

Stock code: 3622

**Young Fast Optoelectronics Co., Ltd.
and Subsidiaries**

**Consolidated Financial Statements and
Independent Auditors' Review Report**

For the Three Months Ended March 31, 2024 and 2023

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Accountants' Audit Report

To the Board of Directors of Young Fast Optoelectronics Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Young Fast Optoelectronics Co. and Subsidiaries (Young Fast Group) as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these 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 Standards on Auditing No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 conducted in accordance with auditing standards generally accepted in the Republic of China 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 stated in Note 4(2) to the consolidated financial statements, a part of its insignificant subsidiaries has been included in the aforesaid consolidated financial statements based on the financial statements of these invested companies not reviewed by the independent auditors for the same period. As of March 31, 2024 and 2023, these subsidiaries had total assets of NT\$282,516 thousand and NT\$198,973 thousand, representing 3.67% and 3.09% of the consolidated total assets; and total liabilities of NT\$129,630 thousand and NT\$71,701 thousand, representing 17.15% and 11.48% of the consolidated total liabilities; and they realized comprehensive profit (loss) of NT\$28,151 thousand and NT\$20,070 thousand for the three months ended March 31, 2024 and 2023, respectively, representing 9.19% and 11.77% of the consolidated comprehensive profit (loss).

Besides the above-mentioned in the previous paragraph, as stated in Note 6(7) of the consolidated financial statements, investments accounted for under the equity method of

Young Fast Optoelectronics Co., Ltd. and its subsidiaries amounted to NT\$373,912 thousand and NT\$331,293 thousand as of March 31, 2024. The profit or loss of associates under the equity method were NT\$20,792 thousand and NT\$3,451 thousand for the three months ended March 31, 2024, respectively. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by the independent auditors.

Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of these investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Young Fast Optoelectronics Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan
CERTIFIED PUBLIC ACCOUNTANTS
May 8, 2024

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated balance sheet

March 31, 2024, December 31, and March 31, 2023

Unit: NTD Thousand

Assets		2024.3.31		2023.12.31		2023.3.31		Liabilities and Equity		2024.3.31		2023.12.31		2023.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	Current Assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (Notes 6 (1))	\$ 745,597	10	535,160	7	571,613	9	2130	Current contract liabilities (Note 6 (19))	11,972	-	4,892	-	5,577	-
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	143,019	2	127,624	2	98,277	1	2170	Accounts payable	127,427	2	127,338	2	95,912	2
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,893,503	51	3,831,917	51	3,298,214	51	2180	Accounts payable, related parties (Note 7)	1,074	-	1,738	-	6,164	-
1150	Notes receivable, net (Note 6 (4) and (19))	188,183	2	253,646	4	170,026	3	2200	Other payables (Note 6 (20) and 7)	227,347	3	244,542	4	178,715	3
1170	Accounts receivable, net (Note 6 (4) and (19))	94,047	1	137,810	2	56,863	1	2230	Current tax liabilities	32,395	-	32,340	-	14,970	-
1180	Accounts receivable due from related parties (Note 6 (4), (19) and 7)	41,226	-	52,028	1	47,337	1	2250	Current provisions (Note 6 (14))	43,751	1	45,779	1	38,859	1
1200	Other receivables (Note 6 (4) and (5))	5,820	-	8,689	-	3,231	-	2281	Lease liabilities (Notes 6 (13))	131	-	118	-	110	-
130X	Inventory (Notes 6 (6), 7 and 9)	280,869	4	243,382	3	261,876	4	2282	Lease liabilities— Related parties (Notes 6 (13) and 7)	17,947	-	17,877	-	17,668	-
1470	Other current assets	13,319	-	12,407	-	9,218	-	2399	Other current liabilities	5,729	-	8,369	-	4,347	-
	Total current assets	<u>5,405,583</u>	<u>70</u>	<u>5,202,663</u>	<u>70</u>	<u>4,516,655</u>	<u>70</u>		Total current liabilities	<u>467,773</u>	<u>6</u>	<u>482,993</u>	<u>7</u>	<u>362,322</u>	<u>6</u>
15xx	Non-current assets:							25xx	Non-current liabilities:						
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	416,007	6	366,781	5	194,748	3	2540	Long-term borrowings (Notes 6 (12))	35,000	-	-	-	5,337	-
1550	Investments accounted for using equity method, net (Note 6 (7) and 7)	373,912	5	348,778	5	331,293	5	2551	Provision for employee benefit liabilities, non-current	5,944	-	5,944	-	-	-
1600	Property, plant and equipment (Notes 6 (8), 7 and 9)	856,815	11	843,121	11	860,428	13	2552	Provision for long-term liabilities for warranties (Note 6 (14))	107,705	2	140,948	2	101,379	2
1755	Right of use assets (Notes 6 (9), (13) and 7)	114,636	1	116,847	2	131,069	2	2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (14))	5,164	-	5,164	-	5,164	-
1760	Investment real estate, net (Note 6 (10) and 7)	295,537	4	291,426	4	297,322	5	2570	Deferred tax liabilities	881	-	881	-	932	-
1780	Intangible assets (Note 6 (11))	4,062	-	4,284	-	4,950	-	2581	Lease liabilities (Notes 6 (13))	20,116	-	18,908	-	19,266	-
1840	Deferred tax assets	103,702	1	103,702	1	39,813	1	2582	Lease liabilities— Related parties (Notes 6 (13) and 7)	30,485	1	34,998	-	48,432	1
1915	Prepaid equipment (Note 6 (8))	31,211	1	38,621	1	2,498	-	2670	Other non-current liabilities (Note 7)	82,920	1	82,767	1	81,757	1
1990	Other non-current assets (Note 6 (4), (5) and (19))	98,227	1	93,846	1	68,998	1		Total non-current liabilities	<u>288,215</u>	<u>4</u>	<u>289,610</u>	<u>3</u>	<u>262,267</u>	<u>4</u>
	Total non-current assets	<u>2,294,109</u>	<u>30</u>	<u>2,207,406</u>	<u>30</u>	<u>1,931,119</u>	<u>30</u>		Total liabilities	<u>755,988</u>	<u>10</u>	<u>772,603</u>	<u>10</u>	<u>624,589</u>	<u>10</u>
								31xx	Owners' equity attributable to the parent company (Notes 6 (7) and (17)):						
								3110	Share capital from common stock	1,513,276	20	1,513,276	21	1,513,276	23
								3200	Capital reserve	1,925,860	25	1,925,860	26	2,001,516	31
								3300	Retained earnings:						
								3310	Legal reserve	113,160	1	113,160	2	71,324	1
								3350	Undistributed surplus earnings	1,352,602	18	1,191,368	16	877,212	14
									Total retained earnings	1,465,762	19	1,304,528	18	948,536	15
								3400	Other equity interest	1,942,331	25	1,810,096	24	1,288,701	20
									Subtotal of equity attributable to owners of parent company	6,847,229	89	6,553,760	89	5,752,029	89
								36xx	Non-controlling interests	96,475	1	83,706	1	71,156	1
								3xxx	Total Equity	<u>6,943,704</u>	<u>90</u>	<u>6,637,466</u>	<u>90</u>	<u>5,823,185</u>	<u>90</u>
1xxx	Total assets	<u>\$ 7,699,692</u>	<u>100</u>	<u>7,410,069</u>	<u>100</u>	<u>6,447,774</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 7,699,692</u>	<u>100</u>	<u>7,410,069</u>	<u>100</u>	<u>6,447,774</u>	<u>100</u>

(Please refer to the attached notes to the consolidated financial statements)

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

		Unit: NTD Thousand			
		January to March, 2024		January to March, 2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6 (19) and 7)	\$ 337,052	100	300,457	100
5000	Operating costs (Notes 6 (6), (8), (9), (13), (15), 7 and 12)	148,945	44	206,205	69
5900	Gross profit	188,107	56	94,252	31
6000	Operating expenses (Notes 6 (4), (8), (9), (13), (15), (20), 7 and 12):				
6100	Marketing expenses	9,358	3	10,546	3
6200	Management expenses	35,641	10	29,173	10
6300	Research and development expenses	9,213	3	11,254	4
6450	Expected credit loss	16,790	5	(1,711)	(1)
	Total operating expenses	71,002	21	49,262	16
6900	Net operating profit (loss)	117,105	35	44,990	15
7000	Non-operating revenue and expenses (Notes 6 (2), (7), (8), (13), (21), 7 and 12):				
7100	Interest income	1,313	-	928	-
7010	Other income	22,547	7	18,610	6
7020	Other gains and losses	12,868	4	2,291	1
7050	Finance costs, net	(622)	-	(659)	-
7060	Share of profit of associates accounted for using equity method	20,792	6	3,451	1
	Total non-operating revenue and expenses	56,898	17	24,621	8
7900	Net profit from continuing operations before tax	174,003	52	69,611	23
7950	Less: Income tax expense (Note 6 (16))	-	-	48	-
8200	Net profit for the period	174,003	52	69,563	23
8300	Other comprehensive income (Note 6 (7) and (17)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	94,657	28	107,028	36
8349	Income tax related to components of other comprehensive	-	-	-	-
	Total items that will not be reclassified to profit or loss	94,657	28	107,028	36
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	33,236	10	(6,713)	(2)
8370	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	4,342	1	653	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	37,578	11	(6,060)	(2)
8300	Other comprehensive income for the current period	132,235	39	100,968	34
8500	Total comprehensive income for the current period	\$ 306,238	91	170,531	57
	Profit attributable to:				
8610	Owners of parent	\$ 161,234	48	59,728	20
8620	Non-controlling interests	12,769	4	9,835	3
		\$ 174,003	52	69,563	23
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 293,469	87	160,696	54
8720	Non-controlling interests	12,769	4	9,835	3
		\$ 306,238	91	170,531	57
	EPS(Unit: New Taiwan Dollars) (Note 6 (18))				
9750	Basic EPS	\$ 1.07		0.39	
9850	Diluted EPS	\$ 1.06		0.39	

