



柏騰科技  
Paragon Technologies



PARAGON [3518TW]  
Investor Conference

December 2, 2020

# Limiting responsibility

- The predictive information mentioned in this briefing report and related information, such as outlook of operating, financial performance and business forecasts, is the gathered information from company internal data and the existing status of external economic development.
- The actual operating outcomes, financial performance, and business achievements of the company in the future may differ from predictive information. The causes may include but are not limited to market demand, policies and regulations, the alter of total economic conditions, and other Risks and factors beyond our control.
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# Agenda

- ▶ Company Overview
- ▶ Financial Information
- ▶ Market & Applications
- ▶ Future Strategies

# Company --- Overview

# Paragon Technologies [3518]

- ◆ Establishment : 1995.10.20
- ◆ Capital : NTD 807 Million
- ◆ Employees : 800
- ◆ Chairman : Mr. Eagle, Chen
- ◆ General manager : Mr. Longer, Wang
- ◆ Main of products :
  - EMI 〈 Electromagnetic Interference 〉 – 95%
  - AP 〈 Auto Parts 〉 – 5%



# About Paragon

Sputtering technology is applied to the electronics industry and the automotive industry.



## Taiwan HQ & RD Center

Established: 1995 year  
806 million (NTD)



## EMI BU

- Suzhou Factory (R&D)
- Nanjing Factory / Sichuan Factory

The leading company of EMI suppliers in  
Notebook Market, 50% of market share,  
Annual shipments of 50 million



## AP BU

- Sunshine Factory
- Capacity: 100K/ month

# Historical Milestones

Founded in Taiwan as one of the world leading companies to provide PVD coating services

Public listed in Taipei Exchange (3518). Automotive Products Business Unit founded

Became ISO/TS 16949 certified manufacturer

Approved by major OEM brands, such as Nissan, Autech and Ford.

Introduced state-of-the-art, proprietary Metal Shading Technology, MST



# Financial Information

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# Q3 20' Consolidated Balance sheet

Unit in NT\$ Million

	2020.9.30	%	2019.12.31	%	2019.09.30	%
Cash and cash equivalents	360	17	634	30	282	13
Financial assets-current	391	18	0	0	461	21
Notes and accounts receivable	386	18	314	15	298	13
Inventories	10	0	9	0	8	0
Other Current Assets	40	2	32	2	34	2
Fixed Assets & Right-of-use asset	551	26	619	29	671	30
Financial assets-noncurrent	162	8	250	12	252	12
Other Non Current Assets	264	11	243	12	200	9
<b>Total Assets</b>	<b>2,146</b>	<b>100</b>	<b>2,101</b>	<b>100</b>	<b>2,206</b>	<b>100</b>
Short-term debt & current portion of long-term liabilities	405	19	370	17	370	17
Non Current Liabilities	158	7	157	8	175	8
long-term debt payable	199	9	118	6	81	3
Other Non Current Liabilities	29	2	40	2	44	2
<b>Total Liabilities</b>	<b>791</b>	<b>37</b>	<b>685</b>	<b>33</b>	<b>674</b>	<b>30</b>
<b>Total Owners' Equity</b>	<b>1,355</b>	<b>63</b>	<b>1,416</b>	<b>67</b>	<b>1,536</b>	<b>70</b>
<b>Net Worth Per Share</b>	<b>17.12</b>		<b>17.89</b>		<b>19.40</b>	

