

JCET Group Records Strong Performance in Q1

Shanghai, China, 2020 April 30th Global leading semiconductor microsystem integration packaging and test provider, JCET Group (SH: 600584) reported the financial results for Q1 2020, ended March 31, 2020.

Q1 2020 financial highlights :

- Revenue was RMB 5,708 million, a record high in the first quarter. On a comparable basis, taking into account the accounting change in revenue recognition, it was an increase of 44.2% year on year (see note*).
- Generated RMB 1,149 million cash from operations, up 579% year on year. With net capex investments of RMB 671 million, the free cash flow for the quarter was RMB 478 million.
- Net profit was RMB 133.8 million, a record first quarter high in the past five years.
- Earnings per share was 0.08 RMB, as compared to -0.03 in Q1 2019.

Note*: During the reporting period, we optimized the business model for the purchase and sale of certain packaged products, of which JCET Group no longer bears the general inventory risk on the main raw materials. In accordance with PRC GAAP, both revenue and costs of goods sold were recorded on the net basis and decreased by RMB 803 million

still recognized by the gross method (should be recorded on the net basis according to PRC GAAP), it would be RMB 6,511 million, an increase of 44.2% over the same period last year.

JCET Group CFO Ms. Janet Chou said JCET Group has been a leading innovator in System in Package, Wafer Level and Flip Chip advanced microsystem integration technologies for years. The and manufacturing capabilities. JCET Group overcame the impact of Covid-19 and went against the industry trend, with revenues of RMB 5,708 million which was a record high for the first quarter.

About JCET Group:

JCET Group is a leading global semiconductor microsystem integration packaging and test provider, offering a full range of turnkey services that include semiconductor package integration design and characterization, R&D, wafer probe, wafer bumping, package assembly, final test and drop shipment to vendors around the world.

Our comprehensive portfolio covers a wide spectrum of semiconductor applications such as mobile, communication, compute, consumer, automotive and industry etc., through advanced wafer level packaging, 2.5D/3D, System-in-Packaging, and reliable flip chip and wire bonding technologies. JCET Group has three R&D centers, six manufacturing locations in China, Singapore and Korea, and sales center

rs around the world, providing close technology collaboration and efficient supply-chain manufacturing to customers in China and around the world.

Investor Relations Contact:

+86-510-86856061

ir@jcetglobal.com

CONSOLIDATED BALANCE SHEET (CONTINUED) (Unaudited)
31 March 2020

Expressed in Renminbi Yuan

ASSETS	31 March 2020	31 December 2019
Current assets		
Currency funds	2,667,287,264.14	2,569,393,396.00
Derivative financial assets	180,674.37	4,119,413.24
Accounts receivable	3,004,234,491.07	3,349,731,893.13
Receivables financing	39,363,670.87	67,584,630.96
Prepayments	212,443,068.51	187,863,377.10
Other receivables	9,293,025.43	10,944,727.48
Inventories	2,581,182,782.87	2,730,914,425.68
Current portion of non-current assets	137,458,152.98	137,458,152.98
Other current assets	366,923,222.68	501,350,372.47
Total current assets	9,018,366,352.92	9,559,360,389.04
Non-current assets		
Long-term receivables	38,975,986.44	40,222,976.53
Long-term equity investments	966,281,402.61	971,660,594.36
Other equity investments	526,890,056.51	517,049,881.56
Investment properties	98,957,148.36	99,877,458.60
Fixed assets	17,630,171,071.32	17,798,818,045.91
Construction in progress	1,543,924,889.46	1,664,082,709.03
Intangible assets	592,018,291.59	586,737,281.83
Goodwill	2,261,147,119.92	2,213,786,772.01
Long-term prepaid expenses	1,034,770.80	1,256,235.80
Deferred tax assets	122,964,117.85	128,106,315.77
Other non-current assets	738,596.31	934,907.57
Total non-current assets	23,783,103,451.17	24,022,533,178.97
Total assets	32,801,469,804.09	33,581,893,568.01

CONSOLIDATED BALANCE SHEET (CONTINUED) (Unaudited)
31 March 2020

Expressed in Renminbi Yuan

LIABILITIES AND EQUITY	31 March 2020	31 December 2019
Current liabilities		
Short-term borrowings	6,788,675,448.76	9,098,056,842.77
Derivative financial liabilities	129,247,374.07	160,941,443.47
Notes payable	652,010,110.73	958,145,682.25
Accounts payable	4,024,475,573.16	4,617,703,102.89
Receipts in advance	0.00	112,646,926.13
Contract liabilities	73,173,140.74	0.00
Employee benefits payable	505,569,143.68	586,441,964.86
Taxes and surcharges payable	60,748,543.35	53,226,873.84
Other payables	207,479,982.69	235,425,281.38
Current portion of non-current liabilities	1,841,259,569.03	1,826,772,611.88
Total current liabilities	14,282,638,886.21	17,649,360,729.47
Non-current liabilities		
Long-term borrowings	3,037,255,169.36	1,584,384,891.47
Bonds payable	1,000,000,000.00	0.00
Long-term payables	1,071,924,846.56	1,215,622,628.92
Long-term employee benefits payable	2,045,009.96	1,405,672.34
Deferred income	327,442,496.71	336,470,799.39
Deferred tax liabilities	176,941,252.41	156,293,450.06
Total non-current liabilities	5,615,608,775.00	3,294,177,442.18
Total liabilities	19,898,247,661.21	20,943,538,171.65
Equity		
Paid-in capital	1,602,874,555.00	1,602,874,555.00
Surplus reserves	10,242,039,552.06	10,242,039,552.06
Accumulated other comprehensive income	559,711,303.19	428,946,927.71
Specialised reserves	122,283,975.32	122,283,975.32
Unappropriated profit	365,073,592.09	231,285,970.34
Total equity attributable to owners of the parent	12,891,982,977.66	12,627,430,980.43
Minority shareholders	11,239,165.22	10,924,415.93
Total equity	12,903,222,142.88	12,638,355,396.36
Total liabilities and equity	32,801,469,804.09	33,581,893,568.01

