forest Management, ISO 17025 Testing and Calibration Laboratories, ISO 14064-1 Accounting and Reporting of Greenhouse Gas Emissions, and ISO 14067 Product Carbon Footprint. For more details regarding the list of certifications and its expiration date, please refer to YFY Sustainability Report.	Compliant
(2)Is the Company committed to increase energy efficiency and use renewable materials with low environment impact?	V		The Company is committed to improving energy efficiency and promoting the top 10 energy-saving plans in each factory. Progress is tracked monthly, and the planned projects include: replacing large motors with smaller ones for individual equipment, energy-saving pumps, energy-saving compressed air systems, energy-saving pulping machine systems, and management of power purchase contract capacity and demand bidding. We promote Six Sigma management, improving energy efficiency by implementing circular economy and using recycled materials with lower environmental impact. The indicators we use for energy efficiency management include, but are not limited to, the energy consumption intensity per unit product, the ratio of alternative fuels used, and the ratio of self-generated electricity in the plant etc. The use of recycled materials is a natural outcome of YFY's circular economy endeavors. Process waste is reproduced into agricultural fertilizers, is converted into energy (such as biogas power, lignin power, and SRF cogeneration), or is transformed into environmentally friendly building materials. For more details please refer to corporate website and YFY Sustainability Report.	Compliant
(3)Does the Company evaluate present and future climate-related risks and opportunities, and take necessary actions?	V		YFY introduced TCFD to identify potential climate-related risks. Climate-related risks include compliance with relevant laws and regulations in the operating locations, increasing production cost, hazards of extreme weather events to equipment and personnel, water resources stability, energy transition costs and opportunities, etc. Climate-related opportunities include renewable energy development, strengthen climate resilience, low water consumption product development, policy incentives and innovation in circular economy. For more details please refer to the YFY Sustainability Report, and the "Climate-related Information of Listed Companies" Section of this report.	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**				
(4) Does the company count greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?	V		The Company regularly tracks and monitors the energy and power consumption, greenhouse gas emissions, water consumption, and total waste in the production areas. For detailed data please refer to the "Environmental Protection Expenditures" Section of this report, corporate website and YFY Sustainability Report. Data boundary covers three business groups: Forest, Pulp & Paper Group, Containerboard and Packaging Group, and Consumer Products Group. (1) Greenhouse gas accounting and reduction: Accounting: In response to climate change and global greenhouse gas regulation trends, the Company has been monitoring the business risks and opportunities associated with related issues. All Group's affiliated units have voluntarily reported and disclosed GHG emissions on government portal. All major operating locations have passed the ISO GHG verification. The remaining operating locations have also gradually obtained comprehensive third-party verification. Reduction: The Company actively executes reuse of resource and energy within the group. Various energy-saving plans in the factory area include replacement of LED lighting, high-efficiency motors, and introduction of energy-saving technologies, etc. Most importantly, the use of biomass energy and renewable energy, and the replacement of coal, fuel oil and diesel with alternative fuels to achieve greenhouse gas reduction. The total carbon emissions in Taiwan region decreased by 5.2% in 2023 compared to 2018. (2) Water Use: Each plant evaluates the risk of water resource shortage as to how it affects the paper-making production. The Company implements ISO 14001 Environmental Management System and uses the World Resources Institute tool to assess the water stress in each plant location. YFY's main water withdrawal is from fresh water (without rainwater). The Company ensures that water is used and reused in an eco-friendly manner and does not conflict with water use of household or agriculture. Through the implementation of water-saving, wastewater from different processes is recycled and transferred to the next process for continuous recycling. The Company strictly manages water quality and water discharge in compliant with local regulations. According to the data reported by YFY in Taiwan region to the Water Resources Agency, Ministry of Economic Affairs on an annual basis, reuse rate of process water is up to 95%. (3) Waste For factories in China and Vietnam, waste is handled by designated waste treatment agencies to be compliant with local regulations. In Taiwan, waste is preserved and reused/recycled into various products (recycled paper, fertilizers), energy (biogas power, lignin, SRF etc.), or sustainable building materials. Priority is given to determining whether waste in the plant can be recycled, including reuse, recycling, and the production of alternative fuels. Only waste that cannot be reused will be incinerated or landfilled. In 2023, the proportion of waste recycling is projected to reach 96%.	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**				
IV. Social issues (1)Does the Company comply with relevant international laws and regulations on human rights, and have related management policies and procedures in place?	V		The Company supports the United Nations Global Compact and complies with the goals set forth in the United Nations Universal Declaration of Human Rights and International Labor Organization conventions. We have established a human rights management policy, approved by the chairman, to protect the human rights of regular employees, contract and temporary employees, and interns, creating a dignified working environment. We also require ourselves, suppliers, and business partners to eliminate any behavior that violates or infringes upon human rights in their operational activities. The Company is committed to prohibiting human trafficking, forced labor, and child labor, respecting freedom of association and the right to collective bargaining, providing equal remuneration, and preventing any form of discrimination.	Compliant
(2)Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensured business performance or results are reflected adequately in employee remuneration?	V		The Company provides a comprehensive remuneration system, welfare measures, and performance management system while meeting requirements in the external business environment and building a fair and reasonable internal system. We provide a leave system that is more favorable than regulatory requirements and uphold the ideal of sharing profits with employees for the purpose of attracting, retaining, developing, and encouraging talents. 1. Salary in line with market conditions (1) The Company participates in compensation surveys in the industry or on the market and determine the salaries of employees based on their academic qualifications, work experiences, skills and positions etc. (2) Salary does not vary by gender or age. 2. Bonus and compensation (1) Year-end bonus and other incentives: The Company has established regulations on the year-end bonus to include at least 30 days of salary. The Company also established related standards for the issuance of additional bonuses based on the Company's operations and the employees' rank and performance. The bonuses are competitive and used as incentives to encourage employees to make more contributions and grow with the Company. (2) Employee's remuneration: The Company's Articles of Association specifies that if the Company sustains profit every year, 0.1% or more of the income shall be set aside as remunerations to employees. 3. Salary adjustment (1) The Company has made a salary raise for all employees every year in the past three years (2021~2023), with a range of 2%~3%. (2) When employees are promoted, their salaries are adjusted immediately to develop, incentivize and retain outstanding talents. 4. Workplace Diversity and Equality (1) Ratio by gender: 24% of women in total workforce, 20% of women in all management positions, 10% of women in management positions in revenue-generating functions, and 33% of women in STEM-related positions. (2) Ratio by nationality: Taiwanese (R.O.C.), Chinese (Mainland China), Vietnamese, Indonesian, Thai, Filipino Malaysia, Dutch and Japanese and account for 46.83%, 32.16%, 16.57%, 3.90%, 0.15%, 0.35%, 0.02%, 0.01% and	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**				
			0.01% of total workforce, respectively.	
(3) Does the Company provide a safe and healthy work environment, and provide employees with regular safety and health training?	V		Business Units from all levels have responsible occupational health and safety management personnel to ensure safety and health in the work environment. The personnel is responsible for identifying operational hazards to assess and control various material safety and health issues. All of our employees must undertake at least three hours of safety and health training every three years. At each plant in Taiwan, we follow the "YFY Occupational Health and Safety Management Measures" to implement automatic pre-inspection of all machinery and operations, as well as work environment monitoring. YFY has met international health and safety standards and all our plants have obtained ISO 45001 certifications. In 2023, a total of 30 incidents occurred in the main production bases of the three business groups in Taiwan, including cases seeking medical treatment, staying in hospital for observation, and hospitalization. These incidents resulted in a total of 12 disability cases occurred, accounting for about 0.27% of the total workforce. No significant property damage or casualties were caused by fire incidents in 2023. We continue to make improvements on health and safety facilities, and actively create a safe, healthy, comfortable, and friendly workplace to achieve our goal of "zero accidents."	Compliant
(4) Does the Company offer its employees effective occupational empowerment training programs?	V		Professional training and career development programs are provided according to different job functions and positions. We also provide employees with diversified learning resources including management training, general education training, and new employee orientation. For more details please refer to the "Continuing Education and Training for Employees" Section of this report.	Compliant
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer	V		All specifications on the labels of YFY Inc. products meet national regulations and standards so that customers fully understand the product and can choose safe and high-quality products. The standards include the UN Mark Certification for Packaging of Dangerous Goods, HACCP Food Safety Management System, ISO 22000 Food Safety Management System, and certifications for environmental label and express packaging green products. In addition, the consumer service line also provides instantaneous consultation service and complaint channels. The operating procedures are in line with personal data protection regulations to ensure that consumer interests are protected and continue to provide customers with better products and experience.	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**				
protection policies and grievance procedures?			In terms of collecting, processing or utilizing personal information, we strictly abide by the relevant provisions of personal data protection regulations, and ensure the safety of customer personal information by employing rigorous organization, management system and control mechanism. The Consumer Products Group has set up a "Personal Data Protection Management Organization" in response to the requirements of Personal Data Protection Act.	
(6) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	V		The Company has established the "YFY Supplier Code of Conduct and Due Diligence Statement" to ensure that the supply chain of YFY adheres to relevant standards such as environment, health and safety, labor rights, business ethics, and sustainable procurement. By the end of 2023, 1,056 suppliers, including all newly qualified suppliers, had committed to following the Common Specification. To enhance supply chain risk management, we have identified significant suppliers. As of 2023, there are 860 direct transaction suppliers, with 78 listed as significant suppliers. The transactions with these significant suppliers represent over 60% of YFY's total annual procurement value. Concurrently, the "Supplier Regular Evaluation Operation" has been established, with suppliers evaluated based on this framework. At least two rounds of evaluations are conducted each year. Evaluation criteria encompass product and service quality, delivery accuracy, cost control, and other aspects of supplier responsibility. Evaluation outcomes are utilized to analyze potential risks and identify areas for improvement. Suppliers are encouraged to submit improvement plans addressing identified deficiencies. In 2023, a total of 869 supplier evaluations were completed, resulting in two suppliers being identified as requiring immediate improvement. Counseling and improvement plans were initiated in accordance with established protocols. In June 2023, in response to the global trend towards achieving net-zero emissions, we conducted supply chain ESG education and training. A total of 141 supply partners participated, engaging with topics such as carbon management, green energy, and the circular economy.	Compliant
V. Does the Company refer to international general principle or GRI guideline to prepare sustainability report and other reports that disclose non-financial information by following international reporting standards or	V		The Company has compiled the Sustainability Report in accordance with the GRI Standards since 2015. The Sustainability Report has been certified by a third party since 2017. In 2023, our report was certified by SGS, receiving the AA1000 Type 2 moderate-level assurance.	Compliant

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**

guidelines? Has the company received assurance or certification of the aforesaid reports from a third-party accreditation institution?				

VI. If the Company has established sustainable development guidelines by following the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the practice and any discrepancies with regard to the Best Practice Principles:

The Company's Board of Directors has approved and implemented the YFY Sustainability and Social Responsibility Guidelines in 2018. The guidelines are fully executed. For more information regarding YFY's sustainability practices, please refer to the "Environmental Protection Expenditure-Environmental Sustainability" Section of this report, our Sustainability Report, and the corporate website.

VII. Other key information useful for explaining the status of sustainable development initiatives:

1. Environmental sustainability: In 2023, YFY joined the RE100 global renewable energy initiative, marking a significant milestone as the first in the global paper industry. The commitment entails achieving RE100 by 2040 and net-zero emissions by 2050. Additionally, YFY Inc. remains dedicated to advancing a circular economy and biomass renewable energy, incorporating technologies such as lignin, biogas power generation, and SRF solid renewable fuel power generation. Collaborative efforts with other industries are underway to implement waste-to-energy technologies. Increasing the utilization of alternative fuels and decreasing reliance on coal are pivotal actions for carbon reduction, effectively mitigating greenhouse gas emissions.
2. Employee Relations: With an average training duration of 20 hours per person and over 1,030 individuals registered in the cloud library, YFY has announced its rejoining of the "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance." This commitment aims to bolster Taiwan's talent competitiveness and align with the global trend of fostering diverse, equitable, and inclusive workplaces in response to the ESG and DEI movements.
3. Responsible Supply Chain: YFY Inc. and CHP actively engage in global supply chain evaluations such as CDP Supplier Engagement and Eco Vadis, while CPG conducts on-site supplier audits. In 2023, 44.6% of all suppliers underwent on-site audits.
4. Social Engagement: Each year, our factories continue to invest in supporting local communities through initiatives focused on aiding disadvantaged individuals, fostering good neighborliness, preserving the environment, and promoting social welfare. YFY Inc. is proud to mark its 9th year of supporting the "YFY Taitung Primary School" initiative. Through this program, we have cumulatively sponsored over NT$4.15 million to facilitate 30-minute remote reading sessions using video equipment. More than 80 volunteers have participated, dedicating over 4,500 hours to accompany children during these sessions, particularly benefiting single-parent and intergenerational families in rural areas. In addition to providing book donations and reading companionship, we collaborate with the Family Support Foundation to organize diverse learning activities, ensuring the holistic development of children and families in need. CHP and Kaohsiung Municipal Library have been collaborating on the "Reading Sustainability Project" since 2022, organizing a series of activities. These

(V) **Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons**

include sponsoring the Tamkang Science and Education Center's "Chemistry to the Countryside" rural science education program, the Rehabilitation Daily Cup Mathematics Competition, and the Yuanzhe National Science Camp. They have also been instrumental in promoting AI education in rural areas by offering courses in six rural primary schools in Taitung. Additionally, they have organized the CHP Charity Cup National Drone Computational Thinking Competition. CPG contributes to the surrounding communities, neighbors, and NGOs around the factory by providing household paper and cleaning supplies. Containerboard and Packaging Group collectively participates in various community engagement initiatives, including the adoption of the Nankanxi artificial land greening park, cleaning the roads around each factory, distributing New Year's Festival neighborhood gifts, donating to volunteer police and volunteer consumer consultants, sponsoring community activities, and engaging in other neighborly activities.

5. Information Security: In 2022, a dedicated information security management unit was established, along with the appointment of a Chief Information Security Officer who reports directly to the chairman. In 2023, we will develop an information security policy and have obtained the CompTIA Security+ international information security certification.
6. Green Products: CHP is committed to developing sustainable materials, advancing AI intelligent transformation, establishing an all-paper recycling supply chain, and investing in the research and development of low-carbon adhesive tapes at the Taoyuan Guanyin Factory. Meanwhile, CPG will introduce two green products in 2023: (1) Color-changing Bubble Hand Washing Mousse: Utilizing recycled bottles to create new product bottles. (2)Orange House Laundry Capsules: Designed with paper to reduce plastic in cartons, this product reduces plastic usage by 91% compared to traditional laundry detergent bottles. Containerboard and Packaging Group ensures regulatory compliance by obtaining RoHS and REACH test reports from major raw material suppliers annually. Additionally, the factory conducts regular RoHS and REACH tests on products.
7. Awards and recognition: In 2023, YFY Inc. has received several prestigious awards, including the "TCSA Sustainability Report - Platinum Award" and "Taiwan's Top 100 Sustainable Model Enterprises." Additionally, the company has been honored with the "SGS Sustainability Report Award" and the "Global Insight Traditional Industry Model Award." YFY Inc. has also joined the "2023 TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance." Containerboard and Packaging Group's Taoyuan plant was honored with the "Certificate of Appreciation for Drug Abuse Prevention and Education Base" and the "Health Promotion Label Certification" by the National Health Administration. The Zhunan Plant received the "Green Procurement Award" and the "Carton Environmental Label (Single and Double-layer)" from the Miaoli County Government. Additionally, the Kaohsiung Plant was recognized as the "Gaoshi Workplace Cancer Prevention and Control Program - Health Group" and received the "Carton Environmental Label (Single and Double-layer)." The Dajia Plant was awarded the "Carton Environmental Label (Single and Double-layer)" and the "Carton Orthography Mark (Single and Double-layer)." The Changhua Plant earned the "Carton Environmental Protection Mark (Single and Double-layer)," while the Yangzhou Plant achieved recognition as a "National Green Factory" and as an "Advanced Enterprise of Safety Production in Yangzhou Economic Development Zone."
   CPG received several accolades, including the "TCSA Sustainability Report - Silver Award," the "TCSA Sustainable Enterprise Performance Award," and the "Asia's Best Corporate Employer Award." Additionally, CPG was honored with the "Diversity, Equity, and Inclusion Award" by HR Asia. The Yangmei Plant was recognized with the "2023 Annual Energy Conservation Benchmark Commendation" by the Energy Bureau and the "Green Procurement Performance Commendation" by the Taoyuan Municipal Government. Furthermore, it received the "Health Promotion Label Certification" from the National Health Administration. Moreover, CPG achieved the AED Safe Place Certification from the Ministry of Health and Welfare and the Health Bureau.
   CHP received prestigious awards, including the "TCSA Top 100 Sustainable Model Enterprise Award" and the "TCSA Sustainability Report Silver Level." Additionally, the company was honored with the "Golden Pin Design Award Seal" and the "The 6th Taipei Golden Eagle Micro Film Award and Special Jury Award." In recognition of its commitment to occupational safety and health, CHP was awarded the "OSH Index Evaluation - Top 10% Outstanding Enterprises" by the OSH Administration. The Jiutang Plant received the "Ding Ge Award Manufacturing Model Award and ESG Special Award" from the Harvard Business Review. Furthermore, the Hualien Plant was recognized as the "Industrial Greenhouse Gas Reduction Outstanding Manufacturer" by the Industrial Development Agency.

Climate-related Information of Listed Companies

1. Implementation of climate-related information

Items	Practice
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and Executive Management team.	**1.Climate oversight and governance at the board and executive levels** The Board of Directors has established a functional committee named the "Sustainable Development Committee," chaired by the board chairman and comprising two directors and four independent directors. Seven task force teams operate under this committee, with the Environmental Sustainability team spearheading climate risk assessment and strategy. The newly formed Risk Management team, initiated in 2023, collaborates closely with the Environmental Sustainability team to ensure comprehensive understanding and management of the Group's climate-related issues. Monthly working meetings are conducted by the task force teams, led by the chairman, guiding senior management in coordinating departmental efforts across the business group to promote operational and climate-related risk assessment and internal management. In 2023, the ESG Office, serving as the Executive Secretary of the Committee, delivered biannual reports on the progress and outcomes of each task force team, and provided implementation progress of the Group's energy conservation and carbon reduction plan for oversight and recommendations from the directors. In 2018, the Board of Directors approved the “Sustainability and Social Responsibility Code,” which clearly stipulates that the company must fully consider the environmental impact in conducting business activities and operations. Additionally, the company is required to formulate and promote energy conservation, carbon reduction, and greenhouse gas reduction strategies based on operational status and greenhouse gas inventory results to minimize the impact of business activities on climate change.
2. Describe how identified climate risks and opportunities impact the company's business, strategy, and finances in the short, medium, and long term.	**2.Short-, medium-, and long-term impacts of climate risks and opportunities** YFY follows the TCFD materiality assessment method, considering international climate events, industry trends, domestic and foreign regulations, policies or guidelines, and authoritative research, to identify short-, medium-, and long-term climate risks and opportunities related to the company's operations. **Short-term:** In response to climate regulations, the company will incur carbon fees in the short term and may potentially face cap-and-trade rules in the future, leading to an increase in operating costs. Strategies include the adoption of alternative fuels instead of coal, energy conservation measures and management at production sites, as well as the promotion of circular economy initiatives and collaborations. **Medium-term:** The implementation of water and carbon tariffs, along with the increasing electricity prices, capital expenditure for energy conservation and carbon reduction, and the transition to low-carbon energy, will result in higher operating costs. In addition to continuously enhancing water recycling and implementing electricity and energy-saving solutions to decrease water and energy consumption per unit of product, the response strategy will actively communicate YFY's performance in the circular economy and the investment and efforts of traditional industries in sustainable development to stakeholders through various channels. **Long-term:** In response to the growing environmental awareness among consumers, the company will persist in investing in the development of eco-friendly products and packaging. Strategies and measures include continually enhancing the procurement of green raw materials, increasing the utilization of FSC/PEFC sustainable forestry certified pulp, seeking relevant product environmental sustainability certifications, and importantly, expanding the availability of carbon sequestration paper products and bio-based materials as alternatives to non-natural plastics and fossil-based raw materials.

Items	Practice
3. Describe the financial impact of extreme weather events and transition actions on the company.	**3.Financial impact of extreme weather events and transition actions** Extreme weather events like typhoons and floods are worsening, leading to power supply instability and equipment damage or product spoilage due to sudden heavy rain, causing production disruptions. Moreover, prolonged rainfall or flooding disrupts raw material transportation, indirectly impacting production stability. The rise in droughts and water scarcity periods raises water usage costs and additional expenses, further increasing operating costs. Climate transition actions encompass active participation in renewable energy initiatives, enhancing energy efficiency, researching and innovating low-carbon products, engaging in carbon trading/renewable energy markets, and leveraging incentive policies. Within these actions, challenges and business opportunities coexist, paving the way for new operational and business models beyond traditional industry norms. Drawing upon its robust research and development expertise in fibers and materials, YFY possesses significant advantages in investing in low-carbon commodities and biomass materials technology. The Group will actively engage in the carbon trading market and invest in renewable energy equipment, voluntary reduction plans, or carbon offset projects to accumulate the necessary carbon credits for future emission offsets.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	**4.Integration of climate risk into the overall risk management system** Under the organizational structure of the Sustainable Development Committee, the Environmental Sustainability team, led by the Chief Operating Officer, regularly assesses climate risks and opportunities identified by the management team. They develop response strategies and oversee project implementation to align with goals. Close horizontal communication is maintained with the Risk Management team, responsible for the Group's risk management, to integrate major climate risks and opportunities into the company's overall risk management system. In 2023, under the supervision of the Risk Management team and management, two risk training sessions were conducted. Risk authority and responsible units assessed 53 risks, discussing their impact and probability, and identified six medium and high-risk issues. Among these, a climate transition risk was highlighted, where carbon fee payments increase operating costs.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and key financial impacts employed.	**5.Climate scenario analysis** We utilized the Global Warming Worst-Case Scenario (SSP5-8.5), published by the TCCIP-IPCC AR6 team of NSTC, to evaluate the maximum financial impact of physical risks. Physical risks primarily estimate the costs and reduced revenues due to emergency climate change disasters (e.g., typhoons, floods) and also consider the increased costs from long-term climate change extremes (e.g., drought and water shortage). Assuming that under the SSP5-8.5 scenario, the average increase in the maximum number of consecutive rainless days in the middle of the 21st century is 5.5%, and the change rate of typhoon rainfall in Taiwan will increase by 20%. The analysis results indicate that the financial impact of extreme weather events and long-term extreme changes on the company are not significant (financial impact as a percentage of revenue < 0.1%).
6. If there is a transition plan to address and manage climate-related	**6.Climate transition plans and management indicators** The plan to manage transition risks includes expanding the introduction of biomass alternative fuels and promoting waste recycling, implementing energy management and improving energy efficiency, increasing

Items	Practice
risks, describe the plan's content, and the metrics/targets used for identifying and managing physical and transition risks.	green electricity, and integrating smart applications for energy creation, storage, consumption, and regulation. The plan to manage physical risks includes establishing a disaster response team, adding diversified and flexible transportation modes, completing groundwater level monitoring and early warning systems, and expanding storm water drainage capacity. Within the company's overall risk management system, we utilize various environmental indicators such as greenhouse gases (carbon emissions), energy (electricity/steam consumption, renewable energy generation and usage ratio, alternative energy input ratio, etc.), water (water consumption), and waste (waster-to-energy ratio, outsourcing treatment volume, etc.) to manage climate risks and monitor environmental performance. We regularly track implementation progress and review it on a rolling basis.
7. If internal carbon pricing is used as a planning tool, state the basis for price setting.	**7.Internal carbon pricing** YFY is currently evaluating the feasibility of implementing internal carbon pricing and intends to align with the domestic carbon fee system for setting prices. Once the carbon fee rate is announced, it will serve as a significant reference for the company's internal carbon pricing.
8. If climate-related targets are set, provide information such as the covered activities, greenhouse gas emissions scope, planning timeline, and annual progress. Additionally, if carbon offsets or RECs are used to achieve the targets, specify the source and quantity.	**8.Climate-related targets** YFY's greenhouse gas emission boundary encompasses the parent company and all production activities of the Containerboard and Packaging Group, Forest, Pulp & Paper Group, and Consumer Products Group in Taiwan. We have set a target of achieving net zero emissions by 2050 and reducing greenhouse gas emissions (Scope 1 and 2) by 30% by 2030 compared to 2018. Currently, we have not utilized any carbon offset credits or renewable energy certificates to meet our climate goals.
9. Describe the GHG inventory and assurance status, reduction targets, strategies, and specific action plans (answer questions 1-1 and 1-2).	**9.GHG inventory, assurance, and reductions** For details regarding YFY's GHG inventory and assurance status, reduction targets, strategies, specific action plans, and target progress, please refer to questions 1-1 and 1-2 below.

1-1 The status of the company's greenhouse gas inventory and assurance over the past two years.

1-1-1 Greenhouse gas inventory details

Describe the greenhouse gas emissions (in tonnes CO_2e), intensity (in tonnes CO_2e per million NTD), and data coverage over the past two years.

YFY's greenhouse gas emission boundary encompasses the parent company and its subsidiaries, including the Containerboard and Packaging Group, Forest, Pulp & Paper Group, and Consumer Products Group in Taiwan. The emissions of the parent company include those of YFY Inc. and YFY Corporate Advisory & Services Co., Ltd. The emissions calculation is based on ISO 14064-1 and the GHG Protocol, and we plan to disclose the emissions for both the YFY Inc. and its subsidiaries listed in the consolidated statement starting from 2025. YFY's greenhouse gas emissions and intensity for 2022-2023 are as follows:

		2022	2023
YFY Inc. (parent company)	Scope 1	27	28
	Scope 2	153	158
	Total	**180**	**186**
Containerboard and Packaging Group Forest, Pulp & Paper Group Consumer Products Group	Scope 1	1,166,439	1,299,805
	Scope 2	318,392	267,655
	Total	**1,484,831**	**1,567,460**
Total GHG emissions (tonnes CO_2e)		**1,485,011**	**1,567,646**
GHG intensity (tonnes CO_2e/million NTD)		**18.6**	**21.2**

*Note：If there are any changes following third-party verification, the greenhouse gas emission estimates mentioned above will be updated in the sustainability report or on the official website.

1-1-2 Greenhouse gas assurance details

Describe the assurance status over the past two years, including the scope of assurance, the assurance provider, the assurance standard, and the assurance opinion.

The 2022 emissions of YFY Inc. (parent company) were 180 t-CO_2e, accounting for 0.01% of the total emissions. Verification is carried out by BSI with reasonable assurance, following the ISO 14064-3 standard. The 2022 emissions for production sites of Containerboard and Packaging Group, Forest, Pulp & Paper Group, and Consumer Products Group in Taiwan were 1,485 thousand t-CO_2e, accounting for 99.99% of the total emissions. Verifications are carried out by DNV or SGS with reasonable assurance, following the ISO 14064-3 standard. Completed assurance information for 2023 will be disclosed in our sustainability report or on the official website. We plan to disclose the GHG assurance information for both the YFY Inc. and its subsidiaries listed in the consolidated statement starting from 2027.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the base year for greenhouse gas reduction, including its data, reduction targets, strategies, specific action plans, and the progress of these targets.

With 2018 as the base year (1,654 thousand t-CO2e), YFY has set a reduction target of reducing greenhouse gas emissions (Scope 1 and 2) by 30% by 2030 compared to 2018, and achieving net-zero emissions by 2050. GHG emissions in 2023 were 1,568 thousand t-CO2e, a decrease of 5.2% compared to 2018. YFY's carbon strategies and action plans encompass seven major directions:

Strategies	Action plans
Increase Alternative Fuel Usage	Continue expanding the introduction of biomass alternative fuels and renewable fuels, and promoting waste recycling and reduction to diminish the reliance on fossil fuels and progress toward energy transition.
Energy Saving Plan	Implement measures to reduce energy consumption and improve efficiency, including motor replacement, energy-saving pumps and compressed air systems, heat recovery, and steam pipeline loss reduction.
Green Power Investment	Invest in biomass boiler, biogas power, and solar to boost green energy, and participate in Taipower's backup power plan.
Participation in carbon markets	- In response to SBTi's science-based targets, we are proposing independent reduction plans. - Evaluate investments in voluntary reduction plans and promote demonstration afforestation carbon credit projects in Taiwan. - Monitor domestic and international trends, as well as the development of laws and regulations, and regularly conduct/disclose greenhouse gas inventory while assessing the potential implementation of internal carbon pricing.
Production Structure Optimization	Improve production allocation and efficiency by optimizing the product structure. Invest in low-carbon R&D and innovative technologies to facilitate green and low-carbon production.
Supply Chain Strategy	Adjust raw material ratio, stabilize sources, and reduce impact of supply chain changes.
Digital Smart Management	Introduce AI to improve production efficiency and quality.

Note: The current base year is 2018, and we plan to adjust it along with its data after completing the GHG inventory for the scope of consolidated financial reporting in 2025.

(VI) Deviations of the implementation of ethical corporate management from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation

Evaluation item		Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation
		Yes	No	Summary	
I.	Establishment of ethical corporate management policy and approaches				
(I)	Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices as well as the commitment of its Board of Directors and senior management to implementing the management policies?	V		The Company's "Code of Operation Integrity" was passed by the Board of Directors and the Company established the "Ethical Corporate Management Operating Procedures and Code of Conduct" to actively prevent dishonest behavior and conflicts of interest, establish whistleblowing channels, and regulate the conduct of relevant personnel.	Compliant
(II)	Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies?	V		The Company performs regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business and implement programs to prevent unethical conduct. The programs are provided below: 1. Prevention of dishonest behavior and the prohibition of bribery acceptance: Detailed information about disciplinary actions and the reporting system are listed in Chapter Four: "Service Regulations" of the Work Rules. 2. Protection of Intellectual Property Rights: Achieved by requiring employees to sign the *Integrity and Confidentiality of Intellectual Property Agreement* as well as the employment contract. 3. Code of Conduct for Employees: The Code of Conduct for Employees was established to implement the Company's core values, maintain high ethical standards, provide employees with standard compliance requirements when performing their daily duties and tasks, protect the Company's reputation, and earn the respect and trust of our clients, vendors, and other individuals. 4. *Ethical Corporate Management Operating Procedures and Code of Conduct*: Contain 16 operational regulations and stipulate whistleblowing systems and handling procedures.	Compliant
(III)	Does the Company have any measures against dishonest conduct? Are these measures supported by proper procedures, conduct guidelines, disciplinary actions and complaint systems? Does the Company review the policies on a regular basis?	V		The Company established the *Ethical Corporate Management Operating Procedures and Code of Conduct* in accordance with the *Code of Operation Integrity* to specify disciplinary actions and complaint systems and the Company reviews the policies on a regular basis.	Compliant
II.	Full Implementation of ethical management principles				
(I)	Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		In the credit evaluation process of business partners, the Company carefully assesses the integrity of their records. Likewise, we clearly specify in the procurement contract as well as the *Honesty and Integrity Declaration Form* that absolutely no bribery or dishonest behavior are allowed.	Compliant
(II)	Does the Company have a unit responsible for business integrity on a full-time basis under the Board of Directors, which will report the business integrity policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		The Company's Human Resources Department is responsible for handling the drafting, revision, interpretation, consulting services, notification, and record of the Company's *Ethical Corporate Management Operating Procedures and Code of Conduct*. The Department supervises the executing unit and reports the implementation status of the ethical corporate management policies and programs for preventing unethical conduct to the Board of Directors once a year.	Compliant
(III)	Does the Company have policies that help prevent conflicts of interests, provide appropriate channels for filing related complaints, and precisely enforce them?	V		Directors who may have a conflict of interest with respect to a proposal discussed during a Board meeting must recuse themselves from the meeting.	Compliant
(IV)	Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	V		An effective accounting system and internal control system are already in place; internal auditors conduct inspections according to the audit plan approved by the Board of Directors.	Compliant

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation
	Yes	No	Summary	
(V) Does the Company periodically provide internal and external training on ethical corporate management?	V		Regularly hold seminars related to ethical corporate management： The Legal Department and external lecturers jointly conduct seminars on topics such as "Prohibition of receiving improper benefits", "Recusal due to conflict of interest" and "Prohibition of insider trading" every year, which are mandatory for all employees. New employees are required to complete the digital course “Procedures for Ethical Management and Guidelines for Conduct “during the probationary assessment period. Through the seminars, we promote correct concepts, actively implement the value of honesty and integrity, strengthen corporate governance and risk control, and deeply plant the corporate culture of integrity in the hearts of our employees. In 2023, 329 people attended the seminars “Procedures for Ethical Management and Guidelines for Conduct” and ”2023 Ethical Management” related to the theme of “Prevention of Conveyance of Unjust Interests ” and “Prevention of Insider Trading”, of which a total of 293.5 hours of classes were held. No dishonest business practices occurred within the company in 2023.	Compliant
III. Implementation of the Company’s whistleblowing system				
(I) Does the Company have in place a substantial whistleblowing and reward system as well as a convenient reporting channel and appropriate designated personnel with regard to the party being reported on?	V		The Company's *Ethical Corporate Management Operating Procedures and Code of Conduct* established a whistleblowing and reward system as well as open and diversified reporting channels with the Human Resources Department as the responsible department.	Compliant
(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, as well as relevant confidential mechanisms?	V		The Company has prescribed the standard operating procedures for investigating report, follow-up measures to be taken after the completion of investigations, and related confidentiality mechanisms in its *Ethical Corporate Management Operating Procedures and Code of Conduct*.	Compliant
(III) Does the Company adopt measures to prevent whistleblowers from improper treatment for filing the report?	V		The Company’s *Ethical Corporate Management Operating Procedures and Code of Conduct* expressly pledges the Company's protection of whistleblowers from damages imposed on the legal or contractual rights of whistleblowers as a result of whistleblowing. Should he or she be subject to improper treatment after filing the report, the whistleblower may file grievance report with the Company's Human Resources Department.	Compliant
IV. Reinforcing information disclosure				
(I) Has the Company disclosed its corporate ethical management principles and progress onto its website and the Market Observation Post System?	V		Important internal policies and the operation of audit units are disclosed on the Company website.	Compliant
V. If the Company has implemented its own ethical corporate management principles by following the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please describe the practice and any discrepancies with regard to the Best Practice Principles: The Company has established the *Ethical Corporate Management Guidelines* and relevant operational procedures, and incorporated the principles of ethical corporate management into applicable regulations pursuant to the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*.				
VI. Other important information to facilitate better understanding of the Company’s implementation of ethical corporate management: (e.g., review/revision of the Company’s ethical corporate management principles, etc.): The Company requires all suppliers and third parties to sign the *Honesty and Integrity Declaration Form* to guarantee their commitment to fulfill their obligations of conducting honest business operations. All contracts between the Company and its suppliers require both parties to comply with the ethical corporate management policy. If the supplier is involved in any dishonest activity, the Company may terminate or void the contract at any time.				

(VII) The Company shall disclose the ways to make inquiries if it has implemented a set of corporate governance principles or related rules:

The official website of our company (https://www.yfy.com) has an "Investor Relations" where investors can find the Corporate Governance Guidelines, Code of Ethical Conduct, Sustainability and Social Responsibility Guidelines, Board Performance Evaluation Methods, Employee Code of Conduct, and other related regulations.

(VIII) Other material information that can facilitate the understanding of the Company's corporate governance practice may be disclosed:

1. Please refer to (3) Corporate governance practice and compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
2. Continuing education and training for key managers who participate in corporate governance:

Corporate governance training for key managers in 2023

Topics of the Courses	Organizer	Date	Hours	Participate Managers
【Sustainable Governance】 1. Net-Zero Emission Trends and Adaptation Strategies for the Paper Industry 2. Carbon Credit Management and Net Zero Boost	Human Resources Department	2023.08.21	3	Jean Liu、David Lo、HC Yeh、Daniel Chu、Jeff Huang、Jack Su、Allen Chen、Vincent Zhan、Claudia Kung、York Kuo、Vincent Min、Magic Liu、Ipin Chen、Yahui Huang、Kens Lin、Judy Wu、Coco Chang and other key managers of investee companies
【Smart Science】 1. Taiwan's Opportunities in the AI Industry 2. AI for Smart Manufacturing	Human Resources Department	2023.08.21	3	Jean Liu、David Lo、HC Yeh、Daniel Chu、Jeff Huang、Jack Su、Allen Chen、Vincent Zhan、Claudia Kung、York Kuo、Vincent Min、Magic Liu、Ipin Chen、Yahui Huang、Kens Lin、Judy Wu、Coco Chang and other key managers of investee companies

(IX). Status of implementation of internal control system:

1. Statement on the Internal Control System

YFY Inc.

Statement on the Internal Control System

Date: March 14, 2024

In 2023, the Company conducted a self-assessment on its internal control system, and based on its outcomes, hereby declares as follows:

(1) The Company is clearly aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and the executives. YFY has established this system accordingly. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability, timeliness, and information transparency of reports and compliance with relevant regulatory requirements.

(2) There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. In addition, due to changes in market environment and conditions, the effectiveness of the internal control system may change along with them. Nonetheless, YFY's internal control system has a built-in self-supervision mechanism and once a flaw is detected, the Company is able to make immediate corrections.

(3) In compliance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies* (the "Regulations"), YFY has adopted a checklist of items for the internal control system in judging the effectiveness of system design and implementation. The checklist items covered in the Regulations are based upon five elements according to the management control process: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element comprises several items as detailed in the Regulations.

(4) The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

(5) Based on the aforementioned evaluation results, the Company holds that it has reasonably assured the achievement of the aforementioned with the internal control system as of December 31, 2023 (including the monitoring over the subsidiaries), including understanding the effectiveness and efficiency in operation, reliability and transparency in timely reporting, and compliance with relevant regulatory requirements, and that the design and enforcement of internal control are effective.

(6) This Statement shall become a main part of the annual report and prospectus and be disclosed to the public. If there are any deceptive or concealed statements herein, the Company shall be liable for violations of Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

(7) This Statement was approved by the Board of Directors on Friday, March 14, 2024; all 8 directors present concurred unanimously.

YFY Inc.

Chairman: Jean Liu

President: David Lo

2. CPA's internal control special audit report: N/A

(X). Penalty on the Company and its personnel or punishment imposed by the Company on personnel in violation of internal control system regulations, major deficiencies, and improvement in the past year and up to the print date for this annual report: This event did not occur at the Company.

(XI). Important resolutions adopted in shareholders' meetings, Board of Directors' meetings, and the Audit Committee meetings in the past year and up to the print date of this annual report:

1. Important resolutions of the 2023 annual shareholders' meeting (June 20, 2023) (summary)

(1)Approved the acknowledgment of YFY's 2022 financial statements.

(2)Approved the acknowledgment of YFY's 2022 earnings distribution proposal.

Implementation of resolutions of the 2023 shareholders' meeting:

(1)The Board of Directors followed Article 230 of the Company Act and prepared and submitted the financial statements to the shareholders' meeting for acknowledgment. Once acknowledged by the shareholders' meeting, the Board of Directors distributed the financial statements and earnings distribution proposals to the shareholders through announcements.

(2)In 2022, the Company's cash dividends of ordinary stock were NT$0.9 per share; the ex-dividend date was July 19, 2023, and the distribution date for dividends was August 11, 2023.

YFY have completed the implementation of all tasks in accordance with the resolutions of the shareholders' meeting.

2. Important resolutions of the 12th meeting of the 28th Board of Directors (March 15, 2023) (summary)

(1)Approved YFY's 2022 financial statements and submitted them to the shareholders' meeting for acknowledgment.

(2)Approved YFY's 2022 earnings distribution proposal and submitted it to the shareholders' meeting for approval.

YFY's 2022 net profit after tax was NT$2,169,510,447; surplus from the previous year in terms of accumulated undistributed earnings was NT$11,534,235,204 confirmed welfare plan re-measurement was NT$308,555,200, profits from disposal of FVOCI financial assets (including investment companies) was NT$9,950,920, and special reserve reversal was NT$4,980,498 before subtracting a recognized change of NT$256,257,198 in the net value of shares held in the investment portfolio to arrive at a total of NT$13,646,477,227 in unappropriated retained earnings. Excluding a statutory legal reserve of NT$211,224,202, the distribution of a NT$0.9 cash dividend of per share, amounting to NT$1,494,334,346 in total, was conducted. The remaining balance of NT$11,940,918,679 is reserved to be appropriated in the coming year.

(3)Approved YFY's 2022 employee and director remuneration proposals and submitted them to the shareholders' meeting.

In 2022, the Company set aside NT$2,403,000 as remuneration for employees and NT$22,000,000 as remuneration for directors.

(4)Approved the time, location, agenda, and other relevant matters regarding the 2023 shareholders meeting.
(5)Approved the Company’s 2022 Statement of Internal Control System.
(6)Approved the company proposal to public auction factory and land located in Xinxin Rd., Tainan City.
(7)Approved develop a pre-approval policy for non-certified services provided by accounting firms.
(8)Approved the company’s accountant visa remuneration case is NT$4,250,000 each for 2023 and 2024.
(9)Approved YFY’s "Operational procedures for preparing and verifying sustainability reports".
(10) Approved YFY’s interbank lending credit line application.
(11) Approved YFY to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by YFY’s subsidiaries, and to issue letters of support for the interbank lending credit line applications by the subsidiaries.
(12) Approved YFY’s subsidiaries to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by their subsidiaries.
(13) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2022 and calculated these at the end of Q4 to be approx. NT$14,762,775 thousand.
(14) Approved appointment associate Mr. Huey-Ching Yeh as New Carbontech & Management Group leader, and appointment associate VP Miles Zhang as the chief internal auditor.

3. Important resolutions of the 13th meeting of the 28th Board of Directors (May 12, 2023) (summary)

(1)Approved YFY’s 2023 Q1 financial statements.
(2)Approved YFY’s "Information security management and control guidelines".
(3)Approved YFY’s interbank lending credit line application.
(4)Approved YFY to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by YFY’s subsidiaries, and to issue letters of comfort/support for the interbank lending credit line applications by the subsidiaries.
(5)Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q1 to be NT$14,448,968 thousand.

4. Important resolutions of the 14th meeting of the 28th Board of Directors (August 11, 2023) (summary)

(1)Approved YFY’s 2023 Q2 financial statements.
(2)Approved YFY’s "Operating standards related to financial business between related parties".
(3)Approved YFY’s interbank lending credit line application.
(4)Approved YFY to serve as the joint promissory note maker in the interbank lending credit line applications by YFY's subsidiaries, and to issue letters of support/responsibility comfort for the interbank lending credit line applications by YFY's subsidiaries.
(5)Approved YFY’s subsidiaries to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by their subsidiaries.
(6)Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q2 to be NT$14,577,018 thousand.

