

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

(Amounts in thousands of New Taiwan Dollars)

Assets	2021/6/30	2020/12/31	2020/6/30
Current assets			
Cash and cash equivalents	10,587,094	8,008,530	6,225,288
Financial assets at fair value through other comprehensive income-current	0	0	35,922
Contract assets-current	88,682	202,972	168,504
Notes receivable, net	3,346	3,049	3,889
Accounts receivable, net	4,064,145	4,164,991	5,109,147
Accounts receivable from related parties, net	2,246,394	1,724,951	1,241,871
Other receivables	249,286	161,712	397,457
Other receivables from related parties	4,074	33,257	10,637
Current tax assets	315	315	0
Inventories, net	1,305,286	980,969	1,099,486
Prepayments	155,059	479,283	241,340
Other current assets	76,229	51,843	130,958
Other financial assets-current	3	4	4
Total current assets	18,779,913	15,811,876	14,664,503
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	5,310,337	4,446,563	2,361,890
Investments accounted for using the equity method	67,152	69,856	61,219
Property, plant and equipment	44,039,554	39,147,575	38,257,535
Right-of-use assets	1,274,593	1,328,232	1,454,555
Intangible assets	80,588	86,442	66,619
Deferred tax assets	268,887	227,623	217,631
Other financial assets-non-current	105,485	115,669	122,412
Other non-current assets	21,716	81,682	96,179
Total non-current assets	51,168,312	45,503,642	42,638,040
Total assets	69,948,225	61,315,518	57,302,543

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KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

(Amounts in thousands of New Taiwan Dollars)

Liabilities and shareholders' Equity	2021/6/30	2020/12/31	2020/6/30
Liabilities			
Current liabilities			
Short-term loans	219,816	100,854	291,580
Contract liabilities-current	77,759	229,603	49,590
Notes payable	10,131	4,435	4,055
Accounts payable	1,340,186	1,117,955	998,828
Accounts payable to related parties	39,543	19,487	8,569
Other payables	5,552,478	2,914,621	5,235,016
Other payables to related parties	90,670	65,456	106,310
Payables on equipment	1,268,429	623,324	1,073,796
Current tax liabilities	338,626	408,303	641,996
Lease liabilities-current	299,135	310,144	573,886
Current portion of long-term liabilities	2,239,973	1,844,759	1,044,142
Other current liabilities	710,307	580,856	470,299
Total current liabilities	12,187,053	8,219,797	10,498,067
Non-current liabilities			
Long-term loans	26,063,478	21,966,029	19,716,067
Deferred tax liabilities	1,111,061	667,968	131,868
Lease liabilities-non-current	500,738	566,437	601,541
Net defined benefit liabilities	566,456	566,456	528,169
Guarantee deposits	2,438	2,755	1,933
Total non-current liabilities	28,244,171	23,769,645	20,979,578
Total liabilities	40,431,224	31,989,442	31,477,645
Equity			
Equity attributable to owners of the parent company			
Share capital			
Common stock	12,227,451	12,227,451	12,227,451
Capital surplus	4,346,536	4,588,172	4,588,172
Retained earnings			
Legal reserve	3,019,879	2,656,958	2,656,958
Special reserve	201,416	402,406	402,406
Undistributed earnings	7,470,039	8,147,631	6,499,506
Total retained earnings	10,691,334	11,206,995	9,558,870
Other equity	2,245,094	1,296,453	(556,332)
Equity attributable to owners of the parent company	29,510,415	29,319,071	25,818,161
Non-controlling interests	6,586	7,005	6,737
Total equity	29,517,001	29,326,076	25,824,898
Total liabilities and equities	69,948,225	61,315,518	57,302,543

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

	For the three months ended June 30		For the six months ended June 30,	
	2021	2020	2021	2020
Net sales	7,597,326	7,658,502	15,228,216	14,659,656
Operating Costs	5,560,188	5,307,848	10,972,546	10,276,287
Gross Profit	2,037,138	2,350,654	4,255,670	4,383,369
Operating expenses				
Selling expenses	85,733	93,367	175,061	192,185
Administrative expenses	597,729	433,263	1,080,359	840,148
Research and development expenses	293,010	286,594	571,010	544,901
Expected credit losses(reversal gains)	(481)	24	(482)	253
Total operating expenses	975,991	813,248	1,825,948	1,577,487
Operating Income	1,061,147	1,537,406	2,429,722	2,805,882
Non-operating income and expenses				
Interest income	6,405	5,790	13,224	7,771
Other income	63,950	93,879	120,166	109,904
Other gains and losses	72,254	(92,122)	222,401	(112,909)
Finance costs	(82,246)	(94,705)	(164,868)	(198,562)
Shares of profit of associates accounted for using the equity method	5,126	3,455	10,286	7,451
Total non-operating income and expenses	65,489	(83,703)	201,209	(186,345)
Net income before income tax	1,126,636	1,453,703	2,630,931	2,619,537
Income tax expense	261,536	366,794	619,378	638,208
Net income	865,100	1,086,909	2,011,553	1,981,329
Other comprehensive income				
Item that will not to be reclassified subsequently to profit or loss:				
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	359,789	307,867	865,139	(57,468)
Income tax related to components of other comprehensive income that will not to be reclassified to profit or loss	(71,685)	(61,573)	(172,754)	11,494
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	(49,000)	(96,974)	(87,903)	(134,963)
Income tax related to components of other comprehensive income that will to be reclassified to profit or loss	9,774	19,378	17,467	26,988
Total other comprehensive income(losses), net of tax	248,878	168,698	621,949	(153,949)
Total comprehensive income	1,113,978	1,255,607	2,633,502	1,827,380
Net income attributable to:				
Owners of the parent company	864,993	1,086,605	2,011,405	1,981,084
Non-controlling interests	107	304	148	245
	865,100	1,086,909	2,011,553	1,981,329
Total comprehensive income attributable to:				
Owners of the parent company	1,114,002	1,255,386	2,633,921	1,827,158
Non-controlling interests	(24)	221	(419)	222
	1,113,978	1,255,607	2,633,502	1,827,380
Basic earnings per share	0.71	0.89	1.64	1.62
Diluted earnings per share	0.70	0.88	1.63	1.61

