

Cal-Comp Technology (Philippines), Inc. (“CCPH”)

Company Presentation

September 2019

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Introduction to the Kinpo Group

Established in 1973,
Kinpo Group is a Leading Global Technology ODM Company



38.6 B US Dollar Revenue⁽¹⁾

8 Publicly Listed Companies

24 Group Subsidiary Companies

69 Factories

120,902 Employees

Note:
1) As of FY2018

Kinpo Group of Companies (Cont'd)



Kinpo Group

Founder/Chairman: Rock Hsu



New Kinpo Group ("NKG")

CEO: Simon Shen



Compal Group

CEO: Martin Wong



Kinpo

Consumer Electronics / PC Peripheral



Cal-Comp Precision

Precision Plastic



Compal

Notebook, PC, TV and Mobile



Cal-Comp (Thailand)

EMS



XYZ Printing

3D Printing



Arcadyan

WiFi



AcBEL

Power Supply



Cal-Comp Biotech

Plant Factory



Allied

Bare PCB Manufacturing



CastleNet

Cable Modem



CCBS

Semiconductor Packaging



Compal Broadband Networks

Networking, Home Security



CCPH

EMS/ODM for Consumer Appliances & Electronics



Cal-Comp Big Data

Big Data



QBit

Semiconductor Design



New Era AI Robotic

AI Robot



Cal-Comp Automation and Industrial 4.0 Service

Automation and Industrial 4.0 Service



Cal-Comp Yue Yang

EMS

Overview of NKG's Key Major Product Lines

Calculators



HDD PCBA



External HDD/NAS



Set-Top-Boxes



Printers



SSD



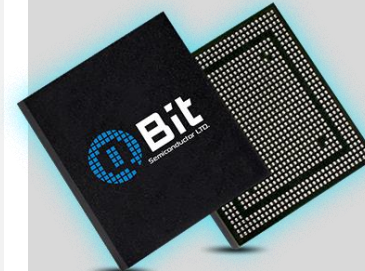
3D Printer



Gateway



Semiconductor Package



Smart Home Appliance

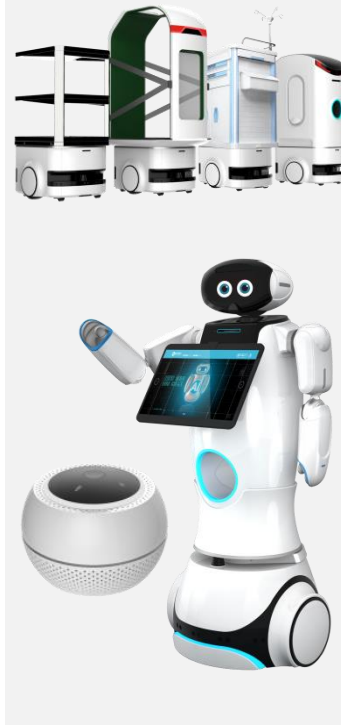


Overview of NKG's Emerging Technologies/New Products

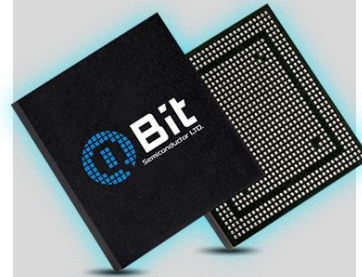
3D Printer



Robot



Semiconductor



HiMirror



Beauty Product



NKG is the Largest Contract Manufacturer in Southeast Asia



We are proud that NKG is the Largest Contract Manufacturer in Southeast Asia

NKG Group have factories in Thailand, Philippines and Malaysia, especially long history in Thailand for 28 years and Philippines for 20 years.

	Thailand	Philippines	Malaysia
Land Area (m ²)	444,736	288,947	12,667
Floor Area (m ²)	335,115	213,925	13,829
Employees	24,783	15,725	631

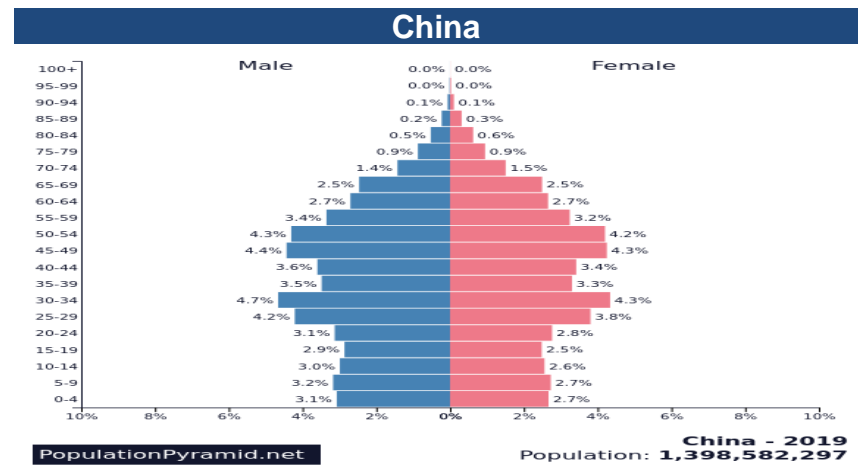
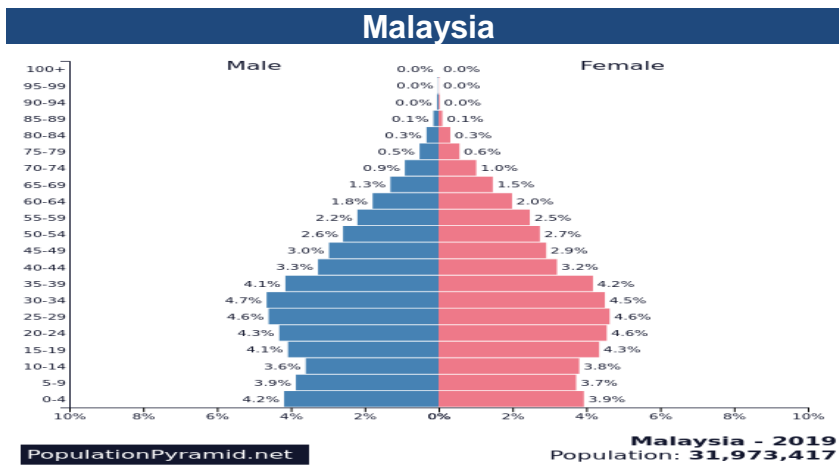
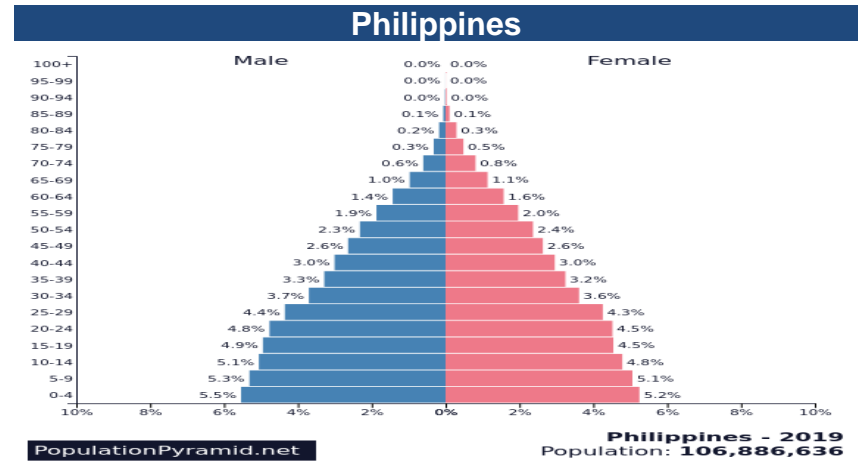
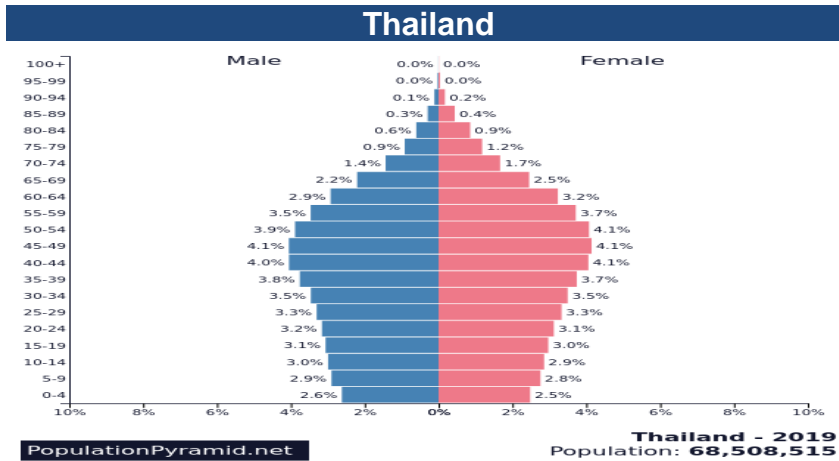


