

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	Sep 30,2020	December 31,2019	Sep 30,2019
Current assets			
Cash and cash equivalents	8,166,646	6,166,005	5,591,146
Financial assets at fair value through profit or loss-current	0	0	101,857
Financial assets at fair value through other comprehensive income-current	53,345	30,114	31,297
Contract assets-current	99,806	126,182	209,449
Notes receivable, net	3,245	4,268	9,156
Accounts receivable, net	4,649,588	4,936,281	4,832,002
Accounts receivable from related parties, net	1,524,494	911,027	968,623
Other receivables	343,703	278,134	496,715
Other receivables from related parties	24,492	7,956	9,853
Inventories, net	972,333	1,081,035	1,073,314
Prepayments	353,788	272,607	390,200
Other current assets	93,746	77,370	149,947
Other financial assets-current	4	4	253
Total current assets	16,285,190	13,890,983	13,863,812
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	3,150,231	2,425,166	2,225,171
Investments accounted for using the equity method	67,591	65,228	61,495
Property, plant and equipment	38,868,880	36,890,887	36,418,308
Right-of-use assets	1,408,256	1,373,907	609,029
Intangible assets	68,451	73,795	127,358
Deferred tax assets	213,106	229,882	268,621
Other financial assets-non-current	115,503	113,125	112,962
Other non-current assets	126,127	16,176	15,850
Total non-current assets	44,018,145	41,188,166	39,838,794
Total assets	60,303,335	55,079,149	53,702,606

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	Sep 30,2020	December 31,2019	Sep 30,2019
Liabilities			
Current liabilities			
Short-term loans	215,091	493,383	482,376
Contract liabilities-current	45,927	68,330	82,647
Notes payable	1,206	1,633	4,732
Accounts payable	866,482	1,054,963	1,150,582
Accounts payable to related parties	12,083	30,713	8,686
Other payables	2,809,433	2,973,602	2,704,070
Other payables to related parties	61,041	91,048	80,174
Payables on equipment	1,096,626	963,512	1,187,243
Current tax liabilities	469,435	723,277	503,502
Lease liabilities-current	453,094	792,980	18,387
Current portion of long-term liabilities	1,560,315	403,605	192,345
Other current liabilities	573,548	303,923	250,050
Total current liabilities	<u>8,164,281</u>	<u>7,900,969</u>	<u>6,664,794</u>
Non-current liabilities			
Long-term loans	23,120,952	19,924,440	20,871,983
Deferred tax liabilities	386,565	39,921	2,224
Lease liabilities-non-current	579,171	485,263	491,305
Net defined benefit liabilities	528,169	528,169	481,570
Guarantee deposits	2,755	1,933	1,933
Total non-current liabilities	<u>24,617,612</u>	<u>20,979,726</u>	<u>21,849,015</u>
Total liabilities	<u>32,781,893</u>	<u>28,880,695</u>	<u>28,513,809</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	7,461,742	6,371,702	5,424,967
Total retained earnings	<u>10,521,106</u>	<u>9,534,173</u>	<u>8,587,437</u>
Other equity	177,871	(402,406)	(476,590)
Equity attributable to owners of the parent company	<u>27,514,600</u>	<u>26,191,939</u>	<u>25,181,856</u>
Non-controlling interests	6,842	6,515	6,941
Total equity	<u>27,521,442</u>	<u>26,198,454</u>	<u>25,188,797</u>
Total liabilities and equities	<u>60,303,335</u>	<u>55,079,149</u>	<u>53,702,606</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 Sep 30,		For the nine months ended Sep 30,	
	2020	2019	2020	2019
Net sales	7,362,590	7,041,212	22,022,246	18,392,298
Operating Costs	5,372,431	4,860,808	15,648,718	13,574,680
Gross Profit	1,990,159	2,180,404	6,373,528	4,817,618
Operating expenses				
Selling expenses	100,278	106,398	292,463	292,720
Administrative expenses	430,904	399,130	1,271,052	1,118,064
Research and development expenses	317,381	282,451	862,282	756,096
Expected credit losses(reversal gains)	2,713	(27)	2,966	(4)
Total operating expenses	851,276	787,952	2,428,763	2,166,876
Operating Income	1,138,883	1,392,452	3,944,765	2,650,742
Non-operating income and expenses				
Interest income	4,712	1,153	12,483	5,202
Other income	40,525	46,612	150,429	118,743
Other gains and losses	155,206	(36,482)	42,297	17,272
Finance costs	(90,743)	(71,530)	(289,305)	(210,227)
Shares of profit of associates accounted for using the equity method	6,373	5,105	13,824	10,603
Total non-operating income and expenses	116,073	(55,142)	(70,272)	(58,407)
Net income before income tax	1,254,956	1,337,310	3,874,493	2,592,335
Income tax expense	292,625	291,645	930,833	562,402
Net income	962,331	1,045,665	2,943,660	2,029,933
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	805,763	195,946	748,295	487,999
Income tax related to components of other comprehensive income that will not to be reclassified to profit or loss	(161,153)	(40,131)	(149,659)	(96,792)
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	112,001	(136,440)	(22,962)	(80,575)
Income tax related to components of other comprehensive income that will to be reclassified to profit or loss	(22,398)	27,283	4,590	16,156
Total other comprehensive income(losses), net of tax	734,213	46,658	580,264	326,788
Total comprehensive income	1,696,544	1,092,323	3,523,924	2,356,721
Net income attributable to:				
Owners of the parent company	962,236	1,045,603	2,943,320	2,029,846
Non-controlling interests	95	62	340	87
	962,331	1,045,665	2,943,660	2,029,933
Total comprehensive income attributable to:				
Owners of the parent company	1,696,439	1,092,281	3,523,597	2,356,429
Non-controlling interests	105	42	327	292
	1,696,544	1,092,323	3,523,924	2,356,721
Basic earnings per share	0.79	0.86	2.41	1.66
Diluted earnings per share	0.78	0.85	2.38	1.65

