



Hocheng Corporation Investor Conference

Stock Code : 1810

Date: 2017.11.08

by / **Cheng Chien Chen**, President



- Legal Disclaimer
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- R&D achievement and technology application
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HCG | Legal Disclaimer

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HCG | Company Profile

Founded : 1961.12.09

Listed in TWSE : 1991 .10.14

Paid- in Capital : NT\$36.98bn

Number of Employees : 1,159

Main Products : Sanitary Wares

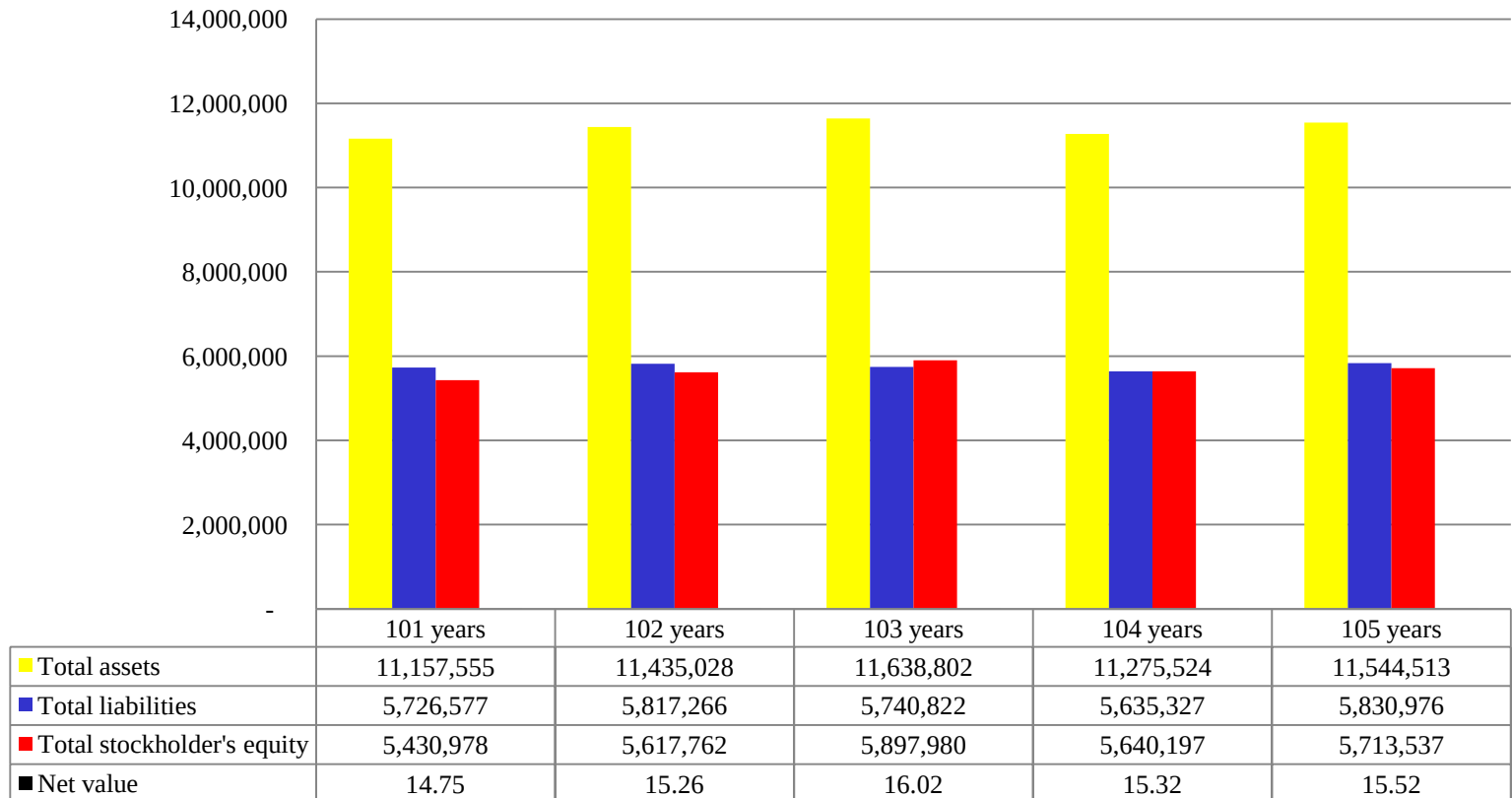
Headquarter :1F., No.398, Xingshan Rd., Neihu Dist.,

Taipei City 11469, Taiwan (R.O.C.)

