JENTECH Global Manufacturing Partners

Stock code:3653

Jentech Precision Industrial Co., Ltd.
Investor Conference

December 12, 2018

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Corporation Overview

- **Founded** :
  1987/June
- **Certificate of Registration :**
  ISO 9001, ISO 14000, IATF16949
- **Number of Employees**
  Taiwan: 1140 / China Wuxi: 649

- **Worldwide Operational Location:**
  - Taiwan:
    Headquarter & Dayuan plant
  - China: Wuxi plant
  - Germany: Munich office
  - Malaysia: Penang office
  - USA: Chandler AZ office

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Taiwan Headquarter

China, Wuxi Plant

Taiwan, Dayuan Plant

Wuxi Plant (NEW)

- Site: Wuxi, China
- Established: December, 2018
- Area: 35,000m²
- Factory Building: 34,500m²

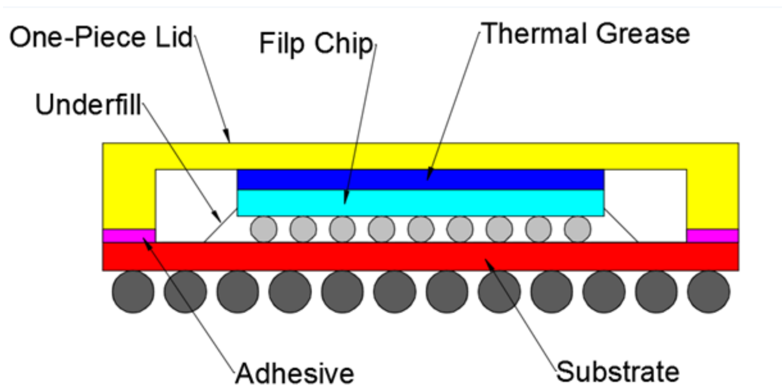
Dayuan Plant (NEW)

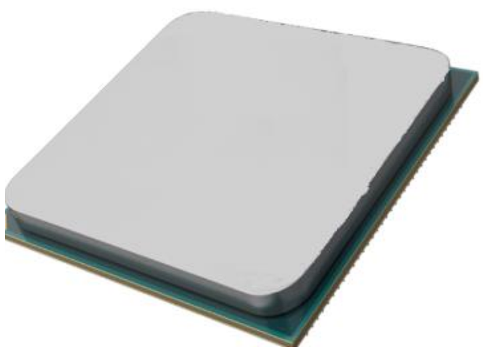
- Site: Dayuan, Taiwan
- Estimated: February, 2020
- Area: 6,828m²
- Factory Building: 19,500m²
- Full Automatic Intelligent Factory

Core Product & The Markets

Heat Spreader Introduction

- Heat spreader is one of the major thermal conductive component. It is made of copper, aluminum or high thermal conductivity metal. Heat spreader is part of the direct material of CPU and GPU which will contact with the chip directly.
- Wide range of application includes electronic components, semiconductor, optoelectronic components, computer, communication, consuming electronic products, server and automotive electronic industry.





Heat Spreader Market

- Due to global economic recovery, the consumer electronic market is growing. New application of smart phones, gaming products, and vehicle electronics device are introduced to the market over these years. The demand of the crypto currency and advanced graphics card are also increased.

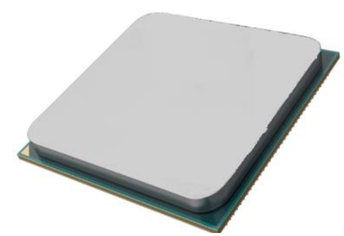
- Along with the popularization of Internet of Things (loT), automotive, big data and Artificial Intelligence (AI), the thermal solutions demand for cloud data center and high speed smart mobile device is growing. We expect there will be a huge growth of thermal market in the future.

Sever ILM Introduction

- Products: Loading Mechanism for CPU Connectors
- Function: Provide sufficient clamping force for CPU, Socket and Heat sink to guarantee well electrical connectivity and thermal conduction.
- Applications: Cloud Servers and Data Centers

ILM

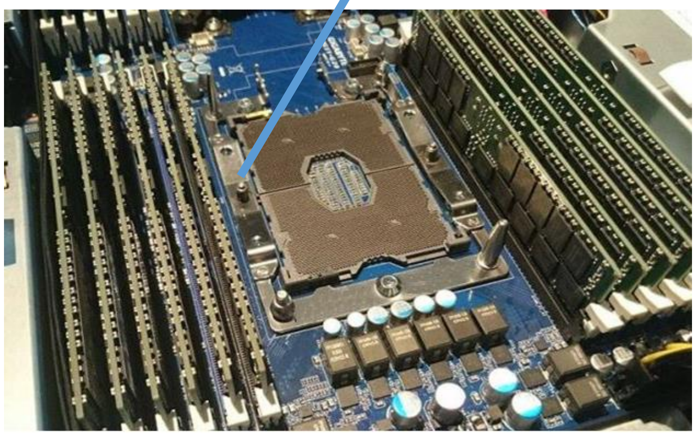
(Independent Loading Mechanism)



