

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
with Independent Auditors' Report
For The Nine Months Ended September 30, 2024 And 2023

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

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Notice to readers

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

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Independent Auditors' Review Report

The Board of Director's
YEN SUN TECHNOLOGY CORP.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yen Sun Technology Corporation. (the Company) and subsidiaries as of September 30, 2024 and 2023. And the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023; the changes in equity and cash flows, notes to the consolidated financial statements for the nine months ended September 30, 2024 and 2023 (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect and by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Yen Sun Technology Corporation and subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended and nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

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

KPMG
Taipei, Taiwan (Republic of China)
November 1, 2024

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

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in thousands of New Taiwan Dollar)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets															
Current assets:															
1100	Cash and cash equivalents (note 6(1))	\$ 358,296	10	552,397	16	244,272	7	2100	Short-term borrowings (note 6(13) and 8)	\$ -	-	500	-	-	-
1110	Current financial assets measured at fair value through profit or loss (note 6(2) and (15))	168	-	459	-	-	-	2170	Accounts payable	715,781	21	710,613	21	782,973	22
1151	Notes receivables, net (note 6(4) and (23))	45,594	1	17,731	1	24,872	1	2200	Other payables	211,330	6	216,641	6	175,413	5
1170	Accounts receivable, net (note 6(4) and (23))	894,815	26	748,545	22	887,689	25	2230	Current income tax liabilities	132,593	4	107,315	3	90,451	3
130X	Inventories (note 6(6))	698,271	20	767,391	22	788,589	22	2260	Liabilities related to Non-current Assets Held for Sale (disposal group) and Discontinued Operations (note 6(7))	-	-	-	-	972	-
1460	Non-current Assets Held for Sale (disposal group) and Discontinued Operations, net (note 6(7))	-	-	-	-	10,410	-	2280	Current lease liabilities (note 6(16))	36,004	1	32,766	1	32,621	1
1476	Other current financial assets (note 6(5) and 8)	23,882	1	16,637	-	293,077	8	2320	Long-term borrowings, current portion (note 6(15) and 8)	66,792	2	119,578	3	-	-
1479	Other current assets-other (note 6(12))	67,927	2	52,028	2	57,426	2	2321	Bonds payable, current portion (note 6(14) and 8)	34,561	1	24,032	1	18,655	-
Total Current Assets		2,088,953	60	2,155,188	63	2,306,335	65	2399	Other current liabilities (note 6(14)(17) and (23))	55,166	1	36,407	1	303,790	8
Non-Current Assets															
1510	Financial asset at fair value through profit or loss-non-current (note 6(2)(15))	-	-	-	-	706	-	Total of current liabilities							
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	56,411	2	43,369	1	38,812	1	1,252,227 36 1,247,852 36 1,404,875 39							
1600	Property, plant and equipment (note 6(8) and 8)	1,015,268	29	930,303	27	919,186	26	2530	Bonds payable (note 6(15) and 8)	-	-	-	-	169,855	5
1755	Right-of-use assets (note 6(9) and 8)	221,975	7	230,527	7	237,715	7	2540	Long-term borrowings (note 6(14) and 8)	423,300	12	411,964	12	419,511	12
1780	Intangible assets (note 6(11))	6,993	-	8,298	-	5,713	-	2570	Deferred tax liabilities	26,255	1	22,777	1	4,322	-
1840	Deferred income tax assets	28,271	1	27,568	1	10,317	-	2580	Non-current lease liabilities (note 6(16))	169,355	5	181,259	5	187,851	5
1975	Net defined benefit assets - non-current	4,771	-	-	-	-	-	2630	Long-Term Deferred Revenue (note 6(14))	6,735	-	6,656	-	6,900	-
1980	Other non-current financial assets (note 6(5) and 8)	23,825	1	42,043	1	50,531	1	2640	Net defined benefit liability, non-current	-	-	5,752	-	6,890	-
1990	Other non-current assets-other (notes 6(12))	11,437	-	11,925	-	12,212	-	2645	Deposits received	1,569	-	1,569	-	1,568	-
Total Non-Current Assets		1,368,951	40	1,294,033	37	1,275,192	35	Total non-current liabilities							
		627,214 18 629,977 18 796,897 22													
		1,879,441 54 1,877,829 54 2,201,772 61													
		Total liabilities													
		1,879,441 54 1,877,829 54 2,201,772 61													
		Equity attributable to owners of parent (note 6(15)(21)):													
3100	Capital stock	784,025	23	763,238	22	743,990	21	3100	Capital stock	784,025	23	763,238	22	743,990	21
3200	Capital surplus	186,145	5	267,531	8	236,435	6	3200	Capital surplus	186,145	5	267,531	8	236,435	6
3300	Retained earnings	579,972	17	536,371	16	380,716	11	3300	Retained earnings	579,972	17	536,371	16	380,716	11
3400	Other equity interest	37,971	1	16,025	-	30,387	1	3400	Other equity interest	37,971	1	16,025	-	30,387	1
3500	Treasury stock	(11,773)	-	(11,773)	-	(11,773)	-	3500	Treasury stock	(11,773)	-	(11,773)	-	(11,773)	-
		Total equity attributable to owners of parent													
		1,576,340 46 1,571,392 46 1,379,755 39													
		Non-controlling interests													
36XX	Non-controlling interests	2,123	-	-	-	-	-	36XX	Non-controlling interests	2,123	-	-	-	-	-
		Total equity													
		1,578,463 46 1,571,392 46 1,379,755 39													
		Total liabilities and equity													
		\$ 3,457,904 100 3,449,221 100 3,581,527 100													
Total Assets		\$ 3,457,904	100	3,449,221	100	3,581,527	100								

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

Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30, 2024 and 2023

(Expressed in thousands of New Taiwan Dollar)

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (note 6(23))	\$ 1,031,797	100	996,320	100	2,916,814	100	2,811,500	100
5000	Operating costs (notes 6(6)(19) and 12)	826,784	80	800,280	80	2,388,394	82	2,306,088	82
5900	Gross Income (Loss) from Operations	205,013	20	196,040	20	528,420	18	505,412	18
6000	Operating expenses (notes 6(19)(24) and 12):								
6100	Selling expenses	46,070	5	62,220	6	142,292	5	150,617	5
6200	General and administrative expenses	29,540	3	33,921	4	101,192	4	102,703	4
6300	Research and development expenses	43,760	4	42,279	4	124,077	4	117,739	4
6450	Expected credit impairment loss(profit)(note6(4)(5))	1,056	-	661	-	1,368	-	588	-
	Total operating expenses	120,426	12	139,081	14	368,929	13	371,647	13
6900	Net operating income	84,587	8	56,959	6	159,491	5	133,765	5
7000	Non-operating income and expenses (notes 6(18)(25)):								
7100	Interest Income	392	-	291	-	3,498	-	1,350	-
7010	Other Income	7,436	1	7,433	1	19,229	1	24,038	1
7020	Other gains and losses	(10,304)	(1)	17,642	1	22,694	1	29,037	1
7050	Finance costs	(1,709)	-	(2,668)	-	(5,395)	-	(9,163)	(1)
	Total non-operating income and expenses	(4,185)	-	22,698	2	40,026	2	45,262	1
7900	Profit before income tax from continuing operations:	80,402	8	79,657	8	199,517	7	179,027	6
7950	Loss: Income tax expense (notes 6(20))	19,515	2	11,191	1	42,168	1	36,135	1
8000	Profit from continuing operations	60,887	6	68,466	7	157,349	6	142,892	5
8100	Profit (loss) from discontinued operations :								
8101	Profit (loss) from discontinued operations, net of tax	-	-	(1,605)	-	-	-	(5,659)	-
8200	Net Profit (loss)	60,887	6	66,861	7	157,349	6	137,233	5

See accompanying notes to consolidated financial statements.

8300	Other comprehensive income:								
8310	items that will not be reclassified to profit or loss								
8316	Instruments measured at fair value through other comprehensive income (notes 6(21))	(257)	-	2,606	-	13,042	-	5,022	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(20))	(52)	-	543	-	2,669	-	1,220	-
	Total items that will not be reclassified to profit or loss	(205)	-	2,063	-	10,373	-	3,802	-
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation (notes 6(21))	4,965	-	5,733	-	11,573	-	(10,390)	-
8365	Equity related to Non-current Assets Held for Sale (disposal group) and Discontinued Operations (notes 6(7)(21))	-	-	(2,464)	-	-	-	11,110	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total items that will be reclassified to profit or loss	4,965	-	3,269	-	11,573	-	720	-
8300	Other comprehensive income, net	4,760	-	5,332	-	21,946	-	4,522	-
8500	Comprehensive income	\$ 65,647	6	72,193	7	179,295	6	141,755	5
	Net profit attributable to:								
8610	Owners of the parent company	\$ 60,887	6	66,861	7	157,349	6	137,233	5
8620	Non-controlling interests	-	-	-	-	-	-	-	-
	Net profit for the period	\$ 60,887	6	66,861	7	157,349	6	137,233	5
	Total comprehensive income attributable to:								
8710	Owners of the parent company	\$ 65,647	6	72,193	7	179,295	6	141,755	5
8720	Non-controlling interests	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	\$ 65,647	6	72,193	7	179,295	6	141,755	5
	Basic earnings per share (in dollar, note6(22))								
9750	Total basic earnings per share						-		-
9710	Profit from continuing operations	\$ 0.79		0.95		2.05		2.03	
9720	Loss from discontinued operations	-		(0.02)		-		(0.08)	
9750	Total basic earnings per share	\$ 0.79		0.93		2.05		1.95	
9850	Diluted earnings per share						-		-
9810	Profit from continuing operations	\$ 0.76		0.85		1.96		1.78	
9820	Loss from discontinued operations	-		(0.02)		-		(0.07)	
9850	Diluted earnings per share	\$ 0.76		0.83		1.96		1.71	

