

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
with Independent Auditors' Report**

For The Three Months Ended March 31, 2021 And 2020

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Notice to readers

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

The Board of Director's
YEN SUN TECHNOLOGY CORP.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yen Sun Technology Corporation. (the Company) and subsidiaries as of March 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect and by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain nonsignificant subsidiaries, which were not reviewed by independent accountants. These financial statements reflect total assets amounting to \$20,040 thousand and \$109,302 thousand, constituting 1% and 4% of consolidated total assets as of March 31, 2021 and 2020, respectively. Total liabilities amounting to \$35,753 thousand and \$433,639 thousand, constituting 2% and 29% of consolidated total liabilities as of March 31, 2021 and 2020, respectively, and total comprehensive loss amounting to \$892 thousand and \$(4,927) thousand, constituting 2% and (29) % of consolidated total comprehensive loss for the three months ended March 31, 2021 and 2020, respectively.

Qualified Conclusion

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Emerging Display Technologies Corp. and subsidiaries as of March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ review report are Po Jen, Yang and Chen Lung, Hsu

KPMG

Taipei, Taiwan (Republic of China)

May 11, 2021

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2021, December 31, 2020 and March 31,2020

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

Assets		March 31, 2021		December 31, 2020		March 31, 2020				Liabilities and equity		March 31, 2021		December 31, 2020		March 31, 2020	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 186,338	7	289,207	11	226,454	9	2100	Short-term borrowings (note 6(11) and 8)	\$ 182,786	6	101,606	4	233,135	10		
1151	Notes receivables, net (note 6(3) and (20))	29,263	1	24,056	1	32,182	1	2170	Accounts payable	796,782	28	710,441	27	544,199	22		
1170	Accounts receivable, net (note 6(3) and (20))	923,804	32	742,484	28	653,031	27	2200	Other payables	260,927	9	175,154	7	118,640	5		
130X	Inventories (note 6(5))	776,473	27	699,311	26	667,181	27	2230	Current income tax liabilities	56,890	2	39,278	1	23,294	1		
1470	Other current assets (note 6(10))	56,473	2	36,704	1	41,108	2	2280	Current lease liabilities (note 6(13))	23,133	1	22,380	1	18,042	1		
1476	Other current financial assets (note 6(4) and 8)	30,799	1	20,309	1	27,656	1	2320	Long-term borrowings, current portion (note 6(12) and 8)	70,685	2	50,635	2	54,576	2		
		2,003,150	70	1,812,071	68	1,647,612	67			41,013	1	36,462	1	36,555	1		
Non-Current Assets								2399	Other current liabilities (note 6(14) and (20))	1,432,216	49	1,135,956	43	1,028,441	42		
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	6,538	-	4,383	-	2,464	-		Total of current liabilities								
1600	Property, plant and equipment (note 6(6) and 8)	667,883	23	660,639	25	630,567	26	2540	Long-term borrowings (note 6(12) and 8)	282,754	10	315,444	12	326,823	13		
1755	Right-of-use assets (note 6(7))	126,050	5	128,284	5	119,183	5	2570	Deferred tax liabilities	976	-	315	-	127	-		
1760	Investment Property (note 6(8))	12,484	-	12,677	-	12,611	1	2580	Non-current lease liabilities (note 6(13))	109,475	4	111,688	4	104,550	4		
1780	Intangible assets (note 6(9))	3,246	-	3,118	-	3,744	-	2600	Other non-current liabilities (note 6(14))	6,108	-	6,141	-	538	-		
1840	Deferred income tax assets	12,820	-	12,820	-	9,170	-	2640	Net defined benefit liability, non-current	23,891	1	24,872	1	25,873	1		
1960	Prepayments for Investments	6,400	-	-	-	-	-		Total non-current liabilities	423,204	15	458,460	17	457,911	18		
1980	Other non-current financial assets (note 6(4) and 8)	13,832	1	13,871	1	13,592	1		Total liabilities	1,855,420	64	1,594,416	60	1,486,352	60		
1995	Other non-current assets (notes 6(10))	24,043	1	18,602	1	7,051	-		Equity attributable to owners of parent (note 6(18)):								
		873,296	30	854,394	32	798,382	33	3100	Capital stock	697,869	24	697,869	26	697,869	29		
								3200	Capital surplus	119,761	4	119,761	4	119,761	5		
								3300	Retained earnings	195,766	7	248,346	9	126,525	5		
								3400	Other equity interest	19,403	1	17,846	1	16,872	1		
								3500	Treasury stock	(11,773)	-	(11,773)	-	(1,385)	-		
									Total equity	1,021,026	36	1,072,049	40	959,642	40		
Total Assets		\$ 2,876,446	100	2,666,465	100	2,445,994	100		Total liabilities and equity	\$ 2,876,446	100	2,666,465	100	2,445,994	100		

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollar)
(Reviewed, not audited)

		For the three months ended March 31,			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenues (note 6(20))	\$ 951,203	100	699,599	100
5000	Operating costs (notes 6(5)(16))	775,327	82	586,883	84
5900	Gross Income (Loss) from Operations	175,876	18	112,716	16
6000	Operating expenses (notes 6(16)(21)):				
6100	Selling expenses	42,184	5	41,987	6
6200	General and administrative expenses	32,235	3	20,677	3
6300	Research and development expenses	31,787	3	31,623	5
6450	Expected credit impairment loss(profit)(note6(3)(23))	988	-	(3,717)	(1)
	Total operating expenses	107,194	11	90,570	13
6900	Net operating income	68,682	7	22,146	3
7000	Non-operating income and expenses (notes 6(22)):				
7100	Interest Income	47	-	37	-
7010	Other Income	7,672	1	5,691	1
7020	Other gains and losses	(3,932)	-	(506)	-
7050	Finance costs	(3,173)	-	(3,832)	(1)
	Total non-operating income and expenses	614	1	1,390	-
7900	Profit before income tax from continuing operations:	69,296	8	23,536	3
7950	Loss: Income tax expense (notes 6(17))	18,345	2	6,364	1
8200	Net Profit (loss)	50,951	6	17,172	2
8300	Other comprehensive income:				
8310	items that will not be reclassified to profit or loss				
8316	Instruments measured at fair value through other comprehensive income (notes 6(18))	2,155	-	(1,740)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	661	-	-	-
		1,494	-	(1,740)	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation (notes 6(18))	63	-	1,466	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that will be reclassified to profit or loss	63	-	1,466	-
8300	Other comprehensive income, net	1,557	-	(274)	-
8500	Comprehensive income	\$ 52,508	6	16,898	2
	Basic earnings per share (in dollar, note6(19))				
9750	Total basic earnings per share	\$ 0.74		0.25	
9850	Diluted earnings per share	\$ 0.74		0.25	

See accompanying notes to consolidated financial statements.

(Reviewed, not audited)
YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2021 and 2020
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
							Other equity interest		Total	Treasury stock	Total equity
							Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income			
	Share capital	Retained earnings									
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total					
Balance at January 1, 2020	\$ 697,869	119,761	43,394	3,798	62,161	109,353	16,173	973	17,146	-	944,129
Profit	-	-	-	-	17,172	17,172	-	-	-	-	17,172
Other comprehensive income	-	-	-	-	-	-	1,466	(1,740)	(274)	-	(274)
Total comprehensive income	-	-	-	-	17,172	17,172	1,466	(1,740)	(274)	-	16,898
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	(1,385)	(1,385)
Balance as of March 31, 2020	\$ 697,869	119,761	43,394	3,798	79,333	126,525	17,639	(767)	16,872	(1,385)	959,642
Balance at January 1, 2021	\$ 697,869	119,761	48,441	3,798	196,107	248,346	16,694	1,152	17,846	(11,773)	1,072,049
Profit	-	-	-	-	50,951	50,951	-	-	-	-	50,951
Other comprehensive income	-	-	-	-	-	-	63	1,494	1,557	-	1,557
Total comprehensive income	-	-	-	-	50,951	50,951	63	1,494	1,557	-	52,508
Earnings allocation and distribution:											
Cash dividend of common stock	-	-	-	-	(103,531)	(103,531)	-	-	-	-	(103,531)
Balance as of March 31, 2021	\$ 697,869	119,761	48,441	3,798	143,527	195,766	16,757	2,646	19,403	(11,773)	1,021,026

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended March 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

