Stock Code：6275

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
with Independent Auditors' Report

For the Years Ended December 31, 2020 and 2019

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.

Contents

Representation Letter

The entities that are required to be included in the combined financial statements of YEN SUN TECHNOLOGY CORP. as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements. " In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, YEN SUN TECHNOLOGY CORP. and Subsidiaries do not prepare a separate set of combined financial statements.

YEN SUN TECHNOLOGY CORP.
By

CHEN, CHIEN-JUNG
Chairman
March 9, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

YEN SUN TECHNOLOGY CORP.

Opinion

We have audited the consolidated financial statements of YEN SUN TECHNOLOGY CORP. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the financial statements for the year ended in December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China, and our audit of the financial statements for the year ended in December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Jin-Guan-Zheng-Shen-Zi Order No.1090360805 as approved by the Financial Supervisory Commission and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key audit matters

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

1. Loss allowance of accounts receivable

Please refer to Note 4(7) for significant accounting policies on loss allowance of accounts receivable and Note 5(1) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the loss allowance of accounts receivable is shown in Note 6(3) of the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Valuation of inventory

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

YEN SUN TECHNOLOGY CORP. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards genera1ly accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Groups internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the reviews resulting in this independent auditors’ review report are Po Jen, Yang and Kuo Tsing, Chen.

KPMG
Kaohsiung, Taiwan (Republic of China)
March 9, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial posit ion, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standard s, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors 、audit report and consolidated financial statements, the Chinese version shall prevail.

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

YEN SEN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollar)

		December 31, 2020		December 31, 2019	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 289,207	11	178,432	7
1151	Notes receivables, net (note 6(3) and (20))	24,056	1	20,978	1
1170	Accounts receivable, net (note 6(3) and (20))	742,484	28	696,195	29
130X	Inventories (note 6(5))	699,311	26	662,756	27
1470	Other current assets (note 6(10))	36,704	1	43,706	2
1476	Other current financial assets (note 6(4) and 8)	20,309	1	29,827	1
		1,812,071	68	1,631,894	67
	Non-Current Assets				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	4,383	-	4,204	-
1600	Property, plant and equipment (note 6(6) and 8)	660,639	25	640,924	26
1755	Right-of-use assets (note 6(7))	128,284	5	125,550	5
1760	Investment Property (note 6(8))	12,677	-	12,856	1
1780	Intangible assets (note 6(9))	3,118	-	3,702	-
1840	Deferred income tax assets (note 6(17))	12,820	-	9,170	-
1980	Other non-current financial assets (note 6(4) and 8)	13,871	1	11,635	1
1995	Other non-current assets (notes 6(10))	18,602	1	4,642	-
		854,394	32	812,683	33
	Total Assets	**$ 2,666,465**	**100**	**2,444,577**	**100**

		December 31, 2020		December 31, 2019	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(l1) and 8)	$ 101,606	4	224,574	9
2170	Accounts payable	710,441	27	577,675	24
2200	Other payables	175,154	7	144,657	6
2230	Current income tax liabilities	39,278	1	17,034	-
2280	Current lease liabilities (note 6(13))	22,380	1	17,977	1
2320	Long-term borrowings, current portion (note 6(12) and 8)	50,635	2	48,691	2
2399	Other current liabilities (note 6(14) and (20))	36,462	1	30,414	1
		1,135,956	43	1,061,022	43
	Non-current liabilities:				
2540	Long-term borrowings (note 6(12) and 8)	315,444	12	300,746	12
2570	Deferred tax liabilities (note 6(17))	315	-	127	-
2580	Non-current lease liabilities (note 6(13))	111,688	4	110,332	5
2640	Net defined benefit liability, non-current (note 6(16))	24,872	1	27,683	1
2600	Other non-current liabilities (note 6(14))	6,141	-	538	-
	Total non-current liabilities	458,460	17	439,426	18
	Total liabilities	1,594,416	60	1,500,448	61
	Equity attributable to owners of parent (note 6(18))：				
3100	Capital stock	697,869	26	697,869	29
3200	Capital surplus	119,761	4	119,761	5
3300	Retained earnings	248,346	9	109,353	4
3400	Other equity interest	17,846	1	17,146	1
3500	Treasury stock	(11,773)	-	-	-
	Total equity	1,072,049	40	944,129	39
	Total liabilities and equity	**$ 2,666,465**	**100**	**2,444,577**	**100**

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

YEN SEN TECHNOLOGY CORP AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years Ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenues (note 6(20))**	$ 3,332,286	100	2,986,079	100
5000	**Operating costs (notes 6(5)(16))**	2,726,737	82	2,451,926	82
5900	**Gross profit from operations**	605,549	18	534,153	18
6000	**Operating expenses (notes 6(16)(21))：**				
6100	Selling expenses	194,418	6	213,657	7
6200	General and administrative expenses	103,973	3	96,818	3
6300	Research and development expenses	128,659	4	127,180	4
6450	Expected credit impairment loss (reversal gain)(note6(3)(4))	(4,340)	-	25,689	1
	Total operating expenses	422,710	13	463,344	15
6900	**Net operating income**	182,839	5	70,809	3
7000	**Non-operating income and expenses(notes 6(13)(22))：**				
7100	Interest income	929	-	3,208	-
7010	Other income	26,429	1	39,447	1
7020	Other gains and losses	(18,581)	(1)	(20,600)	(1)
7050	Finance costs	(14,029)	-	(16,155)	-
	Total non-operating income and expenses	(5,252)	-	5,900	-
7900	**Profit before income tax from continuing operations:**	177,587	5	76,709	3
7950	Income tax expense (notes 6(27))	38,185	1	26,243	1
8200	**Net Profit**	139,402	4	50,466	2
8300	**Other comprehensive income：**				
8310	**items that will not be reclassified to profit or loss**				
8311	Re-measurements of the defined benefit plans	(409)	-	(4,636)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(18))	179	-	37	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(230)	-	(4,599)	-
8360	**Items that will be reclassified to profit or loss**				
8361	Exchange differences on translation (notes 6(18))	521	-	4,996	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		521	-	4,996	-
8300	**Other comprehensive income, net**	291	-	397	-
8500	**Comprehensive income**	**$ 139,693**	**4**	**50,863**	**2**
	Basic earnings per share (in dollar, note6(19))				
9750	Total basic earnings per share	**$**	**2.01**		**0.73**
9850	Diluted earnings per share	**$**	**2.01**		**0.72**

See accompanying notes to consolidated financial statements

YEN SEN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent												
	Share capital				Retained earnings				Other equity				
	Ordinary shares	Entitled Certificate	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	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
Balance at January 1, 2019	$ 672,66	5,691	678,357	114,729	43,394	3,798	16,331	63,523	11,177	936	12,113	-	868,722
Profit	-	-	-	-	-	-	50,466	50,466	-	-	-	-	50,466
Other comprehensive income	-	-	-	-	-	-	(4,636)	(4,636)	4,996	37	5,033	-	397
Total comprehensive income	-	-	-	-	-	-	45,830	45,830	4,996	37	5,033	-	50,863
Conversion of convertible bonds	25,203	(5,691)	19,512	5,032	-	-	-	-	-	-	-	-	24,544
Balance at December 31, 2019	**$ 697,869**	**-**	**697,869**	**119,761**	**43,394**	**3,798**	**62,161**	**109,353**	**16,173**	**973**	**17,146**	**-**	**944,129**
Balance at January 1, 2020	$ 697,869	-	697,869	119,761	43,394	3,798	62,161	109,353	16,173	973	17,146	-	944,129
Profit	-	-	-	-	-	-	139,402	139,402	-	-	-	-	139,402
Other comprehensive income	-	-	-	-	-	-	(409)	(409)	521	179	700	-	291
Total comprehensive income	-	-	-	-	-	-	138,993	138,993	521	179	700	-	139,693
Appropriation and distribution of retained earnings:													
Appropriation for legal reserve	-	-	-	-	5,047	-	(5,047)	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	-	(11,773)	(11,773)
Balance at December 31, 2020	**$ 697,869**	**-**	**697,869**	**119,761**	**48,441**	**3,798**	**196,107**	**248,346**	**16,694**	**1,152**	**17,846**	**(11,773)**	**1,072,049**

See accompanying notes to consolidated financial statements

YEN SEN TECHNOLOGY CORP AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 202020 and 20199
(expressed in thousands of New Taiwan Dollar)

		2020	2019
Cash flows from (used in) operating activities：			
Profit before tax from continuing operations	$	177,587	76,709
Adjustments：			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss (reversal gain)		(4,340)	25,689
Depreciation expense		93,040	83,517
Amortization expense		1,449	2,077
Net profit on financial assets or liabilities at fair value through profit or loss		-	(14)
Interest expense		14,029	16,155
Interest income		(929)	(3,208)
Loss on disposal of investment property and property, plant and equipment		425	1,165
Unrealized foreign exchange loss (gain)		12,828	(15,792)
Total adjustments to reconcile profit		116,502	109,589
Changes in operating assets and liabilities：			
Changes in operating assets：			
Notes receivable		(3,078)	9,104
Accounts receivable		(39,007)	(42,191)
Inventories		(36,555)	26,026
Other current assets		7,002	11,468
Other financial assets		8,700	(2,359)
		(62,938)	2,048
Changes in operating liabilities：			
Notes payable		120,704	140,088
Other payable		36,728	(31,961)
Other current liabilities		8,640	(21,248)
Net defined benefit liability		(3,220)	(666)
Other non-current liabilities		(72)	-
Total changes in liabilities of operating		162,780	86,213
Total changes in operating assets and liabilities		99,842	88,261
Total adjustments		216,344	197,850
Cash inflow generated from operations		393,931	274,559
Interest received		908	913
Interest paid		(14,080)	(16,186)
Income taxes paid		(19,403)	(29,988)
Net cash flows from (used in) operating activities		361,356	229,298
Cash flows from (used in) investing activities：			
Decrease in restricted deposit		(1)	31,158
Acquisition of property, plant and equipment		(90,378)	(109,858)
Proceeds from disposal of investment property and property, plant and equipment		-	323
Proceeds from disposal of home appliances department		-	31,414
Increase in guarantee deposits paid		(1,407)	(228)
Acquisition of intangible assets		(861)	(1,562)
Increase in prepayment for equipment		(18,602)	(4,642)
Net cash flows from (used in) investing activities		(111,249)	(53,395)
Cash flows from (used in) financing activities：			
Decrease in short-term borrowings		(122,087)	(114,604)
Proceeds from long-term borrowings		70,000	35,000
Repayment of long-term borrowings		(53,358)	(52,245)
Increase (decrease) in guarantee deposits received		2,988	(1,152)
Payment of lease liabilities		(19,266)	(15,943)
Treasury stock buyback		(11,773)	-
Net cash flows from (used in) financing activities		(133,496)	(148,944)
Effect of exchange rate changes on cash and cash equivalents		(5,836)	10,893
Net increase (decrease) in cash and cash equivalents		110,775	37,852
Cash and cash equivalents at beginning of period		178,432	140,580
Cash and cash equivalents at end of period	$	289,207	178,432