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2024 and 2023
(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent						Other equity interest							
	Retained earnings					Total	Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Equity related to Non-current Assets Held for Sale and Discontinued Operations	Total	Treasury stock	Total owners' equity attributable to parent company	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings									
Balance at January 1, 2023	\$ 701,669	164,367	82,199	3,798	310,168	396,165	18,392	7,473	-	25,865	(11,773)	1,276,293	-	1,276,293
Profit	-	-	-	-	137,233	137,233	-	-	-	-	-	137,233	-	137,233
Other comprehensive income	-	-	-	-	-	-	(10,390)	3,802	11,110	4,522	-	4,522	-	4,522
Total comprehensive income	-	-	-	-	137,233	137,233	(10,390)	3,802	11,110	4,522	-	141,755	-	141,755
Earnings allocation and distribution:														
Provision of legal reserve	-	-	20,510	-	(20,510)	-	-	-	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(152,682)	(152,682)	-	-	-	-	-	(152,682)	-	(152,682)
	-	-	20,510	-	(173,192)	(152,682)	-	-	-	-	-	(152,682)	-	(152,682)
Convert of convertible Bond	42,321	72,068	-	-	-	-	-	-	-	-	-	114,389	-	114,389
Balance as of September 30, 2023	\$ 743,990	236,435	102,709	3,798	274,209	380,716	8,002	11,275	11,110	30,387	(11,773)	1,379,755	-	1,379,755
Balance at January 1, 2024	\$ 763,238	267,531	102,709	3,798	429,864	536,371	3,306	12,719	-	16,025	(11,773)	1,571,392	-	1,571,392
Profit	-	-	-	-	157,349	157,349	-	-	-	-	-	157,349	-	157,349
Other comprehensive income	-	-	-	-	-	-	11,573	10,373	-	21,946	-	21,946	-	21,946
Total comprehensive income	-	-	-	-	157,349	157,349	11,573	10,373	-	21,946	-	179,295	-	179,295
Earnings allocation and distribution:														
Provision of legal reserve	-	-	29,289	-	(29,289)	-	-	-	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(113,748)	(113,748)	-	-	-	-	-	(113,748)	-	(113,748)
	-	-	29,289	-	(143,037)	(113,748)	-	-	-	-	-	(113,748)	-	(113,748)
Add of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,123	2,123
Convert of convertible Bond	20,787	32,363	-	-	-	-	-	-	-	-	-	53,150	-	53,150
Capital reserve allotment of cash dividends	-	(113,749)	-	-	-	-	-	-	-	-	-	(113,749)	-	(113,749)
Balance as of September 30, 2024	\$ 784,025	186,145	131,998	3,798	444,176	579,972	14,879	23,092	-	37,971	(11,773)	1,576,340	2,123	1,578,463

See accompanying notes to consolidated financial statements.

YEN SUN TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in thousands of New Taiwan Dollar)

	Nine months ended September 30	
	2024	2023
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	\$ 199,517	179,027
Loss from discontinued operations, before tax	-	(5,659)
Profit before tax	\$ 199,517	173,368
Adjustments:		
Adjustments to reconcile profit (loss):		
Expected credit loss (gain)	1,368	588
Depreciation expense	89,973	89,984
Amortization expense	1,955	1,548
Net profit on financial assets or liabilities at fair value through profit or loss	94	(1,619)
Interest expense	5,395	9,163
Interest revenue	(3,498)	(1,354)
Loss (gain) from disposal of investment property, and property, plant and equipment	39	90
Increase of provision	240	(570)
Unrealized foreign exchange loss (gain)	(8,941)	(5,182)
Deferred income amortized as income	(775)	(583)
Profit from lease modification	-	(23)
Total adjustments to reconcile profit (loss)	85,850	92,042
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(27,207)	4,645
Accounts receivable	(135,180)	(120,230)
Inventories	78,139	27,688
Other current assets	(14,564)	(17,350)
Other financial assets	3,500	2,305
Net defined benefit asset	(10,523)	-
Total net changes in operating assets:	(105,835)	(102,942)
Net changes in operating liabilities:		
Accounts payable	(10,050)	146,360
Other payable	(14,081)	6,073
Other current liabilities	12,228	(3,544)
Net defined benefit liability	-	(457)
Total net changes in operating liabilities	(11,903)	148,432
Total changes in operating assets and liabilities	(117,738)	45,490
Total adjustments	(31,888)	137,532
Cash inflow generated from operating	167,629	310,900
Interest received	3,519	1,354
Interest paid	(4,965)	(7,290)
Income taxes paid	(18,841)	(24,696)
Net cash flows from (used in) operating activities	147,342	280,268
Cash flows from (used in) investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive profit or loss	-	(1,500)
Acquisition of property, plant and equipment	(124,346)	(239,253)
Disposals of property, plant and equipment	80	-
Increase in guarantee deposits paid	(159)	3,207
Acquisition of intangible assets	(625)	(2,730)
Decrease in restricted deposit	8,094	16,958
Increase in prepayments for equipment	(11,437)	(12,212)
Net cash flows from (used in) investing activities:	(128,393)	(235,530)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(500)	(100)
Proceeds from long-term borrowings	45,000	348,580
Repayment of long-term borrowings	(23,982)	(152,555)
Lease liability principal repayment	(26,481)	(23,614)
Increase (decrease) in deposits received	6,381	(4,202)
Cash dividends issuance of ordinary shares	(227,497)	(152,682)
Changes in non-controlling interests	2,123	-
Net cash flows from (used in) financing activities	(224,956)	15,427
Effect of exchange rate changes on cash and cash equivalents	11,906	3,724
Net increase (decrease) in cash and cash equivalents	(194,101)	63,889
Cash and cash equivalents at beginning of period	552,397	180,770
Cash and cash equivalents at end of period	\$ 358,296	244,659
Component of cash and cash equivalents at the end of the period:		
Cash and cash equivalents in the consolidated balance sheet	\$ 358,296	244,272
Cash and cash equivalents classified as non-current assets held for sale (disposal group) and discontinued operations	-	387
Cash and cash equivalents at the end of the period	\$ 358,296	244,659

See accompanying notes to consolidated financial statements.

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

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

For the nine months ended September 30, 2024 and 2023

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

(Reviewed, not audited)

1. Company history

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

2. Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on November 1, 2024.

3. New standards, amendments and interpretations adopted

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

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

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

- (2) **The impact of IFRS endorsed by FSC but not adopted yet**

The Group has initially adopted the following new amendments, which do not have a significant impact on its financial condition and financial performance, from January 1, 2025 :

- Amendments to IAS 21 “Lack of Exchangeability”

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

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

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

New, Amended and Revised Standards and Interpretations	Main revisions	Effective Date Issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The standard introduces three categories of income and expense, two income statement subtotals and a single note on the measurement of management's performance.</p> <p>These three revisions and strengthened guidance on how to segment information in financial statements lay the foundation for providing users with better and more consistent information and will impact all companies.</p>	January 1, 2027
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>·More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses will be classified into three new different categories based on the company's main operating activities.</p> <p>·Management-defined performance measures (MPM): The new standard introduces the definition of management performance measures, requiring companies to explain why each measurement indicator provides useful information and how it is calculated in a single note to the financial statements and how to reconcile measures to amounts recognized under IFRS accounting standards.</p> <p>·More segmented information: The new standard includes guidance on how companies can enhance the grouping of information in financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes.</p>	January 1, 2027

The Group is continuing to evaluate the impact of the above standards and interpretations on the financial position and operating results. The relevant impact will be disclosed when the evaluation is completed.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 - “Amendments to the Classification and Measurement of Financial Instruments”
- IFRS Accounting Standards “Annual Improvements-Volume 11

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

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

(2) Basis of consolidation

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

Name of investor	Name of subsidiary	Business activity	Shareholding			Explanation
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	YEN SUN TECHNOLOGY (BVI) CORP.	Investment holding	-	-	100%	note 1
The Company	YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	-
The Company	LUCRATIVE INT'L GROUP INC.	Investment holding	100%	100%	100%	-
The Company	YEN JIU TECHNOLOGY CORP. (“YEN JIU”)	Sales and manufacture of home appliances products	100%	100%	100%	-
The Company	Y.S. Europe GmbH	Industrial electronic ventilation, cooling modules and smart living system business and application engineering services	81.25%	-	-	note 3
YEN SUN TECHNOLOGY (BVI) CORP.	SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. (“SHANGHAI YENSUN”)	Sales and manufacture of home appliances products	-	-	100%	note 2
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN HUNG INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	Investment holding	100%	100%	100%	-
YEN HUNG INTERNATIONAL CORP.	Y.H. TECH INTERNATIONAL CORP.	Investment holding	100%	100%	100%	-
Y.H. TECH INTERNATIONAL CORP.	DARSON ELECTRONICS (DONGGUAN) LTD. (“DARSON”)	Manufacture of electronic cooling products	100%	100%	100%	-
LUCRATIVE INT'L GROUP INC.	YEN GIANT METAL (DONGGUAN) CO., LTD. (“YEN GIANT”)	Manufacture of electronic cooling fan and heat sink and thermal module products	100%	100%	100%	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

note 3: The company had not completed the registration procedures as of September 30, 2024.

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

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

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

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

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

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

(4) Income tax

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

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

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

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

(5) Employee benefit

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

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

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

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

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

6. Explanation of significant accounting items

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

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash and petty cash	\$ 1,878	2,235	1,300
Demand and check deposits	301,418	411,698	242,972
Demand deposits	<u>55,000</u>	<u>138,464</u>	<u>-</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 358,296</u></u>	<u><u>552,397</u></u>	<u><u>244,272</u></u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Derivatives not designated as hedges			
Convertible bond (Embedded derivatives)	<u><u>\$ 168</u></u>	<u><u>459</u></u>	<u><u>706</u></u>

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

	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Equity instruments at fair value through other comprehensive income:			
Foreign un-listed stocks —			
Y.S. Tech U.S.A Inc.	\$ 41,168	27,828	24,758
Domestic un-listed stocks —			
CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	<u>15,243</u>	<u>15,541</u>	<u>14,054</u>
Total	<u><u>\$ 56,411</u></u>	<u><u>43,369</u></u>	<u><u>38,812</u></u>

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

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of from three and nine months ended September 30, 2024 and 2023.

