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

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (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 six months ended June 30, 2026 and 2025 of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2026 and 2025, combined total assets of these subsidiaries were NT$1,945,017 thousand and NT$436,024 thousand, representing 17.89% and 4.26%, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$519,940 thousand and NT$150,325 thousand, representing 9.84% and 2.93%, of the consolidated total liabilities; for the three months ended June 30, 2026 and 2025, the amounts of combined comprehensive income of these subsidiaries were NT$32,478 thousand and NT$12,679 thousand, representing 15.89% and (5.73%), of the consolidated total comprehensive income. For the six months ended June 30, 2026 and 2025, the amounts of combined comprehensive income of these subsidiaries were NT$71,169 thousand and NT$16,020 thousand, representing 13.64% and 43.91%, of the consolidated total comprehensive income.

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 June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chi-Sheng Yang and Shu-Jiuan Ye.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2026

Notice to Readers

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

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

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

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,589,604	14	$ 1,404,678	13	$ 1,467,605	14
Financial assets at amortized cost - current (Notes 7 and 25)	738,455	7	216,224	2	459,679	4
Notes and accounts receivable (Notes 9, 18 and 24)	1,193,864	11	1,200,346	12	1,286,006	13
Inventories (Note 10)	1,213,247	11	1,463,195	14	1,345,880	13
Other current assets (Note 24)	308,328	3	485,554	5	464,290	5
Total current assets	5,043,498	46	4,769,997	46	5,023,460	49
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 7 and 8)	1,206,598	11	939,679	9	637,199	6
Property, plant and equipment (Notes 12 and 24)	4,086,070	38	4,191,522	40	4,297,475	42
Right-of-use assets (Note 13)	347,309	3	401,171	4	214,889	2
Investment properties (Note 14)	100,658	1	99,004	1	-	-
Deferred tax assets	9,070	-	8,676	-	8,752	-
Other non-current assets (Note 4)	76,235	1	61,310	-	49,918	1
Total non-current assets	5,825,940	54	5,701,362	54	5,208,233	51
TOTAL ASSETS	$ 10,869,438	100	$ 10,471,359	100	$ 10,231,693	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ 300,000	3	$ 100,000	1	$ 500,000	5
Notes and accounts payable (Note 24)	706,803	6	661,962	6	712,852	7
Cash dividends payable (Note 17)	707,892	7	-	-	681,179	6
Other payables (Note 24)	1,220,083	11	1,194,919	11	1,236,406	12
Current tax liabilities	170,999	2	170,338	2	158,862	1
Lease liabilities - current (Notes 13 and 24)	98,319	1	106,027	1	62,844	1
Current portion of long-term borrowings (Note 15)	-	-	270,000	3	-	-
Other current liabilities (Note 18)	105,299	1	129,659	1	75,093	1
Total current liabilities	3,309,395	31	2,632,905	25	3,427,236	33
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 15)	1,620,937	15	1,663,740	16	1,535,410	15
Deferred tax liabilities	61,390	1	61,857	1	62,016	1
Lease liabilities - non-current (Notes 13 and 24)	237,702	2	284,102	3	87,174	1
Other non-current liabilities	51,971	-	54,483	-	25,448	-
Total non-current liabilities	1,972,000	18	2,064,182	20	1,710,048	17
Total liabilities	5,281,395	49	4,697,087	45	5,137,284	50
EQUITY (Note 17)						
Share capital						
Ordinary shares	2,671,290	24	2,671,290	25	2,671,290	26
Capital surplus	1,190,107	11	1,190,107	11	1,190,107	12
Retained earnings						
Legal reserve	652,486	6	571,502	6	571,502	6
Special reserve	47,776	-	-	-	-	-
Unappropriated earnings	959,636	9	1,389,149	13	972,269	9
Total retained earnings	1,659,898	15	1,960,651	19	1,543,771	15
Other equity	66,748	1	(47,776)	-	(310,759)	(3)
Total equity	5,588,043	51	5,774,272	55	5,094,409	50
TOTAL LIABILITIES AND EQUITY	$ 10,869,438	100	$ 10,471,359	100	$ 10,231,693	100

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

(With Deloitte & Touche auditors' review report dated August 12, 2026)

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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 18 and 24)	$ 2,732,605	100	$ 2,728,677	100	$ 5,356,690	100	$ 5,423,935	100
COST OF GOODS SOLD (Notes 10, 13, 19 and 24)	(1,980,138)	(72)	(2,074,376)	(76)	(3,855,081)	(72)	(4,110,044)	(76)
GROSS PROFIT	752,467	28	654,301	24	1,501,609	28	1,313,891	24
OPERATING EXPENSES (Notes 13, 14, 19 and 24)								
Selling and marketing	(406,302)	(15)	(322,789)	(12)	(777,844)	(15)	(620,666)	(11)
General and administrative	(116,235)	(4)	(105,840)	(4)	(222,894)	(4)	(205,478)	(4)
Research and development	(13,867)	(1)	(10,954)	-	(25,310)	-	(20,602)	-
Total operating expenses	(536,404)	(20)	(439,583)	(16)	(1,026,048)	(19)	(846,746)	(15)
PROFIT FROM OPERATIONS	216,063	8	214,718	8	475,561	9	467,145	9
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Notes 19 and 24)	(10,102)	-	(8,897)	-	(20,133)	-	(16,466)	-
Interest income	23,347	1	18,189	1	44,445	1	37,119	-
Gain on disposal of property, plant and equipment	44	-	1,003	-	134	-	285	-
Other gains and losses, net	2,573	-	3,437	-	13,828	-	7,111	-
Total non-operating income and expenses	15,862	1	13,732	1	38,274	1	28,049	-
PROFIT BEFORE INCOME TAX	231,925	9	228,450	9	513,835	10	495,194	9
INCOME TAX EXPENSE (Notes 4 and 20)	(46,736)	(2)	(45,732)	(2)	(106,696)	(2)	(101,811)	(2)
NET PROFIT FOR THE PERIOD	185,189	7	182,718	7	407,139	8	393,383	7
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	19,159	1	(403,896)	(15)	114,524	2	(356,901)	(6)
Other comprehensive income (loss) for the period, net of income tax	19,159	1	(403,896)	(15)	114,524	2	(356,901)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 204,348	8	$ (221,178)	(8)	$ 521,663	10	$ 36,482	1
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 185,189	7	$ 182,718	7	$ 407,139	8	$ 392,964	7
Non-controlling interests	-	-	-	-	-	-	419	-

