

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

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

For The Six Months Ended June 30, 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 June 30, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 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 \$19,672 thousand and \$20,260 thousand, both constituting 1% of consolidated total assets as of June 30, 2022 and 2021. Total liabilities amounting to \$5,965 thousand and \$10,830 thousand, constituting 0% and 1% of consolidated total liabilities as of June 30, 2022 and 2021. The total comprehensive loss amounting to \$(2,090) thousand, \$2,058 thousand, \$(2,254) thousand and \$4,313 thousand, constituting (3)%, 4%, (2)% and 4% of consolidated total comprehensive loss for the three and six months ended June 30, 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 Yen Sun Technology Corp. and subsidiaries as of June 30, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three and six months ended June 30, 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 Yung Hsiang, Chen and Chen Lung, Hsu

KPMG

Taipei, Taiwan (Republic of China)

August 8, 2022

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

June 30, 2022, December 31, 2021 and June 30, 2021

(Reviewed, not audited)

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 and six months ended June 30, 2022 and 2021

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

		For the three months ended June 30,				For the six months ended June 30,			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (note 6(23))	\$ 1,044,915	100	992,009	100	1,985,382	100	1,943,212	100
5000	Operating costs (notes 6(7)(19) and 12)	850,410	81	806,844	82	1,648,041	83	1,582,171	82
5900	Gross Income (Loss) from Operations	194,505	19	185,165	18	337,341	17	361,041	18
6000	Operating expenses (notes 6(19)(24) and 12):								
6100	Selling expenses	48,038	5	48,660	5	91,783	5	90,844	5
6200	General and administrative expenses	35,039	3	32,285	3	69,168	3	64,520	3
6300	Research and development expenses	41,308	4	32,879	3	81,589	4	64,666	3
6450	Expected credit impairment loss(profit)(note6(5)(6)(26))	210	-	405	-	464	-	1,393	-
	Total operating expenses	124,595	12	114,229	11	243,004	12	221,423	11
6900	Net operating income	69,910	7	70,936	7	94,337	5	139,618	7
7000	Non-operating income and expenses (notes 6(25)):								
7100	Interest Income	112	-	88	-	164	-	135	-
7010	Other Income	14,109	1	13,011	1	30,610	2	20,683	1
7020	Other gains and losses	3,856	-	(10,525)	(1)	22,348	1	(14,457)	(1)
7050	Finance costs	(3,569)	-	(3,228)	-	(6,724)	-	(6,401)	-
	Total non-operating income and expenses	14,508	1	(654)	-	46,398	3	(40)	-
7900	Profit before income tax from continuing operations:	84,418	8	70,282	7	140,735	8	139,578	7
7950	Loss: Income tax expense (notes 6(20))	16,664	2	20,378	2	30,420	2	38,723	2
8200	Net Profit (loss)	67,754	6	49,904	5	110,315	6	100,855	5
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(21))	(3,067)	-	1,720	-	(1,321)	-	3,875	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(20))	(469)	-	344	-	(120)	-	1,005	-
	Total items that will not be reclassified to profit or loss	(2,598)	-	1,376	-	(1,201)	-	2,870	-
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation (notes 6(21))	(1,057)	-	613	-	1,824	-	676	-
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	(1,057)	-	613	-	1,824	-	676	-
8300	Other comprehensive income, net	(3,655)	-	1,989	-	623	-	3,546	-
8500	Comprehensive income	\$ 64,099	6	51,893	5	110,938	6	104,401	5
	Basic earnings per share (in dollar, note6(22))								
9750	Total basic earnings per share (in NTD)	\$ 0.98		0.72		1.59		1.46	
9850	Diluted earnings per share (in NTD)	\$ 0.88		0.72		1.42		1.46	

See accompanying notes to consolidated financial statements.

(Reviewed, not audited)
YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 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	-	-	-	-	100,855	100,855	-	-	-	-	100,855
Other comprehensive income	-	-	-	-	-	-	676	2,870	3,546	-	3,546
Total comprehensive income	-	-	-	-	100,855	100,855	676	2,870	3,546	-	104,401
Earnings allocation and distribution:											
Cash dividend of common stock	-	-	-	-	(103,531)	(103,531)	-	-	-	-	(103,531)
Balance as of June 30, 2021	\$ 697,869	119,761	48,441	3,798	193,431	245,670	17,370	4,022	21,392	(11,773)	1,072,919
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	-	-	-	-	110,315	110,315	-	-	-	-	110,315
Other comprehensive income	-	-	-	-	-	-	1,824	(1,201)	623	-	623
Total comprehensive income	-	-	-	-	110,315	110,315	1,824	(1,201)	623	-	110,938
Earnings allocation and distribution:											
Provision of legal reserve	-	-	19,859	-	(19,859)	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(152,337)	(152,337)	-	-	-	-	(152,337)
			19,859		(172,196)	(152,337)					(152,337)
Convert of convertible Bond	3,800	7,216	-	-	-	-	-	-	-	-	11,016
Balance as of June 30, 2022	\$ 701,669	164,367	82,199	3,798	215,383	301,380	19,012	2,494	21,506	(11,773)	1,177,149

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

	For the six months ended June 30	
	2022	2021
Cash flows from (used in) operating activities:		
Profit (Loss) before tax	\$ 140,735	139,578
Adjustments:		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss (reversal gain)	464	1,393
Depreciation expense	61,492	51,551
Amortization expense	1,024	804
Net loss on financial assets or liabilities at fair value through profit or loss	1,735	396
Interest expense	6,724	6,401
Interest income	(164)	(135)
Loss on disposal of property, plant and equipment	3,337	50
Unrealized foreign exchange loss (gain)	(4,749)	571
Total adjustments to reconcile profit:	69,863	61,031
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	(8,595)	5,070
Accounts receivable	(50,646)	(250,810)
Inventories	86,993	(221,575)
Other current assets	1,039	(4,762)
Other financial assets	(8,279)	(5,666)
Total changes in operating assets:	20,512	(477,743)
Net changes in operating liabilities:		
Accounts payable	(53,018)	180,114
Other payable	(35,822)	(9,236)
Other current liabilities	(11,902)	10,825
Net defined benefit liability	(4,185)	(1,025)
Total changes in operating liabilities	(104,927)	180,678
Total net changes in operating assets and liabilities	(84,415)	(297,065)
Total adjustments	(14,552)	(236,034)
Cash flows generated from operating	126,183	(96,456)
Interest received	159	157
Interest paid	(5,535)	(6,407)
Income taxes paid	(22,555)	(4,864)
Net cash flows from (used in) operating activities	98,252	(107,570)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,500)	(16,000)
Acquisition of property, plant and equipment	(38,716)	(34,945)
Proceeds from disposal of property, plant and equipment	265	529
Increase in guarantee deposits paid	(1,909)	(831)
Acquisition of intangible assets	(1,351)	(3,923)
Increase in restricted deposit	(7,031)	(1,673)
Increase in prepayments for equipment	(11,341)	(15,752)
Net cash flows from (used in) investing activities:	(62,583)	(72,595)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	(10,000)	49,444
Proceeds from long-term borrowings	-	50,000
Repayment of long-term borrowings	(13,667)	(25,293)
Payment of lease liabilities	(45,649)	(11,691)
Net cash flows from (used in) financing activities	(69,316)	62,460
Effect of exchange rate changes on cash and cash equivalents	458	4,964
Net increase (decrease) in cash and cash equivalents	(33,189)	(112,741)
Cash and cash equivalents at beginning of period	157,294	289,207
Cash and cash equivalents at end of period	\$ 124,105	176,466

See accompanying notes to consolidated financial statements.