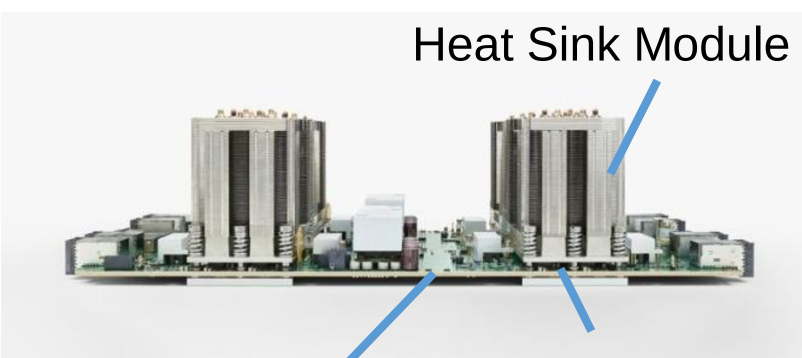
Heat Spreader

Cloud Sever Introduction

ILM

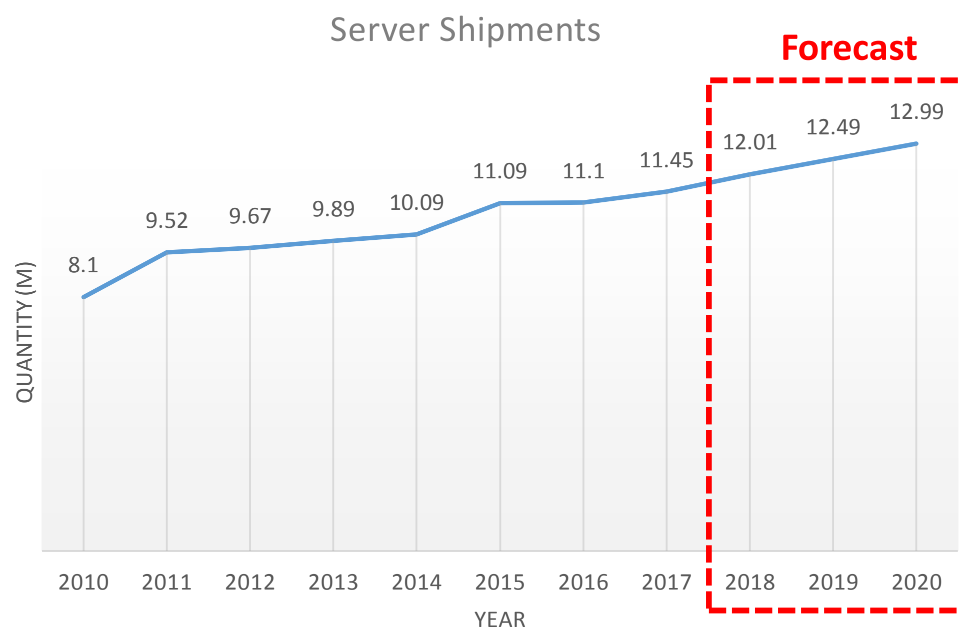


Heat Sink Module



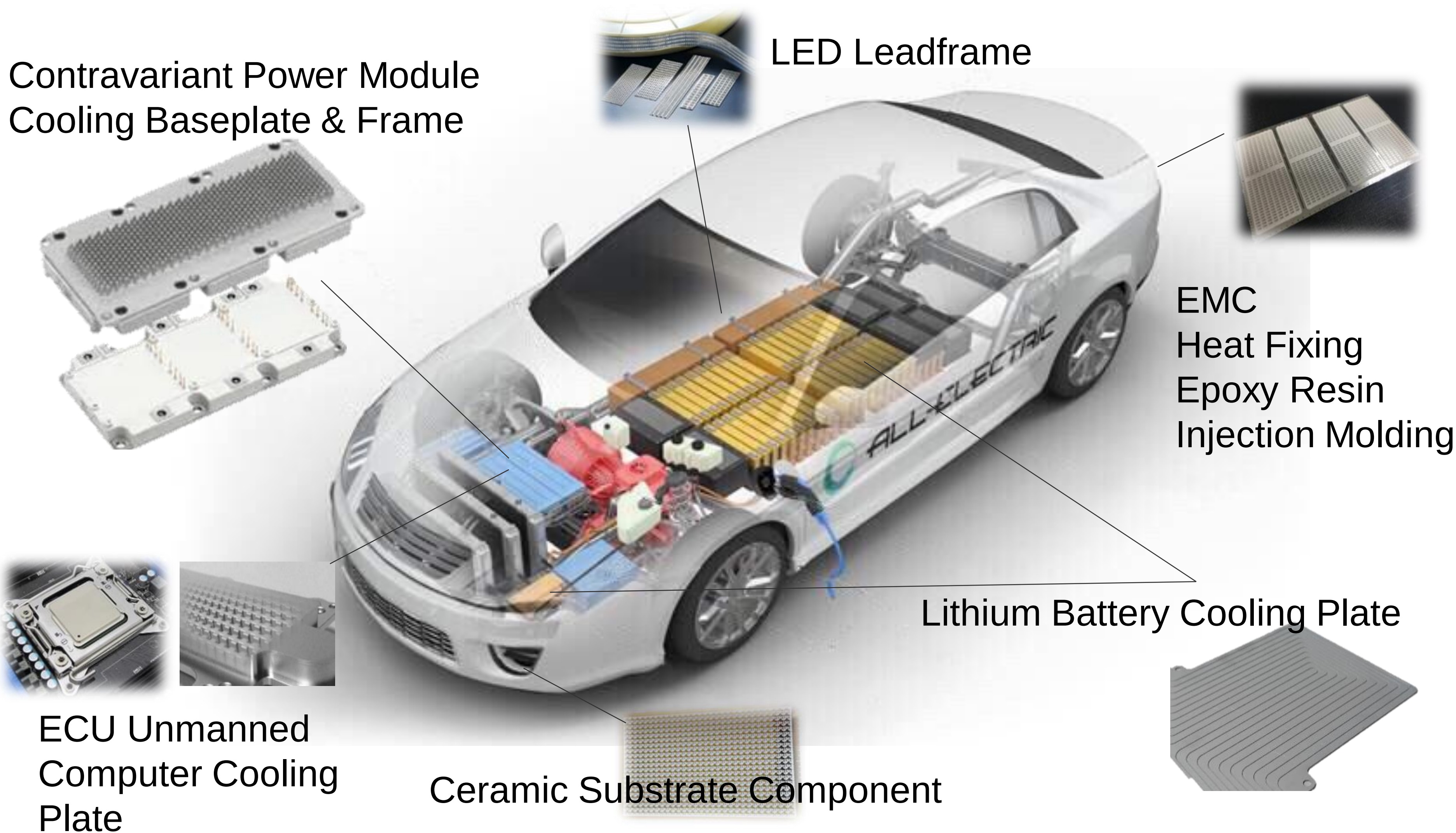
Motherboard CPU

Worldwide server shipments (in million units)



Source: Statista Market research company

Product Application



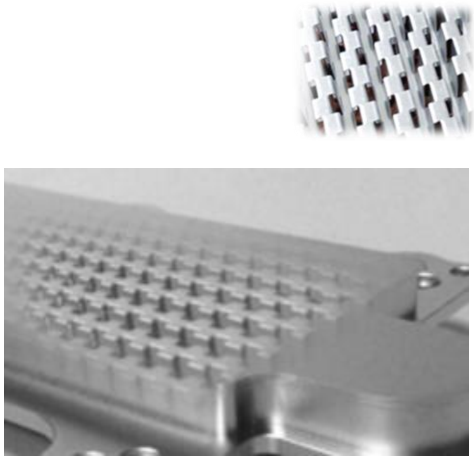
Competitive Advantage of Water Cooling Product for Electrical Automobile

