

Stock Code: 6275



YENSUN TECHNOLOGY CORP.

Handbook for the 2024 Annual Meeting of Shareholders

Meeting Date: May 31, 2024 (Friday)

Meeting Time: 09:00 AM

Location: Garden Villa Hotel Conference Hall, 1F

(No. 801, Chongde Rd., Zuoying Dist., Kaohsiung City, Taiwan, ROC)

Table of Contents

I. Meeting Procedure for the 2024 annual Meeting of Shareholders	P.2
II. Meeting Agenda	P.3
1. Report Matters	P.4
2. Matters for Recognition.....	P.5
3. Matters for Discussion.....	P.7
4. Election Matters	P.11
5. Other Matters	P.12
6. Extempore Motions.....	P.12
III. Annex	
1. 2023 Business Report.....	P.13
2. 2023 Audit Committee’s Review Report.....	P.19
3. 2023 Parent-Company-Only Financial Statements with Independent Auditors’ Report For the Years Ended December 31, 2023.....	P.20
4. 2023 Consolidated Financial Statements with Independent Auditors’ Report For the Years Ended December 31, 2023.....	P.30
5. Evaluation opinion on the necessity and rationality of private placement.....	P.40
6. Director (independent director) candidate list	P.46
7. List of directors concurrently holding positions in other companies	P.49
IV. Appendices	
1. Rules of Procedure for Shareholder Meeting.....	P.50
2. Articles of Incorporation of Yen Sun Technology Corp.....	P.54
3. Rules for Election of Directors.....	P.62
4 Current Shareholding of Directors and Supervisors.....	P64
5. Result Announcement on Handling Shareholders’ Proposals at this Regular Shareholders’ Meeting	P65

YENSUN TECHNOLOGY CORP.

Meeting Procedure for the 2024 annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Matters
4. Matters for Recognition
5. Matters for Discussion
6. Election Matters
7. Other Matters
8. Extempore Motions
9. Adjournment

YENSUN TECHNOLOGY CORP.

Year 2024

Agenda of Annual Meeting of Shareholders

Time: 09:00 AM on Friday, May 31, 2024.

Location: Garden Villa Hotel Conference Hall, 1F

**(No. 801, Chongde Rd., Zuoying Dist., Kaohsiung City,
Taiwan, ROC)**

Convening method: Entity shareholders meeting

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Matters**
 - a. 2023 Business Report.
 - b. Audit Committee's Review Report on the 2023 Financial Statements.
 - c. Report on Distribution of Employee Compensation and Directors' and Supervisors' Remuneration in 2023.
 - d. Report on Distribution of Cash dividend in 2023.
- 4. Matters for Recognition**
 - a. Adoption of the 2023 Business Report and Financial Statements.
 - b. Adoption of the Proposal for Surplus Distribution of 2023.
- 5. Matters for Discussion**
 - a. The Company plans to conduct a cash capital increase private placement of ordinary share.
- 6. Election Matters**
 - a. The Election of Directors(including independent directors).
- 7. Other Matters**
 - a. Proposal for Release the Prohibition on Directors from Participation in Competitive Business.
- 8. Extempore Motions**
- 9. Adjournment**

3. Report Matters

Report No. 1

2023 Business Reports

Explanation:

The 2023 Business Report is attached as pp. [13-18], Annex 1.

Report No. 2

Audit Committee's Review Report on the 2023 Financial Statements.

Explanation:

The Audit Committee's Review Report on the 2023 Financial Statements are attached as pp. 19, Annex 2.

Report No. 3

Report on Distribution of Employee Compensation and Directors' and Supervisors' Remuneration in 2023.

Explanation:

For 2023, the Company accrued the compensation of employees amounted to \$ 6,935,684 and the remuneration of directors amounted to \$3,467,842 based on the Company's profit, both divided in cash.

Report No. 4

Report on Cash dividend Distribution of Surplus and Capital reserve in 2023.

Explanation:

1. According to the Company's article of incorporation: Article 29, 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.
2. From the distributable surplus of 2023, a shareholder dividend of NT\$113,748,362 was allocated to distribute as cash dividends, based on the Company's outstanding shares of 75,832,241 shares as of January 31, 2024 (the total number of issued shares was 76,598,241 shares, and deducted 766,000 treasury shares) NT\$1.5 per share will be distributed (The distribution adjusted as NT\$1.48717199 per share on March 13, 2024). Cash dividends will be rounded up below NT \$1, and the total amount of disbursements less than NT\$1 will be

included in other receivables of the Company.

3. The capital reserve from the earned excess of the amount from the issuance of shares exceeding the par value will be distributed in cash with a amount of NT\$113,748,362 based on the Company's outstanding shares of 75,832,241 shares as of January 31, 2024 (the total number of issued shares was 76,598,241 shares, and deducted 766,000 treasury shares) NT\$1.5 per share will be distributed (The distribution adjusted as NT\$1.48717199 per share on March 13, 2024); dividends will be rounded up below NT \$1, and the total amount of disbursements less than NT\$1 will be included in other receivables of the Company.
4. The Company's 2023 annual surplus and capital reserve cash dividends were completely distributed on April 26, 2024.

4. Matters for Recognition

No.1 (Proposed by the Board of Directors)

Proposal:

Adoption of the 2023 Business Report and Financial Statements.

Explanation:

1. Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Chen-Lung, Hsu and Yung-Hsiang, Chen of KPMG Firm. Also, Business Report and Financial Statements have been approved by the Board and examined by the supervisors of the Company.
2. The 2023 Business Report are attached as pp. [13-18], Annex 1, independent auditors' audit report, and the above-mentioned Financial Statements are attached are attached as pp. [20-29], Annex 3 and pp. [30-39], Annex 4.

Resolution:

No.2 (Proposed by the Board of Directors)**Proposal:**

Adoption of the Proposal for Surplus Distribution of 2023.

Explanation:

The proposal of surplus distribution has been approved by the audit committee and passed by the board of directors; please refer to the Profit Distribution Table as follows:

YENSUN TECHNOLOGY CORP.
PROFIT DISTRIBUTION TABLE
Year 2023

(Unit: NTD \$)

Items	Total	Notes
Beginning retained earnings	\$ 136,976,893	
Add: net profit after tax	291,789,665	
Add: Other comprehensive income (Changes in the remeasurement amount of defined benefit plans for the current portion)	1,098,082	
The net profit after tax of the current portion plus the amount of items besides the net profit after tax of the current portion included into the undistributed surplus of the current portion.	292,887,747	
Less: 10% legal reserve	(29,288,775)	
Distributable net profit	400,575,865	
Distributable items:		
Cash dividend to shareholders	113,748,362	\$ 1.5 per share
Unappropriated retained earnings	286,827,503	

Resolution:

5. Matters for Discussion

No.1 (Proposed by the Board of Directors)

Proposal: The Company plans to conduct a cash capital increase private placement of ordinary share

Explanation:

1. In order to enrich working capital, strengthen the financial structure and support other capital needs for the Company's long-term operational development, and taking into account timeliness and convenience of the cost of raising funds and introducing strategic partners, the Company intends to submit a proposal to the shareholders' meeting to authorize the board of directors to raise no more than 20,000,000 shares of ordinary shares, which depending on the market environment and the Company's needs, at appropriate time to increase capital in cash and issue new shares through private placement that in accordance with Article 43-6 of the R.O.C. Securities and Exchange Act (the “Act”).
2. Fundraising and conducting principles for cash capital increase and issuance of ordinary shares through private placement:
 - A. The Pricing Basis and Reasonableness:
 - a. The reference price for issuing ordinary shares in the Proposed Private Placement will based on (1.) the simple arithmetical average closing price of the ordinary shares of the Company on any of the first, third or fifth trading day prior to the pricing date, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of the shares canceled in connection with capital reduction. or (2.) the simple arithmetical average closing price of the ordinary shares of the Company for thirty trading days prior to the pricing date, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of shares cancelled in connection with capital reduction; the reference price is set to be the price determined by whichever is higher.

- b. The actual pricing date and price of this private placement of ordinary shares shall be based on the above-mentioned principles and shall not be lower than the reference price by 80%. It is proposed to the shareholders' meeting to authorize the board of directors to set the price in the future with specific person's situations and market conditions.
 - c. The aforementioned private placement ordinary share subscription price is determined in accordance with the provisions of "Directions for Public Companies Conducting Private Placements of Securities"; taking into account the Company's future prospects and the transfer time, objects and quantity of private placement securities, there are strict restrictions, and private placement securities will not be listed on the OTC market within three years, and its liquidity is poor. Therefore, the setting of this price should be reasonable.
- B. The method and purpose of investors selection, necessity and expected benefits:
- a. Selection method of investors: The objects of this private placement are specific person that comply with Article 43-6 of the Act and relevant interpretations from the competent authorities, and can bring benefits to the Company's long-term development, enhance competitiveness, and existing shareholders' rights and interests. Priority will be given to strategic investors who can assist the Company in developing new markets, expand its operating scale and directly or indirectly benefit the Company's future operations.
 - b. Selection purpose, necessity and expected benefits: In response to the Company's operational development needs, it is planned to directly or indirectly assist the Company to develop new markets, add new product lines and expand operating scale through strategic investors, in order to strengthen the Company's competition capabilities and improve operational efficiency.

- c. The relationship between the subscriber and the Company: The Company has not yet decided on the applicants. The actual selection of applicants is subject to the shareholders' meeting to authorize the board of directors to handle it with full authority.
- C. The justification, issue amount, use and anticipated benefits for the proposed private placement:
 - a. The Reasons for not Adopting a Public Offering: To ensure a timely and feasible fundraising while reducing the cost of capital effectively, it is proposed that the Company raises the fund from specific investors through a private placement to increase the flexibility and efficiency of fund raising. In addition, the securities issued in the Proposed Private Placement are subject to free share transfer restriction for a period of 3 years, so that a long term partnership between the Company and strategic investors can be secured.
 - b. The Issue Amount: This private placement of ordinary shares will not exceed 20,000,000 shares, and will be processed in 1 or 2 installments within 1 year from the date of resolution of the shareholders' meeting. The actual fund-raising amount is planned to be authorized by the board of directors, conducted it depending on the current market conditions, the actual needs of the Company, and specific person's conditions.
 - c. The Use of Fund Raised and Anticipated Benefits: The funds raised will be used to enrich working capital, strengthen the financial structure and support other capital needs for the Company's long-term operational development. Depending on the circumstances of the specific person and the prevailing market conditions, within one year from the date of the resolution of the shareholders' meeting, processing in 1 or 2 times; it is expected can strengthen the Company's competitiveness and improve operational efficiency, which will positively benefit shareholders' rights and interests.

