

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

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

For The Three Months Ended March 31, 2024 And 2023

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

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Notice to readers

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

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Independent Auditors' Review Report

The Board of Director's
YEN SUN TECHNOLOGY CORP.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yen Sun Technology Corporation. (the Company) and subsidiaries as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect and by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with TWSRE 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Yen Sun Technology Corporation and subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

May 8, 2024

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

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

		March 31, 2024		December 31, 2023		March 31, 2023				March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets															
Current assets:															
1100	Cash and cash equivalents (note 6(1))	\$ 496,935	14	552,397	16	137,263	4	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))	375	-	459	-	-	-	2170	Accounts payable	715,129	21	710,613	21	732,263	23
1151	Notes receivables, net (note 6(4) and (22))	18,454	-	17,731	1	26,179	1	2200	Other payables	410,097	12	216,641	6	290,754	9
1170	Accounts receivable, net (note 6(4) and (22))	827,597	24	748,545	22	892,071	28	2230	Current income tax liabilities	108,263	3	107,315	3	80,321	2
130X	Inventories (note 6(6))	761,896	22	767,391	22	858,081	27	2280	Current lease liabilities (note 6(15))	33,144	1	32,766	1	32,294	1
1476	Other current financial assets (note 6(5) and 8)	28,558	1	16,637	-	36,578	1	2321	Bonds payable, current portion (note 6(14) and 8)	95,351	3	119,578	3	-	-
1479	Other current assets-other (note 6(11))	57,389	2	52,028	2	49,736	2	2322	Long-term borrowings, current portion (note 6(13) and 8)	28,667	1	24,032	1	24,796	1
Total Current Assets		2,191,204	63	2,155,188	63	1,999,908	63	2399	Other current liabilities (note 6(13)(16)(22))	54,964	1	36,407	1	58,786	2
Non-Current Assets															
1510	Financial asset at fair value through profit or loss-non-current (note 6(2)(14))	-	-	-	-	289	-	Total of current liabilities		1,445,615	42	1,247,852	36	1,219,314	38
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	45,185	1	43,369	1	34,863	1	Non-current liabilities:							
1600	Property, plant and equipment (note 6(7) and 8)	944,016	27	930,303	27	815,157	26	2530	Bonds payable (note 6(14) and 8)	-	-	-	-	283,622	9
1755	Right-of-use assets (note 6(8) and 8)	223,441	7	230,527	7	254,108	8	2540	Long-term borrowings (note 6(13) and 8)	396,778	11	411,964	12	332,991	11
1760	Investment Property (note 6(9))	-	-	-	-	10,141	-	2570	Deferred tax liabilities	23,470	1	22,777	1	3,723	-
1780	Intangible assets (note 6(10))	7,793	-	8,298	-	4,057	-	2580	Non-current lease liabilities (note 6(15))	174,298	5	181,259	5	204,000	6
1840	Deferred income tax assets	27,859	1	27,568	1	10,317	-	2630	Long-Term Deferred Revenue (note 6(13))	6,421	-	6,656	-	3,919	-
1975	Net defined benefit assets - non-current	4,709	-	-	-	-	-	2640	Net defined benefit liability, non-current	-	-	5,752	-	6,969	-
1980	Other non-current financial assets (note 6(5) and 8)	23,381	1	42,043	1	68,325	2	2645	Deposits received	1,569	-	1,569	-	1,764	-
1990	Other non-current assets-other (notes 6(11))	1,635	-	11,925	-	3,656	-	Total non-current liabilities		602,536	17	629,977	18	836,988	26
Total Non-Current Assets		1,278,019	37	1,294,033	37	1,200,913	37	Total liabilities		2,048,151	59	1,877,829	54	2,056,302	64
Total Assets		\$ 3,469,223	100	3,449,221	100	3,200,821	100	Equity attributable to owners of parent (note 6(14)(20)):							

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

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

		For the three months ended March 31, 2024		For the three months ended March 31, 2023	
		Amount	%	Amount	%
4000	Operating revenues (note 6(22))	\$ 907,230	100	851,279	100
5000	Operating costs (notes 6(6)(18) and 12)	753,189	83	714,966	84
5900	Gross Income (Loss) from Operations	154,041	17	136,313	16
6000	Operating expenses (notes 6(18)(23) and 12):				
6100	Selling expenses	47,481	6	42,905	5
6200	General and administrative expenses	37,069	4	35,685	4
6300	Research and development expenses	38,983	4	35,525	4
6450	Expected credit impairment loss(profit)(note6(4)(5))	(175)	-	1,201	-
	Total operating expenses	123,358	14	115,316	13
6900	Net operating income	30,683	3	20,997	3
7000	Non-operating income and expenses (notes 6(17)(24)):				
7100	Interest Income	1,196	-	52	-
7010	Other Income	6,085	1	9,714	1
7020	Other gains and losses	22,611	2	(1,509)	-
7050	Finance costs	(2,236)	-	(3,184)	(1)
	Total non-operating income and expenses	27,656	3	5,073	-
7900	Profit before income tax from continuing operations:	58,339	6	26,070	3
7950	Loss: Income tax expense (notes 6(19))	11,500	1	7,606	1
8200	Net Profit (loss)	46,839	5	18,464	2
8300	Other comprehensive income:				
8310	items that will not be reclassified to profit or loss				
8316	Instruments measured at fair value through other comprehensive income (notes 6(20))	1,816	-	2,573	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(19))	359	-	621	-
	Total items that will not be reclassified to profit or loss	1,457	-	1,952	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation (notes 6(20))	4,539	1	492	-
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	4,539	1	492	-
8300	Other comprehensive income, net	5,996	1	2,444	-
8500	Comprehensive income	<u>\$ 52,835</u>	<u>6</u>	<u>20,908</u>	<u>2</u>
	Basic earnings per share (in dollar, note6(21))				
9750	Total basic earnings per share	<u>\$ 0.62</u>		<u>0.27</u>	
9850	Diluted earnings per share	<u>\$ 0.58</u>		<u>0.23</u>	

See accompanying notes to consolidated financial statements.

(Reviewed, not audited)
YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital						Other equity interest				
							Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Total	Treasury stock	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total					
Balance at January 1, 2023	\$ 701,669	164,367	82,199	3,798	310,168	396,165	18,392	7,473	25,865	(11,773)	1,276,293
Profit	-	-	-	-	18,464	18,464	-	-	-	-	18,464
Other comprehensive income	-	-	-	-	-	-	492	1,952	2,444	-	2,444
Total comprehensive income	-	-	-	-	18,464	18,464	492	1,952	2,444	-	20,908
Earnings allocation and distribution:											
Cash dividend of common stock	-	-	-	-	(152,682)	(152,682)	-	-	-	-	(152,682)
	-	-	-	-	(152,682)	(152,682)	-	-	-	-	(152,682)
Balance as of March 31, 2023	\$ 701,669	164,367	82,199	3,798	175,950	261,947	18,884	9,425	28,309	(11,773)	1,144,519
Balance at January 1, 2024	\$ 763,238	267,531	102,709	3,798	429,864	536,371	3,306	12,719	16,025	(11,773)	1,571,392
Profit	-	-	-	-	46,839	46,839	-	-	-	-	46,839
Other comprehensive income	-	-	-	-	-	-	4,539	1,457	5,996	-	5,996
Total comprehensive income	-	-	-	-	46,839	46,839	4,539	1,457	5,996	-	52,835
Earnings allocation and distribution:											
Cash dividend of common stock	-	-	-	-	(113,748)	(113,748)	-	-	-	-	(113,748)
	-	-	-	-	(113,748)	(113,748)	-	-	-	-	(113,748)
Convertible corporate bonds conversion	9,286	15,056	-	-	-	-	-	-	-	-	24,342
Capital reserve allotment of cash dividends	-	(113,749)	-	-	-	-	-	-	-	-	(113,749)
Balance as of March 31, 2024	\$ 772,524	168,838	102,709	3,798	362,955	469,462	7,845	14,176	22,021	(11,773)	1,421,072

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollar)

(Reviewed, not audited)

