Stock Code: 3622

Young Fast Optoelectronics Co., Ltd.

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Stock Code：3622

Type of the shareholders' meeting: Physical meeting
Time and Date: 9:00 a.m, Monday, May 27, 2024
Place: No. 32, Jingjian 5th Rd., Guanyin Dist., Taoyuan City

Notice to Readers: *For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.*

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Young Fast Optoelectronics Co., Ltd.
2024 Annual Shareholders' Meeting
Meeting Agenda

Meeting time: May 27, 2024 at 9:00a.m.

Place: No. 32, Jingjian 5th Rd., Guanyin Dist., Taoyuan City

Chairman: Chih Chiang Pai, Chairman of the Board of Directors

1. Chairman's Address
2. Matters to Report:
   (1) Report the business of 2023.
   (2) Report the Audit Committee's review report of 2023.
   (3) Report the employees' profit share and directors' compensation of 2023.
   (4) Report on the directors' remuneration of the Company for 2023.
   (5) Report the related party transactions of 2023.
   (6) Report the Company's distribution of cash dividends from earnings and capital surplus for 2023.
3. Matters for Acknowledgement
   (1) Acknowledgement of business report and financial statements of 2023.
   (2) Acknowledgement of earnings distribution of 2023.
4. Matters for Discussion
   (1) Release of Legal Persons as Corporate Directors's Representative from the non-compete restriction.
5. Extempore Motions
6. Meeting Adjournment

Matters to Report

1. Subject: To report the business of 2023

   Description: Please refer to attachment 1 (page6-8) for Business report of 2023.

2. Subject: To report the Audit Committee's review report of 2023

   Description: Please refer to attachment 2 (page9) for 2023 Audit Committee's review report.

3. Subject: To report the employees' profit share and directors'compensation of 2023.

   Description: The Company's 2023 net income before tax and remuneration of employees and directors) after audited by independent auditors were NT$537,557,684. According to Article 24 of the Articles of Incorporation, NT$10,751,154 (2%) were allocated as employee remuneration, NT$8,063,365 (1.5%) as director remuneration, all paid in cash.

4. Subject: To report on the directors' remuneration of the Company for 2023.

   Description: (1)The remuneration received by the directors is handled in accordance with the Company's regulation of the remuneration management of the directors, functional Committee members and managers.

   (2) The Company's standard of paying the director's remuneration is based on the responsibilities, risks, the time that invested in, and other factors, with a comprehensive consideration, the relationship with the payment of the remuneration would be described clearly:

   I. According to Article 24 of the Company's Articles of Incorporation, the director's remuneration shall not be more than 1.5% of the annual profit. Also, it shall be based on the self-evaluation performance of each director, the frequency of participating in the board of directors, the hours of receiving the training, etc., and the contribution to the Company's performance. It shall also be referred to the Company's entire operation performance, operation risks of the industry, and the development trends in the future, etc., and a reasonable remuneration will be paid.

   II. The regulation of the remuneration management of the directors, functional Committee members and managers also states the principles for paying the directors' remuneration as follows:

   (I) The remuneration for the audit committee member (independent director): NT$ 40,000 dollars per month.

   (II) The remuneration for the non-independent directors who participate in the daily operation of the Company: According to Article 21 of the Articles of Incorporation, the board of directors is authorized to receive the remuneration according to the directors' management responsibilities, the level to participate in the operation and the value of the contributions, and the usual level of the other companies in the industry.

   (III) The managers of non-independent directors who participate in the daily operation of the Company: salary, position bonus, allowance, various bonuses and welfare, pension, severance pay and other salaries, are handled in accordance with the Company's salary management measures.

(IV) Business conduction related expense: transportation fee is NT$ 10,000 dollars for the independent directors to attend each meeting.

(3) The remuneration received by the directors in 2023, please refer to attachment 3 (page10-11).

5. Subject: To report the related party transactions of 2023

Description: According to Article 9-1 of the Company's “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises”, please refer to attachment 4 (page12).

6. Subject: To report the Company’s distribution of cash dividends from earnings and capital surplus for 2023

Description:(1) In accordance with Article 24-1 of the Company's Articles of Incorporation,the Board of Directors is authorized to resolve that all or part of the dividends and bonuses payable shall be paid in cash and report to the shareholders' meeting.

(2) The Company resolved at the th meeting of the 8th board meeting on Februaru 27, 2024 to appropriate NT$226,991,400 from the earnings of 2023 (NT$1.5 per share), and to appropriate NT$75,663,800 from the capital surplus from the issuance of shares in excess of par value (NT$0.5 per share) based on the shareholdings recorded in the shareholder register on the book-close date, for a total cash dividend of NT$2.

(3) The chairman of the board of directors shall, upon the authorization of the board of directors, set another payment base date and payment date. Cash distribution is calculated up to NTD. Fractions of NTD are rounded down to zero. The difference is recorded by the Company as "other income".

Matters for Acknowledgement:

1. Subject: Acknowledgement of business report and financial statements of 2023

(by the Board of Directors)

Description: (1) The Company's 2023 business report, stand-alone financial statements and consolidated financial statements were approved by a resolution of the Board of Directors. The CPA firm of KPMG has audited the stand-alone financial statements and the consolidated financial statements and has given an unqualified opinion thereon.

(2) The above-mentioned business report and financial statements have been sent to the Audit Committee, which issued a review report.

(3) Please refer to attachment 1 (page6-8) and attachment 5 (page 13-28) for the Company's 2023 business report and financial statements, and please

accept the proposal for ratification.

Resolution:

2. Subject: Proposal for the ratification of the 2023 earnings distribution proposal

(by the Board of Directors)

Description: (1) The Company's 2023 earnings distribution proposal was approved by a resolution of the Board of Directors and reviewed by the Audit Committee, which issued a review report.

(2) The Company’s 2023 net profits after tax were NT$567,534,320, and the cumulative distributable earnings were NT$1,134,662,670, which are intended to be retained without distribution. Please refer to attachment 6 (page 29) of this handbook for the earnings distribution statement. Please accept the proposal for ratification.

Resolution:

Matters for Discussion

1. Subject: Please proceed to discuss release of legal persons as corporate directors’s representative from the non-compete restriction

(by Board of Directors)

Description: (1) In accordance with Article 209 of the Company Act, which stipulates that "A director who engages in conduct for himself/herself or for another person that falls within the scope of the Company's business shall explain the material content of his/her conduct to the shareholders' meeting and obtain permission"

(2) To fully leverage the Company’s directors’ professionalism and relevant experience, it is proposed – as permitted by law – that the Shareholders’ Meeting consents to lift the non-compete restrictions on the directors to be elected in the Company’s 2024 Annual General Meeting. For the details of the removal of the non-compete restrictions on legal persons as corporate directors’s representative, please refer to Attachment 7 (page 30) of this handbook.

Resolution:

Extempore Motions

Meeting Adjournment

Attachment 1

Young Fast Optoelectronics Co., Ltd.
The Company's 2023 business report

1. Business Strategy and It's Implementation Status

   Over the past few years, the Company's Optoelectronics Business Group has been actively engaged in the research and development of functional touch panel sensors, and the surface printing, profiling, and processing (stain-resistance; anti-glare; anti-reflection; anti-bacteria) for our self-developed glass cover. Meanwhile, we have also expanded our business of edge lamination and full lamination of touch modules and different displays, developed the production capacity for Touch Monitor and FATP and PMOLED and electronic paper module bonding, to protect our R&D achievements, actively filed for patent protection at home and abroad. In 2021, we have branched out into the markets for industrial control, sports equipment, in-vehicle applications, and medium and large size advertising guide electronic paper module. In 2023, the glass production line began to mass produce cover glass and surface coating products, and the Company continues to cultivate and stabilize the sales market through vertical integration.