3. The Company had no major changes in its operating rights 1 year before the board of directors decided to conduct private placement. The Company currently has 76,486,353 issued shares (766,000 treasury shares have been deducted). After adding in the 20,000,000 shares proposed for this private placement, based on the full issuance, it is expected that the paid-in capital will increase to 96,486,353 shares. This transaction After the private placement, the total number of private placement shares is expected to account for 20.73% of the post-private placement equity; the purpose of this private placement of ordinary shares is to introduce strategic investors. To deepen the cooperative relationship, the possibility of strategic investors entering the board of directors and changes in directors cannot be ruled out. Therefore, in accordance with "Directions for Public Companies Conducting Private Placements of Securities" 's regulations, securities underwriters are requested to issue evaluation opinions on the necessity and rationality of private placement of ordinary shares. Please refer to Annex 5 of this manual (pages 40 to 45).
4. This cash capital increase private placement of common shares will be issued in a non-entity manner. Except for the restriction on transfer within 3 years after delivery in accordance with Article 43-8 of the Act, the rights and obligations of the ordinary shares in this private placement are the same as those of the Company's issued ordinary shares. The private placement of common shares and the subsequent allotment of common shares authorizes the board of directors to apply for supplementary issuance and OTC trading in accordance with relevant laws and regulations 3 years after from the date of delivery of the private placement of common shares.
5. After the resolution of the shareholders' meeting for this cash capital increase in private placement of ordinary shares is passed, in addition to the private placement pricing ratio, it is planned to include the number of private placement shares, price, fund utilization plan, fund use and progress, expected benefits and other related matters, etc. the shareholders' meeting is requested to authorize the board of directors to handle the matter with full authority based on the Company's actual needs, market conditions and relevant laws. If subsequent changes or

modifications are required by the competent authority or based on operational evaluation or changes in objective circumstances or laws, the board of directors will be authorized to handle it with full authority.

6. In order to successfully complete this financing plan, the shareholders' meeting is requested to authorize the chairman or his designated person to discuss and sign the contracts and documents related to the private placement of cash capital increase and issuance of ordinary shares on behalf of the Company, and to handle the matters required for capital increase and issuance of common shares for the Company.

Resolution:

6. Election Matters

No.1 (Proposed by the Board of Directors)

Proposal: The Election of Directors (including independent directors).

Explanation:

1. The three-year term of 7 directors (including 3 independent directors) of the Board will be end on July 14, 2024. Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.
2. The board of directors has determined to elect 7 directors (including 3 independent directors) in this meeting; according to the Company's articles of association, Article 17, the election of directors (including independent directors) adopts a comprehensive candidate nomination system. and shareholders will vote on the list of director candidates. The term of office for the newly elected directors shall be from May 31, 2024 to May 30, 2027, a period of 3 years. The newly elected directors will take office immediately after the shareholders' meeting.
3. Candidates for directors (including independent directors) have been approved by the board of directors on April 10, 2024. For information on relevant education qualifications, experience and number of shares held, please refer to Annex 6 (pages 46 to 48).
4. Please refer to Appendices 3 (page 62 to 63) for the Company's "Rules for Election of Directors".

Election result:

7. Other Matters

No.1 (Proposed by the Board of Directors)

Proposal: Release the Prohibition on Directors from Participation in Competitive Business

Explanation:

1. According to Article 209 of the Company Act, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. If the Company's newly appointed directors and their representatives fall into the above circumstances, without prejudice to the interests of the Company, here to apply for release the prohibition from participation in competitive business from the date of taking office.
3. Please refer to Annex 7 (page 49) for the "List of directors concurrently holding positions in other companies".

8. Extempore Motions

9. Adjournment

Annex 1

2023 Business Report

1. 2023 Business Report

Founded in 1987, YEN SUN TECHNOLOGY CORP. has been a leading manufacturer of a variety of household and commercial appliances, notably DC brushless cooling fans, thermal modules, RO water purifiers, air purifiers, dehumidifier, water generators, and tap machines. The company has made its brand: "Y.S. Tech" resonate internationally as a well-known professional manufacturer thanks to the continuous effort and achievement by the R&D team. Moreover, the recent successful integration of the company's six core technology, including "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat transfer technology" and "IoT and BLDC smart motor control technology", has brought fruitful results in strategizing differentiated products to consumers in a competitive market.

In terms of the outlook of its ventilation & thermal solution business, the company continues to be a pioneer in global automotive electronics and also an outstanding tier-one provider for major car manufacturers, to jointly develop a series of automotive comfort technology, power/power management and automotive information system cooling fans and thermal modules. In addition, the Company also simultaneously growth in high-end computing fields (e-sports, industrial computers), industrial equipment and the medical industry.

In terms of the development of intelligent living technology system, the company is actively deploying in three directions:

(1) In private brand, with "quality water purification life" as the core, it actively develops water purifier machine and drinking machine system with the nature of "purification, convenience, and life". Take technology and aesthetic life as the connotation to enhance the product and market value. (2) In the ODM/OEM business, by integration of core technologies to enhance the value and transformation of cooperative products as the main axis. On this main axis, not only cooperate with well-known Japanese brands that have deepened the relationship for many years, it also expanded the customers and projects of international living technology commercial systems. (3) Implement the M2C strategy, actively expand the cooperation energy between new media and international marketing. Based on the existing basis, let brand image, technology, and products be directly promoted by manufacturing to international consumers.

In 2022, the company has simultaneously promoted digital transformation and net-zero carbon emission program; introduced AIoT modules in high-end household technology systems, and introduced digital transformation strategies in business models, products and manufacturing at the same time. In addition, cooperate with the digital transformation to improve the information security mechanism in ESG work promotion, The company also

launched the organization and products carbon footprint verification, each factory in the Group has completed ISO 14064-1 inspection and certification., and supported global customers to implement net-zero carbon emissions actions (for example: the implementation of marine recycling material plans, tree planting project, etc.).To align with the goal of operation and sustainable development, the company has strictly required the certification of IATF16949, ISO9001, ISO14001, and ISO45001 by German TUV Rheinland to make sure quality, environmental protection, occupational safety and health, information security management is in line with international quality and social responsibility requirements. Moreover, the company is also committed to legal compliance in corporate governance and internal management, and continuous improvement in investor relationship management, so as to lay a stable foundation for a sound and sustainable development of the company.

In terms of the operating performance in 2023, the net revenue was NT\$3,630,000 thousand - an annual decrease of 0.24%. Thermal solution products accounted for 83%, whereas living technology products accounted for 17%. Growth momentum mainly comes from 3 fields: automotive electronics, high-end computing, and industrial equipment. Living technology products have undergone product line realignment and focused on water purification and air purification product since 2021. The main operating results are as follows:

A. Operating results of 2023:

Unit: NT \$ in

Thousands

Item	2023	2022	Increase(decrease) amount	Increase(decrease) percent
Operating Revenue	3,632,719	3,641,619	(8,900)	(0.24)
Net Profit	53,120	173,190	(120,070)	(69.33)
Total	291,790	194,421	97,369	50.08

B. Budget:

The company's net revenue for 2023 was NT\$3,632,720 thousand and the budget was NT\$4,077,550 thousand, with an achievement rate was 89.09%

C. Profitability analysis:

Item	2023	2022
ROA (%)	9.38	6.80
ROE (%)	20.49	15.65
Pretax Income/Capital (%)	45.61	35.02
Net Profit Margin (%)	8.03	5.34
EPS (NT\$)	4.08	2.80

Looking forward to the future, the company will continue its strategy of specialization, globalization and servitization based on operating results of 2023, continue to integrate the company's internal and external resources, and kept focused on 6 major markets: automotive electronics, high-end computing, industrial equipment, medical equipment, high-quality water purification, and commercial living technology systems and continue to generate revenue, increase profits, and accumulate momentum for global competition and sustainable development.

2. Status of Research & Development

The company's core technology areas cover "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology". In recent years, the company has integrated core technologies in various fields, and focusing on research and development in 6 major markets: automotive electronics, high-end computing, industrial equipment, medical equipment, high-quality water purification, and commercial living technology systems. The specific results are as follows:

In automotive electronics, high-end computing and industrial equipment, DC brushless cooling fans are particularly focused on high performance, high reliability and high electromagnetic compatibility. The company has conducted in-depth research in the direction of vibration reduction, noise reduction and smart control technology, and has kept developing and mass-producing "noise reduction/vibration reduction asymmetric dynamic and static impellers", "mechanical active noise suppression", "vibration reduction fan", "vibration reduction composite overlapping high-performance fan", "LIN/CAM controlled smart cooling fan" and "low electromagnetic interfere control cooling fan". In addition to deploying patents in major economic regions around the world, in the rapidly growing automotive electronics region of Greater China, two "Seat Ventilation Testing Labs" were completed in 2023, which can support the automotive OEMs and tier 1 car factory customers that locate in the Pearl River Delta and Yangtze River Delta major regions raising the bar for competition.. Internally, we have successfully developed a smart automated process that meets the flexible production pattern to improve the quality and enhance the soft power of competition by improving the basic operations and technology.

In the application of living technology products, special emphasis is placed on the research, development and integration of energy

efficiency, system ID, water and air quality filtration, heating and cooling, liquid volume control, smart interface and IoT control. In the development of private brand business, the company integrates the existing drinking machine market and products with smart interfaces such as water filtration, heating and cooling, and liquid volume control; by new ID, to innovatively launch a series of RO drinking machine systems and water purifier machine products that meet energy efficiency standards and have the properties of "purification, convenience, and good life". In ODM/OEM business, the company has integrated system ID and air quality technologies such as filtration, smart interface and IOT control to develop high-end air filtration equipment for Japanese customers, and also actively integrate water and air quality filtration, heating and cooling, liquid volume control, smart interface and IOT control to develop commercial equipment for international commercial system customers. Under the continuous development and active integration of core technologies, the company's living technology business is actively adjusting to the direction of high prices and high added value, with a view of laying a good foundation for global competition.

