

HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2022, December 31 and March 31, 2021

UNIT : NTD (In Thousands)

Assets	Notes	March 31, 2022	%	December 31, 2021	%	March 31, 2021(Restated)	%	Liabilities & Stockholders' Equity	Notes	March 31, 2022	%	December 31, 2021	%	March 31, 2021(Restated)	%
<b>Current assets</b>								<b>Current liabilities</b>							
Cash and cash equivalents	6.1	\$2,313,513	18.90	\$2,803,348	25.52	\$3,449,541	29.32	Short-term borrowings	6.11	\$2,790,882	22.80	\$2,554,712	23.25	\$2,544,619	21.63
Financial assets at fair value through profit or loss - current	6.2	66,448	0.54	65,200	0.59	59,660	0.51	Financial liabilities at fair value through profit or loss - current	6.2	4,474	0.04	1,023	0.01	6,574	0.06
Financial assets at amortized cost - current	6.3	399,940	3.27	371,960	3.39	-	-	Contract liabilities - current	6.20	683,820	5.59	622,327	5.66	616,971	5.24
Notes receivable, net	6.5	86,956	0.71	134,278	1.22	97,473	0.83	Accounts payable		1,852,181	15.13	1,037,818	9.45	1,519,928	12.92
Accounts receivable, net	6.5	1,768,100	14.45	1,662,845	15.14	2,018,986	17.16	Accounts payable - related parties	7	32,507	0.27	57,481	0.52	46,611	0.40
Accounts receivable - related parties		-	-	21	-	226	-	Other payables	6.13	726,034	5.93	508,113	4.63	479,166	4.07
Other receivables		9,379	0.08	8,121	0.07	10,666	0.09	Other payables - related parties	7	7,055	0.06	6,041	0.05	5,098	0.04
Current income tax assets		35,183	0.29	26,744	0.24	46,035	0.39	Current income tax liabilities		164,656	1.35	100,469	0.91	140,565	1.19
Inventories	6.6	4,808,512	39.29	3,453,905	31.44	3,450,946	29.33	Provisions - current	6.12	89,733	0.73	95,902	0.87	140,672	1.20
Prepayments	6.7	134,648	1.10	124,298	1.13	155,165	1.32	Lease liabilities - current	6.9	11,107	0.09	11,332	0.11	19,034	0.16
Other current assets		8,064	0.06	3,753	0.04	3,367	0.03	Other current liabilities	6.14	426,262	3.48	467,310	4.26	474,105	4.03
Sub-total		<u>9,630,743</u>	<u>78.69</u>	<u>8,654,473</u>	<u>78.78</u>	<u>9,292,065</u>	<u>78.98</u>	Sub-total		<u>6,788,711</u>	<u>55.47</u>	<u>5,462,528</u>	<u>49.72</u>	<u>5,993,343</u>	<u>50.94</u>
<b>Non-current assets</b>								<b>Non-current liabilities</b>							
Financial assets at fair value through other comprehensive income - non-current	6.4	19,094	0.16	19,335	0.18	19,335	0.16	Provisions - non-current	6.12	72,936	0.60	73,853	0.67	47,070	0.40
Property, plant and equipment	6.8	2,029,674	16.58	1,782,568	16.23	1,826,274	15.52	Deferred tax liabilities		26,317	0.22	5,561	0.05	8,774	0.07
Right-of-use assets	6.9	182,869	1.49	181,041	1.65	171,354	1.46	Lease liabilities - non-current	6.9	35,235	0.29	36,573	0.33	12,031	0.10
Intangible assets		34,468	0.28	33,757	0.31	49,358	0.42	Other non-current liabilities		270	(0.01)	240	0.01	2,452	0.03
Deferred tax assets		154,778	1.26	130,077	1.18	152,048	1.29	Sub-total		<u>134,758</u>	<u>1.10</u>	<u>116,227</u>	<u>1.06</u>	<u>70,327</u>	<u>0.60</u>
Other non-current assets	6.10	186,783	1.54	184,709	1.67	254,942	2.17	Total Liabilities		<u>6,923,469</u>	<u>56.57</u>	<u>5,578,755</u>	<u>50.78</u>	<u>6,063,670</u>	<u>51.54</u>
Sub-total		<u>2,607,666</u>	<u>21.31</u>	<u>2,331,487</u>	<u>21.22</u>	<u>2,473,311</u>	<u>21.02</u>	Equity							
								Equity attributable to owners of the parent							
								Share Capital	6.17						
								Common stock		3,213,172	26.25	3,289,862	29.95	3,289,862	27.96
								Capital surplus	6.18	1,103,580	9.02	1,236,008	11.25	1,344,400	11.43
								Retained earnings	6.19						
								Legal reserve		283,224	2.31	276,066	2.51	248,065	2.11
								Special reserve		145,512	1.19	129,057	1.17	89,973	0.76
								Unappropriated earnings (Accumulated deficit)		19,380	0.16	71,582	0.65	281,119	2.39
								Other equity		(62,589)	(0.51)	(145,511)	(1.32)	(103,297)	(0.88)
								Treasury stock	6.17	-	-	(160,442)	(1.46)	(160,442)	(1.36)
								Total equity attributable to owners of the parent		<u>4,702,279</u>	<u>38.42</u>	<u>4,696,622</u>	<u>42.75</u>	<u>4,989,680</u>	<u>42.41</u>
								Non-controlling interests		612,661	5.01	710,583	6.47	712,026	6.05
								Total Equity		<u>5,314,940</u>	<u>43.43</u>	<u>5,407,205</u>	<u>49.22</u>	<u>5,701,706</u>	<u>48.46</u>
Total assets		<u>\$12,238,409</u>	<u>100.00</u>	<u>\$10,985,960</u>	<u>100.00</u>	<u>\$11,765,376</u>	<u>100.00</u>	Total Liabilities and Equity		<u>\$12,238,409</u>	<u>100.00</u>	<u>\$10,985,960</u>	<u>100.00</u>	<u>\$11,765,376</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, 2022 and 2021

