

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

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

For The Three Months Ended March 31, 2022 And 2021

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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, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, 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 \$20,883 thousand and \$20,040 thousand, constituting 1% of consolidated total assets as of March 31, 2022 and 2021, respectively. Total liabilities amounting to \$9,437 thousand and \$35,753 thousand, constituting 0% and 2% of consolidated total liabilities as of March 31, 2022 and 2021, respectively, and total comprehensive loss amounting to \$(164) thousand and \$892 thousand, constituting 0% and 2% of consolidated total comprehensive loss for the three months ended March 31, 2022 and 2021, 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, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 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 Chen Lung, Hsu and Yung Hsiang, Chen

KPMG

Taipei, Taiwan (Republic of China)

May 6, 2022

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

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

For The Three Months Ended March 31, 2022 And 2021

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

		<u>March 31, 2022</u>		<u>December 31, 2021</u>		<u>March 31, 2021</u>				<u>March 31, 2022</u>		<u>December 31, 2021</u>		<u>March 31, 2021</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	Liabilities and equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 101,175	3	157,294	5	186,338	7	2100	Short-term borrowings (note 6(12) and 8)	\$20,000	1	30,000	1	182,786	6
1151	Notes receivables, net (note 6(4) and (22))	34,960	1	28,748	1	29,263	1	2170	Accounts payable	766,260	25	731,687	24	796,782	28
1170	Accounts receivable, net (note 6(4) and (22))	881,442	29	881,616	29	923,804	32	2200	Other payables	310,823	10	196,331	6	260,927	9
130X	Inventories (note 6(6))	999,882	33	948,424	31	776,473	27	2230	Current income tax liabilities	87,608	3	73,892	2	56,890	2
1476	Other current financial assets (note 6(5) and 8)	27,117	1	22,601	1	30,799	1	2280	Current lease liabilities (note 6(15))	29,191	1	28,244	1	23,133	1
1479	Other current assets-other (note 6(11))	<u>45,769</u>	<u>1</u>	<u>42,356</u>	<u>1</u>	<u>56,473</u>	<u>2</u>	2320	Long-term borrowings, current portion (note 6(13) and 8)	39,521	1	30,939	1	70,685	2
		<u>2,090,345</u>	<u>68</u>	<u>2,081,039</u>	<u>68</u>	<u>2,003,150</u>	<u>70</u>								
Non-Current Assets								2399	Other current liabilities (note 6(16) and (22))	<u>38,045</u>	<u>1</u>	<u>41,103</u>	<u>1</u>	<u>41,013</u>	<u>1</u>
1510	Financial asset at fair value through profit or loss-non-current (note 6(2)(14))	2,020	-	2,070	-	-	-	Total of current liabilities		<u>1,291,448</u>	<u>42</u>	<u>1,132,196</u>	<u>36</u>	<u>1,432,216</u>	<u>49</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	26,606	1	24,860	1	6,538	-	Non-current liabilities:							
1600	Property, plant and equipment (note 6(7) and 8)	706,021	23	691,895	23	667,883	23	2530	Bonds payable (note 6(14) and 8)	281,211	9	291,696	10	-	-
1755	Right-of-use assets (note 6(8))	146,423	5	150,073	5	126,050	5	2540	Long-term borrowings (note 6(13) and 8)	251,979	8	267,395	9	282,754	10
1760	Investment Property (note 6(9))	12,562	-	12,192	-	12,484	-	2570	Deferred tax liabilities	2,308	-	1,958	-	976	-
1780	Intangible assets (note 6(10))	5,616	-	5,238	-	3,246	-	2580	Non-current lease liabilities (note 6(15))	126,280	4	130,146	4	109,475	4
1840	Deferred income tax assets	15,185	1	15,185	-	12,820	-	2640	Net defined benefit liability, non-current	18,108	1	22,263	1	23,891	1
1960	Prepayments for Investments	-	-	-	-	6,400	-	2645	Deposits received	<u>6,270</u>	<u>-</u>	<u>6,108</u>	<u>-</u>	<u>6,108</u>	<u>-</u>
1980	Other non-current financial assets (note 6(5) and 8)	71,463	2	61,000	2	13,832	1	Total non-current liabilities		<u>686,156</u>	<u>22</u>	<u>719,566</u>	<u>24</u>	<u>423,204</u>	<u>15</u>
1990	Other non-current assets-other (notes 6(11))	<u>14,413</u>	<u>-</u>	<u>15,742</u>	<u>1</u>	<u>24,043</u>	<u>1</u>	Total liabilities		<u>1,977,604</u>	<u>64</u>	<u>1,851,762</u>	<u>60</u>	<u>1,855,420</u>	<u>64</u>
		1,000,309	32	978,255	32	873,296	30	Equity attributable to owners of parent (note 6(14)(20)):							
								3100	Capital stock	701,669	23	697,869	23	697,869	24
								3200	Capital surplus	164,367	5	157,151	5	119,761	4
								3300	Retained earnings	233,626	7	343,402	11	195,766	7
								3400	Other equity interest	25,161	1	20,883	1	19,403	1
								3500	Treasury stock	<u>(11,773)</u>	<u>-</u>	<u>(11,773)</u>	<u>-</u>	<u>(11,773)</u>	<u>-</u>
								Total equity		<u>1,113,050</u>	<u>36</u>	<u>1,207,532</u>	<u>40</u>	<u>1,021,026</u>	<u>36</u>
Total Assets		<u>\$ 3,090,654</u>	<u>100</u>	<u>3,059,294</u>	<u>100</u>	<u>2,876,446</u>	<u>100</u>	Total liabilities and equity		<u>\$ 3,090,654</u>	<u>100</u>	<u>3,059,294</u>	<u>100</u>	<u>2,876,446</u>	<u>100</u>