	For the three months ended March 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit (Loss) before tax	\$ 69,296	23,536
Adjustments:		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss (reversal gain)	988	(3,717)
Depreciation expense	25,293	22,704
Amortization expense	368	376
Interest expense	3,173	3,832
Interest income	(47)	(37)
Loss on disposal of property, plant and equipment	24	9
Unrealized foreign exchange loss (gain)	6,187	(7,434)
Total adjustments to reconcile profit:	35,986	15,733
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(5,207)	(11,204)
Accounts receivable	(199,718)	44,725
Inventories	(78,688)	(6,328)
Other current assets	(19,873)	2,447
Other financial assets	(8,815)	3,203
Total net changes in operating assets:	(312,301)	32,843
Net changes in operating liabilities:		
Accounts payable	98,216	(23,643)
Other payable	(23,433)	(23,514)
Other current liabilities	4,555	6,210
Net defined benefit liability	(981)	(1,810)
Total net changes in operating liabilities	78,357	(42,757)
Total changes in operating assets and liabilities	(233,944)	(9,914)
Total adjustments	(197,958)	5,819
Cash inflow generated from operating	(128,662)	29,355
Interest received	70	35
Interest paid	(3,156)	(3,751)
Income taxes paid	(736)	(104)
Net cash flows from (used in) operating activities	(132,484)	25,535
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(12,964)	(5,929)
Proceeds from disposal of property, plant and equipment	529	-
Increase in guarantee deposits paid	-	431
Acquisition of intangible assets	(499)	(422)
Increase in restricted deposit	(1,712)	(3,813)
Increase in prepayments for investments	(6,400)	-
Increase in prepayments for equipment	(13,504)	(7,051)
Net cash flows from (used in) investing activities:	(34,550)	(16,784)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	80,671	9,059
Proceeds from long-term borrowings	-	40,000
Repayment of long-term borrowings	(12,640)	(8,038)
Payment of lease liabilities	(5,756)	(4,428)
Treasury stock buy back	-	(897)
Net cash flows from (used in) financing activities	62,275	35,696
Effect of exchange rate changes on cash and cash equivalents	1,890	3,575
Net increase (decrease) in cash and cash equivalents	(102,869)	48,022
Cash and cash equivalents at beginning of period	289,207	178,432
Cash and cash equivalents at end of period	\$ 186,338	226,454

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollar unless otherwise specified)

(Reviewed, not audited)

1. Company history

Yen Sun Technology Corporation (the “Company”) was incorporated in March, 1987 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The three months ended consolidated financial statements of March 31, 2021 comprise the Company and subsidiaries (jointly referred to the Group). The major business activities of the Group are the manufacture and sale of home appliances and electronic cooling products such as electric fans, electric cookers, induction cookers, juice machines, bowl dryers, water dispensers, dehumidifiers, electric heaters and other home appliances, cooling fans, heat sink and thermal modules.

2. Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on May 11, 2021.

3. New standards, amendments and interpretations adopted

- (1) The impact of new and revised International Financial Reporting Standards and Interpretations endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”)

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021 :

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions After June 30, 2021”

- (2) Newly released or amended standards and interpretations not yet endorsed by the FSC:

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting policies”
- Amendments to IAS 8 “Definition of Accounting Assessments”

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in conforming with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting,” endorsed by FSC. These consolidated financial statements do not include all of the information required by the Regulations and by the IFRS endorsed by the FSC for full annual consolidated financial statements.

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2020. Please refer to Note 4 of 2020 consolidated financial statement for detail information.

(2) Basis of consolidation

A. Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Business activity	Shareholding			Explanation
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	YEN SUN TECHNOLOGY (BVI) CORP.	Investment holding	100%	100%	100%	Un-reviewed
The Company	YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	-
The Company	LUCRATIVE INTL GROUP INC.	Investment holding	100%	100%	100%	-
The Company	YEN JIU TECHNOLOGY CORP. (“YEN JIU”)	Sales and manufacture of home appliances products	100%	100%	100%	-
YEN SUN TECHNOLOGY (BVI) CORP.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. (“SHANGHAI YENSUN”)	Sales and manufacture of home appliances products	100%	100%	100%	Un-reviewed
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN HUNG INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	Un-reviewed
YEN HUNG INTERNATIONAL CORP.	Y.H. TECH INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
Y.H. TECH INTERNATIONAL CORP.	DARSON ELECTRONICS (DONGGUAN) LTD. (“DARSON”)	Manufacture of electronic cooling products	100%	100%	100%	-
DARSON ELECTRONICS (DONGGUAN) LTD. & LUCRATIVE INTL GROUP INC. (note)	YEN GIANT METAL (DONGGUAN) CO., LTD. (“YEN GIANT”)	Manufacture of electronic cooling fan and heat sink and thermal module products	100%	100%	100%	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Note: In accordance with the adjustment of the organizational structure of the Group, DARSON ELECTRONICS (DONGGUAN) LTD. ("DARSON") sold the equity of YEN GIANT METAL (DONGGUAN) CO., LTD. ("YEN GIANT") to LUCRATIVE INT'L GROUP INC. on January 31, 2020. Because of it does not affect the Group's control of YEN GIANT, the aforementioned transaction is regarded as an equity transaction

B. Subsidiaries which are not included in the consolidated financial statements: None.

(3) Income tax

The Group prepared income tax in conforming with interim income tax measurement and disclosure of paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense is calculated based on an interim period's pre-tax income multiplied by best estimation of the annual income tax rate expected for the full financial year and recognized as current income tax expense. Current income tax expense and deferred tax expense are recognized based on the prorated estimated annual current income tax expense and deferred tax. When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in the period at once.

Income tax expense is directly recognized in equity items or other comprehensive items which is the temporary difference between book value of assets and liabilities at reporting date and tax basis to measure by using appropriate tax of expected realize assets and settle the liabilities.

(4) Employee benefit

Interim defined benefit pension is calculated on a year-to-date basis using the actuarially determined pension cost rate adjusted for significant market fluctuations, curtailments, settlement or other one-time events.

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

Management team prepared quarterly consolidated financial statements in conforming with IAS 34, "Interim Financial Reporting," and make judgement, estimation and assumption and the reporting amount will be affected by accounting policies, assets, liabilities, revenue and expense. The actual outcome might be different from the estimation.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the 2020 consolidated financial statements.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

6. Explanation of significant accounting items

Except as described below, the explanation of significant accounting items of this quarterly consolidated financial statements had no significant difference compared with the Group consolidated financial statements for the year 2020. Please refer to Note 6 of consolidated financial statements 2020.

(1) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash and petty cash	\$ 1,806	3,437	2,680
Check deposits	50	50	50
Demand deposits	184,182	283,711	223,424
Time deposits	<u>300</u>	<u>2,009</u>	<u>300</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 186,338</u></u>	<u><u>289,207</u></u>	<u><u>226,454</u></u>

(2) Financial assets at fair value through other comprehensive income — Non-current

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks —			
Y.S. Tech U.S.A Inc.	<u><u>\$ 6,538</u></u>	<u><u>4,383</u></u>	<u><u>2,464</u></u>

The Group intends to hold this equity Instrument for long-term strategic purposes and not for trade intend therefore the Group designated these investments as equity securities at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of from January 1 to March 31, 2021 and 2020.

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

None of the abovementioned financial assets at fair value through other comprehensive profit or loss have been pledged as collateral.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

(3) Notes and accounts receivable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes receivable from operating activities	\$ 29,263	24,056	32,182
Accounts receivables— measured as amortized cost	949,068	766,911	677,553
Less: Allowance for impairment	<u>(25,264)</u>	<u>(24,427)</u>	<u>(24,522)</u>
	<u>\$ 953,067</u>	<u>766,540</u>	<u>685,213</u>
Book as:			
Notes receivable	\$ 29,263	24,056	32,182
Net amount of accounts receivable	<u>923,804</u>	<u>742,484</u>	<u>653,031</u>
	<u>\$ 953,067</u>	<u>766,540</u>	<u>685,213</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The exposures to credit risk and expected credit losses for trade receivables were determined as follows

	<u>March 31, 2021</u>		
	<u>Carrying amount of Notes and accounts receivable</u>	<u>Weighted-average expected credit loss rate</u>	<u>Loss allowance for lifetime expected credit losses</u>
Not over due	\$ 935,841	0.06%	547
Overdue less than 90 days	18,039	2.61%	470
Overdue 91 to 180 days	310	34.63%	107
Overdue 181 to 240 days	3	60.84%	2
Overdue over 241 days	<u>24,138</u>	<u>100%</u>	<u>24,138</u>
	<u>\$ 978,331</u>		<u>25,264</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

	December 31, 2020		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 762,239	0.02%	153
Overdue less than 90 days	4,451	0.54%	24
Overdue 91 to 180 days	36	32.67%	12
Overdue 181 to 240 days	12	71.80%	9
Overdue over 241 days	24,229	100.00%	24,229
	<u>\$ 790,967</u>		<u>24,427</u>

	March 31, 2020		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 670,841	0.01%	74
Overdue less than 90 days	13,698	0.59%	263
Overdue 91 to 180 days	1,420	29.07%	413
Overdue 181 to 240 days	19	77.88%	15
Overdue over 241 days	23,757	100.00%	23,757
	<u>\$ 709,735</u>		<u>24,522</u>

The movement in the provision for impairment loss with respect to trade receivables was as follows:

	For the three months ended March 31	
	2021	2020
Balance at January 1	\$ 24,427	28,454
Impairment losses recognized (reversed)	986	(3,717)
Effect of changes in foreign exchange rates	(149)	(215)
Balance at March 31	<u>\$ 25,264</u>	<u>24,522</u>

The abovementioned financial assets were not pledged as collateral.