Business Overview

Why the Philippines?

- Sufficient supply of workforce
- Highly educated & skilled workers
- Government support (PEZA)

- Flourishing civil construction & stable infrastructures
- Tax benefits
- Shielded from impact of international trade conflicts

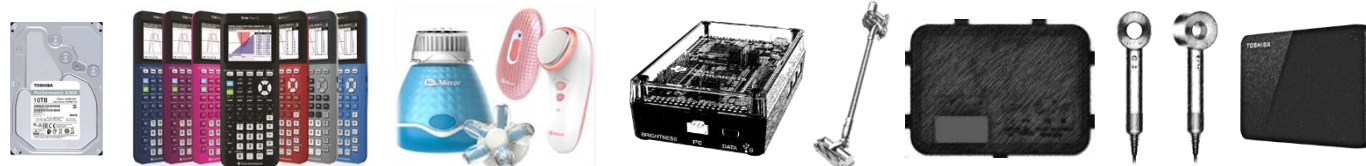


CCPH offers its customers lower costs, faster delivery times, design capabilities and world-class product quality

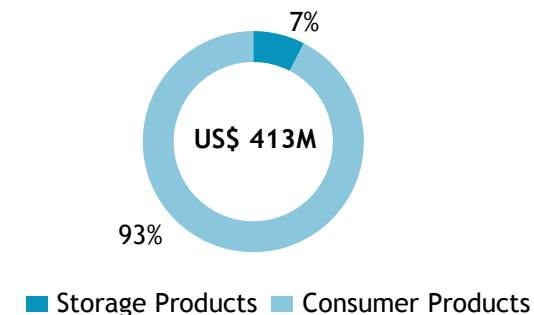


CCPH At a Glance

- CCPH was incorporated in 2012 and is the Philippine EMS/ODM subsidiary of NKG, a private global technology conglomerate based in Taiwan with listed subsidiaries in Taiwan and Thailand
- NKG ranks in the top 10 EMS/ODM companies globally by revenue according to QYResearch with total revenues of US\$6.7Billion in 2018
- CCPH manufactures over 70% of all scientific calculators globally
- CCPH manufactures:
 - electronic storage products: HDDs, and
 - consumer electronics products: calculators, smart home appliances and smart beauty products, pachinko display, and solar junction boxes



