

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019, DECEMBER 31, 2018 AND JUNE 30, 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	June 30, 2019 (Reviewed)		December 31, 2018 (Audited)		June 30, 2018 (Reviewed)		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 39,872,033	30	\$ 40,652,973	29	\$ 24,528,207	21
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	3,437	-	-	-
1136	Current financial assets at amortised cost	6(6)	5,684,111	4	8,778,797	6	10,268,020	9
1170	Accounts receivable, net	6(3)	14,554,858	11	21,631,860	15	14,287,409	12
1180	Accounts receivable due from related parties, net	6(3) and 7	2,012,781	2	2,644,519	2	1,711,118	2
1200	Other receivables	6(4)	656,028	1	855,783	1	688,145	1
130X	Inventories	6(5)	9,724,721	7	10,083,882	7	10,175,365	9
1410	Prepayments	6(4)	4,150,593	3	3,673,318	3	3,801,072	3
1470	Other current assets		3,334	-	569,634	-	313,039	-
11XX	Total current assets		<u>76,658,459</u>	<u>58</u>	<u>88,894,203</u>	<u>63</u>	<u>65,772,375</u>	<u>57</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	197,691	-	52,473	-	79,555	-
1535	Non-current financial assets at amortised cost	6(6)	-	-	-	-	153,924	-
1600	Property, plant and equipment	6(8)	44,578,527	34	41,913,166	30	40,092,124	35
1755	Right-of-use assets	6(9)	8,665,600	7	-	-	-	-
1780	Intangible assets	6(10)	92,736	-	91,721	-	90,944	-
1840	Deferred income tax assets		846,997	1	1,024,491	1	796,361	1
1990	Other non-current assets	6(11)	544,844	-	8,131,099	6	8,090,499	7
15XX	Total non-current assets		<u>54,926,395</u>	<u>42</u>	<u>51,212,950</u>	<u>37</u>	<u>49,303,407</u>	<u>43</u>
1XXX	Total assets		<u>\$ 131,584,854</u>	<u>100</u>	<u>\$ 140,107,153</u>	<u>100</u>	<u>\$ 115,075,782</u>	<u>100</u>

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019, DECEMBER 31, 2018 AND JUNE 30, 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	June 30, 2019 (Reviewed)		December 31, 2018 (Audited)		June 30, 2018 (Reviewed)		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 7,343,974	6	\$ 9,184,066	7	\$ 12,297,141	11
2170	Accounts payable		13,071,100	10	17,056,824	12	13,578,368	12
2180	Accounts payable to related parties	7	526,921	-	1,022,641	1	635,288	-
2200	Other payables	6(13)	14,752,082	11	13,346,522	9	16,106,092	14
2230	Current income tax liabilities		960,770	1	2,391,519	2	706,495	1
2280	Current lease liabilities		93,696	-	-	-	-	-
2320	Long-term liabilities, current portion	6 (14)(15)	-	-	8,699,319	6	17,661,402	15
2399	Other current liabilities, others		132,781	-	134,168	-	142,756	-
21XX	Total current liabilities		<u>36,881,324</u>	<u>28</u>	<u>51,835,059</u>	<u>37</u>	<u>61,127,542</u>	<u>53</u>
Non-current liabilities								
2540	Long-term borrowings	6(15)	9,300,529	7	9,194,880	6	-	-
2570	Deferred tax liabilities		397,677	1	857,644	1	54,431	-
2580	Non-current lease liabilities		204,936	-	-	-	-	-
2600	Other non-current liabilities		290,115	-	110,990	-	197,214	-
25XX	Total non-current liabilities		<u>10,193,257</u>	<u>8</u>	<u>10,163,514</u>	<u>7</u>	<u>251,645</u>	<u>-</u>
2XXX	Total liabilities		<u>47,074,581</u>	<u>36</u>	<u>61,998,573</u>	<u>44</u>	<u>61,379,187</u>	<u>53</u>
Equity								
Equity attributable to owners of parent								
Share capital								
3110	Ordinary share	6(18)	9,022,299	7	8,047,484	6	8,047,484	7
Capital surplus								
3200	Capital surplus	6(19)	29,477,751	23	22,000,657	16	14,892,751	14
Retained earnings								
3310	Legal reserve	6(20)	4,350,638	3	3,505,859	2	3,505,859	3
3320	Special reserve		2,948,306	2	1,717,913	1	1,717,912	1
3350	Unappropriated retained earnings		19,232,218	15	23,731,600	17	16,411,715	14
Other equity interest								
3400	Other equity interest	6(21)	(1,901,559)	(2)	(2,948,306)	(2)	(1,486,108)	(1)
31XX	Total equity attributable to owners of parent		<u>63,129,653</u>	<u>48</u>	<u>56,055,207</u>	<u>40</u>	<u>43,089,613</u>	<u>38</u>
36XX	Non-controlling interests		<u>21,380,620</u>	<u>16</u>	<u>22,053,373</u>	<u>16</u>	<u>10,606,982</u>	<u>9</u>
3XXX	Total equity		<u>84,510,273</u>	<u>64</u>	<u>78,108,580</u>	<u>56</u>	<u>53,696,595</u>	<u>47</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		<u>\$ 131,584,854</u>	<u>100</u>	<u>\$ 140,107,153</u>	<u>100</u>	<u>\$ 115,075,782</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
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(REVIEWED, NOT AUDITED)

