

JCET Group Reports Financial Results for the Third Quarter 2019

JCET Group, (SH:600584), the largest OSAT (Outsourced Semiconductor Assembly and Test) services provider in mainland China and the third largest in the world, announced financial results for the third quarter ended September 30, 2019 on October 29, 2019.

"Our revenue grew significantly quarter on quarter due to strong demand for communication products. With higher sales and higher factory utilization, we successfully improved operating profitability and delivered positive net profit in Q3. Looking forward, we target the growing momentum will continue in Q4." said Mr. Li Zheng, JCET's Chief Executive Officer.

2019 third quarter financial highlights:

The third quarter net revenue was RMB7047 million, up 52.10% sequentially and up 3.91% vs. the same quarter last year.

Gross margin improved from 10.47% in Q2'19 to 11.89% in Q3, driven by higher revenue and higher factory utilization.

Operating income was RMB87 million in 3Q'19 compared to RMB43 million in 3Q'18, Operating margin was 1.24% in 3Q'19 compared to 0.64% in 3Q'18.

Net Income was RMB77 million in 3Q'19, compared to RMB11 million in 3Q'18.

Cash flow from operations was RMB545 million in 3Q'19.

Consolidated Income Statement- Unaudited

JCET Group Co., Ltd.

Unit : YUAN Currency: RMB

	Third Quarter 2019	Third Quarter 2018	Third Quarter 2019 (YTD)	Third Quarter 2018 (YTD)
Net Revenue	7,047,485,231.13	6,782,613,999.34	16,195,946,797.21	18,085,343,862.02
Cost Of Revenue	6,209,181,930.48	5,952,235,889.02	14,506,581,778.96	15,856,583,824.66
Gross Profit	838,303,300.65	830,378,110.32	1,689,365,018.25	2,228,760,037.36
Business tax & surcharges	8,804,097.77	8,977,283.75	26,247,652.69	32,110,395.35
Selling expense	70,693,897.18	68,618,892.86	198,359,753.46	183,945,007.44
General and administrative expense	265,158,984.51	299,551,342.36	814,120,688.05	846,789,977.56
Research & development expense	227,124,893.70	218,732,515.36	575,758,377.86	476,543,554.83
Financial expense	223,322,207.98	250,127,641.83	656,944,570.47	723,770,671.70
Including : interest expense	220,304,604.20	239,104,551.72	588,942,670.71	658,990,854.88
Including : interest income	7,173,596.94	9,191,187.97	19,617,170.80	19,060,547.23
Add : other gain	31,514,190.35	34,801,065.23	216,505,209.68	121,526,938.31
Add: gain from investment (minus mean loss)	4,933,727.11	-3,823,495.34	1,183,768.29	657,378.66
Gain from fair value change (minus mean loss)		34,601,752.10		34,601,752.10
Credit impairment loss (minus mean loss)	1,946,845.74		-5,660,736.41	
Assets impairment loss (minus mean loss)	-925,012.96	-6,717,546.38	-14,952,459.70	-21,145,305.13
Assets disposal gain (minus mean loss)	6,913,094.60	111,902.38	13,647,647.78	1,706,518.26
Operation income (minus mean loss)	87,582,064.35	43,344,112.15	-371,342,594.64	102,947,712.68
Add : Non-operating income	174,630.00	564,344.64	651,559.19	1,708,509.19
Minus : Non-operating expense	420,572.06	-254,356.16	4,128,463.09	4,818,174.88
Income before tax (minus mean loss)	87,336,122.29	44,162,812.95	-374,819,498.54	99,838,046.99
Minus : Income tax	9,993,905.08	33,036,253.59	-194,164,243.39	67,978,851.48
Net Income (minus mean loss)	77,342,217.21	11,126,559.36	-180,655,255.15	31,859,195.51