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

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

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

For the six months ended June 30, 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 major business activities of the Company and subsidiaries (jointly referred to 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 August 8, 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) **The impact of IFRS endorsed by FSC but not adopted yet**

The Group has evaluated that the adoption of following new amendments, which will be effective from January 1, 2023, will not have a significant impact on its consolidated financial statements.

- 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”

- (3) 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:

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

- 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”

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
			June 30, 2022	December 31, 2021	June 30, 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.	YEN GIANT METAL (DONGGUAN) CO., LTD. (“YEN GIANT”)	Manufacture of electronic cooling fan and heat sink and thermal module products	100%	100%	100%	-

See accompanying notes to consolidated financial statements.

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>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Cash and petty cash	\$ 1,845	2,162	1,540
Check deposits	10	74	50
Demand deposits	122,250	154,758	174,576
Time deposits	-	300	300
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 124,105</u>	<u>157,294</u>	<u>176,466</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 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>\$ 260</u>	<u>2,070</u>	<u>-</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Financial liability held for trading			
Foreign currency derivatives	<u>\$ -</u>	<u>-</u>	<u>392</u>

For the amount of financial liabilities at fair value through profit or loss, please refer to Note 6(25).

The transactions of foreign currency derivatives of the Group are used to manage the risks of the exchange rate that are exposed by business activities. Hedge accounting was not applied; The details of foreign currency derivatives that have not yet been settled at the end of the period are as follows:

See accompanying notes to consolidated financial statements.

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

	June 30, 2021		
	Contract amount (thousands)	Currency	Maturity dates
Forward exchange agreement :			
Sold	USD\$ 2,300	USD to RMB	July 13,2021~August 13,2021

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks —			
Y.S. Tech U.S.A Inc.	\$ 12,299	12,906	8,258
Domestic un-listed stocks —			
CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	13,740	11,954	16,000
Total	<u>\$ 26,039</u>	<u>24,860</u>	<u>24,258</u>

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of from three and six months ended June 30, 2022 and 2021.

For information of market risk, please refer to Note 6(26)

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

(5) Notes and accounts receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes receivable from operating activities	\$ 37,350	28,748	18,986
Accounts receivables— measured as amortized cost	962,751	901,040	1,005,322
Less: Allowance for impairment	<u>(20,151)</u>	<u>(19,424)</u>	<u>(25,507)</u>
	<u>\$ 979,950</u>	<u>910,364</u>	<u>998,801</u>
Book as:			
Notes receivable	\$ 37,350	28,748	18,986
Net amount of accounts receivable	<u>942,600</u>	<u>881,616</u>	<u>979,815</u>
	<u>\$ 979,950</u>	<u>910,364</u>	<u>998,801</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>June 30, 2022</u>	
	<u>Carrying amount of Notes and accounts receivable</u>	<u>Weighted-average expected credit loss rate</u>
Not over due	\$ 959,948	0.05%
Overdue less than 90 days	20,460	0.94%
Overdue 91 to 180 days	315	28.89%
Overdue 181 to 240 days	-	-
Overdue over 241 days	<u>19,378</u>	<u>100.00%</u>
	<u>\$ 1,000,101</u>	<u>20,151</u>

See accompanying notes to consolidated financial statements.

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>

	June 30, 2021		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 978,611	0.06%	569
Overdue less than 90 days	21,222	2.87%	610
Overdue 91 to 180 days	181	34.64%	63
Overdue 181 to 240 days	71	59.57%	42
Overdue over 241 days	<u>24,223</u>	100.00%	<u>24,223</u>
	<u>\$ 1,024,308</u>		<u>25,507</u>

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

	For the six months ended June 30	
	2022	2021
Balance at January 1	\$ 19,424	24,427
Impairment losses recognized (reversed)	422	1,388
Effect of changes in foreign exchange rates	<u>305</u>	<u>(308)</u>
Balance at June 30	<u>\$ 20,151</u>	<u>25,507</u>

The abovementioned financial assets were not pledged as collateral.

Please refer to Note 6(26) for credit risk.

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

(6) Other financial assets

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Refundable deposits	\$ 12,468	10,445	9,619
Other receivables-disposal of operation department in Mainland China	-	-	23,776
Other receivables—Other	23,080	14,718	19,741
Restricted deposits	65,470	58,439	12,877
Less: Loss allowance-Overdue Receivable	-	-	(23,776)
Less: Loss allowance-Others	(43)	(1)	(7)
	<u>\$ 100,975</u>	<u>83,601</u>	<u>42,230</u>
Book as:			
Other financial assets—current	\$ 31,838	22,601	27,609
Other financial assets—non-current	69,137	61,000	14,621
	<u>\$ 100,975</u>	<u>83,601</u>	<u>42,230</u>

Please refer to Note 6(26) for credit risk. The abovementioned other financial assets pledged as collateral are disclosed in Note 8.

(7) Inventories

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Raw materials and supplies	\$ 346,209	403,124	439,265
Work in progress	278,161	272,506	294,502
Finished goods and Merchandise inventories	242,405	272,794	183,745
	<u>\$ 866,775</u>	<u>948,424</u>	<u>917,512</u>

For the three and six months ended June 30, 2022 and 2021, recognition of inventory impairment losses due to write-off of inventories to net realizable value was \$1,833 thousand, \$6,121 thousand, \$5,972 thousand and \$10,096 thousand, respectively; And has been recognize under operating costs.

Abovementioned inventories were not pledged as collaterals.

