

YFY Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2020 and 2019 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
YFY Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of YFY Inc. and its subsidiaries (collectively referred to as the "Group") as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Statement of Auditing Standards No. 65 "Review of 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 Notes 14 and 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, the combined total assets of these non-significant subsidiaries were NT\$23,822,532 thousand and NT\$24,341,578 thousand, respectively, representing 20% and 20%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$9,305,878 thousand and NT\$10,163,306 thousand, respectively, representing 14% and 14%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these non-significant subsidiaries were a loss of NT\$356,059 thousand and a gain of NT\$346,624 thousand, respectively, representing 11% and 14%, respectively, of the consolidated total comprehensive income (loss). As of March 31, 2020 and 2019, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$494,808 thousand and NT\$870,131 thousand, respectively; for the three months ended March 31, 2020 and 2019, the amounts of comprehensive income of investments accounted for using the equity method were a loss of NT\$148,907 thousand and a gain of NT\$16,775 thousand, respectively.

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 and investments accounted for using the equity method 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 give a true and fair view of the consolidated financial position of the Group as of March 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2020 and 2019 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 Hui-Min Huang and Ching-Pin Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2020

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.

YFY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 5,665,194	5	\$ 6,062,871	5	\$ 4,349,038	4
Current financial assets at fair value through profit or loss (Note 7)	956,533	1	1,107,193	1	1,439,297	1
Current financial assets at fair value through other comprehensive income (Note 8)	5,269,739	4	6,226,812	5	5,512,921	4
Current financial assets at amortized cost (Note 9)	2,899,760	2	2,806,178	2	1,501,626	1
Notes receivable, net (Notes 11, 22 and 29)	2,997,006	3	2,874,640	2	3,199,051	3
Accounts receivable, net (Notes 11 and 22)	10,556,927	9	11,559,561	10	11,195,246	9
Accounts receivable due from related parties, net (Notes 22 and 28)	88,894	-	99,919	-	71,346	-
Current inventories (Note 12)	9,915,186	8	9,622,859	8	10,600,411	9
Current biological assets (Note 13)	3,261,505	3	3,252,537	3	3,404,511	3
Prepayments	1,781,013	2	1,378,095	1	1,186,704	1
Other current financial assets (Note 29)	117,709	-	74,984	-	317,193	-
Other current assets, others (Note 10)	<u>725,995</u>	<u>1</u>	<u>687,867</u>	<u>1</u>	<u>963,071</u>	<u>1</u>
Total current assets	<u>44,235,461</u>	<u>38</u>	<u>45,753,516</u>	<u>38</u>	<u>43,740,415</u>	<u>36</u>
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through profit or loss (Note 7)	436,294	-	402,418	-	406,296	-
Non-current financial assets at fair value through other comprehensive income (Note 8)	10,983,599	9	13,564,673	11	12,859,509	11
Non-current financial assets at amortized cost (Note 9)	328,320	-	389,923	-	352,656	-
Investments accounted for using equity method (Note 15)	5,377,689	5	5,617,081	5	5,867,523	5
Property, plant and equipment (Notes 16 and 29)	47,395,614	41	47,806,173	40	49,422,848	41
Right-of-use assets (Notes 17 and 29)	1,915,507	2	1,923,886	2	2,029,317	2
Investment property, net (Note 18)	2,686,793	2	2,746,484	2	2,758,811	2
Goodwill	513,680	1	509,530	-	523,758	1
Deferred tax assets	422,702	-	421,517	-	388,992	-
Prepayments for business facilities (Note 16)	1,548,764	1	1,338,459	1	874,828	1
Other non-current assets, others (Note 29)	<u>548,441</u>	<u>1</u>	<u>615,353</u>	<u>1</u>	<u>668,817</u>	<u>1</u>
Total non-current assets	<u>72,157,403</u>	<u>62</u>	<u>75,335,497</u>	<u>62</u>	<u>76,153,355</u>	<u>64</u>
TOTAL ASSETS	<u>\$ 116,392,864</u>	<u>100</u>	<u>\$ 121,089,013</u>	<u>100</u>	<u>\$ 119,893,770</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Note 19)	\$ 14,412,082	12	\$ 12,524,445	10	\$ 13,117,594	11
Short-term notes and bills payable (Note 19)	7,272,796	6	6,026,520	5	7,685,029	6
Current financial liabilities at fair value through profit or loss (Note 7)	23,195	-	137,460	-	119,099	-
Current contract liabilities (Note 22)	506,535	-	481,639	-	547,126	1
Notes and accounts payable	8,920,789	8	9,304,686	8	8,575,755	7
Accounts payable to related parties (Note 28)	34,900	-	44,036	-	42,394	-
Other payables, others (Note 16)	3,114,496	3	3,738,827	3	3,102,758	3
Current tax liabilities	637,162	1	563,862	1	461,843	-
Current lease liabilities (Note 17)	147,032	-	156,949	-	112,271	-
Long-term liabilities, current portion (Note 19)	-	-	-	-	90,000	-
Other current liabilities, others (Note 10)	<u>2,181,304</u>	<u>2</u>	<u>2,734,462</u>	<u>2</u>	<u>1,289,094</u>	<u>1</u>
Total current liabilities	<u>37,250,291</u>	<u>32</u>	<u>35,712,886</u>	<u>29</u>	<u>35,142,963</u>	<u>29</u>
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Note 19)	26,420,462	23	29,399,726	24	29,981,591	25
Deferred tax liabilities	3,428,049	3	3,425,496	3	3,417,745	3
Non-current lease liabilities (Note 17)	350,745	-	350,898	-	402,032	1
Net defined benefit liability, non-current (Note 20)	1,006,144	1	1,062,048	1	1,194,257	1
Other non-current liabilities, others	<u>343,499</u>	<u>-</u>	<u>354,425</u>	<u>1</u>	<u>281,330</u>	<u>-</u>
Total non-current liabilities	<u>31,548,899</u>	<u>27</u>	<u>34,592,593</u>	<u>29</u>	<u>35,276,955</u>	<u>30</u>
Total liabilities	<u>68,799,190</u>	<u>59</u>	<u>70,305,479</u>	<u>58</u>	<u>70,419,918</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4 and 21)						
Share capital	16,603,715	14	16,603,715	13	16,603,715	14
Capital surplus	1,004,041	1	1,000,169	1	1,016,073	1
Retained earnings	16,514,481	14	15,879,283	13	14,378,204	12
Other equity interest	<u>2,060,287</u>	<u>2</u>	<u>5,767,066</u>	<u>5</u>	<u>5,770,975</u>	<u>4</u>
Total equity attributable to owners of parent	36,182,524	31	39,250,233	32	37,768,967	31
NON-CONTROLLING INTERESTS	<u>11,411,150</u>	<u>10</u>	<u>11,533,301</u>	<u>10</u>	<u>11,704,885</u>	<u>10</u>
Total equity	<u>47,593,674</u>	<u>41</u>	<u>50,783,534</u>	<u>42</u>	<u>49,473,852</u>	<u>41</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 116,392,864</u>	<u>100</u>	<u>\$ 121,089,013</u>	<u>100</u>	<u>\$ 119,893,770</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 12, 2020)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 28)				
Net sales revenue	\$ 13,953,545	86	\$ 15,250,478	88
Other operating revenue, net	<u>2,238,579</u>	<u>14</u>	<u>2,115,806</u>	<u>12</u>
Total operating revenue	<u>16,192,124</u>	<u>100</u>	<u>17,366,284</u>	<u>100</u>
OPERATING COSTS (Notes 12, 23 and 28)				
Cost of sales	11,361,345	70	13,117,756	76
Other operating costs	<u>1,637,001</u>	<u>10</u>	<u>1,617,543</u>	<u>9</u>
Total operating costs	<u>12,998,346</u>	<u>80</u>	<u>14,735,299</u>	<u>85</u>
GAIN (LOSS) ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 13)	<u>602</u>	<u>-</u>	<u>(1,361)</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS	<u>3,194,380</u>	<u>20</u>	<u>2,629,624</u>	<u>15</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling expenses	1,342,631	8	1,304,085	8
Administrative expenses	859,617	5	907,748	5
Research and development expenses	<u>75,674</u>	<u>1</u>	<u>72,411</u>	<u>-</u>
Total operating expenses	<u>2,277,922</u>	<u>14</u>	<u>2,284,244</u>	<u>13</u>
NET OPERATING INCOME	<u>916,458</u>	<u>6</u>	<u>345,380</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs, net (Notes 4 and 23)	(197,054)	(1)	(257,166)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 15)	107,645	1	76,117	-
Interest income	43,613	-	59,376	-
Rent income (Notes 18 and 28)	15,711	-	24,909	-
Other income, others	72,724	-	94,463	1
Foreign exchange gains (losses) (Note 31)	(195,232)	(1)	308,055	2
Miscellaneous disbursements	(8,679)	-	(8,178)	-
Gains (losses) on financial assets (liabilities) at fair value through profit or loss (Note 4)	<u>168,885</u>	<u>1</u>	<u>(282,766)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>7,613</u>	<u>-</u>	<u>14,810</u>	<u>-</u>

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YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 924,071	6	\$ 360,190	2
TAX EXPENSE (Notes 4 and 24)	<u>(217,442)</u>	<u>(2)</u>	<u>(131,966)</u>	<u>(1)</u>
PROFIT FROM CONTINUING OPERATIONS	<u>706,629</u>	<u>4</u>	<u>228,224</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (Note 4)				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,564,380)	(22)	1,697,990	10
Share of other comprehensive income (loss) of associates accounted for using equity method	(298,971)	(2)	102,173	-
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	8,308	-	472,002	3
Gains (losses) on hedging instruments	605	-	(1,959)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>(49,967)</u>	<u>-</u>	<u>16,226</u>	<u>-</u>
Other comprehensive income (loss), net	<u>(3,904,405)</u>	<u>(24)</u>	<u>2,286,432</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (3,197,776)</u>	<u>(20)</u>	<u>\$ 2,514,656</u>	<u>14</u>
PROFIT, ATTRIBUTABLE TO:				
Profit, attributable to owners of parent	\$ 635,198	4	\$ 121,300	1
Profit, attributable to non-controlling interests	<u>71,431</u>	<u>-</u>	<u>106,924</u>	<u>-</u>
	<u>\$ 706,629</u>	<u>4</u>	<u>\$ 228,224</u>	<u>1</u>
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Comprehensive income (loss), attributable to owners of parent	\$ (3,071,581)	(19)	\$ 2,280,314	13
Comprehensive income (loss), attributable to non-controlling interests	<u>(126,195)</u>	<u>(1)</u>	<u>234,342</u>	<u>1</u>
	<u>\$ (3,197,776)</u>	<u>(20)</u>	<u>\$ 2,514,656</u>	<u>14</u>

(Continued)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>\$ 0.38</u>		<u>\$ 0.07</u>	
Diluted earnings per share	<u>\$ 0.38</u>		<u>\$ 0.07</u>	

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

(With Deloitte & Touche review report dated May 12, 2020)

(Concluded)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Parent															
											Other Equity					
	Share Capital		Capital Surplus				Retained Earnings				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount	Treasury Shares	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total						
BALANCE AT JANUARY 1, 2019	1,660,372	\$ 16,603,715	\$ 14,947	\$ 293,124	\$ 681,858	\$ 989,929	\$ 3,415,373	\$ 4,028,584	\$ 6,797,435	\$ 14,241,392	\$ (40,365)	\$ 3,674,848	\$ (7,010)	\$ 35,462,509	\$ 11,470,524	\$ 46,933,033
Reversal of special reserve	-	-	-	-	-	-	-	(1)	1	-	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	5,776	5,776	-	-	-	-	-	-	-	5,776	354	6,130
Other changes in capital surplus	-	-	-	-	16,846	16,846	-	-	-	-	-	-	-	16,846	-	16,846
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(887)	(887)	-	-	-	-	-	-	-	(887)	(3,991)	(4,878)
Changes in ownership interests in subsidiaries	-	-	-	-	4,409	4,409	-	-	-	-	-	-	-	4,409	3,656	8,065
Profit	-	-	-	-	-	-	-	-	121,300	121,300	-	-	-	121,300	106,924	228,224
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	430,642	1,729,665	(1,293)	2,159,014	127,418	2,286,432
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	121,300	121,300	430,642	1,729,665	(1,293)	2,280,314	234,342	2,514,656
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	-	-	-	-	15,512	15,512	-	(15,512)	-	-	-	-
BALANCE AT MARCH 31, 2019	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 14,947</u>	<u>\$ 293,124</u>	<u>\$ 708,002</u>	<u>\$ 1,016,073</u>	<u>\$ 3,415,373</u>	<u>\$ 4,028,583</u>	<u>\$ 6,934,248</u>	<u>\$ 14,378,204</u>	<u>\$ 390,277</u>	<u>\$ 5,389,001</u>	<u>\$ (8,303)</u>	<u>\$ 37,768,967</u>	<u>\$ 11,704,885</u>	<u>\$ 49,473,852</u>
BALANCE AT JANUARY 1, 2020	1,660,372	\$ 16,603,715	\$ 14,947	\$ 293,124	\$ 692,098	\$ 1,000,169	\$ 3,559,373	\$ 4,028,583	\$ 8,291,327	\$ 15,879,283	\$ (1,036,202)	\$ 6,809,645	\$ (6,377)	\$ 39,250,233	\$ 11,533,301	\$ 50,783,534
Other changes in capital surplus	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Changes in ownership interests in subsidiaries	-	-	-	-	3,873	3,873	-	-	-	-	-	-	-	3,873	4,044	7,917
Profit	-	-	-	-	-	-	-	-	635,198	635,198	-	-	-	635,198	71,431	706,629
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	(27,278)	(3,680,133)	632	(3,706,779)	(197,626)	(3,904,405)
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	635,198	635,198	(27,278)	(3,680,133)	632	(3,071,581)	(126,195)	(3,197,776)
BALANCE AT MARCH 31, 2020	<u>1,660,372</u>	<u>\$ 16,603,715</u>	<u>\$ 14,947</u>	<u>\$ 293,124</u>	<u>\$ 695,970</u>	<u>\$ 1,004,041</u>	<u>\$ 3,559,373</u>	<u>\$ 4,028,583</u>	<u>\$ 8,926,525</u>	<u>\$ 16,514,481</u>	<u>\$ (1,063,480)</u>	<u>\$ 3,129,512</u>	<u>\$ (5,745)</u>	<u>\$ 36,182,524</u>	<u>\$ 11,411,150</u>	<u>\$ 47,593,674</u>

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

(With Deloitte & Touche review report dated May 12, 2020)

YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	\$ 924,071	\$ 360,190
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	1,100,795	1,066,011
Expected credit loss (gain)	(2,171)	2,078
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(168,885)	282,766
Finance costs	197,054	257,166
Interest income	(43,613)	(59,376)
Dividend income	-	(351)
Share of profit of associates accounted for using equity method	(107,645)	(76,117)
Loss on disposal of property, plant and equipment	600	4,630
Gain on disposal of investment properties	-	(26,106)
Write-down of inventories (reversed)	(4,705)	1,278
Unrealized foreign exchange loss (gain)	38,886	(334,195)
Loss (gain) arising from changes in fair value less costs to sell of biological assets	(602)	1,361
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	276,077	(171,397)
Decrease (increase) in notes receivable, net	(100,386)	513,503
Decrease (increase) in accounts receivable, net	1,073,113	711,603
Decrease (increase) in accounts receivable due from related parties, net	11,025	19,830
Decrease (increase) in current inventories	(237,034)	575,956
Decrease (increase) in current biological assets	(32,580)	(12,921)
Decrease (increase) in prepayments	(394,149)	(71,561)
Decrease (increase) in other current assets, others	28,804	(16,175)
Increase (decrease) in financial liabilities held for trading	(112,355)	(261,300)
Increase (decrease) in current contract liabilities	26,802	54,469
Increase (decrease) in notes and accounts payable	(428,604)	192,982
Increase (decrease) in accounts payable to related parties	(9,136)	(22,011)
Increase (decrease) in other payable, others	(466,656)	(364,287)
Increase (decrease) in other current liabilities, others	(570,607)	(25,488)
Increase (decrease) in net defined benefit liability, non-current	(55,904)	(62,345)
Cash inflow generated from operations	942,195	2,540,193
Interest received	36,877	51,649
Dividends received	-	351
Interest paid	(167,126)	(265,265)
Income taxes paid	(145,550)	(123,294)
Net cash flows generated from operating activities	666,396	2,203,634

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YFY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (23,880)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	38,665
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	32,306
Acquisition of financial assets at amortized cost	(3,181)	(465,946)
Disposal of financial assets for hedging	-	964
Proceeds from capital reduction of investments accounted for using equity method	-	118,511
Acquisition of property, plant and equipment	(1,052,071)	(879,496)
Proceeds from disposal of property, plant and equipment	10,487	26,202
Acquisition of right-of-use assets	-	(129,558)
Proceeds from disposal of investment properties	-	26,106
Increase in other financial assets	(41,526)	(204,716)
Decrease in other non-current assets	<u>14,579</u>	<u>20,886</u>
Net cash flows used in investing activities	<u>(1,095,592)</u>	<u>(1,416,076)</u>
CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES		
Increase in current borrowings	1,866,738	1,634,496
Increase in short-term notes and bills payable	1,246,276	988,393
Repayments of long-term debt	(3,013,139)	(3,718,057)
Payments of lease liabilities	(52,346)	(41,421)
Decrease in other non-current liabilities, others	(14,289)	(24,455)
Change in non-controlling interests	-	(4,878)
Overdue dividends received (paid)	<u>(1)</u>	<u>16,846</u>
Net cash flows generated from (used in) financing activities	<u>33,239</u>	<u>(1,149,076)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(1,720)</u>	<u>51,945</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(397,677)	(309,573)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>6,062,871</u>	<u>4,658,611</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 5,665,194</u>	<u>\$ 4,349,038</u>

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

(With Deloitte & Touche review report dated May 12, 2020)

(Concluded)

YFY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 12, 2020.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	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 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, 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 SIGNIFICANT ACCOUNTING POLICIES

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. 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 acquisitions or up to the effective date of disposals, 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.

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

Refer to Note 14 and Tables 8 and 9 for more information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2019.