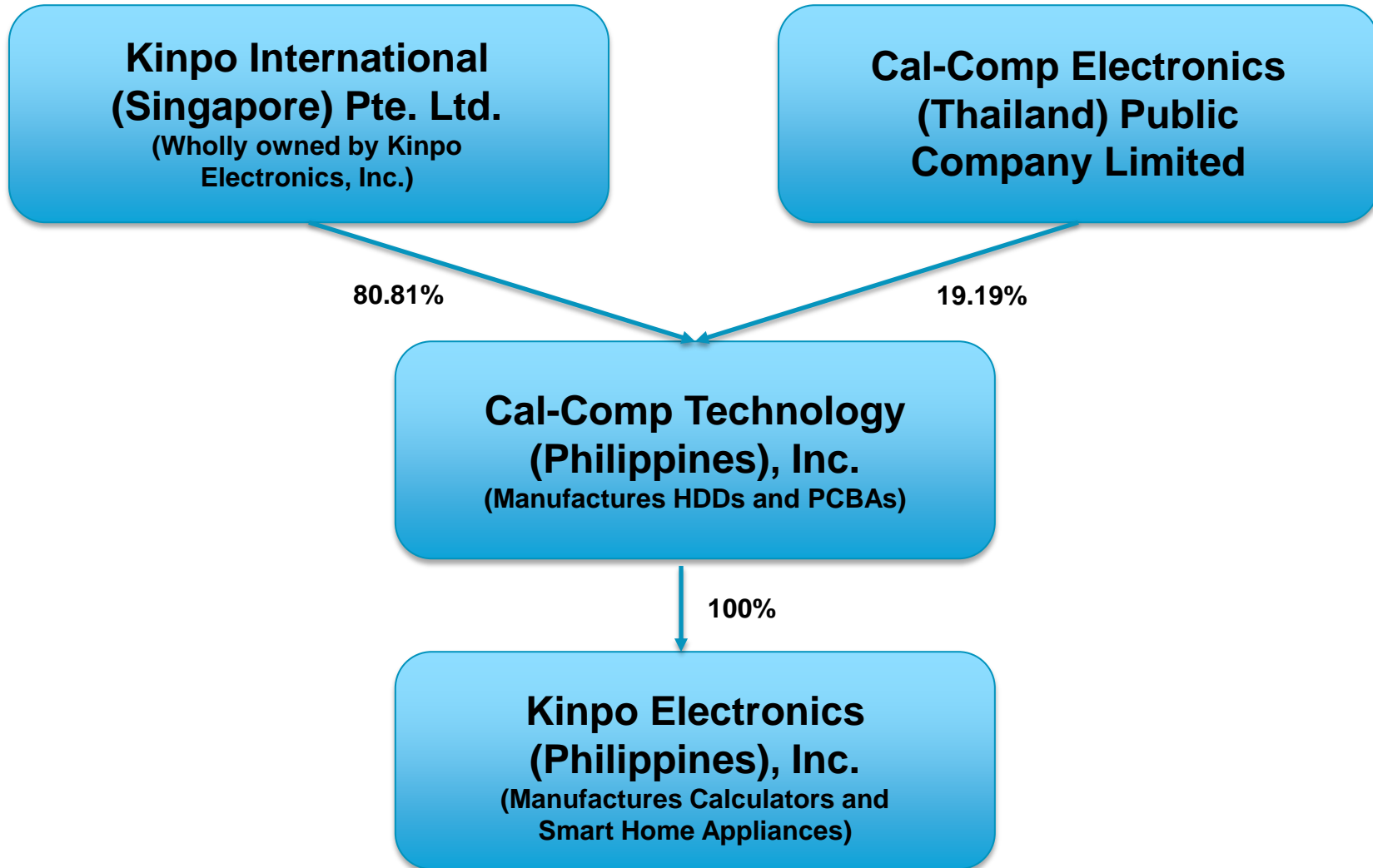
FY2018 CCPH Sale of Goods Breakdown



Product Segment	Description	FY2018 Sale of Goods Contribution	Products	Key Customers
Calculators	CCPH manufactures different types of calculators for the world's best-known calculator brands	~27.6%	<ul style="list-style-type: none"> Basic calculators Scientific calculators Financial calculators Graphing calculators TI-Innovator Hub 	(1) (1) (1)
Other Consumer Electronics	CCPH provides final assembly services and manufacturing services for a range of other consumer electronics products (including products under its own brand HiMirror™)	~65.1%	<ul style="list-style-type: none"> Smart home appliances Pachinko display Solar junction box Beauty products Robot products 	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Leading UK-based technology company</div> (1) (2)
Storage Products	CCPH produces various types of HDD PCBA and external HDD products	~7.3%	<ul style="list-style-type: none"> Hard drive disks (HDDs) including PCBA and external HDDs 	

Note:
 1) Through Kinpo Electronics Inc., a related party
 2) Through Cal-Comp Big Data, a related party

CCPH's Ownership Structure





Industry Overview & Outlook

Industry Size

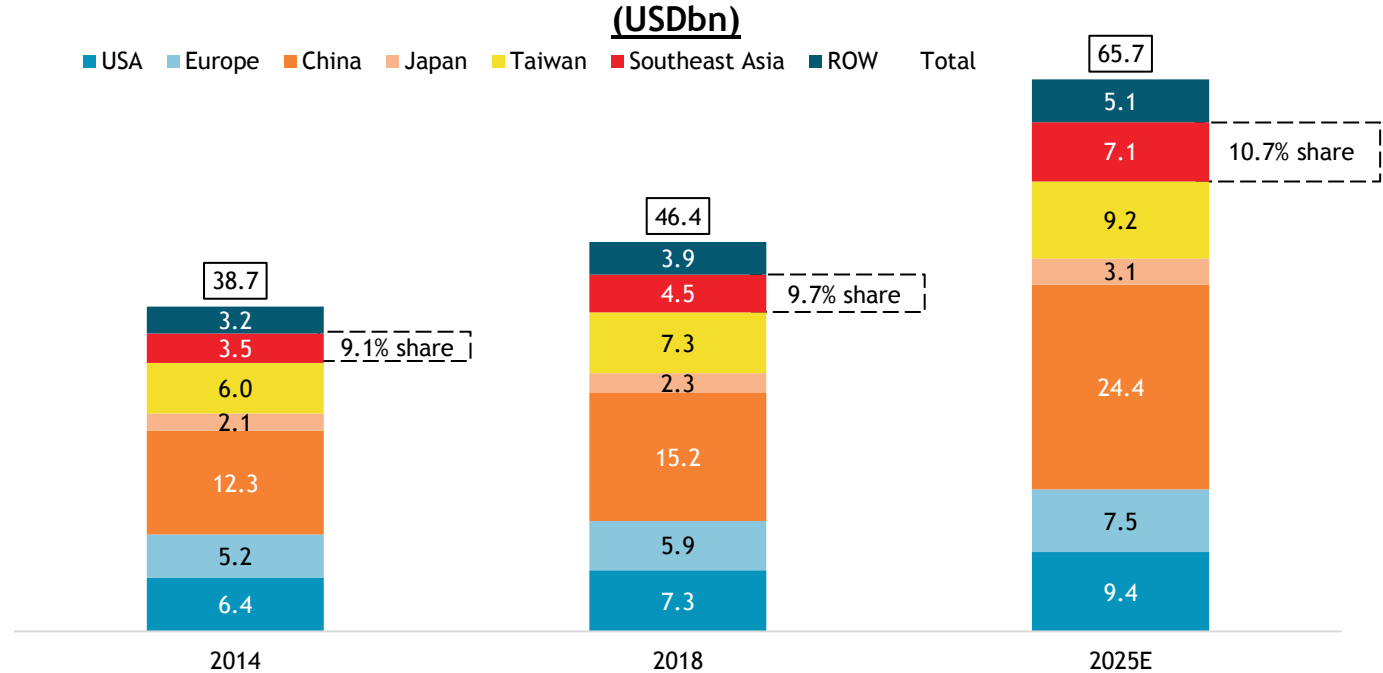
CCPH Primarily Operates in Fast-Growing Regions

The rapid rise in the demand for consumer and smart electronic devices across the globe is driving the EMS market growth.

ASEAN is expected to continue to outgrow the broader industry due to lower labor costs and improving talent in the region.

NKG is committed to expanding its ASEAN manufacturing base with increasing operations in the Philippines (CCPH) in particular, due to the country's deepening talent pool and good labor relations.