Please refer to Note 6(23) for credit risk.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(4) Other financial assets

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Refundable deposits	\$ 8,831	8,870	6,984
Other receivables-disposal of operation department in Mainland China	23,969	24,151	22,993
Other receivables— Other	22,888	14,108	19,252
Restricted deposits	12,916	11,204	15,016
Less: Loss allowance-Overdue Receivable	(23,969)	(24,151)	(22,993)
Less: Loss allowance-Others	(4)	(2)	(4)
	<u>\$ 44,631</u>	<u>34,180</u>	<u>41,248</u>
Book as:			
Other financial assets— current	\$ 30,799	20,309	27,656
Other financial assets— non-current	13,832	13,871	13,592
	<u>\$ 44,631</u>	<u>34,180</u>	<u>41,248</u>

Please refer to Note 6(23) for credit risk. The abovementioned other financial assets pledged as collateral are disclosed in Note 8.

(5) Inventories

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Raw materials and supplies	\$ 318,667	276,121	283,296
Work in progress	273,859	198,865	175,663
Finished goods and Merchandise inventories	183,947	224,325	208,222
	<u>\$ 776,473</u>	<u>699,311</u>	<u>667,181</u>

For the three months ended March 31, 2021 and 2020, recognition of inventory impairment losses due to write-off of inventories to net realizable value was \$3,975 thousand and \$5,488 thousand, and has been recognize under operating costs.

Abovementioned inventories were not pledged as collaterals.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(6) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Mold Equipment</u>	<u>Miscellaneo us equipment</u>	<u>Constructio n in progress</u>	<u>Total</u>
Cost or deemed cost:							
Balance at January 1, 2021	\$ 291,685	186,408	256,380	421,722	98,267	1,396	1,255,858
Additions	-	2,636	14,171	8,437	1,096	709	27,049
Reclassification	-	518	-	-	-	(518)	-
Disposals	-	-	(795)	(628)	(138)	-	(1,561)
Effect of movements in exchange rates	-	(137)	(724)	(422)	(115)	(3)	(1,401)
Balance at March 31, 2021	\$ 291,685	189,425	269,032	429,109	99,110	1,584	1,279,945
Balance at January 1, 2020	\$ 267,535	182,286	224,997	402,029	95,114	426	1,172,387
Additions	-	1,729	2,587	1,994	1,532	-	7,842
Reclassification	-	-	-	-	426	(426)	-
Disposals	-	-	(41)	-	(88)	-	(129)
Effect of movements in exchange rates	-	(174)	(827)	(536)	(154)	-	(1,691)
Balance at March 31, 2020	\$ 267,535	183,841	226,716	403,487	96,830	-	1,178,409
Accumulated depreciation and Impairment:							
Balance at January 1, 2021	\$ -	39,854	144,651	344,140	66,574	-	595,219
Depreciation for the year	-	3,814	5,898	7,222	1,682	-	18,616
Disposals	-	-	(253)	(617)	(138)	-	(1,008)
Effect of movements in exchange rates	-	(82)	(319)	(283)	(81)	-	(765)
Balance at March 31, 2021	\$ -	43,586	149,977	350,462	68,037	-	612,062
Balance at January 1, 2020	\$ -	25,534	125,818	318,270	61,841	-	531,463
Depreciation for the year	-	3,463	4,918	7,301	1,805	-	17,487
Disposals	-	-	(38)	-	(82)	-	(120)
Effect of movements in exchange rates	-	(82)	(425)	(378)	(103)	-	(988)
Balance at March 31, 2020	\$ -	28,915	130,273	325,193	63,461	-	547,842
Carrying amounts:							
Balance at January 1, 2021	\$ 291,685	146,554	111,729	77,582	31,693	1,396	660,639
Balance at March 31, 2021	\$ 291,685	145,839	119,055	78,647	31,073	1,584	667,883
Balance at January 1, 2020	\$ 267,535	156,752	99,179	83,759	33,273	426	640,924
Balance at March 31, 2020	\$ 267,535	154,926	96,443	78,294	33,369	-	630,567

Please refer to Note 6(22) for detail of disposal gain and loss.

Property, plant and equipment pledged as collateral for long-term loans and finance were disclosed in note 8.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(7) Right-of-use assets

The movements in the cost and depreciation of the leased buildings, construction and transportation equipment were as follows:

	Building and construction	Transportation equipment	Total
Right-of-use assets cost:			
Balance at January 1, 2021	\$ 162,889	6,371	169,260
Additions	5,172	-	5,172
Effect of movements in exchange rates	(1,114)	-	(1,114)
Balance at March 31, 2021	<u>\$ 166,947</u>	<u>6,371</u>	<u>173,318</u>
Balance at January 1, 2020	\$ 139,850	3,855	143,705
Effect of movements in exchange rates	(1,472)	-	(1,472)
Balance at March 31, 2020	<u>\$ 138,378</u>	<u>3,855</u>	<u>142,233</u>
Accumulated Depreciation:			
Balance at January 1, 2021	\$ 38,059	2,917	40,976
Depreciation for the period	6,089	490	6,579
Effect of movements in exchange rates	(287)	-	(287)
Balance at March 31, 2021	<u>\$ 43,861</u>	<u>3,407</u>	<u>47,268</u>
Balance at January 1, 2020	\$ 16,778	1,377	18,155
Depreciation for the period	4,755	364	5,119
Effect of movements in exchange rates	(224)	-	(224)
Balance at March 31, 2020	<u>\$ 21,309</u>	<u>1,741</u>	<u>23,050</u>
Carrying amounts:			
Balance at January 1, 2021	<u>\$ 124,830</u>	<u>3,454</u>	<u>128,284</u>
Balance at March 31, 2021	<u>\$ 123,086</u>	<u>2,964</u>	<u>126,050</u>
Balance at January 1, 2020	<u>\$ 123,072</u>	<u>2,478</u>	<u>125,550</u>
Balance at March 31, 2020	<u>\$ 117,069</u>	<u>2,114</u>	<u>119,183</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(8) Investment Property

	Owne property	Building and construction	
	Building and construction	Land	Total
Carrying amounts:			
Balance at January 1, 2021	\$ <u>5,868</u>	<u>6,809</u>	<u>12,677</u>
Balance at March 31, 2021	\$ <u>5,796</u>	<u>6,688</u>	<u>12,484</u>
Balance at January 1, 2020	\$ <u>5,880</u>	<u>6,976</u>	<u>12,856</u>
Balance at March 31, 2020	\$ <u>5,784</u>	<u>6,827</u>	<u>12,611</u>

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of investment property for the three months ended March, 2021 and 2020. Please refer Note 6(8) for other related information.

There is no material difference between the fair value of investment property and the information disclosed in Note 6 (8) of the consolidated financial report for the year ended December 31, 2020.

Investment property were not pledged as collateral.

(9) Intangible assets

The cost, amortization and impairment loss of the Group's intangible assets are as follows:

	Computer software	Other	Total
Carrying amounts:			
Balance at January 1, 2021	\$ <u>2,633</u>	<u>485</u>	<u>3,118</u>
Balance at March 31, 2021	\$ <u>2,806</u>	<u>440</u>	<u>3,246</u>
Balance at January 1, 2020	\$ <u>3,037</u>	<u>665</u>	<u>3,702</u>
Balance at March 31, 2020	\$ <u>3,124</u>	<u>620</u>	<u>3,744</u>

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of intangible assets for the three months ended March, 2021 and 2020. Please refer Note 6(9) of the consolidated financial report for the year ended December 31, 2020 for other related information.

Intangible assets were not pledged as collateral.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(10) Other current assets and Other non-current assets

The other current assets others and other non-current assets of the Group were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Prepayment for purchases	\$ 21,405	10,504	8,303
Prepaid expense	6,550	4,135	5,823
Prepayments for equipment	24,043	18,602	7,051
Income tax refund receivable	25,434	17,894	23,478
Assets for right to recover product to be returned	2,346	3,437	2,770
Other	<u>738</u>	<u>734</u>	<u>734</u>
	<u>\$ 80,516</u>	<u>55,306</u>	<u>48,159</u>
Current	\$ 56,473	36,704	41,108
Non-current	<u>24,043</u>	<u>18,602</u>	<u>7,051</u>
	<u>\$ 80,516</u>	<u>55,306</u>	<u>48,159</u>

(11) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Letters of credit	\$ 1,786	1,606	-
Unsecured bank loans	121,000	60,000	168,135
Secured bank loans	<u>60,000</u>	<u>40,000</u>	<u>65,000</u>
Total	<u>\$ 182,786</u>	<u>101,606</u>	<u>233,135</u>
Unused short-term credit lines	<u>\$ 716,332</u>	<u>810,204</u>	<u>613,512</u>
Range of interest rates	<u>1.00%~1.35%</u>	<u>1.00%~1.4823%</u>	<u>1.25%~3.48%</u>

For the collateral information of Group using asset as collateral for bank borrowings, please refer to Note 8.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(12) Long-term borrowings

The details of long-term borrowings were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured bank borrowings	\$ 80,392	85,969	49,292
Secured bank loans	<u>273,047</u>	<u>280,110</u>	<u>332,107</u>
	353,439	366,079	381,399
Less: current portion	<u>70,685</u>	<u>50,635</u>	<u>54,576</u>
Total	<u>\$ 282,754</u>	<u>315,444</u>	<u>326,823</u>
Unused long-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>1.35%~1.70%</u>	<u>1.35%~1.70%</u>	<u>1.40%~1.73%</u>

A. The amount of long-term borrowing of the Group from January 1 to March 31, 2021, is \$40,000 thousand, the interest rate is 1.4%~1.6%. In January 1 to March 31, 2020, there are no new long-term borrowing; the repayment amount is \$12,640 thousand and \$8,038 thousand respectively.

