

Stock code:
3622

Young Fast Optoelectronics Co., Ltd.
Parent Company Only Financial
Statements and Independent Auditors'
Report
2021 and 2020
(Translation)

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Auditing Report of the Certified Accountants

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

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. Balance Sheet for December 31, 2021 and 2020; and Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2021 and 2020.

In our opinion, the aforementioned parent company only financial statements in all material respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are sufficient to adequately express the financial status of Young Fast Optoelectronics Co. as of December 31, 2021 and 2020 and its financial performance and cash flows from January 1 through December 31, 2021 and 2020.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Young Fast Optoelectronics Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2021 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition constitutes a key audit matter to be communicated in the audit report.

For details of accounting policies regarding revenue recognition, please refer to Note 4 (17) of the parent company only financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (20) the parent company only financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Optoelectronics Co., Ltd. stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Optoelectronics Co., Ltd. is highly regarded by the investing public. Therefore, we identify revenue recognition as an important item in the audit of current year financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the above key audit matters include:

- Testing the effectiveness of internal control design and implementation related to revenue recognition.
- Conducting trend analysis for the top ten customers in terms of sales, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year to assess whether there are any significant abnormalities. If there are major changes, the causes are identified and analyzed.
- Sampling and checking sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amounts of sales revenue, and the reasonableness of the time of accounting.
- Testing a sample of sales transactions in the period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of Young Fast Optoelectronics Co., Ltd., disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Young Fast Optoelectronics Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Young Fast Optoelectronics Co., Ltd.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Young Fast Optoelectronics Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of Young Fast Optoelectronics Co., Ltd. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Young Fast Optoelectronics Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion regarding Young Fast Optoelectronics Co., Ltd.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

KPMG Taiwan

Chun-Hsiu Kuan

Accountant:

Pai-Shu Huang

Securities Regulatory Authority (88) Taizaizheng (6) No. 18311
Authorizing Document Number : (88) Taizaizheng 6 Zi No. 0920122026
March 11, 2022

Young Fast Optoelectronics Co., Ltd.

Balance sheet

December 31, 2021 and 2020

Unit: NTD Thousand

Assets		2021.12.31		2020.12.31		Liabilities and Equity		2021.12.31		2020.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	Current Assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (Notes 6 (1) and 7)	\$ 279,313	5	316,670	6	2100	Short-term loans (Notes 6 (12), 7, and 9)	\$ 41,297	1	5,034	-
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	57,132	1	60,912	1	2130	Current contract liabilities (Note 6 (20))	6,028	-	14,983	-
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,159,014	54	2,558,789	51	2150	Notes payable	675	-	32	-
1150	Notes receivable, net (Note 6 (4) and (20))	111,718	2	122,572	2	2170	Accounts payable	130,801	2	96,565	2
1170	Accounts receivable, net (Note 6 (4) and (20))	159,832	3	82,616	2	2180	Accounts payable, related parties (Note 7)	109,192	2	45,910	1
1180	Accounts receivable due from related parties (Notes 6 (4), (20) and 7)	15,476	-	321	-	2200	Other payables (Note 6 (21) and 7)	139,174	2	126,546	3
1200	Other receivables (Note 6 (5))	1,814	-	2,357	-	2230	Current tax liabilities	6,076	-	1,347	-
1210	Other receivables due from related parties, net (Note 6 (5) and 7)	122,700	2	179,817	4	2250	Current provisions (Note 6 (15))	12,551	-	36,165	1
130X	Inventory (Notes 6 (6) and 9)	221,448	4	110,116	2	2282	Lease liabilities—Related parties (Notes 6 (14) and 7)	14,574	-	9,781	-
1460	Non-current assets classified as held for sale, net (Note 6 (7))	-	-	21,235	-	2399	Other current liabilities	2,856	-	1,862	-
1470	Other current assets	5,637	-	6,858	-		Total current liabilities	463,224	7	338,225	7
	Total current assets	4,134,084	71	3,462,263	68	25xx	Non-current liabilities:				
15xx	Non-current assets:					2551	Provision for employee benefit liabilities, non-current (Note 6 (16))	8,405	-	8,740	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	128,266	2	43,784	1	2552	Provision for long-term liabilities for warranties (Note 6 (15))	50,924	2	-	-
1550	Investments accounted for using equity method, net (Note 6 (8))	981,411	18	1,001,368	20	2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (15))	5,069	-	5,069	-
1600	Property, plant and equipment (Notes 6 (9), 7, and 9)	428,237	7	404,773	8	2570	Deferred tax liabilities (Note 6 (17))	1,968	-	27	-
1755	Right of use assets (Notes 6 (10), (14), and 7)	65,340	1	19,420	-	2582	Lease liabilities—Related parties (Notes 6 (14) and 7)	50,984	1	9,929	-
1760	Investment real estate, net (Note 6 (11))	76,365	1	76,544	2	2670	Other non-current liabilities	55,676	1	57,255	1
1780	Intangible assets (Note 6 (12))	6,060	-	-	-		Total non-current liabilities	173,026	4	81,020	1
1840	Deferred tax assets (Note 6 (17))	25,752	-	35,282	1		Total liabilities	636,250	11	419,245	8
1915	Prepaid equipment	14,126	-	7,941	-	2xxx	Equity (Note 6 (7), (8), (16), (17), and (18)):				
1990	Other non-current assets (Note 6 (5))	6,192	-	5,875	-	31xx	Share capital from common stock	1,513,276	26	1,513,276	30
	Total non-current assets	1,731,749	29	1,594,987	32	3200	Capital reserve	2,077,180	35	2,228,508	44
							Retained earnings:				
						3310	Legal reserve	43,385	1	24,523	-
						3350	Undistributed surplus earnings	532,991	9	272,466	6
							Total retained earnings	576,376	10	296,989	6
						3400	Other equity interest	1,062,751	18	599,232	12
						3xxx	Total Equity	5,229,583	89	4,638,005	92
						2-3xxx	Total liabilities and equity	\$ 5,865,833	100	5,057,250	100
1xxx	Total assets	\$ 5,865,833	100	5,057,250	100						

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai

Manager: Yichuan Hsu

Chief Accountant: Weiju Hsu

Young Fast Optoelectronics Co., Ltd.
Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

		2021		2020	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6 (20) and 7)	\$ 1,452,295	100	929,178	100
5000	Operating costs (Notes 6 (6), (9), (10), (12), (14), (15), (16), 7, and 12)	<u>1,211,193</u>	<u>83</u>	<u>746,430</u>	<u>80</u>
5900	Operating margin	<u>241,102</u>	<u>17</u>	<u>182,748</u>	<u>20</u>
6000	Operating expenses (Notes 6 (4), (5), (9), (10), (12), (14), (16), (21) 7, and 12):				
6100	Marketing expenses	26,279	2	22,613	2
6200	Management expenses	102,499	7	94,488	10
6300	Research and development expenses	45,049	3	45,393	5
6450	Expected credit loss	4,795	-	(4,203)	-
	Total operating expenses	<u>178,622</u>	<u>12</u>	<u>158,291</u>	<u>17</u>
6900	Net operating profit	<u>62,480</u>	<u>5</u>	<u>24,457</u>	<u>3</u>
7000	Non-operating revenue and expenses (Notes 6 (2), (7), (8), (11), (14), (22), 7 and 12):				
7100	Interest income	490	-	4,031	-
7010	Other income	123,402	8	129,665	14
7020	Other gains and losses	57,246	4	(7,142)	(1)
7050	Finance costs	(758)	-	(795)	-
7060	Share of profit or loss of subsidiaries and affiliates accounted for using the equity method	54,220	3	34,795	4
	Total non-operating revenue and expenses	<u>234,600</u>	<u>15</u>	<u>160,554</u>	<u>17</u>
7900	Net profit from continuing operations before tax	297,080	20	185,011	20
7950	Less: Income tax expense (benefit) (Note 6 (17))	<u>17,650</u>	<u>1</u>	<u>(3,298)</u>	<u>-</u>
8200	Net profit for the period	<u>279,430</u>	<u>19</u>	<u>188,309</u>	<u>20</u>
8300	Other comprehensive income (Note 6 (8), (16), (17), and (18)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan	(50)	-	365	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	574,849	40	(56,184)	(6)
8320	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	(3)	-	23	-
8349	Less: Income tax related to items that will not be reclassified	(10)	-	73	-
	Total items that will not be reclassified to profit or loss	<u>574,806</u>	<u>40</u>	<u>(55,869)</u>	<u>(6)</u>
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(110,763)	(8)	(65,175)	(7)
8380	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	(567)	-	1,036	-
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	<u>(111,330)</u>	<u>(8)</u>	<u>(64,139)</u>	<u>(7)</u>
8300	Other comprehensive income, net of tax, for the period	<u>463,476</u>	<u>32</u>	<u>(120,008)</u>	<u>(13)</u>
8500	Total comprehensive income for the period	<u>\$ 742,906</u>	<u>51</u>	<u>68,301</u>	<u>7</u>
9710	Earnings per share (Unit: NTD) (Note 6 (19))				
9750	Basic earnings per share	<u>\$ 1.85</u>		<u>1.24</u>	
9850	Diluted earnings per share	<u>\$ 1.84</u>		<u>1.24</u>	

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai

Manager: Yichuan Hsu

Chief Accountant: Weiju Hsu

Young Fast Optoelectronics Co., Ltd.
Statement of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	Retained earnings					Total other equity interest		Total	Total equity
	Share capital from common stock	Capital reserve	Legal reserve	Undistributed surplus earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2020	\$ 1,513,276	2,289,039	11,155	157,741	168,896	85,500	634,055	719,555	4,690,766
Earnings allocation and distribution:									
Provision for legal reserve	-	-	13,368	(13,368)	-	-	-	-	-
Common stock cash dividend	-	-	-	(60,531)	(60,531)	-	-	-	(60,531)
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(60,531)	-	-	-	-	-	-	(60,531)
Net profit for the period	-	-	-	188,309	188,309	-	-	-	188,309
Other comprehensive income, net of tax, for the period	-	-	-	315	315	(64,139)	(56,184)	(120,323)	(120,008)
Total comprehensive income for the period	-	-	-	188,624	188,624	(64,139)	(56,184)	(120,323)	68,301
Balance at December 31, 2020	1,513,276	2,228,508	24,523	272,466	296,989	21,361	577,871	599,232	4,638,005
Earnings allocation and distribution:									
Provision for legal reserve	-	-	18,862	(18,862)	-	-	-	-	-
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(151,328)	-	-	-	-	-	-	(151,328)
Net profit for the period	-	-	-	279,430	279,430	-	-	-	279,430
Other comprehensive income, net of tax, for the period	-	-	-	(43)	(43)	(111,330)	574,849	463,519	463,476
Total comprehensive income for the period	-	-	-	279,387	279,387	(111,330)	574,849	463,519	742,906
Balance at December 31, 2021	\$ 1,513,276	2,077,180	43,385	532,991	576,376	(89,969)	1,152,720	1,062,751	5,229,583

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai

Manager: Yichuan Hsu

Chief Accountant: Weiju Hsu

Young Fast Optoelectronics Co., Ltd.
Statement of Cash Flows
January 1 to December 31, 2021 and 2020

	Unit: NTD Thousand	
	2021	2020
Cash flows from operating activities:		
Profit (loss) before tax for the current period	\$ 297,080	185,011
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	29,639	22,633
Amortization expense	78	-
Expected credit loss	4,795	(4,203)
Loss (gain) on financial assets at fair value through profit or loss	3,780	(8,388)
Interest expense	758	795
Interest income	(490)	(4,031)
Dividend income	(115,581)	(111,445)
Profit from subsidiaries and affiliates accounted for using the equity method	(54,220)	(34,795)
Proceeds from disposal of property, plant and equipment	(120)	(3,893)
Lease modification benefits	(12)	-
Proceeds from disposal of non-current assets held for sale	(65,633)	-
Total income and expense items	<u>(197,006)</u>	<u>(143,327)</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(8,085)	(12,713)
Accounts receivable (including related parties)	(92,206)	36,900
Other receivables (including related parties)	5,406	8,489
Inventory	(111,332)	(50,363)
Other current assets	1,221	(3,638)
Other non-current assets	13,979	-
Total changes in operating assets, net	<u>(191,017)</u>	<u>(21,325)</u>
Changes in operating liabilities, net:		
Contract liabilities	(8,955)	11,779
Notes payable	643	(65)
Accounts payable (including related parties)	97,518	15,929
Other payables	9,971	37,550
Provisions	27,310	32,899
Other current liabilities	994	651
Non-current net defined benefit liability	(385)	(359)
Decrease in other operating liabilities	127,096	98,384
Net changes in operating assets and liabilities	<u>(63,921)</u>	<u>77,059</u>
Total adjustments	<u>(260,927)</u>	<u>(66,268)</u>
Cash inflow generated from operations	36,153	118,743
Interest received	490	4,031
Interest paid	(758)	(795)
Payment of income tax	(1,030)	(736)
Net cash inflow from operating activities	<u>34,855</u>	<u>121,243</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(129,276)	(210,277)
Capital reduction of non-current financial assets at fair value through other comprehensive income	19,418	-
Disposal of non-current assets held for sale	17,375	-
Acquisition of property, plant and equipment	(37,477)	(21,731)
Disposal of property, plant and equipment	120	6,862
Increase in refundable deposits	(317)	(817)
Acquisition of intangible assets	(6,138)	-
Decrease (increase) in other receivables due from related parties	51,844	(44,843)
Increase in prepaid equipment	(6,185)	(5,767)
Dividends received	147,562	153,798
Net cash inflow (outflow) from investing activities	<u>56,926</u>	<u>(122,775)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	119,600	392,945
Decrease in short-term borrowings	(83,337)	(447,911)
Increase in deposits received	20	-
Payment of lease liabilities	(12,850)	(9,636)
Decrease in other non-current liabilities	(1,243)	-
Payment of cash dividends	(151,328)	(121,062)
Net cash flows used in financing activities	<u>(129,138)</u>	<u>(185,664)</u>
Net decrease in cash and cash equivalents for the period	<u>(37,357)</u>	<u>(187,196)</u>
Cash and cash equivalents at beginning of period	316,670	503,866
Cash and cash equivalents at end of period	<u>\$ 279,313</u>	<u>316,670</u>

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai

Manager: Yichuan Hsu

Chief Accountant: WeiJu Hsu

Young Fast Optoelectronics Co., Ltd.
Notes to the Parent Company Only Financial Statements
2021 and 2020

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

I. Company history

Young Fast Optoelectronics Co., Ltd. (“the Company”), previously known as Long River Mechantronic 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.