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, 2022 and 2021

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

		For the three months ended March 31,			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenues (note 6(22))	\$ 940,467	100	951,203	100
5000	Operating costs (notes 6(6)(18))	797,631	85	775,327	82
5900	Gross Income (Loss) from Operations	142,836	15	175,876	18
6000	Operating expenses (notes 6(18)(23)):				
6100	Selling expenses	43,745	5	42,184	5
6200	General and administrative expenses	34,129	4	32,235	3
6300	Research and development expenses	40,281	4	31,787	3
6450	Expected credit impairment loss(profit)(note6(4)(5)(25))	254	-	988	-
	Total operating expenses	118,409	13	107,194	11
6900	Net operating income	24,427	2	68,682	7
7000	Non-operating income and expenses (notes 6(24)):				
7100	Interest Income	52	-	47	-
7010	Other Income	16,501	2	7,672	1
7020	Other gains and losses	18,492	2	(3,932)	-
7050	Finance costs	(3,155)	-	(3,173)	-
	Total non-operating income and expenses	31,890	4	614	1
7900	Profit before income tax from continuing operations:	56,317	6	69,296	8
7950	Loss: Income tax expense (notes 6(19))	13,756	1	18,345	2
8200	Net Profit (loss)	42,561	5	50,951	6
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(20))	1,746	-	2,155	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(29))	349	-	661	-
		1,397	-	1,494	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation (notes 6(20))	2,881	-	63	-
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	2,881	-	63	-
8300	Other comprehensive income, net	4,278	-	1,557	-
8500	Comprehensive income	\$ 46,839	5	52,508	6
	Basic earnings per share (in dollar, note6(19))				
9750	Total basic earnings per share	\$ 0.61		0.74	
9850	Diluted earnings per share	\$ 0.54		0.74	

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, 2022 and 2021
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
							Other equity interest				
							Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Total	Treasury stock	Total equity
	Share capital		Retained earnings								
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
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
Balance at January 1, 2022	\$ 697,869	157,151	62,340	3,798	277,264	343,402	17,188	3,695	20,883	(11,773)	1,207,532
Profit	-	-	-	-	42,561	42,561	-	-	-	-	42,561
Other comprehensive income	-	-	-	-	-	-	2,881	1,397	4,278	-	4,278
Total comprehensive income	-	-	-	-	42,561	42,561	2,881	1,397	4,278	-	46,839
Earnings allocation and distribution:											
Cash dividend of common stock	-	-	-	-	(152,337)	(152,337)	-	-	-	-	(152,337)
					(152,337)	(152,337)					(152,337)
Convert of convertible Bond	3,800	7,216	-	-	-	-	-	-	-	-	11,016
Balance as of March 31, 2022	\$ 701,669	164,367	62,340	3,798	167,488	233,626	20,069	5,092	25,161	(11,773)	1,113,050

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended March 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

	For the three months ended March 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit (Loss) before tax	\$ 56,317	69,296
Adjustments:		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss (reversal gain)	254	988
Depreciation expense	30,689	25,293
Amortization expense	506	368
Net profit on financial assets or liabilities at fair value through profit or loss	(25)	-
Interest expense	3,155	3,173
Interest income	(52)	(47)
Loss on disposal of property, plant and equipment	(76)	24
Unrealized foreign exchange loss (gain)	(7,590)	6,187
Total adjustments to reconcile profit:	26,861	35,986
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(6,154)	(5,207)
Accounts receivable	16,477	(199,718)
Inventories	(42,048)	(78,688)
Other current assets	(3,460)	(19,873)
Other financial assets	(3,442)	(8,815)
Total net changes in operating assets:	(38,627)	(312,301)
Net changes in operating liabilities:		
Accounts payable	18,719	98,216
Other payable	(45,663)	(23,433)
Other current liabilities	(3,306)	4,555
Net defined benefit liability	(4,155)	(981)
Total net changes in operating liabilities	(34,405)	78,357
Total changes in operating assets and liabilities	(73,032)	(233,944)
Total adjustments	(46,171)	(197,958)
Cash inflow generated from operating	10,146	(128,662)
Interest received	51	70
Interest paid	(2,543)	(3,156)
Income taxes paid	(756)	(736)
Net cash flows from (used in) operating activities	6,898	(132,484)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(11,477)	(12,964)
Proceeds from disposal of property, plant and equipment	265	529
Increase in guarantee deposits paid	(7,129)	-
Acquisition of intangible assets	(877)	(499)
Increase in restricted deposit	(4,079)	(1,712)
Increase in prepayments for investments	-	(6,400)
Increase in prepayments for equipment	(14,413)	(13,504)
Net cash flows from (used in) investing activities:	(37,710)	(34,550)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	(10,000)	80,671
Repayment of long-term borrowings	(6,834)	(12,640)
Payment of lease liabilities	(7,414)	(5,756)
Net cash flows from (used in) financing activities	(24,248)	62,275
Effect of exchange rate changes on cash and cash equivalents	(1,059)	1,890
Net increase (decrease) in cash and cash equivalents	(56,119)	(102,869)
Cash and cash equivalents at beginning of period	157,294	289,207
Cash and cash equivalents at end of period	\$ 101,175	186,338

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, 2022 and 2021

(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 6, 2022.

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, 2022 :

- 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”

- (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 1 “Disclosure of Accounting policies”
- Amendments to IAS 8 “Definition of Accounting Assessments
- Amendments to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”

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, 2021. Please refer to Note 4 of 2021 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, 2022	December 31, 2021	March 31, 2021	
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 INT'L 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%	-
LUCRATIVE INT'L 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)

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 2021 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 2021. Please refer to Note 6 of consolidated financial statements 2021.

(1) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash and cash on hand	\$ 2,068	2,162	1,806
Check deposits	11	74	50
Demand deposits	98,796	154,758	184,182
Time deposits	<u>300</u>	<u>300</u>	<u>300</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 101,175</u></u>	<u><u>157,294</u></u>	<u><u>186,338</u></u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Derivatives not designated as hedges			
Convertible bond (Embedded derivatives)	<u><u>\$ 2,020</u></u>	<u><u>2,070</u></u>	<u><u>-</u></u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks —			
Y.S. Tech U.S.A Inc.	\$ 14,652	12,906	6,538
Domestic un-listed stocks —			
CHENG TA HSIUNG	<u>11,954</u>	<u>11,954</u>	<u>-</u>
CONSTRUCTION & DEVELOPMENT CO., LTD.			
Total	<u><u>\$ 26,606</u></u>	<u><u>24,860</u></u>	<u><u>6,538</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.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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, 2022 and 2021.

