YFY Inc. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2021 and 2020 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, 2021 and 2020, 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, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$27,736,968 thousand and NT$23,822,532 thousand, respectively, representing 22% and 20%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT$8,758,364 thousand and NT$9,305,878 thousand, respectively, representing 13% and 14%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these non-significant subsidiaries were a gain of NT$402,608 thousand and a loss of NT$356,059 thousand, respectively, representing 11% and 11%, respectively, of the consolidated total comprehensive income (loss). As of March 31, 2021 and 2020, the carrying amounts of the above mentioned investments accounted for using the equity method were NT$139,179 thousand and NT$494,808 thousand, respectively; for the three months ended March 31, 2021 and 2020, the amounts of comprehensive income (loss) of investments accounted for using the equity method were a gain of NT$4,909 thousand and a loss of NT$148,907 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 has 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2021 and 2020 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 Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 13, 2021

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, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	$ 5,433,894	4	$ 6,283,121	5	$ 5,665,194	5
Current financial assets at fair value through profit or loss (Notes 7 and 32)	3,004,625	2	2,718,224	2	956,533	1
Current financial assets at fair value through other comprehensive income (Notes 8 and 31)	6,179,203	5	5,492,949	4	5,269,739	4
Current financial assets at amortized cost (Note 9)	3,483,085	3	2,300,849	2	2,899,760	2
Notes receivable, net (Notes 11, 22 and 32)	4,213,501	3	3,453,523	3	2,997,006	3
Accounts receivable, net (Notes 11 and 22)	11,552,703	9	11,811,120	10	10,556,927	9
Accounts receivable due from related parties, net (Notes 22 and 31)	90,495	-	98,198	-	88,894	-
Current inventories (Note 12)	9,629,613	8	9,049,118	7	9,915,186	8
Current biological assets (Note 13)	3,313,177	3	3,327,526	3	3,261,505	3
Prepayments	1,683,267	1	2,027,902	2	1,781,013	2
Other current financial assets (Note 32)	137,562	-	28,147	-	117,709	-
Other current assets, others (Note 10)	1,214,930	1	530,179	-	725,995	1
Total current assets	49,936,055	39	47,120,856	38	44,235,461	38
NON-CURRENT ASSETS (Note 4)						
Non-current financial assets at fair value through profit or loss (Notes 7 and 31)	-	-	-	-	436,294	-
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 31)	14,857,730	12	14,141,849	12	10,983,599	9
Non-current financial assets at amortized cost (Note 9)	377,786	-	436,481	-	328,320	-
Investments accounted for using equity method (Note 15)	5,847,147	5	5,951,241	5	5,377,689	5
Property, plant and equipment (Notes 16 and 32)	47,717,708	37	48,354,857	39	47,395,614	41
Right-of-use assets (Notes 17 and 32)	1,861,632	2	1,897,085	2	1,915,507	2
Investment property, net (Note 18)	3,548,299	3	2,684,304	2	2,686,793	2
Goodwill	485,055	-	484,123	-	513,680	1
Deferred tax assets	348,758	-	352,577	-	422,702	-
Prepayments for business facilities (Note 16)	1,847,927	1	1,887,388	2	1,548,764	1
Other non-current assets, others (Notes 20 and 32)	789,614	1	460,449	-	548,441	1
Total non-current assets	77,681,656	61	76,650,354	62	72,157,403	62
TOTAL ASSETS	$ 127,617,711	100	$ 123,771,210	100	$ 116,392,864	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Current borrowings (Notes 19 and 32)	$ 8,424,173	7	$ 6,565,420	5	$ 14,412,082	12
Short-term notes and bills payable (Note 19)	13,469,582	10	9,398,814	8	7,272,796	6
Current financial liabilities at fair value through profit or loss (Note 7)	96,326	-	147,149	-	23,195	-
Current contract liabilities (Note 22)	733,179	1	552,667	1	506,535	-
Notes and accounts payable	10,104,978	8	9,999,750	8	8,920,789	8
Accounts payable to related parties (Note 31)	84,957	-	89,656	-	34,900	-
Other payables, others (Note 16)	5,784,870	4	4,958,632	4	3,114,496	3
Current tax liabilities	1,607,263	1	1,249,085	1	637,162	1
Current lease liabilities (Note 17)	147,722	-	158,415	-	147,032	-
Other current liabilities, others (Note 10)	1,119,611	1	1,110,817	1	2,181,304	2
Total current liabilities	41,572,661	32	34,230,405	28	37,250,291	32
NON-CURRENT LIABILITIES (Note 4)						
Non-current portion of non-current borrowings (Notes 19 and 32)	22,303,588	18	27,077,204	22	26,420,462	23
Deferred tax liabilities	3,492,291	3	3,483,655	3	3,428,049	3
Non-current lease liabilities (Note 17)	284,117	-	286,837	-	350,745	-
Net defined benefit liability, non-current (Note 20)	42,969	-	51,735	-	1,006,144	1
Other non-current liabilities, others	337,128	-	353,375	-	343,499	-
Total non-current liabilities	26,460,093	21	31,252,806	25	31,548,899	27
Total liabilities	68,032,754	53	65,483,211	53	68,799,190	59
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Notes 4, 21, 26 and 28)						
Share capital	16,603,715	13	16,603,715	13	16,603,715	14
Capital surplus	2,498,945	2	2,504,194	2	1,004,041	1
Retained earnings	19,823,140	16	20,756,081	17	16,514,481	14
Other equity interest	6,517,984	5	5,121,275	4	2,060,287	2
Total equity attributable to owners of parent	45,443,784	36	44,985,265	36	36,182,524	31
NON-CONTROLLING INTERESTS	14,141,173	11	13,302,734	11	11,411,150	10
Total equity	59,584,957	47	58,287,999	47	47,593,674	41
TOTAL LIABILITIES AND EQUITY	$ 127,617,711	100	$ 123,771,210	100	$ 116,392,864	100

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

(With Deloitte & Touche review report dated May 13, 2021)

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			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 31)				
Net sales revenue	$ 17,129,529	80	$ 13,953,545	86
Other operating revenue, net	4,184,736	20	2,238,579	14
Total operating revenue	21,314,265	100	16,192,124	100
OPERATING COSTS (Notes 12, 23 and 31)				
Cost of sales	13,744,106	64	11,361,345	70
Other operating costs	2,258,401	11	1,637,001	10
Total operating costs	16,002,507	75	12,998,346	80
GAIN ON CHANGES IN FAIR VALUE LESS COSTS TO SELL OF BIOLOGICAL ASSETS (Notes 4 and 13)	2,125	-	602	-
GROSS PROFIT FROM OPERATIONS	5,313,883	25	3,194,380	20
OPERATING EXPENSES (Notes 23 and 31)				
Selling expenses	1,447,623	7	1,342,631	8
Administrative expenses	964,344	4	859,617	5
Research and development expenses	163,149	1	75,674	1
Total operating expenses	2,575,116	12	2,277,922	14
NET OPERATING INCOME	2,738,767	13	916,458	6
NON-OPERATING INCOME AND EXPENSES				
Finance costs, net (Notes 4 and 23)	(131,316)	-	(197,054)	(1)
Share of profit of associates accounted for using equity method, net (Notes 4 and 15)	220,011	1	107,645	1
Interest income	27,460	-	43,613	-
Rent income (Notes 18 and 31)	23,198	-	15,711	-
Other income, others (Note 27)	101,627	1	72,724	-
Gains on financial assets or liabilities at fair value through profit or loss (Note 4)	30,326	-	168,885	1
Miscellaneous disbursements	(7,881)	-	(8,679)	-
Foreign exchange losses (Note 35)	(132,846)	(1)	(195,232)	(1)
Total non-operating income and expenses	130,579	1	7,613	-

(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			
	2021		2020	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	$ 2,869,346	14	$ 924,071	6
TAX EXPENSE (Notes 4 and 24)	(550,336)	(3)	(217,442)	(2)
PROFIT FROM CONTINUING OPERATIONS	2,319,010	11	706,629	4
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	1,366,450	7	(3,564,380)	(22)
Share of other comprehensive income (loss) of associates accounted for using equity method	250,055	1	(298,971)	(2)
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	(78,541)	(1)	8,308	-
Gains (losses) on hedging instruments	(242)	-	605	-
Share of other comprehensive loss of associates accounted for using equity method	(65,580)	-	(49,967)	-
Other comprehensive income (loss), net	1,472,142	7	(3,904,405)	(24)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 3,791,152	18	$ (3,197,776)	(20)
PROFIT, ATTRIBUTABLE TO:				
Profit, attributable to owners of parent	$ 1,557,980	7	$ 635,198	4
Profit, attributable to non-controlling interests	761,030	4	71,431	-
	$ 2,319,010	11	$ 706,629	4
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Comprehensive income (loss), attributable to owners of parent	$ 2,954,747	14	$ (3,071,581)	(19)
Comprehensive income (loss), attributable to non-controlling interests	836,405	4	(126,195)	(1)
	$ 3,791,152	18	$ (3,197,776)	(20)

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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			
	2021		2020	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	$ 0.94		$ 0.38	
Diluted earnings per share	$ 0.94		$ 0.38	

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

(With Deloitte & Touche review report dated May 13, 2021) (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 Parent															Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus					Retained Earnings				Other Equity					
	Shares (In Thousands)	Amount	Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Capital Surplus Changes in Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total		
BALANCE AT JANUARY 1, 2020	1,660,372	$ 16,603,715	$ 128,978	$ 374,052	$ 293,124	$ 204,015	$ 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	1,660,372	$ 16,603,715	$ 128,978	$ 377,925	$ 293,124	$ 204,014	$ 1,004,041	$ 3,559,373	$ 4,028,583	$ 8,926,525	$ 16,514,481	$ (1,063,480)	$ 3,129,512	$ (5,745)	$ 36,182,524	$ 11,411,150	$ 47,593,674
BALANCE AT JANUARY 1, 2021	1,660,372	$ 16,603,715	$ 1,560,211	$ 445,695	$ 293,124	$ 205,164	$ 2,504,194	$ 3,822,784	$ 4,001,813	$ 12,931,484	$ 20,756,081	$ (1,509,007)	$ 6,633,307	$ (3,025)	$ 44,985,265	$ 13,302,734	$ 58,287,999
Appropriation of the 2020 earnings																	
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(2,490,557)	(2,490,557)	-	-	-	(2,490,557)	-	(2,490,557)
Changes in equity of associates accounted for using equity method	-	-	-	-	-	(8,960)	(8,960)	-	-	(422)	(422)	-	-	-	(9,382)	(578)	(9,960)
Other changes in capital surplus	-	-	-	-	-	(6)	(6)	-	-	-	-	-	-	-	(6)	-	(6)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	4,651	-	-	-	4,651	-	-	32	32	-	(32)	-	4,651	793	5,444
Changes in ownership interests in subsidiaries	-	-	-	(934)	-	-	(934)	-	-	26	26	-	(26)	-	(934)	1,819	885
Profit	-	-	-	-	-	-	-	-	-	1,557,980	1,557,980	-	-	-	1,557,980	761,030	2,319,010
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	(120,953)	1,517,862	(142)	1,396,767	75,375	1,472,142
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	1,557,980	1,557,980	(120,953)	1,517,862	(142)	2,954,747	836,405	3,791,152
BALANCE AT MARCH 31, 2021	1,660,372	$ 16,603,715	$ 1,564,862	$ 444,761	$ 293,124	$ 196,198	$ 2,498,945	$ 3,822,784	$ 4,001,813	$ 11,998,543	$ 19,823,140	$ (1,629,960)	$ 8,151,111	$ (3,167)	$ 45,443,784	$ 14,141,173	$ 59,584,957

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

(With Deloitte & Touche review report dated May 13, 2021)

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	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES, INDIRECT METHOD		
Profit before tax	$ 2,869,346	$ 924,071
Adjustments to reconcile profit (loss)		
Depreciation and amortization expenses	1,048,106	1,100,795
Expected credit loss (gain)	1,395	(2,171)
Net gain on financial assets or liabilities at fair value through profit or loss	(30,326)	(168,885)
Finance costs	131,316	197,054
Interest income	(27,460)	(43,613)
Share-based payments	-	8,007
Share of profit of associates accounted for using equity method	(220,011)	(107,645)
Loss (gain) on disposal of property, plant and equipment	(82)	600
Write-down of inventories (reversed)	(46,917)	(4,705)
Unrealized foreign exchange loss	261,447	38,886
Gain arising from changes in fair value less costs to sell of biological assets	(2,125)	(602)
Loss from lease modification	32	-
Gain from derecognition of subsidiary (Note 27)	(34,678)	-
Changes in operating assets and liabilities		
Decrease (increase) in current financial assets at fair value through profit or loss, mandatorily measured at fair value	(202,800)	276,077
Decrease (increase) in notes receivable, net	(761,471)	(100,386)
Decrease (increase) in accounts receivable, net	117,667	1,073,113
Decrease (increase) in accounts receivable due from related parties, net	7,688	11,025
Decrease (increase) in current inventories	(535,102)	(237,034)
Decrease (increase) in current biological assets	(663)	(32,580)
Decrease (increase) in prepayments	344,354	(394,149)
Decrease (increase) in other current assets, others	(204,181)	28,804
Increase (decrease) in financial liabilities held for trading	(112,510)	(112,355)
Increase (decrease) in current contract liabilities	180,204	26,802
Increase (decrease) in notes and accounts payable	105,888	(428,604)
Increase (decrease) in accounts payable to related parties	(4,699)	(9,136)
Increase (decrease) in other payable, others	(873,297)	(466,656)
Increase (decrease) in other current liabilities, others	14,040	(570,607)
Increase (decrease) in net defined benefit liability, non-current	(306,849)	(55,904)
Cash inflow generated from operations	1,718,312	950,202
Interest received	24,126	36,877
Interest paid	(109,567)	(167,126)
Income taxes paid	(156,817)	(145,550)
Net cash flows generated from operating activities	1,476,054	674,403

(Continued)

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	
	2021	**2020**
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (75,025)	$ (23,880)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	39,145	-
Acquisition of financial assets at amortized cost	(1,127,968)	(3,181)
Derecognition of subsidiary (Note 27)	(230)	-
Acquisition of property, plant and equipment	(2,034,474)	(1,052,071)
Proceeds from disposal of property, plant and equipment	394	10,487
Increase in other financial assets	(109,138)	(41,526)
Decrease (increase) in other non-current assets, others	(70,702)	14,579
Net cash flows used in investing activities	(3,377,998)	(1,095,592)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Increase in current borrowings	1,823,669	1,866,738
Increase in short-term notes and bills payable	4,070,768	1,246,276
Repayments of long-term debt	(4,773,538)	(3,013,139)
Payments of lease liabilities	(44,694)	(52,346)
Decrease in other non-current liabilities, others	(16,828)	(14,289)
Change in non-controlling interests	5,811	(8,007)
Overdue dividends paid	(6)	(1)
Net cash flows generated from financing activities	1,065,182	25,232
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(12,465)	(1,720)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(849,227)	(397,677)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,283,121	6,062,871
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 5,433,894	$ 5,665,194

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

(With Deloitte & Touche review report dated May 13, 2021) (Concluded)

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

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 13, 2021.

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 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 4)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 5)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 6)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 7)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 8)

(Concluded)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 5: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 6: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Note 7: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 8: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) 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.

2) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

3) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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 the lower of cost or net realizable value on inventories.

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

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

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

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

c. 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.

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

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

Refer to Note 14 and Tables 10 and 11 for more information on subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

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

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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, 2020.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	$ 18,907	$ 18,420	$ 34,110
Checking accounts and demand deposits	4,615,800	4,925,981	3,462,899
Cash equivalents			
Time deposits	724,187	1,203,720	2,085,685
Repurchase agreements collateralized by bonds	75,000	135,000	82,500
	$ 5,433,894	$ 6,283,121	$ 5,665,194

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

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 50,779	$ 8,896	$ 138,318
Combined option contracts	-	-	16,563
Currency exchange contracts	-	-	1,202
Non-derivative financial assets			
Mutual funds	1,295,625	1,124,623	288,548
Hybrid financial assets			
Structured deposits	1,658,221	1,584,705	511,902
	$ 3,004,625	$ 2,718,224	$ 956,533
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Subordinated bank debentures	$ -	$ -	$ 406,296
Mutual funds	-	-	29,998
	$ -	$ -	$ 436,294
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 96,326	$ 147,149	$ 5,207
Combined option contracts	-	-	17,988
	$ 96,326	$ 147,149	$ 23,195

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, 2021</u>			
Buy	USD:RMB	2021.04.07-2021.06.16	USD35,000
Buy	USD:NTD	2021.04.29	USD5,000
Buy	JPY:USD	2021.06.23	JPY220,000
Sell	USD:NTD	2021.04.01-2021.05.17	USD31,500
Sell	RMB:USD	2021.04.08-2021.06.29	RMB2,483,782
<u>December 31, 2020</u>			
Buy	USD:RMB	2021.01.07-2021.01.29	USD30,000
Buy	USD:NTD	2021.01.12-2021.01.15	USD1,400
Buy	JPY:USD	2021.01.19	JPY250,000
Sell	USD:NTD	2021.01.04-2021.03.15	USD38,500
Sell	RMB:USD	2021.01.08-2021.06.04	RMB1,753,959
<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

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 combined option contracts not under hedge accounting were 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

The Group entered into combined option 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 currency exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2020			
Currency exchange contracts	JPY:USD	2020.04.13	JPY250,000/USD2,265

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, 2021	December 31, 2020	March 31, 2020
Investments in equity instruments at FVTOCI - current			
Domestic investments			
Listed shares	$ 6,179,203	$ 5,492,949	$ 5,269,739
Investments in equity instruments at FVTOCI - non-current			
Domestic investments			
Listed shares	$ 10,280,233	$ 9,179,080	$ 7,367,307
Unlisted shares	4,240,261	4,662,504	3,460,573
	14,520,494	13,841,584	10,827,880
Foreign investments			
Unlisted shares	337,236	300,265	155,719
	$ 14,857,730	$ 14,141,849	$ 10,983,599

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.

