

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

	Assets	Notes	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$ 40,810,825	29	\$ 40,652,973	29	\$ 30,685,015	23
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	3,437	-	-	-
1136	Current financial assets at amortised cost	6(6)	2,591,146	2	8,778,797	6	12,362,908	9
1170	Accounts receivable, net	6(3)	24,621,383	17	21,631,860	15	23,197,297	17
1180	Accounts receivable due from related parties, net	6(3) and 7	2,727,946	2	2,644,519	2	2,289,682	2
1200	Other receivables	6(4)	602,391	-	855,783	1	1,424,076	1
130X	Inventories	6(5)	11,014,375	8	10,083,882	7	11,250,736	8
1410	Prepayments	6(4)	4,263,322	3	3,673,318	3	3,836,030	3
1470	Other current assets		-	-	569,634	-	301,707	-
11XX	Total current assets		<u>86,631,388</u>	<u>61</u>	<u>88,894,203</u>	<u>63</u>	<u>85,347,451</u>	<u>63</u>
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	193,622	-	52,473	-	67,197	-
1535	Non-current financial assets at amortised cost	6(6)	-	-	-	-	153,931	-
1600	Property, plant and equipment	6(8)	44,123,970	31	41,913,166	30	40,154,981	30
1755	Right-of-use assets	6(9)	8,234,018	6	-	-	-	-
1780	Intangible assets	6(10)	92,676	-	91,721	-	91,153	-
1840	Deferred income tax assets		1,038,763	1	1,024,491	1	898,263	1
1990	Other non-current assets	6(11)	627,108	1	8,131,099	6	8,122,262	6
15XX	Total non-current assets		<u>54,310,157</u>	<u>39</u>	<u>51,212,950</u>	<u>37</u>	<u>49,487,787</u>	<u>37</u>
1XXX	Total assets		<u>\$ 140,941,545</u>	<u>100</u>	<u>\$ 140,107,153</u>	<u>100</u>	<u>\$ 134,835,238</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Note	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 10,786,421	8	\$ 9,184,066	7	\$ 12,540,625	9
2170	Accounts payable		18,796,780	13	17,056,824	12	17,003,054	13
2180	Accounts payable to related parties	7	516,976	-	1,022,641	1	810,739	1
2200	Other payables	6(13)	12,249,165	9	13,346,522	9	12,234,811	9
2230	Current income tax liabilities		1,731,088	1	2,391,519	2	1,551,437	1
2280	Current lease liabilities		90,729	-	-	-	-	-
2320	Long-term liabilities, current portion	6(14) (15)	-	-	8,699,319	6	17,751,997	13
2399	Other current liabilities		96,710	-	134,168	-	142,642	-
21XX	Total current liabilities		<u>44,267,869</u>	<u>31</u>	<u>51,835,059</u>	<u>37</u>	<u>62,035,305</u>	<u>46</u>
Non-current liabilities								
2540	Long-term borrowings	6(15)	9,296,480	7	9,194,880	6	-	-
2570	Deferred income tax liabilities		726,769	1	857,644	1	316,409	-
2580	Non-current lease liabilities		176,103	-	-	-	-	-
2600	Other non-current liabilities		303,958	-	110,990	-	110,632	-
25XX	Total non-current liabilities		<u>10,503,310</u>	<u>8</u>	<u>10,163,514</u>	<u>7</u>	<u>427,041</u>	<u>-</u>
2XXX	Total liabilities		<u>54,771,179</u>	<u>39</u>	<u>61,998,573</u>	<u>44</u>	<u>62,462,346</u>	<u>46</u>
Equity								
Equity attributable to owners of parent								
Share capital								
3110	Ordinary share capital	6(18)	9,022,299	6	8,047,484	6	8,047,484	6
Capital surplus								
3200	Capital surplus	6(19)	29,499,880	21	22,000,657	16	21,965,119	16
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	1,717,913	1
3350	Unappropriated retained earnings		22,637,687	16	23,731,600	17	20,169,307	15
Other equity interest								
3400	Other equity interest	6(21)	(4,229,828)	(3)	(2,948,306)	(2)	(3,357,286)	(2)
31XX	Total equity attributable to owners of parent		<u>64,228,982</u>	<u>45</u>	<u>56,055,207</u>	<u>40</u>	<u>52,048,396</u>	<u>39</u>
36XX	Non-controlling interests		<u>21,941,384</u>	<u>16</u>	<u>22,053,373</u>	<u>16</u>	<u>20,324,496</u>	<u>15</u>
3XXX	Total equity		<u>86,170,366</u>	<u>61</u>	<u>78,108,580</u>	<u>56</u>	<u>72,372,892</u>	<u>54</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		<u>\$ 140,941,545</u>	<u>100</u>	<u>\$ 140,107,153</u>	<u>100</u>	<u>\$ 134,835,238</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
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(REVIEWED, NOT AUDITED)

