

## **JCET Group Integration Turns Loss to Profit in 2019**

Shanghai, China, 2020 April 30th Global leading semiconductor microsystem integration packaging and test provider, JCET Group (SH: 600584) reported the financial results for full year 2019, ended December 31, 2019.

### **2019 full year financial highlights:**

- Revenue for the year was RMB 23,526 million, as compared to RMB 23,856 million in 2018.
- Generated RMB 3,176 million cash from operations, an increase of 26.6% from 2018. With net capex investments of RMB 2,736 million, free cash flow for the year was RMB 441 million.
- Net profit was RMB 89 million, as compared to a loss of 939 million in 2018.
- Earnings per share was RMB 0.06, as compared to RMB -0.65 in 2018.

JCET Group CEO Mr. Li Zheng

companies under the group with a series of integration and adjustment measures implemented. Our portfolio of technologies, capabilities and capacities match the needs of customers and the market more appropriately. JCET Group is working aggressively on advancements in R&D, production and operations and has made significant progress. In 2019, JCET Group gained a profit of RMB 89 million, which is a qualitative improvement compared with 2018. Our achievements are closely connected with our customers' recognition

JCET Group is an industry leader in the development of advanced packaging technologies, with a comprehensive portfolio of technical products and complete full turnkey services for our customers all

near the top of the global semiconductor packaging and test industry. With the 5G era ramping up, JCET Group will continue to invest in the development of solutions for 5G communication, mobile terminals, automotive electronics, big data memory, AI and IoT industries, while closely aligning with customers to achieve mutual success

### **About JCET Group:**

JCET Group is a leading global semiconductor microsystem

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 centers 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](mailto:ir@jcetglobal.com)

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**31 December 2019**

Expressed in Renminbi Yuan

<b>ASSETS</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>Current assets</b>		
Currency funds	2,569,393,396.00	4,774,269,922.92
Derivative financial assets	4,119,413.24	1,922,363.72
Notes receivable	0.00	91,323,124.65
Accounts receivable	3,349,731,893.13	2,779,382,584.24
Receivables financing	67,584,630.96	0.00
Prepayments	187,863,377.10	197,362,287.60
Other receivables	10,944,727.48	151,613,133.40
Inventories	2,730,914,425.68	2,273,584,896.44
Current portion of non-current assets	137,458,152.98	124,238,367.69
Other current assets	501,350,372.47	511,684,443.56
<b>Total current assets</b>	<b>9,559,360,389.04</b>	<b>10,905,381,124.22</b>
<b>Non-current assets</b>		
Available-for-sale financial assets	0.00	405,909,682.09
Long-term receivables	40,222,976.53	47,130,045.11
Long-term equity investments	971,660,594.36	190,369,225.77
Other equity investments	517,049,881.56	0.00
Investment properties	99,877,458.60	117,526,718.28
Fixed assets	17,798,818,045.91	16,179,209,690.65
Construction in progress	1,664,082,709.03	3,453,861,241.82
Intangible assets	586,737,281.83	635,188,017.08
Goodwill	2,213,786,772.01	2,271,301,559.78
Long-term prepaid expenses	1,256,235.80	772,851.48
Deferred tax assets	128,106,315.77	83,600,496.22
Other non-current assets	934,907.57	137,150,377.86
<b>Total non-current assets</b>	<b>24,022,533,178.97</b>	<b>23,522,019,906.14</b>
<b>Total assets</b>	<b>33,581,893,568.01</b>	<b>34,427,401,030.36</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**31 December 2019**