UNIT : NTD (In  
Thousands)

Item	Notes	2022	%	2021	%
Operating revenue	6.20	\$2,438,510	100.00	\$2,820,243	100.00
Operating costs	6.6	(1,867,237)	(76.57)	(2,369,983)	(84.03)
Gross profit (loss)		571,273	23.43	450,260	15.97
Net gross profit (loss)		571,273	23.43	450,260	15.97
Operating expenses					
Selling expenses		(152,454)	(6.25)	(158,004)	(5.60)
General and administrative expenses		(148,942)	(6.11)	(146,880)	(5.21)
Research and development expenses		(118,148)	(4.85)	(98,478)	(3.49)
Expected credit impairment gain (loss)		1,773	0.07	(4,869)	(0.18)
Total operating expenses		(417,771)	(17.14)	(408,231)	(14.48)
Operating profit (loss)		153,502	6.29	42,029	1.49
Non-operating income and expenses					
Interest income		2,982	0.12	1,704	0.06
Other income		2,000	0.08	2,890	0.10
Other gains and losses	6.21	(3,399)	(0.14)	(11,727)	(0.42)
Financial costs		(7,906)	(0.31)	(9,346)	(0.32)
Sub-total		(6,323)	(0.25)	(16,479)	(0.58)
Profit (loss) before income tax		147,179	6.04	25,550	0.91
Income tax (expenses) benefit	6.24	(59,239)	(2.43)	(5,112)	(0.19)
Net profit (loss) from continuing operations		\$87,940	3.61	\$20,438	0.72
Net profit (loss)		\$87,940	3.61	\$20,438	0.72
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		\$545	0.02	\$-	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(241)	(0.01)	-	-
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		83,129	3.41	25,759	0.91
Other comprehensive income (loss), net of income tax		\$83,433	3.42	\$25,759	0.91
Total comprehensive income (loss)		\$171,373	7.03	\$46,197	1.63
Profit (loss) attributable to:					
Shareholders of the parent		73,775	3.03	1,110	0.04
Non-controlling interests		14,165	0.58	19,328	0.68
Total		87,940	3.61	20,438	0.72
Comprehensive income (loss) attributable to:					
Shareholders of the parent		157,242	6.45	26,869	0.95
Non-controlling interests		14,131	0.58	19,328	0.68
Total		\$171,373	7.03	\$46,197	1.63
Earnings per share					
Basic earnings (loss) per share (in dollars)	6.25	\$0.23		\$-	
Diluted earnings per share (in dollars)		\$0.23		\$-	

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, 2022 and 2021

UNIT : NTD (In Thousands)