See accompanying notes to consolidated financial statements

1. Company history

Yen Sun Technology Corporation (the "Company") was incorporated in March 10, 1987 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The consolidated financial statements comprise the Company and subsidiaries (jointly referred to the Group). The major business activities of the Group are the manufacture and sale of home appliances and electronic cooling products such as electric fans, electric cookers, induction cookers, juice machines, bowl dryers, water dispensers, dehumidifiers, electric heaters and other home appliances, cooling fans, heat sink and thermal modules.

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 9, 2021.

3. New standards, amendments and interpretations adopted

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ('IFRSs') as endorsed by the Financial Supervisory Commission ('FSC').

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020:

A. Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

This amendment provides a practical expedient. For rent reductions that meet certain conditions, the lessee may choose not to evaluate whether it is a lease modification, but to recognize the change in the lease payment as the profit and loss. The amendment was approved by the Financial Supervision Commission (hereinafter referred to as the FSC) in July 2020, and may be applied in advance from January 1, 2020. For the detail of accounting policies, please refer to Note 4 (11).

The Group chose to adopt the policy start in advance on January 1, 2020, and apply this practical expedient to rent concessions that meet the aforementioned conditions for leased real estate. This accounting change has no impact on the initial application date. The amount recognized in profit or loss for the year ended December 31, was $279 thousand.

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B. Others

The following new amendments, effective January 1, 2020, do not have a significant impact on the Group's consolidated financial statements:

–Amendments to IFRS 3 "Definition of a Business"

–Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"

–Amendments to IAS 1 and IAS 8 "Definition of Material"

(2) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

–Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"

–Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

– Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

– IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

– Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

– Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"

– Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"

– Annual Improvements to IFRS Standards 2018–2020

– Amendments to IFRS 3 "Reference to the Conceptual Framework"

4. Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value;

(b) Financial assets at fair value through other comprehensive income are measured at fair value;

(c) The defined benefit liabilities are measured at present value of the defined benefit obligation less the fair value of the plan assets, limited as explained in Note 4(17).

B. Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand, unless otherwise noted.

(3) **Basis of consolidation**

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

B. List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Business activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Explanation
The Company	YEN SUN TECHNOLOGY (BVI) CORP.	Investment holding	100%	100%	-
The Company	YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	-
The Company	LUCRATIVE INT'L GROUP INC.	Investment holding	100%	100%	-
The Company	YEN JIU TECHNOLOGY CORP.(“YEN JIU)	Sales and manufacture of home appliances products	100%	100%	-
YEN SUN TECHNOLOGY (BVI) CORP.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. (“SHANGHAI YENSUN”)	Sales and manufacture of home appliances products	100%	100%	-
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN HUNG INTERNATIONAL CORP.	Investment holding	100%	100%	-
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	-
YEN HUNG INTERNATIONAL CORP.	Y.H.TECH INTERNATIONAL CORP.	Investment holding	100%	100%	-

(continued)

Name of investor	Name of subsidiary	Business activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Explanation
Y.H.TECH INTERNATIONAL CORP.	DARSON ELECTRONICS (DONGGUAN) LTD. ("DARSON")	Manufacture of electronic cooling products	100%	100%	-
DARSON ELECTRONICS (DONGGUAN) LTD. & 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%	- (Note1)

Note1: In conjunction with the adjustment of the Group's organizational structure, DARSON ELECTRONICS (DONGGUAN) LTD. transferred all the shares of the YEN GIANT (DONGGUAN) to LUCRATIVE INT'L GROUP INC. on January 31, 2020. The aforementioned transaction did not affect the Company's control, and regarded it as an equity transaction.

C. Subsidiaries excluded from the consolidated financial statements: None.

(4) **Foreign currencies**

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

(a) An investment in equity securities designated as at fair value through other comprehensive income;

(b) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(c) Qualifying cash flow hedges to the extent that the hedges are effective.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) **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 twelve 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 twelve months after the reporting period.

(continued)

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 twelve months after the reporting period; or

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve 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.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s

(continued)

right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated ─ e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the

Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(e) Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows；
- terms that may adjust the contractual coupon rate, including variable rate features；
- prepayment and extension features；and
- terms that limit the Group's claim to cash flows from specified assets（e.g. non-recourse features.

(f) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for notes receivable, accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

If there is a low risk of default on financial asset, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations, the financial asset would be considered low credit risk.

When the contract amount is past due or the borrower is unlikely to pay its credit obligations to the Group in full, the Group considers the credit risk on a financial asset has increased significantly or a financial asset to be in default.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(g) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(e) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(f) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present occasion and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

When the use of a property changes such that it is reclassified as property, plant and equipment, it carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) buildings: 3 to 60 years

(b) machinery equipment: 2 to 10 years

(c) mold equipment: 1 to 5 years

(d) others: 2 to 17 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

D. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(11) Leases

A. Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

(b) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(c) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, at the time of lease of land and construction, the Company chooses to treat the lease component and the non-lease component as part of a single lease without distinguishing between non-lease components.

B. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable under a residual value guarantee; and
(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise a extension or termination option; or

(e) there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss

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if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group chose not to recognize the right-of-use assets and lease liabilities of short-term leases and low-value underlying asset lease of office and office equipment. The Group recognizes the lease payments related to these leases as expenses on a straight-line basis during the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

(a) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

(b) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(c) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and

(d) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs

C. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(12) Intangible assets

A. Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

(a) Patents: 10 to 20 years

(b) Computer software cost: 1 to 6years

(c) Technology licensing: 2 to 10years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their

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present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(14) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities, except when the recognition of finance cost for a short-term provision was insignificant.

(15) Recognition of revenue

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. Group's main types of revenue are explained below.

(a) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the

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customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group grants its customers the right to return the product within certain term. Therefore, the Group reduces revenue by the amount of expected returns and recognizes a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the estimated amount of expected returns.

The Group's obligation to provide a refund for faulty electronic components under the standard warranty terms is recognized as a provision for warranty; please refer to Note 4(14).

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

A contract liability is recognized when receipt of a prepayment from a customer. Contract liability is recognized as revenue when control over the property has been transferred to the customer.

(b) Financing components.

The group expects the period between the transfer of every contracted goods to the customers and payment by the customers will not exceeds over one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

B. Contract costs

(a) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(continued)

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(b) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

(i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(16) Government grants and government assistance

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(17) Employee benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

A short-term employee benefit is based on undiscounted part and will be recognized as expenses as the related service is provided.

D. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(18) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entitle which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are

(continued)

reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(19) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(20) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(1) The loss allowance of trade receivables

The Group has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 6(3).

(2) Valuation of inventory

Since inventory must be measured between the lower cost and net realizable value, the Group assesses the amount of inventory due to normal wear and tear, obsolescence or no market sales value on the reporting date, and writes down the cost of inventory to net realizable value. This inventory evaluation is mainly based on the product demand in specific period in the future as the basis for estimation, so it may cause significant changes due to rapid industrial changes. Please refer to Note 6 (5) for further description of inventory valuation.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash and petty cash	$ 3,437	1,152
Checking deposits	50	50
Demand deposits	283,711	176,930
Time deposits	2,009	300
Cash and cash equivalents in the consolidated statement of cash flows	$ 289,207	178,432

Please refer to Note 6(23) for the exchange rate risk, sensitivity analysis and credit risk of the financial assets and liabilities of the Group.

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

	December 31, 2020	December 31, 2019
Equity instruments at fair value through other comprehensive income		
Foreign un-listed stocks－Y.S. Tech U.S.A Inc.	$ 4,383	4,204

The Group intends to hold this equity Instrument for long-term strategic purposes and not for trade intend therefore the Group designated this investment 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 December 31, 2020 and 2019.

For information of market risk, please refer to Note 6(24)

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

(continued)

(3) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable from operating activities	$ 24,056	20,978
Accounts receivables–measured as amortized cost	766,911	724,649
Less: Allowance for impairment	(24,427)	(28,454)
	$ 766,540	717,173
Book as:		
Notes receivable	$ 24,056	20,978
Accounts receivable, net	742,484	696,195
	$ 766,540	717,173

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:

	December 31, 2020		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	$ 762,239	0.02%	153
Overdue less than 90 days	4,451	0.54%	24
Overdue 91 to 180 days	36	32.67%	12
Overdue 181 to 240 days	12	71.80%	9
Overdue 241 days	24,229	100.00%	24,229
	$ 790,967		24,427

	December 31, 2019		
	Carrying amount	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	$ 683,148	0.01%	79
Overdue less than 90 days	27,041	0.54%	147
Overdue 91 to 180 days	9,856	26.89%	2,650
Overdue 181 to 240 days	19	76.70%	15
Overdue 241 days	25,563	100.00%	25,563
	$ 745,627		28,454

(continued)

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

		2020	2019
Balance at January 1	$	28,454	28,545
Impairment losses recognized (reversed)		(4,338)	2,877
Amounts written off		-	(1,345)
Foreign exchange losses		311	(1,623)
Balance at December 31	$	24,427	28,454

None of the above financial assets have been provided as collateral.