(Please refer to the attached notes to the consolidated financial statements)

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2024 and 2023

Unit: NTD Thousand

	Equity attributable to owners of parent					Total other equity interest		Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Share capital from common stock	Capital reserve	Legal reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
				Undistributed surplus earnings	Total						
Balance at January 1, 2023	\$ 1,513,276	2,001,516	71,324	817,484	888,808	13,527	1,174,206	1,187,733	5,591,333	61,321	5,652,654
Net profit for the period	-	-	-	59,728	59,728	-	-	-	59,728	9,835	69,563
Other comprehensive income, net of tax, for the period	-	-	-	-	-	(6,060)	107,028	100,968	100,968	-	100,968
Total comprehensive income for the period	-	-	-	59,728	59,728	(6,060)	107,028	100,968	160,696	9,835	170,531
Balance at March 31, 2023	\$ 1,513,276	2,001,516	71,324	877,212	948,536	7,467	1,281,234	1,288,701	5,752,029	71,156	5,823,185
Balance at January 1, 2024	\$ 1,513,276	1,925,860	113,160	1,191,368	1,304,528	10,401	1,799,695	1,810,096	6,553,760	83,706	6,637,466
Net profit for the period	-	-	-	161,234	161,234	-	-	-	161,234	12,769	174,003
Other comprehensive income, net of tax, for the period	-	-	-	-	-	37,578	94,657	132,235	132,235	-	132,235
Total comprehensive income for the period	-	-	-	161,234	161,234	37,578	94,657	132,235	293,469	12,769	306,238
Balance at March 31, 2024	\$ 1,513,276	1,925,860	113,160	1,352,602	1,465,762	47,979	1,894,352	1,942,331	6,847,229	96,475	6,943,704

(Please refer to the attached notes to the consolidated financial statements)

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2024 and 2023

Unit: NTD Thousand

	January to March, 2024	January to March, 2023
Cash flows from operating activities:		
Net profit before tax for the current period	\$ 174,003	69,611
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	31,867	29,599
Amortization expense	395	372
Expected credit loss	16,790	(1,711)
Loss (gain) on financial assets at fair value through profit or loss	(15,395)	(6,926)
Interest expense	622	659
Interest income	(1,313)	(928)
Share of profit of associates accounted for using equity method	(20,792)	(3,451)
Proceeds from disposal of property, plant and equipment	(1,161)	-
Total income and expense items	<u>11,013</u>	<u>17,614</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Current Financial Assets at Fair Value through Profit or Loss	-	(16,381)
Notes receivable	46,508	(66,260)
Accounts receivable (including related parties)	55,999	16,955
Other receivables (including related parties)	2,869	2,527
Inventory	(37,487)	(24,095)
Other current assets	(912)	2,088
Total changes in operating assets, net	<u>66,977</u>	<u>(85,166)</u>
Changes in operating liabilities, net:		
Contract liabilities	7,080	(2)
Notes payable	-	(546)
Accounts payable (including related parties)	(575)	89
Other payables	(12,533)	(4,298)
Provisions	(35,271)	12,053
Other current liabilities	(2,640)	(1,433)
Decrease in other operating liabilities	<u>(43,939)</u>	<u>5,863</u>
Net changes in operating assets and liabilities	<u>23,038</u>	<u>(79,303)</u>
Total adjustments	<u>34,051</u>	<u>(61,689)</u>
Cash inflow generated from operations	208,054	7,922
Interest received	1,313	928
Interest paid	(622)	(659)
Payment of income tax	-	(5,332)
Net cash inflow from operating activities	<u>208,745</u>	<u>2,859</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(16,155)	(34,409)
Acquired financial assets measured at amortized cost	-	70,710
Acquisition of property, plant and equipment	(16,152)	(6,471)
Disposal of property, plant and equipment	1,161	-
Increase in refundable deposits	(780)	(97)
Other non-current assets	(370)	-
Decrease (increase) in prepaid equipment	(1,528)	(1,388)
Net cash flows (used in) from investing activities	<u>(33,824)</u>	<u>28,345</u>
Cash flows from (used in) financing activities:		
Increase in long-term borrowings	35,000	-
Increase (decrease) in deposits received	(2,432)	(176)
Payment of lease liabilities	(4,032)	(3,908)
Net cash flows used in financing activities	<u>28,536</u>	<u>(4,084)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6,980</u>	<u>(2,009)</u>
Net decrease in cash and cash equivalents for the period	210,437	25,111
Cash and cash equivalents at beginning of period	535,160	546,502
Cash and cash equivalents at end of period	<u>\$ 745,597</u>	<u>571,613</u>

(Please refer to the attached notes to the consolidated financial statements)

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company history

Young Fast Optoelectronics Co., Ltd. (“the Company”), previously known as Dahelong Electromechanical Co., Ltd., was established and registered with the approval of the Ministry of Economic Affairs on July 30, 2002, in accordance with the Company Law and its relevant laws and regulations, and obtained registration as a for-profit enterprise with its main business being the manufacture of power cable accessories such as power generation, transmission and distribution. Please refer to Note 14 for details.

(Original) Young Fast Optoelectronics Co., Ltd. (formerly Young Fast Optoelectronics Company) was established on August 1, 2007 in accordance with the Business Mergers and Acquisitions Act. Its main business items are the research and development, manufacturing, and sales of various types of touch panels. Please refer to Note 14 for details.

In order to improve our operational performance and competitiveness, the Company passed a resolution of its extraordinary shareholders’ meeting of November 23, 2007 to undergo a merger with the former Young Fast Optoelectronics Company and change the Company’s name to Young Fast Optoelectronics Co., Ltd. Following the merger, the Company was to be the surviving company with a swap of 0.5 common shares of the original Young Fast Optoelectronics for 1 common share of the Company. All rights and obligations of the original Young Fast Optoelectronics was to be generally accepted by the Company. The Company issued 84,000 thousand ordinary shares for the merger and capital increase, and December 24, 2007 was the base date for the merger and capital increase and issuance of new shares.

The Company passed a resolution of the Board of Directors on April 28, 2017 such that in accordance with Article 19 of the Business Mergers And Acquisitions Act and taking May 31, 2017 as the base date, a simple merger was undertaken with the 100%-owned reinvested companies Lucky Chance Enterprise Co., Ltd. (“Lucky Chance”) and with Lead Well Technology Co., Ltd. (“Lead Well”). After the mergers, Lucky Chance and Lead Well were to be the extinguished companies and the Company was to be the surviving company.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

II. Approval date and procedures of the financial statements

These consolidated financial statements were published after authorization by the Board of Directors on May 8, 2024.

III. New standards, amendments and interpretations adopted

(I) The impact of adopting the newly issued and revised standards and interpretations approved by the Financial Supervisory Commission (“the FSC”).

The Company will apply the following newly amended International Financial Reporting Standards from January 1, 2024, and there is no significant impact on the parent company only financial statements.

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

(II) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The impact of IFRSs issued by the IASB but not yet endorsed by the FSC to the Group is summarized as below:

New, Revised, or Amended Standards and Interpretations	Major Amendments	Effective Date Issued by IASB
IFRS 18“Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘ operating profit’ subtotal, and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’ s main business activities. 	January 1, 2027

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated, and reconcile it to an amount determined under IFRS Accounting Standards. °
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. °

The Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other unapproved new and revised standards to have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- Amendments to IAS 21 “Lack of Exchangeability”

IV. Summary of significant accounting policies

Except as described in the following paragraphs, the significant accounting policies used in the interim financial statement are consistent with the consolidated financial statement for the year ended December 31, 2023. For related information, please refer to note 4 of the consolidated financial statement for the year ended December 31, 2023.

(I) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards,

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(II) Basis of consolidation

Principles of preparation of the consolidated financial statements are consistent with the consolidated financial statement for the year ended December 31, 2023. For related information, please refer to note 4(3) of the consolidated financial statement for the year ended December 31, 2023.

1. Subsidiaries of these consolidated financial statements are listed as follows:

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			2024.3.31	2023.12.31	2023.3.31	
The Company	Young Fast (SAMOA) Co., Ltd. (Young Fast Samoa)	Professional investment	100.00%	100.00%	100.00%	
The Company	Taiwan SRU Corporation Limited (Taiwan SRU)	Manufacturing of wire and cable accessories	51.00%	51.00%	51.00%	Note
Young Fast Samoa	Young Fast Optoelectronics (VIETNAM) Co., Ltd. (Young Fast Vietnam)	Manufacture and sales of touch panels	100.00%	100.00%	100.00%	
Young Fast Samoa	Tengyang Optoelectronics (Huizhou) Co., Ltd. (Tengyang Optoelectronics)	After sales services (labor)	100.00%	100.00%	100.00%	

Note : This is an immaterial subsidiary for which the consolidated financial statements are neither reviewed nor audited by the Company's independent auditors.

2. Subsidiaries excluded from the consolidated financial statements: None.

(III) Employee benefits

Under defined benefit plans, 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 curtailments, settlements, or other significant one-off events.

(IV) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with Regulations as well as IFRSs (in accordance with IAS 34 endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated interim financial statements, the major sources of significant accounting assumptions, judgments and estimation uncertainty are consistent with note 5 of the annual consolidated financial statements for the year ended December 31, 2023.

VI. Explanation of significant accounts

(I) Cash and cash equivalents

	2024.3.31	2023.12.31	2023.3.31
Cash	\$ 589	597	542
Demand deposits	614,608	375,518	464,866
Checking deposits	-	-	80
Fixed deposits	130,400	159,045	106,125
	\$ 745,597	535,160	571,613

Please refer to Note 6 (22) for the fair value sensitivity analysis and exchange rate risk of the financial assets and liabilities.