3. The implementation and the result of management guidelines

A. Business operation

(a) Automotive electronics:

In 2023, the revenue of automotive electronics accounted for 42%, of which in-vehicle electronics accounted for about 70%. The development of the electric vehicle market is mainly based on fast-growing China market, and the joint development with international car manufacturers' demands. In the future, the company will continuously cooperate with global automobile brands and their supply chain to develop in-car electronics, car body electronics and smart driving.

(b) High-end computing

The high-end computing includes data center server, e-sports, industrial computers and high-end personal computers. In 2023, the field of high-end computing still impacted by the tightening of the IT industry, the revenue performed poorly, accounting for 34% of the overall revenue. However, in the development of high-end computing market, specialization and servitization will be continued to be the core value of the Company. Cooling fans will focus on high-performance, noise and vibration suppression; for

thermal modules, developing heat dissipation, precision machining and surface treatment & integrating water cooling with phase change heat transfer technology to develop a higher-end gaming and server cooling module will be the focus.

(c) Living technology:

The business in living technology continues the core technology of the original home appliance business to integrate product lines and processes, accounting for 17% of revenue. In the future, Company will focus on the development of its own brands in the development of purifiers and drink dispenser systems with the characteristics of "energy saving ,purification, and good life", technology and aesthetic life will be used as the connotation to enhance product and market value. In the ODM/OEM business, the integration of core technologies to actively enhance the value and transformation of cooperative products is the main business axis. On this axis, in addition to deepening cooperation with well-known Japanese brands for years, it has also expanded its cooperative international customers and projects of living technology commercial systems.

B. Operating of factory:

(a) Current status of investment in the new plant:

In 2018, the Company has invested in Guantian, Tainan and Tagang, Dongguan, China. The products produced by the Guantian factory include living technology products and BLDC cooling fans. After the adjustment of the production line and produce strategy of living technology products, the efficiency has gradually improved. The Tagang factory is the new generation smart manufacturing planning plant of the company, providing a production capacity of 1.2 million units for cooling fans and cooling module systems monthly. It has successfully obtained TUV certification ISO9001, IATF16949 quality system certification, and China and European car manufacturers certification; production and shipment are started. Currently, the capacity utilization rate is about 50%, the break-even point has been exceeded. Not only contributing profit for business development but also provides sufficient growth space for future development.

(b) Other factories including Kaohsiung factory, Dongguan Darson factory and Dongguan Jiaoshe factory continue to introduce new

generation smart manufacturing equipment to improve production capacity and process capability.

- (c) The Shanghai factory has been completed disposal by the end of 2023.

C. Operation risk management of the post-epidemic:

Since the second half of 2022, the restrictions on the COVID-19 epidemic have gradually lifted; China itself has fully reopened after 2023, accelerating the exchange of business, traffic of people and logistics, and economic growth, which has gradually affected the world economy to a certain extent. The Company has taken following measures to respond to the impact of factory safety and international economic risks:

- (a) Continuously update international and local epidemic information and government decrees, continue the control measures and deploy epidemic prevention materials according to the development of the local epidemic situation and local government decrees where each factory is located at.
- (b) Monitor the operating environment risks caused by fluctuations in raw materials and inflation. Maintain communication with the supply chain and customers to have a grip on field operation information, to ensure normal operation, financial status, and material supply status, in order to adjust the company's internal operations and various production resources.
- (c) Regularly update the future demand of customers, formulate long-term procurement strategies and lock prices for some materials, so as to reduce the shortage of materials and the rising costs due to the impact of the epidemic.

As above, report to all shareholders the overview of YEN SUN TECHNOLOGY CORP's 2023 operating results and the direction of development. On behalf of all colleagues, we sincerely thank all shareholders for your encouragement, and present our best wishes.

Chairman : *CHEN,*
KUAN-HUNG

Annex 2

YEN SUN TECHNOLOGY CORP. 2023 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, individual and consolidated financial reports and proposal for allocation of earnings, which have been reviewed and determined to be correct and accurate by the Audit Committee members of YEN SUN TECHNOLOGY CORP.

According to relevant Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

YEN SUN TECHNOLOGY CORP. 2024 Annual Shareholders' Meeting

Chair of the Audit Committee : *Wen-Bar, Li*
March 4, 2024

Annex 3

Independent Auditors' Report

To the Board of Directors
YEN SUN TECHNOLOGY CORP.:

Opinion

We have audited the financial statements of YEN SUN TECHNOLOGY CORP. ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit

of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have judged the matters described below to be the key and it matters to be communicated in our report.

1. Loss allowance of accounts receivable

Please refer to Note 4(6) for significant accounting policies on loss allowance of accounts receivable and Note 5(1) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the loss allowance of accounts receivable is shown in Note 6(4) of the financial statements.

Description of key audit matter:

The Company selling cross-industry products and giving some customer longer credit term. The management has subjective and significant judgments with the loss allowance of receivables. Therefore, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Company's internal control activities related to collection and inspecting the collection records after balance sheet date; inspecting and analyzing the receivable aging report; understanding the assumptions made by the management and the industrial credit status, and considering the adequacy of the Company's disclosures in the accounts in order to evaluate the appropriateness of loss allowances recognized under default risk and expected credit loss model.

2. Valuation of inventory

Please refer to Note 4(7) for significant accounting policies on inventories and Note 5(2) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the inventory is shown in Note 6(6) of the financial statements.

Description of key audit matter:

The sales of Yen Sun Technology is affected by the selling seasons and consumers preference of products in the home appliance division, and the demand fluctuation of the automotive market and electronic information product in the heat sink division. Therefore, the sale fluctuate greatly may result in the book value of inventory exceeds its net realizable value. In addition, the subjective judgment of the management involves the relevant inventory valuation, so the inventory valuation is one of the important evaluation matters for the accountant to audit the Company's financial statement.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included analyzing the changes of inventory turnover; evaluating the rationality of the Company's accounting policies, such as the policy of provision for inventory valuation and obsolescence; understanding the selling prices adopted by the management for evaluating the rationality of net realizable value of inventories, evaluating the appropriateness of provision and the adequacy of the Company's disclosures in the accounts made by the management.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible

for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Kaohsiung, Taiwan (the Republic of China)

March 4, 2024

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent-company-only 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' audit report and parent-company-only financial statements, the Chinese version shall prevail.

YEN SUN TECHNOLOGY CORP.**Balance Sheets****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022			Liabilities and Equity			December 31, 2023		December 31, 2022	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:							Current liabilities:						
1100	Cash and cash equivalents(note 6(1))	\$ 386,483	13	130,519	5	2100	Short-term borrowings(note 6(12) and 8)		\$ 500	-	-	-	-
1110	Current financial assets measured at fair value through profit or loss (note 6(2) and (14))	459	-	-	-	2170	Accounts payable		296,341	10	266,574	10	
1151	Notes receivable, net (note 6(4) and (21))	17,731	1	24,996	1	2180	Accounts payable-related parties (note 7)		188,239	6	106,659	4	
1170	Accounts receivables, net (note 6(4) and (21))	596,015	20	623,637	24	2200	Other payables (note 7)		159,121	5	125,092	5	
1180	Accounts receivable due from related parties (notes 6(4),(21) and 7)	3,364	-	86,706	3	2230	Current income tax liabilities		63,914	2	31,117	1	
130X	Inventories, net (note 6(6))	395,144	13	338,897	13	2280	Current lease liabilities (note 6(15))		8,720	-	9,702	-	
1476	Other current financial assets (notes 6(5), 7 and 8)	11,752	-	18,708	1	2321	Bonds payable, current portion (note 6(14) and 8)		119,578	4	-	-	
1479	Other current assets (notes 6(11) and 7)	103,773	3	56,972	2	2322	Long-term borrowings, current portion (note 6(13) and 8)		24,032	1	41,252	2	
	Total current assets	1,514,721	50	1,280,435	49	2399	Other current liabilities (note 6(13)(16)(21))		35,950	1	29,475	1	
	Non-current assets:						Total current liabilities		896,395	29	609,871	23	
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	43,369	2	32,290	1	2500	Non-Current liabilities:						
							Non-current financial liabilities at fair value through profit or loss (note 6(2) and (14))		-	-	548	-	
1550	Investments accounted for using equity method (note 6(7))	438,061	15	437,469	17				-	-	283,018	11	
1600	Property, plant and equipment (notes 6(8) and 8)	803,532	26	608,606	23	2530	Bonds payable (note 6(14) and 8)		411,964	14	206,884	8	
1755	Right-of-use assets (note 6(9) and 8)	168,476	6	179,370	7	2540	Long-term borrowings (note 6(13) and 8)		4,919	-	3,086	-	
1780	Intangible assets (note 6(10))	7,700	-	4,290	-	2570	Deferred tax liabilities (note 6(18))		133,907	5	141,118	5	
1840	Deferred income tax assets (note 6(18))	10,374	-	9,134	-	2580	Non-current lease liabilities (note 6(15))		6,656	-	1,074	-	
1980	Other non-current financial assets (note 6(5) and 8)	36,372	1	62,660	3	2630	Long-Term Deferred Revenue (note 6(13))		5,752	-	7,347	1	
1995	Other non-current assets (notes 6(11))	9,949	-	2,205	-	2640	Net defined benefit liability, non-current (note 6(17))		1,569	-	1,764	-	
	Total non-current assets	1,517,833	50	1,336,024	51	2645	Guarantee deposits received		-	-	85,456	3	
						2650	Credit balance of investments accounted for using equity method (note 6(7))		564,767	19	730,295	28	
							Total non-current liabilities		1,461,162	48	1,340,166	51	
							Total liabilities						
							Equity attributable to owners of parent company (note 6(14)(19)):						
						3100	Capital stock		763,238	25	701,669	27	
						3200	Capital surplus		267,531	9	164,367	6	
						3300	Retained earnings:		536,371	18	396,165	15	
						3400	Other equity interest		16,025	-	25,865	1	
						3500	Treasury stock		(11,773)	-	(11,773)	-	
							Total equity		1,571,392	52	1,276,293	49	
							Total liabilities and equity		\$ 3,032,554	100	2,616,459	100	
	Total assets	\$ 3,032,554	100	2,616,459	100								