Please refer to Note 6(23) for credit risk.

(4) Other financial assets

		December 31, 2020	December 31, 2019
Refundable deposits	$	8,870	7,462
Other receivables－disposal of operation department in Mainland China		24,151	22,833
Other receivables－Other		14,108	22,801
Restricted deposits		11,204	11,203
Less: Loss allowance		(24,153)	(22,837)
	$	34,180	41,462
Book as:			
Other financial assets－current	$	20,309	29,827
Other financial assets－non-current		13,871	11,635
	$	34,180	41,462

Please refer to Note 6(23) for credit risk. The abovementioned other financial assets pledged as collateral for borrowings are disclosed in Note 8.

(5) Inventories

		December 31, 2020	December 31, 2019
Raw materials and supplies	$	276,121	268,830
Work in progress		198,865	148,692
Finished goods and Merchandise inventories		224,325	245,234
	$	699,311	662,756

The cost of inventories recognized as the cost of goods sold and expenses in 2020 and 2019 were $2,675,618 thousand and $2,421,079 thousand, respectively. Recognition of inventory impairment losses in 2020 and 2019 due to write-off of inventories to net realizable value was $55,491 thousand and $12,896 thousand, and has been recognize under operating costs.

Abovementioned inventories were not pledged as collateral.

(6) Property, plant and equipment

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

	Land	Buildings and Structures	Machinery and equipment	Mold Equipment	Miscellaneous equipment	Construction in progress	Total
Cost or deemed cost：							
Balance at January 1,2020	$ 267,535	182,286	224,997	402,029	95,114	426	1,172,387
Additions	24,150	3,850	32,820	21,947	5,113	1,385	89,265
Reclassifications	-	-	-	-	424	(424)	-
Disposals	-	-	(3,001)	(3,177)	(2,639)	-	(8,817)
Effect of movements in exchange rates	-	272	1,564	923	255	9	3,023
Balance at December 31, 2020	$ 291,685	186,408	256,380	421,722	98,267	1,396	1,255,858
Balance at January 1,2019	$ 267,535	23,950	183,868	388,340	84,710	134,065	1,082,468
Additions	-	29,828	47,854	22,295	12,937	505	113,419
Disposals	-	129,055	-	-	5,073	(134,128)	-
Disposals	-	-	(4,012)	(6,872)	(7,100)	-	(17,984)
Effect of movements in exchange rates	-	(547)	(2,713)	(1,734)	(506)	(16)	(5,516)
Balance at December 31, 2019	$ 267,535	182,286	224,997	402,029	95,114	426	1,172,387
Accumulated depreciation and impairment：							
Balance at January 1,2020	$ -	25,534	125,818	318,270	61,841	-	531,463
Depreciation for the year	-	14,140	20,940	28,388	7,003	-	70,471
Disposals	-	-	(2,797)	(3,146)	(2,449)	-	(8,392)
Effect of movements in exchange rates	-	180	690	628	179	-	1,677
Balance at December 31, 2020	$ -	39,854	144,651	344,140	66,574	-	595,219
Balance at January 1,2019	$ -	14,070	113,169	297,769	61,713	-	486,721
Depreciation for the year	-	11,706	17,149	28,313	7,215	-	64,383
Disposals	-	-	(3,135)	(6,601)	(6,760)	-	(16,496)
Effect of movements in exchange rates	-	(242)	(1,365)	(1,211)	(327)	-	(3,145)
Balance at December 31, 2019	$ -	25,534	125,818	318,270	61,841	-	531,463
Carrying amounts：							
Balance at December 31, 2020	$ 291,685	146,554	111,729	77,582	31,693	1,396	660,639
Balance at January 1,2019	$ 267,535	9,880	70,699	90,571	22,997	134,065	595,747
Balance at December 31, 2019	$ 267,535	156,752	99,179	83,759	33,273	426	640,924

Please refer to Note 6(22) for detail of disposal gain and loss.

In addition, for the information of asset that have been used as collateral for the long-term and short-term borrowing. Please refer to Note 8.

(7) Right-of-use assets

The cost and accumulated depreciation of the Group's lease of Buildings, construction and transportation equipment, etc., its movements were as follows:

	Buildings	Transportation equipment	Total
Right-of-use assets cost：			
Balance at January 1,2020	$ 139,850	3,855	143,705
Additions	1,998	2,516	4,514
Re-measurement (The changes of contract rent)	18,922	-	18,922
Effect of movements in exchange rates	2,119	-	2,119
Balance at December 31, 2020	$ 162,889	6,371	169,260
Balance at January 1,2019	$ 116,788	2,420	119,208
Additions	13,113	1,435	14,548
Re-measurement (The changes of contract rent)	14,586	-	14,586
Effect of movements in exchange rates	(4,637)	-	(4,637)
Balance at December 31, 2019	$ 139,850	3,855	143,705
Accumulated Depreciation：			
Balance at January 1,2020	$ 16,778	1,377	18,155
Depreciation for the period	20,643	1,540	22,183
Effect of movements in exchange rates	638	-	638
Balance at December 31, 2020	$ 38,059	2,917	40,976
Balance at January 1,2019	$ -	-	-
Depreciation for the period	17,347	1,377	18,724
Effect of movements in exchange rates	(569)	-	(569)
Balance at December 31, 2019	$ 16,778	1,377	18,155
Carrying amounts：			
Balance at December 31, 2020	$ 124,830	3,454	128,284
Balance at January 1,2019	$ 116,788	2,420	119,208
Balance at December 31, 2019	$ 123,072	2,478	125,550

(continued)

(8)Investment Property

The movements of investment property are as follows:

		Owned property	Right-of-use assets	
		Building and construction	**Land**	**Total**
Cost or deemed cost：				
Balance at January 1,2020	$	55,921	7,255	63,176
Effect of movements in exchange		935	122	1,057
Balance at December 31, 2020	**$**	**56,856**	**7,377**	**64,233**
Balance at January 1, 2019	$	58,090	7,537	65,627
Effect of movements in exchange		(2,169)	(282)	(2,451)
Balance at December 31, 2019	**$**	**55,921**	**7,255**	**63,176**
Accumulated depreciation and impairment losses:				
Balance at January 1,2020	$	50,041	279	50,320
Depreciation for the period		108	278	386
Effect of movements in exchange		839	11	850
Balance at December 31, 2020	**$**	**50,988**	**568**	**51,556**
Balance at January 1,2019	$	51,862	-	51,862
Depreciation for the period		120	290	410
Effect of movements in exchange		(1,941)	(11)	(1,952)
Balance at December 31, 2019	**$**	**50,041**	**279**	**50,320**
Carrying amounts：				
Balance at December 31, 2020	**$**	**5,868**	**6,809**	**12,677**
Balance at January 1,2019	**$**	**6,228**	**7,537**	**13,765**
Balance at December 31, 2019	**$**	**5,880**	**6,976**	**12,856**

In December 31, 2020 and 2019, the fair value of investment property is $27,868 thousand and $29,356 thousand respectively, and its evaluation basis considers the aggregate amount of estimated cash flows expected to be received if the property is leased. And discounts it by using a rate of return that reflects the specific risks inherent in the net cash flow to determine the value of the property. The yield ranges which adopted in 2020 and 2019 are as follows:

Location	**2020**	**2019**
Shanghai, Mainland China	4.150%	5.04%

(continued)

As of December 31, 2020 and 2019, none of the investment property was pledged as collateral.

(9) Intangible assets

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

		Computer software	Other	Total
Cost:				
Balance at January 1,2020	$	42,434	17,531	59,965
Additions		861	-	861
Effect of movements in exchange rates		5	-	5
Balance at December 31, 2020	$	43,300	17,531	60,831
Balance at January 1,2019	$	40,872	19,331	60,203
Additions		1,562	-	1,562
Disposals		-	(1,800)	(1,800)
Balance at December 31, 2019	$	42,434	17,531	59,965
Accumulated amortization and impairment losses:				
Balance at January 1,2020	$	39,397	16,866	56,263
Amortization for the year		1,269	180	1,449
Effect of movements in exchange rates		1	-	1
Balance at December 31, 2020	$	40,667	17,046	57,713
Balance at January 1,2019	$	37,502	18,484	55,986
Amortization for the year		1,895	182	2,077
Disposals		-	(1,800)	(1,800)
Balance at December 31, 2019	$	39,397	16,866	56,263
Book value:				
Balance at December 31, 2020	$	2,633	485	3,118
Balance at January 1,2019	$	3,370	847	4,217
Balance at December 31, 2019	$	3,037	665	3,702

None of any Group’s intangible asset was pledged as collateral.

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

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

	December 31, 2020	December 31, 2019
Prepayment for purchases	$ 10,504	8,817
Prepaid expense	4,135	8,170
Prepayments for equipment	18,602	4,642
Income tax refund receivable	17,894	22,301
Assets for right to recover product to be returned	3,437	3,684
Other	734	734
	$ 55,306	48,348

	December 31, 2020	December 31, 2019
Current	$ 36,704	43,706
Non-current	18,602	4,642
	$ 55,306	48,348

(11) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2020	December 31, 2019
Letters of credit	$ 1,606	6,586
Unsecured bank loans	60,000	137,988
Secured bank loans	40,000	80,000
Total	$ 101,606	224,574
Unused short-term credit lines	$ 810,204	615,106
Range of interest rates	1.00%～1.4823%	1.25%～3.48%

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

Please refer to Note 6(23) for the interest rate risk, exchange rate risk and sensitivity analysis of the financial liabilities of the Group.

