

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	2023/6/30	2022/12/31	2022/6/30
Current assets			
Cash and cash equivalents	9,849,001	12,816,115	10,028,519
Contract assets-current	190,652	153,753	115,506
Notes receivable, net	2,490	7,218	4,649
Accounts receivable, net	5,337,095	5,382,077	6,357,243
Accounts receivable from related parties, net	1,702,340	1,753,148	2,445,696
Other receivables	642,187	408,138	354,733
Other receivables from related parties	2,586	28,582	5,352
Inventories, net	1,198,514	1,368,626	1,386,981
Prepayments	736,748	366,144	267,361
Other current assets	50,080	55,126	102,442
Other financial assets-current	4	4	4
Total current assets	19,711,697	22,338,931	21,068,486
Non-current assets			
Financial assets at fair value through other comprehensive income-non-curre	5,768,326	4,794,451	4,891,130
Investments accounted for using the equity method	84,587	91,048	78,262
Property, plant and equipment	44,981,812	45,991,445	46,656,008
Right-of-use assets	635,383	651,296	592,139
Intangible assets	25,078	39,235	56,618
Deferred tax assets	301,950	296,256	257,276
Other financial assets-non-current	146,588	146,462	145,972
Other non-current assets	10,086	9,859	10,757
Total non-current assets	51,953,810	52,020,052	52,688,162
Total assets	71,665,507	74,358,983	73,756,648

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	2023/6/30	2022/12/31	2022/6/30
Liabilities			
Current liabilities			
Short-term loans	614,862	1,023,149	1,469,992
Contract liabilities-current	32,056	156,639	233,545
Notes payable	11,329	11,446	5,406
Accounts payable	862,799	1,008,049	1,089,793
Accounts payable to related parties	6,184	6,215	20,183
Other payables	7,845,003	3,738,122	7,613,631
Other payables to related parties	98,555	94,707	110,063
Payables on equipment	727,530	1,054,070	1,084,150
Current tax liabilities	478,645	1,165,435	1,011,553
Lease liabilities-current	33,108	29,342	28,366
Current portion of long-term loans	323,233	805,353	2,071,455
Other current liabilities	1,166,180	1,151,849	901,917
Total current liabilities	<u>12,199,484</u>	<u>10,244,376</u>	<u>15,640,054</u>
Non-current liabilities			
Long-term loans	20,137,056	24,464,983	21,634,294
Deferred tax liabilities	1,992,800	1,504,657	1,373,926
Lease liabilities-non-current	453,604	465,796	479,615
Long-term deferred income	37,861	42,820	15,249
Net defined benefit liabilities	660,792	657,844	610,222
Guarantee deposits	34,184	33,090	32,045
Total non-current liabilities	<u>23,316,297</u>	<u>27,169,190</u>	<u>24,145,351</u>
Total liabilities	<u>35,515,781</u>	<u>37,413,566</u>	<u>39,785,405</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	4,961,980	4,953,859	4,901,736
Retained earnings			
Legal reserve	4,177,574	3,499,434	3,499,434
Special reserve	201,416	201,416	201,416
Undistributed earnings	10,989,182	13,213,921	10,268,398
Total retained earnings	<u>15,368,172</u>	<u>16,914,771</u>	<u>13,969,248</u>
Other equity	2,564,578	1,993,897	2,080,927
Equity attributable to owners of the parent company	<u>35,122,181</u>	<u>36,089,978</u>	<u>33,179,362</u>
Non-controlling interests	1,027,545	855,439	791,881
Total equity	<u>36,149,726</u>	<u>36,945,417</u>	<u>33,971,243</u>
Total liabilities and equities	<u>71,665,507</u>	<u>74,358,983</u>	<u>73,756,648</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,	
	2023	2022	2023	2022
Net sales	8,167,308	9,928,261	15,931,760	18,912,098
Operating costs	5,465,942	6,212,406	10,691,495	11,980,715
Gross profit	2,701,366	3,715,855	5,240,265	6,931,383
Operating expenses				
Selling expenses	97,599	90,407	189,978	181,686
Administrative expenses	545,933	587,805	1,065,440	1,106,887
Research and development expenses	317,603	329,175	608,163	638,553
Expected credit losses (reversal gains)	(61)	2,942	518	2,970
Total operating expenses	961,074	1,010,329	1,864,099	1,930,096
Operating Income	1,740,292	2,705,526	3,376,166	5,001,287
Non-operating income and expenses				
Interest income	41,746	9,526	66,033	14,441
Other income	76,014	84,179	166,830	165,753
Other gains and losses	42,380	(79,446)	71,521	(31)
Finance costs	(156,125)	(104,115)	(359,098)	(191,534)
Shares of profit of associates accounted for using the equity method	4,332	8,752	8,359	12,126
Total non-operating income and expenses	8,347	(81,104)	(46,355)	755
Net income before income tax	1,748,639	2,624,422	3,329,811	5,002,042
Income tax expense	155,216	560,248	513,655	1,083,011
Net income	1,593,423	2,064,174	2,816,156	3,919,031
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	145,294	(1,115,836)	973,875	(1,655,347)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(29,059)	223,011	(194,775)	330,913
Item that will be reclassified subsequently to profit or loss:				
Exchange differences resulting from translating the financial statements of foreign operations	(334,721)	(179,187)	(282,251)	182,577
Income tax related to components of other comprehensive income that will to be reclassified to profit or loss	61,260	33,097	52,104	(33,820)
Total other comprehensive income (losses), net of tax	(157,226)	(1,038,915)	548,953	(1,175,677)
Total comprehensive income	1,436,197	1,025,259	3,365,109	2,743,354
Net income attributable to:				
Owners of the parent company	1,543,148	2,014,188	2,733,009	3,835,876
Non-controlling interests	50,275	49,986	83,147	83,155
	1,593,423	2,064,174	2,816,156	3,919,031
Total comprehensive income attributable to:				
Owners of the parent company	1,414,339	988,972	3,303,690	2,646,720
Non-controlling interests	21,858	36,287	61,419	96,634
	1,436,197	1,025,259	3,365,109	2,743,354
Basic earnings per share	1.26	1.65	2.24	3.14
Diluted earnings per share	1.26	1.63	2.22	3.10