YEN SUN TECHNOLOGY CORP.
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note 6(21) and 7)	\$ 3,237,844	100	3,279,699	100
5000	Operating costs (notes 6(6), (17) and 7 and 12)	2,746,633	85	2,756,261	84
5900	Gross profit from operations	491,211	15	523,438	16
6000	Operating expenses (notes 6(17) and (22) and 12):				
6100	Selling expenses	193,851	6	163,229	5
6200	General and administrative expenses	116,753	4	100,950	3
6300	Research and development expenses	124,641	4	126,590	4
6450	Expected credit impairment profit (loss) (notes 6(4)(5)(24))	9,349	-	80	-
	Total operating expenses	444,594	14	390,849	12
6900	Net operating income	46,617	1	132,589	4
7000	Non-operating income and expenses (notes 6(23) and 7):				
7100	Interest income	3,276	-	555	-
7010	Other income	28,622	1	40,916	1
7020	Other gains and losses	1,406	-	25,482	1
7070	Share of profit of associates accounted for using equity method	264,159	8	42,583	1
7050	Finance costs	(7,699)	-	(8,679)	-
	Total non-operating income and expenses	289,764	9	100,857	3
7900	Profit before income tax	336,381	10	233,446	7
7950	Income tax expenses (note 6(18))	44,591	1	39,025	1
8200	Profit	291,790	9	194,421	6
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(17))	1,098	-	10,679	-
8316	Unrealized gains from investments in equity instrument measured at fair value through other comprehensive income (note 6(19))	7,079	-	4,930	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(note6(18))	1,833	-	1,152	-
	Total items that will not be reclassified to profit or loss	6,344	-	14,457	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (note 6(19))	(15,086)	-	1,204	-
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	(15,086)	-	1,204	-
8300	Other comprehensive income	(8,742)	-	15,661	-
8500	Comprehensive income	\$ 283,048	9	210,082	6
	Earnings per share (in dollar, note 6(20)):				
9750	Basic earnings per share	\$ 4.08		2.80	
9850	Diluted earnings per share	\$ 3.64		2.48	

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Equity attributable to owners of parent						Other equity interest					
							Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income			Treasury stock	Total equity
								Total				
	Share capital	Retained earnings										
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total			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	-	-	-	-	194,421	194,421	-	-	-	-	194,421	
Other comprehensive income	-	-	-	-	10,679	10,679	1,204	3,778	4,982	-	15,661	
Total comprehensive income	-	-	-	-	205,100	205,100	1,204	3,778	4,982	-	210,082	
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 December 31, 2022	701,669	164,367	82,199	3,798	310,168	396,165	18,392	7,473	25,865	(11,773)	1,276,293	
Profit	-	-	-	-	291,790	291,790	-	-	-	-	291,790	
Other comprehensive income	-	-	-	-	1,098	1,098	(15,086)	5,246	(9,840)	-	(8,742)	
Total comprehensive income	-	-	-	-	292,888	292,888	(15,086)	5,246	(9,840)	-	283,048	
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	61,569	103,164	-	-	-	-	-	-	-	-	164,733	
Balance as of December 31, 2023	\$ 763,238	267,531	102,709	3,798	429,864	536,371	3,306	12,719	16,025	(11,773)	1,571,392	

YEN SUN TECHNOLOGY CORP.**Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollar)**

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 336,381	233,446
Adjustments:		
Adjustments to reconcile profit (loss):		
Expected credit loss (gain)	9,349	80
Depreciation expense	66,843	71,335
Amortization expense	1,960	1,940
Net profit on financial assets or liabilities at fair value through profit or loss	(1,586)	2,543
Interest expense	7,699	8,679
Interest revenue	(3,276)	(555)
Share of loss (profit) of associates accounted for using equity method	(264,159)	(42,583)
Loss (gain) from disposal of investment property, and property, plant and equipment	27	(61)
Disposal investment interest accounted for using equity method	(1,387)	-
Reduce of provision	(639)	(124)
Unrealized foreign exchange loss (gain)	12,359	3,145
Profit from lease modification	(23)	-
Deferred Profits amortized as profits	(849)	-
Total adjustments to reconcile profit (loss)	(173,682)	44,399
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	7,265	1,145
Accounts receivable	(1,442)	158,308
Accounts receivable due from related parties	82,591	(1,644)
Inventories	(56,247)	16,640
Other current assets	(49,466)	69,176
Other financial assets	4,336	(1,482)
Total changes in operating assets and liabilities	(12,963)	242,143
Changes in operating liabilities:		
Accounts payable	35,371	(2,830)
Accounts payables - related parties	91,112	(5,700)
Other payables	33,207	(13,872)
Other current liabilities	6,523	(23,433)
Net defined benefit liability	(497)	(4,237)
Total changes in operating liabilities	165,716	(50,072)
Total changes in operating assets and liabilities	152,753	192,071
Total adjustments	(20,929)	236,470
Cash inflow generated from operations	315,452	469,916
Interest received	3,229	548
Interest paid	(5,530)	(6,262)
Income taxes paid	(13,034)	(36,269)
Net cash flows from operating activities	300,117	427,933
Cash flows from (used in) investing activities:		
Acquisition of FVOCI	(4,000)	(2,500)
Acquisition of property, plant and equipment	(247,656)	(104,287)
Proceeds from disposal of property, plant and equipment	-	265
Decrease (increase) in refundable deposits	2,549	(1,785)
Acquisition of intangible assets	(3,060)	(1,177)
Net cash flow on disposal of investments accounted for using equity method	164,412	-
Decrease (increase) in restricted deposits	26,311	(6,025)
Increase in prepayment for equipment	(9,949)	(2,205)
Net cash flows used in investing activities	(71,393)	(117,714)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	500	(30,000)
Proceeds from long-term borrowings	348,580	90,000
Repayment of long-term borrowings	(155,239)	(138,696)
Decrease in guarantee deposit received	(195)	-
Payment of lease liabilities	(9,211)	(39,932)
Cash dividend of common stock	(152,682)	(152,337)
Net cash flows from (used in) financing activities	31,753	(270,965)
Effect of exchange rate changes on cash and cash equivalents	(4,513)	848
Net increase (decrease) in cash and cash equivalents	255,964	40,102
Cash and cash equivalents at beginning of period	130,519	90,417
Cash and cash equivalents at end of period	\$ 386,483	130,519

Annex 4

NDEPENDENT AUDITORS' REPORT

To the Board of Directors

YEN SUN TECHNOLOGY CORP.

Opinion

We have audited the consolidated financial statements of YEN SUN TECHNOLOGY CORP. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have judged the matters described below to be the key and it matters to be communicated in our report.

1. Loss allowance of accounts receivable

Please refer to Note 4(7) for significant accounting policies on loss allowance of accounts receivable and Note 5(1) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the loss allowance of accounts receivable is shown in Note 6(4) of the consolidated financial statements.

Description of key audit matter:

The Group selling cross-industry products and giving some customer longer credit term. The management has subjective and significant judgments with the loss allowance of receivables. Therefore, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Group's internal control activities related to collection and inspecting the collection records after balance sheet date; inspecting and analyzing the receivable aging report; understating the assumptions made by the management and the industrial credit status, and considering the adequacy of the Group's disclosures in the accounts in order to evaluate the appropriateness of loss allowances recognized under default risk and expected credit loss model.

2. Valuation of inventory

Please refer to Note 4(8) for significant accounting policies on inventories and Note 5(2) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the inventory is shown in Note 6(6) of the consolidated financial statements.

Description of key audit matter:

The sales of the Group is affected by the selling seasons and consumers preference of products in the home appliance division, and the demand fluctuation of the automotive market and electronic information product in the electronic cooling division. Therefore, the sale fluctuate greatly may result in the book value of inventory exceeds its net realizable value. In addition, the subjective judgment of the management involves the relevant inventory valuation, so the inventory valuation is one of the important evaluation matters for the accountant to audit the consolidated financial statement.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included analyzing the changes of inventory turnover; evaluating the rationality of the Group's accounting policies, such as the policy of provision for inventory valuation and obsolescence; understanding the selling prices adopted by the management for evaluating the rationality of net realizable value of inventories, evaluating the appropriateness of provision and the adequacy of the Group's disclosures in the accounts made by the management.

Other Matter

YEN SUN TECHNOLOGY CORP. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of

consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Groups internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the reviews resulting in this independent auditors' review

report are: Chen-Lung, Hsu and Yung-Hsiang, Chen.

KPMG

Kaohsiung, Taiwan (Republic of China)

March 4, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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

YEN SEN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 552,397	16	180,770	6	2100	Short-term borrowings (note 6(12) and 8)	\$ 500	-	100	-
1110	Current financial assets measured at fair value through profit or loss (note 6(2) and (14))	459	-	-	-	2170	Accounts payable	710,613	21	632,576	21
1151	Notes receivables, net (note 6(4) and (22))	17,731	1	29,493	1	2200	Other payables	216,641	6	166,596	6
1170	Accounts receivable, net (note 6(4) and (22))	748,545	22	762,025	26	2230	Current income tax liabilities	107,315	3	78,974	3
130X	Inventories (note 6(6))	767,391	22	815,989	27	2280	Current lease liabilities (note 6(15))	32,766	1	31,028	1
1476	Other financial assets-current (note 6(5) and 8)	16,637	-	22,073	1	2321	Bonds payable, current portion (note 6(14) and 8)	119,578	3	-	-
1479	Other current assets (note 6(11))	52,028	2	39,994	1	2322	Long-term borrowings, current portion (note 6(13) and 8)	24,032	1	41,252	1
		<u>2,155,188</u>	<u>63</u>	<u>1,850,344</u>	<u>62</u>	2399	Other current liabilities (note 6(13) (16)and (22))	<u>36,407</u>	<u>1</u>	<u>35,787</u>	<u>1</u>
Non-Current Assets						Current Assets		<u>1,247,852</u>	<u>36</u>	<u>986,313</u>	<u>33</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	43,369	1	32,290	1	Non-current liabilities:					
1600	Property, plant and equipment (note 6(7) and 8)	930,303	27	735,080	25	2500	Non-current financial liabilities at fair value through profit or loss (note 6(2) and (14))	-	-	548-	
1755	Right-of-use assets (note 6(8))	230,527	7	259,677	9	2530	Bonds payable (note 6(14) and 8)	-	-	283,018	10
1760	Investment Property (note 6(9))	-	-	10,171	-	2540	Long-term borrowings (note 6(13) and 8)	411,964	12	206,884	7
1780	Intangible assets (note 6(10))	8,298	-	4,531	-	2570	Deferred tax liabilities (note 6(19))	22,777	1	3,102	-
1840	Deferred income tax assets (note 6(19))	27,568	1	10,317	-	2580	Non-current lease liabilities (note 6(15))	181,259	5	209,768	7
1980	Other non-current financial assets (note 6(5) and 8)	42,043	1	68,110	3	2630	Long-Term Deferred Revenue (note 6(13))	6,656	-	1,074	-
1990	Other non-current assets-others (notes 6(11))	11,925	-	5,591	-	2640	Net defined benefit liability, non-current (note 6(18))	5,752	-	7,347	-
	Total non-current asset	<u>1,294,033</u>	<u>37</u>	<u>1,125,767</u>	<u>38</u>	2645	Guarantee deposit received	<u>1,569</u>	<u>-</u>	<u>1,764</u>	<u>-</u>
							Total non-current liabilities	<u>629,977</u>	<u>18</u>	<u>713,505</u>	<u>24</u>
							Total liabilities	<u>1,877,829</u>	<u>54</u>	<u>1,699,818</u>	<u>57</u>
						Equity attributable to owners of parent (note 6(14)(20)) :					
						3100	Capital stock	763,238	22	701,669	24
						3200	Capital surplus	267,531	8	164,367	5
						3300	Retained earnings	536,371	16	396,165	13
						3400	Other equity interest	16,025	-	25,865	1
						3500	Treasury stock	<u>(11,773)</u>	<u>-</u>	<u>(11,773)</u>	<u>-</u>
							Total equity	<u>1,571,392</u>	<u>46</u>	<u>1,276,293</u>	<u>43</u>
						Total liabilities and equity		<u>\$ 3,449,221</u>	<u>100</u>	<u>2,976,111</u>	<u>100</u>
Total Assets		<u>\$3,449,221</u>	<u>100</u>	<u>2,976,111</u>	<u>100</u>						

