

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

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

For The Six Months Ended June 30, 2023 And 2022

**Address : No.329, Feng Ren Rd., Ren Wu Dist., Kaohsiung City 814, Taiwan
(R.O.C.)**

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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, 2023 and 2022. And the consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022; the changes in equity and cash flows, notes to the consolidated financial statements for the six months ended June 30, 2023 and 2022 (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 for explained in the paragraph "Basis on consolidated financial statements for the six months ended June 30, 2022 for Qualified Conclusion", we conducted our reviews in accordance with TWSRE 2410, "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 on consolidated financial statements for the six months ended June 30, 2022 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, constituting 0.6% of consolidated total assets as of June 30, 2022. Total liabilities amounting to \$5,965 thousand, constituting 0.3% of consolidated total liabilities as of June 30, 2022, and total comprehensive loss amounting to \$(2,090) thousand and \$(2,254) thousand, constituting (3.3) % and (2.0) % of consolidated total comprehensive loss for the three months and six months ended June 30, 2022, respectively.

Unqualified opinion and Qualified Conclusion

Based on our reviews, except if independent accountants have reviewed the financial reports of mentioned investee companies explained in the paragraph "Basis on consolidated financial statements for the six months ended June 30, 2022 for Qualified Conclusion", there may be adjustments to the consolidated financial statements for the six months ended June 30, 2022; 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, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors' review report are:
Chen-Lung, Hsu and Yung-Hsiang, Chen.

KPMG

Taipei, Taiwan (Republic of China)

August 9, 2023

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

Consolidated Balance Sheets

June 30, 2023, December 31, 2022, and June 30, 2022

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

		June 30, 2023		December 31, 2022		June 30, 2022				June 30, 2023		December 31, 2022		June 30, 2022	
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (note 6(1))	\$ 145,564	4	180,770	6	124,105	4	2100	Short-term borrowings (note 6(13) and 8)	\$ 100	-	100	-	20,000	1
1151	Notes receivables, net (note 6(4) and (23))	20,390	1	29,493	1	37,350	1	2170	Accounts payable	766,848	21	632,576	21	689,275	22
1170	Accounts receivable, net (note 6(4) and (23))	1,008,046	28	762,025	26	942,600	30	2200	Other payables	342,510	10	166,596	6	309,741	9
130X	Inventories (note 6(6))	812,497	22	815,989	27	866,775	28	2230	Current income tax liabilities	79,145	2	78,974	3	81,884	3
1460	Non-current Assets Held for Sale (disposal group)							2260	Liabilities related to Non-current Assets Held for						
	and Discontinued Operations, net (note 6(7) and 12(2))	11,630	-	-	-	-	-		Sale (disposal group) and Discontinued	1,846	-	-	-	-	-
1476	Other current financial assets (note 6(5) and 8)	295,934	8	22,073	1	31,838	1	2280	Operations (note 6(7) and 12(2))						
1479	Other current assets-other (note 6(12))	52,400	2	39,994	1	41,006	1	2320	Current lease liabilities (note 6(16))	32,077	1	31,028	1	29,952	1
Total Current Assets		2,346,461	65	1,850,344	62	2,043,674	65		Long-term borrowings, current portion (note 6(14) and 8)	18,121	1	41,252	1	44,116	1
Non-Current Assets															
1510	Financial asset at fair value through profit or loss-non-current (note 6(2)(15))	638	-	-	-	260	-	2399	Other current liabilities (note 6(7)(14)(17) and (23))	302,479	8	35,787	1	29,294	1
1517	Non-current financial assets at fair value through							Total of current liabilities							
	other comprehensive income (note 6(3))	36,206	1	32,290	1	26,039	1			1,543,126	43	986,313	33	1,204,262	38
1600	Property, plant and equipment (note 6(8) and 8)	909,156	25	735,080	25	696,831	22	2500	Non-current financial liabilities at fair value through						
1755	Right-of-use assets (note 6(9) and 8)	242,723	7	259,677	9	275,973	9		profit or loss (note 6(2) and (15))	-	-	548	-	-	-
1760	Investment Property (note 6(10))	-	-	10,171	-	10,406	-	2530	Bonds payable (note 6(15) and 8)	251,531	7	283,018	10	281,812	9
1780	Intangible assets (note 6(11))	6,269	-	4,531	-	5,569	-	2540	Long-term borrowings (note 6(14) and 8)	389,457	11	206,884	7	240,551	8
1840	Deferred income tax assets	10,317	-	10,317	-	15,185	-	2570	Deferred tax liabilities	3,779	-	3,102	-	1,838	-
1980	Other non-current financial assets (note 6(5) and 8)	64,694	2	68,110	3	69,137	3	2580	Non-current lease liabilities (note 6(16))	192,489	5	209,768	7	224,522	7
1990	Other non-current assets-other (notes 6(12))	4,722	-	5,591	-	11,341	-	2630	Long-Term Deferred Revenue (note 6(14))	6,342	-	1,074	-	-	-
Total Non-Current Assets		1,274,725	35	1,125,767	38	1,110,741	35	2640	Net defined benefit liability, non-current	6,929	-	7,347	-	18,078	1

See accompanying notes to consolidated financial statements.

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

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

		For the three months ended June 30,				For the six months ended June 30,			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (note 6(23))	\$ 963,901	100	1,044,915	100	1,815,180	100	1,985,382	100
5000	Operating costs (notes 6(6)(19) and 12(1))	790,842	82	850,410	81	1,505,808	83	1,648,031	83
5900	Gross Income (Loss) from Operations	173,059	18	194,505	19	309,372	17	337,351	17
6000	Operating expenses (notes 6(19)(24) and 12(1)):								
6100	Selling expenses	45,492	5	48,038	5	88,397	5	91,783	5
6200	General and administrative expenses	33,986	3	34,482	3	68,782	4	67,801	3
6300	Research and development expenses	39,935	4	41,308	4	75,460	4	81,589	4
6450	Expected credit impairment loss(profit)(note6(4)(5))	(1,274)	-	210	-	(73)	-	464	-
	Total operating expenses	118,139	12	124,038	12	232,566	13	241,637	12
6900	Net operating income	54,920	6	70,467	7	76,806	4	95,714	5
7000	Non-operating income and expenses (notes 6(18)(25)):								
7100	Interest Income	1,010	-	110	-	1,059	-	160	-
7010	Other Income	10,075	1	7,555	-	16,605	1	21,104	1
7020	Other gains and losses	14,525	1	13,815	1	11,395	-	31,808	2
7050	Finance costs	(3,311)	-	(3,569)	-	(6,495)	-	(6,724)	-
	Total non-operating income and expenses	22,299	2	17,911	1	22,564	1	46,348	3
7900	Profit before income tax from continuing operations:	77,219	8	88,378	8	99,370	5	142,062	8
7950	Loss: Income tax expense (notes 6(20))	17,338	2	16,664	2	24,944	1	30,420	2
8000	Profit from continuing operations	59,881	6	71,714	6	74,426	4	111,642	6
8100	Profit (loss) from discontinued operations :								
8101	Profit (loss) from discontinued operations, net of tax (notes 12(2))	(7,973)	(1)	(3,960)	-	(4,054)	-	(1,327)	-
8200	Net Profit (loss)	51,908	5	67,754	6	70,372	4	110,315	6
8300	Other comprehensive income:								
8310	items that will not be reclassified to profit or loss								
8316	Instruments measured at fair value through other comprehensive income (notes 6(21))	(157)	-	(3,067)	-	2,416	-	(1,321)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(20))	56	-	(469)	-	677	-	(120)	-
	Total items that will not be reclassified to profit or loss	(213)	-	(2,598)	-	1,739	-	(1,201)	-
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation (notes 6(21))	(6,520)	-	(1,057)	-	(16,123)	(1)	1,824	-
8365	Equity related to Non-current Assets Held for Sale (disposal group) and Discontinued Operations (notes 6(7)(21))	3,479	-	-	-	13,574	1	-	-
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	(3,041)	-	(1,057)	-	(2,549)	-	1,824	-
8300	Other comprehensive income, net	(3,254)	-	(3,655)	-	(810)	-	623	-
8500	Comprehensive income	\$ 48,654	5	64,099	6	69,562	4	110,938	6

See accompanying notes to consolidated financial statements.

