

Zhen Ding Reports The First Half of 2021 Financial Results:

Taoyuan, Taiwan, August 30, 2021 – Zhen Ding Technology Holding Limited (TWSE:4958) today announced the first half of 2021 financial results ended June 30, 2021:

- Consolidated revenue was NT\$56,961 million, an increase of 29.5% year-over-year, a record high for the same period.
- Gross profit reached NT\$9,588 million; gross margin was 16.83%, down by 0.84 percentage points from 17.67% over the same period last year.
- Net income and EPS after-tax profit reached NT\$2,489 million and NT\$ 2.64 (net income and EPS attributable to the parent was NT\$ 1,707 million and NT\$ 1.81)

The continued growth in revenue for the first half of 2021 was mainly driven by the increased sales in technology products during the gradual recovery of the global economy. As the new manufacturing line has not yet started mass production in 1H21, the depreciation and amortization reached NT\$ 5,638 million, an increase of NT\$ 1,676 million over the same period last year. As a result, the profit is negatively affected by higher expenses and foreign exchange rate.

In order to optimize the Company's capacity allocation and technology upgrade in the long run, the company continues to work with customers and invest in advanced technologies and process for AI, IoT and automotive products. Total capital expenditures for the first half of 2021 amounted to NT\$ 14,317 million, NT\$6,742 million higher than the same period last year. In the first half of 2021, R&D expenses was NT\$3,576 million, an increase of NT\$1,499 million compared to the same period last year. The EBITDA (earnings before taxes, interest, depreciation, and amortization) was NT\$ 8,795 million for the first half of 2021, an increase of 20.1% compared to the same period last year. The EBITDA margin was 15.4%.

The company expects high-end FPC, IC substrate, ultra-thin HDI (Mini LED backlight) , SLP and automotive related PCB will be the key drivers in the second half of this year with the arrival of the traditional peak season. The goal of annual revenue growth for year 2021 remains achievable as the launch of customers' new products and more output from our new production line.

About Zhen Ding Tech. Group

Zhen Ding Tech. Group, including Zhen Ding Technology Holding Limited (TWSE: 4958), Avary Holding (Shenzhen) Co., Limited (SZSE: 002938), BoardTek Electronics Corporation and Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., specializes in R&D, manufacturing and sales for a variety of flexible circuit boards (FPC), substrate-like PCBs (SLP), high-density interconnect (HDI) PCBs, rigid printed circuit boards (RPCB), IC substrates (ICS), rigid-flex PCBs, chip-on-film (COF) ICs, and modules products. The Company provides a total solution used in the wide range of applications for computing, consumer, communications, automotive electronics and medical segments.

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The First Half 2021 Financial Summary

Unit: NT\$ million (Except NT\$ for EPS)

Period	1H 2021	1H 2020
Sales Revenue	56,961	44,003
Gross Profit	9,588	7,774
R&D expenses	(3,576)	(2,077)
SG&A expenses	(3,487)	(2,676)
Expected Credit gain (losses)	22	19
Operating expenses	(7,041)	(4,734)
Operating profit	2,547	3,040
Net income	2,489	3,112
Net income attributable to the parent company	1,707	2,147
EPS of net income	2.64	3.45
EPS attributable to the parent company	1.81	2.38
Cash ^(note 1)	37,938	56,307
Depreciation and amortization	5,638	3,962
Capex (PP&E)	(14,317)	(7,575)
EBITDA	8,795	7,322
Capital ⁽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.