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$ 34,110	\$ 33,372	\$ 90,176
Checking accounts and demand deposits	3,462,899	4,470,772	2,876,772
Cash equivalents			
Time deposits	2,085,685	1,522,727	1,366,590
Repurchase agreements collateralized by bonds	<u>82,500</u>	<u>36,000</u>	<u>15,500</u>
	<u>\$ 5,665,194</u>	<u>\$ 6,062,871</u>	<u>\$ 4,349,038</u>

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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 138,318	\$ 14,995	\$ 15,538
Combined option contracts	16,563	12,668	15,936
Currency exchange contracts	1,202	32	-
Cross-currency swap contracts	-	-	80,283
Non-derivative financial assets			
Mutual funds	288,548	644,774	176,490
Hybrid financial assets			
Structured deposits	<u>511,902</u>	<u>434,724</u>	<u>1,151,050</u>
	<u>\$ 956,533</u>	<u>\$ 1,107,193</u>	<u>\$ 1,439,297</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Subordinated bank debentures	\$ 406,296	\$ 402,418	\$ 406,296
Mutual funds	<u>29,998</u>	<u>-</u>	<u>-</u>
	<u>\$ 436,294</u>	<u>\$ 402,418</u>	<u>\$ 406,296</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Combined option contracts	\$ 17,988	\$ 25,220	\$ 42,478
Foreign exchange forward contracts	<u>5,207</u>	<u>112,240</u>	<u>76,621</u>
	<u>\$ 23,195</u>	<u>\$ 137,460</u>	<u>\$ 119,099</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Buy	USD:RMB	2020.04.07-2021.01.07	USD47,000
Buy	USD:NTD	2020.04.24	USD500
Buy	NTD:USD	2020.04.07	NTD149,350
Sell	USD:NTD	2020.04.01-2020.05.08	USD26,000
Sell	RMB:USD	2020.04.07-2020.05.29	RMB1,907,809
Sell	RMD:NTD	2020.04.07-2020.05.29	RMB135,000

December 31, 2019

Buy	USD:RMB	2020.01.06-2020.01.21	USD30,000
Buy	USD:NTD	2020.01.16-2020.01.21	USD6,000
Sell	USD:NTD	2020.01.02-2020.02.27	USD37,800
Sell	RMB:USD	2020.01.06-2020.03.11	RMB2,102,251

March 31, 2019

Buy	USD:RMB	2019.04.15-2019.07.05	USD20,000
Sell	USD:NTD	2019.04.01-2019.04.30	USD32,200
Sell	RMB:USD	2019.04.01-2019.06.21	RMB2,025,276

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

At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting are as follows:

March 31, 2019

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD45,000	2019.04.16-2019.05.08	3.52%-3.64%	1.55%-1.56%

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

At the end of the reporting period, outstanding combined option contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Buy	USD:RMB	2020.07.02-2020.10.22	USD40,000
Sell	USD:RMB	2020.07.02-2020.10.22	USD40,000
<u>December 31, 2019</u>			
Buy	USD:RMB	2020.07.02-2020.10.22	USD40,000
Sell	USD:RMB	2020.07.02-2020.10.22	USD40,000
<u>March 31, 2019</u>			
Buy	USD:RMB	2019.06.26-2019.10.23	USD70,000
Sell	USD:RMB	2019.06.26-2019.10.23	USD70,000

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

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Currency exchange contracts	JPY:USD	2020.04.13	JPY250,000/USD2,265
<u>December 31, 2019</u>			
Currency exchange contracts	JPY:USD	2020.03.16	JPY250,000/USD2,308

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

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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Investments in equity instruments at FVTOCI - current</u>			
Domestic investments			
Listed shares	<u>\$ 5,269,739</u>	<u>\$ 6,226,812</u>	<u>\$ 5,512,921</u>
<u>Investments in equity instruments at FVTOCI - non-current</u>			
Domestic investments			
Listed shares	\$ 7,367,307	\$ 9,500,327	\$ 9,075,972
Unlisted shares	<u>3,460,573</u>	<u>3,838,772</u>	<u>3,433,736</u>
	10,827,880	13,339,099	12,509,708
Foreign investments			
Unlisted shares	<u>155,719</u>	<u>225,574</u>	<u>349,801</u>
	<u>\$ 10,983,599</u>	<u>\$ 13,564,673</u>	<u>\$ 12,859,509</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	<u>\$ 2,899,760</u>	<u>\$ 2,806,178</u>	<u>\$ 1,501,626</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 328,320</u>	<u>\$ 389,923</u>	<u>\$ 352,656</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.56%-3.70%, 0.63%-3.05% and 0.63%-3.80% as of March 31, 2020, December 31, 2019 and March 31, 2019.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 0.77%-3.96%, 1.07%-3.96% and 1.07%-3.96% as of March 31, 2020, December 31, 2019 and March 31, 2019.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2020	December 31, 2019	March 31, 2019
Derivative financial assets under hedge accounting - current (accounted for as other current assets, others)			
Foreign exchange forward contracts	\$ -	\$ 24	\$ -
Derivative financial liabilities under hedge accounting - current (accounted for as other current liabilities, others)			
Foreign exchange forward contracts	\$ 27	\$ -	\$ 1,114

The Group's hedging strategy is to enter into foreign exchange forward contracts to avoid its exchange rate exposure to certain foreign currency receipts and payments and to manage its exchange rate exposure in relation to foreign currency denominated forecasted purchases. When forecasted purchases actually take place, the carrying amounts of the non-financial hedged items will be adjusted accordingly.

The terms of the foreign exchange forward contracts were negotiated to match the terms of the respective designated hedged items. The outstanding foreign exchange forward contracts at the end of the reporting period are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Buy	EUR:NTD	2020.04.30	EUR300
<u>December 31, 2019</u>			
Buy	EUR:NTD	2020.01.31	EUR300
<u>March 31, 2019</u>			
Buy	EUR:NTD	2019.04.23-2019.06.14	EUR3,638
Buy	JPY:NTD	2019.05.31	JPY13,950

11. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes receivable</u>			
Notes receivable	\$ 3,001,889	\$ 2,883,707	\$ 3,206,016
Less: Allowance for impairment loss	(4,883)	(9,067)	(6,965)
	<u>\$ 2,997,006</u>	<u>\$ 2,874,640</u>	<u>\$ 3,199,051</u>

(Continued)

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Accounts receivable</u>			
Accounts receivable	\$ 10,965,689	\$ 11,968,575	\$ 11,659,331
Less: Allowance for impairment loss	<u>(408,762)</u>	<u>(409,014)</u>	<u>(464,085)</u>
	<u>\$ 10,556,927</u>	<u>\$ 11,559,561</u>	<u>\$ 11,195,246</u> (Concluded)

Notes receivable and accounts receivable were generated by operating activities.

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

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

March 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 12,758,133	\$ 817,797	\$ 34,846	\$ 80,753	\$ 276,049	\$ 13,967,578
Loss allowance (Lifetime ECLs)	<u>(44,077)</u>	<u>(66,316)</u>	<u>(14,249)</u>	<u>(12,978)</u>	<u>(276,025)</u>	<u>(413,645)</u>
Amortized cost	<u>\$ 12,714,056</u>	<u>\$ 751,481</u>	<u>\$ 20,597</u>	<u>\$ 67,775</u>	<u>\$ 24</u>	<u>\$ 13,553,933</u>

December 31, 2019

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 14,059,643	\$ 399,738	\$ 98,377	\$ 24,562	\$ 269,962	\$ 14,852,282
Loss allowance (Lifetime ECLs)	<u>(68,038)</u>	<u>(48,661)</u>	<u>(26,251)</u>	<u>(7,111)</u>	<u>(268,020)</u>	<u>(418,081)</u>
Amortized cost	<u>\$ 13,991,605</u>	<u>\$ 351,077</u>	<u>\$ 72,126</u>	<u>\$ 17,451</u>	<u>\$ 1,942</u>	<u>\$ 14,434,201</u>

March 31, 2019

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 14,039,439	\$ 446,510	\$ 19,101	\$ 38,922	\$ 321,375	\$ 14,865,347
Loss allowance (Lifetime ECLs)	<u>(81,500)</u>	<u>(35,919)</u>	<u>(2,612)</u>	<u>(35,624)</u>	<u>(315,395)</u>	<u>(471,050)</u>
Amortized cost	<u>\$ 13,957,939</u>	<u>\$ 410,591</u>	<u>\$ 16,489</u>	<u>\$ 3,298</u>	<u>\$ 5,980</u>	<u>\$ 14,394,297</u>

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

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 418,081	\$ 463,347
Add: Net remeasurement of loss allowance	(2,171)	2,078
Less: Amounts written off	(1,047)	(2,138)
Effect of foreign currency exchange differences	<u>(1,218)</u>	<u>7,763</u>
Balance at March 31	<u>\$ 413,645</u>	<u>\$ 471,050</u>

As of March 31, 2020 and 2019, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of \$298,620 thousand and \$408,229 thousand. For information on the transfer of financial instruments, refer to Note 27.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 29.

12. INVENTORIES

	March 31, 2020	December 31, 2019	March 31, 2019
Finished and purchased goods	\$ 4,558,231	\$ 4,198,193	\$ 5,051,234
Materials	4,653,191	4,652,174	4,552,597
Work-in-process	<u>703,764</u>	<u>772,492</u>	<u>996,580</u>
	<u>\$ 9,915,186</u>	<u>\$ 9,622,859</u>	<u>\$ 10,600,411</u>

The cost of goods sold for the three months ended 31, 2020 and 2019 included reversals of inventory write-downs of \$4,705 thousand and inventory write-downs of \$1,278 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

13. BIOLOGICAL ASSETS

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 3,252,537	\$ 3,317,475
Increases due to planting	39,451	25,576
Gain (loss) on changes in fair value less costs to sell	602	(1,361)
Decreases due to harvesting	(6,871)	(12,655)
Effect of foreign currency exchange differences	<u>(24,214)</u>	<u>75,476</u>
Balance at March 31	<u>\$ 3,261,505</u>	<u>\$ 3,404,511</u>

The Group's biological assets are eucalyptus located in Guangdong Province, Zhaoqing City. The eucalyptus is mainly grown for paper manufacturing.

The fair values of biological assets (before deducting costs to sell) were as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Eucalyptus (Level 3)	<u>\$ 3,368,489</u>	<u>\$ 3,360,128</u>	<u>\$ 3,515,633</u>

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

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 3,360,128	\$ 3,396,946
Increases due to planting	39,669	25,727
Gain (loss) on changes in fair value	605	(1,369)
Decreases due to harvesting	(6,909)	(12,730)
Effect of foreign currency exchange differences	<u>(25,004)</u>	<u>107,059</u>
Balance at March 31	<u>\$ 3,368,489</u>	<u>\$ 3,515,633</u>

14. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements (for the diagram of investment structure of the Group as at March 31, 2020, refer to Table 1):

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	56.9	56.9	56.9	
	YFY International BVI Corp.	Investment and holding	100.0	100.0	100.0	
	YFY Global Investment BVI Corp.	Investment and holding	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper - related merchandise	100.0	100.0	100.0	
	Shin Foong Specialty and Applied Materials Co., Ltd.	Production and sale of SBR (styrene butadiene rubber) latex	49.5	49.5	49.6	2)
	China Color Printing Co., Ltd.	Design and print of magazines, posters and books	49.7	49.7	49.7	2)
	YFY Venture Capital Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	49.0	49.0	49.0	
	YFY Capital Co., Ltd.	Sale of paper and paper-related merchandise	100.0	100.0	100.0	
	YFY Holding Management Co., Ltd.	Consulting	100.0	100.0	100.0	
	Union Paper Co., Ltd.	Manufacture and sale of paper	18.9	18.9	18.9	2)
	YFY Paradigm Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	San Ying Enterprise Co., Ltd.	Design and construct water processing construction and environmental facilities	100.0	100.0	100.0	
	Lotus Ecoscings & Engineering Co., Ltd.	Construction of sewage treatment plants and incinerators	100.0	100.0	100.0	
YFY International BVI Corp.	YFY Japan Co., Ltd.	Trade of paper, chemical material and machinery	100.0	100.0	100.0	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	50.9	50.9	50.9	
	Fidelis IT Solutions Co., Ltd.	a. Provides services in information software and information processing. b. Wholesale of information software and electric appliance.	100.0	100.0	100.0	
	Sustainable Carbohydrate Innovation Co., Ltd.	Research and development.	100.0	100.0	100.0	6)
	YFY Cayman Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	Guangdong Dingfeng Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfeng Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation.	13.5	13.5	13.5	
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Sale and print of paper merchandise	100.0	100.0	100.0	
	YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	94.0	94.0	94.0	3)
	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	100.0	100.0	100.0	
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	60.0	
	YFY Firstpak Packaging (Yangzhou) Co., Ltd.	Manufacture and sale of product packaging; design, manufacture and sale of packaging equipment and molding equipment	-	-	70.0	7)
YFY Mauritius Corp.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	64.6	64.6	64.6	
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and card board	93.8	93.8	93.8	
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and card board	90.0	90.0	90.0	
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	35.4	35.4	35.4	
	YFY Packaging (Yangzhou) Investment Co., Ltd.					
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and card board	10.0	10.0	10.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY Mauritius Corp.	Investment and holding	48.8	48.8	48.8	
	YFY Packaging Capital Corp.	Investment and holding	100.0	100.0	100.0	
	Winsong Packaging Investment Company Limited	Investment and holding	70.0	70.0	70.0	
	Willpower Industries Ltd.	Sale of various paper product	55.2	55.2	55.2	
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	6)
	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Manufacture and sale of card board	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and card board	100.0	100.0	100.0	
YFY International Labuan Co., Ltd.	YFY Jupiter (BVI) Inc.	Investment and holding	35.4	35.4	35.0	
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	100.0	
YFY Jupiter (BVI) Inc.	Mobius105 Ltd.	Investment and holding	100.0	100.0	100.0	
	YFY Jupiter Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
	Jupiter Prestige Group Holdings Limited	Investment and holding	57.0	57.0	57.0	
	YFY Jupiter US, Inc.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	99.0	99.0	99.0	
YFY Jupiter US, Inc.	YFY Jupiter Indonesia, PT PMA	Design of packaging	1.0	1.0	1.0	
	Innovativ Packaging Worldwide, LLC	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	1.0	1.0	1.0	
	Spectiv Brands, LLC	General trade	100.0	100.0	100.0	
Mobius105 Ltd.	YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Malaysia Sdn. Bhd.	Design of packaging and sale of paper	1.0	1.0	1.0	
	YFY Jupiter Mexico, S. de R.L.	Design of packaging and sale of paper	99.0	99.0	99.0	
	YFY Jupiter Indonesia, PT PMA	Design of packaging	99.0	99.0	99.0	
	Jupiter Vietnam Company Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
YFY Jupiter (Shenzhen) Ltd.	Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	100.0	100.0	100.0	
	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	100.0	100.0	100.0	
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	Graphic design	100.0	100.0	100.0	
	Jupiter Prestige Group Australia Pty Ltd.	Graphic design	100.0	100.0	100.0	
	Opal BPM Limited	Design of process system and assistance of graphic design	82.5	82.5	82.5	
Jupiter Prestige Group North America Inc.	Jupiter Prestige Group North America Inc.	Design of packaging and sale of paper	100.0	100.0	100.0	
	Contrast LLC	Brand Design	60.0	60.0	60.0	
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Graphic design	100.0	100.0	100.0	
Opal BPM Limited	Opal BPM India Private Limited	Workflow system coding	100.0	100.0	100.0	
	Opal BPM Consulting Limited	Consulting services of workflow system coding	100.0	100.0	100.0	
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	50.0	50.0	50.0	
YFY Paper Enterprise (Xiamen) Co., Ltd.	Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	50.0	50.0	50.0	
Kunshan YFY Advertising and Printing Co., Ltd.	Shanghai YFY Advertising and Printing Co., Ltd.	Printing service of publications	-	-	51.00	9)
YFY Packaging Inc.	YFY Packaging (BVI) Corp.	Investment and holding	100.0	100.0	100.0	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	66.8	66.8	66.8	
YFY Packaging (BVI) Corp.	YFY Mauritius Corp.	Investment and holding	51.2	51.2	51.2	
YFY Global Investment BVI Corp.	YFY RFID Co., Limited	Investment and holding	100.0	100.0	100.0	
	YFY Jupiter (BVI) Inc.	Investment and holding	44.0	44.0	43.4	
	YFY RFID Technologies Co., Ltd.	Investment and holding	100.0	100.0	100.0	
YFY RFID Co., Limited	Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	86.5	86.5	86.5	5)
	(originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.)					
Arizon RFID Technology Co., Ltd.	Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
(originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.)	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Product distribution and R&D services	100.0	100.0	100.0	
	Arizon JAPAN Co., Ltd.	Product distribution and technological consulting services	100.0	100.0	-	8)
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Sale and design of RFID (radio frequency identification) products	100.0	100.0	100.0	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Investment and holding	100.0	100.0	100.0	
	Ever Growing Agriculture Biotech Co., Ltd.	Wholesale of agriculture products	85.0	85.0	85.0	
	Yuen Foong Shop Co., Ltd.	Sale of paper	100.0	50.0	50.0	10)
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 Paper (Beijing) Co., Ltd.	Manufacture and sale of tissue paper and napkins	100.0	100.0	100.0	
	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	
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Sale of SBR (styrene butadiene rubber) and industrial chemicals	100.0	-	-	11)
YFY Capital Co., Ltd.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	
YFY Venture Capital Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	1.0	1.0	1.0	
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	Investment and holding	100.0	100.0	100.0	
YFY Capital Holdings Corp.	YFY (Shanghai) Financial Services Co., Ltd.	Export factoring, domestic factoring, business factoring and related consulting services, development of credit risk management platform.	100.0	100.0	100.0	
YFY Paradigm Investment Co., Ltd.	Union Paper Co., Ltd.	Manufacture and sale of paper	4.1	4.1	4.1	2)
	YFY Biotech Management Co., Ltd.	Consulting	100.0	100.0	100.0	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.7	0.7	0.7	
	Yuen Foong Shop Co., Ltd.	Sale of paper	-	50.0	50.0	10)
	Livebricks Inc.	Information processing services	100.0	100.0	100.0	
Yuen Foong Shop Co., Ltd.	Shanghai YFY International Trade Co., Ltd.	General trade	100.0	100.0	100.0	
	Yuen Foong Shop (HK) Limited	General trade	100.0	100.0	100.0	
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	0.07	
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	0.03	0.03	0.03	
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.01	0.01	0.01	
San Ying Enterprise Co., Ltd.	Kunshan Actiview Carbon Technology Co., Ltd.	Manufacture and sale of active carbon	66.4	66.4	66.4	
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	Investment and holding	100.0	100.0	100.0	
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	49.0	49.0	49.0	
	Hwa Fong Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
CHP International (BVI) Corporation	Guangdong Dingfung Pulp & Paper Co., Ltd. Zhaoqing Dingfung Forestry Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
		Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
Hwa Fong Investment Co., Ltd.	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	4)
	Effion Energetech Co., Ltd.	To operate cogeneration and provide power technology	1.0	1.0	1.0	
	Genovella Renewables Inc. (originally named as Kuang Hwa Fertilizer Limited Company)	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	100.0	100.0	100.0	
Guangdong Dingfung Pulp & Paper Co., Ltd.	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	66.3	66.3	66.3	
		Sale of paper merchandise and import/export business	100.0	100.0	100.0	
	Shenzhen Jinglun Paper Co., Ltd. Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	100.0	100.0	-	