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

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

(4) Notes and accounts receivable

	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Notes receivable from operating activities	\$ 45,594	17,731	24,872
Accounts receivables–			
measured as amortized cost	899,155	758,495	906,578
Less: Allowance for impairment	<u>(4,340)</u>	<u>(9,950)</u>	<u>(18,889)</u>
	<u>\$ 940,409</u>	<u>766,276</u>	<u>912,561</u>

Book as:

Notes receivable	\$ 45,594	17,731	24,872
Net amount of accounts receivable	<u>894,815</u>	<u>748,545</u>	<u>887,689</u>
	<u>\$ 940,409</u>	<u>766,276</u>	<u>912,561</u>

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

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

	September 30, 2024		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 903,729	0.07%	636
Overdue less than 90 days	36,597	2.33%	853
Overdue 91 to 180 days	1,401	27.91%	391
Overdue 181 to 240 days	2,209	74.56%	1,647
Overdue over 241 days	813	100.00%	813
	<u>\$ 944,749</u>		<u>4,340</u>

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

	September 30, 2023		
	Carrying amount of Notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not over due	\$ 889,158	0.07%	666
Overdue less than 90 days	23,487	3.54%	832
Overdue 91 to 180 days	1,805	22.66%	409
Overdue 181 to 240 days	49	63.27%	31
Overdue over 241 days	16,951	100.00%	16,951
	<u>\$ 931,450</u>		<u>18,889</u>

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

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

	For the nine months ended September 30	
	2024	2023
Balance at January 1	\$ 9,950	19,881
Impairment losses recognized (reversed)	1,373	582
Write off amount due to unable to recovery(Current portion)	(7,042)	(1,594)
Effect of changes in foreign exchange rates	59	20
Balance at September 30	<u>\$ 4,340</u>	<u>18,889</u>

The abovementioned financial assets were not pledged as collateral.

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

(5) Other financial assets

	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Refundable deposits	\$ 10,536	10,120	9,251
Other receivables— Other	11,312	14,612	15,119
Restricted deposits (note)	25,859	33,953	319,244
Less: Loss allowance-Others	-	(5)	(6)
	<u>\$ 47,707</u>	<u>58,680</u>	<u>343,608</u>

note: As of September 30, 2023, \$275,938 thousand in restricted deposits was received in advance for the disposal of SHANGHAI YENSUN and deposited in the bank account jointly managed by both parties according to the agreement. Please refer to Note 6 (7) for details.

Book as:

Other financial assets— current	\$ 23,882	16,637	293,077
Other financial assets— non-current	23,825	42,043	50,531
	<u>\$ 47,707</u>	<u>58,680</u>	<u>343,608</u>

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

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

(6) Inventories

	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Raw materials and supplies	\$ 218,364	243,319	308,121
Work in progress	234,151	255,887	271,152
Finished goods and Merchandise inventories	<u>245,756</u>	<u>268,185</u>	<u>209,316</u>
	<u>\$ 698,271</u>	<u>767,391</u>	<u>788,589</u>

As of three and nine months ended September 30, 2024, and 2023, certain inventory items for which inventory impairment losses had previously been recognized were disposed, leading the elimination of factors causing the net realizable value will be lower than cost. Additionally, a portion of the inventory assessed showed a recovery in net realizable value, resulting in the recognition of inventory impairment reversal gains of \$7,678 thousand, \$2,487 thousand, \$5,176 thousand and \$2,231 thousand, which have been recognized as operating costs deduction.

None abovementioned inventories were pledged as collaterals.

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

On May 3, 2023, the board of directors approved to dispose of its subsidiary, Yen Sun Technology (BVI) Corp.'s 100% equity interest in SHANGHAI YENSUN. The contract of the equity transfer was completed on the same day, with a contract price of RMB 62,500 thousand (approximately NT\$275,938 thousand). As of September 30, 2023, the advance consideration for the disposal price, which amounts to RMB 62,500 thousand (approximately NT\$275,938 thousand) has been received and recognized under other current liabilities. Therefore, the related assets and liabilities have been reported as held for sale non-current assets (or disposal group). As of September 30, 2023, the amounts of assets and liabilities related to the held for sale non-current assets (or disposal group) are \$10,410 thousand and \$972 thousand, respectively. The details are shown as follows:

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

	September 30, 2023
Cash and Cash equivalents	\$ 387
Total current asset	387
Investment property	10,023
Total non-current asset	10,023
Total amount which recognized as held for sale non-current assets (or disposal group)	<u><u>\$ 10,410</u></u>
Other payables	\$ 566
Other current liabilities	406
Total directly related liabilities which recognized as held for sale non-current assets (or disposal group)	<u><u>\$ 972</u></u>
Total directly related equity which recognized as held for sale non-current assets (or disposal group)	<u><u>\$ 11,110</u></u>

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

(8) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Mold Equipment	Miscellaneo us equipment	Constructio n in progress	Total
Cost or deemed cost:							
Balance at January 1, 2024	\$ 291,848	231,325	322,152	468,703	126,495	294,710	1,735,233
Additions	-	1,710	14,550	19,562	3,423	107,217	146,462
Disposals	-	-	(4,116)	(4,492)	(5,902)	-	(14,510)
Effect of movements in exchange rates	-	1,216	5,252	4,145	845	-	11,458
Balance at September 30, 2024	<u><u>\$ 291,848</u></u>	<u><u>234,251</u></u>	<u><u>337,838</u></u>	<u><u>487,918</u></u>	<u><u>124,861</u></u>	<u><u>401,927</u></u>	<u><u>1,878,643</u></u>
Balance at January 1, 2023	\$ 291,848	225,213	312,501	462,977	120,243	57,636	1,470,418
Additions	-	5,077	10,629	10,720	2,515	219,644	248,585
Disposals	-	(841)	(3,416)	(7,258)	(510)	-	(12,025)
Effect of movements in exchange rates	-	54	191	173	32	-	450
Balance at September 30, 2023	<u><u>\$ 291,848</u></u>	<u><u>229,503</u></u>	<u><u>319,905</u></u>	<u><u>466,612</u></u>	<u><u>122,280</u></u>	<u><u>277,280</u></u>	<u><u>1,707,428</u></u>

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

		Land	Building and construction	Machinery and equipment	Mold Equipment	Miscellaneo us equipment	Constructio n in progress	Total
Accumulated depreciation and Impairment:								
Balance at January 1, 2024	\$	-	88,994	208,870	416,811	90,255	-	804,930
Depreciation for the year		-	12,331	24,295	20,549	8,901	-	66,076
Disposals		-	-	(4,098)	(4,464)	(5,829)	-	(14,391)
Effect of movements in exchange rates		-	933	2,505	2,753	569	-	6,760
Balance at September 30, 2024	\$	-	102,258	231,572	435,649	93,896	-	863,375
Balance at January 1, 2023	\$	-	73,925	182,661	398,630	80,122	-	735,338
Depreciation for the year		-	12,160	22,752	21,308	8,342	-	64,562
Disposals		-	(841)	(3,381)	(7,218)	(495)	-	(11,935)
Effect of movements in exchange rates		-	34	99	120	24	-	277
Balance at September 30, 2023	\$	-	85,278	202,131	412,840	87,993	-	788,242
Carrying amounts:								
Balance at January 1, 2024	\$	<u>291,848</u>	<u>142,331</u>	<u>113,282</u>	<u>51,892</u>	<u>36,240</u>	<u>294,710</u>	<u>930,303</u>
Balance at September 30, 2024	\$	<u>291,848</u>	<u>131,993</u>	<u>106,266</u>	<u>52,269</u>	<u>30,965</u>	<u>401,927</u>	<u>1,015,268</u>
Balance at January 1, 2023	\$	<u>291,848</u>	<u>151,288</u>	<u>129,840</u>	<u>64,347</u>	<u>40,121</u>	<u>57,636</u>	<u>735,080</u>
Balance at September 30, 2023	\$	<u>291,848</u>	<u>144,225</u>	<u>117,774</u>	<u>53,772</u>	<u>34,287</u>	<u>277,280</u>	<u>919,186</u>

As of three months and nine months ended September 30, 2024, and 2023, the capitalized amount that related to the construction of the new factory of the Group were \$2,675 thousand, \$1,288 thousand, \$7,341 thousand and \$2,712 thousand, which was calculated based on the capitalization rate of 1.79%, 1.88%, 1.79% and 1.88%.

Please refer to Note 6(25) for detail of disposal gain and loss. Property, plant and equipment pledged as collateral for long-term loans and finance were disclosed in note 8.

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

(9) Right-of-use assets

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

	<u>Land</u>	<u>Building and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Right-of-use assets cost:				
Balance at January 1, 2024	\$ 138,850	213,429	3,203	355,482
Additions	-	14,698	325	15,023
Decrease	(115)	-	(607)	(722)
Effect of movements in exchange rates	-	7,114	-	7,114
Balance at September 30, 2024	<u><u>\$ 138,735</u></u>	<u><u>235,241</u></u>	<u><u>2,921</u></u>	<u><u>376,897</u></u>
Balance at January 1, 2023	\$ 139,355	211,565	3,927	354,847
Additions	-	4,812	-	4,812
Decrease	(505)	-	(3,319)	(3,824)
Effect of movements in exchange rates	-	246	-	246
Balance at September 30, 2023	<u><u>\$ 138,850</u></u>	<u><u>216,623</u></u>	<u><u>608</u></u>	<u><u>356,081</u></u>
Accumulated Depreciation:				
Balance at January 1, 2024	\$ 4,595	119,659	701	124,955
Additions	2,146	23,030	795	25,971
Decrease	-	-	(607)	(607)
Effect of movements in exchange rates	-	4,603	-	4,603
Balance at September 30, 2024	<u><u>\$ 6,741</u></u>	<u><u>147,292</u></u>	<u><u>889</u></u>	<u><u>154,922</u></u>
Balance at January 1, 2023	\$ 1,731	91,460	1,979	95,170
Additions	2,149	22,338	772	25,259
Decrease	-	-	(2,270)	(2,270)
Effect of movements in exchange rates	-	207	-	207
Balance at September 30, 2023	<u><u>\$ 3,880</u></u>	<u><u>114,005</u></u>	<u><u>481</u></u>	<u><u>118,366</u></u>
Carrying amounts:				
Balance at January 1, 2024	<u><u>\$ 134,255</u></u>	<u><u>93,770</u></u>	<u><u>2,502</u></u>	<u><u>230,527</u></u>
Balance at September 30, 2024	<u><u>\$ 131,994</u></u>	<u><u>87,949</u></u>	<u><u>2,032</u></u>	<u><u>221,975</u></u>
Balance at January 1, 2023	<u><u>\$ 137,624</u></u>	<u><u>120,105</u></u>	<u><u>1,948</u></u>	<u><u>259,677</u></u>
Balance at September 30, 2023	<u><u>\$ 134,970</u></u>	<u><u>102,618</u></u>	<u><u>127</u></u>	<u><u>237,715</u></u>

For the three months and nine months ended September 30, 2024, the capitalized amount of the depreciation expense of the right-of-use assets were \$691 thousand and \$2,074 thousand.