	For the three months ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 58,339	26,070
Adjustments:		
Adjustments to reconcile profit (loss):		
Expected credit loss (gain)	(175)	1,201
Depreciation expense	30,720	30,355
Amortization expense	672	475
Net profit on financial assets or liabilities at fair value through profit or loss	(24)	(837)
Interest expense	2,236	3,184
Interest revenue	(1,196)	(52)
Loss (gain) from disposal of investment property, and property, plant and equipment	(3)	54
Increase of provision	(432)	136
Unrealized foreign exchange loss (gain)	(22,574)	2,776
Deferred income amortized as income	(262)	(126)
Total adjustments to reconcile profit (loss)	8,962	37,166
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(723)	3,318
Accounts receivable	(52,867)	(136,012)
Inventories	9,113	(41,026)
Other current assets	(4,856)	(9,656)
Other financial assets	2,859	(3,299)
Total net changes in operating assets:	(10,461)	-
Net changes in operating liabilities:	(56,935)	(186,675)
Accounts payable		
Other payable	(8,118)	100,620
Other current liabilities	(38,558)	(60,983)
Net defined benefit liability	15,413	25,901
Total net changes in operating liabilities	-	(378)
Total changes in operating assets and liabilities	(31,263)	65,160
Total adjustments	(88,198)	(121,515)
Cash inflow generated from operating	(79,236)	(84,349)
Interest received	(20,897)	(58,279)
Interest paid	1,195	54
Income taxes paid	(2,171)	(2,468)
Net cash flows from (used in) operating activities	(11,344)	(6,503)
Cash flows from (used in) investing activities:	(33,217)	(67,196)
Acquisition of property, plant and equipment	(18,150)	(63,572)
Increase in guarantee deposits paid	120	2,395
Acquisition of intangible assets	(156)	-
Increase in restricted deposit	4,031	(13,878)
Increase in prepayments for equipment	(1,635)	(3,656)
Net cash flows from (used in) investing activities:	(15,790)	(78,711)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(500)	-
Proceeds from long-term borrowings	-	142,800
Repayment of long-term borrowings	(11,066)	(30,113)
Payments of lease liabilities	(8,187)	(7,476)
Decrease in deposits received	3,600	(3,302)
Net cash flows from (used in) financing activities	(16,153)	101,909
Effect of exchange rate changes on cash and cash equivalents	9,698	491
Net increase (decrease) in cash and cash equivalents	(55,462)	(43,507)
Cash and cash equivalents at beginning of period	552,397	180,770
Cash and cash equivalents at end of period	\$ 496,935	137,263

See accompanying notes to consolidated financial statements.

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

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

For the three months ended March 31, 2024 and 2023

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

(Reviewed, not audited)

1. Company history

Yen Sun Technology Corporation (the “Company”) was incorporated in March, 1987 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). Registered address: No.329, Feng Ren Rd., Ren Wu Dist., Kaohsiung City 814, Taiwan (R.O.C.). The major business activities of the Company and subsidiaries (jointly referred to the Group) are the manufacture and sale of home appliances and electronic cooling products such as electric fans, electric cookers, induction cookers, juice machines, bowl dryers, water dispensers, dehumidifiers, electric heaters and other home appliances, cooling fans, heat sink and thermal modules.

2. Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 2024.

3. New standards, amendments and interpretations adopted

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024 :

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendment to IFRS 16 “Sale and leaseback transaction”

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

The Group expect the following other new and amended standards, which have yet to be endorsed by the FSC, may have significant impacts:

New, Amended and Revised Standards and Interpretations	Main revisions	Effective Date Issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The standard introduces three categories of income and expense, two income statement subtotals and a single note on the measurement of management's performance. These three revisions and strengthened guidance on how to segment information in financial statements lay	January 1, 2027

New, Amended and Revised Standards and Interpretations	Main revisions	Effective Date Issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>the foundation for providing users with better and more consistent information and will impact all companies.</p> <ul style="list-style-type: none"> ·More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses will be classified into three new different categories based on the company's main operating activities. ·Management-defined performance measures (MPM): The new standard introduces the definition of management performance measures, requiring companies to explain why each measurement indicator provides useful information and how it is calculated in a single note to the financial statements and how to reconcile measures to amounts recognized under IFRS accounting standards. ·More segmented information: The new standard includes guidance on how companies can enhance the grouping of information in financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes. 	January 1, 2027

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)
- Amendments to IAS 21 “Lack of Exchangeability”

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 4 of 2023 consolidated financial statement for detail information.

(2) Basis of consolidation

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

Name of investor	Name of subsidiary	Business activity	Shareholding			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	YEN SUN TECHNOLOGY (BVI) CORP.	Investment holding	-	-	100%	note 1
The Company	YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	-
The Company	LUCRATIVE INT'L GROUP INC.	Investment holding	100%	100%	100%	-
The Company	YEN JIU TECHNOLOGY CORP. (“YEN JIU”)	Sales and manufacture of home appliances products	100%	100%	100%	-
YEN SUN TECHNOLOGY (BVI) CORP.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. (“SHANGHAI YENSUN”)	Sales and manufacture of home appliances products	-	-	100%	note 2
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN HUNG INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	-
YEN HUNG INTERNATIONAL CORP.	Y.H. TECH INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
Y.H. TECH INTERNATIONAL CORP.	DARSON ELECTRONICS (DONGGUAN) LTD. (“DARSON”)	Manufacture of electronic cooling products	100%	100%	100%	-
LUCRATIVE INT'L GROUP INC.	YEN GIANT METAL (DONGGUAN) CO., LTD. (“YEN GIANT”)	Manufacture of electronic cooling fan and heat sink and thermal module products	100%	100%	100%	-

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

note 1: The company decided to dissolve and set December 28, 2023 as the base date for dissolution. The relevant procedures were completed on February 16, 2024.

note 2: The company was sold to non-related parties on November 8, 2023 and completed its equity delivery process.

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

(3) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current

- A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is expected to be realized within 12 months after the reporting period; or
- D. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- A. It is expected to be settled in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is due to be settled within 12 months after the reporting period; or
- D. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(4) Income tax

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

Income tax expense is calculated based on an interim period’s pre-tax income multiplied by best estimation of the annual income tax rate expected for the full financial year and recognized as current income tax expense. Current income tax expense and deferred tax expense are recognized based on the prorated estimated annual current income tax expense and deferred tax.

When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in the period at once.

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

(5) Employee benefit

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

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

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

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the 2023 consolidated financial statements.

6. Explanation of significant accounting items

Except as described below, the explanation of significant accounting items of this quarterly consolidated financial statements had no significant difference compared with the Group consolidated financial statements for the year 2023. Please refer to Note 6 of consolidated financial statements 2023.

(1) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash and cash on hand	\$ 1,947	2,235	1,830
Check deposits	-	10	10
Demand deposits	404,988	411,688	135,423
Time deposits	<u>90,000</u>	<u>138,464</u>	<u>-</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 496,935</u></u>	<u><u>552,397</u></u>	<u><u>137,263</u></u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Derivatives not designated as hedges			
Convertible bond (Embedded derivatives)	<u><u>\$ 375</u></u>	<u><u>459</u></u>	<u><u>289</u></u>

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks —			
Y.S. Tech U.S.A Inc.	\$ 29,622	27,828	21,765
Domestic un-listed stocks —			
CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	<u>15,563</u>	<u>15,541</u>	<u>13,098</u>
Total	<u>\$ 45,185</u>	<u>43,369</u>	<u>34,863</u>

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of from January 1 to March 31, 2024 and 2023.