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

YEN SEN TECHNOLOGY CORP AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note 6(22))	\$ 3,632,719	100	3,641,619	100
5000	Operating costs (note 6(6)(18) and 12)	3,029,824	83	2,979,538	82
5900	Gross profit from operations	602,895	17	662,081	18
6000	Operating expenses (note 6(18)(23) and 12) :				
6100	Selling expenses	216,147	6	187,867	5
6200	General and administrative expenses	164,293	5	142,730	4
6300	Research and development expenses	160,859	4	158,041	4
6450	Expected credit impairment loss (note 6(4)(5))	8,476	-	253	-
	Total operating expenses	549,775	15	488,891	13
6900	Net operating income	53,120	2	173,190	5
7000	Non-operating income and expenses (notes 6 (17)(24)(29)) :				
7100	Interest income	3,925	-	710	-
7010	Other income	32,302	1	54,471	1
7020	Other gains and losses	270,595	7	30,973	1
7050	Finance costs	(11,804)	-	(13,644)	-
	Total non-operating income and expenses	295,018	8	72,510	2
7900	Profit before income tax from continuing operations:	348,138	10	245,700	7
7950	Income tax expense (notes 6(19))	56,348	2	51,279	1
8200	Net Profit	291,790	8	194,421	6
8300	Other comprehensive income :				
8310	items that will not be reclassified to profit or loss				
8311	Re-measurements of the defined benefit plans (notes 6(18))	1,098	-	10,679	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(20))	7,079	-	4,930	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(19))	1,833	-	1,152	-
	Total items that will not be reclassified to profit or loss	6,344	-	14,457	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation (note 6(20))	(15,086)	-	1,204	-
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	(15,086)	-	1,204	-
8300	Other comprehensive income, net	(8,742)	-	15,661	-
8500	Comprehensive income	<u>\$ 283,048</u>	<u>8</u>	<u>210,082</u>	<u>6</u>
	Basic earnings per share (in dollar, note 6(21))				
9750	Total basic earnings per share	<u>\$ 4.08</u>		<u>2.80</u>	
9850	Diluted earnings per share	<u>\$ 3.64</u>		<u>2.48</u>	

(Reviewed, not audited)
YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Share capital					Other equity interest						
						Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income
	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	-	-	-	-	194,421	194,421	-	-	-	-	-	194,421
Other comprehensive income	-	-	-	-	10,679	10,679	1,204	3,778	4,982	-	-	15,661
Total comprehensive income	-	-	-	-	205,100	205,100	1,204	3,778	4,982	-	-	210,082
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 December 31, 2022		701,669	164,367	82,199	3,798	310,168	396,165	18,392	7,473	25,865	(11,773)	1,276,293
Profit	-	-	-	-	291,790	291,790	-	-	-	-	-	291,790
Other comprehensive income	-	-	-	-	1,098	1,098	(15,086)	5,246	(9,840)	-	-	(8,742)
Total comprehensive income	-	-	-	-	292,888	292,888	(15,086)	5,246	(9,840)	-	-	283,048
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	61,569	103,164	-	-	-	-	-	-	-	-	-	164,733
Balance as of December 31, 2023	\$	763,238	267,531	102,709	3,798	429,864	536,371	3,306	12,719	16,025	(11,773)	1,571,392

YEN SEN TECHNOLOGY CORP AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) operating activities :		
Profit (Loss) before tax	\$ 348,138	245,700
Adjustments:		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss (reversal gain)	8,476	253
Depreciation expense	119,908	122,445
Amortization expense	2,149	2,059
Net profit on financial assets or liabilities at fair value through profit or loss	(1,586)	2,543
Interest expense	11,804	13,644
Interest income	(3,925)	(710)
Loss on disposal of property, plant and equipment	(232)	1,465
Loss on disposal of investment property	-	1,880
Investment profit on disposal of subsidiary	(269,643)	-
Decrease on provision	(639)	(124)
Unrealized foreign exchange (gain) loss	19,869	(3,360)
Deferred Profits amortized as profits	(849)	-
Profit from lease modification	(23)	-
Total adjustments to reconcile profit:	(114,691)	140,095
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	11,694	(674)
Accounts receivable	(19,043)	127,117
Inventories	44,803	136,114
Other current assets	(12,488)	1,921
Other financial assets	2,675	(2,629)
Total net changes in operating assets:	27,641	261,849
Net changes in operating liabilities:		
Accounts payable	89,120	(106,398)
Other payable	36,395	(26,135)
Other current liabilities	5,490	(10,093)
Net defined benefit liability	(497)	(4,237)
Total net changes in operating liabilities	130,508	(146,863)
Total changes in operating assets and liabilities	158,149	114,986
Total adjustments	43,458	255,081
Cash inflow generated from operating	391,596	500,781
Interest received	3,878	703
Interest paid	(9,635)	(11,227)
Income taxes paid	(26,406)	(41,172)
Net cash flows from (used in) operating activities	359,433	449,085
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(4,000)	(2,500)
Acquisition of property, plant and equipment	(271,575)	(121,697)
Proceeds from disposal of property, plant and equipment	-	265
Net cash flow on disposal of subsidiary	276,688	-
Decrease (increase) in guarantee deposits paid	2,223	(1,927)
Acquisition of intangible assets	(3,608)	(1,349)
Decrease (increase) in restricted deposit	26,311	(1,825)
Decrease (increase) in guarantee deposits paid	(11,925)	(5,591)
Net cash flows from (used in) investing activities:	14,114	(134,624)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	400	(29,900)
Proceeds from long-term borrowings	348,580	90,000
Repayment of long-term borrowings	(155,239)	(138,696)
Payment of lease liabilities	(31,184)	(59,534)
Decrease in guarantee deposit received	(4,588)	-
Cash dividend of common stock	(152,682)	(152,337)
Net cash flows from (used in) financing activities	5,287	(290,467)
Effect of exchange rate changes on cash and cash equivalents	(7,207)	(518)
Net increase (decrease) in cash and cash equivalents	371,627	23,476
Cash and cash equivalents at beginning of period	180,770	157,294
Cash and cash equivalents at end of period	\$ 552,397	180,770

Annex 5

YENSUN TECHNOLOGY CORP.

Private placement securities in 2024

**Evaluation opinion on the necessity and rationality of
private placement**

Taishin Securities Co., Ltd.

April 8, 2024

YENSUN TECHNOLOGY CORP.

Evaluation opinion on the necessity and rationality of private placement

1. Introduction

YENSUN TECHNOLOGY CORP. (hereinafter referred to as the Company or YENSUN Company), in order to enrich working capital, strengthen the financial structure and support other long-term operational development funding needs, and to consider the timeliness and convenience of fund raising, YENSUN Company, in accordance with the "Securities and Exchange Act" and "Directions for Public Companies Conducting Private Placements of Securities", this private placement cash capital increase issuance of ordinary shares is required to enhance competitiveness.

According to the provisions of Article 6 of "Directions for Public Companies Conducting Private Placements of Securities", if there is a major change in the management rights within 1 year before the board of directors decides to handle private placement of securities or after the private placement of strategic investors is introduced, it will cause a major change in the management rights. If there is a change, the securities underwriter should be contacted to issue an evaluation opinion on the necessity and rationality of the private placement.

It has been assessed that YENSUN Company has not had any major changes in its operating rights within 1 year before the board of directors decided to conduct a private placement; YENSUN Company has not yet decided on the applicants, but its board of directors intends to resolve that the upper limit of the number of common shares in the private placement is 20,000,000 shares. If all is issued, the proportion of equity held by private placement applicants in YENSUN Company will reach 20.73%, and this private placement is the introduction of strategic investors, so the possibility of changes in director seats or management rights cannot be ruled out. Therefore, YENSUN Company contacted Taishin Securities Co., Ltd, Ltd. (hereinafter referred to as the underwriter) to issue an underwriter's evaluation opinion on the necessity and rationality of private placement of securities.

The content of this opinion is only used as a reference for YENSUN Company's board of directors resolution on private placement of ordinary shares on April 10, 2024, and may not be used for other purposes. The content of this opinion is explained and analyzed based on the information provided by YENSUN Company and the announcement information of the MOPS. Changes in the private placement plan or other circumstances of YENSUN Company that affect the future changes in the content of this opinion, the underwriters hereby disclaim any legal responsibility.

2. Contents of this private placement of securities plan

YENSUN Company plans to conduct a private placement of no more than 20,000,000 ordinary shares on April 10, 2024. The funds will be used to enrich working capital, strengthen the financial structure, or provide funds for the Company's long-term operational development, to strengthen its competitiveness and operations performance.

