

**Yuen Foong Yu Consumer Products  
Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Yuen Foong Yu Consumer Products Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Yuen Foong Yu Consumer Products Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements for the nine months ended September 30, 2024 and 2023 of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$2,327,080 thousand and NT\$2,155,260 thousand, representing 24.56% and 25.61% of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$520,200 thousand and NT\$501,975 thousand, representing 13.35% and 17.14% of the consolidated total liabilities; for the three months ended September 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$38,795 thousand and NT\$36,803 thousand, representing 39.13% and 8.64% of the consolidated total comprehensive income. For the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$124,981 thousand and NT\$127,695 thousand, representing 17.68% and 17.28%, of the consolidated total comprehensive income. Management believes that the financial statements, even if reviewed, are not subject to significant adjustments.

## Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Emphasis of Matter

As disclosed in Note 21 to the accompanying consolidated financial statements, Yuen Foong Shop Company, Ltd. acquired 100% equity of Livebricks Inc. from a fellow subsidiary of YFY Inc. group in the first quarter of 2023. In compliance with the “Comments on IFRS” and Interpretation 2012-301 issued by the Accounting Research and Development Foundation, the acquisition resulted in a joint control restructuring. In the preparation of comparative consolidated financial statements, the acquisition is disclosed as if it had occurred before January 1, 2023 and the Group’s consolidated financial statements for the previous year are restated. Therefore, our review result is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ review report are Shu-Jiuan Ye and Shiow-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 12, 2024

## Notice to Readers

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

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

# YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,587,943	17	\$ 2,290,191	26	\$ 1,810,978	22
Financial assets at amortized cost - current (Notes 7 and 25)	33,476	-	28,000	1	23,000	-
Notes and accounts receivable (Notes 9 and 17)	1,362,724	14	1,175,871	13	1,263,614	15
Accounts receivable from related parties (Notes 17 and 24)	9,407	-	7,341	-	8,896	-
Inventories (Note 10)	1,389,013	15	1,079,707	12	1,165,317	14
Other current assets (Note 24)	<u>326,860</u>	<u>4</u>	<u>284,467</u>	<u>3</u>	<u>266,510</u>	<u>3</u>
Total current assets	<u>4,709,423</u>	<u>50</u>	<u>4,865,577</u>	<u>55</u>	<u>4,538,315</u>	<u>54</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at amortized cost - non-current (Notes 7 and 8)	317,608	3	-	-	-	-
Property, plant and equipment (Notes 12, 18 and 24)	4,071,494	43	3,662,552	41	3,479,290	41
Right-of-use assets (Notes 13 and 18)	260,593	3	292,941	3	312,606	4
Deferred tax assets	10,974	-	12,132	-	9,950	-
Net defined benefit assets (Note 4)	7,682	-	6,037	-	9,075	-
Other non-current assets	<u>97,767</u>	<u>1</u>	<u>55,813</u>	<u>1</u>	<u>65,858</u>	<u>1</u>
Total non-current assets	<u>4,766,118</u>	<u>50</u>	<u>4,029,475</u>	<u>45</u>	<u>3,876,779</u>	<u>46</u>
<b>TOTAL ASSETS</b>	<b>\$ 9,475,541</b>	<b>100</b>	<b>\$ 8,895,052</b>	<b>100</b>	<b>\$ 8,415,094</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 14)	\$ 609,000	6	\$ -	-	\$ 423,000	5
Short-term bills payable (Note 14)	-	-	-	-	49,998	1
Notes and accounts payable	713,898	8	546,993	6	548,615	7
Accounts payable to related parties (Note 24)	138,103	1	144,051	2	115,227	1
Other payables	1,057,402	11	1,176,789	13	973,952	12
Other payables to related parties (Note 24)	30,055	-	34,530	-	37,729	-
Current tax liabilities	88,049	1	161,133	2	99,555	1
Lease liabilities - current (Notes 13 and 24)	68,896	1	63,180	1	63,217	1
Other current liabilities (Note 17)	<u>78,411</u>	<u>1</u>	<u>87,973</u>	<u>1</u>	<u>105,153</u>	<u>1</u>
Total current liabilities	<u>2,783,814</u>	<u>29</u>	<u>2,214,649</u>	<u>25</u>	<u>2,416,446</u>	<u>29</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 14)	910,490	10	760,330	8	254,910	3
Deferred tax liabilities	62,017	1	62,548	1	58,951	1
Lease liabilities - non-current (Notes 13 and 24)	118,036	1	156,860	2	172,813	2
Other non-current liabilities	<u>21,349</u>	<u>-</u>	<u>21,400</u>	<u>-</u>	<u>25,764</u>	<u>-</u>
Total non-current liabilities	<u>1,111,892</u>	<u>12</u>	<u>1,001,138</u>	<u>11</u>	<u>512,438</u>	<u>6</u>
Total liabilities	<u>3,895,706</u>	<u>41</u>	<u>3,215,787</u>	<u>36</u>	<u>2,928,884</u>	<u>35</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 16)</b>						
Share capital						
Ordinary shares	<u>2,671,290</u>	<u>28</u>	<u>2,671,290</u>	<u>30</u>	<u>2,671,290</u>	<u>32</u>
Capital surplus	<u>1,214,116</u>	<u>13</u>	<u>1,214,116</u>	<u>14</u>	<u>1,214,116</u>	<u>14</u>
Retained earnings						
Legal reserve	496,770	5	400,456	4	400,456	5
Special reserve	139,362	1	102,683	1	102,683	1
Unappropriated earnings	<u>1,030,067</u>	<u>11</u>	<u>1,382,919</u>	<u>16</u>	<u>1,057,787</u>	<u>13</u>
Total retained earnings	<u>1,666,199</u>	<u>17</u>	<u>1,886,058</u>	<u>21</u>	<u>1,560,926</u>	<u>19</u>
Other equity	<u>(18,139)</u>	<u>-</u>	<u>(139,362)</u>	<u>(2)</u>	<u>(6,334)</u>	<u>-</u>
Total equity attributable to owners of the Company	5,533,466	58	5,632,102	63	5,439,998	65
<b>NON-CONTROLLING INTERESTS</b>	<u>46,369</u>	<u>1</u>	<u>47,163</u>	<u>1</u>	<u>46,212</u>	<u>-</u>
Total equity	<u>5,579,835</u>	<u>59</u>	<u>5,679,265</u>	<u>64</u>	<u>5,486,210</u>	<u>65</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 9,475,541</b>	<b>100</b>	<b>\$ 8,895,052</b>	<b>100</b>	<b>\$ 8,415,094</b>	<b>100</b>

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

(With Deloitte & Touche auditors' review report dated November 12, 2024)