(Concluded)

Remarks:

- 1) Except for the review financial statements for the three months ended March 2020 and 2019 of YFY International BVI Corp., YFY Cayman Co., Ltd., YFY Mauritius Corp., Chung Hwa Pulp Corporation, Yuen Foong Yu Consumer Products Co., Ltd., YFY Packaging Inc., Shin Foong Specialty and Applied Materials Co., Ltd., YFY Paradigm Investment Co., Ltd., YFY Venture Capital Investment Co., Ltd., YFY Packaging Capital Corp., and the investees mentioned in Table 9, the financial statements of the remaining non-significant subsidiaries were not reviewed by the auditors.
- 2) China Color Printing Co., Ltd. and Union Paper Co., Ltd. were deemed subsidiaries because the Group had substantial control over them even though the Group held less than 50% equity interest in each of the subsidiaries' voting shares; the Group disposed of its partial ownership of Shin Foong Specialty and Applied Materials Co., Ltd. and equity changes such as employee share options, which reduced its shareholding ratio to 49.5%. The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.
- 3) According to the resolution of the Company's board of the directors, YFY Paper Mfg. (Jiangyin) Co., Ltd. signed the land reserve agreement with Jiangyin Land Reserve Center and Jiangyin City People's Government Chengjiang Sub-district Office, with an expected amount of RMB369,829 thousand. As of March 31, 2020, the land reserve project has not been completed.
- 4) To boost management performance, the Group carried out a restructuring of the organization, and sold all of the shares of Syntax Communication (H.K.) Limited owned by YFY International BVI Corp. to CHP International (BVI) Corporation in January 2019.
- 5) In December 2018, the Company's board of the directors passed the application of the Arizon RFID Technologies (Yangzhou) Co., Ltd. on the stock exchange in mainland China, and the shareholders' temporary meeting passed the resolution in February 2019. In addition, the Arizon RFID Technologies (Yangzhou) Co., Ltd. introduced the share of external investors in December 2018, and the shareholding ratio decreased to 86.5%. The change of the name to Arizon RFID Technology Co., Ltd. was resolved in the shareholder's meeting in April 2019.
- 6) Sustainable Carbohydrate Innovation Co., Ltd. and YFY Packaging Thai Binh Co., Ltd. were established in January and March 2019 and have been included in the consolidated financial statements since then.
- 7) YFY Firstpak Packaging (Yangzhou) Co., Ltd. entered the bankruptcy procedure in May 2019. Due to the Group loss of control, it has not been included in the consolidated financial statements since June 2019.

- 8) Arizon JAPAN Co., Ltd. and Zhaoqing Xinchuan Green Technology Co., Ltd. were established in August and September 2019 separately and have been included in the consolidated financial statements since then.
- 9) Shanghai YFY Advertising and Printing Co., Ltd. entered the cancellation of registration in October 2019. Due to the Group loss of control, it has not been included in the consolidated financial statements since October 2019.
- 10) To boost management performance, the Group carried out a restructuring of the organization, and sold the 50% shares of Yuen Foong Shop Co., Ltd. owned by YFY Paradigm Investment Co., Ltd. to Yuen Foong Yu Consumer Products Co., Ltd. in February 2020.
- 11) Shin Foong Trading Sdn. Bhd. was established in February 2020 and has been included in the consolidated financial statements since then.
- b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31, 2020	December 31, 2019	March 31, 2019
Chung Hwa Pulp Corporation	42.26%	42.26%	42.26%
<u>Chung Hwa Pulp Corporation and subsidiaries</u>			
	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 13,025,367	\$ 13,098,672	\$ 13,556,000
Non-current assets	17,796,544	17,999,745	17,940,851
Current liabilities	(11,370,131)	(11,116,249)	(9,457,646)
Non-current liabilities	<u>(2,578,019)</u>	<u>(2,587,144)</u>	<u>(3,597,832)</u>
Equity	16,873,761	17,395,024	18,441,373
Consolidated adjustments	<u>94,109</u>	<u>94,109</u>	<u>94,109</u>
Adjusted equity	<u>\$ 16,967,870</u>	<u>\$ 17,489,133</u>	<u>\$ 18,535,482</u>
Equity attributable to:			
Owners of Chung Hwa Pulp Corporation	\$ 8,507,310	\$ 8,782,815	\$ 9,253,839
Non-controlling interests of Chung Hwa Pulp Corporation	6,226,872	6,428,525	6,773,289
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>2,233,688</u>	<u>2,277,793</u>	<u>2,508,354</u>
	<u>\$ 16,967,870</u>	<u>\$ 17,489,133</u>	<u>\$ 18,535,482</u>

	For the Three Months Ended March 31	
	2020	2019
Operating revenue	\$ <u>4,561,472</u>	\$ <u>5,382,648</u>
Profit (loss) for the period	\$ (145,338)	\$ 108,746
Other comprehensive income (loss) for the period	<u>(375,925)</u>	<u>282,172</u>
Total comprehensive income (loss) for the period	\$ <u>(521,263)</u>	\$ <u>390,918</u>
Profit (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ (67,893)	\$ 48,866
Non-controlling interests of Chung Hwa Pulp Corporation	(49,694)	35,768
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>(27,751)</u>	<u>24,112</u>
	\$ <u>(145,338)</u>	\$ <u>108,746</u>
Total comprehensive income (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	\$ (275,505)	\$ 179,946
Non-controlling interests of Chung Hwa Pulp Corporation	(201,653)	131,576
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	<u>(44,105)</u>	<u>79,396</u>
	\$ <u>(521,263)</u>	\$ <u>390,918</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (288,800)	\$ 206,735
Investing activities	(433,452)	(418,145)
Financing activities	558,215	257,784
Effects of exchange rate changes	<u>23,437</u>	<u>10,030</u>
Net cash inflow (outflow)	\$ <u>(140,600)</u>	\$ <u>56,404</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2020	December 31, 2019	March 31, 2019
Material associates			
E Ink Holdings Inc.	\$ 4,882,881	\$ 4,974,565	\$ 4,997,392
Associates that are not individually material	<u>494,808</u>	<u>642,516</u>	<u>870,131</u>
	\$ <u>5,377,689</u>	\$ <u>5,617,081</u>	\$ <u>5,867,523</u>

Refer to Table 8 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	March 31, 2020	December 31, 2019	March 31, 2019
E Ink Holdings Inc.	16.3%	16.3%	16.3%

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

In 2013, the Group increased its investment in E Ink Holdings Inc. by buying 40,000 thousand shares of the investee's privately placed ordinary shares for \$658,000 thousand. Under the related regulations, privately placed ordinary shares should not be transferred within three years from the date of acquisition. E Ink Holdings Inc. has not yet completed publishing procedures as of May 12, 2020, the report date. The other rights and obligations are the same as those of ordinary shares.

Fair values (Level 1) of investments in E Ink Holdings Inc. with available published price quotations are summarized as follows (excluding the privately placed ordinary shares):

March 31, 2020	December 31, 2019	March 31, 2019
<u>\$ 3,573,379</u>	<u>\$ 4,520,975</u>	<u>\$ 4,991,156</u>

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

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 20,132,830	\$ 21,634,060	\$ 20,259,421
Non-current assets	20,767,406	19,986,889	20,214,890
Current liabilities	(9,263,169)	(9,206,675)	(7,421,166)
Non-current liabilities	<u>(2,759,996)</u>	<u>(2,961,490)</u>	<u>(3,615,434)</u>
Equity	28,877,071	29,452,784	29,437,711
Non-controlling interests	<u>(460,116)</u>	<u>(452,645)</u>	<u>(404,486)</u>
	<u>\$ 28,416,955</u>	<u>\$ 29,000,139</u>	<u>\$ 29,033,225</u>
Proportion of the Group's ownership	16.3%	16.3%	16.3%
Equity attributable to the Group	\$ 4,629,421	\$ 4,721,105	\$ 4,743,932
Goodwill	<u>253,460</u>	<u>253,460</u>	<u>253,460</u>
Carrying amount	<u>\$ 4,882,881</u>	<u>\$ 4,974,565</u>	<u>\$ 4,997,392</u>

	For the Three Months Ended March 31	
	2020	2019
Operating revenue	\$ 2,922,127	\$ 2,954,772
Net profit for the period	\$ 812,868	\$ 459,610
Other comprehensive income (loss)	(1,388,581)	626,003
Total comprehensive income (loss) for the period	\$ (575,713)	\$ 1,085,613

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2020	2019
The Group's share of:		
Net profit (loss) for the period	\$ (23,891)	\$ 4,543
Other comprehensive income (loss)	(125,016)	12,232
Total comprehensive income (loss) for the period	\$ (148,907)	\$ 16,775

Investments in associates that are not individually material were accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on financial statements which have not been reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 12,387,825	\$ 15,019,244	\$ 64,160,307	\$ 12,821,896	\$ 2,045,627	\$ 106,434,899
Additions	-	31,814	103,311	132,530	379,538	647,193
Disposals	-	(130)	(120,099)	(28,981)	-	(149,210)
Transfer from prepayments for business facilities	-	1,439	3,095	3,314	-	7,848
Transfer from constructions	-	134,078	647,733	316,258	(1,098,069)	-
Effect of foreign currency exchange differences	-	(53,620)	(173,234)	(22,131)	(1,420)	(250,405)
Reclassification from investment properties	-	83,365	-	-	-	83,365
Balance at March 31, 2020	<u>\$ 12,387,825</u>	<u>\$ 15,216,190</u>	<u>\$ 64,621,113</u>	<u>\$ 13,222,886</u>	<u>\$ 1,325,676</u>	<u>\$ 106,773,690</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 2,597	\$ 6,994,554	\$ 42,323,097	\$ 9,308,478	\$ -	\$ 58,628,726
Depreciation expense	-	121,799	648,546	223,413	-	993,758
Disposals	-	(130)	(109,327)	(28,666)	-	(138,123)
Effect of foreign currency exchange differences	-	(17,776)	(98,275)	(14,471)	-	(130,522)
Reclassification from investment properties	-	24,237	-	-	-	24,237
Balance at March 31, 2020	<u>\$ 2,597</u>	<u>\$ 7,122,684</u>	<u>\$ 42,764,041</u>	<u>\$ 9,488,754</u>	<u>\$ -</u>	<u>\$ 59,378,076</u>
Carrying amounts at March 31, 2020	<u>\$ 12,385,228</u>	<u>\$ 8,093,506</u>	<u>\$ 21,857,072</u>	<u>\$ 3,734,132</u>	<u>\$ 1,325,676</u>	<u>\$ 47,395,614</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2019	\$ 12,386,227	\$ 15,004,779	\$ 63,796,253	\$ 12,866,364	\$ 1,835,666	\$ 105,889,289
Additions	1,598	43,315	172,696	86,258	488,420	792,287
Disposals	-	(223,822)	(73,072)	(35,652)	-	(332,546)
Transferred from prepayments for business facilities	-	-	305,057	16,301	-	321,358
Transferred from constructions	-	13,170	396,522	34,170	(443,862)	-
Effect of foreign currency exchange differences	-	172,525	543,004	86,803	7,328	809,660
Reclassifications	-	-	-	-	(5,961)	(5,961)
Balance at March 31, 2019	<u>\$ 12,387,825</u>	<u>\$ 15,009,967</u>	<u>\$ 65,140,460</u>	<u>\$ 13,054,244</u>	<u>\$ 1,881,591</u>	<u>\$ 107,474,087</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ 2,597	\$ 6,782,131	\$ 41,101,708	\$ 9,055,841	\$ -	\$ 56,942,277
Depreciation expense	-	121,325	657,090	202,027	-	980,442
Disposals	-	(155,754)	(47,218)	(30,946)	-	(233,918)
Effect of foreign currency exchange differences	-	55,650	254,888	51,900	-	362,438
Balance at March 31, 2019	<u>\$ 2,597</u>	<u>\$ 6,803,352</u>	<u>\$ 41,966,468</u>	<u>\$ 9,278,822</u>	<u>\$ -</u>	<u>\$ 58,051,239</u>
Carrying amounts at March 31, 2019	<u>\$ 12,385,228</u>	<u>\$ 8,206,615</u>	<u>\$ 23,173,992</u>	<u>\$ 3,775,422</u>	<u>\$ 1,881,591</u>	<u>\$ 49,422,848</u>
						(Concluded)

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

Buildings	
Main buildings	15-55 years
Others	3-50 years
Machinery and equipment	3-20 years
Miscellaneous equipment	3-50 years

The non-cash investing activities of the Group for the three months ended March 31, 2020 and 2019 are as follows:

	For the Three Months Ended March 31	
	2020	2019
Acquisition of property, plant and equipment	\$ 647,193	\$ 792,287
Changes in prepayments for business facilities	208,974	15,472
Changes in payment of payables on equipment (accounted for as other payables, others)	<u>195,904</u>	<u>71,737</u>
	<u>\$ 1,052,071</u>	<u>\$ 879,496</u>

For the amounts of collateral pledged for bank borrowings, refer to Note 29.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amounts</u>			
Land	\$ 1,432,089	\$ 1,426,492	\$ 1,521,192
Buildings	404,032	404,535	404,235
Others	<u>79,386</u>	<u>92,859</u>	<u>103,890</u>
	<u>\$ 1,915,507</u>	<u>\$ 1,923,886</u>	<u>\$ 2,029,317</u>
		For the Three Months Ended March 31	
		2020	2019
Additions to right-of-use assets		<u>\$ 42,736</u>	<u>\$ 148,485</u>
Depreciation charge for right-of-use assets			
Land		\$ 13,167	\$ 9,717
Buildings		37,719	28,371
Others		<u>15,504</u>	<u>12,875</u>
		<u>\$ 66,390</u>	<u>\$ 50,963</u>

Except for the aforementioned addition and recognized depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2020 and 2019.

b. Lease liabilities

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amounts</u>			
Current	<u>\$ 147,032</u>	<u>\$ 156,949</u>	<u>\$ 112,271</u>
Non-current	<u>\$ 350,745</u>	<u>\$ 350,898</u>	<u>\$ 402,032</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Land	1.02%-1.68%	1.21%-1.68%	1.21%
Buildings	1.06%-11.70%	1.06%-11.70%	1.06%-11.70%
Others	1.02%-6.00%	1.06%-6.00%	1.06%-6.00%

c. Other lease information

	For the Three Months Ended March 31	
	2020	2019
Expenses relating to short-term leases and low-value asset leases	\$ 57,738	\$ 69,370
Total cash outflow for leases	<u>\$ 121,295</u>	<u>\$ 243,881</u>

18. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2020	\$ 2,950,751
Effect of foreign currency exchange differences	377
Reclassification to property, plant and equipment	<u>(83,365)</u>
Balance at March 31, 2020	<u>\$ 2,867,763</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2020	\$ 204,267
Depreciation expense	830
Effect of foreign currency exchange differences	110
Reclassification to property, plant and equipment	<u>(24,237)</u>
Balance at March 31, 2020	<u>\$ 180,970</u>
Carrying amounts at March 31, 2020	<u>\$ 2,686,793</u>
<u>Cost</u>	
Balance at January 1, 2019	\$ 2,960,820
Disposals	(2,391)
Effect of foreign currency exchange differences	<u>1,965</u>
Balance at March 31, 2019	<u>\$ 2,960,394</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2019	\$ 201,664
Depreciation expense	1,815
Disposals	(2,391)
Effect of foreign currency exchange differences	<u>495</u>
Balance at March 31, 2019	<u>\$ 201,583</u>
Carrying amounts at March 31, 2019	<u>\$ 2,758,811</u>

The fair values of the investment properties owned by the Group were \$7,085,537 thousand, \$7,150,310 thousand and \$7,046,878 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively. The valuations were made by the Group using market transaction prices for similar properties and not by independent qualified professional valuers. The rental incomes were \$12,299 thousand and \$20,054 thousand for the three months ended March 31, 2020 and 2019, respectively.

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

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

19. BORROWINGS

a. Current borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
Bank credit loans	\$ 13,961,149	\$ 12,230,641	\$ 12,599,600
Bank secured loans	<u>450,933</u>	<u>293,804</u>	<u>517,994</u>
	<u>\$ 14,412,082</u>	<u>\$ 12,524,445</u>	<u>\$ 13,117,594</u>

Current borrowings include bank credit and bank secured loans. As of March 31, 2020, December 31, 2019 and March 31, 2019, the interest rate intervals of bank credit loans were 0.73%-4.70% per annum, 0.92%-5.56% per annum and 0.91%-5.74% per annum, respectively. As of March 31, 2020, December 31, 2019 and March 31, 2019, the interest rate of bank secured loans were 3.55%-4.55% per annum, 2.85%-3.15% per annum and 3.55%-3.60% per annum, respectively.

b. Short-term notes and bills payable

Short-term notes and bills payable are commercial paper due within one year. Interest rate intervals on these bills payable were 0.97%-1.08% per annum, 0.98%-1.17% per annum and 0.97%-1.14% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

c. Non-current borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
Syndicated loans	\$ 22,866,194	\$ 24,842,647	\$ 25,465,309
Long-term bank credit loans	3,011,000	3,858,000	3,860,000
Long-term bank secured loans	<u>543,268</u>	<u>699,079</u>	<u>746,282</u>
	26,420,462	29,399,726	30,071,591
Less: Current portion	<u>-</u>	<u>-</u>	<u>(90,000)</u>
	<u>\$ 26,420,462</u>	<u>\$ 29,399,726</u>	<u>\$ 29,981,591</u>

Long-term bank loans include credit, secured and syndicated loans. Credit and secured loans expire in December 2023 and have interest rate intervals of 0.89%-4.55% per annum, 0.98%-5.45% per annum and 0.98%-6.51% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively; syndicated loans expire in November 2024, pay the interest by month and have interest rate intervals of 1.79% per annum, 1.79%-1.80% per annum and 1.79%-4.03% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

20. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$18,720 thousand and \$21,405 thousand for the three months ended March 31, 2020 and 2019, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2019 and 2018.

