

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

**As of March 31, 2021, December 31, 2020 and March 31, 2020**

<b>Assets</b>	<b>2021/3/31</b>	<b>2020/12/31</b>	<b>2020/3/31</b>
	NT\$'000	NT\$'000	NT\$'000
Current assets			
Cash and cash equivalents	7,476,949	8,008,530	6,700,252
Financial assets at fair value through other comprehensive income-current	0	0	22,944
Contract assets-current	142,091	202,972	135,645
Notes receivable, net	4,084	3,049	4,414
Accounts receivable, net	4,299,683	4,164,991	4,919,512
Accounts receivable from related parties, net	2,178,307	1,724,951	1,278,897
Other receivables	350,418	161,712	338,586
Other receivables from related parties	36,685	33,257	6,326
Current tax assets	315	315	0
Inventories, net	1,120,014	980,969	1,283,527
Prepayments	278,549	479,283	220,769
Other current assets	81,617	51,843	112,644
Other financial assets-current	3	4	4
Total current assets	15,968,715	15,811,876	15,023,520
Non-current assets			
Financial assets at fair value through other comprehensive income-non-current	4,951,913	4,446,563	2,067,001
Investments accounted for using the equity method	70,426	69,856	69,224
Property, plant and equipment	42,193,208	39,147,575	37,955,173
Right-of-use assets	1,294,307	1,328,232	1,343,369
Intangible assets	77,181	86,442	69,840
Deferred tax assets	249,484	227,623	256,923
Other financial assets-non-current	105,486	115,669	113,125
Other non-current assets	59,895	81,682	16,900
Total non-current assets	49,001,900	45,503,642	41,891,555
<b>Total assets</b>	<b>64,970,615</b>	<b>61,315,518</b>	<b>56,915,075</b>

**English Translation of Financial Statements Originally Issued in Chinese**

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

**CONSOLIDATED BALANCE SHEETS (Continued)**

**As of March 31, 2021, December 31, 2020 and March 31, 2020**

<b>Liabilities and shareholders' Equity</b>	<b>2021/3/31</b>	<b>2020/12/31</b>	<b>2020/3/31</b>
	NT\$'000	NT\$'000	NT\$'000
<b>Liabilities</b>			
Current liabilities			
Short-term loans	95,289	100,854	471,927
Contract liabilities-current	89,676	229,603	76,757
Notes payable	9,335	4,435	14,014
Accounts payable	1,389,671	1,117,955	1,165,259
Accounts payable to related parties	37,997	19,487	28,319
Other payables	3,005,830	2,914,621	2,877,844
Other payables to related parties	92,077	65,456	80,571
Payables on equipment	1,303,340	623,324	1,557,370
Current tax liabilities	665,373	408,303	880,111
Lease liabilities-current	275,137	310,144	674,224
Current portion of long-term liabilities	2,294,894	1,844,759	838,875
Other current liabilities	641,200	580,856	463,542
Total current liabilities	9,899,819	8,219,797	9,128,813
Non-current liabilities			
Long-term loans	22,237,930	21,966,029	19,960,952
Deferred tax liabilities	862,002	667,968	43,509
Lease liabilities-non-current	556,053	566,437	481,467
Net defined benefit liabilities	566,456	566,456	528,169
Guarantee deposits	2,755	2,755	1,933
Total non-current liabilities	24,225,196	23,769,645	21,016,030
<b>Total liabilities</b>	<b>34,125,015</b>	<b>31,989,442</b>	<b>30,144,843</b>
<b>Equity</b>			
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	4,588,172	4,832,721
Retained earnings			
Legal reserve	2,656,958	2,656,958	2,359,299
Special reserve	402,406	402,406	803,172
Undistributed earnings	9,294,043	8,147,631	7,266,186
Total retained earnings	12,353,407	11,206,995	10,428,657
Other equity	1,669,960	1,296,453	(725,113)
<b>Equity attributable to owners of the parent company</b>	<b>30,838,990</b>	<b>29,319,071</b>	<b>26,763,716</b>
Non-controlling interests	6,610	7,005	6,516
<b>Total equity</b>	<b>30,845,600</b>	<b>29,326,076</b>	<b>26,770,232</b>
<b>Total liabilities and equities</b>	<b>64,970,615</b>	<b>61,315,518</b>	<b>56,915,075</b>

**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, 2021 and 2020

	For the three months ended March 31,	
	2021	2020
	NT\$'000	NT\$'000
Net sales	7,630,890	7,001,154
Operating Costs	5,412,358	4,968,439
Gross Profit	2,218,532	2,032,715
Operating expenses		
Selling expenses	89,328	98,818
Administrative expenses	482,630	406,885
Research and development expenses	278,000	258,307
Expected credit (gains) losses	(1)	229
Total operating expenses	849,957	764,239
Operating Income	1,368,575	1,268,476
Non-operating income and expenses		
Interest income	6,819	1,981
Other income	56,216	16,025
Other gains and losses	150,147	(20,787)
Finance costs	(82,622)	(103,857)
Shares of profit of associates accounted for using the equity method	5,160	3,996
Total non-operating income and expenses	135,720	(102,642)
Net income before income tax	1,504,295	1,165,834
Income tax expense	357,842	271,414
<b>Net income</b>	<b>1,146,453</b>	<b>894,420</b>
Other comprehensive income		
Items 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	505,350	(365,335)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(101,069)	73,067
Items that will be reclassified subsequently to profit or loss:		
Exchange differences resulting from translating the financial statements of foreign operations	(38,903)	(37,989)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	7,693	7,610
Total other comprehensive income(losses), net of tax	373,071	(322,647)
Total comprehensive income	1,519,524	571,773
Net income attributable to:		
Owners of the parent company	1,146,412	894,479
Non-controlling interests	41	(59)
	1,146,453	894,420
Total comprehensive income attributable to:		
Owners of the parent company	1,519,919	571,772
Non-controlling interests	(395)	1
	1,519,524	571,773
Basic earnings per share	0.94	0.73
Diluted earnings per share	0.93	0.72

