

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	March 31, 2019 (Reviewed)		December 31, 2018 (Audited)		March 31, 2018 (Reviewed)		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 38,233,232	30	\$ 40,652,973	29	\$ 25,313,793	24
1110	Current financial assets at fair value through profit or loss	6(2)	1,918	-	3,437	-	-	-
1136	Current financial assets at amortised cost	6(6)	11,009,347	9	8,778,797	6	9,796,840	9
1170	Accounts receivable, net	6(3)	12,332,660	10	21,631,860	15	10,400,468	10
1180	Accounts receivable due from related parties, net	6(3) and 7	1,455,344	1	2,644,519	2	1,894,073	2
1200	Other receivables	6(4)	264,139	-	855,783	1	1,679,559	2
130X	Inventories	6(5)	7,245,344	6	10,083,882	7	7,983,381	8
1410	Prepayments	6(4)	4,214,982	3	3,673,318	3	3,697,423	3
1470	Other current assets		<u>537,312</u>	-	<u>569,634</u>	-	<u>315,609</u>	-
11XX	Total current assets		<u>75,294,278</u>	<u>59</u>	<u>88,894,203</u>	<u>63</u>	<u>61,081,146</u>	<u>58</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	79,617	-	52,473	-	109,348	-
1535	Non-current financial assets at amortised cost		-	-	-	-	147,433	-
1600	Property, plant and equipment	6(8)	42,866,655	33	41,913,166	30	38,615,295	36
1755	Right-of-use assets	6(9)	8,829,203	7	-	-	-	-
1780	Intangible assets	6(10)	92,019	-	91,721	-	86,914	-
1840	Deferred income tax assets		922,671	1	1,024,491	1	763,407	1
1990	Other non-current assets	6(11)	<u>451,684</u>	-	<u>8,131,099</u>	<u>6</u>	<u>4,816,572</u>	<u>5</u>
15XX	Total non-current assets		<u>53,241,849</u>	<u>41</u>	<u>51,212,950</u>	<u>37</u>	<u>44,538,969</u>	<u>42</u>
1XXX	Total assets		<u>\$ 128,536,127</u>	<u>100</u>	<u>\$ 140,107,153</u>	<u>100</u>	<u>\$ 105,620,115</u>	<u>100</u>

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	March 31, 2019 (Reviewed)		December 31, 2018 (Audited)		March 31, 2018 (Reviewed)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Liabilities and Equity							
Current liabilities							
2100	6(12)	\$ 7,890,825	6	\$ 9,184,066	7	\$ 10,014,019	10
2170		9,550,827	7	17,056,824	12	11,301,131	11
2180	7	572,609	1	1,022,641	1	487,624	-
2200	6(13)	9,268,251	7	13,346,522	9	8,790,200	8
2230		1,237,545	1	2,391,519	2	1,148,480	1
2280		70,988	-	-	-	-	-
2320	6(14) (15)	8,704,639	7	8,699,319	6	4,361,712	4
2399		116,585	-	134,168	-	113,769	-
21XX		<u>37,412,269</u>	<u>29</u>	<u>51,835,059</u>	<u>37</u>	<u>36,216,935</u>	<u>34</u>
Non-current liabilities							
2530	6(14)	-	-	-	-	8,107,538	8
2540	6(15)	9,226,737	7	9,194,880	6	4,361,712	4
2570		912,863	1	857,644	1	54,150	-
2580		255,617	-	-	-	-	-
2645		96,430	-	110,990	-	93,070	-
25XX		<u>10,491,647</u>	<u>8</u>	<u>10,163,514</u>	<u>7</u>	<u>12,616,470</u>	<u>12</u>
2XXX		<u>47,903,916</u>	<u>37</u>	<u>61,998,573</u>	<u>44</u>	<u>48,833,405</u>	<u>46</u>
Equity							
Equity attributable to owners of parent							
Share capital							
3110	6(18)	8,055,497	6	8,047,484	6	8,047,484	8
Capital surplus							
3200	6(19)	22,084,407	17	22,000,657	16	14,871,895	14
Retained earnings							
3310	6(20)	3,505,859	3	3,505,859	2	2,988,615	3
3320		1,717,913	1	1,717,913	1	1,688,354	1
3350		24,113,927	19	23,731,600	17	18,864,634	18
Other equity interest							
3400	6(21)	(1,387,770)	(1)	(2,948,306)	(2)	(921,070)	(1)
31XX		<u>58,089,833</u>	<u>45</u>	<u>56,055,207</u>	<u>40</u>	<u>45,539,912</u>	<u>43</u>
36XX		<u>22,542,378</u>	<u>18</u>	<u>22,053,373</u>	<u>16</u>	<u>11,246,798</u>	<u>11</u>
3XXX		<u>80,632,211</u>	<u>63</u>	<u>78,108,580</u>	<u>56</u>	<u>56,786,710</u>	<u>54</u>
Significant contingent liabilities and unrecognised contract commitments							
3X2X	9	\$ 128,536,127	100	\$ 140,107,153	100	\$ 105,620,115	100