(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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	$ 185,189	7	$ 182,718	7	$ 407,139	8	$ 393,383	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 204,348	8	$ (221,178)	(8)	$ 521,663	10	$ 36,063	1
Non-controlling interests	-	-	-	-	-	-	419	-
	$ 204,348	8	$ (221,178)	(8)	$ 521,663	10	$ 36,482	1
EARNINGS PER SHARE (Note 21)								
Basic	$ 0.69		$ 0.68		$ 1.52		$ 1.47	
Diluted	$ 0.69		$ 0.68		$ 1.52		$ 1.47	

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

(With Deloitte & Touche auditors' review report dated August 12, 2026) (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 17)										
	Share Capital			Retained Earnings				Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus (Note 11)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2025	267,129	$ 2,671,290	$ 1,214,116	$ 496,770	$ 139,362	$ 1,195,854	$ 1,831,986	$ 46,142	$ 5,763,534	$ 48,772	$ 5,812,306
Appropriation of 2024 earnings											
Legal reserve	-	-	-	74,732	-	(74,732)	-	-	-	-	-
Reversed special reserve	-	-	-	-	(139,362)	139,362	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(681,179)	(681,179)	-	(681,179)	-	(681,179)
Net profit for the six months ended June 30, 2025	-	-	-	-	-	392,964	392,964	-	392,964	419	393,383
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	-	-	(356,901)	(356,901)	-	(356,901)
Total comprehensive (loss) income for the six months ended June 30, 2025	-	-	-	-	-	392,964	392,964	(356,901)	36,063	419	36,482
Differences between equity purchase price and carrying amount from actual acquisition of equity in subsidiary	-	-	(24,009)	-	-	-	-	-	(24,009)	(49,191)	(73,200)
BALANCE ON JUNE 30, 2025	267,129	$ 2,671,290	$ 1,190,107	$ 571,502	$ -	$ 972,269	$ 1,543,771	$ (310,759)	$ 5,094,409	$ -	$ 5,094,409
BALANCE ON JANUARY 1, 2026	267,129	$ 2,671,290	$ 1,190,107	$ 571,502	$ -	$ 1,389,149	$ 1,960,651	$ (47,776)	$ 5,774,272	$ -	$ 5,774,272
Appropriation of 2025 earnings											
Legal reserve	-	-	-	80,984	-	(80,984)	-	-	-	-	-
Special reserve	-	-	-	-	47,776	(47,776)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(707,892)	(707,892)	-	(707,892)	-	(707,892)
Net profit for the six months ended June 30, 2026	-	-	-	-	-	407,139	407,139	-	407,139	-	407,139
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	-	114,524	114,524	-	114,524
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	407,139	407,139	114,524	521,663	-	521,663
BALANCE ON JUNE 30, 2026	267,129	$ 2,671,290	$ 1,190,107	$ 652,486	$ 47,776	$ 959,636	$ 1,659,898	$ 66,748	$ 5,588,043	$ -	$ 5,588,043

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

(With Deloitte & Touche auditors' review report dated August 12, 2026)

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

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

	For the Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 513,835	$ 495,194
Adjustments for:		
Depreciation expense	249,116	234,628
Expected credit loss recognized (reversed)	(1)	59
Finance costs	20,133	16,466
Interest income	(44,445)	(37,119)
Gain on disposal of property, plant and equipment	(134)	(285)
Write-downs (reversal of write-downs) of inventories	6,427	(4,192)
Unrealized loss (gain) on foreign currency exchange	646	(527)
Gain from lease modification	(1)	(5)
Changes in operating assets and liabilities		
Notes and accounts receivable	17,453	(27,161)
Inventories	275,564	(114,276)
Other current assets	194,263	(79,094)
Net defined benefit assets	(1,269)	(1,193)
Notes and accounts payable	37,395	13,843
Other payables	47,869	19,030
Other current liabilities	(26,679)	(7,636)
Other non-current liabilities	(3,663)	-
Cash generated from operations	1,286,509	507,732
Interest received	34,037	35,325
Interest paid	(19,936)	(16,373)
Income tax paid	(106,832)	(69,377)
Net cash generated from operating activities	1,193,778	457,307
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(961,423)	(828,941)
Proceeds from disposal of financial assets at amortized cost	190,610	31,035
Acquisition of interests in subsidiaries	-	(73,200)
Payments for property, plant and equipment	(95,829)	(211,558)
Proceeds from disposal of property, plant and equipment	151	4,037
Increase in other non-current assets	(7,557)	(2,647)
Net cash used in investing activities	(874,048)	(1,081,274)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	200,000	301,000
Repayments of long-term borrowings	(312,803)	(29,820)
Repayment of the principal portion of lease liabilities	(54,805)	(36,576)
Decrease in other non-current liabilities	(298)	-

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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 Six Months Ended June 30	
	2026	**2025**
Net cash (used in) generated from financing activities	(167,906)	234,604
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	33,102	(112,553)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	184,926	(501,916)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,404,678	1,969,521
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,589,604	$ 1,467,605

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

(With Deloitte & Touche auditors' review report dated August 12, 2026) (Concluded)

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. in October 1986. YFY Inc. held 59.15% of the Company's shares as of June 30, 2026. 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 principal business activities include 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 August 12, 2026.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

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

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

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

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

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

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

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

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

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts that the amended standards and interpretations may have on the Group's financial position and financial performance and will disclose the relevant impacts when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

Historical cost is generally based on the fair value of the consideration given in exchange for the 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 up to the effective date of disposal, as appropriate. When

necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. See Note 11, Tables 5 and 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for other accounting policies listed below, refer to the consolidated financial statements for the year ended December 31, 2025.