(12) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2020				
	Currency	**Interest rate range**	**Maturity period**		**Amount**
Unsecured bank borrowings	NTD	1.35%～1.70%	February 13, 2022～ September 14, 2025	$	85,969
Secured bank loans	NTD	1.37%～1.42%	December 6, 2025～ November 21, 2033		280,110
					366,079
Less: current portion					50,635
Total				**$**	**315,444**
Unused long-term credit lines				**$**	**-**

	December 31, 2019				
	Currency	**Interest rate range**	**Maturity period**		**Amount**
Unsecured bank borrowings	NTD	1.73%～1.88%	May 28, 2020～ August 13, 2022	$	57,152
Secured bank loans	NTD	1.55%～1.7%	December 6, 2025～ November 21, 2033		292,285
					349,437
Less: current portion					48,691
Total				**$**	**300,746**
Unused long-term credit lines				**$**	**-**

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

(13) Lease liabilities

The details of lease liabilities were as follows:

	December 31, 2020	**December 31, 2019**
Current	**$ 22,380**	**17,977**
Non-current	**$ 111,688**	**110,332**

For maturity analysis, please refer to Note 6 (23) Financial Instruments.

The amounts recognized in profit or loss were as follows：

	2020	2019
Interest on lease liabilities	$ 6,999	5,745
Expenses relating to short-term leases	$ 1,024	2,244
Expenses relating to leases of low-value assets (Excluding short-term leases of low-value assets)	$ 461	680
COVID-19-Related Rent Concessions (Recognize as Other income)	$ 279	-

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

	2020	2019
Total cash outflow for leases	$ 27,471	24,612

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 6 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 3 to 5 years. 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.

(14) Other current and non-current liabilities

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

	December 31, 2020	December 31, 2019
Advance receipts	$ 7,395	5,294
Guarantee deposit received	6,141	3,057
Provision for warranties	1,224	1,243
Refund liabilities	8,018	9,627
Other	19,825	11,731
	$ 42,603	30,952

	December 31, 2020	December 31, 2019
Current	$ 36,462	30,414
Non-Current	6,141	538
	$ 42,603	30,952

In addition, the movements in provision for warranties are as follows:

		2020	2019
Balance at January 1	$	1,243	2,110
Provisions made during the year		1,224	1,243
Provisions used and reversed during the year		(1,243)	(2,110)
Balance at December 31	$	1,224	1,243

The provision for warranties relates mainly to home appliance sold during the years ended 31 December 2020 and 2019. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to settle the majority of the liability over the next year.

(15) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

		December 31, 2020
Less than 1 year	$	11,329
Between 1 and 2 years		11,647
Between 2 and 3 years		4,908
	$	27,884

Rental income from investment properties was $6,148 thousand.

(16) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$	44,892	44,143
Fair value of plan assets		(20,020)	(16,460)
Net defined benefit liabilities	$	24,872	27,683

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(a) Composition of plan assets

The Group set aside pension funds in accordance with the legislation from the managed by the Bureau of Labor Funds. The annual budget for the allocation of the minimum income cannot be lower than the income calculated based on the interest rate of the banks' two-year time deposit in accordance with the legislation "Management and Utilization of the Labor Pension Funds".

The Group's labor pension reserve account balance in Bank of Taiwan amounted to $20,020 thousand as of December 31, 2020. The utilization of the labor pension fund assets includes the asset allocation and yield of the fund. Please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

		2020	2019
Balance at January 1	$	44,143	38,334
Current service and interest cost		599	665
Re-measurement of the net defined benefit liability			
－Actuarial loss (gain) arising from experience		(1,032)	1,725
－Actuarial loss (gain) based on demographic assumptions		1,938	3,419
Benefits paid		(756)	-
Defined benefit obligations at December 31	$	44,892	44,143

(c) Movements of defined benefit plan assets fair value

The movements in the present value of the defined benefit plan assets for the Group were as follows:

		2020	2019
Fair value of plan assets at January 1	$	16,460	14,621
Interest income		166	203
Re-measurement of net defined benefit liability			
－Return on plan assets(excluding current interest cost)		497	508
Contributions paid by the employer		3,653	1,128
Benefits paid		(756)	-
Fair value of plan assets at December 31	$	20,020	16,460

(continued)

(d) Cost recognized in profit or loss

The details of Cost recognized in profit or loss were as follows:

	2020	2019
Current service cost	$ 159	139
Interest cost on net defined benefit liability	274	323
	$ 433	462
Operating cost	$ 289	115
Selling expenses	144	270
General and administrative expenses	-	77
	$ 433	462

(e) Actuarial assumptions

The following are the Group's principal actuarial assumptions:

	December 31, 2020	December 31, 2019
Discount rate	0.625%	1.000%
Future salary increase rate	3.000%	3.000%

The expected amount of contributions for the following year after the reporting date is $431 thousand. The weighted-average lifetime of the defined benefit obligation is 12.82 years.

(f) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2020		
Discount rate	$ (1,307)	1,365
Change in future salary	1,306	(1,261)

	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2019		
Discount rate	(1,369)	1,418
Change in future salary	1,359	(1,327)

The above sensitivity analysis analyzing the effects of changes in single assumptions is based on other assumptions remaining unchanged. In actuality, changes in some assumptions may be linked together. The sensitivity analysis and calculation of the net pension liability on the balance sheet were performed using the same approach.

There is no change in the method and assumptions used in the preparation of sensitivity analysis.

B. Defined contribution plans

The Company and its subsidiary YEN JIU Company allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Group’s entities other than those described in the previous paragraph are based on their respective local regulation of defined contribution plans, the accrued expenses should be recognized as current expenses.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $12,115 thousand and $17,873 thousand for the years ended December 31, 2020 and 2019, respectively.

(17) Income tax

A. Tax expense

The amounts of income tax expense were as follows:

		2020	2019
Current tax expense			
Current	$	41,713	24,084
Adjustment for prior periods		(66)	3,334
		41,647	**27,418**
Deferred income tax benefit			
Origination and reversal of temporary differences	$	(6,438)	(1,118)
Change in unrecognized deductible temporary differences		2,976	(57)
		(3,462)	(1,175)
Income tax expense	**$**	**38,185**	**26,243**

The Group did not recognize income tax which under other comprehensive income in 2020 and 2019, nor directly recognized the income tax in equity.

Reconciliation of income tax and profit before tax is as follows:

	2020	2019
Profit (loss) before tax	$ 177,857	76,709
Income tax using the Company's domestic tax rate	$ 35,518	15,341
Effect of tax rates in foreign jurisdiction	5,288	1,036
Non-deductible expenses	1,422	4,112
Change in unrecognized temporary differences	2,976	(57)
Current-year losses for which no deferred tax asset was recognized	-	5,816
Adjustment for prior periods	(66)	3,334
Undistributed earnings additional tax	656	-
Loss deduction	(5,262)	-
Tax-exempt income	(1,954)	(2,922)
Others	(393)	(417)
Total	$ 38,185	26,243

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax asset

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2020	December 31, 2019
Employee benefits	$ 24,872	27,683
Over provision of allowance for doubtful accounts	-	3,097
Temporary differences- related to investments in subsidiaries	389,649	403,184
Tax losses	21,080	29,080
Unrealized inventory loss and Others	26,364	5,924
	$ 461,965	468,968

In December 31, 2020 and 2019, deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

As of December 31, 2020, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
YEN JIU TECHNOLOGY CORP.		
2019	**$ 21,080**	**2029**

(b) In December 31, 2020 and 2019, temporary differences that related to subsidiaries investment, due to the Group being able to control the reversal time of temporary differences an believe it is very unlikely to be reversal in the foreseeable future. Therefore, the deferred income tax liabilities that will not be recognize by Group are $ 199,930 thousand and $ 86,557 thousand, respectively.

(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

Deferred tax assets:

	Inventory valuation loss	Unrealized sales returns and discounts	Unrealized sales profit	Unrealized foreign exchange loss	Other	Total
Balance at January 1, 2020	$ 5,930	673	-	2,056	511	9,170
Recognized in profit or loss	5,983	(273)	-	(2,056)	(4)	3,650
Balance at December 31, 2020	**$ 11,913**	**400**	**-**	**-**	**507**	**12,820**
Balance at January 1, 2019	$ 6,463	533	181	126	565	7,868
Recognized in profit or loss	(533)	140	(181)	1,930	(54)	1,302
Balance at December 31, 201	**$ 5,930**	**673**	**-**	**2,056**	**511**	**9,170**

Deferred tax liabilities：

	Unrealized exchange gain
Balance at January 1, 2020	$ 127
Recognized in profit or loss	188
Balance at December 31, 2020	**$ 315**
Balance at January 1, 2019	$ -
Recognized in profit or loss	127
Balance at December 31, 2019	**$ 127**

(continued)

The Company’s income tax returns through 2018 have been assessed and approved by the R.O.C tax Authority. There were no disputes between the Company and the Tax Authority.

(18) Capital and other equity

A. Capital

As of December 31, 2020 and 2019, the total value of authorized ordinary shares was amounted to $ 1,000,000 thousand. Numbers of authorized ordinary shares were both 160,000 thousand shares with par value $10. Issued shares were both 69,787 thousand shares. All the capital was fully paid in.

Reconciliation of share outstanding for 2019 and 2018 was as follows:

(Expressed in thousands of shares)	2020	2019
Balance at January 1	69,787	67,836
Conversion of convertible bonds	-	1,951
Shares buyback	(766)	-
Balance at December 31	69,021	69,787

B. Ordinary shares

For the year 2019, the fifth convertible bonds issued by the Company amounting to $24,000 thousands, were converted into 1,951 thousand shares of common stock, respectively, resulting in premium on conversion of convertible bonds $5,032 thousand. By the December 31, 2019, the related registration procedures were completed.

C. Capital surplus

Capital surplus was as follows：

	December 31, 2020	December 31, 2019
Premium on conversion of convertible bonds	$ 86,977	86,977
Lapsed option	18,643	18,643
Treasury stock	14,141	14,141
	$ 119,761	119,761

According to the R.O.C. Company Act, capital surplus can only be used to offset 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 and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

D. Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to paying any income taxes and offset the prior years' deficits. 10% of the remaining balance is to be appropriated as legal reserve. However, it is not applicable if the statutory surplus reserve has reached our Group’s paid-up capital. Also based on the

Company's operational needs and regulatory requirements, provisions shall be make for special reserve. If there are still surplus, 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.