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

(8) 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	-	5,978	11,912	12,848	2,772	16,602	50,112
Reclassification	-	1,352	-	-	-	(1,352)	-
Disposals	-	-	(14,719)	(1,241)	(3,501)	-	(19,461)
Effect of movements in exchange rates	-	441	2,473	1,487	379	-	4,780
Balance at June 30, 2022	\$ 291,848	206,547	301,489	454,886	115,652	19,517	1,389,939
Balance at January 1, 2021	\$ 291,685	186,408	256,380	421,722	98,267	1,396	1,255,858
Additions	163	4,052	26,012	12,370	3,977	644	47,218
Reclassification	-	942	-	-	-	(942)	-
Disposals	-	-	(1,342)	(663)	(221)	-	(2,226)
Effect of movements in exchange rates	-	(282)	(1,525)	(889)	(243)	(3)	(2,942)
Balance at June 30, 2021	\$ 291,848	191,120	279,525	432,540	101,780	1,095	1,297,908
Accumulated depreciation and Impairment:							
Balance at January 1, 2022	\$ -	56,370	165,281	368,102	72,860	-	662,613
Depreciation for the year	-	9,367	14,863	16,169	5,277	-	45,676
Disposals	-	-	(13,529)	(1,097)	(3,115)	-	(17,741)
Effect of movements in exchange rates	-	333	1,037	933	257	-	2,560
Balance at June 30, 2022	\$ -	66,070	167,652	384,107	75,279	-	693,108
Balance at January 1, 2021	\$ -	39,854	144,651	344,140	66,574	-	595,219
Depreciation for the year	-	7,871	12,162	14,567	3,490	-	38,090
Disposals	-	-	(800)	(650)	(197)	-	(1,647)
Effect of movements in exchange rates	-	(177)	(667)	(597)	(171)	-	(1,612)
Balance at June 30, 2021	\$ -	47,548	155,346	357,460	69,696	-	630,050
Carrying amounts:							
Balance at January 1, 2022	\$ 291,848	142,406	136,542	73,690	43,142	4,267	691,895
Balance at June 30, 2022	\$ 291,848	140,477	133,837	70,779	40,373	19,517	696,831
Balance at January 1, 2021	\$ 291,685	146,554	111,729	77,582	31,693	1,396	660,639
Balance at June 30, 2021	\$ 291,848	143,572	124,179	75,080	32,084	1,095	667,858

Please refer to Note 6(25) 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)

(9) Right-of-use assets

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

	<u>Land</u>	<u>Building and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Right-of-use assets cost:				
Balance at January 1, 2022	\$ 948	211,204	4,754	216,906
Additions	138,407	404	607	139,418
Decrease	-	(3,167)	(1,434)	(4,601)
Effect of movements in exchange rates	-	3,326	-	3,326
Balance at June 30, 2022	<u><u>\$ 139,355</u></u>	<u><u>211,767</u></u>	<u><u>3,927</u></u>	<u><u>355,049</u></u>
Balance at January 1, 2021	\$ -	162,889	6,371	169,260
Additions	-	15,421	803	16,224
Decrease	-	-	(1,551)	(1,551)
Effect of movements in exchange rates	-	(2,298)	-	(2,298)
Balance at June 30, 2021	<u><u>\$ -</u></u>	<u><u>176,012</u></u>	<u><u>5,623</u></u>	<u><u>181,635</u></u>
Accumulated Depreciation:				
Balance at January 1, 2022	\$ 16	64,641	2,176	66,833
Additions	279	14,740	633	15,652
Decrease	-	(3,167)	(1,434)	(4,601)
Effect of movements in exchange rates	-	1,192	-	1,192
Balance at June 30, 2022	<u><u>\$ 295</u></u>	<u><u>77,406</u></u>	<u><u>1,375</u></u>	<u><u>79,076</u></u>
Balance at January 1, 2021	\$ -	38,059	2,917	40,976
Additions	-	12,305	960	13,265
Decrease	-	-	(1,551)	(1,551)
Effect of movements in exchange rates	-	(623)	-	(623)
Balance at June 30, 2021	<u><u>\$ -</u></u>	<u><u>49,741</u></u>	<u><u>2,326</u></u>	<u><u>52,067</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>
Balance at June 30, 2022	<u><u>\$ 139,060</u></u>	<u><u>134,361</u></u>	<u><u>2,552</u></u>	<u><u>275,973</u></u>
Balance at January 1, 2021	<u><u>\$ -</u></u>	<u><u>124,830</u></u>	<u><u>3,454</u></u>	<u><u>128,284</u></u>
Balance at June 30, 2021	<u><u>\$ -</u></u>	<u><u>126,271</u></u>	<u><u>3,297</u></u>	<u><u>129,568</u></u>

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

(10) Investment Property

	Owne property	Building and construction	
	Building and construction	Land	Total
Cost & recognized as cost			
Balance at January 1, 2022	\$ 56,427	7,322	63,749
Disposal	(18,867)		(18,867)
Effect of movements in exchange rates	1,184	160	1,344
Balance at June 30, 2022	<u><u>\$ 38,744</u></u>	<u><u>7,482</u></u>	<u><u>46,226</u></u>
Balance at January 1, 2021	\$ 56,856	7,377	64,233
Effect of movements in exchange rates	(883)	(115)	(998)
Balance at June 30, 2021	<u><u>\$ 55,973</u></u>	<u><u>7,262</u></u>	<u><u>63,235</u></u>
Accumulated Depreciation:			
Balance at January 1, 2022	\$ 50,712	845	51,557
Depreciation of current portion	20	144	164
Disposal	(16,985)		(16,985)
Effect of movements in exchange rates	1,064	20	1,084
Balance at June 30, 2022	<u><u>\$ 34,811</u></u>	<u><u>1,009</u></u>	<u><u>35,820</u></u>
Balance at January 1, 2021	\$ 50,989	567	51,556
Depreciation of current portion	55	141	196
Effect of movements in exchange rates	(793)	(10)	(803)
Balance at June 30, 2021	<u><u>\$ 50,251</u></u>	<u><u>698</u></u>	<u><u>50,949</u></u>
Carrying amounts:			
Balance at January 1, 2022	<u><u>\$ 5,715</u></u>	<u><u>6,477</u></u>	<u><u>12,192</u></u>
Balance at June 30, 2022	<u><u>\$ 3,933</u></u>	<u><u>6,473</u></u>	<u><u>10,406</u></u>
Balance at January 1, 2021	<u><u>\$ 5,868</u></u>	<u><u>6,809</u></u>	<u><u>12,677</u></u>
Balance at June 30, 2021	<u><u>\$ 5,723</u></u>	<u><u>6,563</u></u>	<u><u>12,286</u></u>

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

None investment property were pledged as collateral.

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

(11) Intangible assets

	Computer software	Other	Total
Carrying amounts:			
Balance at January 1, 2022	\$ 4,931	307	5,238
Balance at June 30, 2022	\$ 5,349	220	5,569
Balance at January 1, 2021	\$ 2,633	485	3,118
Balance at June 30, 2021	\$ 5,838	395	6,233

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of intangible assets for the six months ended June 30, 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.