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 nine months ended Sep 30, 2019					2,029,846			2,029,846	87	2,029,933
Other comprehensive income for the nine months ended Sep 30, 2019						(64,624)	391,207	326,583	205	326,788
Total comprehensive income	0	0	0	0	2,029,846	(64,624)	391,207	2,356,429	292	2,356,721
Changes in ownership interests in subsidiaries		(978)						(978)	(36,092)	(37,070)
Balance as of Sep 30, 2019	12,227,451	4,843,558	2,359,299	803,171	5,424,967	(356,752)	(119,838)	25,181,856	6,941	25,188,797
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 Sep 30, 2020					2,943,320			2,943,320	340	2,943,660
Other comprehensive income for the nine months ended Sep 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 Sep 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

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 Sep 30,	
	2020	2019
Cash flows from operating activities		
Profit before income tax from continuing operations	3,874,493	2,592,335
Adjustments for :		
Depreciation	6,254,270	5,140,779
Amortization	38,898	69,168
Expected credit loss	2,966	(4)
Gains on financial assets and liabilities at fair value through profit or loss	0	(396)
Interest expense	289,305	210,227
Interest income	(12,483)	(5,202)
Dividend income	(50,966)	(898)
Investment gain accounted for using the equity method	(13,824)	(10,603)
Gain on disposal of property, plant and equipment	(19,733)	(1,163)
Unrealized foreign exchange loss	(190,815)	(53,703)
Changes in operating assets and liabilities		
Contract assets	26,376	79,978
Notes receivable	1,023	4,688
Accounts receivable	283,730	(413,299)
Accounts receivable due from related parties	(613,467)	(198,892)
Other receivables	(45,918)	(295,454)
Other receivables due from related parties	(14,244)	2,267
Inventories	108,702	52,438
Prepayments	(319,534)	168,110
Other current assets	(16,376)	41,152
Contract liabilities	(22,403)	(47,556)
Notes payable	(427)	(45,424)
Accounts payable	(188,481)	(33,183)
Accounts payable to related parties	(18,630)	(3,705)
Other payables	(156,245)	416,650
Other payables to related parties	(30,007)	(4,161)
Other current liabilities	269,625	(29,618)
Cash generated from operating activities	<u>9,435,835</u>	<u>7,634,531</u>
Interest received	9,915	12,900
Income taxes paid	<u>(966,324)</u>	<u>(292,365)</u>
Net cash provided by operating activities	<u>8,479,426</u>	<u>7,355,066</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,861,163)	(9,252,918)
Proceeds from disposal of property, plant and equipment	57,490	92,579
Decrease (increase) in refundable deposits	(109,963)	104
Acquisition of intangible assets	(33,601)	(25,570)
Increase in other financial assets	(2,378)	(3,299)
Dividend received	62,426	12,358
Net cash used in investing activities	<u>(7,887,189)</u>	<u>(9,176,746)</u>
Cash flows from financing activities		
Increase in short-term loans	120,749	499,145
Decrease in short-term loans	(393,915)	(114,790)
Borrowing in long-term loans	24,266,775	15,909,102
Repayments of long-term loans	(19,738,361)	(11,748,610)
Increase in guarantee deposits	822	360
Cash payment for the principal portion of the lease liabilities	(375,269)	(13,670)
Cash dividends	(2,200,941)	(1,650,706)
Acquisition of ownership interests in subsidiaries	0	(37,070)
Interest paid	<u>(289,686)</u>	<u>(189,641)</u>
Net cash provided by financing activities	<u>1,390,174</u>	<u>2,654,120</u>
Effect of change in exchange rate on cash and cash equivalents	18,230	(27,920)
Net increase in cash and cash equivalents	<u>2,000,641</u>	<u>804,520</u>
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>8,166,646</u>	<u>5,591,146</u>