

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

As of March 31, 2022, December 31, 2021 and March 31, 2021

Assets	2022/3/31	2021/12/31	2021/3/31
	NT\$'000	NT\$'000	NT\$'000
Current assets			
Cash and cash equivalents	8,924,388	8,649,932	7,476,949
Contract assets-current	229,867	178,880	142,091
Notes receivable, net	4,261	7,706	4,084
Accounts receivable, net	5,688,087	5,765,273	4,299,683
Accounts receivable from related parties, net	2,354,951	2,151,913	2,178,307
Other receivables	437,717	352,477	350,418
Other receivables from related parties	7,039	4,825	36,685
Current tax assets	315	315	315
Inventories, net	1,383,359	1,371,473	1,120,014
Prepayments	520,631	299,259	278,549
Other current assets	82,195	67,160	81,617
Other financial assets-current	3	3	3
Total current assets	<u>19,632,813</u>	<u>18,849,216</u>	<u>15,968,715</u>
Non-current assets			
Financial assets at fair value through other comprehensive income-non-current	6,006,966	6,546,477	4,951,913
Investments accounted for using the equity method	77,910	79,126	70,426
Property, plant and equipment	46,912,496	45,576,661	42,193,208
Right-of-use assets	671,101	677,896	1,294,307
Intangible assets	67,696	73,599	77,181
Deferred tax assets	187,249	261,675	249,484
Other financial assets-non-current	145,972	105,972	105,486
Other non-current assets	10,824	49,561	59,895
Total non-current assets	<u>54,080,214</u>	<u>53,370,967</u>	<u>49,001,900</u>
Total assets	<u>73,713,027</u>	<u>72,220,183</u>	<u>64,970,615</u>

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

As of March 31, 2022, December 31, 2021 and March 31, 2021

Liabilities and shareholders' Equity	2022/3/31	2021/12/31	2021/3/31
	NT\$'000	NT\$'000	NT\$'000
Liabilities			
Current liabilities			
Short-term loans	1,091,448	566,856	95,289
Contract liabilities-current	197,533	157,024	89,676
Notes payable	21,346	10,066	9,335
Accounts payable	1,113,045	1,119,144	1,389,671
Accounts payable to related parties	35,909	21,414	37,997
Other payables	3,592,006	3,731,749	3,005,830
Other payables to related parties	96,457	98,930	92,077
Payables on equipment	1,354,005	1,778,300	1,303,340
Current tax liabilities	1,018,668	666,596	665,373
Lease liabilities-current	88,011	92,050	275,137
Current portion of long-term liabilities	1,998,432	2,017,322	2,294,894
Other current liabilities	979,604	884,648	641,200
Total current liabilities	<u>11,586,464</u>	<u>11,144,099</u>	<u>9,899,819</u>
Non-current liabilities			
Long-term loans	22,881,711	23,517,245	22,237,930
Deferred tax liabilities	1,492,406	1,527,445	862,002
Lease liabilities-non-current	485,753	492,615	556,053
Long-term deferred income	16,352	16,538	0
Net defined benefit liabilities	610,222	610,222	566,456
Guarantee deposits	34,844	33,851	2,755
Total non-current liabilities	<u>25,521,288</u>	<u>26,197,916</u>	<u>24,225,196</u>
Total liabilities	<u>37,107,752</u>	<u>37,342,015</u>	<u>34,125,015</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	4,893,466	4,885,134	4,588,172
Retained earnings			
Legal reserve	3,019,879	3,019,879	2,656,958
Special reserve	201,416	201,416	402,406
Undistributed earnings	12,402,000	10,580,312	9,294,043
Total retained earnings	<u>15,623,295</u>	<u>13,801,607</u>	<u>12,353,407</u>
Other equity	3,106,143	3,270,083	1,669,960
Equity attributable to owners of the parent company	<u>35,850,355</u>	<u>34,184,275</u>	<u>30,838,990</u>
Non-controlling interests	754,920	693,893	6,610
Total equity	<u>36,605,275</u>	<u>34,878,168</u>	<u>30,845,600</u>
Total liabilities and equities	<u>73,713,027</u>	<u>72,220,183</u>	<u>64,970,615</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, 2022 and 2021

