

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2020 and 2019
(Amounts in thousands of New Taiwan Dollars)

| ASSETS | Notes | December 31, 2020 | % | December 31, 2019 | % |
|---|----------------------|-------------------|-----|-------------------|-----|
| Current assets | | | | | |
| Cash and cash equivalents | 4, 6(1) | \$8,008,530 | 13 | \$6,166,005 | 11 |
| Financial assets at fair value through other comprehensive income-current | 4, 6(2) | - | - | 30,114 | - |
| Contract assets-current | 4, 6(16), 6(17), 7 | 202,972 | - | 126,182 | - |
| Notes receivable, net | 4, 6(3), 6(17) | 3,049 | - | 4,268 | - |
| Accounts receivable, net | 4, 6(4), 6(17) | 4,164,991 | 7 | 4,936,281 | 9 |
| Accounts receivable from related parties, net | 4, 6(4), 6(17), 7 | 1,724,951 | 3 | 911,027 | 2 |
| Other receivables | | 161,712 | - | 278,134 | 1 |
| Other receivables from related parties | 4, 7 | 33,257 | - | 7,956 | - |
| Current tax assets | | 315 | - | - | - |
| Inventories, net | 4, 6(5) | 980,969 | 2 | 1,081,035 | 2 |
| Prepayments | 6(6) | 479,283 | 1 | 272,607 | 1 |
| Other current assets | | 51,843 | - | 77,370 | - |
| Other financial assets-current | 8 | 4 | - | 4 | - |
| Total current assets | | 15,811,876 | 26 | 13,890,983 | 26 |
| Non-current assets | | | | | |
| Financial assets at fair value through other comprehensive income-non-current | 4, 6(2) | 4,446,563 | 8 | 2,425,166 | 5 |
| Investments accounted for using the equity method | 4, 6(7) | 69,856 | - | 65,228 | - |
| Property, plant and equipment | 4, 6(8), 6(20), 7, 8 | 39,147,575 | 64 | 36,890,887 | 67 |
| Right-of-use asset | 4, 6(18) | 1,328,232 | 2 | 1,373,907 | 2 |
| Intangible assets | 4, 6(9), 6(10) | 86,442 | - | 73,795 | - |
| Deferred tax assets | 4, 6(21), 6(22) | 227,623 | - | 229,882 | - |
| Other financial assets-non-current | 8 | 115,669 | - | 113,125 | - |
| Other non-current assets | | 81,682 | - | 16,176 | - |
| Total non-current assets | | 45,503,642 | 74 | 41,188,166 | 74 |
| Total assets | | \$61,315,518 | 100 | \$55,079,149 | 100 |

The accompanying notes are an integral part of the consolidated financial statements.

(continued)

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2020 and 2019
(Amounts in thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY | Notes | December 31, 2020 | % | December 31, 2019 | % |
|--|-----------------|-------------------|-----|-------------------|-----|
| Current liabilities | | | | | |
| Short-term loans | 4, 6(11), 9 | \$100,854 | - | \$493,383 | 1 |
| Contract liabilities-current | 4, 6(16), 7 | 229,603 | - | 68,330 | - |
| Notes payable | | 4,435 | - | 1,633 | - |
| Accounts payable | | 1,117,955 | 2 | 1,054,963 | 2 |
| Accounts payable to related parties | 7 | 19,487 | - | 30,713 | - |
| Other payables | | 2,914,621 | 5 | 2,973,602 | 5 |
| Other payables to related parties | 7 | 65,456 | - | 91,048 | - |
| Payables on equipment | | 623,324 | 1 | 963,512 | 2 |
| Current tax liabilities | 4, 6(22) | 408,303 | 1 | 723,277 | 1 |
| Lease liabilities-current | 4, 6(18) | 310,144 | 1 | 792,980 | 1 |
| Current portion of long-term loans | 4, 6(13), 8, 9 | 1,844,759 | 3 | 403,605 | 1 |
| Other current liabilities | 6(12) | 580,856 | 1 | 303,923 | 1 |
| Total current liabilities | | 8,219,797 | 14 | 7,900,969 | 14 |
| Non-current liabilities | | | | | |
| Long-term loans | 4, 6(13), 8, 9 | 21,966,029 | 36 | 19,924,440 | 36 |
| Deferred tax liabilities | 4, 6(21), 6(22) | 667,968 | 1 | 39,921 | - |
| Lease liabilities-non-current | 4, 6(18) | 566,437 | 1 | 485,263 | 1 |
| Net defined benefit liabilities | 4, 6(14) | 566,456 | 1 | 528,169 | 1 |
| Guarantee deposits | | 2,755 | - | 1,933 | - |
| Total non-current liabilities | | 23,769,645 | 39 | 20,979,726 | 38 |
| Total liabilities | | 31,989,442 | 53 | 28,880,695 | 52 |
| Equity attributable to owners of the parent company | | | | | |
| Share capital | 4, 6(15) | | | | |
| Common stock | | 12,227,451 | 20 | 12,227,451 | 22 |
| Capital surplus | 4, 6(15) | 4,588,172 | 7 | 4,832,721 | 9 |
| Retained earnings | 4, 6(15) | | | | |
| Legal reserve | | 2,656,958 | 4 | 2,359,299 | 4 |
| Special reserve | | 402,406 | 1 | 803,172 | 2 |
| Undistributed earnings | | 8,147,631 | 13 | 6,371,702 | 12 |
| Total retained earnings | | 11,206,995 | 18 | 9,534,173 | 18 |
| Other equity | 4, 6(15) | 1,296,453 | 2 | (402,406) | (1) |
| Equity attributable to owners of the parent company | | 29,319,071 | 47 | 26,191,939 | 48 |
| Non-controlling interests | 4, 6(15) | 7,005 | - | 6,515 | - |
| Total equity | | 29,326,076 | 47 | 26,198,454 | 48 |
| Total liabilities and equities | | \$61,315,518 | 100 | \$55,079,149 | 100 |