   In addition, our Electromechanical Business Group, given its major customer being the Taiwan Power Company, greatly valued product quality, safety, and ability to adapt; as so, it had established a high market entry barrier with its technologies and specifications certification, and therefore derived a stable gross profit. In 2022, the production capacity of the new factory for mechanical and electrical products operated smoothly, and was able to meet the needs of future market growth. To assist customers in solving the current shortage of manpower in the market for equipment installation and construction, meanwhile, we actively integrates equipment engineering resources, joins long-term partners in strategic alliances to provide installation and construction services, and cooperates with various downstream engineering companies to train technicians and purchase relevant equipment to provide partial installation and construction, so that customers can receive a complete installation construction services; additionally, to meet the needs of Taipower's power grid, different types of terminal equipment products have been introduced and relevant tests are conducted in cooperation with customers.

   Due to the continuous gains derived by our large- and medium-size touch panels from non-consumer markets such as industrial control, in-vehicle applications, and sports equipment, and also due to stable gains from the domestic market, our electromechanical products derived handsome profits. Meanwhile, we also focused on asset revitalization to diversify our income sources, and in doing so coped with the volatile international market, thereby lowering risk and boosting steady income. Furthermore, striving to implement the sustainable operation (ESG), the Company has planned to build the solar roof at the Guanyin Plant III in 2023 to reduce carbon emissions through renewable energy. It is expected to start operation from the second quarter of 2024.

2. Implementation results of business plan

   In 2022, due to the impact of interest rate hikes and international inflation, as well as the increase in the inventory of electronic products and related components which took time to be consumed, photoelectric products were affected by factors such as the slowdown in demand for inventory consumption. Nevertheless, the benefits after years of our intensive cultivation in the non-consumer sector showed, plus the stable management of raw materials and components, the business turnover is 55.71% less than the 2022 level. In addition, our electromechanical products were all for domestic use, we benefited from the domestic energy policy and the increase in power facilities projects of TaiPower in 2023, deriving a revenue that was 87.34% higher than the 2022 level. Coupled with steady non-operating income (i.e., investment income), our overall revenue and profits grew from last year. In 2023, the annual consolidated operating revenue stood at NTD 1,638,979 thousand, up 6.04% from last year; net income after taxes attributable to the Company at NTD 567,534 thousand, up NTD 416,051 thousand, or 36.41%, from last year; and earnings per share at NTD 3.75.

3. Budget implementation status
The 2023 financial forecast was not made public, so there is no question of whether the budget was achieved or not.

4. Financial income and expenses; profitability analysis

(1) Analysis of receipts and expenditures
The ratio of long-term capital to fixed assets was 821.6%, and the debt ratio was 10.43% in 2022, attesting to the Company's good capital structure. mainly due to that the cash inflows from operating activities are used to repay short-term borrowings. Liquidity ratio and quick ratio in 2023 were 1,077.17% and 1,024.21%, respectively, attesting to the Company's good solvency.

(2) Analysis of Profitability
The Company's annual consolidated operating revenue and annual consolidated gross profit in 2023 were NT$1,638,979 thousand and NT$598,178 thousand, respectively, an increase of 6.04% and 46.53%, respectively, from 2022. These were mainly due to the growth of business scale from high margin products of electromechanical and the continuous implementation of cost reduction measures; coupled with expected credit impairment benefits, the consolidated operating profit for 2023 was NT$356,453 thousand. In terms of non-operating income was NT$228,188 thousand, it was mainly from the flexible use of idle assets of the Company and continuous injection of income such as rent and dividends. In 2023, the net income after taxes stood at NT$609,554 thousand, net income after taxes that is attributable to the Company at NT$567,534 thousand, and earnings per share at NT$3.75.

Analysis		2022	2023
Capital Structure analysis	Debt Ratio	10.02%	10.43%
	Long term funds to fix asset	678.78%	821.60%
Liquidity analysis	Current ratio	1,177.64%	1,077.17%
	Quick ratio	1,110.49%	1,024.21%
Profitability analysis	Return on total assets (%)	7.08%	8.93%
	Return on equity (%)	7.61%	9.24%
	Operation income to capital	13.26%	23.56%
	Net income before tax to capital	29.73%	38.63%
	Profit ratio	28.07%	37.19%
	Earnings per share (NT$)	2.75	3.75

5. R&D

A touch panel mainly serves the role that makes a human-machine interface more convenient. It is developed to suit different applications at different premises and under different environments, and towards a trend that features more a compact body and an even thinner bezel. The films on the surface of our touch control modules are self-developed. In terms of membranes and glass sensors, we adopt metallized films and lithography to effectively produce ultra-thin touch products. In terms of ultra-thin bezel, we use advanced laser processes such as precision exposure and CCD alignment, so as to provide customers with a high-end product that features both a thinner bezel and a higher sensitivity. Our UV-resistant membranes and glass sensor process production lines can meet the requirements for in-vehicle applications, and for products to be used by our end customers under a lengthy exposure to sunshine. We also develop stain-resistant/anti-glare/anti-reflection/anti-bacteria coating technologies. In addition, we newly perform full lamination of cover glass and touch module for our LCM and PMOLES for use of industrial control, and advance the technology for lamination of electronics paper modules, to satisfy the diverse applications at the customer end.

The Electromechanical Business Group: To meet the needs of power grid replacement, Taipower has introduced different types of terminal boxes to cooperate with customers to conduct tests on different items of physical test circuits to meet more comprehensive product needs of customers; in addition, taking advantage of the international division of of labor and OEM, the Company has won orders for metal parts applied to ultra-high voltage grade terminals and connection equipment. It is expected that the manufacturing and processing capabilities of metal parts of ultra-high voltage electrical equipment will be upgraded to a higher level.

Chairman: Chihchiang Pai　　Manager: Yichuan Hsu　　Chief Accountant: Weiju Hsu

Attachment 2

Young Fast Optoelectronics Co., Ltd.

Audit Committee's Review Report

The Board of Directors prepared the Company's 2023 business report, financial statements (stand-alone and consolidated) and earnings distribution proposal. CPA Chunxiu Guan and Boshu Huang from KPMG have audited the financial statements (stand-alone and consolidated) and have issued an audit report. The above-mentioned business report, financial statements (stand-alone and consolidated) and earnings distribution proposal have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Annual Shareholders' Meeting of Young Fast Optoelectronics Co., Ltd.

Young Fast Optoelectronics Co., Ltd.