Item	Notes	Three-month period ended September 30, 2019		Three-month period ended September 30, 2018		Nine-month period ended September 30, 2019		Nine-month period ended September 30, 2018	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(22), 7 and 14	\$ 35,601,549	100	\$ 35,346,568	100	\$ 78,094,966	100	\$ 78,770,866	100
5000 Operating costs	6(5) and 7	(27,246,656)	(76)	(26,242,614)	(74)	(62,015,398)	(79)	(62,578,209)	(80)
5950 Gross profit from operations		<u>8,354,893</u>	<u>24</u>	<u>9,103,954</u>	<u>26</u>	<u>16,079,568</u>	<u>21</u>	<u>16,192,657</u>	<u>20</u>
Operating expenses	6(23)								
6100 Selling expenses		(547,622)	(2)	(449,167)	(1)	(1,213,016)	(2)	(1,050,804)	(1)
6200 Administrative expenses		(1,043,431)	(3)	(1,237,018)	(4)	(3,002,286)	(4)	(3,020,135)	(4)
6300 Research and development expenses		(1,509,657)	(4)	(1,680,174)	(5)	(4,054,106)	(5)	(3,945,889)	(5)
6450 Expected credit loss in accordance with IFRS 9	12	<u>7,104</u>	<u>-</u>	<u>(7,632)</u>	<u>-</u>	<u>18,576</u>	<u>-</u>	<u>(694)</u>	<u>-</u>
6000 Total operating expenses		<u>(3,093,606)</u>	<u>(9)</u>	<u>(3,373,991)</u>	<u>(10)</u>	<u>(8,250,832)</u>	<u>(11)</u>	<u>(8,017,522)</u>	<u>(10)</u>
6900 Net operating income		<u>5,261,287</u>	<u>15</u>	<u>5,729,963</u>	<u>16</u>	<u>7,828,736</u>	<u>10</u>	<u>8,175,135</u>	<u>10</u>
Non-operating income and expenses									
7010 Other income	6(25)	449,834	1	479,610	2	1,515,407	2	1,069,765	1
7020 Other gains and losses	6(26)	319,216	1	78,045	-	162,959	-	(367,237)	-
7050 Finance costs	6(27)	(156,533)	-	(238,757)	(1)	(547,372)	(1)	(688,686)	(1)
7000 Total non-operating income and expenses		<u>612,517</u>	<u>2</u>	<u>318,898</u>	<u>1</u>	<u>1,130,994</u>	<u>1</u>	<u>13,842</u>	<u>-</u>
7900 Profit before income tax		<u>5,873,804</u>	<u>17</u>	<u>6,048,861</u>	<u>17</u>	<u>8,959,730</u>	<u>11</u>	<u>8,188,977</u>	<u>10</u>
7950 Income tax expense	6(28)	(1,083,900)	(3)	(1,176,664)	(3)	(1,751,960)	(2)	(1,757,308)	(2)
8200 Profit		<u>\$ 4,789,904</u>	<u>14</u>	<u>\$ 4,872,197</u>	<u>14</u>	<u>\$ 7,207,770</u>	<u>9</u>	<u>\$ 6,431,669</u>	<u>8</u>

(Continued)