Heat Sink Structure Design Simulation

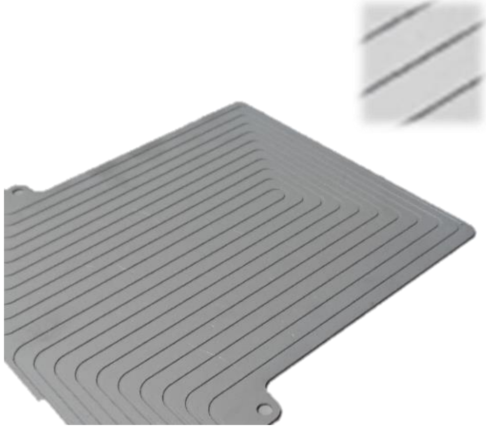
Heat Sink Route Design Simulation

Heat Sink Pillar Tooling

Heat Sink Platelet Stamping



Sheet Cannelure Stamping



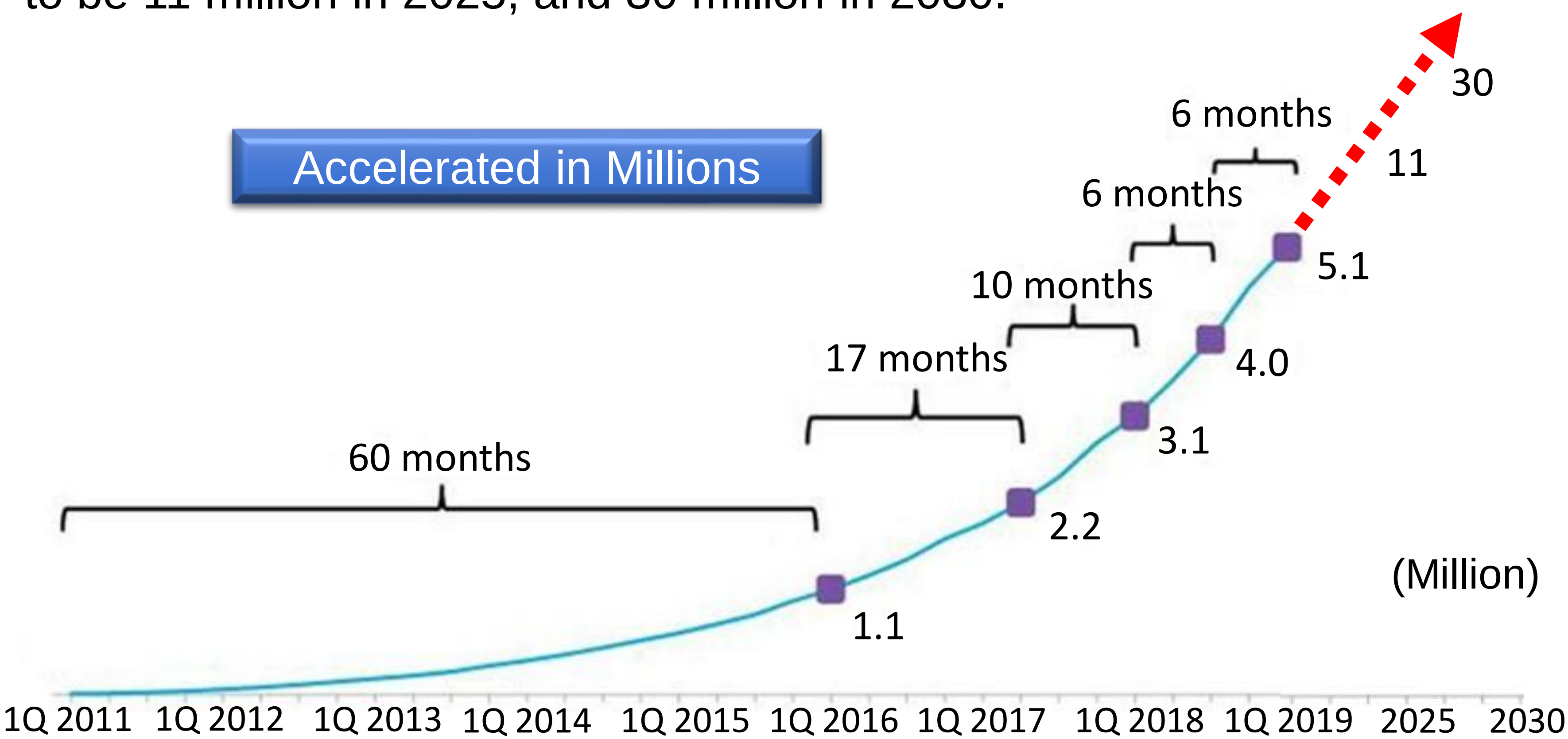
Metal Leadframe, Terminal, and Plastic Injection Molding

Soldering Assembly Technology

Functional Surface Plating

Application of Water Cooling Product for Electrical Automobile

There are more than 4 million electronic automobiles sales accumulated globally. To contrast with 1 million in 2015, the sales volume is estimated to be 11 million in 2025, and 30 million in 2030.