Items	Notes	Three-month period ended June 30, 2019		Three-month period ended June 30, 2018		Six-month period ended June 30, 2019		Six-month period ended June 30, 2018	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	7 and 14	\$ 23,080,231	100	\$ 20,707,576	100	\$ 42,493,417	100	\$ 43,424,298	100
5000 Operating costs	6(5) and 7	(18,455,688)	(80)	(17,091,544)	(82)	(34,768,742)	(82)	(36,335,595)	(84)
5950 Gross profit from operations		<u>4,624,543</u>	<u>20</u>	<u>3,616,032</u>	<u>18</u>	<u>7,724,675</u>	<u>18</u>	<u>7,088,703</u>	<u>16</u>
Operating expenses	6(22)								
6100 Selling expenses		(361,462)	(2)	(359,255)	(2)	(665,394)	(1)	(601,637)	(1)
6200 Administrative expenses		(1,085,182)	(5)	(891,958)	(4)	(1,958,855)	(5)	(1,783,117)	(4)
6300 Research and development expenses		(1,725,478)	(7)	(1,203,392)	(6)	(2,544,449)	(6)	(2,265,715)	(5)
6450 Expected credit loss in accordance with IFRS 9	12	499	-	6,374	-	11,472	-	6,938	-
6000 Total operating expenses		<u>(3,171,623)</u>	<u>(14)</u>	<u>(2,448,231)</u>	<u>(12)</u>	<u>(5,157,226)</u>	<u>(12)</u>	<u>(4,643,531)</u>	<u>(10)</u>
6900 Net operating income		<u>1,452,920</u>	<u>6</u>	<u>1,167,801</u>	<u>6</u>	<u>2,567,449</u>	<u>6</u>	<u>2,445,172</u>	<u>6</u>
Non-operating income and expenses									
7010 Other income	6(24)	622,055	3	319,094	2	1,065,573	2	590,155	1
7020 Other gains and losses	6(25)	204,720	1	79,084	-	(156,257)	-	(445,282)	(1)
7050 Finance costs	6(26)	(159,352)	(1)	(234,528)	(1)	(390,839)	(1)	(449,929)	(1)
7000 Total non-operating income and expenses		<u>667,423</u>	<u>3</u>	<u>163,650</u>	<u>1</u>	<u>518,477</u>	<u>1</u>	<u>(305,056)</u>	<u>(1)</u>
7900 Profit before income tax		<u>2,120,343</u>	<u>9</u>	<u>1,331,451</u>	<u>7</u>	<u>3,085,926</u>	<u>7</u>	<u>2,140,116</u>	<u>5</u>
7950 Income tax expense	6(27)	(335,377)	(1)	(326,522)	(2)	(668,060)	(1)	(580,644)	(1)
8200 Profit		<u>\$ 1,784,966</u>	<u>8</u>	<u>\$ 1,004,929</u>	<u>5</u>	<u>\$ 2,417,866</u>	<u>6</u>	<u>\$ 1,559,472</u>	<u>4</u>

