

2017 Results Investor Conference

Nov 21, 2017

Gemtek Confidential
Distribution Prohibited

Gemtek
Wireless Broadband Anywhere

Safe Harbor Notice

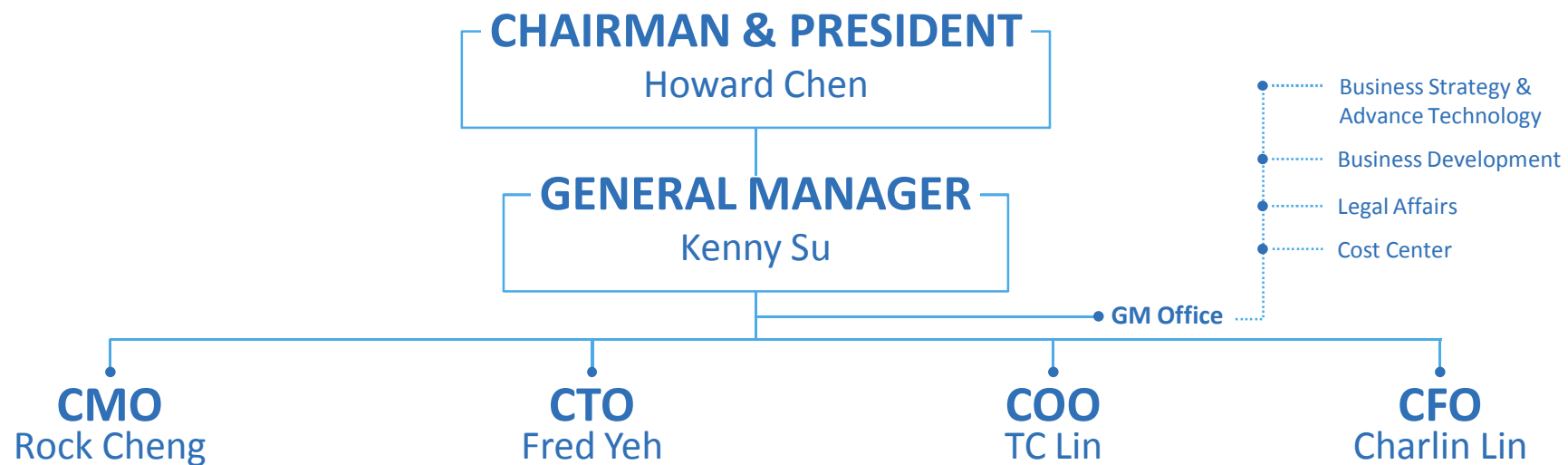
- **The following presentation may contain forward-looking statements regarding, among other things, our financial condition, future expansion plans and business strategies based on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions.**
- **The company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The actual results could differ materially from those contained in these forward-looking statements.**

About Gemtek

- Established: 1988
- Location office: Hsinchu Industrial Park, Hsinchu, Taiwan(Headquater)
- Global Total Employees:≈ 3,100 (TWN: 930)
- Capital: NT\$3.15 Billion (US\$104.13 Million)