Chairman of the Audit Committee:

Febauary 27, 2024

Attachment 3

The director's remuneration (including remuneration received by part-time employees) in 2023

Title	Name	Remuneration for directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Remuneration, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amoun	Stock amount	Cash amoun	Stock amount			
Chairperson	Chihchiang Pai	4,882	4,882	0	0	1,103	1,103	0	0	1.05%	1.05%	0	0	0	0	0	0	0	0	1.05%	1.05%	0
Director	Soy Young Enterprise Co., Ltd.	0	0	0	0	870	870	0	0	0.15%	0.15%	NA	NA	0	0	0	0	0	0	0.15%	0.15%	0
	Representative: Shujuan Xu	0	0	0	0			0	0			0	0	0	0	0	0	0	0			0
Director	Hold-Key Electric Wire & Cable Co., Ltd.	0	0	0	0	870	870	0	0	0.15%	0.15%	NA	NA	0	0	0	0	0	0	0.15%	0.15%	0
	Representative: Xinzheng Li	0	0	0	0			0	0			6,948	6,948	0	0	0	0	0	0	1.22%	1.22%	0
Director	Yichuan Hsu	0	0	0	0	870	870	0	0	0.15%	0.15%	4,553	4,553	0	0	0	0	0	0	0.96%	0.96%	0
Director	Fengyu Ho	0	0	0	0	870	870	0	0	0.15%	0.15%	3,455	3,455	0	0	0	0	0	0	0.76%	0.76%	0
Director	Menggui Lin	0	0	0	0	870	870	0	0	0.15%	0.15%	4,365	4,365	0	0	0	0	0	0	0.92%	0.92%	0
Independent director	Chengkun Kuo (Note2)	200	200	0	0	363	363	0	0	0.10%	0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	0
Independent director	Wenxiu Zhang	480	480	0	0	870	870	70	70	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	0
Independent director	Xiege Hao	480	480	0	0	870	870	70	70	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	0
Independent director	Xiuhui Ye (Note2)	281	281	0	0	507	507	30	30	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	0

1. Please describe the policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors:
   Handled in accordance with the provisions of the Company's Measures for the Administration of Remuneration of Directors, Functional Committee Members and Managers. Independent directors may receive a fixed remuneration of NT$40,000 per month during their terms of office as well as NT$10,000 per trip in attending the Board of Directors. Remuneration of directors is based on factors such as tenure and responsibilities, and is submitted to the Remuneration Committee and the Board of Directors for approval.
2. Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant, etc.) in the most recent year: None.

Note1: It is approved by the board of directors on February 27th, 2024 to distribute NT$8,063 thousand dollars for the directors' remuneration and NT$10,751 thousand dollars for the employees' remuneration both are estimated based on the proportion of the actual distribution amount for 2022 in 2023.

Note2: Discharged (Chen-Kun Kuo) and newly appointed (Hsiu-Hui Yeh) in the shareholders' meeting re-election on May 31, 2023

Remuneration ranges for the directors of the Company	Director's name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements(I)	The Company	All companies in the financial statements (J)
Less than NT$1,000,000	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang, Xiuhui Ye	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang, Xiuhui Ye	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd. , Chengkun Kuo, , Xiuhui Ye	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd. , Chengkun Kuo, , Xiuhui Ye
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Chengkun Kuo,Xiege Hao	Chengkun Kuo,Xiege Hao	Wenxiu Zhang , Xiege Ha	Wenxiu Zhang , Xiege Ha
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	N/A	N/A	N/A	N/A
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	N/A	N/A	Fengyu Ho,	Fengyu Ho,
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Chihchiang Pai	Chihchiang Pai	Chihchiang Pai , Yichuan Hsu, Menggui Lin	Chihchiang Pai , Yichuan Hsu, Menggui Lin
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	N/A	N/A	N/A	N/A
More than NT$100,000,000	N/A	N/A	N/A	N/A
Total	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Chengkun Kuo, Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Chengkun Kuo, Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Chengkun Kuo, Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Chengkun Kuo, Xiege Hao, Xiuhui Ye

Attachment 4

The related party transactions of 2023

	2023(Actually)	2023 (Approved by Board of Directors
Trade Amount	NT$270 million	NT$350 million
Term	Processed according to the terms and conditions of the transaction approved by the board of directors.	Monthly settlement 60 days
Price	The transaction price was calculated in accordance with the principles approved by the Board of Directors.	The price shall be calculated according to the market price. If it is to cooperate with the tender, the price will be calculated taking into account the winning price range.

Attachment 5
Accountants’ Audit Report

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

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. and Subsidiaries (Young Fast Group) Consolidated Balance Sheet for December 31, 2023 and 2022; and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2023 and 2022.

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of Young Fast Group as of December 31, 2023 and 2022 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2023 and 2022.

Basis for audit 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 Consolidated Financial Statements section of our report. We are independent of Young Fast Group in accordance with the Norm of Professional Ethics for Certified Public Accountant 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 refer to the most important matters for the audit of Young Fast Group's 2023 consolidated financial statements based on our professional judgment. These matters were addressed in the context of our audit of the consolidated 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 (16) of the consolidated financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (20) the consolidated financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Group stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Group 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.

Other Matters

Young Fast Optoelectronics Co., Ltd. has prepared parent company only financial statements for 2023 and 2022, and the audit reports with unqualified opinions that we have issued are on file for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of Young Fast Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Young Fast Group 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 Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group.
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 Group. 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 consolidated 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the parent company only financial information within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion regarding the Group.

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 the governance unit, we have determined key audit matters of Young Fast Group's 2023 consolidated financial statements. 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
CERTIFIED PUBLIC ACCOUNTANTS
February 27, 2024

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated balance sheet

December 31, 2023 and 2022

Unit: NTD Thousand

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Notes 6 (1))	$ 535,160	7	546,502	9
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	127,624	2	74,970	1
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,831,917	51	3,196,620	51
1136	Financial assets measured at amortized cost - current (Notes 6 (4))	-	-	70,710	1
1150	Notes receivable, net (Note 6 (5) and (20))	253,646	4	102,952	2
1170	Accounts receivable, net (Note 6 (5) and (20))	137,810	2	96,016	2
1180	Accounts receivable due from related parties (Note 6 (5), (20) and 7)	52,028	1	24,242	-
1200	Other receivables (Note 6 (5) and (6))	8,689	-	5,758	-
130X	Inventory (Notes 6 (7) ,7 and 9)	243,382	3	237,781	4
1470	Other current assets	12,407	-	11,249	-
	Total current assets	5,202,663	70	4,366,800	70
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	366,781	5	154,905	2
1550	Investments accounted for using equity method, net (Note 6 (8))	348,778	5	327,189	5
1600	Property, plant and equipment (Notes 6 (10) and 9)	843,121	11	870,838	14
1755	Right of use assets (Notes 6 (11), (14) and 7)	116,847	2	134,793	2
1760	Investment real estate, net (Note 6 (12) and 7)	291,426	4	303,792	5
1780	Intangible assets (Note 6 (13))	4,284	-	5,172	-
1840	Deferred tax assets (Note 6 (17))	103,702	1	39,813	1
1915	Prepaid equipment (Note 6 (10))	38,621	1	8,964	-
1990	Other non-current assets (Note 6 (5),(6) and (20))	93,846	1	69,594	1
	Total non-current assets	2,207,406	30	1,915,060	30
1xxx	**Total assets**	$ 7,410,069	100	6,281,860	100

