

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Silergy Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Silergy Corp. and its subsidiaries as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of Silergy Corp. and its subsidiaries as of June 30, 2020 and 2019, its consolidated financial performance for the three months ended June 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 11, 2020

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited after Restatement)		June 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 4,615,842	25	\$ 4,507,653	27	\$ 4,043,626	26
Financial assets at amortized cost - current	848,263	5	1,811,075	11	1,603,564	10
Accounts receivable, net	1,275,911	7	940,390	6	796,389	5
Other receivables	136,650	1	292,060	2	81,435	1
Inventories	2,512,822	14	1,923,495	11	1,554,396	10
Prepayments	141,715	1	132,228	1	59,102	-
Total current assets	<u>9,531,203</u>	<u>53</u>	<u>9,606,901</u>	<u>58</u>	<u>8,138,512</u>	<u>52</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	1,077,332	6	1,608,505	9	1,598,771	11
Investments accounted for using equity method	2,369,199	13	509,379	3	574,840	4
Property, plant and equipment	1,117,531	6	1,122,619	7	975,362	6
Right-of-use assets	97,739	1	119,275	1	129,204	1
Investment properties	551,769	3	463,424	3	450,945	3
Goodwill	2,237,298	13	2,141,244	13	2,423,374	16
Other intangible assets	936,177	5	1,019,682	6	1,127,721	7
Deferred tax assets	32,624	-	29,427	-	34,053	-
Refundable deposits	44,920	-	43,035	-	40,233	-
Net defined benefit assets - non-current	1,182	-	1,160	-	1,336	-
Long-term prepayments	47,207	-	7,157	-	37,508	-
Total non-current assets	<u>8,512,978</u>	<u>47</u>	<u>7,064,907</u>	<u>42</u>	<u>7,393,347</u>	<u>48</u>
TOTAL	<u>\$ 18,044,181</u>	<u>100</u>	<u>\$ 16,671,808</u>	<u>100</u>	<u>\$ 15,531,859</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ -	-	\$ 100,000	1	\$ -	-
Accounts payable	662,300	4	689,094	4	745,318	5
Accounts payable - related parties	92	-	1,104	-	108	-
Other payables	1,150,523	6	469,351	3	880,848	6
Current tax liabilities	3,880	-	10,458	-	4,468	-
Lease liabilities - current	29,335	-	34,937	-	35,522	-
Other current liabilities	18,227	-	28,831	-	25,309	-
Total current liabilities	<u>1,864,357</u>	<u>10</u>	<u>1,333,775</u>	<u>8</u>	<u>1,691,573</u>	<u>11</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current	32,003	-	32,861	-	-	-
Deferred tax liabilities	18,697	-	19,173	-	21,451	-
Lease liabilities - non-current	46,046	1	61,135	1	69,889	1
Guarantee deposits	5,250	-	6,588	-	7,596	-
Other payables - non-current	4,445	-	13,491	-	23,295	-
Total non-current liabilities	<u>106,441</u>	<u>1</u>	<u>133,248</u>	<u>1</u>	<u>122,231</u>	<u>1</u>
Total liabilities	<u>1,970,798</u>	<u>11</u>	<u>1,467,023</u>	<u>9</u>	<u>1,813,804</u>	<u>12</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Common shares	921,829	5	914,802	5	906,881	6
Capital surplus	7,260,613	40	6,752,006	41	6,246,033	40
Retained earnings						
Legal reserve	996,568	6	763,980	5	763,980	5
Special reserve	703,512	4	237,236	1	237,236	1
Unappropriated earnings	7,057,665	39	7,019,735	42	5,747,939	37
Total retained earnings	<u>8,757,745</u>	<u>49</u>	<u>8,020,951</u>	<u>48</u>	<u>6,749,155</u>	<u>43</u>
Other equity						
Exchange differences on translating foreign operations	(989,844)	(6)	(703,512)	(4)	(109,168)	(1)
Unearned employee benefits	(198,510)	(1)	(136,158)	(1)	(74,846)	-
Total other equity	<u>(1,188,354)</u>	<u>(7)</u>	<u>(839,670)</u>	<u>(5)</u>	<u>(184,014)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>15,751,833</u>	<u>87</u>	<u>14,848,089</u>	<u>89</u>	<u>13,718,055</u>	<u>88</u>
NON-CONTROLLING INTERESTS	<u>321,550</u>	<u>2</u>	<u>356,696</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total equity	<u>16,073,383</u>	<u>89</u>	<u>15,204,785</u>	<u>91</u>	<u>13,718,055</u>	<u>88</u>
TOTAL	<u>\$ 18,044,181</u>	<u>100</u>	<u>\$ 16,671,808</u>	<u>100</u>	<u>\$ 15,531,859</u>	<u>100</u>

