

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

As of September 30, 2019, December 31, 2018 and September 30, 2018

(Amounts in thousands of New Taiwan Dollars)

| Assets | 2019/9/30 | 2018/12/31 | 2018/9/30 |
|--|-------------------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 5,591,146 | 4,786,626 | 4,722,346 |
| Financial assets at fair value through profit or loss-current | 101,857 | 101,461 | 101,340 |
| Financial assets at fair value through other comprehensive income-current | 31,297 | 15,989 | 14,376 |
| Contract assets-current | 209,449 | 289,427 | 383,953 |
| Notes receivable, net | 9,156 | 13,844 | 9,505 |
| Accounts receivable, net | 4,832,002 | 4,418,689 | 3,738,536 |
| Accounts receivable due from related parties, net | 968,623 | 769,731 | 1,091,993 |
| Other receivables | 496,715 | 233,559 | 346,650 |
| Other receivables due from related parties | 9,853 | 11,337 | 228,820 |
| Inventories, net | 1,073,314 | 1,137,152 | 633,320 |
| Prepayments | 390,200 | 656,455 | 368,000 |
| Other current assets | 149,947 | 191,099 | 223,462 |
| Other financial assets-current | 253 | 4 | 4 |
| Total current assets | 13,863,812 | 12,625,373 | 11,862,305 |
| Non-current assets | | | |
| Financial assets at fair value through other comprehensive income- non-current | 2,225,171 | 1,752,480 | 1,997,813 |
| Investments accounted for using the equity method | 61,495 | 62,352 | 260,599 |
| Property, plant and equipment | 36,418,308 | 31,907,296 | 28,987,832 |
| Right-of-use assets | 609,029 | 0 | 0 |
| Intangible assets | 127,358 | 171,062 | 43,249 |
| Deferred tax assets | 268,621 | 405,398 | 359,216 |
| Other financial assets- non-current | 112,962 | 109,912 | 100,078 |
| Other non-current assets | 15,850 | 121,886 | 123,769 |
| Total non-current assets | 39,838,794 | 34,530,386 | 31,872,556 |
| Total assets | 53,702,606 | 47,155,759 | 43,734,861 |
| | | | |

English Translation of Financial Statements Originally Issued in Chinese

KING YUAN ELECTRONICS CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

As of September 30, 2019, December 31, 2018 and September 30, 2018

(Amounts in thousands of New Taiwan Dollars)

| Liabilities and shareholders' Equity | 2019/9/30 | 2018/12/31 | 2018/9/30 |
|--|-------------------|-------------------|-------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Short-term loans | 482,376 | 111,879 | 0 |
| Contract liabilities-current | 82,647 | 130,203 | 145,928 |
| Notes payable | 4,732 | 50,156 | 43,364 |
| Accounts payable | 1,150,582 | 1,183,765 | 672,373 |
| Accounts payable to related parties | 8,686 | 12,391 | 5,418 |
| Other payables | 2,704,070 | 2,276,173 | 1,961,241 |
| Other payables to related parties | 80,174 | 80,831 | 82,637 |
| Payables on equipment | 1,187,243 | 800,724 | 655,383 |
| Current tax liabilities | 503,502 | 291,830 | 189,742 |
| Current portion of Lease liabilities | 18,387 | 0 | 0 |
| Current portion of long-term liabilities | 192,345 | 184,284 | 183,193 |
| Other current liabilities | 250,050 | 279,668 | 219,177 |
| Total current liabilities | 6,664,794 | 5,401,904 | 4,158,456 |
| Non-current liabilities | | | |
| Long-term loans | 20,871,983 | 16,750,860 | 14,826,697 |
| Deferred tax liability | 2,224 | 0 | 0 |
| Non-current lease liabilities | 491,305 | 0 | 0 |
| Net defined benefit liability | 481,570 | 481,570 | 446,624 |
| Guarantee deposits | 1,933 | 1,573 | 1,573 |
| Total non-current liabilities | 21,849,015 | 17,234,003 | 15,274,894 |
| Total liabilities | 28,513,809 | 22,635,907 | 19,433,350 |
| Equity | | | |
| Equity attributable to owners of the parent company | | | |
| Share capital | | | |
| Common stock | 12,227,451 | 12,227,451 | 12,227,451 |
| Capital surplus | 4,843,558 | 4,844,536 | 4,844,536 |
| Retained earnings | | | |
| Legal reserve | 2,359,299 | 2,179,765 | 2,179,765 |
| Special reserve | 803,171 | 431,239 | 431,239 |
| Undistributed earnings | 5,424,967 | 5,597,293 | 5,246,671 |
| Total retained earnings | 8,587,437 | 8,208,297 | 7,857,675 |
| Other equity | (476,590) | (803,173) | (634,160) |
| Equity attributable to owners of the parent company | 25,181,856 | 24,477,111 | 24,295,502 |
| Non-controlling interests | 6,941 | 42,741 | 6,009 |
| Total equity | 25,188,797 | 24,519,852 | 24,301,511 |
| Total liabilities and equities | 53,702,606 | 47,155,759 | 43,734,861 |