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

The Company is currently in the stage of active market development. In order to support the growth of the company, the distribution of dividends should consider the continuing operation in the future as the principle, and after comprehensively considering and improving the financial structure, maintaining stable dividends and protecting shareholders' reasonable compensation and other conditions, the board of directors prepare a plan in accordance with the articles of association and deliver it after approval by the shareholders' general meeting and the competent authority.

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.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or distributing cash, and only the portion which excess of 25% of the paid-in capital may be distributed.

(b) Special reserve

During the first-time adoption of the IFRSs endorsed by the FSC, Company choosing to apply exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards". The cumulative conversion adjustment (benefit) under the account of shareholders' equity is zeroed on the conversion date and the amount of retained earnings increased by $3,798 thousand

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. And when using, disposing or reclassifying the relevant assets, the surplus may be redistributed according to the proportion of the original special surplus reserve.

Therefore, the amount of special reserve are both $3,798 thousand in December 31, 2020 and 2019.

According to previous paragraph, when the Company distributes distributable earnings, the difference between the net deduction of other shareholders' equity that occurred in the current year and the special reserve balance mentioned in the previous paragraph. From the current profit and loss and the undistributed earnings in the previous period shall be reclassified as a special reserve; the amount of other shareholders' equity deductions accumulated in the previous period shall be reclassified as a special reserve from the previous undistributed earnings. When there is a reversal in the amount of deductions for other shareholders' equity afterwards, could distribute the same amount of aforementioned earnings.

(c) Earnings distribution

On June 16, 2020 and June 25, 2019, according to the result of shareholders' general meeting, the Company did not plan to distribute the earnings of 2019 and 2018.

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

	2020	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholder:		
Cash	$ 1.5	103,531

E. Other equity, net of tax

	Foreign exchange differences arising from foreign operation	**Unrealized gains(losses) on financial assets measured at FVOCI**	**Total**
Balance at January 1, 2020	$ 16,173	973	17,146
The Group	521	179	700
Balance at December 31, 2020	$ 16,694	1,152	17,846
Balance at January 1, 2019	$ 11,177	936	12,113
The Group	4,996	37	5,033
Balance at December 31, 2019	$ 16,173	973	17,146

F. Treasury shares

In the year of the 2020, 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 December 31, 2020, the total number of none cancelled shares was 766,000 shares.

In accordance with the provisions of Securities and Exchange Act, treasury stocks that held by the company shall not be pledged, and shall not have shareholder rights before being transferred.

(19) Earnings per share

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

	2020	**2019**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 139,402	50,466
Weighted average number of ordinary shares outstanding during the period (thousand)	69,259	69,520
Earnings per share	$ 2.01	0.73

	2020	2019
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 139,402	50,466
Effect of potentially dilutive common stock-Convertible Bonds	-	21
Profit(loss) attributable to ordinary shareholders of the Company (After adjusted effected amount of potentially dilutive common stock)	$ 139,402	50,487
Weighted-average number of common shares(thousand)	69,259	69,520
Effect of convertible bonds	155	267
Effect of employee share bonus	-	74
Weighted average number of ordinary shares outstanding during the period(After adjusted effected amount of potentially dilutive common stock)(thousand)	69,414	69,861
Diluted earnings per share	$ 2.01	0.72

(20) Revenue from contracts with customers

A. Details of revenue

	2020		
	Home Appliances Department	Electronics Cooling Department	Total
Primary geographical markets:			
Domestic	$ 641,816	1,119,333	1,761,149
Mainland China	1,804	347,107	348,911
Germany	-	754,386	754,386
America	7,757	172,143	179,900
Japan	24,760	8,976	33,736
South Korea	-	72,014	72,014
Others	10,372	171,818	182,190
	$ 686,509	2,645,777	3,332,286
Major products：			
Cooling fan	$ -	2,182,096	2,182,096
Home Appliances-Air series	407,937	-	407,937
Home Appliances-Water series	230,244	-	230,244
Heat sink and thermal module	-	436,740	436,740
Other	48,328	26,941	75,269
	$ 686,509	2,645,777	3,332,286

	2019		
	Home Appliances Department	**Electronics Cooling Department**	**Total**
Primary geographical markets:			
Domestic	$ 658,159	741,595	1,399,754
Mainland China	4,175	177,720	181,895
Germany	-	790,077	790,077
America	31,825	174,585	206,410
Japan	118,363	13,163	131,526
South Korea	-	89,569	89,569
Others	18,098	168,750	186,848
	$ 830,620	**2,155,459**	**2,986,079**
Major products：			
Cooling fan	$ -	1,856,045	1,856,045
Home Appliances-Air series	553,253	-	553,253
Home Appliances-Water series	217,613	-	217,613
Heat sink and thermal module	-	276,963	276,963
Other	59,754	22,451	82,205
	$ 830,620	**2,155,459**	**2,986,079**

B. **Contract balance**

	December 31, 2020	**December 31, 2019**	**January 1, 2019**
Notes and accounts receivable	$ 790,967	745,627	706,617
Less: allowance for impairment	(24,427)	(28,454)	(28,545)
Total	**$ 766,540**	**717,173**	**678,072**
Contract liabilities- unearned sales revenue	**$ 7,395**	**5,294**	**3,304**

Please refer to Note 6(3) for notes and accounts receivable impairment.

The unearned revenue at January 1 of the 2020 and 2019 will be recognized as revenue, which is $4,914 thousand and $3,257 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Contract liabilities-Unearned Revenue was classified under other current liabilities.

(21) 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 2020 and 2019, the Company accrued the compensation of employees amounted to $ 2,977 thousand and $1,473 thousand, respectively and the remuneration of directors' amounted to $1,489 thousand and $737 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.

The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Director. Related information would be available at the Market Observation Post System website. (https://mops.twse.com.tw/mops/web/index)

There is no amount difference between the amount of compensation for employees and directors estimated in the aforementioned consolidated financial report of 2020 and 2019.

(22) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	2020	2019
Interest income from bank deposits	$ 909	913
Other interest income	20	2,295
	$ 929	3,208

B. Other income

The details of other income were as follows:

	2020	2019
Income from selling samples	$ 5,077	4,762
Rent income	6,148	-
Others	15,204	34,685
	$ 26,429	39,447

C. Other gains and losses

The details of other gains and losses were as follows:

	2020	2019
Foreign exchange gains (losses), net	$ (17,533)	(17,959)
Gains on financial assets at fair value through profit or loss, net	-	14
Losses on disposal of property, plant and equipment, net	(425)	(1,165)
Others	(623)	(1,490)
	$ (18,581)	(20,600)

D. Finance costs

The details of finance costs were as follows:

		2020	2019
Interest expense			
Bank loan	$	(7,030)	(10,375)
Lease liability		(6,999)	(5,745)
Amortization of discount on bonds payable		-	(35)
	$	**(14,029)**	**(16,155)**

(23) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The major customers of the Group are centralized in industries within similar areas and dealers. To reduce concentration of credit risk, the Group evaluates those customers' financial positions and requires customers to provide collateral, if necessary. In addition, the Group evaluates the possibility of collecting the notes and accounts receivable periodically.

As of December 31, 2020 and 2019, major customers of the Group was significant focus on certain customer; one of the customer accounted for 18.87% and 20.70% 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 (3). 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:

	December 31, 2020		
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	$ 8,870	-	-
Other receivable	12,430	1,676	24,153
Restricted Deposit	11,204	-	-
Loss allowance	-	-	(24,153)
Amortized cost	$ 32,504	1,676	-
Carrying amount	$ 32,504	1,676	-

	December 31, 2019		
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	$ 7,462	-	-
Other receivable	21,149	1,534	22,951
Restricted Deposit	11,203	-	-
Loss allowance	-	-	(22,837)
Amortized cost	$ 39,814	1,534	114
Carrying amount	$ 39,814	1,534	114

The following presents the movement of the provision for impairment with respect to the financial assets measured with amortized cost in 2020 and 2019:

	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2019	$ -	-	22,837	22,837
Reversal of impairment loss	-	-	(2)	(2)
Discount reversal	-	-	916	916
Impact of exchange rate changes	-	-	402	402
Balance at December 31, 2019	$ -	-	24,153	24,153

(continued)

	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired	Total
Balance at January 1, 2019	$ -	-	-	-
Impairment loss recognized	-	-	22,837	22,837
Balance at December 31, 2019	$ -	-	22,837	22,837

B. Liquidity risk

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

	Carrying amount	Contracted cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
December 31, 2020							
Non-derivative financial liabilities							
Bank loan (Including Long- and Short-term borrowing) (floating rate)	$ 467,685	495,051	129,888	27,909	72,134	117,665	147,455
Accounts payable (non-interest bearing)	710,441	710,441	710,441	-	-	-	-
Other payables (non-interest bearing)	175,154	175,154	175,154	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	134,068	153,078	14,258	13,843	26,813	78,308	19,856
Guarantee deposits (non-interest bearing)	6,141	6,141	-	-	1,764	4,377	-
	$ 1,493,489	1,539,865	1,029,741	41,752	100,711	200,350	167,311
December 31, 2019							
Non-derivative financial liabilities							
Bank loan (Including Long- and Short-term borrowing) (floating rate)	$ 574,011	605,648	264,377	15,058	44,447	103,661	178,105
Accounts payable (non-interest bearing)	577,675	577,675	577,675	-	-	-	-
Other payables (non-interest bearing)	82,332	82,332	82,332	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	128,309	149,930	11,745	11,745	23,248	64,122	39,070
Guarantee deposits received (non-interest bearing)	3,057	3,057	-	2,592	465	-	-
	$ 1,365,384	1,418,642	936,129	29,395	68,160	167,783	217,175

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

C. Foreign currency risk

(a) Exposure to foreign currency risk

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

		December 31, 2020			December 31, 2019		
		Foreign currency	**Exchange rate**	**TWD amount**	**Foreign currency**	**Exchange rate**	**TWD amount**
Financial assets							
Monetary items							
USD	$	36,370	28.48	1,035,860	45,363	29.98	1,360,005
EUR		944	35.02	33,054	545	33.59	18,297
CNY		50,175	4.337	219,616	37,114	4.305	159,812
Financial liabilities							
Monetary items							
USD		24,257	28.48	690,939	35,115	29.98	1,052,819
EUR		86	35.02	3,000	124	33.59	4,182
CNY		40,795	4.337	178,556	27,441	4.305	118,133
TWD		42,834	1	42,834	52,756	1	52,756