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(REVIEWED, NOT AUDITED)

Items	Notes	Three Months Ended March 31,			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	7 and 14	\$ 19,413,186	100	\$ 22,716,722	100
5000 Operating costs	6(5) and 7	(16,313,054)	(84)	(19,244,051)	(85)
5950 Gross profit from operations		<u>3,100,132</u>	<u>16</u>	<u>3,472,671</u>	<u>15</u>
Operating expenses	6(22)				
6100 Selling expenses		(303,932)	(2)	(242,382)	(1)
6200 Administrative expenses		(873,673)	(4)	(891,159)	(4)
6300 Research and development expenses		(818,971)	(4)	(1,062,323)	(4)
6450 Expected credit loss in accordance with IFRS 9	12	<u>10,973</u>	<u>-</u>	<u>564</u>	<u>-</u>
6000 Total operating expenses		<u>(1,985,603)</u>	<u>(10)</u>	<u>(2,195,300)</u>	<u>(9)</u>
6900 Net operating income		<u>1,114,529</u>	<u>6</u>	<u>1,277,371</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(24)	443,518	2	271,061	1
7020 Other gains and losses	6(25)	(360,977)	(2)	(524,366)	(2)
7050 Finance costs	6(26)	(231,487)	(1)	(215,401)	(1)
7000 Total non-operating income and expenses		<u>(148,946)</u>	<u>(1)</u>	<u>(468,706)</u>	<u>(2)</u>
7900 Profit before income tax		965,583	5	808,665	4
7950 Income tax expense	6(27)	(332,683)	(2)	(254,122)	(1)
8200 Profit		<u>\$ 632,900</u>	<u>3</u>	<u>\$ 554,543</u>	<u>3</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(21)	<u>\$ 27,448</u>	<u>-</u>	<u>(\$ 11,803)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial statements	6(21)	<u>1,763,015</u>	<u>9</u>	<u>957,195</u>	<u>4</u>
8300 Other comprehensive income		<u>\$ 1,790,463</u>	<u>9</u>	<u>\$ 945,392</u>	<u>4</u>
8500 Total comprehensive income		<u>\$ 2,423,363</u>	<u>12</u>	<u>\$ 1,499,935</u>	<u>7</u>
Profit attributable to:					
8610 Owners of the parent		<u>\$ 382,327</u>	<u>2</u>	<u>\$ 378,438</u>	<u>2</u>
8620 Non-controlling interests		<u>\$ 250,573</u>	<u>1</u>	<u>\$ 176,105</u>	<u>1</u>
Comprehensive income attributable to:					
8710 Owners of the parent		<u>\$ 1,942,863</u>	<u>10</u>	<u>\$ 1,175,281</u>	<u>6</u>
8720 Non-controlling interests		<u>\$ 480,500</u>	<u>2</u>	<u>\$ 324,654</u>	<u>1</u>
Earnings per share					
9750 Basic earnings per share	6(28)	<u>\$ 0.48</u>		<u>\$ 0.47</u>	
9850 Diluted earnings per share	6(28)	<u>\$ 0.47</u>		<u>\$ 0.47</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
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