Organization Chart



2017 Till Q3 Financial Results

2017 till Q3 Income Statement

Units: NT\$ Thousands; Consolidated

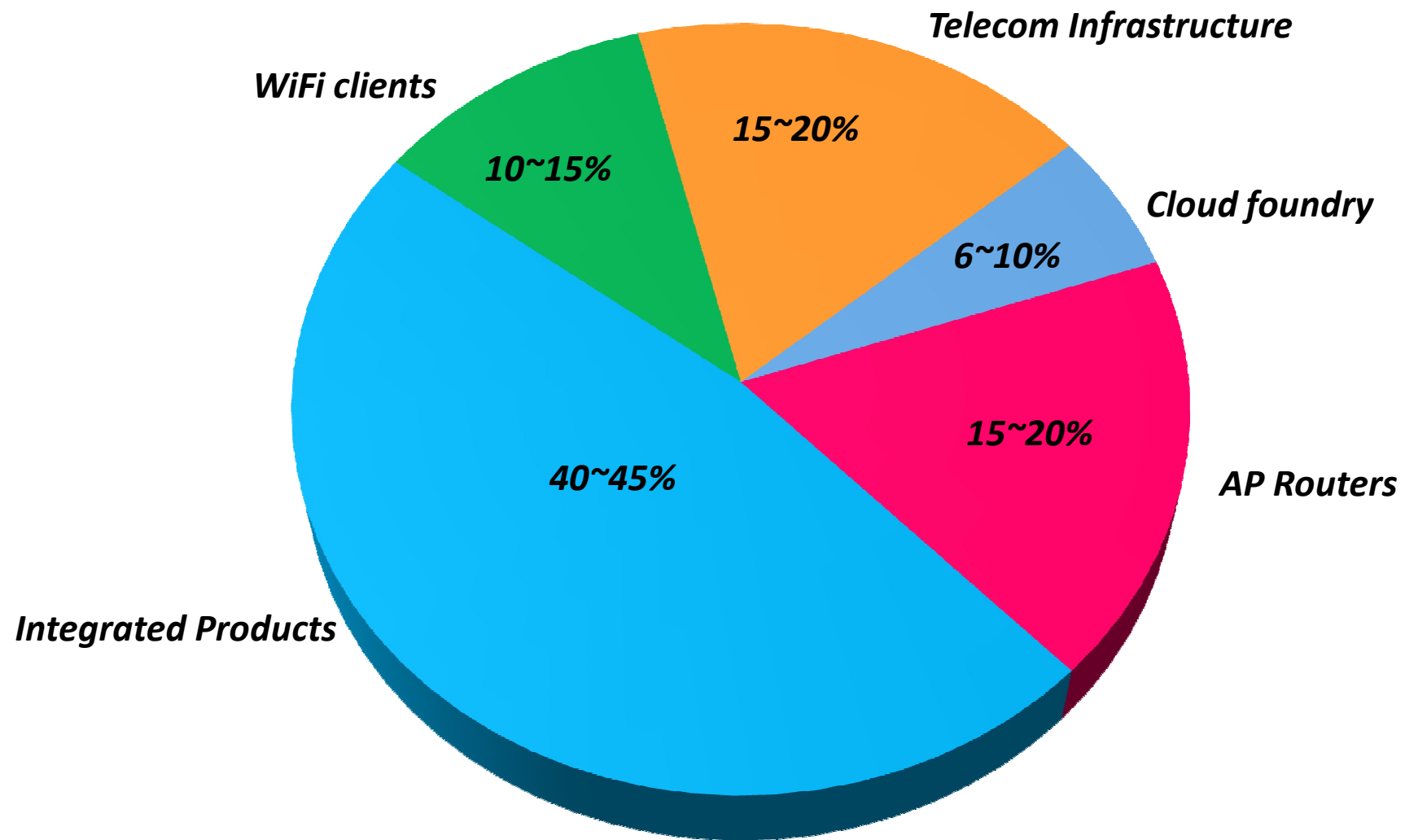
	September 30 2017		September 30 2016	
	Amount	%	Amount	%
Sales Revenue (k)-	10,165,661	100%	10,895,600	100%
Gross Profit(K)	1,373,724	14%	1,682,350	15%
Operating Income	102,714	1%	237,738	2%
Non-Operating income and expense	337,713	3%	253,094	3%
Net Profit After Tax (k)	400,016	4%	417,618	3%
EPS after tax	1.30		1.40	

2017 till Q3 Balance Sheet

Units: NT\$ Thousands; Consolidated

Asset	September 30 2017 Amount %		Liability and Equity	September 30 2017 Amount %	
Cash Equivalents	2,559,267	17%	Short-term borrowing	1,256,500	8%
A/R	3,469,581	22%	A/P	2,870,502	18%
Inventory	2,038,402	13%	Other Payables& Current Liabilities	1,254,590	9%
Other Current Assets	841,230	6%	Non-current Liabilities	183,183	1%
Non-current Asset	6,584,219	42%	Total Liabilities	5,564,775	36%
Total Assets	15,492,699	100%	Total Equity	9,927,924	64%
			Total Liabilities & Equity	15,492,699	100%

