

English Translation of Financial Statements Originally Issued in Chinese

**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

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

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$12,262,554	17	\$12,816,115	17
Contract assets-current	4, 6(16), 6(17), 7	414,883	1	153,753	-
Notes receivable, net	4, 6(3), 6(17)	-	-	7,218	-
Accounts receivable, net	4, 6(4), 6(17)	5,498,025	7	5,382,077	8
Accounts receivable from related parties, net	4, 6(4), 7	1,972,960	3	1,753,148	2
Other receivables		154,025	-	408,138	1
Other receivables from related parties	4, 7	100,977	-	28,582	-
Inventories, net	4, 6(5)	1,072,751	1	1,368,626	2
Prepayments	6(6)	502,046	1	366,144	-
Other current assets		62,831	-	55,126	-
Other financial assets-current	8	4	-	4	-
Total current assets		<u>22,041,056</u>	<u>30</u>	<u>22,338,931</u>	<u>30</u>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income-non-current	4, 6(2)	6,541,681	9	4,794,451	7
Investments accounted for using the equity method	4, 6(7)	93,982	-	91,048	-
Property, plant and equipment	4, 6(8), 7, 8	44,140,466	60	45,991,445	62
Right-of-use asset	4, 6(18)	620,991	1	651,296	1
Intangible assets	4, 6(9)	13,171	-	39,235	-
Deferred tax assets	4, 6(21), 6(22)	302,946	-	296,256	-
Other financial assets-non-current	8	147,333	-	146,462	-
Other non-current assets		9,607	-	9,859	-
Total non-current assets		<u>51,870,177</u>	<u>70</u>	<u>52,020,052</u>	<u>70</u>
<b>Total assets</b>		<u><u>\$73,911,233</u></u>	<u><u>100</u></u>	<u><u>\$74,358,983</u></u>	<u><u>100</u></u>

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

(continued)

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**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**As of December 31, 2023 and 2022**  
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current liabilities</b>					
Short-term loans	4, 6(10), 9	\$220,133	-	\$1,023,149	1
Contract liabilities-current	4, 6(16), 7	9,365	-	156,639	-
Notes payable		858	-	11,446	-
Accounts payable		1,154,413	2	1,008,049	1
Accounts payable to related parties	7	7,154	-	6,215	-
Other payables		3,424,447	5	3,738,122	5
Other payables to related parties	7	69,979	-	94,707	-
Payables on equipment		752,648	1	1,054,070	2
Current tax liabilities	4, 6(22)	406,759	-	1,165,435	2
Lease liabilities-current	4, 6(18)	30,876	-	29,342	-
Current portion of long-term loans	4, 6(12), 8, 9	574,528	1	805,353	1
Other current liabilities	6(11)	1,096,832	1	1,151,849	2
Total current liabilities		<u>7,747,992</u>	<u>10</u>	<u>10,244,376</u>	<u>14</u>
<b>Non-current liabilities</b>					
Long-term loans	4, 6(12), 8, 9	22,601,096	31	24,464,983	32
Deferred tax liabilities	4, 6(21), 6(22)	2,345,260	3	1,504,657	2
Lease liabilities-non-current	4, 6(18)	441,190	1	465,796	1
Long-term deferred income		70,017	-	42,820	-
Net defined benefit liabilities	4, 6(13)	645,076	1	657,844	1
Guarantee deposits		34,052	-	33,090	-
Total non-current liabilities		<u>26,136,691</u>	<u>36</u>	<u>27,169,190</u>	<u>36</u>
Total liabilities		<u>33,884,683</u>	<u>46</u>	<u>37,413,566</u>	<u>50</u>
<b>Equity attributable to owners of the parent company</b>					
Share capital	4, 6(14)				
Common stock		12,227,451	16	12,227,451	16
Capital surplus	4, 6(14), 6(15), 6(24)	4,955,581	7	4,953,859	7
Retained earnings	4, 6(2), 6(14)				
Legal reserve		4,177,574	6	3,499,434	5
Special reserve		201,416	-	201,416	-
Undistributed earnings		14,133,456	19	13,213,921	18
Total retained earnings		<u>18,512,446</u>	<u>25</u>	<u>16,914,771</u>	<u>23</u>
Other equity	4, 6(14)	3,207,531	4	1,993,897	3
Equity attributable to owners of the parent company		<u>38,903,009</u>	<u>52</u>	<u>36,089,978</u>	<u>49</u>
<b>Non-controlling interests</b>	4, 6(14), 6(24)	1,123,541	2	855,439	1
Total equity		<u>40,026,550</u>	<u>54</u>	<u>36,945,417</u>	<u>50</u>
<b>Total liabilities and equity</b>		<u>\$73,911,233</u>	<u>100</u>	<u>\$74,358,983</u>	<u>100</u>