CONSOLIDATED INCOME STATEMENT (Unaudited)
For The Three Months Ended 31 March 2020

Expressed in Renminbi Yuan

For The Three Months Ended of March 31

	2020	2019
Revenue	5,708,103,216.96	4,514,773,490.97
Less: Cost of sales	4,960,479,797.74	4,148,858,484.70
Taxes and surcharges	8,496,390.50	8,427,302.31
Selling expenses	56,415,920.92	64,459,043.18
Administrative expenses	209,175,100.75	245,961,758.35
Research and development expenses	214,447,183.03	172,776,325.03
Finance expenses	146,866,963.10	247,960,718.09
Including: Interest expenses	153,627,683.35	197,226,529.98
Interest income	8,963,046.00	7,448,691.54
Add: Other income	34,096,572.65	143,267,973.38
Investment income	-1,355,424.01	-1,366,630.50
Including: Income from investments in associates and joint ventures (loss is expressed by "-")	-1,355,424.01	-1,366,630.50
Loss on the net position hedging (loss is expressed by "-")	-1,677,212.22	0.00
Credit impairment losses (loss is expressed by "-")	4,897,177.94	1,461,773.07
Impairment losses (loss is expressed by "-")	3,476,919.20	3,001,528.85
Profit/Loss on disposal of assets (loss is expressed by "-")	3,595,368.41	-64,624.42
Operating profit/(loss)	155,255,262.89	-227,370,120.31
Add: Non-operating income	129,297.09	472,293.14
Less: Non-operating expenses	5,920,556.72	3,532,845.12
Profit/(loss) before income taxes	149,464,003.26	-230,430,672.29
Less: Income tax expenses	15,361,632.22	-184,374,430.08
Net Profit/(loss)	134,102,371.04	-46,056,242.21
Classified by continuity of operations		
Profit/(loss) from continuing operations	134,102,371.04	-46,056,242.21
Classified by ownership		
Net Profit/(loss) attributable to owners of the parent	133,787,621.75	-46,516,845.29
Net Profit/(loss) attributable to minority shareholders	314,749.29	460,603.08

CONSOLIDATED INCOME STATEMENT (CONTINUED) (Unaudited)
For The Three Months Ended 31 March 2020

Expressed in Renminbi Yuan

For The Three Months Ended of March 31

	2020	2019
Other comprehensive income, net of tax	130,764,375.48	-212,318,509.95
Comprehensive income attributable to owners of the parent	130,764,375.48	-212,318,509.95
Comprehensive income to be reclassified to profit or loss	130,764,375.48	-212,318,509.95
Comprehensive income using the equity method	148,427.34	0.00
Cash flow hedge reserve	-2,186,816.98	3,293,829.91
Exchange differences of foreign currency financial statements	132,802,765.12	-215,612,339.86
Total comprehensive income	264,866,746.52	-258,374,752.16
Including:		
Total comprehensive income attributable to owners of the parent	264,551,997.23	-258,835,355.24
Total comprehensive income attributable to minority shareholders	314,749.29	460,603.08
Earnings per share		
Basic earnings per share	0.08	-0.03
Diluted earnings per share	0.08	-0.03

CONSOLIDATED CASH FLOW STATEMENT (Unaudited)
For The Three Months Ended 31 March 2020

Expressed in Renminbi Yuan

For The Three Months Ended of March 31

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) (Unaudited)
For The Three Months Ended 31 March 2020

Expressed in Renminbi Yuan

	For The Three Months Ended of March 31	
	2020	2019
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from borrowings	5,930,556,630.68	5,861,598,188.73
Total cash inflows from financing activities	5,930,556,630.68	5,861,598,188.73
Cash repayments for debts	5,748,192,045.98	6,827,205,711.73
Cash payments for distribution of dividends or profit and interest expenses	163,937,060.56	301,119,352.01
Other cash payments relating to financing activities	173,393,562.04	432,652,569.27
Total cash outflows from financing activities	6,085,522,668.58	7,560,977,633.01
Net cash flows from financing activities	-154,966,037.90	-1,699,379,444.28
4 EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	22,800,903.29	-20,118,766.71
5 NET INCREASE IN CASH AND CASH EQUIVALENTS	345,717,027.05	-2,074,373,833.02
Add: Cash and cash equivalents at beginning of the year	1,865,553,082.53	4,206,347,524.52
6 CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,211,270,109.58	2,131,973,691.50