The Group acquired Zhen Ding Technology Holding Limited (“ZDTHL”) through stock exchange. The Company’s board of directors approved the stock exchange of all of its ownership of Boardtek Electronics Corporation (“BEC”) for ownership of “ZDTHL” in May 2020. The stock exchange was conducted at an exchange ratio of 1 ordinary share of “BEC” for 0.2 newly issued ordinary share of “ZDTHL”. The above stock exchange has been completed on November 4, 2020.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Time deposits with original maturities of more than 3 months and not exceeding 1 year	$ 3,265,967	$ 2,300,849	$ 2,894,760
Time deposits with original maturities of more than 1 year	217,118	-	5,000
	$ 3,483,085	$ 2,300,849	$ 2,899,760
Non-current			
Time deposits with original maturities of more than 1 year	$ 377,786	$ 436,481	$ 328,320

The ranges of interest rates for time deposits with original maturities of more than 3 months and not exceeding 1 year were 0.23%-2.10%, 0.23%-1.40% and 0.56%-3.70% as of March 31, 2021, December 31, 2020 and March 31, 2020.

The ranges of interest rates for time deposits with original maturities of more than 1 year were 3.96%-3.99%, 3.96%-3.99% and 0.77%-3.96% as of March 31, 2021, December 31, 2020 and March 31, 2020.

Refer to Note 32 for pledge information relating to investments in financial assets at amortized cost which is set as guarantees provided on certain commitments.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2021	December 31, 2020	March 31, 2020
Derivative financial assets under hedge accounting - current (accounted for as other current assets, others)			
Foreign exchange forward contracts	$ -	$ 54	$ -
Derivative financial liabilities under hedge accounting - current (accounted for as other current liabilities, others)			
Foreign exchange forward contracts	$ 66	$ -	$ 27

The Group’s hedge strategy is to enter 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 were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2021			
Buy	EUR:NTD	2021.04.29	EUR300
December 31, 2020			
Buy	EUR:NTD	2021.01.29	EUR300
March 31, 2020			
Buy	EUR:NTD	2020.04.30	EUR300

11. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable			
Notes receivable	$ 4,216,266	$ 3,456,289	$ 3,001,889
Less: Allowance for impairment loss	(2,765)	(2,766)	(4,883)
	$ 4,213,501	$ 3,453,523	$ 2,997,006
Accounts receivable			
Accounts receivable	$ 11,889,944	$ 12,238,625	$ 10,965,689
Less: Allowance for impairment loss	(337,241)	(427,505)	(408,762)
	$ 11,552,703	$ 11,811,120	$ 10,556,927

Notes receivable and accounts receivable were generated by operating activities.

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

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

March 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 15,238,026	$ 550,441	$ 48,414	$ 8,762	$ 260,567	$ 16,106,210
Loss allowance (Lifetime ECLs)	(50,218)	(4,658)	(24,772)	(947)	(259,411)	(340,006)
Amortized cost	$ 15,187,808	$ 545,783	$ 23,642	$ 7,815	$ 1,156	$ 15,766,204

December 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 14,737,565	$ 526,498	$ 44,107	$ 9,171	$ 377,573	$ 15,694,914
Loss allowance (Lifetime ECLs)	(40,368)	(6,533)	(23,934)	(2,718)	(356,718)	(430,271)
Amortized cost	$ 14,697,197	$ 519,965	$ 20,173	$ 6,453	$ 20,855	$ 15,264,643

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)	(44,077)	(66,316)	(14,249)	(12,978)	(276,025)	(413,645)
Amortized cost	$ 12,714,056	$ 751,481	$ 20,597	$ 67,775	$ 24	$ 13,553,933

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ 430,271	$ 418,081
Add: Net remeasurement of loss allowance	1,395	(2,171)
Less: Amounts written off	(90,591)	(1,047)
Effect of foreign currency exchange differences	(1,069)	(1,218)
Balance at March 31	$ 340,006	$ 413,645

As of March 31, 2021 and 2020, the Group discounted a portion of its banker's acceptance bills in mainland China with an aggregate carrying amount of $253,895 thousand and $298,620 thousand. For information on the transfer of financial instruments, refer to Note 30.

The carrying amount of notes receivable pledged as collateral was disclosed in Note 32.

12. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Finished and purchased goods	$ 4,088,494	$ 4,091,494	$ 4,558,231
Materials	4,777,031	4,222,595	4,653,191
Work-in-process	764,088	735,029	703,764
	$ 9,629,613	$ 9,049,118	$ 9,915,186

The cost of goods sold for the three months ended March 31, 2021 and 2020 included reversals of inventory write-downs of $46,917 thousand and $4,705 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices.

13. BIOLOGICAL ASSETS

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ 3,327,526	$ 3,252,537
Increases due to planting	46,681	39,451
Gain on changes in fair value less costs to sell	2,125	602
Decreases due to harvesting	(46,018)	(6,871)
Effect of foreign currency exchange differences	(17,137)	(24,214)
Balance at March 31	$ 3,313,177	$ 3,261,505

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

The fair values of biological assets (before deducting costs to sell) which are recurring fair value measurements were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Eucalyptus (Level 3)	$ 3,422,969	$ 3,437,755	$ 3,368,489

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	
	2021	2020
Balance at January 1	$ 3,437,755	$ 3,360,128
Increases due to planting	48,863	39,669
Gain on changes in fair value less costs to sell	2,225	605
Decreases due to harvesting	(48,169)	(6,909)
Effect of foreign currency exchange differences	(17,705)	(25,004)
Balance at March 31	$ 3,422,969	$ 3,368,489

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements (for the diagram of investment structure of the Group as at March 31, 2021, refer to Table 1):

			Proportion of Ownership (%)			
Investor	**Investee**	**Main Business**	**March 31, 2021**	**December 31, 2020**	**March 31, 2020**	**Remark**
YFY Inc.	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	57.8	57.8	56.9	1) and 12)
	YFY International Limited	Investment and holding	100.0	100.0	100.0	1)
	YFY Global Investment Limited	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	64.5	64.5	100.0	1) and 8)
	Shin Foong Specialty and Applied Materials Co., Ltd	Production and sale of SBR (styrene butadiene rubber) latex	48.8	48.9	49.5	1) and 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	1) and 10)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	49.0	49.0	49.0	
	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Real estate investment and development	100.0	100.0	100.0	10) and 16)
	YFY Corporate Advisory & Services Co., Ltd.	Consulting	100.0	100.0	100.0	
	Union Paper Corp.	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	1) and 10)
	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	10)
	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	
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	100.0	100.0	-	1), 9) and 16)
YFY International Limited	YFY Cayman Co., Ltd.	Investment and holding	-	-	100.0	1) and 9)
	Guangdong Dingfung Pulp & Paper Co., Ltd	Pulp and paper production and trading business	40.0	40.0	40.0	
	Zhaoqing Dingfung Forestry Co., Ltd	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation.	13.5	13.5	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	
	YFY Biopulp Technology Limited	Investment and holding	60.0	60.0	60.0	
	YFY Mauritius Corp.	Investment and holding	100.0	100.0	-	1) and 9)
YFY Mauritius Corp.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	64.6	64.6	64.6	15)
	YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	93.8	93.8	93.8	15)
	YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	90.0	90.0	90.0	15)
	YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	15)
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	35.4	35.4	35.4	15)
YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	10.0	10.0	10.0	15)
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	1) and 9)
	YFY Packaging Capital Corp.	Investment and holding	-	100.0	100.0	1) and 19)
	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 cardboard	100.0	100.0	100.0	
	YFY Packaging Thai Binh Co., Ltd.	Manufacture and sale of paper and cardboard	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 cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Manufacture and sale of paper and cardboard	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 cardboard	100.0	100.0	100.0	
	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Manufacture and sale of paper and cardboard	100.0	100.0	100.0	
YFY International Labuan Co., Ltd.	YFY Jupiter (BVI) Inc.	Investment and holding	-	-	35.4	9)
	YFY Packaging Inc.	Production and sale of high-quality craft paper and corrugated paper	-	-	100.0	1) and 9)
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	58.3	57.0	57.0	20)
	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 Indonesia, PT PMA	Design of packaging	1.0	1.0	1.0	
YFY Jupiter US, Inc.	Innovativ Packaging Worldwide, LLC	Design of packaging and sale of paper	-	-	100.0	14)
	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	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.	Design of packaging and sale of paper	100.0	100.0	100.0	
Jupiter Prestige Group North America Inc.	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	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	-	50.0	50.0	17)
YFY Paper Enterprise (Xiamen) Co., Ltd.	Kunshan YFY Advertising and Printing Co., Ltd.	Design and print of advertisements	-	50.0	50.0	17)
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 Cayman Co., Ltd.	Investment and holding	100.0	100.0	-	1) and 9)
YFY Packaging (BVI) Corp.	YFY Mauritius Corp.	Investment and holding	-	-	51.2	1) and 9)
YFY Global Investment Limited	YFY RFID Co., Limited	Investment and holding	100.0	100.0	100.0	
	YFY Jupiter (BVI) Inc.	Investment and holding	81.1	81.1	44.0	9) and 13)
	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	4)
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	
	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	100.0	
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 consumer products by e-commerce	100.0	100.0	100.0	5)
	YFY Consumer Products, Co.	IP management and sale of consumer products by e-commerce	100.0	-	-	18)
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	7)
	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	100.0	100.0	6)
YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	0.1	0.1	0.1	1) and 12)
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper - related merchandise	2.1	2.1	-	1) and 8)
	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	1.0	1.0	-	10)
YFY Venture Capital Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	-	-	1.0	10)
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 Corp.	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	1) and 12)
	Yuen Foong Shop Co., Ltd.	Sale of consumer products by e-commerce	-	-	-	5)
	Livebricks Inc.	Information processing services	100.0	100.0	100.0	
	Yuen Foong Yu Consumer Products Co., Ltd.	Production and sale of high quality paper and paper - related merchandise	6.4	6.4	-	1) and 8)
	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	0.07	0.07	-	10)
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	0.03	0.03	-	10)
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	
Lotus Ecoscings & Engineering Co., Ltd.	Yuen Yan Paper Container Co., Ltd.	Sale and manufacture of corrugated paper and materials	-	-	0.07	10)
	Pek Crown Paper Co., Ltd.	Manufacture and sale of containers	-	-	0.03	10)
	Chung Hwa Pulp Corporation	Pulp and paper production, trading and forestry business	-	-	0.01	1) and 10)
San Ying Enterprise Co., Ltd.	Kunshan Actview 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	
CHP International (BVI) Corporation	Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	60.0	60.0	60.0	
	Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	20.2	20.2	20.2	
	Syntax Communication (H.K.) Limited	Sale and print of paper merchandise	100.0	100.0	100.0	
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	To operate cogeneration and provide power technology	1.0	1.0	1.0	
	Genovella Renewables Inc.	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	100.0	100.0	100.0	
	Union Paper Corp.	Manufacture and sale of paper	0.09	0.02	-	2) and 11)
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	
	Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	100.0	100.0	100.0	
	Zhaoqing Xinchuan Green Technology Co., Ltd.	Environmental equipment technology research and development; construction of wastewater, flue gas, noise and solid waste treatment; pure water treatment construction; environmental technology consulting; sale of environmental protection equipment and chemical raw material; import and export of cargo and technology	100.0	100.0	100.0	

(Concluded)

Remarks:

1) Except for the review of financial statements for the three months ended March 31, 2021 and 2020 of YFY International Limited, 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., the review of financial statements for the three months ended March 31, 2020 of YFY Cayman Co., Ltd., YFY Venture Capital Investment Co., Ltd., YFY Packaging Capital Corp., and investees mentioned in Tables 10 and 11, the financial statements of the remaining non-significant subsidiaries were not reviewed by the auditors.

2) China Color Printing Co., Ltd. and Union Paper Corp. were deemed subsidiaries because the Group had substantial control over them even though the Group held less than 50% equity interest in each of the subsidiaries' voting shares; 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 48.8%. Shin Foong Specialty and Applied Materials Co., Ltd. was deemed a subsidiary 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 in August 2018, with an amount of RMB369,829 thousand. The land reserve project has been completed in September 2020. The Group recognized gain on disposal of land use rights with an amount of $1,389,329 thousand.

4) In December 2018, the Company's board of the directors passed the application of the Arizon RFID Technologies (Yangzhou) Co., Ltd. for listing on the stock exchange in mainland China, which was resolved by the shareholders in their temporary meeting in February 2019. The Company summited the IPO application in June 2020. Due to the coming election of the Company's board of the directors in the shareholders' meeting on May 17, 2021, the Company's board of the directors resolved to temporarily suspend the subsidiary's application for listing in mainland China in April 2021 in response to the listing application practice in mainland China.

5) 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 March 2020.

6) Shin Foong Trading Sdn. Bhd. was established in February 2020 and has been included in the consolidated financial statements since then.

7) In response to the changes in the mainland China market, the board of directors of the subsidiary, YFY Investment Co., Ltd., resolved to dispose of all of its ownership of YFY Family Paper (Beijing) Co., Ltd. in June 2020. The disposal has been completed in August 2020.

8) The Company sold 2.1% and 6.5% of its shares in Yuen Foong Yu Consumer Products Co., Ltd. to YFY Development Corp. (originally named as YFY Capital Co., Ltd.) and YFY Paradigm Investment Co., Ltd., respectively, in June 2020. Due to equity changes such as employee share options conversion of Yuen Foong Yu Consumer Products Co., Ltd. and the Group's partial disposal of shares in Yuen Foong Yu Consumer Products Co., Ltd. to designated persons and financial investors from July through October in 2020, the shareholding ratio of the Group in Yuen Foong Yu Consumer Products Co., Ltd. was reduced to 73.0% (which comprise 64.5% owned by the Company, 6.4% owned by YFY Paradigm Investment Co., Ltd., and 2.1% owned by YFY Development Corp. (originally named as YFY Capital Co., Ltd.). Yuen Foong Yu Consumer Products Co., Ltd. was deemed as subsidiary since the Group did not cease to have control over this subsidiary.

9) In response to the overseas operation mode of its subsidiaries and the application of YFY Packaging Inc. on the stock exchange in Taiwan and to boost management performance, the Company's board of directors approved the overseas investment structure adjustment in July 2020. The Group has completed the overseas investment structure adjustment in November 2020. The Group sold the 100% shares of YFY Packaging Inc. owned by YFY International Labuan Co., Ltd. to the Company, the 100% shares of YFY Cayman Co., Ltd. owned by YFY International Limited to YFY Packaging Inc., the 51.2% shares of YFY Mauritius Corp. owned by YFY Packaging (BVI) Corp. and 48.8% shares of YFY Mauritius Corp. owned by YFY Cayman Co., Ltd. to YFY International Limited and the 35.4% shares of YFY Jupiter (BVI) Inc. owned by YFY International Labuan Co., Ltd. to YFY Global Investment Limited.

10) The Company's board of directors approved the merger of its subsidiary YFY Paradigm Investment Co., Ltd. and Lotus Ecoscings & Engineering Co., Ltd. and the merger of its subsidiary YFY Capital Co., Ltd. and YFY Venture Capital Investment Co., Ltd. in August 2020. The reference date of the above mergers was October 7, 2020 and the mergers have been completed. The board of directors of YFY Capital Co., Ltd. approved the name change from YFY Capital Co., Ltd. to "YFY Development Corp." in October 2020.

11) Hwa Fong Investment Co., Ltd. acquired 0.02% ownership of Union Paper Corp. from August through October in 2020 and 0.07% ownership of Union Paper Corp. for the three months ended March 31, 2021, respectively. Thus, the shareholding ratio of the Hwa Fong Investment Co., Ltd. in Union Paper Corp. was increased to 0.09%.

12) Due to equity changes such as purchase of treasury shares, the shareholding ratio of the Group in Chung Hwa Pulp Corporation was increased to 58.6% (which comprise 57.8% owned by the Company, 0.7% owned by YFY Paradigm Investment Co., Ltd., and 0.1% owned by YFY Development Corp. (originally named as YFY Capital Co., Ltd.).

13) Due to equity changes such as overseas investment structure adjustment and purchase of treasury shares, the shareholding ratio of the YFY Global Investment Limited in YFY Jupiter (BVI) Inc. was increased to 81.1%.

14) Innovativ Packaging Worldwide, LLC entered the cancellation of registration in October 2020. Due to the Group's loss of control, it has not been included in the consolidated financial statements since October 2020.