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO.,LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2019 and 2018
(Amounts in thousands of New Taiwan Dollars,except for earnings per share)

| Description | For the nine months ended September 30, | |
|---|---|------------------|
| | 2019 | 2018 |
| Net sales | 18,392,298 | 15,141,541 |
| Operating Costs | 13,574,680 | 11,025,026 |
| Gross Profit | 4,817,618 | 4,116,515 |
| Operating expenses | | |
| Selling expenses | 292,720 | 235,006 |
| Administrative expenses | 1,118,064 | 999,742 |
| Research and development expenses | 756,096 | 663,871 |
| Expected credit loss (reversal of provision) | (4) | 2,051 |
| Total operating expenses | 2,166,876 | 1,900,670 |
| Operating Income | 2,650,742 | 2,215,845 |
| Non-operating income and expenses | | |
| Other income | 123,945 | 45,042 |
| Other gains and losses | 17,272 | 229,665 |
| Finance costs | (210,227) | (139,463) |
| Share of profit of associates accounted for using the equity method | 10,603 | (497,773) |
| Total non-operating income and expenses | (58,407) | (362,529) |
| Net income before income tax | 2,592,335 | 1,853,316 |
| Income tax expense | 562,402 | 480,336 |
| Net income | 2,029,933 | 1,372,980 |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss : | | |
| Unrealized gains from equity instruments investments measured at fair value through other comprehensive income | 487,999 | 135,660 |
| Share of unrealized losses from equity instruments investments measured at fair value through other comprehensive income, accounted for using equity method | 0 | (11,079) |
| Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | (96,792) | (39,866) |
| Items that will be reclassified subsequently to profit or loss : | | |
| Exchange differences resulting from translating the financial statements of foreign operations | (80,575) | (122,632) |
| Income tax related to components of other comprehensive income that will be reclassified to profit or loss | 16,156 | 33,050 |
| Other comprehensive income, net of tax | 326,788 | (4,867) |
| Total comprehensive income | 2,356,721 | 1,368,113 |
| Net income attributable to: | | |
| Owners of the parent company | 2,029,846 | 1,372,731 |
| Non-controlling interests | 87 | 249 |
| | 2,029,933 | 1,372,980 |
| Total comprehensive income for the periods attributable to: | | |
| Owners of the parent company | 2,356,429 | 1,367,762 |
| Non-controlling interests | 292 | 351 |
| | 2,356,721 | 1,368,113 |
| Earning per share(NT\$) | | |
| Basic earnings per share | 1.66 | 1.12 |
| Diluted earnings per share | 1.65 | 1.11 |

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO.,LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2019 and 2018

(Amounts in thousands of New Taiwan Dollars)

| Description | Equity attributable to owners of the parent company | | | | | | | | | Non-controlling interests | Total Equity |
|---|---|-----------------|-------------------|-----------------|------------------------|--|---|--|---|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | | | Other equity | | | Equity attributable to owners of the parent | | |
| | | | 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 | Unrealized gains (losses) from available-for-sale financial assets | | | |
| Balance as of January 1, 2018 | 12,202,383 | 5,327,372 | 1,956,400 | 386,010 | 5,403,995 | (235,236) | 0 | 5,412 | 25,046,336 | 5,658 | 25,051,994 |
| Effects of retrospective application and retrospective restatement | | | | | 448,328 | | (393,955) | (5,412) | 48,961 | | 48,961 |
| Balance at beginning of period after adjustments | 12,202,383 | 5,327,372 | 1,956,400 | 386,010 | 5,852,323 | (235,236) | (393,955) | 0 | 25,095,297 | 5,658 | 25,100,955 |
| Appropriation and distribution of 2017 earnings: | | | | | | | | | | | |
| Legal reserve | | | 223,365 | | (223,365) | | | | 0 | | 0 |
| Special reserve | | | | 45,229 | (45,229) | | | | 0 | | 0 |
| Cash dividends | | (488,511) | | | (1,709,789) | | | | (2,198,300) | | (2,198,300) |
| Share of changes in net assets of associates and joint ventures accounted for using equity method | | (33,755) | | | | | | | (33,755) | | (33,755) |
| Profit for the nine months ended September 30, 2018 | | | | | 1,372,731 | | | | 1,372,731 | 249 | 1,372,980 |
| Other comprehensive income for the nine months ended September 30, 2018 | | | | | | (89,684) | 84,715 | | (4,969) | 102 | (4,867) |
| Total comprehensive income | 0 | 0 | 0 | 0 | 1,372,731 | (89,684) | 84,715 | 0 | 1,367,762 | 351 | 1,368,113 |
| Conversion of convertible bonds | 25,068 | 39,430 | | | | | | | 64,498 | | 64,498 |
| Balance as of September 30, 2018 | 12,227,451 | 4,844,536 | 2,179,765 | 431,239 | 5,246,671 | (324,920) | (309,240) | 0 | 24,295,502 | 6,009 | 24,301,511 |
| Balance as of January 1, 2019 | 12,227,451 | 4,844,536 | 2,179,765 | 431,239 | 5,597,293 | (292,128) | (511,045) | 0 | 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 September 30, 2019 | | | | | 2,029,846 | | | | 2,029,846 | 87 | 2,029,933 |
| Other comprehensive income for the nine months ended September 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 | 0 | 2,356,429 | 292 | 2,356,721 |
| Changes in ownership interests in subsidiaries | | (978) | | | | | | | (978) | (36,092) | (37,070) |
| Balance as of September 30, 2019 | 12,227,451 | 4,843,558 | 2,359,299 | 803,171 | 5,424,967 | (356,752) | (119,838) | 0 | 25,181,856 | 6,941 | 25,188,797 |

