

**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)

<b>Assets</b>	<b>2022/6/30</b>	<b>2021/12/31</b>	<b>2021/6/30</b>
Current assets			
Cash and cash equivalents	10,028,519	8,649,932	10,587,094
Contract assets-current	115,506	178,880	88,682
Notes receivable, net	4,649	7,706	3,346
Accounts receivable, net	6,357,243	5,765,273	4,064,145
Accounts receivable from related parties, net	2,445,696	2,151,913	2,246,394
Other receivables	354,733	326,299	184,966
Other receivables from related parties	5,352	4,825	4,074
Current tax assets	0	315	315
Inventories, net	1,386,981	1,371,473	1,305,286
Prepayments	267,361	325,437	219,379
Other current assets	102,442	67,160	76,229
Other financial assets-current	4	3	3
Total current assets	21,068,486	18,849,216	18,779,913
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	4,891,130	6,546,477	5,310,337
Investments accounted for using the equity method	78,262	79,126	67,152
Property, plant and equipment	46,656,008	45,576,661	44,039,554
Right-of-use assets	592,139	677,896	1,274,593
Intangible assets	56,618	73,599	80,588
Deferred tax assets	257,276	261,675	268,887
Other financial assets-non-current	145,972	105,972	105,485
Other non-current assets	10,757	49,561	21,716
Total non-current assets	52,688,162	53,370,967	51,168,312
<b>Total assets</b>	<b>73,756,648</b>	<b>72,220,183</b>	<b>69,948,225</b>

**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	2022/6/30	2021/12/31	2021/6/30
<b>Liabilities</b>			
Current liabilities			
Short-term loans	1,469,992	566,856	219,816
Contract liabilities-current	233,545	157,024	77,759
Notes payable	5,406	10,066	10,131
Accounts payable	1,089,793	1,119,144	1,340,186
Accounts payable to related parties	20,183	21,414	39,543
Other payables	7,613,631	3,731,749	5,552,478
Other payables to related parties	110,063	98,930	90,670
Payables on equipment	1,084,150	1,778,300	1,268,429
Current tax liabilities	1,011,553	666,596	338,626
Lease liabilities-current	28,366	92,050	299,135
Current portion of long-term liabilities	2,071,455	2,017,322	2,239,973
Other current liabilities	901,917	884,648	710,307
Total current liabilities	15,640,054	11,144,099	12,187,053
Non-current liabilities			
Long-term loans	21,634,294	23,517,245	26,063,478
Deferred tax liabilities	1,373,926	1,527,445	1,111,061
Lease liabilities-non-current	479,615	492,615	500,738
Long-term deferred income	15,249	16,538	0
Net defined benefit liabilities	610,222	610,222	566,456
Guarantee deposits	32,045	33,851	2,438
Total non-current liabilities	24,145,351	26,197,916	28,244,171
<b>Total liabilities</b>	<b>39,785,405</b>	<b>37,342,015</b>	<b>40,431,224</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	4,901,736	4,885,134	4,346,536
Retained earnings			
Legal reserve	3,499,434	3,019,879	3,019,879
Special reserve	201,416	201,416	201,416
Undistributed earnings	10,268,398	10,580,312	7,470,039
Total retained earnings	13,969,248	13,801,607	10,691,334
Other equity	2,080,927	3,270,083	2,245,094
<b>Equity attributable to owners of the parent company</b>	<b>33,179,362</b>	<b>34,184,275</b>	<b>29,510,415</b>
Non-controlling interests	791,881	693,893	6,586
<b>Total equity</b>	<b>33,971,243</b>	<b>34,878,168</b>	<b>29,517,001</b>
<b>Total liabilities and equities</b>	<b>73,756,648</b>	<b>72,220,183</b>	<b>69,948,225</b>