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	(Reviewed)		(Reviewed)		(Reviewed)		(Reviewed)	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE, NET	\$ 3,300,802	100	\$ 2,522,593	100	\$ 6,154,431	100	\$ 4,577,403	100
OPERATING COSTS	<u>1,636,648</u>	<u>50</u>	<u>1,352,717</u>	<u>54</u>	<u>3,069,435</u>	<u>50</u>	<u>2,458,435</u>	<u>54</u>
GROSS PROFIT	<u>1,664,154</u>	<u>50</u>	<u>1,169,876</u>	<u>46</u>	<u>3,084,996</u>	<u>50</u>	<u>2,118,968</u>	<u>46</u>
OPERATING EXPENSES								
Selling and marketing expenses	183,432	5	155,378	6	348,423	6	299,097	6
General and administrative expenses	202,454	6	127,814	5	345,812	5	249,041	5
Research and development expenses	519,547	16	400,247	16	975,820	16	767,094	17
Expected credit loss (reversed)	<u>1,785</u>	<u>-</u>	<u>(2,869)</u>	<u>-</u>	<u>3,841</u>	<u>-</u>	<u>(1,375)</u>	<u>-</u>
Total operating expenses	<u>907,218</u>	<u>27</u>	<u>680,570</u>	<u>27</u>	<u>1,673,896</u>	<u>27</u>	<u>1,313,857</u>	<u>28</u>
OTHER OPERATING INCOME AND EXPENSES, NET	<u>4,076</u>	<u>-</u>	<u>4,366</u>	<u>-</u>	<u>8,246</u>	<u>-</u>	<u>8,774</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>761,012</u>	<u>23</u>	<u>493,672</u>	<u>19</u>	<u>1,419,346</u>	<u>23</u>	<u>813,885</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	11,730	-	15,763	1	30,184	-	39,987	1
Other income	21,190	1	33,487	1	102,628	2	42,183	1
Interest expenses	(134)	-	(181)	-	(537)	-	(411)	-
Foreign exchange (loss) gain, net	(1,917)	-	12,470	-	12,121	-	5,650	-
Share of loss of associates	(39,577)	(1)	(21,841)	(1)	(51,686)	(1)	(35,621)	(1)
(Loss) gain on financial instruments at fair value through profit or loss	(11,888)	(1)	192,655	8	(54,504)	(1)	239,004	5
Miscellaneous expenses	<u>(9,269)</u>	<u>-</u>	<u>(690)</u>	<u>-</u>	<u>(18,397)</u>	<u>-</u>	<u>(1,405)</u>	<u>-</u>
Total non-operating income and expenses	<u>(29,865)</u>	<u>(1)</u>	<u>231,663</u>	<u>9</u>	<u>19,809</u>	<u>-</u>	<u>289,387</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	731,147	22	725,335	28	1,439,155	23	1,103,272	24
INCOME TAX EXPENSE	<u>(15,024)</u>	<u>-</u>	<u>(35,807)</u>	<u>(1)</u>	<u>(28,483)</u>	<u>-</u>	<u>(49,343)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>716,123</u>	<u>22</u>	<u>689,528</u>	<u>27</u>	<u>1,410,672</u>	<u>23</u>	<u>1,053,929</u>	<u>23</u>

(Continued)