Basic earnings per share (in dollar, note6(22))					
9750	Total basic earnings per share				
9710	Profit from continuing operations	\$	0.86	1.03	1.07 1.61
9720	Loss from discontinued operations		(0.11)	(0.05)	(0.06) (0.02)
9750	Total basic earnings per share	\$	0.75	0.98	1.01 1.59
9850	Diluted earnings per share				
9810	Profit from continuing operations	\$	0.75	0.93	0.93 1.44
9820	Loss from discontinued operations		(0.10)	(0.05)	(0.05) (0.02)
9850	Diluted earnings per share	\$	0.65	0.88	0.88 1.42

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, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Retained earnings						Other equity interest					
							Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Equity related to Non-current Assets Held for Sale and Discontinued Operations	Treasury stock	Total equity	
												Total
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total							
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
Balance at January 1, 2023	\$ 701,669	164,367	82,199	3,798	310,168	396,165	18,392	7,473	-	25,865	(11,773)	1,276,293
Profit	-	-	-	-	70,372	70,372	-	-	-	-	-	70,372
Other comprehensive income	-	-	-	-	-	-	(16,123)	1,739	13,574	(810)	-	(810)
Total comprehensive income	-	-	-	-	70,372	70,372	(16,123)	1,739	13,574	(810)	-	69,562
Earnings allocation and distribution:												
Provision of legal reserve	-	-	20,510	-	(20,510)	-	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(152,682)	(152,682)	-	-	-	-	-	(152,682)
	-	-	20,510	-	(173,192)	(152,682)	-	-	-	-	-	(152,682)
Convert of convertible Bond	11,900	20,696	-	-	-	-	-	-	-	-	-	32,596
Balance as of June 30, 2023	\$ 713,569	185,063	102,709	3,798	207,348	313,855	2,269	9,212	13,574	25,055	(11,773)	1,225,769

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, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

	For the six months ended June 30	
	2023	2022
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	\$ 99,370	142,062
Loss from discontinued operations, before tax	(4,054)	(1,327)
Profit before tax	95,316	140,735
Adjustments:		
Adjustments to reconcile profit (loss):		
Expected credit loss (gain)	(73)	464
Depreciation expense	60,260	61,492
Amortization expense	971	1,024
Net profit on financial assets or liabilities at fair value through profit or loss	(1,260)	1,735
Interest expense	6,495	6,724
Interest revenue	(1,063)	(164)
Loss (gain) from disposal of investment property, and property, plant and equipment	62	3,337
Increase of provision	(433)	243
Unrealized foreign exchange loss (gain)	(1,170)	(4,749)
Deferred income amortized as income	(318)	-
Total adjustments to reconcile profit (loss)	63,471	70,106
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	8,979	(8,595)
Accounts receivable	(243,803)	(50,646)
Inventories	(2,420)	86,993
Other current assets	(13,132)	1,039
Other financial assets	(8,945)	(8,279)
Total net changes in operating assets:	(259,321)	20,512
Net changes in operating liabilities:		
Accounts payable	139,805	(53,018)
Other payable	(21,281)	(35,822)
Other current liabilities	3,361	(12,145)
Net defined benefit liability	(418)	(4,185)
Total net changes in operating liabilities	121,467	(105,170)
Total changes in operating assets and liabilities	(137,854)	(84,658)
Total adjustments	(74,383)	(14,552)
Cash inflow generated from operating	20,933	126,183
Interest received	1,063	159
Interest paid	(5,089)	(5,535)
Income taxes paid	(23,603)	(22,555)
Net cash flows from (used in) operating activities	(6,696)	98,252
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,500)	(2,500)
Acquisition of property, plant and equipment	(168,416)	(38,716)
Proceeds from disposal of property, plant and equipment	-	265
Increase in guarantee deposits paid	2,366	(1,909)
Acquisition of intangible assets	(2,713)	(1,351)
Increase in restricted deposit	3,463	(7,031)
Increase in prepayments for equipment	(4,722)	(11,341)
Net cash flows from (used in) investing activities:	(171,522)	(62,583)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	-	(10,000)
Proceeds from long-term borrowings	310,180	-
Repayment of long-term borrowings	(145,037)	(13,667)
Decrease in deposits received	(3,277)	-
Payments of lease liabilities	(15,855)	(45,649)
Net cash flows from (used in) financing activities	146,011	(69,316)
Effect of exchange rate changes on cash and cash equivalents	(1,262)	458
Net increase (decrease) in cash and cash equivalents	(33,469)	(33,189)
Cash and cash equivalents at beginning of period	180,770	157,294
Cash and cash equivalents at end of period	\$ 147,301	124,105
Component of cash and cash equivalents at the end of the period:		
Cash and cash equivalents in the consolidated balance sheet	\$ 145,564	124,105
Cash and cash equivalents classified as non-current assets held for sale (disposal group) and discontinued operations	1,737	-
Cash and cash equivalents at the end of the period	\$ 147,301	124,105

See accompanying notes to consolidated financial statements.

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

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

For the six months ended June 30, 2023 and 2022

(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 Company and subsidiaries (jointly referred to the Group) its major business activities of the Group are the manufacture and sale of home appliances and electronic cooling products such as electric fans, electric cookers, induction cookers, juice machines, bowl dryers, water dispensers, dehumidifiers, electric heaters and other home appliances, cooling fans, heat sink and thermal modules.

2. Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on August 9, 2023.

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, 2023 :

- 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”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendment to IFRS 16 “Sale and leaseback transaction”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS7 and IFRS7 “Supplier Finance Arrangements”
- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 4 of 2022 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, 2023	December 31, 2022	June 30, 2022	
The Company	YEN SUN TECHNOLOGY (BVI) CORP.	Investment holding	100%	100%	100% (Note)	-
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% (Note)	-
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% (Note)	-
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%	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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%	-
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Note: Financial reports have not been audited by accountants.

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

(3) Non-current Assets Held for Sale (disposal group) and Discontinued Operations

1. Non-current Assets Held for Sale (disposal group)

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale when they are highly likely to be sold rather than used continuously to recover their carrying amount. Components of assets or disposal groups are remeasured in accordance with the Group's accounting policies before being classified as held for sale. After classification as held for sale, they are measured based on their carrying amount or fair value less costs to sell, the lowest amount will took as the measurement basis.

Any impairment loss on a disposal group is first allocated to goodwill and then will proportionately to the remaining assets and liabilities. However, such loss is not allocated to assets that fall outside the scope of IAS 36 for impairment of assets; the forementioned items will continue to be measured in accordance with the Group's accounting policies.

Impairment losses and subsequent remeasurement gains and losses which originally classified as held for sale will be recognized as profit or loss. However, the gain from recovery cannot exceed the accumulated impairment loss which was recognized.

When intangible assets and property, plant, and equipment are classified as held for sale, will no longer be recognized as depreciated or amortized. Additionally, when investments accounted for using the equity method are classified as held for sale, it will cease to account with equity method.

2. Discontinued Operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and:

represents either a separate major line of business or a geographical area of operations is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale and the disposal involves loss of control.

An operating unit is classified as a discontinued operation at the point of time when it is disposed of or meets the conditions for sale.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

(4) 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.

(5) 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 2022 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 2022. Please refer to Note 6 of consolidated financial statements 2022.

(1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash and cash on hand	\$ 1,365	1,482	1,845
Check deposits	10	10	10
Demand deposits	<u>144,189</u>	<u>179,278</u>	<u>122,250</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 145,564</u></u>	<u><u>180,770</u></u>	<u><u>124,105</u></u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Derivatives not designated as hedges			
Convertible bond (Embedded derivatives)	<u><u>\$ 638</u></u>	<u><u>-</u></u>	<u><u>260</u></u>
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value			
Derivatives not designated as hedges			
Convertible bond (Embedded derivatives)	<u><u>\$ -</u></u>	<u><u>548</u></u>	<u><u>-</u></u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks –			
Y.S. Tech U.S.A Inc.	\$ 22,045	18,660	12,299
Domestic un-listed stocks –			
CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	<u>14,161</u>	<u>13,630</u>	<u>13,740</u>
Total	<u><u>\$ 36,206</u></u>	<u><u>32,290</u></u>	<u><u>26,039</u></u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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 three months and six months ended June 30, 2023 and 2022.

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.