Financial Results

Consolidated balance sheet of past five years

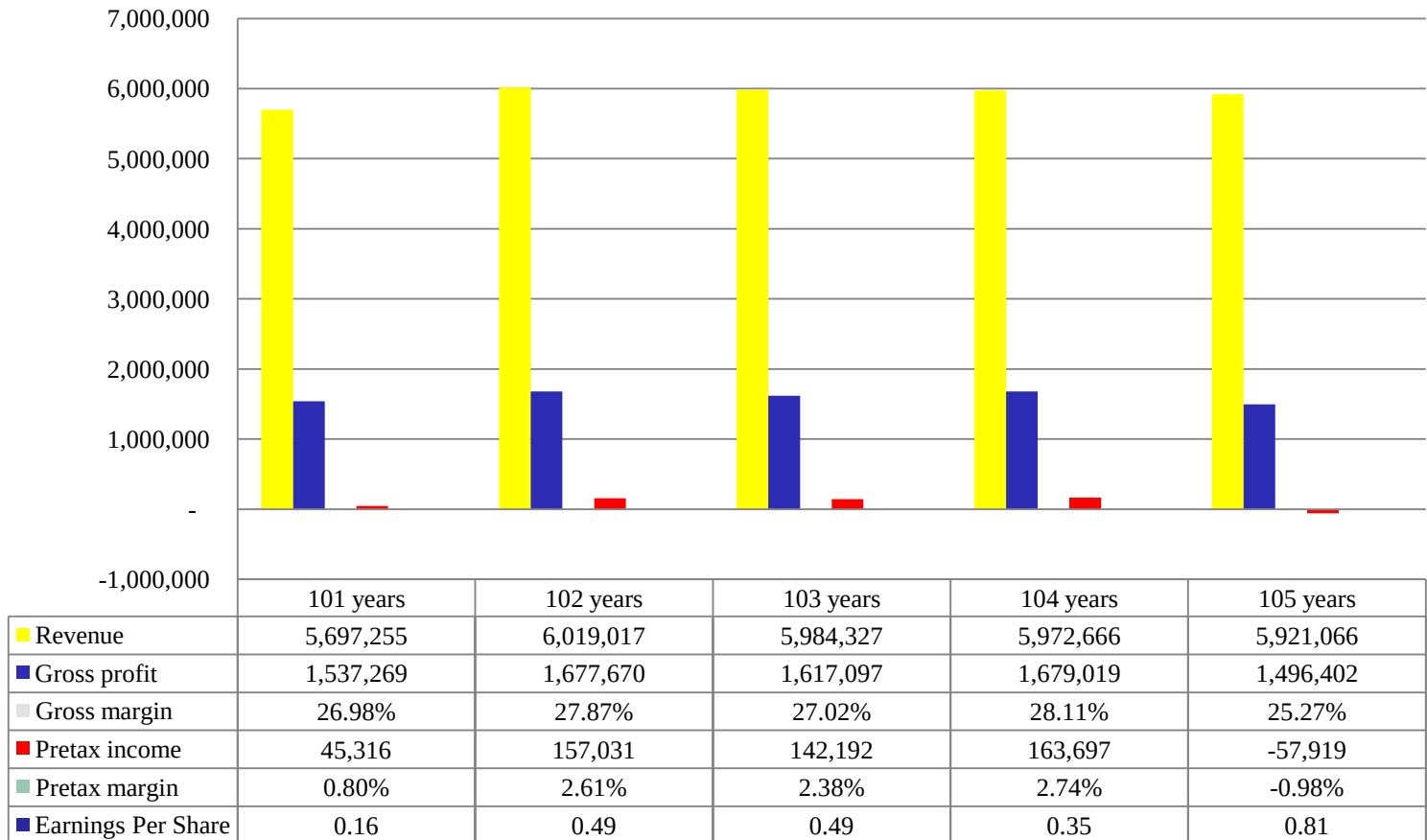
(UNITS: In Thousands of New Taiwan Dollars)