# 2020~Q3

## Consolidated income statement

Unit in NT\$ Million

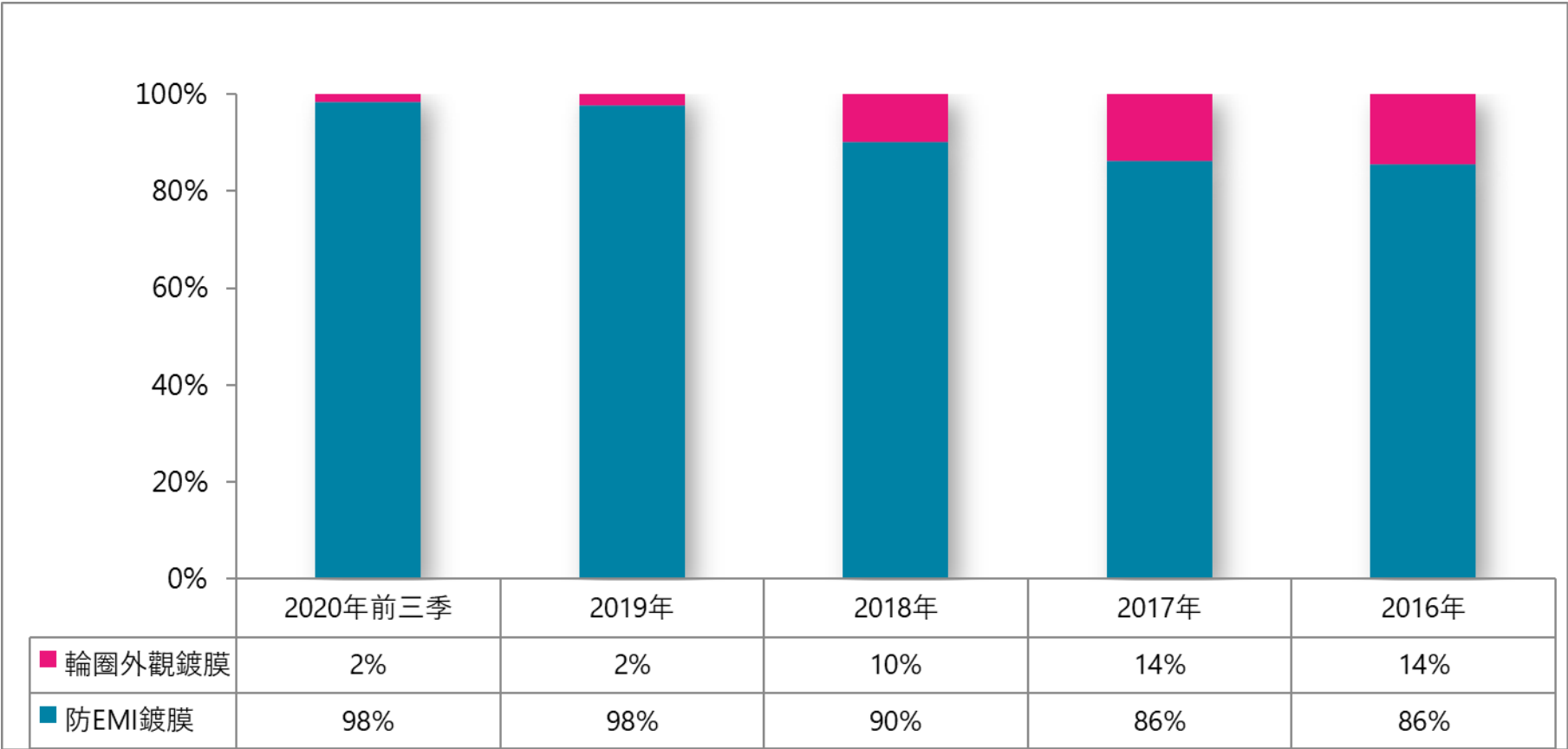
	2020.Q3		2019.Q3		QOQ		2019	
Sales Revenue	471	100%	397	100%	74	19%	547	100%
Gross Profit	139	29%	52	13%	87	167%	86	16%
Operating Expense	155	33%	125	32%	30	24%	190	35%
Operating Net Loss	(16)	-4%	(74)	-19%	58	78%	(105)	-19%
Net Loss	(52)	-11%	(90)	-23%	38	42%	(197)	-36%
EPS	(0.65)		(1.14)		0.49		(2.50)	