Revenue Comparison by Region for 2014, 2018, 2025E



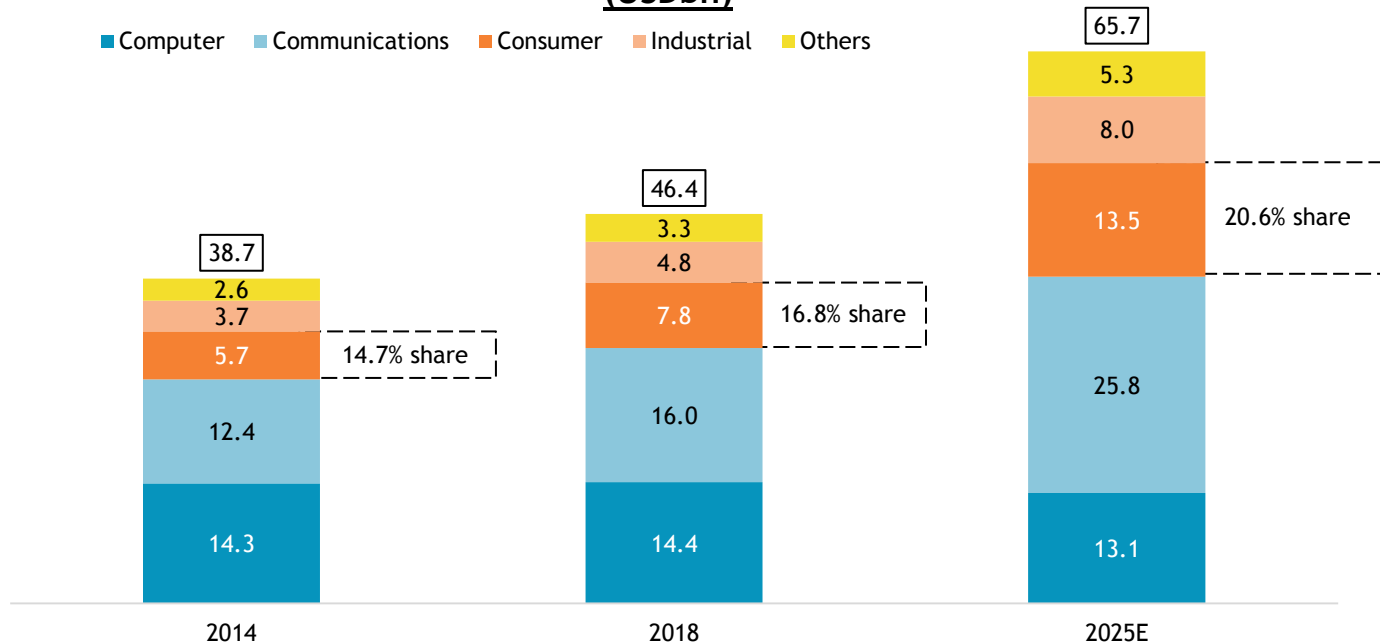
Country / Region	2014 - 2018 CAGR	2018 - 2025 CAGR
USA	3.4%	3.8%
Europe	3.3%	3.5%
China	5.4%	6.9%
Japan	3.0%	4.2%
Taiwan	4.8%	3.4%
Southeast Asia	6.5%	6.6%
ROW	5.0%	3.9%
Global Average	4.7%	5.1%

Source: QY Research

Industry Size

The Company's Products are Primarily Focused on the Fastest-Growing Segment

Revenue Comparison by Application for 2014, 2018, 2025E
(USDbn)



The Consumer segment is projected to have the fastest rate of growth.

The Company is mainly involved in the manufacture of consumer electronics.

End User / Application	2014 - 2018 CAGR	2018 - 2025 CAGR
Computer	0.2%	-1.3%
Communications	6.6%	7.1%
Consumer	8.2%	8.2%
Industrial	6.9%	7.4%
Others	6.4%	6.9%
Global Average	4.7%	5.1%

EMS Market Players

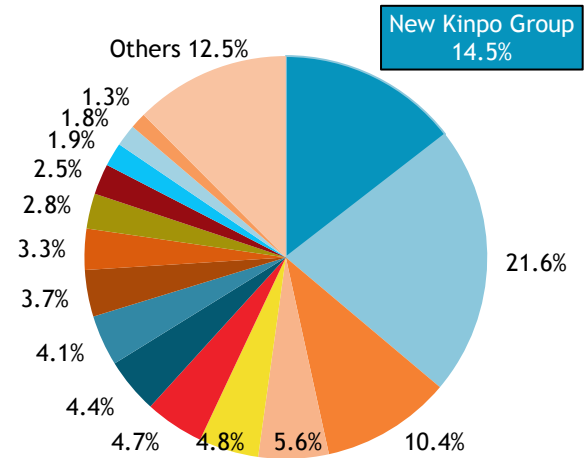
NKG is a leading player regionally and globally

Total EMS revenue of USD46.4bn in 2018 is shared largely by fifteen major players.

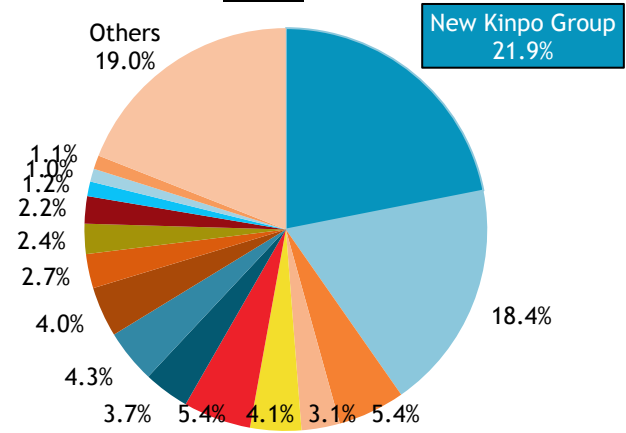
Globally, New Kinpo Group is the second largest EMS company, with 14.5% market share according to revenue in 2018.

NKG is also a leading player in Southeast Asia in 2018, holding an equivalent to 21.9% of the total market share according to revenue.

Share of Players in Global EMS Revenue in 2018



Share of Players in Southeast Asian EMS Revenue in 2018





Key Strengths of Our Business

Strong Parent Support

As a member of NKG, CCPH benefits from NKG's:

Global Design,
Research and
Development
Capabilities

Vertically
Integrated Supply
Chain

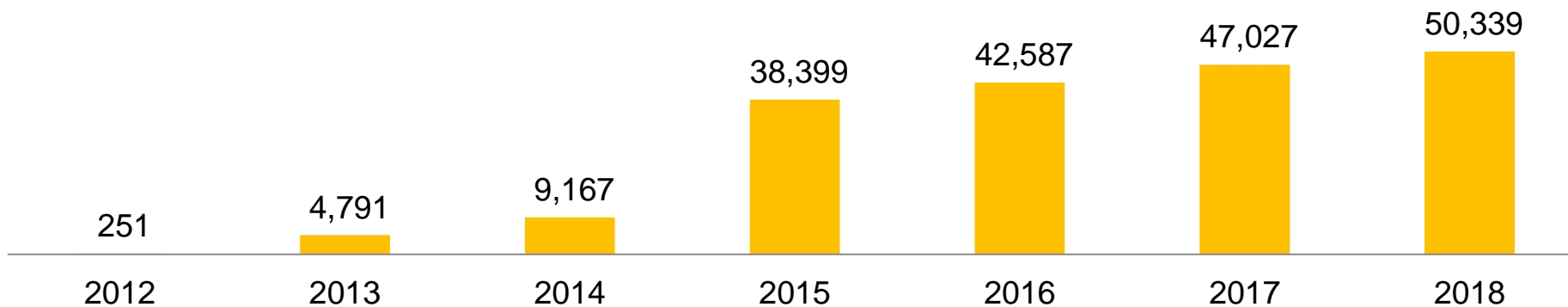
Long Global
Customer and
Supplier
Relationships