Please refer to Note 6 (22) for interest expenses. For other related information, please refer to Note 6 (12) of the consolidated financial report for the year ended December 31, 2020.

B. Assets pledged as collateral for long-term borrowings are disclosed in note 8.

(13) Lease liabilities

The details of lease liabilities were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current	<u>\$ 23,133</u>	<u>22,380</u>	<u>18,042</u>
Non-current	<u>\$ 109,475</u>	<u>111,688</u>	<u>104,550</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31, 2021</u>	<u>For the three months ended March 31, 2020</u>
Interest on lease liabilities	<u>\$ 1,579</u>	<u>1,447</u>
Expenses relating to short-term leases	<u>\$ 175</u>	<u>270</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 160</u>	<u>113</u>
COVID-19-Related Rent Concessions (Recognize as Other income)	<u>\$ -</u>	<u>279</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

The amounts recognized in the statement of cash flows for the Group were as follow:

	For the three months ended March 31,2021	For the three months ended March 31,2020
Total cash outflow for leases	<u>\$ 7,670</u>	<u>6,258</u>

A. Lease of land, Building and construction

Group leases buildings for its factory and warehouse. The leases typically run for a period of 3 to 6 years. Some leases include an option to renew the lease after the end of the contract term.

B. Other leases

The Group leases transportation and equipment, with lease terms of 3 to 5 years.

In addition, the Group also leases office and office equipment with contract terms of 1 to 3 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(14) Other current and non-current liabilities

The details of other current and non-current liabilities were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Advance receipts	\$ 10,214	7,395	12,253
Guarantee deposit received	6,108	6,141	3,027
Provision for warranties	1,245	1,224	1,135
Refund liabilities	7,538	8,018	6,061
Other	<u>22,016</u>	<u>19,825</u>	<u>14,617</u>
	<u>\$ 47,121</u>	<u>42,603</u>	<u>37,093</u>

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current	\$ 41,013	36,462	36,555
Non-Current	<u>6,108</u>	<u>6,141</u>	<u>538</u>
	<u>\$ 47,121</u>	<u>42,603</u>	<u>37,093</u>

There was no significant movement of liabilities provision for the three months ended March, 2021 and 2020. Please refer Note 6(14) of consolidated financial report for the year ended December 31, 2020 for other related information

(15) Operating lease

There was no significant movement and addition of operating lease contracts for the three months ended March, 2021 and 2020. Please refer Note 6(15) of consolidated financial report for the year ended December 31, 2020 for other related information

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(16) Employee benefits

A. Defined benefit plans

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2020 and 2019.

Cost recognized in expense was as below:

	For the three months ended March 31,2021	For the three months ended March 31,2020
Operating cost	\$ 52	72
Selling expenses	22	36
Total	\$ 74	108

B. Defined contribution plans

The Company and its subsidiary YEN JIU Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group's subsidiaries defined contribution plans based on their respective local regulation; cost recognized in expense are as follow:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Operating cost	\$ 3,134	2,811
Selling expenses	667	664
General and administrative expenses	711	351
Research and development expenses	726	672
Total	\$ 5,238	4,498

(17) Income tax

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

	For the three months ended March 31,2021	For the three months ended March 31,2020
Current tax expense	\$ 18,345	6,364

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The Group recognize income tax which under other comprehensive income for the three months ended March 2021 and 2020 was \$661 thousand and \$ 0 thousand, respectively. The Company's income tax returns for all fiscal years up to 2018 have been examined and approved by the tax authority

(18) Capital and other equity

Except below statement, the Group had no significant capital and other equity change for the three months ended March 31, 2021 and 2020 Please refer to Note 6(18) of consolidated financial statements for the year ended December 31, 2020 for detail information.

A. Retained earnings

Base on the Company's article of incorporation, if the Company's annual final accounts show surplus, it shall first pay the taxes, offset past annual loss, and then set 10% as regulatory surplus reserve. However, it is not applicable if the statutory surplus reserve has reached our Company's paid-up capital. Also based on the Company's operational needs and regulatory requirements, provisions shall be make for special reserve. If there are still surplus left, the board of directors shall draft a surplus distribution proposal by combining it with the undistributed surplus at the beginning of period and submit to the shareholders meeting for approval.

If all or a part of the company's distribution of dividends and bonuses or statutory surplus reserves and capital reserves is in the form of cash; it will be authorized when the board of directors to be present with more than two-thirds, and more than half them agrees. And report to the shareholders meeting.

The dividends policy shall first take into consideration its operating environment, financial program, company's sustainable operation and development and the biggest interests of stockholders as follows:

- The company is currently in the stage of active market development. In order to support the growth of the company, the company's dividends can continue to operate in the future as the principle, and after comprehensively considering and improving the financial structure, maintaining stable dividends and protecting shareholders' reasonable compensation and other conditions, the board of directors prepare a plan in accordance with the articles of association and deliver it after approval by the shareholders' general meeting and the competent authority.
- Distribution ratio of cash dividends and stock dividends:

The distribution of dividends of the company's shareholders will be based on the stock dividends, cash dividends, or both two ways of issuance. When dividends

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

being distribute, an appropriate ratio of cash and stock dividends shall be set up. Only cash dividends shall be paid at a rate not less than 10% of the current year's distribution.

On June 16, 2020, according to the result of shareholders' general meeting, the company decided not to distribute the surplus of 2019.

The amounts of cash dividends on the appropriations of earnings for 2020 had been approved during the board meeting on March 9, 2021. The relevant dividend distributions to shareholders were as follows:

	2020	
	Payout Ratio	Amount
Dividend distribute to stock holders:		
Cash	\$ 1.5	<u><u>103,531</u></u>

B. Other equity (Net amount after tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2021	\$ 16,694	1,152	17,846
Changes of the Group	63	1,494	1,557
Balance at March 31, 2021	<u><u>\$ 16,757</u></u>	<u><u>2,646</u></u>	<u><u>19,403</u></u>
Balance at January 1, 2020	\$ 16,173	973	17,146
Changes of the Group	1,466	(1,740)	(274)
Balance at March 31, 2020	<u><u>\$ 17,639</u></u>	<u><u>(767)</u></u>	<u><u>16,872</u></u>

C. Treasury stock

From January 1 to March 31, 2020; accordance with Article 28-2 of Securities and Exchange Act requirements, the company bought back a total of 108 thousand treasury shares for the transfer of shares to employees, at a cost of \$ 1,385 thousand. As of March 31, 2021, December 31, 2020 and March 31, 2020; the total number of shares that haven't transfer to employees was 766 thousand shares, 766 thousand shares and 108 thousand shares, respectively.

In accordance with Securities and Exchange Act requirements, treasury shares held by the Company should not be pledged, and do not hold shareholder rights before their transfer.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(19) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 50,951</u>	<u>17,172</u>
Weighted-average number of common shares at end of year	<u>69,021</u>	<u>69,782</u>
Earnings per share	<u>\$ 0.74</u>	<u>0.25</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 50,951</u>	<u>17,172</u>
Weighted-average number of common shares at end of year	69,021	69,782
Effect of employee share bonus (expressed in thousands of shares)	<u>119</u>	<u>162</u>
Weighted-average number of common shares (expressed in thousands of shares)	<u>69,140</u>	<u>69,944</u>
Earnings per share (Diluted)	<u>\$ 0.74</u>	<u>0.25</u>

(20) Revenue from contracts with customers

A. Details of revenue

	For the three months ended March 31, 2021		
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 182,938	335,512	518,450
Mainland China	-	125,118	125,118
Germany	-	193,414	193,414
America	-	22,474	22,474
Japan	10,361	3,988	14,349
South Korea	1,061	12,341	13,402
Others	10,770	53,226	63,996
	<u>\$ 205,130</u>	<u>746,073</u>	<u>951,203</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