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 17 and 24)	\$ 2,832,809	100	\$ 2,574,274	100	\$ 8,154,805	100	\$ 7,555,503	100
COST OF GOODS SOLD (Notes 10, 15, 18 and 24)	<u>(2,245,276)</u>	<u>(79)</u>	<u>(1,836,304)</u>	<u>(71)</u>	<u>(6,279,662)</u>	<u>(77)</u>	<u>(5,678,777)</u>	<u>(75)</u>
GROSS PROFIT	<u>587,533</u>	<u>21</u>	<u>737,970</u>	<u>29</u>	<u>1,875,143</u>	<u>23</u>	<u>1,876,726</u>	<u>25</u>
OPERATING EXPENSES (Notes 15, 18 and 24)								
Selling and marketing	(305,933)	(11)	(279,628)	(11)	(841,360)	(10)	(802,941)	(11)
General and administrative	(97,644)	(4)	(94,246)	(4)	(291,227)	(4)	(292,121)	(4)
Research and development	<u>(10,894)</u>	<u>-</u>	<u>(10,306)</u>	<u>-</u>	<u>(33,095)</u>	<u>-</u>	<u>(31,561)</u>	<u>-</u>
Total operating expenses	<u>(414,471)</u>	<u>(15)</u>	<u>(384,180)</u>	<u>(15)</u>	<u>(1,165,682)</u>	<u>(14)</u>	<u>(1,126,623)</u>	<u>(15)</u>
PROFIT FROM OPERATIONS	<u>173,062</u>	<u>6</u>	<u>353,790</u>	<u>14</u>	<u>709,461</u>	<u>9</u>	<u>750,103</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Notes 18 and 24)	(7,297)	-	(2,620)	-	(16,443)	-	(7,286)	-
Interest income	20,856	1	18,247	1	60,497	1	49,141	1
Other income (Note 24)	3,154	-	5,131	-	9,622	-	12,817	-
Gain (loss) on disposal of property, plant and equipment	599	-	139	-	(25,734)	(1)	288	-
Other expenses	(7)	-	(115)	-	(32)	-	(1,236)	-
Foreign exchange gain (Note 27)	<u>134</u>	<u>-</u>	<u>203</u>	<u>-</u>	<u>497</u>	<u>-</u>	<u>1,027</u>	<u>-</u>
Total non-operating income and expenses	<u>17,439</u>	<u>1</u>	<u>20,985</u>	<u>1</u>	<u>28,407</u>	<u>-</u>	<u>54,751</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	190,501	7	374,775	15	737,868	9	804,854	11
INCOME TAX EXPENSE (Notes 4 and 19)	<u>(43,434)</u>	<u>(2)</u>	<u>(76,738)</u>	<u>(3)</u>	<u>(152,025)</u>	<u>(2)</u>	<u>(162,231)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>147,067</u>	<u>5</u>	<u>298,037</u>	<u>12</u>	<u>585,843</u>	<u>7</u>	<u>642,623</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	<u>(47,930)</u>	<u>(2)</u>	<u>128,148</u>	<u>5</u>	<u>121,223</u>	<u>2</u>	<u>96,349</u>	<u>1</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(47,930)</u>	<u>(2)</u>	<u>128,148</u>	<u>5</u>	<u>121,223</u>	<u>2</u>	<u>96,349</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 99,137</u>	<u>3</u>	<u>\$ 426,185</u>	<u>17</u>	<u>\$ 707,066</u>	<u>9</u>	<u>\$ 738,972</u>	<u>10</u>

(Continued)

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 144,482	5	\$ 296,366	12	\$ 581,528	7	\$ 638,006	9
Equity attributable to former owner of business combination under common control (Notes 4 and 21)	-	-	-	-	-	-	(41)	-
Non-controlling interests (Note 16)	<u>2,585</u>	-	<u>1,671</u>	-	<u>4,315</u>	-	<u>4,658</u>	-
	<u>\$ 147,067</u>	<u>5</u>	<u>\$ 298,037</u>	<u>12</u>	<u>\$ 585,843</u>	<u>7</u>	<u>\$ 642,623</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 96,552	3	\$ 424,514	17	\$ 702,751	9	\$ 734,355	10
Equity attributable to former owner of business combination under common control (Notes 4 and 21)	-	-	-	-	-	-	(41)	-
Non-controlling interests (Note 16)	<u>2,585</u>	-	<u>1,671</u>	-	<u>4,315</u>	-	<u>4,658</u>	-
	<u>\$ 99,137</u>	<u>3</u>	<u>\$ 426,185</u>	<u>17</u>	<u>\$ 707,066</u>	<u>9</u>	<u>\$ 738,972</u>	<u>10</u>
EARNINGS PER SHARE (Note 20)								
Basic	<u>\$ 0.54</u>		<u>\$ 1.11</u>		<u>\$ 2.18</u>		<u>\$ 2.39</u>	
Diluted	<u>\$ 0.54</u>		<u>\$ 1.11</u>		<u>\$ 2.17</u>		<u>\$ 2.39</u>	

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

(With Deloitte & Touche auditors' review report dated November 12, 2024)

(Concluded)

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Company (Note 16)							Other Equity Exchange Differences on Translation of Foreign Financial Statements	Total	Equity Attributable to Former Owner of Business Combination Under Common Control (Notes 4 and 21)	Non-controlling Interests (Note 16)	Total Equity
	Share Capital		Capital Surplus	Retained Earnings								
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2023	267,129	\$ 2,671,290	\$ 1,214,116	\$ 331,631	\$ 241,756	\$ 963,930	\$ 1,537,317	\$ (102,683)	\$ 5,320,040	\$ 1,920	\$ 48,391	\$ 5,370,351
Appropriation of 2022 earnings												
Legal reserve	-	-	-	68,825	-	(68,825)	-	-	-	-	-	-
Special reserve	-	-	-	-	(139,073)	139,073	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(614,397)	(614,397)	-	(614,397)	-	-	(614,397)
Net profit (loss) for the nine months ended September 30, 2023	-	-	-	-	-	638,006	638,006	-	638,006	(41)	4,658	642,623
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	96,349	96,349	-	-	96,349
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	638,006	638,006	96,349	734,355	(41)	4,658	738,972
Business combination under common control	-	-	-	-	-	-	-	-	-	(1,879)	-	(1,879)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,837)	(6,837)
BALANCE AT SEPTEMBER 30, 2023	<u>267,129</u>	<u>\$ 2,671,290</u>	<u>\$ 1,214,116</u>	<u>\$ 400,456</u>	<u>\$ 102,683</u>	<u>\$ 1,057,787</u>	<u>\$ 1,560,926</u>	<u>\$ (6,334)</u>	<u>\$ 5,439,998</u>	<u>\$ -</u>	<u>\$ 46,212</u>	<u>\$ 5,486,210</u>
BALANCE AT JANUARY 1, 2024	267,129	\$ 2,671,290	\$ 1,214,116	\$ 400,456	\$ 102,683	\$ 1,382,919	\$ 1,886,058	\$ (139,362)	\$ 5,632,102	\$ -	\$ 47,163	\$ 5,679,265
Appropriation of 2023 earnings												
Legal reserve	-	-	-	96,314	-	(96,314)	-	-	-	-	-	-
Special reserve	-	-	-	-	36,679	(36,679)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(801,387)	(801,387)	-	(801,387)	-	-	(801,387)
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	581,528	581,528	-	581,528	-	4,315	585,843
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	121,223	121,223	-	-	121,223
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	581,528	581,528	121,223	702,751	-	4,315	707,066
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,109)	(5,109)
BALANCE AT SEPTEMBER 30, 2024	<u>267,129</u>	<u>\$ 2,671,290</u>	<u>\$ 1,214,116</u>	<u>\$ 496,770</u>	<u>\$ 139,362</u>	<u>\$ 1,030,067</u>	<u>\$ 1,666,199</u>	<u>\$ (18,139)</u>	<u>\$ 5,533,466</u>	<u>\$ -</u>	<u>\$ 46,369</u>	<u>\$ 5,579,835</u>

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

(With Deloitte & Touche auditors' review report dated November 12, 2024)

# YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 737,868	\$ 804,854
Adjustments for:		
Depreciation expense	365,523	334,879
Amortization expense	54	164
Expected credit loss recognized (reversed)	28	(28)
Finance costs	16,443	7,286
Interest income	(60,497)	(49,141)
Loss (gain) on disposal of property, plant and equipment	25,734	(288)
Reversal of write-downs of inventories	(219)	(31,857)
Unrealized gain on foreign currency exchange	(534)	(473)
Gain from lease modification	-	(1)
Changes in operating assets and liabilities		
Notes and accounts receivable	(174,824)	43,577
Accounts receivable from related parties	(1,917)	(2,710)
Inventories	(284,179)	192,864
Other current assets	(37,984)	16,186
Net defined benefit liabilities	(1,645)	(10,015)
Notes and accounts payable	159,926	(114,282)
Accounts payable to related parties	(6,548)	(152,822)
Other payables	38,240	(15,646)
Other payables to related parties	(3,713)	(12,054)
Other current liabilities	(11,474)	19,267
Cash generated from operations	760,282	1,029,760
Interest received	61,005	46,405
Interest paid	(15,913)	(6,889)
Income tax paid	(224,454)	(205,512)
Net cash generated from operating activities	580,920	863,764
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at amortized cost	(326,849)	(16,273)
Net cash outflow from acquisition of subsidiary under common control	-	(1,879)
Payments for property, plant and equipment	(913,199)	(620,311)
Proceeds from disposal of property, plant and equipment	2,486	1,736
Increase in other non-current assets	(10,963)	(6,823)
Net cash used in investing activities	(1,248,525)	(643,550)