# Q3 20' Consolidated Cash Flow

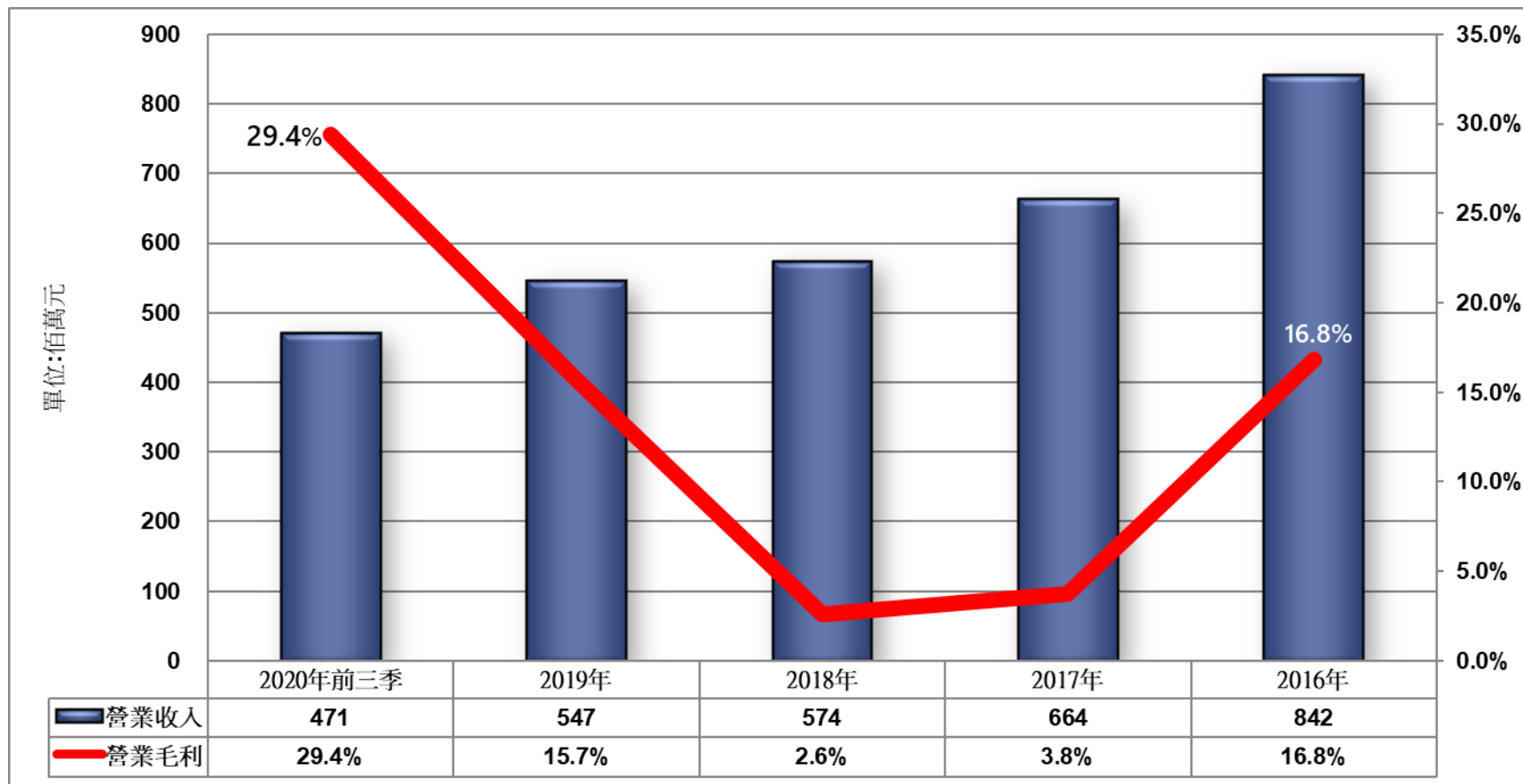
Unit in NT\$ Million

	2020Q3	2019Q3
Cash flows from operating activities	(18)	(23)
Cash flows from investing activities	(336)	(194)
Cash flows from financing activities	83	(32)
Effect of exchange rate change	(3)	(8)
Decrease in cash and cash equivalents	(274)	(257)
Cash(Beginning of period)	634	539
Cash (End of period)	\$ 360	\$ 282