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

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

(10) Investment Property

	Owne property	Building and construction	
	Building and construction	Land	Total
Cost & recognized as cost			
Balance at January 1, 2023	\$ 38,474	7,429	45,903
Transfer to Non-current Assets Held for Sale	(38,535)	(7,441)	(45,976)
Effect of movements in exchange rates	61	12	73
Balance at September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>
Accumulated Depreciation:			
Balance at January 1, 2023	\$ 34,589	1,143	35,732
Depreciation of current portion	20	143	163
Transfer to Non-current Assets Held for Sale	(34,665)	(1,288)	(35,953)
Effect of movements in exchange rates	56	2	58
Balance at September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>
Carrying amounts:			
Balance at January 1, 2023	<u>\$ 3,885</u>	<u>6,286</u>	<u>10,171</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>-</u>

None investment property were pledged as collateral.

(11) Intangible assets

	Computer software	Other	Total
Carrying amounts:			
Balance at January 1, 2024	<u>\$ 8,298</u>	<u>-</u>	<u>8,298</u>
Balance at September 30, 2024	<u>\$ 6,993</u>	<u>-</u>	<u>6,993</u>
Balance at January 1, 2023	<u>\$ 4,397</u>	<u>134</u>	<u>4,531</u>
Balance at September 30, 2023	<u>\$ 5,700</u>	<u>13</u>	<u>5,713</u>

There was no significant increase for acquisition, disposal, reversal or write-down of impairment loss of intangible assets for the nine months ended September 30, 2024 and 2023. Please refer Note 6(10) of the consolidated financial report for the year ended December 31, 2023 for other related information.

None intangible assets pledged as collateral.

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

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayment for purchases	\$ 9,915	9,155	3,376
Prepaid expense	8,278	6,266	7,968
Prepayments for equipment	11,437	11,925	12,212
Income tax refund receivable	46,449	34,354	44,522
Assets for right to recover	<u>3,285</u>	<u>2,253</u>	<u>1,560</u>
product to be returned and other			
	<u>\$ 79,364</u>	<u>63,953</u>	<u>69,638</u>
Current	\$ 67,927	52,028	57,426
Non-current	<u>11,437</u>	<u>11,925</u>	<u>12,212</u>
	<u>\$ 79,364</u>	<u>63,953</u>	<u>69,638</u>

(13) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Letter of credit borrowing	\$ -	500	-
Unsecured bank loans	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>500</u>	<u>-</u>
Unused short-term credit lines	<u>\$ 1,299,974</u>	<u>1,052,817</u>	<u>1,096,768</u>
Range of interest rates	<u>-</u>	<u>6.9%</u>	<u>-</u>

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

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

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank borrowings	\$ 156,833	167,485	169,781
Secured bank loans	<u>301,028</u>	<u>268,511</u>	<u>268,385</u>
	457,861	435,996	438,166
Less: current portion	<u>34,561</u>	<u>24,032</u>	<u>18,655</u>
Total	<u>\$ 423,300</u>	<u>411,964</u>	<u>419,511</u>
Unused long-term credit lines	<u>\$ 308,170</u>	<u>349,420</u>	<u>349,420</u>
Range of interest rates	<u>1.38%~1.88%</u>	<u>1.38%~1.95%</u>	<u>1.38%~1.95%</u>

- A. During the period from January 1 to September 30, 2024 and 2023, the Group added long-term borrowings with \$45,000 thousand and \$348,580 thousand, interest rates ranging from 1.88% and 1.63% to 1.75%, respectively. Repayments during the periods of January 1 to September 30, 2024 and 2023, amounted to \$23,982 thousand and \$152,555 thousand, respectively. Please refer to Note 6 (24) for interest expenses. For other related information, please refer to Note 6 (13) of the consolidated financial report for the year ended December 31, 2023.

In 2022, the Group acquired low-interest loan from “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” which host by Executive Yuan, R.O.C. (Taiwan). As of nine months ended September 30, 2024, the year ended December 31, 2023, and nine months ended September 30, 2023 the loan amount was \$463,997 thousand, \$434,413 thousand and \$436,913 thousand, respectively; the loan is recognized and measured at market interest rates, the difference between the actual repayment preferential interest rate shall be handled according to government subsidy, please refer to Note 4(17) of the consolidated financial report for the year ended December 31, 2023 for other related information.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the deferred subsidy benefits amounted to \$7,656 thousand, \$7,675 thousand and \$7,940 thousand, respectively, and were recognized as other current liabilities in the balance sheet, which is amounted to \$921 thousand, \$1,019 thousand and \$1,040 thousand, respectively. The long-term deferred revenue amounted to \$6,735 thousand, \$6,656 thousand and \$6,900 thousand.

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

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

(15) Bonds payable

The details of secured convertible bonds were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total convertible corporate bonds issued	\$ 300,000	300,000	300,000
Add: Interest payable refund	504	681	861
Less: Cumulative converted amount	(232,900)	(179,100)	(127,900)
Less: Unamortized discounted bonds payable	(812)	(2,003)	(3,106)
Less: Part due within one year	<u>(66,792)</u>	<u>(119,578)</u>	<u>-</u>
Issued bonds payable balance at year-end	<u>\$ -</u>	<u>-</u>	<u>169,855</u>
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	<u>\$ 168</u>	<u>459</u>	<u>706</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 8,363</u>	<u>15,068</u>	<u>21,450</u>

The original recognized effective interest rate of the aforementioned convertible bonds payable component is 0.85%. Please refer to Note 6 (25) for the amount of recognized interest expenses.

For the information of bondholder exercise puttable option that converts bonds payable into ordinary shares from January 1 to September 30, 2024 and 2023, please refer to Note 6 (21).

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

(16) Lease liabilities

The details of lease liabilities were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	<u>\$ 36,004</u>	<u>32,766</u>	<u>32,621</u>
Non-current	<u>\$ 169,355</u>	<u>181,259</u>	<u>187,851</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30, 2024</u>	<u>For the three months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2023</u>
Interest on lease liabilities	<u>\$ 1,263</u>	<u>1,457</u>	<u>3,835</u>	<u>4,576</u>
Expenses relating to short-term leases	<u>\$ 135</u>	<u>133</u>	<u>424</u>	<u>627</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 133</u>	<u>115</u>	<u>376</u>	<u>320</u>

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

	<u>For the nine months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2023</u>
Total cash outflow for leases	<u>\$ 31,116</u>	<u>29,137</u>

A. Lease of land, Building and construction

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

B. Other leases

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

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

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

(17) Other current and non-current liabilities

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Advance receipts	\$ 19,044	9,230	9,899
Guarantee deposit	6,381	-	-
Provision for warranties	672	432	501
Deposit received-Equity sale	9,638	6,931	5,074
Refund liabilities	-	-	275,938
Other	19,431	19,814	12,378
	<u>\$ 55,166</u>	<u>36,407</u>	<u>303,790</u>

There was no significant movement of liabilities provision for the nine months ended September 30, 2024 and 2023. Please refer Note 6(16) of consolidated financial report for the year ended December 31, 2023 for other related information

(18) Operating lease

There was no significant movement and addition of operating lease contracts for the nine months ended September 30, 2024 and 2023. Please refer Note 6(17) of consolidated financial report for the year ended December 31, 2023 for other related information.

(19) Employee benefits

A. Defined benefit plans

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

Cost recognized in expense was as below:

	<u>For the three months ended September 30, 2024</u>	<u>For the three months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2023</u>
Operating cost	\$ 31	48	94	143
Selling expenses	9	14	26	40
Total	<u>\$ 40</u>	<u>62</u>	<u>120</u>	<u>183</u>

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

B. Defined contribution plans

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating cost	\$ 3,758	3,795	10,889	10,499
Selling expenses	738	629	2,094	1,872
General and administrative expenses	750	725	2,237	2,063
Research and development expenses	1,183	1,043	3,423	2,944
Total	<u><u>\$ 6,429</u></u>	<u><u>6,192</u></u>	<u><u>18,643</u></u>	<u><u>17,378</u></u>

(20) Income tax

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Current income tax expense	<u><u>\$ 19,515</u></u>	<u><u>11,191</u></u>	<u><u>42,168</u></u>	<u><u>36,135</u></u>

The Group recognize income tax which under other comprehensive income for the three months and nine months ended September 2024 and 2023 was \$(52) thousand, \$543 thousand, \$2,669 thousand and \$ 1,220 thousand, respectively.

The Company's income tax returns for all fiscal years up to 2022 have been examined and approved by the tax authority.

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

(21) Capital and other equity

A. Common stock

As of September 30, 2024, December 31, 2023 and September 30, 2023; the total value of authorized ordinary shares amounted to \$ 1,500,000 thousand, with par value \$10, respectively. Issued shares were 78,403 thousand shares, 76,324 thousand shares and 74,399 thousand shares. All the capital was fully paid in.

Reconciliation of shares outstanding for the nine months ended September 30, 2024 and 2023 was as follows (766 thousand shares of treasury stock buyback has been deducted):

	Common shares	
	For the three months ended September 30, 2024	For the nine months ended September 30, 2023
(in thousands of shares)		
Balance on January 1	75,558	69,401
Converting of convertible bonds	2,079	4,232
Balance on September 30	77,637	73,633

From January 1 to September 30, 2024, due to the exercise the puttable option by the holders of convertible bonds, the Group converted the bonds payable with a par value of \$53,800 thousand into \$2,079 thousand common shares and issued with the par value of \$20,787 thousand; considering the discount of bonds payable and interest compensation of \$453 thousand and the amount of financial assets measured at fair value through profit and loss: \$197 thousand and additional paid-in capital - bond payable stock option of \$6,705 thousand will be recognized as additional paid-in capital - conversion excess of par of bond payable of \$39,068 thousand. As of September 30, 2024, there are \$372 thousand shares still pending for legal registration procedures.

From January 1 to September 30, 2023, due to the exercise the puttable option by the holders of convertible bonds, the Group converted the bonds payable with a par value of \$116,500 thousand into 4,232 thousand common shares and issued with the par value of \$42,321 thousand; considering the discount of bonds payable and interest compensation of \$1,746 thousand and the amount of financial assets measured at fair value through profit and loss: \$365 thousand and additional paid-in capital - bond payable stock option of \$14,520 thousand will be recognized as additional paid-in capital - conversion excess of par of bond payable of \$86,588 thousand. The related legal registration procedures have been completed.

