

Zhen Ding Reported Results for the First Half of 2024.

Growth in the Peak Season for the Second Half will Exceed Previous Expectation.

Zhen Ding Technology Holding Limited (Ticker: 4958), a global leading PCB manufacturer, today hosted an investor conference and announced its consolidated financial results for the second quarter and the first half of 2024. Second quarter revenue was NT\$32,411 million, reaching the second highest for the same period in the company's history. Net income was NT\$667 million, net income to parent was NT\$486 million, and EPS came in at NT\$0.51. For the first half of 2024, revenue was NT\$64,922 million, also setting the second highest for the same period. Net income was NT\$2,103 million, with an increase of 107.6% YoY, net income to parent was NT\$1,463 million, and EPS was NT\$1.55.

According to Chairman Charles Shen, Zhen Ding's revenue in the first half of 2024 increased by 17.9% YoY, and net income increased by 107.6% YoY, exceeding the previous expectation of a moderate growth. For the revenue in the first half, not only did Mobile Communication experienced a slight recovery, but Computers and Consumer Electronics, Automotive/Server/Base Station, and IC Substrates also delivered double-digit YoY growth. Driven by the revenue growth and product mix optimization, gross margin for the first half of 2024 was 14.8%, an increase of 1.7 percentage points from the same period last year. As the company enters the traditional peak season in the second half of the year, Zhen Ding will benefit from the demand of customers' new products and the revenue contribution from IC substrates, servers, and automotive orders. As a result, for the second half of 2024, Zhen Ding's utilization rate of each product application will further increase, and its revenue growth may exceed previous expectations.

In terms of IC substrates, Chairman Shen pointed out that Zhen Ding's ABF substrates successfully passed the qualification for the next-generation 2nm platform by an industry leader in the first half of the year, demonstrating that the company's technology capabilities can now match the most advanced semiconductor processes. Its future development strategy will continue to focus on mid- to high-end products. Zhen Ding's IC substrate revenue has set new quarterly records for three consecutive quarters since the fourth quarter of last year and is expected to maintain high growth this year. It expects BT substrates will maintain over 80% utilization rate, and the utilization rate of ABF substrates will also increase quarter by quarter. In response to the growing demand for large body size (over 70mm x 70mm) and high layer counts (over 16 layers) customer orders, Zhen Ding will add additional capacity for its ABF Fab 1 by the end of this year.

In addition, Chairman Shen emphasized that the diversification of AI applications, from AI edge devices to AI servers, will increase design complexity for PCBs. Taking AI smartphones as an example,

as more AI functionalities are integrated into smartphones, their design will become more complex, requiring corresponding adjustments in the design of various PCBs. This will drive spec upgrades and content growth of PCBs in the mid-to long term. Zhen Ding has the most comprehensive product portfolio in the industry for high-end PCBs and is well-positioned to benefit from this trend. Its PCB products for AI smartphones, AI PCs, AI servers, intelligent automotive, and AIoT have all progressively passing customer qualifications and shipping products according to customers' mass production schedules. Overall, it aims for consolidated revenue to set a record high next year.

Zhen Ding remains optimistic about the mid-to long term growth of the PCB industry and continues to invest in research and development as well as capital expenditures. Chairman Shen stated that the first phase of the new fab in Prachinburi, Thailand, is progressing according to plan. It will host a topping out ceremony for the main building on August 26th, with equipment installation by the end of this year, trial production in 1H25, and small-scale mass production in the 2H25. The first phase of production capacity will focus on high-end server, automotive, and optical related applications. Once the new fab enters mass production, it will be able to meet the increasing customer demand for related products, driving future growth momentum for the company.

Unit: NT\$ million, except for EPS

Period	1H24	1H23	YoY
Revenue	64,922	55,082	+17.9%
Gross Profit	9,584	7,198	+33.2%
Operating Profit	99	-669	-
Net Income	2,103	1,013	+107.6%
Net Income to Parent	1,463	414	+253.5%
EPS (NT\$)	1.55	0.44	+252.3%
Gross Margin	14.8%	13.1%	+1.7ppts
Operating Margin	0.2%	-1.2%	+1.4ppts
Net Margin	3.2%	1.8%	+1.4ppts

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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