Expressed in Renminbi Yuan

<b>LIABILITIES AND EQUITY</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>Current liabilities</b>		
Short-term borrowings	9,098,056,842.77	7,128,699,854.55
Derivative financial liabilities	160,941,443.47	137,935,110.87
Notes payable	958,145,682.25	650,097,598.13
Accounts payable	4,617,703,102.89	4,169,887,317.71
Receipts in advance	112,646,926.13	112,808,250.03
Employee benefits payable	586,441,964.86	453,301,515.12
Taxes and surcharges payable	53,226,873.84	109,398,233.53
Other payables	235,425,281.38	362,555,207.79
Current portion of non-current liabilities	1,826,772,611.88	5,280,194,159.04
<b>Total current liabilities</b>	<b>17,649,360,729.47</b>	<b>18,404,877,246.77</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,584,384,891.47	2,933,790,044.10
Long-term payables	1,215,622,628.92	329,090,257.01
Long-term employee benefits payable	1,405,672.34	815,921.74
Deferred income	336,470,799.39	269,351,180.54
Deferred tax liabilities	156,293,450.06	165,407,393.44
Other non-current liabilities	0.00	28,904,903.75
<b>Total non-current liabilities</b>	<b>3,294,177,442.18</b>	<b>3,727,359,700.58</b>
<b>Total liabilities</b>	<b>20,943,538,171.65</b>	<b>22,132,236,947.35</b>
<b>Equity</b>		
Paid-in capital	1,602,874,555.00	1,602,874,555.00
Surplus reserves	10,242,039,552.06	10,242,498,350.42
Accumulated other comprehensive income	428,946,927.71	181,944,546.61
Specialized reserves	122,283,975.32	122,283,975.32
Unappropriated profit	231,285,970.34	142,622,532.75
Total equity attributable to owners of the parent	12,627,430,980.43	12,292,223,960.10
Minority shareholders	10,924,415.93	2,940,122.91
<b>Total equity</b>	<b>12,638,355,396.36</b>	<b>12,295,164,083.01</b>
<b>Total liabilities and equity</b>	<b>33,581,893,568.01</b>	<b>34,427,401,030.36</b>

**CONSOLIDATED INCOME STATEMENT**  
**Year ended 31 December 2019**

**Expressed in Renminbi Yuan**

	<b>For The Year Ended of December 31</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenue</b>	23,526,279,785.46	23,856,487,366.62
Less: Cost of sales	20,895,116,352.45	21,130,758,310.68
Taxes and surcharges	36,665,583.88	45,921,812.58
Selling expenses	264,828,644.36	285,371,372.61
Administrative expenses	1,043,776,803.88	1,110,520,305.93
Research and development expenses	968,754,249.66	888,385,192.40
Finance expenses	870,112,601.50	1,131,025,122.06
Including: Interest expenses	742,065,949.87	907,841,772.96
Interest income	26,537,653.94	35,134,730.03
Add: Other income	296,061,195.13	154,847,121.45
Investment income	6,828,037.45	452,297,019.16
Including: Income from investments in associates and joint ventures (loss is expressed by "-")	4,341,593.44	-695,341.67
Loss on the net position hedging (loss is expressed by "-")	-13,428,960.03	0.00
Loss on changes in fair value (loss is expressed by "-")	-86,233,054.18	-123,367,191.19
Credit impairment losses (loss is expressed by "-")	-34,827,911.59	0.00
Asset Impairment losses (loss is expressed by "-")	-233,928,751.44	-546,919,999.29
Profit/Loss on disposal of assets (loss is expressed by "-")	743,480,368.26	-5,200,932.93
<b>Operating profit/(loss)</b>	<b>124,976,473.33</b>	<b>-803,838,732.44</b>
Add: Non-operating income	6,240,343.02	9,863,684.62
Less: Non-operating expenses	50,846,499.16	19,020,577.91
<b>Profit/(loss) before income taxes</b>	<b>80,370,317.19</b>	<b>-812,995,625.73</b>
Less: Income tax expenses	-16,277,413.42	113,644,871.50
<b>Net Profit/(loss)</b>	<b>96,647,730.61</b>	<b>-926,640,497.23</b>
Classified by continuity of operations		
Profit/(loss) from continuing operations	96,647,730.61	-926,640,497.23
Classified by ownership		
<b>Net Profit/(loss) attributable to owners of the parent</b>	<b>88,663,437.59</b>	<b>-939,315,302.79</b>
<b>Net Profit/(loss) attributable to minority shareholders</b>	<b>7,984,293.02</b>	<b>12,674,805.56</b>