(II) Financial assets at fair value through profit or loss—current

	2024.3.31	2023.12.31	2023.3.31
Financial assets designated as at fair value through profit or loss:			
Gold passbook accounts	\$ 143,019	127,624	98,277

Please refer to Note 6 (21) for the remeasurement of fair value.

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

(III) Financial assets at fair value through other comprehensive income

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Equity investments at fair value through other comprehensive income			
Current:			
Domestic TWSE listed company shares:			
Taiwan Cooperative Financial Holding Co., Ltd.	\$ 1,470,259	1,498,317	1,394,901
Mega Financial Holding Company Limited	972,991	921,408	769,519
First Financial Holding Co.,Ltd.	802,672	793,979	744,127
Taiwan Business Bank	227,097	192,646	184,698
Taiwan Fertilizer Co., Ltd.	182,826	196,175	135,072
Cathay Financial Holdings Co., Ltd.	81,352	76,502	69,897
Chang Hwa Commercial Bank, Ltd.	156,306	152,890	-
	<u>3,893,503</u>	<u>3,831,917</u>	<u>3,298,214</u>
Non current:			
Domestic TWSE listed company shares:			
Hold-Key Electric Wire & Cable Co., Ltd.	\$ 394,865	345,639	177,606
Unlisted domestic common shares:			
Sol Young Enterprises Co., Ltd.	12,610	12,610	12,610
ICP Technology Co., Ltd.	3,032	3,032	3,032
Willide Optoelectronics Co., Ltd.	3,000	3,000	1,500
Tung Wah Electrical Engineering Co., Ltd.	2,500	2,500	-
	<u>21,142</u>	<u>21,142</u>	<u>17,142</u>
	<u>416,007</u>	<u>366,781</u>	<u>194,748</u>
Total	<u>\$ 4,309,510</u>	<u>4,198,698</u>	<u>3,492,962</u>

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

The Group did not dispose of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2024 and 2023.

For market risk information please refer to Note 6 (22).

(IV) Notes receivable and accounts receivable

	2024.3.31	2023.12.31	2023.3.31
Notes receivable	\$ 208,880	258,689	180,179
Accounts receivable	94,114	139,311	56,973
Accounts receivable - related parties	41,226	52,028	47,337
Long-term notes receivable (Other Non-Current Assets)	28,691	25,390	-
Less:			
Loss allowance - notes receivable	(20,697)	(5,043)	(10,153)
Loss allowance - accounts receivable	(67)	(1,501)	(110)
Loss allowance - Long-term notes receivable	(6,630)	(4,060)	-
	\$ 345,517	464,814	274,226

The Company entered into an accounts receivable factoring agreement with CTBC Bank in November 2023. As agreed, the Company shall not bear the default risk of accounts receivable transferred but losses arising from disputes, and the bank shall offer a 90-percent credit risk protection while the Company shall not have any continuing involvement in the transferred accounts receivable. Therefore, the requirements of derecognition of financial assets were met. After the derecognition of accounts receivable, the debt receivable from the financial institution was recognized as other receivables. The information on accounts receivable transferred that were undue on the reporting date is as follows :

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

2023.12.31						
Factor	Amount derecognized	Advance amount available	Advance amount withdrawn	Amount reclassified as other receivables	Interest rate range	Other important matter
CTBC Bank	<u>2,286</u>	<u>39,149</u>	-	<u>2,286</u>	-	None
	(USD74)	(USD1,275)		(USD74)		

As of March 31, 2024 and December 31 2023, the credits approved for the accounts receivable factoring agreement between the Group and CTBC Bank were NTD48,000 thousand (USD1,500 thousand) and NTD46,058 thousand (USD1,500 thousand), respectively, while the Group did not engage in accounts receivable factoring as of March 31, 2024.

The Group executed an accounts receivable factoring contract with The Shanghai Commercial & Savings Bank in August 2022. Under the contract, the Group need not assume the risk of the transferred accounts receivable being unrecovered but only need bear the losses arising from business disputes. In addition, the Group does not participate in the transferred accounts receivable anymore in any way, and a credit risk coverage rate up to 90% has been provided by banks. In addition, as stated in the facility approval notice signed with the Shanghai Commercial & Savings Bank in 2023, the Group may withdraw advance up to 80% of the agreed facility from January 6 to August 30, 2023. The abovementioned accounts receivable factoring agreement expired on August 30, 2023.

As of March 31, 2023, the credits approved for the accounts receivable factoring agreement between the Group and the Shanghai Commercial & Savings Bank were NTD121,800 thousand (USD4,000 thousand), respectively, while the Group did not engage in accounts receivable factoring as of March 31, 2023.

The Group applies the simplified approach to provide for its expected credit losses, i.e., using the measurement of expected credit loss during the period. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. According to the historical experience of the Group's credit losses, there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further differentiate customer groups.

Analysis of expected credit losses of the Group notes receivable and accounts receivable (excluding related parties) is as follows:

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

	2024.3.31		
	Carrying values of notes receivable and accounts receivable	Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	\$ 328,002	0.00~10.29	23,713
31 to 60 days past due	3	33.33	1
More than 180 days past due	3,680	100	3,680
	\$ 331,685		27,394

	2023.12.31		
	Carrying values of notes receivable and accounts receivable	Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	\$ 419,681	0.00~1.96	6,903
61 to 90 days past due	21	61.80	13
More than 180 days past due	3,688	100.00	3,688
	\$ 423,390		10,604

	2023.3.31		
	Carrying values of notes receivable and accounts receivable	Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	\$ 227,757	0.00~0.70	1,598
1 to 30 days past due	765	4.58	35
More than 180 days past due	8,630	100.00	8,630
	\$ 237,152		10,263

According to the contracts signed between the consolidated company and its clients, the consolidated company can only invoice the clients after the clients have received payment from their end customer, Taiwan Power Company. Some of the consolidated company's notes receivable, although due but not yet cashed, are listed under the non-overdue category because they are not yet eligible for invoicing.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

As of March 31, 2024, December 31, 2023, and March 31, 2023, the amounts of these due but not yet cashed notes receivable were NT\$85,436 thousand, NT\$95,958 thousand, and NT\$45,278 thousand, respectively.

According to historical experience, the Group accounts receivable due from related parties have experienced no credit losses, and we also consider that as of the balance sheet date, the accounts receivable due from related parties have not been overdue and there is no other indication that the credit quality of accounts receivable due from related parties has changed from the original credit dates. Therefore, the Group assessment of accounts receivable due from related parties is that they will not generate credit losses, and they are not included for calculation in the analysis table of expected credit losses.

The table of changes in loss allowance for notes receivable and accounts receivable of the Group is as follows:

	January to March, 2024	January to March, 2023
Opening balance	\$ 10,604	11,974
Provision for impairment loss (reversal gain)	16,790	(1,711)
Ending balance	\$ 27,394	10,263

(V) Other receivables (Including current and non-current)

	2024.3.31	2023.12.31	2023.3.31
Current			
Finance lease receivable, net.	\$ 851	835	-
Other receivables	4,969	7,854	3,231
	5,820	8,689	3,231
Non-current (Other Non-current Assets)			
Long-term finance lease receivable, net.	3,254	3,472	-
Long-term notes receivable	28,691	25,390	-
Long-term accounts	65,166	65,166	65,166
Less:			-
Loss allowance—Long-term notes receivable	(6,630)	(4,060)	
Loss allowance—Long-term accounts	(65,166)	(65,166)	(65,166)

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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Non-current (Other Non-Current Assets)	25,315	24,802	-
	\$ 31,135	33,491	3,231

The table of changes in loss allowance for other receivables and long-term receivables of the Group is as follows:

	January to March, 2024	January to March, 2023
Ending balance(as Opening balance)	\$ 65,166	65,166

Provision of impairment losses on long-term notes receivable please refer to Note 6 (4)

For other credit risk information please refer to Note 6 (22).

(VI) Inventory

	2024.3.31	2023.12.31	2023.3.31
Raw materials	\$ 193,400	173,523	164,414
Work in process	63,036	51,763	66,587
Finished products	18,666	14,330	21,102
Goods held in inventory	5,528	2,431	8,757
Inventory in transit	239	1,335	1,016
	\$ 280,869	243,382	261,876

In addition to transferring inventory to operating costs due to normal sales in January 1 to March 31, 2024 and 2023, the Group's other total expenses and losses directly included in operating costs are listed as follows:

	January to March, 2024	January to March, 2023
Inventory valuation and obsolescence loss (reversal gain)	\$ (8,537)	(610)
Inventory obsolescence loss	218	6,592
Unamortized manufacturing overhead	15,076	11,103
Inclusion in operating costs	\$ 6,757	17,085

The reversal of previously recognized impairment and bad debt losses in January 1 to March 31, 2024 is mainly due to the sale of inventories that have been provisioned for impairment and bad debt losses.

None of the Group's inventory was pledged as collateral as of March 31, 2024, December 31, 2023, and March 31, 2023.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

(VII) Investments accounted for using equity method

The Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	2024.3.31	2023.12.31	2023.3.31
Affiliated companies	<u>\$ 373,912</u>	<u>348,778</u>	<u>331,293</u>

1. Affiliated companies

Affiliates which are material to the Group consisted of the following:

Affiliated companies Name	Within the Group Nature of Relationship	Main operating location / incorporation	Proportion of shareholding and voting rights		
			2024.3.31	2023.12.31	2023.3.31
Epoch Chemtronics Corp. (Epoch)	Optical instrument manufacturing, etc.	Taiwan	23.75%	23.75%	23.75%

Aggregated financial information of affiliated companies that are material to the Group are set forth below.