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

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

	June 30, 2022	December 31, 2021	June 30, 2021
Prepayment for purchases	\$ 3,456	5,896	7,525
Prepaid expense	7,040	4,331	6,204
Prepayments for equipment	11,341	15,742	22,901
Income tax refund receivable	27,456	28,816	24,403
Assets for right to recover product to be returned	3,054	2,579	2,399
Other	-	734	738
	\$ 52,347	58,098	64,170
Current	\$ 41,006	42,356	41,269
Non-current	11,341	15,742	22,901
	\$ 52,347	58,098	64,170

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

(13) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Letters of credit	\$ -	-	590
Unsecured bank loans	20,000	30,000	106,000
Secured bank loans	-	-	45,000
Total	<u>\$ 20,000</u>	<u>30,000</u>	<u>151,590</u>
Unused short-term credit lines	<u>\$ 949,228</u>	<u>785,554</u>	<u>744,627</u>
Range of interest rates	<u>1.37%~1.4%</u>	<u>1.10%~1.20%</u>	<u>1.00%~1.26%</u>

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

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Unsecured bank borrowings	\$ 49,667	63,334	124,802
Secured bank loans	235,000	235,000	265,984
	284,667	298,334	390,786
Less: current portion	44,116	30,939	87,404
Total	<u>\$ 240,551</u>	<u>267,395</u>	<u>303,382</u>
Unused long-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>1.58%~1.68%</u>	<u>1.20%~1.35%</u>	<u>1.25%~1.70%</u>

A. There is no major issuance, repurchase, or repayment of long-term borrowing from January 1 to June 30, 2022 and 2021. Please refer to Note 6 (25) 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.

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

(15) Bonds payable

The details of secured convertible bonds were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Total convertible corporate bonds issued	\$ 300,000	300,000	-
Add: Interest payable refund	541	187	-
Less: Accumulated conversion amount	(11,400)	-	-
Less: Unamortized discounted bonds payable	<u>(7,329)</u>	<u>(8,491)</u>	<u>-</u>
Issued bonds payable balance at year-end	<u>\$ 281,812</u>	<u>291,696</u>	<u>-</u>
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	<u>\$ 260</u>	<u>2,070</u>	<u>-</u>
Equity component – conversion options, included in capital surplus– stock options	<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 (25) 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 June 30, 2022, please refer to Note 6 (21).

(16) Lease liabilities

The details of lease liabilities were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Current	<u>\$ 29,952</u>	<u>28,244</u>	<u>25,197</u>
Non-current	<u>\$ 224,522</u>	<u>130,146</u>	<u>111,625</u>

For maturity analysis, please refer to Note 6 (26) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended June 30, 2022</u>	<u>For the three months ended June 30, 2021</u>	<u>For the six months ended June 30, 2022</u>	<u>For the six months ended June 30, 2021</u>
Interest on lease liabilities	<u>\$ 1,667</u>	<u>1,509</u>	<u>3,176</u>	<u>3,088</u>
Expenses relating to short-term leases	<u>\$ 168</u>	<u>75</u>	<u>332</u>	<u>250</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 112</u>	<u>158</u>	<u>232</u>	<u>318</u>

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

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

	For the six months ended June 30,2022	For the six months ended June 30,2021
Total cash outflow for leases	<u>\$ 49,389</u>	<u>15,347</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 50 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 5years.

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.

(17) Other current and non-current liabilities

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Advance receipts	\$ 12,290	15,506	21,988
Provision for warranties	1,438	1,195	1,060
Refund liabilities	5,377	6,750	6,149
Other	<u>10,189</u>	<u>17,652</u>	<u>18,458</u>
	<u>\$ 29,294</u>	<u>41,103</u>	<u>47,655</u>

There was no significant movement of liabilities provision for the six months ended June 30, 2022 and 2021. Please refer Note 6(16) of consolidated financial report for the year ended December 31, 2021 for other related information

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

(18) Operating lease

There was no significant movement and addition of operating lease contracts for the six months ended June 30, 2022 and 2021. Please refer Note 6(17) of consolidated financial report for the year ended December 31, 2021 for other related information.

(19) 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:

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Operating cost	\$ 58	51	116	103
Selling expenses	15	22	30	44
Total	\$ 73	73	146	147

B. Defined contribution plans

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

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Operating cost	\$ 3,748	3,250	7,289	6,384
Selling expenses	625	634	1,237	1,301
General and administrative expenses	683	696	1,345	1,407
Research and development expenses	954	720	1,893	1,446
Total	\$ 6,010	5,300	11,764	10,538

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

(20) 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 June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Current portion	\$ 16,664	20,499	30,420	38,844
Adjusted current income tax of previous period	-	(121)	-	(121)
Current income tax expense	<u><u>\$ 16,664</u></u>	<u><u>20,378</u></u>	<u><u>30,420</u></u>	<u><u>38,723</u></u>

The Group recognize income tax which under other comprehensive income for the three months & six months ended June 30, 2022 and 2021 was \$(469) thousand, \$ 344 thousand, \$ (120) thousand, and \$ 1,005 thousand, respectively.

The Company's income tax returns for all fiscal years up to 2019 have been examined and approved by the tax authority

(21) Capital and other equity

As of June 30, 2022, December 31, 2021 and June 30,2021; 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 six months ended June 30, 2022 and 2021 was as follows:

(in thousands of shares)	For the six months ended June 30,2022	For the six months ended June 30,2021
Balance on January 1	69,787	69,787
Converting of convertible bonds	380	-
Balance on June 30	<u><u>70,167</u></u>	<u><u>69,787</u></u>

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

A. Issuance of common shares

From January 1 to June 30, 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>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 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 stock 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 8, 2022 and March 9, 2021. The relevant dividend distributions to shareholders were as follows:

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

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

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	1,824	(1,201)	623
Balance at June 30, 2022	<u>\$ 19,012</u>	<u>2,494</u>	<u>21,506</u>
Balance at January 1, 2021	\$ 16,694	1,152	17,846
Changes of the Group	676	2,870	3,546
Balance at June 30, 2021	<u>\$ 17,370</u>	<u>4,022</u>	<u>21,392</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 June 30, 2022, December 31, 2021 and June 30, 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.