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

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

(4) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable from operating activities	\$ 18,454	17,731	26,179
Accounts receivables—measured as amortized cost	837,382	758,495	913,228
Less: Allowance for impairment	<u>(9,785)</u>	<u>(9,950)</u>	<u>(21,157)</u>
	<u>\$ 846,051</u>	<u>766,276</u>	<u>918,250</u>

Book as:

Notes receivable	\$ 18,454	17,731	26,179
Net amount of accounts receivable	<u>827,597</u>	<u>748,545</u>	<u>892,071</u>
	<u>\$ 846,051</u>	<u>766,276</u>	<u>918,250</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

	March 31, 2024		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 783,214	0.01%	55
Overdue less than 90 days	64,192	2.32%	1,487
Overdue 91 to 180 days	259	28.19%	73
Overdue 181 to 240 days	5	80.00%	4
Overdue over 241 days	8,166	100.00%	8,166
	\$ 855,836		9,785

	December 31, 2023		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 747,082	0.08%	623
Overdue less than 90 days	20,206	2.58%	522
Overdue 91 to 180 days	25	20.00%	5
Overdue 181 to 240 days	347	67.44%	234
Overdue over 241 days	8,566	100.00%	8,566
	\$ 776,226		9,950

	March 31, 2023		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 872,178	0.03%	236
Overdue less than 90 days	39,667	0.16%	64
Overdue 91 to 180 days	8,074	19.27%	1,556
Overdue 181 to 240 days	284	34.15%	97
Overdue over 241 days	19,204	100.00%	19,204
	\$ 939,407		21,157

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

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

	For the three months ended March 31	
	2024	2023
Balance at January 1	\$ 9,950	19,881
Impairment losses recognized (reversed)	(171)	1,201
Effect of changes in foreign exchange rates	6	75
Balance at March 31	<u>\$ 9,785</u>	<u>21,157</u>

The abovementioned financial assets were not pledged as collateral.

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

(5) Other financial assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Refundable deposits	\$ 10,106	10,120	10,081
Other receivables — Other	11,912	14,612	20,701
Restricted deposits	29,922	33,953	74,121
Less: Loss allowance-Others	(1)	(5)	-
	<u>\$ 51,939</u>	<u>58,680</u>	<u>104,903</u>

Book as:

Other financial assets — current	\$ 28,558	16,637	36,578
Other financial assets — non-current	23,381	42,043	68,325
	<u>\$ 51,939</u>	<u>58,680</u>	<u>104,903</u>

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

(6) Inventories

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Raw materials and supplies	\$ 241,355	243,319	331,250
Work in progress	269,670	255,887	287,088
Finished goods and Merchandise inventories	250,871	268,185	239,743
	<u>\$ 761,896</u>	<u>767,391</u>	<u>858,081</u>

For the three months ended March 31, 2024 and 2023, recognition of inventory impairment losses due to write-off of inventories to net realizable value was \$2,552 thousand and \$2,359 thousand, and has been recognize under operating costs.

None abovementioned inventories were pledged as collaterals.

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

(7) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Mold Equipment	Miscellaneo us equipment	Constructio n in progress	Total
Cost or deemed cost:							
Balance at January 1, 2024	\$ 291,848	231,325	322,152	468,703	126,495	294,710	1,735,233
Additions	-	-	9,715	13,370	449	10,467	34,001
Disposals	-	-	(138)	(794)	(100)	-	(1,032)
Effect of movements in exchange rates	-	490	2,157	1,707	334	-	4,688
Balance at March 31, 2024	\$ 291,848	231,815	333,886	482,986	127,178	305,177	1,772,890
Balance at January 1, 2023	\$ 291,848	225,213	312,501	462,977	120,243	57,636	1,470,418
Additions	-	2,972	706	3,548	310	93,874	101,410
Disposals	-	-	(2,761)	(6,521)	(153)	-	(9,435)
Effect of movements in exchange rates	-	106	574	410	80	-	1,170
Balance at March 31, 2023	\$ 291,848	228,291	311,020	460,414	120,480	151,510	1,563,563
Accumulated depreciation and Impairment:							
Balance at January 1, 2024	\$ -	88,994	208,870	416,811	90,255	-	804,930
Depreciation for the year	-	4,078	8,114	7,056	2,953	-	22,201
Disposals	-	-	(138)	(766)	(100)	-	(1,004)
Effect of movements in exchange rates	-	377	1,021	1,120	229	-	2,747
Balance at March 31, 2024	\$ -	93,449	217,867	424,221	93,337	-	828,874
Balance at January 1, 2023	\$ -	73,925	182,661	398,630	80,122	-	735,338
Depreciation for the year	-	3,941	7,602	7,443	2,795	-	21,781
Disposals	-	-	(2,747)	(6,481)	(153)	-	(9,381)
Effect of movements in exchange rates	-	98	249	266	55	-	668
Balance at March 31, 2023	\$ -	77,964	187,765	399,858	82,819	-	748,406
Carrying amounts:							
Balance at January 1, 2024	\$ 291,848	142,331	113,282	51,892	36,240	294,710	930,303
Balance at March 31, 2024	\$ 291,848	138,366	116,019	58,765	33,841	305,177	944,016
Balance at January 1, 2023	\$ 291,848	151,288	129,840	64,347	40,121	57,636	735,080
Balance at March 31, 2023	\$ 291,848	150,327	123,255	60,556	37,661	151,510	815,157

As of three months ended March 31, 2024 and 2023, the capitalized amount that related to the construction of the new factory of the Group was \$1,134 thousand and \$542 thousand, which was calculated based on the capitalization rate of 1.62% and 1.76%, respectively.

Please refer to Note 6(24) for detail of disposal gain and loss.

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

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

(8) Right-of-use assets

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

	Land	Building and construction	Transportation equipment	Total
Right-of-use assets cost:				
Balance at January 1, 2024	\$ 138,850	213,429	3,203	355,482
Additions	-	-	325	325
Decrease	-	-	(607)	(607)
Effect of movements in exchange rates	-	2,940	-	2,940
Balance at March 31, 2024	<u>\$ 138,850</u>	<u>216,369</u>	<u>2,921</u>	<u>358,140</u>
Balance at January 1, 2023	\$ 139,355	211,565	3,927	354,847
Additions	-	2,496	-	2,496
Effect of movements in exchange rates	-	810	-	810
Balance at March 31, 2023	<u>\$ 139,355</u>	<u>214,871</u>	<u>3,927</u>	<u>358,153</u>
Accumulated Depreciation:				
Balance at January 1, 2024	\$ 4,595	119,659	701	124,955
Depreciation for the period	715	7,524	280	8,519
Decrease	-	-	(607)	(607)
Effect of movements in exchange rates	-	1,832	-	1,832
Balance at March 31, 2024	<u>\$ 5,310</u>	<u>129,015</u>	<u>374</u>	<u>134,699</u>
Balance at January 1, 2023	\$ 1,731	91,460	1,979	95,170
Depreciation for the period	718	7,472	302	8,492
Effect of movements in exchange rates	-	383	-	383
Balance at March 31, 2023	<u>\$ 2,449</u>	<u>99,315</u>	<u>2,281</u>	<u>104,045</u>
Carrying amounts:				
Balance at January 1, 2024	<u>\$ 134,255</u>	<u>93,770</u>	<u>2,502</u>	<u>230,527</u>
Balance at March 31, 2024	<u>\$ 133,540</u>	<u>87,354</u>	<u>2,547</u>	<u>223,441</u>
Balance at January 1, 2023	<u>\$ 137,624</u>	<u>120,105</u>	<u>1,948</u>	<u>259,677</u>
Balance at March 31, 2023	<u>\$ 136,906</u>	<u>115,556</u>	<u>1,646</u>	<u>254,108</u>

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

(9) Investment Property

	Owned property	Building and construction	
	Building and construction	Land	Total
Carrying amounts:			
Balance at January 1, 2024	\$ -	-	-
Balance at January 1, 2023	\$ 3,885	6,286	10,171
Balance at March 31, 2023	\$ 3,894	6,247	10,141

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of investment property for the three months ended March 31, 2024 and 2023. Please refer Note 6(9) for other related information.

There is no material difference between the fair value of investment property and the information disclosed in Note 6 (9) of the consolidated financial report for the year ended December 31, 2023.

Investment property were not pledged as collateral.

(10) Intangible assets

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

	Computer software	Other	Total
Carrying amounts:			
Balance at January 1, 2024	\$ 8,298	-	8,298
Balance at March 31, 2024	\$ 7,793	-	7,793
Balance at January 1, 2023	\$ 4,397	134	4,531
Balance at March 31, 2023	\$ 3,965	92	4,057

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of intangible assets for the three months ended March 31, 2024 and 2023. Please refer Note 6(10) of the consolidated financial report for the year ended December 31, 2023 for other related information.