(7)Approved appointed F. Lin Manager as accounting officer of the Company.

5. Important resolutions of the 15th meeting of the 28th Board of Directors (November 13, 2023) (summary)

(1)Approved YFY's 2023 Q3 financial statements.

(2)Approved YFY's 2024 annual operational budget.

(3)Approved YFY's 2024 annual audit plan.

(4)Approved the company participated in the cash capital increase of its subsidiary "YFY Packaging Inc."

(5)Approved YFY's "Risk management policies and procedures".

(6)Approved YFY's interbank lending credit line application.

(7)Approved YFY to serve as the joint promissory note maker in the interbank lending credit line applications by YFY's subsidiaries, and to issue letters of support comfort for the interbank lending credit line applications by YFY's subsidiaries.

(8)Approved YFY's subsidiaries to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by their subsidiaries.

(9)Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q3 to be approx. NT$15,143,003 thousand.

6. Important resolutions of the 16th meeting of the 28th Board of Directors (March 14, 2024) (summary)

(1) Approved YFY's 2023 financial statements and submitted them to the shareholders' meeting for acknowledgment.

(2) Approved YFY's 2023 earnings distribution proposal and submitted it to the shareholders' meeting for approval.

YFY's 2023 net profit after tax was NT$1,826,693,089. Surplus from the previous year in terms of accumulated undistributed earnings was NT$11,940,918,679, confirmed welfare plan re-measurement was NT$349,519,200, and special reserve reversal was NT$2,483,227 before subtracting a recognized change of NT$25,392,379 in the net value of shares held in the investment portfolio to arrive at a total of NT$14,094,221,816 in unappropriated retained earnings. Excluding a statutory legal reserve of NT$215,330,314, the distribution of a NT$0.9 cash dividend of per share, amounting to NT$1,494,334,346 in total, was conducted. The remaining balance of NT$12,384,557,156 is reserved to be appropriated in the coming year, July 19, 2024 is the base date for dividend distribution, and August 9, 2024 is the dividend payment day.

(3) Approved YFY's 2023 employee and director remuneration proposals and submitted them to the shareholders' meeting. In 2023, the Company set aside NT$1,981,000 as remuneration for employees and NT$22,000,000 as remuneration for directors.

(4) Approved to propose the 29th term of the 7 seats board of directors (4 directors and 3 independent directors) to be elected in the annual general meeting of 2024.

(5) Approved the proposal to the shareholders meeting to remove the non-competition restriction for YFY's new directors and the institutional entities they represented.

(6) Approved the time, location, agenda, and other relevant matters regarding the 2024 shareholders meeting.
(7) Approved the Company's 2023 Statement of Internal Control System.
(8) Approved the amendment for YFY's "Board of Directors Meeting Procedures".
(9) Approved the amendment for YFY's "Audit Committee Organizational Rules".
(10) Approved a resolution to finance YFY's existing short-term loans from banks and replenish the medium-term operational budget as well as improve YFY's capital structure via a five-year syndicated loan with Mega International Commercial Bank, Taipei Fubon Bank, and Taiwan Cooperative Bank, as lead banks.
(11) Approved YFY's interbank lending credit line application.
(12) Approved YFY to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by YFY's subsidiaries, and to issue letters of support for the interbank lending credit line applications by the subsidiaries.
(13) Approved YFY's subsidiaries to serve as the joint promissory note maker and the joint and severable guarantor in the interbank lending credit line applications by their subsidiaries.
(14) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q4 to be approx. NT$16,635,811 thousand.

7. Important resolutions of the 9th meeting of the 3rd Audit Committee (March 13, 2023) (summary)
(1) Approved YFY's 2022 financial statements the proposal was filed to the Board of Directors for approval.
(2) Approved YFY's 2022 earnings distribution proposal to distribute NT$0.9 cash dividend per share. The proposal was filed to the Board of Directors for approval.
(3) Approved YFY's 2022 Statement on the Internal Control System, and filed to the Board of Directors for approval.
(4) Approved the company proposal to public auction factory and land located in Xinxin Rd., Tainan City, and filed to the Board of Directors for approval.
(5) Approved develop a pre-approval policy for non-certified services provided by accounting firms, and filed to the Board of Directors for approval.
(6) Approved the compliance of the CPAs' independence and accountability after evaluation as required by the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reported this to the Board of Directors.
(7) Approved the company's accountant visa remuneration case is NT$4,250,000 each for 2023 and 2024, and filed to the Board of Directors for approval.
(8) Approved YFY's "Operational procedures for preparing and verifying sustainability reports", and filed to the Board of Directors for approval.
(9) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2022 and calculated these at the end of Q4 to be approx. NT$14,762,775 thousand, and filed to the Board of Directors for approval.
(10) Approved appointment associate VP Miles Zhang as the chief internal auditor, and filed to the Board of Directors for approval.

8. Important resolutions of the 10th meeting of the 3rd Audit Committee (May 10, 2023) (summary)

(1) Approved YFY's 2023 Q1 financial statements the proposal was filed to the Board of Directors for approval.

(2) Approved YFY's "Information security management and control guidelines", and filed to the Board of Directors for approval.

(3) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q1 to be approx. NT$14,448,968 thousand, and submitted this to the Board of Directors for approval.

9. Important resolutions of the 11th meeting of the 3rd Audit Committee (August 9, 2023) (summary)

(1) Approved YFY's 2023 Q2 financial statements the proposal was filed to the Board of Directors for approval.

(2) Approved YFY's "Operating standards related to financial business between related parties", and filed to the Board of Directors for approval.

(3) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q2 to be approx. NT$14,577,018 thousand, and submitted this to the Board of Directors for approval.

(4) Approved appointed F. Lin Manager as accounting officer of the Company, and filed to the Board of Directors for approval.

10. Important resolutions of the 12th meeting of the 3rd Audit Committee (November 9, 2023) (summary)

(1) Approved YFY's 2023 Q3 financial statements the proposal was filed to the Board of Directors for approval.

(2) Approved YFY's 2024 annual audit plan and submitted it to the Board of Directors for approval.

(3) Approved the company participated in the cash capital increase of its subsidiary "YFY Packaging Inc." The proposal was filed to the Board of Directors for approval.

(4) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q3 to be approx. NT$15,143,003 thousand, and submitted this to the Board of Directors for approval.

11. Important resolutions of the 13th meeting of the 3rd Audit Committee (March 12, 2023) (summary)

(1) Approved YFY's 2023 financial statements the proposal is filed to the Board of Directors for approval.

(2) Approved YFY's 2023 earnings distribution proposal to distribute NT$0.9 cash dividend per share. The proposal is filed to the Board of Directors for approval.

(3) Approved YFY's 2023 Statement on the Internal Control System, and filed to the Board of Directors for approval.

(4) Approved the compliance of the CPAs' independence and accountability after evaluation as required by the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reported this to the Board of Directors.

(5) Approved the amendment for YFY's "Audit Committee Organizational Rules", and reported this to the Board of Directors.

(6) Approved the acknowledgment of the total amount of liabilities in endorsements and guarantees as of 2023 and calculated these at the end of Q4 to be approx. NT$16,635,811 thousand, and filed to the Board of Directors for approval.

(XII) The content of any resolution of the Board of Directors which received any dissenting opinions from a director or supervisor that are supported by appropriate records or written statements: N/A

(XIII) Resignation or dismissal of professional managerial officers, including Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance and Chief R&D Officer in the past year and up to the printed date of this annual report:

Summary of resignation and dismissal of professional managerial officers April 30, 2024

Title	Name	Date Of Appointment	Date Of Termination	Reasons For Resignation Or Dismissal
Manager of Auditing Department	Irene Cheng	October 29, 2012	March 15, 2023	Position adjustment
AVP, Accounting Department	C. F. Wu	Dec 29, 1984	July 1, 2023	Retirement

Note：Mr. Miles Chang was appointed as Chief Internal Auditor of YFY Inc. on Mar 15, 2023.

Note：Mr. Shu-Fan. Lin was appointed as Accounting Manager of YFY Inc. on July 1, 2023.

V. Information on Fees to CPA

Unit: NT$ thousand

Name Of Accounting Firm	Name Of Cpas	Audit Fee	Audit Period	Non-Audit Fees	Notes
Deloitte and Touche Taiwan	Chih-Ming Shao	2023	3,750	2,085	Non-audit fees list： I. Tax Compliance Audit II. Non-Supervisory Salary Review III. Audit Committee Document Review IV. Information security enhancement
	Hui-Ming Huang				

VI. Information on change/replacement of CPA:

(I) Regarding previous CPA:

Date Of Change	Passed during the board of directors meeting dated November 11, 2022			
Reasons For Change And Remark	Because of the firm's internal rotation and arrangement, CPA Ya-Ling Wong was replaced by CPA Chih-Ming Shao.			
Termination Initiated By Client Or Accountant Declined To Accept The Appointment	**Parties Involved / Scenario**		**CPA**	**Client**
	Termination initiated by client		N/A	N/A
	CPA declined to accept (continue) the appointment		N/A	N/A
Audit Opinions Other Than Unqualified Opinions Issued In The Past Two Years And Reasons	None			
Opinions Different From Those Of Issuer	Yes		Accounting principles or practice	
			Disclosure of financial reports	
			Scope or stages of auditing	
			Others	
	None	V		
	Description			
Other Disclosures (Disclosures Specified In Item 1.4-1.7, Subparagraph 6, Article 10 Of The Standards)	None			

(II) Regarding succeeding CPA:

Name Of Firm	Deloitte and Touche Taiwan
Name Of Cpas:	CPA Chih-Ming Shao
Date Of Appointment	Passed during the board of directors meeting dated November 11, 2022
Consultation Given On Accounting Treatment Or Accounting Principle Adopted For Any Specific Transactions And On Possible Opinion Issued On Financial Report Prior To Appointment And Results	N/A
Succeeding CPA's Written Opinions That Are Different From Those Of The Previous CPA	None

(III) The former CPA's reply to Point 3, Item 1 and Item 2, Subparagraph 6, Article 10 of the Standards: N/A.

VII. The Chairman, President And Financial Or Accounting Managerial Officer Of The Company Who Has Worked For The CPA Firm Or Its Affiliate In The Past Year:

This event did not occur at the Company.

VIII. Equity Transfers And Changes Of Equity Interests By Directors, Supervisors, Managers, And Major Shareholders Holding More Than 10% Of The Shares In Last Fiscal Year And Up To The Print Date For This Annual Report

(I). Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title	Name	2023		Current Fiscal Year Up To April 30	
		Increase (Decrease) In Shares Held	Increase (Decrease) In Pledged Shares	Increase (Decrease) In Shares Held	Increase (Decrease) In Pledged Shares
Chairman	Jean Liu	-	-	-	-
Director and President	David Lo	-	-	-	-
Director and CTO	Kirk Hwang	-	-	-	-
Director	Chin-San Wang	-	-	-	-
Director	Chun-Chieh Huang	-	-	-	-
Independent Director	Hsi-Peng Lu	-	-	-	-
Independent Director	Di-Shi Huang	-	-	-	-
Independent Director	Yie-Yun Chang	-	-	-	-
Independent Director	Jin-Li Hu	-	-	-	-
Institutional Director	Shin-Yi Enterprise Co., Ltd.	-	-	-	-
Institutional Director	Yuen Foong Paper Co., Ltd.	-	-	-	-
Carbontech & Management Group Leader	Huey-Ching Yeh				
COO	Cheng-Hsien Chu	-	-	-	-
VP, Human Resources Department	Jeff Huang	-	-	-	-
VP, Finance Control Center	Vincent Min	-	-	-	-
AVP, Accounting Department (Retired on 2023/07/01)	C. F. Wu	-	-	-	-
Manager, Accounting Department (Appointed on 2023/07/01)	Shu-Fan Lin	-	-	-	-
AVP, Legal Department and Corporate Governance	Vincent Chan	-	-	-	-
AVP, Procurement Department (Resigned on 2024/02/01)	Claudia Kung	-	-	-	-
AVP, Procurement Department (Appointed on 2024/03/18)	Jeremy Chan				
AVP, Auditing Department (Appointed on 2023/03/15)	Miles Chang	-	-	-	-
AVP, New Business Management Office	Jack Su	-	-	-	-
AVP, Treasury Management Department	Allen Chen	-	-	-	-
Chief Information Security Officer	York Kuo	-	-	-	-

(II). Share transfer information: This event did not occur at the Company.

(III). Share pledge information: This event did not occur at the Company.

IX. Information Disclosing The Spouse, Kinship Within Second Degree, And Relationship Between Any Of The Top Ten Shareholders

April 22, 2024

Name	Shares Held By The Individual		Shares Held By Spouse And Underage Children		Total Shares Held In Names Of Third Parties		Titles, Names And Relationships Between Top 10 Shareholders (Related Party, Spouse, Or Kinship Within The Second Degree)		Notes
	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Name	Relation	
S. C. Ho	134,228,028	8.08%	30,053,000	1.81%	0	0	1. Hsin-Yi Foundation 2. Shin-Yi Enterprise Co., Ltd. 3 Hsinex International Corp. 4. Mei-Yu Ho 5. Ru Yi Enterprise Co., Ltd. 6. Chen Yu Co., Ltd. 7. Felix Ho	1. Director is the representative's spouse 2. Director is the representative's spouse 3. Director is the representative's spouse 4. Siblings 5. Director is the representative's father 6. Spouse of representative 7. Father and son	N/A
Hsin-Yi Foundation Representative: Sing-Ju Chang	94,004,485 30,053,000	5.66% 1.81%	0 134,228,028	0 8.08%	0 0	0 0	1. S. C. Ho 2. Ru Yi Enterprise Co., Ltd. 3. Mei-Yu Ho 4. Felix Ho	1. Director is the representative's Spouse 2. Representatives are mother and daughter 3. Related to the representative as relative-in-law within second degree of kinship 4. Mother and son with the representative	N/A
Shin-Yi Enterprise Co., Ltd. Representative: Sing-Ju Chang	77,794,610 30,053,000	4.69% 1.81%	0 134,228,028	0 8.08%	0 0	0 0	1. S. C. Ho 2. Ru Yi Enterprise Co., Ltd. 3. Mei-Yu Ho 4. Felix Ho	1. Director and the representative's spouse 2. Representatives are mother and daughter 3. Related to the representative as relative-in-law within second degree of kinship 4. Mother and son with the representative	N/A

Name	Shares Held By The Individual		Shares Held By Spouse And Underage Children		Total Shares Held In Names Of Third Parties		Titles, Names And Relationships Between Top 10 Shareholders (Related Party, Spouse, Or Kinship Within The Second Degree)		Notes
	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Name	Relation	
Hsinex International Corp. Representative: Sing-Ju Chang	60,085,895 30,053,000	3.62% 1.81%	0 134,228,028	0 8.08%	0 0	0 0	1. S. C. Ho 2. Ru Yi Enterprise Co., Ltd. 3. Mei-Yu Ho 4. Felix Ho	1. Director is the representative's Spouse 2. Representatives are mother and daughter 3. Related to the representative as relative-in-law within second degree of kinship 4. Mother and son with the representative	N/A
Cheng-Ting Ho	46,544,959	2.80%	1,878,837	0.11%	0	0	N/A	N/A	N/A
Supervisory Committee of Workers' Pension Reserve Funds of YFY Inc. Representative: Jeff Huang	46,396,624 40,000	2.79% 0.00%	0 35,000	0 0.00%	0 0	0 0	N/A	N/A	N/A
Ru Yi Enterprise Co., Ltd. Representative: Yi-Jia Ho	44,618,000 10,950,000	2.69% 0.66%	0 5,587,000	0 0.34%	0 0	0 0	1. S. C. Ho 2. Hsin-Yi Foundation, Hsinex International Corp. 3. Hsin-Yi Foundation, Shin-Yi Enterprise Co., Ltd., Hsinex International Corp.and Chen Yu Co., Ltd. 4. Felix Ho	1.Director and representative as father and daughter 2. Representative as director 3. Representatives are mother and daughter 4. Related to the representative as siblings	N/A

Name	Shares Held By The Individual		Shares Held By Spouse And Underage Children		Total Shares Held In Names Of Third Parties		Titles, Names And Relationships Between Top 10 Shareholders (Related Party, Spouse, Or Kinship Within The Second Degree)		Notes
	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Number Of Shares	Shareholding Percentage	Name	Relation	
Mei-Yu Ho	44,053,664	2.65%	3,959,112	0.24%	0	0	1. S. C. Ho 2. Hsin-Yi Foundation, Shin-Yi Enterprise Co., Ltd., Hsinex International Corp. and Chen Yu Co., Ltd.	1.Siblings 2.Related to the representative as relative-in-law within second degree of kinship	N/A
Chen Yu Co., Ltd. Representative: Sing-Ju Chang	35,863,948 30,053,000	2.16% 1.81%	0 134,228,028	0 8.08%	0 0	0 0	1. S. C. Ho 2. Ru Yi Enterprise Co., Ltd. 3. Mei-Yu Ho 4. Felix Ho	1. Spouse of representative 2. Mother and daughter with the representative 3. Related to the representative as relative-in-law within second degree of kinship 4. Director and representative as mother and son	N/A
Felix Ho	35,529,953	2.14%	0	0	0	0	1.S. C. Ho 2.Shin-Yi Enterprise Co., Ltd. and Chen Yu Co., Ltd. 3.Sing-Ju Chang, Representative of Hsin-Yi Foundation, Shin-YiEnterprise Co., Ltd., and Hsinex International Corp. and Chen Yu Co., Ltd. 4. Yi-Jia Ho, Representative of Ru Yi	1.Father and son 2.Director 3.Mother and son 4.Siblings	N/A

X. Numbers Of Shares Held In Invested Enterprises By The Company, The Company's Directors, Independent Directors, And Managers, And Enterprises Directly Or Indirectly Controlled By The Company And The Consolidated Shareholding Ratio

December 31, 2023 Unit: thousand shares; %

Equity Method-Accounted Investments	Investment By The Company		Investments By Directors, Independent Directors, The President And Directly Or Indirectly Controlled Entities		Consolidated Investment	
	Number Of Shares	Shareholding Ratio	Number Of Shares	Shareholding Ratio	Number Of Shares	Shareholding Ratio
YFY Packaging Inc.	467,260	100.0	0	0	467,260	100.0
YFY Consumer Products Co., Ltd.	158,005	59.1	22,592	8.5	180,597	67.6
Union Paper Corp.	19,584	18.9	15,682	15.1	35,266	34.0
Yuen Yan Paper Co., Ltd.	6,179	50.9	9	0.1	6,188	51.0
China Color Printing Co., Ltd.	32,896	49.7	888	1.3	33,784	51.0
YFY Development Corp.	223,300	100.0	0	0	223,300	100.0
E Ink Holdings	133,473	11.7	96,888	8.5	230,361	20.2
Fidelis IT Solutions Co., Ltd.	2,857	100.0	0	0	2,857	100.0
Shin Foong Specialty and Applied Materials Co., Ltd.	50,968	48.0	0	0	50,968	48.0
YFY Paradigm Investment Co., Ltd.	192,358	100.0	0	0	192,358	100.0
San Ying Enterprise Co., Ltd.	2,500	100.0	0	0	2,500	100.0
YFY Global Investment B.V.	79,000	100.0	0	0	79,000	100.0
YFY International B.V.	363,690	100.0	0	0	363,690	100.0
YFY Japan Co., Ltd.	0.2	100.0	0	0	0.2	100.0
Effion Enertech Co., Ltd.	70,000	100.0	0	0	70,000	100.0
Chung Hwa Pulp Corp.	627,827	57.8	61,017	5.6	688,844	63.4
YFY Corporate Advisory & Services Co., Ltd.	3,000	100.0	0	0	3,000	100.0
Sustainable Carbohydrate Innovation Co., Ltd.	3,000	100.0	0	0	3,000	100.0
Ensilience Co., Ltd.	15,000	100.0	0	0	15,000	100.0

Chapter 4. Capital and Shares

I. The Company's Capital And Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Stock Options, Restricted Shares And Mergers (Including Mergers, Acquisitions, And Demergers)

II. Implementation Of Capital Allocation Plans

I. The Company's Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Stock Options, Restricted Shares and Mergers (including Mergers, Acquisitions, and Demergers)

(I) Source of Share Capital

Unit: NT$ thousand/thousand shares

Year/Month	Issue Price	Authorized Capital		Paid-In Capital		Notes		
		Number Of Shares	Amount	Number Of Shares	Amount	Share Capital Source	Shares Acquired By Non-Cash Assets	Others
2011.08	10	2,200,000	22,000,000	1,660,372	16,603,715	Undistributed earnings	-	Jing-Shou-Shang No. 10001196670 dated August 26, 2011

Unit: thousand shares

Shareholding Type	Authorized Capital			Notes Outstanding Shares
	Outstanding Shares	Unissued Shares	Total	
Ordinary Shares	1,660,372	539,628	2,200,000	Publicly traded shares

(II) Shareholder Structure

April 22, 2024

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign Institutions & Natural Persons	Total
Number of Institution	7	15	353	110,740	303	111,418
Number of Shares	6,578,725	4,617,767	685,264,433	776,300,861	187,609,709	1,660,371,495
Shareholding Ratio	0.40%	0.28%	41.27%	46.75%	11.30%	100%

(III) Shareholding Distribution Status

April 22, 2024

Shareholding Range	Number Of Shareholders	Number Of Shares	Shareholding Ratio
1 to 999	60,623	6,414,141	0.39%
1,000 to 5,000	40,404	81,306,518	4.90%
5,001 to 10,000	5,351	41,122,915	2.48%
10,001 to 15,000	1,649	20,556,248	1.24%
15,001 to 20,000	901	16,700,643	1.01%
20,001 to 30,000	844	21,283,236	1.28%
30,001 to 40,000	362	12,934,402	0.78%
40,001 to 50,000	269	12,412,721	0.75%
50,001 to 100,000	427	30,192,408	1.81%
100,001 to 200,000	251	35,940,260	2.16%
200,001 to 400,000	151	42,566,288	2.56%
400,001 to 600,000	50	24,656,023	1.48%
600,001 to 800,000	15	10,528,468	0.63%
800,001 to 1,000,000	15	14,226,096	0.86%
1,000,001 and above	106	1,289,531,128	77.67%
Total	**111,418**	**1,660,371,495**	**100.00%**

(IV) List of Major Shareholders

April 22, 2024

Shares / Name	Number of Shares	Shareholding Ratio
S. C. Ho	134,228,028	8.08%
Hsin-Yi Foundation	94,004,485	5.66%
Shin-Yi Enterprise Co., Ltd.	77,794,610	4.69%
Hsinex International Corp.	60,085,895	3.62%
Cheng-Ting Ho	46,544,959	2.80%
Supervisory Committee of Workers' Pension Reserve Funds of YFY Inc.	46,396,624	2.79%
Ru Yi Enterprise Co., Ltd.	44,618,000	2.69%
Mei-Yu Ho	44,053,664	2.65%
Chen Yu Co., Ltd.	35,863,948	2.16%
Felix Ho	35,529,953	2.14%

(V). Market price, net asset value, earnings, and dividends per share

Item \ Year			2022	2023	Current Year Up To The Print Date Of This Annual Report
Market price per share	Highest		35.70	40.95	33.2
	Lowest		21.85	24.20	29.15
	Average		27.93	31.02	30.33
Net asset value per share	Before distribution		32.91	35.22	-
	After distribution		32.01	34.32	-
Earnings per share	Weighted average number of shares (thousand shares)		1,660,372	1,660,372	1,660,372
	Earnings per share		1.31	1.1	-
Dividend per share	Cash dividends		0.9	0.9	-
	Free-Gratis Dividends	Retained Shares Distribution	-	-	-
		Capital Reserve Shares Distribution	-	-	-
	Accumulated undistributed dividends		-	-	-
Return on investment analysis	PE ratio		21.32	28.20	-
	Price dividend ratio		31.03	34.47	-
	Cash dividend yield (%)		3.22	2.90	-

Note 1: PE ratio = Average market closing value per share over the year/earnings per share.
Note 2: Price dividend ratio = Average market closing value per share over the year/Cash dividends per share.
Note 3: Cash dividend yield = Cash dividends per share/Average market closing value per share over the year.

(VI) Dividend policy and implementation:

1. Dividend policy:

In making its dividend policy, the Company takes into account future capital expenditures and working capital requirements for the upcoming years. Based on this policy, an appropriate percentage of the remaining surplus is retained as needed to support the ongoing business operations, and dividends are distributed in a way that at least 20% is distributed as cash dividends and the remainder as 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.

2. Dividend distribution to be proposed to the shareholders' meeting:

With respect to the earnings distribution for 2023, the Company proposed to distribute NT$0.9 per share and total of NT$1,494,334,346 in cash dividends.

(VII) Impact Of Stock Dividends Proposed At This Shareholders' Meeting On Business Performance And Earnings Per Share: N/A.

(VIII) Remuneration Of Employees, Directors, And Independent Directors:

1. Percentages or ranges of remuneration of employees, directors, and independent directors under the Articles of Incorporation:

According to current policies, if the Company sustained profit every year, 0.1% or more of the income shall be set aside as employee remuneration, 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).

2. Basis for estimating the amount of remuneration of employees, directors, and independent directors; basis for calculating the number of shares to be distributed as employee remuneration; and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The estimated employee and director remunerations were recognized as expenses at the distributable amounts for the current year according to Articles of Incorporation. Any change in the amounts on the date of resolution by the Board of Directors shall be treated as accounting adjustments and recognized as adjustments for net profit and loss of the year approved by the Board of Directors. If it was decided by the Board of Directors to distribute employee remuneration in the form of shares, the number of shares shall be determined by dividing the approved remuneration by the fair price of the shares. The fair price of the shares will be calculated based on the closing price on the day before the date of the Board meeting.

3. Remuneration proposals approved by the Board of Directors:

(1) Distribution of NT$1,981,000 in cash as employee remuneration; no stock shares shall be distributed. Directors' remuneration shall be NT$22,000,000. The amounts listed above did not different from the expense estimates for 2023.

(2) Amount in stock distributed as employee remuneration as a percentage with respect to the after-tax profit in current period's individual financial statement and total employee remuneration: None.

4. Any difference between actual distribution (including number, amount, and price of shares) of employee remuneration and director and independent director remunerations from the previous year and recognized employee remuneration and director and supervisor remunerations, and the reasons as well

as corresponding treatments:

In 2022, the actual remuneration distributed to employees was NT$2,403,000 in cash and no stock shares were distributed. Director remuneration was NT$22,000,000. The aforementioned amount did not differ from the amount approved by the Board of Directors.

(IX) Buyback of treasury stock: This event did not occur at the Company.

(X) Issuance of corporate bonds: The Company does not issue corporate bonds.

(XI) Issuance of preferred stocks: The Company does not issue preferred stocks.

(XII) Issuance of global depositary receipts (GDR): The Company does not issue global depositary receipts.

(XIII) Exercise of employee stock option plan (ESOP): The Company does not provide employee stock option plans.

(XIV) Restricted stock awards: The Company does not issue restricted stock awards.

(XV) Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies:
The Company did not engage in mergers and acquisitions, or issue new share for acquisition of shares of other companies.

II. Implementation Of Capital Allocation Plan

(I) Plan content: The Company has no special plans for utilization of funds.

(II) Implementation status: N/A

Chapter 5. Business Overview

I. Business Scope
II. Market Outlook
III. Employee Information In The Last Two Years And Up To The Print Date Of The Annual Report
IV. Environmental Protection Expenditure
V. Human Capital
VI. Information Security Risk Management
VII. Material Contracts

I. Business Scope

(I) Business Scope

1. Key scope of business:
   Industry investment holding.

2. Key operations and products of invested companies:
   Forest, pulp, and paper business group
   - Production, marketing, and distribution of pulp, paper, and paperboards.

   Containerboard and packaging business group
   - Paperboards for industrial use; production, processing, and marketing of cardboard boxes.

   Consumer products business group
   - Household paper products; production, marketing, and distribution of cleaning products.

   Carbontech & Management Group
   - Intelligent energy, circular economy and innovative energy businesses

   Other businesses
   - Production, marketing, and distribution of electronic related products.
   - Production and marketing of chemical products.

3. Revenue breakdown:
   - Manufacturing and trading of paper products account for the largest portion of revenue at approximately 88%.
   - Other items accounted for approximately 12%.

4. New products in development:
   - Special purpose paper.

(II) Industry Overview

Macroeconomic Environment

The recent international economic situation continues to face numerous uncertainties. These include the Red Sea crisis posing risks to global maritime trade, the competition in green technology subsidies evolving into a global trade war, extreme weather events disrupting global supply chains, and military conflicts and multiple national elections increasing geopolitical risks. Therefore, according to the International Monetary Fund (IMF), the global GDP growth rate for 2024 is projected to be 2.9%.

Looking ahead to 2024, global trade volume is expected to rebound, while Taiwan's economic growth will mainly rely on support from consumption and investment, with external demand showing signs of recovery. Domestically, the job market is steadily developing, and various private consumption indicators remain strong. Private consumption is expected to continue robustly, and private investment will benefit from a recovery in exports and inventory returning to normal levels, aiding firms in implementing investment plans. Additionally, public investment is expected to grow steadily. In terms of exports, sectors such as integrated circuits and traditional industries are seeing gradual improvements, benefiting from strong demand for emerging applications like artificial intelligence.

Under the current environment status, YFY and its affiliates are leading by professional management team to focus on operational fundamentals and control risk management in the supply chain, as well as aligning with the government's adjustment measures. We will demonstrate our utmost initiative in continuously stabilizing operations and developing the business.

Main Business Groups' Current Market Condition and Development:

1. Forest , Pulp and Paper Business Group

Current trends and outlook of the industry:

Changes in the economic environment in 2023 caused a decrease in demand. Peak periods were not prosperous and demand was weak overall. At the same time, due to factors such as the uncertainty of the international situation, many are in observation mode.

Product competition and development trends:

In recent years, domestic peers such as Cheng Loong and Taiwan Pulp and Paper Corporation have stopped producing paper stationery products. Our company has partially switched to producing special purpose paper, forcing the market to rely on imported paper stationery products.

On the demand side, the global demand for paper stationery products and paper keeps declining due to changes in reading habits and the impact of the pandemic in the past two years. However, the demand for packaging paper stays stable due to the prosperous development in e-Commerce. Global economic development and increasing ESG awareness are expected to drive the growth of other special purpose paper.

Facing the fluctuation of international pulp prices, the Company supplies the demand for short-fiber pulp in various factories within the group, in order to reduce the impact of market price fluctuations on profit and loss. The paper stationery product market will implement flexible production and marketing policies and will continue to expand the trade model of sales, in order to maintain the Company's reasonable profits and market share. In addition, the Company also continues to research and develop the high-value-added special purpose paper market, circular products, and special materials to expand diversified applications.

2. Containerboard and Packaging Business Group

Current trends and outlook of the industry:

Containerboards and processed paper goods are made of imported long-fiber pulp and recycled paper (or recycled paper pulp), which are then processed through pulp dispersion, screening, grinding, shaping, and drying. Linerboards and corrugating mediums are processed into cardboard boxes of different specifications and strength based on the needs of corrugated container plants. They are provided for downstream industries (such as electronics, information, food, and textile fiber industries) for packaging. The products include linerboard, white cardboard, corrugated medium, corrugated box, food container, color box, and container.

Product competition and development trends:

In addition to YFY Inc., domestic manufacturers also include Cheng Loong Corp. and Longchen P&P. The three major paper mills including the affiliated plants account for 60% of the total sales in Taiwan, supplying downstream paperboard and containerboard processing plants with containerboards. In response to the Taiwanese market demands of small quantity, greater variety, and high quality, YFY Inc. aims to win the trust of customers by continuously equipment renewal and modernization, introducing automated systems, developing differentiated products, and offering services of premium quality.

Since the "Kyoto Protocol" in 1997 and the "Paris Agreement" in 2015, the recognition of environmental issues like global warming has been evident, yet progress was stalled by industrial and commercial expansion. The UN COP26 climate summit in 2021 marked a turning point with the inclusion of agreements to cut coal consumption and methane emissions for the first time. By the UN COP28 climate summit in 2023, nearly 200 countries committed to an energy transition and a move away from fossil fuels, aiming for net-zero emissions by 2050. In 2022, the Ministry of Economic Affairs of Taiwan introduced "The pathway to net zero transition in manufacture by 2030," focusing on "process improvement," "fuel switching," and "circular economy" as the three main strategic directions. The Taiwan Carbon Solution Exchange was established in 2023 to advance carbon footprint verification and the implementation of a carbon fee is forthcoming. As carbon regulations become more stringent and actionable, transitioning to net-zero emissions is not just a competitive necessity but also a strategic business advantage. The paper industry, being inherently green through its recycling and reuse of natural resources, positions the Containerboard and Packaging Business Group to emphasize energy-saving and carbon-

reducing technologies, balance production operations with waste recovery, enhance emission standards, commit to environmental friendliness, and explore the potential for reusing all forms of energy to fully realize the principles of the circular economy.

3. Consumer Products Business Group

Current trends and outlook of the industry:

The subsidiary specializing in consumer products focuses on manufacturing, promoting, and distributing an array of household paper and cleaning items. Its flagship offerings encompass toilet paper, hand towels, paper towels, and various other domestic cleaning essentials. The production supply chain for our toilet paper spans from upstream pulp suppliers to downstream entities like retailers, distributors, and ultimately, the end users. Similarly, the supply chain for our cleaning products connects upstream suppliers of key ingredients, including orange oil and natural fragrances, with an extensive network of retailers, distributors, and end consumers down the line.

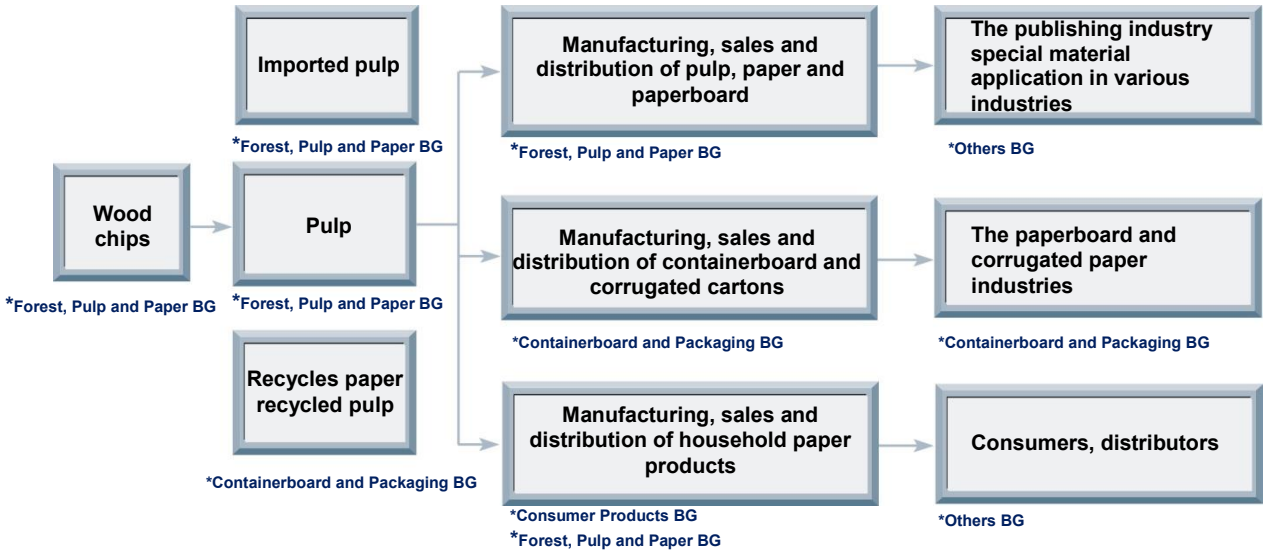
Product competition and development trends:

Competition in the household paper market in Taiwan is intense. YFY's brands such as “Mayflower”, “Delight”, and “Tender” have been leading in market share in Taiwan, and continue to meet the diversified needs of consumers with high-quality innovative products. Kimberly-Clark, Cheng Loong, and Golden Century Paper are main suppliers in Taiwan.

In the realm of cleaning solutions, we persist in rolling out products of superior quality that reassure our consumers. Orange House has introduced the market's first eco-friendly laundry liquid pods, distinguished by their sustainable approach from formulation to packaging. These pods are not just antibacterial; they also cut down plastic usage by 91% through eco-conscious packaging, safeguarding both our families' health and the planet. Orange House has established itself as a frontrunner in Taiwan for eco-friendly cleaning products. Furthermore, our expansive marketing efforts for "Delight detergent" have effectively secured its place within the mid-tier segment of the cleaning products market.

Our commitment to customer satisfaction drives our innovation and enhances the quality and experiences of our products. We are dedicated to pioneering new product developments in the antibacterial sector, catering to consumers who demand superior quality, environmental sustainability, and diverse market needs. Our strategy includes expanding our range to include household, personal, and commercial items, focusing on the creation of high-value products aimed at the premium market. We are deepening our market penetration, understanding the preferences of new consumers, and addressing the growing concern for environmental sustainability in line with global ESG trends. By embedding sustainability principles into our innovations, we aim to not only meet but exceed consumer expectations and solidify our status as a leading brand in the consumer goods industry.

Relationships with upstream, mid-stream, and downstream companies:



Upstream paper industry (pulp industry and waste paper industry)

Mid-stream paper industry (Paper production plant)

Downstream paper industry (The packaging industry and end users)

4. Carbontech & Management Business Group

Current trends and outlook of the industry:

With the phenomenon of global warming and extreme climate becoming more and more obvious, reducing greenhouse gas emissions and slowing down the warming of climate change have become the consensus of global environmental policies, and are also important targets for energy transformation. Under this trend, the international community has reached a number of consensus and agreements on climate change and proposed their own carbon reduction targets. For example, the U.S. announced that it will achieve net zero emissions from electricity generation by 2035; the European Union adopted the European Green Deal as early as 2019, revealing a carbon neutrality target for 2050 and implementing a carbon border adjustment mechanism (CBAM). In addition, international organizations continue to launch major initiatives to help global companies move toward net zero, such as The Climate Group's (TCG) RE100, EP100, and EV100, which promote the electrification of transportation and infrastructure to reduce greenhouse gas emissions by inviting companies to increase productivity and use energy more efficiently while using 100% green power. In addition to using 100% green electricity, global initiatives also encourage companies to increase productivity and use energy more efficiently, and promote the electrification of transportation and infrastructure to reduce GHG emissions. In March 2022, the government released the "Taiwan 2050 Net Zero Emissions Pathway and Strategy General Description", which promotes Taiwan's net zero transformation based on advancements in technology and the legal system, including the planning of a carbon pricing mechanism and related practices in response to the EU CBAM, as well as the refinement of the Energy Management Act, the Electricity Act, and the Renewable Energy Development Ordinance.

Driven by the above-mentioned environmental factors, international brand companies have been declaring their net-zero targets and including "supply chain carbon footprint" and "carbon reduction performance" as indicators for company procurement, requiring their suppliers to join in the carbon reduction efforts. In addition, the implementation of policies such as the Climate Change Response Act and the "Sustainable Development Pathway for Listed Companies" has prompted Taiwanese companies to engage in energy transformation related actions. Under the global trend of carbon control, a business model has emerged that is based on three major elements: positive cycle of business growth and environmental protection, promotion of low-carbon enterprises and low-carbon industrial chains, and mainstreaming of high-performance technologies. The Carbontech & Management Group was established based on YFY Group’s "Saccharide economy" concept. It combines renewable materials, low-carbon energy, and digital technology to vigorously pursue one of the group's five major development directions: "renewable energy and energy management."

Product competition and development trends:

The Carbontech & Management Group applies the carbon technology industry model with circular economy and intelligent energy as its main development axes. The circular economy approach has been regarded as an important solution for business development and environmental protection, especially for developing power generation through biofuel sources, which has become one of the sources of renewable energy in Taiwan. The types of biomass power generation in Taiwan include power generation from urban and agricultural waste (waste to fuel), as well as power generation from livestock waste and food waste methane.

Taiwan's current renewable energy sources are mainly from solar and wind power generation, how to increase biomass power generation and develop it into a reliable renewable energy source for Taiwan has become an important issue in establishing the circular economic system. For example, the development of new biotechnology to improve the efficiency of biomass power generation, the expansion of biomass sources, or the development of sites to effectively collect various biomass resources are all potential mechanisms to advancing biomass energy.

In terms of intelligent energy, after the amendment of the Electricity Act in 2017, Taiwan implemented the green power first policy allowing the development of the renewable energy retail industry, offering diverse choices for electricity buyers, and creating a free market mechanism for renewable energy prices. The 2019 amendment to the Renewable Energy Development Act further established renewable energy obligations for large

energy users, and introduced regulations on green electricity, energy storage, and energy usage in corporate energy application systems.

With the gradual introduction of these policies and measures, intelligent energy management systems have become even more important. Both at the power generation and distribution ends, power systems need to integrate weather and load forecasting models and artificial intelligence algorithms to make real-time and next-day power generation and consumption forecasts to achieve optimal power consumption optimization (demand response) management, in addition to applying advanced information and communication technologies, equipment, and big data analysis. In addition, as electric power becomes more decentralized, an intelligent energy management system must also integrate renewable energy, energy storage, and other power generation equipment to upgrade to an intelligent micro grid management system to enhance the dispatch of different power resources and improve energy efficiency. In the future, it is expected that micro grid sites in each region can be linked by new ICT-based intelligent "virtual power plants", which can not only integrate the electricity resources of consumers, but also help enterprises to manage remote loads and join the electricity market for trading, thus making the use of electricity more flexible. Therefore, corporate energy systems should be developed to collaborate with the national power system, which is gradually moving toward decentralization, digitization, and low carbonization.

As the world continues to face the challenge of climate change, circular economy and intelligent energy have become the solutions to provide enterprises with energy transformation. However, for companies to truly achieve net-zero transformation, they need to further rely on carbon management. From international brand companies requiring their supply chains to join the carbon reduction bandwagon, to the EU CBAM, the Financial Supervision Commission’s (FSC) release of the "Sustainable Development Pathway for Listed Companies", and the future introduction of a government carbon fee, a series of carbon control measures have begun to generate various carbon business opportunities, including carbon inventory, carbon emissions verification, emission reduction and management of carbon credits. The business group hopes to build a business model in carbon management to help companies implement different carbon reduction plans to comply with the law or participate in the carbon market.

