

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	2021/9/30	2020/12/31	2020/9/30
Current assets			
Cash and cash equivalents	8,525,555	8,008,530	8,166,646
Financial assets at fair value through other comprehensive income-current	0	0	53,345
Contract assets-current	172,957	202,972	99,806
Notes receivable, net	4,638	3,049	3,245
Accounts receivable, net	4,935,973	4,164,991	4,649,588
Accounts receivable from related parties, net	2,642,245	1,724,951	1,524,494
Other receivables	464,545	161,712	343,703
Other receivables from related parties	8,575	33,257	24,492
Current tax assets	315	315	0
Inventories, net	1,333,056	980,969	972,333
Prepayments	331,787	479,283	353,788
Other current assets	205,652	51,843	93,746
Other financial assets-current	3	4	4
Total current assets	18,625,301	15,811,876	16,285,190
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	5,940,648	4,446,563	3,150,231
Investments accounted for using the equity method	75,138	69,856	67,591
Property, plant and equipment	44,115,831	39,147,575	38,868,880
Right-of-use assets	1,240,832	1,328,232	1,408,256
Intangible assets	68,671	86,442	68,451
Deferred tax assets	300,515	227,623	213,106
Other financial assets-non-current	105,916	115,669	115,503
Other non-current assets	13,887	81,682	126,127
Total non-current assets	51,861,438	45,503,642	44,018,145
Total assets	70,486,739	61,315,518	60,303,335

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	2021/9/30	2020/12/31	2020/9/30
Liabilities			
Current liabilities			
Short-term loans	329,906	100,854	215,091
Contract liabilities-current	110,933	229,603	45,927
Notes payable	10,947	4,435	1,206
Accounts payable	1,127,880	1,117,955	866,482
Accounts payable to related parties	29,071	19,487	12,083
Other payables	3,506,505	2,914,621	2,809,433
Other payables to related parties	90,177	65,456	61,041
Payables on equipment	992,214	623,324	1,096,626
Current tax liabilities	298,084	408,303	469,435
Lease liabilities-current	259,751	310,144	453,094
Current portion of long-term liabilities	2,243,723	1,844,759	1,560,315
Other current liabilities	878,572	580,856	573,548
Total current liabilities	9,877,763	8,219,797	8,164,281
Non-current liabilities			
Long-term loans	25,547,735	21,966,029	23,120,952
Deferred tax liabilities	1,309,572	667,968	386,565
Lease liabilities-non-current	494,312	566,437	579,171
Net defined benefit liabilities	566,456	566,456	528,169
Guarantee deposits	6,762	2,755	2,755
Total non-current liabilities	27,924,837	23,769,645	24,617,612
Total liabilities	37,802,600	31,989,442	32,781,893
Equity			
Equity attributable to owners of the parent company			
Share capital			
Common stock	12,227,451	12,227,451	12,227,451
Capital surplus	4,876,984	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	8,992,126	8,147,631	7,461,742
Total retained earnings	12,213,421	11,206,995	10,521,106
Other equity	2,720,714	1,296,453	177,871
Equity attributable to owners of the parent company	32,038,570	29,319,071	27,514,600
Non-controlling interests	645,569	7,005	6,842
Total equity	32,684,139	29,326,076	27,521,442
Total liabilities and equities	70,486,739	61,315,518	60,303,335

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 September 30		For the nine months ended September 30,	
	2021	2020	2021	2020
Net sales	8,997,022	7,362,590	24,225,238	22,022,246
Operating Costs	6,019,750	5,372,431	16,992,296	15,648,718
Gross Profit	2,977,272	1,990,159	7,232,942	6,373,528
Operating expenses				
Selling expenses	90,725	100,278	265,786	292,463
Administrative expenses	539,137	430,904	1,619,496	1,271,052
Research and development expenses	299,946	317,381	870,956	862,282
Expected credit losses	1,139	2,713	657	2,966
Total operating expenses	930,947	851,276	2,756,895	2,428,763
Operating Income	2,046,325	1,138,883	4,476,047	3,944,765
Non-operating income and expenses				
Interest income	4,784	4,712	18,008	12,483
Other income	15,847	40,525	136,013	150,429
Other gains and losses	9,851	155,206	232,252	42,297
Finance costs	(90,576)	(90,743)	(255,444)	(289,305)
Shares of profit of associates accounted for using the equity method	7,986	6,373	18,272	13,824
Total non-operating income and expenses	(52,108)	116,073	149,101	(70,272)
Net income before income tax	1,994,217	1,254,956	4,625,148	3,874,493
Income tax expense	454,198	292,625	1,073,576	930,833
Net income	1,540,019	962,331	3,551,572	2,943,660
Other comprehensive income				
Item that will not be reclassified subsequently to profit or loss:				
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	630,311	805,763	1,495,450	748,295
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(126,063)	(161,153)	(298,817)	(149,659)
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	(40,776)	112,001	(128,679)	(22,962)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	7,157	(22,398)	24,624	4,590
Total other comprehensive income, net of tax	470,629	734,213	1,092,578	580,264
Total comprehensive income	2,010,648	1,696,544	4,644,150	3,523,924
Net income attributable to:				
Owners of the parent company	1,522,087	962,236	3,533,492	2,943,320
Non-controlling interests	17,932	95	18,080	340
	1,540,019	962,331	3,551,572	2,943,660
Total comprehensive income attributable to:				
Owners of the parent company	1,997,707	1,696,439	4,631,628	3,523,597
Non-controlling interests	12,941	105	12,522	327
	2,010,648	1,696,544	4,644,150	3,523,924
Basic earnings per share	1.24	0.79	2.89	2.41
Diluted earnings per share	1.24	0.78	2.86	2.38

