

Briefing Topic:
Coronavirus caused no
significant effects on Dynamic

Feb. 5, 2020

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Epidemic Containment Timeline

1/2 Huangshi Plant developed the response solution to coronavirus epidemics.

1/6 Established "Epidemic Containment Response Team" in the three places across the Taiwan Strait.

1/15 Huangshi factory began personnel control by implementing body temperature measurement, and carried out epidemic prevention publicity.

1/20 All Huangshi Factory staff put on face masks and make adequate preparations for epidemic prevention and control (including face masks, ethanol (AR grade & industrial grade), disinfectant water, temperature gun, mercury thermometer).

1/28 Huangshi Factory launched the "exit only, no entry" policy, and made every effort to isolate external sources of infection. During this period, the company provides free breakfast, lunch, dinner and air-conditioned accommodation. All employees are considered to be working overtime on holidays, and meantime, quarantine rooms were set up inside, employees who have symptoms of cold or cough would be quarantined until their health is restored.

1/28 Mandatory hand washing before meals, all staff should stay more than one meter apart from each other while having meals. No personal contact with raw materials manufacturers, and the people/vehicles that are responsible for the living supplies delivery to the living area. The SOP of "Supplies Purchasing during Epidemics" was announced to all factory staff.

1/30 Hubei Province announced that work started on February 14th, all material and resources were prepared for the following time up to February 20th. Confirmed that the supply chain was in good condition and the shipments were going smoothly.

2/5 So far, there have not been any cases of fever or infection and no suspected cases in either factory, we believe it is safer in the factories than the outside.

Epidemic Containment Response Team

LEADER
Chairman and
the Presidents
of two
factories

Environmental Safety	Human Resource	Procurement	Customs	Manufacture
<ul style="list-style-type: none">-Employee temperature measurement-Personnel control-Treatment in quarantine-Environmental disinfection-Publicity Education	<ul style="list-style-type: none">-Survey of the local situation of where the employees located-Communication access for all staff on the epidemic matter	<ul style="list-style-type: none">-Protective equipment and devices preparation-Raw material supply chain assurance	Shipping and logistics	Daily attendance number and output status

Restriction Control on personnel/vehicles accesses



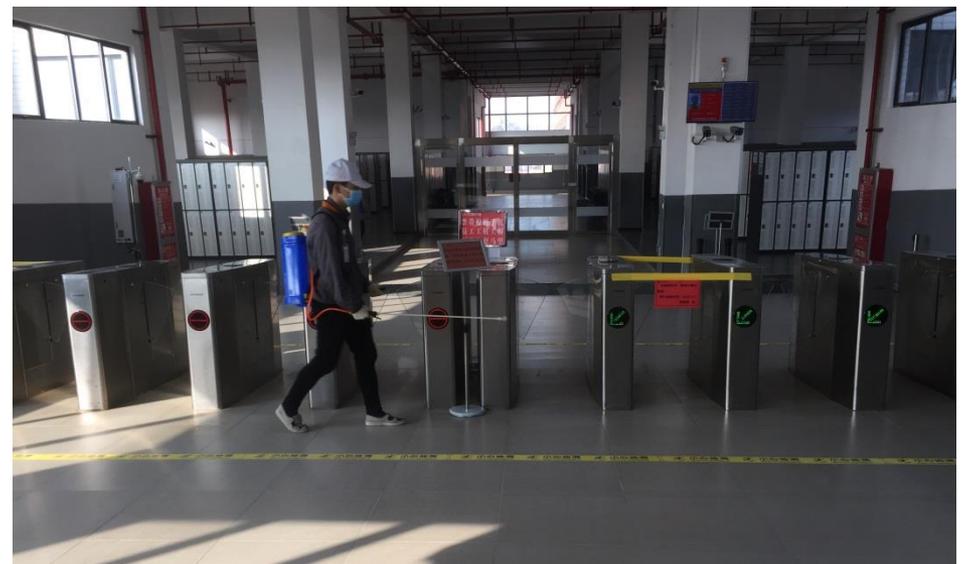
Establishment of Quarantine Room



Disinfection for the plant, conference room, office



Disinfection for the cafeteria, dormitory, shoes changing area, and all the gates