(4) Notes and accounts receivable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable from operating activities	\$ 20,390	29,493	37,350
Accounts receivables— measured as amortized cost	1,027,461	781,906	962,751
Less: Allowance for impairment	(19,415)	(19,881)	(20,151)
	<u>\$ 1,028,436</u>	<u>791,518</u>	<u>979,950</u>
Book as:			
Notes receivable	\$ 20,390	29,493	37,350
Net amount of accounts receivable	1,008,046	762,025	942,600
	<u>\$ 1,028,436</u>	<u>791,518</u>	<u>979,950</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, 2023</u>		
	<u>Carrying amount of Notes and accounts receivable</u>	<u>Weighted-average expected credit loss rate</u>	<u>Loss allowance for lifetime expected credit losses</u>
Not over due	\$ 1,004,390	0.06%	635
Overdue less than 90 days	24,856	2.11%	524
Overdue 91 to 180 days	227	20.70%	47
Overdue 181 to 240 days	357	52.66%	188
Overdue over 241 days	18,021	100.00%	18,021
	<u>\$ 1,047,851</u>		<u>19,415</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	December 31, 2022		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 763,116	0.07%	514
Overdue less than 90 days	28,756	0.53%	152
Overdue 91 to 180 days	371	18.60%	70
Overdue 181 to 240 days	16	33.33%	5
Overdue over 241 days	19,140	100.00%	19,140
	\$ 811,399		19,881

	June 30, 2022		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 959,948	0.05%	489
Overdue less than 90 days	20,460	0.94%	193
Overdue 91 to 180 days	315	28.89%	91
Overdue 181 to 240 days	-	-	-
Overdue over 241 days	19,378	100.00%	19,378
	\$ 1,000,101		20,151

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

	For the six months ended June 30	
	2023	2022
Balance at January 1	\$ 19,881	19,424
Impairment losses recognized (reversed)	(87)	422
Effect of changes in foreign exchange rates	(379)	305
Balance at June 30	\$ 19,415	20,151

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)

(5) Other financial assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Refundable deposits	\$ 9,921	12,448	12,468
Other receivables — Other	26,295	17,471	23,080
Restricted deposits (note)	324,426	60,264	65,470
Less: Loss allowance-Others	(14)	-	(43)
	<u>\$ 360,628</u>	<u>90,183</u>	<u>100,975</u>

Book as:

Other financial assets — current	\$ 295,934	22,073	31,838
Other financial assets — non-current	64,694	68,110	69,137
	<u>\$ 360,628</u>	<u>90,183</u>	<u>100,975</u>

note: \$267,625 thousand was received in advance for the disposal of SHANGHAI YENSUN and deposited in the bank account jointly managed by both parties according to the agreement. Please refer to Note 6 (7) for details.

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

(6) Inventories

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Raw materials and supplies	\$ 331,554	323,618	346,209
Work in progress	270,775	212,942	278,161
Finished goods and Merchandise inventories	210,168	279,429	242,405
	<u>\$ 812,497</u>	<u>815,989</u>	<u>866,775</u>

As of three months ended June 30, 2023, certain inventory items for which inventory impairment losses had previously been recognized were disposed, leading the elimination of factors causing the net realizable value will be lower than cost. Additionally, a portion of the inventory assessed showed a recovery in net realizable value, resulting in the recognition of inventory impairment reversal gains of \$2,103 thousand, which have been recognized as operating costs deduction.

For the period of three months ended June 30, 2022, and six months ended June 30, 2023 and 2022, the recognition of inventory impairment losses due to write-off of inventories to net realizable value was \$1,833 thousand, \$256 thousand and \$5,972 thousand has been recognized under operating costs, respectively.

None abovementioned inventories were pledged as collaterals.

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

(7) Non-current Assets Held for Sale (disposal group)

On May 3, 2023, the board of directors approved to dispose of its subsidiary, Yen Sun Technology (BVI) Corp.'s 100% equity interest in SHANGHAI YENSUN. The contract of the equity transfer was completed on the same day, with a contract price of CNY 62,500 thousand (approximately NT\$267,625 thousand). As of June 30, 2023, the advance consideration for the disposal price, which amounts to CNY 62,500 thousand (approximately NT\$267,625 thousand) has been received and recognized under other current liabilities. Therefore, the related assets and liabilities have been reported as held for sale non-current assets (or disposal group). As of June 30, 2023, the amounts of assets and liabilities related to the held for sale non-current assets (or disposal group) are \$11,630 thousand and \$1,846 thousand, respectively. The details are shown as follows:

	June 30, 2023
Cash and Cash equivalents	\$ 1,737
Current asset-Other	172
Total current asset	1,909
Investment property	9,721
Total non-current asset	9,721
Total amount which recognized as held for sale non-current assets (or disposal group)	<u>\$ 11,630</u>
Other payables	\$ 681
Other current liabilities	1,165
Total directly related liabilities which recognized as held for sale non-current assets (or disposal group)	<u>\$ 1,846</u>
Total directly related equity which recognized as held for sale non-current assets (or disposal group)	<u>\$ 13,574</u>

On May 3, 2023, the Group's held for sale non-current assets (or disposal group) were re-measured at the lower of their carrying amount and fair value less sales costs, and there was no impairment been recognized.

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:

	Land	Building and construction	Machinery and equipment	Mold Equipment	Miscellaneo us equipment	Construction in progress	Total
Cost or deemed cost:							
Balance at January 1, 2023	\$ 291,848	225,213	312,501	462,977	120,243	57,636	1,470,418
Additions	-	3,406	4,183	7,539	908	204,105	220,141
Disposals	-	(88)	(2,793)	(7,188)	(324)	-	(10,393)
Effect of movements in exchange rates	-	(693)	(3,096)	(2,425)	(458)	-	(6,672)
Balance at June 30, 2023	\$ 291,848	227,838	310,795	460,903	120,369	261,741	1,673,494
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
Accumulated depreciation and Impairment:							
Balance at January 1, 2023	\$ -	73,925	182,661	398,630	80,122	-	735,338
Depreciation for the year	-	8,007	15,123	14,524	5,579	-	43,233
Disposals	-	(88)	(2,775)	(7,148)	(320)	-	(10,331)
Effect of movements in exchange rates	-	(565)	(1,412)	(1,596)	(329)	-	(3,902)
Balance at June 30, 2023	\$ -	81,279	193,597	404,410	85,052	-	764,338
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
Carrying amounts:							
Balance at January 1, 2023	\$ 291,848	151,288	129,840	64,347	40,121	57,636	735,080
Balance at June 30, 2023	\$ 291,848	146,559	117,198	56,493	35,317	261,741	909,156
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

As of three months and six months ended June 30, 2023, the capitalized amount that related to the construction of the new factory of the Group were \$882 thousand and \$1,424 thousand, which was calculated based on the capitalization rate of 1.88%.

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:

	Land	Building and construction	Transportation equipment	Total
Right-of-use assets cost:				
Balance at January 1, 2023	\$ 139,355	211,565	3,927	354,847
Additions	-	2,412	-	2,412
Decrease	(505)	-	(803)	(1,308)
Effect of movements in exchange rates	-	(4,436)	-	(4,436)
Balance at June 30, 2023	<u><u>\$ 138,850</u></u>	<u><u>209,541</u></u>	<u><u>3,124</u></u>	<u><u>351,515</u></u>
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>
Accumulated Depreciation:				
Balance at January 1, 2023	\$ 1,731	91,460	1,979	95,170
Depreciation for the period	1,433	14,860	571	16,864
Decrease	-	-	(803)	(803)
Effect of movements in exchange rates	-	(2,439)	-	(2,439)
Balance at June 30, 2023	<u><u>\$ 3,164</u></u>	<u><u>103,881</u></u>	<u><u>1,747</u></u>	<u><u>108,792</u></u>
Balance at January 1, 2022	\$ 16	64,641	2,176	66,833
Depreciation for the period	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>
Carrying amounts:				
Balance at January 1, 2023	<u><u>\$ 137,624</u></u>	<u><u>120,105</u></u>	<u><u>1,948</u></u>	<u><u>259,677</u></u>
Balance at June 30, 2023	<u><u>\$ 135,686</u></u>	<u><u>105,660</u></u>	<u><u>1,377</u></u>	<u><u>242,723</u></u>
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>

For details of the right-of-use assets of the Group that have been used as a guarantee for long-term loans, please refer to Note 8.

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

(10) Investment Property

	<u>Owne property</u>	<u>Building and construction</u>	
	<u>Building and construction</u>	<u>Land</u>	<u>Total</u>
Cost or Deemed cost :			
Balance at January 1, 2023	\$ 38,474	7,429	45,903
Transfer to Non-current Assets Held for Sale	(37,374)	(7,217)	(44,591)
Effect of movements in exchange rates	(1,100)	(212)	(1,312)
Balance at June 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2022	\$ 56,427	7,322	63,749
Disposals	(18,867)	-	(18,867)
Effect of movements in exchange rates	1,184	160	1,344
Balance at June 30, 2022	<u>\$ 38,744</u>	<u>7,482</u>	<u>46,226</u>
Accumulated depreciation and Impairment loss :			
Balance at January 1, 2023	\$ 34,589	1,143	35,732
Depreciation for the period	20	143	163
Transfer to Non-current Assets Held for Sale	(33,621)	(1,249)	(34,870)
Effect of movements in exchange rates	(988)	(37)	(1,025)
Balance at June 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2022	\$ 50,712	845	51,557
Depreciation for the period	20	144	164
Disposals	(16,985)	-	(16,985)
Effect of movements in exchange rates	1,064	20	1,084
Balance at June 30, 2022	<u>\$ 34,811</u>	<u>1,009</u>	<u>35,820</u>
Carrying amounts:			
Balance at January 1, 2023	<u>\$ 3,885</u>	<u>6,286</u>	<u>10,171</u>
Balance at June 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2022	<u>\$ 5,715</u>	<u>6,477</u>	<u>12,192</u>
Balance at June 30, 2022	<u>\$ 3,933</u>	<u>6,473</u>	<u>10,406</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, 2022.