The basis for setting the private placement price of common shares is the simple arithmetic average of the closing prices of common shares calculated one of 1, 3, or 5 business days before the base date of the pricing date, deducting free allotment ex-rights and dividends, and the stock price after adding back capital reduction and anti-ex-rights; and the average price of the 30 business days before the pricing date, deducting the free allotment ex-rights and dividends and stock price after adding capital reduction and anti-ex-rights, select the higher one as the reference price, which shall not be lower than 8% of the reference price. The actual pricing date and actual private placement price are proposed to be determined by the shareholders' meeting to authorize the board of directors to be determined based on future consultations with specific persons and market conditions.

3. Assessment of the impact of private placement securities on changes in YENSUN Company's operating rights

- (1) Review of major changes in operating rights within one year before the board of directors resolves to handle private placement:

There was no change of directors in the year before YENSUN Company's board of directors decided to conduct private placement (from April 11, 2023 to April 10, 2024), so there was no "Directions for Public Companies Conducting Private Placements of Securities". Paragraph 3 of Article 4 relates to major changes in operating rights within one year before the board of directors resolves to conduct the private placement.

- (2) Whether the introduction of strategic investors through private placement will cause major changes in management rights:

YENSUN Company has not yet decided on the applicants, and it has not yet been determined whether the strategic investors introduced in this private placement of ordinary shares will obtain director seats and participate in the company's operations, resulting in changes in management rights. The company's current paid-in capital is 76,486,000 shares. On April 10, 2024, the board of directors plans to resolve to conduct a private placement of common shares with no more than 20,000,000 shares. If all are issued, it will account for 20.73% of the company's post-private placement share capital of 96,486,000 shares. After this private placement, strategic investors hold a certain proportion of equity, and in order to deepen the cooperative relationship with them, the company does not rule out the possibility of introducing strategic investors to the board of directors, YENSUN Company may have changes in directors and have significant operating rights change in the future.

The impact of major changes in operating rights on the company's business, finance and shareholders' equity is explained below:

a. Impact on the YENSUN Company's business

YENSUN Company's main products include brushless DC cooling and ventilation fans, heat sinks and cooling modules that used in high-end computing fields such as high-end servers, industrial computers and data centers, automotive electronics industries and power supply industries; and home appliance systems: RO drinking machines, drink dispensers, air purifiers, dehumidifiers, commercial system ice wine machines, and industrial refrigeration equipment. YENSUN Company considers the current operating conditions and industry prospects, and in order to enhance the company's competitive advantage, it hopes to introduce applicants through this private placement that will directly or indirectly benefit YENSUN Company's future operations. In addition to ensuring long-term cooperation with strategic investors In addition to existing relationships, the company will also use recruit resources to develop new markets, add new product lines and expand operating scale to strengthen competitiveness and enhance competitive advantages, which will have positive significance for YENSUN Company's business development.

b. Impact on YENSUN Company's finances

YENSUN Company will obtain long-term stable funds through this private placement, which will serve as the company's capital needs for operational turnover and future operational development. It will increase the flexibility of capital utilization, enhance its competitiveness, strengthen financial structure and improve operating performance. Therefore, if these private placement funds are injected in a timely and effective manner, should have a positive impact on the company's finances.

c. Impact on the company's shareholders' equity

YENSUN Company's private placement of cash capital increase is used to enrich working capital, strengthen financial structure and meet the capital needs of long-term operational development. Considering that the price of YENSUN Company's private placement common stock is determined in accordance with the regulations of the competent authority, it shall be no less than 80% of the reference price and the introduction of strategic investors to help YENSUN Company develop new markets and add new product lines to enhance competitive advantages and operational efficiency will have a positive impact on the company's shareholders' equity.

4. Necessity and rationality assessment of this private placement of securities

(1) Assessment of legality

YENSUN Company's 2023 consolidated statement after-tax net profit is \$291,790 thousand and there is no accumulated loss. Since the private placement was introduced for strategic investors, it complies with Article 3 of "Directions for Public Companies Conducting Private Placements of Securities" regulations.

YENSUN Company' board of directors plans to resolve on April 10, 2024, that the private placement price of this private placement shall not be less than 80% of the reference price as the basis for the private placement price. The subject of the private placement shall be a specific person who complies with the provisions of Article 43-6 of the Securities and Exchange Act, and shall be limited to strategic investors who can help develop new markets, expand the scale of operations and directly or indirectly benefit in future operations. According to the management of YENSUN Company, the selection of its candidates will be strategic investors who will help the company expand its market, increase its product lines and expand its operations. After the candidates are negotiated, the information will be disclosed in accordance with relevant regulations.

In accordance with the provisions of the Companies Act and the Securities and Exchange Act, public offerings target original shareholders, employees and unspecified investors which is unlikely to introduce specific people who are helpful to future operational development through cash capital increases through public offerings. Therefore, due to YENSUN Company's meant for sustainable development, mid- long-term operational development planning and enhance competitiveness, it is necessary to introduce strategic investors who are helpful to the company's operational development through private equity.

(2) Timeliness assessment

According to the provisions of Article 13 of the "Directions for Public Companies Conducting Private Placements of Securities", the application for cash capital increase must take at least 12 business days for the declaration to take effect, plus the preparatory period, the review period of the competent authority and the subsequent public underwriting period; this fundraising method takes a long time to obtain funds, which is not conducive to the short-term funding needs, while the private placement method has its convenient timeliness. Therefore, it is necessary for YENSUN Company to conduct the private placement cash capital increase.

(3) Financial evaluation

YENSUN Company's 2023 individual financial report shows cash and equivalent cash of \$386,483 thousand, shareholders' equity of \$1,571,392 thousand, total liabilities of \$1,461,162 thousand, a debt ratio of 48.18%. If future funding needs continue to be met by bank borrowings, interest burdens will increase, the financial structure will deteriorate. Therefore, YENSUN Company handles this cash capital increase considering timeliness and equity stability, introduces strategic investors through private placement, and uses resource injection to develop new markets, add new product lines and expand operating scale, which will effectively enhance shareholders' equity, and can further improve the company's financial structure. Therefore, it is necessary for private placement.

(4) Reasonableness assessment

The discussion content of the board of directors of YENSUN Company's private placement proposal, the pricing method, selection method of the applicants, the use of funds for the private placement and the expected benefits, etc., are still in compliance with the Securities and Exchange Act and relevant laws and regulations, and there are no major abnormalities; this private placement proposal is planned to be submitted to the regular meeting of shareholders on May 31, 2024 for approval. Matters related to private placement securities will be listed in the shareholders' meeting in accordance with the Securities and Exchange Act, it has been assessed that the handling procedures are legal.

In order to enrich working capital and meet the capital needs of future operational development, YENSUN Company plans to obtain long-term stable funds through this private placement cash capital increase, to improve its financial structure and enhance competitive advantages, profitability and company's shareholders equity; the expected benefits should be reasonable.

In addition to obtaining long-term and stable funds, this private placement has a 3 year restriction on the transfer of ordinary shares of the private placement, which can ensure the long-term cooperative relationship between the company and strategic investors and the stability of the equity, which will help the company's future operations and development. The subscription price of this private placement shall not be lower than 80% of the reference price, it also complies with the requirements of relevant laws and regulations.

To sum up, in accordance with the provisions of "Directions for Public Companies Conducting Private Placements of Securities", the underwriter evaluates YENSUN Company's private placement of cash capital increase and issuance of ordinary shares has its necessity and reasonableness.

Annex 6

Director (independent director) candidate list

Title	Name	Education	Experience	Current position	Current shareholding	Reasons for continuing to nominate independent director who has served for 3 consecutive terms
Director	CHEN, KUAN-HUNG	Executive MBA program, NSYSU	engineer of Foxconn Technology Co.,Ltd. Special Assistant to CEO of Yen Sun Technology CORP	Chairman of Yen Sun Technology CORP	2,500,477	Not applicable to ordinary directors
Director	LI, YING-CHEN	Doctor of science in electrical engineer,NTU	Chair person of Litemax Electronics Inc CSO of AAEON Technology Inc.	Director of Yen Sun Technology CORP Chairman of Litemax Electronics Inc. CSO of AAEON Technology Inc. Director (Legal Representative) of AAEON Technology Inc. Director of AAEON Technology (Suzhou) Inc. Director of Eutech Microelectronics Inc. Independent Director of axis Corporation Independent Director of Arcadyan Technology Corporation- Director of Litemax Technology, Inc. Director of IBASE	1,000	Not applicable to ordinary directors

Title	Name	Education	Experience	Current position	Current shareholding	Reasons for continuing to nominate independent director who has served for 3 consecutive terms
				TECHNOLOGY INC. Director of JET ONE TECHNOLOGY CO., LTD. Executive Director of Litemax Electronics Inc(Shanghai)		
Director	Representative, Liyuan Investment Co., Ltd: XIE, TENG-LONG	Bachelor of the Department of Insurance and Finance.	Deputy General Manager Of Bank of Taiwan	Director of Yen Sun Technology CORP Independent Director of Hi-Lai Foods Co., Ltd	2,191,000	Not applicable to ordinary directors
Director	CHEN, YI-CHUN	San Francisco State University, MBA	Special Assistant to CEO of Yen Sun Technology CORP Director of Yen Sun Technology CORP	Special Assistant to CEO of Yen Sun Technology CORP Supervisor of Liyuan Investment Co., Ltd	1,770,816	Not applicable to ordinary directors
Independent Director	FANG, ZHI-MIN	University of Maryland, PhD in Strategic Management	Associate Professor of the Department of Business Administration, NSYSU	Independent Director of Yen Sun Technology CORP Independent Director of NEW ADVANCED ELECTRONICS TECHNOLOGIES COMPANY LIMITED. Independent Director of Jong Shyn Shipbuilding Company Independent Director of Walrus Pump Co., Ltd.	0	Not nominated for 3 consecutive terms

Title	Name	Education	Experience	Current position	Current shareholding	Reasons for continuing to nominate independent director who has served for 3 consecutive terms
Independent Director	CHEN, GUAN-LIANG	Master of Science in Finance, National Sun Yat-sen University	CPA of PKF Taiwan	Independent Director of Yen Sun Technology CORP CPA of PKF Taiwan Chairman, Gaoqiao Enterprise Management Consulting Company Director of Liang Yu Industrial Co., Ltd. (legal representative)	0	Not nominated for 3 consecutive terms
Independent Director	CHIU, CHI-CHUN	PhD of Juridical Science University of Tübingen	Judge of Kaohsiung District Court Adjunct Assistant Professor, Department of Law, National Kaohsiung University	Attorney-at-Law, Partners, CLASSIC AND SUPERIOR Director, Logah Technology Co., Ltd (legal representative)	0	Not nominated for 3 consecutive terms