For the three months ended March 31, 2021			
	Home appliance Department	Home appliance Department	Home appliance Department
Major products services lines:			
Cooling fan	\$ -	570,680	570,680
Product of home appliances–air series	135,855	-	135,855
Product of home appliances–water series	54,656	-	54,656
Heat sink and thermal module	-	169,132	169,132
Others	14,619	6,261	20,880
	\$ 205,130	746,073	951,203
For the three months ended March 31,2020			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 195,008	132,783	327,791
Mainland China	1,804	53,853	55,657
Germany	-	225,074	225,074
America	4,175	27,369	31,544
Japan	2,593	1,706	4,299
South Korea	-	17,400	17,400
Others	4,689	33,145	37,834
	\$ 208,269	491,330	699,599
Major products services lines:			
Cooling fan	\$ -	431,686	431,686
Product of home appliances–air series	128,157	-	128,157
Product of home appliances–water series	67,158	-	67,158
Heat sink and thermal module	-	55,356	55,356
Others	12,954	4,288	17,242
	\$ 208,269	491,330	699,599

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

B. Contract balance

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes and accounts receivables	\$ 978,331	790,967	709,735
Less: allowance for impairment	<u>(25,264)</u>	<u>(24,427)</u>	<u>(24,522)</u>
Total	<u>\$ 953,067</u>	<u>766,540</u>	<u>685,213</u>
Contract liabilities — unearned revenue	<u>\$ 10,214</u>	<u>7,395</u>	<u>12,253</u>

Please refer to Note 6(3) for notes and accounts receivable impairment.

The unearned revenue balance at January 1, 2021 and 2020; have been recognized as revenue for the three months ended at March 31, with total amounts of \$5,829 thousand and \$3,424 thousand, respectively.

The movement in contract liabilities- unearned sales revenue is mainly due to the difference between the time when the Group transfers the goods to the customer and meets the performance obligations and the time when customer pays. Contract liabilities- unearned sales revenue was under other current liabilities in the consolidated balance sheet.

(21) Employee compensation and directors' and supervisors' remuneration

According to the Company's articles of association, the Company should contribute 1% to 10% of the profit as employee compensation and a less than 5% as directors' remuneration when there is profit for the year. However, certain amounts of the profits should be reserved if there is an accumulated deficit from operations in previous years in advance of the appropriation of the employee bonuses. The aforementioned employee bonuses will be distributed in cash or stock to employees who satisfy certain specifications of the Company and its affiliates.

For the three months ended at March 31, 2021 and 2020, the Company accrued the compensation of employees amounted to \$1,251 thousand and \$476 thousand, respectively and the remuneration of directors' amounted to \$626 thousand and \$238 thousand, respectively. The compensation of employees, remuneration of directors were estimated as the Company's net income before tax, excluding compensation of employees and remuneration of directors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses recognized under operating costs or operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of Directors resolve to issue its stocks as the compensation of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

For the year ended December 31, 2021 and 2020, the accrued compensation of employees amounted to \$2,977 thousand and \$1,473 thousand, respectively; and the accrued

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Notes to the Consolidated Financial Statements (Continued)

remuneration of directors' and supervisor's amounted to \$1,489 thousand and \$737 thousand, respectively. Actual distribution amount had no difference with approved amounts by Board of Directors; for related information, please go to website: <http://emops.twse.com.tw>.

(22) Non-operating income and expenses

A. Interest income:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Bank deposit	\$ 42	29
Other interest income	5	8
	<u>\$ 47</u>	<u>37</u>

B. Other income:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Sample income	\$ 912	1,287
Other	6,760	4,404
	<u>\$ 7,672</u>	<u>5,691</u>

C. Other gains and losses:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Net profit on foreign exchange gains	\$ (3,895)	(402)
Net loss on disposal of investment property and property, plant and equipment	(24)	(9)
Others	(13)	(95)
	<u>\$ (3,932)</u>	<u>(506)</u>

D. Finance costs

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Interest expenses		
Bank loan	\$ (1,594)	(2,385)
Lease liability	(1,579)	(1,447)
	<u>\$ (3,173)</u>	<u>(3,832)</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(23) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below mentioned. For related information, please refer to Note 6(23) of 2020 consolidated financial statements.

A. Credit risk

a. Exposures of credit risk

The book value of financial assets represents the maximum amount of credit exposures.

b. Concentration of credit risk

The Group has no significant concentration of credit risk as of March 31, 2021, December 31, and March 31, 2020.

c. Credit risk of receivable and debt instrument investment

For credit risk exposure of notes and accounts receivable. Please refer to Note 6 (3). Other financial assets measured with amortized cost include other receivables, restricted bank deposits, and guarantee deposit paid.

The following presents whether loss reserves and credit impairments for the above financial assets measured in 12-month expected credit losses (ECL) or lifetime expected credit losses (ECL) were credit-impaired:

	March 31, 2021		
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 8,831	-	-
Other receivable	20,178	2,706	23,973
Restricted Deposit	12,916	-	-
Loss allowance	-	-	(23,973)
Amortized cost	<u>\$ 41,925</u>	<u>2,706</u>	<u>-</u>
Carrying amount	<u>\$ 41,925</u>	<u>2,706</u>	<u>-</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	December 31, 2020		
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 8,870	-	-
Other receivable	12,430	1,676	24,153
Restricted Deposit	11,204	-	-
Loss allowance	-	-	(24,153)
Amortized cost	\$ 32,504	1,676	-
Carrying amount	\$ 32,504	1,676	-
	March 31, 2020		
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 6,984	-	-
Other receivable	17,138	1,997	23,110
Restricted Deposit	15,016	-	-
Loss allowance	-	-	(22,997)
Amortized cost	\$ 39,138	1,997	113
Carrying amount	\$ 39,138	1,997	113

The movement in the provision for impairment with respect to the financial assets measured at amortized cost as of March 31, 2021 and 2020 were as follows:

	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2021	\$ -	-	24,153	24,153
Impairment loss recognized	-	-	2	2
Effect of changes in foreign currency exchange rates	-	-	(182)	(182)
Balance at March 31, 2021	\$ -	-	23,973	23,973

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	12-month	Lifetime	Lifetime	Total
	ECL	ECL-unimpaired	ECL-impaired	
Balance at January 1, 2020	\$ -	-	22,83'	22,83'
Impairment loss recognized	-	-	431	431
Effect of changes in foreign currency exchange rates	-	-	(271)	(271)
Balance at March 31, 2020	<u>\$ -</u>	<u>-</u>	<u>22,997</u>	<u>22,997</u>

B. Liquidity risk

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

	Carrying amount	Contracted cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
March 31, 2021							
Non-derivative financial liabilities							
Long- and Short-term borrowing (floating rate)	\$ 536,225	562,379	211,189	47,834	48,910	111,908	142,538
Accounts payable (non-interest bearing)	796,782	796,782	796,782	-	-	-	-
Other payables (non-interest bearing)	259,282	259,282	259,282	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	132,608	148,438	13,485	13,042	27,284	80,313	14,314
Guarantee deposits (non-interest bearing)	6,108	6,108	-	-	1,764	4,344	-
	<u>\$ 1,731,005</u>	<u>1,772,989</u>	<u>1,280,738</u>	<u>60,876</u>	<u>77,958</u>	<u>196,565</u>	<u>156,852</u>
December 31, 2020							
Non-derivative financial liabilities							
Long- and Short-term borrowing (floating rate)	\$ 467,685	495,051	129,888	27,909	72,134	117,665	147,455
Accounts payable (non-interest bearing)	710,441	710,441	710,441	-	-	-	-
Other payables (non-interest bearing)	175,154	175,154	175,154	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	134,068	153,078	14,258	13,843	26,813	78,308	19,856
Guarantee deposits (non-interest bearing)	6,141	6,141	-	-	1,764	4,377	-
	<u>\$ 1,493,489</u>	<u>1,539,865</u>	<u>1,029,741</u>	<u>41,752</u>	<u>100,711</u>	<u>200,350</u>	<u>167,311</u>
March 31, 2020							
Non-derivative financial liabilities							
Long- and Short-term borrowing (floating rate)	\$ 614,534	645,904	272,420	21,682	68,840	112,562	170,400
Accounts payable (non-interest bearing)	544,199	544,199	544,199	-	-	-	-
Other payables (non-interest bearing)	118,640	118,640	118,640	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	122,592	142,536	11,656	11,655	22,428	63,008	33,789
Guarantee deposits (non-interest bearing)	3,027	3,027	-	2,562	465	-	-
	<u>\$ 1,402,992</u>	<u>1,454,306</u>	<u>946,915</u>	<u>35,899</u>	<u>91,733</u>	<u>175,570</u>	<u>204,189</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The Group does not expect the cash flows would occur significantly earlier or at significantly different amounts.