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

Item	Notes	Three-month period ended September 30, 2019		Three-month period ended September 30, 2018		Nine-month period ended September 30, 2019		Nine-month period ended September 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 gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(21)	\$ 1,200	-	(\$ 12,636)	-	\$ 10,592	-	(\$ 53,971)	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Exchange differences on translation of foreign financial statements	6(21)	(3,161,400)	(9)	(2,362,965)	(7)	(2,255,057)	(3)	(2,013,848)	(2)
8300	Other comprehensive (loss) income		<u>(\$ 3,160,200)</u>	<u>(9)</u>	<u>(\$ 2,375,601)</u>	<u>(7)</u>	<u>(\$ 2,244,465)</u>	<u>(3)</u>	<u>(\$ 2,067,819)</u>	<u>(2)</u>
8500	Total comprehensive income		<u>\$ 1,629,704</u>	<u>5</u>	<u>\$ 2,496,596</u>	<u>7</u>	<u>\$ 4,963,305</u>	<u>6</u>	<u>\$ 4,363,850</u>	<u>6</u>
Profit attributable to:										
8610	Owners of the parent		\$ 3,405,469	10	\$ 3,757,593	11	\$ 5,005,001	6	\$ 4,885,584	6
8620	Non-controlling interests		<u>\$ 1,384,435</u>	<u>4</u>	<u>\$ 1,114,604</u>	<u>3</u>	<u>\$ 2,202,769</u>	<u>3</u>	<u>\$ 1,546,085</u>	<u>2</u>
Comprehensive income attributable to:										
8710	Owners of the parent		\$ 1,077,200	3	\$ 1,886,415	5	\$ 3,723,479	4	\$ 3,246,211	5
8720	Non-controlling interests		<u>\$ 552,504</u>	<u>2</u>	<u>\$ 610,181</u>	<u>2</u>	<u>\$ 1,239,826</u>	<u>2</u>	<u>\$ 1,117,639</u>	<u>1</u>
Basic earnings per share										
9750	Basic earnings per share	6(29)	<u>\$ 3.80</u>		<u>\$ 4.67</u>		<u>\$ 5.78</u>		<u>\$ 6.07</u>	
Diluted earnings per share										
9850	Diluted earnings per share	6(29)	<u>\$ 3.80</u>		<u>\$ 4.21</u>		<u>\$ 5.78</u>		<u>\$ 5.55</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

Expressed in thousands of NTD

	Notes	Equity attributable to owners of parent						Other Equity Interest		Non-controlling interests	Total equity
		Retained Earnings					Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
		Ordinary shares	Capital surplus - additional paid-in capital	Legal reserve	Special reserve						
									Total		
Nine-Month Period Ended September 30, 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		-	-	-	-	4,885,584	-	-	4,885,584	1,546,085	6,431,669
Other comprehensive income (loss) for the period	6(21)	-	-	-	-	-	(1,585,402)	(53,971)	(1,639,373)	(428,446)	(2,067,819)
Total comprehensive income		-	-	-	-	4,885,584	(1,585,402)	(53,971)	3,246,211	1,117,639	4,363,850
Appropriation and distribution of retained earnings:	6(20)										
General reserve		-	-	517,244	-	(517,244)	-	-	-	-	-
Special reserve		-	-	-	29,559	(29,559)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,655,670)	-	-	(2,655,670)	-	(2,655,670)
Compensation cost of employee restricted stock	6(17)	-	61,107	-	-	-	-	-	61,107	14,946	76,053
Change in non-controlling interests - Subsidiary earnings distribution		-	-	-	-	-	-	-	-	(827,540)	(827,540)
Change in non-controlling interests - Subsidiary cash capital increase		-	7,052,714	-	-	-	-	-	7,052,714	9,102,166	16,154,880
Balance at September 30, 2018		\$ 8,047,484	\$ 21,965,119	\$ 3,505,859	\$ 1,717,913	\$ 20,169,307	(\$ 3,303,315)	(\$ 53,971)	\$ 52,048,396	\$ 20,324,496	\$ 72,372,892
Nine-Month Period Ended September 30, 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		-	-	-	-	5,005,001	-	-	5,005,001	2,202,769	7,207,770
Other comprehensive income (loss) for the period	6(21)	-	-	-	-	-	(1,292,114)	10,592	(1,281,522)	(962,943)	(2,244,465)
Total comprehensive income		-	-	-	-	5,005,001	(1,292,114)	10,592	3,723,479	1,239,826	4,963,305
Appropriation and distribution of 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)	-	67,584	-	-	-	-	-	67,584	25,225	92,809
Change in non-controlling interests - Subsidiary earnings distribution		-	-	-	-	-	-	-	-	(1,377,040)	(1,377,040)
Balance at September 30, 2019		\$ 9,022,299	\$ 29,499,880	\$ 4,350,638	\$ 2,948,306	\$ 22,637,687	(\$ 4,171,749)	(\$ 58,079)	\$ 64,228,982	\$ 21,941,384	\$ 86,170,366