2017 till Q3 Breakdown by Product



Future Outlook and New Technology

Strategy

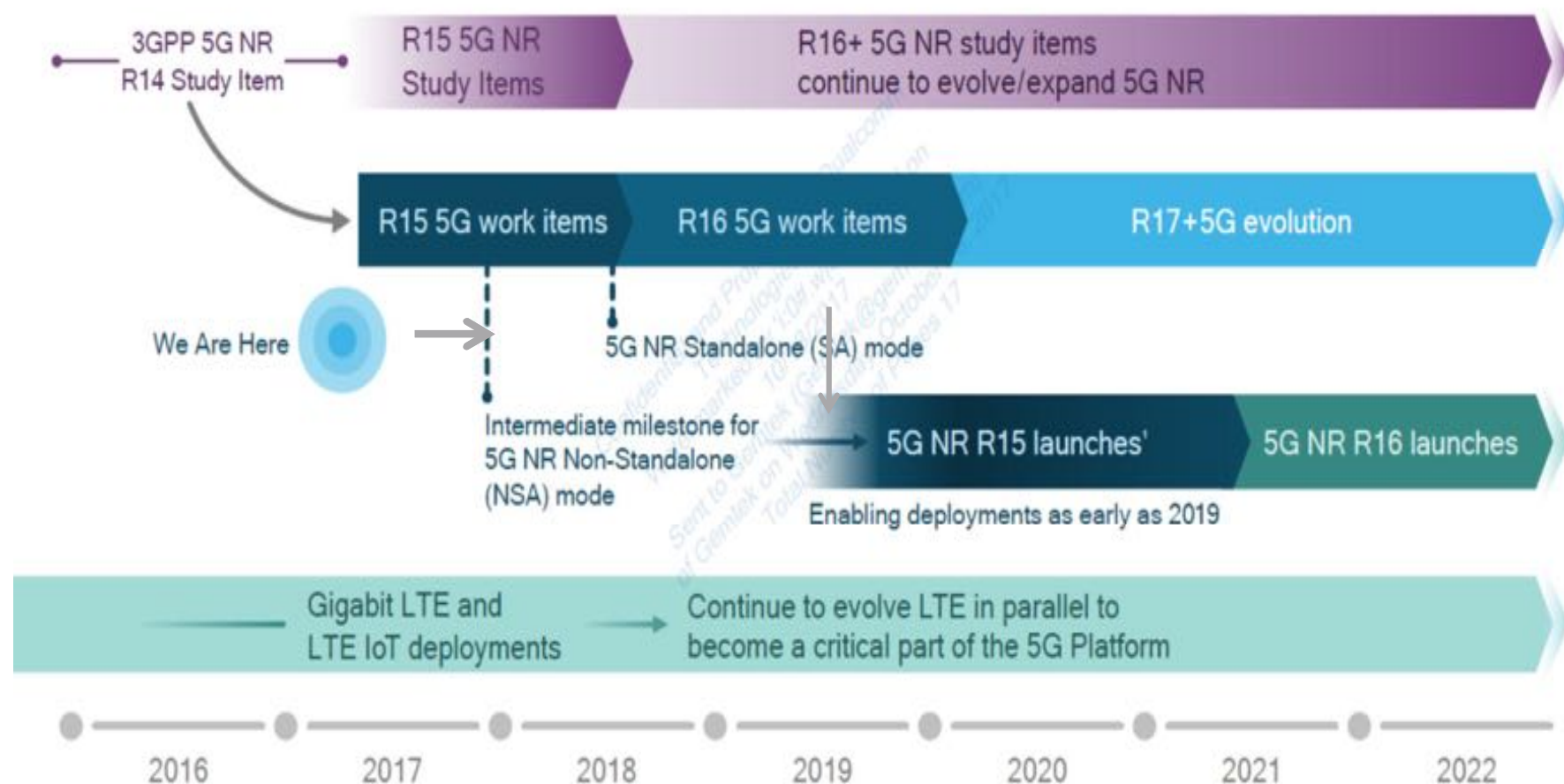
Core business model (CM,OEM,ODM)