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2020 and 2019
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

| Description | Notes | 2020 | % | 2019 | % |
|--|---|--------------------|-------------|--------------------|-------------|
| Net sales | 4, 6(16), 6(18), 7 | \$28,959,304 | 100 | \$25,539,437 | 100 |
| Operating costs | 4, 6(5), 6(9), 6(14), 6(18), 6(19), 7 | (21,005,316) | (73) | (18,523,521) | (73) |
| Gross profit | | <u>7,953,988</u> | <u>27</u> | <u>7,015,916</u> | <u>27</u> |
| Operating expenses | 4, 6(9), 6(14), 6(17), 6(18), 6(19), 7 | | | | |
| Selling expenses | | (387,045) | (1) | (398,765) | (2) |
| Administrative expenses | | (1,710,532) | (6) | (1,516,321) | (6) |
| Research and development expenses | | (1,202,520) | (4) | (1,035,207) | (4) |
| Expected credit losses | | (3,180) | - | (20,609) | - |
| Total operating expenses | | <u>(3,303,277)</u> | <u>(11)</u> | <u>(2,970,902)</u> | <u>(12)</u> |
| Operating income | | <u>4,650,711</u> | <u>16</u> | <u>4,045,014</u> | <u>15</u> |
| Non-operating income and expenses | 4, 6(2), 6(7), 6(8), 6(10), 6(20), 7 | | | | |
| Interest income | | 19,335 | - | 12,617 | - |
| Other income | | 260,488 | 1 | 175,516 | 1 |
| Other gains and losses | | (23,928) | - | (20,947) | - |
| Finance costs | | (379,039) | (1) | (311,673) | (1) |
| Share of profit of associates accounted for using the equity method | | 16,088 | - | 14,336 | - |
| Total non-operating income and expenses | | <u>(107,056)</u> | <u>-</u> | <u>(130,151)</u> | <u>-</u> |
| Net income before income tax | | 4,543,655 | 16 | 3,914,863 | 15 |
| Income tax expense | 4, 6(22) | <u>(906,515)</u> | <u>(3)</u> | <u>(873,379)</u> | <u>(3)</u> |
| Net income | | <u>3,637,140</u> | <u>13</u> | <u>3,041,484</u> | <u>12</u> |
| Other comprehensive income | 4, 6(21) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | |
| Remeasurements of the defined benefit plan | | (45,906) | - | (57,525) | - |
| Unrealized gains from equity instruments investments measured at fair value through other comprehensive income | | 2,056,310 | 7 | 687,206 | 3 |
| Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | | (403,570) | (2) | (136,555) | (1) |
| Items that will be reclassified subsequently to profit or loss: | | | | | |
| Exchange differences resulting from translating the financial statements of foreign operations | | 105,729 | - | (186,914) | (1) |
| Income tax related to components of other comprehensive income that will be reclassified to profit or loss | | (21,145) | - | 37,373 | - |
| Other comprehensive income, net of tax | | <u>1,691,418</u> | <u>5</u> | <u>343,585</u> | <u>1</u> |
| Total comprehensive income | | <u>\$5,328,558</u> | <u>18</u> | <u>\$3,385,069</u> | <u>13</u> |
| Net income attributable to : | | | | | |
| Owners of the parent company | | \$3,636,653 | 13 | \$3,041,566 | 12 |
| Non-controlling interests | | 487 | - | (82) | - |
| | | <u>\$3,637,140</u> | <u>13</u> | <u>\$3,041,484</u> | <u>12</u> |
| Total comprehensive income attributable to : | | | | | |
| Owners of the parent company | | \$5,328,068 | 18 | \$3,385,203 | 13 |
| Non-controlling interests | | 490 | - | (134) | - |
| | | <u>\$5,328,558</u> | <u>18</u> | <u>\$3,385,069</u> | <u>13</u> |
| Earning per share(NT\$) | 4, 6(23) | | | | |
| Basic Earnings Per Share | | <u>\$2.97</u> | | <u>\$2.49</u> | |
| Diluted Earnings Per Share | | <u>\$2.94</u> | | <u>\$2.47</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Amounts in thousands of New Taiwan Dollars)