(III). Overview of Technology and R&D

1. R&D investments during the latest year

R&D expenditures was around NT$541,133 thousand in 2023. Expenditures on other development applications were not included herein. R&D expenditures up to the printed date of this annual report in 2024 was NT$ 130,379 thousand.

2. New launching and application of new technology products

Under the management philosophy of sustainable development, achieving net zero carbon emissions has become the consensus of the world. YFY has proposed the concept of a "full circular economy" and is moving towards the development directions of "low carbon, low energy consumption, and Saccharide Replacing Petrochemicals." Based on "Saccharide", it develops renewable materials and energy, which are applied to pulp and paper, household cleaning products, special materials, biomedicine, and AIoT, vigorously promoting a sugar-based economy.

In 2023, anti-mildew functions were added to the core technology of barrier modularization and electronic packaging materials obtained certification. According to international standards, they achieved the highest level of mold prevention. Natural cellulose combined with recyclable aqueous coatings for fruit and vegetable fresh-preserving paper has been certified to replace current PE laminated paper bags, achieving the goal of sustainable packaging. Innovative regenerated cellulose was developed to replace traditional cotton fibers and synthetic fibers, reducing carbon emissions in the textile industry; a post-consumer waste clothing recycling process was developed, remaking textile fiber materials, and developing a low-carbon emission sustainable circular process. Modified cellulose as a green internal additive product for papermaking wet ends has been applied to energy-saving in grinding and paper strength enhancement, continuously developing value-added applications for other industries.

In 2024, as YFY celebrates its 100th anniversary, as a leading enterprise benchmark, it will continue to develop innovative technologies in the three major fields of Saccharide-based materials, renewable energy, and digital intelligence, and cooperate with academic institutions and companies both domestically and internationally to provide sustainable solutions to climate and environmental challenges.

(IV). Long and short-term business plans:

1. Forest, Pulp and Paper Business Group

Short-term development plans

(1) Actively improve manufacturing processes and management to enhance transformation momentum.

(2) Strengthen the research and development of niche products, develop various alternative plastic applications, and stabilize the market for environmental protection products.

(3) Vertically integrate the supply chain and strengthen the cooperation with downstream processing plants to increase the overall competitiveness of the industry.

(4) Strengthen information integration and utilize big data analysis to enhance the efficiency of procurement and production and marketing processes.

(5) Provide customers with innovative financial and logistics services to consolidate market mastery.

Long-term development plans

(1) Develop environmentally sustainable and high value-added herbal fiber products and continue to promote product structure transformation.
(2) Strive for sustainable recycling and improve material utilization by using 3R (Recycle, Remake, Create Value) to promote diversified product re-engineering.
(3) Implement a talent cultivation program and build a succession team to become a world-leading materials company.

2. Containerboard and Packaging Business Group

Short-term development plans

Containerboard Taiwan operations

(1) Continuously enhanced production efficiency, expanded the use of green energy through biogas power generation, reclaimed production waste, and switched to alternative fuels to minimize coal usage, embodying the principles of a circular economy.
(2) Persistently sought out new products, fine-tuned the profitability of the containerboard product line, and bolstered the business team.
(3) Leveraged the vertical integration of containerboard and corrugated packaging supply chains to increase market presence.
(4) Adapted to market fluctuations and source material changes by fostering the development of sustainable supply chains.
(5) Ensured high-quality standards for recycled paper to enhance its reuse potential.
(6) Refined production processes and embraced digital and smart management to boost product competitiveness.
(7) Relentlessly innovated in energy conservation and carbon reduction technologies, modernized equipment, automated production, and elevated both production and energy efficiency and quality.
(8) Optimized the operation of zero-coal boilers to significantly cut down coal use.
(9) Enhanced the efficiency of the biogas power generation system, ensured seamless operation of the combined heat and power (CHP) system without coal, and achieved circular economy goals by converting waste to energy across five domains: water, paper, renewable energy, agriculture, and carbon sequestration.
(10) Advanced carbon footprint certification and methodically worked towards carbon reduction.

Corrugated Packaging

(1) Fostered synergy by strategically coordinating supply chain operations, merging upstream containerboard production with downstream paper processing. To boost competitive edge, the approach includes automation of equipment, standardization of processes, enhancing scheduling adaptability, and effective talent management. Comprehensive packaging solutions are offered to heighten service efficiency and quality. The company also capitalizes on Southeast Asia's rapid economic expansion, particularly increasing investments in Vietnam, seizing lucrative opportunities in the corrugated packaging sector.
(2) Amplified the operational capacity of corrugated packaging facilities in Vietnam in tandem with the nation's economic progression.

(3) Persisted in renewing and upgrading machinery, advancing automation levels, and striving for service excellence.
(4) Continually broadened the client base, targeted specialized markets, refined the packaging supply chain, and fostered mutual growth with clients.
(5) Championed research and implementation of sustainable packaging solutions, aiming at reducing plastic use and enhancing carbon sequestration, thereby honoring the company's commitment to environmental stewardship.

Long-term development plans

(1) Persistently worked towards lowering and managing the per-unit cost, aiming for mutually beneficial outcomes for both clients and investors.

(2) Embraced smart management and innovation, enhancing and modernizing equipment for better energy efficiency.

(3) Steadily advocated for minimizing production waste, committed to reducing coal usage, and adopted practices for sustainable circular economy operations and achieving zero carbon emissions.

(4) Persistently focused on enlarging the production capabilities of Vietnam Corrugated Packaging to stimulate growth.

(5) Advanced automation in production, refined production methodologies, and embraced a digital overhaul.

(6) Focused on attracting and developing expertise in technical, operational, and business areas, invested in staff development, and fostered the growth of the leadership team.

3. Consumer Products Business Group

Short-term development plans

(1) Expand the growth of cleaning products, and continuously develop high-end products with the commitment of nature and health.

(2) Strengthen the differentiation of paper products, expand the growth of the high-end market, and develop long-term consumer groups.

(3) Develop diversified cross-category to provide consumer safe and healthy products with the idea of caring for family and bringing experience of a better life.

(4) Deepen the growth of core products of EC channels, and combine new microbusiness and general EC to develop multi sales type of Online Merge Offline (OMO) channel.

(5) Effectively operate YFYCPG membership program to ensure personalized and efficient communication and maintain the brand loyalty.

(6) Actively carry out the product life cycle combined with the carbon footprint concept from green packaging materials, SRF usage and green energy usage.

(7) Strengthen the automation of converting lines, AOI and other systems, and improve production efficiency and quality.

Long-term development plans

(1) Continuously optimize work efficiency and management of organization and cultivate new generation talents based on plans.

(2) Enhance brand management, invest in the development of innovative products, increase various brand values and product virtues, and deepen high-end market operations.

(3) Expand the export market and develop strategic partners to create synergies.

(4) Research and develop low carbon footprint products, continuously reduce carbon emissions in the production process, minimize the impact of environment with suppliers to take social responsibilities, and become a sustainable global consumer product company.

4. Carbontech & Management Business Group

Short-term development plans

(1) Aiming at waste repurposing and fuel utilization, we will develop green energy businesses in response to the government's zero-emissions policy, such as SRF coal replacement, waste-to-energy, and biogas green power, to help customers achieve "coal-free, zero-waste, low-carbon and green power" goals.

(2) Aiming at energy management and digitization, we combine our strengths in Taiwan ICT industry to become a provider of innovative intelligent energy systems and provide customers with comprehensive and intelligent ways to use energy. We will continue to gain experiences in developing intelligent energy systems and gradually establish a power aggregation and virtual power plant operation framework.

Long-term development plans

(1) Simultaneously develop the "Virtual Power Plant" platform and the "Energy Management Center" platform, and further establish the "Carbon Management Center" to actively engage in the market deployment of the carbon management business.

II. Market Outlook

(I) Market analysis

Analysis of each business unit's product market is as follows:

1. Forest, Pulp and Paper Business Group

Market overview:

In terms of pulp, international pulp prices plunged by US$250 in two months in the second quarter of 2023. However, wood chip prices remained high, leading to a substantial decline in the pulp and paper industry's overall revenue. To CHP, the sales strategy is still based on supplying short-fiber pulp to the various plants in the group. Our operation strategy is to retain cash, adjust production, and lengthen the period of regular equipment maintenance in response to the falling demand.

In terms of paper sales, in response to the worldwide trend of plastic and emissions reduction, CHP has transformed significantly since 2021 by investing in the production of fibrous material of fixed carbon. CHP

is now a supplier of recyclable and circular materials. We leverage the benefits of pulping to produce circular products, focusing on a circular economy as the development core.

Business overview:

The Company produced 368,660 metric tons of pulp in 2023. In addition to 231,677 metric tons for Company use, export pulp sales were 140,892 metric tons. Paper production was 383,800 metric tons. Domestic paper sales was 177,127 metric tons and export sales was 229,041, totaling 406,168 metric tons. Cardboard production was 116,618 metric tons. Domestic cardboard sales was 115,877 metric tons and export sales was 28,956, totaling 144,833 metric tons. The Company will continue to improve product quality, strengthen the stability of raw material sources, prices, and supply, expand product application markets, and strengthen services to enhance market competitiveness.

Competitive niche and countermeasures:

The Company continues to focus on the development of circular products with the aim of gradually transforming the production portfolio from paper stationery products to industrial-use special materials to meet the diverse demands of the packaging, food, and electronics industry. Advanced countries have greater demands for multi-use special purpose paper products, and the emerging new market also have stronger demands day by day. These are the source for sales value growth. Looking ahead to 2024, CHP will also actively implement green supply chains and ESG emission reduction practices. CHP built cogeneration systems at its Hualien, Taitung, and Jiutang plants. To invest in net-zero transformation, CHP has already planned to use diverse renewable energy sources as the power plant's source of calorific value. The Company aims to achieve energy independence and keep pace with the green energy trend. The ultimate goals are corporate net zero, sustainability, and carbon neutrality.

2. Containerboard and Packaging Business Group

Market overview:

Statistics provided by the Taiwan Paper Industry Association reveal that Taiwan's containerboard paper production in 2023 totaled 3.320 million tons, marking a 4.3% drop from the previous year. Domestic sales saw a reduction to 2.439 million tons, down by 5.8%, while exports experienced a slight decrease of 0.9%, amounting to 1.371 million tons. Additionally, data from the Taiwan Paper Containers Industry Association shows a 2.87% fall in the annual sales of processed paper products in 2023. Factors such as elevated inflation and interest rates contributed to a downturn in Taiwan's market for the year, amidst a broader global economic and trade downturn.

Business overview:

In 2023, the diminishing impact of the COVID-19 pandemic was overshadowed by post-pandemic inflation, global interest rate hikes, and quantitative tightening, all of which hampered economic growth. Geopolitical tensions, a lackluster recovery in China's economy, slow inventory reduction, and a year-long negative export growth in Taiwan contributed to a stagnant packaging market. Taiwan's containerboard industry faced declines in production and sales due to competition from imported paper and reduced orders from downstream packaging customers affected by the global economic downturn. However, a slight

increase in the production and sales of processed paper products was noted, driven by a modest rise in domestic demand in Taiwan.

Despite the challenges, the Taiwan Containerboard and Packaging Business Group improved its profits through rigorous cost control, enhanced equipment productivity, optimized product mixes, and targeted sales channels. The group capitalized on post-pandemic consumer spending, met downstream demand, and strengthened vertical integration within the industry. Digitalization in corrugated packaging plants and the implementation of zero coal boilers and biogas power generation underscored a commitment to sustainability and circular economy principles.

In Yangzhou, China, the easing of lockdowns in 2023 promoted economic activities. China containerboard focused on improving production efficiency, volume, and customer satisfaction, which reduced impact from slight decline in sales of processed paper products due to weakened export orders and domestic market recovery.

Vietnam's export-driven economy felt the impact of reduced global demand in 2023. However, the relaxation of lockdowns in Asia, shifts in global supply chains, and new trade agreements fueled growth in packaging demand, especially for agricultural exports. Vietnam Corrugated Packaging reported over a 10% increase in production and sales, driven by high-growth industries, improved product mix, and customer satisfaction. Cost reductions and productivity boosts led to significant profit growth in 2023. The company plans to continue its strict control over inventory and financial management while recruiting local talent to ensure stable operations, leveraging Vietnam's market potential and favorable trade conditions to capture opportunities in growing industries and expanding its operational scale through international customer development.

Competitive niche and countermeasures:

The outlook for 2024 suggests that the challenge of global inflation remains significant, with the world economy still reeling from reduced demand in two major economies, the United States and China. Major international organizations anticipate a slight downturn in global economic growth compared to 2023. Nonetheless, as supply chain inventories stabilize, a resurgence in commodity demand is expected to drive economic and trade expansion, aiding in the revival of Taiwan's export sector. Domestic demand within Taiwan is also on the upswing, with private consumption showing signs of recovery, suggesting that Taiwan's economic growth in 2024 could surpass that of 2023. There's an optimistic outlook for the rebound of the containerboard paper and cardboard box industries, though caution is advised regarding factors that may impact supply and costs, including geopolitical tensions, extreme weather events, and labor shortages. In the longer term, the explosion of e-commerce and the widespread adoption of online shopping are anticipated to increase the need for logistical packaging, thereby boosting the demand for containerboard paper. The prospects for containerboard paper and cardboard boxes are highly promising.

The Containerboard and Packaging Business Group is navigating market fluctuations with care, leveraging group resources and strengthening supply chain integration to capitalize on market shifts and improve business competitiveness. Commitments to support customers' demand, the promotion of

renewable energy, energy efficiency, reduction of coal burning and carbon emissions, and the development of eco-friendly materials are key strategies for aligning with corporate's vision for a "circular economy."

3. Consumer Products Business Group

Market overview:

Based on statistics by the Taiwan Paper Industry Association, the total production of household paper in Taiwan in 2023 was 278 thousand tons, decreasing by 1.9% compared to 2022. The import was 122 thousand tons, decreasing by 2.4%. In terms of sales volume, the domestic consumption was 389 thousand tons, almost the same with that in 2022; Exports were 11 thousand tons, decreasing by 45%.

Business overview:

In 2023, the Company produced 150 thousand tons of household paper product, increased by 4.7% compared to 2022. In 2023, the household product domestic sales were 85 thousand tons which increased 2.7% from 2022. It was mainly caused by strategically adjusting product structure and developing high-quality new products with consumer preference to successfully increase output value. Exports were 83 thousand tons, increasing by 2.5% from the previous year. The main reason was that consumer demand gradually returned to normal after lifting the extreme lockdown policy of the epidemic in the mainland China.

Competition in the household paper product market in Taiwan is intense. The management team has positioned the Company as a leading brand and followed successfully to seize market share of high end tissue market by Mayflower Thick pull-up tissue, and we launched pull-up kitchen towel to continuously attract new customers and increase market share. In terms of cleaning products, we continue to launch high-quality products that promote safe and healthy. In response to green business opportunities and consumers' emphasis on health needs, Orange House launched laundry liquid pods, the industry's first green design from formula to packaging. It not only has antibacterial effects but also reduces plastic by 91% in green packaging to protect our family health as well as our earth keeping Orange House as Taiwan's leading brand of natural cleaning products. The company commits to sustainable development and continues to bring consumer a safe, healthy and wonderful experience. The management team upholds the commitment to consumers: to provide satisfy experiences, to develop more products that meet consumer needs with innovative technologies, and to continue to expand market share.

Competitive niche and countermeasures:

Looking ahead to the market in 2024, the company is continuously committed to develop sustainably and implement ESG policy. We value our positive brand image and corporate vision in order to retain talents, drive diverse innovation momentum, and provide consumers safe, healthy, and satisfy experience. The team continues to innovate and improve products, successfully achieve breakthroughs in channel operations, optimize the production and sales structure, improve various investment returns, reduce supply chain cost, expand sales in domestic and foreign markets, improve adaptability to changes, and elevate business financial performance. From the post-pandemic economy, online, and green economy, we will continue to expand new business opportunities and profitability.

(II). Application and production of key products

Forest, pulp and paper business group

- Pulp: According to the needs of paper factories, we use suitable tree species to make different kinds of pulp through the process of wood chips, evaporation, cleaning, bleaching, pulp making and drying.
- Paper products: The main raw material is pulp; different types of paper are produced by going through a series of processing steps including pulp dispersion, blending, cleaning, shaping, dehydration, drying, and coiling. High-quality printing paper (e.g., coated paper and simile paper) is made by coating and calendaring the surface, which is suitable for premium quality text and color printing; and special papers (e.g., glassine paper and masking paper) are suitable for various types of industrial use. We also actively develop food safety paper (paper straws, paper cup paper, sealing paper and grease-proof paper, etc.).

Containerboard and Packaging business group

- Containerboard Paper

Recycled paper serves as the primary raw material in the production of various types of containerboard paper. This process involves several steps, including pulp dispersion, debris elimination, washing and screening, deinking, purification, grinding, blending, shaping, and drying. The produced containerboard paper is subsequently utilized to manufacture corrugated cardboards and corrugated cardboard boxes.

- Corrugated Cardboard Boxes

Corrugated cardboard boxes are created using linerboard and corrugating medium, processed by corrugators, which involve pressing, fitting, lining, and cutting, as well as printer/cutter machines that handle printing, grooving, and assembling. These boxes are used for packaging a wide range of products.

- Consumer products business group

Household paper products: The main raw material used is pure wood pulp; different types of daily-use consumer products are produced by going through a series of steps including pulp dispersion, blending, cleaning, molding, dehydrating, drying, and coiling. These products include: toilet paper, tissue, hand wipes, paper towels, and other household paper products.

(III). Supply Status Of Primary Raw Materials

Departments	Product (Service)			Key Raw Material(S)		
	Name	Primary Market(S)	Distribution Method	Name	Main Source(S)	Supply
Paper making	Paper	Taiwan and Asia	Distributors and direct marketing	Diverse types of paper making fibers	Imported from foreign countries	1. As a result of the Russian-Ukrainian war, the global raw material supply chain changed, coupled with a tight energy supply and severe inflation. The worldwide factories increased production costs or cease production. 2. The Covid-19 epidemic was gradually easing, and the ports and shipping capacity were slowly recovering. 3. Real-time tracking of the shipping schedule of each raw material and a precise control of inventory to ensure a stable supply.

(IV). List Of Clients Who Accounted For At Least 10% Of Total Sales And Procurement In Any Of The Last Two Years And Corresponding Amounts And Percentages

1. Major suppliers in last two years

   No supplier has accounted more than 10% of the total procurement in the last two years.

2. Major sales clients in last two years:

   No client has accounted for more than 10% of the total sales in the last two years.

(V). Output Volume And Value For The Last Two Years

Unit: NT$ thousand; tons

Production / Year / Volume/ Value / Main Business Groups		2022		2023	
		Volume	Value	Volume	Value
Forest, Pulp And Paper Business Group	Pulp	381,178	8,790,947	368,660	7,290,477
	Paper	386,153	13,716,424	383,800	13,420,731
	Paperboards	124,852	2,918,795	116,618	2,428,187
Containerboard And Packaging Business Group	Paperboards	805,799	12,932,088	945,107	11,835,629
	Processed paper	891,350	23,542,848	937,187	21,768,086
Consumer Products Business Group	Paper	143,425	7,609,013	150,127	7,952,946
	Cleaning products	5,853	259,944	5,127	256,844

(VI). Sales In Last Two Years

Unit: NT$ thousand; tons

Sales / Year / Volume / Value / Main business units		2022				2023			
		Domestic sales		Export		Domestic sales		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Forest, Pulp And Paper Business Group	Pulp	74,490	1,776,539	84,255	1884,541	63,829	1,279,252	77,063	1,506,971
	Paper	204,857	5,802,818	230,038	9,644,956	177,127	5,326,730	229,041	8,876,161
	Paperboards	133,622	2,927,996	34,145	994,060	115,877	2,325,343	28,956	690,335
Containerboard And Packaging Business Group	Paperboards	186,377	3,143,640	634,799	9,912,471	158,269	2,190,550	771,260	9,334,108
	Processed paper	297,911	8,591,792	637,154	15,611,749	308,705	8,221,257	679,199	14,422,221
Consumer Products Business Group	Paper	83,250	5,526,444	81,367	3,250,744	85,528	5,857,935	83,434	3,244,773
	Cleaning Products	5,803	562,875	375	30,971	5,187	538,578	318	23,613
	Others	-	713,427	-	40,129	-	553,651	-	46,253

III. Employee Information In The Last Two Years And Up To The Printed Date Of This Annual Report

(I) Employee information in the last two years and up to the printed date of this annual report:

Year		2022	2023	Current Year Up To The Printed Date Of This Annual Report
Number Of Employees	General Personnel	5,442	5,483	5,482
	Technicians	6,346	6,410	6,577
	Total	11,788	11,893	12,059
Average Age		38.89	40.23	40.02
Average Of Service Years		8.95	9.74	9.76
Academic Qualifications	Master's Degree Or Higher	5.06%	5.04%	4.90%
	Bachelor/College Degree	39.71%	40.53%	40.56%
	Senior High School And Below	55.23%	54.43%	54.54%

(II) Authority-designated certification by employees whose jobs are related to transparency and disclosure of financial information:

Certifications	Finance And Accounting	Auditing
CPA of ROC	12	0
CPA of USA	4	0
Certified internal auditor (CIA) organized by Institute of Internal Auditors	0	13

IV. Environmental Protection Expenditures

(I). Losses arising as a result of environmental pollution in the recent year up until the publishing date of this annual report; quantify the estimated losses and state any response actions, or state any reasons why losses cannot be reasonably estimated.

YFY continues to invest in various environmental protection, and we have invested 516 million in 2023. The relevant environmental protection funds are as follows:

Unit: Million NTD/ year

	Air	Water	Waste	Energy	Noise And Others	Total
2023	42	34	11	414	15	516

To mitigate our impact on the environment, in 2024 we plan to invest about NT$ 901 million in environmental protection, including energy conservation & carbon reduction, energy transformation, green products, etc.

YFY had completed improvements of all regarding faults pointed out by the competent authority. In order to minimize and prevent environmental impact, we planned to improve the stability of existing equipment operation and optimize the environmental prevention measures in accordance with all relevant regulations, and enhanced the law and regulations training for onsite personnel. As of the publishing date of this annual report, the table below summarizes our losses and corresponding response actions.

Contents Of Violation	Amount Of Penalties	Date of Event	Case Number	Response Measures
Article: Article 20, Paragraph 1 of the Air Pollution Control Act. Content: Public and private premises with stationary pollution sources that emit air pollutants shall comply with emission standards.	The total fine was NT$1,870 thousand	2023.03.24	20-112-030003	The pertinent improvement report has received approval from the competent authority for future reference.
		2023.06.15	20-112-060015	
		2023.10.03	20-112-100005	
		2023.11.28	20-112-110015	The device has been fixed.
		2023.12.21	20-112-120003	SCR has been installed, and the discharge has been tested to meet the emission standards.
		2024.01.15	20-113-010006 20-113-010007	The fuel has been replaced to prevent emissions from exceeding the standard.
Article: Article 20, Paragraph 1 of the Air Pollution Control Act, Article 20, Paragraph 2 of the Air Pollution Control Act. Content: 1. Public and private premises with stationary pollution sources that emit air pollutants shall comply with emission standards. 2. The central competent authority in consultation with relevant agencies shall determine the emission standards in the preceding paragraph based on specially designated industry categories, facilities, pollutant items or areas. Special municipality, county and city competent authorities may draft more stringent individual emission standards due to special needs and submit these standards to the central	The total fine was NT$ 100 thousand	2023.12.13	20-112-120007	The fuel has been replaced to prevent emissions from exceeding the standard.

Contents Of Violation	Amount Of Penalties	Date of Event	Case Number	Response Measures
competent authority for approval in consultation with relevant agencies.				
Article: Article 24, Paragraph 2 and 4 of the Air Pollution Control Act and Article 23 of the Administrative Measures for the Establishment, Operation, and Fuel Use Permits of Fixed Pollution Sources. Content: 1. After the installation or alteration of fixed pollution sources, they shall apply for and obtain an operation license from the competent authority of the municipality directly under the Central Government, county (city) or the authority entrusted by the central competent authority, and operate in accordance with the content of the issued permit. 2. The central competent authority shall determine the procedures for the application, examination procedures, examination principles, disclosure contents, issuance, revocation, repeal, entrustment or termination of the entrustment by the central competent authority, and other matters to be complied with for the application of the permit for the installation and operation of fixed pollution sources. 3. Public and private places shall be operated only after obtaining a license for the operation of fixed pollution sources, and shall operate in accordance with the approved content of the permit.	The total fine was NT$ 200 thousand	2024.03.18	20-113-030021 20-113-030022	The pertinent improvement report has received approval from the competent authority for future reference.
Article: Article 7, Paragraph 1 of the Water Pollution Control Act. Content: Those enterprises, sewage systems or building sewage treatment facilities that discharge wastewater or sewage into surface water bodies shall comply with effluent standards.	The total fine was NT$1,089 thousand	2023.01.19	30-112-010005	The pertinent improvement report has received approval from the competent authority for future reference.
		2023.06.17	30-112-060026	Adjusting the inflow of water and dosing to promote sedimentation have been improved.
		2023.07.19	30-112-070015	Improvements have been made to prevent forgetting to close valves, thus preventing overflow.
Article: Article 28, Paragraph 1 of the Water Pollution Control Act. Content: Maintenance and preventive measures shall be adopted for those circumstances in which there is concern of the leakage through negligence of pollutants or wastewater or sewage into a water body from the conveyance or storage equipment installed by an enterprise or sewage system; for those circumstances in which leakage through negligence causes the pollution of a water body, emergency response measures shall be adopted promptly and the	The total fine was NT$ 55 thousand	2024.04.10	30-113-040007	The pertinent improvement report has received approval from the competent authority for future reference

Contents Of Violation	Amount Of Penalties	Date of Event	Case Number	Response Measures
local competent authority notified within three hours of the occurrence of the accident. In addition to ordering the adoption of necessary control measures, the competent authority shall, for those serious circumstances, also order the suspension of business or the partial or complete suspension of work.				
Article: Article 107, Paragraph 1 of the Water Pollution Control Measures and Test Reporting Management Regulations, Article 18, Paragraph 1 of the Water Pollution Control Act. Content: 1. When building projects that have an impact on atmospheric environment, enterprises, public institutions, and other business entities shall conduct environmental impact assessments and publish the environmental impact assessment documents according to the law; when discharging pollutants to the atmosphere, they shall conform to the atmospheric pollutant discharge standards and abide by the total quantity control requirements for the discharge of key atmospheric pollutants. 2. For the automatic monitoring/surveillance facilities installed pursuant to the Act, if the brand name or model number of the unit or data retrieving and processing systems used for replacement is not the same as the originally installed facilities, the Measure Instructions shall be submitted to the municipality or county (city) competent authority for approval 15 days before the replacement. A relative error test audit and a transmission test for 168 consecutive hours shall be conducted after the installation, and, after the tests, a confirmation report shall be submitted to the municipality or county (city) competent authority for review and on-site survey and confirmation.	The total fine was NT$ 35 thousand	2023.02.23	30-112-020002	The statement has been finalized retroactively.
Article: Article 36, Paragraph 1 of the Waste Disposal Act Enforcement Rules, Article 6, Paragraph 1, Subparagraph 2 of Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste. Content:1. Methods and facilities for storage, clearance and disposal of industrial waste shall meet regulations designated by the central competent authority. Standards for methods and facilities for storage, clearance and disposal of industrial waste in the foregoing paragraph shall be determined by the central competent authority. 2. Storage locations, containers, and facilities shall be kept clean and intact, may not emit airborne, fugitive, or seeping waste, may not pollute the ground, and may not emit a noxious odor.	The total fine was NT$ 6 thousand	2023.11.20	40-112-110001	The statement has been finalized retroactively.
Article: Article 36, Paragraph 1 of the Waste Disposal Act Enforcement Rules. Content: Methods and facilities for storage, clearance and disposal of industrial waste shall meet regulations designated by the central competent authority. Standards for methods and facilities for storage, clearance and disposal of industrial waste in the	The total fine was NT$ 12 thousand	2023.10.03	40-112-100009	The statement has been finalized retroactively.
		2023.10.03	40-112-100010	

Contents Of Violation	Amount Of Penalties	Date of Event	Case Number	Response Measures
foregoing paragraph shall be determined by the central competent authority.				

* Data Scope: YFY Inc. and all production sites of the three business groups in Taiwan.

(II). Environmental sustainability

1. We conduct annual inventories of greenhouse gas emissions, waste generation, and water consumption in compliance with regulations. For greenhouse gas information, please refer to section "1-1-1 Greenhouse gas inventory details" in this annual report. Waste and water usage information is provided below:

Item[Note1]		2022	2023
Waste Emissions[Note2] （Unit: Co_2e）		258,884	289,371
Water Consumption[note3] （Unit: Million liters）	Water Withdrawal	31,009	30,720
	Water Discharge	30,526	31,182

Note 1: The scope of above data only covers plant operations in Taiwan, including Containerboard and Packaging Group Taiwan (Xinwu, Xinwu Packaging, Taoyuan(including Colored Box), Zhunan, Pek Crown, Changhua, and Kaohsiung), Forest, Pulp & Paper Group Taiwan (Jiutang, Hualien, Taitung, and Kuanyin), and Consumer Products Group Taiwan (Qingshui, Yangmei, and Ever Growing).

Note 2: The hazardous waste produced in 2023 was less than 0.005‰ of the total waste. The waste is handled by authorized subcontractor and detailed record has been reported according to regulations.

Note 3: The operations of water metering are handled in accordance with relevant regulations of the Water Act, Water Supply Act and Water Pollution Control Measures and Test Reporting Management Regulations. Water consumption = Water withdrawal – Water discharge.

2. In 2023, the policies for energy saving, carbon reduction, water saving, and waste reduction are as follows:

Energy saving and carbon reduction

- Continue expanding the introduction of biomass alternative fuels and renewable fuels, and promoting waste recycling and reduction to diminish the reliance on fossil fuels.
- Implement measures to reduce energy consumption and improve efficiency, including motor replacement, energy-saving pumps and compressed air systems, heat recovery, and steam pipeline loss reduction.
- Invest in biomass boiler, biogas power, and solar to boost green energy.
- Integrate smart applications for energy creation, storage, consumption, and regulation.
- Participate in Taipower's power trading platform to flexibly adjust for self-use or trading, and to balance power supply capacity.
-In response to SBTi's science-based targets, we are proposing independent reduction plans.
-Evaluate investments in voluntary reduction plans and promote demonstration afforestation carbon credit projects in Taiwan.
-Monitor domestic and international trends, as well as the development of laws and regulations, and regularly conduct/disclose greenhouse gas inventory while assessing the potential implementation of internal carbon pricing.

Water saving

- Implement white water recycling, install recycled water sterilization equipment, and increase the concentration of biological pools in sewage treatment plants to enhance the reuse of process water.
- Enhance the quality of wastewater at its source and improve the operational stability of water treatment plants.
- Assess water stress at each plant to mitigate the risk of water scarcity.
- From process management to monitoring the quality of discharged water, we establish an early warning mechanism and disclose real-time information to the public.

Waste reduction

- Fibrous remnants are recycled directly into paper products.
- The remaining materials from the process are recycled into other products, including cement products/raw materials, insulation materials, fertilizers, etc.

- High-heat-value organic surplus materials are transformed into solid renewable fuels to substitute coal and heavy oil.
- Develop new business models through YFY's full-cycle economy system.

3. Performance of major energy-saving measures in the past three years:

	2021	2022	2023
Annual Energy Conservation (Kwh)	13,825,857	18,848,060	47,050,972
Annual Gas Conservation (Tons)	-	-	57,300
GHG Emission Reductions Associated With Reduction In Energy Consumption* (T-CO_2e)	6,940	9,595	39,840

*The carbon emissions in Taiwan were calculated based on the electricity carbon emission coefficient provided by the Energy Administration, Ministry of Economic Affairs for 2023: 0.495 kg CO_2e/kWh.

4. Acquisition of environmental management certification

YFY’s main production units are equipped with ISO 14001-certified environmental management systems. The systems are regularly verified by external verification units such as DNV, SGS, BSI, and the Bureau of Standards, Metrology & Inspection, Ministry of Economic Affairs. Internal and external auditing are conducted regularly to maintain system validity and improve the effectiveness of environmental protection. Valid system certificates are kept in each production unit, and are disclosed in our official ESG website and sustainability report.

In addition to ISO 14001, environmental protection certifications for product and material are also obtained in an effort to work with our upstream suppliers and downstream consumers to protect the environment. These certifications include the Forest Stewardship Council- Chain of Custody (FSC-CoC), Programme for the Endorsement of Forest Certification- Chain of Custody (PEFC-CoC), ISO 50001, and ISO 14067. In addition, we also obtained the international BS 8001 Circular Economy certification for material and resource cycles in the paper-making process and we were the first in the global paper industry to receive the certification.

V. Human Capital

(I) Present Status of Employee Relations

YFY Taiwan offers comprehensive coverage for its full-time employees, including labor insurance, group health insurance, accident insurance, and labor pension benefits. For employees in our China locations are entitle to encompass endowment insurance, medical insurance, occupational injury insurance, unemployment insurance, and maternity insurance. The "YFY Joint Employee Welfare Committee" administers our welfare programs, ensuring extensive support and care for our employees.

1. Employee Benefits
   - Special prizes for holidays, Labor Day, and birthday
   - Subsidies for weddings, funerals, child birth, hospitalization, and disability
   - Scholarships for employees' children, and on-the-job training allowance
   - Free monthly subscription of preschool publications and magazines
   - Retirement allowance besides pensions
   - Employee of the year and senior awards
   - Group insurance for employees and their dependents
   - Medical staff on site to promote occupational safety and employees' health awareness
   - Reimburse employee physical check-ups and exam frequency better than the Labor Health Protection Regulation standards
   - Provide massage services to employees in the Taipei office
   - Provide better than regulation standard annual leave allowances to promote work-life balance. Employees who are pregnant, suffering from illness or need to work remotely due to family care and other reasons can work from home or work flexible hours on a case-by-case basis.
   - Wages pay on the 20th of each month includes 10 days' pay advance.

   Employee Engagement and Recreation Programs
   - Club activities for employees
   - Celebrations for employee birthdays, sporting events, and group travel opportunities
   - On-site recreational amenities and entertainment systems

2. Retirement Plan

YFY Inc. has implemented the Labor Retirement Regulations and created the Supervisory Committee for Workers' Pension Reserve Funds to support our employees' post-retirement needs. Annually, we dedicate funds for the legacy pension scheme to a designated account at the Bank of Taiwan, determined by actuarial assessments, ensuring the protection of employees' rights.

Additionally, our company embraced the Labor Pension Act (new labor pension system) on July 1, 2005, committing to deposit an amount equal to 6% of each employee's salary into their individual pension accounts. For employees opting to contribute extra to their pension, YFY facilitates the deduction of these additional contributions, based on the chosen rate, directly from their salaries into their dedicated personal pension accounts at the Bureau of Labor Insurance.

The contents of the YFY's Labor Retirement Regulations are as follows:

- Eligibility for voluntary retirement includes:

(1) Employees aged 55 or above with over 15 years of service, encompassing time spent at both this company and its affiliate enterprises.

(2) Individuals who have dedicated more than 25 years to the company, including periods employed at our affiliated enterprises.

(3) Staff members aged 60 or above who have contributed more than 10 years of service, considering roles held within this organization and its affiliated entities.

- Guidelines for mandatory retirement include:

The company will only mandate retirement in the following circumstances:
(1) When an employee reaches the age of 65.
(2) In cases where an employee is deemed mentally unfit or physically incapable of continuing their duties. The assessment of mental or physical incapacity must align with disabilities levels 1 through 6 as classified by Labor Insurance. Furthermore, employees required to retire due to disabilities acquired in the line of duty will receive an additional 20% atop the calculation based on Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act.

・ Service Duration and Pension Calculation:
(1) The calculation of an employee's service duration commences from their start date, including periods both prior to and following the enactment of the Labor Standards Act, as well as after the introduction of the Labor Pension Act. This calculation will consider the actual continuous service time at this company.
(2) Service years for employees who are either deployed to affiliated enterprises or transferred from such enterprises to our company for work purposes will be aggregated for the purpose of calculation.
(3) For employees who have worked both for our company and an affiliated enterprise and choose to retire in compliance with set regulations, the total pension amount will be determined based on the proportional duration of service in each entity and disbursed accordingly by the respective companies.

・ 2023 Summary of YFY's Contributions to the Labor Pension Reserve
(1) Contributions for the Year: NT$72,000,000.
(2) Asset Balance as of Year-End: NT$476,421,000.

3. Labor-management communications
YFY regularly convenes Labor-management meetings to communicate and coordinate with employees, and subsequently adjusts measures according to the consensus of both parties.

(II) Losses due to labor disputes in last year and up to the printed date for this annual report

Unit: NT$

Contents Of Violation	Amount Of Penalties	Event Date	Case Number	Response Measures
Article: Article 34, Paragraph 2 of the Labor Standards Act. Content: Day and night shift system change work shift without giving a rest period above eleven consecutive hours	The total fine was NT$20,000	2023/7/31	1120159581	To address unique situations, we will arrange for employees to rotate their shifts and modify shift change procedures, ensuring that all team members receive adequate rest and are not adversely affected by shift changes.
Article: Article 24, Paragraph 1 of the Labor Standards Act Content: The employer do not pay worker overtime wages in accordance with labor law	The total fine was NT$50,000	2023/10/20	1120286069	In response to special circumstances, we will organize employees to alternate their working schedules to ensure compliance with labor laws.
Article: Article 24, Paragraph 2 of the Labor Standards Act Content: The employee's working hours beyond the legal limit	The total fine was NT$100,000	2023/10/20	11202860691	In response to special circumstances, we will organize employees to alternate their working schedules to ensure compliance with labor laws.

(III) Continuing education and training for employees

YFY engages in strategic talent development discussions with executive leadership, updates training and development policies, and evaluates the competencies of employees across all tiers to ensure the company's growth and navigate market and industry obstacles. We offer structured and ongoing talent development initiatives to inspire our employees to reach their fullest potential and enhance their performance. Additionally, we provide a variety of learning opportunities, including orientation sessions, management development

programs, specialized skill training, and broad-based educational courses, to foster self-improvement among our workforce.

Development of high-level potential talents:
To continuously ensure organizational competitiveness, we have persistently implemented senior talent training projects. The project contents include:

1. Define talent profile: define high-level success models based on organizational development strategies.
2. Identify high potential talents: Use international professional evaluation tools to select potential talents and analyze potential abilities.
3. Focus on the development path: set up development plans for potential talents
4. Sustainable development of talents: The Mentor Program, led by both internal and external senior managers and consultants, offers consistent mentorship and monitors the progression of participants. It includes structured functional training and hands-on experience tailored to each stage of development.

Diverse learning environment:

1. Orientation training: The objective is to help new hires navigate the workplace efficiently and gain a comprehensive understanding of the company's vision, organizational hierarchy, policies, and the operational dynamics of various functional and business units.
2. Management training: The objective is to enhance management efficiency, develop leadership skills, and elevate strategic thinking capabilities.
3. Professional training: The aim is to enhance the professional technical skills required for the work of specialists in various functional departments.
4. General training: Aims to foster employees' knowledge and skills required for independent operations, workplace communication, and job management to support the Company's future business development requirements and achieve long-term business goals.

Summary of participation of education and training in 2023:

Course Type	No. of Classes	Total Number of People	Total Hours	Total Costs (thousand NT$)
Professional Skills	4,080	51,613	124,266	9,677,535
Management And General Knowledge	3,009	24,907	65,490	6,228,409
Orientation For New Recruits	666	3,460	23,184	107,071
On-The-Job Training	14	2	330	173,940

(IV) Employee code of conduct or ethics

The Company’s Work Rules provide a service guideline and clear work principles for employee compliance. To more effectively protect the Company’s trade secrets, operating profits, and competitive edge in response to the amendment made to the Trade Secrets Act in 2013, the Company has prescribed Integrity and Confidentiality of Intellectual Property Agreement as a mandatory document for registration of new recruits.

YFY promulgated the YFY Employee Code of Conduct in May 2016. Employees’ behavior must comply this Code of Conduct when performing daily tasks and operations: Employees must take the initiative to avoid improper benefits, perform their duties properly, and effectively utilize Company resources and public properties during work. The Employee Code of Conduct prescribes reporting channels and investigation procedures. Regular education and training programs are provided to raise employees’ awareness towards ethical conduct.

The Ethical Corporate Management Operating Procedures and Code of Conduct were promulgated in December 2018 in accordance with the Company’s Ethical Corporate Management Guidelines and TWSE’s Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies. The Company performs business activities based on the principles of fairness, integrity, accountability, and transparency.

The Ethical Corporate Management Operating Procedures and Code of Conduct were established to implement the ethical corporate management policy, actively prevent unethical conduct and conflict of interests, establish whistleblowing channels, and regulate the conduct of relevant personnel.

In December 2021, the YFY Employee Code of Conduct underwent a thorough review and update to further underscore the importance of safeguarding company assets against potential harm to the organization's interests. It also highlights the need for caution during transactions with external suppliers and responsible conduct on public forums to protect the company's reputation. Subsequently, in January 2022, it was mandated that the "YFY Employee Code of Conduct" become a part of the essential training for new hires, to be completed within their probationary review period. Through continuous education and training initiatives, we aim to ensure that all employees embody the company's core values and uphold the highest standards of professional ethics in their daily tasks and interactions. This commitment helps maintain the company’s esteemed reputation and fosters respect and trust from clients, suppliers, and professionals across various sectors.

(V) Employee safety and health

The Company is committed to safeguarding the health and safety of our employees. Beyond achieving ISO45001 certification, which underscores our dedication to occupational safety and health, YFY has proclaimed its commitment to enhancing employee safety and fostering a culture of safety within the organization.

The following active measures were adopted to ensure employee health and safety:

1. Classified responsibility by units: Each operation group has established a dedicated Occupational Safety and Health (OSH) Manager responsible for the creation of safety and health regulations within all plants of the business group, as well as for providing guidance, oversight, and audits of OSH

measures. The occupational safety team at each plant is directly accountable for the promotion, implementation, and on-site management of safety-related projects.

2. Promotion of Safe operations: Through safety education, we aim to enhance the safety management capabilities of supervisors at all levels, gradually establishing a uniform safety value system and standards across the organization. This initiative fosters a collective agreement to drive the implementation of safe operational practices.

3. Standardization of operations: Develop standard operating procedures and work safety analysis for various tasks.

4. Employee health management: Regularly conduct employee physical check-ups, with exam items exceeding the standards set by labor health protection regulations. Plan health promotion programs for employees based on the results of the health examinations.