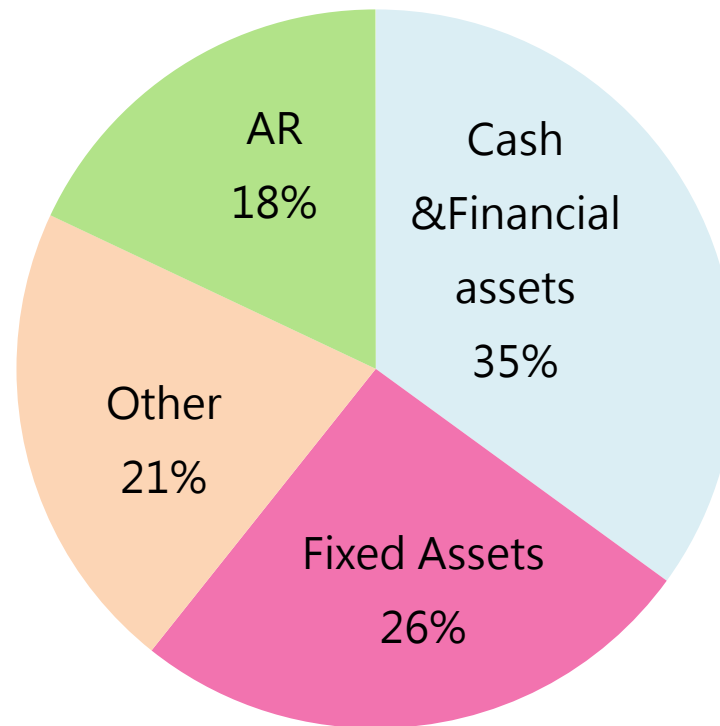
# Percentage of products in the past five years



# Overview of revenue and gross margin in the past five years



# Q3 20' Financial Structure



Item	2019	2018	2017	2016	2015
Debt Ratio	32.6	29.7	20.7	18.9	18
Current Ratio	187.8	181.1	271.9	315.3	350.9
Cash flow Ratio	(21.6)	(2.94)	10.4	25.2	40.7
Dividend Pay-out	0	0	0	0.51	1.04

# Market & Applications

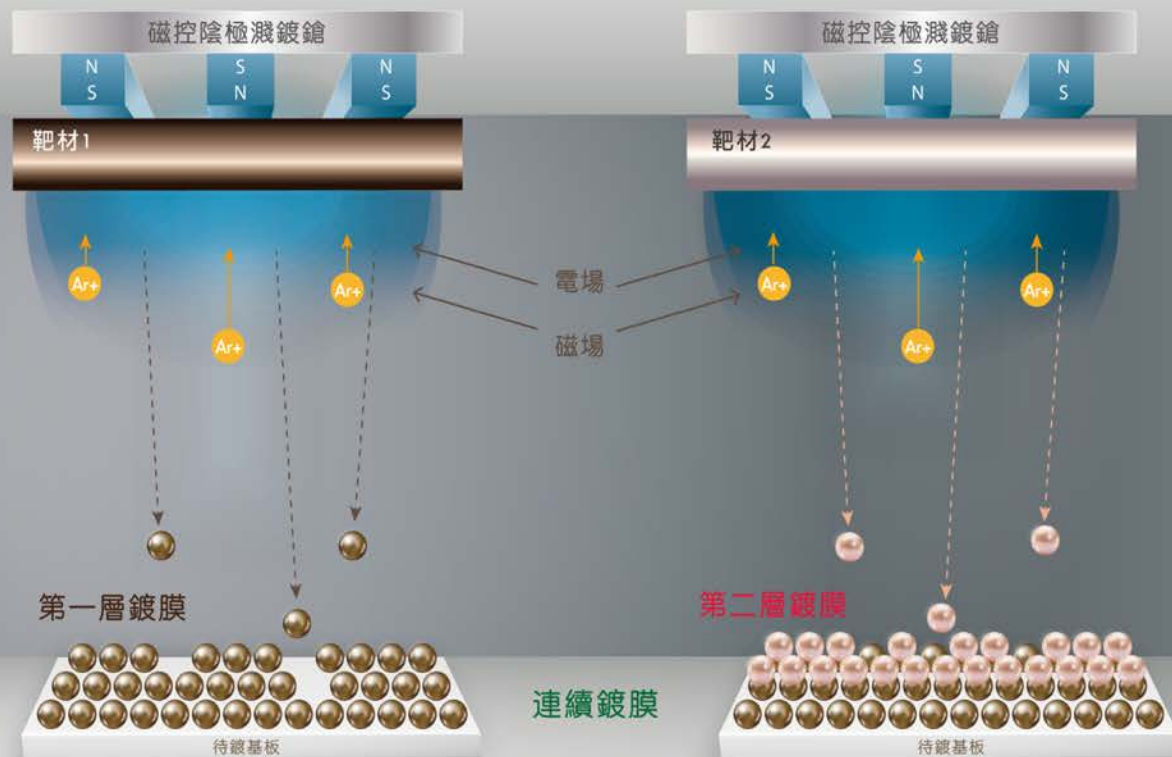
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# Sputtering principle

Using In-Line sputter, in a vacuum environment, microscopic particles of the target are ejected from its surface and formed a thin layer, after the material is itself bombarded by energetic particles of inert gas.