For information of market risk, please refer to Note 6(25)

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

(4) Notes and accounts receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable from operating activities	\$ 34,960	28,748	29,263
Accounts receivables— measured as amortized cost	901,635	901,040	949,068
Less: Allowance for impairment	<u>(20,193)</u>	<u>(19,424)</u>	<u>(25,264)</u>
	<u>\$ 916,402</u>	<u>910,364</u>	<u>953,067</u>

Book as:

Notes receivable	\$ 34,960	28,748	29,263
Net amount of accounts receivable	<u>881,442</u>	<u>881,616</u>	<u>923,804</u>
	<u>\$ 916,402</u>	<u>910,364</u>	<u>953,067</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, 2022</u>		<u>Loss allowance for</u>
	<u>Carrying amount</u>	<u>Weighted-average</u>	<u>lifetime</u>
	<u>of Notes and</u>	<u>expected credit loss</u>	<u>expected credit</u>
	<u>accounts receivable</u>	<u>rate</u>	<u>losses</u>
Not over due	\$ 890,870	0.06%	495
Overdue less than 90 days	26,133	0.41%	106
Overdue 91 to 180 days	-	-	-
Overdue 181 to 240 days	-	-	-
Overdue over 241 days	<u>19,592</u>	<u>100%</u>	<u>19,592</u>
	<u>\$ 936,595</u>		<u>20,193</u>

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

	December 31, 2021		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 874,564	0.06%	497
Overdue less than 90 days	36,142	0.15%	55
Overdue 91 to 180 days	100	46.29%	47
Overdue 181 to 240 days	429	63.54%	272
Overdue over 241 days	<u>18,553</u>	100.00%	<u>18,553</u>
	<u>\$ 929,788</u>		<u>19,424</u>

	March 31, 2021		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
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>	100.00%	<u>24,138</u>
	<u>\$ 978,331</u>		<u>25,264</u>

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

	For the three months ended March 31	
	2022	2021
Balance at January 1	\$ 19,424	24,427
Impairment losses recognized (reversed)	245	986
Effect of changes in foreign exchange rates	<u>524</u>	<u>(149)</u>
Balance at March 31	<u>\$ 20,193</u>	<u>25,264</u>

The abovementioned financial assets were not pledged as collateral.

Please refer to Note 6(25) for credit risk.

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

(5) Other financial assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Refundable deposits	\$ 17,768	10,445	8,831
Other receivables-disposal of operation department in Mainland China	-	-	23,969
Other receivables—Other	18,304	14,718	22,888
Restricted deposits	62,518	58,439	12,916
Less: Loss allowance-Overdue Receivable	-	-	(23,969)
Less: Loss allowance-Others	(10)	(1)	(4)
	<u>\$ 98,580</u>	<u>83,601</u>	<u>44,631</u>
Book as:			
Other financial assets—current	\$ 27,117	22,601	30,799
Other financial assets—non-current	71,463	61,000	13,832
	<u>\$ 98,580</u>	<u>83,601</u>	<u>44,631</u>

Please refer to Note 6(25) for credit risk. The abovementioned other financial assets pledged as collateral are disclosed in Note 8.

(6) Inventories

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Raw materials and supplies	\$ 397,771	403,124	318,667
Work in progress	345,889	272,506	273,859
Finished goods and Merchandise inventories	256,222	272,794	183,947
	<u>\$ 999,882</u>	<u>948,424</u>	<u>776,473</u>

For the three months ended March 31, 2022 and 2021, recognition of inventory impairment losses due to write-off of inventories to net realizable value was \$4,139 thousand and \$3,975 thousand, and has been recognize under operating costs.

None abovementioned inventories were pledged as collaterals.

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

(7) 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, 2022	\$ 291,848	198,776	301,823	441,792	116,002	4,267	1,354,508
Additions	-	5,082	7,103	5,937	589	14,586	33,297
Reclassification	-	1,352	-	-	-	(1,352)	-
Disposals	-	-	(3,260)	(1,229)	(202)	-	(4,691)
Effect of movements in exchange rates	-	747	4,296	2,592	665	-	8,300
Balance at March 31, 2022	\$ 291,848	205,957	309,962	449,092	117,054	17,501	1,391,414
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, 2022	\$ 291,685	189,425	269,032	429,109	99,110	1,584	1,279,945
Accumulated depreciation and Impairment:							
Balance at January 1, 2022	\$ -	56,370	165,281	368,102	72,860	-	662,613
Depreciation for the year	-	4,633	7,333	8,197	2,614	-	22,777
Disposals	-	-	(3,220)	(1,085)	(197)	-	(4,502)
Effect of movements in exchange rates	-	586	1,841	1,617	461	-	4,505
Balance at March 31, 2022	\$ -	61,589	171,235	376,831	75,738	-	685,393
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
Carrying amounts:							
Balance at January 1, 2022	\$ 291,848	142,406	136,542	73,690	43,142	4,267	691,895
Balance at March 31, 2022	\$ 291,848	144,368	138,727	72,261	41,316	17,501	706,021
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

Please refer to Note 6(24) 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)

(8) Right-of-use assets

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

	Land	Building and construction	Transportation equipment	Total
Right-of-use assets cost:				
Balance at January 1, 2022	\$ 948	211,204	4,754	216,906
Additions	-	2,125	607	2,732
Decrease	-	(3,167)	(1,434)	(4,601)
Effect of movements in exchange rates	-	3,546	-	3,546
Balance at March 31, 2022	<u><u>\$ 948</u></u>	<u><u>213,708</u></u>	<u><u>3,927</u></u>	<u><u>218,583</u></u>
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><u>\$ -</u></u>	<u><u>166,947</u></u>	<u><u>6,371</u></u>	<u><u>173,318</u></u>
Accumulated Depreciation:				
Balance at January 1, 2022	\$ 16	64,641	2,176	66,833
Depreciation for the period	24	7,475	331	7,830
Decrease	-	(3,167)	(1,434)	(4,601)
Effect of movements in exchange rates	-	2,098	-	2,098
Balance at March 31, 2022	<u><u>\$ 40</u></u>	<u><u>71,047</u></u>	<u><u>1,073</u></u>	<u><u>72,160</u></u>
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><u>\$ -</u></u>	<u><u>43,861</u></u>	<u><u>3,407</u></u>	<u><u>47,268</u></u>
Carrying amounts:				
Balance at January 1, 2022	<u><u>\$ 932</u></u>	<u><u>146,563</u></u>	<u><u>2,578</u></u>	<u><u>150,073</u></u>

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

Balance at March 31, 2022	\$ <u>908</u>	<u>142,661</u>	<u>2,854</u>	<u>146,423</u>
Balance at January 1, 2021	\$ <u>-</u>	<u>124,830</u>	<u>3,454</u>	<u>128,284</u>
Balance at March 31, 2021	\$ <u>-</u>	<u>123,086</u>	<u>2,964</u>	<u>126,050</u>

(9) Investment Property

	<u>Owned property</u>	<u>Building and construction</u>	
	<u>Building and construction</u>	<u>Land</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2022	\$ <u>5,715</u>	<u>6,477</u>	<u>12,192</u>
Balance at March 31, 2022	\$ <u>5,917</u>	<u>6,645</u>	<u>12,562</u>
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>

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of investment property for the three months ended March, 2022 and 2021. Please refer Note 6(9) for other related information.