(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.

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. Notes to Parent Company Only Financial Statements (Continued)

II. Approval date and procedures of the financial statements

The parent company only financial statements were authorized for issuance by the Board of Directors on March 11, 2022.

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, 2021, and there is no significant impact on the parent company only financial statements.

- Amendment to IFRS 4, "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IFRS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform—Phase 2"

The Company will apply the following newly amended International Financial Reporting Standards from April 1, 2021, and there is no significant impact on the parent company only financial statements.

- Amendments to IFRS No. 16, "Covid-19-Related Rent Concessions beyond 30 June 2021"

(II) Implications of adopting International Financial Reporting Standards not yet endorsed by the FSC

The Company has assessed that there will be no significant impact on the parent company only financial statements from the application of the following newly amended International Financial Reporting Standards effective from January 1, 2022.

- Amendment to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"
- Amendment to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendment to IFRS 3, “Reference to the Conceptual Framework”

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

Regarding IFRSs that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC, points of likely concern are as follows:

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

New or amended standards	Main points of amendment	Effective date of IASB publication
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Clarify that when an investor transfers its subsidiary to an affiliated enterprise or a joint venture, if the assets sold or invested constitute a business, the investor is deemed to have lost control of the business and should recognize all benefits or losses. If it does not constitute a business, the unrealized profit and loss shall be calculated according to the shareholding ratio, and part of the profit or loss shall be deferred and recognized.	Effective date to be determined by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	<p>The amendments are intended to improve consistency in the application of the Standards to assist companies in determining whether debts or other liabilities with uncertain settlement dates should be classified as current (or likely to be due within one year) or non-current on the balance sheet.</p> <p>The amendments also clarify the classification requirements for debts that a company may settle by converting into equity.</p>	January 1, 2023
Amendments to IAS 1, “Disclosure of Accounting Policies”	<p>Major amendments to IAS 1 include:</p> <ul style="list-style-type: none"> • Requiring companies to disclose “material” accounting policies rather than “significant” accounting policies; • Clarify that accounting policy information relating to non-material transactions, other events, or circumstances are non-material and disclosure of such information is not required; and • Clarify that all accounting policy information not related to material transactions, other events, or circumstances is material to the company's financial statements. 	January 1, 2023

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Amendments to IAS 8, "Definition of Accounting Estimates"	The amendments introduce a new definition of accounting estimates, clarifying that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also specify that companies are required to establish accounting estimates for the purposes of their applicable accounting policies. This clarifies the relationship between accounting policies and accounting estimates.	January 1, 2023
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The Company 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 Company completes its evaluation.

The Company does not expect the following other unapproved new and revised standards to have a material impact on the parent company only financial statements.

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendment to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

IV. Summary of significant accounting policies

A summary of the significant accounting policies adopted in the parent company only financial statements is as follows. The following accounting policies have been applied consistently to all periods presented in the parent company only financial statements.

(I) Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Compilation basis

1. Measurement basis

Except for the following significant items of the balance sheet, the parent company only financial statements have been prepared on a historical cost basis:

- (1) Financial assets at fair value through profit or loss measured at fair value;
- (2) Financial assets at fair value through other comprehensive income measured at fair value;
- (3) Defined benefit liabilities are measured by adding unrecognized upfront service

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

costs and unrecognized actuarial losses to pension fund assets, less unrecognized actuarial benefits and the present value of defined benefit obligations, and the impact of the upper limit stated in Note 4 (19).

2. Functional currency and currency of presentation

Each entity of the Company uses the currency of the primary economic environment in of said entity's operations as its functional currency. The parent company only financial statements are expressed in the Company's functional currency, which is the New Taiwan Dollar. All financial information presented in New Taiwan Dollars is in thousands of New Taiwan Dollars.

(III) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into functional currency at the exchange rate as of the date of transaction. On the end date of each subsequent reporting period (the "reporting date"), foreign currency monetary items are converted into the functional currency according to the exchange rate of that date.

Foreign currency non-monetary items measured at fair value are converted into functional currency at the exchange rate on the day when the fair value was measured. Foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction. Foreign currency translation differences arising from translation are normally recognized in profit or loss. However, foreign currency translation differences arising from the translation of equity investments at fair value through other comprehensive income are recognized in other comprehensive income.

2. Foreign operating entities

Assets and liabilities of foreign operating entities, including goodwill arising from acquisitions and fair value adjustments, are translated into the currency of presentation of the entity's financial statements at the exchange rate on the reporting date; items of income and expenses are translated into the currency of presentation of the parent company only financial statements at the average exchange rate of the current period, and the resulting exchange differences are recognized as other comprehensive income.

When disposal of a foreign operating entity results in a loss of control, joint control, or significant influence, the accumulated exchange differences related to the foreign operating entity are fully reclassified to profit or loss. In the case of partial disposal of a subsidiary that includes a foreign operating entity, the relevant accumulated exchange differences are re-attributed to non-controlling interests on

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

a pro rata basis. When partially disposing of an investment involving an affiliated enterprise or a joint venture of a foreign operating entity, the relevant accumulated exchange differences are reclassified to profit or loss on a pro rata basis.

For monetary receivables or payables to foreign operating entities, if there is no repayment plan and it is impossible to repay in the foreseeable future, the foreign currency exchange gains and losses arising therefrom are regarded as part of the net investment in the foreign operating entity and are recognized as other comprehensive income.

(IV) Classification criteria for distinguishing current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets; all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be recognized in its normal operating cycle, or there is intent to sell or consume it;
2. The asset is held mainly for trading purposes;
3. The asset is expected to be recognized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent, unless there are other restrictions on exchanging the asset or using it to settle a liability at least twelve months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities; all other liabilities that are not current liabilities are classified as non-current liabilities:

1. It is expected that the liability will be settled during the normal operating cycle;
2. The liability is held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The liability does not have an unconditional right to defer settlement to at least twelve months after the reporting period. The terms of the liability, which may be liquidated by the issuance of equity instruments at the choice of the counterparty, do not affect their classification.

(V) Cash and cash equivalents

Cash includes cash on hand, checking deposits, and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash with little risk of changes in value. Fixed deposits that meet

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

the above definition and are held for short-term cash commitments, rather than investment or other purposes, are presented in cash equivalents.

Bank overdrafts are immediately repayable and form part of the company's overall cash management, and are included in the cash flow statement as a component of cash and cash equivalents.

(VI) Financial instruments

Accounts receivable are originally recognized as they are incurred. All other financial assets and financial liabilities are originally recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets and financial liabilities not measured at fair value through profit or loss (except for accounts receivable that do not contain significant financial components) are originally measured at fair value plus transaction costs directly attributable to their acquisition or issuance. Accounts receivable that do not contain significant financial components are originally measured at their transaction prices.

1. Financial assets

When the purchase or sale of financial assets conforms to conventional transactions, the Company shall adopt transaction-day accounting for all purchases and sales of financial assets classified in the same way.

Financial assets are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income, or financial assets at fair value through profit or loss. The Company reclassifies all affected financial assets from the first day of the following reporting period only when changing the business model for managing financial assets.

(1) Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they meet both of the following conditions and when they are not designated as fair value through profit or loss:

- The financial asset is held under the operating model for the purpose of collecting contractual cash flow.
- The contractual terms of the financial asset generate cash flows on a specified date and entirely for the sake of payment of principal and interest on the principal amount in circulation.

The assets in question are subsequently calculated by adding or subtracting the original recognized amount to the accumulated amortization amount calculated using the effective interest method, and adjusts any measure of post amortized cost of loss allowance. Interest income, foreign currency

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, profits or losses are to be included under profit or loss.

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

At the original time of recognition, the Company may make an irrevocable election to present subsequent changes in fair value of investments in equity instruments not held for trading in other comprehensive income. The foregoing elections are made on the basis of the individual instrument.

Investments in equity instruments are to be subsequently measured at fair value. Dividend income is to be recognized under profit or loss (unless it clearly represents the recovery of a portion of the investment cost). Remaining net gains or losses are to be recognized as other comprehensive income and are not to be reclassified to profit or loss.

Dividend income from equity investments is to be recognized on the date when the Company is entitled to receive dividends (usually the ex-dividend date).

(3) Financial assets at fair value through profit or loss

Financial assets other than those measured at amortized cost above or at fair value through other comprehensive income are to be measured at fair value through profit or loss. In order to eliminate or significantly reduce accounting misalignments at the original time of recognition, financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income may be irrevocably designated by the Company as financial assets at fair value through profit or loss.

These assets are to be subsequently measured at fair value and their net gains or losses are to be recognized in profit or loss (including their associated dividends and interest income).

(4) Impairment of financial assets

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost.

Loss allowance for bills and accounts receivables are measured based on expected credit loss during the period. Other financial assets measured at amortized cost are based on reasonable and corroborative information (obtainable without undue cost or investment), including qualitative and quantitative information; and based on the Company's historical experience, credit assessment and analysis of forward-looking information, if the credit risk

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

has not increased significantly since the original recognition, the impairment is measured by the twelve-month expected credit loss. If it is assessed that credit risk has increased significantly since original recognition, the impairment is measured according to the duration of the credit losses.

Expected credit loss during the period refers to the expected credit losses arising from all possible default events during the expected period of a financial instrument.

Twelve-month expected credit loss constitutes expected credit losses arising from possible defaults of financial instruments within twelve months after the reporting date (or a shorter period if the expected duration of the financial instrument is less than twelve months).

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are probability-weighted estimates of credit losses over the expected lifetime of a financial instrument. Credit losses are measured at the present value of all cash shortfalls; that is, the difference between the cash flows that the Company can receive under the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

Loss allowance for financial assets measured at amortized cost are deducted from the asset's carrying amount. Amounts set aside or reversed from loss allowance are recognized in profit or loss.

When the company cannot reasonably expect to recover the financial assets in whole or in part, it directly reduces the total carrying amount of its financial assets. For company accounts, the Company analyzes the timing and amount of write-offs individually on the basis of whether they are reasonably expected to be recoverable. The Company does not expect a material reversal of the written-off amounts. However, financial assets that have been written off remain enforceable in order to comply with the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Company derecognizes financial assets only upon termination of the contractual rights to cash flows from the asset, or upon transfer of the financial assets where substantially all risks and rewards of ownership of the asset have been transferred to other enterprises, or when substantially all risks and

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

rewards of title have neither been transferred nor retained and we do not retain control of the financial asset.

When the Company enters into a transaction to transfer financial assets, if all or substantially all risks and rewards of title to the transferred assets are retained, they shall continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Equity Instruments

An equity instrument constitutes any contract that recognizes the Company's remaining interest in assets less all of its liabilities. Equity instruments issued by the Company are recognized at the price obtained after deducting direct issue costs.

(2) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

(3) Derecognition of financial liabilities

Financial liabilities are to be derecognized when the contractual obligations have been fulfilled, canceled, or expired. When the terms of financial liabilities are modified and the cash flows of the modified liabilities are substantially different, the original financial liabilities are to be derecognized and new financial liabilities are to be recognized at fair value based on the modified terms.

When derecognizing a financial liability, the difference between its carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is to be recognized in profit or loss.

(4) Offset of financial assets and liabilities

Financial assets and financial liabilities shall only be offset when the Company currently has legally enforceable rights to offset each other and intends to settle on a net basis or to realize assets and settle liabilities at the same time. They are to be offset against each other and presented on a net basis on the balance sheet.

(VII) Inventory

Inventories are measured at the lower of cost and net realizable value. Costs include acquisition, production or processing costs, and other costs incurred to bring them to a place and condition in which it is ready for use, and are calculated using

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

the weighted average method. The cost of finished goods and work-in-progress inventories includes an appropriate proportion of manufacturing overhead allocated to normal production capacity.

Net realizable value represents the estimated selling price under normal operations less the estimated costs to be spent on completion and the estimated costs to complete the sale.

(VIII) Non-current assets held for sale

Non-current assets, or a disaggregated group of assets and liabilities, are classified as held for sale when it is highly probable that their carrying amount will be recovered through sale rather than through ongoing use. Prior to their initial classification as held for sale, components of the asset or disposal group shall be remeasured in accordance with the Company's accounting policies. When classified as pending sale, it shall be measured based on the lower of its carrying amount and its fair value less selling costs. Impairment losses for any disposal group are allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis. However, the loss is not allocated to assets that are not within the scope of IFRS 36 for asset impairment, and the aforementioned items continue to be measured in accordance with the Company's accounting policies. Gains and losses arising from impairment losses initially classified as held for sale and subsequent remeasurement are recognized as profit or loss. However, the recovery benefit shall not exceed the recognized accumulated impairment loss.

When an affiliate recognized using the equity method is classified as pending sale, usage of the equity method shall be discontinued.

(IX) Invested affiliates

An affiliate is a company over which significant influence is held over its financial and operating policies but is not controlled or jointly controlled.

The Company adopts the Equity Method to deal with equity in affiliated companies. Under the Equity Method, it is recognized at cost at the time of original acquisition and investment costs include transaction costs. The carrying amount of an investment in an affiliated company includes the goodwill identified at the time of the original investment less any accumulated impairment losses.