Financial Results

Consolidated comprehensive income statements of past five years

(UNITS: In Thousands of New Taiwan Dollars)



Financial Results

Consolidated Balance Sheets

(NT\$Thousand)	YT3Q17	YT4Q16	Difference
Current assets	5,261,993	5,555,013	-5.27%
Noncurrent assets	5,971,912	5,989,500	-0.29%
Total Assets	11,233,905	11,544,513	-2.69%
Current liabilities	4,525,890	4,848,094	-6.65%
Noncurrent liabilities	923,440	982,882	-6.05%
Total Liabilities	5,449,330	5,830,976	-6.55%
Share capital	3,698,536	3,698,536	0.00%
Capital surplus	13,079	13,079	0.00%
Retained earnings	1,642,934	1,538,680	6.78%
Other equity	352,344	377,790	-6.74%
Treasury shares	-16,582	-16,582	0.00%
Total Equity	5,690,311	5,611,503	1.40%
Net worth	15.71	15.52	1.22%

Financial Results

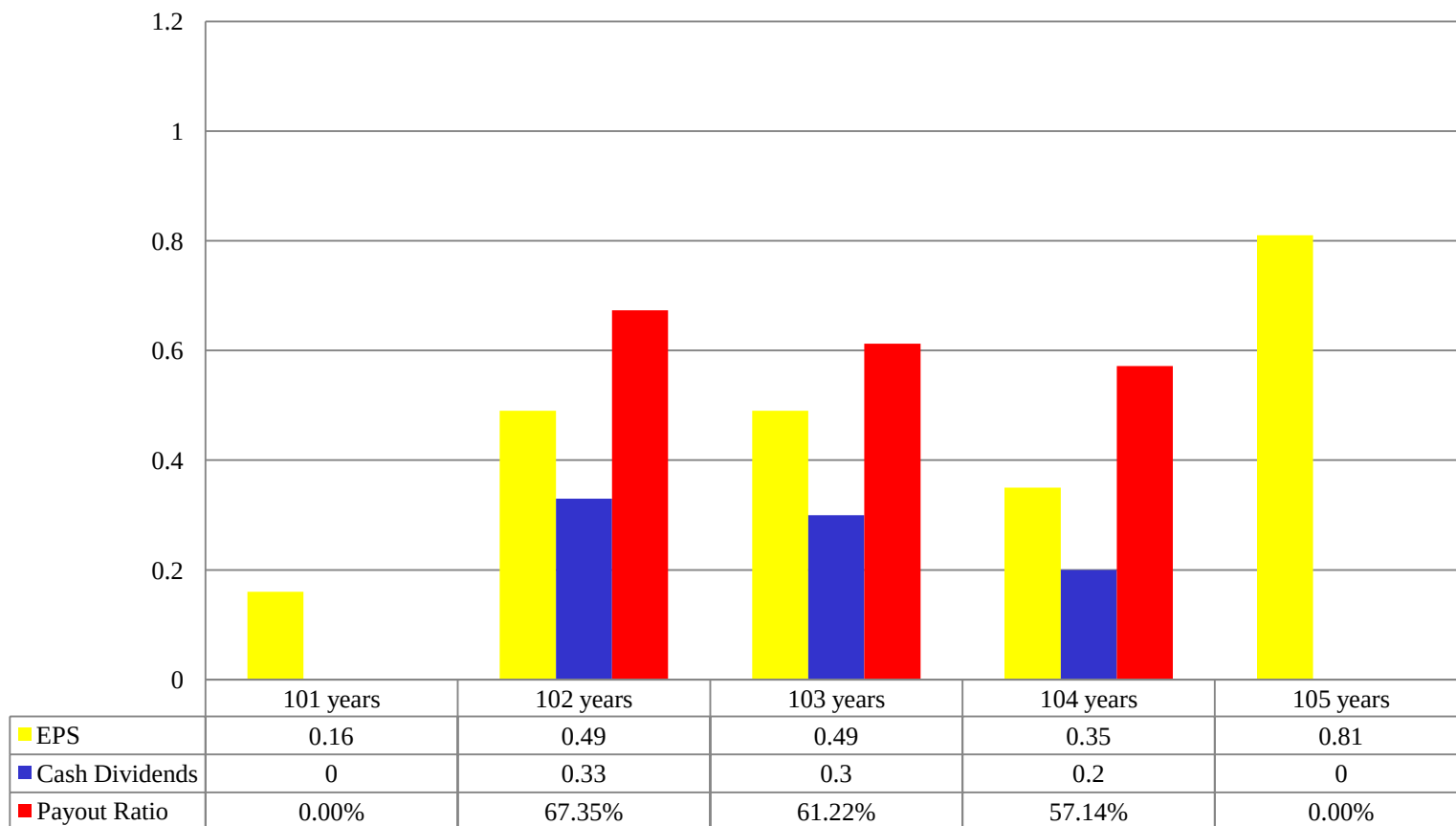
(NT\$Thousand)	YT3Q17	YT3Q16	YoY
Revenue	4, 120, 270	4, 237, 997	-2. 78%
COGS	3, 038, 274	3, 183, 886	-4. 57%
Gross profit	1, 081, 996	1, 054, 111	2. 65%
Gross margin	25. 53%	24. 87%	66bps
Operation expenses	1, 005, 183	1, 081, 747	-7. 08%
OpExp/revenue	23. 72%	25. 52%	-180bps
Operation income	76, 813	-27, 636	377. 95%
Operation margin	1. 81%	-0. 65%	246bps
Non-operating income	90, 490	372, 495	-75. 71%
Pretax income	167, 303	344, 859	-51. 49%
Pretax margin	3. 95%	8. 14%	-419bps
Income taxes	68, 638	53, 323	28. 72%
Provision for taxes	1. 62%	1. 26%	36bps
Net income attributable to parent	104, 254	297, 678	-64. 98%
Net margin	2. 46%	7. 02%	-456bps
Basic EPS (NT\$)	0. 28	0. 81	-65. 43%
Diluted EPS (NT\$)	0. 28	0. 81	-65. 43%