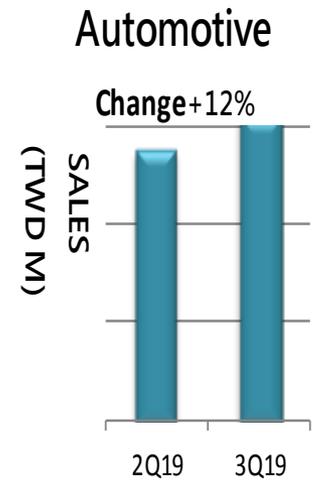
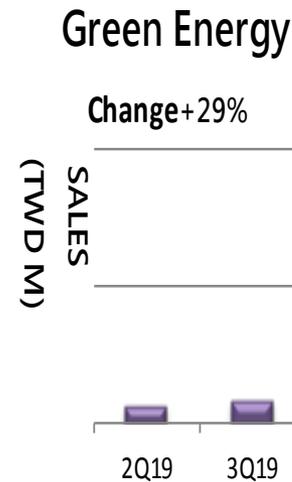
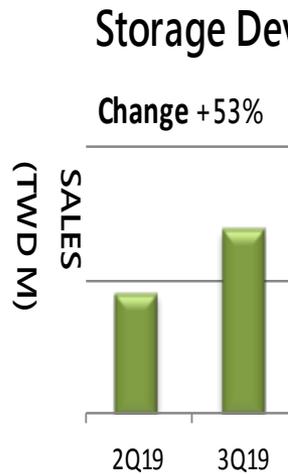
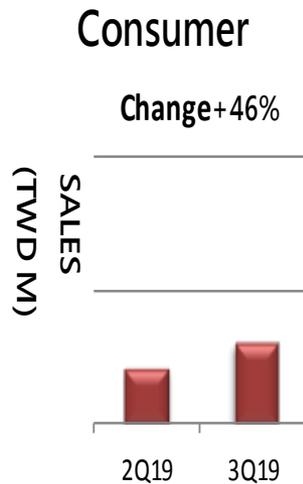
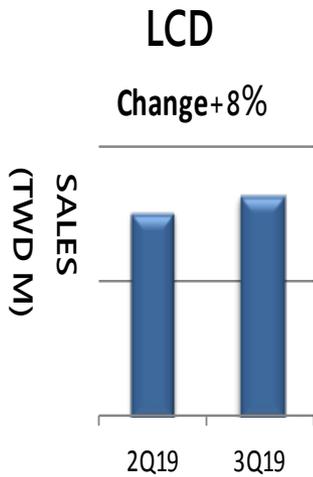
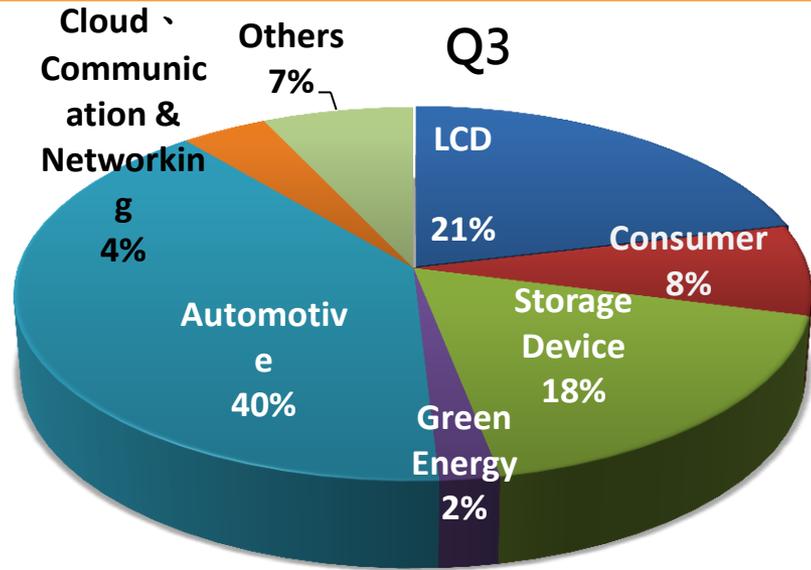
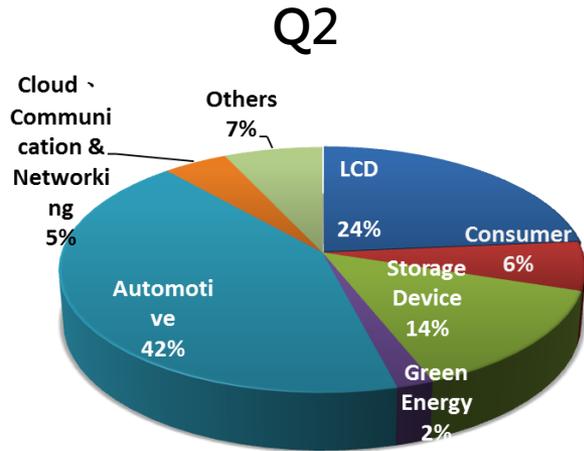
Cargo Vehicles Disinfection