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# YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	\$ 609,000	\$ 155,000
Proceeds from short-term bills payable	-	50,000
Proceeds from long-term borrowings	150,160	56,290
Repayment of the principal portion of lease liabilities	(51,358)	(47,079)
Decrease in other non-current liabilities	(135)	(9)
Distribution of cash dividends	(801,387)	(614,397)
Changes in non-controlling interests	<u>(5,109)</u>	<u>(6,837)</u>
Net cash used in financing activities	<u>(98,829)</u>	<u>(407,032)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>64,186</u>	<u>65,179</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(702,248)	(121,639)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>2,290,191</u>	<u>1,932,617</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 1,587,943</u>	<u>\$ 1,810,978</u>

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

(With Deloitte & Touche auditors' review report dated November 12, 2024)

(Concluded)

# YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

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### 1. GENERAL INFORMATION

Yuen Foong Yu Consumer Products Co., Ltd. (the “Company”), formerly known as Laiya Co., Ltd., was established and invested by YFY Inc. (originally the parent company which held 100% shares of the Company) in October 1986. In order to comply with the listing rules and regulations, YFY Inc. held 59.14% of the Company’s shares as of September 30, 2024. The Company was renamed as Yuen Foong Yu Consumer Products Co., Ltd. in April 2006. In line with YFY Inc.’s operating strategy to carry out integration, the Company acquired assets, liabilities and business of the household products division that was split from YFY Inc., in accordance with the Business Mergers and Acquisitions Act in October 2007. The Company’s main business items are paper products, paper processed products and household cleaning supplies. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since September 2021.

The consolidated financial statements 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 November 12, 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).

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.

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

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

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

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

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition or since the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. See Note 11, Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Business combinations involving entities under common control are not accounted for by the acquisition method but are accounted for at the carrying amounts of the entities. Prior period comparative information in the consolidated financial statements is restated as if a business combination involving entities under common control had already occurred in that period. The acquirer is disclosed as if it had occurred before January 1, 2022, and the Group's financial statements for the period are restated. The equity held by original shareholders is recorded as "Equity Attributable to Former Owner of Business Combination under Common Control". When preparing the comparative consolidated balance sheet. In the preparation of the consolidated statement of changes in equity, the profit or loss recognized by original shareholders is attributed to "Former Owner due to Business Combination under Common Control".

e. Other material accounting policies

Except for other accounting policies listed below, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the material accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 1,159	\$ 867	\$ 973
Checking accounts and demand deposits	612,380	1,055,400	614,349
Cash equivalents (investments with original maturities of three months or less)			
Time deposits	887,403	1,122,882	1,163,656
Repurchase agreements collateralized by bonds	<u>87,001</u>	<u>111,042</u>	<u>32,000</u>
	<u>\$ 1,587,943</u>	<u>\$ 2,290,191</u>	<u>\$ 1,810,978</u>

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities between three months and a year	\$ 33,476	\$ 28,000	\$ 23,000
The market rate intervals	1.05%-1.69%	1.31%-1.57%	1.31%-1.57%
<u>Non-current</u>			
Corporate bonds	\$ 317,608	\$ -	\$ -

In the first three quarters of 2024, the Group invested 3-5-year corporate bonds with a coupon rate of 1.25% to 5.81% and an effective interest rate of 5.26% to 5.50%. Refer to Note 8 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 25 for information relating to investments in financial assets at amortized cost pledged as security.

## 8. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The Group invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. Since the original recognition of these debt instruments, the credit risk has not increased significantly, resulting in changes in interest rates or terms, and no significant operating changes are expected to affect the ability to fulfill debts. Therefore, there is no expected credit loss. The Group continuously tracks external rating information to monitor changes in its credit risk, and regularly reviews other information such as bond yield curve and debtor material information to assess whether the expected credit risk of the investment has increased significantly during the period since its original recognition.

## 9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable - operating	\$ 28,229	\$ 55,232	\$ 63,005
Accounts receivable - operating	1,334,526	1,121,245	1,201,237
Less: Allowance for impairment loss	<u>(31)</u>	<u>(606)</u>	<u>(628)</u>
	<u>\$ 1,362,724</u>	<u>\$ 1,175,871</u>	<u>\$ 1,263,614</u>

The Group's customers are a large number of unrelated customers that did not create concentration of credit risk.

For the accounts receivable that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were still considered recoverable. The Group held adequate collaterals or other credit enhancements for these receivables.

The Group applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the GDP forecasts and industry outlook. 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.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2024

	Not Past Due	Up to 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 1,352,305	\$ 10,263	\$ 116	\$ 71	\$ -	\$ 1,362,755
Loss allowance (Lifetime ECLs)	<u>(1)</u>	<u>(1)</u>	<u>(29)</u>	<u>-</u>	<u>-</u>	<u>(31)</u>
	<u>\$ 1,352,304</u>	<u>\$ 10,262</u>	<u>\$ 87</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 1,362,724</u>

December 31, 2023

	Not Past Due	Up to 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 1,165,613	\$ 9,109	\$ 1,152	\$ -	\$ 603	\$ 1,176,477
Loss allowance (Lifetime ECLs)	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603)</u>	<u>(606)</u>
	<u>\$ 1,165,610</u>	<u>\$ 9,109</u>	<u>\$ 1,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,175,871</u>

September 30, 2023

	Not Past Due	Up to 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 1,258,169	\$ 5,070	\$ 378	\$ -	\$ 625	\$ 1,264,242
Loss allowance (Lifetime ECLs)	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(625)</u>	<u>(628)</u>
	<u>\$ 1,258,166</u>	<u>\$ 5,070</u>	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,263,614</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 606	\$ 3,093
Net remeasurement of loss allowance (gain on reversal)	28	(28)
Amounts written off	(627)	(2,450)
Foreign currency exchange gains and losses	<u>24</u>	<u>13</u>
Balance at September 30	<u>\$ 31</u>	<u>\$ 628</u>

## 10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished and purchased goods	\$ 477,927	\$ 439,801	\$ 429,122
Work in process	243,541	136,392	205,781
Materials	<u>667,545</u>	<u>503,514</u>	<u>530,414</u>
	<u>\$ 1,389,013</u>	<u>\$ 1,079,707</u>	<u>\$ 1,165,317</u>

The cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 included reversal of inventory write-downs of \$1,259 thousand, \$2,853 thousand, \$219 thousand and \$31,857 thousand, respectively. Due to the disposal of inventories which were written down, the net realizable value of inventory increased.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Yuen Foong Yu Consumer Products Investment Limited	Investment holding	100.0	100.0	100.0	
	Ever Growing Agriculture Bio-tech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	E-commerce of selling consumer products	100.0	100.0	100.0	
	YFY Consumer Products, Co.	E-commerce for intellectual property management and sales of consumer products	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Investment and holding and sale of paper	100.0	100.0	100.0	
YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
	Livebricks Inc.	Information processing service	100.0	100.0	100.0	a.

- a. On March 10, 2023, the Group's board of directors resolved to acquire 100% equity of Livebricks Inc. from a fellow subsidiary of YFY Inc. group through Yuen Foong Shop Co., Ltd. for \$1,879 thousand. The transaction was completed in the first quarter of 2023. In compliance with the "Comments on IFRS" and Interpretation 2012-301 issued by the Accounting Research and Development Foundation, the acquisition resulted in a joint control restructuring. In the preparation of comparative consolidated financial statements, the acquisition is disclosed as if it has occurred before January 1, 2022 and the shares of adjusted were recognized to profit or loss attributable to former owner of business combination under common control, please refer to Note 21 for information.