English Translation of Financial Statements Originally Issued in Chinese

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

(Amounts in thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income	Equity attributable to owners of the parent company	Non- controlling interests	Total equity
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)			0		0
Cash dividends		(244,549)			(1,956,392)			(2,200,941)		(2,200,941)
Special reserve				(400,766)	400,766			0		0
Profit for the six months ended June 30, 2020					1,981,084			1,981,084	245	1,981,329
Other comprehensive income for the six months ended June 30, 2020						(107,952)	(45,974)	(153,926)	(23)	(153,949)
Total comprehensive income	0	0	0	0	1,981,084	(107,952)	(45,974)	1,827,158	222	1,827,380
Changes in ownership interests in subsidiaries					5			5		5
Balance as of June 30, 2020	12,227,451	4,588,172	2,656,958	402,406	6,499,506	(549,569)	(6,763)	25,818,161	6,737	25,824,898
Balance as of January 1, 2021	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
Appropriation and distribution of 2020 earnings:										
Legal reserve			362,921		(362,921)			0		0
Cash dividends		(244,549)			(2,200,941)			(2,445,490)		(2,445,490)
Special reserve				(200,990)	200,990			0		0
Profit for the six months ended June 30, 2021					2,011,405			2,011,405	148	2,011,553
Other comprehensive income for the six months ended June 30, 2021						(69,869)	692,385	622,516	(567)	621,949
Total comprehensive income	0	0	0	0	2,011,405	(69,869)	692,385	2,633,921	(419)	2,633,502
Changes in ownership interests in subsidiaries		2,913						2,913		2,913
Disposal of equity instruments measured at fair value through other comprehensive income					(326,125)		326,125	0		0
Balance as of June 30, 2021	12,227,451	4,346,536	3,019,879	201,416	7,470,039	(426,905)	2,671,999	29,510,415	6,586	29,517,001

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KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2021	2020
Cash flows from operating activities		
Profit before income tax from continuing operations	2,630,931	2,619,537
Adjustments for :		
Depreciation	4,377,272	4,098,058
Amortization	26,229	27,197
Expected credit loss (reversal of provision)	(482)	253
Interest expense	164,868	198,562
Interest income	(13,224)	(7,771)
Dividend income	(84,686)	(50,000)
Share-based payment expenses	2,913	0
Investment gain accounted for using the equity method	(10,286)	(7,451)
Loss(Gain) on disposal of property, plan and equipment	(168,716)	1,724
Unrealized foreign exchange gain	(188,134)	(85,084)
Changes in operating assets and liabilities		
Contract assets	114,290	(42,322)
Notes receivable	(297)	379
Accounts receivable	101,327	(173,103)
Accounts receivable due from related parties	(521,443)	(330,844)
Other receivable	(35,494)	(118,526)
Other receivable due from related parties	23,102	217
Inventories	(324,317)	(18,451)
Prepayments	278,602	(69,338)
Other current assets	(24,386)	(53,588)
Contract liabilities	(151,844)	(18,740)
Notes payable	5,696	2,422
Accounts payable	222,231	(56,135)
Accounts payable to related parties	20,056	(22,144)
Other payable	192,938	68,667
Other payable to related parties	21,502	14,985
Other current liabilities	129,451	166,376
Cash generated from operating activities	6,788,099	6,144,880
Interest received	10,860	6,974
Income taxes paid	(442,512)	(576,809)
Net cash provided by operating activities	6,356,447	5,575,045
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,681,388)	(5,354,868)
Proceeds from disposal of property, plant and equipment	261,016	10,086
Increase in refundable deposits	0	(80,007)
Decrease in refundable deposits	59,957	0
Acquisition of intangible assets	(20,445)	(20,194)
Increase in other financial assets	0	(9,287)
Decrease in other financial assets	10,185	0
Dividend received	47,676	61,460
Net cash used in investing activities	(8,322,999)	(5,392,810)
Cash flows from financing activities		
Increase in short-term loans	182,304	46,786
Decrease in short-term loans	(61,718)	(237,059)
Borrowing in long-term loans	10,606,901	15,320,407
Repayments of long-term loans	(5,936,801)	(14,816,422)
Decrease in guarantee deposits	(317)	0
Cash payment for the principal portion of the lease liabilities	(89,937)	(249,421)
Interest paid	(157,899)	(204,718)
Net cash used in(provided by) financing activities	4,542,533	(140,427)
Effect of change in exchange rate on cash and cash equivalents	2,583	17,475
Net increase in cash and cash equivalents	2,578,564	59,283
Cash and cash equivalents at the beginning of the period	8,008,530	6,166,005
Cash and cash equivalents at the end of the period	10,587,094	6,225,288