There is no material difference between the fair value of investment property and the information disclosed in Note 6 (9) of the consolidated financial report for the year ended December 31, 2021.

Investment property were not pledged as collateral.

(10) Intangible assets

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

	<u>Computer software</u>	<u>Other</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2022	\$ <u>4,931</u>	<u>307</u>	<u>5,238</u>
Balance at March 31, 2022	\$ <u>5,353</u>	<u>263</u>	<u>5,616</u>
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>

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of intangible assets for the three months ended March, 2022 and 2021. Please refer Note 6(10) of the consolidated financial report for the year ended December 31, 2021 for other related information.

None intangible assets pledged as collateral.

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

(11) 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, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2022</u>
Prepayment for purchases	\$ 4,475	5,896	21,405
Prepaid expense	8,447	4,331	6,550
Prepayments for equipment	14,413	15,742	24,043
Income tax refund receivable	30,155	28,816	25,434
Assets for right to recover product to be returned	2,692	2,579	2,346
Other	-	734	738
	<u>\$ 60,182</u>	<u>58,098</u>	<u>80,516</u>
Current	\$ 45,769	42,356	56,473
Non-current	14,413	15,742	24,043
	<u>\$ 60,182</u>	<u>58,098</u>	<u>80,516</u>

(12) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Letters of credit	\$ -	-	1,786
Unsecured bank loans	20,000	30,000	121,000
Secured bank loans	-	-	60,000
Total	<u>\$ 20,000</u>	<u>30,000</u>	<u>182,786</u>
Unused short-term credit lines	<u>\$ 800,192</u>	<u>785,554</u>	<u>716,332</u>
Range of interest rates	<u>1.12%~1.2%</u>	<u>1.10%~1.20%</u>	<u>1.00%~1.35%</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)

(13) Long-term borrowings

The details of long-term borrowings were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unsecured bank borrowings	\$ 56,500	63,334	80,392
Secured bank loans	<u>235,000</u>	<u>235,000</u>	<u>273,047</u>
	291,500	298,334	353,439
Less: current portion	<u>39,521</u>	<u>30,939</u>	<u>70,685</u>
Total	<u>\$ 251,979</u>	<u>267,395</u>	<u>282,754</u>
Unused long-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>1.20%~1.35%</u>	<u>1.20%~1.35%</u>	<u>1.35%~1.70%</u>

A. There is no major issuance, repurchase, or repayment of long-term borrowing from January 1 to March 31, 2022 and 2021. Please refer to Note 6 (24) for interest expenses. For other related information, please refer to Note 6 (13) of the consolidated financial report for the year ended December 31, 2021.

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

(14) Bonds payable

The details of secured convertible bonds were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Total convertible corporate bonds issued	\$ 300,000	300,000	-
Add: Interest payable refund	360	187	-
Less: Unamortized discounted bonds payable	(11,400)	-	-
Issued bonds payable balance at year-end	<u>(7,749)</u>	<u>(8,491)</u>	<u>-</u>
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	<u>\$ 281,211</u>	<u>291,696</u>	<u>-</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 2,020</u>	<u>2,070</u>	<u>-</u>
Total convertible corporate bonds issued	<u>\$ 35,970</u>	<u>37,390</u>	<u>-</u>

The original recognized effective interest rate of the aforementioned convertible bonds payable component is 0.85%. Please refer to Note 6 (24) for the amount of recognized interest expenses.

For the information of bondholder exercise puttable option that converts bonds payable into ordinary shares from January 1 to March 31, 2022, please refer to Note 6 (20).

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

(15) Lease liabilities

The details of lease liabilities were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Current	<u>\$ 29,191</u>	<u>28,244</u>	<u>23,133</u>
Non-current	<u>\$ 126,280</u>	<u>130,146</u>	<u>109,475</u>

For maturity analysis, please refer to Note 6 (25) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31, 2022</u>	<u>For the three months ended March 31, 2021</u>
Interest on lease liabilities	<u>\$ 1,509</u>	<u>1,579</u>
Expenses relating to short-term leases	<u>\$ 164</u>	<u>175</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 120</u>	<u>160</u>

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

	<u>For the three months ended March 31, 2022</u>	<u>For the three months ended March 31, 2021</u>
Total cash outflow for leases	<u>\$ 9,207</u>	<u>7,670</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 10 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 2 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.

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

(16) Other current and non-current liabilities

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Advance receipts	\$ 13,547	15,506	10,214
Provision for warranties	1,802	1,195	1,245
Refund liabilities	5,317	6,750	7,538
Other	<u>17,379</u>	<u>17,652</u>	<u>22,016</u>
	<u>\$ 38,045</u>	<u>41,103</u>	<u>41,013</u>

There was no significant movement of liabilities provision for the three months ended March, 2022 and 2021. Please refer Note 6(16) of consolidated financial report for the year ended December 31, 2021 for other related information

(17) Operating lease

There was no significant movement and addition of operating lease contracts for the three months ended March, 2022 and 2021. Please refer Note 6(17) of consolidated financial report for the year ended December 31, 2021 for other related information.

(18) 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, 2021 and 2020.

Cost recognized in expense was as below:

	<u>For the three months ended March 31,2022</u>	<u>For the three months ended March 31,2021</u>
Operating cost	\$ 58	52
Selling expenses	<u>15</u>	<u>22</u>
Total	<u>\$ 73</u>	<u>74</u>

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

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

expense are as follow:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Operating cost	\$ 3,541	3,134
Selling expenses	612	667
General and administrative expenses	662	711
Research and development expenses	939	726
Total	<u>\$ 5,754</u>	<u>5,238</u>

(19) 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 31,2022	For the three months ended March 31,2021
Current tax expense	<u>\$ 13,756</u>	<u>18,345</u>

The Group recognize income tax which under other comprehensive income for the three months ended March 2022 and 2021 was \$349 thousand and \$ 661 thousand, respectively. The Company's income tax returns for all fiscal years up to 2019 have been examined and approved by the tax authority

(20) Capital and other equity

As of March 31,2022, December 31, 2021 and March 31,2021; the total value of authorized ordinary shares was amounted to \$ 1,500,000 thousand, \$ 1,500,000 thousand and \$ 1,000,000 thousand with par value \$10, respectively. Issued shares were 70,167 thousand shares, 69,787 thousand shares and 69,787 thousand shares. All the capital was fully paid in. Reconciliation of shares outstanding for the three months ended March 31, 2022 and 2021 was as follows:

(in thousands of shares)	For the three months ended March 31,2022	For the three months ended March 31,2021
Balance on January 1	69,787	69,787
Converting of convertible bonds	380	-
Balance on March 31	<u>70,167</u>	<u>69,787</u>

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

A. Issuance of common shares

From January 1 to March 31, 2022, due to the exercise the puttable option by the holders of convertible bonds, the Group converted the bonds payable with a par value of \$11,400 thousand into 380 thousand common shares and issued with the par value of \$3,800 thousand; considering the discount of bonds payable and interest compensation of \$309 thousand and the amount of financial assets measured at fair value through profit and loss: \$75 thousand and additional paid-in capital - bond payable stock option of \$1,420 thousand will be recognized as additional paid-in capital - conversion excess of par of bond payable of \$8,636 thousand.