- b. The financial statements for the nine months ended September 30, 2024 of subsidiaries, including Ever Growing Agriculture Bio-tech Co., Ltd., Yuen Foong Shop Co., Ltd., YFY Consumer Products, Co., YFY Family Care (Kunshan) Co., Ltd., Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd., and Yuen Foong Shop (HK) Limited, have not been reviewed. The financial statements for the nine months ended September 30, 2023 of subsidiaries, including Ever Growing Agriculture Bio-tech Co., Ltd., Yuen Foong Shop Co., Ltd., Livebricks Inc., YFY Consumer Products, Co., YFY Family Care (Kunshan) Co., Ltd., Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd., and Yuen Foong Shop (HK) Limited, have not been reviewed. As of September 30, 2024 and 2023, combined total assets of these subsidiaries were \$2,327,080 thousand and \$2,155,260 thousand, respectively, representing 24.56% and 25.61%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$520,200 thousand and \$501,975 thousand, respectively, representing 13.35% and 17.14%, respectively, of the consolidated total liabilities; For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were \$38,795 thousand, \$36,803 thousand, \$124,981 thousand and \$127,695 thousand, respectively, representing 39.13%, 8.64%, 17.68% and 17.28%, respectively, of the consolidated total comprehensive income. Management believes that the financial statements, even if reviewed, are not subject to significant adjustments.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery	Electric Equipment	Tools	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 675,822	\$ 1,326,106	\$ 4,748,427	\$ 527,312	\$ 277,811	\$ 317,095	\$ 499	\$ 7,873,072
Additions	500,347	18,707	60,005	8,304	28,715	11,024	90,541	717,643
Disposals	-	(684)	(77,747)	(6,352)	(23,744)	(6,642)	-	(115,169)
Effect of foreign currency exchange differences	-	12,675	83,574	9,739	4,110	3,083	20	113,201
Reclassifications	-	-	518	-	-	-	(518)	-
Balance at September 30, 2024	<u>\$ 1,176,169</u>	<u>\$ 1,356,804</u>	<u>\$ 4,814,777</u>	<u>\$ 539,003</u>	<u>\$ 286,892</u>	<u>\$ 324,560</u>	<u>\$ 90,542</u>	<u>\$ 8,588,747</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2024	\$ -	\$ 703,273	\$ 2,683,648	\$ 342,366	\$ 208,650	\$ 272,583	\$ -	\$ 4,210,520
Depreciation expenses	-	41,538	217,366	18,102	20,427	14,291	-	311,724
Disposals	-	(323)	(54,069)	(3,471)	(22,558)	(6,528)	-	(86,949)
Effect of foreign currency exchange differences	-	9,204	57,197	9,332	3,748	2,477	-	81,958
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 753,692</u>	<u>\$ 2,904,142</u>	<u>\$ 366,329</u>	<u>\$ 210,267</u>	<u>\$ 282,823</u>	<u>\$ -</u>	<u>\$ 4,517,253</u>
Carrying amounts at January 1, 2024	<u>\$ 675,822</u>	<u>\$ 622,833</u>	<u>\$ 2,064,779</u>	<u>\$ 184,946</u>	<u>\$ 69,161</u>	<u>\$ 44,512</u>	<u>\$ 499</u>	<u>\$ 3,662,552</u>
Carrying amounts at September 30, 2024	<u>\$ 1,176,169</u>	<u>\$ 603,112</u>	<u>\$ 1,910,635</u>	<u>\$ 172,674</u>	<u>\$ 76,625</u>	<u>\$ 41,737</u>	<u>\$ 90,542</u>	<u>\$ 4,071,494</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 675,822	\$ 1,140,852	\$ 4,053,445	\$ 455,297	\$ 240,840	\$ 310,014	\$ 72,723	\$ 6,948,993
Additions	-	13,644	95,636	8,191	14,778	6,261	571,487	709,997
Disposals	-	(7,423)	(28,454)	(2,200)	(3,332)	(7,592)	-	(49,001)
Effect of foreign currency exchange differences	-	5,949	39,169	4,565	1,908	1,396	-	52,987
Reclassifications	-	699	1,534	-	-	-	(2,233)	-
Balance at September 30, 2023	<u>\$ 675,822</u>	<u>\$ 1,153,721</u>	<u>\$ 4,161,330</u>	<u>\$ 465,853</u>	<u>\$ 254,194</u>	<u>\$ 310,079</u>	<u>\$ 641,977</u>	<u>\$ 7,662,976</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 667,379	\$ 2,465,007	\$ 320,543	\$ 192,562	\$ 263,278	\$ -	\$ 3,908,769
Depreciation expenses	-	34,664	198,638	20,756	15,848	15,131	-	285,037
Disposals	-	(7,209)	(28,294)	(1,504)	(3,249)	(7,297)	-	(47,553)
Effect of foreign currency exchange differences	-	4,274	25,987	4,303	1,728	1,141	-	37,433
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 699,108</u>	<u>\$ 2,661,338</u>	<u>\$ 344,098</u>	<u>\$ 206,889</u>	<u>\$ 272,253</u>	<u>\$ -</u>	<u>\$ 4,183,686</u>
Carrying amounts at January 1, 2023	<u>\$ 675,822</u>	<u>\$ 473,473</u>	<u>\$ 1,588,438</u>	<u>\$ 134,754</u>	<u>\$ 48,278</u>	<u>\$ 46,736</u>	<u>\$ 72,723</u>	<u>\$ 3,040,224</u>
Carrying amounts at September 30, 2023	<u>\$ 675,822</u>	<u>\$ 454,613</u>	<u>\$ 1,499,992</u>	<u>\$ 121,755</u>	<u>\$ 47,305</u>	<u>\$ 37,826</u>	<u>\$ 641,977</u>	<u>\$ 3,479,290</u>



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

Buildings	3-55 years
Machinery	3-20 years
Electric equipment	3-20 years
Tools	3-16 years
Miscellaneous equipment	3-15 years

According to the operational requirements, the Group's land which land parcel number are 109, 125, 541 and 542 in Taichung City were bought in the first three quarters of 2024, because the purchased agricultural land could not be transferred in the name of the Group, it was temporarily registered in the name of the registrant, with whom a contract of borrowing other's name for real estate registration was signed to clearly define the rights and obligations of both parties, declare the ownership of agricultural land is belongs to the Group. The land ownership certificate is held by the Group and pledge these agricultural land to the Group when registered the property rights.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	
<u>Carrying amounts</u>				
Land	\$ 91,319	\$ 94,605	\$ 99,545	
Buildings	152,719	176,658	190,042	
Others	<u>16,555</u>	<u>21,678</u>	<u>23,019</u>	
	<u>\$ 260,593</u>	<u>\$ 292,941</u>	<u>\$ 312,606</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	\$ <u>-</u>	\$ <u>2,694</u>	\$ <u>17,586</u>	\$ <u>33,925</u>
Depreciation charge for right-of-use assets				
Land	\$ 2,157	\$ 2,138	\$ 6,457	\$ 6,413
Buildings	14,247	12,740	42,218	38,313
Others	<u>1,705</u>	<u>1,739</u>	<u>5,124</u>	<u>5,116</u>
	<u>\$ 18,109</u>	<u>\$ 16,617</u>	<u>\$ 53,799</u>	<u>\$ 49,842</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Carrying amounts</u>			
Current	<u>\$ 68,896</u>	<u>\$ 63,180</u>	<u>\$ 63,217</u>
Non-current	<u>\$ 118,036</u>	<u>\$ 156,860</u>	<u>\$ 172,813</u>

Range of discount rates for lease liabilities was as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Land	1.08%	1.08%	1.08%
Buildings	0.86%-2.37%	0.86%-2.37%	0.86%-2.37%
Others	0.86%-1.95%	0.86%-1.95%	0.86%-1.95%

c. Material lease-in activities and terms

The Group leases certain equipment and buildings for the use of operating activities with lease terms of 2 to 12 years. These arrangements do not contain renewal or purchase options at the end of the lease terms.