REF:彭博源財經(BNEF) 2018/9

Financial Information

Condensed Income Statement

Unit: NT$ Thousand

Item	YT3Q2018	2017	2016
Net sales	3,460,296	3,662,463	3,386,686
COGS	2,641,756	2,711,283	2,568,714
Gross Profit	818,540	951,180	817,972
Operating Expense	466,963	563,698	560,429
Operating Income	351,577	387,482	257,543
Net Income	360,443	232,959	243,953
Basic EPS (NT$)	3.39	2.19	2.32
Profit Margin %			
Gross Margin	23.66	25.97	24.15
Operating Margin	10.16	10.58	7.60
Net Margin	10.42	6.36	7.20

YT3Q2018 Income Statement

Unit: NT$ Thousand

Item	YT3Q2018	YT3Q2017	YoY%
Net sales	3,460,296	2,740,034	26.29
COGS	2,641,756	1,984,863	33.10
Gross Profit	818,540	755,171	8.39
Operating Expense	466,963	424,663	9.96
Operating Income	351,577	330,508	6.37
Net Income	360,443	203,159	77.42
Basic EPS (NT$)	3.39	1.91	77.49
Profit Margin %			
Gross Margin	23.66	27.56	(3.90)
Operating Margin	10.16	12.06	(1.90)
Net Margin	10.42	7.41	**3.01**

3Q 2018 Income Statement

Unit: NT$ Thousand

Item	3Q2018	2Q2018	QoQ%	3Q2017	YoY%
Net sales	1,224,289	1,177,519	3.97	956,707	27.97
COGS	891,549	931,974	(4.34)	684,576	30.23
Gross Profit	332,740	245,545	35.51	272,131	22.27
Operating Expense	152,104	162,248	(6.25)	150,058	1.36
Operating Income	180,636	83,297	116.86	122,073	47.97
Net Income	163,864	156,789	4.51	109,116	50.17
Basic EPS (NT$)	1.54	1.47	4.76	1.03	49.51
Profit Margin %					
Gross Margin	27.18	20.85	**6.33**	28.44	**(1.26)**
Operating Margin	14.75	7.07	**7.68**	12.76	**1.99**
Net Margin	13.38	13.32	**0.06**	11.41	**1.97**