**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,	
	2022	2021	2022	2021
Net sales	9,928,261	7,597,326	18,912,098	15,228,216
Operating Costs	6,212,406	5,560,188	11,980,715	10,972,546
Gross Profit	3,715,855	2,037,138	6,931,383	4,255,670
Operating expenses				
Selling expenses	90,407	85,733	181,686	175,061
Administrative expenses	587,805	597,729	1,106,887	1,080,359
Research and development expenses	329,175	293,010	638,553	571,010
Expected credit losses (reversal gains)	2,942	(481)	2,970	(482)
Total operating expenses	1,010,329	975,991	1,930,096	1,825,948
Operating Income	2,705,526	1,061,147	5,001,287	2,429,722
Non-operating income and expenses				
Interest income	9,526	6,405	14,441	13,224
Other income	84,179	63,950	165,753	120,166
Other gains and losses	(79,446)	72,254	(31)	222,401
Finance costs	(104,115)	(82,246)	(191,534)	(164,868)
Shares of profit of associates accounted for using the equity method	8,752	5,126	12,126	10,286
Total non-operating income and expenses	(81,104)	65,489	755	201,209
Net income before income tax	2,624,422	1,126,636	5,002,042	2,630,931
Income tax expense	560,248	261,536	1,083,011	619,378
<b>Net income</b>	<b>2,064,174</b>	<b>865,100</b>	<b>3,919,031</b>	<b>2,011,553</b>
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	(1,115,836)	359,789	(1,655,347)	865,139
Income tax related to components of other comprehensive income that will not to be reclassified to profit or loss	223,011	(71,685)	330,913	(172,754)
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	(179,187)	(49,000)	182,577	(87,903)
Income tax related to components of other comprehensive income that will to be reclassified to profit or loss	33,097	9,774	(33,820)	17,467
Total other comprehensive income (losses), net of tax	<b>(1,038,915)</b>	<b>248,878</b>	<b>(1,175,677)</b>	<b>621,949</b>
Total comprehensive income	<b>1,025,259</b>	<b>1,113,978</b>	<b>2,743,354</b>	<b>2,633,502</b>
Net income attributable to:				
Owners of the parent company	2,014,188	864,993	3,835,876	2,011,405
Non-controlling interests	49,986	107	83,155	148
	<b>2,064,174</b>	<b>865,100</b>	<b>3,919,031</b>	<b>2,011,553</b>
Total comprehensive income attributable to:				
Owners of the parent company	988,972	1,114,002	2,646,720	2,633,921
Non-controlling interests	36,287	(24)	96,634	(419)
	<b>1,025,259</b>	<b>1,113,978</b>	<b>2,743,354</b>	<b>2,633,502</b>
Basic earnings per share	<b>1.65</b>	<b>0.71</b>	<b>3.14</b>	<b>1.64</b>
Diluted earnings per share	<b>1.63</b>	<b>0.70</b>	<b>3.10</b>	<b>1.63</b>

**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 investments measured at fair value through other comprehensive income	Equity attributable to owners of the parent company	Non- controlling interests	Total equity
<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>
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 six months ended June 30, 2021					2,011,405			2,011,405	148	2,011,553
Other comprehensive income for the six months ended June 30, 2021						(69,869)	692,385	622,516	(567)	621,949
Total comprehensive income	0	0	0	0	2,011,405	(69,869)	692,385	2,633,921	(419)	2,633,502
Changes in ownership interests in subsidiaries		2,913						2,913		2,913
Disposal of equity instruments measured at fair value through other comprehensive income					(326,125)		326,125			
<b>Balance as of June 30, 2021</b>	<b>12,227,451</b>	<b>4,346,536</b>	<b>3,019,879</b>	<b>201,416</b>	<b>7,470,039</b>	<b>(426,905)</b>	<b>2,671,999</b>	<b>29,510,415</b>	<b>6,586</b>	<b>29,517,001</b>
<b>Balance as of January 1, 2022</b>	<b>12,227,451</b>	<b>4,885,134</b>	<b>3,019,879</b>	<b>201,416</b>	<b>10,580,312</b>	<b>(390,828)</b>	<b>3,660,911</b>	<b>34,184,275</b>	<b>693,893</b>	<b>34,878,168</b>
Appropriation and distribution of 2021 earnings:										
Legal reserve			479,555		(479,555)			0		0
Cash dividends					(3,668,235)			(3,668,235)		(3,668,235)
Profit for the six months ended June 30, 2022					3,835,876			3,835,876	83,155	3,919,031
Other comprehensive income for the six months ended June 30, 2022						135,278	(1,324,434)	(1,189,156)	13,479	(1,175,677)
Total comprehensive income	0	0	0	0	3,835,876	135,278	(1,324,434)	2,646,720	96,634	2,743,354
Changes in ownership interests in subsidiaries		16,602						16,602	1,354	17,956
<b>Balance as of June 30, 2022</b>	<b>12,227,451</b>	<b>4,901,736</b>	<b>3,499,434</b>	<b>201,416</b>	<b>10,268,398</b>	<b>(255,550)</b>	<b>2,336,477</b>	<b>33,179,362</b>	<b>791,881</b>	<b>33,971,243</b>