The lease contract for land located in mainland China specifies that land are mainly used as plants, and lease payments will be made at the beginning of the contract with lease terms of 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 29,397</u>	<u>\$ 29,642</u>	<u>\$ 88,943</u>	<u>\$ 85,688</u>
Total cash outflow for leases	<u>\$ 47,312</u>	<u>\$ 45,977</u>	<u>\$ 142,056</u>	<u>\$ 134,682</u>

## 14. BORROWINGS

a. Short-term borrowings

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Bank credit loans	<u>\$ 609,000</u>	<u>\$ -</u>	<u>\$ 423,000</u>
Annual interest rates	1.81%-1.87%	-	1.67%-1.95%

b. Short-term bills payable

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Short-term bills payable	\$ -	\$ -	\$ 50,000
Less: Unamortized discounts on bills payable	<u>-</u>	<u>-</u>	<u>(2)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,998</u>
Annual interest rates	-	-	1.76%

c. Long-term borrowings

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Bank credit loans	<u>\$ 910,490</u>	<u>\$ 760,330</u>	<u>\$ 254,910</u>
Interest rates of long-term borrowings	1.40%-1.48%	1.26%-1.35%	1.26%-1.35%

## 15. RETIREMENT BENEFIT PLANS

The amounts of pension cost in respect of the Group's defined benefit plans for the three months and nine months ended September 30, 2024 and 2023 were calculated based on the pension cost rate determined by the actuarial calculation as of December 31, 2023 and 2022, which amounted to \$536 thousand, \$585 thousand, \$1,609 thousand and \$1,756 thousand, respectively.

## 16. EQUITY

a. Ordinary shares

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Number of shares authorized (in thousands)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Shares authorized	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>267,129</u>	<u>267,129</u>	<u>267,129</u>
Shares issued	<u>\$ 2,671,290</u>	<u>\$ 2,671,290</u>	<u>\$ 2,671,290</u>

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

b. Capital surplus

The capital surplus for the nine months ended September 30, 2024 and 2023 were as follows:

	<b>Differences Between Equity Purchase Price and Carrying Amount from Actual Acquisition or Disposal of Equity in Subsidiary (Note)</b>	<b>Share Premium (Note)</b>	<b>Others (Note)</b>	<b>Total</b>
Balance at January 1 and September 30, 2024 and 2023	<u>\$ 156,481</u>	<u>\$ 1,054,448</u>	<u>\$ 3,187</u>	<u>\$ 1,214,116</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends 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 legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders.

In consideration of the overall environment and the long-term financial planning to achieve sustainable and stable business development, the Company's dividend policy is mainly based on the future capital budget plan to measure the capital needs of the following year. Every year, no less than 30% of the available profit shall be distributed as shareholder dividends. The distribution of dividends may be in cash or in shares, of which the cash dividends should be no less than 20%. However, when the Company has capital expenditure needs, all the aforementioned dividends will be distributed in the form of share dividends. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 18(d).

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 deficit. 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. 1010047490, and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", should be appropriated to or reversed from a special reserve by the Company. When the deduction balance of other shareholders' equity is reversed, the surplus may be distributed thereafter.

The appropriations of earnings for 2023 and 2022, which were approved by the shareholders in their meeting on June 25, 2024 and June 28, 2023, respectively, were as follows:

	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 96,314	\$ 68,825
Appropriation (reversal) of special reserve	\$ 36,679	\$ (139,073)
Cash dividends	\$ 801,387	\$ 614,397
Cash dividends per share (NT\$)	\$ 3	\$ 2.3

Information about the appropriations of earnings is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 47,163	\$ 48,391
Attributable to non-controlling interests:		
Share of profit for the period	4,315	4,658
Cash dividends to non-controlling interests	(5,104)	(6,837)
Employees' compensation released by subsidiaries to the Company's employees to adjust non-controlling interests	<u>(5)</u>	<u>-</u>
Balance at September 30	\$ 46,369	\$ 46,212

**17. REVENUE**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers - sale of goods and rendering of services	\$ 2,832,809	\$ 2,574,274	\$8,154,805	\$ 7,555,503

**Contract Balances**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable and accounts receivable (including related parties)	\$ 1,372,131	\$ 1,183,212	\$ 1,272,510
Contract liabilities - sale of goods and rendering of services (under other current liabilities)	\$ 37,633	\$ 44,540	\$ 62,531

The amount of contract liabilities from the beginning of the year recognized as income in the current period is as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers - sale of goods and rendering of services	\$ <u>919</u>	\$ <u>1,189</u>	\$ <u>42,741</u>	\$ <u>44,690</u>

For information about notes receivable and accounts receivable, refer to Note 9. The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 18. NET PROFIT

### a. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 6,970	\$ 3,072	\$ 15,028	\$ 7,474
Interest on lease liabilities	545	652	1,755	1,915
Less: Capitalization amount of interest	<u>(218)</u>	<u>(1,104)</u>	<u>(340)</u>	<u>(2,103)</u>
	\$ <u>7,297</u>	\$ <u>2,620</u>	\$ <u>16,443</u>	\$ <u>7,286</u>

Information about capitalized interest was as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Capitalization interest rates	1.27%-1.54%	1.29%-1.74%

### b. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Right-of-use assets	\$ 18,109	\$ 16,617	\$ 53,799	\$ 49,842
Property, plant and equipment	101,706	96,196	311,724	285,037
Other non-current assets	<u>5</u>	<u>52</u>	<u>54</u>	<u>164</u>
	\$ <u>119,820</u>	\$ <u>112,865</u>	\$ <u>365,577</u>	\$ <u>355,043</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 101,967	\$ 95,698	\$ 311,967	\$ 283,118
Operating expenses	<u>17,848</u>	<u>17,115</u>	<u>53,556</u>	<u>51,761</u>
	<u>\$ 119,815</u>	<u>\$ 112,813</u>	<u>\$ 365,523</u>	<u>\$ 334,879</u>
An analysis of amortization by function				
Operating costs	\$ -	\$ -	\$ -	\$ 6
Operating expenses	<u>5</u>	<u>52</u>	<u>54</u>	<u>158</u>
	<u>\$ 5</u>	<u>\$ 52</u>	<u>\$ 54</u>	<u>\$ 164</u>

(Concluded)

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 7,365	\$ 6,990	\$ 22,017	\$ 21,196
Defined benefit plans (Note 15)	<u>536</u>	<u>585</u>	<u>1,609</u>	<u>1,756</u>
	7,901	7,575	23,626	22,952
Other employee benefits	<u>301,760</u>	<u>289,227</u>	<u>904,585</u>	<u>865,719</u>
Total employee benefits expense	<u>\$ 309,661</u>	<u>\$ 296,802</u>	<u>\$ 928,211</u>	<u>\$ 888,671</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 163,532	\$ 151,690	\$ 494,964	\$ 448,714
Operating expenses	<u>146,129</u>	<u>145,112</u>	<u>433,247</u>	<u>439,957</u>
	<u>\$ 309,661</u>	<u>\$ 296,802</u>	<u>\$ 928,211</u>	<u>\$ 888,671</u>

d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year. The compensation of employees and remuneration of directors were as follows:

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 1,442	\$ 2,763	\$ 10,134	\$ 9,592
Remuneration of directors	1,290	2,295	7,950	9,045

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors were as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Date of resolution	March 13, 2024	March 14, 2023
Compensation of employees	\$ 11,850	\$ 8,805
Remuneration of directors	12,150	8,627

There was no difference between the aforementioned approved amounts and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

## 19. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax	\$ 42,856	\$ 75,482	\$ 151,398	\$ 153,070
Deferred tax	<u>578</u>	<u>1,256</u>	<u>627</u>	<u>9,161</u>
Income tax expense recognized in profit or loss	<u>\$ 43,434</u>	<u>\$ 76,738</u>	<u>\$ 152,025</u>	<u>\$ 162,231</u>



b. Income tax assessments

The tax filings of the Company and Yuen Foong Shop Co., Ltd. through 2021 have been approved by the tax authorities. The tax filings of Ever Growing Agriculture Bio-tech Co., Ltd. and Livebricks Inc. through 2022 have been approved by the tax authorities.