	2024.3.31	2023.12.31	2023.3.31
Current assets	\$ 2,990,554	\$ 2,865,841	2,342,196
Non-current assets	1,025,156	1,026,259	978,652
Current liabilities	(2,426,702)	(2,409,012)	(1,929,422)
Non-current liabilities	<u>(102,440)</u>	<u>(102,345)</u>	<u>(84,301)</u>
Net assets	<u>\$ 1,486,568</u>	<u>\$ 1,380,743</u>	<u>1,307,125</u>

	January to March, 2024	January to March, 2023
Operating income	<u>\$ 1,526,181</u>	<u>1,154,935</u>
Profit from continuing operations	\$ 87,547	14,532
Other comprehensive income	<u>18,277</u>	<u>2,747</u>
Total comprehensive income	<u>\$ 105,824</u>	<u>17,279</u>
Share of net assets of the Company's affiliates on January 1	\$ 327,931	306,342
Comprehensive income (loss) attributable to the Company	<u>25,134</u>	<u>4,104</u>
Share of net assets of related companies attributable to the Company at period end	353,065	310,446
Add: Goodwill	<u>20,847</u>	<u>20,847</u>
Carrying amount of equity in affiliated companies attributable to the Company at period end	<u>\$ 373,912</u>	<u>331,293</u>

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

The difference between the Group's equity and the carrying amount of the investment using the equity method mainly constitutes goodwill arising from the purchase of the investment at a premium when originally acquired.

2. Collateral

As of March 31, 2024, December 31, 2023, and March 31, 2023, none of the Group's investments using the equity method were pledged as collateral.

3. The unreviewed financial statements of investments accounted for using equity method

Investments accounted for using the equity method and the consolidated company's share of profits and other comprehensive income are calculated based on unaudited financial reports.

(VIII) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for March 31, 2024 and 2023 were as follows:

	Land	Housing and construction	Machinery and equipment	Leased assets	Other equipment	Total
Cost or deemed cost:						
Balance as at January 1, 2024	\$ 263,627	1,545,326	2,384,763	45,849	553,268	4,792,833
Addition	-	2,807	712	-	7,971	11,490
Disposal	-	-	(7,218)	-	(830)	(8,048)
Reclassification (Note 1)	-	6,600	657	-	270	7,527
Effect of movements in exchange rates	-	41,252	79,416	-	17,873	138,541
Balance as at March 31, 2024	<u>\$ 263,627</u>	<u>1,595,985</u>	<u>2,458,330</u>	<u>45,849</u>	<u>578,552</u>	<u>4,942,343</u>
Balance as at January 1, 2023	\$ 263,627	1,541,971	2,474,022	45,188	541,043	4,865,851
Addition	-	347	1,713	160	2,286	4,506
Disposal	-	-	(1,288)	-	(1,559)	(2,847)
Reclassification (Note 1)	-	-	5,840	-	1,992	7,832
Effect of movements in exchange rates	-	(8,258)	(15,792)	-	(3,572)	(27,622)
Balance as at March 31, 2023	<u>\$ 263,627</u>	<u>1,534,060</u>	<u>2,464,495</u>	<u>45,348</u>	<u>540,190</u>	<u>4,847,720</u>
Depreciation and impairment loss:						
Balance as at January 1, 2024	\$ -	1,100,784	2,300,835	26,766	521,327	3,949,712
Depreciation for the current period	-	10,678	6,404	2,520	2,441	22,043
Disposal	-	-	(7,218)	-	(830)	(8,048)
Effect of movements in exchange rates	-	26,688	77,652	-	17,481	121,821
Balance as at March 31, 2024	<u>\$ -</u>	<u>1,138,150</u>	<u>2,377,673</u>	<u>29,286</u>	<u>540,419</u>	<u>4,085,528</u>
Balance as at January 1, 2023	\$ -	1,062,875	2,401,312	16,732	514,094	3,995,013
Depreciation for the current period	-	10,085	5,367	2,509	2,259	20,220

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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Disposal	-	-	(1,288)	-	(1,559)	(2,847)
Effect of movements in exchange rates	-	(5,060)	(16,524)	-	(3,510)	(25,094)
Balance as at March 31, 2023	<u>\$ -</u>	<u>1,067,900</u>	<u>2,388,867</u>	<u>19,241</u>	<u>511,284</u>	<u>3,987,292</u>
Carrying amounts:						
Balance as at January 1, 2024	<u>\$ 263,627</u>	<u>444,542</u>	<u>83,928</u>	<u>19,083</u>	<u>31,941</u>	<u>843,121</u>
Balance as at March 31, 2024	<u>\$ 263,627</u>	<u>457,835</u>	<u>80,657</u>	<u>16,563</u>	<u>38,133</u>	<u>856,815</u>
Balance as at March 31, 2023	<u>\$ 263,627</u>	<u>466,160</u>	<u>75,628</u>	<u>26,107</u>	<u>28,906</u>	<u>860,428</u>

Note 1: Transferred from payments for prepaid equipment.

The Group real estate, factories and equipment have not been provided as collateral security.

(IX) Right of use assets

The cost, depreciation, and impairment loss of the land and buildings of the Group were as follows:

	<u>Land</u>	<u>Housing and construction</u>	<u>Total</u>
Right of use asset costs:			
Balance as at January 1, 2024	\$ 73,720	96,018	169,738
Effect of movements in exchange rates	3,110	-	3,110
Balance as at March 31, 2024	<u>\$ 76,830</u>	<u>96,018</u>	<u>172,848</u>
Balance as at January 1, 2023	\$ 73,732	94,334	168,066
Addition	-	1,684	1,684
Effect of movements in exchange rates	(624)	-	(624)
Balance as at March 31, 2023	<u>\$ 73,108</u>	<u>96,018</u>	<u>169,126</u>
Right of use asset depreciation:			
Balance as at January 1, 2024	\$ 8,979	43,912	52,891
Depreciation for the current period	468	4,466	4,934
Effect of movements in exchange rates	387	-	387
Balance as at March 31, 2024	<u>\$ 9,834</u>	<u>48,378</u>	<u>58,212</u>
Balance as at January 1, 2023	\$ 7,153	26,120	33,273
Depreciation for the current period	451	4,393	4,844
Effect of movements in exchange rates	(60)	-	(60)
Balance as at March 31, 2023	<u>\$ 7,544</u>	<u>30,513</u>	<u>38,057</u>
Carrying amounts:			
Balance as at January 1, 2024	<u>\$ 64,741</u>	<u>52,106</u>	<u>116,847</u>
Balance as at March 31, 2024	<u>\$ 66,996</u>	<u>47,640</u>	<u>114,636</u>

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

Balance as at March 31, 2023	\$	65,564	65,505	131,069
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(X) Investment real estate

Investment real estate constitutes the Group's own assets and right-of-use assets that recognize leasehold rights.

	Own assets		Right of use assets	Total
	Land	Land and buildings	Land	
	Carrying amount:			
Balance as at January 1, 2024	\$ 69,908	192,433	29,085	291,426
Balance as at March 31, 2024	\$ 69,908	195,531	30,098	295,537
Balance as at March 31, 2023	\$ 69,908	197,959	29,455	297,322

The right-of-use assets of the Group have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2024 and 2023. Please refer to note 12 for the amount of depreciation, and for other related information, please refer to Note 6(12). of the consolidated financial statement for the year ended December 31, 2023.

There is no significant difference between the fair value of the consolidated company's investment properties and the information disclosed in Note 6(12) of the consolidated financial statements for the year 2023.

(XI) Intangible assets

	Computer software
Carrying amounts:	
Balance as at January 1, 2024	\$ 4,284
Balance as at March 31, 2024	\$ 4,062
Balance as at March 31, 2023	\$ 4,950

The intangible assets of the Group have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2024 and 2023. For the related information, please refer to note 6(13) of the consolidated financial statement for the year ended December 31, 2023.

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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(XII) Long-term borrowings

	2024.3.31		
	Interest rate range (%)	Maturity year	Amount
Long-term borrowings	2.095	120	\$ 35,000
Less: Those maturing within one year			-
Less: current portion			
Total			<u>\$ 35,000</u>
Unused long-term credit lines			<u>\$ -</u>

On March 25, 2024, the consolidated company borrowed NT\$35,000 thousand from the Bank of Taiwan, with the loan purpose restricted to the construction of solar power equipment.

The consolidated company agreed with the bank to use the solar power equipment as enhanced collateral for the long-term loan. However, as of March 31, 2024, the construction of the aforementioned equipment has not been completed, so there are no assets pledged as collateral for the long-term loan.

As of December 31, 2023, and March 31, 2024, the consolidated company had no long-term borrowings.

(XIII) Lease liabilities

Book value of the Group's lease liabilities is as follows:

	2024.3.31	2023.12.31	2023.3.31
Current:			
Lease liabilities	\$ 131	118	110
Lease liabilities - Related parties	17,947	17,877	17,668
	<u>\$ 18,078</u>	<u>17,995</u>	<u>17,778</u>
Non-current:			
Lease liabilities	\$ 20,116	18,908	19,266
Lease liabilities - Related parties	30,485	34,998	48,432
	<u>\$ 50,601</u>	<u>53,906</u>	<u>67,698</u>

For maturity analysis of financial instruments, please refer to Note 6 (22).

Amounts recognized as profit or loss are as follows:

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Interest on lease liabilities	<u>\$ 608</u>	<u>657</u>
Expenses relating to short term leases	<u>\$ 311</u>	<u>40</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	<u>\$ 10</u>	<u>233</u>

Amounts recognized in the Statements of Cash Flows are as follows:

	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Total amount of net cash flows from operating activities	\$ 929	930
Total amount net cash flows from financing activities	<u>4,032</u>	<u>3,908</u>
Total cash flows from leases	<u>\$ 4,961</u>	<u>4,838</u>

The Group leases land, houses, and buildings as factories, offices and leases. Land and building leases are typically for three to five years. When the lease period expires, the option to extend the same period as the original contract is available. In addition, the land lease period is 37 years.

The Group leases some offices and transportation equipment for a period of one year to three years. Such leases are leases of short term or low value subject matter, and the Company has elected not to recognize right of use assets and lease liabilities for these leases.

