

HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2021 - December 31 and March 31, 2020

UNIT : NTD (In Thousands)

Assets	Notes	March 31, 2021	%	December 31, 2020	%	March 31, 2020	%	Liabilities & Stockholders' Equity	Notes	March 31, 2021	%	December 31, 2020	%	March 31, 2020	%
Current assets								Current liabilities							
Cash and cash equivalents	6.1	\$3,449,541	29.32	\$3,935,224	31.34	\$3,978,291	41.48	Short-term borrowings	6.11	\$2,544,619	21.63	\$2,417,512	19.25	\$1,234,337	12.87
Financial assets at fair value through profit or loss - current	6.2	59,660	0.51	70,488	0.56	100,119	1.04	Financial liabilities at fair value through profit or loss - current	6.2	6,574	0.06	3,449	0.03	-	-
Financial assets at amortized cost - current	6.3	-	-	-	-	30,000	0.31	Contract liabilities - current	6.20	616,971	5.24	668,057	5.32	375,877	3.92
Notes receivable, net	6.5	97,473	0.83	154,954	1.23	25,341	0.26	Notes payable		-	-	86	-	2,437	0.03
Accounts receivable, net	6.5	2,018,986	17.16	2,042,026	16.26	850,945	8.87	Accounts payable		1,519,928	12.92	2,178,647	17.35	1,230,072	12.82
Accounts receivable - related parties	7	226	-	22	-	-	-	Accounts payable - related parties	7	46,611	0.40	39,951	0.32	-	-
Other receivables		10,666	0.09	71,378	0.57	45,473	0.47	Other payables	6.13	479,166	4.07	739,814	5.89	305,583	3.19
Current income tax assets		46,035	0.39	45,114	0.36	5,933	0.06	Other payables - related parties	7	5,098	0.04	-	-	-	-
Inventories	6.6	3,125,438	26.56	3,292,548	26.22	2,294,267	23.92	Current income tax liabilities		140,565	1.19	121,594	0.97	61,775	0.64
Prepayments	6.7	480,673	4.09	492,353	3.92	349,179	3.64	Provisions - current	6.12	140,672	1.20	165,676	1.32	154,529	1.61
Other current assets		3,367	0.03	4,944	0.05	12,051	0.14	Lease liabilities - current	6.9	19,034	0.16	27,681	0.22	44,632	0.47
Sub-total		<u>9,292,065</u>	<u>78.98</u>	<u>10,109,051</u>	<u>80.51</u>	<u>7,691,599</u>	<u>80.19</u>	Other current liabilities	6.14	474,105	4.03	542,698	4.33	13,791	0.14
								Sub-total		<u>5,993,343</u>	<u>50.94</u>	<u>6,905,165</u>	<u>55.00</u>	<u>3,423,033</u>	<u>35.69</u>
								Non-current liabilities							
								Financial liabilities at fair value through profit or loss - non-current		-	-	-	-	2,340	0.02
								Bonds payable	6.15	-	-	-	-	573,473	5.98
								Provisions - non-current	6.12	47,070	0.40	45,699	0.36	44,979	0.47
								Deferred tax liabilities		8,774	0.07	11,782	0.09	2,407	0.02
								Lease liabilities - non-current	6.9	12,031	0.10	10,138	0.08	18,259	0.19
Non-current assets								Other non-current liabilities		2,452	0.03	284	-	418	-
Financial assets at fair value through other comprehensive income - non-current	6.4	19,335	0.16	19,335	0.15	21,245	0.22	Sub-total		<u>70,327</u>	<u>0.60</u>	<u>67,903</u>	<u>0.53</u>	<u>641,876</u>	<u>6.68</u>
Property, plant and equipment	6.8	1,826,274	15.52	1,876,017	14.94	1,271,465	13.26	Total Liabilities		<u>6,063,670</u>	<u>51.54</u>	<u>6,973,068</u>	<u>55.53</u>	<u>4,064,909</u>	<u>42.37</u>
Right-of-use assets	6.9	171,354	1.46	178,015	1.42	213,113	2.22	Equity							
Intangible assets		49,358	0.42	48,136	0.38	43,647	0.46	Equity attributable to owners of the parent							
Deferred tax assets		152,048	1.29	141,431	1.13	57,247	0.60	Share Capital							
Other non-current assets	6.10	254,942	2.17	183,970	1.47	293,504	3.05	Common stock	6.17	3,289,862	27.96	3,289,862	26.20	3,289,862	34.30
Sub-total		<u>2,473,311</u>	<u>21.02</u>	<u>2,446,904</u>	<u>19.49</u>	<u>1,900,221</u>	<u>19.81</u>	Capital surplus	6.18	1,344,400	11.43	1,326,737	10.57	1,401,968	14.62
								Retained earnings							
								Legal reserve		248,065	2.11	248,065	1.98	226,069	2.36
								Special reserve		89,973	0.76	89,973	0.72	56,615	0.59
								Unappropriated earnings (Accumulated deficit)		281,119	2.39	280,010	2.23	192,104	2.00
								Other equity		(103,297)	(0.88)	(129,056)	(1.03)	(92,080)	(0.96)
								Treasury stock		(160,442)	(1.36)	(160,442)	(1.28)	(160,442)	(1.67)
								Total equity attributable to owners of the parent		<u>4,989,680</u>	<u>42.41</u>	<u>4,945,149</u>	<u>39.39</u>	<u>4,914,096</u>	<u>51.24</u>
								Non-controlling interests		712,026	6.05	637,738	5.08	612,815	6.39
								Total Equity		<u>5,701,706</u>	<u>48.46</u>	<u>5,582,887</u>	<u>44.47</u>	<u>5,526,911</u>	<u>57.63</u>
Total assets		<u>\$11,765,376</u>	<u>100.00</u>	<u>\$12,555,955</u>	<u>100.00</u>	<u>\$9,591,820</u>	<u>100.00</u>	Total Liabilities and Equity		<u>\$11,765,376</u>	<u>100.00</u>	<u>\$12,555,955</u>	<u>100.00</u>	<u>\$9,591,820</u>	<u>100.00</u>