Investment property were not pledged as collateral.

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

(11) Intangible assets

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

	Computer software	Other	Total
Carrying amounts:			
Balance at January 1, 2023	\$ <u>4,397</u>	<u>134</u>	<u>4,531</u>
Balance at June 30, 2023	\$ <u>6,216</u>	<u>53</u>	<u>6,269</u>
Balance at January 1, 2022	\$ <u>4,931</u>	<u>307</u>	<u>5,238</u>
Balance at June 30, 2022	\$ <u>5,349</u>	<u>220</u>	<u>5,569</u>

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, 2023 and 2022. Please refer Note 6(10) of the consolidated financial report for the year ended December 31, 2022 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:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Prepayment for purchases	\$ 3,112	4,957	3,456
Prepaid expense	7,751	5,112	7,040
Prepayments for equipment	4,722	5,591	11,341
Income tax refund receivable	39,155	26,874	27,456
Assets for right to recover product to be returned	<u>2,382</u>	<u>3,051</u>	<u>3,054</u>
	<u>\$ 57,122</u>	<u>45,585</u>	<u>52,347</u>
Current	\$ 52,400	39,994	41,006
Non-current	<u>4,722</u>	<u>5,591</u>	<u>11,341</u>
	<u>\$ 57,122</u>	<u>45,585</u>	<u>52,347</u>

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, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Unsecured bank loans	\$ <u>100</u>	<u>100</u>	<u>20,000</u>
Unused short-term credit lines	\$ <u>1,032,657</u>	<u>806,622</u>	<u>949,228</u>
Range of interest rates	<u>2.15%</u>	<u>1.73%</u>	<u>1.37%~1.40%</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, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Unsecured bank borrowings	\$ 176,907	124,498	49,667
Secured bank loans	<u>230,671</u>	<u>123,638</u>	<u>235,000</u>
	407,578	248,136	284,667
Less: current portion	<u>18,121</u>	<u>41,252</u>	<u>44,116</u>
Total	\$ <u>389,457</u>	<u>206,884</u>	<u>240,551</u>
Unused long-term credit lines	\$ <u>387,820</u>	<u>96,000</u>	<u>-</u>
Range of interest rates	<u>1.38%~2.10%</u>	<u>1.38%~1.94%</u>	<u>1.58%~1.68%</u>

A. During the period from January 1 to June 30, 2023, the Group added long-term borrowings with \$310,180 thousand, interest rates ranging from 1.63% to 1.75%. Additionally, repayments during the periods of January 1 to June 30, 2023, amounted to \$145,037 thousand and \$13,667 thousand, respectively. 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, 2022.

In 2022, the Group acquired low-interest loan from “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” which host by Executive Yuan, R.O.C. (Taiwan). As of six months ended June 30, 2023 and the year ended December 31, 2022, the loan amount was \$400,180 thousand and \$90,000 thousand, respectively; the loan is recognized and measured at market interest rates, the difference between the actual repayment preferential interest rate shall be handled according to government subsidy, please refer to Note 4(16) of the consolidated financial report for the year ended December 31, 2022 for other related information.

As of June 30, 2023 and December 31, 2022, the deferred subsidy benefits amounted to \$7,395 thousand and \$1,502 thousand, respectively, and were recognized as other current liabilities in the balance sheet, which is amounted to \$1,053 thousand and \$428

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

thousand, respectively. The long-term deferred revenue amounted to \$6,342 thousand and \$1,074 thousand.

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

(15) Bonds payable

The details of secured convertible bonds were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2023</u>
Total convertible corporate bonds issued	\$ 300,000	300,000	300,000
Add: Interest payable refund	1,118	902	541
Less: Unamortized discounted bonds payable	(44,600)	(11,400)	(11,400)
Issued bonds payable balance at year-end	<u>(4,987)</u>	<u>(6,484)</u>	<u>(7,329)</u>
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	<u>\$ 251,531</u>	<u>283,018</u>	<u>281,812</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 638</u>	<u>(548)</u>	<u>260</u>
Total convertible corporate bonds issued	<u>\$ 31,831</u>	<u>35,970</u>	<u>35,970</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, 2023 and 2022, please refer to Note 6 (21).

(16) Lease liabilities

The details of lease liabilities were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current	\$ 32,077	31,028	29,952
Non-current	<u>\$ 192,489</u>	<u>209,768</u>	<u>224,522</u>

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Interest on lease liabilities	<u>\$ 1,513</u>	<u>1,667</u>	<u>3,119</u>	<u>3,176</u>
Expenses relating to short-term leases	<u>\$ 51</u>	<u>168</u>	<u>494</u>	<u>332</u>
Expenses relating to leases of low-value assets	<u>\$ 101</u>	<u>112</u>	<u>205</u>	<u>232</u>

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

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Total cash outflow for leases	<u>\$ 19,673</u>	<u>49,389</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 5 years.

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

(17) Other current and non-current liabilities

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

	June 30, 2023	December 31, 2022	June 30, 2022
Advance receipts	\$ 13,519	13,757	12,290
Deposits received	-	4,408	-
Provision for warranties	638	1,071	1,438
Refund liability	5,151	6,942	5,377
Deposit received-Equity sale	267,625	-	-
Others	<u>15,546</u>	<u>9,609</u>	<u>10,189</u>
	<u>\$ 302,479</u>	<u>35,787</u>	<u>29,294</u>

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

There was no significant movement of liabilities provision for the six months ended June 30, 2023 and 2022. Please refer Note 6(16) of consolidated financial report for the year ended December 31, 2022 for other related information

(18) Operating lease

There was no significant movement and addition of operating lease contracts six months ended June 30, 2023 and 2022. Please refer Note 6(17) of consolidated financial report for the year ended December 31, 2022 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, 2022 and 2021.

Cost recognized in expense was as below:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Operating cost	\$ 47	58	95	116
Selling expenses	13	15	26	30
Total	<u>\$ 60</u>	<u>73</u>	<u>121</u>	<u>146</u>

B. Defined contribution plans

The recognized pension expenses which are based on the pension scheme by the Group are as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Operating cost	\$ 3,438	3,748	6,704	7,289
Selling expenses	621	625	1,243	1,237
General and administrative expenses	667	683	1,338	1,345
Research and development expenses	958	954	1,901	1,893
Total	<u>\$ 5,684</u>	<u>6,010</u>	<u>11,186</u>	<u>11,764</u>

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, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Current tax expense	<u>\$ 17,338</u>	<u>16,664</u>	<u>24,944</u>	<u>30,420</u>

The Group recognize income tax which under other comprehensive income for the three months ended June 30, 2023 and 2022 was \$56 thousand and \$ (469) thousand, respectively; and for the six months ended June 30, 2023 and 2022 was \$677 thousand and \$ (120) thousand, respectively.

The Company's income tax returns for all fiscal years up to 2021 (except the year 2020) have been examined and approved by the tax authority.

(21) Capital and other equity

A. Common stock

As of June 30, 2023, December 31, 2022 and June 30, 2022; the total value of authorized ordinary shares were amounted to \$ 1,500,000 thousand, thousand with par value \$10, respectively. Issued shares were 71,357 thousand shares, 70,167 thousand shares and 70,167 thousand shares. All the capital was fully paid in.

Reconciliation of shares outstanding for the six months ended June 30, 2023 and 2022 was as follows (The 766 thousand shares of treasury stock buyback has been deducted):

(in thousands of shares)	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Balance on January 1	69,401	69,021
Converting of convertible bonds	<u>1,190</u>	<u>380</u>
Balance on June 30	<u>70,591</u>	<u>69,401</u>

From January 1 to June 30, 2023, due to the exercise the puttable option by the holders of convertible bonds, the Group converted the bonds payable with a par value of \$33,200 thousand into 1,190 thousand common shares and issued with the par value of \$11,900 thousand; considering the discount of bonds payable and interest compensation of \$530 thousand and the amount of financial assets measured at fair value through profit and loss: \$74 thousand and additional paid-in capital - bond payable stock option of \$4,139 thousand will be recognized as additional paid-in capital - conversion excess of par of bond payable of \$24,835 thousand. The legal registration procedures are still pending.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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. The related legal registration procedures has been completed.