1) Retirement benefits

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

2) 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, 2025.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 957	$ 714	$ 846
Checking accounts and demand deposits	550,198	964,867	1,020,293
Cash equivalents (investments with original maturities of three months or less)			
Time deposits	861,449	-	309,466
Repurchase agreements collateralized by bonds	177,000	439,097	137,000
	$ 1,589,604	$ 1,404,678	$ 1,467,605

7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Time deposits with original maturities between	$ 674,754	$ 72,976	$ 431,500

three months and a year			
Repurchase agreement collateralized by bonds with original maturities between three months and a year	-	49,522	-
Corporate bonds	63,701	93,726	28,179
	$ 738,455	$ 216,224	$ 459,679
The market rate intervals for time deposits and repurchase agreement collateralized by bonds	1.44%-3.70%	1.44%-4.30%	1.44%-1.77%
Coupon annual interest rates interval for corporate bonds	5.38%	1.25%-5.38%	1.25%
Effective annual interest rates interval for corporate bonds	5.36%	5.36%-5.44%	5.44%

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Corporate bonds	$ 1,206,598	$ 939,679	$ 637,199
Coupon annual interest rates interval	4.15%-5.81%	4.15%-5.81%	4.15%-5.81%
Effective annual interest rates interval	5.07%-5.50%	5.07%-5.50%	5.07%-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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable - operating	$ 47,092	$ 26,784	$ 26,153
Accounts receivable - operating	1,146,806	1,173,597	1,259,941
Less: Allowance for impairment loss	(34)	(35)	(88)
	$ 1,193,864	$ 1,200,346	$ 1,286,006

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:

June 30, 2026

	Not Past Due	Less than 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 1,190,676	$ 2,969	$ 224	$ -	$ 29	$ 1,193,898
Loss allowance (Lifetime ECLs)	(3)	(1)	(1)	-	(29)	(34)
	$ 1,190,673	$ 2,968	$ 223	$ -	$ -	$ 1,193,864

December 31, 2025

	Not Past Due	Less than 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 1,193,144	$ 7,208	$ -	$ -	$ 29	$ 1,200,381
Loss allowance (Lifetime ECLs)	(3)	(3)	-	-	(29)	(35)
	$ 1,193,141	$ 7,205	$ -	$ -	$ -	$ 1,200,346

June 30, 2025

	Not Past Due	Less than 90 Days	91 Days to 180 Days	181 Days to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 1,283,146	$ 2,510	$ 81	$ 357	$ -	$ 1,286,094
Loss allowance (Lifetime ECLs)	(4)	(1)	(1)	(82)	-	(88)
	$ 1,283,142	$ 2,509	$ 80	$ 275	$ -	$ 1,286,006

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

	For the Six Months Ended June 30	
	2026	2025
Balance on January 1	$ 35	$ 33
Net remeasurement of (gain on reversal) loss allowance	(1)	59

Foreign currency exchange gains and losses	-	(4)
Balance on June 30	$ 34	$ 88

10. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Materials	$ 431,317	$ 652,518	$ 654,321
Work in process	252,195	313,010	230,834
Finished and purchased goods	529,735	497,667	460,725
	$ 1,213,247	$ 1,463,195	$ 1,345,880

Write-down of inventories to net realizable value and reversal of write-down of inventories resulting from the increase in net realizable value were included in the cost of revenue, which were as follows. Due to the disposal of inventories which were written down, the net realizable value of inventory increased.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Net reversal of write-down of inventories (inventory write-down losses)	$ (2,268)	$ 874	$ (6,427)	$ 4,192

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership June 30, 2026	% of Ownership December 31, 2025	% of Ownership June 30, 2025	Remark
The Company	Yuen Foong Yu Consumer Products Investment Limited	Investment holding	100.0	100.0	100.0	
	Ever Growing Agriculture Bio-tech Co., Ltd.	Manufacturing and wholesale of agricultural services, fertilizers and cleaning products.	100.0	100.0	100.0	a.
	Yuen Foong Shop Co., Ltd.	E-commerce of selling consumer products	100.0	100.0	100.0	
	YFY Consumer Products, Co.	Intellectual property management and e-commerce sales of consumer products	100.0	100.0	100.0	b
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. On March 13, 2025, the Company's board of directors resolved to acquire 15% equity of Ever Growing Agriculture Bio-tech Co., Ltd. from a related party, Chen Yu Co., Ltd. for $73,200 thousand. The transaction was completed in the first quarter of 2025. The difference of $24,009 thousand between the acquisition price and the book value was adjusted to the capital surplus.

b. The Company made an additional capital contribution of $3,122 thousand (US$100 thousand) in the first quarter of 2026.