Code	Liabilities and Equity	2023.12.31 Amount	%	2022.12.31 Amount	%
21xx	**Current liabilities:**				
2130	Current contract liabilities (Note 6 (20)	4,892	-	5,579	-
2150	Notes payable	-	-	546	-
2170	Accounts payable	127,338	2	96,380	2
2180	Accounts payable, related parties (Note 7)	1,738	-	5,607	-
2200	Other payables (Note 6 (21) and 7)	244,542	4	184,978	3
2230	Current tax liabilities	32,340	-	20,408	-
2250	Current provisions (Note 6 (15))	45,779	1	34,249	1
2281	Lease liabilities (Notes 6 (14))	118	-	113	-
2282	Lease liabilities－Related parties (Notes 6 (14) and 7)	17,877	-	17,168	-
2399	Other current liabilities	8,369	-	5,780	-
	Total current liabilities	482,993	7	370,808	6
25xx	**Non-current liabilities:**				
2551	Provision for employee benefit liabilities, non-current (Note 6 (16))	5,944	-	5,337	-
2552	Provision for long-term liabilities for warranties (Note 6 (15))	140,948	2	93,936	1
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (15))	5,164	-	5,164	-
2570	Deferred tax liabilities (Note 6 (17))	881	-	932	-
2581	Lease liabilities (Notes 6 (14))	18,908	-	19,029	-
2582	Lease liabilities－Related parties (Notes 6 (14) and 7)	34,998	-	51,549	1
2670	Other non current liabilities (Note 7)	82,767	1	82,451	2
	Total non-current liabilities	289,610	3	258,398	4
2xxx	**Total liabilities**	772,603	10	629,206	10
31xx	**Owners' equity attributable to the parent company (Notes VI (8), (9), (16),(17) and (20)):**				
3110	Share capital from common stock	1,513,276	21	1,513,276	24
3200	Capital reserve	1,925,860	26	2,001,516	32
	Retained earnings:				
3310	Legal reserve	113,160	2	71,324	1
3350	Undistributed surplus earnings	1,191,368	16	817,484	13
	Total retained earnings	1,304,528	18	888,808	14
3400	Other equity interest	1,810,096	24	1,187,733	19
	Subtotal of equity attributable to owners of parent company	6,553,760	89	5,591,333	89
36xx	**Non-controlling interests**	83,706	1	61,321	1
3xxx	**Total Equity**	6,637,466	90	5,652,654	90
2-3xxx	**Total liabilities and equity**	$ 7,410,069	100	6,281,860	100

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

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD Thousand

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note 6 (20) and 7)**	$ 1,638,979	100	1,545,646	100
5000	**Operating costs (Notes 6 (7), (10), (11), (13), (14), (15), (16), 7 and 12)**	1,040,801	64	1,137,404	74
5900	**Gross profit**	598,178	36	408,242	26
6000	**Operating expenses (Notes 6 (5), (6), (11), (16), (17), (18), (23), 7 and 12):**				
6100	Marketing expenses	40,644	2	46,369	3
6200	Management expenses	156,162	9	135,733	9
6300	Research and development expenses	46,289	3	41,092	2
6450	Expected credit loss	(1,370)	-	(15,574)	(1)
	Total operating expenses	241,725	14	207,620	13
6900	**Net operating profit (loss)**	356,453	22	200,622	13
7000	**Non-operating revenue and expenses (Notes 6 (2), (9), (10), (11), (12), (13), (16), (24), 7 and 12):**				
7100	Interest income	5,336	-	3,600	-
7010	Other income	177,668	11	204,496	13
7020	Other gains and losses	(9,077)	(1)	(7,863)	-
7050	Finance costs, net	(2,590)	-	(3,495)	-
7060	Share of profit of associates accounted for using equity method	56,851	4	52,576	3
	Total non-operating revenue and expenses	228,188	14	249,314	16
7900	**Net profit from continuing operations before tax**	584,641	36	449,936	29
7950	**Less: Income tax expense (Note 6 (17))**	(24,913)	(1)	16,066	1
8200	**Net profit for the period**	609,554	37	433,870	28
8300	**Other comprehensive income (Note 6 (8), (9), (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	(668)	-	2,714	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	625,489	38	21,486	1
8320	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	48	-	139	-
8349	Income tax related to components of other comprehensive	(134)	-	543	-
	Total items that will not be reclassified to profit or loss	625,003	38	23,796	1
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(130)	-	102,110	7
8370	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	(2,996)	-	1,386	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(3,126)	-	103,496	7
8300	**Other comprehensive income for the current period**	621,877	38	127,292	8
8500	**Total comprehensive income for the current period**	**$ 1,231,431**	**75**	**561,162**	**36**
	Profit attributable to:				
8610	Owners of parent	$ 567,534	35	416,051	27
8620	Non-controlling interests	42,020	2	17,819	1
		$ 609,554	**37**	**433,870**	**28**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 1,189,411	73	543,343	35
8720	Non-controlling interests	42,020	2	17,819	1
		$ 1,231,431	**75**	**561,162**	**36**
	EPS(Unit: New Taiwan Dollars) (Note 6 (19))				
9750	Basic EPS	**$ 3.75**		**2.75**	
9850	Diluted EPS	**$ 3.74**		**2.74**	

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

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD Thousand

	Equity attributable to owners of parent										
			Retained earnings			Total other equity interest					
	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**	**Total**	**Total equity attributable to owners of parent**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2022	$ 1,513,276	2,077,180	43,385	532,991	576,376	(89,969)	1,152,720	1,062,751	5,229,583	53,914	5,283,497
Earnings allocation and distribution:											
Provision for legal reserve	-	-	27,939	(27,939)	-	-	-	-	-	-	-
Common stock cash dividend	-	-	-	(105,929)	(105,929)	-	-	-	(105,929)	-	(105,929)
Changes in other capital reserve:											
Cash dividends from capital reserve	-	(75,664)	-	-	-	-	-	-	(75,664)	-	(75,664)
Net profit for the period	-	-	-	416,051	416,051	-	-	-	416,051	17,819	433,870
Other comprehensive income, net of tax, for the period	-	-	-	2,310	2,310	103,496	21,486	124,982	127,292	-	127,292
Total comprehensive income for the period	-	-	-	418,361	418,361	103,496	21,486	124,982	543,343	17,819	561,162
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(10,412)	(10,412)
Balance at December 31, 2022	1,513,276	2,001,516	71,324	817,484	888,808	13,527	1,174,206	1,187,733	5,591,333	61,321	5,652,654
Earnings allocation and distribution:											
Provision for legal reserve	-	-	41,836	(41,836)	-	-	-	-	-	-	-
Common stock cash dividend	-	-	-	(151,328)	(151,328)	-	-	-	(151,328)	-	(151,328)
Changes in other capital reserve:											
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	8	-	-	-	-	-	-	8	-	8
Cash dividends from capital reserve	-	(75,664)	-	-	-	-	-	-	(75,664)	-	(75,664)
Net profit for the period	-	-	-	567,534	567,534	-	-	-	567,534	42,020	609,554
Other comprehensive income, net of tax, for the period	-	-	-	(486)	(486)	(3,126)	625,489	622,363	621,877	-	621,877
Total comprehensive income for the period	-	-	-	567,048	567,048	(3,126)	625,489	622,363	1,189,411	42,020	1,231,431
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(19,635)	(19,635)
Balance at December 31, 2023	**$ 1,513,276**	**1,925,860**	**113,160**	**1,191,368**	**1,304,528**	**10,401**	**1,799,695**	**1,810,096**	**6,553,760**	**83,706**	**6,637,466**