SILERGY CORP.
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	(Reviewed)		(Reviewed)		(Reviewed)		(Reviewed)	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising from translation to the presentation currency	\$ (329,175)	(10)	\$ 104,852	4	\$ (208,359)	(3)	\$ 146,178	3
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	9,825	-	(105,652)	(4)	(82,869)	(2)	(17,471)	-
Share of the other comprehensive income (loss) of associates accounted for using equity method	<u>3,616</u>	-	<u>(12,139)</u>	-	<u>(4,122)</u>	-	<u>(639)</u>	-
Other comprehensive (loss) income for the period, net of income tax	<u>(315,734)</u>	<u>(10)</u>	<u>(12,939)</u>	<u>-</u>	<u>(295,350)</u>	<u>(5)</u>	<u>128,068</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 400,389</u>	<u>12</u>	<u>\$ 676,589</u>	<u>27</u>	<u>\$ 1,115,322</u>	<u>18</u>	<u>\$ 1,181,997</u>	<u>26</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 723,844	22	\$ 689,528	27	\$ 1,423,669	23	\$ 1,053,929	23
Non-controlling interests	<u>(7,721)</u>	-	<u>-</u>	-	<u>(12,997)</u>	-	<u>-</u>	-
	<u>\$ 716,123</u>	<u>22</u>	<u>\$ 689,528</u>	<u>27</u>	<u>\$ 1,410,672</u>	<u>23</u>	<u>\$ 1,053,929</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 413,551	12	\$ 676,589	27	\$ 1,136,563	18	\$ 1,181,997	26
Non-controlling interests	<u>(13,162)</u>	-	<u>-</u>	-	<u>(21,241)</u>	-	<u>-</u>	-
	<u>\$ 400,389</u>	<u>12</u>	<u>\$ 676,589</u>	<u>27</u>	<u>\$ 1,115,322</u>	<u>18</u>	<u>\$ 1,181,997</u>	<u>26</u>
EARNINGS PER SHARE								
Basic	<u>\$ 7.91</u>		<u>\$ 7.68</u>		<u>\$ 15.58</u>		<u>\$ 11.75</u>	
Diluted	<u>\$ 7.55</u>		<u>\$ 7.52</u>		<u>\$ 14.89</u>		<u>\$ 11.48</u>	

(Concluded)

SILERGY CORP.
(Incorporated in the Cayman Islands)
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Other Equity					
	Common Shares		Capital Surplus	Retained Earnings			Total Retained Earnings	Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Other Equity	Total	Non-controlling Interest	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2019	90,257	\$ 902,566	\$ 6,061,816	\$ 580,995	\$ 363,370	\$ 5,337,529	\$ 6,281,894	\$ (237,236)	\$ (71,579)	\$ (308,815)	\$ 12,937,461	\$ -	\$ 12,937,461
Appropriation of the 2018 earnings													
Legal reserve	-	-	-	182,985	-	(182,985)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(126,134)	126,134	-	-	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	-	(586,668)	(586,668)	-	-	-	(586,668)	-	(586,668)
	-	-	-	182,985	(126,134)	(643,519)	(586,668)	-	-	-	(586,668)	-	(586,668)
Recognition of employee share options by Silergy Corp.	-	-	112,545	-	-	-	-	-	-	-	112,545	-	112,545
Net profit for the six months ended June 30, 2019	-	-	-	-	-	1,053,929	1,053,929	-	-	-	1,053,929	-	1,053,929
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	-	128,068	-	128,068	128,068	-	128,068
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	1,053,929	1,053,929	128,068	-	128,068	1,181,997	-	1,181,997
Issue of common shares under employee share options	306	3,060	17,243	-	-	-	-	-	-	-	20,303	-	20,303
Recognition of restricted employee shares issued by Silergy Corp.	125	1,255	54,429	-	-	-	-	-	(3,267)	(3,267)	52,417	-	52,417
BALANCE AT JUNE 30, 2019	90,688	\$ 906,881	\$ 6,246,033	\$ 763,980	\$ 237,236	\$ 5,747,939	\$ 6,749,155	\$ (109,168)	\$ (74,846)	\$ (184,014)	\$ 13,718,055	\$ -	\$ 13,718,055
BALANCE AT JANUARY 1, 2020	91,481	\$ 914,802	\$ 6,752,006	\$ 763,980	\$ 237,236	\$ 7,019,735	\$ 8,020,951	\$ (703,512)	\$ (136,158)	\$ (839,670)	\$ 14,848,089	\$ 356,696	\$ 15,204,785
Appropriation of the 2019 earnings													
Legal reserve	-	-	-	232,588	-	(232,588)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	466,276	(466,276)	-	-	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	-	(686,101)	(686,101)	-	-	-	(686,101)	-	(686,101)
	-	-	-	232,588	466,276	(1,384,965)	(686,101)	-	-	-	(686,101)	-	(686,101)
Change in percentage of ownership interests in subsidiaries	-	-	13,905	-	-	-	-	-	-	-	13,905	(13,905)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(1,308)	-	-	-	-	-	-	-	(1,308)	-	(1,308)
Recognition of employee share options by Silergy Corp.	-	-	134,379	-	-	-	-	-	-	-	134,379	-	134,379
Net profit for the six months ended June 30, 2020	-	-	-	-	-	1,423,669	1,423,669	-	-	-	1,423,669	(12,997)	1,410,672
Other comprehensive loss for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	(774)	(774)	(286,332)	-	(286,332)	(287,106)	(8,244)	(295,350)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	1,422,895	1,422,895	(286,332)	-	(286,332)	1,136,563	(21,241)	1,115,322
Issue of common shares under employee share options	533	5,331	205,000	-	-	-	-	-	-	-	210,331	-	210,331
Recognition of restricted employee shares issued by Silergy Corp.	169	1,696	156,631	-	-	-	-	-	(62,352)	(62,352)	95,975	-	95,975
BALANCE AT JUNE 30, 2020	92,183	\$ 921,829	\$ 7,260,613	\$ 996,568	\$ 703,512	\$ 7,057,665	\$ 8,757,745	\$ (989,844)	\$ (198,510)	\$ (1,188,354)	\$ 15,751,833	\$ 321,550	\$ 16,073,383