5. Employee safety training: Employees and contractors must undergo safety training when they are newly hired or change job positions. Additionally, departments periodically organize occupational safety training and awareness courses for current staff to enhance safety consciousness among all members.

6. Accident reporting and investigation: In the event of a workplace accident at any plants, it must be reported to the responsible Occupational Safety and Health Manager of the business group within twenty-four hours, followed by an investigation into the cause. An improvement plan should be proposed within a week of accident. The findings should be informed for related employees to prevent the recurrence of similar incidents.

7. Work safety reviews and disaster drills: In addition to regular disaster drills and monthly occupational safety and health management meetings of plants, equipment safety inspections are reinforced to actively improve the workplace and safety measures.

VI. Information Security Risk Management

(I) Information security

Amidst rapid technological advancements and increasing internet popularity, both businesses and individuals are encountering significant information security risks and challenges. For YFY, managing information security effectively requires a holistic approach that combines both hardware and software: this includes the deployment of equipment and technology (hardware) as well as fostering a culture of security awareness among personnel (software). A specialized information security management team has been formed to ensure the optimal utilization of resources for management purposes, while also focusing on the timely and centralized upgrading of information security network equipment and mechanisms. This approach is critical for maintaining up-to-date information security protections. Moving forward, we are committed to continuously increasing our employees' awareness of information security risks, thereby reinforcing our information security defenses across all levels.

Information Security Framework and Policies are as follows:

1. Information Security Risk Management Framework

The Company's approach to information security risk involves a strategic emphasis on technology utilization and governance. Management of these risks is executed via a specialized management and technology service platform, ensuring clear delineation of authority, responsibilities, technical support, and control mechanisms across the Company and its subsidiaries. In alignment with regulatory requirements, the Company has established an Information Security Committee dedicated to overseeing information and communications security. A Chief Information Officer (CIO) was appointed to oversee the allocation of necessary personnel and resources. Designating CIO along with a team of information security experts are dedicated for the duties. These individuals are charged with the promotion, coordination, supervision, and evaluation of information and communications security management. The committee conducts monthly reviews of the company's information security policies and goals, devises specific management action plans, and regularly reports outcomes to the Board of Directors. Additionally, it assesses potential risks, and develops corresponding strategies.

2. Information Security Policy and Management Program

The Company's approach to information security emphasized technological integration and governance, leveraging the dynamic interplay and balance between users and machines, as well as software and hardware, to construct a comprehensive information security management framework. This framework was utilized to execute the policies established by the company, as detailed in the following sections:

(1) Firewall Configuration: Utilizing the capabilities of next-generation firewalls, we conducted close security management by monitoring and controlling data access based on "who" accesses the data, the "events" prompting access, the "timing" of access, the methods of "execution", the "origin and destination" of the data, and the "objects" being accessed. This included comprehensive threat

detection across all network traffic, ensuring the effective identification and mitigation of intrusions, viruses, worms, and other cybersecurity threats. Additionally, we implemented "trace logging" to document all network traffic, detailing who accessed what data and from where.

(2) Management of Information Server Rooms: Utilizing state-of-the-art server room infrastructure, we've set high benchmarks. To mitigate the risks of equipment damage, data loss, and operational interruptions from power failures, we've implemented a UPS (Uninterruptible Power Supply) system. Additionally, to meet the cooling needs of densely arranged server racks, a sophisticated air-conditioning system has been installed. Our server environments are further protected by fire detection and automated fire suppression systems, which are compliant with relevant fire safety standards and receive regular checks to ensure the protection of vital IT hardware and equipment. Enhancing these measures, we've established strict physical access controls and deployed 24/7 video surveillance to deter unauthorized access and secure our data assets effectively.

(3) Management of User Information Security: We have strengthened user information security through various policies and mechanisms, including setting privileges on personal computers, regularly updating computer system security, implementing email protection, deploying enterprise endpoint antivirus solutions, enhancing endpoint security, controlling admin access, enforcing VPN multi-factor authentication, regulating external network access, controlling internal systems, and adopting the "Group Electronic Document Online Control Operation" method. These measures establish crucial information security checkpoints along both internal and external network paths used by users, ensuring comprehensive information security. Furthermore, the company has formulated information security management regulations. The information security management team periodically conducts disaster recovery drills for critical systems each year, aiming to verify the operability of recovery plans and to improve the information security's emergency response and recovery capabilities.

(4) Industrial Information Security Management: Every year the information management department engages in discussions with information management staff across all factories, addressing current issues, trends, and strategies for improving information security. Through these discussions, alongside targeted education and training programs, the aims are enhancing the information security maintenance practices and risk awareness among employees at each operation site.

(5) Training and Development: The information management team distributes informational letters on security and conducts in-person training sessions on information security, detailing current cybercrime techniques and precautionary measures. These initiatives are aimed at enhancing employees' knowledge of information security, thereby elevating their awareness of cybersecurity issues. Every employee undergoes at least three hours of training related to cybersecurity annually.

Given the escalating intensity of cybercrime, future threats and challenges to business operations necessitated an increased focus on bolstering cyber and information security governance frameworks. While individuals played a crucial role in cybersecurity, in the digital age, neither individuals nor corporations were exempt from cybersecurity risks. Consequently, beyond adhering to government-imposed information security policies and the company's own internal guidelines, YFY was dedicated to

conducting its day-to-day information security management activities with utmost caution, aiming to significantly reduce the company's operational IT risks.

(II) Losses, potential impacts and countermeasures for significant information security incidents in the most recent year and as of the printed date of the annual report: N/A

VII. Material Contracts

Contract Type	Parties Involved	Commencement Date/ Expiration Date	Content	Restrictive Clauses
1. YFY Inc.				
Long Term Loan Contract	Made jointly by 5 banks including Bank of Taiwan, Mega International Commercial Bank, Hua Nan Bank, First Bank, and Taipei Fubon Bank and 7 participating banks.	2020.12.30-2025.12.30	5-year syndicated loan repaid at maturity	N/A
Long Term Loan Contract	Made jointly by 2 banks including First Bank and Bank of Taiwan, and 7 participating banks.	2021.12.24-2026.12.24	5-year syndicated loan repaid at maturity	N/A
Long Term Loan Contract	Made jointly by 3 banks including First Bank, Bank of Taiwan and Hua Nan Bank.	2022.12.23-2027.12.23	5-year syndicated loan repaid at maturity	N/A
Long Term Loan Contract	Made jointly by 3 banks including First Bank, Bank of Taiwan and Hua Nan Bank.	2023.11.02-2028.11.02	5-year syndicated loan repaid at maturity	N/A
2. Chung Hwa Pulp Corp.				
Long Term Loan Contract	Made jointly by 3 banks including Bank of Taiwan, Taipei Fubon Bank and Agriculture Bank of Taiwan with 5 participating banks	2022.09.30-2027.09.30	5-year syndicated loan repaid at maturity	N/A
Long Term Loan Contract	Made jointly by 3 banks including First Bank, Bank of Taiwan and Hua Nan Bank.	2023.08.07-2028.08.07	5-year syndicated loan repaid at maturity	N/A
3. YFY Packaging Inc.				
Long Term Loan Contract	Made jointly by 5 banks including First Bank, Taipei Fubon Bank, Bank of Taiwan, Mega International Commercial Bank, and Hua Nan Bank with 7 participating banks	2020.12.30-2025.12.30	5-year syndicated loan repaid at maturity	N/A
Long Term Loan Contract	Made jointly by 3 banks including First Bank, Bank of Taiwan and Hua Nan Bank.	2022.12.29-2027.12.29	5-year syndicated loan repaid at maturity	N/A
4. YFY Consumer Products				
Long Term Loan Contract	Made jointly by 3 banks including Bank of Taiwan, First Commercial Bank, and Hua Nan Commercial Bank, Ltd. with 3 participating banks.	2023.05.19-2028.05.19	5-year syndicated loan repaid at maturity	N/A

Chapter 6. Financial Overview

I. Condensed Balance Sheet And Statements Of Comprehensive Income For The Last Five Years
II. Financial Analysis For The Last Five Years
III. Audit Committee's Review Report
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I. Condensed Balance Sheet and Statements of Comprehensive Income For The Last Five Years

(I). Condensed Balance Sheet And Statement Of Comprehensive Income – Consolidated

1. Condensed Consolidated Balance Sheet

Unit: NT$ thousand

Year / Item		Financial Data Of The Past Five Years				
		2019	2020	2021	2022	2023
Current Assets		45,753,516	47,120,856	56,622,662	54,457,835	55,031,966
Property, Plant And Equipment		47,806,173	48,354,857	48,402,268	49,015,451	48,167,524
Intangible Assets		509,530	484,123	470,573	521,064	520,261
Other Assets		27,019,794	27,811,374	30,938,761	35,477,974	40,672,863
Total Assets		121,089,013	123,771,210	136,434,264	139,472,324	144,392,614
Current Liabilities	Before Distribution	35,712,886	34,230,405	39,516,720	28,998,439	41,998,357
	After Distribution	36,875,146	36,720,962	42,007,277	30,492,773	43,492,691
Non-Current Liabilities		34,592,593	31,252,806	31,111,412	40,880,492	28,323,049
Total Liabilities	Before Distribution	70,305,479	65,483,211	70,628,132	69,878,931	70,321,406
	After Distribution	71,467,739	67,973,768	73,118,689	71,373,265	71,815,740
Share Capital		16,603,715	16,603,715	16,603,715	16,603,715	16,603,715
Capital Surplus		1,000,169	2,504,194	3,288,518	3,459,112	3,760,772
Retained Earnings	Before Distribution	15,879,283	20,756,081	22,919,766	22,536,470	23,192,955
	After Distribution	14,717,023	18,265,524	20,429,209	21,042,136	21,698,621
Other Equity		5,767,066	5,121,275	8,389,401	12,037,107	14,915,141
Equity Attributable To Owners Of Parent		39,250,233	44,985,265	51,201,400	54,636,404	58,472,583
Non-Controlling Interest		11,533,301	13,302,734	14,604,732	14,956,989	15,598,625
Total Equity	Before Distribution	50,783,534	58,287,999	65,806,132	69,593,393	74,071,208
	After Distribution	49,621,274	55,797,442	63,315,575	68,099,059	72,576,874

2. Condensed Consolidated Statement Of Comprehensive Income

Unit: NT$ thousand

Year / Item	Financial Data Of The Past Five Years				
	2019	2020	2021	2022	2023
Operating Revenue	74,760,487	73,234,546	85,298,857	79,635,878	73,867,374
Gross Profit	12,561,839	14,981,409	18,153,588	11,115,555	10,083,296
Operating Profit	2,990,809	5,602,904	8,010,853	1,146,900	137,065
Non-Operating Income And Expenditure	565,383	2,773,629	1,759,868	2,439,522	2,425,010
Pre-Tax Profit	3,556,192	8,376,533	9,770,721	3,586,422	2,562,075
Net Profit For The Current Period	2,659,623	6,603,903	7,762,551	2,846,578	2,100,339
Other Comprehensive Income For The Current Period (After-Tax Profit)	2,536,880	(25,566)	3,524,890	3,783,605	3,349,007
Total Comprehensive Income For The Current Period	5,196,503	6,578,337	11,287,441	6,630,183	5,449,346
Net Income Attributable To Owners Of The Parent	2,285,769	5,209,079	5,204,254	2,169,510	1,826,693
Net Income Attributable To Non-Controlling Interest	373,854	1,394,824	2,558,297	677,068	273,646
Total Comprehensive Income Attributable To Owner Of The Parent	4,773,707	5,360,674	8,653,474	5,726,038	5,013,165
Total Comprehensive Income Attributable To Non-Controlling Interest	422,796	1,217,663	2,633,967	904,145	436,181
Earnings Per Share	1.38	3.14	3.13	1.31	1.10

(II). Condensed Balance Sheet And Statement Of Comprehensive Income-Standalone

1. Condensed standalone balance sheet

Unit: NT$ thousand

Year / Item		Financial Data Of The Past Five Years				
		2019	2020	2021	2022	2023
Current Assets		186,239	32,489	57,925	41,991	67,794
Property, Plant And Equipment		619,312	615,945	613,296	611,901	609,432
Other Assets		63,368,304	66,249,139	72,784,702	76,720,630	82,757,656
Total Assets		64,173,855	66,897,573	73,455,923	77,374,522	83,434,882
Current Liabilities	Before Distribution	3,192,501	1,947,405	2,321,297	2,549,896	9,937,886
	After Distribution	4,354,761	4,437,962	4,811,854	4,044,230	11,432,220
Non-Current Liabilities		21,731,121	19,964,903	19,933,226	20,188,222	15,024,413
Total Liabilities	Before Distribution	24,923,622	21,912,308	22,254,523	22,738,118	24,962,299
	After Distribution	26,085,882	24,402,865	24,745,080	24,232,452	26,456,633
Share Capital		16,603,715	16,603,715	16,603,715	16,603,715	16,603,715
Capital Surplus		1,000,169	2,504,194	3,288,518	3,459,112	3,760,772
Retained Earnings	Before Distribution	15,879,283	20,756,081	22,919,766	22,536,470	23,192,955
	After Distribution	14,717,023	18,265,524	20,429,209	21,042,136	21,698,621
Other Equity		5,767,066	5,121,275	8,389,401	12,037,107	14,915,141
Total Equity	Before Distribution	39,250,233	44,985,265	51,201,400	54,636,404	58,472,583
	After Distribution	38,087,973	42,494,708	48,710,843	53,142,070	56,978,249

2. Condensed Standalone Statement Of Comprehensive Income

Unit: NT$ thousand

Year / Item	Financial Data Of The Past Five Years				
	2019	2020	2021	2022	2023
Operating Revenue	2,414,115	5,481,543	5,356,934	2,217,566	2,120,880
Gross Profit	2,414,115	5,481,543	5,356,934	2,217,566	2,120,880
Operating Profit	2,065,030	5,119,864	4,937,467	1,808,669	1,732,693
Non-Operating Income And Expenditure	135,439	210,215	425,587	456,564	122,059
Pre-Tax Profit	2,200,469	5,330,079	5,363,054	2,265,233	1,854,752
Net Profit For The Current Period	2,285,769	5,209,079	5,204,254	2,169,510	1,826,693
Other Comprehensive Income For The Current Period (After-Tax Profit)	2,487,938	151,595	3,449,220	3,556,528	3,186,472
Total Comprehensive Income For The Current Period	4,773,707	5,360,674	8,653,474	5,726,038	5,013,165
Earnings Per Share	1.38	3.14	3.13	1.31	1.10

(III). Names Of Auditing Cpas Of The Past Five Years And Their Audit Opinions:

1. Name of CPAs:

2019: Hui-Ming Huang and Benjamin Shih from Deloitte and Touche Taiwan.

2020-2021: Hui-Ming Huang and Ya-Ling Wong from Deloitte and Touche Taiwan.

2022-2023: Chih-Ming Shao and Hui-Ming Huan from Deloitte and Touche Taiwan.

2. CPAs' opinions:

2019 - 2020: Unqualified opinion and a segment on other matters.

2021 - 2023: Unqualified opinion.

II. Financial Analysis For The Last Five Years

(I) Financial analysis - Consolidated

Year / Item		Financial Analysis For The Last Five Years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt-To-Asset Ratio	58.06	52.91	51.77	50.10	48.70
	Long-Term Capital To Property, Plant And Equipment	178.59	185.17	200.23	225.39	212.58
Solvency (%)	Current Ratio	128.11	137.66	143.29	187.80	131.03
	Quick Ratio	86.07	93.95	99.16	122.94	87.92
	Times Interest Earned Ratio	482.30	1,302.44	1,899.13	515.91	341.32
Operating Ability	Receivables Turnover (Times)	4.98	4.90	5.18	4.88	5.08
	Average Days Receivable	73.29	74.48	70.46	74.79	71.85
	Inventory Turnover (Times)	5.98	6.24	6.47	5.81	5.46
	Payables Turnover (Times)	7.00	5.99	6.00	5.92	6.19
	Average Inventory Turnover (Days)	61.03	58.49	56.41	62.82	66.84
	Property, Plant And Equipment Turnover (Times)	1.55	1.52	1.76	1.63	1.52
	Total Assets Turnover (Times)	0.62	0.60	0.66	0.58	0.52
Profitability	Return On Assets (%)	2.84	5.85	6.30	2.56	2.08
	Return On Equity (%)	5.44	12.11	12.51	4.20	2.92
	Pre-Tax Profit To Paid-In Capital Ratio (%)	21.42	50.45	58.85	21.60	15.43
	Net Margin (%)	3.56	9.02	9.10	3.57	2.84
	Earnings Per Share (NT$)	1.38	3.14	3.13	1.31	1.10
Cash Flows	Operating Cash Flow Ratio (%)	29.51	23.57	21.98	28.10	12.74
	Cash Flow Adequacy Ratio (%)	101.00	116.75	109.84	116.99	109.25
	Cash Flow Reinvestment Ratio (%)	6.63	4.60	3.86	3.19	1.92
Leverage	Operating Leverage	2.41	1.77	1.53	4.83	33.75
	Financial Leverage	1.45	1.14	1.07	4.03	-

Note: Explanation of changes;

1. Changes in current ratio and quick ratio mainly due to decrease in current liabilities.
2. Changes in interest protection multiples resulted from changes in net income before tax and interest expense.
3. Changes in return on assets were mainly due to the increase in assets.
4. Changes in return on equity were mainly due to the increase in shareholders' equity.
5. Changes in the ratio of pre-tax net income to paid-in capital were mainly due to the decrease in pre-tax profits.
6. Change in net profit margin was mainly due to the decrease in net income.
7. Changes in cash flow ratios were mainly due to the increase in current liabilities.
8. Changes in operating leverage and financial leverage resulted from a decrease in net operating income.

(II) Financial Analysis - Standalone

Year / Item		Financial Analysis For The Last Five Years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt-To-Asset Ratio	38.84	32.76	30.30	29.39	29.92
	Long-Term Capital To Property, Plant And Equipment	9,846.63	10,544.80	11,598.74	12,228.22	12,059.92
Solvency (%)	Current Ratio	5.83	1.67	2.50	1.65	0.68
	Quick Ratio	2.04	1.07	1.99	1.19	0.55
	Times Interest Earned Ratio	754.62	1,966.11	2,512.76	823.22	522.94
Operating Ability	Receivables Turnover (Times)	-	-	-	-	-
	Average Days Receivable	-	-	-	-	-
	Inventory Turnover (Times)	-	-	-	-	-
	Payables Turnover (Times)	-	-	-	-	-
	Average Inventory Turnover (Days)	-	-	-	-	-
	Property, Plant And Equipment Turnover (Times)	-	-	-	-	-
	Total Assets Turnover (Times)	-	-	-	-	-
Profitability	Return On Assets (%)	4.11	8.30	7.67	3.21	2.71
	Return On Equity (%)	6.12	12.37	10.82	4.10	3.23
	Pre-Tax Profit To Paid-In Capital Ratio (%)	13.25	32.10	32.30	13.64	11.17
	Net Margin (%)	-	-	-	-	-
	Earnings Per Share (NT$)	1.38	3.14	3.13	1.31	1.10
Cash Flows	Operating Cash Flow Ratio (%)	14.75	99.72	85.94	83.12	7.60
	Cash Flow Adequacy Ratio (%)	45.15	81.01	68.14	71.80	63.98
	Cash Flow Reinvestment Ratio (%)	-	1.19	-	-	-
Leverage	Operating Leverage	1.01	1.00	1.00	1.00	1.00
	Financial Leverage	1.19	1.06	1.05	1.21	1.34

Note: Explanation of changes

1. Changes in current ratio and quick ratio mainly due to increase in current liabilities.
2. Changes in interest protection multiples resulted from changes in net income before tax.
3. Changes in return on equity were mainly due to the increase in shareholders' equity.
4. Changes in the ratio of pre-tax net income to paid-in capital were mainly due to the decrease in pre-tax profits.
5. Changes in cash flow ratios were mainly due to the increase in current liabilities.

1. Financial structure

(1) Debt-to-asset ratio = Total liabilities / total assets.

(2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net amount of property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Times interest earned ratio = net income before income tax and interest expense / interest expense for the current period.

3. Operating ability

(1) Receivables turnover (including accounts receivable and notes receivable from operations) = Net sales / Average balance of receivables (including accounts receivable and notes receivable from operations).

(2) Average days receivable = 365 / receivables turnover.

(3) Inventory turnover = Cost of goods sold / average amount of inventory.

(4) Payables turnover (including accounts payable and notes payable from operations) = Cost of goods sold / Average balance of payables (including accounts payable and notes payable from operations).

(5) Average inventory turnover (days) = 365 / inventory turnover.

(6) Property, plant and equipment turnover = Net sales / average net amount of property, plant and equipment.

(7) Total assets turnover = net sales / average total assets.

4. Profitability

(1) Return on assets ＝ [Net income + interest expense x (1 - tax rate)] / average total assets.

(2) Return on equity = after-tax income / total average equity.

(3) Net margin = After-tax income / net sales.

(4) Earnings per share = (Income attributable to owner of parent - stock dividends of preferred stocks) / weighted average number of issued shares.

5. Cash flows

(1) Operating cash flow ratio = Net cash flow from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = Net cash flow from operating activities for the past five years / (capital expenditures + inventory increase + cash dividends) for the past five years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (gross margin of property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (Net operating revenue - current operating cost and expense) / operating profit.

(2) Financial leverage = Operating profit / (operating profit - interest expense).

III. Audit Committee's Review Report

YFY Inc.

Audit Committee's Review Report

The Company'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.

We hereby submit the report.

2024 Annual General Shareholders' Meeting

Audit Committee Convener: Hsi-Peng Lu

March 14, 2024

YFY Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
YFY Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Estimation of Expected Credit Loss of Accounts Receivable

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

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

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

1. We obtained and assessed the reasonableness of the method and the information used by management for the estimation of expected credit loss recognized on accounts receivable.

2. We tested sample items in the aging report on the balance sheet date and verified the correctness of the calculation of the expected credit loss.

3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

YFY INC. AND SUBSIDIARIES

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

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

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

YFY INC. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 33)				
Net sales revenue	$ 65,101,797	88	$ 69,663,113	87
Other operating revenue, net	8,765,577	12	9,972,765	13
Total operating revenue	73,867,374	100	79,635,878	100
OPERATING COSTS (Notes 21, 24 and 33)				
Cost of sales	57,146,884	77	60,979,239	77
Other operating costs	6,636,319	9	7,538,681	9
Total operating costs	63,783,203	86	68,517,920	86
LOSSES ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 14)	(875)	-	(2,403)	-
GROSS PROFIT FROM OPERATIONS	10,083,296	14	11,115,555	14
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	541,133	1	554,228	1
Total operating expenses	9,946,231	14	9,968,655	13
NET OPERATING INCOME	137,065	-	1,146,900	1
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 (Note28)	(76,992)	-	(145,566)	-
Gains (losses) on disposal of property, plant and equipment	(13,943)	-	41,779	-
Foreign exchange losses (Note 35)	(123,900)	-	(864,421)	(1)
Total non-operating income and expenses	2,425,010	4	2,439,522	4

(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)	(461,736)	(1)	(739,844)	(1)
PROFIT FROM CONTINUING OPERATIONS	2,100,339	3	2,846,578	4
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	447,034	1	50,068	-
	3,733,472	5	1,769,070	2
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	(70,429)	-	259,841	-
	(384,465)	(1)	2,014,535	2
Other comprehensive income, net	3,349,007	4	3,783,605	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,449,346	7	$ 6,630,183	8
PROFIT, ATTRIBUTABLE TO:				
Profit, attributable to owners of parent	$ 1,826,693	3	$ 2,169,510	3
Profit, attributable to non-controlling interests	273,646	-	677,068	1
	$ 2,100,339	3	$ 2,846,578	4

(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	%
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	436,181	-	904,145	1
	$ 5,449,346	7	$ 6,630,183	8
EARNINGS PER SHARE (Note 26)				
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 consolidated financial statements. (Concluded)

YFY INC. AND SUBSIDIARIES

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

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

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

YFY INC. AND SUBSIDIARIES

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

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

(Continued)

YFY INC. AND SUBSIDIARIES

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

	2023	2022
Interest paid	$ (1,068,090)	$ (846,467)
Income taxes paid	(788,994)	(1,696,307)
Net cash flows generated from operating activities	5,349,334	8,149,592
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	(145,277)	(85,663)
Net cash flows used in investing activities	(5,183,683)	(4,905,629)
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)	2,186	(30)
Net cash flows generated from (used in) financing activities	112,568	(1,363,805)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(59,077)	284,015

(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	8,698,263	6,534,090
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,917,405	$ 8,698,263

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

YFY Inc.

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

INDEPENDENT AUDITORS' REPORT

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, 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 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.

YFY INC.

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

	2023		2022	
ASSETS	**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	4,386	-	4,712	-
Total current assets	67,794	-	41,991	-
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	26,004	-	13,655	-
Total non-current assets	83,367,088	100	77,332,531	100
TOTAL ASSETS	$ 83,434,882	100	$ 77,374,522	100
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	19,014	-	4,523	-
Total current liabilities	9,937,886	12	2,549,896	3
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	18,257	-	19,095	-
Total non-current liabilities	15,024,413	18	20,188,222	26
Total liabilities	24,962,299	30	22,738,118	29
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	14,915,141	18	12,037,107	16
Total equity	58,472,583	70	54,636,404	71
TOTAL LIABILITIES AND EQUITY	$ 83,434,882	100	$ 77,374,522	100

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

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	%
OPERATING REVENUE				
Investment (Note 4)	$ 2,120,880	100	$ 2,217,566	100
OPERATING EXPENSES (Notes 14, 16 and 21)	388,187	19	408,897	19
NET OPERATING INCOME	1,732,693	81	1,808,669	81
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	(200)	-	(259)	-
Total non-operating income and expenses	122,059	6	456,564	21
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	1,854,752	87	2,265,233	102
TAX EXPENSE (Notes 4 and 17)	(28,059)	(1)	(95,723)	(4)
PROFIT FROM CONTINUING OPERATIONS	1,826,693	86	2,169,510	98
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	2,051,313	97	373,427	17
	3,509,848	165	1,758,821	79

(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)

YFY INC.

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

	Share Capital		Capital Surplus					Retained Earnings				Other Equity			
	Shares (In Thousands)	Amount	Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total Equity
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.

YFY INC.

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	755,349	2,119,448
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	(12,932)	(367)
Net cash flows used in investing activities	(1,476,519)	(289,785)
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)	2,186	(30)
Net cash flows generated from (used in) financing activities	717,517	(1,833,149)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	-	1
NET DECREASE IN CASH	(3,653)	(3,485)
CASH AT THE BEGINNING OF THE YEAR	9,703	13,188
CASH AT THE END OF THE YEAR	$ 6,050	$ 9,703

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

VI. Any financial difficulty and the impact on the Company's finance in last year and up to the printed date of this: This event did not occur at the Company.

Chapter 7. Financial Position, Financial Performance and Risk Analysis

I. Financial Comparison Analysis
II. Financial Performance Review and Analysis
III. Cash Flow Analysis
IV. Major Capital Expenditures And Impact On Financial Operations In Last Year
V. Investment Policy, Reasons For Profit Or Loss, Improvement Plans, And Investment Plans For Coming Year
VI. Risk Analysis And Assessment In Last Year And Up To The Print Date Of This Annual Report
VII Other Material Disclosures

I. Financial Comparison Analysis

Unit: NT$ thousand

Year / Item	2023	2022	Difference	
			Amount	%
Current Assets	55,031,966	54,457,835	574,131	1
Property, Plant And Equipment	48,167,524	49,015,451	(847,927)	(2)
Intangible Assets	520,261	521,064	(803)	0
Other Assets	40,672,863	35,477,974	5,194,889	15
Total Assets	144,392,614	139,472,324	4,920,290	4
Current Liabilities	41,998,357	28,998,439	12,999,918	45
Non-Current Liabilities	28,323,049	40,880,492	(12,557,443)	(31)
Total Liabilities	70,321,406	69,878,931	442,475	1
Share Capital	16,603,715	16,603,715	-	0
Capital Surplus	3,760,772	3,459,112	301,660	9
Retained Earnings	23,192,955	22,536,470	656,485	3
Other Equity Interest	14,915,141	12,037,107	2,878,034	24
Non-Controlling Interest	15,598,625	14,956,989	641,636	4
Total Equity	74,071,208	69,593,393	4,477,815	6

Notes on changes in increase or decrease percentage：

1. The increase in current liabilities was mainly due to the increase in short-term bills payable.
2. The decrease in non-current liabilities was mainly due to the decrease in long-term borrowings.
3. The increase in other equity was mainly due to the increase in unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive gains and losses.

II. Financial Performance Review and Analysis

Unit: NT$ thousand

Year / Item	2023	2022	Increase/decrease	Change (%)
Operating Revenue	73,867,374	79,635,878	(5,768,504)	(7)
Operating Costs	63,783,203	68,517,920	(4,734,717)	(7)
Losses On Changes In Fair Value Less Costs To Sell Of Biological Assets	(875)	(2,403)	$1,528	64
Gross Profit	10,083,296	11,115,555	(1,032,259)	(9)
Operating Expenses	9,946,231	9,968,655	(22,424)	0
Operating Profit	137,065	1,146,900	(1,009,835)	(88)
Non-Operating Income And Expenditure	2,425,010	2,439,522	(14,512)	(1)
Pre-Tax Profit	2,562,075	3,586,422	(1,024,347)	(29)
Tax Expense	(461,736)	(739,844)	278,108	38
Net Profit For The Current Year	2,100,339	2,846,578	(746,239)	(26)
Notes/Analysis on changes in increase or decrease percentage： 1. The decrease in Operating profit, Pre-tax profit, tax expense and net profit for the current year were mainly due to the decrease in operating revenue.				

III. Cash Flow Analysis

Unit: NT$ thousand

Cash Balance, Beginning Of Year	Net Cash Flow From Operating Activities	Inflow (Outflow) Of Net Cash From Other Activities	Cash Balance	Liquidity Contingency Plan	
				Investment Plan	Financial Plan
$8,698,263	$5,349,334	($5,130,192)	$8,917,405	-	-

(I) Analysis on the cash flow changes of the current year:

1. Cash flow from operating activities: Operating activities generated cash flow mainly from operational profit and depreciation of fixed assets.

2. Cash flow from other activities: Investment activities mainly consisted of the annual expenditure on the upgrading and maintenance of relevant equipment. Financing activities mainly consisted of distribution of cash dividends.

(II) Liquidity contingency plan and liquidity analysis: N/A

(III) Cash flow analysis for the coming year:

1. Cash flow from operating activities: The industry development is anticipated to be stable and YFY can maintain a steady operating cash inflow.
2. Cash flow from investing activities: Mainly consisted of the annual capital expenditure on the upgrading and maintenance of relevant equipment.

3. Cash flow from financing activities: Bank loans and repayments are arranged based on the cash flows from overall operating and investing activities.

IV. Major Capital Expenditures And Impact On Financial Operations In Last Year:

Forest, Pulp and Paper Business Group:

Chung Hwa Pulp Co., Ltd. major capital expenditures in 2023 were focused on maintaining daily operations and production, as well as improving energy efficiency and reducing carbon emissions. For example, the Kuanyin plant upgraded its boiler equipment to use natural gas as fuel, while the Dingfeng plant in China optimized its equipment, replaced outdated machinery, and made various improvements and replacements to the production process in line with the company's product capacity adjustments and additions. These efforts aim to achieve the goals of green energy, green manufacturing, and green products.

Containerboard and Packaging Subsidiary:

1. Xinwu Containerboard Plant
    - Renewed and upgraded production equipment to enhance product competitiveness.
    - Invested in phase 1 and phase 2 of the biogas power generation facilities to convert production residue into renewable energy. In 2023, it renewed and upgraded the production sludge treatment equipment to increase proceeds from green energy by the growing volume of biogas power generation.
2. Taiwan Corrugated Packaging
    - Continued to renew and upgrade corrugators and printing presses to improve product quality. In addition, the newly established corrugated packaging plant in Xinwu District, Taoyuan City purchased from Apple Daily came into operation in 2023.
3. Vietnam Corrugated Packaging:
    - In 2023, Ping Yang Plant revamped the corrugator and slitter scorer to improve quality and committed to promoting market presence.

Consumer Products Subsidiary:

1. To provide new functional products to better match with consumer preferences and drive future growth, the subsidiary invested NTD 1 billion to upgrade facility in Qingshui plant and start mass production in 2H23.
2. To continuously reduce energy consumption and decrease emission of greenhouse gas, the subsidiary implemented energy management system and invested in energy-saving equipment to improve production process and achieve higher efficiency of energy utilization and usage rate of green energy. Net-zero carbon emission is our ultimate goal.
3. To create safe work environment, improve production efficiency and sense of satisfaction, we continuously upgrade existing production equipment and increase automation on production system to

secure the leading position in Taiwan consumer goods industry.

Working capitals for capital expenditures were funded by self-funding and bank loans. The increase of interest expenses in 2023 was due to interest rate increase. Therefore, and there was no significant financial impact.

V. Investment Policy, Reasons For Profit Or Loss, Improvement Plans, And Investment Plans For Coming Year:

(1) Reinvestment policy, reasons for profit or loss and improvement plans

The major investments of our company and its subsidiaries align with our long-term development strategy, primarily focusing on the fields of paper and printing, advanced energy-saving technology, biotechnology and medical care, financial services, and startup incubation. In recent years, the company has also continued to streamline non-core investments, concentrating resources on strategic investments consistent with the company's long-term development philosophy. This approach aims to deepen vertical integration benefits and maximize overall investment synergy.

Investment evaluation aspects include sales growth, enhancement of research and development capabilities, improvement in production efficiency and quality, and potential for future profit growth. After considering the financial investment benefits and downside risks, the investment method and amount are determined. In terms of post-investment management, the company regularly reviews the performance of each investment. If there is a significant decline or deviation from industry standards, the invested company is required to formulate an improvement plan to achieve the company's original investment objectives.

- Forest, Pulp and Paper Business Group:

  The global macroeconomic performance fell short of expectations, leading to a decrease in overall sales. International pulp prices rapidly declined in 2nd quarter of 2023 and paper prices followed, resulting in a decrease in overall profitability. Moving forward, the company will continue to promote AI-driven smart manufacturing to enhance production efficiency, actively secure alternative raw material sources, seek optimal cost structures, expand the green supply chain, and fulfill ESG commitments.

- Containerboard and Packaging Business Group:

  The 2023 operation losses at the Yangzhou plant were primarily due to price pressures from imported paper when China completely eliminated import tariffs on paper. Additionally, raw material cost increases could not be passed down to end customers, resulting in insufficient profit margins. Besides continuing internal improvements such as enhancing production efficiency, securing raw material sources, reducing costs, and stabilizing the supply ratio from its own paper factories, the Yangzhou plant is also implementing external improvements in response to the green environmental economy concept. These include reducing energy consumption, decreasing waste emissions, developing high-value products, and increasing adaptability in the local market. It is expected that in 2024, the Yangzhou plant will leverage the synergies of vertical integration and continue to improve its

operational performance.

- Consumer Products Business Group:

  In 2023, benefiting from the stabilization of raw material and energy prices, the management team well-executed strategies for the optimal profitability structure of production and sales, sales channel expansion, and the launch of new high-end products. These efforts result in the market share gain of high-profit paper products, expanded the growth of high-end tissue, kitchen paper, and hygiene products, and continuously improved production efficiency and optimized cost structures to enhance profitability.

(2) Investment Plans for the Coming Year

1. Our investment strategy focuses on extending core investments into related peripheral industries, deepening vertical integration, and developing new businesses. The primary consideration is to support the development of our business group, achieving complementary benefits and overall synergy.
2. Enhance the integration and resource complementarity of invested businesses to strengthen core competitiveness and improve the operational performance of invested enterprises.

VI. Risk Analysis And Assessment In The Last Fiscal Year And Up To The Printed Date Of This Annual Report:

(I) Impact of changes in interest rates, exchange rates, and inflation on the Company's profitability and response measures

1. Interest Rate

   Due to the global economic slowdown in 2023, market demand cooled, easing global inflationary pressures. Although the Federal Reserve raised interest rates by 0.5% in 2023, causing an increase in U.S. market interest rates, this was significantly lower compared to the 2.125% increase in 2022. In Taiwan, the cooling of global demand led most manufacturers to begin reducing inventory, impacting Taiwan's overall trade and economic performance. After raising interest rates by 0.125% in the first quarter of 2023, the Central Bank of Taiwan kept the benchmark interest rate unchanged for three consecutive quarters, significantly easing the upward pressure on New Taiwan Dollar market interest rates in 2023.

   Response measures: Given that market analysis indicates global inflation is expected to further ease this year, it is anticipated that the Federal Reserve and major central banks worldwide will initiate rate cuts. Consequently, market liquidity is expected to shift from tight to more accommodative in 2024. Our company will regularly and dynamically assess various debt positions and financing policies to maintain adequate liquidity and effectively reduce interest expenses.

2. Exchange Rate:

   The Federal Reserve continued to raise interest rates by 0.5% in 2023, leading the international U.S. dollar exchange rate to remain high. The Chinese yuan continued its depreciation due to factors such as the ongoing decline in the real estate sector in China and the impact of cooling global demand on economic performance. The New Taiwan Dollar also showed a depreciation trend as Taiwan's overall

economic and trade performance weakened. Our company's primary exchange rate risk exposure is in offshore borrowings from China. In 2023, we continued to dynamically adjust the hedging ratio of the Chinese yuan and implemented measures to control hedging costs to reduce overall exchange rate volatility.

Response measures: As we advance into 2024, the timing and scale of monetary policy easing by central banks in key economies remain clouded with uncertainty, leaving foreign exchange rates susceptible to a myriad of influencing factors. In response, our company will closely monitor exchange rate risks and the associated costs of hedging. We are committed to devising and implementing prudent financial and hedging strategies aimed at minimizing the adverse effects of exchange rate volatility on our overall operations.

3. Inflation:

Despite central banks persistently tightening monetary policy to mitigate high inflation, the reduction in price levels remained modest in 2023. In Taiwan, inflationary pressures persisted throughout the year, though they showed a slight decrease compared to 2022. The Consumer Price Index (CPI) stood at 2.50%, while the core CPI—which excludes the prices of energy, fruits, and vegetables—registered at 2.58% in 2023.

As we look ahead to 2024, expectations are set for a further deceleration in global inflationary pressures, attributed largely to the gradual decrease in raw material and energy prices. The Central Bank of Taiwan forecasts the Consumer Price Index (CPI) to stabilize at 2.16% in 2024. As of the date this annual report was prepared, inflation has not significantly impacted the Company. Nonetheless, given the ongoing global push for carbon reduction, the competitive dynamics between China and the United States, and the influence of geopolitical tensions on global logistics and supply chains, there remains a possibility for significant price volatility in commodities. Moving forward, it remains critical for us to closely monitor and manage the risks associated with these factors.

(II) Policies on high risk or high leverage investments, lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures:

The Company has not invested in high risk and high leverage instruments. For example, the utilization of short-term idle funds focuses on trading of notes or bonds under repurchase agreements and subscriptions of money market funds.

The Company adheres to its Procedure for Lending Funds to Other Parties and Procedures of Making of Endorsement and Guarantees when lending funds to others and providing endorsements and guarantees. Principally, funds or endorsement/guarantees are extended between affiliated parent companies and subsidiaries for financial and business purposes.

The Company conducts derivative transactions guided by its established Procedure for Processing Derivative Transactions, ensuring that the intent behind each transaction is clearly delineated, with hedging as the predominant objective. In 2023, the focus of these derivative activities was largely on mitigating risks associated with fluctuations in the RMB exchange rate. The hedging ratio was strategically adjusted,

taking into account both the cost of hedging and the exchange rate risk of the derivatives, to lessen the impact of variations in the RMB exchange rate

(III)Future research and development projects, and expenditures expected in connection therewith:

The company's major R&D projects include the continued development of renewable materials based on "Saccharide." This involves investing in new products and technologies for applications in high-quality pulp and paper products, regenerated cellulose textile products and clothing recycling technologies, bio-based barrier materials, and plastic-replacement soft packaging products. To address the rapid industry development and demand for plastic-replacement products, the company will continually enhance its R&D capabilities by increasing investment in related hardware and software, attracting experienced and creative R&D talents, and accelerating product development to meet market needs, thereby boosting the company's competitiveness.

(IV) Impact of important policy and legislative changes in Taiwan and overseas on financial operations and response measures:

For the purpose of managing legal risks as a whole, the Company has established the Legal Department to be responsible for preventing legal risks due to regulation changes. When important policy and legislative changes in Taiwan and overseas have a potential impact on the Company’s financial or sales performance, the responsible departments will cooperate with the Legal Department to devise the Company’s response measures. In case of any noncompliance with newly promulgated laws in the Company’s internal guidelines and operating procedures, the responsible departments will make necessary changes and corrections to effectively manage and reduce the Company’s legal risks.

In response to the promulgation of the amendments of the Labor Standards Act, the Company has also modified related internal regulations and the Work Rules, as well as convened labor-management meetings to discuss various response measures. Work hours and work schedule for each company (plant) were adjusted accordingly, and employee annual leaves and holiday pay for unused annual leaves were given to employees according to regulations.

(V) The impact of technological changes (including information and communications security risks) and industry changes on the company's financial operations and the measures to address them

Information Security Risk

The companies within our investment portfolio are actively pursuing new milestones in innovation and research & development. Throughout their growth, we leverage a multitude of technologies to improve the quality of products, expand production capabilities, and increase output. This strategy is aimed at enhancing our competitive edge and fostering sustainable management practices.

As IT technology evolves rapidly and internet usage becomes more widespread, both businesses and individuals are encountering more severe challenges and risks related to information security. At YFY,

managing information security necessitates a holistic approach that combines both "hardware and software": this includes the deployment of equipment and technology (hardware) as well as fostering a culture of security awareness among personnel (software). We have set up a specialized information security team to oversee this. Utilizing a dedicated management platform, we can efficiently allocate resources to manage, upgrade, and update our information security infrastructure and protocols in a centralized and effective manner, ensuring our defenses remain robust. Additionally, we are committed to enhancing our employees' understanding of information security risks, thereby reinforcing our comprehensive information security measures.

Information Security Policies and Specific Management Plans

Our company's information security approach emphasizes the synergy between technology and strategic management. It orchestrates a balance between human and machine interactions, as well as between software and hardware, to forge a comprehensive information security network. This involves deploying firewalls, managing information servers, and overseeing the security of user and facility data, all guided by our meticulously crafted policies. Additionally, we have initiated a collaborative cybersecurity initiative with governmental bodies. Annual reviews of factory information security issues, emerging trends, and improvement strategies are conducted in partnership with information management teams across all locations. Through targeted education and training programs, we aim to continually refine the maintenance of our information security environment and elevate our employees' awareness of potential risks, ensuring a robust defense mechanism is in place across the board.