**20. EARNINGS PER SHARE**

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share (NT\$)	<u>\$ 0.54</u>	<u>\$ 1.11</u>	<u>\$ 2.18</u>	<u>\$ 2.39</u>
Diluted earnings per share (NT\$)	<u>\$ 0.54</u>	<u>\$ 1.11</u>	<u>\$ 2.17</u>	<u>\$ 2.39</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net profit for the period:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	<u>\$ 144,482</u>	<u>\$ 296,366</u>	<u>\$ 581,528</u>	<u>\$ 638,006</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	267,129	267,129	267,129	267,129
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>208</u>	<u>249</u>	<u>280</u>	<u>312</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>267,337</u>	<u>267,378</u>	<u>267,409</u>	<u>267,441</u>

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses 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, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 21. BUSINESS COMBINATIONS

### a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Reorganization	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Livebricks Inc.	Note 11	The first quarter, 2023	100	<u>\$ 1,879</u>

The acquisition of Livebricks Inc. from YFY Paradigm Investment Co., Ltd. is the Group's operating strategy to continue the expansion of its business activities. So the Group expands its information processing services.

### b. Consideration transferred

	Livebricks Inc.
Cash	<u>\$ 1,879</u>

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

	Livebricks Inc.
Current assets	
Cash and cash equivalents	\$ 393
Financial assets at amortized cost	1,500
Other current assets	49
Current liabilities	<u>(63)</u>
	<u>\$ 1,879</u>

## 22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns through consideration of the future operational plan, profitability, capital expenditure, operating income and debt repayment when assessing various costs and risks. In order to balance the overall capital and financial structure, the Group may pay dividends, issue new shares, etc.

## 23. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to approximate their fair values.

b. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,443,109	\$ 3,581,407	\$ 3,198,536
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	3,480,297	2,684,093	2,429,195

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, accounts receivable from related parties, other receivables (accounted as other current assets) and refundable deposits (accounted as other current assets and other non-current assets).
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable, accounts payable to related parties, other payables, other payables to related parties, long-term borrowings, long-term payables (accounted as other non-current liabilities) and deposits received (accounted as other non-current liabilities).

c. Financial risk management objectives and policies

The Group's main objective of financial risk management is to manage the market risk related to operating activities including foreign currency risk, interest rate risk, credit risk and liquidity risk. To reduce the potential and detrimental influence of market fluctuations on the Group's financial performance, the Group endeavors to identify, estimate and hedge the uncertainties of the market.

The Group's significant financial activity is reviewed and approved by the board of directors in compliance with related regulations and internal control policy, and authority and responsibility are delegated according to the operating procedures. Internal auditors also regularly or irregularly review the compliance of the policy. The Group did not enter into or trade financial instruments for speculative purposes.

1) Market risk

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group follows the movement of foreign exchange rates and adjusts the exposure position respond to it to minimize the effects of these risks.

Sensitivity analysis

The Group is 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 rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss at 5% variance		
USD	<u>\$ (1,690)</u>	<u>\$ 553</u>
RMB	<u>\$ 55</u>	<u>\$ 121</u>

b) Interest rate risk

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	<u>\$ 1,325,488</u>	<u>\$ 1,261,924</u>	<u>\$ 1,218,656</u>
Financial liabilities	<u>\$ 1,706,422</u>	<u>\$ 980,370</u>	<u>\$ 963,938</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 611,825</u>	<u>\$ 1,048,680</u>	<u>\$ 614,325</u>

Due to the close and long-term relationship with banks, the Group obtained better and flexible interest rates from banks. The impact of changing in interest rates is not significant to the Group.

Sensitivity analysis

For the Group's floating interest rate financial assets and liabilities, if interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Increase (decrease)	\$ 459	\$ 461

2) Credit risk

Credit risk refers to the risk that 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 the failure of the counterparty to discharge its obligation is at the level of the carrying amounts of the respective recognized financial assets which comprise receivables from operating activities as stated in the consolidated balance sheets.

The Group transacts with a large number of unrelated customers in various industries. The Group continuously evaluates the financial conditions of those customers.

To maintain the quality of the accounts receivable, the Group has developed 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 finance department. Since the counterparties are creditworthy banks and financial institutions with good credit rating, there was 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 required by business operation and to ensure the Group has sufficient financial flexibility.

	September 30, 2024	December 31, 2023	September 30, 2023
Unutilized financing facilities	<u>\$ 7,962,762</u>	<u>\$ 8,980,094</u>	<u>\$ 9,295,492</u>

## 24. TRANSACTIONS WITH RELATED PARTIES

YFY Inc. is the parent company of the Company, which held 59.14% of the ordinary shares of the Company as of September 30, 2024, December 31, 2023 and September 30, 2023.

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. Details of transactions between the Group and other related parties are disclosed below.

### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
YFY Inc.	Parent company
YFY Biotech Management Co., Ltd.	Fellow subsidiary
Chung Hwa Pulp Corporation	Fellow subsidiary
China Color Printing Co., Ltd.	Fellow subsidiary
Fidelis IT Solutions Co., Ltd.	Fellow subsidiary
Arizon RFID Technology (Hong Kong) Co., Ltd.	Fellow subsidiary
YFY Packaging (Yangzhou) Investment Co., Ltd.	Fellow subsidiary
YFY Packaging Inc.	Fellow subsidiary
YFY Paradigm Investment Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Shanghai) Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Kunshan) Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Qingdao) Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Nanjing) Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Fellow subsidiary
YFY Paper Enterprise (Suzhou) Co., Ltd.	Fellow subsidiary
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Fellow subsidiary
YFY Corporate Advisory & Services Co., Ltd.	Fellow subsidiary
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Fellow subsidiary

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Union Paper Corp.	Fellow subsidiary
Pek Crown Paper Co., Ltd.	Fellow subsidiary
Shin Foong Specialty & Applied Materials Co., Ltd.	Fellow subsidiary
Sustainable Carbohydrate Innovation Co., Ltd.	Fellow subsidiary
Guangdong Dingfung Pulp & Paper Co., Ltd.	Fellow subsidiary
YFY Jupiter US, Inc.	Fellow subsidiary
YFY Development Corp.	Fellow subsidiary
Genovella Renewables Inc.	Fellow subsidiary
YFY Jupiter Limited Taiwan Branch (Hong Kong)	Fellow subsidiary
Kunshan YFY Jupiter Green Packaging Ltd.	Fellow subsidiary
Effion Enertech Co., Ltd.	Fellow subsidiary
Fengchuan Green Technology Co., Ltd.	Fellow subsidiary
Ensilience Co., Ltd.	Fellow subsidiary
Hsinex International Corp.	Substantive related party
Transcend Optronics (Yangzhou) Co., Ltd.	Substantive related party
E Ink Holdings Inc.	Substantive related party
YuanHan Materials Inc.	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
Bank SinoPac Co., Ltd.	Substantive related party
SinoPac Financial Holdings Co., Ltd.	Substantive related party
YFY Biotech Co., Ltd.	Substantive related party
YFY BioTechnology (Kunshan) Co., Ltd.	Substantive related party
YFY Green Food (Shanghai) Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Beautone Co., Ltd.	Substantive related party
Ho Tien Co., Ltd.	Substantive related party
Hsin-Yi Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
SinoPac Securities Corporation	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party
Chen Yu Co., Ltd.	Substantive related party
Hoi Toy & Play Corporation	Substantive related party
Synmax Biochemical Co., Ltd.	Substantive related party
Foongtone Technology Co., Ltd.	Substantive related party
Hsin Yi Recreation Enterprise Co., Ltd.	Substantive related party

(Concluded)

b. Sales of goods

<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Fellow subsidiaries	\$ 13,650	\$ 13,133	\$ 41,712	\$ 38,775
Substantive related parties	3,412	2,948	10,419	8,359
Parent company	<u>51</u>	<u>48</u>	<u>272</u>	<u>257</u>
	<u>\$ 17,113</u>	<u>\$ 16,129</u>	<u>\$ 52,403</u>	<u>\$ 47,391</u>

For sales of goods to related parties, the prices and terms of receivables approximate those with non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Fellow subsidiaries				
Chung Hwa Pulp Corporation	\$ 92,147	\$ 82,718	\$ 330,088	\$ 430,551
Others	<u>74,182</u>	<u>22,003</u>	<u>210,216</u>	<u>234,169</u>
	166,329	104,721	540,304	664,720
Substantive related parties	<u>207</u>	<u>178</u>	<u>583</u>	<u>426</u>
	<u>\$ 166,536</u>	<u>\$ 104,899</u>	<u>\$ 540,887</u>	<u>\$ 665,146</u>