21. EQUITY

a. Ordinary shares

	March 31, 2020	December 31, 2019	March 31, 2019
Numbers of shares authorized (in thousands)	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
Value of shares authorized	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,660,372</u>	<u>1,660,372</u>	<u>1,660,372</u>
Value of shares issued	<u>\$ 16,603,715</u>	<u>\$ 16,603,715</u>	<u>\$ 16,603,715</u>

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

b. Capital surplus

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

c. Retained earnings and dividend policy

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

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

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

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company. For any subsequent reversal of the deduction in other shareholders' equity, the appropriate amount of earnings distribution should be reversed from the net debit balance.

The appropriations of earnings for 2019 had been proposed by the Company's board of directors on March 23, 2020 and for 2018 had been approved in the shareholders' meetings in June 25, 2019, respectively, are as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
Legal reserve	\$ 263,411	\$ 144,000		
Cash dividends	1,162,260	996,223	<u>\$ 0.7</u>	<u>\$ 0.6</u>

The appropriations of earnings are subject to the resolution of the shareholders' meeting to be held on June 22, 2020.

d. Special reserves

	For the Three Months Ended March 31	
	2020	2019
Beginning at January 1	\$ 4,028,583	\$ 4,028,584
Reversal:		
Disposal of property, plant and equipment	<u>-</u>	<u>(1)</u>
Balance at March 31	<u>\$ 4,028,583</u>	<u>\$ 4,028,583</u>

e. Other equity items

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total
<u>2020</u>				
Balance at January 1	\$ (1,036,202)	\$ 6,809,645	\$ (6,377)	\$ 5,767,066
Exchange differences on translation of foreign financial statements	20,139	-	-	20,139

(Continued)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total
Unrealized gains (losses) on financial assets measured at FVTOCI	\$ -	\$ (3,396,614)	\$ -	\$ (3,396,614)
Gains (losses) on hedging instruments	-	-	632	632
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>(47,417)</u>	<u>(283,519)</u>	<u>-</u>	<u>(330,936)</u>
Balance at March 31	<u>\$ (1,063,480)</u>	<u>\$ 3,129,512</u>	<u>\$ (5,745)</u>	<u>\$ 2,060,287</u>
<u>2019</u>				
Balance at January 1	\$ (40,365)	\$ 3,674,848	\$ (7,010)	\$ 3,627,473
Exchange differences on translation of foreign financial statements	416,465	-	-	416,465
Unrealized gains (losses) on financial assets measured at FVTOCI	-	1,632,268	-	1,632,268
Gains (losses) on hedging instruments	-	-	(1,293)	(1,293)
Share of other comprehensive income (loss) of associates accounted for using equity method	14,177	97,397	-	111,574
Cumulative unrealized gains of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(15,512)</u>	<u>-</u>	<u>(15,512)</u>
Balance at March 31	<u>\$ 390,277</u>	<u>\$ 5,389,001</u>	<u>\$ (8,303)</u>	<u>\$ 5,770,975</u>

(Concluded)

f. Non-controlling interests

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 11,533,301	\$ 11,470,524
Share of profit for the year	71,431	106,924
Other comprehensive income (loss) for the year:		
Exchange differences on translation of foreign financial statements	(11,831)	55,537
Unrealized gains (losses) on financial assets measured at FVTOCI	(167,766)	65,722
Gains (losses) on hedge instruments	(27)	(666)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(18,002)	6,825
Changes in equity of associates accounted for using equity method	-	354
Changes in ownership interests in subsidiaries	4,044	3,656
Difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>-</u>	<u>(3,991)</u>
Balance at March 31	<u>\$ 11,411,150</u>	<u>\$ 11,704,885</u>

22. REVENUE

	For the Three Months Ended March 31	
	2020	2019
Revenue from contracts with customers - sale of goods	\$ 13,953,545	\$ 15,250,478
Other operating revenue	<u>2,238,579</u>	<u>2,115,806</u>
	<u>\$ 16,192,124</u>	<u>\$ 17,366,284</u>

Contract Balances

	March 31, 2020	December 31, 2019	March 31, 2019	January 1, 2019
Notes receivable, net	<u>\$ 2,997,006</u>	<u>\$ 2,874,640</u>	<u>\$ 3,199,051</u>	<u>\$ 3,700,326</u>
Accounts receivable, net	<u>\$ 10,556,927</u>	<u>\$ 11,559,561</u>	<u>\$ 11,195,246</u>	<u>\$ 11,676,010</u>
Accounts receivable due from related parties, net	<u>\$ 88,894</u>	<u>\$ 99,919</u>	<u>\$ 71,346</u>	<u>\$ 91,176</u>
Contract liabilities - sale of goods	<u>\$ 506,535</u>	<u>\$ 481,639</u>	<u>\$ 547,126</u>	<u>\$ 481,727</u>

23. NET PROFIT

a. Finance costs

	For the Three Months Ended March 31	
	2020	2019
Interest on bank loans	\$ 194,875	\$ 254,130
Interest on lease liabilities	3,820	3,532
Less: Capitalization amount of interest	<u>(1,641)</u>	<u>(496)</u>
	<u>\$ 197,054</u>	<u>\$ 257,166</u>

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2020	2019
Capitalization rate	1.08%-1.18%	1.09%-1.65%

b. Depreciation and amortization

For the Three Months Ended March 31		
	2020	2019
Property, plant and equipment	\$ 993,758	\$ 980,442
Investment properties	830	1,815
Right-of-use assets	66,390	50,963
Other non-current assets	<u>39,817</u>	<u>32,791</u>
	<u>\$ 1,100,795</u>	<u>\$ 1,066,011</u>
 An analysis of depreciation by function		
Operating costs	\$ 943,715	\$ 907,893
Operating expenses	<u>117,263</u>	<u>125,327</u>
	<u>\$ 1,060,978</u>	<u>\$ 1,033,220</u>
 An analysis of amortization by function		
Operating costs	\$ 7,494	\$ 10,929
Operating expenses	<u>32,323</u>	<u>21,862</u>
	<u>\$ 39,817</u>	<u>\$ 32,791</u>

c. Employee benefits expense

For the Three Months Ended March 31		
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 42,453	\$ 44,714
Defined benefit plans	<u>18,720</u>	<u>21,405</u>
	61,173	66,119
Other employee benefits	<u>1,980,956</u>	<u>1,844,299</u>
Total employee benefits expense	<u>\$ 2,042,129</u>	<u>\$ 1,910,418</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 1,223,200	\$ 1,094,309
Operating expenses	<u>818,929</u>	<u>816,109</u>
	<u>\$ 2,042,129</u>	<u>\$ 1,910,418</u>

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended March 31, 2020 and 2019 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2020	2019
Employees' compensation	0.06%	0.37%
Remuneration of directors	0.51%	1.72%

Amount

	For the Three Months Ended March 31	
	2020	2019
	Cash	Cash
Employees' compensation	\$ 375	\$ 375
Remuneration of directors	\$ 3,125	\$ 1,750

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 which have been approved by the Company's board of the directors on March 23, 2020 and March 22, 2019, respectively, are as follows:

Amount

	For the Three Months Ended March 31	
	2019	2018
	Cash	Cash
Employees' compensation	\$ 2,282	\$ 1,467
Remuneration of directors	12,500	7,000

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation 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.

24. INCOME TAXES

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

	For the Three Months Ended March 31	
	2020	2019
Current tax		
In respect of the current period	\$ 216,074	\$ 103,867
Land value increment tax	-	1,520
Deferred tax		
In respect of the current period	<u>1,368</u>	<u>26,579</u>
	<u>\$ 217,442</u>	<u>\$ 131,966</u>

- b. Income tax approved situation

	<u>Final Approved Year</u>
The Company	2014
Yuen Foong Yu Consumer Products Co., Ltd.	2014
Hwa Fong Investments Co., Ltd.	2018
Effion Enertech Co., Ltd.	2018
Shin Foong Specialty and Applied Materials Co., Ltd.	2018
China Color Printing Co., Ltd.	2018
YFY Venture Capital Investment Co., Ltd.	2018
YFY Paradigm Investment Co., Ltd.	2018
Lotus Ecoscings & Engineering Co., Ltd.	2018
Yuen Yan Paper Container Co., Ltd.	2018
Fidelis IT Solutions Co., Ltd.	2018
YFY Biotech Management Co., Ltd.	2018
Genovella Renewables Inc. (originally named as Kuang Hwa Fertilizer Limited Company)	2018
Livebricks Inc.	2018
Chung Hwa Pulp Corporation	2017
YFY Holding Management Co., Ltd.	2017
YFY Capital Co., Ltd.	2017
San Ying Enterprise Co., Ltd.	2017
Ever Growing Agriculture Biotech Co., Ltd.	2017
Yuen Foong Shop Co., Ltd.	2017
YFY Packaging Inc.	2017
Union Paper Co., Ltd.	2016
Yeon Technologies Co., Ltd.	2016
Sustainable Carbohydrate Innovation Co., Ltd. (Note)	-

Note: Sustainable Carbohydrate Innovation Co., Ltd. was established in January 2019 and has been included in the consolidated financial statements since then.

25. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2020	2019
Basic earnings per share (NT\$)	<u>\$ 0.38</u>	<u>\$ 0.07</u>
Diluted earnings per share (NT\$)	<u>\$ 0.38</u>	<u>\$ 0.07</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2020	2019
Profit for the period attributable to owners of the Company	<u>\$ 635,198</u>	<u>\$ 121,300</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 635,198</u>	<u>\$ 121,300</u>

Number of Share (In Thousands)

	For the Three Months Ended March 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares: Employees' compensation	<u>229</u>	<u>143</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,660,601</u>	<u>1,660,515</u>

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

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management of the Group considers that the carrying amounts of those financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Hybrid financial assets	\$ -	\$ 511,902	\$ -	\$ 511,902
Non-derivative financial assets	318,546	406,296	-	724,842
Derivative financial assets	-	156,083	-	156,083
	<u>\$ 318,546</u>	<u>\$ 1,074,281</u>	<u>\$ -</u>	<u>\$ 1,392,827</u>
Financial assets at FVTOCI				
Listed shares	\$ 12,637,046	\$ -	\$ -	\$ 12,637,046
Unlisted shares	-	-	3,616,292	3,616,292
	<u>\$ 12,637,046</u>	<u>\$ -</u>	<u>\$ 3,616,292</u>	<u>\$ 16,253,338</u>
Financial liabilities at FVTPL - held for trading				
Derivative financial liabilities	\$ -	\$ 23,195	\$ -	\$ 23,195
Financial liabilities held for hedging (accounted for as other current liabilities, others)	\$ -	\$ 27	\$ -	\$ 27

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Hybrid financial assets	\$ -	\$ 434,724	\$ -	\$ 434,724
Non-derivative financial assets	644,774	402,418	-	1,047,192
Derivative financial assets	-	27,695	-	27,695
	<u>\$ 644,774</u>	<u>\$ 864,837</u>	<u>\$ -</u>	<u>\$ 1,509,611</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets held for hedging (accounted for as other current assets, others)	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 24</u>
Financial assets at FVTOCI				
Listed shares	\$ 15,727,139	\$ -	\$ -	\$ 15,727,139
Unlisted shares	<u>-</u>	<u>-</u>	<u>4,064,346</u>	<u>4,064,346</u>
	<u>\$ 15,727,139</u>	<u>\$ -</u>	<u>\$ 4,064,346</u>	<u>\$ 19,791,485</u>
Financial liabilities at FVTPL - held for trading				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 137,460</u>	<u>\$ -</u>	<u>\$ 137,460</u>
				(Concluded)

March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Hybrid financial assets	\$ -	\$ 1,151,050	\$ -	\$ 1,151,050
Non-derivative financial assets	176,490	406,296	-	582,786
Derivative financial assets	<u>-</u>	<u>111,757</u>	<u>-</u>	<u>111,757</u>
	<u>\$ 176,490</u>	<u>\$ 1,669,103</u>	<u>\$ -</u>	<u>\$ 1,845,593</u>
Financial assets at FVTOCI				
Listed shares	\$ 14,588,893	\$ -	\$ -	\$ 14,588,893
Unlisted shares	<u>-</u>	<u>-</u>	<u>3,783,537</u>	<u>3,783,537</u>
	<u>\$ 14,588,893</u>	<u>\$ -</u>	<u>\$ 3,783,537</u>	<u>\$ 18,372,430</u>
Financial liabilities at FVTPL - held for trading				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 119,099</u>	<u>\$ -</u>	<u>\$ 119,099</u>
Financial liabilities held for hedging (accounted for as other current liabilities, others)	<u>\$ -</u>	<u>\$ 1,114</u>	<u>\$ -</u>	<u>\$ 1,114</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2020 and 2019.

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

For the three months ended March 31, 2020

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	\$ 4,064,346
Recognized in other comprehensive income (accounted for as unrealized gain (loss) on investments in equity instruments designated as at FVTOCI)	(473,476)
Purchases	23,880
Effect of foreign currency exchange differences	<u>1,542</u>
Balance at March 31, 2020	<u>\$ 3,616,292</u>

For the three months ended March 31, 2019

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2019	\$ 3,390,158
Recognized in other comprehensive income (accounted for as unrealized gain (loss) on investments in equity instruments designated as at FVTOCI)	463,088
Disposals	(38,665)
Return of capital upon investees' capital reduction	(32,306)
Effect of foreign currency exchange differences	<u>1,262</u>
Balance at March 31, 2019	<u>\$ 3,783,537</u>

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

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

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

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	Asset-based approach: The fair value is determined based on the net asset value of the investment target. The significant unobservable inputs are discounted prices based on market liquidity and non-controlling interests. Market approach: The fair value is assessed according to the recent transaction price of the investment target or similar market transaction prices and market conditions. The significant unobservable inputs are discounted prices for the lack of marketability. Income approach: Discounted cash flows are determined based on the present value of the expected future economic benefits that will be derived from the investment. Unobservable inputs mainly include the long-term growth rate, discount rate and the discount of liquidity. The fair value will increase if the long-term growth rate increases, discount rate decreases or the discount for liquidity decreases.

c. Categories of financial instruments

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,392,827	\$ 1,509,611	\$ 1,845,593
FVTOCI			
Equity instruments	16,253,338	19,791,485	18,372,430
Derivative instruments in designated hedge accounting relationships	-	24	-
Amortized cost (1)	22,653,810	23,868,076	20,986,156
<u>Financial liabilities</u>			
FVTPL			
Held for trading	23,195	137,460	119,099
Derivative instruments in designated hedge accounting relationships	27	-	1,114
Amortized cost (2)	60,175,525	61,038,240	62,595,121

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

Sensitivity analysis

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

The Group was mainly exposed to the USD and RMB.

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

	For the Three Months Ended March 31	
	2020	2019
Influence to profit or loss at 5% variance		
USD	\$ 46,364	\$ 112,649
RMB	\$ (113,600)	\$ (3,065)

b) Interest rate risk

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

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

	March 31, 2020	December 31, 2019	March 31, 2019
Fair value interest rate risk			
Financial assets	\$ 5,396,264	\$ 4,754,828	\$ 3,236,372
Financial liabilities	7,272,796	6,026,520	7,685,029
Lease liabilities	497,777	507,847	514,303
Cash flow interest rate risk			
Financial assets	3,462,899	4,470,772	2,876,772
Financial liabilities	40,832,544	41,924,171	43,189,185

Sensitivity analysis

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

If interest rates had been 0.25% basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended March 31, 2020 and 2019 would have decreased/increased by \$18,685 thousand and \$20,156 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity and commodity prices had been 5% higher/lower, pre-tax profit for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$15,927 thousand and \$8,825 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$812,667 thousand and \$918,622 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk decreased during the year, which was mainly due to the fair value of equity investments decreased.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amount of the respective recognized financial assets which comprise receivables from operating activities and financial assets from investing activities as stated in the consolidated balance sheets.

The Group's customer base is vast and various industries. The Group continuously evaluated the financial conditions of those customers.

To maintain the quality of the accounts receivable, the Group has built a credit risk management procedure to reduce the credit risk from specific customer. The credit evaluation of individual customer includes considering factors that will affect its payment ability such as financial condition, past transaction records and current economic conditions. Credit risk of bank deposits, fixed - income investments and other financial instruments with banks is evaluated and monitored by the Group's financial department. Since the counterparties are creditworthy banks and financial institutions with good credit rating, thus, there's no significant credit risk.

3) Liquidity risk

The objective of liquidity risk management is to maintain adequate cash and cash equivalents with high liquidity and sufficient bank facilities that business operation requires and to ensure the Group has sufficient financial flexibility.

As of March 31, 2020, December 31, 2019 and March 31, 2019, the amount of unused financing facilities were \$46,022,828 thousand, \$48,530,126 thousand and \$31,415,826 thousand, respectively.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods by financial institutions. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. Specifically, loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the financial institutions choosing to exercise their rights.