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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 instrument investments 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, 2022	12,227,451	4,885,134	3,019,879	201,416	10,580,312	(390,828)	3,660,911	34,184,275	693,893	34,878,168
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
Balance as of June 30, 2022	12,227,451	4,901,736	3,499,434	201,416	10,268,398	(255,550)	2,336,477	33,179,362	791,881	33,971,243
Balance as of January 1, 2023	12,227,451	4,953,859	3,499,434	201,416	13,213,921	(284,878)	2,278,775	36,089,978	855,439	36,945,417
Appropriation and distribution of 2022 earnings:										
Legal reserve			678,140		(678,140)			0		0
Cash dividends					(4,279,608)			(4,279,608)		(4,279,608)
Profit for the six months ended June 30, 2023					2,733,009			2,733,009	83,147	2,816,156
Other comprehensive income for the six months ended June 30, 2023						(208,419)	779,100	570,681	(21,728)	548,953
Total comprehensive income	0	0	0	0	2,733,009	(208,419)	779,100	3,303,690	61,419	3,365,109
Changes in ownership interests in subsidiaries		8,121						8,121	110,687	118,808
Balance as of June 30, 2023	12,227,451	4,961,980	4,177,574	201,416	10,989,182	(493,297)	3,057,875	35,122,181	1,027,545	36,149,726

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,	
	2023	2022
Cash flows from operating activities		
Profit before income tax from continuing operations	3,329,811	5,002,042
Adjustments for :		
Depreciation	4,527,275	4,599,850
Amortization	17,288	23,338
Expected credit losses	518	2,970
Interest expenses	359,098	191,534
Interest income	(66,033)	(14,441)
Dividend income	(97,602)	(95,300)
Share-based payment expenses	94,756	17,930
Investment gain accounted for using the equity method	(8,359)	(12,126)
Gain on disposal of property, plan and equipment	(4,334)	(74,263)
Unrealized foreign exchange loss (gain)	(264,360)	655,514
Changes in operating assets and liabilities		
Contract assets	(36,899)	63,374
Notes receivable	4,728	3,057
Accounts receivable	44,478	(594,719)
Accounts receivable due from related parties	50,808	(293,783)
Other receivables	(231,972)	118,395
Other receivables due from related parties	23,664	760
Inventories	170,112	(15,508)
Prepayments	(205,341)	59,039
Other current assets	5,046	(35,282)
Contract liabilities	(124,583)	76,521
Notes payable	(117)	(4,660)
Accounts payable	(145,250)	(29,351)
Accounts payable to related parties	(31)	(1,231)
Other payables	(149,703)	204,368
Other payables to related parties	10,713	22,948
Other current liabilities	14,331	17,269
Accrued pension liabilities	2,948	0
Other operating liabilities	(4,959)	(1,289)
Cash generated from operating activities	<u>7,316,031</u>	<u>9,886,956</u>
Interest received	62,114	10,064
Income taxes paid	(860,667)	(589,766)
Net cash provided by operating activities	<u>6,517,478</u>	<u>9,307,254</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,329,386)	(6,255,504)
Proceeds from disposal of property, plant and equipment	52,092	162,949
Increase in refundable deposits	(221)	0
Decrease in refundable deposits	0	38,835
Acquisition of intangible assets	(3,183)	(6,270)
Increase in other financial assets	(126)	(40,001)
Dividend received	112,422	58,290
Net cash used in investing activities	<u>(4,168,402)</u>	<u>(6,041,701)</u>
Cash flows from financing activities		
Increase in short-term loans	179,841	1,144,768
Decrease in short-term loans	(570,407)	(262,686)
Borrowing in long-term loans	6,513,609	4,416,350
Repayments of long-term loans	(11,094,590)	(6,881,006)
Increase in deposits received	1,094	0
Decrease in deposits received	0	(1,806)
Cash payments for the principal portion of the lease liabilities	(14,747)	(77,714)
Interest paid	(364,902)	(180,913)
Change in non-controlling interests	24,258	0
Net cash used in financing activities	<u>(5,325,844)</u>	<u>(1,843,007)</u>
Effect of change in exchange rate on cash and cash equivalents	9,654	(43,959)
Net increase (decrease) in cash and cash equivalents	(2,967,114)	1,378,587
Cash and cash equivalents at the beginning of the period	12,816,115	8,649,932
Cash and cash equivalents at the end of the period	<u>9,849,001</u>	<u>10,028,519</u>