The parent company only financial statements cover from the date of material impact to the date of loss of material impact. After making adjustments consistent with the Company's accounting policies, the Company recognizes the amount of profit and loss and other comprehensive income of each invested affiliate in proportion to its equity. When there is a change in non-income items and other

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

comprehensive income of an affiliated company that does not affect the Company's associated shareholding ratio, the Company recognizes changes in equity attributable to the Company's share of the affiliated companies as capital reserve in proportion to its shareholding.

Unrealized profits and losses arising from transactions between the Company and its affiliates are only recognized in the corporate financial statements within the scope of the rights and interests of non-related party investors in the affiliated companies.

When the proportion of losses that the Company should recognize in an affiliated company is equal to or exceeds our equity in the affiliated company, recognition of such losses should be halted; and additional losses and related liabilities are to be recognized only to the extent that statutory obligations, constructive obligations, or payments have been made on behalf of the investee company.

(X) Invested subsidiaries

When preparing parent company only financial statements, the Company adopts the equity method to evaluate invested companies with control. Under the Equity Method, the current profit and loss and other comprehensive income of the parent company only financial statements and the current profit and loss and other comprehensive income of the financial statements prepared on a consolidated basis are the same as that attributable to the owner of the parent company. Furthermore, the owner's equity in the parent company only financial statements is the same as the equity attributable to owners of the parent in the financial statements prepared on a consolidated basis.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with the owner.

(XI) Investment real estate

Investment real estate is held for lease income or asset appreciation or both, constituting real estate that is not for sale in normal business, for production, provision of goods or services, or for administrative purposes. Investment real estate is originally measured at cost and subsequently it is measured by cost less accumulated depreciation and accumulated impairment. Its depreciation method, useful life, and residual value shall be treated in accordance with the provisions of property, plant and equipment.

Investment real estate disposal gains or losses (calculated by the difference between the net disposal price and the carrying amount of the item) are recognized

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

in profit or loss.

Lease income from investment real estate is recognized as non-operating income on a straight-line basis over the lease term. Lease incentives are recognized as part of the lease income during the leasing period.

(XII) Property, plant and equipment

1. Identification and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

When the useful lives of major components of property, plant and equipment are different, they are treated as separate items (major components) of property, plant and equipment.

Disposal gains or losses from property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that their future economic benefits will flow to the Company.

3. Depreciation

Depreciation is calculated as the cost of the asset less the residual value. It is recognized in profit or loss on a straight-line basis over the estimated useful life of each component.

Land is not depreciated.

Estimated useful life for the current and comparison periods are as follows:

Housing and construction	2 to 40 years
Machinery and equipment	1 to 9 years
Leased assets	3 to 20 years
Other equipment	1 to 5 years

The Company reviews the depreciation method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XIII) Leases

The Company assesses whether a contract constitutes or contains a lease on the date of establishment of the contract. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract constitutes or contains a lease.

1. As a lessee

The Company recognizes right-of-use assets and lease liabilities as of the

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

lease commencement date. Right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability adjusted for any lease benefits paid on or before the lease commencement date, plus the original direct costs incurred and the estimated costs for dismantling, removing, and restoring the location or the underlying asset, and also net of any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease inception date to the expiry of the useful life of the right-of-use asset or the expiry of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use asset is impaired and handles any impairment losses that have occurred. The right-of-use asset is adjusted in conjunction with the remeasurement of the lease liability.

The lease liability is initially measured at the present value of the unpaid lease payments at the inception date of the lease. If the interest rate implied by the lease is easily determined, then the discount rate is that rate. If it is not easily determined, the Company's incremental borrowing rate of interest shall be used. Generally speaking, the Company adopts its incremental borrowing rate of interest as the discount rate.

Lease payments included in the measurement of lease liabilities include:

- (1) Fixed payments, including substantial fixed benefits;
- (2) Changes in lease benefits depending on an index or rate, using the index or rate on the lease commencement date as the original measure;
- (3) The residual value guarantee amount expected to be paid; and
- (4) The exercise price or penalty payable when it is reasonably certain that a purchase option or lease termination option will be exercised.

Interest on a lease liability is subsequently accrued using the effective interest method, and its amount is re-measured when the following conditions occur:

- (1) There are changes in the index or rate used to determine lease payments resulting in changes in future lease payments;
- (2) There are changes in the residual value guarantee amount expected to be paid;
- (3) There are changes in the assessment of the underlying asset purchase option;
- (4) There are changes in estimates of whether to exercise extension or termination options and changes in the assessment of the lease term;
- (5) There are modifications to the subject matter, scope, or other terms of the

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

lease.

When the lease liability is re-measured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the assessment of options to purchase, extend, or terminate, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, constituting a reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, the difference between this and the remeasured amount of the lease liability is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities that do not meet the definition of investment real estate as separate line items in the balance sheet.

For short-term leasing of some office and transportation equipment and the lease of low-value target assets, the Company chooses not to recognize right-of-use assets and lease liabilities. Instead, the related lease payments are recognized as expenses on a straight-line basis over the lease term.

2. As a lessor

In transactions where the Company is the lessor, classification of lease contracts is undertaken by whether they transfer substantially all risks and rewards of ownership of the underlying asset on the lease inception date. If this is the case, a lease is classified as a finance lease; otherwise, it is classified as an operating lease. At the time of evaluation, the Company considers relevant specific indicators including whether the lease period covers the main part of the economic life of the underlying asset.

If the company is a lessor of a sublease, the main lease and sublease transactions are handled separately. The classification of sublease transactions is also assessed with the right-of-use asset arising from the main lease. If a sublease transaction meets the definition of investment real estate, the sublease transaction shall be classified as investment real estate.

For business leases, the Company recognizes lease payments received as lease income over the lease term on a straight-line basis.

(XIV) Intangible assets

1. Identification and measurement

Intangible assets are measured at cost less accumulated amortization and

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only to the extent that they increase the future economic benefits of the specific asset in question.

3. Amortization

Amortization is calculated based on the cost of the asset less the estimated residual value, and is recognized in profit or loss using the straight-line method over its estimated useful life from when the intangible asset is ready for use.

Estimated useful life for the current and comparison periods are as follows:

Computer software	3 to 8 years
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The Company reviews the intangible asset amortization method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XV) Impairment of non-financial assets

The Company assesses on each reporting date whether there is an indication that the carrying amount of non-financial assets may be impaired (except for inventories, deferred tax assets, and assets arising from employee benefits). If any such sign is present, then the recoverable amount of the asset is estimated.

For the purposes of the impairment test, the smallest identifiable group of assets is formed by a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or groups of assets.

The recoverable amount is the higher of the individual asset or cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than the carrying amount, an impairment loss is recognized.

(XVI) Provisions

The recognition of a liability provision is a present obligation due to past events where it is probable that the Company will need to outflow economic resources to settle the obligation in the future and where the amount of the obligation can be estimated reliably.

1. Liability provision for after-sales service is based on historical experience, management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVII) Revenue recognition

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Company recognizes revenue when control of goods or services is transferred to the customer and performance obligations are satisfied. The transfer of control of a product means that the product has been delivered to the customer, the customer can decide the sales channel and price of a product in their entirety, and there are no outstanding obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, its obsolescence and risk of loss has been passed to the customer, and the customer has accepted the product in accordance with the sales contract; or when the acceptance clause has expired or when the Company has objective evidence that all acceptance conditions have been met.

(XVIII) Government subsidies

When the Company receives government subsidies related to salaries and working capital subsidies, the unconditional grant is recognized as other income.

(XIX) Employee benefits

1. Defined contribution plan

Contribution obligations to a defined contribution plan are recognized as expenses during the period during which an employee provides service.

2. Defined benefit plan

The Company's net obligation to the defined benefit plan is calculated by converting the future benefit amount earned by the employee's service in the current or previous period to the present value for each benefit plan and less the fair value of any plan assets.

Defined benefit obligations are actuated annually by a qualified actuary using the projected unit credit method. When the calculation result may be beneficial to the Company, recognized assets are limited to the present value of any economic benefits that would be available in the form of refunds of contributions from the program or reductions in future contributions to the program. Any minimum funding requirements are considered when calculating the present value of economic benefits.

Remeasurement of net defined benefit liability is immediately recognized in other comprehensive income and reflected in accumulated in retained earnings. This includes actuarial profit and loss, plan asset remuneration (excluding

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

interest), and any change in the upper asset limit (excluding interest). The Company determines the net defined benefit liabilities (assets) and net interest expense (income), using the net defined benefit liabilities (assets) determined at the beginning of the annual reporting and the discount rate. Net interest expense and other expenses of defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, the resulting change in benefits related to prior service costs or curtailment benefits or losses is immediately recognized in profit or loss. When settlement occurs, the Company recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when services are provided. If the Company has a current statutory or constructive payment obligation due to the employee's past services and the obligation can be reliably estimated, this amount is recognized as a liability.

(XX) Income taxes

Income taxes include current income tax and deferred income tax. Current income tax and deferred income tax are recognized in profit or loss, except for those related to business combinations, items directly recognized in equity, or other comprehensive income.

Current income tax includes taxable income (losses) based on the current year, calculated estimated income tax payable or tax refund receivable, and any adjustments to tax payable or refunds receivable from prior years. The amount is the best estimate of the amount expected to be paid or received at the statutory tax rate or substantive legislative tax rate at the reporting date.

Deferred income tax is recognized as a measure of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Temporary differences arising from the following situations are not recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business combination and that do not affect accounting profits and taxable income (loss) at the time of the transaction;
2. Temporary differences arising from invested subsidiaries, affiliates, and joint ventures where the Company can control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; as well as
3. Taxable temporary differences arising from the original recognition of goodwill.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Deferred income tax is measured at the tax rate at which the temporary difference is expected to reverse, based on statutory or substantive legislative tax rates at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only when the following conditions are met simultaneously:

1. They have the legal enforcement right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxpayers that are subject to income tax by the same tax authority;
 - (1) The same taxpayer; or
 - (2) Distinct taxpayers, but where each entity intends to settle current tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

Unused tax losses and unused income tax credits are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available to the extent that the deductible temporary differences are carried forward.

Furthermore, it is reassessed on each reporting date and reduced to the extent that the relevant income tax benefit is not probable to be realized; or reverses the previously reduced amount to the extent that it becomes probable that sufficient taxable income will be available.

(XXI) Earnings per share

The Company presents basic and diluted earnings per share attributable to holders of ordinary shares of the Company. Basic earnings per share of the Company is the profit or loss attributable to the holders of ordinary shares of the Company calculated by dividing by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share refers to the profit and loss attributable to the holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding, calculated after separately adjusting for the effect of all potential dilutive ordinary shares. The Company's potentially dilutive ordinary shares include employee remuneration.

(XXII) Segment information

The Company has disclosed departmental information in the consolidated financial statements. Therefore, parent company only financial statements do not disclose departmental information.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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

The preparation of the parent company only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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.

Management continues to review estimates and underlying assumptions. Changes in accounting estimates are recognized in the period in which they are changed and in the future periods that are affected.

The parent company only financial statements involve significant judgment on whether the investee company Epoch Chemtronics Corp. involves substantial control, and this in turn has a significant impact on the amount recognized in the parent company only financial statements. For related information, please refer to the consolidated financial statements for 2021.

The parent company only financial statements contain no information such that the accounting policies involve significant estimates and assumptions that have a material impact on the amounts recognized in the parent company only financial statements.

VI. Explanation of significant accounts

(I) Cash and cash equivalents

	2021.12.31	2020.12.31
Cash	\$ 366	408
Demand deposits	278,192	259,219
Checking deposits	755	83
Fixed deposits	-	56,960
	\$ 279,313	316,670

Please refer to Note 6 (23) for disclosure of exchange rate risk and sensitivity analysis of the Company's financial assets and liabilities.

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

	2021.12.31	2020.12.31
Financial assets designated as at fair value through profit or loss:		
Gold passbook accounts	\$ 57,132	60,912

1. Please refer to Note 6 (22) for the remeasurement of fair value.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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

	2021.12.31	2020.12.31
Equity investments at fair value through other comprehensive income		
Current:		
Domestic TWSE listed company shares:		
Taiwan Cooperative Financial Holding Co., Ltd.	\$ 1,320,546	1,035,214
Mega Financial Holding Company Limited	808,763	677,950
First Financial Holding Co., Ltd.	675,752	583,039
Taiwan Business Bank	131,098	124,610
Taiwan Fertilizer Co., Ltd.	142,730	110,514
Cathay Financial Holdings Co., Ltd.	80,125	27,462
	3,159,014	2,558,789
Non current:		
Domestic TWSE listed company shares:		
Hold-Key Electric Wire & Cable Co., Ltd.	\$ 112,624	28,142
Unlisted domestic common shares:		
Sol Young Enterprises Co., Ltd.	12,610	12,610
ICP Technology Co., Ltd.	3,032	3,032
	15,642	15,642
	128,266	43,784
Total	\$ 3,287,280	2,602,573

These equity instrument investments held by the Company constitute long-term strategic investments and are not held for trading purposes. They have therefore been designated as fair value through other comprehensive income.

The Company did not dispose of strategic investments in 2021 and 2020 and the accumulated gains and losses during these periods have not been transferred in equity.

For market risk information please refer to Note 6 (23).

(IV) Notes receivable and accounts receivable

	2021.12.31	2020.12.31
Notes receivable	\$ 139,266	131,181
Accounts receivable	159,832	82,781
Accounts receivable - related parties	15,476	321
Less: Loss allowance – notes receivable	(27,548)	(8,609)

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Loss allowance - accounts receivable	-	(165)
	\$ 287,026	205,509

The Company's notes receivable and accounts receivable are not discounted or provided as collateral.