15) In order to improve the investment management efficiency and management performance of packaging business in mainland China, the Company's board of directors approved the investment structure adjustment of packaging business in mainland China in December 2020. The Company plans to proceed with the investment structure adjustment which included13 subsidiaries with YFY Packaging (Yangzhou) Investment Co., Ltd. as the holding company. The investment structure adjustment will involve the following subsidiaries: YFY Packaging (Yangzhou) Investment Co., Ltd., YFY Paper Mfg. (Yangzhou) Co., Ltd., YFY Paper Enterprise (Qingdao) Co., Ltd., YFY Paper Enterprise (Kunshan) Co., Ltd., YFY Paper Enterprise (Zhongshan) Co., Ltd., YFY Paper Enterprise (Guangzhou) Co., Ltd., YFY Paper Enterprise (Dongguan) Co., Ltd., YFY Paper Enterprise (Tianjin) Co., Ltd., YFY Paper Enterprise (Suzhou) Co., Ltd., YFY Paper Enterprise (Xiamen) Co., Ltd., YFY Paper Enterprise (Shanghai) Co., Ltd., YFY Paper Enterprise (Jiaxing) Co., Ltd., YFY Paper Enterprise (Nanjing) Co., Ltd., and YFY Paper Enterprise (Fuzhou) Co., Ltd. The application has been approved by the competent authority in March 2021.

16) In order to specialize on its major business operation, the Company's board of directors approved the "division spin-off capital reduction proposal" that spin-off assets, liabilities and business operation of the Chenggong plant of YFY Packaging Inc., integrate them into YFY Development Corp. (originally named as YFY Capital Co., Ltd.), and issue new shares by YFY Development Corp. (originally named as YFY Capital Co., Ltd.) as the consideration for the transfer of the division in January 2021. The above process has been finished in January 2021.

17) Kunshan YFY Advertising and Printing Co., Ltd. entered the bankruptcy procedure in January 2021. Due to the Group's loss of control, it has not been included in the consolidated financial statements since January 2021.

18) YFY Consumer Products, Co. was established in February 2021 and has been included in the consolidated financial statements since then.

19) YFY Packaging Capital Corp. entered the liquidation in March 2021. Due to the Group's loss of control, it has not been included in the consolidated financial statements since March 2021.

20) YFY Jupiter (BVI) Inc. acquired 1.3% ownership of Jupiter Prestige Group Holdings Limited for the three months ended March 31, 2021. Thus, the shareholding ratio of the YFY Jupiter (BVI) Inc. in Jupiter Prestige Group Holdings Limited increased to 58.3%.

Refer to Tables 10 and 11 for the information on place of incorporation and principal place of business.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
Name of Subsidiary	**March 31, 2021**	**December 31, 2020**	**March 31, 2020**
Chung Hwa Pulp Corporation	41.4%	41.4%	42.3%

Chung Hwa Pulp Corporation and subsidiaries

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Current assets	$ 13,041,239	$ 12,893,835	$ 13,025,367
Non-current assets	19,761,688	19,776,398	17,796,544
Current liabilities	(12,113,222)	(12,035,465)	(11,370,131)
Non-current liabilities	(3,455,144)	(3,649,014)	(2,578,019)
Equity	17,234,561	16,985,754	16,873,761
Consolidated adjustments	94,109	94,109	94,109
Adjusted equity	$ 17,328,670	$ 17,079,863	$ 16,967,870
Equity attributable to:			
Owners of Chung Hwa Pulp Corporation	$ 8,865,561	$ 8,717,003	$ 8,507,310
Non-controlling interests of Chung Hwa Pulp Corporation	6,267,102	6,162,085	6,226,872
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	2,196,007	2,200,775	2,233,688
	$ 17,328,670	$ 17,079,863	$ 16,967,870

	For the Three Months Ended March 31	
	2021	**2020**
Operating revenue	$ 5,477,278	$ 4,561,472
Profit (loss) for the period	$ 101,433	$ (145,338)
Other comprehensive income (loss) for the period	148,771	(375,925)
Total comprehensive income (loss) for the period	$ 250,204	$ (521,263)

(Continued)

	For the Three Months Ended March 31	
	2021	2020
Profit (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	$ 55,557	$ (67,893)
Non-controlling interests of Chung Hwa Pulp Corporation	39,273	(49,694)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	6,603	(27,751)
	$ 101,433	$ (145,338)
Total comprehensive income (loss) attributable to:		
Owners of Chung Hwa Pulp Corporation	$ 149,377	$ (275,505)
Non-controlling interests of Chung Hwa Pulp Corporation	105,595	(201,653)
Non-controlling interests of Chung Hwa Pulp Corporation's subsidiaries	(4,768)	(44,105)
	$ 250,204	$ (521,263)
Net cash inflow (outflow) from:		
Operating activities	$ 446,903	$ (288,800)
Investing activities	(914,640)	(433,452)
Financing activities	699,825	558,215
Effects of exchange rate changes	(2,580)	23,437
Net cash inflow (outflow)	$ 229,508	$ (140,600)

(Concluded)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	December 31, 2020	March 31, 2020
Material associates			
E Ink Holdings Inc.	$ 5,053,407	$ 5,218,727	$ 4,882,881
Associates that are not individually material	793,740	732,514	494,808
	$ 5,847,147	$ 5,951,241	$ 5,377,689

Refer to Tables 10 and 11 for the nature of activities, principal place of business and country of incorporation of the associates.

a. Material associates

	Proportion of Ownership and Voting Rights		
Name of Associate	March 31, 2021	December 31, 2020	March 31, 2020
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 13, 2021, the report date. The other rights and obligations are the same as those of ordinary shares.

Investments in material associates 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 been reviewed.

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, 2021	**December 31, 2020**	**March 31, 2020**
	$ 7,971,383	$ 6,625,941	$ 3,573,379

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, 2021	**December 31, 2020**	**March 31, 2020**
Current assets	$ 19,777,194	$ 21,914,321	$ 20,132,830
Non-current assets	29,291,351	23,886,312	20,767,406
Current liabilities	(16,031,795)	(11,564,821)	(9,263,169)
Non-current liabilities	(3,027,649)	(3,191,039)	(2,759,996)
Equity	30,009,101	31,044,773	28,877,071
Non-controlling interests	(528,289)	(536,163)	(460,116)
	$ 29,480,812	$ 30,508,610	$ 28,416,955
Proportion of the Group's ownership	16.3%	16.3%	16.3%
Equity attributable to the Group	$ 4,799,947	$ 4,965,267	$ 4,629,421
Goodwill	253,460	253,460	253,460
Carrying amount	$ 5,053,407	$ 5,218,727	$ 4,882,881

	For the Three Months Ended March 31	
	2021	**2020**
Operating revenue	$ 4,435,764	$ 2,922,127
Net profit for the period	$ 1,181,654	$ 812,868
Other comprehensive income (loss)	845,453	(1,388,581)
Total comprehensive income (loss) for the period	$ 2,027,107	$ (575,713)

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2021	2020
The Group’s share of:		
Net profit (loss) for the period	$ 27,575	$ (23,891)
Other comprehensive income (loss)	40,802	(125,016)
Total comprehensive income (loss) for the period	$ 68,377	$ (148,907)

Except for the review financial statements for the three months ended March 2021 of Taiwan Global BioFund Co., Ltd., 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
Cost						
Balance at January 1, 2021	$ 13,948,225	$ 15,384,056	$ 64,867,359	$ 13,074,493	$ 1,677,494	$ 108,951,627
Additions	700,731	16,288	140,825	52,320	345,841	1,256,005
Disposals	-	(2,762)	(65,395)	(17,998)	-	(86,155)
Transfer from constructions	-	161,310	277,120	69,273	(507,703)	-
Transfer due to derecognition of subsidiaries	-	-	-	(63,717)	-	(63,717)
Reclassification to investment properties	(786,024)	(208,808)	-	-	-	(994,832)
Reclassification to others	-	-	-	(492)	-	(492)
Effect of foreign currency exchange differences	-	(34,048)	(108,502)	(15,646)	(2,950)	(161,146)
Balance at March 31, 2021	$ 13,862,932	$ 15,316,036	$ 65,111,407	$ 13,098,233	$ 1,512,682	$ 108,901,290
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ 2,597	$ 7,377,349	$ 43,670,154	$ 9,546,670	$ -	$ 60,596,770
Depreciation expense	-	122,262	652,119	174,539	-	948,920
Disposals	-	(2,762)	(65,232)	(17,849)	-	(85,843)
Transfer due to derecognition of subsidiaries	-	-	-	(63,717)	-	(63,717)
Reclassification to investment properties	-	(128,050)	-	-	-	(128,050)
Reclassification to others	-	-	-	(387)	-	(387)
Effect of foreign currency exchange differences	-	(13,615)	(60,235)	(10,261)	-	(84,111)
Balance at March 31, 2021	$ 2,597	$ 7,355,184	$ 44,196,806	$ 9,628,995	$ -	$ 61,183,582
Carrying amount at January 1, 2021	$ 13,945,628	$ 8,006,707	$ 21,197,205	$ 3,527,823	$ 1,677,494	$ 48,354,857
Carrying amount at March 31, 2021	$ 13,860,335	$ 7,960,852	$ 20,914,601	$ 3,469,238	$ 1,512,682	$ 47,717,708
Cost						
Balance at January 1, 2020	$ 12,387,825	$ 15,019,244	$ 64,160,307	$ 12,821,896	$ 2,045,627	$ 106,434,899
Additions	-	33,253	106,406	135,844	379,538	655,041
Disposals	-	(130)	(120,099)	(28,981)	-	(149,210)
Transfer from constructions	-	134,078	647,733	316,258	(1,098,069)	-
Reclassification from investment properties	-	83,365	-	-	-	83,365
Effect of foreign currency exchange differences	-	(53,620)	(173,234)	(22,131)	(1,420)	(250,405)
Balance at March 31, 2020	$ 12,387,825	$ 15,216,190	$ 64,621,113	$ 13,222,886	$ 1,325,676	$ 106,773,690

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Construction in Progress	Total
Accumulated depreciation and impairment						
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)
Reclassification from investment properties	-	24,237	-	-	-	24,237
Effect of foreign currency exchange differences	-	(17,776)	(98,275)	(14,471)	-	(130,522)
Balance at March 31, 2020	$ 2,597	$ 7,122,684	$ 42,764,041	$ 9,488,754	$ -	$ 59,378,076
Carrying amount at January 1, 2020	$ 12,385,228	$ 8,024,690	$ 21,837,210	$ 3,513,418	$ 2,045,627	$ 47,806,173
Carrying amount at March 31, 2020	$ 12,385,228	$ 8,093,506	$ 21,857,072	$ 3,734,132	$ 1,325,676	$ 47,395,614

(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, 2021 and 2020 were as follows:

	For the Three Months Ended March 31	
	2021	**2020**
Acquisition of property, plant and equipment	$ 1,256,005	$ 655,041
Changes in prepayments for business facilities	(39,449)	201,126
Changes in payment of payables on equipment (accounted for as other payables, others)	817,918	195,904
	$ 2,034,474	$ 1,052,071

For the amounts of collateral pledged for bank borrowings, refer to Note 32.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount			
Land	$ 1,442,013	$ 1,457,802	$ 1,432,089
Buildings	313,282	331,266	404,032
Others	106,337	108,017	79,386
	$ 1,861,632	$ 1,897,085	$ 1,915,507

	For the Three Months Ended March 31	
	2021	**2020**
Additions to right-of-use assets	$ 34,035	$ 42,736
Depreciation charge for right-of-use assets		
Land	$ 11,169	$ 13,167
Buildings	32,247	37,719
Others	13,828	15,504
	$ 57,244	$ 66,390

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, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Carrying amount			
Current	$ 147,722	$ 158,415	$ 147,032
Non-current	$ 284,117	$ 286,837	$ 350,745

Range of discount rates for lease liabilities was as follows:

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Land	0.97%-1.68%	1.02%-1.68%	1.02%-1.68%
Buildings	0.97%-11.70%	1.02%-11.70%	1.06%-11.70%
Others	0.97%-6.00%	1.02%-6.00%	1.02%-6.00%

c. Other lease information

	For the Three Months Ended March 31	
	2021	**2020**
Expenses relating to short-term leases and low-value asset leases	$ 70,012	$ 57,738
Total cash outflow for leases	$ 117,493	$ 121,295

18. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2021	$ 2,867,764
Transfer from property, plant and equipment	994,832
Balance at March 31, 2021	$ 3,862,596
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 183,460
Depreciation expense	2,787
Transfer from property, plant and equipment	128,050
Balance at March 31, 2021	$ 314,297
Carrying amount at January 1, 2021	$ 2,684,304
Carrying amount at March 31, 2021	$ 3,548,299
Cost	
Balance at January 1, 2020	$ 2,950,751
Reclassification to property, plant and equipment	(83,365)
Effect of foreign currency exchange differences	377
Balance at March 31, 2020	$ 2,867,763
Accumulated depreciation and impairment	
Balance at January 1, 2020	$ 204,267
Depreciation expense	830
Reclassification to property, plant and equipment	(24,237)
Effect of foreign currency exchange differences	110
Balance at March 31, 2020	$ 180,970
Carrying amount at January 1, 2020	$ 2,746,484
Carrying amount at March 31, 2020	$ 2,686,793

The fair values of the investment properties owned by the Group were $9,461,356 thousand, $8,596,534 thousand and $7,085,537 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. The valuations were partially made by the Group using market transaction prices for similar properties and not by independent qualified professional valuers. The rental incomes were $18,836 thousand and $12,299 thousand for the three months ended March 31, 2021 and 2020, 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, 2021	December 31, 2020	March 31, 2020
Bank credit loans	$ 8,175,062	$ 6,268,373	$ 13,961,149
Bank secured loans	249,111	297,047	450,933
	$ 8,424,173	$ 6,565,420	$ 14,412,082

Current borrowings include bank credit and bank secured loans. As of March 31, 2021, December 31, 2020 and March 31, 2020, the interest rate intervals of bank credit loans were 0.52%-3.95% per annum, 0.52%-3.95% per annum and 0.73%-4.70% per annum, respectively. As of March 31, 2021, December 31, 2020 and March 31, 2020, the interest rate of bank secured loans were 1.25%-1.32% per annum, 1.21%-1.48% per annum and 3.55%-4.55% per annum, respectively.

b. Short-term notes and bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	$ 13,482,000	$ 9,403,000	$ 7,276,000
Less: Unamortized discounts on bills payable	(12,418)	(4,186)	(3,204)
	$ 13,469,582	$ 9,398,814	$ 7,272,796

The commercial paper is due within one year. Interest rate intervals on these bills payable were 0.69%-0.97% per annum, 0.78%-0.91% per annum and 0.97%-1.08% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

c. Non-current borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Syndicated loans	$ 19,613,965	$ 23,723,101	$ 22,866,194
Long-term bank credit loans	2,511,220	3,176,220	3,011,000
Long-term bank secured loans	178,403	177,883	543,268
	$ 22,303,588	$ 27,077,204	$ 26,420,462

Long-term bank loans include credit, secured and syndicated loans. Credit and secured loans expire in April 2027 and have interest rate intervals of 0.39%-2.68% per annum, 0.39%-2.40% per annum and 0.89%-4.55% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively; syndicated loans with monthly interest payments expire in December 2025 and have interest rate intervals of 1.79% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020.

20. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group’s defined benefit retirement plans were $14,793 thousand and $18,720 thousand for the three months ended March 31, 2021 and 2020, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2020 and 2019.

21. EQUITY

a. Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Numbers of shares authorized (in thousands)	2,200,000	2,200,000	2,200,000
Value of shares authorized	$ 22,000,000	$ 22,000,000	$ 22,000,000
Number of shares issued and fully paid (in thousands)	1,660,372	1,660,372	1,660,372
Value of shares issued	$ 16,603,715	$ 16,603,715	$ 16,603,715

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

b. Capital surplus

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

c. Retained earnings and dividend policy

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

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

1) At least 20% as cash dividends; and

2) The remainder after the distribution of cash dividends as share dividends. If there is a requirement for capital expenditures, the Company may distribute only share dividends.