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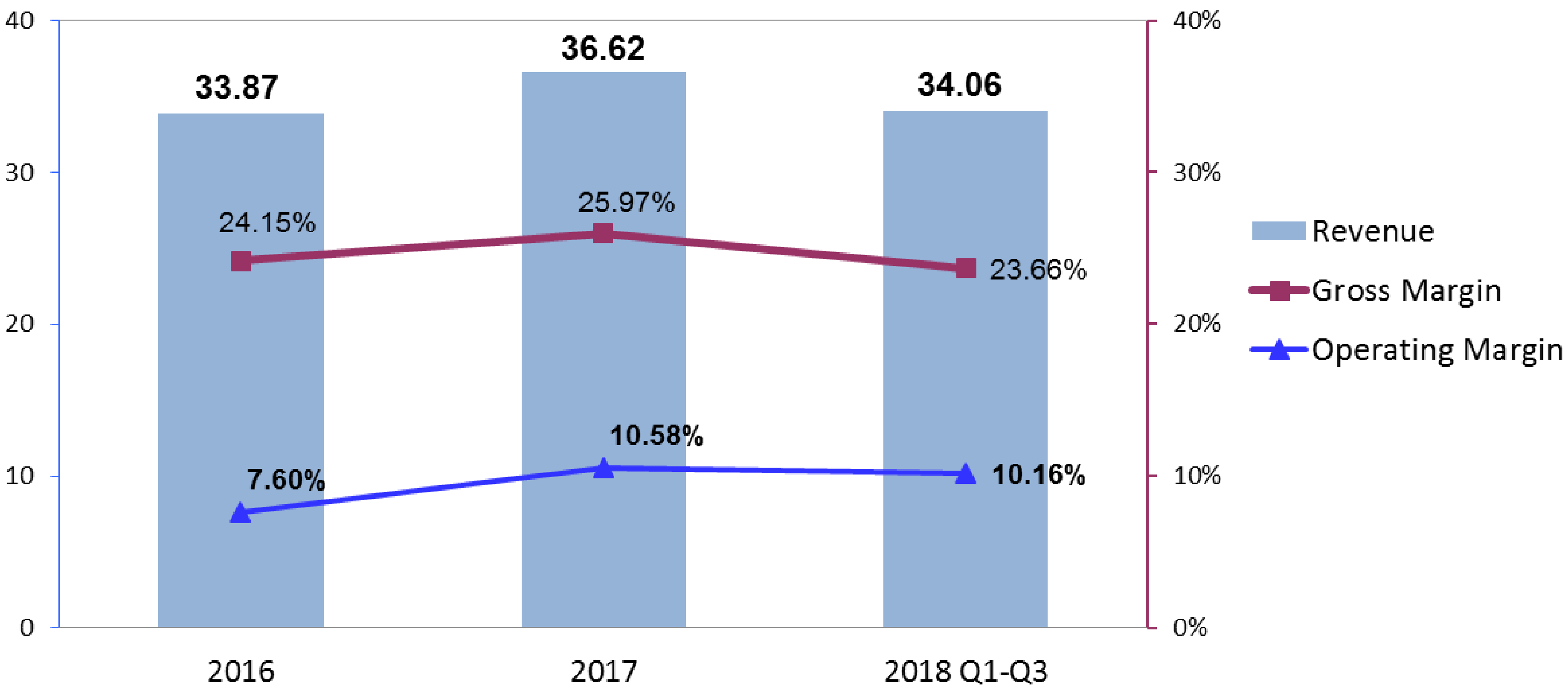
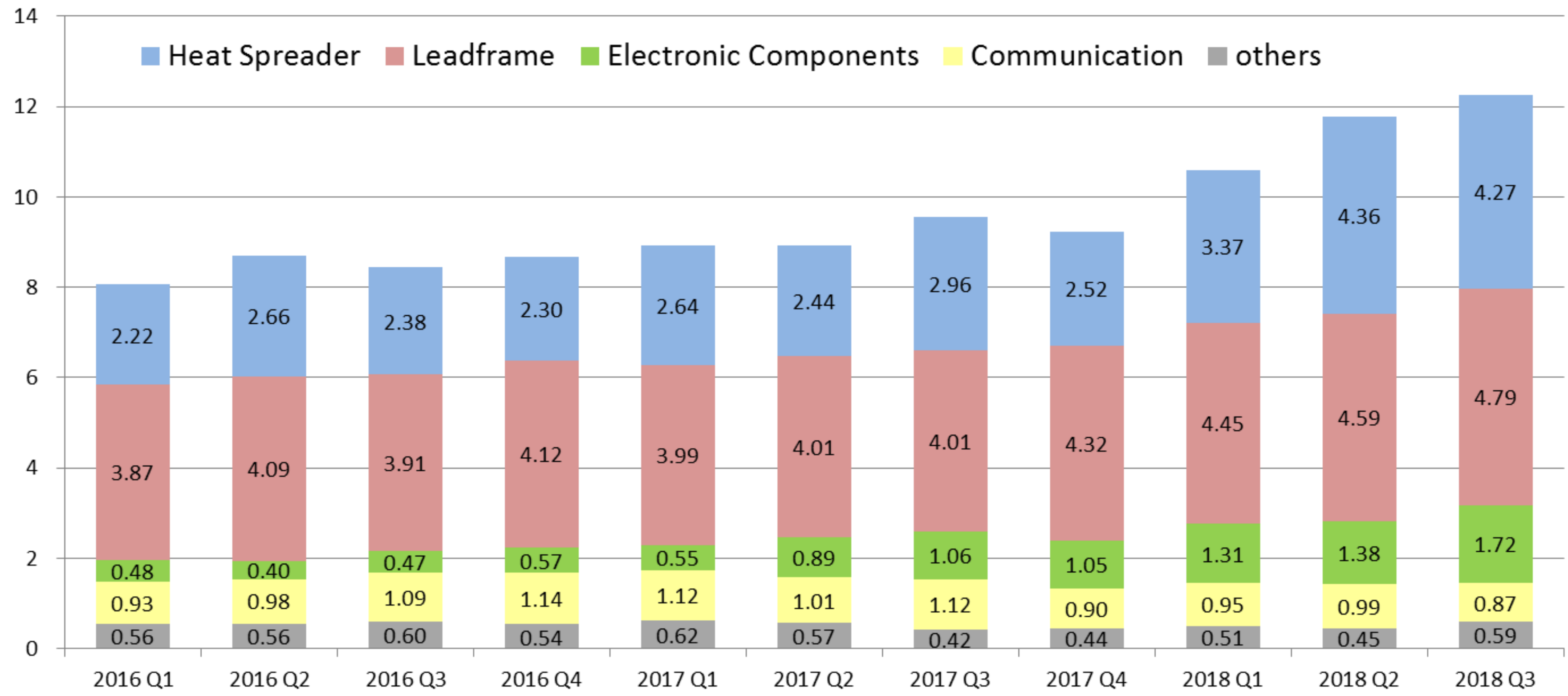
Revenue, Gross Margin and Operating Margin