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

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD Thousand

	2023	2022
Cash flows from operating activities:		
Net profit before tax for the current period	$ 584,641	449,936
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	120,797	117,294
Amortization expense	1,510	1,064
Expected credit loss	(1,370)	(15,574)
Loss (gain) on financial assets at fair value through profit or loss	(13,377)	(7,120)
Interest expense	2,590	3,495
Interest income	(5,336)	(3,600)
Dividend income	(100,008)	(128,166)
Share of profit of associates accounted for using equity method	(56,851)	(52,576)
Proceeds from disposal of property, plant and equipment	269	(16,264)
Losses on disposals of investment property	762	-
Lease modification benefits	-	(28,163)
Lease modification gains	-	(292)
Total income and expense items	(51,014)	(129,902)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Current Financial Assets at Fair Value through Profit or Loss	(39,277)	(10,718)
Notes receivable	(170,160)	25,347
Accounts receivable (including related parties)	(70,074)	54,043
Other receivables (including related parties)	(2,931)	(2,122)
Inventory	(5,601)	89,551
Other current assets	(1,158)	5,505
Other non-current assets	-	(2,229)
Total changes in operating assets, net	(289,201)	159,377
Changes in operating liabilities, net:		
Contract liabilities	(687)	(449)
Notes payable	(546)	(129)
Accounts payable (including related parties)	27,089	(54,787)
Other payables	53,317	12,203
Provisions	58,542	30,830
Other current liabilities	2,589	1,284
Non-current net defined benefit liability	(61)	(354)
Decrease in other operating liabilities	140,243	(11,402)
Net changes in operating assets and liabilities	(148,958)	147,975
Total adjustments	(199,972)	18,073
Cash inflow generated from operations	384,669	468,009
Interest received	5,336	3,600
Interest paid	(2,590)	(3,495)
Payment of income tax	(26,961)	(23,679)
Net cash inflow from operating activities	360,454	444,435
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(221,684)	(42,759)
Acquired financial assets measured at amortized cost	-	(70,710)
Disposal of financial assets at amortised cost	70,710	2,632
Acquisition of property, plant and equipment	(38,478)	(26,968)
Disposal of property, plant and equipment	1,175	17,270
Increase in refundable deposits	(71)	1,008
Acquisition of Investment real estate	(6,914)	(816)
Other non-current assets	(3,472)	-
Decrease (increase) in prepaid equipment	(40,078)	(8,964)
Dividends received	132,329	152,407
Net cash flows (used in) from investing activities	(106,483)	23,100
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	806,873
Decrease in short-term borrowings	-	(946,524)
Increase (decrease) in deposits received	325	3,897
Payment of lease liabilities	(17,643)	(17,387)
Payment of cash dividends	(226,992)	(181,593)
Change in non-controlling interests	(19,635)	(10,412)
Net cash flows used in financing activities	(263,945)	(345,146)
Effect of exchange rate changes on cash and cash equivalents	(1,368)	66,060
Net decrease in cash and cash equivalents for the period	(11,342)	188,449
Cash and cash equivalents at beginning of period	546,502	358,053
Cash and cash equivalents at end of period	**$ 535,160**	**546,502**

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

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

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, 2023 and 2022; 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, 2023 and 2022.

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, 2023 and 2022 and its financial performance and cash flows from January 1 through December 31, 2023 and 2022.

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 2023 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 (16) of the parent company only financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (19) 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 2023 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

CERTIFIED PUBLIC ACCOUNTANTS

Republic of China

February 27, 2024

Young Fast Optoelectronics Co., Ltd.
Balance sheet
December 31, 2023 and 2023

Unit: NTD Thousand

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Notes 6 (1))	$ 350,074	5	474,968	8
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	127,624	2	74,970	1
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,831,917	52	3,196,620	52
1136	Current financial assets at amortised cost (Note 6 (4))	-	-	30,710	-
1150	Notes receivable, net (Note 6 (5) and (19))	253,646	3	102,952	2
1170	Accounts receivable, net (Note 6 (5) and (19))	137,739	2	95,896	2
1180	Accounts receivable due from related parties (Notes 6 (5), (19) and 7)	53,540	1	24,026	-
1200	Other receivables (Note 6 (5) and(6))	7,192	-	2,201	-
1210	Other receivables due from related parties, net (Note 6 (6) and 7)	4,562	-	1,790	-
130X	Inventory (Notes 6 (7) , 7 and 9)	196,081	3	168,486	3
1470	Other current assets	8,792	-	4,338	-
	Total current assets	4,971,167	68	4,176,957	68
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	366,781	5	154,905	3
1550	Investments accounted for using equity method, net (Note 6 (8))	1,302,677	18	1,257,445	20
1600	Property, plant and equipment (Notes 6 (9) and 9)	416,179	6	430,060	7
1755	Right of use assets (Notes 6 (10), (13) and 7)	44,668	1	57,800	1
1760	Investment real estate, net (Note 6 (11))	76,007	1	76,186	1
1780	Intangible assets (Note 6 (12))	4,284	-	5,172	-
1840	Deferred tax assets (Note 6 (9))	90,476	1	30,774	-
1915	Prepaid equipment(Note 6 (10))	32,142	-	1,045	-
1990	Other non-current assets (Note 6 (5),(6) and (19))	30,126	-	5,211	-
	Total non-current assets	2,363,340	32	2,018,598	32
1xxx	**Total assets**	$ 7,334,507	100	6,195,555	100

Code	Liabilities and Equity	2023.12.31 Amount	%	2022.12.31 Amount	%
21xx	**Current liabilities:**				
2130	Current contract liabilities (Note 6 (19))	4,892	-	5,579	-
2150	Notes payable	-	-	546	-
2170	Accounts payable	103,627	1	83,134	1
2180	Accounts payable, related parties (Note 7)	207,817	3	139,893	2
2200	Other payables (Note 6 (20) and 7)	206,989	3	150,685	3
2230	Current tax liabilities	10,788	-	6,660	-
2250	Current provisions (Note 6 (14))	33,226	1	26,017	-
2282	Lease liabilities－Related parties (Notes 6 (13) and 7)	14,860	-	14,238	-
2399	Other current liabilities	4,907	-	1,358	-
	Total current liabilities	587,106	8	428,110	6
25xx	**Non-current liabilities:**				
2551	Provision for employee benefit liabilities, non-current (Note 6 (15))	5,944	-	5,337	-
2552	Provision for long-term liabilities for warranties (Note 6 (14))	90,491	1	60,187	2
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (14))	4,102	-	4,102	-
2570	Deferred tax liabilities (Note 6 (16))	881	-	932	-
2582	Lease liabilities－Related parties (Notes 6 (13) and 7)	30,307	1	43,842	1
2670	Other non-current liabilities	61,916	1	61,712	1
	Total non-current liabilities	193,641	3	176,112	4
2xxx	**Total liabilities**	780,747	11	604,222	10
31xx	**Equity (Note 6 (8), (15), (16), and (17)):**				
3110	Share capital from common stock	1,513,276	21	1,513,276	24
3200	Capital reserve	1,925,860	26	2,001,516	33
	Retained earnings:				
3310	Legal reserve	113,160	1	71,324	1
3350	Undistributed surplus earnings	1,191,368	16	817,484	13
	Total retained earnings	1,304,528	17	888,808	14
3400	Other equity interest	1,810,096	25	1,187,733	19
3xxx	**Total Equity**	6,553,760	89	5,591,333	90
2-3xxx	**Total liabilities and equity**	$ 7,334,507	100	6,195,555	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, 2023 and 2022

