

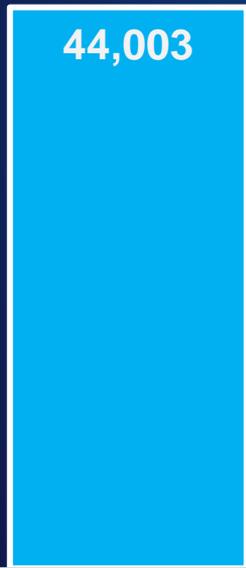
Zhen Ding Technology Holding Investor Presentation

September 2021

1H'21 Revenue & Gross Profit

Revenue (Million NTD)

+ 29.5% Y/Y



1H20

1H21

Gross Profit (Million NTD)

+ 23.3% Y/Y



1H20

1H21

Gross Margin

17.7%

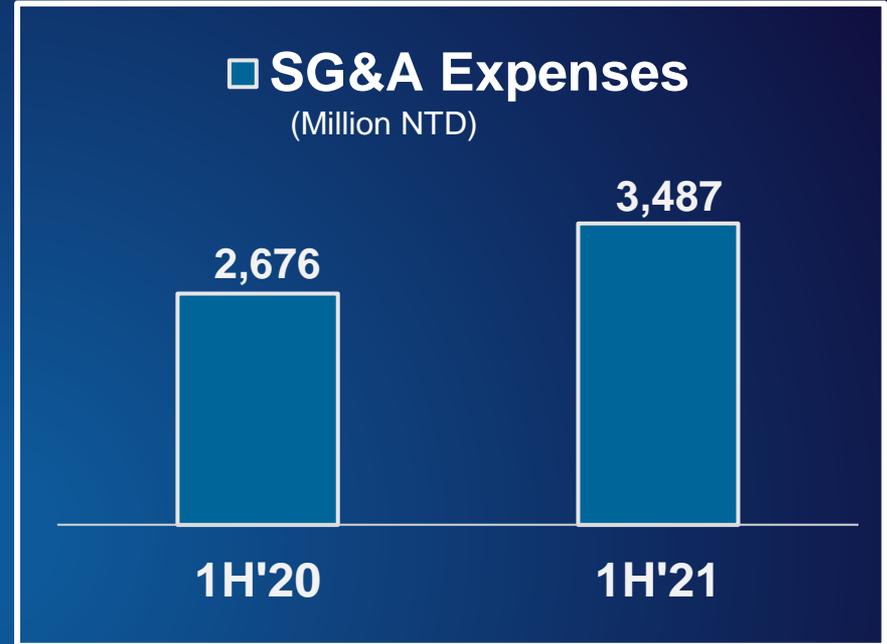
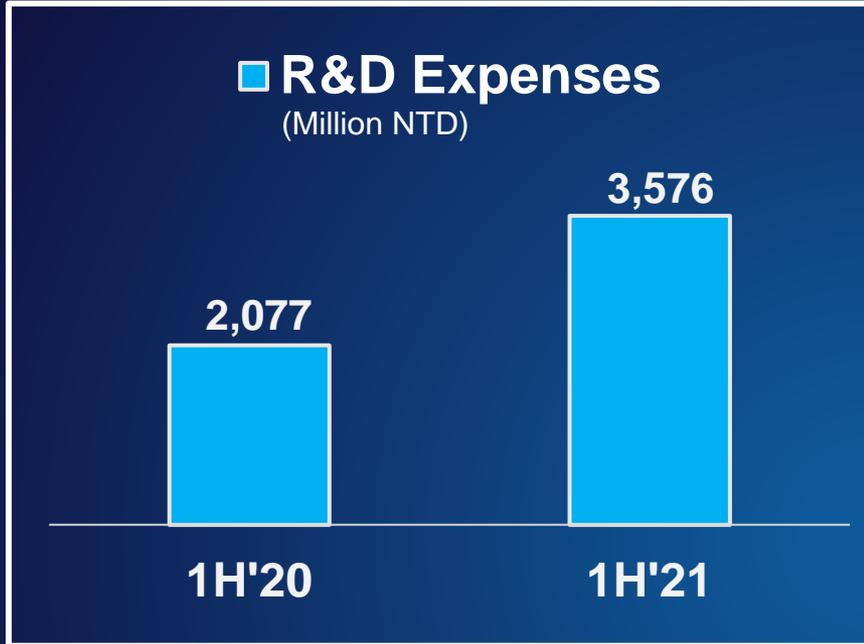
- 0.9 pp Y/Y