(b) Sensitivity analysis

The foreign currency risk was mainly incurred from the translation of cash and cash equivalents, accounts receivables (including related parties), other receivables (including related parties), restricted deposits, loans, accounts payable (including related parties), and other payables (including related parties). As of December 31, 2020 and 2019, if the exchange rate of the NTD versus the USD, CNY and EUR had increased or decreased by 1%, given no changes in other factors, the impact were as follow:

	Appreciate 1%	**Depreciate 1%**
Profits after tax for year 2020	Decrease in profits $3,328 thousand	Increase in profits $3,328 thousand
Profits after tax for year 2019	Decrease in profits $2,904 thousand	Increase in profits $2,904 thousand

(c) Foreign exchange gain and loss on monetary items

The exchange gains and losses (including realized and unrealized) of the currency items of the Group are converted into the functional currency of the company's new Taiwan dollar (the currency of Group's currency) and exchange rate information as follows:

	2020		2019	
	Exchange (loss) gain	Average exchange rate	Exchange (loss) gain	Average exchange rate
TWD	$ (12,357)	-	(11,838)	-
CNY	(5,176)	4.2811	(6,121)	4.4686
	$ (17,533)		(17,959)	

D. 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 profit after tax of 2020	Net profit decrease $935 thousand	Net profit increase $935 thousand
Net profit after tax of 2019	Net profit decrease $1,148 thousand	Net profit increase $1,148 thousand

E. Other market 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 on the comprehensive gain or loss items are as follows:

	2020		**2019**	
Equity price at reporting date	**Other comprehensive income After tax**	**Net income**	**Other comprehensive income After tax**	**Net income**
Increase 3%	$ 105	-	101	-
Decrease 3%	$ (105)	-	(101)	-

F. Fair value of financial instruments

(a) Fair value hierarchy

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:

	December 31, 2020				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Unlisted stock	$ 4,383	-	-	4,383	4,383
Financial assets at amortized cost					
Cash and cash equivalent	$ 289,207	-	-	-	-
Notes and accounts receivables	766,540	-	-	-	-
Other Financial assets -current	20,309	-	-	-	-
Other Financial assets -non current	13,871	-	-	-	-
Subtotal	$1,089,927				
Financial liabilities at amortized cost					
Short-term borrowing	$ 101,606	-	-	-	-
Account payable	710,441	-	-	-	-
Other payable	175,154	-	-	-	-
Long- term borrowing (Current portion)	50,635	-	-	-	-
Lease liability－current	22,380	-	-	-	-
Long -term borrowing	315,444	-	-	-	-
Lease liability－non current	111,688	-	-	-	-
Deposits received	6,141	-	-	-	-
Subtotal	$ 1,493,489				

	December 31, 2019				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Unlisted stock	$ 4,204	-	-	4,204	4,204
Financial assets at amortized cost					
Cash and cash equivalent	$ 178,432	-	-	-	-
Notes and accounts receivables	717,173	-	-	-	-
Other Financial assets -current	29,827	-	-	-	-
Other Financial assets -non current	11,635	-	-	-	-
Subtotal	$ 937,067				
Financial liabilities at amortized cost					
Short-term borrowing	$ 224,574	-	-	-	-
Account payable	577,675	-	-	-	-
Other payable	82,332	-	-	-	-
Long- term borrowing (Current portion)	48,691	-	-	-	-
Lease liability－current	17,977	-	-	-	-
Long -term borrowing	300,746	-	-	-	-
Lease liability－non current	110,332	-	-	-	-
Deposits received	3,057	-	-	-	-
Subtotal	$1,365,384				

When merging the Group's statutory assets and the fair value of liabilities, the market-observable input value is used. The level of fair value is based on the input of the evaluation technology and the relative classification is as follows:

Level 1: Public quotation of the same assets or debts in the active market (None been adjust).

Level 2: In addition to the public quotes included in Level 1, the input parameters of assets or liabilities are observable directly (price) or indirectly (derived from price).

Level 3: The input parameters of assets or debts are not based on observable market data (Non-observable parameters).

(b) Valuation techniques for financial instruments not measured at fair value

The methodology and assumptions used by the Company to estimate financial instrument measured at amortized cost, except for convertible bonds payable－liability portion use the discounted cash flows to estimate fair values, because of the short maturities of these instruments, the Company estimates that the carrying amount is a reasonable approximation of fair value.

(c) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

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

Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained through evaluation or reference with counterparty quotations. The fair value can be calculated by reference to the current fair value of other financial instruments with similar replacement conditions and characteristics, discounted cash flow method or other evaluation techniques, including the use of market information available on the balance sheet date.

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.

(d) Transfers between Level 1 and Level 2

In 2020 and 2019, there was no transfer in the fair value grade of financial instruments assessed by the Group.

(e) Reconciliation of Level 3 fair values

Level 3 List of changes of financial assets measured at fair value through other comprehensive income:

	Financial assets measured at fair value through other comprehensive income
	Investment of equity instruments without active market
Balance at January 1, 2020	$ 4,204
Profit or loss	
Recognized in other comprehensive profit or loss	179
Balance at December 31, 2020	**$ 4,383**
Balance at January 1, 2019	$ 4,167
Profit or loss	
Recognized in other comprehensive profit or loss	37
Balance at December 31, 2019	**$ 4,204**

The profit or losses are reported in the unrealized valuation gains and losses of financial assets measured at fair value through other comprehensive income, which is the outcome of assets that still hold by Group in December 31, 2020 and 2019.

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

The Group's fair value have been classified as Level3 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
Fair value through other comprehensive income-Investment of equity instruments without an active market	Comparable listed company approach	• Lack of market liquidity discount (65.99% and 43.58% on December 31, 2020 and 2019, respectively)	• The higher the lack of market liquidity discount is, the lower the fair value will be.
		• Valuation multiples (1.37 and 1.32 on December 31, 2020 and 2019, respectively)	• The higher the valuation multiples is, the higher the fair value will be.
		• Stock price volatility (70.61% and 49.86% on December 31, 2020 and 2019, respectively)	• The lower the stock price volatility is, the higher the fair value will be.

(g) 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:

	Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI: Favorable	Changes in fair value reflected in OCI: Unfavorable
Balance at December 31, 2020				
Financial assets at fair value through other comprehensive income				
Investment of equity instruments without an active market	Liquidity discount 65.99%	10%	$ 1299	(1299)
	Value multiplier 1.37	5%	277	(228)
	Volatility rate 70.61%	5%	454	(391)
Balance at December 31, 2019				
Financial assets at fair value through other comprehensive income				
Investment of equity instruments without an active market	Liquidity discount 43.58%	10%	$ 752	(752)
	Value multiplier 1.32	5%	205	(240)
	Volatility rate 49.86%	5%	308	(308)

(continued)

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.

(24) Financial risk management

A. Overview

The Group have exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group’s objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the General administration department, which is responsible for developing and monitoring the Group’s risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group’s financial risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors

C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities as follows:

(a) Trade and other receivables

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the

(continued)

maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

(b) Deposits

The exposure to credit risk for the bank deposits is monitored by the Group's finance department. The Group only deals with counterparties and financial institutions which with good credit rating. The Group expected counterparty above will not fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(c) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. For details of financial guarantees, please refer to Note 13

D. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2020 and 2019, the Group's unused credit line were amounted to $810,204 thousand and $615,106 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Boards.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, US Dollar (USD), and China Yuan (RMB). The currencies used in these transactions are same as above. The Group uses forward exchange contracts with a maturity of less than one year from the reporting date to hedge its currency risk. When necessary, forward exchange contracts are rolled over at the maturity date.

Interest is denominated in the currency of the principal. Normally, the currency of Group's borrowing is the same as the currency of the cash flow generated by the operations, which is mainly NTD, US dollar and RMB. This provides an economic hedge without derivatives being entered into, and therefore, hedging accounting

 (continued)

has not been adopted.

Regarding monetary assets and liabilities denominated in other foreign currencies, when a short-term unbalance occurs, the Group purchases or sells foreign currencies at the spot exchange rate to ensure that net risk exposure remains at an acceptable level.

(b) Interest rate risk

The Group adopts a policy of ensuring its exposure with fixed rate or floating rate, by assess with international economic situation or market interest rate. Control interest rate risk with a appropriate combination of fixed rate and floating rate.

(c) Market risk of equity instruments

The main part of the equity securities held by the Group is classified as financial assets measured at fair value through other comprehensive profit and loss. Therefore, such assets are measured at fair value, so the Group will be exposed to the risk of changes of it.

(25) Capital management

The Group meets its objectives in managing its capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders and interest of other related parties and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities

The Group and other entities in the same industry use the debt-to-equity ratio to manage their capital. This ratio is the total net debt divided by the total capital. The net debts from the balance sheet are derived from the total liabilities, less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, other equity.

In 2020, the Company's capital management strategy is consistent with the prior year. The Group's debt-to-equity ratio at the end of the reporting period as at December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 1,594,416	1,500,448
Less: cash and cash equivalents	289,207	178,432
Net debt	$ 1,305,209	1,322,016
Total equity	$ 1,072,049	944,129
Adjusted t equity	$ 2,377,258	2,266,145
Debt-to-equity ratio	54.90%	58.33%

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

The reconciliation of liabilities from financing activities is as follows:

			Non-cash changes				
	January 1, 2020	Cash flows	foreign exchange movement	Convert to ordinary share	Interest amortized	Lease liability	December 31, 2020
Short-term loans	$ 224,574	(122,087)	(881)	-	-	-	101,606
Long-term loans (current portion)	349,437	16,642	-	-	-	-	366,079
Lease liability (Current and non-current)	128,309	(19,266)	1,589	-	-	23,436	134,068
Guarantee deposits received	3,057	2,988	96	-	-	-	6,141
Total liabilities from financing activities	$ 705,377	(121,723)	804	-	-	23,436	607,894

			Non-cash changes				
	January 1, 2019	Cash flows	foreign exchange movement	Convert to ordinary share	Interest amortized	Lease liability	December 31, 2019
Short-term loans	$ 338,941	(114,604)	237	-	-	-	224,574
Long-term loans-current portion	366,682	(17,245)	-	-	-	-	349,437
Bonds payable	24,586	-	-	(24,621)	35	-	-
Lease liability (Current and non-current)	119,208	(15,943)	(4,090)	-	-	29,134	128,309
deposits received	4,210	(1,152)	(1)	-	-	-	3,057
Total liabilities from financing activities	$ 853,627	(148,944)	(3,854)	(24,621)	35	29,134	705,377

7. Transaction with related parties

(1) Endorsement and guarantee

The Group loan from financial institutions on December 31, 2020 and 2019. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which is $ 130,000 thousand, respectively.