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2020 (Reviewed)	2019 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,439,155	\$ 1,103,272
Adjustments for:		
Expected credit loss (reversed) on trade receivables	3,841	(1,375)
Net loss (gain) on financial instruments at fair value through profit or loss	54,504	(239,004)
Depreciation expenses	78,857	48,861
Amortization expenses	95,549	92,649
Interest income	(30,184)	(39,987)
Interest expenses	537	411
Compensation cost of employee share options	134,379	112,545
Compensation cost of restricted employee shares	95,975	52,417
Share of loss of associates	51,686	35,621
Loss on disposal of property, plant and equipment	-	54
Property, plant and equipment transferred to expenses	-	5
Gains on disposal of intangible assets	(8,246)	(8,828)
Write-down of inventories	28,057	37,264
Unrealized loss on foreign currency exchange	2,050	420
Changes in operating assets and liabilities		
Increase in accounts receivable	(333,499)	(213,651)
Decrease in other receivables	199,275	73,664
(Increase) decrease in inventories	(592,876)	95,337
(Increase) decrease in prepayments	(9,311)	10,787
Increase in defined benefit assets - non-current	(22)	(27)
(Decrease) increase in accounts payable	(26,248)	270,071
Decrease in accounts payable - related parties	(1,012)	(476)
Decrease in other payables	(4,798)	(99,326)
Decrease in other current liabilities	(10,604)	(276)
Cash generated from operations	1,167,065	1,330,428
Interest received	28,166	38,993
Interest paid	(537)	-
Income tax paid	(82,188)	(65,462)
Net cash generated from operating activities	<u>1,112,506</u>	<u>1,303,959</u>

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SILERGY CORP.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2020 (Reviewed)	2019 (Reviewed)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	\$ 962,812	\$ 419,332
Purchase of financial assets at fair value through profit or loss	(474,945)	(59,501)
Proceeds from sale of financial assets at fair value through profit or loss	88,225	-
Acquisition of investments accounted for using equity method	(1,105,767)	-
Net cash outflow on business combinations	(152,776)	-
Acquisition of property, plant and equipment	(196,041)	(250,657)
Proceeds from disposal of property, plant and equipment	-	7
Increase in long-term prepayments	(27,339)	(33,192)
Payments for intangible assets	(32,965)	(25,504)
Increase in refundable deposits	<u>(1,885)</u>	<u>(380)</u>
Net cash (used in) generated from investing activities	<u>(940,681)</u>	<u>50,105</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	(100,000)	-
(Decrease) increase in guarantee deposits	(1,338)	866
Repayment of the principal portion of lease liabilities	(19,589)	(18,299)
Proceeds from exercise of employee share options	<u>210,331</u>	<u>20,303</u>
Net cash generated from financing activities	<u>89,404</u>	<u>2,870</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(153,040)</u>	<u>68,272</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	108,189	1,425,206
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,507,653</u>	<u>2,618,420</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,615,842</u>	<u>\$ 4,043,626</u>

(Concluded)