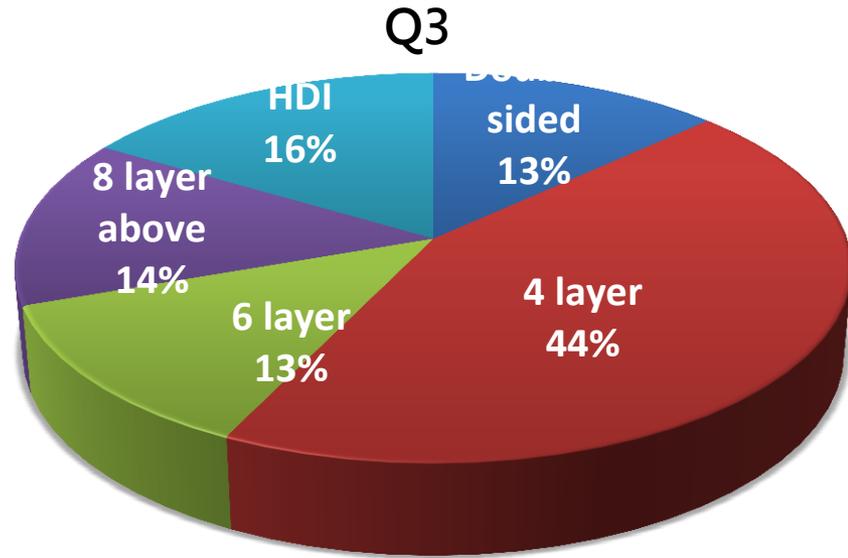
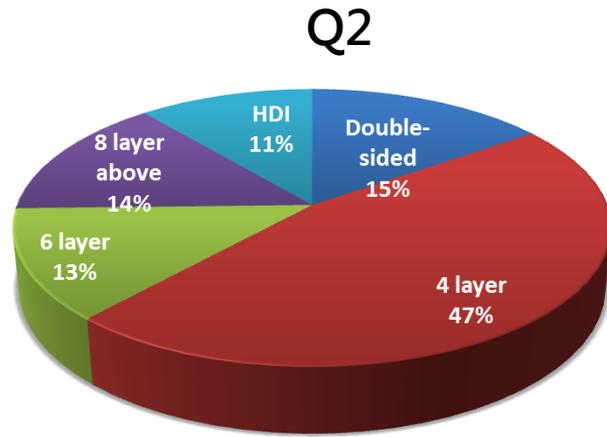
Goods Disinfection (75% Alcohol)