c. The financial statements for the six months ended June 30, 2026 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. The financial statements for the six months ended June 30, 2025 of subsidiaries, including Ever Growing Agriculture Bio-tech Co., Ltd., YFY Consumer Products, Co., YFY Family Care (Kunshan) Co., Ltd., and Yuen Foong Shop (HK) Limited, have not been reviewed. As of June 30, 2026 and 2025, combined total assets of these subsidiaries were $1,945,017 thousand and $436,024 thousand, respectively, representing 17.89% and 4.26%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were $519,940 thousand and $150,325 thousand, respectively, representing 9.84% and 2.93%, respectively, of the consolidated total liabilities; For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the amounts of combined comprehensive income of these subsidiaries were $32,478 thousand, $12,679 thousand, $71,169 thousand and $16,020 thousand, respectively, representing 15.89%, (5.73%), 13.64% and 43.91%, respectively, of the consolidated total comprehensive income. Management believes that a review of these financial statements would not result in significant adjustments.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery	Electric Equipment	Tools	Miscellaneous Equipment	Property in Construction	Total
Cost								
Balance on January 1, 2026	$ 1,185,747	$ 1,340,168	$ 5,260,958	$ 601,153	$ 295,540	$ 358,332	$ -	$ 9,041,898
Additions	12,039	6,380	24,956	8,471	1,740	6,749	-	60,335
Disposals	-	(571)	(3,743)	(580)	(1,064)	(2,027)	-	(7,985)
Effect of foreign currency exchange differences	-	10,324	96,452	11,159	4,372	3,307	-	125,614
Balance on June 30, 2026	$ 1,197,786	$ 1,356,301	$ 5,378,623	$ 620,203	$ 300,588	$ 366,361	$ -	$ 9,219,862
Accumulated depreciation								
Balance on January 1, 2026	$ -	$ 771,315	$ 3,181,536	$ 380,290	$ 225,343	$ 291,892	$ -	$ 4,850,376
Depreciation expenses	-	24,564	134,185	10,486	10,887	10,902	-	191,024
Disposals	-	(571)	(3,743)	(580)	(1,056)	(2,018)	-	(7,968)
Effect of foreign currency exchange differences	-	8,956	73,663	10,798	4,055	2,888	-	100,360
Balance on June 30, 2026	$ -	$ 804,264	$ 3,385,641	$ 400,994	$ 239,229	$ 303,664	$ -	$ 5,133,792
Carrying amounts on January 1, 2026	$ 1,185,747	$ 568,853	$ 2,079,422	$ 220,863	$ 70,197	$ 66,440	$ -	$ 4,191,522
Carrying amounts on June 30, 2026	$ 1,197,786	$ 552,037	$ 1,992,982	$ 219,209	$ 61,359	$ 62,697	$ -	$ 4,086,070
Cost								
Balance on January 1, 2025	$ 1,185,747	$ 1,374,949	$ 4,868,383	$ 516,078	$ 290,424	$ 331,039	$ 241,633	$ 8,808,253
Additions	-	13,784	207,364	77,393	9,243	15,109	48,644	371,537
Disposals	-	(175)	(46,906)	(1,433)	(1,519)	(2,287)	-	(52,320)
Effect of foreign currency exchange differences	-	(32,624)	(219,394)	(25,297)	(10,617)	(7,824)	-	(295,756)
Reclassifications	-	40,689	199,601	6,227	6,772	-	(253,289)	-
Balance on June 30, 2025	$ 1,185,747	$ 1,396,623	$ 5,009,048	$ 572,968	$ 294,303	$ 336,037	$ 36,988	$ 8,831,714
Accumulated depreciation								
Balance on January 1, 2025	$ -	$ 769,410	$ 2,984,267	$ 364,610	$ 217,335	$ 277,220	$ -	$ 4,612,842
Depreciation expenses	-	26,910	136,682	10,269	12,706	10,342	-	196,909
Disposals	-	(175)	(43,790)	(950)	(1,389)	(2,264)	-	(48,568)
Effect of foreign currency exchange differences	-	(24,686)	(161,280)	(24,628)	(9,802)	(6,548)	-	(226,944)
Balance on June 30, 2025	$ -	$ 771,459	$ 2,915,879	$ 349,301	$ 218,850	$ 278,750	$ -	$ 4,534,239
Carrying amounts on January 1, 2025	$ 1,185,747	$ 605,539	$ 1,884,116	$ 151,468	$ 73,089	$ 53,819	$ 241,633	$ 4,195,411
Carrying amounts on June 30, 2025	$ 1,185,747	$ 625,164	$ 2,093,169	$ 223,667	$ 75,453	$ 57,287	$ 36,988	$ 4,297,475

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 parcels numbered 109, 122, 125, 540, 541, and 542 in Taichung City were bought in 2024 and for the six months ended June 30, 2026, because title to the purchased agricultural land could not be registered in the Group's name, it was temporarily registered in the name of the registrant, with whom a nominee registration agreement was entered into to clearly define the rights and obligations of both parties and to declare that the ownership of the agricultural land belongs to the Group. The land ownership certificates are held by the Group and these agricultural lands were mortgaged to the Group when the property rights were registered.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	$ 18,930	$ 21,540	$ 77,842
Buildings	316,311	364,560	119,542
Others	12,068	15,071	17,505
	$ 347,309	$ 401,171	$ 214,889

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Additions to right-of-use assets	$ 280	$ 10,409	$ 729	$ 16,615
Depreciation charge for right-of-use assets				
Land	$ 1,631	$ 2,117	$ 3,259	$ 4,282
Buildings	24,221	14,960	48,420	29,758
Others	1,791	1,797	3,591	3,679
	$ 27,643	$ 18,874	$ 55,270	$ 37,719

The land leased by the Group in Nanjing, Mainland China has been sub-leased to another company under an operating lease arrangement starting from July 2025 and the relevant right-of-use assets are presented as investment properties. Please refer to investment properties in Note 14.