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands of New Taiwan Dollars)

	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Profit before income tax from continuing operations	5,002,042	2,630,931
Adjustments for :		
Depreciation	4,599,850	4,377,272
Amortization	23,338	26,229
Expected credit loss (reversal of provision)	2,970	(482)
Interest expense	191,534	164,868
Interest income	(14,441)	(13,224)
Dividend income	(95,300)	(84,686)
Share-based payment expenses	17,930	2,913
Investment gain accounted for using the equity method	(12,126)	(10,286)
Gain on disposal of property, plan and equipment	(74,263)	(168,716)
Unrealized foreign exchange loss (gain)	655,514	(188,134)
Changes in operating assets and liabilities		
Contract assets	63,374	114,290
Notes receivable	3,057	(297)
Accounts receivable	(594,719)	101,327
Accounts receivable due from related parties	(293,783)	(521,443)
Other receivable	118,395	(31,082)
Other receivable due from related parties	760	23,102
Inventories	(15,508)	(324,317)
Prepayments	59,039	274,190
Other current assets	(35,282)	(24,386)
Contract liabilities	76,521	(151,844)
Notes payable	(4,660)	5,696
Accounts payable	(29,351)	222,231
Accounts payable to related parties	(1,231)	20,056
Other payable	204,368	192,938
Other payable to related parties	22,948	21,502
Other current liabilities	17,269	129,451
Other operating liabilities	(1,289)	0
Cash generated from operating activities	<u>9,886,956</u>	<u>6,788,099</u>
Interest received	10,064	10,860
Income taxes paid	<u>(589,766)</u>	<u>(442,512)</u>
<b>Net cash provided by operating activities</b>	<b><u>9,307,254</u></b>	<b><u>6,356,447</u></b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,255,504)	(8,681,388)
Proceeds from disposal of property, plant and equipment	162,949	261,016
Decrease in refundable deposits	38,835	59,957
Acquisition of intangible assets	(6,270)	(20,445)
Increase in other financial assets	(40,001)	0
Decrease in other financial assets	0	10,185
Dividend received	58,290	47,676
<b>Net cash used in investing activities</b>	<b><u>(6,041,701)</u></b>	<b><u>(8,322,999)</u></b>
<b>Cash flows from financing activities</b>		
Increase in short-term loans	1,144,768	182,304
Decrease in short-term loans	(262,686)	(61,718)
Borrowing in long-term loans	4,416,350	10,606,901
Repayments of long-term loans	(6,881,006)	(5,936,801)
Decrease in guarantee deposits	(1,806)	(317)
Cash payment for the principal portion of the lease liabilities	(77,714)	(89,937)
Interest paid	<u>(180,913)</u>	<u>(157,899)</u>
<b>Net cash (used in) provided by financing activities</b>	<b><u>(1,843,007)</u></b>	<b><u>4,542,533</u></b>
Effect of change in exchange rate on cash and cash equivalents	<u>(43,959)</u>	<u>2,583</u>
Net increase in cash and cash equivalents	1,378,587	2,578,564
Cash and cash equivalents at the beginning of the period	<u>8,649,932</u>	<u>8,008,530</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>10,028,519</u></b>	<b><u>10,587,094</u></b>