C. Market Risk

I. Exchange rate risk

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

	March 31, 2021				December 31, 2020			March 31, 2020		
	Foreign currenc y	Exchan ge rate	TWD amount		Foreign currenc y	Exchan ge rate	TWD amount	Foreign currenc y	Exchan ge rate	TWD amount
Financial assets										
<u>Monetary items</u>										
USD	\$	36,338	28.535	1,036,264	36,370	28.48	1,035,860	39,231	30.225	1,185,770
EUR		938	33.48	31,420	944	35.02	33,054	640	33.24	21,289
CNY		42,805	1.344	185,957	50,175	4.337	219,616	34,146	4.255	145,339
Financial liabilities										
<u>Monetary items</u>										
USD		24,965	28.535	712,464	24,257	28.48	690,939	30,612	30.225	925,266
EUR		90	33.48	3,004	86	35.02	3,000	78	33.24	2,601
CNY		38,746	4.344	168,312	40,795	4.337	178,556	13,164	4.255	56,015
TWD		45,800	1	45,800	42,834	1	42,834	37,018	1	37,018

The foreign currency risk of Group was mainly incurred from the translation cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through profit or loss, accounts payable, and other payables. As of the three months end of March 31, 2021 and 2020, the exchange rate of the TWD versus the USD, CNY and EUR increases or decreases by 1%, given no changes in other factors, profit after tax will increase or decrease by \$2,959 thousand and \$2,948 thousand, respectively. The analysis adopt same assumes of variables.

The exchange gains and losses (including realized and unrealized) of the currency items of the Group are converted into the functional currency of the Group; Amount of TWD (the currency of Group's expression) and exchange rate information are as follows:

	For the three months ended March 31,2021		For the three months ended March 31,2020	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ (2,578)	-	5,081	-
CNY	(1,317)	4.3768	(5,483)	4.3077
	<u>\$ (3,895)</u>		<u>(402)</u>	

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Interest rate analysis

Please refer to the notes on liquidity risk management and the interest rate exposure of the Group's financial liabilities.

Sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. The method of analysis assumes that the amount of liabilities in circulation on the reporting date is in circulation throughout the year.

The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25% and other factors remained unchanged, the Group's net income would have increased or decreased as follows:

	Interest increase 0.25%	Interest decrease 0.25%
Net profits after tax, January to March, 2021	Net profit decrease \$268 thousand	Net profit increase \$268 thousand
Net profits after tax, January to March, 2020	Net profit decrease \$307 thousand	Net profit increase \$307 thousand

III. Other price risk

If the equity securities price changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact to the comprehensive gain or loss items are as follows:

	For the three months ended March 31,2021		For the three months ended March 31,2020	
Equity price at reporting date	Other comprehensive income After tax	Net income	Other comprehensive income After tax	Net income
Increase 3%	\$ 157	-	\$ 59	-
Decrease 3%	\$ (157)	-	\$ (59)	-

D. Fair value

I. Categories and fair values of financial instruments

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

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carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured lease liabilities, disclosure of fair value information is not required:

March 31, 2021					
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVOCI					
Unlisted stock	\$ <u>6,538</u>	-	-	6,538	6,538
Financial assets at amortized cost					
Cash and cash equivalent	\$ 186,338	-	-	-	-
Notes and accounts receivables	953,067	-	-	-	-
Other Financial assets -current	30,799	-	-	-	-
Other Financial assets -non current	13,832	-	-	-	-
Subtotal	\$ <u>1,184,036</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 182,786	-	-	-	-
Account payable	796,782	-	-	-	-
Other payable	259,282	-	-	-	-
Long- term borrowing (Current portion)	70,685	-	-	-	-
Lease liability — current	23,133	-	-	-	-
Long -term borrowing	282,754	-	-	-	-
Lease liability — noncurrent	109,475	-	-	-	-
Deposits received	6,108	-	-	-	-
Subtotal	\$ <u>1,731,005</u>				
December 31, 2020					
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVOCI					
Unlisted stock	\$ <u>4,383</u>	-	-	4,383	4,383
Financial assets at amortized cost					
Cash and cash equivalent	\$ 289,207	-	-	-	-
Notes and Account receivables	766,540	-	-	-	-
Other Financial assets -current	20,309	-	-	-	-
Other Financial assets -noncurrent	13,871	-	-	-	-
Subtotal	\$ <u>1,089,927</u>				

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Notes to the Consolidated Financial Statements (Continued)

December 31, 2020					
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowing	\$ 101,606	-	-	-	-
Account payable	710,441	-	-	-	-
Other payable	175,154	-	-	-	-
Long- term borrowing (Current portion)	50,635	-	-	-	-
Lease liability— current	22,380	-	-	-	-
Long -term borrowing	315,444	-	-	-	-
Lease liability— noncurrent	111,688	-	-	-	-
Deposits received	<u>6,141</u>	-	-	-	-
Subtotal	<u>\$ 1,493,489</u>				
March 31, 2020					
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Unlisted stock	<u>\$ 2,464</u>	-	-	2,464	2,464
Financial assets at amortized cost					
Cash and cash equivalent	\$ 226,454	-	-	-	-
Notes and Account receivables	685,213	-	-	-	-
Other Financial assets -current	27,656	-	-	-	-
Other Financial assets -noncurrent	<u>13,592</u>	-	-	-	-
Subtotal	<u>\$ 952,915</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 233,135	-	-	-	-
Account payable	544,199	-	-	-	-
Other payable	118,640	-	-	-	-
Long- term borrowing (Current portion)	54,576	-	-	-	-
Lease liability— current	18,042	-	-	-	-
Long -term borrowing	326,823	-	-	-	-
Lease liability— noncurrent	104,550	-	-	-	-
Deposits received	<u>3,027</u>	-	-	-	-
Subtotal	<u>\$ 1,402,992</u>				

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Notes to the Consolidated Financial Statements (Continued)

The Group used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair values are based on the degree to which the fair value can be observed and are grouped into Level 1 to Level 3 as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

Level 3: inputs for the assets or liability that are not based on observable market data.

II. Valuation technique of financial instruments not measured at fair value

Financial instruments measured at amortized cost, due to the expiry date are close or future payment prices are similar to the book value; therefor, the book value in financial reports is a reasonable approximation of the fair value.

III. Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments:

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchanges and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market.

Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained through evaluation or reference with counterparty quotations.

The equity instruments held by the Group without public quotes are based on the comparable company method to estimate fair value. The main assumptions are based on the net equity value of being-investors and the equity multiplier derived from the market quotes of comparable listed (counter) companies. The estimate has adjusted the discount effect of the lack of market liquidity.

IV. Transfers between Level 1 and Level 2

For the three months ended March 31, 2021 and 2020, there was no transfer in the fair value grade of financial instruments assessed by the Group.

V. Movement of financial assets through other comprehensive income categorized within Level 3.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

	Financial assets measured at fair value through other comprehensive income Equity investment without an active market
Balance at January 1, 2021	\$ 4,383
Profit or loss-Recognized in other comprehensive profit or loss	2,155
Balance at March 31, 2021	<u>\$ 6,538</u>
 Balance at January 1, 2020	 \$ 4,204
Profit or loss-Recognized in other comprehensive profit or loss	(1,740)
Balance at March 31, 2020	<u>\$ 2,464</u>

The benefits or losses are reported in the unrealized valuation benefits (losses) of financial assets measured at fair value, which is the outcome of assets that still hold by Group in January to March, 2021 and 2020.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

VI. Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's fair value have been classified as Level 3 and only contains single significant unobservable inputs. Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between Significant and fair value measurement
Financial assets at fair value through other comprehensive income -equity investments without an active market	Comparable listed company approach	<ul style="list-style-type: none"> • Lack of market liquidity discount (March 31, 2021: 55.82% December 31, 2020: 65.99% March 31, 2020: 53.08%) • Valuation multiples (March 31, 2021: 1.57 December 31, 2020: 1.37 March 31, 2020: 0.92) • Stock price volatility (March 31, 2021: 64.18% December 31, 2020: 70.61% March 31, 2020: 51.45%) 	<ul style="list-style-type: none"> • The higher the lack of market liquidity discount is, the lower the fair value will be. • The higher the valuation multiples is, the higher the fair value will be. • The lower the stock price volatility is, the higher the fair value will be.

VII. Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group measure the fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may outcome with different results. For level 3 fair value measurements, changing one or more assumptions will have the following effects:

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

			Changes in fair value reflected in OCI	
			Favorable	Unfavorable
Balance at March 31, 2021	Inputs	Fluctuation in inputs		
Financial assets at fair value through other comprehensive income-				
Investment of equity instruments without an active market	Market illiquidity discount rate 55.82%	10%	\$ 1,480	(1,480)
	Valuation multiples 1.57	5%	358	(293)
	Stock price volatility 64.18%	5%	553	(488)
Balance at December 31, 2020				
Financial assets at fair value through other comprehensive income-				
Investment of equity instruments without an active market	Market illiquidity discount rate 65.99%	10%	\$ 1,299	(1,299)
	Valuation multiples 1.37	5%	277	(228)
	Stock price volatility 70.61%	5%	454	(391)
Balance at March 31, 2020				
Financial assets at fair value through other comprehensive income-				
Investment of equity instruments without an active market	Market illiquidity discount rate 53.08%	10%	\$ 513	(520)
	Valuation multiples 0.92	5%	121	(121)
	Stock price volatility 51.45%	5%	235	(223)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The Group's favorable and unfavorable changes refer to changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(24) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2020 consolidated financial report. Please refer to Note 6(23) of 2020 consolidated financial statements.

