

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2018, DECEMBER 31, 2017 AND MARCH 31, 2017
(REVIEWED, NOT AUDITED)

Assets	Notes	Expressed in Thousands of New Taiwan Dollars					
		March 31, 2018		December 31, 2017		March 31, 2017	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 25,313,793	24	\$ 19,147,388	15	\$ 23,429,381	26
1110	Current financial assets at fair value through profit or loss	-	-	7,935	-	1,462	-
1136	Current financial assets at amortized cost	9,796,840	9	-	-	-	-
1170	Accounts receivable, net	10,400,468	10	28,480,474	23	10,588,302	12
1180	Accounts receivable due from related parties, net	1,894,073	2	2,138,685	2	1,621,004	2
1200	Other receivables	1,679,559	2	2,786,315	2	470,400	1
130X	Current inventories	7,983,381	8	11,259,382	9	6,238,330	7
1410	Prepayments	3,697,423	3	3,088,106	3	2,584,751	3
1470	Other current assets	315,609	-	14,459,785	12	11,169,073	12
11XX	Total current assets	<u>61,081,146</u>	<u>58</u>	<u>81,368,070</u>	<u>66</u>	<u>56,102,703</u>	<u>63</u>
Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	109,348	-	-	-	-	-
1527	Non-current held-to-maturity financial assets	-	-	151,064	-	30,748	-
1535	Non-current financial assets at amortized cost	147,433	-	-	-	-	-
1543	Non-current financial assets at cost	-	-	120,992	-	121,108	-
1600	Property, plant and equipment	38,615,295	36	36,681,453	30	31,129,693	35
1780	Intangible assets	86,914	-	88,854	-	90,556	-
1840	Deferred tax assets	763,407	1	825,911	1	517,572	-
1990	Other non-current assets, others	4,816,572	5	4,480,169	3	1,472,858	2
15XX	Total non-current assets	<u>44,538,969</u>	<u>42</u>	<u>42,348,443</u>	<u>34</u>	<u>33,362,535</u>	<u>37</u>
1XXX	Total assets	<u>\$ 105,620,115</u>	<u>100</u>	<u>\$ 123,716,513</u>	<u>100</u>	<u>\$ 89,465,238</u>	<u>100</u>

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

March 31, 2018, December 31, 2017 and March 31, 2017

(REVIEWED, NOT AUDITED)

Liabilities and Equity	Notes	Expressed in Thousands of New Taiwan Dollars						
		March 31, 2018		December 31, 2017		March 31, 2017		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Current borrowings	6(14)	\$ 10,014,019	10	\$ 15,791,085	13	\$ 12,051,566	14
2170	Accounts payable		11,301,131	11	22,503,648	18	10,375,461	12
2180	Accounts payable to related parties	7	487,624	-	704,783	-	404,789	-
2200	Other payables	6(15)	8,790,200	8	10,331,671	8	6,008,607	7
2230	Current tax liabilities		1,148,480	1	1,268,536	1	1,154,205	1
2320	Long-term liabilities, current portion	6(16) 17	4,361,712	4	4,457,881	4	8,708,528	10
2399	Other current liabilities, others		113,769	-	123,505	-	81,546	-
21XX	Total current liabilities		<u>36,216,935</u>	<u>34</u>	<u>55,181,109</u>	<u>44</u>	<u>38,784,702</u>	<u>44</u>
Non-current liabilities								
2530	Bonds payable	6(16)	8,107,538	8	8,242,274	7	-	-
2540	Non-current portion of non-current borrowings	6(17)	4,361,712	4	4,457,881	4	10,049,603	11
2570	Deferred tax liabilities		54,150	-	423,207	-	33,446	-
2645	Guarantee deposits received		93,070	-	150,723	-	64,572	-
25XX	Total non-current liabilities		<u>12,616,470</u>	<u>12</u>	<u>13,274,085</u>	<u>11</u>	<u>10,147,621</u>	<u>11</u>
2XXX	Total liabilities		<u>48,833,405</u>	<u>46</u>	<u>68,455,194</u>	<u>55</u>	<u>48,932,323</u>	<u>55</u>
Equity								
Equity attributable to owners of parent								
Share capital								
3110	Share capital – ordinary share	6(20)	8,047,484	8	8,047,484	7	8,047,484	9
Capital surplus								
3200	Capital surplus	6(21)	14,871,895	14	14,851,298	12	11,942,690	13
Retained earnings								
3310	Legal reserve	6(22)	2,988,615	3	2,988,615	2	2,642,996	3
3320	Special reserve		1,688,354	1	1,688,354	1	-	-
3350	Unappropriated retained earnings		18,864,634	18	18,486,196	15	17,466,760	20
Other equity interest								
3400	Other equity interest	6(23)	(921,070)	(1)	(1,717,913)	(1)	(3,418,090)	(4)
31XX	Total equity attributable to owners of parent		<u>45,539,912</u>	<u>43</u>	<u>44,344,034</u>	<u>36</u>	<u>36,681,840</u>	<u>41</u>
36XX	Non-controlling interests	6(31)	11,246,798	11	10,917,285	9	3,851,075	4
3XXX	Total equity		<u>56,786,710</u>	<u>54</u>	<u>55,261,319</u>	<u>45</u>	<u>40,532,915</u>	<u>45</u>
Significant contingent liabilities and unrecognized commitments								
3X2X	Total liabilities and equity		<u>\$ 105,620,115</u>	<u>100</u>	<u>\$ 123,716,513</u>	<u>100</u>	<u>\$ 89,465,238</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017
(REVIEWED, NOT AUDITED)