None intangible assets pledged as collateral.

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

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Prepayment for purchases	\$ 4,739	9,155	2,071
Prepaid expense	7,593	6,266	6,959
Prepayments for equipment	1,635	11,925	3,656
Income tax refund receivable	42,382	34,354	38,385
Assets for right to recover product to be returned	<u>2,675</u>	<u>2,253</u>	<u>2,321</u>
	<u>\$ 59,024</u>	<u>63,953</u>	<u>53,392</u>
Current	\$ 57,389	52,028	49,736
Non-current	<u>1,635</u>	<u>11,925</u>	<u>3,656</u>
	<u>\$ 59,024</u>	<u>63,953</u>	<u>53,392</u>

(12) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Letter of credit borrowing	\$ -	500	-
Unsecured bank loans	<u>-</u>	<u>-</u>	<u>100</u>
Total	<u>\$ -</u>	<u>500</u>	<u>100</u>
Unused short-term credit lines	<u>\$ 1,269,568</u>	<u>1,052,817</u>	<u>964,025</u>
Range of interest rates	<u>-</u>	<u>6.9%</u>	<u>2.03%</u>

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

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

(13) Long-term borrowings

The details of long-term borrowings were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank borrowings	\$ 165,188	167,485	143,913
Secured bank loans	<u>260,257</u>	<u>268,511</u>	<u>213,874</u>
	425,445	435,996	357,787
Less: current portion	<u>28,667</u>	<u>24,032</u>	<u>24,796</u>
Total	<u>\$ 396,778</u>	<u>411,964</u>	<u>332,991</u>
Unused long-term credit lines	<u>\$ 349,420</u>	<u>349,420</u>	<u>555,200</u>
Range of interest rates	<u>1.38%~1.75%</u>	<u>1.38%~1.95%</u>	<u>1.38%~1.98%</u>

- A. There is no major issuance, repurchase, or repayment of long-term borrowing from January 1 to March 31, 2024 and 2023. Please refer to Note 6 (24) for interest expenses. For other related information, please refer to Note 6 (13) of the consolidated financial report for the year ended December 31, 2023.

In 2022, the Group acquired low-interest loan from “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” which host by Executive Yuan, R.O.C. (Taiwan). As of three months ended March 31, 2024, the year ended December 31, 2023, and three months ended March 31, 2023, the loan amount was \$431,913 thousand, \$434,413 thousand and \$232,800 thousand, respectively; the loan is recognized and measured at market interest rates, the difference between the actual repayment preferential interest rate shall be handled according to government subsidy, please refer to Note 4(17) of the consolidated financial report for the year ended December 31, 2023 for other related information.

As of three months ended March 31, 2024, the year ended December 31, 2023, and three months ended March 31, 2023, the deferred subsidy benefits amounted to \$7,413 thousand, \$7,675 thousand and \$4,567 thousand, respectively, and were recognized as other current liabilities in the balance sheet, which is amounted to \$992 thousand, \$1,019 thousand and \$648 thousand, respectively. The long-term deferred revenue amounted to \$6,421 thousand, \$6,656 thousand and \$3,919 thousand

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

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

(14) Bonds payable

The details of secured convertible bonds were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Total convertible corporate bonds issued	\$ 300,000	300,000	300,000
Add: Interest payable refund			
	602	681	1,082
Less: Accumulated conversion amount	(203,800)	(179,100)	(11,400)
Less: Unamortized discounted bonds payable	(1,451)	(2,003)	(6,060)
Less: Due within one year	<u>(95,351)</u>	<u>(119,578)</u>	<u>-</u>
Issued bonds payable balance at year-end	<u>\$ -</u>	<u>-</u>	<u>283,622</u>
Embedded derivative instruments – call and put option, included in financial liabilities at fair value through profit or loss	<u>\$ 375</u>	<u>459</u>	<u>289</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 11,990</u>	<u>15,068</u>	<u>35,970</u>

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

For the information of bondholder exercise puttable option that converts bonds payable into ordinary shares from January 1 to March 31, 2024, please refer to Note 6 (20).

(15) Lease liabilities

The details of lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 33,144</u>	<u>32,766</u>	<u>32,294</u>
Non-current	<u>\$ 174,298</u>	<u>181,259</u>	<u>204,000</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Interest on lease liabilities	<u>\$ 1,317</u>	<u>1,606</u>
Expenses relating to short-term leases	<u>\$ 133</u>	<u>443</u>
Expenses relating to leases of low-value assets	<u>\$ 108</u>	<u>104</u>

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

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

	For the three months ended March 31,2024	For the three months ended March 31,2023
Total cash outflow for leases	\$ 9,745	9,629

A. Lease of land, Building and construction

Group leases buildings for its factory and warehouse. The leases typically run for a period of 3 to 50 years. Some leases include an option to renew the lease after the end of the contract term.

B. Other leases

The Group leases transportation and equipment, with lease terms of 2 to 5 years.

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

(16) Other current and non-current liabilities

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

	March 31, 2024	December 31, 2023	March 31, 2024
Advance receipts	\$ 6,960	9,230	21,833
Provision for warranties	3,600	-	1,134
Refund liability	-	432	1,207
Receipts under custody	7,844	6,931	6,023
Others	36,560	19,814	28,589
	\$ 54,964	36,407	58,786

There was no significant movement of liabilities provision for the three months ended March 31, 2024 and 2023. Please refer Note 6(16) of consolidated financial report for the year ended December 31, 2023 for other related information

(17) Operating lease

There was no significant movement and addition of operating lease contracts for the three months ended March 31, 2024 and 2023. Please refer Note 6(17) of consolidated financial report for the year ended December 31, 2023 for other related information.

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

(18) Employee benefits

A. Defined benefit plans

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2023 and 2022.

Cost recognized in expense was as below:

	For the three months ended March 31,2024	For the three months ended March 31,2023
Operating cost	\$ 31	48
Selling expenses	9	13
Total	\$ 40	61

B. Defined contribution plans

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating cost	\$ 3,558	3,266
Selling expenses	660	622
General and administrative expenses	724	671
Research and development expenses	1,093	943
Total	\$ 6,035	5,502

(19) Income tax

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

	For the three months ended March 31,2024	For the three months ended March 31,2023
Current tax expense	\$ 11,500	7,606

The Group recognize income tax which under other comprehensive income for the three months ended March 31, 2024 and 2023 was \$359 thousand and \$ 621 thousand, respectively. The Company's income tax returns for all fiscal years up to 2022 have been examined and approved by the tax authority.

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

(20) Capital and other equity

A. Common stock

As of March 31, 2024, December 31, 2023 and March 31, 2023; the total value of authorized ordinary shares were amounted to \$ 1,500,000 thousand, thousand with par value \$10, respectively. Issued shares were 77,252 thousand shares, 76,324 thousand shares, and 70,167 thousand shares, respectively. All the capital was fully paid in.

Reconciliation of shares outstanding for the three months ended March 31, 2024 and 2023 was as follows (The 766 thousand shares of treasury stock buyback has been deducted):

(in thousands of shares)	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Balance on January 1	75,558	69,401
Converting of convertible bonds	928	-
Balance on March 31	<u>76,486</u>	<u>69,401</u>

From January 1 to March 31, 2024, due to the exercise the puttable option by the holders of convertible bonds, the Group converted the bonds payable with a par value of \$24,700 thousand into 928 thousand common shares and issued with the par value of \$9,286 thousand; considering the discount of bonds payable and interest compensation of \$250 thousand and the amount of financial assets measured at fair value through profit and loss: \$108 thousand and additional paid-in capital - bond payable stock option of \$3,078 thousand will be recognized as additional paid-in capital - conversion excess of par of bond payable of \$18,134 thousand. The related legal registration procedures has been completed. As of March 31, 2024, there are still 654 thousand ordinary shares pending the legal registration procedures.