**CONSOLIDATED INCOME STATEMENT (CONTINUED)**  
**Year ended 31 December 2019**

**Expressed in Renminbi Yuan**

**For The Year Ended of December 31**

	<b>2019</b>	<b>2018</b>
<b>Other comprehensive income, net of tax</b>	156,601,051.39	226,297,220.02
<b>Comprehensive income attributable to owners of the parent</b>	156,601,051.39	226,161,283.69
1. Comprehensive income not be reclassified to profit or loss	10,045,132.01	-2,614,766.63
Remeasurement gains or losses of a defined benefit plan	-522,237.30	-2,614,766.63
Change in the fair value of other equity investments	10,567,369.31	0.00
2. Comprehensive income to be reclassified to profit or loss	146,555,919.38	228,776,050.32
Comprehensive income using the equity method	179,917.20	351,355.06
Cash flow hedge reserve	3,100,955.92	-17,194,190.53
Exchange differences of foreign currency financial statements	143,275,046.26	245,618,885.79
<b>Comprehensive income attributable to minority shareholders</b>	0.00	135,936.33
<b>Total comprehensive income</b>	253,248,782.00	-700,343,277.21
Including:		
Total comprehensive income attributable to owners of the parent	245,264,488.98	-713,154,019.10
Total comprehensive income attributable to minority shareholders	7,984,293.02	12,810,741.89
<b>Earnings per share</b>		
Basic earnings per share	0.06	-0.65
Diluted earnings per share	0.06	-0.65

**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 December 2019

Expressed in Renminbi Yuan

	For The Year Ended of December 31	
	2019	2018
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from the sale of goods and the rendering of services	24,198,767,112.26	25,200,141,629.18
Receipts of taxes and surcharges refunds	651,451,339.42	317,543,293.11
Other cash receipts relating to operating activities	395,958,810.94	226,230,952.74
Total cash inflows from operating activities	25,246,177,262.62	25,743,915,875.03
Cash payments for goods and services	17,384,550,114.34	18,089,404,361.42
Cash payments to and on behalf of employees	3,766,281,452.70	3,819,875,805.53
Payments of all types of taxes and surcharges	252,464,256.86	441,552,824.15
Other cash payments relating to operating activities	666,456,842.25	883,890,214.86
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**CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**  
**Year ended 31 December 2019**

Expressed in Renminbi Yuan

	<b>For The Year Ended of December 31</b>	
	<b>2019</b>	<b>2018</b>
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from investments by others	0.00	3,599,324,919.28
Cash receipts from borrowings	14,280,102,227.20	10,144,543,666.76
Other cash receipts relating to financing activities	2,117,868,426.98	0.00
<b>Total cash inflows from financing activities</b>	<b>16,397,970,654.18</b>	<b>13,743,868,586.04</b>
Cash repayments for debts	17,300,176,448.99	8,015,300,137.16
Cash payments for distribution of dividends or profit and interest expenses	726,372,320.64	979,292,533.19
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries	0.00	6,683,000.00
Other cash payments relating to financing activities	1,310,313,853.45	1,327,395,344.30
<b>Total cash outflows from financing activities</b>	<b>19,336,862,623.08</b>	<b>10,321,988,014.65</b>
<b>Net cash flows from financing activities</b>	<b>-2,938,891,968.90</b>	<b>3,421,880,571.39</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH</b>		
<b>4 EQUIVALENTS</b>	<b>32,131,026.17</b>	<b>91,498,868.57</b>
<b>5 NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-2,340,794,441.99</b>	<b>2,466,714,810.78</b>
Add: Cash and cash equivalents at beginning of the year	4,206,347,524.52	1,739,632,713.74
<b>6 CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>1,865,553,082.53</b>	<b>4,206,347,524.52</b>