In today's Internet of Things landscape, the threat of information security risks lurks within every corner of the digital network, posing a challenge to individuals and businesses alike. YFY is committed to adhering to both governmental policies and internal guidelines concerning information security. Beyond compliance, the Company actively engages in regular information security management practices aimed at reducing IT-related operational risks across all YFY entities.

(VI) The Impact of Changes in The Company's Image Upon Its Crisis Management, and The Measures The Company Plans to Adopt In Response

Amidst the pressing concerns of global climate change and the ambitious target of achieving net-zero carbon emissions by 2050, YFY, started as an agricultural enterprise, and has embraced the innovative "Saccharides" renaissance. With a commitment to building corporate equity centered on a comprehensive circular economy and ESG principles, YFY is steering towards its centennial objectives: embracing low carbon and low energy practices, and pioneering the transition from petrochemicals to saccharides. The company is dedicating itself to research, development, and innovation across three key domains: energy, materials, and digitalization. YFY's vision is to foster sustainable growth, ensuring a harmonious and thriving coexistence between industry and the environment.

Before the petroleum era, human beings used forests and agriculture as their main resources. Industrialization began to create carbon emissions and footprint while agriculture and forestry are industries that can contribute to carbon fixation and the reduction of carbon footprint. YFY started with agriculture and laid the foundation for the business with paper manufacturing. In the process of paper manufacturing, from planting forests,

making pulp and paper to reusing waste materials, YFY has gradually completed the Net Zero Circularity of agricultural waste cycle, hydrologic cycle, paper cycle, renewable energy cycle and carbon cycle, which are all closely related to "Saccharides". In this era, we should return to nature and understand the irreplaceable nature of "Saccharides" for people, all things on earth and our living environment.

In terms of the E (environment), YFY is looking for a new solution for the sustainable development of the earth through "Saccharides". YFY has been using bagasse as a raw material to make paper since the beginning of the papermaking business, and after more than 80 years, the Net Zero Circularity has become the DNA of all YFY employees. While engaging in manufacturing, we also have found new energy sources to replace fossil fuels in the paper manufacturing process to support the United Nations Sustainable Development Goals (SDGs) and the Executive Yuan's Sustainable Development Policy Guidelines, and to fulfill our corporate social responsibility. For example, lignin, biogas, and SRF cogeneration system are a model of circular economy in Taiwan. YFY is the first in the global paper industry to achieve the highest maturity assessment in BS 8001 Circular Economy for materials and resource circularity, which demonstrates that YFY's Net Zero Circularity is capable of optimizing resource utilization, developing innovative business models, balancing economic, environmental, and social benefits, and serving as a benchmark and leadership in this area.

Regarding product innovation, YFY's Chung Hwa Pulp introduced the CircuWell Total Recyclable Packaging Solution. This innovation surpasses the traditional plastic lamination method used in paper containers, allowing these containers to be recycled directly as ordinary paper post-use without the necessity for further sorting. This approach significantly addresses the issue of waste produced by disposable containers, effectively contributing to the reduction of plastic, carbon, and overall waste, in line with YFY's sustainability goals.

S (social) - social participation - focuses on three main aspects, one of which is to take the factory as the center of the circle and care for the disadvantaged neighborhood around it. Part of the raw materials for YFY's production come from recycled paper, which collected through the hard work of recyclers. Since 2019, YFY has taken the initiative to negotiate with the Environmental Protection Bureau of Taoyuan City Government to join the "Winter Charity Campaign for Disadvantaged Recyclers" held by the Environmental Maintenance.

The Xinwu plant consistently demonstrates its commitment to social responsibility by annually participating in initiatives that have reached over 600 households experiencing hardship around the factory by 2023. Additionally, our support for the Taiwan Champion Trees Team reflects our dedication to environmental conservation and science education for the youth. This involves organizing interactive sessions with experts and tree climbing activities that allow participants to explore biodiversity at different canopy levels, empowering a new generation with the knowledge and values needed for energy conservation, carbon reduction, and environmental stewardship. Furthermore, leveraging "paper" as a medium for social engagement, YFY volunteers have been providing academic support to children from the Taitung Guanshan Family Support Foundation via virtual tutoring since 2015. With over 80 volunteers contributing more than 4,500 hours by 2023, our efforts exemplify a deep commitment to fostering the educational and personal growth of these children, underscoring our investment in nurturing socially responsible and environmentally aware future generations.

G (governance)-Corporate governance, YFY is deeply committed to safeguarding shareholder interests and maintaining high standards of transparency and disclosure. On November 13, 2018, our Board of Directors ratified the Corporate Governance Guidelines, establishing a specialized team to oversee corporate governance practices. To facilitate open communication with our stakeholders—including employees, customers, suppliers, shareholders, consumers, and the media—a dedicated section on our corporate website provides comprehensive contact details, ensuring prompt attention to significant ESG concerns.

In a further step towards embodying principles of good governance, we launched the "Sustainable Development Committee" in 2021. This committee unites experts from various fields, including corporate governance, environmental sustainability, employee relations, supply chain management, and social engagement, to guide our sustainability efforts. Additionally, we engage in regular communication with the investment community through corporate presentations and keep all stakeholders informed through frequent press releases, thereby offering multiple channels for transparent and up-to-date corporate information dissemination.

For YFY, the intertwined goals of managing its corporate image and navigating crises are crucial. It's through the unified dedication of our workforce to ESG and circular economy principles that we can engage effectively with communities, the general public, and investors, showcasing our commitment to a "Saccharide Economy" and YFY's vision for Net Zero Circularity. This concerted effort cultivates a resilient corporate culture, inspiring trust and confidence among stakeholders, including consumers and investors. Such a strategic approach not only enhances our reputation but also serves as a buffer, minimizing both the direct and indirect consequences of potential crises.

(VII) The Expected Benefits And Potential Risks Of Any Merger Or Acquisition, And Measures To Be Adopted In Response: N/A.

(VIII) The Expected Benefits And Potential Risks Of Any Plant Expansion, And Measures To Be Adopted In Response:

YFY had no expansion on plant facilities in 2023. To fulfill its ESG commitments and achieve net-zero transformation goals, YFY focused on energy saving and carbon reduction across its subsidiaries. This involved numerous equipment upgrade projects and the replacement of outdated printing equipment, all aimed at advancing green energy, green manufacturing, and green products.

(IX) The Risks Associated With Any Consolidation Of Sales Or Purchasing Operations, And Measures To Be Adopted In Response:

The Company’s sources of procurement and sales channels remain stable; there are no concentration risks.

(X) Impact Of Mass Transfer Of Equity By Or Change Of Directors, Supervisors, Or Shareholders Holding More Than 10% Equity Of The Company, Associated Risks And Response Measures:

The composition of directors, supervisors, or shareholders holding more than 10% of the Company’s shares and the shareholding ratio are stable. Equity transfer or conversion is considered a normal financial transaction for shareholders, which does not have a significant impact on the Company. The Company’s directors and major shareholders always maintain open channels of communication.

(XI) Effect Upon And Risk To The Company Associated With Any Change In Governance Personnel Or Top Management, And Measures To Be Adopted In Response:

The Company is not exposed to such risks.

(XII) Litigation Or Non-Litigation Events:

1. YFY Inc.:

(1) On June 20, 2011, YFY Global, a subsidiary of the company, acquired shares of Giant Crystal (a Sanbao Group subsidiary) for US$8.5 million through an exchangeable bond, targeting the equity of Star City for the exchange. By August 11, 2017, YFY Global secured US$12.39 million from the redemption of these bonds, covering both the principal and interest, marking approximately a 45% return on investment. However, the Taipei District Prosecutor's Office charged the company's directors, S. C. Ho, Melody Chiu, and four other employees with a special breach of trust under Subparagraph 3, Paragraph 1, Article 171 of the Securities and Exchange Act in August 2017. Despite no reported losses or damages to shareholder equity, on November 20, 2020, the Taipei District Court convicted four out of the six accused, including former Director S. C. Ho and former Director Melody Chiu, sentencing them to various terms of imprisonment for special breach of trust. Two individuals were acquitted, with no appeals filed against their acquittal. The convicted parties have contested the verdicts and appealed, with their cases currently under review by the Taiwan High Court.

(2) The Securities and Futures Investors Protection Center took legal actions against Shin Foong Specialty and Applied Materials and directors S. C. Ho and Melody Chiu in accordance with Subparagraph 2, Paragraph 1, Article 10-1 of the Securities Investor and Futures Trader Protection Act, and proposed to dismiss them. The court cost arising from this matter totaled NT$1.65 million. Former Directors S. C. Ho and Melody Chiu no longer serve as the Director of the Company and the case is still on trial at Taipei District Court.

(XIII) Other Important Risks And Measures To Be Adopted In Response:

1. Other important risks:

The company has established a risk management group under the sustainability committee at the board level in 2023 to supervise risk management matters. In addition to completing the "Risk Management Policies and Procedures" for compliance, after comprehensively identifying 53 risks, we forecast and select them. Determine key risk management and control projects in 2024. The Company will continue to propose, implement and revise risk management countermeasures and track the management status. In addition to implementing management guidelines for internal management in accordance with the law, the Company also devises rules to be followed by different departments. Business risks are diversified and managed by each subsidiary according to their respective functions, and the management of each functional unit is coordinated by the management headquarters.

2. Organizational structure of response measures and risk management:

The Company's business risks are decentralized and managed by each business department according

to the respective functions. When a crisis occurs, they are summarized and reported to the risk management group of the Sustainability Committee to facilitate the committee's decision-making and management of risk aggregation and resource investment, and to strengthen the management of the company's operational risks. The company's top-down risk management awareness.

Department responsibilities are as follows:

Business Group/Department	Business (Responsibilities)	Corresponding Risks
Forest, Pulp and Paper BG	Operations in forests, pulp, paper, paper-related supplies, chemical products and organic fertilizers.	Risks related to operation and market change
Containerboard and packaging BG	Operations in industrial paper, cardboard boxes, color boxes, and food containers	Risks related to operation and market change
Consumer products BG	Operations in household paper and cleaning products	Risks related to operation and market change
Carbontech & Management BG	Digital energy systems for digital energy and circular economy and market operations for carbon management.	Risks related to operation and market change
Internal Auditing Office	The Office performs ad hoc reviews to inspect the degree of guideline compliance, and the Board of Directors determines the overall business direction for the Company. The Office is also responsible for internal audit and process management.	Guidelines and process
Information Security Team	Implement enterprise information security management, risk prevention and event management, regularly evaluate and verify and report to the board of directors.	Regularly review risks to ensure their stability and effectiveness
ESG's Office	Identify major ESG issues and formulate management policies, short, medium and long-term goals and implementation plans. Strengthen the supervision and management of the board of directors and ESG performance and build trust among stakeholders.	Risks and opportunities related to environmental, social, cooperate governance management, and cooperate images.
New Business Management Office	Emerging business incubation mechanism and management	Manage and enhance the chances of successful development of the new businesses
Chief Operating Officer's Office	Responsible for analyzing the operating performance of the YFY Inc. & Materials Department and various business divisions and providing resources to assist in continuous improvement of their operating results	Operating costs and efficiency of business units, timeliness and cost of material supply.
Procurement Department	Procurement, logistics, import and export and fixed asset management	Plant expansion, purchase
Corporate Affairs	Communicate internally and externally within the company to enhance public understanding of the company and achieve its goals.	Corporate image
Financial Control Center	Investment evaluation and management, financial management and capital operation.	Economic environment and capital market fluctuations.
Research & Development Center	Material and product development related to saccharide economy and low carbon, as well as testing services entrusted by the business groups	R&D projects and investments
Human Resources Department	Human resources management and organization development	Risks related to management and regulation change
Corporate Resources	Administrative general affairs	Risks related to management and regulation change
Legal Department	Legal affairs, contracts, patents and other intellectual property matters, as well as deliberations convened by the board of directors and shareholder meetings.	Laws and policies, litigious and no litigious matters
Accounting Department	Accounting administration	Laws and policies

VII. Other Material Disclosures: None.

Chapter 8. Special Disclosure

I. Information Of Affiliates
II. Progress Of Private Placement Of Securities During The Last Year And Up To The Print Date Of The Annual Report
III. Holding Or Disposal Of The Company's Shares By Subsidiaries In The Past Year And Up To The Print Date Of The Annual Report
IV. Other Supplemental Information
V. Any Incidents With Material Impact On Shareholder Equity Or Security Price As Described Under Subparagraph 2, Paragraph 3, Article 36 Of The Securities And Exchange Act In The Last Year And Up To The Print Date For The Annual Report

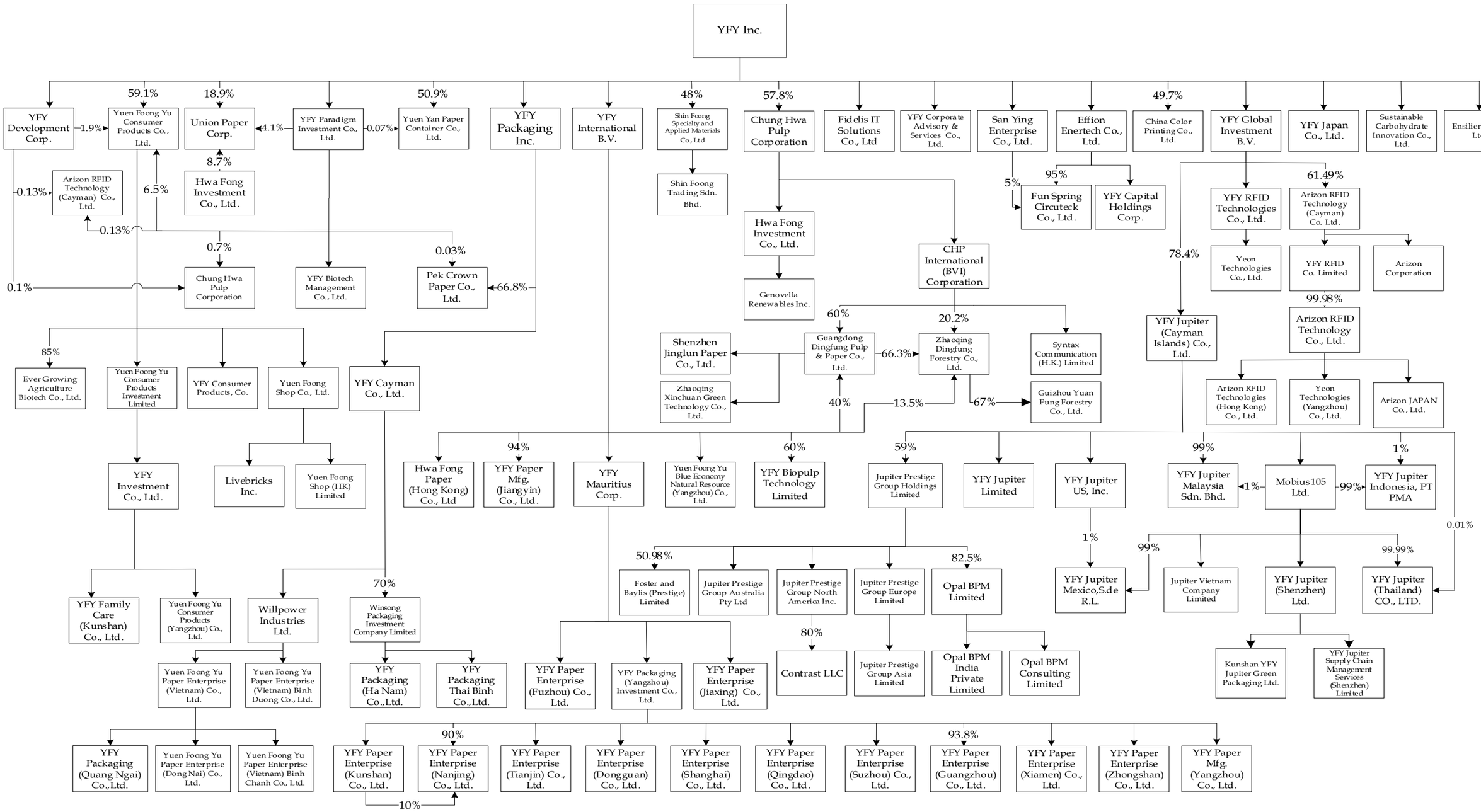
I. Information of Affiliates

(1) Organization chart of affiliates

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE

DECEMBER 31, 2023



Note：100% of Ownership, Unless Otherwise Stated.

(II) Basic information of the various affiliated enterprises

As of December 31, 2023 Unit: thousand NT$ (NT$ unless otherwise specified)

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
YFY International B.V.	1989/11/30	Kennedyplein 200,Room 226, 5611ZT Eindhoven, Netherlands	USD 363,690	General investment.
YFY Biopulp Technology Limited	2012/10/30	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 150	General investment.
Hwa Fong Paper (Hong Kong) Co., Ltd.	1993/06/14	Room 16, 23rd Floor, Metropolis Plaza, 2 On Yiu Street, Shek Mun, Sha Tin, New Territories, HK	HKD 116,000	Trading, printing and sales of all types of paper products; paper-related businesses.
YFY Paper Mfg. (Jiangyin) Co., Ltd.	1993/11/08	No. 258 South River Rd., Cheng Jiang Town, Jiang Yin City, Jiangsu	USD 14,900	Production, processing and sales of all types of paper and paperboard.
YFY Mauritius Corp.	2003/01/16	2nd Floor, Cerne House, La Chaussee, Port Louis, Mauritius	USD 312,502	General investment.
Yuen Foong Yu Paper Enterprise (Fuzhou) Co., Ltd.	2004/02/11	No. 17, Changxing East Road, Mawei District, Fuzhou, Fujian	USD 5,000	Production, printing and sales of all types of paperboard and cardboard boxes.
YFY Packaging (Yangzhou) Investment Co., Ltd.	2012/12/05	No. 168, Chuen Jiang Rd., Economic Development Park, Yuangzhou, Jiangsu	USD 323,072	General investment, paper products and trading of paper products.
Yuen Foong Yu Paper MFG (Yangzhou) Co., Ltd.	2004/11/24	No. 168, Chuen Jiang Rd., Economic Development Park, Yuangzhou, Jiangsu	USD 346,695	Production sales of all types of paper and paperboard.
Yuen Foong Yu Paper Enterprise (Jiaxing) Co., Ltd.	2003/11/24	No. 795, Zhong Shan W. Rd. and Xiuxin Rd., Xiu Zhou Industrial District, Jiaxing, Zhejiang	USD 5,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Shanghai) Co., Ltd.	2003/01/24	No. 1236, Guinan Road, Shihudang Town, Songjiang District, Shanghai	USD 8,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Suzhou) Co., Ltd.	2002/01/31	No. 168, Yin Zhong S. Rd. and Shan Xing Rd., Hedong Industrial Zone, Wuzhong Economic Development Area, Suzhou Industrial District, Jiangsu	USD 7,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Kunshan) Co., Ltd.	1995/08/10	No. 999, YFY Rd., Yu Shan Town, Kunshan, Jiangsu	USD 11,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Nanjing) Co., Ltd.	2001/08/24	No. 1-2, Hengtai Rd., Nanjing Economic and Technological Development Zone, Nanjing, Jiangsu	USD 9,959	Production, printing and sales of all types of paperboard and cardboard boxes
Yuen Foong Yu Paper Enterprise (Qingdao) Co., Ltd.	2002/11/15	Liu Ting Industrial Park, Cheng Yang District, Quingdao, Shandong	USD 8,000	Production, printing and sales of all types of paperboard and cardboard boxes
Yuen Foong Yu Paper Enterprise (Tianjin) Co., Ltd.	2001/11/08	No. 19 Shuang Chen Zhong Rd., Beichen Development District, Tianjin	USD 8,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Dongguan) Co., Ltd.	2003/03/11	Fong Yien Industrial Park, Fenggang Town, Dong Guan, Guangdong	USD 6,000	Production, printing and sales of all types of paperboard and cardboard boxes
Yuen Foong Yu Paper Enterprise (Zhongshan) Co., Ltd.	2001/05/16	No. 189, Yixian Rd., Torch Development District, Zhongshan, Guangdong	USD 6,000	Production, printing and sales of all types of paperboard and cardboard boxes

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
Yuen Foong Yu Papers Enterprise (Xiamen) Co., Ltd.	1990/03/26	No.6-12 Changhe Rd., Xinyuan Building, Upper Warehouse District, Huli Zhai, Xiamen, Fujian	USD 6,500	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Papers Enterprise (Guangzhou) Co., Ltd.	1990/10/30	No. 5, Siayuan Rd., Economic Technology Development District, Huangpu, Guangzhou, Guangdong	USD 9,500	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	2011/05/18	No. 168, Chuen Jiang Rd., Bali Town, Economic Development Park, Yuangzhou, Jiangsu	USD 8,000	Development of agricultural recycling and production technologies and related consulting and services.
YFY Japan Co., Ltd.	1990/11/26	3-2-11 Nishishinjuku, Shinjuku, Tokyo, Japan	JPY 10,000	Import and export of paper and related chemical materials; trading of related equipment.
YFY Development Corp.	1986/12/30	14F, 51, Chongqing S. Road Sec. 2, Taipei	2,233,000	Real estate investment and development.
Fidelis IT Solutions Co., Ltd.	2000/07/06	15F, 51, Chongqing S. Road Sec. 2, Taipei`	28,570	Wholesale and retail of information software, data processing, and electronic information supply services and related equipment.
Yuen Yan Paper Co., Ltd.	1995/10/16	No. 8-1 , Dapu Ding , Gongguanli, Zhunan Town, Miaoli	121,275	Production, trade and import/export of corrugated boards and corrugated boxes.
China Color Printing Co., Ltd.	1961/09/27	No. 229 , Baoqiao Road , Xindian District , New Taipei	662,486	Printing, photography, board making, binding and planning and design services.
YFY Consumer Products Co., Ltd.	1986/10/29	16F, 51, Chongqing S. Road Sec. 2, Taipei`	2,671,290	Production and sales of paper, paper products and household cleaning products.
Yuen Foong Yu Consumer Products Investment Limited	2004/11/08	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 150 ,013	General investment.
YFY Investment Co., Ltd.	2008/11/26	Rm. 301, 3F, Honghui Xinhui Garden, No. 6, Alley 4718, Gonghexin Rd., Jing'an District, Shanghai	USD 115,000	General investment and trading of paper products.
Yuen Foong Yu Family Care (Kunshan) Co., Ltd.	2004/12/28	No. 999, YFY Rd., Yu Shan Town, Kunshan, Jiangsu	USD 30,000	Production and sales of toilet paper, paper towels and napkins.
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	2011/11/18	No. 168, Chuen Jiang Rd., Economic Development Park, Yuangzhou, Jiangsu	USD 30,000	Production and sales of toilet paper, paper towels and napkins.
Ever Growing Agriculture Biotechnology Co., Ltd.	1999/11/27	16F, 51, Chongqing S. Road Sec. 2, Taipei`	214,557	Manufacturing and wholesale of agricultural services, fertilizers and cleaning products.
Yuen Foong Shop Co., Ltd.	2014/ 09/19	16F, 51, Chongqing S. Road Sec. 2, Taipei	50,000	Wholesale retail industry.
Yuen Foong Shop (Hong Kong) Co., Ltd.	2017/03/24	Rm 1702, Sino Centre, 582-592 Nathan Rd., MK, Kln. HK	HKD 0	International trade and selling of household products.
YFY Consumer Products, Co.	2021/02/08	8 The Green, STE A, Dover, DE 19901, USA	USD 0	IP management and sale of consumer products by e-commerce.
Shin Foong Specialty and Applied Materials Co., Ltd.	1979/07/17	No. 55 , Section 3 , Zhongshan, Taiyuan Village, Fangliao Township, Pingtung	1,061,741	Production and sales of latex and adhesives.
Shin Foong Trading Sdn. Bhd.	2020/02/18	C23A, Ttdi Plaza Jalan Wan Kadir 3 Taman Tun Dr Ismail 60000 Kuala Lumpur WP Kuala Lumpur Malaysia	MYR 1,500	Trading of synthetic rubber emulsion and industrial chemical products.

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
San Ying Enterprise Co., Ltd.	1962/04/14	11F, 51, Chongqing S. Road Sec. 2, Taipei	25,000	Engineering of various water treatment and design and construction of measurement facilities used in environmental pollution prevention engineering.
YFY Paradigm Investment Co., Ltd.	1987/10/23	14F, 51, Chongqing S. Road Sec. 2, Taipei`	1,923,580	General investment.
YFY Biotech Management Company	2003/11/27	14F, 51, Chongqing S. Road Sec. 2, Taipei	264,300	Investment consulting
LiVEBRiCKS Inc.	2012/02/09	16F, 51, Chongqing S. Road Sec. 2, Taipei`	2,000	Information processing services.
Union Paper Corp.	1973/05/08	No. 65 , Ruinong, Linzhong Village, Linnei Township, Yunlin	1,035,300	Production, processing, and selling of paper products.
YFY Global Investment B.V.	1989/11/30	Kennedyplein 200,Room 226, 5611ZT Eindhoven, Netherlands	USD 79,000	General investment.
YFY RFID Technologies Co., Ltd.	2004/08/05	Palm Grove House PO Box 438, Road Town, Tortola, British Virgin Islands	USD 5,330	General investment.
YEON Technologies Co., Ltd.	2006/09/22	17F, 51, Chongqing S. Road Sec. 2, Taipei`	25,000	Design, sell RFID products and provide related system integration services.
YFY Jupiter (Cayman Islands) Co., Ltd.	2005/11/30	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	650,207	General investment.
YFY Jupiter Limited	1997/06/02	1501- 2 , 15/F. Yen Sheng Centre, 64 Hoi Yuen Road Kwun Tong, Kowloon, Hong Kong	HKD 0.003	Packaging design and paper trading.
YFY Jupiter US, Inc.	2014/09/27	404 S 2nd Street, First Floor, St. Charles, IL 60174, USA	USD 1	Packaging design and paper trading.
Mobius105 Ltd.	2006/07/25	1501- 2 , 15/F. Yen Sheng Centre, 64 Hoi Yuen Road Kwun Tong, Kowloon, Hong Kong	HKD 10	General investment, packaging design and paper trading.
YFY Jupiter Trading (Shenzhen) Ltd.	2007/11/27	Unit 410, Xinggang Tongchuanghui Tianshu Building, No. 6099, Bao'an Boulevard, Qiaotou Community, Fuhai Neighborhood, Bao'an District, Shenzhen, Guangdong	USD 350	Packaging design and paper trading.
Kunshan YFY Jupiter Green Packing Ltd.	2012/01/17	Plant 4, No. 999, YFY Rd., Yu Shan Town, Kunshan, Jiangsu	RMB 2,000	Packaging design and paper trading.
Jupiter Supply Chain Management Services (Shenzhen) Co.	2015/05/21	No. 1106-B057, Qianhai Xiangbin Building, No. 18 Zimao West Street, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, Guangdong	RMB 5,000	Packaging design and paper trading.
Jupiter Prestige Group Holdings Limited	2012/05/01	601 London Road, Westcliff-on-sea, Essex, SS0 9PE	GBP 151	General investment.
Jupiter Prestige Group North America Inc.	2005/07/13	404 S 2nd Street, First Floor, St. Charles, IL 60174, USA	USD 1	Packaging design and paper trading.
Opal BPM Limited	2013/11/08	601 London Road, Westcliff-on-sea, Essex, SS0 9PE	GBP 1	Process system design and support.
Opal BPM India Private Limited	2015/10/21	Level-1, Building No. 10, Tower A, DLF Cyber City, Gurgaon, Gurgaon, Haryana, India, 122002	INR 100	System process coding.
Jupiter Prestige Group Australia PTY Ltd.	2012/01/19	PKF, 440 Collins Street, Melbourne VIC 3000, Australia	AUD 0.1	Graphic design.
Jupiter Prestige Group Europe Ltd.	2003/02/03	601 London Road, Westcliff-on-sea, Essex, SS0 9PE	GBP 30	Graphic design.

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
Jupiter Prestige Group Asia Ltd.	2010/06/17	17/F Yen Sheng Centre, 64 Hoi Yuen Road Kwun Tong, Kowloon, Hong Kong	HKD 0.1	Graphic design.
YFY Jupiter Malaysia Sdn. Bhd .	2016/01/12	Level 1, No.11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301 Petaling Jaya, Selangor	MYR 1,000	Package design.
YFY Jupiter Mexico, S. de RL	2016/03/14	Eje Vial Juan Gabriel 5440, Col. Revolución Mexicana, C.P. 32670.Ciudad Juarez, Chihuahua, Mexico	MXN 3	Package design.
Opal BPM Consulting Limited	2017/04/28	601 London Road, Westcliff-on-sea, Essex, SS0 9PE	GBP 1	System-related consulting services.
Contrast LLC	2018/01/12	3411 Silverside Road, Tatnall Building Ste 104, Wilmington, New Castle, DE 19810, USA	USD 0	Brand design.
YFY Jupiter Indonesia, PT PMA	2018/07/30	Satrio Tower Jalan Prof. Dr. Satrio Lot C4 Unit 1 Lantai 6	IDR 2,500,000	Package design.
Jupiter Vietnam Company Limited	2018/10/02	Floor 1, H3 Building, No. 384 Hoang Dieu Street, Ward 6, District 4, Ho Chi Minh City, Vietnam	VND 1,129,700	Packaging design and paper trading.
YFY RFID Co. Limited	2010/06/25	13/F Amber Commercial Building, 70 Morrison Hill Road, Wanchai, Hong Kong	USD 29,585	General investment.
Arizon RFID Technology Co., Ltd.	2004/06/11	No. 88 Wuzhou E. Rd., Economic Development Park, Yuangzhou, Jiangsu	RMB 194,290	Engaged in the design, development, manufacturing and after-sales service of various software and hardware of radio frequency intelligent identification systems (RFID), packaging and decoration printing.
Yangzhou YEON Technologies Co., Ltd.	2007/09/18	No. 88 Wuzhou E. Rd., Economic Development Park, Yuangzhou, Jiangsu	RMB 8,000	Design and distribution of RFID and related assemblies, as well as smart identification systems and reception antennas.
Arizon RFID Technology (Hong Kong) Co., Ltd.	2017/10/02	Rm 2702-03, C. C. Wu Building, 302-8 Hennessy Road, Wan Chai, HK	USD 22,000	Product distribution and R&D service business.
Arizon Japan Co., Ltd.	2019/08/08	No. 2-11, Nishi-Shinjuku-sanchome, Shinjuku-ku , Tokyo , Japan	JPY 50,000	Product distribution and technical consulting services.
Arizona RFID Technology (Cayman) Co., Ltd.	2021/10/21	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, PO Box 32052, Grand Cayman KY1-1208 , Cayman Islands	743,180	General investment.
Chung Hwa Pulp Corp.	1968/07/05	No. 100, Guanghua Street, Ji-an Township, Hualien	11,028,353	Pulp and paper production, sale and afforestation operations.
CHP International (BVI) Corporation	1990/03/15	Citco Brulding, Wickhams Can, P.O. Box 662, Road Town, Tortola, British Virgin Island	USD 61,040	General investment.
Guangdong Dingfung Pulp & Paper Co., Ltd.	2000/08/18	Shouyue Village, Nanjie Township, Guangning County, Zhaoqing, Guangdong	USD 85,630	Production and marketing of pulp, writing/printing paper, and Dowling paper.
Zhaoqing Dingfung Forestry Co., Ltd.	2006/04/01	Shouyue Village, Nanjie Township, Guangning County, Zhaoqing, Guangdong	USD 21,880	Cultivating and marketing seedlings; afforestation, logging and other forestry businesses including sales, processing, and transportation
Guizhou Yuan Fung Forestry Co., Ltd.	2021/12/03	Room 4, 1st Floor, Area B, Qiandaohu Hotel, Wuxing Village, Longping Town, Luodian County, Qiannan Prefecture, Guizhou	RMB 33,000	Cultivation and sales of seedlings, afforestation, logging and other forestry and sales, processing and transportation of forest trees.
Shenzhen Jinglun Paper Co., Ltd.	2008/06/24	Room 1705, Tongxin Building 17F, No. 5020, Binhe Avenue, Futian Dist. Shenzhen City, Guangdong Province	RMB 3,200	Sales of paper products and cargo and technology imports/exports.

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
Zhaoqing Xinchuan Green Technology Co., Ltd.	2019/09/19	Shouyue Village, Nanjie Township, Guangning County, Zhaoqing, Guangdong	RMB 2,000	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology.
Syntax Communication (H.K.) Ltd.	1985/05/31	2F, No. 22-28, Shatin Industrial Building, Wo Shui Rd., Fo Tan, Shatin, NT, HK	HKD 34,088	Trading, printing and sales of all types of paper products; paper-related businesses.
Hwa Fong Investment Co., Ltd.	1994/02/04	12F, 51, Chongqing S. Road Sec. 2, Taipei`	66,000	General investment.
Genovella Renewables Inc.	2010/08/30	No. 100, Guanghua Street, Ji-an Township, Hualien	14,000	Fertilizer industry, food retail industry, cultivation industry, refractory material manufacturing industry, cement and concrete product manufacturing industry, building materials and refractory material wholesale and retail industry, refractory material retail industry, manpower dispatch industry, chemical raw material retail and wholesale industry.
Effion Enertech Co., Ltd.	2008/12/08	14F, 51, Chongqing S. Road Sec. 2, Taipei`	700,000	Management of cogeneration, heat supply, and energy technology services.
YFY Capital Holdings Corp.	2013/03/28	Palm Gove House, PO Box 438, Road Town, Tortola, British Virgin Islands	USD 8,060	General investment.
YFY Corporate Advisory & Services Co., Ltd.	2012/12/22	15F, 51, Chongqing S. Road Sec. 2, Taipei`	30,000	Management consulting services.
Sustainable Carbohydrate Innovation Co., Ltd.	2019/01/17	14F, No. 51, Chongqing S. Road Sec. 2, Taipei	30,000	Research and development.
YFY Packaging Inc.	2005/04/26	10F, No. 51, Chongqing S. Road Sec. 2, Taipei	4,672,600	Production and sales of paper and paper products.
YFY Cayman Co., Ltd.	2007/03/27	The Grand Pavilion Commercial Centre Oleander Way, 802 West Bay Road, Grand Cayman, KY1-1208 Cayman Islands	USD 81,366	General investment.
Winsong Packaging Investment Company Ltd.	2018/01/29	16F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, HK	USD 29,100	General investment.
YFY Packaging (Ha Nam) Co., Ltd.	2018/04/02	Part of Lot J, Dong Van II Industrial Park, Bach Thuong Commune, Duy Tien District, Ha Nam Province, Vietnam	USD 27,900	Production, printing and sales of all types of paperboard and cardboard boxes.
YFY Packaging Thai Binh Co., Ltd.	2019/03/01	Vu Quy Industrial Park, Vu Qui Village, Kien Xuong district, Thai Binh Province	USD 1,200	Production, printing and sales of all types of cardboard boxes.
Willpower Industries Limited	2004/03/30	Vistra Corporate Services Centre, Wickhams Cay II Road Town, Tortola VG1110, British Virgin Islands	USD 19,100	General investment.
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	2005/11/29	Lot E3-E6 Duc Hoa 1 Industrial Park , hamlet 5, Duc Hoa Dong Village, Duc Hoa district, Long An Province	USD 8,700	Production, printing and sales of all types of paperboard and cardboard boxes
Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	2003/11/26	Group 1, Hamlet 8, Binh Son Village, Long Thanh District, Dong Nai Province, Vietnam	USD 10,000	Production, printing and sales of all types of paperboard and cardboard boxes.
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	2015/07/10	Lot K1-K3 Street 10 Hai Son Industrial Park , Binh Tien 2 hamlet, Duc Hoa Ha Village, Duc Hoa district, Long An Province	USD 1,200	Production, printing and sales of all types of cardboard boxes.
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co ., Ltd.	2015/11/20	No 20 VSIP II-A, Street 31 VSIP II-A Industrial Park , Vinh Tan Village, Tan Uyen district, Binh	USD 10,500	Production, printing and sales of all types of paperboard and cardboard boxes

Company Name	Date Of Establishment	Address	Paid-In Capital	Main Business Or Production Items
		Duong Province		
Pek Crown Paper Co., Ltd.	1983/10/29	No. 46 , Ruyi Road, Dajia District, Taichung	300,000	Production, trading and import/export of papers, cardboards, containers, and related materials.
Foong Chuan Green Energy Co., Ltd.	2022/10/07	No. 281, Yongfu Road, Xinwu District, Taoyuan	50,000	Operate and develop water resources treatment-related businesses.
Ensilience Co., Ltd.	2022/11/08	17F, 51, Chongqing S. Road Sec. 2, Taipei	150,000	Electronic material wholesale industry, electronic information supply service industry, energy technology service industry.
Foster and Baylis (Prestige) Ltd.	2008/10/17	601 London Road, Westcliff-on-sea, Essex, SS0 9PE	GBP 0.2	Brand design.
YFY Packaging (Quang Ngai) Co., Ltd.	2022/12/27	No. 10, street no.7, VSIP, Tinh Tho Commune, Son Tinh District, Quang Ngai Province, Vietnam	USD 4,000	Production, printing and sales of all types of paperboard and cardboard boxes
YFY Jupiter (Thailand) Co., Ltd.	2023/06/13	700/167 Mu 1 Ban Kao Sub-district, Phan Thong District, Chon Buri Province, 20160 Thailand	THB 17,500	Package design.
Arizon Corporation	2023/08/03	919 N. Market Street #950, Wilmington, Delaware 19801, USA	USD 100	Product distribution and technical consulting services.