B. Capital surplus

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Premium on conversion of convertible bonds	\$ 120,448	95,613	95,613
Expired share option	18,643	18,643	18,643
Treasury share transactions	14,141	14,141	14,141
Conversion option of convertible bonds	31,831	35,970	35,970
	<u>\$ 185,063</u>	<u>164,367</u>	<u>164,367</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 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.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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 2022 and 2021 had been approved during the board meeting on March 8, 2023 and March 8, 2022.

The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholder:				
Cash	\$ 2.2	<u>152,682</u>	2.2	<u>152,337</u>

D. Other equity (Net amount after tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Directly related equity which recognized as held for sale non-current assets	Total
Balance at January 1, 2023	\$ 18,392	7,473	-	25,865
Changes of the Group	(16,123)	1,739	13,574	(810)
Balance at June 30, 2023	<u>\$ 2,269</u>	<u>9,212</u>	<u>13,574</u>	<u>25,055</u>
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>-</u>	<u>21,506</u>

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

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, 2023, December 31, 2022 and June 30, 2022, 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.

(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, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Basic earnings per share				
Net profit attributable to the Company for the current period - Continuing operations	\$ 59,881	71,714	74,426	111,642
Net loss attributable to the Company for the current period - Discontinuing operation	(7,973)	(3,960)	(4,054)	(1,327)
Profit attributable to ordinary shareholders of the Company	<u>\$ 51,908</u>	<u>67,754</u>	<u>70,372</u>	<u>110,315</u>
Weighted-average number of ordinary shares	<u>69,573</u>	<u>69,401</u>	<u>69,487</u>	<u>69,329</u>
Earnings per share				
Net profit of Continuing operations	0.86	1.03	1.07	1.61
Net loss of Discontinuing operation	(0.11)	(0.05)	(0.06)	(0.02)
	<u>\$ 0.75</u>	<u>0.98</u>	<u>1.01</u>	<u>1.59</u>
Diluted earnings per share				
Net profit attributable to ordinary shareholders of the Company— Continuing operations	\$ 59,881	71,714	74,426	111,642
Net loss attributable to ordinary shareholders of the Company— Discontinuing operation	(7,973)	(3,960)	(4,054)	(1,327)
After-tax effects of Interest expenses and other gains or losses on convertible bonds	<u>\$ 124</u>	<u>1,889</u>	<u>(62)</u>	<u>2,353</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Net profit attributable to ordinary shareholders of the Company (diluted)	\$	<u>52,032</u>	<u>69,643</u>	<u>70,310</u>	<u>112,668</u>
Weighted-average number of common shares(thousand)		69,573	69,401	69,487	69,329
Effect on employee compensation (thousand)		47	86	104	129
Effect of convertible bonds		<u>10,172</u>	<u>9,620</u>	<u>10,258</u>	<u>9,692</u>
Weighted average number of ordinary shares outstanding during the period(After adjusted effected amount of potentially dilutive common stock)(thousand)		<u>79,792</u>	<u>79,107</u>	<u>79,849</u>	<u>79,150</u>
Diluted earnings per share		<u>0.75</u>	<u>0.93</u>	<u>0.93</u>	<u>1.44</u>
Net profit of Continuing operations		<u>(0.10)</u>	<u>(0.05)</u>	<u>(0.05)</u>	<u>(0.02)</u>
Net loss of Discontinuing operation		<u>0.65</u>	<u>0.88</u>	<u>0.88</u>	<u>1.42</u>

(23) Revenue from contracts with customers

A. Details of revenue

For the three months ended June 30, 2023			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 199,668	270,991	470,659
Mainland China	-	100,520	100,520
Germany	-	256,084	256,084
America	6,459	61,313	67,772
Japan	4,152	527	4,679
South Korea	-	20,211	20,211
Others	2,151	41,825	43,976
	<u>\$ 212,430</u>	<u>751,471</u>	<u>963,901</u>
Major products services lines:			
Cooling fan and module	\$ -	742,845	742,845
Product of home appliances–air series	160,037	-	160,037
Product of home appliances–water series	37,197	-	37,197
Others	15,196	8,626	23,822
	<u>\$ 212,430</u>	<u>751,471</u>	<u>963,901</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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 and module	\$ -	778,165	778,165
Product of home appliances–air series	141,331	-	141,331
Product of home appliances–water series	49,444	-	49,444
Others	65,424	10,551	75,975
	\$ 256,199	788,716	1,044,915
For the six months ended June 30, 2023			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 399,737	520,204	919,941
Mainland China	1,011	193,449	194,460
Germany	676	441,664	442,340
America	7,415	109,183	116,598
Japan	10,353	605	10,958
South Korea	-	34,882	34,882
Others	15,540	80,461	96,001
	\$ 434,732	1,380,448	1,815,180
Major products services lines:			
Cooling fan and module	\$ -	1,365,071	1,365,071
Product of home appliances–air series	316,464	-	316,464
Product of home appliances–water series	94,778	-	94,778
Others	23,490	15,377	38,867
	\$ 434,732	1,380,448	1,815,180

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><u>\$ 529,545</u></u>	<u><u>1,455,837</u></u>	<u><u>1,985,382</u></u>
Major products services lines:			
Cooling fan and module	\$ -	1,437,295	1,437,295
Product of home appliances–air series	310,747	-	310,747
Product of home appliances–water series	142,677	-	142,677
Others	76,121	18,542	94,663
	<u><u>\$ 529,545</u></u>	<u><u>1,455,837</u></u>	<u><u>1,985,382</u></u>

B. Contract balance

	June 30, 2023	December 31, 2022	June 30, 2022
Notes and accounts receivables	\$ 1,047,851	811,399	1,000,101
Less: allowance for impairment	(19,415)	(19,881)	(20,151)
Total	<u><u>\$ 1,028,436</u></u>	<u><u>791,518</u></u>	<u><u>979,950</u></u>
Contract liabilities — unearned revenue	<u><u>\$ 13,519</u></u>	<u><u>13,757</u></u>	<u><u>12,290</u></u>

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

The contract liabilities- unearned sales revenue balance at January 1, 2023 and 2022; have been recognized as revenue for the three months ended at June 30, 2023 and 2022, for the six months ended at June 30, 2023 and 2022, with total amounts of \$1,057 thousand, \$2,481 thousand, \$6,500 thousand and \$11,913 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.

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

(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 months and six months ended at June 30, 2023 and 2022, the Company accrued the compensation of employees amounted to \$1,375 thousand, \$1,627 thousand, \$1,776 thousand and \$2,758 thousand, respectively and the remuneration of directors' amounted to \$688 thousand, \$814 thousand, \$888 thousand and \$1,379 thousand, respectively. The compensation of employees, remuneration of directors were estimated as the Company's net income before tax, excluding compensation of employees and remuneration of directors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses recognized under operating costs or operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of Directors resolve to issue its stocks as the compensation of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

For the year ended December 31, 2022 and 2021, the accrued compensation of employees amounted to \$4,810 thousand and \$4,682 thousand, respectively; and the accrued remuneration of directors' and supervisor's amounted to \$2,405 thousand and \$2,341 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>.

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

(25) Non-operating income and expenses

A. Interest income:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Bank deposit	\$ 1,010	111	1,056	154
Other interest income	1	1	7	10
Less: Interest income belonging to discontinuing operation	_____ 1	_____ 2	_____ 4	_____ 4
	<u>\$ 1,010</u>	<u>110</u>	<u>1,059</u>	<u>160</u>

B. Other income:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Sample income	\$ 1,018	1,498	2,002	2,530
Rent income	189	3,160	3,818	6,225
Mold income	2,358	436	4,380	6,748
Other	6,486	9,015	9,565	15,107
Less: Other income belonging to discontinuing operation	_____ (24)	_____ 6,554	_____ 3,160	_____ 9,506
	<u>\$ 10,075</u>	<u>7,555</u>	<u>16,605</u>	<u>21,104</u>

C. Other gains and losses:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Net profit on foreign exchange gains	\$ 6,859	11,573	4,709	30,558
Net loss on disposal of investment property and property, plant and equipment	(8)	(3,413)	(62)	(3,337)
Putable option of bonds payable/Net profit on value of putable option	423	(1,760)	1,260	(1,735)
Others	(14)	(2,544)	(156)	(3,138)
Less: Other profit and loss belonging to discontinuing operation	_____ (7,265)	_____ (9,959)	_____ (5,644)	_____ (9,460)
	<u>\$ 14,525</u>	<u>13,815</u>	<u>11,395</u>	<u>31,808</u>

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

D. Finance costs:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Interest expenses				
Bank loan	\$ (1,219)	(1,301)	(2,193)	(2,341)
Lease liability	(1,513)	(1,667)	(3,119)	(3,176)
Amortization of discount on bonds payable and others	(579)	(601)	(1,183)	(1,207)
	<u><u>\$ (3,311)</u></u>	<u><u>(3,569)</u></u>	<u><u>(6,495)</u></u>	<u><u>(6,724)</u></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 2022 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, 2023, December 31, 2022 and June 30, 2022, major customers of the Company was significant focus on certain customer; one of the customer accounted for 19.90%, 20.15% and 19.15% of the notes and accounts receivable, respectively.

c. Credit risk of receivable and debt instrument investment

For credit risk exposure of notes and accounts receivable. Please refer to Note 6 (4). Other financial assets measured with amortized cost include other receivables, restricted bank deposits, and guarantee deposit paid.