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

(22) Earnings per share

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

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	<u>\$ 67,754</u>	<u>49,904</u>	<u>110,315</u>	<u>100,855</u>
Weighted-average number of common shares at end of year (expressed in thousands of shares)	<u>69,401</u>	<u>69,021</u>	<u>69,329</u>	<u>69,021</u>
Earnings per share (NTD \$)	<u>\$ 0.98</u>	<u>0.72</u>	<u>1.59</u>	<u>1.46</u>
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company	\$ 67,754	49,904	110,315	100,855
Effect of potentially dilutive common stock-Convertible Bonds	<u>\$ 1,889</u>	<u>-</u>	<u>2,353</u>	<u>-</u>
Profit(loss) attributable to ordinary shareholders of the Company (After adjusted effected amount of potentially dilutive common stock)	<u>\$ 69,643</u>	<u>49,904</u>	<u>112,668</u>	<u>100,855</u>
Weighted-average number of common shares(thousand)	69,401	69,021	69,329	69,021
Effect of employee share bonus (expressed in thousands of shares)	86	87	129	128
Effect of convertible bonds	<u>9,620</u>	<u>-</u>	<u>9,692</u>	<u>-</u>
Weighted-average number of common shares (expressed in thousands of shares)	<u>79,107</u>	<u>69,108</u>	<u>79,150</u>	<u>69,149</u>
Earnings per share (Diluted)	<u>\$ 0.88</u>	<u>0.72</u>	<u>1.42</u>	<u>1.46</u>

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

(23) Revenue from contracts with customers

A. Details of revenue

For the three months ended June 30, 2022			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 243,451	249,201	492,652
Mainland China	-	132,821	132,821
Germany	-	248,379	248,379
America	-	71,323	71,323
Japan	6,046	3,860	9,906
South Korea	4,789	25,220	30,009
Others	1,913	57,912	59,825
	\$ 256,199	788,716	1,044,915
Major products services lines:			
Cooling fan	\$ -	719,134	719,134
Product of home appliances—air series	141,331	-	141,331
Product of home appliances—water series	49,444	-	49,444
Heat sink and thermal module	-	59,031	59,031
Others	65,424	10,551	75,975
	\$ 256,199	788,716	1,044,915
For the three months ended June 30, 2021			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 182,438	350,761	533,199
Mainland China	738	109,525	110,263
Germany	-	208,336	208,336
America	15	42,156	42,171
Japan	5,025	2,616	7,641
South Korea	1,084	21,047	22,131
Others	4,414	63,854	68,268
	\$ 193,714	798,295	992,009
Major products services lines:			
Cooling fan	\$ -	641,452	641,452
Product of home appliances—air series	140,927	-	140,927
Product of home appliances—water series	44,432	-	44,432
Heat sink and thermal module	-	138,599	138,599
Others	8,355	18,244	26,599
	\$ 193,714	798,295	992,009

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

For the six months ended June 30, 2022			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 498,026	522,480	1,020,506
Mainland China	-	227,999	227,999
Germany	613	428,426	429,039
America	-	114,924	114,924
Japan	16,383	7,881	24,264
South Korea	7,159	42,880	50,039
Others	7,364	111,247	118,611
	<u>\$ 529,545</u>	<u>1,455,837</u>	<u>1,985,382</u>
Major products services lines:			
Cooling fan	\$ -	1,275,778	1,275,778
Product of home appliances–air series	310,747	-	310,747
Product of home appliances–water series	142,677	-	142,677
Heat sink and thermal module	-	161,517	161,517
Others	76,121	18,542	94,663
	<u>\$ 529,545</u>	<u>1,455,837</u>	<u>1,985,382</u>
For the six months ended June 30, 2021			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 365,376	686,273	1,051,649
Mainland China	738	234,643	235,381
Germany	-	401,750	401,750
America	15	64,630	64,645
Japan	15,386	6,604	21,990
South Korea	2,145	33,388	35,533
Others	15,184	117,080	132,264
	<u>\$ 398,844</u>	<u>1,544,368</u>	<u>1,943,212</u>
Major products services lines:			
Cooling fan	\$ -	1,212,132	1,212,132
Product of home appliances–air series	276,782	-	276,782
Product of home appliances–water series	99,088	-	99,088
Heat sink and thermal module	-	307,731	307,731
Others	22,974	24,505	47,479
	<u>\$ 398,844</u>	<u>1,544,368</u>	<u>1,943,212</u>

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

B. Contract balance

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes and accounts receivables	\$ 1,000,101	929,788	1,024,308
Less: allowance for impairment	<u>(20,151)</u>	<u>(19,424)</u>	<u>(25,507)</u>
Total	<u>\$ 979,950</u>	<u>910,364</u>	<u>998,801</u>
Contract liabilities — unearned revenue	<u>\$ 12,290</u>	<u>15,506</u>	<u>21,988</u>

Please refer to Note 6(5) for notes and accounts receivable impairment.

The unearned revenue balance at January 1, 2022 and 2021; have been recognized as revenue for the three and six months ended at June 30, 2022 and 2021 with total amounts of \$2,481 thousand, \$45 thousand, \$11,913 thousand and \$5,874 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.

(24) 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 and six months ended at June 30, 2022 and 2021, the Company accrued the compensation of employees amounted to \$1,627 thousand, \$1,318 thousand, \$2,758 thousand and \$2,569 thousand, respectively. And the remuneration of directors' amounted to \$814 thousand, \$659 thousand, \$1,379 thousand and \$1,285 thousand, respectively. The compensation of employees, remuneration of directors were estimated as the Company's net income before tax, excluding compensation of employees and remuneration of directors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses recognized under operating costs or operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of Directors resolve to issue its stocks as the compensation of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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>.

(25) Non-operating income and expenses

A. Interest income:

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Bank deposit	\$ 111	85	154	127
Other interest income	1	3	10	8
	\$ 112	88	164	135

B. Other income:

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Sample income	\$ 1,498	1,245	2,530	2,157
Mold income	436	5,285	6,748	7,247
Others	12,175	6,481	21,332	11,279
	\$ 14,109	13,011	30,610	20,683

C. Other gains and losses:

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Net currency exchange gain(loss)	\$ 11,573	(9,533)	30,558	(13,428)
Net loss on disposal of property, plant and equipment	(3,413)	(26)	(3,337)	(50)
Net loss on financial liability at FVTPL	-	(396)	-	(396)
Net profit on call and put rights of bonds payable	(1,760)	-	(1,735)	-
Others	(2,544)	(570)	(3,138)	(583)
	\$ 3,856	(10,525)	22,348	(14,457)

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

D. Finance costs

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Interest expenses				
Bank loan	\$ (1,301)	(1,719)	(2,341)	(3,313)
Lease liability	(1,667)	(1,509)	(3,176)	(3,088)
Amortization of discount on bonds payable	(601)	-	(1,207)	-
	<u>\$ (3,569)</u>	<u>(3,228)</u>	<u>(6,724)</u>	<u>(6,401)</u>

(26) 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 June 30, 2022, December 31, 2021 and June 30, 2021, major customers of the Company was significant focus on certain customer; one of the customer accounted for 19.15%, 17.67% and 15.46% 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 (5). 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)

June 30, 2022			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 12,468	-	-
Other receivable	20,406	2,631	43
Restricted Deposit	65,470	-	-
Loss allowance	-	-	(43)
Amortized cost	\$ 98,344	2,631	-
Carrying amount	\$ 98,344	2,631	-

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	\$ 79,542	4,059	-
Carrying amount	\$ 79,542	4,059	-