Unit: NTD Thousand

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6 (19) and 7)**	$ 1,645,557	100	1,548,855	100
5000	**Operating costs (Notes 6 (7),(9), (10), (12),(13), (14) , (15), 7, and 12)**	1,149,187	70	1,212,716	78
5900	**Operating margin**	496,370	30	336,139	22
6000	**Operating expenses (Notes 6 (5), (9),(10),(12),(13),(15),(20) , 7,and 12):**				
6100	Marketing expenses	35,328	2	28,743	2
6200	Management expenses	122,818	7	109,814	7
6300	Research and development expenses	46,289	3	41,092	3
6450	Expected credit loss	(1,370)	-	(15,574)	(1)
	Total operating expenses	203,065	12	164,075	11
6900	**Net operating profit**	293,305	18	172,064	11
7000	**Non-operating revenue and expenses (Notes 6 (2), (8), (11), (13), (21), 7 and 12):**				
7100	Interest income	3,909	-	3,544	-
7010	Other income	109,049	6	136,193	9
7020	Other gains and losses	12,115	1	52,448	3
7050	Finance costs	(693)	-	(1,139)	-
7060	Share of profit or loss of subsidiaries and affiliates accounted for using the equity method	101,057	6	52,683	4
	Total non-operating revenue and expenses	225,437	13	243,729	16
7900	**Net profit from continuing operations before tax**	518,742	31	415,793	27
7950	**Less: Income tax expense (benefit) (Note 6 (16))**	(48,792)	(3)	(258)	-
8200	**Net profit for the period**	567,534	34	416,051	27
8300	**Other comprehensive income (Note 6 (8), (15), (16), and (17)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	(668)	-	2,714	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	625,489	38	21,486	1
8320	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	48	-	139	-
8349	Less: Income tax related to items that will not be reclassified	(134)	-	543	-
	Total items that will not be reclassified to profit or loss	625,003	38	23,796	1
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(130)	-	102,110	7
8380	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	(2,996)	-	1,386	-
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(3,126)	-	103,496	7
8300	**Other comprehensive income, net of tax, for the period**	621,877	38	127,292	8
8500	**Total comprehensive income for the period**	**$ 1,189,411**	**72**	**543,343**	**35**
9710	**Earnings per share (Unit: NTD) (Note 6 (18))**				
9750	Basic earnings per share	**$**	**3.75**		**2.75**
9850	Diluted earnings per share	**$**	**3.74**		**2.74**

(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, 2023 and 2022

Unit: NTD Thousand

			Retained earnings			Total other equity interest			
	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**	**Total**	**Total equity**
Balance at January 1, 2022	$ 1,513,276	2,077,180	43,385	532,991	576,376	(89,969)	1,152,720	1,062,751	5,229,583
Earnings allocation and distribution:									
Provision for legal reserve	-	-	27,939	(27,939)	-	-	-	-	-
Common stock cash dividend	-	-	-	(105,929)	(105,929)	-	-	-	(105,929)
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(75,664)	-	-	-	-	-	-	(75,664)
Net profit for the period	-	-	-	416,051	416,051	-	-	-	416,051
Other comprehensive income, net of tax, for the period	-	-	-	2,310	2,310	103,496	21,486	124,982	127,292
Total comprehensive income for the period	-	-	-	418,361	418,361	103,496	21,486	124,982	543,343
Balance at December 31, 2022	1,513,276	2,001,516	71,324	817,484	888,808	13,527	1,174,206	1,187,733	5,591,333
Earnings allocation and distribution:									
Provision for legal reserve	-	-	41,836	(41,836)	-	-	-	-	-
Common stock cash dividend	-	-	-	(151,328)	(151,328)	-	-	-	(151,328)
Changes in other capital reserve:									
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	8	-	-	-	-	-	-	8
Cash dividends from capital reserve	-	(75,664)	-	-	-	-	-	-	(75,664)
Net profit for the period	-	-	-	567,534	567,534	-	-	-	567,534
Other comprehensive income, net of tax, for the period	-	-	-	(486)	(486)	(3,126)	625,489	622,363	621,877
Total comprehensive income for the period	-	-	-	567,048	567,048	(3,126)	625,489	622,363	1,189,411
Balance at December 31, 2023	**$ 1,513,276**	**1,925,860**	**113,160**	**1,191,368**	**1,304,528**	**10,401**	**1,799,695**	**1,810,096**	**6,553,760**

(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, 2023 and 2022

Unit: NTD Thousand

	2023	2022
Cash flows from operating activities:		
Profit (loss) before tax for the current period	$ 518,742	415,793
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	44,278	42,893
Amortization expense	888	888
Expected credit loss	(1,370)	(15,574)
Loss (gain) on financial assets at fair value through profit or loss	(13,377)	(7,120)
Interest expense	693	1,139
Interest income	(3,909)	(3,544)
Dividend income	(100,008)	(128,166)
Profit from subsidiaries and affiliates accounted for using the equity method	(101,057)	(52,683)
Proceeds from disposal of property, plant and equipment	(1,175)	(15,990)
Lease modification benefits	-	(292)
Total income and expense items	(175,037)	(178,449)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Current Financial Assets at Fair Value through Profit or Loss	(39,277)	(10,718)
Notes receivable	(170,160)	25,347
Accounts receivable (including related parties)	(71,851)	54,379
Other receivables (including related parties)	(7,763)	(1,415)
Inventory	(27,595)	52,962
Other current assets	(4,454)	1,299
Total changes in operating assets, net	(321,100)	121,854
Changes in operating liabilities, net:		
Contract liabilities	(687)	(449)
Notes payable	(546)	(129)
Accounts payable (including related parties)	88,417	(16,966)
Other payables	48,078	16,853
Provisions	37,513	21,762
Other current liabilities	3,549	(1,498)
Non-current net defined benefit liability	(61)	(354)
Decrease in other operating liabilities	176,263	19,219
Net changes in operating assets and liabilities	(144,837)	141,073
Total adjustments	(319,874)	(37,376)
Cash inflow generated from operations	198,868	378,417
Interest received	3,909	3,544
Interest paid	(693)	(1,139)
Payment of income tax	(6,699)	(5,730)
Net cash inflow from operating activities	195,385	375,092
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(221,684)	(42,759)
Acquisition of financial assets at amortised cost	-	(30,710)
Disposal of financial assets at amortised cost	30,710	-
Investments accounted for using equity method	-	(684,333)
Acquisition of ownership interests in subsidiaries	-	529,540
Acquisition of property, plant and equipment	(6,651)	(21,540)
Disposal of property, plant and equipment	1,175	16,570
Increase in refundable deposits	(113)	981
Other non-current assets	(3,472)	-
Decrease (increase) in other receivables due from related parties	-	121,909
Increase in prepaid equipment	(31,622)	(1,045)
Dividends received	152,763	163,243
Net cash inflow (outflow) from investing activities	(78,894)	51,856
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	145,215
Decrease in short-term borrowings	-	(186,512)
Increase in deposits received	213	(14)
Payment of lease liabilities	(14,597)	(14,439)
Decrease in other non-current liabilities	(9)	6,050
Payment of cash dividends	(226,992)	(181,593)
Net cash flows used in financing activities	(241,385)	(231,293)
Net decrease in cash and cash equivalents for the period	(124,894)	195,655
Cash and cash equivalents at beginning of period	474,968	279,313
Cash and cash equivalents at end of period	$ 350,074	474,968

(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**

Attachment 6

Young Fast Optoelectronics Co., Ltd.

Earnings Distribution Statement

Year 2023

UNIT: NT$

NOTES	AMOUNT
Unappropriated retained earnings, beginning of period	624,319,725
Less: Remeasurements of the defined benefit plan	(486,603)
Add: Reversal of appropriated retained earnings	567,534,320
Less: Provision for legal reserve（10%）	(56,704,772)
Net profits for the period	1,134,662,670
Distribution items:	
Shareholder cash dividends(NTD1.5/per share)	(226,991,400)
Unappropriated retained earnings, end of period	907,671,270

Chairperson: Chihchiang Pai　　Officer: Yichuan Hsu　　Accounting officer: Weiju Hsu

Attachment 7

Young Fast Optoelectronics Co., Ltd.