Stringent Quality
Standards

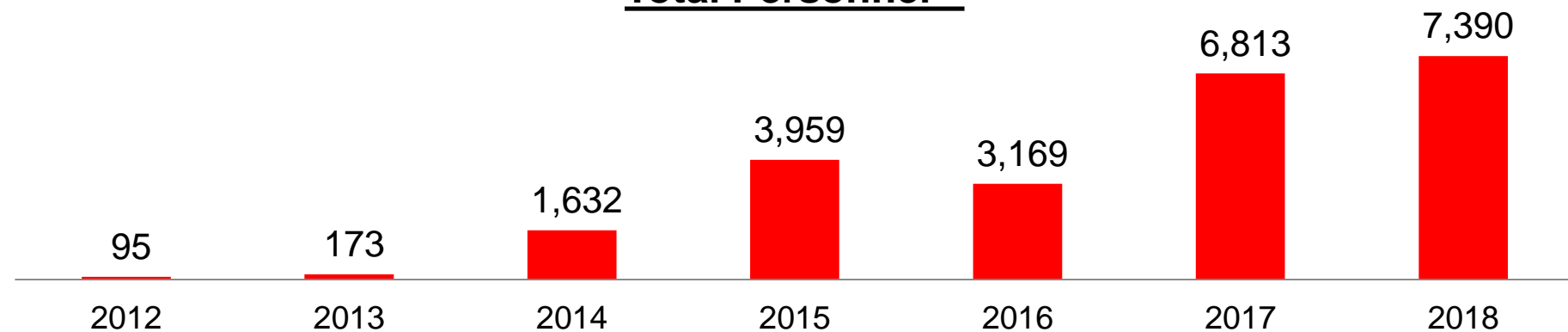
Strong Financial
Resources

Dynamic
Management
Team with Long
Global Experience

Total Units Produced (000's of units)



Total Personnel⁽¹⁾



Note:
1) Includes both regular employees and seasonal workers sourced through third party manpower agencies

Smart Factory 4.0 Solutions



Machine Monitoring and Predictive Maintenance



Equipment Monitoring and Optimization



MES Integration and Production Traceability



Factory Energy Management System

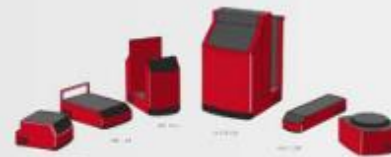
Intelligent Warehouse & AGV

Smart Warehouse System



AGV + VCS+ WMS

Effective Logistics



AGV series

New Era Device



SLAM AGV

Intelligent Machinery & Robotics

SMT



Labeling / Routing / ICT

PCA



AI / FCT

Testing



Vision Inspection

A'ss'y & Pack



Screwing / Gluing / Palletizing



Real time management of all manufacturing activities



Barcode traceability, from components to products



Automatic alert system to lead engineers for quick corrective measures



Online factory information access for customers, through virtual factory site

Safety



Electromagnetic Capability



Corporate Social Responsibility



Quality



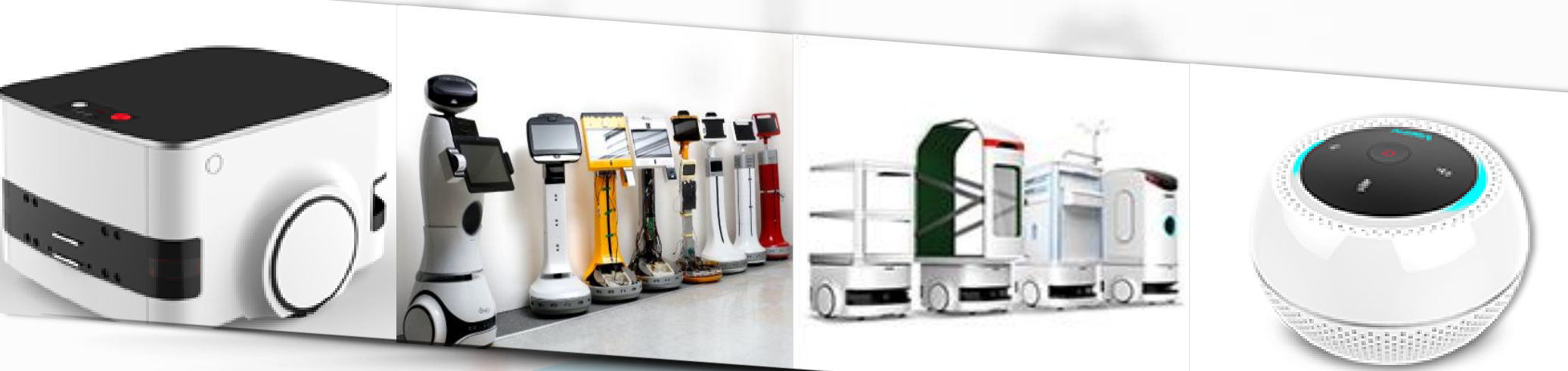
Strong Board and Management Team

Over 170 years of combined experience in Global Manufacturing :

Name	Position	Background
Simon Shen	Chairman, President & CEO	<ul style="list-style-type: none"> CEO of the New Kinpo Group since 2008; led the Group's transformation from a traditional EMS company to a vertically integrated company with enhanced supply chain and R&D capabilities
Tony Chou	Director & General Manager	<ul style="list-style-type: none"> CCPH Director since 2012 and General Manager since 2016 COO of the New Kinpo Group Director and Managing Director of Cal-Comp Electronic (Thailand) since 2006 with over 30 years of Manufacturing experience
Hugh Lo	Director & Investor Relations Officer	<ul style="list-style-type: none"> Over 30 years experience in the Manufacturing and Consumer fields Masters in Industrial Engineering from the University of Massachusetts
Kirby Wong	Director	<ul style="list-style-type: none"> Over 20 years experience in Manufacturing, with strong technical background and experience on program management
Naipuu You	Director	<ul style="list-style-type: none"> Over 20 years experience in EMS industry and Business development
Derek Khoo	Director	<ul style="list-style-type: none"> Over 20 years experience in the contract manufacturing industry, establishing and developing new businesses with key international customers

Strong Board and Management Team (Cont'd)