June 30, 2021			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 9,619	-	-
Other receivable	17,018	2,716	23,783
Restricted Deposit	12,877	-	-
Loss allowance	-	-	(23,783)
Amortized cost	\$ 39,514	2,716	-
Carrying amount	\$ 39,276	2,716	-

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

The movement in the provision for impairment with respect to the financial assets measured at amortized cost as of six months ended June 30, 2021 and 2020 were as follows:

For the six months ended June 30,2022				
	12-month	Lifetime	Lifetime	
	ECL	ECL-unimpaired	ECL-impaired	Total
Balance at January 1, 2022	\$ -	-	1	1
Impairment loss recognized	-	-	42	42
Balance at June 30, 2022	<u>\$ -</u>	<u>-</u>	<u>43</u>	<u>43</u>

For the six months ended June 30,2021				
	12-month	Lifetime	Lifetime	
	ECL	ECL-unimpaired	ECL-impaired	Total
Balance at January 1, 2021	\$ -	-	24,153	24,153
Impairment loss recognized	-	-	5	5
Effect of changes in currency exchange rates	-	-	(375)	(375)
Balance at June 30, 2021	<u>\$ -</u>	<u>-</u>	<u>23,783</u>	<u>23,783</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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	Contract ed cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
June 30, 2022							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 304,667	312,301	43,164	24,848	44,329	56,973	142,987
Accounts payable (non-interest bearing)	689,275	689,275	689,275	-	-	-	-
Other payables (non-interest bearing)	309,741	309,741	309,741	-	-	-	-
Bonds payable (fixed interest rate)	281,812	292,225	-	-	-	292,225	-
Lease liability (maturity within one year) (fixed interest rate)	254,474	304,687	17,229	19,122	37,320	83,881	147,135
Guarantee deposits (non-interest bearing)	6,203	6,203	-	-	6,203	-	-
	<u>\$ 1,846,172</u>	<u>1,914,432</u>	<u>1,059,409</u>	<u>43,970</u>	<u>87,852</u>	<u>433,079</u>	<u>290,122</u>
December 31, 2021							
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>
June 30, 2021							
Non-derivative financial liabilities							
Long- and Short-term borrowing (floating rate)	\$ 542,376	568,048	188,454	56,252	62,753	122,951	137,638
Accounts payable (non-interest bearing)	877,740	877,740	877,740	-	-	-	-
Other payables (non-interest bearing)	269,918	269,918	269,918	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	136,822	153,721	15,602	15,141	29,601	85,497	7,880
Guarantee deposits (non-interest bearing)	6,073	6,073	-	-	1,764	4,309	-
Derivative financial liabilities							
Foreign exchange derivatives financial instrument	392	-	-	-	-	-	-
Inflow	-	63,705	63,705	-	-	-	-
Outflow	-	(64,078)	(64,078)	-	-	-	-
	<u>\$ 1,833,321</u>	<u>1,875,127</u>	<u>1,351,341</u>	<u>71,393</u>	<u>94,118</u>	<u>212,757</u>	<u>145,518</u>

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

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

C. Market Risk

I. Exchange rate risk

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

	June 30, 2022			December 31, 2021			June 30, 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	\$ 32,909	29.72	978,273	33,672	27.68	931,913	42,436	27.86	1,182,268
EUR	677	31.05	21,021	769	31.32	24,100	1,253	33.15	41,536
CNY	42,151	4.439	187,109	41,259	4.344	179,228	46,279	4.309	199,432
<u>Non-monetary item</u>									
USD	414	29.72	12,299	466	27.68	12,906	296	27.86	8,258
Financial liabilities									
<u>Monetary items</u>									
USD	21,699	29.72	644,938	20,568	27.68	569,357	28,564	27.86	795,957
EUR	64	31.05	1,994	21	31.32	649	112	33.15	3,704
CNY	38,518	4.439	170,981	34,904	4.344	151,624	43,081	4.309	181,326
TWD	48,359	1	48,359	38,534	1	38,534	52,244	1	52,244
<u>Non-monetary item</u>									
EUR	-	-	-	-	-	-	2,300	27.86	64,078

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 six months end of June 30, 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 \$2,948 thousand and \$3,538 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 six months ended June 30, 2022		For the six months ended June 30, 2021	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ 30,147	-	(10,780)	-
CNY	411	4.427	(2,648)	4.356
	\$ 30,558		(13,428)	

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Interest rate analysis

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

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

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

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

	Interest increase 0.25%	Interest decrease 0.25%
Net profits after tax, January to June, 2022	Net profit decreases \$305 thousand	Net profit increase \$305 thousand
Net profits after tax, January to June, 2021	Net profit decreases \$542 thousand	Net profit increase \$542 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 six months ended June 30,2022		For the six months ended June 30,2021	
Equity price at reporting date	Other comprehensive income After tax	Net income	Other comprehensive income After tax	Net income
Increase 3%	\$ 707	-	678	-
Decrease 3%	\$ (707)	-	(678)	-

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

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

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:

June 30, 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>260</u>	-	260	-	260
Financial assets at FVOCI					
Foreign unlisted stock	\$ 12,299	-	-	12,299	12,299
Domestic unlisted stock	<u>13,740</u>	-	-	13,740	13,740
Subtotal	<u>\$ 26,039</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 124,105	-	-	-	-
Notes and accounts receivables	979,950	-	-	-	-
Other Financial assets -current	31,838	-	-	-	-
Other Financial assets -non current	<u>69,137</u>	-	-	-	-
Subtotal	<u>\$ 1,205,030</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 20,000	-	-	-	-
Account payable	689,275	-	-	-	-
Other payable	309,741	-	-	-	-
Long- term borrowing (Current portion)	44,116	-	-	-	-
Lease liability — current	29,952	-	-	-	-
Long -term borrowing	240,551	-	-	-	-
Lease liability — non current	224,522	-	-	-	-
Bonds payable	281,812	-	275,353	-	275,353
Deposits received	<u>6,203</u>	-	-	-	-
Subtotal	<u>\$ 1,846,172</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>				

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Financial liabilities at amortized cost

Short-term borrowing	\$ 30,000	-	-	-	-
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>				

	June 30, 2022				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Foreign unlisted stock	\$ 8,258	-	-	8,258	8,258
Domestic unlisted stock	16,000	-	-	16,000	16,000
Subtotal	<u>\$ 24,258</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 176,466	-	-	-	-
Notes and accounts receivables	998,801	-	-	-	-
Other Financial assets -current	27,609	-	-	-	-
Other Financial assets -non current	14,621	-	-	-	-
Subtotal	<u>\$ 1,217,497</u>				
Financial liability at fair value through profit or loss-current					
	<u>\$ 392</u>	-	392	-	392
Foreign exchange derivatives instrument					
Financial liabilities at amortized cost					
Short-term borrowing	\$ 151,590	-	-	-	-
Account payable	877,740	-	-	-	-
Other payable	269,918	-	-	-	-
Long- term borrowing (Current portion)	87,404	-	-	-	-
Lease liability— current	25,197	-	-	-	-
Long -term borrowing	303,382	-	-	-	-
Lease liability— noncurrent	111,625	-	-	-	-
Deposits received	6,073	-	-	-	-
Subtotal	<u>\$ 1,832,929</u>				

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

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

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

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

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

III. Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments:

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

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

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

IV. Transfers between Level 1 and Level 2

For the six months ended June 30, 2022 and 2021, there was no transfer in the fair value grade of financial instruments assessed by the Group.