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 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 nine months ended September 30, 2020					2,943,320			2,943,320	340	2,943,660
Other comprehensive income for the nine months ended September 30, 2020						(18,359)	598,636	580,277	(13)	580,264
Total comprehensive income	0	0	0	0	2,943,320	(18,359)	598,636	3,523,597	327	3,523,924
Changes in ownership interests in subsidiaries					5			5		5
Balance as of September 30, 2020	12,227,451	4,588,172	2,656,958	402,406	7,461,742	(459,976)	637,847	27,514,600	6,842	27,521,442
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 nine months ended September 30, 2021					3,533,492			3,533,492	18,080	3,551,572
Other comprehensive income for the nine months ended September 30, 2021						(98,497)	1,196,633	1,098,136	(5,558)	1,092,578
Total comprehensive income	0	0	0	0	3,533,492	(98,497)	1,196,633	4,631,628	12,522	4,644,150
Changes in ownership interests in subsidiaries		533,361						533,361	626,042	1,159,403
Disposal of equity instruments measured at fair value through other comprehensive income					(326,125)		326,125	0		0
Balance as of September 30, 2021	12,227,451	4,876,984	3,019,879	201,416	8,992,126	(455,533)	3,176,247	32,038,570	645,569	32,684,139

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 nine months ended September 30,	
	2021	2020
Cash flows from operating activities		
Profit before income tax from continuing operations	4,625,148	3,874,493
Adjustments for :		
Depreciation	6,667,812	6,254,270
Amortization	38,125	38,898
Expected credit loss	657	2,966
Interest expense	255,444	289,305
Interest income	(18,008)	(12,483)
Dividend income	(85,016)	(50,966)
Share-based payment expenses	11,650	0
Investment gain accounted for using the equity method	(18,272)	(13,824)
Gain on disposal of property, plan and equipment	(161,591)	(19,733)
Unrealized foreign exchange gain	(136,116)	(190,815)
Changes in operating assets and liabilities		
Contract assets	30,015	26,376
Notes receivable	(1,589)	1,023
Accounts receivable	(771,642)	283,730
Accounts receivable due from related parties	(917,294)	(613,467)
Other receivable	(305,521)	(45,918)
Other receivable due from related parties	18,311	(14,244)
Inventories	(352,087)	108,702
Prepayments	98,959	(319,534)
Other current assets	(153,809)	(16,376)
Contract liabilities	(118,670)	(22,403)
Notes payable	6,512	(427)
Accounts payable	9,925	(188,481)
Accounts payable to related parties	9,584	(18,630)
Other payable	594,787	(156,245)
Other payable to related parties	23,610	(30,007)
Other current liabilities	297,716	269,625
Cash generated from operating activities	<u>9,648,640</u>	<u>9,435,835</u>
Interest received	18,561	9,915
Income taxes paid	(889,276)	(966,324)
Net cash provided by operating activities	<u>8,777,925</u>	<u>8,479,426</u>
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,365	0
Acquisition of property, plant and equipment	(11,351,177)	(7,861,163)
Proceeds from disposal of property, plant and equipment	287,647	57,490
Increase in refundable deposits	0	(109,963)
Decrease in refundable deposits	67,786	0
Acquisition of intangible assets	(20,444)	(33,601)
Increase in other financial assets	0	(2,378)
Decrease in other financial assets	9,754	0
Dividend received	98,006	62,426
Net cash used in investing activities	<u>(10,907,063)</u>	<u>(7,887,189)</u>
Cash flows from financing activities		
Increase in short-term loans	364,072	120,749
Decrease in short-term loans	(131,812)	(393,915)
Borrowing in long-term loans	14,250,931	24,266,775
Repayments of long-term loans	(10,152,956)	(19,738,361)
Increase in guarantee deposits	4,007	822
Cash payment for the principal portion of the lease liabilities	(135,155)	(375,269)
Cash dividends	(2,445,490)	(2,200,941)
Interest paid	(244,869)	(289,686)
Change in non-controlling interests	1,147,768	0
Net cash provided by financing activities	<u>2,656,496</u>	<u>1,390,174</u>
Effect of change in exchange rate on cash and cash equivalents	(10,333)	18,230
Net increase in cash and cash equivalents	517,025	2,000,641
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	<u>8,525,555</u>	<u>8,166,646</u>