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

B. Capital surplus

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Premium on conversion of convertible bonds	\$ 144,998	219,679	182,201
Expired share option	18,643	18,643	18,643
Treasury share transactions	14,141	14,141	14,141
Conversion option of convertible bonds	8,363	15,068	21,450
	<u>\$ 186,145</u>	<u>267,531</u>	<u>236,435</u>

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

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

C. Retained earnings

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

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

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

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the board meeting on March 4, 2024 and March 8, 2023. The relevant dividend distributions to shareholders were as follows:

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

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

D. Other equity (Net amount after tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Directly related equity which recognized as held for sale non-current assets	Total
Balance at January 1, 2024	\$ 3,306	12,719	-	16,025
Changes of the Group	11,573	10,373	-	21,946
Balance at September 30, 2024	<u>\$ 14,879</u>	<u>23,092</u>	<u>-</u>	<u>37,971</u>
Balance at January 1, 2023	\$ 18,392	7,473	-	25,865
Changes of the Group	(10,390)	3,802	11,110	4,522
Balance at September 30, 2023	<u>\$ 8,002</u>	<u>11,275</u>	<u>11,110</u>	<u>30,387</u>

E. Treasury stock

In accordance with Article 28-2 of the Securities and Exchange Act, the company bought back a total of 766 thousand treasury shares for the transfer of shares to employees, at a cost of \$ 11,773 thousand. As of September 30, 2024, December 31, 2023 and September 30, 2023, the total number of shares that haven't transfer to employees was 766 thousand shares, respectively.

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

(22) Earnings per share

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Basic earnings per share				
Net profit attributable to the Company for the current period - Continuing operations	\$ 60,887	68,466	157,349	142,892
Net loss attributable to the Company for the current period - Discontinuing operation	-	(1,605)	-	(5,659)
Profit attributable to ordinary shareholders of the Company	<u>\$ 60,887</u>	<u>66,861</u>	<u>157,349</u>	<u>137,233</u>
Weighted-average number of ordinary shares	<u>77,434</u>	<u>72,118</u>	<u>76,727</u>	<u>70,374</u>
Earnings per share				
Net profit of Continuing operations	\$ 0.79	0.95	2.05	2.03

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

Net loss of Discontinuing operation	-	(0.02)	-	(0.08)
	<u>\$ 0.79</u>	<u>0.93</u>	<u>2.05</u>	<u>1.95</u>
Diluted earnings per share				
Net profit attributable to ordinary shareholders of the Company— Continuing operations	\$ 60,887	68,466	157,349	142,892
Net loss attributable to ordinary shareholders of the Company— Discontinuing operation	-	(1,605)	-	(5,659)
After-tax effects of Interest expenses and other gains or losses on convertible bonds	146	40	524	(21)
Net profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 61,033</u>	<u>66,901</u>	<u>157,873</u>	<u>137,212</u>
Weighted-average number of common shares(thousand)	77,434	72,118	76,727	70,374
Effect on employee compensation (thousand)	80	73	111	111
Effect of convertible bonds	<u>2,855</u>	<u>7,985</u>	<u>3,562</u>	<u>9,729</u>
Weighted average number of ordinary shares outstanding during the period(After adjusted effected amount of potentially dilutive common stock)(thousand)	<u>80,369</u>	<u>80,176</u>	<u>80,400</u>	<u>80,214</u>
Diluted earnings per share				
Net profit of Continuing operations	\$ 0.76	0.85	1.96	1.78
Net loss of Discontinuing operation	-	(0.02)	-	(0.07)
	<u>\$ 0.76</u>	<u>0.83</u>	<u>1.96</u>	<u>1.71</u>

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

(23) Revenue from contracts with customers

A. Details of revenue

For the three months ended September 30, 2024			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 121,833	278,254	400,087
Mainland China	-	168,677	168,677
Germany	-	396,572	396,572
America	423	23,402	23,825
Japan	4,479	355	4,834
South Korea	-	23,340	23,340
Others	10	14,452	14,462
	\$ 126,745	905,052	1,031,797
Major products services lines:			
Cooling fan, Heat sink and thermal module	\$ -	904,525	904,525
Product of home appliances–air series	70,591	-	70,591
Product of home appliances–water series	45,948	-	45,948
Others	10,206	527	10,733
	\$ 126,745	905,052	1,031,797
For the three months ended September 30, 2023			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 81,305	327,696	409,001
Mainland China	-	125,304	125,304
Germany	-	340,544	340,544
America	214	73,963	74,177
Japan	2	112	114
South Korea	-	22,963	22,963
Others	26	24,191	24,217
	\$ 81,547	914,773	996,320
Major products services lines:			
Cooling fan, Heat sink and thermal module	\$ -	908,160	908,160
Product of home appliances–air series	31,548	-	31,548
Product of home appliances–water series	40,215	-	40,215
Others	9,784	6,613	16,397
	\$ 81,547	914,773	996,320

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

For the nine months ended September 30, 2024			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 477,590	715,876	1,193,466
Mainland China	-	417,426	417,426
Germany	-	1,059,169	1,059,169
America	5,131	81,760	86,891
Japan	8,709	777	9,486
South Korea	-	55,167	55,167
Others	3,473	91,736	95,209
	<u>\$ 494,903</u>	<u>2,421,911</u>	<u>2,916,814</u>
Major products services lines:			
Cooling fan, Heat sink and thermal module	\$ -	2,411,482	2,411,482
Product of home appliances–air series	335,587	-	335,587
Product of home appliances–water series	128,333	-	128,333
Others	30,983	10,429	41,412
	<u>\$ 494,903</u>	<u>2,421,911</u>	<u>2,916,814</u>
For the nine months ended September 30, 2023			
	Home appliance Department	Electronic cooling Department	Total
Primary geographical markets:			
Domestic	\$ 481,042	847,900	1,328,942
Mainland China	1,011	318,753	319,764
Germany	676	782,208	782,884
America	7,629	183,146	190,775
Japan	10,355	717	11,072
South Korea	-	57,845	57,845
Others	15,566	104,652	120,218
	<u>\$ 516,279</u>	<u>2,295,221</u>	<u>2,811,500</u>
Major products services lines:			
Cooling fan, Heat sink and thermal module	\$ -	2,273,231	2,273,231
Product of home appliances–air series	348,012	-	348,012
Product of home appliances–water series	134,993	-	134,993
Others	33,274	21,990	55,264
	<u>\$ 516,279</u>	<u>2,295,221</u>	<u>2,811,500</u>

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

B. Contract balance

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes and accounts receivables	\$ 944,749	776,226	931,450
Less: allowance for impairment	<u>(4,340)</u>	<u>(9,950)</u>	<u>(18,889)</u>
Total	<u>\$ 940,409</u>	<u>766,276</u>	<u>912,561</u>
Contract liabilities — unearned revenue	<u>\$ 19,044</u>	<u>9,230</u>	<u>9,899</u>

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

The unearned revenue balance at January 1, 2024 and 2023; have been recognized as revenue for the three and nine months ended at September 30, 2024 and 2023 with total amounts of \$0 thousand, \$1,849 thousand, \$3,824 thousand and \$8,349 thousand, respectively.

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

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

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

For the three and nine months ended at September 30, 2024 and 2023, the Company accrued the compensation of employees amounted to \$1,466 thousand, \$1,656 thousand, \$3,888 thousand and \$3,432 thousand, respectively. And the remuneration of directors' amounted to \$733 thousand, \$828 thousand, \$1,944 thousand and \$1,716 thousand, respectively. The compensation of employees, remuneration of directors were estimated as the Company's net income before tax, excluding compensation of employees and remuneration of directors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses recognized under operating costs or operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of

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

Directors resolve to issue its stocks as the compensation of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

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

(25) Non-operating income and expenses

A. Interest income:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Bank deposit	\$ 392	290	3,492	1,346
Other interest income	-	1	6	8
Less: Interest income belonging to discontinuing operation	-	-	-	4
	<u><u>\$ 392</u></u>	<u><u>291</u></u>	<u><u>3,498</u></u>	<u><u>1,350</u></u>

B. Other income:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Sample income	\$ 969	2,398	5,965	4,400
	146	237	402	4,055
Mold income	1,508	(201)	2,671	4,179
Others	4,813	4,992	10,191	14,557
Less: Other income belonging to discontinuing operation	-	(7)	-	3,153
	<u><u>\$ 7,436</u></u>	<u><u>7,433</u></u>	<u><u>19,229</u></u>	<u><u>24,038</u></u>

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

C. Other gains and losses:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Net profit on foreign				
exchange gains	\$ (10,267)	17,748	22,827	22,457
Net loss on disposal of				
investment property and				
property, plant and				
equipment	(26)	(28)	(39)	(90)
Net loss on Callable/ Putable				
bonds payable value	(34)	359	(94)	1,619
Others	23	(23)	-	(179)
Less: Other income belonging				
to discontinuing operation	-	414	-	(5,230)
	<u><u>\$ (10,304)</u></u>	<u><u>17,642</u></u>	<u><u>22,694</u></u>	<u><u>29,037</u></u>

D. Finance costs

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest expenses				
Bank loan	\$ (617)	(803)	(1,957)	(2,996)
Lease liability	(1,263)	(1,457)	(3,835)	(4,576)
Amortization of discount on				
bonds payable & Others	(148)	(408)	(561)	(1,591)
Less: Capitalisation of interest	319	-	958	-
	<u><u>\$ (1,709)</u></u>	<u><u>(2,668)</u></u>	<u><u>(5,395)</u></u>	<u><u>(9,163)</u></u>

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

(26) Financial instruments

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

A. Credit risk

a. Exposures of credit risk

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

b. Concentration of credit risk

The major customers of the Company are centralized in industries within similar areas and dealers. To reduce concentration of credit risk, the Company evaluates those customers' financial positions and requires customers to provide collateral, if necessary. In addition, the Company evaluates the possibility of collecting the notes and accounts receivable periodically. As of September 30, 2024, December 31, 2023 and September 30, 2023, major customers of the Company was significant focus on certain customer; one of the customer accounted for 30.75%, 19.20% and 27.52% of the notes and accounts receivable, respectively.

c. Credit risk of receivable and debt instrument investment

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

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

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

September 30, 2024			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 10,536	-	-
Other receivable	7,555	3,757	-
Restricted Deposit	25,859	-	-
Loss allowance	-	-	-
Amortized cost	<u>\$ 43,950</u>	<u>3,757</u>	<u>-</u>
Carrying amount	<u>\$ 43,950</u>	<u>3,757</u>	<u>-</u>