- Increase production lines utilization rate
- Seize opportunity to increase revenue
- Focus on the product of Telecom infrastructure
Ex: LTE CPE, small cell, Pre-5G product

Internet Of Things

- Cooperate with SI or ISP on LPWAN market
- Provide total solution of Wifi service platform
- Focus on AIoT market and related product
EX: Vita, AI module, Sensor kit

The 3GPP Release Schedule for 5G



5G Strategy

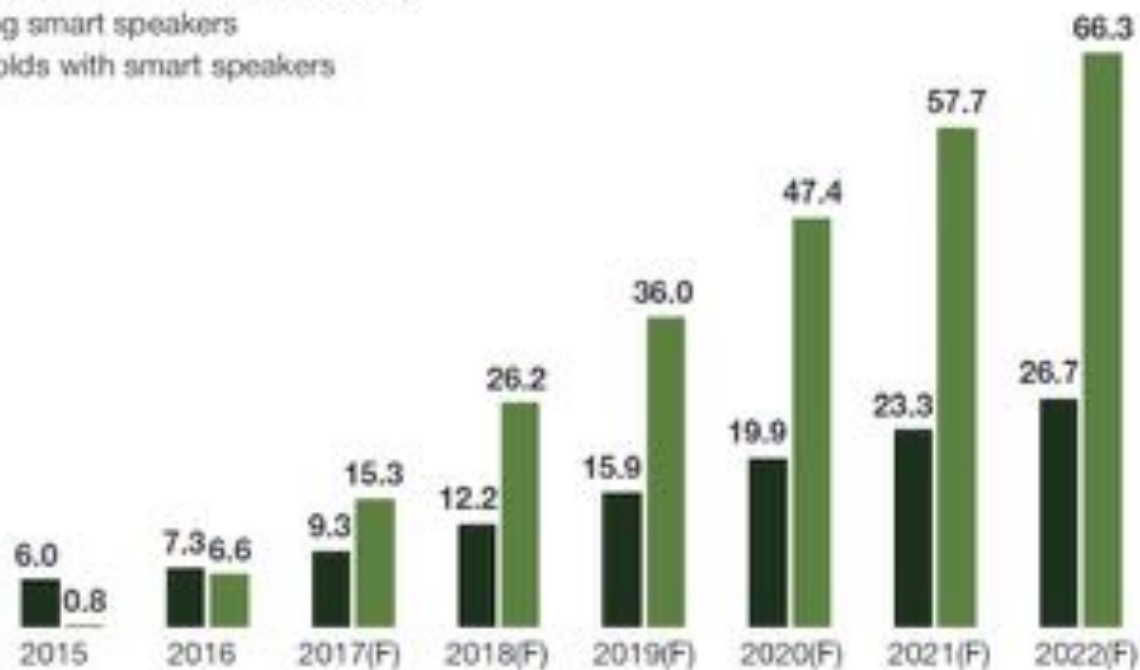
- 5G NR (New Radio), **Release 15** commercial schedule is in Q2 2019
- Before 2019, Pre 5G or Non standard (NSTD) 5G is the contingent approach priori to 3GPP standard release (Rel. 15 and higher)
- Gemtek 5G road map are based both on NSTD 5G in 2018 and full 5G NR release in 2019 and 2020 (IMT2020)
- Gemtek 5G product development road map are focusing on **small cell, CPE and Cellular IOT modules**

Smart Home Market

FORRESTER®

Households with smart home devices
(Millions)