To the extent that interest cash flows paid at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2020

	Less than 1 Year	1 - 5 Years
<u>Non-derivative financial liabilities</u>		
Floating interest rate liabilities	\$ 14,899,703	\$ 27,388,309
Fixed interest rate liabilities	7,276,000	-
Lease liabilities	<u>171,062</u>	<u>421,638</u>
	<u>\$ 22,346,765</u>	<u>\$ 27,809,947</u>

December 31, 2019

	Less than 1 Year	1 - 5 Years
<u>Non-derivative financial liabilities</u>		
Floating interest rate liabilities	\$ 13,066,868	\$ 30,363,623
Fixed interest rate liabilities	6,029,000	-
Lease liabilities	<u>164,673</u>	<u>427,578</u>
	<u>\$ 19,260,541</u>	<u>\$ 30,791,201</u>

March 31, 2019

	Less than 1 Year	1 - 5 Years
<u>Non-derivative financial liabilities</u>		
Floating interest rate liabilities	\$ 14,157,735	\$ 30,928,090
Fixed interest rate liabilities	7,689,000	-
Lease liabilities	<u>112,271</u>	<u>402,032</u>
	<u>\$ 21,959,006</u>	<u>\$ 31,330,122</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to other bank in order to generate working capital. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the banker's acceptance bills. The Group's discounted and received amount and the ranges of interest rates were as follows:

	For the Three Months Ended March 31	
	2020	2019
The discounted amount	<u>\$ 298,620</u>	<u>\$ 408,229</u>
The received amount	<u>\$ 296,743</u>	<u>\$ 398,487</u>
Interest rates	2.66%-2.75%	3.28%-3.46%

28. TRANSACTIONS WITH RELATED PARTIES

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

a. Names and categories of related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Hsin-Yi Enterprise Co., Ltd.	Entities with key management personnel
Yuen Foong Paper Co., Ltd.	Entities with key management personnel

(Continued)

Related Party	Relationship with the Group
Taiwan Global BioFund Co., Ltd.	Associate
YFY Biotech Co., Ltd.	Associate
E Ink Holdings Inc.	Associate
Transcend Optronics (Yangzhou) Co., Ltd.	Associate
Chengdu JieLianDa Warehousing Co., Ltd.	Associate
JLD Logistics Ltd.	Associate
YJY Packaging Ltd.	Associate
Yuen Foong Yu Catering Operation (Shanghai) Co., Ltd.	Associate
SinoPac Financial Holdings Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
SinoPac Leasing Corporation	Substantive related party
Bank SinoPac	Substantive related party
Beautone Co., Ltd.	Substantive related party
Hsinex International Corp.	Substantive related party
Fu Hwa Development Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
Hsin-Yi Foundation & Publishing Co., Ltd	Substantive related party
YFY BioTechnology (Kunshan) Co., Ltd.	Substantive related party
Lui Co., Ltd.	Substantive related party
Hsin Yuan Investment Co., Ltd.	Substantive related party
Ho-Jielai Co., Ltd.	Substantive related party
Chen Yu Co., Ltd.	Substantive related party
Ho Tien Co., Ltd.	Substantive related party
Hoi Toy&Play Corporation	Substantive related party
YFY Co., Ltd.	Substantive related party

(Concluded)

b. Operating revenue

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
Substantive related party	\$ 55,609	\$ 72,816
Entities with key management personnel	17,648	17,205
Associate	<u>2,798</u>	<u>7,171</u>
	<u>\$ 76,055</u>	<u>\$ 97,192</u>

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

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
Associate	\$ 17,248	\$ 37,424
Substantive related party	1,162	2,363
Entities with key management personnel	<u>184</u>	<u>255</u>
	<u>\$ 18,594</u>	<u>\$ 40,042</u>

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

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2020	December 31, 2019	March 31, 2019
Receivables from related parties	Substantive related party			
	Beautone Co., Ltd.	\$ 38,751	\$ 49,513	\$ 42,560
	Others	<u>3,532</u>	<u>3,356</u>	<u>5,224</u>
		<u>42,283</u>	<u>52,869</u>	<u>47,784</u>
	Associate			
	Taiwan Global BioFund Co., Ltd.	27,232	27,106	11,121
	Others	<u>4,973</u>	<u>4,447</u>	<u>6,416</u>
		<u>32,205</u>	<u>31,553</u>	<u>17,537</u>
	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	14,152	15,214	5,922
	Others	<u>254</u>	<u>283</u>	<u>103</u>
		<u>14,406</u>	<u>15,497</u>	<u>6,025</u>
		<u>\$ 88,894</u>	<u>\$ 99,919</u>	<u>\$ 71,346</u>

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

e. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2020	December 31, 2019	March 31, 2019
Payables to related parties	Associate			
	YJY Packaging Ltd.	\$ 22,359	\$ 27,882	\$ 26,982
	JLD Logistics Ltd.	4,075	4,697	5,421
	Others	<u>560</u>	<u>2,267</u>	<u>886</u>
		<u>26,994</u>	<u>34,846</u>	<u>33,289</u>
	Entities with key management personnel			
	Hsin-Yi Enterprise Co., Ltd.	4,350	5,211	5,001
	Others	<u>1,375</u>	<u>1,993</u>	<u>2,175</u>
		<u>5,725</u>	<u>7,204</u>	<u>7,176</u>
	Substantive related party	<u>2,181</u>	<u>1,986</u>	<u>1,929</u>
		<u>\$ 34,900</u>	<u>\$ 44,036</u>	<u>\$ 42,394</u>

The outstanding accounts payables to related parties are unsecured.

f. Others

Rental income

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
Entities with key management personnel	\$ 2,016	\$ 2,012
Substantive related party	1,810	1,830
Associate	<u>302</u>	<u>302</u>
	<u>\$ 4,128</u>	<u>\$ 4,144</u>

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
Entities with key management personnel	\$ 10,901	\$ 10,179
Substantive related party	81	675
Associate	<u>59</u>	<u>63</u>
	<u>\$ 11,041</u>	<u>\$ 10,917</u>

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

Other

In November 2015, the Group bought Bank SinoPac's third unsecured perpetual non-cumulative subordinated financial debentures issued in 2015, which amounted to \$400,000 thousand (accounted for as non-current financial assets at FVTPL) and had an interest rate of 3.9%. As of March 31, 2020, December 31, 2019 and March 31, 2019, the interest receivables were \$6,500 thousand, \$2,418 thousand and \$6,500 thousand, respectively.

g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2020	2019
Salaries and benefits	\$ 17,253	\$ 16,564
Bonuses and executive fees	<u>399</u>	<u>386</u>
	<u>\$ 17,652</u>	<u>\$ 16,950</u>

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

29. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged or mortgaged as collateral for bank loans, guarantees provided on certain commitments, bank acceptance bills and other credit facilities:

	March 31, 2020	December 31, 2019	March 31, 2019
Notes receivable, net	\$ 1,637,814	\$ 1,558,197	\$ 1,798,860
Property, plant and equipment	1,195,589	1,645,813	1,046,188
Structured deposit (accounted for as current financial assets at fair value through profit or loss)	269,227	-	-
Land use rights (accounted for as right-of-use assets)	112,466	112,288	117,698
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	<u>77,094</u>	<u>77,643</u>	<u>319,852</u>
	<u>\$ 3,292,190</u>	<u>\$ 3,393,941</u>	<u>\$ 3,282,598</u>

30. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2020, December 31, 2019 and March 31, 2019, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$727,840 thousand, \$375,497 thousand and \$573,749 thousand, respectively.

31. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2020		
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,078,218	0.141 (RMB:USD)	\$ 8,865,668
RMB	497,176	4.266 (RMB:NTD)	2,120,949
USD	64,356	30.225 (USD:NTD)	1,945,145
VND	838,653,055	0.00004 (VND:USD)	1,072,399
<u>Foreign currency liabilities</u>			
Monetary items			
USD	83,355	7.085 (USD:RMB)	2,519,416
USD	33,180	30.225 (USD:NTD)	1,002,868

December 31, 2019			
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 2,107,281	0.143 (RMB:USD)	\$ 9,055,977
RMB	522,249	4.297 (RMB:NTD)	2,244,350
USD	58,288	29.98 (USD:NTD)	1,747,485
VND	865,884,366	0.00004 (VND:USD)	1,120,235
<u>Foreign currency liabilities</u>			
Monetary items			
USD	86,736	6.9762 (USD:RMB)	2,600,348

March 31, 2019			
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
RMB	\$ 1,598,974	0.149 (RMB:USD)	\$ 7,318,688
RMB	439,693	4.577 (RMB:NTD)	2,012,525
USD	54,478	30.820 (USD:NTD)	1,678,997
USD	33,416	6.734 (USD:RMB)	1,029,888
VND	893,626,735	0.00004 (VND:USD)	1,081,288
<u>Financial liabilities</u>			
Monetary items			
USD	193,795	6.734 (USD:RMB)	5,972,762

For the three months ended March 31, 2020 and 2019, realized and unrealized net foreign exchange gain (loss) were a loss of \$195,232 thousand and a gain of \$308,055 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 2)
- 2) Endorsements/guarantees provided. (Table 3)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 4)

- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 5)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
 - 9) Information on investees. (Table 8)
 - 10) Trading in derivative instruments. (Notes 7 and 10)
 - 11) Intercompany relationships and significant intercompany transactions. (Table 10)
- b. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 3)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 2)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)
- c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

33. SEGMENT INFORMATION

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

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging	Business Unit of Consumer Products	Other Segment	Total
<u>For the three month ended March 31, 2020</u>					
Revenue from external customers	\$ 3,897,382	\$ 6,710,326	\$ 2,614,542	\$ 2,969,874	\$ 16,192,124
Revenue from other internal operating segments	<u>664,090</u>	<u>351,304</u>	<u>63,812</u>	<u>234,046</u>	<u>1,313,252</u>
Segment revenue	<u>\$ 4,561,472</u>	<u>\$ 7,061,630</u>	<u>\$ 2,678,354</u>	<u>\$ 3,203,920</u>	<u>17,505,376</u>
Eliminations					<u>(1,313,252)</u>
Consolidated revenue					<u>\$ 16,192,124</u>
Total profit or loss for reportable segments	<u>\$ (136,396)</u>	<u>\$ 485,957</u>	<u>\$ 367,680</u>	<u>\$ 179,896</u>	\$ 897,137
Eliminations					<u>19,321</u>
Segment profit or loss					916,458
Finance costs					(197,054)
Net gain on fair value change of financial instruments at fair value through profit or loss					168,885
Foreign exchange loss					(195,232)
Net non-operating income and expenses					<u>231,014</u>
Profit before income tax					<u>\$ 924,071</u>
<u>For the three months ended March 31, 2019</u>					
Revenue from external customers	\$ 4,195,073	\$ 7,409,246	\$ 2,792,558	\$ 2,969,407	\$ 17,366,284
Revenue from other internal operating segments	<u>1,187,575</u>	<u>445,328</u>	<u>40,815</u>	<u>320,258</u>	<u>1,993,976</u>
Segment revenue	<u>\$ 5,382,648</u>	<u>\$ 7,854,574</u>	<u>\$ 2,833,373</u>	<u>\$ 3,289,665</u>	<u>19,360,260</u>
Eliminations					<u>(1,993,976)</u>
Consolidated revenue					<u>\$ 17,366,284</u>
Total profit or loss for reportable segment	<u>\$ 48,136</u>	<u>\$ 104,935</u>	<u>\$ 120,852</u>	<u>\$ 49,290</u>	\$ 323,213
Eliminations					<u>22,167</u>
Segment profit or loss					345,380
Finance costs					(257,166)
Net loss on fair value change of financial instruments at fair value through profit or loss					(282,766)
Foreign exchange gain					308,055
Net non-operating income and expenses					<u>246,687</u>
Profit before income tax					<u>\$ 360,190</u>

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

a. Pulp and fine paper segment

Manufacture and sale of cardboard, paper and pulp.

b. Containerboard and packaging segment

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

c. Consumer product segment

Manufacture and sale of tissue paper, napkins and detergents.

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

Segment Total Assets

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Segment assets</u>			
Business unit of pulp and fine paper	\$ 30,821,911	\$ 31,098,417	\$ 31,496,851
Business unit of containerboard and packaging	43,436,705	42,415,547	43,049,302
Business unit of consumer products	7,860,019	8,064,274	9,159,662
Other segments	74,158,011	77,372,146	74,946,234
Adjustment and elimination	<u>(39,883,782)</u>	<u>(37,861,371)</u>	<u>(38,758,279)</u>
Consolidated total assets	<u>\$ 116,392,864</u>	<u>\$ 121,089,013</u>	<u>\$ 119,893,770</u>

Geographical Information

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

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

	Revenue from External Customers		Non-current Assets		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2020	2019	2020	2019	2019
Taiwan	\$ 9,276,979	\$ 9,081,080	\$ 32,813,077	\$ 32,865,318	\$ 32,246,009
Mainland China	4,653,936	6,074,833	18,517,294	18,906,865	20,957,802
Others	<u>2,261,209</u>	<u>2,210,371</u>	<u>3,278,428</u>	<u>3,167,702</u>	<u>3,074,568</u>
	<u>\$ 16,192,124</u>	<u>\$ 17,366,284</u>	<u>\$ 54,608,799</u>	<u>\$ 54,939,885</u>	<u>\$ 56,278,379</u>

Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2020 and 2019.

TABLE 1

YFY INC. AND SUBSIDIARIES

**DIAGRAM OF INVESTMENT STRUCTURE
MARCH 31, 2020**

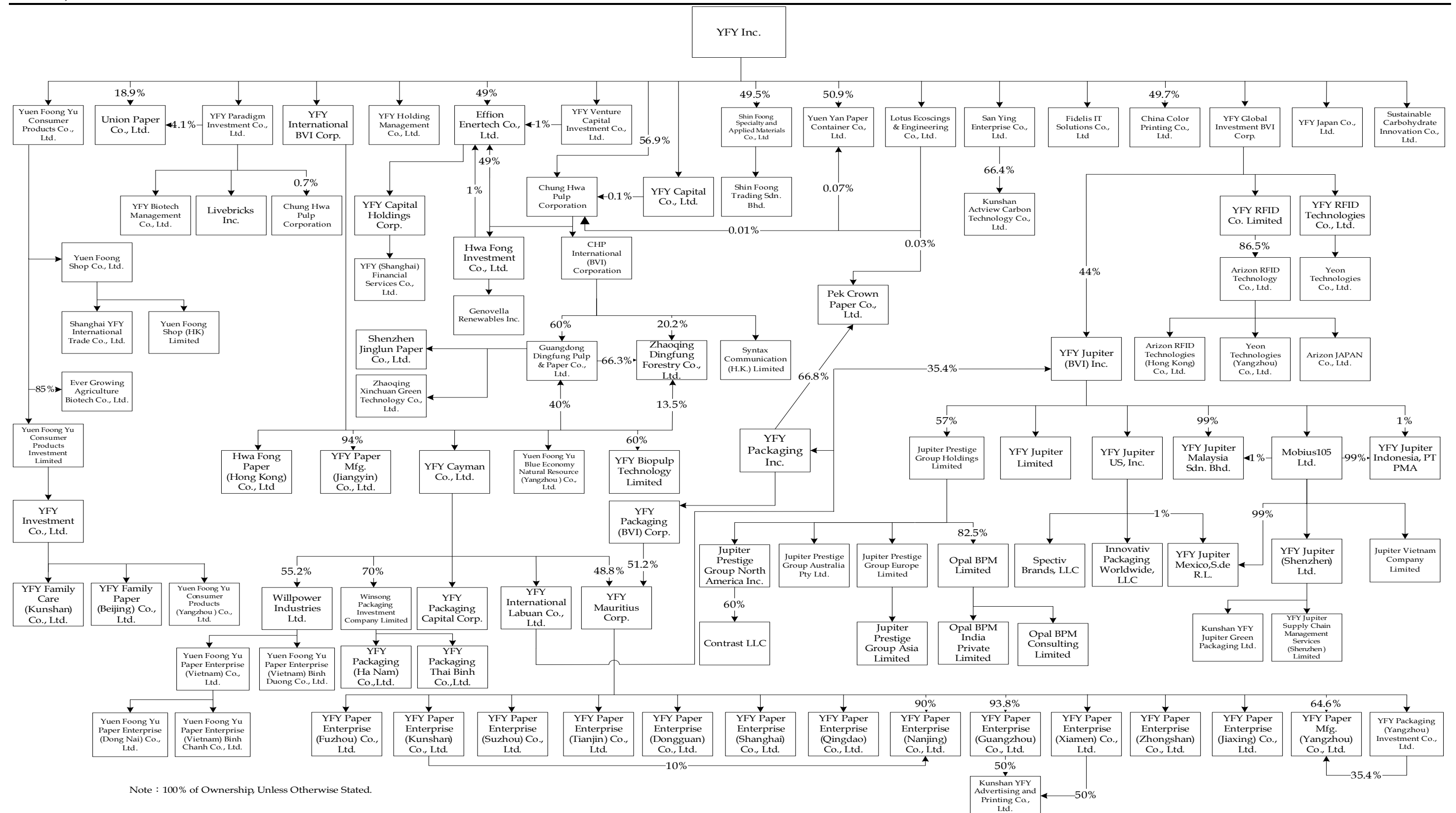


TABLE 2

YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
1	YFY Global Investment BVI Corp.	YFY Cayman Co., Ltd.	Other receivables from related parties	Yes	\$ 120,760	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 11,409,273	\$ 11,409,273	Note 2
		YFY Cayman Co., Ltd.	Long-term receivables from related parties	Yes	664,180	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	11,409,273	11,409,273	Note 2
		Yeon Technologies Co., Ltd.	Other receivables from related parties	Yes	15,125	15,113	15,113	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	570,464	2,281,855	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	920,480	895,859	895,859	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,409,273	11,409,273	Note 2
		YFY International BVI Corp.	Other receivables from related parties	Yes	1,270,500	1,269,450	1,269,450	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	11,409,273	11,409,273	Note 2
2	YFY International BVI Corp.	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	30,683	29,862	29,862	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	120,539	117,315	117,315	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	161,084	156,775	156,775	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	276,144	164,241	164,241	4.35-4.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	197,735	195,383	195,383	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	219,162	213,300	213,300	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	219,162	213,300	213,300	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	261,899	254,893	254,893	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	309,986	306,298	306,298	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	580,175	580,175	580,175	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	4,584,016	4,582,766	4,582,766	2.00-2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	41,774,839	41,774,839	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	131,497	127,980	127,980	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	8,354,968	8,354,968	Note 2
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	48,410	48,410	19,873	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	48,410	193,641	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	48,410	48,410	26,004	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	48,410	193,641	Note 2
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY (Shanghai) Financial Services Co., Ltd.	Other receivables from related parties	Yes	131,497	127,980	127,980	5.00	Short-term financing	-	Financing for working capital requirements	-	-	-	1,082,404	1,082,404	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	954,424	954,424	151,212	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,082,404	1,082,404	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	954,424	954,424	163,783	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,082,404	1,082,404	Note 2
5	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,888,706	1,888,706	150,140	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,888,706	1,888,706	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,888,706	1,888,706	686,386	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,888,706	1,888,706	Note 2

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
6	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 813,296	\$ 813,296	\$ -	3.25	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 813,296	\$ 813,296	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	813,296	813,296	263	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	813,296	813,296	Note 2
7	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	888,204	888,204	2,352	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	888,204	888,204	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	888,204	888,204	463,953	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	888,204	888,204	Note 2
8	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,519,789	1,519,789	285,923	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,519,789	1,519,789	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,519,789	1,519,789	426,040	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,519,789	1,519,789	Note 2
9	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,871,989	1,871,989	290,132	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,871,989	1,871,989	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,871,989	1,871,989	489,645	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,871,989	1,871,989	Note 2
10	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	455,204	455,204	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	455,204	455,204	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	455,204	455,204	33,344	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	455,204	455,204	Note 2
11	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,097,443	490,182	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	3,807	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	10,579	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	17,097	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	20,960	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	548,721	490,182	159,975	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	490,182	490,182	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	54,872	24,509	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	24,509	98,036	Note 2
12	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	677,718	677,718	17,918	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	677,718	677,718	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	677,718	677,718	146,115	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	677,718	677,718	Note 2
13	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	297,981	257,381	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	257,381	257,381	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	297,981	257,381	3,156	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	257,381	257,381	Note 2