YT3Q17 revenue totaled NT\$4,120 million, donw by 2.78% YoY. Net income attributable to parent was NT\$104 million down by 64.98% YoY.EPS was NT\$0.28,down by 65.43% YoY.

Financial Results

EPS and Dividends by 101-105

(UNITS : NT\$ Dollar)

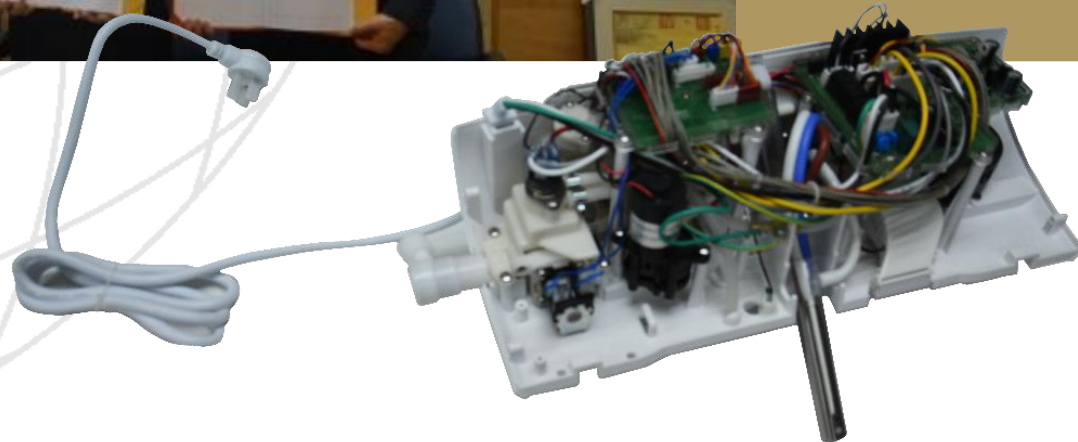


● Health Detection Toilet



Chairman Mr. Ken Chiu signs the technical cooperation agreement with Sun Yat-sen University.

Urine detection device



Development of Health Detection Toilet by cooperation with university

R&D achievement and technology application

- HCG developed high pressure casting machine for basin



high pressure casting
machine for toilet



high pressure casting
machine for basin

Promoted to Mainland China except private use. We continue to develop similar machine for toilet to increase competitiveness

R&D achievement and technology application

- Implement of industry 4.0 for the production plan



Making faucet products tend to standardization & the quality more stable by using robots to replace labors

- Striving to component localization in high speed railway



高鐵集電弓接觸片

HSR pantograph contact strip



高鐵磨光器

HSR tread cleaner abrader

- Innovation of safety facility for long-term care

Home



Improvement of self take-care ability.