Name	Position	Background
Gregory L. Domingo	Independent Director	<ul style="list-style-type: none"> ▪ Former Secretary of DTI and Head of BOI ▪ Former Director of SMIC, Belle Corp. & Carmelray-JTCI Corp., and currently a Senior Advisor to SMIC and a board member of BDO Private Bank
Cirilo P. Noel	Independent Director	<ul style="list-style-type: none"> ▪ Former Chairman & Managing Partner of SGV & Co. ▪ Director of Globe Telecom, Security Bank, JG Summit & St. Luke's Medical Center
Emmanuel M. Lombos	Independent Director	<ul style="list-style-type: none"> ▪ Partner at SyCip Salazar Hernandez & Gatmaitan Law Offices
Marlo P. Arcinas	Corporate Secretary	<ul style="list-style-type: none"> ▪ Has served as external legal counsel for First Gen Corporation, First Gas Power Corporation & Meralco Industrial Engineering Services among many others
Frank Yu	Compliance Officer	<ul style="list-style-type: none"> ▪ Senior Legal Manager of NKG since 2006 ▪ Over 20 years of experience in Legal Management and Regulatory Compliance
Martin Lee	Treasurer	<ul style="list-style-type: none"> ▪ Has served as an independent auditor for Deloitte, and has 19 years of Accounting and Finance experience



Key Strategies Moving Forward

Continuous Improvements & Innovation in our Manufacturing Capabilities

- Continuously innovate and improve technology, product quality and design
- Capture business from customers looking to migrate manufacturing out of China by expanding Philippine operations and capabilities
- Constantly improve efficiency through automation for lower cost and better quality
- Improve supply chain capabilities to improve raw material costs and reduce lead times, through NKG's Vendor Partnership Program
- Design-for-manufacturing capabilities, designing their own manufacturing systems tailored to the clients' products



Develop Local Engineering Talent

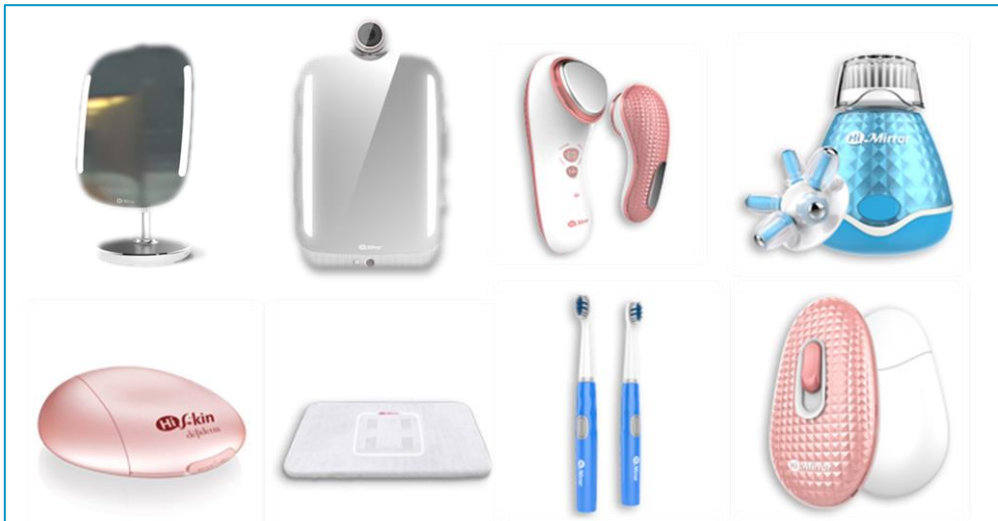
- As of June 30, 2019, CCPH has 429 engineers in the Philippines
- Plans to further increase this number in order to increase Research and Development capabilities within the country
- On average, it takes three to five years to fully train a new engineer



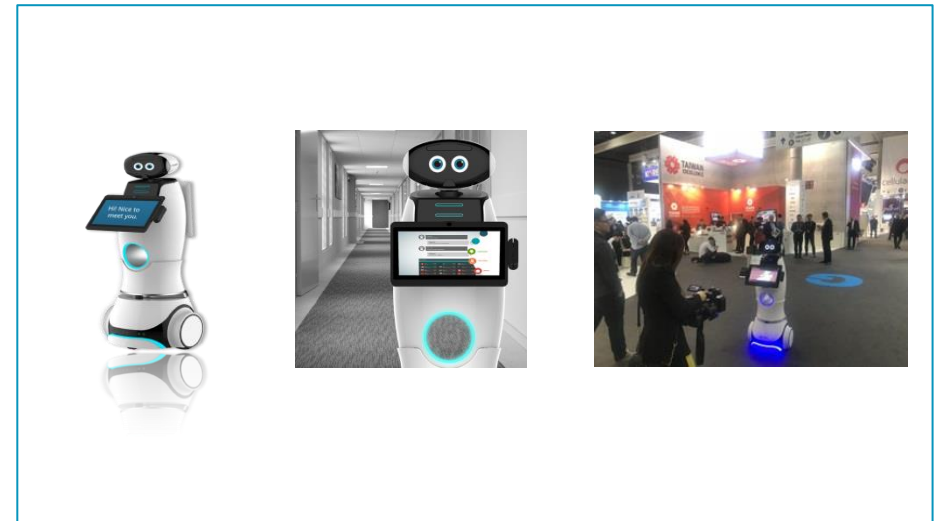
Develop Our Own Brands and the Philippine Domestic Market For New Consumer-Focused Products & Emerging Technologies

- The Company intends to leverage on NKG's own-product designs and develop and market these in the Philippines
- The Company continuously negotiates with local players to determine the market feasibility of manufacturing and introducing certain products, such as smart beauty products, and robotics, into the Philippine market