Legal registration procedures is under progress.

B. Additional paid-in capital

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Additional paid-in capital in excess of par-Convertible bond	\$ 95,613	86,977	86,977
Expired share option	18,643	18,643	18,643
Treasury share transactions	14,141	14,141	14,141
Conversion option of convertible bonds	<u>35,970</u>	<u>37,390</u>	<u>-</u>
	<u>\$ 164,367</u>	<u>157,151</u>	<u>119,761</u>

According to the ROC Company Act, capital surplus can only be used to make up a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock (including premium on conversion of convertible bonds) and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring additional paid-in capital should not exceed 10% of the total common stock outstanding.

C. 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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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 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.

The amounts of cash dividends on the appropriations of earnings for 2021 and 2020 had been approved during the board meeting on March 9, 2022 and March 9, 2021. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholder:				
Cash	\$ 2.2	<u>152,337</u>	1.5	<u>103,531</u>

D. 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, 2022	\$ 17,188	3,695	20,883
Changes of the Group	<u>2,881</u>	<u>1,397</u>	<u>4,278</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Balance at March 31, 2022	\$	<u>20,069</u>	<u>5,092</u>	<u>25,161</u>
Balance at January 1, 2021	\$	16,694	1,152	17,846
Changes of the Group		<u>63</u>	<u>1,494</u>	<u>1,557</u>
Balance at March 31, 2021	\$	<u>16,757</u>	<u>2,646</u>	<u>19,403</u>

E. Treasury stock

In accordance with Article 28-2 of the Securities and Exchange Act, the company bought back a total of 766,000 treasury shares for the transfer of shares to employees, at a cost of \$ 11,773 thousand. As of March 31, 2022, December 31, 2021 and March 31, 2021, the total number of shares that haven't transfer to employees was 766 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.

(21) 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, 2022	For the three months ended March 31, 2021
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>42,561</u>	<u>50,951</u>
Weighted-average number of common shares at end of year	<u>69,256</u>	<u>69,021</u>
Earnings per share	\$ <u>0.61</u>	<u>0.74</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 42,561	50,951
Effect of potentially dilutive common stock-Convertible Bonds	<u>464</u>	<u>-</u>
Profit(loss) attributable to ordinary shareholders of the Company		
(After adjusted effected amount of potentially dilutive common stock)	\$ <u>43,025</u>	<u>50,951</u>
Weighted-average number of common shares(thousand)	69,256	69,021
Effect of convertible bonds	116	119
Effect of employee share bonus	<u>9,765</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during the period(After adjusted effected amount of	<u>79,137</u>	<u>69,140</u>

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

potentially dilutive common stock)(thousand)

Diluted earnings per share \$ 0.54 0.74

(22) Revenue from contracts with customers

A. Details of revenue

For the three months ended March 31, 2022			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 254,575	273,279	527,854
Mainland China	-	95,178	95,178
Germany	613	180,047	180,660
America	-	43,601	43,601
Japan	10,337	4,021	14,358
South Korea	2,370	17,660	20,030
Others	5,451	53,335	58,786
	<u>\$ 273,346</u>	<u>667,121</u>	<u>940,467</u>

Major products services lines:

Cooling fan	\$ -	556,644	556,644
Product of home appliances—air series	169,416	-	169,416
Product of home appliances—water series	93,233	-	93,233
Heat sink and thermal module	-	102,486	102,486
Others	10,697	7,991	18,688
	<u>\$ 273,346</u>	<u>667,121</u>	<u>940,467</u>

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	917	193,414	194,331
America	-	22,474	22,474
Japan	10,361	3,988	14,349
South Korea	1,061	12,341	13,402
Others	9,853	53,226	63,079
	<u>\$ 205,130</u>	<u>746,073</u>	<u>951,203</u>

Major products services lines:

Cooling fan	\$ -	570,680	570,680
Product of home appliances—air series	135,855	-	135,855

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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
	<u>\$ 205,130</u>	<u>746,073</u>	<u>951,203</u>

B. Contract balance

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes and accounts receivables	\$ 936,595	929,788	978,331
Less: allowance for impairment	(20,193)	(19,424)	(25,264)
Total	<u>\$ 916,402</u>	<u>910,364</u>	<u>953,067</u>
Contract liabilities — unearned revenue	<u>\$ 13,547</u>	<u>15,506</u>	<u>10,214</u>

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

The unearned revenue balance at January 1, 2022 and 2021; have been recognized as revenue for the three months ended at March 31, with total amounts of \$9,432 thousand and \$5,829 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.

(23) 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, 2022 and 2021, the Company accrued the compensation of employees amounted to \$1,131 thousand and \$1,251 thousand, respectively and the remuneration of directors' amounted to \$565 thousand and \$626 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,

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Notes to the Consolidated Financial Statements (Continued)

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 \$4,682 thousand and \$2,977 thousand, respectively; and the accrued remuneration of directors' and supervisor's amounted to \$2,341 thousand and \$1,489 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>.

(24) Non-operating income and expenses

A. Interest income:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Bank deposit	\$ 43	42
Other interest income	9	5
	<u>\$ 52</u>	<u>47</u>

B. Other income:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Sample income	\$ 1,032	912
Mold income	6,312	1,962
Other	9,157	4,798
	<u>\$ 16,501</u>	<u>7,672</u>

C. Other gains and losses:

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Net profit on foreign exchange gains	\$ 18,985	(3,895)
Net loss on disposal of investment property and property, plant and equipment	76	(24)
Putable option of bonds payable/Net profit on value of putable option	25	-
Others	(594)	(13)
	<u>\$ 18,492</u>	<u>(3,932)</u>

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

D. Finance costs

	<u>For the three months ended March 31, 2022</u>	<u>For the three months ended March 31, 2021</u>
Interest expenses		
Bank loan	\$ (1,040)	(1,594)
Lease liability	(1,509)	(1,579)
Amortization of discount on bonds payable	<u>(606)</u>	<u>-</u>
	<u>\$ (3,155)</u>	<u>(3,173)</u>