16.8%

1H20

1H21

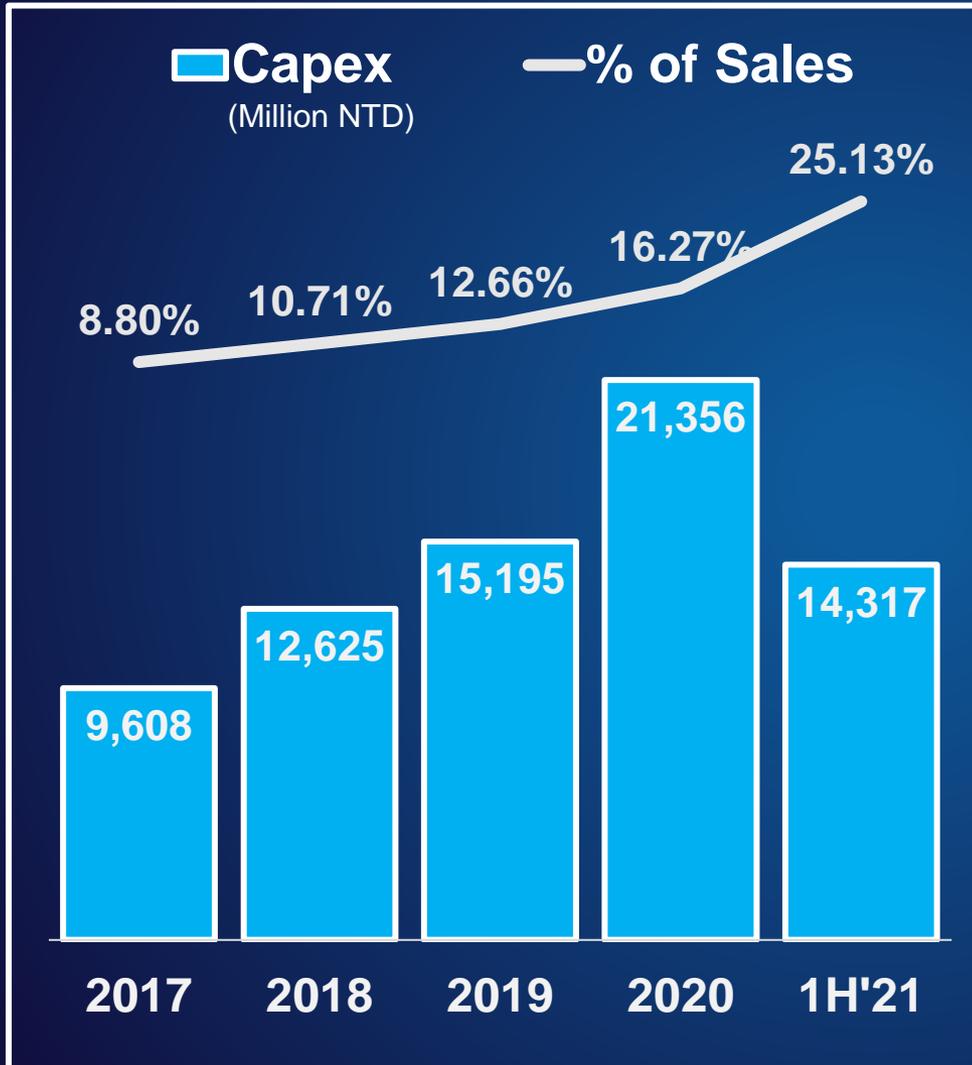
1H'21 Operating Expenses



(Unit: %)	1H'20	1H'21
R&D % of sales	4.7%	6.3%
<i>R&D YoY change</i>	<i>-18.4%</i>	<i>+72.2%</i>
SG&A % of sales	6.1%	6.1%
<i>SG&A YoY change</i>	<i>+2.0%</i>	<i>+30.3%</i>

- ▶ **Work closely with customers on new product design and advanced process development**
- ▶ **Continue to strengthen R&D capability and maintain the leadership to deploy diversified products for future growth**

1H'21 Capital Expenditures



▶▶ PCB demand growth is expected to be driven by applications in AI, IoT and automotive sectors