- Innovation of safety facility for long-term care

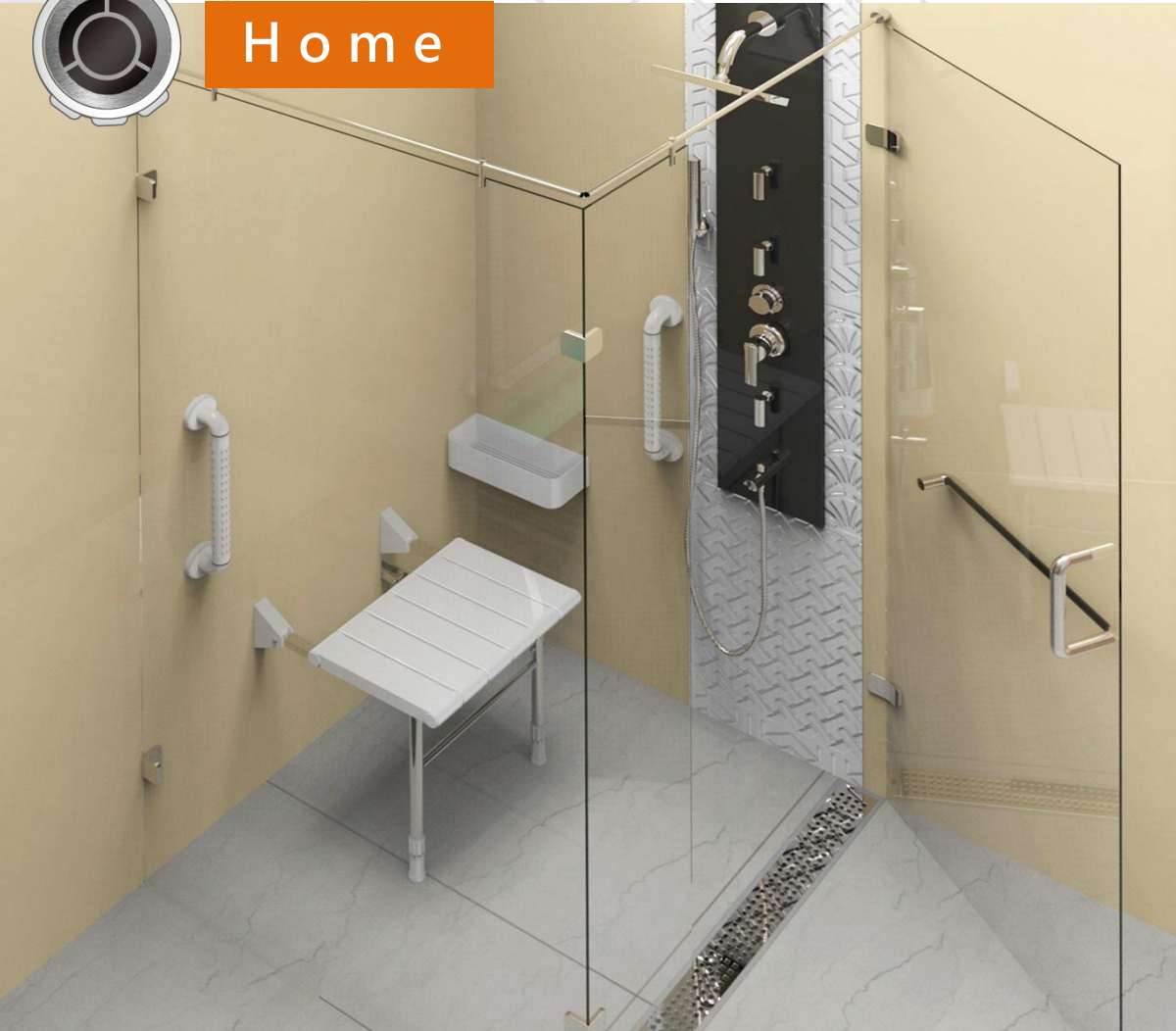
Home



Improvement of self take-care ability.