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

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

June 30, 2023			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 9,921	-	-
Other receivable	17,760	8,521	14
Restricted Deposit	324,426	-	-
Loss allowance	-	-	(14)
Amortized cost	<u>\$ 352,107</u>	<u>8,521</u>	<u>-</u>
Carrying amount	<u>\$ 352,107</u>	<u>8,521</u>	<u>-</u>

December 31, 2022			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 12,448	-	-
Other receivable	11,440	6,031	-
Restricted Deposit	60,264	-	-
Loss allowance	-	-	-
Amortized cost	<u>\$ 84,152</u>	<u>6,031</u>	<u>-</u>
Carrying amount	<u>\$ 84,152</u>	<u>6,031</u>	<u>-</u>

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	<u>\$ 98,344</u>	<u>2,631</u>	<u>-</u>
Carrying amount	<u>\$ 98,344</u>	<u>2,631</u>	<u>-</u>

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 June 30, 2023 and 2022 were as follows:

	12-month ECL	Lifetime ECL- unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2023	\$ -	-	-	-
Impairment loss recognized	-	-	14	14
Balance at June 30, 2023	<u>\$ -</u>	<u>-</u>	<u>14</u>	<u>14</u>

	12-month ECL	Lifetime ECL- unimpaired	Lifetime 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>

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
<u>June 30, 2023</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 407,678	441,004	12,579	10,805	37,109	219,063	161,448
Accounts payable (non-interest bearing)	766,848	766,848	766,848	-	-	-	-
Other payables (non-interest bearing)	342,510	342,510	342,510	-	-	-	-
Bonds payable (fixed interest rate)	251,531	258,608	-	-	-	258,608	-
Lease liability (maturity within one year) (fixed interest rate)	224,566	268,397	17,672	19,621	35,145	54,215	141,744
Guarantee deposits (non-interest bearing)	1,764	1,764	-	-	1,764	-	-
	<u>\$ 1,994,897</u>	<u>2,079,131</u>	<u>1,139,609</u>	<u>30,426</u>	<u>74,018</u>	<u>531,886</u>	<u>303,192</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

December 31, 2022

Non-derivative financial liabilities

Bank loan (Long- and Short-term borrowing) (floating rate)	\$	248,236	266,977	20,458	24,386	31,412	93,530	97,191
Accounts payable (non-interest bearing)		632,576	632,576	632,576	-	-	-	-
Other payables (non-interest bearing)		166,596	166,596	166,596	-	-	-	-
Bonds payable (fixed interest rate)		283,018	292,225	-	-	-	292,225	-
Lease liability (maturity within one year) (fixed interest rate)		240,796	287,693	19,152	17,707	36,313	69,111	145,410
Guarantee deposits (non-interest bearing)		6,172	6,172	-	4,408	1,764	-	-
	\$	1,577,394	1,652,239	838,782	46,501	69,489	454,866	242,601

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	-	-
	\$	1,846,172	1,914,432	1,059,409	43,970	87,852	433,079	290,122

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

C. Market Risk

I. Exchange rate risk

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

	June 30, 2023			December 31, 2022			June 30, 2022			
	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	
Financial assets										
<u>Monetary items</u>										
USD	\$	44,714	31.14	1,392,389	28,992	30.71	890,413	32,909	29.72	978,273
EUR		852	33.81	28,812	871	32.72	28,487	677	31.05	21,021
CNY		7,627	4.282	32,665	30,798	4.408	135,758	42,151	4.439	187,109
<u>Non-monetary item</u>										
USD		708	31.14	22,045	608	30.71	18,660	414	29.72	12,299
Financial liabilities										
<u>Monetary items</u>										
USD		32,784	31.14	1,020,912	16,366	30.71	495,339	21,699	29.72	644,938
EUR		49	33.81	1,672	75	32.72	2,453	64	31.05	1,994
CNY		7,124	4.282	30,499	33,289	4.408	146,739	38,518	4.439	170,981
TWD		35,219	1	35,219	19,834	1	19,834	48,359	1	48,359

The foreign currency risk of Group was mainly incurred from the translation cash and

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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, 2023 and 2022, 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 \$3,206 thousand and \$2,948 thousand, respectively. The analysis adopt same assumes of variables.

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

	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ 5,542	-	30,147	-
CNY	(833)	4.404	411	4.427
	<u>\$ 4,709</u>		<u>30,558</u>	

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, 2023	Net profit decrease \$415 thousand	Net profit increase \$415 thousand
Net profits after tax, January to June, 2022	Net profit decrease \$305 thousand	Net profit increase \$305 thousand

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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:

Equity price at reporting date	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
	Other comprehensive income After tax	Net income	Other comprehensive income After tax	Net income
Increase 3%	\$ 954	-	707	-
Decrease 3%	\$ (954)	-	(707)	-

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 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:

	Carrying Amount	June 30, 2023			
		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	\$ 638	-	638	-	638
Financial assets at FVOCI					
Foreign unlisted stock	\$ 22,045	-	-	22,045	22,045
Domestic unlisted stock	14,161	-	-	14,161	14,161
Subtotal	\$ 36,206				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 145,564	-	-	-	-
Notes and accounts receivables	1,028,436	-	-	-	-
Other Financial assets -current	295,934	-	-	-	-
Other Financial assets -non current	64,694	-	-	-	-
Subtotal	\$ 1,534,628				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 100	-	-	-	-
Account payable	766,848	-	-	-	-
Other payable	342,510	-	-	-	-
Long- term borrowing (Current portion)	18,121	-	-	-	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Lease liability — current	32,077	-	-	-	-
Long -term borrowing	389,457	-	-	-	-
Lease liability — non current	192,489	-	-	-	-
Bonds payable	251,531	-	246,538	-	246,538
Deposits received	1,764	-	-	-	-
Subtotal	<u>\$ 1,994,897</u>				

December 31, 2022					
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Foreign unlisted stock	\$ 18,660	-	-	18,660	18,660
Domestic unlisted stock	13,630	-	-	13,630	13,630
Subtotal	<u>\$ 32,290</u>	-	-		
Financial assets at amortized cost					
Cash and cash equivalent	\$ 180,770	-	-	-	-
Notes and accounts receivables	791,518	-	-	-	-
Other Financial assets -current	22,073	-	-	-	-
Other Financial assets -non current	68,110	-	-	-	-
Subtotal	<u>\$ 1,062,471</u>	-	-	-	-
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	<u>\$ 548</u>	-	548	-	548
Financial liabilities at amortized cost					
Short-term borrowing	\$ 100	-	-	-	-
Account payable	632,576	-	-	-	-
Other payable	166,596	-	-	-	-
Long- term borrowing (Current portion)	41,252	-	-	-	-
Lease liability — current	31,028	-	-	-	-
Long -term borrowing	206,884	-	-	-	-
Lease liability — non current	209,768	-	-	-	-
Bonds payable	283,018	-	275,036	-	275,036
Deposits received	6,172	-	-	-	-
Subtotal	<u>\$ 1,577,394</u>				

June 30, 2022					
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
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	13,740	-	-	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	69,137	-	-	-	-
Subtotal	<u>\$ 1,205,030</u>				

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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>				

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.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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, 2023 and 2022, there was no transfer in the fair value grade of financial instruments assessed by the Group.

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

	Financial assets measured at fair value through other comprehensive income	
	Equity investment without an active market	
Balance at January 1, 2023	\$	32,290
Acquisition		1,500
Profit or loss-Recognized in other comprehensive profit or loss		2,416
Balance at June 30, 2023	\$	36,206
Balance at January 1, 2022	\$	24,860
Acquisition		2,500
Profit or loss-Recognized in other comprehensive profit or loss		(1,321)
Balance at June 30, 2022	\$	26,039

The benefits or losses are reported in the unrealized valuation benefits (losses) of financial assets measured at fair value, which is the outcome of assets that still hold by Group in January 1 to June 30, 2023 and 2022.