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

September 30 2023			
	Financial assets measured at amortized cost		
	12-month ECL	Lifetime ECL-unimpaired	Lifetime ECL-impaired
Refundable deposits	\$ 9,251	-	-
Other receivable	9,158	5,955	6
Restricted Deposit	319,244	-	-
Loss allowance	-	-	(6)
Amortized cost	<u>\$ 337,653</u>	<u>5,955</u>	<u>-</u>
Carrying amount	<u>\$ 337,653</u>	<u>5,955</u>	<u>-</u>

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

The movement in the provision for impairment with respect to the financial assets measured at amortized cost as of nine months ended September 30, 2024 and 2023 were as follows:

For the nine months ended September 30, 2024				
	12-month	Lifetime	Lifetime	
	ECL	ECL-unimpaired	ECL-impaired	Total
Balance at January 1, 2024	\$ -	-	5	5
Impairment loss recognized	-	-	(5)	(5)
Balance at September 30, 2024	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the nine months ended September 30, 2023				
	12-month	Lifetime	Lifetime	
	ECL	ECL-unimpaired	ECL-impaired	Total
Balance at January 1, 2023	\$ -	-	-	-
Effect of changes in foreign currency exchange rates	-	-	6	6
Balance at September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>6</u>	<u>6</u>

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

B. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contract ed cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>over 5 years</u>
<u>September 30, 2024</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 457,861	491,050	18,920	21,866	77,935	236,449	135,880
Accounts payable (non-interest bearing)	715,781	715,781	715,781	-	-	-	-
Other payables (non-interest bearing)	211,330	211,330	211,330	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	66,792	67,943	67,943	-	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	205,359	244,264	19,155	21,082	36,992	31,513	135,522
Guarantee deposits (non-interest bearing)	7,950	7,950	-	6,381	1,569	-	-
	<u>\$ 1,665,073</u>	<u>1,738,318</u>	<u>1,033,129</u>	<u>49,329</u>	<u>116,496</u>	<u>267,962</u>	<u>271,402</u>
<u>December 31, 2023</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 436,496	470,092	11,225	18,845	43,494	237,737	158,791
Accounts payable (non-interest bearing)	710,613	710,613	710,613	-	-	-	-
Other payables (non-interest bearing)	216,641	216,641	216,641	-	-	-	-
Corporate bonds with put option within one year (fixed interest rate)	119,578	122,418	-	122,418	-	-	-
Lease liability (maturity within one year) (fixed interest rate)	214,025	255,436	20,257	17,244	36,416	41,361	140,158
Guarantee deposits (non-interest bearing)	1,569	1,569	-	-	1,569	-	-
	<u>\$ 1,698,922</u>	<u>1,776,769</u>	<u>958,736</u>	<u>158,507</u>	<u>81,479</u>	<u>279,098</u>	<u>298,949</u>
<u>September 30, 2023</u>							
Non-derivative financial liabilities							
Bank loan (Long- and Short-term borrowing) (floating rate)	\$ 438,166	473,676	8,187	16,057	40,546	235,463	173,423
Accounts payable (non-interest bearing)	782,973	782,973	782,973	-	-	-	-
Other payables (non-interest bearing)	175,413	175,413	175,413	-	-	-	-
Bonds payable (fixed interest rate)	169,855	174,262	-	-	-	174,262	-
Lease liability (maturity within one year) (fixed interest rate)	220,472	263,321	18,189	19,519	36,077	48,390	141,146
Guarantee deposits (non-interest bearing)	1,568	1,568	-	-	1,568	-	-
	<u>\$ 1,788,447</u>	<u>1,871,213</u>	<u>984,762</u>	<u>35,576</u>	<u>78,191</u>	<u>458,115</u>	<u>314,569</u>

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

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

C. Market Risk

I. Exchange rate risk

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

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount
Financial assets									
<u>Monetary items</u>									
USD	\$ 37,414	31.65	1,184,139	34,187	30.705	1,049,702	41,703	32.27	1,345,748
EUR	369	35.38	13,052	387	33.98	13,139	581	33.91	19,709
CNY	721	4.523	3,250	65,006	4.327	281,286	9,492	4.415	41,867
<u>Non-monetary item</u>									
USD	1,301	31.65	41,168	906	30.705	27,828	767	32.27	24,758
Financial liabilities									
<u>Monetary items</u>									
USD	21,394	31.65	677,117	21,771	30.705	668,516	28,085	32.27	906,285
EUR	-	-	-	29	33.98	987	21	33.91	704
CNY	602	4.523	2,723	3,148	4.327	13,622	9,306	4.415	41,056
TWD	17,317	1	17,317	25,725	1	25,725	33,259	1	33,259

The foreign currency risk of Group was mainly incurred from the translation cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through profit or loss, accounts payable, and other payables. As of the nine months end of September 30, 2024 and 2023, the exchange rate of the TWD versus the USD, CNY and EUR increases or decreases by 1%, given no changes in other factors, profit after tax will increase or decrease by \$4,165 thousand and \$3,674 thousand, respectively. The analysis adopt same assumes of variables.

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

	For the nine months ended September 31, 2024		For the nine months ended September 31, 2023	
	Profit(loss) of exchange	Average exchange rate	Profit(loss) of exchange	Average exchange rate
TWD	\$ 14,795	-	19,482	-
CNY	8,033	4.44	2,975	4.39
	<u>\$ 22,828</u>		<u>22,457</u>	

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

II. Interest rate analysis

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

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

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

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

	Interest increase 0.25%	Interest decrease 0.25%
Net profits after tax, January to September, 2024	Net profit decreases \$696 thousand	Net profit increase \$696 thousand
Net profits after tax, January to September, 2023	Net profit decreases \$668 thousand	Net profit increase \$668 thousand

III. Other price risk

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

	For the nine months ended September 30,2024		For the nine months ended September 30,2023	
Equity price at reporting date	Other comprehensive income After tax	Net income	Other comprehensive income After tax	Net income
Increase 3%	\$ 1,445	-	1,016	-
Decrease 3%	\$ (1,445)	-	(1,016)	-

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

D. Fair value

I. Categories and fair values of financial instruments

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

	Carrying Amount	September 30, 2024			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	\$ <u>168</u>	-	168	-	168
Financial assets at FVOCI					
Foreign unlisted stock	\$ 41,168	-	-	41,168	41,168
Domestic unlisted stock	<u>15,243</u>	-	-	15,243	15,243
Subtotal	<u>\$ 56,411</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 358,296	-	-	-	-
Notes and accounts receivables	940,409	-	-	-	-
Other Financial assets -current	23,882	-	-	-	-
Other Financial assets -non current	<u>23,825</u>	-	-	-	-
Subtotal	<u>\$ 1,346,412</u>				
Financial liabilities at amortized cost					
Account payable	\$ 715,781	-	-	-	-
Other payable	211,330	-	-	-	-
Long- term borrowing (Current portion)	34,561	-	-	-	-
Lease liability — current	36,004	-	-	-	-
Long -term borrowing	423,300	-	-	-	-
Lease liability — non current	169,355	-	-	-	-
Corporate bonds with put option within one year	66,792	-	65,698	-	65,698
Deposits received	<u>7,950</u>	-	-	-	-
Subtotal	<u>\$ 1,665,073</u>				

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

	December 31, 2023				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	\$ <u>459</u>		459		459
Financial assets at FVOCI					
Foreign unlisted stock	\$ 27,828	-	-	27,828	27,828
Domestic unlisted stock	<u>15,541</u>	-	-	15,541	15,541
Subtotal	<u>\$ 43,369</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 552,397	-	-	-	-
Notes and accounts receivables	766,276	-	-	-	-
Other Financial assets -current	16,637	-	-	-	-
Other Financial assets -non current	<u>42,043</u>	-	-	-	-
Subtotal	<u>\$ 1,377,353</u>				
Financial liabilities at amortized cost					
Short-term borrowing	\$ 500	-	-	-	-
Account payable	710,613	-	-	-	-
Other payable	216,641	-	-	-	-
Long- term borrowing (Current portion)	24,032	-	-	-	-
Lease liability — current	32,766	-	-	-	-
Long -term borrowing	411,964	-	-	-	-
Lease liability — non current	181,259	-	-	-	-
Corporate bonds with put option within one year	119,578	-	117,503	-	117,503
Deposits received	<u>1,569</u>	-	-	-	-
Subtotal	<u>\$ 1,698,922</u>				

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

	September 30, 2023				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Sold back option/ Buy back option of convertible bond	\$ <u>706</u>	-	706	-	706
Financial assets at FVOCI					
Foreign unlisted stock	\$ 24,758	-	-	24,758	24,758
Domestic unlisted stock	<u>14,054</u>	-	-	14,054	14,054
Subtotal	<u>\$ 38,812</u>				
Financial assets at amortized cost					
Cash and cash equivalent	\$ 244,272	-	-	-	-
Notes and accounts receivables	912,561	-	-	-	-
Other Financial assets -current	293,077	-	-	-	-
Other Financial assets -non current	<u>50,531</u>	-	-	-	-
Subtotal	<u>\$ 1,500,441</u>				
Financial liabilities at amortized cost					
Account payable	\$ 782,973	-	-	-	-
Other payable	175,413	-	-	-	-
Long- term borrowing (Current portion)	18,655	-	-	-	-
Lease liability— current	32,621	-	-	-	-
Long -term borrowing	419,511	-	-	-	-
Lease liability— non current	187,851	-	-	-	-
Bonds payable	169,855	-	166,765	-	166,765
Deposits received	<u>1,568</u>	-	-	-	-
Subtotal	<u>\$ 1,788,447</u>				

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

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

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

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

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

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

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

III. Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments:

(i) Non-derivative financial instruments:

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

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

(ii) Derivative financial instruments:

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

IV. Transfers between Level 1 and Level 2

For the nine months ended September 30, 2024 and 2023, there was no transfer in the fair value grade of financial instruments assessed by the Group.

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

	Financial assets measured at fair value through other comprehensive income	
	Equity investment without an active market	
Balance at January 1, 2024	\$	43,369
Profit or loss-Recognized in other comprehensive profit or loss		<u>13,042</u>
Balance at September 30, 2024	\$	<u>56,411</u>
Balance at January 1, 2024	\$	32,290
Acquisition		1,500
Profit or loss-Recognized in other comprehensive profit or loss		<u>5,022</u>
Balance at September 30, 2023	\$	<u>38,812</u>

The benefits or losses are reported in the unrealized valuation benefits (losses) of financial assets measured at fair value, which is the outcome of assets that still hold by Group in nine months ended September 30, 2024 and 2023.