- Innovation of safety facility for long-term care

Home



Improvement of self take-care ability.



R&D achievement and technology application

- Manufacture dental zirconia block



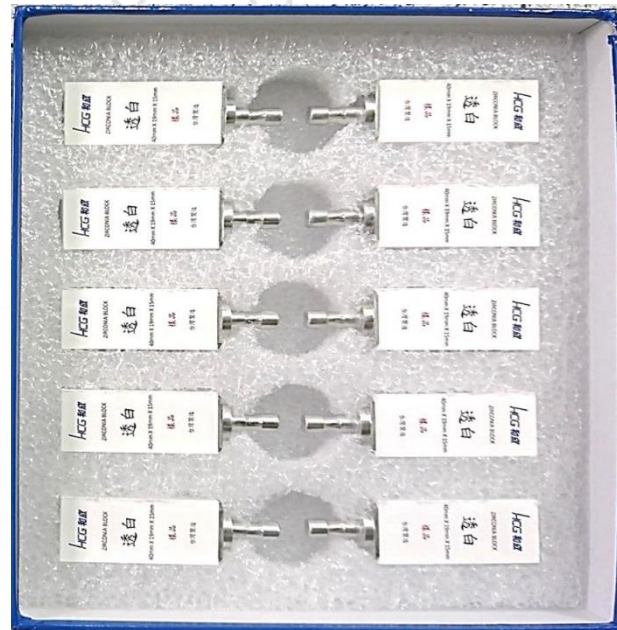
精密陶瓷牙材-氧化鋯瓷塊 zirconia block

HCG will be authorized to manufacture dental zirconia block, and get medical license from TFDA. Target market would be Taiwan and the Asian-pacific region.