Annex 7

List of directors concurrently holding positions in other companies

No.	Title	Name	Concurrently holding positions in other companies
1	Director	LI, YING-CHEN	Chairman of Litemax Electronics Inc. CSO of AAEON Technology Inc. Director (Legal Representative) of AAEON Technology Inc. Director of AAEON Technology (Suzhou) Inc. Director of Eutech Microelectronics Inc. Independent Director of axis Corporation Independent Director of Arcadyan Technology Corporation- Director of Litemax Technology, Inc. Director of IBASE TECHNOLOGY INC. Director of JET ONE TECHNOLOGY CO., LTD. Executive Director of Litemax Electronics Inc(Shanghai)
2	Director	Representative, Liyuan Investment Co., Ltd: XIE, TENG-LONG	Independent Director of Hi-Lai Foods Co., Ltd
3	Independent Director	FANG, ZHI-MIN	Independent Director of NEW ADVANCED ELECTRONICS TECHNOLOGIES COMPANY LIMITED. Independent Director of Jong Shyn Shipbuilding Company Independent Director of Walrus Pump Co., ltd.
4	Independent Director	CHEN, GUAN-LIANG	Chairman, Gaoqiao Enterprise Management Consulting Company Director of Liang Yu Industrial Co., Ltd. (legal representative)
5	Independent Director	CHIU,CHI-CHUN	Director, Logah Technology Co., Ltd (legal representative)

Appendix 1

Yen Sun Technology Corp. Rules of Procedure for Shareholders Meeting

Article 1: The shareholders meeting of a public company (the "Company") shall be proceeded with in accordance with these Rules, unless the law provides otherwise.

Article 2: The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards.

Article 3: If a shareholders meeting is called by the board of directors, the board chairman shall preside at the said shareholders meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. there is no vice chairman, or the vice chairman is also on leave of absence, or cannot exercise his powers and authority, the chairman shall designate a managing director to act in lieu of him; if there is no managing director, the chairman shall designate a director to act in lieu of him. the chairman does not designate a director, the managing directors or directors shall elect one from among themselves to act in lieu of the chairman.

If a shareholders meeting is called by any other person than the board of directors, who has the right to call the meeting, said person shall preside at that meeting. If there are more than 2 persons who has the right to call the meeting, one of them should be suggested to preside the meeting.

Article 4: The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting. Those handling the business of a shareholders meeting shall wear an identification card or a badge.

Article 5: When it is the meeting time to convene a shareholders meeting, the chairman shall immediately convene the meeting, however, if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to 2 times. If the meeting has been postponed for 2 times, but the shareholders present still do not represent the majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Law by shareholders representing one-third of the total amount of issued shares. When the tentative resolution is proceeding, if the shareholders present represent a majority of the total amount of issued shares, the chairman may convene the meeting anytime and present the tentative resolution to the meeting for resolution.

Article 6: If a shareholders meeting is called by the board of directors, the proceedings of the meeting shall be formulated by the board of directors, and the meeting shall be proceeded with in accordance with the said proceedings. The proceedings shall not be changed without a resolution made by the shareholders meeting. If a shareholders meeting shall be called by any other person than the board of directors, the preceding provisions shall apply mutatis mutandis to the said meeting. The chairman shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two Paragraphs shall not have been resolved. If the chairman announces the adjournment of the meeting in violation of the rules of procedure, more than majority of the voting rights of the shareholders present may elect 1 person to serve as the chairman to continue the meeting. After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place.

Article 7: A shareholder wishing to speak in a shareholders meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder (or number of attendance) and his name, and the chairman shall determine his order of giving a speech. A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman and the said shareholder, and the chairman may prevent others from interrupting.

Article 8: A shareholder's speech shall not exceed 5 minutes. However, with the permission of the chairman may be extended for 3 minutes, and the extension is limited to 1 time.

Article 9: A shareholder shall not speak more than two times for one motion.

Article 10: If a shareholder exceeds the speech time or the scope of the motion, the chairman may prevent the shareholder from doing so.

Article 11: When the discussion for a motion has reached the extent for making a resolution, the chairman may announce discontinuance of the discussion at appropriate time and submit the motion for resolution.

Article 12: Unless otherwise specifically provided for in the Company Law or the Articles of Incorporation of the Company, resolutions shall be adopted by more than a majority of the total amount that vote at the meeting attended by the shareholders. When voting, if there is no objection after consulted by the chairman, it is deemed to be passed, and its effect is the same as voting by voting. Shareholders have 1 vote per share, but shares held by the Company itself have no right of voting.

Article 13: During the proceedings of a meeting, the chairman may consider the schedule and announce for a break. If the meeting cannot be concluded in once, the shareholders' meeting may resolve to continue the meeting within 5 days without notice and announcement.

Article 14: After a shareholder has given a speech, the chairman may personally or designate relevant person to respond.

Article 15: The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.

Article 16: If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 17: The Company shall record with an audio or video tape the whole proceedings of the shareholders meeting.

Article 18: Matters not stipulated in these Rules shall be handled in accordance with the Company Law, the Rules of Procedure that promulgated by the Ministry of the Interior, and the Company's Articles of Incorporation.

Article 19: These Rules shall be implemented after being recognized by the shareholders' meetings.

Article 20: These Rules of Procedure were amended for the first time on June 14, 2002.

The second amendment was made on June 24, 2003.

Appendix 2

Articles of Incorporation of Yen Sun Technology Corp.

Section I – General Provisions

Article 1: The Company shall be incorporated as a company limited by shares under the Company Act. Its name shall be 元山科技工業股份有限公司 in Chinese and “YEN SUN TECHNOLOGY CORP” in English.

Article 2: The scope of business of the Company shall be as follow:

1. CB01010 Machinery and Equipment Manufacturing
2. CC01020 Electric Wires and Cables Manufacturing
3. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
4. CC01040 Lighting Equipment Manufacturing
5. CC01070 Telecommunication Equipment and Apparatus Manufacturing
6. CC01080 Electronics Components Manufacturing
7. CC01090 Manufacture of Batteries and Accumulators
8. CC01110 Computer and Peripheral Equipment Manufacturing
9. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
10. CN01010 Furniture and Fixtures Manufacturing
11. CQ01010 Mold and Die Manufacturing
12. F102040 Wholesale of Nonalcoholic Beverages
13. F113020 Wholesale of Household Appliance
14. F119010 Wholesale of Electronic Materials
15. F203010 Retail Sale of Food, Grocery and Beverage
16. F213010 Retail Sale of Household Appliance
17. F219010 Retail Sale of Electronic Materials
18. JA02010 Electric Appliance and Electronic Products Repair
19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head-office in Kaohsiung City, Taiwan and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.

Article 4: The Company may provide guarantee for business needs and make reinvestments in other enterprises. The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-in capital as provided in Article 13 item 2 of the Company Act.

Article 5: Public announcement of the Corporation shall be made in accordance with provisions in Article 28 of the Company Act.

Article 6: The Company may provide guarantees that are necessary for business in accordance with the Endorsement and Guarantee Regulation.

Section II Shares

Article 7: The total capital amount of the Company shall be 1.5 billion New Taiwan Dollars (NT\$1,500,000,000), divided into 150 million (150,000,000) shares, at a per value of ten Net Taiwan Dollars (NT\$10) per share, and may be issued separately. An amount of point 100 million New Taiwan Dollar (NT\$100,000,000) out of the aforesaid capital is revised to serve as subscription warrants for employees, divided into 10 million (10,000,000) shares at par value of ten New Taiwan Dollars (NT\$10) per share and by issued separately according to the resolution of the Board of Directors.

Article 7-1: Employees to subscribe for new shares issued by the Company may include those of a holding company or subordinate company that meets certain specific requirements. The Board of Directors is authorized to determine the requirements and method of distribution.

Parties to whom the Company issues restricted share units may include employees of a holding company or subordinate company that meets certain specific requirements. The Board of Directors is authorized to determine the requirements and method of distribution.

Article 8: The Company is not obligated to issue printed certification for ownership of its stocks; it should be registered with records of stockholder's name by Certified Securities Depository Enterprises. °

Article 9: All transfers of stocks, pledges of rights, losses, successions, gifts, losses of seal, amendments of seal, changes of address or similar stock transactions conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations of Public Companies" unless specified otherwise by securities laws and regulations.

Article 10: No transfer of shares of the Company is permitted within 60 days before a regular shareholders' meeting; within 30 days before an extraordinary shareholders' meeting; or within five days before the record date of the distribution of dividends, bonuses, and other benefits as decided by the Company. Each of the periods mentioned in the preceding paragraph will run from the date of the meeting or record date.

Section III Shareholders' Meetings

Article 11: Shareholders' Meetings of the Corporation are of two types, namely: (1) regular meetings, and (2) special meetings. Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary.

The convening notice of the shareholders' meeting may be done electronically if approved by the shareholders.

The company's shareholders' meeting can be held by video conference or other methods announced by the central competent authority.

Relevant regulations such as the conditions, operating procedures, and other matters shall be complied with for a video conference; if otherwise stipulated by the authority shall prevail.

Article 12: The convening of the shareholders' meeting shall be held in accordance with the provisions of the Company Act, the Securities and Exchange Act and relevant laws or regulations.

Article 13: If a shareholder is unavailable to attend a meeting in person, the shareholder may issue a proxy form offered by the Company with the signature or a stamp, specifying the scope of the authorized powers to another shareholder who can attend the meeting on the shareholder's behalf.

Article 14: Unless otherwise required by the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shares represented by shareholders present at a shareholders' meeting which is attended by shareholders representing 50% or more of the total number of shares of the Company that are issued and outstanding.

Article 15: Unless otherwise stipulated and restricted by law, each shareholder shall be entitled to one vote for each held share.

Article 16: The resolutions of the meetings of the Board of Directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairperson of the meeting and delivered to all shareholders within twenty days after the meeting.

The minutes shall record a summary of the essential points of the

proceedings, including the year, month, dates, venues, name of the chairperson, the method of adopting resolutions, as well as the discussion and results of the meeting. The minutes should be kept permanently as long as the Company is in operation. The attendance list bearing the signatures of shareholders present and proxies for attendance shall be kept at least 1 year. The distribution of aforementioned minutes may also be distributed by means of public announcement.