Summary	Equity Attributable to Shareholders of the Parent										Non-Controlling Interest	Total
	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests		Treasury Stock	SubTotal			
			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, 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	-	(9,185)	-	-	-	-	-	-	(9,185)	-	(9,185)	
Effects of changes in ownership interest from investee	-	26,848	-	-	-	-	-	-	26,848	44,629	71,477	
Changes in capital surplus of investees	-	-	-	-	1,110	-	-	-	1,110	19,328	20,438	
Net profit (loss)	-	-	-	-	-	25,759	-	-	25,759	-	25,759	
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	10,331	10,331	
Changes in non-controlling interest	-	-	-	-	(1)	-	-	-	(1)	-	(1)	
Rounding	-	-	-	-	-	-	-	-	-	-	-	
Balance on March 31, 2021	<u>\$3,289,862</u>	<u>\$1,344,400</u>	<u>\$248,065</u>	<u>\$89,973</u>	<u>\$281,119</u>	<u>\$(106,784)</u>	<u>\$3,487</u>	<u>\$(160,442)</u>	<u>\$4,989,680</u>	<u>\$712,026</u>	<u>\$5,701,706</u>	
Balance on January 1, 2022	\$3,289,862	\$1,236,008	\$276,066	\$129,057	\$71,582	\$(148,998)	\$3,487	\$(160,442)	\$4,696,622	\$710,583	\$5,407,205	
Appropriation of earnings 2021	-	-	7,158	-	(7,158)	-	-	-	-	-	-	
Legal reserve	-	-	-	16,455	(16,455)	-	-	-	-	-	-	
Special reserve	-	-	-	-	(47,970)	-	-	-	(47,970)	-	(47,970)	
Cash dividends	-	(6,197)	-	-	-	-	-	-	(6,197)	-	(6,197)	
Effects of changes in ownership interest from investee	-	15,271	-	-	-	-	-	-	15,271	26,688	41,959	
Changes in capital surplus of investees	-	(112,690)	-	-	-	-	-	-	(112,690)	-	(112,690)	
Cash dividends distributed from capital surplus	-	-	-	-	73,775	-	-	-	73,775	14,165	87,940	
Net profit (loss)	-	-	-	-	545	83,163	(241)	-	83,467	(34)	83,433	
Other comprehensive income (loss)	(76,690)	(28,812)	-	-	(54,940)	-	-	160,442	-	-	-	
Cancellation of treasury stock	-	-	-	-	-	-	-	-	-	(138,741)	(138,741)	
Changes in non-controlling interest	-	-	-	-	1	-	-	-	1	-	1	
Rounding	-	-	-	-	-	-	-	-	-	-	-	
Balance on March 31, 2022	<u>\$3,213,172</u>	<u>\$1,103,580</u>	<u>\$283,224</u>	<u>\$145,512</u>	<u>\$19,380</u>	<u>\$(65,835)</u>	<u>\$3,246</u>	<u>\$0</u>	<u>\$4,702,279</u>	<u>\$612,661</u>	<u>\$5,314,940</u>	

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HITRON TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Three Months Ended March 31, 2022 and 2021

UNIT : NTD (In Thousands)

Items	2022	2021 (Restated)
<b>Cash flows from operating activities</b>		
Profit (loss) before income tax from continuing operations	\$147,179	\$25,550
Consolidated profit (loss) before tax	147,179	25,550
Adjustments for		
Income (gain) and expense (loss) items		
Depreciation	56,494	76,540
Amortization	5,718	8,716
Expected credit impairment loss (gain)	(1,773)	4,869
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	2,213	(6,133)
Interest expense	7,907	9,346
Interest income	(2,982)	(1,704)
Loss (gain) on disposal and scrap of property, plant and equipment	(45)	198
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	47,322	57,481
(Increase) decrease in accounts receivable	(103,482)	18,170
(Increase) decrease in accounts receivable - related parties	21	(204)
(Increase) decrease in other receivables	1,051	60,329
(Increase) decrease in inventories	(1,354,607)	163,084
(Increase) decrease in prepaid expenses	16,810	4,735
(Increase) decrease in prepayments	(27,160)	10,626
(Increase) decrease in other current assets	(4,312)	1,578
Increase (decrease) in contract liabilities	61,493	(51,085)
Increase (decrease) in notes payable	-	(86)
Increase (decrease) in accounts payable	814,364	(658,719)
Increase (decrease) in accounts payable - related parties	(24,974)	6,661
Increase (decrease) in other payables	(87,252)	(260,716)
Increase (decrease) in other payables - related parties	1,013	5,098
Increase (decrease) in provisions	(7,086)	(23,634)
Increase (decrease) in advanced receipts	(552)	-
Increase (decrease) in other current liabilities	(335)	1,983
Increase (decrease) in net defined benefit liabilities	545	-
Interest received	673	2,086
Interest paid	(5,880)	(6,988)
Income taxes refund (paid)	(7,572)	(689)
Net cash flows generated from (used in) operating activities	<u>(465,209)</u>	<u>(548,183)</u>
<b>Cash flows from investing activities</b>		
Acquisition of financial assets at amortized cost	(27,980)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	11,851
Acquisition of property, plant and equipment	(264,365)	(63,704)
Proceeds from disposal of property, plant and equipment	48	975
Increase in guarantee deposits	-	(5,423)
Decrease in guarantee deposits	6,597	-
Acquisition of intangible assets	(6,041)	(7,429)
Proceed from disposal of intangible assets	-	963
Decrease in other non-current assets	11,766	(1,641)
Increase in prepayments for equipment	(20,302)	(8,952)
Net cash flows generated from (used in) investing activities	<u>(300,277)</u>	<u>(73,360)</u>
<b>Cash flows from financing activities</b>		
Increase in short-term borrowings	236,169	127,107
Increase in guarantee deposits received	30	2,168
Repayment of lease principle	(3,542)	(12,228)
Net cash generated from (used in) financing activities	<u>232,657</u>	<u>117,047</u>
Effects of changes in exchange rate on cash and cash equivalents	42,994	18,813
Net increase (decrease) in cash and cash equivalents	(489,835)	(485,683)
Cash and cash equivalents at beginning of period	<u>2,803,348</u>	<u>3,935,224</u>
Cash and cash equivalents at end of period	<u>\$2,313,513</u>	<u>\$3,449,541</u>

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