	For the three months ended March 31,	
	2022	2021
	NT\$'000	NT\$'000
Net sales	8,983,837	7,630,890
Operating Costs	5,768,309	5,412,358
Gross Profit	3,215,528	2,218,532
Operating expenses		
Selling expenses	91,279	89,328
Administrative expenses	519,082	482,630
Research and development expenses	309,378	278,000
Expected credit losses (gains)	28	(1)
Total operating expenses	919,767	849,957
Operating Income	2,295,761	1,368,575
Non-operating income and expenses		
Interest income	4,915	6,819
Other income	81,574	56,216
Other gains and losses	79,415	150,147
Finance costs	(87,419)	(82,622)
Shares of profit of associates accounted for using the equity method	3,374	5,160
Total non-operating income and expenses	81,859	135,720
Net income before income tax	2,377,620	1,504,295
Income tax expense	522,763	357,842
Net income	1,854,857	1,146,453
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	(539,511)	505,350
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	107,902	(101,069)
Items that will be reclassified subsequently to profit or loss:		
Exchange differences resulting from translating the financial statements of foreign operations	361,764	(38,903)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(66,917)	7,693
Total other comprehensive (losses) income, net of tax	(136,762)	373,071
Total comprehensive income	1,718,095	1,519,524
Net income attributable to:		
Owners of the parent company	1,821,688	1,146,412
Non-controlling interests	33,169	41
	1,854,857	1,146,453
Total comprehensive income attributable to:		
Owners of the parent company	1,657,748	1,519,919
Non-controlling interests	60,347	(395)
	1,718,095	1,519,524
Basic earnings per share	1.49	0.94
Diluted earnings per share	1.47	0.93

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, 2022 and 2021

	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 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, 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
Profit for the three months ended March 31, 2021					1,146,412			1,146,412	41	1,146,453
Other comprehensive income for the three months ended March 31, 2021						(30,774)	404,281	373,507	(436)	373,071
Total comprehensive income	0	0	0	0	1,146,412	(30,774)	404,281	1,519,919	(395)	1,519,524
Balance as of March 31, 2021	12,227,451	4,588,172	2,656,958	402,406	9,294,043	(387,810)	2,057,770	30,838,990	6,610	30,845,600
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

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, 2022 and 2021

	For the three months ended March 31,	
	2022	2021
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit before income tax from continuing operations	2,377,620	1,504,295
Adjustments for :		
Depreciation	2,281,782	2,165,782
Amortization	12,054	12,986
Expected credit losses (gains)	28	(1)
Interest expenses	87,419	82,622
Interest income	(4,915)	(6,819)
Dividend income	(45,300)	(34,686)
Share-based payment expenses	8,957	0
Investment gain accounted for using the equity method	(3,374)	(5,160)
Gain on disposal of property, plant and equipment	(30,800)	(165,642)
Unrealized foreign exchange losses (gains)	383,521	(11,068)
Changes in operating assets and liabilities		
Contract assets	(50,987)	60,881
Notes receivable	3,445	(1,035)
Accounts receivable	77,156	(134,691)
Accounts receivable due from related parties	(203,038)	(453,356)
Other receivables	(34,964)	(183,440)
Other receivables due from related parties	4,796	(9,678)
Inventories	(11,886)	(139,045)
Prepayments	(165,798)	172,621
Other current assets	(15,035)	(29,774)
Contract liabilities	40,509	(139,927)
Notes payable	11,280	4,900
Accounts payable	(6,099)	271,716
Accounts payable to related parties	14,495	18,510
Other payable	(141,527)	92,066
Other payable to related parties	6,465	16,844
Other current liabilities	94,956	60,344
Other operating liabilities	(186)	0
Cash generated from operating activities	4,690,574	3,149,245
Interest received	3,509	4,495
Income taxes paid	(90,319)	(21,975)
Net cash provided by operating activities	4,603,764	3,131,765
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,742,226)	(4,563,237)
Proceeds from disposal of property, plant and equipment	46,216	237,678
Decrease in refundable deposits	38,752	21,789
Acquisition of intangible assets	(5,995)	(3,758)
(Increase) decrease in other financial assets	(40,000)	10,184
Dividends received	45,300	34,686
Net cash used in investing activities	(3,657,953)	(4,262,658)
Cash flows from financing activities		
Increase in short-term loans	548,826	32,224
Decrease in short-term loans	(58,130)	(37,065)
Borrowing in long-term loans	1,073,981	4,501,465
Repayments of long-term loans	(2,080,407)	(3,774,817)
Increase in guarantee deposits	993	0
Cash payment for the principal portion of the lease liabilities	(11,102)	(44,846)
Interest paid	(83,057)	(78,292)
Net cash (used in) provided by financing activities	(608,896)	598,669
Effect of change in exchange rate on cash and cash equivalents	(62,459)	643
Net increase (decrease) in cash and cash equivalents	274,456	(531,581)
Cash and cash equivalents at the beginning of the period	8,649,932	8,008,530
Cash and cash equivalents at the end of the period	8,924,388	7,476,949