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(REVIEWED, NOT AUDITED)

Items	Notes	Three-month period ended June 30, 2019		Three-month period ended June 30, 2018		Six-month period ended June 30, 2019		Six-month period ended June 30, 2018		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6 (7) (21)								
			(\$ 18,056)	-	(\$ 29,532)	-	\$ 9,392	-	(\$ 41,335)	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Exchange differences on translation of foreign financial statements	6(21)	(856,672)	(4)	(608,078)	(3)	906,343	2	349,117	1
8300	Other comprehensive income (loss) after income tax		(\$ 874,728)	(4)	(\$ 637,610)	(3)	\$ 915,735	2	\$ 307,782	1
8500	Total comprehensive income		\$ 910,238	4	\$ 367,319	2	\$ 3,333,601	8	\$ 1,867,254	5
Profit attributable to:										
8610	Owners of the parent		\$ 1,217,205	5	\$ 749,553	4	\$ 1,599,532	4	\$ 1,127,991	3
8620	Non-controlling interest		\$ 567,761	2	\$ 255,376	1	\$ 818,334	2	\$ 431,481	1
Comprehensive income attributable to:										
8710	Owners of the parent		\$ 703,416	3	\$ 184,515	1	\$ 2,646,279	6	\$ 1,359,796	4
8720	Non-controlling interest		\$ 206,822	1	\$ 182,804	1	\$ 687,322	2	\$ 507,458	1
Basic earnings per share										
9750	Basic earnings per share	6(28)	\$	1.37	\$	0.93	\$	1.89	\$	1.40
Diluted earnings per share										
9850	Diluted earnings per share	6(28)	\$	1.37	\$	0.89	\$	1.89	\$	1.36

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 SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

	Notes	Equity attributable to owners of parent					Other equity interest		Total	Non-controlling interest	Total equity
		Ordinary share	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			
<u>Six-Month Period Ended June 30, 2018</u>											
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		-	-	-	-	1,127,991	-	-	1,127,991	431,481	1,559,472
Other comprehensive income (loss) for the period	6(21)	-	-	-	-	-	273,140	(41,335)	231,805	75,977	307,782
Total comprehensive income for the period		-	-	-	-	1,127,991	273,140	(41,335)	1,359,796	507,458	1,867,254
Appropriations and distribution of 2017 retained earnings:	6(20)										
General reserve		-	-	517,244	-	(517,244)	-	-	-	-	-
Special reserve		-	-	-	29,558	(29,558)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,655,670)	-	-	(2,655,670)	-	(2,655,670)
Compensation cost of employee restricted stock	6(17)	-	41,453	-	-	-	-	-	41,453	9,779	51,232
Changes in non-controlling interests-distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	(827,540)	(827,540)
Balance at June 30, 2018		\$ 8,047,484	\$ 14,892,751	\$ 3,505,859	\$ 1,717,912	\$ 16,411,715	(\$ 1,444,773)	(\$ 41,335)	\$ 43,089,613	\$ 10,606,982	\$ 53,696,595
<u>Six-Month Period Ended June 30, 2019</u>											
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		-	-	-	-	1,599,532	-	-	1,599,532	818,334	2,417,866
Other comprehensive income for the period	6(21)	-	-	-	-	-	1,037,355	9,392	1,046,747	(131,012)	915,735
Total comprehensive income for the period		-	-	-	-	1,599,532	1,037,355	9,392	2,646,279	687,322	3,333,601
Appropriations and distribution of 2018 retained earnings:	6(20)										
General reserve		-	-	844,779	-	(844,779)	-	-	-	-	-
Special reserve		-	-	-	1,230,393	(1,230,393)	-	-	-	-	-
Cash dividends		-	-	-	-	(4,023,742)	-	-	(4,023,742)	-	(4,023,742)
Conversion of convertible bonds	6(14)	974,815	7,431,639	-	-	-	-	-	8,406,454	-	8,406,454
Compensation cost of employee restricted stock	6(17)	-	45,455	-	-	-	-	-	45,455	16,965	62,420
Changes in non-controlling interests-distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	(1,377,040)	(1,377,040)
Balance at June 30, 2019		\$ 9,022,299	\$ 29,477,751	\$ 4,350,638	\$ 2,948,306	\$ 19,232,218	(\$ 1,842,280)	(\$ 59,279)	\$ 63,129,653	\$ 21,380,620	\$ 84,510,273