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
14	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	\$ 438,324	\$ 426,600	\$ -	3.50	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 2,986,210	\$ 2,986,210	Note 2
		YFY Investment Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Family Paper (Beijing) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	224,382	149,311	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	224,382	149,311	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	438,324	426,600	216	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	1,041	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	2,156	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	3,012	3,012	2,170	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Shanghai YFY International Trade Co., Ltd.	Other receivables from related parties	Yes	224,382	149,311	7,054	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	25,780	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	44,424	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	85,344	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	239,593	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	438,324	426,600	358,962	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		Kunshan YFY Advertising and Printing Co., Ltd.	Other receivables from related parties	Yes	224,382	149,311	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,986,210	2,986,210	Note 2
		YFY Paper Mfg. (Jiangyin) Co., Ltd.	Other receivables from related parties	Yes	224,382	149,311	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	149,311	597,242	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	224,382	149,311	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	149,311	597,242	Note 2
15	Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	111,570	92,931	90,202	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	185,861	185,861	Note 2
16	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	303,266	303,266	131,091	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	606,532	606,532	Note 2
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	138,365	121,511	112,830	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	243,023	243,023	Note 2

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
18	YFY Cayman Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Long-term receivables from related parties	Yes	\$ 56,982	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 27,800,900	\$ 27,800,900	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	120,539	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	143,770	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	231,435	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	262,994	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Long-term receivables from related parties	Yes	596,121	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Long-term receivables from related parties	Yes	1,840,960	1,279,799	1,279,799	3.00	Short-term financing	-	Financing for working capital requirements	-	-	-	27,800,900	27,800,900	Note 2
19	YFY RFID Co. Limited	YFY Cayman Co., Ltd.	Other receivables from related parties	Yes	214,775	214,598	214,598	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	5,772,457	5,772,457	Note 2
20	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY Cayman Co., Ltd.	Long-term receivables from related parties	Yes	93,775	87,653	87,653	1.03	Short-term financing	-	Financing for working capital requirements	-	-	-	193,571	193,571	Note 2
21	YFY Jupiter (BVI) Inc.	YFY Jupiter US, Inc.	Other receivables from related parties	Yes	30,794	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	277,657	277,657	Note 2
		YFY Jupiter Indonesia, PT PMA	Other receivables from related parties	Yes	45,285	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	277,657	277,657	Note 2
22	YFY Jupiter Limited	YFY Jupiter Indonesia, PT PMA	Other receivables from related parties	Yes	45,375	45,338	45,338	9.00	Short-term financing	-	Financing for working capital requirements	-	-	-	154,775	154,775	Note 2
		YFY Jupiter US, Inc.	Other receivables from related parties	Yes	73,326	73,265	62,687	3.20-3.80	Short-term financing	-	Financing for working capital requirements	-	-	-	154,775	154,775	Note 2
23	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	497,365	470,272	184,824	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	470,272	1,881,087	Note 2
24	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	363,000	362,700	362,700	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,070,481	2,070,481	Note 2
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	999,378	972,647	972,647	3.10	Short-term financing	-	Financing for working capital requirements	-	-	-	2,070,481	2,070,481	Note 2
		YFY International BVI Corp.	Other receivables from related parties	Yes	302,500	302,250	302,250	2.80	Short-term financing	-	Financing for working capital requirements	-	-	-	517,620	2,070,481	Note 2
25	Shenzhen Jinglun Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	11,631	11,631	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	11,631	46,524	Note 2
26	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	802,133	780,677	780,677	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	1,155,259	1,155,259	Note 2
27	Yuen Foong Yu Consumer Products Investment Limited	YFY Investment Co., Ltd.	Long-term receivables from related parties	Yes	453,750	453,375	453,375	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	4,924,347	4,924,347	Note 2
		YFY Investment Co., Ltd.	Long-term receivables from related parties	Yes	453,750	453,375	453,375	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	4,924,347	4,924,347	Note 2
28	YFY Family Care (Kunshan) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	444,868	406,992	53,585	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	813,984	813,984	Note 2
29	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,090,525	1,090,525	143,323	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,181,050	2,181,050	Note 2
30	YFY Family Paper (Beijing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	458,002	436,596	4,106	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	873,191	873,191	Note 2
31	YFY Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,477,841	1,455,933	325,543	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,911,866	2,911,866	Note 2
32	YFY International Labuan Co., Ltd.	YFY Cayman Co., Ltd.	Long-term receivables from related parties	Yes	102,850	102,765	102,765	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	15,228,141	15,228,141	Note 2

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Note
													Item	Value			
33	YFY Mauritius Corp.	YFY Cayman Co., Ltd.	Long-term receivables from related parties	Yes	\$ 302,500	\$ -	\$ -	-	Short-term financing	\$ -	Financing for working capital requirements	\$ -	-	\$ -	\$ 13,074,619	\$ 13,074,619	Note 2
		YFY International BVI Corp.	Other receivables from related parties	Yes	302,250	302,250	302,250	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	13,074,619	13,074,619	Note 2
34	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vinh Phu Packing And Printing Company Limited	Other receivables from related parties	Yes	58,590	57,555	19,185	5.50	Short-term financing	-	Building factory	-	-	-	550,007	550,007	-
35	YFY Packaging BVI Corp.	YFY Cayman Co., Ltd.	Long-term receivables from related parties	Yes	38,974	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	6,771,749	6,771,749	Note 2
36	YFY Capital Co., Ltd.	Fidelis IT Solutions Co., Ltd.	Other receivables from related parties	Yes	50,000	50,000	50,000	1.50	Short-term financing	-	Financing for working capital requirements	-	-	-	285,528	285,528	Note 2
37	San Ying Enterprise Co., Ltd.	YFY Venture Capital Investment Co., Ltd.	Other receivables from related parties	Yes	50,000	50,000	50,000	1.10	Short-term financing	-	Financing for working capital requirements	-	-	-	51,395	51,395	Note 2
38	Effion Enertech Co., Ltd.	Lotus Ecoscings & Engineering Co., Ltd.	Other receivables from related parties	Yes	110,000	110,000	110,000	1.05	Short-term financing	-	Financing for working capital requirements	-	-	-	232,264	232,264	Note 2
		YFY Venture Capital Investment Co., Ltd.	Other receivables from related parties	Yes	200,000	122,000	122,000	1.05	Short-term financing	-	Financing for working capital requirements	-	-	-	232,264	232,264	Note 2
39	YFY Japan Co., Ltd.	YFY International BVI Corp.	Other receivables from related parties	Yes	69,700	69,700	69,700	0.50	Short-term financing	-	Financing for working capital requirements	-	-	-	204,476	204,476	Note 2

- Note 1:
- a.

In the provision of loans due to business dealings, total loans should not exceed 40% of the lender’s net equity for the prior year while individual loans should not exceed the total purchases and sales between the lender and the borrower for the prior year. In the provision of short-term loans, both individual and total loans each should not exceed 40% of the lender’s net equity for the prior year. To sum up, in 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 for the prior year.
- b.

YFY Inc.’s wholly-owned foreign subsidiaries are not subject to the foregoing 40% and 80% limits when they provide financing to each other. For subsidiaries of YFY Inc., if the lending is for the borrower’s business purposes or for short-term financing, the amount of financing should not exceed twice of the lender’s net equity as of the end of the prior year.
- c.

For YFY Inc.’s other foreign subsidiaries that are not wholly-owned and are based in China, their individual contributions to a cash pool to be used for lending purposes should not exceed 10% of their respective net equities as of the end of the prior year.
- d.

For Guangdong Dingfung Pulp & Paper Co., Ltd. and CHP International (BVI) Corporation, individual loans and total loans provided should not exceed 40% and 80% of the lender’s net equity, respectively.

Note 2:

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

(Concluded)

TABLE 3

YFY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	<u>Endorsement/guarantee</u> YFY Inc.	YFY Packaging (Yangzhou) Investment Co., Ltd. YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a. Note 3 a.	\$ 58,875,350 58,875,350	\$ 302,500 3,981,664	\$ 302,250 3,950,990	\$ - 758,003	\$ - -	0.84 10.92	\$ 78,500,466 78,500,466	Yes Yes	No No	Yes Yes
2	YFY Cayman Co., Ltd.	YFY Packaging (Ha Nam) Co., Ltd. YFY Packaging (Yangzhou) Investment Co., Ltd. YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a. Note 3 a. Note 3 a.	20,850,675 20,850,675 20,850,675	468,875 227,910 167,950	468,488 226,650 166,200	403,519 - 30,225	- - -	3.74 1.81 1.33	27,800,900 27,800,900 27,800,900	Yes Yes Yes	No No No	No Yes Yes
3	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd. Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd. Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd. Vinh Phu Packing And Printing Company Limited	Note 3 a. Note 3 a. Note 3 a. Note 3 c.	3,020,879 3,020,879 3,020,879 201,392	242,000 393,250 1,028,500 87,710	241,800 392,925 1,027,650 86,848	- 60,148 562,161 86,848	- - - -	11.64 18.91 49.45 4.18	4,027,838 4,027,838 4,027,838 201,392	Yes Yes Yes No	No No No No	No No No No
4	Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Note 3 a.	565,452	151,250	151,125	-	-	42.34	753,936	Yes	No	No
1	<u>Credit line (Note 4)</u> YFY Inc.	YFY (Shanghai) Financial Services Co., Ltd. Lotus Ecoscings & Engineering Co., Ltd. YFY Global Investment BVI Corp. YFY Paradigm Investment Co., Ltd. YFY Venture Capital Investment Co., Ltd. YFY Capital Co., Ltd. YFY International BVI Corp. YFY Jupiter Limited YFY Jupiter (BVI) Inc.	Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a. Note 3 a.	58,875,350 58,875,350 58,875,350 58,875,350 58,875,350 58,875,350 58,875,350 58,875,350 58,875,350	400,302 230,000 695,175 1,770,000 1,870,000 2,800,000 3,086,025 279,588 453,375	213,300 230,000 695,175 1,770,000 1,870,000 2,800,000 3,083,723 279,479 453,375	31,995 56,000 - 761,000 612,000 1,610,000 134,287 203,418 222,758	- - - - - - - - -	0.59 0.64 1.92 4.89 5.17 7.74 8.52 0.77 1.25	78,500,466 78,500,466 78,500,466 78,500,466 78,500,466 78,500,466 78,500,466 78,500,466 78,500,466	No No No No No No No No No	No No No No No No No No No	No No No No No No No No No
2	Chung Hwa Pulp Corporation	CHP International (BVI) Corporation Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 3 a. Note 3 a.	22,675,847 22,675,847	710,875 175,330	710,288 170,640	69,949 -	- -	4.85 1.17	30,234,462 30,234,462	No No	No No	No No
3	YFY Packaging Inc.	YFY Paper Enterprise (Tianjin) Co., Ltd. YFY Paper Enterprise (Qingdao) Co., Ltd. YFY Cayman Co., Ltd.	Note 3 b. Note 3 b. Note 3 b.	10,707,825 10,707,825 10,707,825	87,665 87,665 1,936,000	85,320 85,320 1,934,400	- - -	- - -	1.16 1.16 26.21	14,277,100 14,277,100 14,277,100	No No No	No No No	No No No

Note 1: Represents 150% of the prior year's net equity, except Vinh Phu Packaging And Printing Company Limited represents 10% of prior year's net equity of Willpower Industries Ltd.

Note 2: Represents 200% of the prior year's net equity, except Vinh Phu Packaging And Printing Company Limited represents 10% of prior year's net equity of Willpower Industries Ltd.

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

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

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

TABLE 4

YFY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	468,485,150	\$ 5,176,761	4.2	\$ 5,176,761	
	Boardtek Electronics Corporation	-	Non-current financial assets at fair value through other comprehensive income	37,323,087	600,902	16.7	600,902	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	84,509,502	959,183	11.8	959,183	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	20,826,000	169,952	12.9	169,952	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,999,371	60,039	13.9	60,039	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,562,000	31,309	2.9	31,309	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,200,000	55,251	14.0	55,251	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,600,000	19,349	8.0	19,349	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,612	37,615	5.5	37,615	
	China Trade and Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	377,634	1,675	0.6	1,675	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	21,857,875	2,137,597	3.0	2,137,597	
	Sino Cell Technologies Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,691,656	16,917	10.0	16,917	
	Yuen Foong Paper Co., Ltd.	Note 3	Non-current financial assets at fair value through other comprehensive income	544,067	10,768	0.7	10,768	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	19,161,529	294,742	14.9	294,742	
	iXensor Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,955,000	17,986	4.0	17,986	
	<u>Subordinated bank debentures</u> Bank SinoPac 3rd unsecured perpetual non-cumulative subordinated financial debentures issue in 2015	Note 2	Non-current financial assets at fair value through profit or loss	-	162,524	-	162,524	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,161,106	\$ 16,244	-	\$ 16,244	
	<u>Share certificate</u> Xiamen Taiwanese Investment Association Management Company	-	Non-current financial assets at fair value through other comprehensive income	-	RMB 70 thousand	-	RMB 70 thousand	
YFY Global Investment BVI Corp.	<u>Beneficiary certificates</u> WI Harper INC Fund VII LP	-	Non-current financial assets at fair value through other comprehensive income	-	US\$ 141 thousand	0.2	US\$ 141 thousand	
	<u>Special share</u> Neutron Innovation (BVI) Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,692,250	US\$ 1,986 thousand	6.6	US\$ 1,986 thousand	
	Micareo Inc.	-	Non-current financial assets at fair value through other comprehensive income	8,124,999	US\$ 1,572 thousand	19.9	US\$ 1,572 thousand	
	Omni-ID Corporation Inc.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,085,810	US\$ 865 thousand	5.7	US\$ 865 thousand	
Shin Foong Specialty and Applied Materials Co., Ltd.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	21,891,143	241,897	0.2	241,897	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,884,415	70,632	11.8	70,632	
	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	3,574,109	50,003	-	50,003	
	PIMCO GIS Total Return Bond Fund-E Class	-	Non-current financial assets at fair value through profit or loss	74,963	29,998	-	29,998	
China Color Printing Co., Ltd.	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	3,693,798	55,027	-	55,027	
	Prudential Financial Money Market Fund	-	Current financial assets at fair value through profit or loss	944,388	15,018	-	15,018	
	<u>Ordinary shares</u> China Development Financial Holding Corporation	-	Current financial assets at fair value through other comprehensive income	9,959,081	75,091	0.1	75,091	
	China Parcel Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	463,917	5,094	10.8	5,094	
YFY Capital Co., Ltd.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	106,496,565	1,176,787	0.9	1,176,787	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paradigm Investment Co., Ltd.	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,542,258	\$ 5,753	1.3	\$ 5,753	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	113,222,824	1,251,112	1.0	1,251,112	
	Shen's Art Printing Co., Ltd.	Note 1	Current financial assets at fair value through other comprehensive income	43,109	552	0.1	552	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	118,791	5,126	0.2	5,126	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,654,353	200,377	2.5	200,377	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	2,574,000	21,005	1.6	21,005	
	Locus Publishing Company	Note 1	Non-current financial assets at fair value through other comprehensive income	1,402,386	13,647	13.4	13,647	
	Sino Cell Technologies Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,691,343	16,913	10.0	16,913	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	881,184	21,578	3.6	21,578	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,512	148	-	148	
YFY Venture Capital Investment Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	2,144,389	30,000	-	30,000	
	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	105,793,320	1,169,016	0.9	1,169,016	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	203,484	8,780	0.3	8,780	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,265,000	14,358	0.2	14,358	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	7,000,000	55,822	5.5	55,822	
	Taiwan Global BioFund Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,600,000	36,472	4.7	36,472	
	Everterminal Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,401,920	14,933	2.5	14,933	
	Echem Solutions Corp.	-	Non-current financial assets at fair value through other comprehensive income	819,684	9,106	1.4	9,106	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	8,085	1.1	8,085	
	Somnics Inc.	-	Non-current financial assets at fair value through other comprehensive income	485,000	7,639	1.3	7,639	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Fidelis IT Solutions Co., Ltd.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	7,455,438	\$ 82,383	0.1	\$ 82,383	
Lotus Ecoscings & Engineering Co., Ltd.	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	30,220,080	333,932	0.3	333,932	
	Boardtek Electronics Corporation	Note 1	Current financial assets at fair value through other comprehensive income	2,335,530	37,602	1.0	37,602	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,050,000	13,813	3.5	13,813	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	489,546	11,988	2.0	11,988	
Chung Hwa Pulp Corporation	<u>Ordinary shares</u> SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	99,809,327	1,102,893	0.9	1,102,893	
	NTU Innovation & Incubation Co., Ltd.	Note 1	Non-current financial assets at fair value through profit or loss	800,000	-	6.3	-	
	Groundhog Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	275,000	-	1.0	-	
	Direct Insight Inc.	-	Non-current financial assets at fair value through other comprehensive income	275,000	3	1.0	3	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	15,315,356	173,829	2.1	173,829	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	19,161,529	294,742	14.9	294,742	
	<u>Subordinated bank debentures</u> Bank SinoPac 3rd unsecured perpetual non-cumulative subordinated financial debentures issue in 2015	-	Non-current financial assets at fair value through profit or loss	-	172,670	-	172,670	
Hwa Fong Investment Co., Ltd.	<u>Ordinary shares</u> Everest Technology Inc.	-	Non-current financial assets at fair value through profit or loss	150,000	-	0.2	-	
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	2,394,960	26,464	-	26,464	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Holding Management Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	2,058,862	\$ 28,804	-	\$ 28,804	
Union Paper Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	3,141,347	35,943	-	35,943	
	<u>Subordinated bank debentures</u> Bank SinoPac 3rd unsecured perpetual non-cumulative subordinated financial debentures issue in 2015	-	Non-current financial assets at fair value through profit or loss	-	20,312	-	20,312	
YFY Japan Co., Ltd.	<u>Ordinary shares</u> Beautone Japan Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	440	JPY 62,628 thousand	36.7	JPY 62,628 thousand	
Effion Enertech Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	139,055	1,945	-	1,945	
	<u>Subordinated bank debentures</u> Bank SinoPac 3rd unsecured perpetual non-cumulative subordinated financial debentures issue in 2015	-	Non-current financial assets at fair value through profit or loss	-	50,789	-	50,789	
Genovella Renewables Inc. (originally named as Kuang Hwa Fertilizer Limited Company)	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	97,099	1,358	-	1,358	
San Ying Enterprise Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,081,697	15,133	-	15,133	
Kunshan Actview Carbon Technology Co., Ltd.	<u>Structured deposit</u> Fubon Bank (China) Financial Product No. 19040565	-	Current financial assets at fair value through profit or loss	-	RMB 3,215 thousand	-	RMB 3,215 thousand	
	Fubon Bank (China) Financial Product No. 19120463	-	Current financial assets at fair value through profit or loss	-	RMB 3,331 thousand	-	RMB 3,331 thousand	
	Fubon Bank (China) Financial Product No. 20020283	-	Current financial assets at fair value through profit or loss	-	RMB 2,808 thousand	-	RMB 2,808 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arizon RFID Technology Co., Ltd. (originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.)	<u>Structured deposit</u>							
	Bank of Communications Financial Product No. 114900365798	-	Current financial assets at amortized cost	-	RMB 45,000 thousand	-	RMB 45,000 thousand	
	Bank of Communications Financial Product No. 114100393531	-	Current financial assets at amortized cost	-	RMB 38,000 thousand	-	RMB 38,000 thousand	
	Bank of Communications Financial Product No. 110900372309	-	Current financial assets at amortized cost	-	RMB 46,000 thousand	-	RMB 46,000 thousand	
	Bank of Communications Financial Product No. 111800393547	-	Current financial assets at amortized cost	-	RMB 46,000 thousand	-	RMB 46,000 thousand	
	Bank of Communications Financial Product No. 110400360615	-	Current financial assets at amortized cost	-	RMB 5,000 thousand	-	RMB 5,000 thousand	
	Bank of Communications Financial Product No. 120700212183	-	Current financial assets at amortized cost	-	RMB 45,000 thousand	-	RMB 45,000 thousand	
	Bank of Communications Financial Product No. 144100490762	-	Current financial assets at amortized cost	-	RMB 45,000 thousand	-	RMB 45,000 thousand	
	Bank of Communications Financial Product No. 113500387183	-	Current financial assets at amortized cost	-	RMB 45,000 thousand	-	RMB 45,000 thousand	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	145,498	2,036	-	2,036	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u> SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	288,559	4,037	-	4,037	
YFY Biotech Management Co., Ltd.	<u>Ordinary shares</u> New Medical Imaging Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	331,671	1	7.2	1	
	HenKan Pharmaceutical Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,500,000	1	10.2	1	
	Neuro Sky, Inc.	-	Non-current financial assets at fair value through other comprehensive income	48,308,183	-	10.3	-	
	Elixir Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,662,558	-	2.2	-	
	ACM Medical Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	760,000	-	7.3	-	
	Nereus Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,682,602	-	0.9	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Packaging (Yangzhou) Investment Co., Ltd.	<u>Structured deposit</u> SinoPac Bank Financial Product	-	Current financial assets at fair value through profit or loss	-	RMB 63,689 thousand	-	RMB 63,689 thousand	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<u>Structured deposit</u> SinoPac Bank Financial Product	-	Current financial assets at fair value through profit or loss	-	RMB 15,052 thousand	-	RMB 15,052 thousand	
YFY Paper Mfg. (Jiangyin) Co., Ltd.	<u>Structured deposit</u> Fubon Bank (China) Financial Product No. 20010219	-	Current financial assets at fair value through profit or loss	-	RMB 31,900 thousand	-	RMB 31,900 thousand	
Yeon Technologies (Yangzhou) Co., Ltd.	<u>Structured deposit</u> Bank of Communications Financial Product No. 154100751991	-	Current financial assets at amortized cost	-	RMB 5,000 thousand	-	RMB 5,000 thousand	

