

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	June 30,2020	December 31,2019	June 30,2019
Current assets			
Cash and cash equivalents	6,225,288	6,166,005	5,290,577
Financial assets at fair value through profit or loss-current	0	0	101,723
Financial assets at fair value through other comprehensive income	35,922	30,114	25,274
Contract assets-current	168,504	126,182	222,348
Notes receivable, net	3,889	4,268	9,066
Accounts receivable, net	5,109,147	4,936,281	4,547,769
Accounts receivable from related parties, net	1,241,871	911,027	845,247
Other receivables	397,457	278,134	298,131
Other receivables from related parties	10,637	7,956	3,836
Inventories, net	1,099,486	1,081,035	1,038,582
Prepayments	241,340	272,607	1,135,158
Other current assets	130,958	77,370	226,020
Other financial assets-current	4	4	261
Total current assets	14,664,503	13,890,983	13,743,992
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	2,361,890	2,425,166	2,035,248
Investments accounted for using the equity method	61,219	65,228	56,390
Property, plant and equipment	38,257,535	36,890,887	34,405,319
Right-of-use assets	1,454,555	1,373,907	618,463
Intangible assets	66,619	73,795	137,928
Deferred tax assets	217,631	229,882	316,836
Other financial assets-non-current	122,412	113,125	112,400
Other non-current assets	96,179	16,176	16,014
Total non-current assets	42,638,040	41,188,166	37,698,598
Total assets	57,302,543	55,079,149	51,442,590

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

(Amounts in thousands of New Taiwan Dollars)

Liabilities and shareholders' Equity	June 30,2020	December 31,2019	June 30,2019
Liabilities			
Current liabilities			
Short-term loans	291,580	493,383	299,423
Contract liabilities-current	49,590	68,330	95,569
Notes payable	4,055	1,633	4,166
Accounts payable	998,828	1,054,963	909,316
Accounts payable to related parties	8,569	30,713	6,180
Other payables	5,235,016	2,973,602	4,031,865
Other payables to related parties	106,310	91,048	70,396
Payables on equipment	1,073,796	963,512	1,400,411
Current tax liabilities	641,996	723,277	438,988
Lease liabilities-current	573,886	792,980	18,319
Current portion of long-term liabilities	1,044,142	403,605	192,624
Other current liabilities	470,299	303,923	234,797
Total current liabilities	<u>10,498,067</u>	<u>7,900,969</u>	<u>7,702,054</u>
Non-current liabilities			
Long-term loans	19,716,067	19,924,440	18,663,992
Deferred tax liabilities	131,868	39,921	479
Lease liabilities-non-current	601,541	485,263	496,088
Net defined benefit liabilities	528,169	528,169	481,570
Guarantee deposits	1,933	1,933	1,933
Total non-current liabilities	<u>20,979,578</u>	<u>20,979,726</u>	<u>19,644,062</u>
Total liabilities	<u>31,477,645</u>	<u>28,880,695</u>	<u>27,346,116</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	4,588,172	4,832,721	4,843,558
Retained earnings			
Legal reserve	2,656,958	2,359,299	2,359,299
Special reserve	402,406	803,172	803,171
Undistributed earnings	6,499,506	6,371,702	4,379,364
Total retained earnings	<u>9,558,870</u>	<u>9,534,173</u>	<u>7,541,834</u>
Other equity	(556,332)	(402,406)	(523,268)
Equity attributable to owners of the parent company	<u>25,818,161</u>	<u>26,191,939</u>	<u>24,089,575</u>
Non-controlling interests	6,737	6,515	6,899
Total equity	<u>25,824,898</u>	<u>26,198,454</u>	<u>24,096,474</u>
Total liabilities and equities	<u>57,302,543</u>	<u>55,079,149</u>	<u>51,442,590</u>