B. Capital surplus

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>
Premium on conversion of convertible bonds	\$ 124,064	219,679	95,613
Expired share option	18,643	18,643	18,643
Treasury share transactions	14,141	14,141	14,141
Conversion option of convertible bonds	11,990	15,068	35,970
	<u>\$ 168,838</u>	<u>267,531</u>	<u>164,367</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

On March 4, 2024, the Company's board of directors approved to distribute cash dividends from capital surplus, amounting to \$113,749 thousand (\$1.5 per share). For further information, please refer to Market Observation Post System: (<https://mops.twse.com.tw/mops/web/index>)

C. Retained earnings

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

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

The distribution of dividends of the company's shareholders will be based on the stock dividends, cash dividends, or both two ways of issuance. When dividends being distribute, an appropriate ratio of cash and stock dividends shall be set up. Only cash dividends shall be paid at a rate not less than 10% of the current year's distribution.

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the board meeting on March 4, 2024 and March 8, 2023.

The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholder:				
Cash	\$ 1.5	<u>113,748</u>	2.2	<u>152,682</u>

D. Other equity (Net amount after tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2024	\$ 3,306	12,719	16,025
Changes of the Group	4,539	1,457	5,996
Balance at March 31, 2024	<u>\$ 7,845</u>	<u>14,176</u>	<u>22,021</u>
Balance at January 1, 2023	\$ 18,392	7,473	25,865
Changes of the Group	492	1,952	2,444
Balance at March 31, 2023	<u>\$ 18,884</u>	<u>9,425</u>	<u>28,309</u>

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

E. Treasury stock

In accordance with Article 28-2 of the Securities and Exchange Act, the company bought back a total of 766,000 treasury shares for the transfer of shares to employees, at a cost of \$ 11,773 thousand. As of March 31, 2024, December 31, 2023 and March 31, 2023, the total number of shares that haven't transfer to employees was 766 thousand shares, respectively.

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

(21) Earnings per share

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 46,839	18,464
Weighted-average number of common shares at end of year	76,020	69,401
Earnings per share	\$ 0.62	0.27
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 46,839	18,464
Effect of potentially dilutive common stock-Convertible Bonds	159	(186)
Profit(loss) attributable to ordinary shareholders of the Company (After adjusted effected amount of potentially dilutive common stock)	\$ 46,998	18,278
Weighted-average number of common shares(thousand)	76,020	69,401
Effect of convertible bonds	112	127
Effect of employee share bonus	4,269	10,344
Weighted average number of ordinary shares outstanding during the period(After adjusted effected amount of potentially dilutive common stock)(thousand)	80,401	79,872
Diluted earnings per share	\$ 0.58	0.23

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

(22) Revenue from contracts with customers

A. Details of revenue

For the three months ended March 31, 2024			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 169,035	204,545	373,580
Mainland China	-	103,054	103,054
Germany	-	329,167	329,167
America	2,341	25,272	27,613
Japan	2,124	308	2,432
South Korea	-	14,451	14,451
Others	3,463	53,470	56,933
	\$ 176,963	730,267	907,230

Major products services lines:

Cooling fan and module	\$ -	728,405	728,405
Product of home appliances–air series	121,774	-	121,774
Product of home appliances–water series	43,866	-	43,866
Others	11,323	1,862	13,185
	\$ 176,963	730,267	907,230

For the three months ended March 31, 2023			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 200,069	249,213	449,282
Mainland China	1,011	92,929	93,940
Germany	676	185,580	186,256
America	956	47,870	48,826
Japan	6,201	78	6,279
South Korea	-	14,671	14,671
Others	13,389	38,636	52,025
	\$ 222,302	628,977	851,279

Major products services lines:

Cooling fan and module	\$ -	622,226	622,226
Product of home appliances–air series	156,427	-	156,427
Product of home appliances–water series	57,581	-	57,581
Others	8,294	6,751	15,045
	\$ 222,302	628,977	851,279

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

B. Contract balance

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts receivables	\$ 855,836	776,226	939,407
Less: allowance for impairment	(9,785)	(9,950)	(21,157)
Total	<u>\$ 846,051</u>	<u>766,276</u>	<u>918,250</u>
Contract liabilities — unearned revenue	<u>\$ 6,960</u>	<u>9,230</u>	<u>21,833</u>

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

The unearned revenue balance at January 1, 2024 and 2023; have been recognized as revenue for the three months ended at March 31, with total amounts of \$3,824 thousand and \$5,443 thousand, respectively.

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

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

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

For the three months ended at March 31, 2024 and 2023, the Company accrued the compensation of employees amounted to \$1,188 thousand and \$401 thousand, respectively and the remuneration of directors' amounted to \$594 thousand and \$200 thousand, respectively. The compensation of employees, remuneration of directors were estimated as the Company's net income before tax, excluding compensation of employees and remuneration of directors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses recognized under operating costs or operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of Directors resolve to issue its stocks as the compensation of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

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

For the year ended December 31, 2023 and 2022, the accrued compensation of employees amounted to \$6,936 thousand and \$4,810 thousand, respectively; and the accrued remuneration of directors' and supervisors' amounted to \$3,468 thousand and \$2,405 thousand, respectively. Actual distribution amount had no difference with approved amounts by Board of Directors; for related information, please go to website: <http://emops.twse.com.tw>.

(24) Non-operating income and expenses

A. Interest income:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Bank deposit	\$ 1,190	46
Other interest income	6	6
	<u>\$ 1,196</u>	<u>52</u>

B. Other income:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Sample income	\$ 1,049	984
Rent income	127	3,629
Mold income	494	2,022
Other	4,415	3,079
	<u>\$ 6,085</u>	<u>9,714</u>

C. Other gains and losses:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net profit on foreign exchange gains	\$ 22,596	(2,150)
Net loss on disposal of investment property and property, plant and equipment	3	(54)
Putable option of bonds payable/Net profit on value of putable option	24	837
Others	(12)	(142)
	<u>\$ 22,611</u>	<u>(1,509)</u>

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

D. Finance costs

	<u>For the three months ended March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Interest expenses		
Bank loan	\$ (696)	(974)
Lease liability	(1,317)	(1,606)
Amortization of discount on bonds payable	<u>(223)</u>	<u>(604)</u>
	<u>\$ (2,236)</u>	<u>(3,184)</u>

(25) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below mentioned. For related information, please refer to Note 6(25) of 2023 consolidated financial statements.

A. Credit risk

a. Exposures of credit risk

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

b. Concentration of credit risk

The major customers of the Company are centralized in industries within similar areas and dealers. To reduce concentration of credit risk, the Company evaluates those customers' financial positions and requires customers to provide collateral, if necessary. In addition, the Company evaluates the possibility of collecting the notes and accounts receivable periodically. As of March 31, 2024, December 31, 2023 and March 31, 2023, major customers of the Company was significant focus on certain customer; one of the customer accounted for 26.55%, 19.20% and 18.20% of the notes and accounts receivable, respectively.

c. Credit risk of receivable and debt instrument investment

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

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

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

March 31, 2024			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 10,106	-	-
Other receivable	6,421	5,490	1
Restricted Deposit	29,922	-	-
Loss allowance	-	-	(1)
Amortized cost	<u>\$ 46,449</u>	<u>5,490</u>	<u>-</u>
Carrying amount	<u>\$ 46,449</u>	<u>5,490</u>	<u>-</u>

December 31, 2023			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 10,120	-	-
Other receivable	8,131	6,476	5
Restricted Deposit	33,953	-	-
Loss allowance	-	-	(5)
Amortized cost	<u>\$ 52,204</u>	<u>6,476</u>	<u>-</u>
Carrying amount	<u>\$ 52,204</u>	<u>6,476</u>	<u>-</u>

March 31, 2023			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 10,081	-	-
Other receivable	12,591	8,110	-
Restricted Deposit	74,121	-	-
Loss allowance	-	-	-
Amortized cost	<u>\$ 96,793</u>	<u>8,110</u>	<u>-</u>
Carrying amount	<u>\$ 96,793</u>	<u>8,110</u>	<u>-</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The movement in the provision for impairment with respect to the financial assets measured at amortized cost as of March 31, 2024 and 2023 were as follows:

	12-month ECL	Lifetime ECL- unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2024	\$ -	-	5	5
Impairment loss recognized	-	-	(4)	(4)
Balance at March 31, 2024	<u>\$ -</u>	<u>-</u>	<u>1</u>	<u>1</u>

