

Zhen Ding's 1Q22 Revenue and Net Profit Both Reached Record Highs over the Same Period from Previous Years

Zhen Ding Technology Holding Limited (Ticker: 4958), a leading global PCB manufacturer, today announced its consolidated financial results for the first quarter of 2022, with revenue of NT\$33,915 million and net income of NT\$2,775 million, both marking record highs over the same period from previous years. According to Zhen Ding, while smartphone-related business remained stable in the first quarter of 2022, computers and consumer electronics segment and IC substrate segment delivered significant annual growth, driven by the increase in new capacity for Mini LED ultra-thin boards and with higher utilization rate for IC substrate. As the product mix was further optimized, first quarter gross margin and operating margin both hit record highs for the same period. Zhen Ding emphasized that, despite facing macro uncertainties, the company remains confident to achieve double-digit growth in both revenue and net income in 2022, marking record highs again.

For the first quarter of 2022, Zhen Ding's revenue came in at NT\$33,915 million, up 24.72% YoY, which was a record high for the same period. This was mainly driven by strong shipments of computers and consumers electronics segment and IC substrate segment, with revenue increasing by 91% YoY and 52% YoY, respectively. Compared with the same period last year, gross margin increased by 1.36 percentage points to 18.83%, driven by the improvement in the product mix. Operating margin increased by 3.65 percentage points to 8.54% given stringent control on operating expenses. Net income increased by 99.56% YoY to NT\$2,775 million, net income attributable to the parent company increased by 97.57% YoY to NT\$1,873 million, and earnings per share increased by 98.00% YoY to NT\$1.98, all marking record highs for the same period.

According to Zhen Ding, while the company will maintain its leadership for the existing PCB business, it will also put a strong emphasis on the IC substrate business for the next 10 years. For the IC substrate business, both revenue and profits for the first quarter of 2022 further increased, with all current facilities running at full utilization, and the new capacity ramp-up is all on schedule. With upcoming new capacity in Qinhuangdao and Shenzhen coming online in the next few years, Zhen Ding will quickly catch up in the IC substrate industry. The company's near-term target is to grow its IC substrate revenue by more than 50% per year in the next four years, and longer term, it will strive to become one of the top five global IC substrate suppliers by 2030. In the future, Zhen Ding will continue to execute its growth plan and offer a diversified portfolio of products in various fields under the "One ZDT" strategy.

Unit: NT\$ million, except for EPS

Period	1Q22	1Q21	YoY %
Revenue	33,915	27,193	+24.72%
Gross Profit	6,387	4,752	+34.40%
Net Income	2,775	1,391	+99.56%
Net Income to Parent	1,873	948	+97.57%
EPS (NT\$)	1.98	1.00	+98.00%
Gross Margin (%)	18.83	17.47	+1.36 ppts
Operating Margin (%)	8.54	4.89	+3.65 ppts
Net Margin (%)	8.18	5.11	+3.07 ppts

* For further details, please visit "[Investors](#)" section on the company website.

About Zhen Ding Technology Holding Limited

Zhen Ding Technology Holding Limited (Taiwan Stock Exchange Ticker: 4958) is engaged in the research, development, production and sales of a wide range of flexible printed circuit boards (FPC) and modules, high-density interconnect (HDI) PCBs, substrate-like PCBs (SLP), Mini LED ultra-thin boards, IC substrate and multi-layer rigid printed circuit boards (RPCB) for a wide range of applications including computer information, consumer electronics, networking, automotive electronics, high-performance computing and medical fields. We provide one-stop shopping for all-round solutions to our customers. For more information, please visit the Company's website: www.zdtco.com.

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