(2) Compensation of major management staff

The information on major management staff compensation was as follows:

	2020	2019
Short-term employee benefits	$ 8,660	$ 6,006
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	$ 8,660	$ 6,006

On December 31, 2020 and 2019, the Group provided rental cars for the use of main management and been recognized as right of use assets of transportation equipment, the originally cost was $4,067 thousand and $1,551 thousand, respectively.

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	December 31, 2020	December 31,2019
Deposit account (Reserve account)	Long-term/short-term borrowing, customs taxes, bonds payable and other repayment accounts	$ 10,204	10,203
Time deposit	Guarantee of sales channel	1,000	1,000
Land	Guarantee of long-term/short-term borrowings	267,535	267,535
Buildings	Guarantee of long-term/short-term borrowings	132,508	141,761
		$ 411,247	420,499

9. Significant Commitments and Contingencies

(1) Unrecognized contingencies of contracts

	December 31, 2020	December 31, 2019
Acquisition of property, plant and equipment	$ 17,750	-

(2) The Company’s outstanding standby letter of credit are as follows：

	December31, 2020	December31, 2019
Purchases of raw materials	$ 47,749	48,308

10. Losses due to major disasters: None

11. Subsequent events: None

(continued)

12. Other

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

By function / By item	2020			2019		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits						
Salary	223,469	192,247	415,716	231,744	156,984	388,728
Labor and health insurance	15,091	13,314	28,405	14,649	13,628	28,277
Pension	6,597	5,951	12,548	11,588	6,747	18,335
Remuneration of directors	-	3,070	3,070	-	2,352	2,352
Others	17,675	7,147	24,822	14,604	7,096	21,700
Depreciation	49,491	43,549	93,040	40,005	43,512	83,517
Amortization	7	1,442	1,449	-	2,077	2,077

(2) Seasonality of operation

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

13. Supplementary Disclosures

(1) 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 Company for the year ended December 31, 2020.

A. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period (Note 3 and 1)	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Yen Sun Technology (BVI) Corp.	Other receivables －related parties	YES	42,720 (USD 1,500,000)	42,720 (USD 1,500,000)	17,088 (USD 600,000)	-	Short-term financing	-	The requirement for working capital	-	-	-	428,820 (Note 2)	428,820 (Note 2)
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Long-term receivables-related parties	YES	122,662 (USD 4,306,943)	122,662 (USD 4,306,943)	122,524 (USD 4,302,111)	-	Short-term financing	-	The requirement for working capital	-	-	-	428,820 (Note 2)	428,820 (Note 2)
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Long-term receivables-related parties	YES	26,262 (RMB 6,000,000)	26,262 (RMB 6,000,000)	26,262 (RMB 6,000,000)	-	Short-term financing	-	The requirement for working capital	-	-	-	428,820 (Note 2)	428,820 (Note 2)
2	Y.H. Tech International Corp.	Yen Sun Technology (BVI) Corp.	Other receivables －related parties	YES	47,892 (USD 1,681,614)	47,892 (USD 1,681,614)	47,892 (USD 1,681,614)	-	Short-term financing	-	The requirement for working capital	-	-	-	428,820 (Note 2)	428,820 (Note 2)

(Note 1) When preparing this consolidated financial report, it has been eliminated.
(Note 2) The aggregate loan amount and the loans to each party were both limited to 40% of Company's net equity.
(Note 3) The amount of TWD is translated at the exchange rate on the balance sheet date.

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Guarantees and endorsements to others 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 (Note4)	Balance of guarantees and endorsements as of reporting date (Note 4)	Actual usage amount during the period (Note 4)	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 (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiar	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										
0	The Company	Yen Sun Technology (BVI) Corp.	Subsidiary	321,615 (Note1)	88,288 (USD 3,100,000)	42,720 (USD 1,500,000)	-	14,240	3.98%	536,025 **(Note 3)**	Y	-	-
0	The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	214,410 (Note2)	36,000	36,000	-	-	3.36%	536,025 **(Note 3)**	Y	-	-

(Note 1) For a single overseas affiliated company, the limit shall not exceed 30% of the company's net equity.
(Note 2) For a single enterprise, the limit is not more than 20% of the company's net equity.
(Note 3) Not exceeding 50% of the company's net equity.
(Note 4) The amount of TWD is converted at the exchange rate on the balance sheet date.

(continued)

C. Securities owned as of December 31, 2019 (excluding investment in subsidiaries, associates and joint ventures):

Name of security holder	Name of security and type	Relationship with company	Account title	December 31,2020				Highest percentage of ownership during the year	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	-	- (Note)	17.75%	-	17.75%	-
The Company	Y.S. Tech U.S.A Inc. stock	-	Financial assets at FVOCI－non-current	114,000	4,383	19.16%	4,383	19.16%	-

(Note) Impairment has been recognized.

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

E. Acquisition of property, plant and equipment that excess of $300 million or 20% of paid in capital: None

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

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

(continued)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Purchasing (selling) company	Counter party	Relation-ship	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)	Percentage of notes and accounts receivable (payable)	
The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	Purchase	616,487	0.02%	(Note 1)	Single supplier	(Note1)	74,969 (Note2)	97.21% (Note4)	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	453,628	0.02%	(Note 1)	Single supplier	(Note1)	(107,054)	26.19%	
The Company	Yen Sun Technology (BVI) Corp.	Subsidiary	Purchase	328,303	0.01%	(Note 1)	Single supplier	(Note1)	(139)	0.03%	
The Company	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Purchase	417,244	0.02%	(Note 1)	Single supplier	(Note1)	(29,100)	7.12%	
Yen Sun Technology (BVI) Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	318,716	91.70%	(Note 1)	Single supplier	(Note1)	(64,293)	100%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	459,731	93.96%	(Note 1)	Single supplier	(Note1)	(61,936)	100%	
Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	Subsidiary of the Company (indirectly hold)	Purchase	414,704	78.89%	(Note 1)	Single supplier	(Note1)	(23,371)	19.81%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	616,487	99.89%	(Note1)	Single sales object	(Note1)	(74,969) (Note2)	100.00% (Note4)	

(continued)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Purchasing (selling) company	Counter party	Relation-ship	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)	Percentage of notes and accounts receivable (payable)	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	453,628	100.00%	(Note1)	Single sales object	(Note1)	107,054	100.00%	
Yen Sun Technology (BVI) Corp.	The Company	Ultimate parent company	Sale	328,303	100.00%	(Note 1)	Single sales object	(Note1)	139	19.82%	
Yen Sun Tech International (Samoa) Corp.	The Company	Ultimate parent company	Sale	417,244	94.57%	(Note 1)	Single sales object	(Note1)	29,100	28.28%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Yen Sun Technology (BVI) Corp.	Subsidiary	Sale	318,716	40.94%	(Note 1)	Single sales object	(Note1)	64,293	50.00%	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary	Sale	459,731	59.06%	(Note 1)	Single sales object	(Note1)	61,936	49.07%	
YEN GIANT METAL (DONGGUAN) CO., LTD.	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Sale	414,704	68.82%	(Note 1)	Single sales object	(Note1)	23,371	14.50%	

(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)

(continued)

H. 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			
Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Sub-subsidiary	148,786 (note2)	- (note1)	-	-	-	-	
Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Sub-subsidiary	13,481 (note2)	- (note1)	-	-	-	-	
Y.H. Tech International Corp.	The Company	Ultimate parent company	107,054 (note2)	8.66%	-	-	76,417 (note3)	-	

(Note 1) Principal, interest receivable and long-term receivables of capital finance.
(Note 2) When preparing this consolidated financial report, it was eliminated in the consolidation.
(Note 3) The accounts receivable (payment) balance offset with other prepayments (advance receipts) arising from purchasing raw materials monthly.