| Description | Equity attributable to owners of the parent company | | | | | | | | Non-controlling interests | Total Equity |
|--|---|-----------------|-------------------|-----------------|------------------------|--|---|---|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | | | Other equity | | Equity attributable to owners of the parent company | | |
| | | | Legal reserve | Special reserve | Undistributed earnings | Exchange differences resulting from translating the financial statements of foreign operations | Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | | | |
| Balance as of January 1, 2019 | \$12,227,451 | \$4,844,536 | \$2,179,765 | \$431,239 | \$5,597,293 | \$(292,128) | \$(511,045) | \$24,477,111 | \$42,741 | \$24,519,852 |
| Appropriation and distribution of 2018 earnings: | | | | | | | | | | |
| Legal reserve | - | - | 179,534 | - | (179,534) | - | - | - | - | - |
| Special reserve | - | - | - | 371,933 | (371,933) | - | - | - | - | - |
| Cash dividends | - | - | - | - | (1,650,706) | - | - | (1,650,706) | - | (1,650,706) |
| Profit for the year ended December 31, 2019 | - | - | - | - | 3,041,566 | - | - | 3,041,566 | (82) | 3,041,484 |
| Other comprehensive income for the year ended December 31, 2019 | - | - | - | - | (57,525) | (149,489) | 550,651 | 343,637 | (52) | 343,585 |
| Total comprehensive income | - | - | - | - | 2,984,041 | (149,489) | 550,651 | 3,385,203 | (134) | 3,385,069 |
| Changes in ownership interests in subsidiaries | - | (11,815) | - | - | (7,854) | - | - | (19,669) | (36,092) | (55,761) |
| Disposal of equity instruments investments measured at fair value through other comprehensive income | - | - | - | - | 395 | - | (395) | - | - | - |
| Balance as of December 31, 2019 | \$12,227,451 | \$4,832,721 | \$2,359,299 | \$803,172 | \$6,371,702 | \$(441,617) | \$39,211 | \$26,191,939 | \$6,515 | \$26,198,454 |
| Balance as of January 1, 2020 | \$12,227,451 | \$4,832,721 | \$2,359,299 | \$803,172 | \$6,371,702 | \$(441,617) | \$39,211 | \$26,191,939 | \$6,515 | \$26,198,454 |
| Appropriation and distribution of 2019 earnings: | | | | | | | | | | |
| Legal reserve | - | - | 297,659 | - | (297,659) | - | - | - | - | - |
| Cash dividends | - | (244,549) | - | - | (1,956,392) | - | - | (2,200,941) | - | (2,200,941) |
| Reversal of special reserve | - | - | - | (400,766) | 400,766 | - | - | - | - | - |
| Profit for the year ended December 31, 2020 | - | - | - | - | 3,636,653 | - | - | 3,636,653 | 487 | 3,637,140 |
| Other comprehensive income for the year ended December 31, 2020 | - | - | - | - | (45,906) | 84,581 | 1,652,740 | 1,691,415 | 3 | 1,691,418 |
| Total comprehensive income | - | - | - | - | 3,590,747 | 84,581 | 1,652,740 | 5,328,068 | 490 | 5,328,558 |
| Changes in ownership interests in subsidiaries | - | - | - | - | 5 | - | - | 5 | - | 5 |
| Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | 38,462 | - | (38,462) | - | - | - |
| Balance as of December 31, 2020 | \$12,227,451 | \$4,588,172 | \$2,656,958 | \$402,406 | \$8,147,631 | \$(357,036) | \$1,653,489 | \$29,319,071 | \$7,005 | \$29,326,076 |