Beauty Products



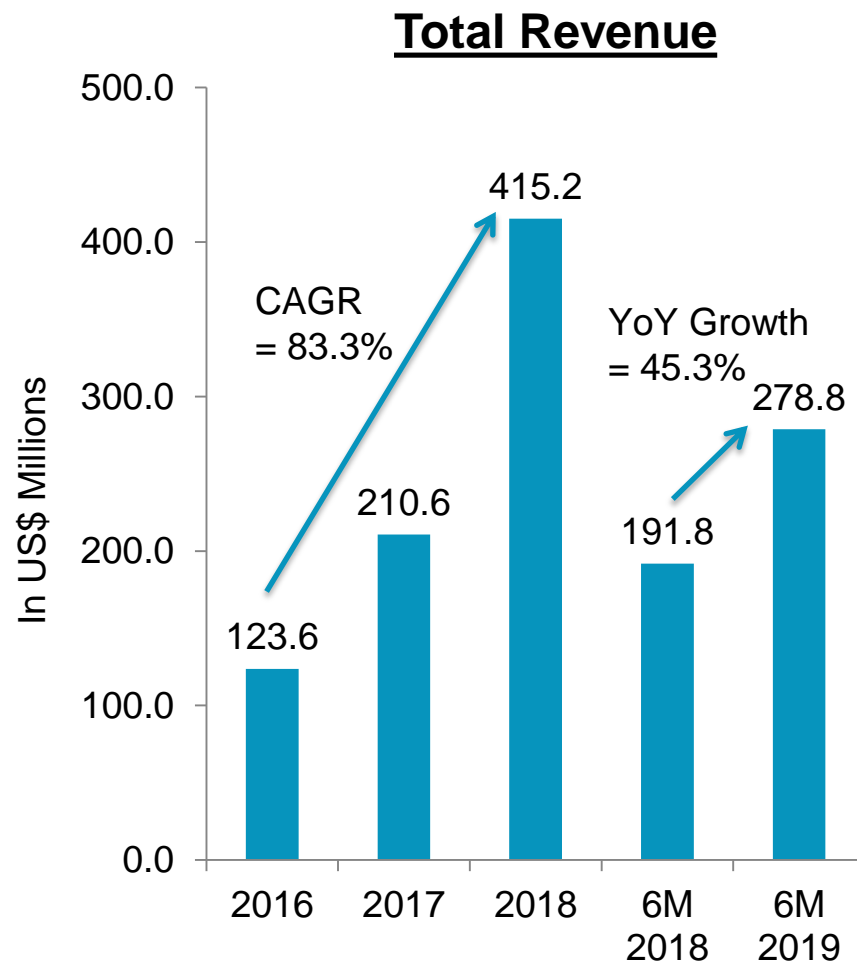
Robotics





Financial Highlights

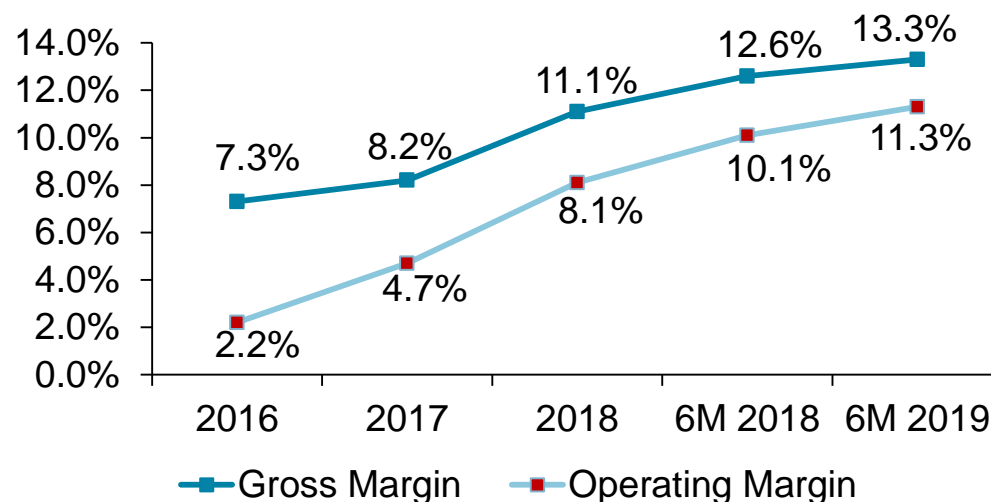
- Strong growth in revenue due to higher demand for smart home appliances and shift in manufacturing from China to ASEAN
- 1H financial performance is not representative of full year performance due to typically stronger seasonal demand in the 2H of the year



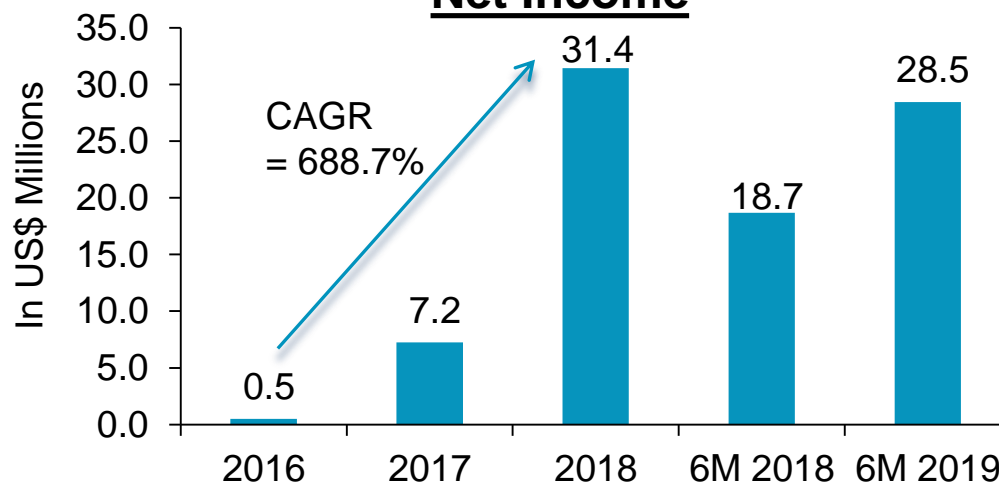
Historical Financial Performance (Cont'd)

- Gross margins continue to improve due to manufacturing process improvements
- Operating margins also improved due to better gross margins and continued cost-control initiatives
- Due to the improvement in margins, net income grew strongly in the last 3 years and in the interim period of 2019
 - Margins improved due to increases in production efficiency and utilization rate
 - Operating expenses did not increase as fast as revenue growth

Gross and Operating Margins

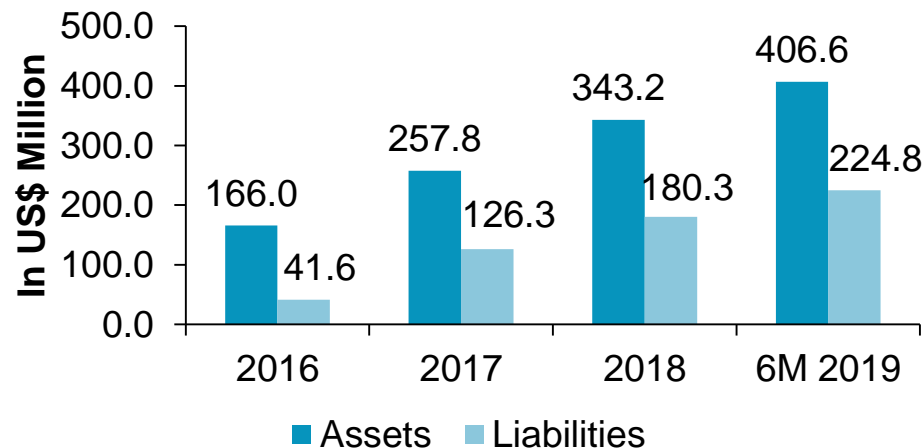


Net Income



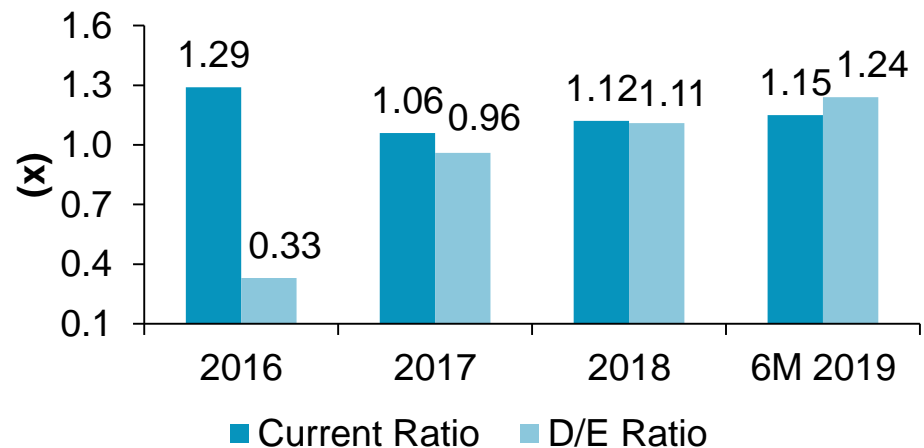
- The Company maintains a stable balance sheet by actively managing its liquidity and equity position