For purchases of goods from related parties, the prices and terms of payables approximate those with non-related parties.

d. Accounts receivable from related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Fellow subsidiaries			
Guangdong Dingfung Pulp & Paper Co., Ltd.	\$ 3,686	\$ 3,180	\$ 3,754
Others	<u>2,727</u>	<u>1,563</u>	<u>2,204</u>
	6,413	4,743	5,958
Substantive related parties			
Yuen Foong Paper Co., Ltd.	2,187	1,996	2,095
Others	<u>753</u>	<u>602</u>	<u>793</u>
	2,940	2,598	2,888
Parent company	<u>54</u>	<u>-</u>	<u>50</u>
	<u>\$ 9,407</u>	<u>\$ 7,341</u>	<u>\$ 8,896</u>

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

e. Accounts payable to related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Fellow subsidiaries			
Chung Hwa Pulp Corporation	\$ 96,422	\$ 110,471	\$ 86,298
YFY Packaging Inc.	27,118	19,143	12,197
Others	<u>14,501</u>	<u>14,391</u>	<u>16,704</u>
	138,041	144,005	115,199
Substantive related parties	<u>62</u>	<u>46</u>	<u>28</u>
	<u>\$ 138,103</u>	<u>\$ 144,051</u>	<u>\$ 115,227</u>

The outstanding accounts payable to related parties are unsecured.

f. Other receivables from related parties (accounted for as other current assets)

<b>Related Party Category/Name</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fellow subsidiaries			
YFY Paper Enterprise (Kunshan) Co., Ltd.	\$ <u>15</u>	\$ <u>-</u>	\$ <u>14</u>

g. Other payables to related parties

<b>Related Party Category/Name</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fellow subsidiaries			
YFY Paper Mfg. (Yangzhou) Co., Ltd.	\$ 23,640	\$ 27,816	\$ 27,072
YFY Development Corp.	1,260	2,772	6,437
Others	<u>3,017</u>	<u>2,162</u>	<u>2,317</u>
	27,917	32,750	35,826
Substantive related parties	<u>2,138</u>	<u>1,780</u>	<u>1,903</u>
	\$ <u>30,055</u>	\$ <u>34,530</u>	\$ <u>37,729</u>

h. Acquisitions of property, plant and equipment

<b>Related Party Category</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Fellow subsidiaries	\$ <u>-</u>	\$ <u>971</u>

i. Acquisitions of investment properties

Refer to Note 21.

j. Lease arrangements

<b>Lease Liabilities</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fellow subsidiaries	\$ <u>14,844</u>	\$ <u>19,220</u>	\$ <u>20,671</u>

  

<b>Interest Paid</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Fellow subsidiaries	\$ <u>43</u>	\$ <u>59</u>	\$ <u>140</u>	\$ <u>187</u>



	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Lease Paid</b>				
Fellow subsidiaries				
YFY Paper Mfg. (Yangzhou) Co., Ltd.	\$ 9,131	\$ 8,867	\$ 27,129	\$ 26,562
Others	<u>924</u>	<u>908</u>	<u>2,760</u>	<u>2,723</u>
	10,055	9,775	29,889	29,285
Substantive related parties	<u>2,440</u>	<u>2,440</u>	<u>7,319</u>	<u>7,924</u>
	<u>\$ 12,495</u>	<u>\$ 12,215</u>	<u>\$ 37,208</u>	<u>\$ 37,209</u>

The lease period, rent and the payment condition for related parties are approximate those with non-related parties.

k. Other transactions with related parties

	<b>Miscellaneous Expenses (Accounted for as Operating Costs and Expenses)</b>			
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Related Party Category				
Fellow subsidiaries	\$ 65,506	\$ 66,825	\$ 200,654	\$ 220,125
Substantive related parties	<u>3,163</u>	<u>2,774</u>	<u>8,591</u>	<u>7,722</u>
	<u>\$ 68,669</u>	<u>\$ 69,599</u>	<u>\$ 209,245</u>	<u>\$ 227,847</u>

	<b>Other Income (Accounted for as Non-operating Income)</b>			
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Related Party Category				
Fellow subsidiaries	\$ -	\$ -	\$ -	\$ 38

	<b>Prepayments (Accounted for as Other Current Assets)</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
	Related Party Category		
Fellow subsidiaries	\$ 1,625	\$ 582	\$ 1,359
Substantive related parties	<u>150</u>	<u>42</u>	<u>155</u>
	<u>\$ 1,775</u>	<u>\$ 624</u>	<u>\$ 1,514</u>

1. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 15,326	\$ 11,849	\$ 49,470	\$ 35,236
Others	<u>170</u>	<u>276</u>	<u>776</u>	<u>828</u>
	<u>\$ 15,496</u>	<u>\$ 12,125</u>	<u>\$ 50,246</u>	<u>\$ 36,064</u>

The remuneration of directors and key executives as determined by the remuneration committee, was based on the performance of individuals and market trends.

**25. ASSETS PLEDGED**

The Group provided the pledged deposits (accounted as financial assets at amortized cost - current) as collateral for purchases of goods. The assets pledged as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$15,000 thousand.

**26. SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

The plant located in Qingshui District, Taichung City of the Group suffered a fire on November 8, 2024. The Group has purchased relevant fire insurance and it has no significant impact on production, thus no significant losses are expected.

**27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group were as follows:

Contingent liabilities

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Group in 2024, the Group expects that it will be the entity subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

## 28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information on the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

<b>September 30, 2024</b>			
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 679	31.65	\$ 21,490
RMB	244	4.517	1,102
<u>Financial liabilities</u>			
Monetary items			
USD	1,747	31.65	55,293
<b>December 31, 2023</b>			
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 578	30.705	\$ 17,747
RMB	244	4.335	1,058
<u>Financial liabilities</u>			
Monetary items			
USD	206	30.705	6,325
<b>September 30, 2023</b>			
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 562	32.27	\$ 18,136
RMB	538	4.495	2,418
<u>Financial liabilities</u>			
Monetary items			
USD	219	32.27	7,067

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Nine Months Ended September 30			
	2024		2023	
	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
USD	31.65 (USD:NTD)	\$ 677	32.27 (USD:NTD)	\$ 548
USD	7.0074 (USD:RMB)	(221)	7.1798 (USD:RMB)	390
RMB	4.517 (RMB:NTD)	<u>41</u>	4.495 (RMB:NTD)	<u>80</u>
		<u>\$ 497</u>		<u>\$ 1,018</u>

## 29. SEPARATELY DISCLOSED ITEMS

Following are the additional disclosures required by the Securities and Futures Bureau for the Company:

- a. Financing provided: See Table 1 attached;
- b. Endorsements/guarantees provided: None;
- c. Marketable securities held: See Table 2 attached;
- d. Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None;
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 3 attached;
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 5 attached;
- i. Trading in derivative instruments: None;
- j. Intercompany relationships and significant intercompany transactions: See Table 8 attached;
- k. Information on investees: See Table 6 attached;
- l. 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: See Table 7 attached.

- 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:
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: See Table 4 attached.
  - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: See Tables 4 and 8 attached.
  - The amount of property transactions and the amount of the resultant gains or losses.
  - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: See Table 1 attached.
  - 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 receipt of services.

m. 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: See Table 9 attached.

### 30. SEGMENT INFORMATION

Segment revenue and results are as follows:

	Taiwan	Mainland China	Adjustment and Elimination	Total
For the nine months ended <u>September 30, 2024</u>				
Revenue from external customers	\$ 5,769,435	\$ 2,385,370	\$ -	\$ 8,154,805
Revenue from other internal operating segments	\$ 1,094,693	\$ 3,858,842	\$ (4,953,535)	\$ -
Segment profit before income tax	\$ 696,233	\$ 41,635	\$ -	\$ 737,868
For the nine months ended <u>September 30, 2023</u>				
Revenue from external customers	\$ 5,128,576	\$ 2,426,927	\$ -	\$ 7,555,503
Revenue from other internal operating segments	\$ 664,864	\$ 3,853,567	\$ (4,518,431)	\$ -
Segment profit before income tax	\$ 790,939	\$ 13,915	\$ -	\$ 804,854

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

a. Taiwan

Manufacture and sale of paper and paper-related merchandise in Taiwan.

b. Mainland China

Manufacture and sale of paper and paper-related merchandise in mainland China.