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Financial Statements Originally Issued in Chinese

KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(Amounts in thousands of New Taiwan Dollars)

| Description | 2020 | 2019 | Description | 2020 | 2019 |
|--|-------------------|-------------------|---|---------------------|---------------------|
| Cash flows from operating activities : | | | Cash flows from investing activities : | | |
| Profit before tax from continuing operations | \$4,543,655 | \$3,914,863 | Proceeds from disposal of financial assets at fair value through other comprehensive income | \$65,027 | \$- |
| Adjustments for : | | | Proceeds from capital return of financial assets at fair value through other comprehensive income | - | 395 |
| The profit or loss items which did not affect cash flows: | | | Proceeds from disposal of financial assets at fair value through profit or loss | - | 101,885 |
| Depreciation | 8,355,775 | 6,971,919 | Acquisition of property, plant and equipment | (10,935,021) | (11,621,595) |
| Amortization | 52,193 | 87,531 | Proceeds from disposal of property, plant and equipment | 89,917 | 121,535 |
| Expected credit loss | 3,180 | 20,609 | Increase in refundable deposits | (65,528) | (192) |
| Gains on financial assets and liabilities at fair value through profit or loss | - | (424) | Acquisition of intangible assets | (64,763) | (26,418) |
| Interest expenses | 379,039 | 311,673 | Increase in other financial assets | (2,544) | (3,213) |
| Interest income | (19,335) | (12,617) | Dividend received | 62,426 | 49,858 |
| Dividend income | (50,966) | (38,398) | Net cash used in investing activities | <u>(10,850,486)</u> | <u>(11,377,745)</u> |
| Investment gain accounted for using the equity method | (16,088) | (14,336) | | | |
| Loss (gain) on disposal of property, plant and equipment | 15,524 | (8,338) | | | |
| Impairment of non-financial assets | 153,955 | 91,181 | | | |
| Unrealized foreign exchange gain | (264,212) | (234,047) | | | |
| Changes in operating assets and liabilities : | | | Cash flows from financing activities : | | |
| Contract Assets | (76,790) | 163,245 | Increase in short-term loans | 145,628 | 780,438 |
| Notes receivable | 1,219 | 9,576 | Decrease in short-term loans | (535,872) | (377,519) |
| Accounts receivable | 791,252 | (538,180) | Borrowing in long-term loans | 28,934,872 | 21,591,057 |
| Accounts receivable from related parties | (813,924) | (141,296) | Repayments of long-term loans | (25,212,072) | (17,999,744) |
| Other receivables | 99,768 | (73,767) | Increase in guarantee deposits | 822 | 360 |
| Other receivables from related parties | (18,780) | 3,264 | Cash payments for the principal portion of the lease liabilities | (510,312) | (18,186) |
| Inventories | 100,066 | 44,717 | Cash dividends | (2,200,941) | (1,650,706) |
| Prepayments | (266,952) | (8,927) | Acquisition of ownership interests in subsidiaries | - | (37,070) |
| Other current assets | 25,527 | 113,729 | Interest paid | (372,098) | (274,418) |
| Contract liabilities | 161,273 | (61,873) | Net cash provided by financing activities | <u>250,027</u> | <u>2,014,212</u> |
| Notes payable | 2,802 | (48,523) | | | |
| Accounts payable | 62,992 | (128,802) | | | |
| Accounts payable to related parties | (11,226) | 18,322 | | | |
| Other payables | (50,354) | 673,593 | | | |
| Other payables to related parties | (25,592) | 13,937 | | | |
| Other current liabilities | 276,933 | 24,255 | | | |
| Accrued pension liabilities | (7,619) | (10,926) | | | |
| Cash generated from operating activities | <u>13,403,315</u> | <u>11,141,960</u> | Effect of changes in exchange rate on cash and cash equivalents | 40,259 | (90,580) |
| Interest received | 15,623 | 17,209 | Net increase in cash and cash equivalents | 1,842,525 | 1,379,379 |
| Income tax paid | (1,016,213) | (325,677) | Cash and cash equivalents at the beginning of the year | 6,166,005 | 4,786,626 |
| Net cash provided by operating activities | <u>12,402,725</u> | <u>10,833,492</u> | Cash and cash equivalents at the end of the year | <u>\$8,008,530</u> | <u>\$6,166,005</u> |

The accompanying notes are an integral part of the consolidated financial statements.