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

V. Movement of financial assets through other comprehensive income categorized

	Financial assets measured at fair value through other comprehensive income
	Equity investment without an active market
Balance at January 1, 2022	\$ 24,860
Purchase	2,500
Profit or loss-Recognized in other comprehensive profit or loss	<u>(1,321)</u>
Balance at June 30, 2022	<u>\$ 26,039</u>
Balance at January 1, 2021	\$ 4,383
Purchase	16,000
Profit or loss-Recognized in other comprehensive profit or loss	<u>3,875</u>
Balance at June 30, 2021	<u>\$ 24,258</u>

within Level 3.

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 six months June 30, 2022 and 2021.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between Significant and fair value measurement
Financial assets at fair value through other comprehensive income -equity investments without an active market: Y.S.Tech U.S.A Inc.	Comparable listed company approach	<ul style="list-style-type: none"> ·Lack of market liquidity discount (June 30, 2022: 28.96% December 31, 2021: 38.22% June 31, 2021: 51.04%) ·Valuation multiples (June 30, 2022: 1.37 December 31, 2021: 1.78 June 30, 2021: 1.83) ·Stock price volatility (June 30, 2022: 39.37% December 31, 2021: 41.05% June 30, 2021: 55.37%) 	<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.	Net assets value	<ul style="list-style-type: none"> ·Net assets value ·Discount for minority interest (June 30, 2022: 16.64% December 31, 2021: 16.64% June 31, 2021: 10%) ·Lack of market liquidity discount interest (June 30, 2022: 10% December 31, 2021: 10% June 31, 2021: 10%) 	<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)

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

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

			Changes in fair value reflected in OCI		
	Inputs	Fluctuation in inputs		Favorable	Unfavorable
Balance at June 30, 2022					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market: Y.S Tech U.S.A Inc.	Market illiquidity discount rate 28.96%	10%	\$	1,731	(1,731)
	Valuation multiples 1.37	5%		610	(610)
	Stock price volatility 39.37%	5%		780	(779)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	183	(183)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,527	(1,527)
Balance at December 31, 2021					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market Y.S Tech U.S.A Inc.	Market illiquidity discount rate 38.22%	10%	\$	2,089	(2,089)
	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					
	Market illiquidity discount rate 10%	10%		1,328	(1,328)
Balance at June 30, 2021					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market Y.S.Tech U.S.A Inc.	Market illiquidity discount rate 51.04%	10%	\$	1,686	(1,686)
	Valuation multiples 1.83	10%		414	(413)
	Stock price volatility 55.37%	5%		699	(635)
Investment of equity instruments without an active market					

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD	Discount for minority interest 10%	1%	\$	160	(160)
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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

(27) 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.

(28) 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)

(29) 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	June 30, 2022
Short-term borrowings	\$ 30,000	(10,000)	-	-	-	-	20,000
Long-term borrowings (including current portion)	298,334	(13,667)	-	-	-	-	284,667
Bonds payable	291,696	-	-	1,207	-	(11,091)	281,812
Lease liabilities (current and non-current)	158,390	(45,649)	2,315	-	139,418	-	254,474
Guarantee deposit received	6,108	-	95	-	-	-	6,203
Total liabilities from financing activities	<u>\$ 784,528</u>	<u>(69,316)</u>	<u>2,410</u>	<u>1,207</u>	<u>139,418</u>	<u>(11,091)</u>	<u>847,156</u>

	January 1, 2021	Cash flows	Non-cash changes Foreign exchange movement	Increased in lease liabilities	June 31, 2021
Short-term borrowings	\$ 101,606	49,444	540	-	151,590
Long-term borrowings (including current portion)	366,079	24,707	-	-	390,786
Lease liabilities (current and non-current)	134,068	(11,691)	(1,779)	16,224	136,822
Guarantee deposit received	6,141	-	(68)	-	6,073
Total liabilities from financing activities	<u>\$ 607,894</u>	<u>62,460</u>	<u>(1,307)</u>	<u>16,224</u>	<u>685,271</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 June 30, 2022, December 31, 2021 and June 30, 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 June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Short-term employee benefits	\$ 2,676	3,574	8,444	9,086
Post-employment benefits	49	49	94	98
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 2,725</u>	<u>3,623</u>	<u>8,538</u>	<u>9,184</u>

On June 30, 2022, December 31, 2021 and June 30, 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, respectively.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	June 30, 2022	December 31, 2021	June 30, 2021
Deposit account	Long-term/short-term borrowing,			
(Reserve account)	customs taxes, company debt and			
	other repayment accounts	\$ 51,221	55,778	10,205
Time deposit	Guarantee of sales channel and	14,249	2,661	2,672
	short-term borrowing			
Land	Guarantee of long-term/short-term	291,848	291,848	291,848
	borrowing			
Buildings	Guarantee of long-term/short-term	119,206	124,089	129,011
	borrowing			
		<u>\$ 476,524</u>	<u>474,376</u>	<u>433,736</u>

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

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	June 30, 2022	December 31, 2021	June 30, 2021
Acquisition of property, plant and equipment	<u>\$ 13,101</u>	<u>12,231</u>	<u>12,143</u>

B. Standby letter of credit:

	June 30, 2022	December 31, 2021	June 30, 2021
Purchases of raw materials	<u>\$ 51,772</u>	<u>72,446</u>	<u>58,783</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 June 30,2022			For the three months ended June 30,2021		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits:						
Salary	69,096	46,217	115,313	72,674	46,782	119,456
Labor and health insurance	5,488	3,677	9,165	4,756	3,418	8,174
Pension expense	3,806	2,277	6,083	3,301	2,072	5,373
Remuneration of directors	-	1,090	1,090	-	739	739
Other personnel cost	5,445	2,023	7,468	5,026	1,938	6,964
Depreciation	17,615	13,188	30,803	14,509	11,749	26,258
Amortization	3	515	518	4	432	436

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

By function By item	For the six months ended June 30,2022			For the six months ended June 30,2021		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits:						
Salary	134,928	88,935	223,863	139,827	84,006	223,833
Labor and health insurance	10,667	8,357	19,024	9,273	7,475	16,748
Pension expense	7,405	4,505	11,910	6,487	4,198	10,685
Remuneration of directors	-	1,949	1,949	-	2,523	2,523
Other personnel cost	10,135	4,034	14,169	9,552	3,860	13,412
Depreciation	35,125	26,367	61,492	28,364	23,187	51,551
Amortization	7	1,017	1,024	7	797	804