(III) Basic information of Directors, Supervisors, and Presidents of Affiliates

December 31, 2023 Unit: No. of shares/shares, investment amount/NT$

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
YFY International B.V.	Director	Ning-Ning Su		
	Director	David Lo		
YFY Biopulp Technology Ltd.	Director	Felix Ho		
Hwa Fong Paper (Hong Kong) Co., Ltd.	Director	Vincent Chan		
	Director	Jeff Huang		
	Director	Zheng-Zhong Kuang		
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Chairman	Jun-Lang Huang (Representative of YFY International B.V.)	Investment USD 14,006,000	Investment Percentage 94.0
	Director	Raymond Chou (Representative of YFY International B.V.)		
	Director	Shu-Lin Chang (Representative of YFY International B.V.)		
	Director	Vincent Chan (Representative of YFY International B.V.)		
	Director	Hong Ni (Representative of Cheng Jian Town Investment Co., Ltd.)	Investment USD 894,000	Investment Percentage 6.0
	Supervisor	Shao-Yu Chen (Representative of YFY International B.V.)		
	President	Jun-Lang Huang		
YFY Mauritius Corp.	Director	Jean Liu		
	Director	David Lo		
	Director	Cheng Hsien Chu		
Yuen Foong Yu Paper Enterprise (Fuzhou) Co., Ltd.	Chairman	Zhong-Cheng Dou (Representative of YFY Mauritius Corp.)	Investment USD 5,000,000	Investment Percentage 100.0
	Director	Jun-Lang Huang (Representative of YFY Mauritius Corp.)		
	Director	Yo Wei Chu (Representative of YFY Mauritius Corp.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Mauritius Corp.)		
	President	Yo Wei Chu, chief of plant as proxy		
YFY Packaging (Yangzhou) Investment Co., Ltd.	Chairman	Jun-Lang Huang (Representative of YFY Mauritius Corp.)	Investment USD 323,072,235.38	Investment Percentage 100.0
	Director	S. C. Ho (Representative of YFY Mauritius Corp.)		
	Director	Chia-Feng Yeh (Representative of YFY Mauritius Corp.)		
	Director	De-Ming Liao (Representative of YFY Mauritius Corp.)		
	Director	Chih-Cheng Chang (Representative of YFY Mauritius Corp.)		
	Supervisor	Allen Chen (Representative of YFY Mauritius Corp.)		
	President	Jun-Lang Huang		
Yuen Foong Yu Paper MFG (Yangzhou) Co., Ltd.	Chairman	Chia-Feng Yeh (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 346,694,899.74	Investment Percentage 100.0
	Director	Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Chih-Cheng Chang (Representative of FY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Raymond Chou (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Chia-Feng Yeh		

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Yuen Foong Yu Paper Enterprise (Jiaxing) Co., Ltd.	Chairman Director Director Supervisor President	De-Ming Liao (Representative of YFY Mauritius Corp.) Jun-Lang Huang (Representative of YFY Mauritius Corp.) Hao-Jie Yeh (Representative of YFY Mauritius Corp.) Shao-Yu Chen (Representative of YFY Mauritius Corp.) Hao-Jie Yeh, AVP as proxy	Investment USD 5,000,000	Investment Percentage 100.0
Yuen Foong Yu Paper Enterprise (Shanghai) Co., Ltd.	Chairman Director Director Supervisor President	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Liang-Li Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Liang-Li Chen	Investment USD 8,000,000	Investment Percentage 100.0
Yuen Foong Yu Paper Enterprise (Suzhou) Co., Ltd.	Chairman Director Director Supervisor President	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Tai-Fan Liu (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Tai-Fan Liu	Investment USD 7,000,000	Investment Percentage 100.0
Yuen Foong Yu Paper Enterprise (Kunshan) Co., Ltd.	Chairman Director Director Supervisor President	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Tai-Fan Liu (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Tai-Fan Liu	Investment USD 11,000,000	Investment Percentage 100.0
Yuen Foong Yu Paper Enterprise (Nanjing) Co., Ltd.	Chairman Director Director Supervisor President	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Yi-Hao Chen (Representative of Yuen Foong Yu Paper Enterprise (Kunshan) Co., Ltd. Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.) Yi-Hao Chen	Investment USD 8,958,825.93 1,000,000	Investment Percentage 89.96 10.04

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Yuen Foong Yu Paper Enterprise (Qingdao) Co., Ltd.	Chairman	Zhao-Kun Wang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 8,000,000	Investment Percentage 100.0
	Director	Chih-Cheng Chang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Hung-Ming Tsu (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Hung-Ming Tsu		
Yuen Foong Yu Paper Enterprise (Tianjin) Co., Ltd.	Chairman	Zhao-Kun Wang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 8,000,000	Investment Percentage 100.0
	Director	Chih-Cheng Chang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Zhi-Qian Zhao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Zhi-Qian Zhao		
Yuen Foong Yu Paper Enterprise (Dongguan) Co., Ltd.	Chairman	Zhong-Cheng Dou (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 6,000,000	Investment Percentage 100.0
	Director	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Cheng-Chia Li (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Cheng-Chia Li		
Yuen Foong Yu Paper Enterprise (Zhongshan) Co., Ltd.	Chairman	Zhong-Cheng Dou (YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 6,000,000	Investment Percentage 100.0
	Director	De-Ming Liao (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Hong-Yi Zhang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Hong-Yi Zhang		
Yuen Foong Yu Papers (Xiamen) Co., Ltd.	Chairman	Zhong-Cheng Dou (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 6,500,000	Investment Percentage 100.0
	Director	Jun-Lang Huang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Yu-Hsu Chang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Yu-Hsu Chang		
Yuen Foong Yu Papers (Guangzhou) Co., Ltd.	Chairman	Zhong-Cheng Dou (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)	Investment USD 8,906,250	Investment Percentage 93.75
	Director	Yun-Wei Wang (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	Director	Ke-Sha Ma (Representative of Guangzhou High-Tech Investment Group Co., Ltd.)	Investment USD 593,750	Investment Percentage 6.25
	Supervisor	Shao-Yu Chen (Representative of YFY Packaging (Yangzhou) Investment Co., Ltd.)		
	President	Yun-Wei Wang		

December 31, 2023 Unit: No. of shares/shares, investment amount/NT$

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Chairman Director Director Supervisor President	Jun-Lang Huang (Representative of YFY International B.V.) Chia-Feng Yeh (Representative of YFY International B.V.) Jui-Chih Huang (Representative of YFY International B.V.) Vincent Chan (Representative of YFY International B.V.) Jun-Lang Huang	Investment USD 8,000,000	Investment Percentage 100.0
YFY Japan Co., Ltd.	Director Director Director Supervisor	Kusakari Akemi (Representative of YFY Inc.) S. C. Ho (Representative of YFY Inc.) Felix Ho (Representative of YFY Inc.) Vincent Min (Representative of YFY Inc.)	200	100.0
YFY Development Corp.	Chairman Director Director Supervisor President	David Lo (Representative of YFY Inc.) Yi-Jia Ho (Representative of YFY Inc.) Tao-Sheng Wu (Representative of YFY Inc.) Shu-Fan Lin (Representative of YFY Inc.) Tao-Sheng Wu	223,300,000	100.0
Fidelis IT Solutions Co., Ltd.	Chairman Director Director Supervisor President	Jean Liu (Representative of YFY Inc.) David Lo (Representative of YFY Inc.) Cheng-Hsien Chu (Representative of YFY Inc.) Shu-Fan Lin (Representative of YFY Inc.) York Kuo	2,857,000	100.0
Yuen Yan Paper Co., Ltd.	Chairman Director Director Supervisor Supervisor	Yan-Chung Chang Pai-Wei Hong (Representative of YFY Inc.) S. R. Liao (Representative of Hwa Yuan Enterprises Co., Ltd.) Xin-Qing Cheng (Representative of YFY Paradigm Investment Co., Ltd.) Y. M. Kuo (Representative of Hwa Yuan Enterprises Co., Ltd.)	 6,178,500 1,980,000 9,000 3,960,000	 50.9 16.3 0.07 32.7

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
China Color Printing Co., Ltd.	Chairman	Chung-Yi Chang (Representative of YFY Inc.)	32,896,330	49.7
	Vice Chairman	Hung-Yi Ho (Representative of Motai Investments Ltd.)	2,000,000	3.0
	Director	Ji-Nong Huang (Representative of Motai Investments Ltd.)		
	Director	Jian-Nan Liao (Representative of Motai Investments Ltd.)		
	Director	S. C. Ho (Representative of YFY Inc.)		
	Director	Rui-He Chen (Representative of YFY Inc.)		
	Director	Tao-Sheng Wu (Representative of YFY Inc.)		
	Supervisor	Vincent Min (Representative of Yuen Foong Paper Co., Ltd.)	886,500	0.13
	Supervisor	Yi-Jia Ho (Representative of Yuen Foong Paper Co., Ltd.)		
	Supervisor	Yu-Tsong Ho (Representative of Shin Kang Jie BVI Corp.)	27	0.0
	President	Chung-Yi Chang		
YFY Consumer Products Co., Ltd.	Chairman	Felix Ho (Representative of YFY Inc.)	158,004,565	59.14
	Director	David Lo (Representative of YFY Inc.)		
	Director	Ronald Lee (Representative of YFY Inc.)		
	Director	Shien Xie (Representative of YFY Development Corp.)	5,136,400	1.92
	Independent Director	Mei Li Su		
	Independent Director	Chih Chien Lin		
	Independent Director	Wan Chuan Hsieh		
	President	Ronald Lee		
Yuen Foong Yu Consumer Products Investment Limited	Director	Felix Ho		
	Director	David Lo		
YFY Investment Co., Ltd.	Chairman	Felix Ho (Representative of Yuen Foong Yu Consumer Products Investment Limited)	Investment USD 115,000,000	Investment Percentage 100.0
	Director	Shien Xie (Representative of Yuen Foong Yu Consumer Products Investment Limited)		
	Director	Ronald Lee (Representative of Yuen Foong Yu Consumer Products Investment Limited)		
	Supervisor	Pei-Wen Chen (Representative of Yuen Foong Yu Consumer Products Investment Limited)		
	President	Shien Xie		

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Yuen Foong Yu Family Care (Kunshan) Co., Ltd.	Chairman Director Director Supervisor President	Ronald Lee (Representative of YFY Investment Corp. Ltd.) Shien Xie (Representative of YFY Investment Corp. Ltd.) Ming-Fa Tang (Representative of YFY Investment Corp. Ltd..) Pei-Wen Chen (Representative of YFY Investment Corp. Ltd.) Shien Xie	Investment USD 30,000,000	Investment Percentage 100.0
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Chairman Director Director Supervisor President	Ronald Lee (Representative of YFY Investment Corp. Ltd.) Shien Xie (Representative of YFY Investment Corp. Ltd.) Ming-Fa Tang (Representative of YFY Investment Corp. Ltd..) Pei-Wen Chen (Representative of YFY Investment Corp. Ltd.) Shien Xie	Investment USD 30,000,000	Investment Percentage 100.0
Ever Growing Agriculture Biotechnology Co., Ltd.	Chairman Director Director Supervisor President	Felix Ho (Representative of YFY Consumer Products Co., Ltd.) Ronald Lee (Representative of YFY Consumer Products Co., Ltd.) Qing-He Chang (Representative of YFY Consumer Products Co., Ltd.) Pao-Yu Hsieh (Representative of Cheng Yu Co., Ltd.) Qing-He Chang	18,245,944 3,209,775	85.0 15.0
Yuen Foong Shop Co., Ltd.	Chairman Director Director Supervisor President	Felix Ho (Representative of YFY Consumer Products Co., Ltd.) Ronald Lee (Representative of YFY Consumer Products Co., Ltd.) Jing-Wen Yan (Representative of YFY Consumer Products Co., Ltd.) Pei-Wen Chen (Representative of YFY Consumer Products Co., Ltd.) Ronald Lee	5,000,000	100.0
Yuen Foong Shop (Hong Kong) Co., Ltd.	Director	Yuen Foong Shop Co., Ltd.(Authorized President Ronald Lee is the authorized signatory)		
YFY Consumer Products, Co.	Director Director Director	Felix Ho Ronald Lee Pei-Wen Chen		
Shin Foong Specialty and Applied Materials Co., Ltd	Chairman Director Director Director Independent Director Independent Director Independent Director President	Chi-Min Sheu (Representative of YFY Inc.) Kirk Hwang (Representative of YFY Inc.) Jean Liu (Representative of YFY Inc.) Yu Hui Ho (Representative of Hoss Capital Inc.) Meng-Feng Yen Fan-Tien Cheng Chang-Mou Yang Jen-Chieh Hsiao	50,968,248 1,805,466	48.0 1.7

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Shin Foong Trading Sdn. Bhd.	Director	Chi-Min Sheu (Representative of Shin Foong Specialty and Applied Materials Co., Ltd.)	1,500,000	100.0
	Director	Wen-Chun Lo (Representative of Shin Foong Specialty and Applied Materials Co., Ltd.)		
	Director	Yap Kim May (Representative of Shin Foong Specialty and Applied Materials Co., Ltd.)		
San Ying Enterprise Co., Ltd.	Chairman	Huey-Ching Yeh (Representative of YFY Inc.)	2,500,000	100.0
	Director	Chuang-Hua Chiu ((Representative of YFY Inc.)		
	Director	Zhen-Tsung Hsiao(Representative of YFY Inc.)		
	Supervisor	Shu-Fan Lin (Representative of YFY Inc.)		
YFY Paradigm Investment Co., Ltd.	Chairman	David Lo (Representative of YFY Inc.)	192,358,000	100.0
	Director	Chun-Chieh Huang (Representative of YFY Inc.)		
	Director	Vincent Min (Representative of YFY Inc.)		
	Supervisor	Shu-Fan Lin (Representative of YFY Inc.)		
	President	Vincent Min		
YFY Biotech Management Company	Chairman	Hong-Jen Chang (Representative of YFY Paradigm Investment Co., Ltd.)	26,430,000	100.0
	Director	David Lo (Representative of YFY Paradigm Investment Co., Ltd.)		
	Director	Vincent Min (Representative of YFY Paradigm Investment Co., Ltd.)		
	Supervisor	Anita Chen (Representative of YFY Paradigm Investment Co., Ltd.)		
	President	Hong-Jen Chang		
LiVEBRiCKS Inc.	Chairman	Ronald Lee (Representative of Yuen Foong Shop Co., Ltd.)	200,002	100.0
	Director	Felix Ho (Representative of Yuen Foong Shop Co., Ltd.)		
	Director	Jing-Wen Yan (Representative of Yuen Foong Shop Co., Ltd.)		
	Supervisor	Pei-Wen Chen (Representative of Yuen Foong Shop Co., Ltd.)		
	President	Ronald Lee		
Union Paper Corp.	Chairman	Wei-Yen Liu (Representative of YFY Inc.)	19,584,000	18.9
	Director	Tony Chen (Representative of YFY Inc.)		
	Director	Rui-He Chen (Representative of YFY Inc.)		
	Director	Hung-Te Chen (Representative of YFY Inc.)		
	Director	Lee-Zhu Chang	1,081,200	1.0
	Supervisor	Shu-Fan Lin (Representative of YFY Paradigm Investment Co., Ltd.)	4,283,232	4.1
	President	Wei-Yen Liu		
YFY Global Investment B.V.	Director	Ning-Ning Su		
	Director	David Lo		
YFY RFID Technologies Co., Ltd.	Director	YFY Global Investment B.V.	5,330,000	100.0
YEON Technologies Co., Ltd.	Chairman	Bing-Yi Lin (Representative of YFY RFID Technologies Co., Ltd.)	2,500,001	100.0
	Director	Vincent Min (Representative of YFY RFID Technologies Co., Ltd.)		
	Director	Guo-Feng Gao (Representative of YFY RFID Technologies Co., Ltd.)		
	Supervisor	Mark Lin (Representative of YFY RFID Technologies Co., Ltd.)		
	President	Guo-Feng Gao		

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
YFY Jupiter (Cayman Islands) Co., Ltd.	Chairman	Felix Ho		
	Director	S. C. Ho		
	Director	Bing-Yi Lin		
	Director	Wen-Fu Chen		
	Director	Mitch Crews	4,317,789	6.6
	Director	Nancy A. Schachtner	2,825,431	4.3
YFY Jupiter Limited	Director	Wen-Fu Chen		
	Director	Chun Tu		
	Director	YFY Jupiter (Cayman Islands) Co., Ltd.	3	100.0
YFY Jupiter US, Inc.	Director	Mitch Crews		
	Director	Wen-Fu Chen		
	Director	Pei-Ling Dai		
Mobius105 Ltd.	Director	Pei-Ling Dai		
	Director	Wen-Fu Chen		
	Director	YFY Jupiter (Cayman Islands) Co., Ltd.	10,000	100.0
YFY Jupiter Trading (Shenzhen) Ltd.	Chairman	Wen-Fu Chen		
	Director	Li-Jia Chen		
	Director	Qi-Han Liu		
	Supervisor	Pei-Ling Dai		
	President	Qi-Han Liu		
Kunshan YFY Jupiter Green Packing Ltd.	Chairman	Wen-Fu Chen		
	Director	Kuo-Lung Lee		
	Director	Xue-Yi Lu		
	Supervisor	Pei-Ling Dai		
	President	Kuo-Lung Lee		
Jupiter Supply Chain Management Services (Shenzhen) Co.	Chairman	Wen-Fu Chen		
	Director	Li-Jia Chen		
	Director	Qi-Han Liu		
	Supervisor	Pei-Ling Dai		
	President	Qi-Han Liu		
Jupiter Prestige Group Holdings Limited	Director	Mark Raymond White	50,375	33.3
	Director	Mitch Crews		
	Director	Felix Ho		
Jupiter Prestige Group North America Inc.	Director	Mitch Crews		
	Director	Pei-Ling Dai		
	Director	Mark Raymond White		
Opal BPM Limited	Director	Mark Raymond White		
	Director	Christopher Ebbs	100	10.0
	Director	Mattew Mintman	75	7.5
	Director	Pei-Ling Dai		
	Director	Bing Yi Lin		
Opal BPM India Private Limited	Director	Prem Chand Mali		
	Director	Dias Jacob		
	Director	Christopher Ebbs		
Jupiter Prestige Group Australia PTY Ltd.	Director	Mark Raymond White		
	Director	Mark Lee		
	Director	Justin Desmond McCartney		
	Director	Pei-Ling Dai		
	Director	Mitch Crews		
	Director	Yandong (Ryan) Lu		
Jupiter Prestige Group Europe Ltd.	Director	Mark Raymond White		
	Director	Alison Jane Crisp		
	Director	Mitch Crews		
	Director	Pei-Ling Dai		

Company name	Title	Name or representative	Shares held	
			Number of shares	Percent shares (%)
Jupiter Prestige Group Asia Ltd.	Director Director Director Director Director	Mark Raymond White Alison Jane Crisp Mark Lee Mitch Crews Pei-Ling Dai		
YFY Jupiter Malaysia SDN. BHD.	Director Director Director	Wen-Fu Chen Pei-Ling Dai Chow Kian Giap		
YFY Jupiter Mexico, S. de R.L.	Director Director Director Director	Wen-Fu Chen Pei-Ling Dai Kuo-Lung Lee Mitch Crews		
Opal BPM Consulting Limited	Director Director Director Director Director	Mark Raymond White Christopher Ebbs Matthew Mintman Bing-Yi Lin Pei-Ling Dai		
Contrast LLC	Director Director	Mark Raymond White Matthew Clemens		Investment Percentage 20.0
YFY Jupiter Indonesia, PT PMA	Director Supervisor	Li-Jia Chen Pei-Ling Dai		
Jupiter Vietnam Company Limited	Representative	Li-Jia Chen		
YFY RFID Co. Limited	Director Director	YFY Global Investment B.V. Felix Ho	29,584,886	100.0
Arizon RFID Technology Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor Supervisor President	Felix Ho Bing-Yi Lin Hong-Shi Wen Lin-En Chou Wan-Juan Lin Vincent Min Eric Lin Qiu-Yue Xia Bing-Yi Lin		
Yangzhou YEON Technologies Co., Ltd.	Chairman Director Director Supervisor President	Bing-Yi Lin (Representative of Arizon RFID Technology Co., Ltd.) Hong-Shi Wen (Representative of Arizon RFID Technology Co., Ltd.) Guo-Feng Gao (Representative of Arizon RFID Technology Co., Ltd.) Nai-Hsia Wu (Representative of Arizon RFID Technology Co., Ltd.) Hong-Shi Wen	Investment RMB 8,000,000	Investment Percentage 100.0
Arizon RFID Technology (Hong Kong) Co., Ltd.	Director Director	Bing -Yi Lin (Representative of Arizon RFID Technology Co., Ltd.) Hong-Shi Wen (Representative of Arizon RFID Technology Co., Ltd.)	Investment USD 22,000,000	Investment Percentage 100.0

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Arizon Japan Co., Ltd.	Director	Felix Ho (Representative of Arizon RFID Technology Co., Ltd.)	Investment JPY 50,000.000	Investment Percentage 100.0
	Director	Bing-Yi Lin (Representative of Arizon RFID Technology Co., Ltd.)		
	Director	Xiao-Zhi Luo He		
	Supervisor	Nai-Hsia Wu		
Arizon RFID Technology (Cayman) Co., Ltd.	Chairman	Felix Ho (Representative of YFY Global Investment B.V.)	45,694,935	61.49
	Director	David Lo (Representative of YFY Paradigm Investment Co., Ltd.)	100,000	0.13
	Director	Hong-Shi Wen (Representative of YFY Development Corp.)	100,000	0.13
	Director	Bing-Yi Lin	920,130	1.24
	Independent Director	Brade Lei		
	Independent Director	Brian Lee		
	Independent Director	YD Chiou		
	President	Bing-Yi Lin		
Chung Hwa Pulp Corp.	Chairman	Kirk Hwang (Representative of YFY Inc.)	627,827,989	56.9
	Director	Jean Liu (Representative of YFY Inc.)		
	Director	Guu-Fong Lin (Representative of YFY Inc.)		
	Director	Rui-He Chen (Representative of YFY Paradigm Investment Co., Ltd.)	7,752,732	0.70
	Independent Director	Donald Chang		
	Independent Director	Hsiao-Kan Ma		
	Independent Director	Wan-Yu Liu		
	President	Rui-He Chen		
CHP International (BVI)Corporation	Director	Kirk Hwang (Representative of Chung Hwa Pulp Corp.)	61,039,956	100.0
	Director	Guu-Fong Lin (Representative of Chung Hwa Pulp Corp.)		
Guangdong Dingfung Pulp & Paper Co., Ltd.	Chairman	Guu-Fong Lin (Representative of CHP International (BVI) Corp.)	Investment USD 51,378,000	Investment Percentage 60.0
	Director	Frank Chi (Representative of CHP International (BVI) Corp.)		
	Director	Kirk Hwang (Representative of YFY International B.V.)	Investment USD 34,252,000	Investment Percentage 40.0
	Supervisor	Vincent Chan (Representative of YFY International B.V.)		
	President	Frank Chi		
Zhaoqing Dingfung Forestry Co., Ltd.	Chairman	Guu-Fong Lin (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.)	Investment USD 14,500,000	Investment Percentage 66.27
	Director	Frank Chi (Representative of CHP International (BVI) Corp.)		
	Director	Tsung-Yun Lin (Representative of YFY International B.V.)	Investment USD 4,428,000	20.24
	Supervisor	Vincent Chan (Representative of YFY International B.V.)	Investment USD 2,952,000	13.49
	President	Guu-Fong Lin		
Guizhou Yuan Fung Forestry Co., Ltd.	Chairman	Guu-Fong Lin (Representative of Zhaoqing Dingfung Forestry Co., Ltd.)	Investment USD 22,110	Investment Percentage 67.0
	Director	Tsung-Yun Lin (Representative of Zhaoqing Dingfung Forestry Co., Ltd.)		
	Director	Zhen-Yuan Xiao(Representative of Hezhou Chenyuan Forestry Company)	Investment USD 10,890	Investment Percentage 33.0
	Supervisor	Ming-Hui Lin (Representative of Zhaoqing Dingfung Forestry Co., Ltd.)		
	President	Zhen-Yuan Xiao		

December 31, 2023 Unit: No. of shares/shares, investment amount/NT$

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Shenzhen Jinglun Paper Co., Ltd.	Chairman Director Director Supervisor President	Chih-Cheng Huang (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Rui-He Chen (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Zheng-Zhong Kuang (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Vincent Chan (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Zheng-Zhong Kuang	Investment RMB 3,200,000	Investment Percentage 100.0
Zhaoqing Xinchuan Green Technology Co., Ltd.	Chairman Director Director Supervisor President	Guu-Fong Lin (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Frank Chi (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Tsung-Yun Lin (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Su-I Hou (Representative of Guangdong Dingfung Pulp & Paper Co., Ltd.) Frank Chi	Investment RMB 2,000,000	Investment Percentage 100.0
Syntax Communication (H.K.) Ltd.	Director Director Director President	Chih-Cheng Huang (Representative of CHP International (BVI) Corp.) Zheng-Zhong Kuang (Representative of CHP International (BVI) Corp.) Guan-Jun Lin (Representative of CHP International (BVI) Corp.) Zheng-Zhong Kuang	34,088,182	100.0
Hwa Fong Investment Co., Ltd.	Chairman Director Director Supervisor	Guu-Fong Lin (Representative of Chung Hwa Pulp Corp.) Yen Chang Hsieh (Representative of Chung Hwa Pulp Corp.) Su-I Hou (Representative of Chung Hwa Pulp Corp.) Guan-Jun Lin (Representative of Chung Hwa Pulp Corp.)	6,600,000	100.0
Genovella Renewables Inc.	Director	Nan-Xiong Wang (Representative of Hwa Fong Investment Co., Ltd.)	Investment 14,000,000	Investment Percentage 100.0
Effion Enertech Co., Ltd.	Chairman Vice Chairman Director Director Director Supervisor	Huey-Ching Yeh (Representative of YFY Inc.) Chuang-Hua Chiu (Representative of YFY Inc.) Jean Liu (Representative of YFY Inc.) Si-Zhi Liu (Representative of YFY Inc.) Wen-Zheng Chien (Representative of YFY Inc.) Vincent Min (Representative of YFY Inc.)	70,000,000	100
YFY Capital Holdings Corp.	Director	David Lo		
YFY Corporate Advisory & Services Co., Ltd.	Chairman Director Director Supervisor President	David Lo (Representative of YFY Inc.) Claudia Kung (Representative of YFY Inc.) Jeff Huang (Representative of YFY Inc.) Vincent Chan (Representative of YFY Inc.) David Lo	3,000,000	100.0

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Sustainable Carbohydrate Innovation Co., Ltd.	Chairman Director Director Supervisor President	Ya-Hui Huang (Representative of YFY Inc.) Kirk Hwang (Representative of YFY Inc.) P. Y. Hsu (Representative of YFY Inc.) Shu-Fan Lin (Representative of YFY Inc.) Ya-Hui Huang	3,000,000	100.0
YFY Packaging Inc.	Chairman Director Director Director Director Supervisor President	Chuang-Hua Chiu (Representative of YFY Inc.) David Lo (Representative of YFY Inc.) Cheng-Hsien, Chu (Representative of YFY Inc.) Yi-Jia Ho (Representative of YFY Inc.) Ken Chou (Representative of YFY Inc.) Shu-Fan Lin (Representative of YFY Inc.) Ken Chou	467,260,000	100.0
YFY Cayman Co., Ltd.	Chairman Director Director	Chuang-Hua Chiu Ken Chou Tsung-Min Chang		
Winsong Packaging Investment Company Ltd.	Chairman Director Director Director Director	Ken Chou Tsung-Min Chang Che-Hsiang Chang Chih-Bang Chang Yu-Wei Chang		
YFY Packaging (Ha Nam) Co., Ltd.	Chairman Director President	Tsung-Min Chang (Representative of Winsong Packaging Investment Company Ltd.) Che-Hsiang Chang (Representative of Winsong Packaging Investment Company Ltd.) Liang-Hsing Huang	27,900,000	100.0
YFY Packaging Thai Binh Co., Ltd.	Chairman Director President	Tsung-Min Chang (Representative of Winsong Packaging Investment Company Ltd.) Che-Hsiang Chang (Representative of Winsong Packaging Investment Company Ltd.) Liang-Hsing Huang	1,200,000	100.0
Willpower Industries Limited	Chairman Director Director President	Chuang-Hua Chiu Tsung-Min Chang Che-Hsiang Chang Tsung-Min Chang		
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Chairman President	Tsung-Min Chang (Representative of Willpower Industries Limited) Ruei-Hung Wang	8,700,000	100.0
Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Chairman President	Che-Hsiang Chang (Representative of Yuen Foong Yu paper Enterprise (Vietnam) Co., Ltd.) Ching-San Chang	10,000,000	100.0

December 31, 2023 Unit: No. of shares/shares, investment amount/NT$

Company Name	Title	Name Or Representative	Shares Held	
			Number Of Shares	Percent Shares (%)
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Chairman President	Che-Hsiang Chang (Representative of Yuen Foong Yu paper Enterprise (Vietnam) Co., Ltd.) Ruei-Hung Wang	1,200,000	100.0
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Chairman President	Tsung-Min Chang (Representative of Willpower Industries Limited) Wen Ji Zheng	10,500,000	100.0
Pek Crown Paper Co., Ltd.	Chairman Director Director Supervisor President	Zhe-Hong Ou (Representative of YFY Packaging Inc.) Yuan-Huang Chang (Representative of YFY Packaging Inc.) Kai-Chun Kang (Representative of YFY Packaging Inc.) Li Yin Ho (Representative of YFY Paradigm Investment Co., Ltd.) Yuan-Huang Chang	20,027,557 10,000	66.8 0.03
Fun Spring Circuteck Co., Ltd.	Chairman Director Director Supervisor	Chuang-Hua Chiu (Representative of Effion Enertech Co., Ltd.) Si-Zhi Liu (Representative of Effion Enertech Co., Ltd.) Wen-Zheng Chien(Representative of Effion Enertech Co., Ltd.) Pai-Wei Hong (Representative of San Ying Enterprise Co., Ltd.)	4,750,000 250,000	95.0 5.0
Ensilience Co., Ltd.	Chairman Director Director Supervisor President	Huey-Ching Yeh (Representative of YFY Inc.) Jean Liu (Representative of YFY Inc.) Yi-Ping Chen (Representative of YFY Inc.) David Lo (Representative of YFY Inc.) Yi-Ping Chen	15,000,000	100.0
Foster and Baylis (Prestige) Ltd.	Director Director	Mark Raymond White Harvey Foster	100	49.02
YFY Packaging (Quang Ngai) Co., Ltd.	Chairman President	Che-Hsiang Chang (Representative of Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.) You-Guo Yan	4,000,000	100.0
YFY Jupiter (Thailand) Co., Ltd.	Director Director	Wen-Fu Chen Li-Jia Chen		
Arizon Corporation	Director	Bing-Yi Lin		

(IV) Financial overview and performance of affiliated companies

2023 Unit: NT$ thousand

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income	EPS
YFY International B.V.	11,167,090	14,303,315	36,217	14,267,098	-	(15,698)	(424,953)	(1.17)
YFY Biopulp Technology Limited	4,606	101	-	101	-	(72)	(62)	(0.41)
Hwa Fong Paper (Hong Kong) Co., Ltd.	455,764	28,767	580	28,187	-	(6,333)	(5,047)	(0.04)
YFY Paper MFG. (Jiangyin) Co., Ltd.	457,505	363,439	466	362,973	-	(1,572)	5,147	-
YFY Mauritius Corp.	9,595,366	3,973,254	58	3,973,196	-	(95)	(741,641)	(2.37)
Yuen Foong Yu Paper Enterprise (Fuzhou) Co., Ltd.	153,525	170,722	492,799	(322,077)	105,331	(43,191)	(55,761)	-
YFY Packaging (Yangzhou) Investment Co., Ltd.	9,919,926	15,581,294	11,367,609	4,213,685	6,840,808	73,387	(653,417)	-
Yuen Foong Yu Paper MFG (Yangzhou) Co., Ltd.	10,645,270	11,325,399	10,381,867	943,532	9,821,847	(1,076,527)	(965,796)	-
Yuen Foong Yu Paper Enterprise (Shanghai) Co., Ltd.	245,640	656,618	306,997	349,621	687,114	47,322	45,442	-
Yuen Foong Yu Paper Enterprise (Suzhou) Co., Ltd.	214,935	400,592	180,272	220,320	662,566	(16,364)	(20,570)	-
Yongfeng Yu Paper (Kunshan) Company	337,755	500,753	97,204	403,549	436,813	(18,530)	(184)	-
Yuen Foong Yu Paper Enterprise (Nanjing) Co., Ltd.	305,791	816,198	327,582	488,616	1,010,479	78,971	92,786	-
Yuen Foong Yu Paper Enterprise (Qingdao) Co., Ltd.	245,640	633,537	216,658	416,879	718,463	65,419	53,136	-
Yuen Foong Yu Paper Enterprise (Tianjin) Co., Ltd.	245,640	647,863	227,762	420,101	826,381	74,432	71,582	-
Yuen Foong Yu Paper Enterprise (Dongguan) Co., Ltd.	184,230	451,120	211,584	239,536	642,290	(12,002)	(8,804)	-
Yuen Foong Yu Paper Enterprise (Zhongshan) Co., Lt.	184,230	675,327	297,929	377,398	821,529	77,627	62,230	-
Yuen Foong Yu Papers (Xiamen) Co., Ltd.	199,583	295,369	65,879	229,490	523,988	(15,371)	(10,745)	-
Yuen Foong Yu Papers (Guangzhou) Co., Ltd.	291,698	702,931	336,335	366,596	1,396,249	28,335	22,680	-
Yuen Foong Yu Papers (Jiaxin) Co., Ltd.	153,525	255,977	204,319	51,658	368,813	(30,328)	(32,374)	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	245,640	105,978	259	105,719	-	(872)	2,244	-
YFY Japan Co., Ltd.	2,172	106,594	34,104	72,490	347,924	(175)	550	2,750.00
YFY Development Corp.	2,233,000	7,622,377	1,582,926	6,039,451	691,308	(65,562)	379,969	1.70
Fidelis IT Solutions Co., Ltd.	28,570	133,908	49,480	84,428	162,553	10,774	9,780	3.42
Yuen Yan Paper Co., Ltd.	121,275	146,042	1,656	144,386	-	(3,138)	7,681	0.63
Ensilience Co., Ltd.	150,000	173,434	41,301	132,133	4,005	(19,229)	(17,860)	(1.19)
China Color Printing Co., Ltd.	662,486	1,077,423	170,133	907,290	409,590	(19,026)	(9,913)	(0.15)
YFY Consumer Products Co., Ltd.	2,671,290	8,325,425	2,693,323	5,632,102	6,638,892	1,036,652	965,992	3.62
Yuen Foong Yu Consumer Products Investment Limited	4,606,149	3,208,043	-	3,208,043	-	-	37,567	0.25
YFY Investment Co., Ltd.	3,531,075	3,025,834	939,490	2,086,344	5,065,640	(107,606)	(21,478)	-
Yuen Foong Yu Family Care (Kunshan) Co., Ltd.	921,150	366,435	63,972	302,463	738,055	14,823	14,718	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	921,150	1,670,692	376,352	1,294,340	2,654,539	91,582	70,743	-
Ever Growing Agriculture Biotechnology Co., Ltd.	214,557	419,606	104,345	315,261	311,114	46,437	37,767	1.76
Yuen Foong Shop Co., Ltd.	50,000	363,487	261,256	102,231	984,039	30,032	37,715	7.54
Yuen Foong Shop (Hong Kong) Co., Ltd.	-	-	-	-	-	-	-	-
YFY Consumer Products, Co.	-	-	-	-	-	-	-	-
Shin Foong Specialty and Applied Materials Co., Ltd.	1,061,741	6,233,440	374,728	5,858,712	894,338	(216,262)	(107,862)	(1.02)
Shin Foong Trading Sdn. Bhd.	9,883	14,760	3,566	11,194	7,477	(26)	131	0.09
San Ying Enterprise Co., Ltd.	25,000	49,965	171	49,794	-	(396)	113	0.05
YFY Paradigm Investment Co., Ltd.	1,923,580	5,012,846	752,656	4,260,190	-	(23,055)	174,630	0.91
YFY Biotech Management Company	264,300	215,517	3,415	212,102	-	(20,975)	(12,388)	(0.47)
Livebricks Inc.	2,000	16,326	1,095	15,231	16,354	13,174	13,272	66.36
Union Paper Corp.	1,035,300	1,749,932	494,239	1,255,693	1,750,906	(9,171)	(8,220)	(0.08)
YFY Global Investment B.V.	2,425,695	7,835,433	24,491	7,810,942	-	(9,123)	404,519	5.12
YFY RFID Technologies Co., Ltd.	163,658	11,054	-	11,054	-	(109)	-	-
YEON Technologies Co., Ltd.	25,000	4,729	-	4,729	-	(35)	31	0.01
YFY Jupiter (BVI) Inc.	657,223	1,019,968	46,901	973,067	-	(7,716)	(13,646)	(0.21)

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income	EPS
YFY Jupiter Limited	-	823,961	590,726	233,235	1,022,335	(25,310)	(10,655)	(3,551,666.67)
YFY Jupiter US, Inc.	31	68,610	18,377	50,233	38,680	12,610	11,309	113.09
Mobius105 Ltd.	39	222,351	90,043	132,308	307,330	(4,072)	106,643	10,664.30
YFY Jupiter Trading (Shenzhen) Ltd.	10,747	315,789	171,638	144,151	599,229	1,379	98,223	-
Kunshan YFY Jupiter Green Packing Ltd.	8,670	281,017	214,551	66,466	593,389	36,403	28,537	-
Jupiter Supply Chain Management Services (Shenzhen) Co.	21,676	54,809	11,868	42,941	-	10,180	10,541	-
Jupiter Prestige Group Holdings Limited	5,918	338,365	4,195	334,170	16,694	4,122	69,849	462.08
Jupiter Prestige Group North America Inc.	31	78,119	22,144	55,975	106,155	8,077	17,353	173.53
Opal BPM Limited	39	61,243	36,920	24,323	96,035	28,949	23,958	23,958.00
Opal BPM India Private Limited	37	6,716	1,373	5,343	524	2,231	2,243	224.30
Jupiter Prestige Group Australia Pty Ltd.	2	25,946	12,037	13,909	86,369	3,780	1,714	17,140.00
Jupiter Prestige Group Europe Limited	1,175	159,516	23,124	136,392	109,588	15,163	19,223	640.77
Jupiter Prestige Group Asia Limited	-	126,539	39,582	86,957	213,158	8,291	6,075	60,750.00
YFY Jupiter Malaysia Sdn. Bhd.	6,589	134,841	66,460	68,381	307,251	42,217	33,834	33.83
YFY Jupiter Mexico, S. de R. L.	5	414,098	626,223	(212,125)	522,664	(146,745)	(148,889)	-
Foster and Balyis (Prestige) Limited	8	36,208	14,676	21,532	58,377	12,636	9,565	46,887.25
Opal BPM Consulting Limited	39	31	-	31	-	-	-	-
Contrast LLC	19,590	31,793	10,124	21,669	80,879	13,503	13,365	-
YFY Jupiter Indonesia, PT PMA	4,950	224,141	169,179	54,962	419,920	13,774	10,811	4,324.40
Jupiter Vietnam Company Limited	1,429	111,863	80,974	30,889	238,253	33,668	27,198	-
YFY Jupiter (Thailand) Co., Ltd	9,656	18,009	13,925	4,084	18,860	(5,591)	(5,577)	(2.66)
Arizon RFID Technology (Cayman) Co., Ltd.	743,180	5,229,219	17,558	5,211,661	-	(29,377)	447,933	6.17
YFY RFID Co. Limited	908,404	4,368,556	-	4,368,556	-	(156)	433,891	14.67
Arizon RFID Technology Co., Ltd.	842,288	4,894,742	563,946	4,330,796	2,500,333	449,247	433,436	2.23
Yangzhou YEON Technologies Co., Ltd.	34,682	62,783	1,569	61,214	9,098	(1,164)	(208)	-
Arizon RFID Technology (Hong Kong) Co., Ltd.	675,510	963,247	533,191	430,056	444,346	(9,592)	(40,537)	(1.84)
Arizon Japan Co., Ltd.	10,860	12,345	5,144	7,201	46,608	2,503	1,478	1,478.00
Arizon Corporation	3,071	113,042	109,201	3,841	17,061	780	783	783.00
Chung Hwa Pulp Corp.	11,028,353	32,233,810	17,068,324	15,165,486	18,511,691	(942,169)	(573,395)	(0.53)
CHP International (BVI) Corporation	1,874,232	5,306,987	3,726	5,303,261	-	(416)	123,619	2.03
Guangdong Dingfung Pulp & Paper Co., Ltd.	2,629,269	5,947,931	1,289,072	4,658,859	2,396,851	40,102	29,470	-
Zhaoqing Dingfung Forestry Co., Ltd.	671,825	3,607,284	585,783	3,021,501	387,930	52,700	52,700	-
Guizhou Yuan Fung Forestry Co., Ltd.	143,062	143,979	917	143,062	-	-	-	-
Shenzhen Jinglun Paper Co., Ltd.	13,873	1,204,397	1,100,091	104,306	1,695,286	(26,612)	(31,639)	-
Zhaoqing Xinchuan Green Technology Co., Ltd.	8,670	25,645	5,624	20,021	37,314	3,050	4,343	-
Syntax Communication (H.K.) Ltd.	133,932	8,645	2,627	6,018	15,443	(2,974)	(2,337)	(0.07)
Hwa Fong Investment Co., Ltd.	66,000	183,932	70,688	113,244	-	(161)	9,026	1.37
Genovella Renewables Inc.	14,000	42,968	17,747	25,221	60,539	4,274	3,426	-
Effion Enertech Co., Ltd.	700,000	505,004	30,218	474,786	26,786	(19,992)	(27,902)	(0.40)
YFY Capital Holdings Corp.	247,482	120,389	-	120,389	-	(96)	2,257	280.02
Foong Chuan Green Energy Co., Ltd.	50,000	61,583	25,257	36,326	52,068	(14,057)	(13,639)	(2.73)
YFY Corporate Advisory & Services Co., Ltd.	30,000	109,881	56,699	53,182	186,036	23,382	19,936	6.65
Sustainable Carbohydrate Innovation Co., Ltd.	30,000	43,275	7,764	35,511	39,381	(871)	2,383	0.79
YFY Packaging Inc.	4,672,600	19,347,726	11,180,795	8,166,931	11,458,486	209,129	498,033	1.07
YFY Cayman Co., Ltd.	2,498,331	2,825,266	-	2,825,266	-	(350)	353,534	4.35
Winsong Packaging Investment Company Ltd.	893,516	960,864	40,823	920,041	-	(322)	87,109	2.99
YFY Packaging (Ha Nam) Co., Ltd.	856,670	1,532,555	678,987	853,568	1,606,108	100,937	77,731	-

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income	EPS
YFY Packaging Thai Binh Co., Ltd.	36,846	136,547	70,562	65,985	334,884	8,445	6,231	-
Willpower Industries Limited	586,466	2,157,187	18,584	2,138,603	-	(696)	291,827	15.28
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	267,134	2,119,465	461,518	1,657,947	1,722,179	191,231	258,024	-
Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	307,050	1,276,684	493,165	783,519	1,641,547	185,002	131,237	-
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	36,846	189,226	96,158	93,068	306,267	(11,649)	(13,731)	-
YFY Packaging (Quang Ngai) Co., Ltd.	122,820	120,651	303	120,348	-	(11)	1,310	-
Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	322,403	1,125,043	778,076	346,967	1,545,528	78,695	43,617	-
Pek Crown Paper Co., Ltd.	300,000	1,284,117	646,842	637,275	1,376,431	108,363	88,354	2.95

(V) Consolidated financial statements of various affiliated enterprises:

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

Very truly yours,

YFY INC.

By:

Jean Liu

Chairman

March 14, 2024

II. Progress of Private Placement of Securities during the Last Year and Up to the Print Date of the Annual Report: N/A

III. Holding or Disposal of the Company's Shares by Subsidiaries in the Past year and Up to the Print Date of the Annual Report: N/A

IV. Other supplemental information: N/A

V. Any Incidents with Material Impact on Shareholder Equity or Security Price as Described Under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Last Year and Up to the Print Date for the Annual Report: N/A

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

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

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

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

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

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

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

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

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

e. Foreign currencies

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

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

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

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

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

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

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

f. Inventories

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

g. Biological assets

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

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

h. Investment in associates

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

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

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

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

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

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

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

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

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

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

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

k. Goodwill

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

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

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

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

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

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

b) Derecognition of financial liabilities

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

3) Derivative financial instruments

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

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

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

n. Hedge accounting

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

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

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

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

o. Provisions

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

p. Revenue recognition

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

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

q. Leases

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

1) The Group as lessor

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

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

2) The Group as lessee

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

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

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

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

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

r. Borrowing costs

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

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

s. Government grants

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

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

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

u. Share-based payment arrangements

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

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

v. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

Estimated Impairment of Accounts Receivable

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

6. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

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

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

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

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

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

9. FINANCIAL ASSETS AT AMORTIZED COST

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

(Continued)

	December 31	
	2023	2022
Non-current		
Corporate bonds	$ 1,105,630	$ -
Time deposits with original maturities of more than 1 year	1,631,674	1,918,107
	$ 2,737,304	$ 1,918,107

(Concluded)

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

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

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

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

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

11. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

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

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

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

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

12. NOTES RECEIVABLES AND ACCOUNTS RECEIVABLE

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

Notes receivable and accounts receivable were generated by operating activities.