Except for the aforementioned additions, depreciation and sublease, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Current	$ 98,319	$ 106,027	$ 62,844
Non-current	$ 237,702	$ 284,102	$ 87,174

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1.08%	1.08%	1.08%
Buildings	0.86%-2.37%	0.86%-2.37%	0.86%-2.37%
Others	0.86%-2.29%	0.86%-1.95%	0.86%-1.95%

c. Material lease-in activities and terms

The Group leases certain equipment and buildings for use in its operations 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 were 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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases and low-value asset leases	$ 40,135	$ 35,203	$ 80,040	$ 65,879
Total cash outflow for leases	$ 68,652	$ 54,101	$ 137,539	$ 103,534

14. INVESTMENT PROPERTIES

	Buildings	Right of Use Assets	Total
Cost			
Balance on January 1, 2026	$ 86,349	$ 86,285	$ 172,634
Effect of foreign currency exchange differences	3,954	3,950	7,904
Balance on June 30, 2026	$ 90,303	$ 90,235	$ 180,538

(Continued)

	Buildings	Right of Use Assets	Total
Accumulated depreciation			
Balance on January 1, 2026	$ 45,622	$ 28,008	$ 73,630
Depreciation Expense	1,752	1,070	2,822
Effect of foreign currency exchange differences	2,124	1,304	3,428
Balance on June 30, 2026	$ 49,498	$ 30,382	$ 79,880
Carrying amounts on January 1, 2026	$ 40,727	$ 58,277	$ 99,004
Carrying amounts on June 30, 2026	$ 40,805	$ 59,853	$ 100,658

(Concluded)

The land leased by the Group in Nanjing, Mainland China, has been sub-leased to another company under an operating lease arrangement starting from July 2025, and the relevant right-of-use assets are presented as investment properties. The full amount of the rental payment was received at the commencement date of the lease. Upon the exercise of the renewal option by the lessee, the rental shall be adjusted in accordance with prevailing market rental rates. The lessee does not have a bargain purchase option to acquire the investment properties at the expiry of the lease period.

The valuations were made by the Group using market transaction prices for similar properties and not by independent qualified professional valuers.

The fair values of investment properties held by the Group are as follows:

	June 30, 2026	December 31, 2025
Fair value	$ 247,553	$ 236,716

Investment properties are depreciated on a straight-line basis over estimated useful lives as follows:

Buildings	25 years
Right-of-use assets	50 years

15. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Bank credit loans	$ 300,000	$ 100,000	$ 500,000
Annual interest rates	1.83%	1.82%	1.82%-1.85%

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Bank credit loans	$ 1,620,937	$ 1,933,740	$ 1,535,410
Less: Current portion	-	(270,000)	-
	$ 1,620,937	$ 1,663,740	$ 1,535,410
Interest rates of long-term borrowings	1.40%-1.83%	1.40%-1.83%	1.40%-1.86%

16. RETIREMENT BENEFIT PLANS

The amounts of pension cost in respect of the Group's defined benefit plans for the three months and six months ended June 30, 2026 and 2025 were calculated based on the pension cost rate determined by the actuarial calculation as of December 31, 2025 and 2024, which amounted to $359 thousand, $513 thousand, $717 thousand and $1,026 thousand, respectively.

17. EQUITY

a. Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands)	350,000	350,000	350,000
Authorized capital	$ 3,500,000	$ 3,500,000	$ 3,500,000
Issued and paid shares (in thousands)	267,129	267,129	267,129
Shares issued	$ 2,671,290	$ 2,671,290	$ 2,671,290

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

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Share premium	$ 1,054,448	$ 1,054,448	$ 1,054,448
Differences between equity purchase price and carrying amount from actual acquisition or disposal of equity in subsidiary	132,472	132,472	132,472
Others	3,187	3,187	3,187
	$ 1,190,107	$ 1,190,107	$ 1,190,107

If such capital surplus is distributed as transferred to share capital, it is limited to a certain percentage of the Company's paid-in capital each year.

c. Retained earnings and dividend policy

Under the dividend 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 or in the necessary situation, 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 19(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. 1090150022 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 reversed amount may be distributed thereafter.

The appropriations of earnings for 2025 and 2024, which were approved by the shareholders in their meeting on June 24, 2026 and June 25, 2025, respectively, were as follows:

	For the Year Ended December 31,	
	2025	**2024**
Legal reserve	$ 80,984	$ 74,732
Appropriation (reversal) of special reserve	$ 47,776	$ (139,362)
Cash dividends	$ 707,892	$ 681,179
Cash dividends per share (NT$)	$ 2.65	$ 2.55

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

18. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers - sale of goods and rendering of services	$ 2,732,605	$ 2,728,677	$ 5,356,690	$ 5,423,935

Contract Balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable and accounts receivable (including related parties)	$ 1,193,864	$ 1,200,346	$ 1,286,006
Contract liabilities - sale of goods and rendering of services (under other current liabilities)	$ 36,877	$ 43,406	$ 35,605

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers - sale of goods and rendering of services	$ 601	$ 517	$ 42,856	$ 47,246

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.

19. NET PROFIT

a. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	$ 8,817	$ 8,405	$ 17,470	$ 15,754
Interest on lease liabilities	1,297	516	2,694	1,079
Less: Capitalization amount of interest	(12)	(24)	(31)	(367)
	$ 10,102	$ 8,897	$ 20,133	$ 16,466

Information about capitalized interest was as follows:

	For the Six Months Ended June 30	
	2026	2025
Capitalization interest rates	1.53%-1.56%	1.52%-1.56%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant and equipment	$ 95,610	$ 97,648	$ 191,024	$ 196,909
Right-of-use assets	27,643	18,874	55,270	37,719
Investment properties	1,422	-	2,822	-
	$ 124,675	$ 116,522	$ 249,116	$ 234,628
An analysis of depreciation by function				
Operating costs	$ 96,998	$ 98,194	$ 193,890	$ 197,929
Operating expenses	27,677	18,328	55,226	36,699
	$ 124,675	$ 116,522	$ 249,116	$ 234,628

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	$ 7,049	$ 7,550	$ 14,186	$ 15,100
Defined benefit plans (Note 16)	359	513	717	1,026
	7,408	8,063	14,903	16,126
Other employee benefits	308,754	316,876	606,945	626,726
Total employee benefits expense	$ 316,162	$ 324,939	$ 621,848	$ 642,852
An analysis of employee benefits expense by function				
Operating costs	$ 150,674	$ 165,814	$ 300,583	$ 331,074
Operating expenses	165,488	159,125	321,265	311,778
	$ 316,162	$ 324,939	$ 621,848	$ 642,852

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. In compliance with Financial Supervisory Commission Letter No. 1130385442 and Article 14(f) of the Securities and Exchange Act, the shareholders of the Company resolved the amendments to the Company's Articles at their regular meeting on June 25, 2025. The amendments explicitly stipulate that at least 10% of employee compensation shall be allocated to non-executive employees, with the remainder allocated to executive employees. The compensation of employees (including non-executive employees) and the remuneration of directors are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Compensation of employees	$ 4,183	$ 4,328	$ 8,368	$ 8,668
Remuneration of directors	3,600	3,600	7,200	7,200

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors were as follows:

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Date of resolution	February 24, 2026	March 13, 2025
Compensation of employees	$ 10,050	$ 9,200
Remuneration of directors	10,189	9,450

There was no difference between the aforementioned approved amounts and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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.