The Company applies the simplified approach to provide for its expected credit losses for all notes and accounts receivable, i.e., using the measurement of expected credit loss during the period. To measure the expected credit losses, such notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporating forward looking information, including macroeconomic and relevant industry information. According to the historical experience of the Company'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.

According to historical experience, the Company's 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 company's 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.

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

	2021.12.31		
	Carrying values of notes receivable and accounts receivable	Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	\$ 254,004	1.15	2,932
1 to 30 days past due	11,055	1.70	188
31 to 60 days past due	449	-	-
91 to 120 days past due	4,942	10.59	523
121 to 150 days past due	1	-	-
151 to 180 days past due	5,250	9.67	508
More than 180 days past due	23,397	100.00	23,397
	\$ 299,098		27,548

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

	2020.12.31		
	Carrying values of notes receivable and accounts receivable	Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	\$ 196,887	0.07	133
1 to 30 days past due	8,466	0.37	32
More than 180 days past due	8,609	100.00	8,609
	\$ 213,962		8,774

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

	2021	2020
Opening balance	\$ 8,774	12,977
Provision for impairment loss (reversal gain)	18,774	(4,203)
Ending balance	\$ 27,548	8,774

(V) Other receivables and long-term receivables

	2021.12.31	2020.12.31
Other receivables	\$ 1,814	1,844
Other receivables - related parties	122,700	180,330
Long-term receivables	65,166	79,145
Less: Loss allowance	(65,166)	(79,145)
	\$ 124,514	182,174

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

	2021	2020
Opening balance	\$ 79,145	79,145
Reversal of impairment losses	(13,979)	-
Ending balance	\$ 65,166	79,145

For other credit risk information please refer to Note 6 (23).

(VI) Inventory

	2021.12.31	2020.12.31
Raw materials	\$ 113,571	67,154
Work in process	42,205	16,508
Finished products	50,345	23,210
Goods held in inventory	15,327	3,244

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

\$ 221,448 110,116

In addition to transferring inventory to operating costs due to normal sales in 2021 and 2020, other total expenses and losses directly included in operating costs are listed as follows:

	2021	2020
Inventory valuation and obsolescence loss	\$ 9,131	2,485
Inventory obsolescence loss	2,743	2,502
Inclusion in operating costs	\$ 11,874	4,987

None of the Company's inventory was pledged as collateral as of December 31, 2021 and 2020.

(VII) Non-current assets held for sale

On November 11, 2015, the Board of Directors of the Company passed a resolution to liquidate the touch panel manufacturing business unit Loyal Motion Company located in mainland China. This disposal plan was passed in recognition of fierce touch panel industry competition. In order to enhance our competitiveness and reduce our operating costs, we planned to concentrate production in Young Fast Vietnam, another touch panel manufacturing business unit. Details of assets and liabilities of non-current assets held for sale as at December 31, 2020 are as follows:

	2020.12.31
Cash and cash equivalents	\$ 21,421
Other receivables	43
Other current assets	89
Other payables - current	(318)
Non-current assets held for sale - net current amount	\$ 21,235

The Company completed the liquidation process of Loyal Motion Optoelectronics (Huizhou) Co., Ltd. on December 15, 2021, and recognized disposal gain of NTD 65,633 thousand and recorded it under other gains and losses.

1. Details of the carrying amounts of the net assets of Loyal Motion Optoelectronics (Huizhou) Co., Ltd. on the date of disposal are as follows:

	2021.12.15
Cash and cash equivalents	\$ 17,375

2. Details of the amounts of disposal gains are as follows:

	2021.12.15
Reclassification from other equity to profit or loss from exchange differences on translation of foreign financial statements	\$ 65,633

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

(VIII) Investments accounted for using equity method

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

	2021.12.31	2020.12.31
Subsidiary	\$ 684,082	704,930
Affiliated companies	297,329	296,438
	\$ 981,411	1,001,368

1. Subsidiaries

Please refer to the 2021 consolidated financial statements.

2. Affiliated companies

Affiliates that are material to the Company consisted of the following:

Affiliated company name	Relationship with the Group	Main operating location / country of incorporation	Proportion of shareholding and voting rights	
			2021.12.31	2020.12.31
Epoch Chemtronics Corp. (Epoch)	Optical instrument manufacturing, etc.	Taiwan	23.75%	23.75%

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

	2021.12.31	2020.12.31
Current assets	\$ 2,043,870	2,052,398
Non-current assets	863,316	392,573
Current liabilities	(1,691,409)	(1,137,448)
Non-current liabilities	(51,654)	(147,143)
Net assets	\$ 1,164,123	1,160,380
Operating revenue	\$ 3,795,224	2,858,636
Profit from continuing operations	108,222	118,897
Other comprehensive income	(2,408)	4,461
Total comprehensive income	\$ 105,814	123,358
Dividends received from affiliated companies	\$ 24,241	36,361
Share of net assets of the Company's affiliates on January 1	\$ 275,591	282,655
Comprehensive income (loss) attributable to the Company	25,132	29,297
Dividends received from affiliated companies	(24,241)	(36,361)

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Share of net assets of related companies attributable to the Company at period end	276,482	275,591
Add: Goodwill	20,847	20,847
Carrying amount of equity in affiliated companies attributable to the Company at period end	<u>\$ 297,329</u>	<u>296,438</u>

The difference between the Company'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.

3. Collateral

As of December 31, 2021 and 2020, none of the Company's investments using the equity method were pledged as collateral.

(IX) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company for 2021 and 2020 were as follows:

	<u>Land</u>	<u>Housing and construction</u>	<u>Machinery and equipment</u>	<u>Leased assets</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance as at January 1, 2021	\$ 263,627	562,512	863,130	31,679	106,586	1,827,534
Addition	-	1,730	10,638	22,767	4,999	40,134
Disposal	-	-	(32,545)	-	(729)	(33,274)
Balance as at December 31, 2021	<u>\$ 263,627</u>	<u>564,242</u>	<u>841,223</u>	<u>54,446</u>	<u>110,856</u>	<u>1,834,394</u>
Balance as at January 1, 2020	\$ 263,627	561,482	1,010,069	30,379	123,610	1,989,167
Addition	-	1,030	12,998	1,300	3,411	18,739
Reclassification	-	-	4,050	-	-	4,050
Disposal	-	-	(163,987)	-	(20,435)	(184,422)
Balance as at December 31, 2020	<u>\$ 263,627</u>	<u>562,512</u>	<u>863,130</u>	<u>31,679</u>	<u>106,586</u>	<u>1,827,534</u>
Depreciation and impairment loss:						
Balance as at January 1, 2021	\$ -	448,166	847,315	30,131	97,149	1,422,761
Depreciation for the current period	-	7,468	3,572	1,387	4,243	16,670
Disposal	-	-	(32,545)	-	(729)	(33,274)
Balance as at December 31, 2021	<u>\$ -</u>	<u>455,634</u>	<u>818,342</u>	<u>31,518</u>	<u>100,663</u>	<u>1,406,157</u>

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Balance as at January 1, 2020	\$	-	440,912	1,006,728	29,482	114,349	1,591,471
Depreciation for the current period		-	7,254	1,605	649	3,235	12,743
Disposal		-	-	(161,018)	-	(20,435)	(181,453)
Balance as at December 31, 2020	\$	-	448,166	847,315	30,131	97,149	1,422,761

	Land	Housing and construction	Machinery and equipment	Leased assets	Other equipment	Total
Carrying amounts:						
Balance as at December 31, 2021	<u>\$ 263,627</u>	<u>108,608</u>	<u>22,881</u>	<u>22,928</u>	<u>10,193</u>	<u>428,237</u>
Balance as at December 31, 2020	<u>\$ 263,627</u>	<u>114,346</u>	<u>15,815</u>	<u>1,548</u>	<u>9,437</u>	<u>404,773</u>
Balance as at January 1, 2020	<u>\$ 263,627</u>	<u>120,570</u>	<u>3,341</u>	<u>897</u>	<u>9,261</u>	<u>397,696</u>

(X) Right of use assets

Changes in the cost, depreciation, and impairment losses of the land and buildings of the Company are detailed as follows:

	<u>Housing and construction</u>
Right of use asset costs:	
Balance as at January 1, 2021	\$ 38,839
Addition	72,134
Disposal (early termination of the contract)	<u>(37,163)</u>
Balance as at December 31, 2021	<u>\$ 73,810</u>
Balance as at December 31, 2020 (i.e., balance as at January 1, 2020)	<u>\$ 38,839</u>
Right of use asset depreciation:	
Balance as at January 1, 2021	\$ 19,419
Depreciation for the current period	12,790
Disposal (early termination of the contract)	<u>(23,739)</u>
Balance as at December 31, 2021	<u>\$ 8,470</u>
Balance as at January 1, 2020	\$ 9,709
Depreciation for the current period	<u>9,710</u>
Balance as at December 31, 2020	<u>\$ 19,419</u>
Carrying amounts:	
Balance as at December 31, 2021	<u>\$ 65,340</u>

**Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial
Statements (Continued)**

Balance as at December 31, 2020	<u>\$ 19,420</u>
Balance as at January 1, 2020	<u>\$ 29,130</u>

(XI) Investment real estate

Investment real estate constitutes the Company's own assets. Changes in the cost, depreciation, and impairment losses investment real estate of the Company are detailed as follows:

	Land	Housing and construction	Total
Cost or deemed cost:			
Balance as at December 31, 2021 (i.e., balance as at January 1, 2021)	<u>\$ 69,908</u>	<u>7,174</u>	<u>77,082</u>
Balance as at December 31, 2020 (i.e., balance as at January 1, 2020)	<u>\$ 69,908</u>	<u>7,174</u>	<u>77,082</u>
Depreciation and impairment loss:			
Balance as at January 1, 2021	\$ -	538	538
Depreciation for the current period	-	179	179
Balance as at December 31, 2021	<u>\$ -</u>	<u>717</u>	<u>717</u>
Balance as at January 1, 2020	\$ -	358	358
Depreciation for the current period	-	180	180
Balance as at December 31, 2020	<u>\$ -</u>	<u>538</u>	<u>538</u>
Carrying amount:			
Balance as at December 31, 2021	<u>\$ 69,908</u>	<u>6,457</u>	<u>76,365</u>
Balance as at December 31, 2020	<u>\$ 69,908</u>	<u>6,636</u>	<u>76,544</u>
Balance as at January 1, 2020	<u>\$ 69,908</u>	<u>6,816</u>	<u>76,724</u>
Fair value:			
Balance as at December 31, 2021			<u>\$ 299,887</u>
Balance as at December 31, 2020			<u>\$ 255,122</u>

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

The fair value of the Company's investment real estate is valued by the Company with reference to market evidence of similar real estate transaction prices.

(XII) Intangible assets

Costs and amortization of the Company's intangible assets in 2021 are detailed as follows:

	Computer software
Cost:	
Balance as at January 1, 2021	\$ -
Addition	6,138
Balance as at December 31, 2021	\$ 6,138
Amortization and impairment loss:	
Balance as at January 1, 2021	\$ -
Amortization for the period	78
Balance as at December 31, 2021	\$ 78
Carrying amounts:	
Balance as at December 31, 2021	\$ 6,060

The Company had no intangible assets in 2020.

(XIII) Short-term loans

Details, conditions, and terms of short-term loans of the Company are as follows:

	2021.12.31	2020.12.31
Credit loans	\$ 41,297	5,034
Unused credit line	\$ 1,223,246	1,002,627
Interest rate range (%)	0.71~0.88	0.86~1.07

(XIV) Lease liabilities

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

	2021.12.31	2020.12.31
Current	\$ 14,574	9,781
Non current	\$ 50,984	9,929

For the maturity analysis, please refer to Note 6 (23).

Lease amounts recognized as profit or loss are as follows:

	2021	2020
Interest on lease liabilities	\$ 587	373
Expenses relating to leases of low value assets	\$ 764	763

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Lease amounts recognized in the statements of cash flows are as follows:

	2021	2020
Total amount of net cash flows from operating activities	\$ 1,351	1,136
Total amount net cash flows from financing activities	12,850	9,636
Total cash flows from leases	\$ 14,201	10,772

The Company leased land and buildings as factories and office premises on December 31, 2021 and 2020. Land and building leases are usually for a period of five years with an option to extend for the same period as the original contract at the expiry of the lease term.

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

As of December 31, 2021, lease liabilities decreased by NTD 13,436 thousand due to early termination and re-assessment of some lease contracts.

(XV) Provisions

After-sales service provisions:

	2021	2020
Beginning balance as of January 1	\$ 36,165	3,266
Newly added provisions for the period	28,191	33,138
Provisions used in the period	(881)	(239)
Ending balance as of December 31	\$ 63,475	36,165

Carrying amount of after-sales service provisions is as follows:

	2021.12.31	2020.12.31
Current	\$ 12,551	36,165
Non current	\$ 50,924	-

Decommissioning, restoration, and rehabilitation costs - non current:

	2021	2020
Balance as at December 31 (i.e., balance as at January 1)	\$ 5,069	5,069

1. Liability provision for after-sales service is based on historical experience, management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVI) Employee benefits

1. Defined benefit plan

Reconciliation between the present value of the Company's defined benefit obligations and the fair value of plan assets is as follows:

	2021.12.31	2020.12.31
Present value of defined benefit obligations	\$ 18,331	18,074
Fair value of plan assets	(9,926)	(9,334)
Non-current net defined benefit liability	\$ 8,405	8,740

The Company's defined benefit plan is transferred to labor retirement reserve accounts of the Bank of Taiwan. Retirement payments for each employee are subject to the Labor Standards Act; they are calculated on the basis of years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

In accordance with the Labor Standards Act, the pension fund provided for by the Company is under the overall management of the Bureau of Labor Funds under the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum income distributed in the annual final settlement for the use of the fund shall not be lower than the income calculated according to the two-year fixed deposit interest rate of local banks.