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,	
	2020	2019	2020	2019
Net sales	7,658,502	6,090,962	14,659,656	11,351,086
Operating Costs	5,307,848	4,576,731	10,276,287	8,713,872
Gross Profit	2,350,654	1,514,231	4,383,369	2,637,214
Operating expenses				
Selling expenses	93,367	96,772	192,185	186,322
Administrative expenses	433,263	363,752	840,148	718,934
Research and development expenses	286,594	253,922	544,901	473,645
Expected credit losses(reversal gains)	24	(100)	253	23
Total operating expenses	813,248	714,346	1,577,487	1,378,924
Operating Income	1,537,406	799,885	2,805,882	1,258,290
Non-operating income and expenses				
Interest income	5,790	3,718	7,771	4,049
Other income	93,879	9,688	109,904	72,131
Other gains and losses	(92,122)	26,057	(112,909)	53,754
Finance costs	(94,705)	(70,690)	(198,562)	(138,697)
Shares of profit of associates accounted for using the equity method	3,455	2,762	7,451	5,498
Total non-operating income and expenses	(83,703)	(28,465)	(186,345)	(3,265)
Net income before income tax	1,453,703	771,420	2,619,537	1,255,025
Income tax expense	366,794	166,518	638,208	270,757
Net income	1,086,909	604,902	1,981,329	984,268
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	307,867	110,911	(57,468)	292,053
Income tax related to components of other comprehensive income that will not to be reclassified to profit or loss	(61,573)	(22,182)	11,494	(56,661)
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	(96,974)	(51,724)	(134,963)	55,865
Income tax related to components of other comprehensive income that will to be reclassified to profit or loss	19,378	10,390	26,988	(11,127)
Total other comprehensive income(losses), net of tax	168,698	47,395	(153,949)	280,130
Total comprehensive income	1,255,607	652,297	1,827,380	1,264,398
Net income attributable to:				
Owners of the parent company	1,086,605	604,834	1,981,084	984,243
Non-controlling interests	304	68	245	25
	1,086,909	604,902	1,981,329	984,268
Total comprehensive income attributable to:				
Owners of the parent company	1,255,386	652,007	1,827,158	1,264,148
Non-controlling interests	221	290	222	250
	1,255,607	652,297	1,827,380	1,264,398
Basic earnings per share	0.89	0.49	1.62	0.80
Diluted earnings per share	0.88	0.49	1.61	0.80

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, 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)			0		0
Special reserve				371,932	(371,932)			0		0
Cash dividends					(1,650,706)			(1,650,706)		(1,650,706)
Profit for the six months ended June 30, 2019					984,243			984,243	25	984,268
Other comprehensive income for the six months ended June 30, 2019						44,513	235,392	279,905	225	280,130
Total comprehensive income	0	0	0	0	984,243	44,513	235,392	1,264,148	250	1,264,398
Changes in ownership interests in subsidiaries		(978)						(978)	(36,092)	(37,070)
Balance as of June 30, 2019	12,227,451	4,843,558	2,359,299	803,171	4,379,364	(247,615)	(275,653)	24,089,575	6,899	24,096,474
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

English Translation of Financial Statements Originally Issued in Chinese
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,	
	2020	2019
Cash flows from operating activities		
Profit before income tax from continuing operations	2,619,537	1,255,025
Adjustments for :		
Depreciation	4,098,058	3,385,961
Amortization	27,197	45,579
Expected credit loss	253	23
Net gain on financial assets at fair value through profit or loss	0	(262)
Interest expense	198,562	138,697
Interest income	(7,771)	(4,049)
Dividend income	(50,000)	(324)
Investment gain accounted for using the equity method	(7,451)	(5,498)
Loss(Gain) on disposal of property, plant and equipment	1,724	(14,110)
Unrealized foreign exchange gain(loss)	(85,084)	10,841
Changes in operating assets and liabilities		
Contract assets	(42,322)	67,079
Notes receivable	379	5,102
Accounts receivable	(173,103)	(129,106)
Accounts receivable due from related parties	(330,844)	(75,516)
Other receivable	(118,526)	(95,814)
Other receivable due from related parties	217	10,679
Inventories	(18,451)	87,170
Prepayments	(69,338)	(538,181)
Other current assets	(53,588)	(34,921)
Contract liabilities	(18,740)	(34,634)
Notes payable	2,422	(45,990)
Accounts payable	(56,135)	(274,449)
Accounts payable to related parties	(22,144)	(6,211)
Other payable	68,667	101,567
Other payable to related parties	14,985	(19,717)
Other current liabilities	166,376	(44,871)
Cash generated from operating activities	<u>6,144,880</u>	<u>3,784,070</u>
Interest received	6,974	11,248
Income taxes paid	(576,809)	(102,346)
Net cash provided by operating activities	<u>5,575,045</u>	<u>3,692,972</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,354,868)	(5,175,340)
Proceeds from disposal of property, plant and equipment	10,086	58,512
Increase in refundable deposits	(80,007)	(133)
Acquisition of intangible assets	(20,194)	(12,346)
Increase in other financial assets	(9,287)	(2,745)
Dividend received	61,460	11,460
Net cash used in investing activities	<u>(5,392,810)</u>	<u>(5,120,592)</u>
Cash flows from financing activities		
Increase in short-term loans	46,786	304,097
Decrease in short-term loans	(237,059)	(114,790)
Borrowing in long-term loans	15,320,407	8,869,919
Repayments of long-term loans	(14,816,422)	(6,966,862)
Increase in guarantee deposits	0	360
Cash payment for the principal portion of the lease liabilities	(260,020)	(14,064)
Acquisition of ownership interests in subsidiaries	0	(37,070)
Interest paid	(194,119)	(123,556)
Net cash used in(provided by) financing activities	<u>(140,427)</u>	<u>1,918,034</u>
Effect of change in exchange rate on cash and cash equivalents	17,475	13,537
Net increase in cash and cash equivalents	59,283	503,951
Cash and cash equivalents at the beginning of the period	6,166,005	4,786,626
Cash and cash equivalents at the end of the period	<u>6,225,288</u>	<u>5,290,577</u>