Argon ion of ionized plasma hit the target at high speed

microscopic particles of the target hit by argon ion and deposition on the substrate





# Advantages-PVD Finish of Paragon

- ◆ Eco-friendly –  
Low risk of environment and decrees, complying with national environmental regulations.
- ◆ Specializing in PVD technology development, equipment assembly and manufacturing.
- ◆ Multi-technique appearances –  
Spray coating / Dyeing / electro-plating / Anodizing
- ◆ Highly flexibility of design –
  - not limited to types and material of substrate
  - customized service, presenting diverse and innovative texture of appearance

# Technical Applications

## Applications

- Functional coating
  - EMI / AF
- Appearance coating
  - metal & optical coating
  - substrates :  
metal / plastic / glass /  
polyimide film / ceramics
  - performances  
metal texture of multi-gradation  
variable-color film

## Products

- EMI processing for NB products
- Surface treatment of alloy wheels
- Mobile & tablet back cover
- Car interior and exterior trim
- Finishing components of intelligent appliances
- Other 3C products

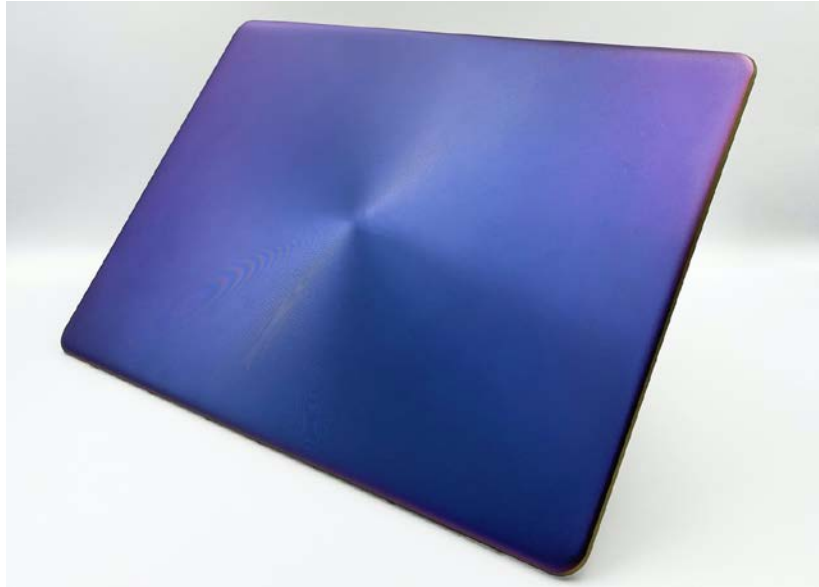
# 3C New Product

Breakthrough limits, coating in the designed shape.

	Starry	ICE	Galaxy	Aurora
method	Optical / Metal coating	Optical / Metal coating	Multi-layer coating	Optical coating
Characteristic	<ul style="list-style-type: none"><li>- 5G unobstructed,</li><li>- metal look in plastic substrate</li></ul>	<ul style="list-style-type: none"><li>- Appearing metallic luster</li><li>- Metallic luster performed on magnesium alloy</li></ul>	<ul style="list-style-type: none"><li>- Metallic luster of multiple colors are displayed</li><li>- Multiple colors displayed on various perspective</li></ul>	fleeting luster and colors enhancing the texture of objects
effect	metallic texture	metallic texture	Gradation and discoloration	Multi-colored texture Running ray

# ICE / Metal coating

Metallic appearance, customized coating.



# Galaxy / Metal gradient color

Provides various perceptions of metallic light due to the thickness of film .



# Aurora / Magic color

Displaying a multi-colored texture and Running ray on products due to refraction of light



# PVD processing - appearance of wheel

D-PVD, through passivation characteristics, to change the deposition direction from single and vertical to multi-faced, creating the diversified coating layers.

Bronze-gold

Black-gold



platinum

# Technical superiority in PVD of Paragon

Displaying various metallic texture.

