



2020.11.23

HCG Corporation Investor Conference

Stock Code : 1810

Reporter : Shih-Chieh Chen, President



- Legal Disclaimer
- Company Profile
- Financial Results
- R&D Achievement and Technology Application
- Q&A

HCG | Legal Disclaimer

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| Company Profile

Founded : 1961.12.09

Listed in TWSE : 1991.10.14

Paid- in Capital : NT\$3,698,000,000

Number of Employees : 1,123

Main Products : Sanitary Wares

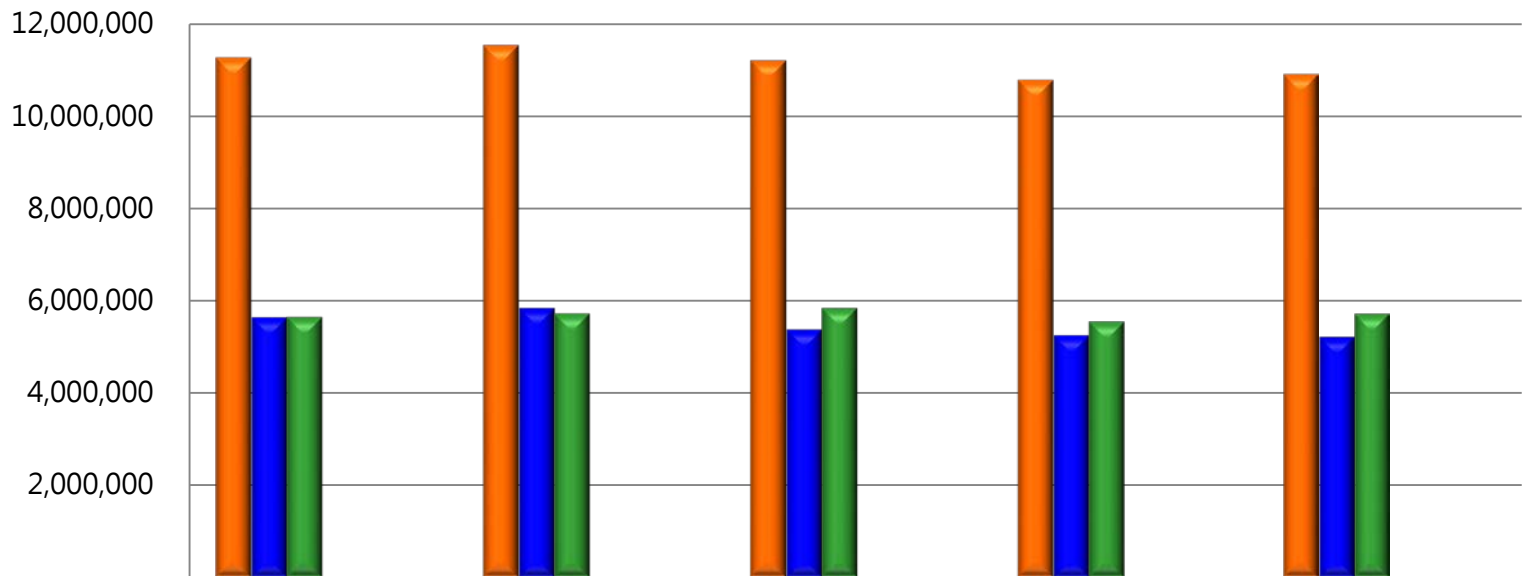
Headquarter : 1F., No.398, Xingshan Rd.,

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)