English Translation of Financial Statements Originally Issued in Chinese
KING YUAN ELECTRONICS CO.,LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2019 and 2018
(Amounts in thousands of New Taiwan Dollars)

| Description | For the nine months ended September 30, | |
|---|---|--------------------|
| | 2019 | 2018 |
| Cash flows from operating activities : | | |
| Profit before tax from continuing operations | 2,592,335 | 1,853,316 |
| Adjustments for : | | |
| The profit or loss items which did not affect cash flows : | | |
| Depreciation | 5,140,779 | 4,832,821 |
| Amortization | 69,168 | 21,915 |
| Expected credit loss (reversal of provision) | (4) | 2,051 |
| Gain on financial assets and liabilities at fair value through profit or loss | (396) | (297) |
| Interest expense | 210,227 | 139,463 |
| Interest income | (5,202) | (17,837) |
| Dividend income | (898) | (880) |
| Investment (gain) loss accounted for using the equity method | (10,603) | 497,773 |
| Gain on disposal of property, plan and equipment | (1,163) | (159,920) |
| Unrealized foreign exchange (gain) loss | (53,703) | 68,266 |
| Changes in operating assets and liabilities | | |
| Contract assets | 79,978 | (383,953) |
| Notes receivable | 4,688 | 1,151 |
| Accounts receivable | (413,299) | 63,645 |
| Accounts receivable from related parties | (198,892) | (418,845) |
| Other receivable | (295,454) | 29,086 |
| Other receivable from related parties | 2,267 | (72,401) |
| Inventories | 52,438 | (159,491) |
| Prepayments | 168,110 | (199,185) |
| Other current assets | 41,152 | 49,791 |
| Contract liabilities | (47,556) | 53,791 |
| Notes payable | (45,424) | 31,549 |
| Accounts payable | (33,183) | 57,422 |
| Accounts payable to related parties | (3,705) | (1,818) |
| Other payable | 416,650 | 33,080 |
| Other payable to related parties | (4,161) | 47,894 |
| Other current liabilities | (29,618) | 38,092 |
| Cash generated from operating activities | 7,634,531 | 6,406,479 |
| Interest received | 12,900 | 20,202 |
| Income tax paid | (292,365) | (662,929) |
| Net cash provided by operating activities | 7,355,066 | 5,763,752 |
| Cash flows from investing activities : | | |
| Proceeds from capital return of financial assets at fair value through other comprehensive income | 0 | 2,099 |
| Acquisition of investments accounted for using the equity method | 0 | (245,408) |
| Acquisition of property, plant and equipment | (9,252,918) | (7,007,197) |
| Proceeds from disposal of property, plant and equipment | 92,579 | 208,167 |
| Decrease in refundable deposits | 104 | 2,763 |
| Acquisition of intangible assets | (25,570) | (20,514) |
| Increase in other financial assets | (3,299) | (89) |
| Decrease in other prepayments | 0 | 1,619 |
| Dividend received | 12,358 | 10,940 |
| Net cash used in investing activities | (9,176,746) | (7,047,620) |
| Cash flows from financing activities : | | |
| Borrowing in short-term loans | 499,145 | 0 |
| Repayments of short-term loans | (114,790) | 0 |
| Borrowing in long-term loans | 15,909,102 | 13,808,335 |
| Repayments of long-term loans | (11,748,610) | (10,811,969) |
| Increase in guarantee deposits | 360 | 449 |
| Cash outflow for leases | (21,061) | 0 |
| Cash dividends | (1,650,706) | (2,198,300) |
| Acquisition of ownership interests in subsidiaries | (37,070) | 0 |
| Interest paid | (182,250) | (133,495) |
| Net cash provided by financing activities | 2,654,120 | 665,020 |
| Effect of change in exchange rate on cash and cash equivalents | (27,920) | (53,835) |
| Net increase (decrease) in cash and cash equivalents | 804,520 | (672,683) |
| Cash and cash equivalents at the beginning of the year | 4,786,626 | 5,395,029 |
| Cash and cash equivalents at the end of the period | 5,591,146 | 4,722,346 |