The accompanying notes are an integral part of financial statements

HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2021 and 2020

UNIT : NTD (In  
Thousands)

Item	Notes	2021	%	2020	%
Operating revenue	6.20	\$2,820,243	100.00	\$1,450,976	100.00
Operating costs	6.6	(2,369,983)	(84.03)	(1,052,706)	(72.55)
Gross profit (loss)		450,260	15.97	398,270	27.45
Net gross profit (loss)		450,260	15.97	398,270	27.45
Operating expenses					
Selling expenses		(158,004)	(5.60)	(141,537)	(9.75)
General and administrative expenses		(146,880)	(5.21)	(131,056)	(9.03)
Research and development expenses		(98,478)	(3.49)	(86,949)	(5.99)
Expected credit impairment gain (loss)		(4,869)	(0.18)	(277)	(0.03)
Total operating expenses		(408,231)	(14.48)	(359,819)	(24.80)
Operating profit (loss)		42,029	1.49	38,451	2.65
Non-operating income and expenses					
Interest income		1,704	0.06	5,013	0.35
Other income		2,890	0.10	1,300	0.09
Other gains and losses	6.21	(11,727)	(0.42)	(20,745)	(1.43)
Financial costs		(9,346)	(0.32)	(11,479)	(0.80)
Sub-total		(16,479)	(0.58)	(25,911)	(1.79)
Profit (loss) before income tax		25,550	0.91	12,540	0.86
Income tax (expenses) benefit	6.24	(5,112)	(0.19)	(27,074)	(1.86)
Net profit (loss) from continuing operations		\$20,438	0.72	\$(14,534)	(1.00)
Net profit (loss)		\$20,438	0.72	\$(14,534)	(1.00)
Other comprehensive income (loss)					
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		\$25,759	0.91	\$(2,106)	(0.15)
Other comprehensive income (loss), net of income tax		\$25,759	0.91	\$(2,106)	(0.15)
Total comprehensive income (loss)		\$46,197	1.63	\$(16,640)	(1.15)
Profit (loss) attributable to:					
Shareholders of the parent		1,110	0.04	(30,968)	(2.13)
Non-controlling interests		19,328	0.68	16,434	1.13
Total		20,438	0.72	(14,534)	(1.00)
Comprehensive income (loss) attributable to:					
Shareholders of the parent		26,869	0.95	(33,075)	(2.28)
Non-controlling interests		19,328	0.68	16,435	1.13
Total		\$46,197	1.63	\$(16,640)	(1.15)
Earnings per share					
Basic earnings (loss) per share (in dollars)	6.25	\$-		\$(0.10)	

The accompanying notes are an integral part of financial statements

HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Three Months Ended March 31, 2021 and 2020

UNIT : NTD (In Thousands)