(XIV) Provisions

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Current:			
After-sales service provisions	<u>\$ 43,751</u>	<u>45,779</u>	<u>38,859</u>
Non-current:			
After-sales service provisions	107,705	140,948	101,379
Decommissioning, restoration, and rehabilitation costs	<u>5,164</u>	<u>5,164</u>	<u>5,164</u>
	<u>112,869</u>	<u>146,112</u>	<u>106,543</u>
	<u>\$ 156,620</u>	<u>191,891</u>	<u>145,402</u>

There is no significant changes of provisions for the three months ended March 31, 2024 and 2023. Please refer to note 6(15) of the consolidated financial

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

statements for the year ended December 31, 2023 for related information.

(XV) Employee benefits

1. Defined benefit plan

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The pension expenses under the defined benefit plan pension system from January 1 to March 31, 2024 and 2023 were NTD0 thousand and NTD98 thousand respectively.

2. Defined contribution plan

Among the Group, in the Company and in its subsidiary Taiwan SRU Corp. established in the Republic of China, transfers are made to individual labor pension accounts established by the Bureau of Labor Insurance in line with the contribution rate of 6% of monthly employee salaries and in accordance with the provisions of the Labor Pension Act. Under this setup, after the Company and Taiwan SRU Corp. have provided a fixed amount to the Bureau of Labor Insurance, there is no statutory or constructive obligation to pay an additional amount.

The Groups' subsidiaries located in China and Vietnam are determined as providing for retirement, and these pension are based on employee salaries. A certain percentage of the related allocations are deposited into a special account of the retirement fund, which is managed by the local statutory insurance agency. When an employee retires, he or she can receive the employee's self-provided funds and the Company's relative contribution funds and its yield from the special fund account.

Pension expenses under the Group's January to March, 2024 and 2023 defined pension appropriation measures are NTD 1,498 thousand and NTD 1,434 thousand respectively.

(XVI) Income taxes

The Group's income tax expenses (gains) are detailed as follows:

	January to March, 2024	January to March, 2023
Current income tax expense	\$ -	48

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

The Company's tax returns for the years through 2021 were examined and approved by the tax authority.

(XVII) Capital and other equity

Apart from the matters described in the following paragraphs, there were no major changes in the Consolidated Company's capital and other equity for the three months ended March 31, 2024 and 2023. For relevant information, please refer to Note 6 (18) of the consolidated financial statements for the year ended December 31, 2023.

1. Earnings distribution

On February 27, 2024, the company's board of directors resolved, subject to the approval of the shareholders' meeting, the 2023 capital surplus cash dividend distribution proposal and the earnings distribution proposal. At its respective General Meetings of Shareholders on May 31, 2023 the Company passed corresponding resolutions for 2022, announcing cash dividends from capital reserve and earnings distribution with the amounts of cash dividends being as follows:

	2023	2022
Dividends distributed to owners of ordinary shares:		
Cash - retained earnings	\$ 226,992	151,328
Cash - capital reserve	75,663	75,664
	\$ 302,655	226,992
Distribution rate in NT dollars (NTD)	\$ 2.00	1.50

Information on the distribution of earnings as resolved by the Company's shareholders' meeting can be inquired through the Market Observation Post System.

2. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as at January 1, 2024	\$ 10,401	1,799,695	1,810,096
Exchange differences on translation of foreign financial statements	33,236	-	33,236
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized	4,342	-	4,342

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

using the equity method			
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	94,657	94,657
Balance as at March 31, 2024	<u>\$ 47,979</u>	<u>1,894,352</u>	<u>1,942,331</u>
Balance as at January 1, 2023	\$ 13,527	1,174,206	1,187,733
Exchange differences on translation of foreign financial statements	(6,713)	-	(6,713)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method	653	-	653
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	107,028	107,028
Balance as at March 31, 2023	<u>\$ 7,467</u>	<u>1,281,234</u>	<u>1,288,701</u>

(XVIII) Earnings per share

	Unit: Thousand shares	
	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Basic EPS:		
Net profit attributable to holders of ordinary shares of the Company	<u>\$ 161,234</u>	<u>59,728</u>
Weighted average number of ordinary shares outstanding	<u>151,328</u>	<u>151,328</u>
Basic EPS - Continuing Operations (Unit: New Taiwan Dollars)	<u>\$ 1.07</u>	<u>0.39</u>
Diluted EPS:		
Net profit attributable to holders of ordinary shares of the Company	<u>\$ 161,234</u>	<u>59,728</u>
Weighted average number of ordinary shares outstanding	151,328	151,328
Effects of all dilutive potential common shares		
Employees' compensation	<u>172</u>	<u>324</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>151,500</u>	<u>151,652</u>
Diluted EPS - Continuing Operations (Unit: New Taiwan Dollars)	<u>\$ 1.06</u>	<u>0.39</u>

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

(XIX) Revenue from contracts with customers

1. Details of revenue

	January to March, 2024		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	\$ 21,796	307	22,103
Americas	8,535	-	8,535
Taiwan	34,114	272,300	306,414
	\$ 64,445	272,607	337,052

	January to March, 2023		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	\$ 23,614	1,628	25,242
Americas	6,530	-	6,530
Taiwan	47,165	221,520	268,685
	\$ 77,309	223,148	300,457

2. Contract balances

	2024.3.31	2023.12.31	2023.3.31
Notes receivable	\$ 208,880	258,689	180,179
Accounts receivable	94,114	139,311	56,973
Accounts receivable - related parties	41,226	52,028	47,337
Long-term notes receivable (Other Non-Current Assets)	28,691	25,390	-
Less: Loss allowance—notes receivable	(20,697)	(5,043)	(10,153)
Less: Loss allowance - accounts receivable	(67)	(1,501)	(110)
Loss allowance - Long-term notes receivable	(6,630)	(4,060)	-
Total	\$ 345,517	464,814	274,226
Contract Liabilities - Merchandise Sales	\$ 11,972	4,892	5,577

Please refer to Note 6 (4) for disclosure of notes and accounts receivable and their impairment.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

(XX) Remuneration of employees and directors

According to the Articles of Incorporation of the Company, if there is profit for the year then not less than 2% shall be set aside for employees' remuneration and not more than 1.5% shall be set aside as remuneration for directors. However, when the Company still has accumulated losses, it should reserve the compensatory amount in advance. Stock or cash may be distributed to persons to whom employee remuneration is to be distributed as in the preceding paragraph, including employees of controlling or subordinate companies meeting certain conditions.

The Company's estimated amounts of employee remuneration from January 1 to March 31, 2024 and 2023 were NTD 3,342 thousand and NTD 1,239 thousand respectively. The corresponding estimated amounts for directors' remuneration were NTD 2,506 thousand and NTD 929 thousand. The estimated amounts mentioned above are calculated based on net profit before tax of the Company, excluding remuneration to employees and directors, and multiplied by the percentage of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation. These remunerations were reported under operating expenses. The differences between the actual distributed amounts, as determined by the Board of Directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. Relevant information can be inquired through the Market Observation Post System. If the Board of Directors decides to pay employee compensation in stock, the numbers of shares to be distributed were calculated based on the closing price of the Company's shares one day before the date of the decision of the Board of Directors. If the actual amount of dividends distributed in the next year is different from the estimated amount, it will be treated as a change in accounting estimate, and the difference will be recognized in the next year's income statement.

The Company's estimated amounts of employee remuneration for 2023 and 2022 were NTD 10,751 thousand and NTD 8,636 thousand respectively. The corresponding estimated amounts for directors' remuneration were NTD 8,063 thousand and NTD 6,463 thousand. which is no different from the actual distribution situation. The information is available on the Market Observation Post System website.

(XXI) Non-operating revenue and expenses

1. Interest income

Details of the interest income of the Group are as follows:

January to March, 2024	January to March, 2023
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**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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Bank deposit interest	\$ 1,313	928
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2. Other income

The details of other revenue of the Group were as follows:

	January to March, 2024	January to March, 2023
Lease income	\$ 16,429	16,960
Other income	6,118	1,650
	\$ 22,547	18,610

3. Other gains and losses

The details of other gains and losses were as follows:

	January to March, 2024	January to March, 2023
Proceeds from disposal of property, plant and equipment	\$ 1,161	-
Investment real estate depreciation expense	(4,890)	(4,535)
Net foreign currency exchange gains (loss)	1,202	186
Gain (loss) on financial assets at fair value through profit or loss	15,395	6,926
Other	-	(286)
	\$ 12,868	2,291

4. Finance costs

The Group's finance costs were as follows:

	January to March, 2024	January to March, 2023
Bank loans	\$ 12	-
Lease liabilities	608	657
Other	2	2
	\$ 622	659

(XXII) Financial instruments

Except for those described below, there were no significant changes on fair value, credit risk, liquidity risk and market risk of financial instruments. Please refer to note 6(23) of the consolidated financial statements for the year ended December 31, 2023 for related information.

1. Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure amount.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

(2) Concentration of credit risk

Among the balances of accounts receivable and notes receivable of the Group as at March 31, 2024、December 31, 2023 and March 31, 2023, three major customers accounted for 62%、67% and 61% respectively.

(3) Credit risk on receivables and financial assets at amortized cost

For credit risk exposure of notes receivable and accounts receivable, please refer to Note 6 (4). For credit risk exposure of other receivables and long-term receivables, please refer to Note 6 (5). Other receivables, long-term receivables and other financial assets measured at amortized cost are financial assets with low credit risk. The loss allowance for that period is therefore measured at the twelve-month expected credit loss amount.

2. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of fluctuations in cash flow. The Group's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
March 31, 2024						
Non derivative financial liabilities						
Accounts payable (including related parties)	\$ 128,501	128,501	128,501	-	-	-
Other payables	227,347	227,347	227,347	-	-	-
Long-term borrowings	35,000	38,513	550	733	17,825	19,405
Lease liabilities (including related parties)	68,679	106,743	20,348	20,348	17,686	48,361
Deposits received	19,032	19,032	3,190	7,331	8,511	-
Other non-current liabilities	63,888	63,888	-	-	-	63,888
	\$ 542,447	584,024	379,936	28,412	44,022	131,654
December 31, 2023						
Non derivative financial liabilities						
Accounts payable (including related parties)	\$ 129,076	129,076	129,076	-	-	-
Other payables	244,542	244,542	244,542	-	-	-
Lease liabilities	71,901	109,065	20,276	20,276	22,109	46,404
Deposits received	21,464	21,464	8,303	10,221	2,940	-
Other non-current liabilities	61,303	61,303	-	-	-	61,303
	\$ 528,286	565,450	402,197	30,497	25,049	107,707
March 31, 2023						
Non derivative financial liabilities						
Accounts payable (including related parties)	\$ 102,076	102,076	102,076	-	-	-
Other payables	178,715	178,715	178,715	-	-	-
Lease liabilities	85,476	124,228	20,261	20,261	35,985	47,721

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

Deposits received	20,963	20,963	282	8,211	12,470	-
Other non-current liabilities	60,794	60,794	-	-	-	60,794
	<u>\$ 448,024</u>	<u>486,776</u>	<u>301,334</u>	<u>28,472</u>	<u>48,455</u>	<u>108,515</u>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk were as follows:

	2024.3.31			2023.12.31			2023.3.31		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
<u>Financial assets</u>									
<u>Monetary items</u>									
US Dollar	\$ 10,725	32.0000	343,202	12,830	30.7050	393,951	10,488	30.4500	319,375
RMB	268	4.4080	1,180	269	4.3270	1,162	272	4.4310	1,207
Vietnamese Dong	4,892,573	0.0013	6,214	7,424,876	0.0013	9,281	8,117,585	0.0013	10,391
Japanese Yen	410,983	0.2115	86,923	226,949	0.2172	49,293	213,759	0.2288	48,908
<u>Financial liabilities</u>									
<u>Monetary items</u>									
US Dollar	6,633	32.0000	212,255	7,372	30.7050	226,354	6,599	30.4500	200,955
Vietnamese Dong	12,171,156	0.0013	15,457	17,369,658	0.0013	21,712	13,094,316	0.0013	16,761
Japanese Yen	142,757	0.2115	30,193	96,192	0.2172	20,893	41,717	0.2288	9,545

(2) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties), accounts payable (including related parties), and other payables that are denominated in foreign currency. As at March 31, 2024 and 2023, if the TWD, when compared with the USD, CNY, VND, and JPY had appreciated or depreciated 5% with all other factors remaining constant, then net profit before tax for January to March, 2024 and 2023 would have respectively increased or decreased by approximately NTD8,981 thousand and NTD7,631 thousand. The analysis is performed on the same basis for both periods.

(3) Exchange gains and losses on monetary items

Due to the wide variety of foreign currency transactions of the Group, gains or losses on foreign exchange are summarized as a single amount. Foreign currency exchange losses (including both realized and unrealized) in January to March, 2024 and 2023 were NTD 1,202 thousand and NTD 186 thousand, respectively.

4. Interest rate risk

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

The interest rate risk of the Group financial assets is explained in the financial risk management section of this note.

The Group major financial assets that are sensitive to interest rates are term deposits. calculated at floating interest rates. However, after assessing their increase and decrease, the change is not large, so it will not cause a significant cash flow risk to the Group.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 1%, when reporting to management internally, which also represents the assessment of the Group's management for the reasonably possible interval of interest rate change.

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 1%, the impact to the net profit before tax would be as follows for the three months ended March 31, 2024 and 2023, were NTD 88 thousand and NTD 0 thousand, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

5. Other market price risk

Sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<u>Price of securities at reporting date</u>	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Up 5%	<u>\$ 215,475</u>	<u>174,648</u>
Down 5%	<u>\$ (215,475)</u>	<u>(174,648)</u>

6. Fair value information

(1) Hierarchy and fair value of financial instruments

The Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of each category of financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	2024.3.31				
	Carrying amount	Fair value			Total
Level 1		Level 2	Level 3		
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 143,019	143,019	-	-	143,019
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEX) listed shares	4,288,368	4,288,368	-	-	4,288,368
Equity instruments without an active market measured at fair value	21,142	-	-	21,142	21,142
Subtotal	4,309,510	4,288,368	-	21,142	4,309,510
Financial assets measured at amortized cost					
Cash and cash equivalents	745,597	-	-	-	-
Notes receivable and accounts receivable (including related parties)	323,456	-	-	-	-
Other receivables	9,074	-	-	-	-
Long-term notes receivable	22,061	-	-	-	-
Refundable deposits	6,586	-	-	-	-
Other non-current assets	63,888	-	-	-	-
Subtotal	1,170,662	-	-	-	-
Total	\$ 5,623,191	4,431,387	-	21,142	4,452,529
Financial liabilities measured at amortized cost					
Accounts payable (including related parties)	\$ 128,501	-	-	-	-
Other payables	227,347	-	-	-	-
Long-term borrowings	35,000	-	-	-	-
Lease liabilities (including related parties)	68,679	-	-	-	-
Deposits received	19,032	-	-	-	-
Other non-current liabilities	63,888	-	-	-	-
Total	\$ 542,447	-	-	-	-

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 127,624	127,624	-	-	127,624
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEX) listed shares	4,177,556	4,177,556	-	-	4,177,556
Equity instruments without an active market measured at fair value	21,142	-	-	21,142	21,142
Subtotal	4,198,698	4,177,556	-	21,142	4,198,698
Financial assets measured at amortized cost					
Cash and cash equivalents	535,160	-	-	-	-
Notes receivable and accounts receivable (including related parties)	443,484	-	-	-	-
Other receivables	12,161	-	-	-	-
Long-term notes receivable	21,330	-	-	-	-
Refundable deposits	5,806	-	-	-	-
Other non-current assets	61,303	-	-	-	-
Subtotal	1,079,244	-	-	-	-
Total	\$ 5,405,566	4,305,180	-	21,142	4,326,322
Financial liabilities measured at amortized cost					
Accounts payable (including related parties)	\$ 129,076	-	-	-	-
Other payables	244,542	-	-	-	-
Long-term borrowings	71,901	-	-	-	-
Lease liabilities (including related parties)	21,464	-	-	-	-
Other non-current liabilities	61,303	-	-	-	-
Total	\$ 528,286	-	-	-	-

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
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	2023.3.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 98,277	98,277	-	-	98,277
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEX) listed shares	3,475,820	3,475,820	-	-	3,475,820
Equity instruments without an active market measured at fair value	17,142	-	-	17,142	17,142
Subtotal	3,492,962	3,475,820	-	17,142	3,492,962
Financial assets measured at amortized cost					
Cash and cash equivalents	571,613	-	-	-	-
Notes receivable and accounts receivable (including related parties)	274,226	-	-	-	-
Other receivables	3,231	-	-	-	-
Refundable deposits	5,832	-	-	-	-
Other non-current assets	60,794	-	-	-	-
Subtotal	915,696	-	-	-	-
Total	\$ 4,506,935	3,574,097	-	17,142	3,591,239
Financial liabilities measured at amortized cost					
Notes payable and accounts payable (including related parties)	\$ 102,076	-	-	-	-
Other payables	178,715	-	-	-	-
Lease liabilities (including related parties)	85,476	-	-	-	-
Deposits received	20,963	-	-	-	-
Other non-current liabilities	60,794	-	-	-	-
Total	\$ 448,024	-	-	-	-

(2) Valuation techniques for financial instruments measured at fair value—non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The market price announced by the major exchanges for all listed (over-the-counter) equity instruments taken as the basis for fair value.

Among financial instruments held by the Group, the stocks of listed (over-

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

the-counter listed) companies and gold passbook accounts are financial assets with standard terms and conditions and are traded in the active market, and their fair values are determined by reference to market quotations.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques. Fair value obtained through valuation techniques may refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including those calculated using models based on market information available at the consolidated balance sheet date.

Financial instruments held by the Group constitute equity instruments without an active market that are not publicly quoted and are measured at fair value. Fair value is estimated using the market comparable approach as well as net asset value. The main assumptions of the market comparable approach are based on the after-tax net profit or equity net worth of the investee and the earnings or book value multipliers derived from market quotations of comparable listed companies. This estimate has been adjusted for the discounting effect of the lack of market liquidity of the equity securities. Because the amount of equity investment estimated by the Group using the market comparable company method and net asset value to estimate the fair value is not significant, there is no intention to disclose quantitative information.

(XXIII) Financial risk management

Apart from the matters described in the following paragraphs, there were no significant changes in the objectives and policies of the Consolidated Company's financial risk management compared to those disclosed in Note 6(24) of the consolidated financial statements for the year ended December 31, 2023.

Bank borrowings are an important source of liquidity for the consolidated company. As of March 31, 2024, December 31, 2023, and March 31, 2023, the unused bank financing limits for the consolidated company were NT\$1,017,547 thousand, NT\$1,476,493 thousand, and NT\$860,080 thousand, respectively.

(XXIV) Capital management

The Consolidated Company's capital management objectives, policies, and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. In addition, there were no

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

significant changes in the aggregate quantitative information of capital management items compared to the information disclosed in the consolidated financial statements for the year ended 2023. Please refer to Note 6(25) of the consolidated financial statements for the year ended December 31, 2023 for relevant information.