(25) 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(25) of 2021 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 major customers of the Company are centralized in industries within similar areas and dealers. To reduce concentration of credit risk, the Company evaluates those customers' financial positions and requires customers to provide collateral, if necessary. In addition, the Company evaluates the possibility of collecting the notes and accounts receivable periodically. As of March 31, 2022, December 31, 2021 and March 31, 2021, major customers of the Company was significant focus on certain customer; one of the customer accounted for 15.94%, 17.67% and 16.23% of the notes and accounts receivable, respectively.

c. Credit risk of receivable and debt instrument investment

For credit risk exposure of notes and accounts receivable. Please refer to Note 6 (4). 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:

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

March 31, 2022			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 17,768	-	-
Other receivable	14,107	4,187	10
Restricted Deposit	62,518	-	-
Loss allowance	-	-	(10)
Amortized cost	<u>\$ 94,393</u>	<u>4,187</u>	<u>-</u>
Carrying amount	<u>\$ 94,393</u>	<u>4,187</u>	<u>-</u>

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

December 31, 2021			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 10,445	-	-
Other receivable	10,658	4,059	1
Restricted Deposit	58,439	-	-
Loss allowance	-	-	(1)
Amortized cost	<u>\$ 79,542</u>	<u>4,059</u>	<u>-</u>
Carrying amount	<u>\$ 79,542</u>	<u>4,059</u>	<u>-</u>
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>

The movement in the provision for impairment with respect to the financial assets measured at amortized cost as of March 31, 2022 and 2021 were as follows:

	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2022	\$ -	-	1	1
Impairment loss recognized	-	-	9	9
Balance at March 31, 2022	<u>\$ -</u>	<u>-</u>	<u>10</u>	<u>10</u>

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, 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	<u>\$ -</u>	<u>-</u>	<u>23,973</u>	<u>23,973</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
<u>March 31, 2022</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 311,500	331,747	38,491	24,417	46,242	67,563	155,034
Accounts payable (non-interest bearing)	766,260	766,260	766,260	-	-	-	-
Other payables (non-interest bearing)	310,823	310,823	310,823	-	-	-	-
Bonds payable (fixed interest rate)	281,211	292,225	-	-	-	292,225	-
Lease liability (maturity within one year) (fixed interest rate)	155,471	170,971	17,324	17,324	35,350	86,279	14,694
Guarantee deposits (non-interest bearing)	6,270	6,270	-	-	1,764	4,506	-
	<u>\$ 1,831,535</u>	<u>1,878,296</u>	<u>1,132,898</u>	<u>41,741</u>	<u>83,356</u>	<u>450,573</u>	<u>169,728</u>
<u>December 31, 2021</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 328,334	349,662	43,513	20,964	44,741	80,125	160,319
Accounts payable (non-interest bearing)	731,687	731,687	731,687	-	-	-	-
Other payables (non-interest bearing)	196,331	196,331	196,331	-	-	-	-
Bonds payable (fixed interest rate)	291,696	303,768	-	-	-	303,768	-
Lease liability (maturity within one year) (fixed interest rate)	158,390	174,913	17,073	16,722	33,849	91,645	15,624
Guarantee deposits (non-interest bearing)	6,108	6,108	-	-	1,764	4,344	-
	<u>\$ 1,712,546</u>	<u>1,762,469</u>	<u>988,604</u>	<u>37,686</u>	<u>80,354</u>	<u>479,882</u>	<u>175,943</u>
<u>March 31, 2021</u>							
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	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

bearing)

\$ 1,731,005 1,772,989 1,280,738 60,876 77,958 196,565 156,852

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, 2022			December 31, 2021			March 31, 2021		
	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	\$ 25,858	28.625	741,142	33,672	27.68	931,913	36,338	28.535	1,036,264
EUR	1,065	31.92	33,991	769	31.32	24,100	938	33.48	31,420
CNY	34,677	4.506	156,254	41,259	4.344	179,228	42,805	4.344	185,957
<u>Non-monetary item</u>									
USD	512	28.625	14,652	466	27.68	12,906	229	28.535	6,538
Financial liabilities									
<u>Monetary items</u>									
USD	16,028	28.625	458,869	20,568	27.68	569,357	24,965	28.535	712,464
EUR	100	31.92	3,200	21	31.32	649	90	33.48	3,004
CNY	32,201	4.506	145,101	34,904	4.344	151,624	38,746	4.344	168,312
TWD	42,165	1	42,165	38,534	1	38,534	45,800	1	45,800

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, 2022 and 2021, 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 \$2,594 thousand and \$2,959 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 31,2022		For the three months ended March 31,2021	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ 17,371	-	(2,578)	-
CNY	1,614	4.41	(1,317)	4.3768
	<u>\$ 18,985</u>		<u>(3,895)</u>	

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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, 2022	Net profit decrease \$156 thousand	Net profit increase \$2156 thousand
Net profits after tax, January to March, 2021	Net profit decrease \$268 thousand	Net profit increase \$268 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 31,2022		For the three months ended March 31,2021	
Equity price at reporting date	Other comprehensive income After tax	Net income	Other comprehensive income After tax	Net income
Increase 3%	\$ 711	-	157	-
Decrease 3%	\$ (711)	-	(157)	-

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, 2022					
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	\$ <u>2,020</u>	-	2,020	-	2,020
Financial assets at FVOCI					
Foreign unlisted stock	\$ 14,652	-	-	14,652	14,652
Domestic unlisted stock	<u>11,954</u>	-	-	11,954	11,954
Subtotal	<u>\$ 26,606</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 101,175	-	-	-	-
Notes and accounts receivables	916,402	-	-	-	-
Other Financial assets -current	27,117	-	-	-	-
Other Financial assets -non current	<u>71,463</u>	-	-	-	-
Subtotal	<u>\$ 1,116,157</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 20,000	-	-	-	-
Account payable	766,260	-	-	-	-
Other payable	310,823	-	-	-	-
Long- term borrowing (Current portion)	39,521	-	-	-	-
Lease liability—current	29,191	-	-	-	-
Long -term borrowing	251,979	-	-	-	-
Lease liability—non current	126,280	-	-	-	-
Bonds payable	281,211	-	280,923	-	280,923
Deposits received	<u>6,270</u>	-	-	-	-
Subtotal	<u>\$ 1,831,535</u>				
December 31, 2021					
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	\$ <u>2,070</u>		2,070		2,070
Financial assets at FVOCI					
Foreign unlisted stock	\$ 12,906	-	-	12,906	12,906
Domestic unlisted stock	<u>11,954</u>	-	-	11,954	11,954
Subtotal	<u>\$ 24,860</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 157,294	-	-	-	-
Notes and accounts receivables	910,364	-	-	-	-
Other Financial assets -current	22,601	-	-	-	-
Other Financial assets -non current	<u>61,000</u>	-	-	-	-
Subtotal	<u>\$ 1,151,259</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 30,000	-	-	-	-