Unit: NT$ 100 Million

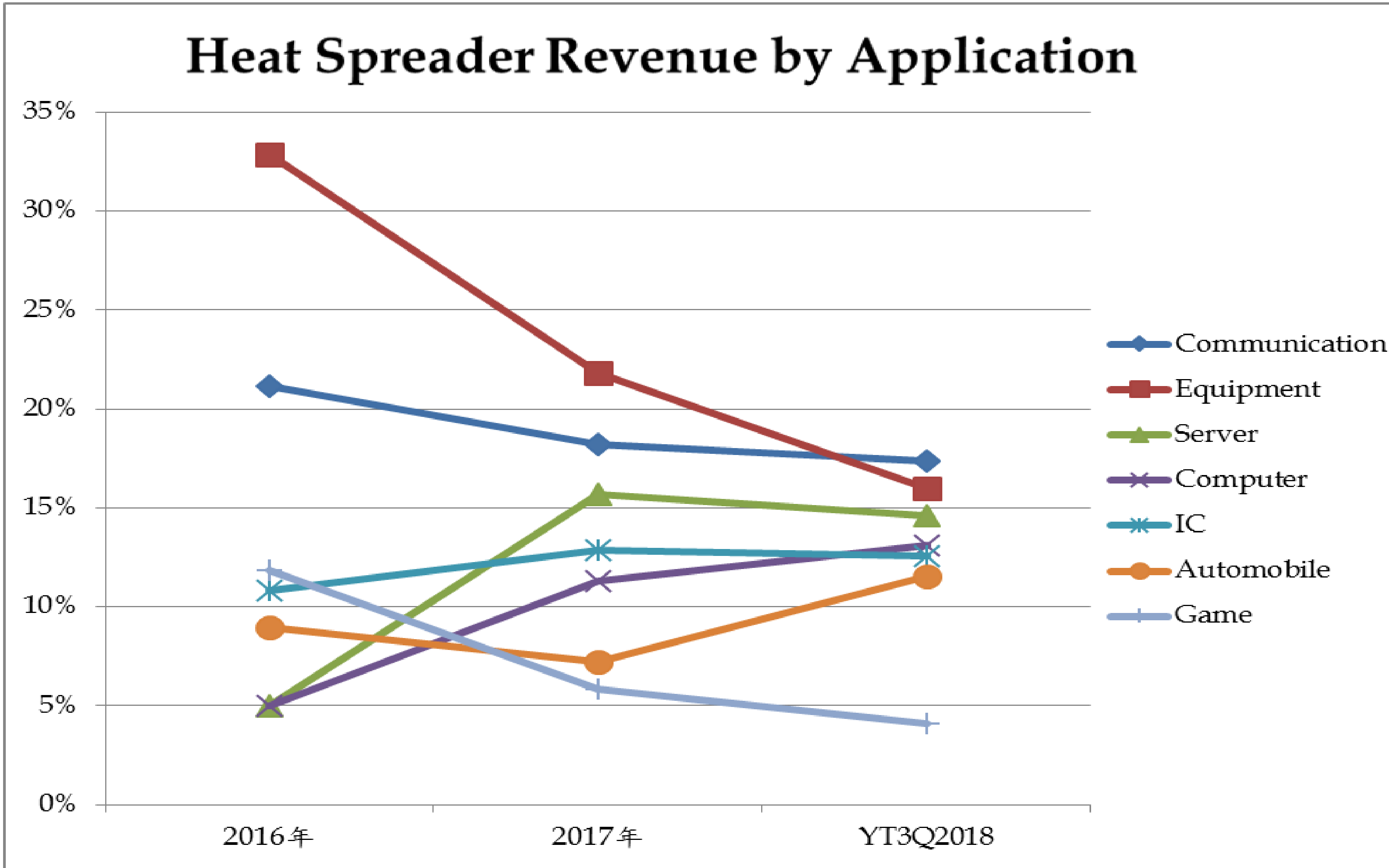


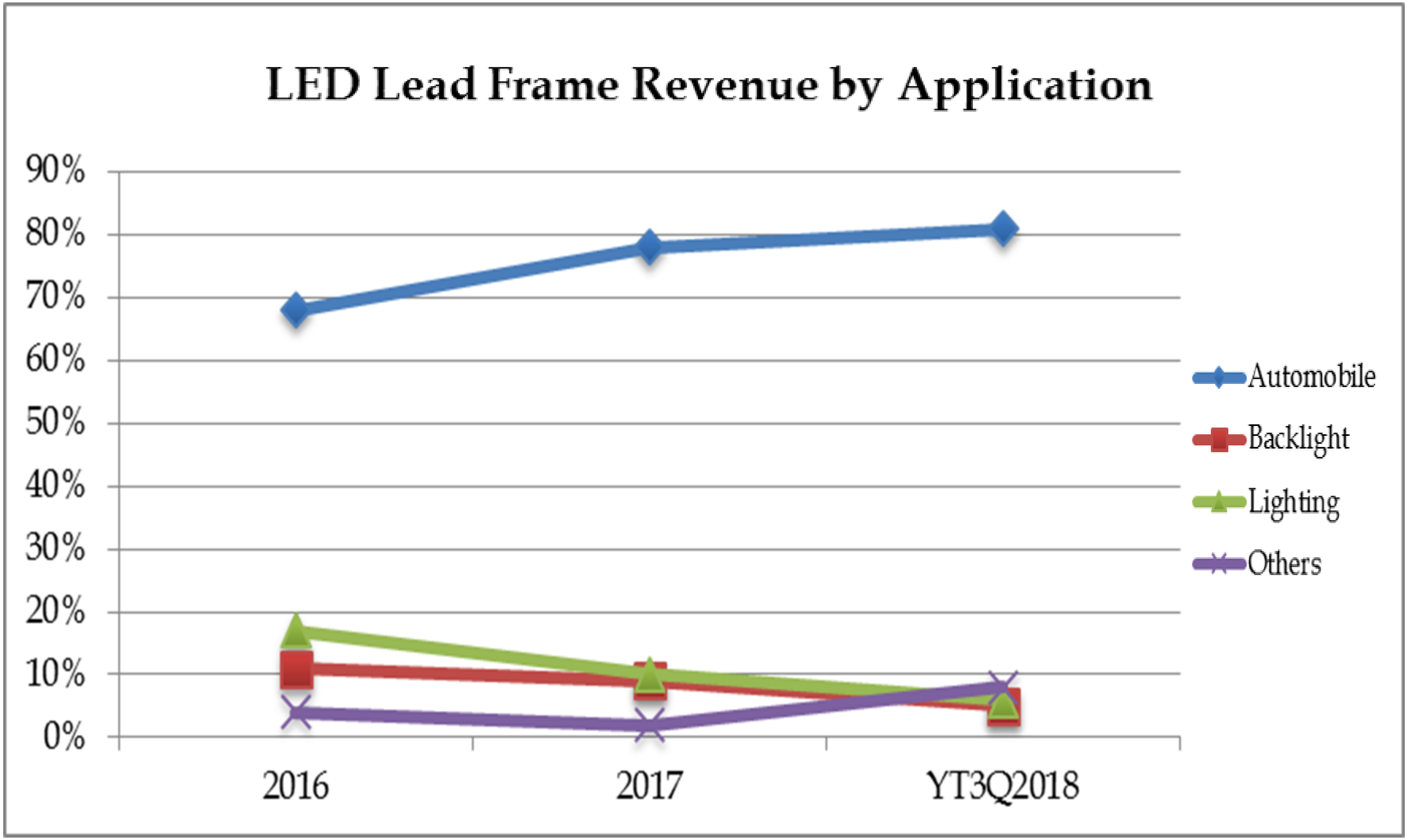
Revenue by Product

Unit: NT$ 100 Million



Quarter	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Revnue (100 Million)	8.06	8.69	8.44	8.67	8.92	8.92	9.57	9.22	10.58	11.78	12.24


Heat Spreader Revenue by Application
35%
30%
25%
20%
15%
10%
5%
0%
2016年
2017年
YT3Q2018
Communication
Equipment
Server
Computer
IC
Automobile
Game


LED Lead Frame Revenue by Application
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2016
2017
YT3Q2018
Automobile
Backlight
Lighting
Others

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Condensed Balance Sheet

Unit : NT$ thousand

Item	2018/9/30	2017/12/31	Difference	
			Amount	Ratio%
Cash and Cash Equivalents	1,521,276	1,146,824	374,452	32.65
Account Receivable	1,269,728	935,681	334,047	35.70
Inventory	1,252,274	1,229,701	22,573	1.84
Other Current Assets	289,676	278,331	11,345	4.08
Current Assets	4,332,954	3,590,537	742,417	20.68
Property, Plant and Equipment	2,111,731	1,642,025	469,706	28.61
Other Noncurrent Assets	226,880	333,785	(106,905)	(32.03)
Noncurrent Assets	2,338,611	1,975,810	362,801	18.36
Total Assets	**6,671,565**	**5,566,347**	**1,105,218**	**19.86**
Short term Loans	100,000	292,000	(192,000)	(65.75)
Account Payable	640,698	516,136	124,562	24.13
Other Current Liabilities	371,101	328,174	42,927	13.08
Current Liabilities	1,111,799	1,136,310	(24,511)	(2.16)
Bonds Payable	731,586	-	731,586	-
Total Noncurrent Liabilities	828,397	95,265	733,132	769.57
Total Liabilities	**1,940,196**	**1,231,575**	**708,621**	**57.54**
Total Equity	**4,731,369**	**4,334,772**	**396,597**	**9.15**
Total Liabilities & Equity	6,671,565	5,566,347	1,105,218	19.86

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Thank you

Q&A