The accounting policies of each segment are the same as those accounting policies stated in Note 4. The performance of segments is measured by income before 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.

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 2 and 5)	Ending Balance (Notes 2 and 5)	Actual Borrowing Amount (Note 5)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3, 4 and 5)	Aggregate Financing Limit (Notes 3, 4 and 5)	Note
													Item	Value			
1	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	\$ 305,781	\$ 300,096	\$ 927	3.25	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 630,244	\$ 630,244	Note 6
2	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,300,466	1,276,288	101	3.25	Short-term financing	-	Operating capital	-	-	-	2,697,024	2,697,024	Note 6
3	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,186,622	2,145,968	-	3.50	Short-term financing	-	Operating capital	-	-	-	4,340,793	4,340,793	Note 6
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,186,622	2,145,968	-	3.50	Short-term financing	-	Operating capital	-	-	-	4,340,793	4,340,793	Note 6

Note 1: The number column of financing provided to others by Yuen Foong Yu Consumer Products Co., Ltd. and subsidiaries is illustrated as follows:

- a. The Company is numbered 0.
- b. The subsidiaries of the Company are sequentially numbered from 1.

Note 2: The balances are the approved amount that could be financed to others, including those not actually borrowed.

Note 3: 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 which was audited or reviewed by auditors, 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 which was audited or reviewed by auditors. 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 which was audited or reviewed by auditors.

Note 4: Foreign companies that directly and indirectly hold 100% of the voting shares are not subject to the aforementioned restrictions when engaging in financing provided to others. The total amount of financing loans and individual object limits due to business relationships and the need for short-term financing are limited to no more than twice the net value of the Company on the most current financial statements which was audited or reviewed by auditors.

Note 5: The exchange rates were RMB1=\$4.516654 as of September 30, 2024.

Note 6: In preparing the consolidated financial statements, the transaction has been eliminated.

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**SEPTEMBER 30, 2024**

**(In Thousands of US Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	As of September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yuen Foong Yu Consumer Products Investment Limited	Corporate bonds MITSUBISHI HC FIN AMERICA LLC	-	Financial assets at amortized cost - non-current	-	\$ 7,102	N/A	\$ 7,102	
	KOREA ELECTRIC POWER CORPORATION	-	Financial assets at amortized cost - non-current	-	2,000	N/A	2,000	
	INCHEON INTERNATIONAL AIRPORT CORPORATION	-	Financial assets at amortized cost - non-current	-	933	N/A	933	



**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

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

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
The Company	Land	May 13, 2024	\$ 327,282	Based on the contracts	Natural person	-	NA	NA	NA	NA	Appraisal reports provided by Gold Real Estate Appraisal Co., Ltd.	Manufacturing purpose	Refer to Note 12

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Chung Hwa Pulp Corporation Yuen Foong Shop Co., Ltd.	b.	Purchases	\$ 330,016	10	In agreed terms	\$ -	-	\$ (96,384)	(14)	Note 2
		a.	Sales	(824,389)	(15)	In agreed terms	-	-	280,112	23	
Ever Growing Agriculture Bio-tech Co., Ltd.	The Company	a.	Sales	(252,961)	(99)	In agreed terms	-	-	139,082	100	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd. Guangdong Dingfung Pulp & Paper Co., Ltd.	a.	Sales	(1,422,045)	(38)	In agreed terms	-	-	-	-	Note 2
		b.	Purchases	123,380	3	In agreed terms	-	-	-	-	
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	a.	Sales	(446,874)	(92)	In agreed terms	-	-	60,859	94	Note 2
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd. YFY Family Care (Kunshan) Co., Ltd.	a.	Sales	(1,734,624)	(87)	In agreed terms	-	-	219,684	100	Note 2
		a.	Sales	(254,462)	(13)	In agreed terms	-	-	-	-	Note 2

Note 1: a. Parent company and subsidiary.  
b. Fellow subsidiaries.  
c. Substantive related parties.

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

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**SEPTEMBER 30, 2024**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Yuen Foong Shop Co., Ltd.	Subsidiary	\$ 280,112	5.17	\$ -	-	\$ 236,542	\$ -
Ever Growing Agriculture Bio-tech Co., Ltd.	The Company	Parent company	139,082	2.72	-	-	67,506	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	219,684	10.53	-	-	219,684	-

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

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
The Company	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment holding	\$ 3,845,458	\$ 3,845,458	150,013,000	100.0	\$ 3,353,441	\$ 24,175	\$ 24,175	a. and b.
	Ever Growing Agriculture Bio-tech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	257,054	28,841	24,192	a. and b.
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	E-commerce of selling consumer products	55,041	55,041	5,000,000	100.0	104,351	41,531	41,688	a. and b.
	YFY Consumer Products, Co.	United States	E-commerce for intellectual property management and sales of consumer products	-	-	-	100.0	-	-	-	a. and b.
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong	General trade	-	-	-	100.0	-	-	-	a. and b.
	Livebricks Inc.	Taipei, Taiwan	Information processing service	1,879	1,879	200,002	100.0	20,696	17,342	17,342	a. and b.

Note: a. Subsidiaries.  
b. In preparing the consolidated financial statements, the transaction has been eliminated.  
c. Refer to Table 7 for information on investments in mainland China.

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outward	Inward						
YFY Investment Co., Ltd.	Investment and holding and sale of paper	\$ 3,639,750 (US\$ 115,000 thousand)	Investment in mainland China through companies set up in another country.	\$ 2,993,299 (US\$ 94,575 thousand)	\$ -	\$ -	\$ 2,993,299 (US\$ 94,575 thousand)	\$ (23,106) (Note 2 b)	100.0	\$ (23,106) (Note 2 b)	\$ 2,150,506	\$ -
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	949,500 (US\$ 30,000 thousand)	Investment in mainland China through companies set up in another country.	-	-	-	-	4,714 (Note 2 c)	100.0	5,211 (Note 2 c)	317,666	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	949,500 (US\$ 30,000 thousand)	Investment in mainland China through companies set up in another country.	-	-	-	-	49,896 (Note 2 c)	100.0	49,896 (Note 2 c)	1,398,520	-

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$3,309,799 (Notes 1 and 4)	\$3,309,799 (Notes 1 and 4)	(Note 3)

Note 1: The exchange rates were US\$1=\$31.65 and RMB1=\$4.516654 as of September 30, 2024.

Note 2: The recognition basis for investment gain (loss) is as follows:

- a. Financial statements reviewed by an international CPA firm with the cooperation of the ROC CPA firm.
- b. Financial statements reviewed by the ROC CPA firm.
- c. Others.

Note 3: According to Article 3 of the "Principles of Investing or Technical Cooperation in Mainland China" on August 29, 2008, companies approved by the Industrial Development Bureau, MOEA within the scope of operations of the operational headquarters are not subject to the upper limit. The Company is an eligible enterprise and is not subject to the aforementioned restrictions.

Note 4: The disposal of entire shares of YFY Family Paper (Beijing) Co., Ltd. was completed by the subsidiary YFY Investment Co., Ltd. in August 2020. The sale proceeds have not been remitted back to Taiwan; therefore, the Company has not yet processed the deduction of the accumulated investment amount to the Investment Commission, MOEA.

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES**

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

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	The Company	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales Accounts receivable	\$ 824,389 280,112	By market price By market price	10.1 3.0
2	Ever Growing Agriculture Bio-tech Co., Ltd.	The Company	Parent company	Sales Accounts receivable	252,961 139,082	By market price By market price	3.1 1.5
3	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	1,422,045	By market price	17.4
4	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd. YFY Family Care (Kunshan) Co., Ltd.	Parent company Fellow subsidiary	Sales Accounts receivable Sales	1,734,624 219,684 254,462	By market price By market price By market price	21.3 2.3 3.1
5	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	446,874	By market price	5.5

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

**TABLE 9****YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
YFY Inc.	158,004,565	59.14
YFY Paradigm Investment Co., Ltd.	17,135,815	6.41

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