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

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

December 31, 2023

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

December 31, 2022

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

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

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

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

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

13. INVENTORIES

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

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

14. BIOLOGICAL ASSETS

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

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

	December 31	
	2023	2022
Eucalyptus (Level 3)	$ 3,448,240	$ 3,359,818

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

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

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

15. SUBSIDIARIES

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

Investor	Investee	Main Business	Proportion of Ownership (%) December 31 2023	Proportion of Ownership (%) December 31 2022	Remark
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	57.8	57.8	
	YFY International B.V.	Investment and holding	100.0	100.0	
	YFY Global Investment B.V.	Investment and holding	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	59.1	59.1	
	Shin Foong Specialty and Applied Materials Co., Ltd.	Production and sale of SBR (styrene butadiene rubber) latex	48.0	48.0	1)
	China Color Printing Co., Ltd.	Design and printing of magazines, posters and books	49.7	49.7	1)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	100.0	100.0	6)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) December 31 2023	Proportion of Ownership (%) December 31 2022	Remark
	YFY Development Corp.	Real estate investment and development	100.0	100.0	
	YFY Corporate Advisory & Services Co., Ltd.	Consulting	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	18.9	18.9	1)
	YFY Paradigm Investment Co., Ltd.	Investment and holding	100.0	100.0	
	San Ying Enterprise Co., Ltd.	Design and construction of water processing and environmental facilities	100.0	100.0	
	YFY Japan Co., Ltd.	Trade of paper, chemical material and machinery	100.0	100.0	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	50.9	50.9	
	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing. b. Wholesale of information software and electric appliances.	100.0	100.0	
	Sustainable Carbohydrate Innovation Co., Ltd.	Researching and development	100.0	100.0	
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	
	Ensilience Co., Ltd.	Renewable energy self-use power generation equipment industry, energy technology service industry	100.0	100.0	10)
YFY International B.V.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0	
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	
	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	
	YFY Mauritius Corp.	Investment and holding	100.0	100.0	
YFY Mauritius Corp.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	100.0	100.0	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0	
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Investment and holding	-	-	7)
	Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	
	Willpower Industries Ltd.	Sale of various paper products	100.0	100.0	
	YFYPack Advance Ltd.	Investment and holding	-	-	2)
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) December 31 2023	Proportion of Ownership (%) December 31 2022	Remark
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Manufacture and sale of cardboard	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	
	YFY Packaging (Quang Ngai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	-	13)
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Mobius105 Ltd.	Investment and holding	100.0	100.0	
	YFY Jupiter Limited	Design of packaging and sale of paper	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Investment and holding	59.0	58.3	15)
	YFY Jupiter US, Inc.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	
	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	0.01	-	16)
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	
	Spectiv Brands, LLC	General trade	-	-	12)
Mobius105 Ltd.	YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	
	Jupiter Vietnam Company Limited	Design of packaging	100.0	100.0	
	YFY Jupiter (Thailand) Co., Ltd.	Design of packaging	99.99	-	16)
YFY Jupiter (Shenzhen) Ltd.	Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	100.0	100.0	
	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	
	Jupiter Prestige Group Australia Pty Ltd.	Graphic design	100.0	100.0	
	Opal BPM Limited	Design of process system and assistance in graphic design	82.5	82.5	
	Jupiter Prestige Group North America Inc.	Design of packaging and sale of paper	100.0	100.0	
	Foster and Baylis (Prestige) Limited	Graphic design	50.98	50.98	8)
Jupiter Prestige Group North America Inc.	Contrast LLC	Brand design	80.0	80.0	
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	
Opal BPM Limited	Opal BPM India Private Limited	Workflow system coding	100.0	100.0	
	Opal BPM Consulting Limited	Consulting services of workflow system coding	100.0	100.0	
YFY Packaging Inc.	YFY Packaging (BVI) Corp.	Investment and holding	-	-	11)
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	
	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	
YFY Global Investment B.V.	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	61.49	69.55	3)
	YFY RFID Co. Limited	Investment and holding	-	-	3)
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Investment and holding	78.4	83.7	4)
	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Investment and holding	100.0	100.0	3)
	Arizon Corporation	Product distribution and technical consulting services	100.0	-	17)
YFY RFID Co. Limited	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	99.98	99.98	3)
Arizon RFID Technology Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	
	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technical consulting services	100.0	100.0	
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of consumer products in e-commerce	100.0	100.0	
	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) December 31 2023	Proportion of Ownership (%) December 31 2022	Remark
YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	100.0	
YFY Development Corp.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	1.9	1.9	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.15	3)
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	
	Fun Spring Circuteck Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	95.0	95.0	9)
YFY Capital Holdings Corp.	YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.)	Supply chain management information and business management related consulting services	-	100.0	18)
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Manufacture and sale of paper	4.1	4.1	
	YFY Biotech Management Co., Ltd.	Consulting	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.7	0.7	
	Livebricks Inc.	Information processing services	-	100.0	14)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper-related merchandise	6.5	6.5	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	0.03	0.03	
	Arizon RFID Technology (Cayman) Co., Ltd.	Investment and holding	0.13	0.15	3)
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	
	Livebricks Inc.	Information processing services	100.0	-	14)
San Ying Enterprise Co., Ltd.	Fun Spring Circuteck Co., Ltd.	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	5.0	5.0	9)
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	
CHP International (BVI) Corporation	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	6)
	Genovella Renewables Inc.	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	8.7	7.6	1) and 5)
Guangdong Dingfung Pulp & Paper Co., Ltd.	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	100.0	100.0	
	Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	100.0	100.0	
Zhaoqing Dingfung Forestry Co., Ltd.	Guizhou Yuanfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	67.0	67.0	

(Concluded)

Remarks:

1) Shin Foong Specialty and Applied Materials Co., Ltd., China Color Printing Co., Ltd. and Union Paper Corp. were deemed subsidiaries because the Group had substantial control over them even though the Group held less than 50% equity interest in each of the subsidiaries' voting shares.

2) YFYPack Advance Ltd. was liquidated in response to the Group's operational strategy. Due to the Group's loss of control, it has not been included in the consolidated financial statements since January 2022.

3) In September 2021, the Company's board of directors approved the resolution of submitting the listed application of the Arizon RFID Technology Co., Ltd. on the stock exchange in Taiwan, in October 2021 established Arizon RFID Technology (Cayman) Co., Ltd. and carried out a restructuring of the organization. After the adjustment, Arizon RFID Technology (Cayman) Co., Ltd. are expected to be the main entity listed in Taiwan. The submission application was completed in October 2022. Due to the restructuring, part of the shareholding ratio was changed, but the Group did not cease to have control over these subsidiaries. Due to the equity changes, the Group subscribed additional shares of Arizon RFID Technology (Cayman) Co., Ltd. at a percentage different from its existing ownership percentage in August 2022 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. to YFY Development Corp., YFY Paradigm Investment Co., Ltd., specific investors and financial investors. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 69.85% on December 31, 2022, which include its shareholding ratio of 69.55% in YFY Global Investment B.V., 0.15% in YFY Development Corp. and 0.15% in YFY Paradigm Investment Co., respectively. Due to the equity changes, the Group subscribed additional shares of Arizon RFID Technology (Cayman) Co., Ltd. at a percentage different from its existing ownership percentage in March 2023 and YFY Global Investment B.V. disposed of some of its shares in Arizon RFID Technology (Cayman) Co., Ltd. As a result, the shareholding ratio of the Group in Arizon RFID Technology (Cayman) Co., Ltd. was reduced to 61.75%, which include its shareholding ratio of 61.49% in YFY Global Investment B.V., 0.13% in YFY Development Corp. and 0.13% in YFY Paradigm Investment Co., respectively. Arizon RFID Technology (Cayman) Co., Ltd. was deemed a subsidiary since the Group did not cease to have control over this subsidiary.

4) Due to the equity changes such as YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.). purchase of treasury shares and implement treasury shares to employees, the shareholdings ratio of the YFY Global Investment B.V. in YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) were changed.

5) Hwa Fong Investment Co., Ltd. acquired 3.5% and 1.1% ownership of Union Paper Corp. respectively, in 2022 and 2023. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 8.7%.

6) In order to improve management performance, the Group carried out a restructuring of the organization. Chung Hwa Pulp Corporation, YFY Development Corp. and Hwa Fong Investment Co., Ltd. sold their shares in Effion Enertech Co., Ltd. to the Company. The above process was completed in March 2022.

7) YFY International Labuan Co., Ltd. entered the liquidation in August 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2022.

8) Jupiter Prestige Group Holdings Limited acquired ownership of Foster and Baylis (Prestige) Limited and purchase of treasury shares of Foster and Baylis (Prestige) Limited to write down. The shareholding ratio of the Group in Foster and Baylis (Prestige) Limited was increase from 33.3% to 50.98% and has been included in the consolidated financial statements since October 2022.

9) Fun Spring Circuteck Co., Ltd. has been included in the consolidated financial statements since October 2022.

10) Ensilience Co., Ltd. has been included in the consolidated financial statements since November 2022.

11) YFY Packaging (BVI) Corp. entered the liquidation in November 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since November 2022.

12) Spectiv Brands, LLC entered the liquidation in December 2022. Due to the Group's loss of control, it has not been included in the consolidated financial statements since December 2022.

13) YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.

14) In order to improve management performance, the Group carried out a restructuring of the organization. YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.

15) Due to the equity changes such as Jupiter Prestige Group Holdings Limited purchase of treasury shares and write-off treasury shares, the shareholdings ratio of the YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.) in Jupiter Prestige Group Holdings Limited were changed.

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

17) Arizon Corporation has been included in the consolidated financial statements since August 2023.

18) YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.

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

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

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

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

Chung Hwa Pulp Corporation and subsidiaries

	December 31	
	2023	**2022**
Current assets	$ 16,252,980	$ 15,935,904
Non-current assets	19,176,247	19,503,267
Current liabilities	(14,362,527)	(6,343,318)
Non-current liabilities	(3,582,806)	(11,001,243)
Equity	17,483,894	18,094,610
Consolidated adjustments	94,109	94,109
Adjusted equity	$ 17,578,003	$ 18,188,719
Equity attributable to:		
Owners of Chung Hwa Pulp Corporation	$ 8,939,925	$ 9,302,544
Non-controlling interests of Chung Hwa Pulp Corporation	6,319,670	6,576,007
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	2,318,408	2,310,168
	$ 17,578,003	$ 18,188,719

	For the Year Ended December 31	
	2023	**2022**
Operating revenue	$ 20,955,451	$ 23,651,129
Profit (loss) for the year	$ (554,497)	$ 539,691
Other comprehensive income for the year	237,324	353,398
Total comprehensive income for the year	$ (317,173)	$ 893,089
Profit (loss) for the year attributable to:		
Owners of Chung Hwa Pulp Corporation	$ (333,524)	$ 269,035
Non-controlling interests of Chung Hwa Pulp Corporation	(239,871)	176,899
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	18,898	93,757
	$ (554,497)	$ 539,691
Total comprehensive income (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	$ (171,151)	$ 463,427
Non-controlling interests of Chung Hwa Pulp Corporation	(125,064)	302,557
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	(20,958)	127,105
	$ (317,173)	$ 893,089

(Continued)

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

(Concluded)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

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

a. Material associates

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

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

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

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

	December 31	
	2023	2022
	$ 28,500,226	$ 23,292,063

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

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

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 27,119,755	$ 30,060,509
Net profit for the year	$ 7,866,226	$ 9,939,345
Other comprehensive income	2,326,203	1,933,092
Total comprehensive income for the year	$ 10,192,429	$ 11,872,437

b. Aggregate information of associates that are not individually material

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

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

17. PROPERTY, PLANT AND EQUIPMENT

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

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

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

The non-cash investing activities of the Group for the years ended December 31, 2023 and 2022 were as follows:

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

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

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

18. LEASE ARRANGEMENTS

a. Right-of-use assets

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

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

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

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

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 273,385	$ 203,868
Non-current	$ 578,820	$ 514,916

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	0.88%-1.75%	0.88%-1.68%
Buildings	0.88%-11.70%	0.86%-11.70%
Others	0.88%-6.00%	0.86%-6.00%

c. Other lease information

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

19. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

20. BORROWINGS

a. Current borrowings

	December 31	
	2023	**2022**
Bank credit loans	$ 9,747,665	$ 8,740,924
Bank secured loans	139,551	71,147
	$ 9,887,216	$ 8,812,071

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

b. Short-term notes and bills payable

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

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

c. Non-current borrowings

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

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

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

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

b. Defined benefit plans

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

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

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

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

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

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

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

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2 year time deposit with local banks. The pension fund monitoring committee of the Group invested the pension fund in domestic equity securities. The income from the investment in the equity securities will affect the fair value of plan assets and the status of financial contribution.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	**2022**
Discount rates	1.50%	1.75%
Expected rates of salary increase	1.00%-1.50%	1.00%-1.50%

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

	December 31	
	2023	**2022**
Discount rates		
0.125% increase	$ (15,349)	$ (17,313)
0.125% decrease	$ 15,597	$ 17,595
Expected rates of salary increase		
0.125% increase	$ 15,765	$ 17,619
0.125% decrease	$ (15,550)	$ (17,353)

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

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

22. EQUITY

a. Ordinary shares

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

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

b. Capital surplus

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

c. Retained earnings and dividend policy

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

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

1) At least 20% as cash dividends; and

2) The remainder after the distribution of cash dividends as share dividends. If there is a requirement for capital expenditures, the Company may distribute only share dividends.

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

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

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

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

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

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

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

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

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

d. Special reserves

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

e. Other equity items

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

f. Non-controlling interests

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

(Continued)

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

(Concluded)

23. REVENUE

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

Contract Balances

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

24. NET PROFIT

a. Finance costs

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

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	**2022**
Capitalization rate	1.29%-1.84%	0.80%-1.67%

b. Depreciation and amortization

	For the Year Ended December 31	
	2023	**2022**
Property, plant and equipment	$ 4,075,829	$ 3,996,527
Investment properties	9,467	9,963
Right-of-use assets	330,783	272,556
Other non-current assets	72,204	110,523
	$ 4,488,283	$ 4,389,569
An analysis of depreciation by function		
Operating costs	$ 3,890,801	$ 3,847,936
Operating expenses	525,278	431,110
	$ 4,416,079	$ 4,279,046
An analysis of amortization by function		
Operating costs	$ 36,283	$ 29,290
Operating expenses	35,921	81,233
	$ 72,204	$ 110,523

c. Employee benefits expense

	For the Year Ended December 31	
	2023	**2022**
Post-employment benefits		
Defined contribution plans	$ 214,100	$ 207,428
Defined benefit plans	18,338	27,441
	232,438	234,869
Share-based payments	5,874	43,635
Other employee benefits	9,065,052	8,840,581
Total employee benefits expense	$ 9,303,364	$ 9,119,085
An analysis of employee benefits expense by function		
Operating costs	$ 5,541,142	$ 5,370,507
Operating expenses	3,762,222	3,748,578
	$ 9,303,364	$ 9,119,085

d. Compensation of employees and remuneration of directors

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

Accrual rate

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

Amount

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

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

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

25. INCOME TAXES

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

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

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

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

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2023	**2022**
Current tax		
Disposal of partial interests in subsidiaries	$ -	$ 60,582

c. Income tax recognized in other comprehensive income

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

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

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

For the year ended December 31, 2022

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

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

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

Note: Generated from Hong Kong subsidiaries.

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised of:

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

Note: Generated from Hong Kong subsidiaries.

g. Income tax approved situation

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

h. Pillar Two Income Tax legislation

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

26. EARNINGS PER SHARE

	For the Year Ended December 31	
	2023	2022
Basic earnings per share (NT$)	$ 1.10	$ 1.31
Diluted earnings per share (NT$)	$ 1.10	$ 1.31

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

Net Profit for the Year

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

Number of Share (In Thousands)

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

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

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

For the year ended December 31, 2021

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

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

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

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

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

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

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

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

For the year ended December 31, 2022

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

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

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

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

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

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

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

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

For the year ended December 31, 2022

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

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

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

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

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

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

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

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

For the year ended December 31, 2022

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

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

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

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

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

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

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

28. DERECOGNITION OF SUBSIDIARY

YFY Packaging (BVI) Corp.

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

a. Consideration received from derecognition

	YFY Packaging (BVI) Corp.
Cash	$ 465

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

	YFY Packaging (BVI) Corp.
Current assets	
Cash	$ 465
Net assets derecognized	$ 465

c. Loss from derecognition of subsidiary

	YFY Packaging (BVI) Corp.
Consideration received in cash	$ 465
Net assets derecognized	(465)
Effect of foreign currency exchange differences	(345)
Loss from derecognition of subsidiary (accounted for as miscellaneous expense)	$ (345)

d. Net cash outflow on derecognition of subsidiary

	YFY Packaging (BVI) Corp.
Consideration received in cash	$ 465
Less: Cash balance derecognized of	(465)
	$ -

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Arizon RFID Technology (Cayman) Co., Ltd.

For the year ended December 31, 2022

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

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

	Arizon RFID Technology (Cayman) Co., Ltd.
Consideration received	$ 773,540
Related expense	(60,582)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(598,788)
Reattribution of other equity from non-controlling interests	
Exchange differences on translation of foreign financial statements	(32,406)
Differences recognized from equity transactions	$ 81,764
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 81,764

For the year ended December 31, 2023

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

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

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

30. BUSINESS COMBINATIONS

a. Subsidiaries acquired

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

b. Consideration transferred

	Foster and Baylis (Prestige) Limited
Cash	$ 329

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

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

d. Net cash inflow on the acquisition of subsidiaries

	Foster and Baylis (Prestige) Limited
Consideration paid in cash	$ (329)
Less: Cash and cash equivalent balances acquired	329
	$ -

e. Impact of acquisitions on the results of the Group

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

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

32. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2023

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

December 31, 2022

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

(Continued)

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

(Concluded)

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

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

For the year ended December 31, 2023

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

For the year ended December 31, 2022

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

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

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

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

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

c. Categories of financial instruments

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

(Continued)

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

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, net, accounts receivables, net, accounts receivables due from related parties, net, other financial assets and pledged time deposits (accounted for as other non-current assets, others).

2) The balances include financial liabilities measured at amortized cost, which comprise current borrowings, short-term notes and bills payables, notes and accounts payable, accounts payables to related parties, other payables and long-term borrowings (including current portion of long-term borrowings).

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

Sensitivity analysis

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

The Group was mainly exposed to the USD and RMB.

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

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

b) Interest rate risk

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

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

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

Sensitivity analysis

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

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

c) Other price risk

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

Sensitivity analysis

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

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

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

2) Credit risk

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

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

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

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

3) Liquidity risk

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

As of December 31, 2023 and 2022, the amount of unused financing facilities were $63,943,294 thousand and $57,379,028 thousand, respectively.

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

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

December 31, 2023

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

December 31, 2022

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

e. Transfers of financial assets

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

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

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Names and categories of related parties

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

b. Operating revenue

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

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

c. Purchases of goods

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

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

d. Receivables from related parties

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

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

e. Payables to related parties

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

The outstanding accounts payables to related parties are unsecured.

f. Acquisitions of investment properties

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

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

g. Acquisitions of financial assets

For the year ended December 31, 2023

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

h. Disposal of property, plant and equipment

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

i. Others

Rental income

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

Rental expenses (accounted for as operating expenses)

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

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

j. Compensation of key management personnel

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

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

34. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged or mortgaged as collateral for bank loans, guarantees provided on certain commitments, bank acceptance bills and other credit facilities:

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

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

35. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

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

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

36. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

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

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

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were a loss of $123,900 thousand and a loss of $864,421 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities of the group entities.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 2)

2) Endorsements/guarantees provided. (Table 3)

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

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 5)

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

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

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

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 7)

9) Trading in derivative instruments. (Note 7)

10) Intercompany relationships and significant intercompany transactions. (Table 10)

b. Information on investees (Table 8)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 3)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 2)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 11)

38. SEGMENT INFORMATION

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

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

(Continued)

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

(Concluded)

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

a. Pulp and fine paper segment

Manufacture and sale of cardboard, paper and pulp.

b. Containerboard and packaging segment

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

c. Consumer product segment

Manufacture and sale of tissue paper, napkins and detergents.

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

Segment Total Assets

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

Geographical Information

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

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

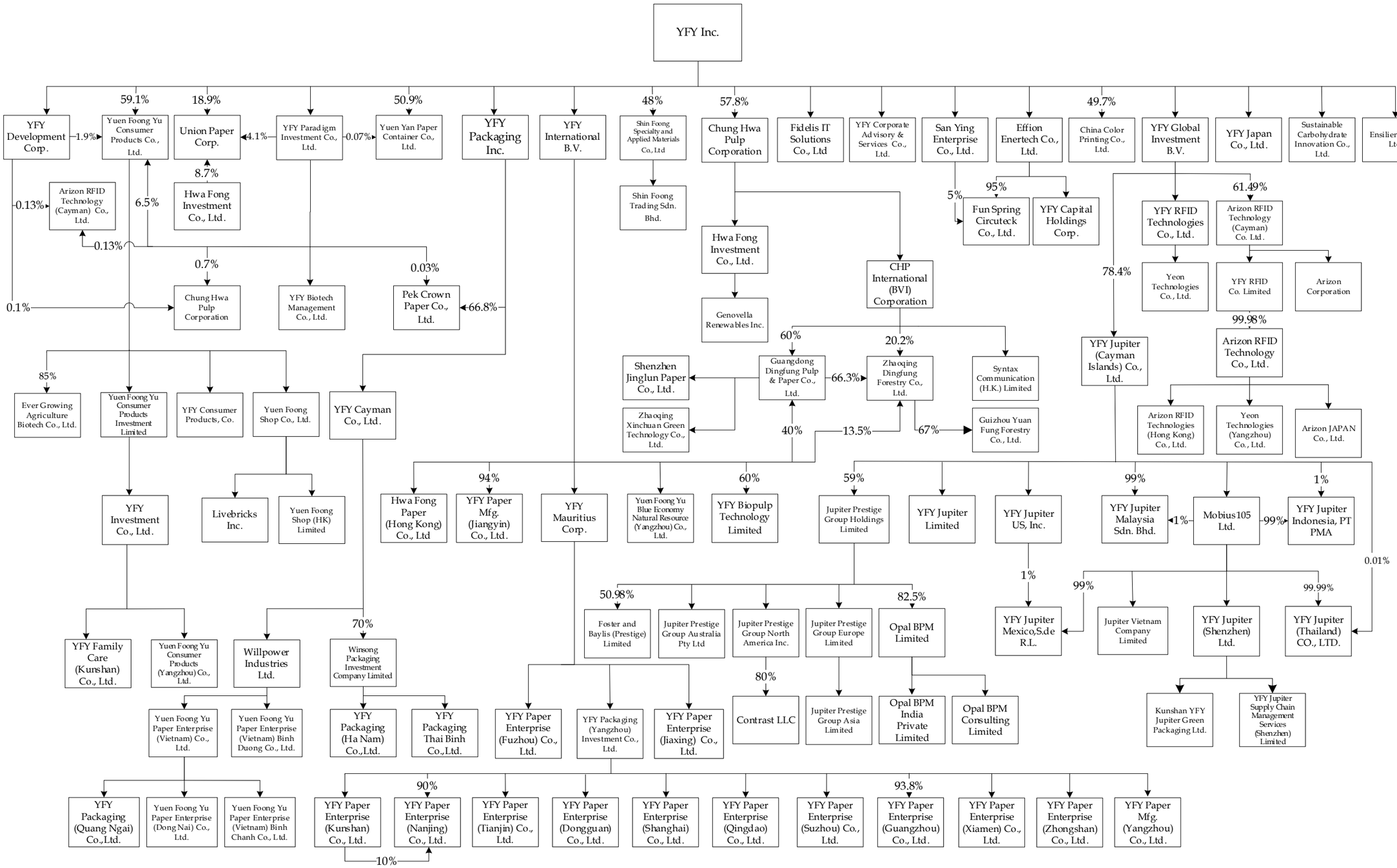
	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 36,136,235	$ 39,722,651	$ 38,279,174	$ 37,747,276
Mainland China	26,336,639	27,280,947	14,906,500	15,984,401
Others	11,394,500	12,632,280	3,265,116	3,460,196
	$ 73,867,374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

Information about Major Customers

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

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE
DECEMBER 31, 2023



Note：100% of Ownership, Unless Otherwise Stated.

YFY INC. AND SUBSIDIARIES

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

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

(Continued)

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

(Continued)

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

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

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

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

(Concluded)

YFY INC. AND SUBSIDIARIES

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

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

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

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

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

a. Subsidiary.
b. Same ultimate parent company.

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

YFY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

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

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

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

(Concluded)

YFY INC. AND SUBSIDIARIES

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

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

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

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

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

YFY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

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

(Continued)

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

Note 1: The relationships are as follows:

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

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

(Concluded)

YFY INC. AND SUBSIDIARIES

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

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

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

YFY INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	$ 5,715,988	$ 5,715,988	627,827,088	57.8	$ 8,816,334	$ (573,395)	$ (334,255)	Notes 1, 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	59.1	3,331,343	965,992	571,376	Notes 1, 3 and 4
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	71,687	71,687	50,968,248	48.0	2,812,951	(107,862)	(51,182)	Notes 1, 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.7	5,721,460	7,814,326	914,500	Note 4
	YFY International B.V.	Netherlands	Investment and holding	11,956,125	11,956,125	363,689,638	100.0	14,267,098	(424,953)	(424,953)	Notes 1, 3 and 4
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	7,451,802	6,451,806	467,260,000	100.0	8,166,377	498,033	499,334	Notes 1, 3 and 4
	YFY Global Investment B.V.	Netherlands	Investment and holding	2,153,335	2,153,335	79,000,000	100.0	7,810,942	404,519	404,519	Notes 1, 3 and 4
	YFY Development Corp.	Taipei, Taiwan	Real estate investment and development	2,311,115	2,311,115	223,300,000	100.0	6,039,451	379,969	379,969	Notes 1, 3 and 4
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	192,358,000	100.0	4,260,190	174,630	174,630	Notes 1, 3 and 4
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	607,641	607,641	70,000,000	100.0	470,929	(27,902)	(25,890)	Notes 1, 3 and 4
	China Color Printing Co., Ltd.	New Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.7	452,259	(9,913)	(4,922)	Notes 1, 3 and 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.9	237,531	(8,220)	(1,553)	Notes 1, 3 and 4
	Ensilience Co., Ltd.	Taipei, Taiwan	Renewable energy self-use power generation equipment industry, energy technology service industry	150,000	150,000	15,000,000	100.0	132,133	(17,860)	(17,860)	Notes 1, 3, and4
	Fidelis IT Solutions Co., Ltd.	Taipei, Taiwan	1. Provides services in information software and information processing. 2. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.0	84,428	9,780	9,780	Notes 1, 3 and 4
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.9	73,559	7,681	3,913	Notes 1, 3 and 4
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.0	72,490	550	550	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.0	53,182	19,936	19,936	Notes 1, 3 and 4
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.0	49,794	113	113	Notes 1, 3 and 4
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.0	35,511	2,383	2,383	Notes 1, 3 and 4
	FS-TECH Company Ltd.	Tainan, Taiwan	Provides services in information software and information processing.	22,400	-	1,153,940	34.6	22,877	(1,424)	477	Note 4
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	5,613	-	-	-	77	15	Note 8
YFY International B.V.	Hwa Fong Paper (Hong Kong) Co., Ltd.	Hong Kong, China	Sale and print of paper merchandise	US$ 13,520 thousand	US$ 13,520 thousand	116,000,000	100.0	US$ 918 thousand	US$ (162) thousand	US$ (162) thousand	Notes 1, 3 and 4
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US$ 90 thousand	US$ 90 thousand	90,000	60.0	US$ 2 thousand	US$ (2) thousand	US$ (1) thousand	Notes 1, 3 and 4
	YFY Mauritius Corp.	Mauritius	Investment and holding	US$ 196,334 thousand	US$ 196,334 thousand	312,501,731	100.0	US$ 129,399 thousand	US$ (23,805) thousand	US$ (23,805) thousand	Notes 1, 3 and 4
YFY Cayman Co., Ltd.	Willpower Industries Ltd.	British Virgin Islands	Sale of various paper products	US$ 82,438 thousand	US$ 82,438 thousand	19,100,000	100.0	US$ 69,950 thousand	US$ 9,367 thousand	US$ 9,367 thousand	Notes 1, 3 and 4
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US$ 20,370 thousand	US$ 20,370 thousand	20,370,000	70.0	US$ 20,975 thousand	US$ 2,796 thousand	US$ 1,957 thousand	Notes 1, 3 and 4
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 27,900 thousand	US$ 17,900 thousand	-	100.0	US$ 27,799 thousand	US$ 2,495 thousand	US$ 2,495 thousand	Notes 1, 3 and 4
	YFY Packaging Thai Binh Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 1,200 thousand	US$ 1,200 thousand	-	100.0	US$ 2,149 thousand	US$ 200 thousand	US$ 200 thousand	Notes 1, 3 and 4
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 10,500 thousand	US$ 10,500 thousand	-	100.0	US$ 11,300 thousand	US$ 1,400 thousand	US$ 1,400 thousand	Notes 1, 3 and 4
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 8,700 thousand	US$ 8,700 thousand	-	100.0	US$ 53,996 thousand	US$ 8,282 thousand	US$ 8,282 thousand	Notes 1, 3 and 4
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US$ 4,500 thousand	US$ 4,500 thousand	4,500,000	24.0	US$ 2,753 thousand	US$ (1,279) thousand	US$ (307) thousand	Note 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US$ 1,200 thousand	US$ 1,200 thousand	-	100.0	VND 73,560,389 thousand	VND(10,504,794) thousand	VND(10,504,794) thousand	Notes 1, 3 and 4
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 6,285 thousand	US$ 6,285 thousand	-	100.0	VND640,381,315 thousand	VND100,405,057 thousand	VND100,405,057 thousand	Notes 1, 3 and 4
	YFY Packaging (Quang Ngai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US$ 4,000 thousand	-	-	100.0	VND 95,122,426 thousand	VND 1,002,426 thousand	VND 1,002,426 thousand	Notes 1, 3, 4 and 5
YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK$ 10 thousand	HK$ 10 thousand	10,000.	100.0	US$ 4,309 thousand	US$ 3,423 thousand	US$ 3,423 thousand	Notes 1, 3 and 4
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.0	US$ 7,596 thousand	US$ (342) thousand	US$ (342) thousand	Notes 1, 3 and 4
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 219 thousand	88,078	59.0	US$ 6,421 thousand	US$ 2,242 thousand	US$ 1,321 thousand	Notes 1, 3 and 4
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US$ 1 thousand	US$ 1 thousand	100,000	100.0	US$ 1,636 thousand	US$ 363 thousand	US$ 363 thousand	Notes 1, 3 and 4
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.0	US$ 2,205 thousand	US$ 1,086 thousand	US$ 1,075 thousand	Notes 1, 3 and 4
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.0	US$ 18 thousand	US$ 347 thousand	US$ 3 thousand	Notes 3 and 4
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	-	-	2	0.01	-	US$ (179) thousand	-	Notes 1, 3, 4 and 7
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.0	-	US$ (4,779) thousand	US$ (48) thousand	Notes 2, 3 and 4
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK$ 4 thousand	HK$ 4 thousand	3,500	35.0	US$ 413 thousand	US$ 403 thousand	US$ 141 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK$ 4 thousand	HK$ 4 thousand	3,500	35.0	US$ 125 thousand	US$ 25 thousand	US$ 9 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.0	US$ 22 thousand	US$ 1,086 thousand	US$ 11 thousand	Notes 3 and 4
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.0	-	US$ (4,779) thousand	US$ (4,731) thousand	Notes 1, 2, 3 and 4
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.0	US$ 1,772 thousand	US$ 347 thousand	US$ 344 thousand	Notes 1, 3 and 4
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.0	US$ 1,006 thousand	US$ 873 thousand	US$ 873 thousand	Notes 1, 3 and 4
	Winshine Jupiter Co., Ltd.	Thailand	Manufacture and sale of packaging materials	THB 10,000 thousand	-	100,000	20.0	US$ 241 thousand	US$ (297) thousand	US$ (59) thousand	-
	YFY Jupiter (Thailand) Co., Ltd.	Thailand	Design of packaging	THB 10,709 thousand	-	2,099,998	99.99	US$ 133 thousand	US$ (179) thousand	US$ (179) thousand	Notes 1, 3, 4 and 7
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.0	US$ 4,442 thousand	US$ 617 thousand	US$ 617 thousand	Notes 1, 3 and 4
	Jupiter Prestige Group North America Inc.	USA	Design of packaging and sale of paper	US$ 1 thousand	US$ 1 thousand	100,000	100.0	US$ 1,823 thousand	US$ 557 thousand	US$ 557 thousand	Notes 1, 3 and 4
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.0	US$ 453 thousand	US$ 55 thousand	US$ 55 thousand	Notes 1, 3 and 4
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousand	825	82.5	US$ 654 thousand	US$ 769 thousand	US$ 635 thousand	Notes 1, 3 and 4
	Foster and Baylis (Prestige) Limited	United Kingdom	Graphic design	GBP 9 thousand	GBP 9 thousand	104	50.98	US$ 357 thousand	US$ 307 thousand	US$ 156 thousand	Notes 1, 3 and 4
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.0	US$ 2,832 thousand	US$ 195 thousand	US$ 195 thousand	Notes 1, 3 and 4
Jupiter Prestige Group North America Inc.	Contrast LLC	USA	Brand Design	US$ 66 thousand	US$ 66 thousand	-	80.0	US$ 565 thousand	US$ 429 thousand	US$ 343 thousand	Notes 1, 3 and 4
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.0	US$ 174 thousand	US$ 72 thousand	US$ 72 thousand	Notes 1, 3 and 4
	Opal BPM Consulting Limited	United Kingdom	Consulting services of workflow system coding	GBP 1 thousand	GBP 1 thousand	1,000	100.0	US$ 1 thousand	-	-	Notes 1, 3 and 4
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.8	427,997	88,354	60,561	Notes 1, 3 and 4
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	2,726,617	2,726,617	81,365,601	100.0	2,825,266	353,534	353,534	Notes 1, 3 and 4

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
YFY Global Investment B.V.	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	US$ 90,733 thousand	US$ 91,230 thousand	45,694,935	61.49	US$ 104,361 thousand	US$ 14,378 thousand	US$ 9,108 thousand	Notes 1, 3 and 4
	YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc.)	Cayman Islands	Investment and holding	US$ 16,862 thousand	US$ 16,862 thousand	50,997,606	78.4	US$ 29,585 thousand	US$ (438) thousand	US$ (353) thousand	Notes 1, 3 and 4
	YFY RFID Technologies Co., Ltd.	British Virgin Islands	Investment and holding	US$ 5,330 thousand	US$ 5,330 thousand	5,330,000	100.0	US$ 360 thousand	-	-	Notes 1, 3 and 4
Arizon RFID Technology (Cayman) Co., Ltd.	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	US$ 127,603 thousand	US$ 127,603 thousand	29,584,886	100.0	RMB 1,003,566 thousand	RMB 98,077 thousand	RMB 93,951 thousand	Notes 1, 3 and 4
	Arizon Corporation	USA	Product distribution and technical consulting services	US$ 100 thousand	-	1,000	100.0	RMB 886 thousand	RMB 177 thousand	RMB 177 thousand	Notes 1, 3, 4 and 9
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Hong Kong, China	Product distribution and R&D services	US$ 22,000 thousand	US$ 22,000 thousand	22,000,000	100.0	RMB 98,487 thousand	RMB (9,163) thousand	RMB (9,877) thousand	Notes 1, 3 and 4
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.0	RMB 1,661 thousand	RMB 334 thousand	RMB 334 thousand	Notes 1, 3 and 4
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Taipei, Taiwan	Sale and design of RFID (radio frequency identification) products	US$ 1,187 thousand	US$ 1,187 thousand	2,500,001	100.0	US$ 154 thousand	US$ 1 thousand	US$ 1 thousand	Notes 1, 3 and 4
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,845,458	3,845,458	150,013,000	100.0	3,208,043	37,567	37,567	Notes 1, 3 and 4
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	261,902	37,767	38,724	Notes 1, 3 and 4
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.0	96,668	37,715	38,533	Notes 1, 3 and 4
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.0	-	-	-	Notes 1, 3 and 4
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.0	-	-	-	Notes 1, 3 and 4
	Livebricks Inc.	Taipei, Taiwan	Information processing services	1,879	-	200,002	100.0	15,231	13,272	13,313	Notes 1, 3, 4 and 6
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	10,568	10,568	1,500,000	100.0	11,194	131	131	Notes 1, 3 and 4
YFY Development Corp.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	15,206	15,206	1,181,633	0.1	16,485	(573,395)	(630)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	1.9	108,294	965,992	18,574	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.0	1,054,531	7,814,326	159,821	Note 4
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	1,625	-	-	-	77	2	Note 8
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,015	447,933	620	Notes 3 and 4
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.0	120,389	2,257	2,257	Notes 1, 3 and 4
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.0	-	(38,722)	-	Note 4
	Fun Spring Circuteck Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	47,500	47,500	4,750,000	95.0	34,510	(13,639)	(12,957)	Notes 1, 3 and 4
YFY Paradigm Investment Co., Ltd.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	79,242	79,242	7,752,732	0.7	108,175	(573,395)	(4,131)	Notes 3 and 4
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	281,907	281,907	17,386,815	6.5	366,582	965,992	62,874	Notes 3 and 4
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.7	527,336	7,814,326	53,936	Note 4
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.1	51,951	(8,220)	(340)	Notes 3 and 4
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.0	212,102	(12,388)	(12,388)	Notes 1, 3 and 4
	Livebricks Inc.	Taipei, Taiwan	Information processing services	-	2,000	-	-	-	13,272	(41)	Notes 3, 4 and 6
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	-	425	-	-	-	77	1	Note 8
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	107	7,681	6	Notes 3 and 4
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	212	88,354	29	Notes 3 and 4
	Arizon RFID Technology (Cayman) Co., Ltd.	Cayman Islands	Investment and holding	7,006	7,006	100,000	0.13	7,015	447,933	620	Notes 3 and 4
	FS-TECH Company Ltd.	Tainan, Taiwan	Provides services in information software and information processing.	100	-	10,000	0.3	104	(1,424)	4	Note 4
San Ying Enterprise Co., Ltd.	Fun Spring Circuteck Co., Ltd.	Taoyuan, Taiwan	Waste (pollution) water treatment industry, resource recycling industry, environmental testing service industry	2,500	2,500	250,000	5.0	1,816	(13,639)	(682)	Notes 3 and 4

(Continued)

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

Note 1: Subsidiary.

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

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

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

Note 5: YFY Packaging (Quang Ngai) Co., Ltd. was capitalized and has been included in the consolidated financial statements since March 2023.

Note 6: YFY Paradigm Investment Co., Ltd. sold the shares in Livebricks Inc. to the Yuen Foong Shop Co., Ltd. The above process was completed in March 2023.

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

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

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

(Concluded)

YFY INC. AND SUBSIDIARIES

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

1. Information on investments in mainland China

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

(Continued)

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

(Continued)

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

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

(Continued)

Note 1: Except for investment gain or loss which were translated at exchange rates of US$1=NT$31.154833 or RMB1=NT$4.423988, the rest were translated at exchange rates of US$1=NT$30.705 or RMB1=NT$4.335211 as of December 31, 2023.

Note 2: Recognized from financial statements audited by the auditors for the same periods.

Note 3: Difference between the amount of the paid-in capital multiplied by percentage of ownership and the cumulative amount of investment exports from Taiwan at the end of year: Guangdong Dingfung Pulp & Paper Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. capitalized retained earnings; YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd. and YFY Paper Enterprise (Fuzhou) Co., Ltd. are subsidiaries reinvested earnings from China. YFY Jupiter (Shenzhen) Ltd. was acquired indirectly due to the acquirement of YFY Jupiter (Cayman Islands) Co., Ltd. (originally named as YFY Jupiter (BVI) Inc).

Note 4: Methods of investment and the related investors are as follow:

Investment in mainland China through companies set up in another company. The related investors are as follow:

(a) YFY Mauritius Corp. (b) YFY Packaging (Yangzhou) Investment Co., Ltd. (c) YFY International B.V. (d) Guangdong Dingfung Pulp & Paper Co., Ltd. (e) YFY RFID Co. Limited (f) Arizon RFID Technology Co., Ltd. (g) Mobius105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Co., Ltd (j) YFY Investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) YFY Capital Holdings Corp. (n) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (o) Zhaoqing Dingfung Forestry Co., Ltd.

Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of $3,618,062 thousand made by investor of mainland China has been deducted.

Note 6: Recognized from financial statements in the same period that have not been audited.

Note 7: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.

Note 8: YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.

2. Investment in mainland China's significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6, 7 and 10.

(Concluded)

YFY INC. AND SUBSIDIARIES

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

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

(Continued)

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

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

(Concluded)

TABLE 11

YFY INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

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

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

1. GENERAL INFORMATION

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

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

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

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets and investments accounted for using the equity method.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income (loss) for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates (accounted for as investment revenue), the share of other comprehensive income (loss) of subsidiaries and associates and the related equity items.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements, the functional currencies of the Company and the Company entities (including subsidiaries and associates in other countries that use currency different from the currency of the Company) are translated into the presentation currency - the New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation or a disposal involving the loss of control that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal that does not result in the Company losing control, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized net of amortization or depreciation. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, all amounts previously recognized in other comprehensive income in relation to that subsidiary are reclassified to profit and loss on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

f. Investment in associates

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

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

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

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

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

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

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

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

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

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

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

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

h. Investment properties

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

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

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

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

i. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income (i.e., FVTOCI).

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporate any dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 20.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets (including trade receivables) at amortized cost.

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

k. Provisions

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

l. Leases

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

1) The Company as lessor

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

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

2) The Company as lessee

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

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

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

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

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

m. Borrowing costs

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

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

o. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of the recent development of the COVID-19 and the economic environment implications on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	December 31	
	2023	2022
Cash on hand	$ 77	$ 136
Checking accounts and demand deposits	5,973	9,567
	$ 6,050	$ 9,703

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

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 48,692	$ 20,411

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

	December 31	
	2023	2022
Investments in equity instruments at FVTOCI - non-current		
Domestic investments		
Listed shares	$ 12,442,545	$ 10,518,084
Unlisted shares	4,791,901	5,317,346
	$ 17,234,446	$ 15,835,430

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

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 57,166,502	$ 53,864,956
Investments in associates	5,744,337	5,129,240
	$ 62,910,839	$ 58,994,196

a. Investment in subsidiaries

	December 31	
	2023	2022
Listed company		
Chung Hwa Pulp Corporation	$ 8,816,334	$ 9,173,556
Yuen Foong Yu Consumer Products Co., Ltd.	3,331,343	3,146,761
Shin Foong Specialty and Applied Materials Co., Ltd.	2,812,951	2,859,377
Unlisted company		
YFY International B.V.	14,267,098	14,809,227
YFY Packaging Inc.	8,166,377	6,776,860
YFY Global Investment B.V.	7,810,942	7,076,519
YFY Development Corp.	6,039,451	4,804,581
YFY Paradigm Investment Co., Ltd.	4,260,190	3,507,018
Effion Enertech Co., Ltd.	470,929	498,888
China Color Printing Co., Ltd.	452,259	464,902
Union Paper Corp.	237,531	240,885
Ensilience Co., Ltd.	132,133	149,993
Fidelis IT Solutions Co., Ltd.	84,428	85,848
Yuen Yan Paper Container Co., Ltd.	73,559	72,735
YFY Japan Co., Ltd.	72,490	68,028
YFY Corporate Advisory & Service Co., Ltd.	53,182	46,957
San Ying Enterprise Co., Ltd.	49,794	49,693
Sustainable Carbohydrate Innovation Co., Ltd.	35,511	33,128
	$ 57,166,502	$ 53,864,956

The percentage of ownership and voting rights held by the Company were as follows:

	December 31	
Name of Corporation	2023	2022
Chung Hwa Pulp Corporation	57.8%	57.8%
Yuen Foong Yu Consumer Products Co., Ltd.	59.1%	59.1%
Shin Foong Specialty and Applied Materials Co., Ltd.	48.0%	48.0%
YFY International B.V.	100.0%	100.0%
YFY Packaging Inc.	100.0%	100.0%
YFY Global Investment B.V.	100.0%	100.0%
YFY Development Corp.	100.0%	100.0%
YFY Paradigm Investment Co., Ltd.	100.0%	100.0%
Effion Enertech Co., Ltd.	100.0%	100.0%
China Color Printing Co., Ltd.	49.7%	49.7%
Union Paper Corp.	18.9%	18.9%
Ensilience Co., Ltd.	100.0%	100.0%
Fidelis IT Solutions Co., Ltd.	100.0%	100.0%
Yuen Yan Paper Container Co., Ltd.	50.9%	50.9%
YFY Japan Co., Ltd.	100.0%	100.0%
YFY Corporate Advisory & Service Co., Ltd.	100.0%	100.0%
San Ying Enterprise Co., Ltd.	100.0%	100.0%
Sustainable Carbohydrate Innovation Co., Ltd.	100.0%	100.0%

In 2023 and 2022, Shin Foong Specialty and Applied Materials Co., Ltd., China Color Printing Co., Ltd. and Union Paper Corp. were deemed subsidiaries because the Company had substantial control over them even though the Company held less than 50% equity interests in each of the subsidiaries' voting shares.