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, 2023 and 2022**  
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2023	%	2022	%
<b>Net sales</b>	4, 6(16), 6(18), 7	\$33,025,307	100	\$36,781,996	100
<b>Operating costs</b>	4, 6(5), 6(9), 6(13), 6(18), 6(19), 7	(21,883,515)	(66)	(23,709,003)	(64)
<b>Gross profit</b>		11,141,792	34	13,072,993	36
<b>Operating expenses</b>	4, 6(9), 6(13), 6(17), 6(18), 6(19), 7				
Selling expenses		(397,704)	(1)	(377,820)	(1)
Administrative expenses		(2,080,568)	(7)	(2,259,835)	(6)
Research and development expenses		(1,290,696)	(4)	(1,267,045)	(4)
Expected credit losses		(9,295)	-	(3,463)	-
Total operating expenses		(3,778,263)	(12)	(3,908,163)	(11)
<b>Operating income</b>		7,363,529	22	9,164,830	25
<b>Non-operating income and expenses</b>	4, 6(2), 6(7), 6(20), 7				
Interest income		134,498	-	53,940	-
Other income		488,495	1	345,106	1
Other gains and losses		169,393	1	(67,736)	-
Finance costs		(689,750)	(2)	(555,026)	(2)
Share of profit of associates accounted for using the equity method		17,754	-	24,912	-
Total non-operating income and expenses		120,390	-	(198,804)	(1)
<b>Net income before income tax</b>		7,483,919	22	8,966,026	24
<b>Income tax expense</b>	4, 6(22)	(1,467,549)	(4)	(1,983,936)	(5)
<b>Net income</b>		6,016,370	18	6,982,090	19
<b>Other comprehensive income</b>	4, 6(13), 6(21)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of the defined benefit plan		20,738	-	(55,210)	-
Unrealized gains and losses from equity instrument investments measured at fair value through other comprehensive income		1,747,230	6	(1,752,026)	(5)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(346,210)	(1)	369,890	1
Items that will be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of foreign operations		(231,435)	(1)	142,897	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		42,802	-	(26,487)	-
<b>Other comprehensive income, net of tax</b>		1,233,125	4	(1,320,936)	(4)
<b>Total comprehensive income</b>		\$7,249,495	22	\$5,661,154	15
<b>Net income attributable to :</b>					
Owners of the parent company		\$5,840,365	17	\$6,836,609	19
Non-controlling interests		176,005	1	145,481	-
		\$6,016,370	18	\$6,982,090	19
<b>Total comprehensive income attributable to :</b>					
Owners of the parent company		\$7,090,917	21	\$5,505,213	15
Non-controlling interests		158,578	1	155,941	-
		\$7,249,495	22	\$5,661,154	15
<b>Earnings per share (NT\$)</b>	4, 6(23)				
Basic Earnings Per Share		\$4.78		\$5.59	
Diluted Earnings Per Share		\$4.74		\$5.49	

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 CHANGES IN EQUITY**

**For the years ended December 31, 2023 and 2022**

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent company							Equity attributable to owners of the parent company	Non-controlling interests	Total Equity
	Common stock	Capital surplus	Retained earnings			Other equity				
			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			
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
Appropriation and distribution of 2021 earnings:										
Legal reserve	-	-	479,555	-	(479,555)	-	-	-	-	-
Cash dividends	-	-	-	-	(3,668,235)	-	-	(3,668,235)	-	(3,668,235)
Profit for the year ended December 31, 2022	-	-	-	-	6,836,609	-	-	6,836,609	145,481	6,982,090
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(55,210)	105,950	(1,382,136)	(1,331,396)	10,460	(1,320,936)
Total comprehensive income	-	-	-	-	6,781,399	105,950	(1,382,136)	5,505,213	155,941	5,661,154
Changes in ownership interests in subsidiaries	-	68,725	-	-	-	-	-	68,725	5,605	74,330
Balance as of December 31, 2022	<u>\$12,227,451</u>	<u>\$4,953,859</u>	<u>\$3,499,434</u>	<u>\$201,416</u>	<u>\$13,213,921</u>	<u>\$(284,878)</u>	<u>\$2,278,775</u>	<u>\$36,089,978</u>	<u>\$855,439</u>	<u>\$36,945,417</u>
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
Appropriation and distribution of 2022 earnings:										
Legal reserve	-	-	678,140	-	(678,140)	-	-	-	-	-
Cash dividends	-	-	-	-	(4,279,608)	-	-	(4,279,608)	-	(4,279,608)
Profit for the year ended December 31, 2023	-	-	-	-	5,840,365	-	-	5,840,365	176,005	6,016,370
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	20,738	(171,206)	1,401,020	1,250,552	(17,427)	1,233,125
Total comprehensive income	-	-	-	-	5,861,103	(171,206)	1,401,020	7,090,917	158,578	7,249,495
Changes in ownership interests in subsidiaries	-	1,722	-	-	-	-	-	1,722	109,524	111,246
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	16,180	-	(16,180)	-	-	-
Balance as of December 31, 2023	<u>\$12,227,451</u>	<u>\$4,955,581</u>	<u>\$4,177,574</u>	<u>\$201,416</u>	<u>\$14,133,456</u>	<u>\$(456,084)</u>	<u>\$3,663,615</u>	<u>\$38,903,009</u>	<u>\$1,123,541</u>	<u>\$40,026,550</u>