The board of directors of the Company is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

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

Items referred to under Rule No. 1010012865, Rule No. 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 2020 and 2019 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 606,583	$ 263,411
Cash dividends	$ 2,490,557	$ 1,162,260
Cash dividends per share (NT$)	$ 1.5	$ 0.7

The appropriations of earnings for 2019 had been resolved in the shareholders' meetings in June 22, 2020. The above 2020 appropriation for cash dividends had been resolved by the Company's board of directors on February 26, 2021 and the other proposed appropriations will be resolved by the shareholders' meeting to be held on May 17, 2021.

d. 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
For the three months ended March 31, 2021				
Balance at January 1	$ (1,509,007)	$ 6,633,307	$ (3,025)	$ 5,121,275
Exchange differences on translation of foreign financial statements	(58,379)	-	-	(58,379)
Unrealized gains on financial assets measured at FVTOCI	-	1,279,625	-	1,279,625
Losses on hedging instruments	-	-	(142)	(142)
Share of other comprehensive income (loss) of associates accounted for using equity method	(62,574)	238,237	-	175,663
Changes in ownership interest in subsidiaries	-	(26)	-	(26)
Disposal of partial interests in subsidiaries	-	(32)	-	(32)
Balance at March 31	$ (1,629,960)	$ 8,151,111	$ (3,167)	$ 6,517,984
For the three months ended March 31, 2020				
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
Unrealized losses on financial assets measured at FVTOCI	-	(3,396,614)	-	(3,396,614)
Gains on hedging instruments	-	-	632	632
Share of other comprehensive loss of associates accounted for using equity method	(47,417)	(283,519)	-	(330,936)
Balance at March 31	$ (1,063,480)	$ 3,129,512	$ (5,745)	$ 2,060,287

e. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ 13,302,734	$ 11,533,301
Share of profit for the period	761,030	71,431
Other comprehensive income (loss) for the period:		
Exchange differences on translation of foreign financial statements	(20,162)	(11,831)
Unrealized gains (losses) on financial assets measured at FVTOCI	86,825	(167,766)
Losses on hedge instruments	(100)	(27)
Share of other comprehensive income (loss) of associates accounted for using the equity method	8,812	(18,002)
Changes in equity of associates accounted for using equity method	(578)	-
Changes in ownership interests in subsidiaries	1,819	4,044
Difference between consideration and carrying amount of subsidiaries acquired or disposed	793	-
Balance at March 31	$ 14,141,173	$ 11,411,150

22. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Revenue from contracts with customers - revenue from sale of goods	$ 17,129,529	$ 13,953,545
Other operating revenue	4,184,736	2,238,579
	$ 21,314,265	$ 16,192,124

<u>Contract balances</u>

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Notes receivable, net	$ 4,213,501	$ 3,453,523	$ 2,997,006	$ 2,874,640
Accounts receivable, net	$ 11,552,703	$ 11,811,120	$ 10,556,927	$ 11,559,561
Accounts receivable due from related parties, net	$ 90,495	$ 98,198	$ 88,894	$ 99,919
Contract liabilities - sale of goods	$ 733,179	$ 552,667	$ 506,535	$ 481,639

23. NET PROFIT

a. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	$ 130,986	$ 194,875
Interest on lease liabilities	2,787	3,820
Less: Capitalization amount of interest	(2,457)	(1,641)
	$ 131,316	$ 197,054

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2021	2020
Capitalization rate	0.81%-1.46%	1.08%-1.18%

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2021	2020
Property, plant and equipment	$ 948,920	$ 993,758
Investment properties	2,787	830
Right-of-use assets	57,244	66,390
Other non-current assets	39,155	39,817
	$ 1,048,106	$ 1,100,795
An analysis of depreciation by function		
Operating costs	$ 885,384	$ 943,715
Operating expenses	123,567	117,263
	$ 1,008,951	$ 1,060,978
An analysis of amortization by function		
Operating costs	$ 17,837	$ 7,494
Operating expenses	21,318	32,323
	$ 39,155	$ 39,817

c. Employee benefits expense

	For the Three Months Ended March 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	$ 46,720	$ 42,453
Defined benefit plans	14,793	18,720
	61,513	61,173
Share-based payments	-	8,007
Other employee benefits	2,292,906	1,972,949
Total employee benefits expense	$ 2,354,419	$ 2,042,129
An analysis of employee benefits expense by function		
Operating costs	$ 1,378,817	$ 1,223,200
Operating expenses	975,602	818,929
	$ 2,354,419	$ 2,042,129

d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended March 31, 2021 and 2020 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2021	2020
Compensation of employees	0.08%	0.06%
Remuneration of directors	0.35%	0.51%

Amount

	For the Three Months Ended March 31	
	2021	2020
	Cash	Cash
Compensation of employees	$ 1,293	$ 375
Remuneration of directors	$ 5,500	$ 3,125

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 Compensation of employees and remuneration of directors for the years ended December 31, 2020 and 2019 which have been approved by the Company's board of the directors on February 26, 2021 and March 23, 2020, respectively, are as follows:

Amount

	For the Three Months Ended March 31	
	2020	2019
	Cash	Cash
Compensation of employees	$ 5,361	$ 2,282
Remuneration of directors	22,000	12,500

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

24. INCOME TAXES

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

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current period	$ 537,881	$ 216,074
Deferred tax		
In respect of the current period	12,455	1,368
	$ 550,336	$ 217,442

b. Income tax approved situation

	Final Approved Year
The Company	2016
Yuen Foong Yu Consumer Products Co., Ltd.	2016
Hwa Fong Investments Co., Ltd.	2019
Effion Enertech Co., Ltd.	2019
Shin Foong Specialty and Applied Materials Co., Ltd.	2019
YFY Paradigm Investment Co., Ltd.	2019
Livebricks Inc.	2019
Ever Growing Agriculture Biotech Co., Ltd.	2019
YFY Corporate Advisory & Service Co., Ltd.	2019
Sustainable Carbohydrate Innovation Co., Ltd.	2019
Genovella Renewables Inc.	2019
China Color Printing Co., Ltd.	2018

(Continued)

	Final Approved Year
Yuen Yan Paper Container Co., Ltd.	2018
Fidelis IT Solutions Co., Ltd.	2018
YFY Biotech Management Co., Ltd.	2018
San Ying Enterprise Co., Ltd.	2018
Union Paper Corp.	2018
Pek Crown Paper Co., Ltd.	2018
YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	2018
Yuen Foong Shop Co., Ltd.	2018
Chung Hwa Pulp Corporation	2018
YFY Packaging Inc.	2017
Yeon Technologies Co., Ltd.	2017

(Concluded)

25. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2021	2020
Basic earnings per share (NT$)	$ 0.94	$ 0.38
Diluted earnings per share (NT$)	$ 0.94	$ 0.38

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	
	2021	2020
Profit for the period attributable to owners of the Company	$ 1,557,980	$ 635,198
Earnings used in the computation of diluted earnings per share	$ 1,557,980	$ 635,198

Number of Share (In Thousands)

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,660,372	1,660,372
Effect of potentially dilutive ordinary shares:		
Compensation of employees	166	229
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,660,538	1,660,601

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. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share options plan of the subsidiary - Shin Foong Specialty and Applied Materials Co., Ltd.

In order to attract and retain the professional talents needed by the subsidiary, improve the employees' cohesion and sense of belonging to the subsidiary, and jointly create the interests of subsidiary and shareholders, the board of directors of the subsidiary resolved to issue 2,318 employee share options in April 2016. Each option entitles the holder to subscribe for 1,000 ordinary shares of Shin Foong Specialty and Applied Materials Co., Ltd. The eligible participants for share options are the full-time employees who meet certain specific requirements of the subsidiary. The options granted are valid for 5 years and exercisable at the following vesting conditions after the second anniversary from the grant date. Under the terms of the plan, share options are granted at an exercise price equal to or not less than its net value per share as reported in the financial reports for the most recent fiscal period audited by the CPA at the issue date. For any subsequent changes in the subsidiary's capital structure, the exercise price is adjusted according to the terms. The subsidiary resolved to distribute cash dividends in the shareholders' meeting in 2020. Thus, the exercise price was adjusted from $18.3 to $17.7 in August 2020.

Vesting Conditions	The Ratio of Entitled Exercise (%) (Accumulated)
The second anniversary from the grant date	50
The third anniversary from the grant date	75
The fourth anniversary from the grant date	100

Information on compensatory employee share options issued in April 2016 was as follows:

Employee Share Options	Number of Options (In Thousands of Units)	Exercise Price
Granted in April 2016	2,318	$ 23
Weighted-average fair value of options granted in April 2016 (NT$)	$ 50.97	

Information on employee share options certificates that the subsidiary issued was as follows:

	For the Three Months Ended March 31			
	2021		2020	
Share Options Certificates	**Number of Options (Units)**	**Exercise Price ($)**	**Number of Options (Units)**	**Exercise Price ($)**
Balance at January 1	350,000		1,591,000	
Options exercised	(50,000)		-	
Balance at March 31	300,000		1,591,000	
Options exercisable, end of period	300,000	$ 17.7	1,591,000	$ 18.3

Information about the outstanding share options at each balance sheet date is as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Exercise price per share (NT$)	$ 17.7	$ 17.7	$ 18.3
Weighted average remaining contractual life	0.08 years	0.33 years	1.08 years

The subsidiary measured employee share options by using the Black-Scholes-Merton Option Pricing Model, and the inputs to the models were as follows:

Share price at the grant date	$73.21
Exercise price	$23
Expected volatility (%)	31.09-31.92
Expected lives (years)	3.5-4.5
Expected dividend yield (%)	-
Expected grant (%)	100
Risk free interest rate (%)	0.53-0.58

The employee benefit expenses recognized on the employee share option plans $8,007 thousand for the three months ended March 31, 2020 with a corresponding same amount recognized in capital surplus - employee share options.

27. DERECOGNITION OF SUBSIDIARY

Kunshan YFY Advertising and Printing Co., Ltd. entered the bankruptcy procedure in January 2021. The trustee in bankruptcy was appointed by the court. The Group no longer has the ability to direct Kunshan YFY Advertising and Printing Co., Ltd., due to loss of control. Thus, the Group derecognized the assets and liabilities of the former subsidiary.

a. Consideration received from disposals

	Kunshan YFY Advertising and Printing Co., Ltd.
Cash	$ -

b. Analysis of assets and liabilities on the loss of control date

	Kunshan YFY Advertising and Printing Co., Ltd.
Current assets	
Cash	$ 230
Other current assets, others	399
Current liabilities	
Accounts payable	(25,340)
Other current liabilities, others	(9,871)
Non-current liabilities	
Other non-current liabilities, others	(2)
Net liabilities derecognized	$ (34,584)

c. Gain from derecognition of subsidiary

	Kunshan YFY Advertising and Printing Co., Ltd.
Net liabilities derecognized	$ 34,584
Effect of foreign currency exchange differences	94
Gain from derecognition of subsidiary (accounted for as other income, others)	$ 34,678

d. Net cash outflow on derecognition of subsidiary

	Kunshan YFY Advertising and Printing Co., Ltd.
Consideration received in cash	$ -
Less: Cash balance disposed of	(230)
	$ (230)

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Company disposed of its partial ownership of Shin Foong Specialty and Applied Materials Co., Ltd. for the three months ended March 31, 2021. Thus, the shareholding ratio of the Group in Shin Foong Specialty and Applied Materials Co., Ltd. was reduced to 48.8%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	Shin Foong Specialty and Applied Materials Co., Ltd
Consideration received	$ 6,323
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(1,672)
Differences recognized from equity transactions	$ 4,651
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 4,651

29. 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).

30. 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, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 50,779	$ -	$ 50,779
Mutual funds	1,295,625	-	-	1,295,625
Structured deposits	-	1,658,221	-	1,658,221
	$ 1,295,625	$ 1,709,000	$ -	$ 3,004,625

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instruments				
Listed shares	$ 16,459,436	$ -	$ -	$ 16,459,436
Unlisted shares	-	-	4,577,497	4,577,497
	$ 16,459,436	$ -	$ 4,577,497	$ 21,036,933
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 96,326	$ -	$ 96,326
Financial liabilities held for hedging (accounted for as other current liabilities, others)				
Derivative financial liabilities	$ -	$ 66	$ -	$ 66

(Concluded)

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 8,896	$ -	$ 8,896
Mutual funds	1,124,623	-	-	1,124,623
Structured deposits	-	1,584,705	-	1,584,705
	$ 1,124,623	$ 1,593,601	$ -	$ 2,718,224
Financial assets held for hedging (accounted for as other current assets, others)				
Derivative financial assets	$ -	$ 54	$ -	$ 54
Financial assets at FVTOCI				
Equity instruments				
Listed shares	$ 14,672,029	$ -	$ -	$ 14,672,029
Unlisted shares	-	-	4,962,769	4,962,769
	$ 14,672,029	$ -	$ 4,962,769	$ 19,634,798
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 147,149	$ -	$ 147,149

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 156,083	$ -	$ 156,083
Mutual funds	318,546	-	-	318,546
Subordinated financial debentures	-	406,296	-	406,296
Structured deposits	-	511,902	-	511,902
	$ 318,546	$ 1,074,281	$ -	$ 1,392,827
Financial assets at FVTOCI				
Equity instruments				
Listed shares	$ 12,637,046	$ -	$ -	$ 12,637,046
Unlisted shares	-	-	3,616,292	3,616,292
	$ 12,637,046	$ -	$ 3,616,292	$ 16,253,338
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 23,195	$ -	$ 23,195
Financial liabilities held for hedging (accounted for as other current liabilities, others)				
Derivative financial liabilities	$ -	$ 27	$ -	$ 27

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2021 and 2020.

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

For the three months ended March 31, 2021

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 4,962,769
Recognized in other comprehensive loss (accounted for as unrealized gain (loss) on investments in equity instruments designated as at FVTOCI)	(344,488)
Return of capital upon investees' capital reduction	(39,145)
Effect of foreign currency exchange differences	(1,639)
Balance at March 31, 2021	$ 4,577,497

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 loss (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	1,542
Balance at March 31, 2020	$ 3,616,292

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

Financial Instruments	Valuation Techniques and Inputs
Structured deposits	Discounted cash flow method: The future cash flow is estimated based on the observable interest rate at the end of the period, discounted at the market interest rate.
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, 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, 2021	December 31, 2020	March 31, 2020
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 3,004,625	$ 2,718,224	$ 1,392,827
FVTOCI	21,036,933	19,634,798	16,253,338
Derivative instruments in designated hedge accounting relationships	-	54	-
Amortized cost (1)	25,289,026	24,411,439	22,653,810
Financial liabilities			
FVTPL			
Held for trading	96,326	147,149	23,195
Derivative instruments in designated hedge accounting relationships	66	-	27
Amortized cost (2)	60,172,148	58,089,476	60,175,525

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, 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, 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 New Taiwan dollar (i.e., 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	
	2021	**2020**
Influence to profit or loss at 5% variance		
USD	$ 11,480	$ 46,364
RMB	$ (10,441)	$ (113,600)

b) Interest rate risk

The Group was exposed to interest rate risk 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, 2021	**December 31, 2020**	**March 31, 2020**
Fair value interest rate risk			
Financial assets	$ 4,800,279	$ 4,106,856	$ 5,516,632
Financial liabilities	13,469,582	9,398,814	7,272,796
Lease liabilities	431,839	445,252	497,777
Cash flow interest rate risk			
Financial assets	4,615,800	4,925,981	3,462,899
Financial liabilities	30,727,761	33,642,624	40,832,544

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, 2021 and 2020 would have decreased/increased by $13,056 thousand and $18,685 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, 2021 and 2020 would have increased/decreased by $64,781 thousand and $15,927 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, 2021 and 2020 would have increased/decreased by $1,051,847 thousand and $812,667 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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

2) Credit risk

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

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

To maintain the quality of the accounts receivable, the Group has built a credit risk management procedure to reduce the credit risk from specific customer. The credit evaluation of individual customer includes considering factors that will affect its payment ability such as financial condition, past transaction records and current economic conditions.

Credit risk of bank deposits, fixed - income investments and other financial instruments with banks is evaluated and monitored by the Group's financial department. Since the counterparties are creditworthy banks and financial institutions with good credit rating, thus, there's no significant credit risk.

3) Liquidity risk

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

As of March 31, 2021, December 31, 2020 and March 31, 2020, the amounts of unused financing facilities were $53,681,824 thousand, $54,579,359 thousand and $46,022,828 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods by financial institutions. The tables 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 included both interest and principal cash flows. Specifically, loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the financial institutes choosing to exercise their rights.

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

March 31, 2021

	Less than 1 Year	**1 - 5 Years**	**5+ Years**
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 8,823,121	$ 22,455,807	$ 744,222
Fixed interest rate liabilities	13,482,000	-	-
Lease liabilities	171,436	324,258	17,108
	$ 22,476,557	$ 22,780,065	$ 761,330

December 31, 2020

	Less than 1 Year	**1 - 5 Years**	**5+ Years**
Non-derivative financial liabilities			
Floating interest rate liabilities	$ 7,044,065	$ 27,627,689	$ 748,756
Fixed interest rate liabilities	9,403,000	-	-
Lease liabilities	181,981	314,123	29,451
	$ 16,629,046	$ 27,941,812	$ 778,207

March 31, 2020

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

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	
	2021	2020
The discounted amount	$ 253,895	$ 298,620
The received amount	$ 248,838	$ 296,743
Interest rates	3.15%-3.93%	2.66%-2.75%

31. 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

Related Party	Relationship with the Group
Hsin-Yi Enterprise Co., Ltd.	Entities with key management personnel
Yuen Foong Paper Co., Ltd.	Entities with key management personnel
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
Chengdu JingShiTong Packing Co., Ltd.	Associate
JLD Logistics Ltd.	Associate
YJY Packaging Ltd.	Associate
YFY Green Food (Shanghai) Co., Ltd.	Associate
Vinh Phu Packing And Printing Company Limited	Associate
SinoPac Financial Holdings Co., Ltd.	Substantive related party
SinoPac Securities Corporation	Substantive related party
SinoPac Leasing Corporation	Substantive related party
Bank SinoPac	Substantive related party
Beautone Co., Ltd.	Substantive related party
Hsinex International Corp.	Substantive related party
Fu Hwa Development Enterprise Co., Ltd.	Substantive related party
Hsin-Yi Foundation	Substantive related party
YFY BioTechnology (Kunshan) Co., Ltd.	Substantive related party
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

(Continued)

Related Party	Relationship with the Group
Synmax Biochemical Co., Ltd.	Substantive related party
Taiwan Stock Exchange Corporation	Substantive related party

(Concluded)

b. Operating revenue

Related Party Category/Name	For the Three Months Ended March 31 2021	2020
Substantive related party	$ 42,719	$ 55,609
Entities with key management personnel	22,100	17,648
Associate	10,667	2,798
	$ 75,486	$ 76,055

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 2021	2020
Associate	$ 64,339	$ 17,248
Substantive related party	1,353	1,162
Entities with key management personnel	1,312	184
	$ 67,004	$ 18,594

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, 2021	December 31, 2020	March 31, 2020
Receivables from related parties	Associate			
	Taiwan Global BioFund Co., Ltd.	$ 27,232	$ 27,106	$ 27,232
	Others	11,720	10,648	4,973
		38,952	37,754	32,205
	Substantive related party			
	Beautone Co., Ltd.	28,114	38,108	38,751
	Others	3,290	5,291	3,532
		31,404	43,399	42,283

(Continued)

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Receivables from related parties	Entities with key management personnel			
	Yuen Foong Paper Co., Ltd.	$ 19,881	$ 16,771	$ 14,152
	Others	258	274	254
		20,139	17,045	14,406
		$ 90,495	$ 98,198	$ 88,894

(Concluded)

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, 2021	December 31, 2020	March 31, 2020
Payables to related parties	Associate			
	YJY Packaging Ltd.	$ 45,969	$ 41,760	$ 22,359
	Vinh Phu Packing And Printing Company Limited	20,574	29,870	-
	JLD Logistics Ltd.	8,675	8,739	4,075
	Others	659	460	560
		75,877	80,829	26,994
	Entities with key management personnel			
	Hsin-Yi Enterprise Co., Ltd.	4,908	5,196	4,350
	Others	1,849	1,150	1,375
		6,757	6,346	5,725
	Substantive related party	2,323	2,481	2,181
		$ 84,957	$ 89,656	$ 34,900

The outstanding accounts payables to related parties are unsecured.

f. Others

Rental income

Related Party Category/Name	For the Three Months Ended March 31 2021	2020
Entities with key management personnel	$ 2,012	$ 2,016
Substantive related party	1,803	1,810
Associate	302	302
	$ 4,117	$ 4,128

Rental expenses (accounted for as operating expenses)

Related Party Category/Name	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Entities with key management personnel	$ 11,008	$ 10,901
Substantive related party	922	81
Associate	-	59
	$ 11,930	$ 11,041

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%. The debentures had been redeemed by Bank SinoPac in November 2020.