Except for YFY Japan Co., Ltd., investments accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on audited financial statements. Management believes there will not be a material differences even if the financial statements were audited.

b. Investments in associates

	December 31	
	2023	**2022**
Material associates		
E Ink Holdings Inc.	$ 5,721,460	$ 5,120,390
Associates that are not individually material	22,877	8,850
	$ 5,744,337	$ 5,129,240

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Associate	**2023**	**2022**
E Ink Holdings Inc.	11.7%	11.7%

1) Material associates

Refer to Table 4 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

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

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on the associates’ audited financial statements.

In 2013, the Company increased its investment in E Ink Holdings Inc. by buying 20,000 thousand shares of the investee’s privately placed ordinary shares for $329,000 thousand. Under the related regulations, privately placed ordinary shares should not be transferred within three years from the date of acquisition. E Ink Holdings Inc. has not yet completed publishing procedures as of March 14, 2024, the report date. The other rights and obligations are the same as those of ordinary shares.

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

December 31	
2023	**2022**
$ 22,354,162	$ 18,269,138

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

	December 31	
	2023	**2022**
Current assets	$ 26,515,690	$ 25,164,715
Non-current assets	47,940,543	39,961,345
Current liabilities	(17,033,843)	(13,408,141)
Non-current liabilities	(7,873,918)	(7,454,715)
Equity	49,548,472	44,263,204
Non-controlling interests	(640,651)	(576,216)
	$ 48,907,821	$ 43,686,988
Proportion of the Company's ownership	11.7%	11.7%
Equity attributable to the Company	$ 5,714,195	$ 5,113,125
Goodwill	7,265	7,265
Carrying amount	$ 5,721,460	$ 5,120,390

	For the Year Ended December 31	
	2023	**2022**
Operating revenue	$ 27,119,755	$ 30,060,509
Profit for the year	$ 7,866,226	$ 9,939,345
Other comprehensive income	2,326,203	1,933,092
Total comprehensive income for the year	$ 10,192,429	$ 11,872,437

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	**2022**
The Company's share of:		
Profit (loss) for the year	$ 492	$ (654)
Other comprehensive income (loss)	(1)	65
Total comprehensive income (loss) for the year	$ 491	$ (589)

The investments in Taiwan Genome Sciences, Inc. was accounted for using the equity method since the Company and its subsidiaries held more than 20% of the investee's voting shares even though the Company held less than 20% of the investee's voting shares. The Company sold all shares of Taiwan Genome Sciences, Inc., and the disposal was completed in February 2023.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the audited financial statements.

All the associates were accounted for using the equity method.

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
Cost					
Balance at January 1, 2023	$ 593,549	$ 138,759	$ 15,261	$ 42,922	$ 790,491
Additions	-	-	-	144	144
Disposals	-	-	(3,846)	(4,371)	(8,217)
Reclassified as investment properties	(927)	-	-	-	(927)
Balance at December 31, 2023	$ 592,622	$ 138,759	$ 11,415	$ 38,695	$ 781,491
Accumulated depreciation					
Balance at January 1, 2023	$ -	$ 122,243	$ 15,245	$ 41,102	$ 178,590
Depreciation expense	-	838	8	732	1,578
Disposals	-	-	(3,846)	(4,263)	(8,109)
Balance at December 31, 2023	$ -	$ 123,081	$ 11,407	$ 37,571	$ 172,059
Carrying amounts at December 31, 2023	$ 592,622	$ 15,678	$ 8	$ 1,124	$ 609,432
Cost					
Balance at January 1, 2022	$ 593,549	$ 157,380	$ 15,261	$ 57,313	$ 823,503
Additions	-	-	-	594	594
Disposals	-	(18,621)	-	(14,985)	(33,606)
Balance at December 31, 2022	$ 593,549	$ 138,759	$ 15,261	$ 42,922	$ 790,491
Accumulated depreciation					
Balance at January 1, 2022	$ -	$ 139,852	$ 15,231	$ 55,124	$ 210,207
Depreciation expense	-	1,012	14	963	1,989
Disposals	-	(18,621)	-	(14,985)	(33,606)
Balance at December 31, 2022	$ -	$ 122,243	$ 15,245	$ 41,102	$ 178,590
Carrying amounts at December 31, 2022	$ 593,549	$ 16,516	$ 16	$ 1,820	$ 611,901

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

Buildings	
Main buildings	15-55 years
Others	3-30 years
Machinery and equipment	5-15 years
Miscellaneous equipment	3-50 years

The non-cash investing activities of the Company for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Acquisition of property, plant and equipment	$ 144	$ 594
Changes in payment of payables on equipment (accounted for as other payables, others)	50	103
	$ 194	$ 697

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 360	$ 509
Others	2,558	2,681
	$ 2,918	$ 3,190

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 2,173	$ 1,165
Depreciation charge for right-of-use assets		
Land	$ 96	$ 102
Others	1,518	1,179
	$ 1,614	$ 1,281

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

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 1,266	$ 1,137
Non-current	$ 1,688	$ 2,043

The discount rates for lease liabilities adopted by the Company's assets were both 1.68%.

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 3,873	$ 4,427
Total cash outflow for leases	$ 5,469	$ 5,783

12. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2023	$ 1,962,814
Additions	221,336
Disposals	(19,509)
Transfers from property, plant and equipment	927
Balance at December 31, 2023	$ 2,165,568
Accumulated depreciation	
Balance at January 1, 2023	$ 100,056
Depreciation expense	970
Disposals	(444)
Balance at December 31, 2023	$ 100,582
Carrying amounts at December 31, 2023	$ 2,064,986
Cost	
Balance at January 1, 2022	$ 1,948,535
Additions	53,343
Disposals	(39,064)
Balance at December 31, 2022	$ 1,962,814
Accumulated depreciation	
Balance at January 1, 2022	$ 98,879
Depreciation expense	1,355
Disposals	(178)
Balance at December 31, 2022	$ 100,056
Carrying amounts at December 31, 2022	$ 1,862,758

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

	For the Year Ended December 31	
	2023	2022
Acquisitions of investment properties	$ 221,336	$ 53,343
Changes in prepayments for business facilities	-	(53,032)
	$ 221,336	$ 311

The fair values of the investment properties owned by the Company were $7,616,579 thousand and $7,456,925 thousand as of December 31, 2023 and 2022, respectively. The valuation was partially made by the Company using market transaction prices for similar properties and not by independent qualified professional valuers. The rental incomes were $26,430 thousand and $27,366 thousand for the years ended December 31, 2023 and 2022, respectively.

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

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

All of the Company's investment property was held under freehold interests.

13. BORROWINGS

a. Current borrowings

	December 31	
	2023	2022
Bank credit loans	$ 2,990,000	$ 840,000

As of December 31, 2023 and 2022, the interest rate intervals of bank credit loans were 1.68%-1.76% per annum and 1.35%-1.65% per annum, respectively.

b. Short-term notes and bills payable

	December 31	
	2023	2022
Commercial paper	$ 6,825,000	$ 1,525,000
Less: Discount on short-term notes and bills payable	(5,501)	(1,160)
	$ 6,819,499	$ 1,523,840

Short-term notes and bills payable are commercial paper due within one year. Interest rate intervals on these notes and bills payable were 1.79%-1.96% per annum and 1.76%-1.86% per annum as of December 31, 2023 and 2022, respectively.

c. Non-current borrowings

	December 31	
	2023	2022
Syndicated loans	$ 12,927,474	$ 19,777,456
Long-term bank credit loans	1,600,000	-
	$ 14,527,474	$ 19,777,456

Long-term bank loans included syndicated and credit loans. Syndicated loans with monthly interest payments expire in December 2027 and have interest rate intervals of 1.88%-2.10% and 1.79%-1.96% per annum as of December 31, 2023 and 2022; credit loans expire in April 2025 and have interest rate intervals of 1.75% per annum as of December 31, 2023.

14. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 1,315,972	$ 1,423,876
Fair value of plan assets	(1,834,435)	(1,432,760)
Net defined benefit assets	$ (518,463)	$ (8,884)

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 1,423,876	$ (1,432,760)	$ (8,884)
Service cost			
Net interest expense (income)	23,390	(24,070)	(680)
Recognized in profit or loss	23,390	(24,070)	(680)
Remeasurement			
Return on plan assets	-	(414,447)	(414,447)
Actuarial loss (gain)			
Changes in financial assumptions	15,209	-	15,209
Experience adjustments	(37,661)	-	(37,661)
Recognized in other comprehensive loss (income)	(22,452)	(414,447)	(436,899)
Contributions from the employer	-	(72,000)	(72,000)
Benefits paid	(108,842)	108,842	-
Balance at December 31, 2023	$ 1,315,972	$ (1,834,435)	$ (518,463)
Balance at January 1, 2022	$ 1,594,659	$ (1,926,523)	$ (331,864)
Service cost			
Net interest expense (income)	11,327	(14,041)	(2,714)
Recognized in profit or loss	11,327	(14,041)	(2,714)
Remeasurement			
Return on plan assets	-	440,793	440,793
Actuarial loss (gain)			
Changes in financial assumptions	(73,080)	-	(73,080)
Experience adjustments	17,981	-	17,981
Recognized in other comprehensive loss (income)	(55,099)	440,793	385,694
Contributions from the employer	-	(60,000)	(60,000)
Benefits paid	(127,011)	127,011	-
Balance at December 31, 2022	$ 1,423,876	$ (1,432,760)	$ (8,884)

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

	For the Year Ended December 31	
	2023	2022
Operating costs	$ (680)	$ (2,714)

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a two-year time deposit with local banks. The pension fund monitoring committee of the Company invested the pension fund in domestic equity securities. The income from the investment in the equity securities will affect the fair value of plan assets and the status of financial contribution.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	**2022**
Discount rates	1.50%	1.75%
Expected rates of salary increase	1.00%-1.50%	1.00%-1.50%

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

	December 31	
	2023	**2022**
Discount rates		
0.125% increase	$ (7,647)	$ (8,667)
0.125% decrease	$ 7,732	$ 8,767
Expected rates of salary increase		
0.125% increase	$ 7,763	$ 8,825
0.125% decrease	$ (7,696)	$ (8,744)

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

	December 31	
	2023	**2022**
The expected contributions to the plan for the next year	$ 80,400	$ 60,000
The average duration of the defined benefit obligation	4.7 years	5 years

15. EQUITY

a. Ordinary shares

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

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

b. Capital surplus

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

c. Retained earnings and dividend policy

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

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

1) At least 20% as cash dividends; and

2) The remainder after the distribution of cash dividends as share dividends. If there is a requirement for capital expenditures, the Company may distribute only share dividends.

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

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

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

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

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

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

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

	2023
Legal reserve	$ 215,331
Cash dividends	$ 1,494,334
Cash dividends per share (NT$)	$ 0.9

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

d. Special reserves

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

e. Other equity items

	Exchange of Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total
For the year ended December 31, 2023				
Balance at January 1	$ (357,174)	$ 12,394,281	$ -	$ 12,037,107
Unrealized gains on financial assets measured at FVTOCI	-	1,109,016	-	1,109,016
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(319,841)	2,111,268	(3,535)	1,787,892
Disposal of partial interests in subsidiaries	604	-	-	604
Changes in ownership interest in subsidiaries	16,785	-	-	16,785
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(36,263)	-	(36,263)
Balance at December 31	$ (659,626)	$ 15,578,302	$ (3,535)	$ 14,915,141
For the year ended December 31, 2022				
Balance at January 1	$ (2,185,616)	$ 10,575,017	$ -	$ 8,389,401
Unrealized gains on financial assets measured at FVTOCI	-	1,693,949	-	1,693,949
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	1,797,707	301,941	-	2,099,648
Changes in equity of associates accounted for using equity method	371	-	-	371
Disposal of partial interests in subsidiaries	36,905	-	-	36,905
Changes in ownership interest in subsidiaries	(6,541)	-	-	(6,541)
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	-	(176,626)	-	(176,626)
Balance at December 31	$ (357,174)	$ 12,394,281	$ -	$ 12,037,107

16. NET PROFIT

a. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 438,468	$ 313,165
Interest on lease liabilities	74	48
	$ 438,542	$ 313,213

b. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 1,578	$ 1,989
Right-of-use assets	1,614	1,281
Investment properties	970	1,355
Other non-current assets	583	2,439
	$ 4,745	$ 7,064
An analysis of deprecation by function		
Operating expenses	$ 4,162	$ 4,625
An analysis of amortization by function		
Operating expenses	$ 583	$ 2,439

c. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 4,246	$ 4,527
Defined benefit plans	(680)	(2,714)
	3,566	1,813
Other employee benefits	218,118	244,301
Total employee benefits expense	$ 221,684	$ 246,114
An analysis of employee benefits expense by function		
Operating expenses	$ 221,684	$ 246,114

d. Compensation of employees and remuneration of directors

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

Accrual rate

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

Amount

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

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

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

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

17. INCOME TAXES

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

	For the Year Ended December 31	
	2023	2022
Current tax		
Income tax on unappropriated earnings	$ 22,568	$ 84,904
Land value increment tax	2,895	5,569
House and land transactions income tax	93	239
	25,556	90,712
Deferred tax		
In respect of the current year	2,503	5,011
Income tax expense recognized in profit or loss	$ 28,059	$ 95,723

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

	For the Year Ended December 31	
	2023	2022
Income before tax	$ 1,854,752	$ 2,265,233
Income tax expense calculated at the statutory rate (20%)	$ 370,950	$ 453,046
Nondeductible expenses in determining taxable income	1,135	1,174
Tax-exempt income	(516,989)	(575,633)
Income tax on unappropriated earnings	22,568	84,904
Land value increment tax	2,895	5,569
Unrecognized deductible temporary differences	147,407	126,424
House and land transactions income tax	93	239
Income tax expense recognized in profit or loss	$ 28,059	$ 95,723

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 87,380	$ (77,139)
Share of the other comprehensive loss of subsidiaries and associates	14,989	17,872
	$ 102,369	$ (59,267)

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary difference				
Others	$ 2,517	$ (2,517)	$ -	$ -
Deferred tax liabilities				
Temporary difference				
Reserve for land revaluation increment tax	$ 350,116	$ -	$ -	$ 350,116
Defined benefit plan	39,015	-	87,380	126,395
Others	497	(14)	-	483
	$ 389,628	$ (14)	$ 87,380	$ 476,994

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary difference				
Others	$ 7,555	$ (5,038)	$ -	$ 2,517
Deferred tax liabilities				
Temporary difference				
Reserve for land revaluation increment tax	$ 350,116	$ -	$ -	$ 350,116
Defined benefit plan	116,154	-	(77,139)	39,015
Others	524	(27)	-	497
	$ 466,794	$ (27)	$ (77,139)	$ 389,628

d. Income tax approved situation

The application case for the year end of 2019 has been approved by taxing authority.

18. EARNINGS PER SHARE

	For the Year Ended December 31	
	2023	2022
Basic earnings per share (NT$)	$ 1.10	$ 1.31
Diluted earnings per share (NT$)	$ 1.10	$ 1.31

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

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year	$ 1,826,693	$ 2,169,510
Earnings used in the computation of diluted earnings per share	$ 1,826,693	$ 2,169,510

Number of Share (In Thousands)

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

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

19. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

20. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 48,692	$ -	$ -	$ 48,692
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 12,442,545	$ -	$ -	$ 12,442,545
Domestic unlisted shares	-	-	4,791,901	4,791,901
	$ 12,442,545	$ -	$ 4,791,901	$ 17,234,446

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 20,411	$ -	$ -	$ 20,411
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 10,518,084	$ -	$ -	$ 10,518,084
Domestic unlisted shares	-	-	5,317,346	5,317,346
	$ 10,518,084	$ -	$ 5,317,346	$ 15,835,430

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

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

For the year ended December 31, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023	$ 5,317,346
Recognized in other comprehensive income (accounted for as unrealized gain (loss) on investments in equity instruments designated as at FVTOCI)	(525,445)
Balance at December 31, 2023	$ 4,791,901

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2022	$ 4,050,750
Recognized in other comprehensive income (accounted for as unrealized gain (loss) on investments in equity instruments designated as at FVTOCI)	1,266,596
Balance at December 31, 2022	$ 5,317,346

3) Valuation techniques and inputs used for Level 3 fair value measurement

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

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 48,692	$ 20,411
FVTOCI		
Equity instruments	17,234,446	15,835,430
Amortized cost (1)	14,716	16,868
Financial liabilities		
Amortized cost (2)	24,424,902	22,236,549

1) The balances include financial assets measured at amortized cost, which comprise cash, accounts receivable due from related parties, net and other receivables.

2) The balances include financial liabilities measured at amortized cost, which comprise current borrowings, short-term notes and bills payable, accounts payables to related parties, other payables, others, and non-current borrowings.

d. Financial risk management objectives and policies

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

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in interest rates and equity prices.

a) Interest rate risk

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

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial liabilities	$ 6,819,499	$ 1,523,840
Lease liabilities	2,954	3,180
Cash flow interest rate risk		
Financial assets	5,973	9,567
Financial liabilities	17,517,474	20,617,456

Sensitivity analysis

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

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Company's post-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $35,023 thousand and $41,216 thousand, respectively.

b) Other price risk

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

Sensitivity analysis

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

If equity and commodity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,435 thousand and $1,021 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income (loss) for the years ended December 31, 2023 and 2022 would have increased/decreased by $861,722 thousand and $791,772 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to price risk of investments in equity securities increased during the year, which was mainly due to the fair value of equity investments increased.

2) Credit risk

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

The financial credit risk created by investing is evaluated and monitored by the Company's financial department. Since the counterparties are creditworthy banks and financial institutions with good credit rating, thus, there's no significant credit risk.

3) Liquidity risk

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

As of December 31, 2023 and 2022, the amount of unused financing facilities was $16,121,040 thousand and $17,117,480 thousand, respectively.

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

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

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

December 31, 2023

	Less than 1 Year	1 - 5 Years	5+ Years
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 3,281,147	$ 15,052,692	$ -
Fixed interest rate liabilities	6,825,000	-	-
Lease liabilities	1,309	1,722	-
	$ 10,107,456	$ 15,054,414	$ -

December 31, 2022

	Less than 1 Year	1 - 5 Years	5+ Years
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 1,217,585	$ 20,777,814	$ -
Fixed interest rate liabilities	1,525,000	-	-
Lease liabilities	1,268	2,093	-
	$ 2,743,853	$ 20,779,907	$ -

21. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Names and categories of related parties

Related Party	Relationship with the Company
Hsin-Yi Enterprise Co., Ltd.	Entities with key management personnel
Yuen Foong Paper Co., Ltd.	Entities with key management personnel
Chung Hwa Pulp Corporation	Subsidiary
YFY Packaging Inc.	Subsidiary
Fidelis IT Solutions Co., Ltd.	Subsidiary
Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary
Yuen Foong Shop Co., Ltd.	Subsidiary
YFY Corporate Advisory & Services Co., Ltd.	Subsidiary
China Color Printing Co., Ltd.	Subsidiary
Sustainable Carbohydrate Innovation Co., Ltd.	Subsidiary
YFY Development Corp.	Subsidiary
YFY Biotech Co., Ltd.	Associate
Sinopac Holdings	Substantive related party
Bank SinoPac Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
Hsin-Yi Foundation	Substantive related party
Ho Tien Co., Ltd.	Substantive related party
Hoi Toy&Play Corporation	Substantive related party
Lui Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Hsinex International Corp.	Substantive related party
Fu Hwa Development Enterprise Co., Ltd.	Substantive related party
YFY Co., Ltd.	Substantive related party

b. Receivables from related parties

		December 31	
Line Item	Related Party Category/Name	2023	2022
Receivables from related parties	Associate YFY Biotech Co., Ltd.	$ -	$ 130

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

c. Payables to related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Payables to related parties	Entities with key management personnel		
	Hsin-Yi Enterprise Co., Ltd.	$ 409	$ 431
	Others	-	5
		409	436
	Substantive related party		
	SinoPac Securities Corporation	321	332
	Others	10	-
		331	332
	Subsidiaries	19	8
		$ 759	$ 776

The outstanding accounts payable to related parties were unsecured.

d. Acquisitions of investment properties

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

e. Disposal of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	2023	2022	2023	2022
Associate	$ 9	$ -	$ 9	$ -

f. Acquisitions of financial assets

For the year ended December 31, 2023

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Note
Substantive related party	Non-current financial assets at fair value through other comprehensive income (loss)	19,333,333	Ordinary shares	$ 290,000	-
Subsidiaries	Investments accounted for using the equity method	57,110,000	Ordinary shares	999,996	-
				$ 1,289,996	

g. Others

Rental income

Related Party Category/Name	For the Year Ended December 31 2023	2022
Subsidiaries		
Chung Hwa Pulp Corporation	$ 11,028	$ 11,028
Others	709	709
	11,737	11,737
Entities with key management personnel		
Yuen Foong Paper Co., Ltd.	7,885	7,885
Others	153	154
	8,038	8,039
Substantive related party		
Hsin-Yi Foundation	3,949	3,959
Others	1,835	2,007
	5,784	5,966
Associate	422	1,649
	$ 25,981	$ 27,391

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Year Ended December 31 2023	2022
Entities with key management personnel	$ 3,672	$ 4,285
Subsidiaries	114	114
Substantive related party	6	-
	$ 3,792	$ 4,399

Service fee expenses (accounted for as operating expenses)

Related Party Category/Name	For the Year Ended December 31 2023	2022
Subsidiaries	$ 42,160	$ 33,543
Substantive related party	4,365	4,493
	$ 46,525	$ 38,036

Other expenses (accounted for as operating expenses)

Related Party Category/Name	For the Year Ended December 31 2023	2022
Associate	$ 1,582	$ 1,068

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

h. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 91,146	$ 93,308
Post-employment benefits	432	976
	$ 91,578	$ 94,284

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

22. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2023		
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Foreign currency assets			
Investments in subsidiaries			
USD	$ 719,037	30.705 (USD:NTD)	$ 22,078,040

	December 31, 2022		
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Foreign currency assets			
Investments in subsidiaries			
USD	$ 712,659	30.71 (USD:NTD)	$ 21,885,746

23. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (Table 1)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 2)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 3)

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

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

b. Information on investees (Table 4)

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (None)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 6)

24. SEGMENT INFORMATION

The Company has disclosed related segment information in accordance with IFRS 8 in consolidated financial statement.

YFY INC.

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Year	Outstanding Endorsement/ Guarantee at the End of the Year	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiary	Endorsement/ Guarantee Given by Subsidiary on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Company in Mainland China
		Name	Relationship										
	Endorsement/guarantee												
1	YFY Inc.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3	$ 84,393,318	$ 2,367,846	$ 2,266,190	$ 245,989	$ -	4.03	$ 112,524,424	Yes	No	Yes
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3	84,393,318	1,084,161	1,040,451	-	-	1.85	112,524,424	Yes	No	Yes
	Credit line (Note 4)												
1	YFY Inc.	YFY Development Corp.	Note 3	84,393,318	3,450,000	3,450,000	1,320,000	-	6.13	112,524,424	No	No	No
		YFY Paradigm Investment Co., Ltd.	Note 3	84,393,318	2,370,000	2,370,000	725,000	-	4.21	112,524,424	No	No	No
		Fun Spring Circuteck Co., Ltd.	Note 3	84,393,318	225,000	225,000	12,000	-	0.40	112,524,424	No	No	No
		Ensilience Co., Ltd.	Note 3	84,393,318	575,000	575,000	-	-	1.02	112,524,424	No	No	No
		YFY International B.V.	Note 3	84,393,318	3,734,973	3,669,247	51,834	-	6.52	112,524,424	No	No	No
		YFY Global Investment B.V.	Note 3	84,393,318	1,750,280	1,719,480	35,066	-	3.06	112,524,424	No	No	No
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3	84,393,318	271,040	260,113	-	-	0.46	112,524,424	No	No	No
		YFY Jupiter Limited	Note 3	84,393,318	480,785	476,935	104,513	-	0.85	112,524,424	No	No	No
		YFY Jupiter (Cayman Islands) Co., Ltd. (originally named YFY Jupiter (BVI) Inc.)	Note 3	84,393,318	486,375	460,575	-	-	0.82	112,524,424	No	No	No
		Mobius105 Ltd.	Note 3	84,393,318	129,700	122,820	6,720	-	0.22	112,524,424	No	No	No

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

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

Note 3: The relationship between guarantor and guarantee is subsidiary.

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

YFY INC.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company (Note)	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	3,404,802	$ 48,692	-	$ 48,692	
	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	510,033,992	10,047,670	4.1	10,047,670	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	97,502,590	1,482,039	13.6	1,482,039	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,464,617	813,643	0.8	813,643	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,126,317	99,193	2.3	99,193	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	34,761,734	4,122,623	3.0	4,122,623	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	20,826,000	230,155	12.9	230,155	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	16,415,242	161,004	14.9	161,004	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,200,000	73,292	14.0	73,292	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,999,371	92,778	13.9	92,778	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,612	30,944	5.5	30,944	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,221,228	40,250	3.0	40,250	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,600,000	19,591	8.0	19,591	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at fair value through other comprehensive income	544,067	13,659	0.7	13,659	
	Supercell Biotechnology Corporation	-	Non-current financial assets at fair value through other comprehensive income	696,564	4,738	3.0	4,738	
	China Trade and Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	377,634	2,867	0.6	2,867	

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

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

YFY INC.

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal		Number of Shares	Amount	
YFY Inc.	Ordinary shares YFY Packaging Inc.	Note 1	YFY Packaging Inc.	Subsidiary	410,150,000	$ 6,776,860	57,110,000	$ 999,996	-	$ -	$ -	$ -	$ 389,521 (Note 2)	467,260,000	$ 8,166,377	-

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

Note 2: Including remeasurement of defined benefit plans, exchange differences on translation of the financial statements of foreign operations and share of profit or loss of associates.

YFY INC.

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

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

Note 1: Subsidiary.

Note 2: Associate.

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

Note 4: The disposal of the entire equity interest of Taiwan Genome Sciences, Inc. was completed in February 2023.

YFY INC.

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

1. Information on investments in mainland China

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

(Continued)

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

(Continued)

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

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

(Continued)

Note 1: Except for investment gain or loss which were translated at exchange rates of US$1=NT$31.154833 or RMB1=NT$4.423988, the rest were translated at exchange rates of US$1=NT$30.705 or RMB1=NT$4.335211 as of December 31, 2023.

Note 2: Recognized from financial statements audited by the auditors for the same periods.

Note 3: Difference between the amount of the paid-in capital multiplied by percentage of ownership and the cumulative amount of investment exports from Taiwan at the end of year: Guangdong Dingfung Pulp & Paper Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. capitalized retained earnings; YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd. and YFY Paper Enterprise (Fuzhou) Co., Ltd. are subsidiaries reinvested earnings from China. YFY Jupiter (Shenzhen) Ltd. was acquired indirectly due to the acquirement of YFY Jupiter (Cayman Islands) Co., Ltd. (originally named YFY Jupiter (BVI) Inc.)

Note 4: Methods of investment and the related investors are as follow:

a. Investment in mainland China through companies set up in another company. The related investors are as follow:

(a) YFY Mauritius Corp. (b) YFY Packaging (Yangzhou) Investment Co., Ltd. (c) YFY International B.V. (d) Guangdong Dingfung Pulp & Paper Co., Ltd. (e) YFY RFID Co. Limited (f) Arizon RFID Technology Co., Ltd. (g) Mobius 105 Ltd. (h) YFY Jupiter (Shenzhen) Ltd. (i) Yuen Foong Yu Consumer Products Co., Ltd (j) YFY Investment Co., Ltd. (k) YFY International B.V. and CHP International (BVI) Corporation (l) YFY International B.V., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (m) YFY Capital Holdings Corp. (n) YFY Packaging (Yangzhou) Investment Co., Ltd. and YFY Paper Enterprise (Kunshan) Co., Ltd. (o) Zhaoqing Dingfung Forestry Co., Ltd.

Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of $3,618,062 thousand made by investor of mainland China has been deducted.

Note 6: Recognized from financial statements in the same period that have not been audited.

Note 7: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.

Note 8: YFY (Shanghai) Supply Chain Management Co., Ltd. (originally named as YFY (Shanghai) Financial Services Co., Ltd.) entered the liquidation in July 2023. Due to the Group's loss of control, it has not been included in the consolidated financial statements since August 2023.

2. Investment in mainland China's significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Table 1.

(Concluded)

TABLE 6

YFY INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

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

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

YFY INC.

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YFY INC.

STATEMENT OF FINANCIAL ASSETS AT FVTOCI
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Securities Name	Balance, January 1, 2023		Increase in 2023		The Amount of This Year's Evaluation (Note 2)	Fair Value at the End of the Year			
	Shares	Amount	Shares (Note 1)	Amount		Shares	Percentage of Ownership (%)	Amount	Note
Ordinary shares - listed company									
SinoPac Financial Holdings Co., Ltd.	480,699,993	$ 8,051,725	29,333,999	$ 290,000	$ 1,705,945	510,033,992	4.1	$ 10,047,670	Note 3
TaiGen Biopharmaceuticals Holdings Ltd.	97,502,590	1,564,917	-	-	(82,878)	97,502,590	13.6	1,482,039	Note 3
Zhen Ding Technology Holding Limited	7,464,617	783,785	-	-	29,858	7,464,617	0.8	813,643	Note 3
Medeon Biodesign, Inc.	2,025,078	117,657	101,239	-	(18,464)	2,126,317	2.3	99,193	Note 3
		10,518,084		290,000	1,634,461			12,442,545	
Ordinary shares - unlisted company									
Taiwan Stock Exchange Corporation	30,762,597	4,621,711	3,999,137	-	(499,088)	34,761,734	3.0	4,122,623	
Canada Investment and Development Co., Ltd.	20,826,000	218,953	-	-	11,202	20,826,000	12.9	230,155	
KHL IB Venture Capital Co., Ltd.	12,443,688	184,004	3,971,554	-	(23,000)	16,415,242	14.9	161,004	
Synmax Biochemical Co., Ltd.	5,999,371	73,962	-	-	18,816	5,999,371	13.9	92,778	
Fu Hwa Development Enterprise Co., Ltd.	4,200,000	82,171	-	-	(8,879)	4,200,000	14.0	73,292	
Shin Taiwan Kubota Co., Ltd.	5,612	58,425	-	-	(27,481)	5,612	5.5	30,944	
Universal Investment Co., Ltd.	5,221,228	38,022	-	-	2,228	5,221,228	3.0	40,250	
Taiwan Creative Industry Development Co., Ltd.	1,600,000	18,971	-	-	620	1,600,000	8.0	19,591	
Yuen Foong Paper Co., Ltd.	544,067	11,395	-	-	2,264	544,067	0.7	13,659	
Supercell Biotechnology Corporation (originally named as Sino Cell Technologies Ltd.)	696,564	6,351	-	-	(1,613)	696,564	3.0	4,738	
China Trade and Development Corp.	377,634	3,381	-	-	(514)	377,634	0.6	2,867	
		5,317,346		-	(525,445)			4,791,901	
		$ 15,835,430		$ 290,000	$ 1,109,016			$ 17,234,446	

Note 1 In addition to the 19,333,333 shares of Yongfeng Financial Holdings Co., Ltd. in cash with amount of $290,000 thousand, the remaining 10,000,666 shares were distributed as share dividends.

Note 2: Accounted for unrealized gain (loss) on financial assets at FVTOCI.

Note 3: Calculated based on the closing price at the end of 2023.

YFY INC.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investee Company (Note 1)	Balance, January 1, 2023		Increase in 2023 (Note 2)		Decrease in 2023 (Note 3)		Share of Profit or Loss of Subsidiaries and Associates	Equity Adjustments (Note 4)	Balance, December 31, 2023			Market Price (Notes 5 and 6)	
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage of Ownership (%)	Amount	Unit Price (NT$)	Total Amount
Listed company													
Chung Hwa Pulp Corporation	627,827,088	$ 9,173,556	-	$ -	-	$ (188,348)	$ (334,255)	$ 165,381	627,827,088	57.8	$ 8,816,334	$ 23.55	$ 14,785,328
Yuen Foong Yu Consumer Products Co., Ltd.	158,004,565	3,146,761	-	-	-	(363,411)	571,376	(23,383)	158,004,565	59.1	3,331,343	42.40	6,699,394
Shin Foong Specialty and Applied Materials Co., Ltd.	50,968,248	2,859,377	-	-	-	(76,452)	(51,182)	81,208	50,968,248	48.0	2,812,951	55.80	2,844,028
		15,179,694		-		(628,211)	185,939	223,206			14,960,628		
OTC company													
E Ink Holdings Inc. (Note 6)	133,472,904	5,120,390	-	-	-	(600,628)	914,500	287,198	133,472,904	11.7	5,721,460	197.00	22,354,162
Unlisted company													
YFY International B.V.	363,689,638	14,809,227	-	-	-	-	(424,953)	(117,176)	363,689,638	100.0	14,267,098		
YFY Packaging Inc.	410,150,000	6,776,860	57,110,000	999,996	-	-	499,334	(109,813)	467,260,000	100.0	8,166,377		
YFY Global Investment B.V.	79,000,000	7,076,519	-	-	-	-	404,519	329,904	79,000,000	100.0	7,810,942		
YFY Development Corp.	188,600,000	4,804,581	34,700,000	-	-	-	379,969	854,901	223,300,000	100.0	6,039,451		
YFY Paradigm Investment Co., Ltd.	165,681,400	3,507,018	26,676,600	-	-	-	174,630	578,542	192,358,000	100.0	4,260,190		
Effion Enertech Co., Ltd.	70,000,000	498,888	-	-	-	-	(25,890)	(2,069)	70,000,000	100.0	470,929		
China Color Printing Co., Ltd.	32,896,330	464,902	-	-	-	(7,237)	(4,922)	(484)	32,896,330	49.7	452,259		
Union Paper Corp.	19,584,000	240,885	-	-	-	-	(1,553)	(1,801)	19,584,000	18.9	237,531		
Ensilience Co., Ltd.	15,000,000	149,993	-	-	-	-	(17,860)	-	15,000,000	100.0	132,133		
Fidelis IT Solutions Co., Ltd.	2,857,000	85,848	-	-	-	(11,200)	9,780	-	2,857,000	100.0	84,428		
Yuen Yan Paper Container Co., Ltd.	6,178,500	72,735	-	-	-	(3,089)	3,913	-	6,178,500	50.9	73,559		
YFY Japan Co., Ltd.	200	68,028	-	-	-	-	550	3,912	200	100.0	72,490		
YFY Corporate Advisory & Services Co., Ltd.	3,000,000	46,957	-	-	-	(10,518)	19,936	(3,193)	3,000,000	100.0	53,182		
San Ying Enterprise Co., Ltd.	2,500,000	49,693	-	-	-	-	113	(12)	2,500,000	100.0	49,794		
Sustainable Carbohydrate Innovation Co., Ltd.	3,000,000	33,128	-	-	-	-	2,383	-	3,000,000	100.0	35,511		
Fs-Tech Company Ltd.	-	-	1,153,940	22,400	-	-	477	-	1,153,940	34.6	22,877		
Taiwan Genome Sciences, Inc.	561,291	8,850	-	-	(561,291)	(8,864)	15	(1)	-	-	-		
		38,694,112		1,022,396		(40,908)	1,020,441	1,532,710			42,228,751		
		$ 58,994,196		$ 1,022,396		$ (1,269,747)	$ 2,120,880	$ 2,043,114			$ 62,910,839		

Note 1: Except for YFY Japan Co., Ltd., the rest were calculated according to the audited annual financial statements.

Note 2: Except for Yongfeng Yu Industrial Paper Company and Prophet Technology Company, which increased their capital in cash, the rest received share dividends.

Note 3: Except for Taiwan Gene Technology Co., Ltd., which was sold by the Company, the rest issued cash dividends.

Note 4: This includes recognition of adjustments not recognized by shareholding ratio, exchange differences on translation of foreign financial statements, remeasurement of defined benefit plans, and unrealized gain (loss) on financial assets measured at FVTOCI, etc.

Note 5: Calculated based on the closing price at the end of 2023.

Note 6: The fair value of E Ink Holdings Inc. which is calculated without the unrestricted private shares, the rest are calculated on the number of shares.

SCHEDULE 3

YFY INC.

STATEMENT OF CURRENT BORROWING
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type of Loan and Creditor	Deadline of the Loan	Rate (%)	Balance, December 31, 2023	Amount of the Financing
Credit loan of the bank				
First Bank	2023.12.08-2024.01.05	1.75	$ 470,000	$ 500,000
Hua Nan Bank	2023.12.08-2024.01.08	1.68	350,000	350,000
Shin Kong Bank	2023.12.21-2024.03.20	1.75	300,000	300,000
Taishin Bank	2023.12.06-2024.01.08	1.76	1,370,000	1,600,000
Yuanta Bank	2023.12.05-2024.03.04	1.76	500,000	500,000
			$ 2,990,000	$ 3,250,000

SCHEDULE 4

YFY INC.

STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

			Amount of Commercial Principal			
Guarantee Agency	**Deadline of Issue**	**Discount Rate (%)**	**Amount of Issue**	**Unamortized Short-term Notes and Bills Payable Discount**	**Carrying Amount**	**Mortgage or Guarantee**
TFC	2023.12.21-2024.01.10	1.79	$ 200,000	$ 88	$ 199,912	-
Grand Bills	2023.11.09-2024.01.18	1.91	2,100,000	1,871	2,098,129	-
MEGA Bills	2023.12.21-2024.01.10	1.79	400,000	176	399,824	-
MEGA Bills	2023.12.19-2024.01.08	1.79	25,000	9	24,991	-
MEGA Bills	2023.11.09-2024.01.18	1.91	1,500,000	1,337	1,498,663	-
International Bills	2023.11.17-2024.01.16	1.96	2,400,000	1,932	2,398,068	-
International Bills	2023.12.21-2024.01.10	1.79	200,000	88	199,912	-
			$ 6,825,000	$ 5,501	$ 6,819,499	

YFY INC.

STATEMENT OF NON-CURRENT BORROWING
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Bank of Loan	Period of the Contract	Repayment Method	Rate (%)	Balance, December 31, 2023			Guarantee and Guarantee Situation
				Due Within One Year	Expires After One Year	Total	
Syndicated loans							
Taiwan Bank	2020.12.30-2025.12.30	Due repayment, monthly interest payment	2.10	$ -	$ 5,400,000	$ 5,400,000	-
Taiwan Bank	2022.12.23-2027.12.23	Due repayment, monthly interest payment	1.88	-	5,146,000	5,146,000	-
First Bank	2021.12.24-2026.12.24	Due repayment, monthly interest payment	2.08	-	2,400,000	2,400,000	-
Less: Hosting fee of bank joint loan				-	(18,526)	(18,526)	-
				-	12,927,474	12,927,474	
Bank credit loans							
Taiwan Bank	2023.04.24-2025.04.24	Due repayment, monthly interest payment	1.75	-	800,000	800,000	-
Far Eastern Bank	2023.02.20-2025.02.20	Due repayment, monthly interest payment	1.75	-	800,000	800,000	-
				-	1,600,000	1,600,000	
				$ -	$ 14,527,474	$ 14,527,474	

SCHEDULE 6

YFY INC.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Items	Amount
Employee benefits expense	$ 221,684
Professional service expenses	24,616
Tax expense	35,335
Agency fee expenses	36,644
Others (Note)	69,908
	$ 388,187

Note: The amount of each item does not exceed 5% of the account balance.

YFY INC.

STATEMENT OF EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023			2022		
	Classified as Operating Costs	Classified as Operating Expense	Total	Classified as Operating Costs	Classified as Operating Expense	Total
Employee benefits expense						
Salary	$ -	$ 183,255	$ 183,255	$ -	$ 208,146	$ 208,146
Labor and health insurance	-	10,721	10,721	-	11,765	11,765
Pension	-	3,566	3,566	-	1,813	1,813
Board compensation	-	22,000	22,000	-	22,000	22,000
Others	-	2,142	2,142	-	2,390	2,390
	$ -	$ 221,684	$ 221,684	$ -	$ 246,114	$ 246,114
Depreciation	$ -	$ 4,162	$ 4,162	$ -	$ 4,625	$ 4,625
Amortization	$ -	$ 583	$ 583	$ -	$ 2,439	$ 2,439

Note 1: For the years ended December 31, 2023 and 2022, the Company had average 83 and 92 employees in both years, respectively, which included 6 non-employee directors.

Note 2: a. Average employee benefits expense for the years ended December 31, 2023 and 2022 were $2,593 thousand and $2,606 thousand, respectively.

b. Average salary for the years ended December 31, 2023 and 2022 were $2,380 thousand and $2,420 thousand, respectively.

c. The average salary changed by (1.7%) year over year.

d. The Company did not have supervisors.

Note 3: The Company's compensation policies:

a. According to the Articles of Incorporation, if the Company made a profit based on operating results in the current year, 0.1% or more of the income shall be set aside as compensation of employees and 2% or less shall be distributed as remuneration of directors.

b. The total compensation paid to the executive officers which included salary, bonus, and compensation of employees is based on the condition of the industry to meet the market standard and company performance, personal performance, and projected future risks. Such compensation and remuneration are submitted to the compensation committee for review and approval.

c. The Company participates in compensation surveys to measure pay levels in the market of employment. Besides, the Company also takes into account the pay levels of the industry in order to make an adequate adjustment to the overall compensation policies. In addition to annual salary adjustment and comprehensive promotional practices, various award systems are established to attract, retain, develop, and encourage talents.

YFY INC.

Chairman of Board

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