	12-month ECL	Lifetime ECL- unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2023	\$ -	-	-	-
Impairment loss recognized	-	-	-	-
Balance at March 31, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

B. Liquidity risk

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

	Carrying amount	Contract ed cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
<u>March 31, 2024</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 425,445	456,190	15,604	18,341	49,079	233,713	139,453
Accounts payable (non-interest bearing)	715,129	715,129	715,129	-	-	-	-
Other payables (non-interest bearing)	410,097	410,097	410,097	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	95,351	97,408	-	97,408	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	207,442	247,634	20,024	17,580	37,074	33,680	139,276
Guarantee deposits (non-interest bearing)	5,169	5,169	-	3,600	1,569	-	-
	<u>\$ 1,858,633</u>	<u>1,931,627</u>	<u>1,160,854</u>	<u>136,929</u>	<u>87,722</u>	<u>267,393</u>	<u>278,729</u>

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	<u>Carrying amount</u>	<u>Contract ed cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>over 5 years</u>
<u>December 31, 2023</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 436,496	470,092	11,225	18,845	43,494	237,737	158,791
Accounts payable (non-interest bearing)	710,613	710,613	710,613	-	-	-	-
Other payables (non-interest bearing)	216,641	216,641	216,641	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	119,578	122,418	-	122,418	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	214,025	255,436	20,257	17,244	36,416	41,361	140,158
Guarantee deposits (non-interest bearing)	1,569	1,569	-	-	1,569	-	-
	<u>\$ 1,698,922</u>	<u>1,776,769</u>	<u>958,736</u>	<u>158,507</u>	<u>81,479</u>	<u>279,098</u>	<u>298,949</u>
<u>March 31, 2023</u>							
Non-derivative financial liabilities							
Long- and Short-term borrowing (floating rate)	\$ 357,887	390,563	13,275	14,683	24,441	153,664	184,500
Accounts payable (non-interest bearing)	732,263	732,263	732,263	-	-	-	-
Other payables (non-interest bearing)	290,754	290,754	290,754	-	-	-	-
Bonds payable (fixed interest rate)	283,622	292,225	-	-	-	292,225	-
Lease liability (maturity within one year) (fixed interest rate)	236,294	281,891	19,721	18,224	36,658	62,697	144,591
Guarantee deposits (non-interest bearing)	2,898	2,898	-	1,134	1,764	-	-
	<u>\$ 1,903,718</u>	<u>1,990,594</u>	<u>1,056,013</u>	<u>34,041</u>	<u>62,863</u>	<u>508,586</u>	<u>329,091</u>

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

C. Market Risk

I. Exchange rate risk

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

	<u>March 31, 2024</u>			<u>December 31, 2023</u>			<u>March 31, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>
Financial assets									
<u>Monetary items</u>									
USD	\$ 31,258	32	1,000,274	34,187	30.705	1,049,702	34,884	30.45	1,062,224
EUR	1,046	34.46	36,046	387	33.98	13,139	806	33.15	26,714
CNY	54,770	4.408	241,426	65,006	4.327	281,286	25,893	4.431	114,730
<u>Non-monetary item</u>									
USD	926	32	29,622	906	30.705	27,828	715	30.45	21,765
Financial liabilities									
<u>Monetary items</u>									
USD	20,375	32	652,005	21,771	30.705	668,516	23,529	30.45	716,434
EUR	20	34.46	697	29	33.98	987	59	33.15	1,950
CNY	44,199	4.408	194,829	3,148	4.327	13,622	23,923	4.431	106,001
TWD	20,439	1	20,439	25,725	1	25,725	27,098	1	27,098

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The foreign currency risk of Group was mainly incurred from the translation cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through profit or loss, accounts payable, and other payables. As of the three months end of March 31, 2024 and 2023, the exchange rate of the TWD versus the USD, CNY and EUR increases or decreases by 1%, given no changes in other factors, profit after tax will increase or decrease by \$3,442 thousand and \$3,034 thousand, respectively. The analysis adopt same assumes of variables.

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

	For the three months ended March 31,2024		For the three months ended March 31,2023	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ 17,787	-	(2,815)	-
CNY	4,809	4.37	665	4.44
	\$ 22,596		(2,150)	

II. Interest rate analysis

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

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

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

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

	Interest increase 0.25%	Interest decrease 0.25%
Net profits after tax, January to March, 2024	Net profit decrease \$216 thousand	Net profit increase \$216 thousand
Net profits after tax, January to March, 2023	Net profit decrease \$181 thousand	Net profit increase \$181 thousand

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

III. Other price risk

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

Equity price at reporting date	For the three months ended March 31,2024		For the three months ended March 31,2023	
	Other comprehensive income After tax		Other comprehensive income After tax	
		Net income		Net income
Increase 3%	\$ 1,178	-	915	-
Decrease 3%	\$ (1,178)	-	(915)	-

D. Fair value

I. Categories and fair values of financial instruments

The fair value of financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured lease liabilities, disclosure of fair value information is not required:

	March 31, 2024				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Put/ Call option of convertible bond	\$ 375	-	375	-	375
Financial assets at FVOCI					
Foreign unlisted stock	\$ 29,622	-	-	29,622	29,622
Domestic unlisted stock	15,563	-	-	15,563	15,563
Subtotal	\$ 45,185				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 496,935	-	-	-	-
Notes and accounts receivables	846,051	-	-	-	-
Other Financial assets -current	13,942	-	-	-	-
Other Financial assets -non current	37,997	-	-	-	-
Subtotal	\$ 1,394,925				

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Financial liabilities at amortized cost

Account payable	\$ 715,129	-	-	-	-
Other payable	410,097	-	-	-	-
Long- term borrowing (Current portion)	28,667	-	-	-	-
Lease liability— current	33,144	-	-	-	-
Long -term borrowing	396,778	-	-	-	-
Lease liability— non current	174,298	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	95,351	-	93,814	-	93,814
Deposits received	<u>5,169</u>	-	-	-	-
Subtotal	<u>\$ 1,858,633</u>				

	Carrying Amount	December 31, 2023			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Put/ Call option of convertible bond	<u>\$ 459</u>		459		459
Financial assets at FVOCI					
Foreign unlisted stock	\$ 27,828	-	-	27,828	27,828
Domestic unlisted stock	<u>15,541</u>	-	-	15,541	15,541
Subtotal	<u>\$ 43,369</u>				

Financial assets at amortized cost

Cash and cash equivalent	\$ 552,397	-	-	-	-
Notes and accounts receivables	766,276	-	-	-	-
Other Financial assets -current	16,637	-	-	-	-
Other Financial assets -non current	<u>42,043</u>	-	-	-	-
Subtotal	<u>\$ 1,377,353</u>	-	-	-	-

Financial liabilities at amortized cost

Short-term borrowing	\$ 500	-	-	-	-
Account payable	710,613	-	-	-	-
Other payable	216,641	-	-	-	-
Long- term borrowing (Current portion)	24,032	-	-	-	-
Lease liability— current	32,766	-	-	-	-
Long -term borrowing	411,964	-	-	-	-
Lease liability— non current	181,259	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	119,578	-	117,503	-	117,503
Deposits received	<u>1,569</u>	-	-	-	-
Subtotal	<u>\$ 1,698,922</u>				

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

	March 31, 2023				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Put/ Call option of convertible bond	\$ <u>289</u>	-	289	-	289
Financial assets at FVOCI					
Foreign unlisted stock	\$ 21,765	-	-	21,765	21,765
Domestic unlisted stock	<u>13,098</u>	-	-	13,098	13,098
Subtotal	\$ <u>34,863</u>	-	-	-	-
Financial assets at amortized cost		-	-	-	-
Cash and cash equivalent	\$ 137,263				
Notes and accounts receivables	918,250				
Other Financial assets -current	36,578	-	-	-	-
Other Financial assets -non current	<u>68,325</u>	-	-	-	-
Subtotal	\$ <u>1,160,416</u>	-	-	-	-
Financial liabilities at amortized cost		-	-	-	-
Short-term borrowing	\$ 100	-	-	-	-
Account payable	732,263	-	-	-	-
Other payable	290,754	-	-	-	-
Long- term borrowing (Current portion)	24,796	-	-	-	-
Lease liability— current	32,294	-	-	-	-
Long -term borrowing	332,991	-	-	-	-
Lease liability— non current	204,000	-	-	-	-
Bonds payable	283,622	-	277,402	-	277,402
Deposits received	<u>2,898</u>	-	-	-	-
Subtotal	\$ <u>1,903,718</u>				

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

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

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

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

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

III. Valuation techniques for financial instruments measured at fair value

(i) Non-derivative financial instruments:

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

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

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

(ii) Derivative financial instruments:

The Group's convertible corporate bonds call and put options are evaluated using the binary tree method.