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

Account payable	731,687	-	-	-	-
Other payable	196,331	-	-	-	-
Long- term borrowing (Current portion)	30,939	-	-	-	-
Lease liability — current	28,244	-	-	-	-
Long -term borrowing	267,395	-	-	-	-
Lease liability — non current	130,146	-	-	-	-
Bonds payable	291,696	-	295,260	-	295,260
Deposits received	6,108	-	-	-	-
Subtotal	<u>\$ 1,712,546</u>				
March 31, 2022					
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Foreign 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	<u>13,832</u>	-	-	-	-
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 — non current	109,475	-	-	-	-
Deposits received	<u>6,108</u>	-	-	-	-
Subtotal	<u>\$ 1,731,005</u>				

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.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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, 2022 and 2021, 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.

	Financial assets measured at fair value through other comprehensive income
	Equity investment without an active market
Balance at January 1, 2022	\$ 24,860
Profit or loss-Recognized in other comprehensive profit or loss	<u>1,746</u>
Balance at March 31, 2022	<u>\$ 26,606</u>
Balance at January 1, 2021	\$ 4,383
Profit or loss-Recognized in other comprehensive profit or loss	<u>2,155</u>
Balance at March 31, 202	<u>\$ 6,538</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, 2022 and 2021.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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: Y.S.Tech U.S.A Inc.	Comparable listed company approach	<ul style="list-style-type: none"> ·Lack of market liquidity discount (March 31, 2022: 32.58% December 31, 2021: 38.22% March 31, 2021: 55.82%) ·Valuation multiples (March 31, 2022: 1.79 December 31, 2021: 1.78 March 31, 2021: 1.57) ·Stock price volatility (March 31, 2022: 39.72% December 31, 2021: 41.05% March 31, 2022: 64.18%) 	<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.
Financial assets at fair value through other comprehensive income -equity investments without an active market: CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	The Assets Value Method	<ul style="list-style-type: none"> • Net assets value • Discount for minority interest (As of March 31, 2022 and December 31, 2021: 16.64%, respectively.) • Lack of market liquidity discount interest (As of March 31, 2022 and December 31, 2021: 10%, respectively) 	<ul style="list-style-type: none"> The higher the net assets value is, the higher the fair value will be. The higher the discount for minority interest is, the lower the fair value will be. The higher the lack of market liquidity discount is, the lower the fair value will be.

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

VI. 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:

				Changes in fair value reflected in OCI	
				Favorable	Unfavorable
	Inputs	Fluctuation in inputs			
Balance at March 31, 2022					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market:	Market illiquidity discount rate 32.58%	10%	\$	2,173	(2,173)
Y.S.Tech U.S.A Inc.	Valuation multiples 1.79	5%		751	(750)
	Stock price volatility 39.72%	5%		1,012	(946)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	159	(159)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,328	(1,328)
Balance at December 31, 2021					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Market illiquidity discount rate 38.22%	10%	\$	2,089	(2,089)
Y.S.Tech U.S.A Inc.	Valuation multiples 1.78	5%		631	(662)
	Stock price volatility 41.05%	5%		1,010	(978)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	159	(159)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					

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

	Market illiquidity discount rate 10%	10%		1,328	(1,328)
Balance at March 31, 2021					
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)
Y.S.Tech U.S.A Inc.	Valuation multiples 1.57	5%		358	(293)
	Stock price volatility 64.18%	5%		553	(488)

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.

(26) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2021 consolidated financial report. Please refer to Note 6(26) of 2021 consolidated financial statements.

(27) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2021 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2021 consolidated financial statements. Please refer to Note 6(27) of 2021 consolidated financial statements for more information.

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

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

The reconciliation of liabilities from financing activities is as follows:

	January 1, 2022	Cash flows	Foreign exchange movement	Non-cash changes Amortized interest	Increased in lease liabilities	Converted to ordinary shares	March 31, 2022
Short-term borrowings	\$ 30,000	(10,000)	-	-	-	-	20,000
Long-term borrowings (including current portion)	298,334	(6,834)	-	-	-	-	291,500
Bonds payable	291,696	-	-	606	-	(11,091)	281,211
Lease liabilities (current and non-current)	158,390	(7,414)	1,763	-	2,732	-	155,471
Guarantee deposit received	6,108	-	162	-	-	-	6,270
Total liabilities from financing activities	<u>\$ 784,528</u>	<u>(24,248)</u>	<u>1,925</u>	<u>606</u>	<u>2,732</u>	<u>(11,091)</u>	<u>754,452</u>

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

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

7. Related-party transactions

A. Endorsement and guarantee

The Group loan from financial institutions on March 31, 2022, December 31, 2021 and March 31, 2021. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which is \$ 80,000 thousand, \$ 80,000 thousand and \$ 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, 2022	For the three months ended March 31, 2021
Short-term employee benefits	\$ 5,768	5,512
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	<u>\$ 5,768</u>	<u>5,512</u>

On March 31, 2022, December 31, 2021 and March 31, 2021, the Group provided 2 rental cars for the use of main management and been recognized as right of use assets of transportation equipment, the originally cost was \$3,319 thousand, \$3,319 thousand and \$4,067 thousand, respectively.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	March 31, 2022	December 31, 2021	March 31, 2021
Deposit account (Reserve account)	Long-term/short-term borrowing, customs taxes, company debt and other repayment accounts	\$ 51,212	55,778	10,204
Time deposit	Guarantee of sales channel and short-term borrowing	11,306	2,661	2,712
Land	Guarantee of long-term/short-term borrowing	291,848	291,848	267,535
Buildings	Guarantee of long-term/short-term	<u>121,643</u>	<u>124,089</u>	<u>131,102</u>

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

borrowing

\$ 476,009 474,376 411,553

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	March 31, 2022	December 31, 2021	March 31, 2021
Acquisition of property, plant and equipment	<u>\$ 19,907</u>	<u>12,231</u>	<u>13,029</u>

B. Standby letter of credit:

	March 31, 2022	December 31, 2021	March 31, 2021
Purchases of raw materials	<u>\$ 72,807</u>	<u>72,446</u>	<u>57,668</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, 2022			For the three months ended March 31, 2021		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits:						
Salary	65,832	42,718	108,550	67,153	37,224	104,377
Labor and health insurance	5,179	4,680	9,859	4,517	4,057	8,574
Pension expense	3,599	2,228	5,827	3,186	2,126	5,312
Remuneration of directors	-	859	859	-	1,784	1,784
Other personnel cost	4,690	2,011	6,701	4,526	1,922	6,448
Depreciation	17,510	13,179	30,689	13,855	11,438	25,293
Amortization	4	502	506	3	365	368

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, 2022.