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, 2023: 30.00% December 31, 2022: 29.12% June 30, 2022: 28.96%) • Valuation multiples (June 30, 2023: 1.60 December 31, 2022: 1.36 June 30, 2022: 1.37) • Stock price volatility (June 30, 2023: 47.76% December 31, 2022: 44.50% June 30, 2022: 39.37%) 	<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.	The Assets Value Method	<ul style="list-style-type: none"> • Net assets value • Discount for minority interest (As of (June 30, 2023 and 2022, December 31, 2022: 16.64%, respectively.) • Lack of market liquidity discount interest (As of (June 30, 2023 and 2022, December 31, 2022: 10%, respectively) 	<ul style="list-style-type: none"> The higher the net assets value is, the higher the fair value will be. The higher the discount for minority interest is, the lower the fair value will be. The higher the lack of market liquidity discount is, the lower the fair value will be.

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

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, 2023					
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 30.00%	10%	\$	3,145	(3,152)
	Valuation multiples 1.60	5%		1,349	(888)
	Stock price volatility 47.76%	5%		1,810	(1,385)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	170	(170)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,573	(1,573)
Balance at December 31, 2022					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Market illiquidity discount rate 29.12%	10%	\$	2,633	(2,633)
Y.S.Tech U.S.A Inc.	Valuation multiples 1.36	5%		946	(945)
	Stock price volatility 44.50%	5%		1,051	(1,015)
Financial assets at fair value through					

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	182	(182)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,514	(1,514)

Balance at June 30, 2022

Financial assets at fair value through other comprehensive income-

Investment of equity instruments without an active market	Market illiquidity discount rate 28.96%	10%	\$	1,713	(1,713)
Y.S.Tech U.S.A Inc.	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)

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 2022 consolidated financial report. Please refer to Note 6(26) of 2022 consolidated financial statements.

(28) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2022 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2022 consolidated financial statements. Please refer to Note 6(27) of 2022 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, 2023	Non-cash changes					June 30, 2023
		Cash flows	Foreign exchange movement	Amortized interest	Increased in lease liabilities	Converted to ordinary shares (Note1)	
Short-term borrowings	\$ 100	-	-	-	-	-	100
Long-term borrowings (including current portion)	248,136	165,143	-	510	-	(6,211)	407,578
Bonds payable	283,018	-	-	1,183	-	(32,670)	251,531
Lease liabilities (current and non-current)	240,796	(15,855)	(2,282)	-	2,412	(505)	224,566
Guarantee deposit received	6,172	(3,277)	(35)	-	-	(1,096)	1,764
Total liabilities from financing activities	<u>\$ 778,222</u>	<u>146,011</u>	<u>(2,317)</u>	<u>1,693</u>	<u>2,412</u>	<u>(40,482)</u>	<u>885,539</u>

Note1: Recognized as deferred income: \$6,211 thousand; bond convert to shares: \$32,670 thousand; lease adjustments: \$505 thousand; liabilities directly related classified as non-current assets (or disposal groups): \$1,096 thousand

	January 1, 2022	Non-cash changes					June 30, 2022
		Cash flows	Foreign exchange movement	Amortized interest	Increased in lease liabilities	Converted to ordinary shares	
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>

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, 2023, December 31, 2022 and June 30, 2022. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which were \$ 80,000 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, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Short-term employee benefits \$	2,409	2,676	7,759	8,444
Post-employment benefits	47	49	94	94
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 2,456</u>	<u>2,725</u>	<u>7,853</u>	<u>8,538</u>

On June 30, 2023, the Group provided a rental car for the use of main management and been recognized as right of use assets of transportation equipment, the originally cost were \$2,516 thousand.

On December 31, 2022 and June 30, 2022, 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 were \$3,319 thousand.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	June 30, 2023	December 31, 2022	June 30, 2022
Deposit account (Reserve account)	Long-term/short-term borrowing, customs taxes, company debt and other repayment accounts	\$ 42,527	46,004	51,221
Time deposit	Guarantee of sales channel and short- term borrowing	14,274	14,260	14,249
Land	Guarantee of long-term/short-term borrowing	291,848	291,848	291,848
Buildings	Guarantee of long-term/short-term borrowing	109,925	114,330	119,206
Right-of-use assets (Note)	Guarantee of long-term borrowing	<u>28,091</u>	<u>-</u>	<u>-</u>
		<u>\$ 486,665</u>	<u>466,442</u>	<u>476,524</u>

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

Note: The Group prepaid the royalties to obtain the superficial rights of Taiwan Sugar Corporation as guarantee.

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	June 30, 2023	December 31, 2022	June 30, 2022
Acquisition of property, plant and equipment	<u>\$ 259,613</u>	<u>455,767</u>	<u>13,101</u>

B. Standby letter of credit:

	June 30, 2023	December 31, 2022	June 30, 2022
Purchases of raw materials	<u>\$ 29,243</u>	<u>36,333</u>	<u>51,772</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 30,2023				For the three months ended June 30,2022			
	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total
Employee benefits:								
Salary	70,808	43,222	174	114,204	69,096	46,018	199	115,313
Labor and health insurance	5,356	3,672	95	9,123	5,488	3,600	77	9,165
Pension expense	3,485	2,259	-	5,744	3,806	2,277	-	6,083
Remuneration of directors	-	1,006	-	1,006	-	1,090	-	1,090
Other personnel cost	4,827	2,056	-	6,883	5,445	2,023	-	7,468
Depreciation	16,870	12,954	81	29,905	17,615	13,106	82	30,803
Amortization	3	493	-	496	3	515	-	518

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

By function	For the six months ended June 30,2023				For the six months ended June 30,2022			
By item	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total
Employee benefits:								
Salary	134,304	85,455	450	220,209	134,928	88,538	397	223,863
Labor and health insurance	10,676	8,190	209	19,075	10,667	8,185	172	19,024
Pension expense	6,799	4,508	-	11,307	7,405	4,505	-	11,910
Remuneration of directors	-	1,572	-	1,572	-	1,949	-	1,949
Other personnel cost	9,268	4,062	-	13,330	10,135	4,034	-	14,169
Depreciation	33,813	26,284	163	60,260	35,125	26,203	164	61,492
Amortization	7	964	-	971	7	1,017	-	1,024

B. Discontinuing operation

On May 3, 2023, the board of directors approved to dispose of its subsidiary, Yen Sun Technology (BVI) Corp.'s 100% equity interest in SHANGHAI YENSUN. Since this department was not a discontinuing operation or an asset held for sale on June 30, 2022, the consolidated profit and loss statement for the previous period was recompiled to list the discontinuing operation with the continuing operation separately.

The operating results and cash inflows (outflows) of the discontinued operation are as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Operating results of the discontinuing operation				
operating revenue	\$ -	-	-	-
operating costs	-	-	-	10
Gross operating loss	-	-	-	(10)
Operating expenses	(685)	(557)	(1,574)	(1,367)
net operating loss	(685)	(557)	(1,574)	(1,377)
Operating income (expenditure)	(7,288)	(3,403)	(2,480)	50
Net loss before tax	(7,973)	(3,960)	(4,054)	(1,327)
Income tax expense	-	-	-	-
Net loss of discontinuing operation	\$ (7,973)	(3,960)	(4,054)	(1,327)
Basic earnings per share	\$ (0.11)	(0.05)	(0.06)	(0.02)
Diluted earnings per share	\$ (0.10)	(0.05)	(0.05)	(0.02)

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

**Net cash inflows (outflows) of
discontinuing operation**

Net cash outflow from	\$	(4,576)	(18,913)
operating activities			
Net cash inflows (outflows)		-	-
from investing activities			
Net cash inflows (outflows)		(3,277)	22,330
from financing activities			
exchange rate impact		<u>3,187</u>	<u>(2,206)</u>
Net cash inflow (out)	\$	<u>(4,666)</u>	<u>1,211</u>

C. 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, 2023.

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	107,205 (USD 3,442,673)	107,205 (USD 3,442,673)	107,205 (USD 3,442,673)	-	(Note 4)	-	Working capital	-	-	-	451,752 (Note 2)	451,752 (Note 2)

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

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

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Guarantees and endorsements for other parties:

No.	Endorser/ guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note2)	Parent company endorsements/ guarantees to third parties on behalf of subsidia	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Company name	Relationship with the endorser/ guarantor										
1	DARSON ELECTRONICS (DONGGUAN) LTD.	Yen Sun Technology (BVI) Corp.	Subsidiary	48,899(Note 1)	26,763 (CNY 6,250,000)	26,763	-	-	2.18%	48,899 (Note 3)	N	N	N

(Note 1) For a single enterprise, the limit is not more than 50% of the DARSON ELECTRONICS (DONGGUAN) LTD.'s net worth.