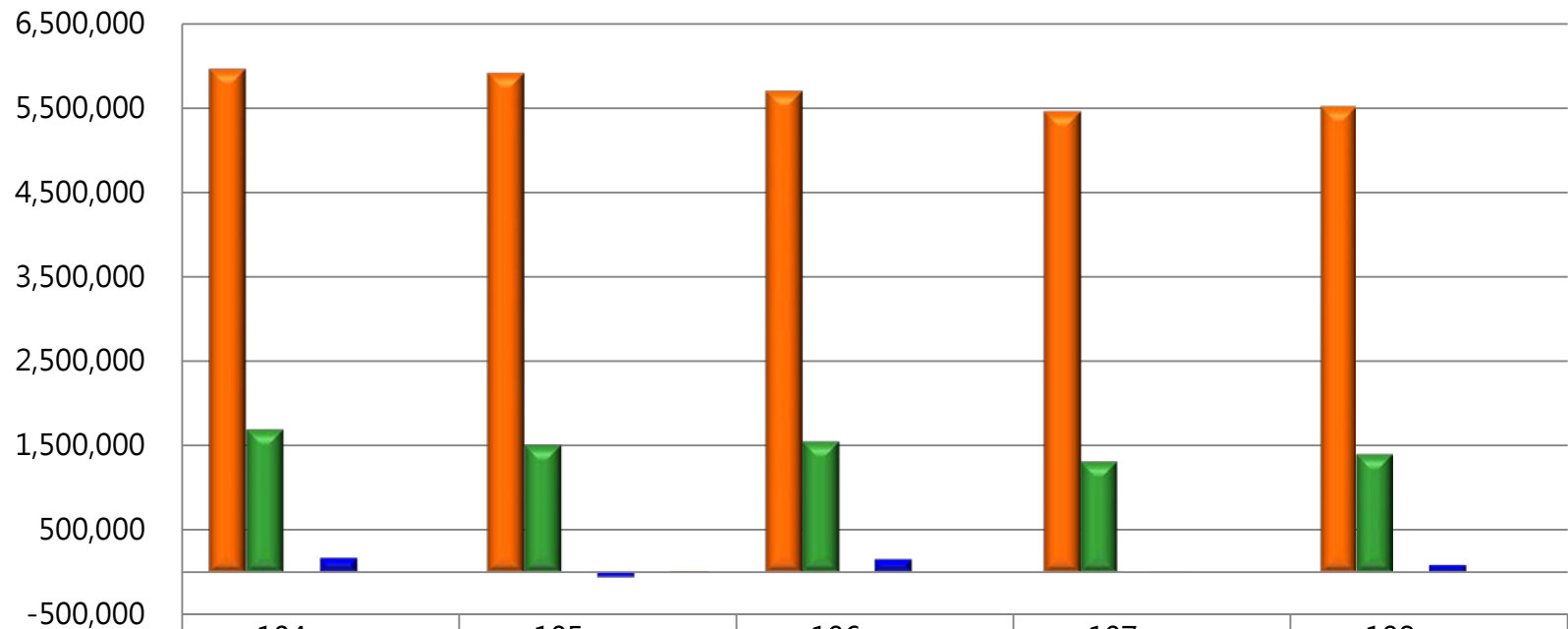


	104 years	105 years	106 years	107 years	108 years
Total assets	11,275,524	11,544,513	11,207,467	10,786,249	10,913,518
Total liabilities	5,635,327	5,830,976	5,370,876	5,244,197	5,207,008
Total stockholder's equity	5,640,197	5,713,537	5,836,591	5,542,052	5,706,510
Net value	15.32	15.52	15.85	15.06	15.50
ROA	1.63	3.11	1.96	-0.13	0.92
ROE	2.12	5.13	2.77	-1.36	0.64

Financial Results

Consolidated comprehensive income statements of past five years

(In Thousands of New Taiwan Dollars)