As of March 31, 2020, the interest receivables were $6,500 thousand.

The Group purchased part of the shares of Medeon Biodesign, Inc. from Taiwan Global BioFund Co., Ltd. for $75,025 thousand (accounted for as current and non-current financial assets at FVTOCI) in February 2021.

g. Compensation of key management personnel

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Short-term employee benefits	$ 24,567	$ 17,545
Post-employment benefits	99	108
	$ 24,666	$ 17,653

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

32. 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, 2021	December 31, 2020	March 31, 2020
Notes receivable, net	$ 2,624,723	$ 2,044,721	$ 1,637,814
Property, plant and equipment	889,893	903,352	1,002,039
Pledged deposits (classified as other current financial assets)	137,098	28,147	74,435
Land use rights (accounted for as right-of-use assets)	103,383	103,881	112,466
Pledged time deposits (accounted for as other current financial assets and other non-current assets, others)	3,123	3,123	2,659
Structured deposit (accounted for as current financial assets at fair value through profit or loss)	-	73,373	269,227
	$ 3,758,220	$ 3,156,597	$ 3,098,640

33. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2021, December 31, 2020 and March 31, 2020, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $1,303,208 thousand, $799,883 thousand and $727,840 thousand, respectively.

As of March 31, 2021 and December 31, 2020, the contract of commitment to acquire land, property, plant and equipment amounted to $62,016 thousand and $2,767,256 thousand, respectively. The outstanding payments were $11,808 thousand and $1,180,333 thousand, respectively.

34. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, some of the Group’s subsidiaries, customers and suppliers were required to implement policies such as isolation and travel restrictions. However, due to the hot sales of anti-epidemic concept products, increase in demand and price of paper and paper products, the Group’s revenue and operating profit increased for the three months ended March 31, 2021. Therefore, there was no significant impact on the Group’s overall operation. Because many countries are still under lockdown and the tightening global economic situation continues, the Group will continue to evaluate the impact of subsequent epidemic events on its operations.

35. 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, 2021		
	Foreign Currency (In Thousands)	**Exchange Rate**	**Carrying Amount**
Foreign currency assets			
Monetary items			
RMB	$ 2,531,872	0.152 (RMB:USD)	$ 10,994,318
USD	72,866	28.535 (USD:NTD)	2,079,224
VND	927,207,612	0.00004 (VND:USD)	1,147,100
Foreign currency liabilities			
Monetary items			
USD	52,922	28.535 (USD:NTD)	1,510,133
VND	854,950,095	0.00004 (VND:USD)	1,057,707
USD	36,490	6.571 (USD:NTD)	1,041,240

	December 31, 2020		
	Foreign Currency (In Thousands)	**Exchange Rate**	**Carrying Amount**
Foreign currency assets			
Monetary items			
RMB	$ 2,494,422	0.153 (RMB:USD)	$ 10,887,696
USD	89,334	28.48 (USD:NTD)	2,544,222
VND	1,035,394,362	0.00004 (VND:USD)	1,276,649
Foreign currency liabilities			
Monetary items			
USD	52,828	28.48 (USD:NTD)	1,504,546
USD	41,706	6.524 (USD:RMB)	1,187,776

	March 31, 2020				
	Foreign Currency (In Thousands)		Exchange Rate		Carrying Amount
Foreign currency assets					
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
Foreign currency liabilities					
Monetary items					
USD		83,355	7.085 (USD:RMB)		2,519,416
USD		33,180	30.225 (USD:NTD)		1,002,868

For the three months ended March 31, 2021 and 2020, realized and unrealized net foreign exchange loss were $132,846 thousand and $195,232 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.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 2)

2) Endorsements/guarantees provided. (Table 3)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 4)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 5)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 6)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (Table 7)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 8)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 9)

9) Trading in derivative instruments. (Notes 7 and 10)

10) Intercompany relationships and significant intercompany transactions. (Table 12)

b. Information on investees (Table 10)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 11)

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 8)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 3)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 2)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)

d. Information of major shareholders：List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 13)

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 in Taiwan	Business Unit of Container - Board and Packaging in Mainland China	Business Unit of Consumer Products	Business Unit of Special Materials	Other Segment	Total
For the three months ended March 31, 2021							
Revenue from external customers	$ 4,465,356	$ 4,396,307	$ 4,844,146	$ 2,583,999	$ 2,231,133	$ 2,793,324	$ 21,314,265
Revenue from other internal operating segments	1,011,922	559,463	93,839	5,319	67,530	176,007	1,914,080
Segment revenue	$ 5,477,278	$ 4,955,770	$ 4,937,985	$ 2,589,318	$ 2,298,663	$ 2,969,331	23,228,345
Eliminations							(1,914,080)
Consolidated revenue							$ 21,314,265
Total profit or loss for reportable segments	$ 111,632	$ 739,535	$ 54,811	$ 433,425	$ 1,335,933	$ 45,762	$ 2,721,098
Eliminations							17,669
Segment profit or loss							2,738,767
Finance costs							(131,316)
Net gain on fair value change of financial instruments at fair value through profit or loss							30,326
Foreign exchange loss							(132,846)
Net non-operating income and expenses							364,415
Profit before income tax							$ 2,869,346

(Continued)

	Business Unit of Pulp and Fine Paper	Business Unit of Container - Board and Packaging in Taiwan	Business Unit of Container - Board and Packaging in Mainland China	Business Unit of Consumer Products	Business Unit of Special Materials	Other Segment	Total
For the three months ended March 31, 2020							
Revenue from external customers	$ 3,897,382	$ 3,655,701	$ 3,054,625	$ 2,614,542	$ 860,695	$ 2,109,179	$ 16,192,124
Revenue from other internal operating segments	664,090	325,357	25,947	63,812	57,914	179,609	1,316,729
Segment revenue	$ 4,561,472	$ 3,981,058	$ 3,080,572	$ 2,678,354	$ 918,609	$ 2,288,788	17,508,853
Eliminations							(1,316,729)
Consolidated revenue							$ 16,192,124
Total profit or loss for reportable segments	$ (136,396)	$ 491,962	$ (6,015)	$ 367,668	$ 154,823	$ 25,096	$ 897,138
Eliminations							19,320
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							231,014
Profit before income tax							$ 924,071

(Concluded)

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

a. Pulp and fine paper segment

   Manufacture and sale of cardboard, paper and pulp.

b. Containerboard and packaging segment in Taiwan

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

c. Containerboard and packaging segment in mainland China

   Manufacture and sale of paper for cardboard cases.

d. Consumer product segment

   Manufacture and sale of tissue paper, napkins and detergents.

e. Special materials segment

   Manufacture and sale of SBR (styrene butadiene rubber) latex.

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, 2021	December 31, 2020	March 31, 2020
Segment assets			
Business unit of pulp and fine paper	$ 32,802,927	$ 32,670,233	$ 30,821,911
Business unit of containerboard and packaging in Taiwan	19,582,864	19,991,380	22,875,159
Business unit of containerboard and packaging in mainland China	22,725,905	22,346,822	22,559,918
Business unit of consumer products	7,587,783	7,541,547	7,862,206
Business unit of special materials	7,460,473	5,964,918	4,121,854
Other segments	80,010,117	76,691,804	71,839,777
Adjustment and elimination	(42,552,358)	(41,435,494)	(43,687,961)
Consolidated total assets	$ 127,617,711	$ 123,771,210	$ 116,392,864

Geographical Information

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

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

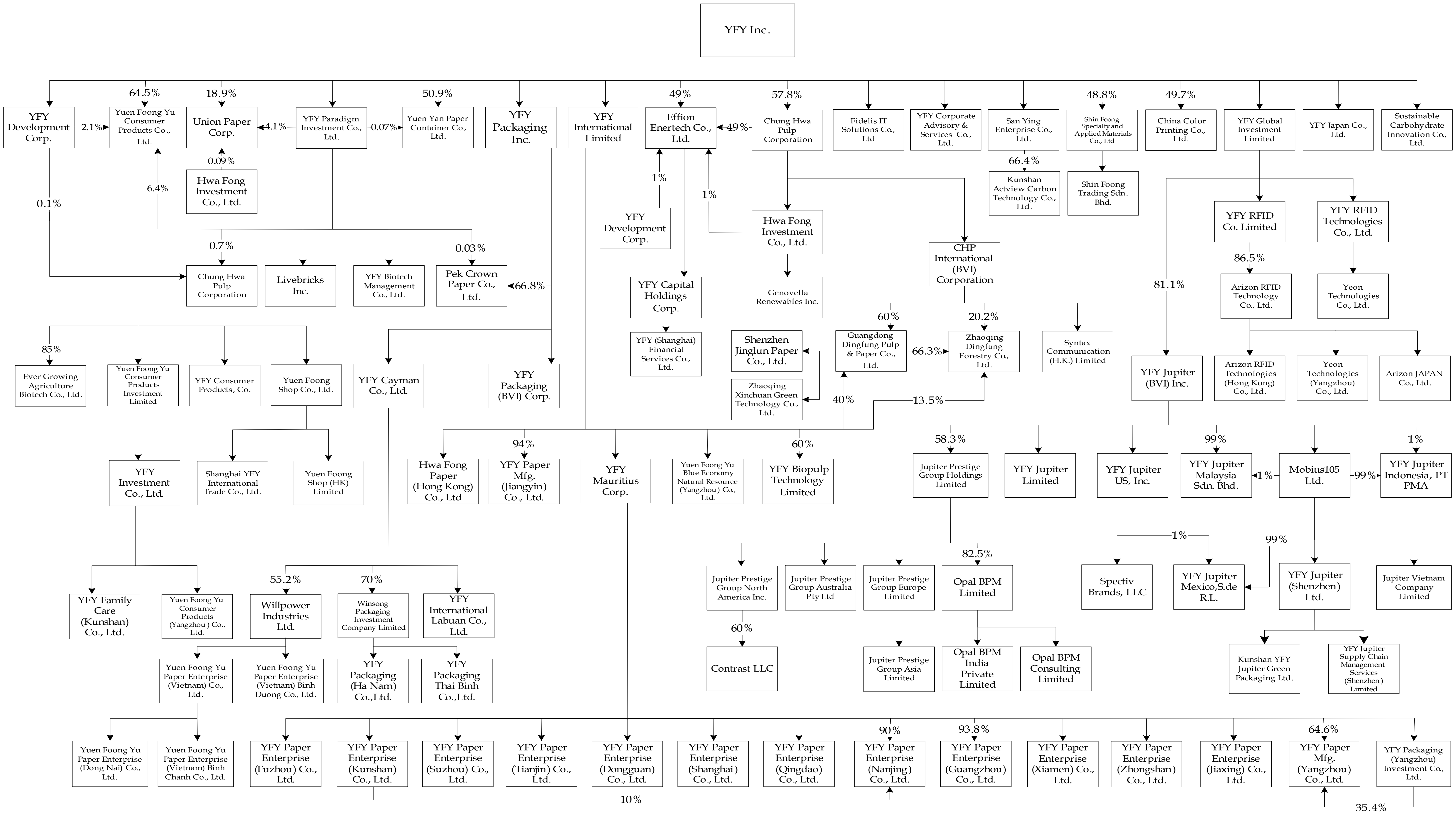
	Revenue from External Customers For the Three Months Ended March 31		Non-current Assets		
	2021	2020	March 31, 2021	December 31, 2020	March 31, 2020
Taiwan	$ 11,131,256	$ 9,276,979	$ 35,569,672	$ 34,804,721	$ 32,813,077
Mainland China	7,298,125	4,653,936	17,450,791	17,723,781	18,517,294
Others	2,884,884	2,261,209	3,229,772	3,239,704	3,278,428
	$ 21,314,265	$ 16,192,124	$ 56,250,235	$ 55,768,206	$ 54,608,799

Information about Major Customers

No single customer contributed 10% or more to the Group's revenue for both 2021 and 2020.

YFY INC. AND SUBSIDIARIES

DIAGRAM OF INVESTMENT STRUCTURE
MARCH 31, 2021



Note：100% of Ownership, Unless Otherwise Stated.