Providing customized plans via devising coating areas.

Metallization processing	PVD in Paragon	Polish	Plating
Film thickness	<0.1um	no	<1um
Texture	Various	original	chome
Topcoat thickness	80 ~ 120µm (Powder)	20 ~ 40µm (Liquid)	20 ~ 40µm (Liquid)
ECO	Eco-friendliness	Pollution	Heavy pollution
ROHS	O	O	X
C A S S (FOR Metal film)	168~240 hr	120 hr	120 hr



# High quality requirements

## Rigorous and self-verified persistence

Hardness test, adhesion test, flying stone test, acid and alkali test, detergent test, salt spray test, CASS test, filament corrosion, humidity test, warm water test, hot and cold shock...etc



### TESTING LABORATORY (CORROSION) TEST REPORT

Report No.: MTE-180109 Job No.: L07SE000-2814

Applicant : Paragon Technologies  
 Address : -  
 Sample Description : CPS (Chrome Pattern Shading)  
 Project Description : -  
 Received Date : 2018/09/10  
 Issued Date : 2018/09/27  
 Sampler : -  
 Item : Copper-Accelerated Acetic Acid-Salt Spray Testing (CASS Test)  
 Instrument : Q-FOG Salt Spray Tester  
 Method : ISO 9227:2017  
 Ambient Temp. : 50°C  
 Test Results :



240 hours

Quantity	Loc.	Standard
Test Period	240 hours	TL-239 No. 1. 2
Degree of blistering as per ISO 4628-2	Front surface	0(S0)
	Side surface	0(S0)
Degree of rusting as per ISO 4628-3	Front surface	Ri0
	Side surface	Ri0
Loss of adhesion as per ISO 4628-8	Front surface	d= 0.5 mm
		c= 0.5 mm
	Side surface	d= 0.5 mm
		c= 0.5 mm
After CASS test:30 minutes of aging at room temperature, followed by cross-cut as per ISO 2409	Front surface	Characteristic value 1
	Side surface	Characteristic value 0

Notes: 1. Applicant: Paragon Technologies  
 2. Test results shown as pictures.

-Continued on next page-

ChinChih Chen  
 報告簽署人 (Report Authorized Person)



本報告含有提供規格檢驗時，依照檢驗標準內容，檢驗之判定以委託單位實際需求為準。  
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金屬工業研究發展中心  
 METAL INDUSTRIES R&D CENTRE

高雄市楠梓區811高楠公路1001號 886-7-3513121  
 300 Kuansan Highway 811 Nansun Kaohsiung Taiwan

## TEST REPORT

### ATLAS TESTING LABORATORIES, INC.

9820 6th Street, Rancho Cucamonga, CA 91730 909-373-4130 FAX 909-373-4132



SP PO # PVD CASS TEST DATE REC: 04/08/19 DATE COMP: 04/23/19  
 ATL # 953340

CLIENT: WHEEL PROS  
 ATTN: KEITH ALINDER  
 16010 BLOOMINGTON AVE  
 CERRITOS, CA 90705

SPECIFICATIONS:  
 CUSTOMER REQUIREMENTS:  
 ASTM-B-368-09 (2014)

ITEM	QTY	CUST ITEM	DESCRIPTION
1-01	1	1	C.A.S.S. TEST 240 HOURS

#### CERTIFIED REPORT OF C.A.S.S. TEST

PROCESS: ONE (1) TEST WHEEL;  
 SUBMITTED AS:

ONE (1) WHEEL, IDENTIFIED AS ABOVE WAS EXAMINED AS PRESCRIBED BY THE APPLICABLE CUSTOMER REQUIREMENTS WITH THE FOLLOWING RESULTS:

168 HOURS: 04/12/19 9:00 A.M.  
 240 HOURS: 04/22/19 9:00 A.M.

EXPOSURE HOURS: 240

168 HOURS: --- NO VISIBLE SIGNIFICANT CHANGES OBSERVED ---  
 240 HOURS: --- VISIBLE SLIGHT DEGRADATION OF THE PVD COATING OBSERVED AT THE BOTTOM EDGE OF WINDOWS ---

CUSTOMER REQUIREMENTS: TEST FOR 168 HOURS AND REPORT, IF NO SIGNIFICANT CHANGES ARE PRESENT; CONTINUE TESTING UP TO 240 HOURS OR UNTIL SIGNIFICANT CHANGES DEVELOP.