IV. Transfers between Level 1 and Level 2

For the three months ended March 31, 2024 and 2023, there was no transfer in the fair value grade of financial instruments assessed by the Group.

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

	Financial assets measured at fair value through other comprehensive income Equity investment without an active market
Balance at January 1, 2024	\$ 43,369
Profit or loss-Recognized in other comprehensive profit or loss	1,816
Balance at March 31, 2024	\$ 45,185
Balance at January 1, 2023	\$ 32,290
Profit or loss-Recognized in other comprehensive profit or loss	2,573
Balance at March 31, 2023	\$ 34,863

The benefits or losses are reported in the unrealized valuation benefits (losses) of financial assets measured at fair value, which is the outcome of assets that still hold by Group in January 1 to March 31, 2024 and 2023.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between Significant and fair value measurement
Financial assets at fair value through other comprehensive income -equity investments without an active market: Y.S.Tech U.S.A Inc.	Comparable listed company approach	<ul style="list-style-type: none"> • Lack of market liquidity discount (March 31, 2024: 25.30% December 31, 2023: 30.00% March 31, 2023: 30.00%) • Valuation multiples (March 31, 2024: 1.91 December 31, 2023: 2.00 March 31, 2023: 1.62) • Stock price volatility (March 31, 2024: 41.37% December 31, 2023: 45.92% March 31, 2023: 47.11%) 	<ul style="list-style-type: none"> ·The higher the lack of market liquidity discount is, the lower the fair value will be. ·The higher the valuation multiples is, the higher the fair value will be. ·The lower the stock price volatility is, the higher the fair value will be.
Financial assets at fair value through other comprehensive income -equity investments without an active market: CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	The Assets Value Method	<ul style="list-style-type: none"> • Net assets value • Discount for minority interest (As of March 31, 2024 and 2023, December 31, 2023: 16.64%, respectively.) • Lack of market liquidity discount interest (As of March 31, 2024 and 2023, December 31, 2023: 10%, respectively) 	<ul style="list-style-type: none"> The higher the net assets value is, the higher the fair value will be. The higher the discount for minority interest is, the lower the fair value will be. The higher the lack of market liquidity discount is, the lower the fair value will be.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

			Changes in fair value reflected in OCI		
	Inputs	Fluctuation in inputs		Favorable	Unfavorable
Balance at March 31, 2024					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market: Y.S.Tech U.S.A Inc.	Market illiquidity discount rate 25.30%	10%	\$	3,976	(3,976)
	Valuation multiples 1.91	5%		1,459	(1,496)
	Stock price volatility 41.37%	5%		1,605	(1,532)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	187	(187)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,729	(1,729)
Balance at December 31, 2023					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Market illiquidity discount rate 30.00%	10%	\$	3,983	(3,969)
Y.S.Tech U.S.A Inc.	Valuation multiples 2.00	5%		1,400	(1,400)
	Stock price volatility 45.92%	5%		1,505	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI	
			Favorable	Unfavorable
Financial assets at fair value through other comprehensive income-				
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$ 186	(186)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD				
	Market illiquidity discount rate 10%	10%	1,727	(1,727)

Balance at March 31, 2023

Financial assets at fair value through other comprehensive income-

Investment of equity instruments without an active market	Market illiquidity discount rate 30.00%	10%	\$ 3,117	(3,103)
Y.S.Tech U.S.A Inc.	Valuation multiples 1.62	5%	1,112	(1,076)
	Stock price volatility 47.11%	5%	1,562	-
Financial assets at fair value through other comprehensive income-				
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$ 157	(157)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD	Market illiquidity discount rate 10%	10%	1,455	(1,455)

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

(26) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2023 consolidated financial report. Please refer to Note 6(26) of 2023 consolidated financial statements.

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

(27) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2023 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2023 consolidated financial statements. Please refer to Note 6(27) of 2023 consolidated financial statements for more information.

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

The reconciliation of liabilities from financing activities is as follows:

	Non-cash changes						March 31, 2024
	January 1, 2024	Cash flows	Foreign exchange movement	Amortized interest	Increased in lease liabilities	Converted to ordinary shares (note1)	
Short-term borrowings	\$ 500	(500)	-	-	-	-	-
Long-term borrowings (including current portion)	435,996	(11,066)	-	515	-	-	425,445
Corporate bonds with put option within one year (fixed interest rate)	119,578	-	-	223	-	(24,450)	95,351
Lease liabilities (current and non-current)	214,025	(8,187)	1,279	-	325	-	207,442
Guarantee deposit received	1,569	3,600	-	-	-	-	5,169
Total liabilities from financing activities	<u>\$ 771,668</u>	<u>(16,153)</u>	<u>1,279</u>	<u>738</u>	<u>325</u>	<u>(24,450)</u>	<u>733,407</u>

note1: Conversion of corporate bonds into shares worth: \$24,450 thousand.

	Non-cash changes						March 31, 2023
	January 1, 2023	Cash flows	Foreign exchange movement	Amortized interest	Increased in lease liabilities	Converted to ordinary shares (note2)	
Short-term borrowings	\$ 100	-	-	-	-	-	100
Long-term borrowings (including current portion)	248,136	112,687	-	155	-	(3,191)	357,787
Bonds payable	283,018	-	-	604	-	-	283,622
Lease liabilities (current and non-current)	240,796	(7,476)	478	-	2,496	-	236,294
Guarantee deposit received	6,172	(3,302)	28	-	-	-	2,898
Total liabilities from financing activities	<u>\$ 778,222</u>	<u>101,909</u>	<u>506</u>	<u>759</u>	<u>2,496</u>	<u>(3,191)</u>	<u>880,701</u>

note2: Recognized as deferred income: \$3,191 thousand.

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

7. Related-party transactions

A. Endorsement and guarantee

The Group loan from financial institutions on March 31, 2024, December 31, 2023 and March 31, 2023. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which were \$ 80,000 thousand, respectively.

B. Compensation of major management staff

The information on major management staff compensation was as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Short-term employee benefits	\$ 2,755	5,350
Post-employment benefits	47	47
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	<u>\$ 2,802</u>	<u>5,397</u>

On March 31, 2024, December 31, 2023 and March 31, 2023, the Group provided 3 rental cars for the use of main management and been recognized as right of use assets of transportation equipment, one of which originally cost \$2,595 thousand and the other two were both \$3,319 thousand.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	March 31, 2024	December 31, 2023	March 31, 2023
Deposit account (Reserve account)	Long-term/short-term borrowing, customs taxes, company debt and other repayment accounts	\$ 15,622	19,662	46,004
Time deposit	Guarantee of sales channel and short-term borrowing	14,300	14,291	14,266
Land	Guarantee of long-term/short- term borrowing	291,848	291,848	291,848
Buildings	Guarantee of long-term/short- term borrowing	103,931	106,147	112,116
Right-of-use assets (Note)	Guarantee of long-term borrowing	<u>27,162</u>	<u>27,472</u>	<u>27,117</u>
		<u>\$ 452,863</u>	<u>459,420</u>	<u>491,351</u>

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

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

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	<u>\$ 260,821</u>	<u>230,452</u>	<u>362,246</u>

B. Standby letter of credit:

	March 31, 2024	December 31, 2023	March 31, 2023
Purchases of raw materials	<u>\$ 27,432</u>	<u>34,242</u>	<u>47,875</u>

10. Losses due to major disasters: None

11. Subsequent events: None

12. Other

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

By function By item	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits:						
Salary	67,897	46,533	114,430	63,496	42,509	106,005
Labor and health insurance	6,355	4,570	10,925	5,320	4,632	9,952
Pension expense	3,589	2,486	6,075	3,314	2,249	5,563
Remuneration of directors	-	864	864	-	566	566
Other personnel cost	5,636	2,763	8,399	4,441	2,006	6,447
Depreciation	17,211	13,509	30,720	16,943	13,412	30,355
Amortization	4	668	672	4	471	475

B. Seasonality of operation

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

13. Supplementary Disclosures

A. Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2024.