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

Note 2: The investor is a member of the board of directors of the investee’s parent company.

Note 3: A member of the board of directors of the investor.

(Concluded)

TABLE 5

YFY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments (Note 2)	Ending Balance		Note
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal (Note 2)		Number of Shares	Amount	
YFY Capital Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	Note 1	-	-	-	\$ -	22,307,718	\$ 312,000	22,307,718	\$ 312,024	\$ 312,000	\$ 24	\$ -	-	\$ -	-
YFY Biotech Management Co., Ltd.	Beneficiary certificates SinoPac TWD Money Market Fund	Note 1	-	-	23,829,970	333,005	-	-	23,829,970	333,174	333,000	174	(5)	-	-	-

Note 1: Accounted for as current financial assets at FVTPL.

Note 2: Accounted for as gain (loss) on the fair value change of financial instruments at FVTPL.

TABLE 6

YFY INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Guangzhou) Co., Ltd. YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 b	Sales	\$ 159,647	9	In agreed terms	\$ -	-	\$ 60,623	3	Note 2
		Note 1 b	Sales	1,236,015	68	In agreed terms	-	-	1,427,858	71	Note 2
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	184,406	6	3 months after transaction months	-	-	133,876	5	Note 2
	Chung Hwa Pulp Corporation	Note 1 b	Sales	288,001	9	2 months after transaction months	-	-	234,617	10	Note 2
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 b	Sales	352,797	11	In agreed terms	-	-	797,462	33	Note 2
Chung Hwa Pulp Corporation	YFY Capital Co., Ltd.	Note 1 b	Sales	195,331	5	Half month after transaction month	-	-	51,482	2	Note 2
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 b	Sales	297,827	7	5 months after transaction month	-	-	751,861	25	Note 2
	Union Paper Co., Ltd.	Note 1 b	Sales	185,758	4	1 month after transaction month	-	-	66,019	2	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	192,078	19	In agreed terms	-	-	105,897	13	Note 2
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	105,432	100	In agreed terms	-	-	51,541	49	Note 2
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	324,336	87	In agreed terms	-	-	476,386	90	Note 2
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	199,421	11	In agreed terms	-	-	174,426	17	Note 2
Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	133,626	45	2 months after transaction months	-	-	70,515	20	Note 2

Note 1: The relationships are as follows:

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

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

TABLE 7

YFY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
YFY Packaging Inc.	Chung Hwa Pulp Corporation	Same ultimate parent company	\$ 234,617	4.59	\$ -	-	\$ 102,432	\$ -	Note
	Pek Crown Paper Co., Ltd.	Subsidiary	133,876	5.33	-	-	59,852	-	Note
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Same ultimate parent company	797,462	2.07	-	-	151,427	-	Note
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Same ultimate parent company	751,861	1.61	-	-	112,166	-	Note
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Same ultimate parent company	1,427,858	4.20	-	-	129,280	-	Note
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	476,386	2.86	-	-	227,323	-	Note
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	105,897	8.69	-	-	105,380	-	Note
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	174,426	7.62	-	-	76,090	-	Note

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

TABLE 8

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	\$ 5,715,988	\$ 5,715,988	627,827,088	56.9	\$ 8,389,975	\$ (117,587)	\$ (66,849)	Notes 1 and 3
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,555	1,361,555	133,472,904	11.8	3,353,241	787,260	95,069	-
	YFY International BVI Corp.	British Virgin Islands	Investment and holding	18,124,434	18,124,434	580,098,758	100.0	21,015,158	280,869	280,869	Notes 1 and 3
	YFY Global Investment BVI Corp.	British Virgin Islands	Investment and holding	2,153,335	2,153,335	79,000,000	100.0	5,674,659	82,546	82,546	Notes 1 and 3
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,600,000	1,600,000	241,636,021	100.0	3,167,327	277,237	277,237	
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	73,020	73,020	51,914,248	49.5	1,798,906	127,287	63,004	Notes 1 and 3
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	169,700	169,700	16,970,040	23.0	264,492	(45,762)	(10,513)	-
	China Color Printing Co., Ltd.	Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.7	436,596	316	157	Notes 1 and 3
	YFY Venture Capital Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	200,000	200,000	69,827,600	100.0	1,215,497	12,375	12,375	Notes 1 and 3
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	343,000	343,000	34,300,000	49.0	271,390	(2,131)	(541)	Notes 1 and 3
	YFY Capital Co., Ltd.	Taipei, Taiwan	Sale of paper and paper-related merchandise	189,759	189,759	26,840,000	100.0	505,121	1,480	1,480	Notes 1 and 3
	YFY Holding Management Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.0	42,141	3,667	3,667	Notes 1 and 3
	Union Paper Co., Ltd.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.9	226,181	17,039	3,223	Notes 1 and 3
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	231,357	231,357	84,880,000	100.0	1,555,589	(2,239)	(2,239)	Notes 1 and 3
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	60,000	60,000	6,000,000	100.0	134,785	6,539	6,539	Notes 1 and 3
	Lotus Ecoscings & Engineering Co., Ltd.	Taipei, Taiwan	Construction of sewage treatment plants and incinerators	152,944	152,944	28,545,000	100.0	347,957	780	780	Notes 1 and 3
	YFY Japan Co., Ltd.	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.0	103,996	(2,282)	(2,282)	Notes 1 and 3
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	62,462	62,462	6,178,500	50.9	72,382	1,564	797	Notes 1 and 3
	Fidelis IT Solutions Co., Ltd.	Taipei, Taiwan	1. Provides services in information software and information processing. 2. Wholesale of information software and electric appliances.	10,000	10,000	2,857,000	100.0	53,659	(154)	(154)	Notes 1 and 3
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	5,613	5,613	561,291	19.4	12,187	(942)	(182)	-
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.0	30,468	(1,631)	(1,631)	Notes 1 and 3
YFY International BVI Corp.	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	US\$ 341,850 thousand	US\$ 391,850 thousand	289,918,142	100.0	US\$ 414,213 thousand	US\$ 8,546 thousand	US\$ 8,546 thousand	Notes 1 and 3
	Hwa Fong Paper (Hong Kong) Co., Ltd.	Hong Kong, China	Sale and print of paper merchandise	US\$ 13,520 thousand	US\$ 13,520 thousand	116,000,000	100.0	US\$ 3,073 thousand	US\$ (129) thousand	US\$ (129) thousand	Notes 1 and 3
	YFY Biopulp Technology Limited	British Virgin Islands	Investment and holding	US\$ 90 thousand	US\$ 90 thousand	90,000	60.0	US\$ 7 thousand	US\$ (2) thousand	US\$ (1) thousand	Notes 1 and 3
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Malaysia	Investment and holding	US\$ 165,901 thousand	US\$ 165,901 thousand	165,901,099	100.0	US\$ 258,105 thousand	US\$ 8,797 thousand	US\$ 8,797 thousand	Notes 1 and 3
	YFY Mauritius Corp.	Mauritius	Investment and holding	US\$ 157,502 thousand	US\$ 157,502 thousand	157,501,731	48.8	US\$ 102,963 thousand	US\$ (2,344) thousand	US\$ (1,145) thousand	Notes 1 and 3
	Willpower Industries Ltd.	British Virgin Islands	Sale of various paper products	US\$ 16,338 thousand	US\$ 16,338 thousand	8,550,000	55.2	US\$ 37,925 thousand	US\$ 2,122 thousand	US\$ 1,171 thousand	Notes 1 and 3
	YFY Packaging Capital Corp.	British Virgin Islands	Investment and holding	-	-	200	100.0	US\$ 1 thousand	-	-	Notes 1 and 3
	Winsong Packaging Investment Company Limited	Hong Kong, China	Investment and holding	US\$ 9,520 thousand	US\$ 9,520 thousand	9,520,000	70.0	US\$ 8,266 thousand	US\$ (424) thousand	US\$ (297) thousand	Notes 1 and 3
Winsong Packaging Investment Company Limited	YFY Packaging (Ha Nam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 12,400 thousand	US\$ 12,400 thousand	12,400,000	100.0	US\$ 10,493 thousand	US\$ (452) thousand	US\$ (452) thousand	Notes 1 and 3
	YFY Packaging Thai Binh Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	1,200,000	100.0	US\$ 1,412 thousand	US\$ 28 thousand	US\$ 28 thousand	Notes 1 and 3
Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 10,500 thousand	US\$ 10,500 thousand	10,500,000	100.0	US\$ 11,379 thousand	US\$ 396 thousand	US\$ 396 thousand	Notes 1 and 3
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 5,100 thousand	US\$ 5,100 thousand	5,100,000	100.0	US\$ 47,905 thousand	US\$ 2,413 thousand	US\$ 2,413 thousand	Notes 1 and 3
	Perpetual Prosperity Printing Technology Co., Ltd.	British Virgin Islands	Sale of various paper products	US\$ 4,500 thousand	US\$ 4,500 thousand	4,500,000	45.0	US\$ 2,959 thousand	US\$ (699) thousand	US\$ (315) thousand	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Yuen Foong Yu Paper Enterprise (Vietnam) Binh Chanh Co., Ltd.	Vietnam	Manufacture and sale of cardboard	US\$ 1,200 thousand	US\$ 1,200 thousand	1,200,000	100.0	US\$ 2,253 thousand	US\$ 156 thousand	US\$ 156 thousand	Notes 1 and 3
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Vietnam	Manufacture and sale of paper and cardboard	US\$ 6,285 thousand	US\$ 6,285 thousand	10,000,000	100.0	US\$ 25,598 thousand	US\$ 1,244 thousand	US\$ 1,244 thousand	Notes 1 and 3
YFY International Labuan Co., Ltd.	YFY Jupiter (BVI) Inc.	British Virgin Islands	Investment and holding	US\$ 4,557 thousand	US\$ 4,557 thousand	4,629,723	35.4	US\$ 10,570 thousand	US\$ 307 thousand	US\$ 109 thousand	Note 3
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	US\$ 165,754 thousand	US\$ 165,754 thousand	410,150,000	100.0	US\$ 244,143 thousand	US\$ 8,675 thousand	US\$ 8,675 thousand	Notes 1 and 3
YFY Jupiter (BVI) Inc.	Mobius105 Ltd.	Hong Kong, China	Investment and holding	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.0	US\$ 10,188 thousand	US\$ 1,405 thousand	US\$ 1,405 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.0	US\$ 1,893 thousand	US\$ (707) thousand	US\$ (707) thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 100 thousand	GBP 100 thousand	86,163	57.0	US\$ 4,865 thousand	US\$ 4 thousand	US\$ 3 thousand	Notes 1 and 3
	YFY Jupiter US, Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.0	-	US\$ 158 thousand	US\$ 158 thousand	Notes 1, 2 and 3
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	-	-	99	99.0	US\$ 124 thousand	US\$ 17 thousand	US\$ 17 thousand	Notes 1 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 25,000 thousand	IDR 25,000 thousand	25	1.0	US\$ 1 thousand	US\$ 304 thousand	US\$ 3 thousand	Note 3
YFY Jupiter US, Inc.	Innovativ Packaging Worldwide, LLC	USA	Design of packaging and sale of paper	-	-	100,000	100.0	-	US\$ (9) thousand	US\$ (9) thousand	Notes 1, 2 and 3
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.0	-	US\$ 86 thousand	US\$ 1 thousand	Notes 2 and 3
	Spectiv Brands, LLC	USA	General trade	-	-	-	100.0	-	US\$ (28) thousand	US\$ (28) thousand	Notes 1, 2 and 3
Mobius105 Ltd.	YJY Packaging Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 78 thousand	US\$ 43 thousand	US\$ 15 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK\$ 4 thousand	HK\$ 4 thousand	3,500	35.0	US\$ 59 thousand	US\$ 3 thousand	US\$ 1 thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	-	-	1	1.0	US\$ 1 thousand	US\$ 17 thousand	US\$ - thousand	Note 3
	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	MXN 3 thousand	MXN 3 thousand	-	99.0	-	US\$ 86 thousand	US\$ 85 thousand	Notes 1, 2 and 3
	YFY Jupiter Indonesia, PT PMA	Indonesia	Design of packaging	IDR 2,475,000 thousand	IDR 2,475,000 thousand	2,475	99.0	US\$ 100 thousand	US\$ 304 thousand	US\$ 301 thousand	Notes 1 and 3
	Jupiter Vietnam Company Limited	Vietnam	Design of packaging	VND 1,129,700 thousand	VND 1,129,700 thousand	-	100.0	US\$ 102 thousand	US\$ 63 thousand	US\$ 63 thousand	Notes 1 and 3
Jupiter Prestige Group Holdings Limited	Jupiter Prestige Group Europe Limited	United Kingdom	Graphic design	GBP 30 thousand	GBP 30 thousand	30,000	100.0	US\$ 7,437 thousand	US\$ 318 thousand	US\$ 318 thousand	Notes 1 and 3
	Jupiter Prestige Group North America Inc.	USA	Design of packaging and sale of paper	US\$ 1 thousand	US\$ 1 thousand	100,000	100.0	-	US\$ (412) thousand	US\$ (412) thousand	Notes 1, 2 and 3
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.0	-	US\$ 40 thousand	US\$ 46 thousand	Notes 1, 2 and 3
	Opal BPM Limited	United Kingdom	Design of process system and assistance in graphic design	GBP 1 thousand	GBP 1 thousand	825	82.5	US\$ 1,314 thousand	US\$ 164 thousand	US\$ 136 thousand	Notes 1 and 3
	Foster and Balyis (Prestige) Limited	United Kingdom	Graphic design	-	-	300	33.3	US\$ 236 thousand	US\$ - thousand	US\$ - thousand	-
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.0	US\$ 4,974 thousand	US\$ 257 thousand	US\$ 257 thousand	Notes 1 and 3
Jupiter Prestige Group North America, Inc.	Contrast LLC	USA	Brand Design	US\$ 57 thousand	US\$ 173 thousand	-	60.0	US\$ 129 thousand	US\$ (160) thousand	US\$ (96) thousand	Notes 1 and 3
Opal BPM Limited	Opal BPM India Private Limited	India	Workflow system coding	INR 100 thousand	INR 100 thousand	10,000	100.0	US\$ 74 thousand	US\$ 7 thousand	US\$ 7 thousand	Notes 1 and 3
	Opal BPM Consulting Limited	United Kingdom	Consulting services of workflow system coding	GBP 1 thousand	GBP 1 thousand	1,000	100.0	US\$ 1 thousand	-	-	Notes 1 and 3
YFY Packaging Inc.	YFY Packaging (BVI) Corp. Pek Crown Paper Co., Ltd.	British Virgin Islands Taichung, Taiwan	Investment and holding Manufacture and sale of containers	5,222,710 234,666	5,263,223 234,666	163,700,000 20,027,557	100.0 66.8	3,260,636 290,873	(36,094) 11,251	(36,094) 7,511	Notes 1 and 3 Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
YFY Packaging (BVI) Corp.	YFY Mauritius Corp.	Mauritius	Investment and holding	US\$ 165,000 thousand	US\$ 165,000 thousand	165,000,000	51.2	US\$ 107,864 thousand	US\$ (2,344) thousand	US\$ (1,199) thousand	Notes 1 and 3
YFY Global Investment BVI Corp.	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	US\$ 25,600 thousand	US\$ 25,600 thousand	25,600,000	100.0	US\$ 96,717 thousand	US\$ 2,711 thousand	US\$ 2,711 thousand	Notes 1 and 3
	YFY Jupiter (BVI) Inc.	British Virgin Islands	Investment and holding	US\$ 6,062 thousand	US\$ 6,062 thousand	5,742,619	44.0	US\$ 12,869 thousand	US\$ 307 thousand	US\$ 135 thousand	Notes 1 and 3
	YFY RFID Technologies Co., Ltd.	British Virgin Islands	Investment and holding	US\$ 5,330 thousand	US\$ 5,330 thousand	5,330,000	100.0	-	US\$ (18) thousand	US\$ (18) thousand	Notes 1, 2 and 3
YFY RFID Technologies Co., Ltd.	Yeon Technologies Co., Ltd.	Taipei, Taiwan	Sale and design of RFID (radio frequency identification) products	US\$ 1,187 thousand	US\$ 1,187 thousand	2,500,001	100.0	-	US\$ (16) thousand	US\$ (16) thousand	Notes 1, 2 and 3
Arizon RFID Technology Co., Ltd. (originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.)	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Hong Kong, China	Product distribution and R&D services	US\$ 3,000 thousand	US\$ 3,000 thousand	3,000,000	100.0	RMB 20,901 thousand	RMB (488) thousand	RMB (488) thousand	Notes 1 and 3
	Arizon JAPAN Co., Ltd.	Japan	Product distribution and technical consulting services	JPY 50,000 thousand	JPY 50,000 thousand	1,000	100.0	RMB 2,576 thousand	RMB (132) thousand	RMB (132) thousand	Notes 1 and 3
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,543,004	3,543,004	150,013,000	100.0	2,469,829	30,666	30,666	Notes 1 and 3
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	252,676	6,391	9,957	Notes 1 and 3
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of paper	55,041	25,000	5,000,000	100.0	75,231	21,576	17,905	Notes 1 and 3
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.0	-	-	-	Notes 1 and 3
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	-	-	-	100.0	-	-	-	Notes 1 and 3
YFY Capital Co., Ltd.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	16,809	16,809	1,181,633	0.1	15,680	(117,587)	(126)	Note 3
	E Ink Holdings Inc.	Hsinchu, Taiwan		15,672	15,672	267,000	-	16,905	787,260	190	-
YFY Venture Capital Investment Co., Ltd.	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	412,244	412,244	23,059,296	2.0	623,726	787,260	16,425	-
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	29,073	29,073	2,907,274	3.9	45,427	(45,762)	(1,801)	-
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	7,000	7,000	700,000	1.0	5,771	(2,131)	(21)	Note 3
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing. Hualien, Taiwan	760	760	75,988	2.6	1,650	(942)	(25)	-
YFY Paradigm Investment Co., Ltd.	Union Paper Co., Ltd.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.1	49,469	17,039	705	Note 3
	YFY Biotech Management Company	Taipei, Taiwan	Consulting	10,000	10,000	3,570,000	100.0	293,047	(5,542)	(5,542)	Notes 1 and 3
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	296,300	296,300	6,094,000	0.5	308,063	787,260	4,340	-
	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	77,666	77,666	7,635,485	0.7	101,368	(117,587)	(814)	Note 3
Lotus Ecoscings & Engineering Co., Ltd.	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of paper	-	25,000	-	-	-	21,576	4,980	Notes 3 and 4
	Livebricks Inc.	Taipei, Taiwan	Information processing services	77,000	77,000	7,700,002	100.0	2,183	(112)	(112)	Notes 1 and 3
	Taiwan Genome Sciences, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	214	214	19,874	0.7	431	(942)	(6)	-
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	73,961	73,961	1,778,000	0.2	79,574	787,260	1,266	-
Chung Hwa Pulp Corporation	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	107	107	9,000	0.07	105	1,564	1	Note 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	141	141	10,000	0.03	147	11,251	4	Note 3
	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	1,226	1,226	117,247	0.01	1,552	(117,587)	(12)	Note 3
	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.0	5,093,226	(32,933)	(32,933)	Notes 1 and 3
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	343,000	343,000	34,300,000	49.0	282,793	(2,131)	(1,044)	Note 3
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	32,832	32,832	3,283,200	4.4	60,704	(45,762)	(2,034)	-
	Hwa Fong Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	36,000	36,000	3,600,000	100.0	48,511	288	288	Notes 1 and 3
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	329,000	329,000	20,000,000	1.8	407,263	787,260	14,245	-
CHP International (BVI) Corporation	Syntax Communication (H.K.) Limited	Hong Kong, China	Sale and print of paper merchandise	US\$ 466 thousand	US\$ 466 thousand	34,000,000	100.0	US\$ 444 thousand	US\$ (17) thousand	US\$ (17) thousand	Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd. Genovella Renewables Inc. (originally named as Kuang Hwa Fertilizer Limited Company)	Taipei, Taiwan Hualien, Taiwan	To operate cogeneration and provide power technology Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	\$ 7,000 5,000	\$ 7,000 5,000	700,000 -	1.0 100.0	\$ 5,771 9,762	\$ (2,131) 333	\$ (21) 333	Note 3 Notes 1 and 3
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp. YFY Biotech Co., Ltd.	British Virgin Islands Taipei, Taiwan	Investment and holding Wholesale of seeds, oil and agricultural products	243,625 36,000	243,625 36,000	8,060 3,600,000	100.0 36.0	191,643 -	(3,122) (35,453)	(3,122) -	Notes 1 and 3 -