(Expressed in Thousands of New Taiwan Dollars,
except for earnings per share amounts)

Items	Notes	Three Months Ended on March 31, 2018		Three Months Ended on March 31, 2017	
		Amount	%	Amount	%
4000		\$ 22,716,722	100	\$ 17,520,147	100
5000		(19,244,051)	(85)	(14,974,130)	(85)
5950		<u>3,472,671</u>	<u>15</u>	<u>2,546,017</u>	<u>15</u>
		Operating expenses			
6100		(242,382)	(1)	(310,037)	(2)
6200		(890,595)	(4)	(624,862)	(4)
6300		(1,062,323)	(4)	(916,459)	(5)
6000		<u>(2,195,300)</u>	<u>(9)</u>	<u>(1,851,358)</u>	<u>(11)</u>
6900		<u>1,277,371</u>	<u>6</u>	<u>694,659</u>	<u>4</u>
		Net operating income			
		Non-operating income and expenses			
7010		271,061	1	232,597	1
7020		(524,366)	(2)	(233,391)	(1)
7050		(215,401)	(1)	(174,737)	(1)
7000		<u>(468,706)</u>	<u>(2)</u>	<u>(175,531)</u>	<u>(1)</u>
7900		Profit from continuing operations before tax			
7950		808,665	4	519,128	3
8200		(254,122)	(1)	(134,016)	(1)
		<u>\$ 554,543</u>	<u>3</u>	<u>\$ 385,112</u>	<u>2</u>
		Other comprehensive income			
		Components of other comprehensive income that will not be reclassified to profit or loss			
8316		(\$ 11,803)	-	\$ -	-
8310		<u>(11,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		Components of other comprehensive income that will be reclassified to profit or loss			
8361		957,195	4	(1,786,730)	(10)
8362		-	-	5,014	-
8360		<u>957,195</u>	<u>4</u>	<u>(1,781,716)</u>	<u>(10)</u>
8300		<u>\$ 945,392</u>	<u>4</u>	<u>(\$ 1,781,716)</u>	<u>(10)</u>
8500		<u>\$ 1,499,935</u>	<u>7</u>	<u>(\$ 1,396,604)</u>	<u>(8)</u>
		Profit (loss) attributable to:			
8610		\$ 378,438	2	\$ 354,226	2
8620		\$ 176,105	1	\$ 30,886	-
		Comprehensive income attributable to:			
8710		\$ 1,175,281	6	(\$ 1,375,508)	(8)
8720		\$ 324,654	1	(\$ 21,096)	-
		Basic earnings per share			
9750		<u>\$ 0.47</u>		<u>\$ 0.44</u>	
		Diluted earnings per share			
9850		<u>\$ 0.47</u>		<u>\$ 0.44</u>	

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2018
 (REVIEWED, NOT AUDITED)