I. Derivative financial instrument transactions: None

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

J. Business relationships and significant intercompany transactions:

No.	Name	Counterparty	Relationship (Note)	Details of transaction: Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	1	Account receivables	12,681	Overdue accounts receivable None comparable terms	0.48%
0	The Company	Yen Sun Technology (BVI) Corp.	1	Endorsement/Guarantee Purchase Procurement of raw materials Other receivables-Loans Accounts payable	42,720 328,303 30,486 17,088 139	None comparable terms	1.60% 9.85% 0.91% 0.64% 0.01%
0	The Company	Y.H. Tech International Corp.	1	Purchase Procurement of raw materials Accounts payable	453,628 31,864 107,054	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	13.61% 1.19% 4.01%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase Sale Procurement of raw materials Accounts receivable Other receivables Accounts payable	417,244 24,356 88,885 94,603 1,924 29,100	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	12.52% 0.73% 2.67% 3.55% 0.07% 1.09%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase Procurement of raw materials Prepayment for Prepayment of purchase Rental income	616,487 4,076 74,969 5,040	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	18.50% 0.12% 2.81% 0.15%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Endorsement/Guarantee	36,000	None comparable terms	1.35%
0	The Company	LUCRATIVE INT'L GROUP INC.	1	Cash Investment with equity method	8,583 8,583	Cash Capital Increase- None comparable terms	0.32% 0.32%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Long-term accounts receivable Long-term accounts receivable-Interest	148,786 12,922	Financial intermediation. No interest since 2017	5.58% 0.48%
1	Yen Sun Technology (BVI) Corp.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Accounts receivable	559	The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	0.02%
1	Yen Sun Technology (BVI) Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable	318,716 32,357 64,293	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	9.56% 0.97% 2.41%

(continued)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

No.	Name	Counterparty	Relationship (Note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
2	Y.H. Tech International Corp.	Yen Sun Technology (BVI) Corp.	3	Other receivables－Loans to other parties	47,892	Financial intermediation. No interest	1.80%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase Procurement of raw materials Accounts payable Accounts receivable	459,731 29,486 61,936 2,322	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	13.80% 0.88% 2.32% 0.09%
2	Y.H. Tech International Corp.	Yen Hung International Corp.	3	Other receivables	487	Entrusted collection None comparable terms	0.02%
3	Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Sales Accounts receivable Procurement of raw materials Other receivables Account payable	414,704 23,940 73,780 89,360 381 23,371	None comparable terms； The payment terms are that the accounts payable shall be offset against prepayment for purchases monthly.	12.45% 0.72% 2.77% 2.68% 0.01% 0.88%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase Accounts payable	12,920 6,545	None comparable terms.	0.39% 0.25%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	3	Other payables	3,707	Entrusted collection, None comparable terms	0.14%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	LUCRATIVE INT'L GROUP INC.	3	Cash Investment with equity method	5,580 5,580	Equity transfer None comparable terms	0.21% 0.21%
5	LUCRATIVE INT'L GROUP INC.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Cash Investment with equity method	3,003 3,003	Cash Capital Increase- None comparable terms	0.13% 0.13%

Note: Relationship notes as follows,

(1) Parent company to subsidiary
(2) Subsidiary to parent company
(3) Subsidiary to subsidiary

(continued)

(2) 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			Highest percentage owned during the year	Net income (loss) of the Investee (Note)	Investment income (less) Recognized (Note)	Remarks
				December 31,2020	December 31,2019	Shares owned	Percentage owned	Carrying value (Note)				
The Company	Yen Sun Technology (BVI) Corp.	British Virgin Islands	Investment holding	259,842	259,842	500,000	100%	(129,807)	100%	15,721	15,721	Subsidiary
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	-	1,000,000	100%	98,092	100%	87,376	87,376	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	142,518	100%	23,290	23,290	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	92,575	100%	(6,799)	(2,110)	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,129	30,179	1,000,000	100%	138,051	100%	24,329	24,379	Subsidiary of the Company (indirectly hold)
Yen Sun Tech International (Samoa) Corp.	Yen Tong Tech International (Samoa) Corp.	Samoa	Investment holding	1,916	1,916	10,000,000	100%	1	100%	-	-	Subsidiary of the Company (indirectly hold)
Yen Hung International Corp.	Y.H. Tech International Corp.	ST.Kitts and Nevis	Investment holding	30,179	30,179	1,000,000	100%	138,043	100%	24,379	24,379	Subsidiary of the Company (indirectly hold)

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

(continued)

(3) Information on investments in Mainland China:

A. 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.1,2019	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of Dec. 31, 2020	Net income Of investee	The Group's direct or indirect investment ratio	Highest ratio during the year	Investment gain (loss) recognized by the Group	Book value of the investment as of Dec. 31, 2020	Accumulated investment income repatriated to Taiwan as of Dec. 31, 2020
					Remittance	Repatriation							
SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD.	Manufacturing and sales of Home Appliances, Cooling fan	233,347 (USD7,800,000)	Invest through Yen Sun Technology (BVI) Corp. and then invest in Mainland China.	233,347 (USD7,500,000)	-	-	233,347 (USD7,800 ,000)	14,647	100%	100%	14,647 (Note1)	(164,039) (Note1)	-
DARSON ELECTRONICS (DONGGUAN) LTD.	Manufacturing of Cooling fan	30,179 (USD1,000,000)	Invest through Y.H. Tech International Corp. and then invest in Mainland China.	30,179 (USD1,000,000)	-	-	30,179 (USD1,000,000)	13,945	100%	100%	13,945 (Note1)	29,905 (Note1)	-
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. and then invest in Mainland China.	1,916 (USD60,000)	-	-	1,916 (USD60,000)	-	17.75%	17.75%	-	-	-
YEN GIANT METAL (DONGGUAN) CO., LTD.	Manufacture of electronic cooling fan and thermal module products	9,008 (CNY2,002 ,000)	Investment through LUCRATIVE INT'L GROUP INC and then invest in Mainland China (Note3)	-	8,583 (USD285,000) (Note4)	-	8,583 (USD285,000)	86,947	100%	100%	87,376 (Note1)	98,092 (Note1)	-

(continued)

B. Limitation of investment amount to Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China as of December 31, 2020	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
260,500 (Note2) (USD 9,145 thousand)	308,866 (Note2) (USD 10,845 of thousand)	643,229

(Note 1) Investment gains and losses are recognized in accordance with the financial report audited by the audit firm of the Company.
(Note 2) Translated with the exchange rate of balance sheet date.
(Note 3) When prepared this consolidated financial report, it was eliminated in the consolidation.
(Note 4) Originally established by a mainland subsidiary through investment; in order to coordinate the adjustment of the Company's organizational structure, DARSON (DONGGUAN) LTD. fully transfer the equity of YEN GIANT (DONGGUAN) CO., LTD with $ 5,580 thousand (USD $185 thousand) to LUCRATIVE INT'L GROUP INC.
And Capital increase through LUCRATIVE INT'L GROUP INC with $ 3,003 thousand (USD $100 thousand)

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

D. Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
CHEN, CHIEN-JUNG	6,106,739	8.75%

The Company applied to Taiwan Depository & Clearing Corporation ("TDCC") to obtain the information in this form, to explain the following:

(a) The major shareholders information of this table is calculated by the TDCC on the last business day at the end of each quarter, and the total number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company. The share capital in the consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different calculation bases.

(b) Where the stocks are entrusted by shareholders, it will be disclosed by the individual trustee who opened the trust account. As for shareholders' declaration of insider's shareholdings that hold more than 10% of their shares in accordance with the Securities and Exchange Act, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the right to decide how to utilize the trust property, etc. For information on insider's shareholding declarations, please refer to Market Observation Post System.

(continued)

14. Segment Information

(1) General information

The Group has three reportable segments: Taiwan home appliance business segment, Mainland China home appliance business segment, and electronic cooling business segment. Taiwan home appliance business segment produces and sells beverage dispensers, fans, air conditioners, air purifiers, dehumidifiers, tissue machines, ice wine machines, etc. Mainland China home appliance business segment mainly sells induction cookers, pressure cookers, and electronic cookers. Electronic cooling business segment produces and sells cooling fans.

(2) The reportable segments are the Group’s strategic divisions.

The Group uses the internal management report of segment's pre-tax profit and loss (excluding non-recurring gains and losses), which reviewed by the operating decision maker as the basis for management resource allocation and performance assessment. Since income tax and non-recurring gains and losses are managed on a Group basis, the Group does not allocate income tax expenses (interests) and non-recurring gains and losses to the reportable segment.

The amount reported by the Group is consistent with the report used by the operating decision maker, and the accounting policies of the operating segment are the same as the summary of important accounting policies described in Note 4. The group transfers the sales and transfers between segments, and each segment considers its self-performance indicators to measure the cost increase.

(continued)

Reportable segment information is as follows:

	2020			
	Home Appliances	**Electronics Cooling**	**Adjustments And elimination**	**Total**
Revenue：				
Revenue from external customers	$ 686,509	2,645,777	-	3,332,286
Interest revenue	67	322	540	929
Total revenue	$ 686,576	2,646,099	540	3,333,215
Reportable segment income	$ (89,053)	253,791	12,849	177,587
Interest expenses	$ 2,250	11,361	418	14,029
Depreciation and amortization	$ 28,053	66,050	386	94,489
Reportable segment assets	$ 859,578	1,787,443	19,444	2,666,465

	2019			
	Home Appliances	**Electronics Cooling**	**Adjustments And elimination**	**Total**
Revenue：				
Revenue from external customers	$ 830,620	2,155,459	-	2,986,079
Interest revenue	275	636	2,297	3,208
Total revenue	$ 830,895	2,156,095	2,297	2,989,287
Reportable segment income	$ (47,454)	148,422	(24,259)	76,709
Interest expenses	$ 3,411	11,773	971	16,155
Depreciation and amortization	$ 25,899	59,265	430	85,594
Reportable segment assets	$ 885,339	1,541,740	17,498	2,444,577

(continued)

(3) Sales to customers other than consolidated entities：

Product		**2020**	**2019**
Cooling fan	$	2,182,096	1,856,045
Air series		407,937	553,253
Water series		230,244	217,613
Heat sink and thermal module		436,740	276,963
Other		75,269	82,205
Total	**$**	**3,332,286**	**2,986,079**

(4) Geographic information

The difference information of the Group is as follows. The revenue is classified based on the geographic location of the customer, and the non-current assets are classified according to the geographic location of the asset.

Geographic Area		**2020**	**2019**
Sales to customers other than consolidated entities：			
Taiwan	$	1,761,149	1,399,754
Germany		754,386	790,077
America		179,900	206,410
Mainland China		348,910	181,895
Japan		33,736	131,526
South Korea		72,014	89,569
Others		182,191	186,848
	$	**3,332,286**	**2,986,079**
Non-current assets：			
Taiwan	$	611,225	598,415
Mainland China		212,095	189,259
Total	**$**	**823,320**	**787,674**

Non-current assets include property, plant and equipment, right-of-use assets, investment real estate, intangible assets and other non-current assets, but excluding financial instruments, deferred income tax assets and retirement benefits assets.

(5) Major customers' information

		2020	**2019**
Customer A from Electronics Cooling Dep.	$	753,085	788,806
Customer B from Electronics Cooling Dep.		585,069	351,899
Customer C from Home Appliances Dep.		212,564	200,116
Total	**$**	**1,550,718**	**1,340,821**

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