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.

20. INCOME TAXES

a. Income tax recognized in profit or loss

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax	$ 46,942	$ 44,994	$ 107,557	$ 100,302
Deferred tax	(206)	738	(861)	1,509
Income tax expense recognized in profit or loss	$ 46,736	$ 45,732	$ 106,696	$ 101,811

b. Income tax approved situation

The tax filings of the Company, Ever Growing Agriculture Bio-tech Co., Ltd. and Livebricks Inc. through 2024 have been assessed by the tax authorities. The tax filings of Yuen Foong Shop Co., Ltd., through 2023 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share (NT$)	$ 0.69	$ 0.68	$ 1.52	$ 1.47
Diluted earnings per share (NT$)	$ 0.69	$ 0.68	$ 1.52	$ 1.47

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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Profit for the period attributable to owners of the Company	$ 185,189	$ 182,718	$ 407,139	$ 392,964

Number of shares (in thousands):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	267,129	267,129	267,129	267,129
Effect of potentially dilutive ordinary shares:				
Compensation of employees	205	203	283	289
Weighted average number of ordinary shares used in the computation of diluted earnings per share	267,334	267,332	267,412	267,418

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, 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.

22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns by considering future operational plans, profitability, capital expenditure requirements, working capital and debt obligations when evaluating 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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost (1)	$ 4,847,507	$ 3,859,415	$ 3,943,654
Financial liabilities			
Financial liabilities at amortized cost (2)	4,580,906	3,915,923	4,691,295

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, 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, notes and accounts payable, cash dividends payable, other payables, current portion of long-term borrowings, 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 risks related to its operations, 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 has foreign currency sales and purchases, which expose it to foreign currency risk. The Group monitors exchange rate movements and adjusts its funding positions in response to such movements to minimize the effects of these risks.

Sensitivity analysis

The Group is mainly exposed to the USD.

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.

	For the Six Months Ended June 30	
	2026	**2025**
Profit or loss at 5% variance		
USD	$ 1,269	$ 1,742

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:

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Fair value interest rate risk			
Financial assets	$ 2,927,002	$ 1,561,500	$ 1,511,844
Financial liabilities	$ 2,256,958	$ 2,423,869	$ 2,185,428
Cash flow interest rate risk			
Financial assets	$ 605,633	$ 997,082	$ 1,051,004

Due to its close and long-term relationships with banks, the Group has obtained more favorable and flexible interest rate terms. Changes in interest rates do not have a significant impact on 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 six months ended June 30, 2026 and 2025 would have increased/decreased as follows:

	For the Six Months Ended June 30	
	2026	**2025**
Increase/(decrease)	$ 303	$ 526

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 accounts receivable, the Group has established credit risk management procedures to reduce credit risk arising from specific customers. The credit evaluation of individual customers includes consideration of factors affecting their payment ability, such as financial condition, past transaction records and current economic conditions. Credit risk arising from 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 ratings, no significant credit risk was identified.

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. The Group's unutilized financing facilities as of were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unutilized financing facilities	$ 6,814,661	$ 7,522,024	$ 7,203,826

24. TRANSACTIONS WITH RELATED PARTIES

YFY Inc. is the parent company of the Company, which held 59.15% of the ordinary shares of the Company as of June 30, 2026, December 31, 2025 and June 30, 2025.

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

Related Party Name	Related Party Category
YFY Inc.	Parent company
San Ying Enterprise Co., Ltd.	Fellow subsidiary
YFY Biotech Management Co., Ltd.	Fellow subsidiary
Chung Hwa Pulp Corporation	Fellow subsidiary
China Color Printing Co., Ltd.	Fellow subsidiary

(Continued)

Related Party Name	Related Party Category
Fidelis IT Solutions Co., Ltd.	Fellow subsidiary
Ensilience Co., Ltd.	Fellow subsidiary
Effion Enertech 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 Development Corp.	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 (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
Shin Foong Specialty & Applied Materials Co., Ltd.	Fellow subsidiary
Union Paper Corp.	Fellow subsidiary
Kunshan YFY Jupiter Green Packaging Ltd.	Fellow subsidiary
Pek Crown Paper Co., Ltd.	Fellow subsidiary
YFY Jupiter Limited Taiwan Branch (Hong Kong)	Fellow subsidiary
Sustainable Carbohydrate Innovation Co., Ltd.	Fellow subsidiary
Genovella Renewables Inc.	Fellow subsidiary
Guangdong Dingfung Pulp & Paper Co., Ltd.	Fellow subsidiary
Fengchuan Green Technology Co., Ltd.	Fellow subsidiary
Hsinex International Corp.	Substantive related party
Linfiny Corporation	Substantive related party
E Ink Holdings Inc.	Substantive related party
YuanHan Materials Inc.	Substantive related party
SinoPac Financial Holdings Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
Bank SinoPac 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
Chen Yu Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Foongtone Technology Co., Ltd.	Substantive related party
Shen's Art Printing Co., Ltd.	Substantive related party
Beautone Co., Ltd.	Substantive related party
Hoi Toy & Play Corporation	Substantive related party
Hsin-Yi Enterprise Co., Ltd.	Substantive related party
Hsin Yi Recreation Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party
Synmax Biochemical Co., Ltd.	Substantive related party