YFY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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 Limited	YFY International Limited	Other receivables from related parties	Yes	$ 1,192,380	$ 428,025	$ 428,025	0.80	Short-term financing	-	Financing for working capital requirements	$ -	-	$ -	$ 11,969,832	$ 11,969,832	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	1,346,134	1,346,134	1,346,134	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	11,969,832	11,969,832	Note 2
2	YFY International Limited	YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	120,652	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd	Other receivables from related parties	Yes	276,402	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Zhongshan) Co., Ltd	Other receivables from related parties	Yes	30,711	30,397	30,397	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd	Other receivables from related parties	Yes	262,143	60,793	60,793	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Shanghai) Co., Ltd	Other receivables from related parties	Yes	200,940	198,880	86,847	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	315,011	212,776	130,271	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd	Other receivables from related parties	Yes	161,235	159,582	159,582	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd	Other receivables from related parties	Yes	219,367	217,118	217,118	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd	Other receivables from related parties	Yes	219,367	217,118	217,118	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd	Other receivables from related parties	Yes	596,677	590,562	590,562	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	6,418,533	6,377,853	6,377,853	2.50	Short-term financing	-	Financing for working capital requirements	-	-	-	31,536,740	31,536,740	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd	Other receivables from related parties	Yes	131,620	130,271	130,271	3.75	Short-term financing	-	Financing for working capital requirements	-	-	-	6,307,348	6,307,348	Note 2
3	YFY Paper Enterprise (Guangzhou) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	50,632	50,632	27,756	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	50,636	202,542	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	50,632	50,632	44,904	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	50,636	202,542	Note 2
4	YFY Paper Enterprise (Kunshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	981,571	580,761	113,970	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,161,531	1,161,531	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	981,571	580,761	391,777	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,161,531	1,161,531	Note 2
5	YFY Paper Enterprise (Qingdao) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,942,427	1,015,428	110,237	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,030,863	2,030,863	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	1,942,427	1,015,428	621,455	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,030,863	2,030,863	Note 2
6	YFY Paper Enterprise (Nanjing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	836,429	463,891	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	927,784	927,784	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd	Other receivables from related parties	Yes	836,429	463,891	78,411	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	927,784	927,784	Note 2
7	YFY Paper Enterprise (Dongguan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,005,041	1,005,041	95,505	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,005,050	1,005,050	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	1,005,041	1,005,041	472,478	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,005,050	1,005,050	Note 2
8	YFY Paper Enterprise (Tianjin) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,563,017	831,759	45,370	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,663,518	1,663,518	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	1,563,017	831,759	565,845	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	1,663,518	1,663,518	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			
9	YFY Paper Enterprise (Zhongshan) Co., Ltd.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	$ 1,925,234	$ 1,028,416	$ 135,591	3.25	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 2,056,836	$ 2,056,836	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd	Other receivables from related parties	Yes	1,925,234	1,028,416	731,791	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,056,836	2,056,836	Note 2
10	YFY Paper Enterprise (Suzhou) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	468,152	266,391	19,240	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	532,788	532,788	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd	Other receivables from related parties	Yes	468,152	266,391	72,701	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	532,788	532,788	Note 2
11	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	1,510	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	1,769	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	16,383	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	504,125	206,262	17,057	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	206,264	206,264	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd	Other receivables from related parties	Yes	25,206	10,313	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	10,313	41,253	Note 2
12	YFY Paper Enterprise (Shanghai) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	696,994	417,875	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	835,753	835,753	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd	Other receivables from related parties	Yes	696,994	417,875	114,672	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	835,753	835,753	Note 2
13	YFY Paper Enterprise (Jiaxing) Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	264,701	122,837	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	245,678	245,678	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd	Other receivables from related parties	Yes	264,701	122,837	15,540	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	245,678	245,678	Note 2
14	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Other receivables from related parties	Yes	115,529	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,155,309	1,155,309	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Zhongshan) Co., Ltd	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Tianjin) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Dongguan) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Qingdao) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Suzhou) Co., Ltd	Other receivables from related parties	Yes	438,733	434,237	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	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			
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	$ 438,733	$ 434,237	$ -	3.50	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 2,310,620	$ 2,310,620	Note 2
		Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	153,557	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		Kunshan YFY Jupiter Green Packaging Ltd.	Other receivables from related parties	Yes	153,557	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Jupiter (Shenzhen) Ltd.	Other receivables from related parties	Yes	153,557	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		Kunshan YFY Advertising and Printing Co., Ltd.	Other receivables from related parties	Yes	438,733	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	153,557	115,529	141	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Xiamen) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	1,265	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		Shanghai YFY International Trade Co., Ltd.	Other receivables from related parties	Yes	3,097	2,823	2,343	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	62,191	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Jiaxing) Co., Ltd	Other receivables from related parties	Yes	438,733	434,237	118,588	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Nanjing) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	158,623	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Packaging (Yangzhou) Investment Co., Ltd.	Other receivables from related parties	Yes	1,155,309	1,155,309	224,358	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Enterprise (Fuzhou) Co., Ltd.	Other receivables from related parties	Yes	438,733	434,237	385,287	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	2,310,620	2,310,620	Note 2
		YFY Paper Mfg. (Jiangyin) Co., Ltd.	Other receivables from related parties	Yes	153,557	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	115,531	462,124	Note 2
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	Other receivables from related parties	Yes	153,557	115,529	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	115,531	462,124	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	98,806	98,806	97,461	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	197,619	197,619	Note 2
16	YFY Jupiter (Shenzhen) Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	311,892	303,288	167,815	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	606,579	606,579	Note 2
17	Kunshan YFY Jupiter Green Packaging Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	124,968	107,291	106,551	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	214,584	214,584	Note 2
18	YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	39,466	39,446	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	78,900	78,900	Note 2
19	YFY RFID Co. Limited	YFY International Limited	Other receivables from related parties	Yes	202,599	202,599	202,599	1.00	Short-term financing	-	Financing for working capital requirements	-	-	-	6,146,881	6,146,881	Note 2
20	Hwa Fong Paper (Hong Kong) Co., Ltd.	YFY International Limited	Other receivables from related parties	Yes	73,814	62,691	62,691	1.00	Short-term financing	-	Financing for working capital requirements	-	-	-	140,985	140,985	Note 2
21	YFY Jupiter (BVI) Inc.	YFY Jupiter Indonesia, PT PMA	Other receivables from related parties	Yes	42,585	34,242	34,242	9.00	Short-term financing	-	Financing for working capital requirements	-	-	-	273,369	273,369	Note 2
		YFY Jupiter US, Inc.	Other receivables from related parties	Yes	77,733	68,114	68,114	1.60-3.60	Short-term financing	-	Financing for working capital requirements	-	-	-	273,369	273,369	Note 2
22	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	483,648	449,887	110,385	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	449,887	1,799,547	Note 2
23	CHP International (BVI) Corporation	Zhaoqing Dingfung Forestry Co., Ltd.	Other receivables from related parties	Yes	313,885	313,885	313,885	1.50	Short-term financing		Financing for working capital requirements	-	-	-	1,993,571	1,993,571	Note 2
		Shenzhen Jinglun Paper Co., Ltd.	Other receivables from related parties	Yes	184,268	182,379	182,379	2.10	Short-term financing	-	Financing for working capital requirements	-	-	-	1,993,571	1,993,571	Note 2
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Other receivables from related parties	Yes	1,123,158	1,111,646	1,111,646	2.10-3.00	Short-term financing	-	Financing for working capital requirements	-	-	-	1,993,571	1,993,571	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			
24	Shenzhen Jinglun Paper Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	$ 14,260	$ 14,260	$ -	3.25	Short-term financing	$ -	Financing for working capital requirements	$ -	-	$ -	$ 14,260	$ 57,044	Note 2
25	Yuen Foong Yu Consumer Products Co., Ltd.	YFY Investment Co., Ltd.	Long-term receivables from related parties	Yes	428,025	428,025	428,025	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	5,987,091	5,987,091	Note 2
		YFY Investment Co., Ltd.	Long-term receivables from related parties	Yes	428,025	428,025	428,025	2.00	Short-term financing	-	Financing for working capital requirements	-	-	-	5,987,091	5,987,091	Note 2
26	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	413,594	262,903	92,833	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	525,806	525,806	Note 2
27	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Other receivables from related parties	Yes	1,115,487	1,104,055	-	3.25	Short-term financing	-	Financing for working capital requirements	-	-	-	2,283,943	2,283,943	Note 2
28	YFY Investment Co., Ltd.	Shanghai YFY International Trade Co., Ltd.	Other receivables from related parties	Yes	3,097	3,066	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,064,051	4,064,051	Note 2
		YFY Family Care (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	1,497,345	1,481,998	-	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,064,051	4,064,051	Note 2
		Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Other receivables from related parties	Yes	1,497,345	1,481,998	159,582	3.50	Short-term financing	-	Financing for working capital requirements	-	-	-	4,064,051	4,064,051	Note 2
29	YFY Mauritius Corp.	YFY International Limited	Other receivables from related parties	Yes	285,350	285,350	285,350	0.80	Short-term financing	-	Financing for working capital requirements	-	-	-	13,185,676	13,185,676	Note 2
30	Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Vinh Phu Packing And Printing Company Limited	Other receivables from related parties	Yes	18,555	18,555	18,555	3.40	Short-term financing	-	Financing for working capital requirements	-	-	-	651,623	651,623	-
31	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Fidelis IT Solutions Co., Ltd.	Other receivables from related parties	Yes	50,000	50,000	50,000	1.05	Short-term financing	-	Financing for working capital requirements	-	-	-	853,537	853,537	Note 2
32	Effion Enertech Co., Ltd.	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Other receivables from related parties	Yes	122,000	-	-	-	Short-term financing	-	Financing for working capital requirements	-	-	-	184,124	184,124	Note 2
		YFY Paradigm Investment Co., Ltd.	Other receivables from related parties	Yes	184,000	184,000	184,000	0.85	Short-term financing	-	Financing for working capital requirements	-	-	-	184,124	184,124	Note 2
33	YFY Japan Co., Ltd	YFY International Limited	Other receivables from related parties	Yes	67,900	56,694	56,694	0.75	Short-term financing	-	Financing for working capital requirements	-	-	-	216,609	216,609	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 loan is for the borrower's business purposes or for short-term financing, the amount of financing should not exceed twice of the lender's net equity as of the end of the prior year.

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

(Concluded)

YFY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee Name	Endorsee/Guarantee Relationship	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
	Endorsement/guarantee												
1	YFY Inc.	YFY Packaging (Yangzhou) Investment Co., Ltd.	Note 3 a.	$ 67,477,898	$ 285,177	$ 282,254	$ -	$ -	0.62	$ 89,970,530	Yes	No	Yes
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 3 a.	67,477,898	3,007,536	2,992,816	906,347	-	6.59	89,970,530	Yes	No	Yes
2	Willpower Industries Ltd.	Yuen Foong Yu Paper Enterprise (Dong Nai) Co., Ltd.	Note 3 a.	3,423,075	299,618	299,618	28,535	-	12.78	4,564,100	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Vietnam) Co., Ltd.	Note 3 a.	3,423,075	428,025	428,025	2,854	-	18.25	4,564,100	Yes	No	No
		Yuen Foong Yu Paper Enterprise (Vietnam) Binh Duong Co., Ltd.	Note 3 a.	3,423,075	970,190	970,190	404,246	-	41.37	4,564,100	Yes	No	No
		Vinh Phu Packing And Printing Company Limited	Note 3 c.	282,205	108,736	108,736	97,025	-	4.64	228,205	No	No	No
3	Winsong Packaging Investment Company Limited	YFY Packaging Thai Binh Co., Ltd.	Note 3 a.	532,151	28,535	28,535	22,236	-	8.11	709,534	Yes	No	No
		YFY Packaging (Ha Nam) Co., Ltd.	Note 3 a.	532,151	256,815	256,815	33,391	-	72.99	709,534	Yes	No	No
	Credit line (Note 4)												
1	YFY Inc.	YFY Global Investment Limited	Note 3 a.	67,477,898	656,305	656,305	31,417		1.44	89,970,530	No	No	No
		YFY Paradigm Investment Co., Ltd.	Note 3 a.	67,477,898	2,070,000	2,070,000	796,000	-	4.56	89,970,530	No	No	No
		YFY International Limited	Note 3 a.	67,477,898	3,007,972	3,007,972	688,264	-	6.62	89,970,530	No	No	No
		YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Note 3 a.	67,477,898	3,650,000	3,650,000	1,990,000	-	8.03	89,970,530	No	No	No
		YFY Jupiter Limited	Note 3 a.	67,477,898	282,127	282,127	110,312	-	0.62	89,970,530	No	No	No
		YFY Jupiter (BVI) Inc.	Note 3 a.	67,477,898	428,025	428,025	188,616	-	0.94	89,970,530	No	No	No
2	Chung Hwa Pulp Corporation	Hwa Fong Investment Co., Ltd.	Note 3 a.	22,177,469	130,000	130,000	-	-	0.86	29,569,958	No	No	No
		CHP International (BVI) Corporation	Note 3 a.	22,177,469	527,898	527,898	103,949	-	3.51	29,569,958	No	No	No
		Guangdong Dingfung Pulp & Paper Co., Ltd.	Note 3 a.	22,177,469	175,493	173,695	-	-	1.15	29,569,958	No	No	No
3	YFY Packaging Inc.	YFY Cayman Co., Ltd.	Note 3 a.	10,714,214	1,055,795	1,055,795	-	-	15.23	14,285,618	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, 2021
(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, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Inc.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	468,485,150	$ 6,020,034	4.2	$ 6,020,034	
	Zhen Ding Technology Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,464,617	899,486	0.8	899,486	
	TaiGen Biopharmaceuticals Holdings Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	84,509,502	2,138,090	11.8	2,138,090	
	Medeon Biodesign, Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,319,000	75,183	2.0	75,183	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	20,826,000	188,069	12.9	188,069	
	Synmax Biochemical Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,999,371	82,756	13.9	82,756	
	Universal Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,221,228	36,398	3.0	36,398	
	Fu Hwa Development Enterprise Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,200,000	58,282	14.0	58,282	
	Taiwan Creative Industry Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,600,000	18,565	8.0	18,565	
	Shin Taiwan Kubota Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,612	90,724	5.5	90,724	
	China Trade and Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	377,634	3,044	0.6	3,044	
	Taiwan Stock Exchange Corporation	Note 1	Non-current financial assets at fair value through other comprehensive income	22,513,611	2,778,799	3.0	2,778,799	
	Sino Cell Technologies Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,691,656	11,401	10.0	11,401	
	Yuen Foong Paper Co., Ltd.	Note 2	Non-current financial assets at fair value through other comprehensive income	544,067	10,430	0.7	10,430	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	13,098,619	324,741	14.9	324,741	
	iXensor Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	191,000	3,457	0.4	3,457	
	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	804,572	11,288	-	11,288	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Paper Enterprise (Xiamen) Co., Ltd.	<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 Limited	<u>Beneficiary certificates</u>							
	WI Harper INC Fund VII LP	-	Non-current financial assets at fair value through other comprehensive income	-	US$ 159 thousand	0.2	US$ 159 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$ 4,113 thousand	6.5	US$ 4,113 thousand	
	Micareo Inc.	-	Non-current financial assets at fair value through other comprehensive income	8,124,999	US$ 832 thousand	19.9	US$ 832 thousand	
	Omni-ID Corporation Inc.	Note 1	Non-current financial assets at fair value through other comprehensive income	4,067,937	US$ 5,549 thousand	5.6	US$ 5,549 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	281,301	0.2	281,301	
	Foongtone Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,884,415	75,479	11.8	75,479	
	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	22,812,786	320,047	-	320,047	
	PIMCO GIS Total Return Bond Fund-E Class	-	Current financial assets at fair value through profit or loss	218,899	83,763	-	83,763	
	Mega Diamond Money Market Fund	-	Current financial assets at fair value through profit or loss	7,910,767	100,142	-	100,142	
	UPAMC James Bond Money Market Fund	-	Current financial assets at fair value through profit or loss	26,710,424	450,055	-	450,055	
China Color Printing Co., Ltd.	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	2,417,123	36,173	-	36,173	
	Prudential Financial Money Market Fund	-	Current financial assets at fair value through profit or loss	1,879,075	30,000	-	30,000	
	<u>Ordinary shares</u>							
	China Development Financial Holding Corporation	-	Current financial assets at fair value through other comprehensive income	9,959,081	104,570	0.1	104,570	
	China Parcel Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	463,917	4,730	10.8	4,730	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	212,289,885	$ 2,727,925	1.9	$ 2,727,925	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	535,484	30,523	0.8	30,523	
	Advance Materials Corporation Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,542,258	15,423	1.3	15,423	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,265,000	32,005	0.2	32,005	
	Quan Yuan Investment Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,250,000	40,178	5.5	40,178	
	Taiwan Global BioFund Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	5,600,000	35,697	4.7	35,697	
	Everterminal Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,401,920	16,253	2.5	16,253	
YFY Paradigm Investment Co., Ltd.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	143,442,904	1,843,241	1.3	1,843,241	
	Shen's Art Printing Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	43,109	759	0.1	759	
	Medeon Biodesign, Inc.	-	Current financial assets at fair value through other comprehensive income	118,791	6,771	0.2	6,771	
	Zhen Ding Technology Holding Limited	-	Current financial assets at fair value through other comprehensive income	467,106	56,286	0.1	56,286	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,654,353	446,655	2.5	446,655	
	Canada Investment and Development Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	2,574,000	23,244	1.6	23,244	
	Locus Publishing Company	Note 1	Non-current financial assets at fair value through other comprehensive income	1,402,386	13,664	13.4	13,664	
	Sino Cell Technologies Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,691,343	11,399	10.0	11,399	
	Foongtone Technology Co., Ltd.	Note 1	Non-current financial assets at fair value through other comprehensive income	1,370,730	35,869	5.6	35,869	
	Taiwan Stock Exchange Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,557	192	-	192	
	Overseas Investment & Development Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	8,394	1.1	8,394	
	Echem Solutions Corp.	-	Non-current financial assets at fair value through other comprehensive income	819,684	12,941	1.3	12,941	
	Fu Hwa Development Enterprise Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,050,000	14,571	3.5	14,571	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021 Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Fidelis IT Solutions Co., Ltd.	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	7,455,438	$ 95,802	0.1	$ 95,802	
Chung Hwa Pulp Corporation	Ordinary shares							
	SinoPac Financial Holdings Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	99,809,327	1,282,550	0.9	1,282,550	
	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	265,000	3	1.0	3	
	TaiGen Biopharmaceuticals Holdings Ltd.	-	Non-current financial assets at fair value through other comprehensive income	15,315,356	387,479	2.1	387,479	
	KHL IB Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	13,098,619	324,741	14.9	324,741	
Hwa Fong Investment Co., Ltd.	Ordinary shares							
	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	30,775	-	30,775	
YFY Corporate Advisory & Services Co., Ltd.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	1,846,134	25,900	-	25,900	
Union Paper Corp.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	8,847,876	124,130	-	124,130	
YFY Japan Co., Ltd	Ordinary shares							
	Beautone Japan Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	440	JPY 127,746 thousand	36.7	JPY 127,746 thousand	
Effion Enertech Co., Ltd.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	3,705,287	51,983	-	51,983	
Genovella Renewables Inc.	Beneficiary certificates							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	97,099	1,362	-	1,362	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
San Ying Enterprise Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	940,236	$ 13,191	-	$ 13,191	
Yeon Technologies Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	324,058	4,547	-	4,547	
Sustainable Carbohydrate Innovation Co., Ltd.	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	929,470	13,040	-	13,040	
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	817	7.2	817	
	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	-	
	<u>Beneficiary certificates</u>							
	SinoPac TWD Money Market Fund	-	Current financial assets at fair value through profit or loss	2,138,732	30,005	-	30,005	
Arizon RFID Technology Co., Ltd.	<u>Negotiable certificates of deposit</u>							
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 189 in 2020	-	Non-current financial assets at amortized cost	-	RMB 50,000 thousand	-	RMB 50,000 thousand	
	Agricultural Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 017 in 2021	-	Non-current financial assets at amortized cost	-	RMB 15,000 thousand	-	RMB 15,000 thousand	
	Industrial and Commercial Bank of China RMB Large-denomination Certificate of Deposit for Corporate Clients No. 2 in 2021	-	Non-current financial assets at amortized cost	-	RMB 22,000 thousand	-	RMB 22,000 thousand	

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

Note 2: A member of the board of directors of the in vestor.

(Concluded)

YFY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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	
Shin Foong Specialty and Applied Materials Co., Ltd.	Beneficiary certificates															
	Mega Diamond Money Market Fund	Note 1	-	-	40,171,624	$ 610,221	-	$ -	32,260,857	$ 510,212	$ 510,000	$ 212	$ (79)	7,910,767	$ 100,142	-
	UPAMC James Bond Money Market Fund	Note 1	-	-	-	-	26,710,424	450,000	-	-	-	-	55	26,710,424	450,055	-

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.

YFY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Property, plant and equipment and right-of-use assets	2021/1/13	$ 924,004	Note	The original shareholder of YFY Packaging Inc. (i.e., the Company)	Related party	The Company	Parent company	2005/9/1	$ 274,305	Note	Adjustments made by the Group to implement the specialization	-

Note: In order to specialize on its major business operation, the Group spun off assets, liabilities and business operation of the Chenggong plant of YFY Packaging Inc. and integrated them into YFY Development Corp. (originally named as YFY Capital Co., Ltd.), and 40,798 thousand ordinary shares were issued by YFY Development Corp. (originally named as YFY Capital Co., Ltd.) as the consideration for the transfer in January 2021.