Expressed in Thousands of New Taiwan Dollars

	Equity attributed to the owners of the parent									Total	Non-controlling interest	Total equities
	Retained Earnings					Other Equities						
Notes	Share capital-ordinary share	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available for-sale financial assets				
2017												
Balance at January 1, 2017	\$ 8,047,484	\$ 11,942,690	\$ 2,642,996	\$ -	\$ 17,285,543	(\$ 1,683,342)	\$ -	(\$ 5,014)	\$ 38,230,357	\$ -	\$ 38,230,357	
Net profit of this period	-	-	-	-	354,226	-	-	-	354,226	30,886	385,112	
Other comprehensive income for the period 6(23)	-	-	-	-	-	(1,734,748)	-	5,014	(1,729,734)	(51,982)	(1,781,716)	
Changes in non-controlling interests 6(31)	-	-	-	-	(173,009)	-	-	-	(173,009)	3,872,171	3,699,162	
Balance at March 31	<u>\$ 8,047,484</u>	<u>\$ 11,942,690</u>	<u>\$ 2,642,996</u>	<u>\$ -</u>	<u>\$ 17,466,760</u>	<u>(\$ 3,418,090)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,681,840</u>	<u>\$ 3,851,075</u>	<u>\$ 40,532,915</u>	
2018												
Balance at January 1, 2018	\$ 8,047,484	\$ 14,851,298	\$ 2,988,615	\$ 1,688,354	\$ 18,486,196	(\$ 1,717,913)	\$ -	\$ -	\$ 44,344,034	\$ 10,917,285	\$ 55,261,319	
Net profit of this period	-	-	-	-	378,438	-	-	-	378,438	176,105	554,543	
Other comprehensive income for the period 6(23)	-	-	-	-	-	808,646	(11,803)	-	796,843	148,549	945,392	
Cost of remuneration in restricted employee shares 6(19)	-	20,597	-	-	-	-	-	-	20,597	4,859	25,456	
Balance at March 31	<u>\$ 8,047,484</u>	<u>\$ 14,871,895</u>	<u>\$ 2,988,615</u>	<u>\$ 1,688,354</u>	<u>\$ 18,864,634</u>	<u>(\$ 909,267)</u>	<u>(\$ 11,803)</u>	<u>\$ -</u>	<u>\$ 45,539,912</u>	<u>\$ 11,246,798</u>	<u>\$ 56,786,710</u>	

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUNSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2018
(REVIEWED, NOT AUDITED)

Expressed in Thousands of New Taiwan Dollars

	Notes	Three Months Ended on March 31, 2018	Three Months Ended on March 31, 2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit before tax		\$ 808,665	\$ 519,128
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(24)	1,598,352	1,335,918
Amortization expense	6(24)	20,219	18,079
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	12	(564)	-
Loss (gain) on disposal of property, plant and equipment	6(27)	(6,924)	5,734
Rental expenses for land use rights	6(13)	6,041	8,407
Interest income	6(26)	(226,328)	(152,259)
Interest expense	6(28)	215,401	174,737
Loss (gain) on disposal of investments	6(27)	-	(9,155)
Share-based payments	6(19)	25,456	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		7,935	(1,462)
Notes receivable		(646)	37,523
Accounts receivable		17,724,196	6,032,204
Accounts receivable due from related parties		271,648	(25,269)
Other receivable		1,045,525	1,284,744
Inventories		3,268,457	534,012
Prepayments		(561,677)	(593,655)
Other current assets		-	23,000
Changes in operating liabilities			
Accounts payable		(11,464,963)	(4,402,899)
Accounts payable to related parties		(206,243)	(345,232)
Other payable		(1,372,309)	(2,128,025)
Other current liabilities		(11,458)	71,019
Cash inflow (outflow) generated from operations		11,140,783	2,386,549
Income taxes paid		(722,520)	(318,380)
Net cash flows from (used in) operating activities		10,418,263	2,068,169

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUNSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2018
(REVIEWED, NOT AUDITED)

Expressed in Thousands of New Taiwan Dollars

	<u>Notes</u>	<u>Three Months Ended on March 31, 2018</u>	<u>Three Months Ended on March 31, 2017</u>
<u>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</u>			
Increase in other financial assets		\$ -	(\$ 2,857,985)
Proceeds from repayments of financial assets at amortized cost		4,453,705	-
Proceeds from disposal of available-for-sale financial assets		-	103,842
Proceeds from disposal of property, plant and equipment		114,669	6,921
Acquisition of property, plant and equipment	6(32)	(3,301,018)	(1,625,008)
Acquisition of land use rights		(285,733)	-
Proceeds from disposal of land use rights		5,193	9,734
Decrease (increase) in other non-current assets		27,652	(102,495)
(Increase) decrease in refundable deposits		(25,101)	240
Interest received		320,956	150,066
Net cash flows from (used in) investing activities		<u>1,310,323</u>	<u>(4,314,685)</u>
<u>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</u>			
Increase in short-term loans		(5,858,658)	(262,604)
Proceeds from long-term debt		-	991,530
(Decrease) increase in guarantee deposits received		(54,196)	32,628
Interest paid		(160,209)	(161,555)
Change in non-controlling interests	6(31)	-	3,699,162
Net cash flows from (used in) financing activities		<u>(6,073,063)</u>	<u>4,299,161</u>
Effect of exchange rate changes on cash and cash equivalents		510,882	(40,827)
Net increase in cash and cash equivalents		6,166,405	2,011,818
Cash and cash equivalents at beginning of period		19,147,388	21,417,563
Cash and cash equivalents at end of period		<u>\$ 25,313,793</u>	<u>\$ 23,429,381</u>

The accompanying notes are an integral part of these consolidated financial statements.