I. Loans extended to other parties: None

II. Guarantees and endorsements for other parties:

No.	Endorser/ guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note2)	Parent company endorsements/ guarantees to third parties on behalf of subsidia	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Company name	Relationship with the endorser/ guarantor										
1	DARSON ELECTRO NICS (DONGGU AN) LTD.	Yen Sun Technology (BVI) Corp.	Subsidiary	53,271 (note 1)	27,550 (CNY 6,250,000)	-	-	-	-	53,271 (Note 2)	N	N	N

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

III. Securities owned as of March 31, 2024 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship with company	Account title	March 31, 2024				Remarks
				Units (shares)	Carrying Value	Percentage of ownership	Fair value	
Yen Tong Tech International (Samoa) Corp.	SHANGHAI CHANSON WATER CO., LTD.	-	Financial assets at FVTPL — non-current	-	-	17.75%	-	-
The Company	Y.S. Tech U.S.A Inc. stock	-	Financial assets at FVOCI — non-current	114,000	29,622	19.00%	29,622	-
The Company	CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	-	Financial assets at FVOCI — non-current	2,250,000	15,563	5.00%	15,563	

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

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

The company that acquires the real estate	Title of the property	Date	Transaction amount	Payment situation	Counterparty	Relation	If the counterparty is a related party, the previous transfer data:				Reference basis for price determination	Purpose of acquisition and usage	Other agreement
							Holder	Relation with the issuers	Date of transfer	Amount			
The Company	Building	September 13, 2022	500,000 thousand (tax included)	Monthly payment after acceptance according to project progress	DARMAW CONSTRUCTION CO., LTD.	-	Not applicable	Not applicable	Not applicable	Not applicable	Price comparison and negotiation	New factory	None

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables(payables)		remarks
			Purchase (sale)	Amount (Note3)	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance (Note3)	% of notes and accounts receivable (payable)	
The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	Purchase	131,816	23.00%	(Note 1)	Single supplier	(Note 1)	(9,318)	1.53%	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	138,410	24.15%	(Note 1)	Single supplier	(Note 1)	(274,785)	45.15%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	135,958	99.33%	(Note 1)	Single supplier	(Note 1)	(146,640)	100.00%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	131,816	100.00%	(Note 1)	Single supplier	(Note 1)	9,318	100.00%	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	138,410	100.00%	(Note 1)	Single supplier	(Note 1)	274,785	100.00%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Sale	135,958	100.00%	(Note 1)	Single supplier	(Note 1)	146,640	100.00%	

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

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

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

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

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Son Company to Subsidiary	receivable 146,640 (Note 2)	3.40%	-	-	48,314	-	
Y.H. Tech International Corp.	The Company	Son Company to Ultimate parent company	receivable 274,785 (Note 2)	2.39%	-	-	47,421	-	

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

X. Business relationships and significant intercompany transactions:

No.	Name	Counterparty	Relationship (Note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Y.H. Tech International Corp.	1	Purchase	138,410	(Note 2)	15.26%
				Procurement of raw materials	10,433		1.15%
				Accounts payable	274,785		7.92%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase	72,193	(Note 2)	7.96%
				Prepayment of purchase	116,947		3.37%
				Accounts receivable	1,163		0.03%
				Procurement of raw materials	1,570		0.17%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Other receivables	253	None comparable terms	0.01%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase	131,816	(Note 2)	14.53%
				Procurement of raw materials	805		0.09%
				Accounts payable	9,318		0.27%
				Rental income	1,260		0.14%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase	135,958	(Note 2)	14.99%
				Procurement of raw materials	10,925		1.20%
				Accounts payable	146,640		4.23%
3	Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase	72,600	(Note 2)	8.00%
				Sale	55		0.01%
				Accounts receivable	139		-
				Procurement of raw materials	1,524		0.17%
				Prepayment of purchase	122,793		3.54%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase	533	None comparable terms	0.06%
				Accounts payable	2,175		0.06%

Note1: Relationship notes as follows:

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Information on investees:

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

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the Investee (Note)	investment income (less) recognized (Note)	Remarks
				March 31,2024	December 31,2023	Shares owned	Percentage owned	Carrying value (Note)			
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,583	1,000,000	100%	142,387	215	215	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	247,364	8,153	8,153	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	55,007	(5,267)	(6,210)	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	240,791	8,502	8,502	Sub-Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Tong Tech International (Samoa) Corp.	Samoa	Investment holding	1,916	1,916	10,000,000	100%	1	-	-	Sub-Subsidiary
Yen Hung International Corp.	Y.H. Tech International Corp.	ST. Kitts and Nevis	Investment holding	30,179	30,179	1,000,000	100%	240,782	8,502	8,502	Sub-Subsidiary

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

C. Information on investments in Mainland China:

I. Information of investments in Mainland China

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan.1,2024	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of Mar. 31, 2024	Net income Of investee (Note 3)	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group (Note 3)	Book value of the investment as of Mar. 31, 2024 (Note 3)	Accumulated investment income repatriated to Taiwan as of Mar. 31, 2024
					Remittance	Repatriation						
DARSON ELECTRONICS (DONGGUAN) LTD.	Manufacturing of Cooling fan	30,179 (USD1,000,000)	Invest through Y.H. Tech International Corp. then invest in Mainland China	30,179 (USD 1,000,000)	-	-	30,179 (USD 1,000,000)	1,554	100%	1,756 (Note 1)	106,541 (Note 1)	-
SHANGHAI CHANSON WATER CO., LTD.	Development and production of water making machine, pure water machine and purification device	20,503 (USD700 ,000)	Invest through Yen Tong Tech International (Samoa) Corp. then invest in Mainland China	1,916 (USD 60,000)	-	-	1,916 (USD 60,000)	-	17.75%	-	-	-
YEN GIANT METAL (DONGGUAN) CO., LTD.	Manufacturing and sales of electronic cooling fan and heat sink	9,008 (CNY2,002 ,000)	Invest through LUCRATIVE INT'L GROUP INC. then invest in Mainland China (Note 5)	8,583 (USD 285,000)	-	-	8,583 (USD 285,000)	(1,615)	100%	215 (Note 1)	140,487 (Note 1)	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Limitation of investment amount to Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
179,448 (Note 2) (USD 5,608,000)	179,448 (Note 2) (USD 5,608,000)	852,643

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

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

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

III. Significant transactions:

The significant inter-company transactions (direct or indirect) with the investees in Mainland China for the three months ended March 31, 2024 are disclosed in “Information on significant transactions”. (When prepared this consolidated financial report, it was eliminated in the consolidation.)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

D. Information of major shareholders:

	Shares	Shares held	Shares held ratio
Name of major shareholders			
CHEN-CHIEN-JUNG		6,106,739	7.90%

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

14. Segment Information

Reportable segment information is as follows:

	For the three months ended March 31, 2024			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 176,963	730,267	-	907,230
Total revenue	\$ 176,963	730,267	-	907,230
Reportable segment income	\$ (9,511)	67,850	-	58,339

	For the three months ended March 31, 2023			
	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Revenue:				
Revenue from external customers	\$ 222,302	628,977	-	851,279
Total revenue	\$ 222,302	628,977	-	851,279
Reportable segment income	\$ (410)	22,680	3,800	26,070

	Home Appliances	Electronics Cooling	Adjustments and elimination	Total
Segment Assets				
March 31, 2024	\$ 905,670	2,563,553	-	3,469,223
December 31, 2023	\$ 981,171	2,468,050	-	3,449,221
March 31, 2023	\$ 998,223	2,187,839	14,759	3,200,821