As of the reporting date, the balance of the Company's labor retirement reserve account at the Bank of Taiwan was NTD 9,926 thousand. Information on the use of assets of the labor pension fund includes fund yield and fund asset allocation; please refer to the information published on the website of the Bureau of Labor Funds.

(2) Changes in present value of defined benefit obligations

Changes in the present value of the Company's defined benefit obligations in 2021 and 2020 were as follows:

	2021	2020
Defined benefit obligations as at January 1	\$ 18,074	18,030
Current service cost and interest	90	135
Remeasurement of net defined benefit liabilities (assets)		
- Actuarial gains and losses due to experience adjustments	(10)	(504)

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

- Actuarial gains and losses arising from changes in demographic assumptions	369	-
- Actuarial gains and losses arising from changes in financial assumptions	(192)	413
Defined benefit obligations as at December 31	<u>\$ 18,331</u>	<u>18,074</u>

(3) Changes in fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Fair value of identifiable plan net assets as at January 1	\$ 9,334	8,566
Interest income	48	66
Remeasurement of net defined benefit liabilities (assets) — plan asset return (excluding current interest)	117	274
Amount allocated to the plan	<u>427</u>	<u>428</u>
Fair value of identifiable plan net assets as at December 31	<u>\$ 9,926</u>	<u>9,334</u>

(4) Expenses recognized in profit or loss

Details of expenses reported by the Company in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Current service cost	\$ -	-
Net interest on net defined benefit liabilities	<u>42</u>	<u>69</u>
	<u>\$ 42</u>	<u>69</u>

(5) Net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities)

The Company's cumulative net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities) are as follows:

	<u>2021</u>	<u>2020</u>
Cumulative balance as at January 1	\$ 276	(89)
Recognized this period	<u>(50)</u>	<u>365</u>
Cumulative balance as at December 31	<u>\$ 226</u>	<u>276</u>

(6) Actuarial assumptions

Significant actuarial assumptions used by the Company for the present value of the defined benefit obligations at the reporting date are as follows:

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

	2021.12.31	2020.12.31
Discount rate	0.625%	0.500%
Future salary increases	2.000%	2.000%

The Company expects a provision amount paid to defined benefit plan of \$423 thousand within one year after the 2021 annual report date.

The weighted average duration of the defined benefit plan is 8.4 years.

(7) Sensitivity analysis

The impact of changes in key actuarial assumptions when applied at 31 December 2021 and 2020 on the present value of the defined benefit obligations is as follows:

	Impact on defined benefit obligations	
	0.25% increase	0.25% decrease
December 31, 2021		
Discount rate (change of 0.25%)	(381)	397
Future salary adjustments (change of 0.25%)	385	(372)
December 31, 2020		
Discount rate (change of 0.25%)	(412)	430
Future salary adjustments (change of 0.25%)	417	(40)

The above sensitivity analysis is based on the analysis of the impact of a change in a single assumption while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit liability on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

2. Defined contribution plan

The Company's defined contribution plan is in accordance with the provisions of the Labor Pension Act. 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. Under this setup, after the Company has provided a fixed amount to the Bureau of Labor Insurance, there is no statutory or constructive obligation to pay an additional amount.

Pension expenses under the Company's 2021 and 2020 defined pension appropriation measures are NTD 4,934 thousand and NTD 4,865 thousand

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

respectively, which have been allocated to the Bureau of Labor Insurance.

(XVII) Income taxes

1. The Company's 2021 and 2020 income tax expenses (benefits) are detailed as follows:

	2021	2020
Current income tax expense		
Current period	\$ 6,075	2,083
Underestimation of income tax benefit for prior years	94	-
	6,169	2,083
Deferred tax expense (benefit)		
Occurrence and reversal of temporary differences	11,481	(5,381)
Income tax expense (benefit)	\$ 17,650	(3,298)

Income tax benefit (expense) recognized by the Company under other comprehensive income in 2021 and 2020 are detailed as follows:

	2021	2020
Components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	\$ 10	(73)

The Company's 2021 and 2020 income tax expenses (benefits) and reconciliation with net profit before tax are detailed as follows:

	2021	2020
Net profit before tax	\$ 297,080	185,011
Income tax calculated at the domestic tax rate of the Company's location	\$ 59,416	37,002
Tax-exempt dividend income	(23,116)	(22,289)
Valuation loss (gain) of financial assets	756	(1,678)
Gain in investments accounted for using the equity method	(10,844)	(6,959)
Liquidation losses	(9,651)	-
Non-deductible expenses	3,725	2,549
Recognition of tax losses not recognized in the previous period	(22,810)	-
Tax difference in depreciation expenses	(3,196)	(13,488)
Changes in deferred tax assets	17,201	-
Previous underestimation	94	-

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Undistributed surplus earnings	6,075	2,083
Other	-	(518)
Total	<u>\$ 17,650</u>	<u>(3,298)</u>

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Items not recognized as deferred tax assets by the Company are as follows:

	<u>2021.12.31</u>	<u>2020.12.31</u>
Temporary differences that can be deducted	\$ 2,902,710	3,981,709
Tax loss	<u>1,596,634</u>	<u>1,742,261</u>
	<u>\$ 4,499,344</u>	<u>5,723,970</u>

Taxable losses are subject to the provisions of the Income Tax Act. As approved by the tax collection authority, losses for the previous ten years may be deducted from the net profit of the current year to re-assess income tax. These items are not recognized as deferred tax assets. This is because it is not probable that the Company will have sufficient taxable income for the temporary difference in the future.

As of December 31, 2021, the Company has not yet recognized tax losses as deferred tax assets. The deduction period is as follows:

<u>Year of loss</u>	<u>Loss not yet deducted</u>	<u>The last year for which the deduction can be made</u>
2013 approved number	\$ 36,545	2023
2014 approved number	274,845	2024
2015 approved number	370,175	2025
2016 approved number	98,904	2026
2017 approved number	808,806	2027
2018 declared number	<u>7,359</u>	2028
Total	<u>\$ 1,596,634</u>	

(2) Deferred tax assets and liabilities recognized

Changes in deferred tax assets and liabilities for 2021 and 2020 were as follows:

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Deferred tax assets:

	Inventory allowance for impairmen t losses	Expected credit impairme nt losses	Exchang e losses	Other	Total
January 1, 2021	\$ 4,925	17,023	292	13,042	35,282
Credit (debit) profit and loss	1,826	(12,274)	(292)	1,200	(9,540)
Credit to other comprehensive income	-	-	-	10	10
December 31, 2021	\$ 6,751	4,749	-	14,252	25,752
January 1, 2020	\$ 4,428	17,796	972	6,778	29,974
Credit (debit) profit and loss	497	(773)	(680)	6,337	5,381
Debit to other comprehensive income	-	-	-	(73)	(73)
December 31, 2020	\$ 4,925	17,023	292	13,042	35,282

Deferred tax liabilities:

	Foreign exchange gains	Other	Total
January 1, 2021	\$ -	27	27
Debit (credit) profit and loss	1,968	(27)	1,941
December 31, 2021	\$ 1,968	-	1,968
December 31, 2020 (i.e., January 1, 2020)	\$ -	27	27

3. Income tax approval status

The Company's tax returns for the years through 2019 were examined and approved by the tax authority.

(XVIII) Capital and other equity

1. Issuance of ordinary shares

As at December 31, 2021 and 2020, the Company's total authorized capital stock is NTD 2,000,000 thousand and the par value of each share is NTD 10.

Total issued shares amount to 151,328 thousand shares.

2. Capital reserve

The balance of the Company's capital reserve is as follows:

	2021.12.31	2020.12.31
Stock issuance at a premium	\$ 2,061,225	2,212,553
Changes in the net equity value of affiliated companies recognized under the equity method	13,634	13,634
Employee stock options	2,321	2,321
	\$ 2,077,180	2,228,508

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

In accordance with provisions of the Company Act, after capital reserve is given priority to cover losses, it may be issued to new shares or cash in proportion to the shareholders' original shares in the form of realized capital gains. Realized capital gains as mentioned in the preceding paragraph includes excess from the issuance of shares in excess of par value as well as grants received. In accordance with provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserves that can be used as capital shall not exceed 10% of the paid-in capital.

3. Retained earnings

According to the provisions of the earnings distribution policy of the Articles of Incorporation of the Company, if there is a surplus in the annual final accounts, taxes should first be paid to offset any prior deficit, and 10% is to be subsequently set aside as legal reserve. In addition, in accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act, for the deduction amount of shareholders' equity incurred in the current year, the same amount of special reserve shall be set aside from the after-tax surplus earnings of the current year and the undistributed surplus earnings of the previous period. For the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve of the same amount shall not be distributed from the undistributed surplus earnings in the previous period. In the event of a subsequent reversal of the amount of the deduction of shareholders' equity, earnings may be distributed to the reversed portion.

In addition, and in accordance with the Articles of incorporation of the Company, the dividend policy of the Company is based on current and future development plans while considering the investment environment, capital needs, and the domestic and foreign competitive environment, and takes into account the interests of shareholders and other factors. Each year, no less than 20% of the distributable surplus shall be allocated for distribution to shareholders as dividends and bonuses; but when the accumulated distributable surplus is less than 100% of paid-in capital, it may not be distributed.

(1) Legal reserve

When the Company has no losses, then subject to a resolution of the shareholders' meeting there may be issuance of new shares or cash with the legal reserve. However, this is limited to the portion of the reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

At its respective General Meetings of Shareholders on August 3, 2021 and June 30, 2020, the Company passed corresponding resolutions for 2020 and 2019, announcing cash dividends from capital reserve and earnings distribution with the amounts of cash dividends being as follows:

	2020	2019
Dividends distributed to owners of ordinary shares:		
Cash - retained earnings	\$ -	60,531
Cash - capital reserve	151,328	60,531
	\$ 151,328	121,062
Distribution rate in NT dollars (NTD)	\$ 1.00	0.80

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

4. Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as at January 1, 2021	\$ 21,361	577,871	599,232
Exchange differences on translation of foreign financial statements	(110,763)	-	(110,763)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method	(567)	-	(567)
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	574,849	574,849
Balance as at December 31, 2021	\$ (89,969)	1,152,720	1,062,751
Balance as at January 1, 2020	\$ 85,500	634,055	719,555
Exchange differences on translation of foreign financial statements	(65,175)	-	(65,175)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method	1,036	-	1,036
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	(56,184)	(56,184)
Balance as at December 31, 2020	\$ 21,361	577,871	599,232

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

(XIX) Earnings per share

Basic EPS and diluted EPS for 2021 and 2020 are calculated as follows:
Unit: Thousand shares

	2021	2020
Basic EPS:		
Net profit attributable to holders of ordinary shares of the Company	<u>\$ 279,430</u>	<u>188,309</u>
Weighted average number of ordinary shares outstanding	<u>151,328</u>	<u>151,328</u>
Basic EPS (Unit: New Taiwan Dollars)	<u>\$ 1.85</u>	<u>1.24</u>
Diluted EPS:		
Net profit attributable to holders of ordinary shares of the Company	<u>\$ 279,430</u>	<u>188,309</u>
Weighted average number of ordinary shares outstanding	151,328	151,328
Effect of dilutive potential ordinary shares		
Employees' compensation	<u>332</u>	<u>164</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>151,660</u>	<u>151,492</u>
Diluted EPS (Unit: New Taiwan Dollars)	<u>\$ 1.84</u>	<u>1.24</u>

(XX) Revenue from contracts with customers

1. Details of revenue

	2021		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	\$ 156,395	1,061	157,456
Americas	14,686	-	14,686
Taiwan	<u>713,863</u>	<u>566,290</u>	<u>1,280,153</u>
	<u>\$ 884,944</u>	<u>567,351</u>	<u>1,452,295</u>
	2020		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	\$ 137,891	1,362	139,253
Americas	4,629	-	4,629
Taiwan	<u>233,060</u>	<u>552,236</u>	<u>785,296</u>
	<u>\$ 375,580</u>	<u>553,598</u>	<u>929,178</u>

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

2. Contract balances

	2021.12.31	2020.12.31	2020.1.1
Notes receivable	\$ 139,266	131,181	118,468
Accounts receivable	159,832	82,781	64,422
Accounts receivable - related parties	15,476	321	55,580
Less: Loss allowance—notes receivable	(27,548)	(8,609)	(10,935)
Less: Loss allowance - accounts receivable	-	(165)	(2,042)
Total	\$ 287,026	205,509	225,493
Contract Liabilities - Merchandise Sales	\$ 6,028	14,983	3,204

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

The opening balances of contract liabilities on January 1, 2021 and 2020 were recognized as revenue in 2021 and 2020, amounting to NTD 14,303 thousand and NTD 2,976 thousand respectively.

(XXI) 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 for 2021 and 2020 were NTD 6,353 thousand and NTD 3,835 thousand respectively. The corresponding estimated amounts for directors' remuneration were NTD 4,765 thousand and NTD 2,876 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

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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.

There is no difference between the amounts of employee and director remuneration distributed by the above-mentioned resolutions of the Board of Directors and the estimated amounts in the Company's 2020 parent company only financial statements. Information on Board resolutions on employee and director remuneration can be inquired through the Market Observation Post System.