(Concluded)

b. Sales of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fellow subsidiaries	$ 8,967	$ 19,862	$ 16,871	$ 37,557
Substantive related parties	3,600	3,179	7,203	7,276
Parent company	137	194	234	379
	$ 12,704	$ 23,235	$ 24,308	$ 45,212

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	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fellow subsidiaries	$ 76,670	$ 148,858	$ 159,589	$ 311,515
Substantive related parties	267	471	576	578
	$ 76,937	$ 149,329	$ 160,165	$ 312,093

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	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries	$ 4,174	$ 3,516	$ 8,150
Substantive related parties	3,428	3,882	2,982
Parent company	49	-	20
	$ 7,651	$ 7,398	$ 11,152

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	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries			
Chung Hwa Pulp Corporation	$ 48,014	$ 68,922	$ 108,899
Others	41,955	46,124	43,234
	89,969	115,046	152,133
Substantive related parties	146	39	255
	$ 90,115	$ 115,085	$ 152,388

The outstanding accounts payable to related parties are unsecured.

f. Other payables to related parties

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries	$ 29,502	$ 28,184	$ 36,713
Substantive related parties	1,946	1,798	1,986
	$ 31,448	$ 29,982	$ 38,699

g. Acquisition of property, plant and equipment

	For the Six Months Ended June 30	
Related Party Category	2026	2025
Fellow subsidiaries	$ 1,110	$ 138

h. Acquisitions of financial assets

Refer to Note 11.

i. Lease arrangements

Lease Liabilities	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries	$ 4,495	$ 7,472	$ 10,433

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Interest Expense	2026	2025	2026	2025
Fellow subsidiaries	$ 15	$ 30	$ 34	$ 65

Lease Expense	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fellow subsidiaries				
YFY Paper Mfg. (Yangzhou) Co., Ltd.	$ 9,189	$ 8,555	$ 18,320	$ 17,764
Others	935	891	1,861	1,821
	10,124	9,446	20,181	19,585
Substantive related parties	2,554	2,554	5,107	5,107
	$ 12,678	$ 12,000	$ 25,288	$ 24,692

The lease periods, rental rates, and payment terms for related parties are comparable to those with unrelated parties.

j. Other transactions with related parties

	Miscellaneous Expenses (Operating Costs and Expenses)			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	2026	2025	2026	2025
Fellow subsidiaries	$ 57,350	$ 55,946	$ 111,422	$ 113,639
Substantive related parties	2,842	3,098	5,243	5,631
	$ 60,192	$ 59,044	$ 116,665	$ 119,270

	Other Receivables from Related Parties (Other Current Assets)		
Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries	$ 530	$ 894	$ 819

	Prepayments (Other Current Assets)		
Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiaries	$ 735	$ -	$ 766
Substantive related parties	241	39	231
	$ 976	$ 39	$ 997

k. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 14,368	$ 15,740	$ 29,067	$ 31,275
Post-employment benefits	262	277	521	577
	$ 14,630	$ 16,017	$ 29,588	$ 31,852

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.

	June 30, 2026	December 31, 2025	June 30, 2025
Assets pledged	$ 20,000	$ 20,000	$ 15,000

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following table presents 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:

	June 30, 2026		
	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,675	31.850	$ 85,199
Financial liabilities			
Monetary items			
USD	1,878	31.850	59,814

	December 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,823	31.430	$ 57,297
Financial liabilities			
Monetary items			
USD	301	31.430	9,460

	June 30, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,451	29.300	$ 42,514

Financial liabilities

Monetary items			
USD	262	29.300	7,677

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

	For the Six Months Ended June 30			
	2026		2025	
Foreign Currency	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
USD	31.850 (USD:NTD)	$ 204	29.300 (USD:NTD)	$ (56)
USD	6.811 (USD:RMB)	(2,091)	7.159 (USD:RMB)	(139)
		$ (1,887)		$ (195)

27. SEPARATELY DISCLOSED ITEMS

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

a. Financing provided to others: See Table 1 attached;

b. Endorsements/guarantees provided: None;

c. Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities): See Table 2 attached;

d. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 3 attached;

e. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 4 attached;

f. Intercompany relationships and significant intercompany transactions: See Table 7 attached;

g. Information on investees: See Table 5 attached;

h. 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 6 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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: See Table 3 attached.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: See Tables 3 and 7 attached.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) 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.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

28. SEGMENT INFORMATION

Segment revenue and results are as follows:

	Taiwan	Mainland China	Adjustment and Elimination	Total
For the six months ended June 30, 2026				
Revenue from external customers	$ 3,835,556	$ 1,521,134	$ -	$ 5,356,690
Revenue from other internal operating segments	$ 669,631	$ 2,003,385	$ (2,673,016)	$ -
Segment profit before income tax	$ 461,841	$ 51,994	$ -	$ 513,835
For the six months ended June 30, 2025				
Revenue from external customers	$ 4,019,543	$ 1,404,392	$ -	$ 5,423,935
Revenue from other internal operating segments	$ 797,309	$ 2,221,124	$ (3,018,433)	$ -
Segment profit before income tax	$ 471,472	$ 23,722	$ -	$ 495,194

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 SIX MONTHS ENDED JUNE 30, 2026
(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	$ 338,624	$ 338,624	$ 32	3.25	Short-term financing	$ -	Operating capital	$ -	-	$ -	$ 698,648	$ 698,648	Note 6
2	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,500,061	1,500,061	23	3.25	Short-term financing	-	Operating capital	-	-	-	3,061,796	3,061,796	Note 6
3	YFY Investment Co., Ltd.	YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	2,197,208	2,197,208	-	3.50	Short-term financing	-	Operating capital	-	-	-	4,437,136	4,437,136	Note 6
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	2,197,208	2,197,208	-	3.50	Short-term financing	-	Operating capital	-	-	-	4,437,136	4,437,136	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 in which the Company directly or indirectly holds 100% of the voting shares are not subject to the aforementioned restrictions when providing financing to others. The total amount of financing loans and financing limits for each borrower due to business relationships and the need for short-term financing are limited to no more than twice the net worth of the Company as stated in its most recent financial statements audited or reviewed by auditors.