- Note 1: Subsidiary.
- Note 2: The amount was reclassified from investments accounted for using the equity method to other liabilities.
- Note 3: In preparing the consolidated financial statements, the transaction has been eliminated.
- Note 4: To boost management performance, the Group carried out a restructuring of the organization, and sold the 50% shares of Yuen Foong Shop Co., Ltd. owned by YFY Paradigm Investment Co., Ltd. to Yuen Foong Yu Consumer Products Co., Ltd. in February 2020.

(Concluded)

TABLE 9

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Information on investments in mainland China

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 1)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 151,125 (US\$ 5,000 thousand)	a.(a)	\$ 45,338 (US\$ 1,500 thousand)	\$ -	\$ -	\$ 45,338 (US\$ 1,500 thousand)	\$ (7,241)	100.0	\$ (7,241) (Note 2)	\$ -	\$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	332,475 (US\$ 11,000 thousand)	a.(a)	211,575 (US\$ 7,000 thousand)	-	-	211,575 (US\$ 7,000 thousand)	(3,967)	100.0	(3,967) (Note 2)	537,282	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	211,575 (US\$ 7,000 thousand)	a.(a)	211,575 (US\$ 7,000 thousand)	-	-	211,575 (US\$ 7,000 thousand)	(889)	100.0	(889) (Note 2)	226,723	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	241,800 (US\$ 8,000 thousand)	a.(a)	241,800 (US\$ 8,000 thousand)	-	-	241,800 (US\$ 8,000 thousand)	5,495	100.0	5,495 (Note 2)	765,325	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	181,350 (US\$ 6,000 thousand)	a.(a)	60,450 (US\$ 2,000 thousand)	-	-	60,450 (US\$ 2,000 thousand)	1,650	100.0	1,650 (Note 2)	445,732	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	241,800 (US\$ 8,000 thousand)	a.(a)	245,215 (US\$ 8,113 thousand)	-	-	245,215 (US\$ 8,113 thousand)	6,745	100.0	6,745 (Note 2)	345,524	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	241,800 (US\$ 8,000 thousand)	a.(a)	241,800 (US\$ 8,000 thousand)	-	-	241,800 (US\$ 8,000 thousand)	8,499	100.0	8,499 (Note 2)	952,752	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	301,011 (US\$ 9,959 thousand)	a.(q)	272,025 (US\$ 9,000 thousand)	-	-	272,025 (US\$ 9,000 thousand)	(5,238)	100.0	(5,238) (Note 2)	401,472	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	287,138 (US\$ 9,500 thousand)	a.(a)	226,688 (US\$ 7,500 thousand)	-	-	226,688 (US\$ 7,500 thousand)	(3,081)	93.8	(2,889) (Note 2)	450,992,	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	196,463 (US\$ 6,500 thousand)	a.(a)	196,463 (US\$ 6,500 thousand)	-	-	196,463 (US\$ 6,500 thousand)	(7,613)	100.0	(7,613) (Note 2)	-	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	181,350 (US\$ 6,000 thousand)	a.(a)	145,080 (US\$ 4,800 thousand)	-	-	145,080 (US\$ 4,800 thousand)	9,165	100.0	9,165 (Note 2)	945,051	-

(Continued)

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 1)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	\$ 151,125 (US\$ 5,000 thousand)	a.(a)	\$ 151,125 (US\$ 5,000 thousand)	\$ -	\$ -	\$ 151,125 (US\$ 5,000 thousand)	\$ (8,653)	100.0	\$ (8,653) (Note 2)	\$ 120,139	\$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding.	2,620,719 (US\$ 86,707 thousand)	a.(a)	2,629,575 (US\$ 87,000 thousand)	-	-	2,629,575 (US\$ 87,000 thousand)	(27,181)	100.0	(27,181) (Note 2)	218,232	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	7,395,906 (US\$ 244,695 thousand)	a.(b)	7,405,125 (US\$ 245,000 thousand)	-	-	7,405,125 (US\$ 245,000 thousand)	(63,797)	100.0	(63,797) (Note 2)	1,430,063	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	450,353 (US\$ 14,900 thousand)	a.(c)	423,331 (US\$ 14,006 thousand)	-	-	423,331 (US\$ 14,006 thousand)	1,343	94.0	1,263 (Note 6)	-	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	241,800 (US\$ 8,000 thousand)	a.(c)	241,800 (US\$ 8,000 thousand)	-	-	241,00 (US\$ 8,000 thousand)	1,108	100.0	1,108 (Note 6)	94,025	-
Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	90,675 (US\$ 3,000 thousand)	a.(f)	-	-	-	-	(3,224)	100.0	(3,224) (Note 2)	-	-
Arizon RFID Technology Co., Ltd. (originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.)	Sale and design of RFID (radio frequency identification) products	828,840 (RMB 194,290 thousand)	a.(h)	767,473 (US\$ 25,392 thousand)	-	-	767,473 (US\$ 25,392 thousand)	92,146	86.5	79,718 (Note 6)	2,698,985	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	34,128 (RMB 8,000 thousand)	a.(i)	-	-	-	-	2,032	86.5	1,758 (Note 6)	46,540	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	4,232 (US\$ 140 thousand)	a.(j)	-	-	-	-	36,370	79.4	28,884 (Note 6)	256,947	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,532 (RMB 2,000 thousand)	a.(k)	-	-	-	-	3,039	79.4	2,414 (Note 6)	83,401	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	-	a.(k)	-	-	-	-	3,886	79.4	3,086 (Note 6)	17,105	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,399 (RMB 1,500 thousand)	a.(k)	-	-	-	-	(44)	27.8	(12) (Note 6)	2,251	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(k)	-	-	-	-	(113)	27.8	(31) (Note 6)	-	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	6,399 (RMB 1,500 thousand)	a.(k)	-	-	-	-	(840)	27.8	(233) (Note 6)	3,387	-

(Continued)

Investee Company (Note 7)	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 1)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outward	Inward						
YFY Investment Co., Ltd.	Investment and holding and sale of paper	\$ 3,475,875 (US\$ 115,000 thousand)	a.(l)	\$ 3,475,875 (US\$ 115,000 thousand)	\$ -	\$ -	\$ 3,475,875 (US\$ 115,000 thousand)	\$ 25,625	100.0	\$ 25,625 (Note 2)	\$ 1,481,255	\$ -
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	906,750 (US\$ 30,000 thousand)	a.(m)	906,750 (US\$ 30,000 thousand)	-	-	906,750 (US\$ 30,000 thousand)	(4,718)	100.0	(4,718) (Note 2)	402,330	-
YFY Family Paper (Beijing) Co., Ltd.	Manufacture and sale of tissue paper and napkins	1,057,875 (US\$ 35,000 thousand)	a.(m)	1,057,875 (US\$ 35,000 thousand)	-	-	1,057,875 (US\$ 35,000 thousand)	(5,962)	100.0	(5,962) (Note 2)	430,705	-
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	906,750 (US\$ 30,000 thousand)	a.(m)	906,750 (US\$ 30,000 thousand)	-	-	906,750 (US\$ 30,000 thousand)	(21,360)	100.0	(21,360) (Note 2)	1,069,418	-
Shanghai YFY International Trade Co., Ltd.	General trade	4,266 (RMB 1,000 thousand)	b.(a)	4,266 (RMB 1,000 thousand)	-	-	4,266 (RMB 1,000 thousand)	(32)	100.0	(32) (Note 6)	-	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,588,167 (US\$ 85,630 thousand)	a.(n)	664,950 (US\$ 22,000 thousand)	-	-	664,950 (US\$ 22,000 thousand)	(69,089)	74.6	(51,571) (Note 2)	3,459,299	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation.	661,323 (US\$ 21,880 thousand)	a.(o)	223,061 (US\$ 7,380 thousand)	-	-	223,061 (US\$ 7,380 thousand)	(856)	74.6	(639) (Note 6)	2,101,841	-
Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	8,532 (RMB 2000 thousand)	a.(e)	-	-	-	-	(195)	74.6	(146) (Note 6)	6,722	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	13,651 (RMB 3,200 thousand)	a.(e)	-	-	-	-	8,409	74.6	6,277 (Note 6)	93,020	-
YFY (Shanghai) Financial Services Co., Ltd.	Export factoring, domestic factoring, business factoring and related consulting services, development of credit risk management platform	213,300 (RMB 50,000 thousand)	a.(p)	213,300 (RMB 50,000 thousand)	-	-	213,300 (RMB 50,000 thousand)	(3,122)	78.9	(2,463) (Note 6)	150,948	-
Kunshan Actview Carbon Technology Co., Ltd.	Manufacture and sale of active carbon	38,084 (US\$ 1,260 thousand)	b.(b)	25,268 (US\$ 836 thousand)	-	-	25,268 (US\$ 836 thousand)	461	66.4	306 (Note 6)	35,512	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020 (Notes 1 and 5)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$17,507,144	\$20,301,111	\$37,297,639

Note 1: Except for investment gain or loss which were translated at exchange rates of US\$1=NT\$30.106333 or RMB1=NT\$4.317063 or EUR1=NT\$33.216667, the rest were translated at exchange rates of US\$1=NT\$30.225 or RMB1=NT\$4.265995 or EUR1=NT\$33.24 as of March 31, 2020.

Note 2: Recognized from financial statements reviewed by the auditors for the same periods.

Note 3: Difference between the amount of the paid-in capital multiplied by percentage of ownership and the cumulative amount of investment exports from Taiwan at the end of year: Guangdong Dingfung Pulp & Paper Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. capitalized retained earnings; YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd. and YFY Paper Enterprise (Fuzhou) Co., Ltd. are subsidiaries reinvested earnings from China. YFY Jupiter (Shenzhen) Ltd. was acquired indirectly due to the acquirement of YFY Jupiter (BVI) Inc.

Note 4: Methods of investment and the related investors are as follow:

a. Investment in mainland China through companies set up in another company. The related investors are as follow:

(a) YFY Mauritius Corp. (b) YFY Mauritius Corp. and YFY Packaging (Yangzhou) Investment Co., Ltd. (c) YFY International BVI Corp. (d) Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd. (e) Guangdong Dingfung Pulp & Paper Co., Ltd. (f) YFY Paper Enterprise (Xiamen) Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. (g) Kunshan YFY Advertising and Printing Co., Ltd. (h) YFY RFID Co., Ltd. (i) Arizon RFID Technology Co., Ltd. (originally named as Arizon RFID Technologies (Yangzhou) Co., Ltd.). (j) Mobius 105 Ltd. (k) YFY Jupiter (Shenzhen) Ltd. (l) Yuen Foong Yu Consumer Products Investment Limited (m) YFY investment Co., Ltd. (n) YFY International BVI Corp. and CHP International (BVI) Corporation (o) YFY International BVI Corp., CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (p) YFY Capital Holdings Corp. (q) YFY Mauritius Corp. and YFY Paper Enterprise (Kunshan) Co., Ltd.

b. Direct investment in mainland China and the investors are as follows:

(a) Yuen Foong Shop Co., Ltd. (b) San Ying Enterprise Co., Ltd.

Note 5: In calculating the accumulated outward remittance for investment, the reinvestment amount of \$3,687,389 thousand made by investor of mainland China has been deducted.

Note 6: Recognized from financial statements that have not been reviewed.

Note 7: Except Chengdu JieLianDa Warehousing Co., Ltd., Chengdu JieLianDa Supply Chain Co., Ltd., and Chengdu JingShiTong Packing Co., Ltd. are associates accounted for using the equity method, other investments have been eliminated in preparing the consolidated financial statements.

2. Investment in mainland China’s significant transaction events that occur directly or indirectly through companies set up in another country are referred to in Tables 2, 3, 6 and 7.

(Concluded)

TABLE 10

YFY INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Subsidiary	Sales	\$ 184,406	By market price	1.1
		Chung Hwa Pulp Corporation	The same ultimate parent company	Accounts receivable	133,876	3 months after transaction month	0.1
				Sales	288,001	By market price	1.8
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	The same ultimate parent company	Accounts receivable	234,617	2 months after transaction month	0.2
				Sales	352,797	By market price	2.2
				Accounts receivable	797,462	In agreed terms	0.7
2	Chung Hwa Pulp Corporation	YFY Capital Co., Ltd.	The same ultimate parent company	Sales	195,331	By market price	1.2
		Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company	Sales	297,827	By market price	1.8
				Accounts receivable	751,861	5 months after transaction month	0.6
		Union Paper Co., Ltd.	The same ultimate parent company	Sales	185,758	By market price	1.1
3	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	105,432	By market price	0.7
4	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	192,078	By market price	1.2
				Accounts receivable	105,897	In agreed terms	0.1
5	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	324,336	By market price	2.0
				Accounts receivable	476,386	In agreed terms	0.4
6	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	The same ultimate parent company	Sales	1,236,015	By market price	7.6
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	The same ultimate parent company	Accounts receivable	1,427,858	In agreed terms	1.2
				Sales	159,647	By market price	1.0
7	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	199,421	By market price	1.2
				Accounts receivable	174,426	2 months after transaction month	0.1
8	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	The same ultimate parent company	Sales	133,626	By market price	0.8

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

TABLE 11**YFY INC.****INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	168,615,028	10.15
Hsin-Yi Foundation	94,004,485	5.66

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