(XXII) Non-operating revenue and expenses

1. Interest income

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

	2021	2020
Bank deposit interest	\$ 490	4,031

2. Other income

Details of other income of the Company are as follows:

	2021	2020
Lease income	\$ 2,215	3,531
Dividend income	115,581	111,445
Government grants	-	8,194
Other income	5,606	6,495
	\$ 123,402	129,665

3. Other gains and losses

Other gains and losses of the Company are detailed as follows:

	2021	2020
Proceeds from disposal of property, plant and equipment	\$ 120	3,893
Proceeds from disposal of non-current assets held for sale	65,633	-
Foreign currency exchange loss, net	(4,071)	(18,961)
Gain (loss) on financial assets at fair value through profit or loss	(3,780)	8,388
Investment real estate depreciation expense	(179)	(180)
Other	(477)	(282)
	\$ 57,246	(7,142)

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

4. Finance costs

The finance costs of the Company are detailed as follows:

	2021	2020
Bank loans	\$ 168	418
Lease liabilities	587	373
Other	3	4
	\$ 758	795

(XXIII) Financial instruments

1. Credit risk

(1) Credit risk exposure

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

(2) Concentration of credit risk

Among the balances of accounts receivable and notes receivable of the Company as at 31 December 2021 and 2020, three major customers accounted for 63% and 71% 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 Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of fluctuations in cash flow. The Company's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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
December 31, 2021						
Non derivative financial liabilities						
Short-term loans	\$ 41,297	41,414	41,414	-	-	-
Notes payable	675	675	675	-	-	-
Accounts payable (including related parties)	239,993	239,993	239,993	-	-	-
Other payables	139,174	139,174	139,174	-	-	-
Lease liabilities	65,558	67,521	15,341	29,817	22,363	-
Deposits received	414	414	414	-	-	-
	\$ 487,111	489,191	437,011	29,817	22,363	-
December 31, 2020						
Non derivative financial liabilities						
Short-term loans	\$ 5,034	5,044	5,044	-	-	-
Notes payable	32	32	32	-	-	-
Accounts payable (including related parties)	142,475	142,475	142,475	-	-	-
Other payables	126,546	126,546	126,546	-	-	-
Lease liabilities	19,710	20,018	10,009	10,009	-	-
Deposits received	394	394	394	-	-	-
	\$ 294,191	294,509	284,500	10,009	-	-

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

	2021.12.31			2020.12.31		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
<u>Financial assets</u>						
<u>Monetary items</u>						
US Dollar	\$ 18,524	27.6800	512,743	11,762	28.4800	334,983
RMB	-	-	-	23	4.3770	100
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US Dollar	8,594	27.6800	237,886	5,266	28.4800	149,969

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

(2) Sensitivity analysis

The Company'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 December 31, 2021 and 2020, if the TWD, when compared with the USD and CNY, had appreciated or depreciated 5% with all other factors remaining constant, then net profit before tax for 2021 and 2020 would have respectively increased or decreased by approximately NTD13,740 thousand and NTD 9,260 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 Company, gains or losses on foreign exchange are summarized as a single amount. Foreign currency exchange losses (including both realized and unrealized) in 2021 and 2020 were approximately NTD 4,071 thousand and NTD 18,961 thousand, respectively.

4. Interest rate risk

The following sensitivity analysis is based on the exposure to interest rate risk of non-derivative financial instruments on the reporting date. For floating rate financial instruments, the sensitivity analysis assumes that the amounts of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change used in reporting interest rates internally to key management of the Company constituted a 1% increase or decrease in interest rates; this also represented the range of changes in interest rates considered by management to be reasonably possible.

If interest rates had increased or decreased by 1% and all assuming all other variable factors remained constant, pre-tax net profit in 2021 and 2020 would have increased or decreased by approximately NTD 410 thousand and NTD 50 thousand respectively, mainly due to the Company's variable interest rate borrowings.

5. Other market price risk

Sensitivity analyses for changes in securities prices vs. impact on items of comprehensive income at the reporting date are shown as follows (the analysis is performed on the same basis for both periods and assuming other variables remain constant):

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Price of securities at reporting date	2021	2020
Up 5%	\$ 164,364	130,129
Down 5%	\$ (164,364)	(130,129)

6. Fair value information

(1) Hierarchy and fair value of financial instruments

The Company'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, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and of lease liabilities, disclosure of fair value information is not required by the regulations:

	2021.12.31				
	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	\$ 57,132	57,132	-	-	57,132
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEX) listed shares	3,271,638	3,271,638	-	-	3,271,638
Equity instruments without an active market measured at fair value	15,642	-	-	15,642	15,642
Subtotal	3,287,280	3,271,638	-	15,642	3,287,280
Financial assets measured at amortized cost					
Cash and cash equivalents	279,313	-	-	-	-
Notes receivable and accounts receivable (including related parties)	287,026	-	-	-	-

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Other receivables	1,814	-	-	-	-
Other receivables - related parties	122,700	-	-	-	-
Refundable deposits	6,192	-	-	-	-
Subtotal	697,045	-	-	-	-
Total	\$ 4,041,457	3,328,770	-	15,642	3,344,412
Financial liabilities measured at amortized cost					
Bank loans	\$ 41,297	-	-	-	-
Notes payable and accounts payable (including related parties)	240,668	-	-	-	-
Other payables	139,174	-	-	-	-
Lease liabilities	65,558	-	-	-	-
Deposits received	414	-	-	-	-
Total	\$ 487,111	-	-	-	-

2020.12.31					
	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	\$ 60,912	60,912	-	-	60,912
Financial assets at fair value through other comprehensive income					
Domestic and foreign listed (OTC listed) shares	2,586,931	2,586,931	-	-	2,586,931
Equity instruments without an active market measured at fair value	15,642	-	-	15,642	15,642
Subtotal	2,602,573	2,586,931	-	15,642	2,602,573
Financial assets measured at amortized cost					
Cash and cash equivalents	316,670	-	-	-	-
Notes receivable and accounts receivable (including related	205,509	-	-	-	-

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

parties)					
Other receivables	2,357	-	-	-	-
Other receivables - related parties	179,817	-	-	-	-
Refundable deposits	5,875	-	-	-	-
Subtotal	710,228	-	-	-	-
Total	\$ 3,373,713	2,647,843	-	15,642	2,663,485
Financial liabilities measured at amortized cost					
Bank loans	\$ 5,034	-	-	-	-
Notes payable and accounts payable (including related parties)	142,507	-	-	-	-
Other payables	126,546	-	-	-	-
Lease liabilities	19,710	-	-	-	-
Deposits received	394	-	-	-	-
Total	\$ 294,191	-	-	-	-

(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 Company, the stocks of listed (over-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 balance sheet date.

Financial instruments held by the Company 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 comparables approach as well as net asset value. The main assumptions of the market comparables approach are based on the after-tax net profit or equity net worth of the investee and the

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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 Company 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.

(XXIV) Financial risk management

The Company's financial management department provides services for each business units including overall coordination of access to domestic and international financial market operations, supervision and management of financial risks related to the Company's operations through internal risk reports that analyze exposure in accordance with risk procedures and breadth. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Company avoids exposure to risk through derivative financial instruments to mitigate the impact of these risks. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors of the Company, which are written principles of exchange rate risk, interest rate risk, credit risk, and the use of derivative financial instruments. Internal auditors continually review policy compliance and exposure limits. The Company does not trade in financial instruments for speculative purposes (including derivative financial instruments).

1. Credit risk

Credit risk refers to the risk of financial losses by the Company caused by a counterparty defaulting on its contractual obligations. As of the balance sheet date, the Company's largest credit risk exposure for financial losses arising from a counterparty's failure to perform its obligations is mainly from the book values of financial assets recognized in the balance sheet.

The policy adopted by the Company is to only deal with reputable parties, and, if necessary, obtain sufficient guarantee to reduce the risk of financial loss due to default. The Company continuously monitors the credit risk insurance and the credit ratings of counterparties and distributes the total transaction amounts to customers with qualified credit ratings. The credit risk is controlled through the counterparty's credit limit, which is reviewed and approved by the Company's most competent personnel every year.

The Company continuously evaluates the financial status of accounts receivable customers. The Company has no significant credit exposure to any

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

single counterparty or any group of counterparties with similar characteristics. When the counterparty to a transaction is an affiliated company, the Company defines it as a counterparty with similar characteristics. The Company has no significant concentration of credit risk.

2. Liquidity risk

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

The Company's working capital is sufficient to cover its needs; therefore, there is no liquidity risk due to an inability to raise funds to fulfill contractual obligations.

Bank borrowings are an important source of liquidity for the Company. As at December 31, 2021 and 2020, the Company's unutilized short-term bank facilities amounted to NTD 1,223,246 thousand and NTD 1,002,627 thousand respectively.

3. Market risk

Market risk refers to changes in market prices such as changes in exchange rates, interest rates, and equity instrument prices, and the risk that this affects the Company's income or the value of financial instruments held. The objective of market risk management is to control the exposure of market risks within an acceptable range and optimize the return on investment.

(1) Currency risk

The Company is exposed to exchange rate risks arising from sales, purchases, fixed deposits and borrowing transactions that are not denominated in the functional currency of the Company. The functional currency of the Group companies is mainly New Taiwan Dollars. The main denomination currencies for these transactions are New Taiwan Dollars, US Dollars, and Renminbi.

There is no significant difference or significant change in the receivables and payables of the Company. Therefore, the Company currently adopts natural hedging as the main exchange rate avoidance policy in terms of exchange rate risk.

(2) Interest rate risk

The Company's financial assets with fair value risk from changes in interest rates are bank deposits; financial liabilities are short-term borrowings, but the impact on the fair value of the relevant financial assets due to changes in interest rates is not material.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

(3) Other market price risk

The Company's holdings of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are invested in domestic gold passbook accounts as well as domestic TWSE and TPEX listed company stocks. Because they are measured at fair value, the Company will be exposed to the risk of changes in the market prices of equity securities. We thus prudently select investment targets and control the positions held for the sake of managing market risk.

(XXV) Capital management

The Company's capital risk management policy is based on the existing and possible future assets, liabilities and capital structure, taking moderate risks, and earning reasonable profits for shareholders. The goal is to achieve an ideal balance between risk control and business development and to optimize shareholder value.

In addition to appropriating legal reserve and special reserve according to law, the Company retains surplus funds and capital increase premium funds for plant expansion and operating turnover. The debt ratio is controlled below 30%, and we maintain adequate asset liquidity.

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

The Company's investing and financing activities not affecting current cash flow in 2021 and 2020 were as follows:

1. For acquisition of the right-of-use asset by leasing, please refer to Note 6 (10).

2. Reconciliation of liabilities from financing activities is as follows:

			Non cash changes			
	2021.1.1	Cash flows	Addition	Disposal and Remeasurement Contracts in the Current Period	Changes in fair value	2021.12.31
Short-term loans	\$ 5,034	36,263	-	-	-	41,297
Lease liabilities	19,710	(12,850)	72,134	(13,436)	-	65,558
Total liabilities from financing activities	\$ 24,744	23,413	72,134	(13,436)	-	106,855

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

	2020.1.1	Cash flows	Non cash changes			2020.12.31
			Acquisitions	Exchange rate changes	Changes in fair value	
Short-term loans	\$ 60,000	(54,966)	-	-	-	5,034
Lease liabilities	29,346	(9,636)	-	-	-	19,710
Total liabilities from financing activities	\$ 89,346	(64,602)	-	-	-	24,744

VII. Related party transactions

(I) Names and relationship with related parties

Related parties having transactions with the Company during the period covered by the parent company only financial statements are as follows:

Name of related party	Relationship with the Company
Young Fast (BELIZE) Co., Ltd. (Young Fast Belize)	Subsidiaries of the Company
Young Fast (SAMOA) Co., Ltd. (Young Fast Samoa)	Subsidiaries of the Company
Young Fast Optoelectronics (VIETNAM) Co., Ltd. (Young Fast Vietnam)	Subsidiaries of the Company
Young Fast Optoelectronics (HK) Co., Ltd. (Young Fast Hong Kong)	Subsidiaries of the Company
Loyal Motion Optoelectronics (Huizhou) Co., Ltd. (Loyal Motion)	Subsidiaries of the Company
Turn Young Optoelectronics (Huizhou) Co., Ltd. (Turn Young Optoelectronics)	Subsidiaries of the Company
Taiwan SRU Corporation Limited (Taiwan SRU)	Subsidiaries of the Company
Luminous Optical Technology Co., Ltd. (Luminous Optical Technology)	Other related parties (de facto related parties)
Luminous Optical Technology (Vietnam) Co., Ltd. (Luminous Optical Technology Vietnam)	Other related parties (de facto related parties)
Hold-Key Electric Wire & Cable Co., Ltd. (Hold-Key)	Other related parties (major shareholders of the Company)

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

(II) Significant transactions with related parties

1. Operating revenue

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

Related party	2021	2020
Subsidiaries of the Company	\$ 3,273	3,264
Hold-Key	90,014	131,933
Other related parties	-	846
	\$ 93,287	136,043

2. Purchase and processing costs

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

Related party	2021	2020
Young Fast Vietnam	\$ 576,858	310,965
Taiwan SRU Corp.	127,819	130,560
Other related parties	7,882	17,943
	\$ 712,559	459,468

The Company's purchase, sales and processing costs for the above-mentioned related parties are in the form of cooperative export or division of production and sales. Therefore, the purchase, sales prices, receipt and payment terms, and processing costs between the Company and the related parties are mutually negotiated.

3. Receivables from related parties

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

Accounts	Related Party Category/Name	2021.12.31	2020.12.31
Accounts receivable	Luminous Optical Technology	\$ -	321
	Hold-Key	15,476	-
Other receivables	Young Fast Vietnam	-	3,150
	Subsidiaries of the Company	791	-
		\$ 16,267	3,471

As of December 31, 2021 and 2020, none of the above accounts receivable and other receivables has any loss allowance.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

4. Payable to related parties

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

Accounts	Related Party Category/Name	2021.12.31	2020.12.31
Accounts payable	Taiwan SRU Corp.	\$ 39,359	20,538
	Young Fast Vietnam	69,731	17,529
	Luminous Optical Technology	-	7,843
	Other related parties	<u>102</u>	<u>-</u>
	Subtotal	<u>109,192</u>	<u>45,910</u>
Other payables	Other related parties	<u>486</u>	<u>634</u>
		<u>\$ 109,678</u>	<u>46,544</u>

5. Lease expenses

The Company leased a factory from Hold-Key in January 2018, negotiating the lease according to the agreed price and signing five-year lease contract with a total contract value of NTD 50,046 thousand. In July 2021, the Company renewed a five-year lease contract with Hold-Key for a portion of the above contract. The total value of the renewed contract was \$76,271 thousand. As of December 31, 2021, lease liabilities decreased by NTD 13,346 thousand due to early termination of a portion of the above lease contract. The interest expense recognized by the Company for the above lease liabilities in 2021 and 2020 was NTD 587 thousand and NTD 373 thousand respectively, and the balances of unpaid lease liabilities as of December 31, 2021 and 2020 was NTD 65,558 thousand and NTD 19,710 thousand.