(Note 2) Not exceeding 50% of the DARSON ELECTRONICS (DONGGUAN) LTD.'s net worth.

III. Securities owned as of June 30, 2023 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship with company	Account title	June 30, 2023				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	22,045	19.00%	22,045	-
The Company	CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	-	Financial assets at FVOCI — non-current	2,000,000	14,161	5.00%	14,161	

IV. Accumulated trading amount of a single security 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)

V. Acquisition of property, plant and equipment that excess of \$300 million or 20% of paid in capital:

The company that acquires the real estate	Title of the property	Date	Transaction amount	Payment situation	Counterparty	Relation	If the counterparty is a related party, the previous transfer data:				Reference basis for price determination	Purpose of acquisition and usage	Other agreement
							Holder	Relation with the issuers	Date of transfer	Amount			
The Company	Building	September 13,2022	500,000 thousand (tax included)	Monthly payment after acceptance according to project progress	DARMAW CONSTRUCTION CO., LTD.	-	Not applicable	Not applicable	Not applicable	Not applicable	Price comparison and negotiation	New factory	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	355,595	25.97%	(Note 1)	Single supplier	(Note 1)	(42,840)	6.69%	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	396,553	28.96%	(Note 1)	Single supplier	(Note 1)	(252,216)	39.39%	
The Company	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Purchase	150,437	10.98%	(Note 1)	Single supplier	(Note 1)	105,025 (Note 2)	97.35% (Note 4)	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	390,794	99.29%	(Note 1)	Single supplier	(Note 1)	(243,039)	100.00%	
Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	Subsidiary of the Company (indirectly hold)	Purchase	148,883	98.07%	(Note 1)	Single supplier	(Note 1)	113,647 (Note 2)	100.00% (Note 4)	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	355,595	100.00%	(Note 1)	Product sales	(Note 1)	42,840	99.83%	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	396,553	100.00%	(Note 1)	Product sales	(Note 1)	252,216	100.00%	
Yen Sun Tech International (Samoa) Corp.	The Company	Ultimate parent company	Sale	150,437	97.92%	(Note 1)	Product sales	(Note 1)	(105,025) (Note 2)	100.00% (Note 4)	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Sale	390,794	100.00%	(Note 1)	Product sales	(Note 1)	243,039	100.00%	
YEN GIANT METAL (DONGGUAN) CO., LTD.	Yen Sun Tech International (Samoa) Corp.	Subsidiary of the Company (indirectly hold)	Sale	148,883	47.31%	(Note 1)	Product sales	(Note 1)	(113,647) (Note 2)	100.00% (Note 4)	

(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 107,205 (Note 2)	- (Note 1)	-	-	-	-	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Son Company to Subsidiary	receivable 243,039 (Note 2)	4.55%	-	-	70,894	-	
Y.H. Tech International Corp.	The Company	Son Company to Ultimate parent company	receivable 252,216 (Note 2)	4.42%	-	-	71,836	-	

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

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

IX. Trading in derivative instruments: Please refer to Note 6(2) and 6(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	12,439	Overdue accounts receivable None comparable terms	0.34%
0	The Company	Y.H. Tech International Corp.	1	Purchase Procurement of raw materials Accounts payable	396,553 37,971 252,216	(Note 2)	21.85% 2.09% 6.97%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase Sale Procurement of raw materials Accounts receivable Accounts payable	150,437 110 105,025 2,746 22,534	(Note 2)	8.29% 0.01% 2.90% 0.08% 1.24%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Other receivables	180	None comparable terms	-
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase Procurement of raw materials Prepayment of purchase Rental income	355,595 52 6,480 2,520 42,840	(Note 2)	19.59% - 0.36% 0.14% 1.18%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Other payables	1,460	None comparable terms	0.04%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Long-term accounts receivable-Interest	14,129	Financial intermediation. No interest since 2017	0.39%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable	390,794 35,688 243,039	(Note 2)	21.53% 1.97% 6.71%
2	Y.H. Tech International Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other receivables — Loans to other parties	107,205	Financial intermediation. No interest	2.96%
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	148,883 3,199 421 20,915 113,647 186	(Note 2)	8.20% 0.18% 0.01% 1.15% 3.14% 0.01%

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

3	Yen Sun Tech International (Samoa) Corp.	Y.H. Tech International Corp.	3	Other payables	84	None comparable terms.	-
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Accounts payable	5,139 5,633	None comparable terms.	0.28% 0.16%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Receipts under custody	20,581	Entrusted collection, None comparable terms	0.57%

Note 1: Relationship notes as follows:

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

Note 2: None comparable terms; The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Information on investees:

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

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the Investee (Note)	investment income (less) recognized (Note)	Remarks
				June. 30,2023	December 31,2022	Shares owned	Percentage owned	Carrying value (Note)			
The Company	Yen Sun Technology (BVI) Corp.	British Virgin Islands	Investment holding	284,844	284,844	500,000	100%	(86,361)	(3,859)	(3,859)	Subsidiary
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,583	1,000,000	100%	85,535	(26,089)	(26,089)	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	235,324	24,532	24,532	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	123,972	13,587	16,722	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	225,885	22,805	22,805	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%	225,876	22,805	22,805	Sub-Subsidiary

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

C. Information on investments in Mainland China:

I. Information of investments in Mainland China

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan.1,2023	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of June. 30, 2023	Net income Of investee (Note 3)	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group (Note 1)	Book value of the investment as of June. 30, 2023 (Note 3)	Accumulated investment income repatriated to Taiwan as of June. 30, 2023
					Remittance	Repatriation						
SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Manufacturing and sales of Home Appliances, Cooling fan	280,680 (USD9,500,000)	Invest through Yen Sun Technology (BVI) Corp. then invest in Mainland China	280,680 (USD 9,500,000)	-	-	280,680 (USD9,500,000)	(4,054)	100%	(4,054) (Note 4)	(100,533) (Note 1)	-
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)	18,590	100%	20,888 (Note 1)	97,798 (Note 1)	-
SHANGHAI CHANSON WATER CO., LTD.	Development and production of water making machine, pure water machine and purification device	20,503 (USD700,000)	Invest through Yen Tong Tech International (Samoa) Corp. then invest in Mainland China	1,916 (USD 60,000)	-	-	1,916 (USD 60,000)	-	17.75%	-	-	-
YEN GIANT METAL (DONGGUAN) CO., LTD.	Manufacturing and sales of electronic cooling fan and heat sink	9,008 (CNY2,002,000)	Invest through LUCRATIVE INT'L GROUP INC. then invest in Mainland China (Note 5)	8,583 (USD 285,000)	-	-	8,583 (USD 285,000)	(23,931)	100%	(26,089) (Note 1)	85,535 (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, 2023	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
337,716 (Note 2) (USD 10,845,000)	337,716 (Note 2) (USD 10,845,000)	735,461

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

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

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

III. Significant transactions:

The significant inter-company transactions (direct or indirect) with the investees in Mainland China for the six months ended June 31, 2023 are disclosed in “Information on significant transactions”. (When prepared this consolidated financial report, it was eliminated in the consolidation.)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

D. Information of major shareholders:

Shares		
Name of major shareholders	Shares held	Shares held ratio
CHEN-CHIEN-JUNG	6,106,739	8.57%

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.

14. Segment Information

Reportable segment information is as follows:

	For the three months ended June 30, 2023				
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustments and elimination	Total
Revenue:					
Revenue from external customers	\$ 212,430	751,471	-	-	963,901
Total revenue	\$ 212,430	751,471	-	-	963,901
Reportable segment income	\$ (975)	77,880	(7,973)	314	69,246

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

For the three months ended June 30, 2022					
	Home Appliances	Electronics Cooling	Discontinued Department	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	(3,960)	(569)	84,418
For the six months ended June 30, 2023					
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustments and elimination	Total
Revenue:					
Revenue from external customers	\$ 434,732	1,380,448	-	-	1,815,180
Total revenue	\$ 434,732	1,380,448	-	-	1,815,180
Reportable segment income	\$ (1,385)	100,560	(4,054)	195	95,316
For the six months ended June 30, 2023					
	Home Appliances	Electronics Cooling	Discontinued Department	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	(1,327)	(573)	140,735
Segment Assets					
June 30, 2023	\$ 1,003,263	2,606,250	11,630	43	3,621,186
December 31, 2022	\$ 929,600	2,029,273	17,195	43	2,976,111
June 30, 2022	\$ 981,564	2,139,460	19,630	13,761	3,154,415