2019 Q3 Revenue by Application

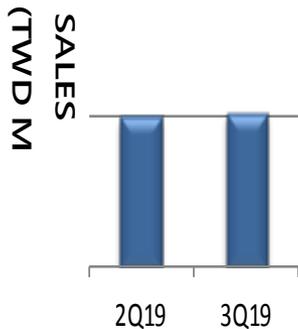


2019 Q3 Revenue by Process



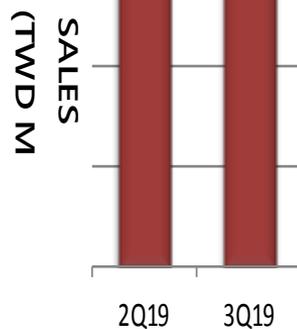
Double-sided

Change+3%



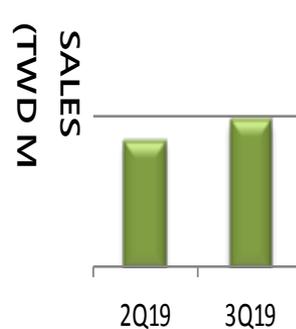
4 layer

Change+14%



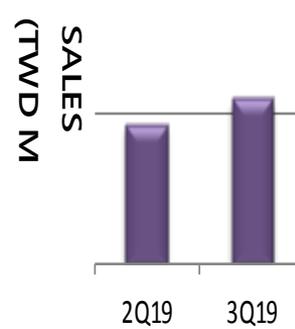
6 layer

Change+15%



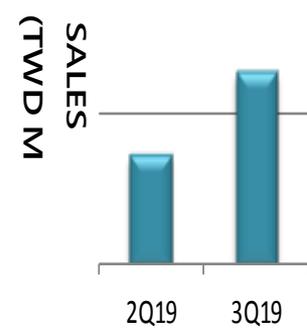
8 layer above

Change+18%



HDI

Change+77%



Summary of Year 2019 Q3

- The revenue of Q3 was 3.873 billion, increased by 19.8% compared with the previous quarter and 8.3% compared with the same period last year. The annual cumulative revenue was 6.4% higher than the same period last year. Reasons for the growth of revenue are: the market recovered, the demand for high-end process products increased and the production capacity was in short supply.
- Gross profit margin was 15.2%, it's 4.7% up from the previous quarter and 4.1% up from the same period of last year. The annual accumulation was 3.6% higher than the same period of last year. The main reason for the increase in gross profit margin is: the proportion of HDI increased from 11% to 16%. The main new products are:
 - Automotive HDI board are in mass production, mainly used in automotive cameras, high-frequency radar, multimedia systems and communications. (accounted for 1/3 of HDI)
 - Storage HDI board, mainly used in high-end SSD of data center. (accounted for 1/3 of HDI)
 - LCD HDI board, mainly used in notebooks. (accounted for 1/5 of HDI)
- The net profit of this term is 121 million dollars, and the annual cumulative net profit is 95 million.

Product Roadmap of Year 2020

1. The direction of automotive board development

- Mainly focus on the products of high frequency (automobile radar, car network), HDI (camera, car multimedia), thick copper (new energy car), Semi-Flex board (control unit, replacement of traditional connectors), etc.

2. The planning for Internet Communication

- Continue to develop 5G related internet communication products, such as small cell, antenna modules, switches/routers, etc.