The list of release of Legal Persons as Corporate Directors's Representative from the non-compete restriction

Legal Persons as Corporate Directors	Representative Name	Concurrent company	Position held
Soy Young Enterprise Co., Ltd.	Shujuan Xu	Soy Young Enterprise Co., Ltd.	Chairman
		Luminous Optical Technology Co., Ltd.	Director
		Taiwan Flex Electronics Inc.	Director
		Chien Shuo Industrial Co., Ltd.	Director
Hold-Key Electric Wire & Cable Co., Ltd.	Xinzheng Li	Hold-Key Electric Wire & Cable Co., Ltd.	Director& General manager
		Taiwan SRU Co., Ltd.	Director& General manager
		Muchon Organic Farm Co., Ltd.	Chairman

Appendix 1

Young Fast Optoelectronics Co., Ltd.

Article of Incorporation

Chapter 1 General principles

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Young Fast Optoelectronics Co., Ltd.

Article 2: The Company's scope of business is as follows:

1. CB01010 Mechanical Equipment Manufacturing
2. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
3. CC01020 Electric Wires and Cables Manufacturing
4. CC01070 Wireless Communication Mechanical Equipment Manufacturing
5. CC01080 Electronics Components Manufacturing
6. E603010 Cable Installation Engineering
7. E604010 Machinery Installation
8. F113010 Wholesale of Machinery
9. F113020 Wholesale of Electrical Appliances
10. F106010 Wholesale of Hardware
11. F206010 Retail Sale of Hardware
12. F213010 Retail Sale of Electrical Appliances
13. F213060 Retail Sale of Telecommunication Apparatus
14. F213080 Retail Sale of Machinery and Tools
15. F401010 International Trade
16. CC01110 Computer and Peripheral Equipment Manufacturing
17. CC01120 Data Storage Media Manufacturing and Duplicating
18. F119010 Wholesale of Electronic Materials
19. F219010 Retail Sale of Electronic Materials
20. E603050 Automatic Control Equipment Engineering
21. D101060 Self-Usage Power Genera-tion Equipment Utilizing Renewable Energy Industry.
22. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total reinvestment of the Company is not subject to the restriction that it may not exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the Company Act.

The Company can provide guarantee externally.

Article 4: The Company has its head office in Taoyuan City. When necessary, branches may be established domestically and abroad by the resolution of the Board of Directors.

Article 5: The Company’s announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 6: The total capital of the Company is set at NT$2,000 million, divided into NT$200 million shares, each with a denomination of NT$10, issued in installments, and unissued shares are subject to actual needs by resolution of the Board of Directors.

6 million shares of the total capital in the first paragraph are reserved for the issuance of stock option certificates.

Article 7: The shares issued by the Company may be exempted from printing stocks in accordance with the Company Act, but the shares should be registered with the centralized securities depository institution. If the Company prints stocks, the stocks are all registered, signed or sealed by the directors representing the Company, and issued after obtaining a certification from a bank permitted by law for issuance and certification of stocks.

Article 8: Unless otherwise required by laws and regulations, the handling of the Company's stock affairs shall be in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Article 9: The changes to the Company's shareholder roster shall cease within 30 days before a regular shareholder meeting, within 15 days before a special shareholder meeting, or within 5 days before the base date when the Company decides to distribute dividends and bonuses or other benefits.

After public offering, the changes to the Company's shareholder roster shall cease within 60 days before a regular shareholder meeting, within 30 days before a special shareholder meeting, or within 5 days before the base date when the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 shareholder meeting

Article 10: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary; shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11: A shareholder that will be absent at the meeting for a particular reason may appoint a proxy to attend the meeting by filling up the proxy form issued by this Company and stating the scope of the proxy’s authorization. Except as provided by Article 177 of the Company Act, shareholder proxy attendance measures shall in all cases be handled in accordance with the regulations stipulated by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 12: Shareholders of the Company shall have one voting right per share unless otherwise provided by laws and regulations. However, no voting rights are provided if the Company is subject to the circumstances stipulated in Article 179 of the Company Act.

Article 13: Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present. In accordance with the regulations of the competent authority, the shareholders of the Company may also exercise their voting rights in writing or electronically. Shareholders who exercise their voting rights in writing or electronically are considered to be present in person, and their relevant matters shall be handled in accordance with the provisions of laws and regulations.

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes may be produced and distributed in electronic form.

If the Company has a proposal to cancel a public offering in the future, this should be mentioned as a matter for resolution of the Shareholders' meeting and this provision will not be changed during the period of listing or future period of listing on the main board (over-the-counter market, emerging market board).

Chapter 4 Directors and Supervisor

Article 15: The Company is to have between nine and eleven directors. The Board of Directors shall determine the number of candidates to be elected within this range and shall adopt a candidate nomination system. The list of candidates for directors shall be selected by the Shareholders' Meeting in accordance with Article 198 of the Company Act for a term of three years and a re-election may be allowed.

The total shareholding ratio of all directors selected in accordance with the preceding paragraph shall be in accordance with the regulations of the securities regulatory authority.

From the seventh session of the Company (with comprehensive re-election in 2020), an Audit Committee has been established in accordance with Article 14-4 of the Securities and Exchange Act. Comprising all independent directors, the members of the Audit Committee shall not be less than three and the exercise of their powers and related matters shall be handled in accordance with the relevant regulations of the securities regulatory authority. The positions of supervisors were abolished on the date of the establishment of the Audit Committee, with such to be applicable when their terms of office expired in 2020.

Article 16: After a public offering of the Company, among the above-mentioned number of directors, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. In addition, a candidate nomination system is adopted and the Shareholders' Meeting shall select them from the list of candidates for independent directors. Regarding independent directors' professional qualifications, shareholdings, part-time restrictions, nomination and selection methods and other compliance matters, they shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 17: The board meeting is organized by directors and a chairperson shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors

Article 18: The convening of the Board of Directors shall be handled in accordance with Article 204 of the Company Act and the convening notice can be delivered in person, by post, by email or by fax. Except where otherwise provided by the laws and regulations, the passage of a proposal at a Board meeting shall require the approval of a majority of the directors in attendance at a Board of Directors meeting attended by a majority of all directors. When a director fails to attend the Board of Directors' meeting in person, another director may be appointed to attend the Board of Directors as a proxy in accordance with the provisions of Article 205 of the Company Act. A director who appoints another director to attend a board meeting shall in each instance shall file a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

If the Board of Directors uses a video conference when meeting, the directors who participate in the conference by video shall be deemed to be present in person.

Article19: The Company may purchase liability insurance for the directors and supervisors during their term of office for the scope of business performed by the directors and supervisors.

Article20: If the chairperson asks for leave or is unable to exercise the powers of office for some reason, his or her proxy shall handle affairs in accordance with Article 208 of the Company Act.

Article 21: With respect to the remuneration expenses of directors and supervisors of the Company, the Board of Directors is authorized to make decisions based on a director's or supervisor's degree of participation and contribution to the operations of the Company and on the agreed expenditures in line with the standard levels in the industry. Regarding the remuneration of independent directors, a reasonable remuneration different from that of non-independent directors may be determined.

Chapter 5 Managerial officer

Article 22: The Company may have a number of managerial officers whose appointment, dismissal and remuneration are governed by Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: The final accounts shall be processed at the end of the year. The Board of Directors shall prepare (i) business report (ii)financial statements (iii)earnings distribution or loss offsetting proposal, present it to the shareholder meeting for ratification.

Article 24: If the Company makes a profit during the year (i.e., pre-tax profit before deducting the remuneration of employees and of directors and supervisors), no less than 2% of the current year's profit shall be allocated for employee remuneration and no more than 1.5% shall be allocated to remuneration of directors and supervisors. However, when the Company still has accumulated losses, it should reserve the compensation amount in advance. In addition, employee remuneration can be paid in stock or cash, and the recipients may include employees of controlling or affiliated companies who meet certain conditions.