Summary	Equity Attributable to Shareholders of the Parent							Treasury Stock	SubTotal	Non-Controlling Interest	Total
	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests					
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income				
Balance on January 1, 2020	\$3,289,862	\$1,401,968	\$226,069	\$56,615	\$223,073	\$(95,371)	\$5,397	\$(160,442)	\$4,947,171	\$596,381	\$5,543,552
Appropriation of earnings 2019											
Net profit (loss)	-	-	-	-	(30,968)	-	-	-	(30,968)	16,434	(14,534)
Other comprehensive income (loss)	-	-	-	-	-	(2,106)	-	-	(2,106)	-	(2,106)
Rounding	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Balance on March 31, 2020	\$3,289,862	\$1,401,968	\$226,069	\$56,615	\$192,104	\$(97,477)	\$5,397	\$(160,442)	\$4,914,096	\$612,815	\$5,526,911
Balance on January 1, 2021	\$3,289,862	\$1,326,737	\$248,065	\$89,973	\$280,010	\$(132,543)	\$3,487	\$(160,442)	\$4,945,149	\$637,738	\$5,582,887
Appropriation of earnings 2020											
Effects of changes in ownership interest from investee	-	(9,185)	-	-	-	-	-	-	(9,185)	-	(9,185)
Changes in capital surplus of investees	-	26,848	-	-	-	-	-	-	26,848	44,629	71,477
Net profit (loss)	-	-	-	-	1,110	-	-	-	1,110	19,328	20,438
Other comprehensive income (loss)	-	-	-	-	-	25,759	-	-	25,759	-	25,759
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	10,331	10,331
Rounding	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Balance on March 31, 2021	\$3,289,862	\$1,344,400	\$248,065	\$89,973	\$281,119	\$(106,784)	\$3,487	\$(160,442)	\$4,989,680	\$712,026	\$5,701,706

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HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Three Months Ended March 31, 2021 and 2020

UNIT : NTD (In Thousands)

Items	2021	2020
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	\$25,550	\$12,540
Consolidated profit (loss) before tax	25,550	12,540
Adjustments for		
Income (gain) and expense (loss) items		
Depreciation	76,540	56,116
Amortization	8,716	8,183
Expected credit impairment loss (gain)	4,869	277
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	(6,133)	15,755
Interest expense	9,346	11,480
Interest income	(1,704)	(5,013)
Loss (gain) on disposal and scrap of property, plant and equipment	198	(247)
Loss (gain) on disposal of intangible Assets	961	-
Loss (gain) on disposal of investments	3,764	-
Changes in assets and liabilities relating to operating activities		
(Increase) decrease in notes receivable	57,481	20,715
(Increase) decrease in accounts receivable	18,170	433,349
(Increase) decrease in accounts receivable - related parties	(204)	-
(Increase) decrease in other receivables	60,329	13,295
(Increase) decrease in inventories	167,110	(526,402)
(Increase) decrease in prepaid expenses	4,735	(15,259)
(Increase) decrease in prepayments	6,600	23,579
(Increase) decrease in other current assets	1,578	(6,133)
Increase (decrease) in contract liabilities	(51,085)	(87,478)
Increase (decrease) in notes payable	(86)	2,200
Increase (decrease) in accounts payable	(658,719)	(39,417)
Increase (decrease) in accounts payable - related parties	6,661	-
Increase (decrease) in other payables	(260,716)	(156,270)
Increase (decrease) in other payables - related parties	5,098	-
Increase (decrease) in provisions	(23,634)	(31,299)
Increase (decrease) in other current liabilities	1,983	(966)
Interest received	2,086	4,564
Interest paid	(6,988)	(9,291)
Income taxes refund (paid)	(689)	(11,370)
Net cash flows generated from (used in) operating activities	<u>(548,183)</u>	<u>(287,092)</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	-	(22,227)
Proceeds from disposal of financial assets at fair value through profit or loss	11,851	-
Acquisition of property, plant and equipment	(63,704)	(211,103)
Proceeds from disposal of property, plant and equipment	975	8,654
Increase in guarantee deposits	(5,423)	-
Decrease in guarantee deposits	-	15,003
Acquisition of intangible assets	(7,429)	(991)
Proceed from disposal of intangible assets	963	906
Decrease in other non-current assets	(1,641)	300
Increase in prepayments for equipment	(8,952)	(130,703)
Net cash flows generated from (used in) investing activities	<u>(73,360)</u>	<u>(340,161)</u>
Cash flows from financing activities		
Increase in short-term borrowings	127,107	281,636
Repayments of long-term borrowings	-	(270,000)
Increase in guarantee deposits received	2,168	-
Decrease in guarantee deposits received	-	(1)
Repayment of lease principle	(12,228)	(12,912)
Net cash generated from (used in) financing activities	<u>117,047</u>	<u>(1,277)</u>
Effects of changes in exchange rate on cash and cash equivalents	18,813	(187)
Net increase (decrease) in cash and cash equivalents	(485,683)	(628,717)
Cash and cash equivalents at beginning of period	3,935,224	4,607,008
Cash and cash equivalents at end of period	<u>\$3,449,541</u>	<u>\$3,978,291</u>

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