CERTIFYING TIME IN C.A.S.S. CHAMBER

WHEEL, AS TESTED, REPORTED FOR CUSTOMER INFORMATION.

ATE# 607

Respectfully Submitted:

BY:   
 Rogon Pereira, Environmental Lab Supervisor

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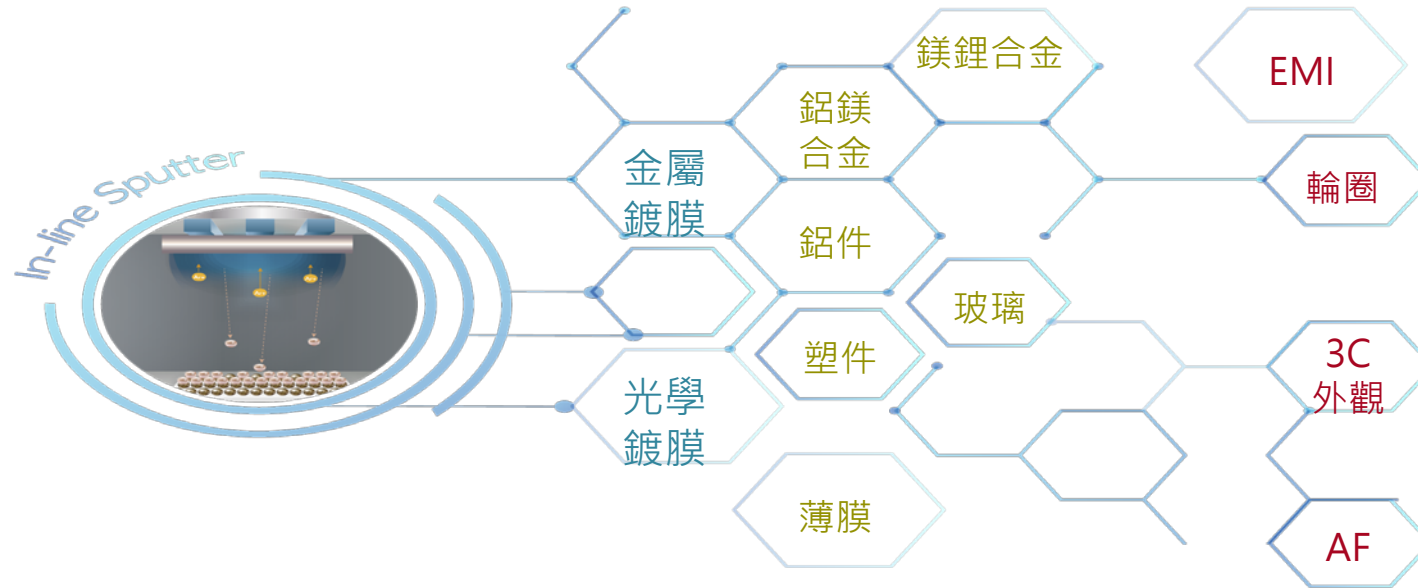


Paragon's achievement 240 HR , OEM standard 168 HR.

# Future Strategies

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# Scope of Product Development



- ◆ Focus on the surface treatment of PVD technology.
- ◆ Technology of Innovation and unique surface treatment - to present fashion and aesthetic appearance.
- ◆ Mass-producible PVD surface technology - not confined to sizes, shapes and substrate.
- ◆ Metal coating + Optical coating + special coating+ patterning, possessing both aesthetics of appearance and coating ability.
- ◆ *Diversification*

# Operation prospect in 2021

## ◆ Market

- The impact of COVID-19 on the automotive industry.
- The persistent effects of distance teaching and work from home in the NB industry.
- Feasible variation in NB supply chain influenced by U.S.-China trade war.

## ◆ Product

- Maintain stability in EMI business of NB industry in 2021.
- Revenue increasing in appearance treatment of 3C products.
- As the easing of COVID-19 epidemic, business in auto parts will be gradually recovering.

## ◆ Technology

- Creating new technology of surface treatment by alliance with customers.
- For the purpose of competitiveness, to execute technical cooperation of PVD partners.



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