(25) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2020 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2020 consolidated financial statements. Please refer to Note 6(25) of 2020 consolidated financial statements for more information.

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

The reconciliation of liabilities from financing activities is as follows:

			Non-cash changes		
	January 1, 2021	Cash flows	foreign exchange movement	Lease liability	March 31, 2021
Short-term borrowing	\$ 101,606	80,671	509	-	182,786
Long-term borrowing (current portion)	366,079	(12,640)	-	-	353,439
Lease liability (Current and non-current)	134,068	(5,756)	(876)	5,172	132,608
Guarantee deposits received	6,141	-	(33)	-	6,108
Total liabilities from financing activities	<u>\$ 607,894</u>	<u>62,275</u>	<u>(400)</u>	<u>(400)</u>	<u>674,941</u>

			Non-cash changes		
	January 1, 2020	Cash flows	foreign exchange movement	Lease liability	March 31, 2020
Short-term borrowing	\$ 224,574	9,059	(498)	-	233,135
Long-term borrowing (current portion)	349,437	31,962	-	-	381,399
Lease liability (Current and non-current)	128,309	(4,428)	(1,289)	-	122,592
Guarantee deposits received	3,057	-	(30)	-	3,027
Total liabilities from financing activities	<u>\$ 705,377</u>	<u>36,593</u>	<u>(1,817)</u>	<u>-</u>	<u>740,153</u>

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7. Related-party transactions

A. Endorsement and guarantee

The Group loan from financial institutions on March 31, 2021 and 2020. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which is \$ 130,000 thousand, respectively.

B. Compensation of major management staff

The information on major management staff compensation was as follows:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Short-term employee benefits	\$ 5,512	1,932
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	<u>\$ 5,512</u>	<u>1,932</u>

On March 31, 2021 and 2020, the Group provided rental cars for the use of main management and been recognized as right of use assets of transportation equipment, the originally cost was \$4,067 thousand and \$1,551 thousand, respectively.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	March 31, 2021	December 31, 2020	March 31, 2020
Deposit account	Long-term/short-term			
(Reserve account)	borrowing, customs taxes, company debt and other repayment accounts	\$ 10,204	10,204	12,203
Time deposit	Guarantee of sales channel and short-term borrowing	2,712	1,000	2,813
Land	Guarantee of long-term/short-term borrowing	267,535	267,535	267,535
Buildings	Guarantee of long-term/short-term borrowing	<u>131,102</u>	<u>132,508</u>	<u>139,392</u>
		<u>\$ 411,553</u>	<u>411,247</u>	<u>421,943</u>

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Notes to the Consolidated Financial Statements (Continued)

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	March 31, 2021	December 31, 2020	March 31, 2020
Acquisition of property, plant and equipment	<u>\$ 13,029</u>	<u>17,750</u>	<u>-</u>

B. Standby letter of credit:

	March 31, 2021	December 31, 2020	March 31, 2020
Purchases of raw materials	<u>\$ 57,668</u>	<u>47,749</u>	<u>31,488</u>

10. Losses due to major disasters

: None

11. Subsequent events

: None

12. Other

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

By function By item	For the three months ended March 31, 2021			For the three months ended March 31, 2020		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits:						
Salary	67,153	37,224	104,377	57,400	35,989	93,389
Labor and health insurance	4,517	4,057	8,574	3,559	3,607	7,166
Pension expense	3,186	2,126	5,312	2,882	1,724	4,606
Remuneration of directors	-	1,784	1,784	-	973	973
Other personnel cost	4,526	1,922	6,448	3,358	1,607	4,965
Depreciation	13,855	11,438	25,293	11,811	10,893	22,704
Amortization	3	365	368	-	376	376

B. Seasonality of operation

The operation of Group is not affected by seasonal or periodic factors.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

13. Supplementary Disclosures

A. Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2021.

I. Loans extended to other parties:

Number	Lender	Counter- party	Financial statement account	Financial statement account	Highest balance for the period (Note3)	Ending balance (Note 3)	Actual usage amount during the period (Note1,3)	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reason for financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	value		
0	The Company	Yen Sun Technology (BVI) Corp.	Other receivable –related parties	Yes	42,802 (USD 1,500,000)	42,802 (USD 1,500,000)	17,121 (USD 600,000)	-	short - term financing	-	Working capital	-	-	-	408,410 (Note 2)	408,410 (Note 2)
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	long-term accounts – related parties	Yes	122,899 (USD 4,306,943)	122,899 (USD 4,306,943)	122,761 (USD 4,302,111)	-	short - term financing	-	Working capital	-	-	-	408,410 (Note 2)	408,410 (Note 2)
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	long-term accounts – related parties	Yes	26,064 (RMB 6,000,000)	26,064 (RMB 6,000,000)	26,064 (RMB 6,000,000)	-	short - term financing	-	Working capital	-	-	-	408,410 (Note 2)	408,410 (Note 2)
2	Y.H. Tech International Corp.	Yen Sun Technology (BVI) Corp.	Other receivable –related parties	Yes	47,985 (USD 1,681,614)	47,985 (USD 1,681,614)	47,985 (USD 1,681,614)	-	short - term financing	-	Working capital	-	-	-	408,410 (Note 2)	408,410 (Note 2)

(Note 1) When preparing this consolidated financial report, it has been eliminated.

(Note 2) If necessary, for financing, the loan limit shall not exceed 40% of the company's net equity

(Note 3) The amount of TWD is translated at the exchange rate on the balance sheet date.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Guarantees and endorsements for other parties:

No.	Endorser/ guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note4)	Balance of guarantees and endorsements as of reporting date (Note 4)	Actual usage amount during the period (Note 4)	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsement (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Company name	Relationship with the endorser/ guarantor										
0	The Company	Yen Sun Technology (BVI) Corp.	Subsidiary	306,308 (Note 1)	42,802 (USD 1,500,000)	42,802 (USD 1,500,000)	-	14,268	3.79%	510,513	Y	-	-
0	The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	204,205 (Note 2)	36,000	36,000	-	-	3.19%	510,513	Y	-	-

(Note 1) For a single overseas affiliated company, the limit shall not exceed 30% of the company's net equity.

(Note 2) For a single enterprise, the limit is not more than 20% of the company's net equity.

(Note 3) Not exceeding 50% of the company's net equity.

(Note 4) The amount of TWD is converted at the exchange rate on the balance sheet date.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

III. Securities owned as of March 31, 2021 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship with company	Account title	March 31, 2021				Remarks
				Units (shares)	Carrying Value	Percentage of ownership	Fair value	
Yen Tong Tech International (Samoa) Corp.	SHANGHAI CHANSON WATER CO., LTD.	-	Financial assets at FVTPL—non-current	-	- (Note)	17.75%	-	-
The Company	Y.S. Tech U.S.A Inc. stock	-	Financial assets at FVOCI—non-current	114,000	6,538	19.16%	6,538	-

(Note) Impairment has been mentioned.

IV. Accumulated trading amount of a single security in excess of \$300 million or 20% of paid in capital: None.

V. Acquisition of property, plant and equipment that excess of \$300 million or 20% of paid in capital: None.

VI. Disposal of property, plant and equipment in excess of \$300 million or 20% of paid in capital: None.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

VII. Sales to and purchases from related parties in excess of \$100 million or 20% of paid in capital was as follows:

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables(payables)		remarks
			Purchase (sale)	Amount (Note3)	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance (Note3)	% of notes and accounts receivable (payable)	
The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	Purchase	183,755	0.03%	(Note 1)	Single supplier	(Note 1)	61,833 (Note 2)	81.14% (Note 4)	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	183,365	0.03%	(Note 1)	Single supplier	(Note 1)	(75,340)	16.58%	
The Company	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Purchase	142,206	0.02%	(Note 1)	Single supplier	(Note 1)	(71,742)	15.79%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	183,064	93.40%	(Note 1)	Single supplier	(Note 1)	(26,484)	100.00%	
Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	Subsidiary of the Company (indirectly hold)	Purchase	137,659	83.09%	(Note 1)	Single supplier	(Note 1)	(59,564)	43.91%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	183,755	99.91%	(Note 1)	Single supplier	(Note 1)	(61,833) (Note 2)	100.00% (Note 4)	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	183,365	100.00%	(Note 1)	Single supplier	(Note 1)	75,340	100.00%	
Yen Sun Tech International (Samoa) Corp.	The Company	Ultimate parent company	Sale	142,206	96.88%	(Note 1)	Single supplier	(Note 1)	71,742	50.64%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary	Sale	183,064	100.00%	(Note 1)	Single supplier	(Note 1)	26,484	29.14%	
YEN GIANT METAL (DONGGUAN) CO., LTD.	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Sale	137,659	65.63%	(Note 1)	Single supplier	(Note 1)	59,564	33.12%	

(Note 1) The accounts receivable (payment) balance offset with other prepayments (advance receipts) arising from purchasing raw materials, monthly

(Note 2) Recognized as account prepayments (advance receipts).