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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, 2023 and 2022**  
(Amounts in thousands of New Taiwan Dollars)

Description	2023	2022	Description	2023	2022
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Profit before tax from continuing operations	\$7,483,919	\$8,966,026	Acquisition of property, plant and equipment	(7,726,307)	(10,391,637)
Adjustments for :			Proceeds from disposal of property, plant and equipment	345,278	398,363
The profit or loss items which did not affect cash flows:			Decrease in refundable deposits	252	39,748
Depreciation	9,105,051	9,178,388	Acquisition of intangible assets	(3,184)	(8,875)
Amortization	29,223	43,316	Acquisition of right-of-use assets	(2,400)	(76,557)
Expected credit losses	9,295	3,463	Increase in other financial assets	(871)	(40,491)
Interest expenses	689,750	555,026	Dividend received	114,053	109,278
Interest income	(134,498)	(53,940)	Net cash used in investing activities	(7,273,179)	(9,970,171)
Dividend income	(99,233)	(96,288)			
Share-based payment expenses	86,529	74,414			
Investment gain accounted for using the equity method	(17,754)	(24,912)			
Gain on disposal of property, plant and equipment	(78,514)	(58,161)			
Loss on disposal of other assets	19	-			
Unrealized foreign exchange (gain) loss	(405,089)	755,197			
Changes in operating assets and liabilities :					
Contract assets	(261,130)	25,127			
Notes receivable	7,218	488			
Accounts receivable	(125,226)	379,969	<b>Cash flows from financing activities :</b>		
Accounts receivable from related parties	(219,812)	398,765	Increase in short-term loans	221,830	1,597,599
Other receivables	260,711	(72,175)	Decrease in short-term loans	(1,023,479)	(1,149,115)
Other receivables from related parties	(74,727)	(22,491)	Borrowing in long-term loans	13,974,312	20,058,327
Inventories	295,875	2,847	Repayments of long-term loans	(15,677,089)	(21,094,189)
Prepayments	(386,298)	(19,702)	Increase in deposits received	962	-
Other current assets	(7,705)	12,034	Decrease in deposits received	-	(761)
Contract liabilities	(147,274)	(385)	Cash payments for the principal portion of the lease liabilities	(29,663)	(91,698)
Notes payable	(10,588)	1,380	Cash dividends	(4,279,608)	(3,668,235)
Accounts payable	146,364	(111,095)	Interest paid	(706,544)	(501,253)
Accounts payable to related parties	939	(15,199)	Change in non-controlling interests	24,258	-
Other payables	(285,484)	(22,052)	Net cash used in financing activities	(7,495,021)	(4,849,325)
Other payables to related parties	(11,718)	(1,984)			
Other current liabilities	(55,017)	267,201			
Accrued pension liabilities	7,970	(7,588)			
Other operating liabilities	27,197	26,282			
Cash generated from operating activities	15,829,993	20,183,951	Effect of changes in exchange rate on cash and cash equivalents	(45,692)	(44,753)
Interest received	126,058	45,229	Net (decrease) increase in cash and cash equivalents	(553,561)	4,166,183
Income tax paid	(1,695,720)	(1,198,748)	Cash and cash equivalents at the beginning of the year	12,816,115	8,649,932
Net cash provided by operating activities	14,260,331	19,030,432	Cash and cash equivalents at the end of the year	\$12,262,554	\$12,816,115

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