Assets and Liabilities



- As of June 30, 2019, the Company had a total of US\$94 million in bank debt, with a healthy Debt to Equity ratio of 1.24x

Financial Ratios





Thank You

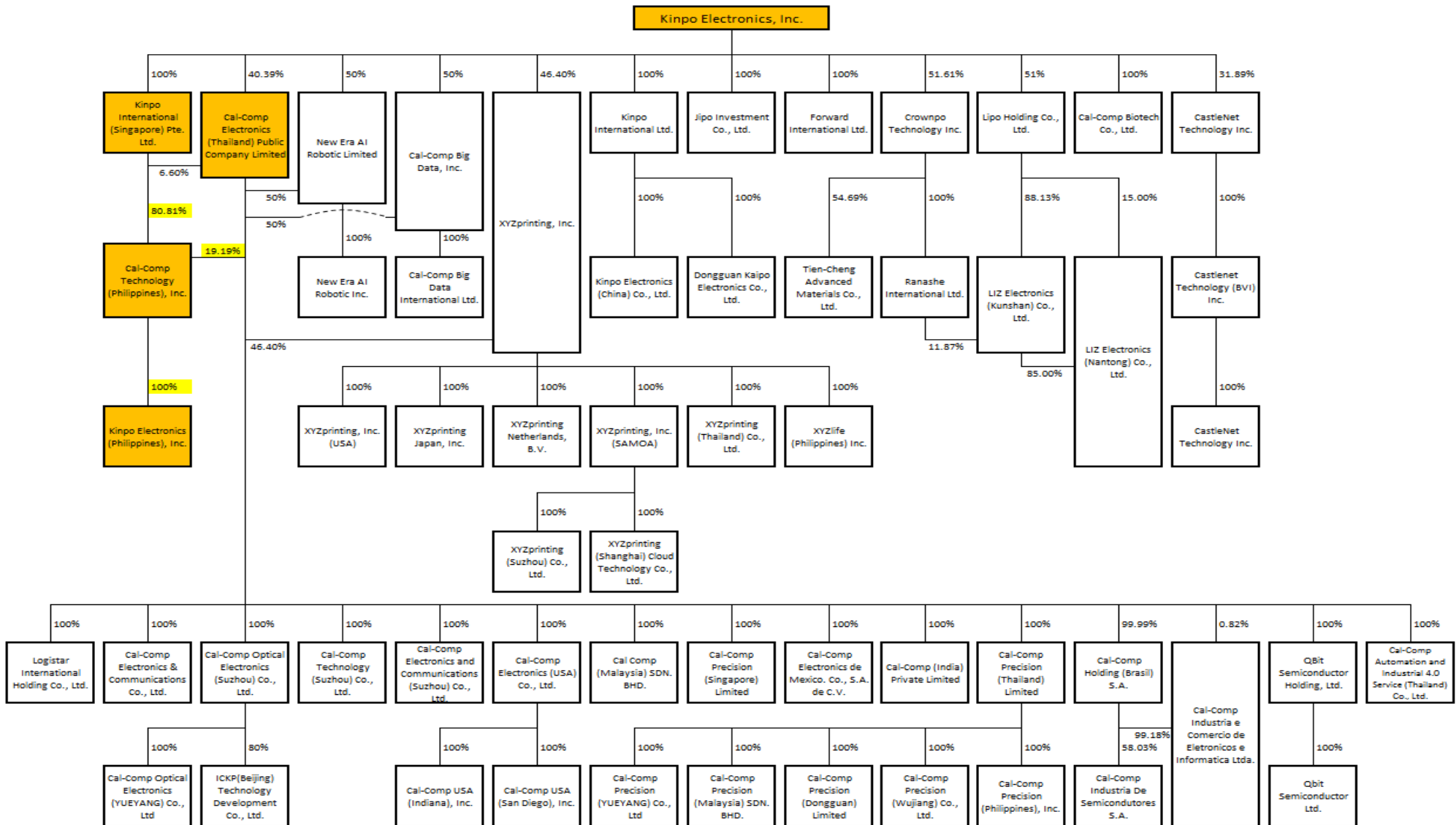




Appendix A

Corporate Structure

Corporate Structure





Appendix B

Supplementary General Information

Business	<ul style="list-style-type: none"> • Electronic Manufacturing Services (“EMS”) • Original Design Manufacturer (“ODM”)
Products	<ul style="list-style-type: none"> • Calculators • Smart Home Appliances • External Hard Disk Drives (“HDDs”) • HDD Printed Circuit Board Assemblies (“HDD PCBA”) • Pachinko Displays • Solar Junction Boxes • Beauty Products
Clients	<ul style="list-style-type: none"> • Casio⁽¹⁾ • Citizen⁽¹⁾ • Texas Instruments⁽¹⁾ • Toshiba • UK-based smart-home appliance provider • Tigo⁽²⁾ • Shinsei⁽¹⁾
Locations	<ul style="list-style-type: none"> • Lima Technology Center, Lipa City, Batangas • First Philippine Industrial Park, Sto. Tomas, Batangas
Total Leased Land Space	<ul style="list-style-type: none"> • 286,434 square meters
Total Manufacturing Space	<ul style="list-style-type: none"> • 78,146 square meters
Total Workforce	<ul style="list-style-type: none"> • Approximately 7,000 employees⁽³⁾

Notes:

1. Through Kinpo Electronics Inc., a related party
2. Through Cal-Comp Big Data, a related party
3. Includes regular and seasonal employees sourced through third party manpower agencies

Competitive Cost

- Vertically-integrated supply chain
- Strong automation engineering and advanced automation capabilities
- Effective management of overhead costs

Experienced Production Planning

- Flexibility to satisfy customers' On-Time Delivery (OTD) requirements

Quality Standard

- Certified to the latest Safety, EMC, CSR and Quality System Standards

Design Capabilities

- Applies Design for Manufacturing (DFM) and Design for Cost Effective Assembly (DFC) to ensure product design is optimized for assembly, service, quality and process

- **HDD PCBA and External HDD** - Create higher capacity HDDs at lower cost
- **Calculators** - Improve existing product capabilities and develop ultra-thin stylish designs
- **Smart Home Appliances** - Improve productivity and efficiency in order to win orders for new product lines
- **Smart Beauty Products** - Launched the “HiMirror” brand in 2017, and will continue to develop and market new products in the category