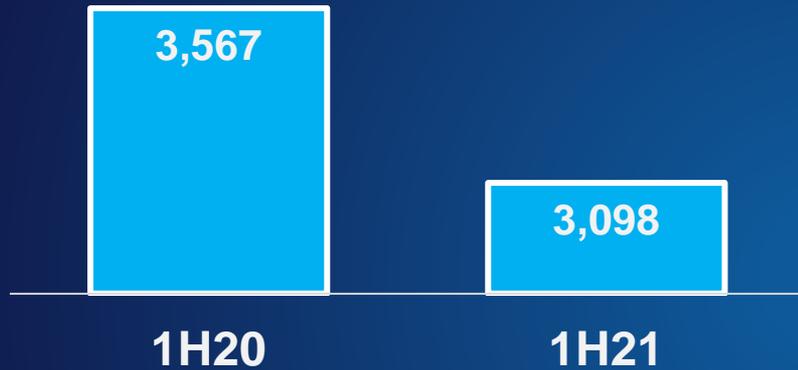
▶▶ Continue to expand new production lines for high-end FPC, IC substrate, ultra-thin HDI (Mini LED backlight), SLP and automotive PCB

▶▶ New manufacturing sites include Kaohsiung Luzhu (Taiwan), Leading Shenzhen (China), Huaian Park III (China) and Leading Qinhuangdao (China)

1H'21 Profits before Tax & EBITDA*

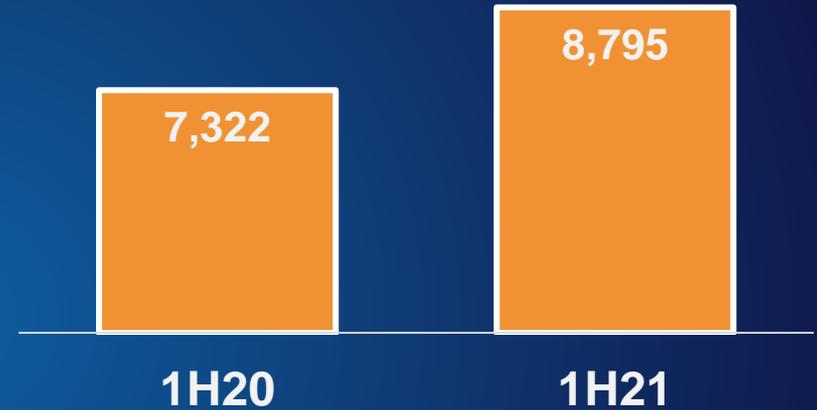
Profits before Tax

(Million NTD)



EBITDA

(Million NTD)



Profit before tax (unit: %)	1H'20	1H'21
% of sales	8.1%	5.4%
YoY change	+15.6%	-13.1%

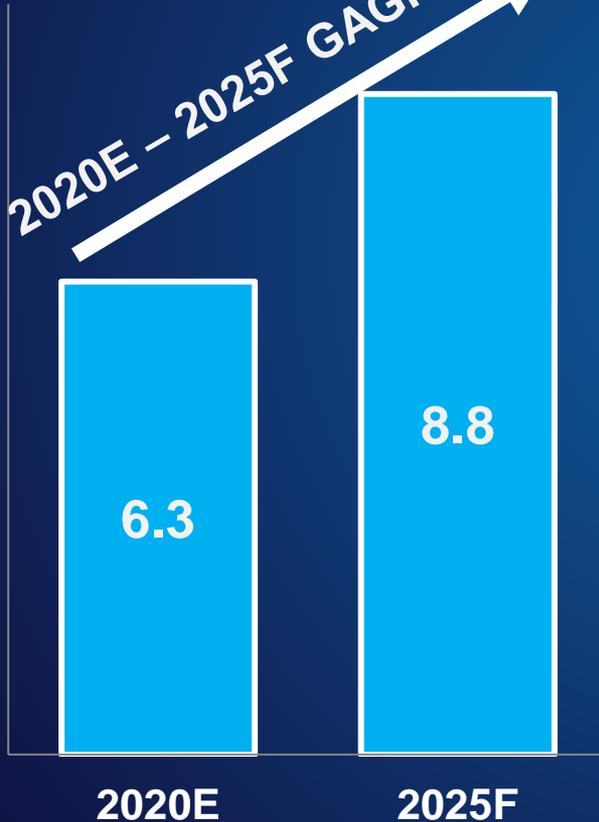
EBITDA (unit: %)	1H'20	1H'21
% of sales	16.6%	15.4%
YoY change	+9.6%	20.1%

