

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of March 31, 2023, December 31, 2022 and March 31, 2022

Assets	2023/3/31	2022/12/31	2022/3/31
	NT\$'000	NT\$'000	NT\$'000
Current assets			
Cash and cash equivalents	12,357,818	12,816,115	8,924,388
Contract assets-current	105,186	153,753	229,867
Notes receivable, net	3,032	7,218	4,261
Accounts receivable, net	4,859,384	5,382,077	5,688,087
Accounts receivable from related parties, net	1,649,335	1,753,148	2,354,951
Other receivables	292,023	408,138	380,028
Other receivables from related parties	3,208	28,582	7,039
Current tax assets	0	0	315
Inventories, net	1,285,753	1,368,626	1,383,359
Prepayments	334,059	366,144	578,320
Other current assets	74,386	55,126	82,195
Other financial assets-current	4	4	3
Total current assets	<u>20,964,188</u>	<u>22,338,931</u>	<u>19,632,813</u>
Non-current assets			
Financial assets at fair value through other comprehensive income-non-current	5,623,032	4,794,451	6,006,966
Investments accounted for using the equity method	92,015	91,048	77,910
Property, plant and equipment	45,922,447	45,991,445	46,912,496
Right-of-use assets	649,320	651,296	671,101
Intangible assets	30,232	39,235	67,696
Deferred tax assets	254,382	296,256	187,249
Other financial assets-non-current	146,588	146,462	145,972
Other non-current assets	9,714	9,859	10,824
Total non-current assets	<u>52,727,730</u>	<u>52,020,052</u>	<u>54,080,214</u>
Total assets	<u>73,691,918</u>	<u>74,358,983</u>	<u>73,713,027</u>

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KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

As of March 31, 2023, December 31, 2022 and March 31, 2022

Liabilities and shareholders' Equity	2023/3/31	2022/12/31	2022/3/31
	NT\$'000	NT\$'000	NT\$'000
Liabilities			
Current liabilities			
Short-term loans	897,975	1,023,149	1,091,448
Contract liabilities-current	92,216	156,639	197,533
Notes payable	5,807	11,446	21,346
Accounts payable	633,503	1,008,049	1,113,045
Accounts payable to related parties	2,481	6,215	35,909
Other payables	3,120,595	3,738,122	3,592,006
Other payables to related parties	105,321	94,707	96,457
Payables on equipment	1,264,469	1,054,070	1,354,005
Current tax liabilities	1,335,144	1,165,435	1,018,668
Lease liabilities-current	30,119	29,342	88,011
Current portion of long-term loans	801,795	805,353	1,998,432
Other current liabilities	1,182,007	1,151,849	979,604
Total current liabilities	<u>9,471,432</u>	<u>10,244,376</u>	<u>11,586,464</u>
Non-current liabilities			
Long-term loans	22,335,949	24,464,983	22,881,711
Deferred tax liabilities	1,742,067	1,504,657	1,492,406
Lease liabilities-non-current	464,460	465,796	485,753
Long-term deferred income	41,041	42,820	16,352
Net defined benefit liabilities	659,302	657,844	610,222
Guarantee deposits	31,509	33,090	34,844
Total non-current liabilities	<u>25,274,328</u>	<u>27,169,190</u>	<u>25,521,288</u>
Total liabilities	<u>34,745,760</u>	<u>37,413,566</u>	<u>37,107,752</u>
Equity			
Equity attributable to owners of the parent company			
Share capital			
Common stock	12,227,451	12,227,451	12,227,451
Capital surplus	4,918,974	4,953,859	4,893,466
Retained earnings			
Legal reserve	3,499,434	3,499,434	3,019,879
Special reserve	201,416	201,416	201,416
Undistributed earnings	14,403,782	13,213,921	12,402,000
Total retained earnings	<u>18,104,632</u>	<u>16,914,771</u>	<u>15,623,295</u>
Other equity	2,693,387	1,993,897	3,106,143
Equity attributable to owners of the parent company	<u>37,944,444</u>	<u>36,089,978</u>	<u>35,850,355</u>
Non-controlling interests	1,001,714	855,439	754,920
Total equity	<u>38,946,158</u>	<u>36,945,417</u>	<u>36,605,275</u>
Total liabilities and equities	<u>73,691,918</u>	<u>74,358,983</u>	<u>73,713,027</u>

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2023 and 2022

	For the three months ended March 31,	
	2023	2022
	NT\$'000	NT\$'000
Net sales	7,764,452	8,983,837
Operating Costs	5,225,553	5,768,309
Gross Profit	2,538,899	3,215,528
Operating expenses		
Selling expenses	92,379	91,279
Administrative expenses	519,507	519,082
Research and development expenses	290,560	309,378
Expected credit losses	579	28
Total operating expenses	903,025	919,767
Operating Income	1,635,874	2,295,761
Non-operating income and expenses		
Interest income	24,287	4,915
Other income	90,816	81,574
Other gains and losses	29,141	79,415
Finance costs	(202,973)	(87,419)
Shares of profit of associates accounted for using the equity method	4,027	3,374
Total non-operating income and expenses	(54,702)	81,859
Net income before income tax	1,581,172	2,377,620
Income tax expense	358,439	522,763
Net income	1,222,733	1,854,857
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	828,581	(539,511)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(165,716)	107,902
Items that will be reclassified subsequently to profit or loss:		
Exchange differences resulting from translating the financial statements of foreign operations	52,470	361,764
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(9,156)	(66,917)
Total other comprehensive (losses) income, net of tax	706,179	(136,762)
Total comprehensive income	1,928,912	1,718,095
Net income attributable to:		
Owners of the parent company	1,189,861	1,821,688
Non-controlling interests	32,872	33,169
	1,222,733	1,854,857
Total comprehensive income attributable to:		
Owners of the parent company	1,889,351	1,657,748
Non-controlling interests	39,561	60,347
	1,928,912	1,718,095
Basic earnings per share	0.97	1.49
Diluted earnings per share	0.96	1.47