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 SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

	Notes	Six-month period ended June 30, 2019	Six-month period ended June 30, 2018
<u>CASH FLOWS FROM OPERATING</u>			
<u>ACTIVITIES</u>			
Profit before tax		\$ 3,085,926	\$ 2,140,116
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(22)	3,840,443	3,249,309
Amortisation expense	6(22)	71,734	39,787
Impairment losses	6(8)	217,749	175,489
Reversal of expected credit loss	12	(11,472)	(6,938)
Profit on disposal of plant, property and equipment	6(25)	(26,013)	(9,732)
Profit on disposal of land use right		(9,031)	-
Rental expense for land use right (long-term prepaid rents)		-	30,842
Interest income	6(24)	(710,002)	(477,564)
Interest expense	6(26)	390,839	449,929
Share-based payment	6(17)	62,420	51,232
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		3,437	7,935
Notes receivable		17,089	(41,607)
Accounts receivable		7,215,674	14,382,390
Accounts receivable due from related parties		675,195	479,004
Other receivables		562,745	2,055,648
Inventories		499,013	1,148,911
Prepayments		(440,104)	(700,167)
Changes in operating liabilities			
Accounts payable		(4,207,999)	(9,147,738)
Accounts payable to related parties		(511,143)	(74,381)
Other payables		(650,664)	(463,641)
Other current liabilities		(2,897)	18,652
Cash inflow generated from operations		10,072,939	13,307,476
Income tax paid		(2,413,801)	(1,493,213)
Net cash flows from operating activities		<u>7,659,138</u>	<u>11,814,263</u>

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

Notes	Six-month period ended June 30, 2019	Six-month period ended June 30, 2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from repayment of financial assets at amortised cost	\$ 3,167,939	\$ 4,010,480
Financial assets measured at fair value through other comprehensive income	(136,192)	-
Proceeds from disposal of property, plant and equipment	153,421	25,014
Acquisition of property, plant and equipment 6(29)	(7,969,321)	(6,526,505)
Acquisition of land use right (right-of-use assets/other non-current assets) 6(29)	(1,024,715)	(287,525)
Proceeds from disposal of land use right	42,664	5,226
Increase in other non-current assets	(75,330)	(21,687)
Interest received	667,405	557,020
Decrease in refundable deposits	267,812	3,482
Increases in prepaid facilities	(135,402)	-
Increase in other non-current liabilities	182,392	-
Net cash used in investing activities	<u>(4,859,327)</u>	<u>(2,234,495)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term borrowings	(1,971,275)	(3,635,169)
(Increase) decrease in guarantee deposits received	(2,996)	51,272
Interest paid	(342,352)	(358,466)
Repayments of lease liabilities	(46,980)	-
Repayments of convertible bonds	(147,233)	-
Changes in non-controlling interests-distribution of retained earnings by subsidiaries	(1,377,040)	(827,540)
Net cash flows from financing activities	<u>(3,887,876)</u>	<u>(4,769,903)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>307,125</u>	<u>570,954</u>
Net increase (decrease) in cash and cash equivalents	(780,940)	5,380,819
Cash and cash equivalents at beginning of period	40,652,973	19,147,388
Cash and cash equivalents at end of period	<u>\$ 39,872,033</u>	<u>\$ 24,528,207</u>

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