Note: EBITDA = profits before tax and interest + depreciation + amortization

New Applications – Automotive PCB

Automotive PCB Revenue (Billion USD)

2020E – 2025F GAGR 6.8%



EV Power System



Power management, Charging Module and Station

Computing/Storage



AI, CPU, In-vehicle Computer, Memory

IoV



Communication, Antenna



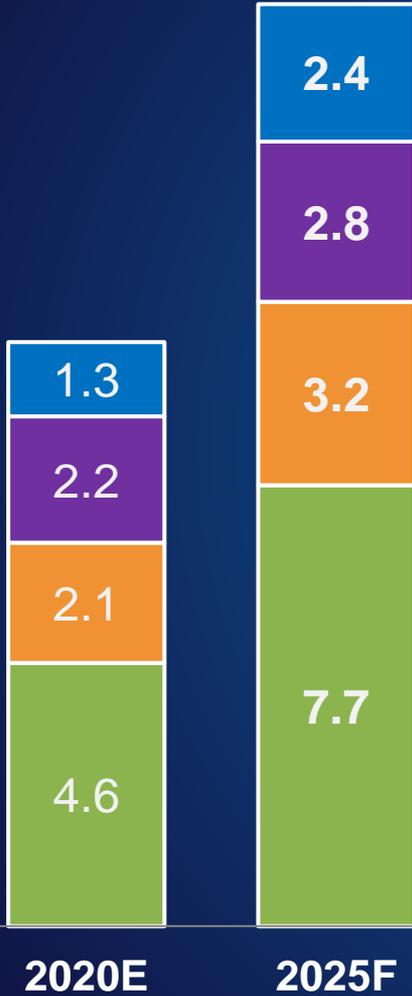
ADAS

Camera, Lidar, Radar

Smart Cockpit

Display, Human Machine Interface 

Future Driver – Package Substrate



Package Substrate Revenue (unit: billion USD)	2020	2025	2020-2025 CAGR
Module	1.3	2.4	14.1%
WB PBGA/ CSP	2.2	2.8	4.8%
FC CSP/ FC-BOC	2.1	3.2	9.0%
FC PGA/ LGA/ BGA	4.6	7.7	10.8%
Total	10.2	16.2	9.7%

ESG Commitments



Actively respond to the United Nations Sustainable Development Goals (SDGs) with our focuses on six key SDGs



FTSE4Good



TAIWAN INDEX PLUS

Selected as a constituent of the FTSE4GoodTIP Taiwan ESG Index for the first time



TAIWAN STOCK EXCHANGE

Selected as a constituent of the Taiwan Corporate Governance Index (CG100) for two consecutive years from 2019 to 2020



Formally introduced the Task Force on Climate-Related Financial Disclosures (TCFD) governance framework and management in 2020 to effectively manage the impacts and opportunities that may arise from climate change

Ethical Conduct

- No major violations of ethical management
- No legal actions involving any violation of domestic or overseas anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

Circular

- Waste recycled reached 93.7% (more than 90% in the past years)
- The manufacturing sites in both Shenzhen and Qinhuangdao achieved the UL 2799 Platinum Certification for zero-landfill in waste processing standard



Our major operating locations in Shenzhen Campus, Qinhuangdao Campus, Huai'an Campus I and Huai'an Camps II has received the Platinum Certification of Alliance for Water Stewardship (AWS) consecutively from 2019 to 2020.



Responded to the international Carbon Disclosure Project (CDP) by participating in the "Climate Change" assessment project for five consecutive years and the "Water Safety" assessment project for three consecutive years, receiving a B rating in 2020, which is higher than the average in Asia and the industry.

1H'21 Financial Summary

Unit: Million NTD; %

Period	1H'21	1H'20
Sales revenue	56,961	44,003
Gross profit	9,588	7,774
Operating profit	2,547	3,040
Net income	2,489	3,112
Net income attribute to the parent company	1,707	2,147
EPS of net income	2.64	3.45
EPS attribute to the parent company	1.81	2.38
Cash (note1)	37,938	56,307
Depreciation and amortization	5,638	3,962
Capital (note 2)	9,470	9,022
Debt Ratio	42.63%	40.38%

Note:

(1) Cash includes cash & cash equivalents and current financial assets at amortised cost.

(2) The total capital increased to NTD 9,479 million as a result of the acquisition of the Boardtek Electronics Corporation by issuing new shares in November 2020.

Q&A