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 six months ended June 30, 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	127,859 (USD 4,302,111)	105,287 (USD 3,542,615)	105,287 (USD 3,542,615)	-	(Note 4)	-	Working capital	-	-	-	348,294 (Note 2)	348,294 (Note 2)
0	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Other receivable –related parties	Yes	991 (RMB 223,285)	-	-	-	(Note 4)	-	Working capital	-	-	-	348,294 (Note 2)	348,294 (Note 2)

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

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

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

(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 June 30, 2022 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship with company	Account title	June 30, 2022				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	12,299	19.16%	12,299	-
The Company	CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	-	Financial assets at FVOCI—non-current	1,850,000	13,740	5.00%	13,740	-

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	471,401	32.07%	(Note 1)	Single supplier	(Note 1)	3,999	10.04%	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	445,697	30.32%	(Note 1)	Single supplier	(Note 1)	(163,649)	40.78%	
The Company	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Purchase	129,620	8.82%	(Note 1)	Single supplier	(Note 1)	32,912	82.67%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	431,966	90.09%	(Note 1)	Single supplier	(Note 1)	(162,189)	100.00%	
Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	Subsidiary of the Company (indirectly hold)	Purchase	128,604	62.20%	(Note 1)	Single supplier	(Note 1)	44,678	100.00%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	471,401	100.00%	(Note 1)	Product sales	(Note 1)	(3,999)	100.00%	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	445,697	100.00%	(Note 1)	Product sales	(Note 1)	77,342	100.00%	
Yen Sun Tech International (Samoa) Corp.	The Company	Ultimate parent company	Sale	129,620	98.86%	(Note 1)	Product sales	(Note 1)	(32,912)	100.00%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Sale	431,966	100.00%	(Note 1)	Product sales	(Note 1)	162,189	100.00%	
YEN GIANT METAL (DONGGUAN) CO., LTD.	Yen Sun Tech International (Samoa) Corp.	Subsidiary of the Company (indirectly hold)	Sale	128,604	41.58%	(Note 1)	Product sales	(Note 1)	(44,678)	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)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Subsidiary to Son Company	Other receivable 105,287 (Note 2)	- (Note 1)	-	-	-	-	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Son Company to Subsidiary	Account receivable 162,189 (Note 2)	5.89%	-	-	42,500	-	-

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

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

IX. Trading in derivative instruments: Please refer to Note 6(3) and Note 6(15).

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	11,872	Overdue accounts receivable None comparable terms	0.38%
0	The Company	Y.H. Tech International Corp.	1	Purchase Procurement of raw materials Accounts payable	445,697 45,056 163,649	None comparable terms The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	22.45% 1.43% 5.19%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase Sale Procurement of raw materials Accounts receivable Accounts payable	129,620 1,472 75,209 79,596 32,912	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	6.53% 0.07% 3.79% 2.52% 1.04%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Other receivables	322	None comparable terms	0.01%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase Sale Procurement of raw materials Accounts receivable Accounts payable	471,401 90 6,676 3,999 2,520	None comparable terms ; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	23.74% - 0.34% 0.13% 0.13%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Long-term accounts receivable-Interest	13,485	Financial intermediation. No interest since 2017	0.43%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable	431,966 45,034 162,189	None comparable terms; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	21.76% 2.27% 5.14%
2	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other receivables—Loans to other parties	105,287	Financial intermediation. No interest	3.34%
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	128,604 1,496 75,288 73,962 44,678 229	None comparable terms; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	6.48% 0.08% 2.39% 3.73% 1.42% 0.01%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Accounts payable Other receivables	5,575 3,920 72	None comparable terms.	0.28% 0.12% -
4	DARSON ELECTRONIC (DONGGUAN) LTD.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other payables Receipts under custody	2,295 17,756	Entrusted collection, None comparable terms	0.07% 0.56%

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 of investees:

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

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the Investee (Note1)	investment income (less) recognized (Note1)	Remarks
				June 30,2021	December 31,2020	Shares owned	Percentage owned	Carrying value (Note1)			
The Company	Yen Sun Technology (BVI) Corp.	British Virgin Islands	Investment holding	284,844	284,844	500,000	100%	(82,583)	(216)	(216)	Subsidiary
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,583	1,000,000	100%	124,585	(7,837)	(7,837)	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	183,236	14,567	14,567	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	107,662	18,438	16,337	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	174,156	14,319	14,319	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%	174,147	14,319	14,319	Sub-Subsidiary

(Note) When preparing 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	Paid-in capital	Investment method	Accumulated Outflow of Investment from Taiwan as of Jan.1,2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2022	Net income of investee (Note 3)	Percentage of Ownership	Investment gain (loss) recognized by the Group (Note 3)	Book value of the investment as of June 30, 2022 (Note 3)	Accumulated investment income repatriated to Taiwan as of June 30, 2022
					Outflow	Inflow						
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 (USD800,000)	-	280,680 (USD 9,500,000)	(1,327)	100%	(1,327) (Note 4)	(96,109) (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)	5,299	100%	4,374 (Note 1)	53,629 (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	8,583 (USD 285,000)	-	-	8,583 (USD 285,000)	(7,837)	100%	(78,37) (Note 1)	124,585 (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 June 30, 2022	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
322,313 (Note 2) (USD 10,845,000)	322,313 (Note 2) (USD 10,845,000)	706,289

(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 preparing 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 six months ended June 30, 2022 are disclosed in “Information on significant transactions”. (When preparing 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	8.70%

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 June 30, 2022			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 256,199	788,716	-	1,044,915
Total revenue	\$ 256,199	788,716	-	1,044,915
Reportable segment income	\$ 293	88,654	(4,529)	84,418

	For the three months ended June 30, 2021			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 193,714	798,295	-	992,009
Total revenue	\$ 193,714	798,295	-	992,009
Reportable segment income	\$ (14,534)	81,802	3,014	70,282

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

For the six months ended June 30, 2022

	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 529,545	1,455,837	-	1,985,382
Total revenue	\$ 529,545	1,455,837	-	1,985,382
Reportable segment income	\$ (2,918)	145,553	(1,900)	140,735

For the six months ended June 30, 2021

	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 398,844	1,544,368	-	1,943,212
Total revenue	\$ 398,844	1,544,368	-	1,943,212
Reportable segment income	\$ (32,373)	169,300	2,651	139,578

	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Segment Assets				
June 30, 2022	\$ 981,564	2,139,460	33,391	3,154,415
December 31, 2021	\$ 909,294	2,109,313	40,687	3,059,294
June 30, 2021	\$ 880,223	2,137,232	34,747	3,052,202