(Note 3) When preparing this consolidated financial report, it was eliminated in the consolidation.

(Note 4) The ratio of prepayments (advance receipts) is calculated based on the proportion of the prepayments (advance receipts)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

VIII.Receivables from related parties in excess of \$100 million or 20% of issued share capital were as follows:

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Subsidiary to Son Company	Long-term receivable		-	-	-	-	
			161,772 (Note 3)	- (Note 1)					
			Receivable						
			560 (Note 3)	- (Note 2)					

(Note 1) Principal, interest receivable and overdue receivables of capital finance reclassified as the Receivables.

(Note 2) When editing this consolidated financial report, it was eliminated in the consolidation.

(Note 3) The accounts receivable (payment) balance offset with other prepayments (advance receipts) arising from purchasing raw materials monthly.

IX. Trading in derivative instruments: None.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

X. Business relationships and significant intercompany transactions:

No.	Name	Counterparty	Relationship (Note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	1	Account receivables	11,399	Overdue accounts receivable None comparable terms	0.40%
0	The Company	Yen Sun Technology (BVI) Corp.	1	Endorsement/Guarantee	42,802	None comparable terms	1.49%
				Other receivables-Loans	17,121		0.60%
				Accounts payable	140		-
0	The Company	Y.H. Tech International Corp.	1	Purchase	183,365	None comparable terms ;	19.28%
				Procurement of raw materials	13,714	The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	0.48%
				Accounts payable	75,340		2.62%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase	142,206	None comparable terms ;	14.95%
				Sale	4,168	The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	0.44%
				Procurement of raw materials	25,044		2.63%
				Accounts receivable	76,095		2.65%
				Accounts payable	71		2.49%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase	183,755	None comparable terms ;	19.32%
				Procurement of raw materials	1,991	The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	0.21%
				Prepayment of purchase	61,833		2.15%
				Rental income	1,260		0.13%
				Prepayment	10		-
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Endorsement/Guarantee	36,000	None comparable terms	1.25%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Long-term accounts receivable	148,825	Financial intermediation. No interest since 2017	5.17%
				Long-term accounts receivable-Interest	12,947		0.45%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Accounts receivable	560	The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	0.02%
1	Yen Sun Technology (BVI) Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Accounts payable	64,418	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases	2.24%

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

						monthly.	
				Details of transaction			
No.	Name	Counterparty	Relationship (Note)	Subject	Amount	Term of trading	% of total consolidated revenue or total asset
2	Y.H. Tech International Corp.	Yen Sun Technology (BVI) Corp.	3	Other receivables — Loans to other parties	47,985	Financial intermediation. No interest	1.67%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable	183,064 14,871 26,484	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	19.25% 1.56% 0.92%
2	Y.H. Tech International Corp.	Yen Hung International Corp.	3	Other receivables	488	Entrusted collection None comparable terms	0.02%
3	Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Sales Accounts receivable Procurement of raw materials Other receivables Account payable	137,659 4,576 69,941 25,309 283 59,564	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	14.47% 0.48% 2.43% 2.66% 0.01% 2.07%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Accounts payable	585 2,469	None comparable terms.	0.06% 0.09%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other payables	3,983	Entrusted collection, None comparable terms	0.14%

Note: Relationship notes as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Information on investees:

Relevant information about investees is as follows: (excluding information on investees in Mainland China)

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the Investee (Note1)	investment income (less) recognized (Note1)	Remarks
				March 31,2021	December 31,2020	Shares owned	Percentage owned	Carrying value (Note1)			
The Company	Yen Sun Technology (BVI) Corp.	British Virgin Islands	Investment holding	259,842	259,842	500,000	100%	(129,113)	(348)	(348)	Subsidiary
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,58	1,000,000	100%	115,772	18,558	18,558	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	134,116	(8,302)	(8,302)	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	92,252	7,352	4,365	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	123,910	(14,041)	(14,041)	Subsidiary of the Company (indirectly hold)
Yen Sun Tech International (Samoa) Corp.	Yen Tong Tech International (Samoa) Corp.	Samoa	Investment holding	1,916	1,916	10,000,000	100%	1	-	-	Subsidiary of the Company (indirectly hold)
Yen Hung International Corp.	Y.H. Tech International Corp.	ST. Kitts and Nevis	Investment holding	30,179	30,179	1,000,000	100%	123,902	(14,041)	(14,041)	Subsidiary of the Company (indirectly hold)

(Note) When editing this consolidated financial report, it was eliminated in the consolidation.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

C. Information on investments in Mainland China:

I. Information of investments in Mainland China

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan.1,2021	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of Mar. 31, 2021	Net income Of investee (Note 3)	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group (Note 3)	Book value of the investment as of Mar. 31, 2021 (Note 3)	Accumulated investment income repatriated to Taiwan as of Mar. 31, 2021
					Remittance	Repatriation						
SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Manufacturing and sales of Home Appliances, Cooling fan	233,347 (USD7,800,000)	Invest through Yen Sun Technology (BVI) Corp. then invest in Mainland China	233,347 (USD 7,800,000)	-	-	233,347 (USD 7,800,000)	(360)	100%	(360) (Note 4)	(163,160) (Note 4)	-
DARSON ELECTRONICS (DONGGUAN) LTD.	Manufacturing of Cooling fan	30,179 (USD1,000,000)	Invest through Y.H. Tech International Corp. then invest in Mainland China	30,179 (USD 1,000,000)	-	-	30,179 (USD 1,000,000)	(16,723)	100%	(16,723) (Note 1)	13,082 (Note 1)	-
SHANGHAI CHANSON WATER CO., LTD.	Development and production of water making machine, pure water machine and purification device	20,503 (USD700 ,000)	Invest through Yen Tong Tech International (Samoa) Corp. then invest in Mainland China	1,916 (USD 60,000)	-	-	1,916 (USD 60,000)	-	17.75%	-	-	-
YEN GIANT METAL (DONGGUAN) CO., LTD.	Manufacturing and sales of electronic cooling fan and heat sink	9,008 (CNY2,002 ,000)	Invest through LUCRATIVE INT'L GROUP INC. then invest in Mainland China (Note 5)	8,583 (USD 285,000)	-	-	8,583 (USD 285,000)	18,558	100%	18,558 (Note 1)	115,771 (Note 1)	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Limitation of investment amount to Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China as of March 31, 2021	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
260,953 (Note 2) (USD 9,145,000)	309,462 (Note 2) (USD 10,845,000)	612,616

(Note 1) Investment gains and losses are recognized in accordance with the financial report audited by the audit firm of the Company.

(Note 2) Translated with the exchange rate of balance sheet date.

(Note 3) When prepared this consolidated financial report, it was eliminated in the consolidation.

(Note 4) Investment gains and losses are recognized in the financial reports, which have not been reviewed by accountants during the same period.

III. Significant transactions:

The significant inter-company transactions (direct or indirect) with the investees in Mainland China for the three months ended March 31, 2021 are disclosed in “Information on significant transactions”. (When prepared this consolidated financial report, it was eliminated in the consolidation.)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

D. Information of major shareholders:

Shares		
Name of major shareholders	Shares held	Shares held ratio
CHEN-CHIEN-JUNG	6,106,739	8.75%

Our company applied to Taiwan Depository & Clearing Corporation to obtain the information in this form, to explain the following:

- I. The main shareholder information of this table is calculated by the insurance company on the last business day at the end of each quarter, and the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company without physical registration (including treasury shares) reaches 5%. As for the share capital recorded in the financial report and the number of shares actually delivered by the company without physical registration, the calculation basis may be different.
- II. If the information on above is a shareholder who transfers the shares to the trust, it will be disclosed by the individual trustee who opened the trust account. As for shareholders' declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities and Exchange Act, their shareholdings include shareholdings, delivery of trusts and shares that have the right to make decisions on trust property, etc. For information on insider shareholding declarations, please refer to Market Observation Post System.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

14. Segment Information

Reportable segment information is as follows:

	For the three months ended March 31, 2021			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 205,130	746,073	-	951,203
Total revenue	\$ 205,130	746,073	-	951,203
Reportable segment income	\$ (17,839)	87,498	(363)	69,296

	For the three months ended March 31, 2020			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 208,269	491,330	-	699,599
Total revenue	\$ 208,269	491,330	-	699,599
Reportable segment income	\$ (10,484)	37,590	(3,570)	23,536

	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Segment Assets				
March 31, 2021	\$ 896,438	1,960,142	19,866	2,876,446
December 31, 2020	\$ 859,578	1,787,443	19,444	2,666,465
March 31, 2020	\$ 973,488	2,268,672	(796,166)	2,445,994