Introduction of Huangshi Plant

Information Intelligence
Big Data

Equipment Automation



Information Intelligence
Big Data



Equipment Automation





Pre-production
preparation time

Reduced

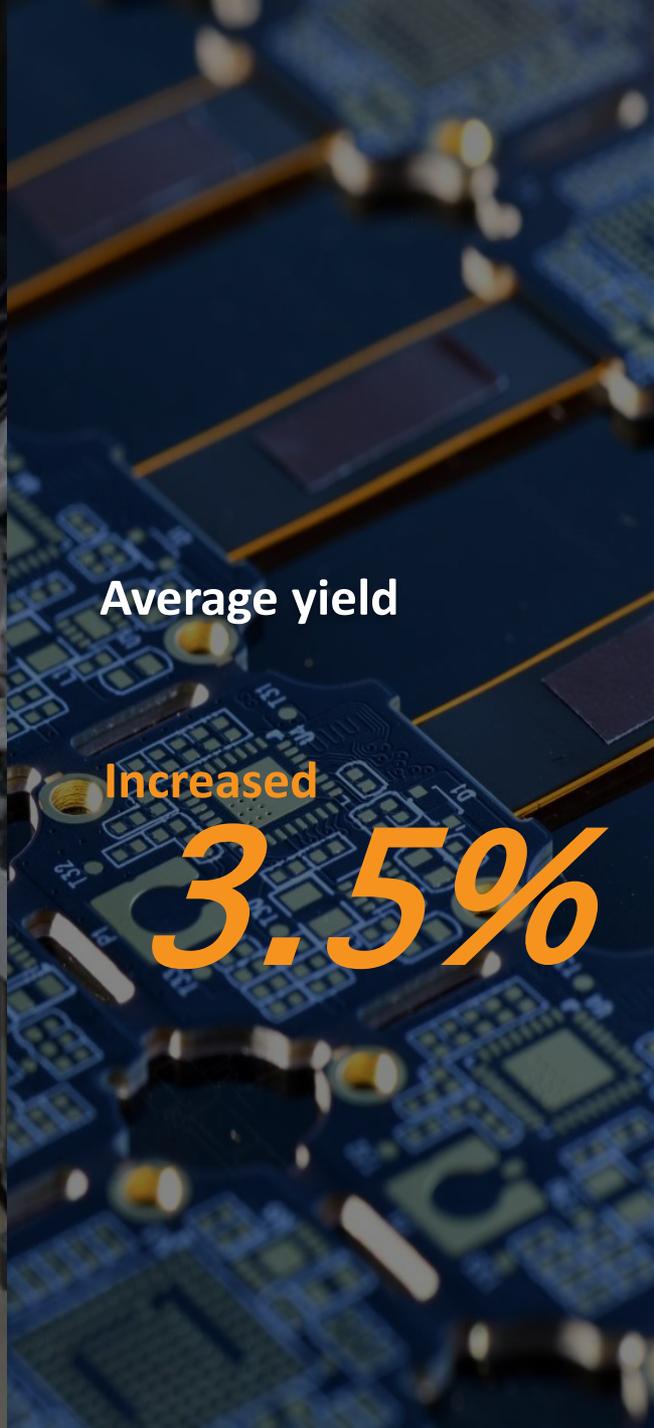
61%



Equipment
abnormality
exclusion time

Reduced

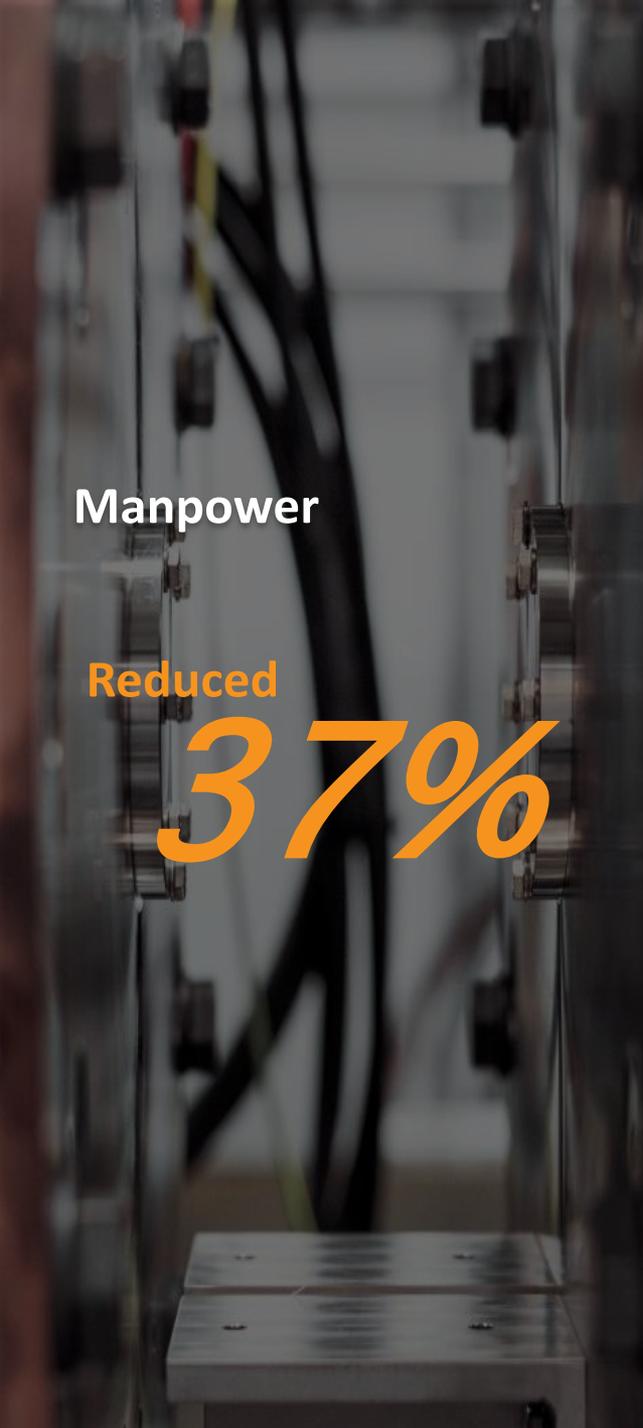
66%



Average yield

Increased

3.5%



Manpower

Reduced

37%



Productivity

Increase

48%



Output value per capita

117 K USD

Dynamic is once again awarded the top 5%



Dynamic has been awarded the top 5% of the Corporate Governance Assessment conducted by TWSE for three consecutive years, saying that the culture and implementation of corporate governance has been internalized as the DNA of Dynamic.