	Equity attributable to the owners of the parent											
	Notes	Retained Earnings					Other Equity Interest			Total	Non-controlling interest	Total equity
		Ordinary shares	Capital surplus – additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Three-Month Period Ended March 31, 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	
Profit for the period		-	-	-	-	378,438	-	-	378,438	176,105	554,543	
Other comprehensive income (loss) for the period		-	-	-	-	-	808,646	(11,803)	796,843	148,549	945,392	
Total comprehensive income for the period		-	-	-	-	378,438	808,646	(11,803)	1,175,281	324,654	1,499,935	
Compensation cost of employee restricted stock	6(17)	-	20,597	-	-	-	-	-	20,597	4,859	25,456	
Balance at March 31, 2018		<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>\$ 45,539,912</u>	<u>\$ 11,246,798</u>	<u>\$ 56,786,710</u>	
Three-Month Period Ended March 31, 2019												
Balance at January 1, 2019		\$ 8,047,484	\$ 22,000,657	\$ 3,505,859	\$ 1,717,913	\$ 23,731,600	(\$ 2,879,635)	(\$ 68,671)	\$ 56,055,207	\$ 22,053,373	\$ 78,108,580	
Profit for the period		-	-	-	-	382,327	-	-	382,327	250,573	632,900	
Other comprehensive income (loss) for the period	6(21)	-	-	-	-	-	1,533,088	27,448	1,560,536	229,927	1,790,463	
Total comprehensive income for the period		-	-	-	-	382,327	1,533,088	27,448	1,942,863	480,500	2,423,363	
Conversion of convertible bonds	6(14)	8,013	60,964	-	-	-	-	-	68,977	-	68,977	
Compensation cost of employee restricted stock	6(17)	-	22,786	-	-	-	-	-	22,786	8,505	31,291	
Balance at March 31, 2019		<u>\$ 8,055,497</u>	<u>\$ 22,084,407</u>	<u>\$ 3,505,859</u>	<u>\$ 1,717,913</u>	<u>\$ 24,113,927</u>	<u>(\$ 1,346,547)</u>	<u>(\$ 41,223)</u>	<u>\$ 58,089,833</u>	<u>\$ 22,542,378</u>	<u>\$ 80,632,211</u>	

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

	Notes	Three Months Ended March 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 965,583	\$ 808,665
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(22)	1,903,409	1,598,352
Amortisation expense	6(22)	30,985	20,219
Reversal of expected credit loss	12	(10,973)	(564)
Loss (gain) on disposal of property, plant and equipment	6(25)	2,820	(6,924)
Rental expense for land use right (long-term prepaid rents)		-	6,041
Interest income	6(24)	(351,661)	(226,328)
Interest expense	6(26)	231,487	215,401
Share-based payment	6(17)	31,291	25,456
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		1,519	7,935
Notes receivable		(7,530)	(646)
Accounts receivable		9,376,479	17,724,196
Accounts receivable due from related parties		1,198,535	271,648
Other receivables		618,848	1,045,525
Inventories		3,028,366	3,268,457
Prepayments		(445,298)	(561,677)
Other current assets		89,464	-
Changes in operating liabilities			
Accounts payable		(7,917,667)	(11,464,963)
Accounts payable to related parties		(474,810)	(206,243)
Other payables		(2,222,701)	(1,372,309)
Other current liabilities		(20,993)	(11,458)
Cash inflow generated from operations		6,027,153	11,140,783
Income taxes paid		(1,367,332)	(722,520)
Net cash flows from operating activities		4,659,821	10,418,263

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

	<u>Notes</u>	<u>Three Months Ended March 31,</u>	
		<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from repayment of financial assets at amortised cost		(\$ 2,045,385)	\$ 4,453,705
Proceeds from disposal of property, plant and equipment		16,723	114,669
Acquisition of property, plant and equipment		(3,677,471)	(3,301,018)
Acquisition of land use right (long-term prepaid rents)		(974,498)	(285,733)
Proceeds from disposal of land use right (recognise long-term prepaid rents)		-	5,193
Decrease (increase) in other non-current assets		(65,955)	27,652
Decrease (increase) in refundable deposits		(567)	(25,101)
Interest received		338,834	320,956
Net cash flows used in investing activities		<u>(6,408,319)</u>	<u>1,310,323</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings		(1,471,820)	(5,858,658)
Increase (decrease) in guarantee deposits received		(17,320)	(54,196)
Interest paid		(161,430)	(160,209)
Repayments of lease liabilities		(23,604)	-
Net cash flows from financing activities		<u>(1,674,174)</u>	<u>(6,073,063)</u>
Effect of exchange rate changes on cash and cash equivalents		1,002,931	510,882
Net increase (decrease) in cash and cash equivalents		<u>(2,419,741)</u>	<u>6,166,405</u>
Cash and cash equivalents at beginning of period		40,652,973	19,147,388
Cash and cash equivalents at end of period		<u>\$ 38,233,232</u>	<u>\$ 25,313,793</u>

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