- Households with smart home devices, excluding smart speakers
- Households with smart speakers



F = Forecast

Source: Forrester Data: Smart Home Devices Forecast, 2017 To 2022 (US)

Meet Gemtek ViTA AI Controller

Giga+ Connectivity

Voice Service

Full Wi-Fi Coverage

Cloud Service

Background Scan

IoT Service

Local Analytics



IoT Vision – Gemtek Smart World

Green Living in the Internet of Things

Smart City

- Traffic & Parking Management
- Restricted Access Control
- People & Item Location
- Waste Management
- Structure Monitor
- Safety & Life Care
- Smart Lighting
- Smart Road

Smart Environment

- Air Quality
- Soil Quality
- Water Quality
- Forest Monitor
- Natural Calamity Monitor

Smart Industry

- Smart Factory
- Smart Building
- Smart Farming
- Smart Fishery
- Livestock Management
- Shipment Management
- Smart Geofence Alert

Smart Metering

- Water Measuring
- Power Measuring
- Flow Measuring
- Radiation Level
- Electromagnetic Level
- Gas Metering

State of Operation and 2018 Outlook

● Revenue and Margin Challenge

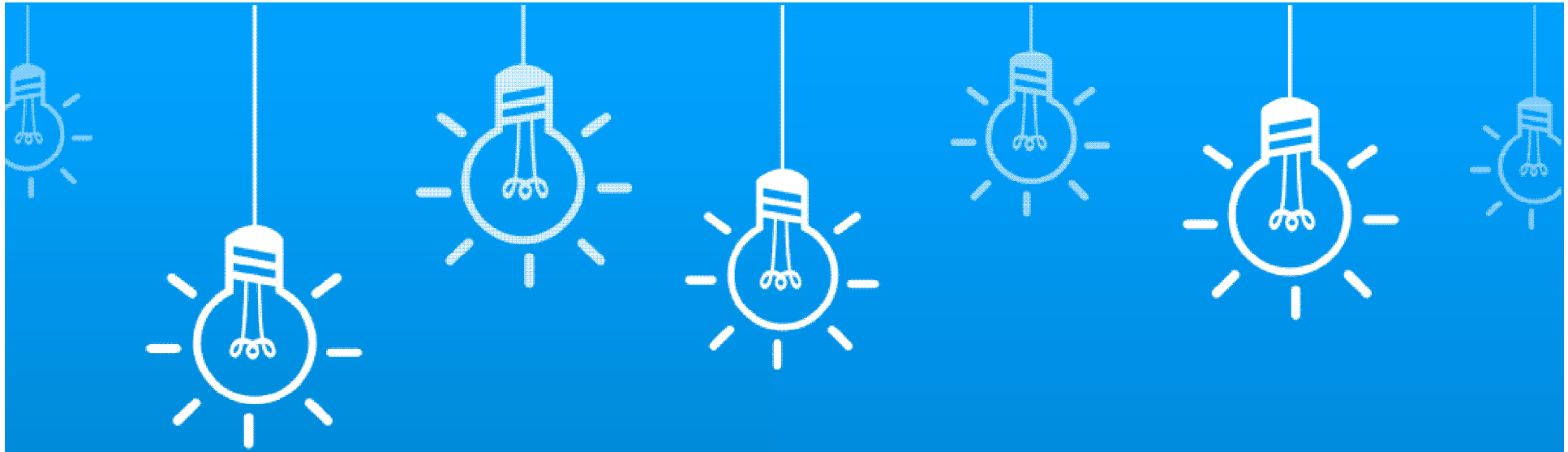
- Inventory adjustment by clients.
- The shortage and price hike of components.

● 2018 outlook

- Cooperating with worldwide tier 1 operators, increasing telco market share.
- Launching Pre-5G related products.
- 5G main focus: Small cell , CPE and Cellular IoT modules.
- Focus on high value-added market.
 - AI Voice controller and sensors
 - LPWAN vertical market
 - Cellular IoT product



THANK YOU



Q & A