Dynamic agrees that corporate governance is not only a matter that the law requires, but also a matter that the company should gradually improve proactively. When corporate governance is more effective, the competitiveness of the company will be boosted, and the company will grow steadily in the long term.

Award of Affirmation – Won “2019 TCSA”

11/2 Dynamic won the "2019 TCSA Taiwan Corporate Sustainability Award"

- Taiwan Sustainability Corporate Excellent Performance Award
- Corporate Sustainability Report Category 1 - Gold Award



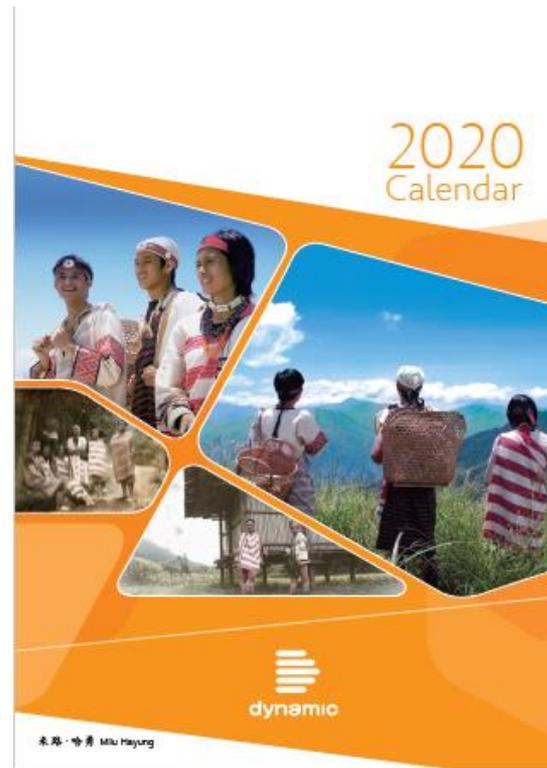
The report that discloses corporate governance, social inclusion and environmental sustainability, it is informative and linked to SDGs (Global Sustainability Goals). All the award-winning companies are transparent, and deeply trusted by stakeholders and employees. It is the most important cornerstone for the sustainable development of enterprises.

Social Care – Education

It is the fourth consecutive year that Dynamic Electronics has provided the stage for the children of Jieshou Junior High School to give full play to their talents.

In the first three years, the children's creativity through their unique and sharp observation of color, line and composition was discovered, Dynamic Electronics collected the paintings made by the children from Teacher Mi Lu's Atayal art class, and turned these paintings into an exquisite desk calendar. Not only did the children feel the climax of being affirmed, but also made the parents in the tribe proud, and the name of the "Jieshou Junior High School" has been glorified. The huge added value created is exciting and surprising.

This year, the new curriculum of literacy orientation for Grade 7 is starting to be carried out, the theme is "my tribal life", the teacher instructed the child to use photography to "record" the daily life, to "discover" the beauty of life, to "preserve" tribe tradition and culture, so the children began to use mobile phones to "see Fuxing". Dynamic will select the excellent photographic works and print them on the 2020 desk calendar, and hope to bring the recipients a whole year of pleasure.



Hsi-ko Suspension Bridge



Chicken Raising Customs

Social Caring - Charity

The employees of Huangshi Factory visited the Huangshi Welfare Home to send warmth and love to orphans, mentally/physically challenged children and the elderly. The gifts included: milk, high calcium milk powder, fruits, rice dumplings, laundry detergent, etc.



Conclusion of the Current State of Operation

- No cases of infection or suspected symptoms so far.
- Currently the two plants are operating normally. The Huangshi Plant maintained its operations under the implementation of epidemic prevention measures and the health of its employees, and will cooperate with the local government to resume normal production after February 14. The Kunshan plant is also in normal operation under perfect epidemic prevention measures, and will cooperate with the local government to resume normal production after February 10.
- The turnover rate of employees in Huangshi factory is very low, because the factory area is strictly protected, which turns it into a shelter for employees. Coupled with the highly automated design, the dependence on human labor has also been greatly reduced.
- There are no worries and concerns about the supply of raw materials and shipment at the two factories.
- The two plants will also ensure supply to customers of medical products.

Thank You!

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