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, 2021 and 2020

	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 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
<b>Balance as of January 1, 2020</b>	<b>12,227,451</b>	<b>4,832,721</b>	<b>2,359,299</b>	<b>803,172</b>	<b>6,371,702</b>	<b>(441,617)</b>	<b>39,211</b>	<b>26,191,939</b>	<b>6,515</b>	<b>26,198,454</b>
Profit for the three months ended March 31, 2020					894,479			894,479	(59)	894,420
Other comprehensive income for the three months ended March 31, 2020						(30,439)	(292,268)	(322,707)	60	(322,647)
Total comprehensive income	0	0	0	0	894,479	(30,439)	(292,268)	571,772	1	571,773
Changes in ownership interests in subsidiaries					5			5		5
<b>Balance as of March 31, 2020</b>	<b>12,227,451</b>	<b>4,832,721</b>	<b>2,359,299</b>	<b>803,172</b>	<b>7,266,186</b>	<b>(472,056)</b>	<b>(253,057)</b>	<b>26,763,716</b>	<b>6,516</b>	<b>26,770,232</b>
<b>Balance as of January 1, 2021</b>	<b>12,227,451</b>	<b>4,588,172</b>	<b>2,656,958</b>	<b>402,406</b>	<b>8,147,631</b>	<b>(357,036)</b>	<b>1,653,489</b>	<b>29,319,071</b>	<b>7,005</b>	<b>29,326,076</b>
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
<b>Balance as of March 31, 2021</b>	<b>12,227,451</b>	<b>4,588,172</b>	<b>2,656,958</b>	<b>402,406</b>	<b>9,294,043</b>	<b>(387,810)</b>	<b>2,057,770</b>	<b>30,838,990</b>	<b>6,610</b>	<b>30,845,600</b>

**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, 2021 and 2020

	For the three months ended March 31,	
	2021	2020
	NT\$'000	NT\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax from continuing operations	1,504,295	1,165,834
Adjustments for :		
Depreciation	2,165,782	2,029,186
Amortization	12,986	14,402
Expected credit (gains) losses	(1)	229
Interest expenses	82,622	103,857
Interest income	(6,819)	(1,981)
Dividend income paid	(34,686)	0
Investment gain accounted for using the equity method	(5,160)	(3,996)
Gain on disposal of property, plan and equipment	(165,642)	(1,822)
Unrealized foreign exchange (gain) loss	(11,068)	81,252
Changes in operating assets and liabilities		
Contract assets	60,881	(9,463)
Notes receivable	(1,035)	(146)
Accounts receivable	(134,691)	16,545
Accounts receivable due from related parties	(453,356)	(367,870)
Other receivables	(183,440)	(59,456)
Other receivables due from related parties	(9,678)	1,991
Inventories	(139,045)	(202,492)
Prepayments	172,621	(41,549)
Other current assets	(29,774)	(35,274)
Contract liabilities	(139,927)	8,427
Notes payable	4,900	12,381
Accounts payable	271,716	110,296
Accounts payable to related parties	18,510	(2,394)
Other payable	92,066	(95,460)
Other payable to related parties	16,844	(11,588)
Other current liabilities	60,344	159,619
Cash generated from operating activities	3,149,245	2,870,528
Interest received	4,495	985
Income taxes paid	(21,975)	(57,356)
<b>Net cash provided by operating activities</b>	<b>3,131,765</b>	<b>2,814,157</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,563,237)	(2,417,875)
Proceeds from disposal of property, plant and equipment	237,678	2,301
Decrease (Increase) in refundable deposits	21,789	(719)
Acquisition of intangible assets	(3,758)	(10,495)
Increase in other financial assets	10,184	0
Dividend received	34,686	0
<b>Net cash used in investing activities</b>	<b>(4,262,658)</b>	<b>(2,426,788)</b>
<b>Cash flows from financing activities</b>		
Increase in short-term loans	32,224	9,686
Decrease in short-term loans	(37,065)	(28,133)
Borrowing in long-term loans	4,501,465	11,505,701
Repayments of long-term loans	(3,774,817)	(11,121,339)
Cash payment for the principal portion of the lease liabilities	(44,846)	(124,070)
Interest paid	(78,292)	(100,265)
<b>Net cash provided by financing activities</b>	<b>598,669</b>	<b>141,580</b>
Effect of change in exchange rate on cash and cash equivalents	643	5,298
Net (decrease) increase in cash and cash equivalents	(531,581)	534,247
Cash and cash equivalents at the beginning of the period	8,008,530	6,166,005
<b>Cash and cash equivalents at the end of the period</b>	<b>7,476,949</b>	<b>6,700,252</b>