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

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

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

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between Significant and fair value measurement
Financial assets at fair value through other comprehensive income -equity investments without an active market: Y.S. Tech U.S.A Inc.	Comparable listed company approach	<ul style="list-style-type: none"> ·Lack of market liquidity discount (September 30, 2024: 15.04% December 31, 2023: 30.00% September 30, 2023: 27.16%) ·Valuation multiples (September 30, 2024: 2.36 December 31, 2023: 2.00 September 30, 2023: 1.67) ·Stock price volatility (September 30, 2024: 27.12% December 31, 2023: 45.92% September 30, 2023: 45.85%) 	<ul style="list-style-type: none"> ·The higher the lack of market liquidity discount is, the lower the fair value will be. ·The higher the valuation multiples is, the higher the fair value will be. ·The lower the stock price volatility is, the higher the fair value will be.
Financial assets at fair value through other comprehensive income -equity investments without an active market: CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	Net assets value	<ul style="list-style-type: none"> ·Net assets value ·Discount for minority interest (September 30, 2024: 18.80% December 31, 2023: 16.64% September 30, 2023: 16.64% respectively.) ·Lack of market liquidity discount interest (September 30, 2024, December 31, 2023 ,and September 30, 2023: 10%, respectively) 	<ul style="list-style-type: none"> ·The higher the net assets value is, the higher the fair value will be. ·The higher the discount for minority interest is, the lower the fair value will be. ·The higher the lack of market liquidity discount is, the lower the fair value will be.

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

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

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

			Changes in fair value reflected in OCI		
	Inputs	Fluctuation in inputs		Favorable	Unfavorable
Balance at September 30, 2024					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market: Y.S. Tech U.S.A Inc.	Market illiquidity discount rate 15.04%	10%	\$	4,835	(4,835)
	Valuation multiples 2.36	5%		2,057	(2,057)
	Stock price volatility 27.12%	5%		2,093	(2,093)
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 18.80%	1%	\$	188	(188)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,694	(1,694)
Balance at December 31, 2023					
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market Y.S. Tech U.S.A Inc.	Market illiquidity discount rate 30.00%	10%	\$	3,983	(3,969)
	Valuation multiples 2.00	5%		1,400	(1,400)
	Stock price volatility 45.92%	5%		1,505	-
Financial assets at fair value through other comprehensive income-					
Investment of equity instruments without an active market	Discount for minority interest 16.64%	1%	\$	186	(186)
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD					
	Market illiquidity discount rate 10%	10%		1,727	(1,727)

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

Balance at September 30, 2023

Financial assets at fair value through other comprehensive income-

Investment of equity instruments without an active market	Market illiquidity discount rate 27.16%	10%	\$	3,399	(3,399)
Y.S. Tech U.S.A Inc.	Valuation multiples 1.67	5%		1,250	(1,251)
	Stock price volatility 45.85%	5%		1,287	(1,214)
Investment of equity instruments without an active market					
-CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD	Discount for minority interest 16.64%	1%	\$	169	(169)
	Market illiquidity discount rate 10%	10%		1,562	(1,562)

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

(27) Financial risk management

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

(28) Capital management

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

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

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

The reconciliation of liabilities from financing activities is as follows:

	Non-cash changes						September 30, 2024
	January 1, 2024	Cash flows	Foreign exchange movement	Amortized interest	Increased in right-of-use assets	Others (note1)	
Short-term borrowings	\$ 500	(500)	-	-	-	-	-
Long-term borrowings (including current portion)	435,996	21,018	-	1,603	-	(756)	457,861
Corporate bonds with put option within one year (fixed interest rate)	119,578	-	-	561	-	(53,347)	66,792
Lease liabilities (current and non-current)	214,025	(26,481)	2,907	-	15,023	(115)	205,359
Guarantee deposit received	1,569	6,381	-	-	-	-	7,950
Total liabilities from financing activities	<u>\$ 771,668</u>	<u>418</u>	<u>2,907</u>	<u>2,164</u>	<u>15,023</u>	<u>(54,218)</u>	<u>737,962</u>

note1: Recognized as deferred income: \$756 thousand; bond convert to shares: \$53,347 thousand; lease adjustments: \$115 thousand.

	Non-cash changes						September 30, 2023
	January 1, 2023	Cash flows	Foreign exchange movement	Amortized interest	Increased in right-of-use assets	Others (note2)	
Short-term borrowings	\$ 100	(100)	-	-	-	-	-
Long-term borrowings (including current portion)	248,136	196,025	-	1,026	-	(7,021)	438,166
Bonds payable	283,018	-	-	1,591	-	(114,754)	169,855
Lease liabilities (current and non-current)	240,796	(23,614)	55	-	4,812	(1,577)	220,472
Guarantee deposit received	6,172	(4,202)	(15)	-	-	(387)	1,568
Total liabilities from financing activities	<u>\$ 778,222</u>	<u>168,109</u>	<u>40</u>	<u>2,617</u>	<u>4,812</u>	<u>(123,739)</u>	<u>830,061</u>

note2: Recognized as deferred income: \$7,021 thousand; bond convert to shares: \$114,754 thousand; lease adjustments: \$1,577 thousand; liabilities directly related classified as non-current assets (or disposal groups): \$387 thousand

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

7. Related-party transactions

A. Endorsement and guarantee

The Group loan from financial institutions on September 30, 2024, December 31, 2023 and September 30, 2023. According to the requirements of some contracts, the major management staff of the Group should provide a joint guarantee, which is \$ 80,000 thousand, respectively.

B. Compensation of major management staff

The information on major management staff compensation was as follows:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits	\$ 2,986	2,468	8,603	10,227
Post-employment benefits	45	46	137	140
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 3,031</u>	<u>2,514</u>	<u>8,740</u>	<u>10,367</u>

On September 30, 2024, December 31, 2023 and September 30, 2023. The Group provided a rental cars for the use of main management and been recognized as right of use assets of transportation equipment, the originally cost were \$2,595 thousand, \$2,595 thousand and \$0 thousand, respectively.

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

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Purpose	September 30, 2024	December 31, 2023	September 30, 2023
Deposit account (Reserve account)	Long-term/short-term borrowing, customs taxes, company debt and other repayment accounts	\$ 11,546	19,662	29,024
Time deposit	Guarantee of sales channel and short-term borrowing	14,313	14,291	14,282
Land	Guarantee of long-term/short-term borrowing	291,848	291,848	291,848
Buildings	Guarantee of long-term/short-term borrowing	99,499	106,147	107,734
Right-of-use assets (Note)	Guarantee of long-term borrowing	26,543	27,472	27,781
		<u>\$ 443,749</u>	<u>459,420</u>	<u>470,669</u>

9. Significant Commitments and Contingencies

A. Unrecognized contingencies of contracts:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	<u>\$ 174,036</u>	<u>230,452</u>	<u>250,289</u>

B. Standby letter of credit:

	September 30, 2024	December 31, 2023	September 30, 2023
Purchases of raw materials	<u>\$ 24,926</u>	<u>34,242</u>	<u>33,165</u>

10. Losses due to major disasters: None

11. Subsequent events: None

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

12. Other

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

By function By item	For the three months ended September 30, 2024				For the three months ended September 30, 2023			
	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total
Employee benefits:								
Salary	71,641	51,600	-	123,241	72,586	61,382	1,822	135,790
Labor and health insurance	6,213	4,081	-	10,294	6,225	3,771	64	10,060
Pension expense	3,789	2,679	-	6,468	3,843	2,411	-	6,254
Remuneration of directors	-	985	-	985	-	1,086	-	1,086
Other personnel cost	6,545	2,987	-	9,532	5,095	1,961	-	7,056
Depreciation	17,528	12,405	-	29,933	16,962	12,762	-	29,724
Amortization	11	620	-	631	4	573	-	577

By function By item	For the nine months ended September 30,2024				For the nine months ended September 30,2023			
	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total	Recorded as operating cost	Recorded as operating expenses	Recorded as discontinui ng operation expenses	Total
Employee benefits:								
Salary	209,917	145,381	-	355,298	206,890	146,837	2,272	711,297
Labor and health insurance	18,624	12,628	-	31,252	16,901	11,961	273	60,387
Pension expense	10,983	7,779	-	18,762	10,642	6,919	-	36,323
Remuneration of directors	-	2,820	-	2,820	-	2,658	-	5,478
Other personnel cost	18,352	8,915	-	27,267	14,363	6,023	-	47,653
Depreciation	52,089	37,884	-	89,973	50,775	39,046	163	179,957
Amortization	18	1,937	-	1,955	11	1,537	-	3,503

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Discontinuing operation

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

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

	For the three months ended September 30, 2023	For the nine months ended September 30, 2023
Operating results of the discontinuing operation		
operating revenue	\$ -	-
operating costs	-	-
Gross operating loss	-	-
Operating expenses	(2,012)	(3,586)
net operating loss	(2,012)	(3,586)
Operating income (expenditure)	407	(2,073)
Net loss before tax	(1,605)	(5,659)
Income tax expense	-	-
Net loss of discontinuing operation	\$ (1,605)	(5,659)
Basic earnings per share	\$ (0.02)	(0.08)
Diluted earnings per share	\$ (0.02)	(0.07)
Net cash inflows (outflows) of discontinuing operation		
Net cash outflow from operating activities		\$ (2,469)
Net cash inflows (outflows) from investing activities		-
Net cash inflows (outflows) from financing activities		(4,021)
exchange rate impact		473
Net cash inflow (out)		\$ (6,017)

C. Seasonality of operation

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

13. Supplementary Disclosures

A. Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2024.