6. Property transactions - disposal of property, plant and equipment

Details of sales of property, plant and equipment to related parties in 2020 are summarized as follows:

Related party	2020	
	Disposal price	Gain or loss on disposal
Subsidiaries of the Company	<u>2,901</u>	<u>30</u>

In 2020, the Company's disposal of property, plant and equipment to the Company's subsidiaries with a disposal price of NTD 2,901 thousand was accounted for under other receivables due from related parties. As of December 31, 2020, the unrealized disposal gain was NTD 30 thousand.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

The Company did not have any property transactions with related parties in 2021.

7. Loans to related parties

<u>Accounts</u>	<u>Related Party Category/Name</u>	<u>2021.12.31</u>	<u>2020.12.31</u>
Other receivables	Young Fast Belize	\$ 121,792	125,312
	Young Fast Vietnam	-	48,416
		<u>\$ 121,792</u>	<u>173,728</u>

<u>Accounts</u>	<u>Related Party Category/Name</u>	<u>2021</u>	<u>2020</u>
Interest income	Young Fast Belize	\$ 327	463
	Young Fast Vietnam	5	13
		<u>\$ 332</u>	<u>476</u>

The Company was approved by the Board of Directors to provide short-term loans to Young Fast Belize. The annual interest rates in 2021 and 2020 respectively ranged at 0.20%-0.65% and 0.20%-0.38%. Interest receivable as of December 31, 2021 and 2020 respectively amounted to NTD 117 thousand and NTD 25 thousand, having been accounted for under other receivables due from related parties.

The Company was approved by the Board of Directors to provide short-term loans to Young Fast Vietnam. The annual interest rate for both 2021 and 2020 was set at 0.20%. Interest receivable as of December 31, 2021 and 2020 respectively amounted to NTD 0 thousand and NTD 13 thousand, having been accounted for under other receivables due from related parties.

8. Endorsements / guarantees provided

The amounts of endorsements/guarantees by the Company to related parties is as follows:

<u>Related party</u>	<u>2021.12.31</u>		<u>2020.12.31</u>	
	<u>Endorsement/guarantee amount</u>	<u>Usage amount</u>	<u>Endorsement/guarantee amount</u>	<u>Usage amount</u>
Subsidiary				
Young Fast Vietnam	\$ 249,120	33,216	128,160	19,936
Young Fast Samoa	1,439,360	58,128	170,880	-
Total	<u>\$ 1,688,480</u>	<u>91,344</u>	<u>299,040</u>	<u>19,936</u>

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

The Company's unutilized bank facilities shared with subsidiaries as at December 31, 2021 and 2020 amounted to NTD 725,216 thousand and NTD 250,624 thousand respectively.

(III) Remuneration of key management personnel

Remuneration of key management personnel

	2021	2020
Short-term employee benefits	\$ 31,724	27,903
Retirement benefits	466	461
	\$ 32,190	28,364

VIII. Pledged assets: None.

IX. Significant commitments and contingencies

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

	2021.12.31	2020.12.31
JPY	JPY 28,667	JPY 52,448
USD	USD 349	USD 549
NTD	NTD 25,907	9,003

(II) As of December 31, 2021 and 2020, the Company's guaranteed notes issued for lines of credit, purchase of goods, and other transactions respectively totaled NTD 0 thousand and NTD 200,000 thousand.

X. Losses Due to Major Disasters: None.

XI. Subsequent Events: None.

XII. Other

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

By function By nature	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salary	48,438	104,959	153,397	46,298	100,231	146,529
Health and labor insurance	4,862	6,387	11,249	4,011	5,656	9,667
Pension	2,461	2,515	4,976	2,217	2,717	4,934
Director's remuneration	-	6,385	6,385	-	3,845	3,845

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Other employee benefit expenses	2,066	1,217	3,283	1,638	1,009	2,647
Depreciation expense (Note)	19,114	10,346	29,460	13,198	9,255	22,453
Depreciation expense	-	-	-	-	-	-
Amortization expense	73	5	78	-	-	-

Note: Depreciation expenses incurred for investment real estate in 2021 and 2020 were NTD 179 thousand and NTD 180 thousand respectively, accounted under other gains and losses.

Additional information on the number of employees and employee benefit expenses of the Company in 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Number of employees	<u>153</u>	<u>150</u>
Number of directors not concurrently serving as employees	<u>5</u>	<u>4</u>
Average employee benefit expense	<u>\$ 1,168</u>	<u>1,122</u>
Average employee salary expense	<u>\$ 1,036</u>	<u>1,004</u>
Adjustment of average employee salary expenses	<u>3.19%</u>	<u>30.73%</u>
Supervisor remuneration	<u>\$ -</u>	<u>-</u>

Information on the Company's salary and remuneration policy (including directors, supervisors, managers, and employees) is as follows:

(I) Remuneration of directors

1. Remuneration of directors

Remuneration of directors of the Company is based on provisions of Article 24 of the Company's Articles of Incorporation, such that if there is profit for the year then not more than 1.5% shall be set aside as remuneration for directors.

The remuneration of non-independent directors who participate in the daily operations of the Company shall be governed by Article 21 of the Articles of Incorporation of the Company. The Board of Directors is authorized to receive remuneration according to the management responsibilities of directors and the degree of operational participation and the value of their contributions, as well as the usual level of payment in the industry.

Basic salaries, position bonuses, allowance, various bonuses and benefits, pensions, severance pay, and other salaries of non-independent directors in the Company's daily operations are handled in accordance with the Company's Salary Management Measures.

2. Remuneration of functional committee members

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

Remuneration for the Audit Committee stands at a fixed monthly remuneration of NTD 40 thousand. Remuneration for serving as a functional committee member other than for the Audit Committee shall be submitted to the Remuneration Committee and the Board of Directors for discussion and approval. Remuneration for the resigning committee members in the current year shall be calculated through the end of the month of resignation. For newly elected members, calculation of remuneration begins on the first day of the month following their election.

3. Expenses related to business execution

For independent directors or for external committee members other than independent directors serving as functional committee members, the travel fee for each meeting is NTD 10 thousand.

(II) Remuneration of employees and managers

1. Employee remuneration

Remuneration of employees of the Company is based on provisions of Article 24 of the Company's Articles of Incorporation, such that if there is profit for the year then not less than 2% shall be set aside for employees' remuneration. Employee salary is based on the Company's Salary Management Measures and with reference to market salary conditions and organizational structure, and are adjusted according to market salary trends and government regulations in a timely manner.

2. Remuneration of managers

Basic salaries, position bonuses, allowance, various bonuses and benefits, pensions, severance pay, and other salaries of managers who are not directors of the Company are handled in accordance with the Company's Salary Management Measures.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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 2021:

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 (%)	Term	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		
0	The Company	Young Fast Belize	Other receivables	Yes	243,584	121,792	121,792	0.20 ~0.65	2	-	-	Loan repayment and operating turnover	-	-	-	522,958	1,045,917
0	The Company	Young Fast Samoa	Other receivables	Yes	276,800	-	-	0.25	2	-	-	In response to capital needs arising from investment structure adjustments of the Group	-	-	-	522,958	1,045,917
0	The Company	Young Fast Vietnam	Other receivables	Yes	83,040	-	-	0.20	2	-	-	Loan repayment and operating turnover	-	-	-	522,958	1,045,917
1	Young Fast Hong Kong	Young Fast Belize	Other receivables	Yes	775,040	775,040	692,000	0.25 ~0.38	2	-	-	In response to capital needs arising from investment structure adjustments of the Group	-	-	-	1,053,231	1,053,231
2	Young Fast Belize	Young Fast Samoa	Other receivables	Yes	692,000	692,000	608,960	0.25	2	-	-	In response to capital needs arising from investment structure adjustments of the Group	-	-	-	751,874	751,874
3	Young Fast Samoa	Young Fast Vietnam	Other receivables	Yes	138,400	138,400	38,752	0.20 ~0.65	2	-	-	Operating turnover	-	-	-	204,261	204,261

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

1. The Company is filled in as 0.
2. 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 December 31, 2021.

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

1. For those with business dealings please fill in "1."
2. If there is a need for short-term financing, please fill in "2."

Note 5: The total amount of the Company's loans of funds to others shall not exceed 40% of the net value of the Company. If the nature of the loans of funds is short-term financing, the total loan amount shall not exceed 20% of the net value of the Company, and the total amount of loans of funds to individual counterparties shall not exceed 10% of the net value of the Company. If the nature of the loans of funds is for business transactions, the amount of individual loans should not exceed the transaction amount for business between the two parties involved in the previous year or in the current year. For companies that have short-term financing with Young Fast Hong Kong, the individual loan and limit amount shall not exceed 10% of the net value of Young Fast Hong Kong,

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

and the total loan and amount shall not exceed 30% of the net value of Young Fast Hong Kong. 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 limit amounts shall not exceed 150% of the net worth of Young Fast Hong Kong. For companies that have short-term financing with Young Fast Belize and 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 150% of the net worth of Young Fast Belize and 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)	Endorsement/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	1,568,875	249,120	249,120	33,216	-	4.76	2,614,792	Y	N	N
0	The Company	Young Fast Samoa	2	1,568,875	1,439,360	1,439,360	58,128	-	27.52	2,614,792	Y	N	N

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

1. The Company is filled in as 0.
2. Subsidiaries - in sequence by company from the Arabic numeral 1.

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

1. Intercompany business transactions
2. Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
3. Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
4. The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
5. Companies that are mutually protected under contractual requirements based on the needs of the contractor.
6. Companies that are endorsed by shareholders in accordance with their shareholding ratios because of the joint investment relationship.
7. 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 20% of the net value of the Company's most recent financial statements. Endorsements/guarantees for a single overseas affiliate shall not exceed 30% of the net value 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	27,582	675,752	0.21%	675,752	
	Mega Financial Holding Company Limited	-	"	22,750	808,763	0.17%	808,763	
	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	51,888	1,320,546	0.38%	1,320,546	
	Taiwan Business Bank	-	"	13,242	131,098	0.17%	131,098	
	Taiwan Fertilizer Co., Ltd.	-	"	2,039	142,730	0.21%	142,730	

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

	Cathay Financial Holdings Co., Ltd.	-	"	1,282	80,125	0.01%	80,125
					<u>3,159,014</u>		<u>3,159,014</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	7,767	112,624	4.03%	112,624
	Sol Young Enterprises Co., Ltd.	Corporate director of the Company	"	356	12,610	0.55%	12,610
	ICP Technology Co., Ltd.	-	"	295	3,032	0.94%	3,032
					<u>128,266</u>		<u>128,266</u>

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:

Purchasing (selling) company	Name of transaction counterparty	Relationship	Transaction status				Circumstances and reasons why transaction conditions different from normal trading		Notes and accounts receivable (payable)		Note
			Purchased (sold)	Amount	Proportion of total purchased (sold) (%)	Credit period	Unit price	Credit period	Balance	Proportion of total notes and accounts receivable (payable) (%)	
The Company	Young Fast Vietnam	Sub-subsidiary	Purchase of goods	576,858	49.20	Note 1	-	-	(69,731)	(29.06)	
The Company	Taiwan SRU Corp.	Subsidiary	Purchase of goods	127,819	10.90	Note 1	-	-	(39,359)	(16.40)	
Young Fast Vietnam	The Company	Parent company	Sales	576,858	99.95	Note 1			69,731	100.00	
Taiwan SRU Corp.	The Company	Parent company	Sales	127,819	100.00	Note 1			39,359	100.00	

Note 1: The Company's transaction conditions with the related party are mutually negotiated.

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 (%)	Overdue receivables from related parties		Amounts subsequently recovered from receivables of related parties	Allowance for bad debt
					Amount	Action taken		
The Company	Young Fast Belize	Parent and subsidiary companies	121,909	-	-		-	-
Young Fast Hong Kong	Young Fast Belize	Subsidiary	692,000	-	-		-	-
Young Fast Belize	Young Fast Samoa	Subsidiary	609,990	-	-		-	-

Note 1: The above transactions are loans of funds and receivables as well as interest receivable. The loan period is from December 25, 2020 to April 22, 2024.

**Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial
Statements (Continued)**

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

9. Trading in derivative instruments: None.

(II) Information on investees

Information on the company's reinvestment business in 2021 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 2)	Note
				End of the current period	End of prior year	Number of shares	Percentage (%)	Carrying amount (Note 2)			
The Company	Young Fast Belize	Belize	Professional investment	3,000,130 (USD 100,000)	3,000,130 (USD 100,000)	100,000	100.00%	501,249	9,986	9,986	
"	Young Fast Samoa	Samoa	Professional investment	1,262,218 (USD 43,000)	1,262,218 (USD 43,000)	43,000	100.00%	126,803	1,950	4,500	Note 1
"	Taiwan SRU Corp.	Taiwan	Manufacturing of wire and cable accessories	30,960	30,960	3,096	51.00%	56,030	35,743	17,729	Note 1
"	Epoch	Taiwan	Optical instruments	150,626	150,626	8,080	23.75%	297,329	108,222	25,702	
Young Fast Belize	Young Fast Hong Kong	Hong Kong	Professional investment	3,093,236 (USD 103,080)	3,093,236 (USD 103,080)	800,000	100.00%	702,154	3,956	3,956	
Young Fast Samoa	Young Fast Vietnam	Vietnam	Manufacture and sales of touch panels	965,402 (USD 32,200)	965,402 (USD 32,200)	-	100.00%	709,515	11,338	4,543	Note 1

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: 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	Shareholding ratio of direct or indirect investment by the Company (%)	Investment gains and losses recognized in the current period (Note 3)	Book value of investments at the end of the period (Note 3)	Investment income repatriated up to the current period
					Outflow	Inflow						
Loyal Motion (Note 2)	Manufacturing of touch panels	1,078,999 (USD 35,000)	(I)	1,078,999 (USD 35,000)	-	1,078,999 (USD 35,000)	-	(3,697)	-	(3,697)	-	-
Turn Young Optoelectronics	After sales services (labor)	4,660 (USD 150)	(II)	4,660 (USD 150)	-	-	-	(297)	100.00	(297)	2,066	-

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: On November 11, 2015, the Board of Directors of the Company passed a resolution for the liquidation of Loyal Motion, and all liquidation procedures were completed on December 15, 2021. The actual amount remitted back to the Company after liquidation was NTD 17,375 thousand (USD 625 thousand).

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 the equity method.

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

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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)
-	2,020,889 (USD 73,009)	3,137,750

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 December 31, 2021 (USD:NTD exchange rate = 1:27.68).

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 1,842,353 thousand (USD 66,559 thousand).

3. Significant transactions: None.

(IV) Information on major shareholders:

Unit: Shares

Shares Name of major shareholder	Number of shares held	Percentage of shareholding
Sol Young Enterprises Co., Ltd.	27,942,114	18.46%
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%
Zhangmiao Development Co., Ltd.	9,403,000	6.21%

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

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

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.

XIV. Segment information

Please refer to the 2021 consolidated financial statements for details.

Young Fast Optoelectronics Co., Ltd.
Statement of Cash and Cash Equivalents

December 31, 2021

Unit: NTD
Thousand or
Single Units of
Foreign Currency

Item	Summary	Amount
Cash	Petty cash	\$ 105
	Cash in foreign currencies:	
	Japanese yen (JPY 78,000 @ 0.2405)	19
	Vietnamese Dong (VND 22,300,000 @ 0.0012)	27
	US Dollar (USD 1,631 @ 27.68)	45
	Hong Kong Dollar (HKD 2,010 @ 3.5488)	7
	Renminbi (CNY 12,915 @ 4.344)	56
	Korean Won (KRW 4,045,090 @ 0.0235)	95
	Thai Baht (THB 14,607 @ 0.8347)	12
	Subtotal	<u>366</u>
Cash in banks	Checking deposits:	
	New Taiwan Dollar	755
	Demand deposits:	
	New Taiwan Dollar	94,745
	US Dollar (USD 6,470,471.71 @ 27.68)	179,103
	Hong Kong dollar (HKD 116,929.44 @ 3.549)	415
	Japanese yen (JPY 11,340,338 @ 0.2405)	2,727
	Renminbi (CNY 276,853.27 @ 4.344)	1,202
	Subtotal	<u>278,947</u>
		<u>\$ 279,313</u>

Young Fast Optoelectronics Co., Ltd.

Statement of financial assets at fair value through other
comprehensive income - current

December 31, 2021

Unit: NTD Thousand

Financial instrument	Summary	Number of shares or number of lots	Face value	Total amount	Interest rate	Acquisitio n cost	Fair value		Changes in fair value attributable to changes in credit risk	Note
							Unit price (NTD)	Total amount		
Shares:										
First Financial Holding Co.,Ltd.		27,582	-	-	- %	432,023	24.50	675,752	-	
Mega Financial Holding Company Limited		22,750	-	-	- %	554,954	35.55	808,763	-	
Taiwan Cooperative Financial Holding Co., Ltd.		51,888	-	-	- %	730,093	25.45	1,320,546	-	
Taiwan Business Bank		13,242	-	-	- %	130,467	9.90	131,098	-	
Taiwan Fertilizer Co., Ltd.		2,039	-	-	- %	107,100	70.00	142,730	-	
Cathay Financial Holdings Co., Ltd.		1,282	-	-	- %	53,544	62.50	80,125	-	
				-		\$ 2,008,181		3,159,014	-	

Young Fast Optoelectronics Co., Ltd.

Schedule of Notes Receivable

December 31, 2021

**Unit: NTD
Thousand**

Client name	Summary	Amount	Note
Non-related party:			
Company A	Business	\$ 115	
Company B	"	5,003	
Company C	"	29,855	
Company D	"	46,982	
Company E	"	<u>57,311</u>	
Subtotal		139,266	
Less: Loss allowance		<u>27,548</u>	
		<u>\$ 111,718</u>	

Schedule of Accounts Receivable

Client name	Summary	Amount	Note
Related party:			
Hold-Key	Business	<u>\$ 15,476</u>	
Non-related party:			
Company A	Business	95,129	
Company B	"	9,446	
Others (individual balance not attaining 5%)	"	<u>55,257</u>	
Subtotal		<u>159,832</u>	
		<u>\$ 175,308</u>	

Young Fast Optoelectronics Co., Ltd.

Statement of inventories

December 31, 2021

Unit: NTD
Thousand

Item	Amount		Note
	Cost	Net realizable value	
Raw materials	\$ 134,660	113,571	Market price refers to estimated net realizable value
Work in process	50,655	42,205	"
Manufactured goods	51,759	50,345	"
Goods	18,132	15,327	"
Total	255,206	<u>221,448</u>	
Less: Allowance for depreciation losses on inventories	<u>33,758</u>		
	<u>\$ 221,448</u>		

Young Fast Optoelectronics Co., Ltd.

Statement of changes in financial assets at fair value through other comprehensive income - non current

January 1 to December 31, 2021

Unit: NTD
Thousand

Name	Beginning of period		Increase in period (Note 1)		Decrease in period (Note 2)		End of period		Collateral or pledge	Note
	Number of shares or number of lots	Fair value	Number of shares or number of lots	Amount	Number of shares or number of lots	Amount	Number of shares or number of lots	Fair value		
Shares:										
Hold-Key Electric Wire & Cable Co., Ltd.	2,108,000	\$ 28,142	7,601,000	103,900	1,941,800	19,418	7,767,200	112,624	None	
Sol Young Enterprises Co., Ltd.	356,442	12,610	-	-	-	-	356,442	12,610	None	
ICP Technology Co., Ltd.	295,169	<u>3,032</u>	-	<u>-</u>	-	<u>-</u>	295,169	<u>3,032</u>	None	
		<u>\$ 43,784</u>		<u>103,900</u>		<u>19,418</u>		<u>128,266</u>		

Note 1: Including new investment cost of NTD 102,526 thousand and unrealized appraisal gains and losses of NTD 1,374 thousand in the current period.

Note 2: Constitutes a cash reduction and refund of shares.

Young Fast Optoelectronics Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

January 1 to December 31, 2021

Unit: NTD
Thousand

Name	Opening balance		Increase in period (Note 2)		Decrease in period (Note 3)		Ending balance			Market price or net value of equity (Note 1)		Collateral or pledge	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentag e of shareholdi ng	Amount	Unit price	Total price		
Young Fast Belize	100,000	\$ 504,153	-	9,986	-	12,890	100,000	100.00%	501,249	5.85	501,249	None	
Epoch	8,080	296,438	-	25,702	-	24,811	8,080	23.75%	297,329	34.22	276,482	None	
Young Fast Samoa	43,000	154,736	-	4,500	-	32,433	43,000	100.00%	126,803	3.34	136,174	None	
Taiwan SRU Corp.	3,096	46,041	-	17,729	-	7,740	3,096	50.99%	56,030	12.37	62,893	None	
		<u>\$ 1,001,368</u>		<u>57,917</u>		<u>77,874</u>			<u>981,411</u>		<u>976,798</u>		

Name	Opening balance		Increase in period		Decrease in period (Note 4)		Ending balance			Market price or net value of equity		Collateral or pledge	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentag e of shareholdi ng	Amount	Unit price	Total price		
Loyal Motion	35,000	\$ 21,235	-	-	35,000	21,235	-	- %	-	-	-	None	Note 5

Note 1: Long-term equity is fairly valued at the net value of equity at the balance sheet date.

Note 2: Including investment gain for the period of NTD 57,917 thousand.

Note 3: Includes cash dividends of NTD 31,981 thousand for the current period, re-measurement of defined benefit plan of NTD 3 thousand, exchange differences of NTD 45,534 thousand from the exchange differences on translation of foreign financial statements, and deferred credits of NTD 356 thousand.

Note 4: The investment loss in the current period was NTD 3,697 thousand; exchange differences on translation of foreign financial statements was NTD 163 thousand, and investment recovered from Loyal Motion in the current period was NTD 17,375 thousand.

Note 5: On November 11, 2015, the Board of Directors of the Company passed a resolution for the liquidation of Loyal Motion, and all liquidation procedures were completed on December 15, 2021.

Young Fast Optoelectronics Co., Ltd.

Schedule of Notes Payable

December 31, 2021

**Unit: NTD
Thousand**

Client name	Summary	Amount	Note
Company A	Business	<u><u>\$ 675</u></u>	

Schedule of Accounts Payable

Client name	Summary	Amount	Note
Related party:			
Young Fast Vietnam	Business	\$ 69,731	
Taiwan SRU Corp.	"	39,359	
Luminous Optical Technology	"	<u>102</u>	
Subtotal		<u>109,192</u>	
Non-related party:			
Company A	Business	25,809	
Company B	"	21,772	
Company C	"	13,286	
Company D	"	8,750	
Company E	"	7,555	
Company F	"	7,299	
Others (individual balance not attaining 5%)	"	<u>46,330</u>	
Subtotal		<u>130,801</u>	
		<u><u>\$ 239,993</u></u>	

Young Fast Optoelectronics Co., Ltd.

Schedule of Other Payables

December 31, 2021

**Unit: NTD
Thousand**

Item	Summary	Amount
Non-related party:		
Salary and bonus payable	Business	\$ 100,450
Others (individual balance not attaining 5%)	"	<u>38,724</u>
		<u>\$ 139,174</u>

Statement of operating revenue

January 1 to December 31, 2021

Item	Quantity	Amount	Note
Touch panels		\$ 884,944	
Terminal boxes and splice boxes		<u>567,351</u>	
		<u>\$ 1,452,295</u>	

Young Fast Optoelectronics Co., Ltd.

Schedule of Operating Costs

January 1 to December 31, 2021

Unit: NTD

Thousand

Item	Amount	
	Subtotal	Total
Cost of goods sold for self-manufactured products	\$	841,388
Direct raw materials	540,777	
Add: Beginning inventory	79,409	
Feedstock in this period	594,341	
Other	1,311	
Less: End-of-period inventory	(133,815)	
Inventory obsolescence loss	(65)	
Other	(404)	
Direct materials	884	
Add: beginning inventory	742	
Feedstock in this period	1,063	
Less: end-of-period inventory	(845)	
Inventory obsolescence loss	(5)	
Other	(71)	
Direct labor	32,001	
Manufacturing expense	82,833	
Manufacturing cost	656,495	
Add: Beginning work in process inventory	21,703	
Feedstock in this period	253,278	
Less: Ending work in process inventory	(50,655)	
Inventory obsolescence loss	(79)	
Other	(11,930)	
Subtotal of cost of finished goods	868,812	
Add: Inventory of finished products at the beginning of the period	25,043	
Outsourced finished goods	43	
Other	92	
Less: Inventory of finished products at the end of the period	(51,759)	
Inventory obsolescence loss	(143)	
Other	(700)	
Cost of goods sold of outsourced goods		307,717
Add: beginning inventory	7,845	
Purchases in this period	323,652	
Less: end-of-period inventory	(18,132)	
Inventory obsolescence loss	(2,451)	
Other	(3,197)	
Total cost of goods sold		1,149,105
Inventory obsolescence loss		2,743
Inventory valuation and obsolescence loss		9,131
Other operating costs		50,214
Total operating costs	\$	1,211,193

Young Fast Optoelectronics Co., Ltd.

Schedule of marketing expenses

January 1 to December 31, 2021

Unit: NTD
Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Salary expenses		\$ 11,994	
Commission expenses		6,192	
Import and export expenses		4,143	
Others (individual balance not attaining 5%)		<u>3,950</u>	
		<u>\$ 26,279</u>	

Schedule of management expenses

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Salary expenses		\$ 64,767	
Depreciation		7,693	
Director and supervisor expenses		6,385	
Others (individual balance not attaining 5%)		<u>23,654</u>	
		<u>\$ 102,499</u>	

Young Fast Optoelectronics Co., Ltd.
Schedule of research and development
expenses

January 1 to December 31, 2021

Unit: NTD
Thousand

Item	Summary	Amount	Note
Salary expenses		\$ 30,713	
R&D material expense		3,313	
Labor expense		2,636	
Depreciation		2,330	
Others (individual balance not attaining 5%)		<u>6,057</u>	
		<u>\$ 45,049</u>	

Please refer to Note 6 (9) of the financial statements for a detailed schedule of changes in property, plant and equipment.

Please refer to Note 6 (10) of the financial statements for a detailed schedule of changes in right-of-use assets.

Please refer to Note 6 (11) of the financial statements for a detailed schedule of changes in investment real estate.

Please refer to Note 6 (12) of the financial statements for a detailed schedule of changes in intangible assets.

Please refer to Note 6 (14) of the financial statements for a detailed schedule of lease liabilities.

Please refer to Note 6 (15) of the financial statements for a detailed schedule of provisions.

Please refer to Note 6 (22) of the financial statements for a detailed schedule of other revenues.

Please refer to Note 6 (22) of the financial statements for a detailed schedule of other gains and losses.

Please refer to Note 6 (22) of the financial statements for a detailed schedule of finance costs.