(XXV) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities not affecting current cash flow in January to March, 2024 and 2023 were as follows:

1. For acquisition of the right-of-use asset by lease, please refer to Note 6 (9).
2. The Group's Reconciliation of liabilities from financing activities January to March, 2024 and 2023 is as follows:

			Non cash changes			
2024.1.1	Cash flows	Addition	Disposal and Remeasurement Contracts in the Current Period	Exchange rate changes	2024.3.31	
Lease liabilities	\$ 71,901	(4,032)	-	-	68,679	
Long-term borrowings	-	35,000	-	-	35,000	
Total liabilities from financing activities	<u>\$ 71,901</u>	<u>30,968</u>	<u>-</u>	<u>-</u>	<u>103,679</u>	

			Non cash changes			
2023.1.1	Cash flows	Addition	Disposal and Remeasurement Contracts in the Current Period	Exchange rate changes	2023.3.31	
Total liabilities from financing activities(Lease liabilities)	<u>\$ 87,859</u>	<u>(3,908)</u>	<u>1,684</u>	<u>-</u>	<u>85,476</u>	

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

VII. Related party transactions

(I) Names and relationship with related parties

Parties involved in transactions with the Group during the period covered by this consolidated financial report are as follows:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Luminous Optical Technology (Vietnam) Co., Ltd. (Luminous Optical Technology Vietnam)	Other related parties (de facto related parties)
Epoch Chemtronics Corp (Epoch)	Associate of the Company
Hold-Key Electric Wire & Cable Co., Ltd. (Hold-Key)	Other related parties (major shareholders of the Company)

(II) Significant transactions with related parties

1. Operating revenue

The Group's significant sales amounts with related parties are as follows:

<u>Related party</u>	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Hold-Key	\$ 61,219	53,172
Other related parties	-	262
Total	<u>\$ 61,219</u>	<u>53,434</u>

The prices and payment terms of the Group's sales to the above-mentioned related parties are not significantly different from those of general customers. In addition, the Group does not provide similar processing services to other customers for the processing income of related parties, so there is no general customer for comparison of the transaction price. The payment terms are negotiated by both parties.

2. Purchase and processing costs

Amounts of purchase and processing costs between the Group and related parties are as follows:

<u>Related party</u>	<u>January to March, 2024</u>	<u>January to March, 2023</u>
Other related parties	<u>\$ -</u>	<u>4,785</u>

The Group's has not purchased similar products from other manufacturers or commissioned other manufacturers to provide similar labor services, there is no general manufacturer for comparison of the above transaction prices. However, the payment terms are not significantly different from those of general manufacturers.

From January 1 to March 31, 2024, the merged company and its affiliated companies had a purchase refund of NTD 20 thousand.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

3. Receivables from related parties

Details of the Group's receivables from related parties are as follows:

Accounts	Related Party Category/Name	2024.3.31	2023.12.31	2023.3.31
Accounts receivable	Hold-Key	\$ 41,226	52,028	47,185
	Other related parties	-	-	152
Total		\$ 41,226	52,028	47,337

As of March 31, 2024、December 31, 2023 and March 31, 2023, none of the above accounts receivable has any loss allowance.

4. Payable to related parties

Details of the Group's payables to related parties are as follows:

Accounts	Related Party Category/Name	2024.3.31	2023.12.31	2023.3.31
Accounts payable	Other related parties	\$ 1,074	1,738	6,164
Other payables	Other related parties	850	-	-
	Other related parties	525	816	341
		\$ 2,449	2,554	6,505

5. Property transaction – Acquisition of property, plant and equipment

Related Party Category/Name	January to March, 2024	January to March, 2023
Other related parties	\$ 839	-

As of March 31, 2024, the aforementioned consolidated company has not yet completed payments for the acquisition of property, plant, and equipment from affiliated enterprises, recorded under other accounts payable.

6. Leases

In March 2023, the Group leased a parking lot from Hold-Key and signed a lease contract for about four years. The total value of the contract is NTD 1,728 thousand. In addition, in April 2022, the Group renewed its five-year factory lease contract with Hold-Key. The total value of the contract after renewal is NTD 88,868 thousand. The above rents were negotiated based on the agreed prices between the two parties and the rent prices in the neighboring areas. The interest expense recognized by the Group for the above lease liabilities in January to March, 2024 and 2023 was NTD 197 thousand and NTD 262 thousand respectively, and the balances of unpaid lease liabilities as of March 31, 2024、December 31, 2023 and March 31, 2023 was NTD 48,432 thousand、NTD 52,785 thousand and NTD 66,100 thousand.

**Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated
Financial Statements (Continued)**

7. Leasing revenue

Related party	January to March, 2024	January to March, 2023
Other related parties		
Luminous Optical Vietnam	\$ 4,740	2,131

Through March 31, 2024、December 31, 2023 and March 31, 2023, the Group's deposits for renting out its factory to Luminous Optical Vietnam were NTD 3,671 thousand、NTD 3,523 thousand and NTD 3,494 thousand.

(III) Remuneration of key management personnel

	January to March, 2024	January to March, 2023
Short-term employee benefits	\$ 9,538	8,199
Retirement benefits	98	90
	\$ 9,636	8,289

VIII. Pledged assets : None.

IX. Significant commitments and contingencies

Amounts of unused standby letters of credit that the Group has issued for the purchase of raw materials and machinery and equipment are as follows:

	2024.3.31	2023.12.31	2023.3.31
Japanese Yen	JPY 58,759	JPY -	JPY 92,302
USD	USD 126	USD 137	USD 134

X. Losses Due to Major Disasters: None.

XI. Subsequent Events: None.

XII. Other

(1)A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function By nature	January to March, 2024			January to March, 2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salary	29,309	28,394	57,703	26,870	23,467	50,337
Health and labor insurance	3,524	1,807	5,331	3,454	1,708	5,162
Pension	734	764	1,498	802	730	1,532
Director's	1,538	484	2,022	1,484	525	2,009

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

remuneration						
Other employee benefit expenses	22,219	4,758	26,977	20,992	4,072	25,064
Depreciation expense (Note)	257	138	395	234	138	372

Note: Depreciation expenses incurred for investment real estate in January to March, 2024 and 2023 were NTD 4,890 thousand and NTD 4,535 thousand respectively, accounted under other gains and losses.

(2) Seasonality of operation:

The Group's operation is not subject to seasonal or periodical fluctuations.

XIII. Other disclosures

(I) Information on significant transactions:

The following is the information on significant transactions required for disclosure by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for January to March, 2024:

1. Loans to other parties:

Number (Note 1)	Lending company	Loan and counterparty	Whether the current subject	Is a related party	Maximum amount for the current period (Note 2)	Ending balance (Note 3)	Actual expenditure amount	Interest rate (%)	Nature of the loan of funds (Note 4)	Transaction amount for business between two parties	Reasons for necessity of short-term financing	Allowance for bad debt	Collateral		Loan of funds and limit for individual counterparties (Notes 5 and 6)	Loan of funds and total limit (Notes 5 and 6)
													Name	Value		
1	Young Fast Samoa	Young Fast Vietnam	Other receivables	Yes	160,000	80,000	-	0.65	2	-	Operating turnover	-	-	-	900,582	900,582

Note 1: The method for filling in the "Number" column is as follows:

(I). The Company is filled in as 0.

(II). Subsidiaries - in sequence by company from the Arabic numeral 1.

Note 2: The highest balance of funds loaned to others in the current year.

Note 3: Refers to the quota approved by the Board of Directors as of March 31, 2024.

Note 4: Method for filling in "Nature of the loan of funds":

(I). For those with business dealings please fill in "1."

(II). If there is a need for short-term financing, please fill in "2."

Note 5: For companies that have short-term financing with Young Fast Samoa, the individual loan amount shall not exceed 10% of the net value of the Company, and the total loan amount shall not exceed 30% of the net value of the Company. When the counterparty of a loan of funds is the Company or is a company of the Group not located in Taiwan and in which the Company holds 100% of its total shares, the total amount and individual loans and limits shall not exceed 100% of the net worth of Young Fast Samoa.

Note 6: Loans of funds and limit amounts are calculated based on the most recent financial statements audited and certified by an accountant.

2. Guarantees and endorsements for other parties:

Number (Note 1)	Endorser/guarantee company name	Counterparty of guarantee/endorsement		Endorsement/guarantee limit for a single business (Note 3)	Maximum endorsement/guarantee balance in the current period	Endorsement/guarantee balance at end of period	Actual expenditure amount	Endorsement/guarantee amount by property guarantee	Proportion of cumulative endorsement/guarantee amounts to the net value of the most recent financial statements (%)	Maximum endorsement/guarantee amount (Note 3)	Parent company to subsidiary Endorsement/guarantee	Subsidiary to parent company Endorsement/guarantee	Endorsement/guarantee for the Mainland China region
		Company name	Relationship (Note 2)										
0	The Company	Young Fast Vietnam	2	2,054,169	204,800	204,800	2,850	-	2.99	3,423,615	Y	N	N
0	The Company	Young Fast Samoa	2	2,054,169	320,000	160,000	-	-	2.34	3,423,615	Y	N	N

Note 1: The method for filling in the "Number" column is as follows:

(I). The Company is filled in as 0.

(II). Subsidiaries - in sequence by company from the Arabic numeral 1.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

Note 2: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into six types:

- (I). Intercompany business transactions
- (II). Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
- (III). Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
- (IV). Companies that are mutually protected under contractual requirements based on the needs of the contractor.
- (V). Companies that are endorsed by shareholders in accordance with their shareholding ratios because of the joint investment relationship.
- (VI). Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 3: The total amount of the Company's endorsements/guarantees shall be 50% of the net value of the Company's most recent financial statements, and endorsements/guarantees for a single enterprise shall not exceed 15% of the net value of the Company's most recent financial statements. The amount of endorsements and guarantees for companies that are directly and indirectly held 100% by voting shares may not exceed 30% of the net worth of the company's most recent financial statements.

3. Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with issuer of securities	Account title	End of period				Note
				Shares/Units	Carrying amount	Percentage of ownership	Fair value	
The Company	Shares: Promell Materials Technology Inc.	-	Financial assets mandatorily designated as at fair value through profit or loss-current	2,647	-	7.42%	-	
	Ritfast Corporation	-	"	245	-	0.74%	-	
	Shares: First Financial Holding Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-current	28,977	802,672	0.21%	802,672	
	Mega Financial Holding Company Limited	-	"	23,995	972,991	0.17%	972,991	
	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	56,117	1,470,259	0.38%	1,470,259	
	Taiwan Business Bank	-	"	14,062	227,097	0.17%	227,097	
	Taiwan Fertilizer Co., Ltd.	-	"	2,902	182,826	0.30%	182,826	
	Cathay Financial Holdings Co., Ltd.	-	"	1,672	81,352	0.01%	81,352	
	Chang Hwa Commercial Bank, Ltd.	-	"	8,541	156,306	0.08%	156,306	
				<u>3,893,503</u>			<u>3,893,503</u>	
The Company	Hold-Key Electric Wire & Cable Co., Ltd.	Major shareholders of the Company	Financial assets at fair value through other comprehensive income— non-current	10,586	394,865	5.49%	394,865	
	Sol Young Enterprises Co., Ltd.	Corporate director of the Company	"	356	12,610	0.55%	12,610	
	ICP Technology Co., Ltd.	-	"	295	3,032	0.90%	3,032	
	Willide Optoelectronics Co., Ltd.	-	"	3	3,000	15.00%	3,000	
	Tung Wah Electrical Engineering Co., Ltd.	-	"	Note1	2,500	5.00%	2,500	
					<u>416,007</u>		<u>416,007</u>	

Note1 : Tung Wah Electrical Engineering Co., Ltd..is a limited liability company and has not issued shares, so there is no number of shares.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Company with accounts receivable	Name of transaction counterparty	Relationship	Balance of receivables from related parties	Turnover rate(%) (Note2)	Overdue receivables from related parties		Amounts subsequently recovered from receivables of related parties (Note3)	Allowance for bad debt
					Amount	Action taken		
Young Fast Vietnam	The Company	Parent and subsidiary companies	101,103 (Note1)	1.69	-		20,764	-

Note 1: The timing of cash receipts for sales revenue depends on the collection status of related parties.

Note 2: The turnover ratio refers to the accounts receivable turnover ratio.

Note 3: As of April 10, 2024.

Note 4 : In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

Number	Name of transaction party	Name of counter party	Relationship with transaction party	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	Young Fast Vietnam	1	Cost of goods sold	45,164	Mutually negotiated	13.40%
0	The Company	Young Fast Vietnam	1	Accounts payable	101,103	Mutually negotiated	1.31%
0	The Company	Taiwan SRU Corp.	1	Cost of goods sold	68,115	Mutually negotiated	20.21%

Note 1: The method for filling in the "Number" column is as follows:

- (I). Parent company - 0.
- (II). Subsidiaries - in sequence from 1.

Note 2: Relationships are classified into three types:

- (I) . Parent company to subsidiary.
- (II) . Subsidiary to parent company.
- (III). Subsidiary to subsidiary.

Note 3: It is hereby disclosed that the amount of this item is a balance sheet account accounting for more than 1% of consolidated total assets and an income account accounting for more than 1% of the consolidated total revenue.

Note 4: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

(II) Information on investees

Information on the company's reinvestment business for the Group in January to March, 2024 is as follows (excluding investments in Mainland China companies):

Investing company name	Investee company name	Region	Main business items	Initial investment amount (Note 3)		Held at the end of the period			Profit and loss of the investee company for the current period (Note 2)	Investment gains and losses recognized in the current period (Note 4)	Note
				End of the current period	End of prior year	Number of shares	Percentage (%)	Carrying amount (Note 4)			
The Company	Young Fast Samoa	Samoa	Professional investment	1,946,551 (USD66,500)	1,946,551 (USD66,500)	57,195	100.00%	896,679 Note2	(3,727) Note2	(3,423) Note2	Note1
"	Taiwan SRU Corp.	Taiwan	Manufacturing of wire and cable accessories	30,960	30,960	3,096	51.00%	100,321 Note3	27,253 Note3	13,287 Note3	Note1
"	Epoch	Taiwan	Optical instruments	150,626	150,626	8,080	23.75%	373,912 Note3	87,547 Note3	20,792 Note3	
Young Fast Samoa	Young Fast Vietnam	Vietnam	Manufacture and sales of touch panels	965,402 (USD32,200)	965,402 (USD32,200)	-	100.00%	815,755 Note2	(8,120) Note2	(7,102) Note2	Note1

Note 1: Taking into account unrealized and realized gains and losses on intercompany transactions.

Note 2: The amounts of investment gains and losses recognized by the Company are based on financial statements of the investee company audited by accountants and estimated by the equity method.

Note 3: The amounts of investment gains and losses recognized by the Company and the book values of investments at the end of the period are based on financial statements of the investee company checked by CPAs of the parent company with estimation carried out using by the equity method.

Note 4: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

Note 5: Initial investment amount is calculated based on historical exchange rates.

(III) Information on investment in Mainland China:

1. Information on business reinvestment in Mainland China:

Mainland investee company name	Main business items	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the current period	Profit and loss of the investee company for the current period (Note 2)	Shareholding ratio of direct or indirect investment by the Company (%)	Investment gains and losses recognized in the current period (Note 2 and 3)	Book value of investments at the end of the period (Note 2 and 3)	Investment income repatriated up to the current period
					Outflow	Inflow						
Tengyang Optoelectronics	After sales services (labor)	4,660 (USD 150)	(II)	-	-	-	-	(179)	100.00	(179)	1,709	-

Note 1: The investment methods are divided into the following three categories, and it is sufficient to indicate the category:

(I) Direct investment in mainland China.

(II) Reinvestment in mainland China through a company in a third region. The current investment amount of USD 150 thousand is invested by Young Fast Samoa using its own funds.

(III) Other methods.

Note 2: The amounts of investment gains and losses recognized by the Company and the book values of investments at the end of the period are based on financial statements of the investee company checked by CPAs of the parent company with estimation carried out using by the equity method.

Note 3: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

Note 4: The above listed USD to NTD exchange rates are based on historical exchange rates.

2. Limits on reinvestment in mainland China:

Unit: NTD thousand

Accumulated investment amount remitted from Taiwan to the mainland at the end of the current period (Note 3)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (Note 2)	Investment limits for the Mainland Area in accordance with the regulations of the Investment Committee of the Ministry of Economic Affairs (Note 1)
-	2,336,288 (USD 73,009)	4,108,337

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

Note 1: 60% of net value.

Note 2: Accumulated remittance amount from Taiwan at the end of the current period (net of repatriation) calculated using historical exchange rates. The amount approved by the Investment Committee of the Ministry of Economic Affairs is calculated at the exchange rate of March 31, 2024 (USD:NTD exchange rate = 1:32.000).

Note 3: Does not include cumulative disposals (including sale, liquidation, dissolution, merger and bankruptcy, etc.) (net of repatriation). The amount of investment that has not been repatriated is NTD 2,129,888 thousand (USD 66,559 thousand).

3. Significant transactions: None.

(IV) Information on major shareholders:

Name of major shareholder	Number of shares held	% of shareholding
Sol Young Enterprises Co., Ltd.	32,102,114	21.21%
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%
Zhangmiao Development Co., Ltd.	9,403,000	6.21%

Unit: Shares

Note: (1) Information on major shareholders in this table is calculated from the depository company on the last business day at the end of each quarter, and includes shareholders holding more than 5% of ordinary shares and preferred shares of the Company that have completed physical registration and delivery (including treasury shares). As for share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, there may be differences or discrepancies due to different calculation bases.

(2) If the above-mentioned information indicates that shareholders are to hand over shares to a trust, this shall be disclosed by the trustee who has opened an individual sub-account of the trustor of the special trust account. As for the insider shareholding declaration of shareholders holding more than 10% of the shares in accordance with the Securities and Exchange Act, such shareholdings include self-held shares plus the shares that are delivered to the trust and have the right to exercise decision-making power over the trust property, and so on. Please refer to the Market Observation Post System for information on insider shareholding declarations.

(3) Shareholding ratios are unconditionally rounded to two decimal places.

Young Fast Optoelectronics Co., Ltd. and Subsidiaries, Notes to Consolidated Financial Statements (Continued)

XIV. Segment information

The Group's operating segment information and reconciliation are as follows:

	January to March, 2024			
	Optoelectronics Business Group	Electromechanical Business Group	Adjustments and write-offs	Total
Revenue:				
Revenue from external customers	<u>\$ 64,445</u>	<u>272,607</u>	<u>-</u>	<u>337,052</u>
Reportable segment profit (loss)	<u>\$ (36,870)</u>	<u>154,155</u>	<u>(180)</u>	<u>117,105</u>

	January to March, 2023			
	Optoelectronics Business Group	Electromechanical Business Group	Adjustments and write-offs	Total
Revenue:				
Revenue from external customers	<u>\$ 77,309</u>	<u>223,148</u>	<u>-</u>	<u>300,457</u>
Reportable segment profit (loss)	<u>\$ (50,734)</u>	<u>95,814</u>	<u>(90)</u>	<u>44,990</u>

	Optoelectronics Business Group	Electromechanical Business Group	Adjustments and write-offs	Total
Reporting segment assets (Note):				
March 31, 2024	<u>\$ 5,024,841</u>	<u>3,127,467</u>	<u>(452,616)</u>	<u>7,699,692</u>
December 31, 2023	<u>\$ 4,851,107</u>	<u>3,020,782</u>	<u>(461,820)</u>	<u>7,410,069</u>
March 31, 2023	<u>\$ 4,286,664</u>	<u>2,389,985</u>	<u>(228,875)</u>	<u>6,447,774</u>

The Group reports that the profit and loss of operating segments and the pre-tax profit and loss of segments with continuing operations are reconciled as follows:

	January to March, 2024	January to March, 2023
Profit and loss of operating segments to be reported	<u>\$ 117,105</u>	<u>44,990</u>
Non-operating income and expenses	<u>56,898</u>	<u>24,621</u>
Profit and loss before tax from segments with continuing operations	<u>\$ 174,003</u>	<u>69,611</u>