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended March 31, 2023 and 2022

	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Balance as of January 1, 2022	12,227,451	4,885,134	3,019,879	201,416	10,580,312	(390,828)	3,660,911	34,184,275	693,893	34,878,168
Profit for the three months ended March 31, 2022					1,821,688			1,821,688	33,169	1,854,857
Other comprehensive income for the three months ended March 31, 2022						267,669	(431,609)	(163,940)	27,178	(136,762)
Total comprehensive income	0	0	0	0	1,821,688	267,669	(431,609)	1,657,748	60,347	1,718,095
Changes in ownership interests in subsidiaries		8,332						8,332	680	9,012
Balance as of March 31, 2022	12,227,451	4,893,466	3,019,879	201,416	12,402,000	(123,159)	3,229,302	35,850,355	754,920	36,605,275
Balance as of January 1, 2023	12,227,451	4,953,859	3,499,434	201,416	13,213,921	(284,878)	2,278,775	36,089,978	855,439	36,945,417
Profit for the three months ended March 31, 2023					1,189,861			1,189,861	32,872	1,222,733
Other comprehensive income for the three months ended March 31, 2023						36,625	662,865	699,490	6,689	706,179
Total comprehensive income	0	0	0	0	1,189,861	36,625	662,865	1,889,351	39,561	1,928,912
Changes in ownership interests in subsidiaries		(34,885)						(34,885)	106,714	71,829
Balance as of March 31, 2023	12,227,451	4,918,974	3,499,434	201,416	14,403,782	(248,253)	2,941,640	37,944,444	1,001,714	38,946,158

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2023 and 2022

	For the three months ended March 31,	
	2023	2022
	NTS'000	NTS'000
Cash flows from operating activities		
Profit before income tax from continuing operations	1,581,172	2,377,620
Adjustments for :		
Depreciation	2,268,997	2,281,782
Amortization	9,017	12,054
Expected credit losses	579	28
Interest expenses	202,973	87,419
Interest income	(24,287)	(4,915)
Dividend income	(52,500)	(45,300)
Share-based payment expenses	47,555	8,957
Investment gain accounted for using the equity method	(4,027)	(3,374)
Gain on disposal of property, plan and equipment	(1,003)	(30,800)
Unrealized foreign exchange losses (gains)	(146,190)	383,521
Changes in operating assets and liabilities		
Contract assets	48,567	(50,987)
Notes receivable	4,186	3,445
Accounts receivable	522,111	77,156
Accounts receivable due from related parties	103,813	(203,038)
Other receivables	172,751	(3,453)
Other receivables due from related parties	23,042	4,796
Inventories	82,873	(11,886)
Prepayments	87,248	(197,309)
Other current assets	(19,260)	(15,035)
Contract liabilities	(64,423)	40,509
Notes payable	(5,639)	11,280
Accounts payable	(374,546)	(6,099)
Accounts payable to related parties	(3,734)	14,495
Other payables	(609,974)	(141,527)
Other payables to related parties	2,903	6,465
Other current liabilities	30,158	94,956
Accrued pension liabilities	1,458	0
Other operating liabilities	(1,779)	(186)
Cash generated from operating activities	<u>3,882,041</u>	<u>4,690,574</u>
Interest received	21,369	3,509
Income taxes paid	<u>(84,318)</u>	<u>(90,319)</u>
Net cash provided by operating activities	<u>3,819,092</u>	<u>4,603,764</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,965,290)	(3,742,226)
Proceeds from disposal of property, plant and equipment	5,235	46,216
Decrease in refundable deposits	141	38,752
Acquisition of intangible assets	0	(5,995)
Increase in other financial assets	(126)	(40,000)
Dividends received	0	45,300
Net cash used in investing activities	<u>(1,960,040)</u>	<u>(3,657,953)</u>
Cash flows from financing activities		
Increase in short-term loans	31,521	548,826
Decrease in short-term loans	(161,606)	(58,130)
Borrowing in long-term loans	1,869,725	1,073,981
Repayments of long-term loans	(3,862,243)	(2,080,407)
Increase (decrease) in deposits received	(1,581)	993
Cash payment for the principal portion of the lease liabilities	(7,313)	(11,102)
Interest paid	(199,755)	(83,057)
Change in non-controlling interests	24,258	0
Net cash used in financing activities	<u>(2,306,994)</u>	<u>(608,896)</u>
Effect of change in exchange rate on cash and cash equivalents	<u>(10,355)</u>	<u>(62,459)</u>
Net increase (decrease) in cash and cash equivalents	(458,297)	274,456
Cash and cash equivalents at the beginning of the period	12,816,115	8,649,932
Cash and cash equivalents at the end of the period	<u>12,357,818</u>	<u>8,924,388</u>