Note 5: The exchange rates were RMB1＝$4.676328 as of June 30, 2026.

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
JUNE 30, 2026
(In Thousands of U.S. Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	As of June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yuen Foong Yu Consumer Products Investment Limited	Corporate bonds							
	KOREA ELECTRIC POWER CORPORATION	-	Financial assets at amortized cost - current	-	$ 2,000	N/A	$ 2,000	
	MITSUBISHI HC FIN AMERICA LLC	-	Financial assets at amortized cost - non-current	-	7,059	N/A	7,059	
	BMW US CAPITAL LLC	-	Financial assets at amortized cost - non-current	-	4,842	N/A	4,842	
	BMW US CAPITAL LLC	-	Financial assets at amortized cost - non-current	-	5,010	N/A	5,010	
	NORINCHUKIN BANK	-	Financial assets at amortized cost - non-current	-	3,017	N/A	3,017	
	THE ESTÉE LAUDER COMPANIES INC.	-	Financial assets at amortized cost - non-current	-	4,856	N/A	4,856	
	HONDA MOTOR CO., LTD	-	Financial assets at amortized cost - non-current	-	2,022	N/A	2,022	
	BROOKFIELD ASSET MANAGEMENT LTD	-	Financial assets at amortized cost - non-current	-	3,104	N/A	3,104	
	BROOKFIELD ASSET MANAGEMENT LTD	-	Financial assets at amortized cost - non-current	-	6,019	N/A	6,019	
	KOHLBERG KRAVIS ROBERTS & CO.	-	Financial assets at amortized cost - non-current	-	1,955	N/A	1,955	

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 SIX MONTHS ENDED JUNE 30, 2026
(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	Yuen Foong Shop Co., Ltd.	a.	Sales	$ (471,028)	(13)	In agreed terms	$ -	-	$ 237,683	23	Note 2
	Ever Growing Agriculture Bio-tech Co., Ltd.	a.	Purchases	186,635	10	In agreed terms	-	-	(154,098)	(25)	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	a.	Sales	(493,233)	(24)	In agreed terms	-	-	-	-	Note 2
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	a.	Sales	(332,444)	(100)	In agreed terms	-	-	54,287	100	Note 2
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	a.	Sales	(1,032,530)	(88)	In agreed terms	-	-	194,634	100	Note 2
	YFY Family Care (Kunshan) Co., Ltd.	a.	Sales	(144,812)	(12)	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 NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
The Company	Yuen Foong Shop Co., Ltd.	Subsidiary	$ 237,709	5.09	$ -	-	$ 198,350	$ -	Note 1
Ever Growing Agriculture Bio-tech Co., Ltd.	The Company	Parent company	154,139	2.40	-	-	55,788	-	Note 1
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	194,637	10.89	-	-	194,637	-	Note 1

Note 1: Receivables from related parties include accounts receivable and other receivables.

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

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

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
The Company	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment holding	$ 3,980,953	$ 3,980,953	150,013,000	100	$ 3,548,402	$ 43,945	$ 43,945	a. and b.
	Ever Growing Agriculture Bio-tech Co., Ltd.	Taipei, Taiwan	Manufacturing and wholesale of agricultural services, fertilizers and cleaning products	180,795	180,795	21,455,719	100	293,570	17,621	17,423	a. and b.
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	E-commerce of selling consumer products	55,041	55,041	5,000,000	100	95,398	20,611	18,652	a. and b.
	YFY Consumer Products, Co.	United States	Intellectual property management and e-commerce sales of consumer products	3,122	-	10	100	3,554	(8)	24	a. and b.
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong	General trade	-	-	-	100	-	-	-	a. and b.
	Livebricks Inc.	Taipei, Taiwan	Information processing service	1,879	1,879	200,002	100	16,928	9,012	9,012	a. and b.

Note: a. Subsidiaries.
b. In preparing the consolidated financial statements, the transaction has been eliminated.
c. Refer to Table 6 for information on investments in mainland China.

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

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

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, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
YFY Investment Co., Ltd.	Investment and holding and sale of paper	$ 3,662,750 (US$ 115,000 thousand)	Investment in mainland China through companies set up in another country.	$ 3,012,214 (US$ 94,575 thousand)	$ -	$ -	$ 3,012,214 (US$ 94,575 thousand)	$ 10,309 (Note 2.b.)	100.0	$ 10,309 (Note 2.b.)	$ 2,226,498	$ -
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	955,500 (US$ 30,000 thousand)	Investment in mainland China through companies set up in another country.	-	-	-	-	1,553 (Note 2.c.)	100.0	1,890 (Note 2.c.)	349,855	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	955,500 (US$ 30,000 thousand)	Investment in mainland China through companies set up in another country.	-	-	-	-	22,381 (Note 2.c.)	100.0	22,381 (Note 2.c.)	1,553,726	-

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$3,330,705 (Notes 1 and 4)	$3,330,705 (Notes 1 and 4)	(Note 3)

Note 1: The exchange rates were US$1=$31.85 and RMB1=$4.676328 as of June 30, 2026.

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 SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	$ 471,028	By market price	9
				Accounts receivable	237,683	By market price	2
1	Ever Growing Agriculture Bio-tech Co., Ltd.	The Company	Parent company	Sales	186,635	By market price	3
				Accounts receivable	154,098	By market price	1
2	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	493,233	By market price	9
3	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	1,032,530	By market price	19
				Accounts receivable	194,634	By market price	2
		YFY Family Care (Kunshan) Co., Ltd.	Fellow subsidiary	Sales	144,812	By market price	3
4	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	332,444	By market price	6

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