I. Loans extended to other parties: None.

II. Guarantees and endorsements for other parties:

No.	Endorser/ guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note2)	Parent company endorsements/ guarantees to third parties on behalf of subsidia	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Company name	Relationship with the endorser/ guarantor										
1	DARSON ELECTRONICS (DONGGUAN) LTD.	Yen Sun Technology (BVI) Corp.	Subsidiary	52,138 (Note 1)	28,269 (CNY 6,250,000)	-	-	-	-	52,138 (Note 2)	N	N	N

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

III. Securities owned as of September 30, 2024 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship with company	Account title	September 30, 2024				Remarks
				Units (shares)	Carrying Value	Percentage of ownership	Fair value	
Yen Tong Tech International (Samoa) Corp.	SHANGHAI CHANSON WATER CO., LTD.	-	Financial assets at FVTPL — non-current	-	-	17.75%	-	-
The Company	Y.S. Tech U.S.A Inc. stock	-	Financial assets at FVOCI — non-current	114,000	41,168	19.00%	41,168	
The Company	CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	-	Financial assets at FVOCI — non-current	2,250,000	15,243	5.00%	15,243	-

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

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

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables(payables)		remarks
			Purchase (sale)	Amount (Note3)	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance (Note3)	% of notes and accounts receivable (payable)	
The Company	YEN JIU TECHNOLOGY CORP.	Subsidiary	Purchase	383,354	21.71%	(note 1)	Single supplier	(Note 1)	(7,165)	1.21%	
The Company	Y.H. Tech International Corp.	Subsidiary of the Company (indirectly hold)	Purchase	432,416	24.49%	(note 1)	Single supplier	(Note 1)	(272,435)	46.06%	
The Company	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Purchase	267,278	15.14%	(note 1)	Single supplier	(Note 1)	45,574	92.03%	
Y.H. Tech International Corp.	DARSON ELECTRONICS (DONGGUAN) LTD.	Subsidiary of the Company (indirectly hold)	Purchase	432,948	98.79%	(note 1)	Single supplier	(Note 1)	(154,180)	100.00%	
Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	Subsidiary of the Company (indirectly hold)	Purchase	263,036	98.38%	(note 1)	Single supplier	(Note 1)	53,534	100.00%	
YEN JIU TECHNOLOGY CORP.	The Company	Ultimate parent company	Sale	383,354	100.00%	(note 1)	Product sales	(Note 1)	7,165	100.00%	
Y.H. Tech International Corp.	The Company	Ultimate parent company	Sale	432,416	100.00%	(note 1)	Product sales	(Note 1)	272,435	100.00%	
Yen Sun Tech International (Samoa) Corp.	The Company	Ultimate parent company	Sale	267,278	99.97%	(note 1)	Product sales	(Note 1)	(45,574) (Note 2)	100.00% (Note 4)	
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Subsidiary	Sale	432,948	100.00%	(note 1)	Product sales	(Note 1)	154,180	100.00%	
YEN GIANT METAL (DONGGUAN) CO., LTD.	Yen Sun Tech International (Samoa) Corp.	Subsidiary	Sale	263,036	40.82%	(note 1)	Product sales	(Note 1)	(53,534) (Note 2)	100.00% (Note 4)	

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

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

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
DARSON ELECTRONICS (DONGGUAN) LTD.	Y.H. Tech International Corp.	Son Company to Subsidiary	Account receivable 154,180 (Note)	3.53%	-	-	35,457	-	-
Y.H. Tech International Corp.	The Company	Son Company to parent company	Account receivable 272,435 (Note)	2.50%	-	-	37,648	-	-

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

IX. Trading in derivative instruments: Please refer to Note 6(2) and Note 6(15).

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

X. Business relationships and significant intercompany transactions:

No.	Name	Counterparty	Relationship (note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Y.H. Tech International Corp.	1	Purchase	432,416	(note 2)	14.82%
				Procurement of raw materials	29,244		1.00%
				Accounts payable	272,435		7.88%
0	The Company	Yen Sun Tech International (Samoa) Corp.	1	Purchase	267,278	(note 2)	9.16%
				Sale	81		-
				Prepayment of purchase	45,574		1.32%
				Accounts receivable	2,733		0.08%
				Procurement of raw materials	9,412		0.32%
0	The Company	YEN JIU TECHNOLOGY CORP.	1	Purchase	383,354	(note 2)	13.14%
				Procurement of raw materials	1,824		0.06%
				Accounts payable	7,165		0.21%
				Rental income	3,780		0.13%
2	Y.H. Tech International Corp.	DARSON ELECTRONIC (DONGGUAN) LTD.	3	Purchase	432,948	(note 2)	14.84%
				Procurement of raw materials	29,073		1.00%
				Accounts payable	154,180		4.46%
3	Yen Sun Tech International (Samoa) Corp.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase	263,036	(note 2)	9.02%
				Sales	82		-
				Accounts receivable	1,433		0.04%
				Procurement of raw materials	9,372		0.32%
				Prepayment of purchase	53,534		1.55%
4	DARSON ELECTRONIC (DONGGUAN) LTD.	YEN GIANT METAL (DONGGUAN) CO., LTD.	3	Purchase	542	None comparable terms.	0.02%

note1: Relationship notes as follows:

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

B. Information on investees:

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

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the Investee (note)	Investment income (less) recognized (note)	Remarks
				September 30,2024	December 31,2023	Shares owned	Percentage owned	Carrying value (note)			
The Company	LUCRATIVE INT'L GROUP INC.	Samoa	Investment holding	8,583	8,583	1,000,000	100%	177,738	31,292	31,292	Subsidiary
The Company	Yen Sun Tech International (Samoa) Corp.	Samoa	Investment holding	32,098	32,098	1,000,000	100%	243,756	1,880	1,880	Subsidiary
The Company	YEN JIU TECHNOLOGY CORP.	Taiwan	Home Appliance OEM Business	122,686	122,686	11,050,000	100%	61,994	3,145	776	Subsidiary
The Company	Y.S. Europe GmbH	Germany	Industrial electronic ventilation, cooling modules and smart living system business and application engineering services	9,105	-	260,000	81.25%	9,105	-	-	Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Hung International Corp.	Samoa	Investment holding	30,179	30,179	1,000,000	100%	236,699	1,854	1,854	Sub-Subsidiary
Yen Sun Tech International (Samoa) Corp.	Yen Tong Tech International (Samoa) Corp.	Samoa	Investment holding	1,916	1,916	10,000,000	100%	1	-	-	Sub-Subsidiary
Yen Hung International Corp.	Y.H. Tech International Corp.	ST. Kitts and Nevis	Investment holding	30,179	30,179	1,000,000	100%	236,690	1,854	1,854	Sub-Subsidiary

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

C. Information on investments in Mainland China:

I. Information of investments in Mainland China

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of January.1,2024	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of September 30, 2024	Net income Of investee (note 3)	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group (note 3)	Book value of the investment as of September 30, 2024 (note 3)	Accumulated investment income repatriated to Taiwan as of September 30, 2024
					Remittance	Repatriation						
DARSON ELECTRONICS (DONGGUAN) LTD.	Manufacturing of Cooling fan	30,179 (USD1,000,000)	Invest through Y.H. Tech International Corp. then invest in Mainland China	30,179 (USD 1,000,000)	-	-	30,179 (USD 1,000,000)	(3,375)	100%	(3,065) (note 1)	104,276 (note 1)	-
SHANGHAI CHANSON WATER CO., LTD.	Development and production of water making machine, pure water machine and purification device	20,503 (USD700 ,000)	Invest through Yen Tong Tech International (Samoa) Corp. then invest in Mainland China	1,916 (USD 60,000)	-	-	1,916 (USD 60,000)	-	17.75%	-	-	-
YEN GIANT METAL (DONGGUAN) CO., LTD.	Manufacturing and sales of electronic cooling fan and heat sink	9,008 (CNY2,002 ,000)	Invest through LUCRATIVE INT'L GROUP INC. then invest in Mainland China (Note 5)	8,583 (USD 285,000)	-	-	8,583 (USD 285,000)	31,329	100%	31,292 (note 1)	177,706 (note 1)	-

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

II. Limitation of investment amount to Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China as of September 30, 2024	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
177,485 (note 2) (USD 5,608,000)	177,482 (note 2) (USD 5,608,000)	947,078

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

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

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

III. Significant transactions:

The significant inter-company transactions (direct or indirect) with the investees in Mainland China for the nine months ended September 30, 2024 are disclosed in “Information on significant transactions”. (When prepared this consolidated financial report, it was eliminated in the consolidation.)

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

D. Information of major shareholders:

	Shares	Shares held	Shares held ratio
Name of major shareholders			
CHEN-CHIEN-JUNG		6,106,739	7.78%

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

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

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

14. Segment Information

Reportable segment information is as follows:

For the three months ended September 30, 2024					
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustment s and elimination	Total
Revenue:					
Revenue from external customers	\$ 126,745	905,052	-	-	1,031,797
Total revenue	\$ 126,745	905,052	-	-	1,031,797
Reportable segment income	\$ (5,867)	86,269			80,402

For the three months ended September 30, 2023					
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustment s and elimination	Total
Revenue:					
Revenue from external customers	\$ 81,547	914,773	-	-	996,320
Total revenue	\$ 81,547	914,773	-	-	996,320
Reportable segment income	\$ (22,786)	103,526	(1,605)	(1,083)	78,052

YEN SUN TECHNOLOGY COROPERATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	For the nine months ended September 30, 2024				
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustments and elimination	Total
Revenue:					
Revenue from external customers	\$ 494,903	2,421,911	-	-	2,916,814
Total revenue	<u>\$ 494,903</u>	<u>2,421,911</u>	<u>-</u>	<u>-</u>	<u>2,916,814</u>
Reportable segment income	<u>\$ (23,124)</u>	<u>222,641</u>	<u>-</u>	<u>-</u>	<u>199,517</u>
	For the nine months ended September 30, 2023				
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustments and elimination	Total
Revenue:					
Revenue from external customers	\$ 516,279	2,295,221	-	-	2,811,500
Total revenue	<u>\$ 516,279</u>	<u>2,295,221</u>	<u>-</u>	<u>-</u>	<u>2,811,500</u>
Reportable segment income	<u>\$ (24,171)</u>	<u>204,086</u>	<u>(5,659)</u>	<u>(888)</u>	<u>173,368</u>
	Home Appliances	Electronics Cooling	Discontinued Department	Adjustments and elimination	Total
Segment Assets					
September 30, 2024	<u>\$ 764,497</u>	<u>2,693,407</u>	<u>-</u>	<u>-</u>	<u>3,457,904</u>
December 31, 2023	<u>\$ 981,171</u>	<u>2,468,050</u>	<u>-</u>	<u>-</u>	<u>3,449,221</u>
September 30, 2023	<u>\$ 888,983</u>	<u>2,682,090</u>	<u>10,410</u>	<u>44</u>	<u>3,581,527</u>