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	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Other receivable –related parties	Yes	123,148 (USD 4,302,111)	101,407 (USD 3,542,615)	101,407 (USD 3,542,615)	-	(Note 4)	-	Working capital	-	-	-	304,801 (Note 2)	304,801 (Note 2)
0	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Other receivable –related parties	Yes	1,006 (RMB 223,285)	-	-	-	(Note 4)	-	Working capital	-	-	-	304,801 (Note 2)	304,801 (Note 2)

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

(Note 2) If financing is necessary, the loan limit shall not exceed 200% of Y.H. Tech International Corp.'s net equity.

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

(Note 4) The Company held directly and indirectly 100% of the voting right shares foreign subsidiaries, their financing period is not restricted by 1 year or one business cycle. The loan period is 3 years from the date of actual allocation.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Guarantees and endorsements for other parties: None

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	-	-	17.75%	-	-
The Company	Y.S. Tech U.S.A Inc. stock	-	Financial assets at FVOCI — non-current	114,000	14,652	19.16%	14,652	-
The Company	CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	-	Financial assets at FVOCI — non-current	1,600,000	11,954	5.00%	11,954	

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	237,257	31.50%	(Note 1)	Single supplier	(Note 1)	44,348 (Note 2)	93.96% (Note 4)	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	165,204	21.93%	(Note 1)	Single supplier	(Note 1)	(77,342)	19.63%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	155,743	86.38%	(Note 1)	Single supplier	(Note 1)	(82,654)	100.00%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	237,257	100.00%	(Note 1)	Single supplier	(Note 1)	(44,348) (Note 2)	100.00% (Note 4)	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	165,204	100.00%	(Note 1)	Single supplier	(Note 1)	77,342	100.00%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary	Sale	155,743	100.00%	(Note 1)	Single supplier	(Note 1)	82,654	100.00%	

(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)

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			
Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Subsidiary to Son Company	Other receivable		-	-	-	-	
			101,407 (Note 2)	- (Note 1)					

(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.

IX. Trading in derivative instruments: Please refer to Note 6(2) and 6(14).

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	11,435	Overdue accounts receivable None comparable terms	0.37%
0	The Company	Y.H. Tech International Corp.	1	Purchase Procurement of raw materials Accounts payable	165,204 25,235 77,342	None comparable terms The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	17.57% 0.82% 2.50%
0	The Company	Y.H. Tech International Corp.	1	Other receivables Receipts under custody	59 223	None comparable terms	- 0.01%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase Sale Procurement of raw materials Accounts receivable Accounts payable	90,453 1,411 34,130 76,312 3,512	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	9.62% 0.15% 3.63% 2.47% 0.11%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Other receivables	282	None comparable terms	0.01%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase Procurement of raw materials Prepayment of purchase Rental income	237,257 4,374 44,348 1,260	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	25.23% 0.47% 1.43% 0.13%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Long-term accounts receivable-Interest	12,988	Financial intermediation. No interest since 2017	0.42%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable	155,743 20,181 82,654	None comparable terms; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	16.56% 2.15% 2.67%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Other receivables	59	None comparable terms.	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

2	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other receivables — Loans to other parties	101,407	Financial intermediation. No interest	3.28%
3	Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Sales Accounts receivable Procurement of raw materials Prepayment of purchase Other receivables	89,943 1,435 62,713 24,926 8,051 484	None comparable terms; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	9.56% 0.15% 2.03% 2.65% 0.26% 0.02%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Accounts payable Other receivables	3,853 5,112 94	None comparable terms.	0.41% 0.17% -
4	DARSON ELECTRONIC (DONGGUAN) LTD.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other payables Receipts under custody	2,329 18,024	Entrusted collection, None comparable terms	0.08% 0.58%

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 (Note)	investment income (less) recognized (Note)	Remarks
				March 31,2022	December 31,2021	Shares owned	Percentage owned	Carrying value (Note)			
The Company	Yen Sun Technology (BVI) Corp.	British Virgin Islands	Investment holding	284,844	284,844	500,000	100%	(80,493)	3,243	3,243	Subsidiary
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,583	1,000,000	100%	131,578	(2,802)	(2,802)	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	161,529	(7,609)	(7,609)	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	96,494	7,679	5,168	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	152,409	(7,324)	(7,324)	Sub-Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Tong Tech International (Samoa) Corp.	Samoa	Investment holding	1,916	1,916	10,000,000	100%	1	-	-	Sub-Subsidiary
Yen Hung International Corp.	Y.H. Tech International Corp.	ST. Kitts and Nevis	Investment holding	30,179	30,179	1,000,000	100%	152,400	(7,324)	(7,324)	Sub-Subsidiary

(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, 2022	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, 2022 (Note 3)	Accumulated investment income repatriated to Taiwan as of Mar. 31, 2022
					Remittance	Repatriation						
SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Manufacturing and sales of Home Appliances, Cooling fan	280,680 (USD9,500,000)	Invest through Yen Sun Technology (BVI) Corp. then invest in Mainland China	258,349 (USD 8,700,000)	22,330 (USD8,000)	-	280,680 (USD9,500,000)	2,633	100%	2,633 (Note 4)	(93,519) (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)	(11,339)	100%	(11,691) (Note 1)	37,459 (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)	(2,802)	100%	(2,802) (Note 1)	131,578 (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
310,441 (Note 2) (USD 10,845,000)	310,441 (Note 2) (USD 10,845,000)	667,830

(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, 2022 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	Shares held	Shares held ratio
Name of major shareholders			
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, 2022				
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from	\$ 273,346	667,121	-	940,467
external customers				
Total revenue	\$ 273,346	667,121	-	940,467
Reportable segment	\$ (3,211)	56,899	2,629	56,317
income				
For the three months ended March 31, 2021				
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from	\$ 205,130	746,073	-	951,203
external customers				
Total revenue	\$ 205,130	746,073	-	951,203
Reportable segment	\$ (17,839)	87,498	(363)	69,296
income				
Segment Assets				
March 31, 2022	\$ 960,144	2,097,693	32,817	3,090,654
December 31, 2021	\$ 909,294	2,109,313	40,687	3,059,294
March 31, 2021	\$ 892,568	1,964,012	19,866	2,876,446