R&D achievement and technology application

- Manufacture dental zirconia block



精密陶瓷牙材-氧化鋯瓷塊 zirconia block

- HCG Carbon Fiber Car Wheels



3 major functional tests
are successfully certified
by ARTC

● HCG Carbon Fiber Car Wheels



Taipei AMPA 2017

2017台北國際汽車零配件展

- Developed composites armor



Supplied to military force

外掛複合裝甲
composites armor

R&D achievement and technology application

- Developed many passive defense equipment



砲塔前擋板總成

Turret armor



人身抗彈陶瓷

Body armor, made of ballistic ceramic

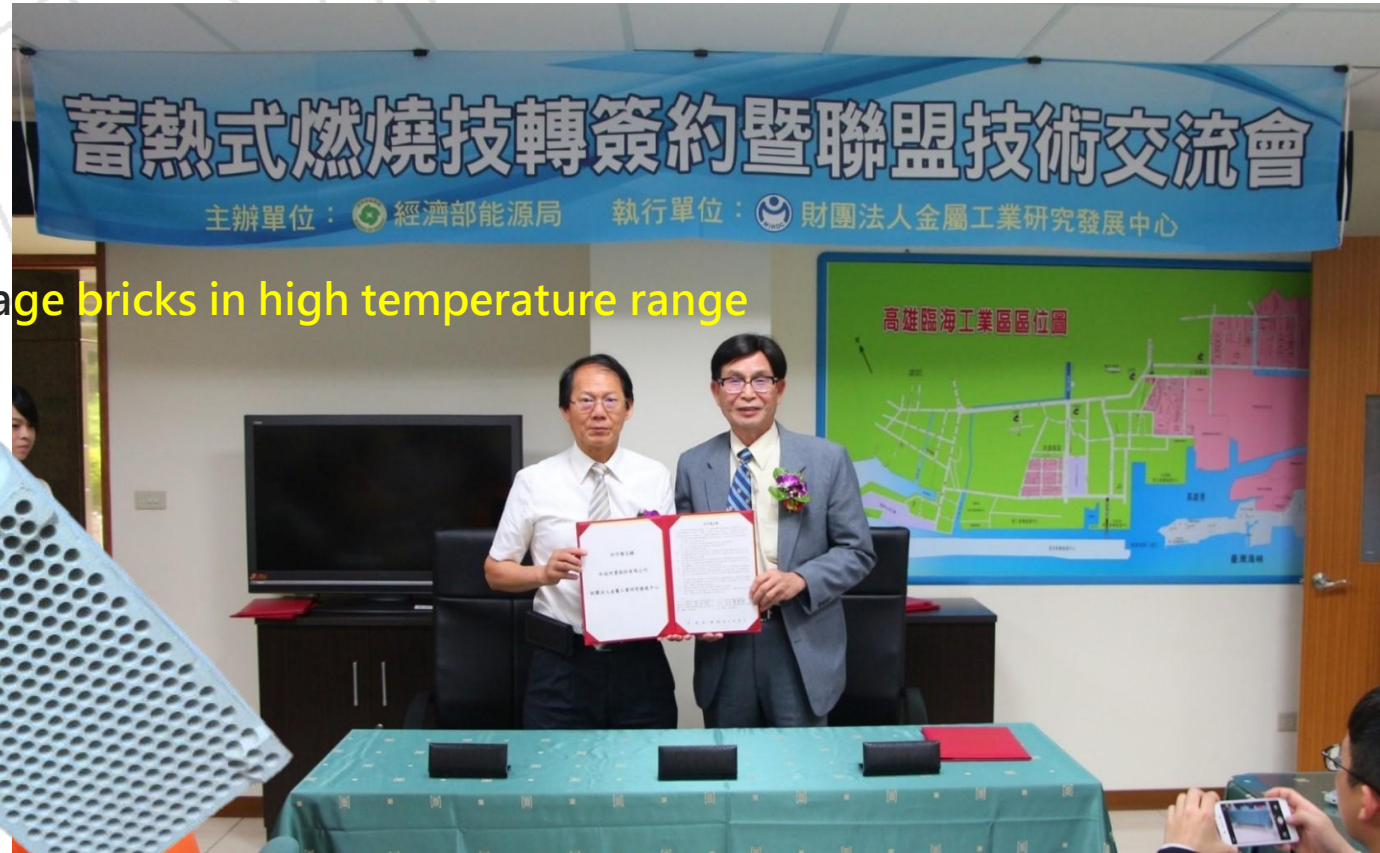
Enhancing
military
combat
capability.

- Bullet-proof window plate

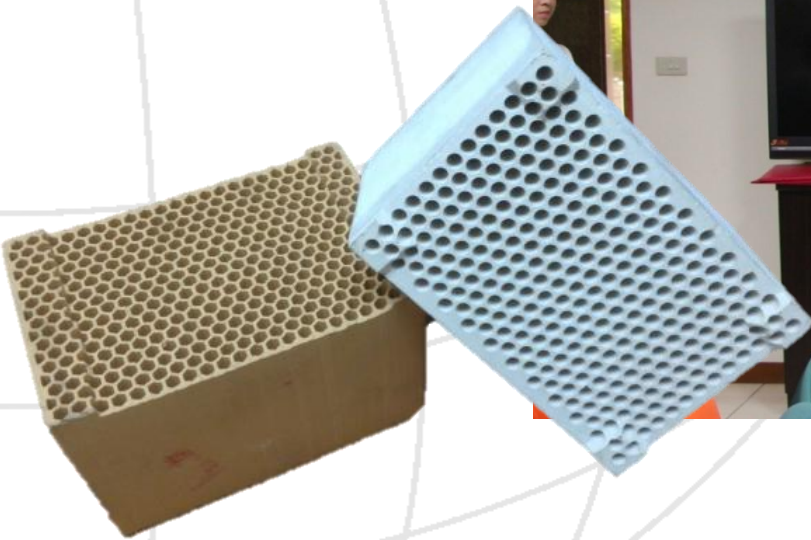


隔柵板 Bullet-proof window plate

- Innovation of separate heat storage & burning system



High efficiency heat storage bricks in high temperature range



- Innovation of separate heat storage & burning system



陳振乾 總經理與經濟部能源局進行技術交流



High temperature resistant heat storage ceramic blocks developed for **Innovative Separate Regenerative Combustion System**





SMC OEM Industrial Development.

- (1) Assembly Water Tank Of Internation Corporation
- (2) Bumper for Cars
- (3) Waferboard of Cyclone for High-Tech Factories

Autoloader Machine

Automatic PICKER Machine

ADVANCE TOWARDS INDUSTRY 4.0

Thanks for your attention!

Q&A

HCG