TABLE 7

YFY INC. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
YFY Packaging Inc.	Property, plant and equipment and right-of-use assets	2021/1/13	2005/9/1	$ 924,004	$ 924,004	Note	-	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Related party	Adjustments made by the Group to implement the specialization	Note	-

Note: In order to specialize on its major business operation, the Group spun off assets, liabilities and business operation of the Chenggong plant of YFY Packaging Inc. and integrated them into YFY Development Corp. (originally named as YFY Capital Co., Ltd.), and 40,798 thousand ordinary shares were issued by YFY Development Corp. (originally named as YFY Capital Co., Ltd.) as the consideration for the transfer in January 2021.

TABLE 8

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, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Enterprise (Guangzhou) Co., Ltd.	Note 1 b	Sales	$ 200,620	6	In agreed terms	$ -	-	$ 55,863	3	Note 2
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Note 1 b	Sales	155,040	5	In agreed terms	-	-	104,828	5	Note 2
	YFY Paper Enterprise (Xiamen) Co., Ltd.	Note 1 b	Sales	119,832	4	In agreed terms	-	-	26,841	1	Note 2
	YFY Paper Enterprise (Zhongshan) Co., Ltd.	Note 1 b	Sales	127,451	4	In agreed terms	-	-	37,845	2	Note 2
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 b	Sales	2,097,286	67	In agreed terms	-	-	985,795	48	Note 2
YFY Packaging Inc.	Pek Crown Paper Co., Ltd.	Note 1 a	Sales	216,042	6	3 months after transaction months	-	-	157,317	7	Note 2
	Chung Hwa Pulp Corporation	Note 1 b	Sales	288,271	8	2 months after transaction months	-	-	222,244	10	Note 2
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Note 1 b	Sales	166,609	5	In agreed terms			158,844	7	Note 2
Chung Hwa Pulp Corporation	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Note 1 b	Sales	229,378	5	Half month after transaction month	-	-	65,475	2	Note 2
	Yuen Foong Yu Consumer Products Co., Ltd.	Note 1 b	Sales	166,315	4	2 months after transaction months	-	-	173,988	6	Note 2
	Shenzhen Jinglun Paper Co., Ltd.	Note 1 b	Sales	426,409	9	5 months after transaction month	-	-	711,329	24	Note 2
	Union Paper Corp.	Note 1 b	Sales	213,537	5	1 month after transaction months			79,527	3	Note 2
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Note 1 a	Sales	368,811	27	In agreed terms	-	-	153,793	20	Note 2
YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	125,344	100	In agreed terms	-	-	53,139	36	Note 2
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	454,454	92	In agreed terms	-	-	164,212	92	Note 2
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Note 1 a	Sales	214,206	14	In agreed terms	-	-	151,945	16	Note 2
Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	Note 1 b	Sales	224,371	27	2 months after transaction months	-	-	104,130	18	Note 2
YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	Note 1 b	Sales	136,215	4	In agreed terms	-	-	70,730	2	Note 2
	YFY Paper Enterprise (Suzhou) Co., Ltd.	Note 1 b	Sales	118,508	4	In agreed terms	-	-	75,436	2	Note 2
	YFY Paper Enterprise (Shanghai) Co., Ltd.	Note 1 b	Sales	121,449	4	In agreed terms	-	-	51,903	1	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 9

YFY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2021
(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	$ 222,244	5.27	$ -	-	$ 88,039	$ -	
	Pek Crown Paper Co., Ltd.	Subsidiary	157,317	5.16	-	-	64,335	-	
	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Same ultimate parent company	158,844	4.22	-	-	85,639	-	
Chung Hwa Pulp Corporation	Shenzhen Jinglun Paper Co., Ltd.	Same ultimate parent company	711,329	2.55	-	-	125,366	-	
	Yuen Foong Yu Consumer Products Co., Ltd.	Same ultimate parent company	173,988	4.44	-	-	51,724	-	
YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	Same ultimate parent company	985,795	8.77	-	-	465,598	-	
	YFY Paper Enterprise (Tianjin) Co., Ltd.	Same ultimate parent company	104,828	4.69	-	-	-	-	
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	164,212	13.01	-	-	164,212	-	
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	151,945	5.37	-	-	48,068	-	
Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	104,477	2.40	-	-	21,378	-	
Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	Same ultimate parent company	104,130	8.03	-	-	-	-	
Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	149,097	2.14	-	-	21,712	-	
YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	153,793	12.03	-	-	153,793	-	

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

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
YFY Inc.	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	$ 5,715,988	$ 5,715,988	$ 627,827,088	57.8	$ 8,743,070	$ 94,830	$ 54,756	Notes 1, 3 and 6
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	1,361,355	1,361,355	133,472,904	11.8	3,476,492	1,166,829	139,083	Note 6
	YFY International Limited	Cyprus	Investment and holding	11,956,125	11,956,125	363,689,638	100.0	15,722,894	17,880	17,880	Notes 1, 3 and 6
	YFY Global Investment Limited	Cyprus	Investment and holding	2,153,335	2,153,335	79,000,000	100.0	6,135,609	133,657	133,657	Notes 1 and 3
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	1,046,360	1,046,360	158,004,565	64.5	2,835,801	371,201	239,486	Notes 1, 3 and 6
	Shin Foong Specialty and Applied Materials Co., Ltd.	Pingtung, Taiwan	Production and sale of SBR (styrene butadiene rubber) latex	72,918	72,960	51,841,248	48.8	2,891,479	1,043,501	510,041	Notes 1, 3 and 6
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	169,700	169,700	16,970,040	23.0	470,730	94,344	15,046	Note 6
	China Color Printing Co., Ltd.	New Taipei, Taiwan	Design and printing of magazines, posters and books	190,068	190,068	32,896,330	49.7	455,864	427	212	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	214,514	(3,020)	(977)	Notes 1 and 3
	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Taipei, Taiwan	Real estate investment and development	2,311,115	1,540,033	153,618,675	100.0	3,258,015	19,304	19,304	Notes 1 and 3
	YFY Corporate Advisory & Services Co., Ltd.	Taipei, Taiwan	Consulting	30,000	30,000	3,000,000	100.0	45,757	3,560	3,560	Notes 1 and 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	200,700	200,700	19,584,000	18.9	236,429	19,400	3,670	Notes 1 and 3
	YFY Paradigm Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	619,177	619,177	146,726,235	100.0	2,605,936	17,166	17,166	Notes 1, 3 and 6
	San Ying Enterprise Co., Ltd.	Taipei, Taiwan	Design and construction of water processing and environmental facilities	-	-	2,500,000	100.0	64,030	1,441	1,441	Notes 1 and 3
	YFY Japan Co., Ltd	Japan	Trade of paper, chemical material and machinery	2,099	2,099	200	100.0	110,164	(1,383)	(1,383)	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	75,498	1,565	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	62,454	(4,942)	(4,942)	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	11,095	(1,798)	(348)	-
	Sustainable Carbohydrate Innovation Co., Ltd.	Taipei, Taiwan	Researching and development	30,000	30,000	3,000,000	100.0	29,226	(2,027)	(2,027)	Notes 1 and 3
	YFY Packaging Inc.	Taipei, Taiwan	Production and sale of high-quality craft paper and corrugated paper	6,451,806	7,222,888	410,150,000	100.0	6,913,353	556,604	556,604	Notes 1, 3 and 6
YFY International Limited	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$ 2,219 thousand	US$ (252) thousand	US$ (252) 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$ 5 thousand	US$ - thousand	US$ - thousand	Notes 1 and 3
	YFY Mauritius Corp.	Mauritius	Investment and holding	US$ 206,334 thousand	US$ 206,334 thousand	322,501,731	100.0	US$ 230,198 thousand	US$ 717 thousand	US$ 717 thousand	Notes 1, 3 and 6
YFY Cayman Co., Ltd.	YFY International Labuan Co., Ltd.	Malaysia	Investment and holding	US$ 900 thousand	US$ 900 thousand	900,000	100.0	US$ 628 thousand	US$ (16) thousand	US$ (16) 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$ 45,330 thousand	US$ 2,204 thousand	US$ 1,216 thousand	Notes 1 and 3
	YFY Packaging Capital Corp.	British Virgin Islands	Investment and holding	-	-	-	-	US$ - thousand	-	-	Notes 1, 3 and 4
	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$ 8,631 thousand	US$ (121) thousand	US$ (85) 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$ 10,674 thousand	US$ (171) thousand	US$ (171) 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$ 1,760 thousand	US$ 50 thousand	US$ 50 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$ 13,908 thousand	US$ 489 thousand	US$ 489 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$ 58,672 thousand	US$ 1,582 thousand	US$ 1,582 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$ 3,645 thousand	US$ 282 thousand	US$ 127 thousand	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	December 31, 2020	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$ 3,168 thousand	US$ 246 thousand	US$ 246 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$ 30,994 thousand	US$ 780 thousand	US$ 780 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$ 14,052 thousand	US$ 2,191 thousand	US$ 2,191 thousand	Notes 1 and 3
	YFY Jupiter Limited	Hong Kong, China	Design of packaging and sale of paper	-	-	3	100.0	US$ 4,661 thousand	US$ 612 thousand	US$ 612 thousand	Notes 1 and 3
	Jupiter Prestige Group Holdings Limited	United Kingdom	Investment and holding	GBP 219 thousand	GBP 100 thousand	88,078	58.3	US$ 4,357 thousand	US$ 1,015 thousand	US$ 579 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$ (272) thousand	US$ (272) thousand	Notes 1, 2 and 3
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 990 thousand	MYR 990 thousand	990,000	99.0	US$ 771 thousand	US$ 108 thousand	US$ 106 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$ 13 thousand	US$ 218 thousand	US$ 2 thousand	Note 3
YFY Jupiter US, Inc.	YFY Jupiter Mexico, S. de R.L.	Mexico	Design of packaging and sale of paper	-	-	-	1.0	-	US$ 5 thousand	US$ - thousand	Notes 2 and 3
	Spectiv Brands, LLC	USA	General trade	-	-	-	100.0	-	US$ - thousand	US$ - 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$ 125 thousand	US$ 18 thousand	US$ 6 thousand	-
	JLD Logistics Ltd.	Hong Kong, China	General trade	HK$ 4 thousand	HK$ 4 thousand	3,500	35.0	US$ 115 thousand	US$ (40) thousand	US$ (14) thousand	-
	YFY Jupiter Malaysia Sdn. Bhd.	Malaysia	Design of packaging and sale of paper	MYR 10 thousand	MYR 10 thousand	10,000	1.0	US$ 8 thousand	US$ 108 thousand	US$ 1 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$ 5 thousand	US$ 4 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$ 1,306 thousand	US$ 218 thousand	US$ 216 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$ 222 thousand	US$ 12 thousand	US$ 12 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$ 9,443 thousand	US$ 969 thousand	US$ 969 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$ (75) thousand	US$ (75) thousand	Notes 1, 2 and 3
	Jupiter Prestige Group Australia Pty Ltd.	Australia	Graphic design	-	-	100	100.0	US$ 205 thousand	US$ 52 thousand	US$ 52 thousand	Notes 1 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$ 1,449 thousand	US$ 187 thousand	US$ 154 thousand	Notes 1 and 3
	Foster and Balyis (Prestige) Limited	United Kingdom	Graphic design	-	-	300	33.3	US$ 255 thousand	US$ 71 thousand	US$ 27 thousand	-
Jupiter Prestige Group Europe Limited	Jupiter Prestige Group Asia Limited	Hong Kong, China	Graphic design	-	-	100	100.0	US$ 6,491 thousand	US$ 830 thousand	US$ 830 thousand	Notes 1 and 3
Jupiter Prestige Group North America, Inc.	Contrast LLC	USA	Brand Design	US$ 57 thousand	US$ 57 thousand	-	60.0	US$ - thousand	US$ (47) thousand	US$ (28) thousand	Notes 1, 2 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$ 117 thousand	US$ 68 thousand	US$ 68 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.	British Virgin Islands	Investment and holding	2,213,770	2,213,770	58,134,277	100.0	411	-	-	Notes 1 and 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	219,623	219,623	20,027,557	66.8	319,189	17,613	11,758	Notes 1 and 3
	YFY Cayman Co., Ltd.	Cayman Islands	Investment and holding	1,415,037	1,415,037	35,615,601	100.0	1,536,389	31,407	31,407	Notes 1 and 3
YFY Global Investment Limited	YFY RFID Co. Limited	Hong Kong, China	Investment and holding	US$ 25,600 thousand	US$ 25,600 thousand	25,600,000	100.0	US$ 110,285 thousand	US$ 3,419 thousand	US$ 3,419 thousand	Notes 1 and 3
	YFY Jupiter (BVI) Inc.	British Virgin Islands	Investment and holding	US$ 16,862 thousand	US$ 16,862 thousand	10,372,342	81.1	US$ 29,532 thousand	US$ 1,793 thousand	US$ 1,455 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$ 381 thousand	US$ (1) thousand	US$ (1) thousand	Notes 1 and 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
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$ 166 thousand	US$ (1) thousand	US$ (1) thousand	Notes 1 and 3
Arizon RFID Technology Co., Ltd.	Arizon RFID Technologies (Hong Kong) Co., Ltd.	Hong Kong, China	Product distribution and R&D services	US$ 12,000 thousand	US$ 12,000 thousand	12,000,000	100.0	RMB 73,367 thousand	RMB (898) thousand	RMB (898) 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 1,808 thousand	RMB 88 thousand	RMB 88 thousand	Notes 1 and 3
Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Yu Consumer Products Investment Limited	Samoa	Investment and holding	3,845,458	3,845,458	150,013,000	100.0	3,109,411	131,283	131,283	Notes 1, 3 and 6
	Ever Growing Agriculture Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of agriculture products	107,595	107,595	18,245,944	85.0	267,566	9,927	11,537	Notes 1, 3 and 6
	Yuen Foong Shop Co., Ltd.	Taipei, Taiwan	Sale of consumer products in e-commerce	55,041	55,041	5,000,000	100.0	92,856	11,367	11,806	Notes 1, 3 and 6
	YFY Consumer Products, Co.	USA	IP management and sale of consumer products by e-commerce	-	-	-	100.0	-	-	-	Notes 1, 3, 5 and 6
Yuen Foong Shop Co., Ltd.	Yuen Foong Shop (HK) Limited	Hong Kong, China	General trade	-	-	-	100.0	-	-	-	Notes 1, 3 and 6
Shin Foong Specialty and Applied Materials Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Sale of SBR (styrene butadiene rubber) and industrial chemicals	10,568	10,568	1,500,000	100.0	9,115	(488)	(488)	Notes 1, 3 and 6
YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	15,206	15,206	1,181,633	0.1	16,347	94,830	103	Notes 3 and 6
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	627,142	627,142	23,326,296	2.1	662,170	1,166,829	24,307	Note 6
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	63,446	63,446	5,136,400	2.1	92,186	371,201	7,785	Notes 3 and 6
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	71,070	71,070	2,907,274	3.9	81,766	94,344	3,427	Note 6
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	5,766	5,766	700,000	1.0	4,569	(3,020)	(30)	Note 3
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	1,625	1,625	75,988	2.6	1,502	(1,798)	(47)	-
Effion Enertech Co., Ltd.	YFY Capital Holdings Corp.	British Virgin Islands	Investment and holding	243,625	243,625	8,060	100.0	68,306	(3,574)	(3,574)	Notes 1 and 3
	YFY Biotech Co., Ltd.	Taipei, Taiwan	Wholesale of seeds, oil and agricultural products	36,000	36,000	3,600,000	36.0	-	88,262	-	-
YFY Paradigm Investment Co., Ltd.	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	46,447	46,447	4,283,232	4.1	51,713	19,400	803	Note 3
	YFY Biotech Management Co., Ltd.	Taipei, Taiwan	Consulting	10,000	10,000	26,430,000	100.0	251,071	(8,001)	(8,001)	Notes 1 and 3
	E Ink Holdings Inc.	Hsinchu, Taiwan	Research, development, production and sale of thin-film transistor liquid crystal monitors	374,929	374,929	7,872,000	0.7	394,905	1,166,829	8,204	Note 6
	Chung Hwa Pulp Corporation	Hualien, Taiwan	Pulp and paper production, trading and forestry business	79,242	79,242	7,752,732	0.7	107,270	94,830	676	Notes 3 and 6
	Livebricks Inc.	Taipei, Taiwan	Information processing services	77,000	77,000	7,700,002	100.0	1,964	(520)	(520)	Notes 1 and 3
	Yuen Foong Yu Consumer Products Co., Ltd.	Taipei, Taiwan	Production and sale of high quality paper and paper-related merchandise	193,986	193,986	15,704,815	6.4	281,864	371,201	23,804	Notes 3 and 6
	Taiwan Genome Science, Inc.	Taipei, Taiwan	1. Develop skills in genome medicine. 2. Manufacture and wholesale of chemical material. 3. Medicine testing.	425	425	19,874	0.7	393	(1,798)	(12)	-
	Yuen Yan Paper Container Co., Ltd.	Miaoli, Taiwan	Sale and manufacture of corrugated paper and materials	108	108	9,000	0.07	110	1,565	1	Note 3
	Pek Crown Paper Co., Ltd.	Taichung, Taiwan	Manufacture and sale of containers	152	152	10,000	0.03	164	17,613	6	Note 3
Chung Hwa Pulp Corporation	CHP International (BVI) Corporation	British Virgin Islands	Investment and holding	1,747,085	1,747,085	61,039,956	100.0	4,973,154	11,274	11,274	Notes 1, 3 and 6
	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	343,000	343,000	34,300,000	49.0	223,904	(3,020)	(1,480)	Note 3
	Taiwan Global BioFund Co., Ltd.	Taipei, Taiwan	Biotechnology and biopharmaceutical business investment	32,832	32,832	3,283,200	4.4	102,065	94,344	4,193	Note 6
	Hwa Fong Investment Co., Ltd.	Taipei, Taiwan	Investment and holding	36,000	36,000	3,600,000	100.0	58,721	3,567	3,567	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	425,731	1,166,829	20,841	Note 6
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$ 469 thousand	US$ (47) thousand	US$ (47) thousand	Notes 1 and 3
Hwa Fong Investment Co., Ltd.	Effion Enertech Co., Ltd.	Taipei, Taiwan	To operate cogeneration and provide power technology	7,000	7,000	700,000	1.0	4,570	(3,020)	(30)	Note 3
	Union Paper Corp.	Yunlin, Taiwan	Manufacture and sale of paper	614	103	93,332	0.09	1,126	19,400	1	Note 3
	Genovella Renewables Inc.	Hualien, Taiwan	Sale and production of fertilizer, retail sale of food products and groceries, plant cultivation, refractory materials manufacturing, cement and concrete products manufacturing, refractory materials wholesale and sale of building material, manpower services and wholesale and sale of chemistry raw materials	5,000	5,000	-	100.0	17,421	3,262	3,262	Notes 1 and 3

Note 1: Subsidiary.