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

	Notes	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 8,959,730	\$ 8,188,977
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(23)	5,722,017	4,928,750
Amortisation expense	6(23)	119,953	64,821
Impairment losses	6(8)	342,959	355,957
Expected credit loss (gain)	12	(18,576)	694
Losses (gains) on disposal of property, plant and equipment	6(26)	(13,619)	64,051
Losses on disposal of land use right		(9,031)	-
Rental expense for land use right - long-term prepaid rents		-	93,688
Interest income	6(25)	(983,129)	(726,382)
Interest expense	6(27)	547,372	688,686
Share-based payment	6(17)	92,809	76,053
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		10,483	(62,263)
Accounts receivable		(2,879,065)	5,797,001
Accounts receivable due from related parties		(38,717)	(101,275)
Other receivables		589,375	1,251,428
Inventories		(1,027,005)	(163,908)
Prepayments		(712,081)	(846,258)
Changes in operating liabilities			
Accounts payable		2,069,332	(4,992,693)
Accounts payable to related parties		(496,178)	131,596
Other payables		872,647	1,424,504
Other current liabilities		(35,097)	23,693
Cash inflow generated from operations		13,117,616	16,205,055
Income tax paid		(2,559,233)	(1,646,246)
Net cash inflow from operating activities		<u>10,558,383</u>	<u>14,558,809</u>

(Continued)

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

	Notes	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from repayment of financial assets at amortised cost		\$ 6,272,588	\$ 1,901,248
Acquisition of financial assets at fair value through other comprehensive income		(136,192)	-
Acquisition of property, plant and equipment	6(31)	(10,779,181)	(9,814,234)
Proceeds from disposal of property, plant and equipment		207,574	34,050
Acquisition of land use rights (right-of-use assets/ other non-current assets)	6(31)	(1,015,560)	(3,434,719)
Proceeds from disposal of land use right		42,664	5,226
Increase of other non-current assets		(156,635)	(143,298)
Decrease in refundable deposits		258,651	4,480
Increase in prepayments for business facilities		(148,991)	(35,376)
Increase in other non-current liabilities		182,392	-
Interest received		945,460	805,716
Net cash outflow for investing activities		(4,327,230)	(10,676,907)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings		1,697,897	(3,159,650)
Increase (decrease) in guarantee deposits received		(25,156)	(75,721)
Cash dividends paid	6(20)	(4,023,742)	(2,655,670)
Repayments of lease liabilities		(70,595)	-
Repayments of convertible bonds	6(14)	(147,233)	-
Syndicated loan arrangement fee paid		-	(22,898)
Interest paid		(490,725)	(527,445)
Change in non-controlling interests – issuance of common stock by subsidiaries		-	16,154,880
Change in non-controlling interests - distribution of retained earnings by subsidiaries		(1,377,040)	(827,540)
Net cash flows from financing activities		(4,436,594)	8,885,956
Effect of exchange rate changes on cash and cash equivalents		(1,636,707)	(1,230,231)
Net increase (decrease) in cash and cash equivalents for the current period		157,852	11,537,627
Cash and cash equivalents at beginning of period		40,652,973	19,147,388
Cash and cash equivalents at end of period		\$ 40,810,825	\$ 30,685,015

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