Article 24-1: If a surplus exists in the Company's yearly final accounts, taxes should first be paid to offset any prior deficits and 10% of the current surplus is to be set aside as legal reserve. In addition and in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, for net deductions in other shareholders’ equity incurred in the current year (such as exchange differences on translation of foreign financial statements, unrealized gains and losses of financial assets available for sale, benefits from hedging tools that are used in effective cash flow hedging, accumulated balance of losses, etc.) The same amount of the special reserve shall be set aside but shall not be distributed. Items other than the net profit after tax of the current year are added to the net profit after tax of the current year, and be accounted in the amount of undistributed surplus of the current period to set aside. If there is still a shortage, shall set aside from the undistributed surplus of the previous period. If the amount belongs to the deduction of other shareholders' equity accumulated in the previous period, then it shall be set aside the same amount of the special reserve from the undistributed surplus from the previous period. If there is still a shortage, items other than the net profit after tax of the current period are added to the net profit after tax, and be accounted in the amount of undistributed surplus of the current year to set aside. If there is a subsequent reversal of the amount of deduction from the shareholders' equity, the reversed portion of the surplus may be distributed.

The dividends policy of the Company aligns with current and future development plans and considers the investment environment, capital needs and domestic and foreign competition and takes into account the interests of shareholders and other factors. No less than 20% of the available surplus shall be allocated to distribute shareholder dividends each year. However, if the cumulative distributable surplus is less than 100% of the paid-in share capital, distribution may not be made.

If all or part of the dividends and bonuses are to be distributed in cash, it shall be authorized by a resolution of the Board of Directors with at least two-thirds votes of the directors present and more than half of the attending directors in agreement and this shall be reported to the shareholders’ meeting.

Where a company incurs no loss, if all or part of the legal reserve or capital reserve in compliance with Article 241 of the Company Law are to be distributed in cash, it shall be authorized by a resolution of the Board of Directors with at least two-thirds votes of the directors present and more than half of the attending directors in agreement and this shall be reported to the shareholders' meeting.

Article 25: The Company shall consider the environment and growth stage of the company, respond to future capital needs and long-term financial planning and meet shareholders' demand for cash inflows in formulating a surplus distribution plan based on the distributable surplus as stipulated in Article 24 and this shall be submitted to the Shareholders' Meeting for resolution. The total amount of cash dividends shall not be less than 10% of the total amount of dividends issued to shareholders and the maximum shall be 100%.

Chapter 7 Supplementary provisions

Artilce 26: Matters not covered in this Article of Incorporation shall be handled in accordance with the provisions of the Company Act.

Artilce 27: This Article was established on July 22, 2002.
The 1st amendment was made on May 2, 2003.
The 2nd amendment was made on July 15, 2003.
The 3rd amendment was made on Feb. 6, 2006.
The 4th amendment was made on June 21, 2006.
The 5th amendment was made on Nov. 23, 2007.
The 6th amendment was made on May 30, 2008.
The 7th amendment was made on Apr. 15, 2009.
The 8th amendment was made on Apr. 30, 2010.
The 9th amendment was made on June 21, 2012.
The 10th amendment was made on June 13, 2016.
The 11th amendment was made on June 14, 2017.
The 12th amendment was made on June 19, 2019.
The 13th amendment was made on June 30, 2020.
The 14th amendment was made on June 29, 2022.
The 15th amendment was made on May 31, 2023.

Appendix 2

Young Fast Optoelectronics Co., Ltd.
Rules of Procedure for Shareholder Meeting

Article 1: To establish a strong governance system and sound supervisory capabilities for the corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the corporation's shareholders meetings shall be convened by the board of directors.

Unless otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, convening of the Company’s shareholders’ meeting by videoconference shall be specified in the Articles of Incorporation and by a resolution of the Board of Directors. Furthermore, the videoconference of the shareholders’ meeting shall be implemented by a resolution of the Board of Directors with more than two-thirds of the directors in attendance and approved by more than half of the directors present.

Changes to how the corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the corporation has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the corporation and the professional shareholder services agent designated thereby.

The corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motione.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be the premises of the corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the corporation convenes a virtual-only shareholders meeting.

Article 6: Preparation of documents such as the attendance book

The corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Thw corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the corporation two days before the meeting date.

In the event of a virtual shareholders meeting, the corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice

To convene a virtual shareholders meeting, the corporation shall include the follow particulars in the shareholders meeting notice:

How shareholders attend the virtual meeting and exercise their rights.

Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. With the exception of circumstances specified in Item 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall be provided with connection equipment and necessary assistance at a minimum, and specification shall be made of the period during which shareholders can apply to the Company and other related matters requiring attention.

Article 7: The chair and non-voting participants of a shareholders meeting

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When

there are two or more such convening parties, they shall mutually select a chair from among themselves.
The corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8: Documentation of a shareholders meeting by audio or video
The corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
Where a shareholders meeting is held online, the corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
The information and audio and video recording in the preceding paragraph shall be properly kept by the corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
In case of a virtual shareholders meeting, the corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.
However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the corporation shall also declare the meeting adjourned at the virtual meeting platform.
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total

number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: Discussion of proposals

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Shareholder speech

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs I to V do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12: Calculation of voting shares and recusal system

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: Election of directors and supervisors

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16: Public disclosure

On the day of a shareholders meeting, the corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Maintaining order at the meeting place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: Recess and resumption of a shareholders meeting

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: Disclosure of information at virtual meetings

In the event of a virtual shareholders meeting, the corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20: Location of the chair and secretary of virtual-only shareholders meeting

When the corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21: Handling of disconnection

In the event of a virtual shareholders meeting, the corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-

20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22: Handling of digital divide

When convening a virtual-only shareholders meeting, the corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.With the exception of circumstances specified in Item 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall be provided with connection equipment and necessary assistance at a minimum, and specification shall be made of the period during which shareholders can apply to the Company and other related matters requiring attention.

Article 23: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 24: This Rules was established on Nov. 16, 2007.

The 1st amendment was made on June 15, 2011.
The 2nd amendment was made on June 21, 2012.
The 3rd amendment was made on June 28, 2013.
The 4th amendment was made on June 18, 2015.
The 5th amendment was made on June 14, 2017.
The 6th amendment was made on June 30, 2020.
The 7th amendment was made on Aug. 3, 2021.
The 8th amendment was made on June. 29, 2022.
The 9th amendment was made on May 31, 2023.

Appendix 3

Remuneration for employees and directors

Unit:NTD

Item	Amount distributed proposed by Board of Directors (A)	The estimated figure for the fiscal year (B)	Discrepancy (A-B)
Employee compensation	10,751,154	10,751,154	0
Directors and supervisors compensation	8,063,365	8,063,365	0

Appendix 4

Directors' shareholding

1. The total issued capital stock of the Company is 151,327,600 shares.

2. According to Article 26 of the Securities and Exchange Act:
   The minimum number of shares that all directors should hold is 9,079,656 shares.

The number of shares held by all directors of the Company as recorded in the shareholder roster on the date for suspension of share transfer for the 2023 regular shareholder meeting

Tltle	Name	Sharesholding
Chairperson	Chihchiang Pai	137,245
Director	Soy Young Enterprise Co., Ltd.	32,102,114
Director	Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832
Director	Yichuan Hsu	1,820
Director	Fengyu Ho	512
Director	Menggui Lin	0
Independent director	Wenxiu Zhang	0
Independent director	Xiege Hao	0
Independent director	Xiuhui Ye	0
Total		51,395,523