Note 2: The amount was reclassified from investments accounted for using the equity method to other liabilities.

(Continued)

Note 3: In preparing the consolidated financial statements, the transaction has been eliminated.

Note 4: YFY Packaging Capital Corp. entered the liquidation in March 2021. Due to the Group's loss of control, it has not been included in the consolidated financial statements since March 2021.

Note 5: YFY Consumer Products, Co. was established in February 2021 and has been included in the consolidated financial statements since then.

Note 6: Recognized from financial statements reviewed by the auditors for the same periods.

(Concluded)

YFY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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, 2021 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outward	Inward						
YFY Paper Enterprise (Fuzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	$ 142,675 (US$ 5,000 thousand)	a.(a)	$ 42,803 (US$ 1,500 thousand)	$ -	$ -	$ 42,803 (US$ 1,500 thousand)	$ (10,631)	100.0	$ (10,631) (Note 2)	$ -	$ -
YFY Paper Enterprise (Kunshan) Co., Ltd.	Manufacture and sale of paper and cardboard	313,885 (US$ 11,000 thousand)	a.(a)	199,745 (US$ 7,000 thousand)	-	-	199,745 (US$ 7,000 thousand)	3,763	100.0	3,763 (Note 2)	584,499	-
YFY Paper Enterprise (Suzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	199,745 (US$ 7,000 thousand)	a.(a)	199,745 (US$ 7,000 thousand)	-	-	199,745 (US$ 7,000 thousand)	(247)	100.0	(247) (Note 2)	266,149	-
YFY Paper Enterprise (Tianjin) Co., Ltd.	Manufacture and sale of paper and cardboard	228,280 (US$ 8,000 thousand)	a.(a)	228,280 (US$ 8,000 thousand)	-	-	228,280 (US$ 8,000 thousand)	4,900	100.0	4,900 (Note 2)	836,621	-
YFY Paper Enterprise (Dongguan) Co., Ltd.	Manufacture and sale of paper and cardboard	171,210 (US$ 6,000 thousand)	a.(a)	57,070 (US$ 2,000 thousand)	-	-	57,070 (US$ 2,000 thousand)	150	100.0	150 (Note 2)	502,674	-
YFY Paper Enterprise (Shanghai) Co., Ltd.	Manufacture and sale of paper and cardboard	228,280 (US$ 8,000 thousand)	a.(a)	231,504 (US$ 8,113 thousand)	-	-	231,504 (US$ 8,113 thousand)	8,616	100.0	8,616 (Note 2)	426,425	-
YFY Paper Enterprise (Qingdao) Co., Ltd.	Manufacture and sale of paper and cardboard	228,280 (US$ 8,000 thousand)	a.(a)	228,280 (US$ 8,000 thousand)	-	-	228,280 (US$ 8,000 thousand)	7,018	100.0	7,018 (Note 2)	1,022,395	-
YFY Paper Enterprise (Nanjing) Co., Ltd.	Manufacture and sale of paper and cardboard	284,180 (US$ 9,959 thousand)	a.(o)	256,815 (US$ 9,000 thousand)	-	-	256,815 (US$ 9,000 thousand)	16,639	100.0	16,639 (Note 2)	480,401	-
YFY Paper Enterprise (Guangzhou) Co., Ltd.	Manufacture and sale of paper and cardboard	271,083 (US$ 9,500 thousand)	a.(a)	214,013 (US$ 7,500 thousand)	-	-	214,013 (US$ 7,500 thousand)	3,434	93.8	3,220 (Note 2)	486,731	-
YFY Paper Enterprise (Xiamen) Co., Ltd.	Manufacture and sale of paper and cardboard	185,478 (US$ 6,500 thousand)	a.(a)	185,478 (US$ 6,500 thousand)	-	-	185,478 (US$ 6,500 thousand)	474,361	100.0	474,361 (Note 2)	344,773	-
YFY Paper Enterprise (Zhongshan) Co., Ltd.	Manufacture and sale of paper and cardboard	171,210 (US$ 6,000 thousand)	a.(a)	136,968 (US$ 4,800 thousand)	-	-	136,968 (US$ 4,800 thousand)	15,109	100.0	15,109 (Note 2)	1,043,408	-

(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, 2021 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outward	Inward						
YFY Paper Enterprise (Jiaxing) Co., Ltd.	Manufacture and sale of paper and cardboard	$ 142,675 (US$ 5,000 thousand)	a.(a)	$ 142,675 (US$ 5,000 thousand)	$ -	$ -	$ 142,675 (US$ 5,000 thousand)	$ (2,098)	100.0	$ (2,098) (Note 2)	$ 120,758	$ -
YFY Packaging (Yangzhou) Investment Co., Ltd.	Investment and holding.	2,474,184 (US$ 86,707 thousand)	a.(a)	2,482,545 (US$ 87,000 thousand)	-	-	2,482,545 (US$ 87,000 thousand)	(177,274)	100.0	(177,274) (Note 2)	-	-
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Manufacture and sale of paper	6,982,372 (US$ 244,695 thousand)	a.(b)	6,991,075 (US$ 245,000 thousand)	-	-	6,991,075 (US$ 245,000 thousand)	(499,909)	100.0	(499,909) (Note 2)	659,315	-
YFY Paper Mfg. (Jiangyin) Co., Ltd.	Manufacture, sale and print of cardboard and paper	425,172 (US$ 14,900 thousand)	a.(c)	399,661 (US$ 14,006 thousand)	-	-	399,661 (US$ 14,006 thousand)	1,173	94.0	1,102 (Note 6)	327,945	-
Yuen Foong Yu Blue Economy Natural Resource (Yangzhou) Co., Ltd.	Technological development of agricultural resource recycling	228,280 (US$ 8,000 thousand)	a.(c)	228,280 (US$ 8,000 thousand)	-	-	228,280 (US$ 8,000 thousand)	450	100.0	450 (Note 6)	99,256	-
Kunshan YFY Advertising and Printing Co., Ltd. (Note 8)	Design and print of advertisements	85,605 (US$ 3,000 thousand)	a.(e)	-	-	-	-	-	-	-	-	-
Arizon RFID Technology Co., Ltd.	Sale and design of RFID (radio frequency identification) products	843,679 (RMB 194,290 thousand)	a.(f)	724,561 (US$ 25,392 thousand)	-	-	724,561 (US$ 25,392 thousand)	111,513	86.5	96,473 (Note 6)	2,932,951	-
Yeon Technologies (Yangzhou) Co., Ltd.	Sale and design of RFID (radio frequency identification) products	34,739 (RMB 8,000 thousand)	a.(g)	-	-	-	-	952	86.5	824 (Note 6)	52,754	-
YFY Jupiter (Shenzhen) Ltd.	Design of packaging and sale of paper	9,987 (US$ 350 thousand)	a.(h)	-	-	-	-	48,353	81.1	39,229 (Note 6)	270,823	-
Kunshan YFY Jupiter Green Packaging Ltd.	Design of packaging and sale of paper	8,685 (RMB 2,000 thousand)	a.(i)	-	-	-	-	8,381	81.1	6,799 (Note 6)	77,048	-
YFY Jupiter Supply Chain Management Services (Shenzhen) Limited	Design of packaging and sale of paper	-	a.(i)	-	-	-	-	5,716	81.1	4,638 (Note 6)	37,016	-
Chengdu JieLianDa Warehousing Co., Ltd.	General trade	6,514 (RMB 1,500 thousand)	a.(i)	-	-	-	-	1,118	28.4	317 (Note 6)	3,250	-
Chengdu JieLianDa Supply Chain Co., Ltd.	Management of supply chain	-	a.(i)	-	-	-	-	2,004	28.4	569 (Note 6)	554	-
Chengdu JingShiTong Packing Co., Ltd.	General trade	8,685 (RMB 2,000 thousand)	a.(i)	-	-	-	-	215	28.4	61 (Note 6)	2,683	-
YFY Investment Co., Ltd.	Investment and holding and sale of paper	3,281,525 (US$ 115,000 thousand)	a.(j)	3,281,525 (US$ 115,000 thousand)	-	-	3,281,525 (US$ 115,000 thousand)	126,887	73.0	92,661 (Note 2)	1,575,848	-

(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, 2021 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021 (Note 1)	Net Income (Loss) of the Investee (Note 1)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outward	Inward						
YFY Family Care (Kunshan) Co., Ltd.	Manufacture and sale of tissue paper and napkins	856,050 (US$ 30,000 thousand)	a.(k)	$ 856,050 (US$ 30,000 thousand)	$ -	$ -	$ 856,050 (US$ 30,000 thousand)	$ (2,070)	73.0	$ (1,512) (Note 2)	$ 190,488	$ -
Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Manufacture and sale of tissue paper and napkins	856,050 (US$ 30,000 thousand)	a.(k)	856,050 (US$ 30,000 thousand)	-	-	856,050 (US$ 30,000 thousand)	(6,622)	73.0	(4,836) (Note 2)	829,142	-
Shanghai YFY International Trade Co., Ltd.	General trade	4,342 (RMB 1,000 thousand)	b.(a)	4,342 (RMB 1,000 thousand)	-	-	4,342 (RMB 1,000 thousand)	(34)	73.0	(25) (Note 2)	-	-
Guangdong Dingfung Pulp & Paper Co., Ltd.	Pulp and paper production and trading business	2,443,452 (US$ 85,630 thousand)	a.(l)	627,770 (US$ 22,000 thousand)	-	-	627,770 (US$ 22,000 thousand)	19,682	75.2	14,792 (Note 2)	3,395,638	-
Zhaoqing Dingfung Forestry Co., Ltd.	Seedling cultivation and sales, reforestation, sales-cum-forest logging and other forestry, processing and transportation	624,346 (US$ 21,880 thousand)	a.(m)	210,588 (US$ 7,380 thousand)	-	-	210,588 (US$ 7,380 thousand)	(9,415)	75.2	(7,076) (Note 6)	2,164,828	-
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	8,685 (RMB 2,000 thousand)	a.(d)	-	-	-	-	131	75.2	98 (Note 6)	7,167	-
Shenzhen Jinglun Paper Co., Ltd.	Sale of paper merchandise and import/export business	13,896 (RMB 3,200 thousand)	a.(d)	-	-	-	-	4,992	75.2	3,752 (Note 6)	110,896	-
YFY (Shanghai) Financial Services Co., Ltd.	Export factoring, domestic factoring, business factoring and related consulting services, development of credit risk management platform	217,118 (RMB 50,000 thousand)	a.(n)	217,118 (RMB 50,000 thousand)	-	-	217,118 (RMB 50,000 thousand)	(3,574)	79.3	(2,834) (Note 6)	53,973	-
Kunshan Actview Carbon Technology Co., Ltd.	Manufacture and sale of active carbon	35,954 (US$ 1,260 thousand)	b.(b)	23,855 (US$ 836 thousand)	-	-	23,855 (US$ 836 thousand)	333	66.4	221 (Note 6)	35,260	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2021 (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
$15,664,431	$17,487,252	$39,300,574

(Continued)

Note 1: Except for investment gain or loss which were translated at exchange rates of US$1=NT$28.366333 or RMB1=NT$4.376642 or EUR1=NT34.196667, the rest were translated at exchange rates of US$1=NT$28.535 or RMB1=NT$4.342368 or EUR1=NT$33.48 as of March 31, 2021.

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 period: 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 Limited (d) Guangdong Dingfung Pulp & Paper Co., Ltd. (e) YFY Paper Enterprise (Xiamen) Co., Ltd. and YFY Paper Enterprise (Guangzhou) Co., Ltd. (f) YFY RFID Co., Ltd. (g) Arizon RFID Technology Co., Ltd. (h) Mobius 105 Ltd. (i) YFY Jupiter (Shenzhen) Ltd. (j) Yuen Foong Yu Consumer Products Investment Limited (k) YFY investment Co., Ltd. (l) YFY International Limited and CHP International (BVI) Corporation (m) YFY International Limited, CHP International (BVI) Corporation and Guangdong Dingfung Pulp & Paper Co., Ltd. (n) YFY Capital Holdings Corp. (o) 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 $3,362,365 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.

Note 8: Kunshan YFY Advertising and Printing Co., Ltd. entered the bankruptcy procedure in January 2021. Due to the Group’s loss of control, it has not been included in the consolidated financial statements since January 2021.

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, 8, 9 and 12.

(Concluded)

TABLE 12

YFY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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	$ 216,042	By market price	1.0
				Accounts receivable	157,317	3 months after transaction months	0.1
		Chung Hwa Pulp Corporation	The same ultimate parent company	Sales	288,271	By market price	1.4
				Accounts receivable	222,244	2 months after transaction months	0.2
		YFY Paper Mfg. (Yangzhou) Co., Ltd.	The same ultimate parent company	Sales	166,609	By market price	0.8
				Accounts receivable	158,844	In agreed terms	0.1
2	Chung Hwa Pulp Corporation	YFY Development Corp. (originally named as YFY Capital Co., Ltd.)	The same ultimate parent company	Sales	229,378	By market price	1.1
		Shenzhen Jinglun Paper Co., Ltd.	The same ultimate parent company	Sales	426,409	By market price	2.0
				Accounts receivable	711,329	5 months after transaction month	0.6
		Yuen Foong Yu Consumer Products Co., Ltd.	The same ultimate parent company	Sales	166,315	By market price	0.8
				Accounts receivable	173,988	2 months after transaction months	0.1
		Union Paper Corp.	The same ultimate parent company	Sales	213,537	By market price	1.0
3	YFY Family Care (Kunshan) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	125,344	By market price	0.6
4	YFY Investment Co., Ltd.	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	Subsidiary	Sales	368,811	By market price	1.7
				Accounts receivable	153,793	In agreed terms	0.1
5	Yuen Foong Yu Consumer Products (Yangzhou) Co., Ltd.	YFY Investment Co., Ltd.	Parent company	Sales	454,454	By market price	2.1
				Accounts receivable	164,212	In agreed terms	0.1
6	YFY Packaging (Yangzhou) Investment Co., Ltd.	YFY Paper Mfg. (Yangzhou) Co., Ltd.	The same ultimate parent company	Sales	2,097,286	By market price	9.8
				Accounts receivable	985,795	By market price	0.8
		YFY Paper Enterprise (Guangzhou) Co., Ltd.	The same ultimate parent company	Sales	200,620	By market price	0.9
		YFY Paper Enterprise (Tianjin) Co., Ltd.	The same ultimate parent company	Sales	155,040	By market price	0.7
				Accounts receivable	104,828	By market price	0.1
		YFY Paper Enterprise (Xiamen) Co., Ltd.	The same ultimate parent company	Sales	119,832	By market price	0.6
		YFY Paper Enterprise (Zhongshan) Co., Ltd.	The same ultimate parent company	Sales	127,451	By market price	0.6

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details (Note)			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
7	Yuen Foong Yu Consumer Products Co., Ltd.	Yuen Foong Shop Co., Ltd.	Subsidiary	Sales	$ 214,206	By market price	1.0
				Accounts receivable	151,945	2 months after transaction months	0.1
8	Guangdong Dingfung Pulp & Paper Co., Ltd.	YFY Investment Co., Ltd.	The same ultimate parent company	Sales	224,371	By market price	1.1
				Accounts receivable	104,130	2 months after transaction months	0.1
9	Zhaoqing Dingfung Forestry Co., Ltd.	Guangdong Dingfung Pulp & Paper Co., Ltd.	Parent company	Accounts receivable	149,097	In agreed terms	0.1
10	YFY Paper Mfg. (Yangzhou) Co., Ltd.	YFY Paper Enterprise (Nanjing) Co., Ltd.	The same ultimate parent company	Sales	136,215	By market price	0.6
		YFY Paper Enterprise (Shanghai) Co., Ltd.	The same ultimate parent company	Sales	121,449	By market price	0.6
		YFY Paper Enterprise (Suzhou) Co., Ltd.	The same ultimate parent company	Sales	118,508	By market price	0.6
11	Ever Growing Agriculture Biotech Co., Ltd.	Yuen Foong Yu Consumer Products Co., Ltd.	Parent company	Accounts receivable	104,477	In agreed terms	0.1

(Concluded)

TABLE 13

YFY INC.

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shou-Chung Ho	170,615,028	10.27
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.