Section IV Directors and audit committee

Article 17: The company hires 5 to 9 directors and at least 3 independent directors should be elected, and the proportion is at least one-fifth. A candidate nomination system is adopted for election and elected in the Shareholders' meeting with a term of service is three years, which is also eligible for re-election. The acceptance and announcement of candidates' nominations and in accordance with the Company Act, Securities Exchange Act and other related regulations. The election of independent directors and directors shall be held simultaneously but the total number of candidates should be calculated separately. The combined proportion of shares possessed by all directors is according to the regulations of institutions managing the securities. The board of directors can establish multifunctional committees; the number and tenure of members, powers and rules of the committee are established by the board of directors according to related acts and regulations. The audit committee is composed of all independent directors, the number of which shall not be less than 3, one of whom shall be the convener. The exercise of powers and related matters will be determined by the board of directors in accordance with relevant laws and regulations.

Article 18: The board is organized by directors. The Chairperson of the Board of Directors shall be elected from among the directors by majority of directors present at a meeting attended by more than two thirds of directors. The Chairperson shall externally represent the Company.

Article 19: When the Chairperson is on leave or unable to perform the duties, another director shall act on behalf of him.

Article 20: The remuneration of all directors is authorized to be determined by the board of directors based on the evaluation of the remuneration committee, industry standards and the degree of participation and contribution to the company's operations. The company can also purchase liability insurance for all directors.

Article 21: Deleted.

Article 22: A notice of directors' meeting of the Company setting forth the subjects to

be discussed shall be served on each director seven days in advance, provided in the case of emergency, the meeting may be convened at any time. Said notice may be given in writing, by email, or by fax to each director. Resolutions of the board of directors, besides Company Act and other regulations, must be attended by more than half of the directors and shall be made with the consent of more than half of the directors present. A director can offer a Letter of Authorization which specifies the entrusted matters with stamps and signatures and designative another director as a representative on the meeting, and one attendee is only allowed to represent one absentee. Directors who participate in the Board of Directors' Meeting by Web Cam is considered present for the meeting.

Article 23: When the number of vacancies in the Board of Directors equals to or exceed one third of the total number of directors, the Board of Directors shall hold, within sixty days, an interim shareholders' meeting to elect succeeding directors to fill the vacancies.

Article 24: The resolutions of the meetings of the Board of Directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairperson of the meeting and delivered to all shareholders within twenty days after the meeting. The minutes shall record the essential points of the proceedings and results of the meeting. The minutes, signatures book of attending directors and power of attorney to attend should be kept in the Company simultaneously.

Section V Managers

Article 25: The Company may have managers whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 26: Depending on the business needs of the Company, the board of directors may hire relevant professionals as consultants; their remuneration shall be determined by the board of directors.

Section VI Accounting

Article 27: The fiscal year of the Company shall be from 1 January to 31 December.

Article 28: At the end of a fiscal year, the Company, shall have the Board of Directors compile the following reports and according to the statutory procedure, submit the same at a regular shareholders' meeting for ratification:

1. Business Report.
2. Financial Statements.
3. Distribution of profits and Loss make-up proposal.

Article 29: The Company's article of incorporation stipulate that Company's net earnings should first be used to paying any income taxes and offset the prior years' deficits. 10% of the remaining balance is to be appropriated as legal reserve. However, it is not applicable if the statutory surplus reserve has reached our Group's paid-up capital. Also based on the Company's operational needs and regulatory requirements, provisions shall be made for special reserve. If there is still undistributed surplus remaining, 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 when decided distributing it by issuing new stocks.

The net deduction of other equity and the net increase in the fair value of investment real estate accrued by the Company in the previous portion shall be set aside from the undistributed surplus of the previous portion as a special surplus reserve of the same amount. If there is still any shortage, withdraw from other items except the net profit of the current portion and the net profit after tax of the current portion account into the undistributed surplus of the current period.

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

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

- (i) The conditions and timing

The Company is currently in the stage of active market development. In order to support the growth of the company, the distribution of

dividends should consider the continuing operation 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.

(ii) 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.

Article 29-1: According to the Company's articles of association, the Company should contribute 1% to 10% of the profit as employee compensation and 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 employee remuneration can be distributed in cash or stock to employees who satisfy certain specifications of the Company and its affiliates which formulate by the board of directors.

The profit status of the current annual portion in the first item refers to the current year's pre-tax profit before deducting the distribution of employee remuneration and director's remuneration.

The distribution of employee remuneration and director's remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present and report to the shareholders' meeting.

VII Supplementary Provisions

Article 30: Matters not covered in this Articles shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 31: These Articles of Incorporation were enacted on February 21, 1987.

The first amendment was made on August 27, 1987.

The second amendment was made on September 13, 1987.

The third amendment was made on October 30, 1987.

The fourth amendment was made on December 10, 1987.

The fifth amendment was made on February 2, 1990.
The sixth amendment was made on November 11, 1990.
The seventh amendment was made on December 23, 1993.
The eighth amendment was made on February 3, 1997.
The ninth amendment was made on January 9, 1998.
The 10th amendment was made on July 18, 1998.
The 11th amendment was made on August 28, 1998.
The 12th amendment was made on September 8, 1998.
The 13th amendment was made on November 7, 1998.
The 14th amendment was made on June 23, 1999.
The 15th amendment was made on March 23, 2000.
The 16th amendment was made on June 14, 2002.
The 17th amendment was made on June 24, 2003.
The 18th amendment was made on June 25, 2004.
The 19th amendment was made on June 23, 2005.
The 20th amendment was made on September 30, 2005.
The 21st amendment was made on September 30, 2005.
The 22nd amendment was made on May 24, 2006.
The 23rd amendment was made on June 19, 2008.
The 24th amendment was made on June 19, 2009.
The 25th amendment was made on June 18, 2010.
The 26th amendment was made on June 27, 2011.
The 27th amendment was made on June 12, 2012.
The 28th amendment was made on June 26, 2015.
The 29th amendment was made on June 27, 2016.
The 30th amendment was made on June 19, 2017.
The 31st amendment was made on June 14, 2018.
The 32nd amendment was made on June 25, 2019.
The 33nd amendment was made on July 15, 2021.
The 34nd amendment was made on May 31, 2022.

YEN SUN TECHNOLOGY
CORP.

Chairperson: CHEN, KUAN-
HUNG

Appendix 3

Yen Sun Technology Corp. Procedures for Election of Directors

Established on June 23, 1999
Revised on June 14, 2018

Article 1: Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.

Article 2: The election of the company's directors adopts the single-register cumulative election method, and the names of the voters can be replaced by the attendance card numbers. The election of the Company's directors adopts a candidate nomination system, which is in accordance with the Company Act's candidate nomination system procedures and relevant laws and regulations.

Article 3: In the election of directors of the Company, unless otherwise stipulated by the Company Act, each share has the same voting rights as the number of directors to be elected according to its voting rights; one person may be elected collectively or allocated to numbers of persons.

Article 4: The directors of the Company shall calculate the voting rights of independent directors and non-independent directors separately according to the number of directors stipulated in the Articles of association of the Company. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

The qualifications and selection of independent directors of the Company shall be handled in accordance with the "Securities and Exchange Act", "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and relevant regulations of the competent authority.

Article 5: When the board of directors prepares ballots, it shall be numbered according to the number of the attendance card and the number of available

ballots shall be added.

Article 6: At the beginning of the election, the chairman will designate the scrutineers and ballot counters to handle the matters of scrutiny and counting of votes.

Article 7: The ballot box are prepared by the board of directors and inspected by the scrutineers in public before voting.

Article 8: The voter must fill in the name of the candidate in the candidate column of the ballot and add the shareholder account number or ID card number, then put it into the voting cabinet; however, when the government or corporate shareholder is the electee, the name of the government or the corporate shareholder may be filled in the electee column of the ballot in accordance with the provisions of Article 27, Paragraph 1 of the Company Act; the name of the representative of the government or the corporate shareholder may also be filled in with the provisions of Article 27, Paragraph 2 of the Company Act.

Article 9: A ballot is invalid under any of the following circumstances:

1. Those did not use the ballot stipulated in this regulation.
2. A blank ballot is placed in the ballot box.
3. Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Two or more candidates are listed on the same ballot.
6. In addition to filling in the name of the candidate and the shareholder account number, other words are inserted.
7. The name of the selected person filled in is the same as that of other shareholders, but the shareholder account number or ID card number is not filled in for identification.

Article 10: Separate ballot boxes are set up for the election of directors. After voting separately, the ballot box will be opened by the scrutineer and the ballot counters.

Article 11: After the voting is completed, the votes will be counted on the spot, the result will be announced by the chairman on the spot.

Article 12: Matters not stipulated in these procedures shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 13: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 4

Shareholding of Directors and Supervisors

1. The company has set up an audit committee in accordance with the provisions of Article 14-4 of the "Securities and Exchange Act" and replaced the supervisor with independent directors.
2. In accordance with Article 26 of the "Securities and Exchange Act" and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies": if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20%; the minimum amount of shares held by directors other than independent directors of the Company is 6,180,188 shares.
3. As of the book closure date of the annual meeting of shareholders in 2024 (April 2, 2024), the shareholdings of individual and all directors recorded in the Company's shareholder register are as follows:

Position	Name	Current shareholding
Chairperson	Kuan-Hung, Chen	2,500,477
Director	Chien-Jung, Chen	6,106,739
Director	Ying-Chen, Li	1,000
Director	Teng-Lung, Hsieh	0
Independent Director	Wun-Ba, Li	0
Independent Director	Kuan-Liang, Chen	0
Independent Director	Chih-Min, Fang	0
Total Shares Held by Directors (Not including shares held by Independent Directors)		8,608,216

Appendix 5

Result Announcement on Handling Shareholders' Proposals at this Regular Shareholders' Meeting:

1. According to Article 172-1 of the Company Act: Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at the shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and shall be limited to not more than three hundred (300) words.
2. The Company's annual meeting of shareholders of this year will accept shareholder proposal applications. The period is started from March 8, 2024 to March 18, 2024, and has been announced on the Market Observation Post System according to the law. (<https://emops.twse.com.tw/server-java/t58query>)
3. The Company did not receive shareholder proposals during the acceptance period.