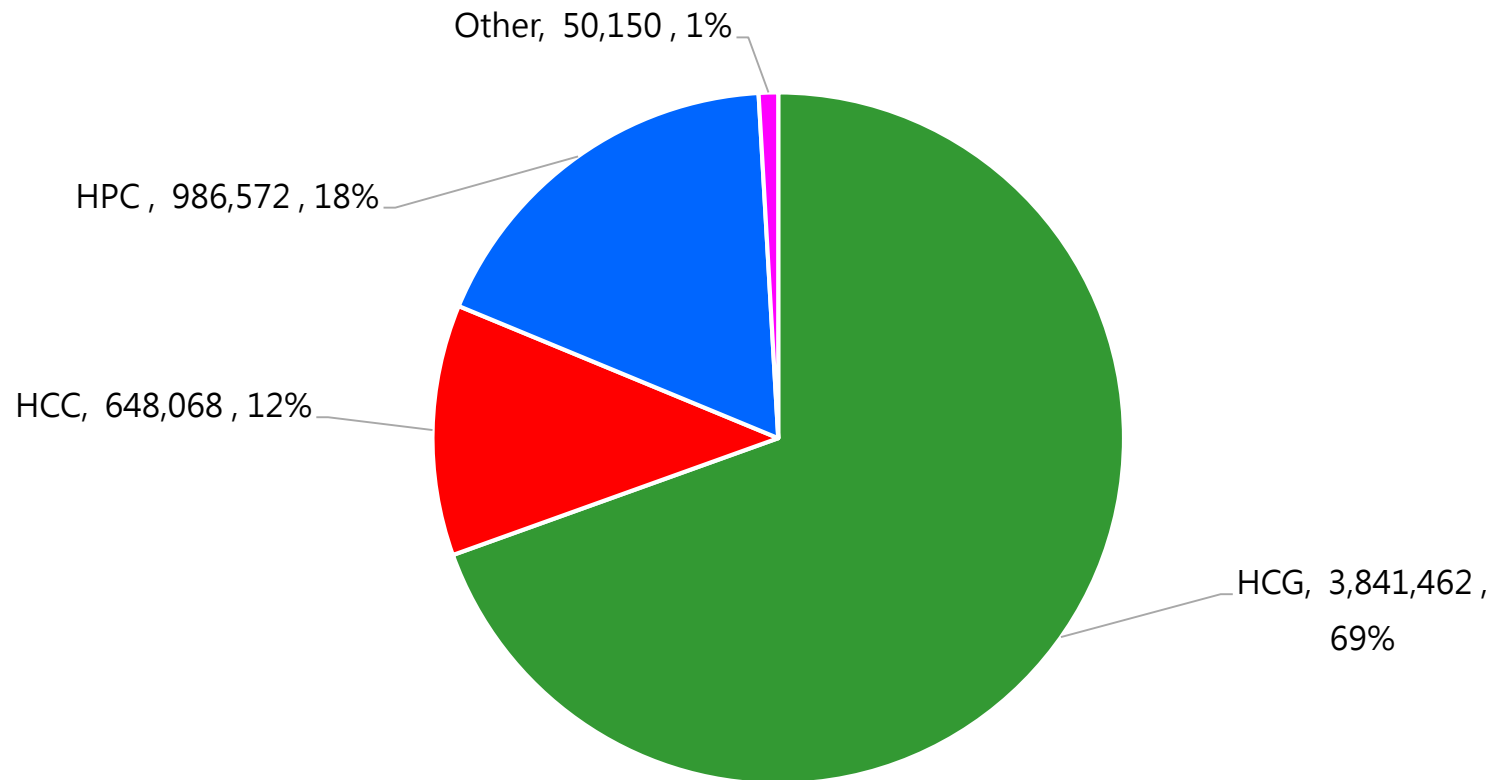


Revenue	5,972,666	5,921,066	5,709,369	5,466,174	5,526,252
Gross profit	1,679,019	1,496,402	1,538,543	1,303,457	1,388,507
Gross margin	28.11%	25.27%	26.95%	23.85%	25.13%
Pretax income	163,697	-57,919	146,094	2,011	78,837
Pretax margin	2.74%	-0.98%	2.56%	0.04%	1.43%
Earnings Per Share	0.35	0.81	0.46	-0.18	0.13

Financial Results

YT4Q19 Sales Revenue

(UNITS:In Thousands of New Taiwan Dollars)

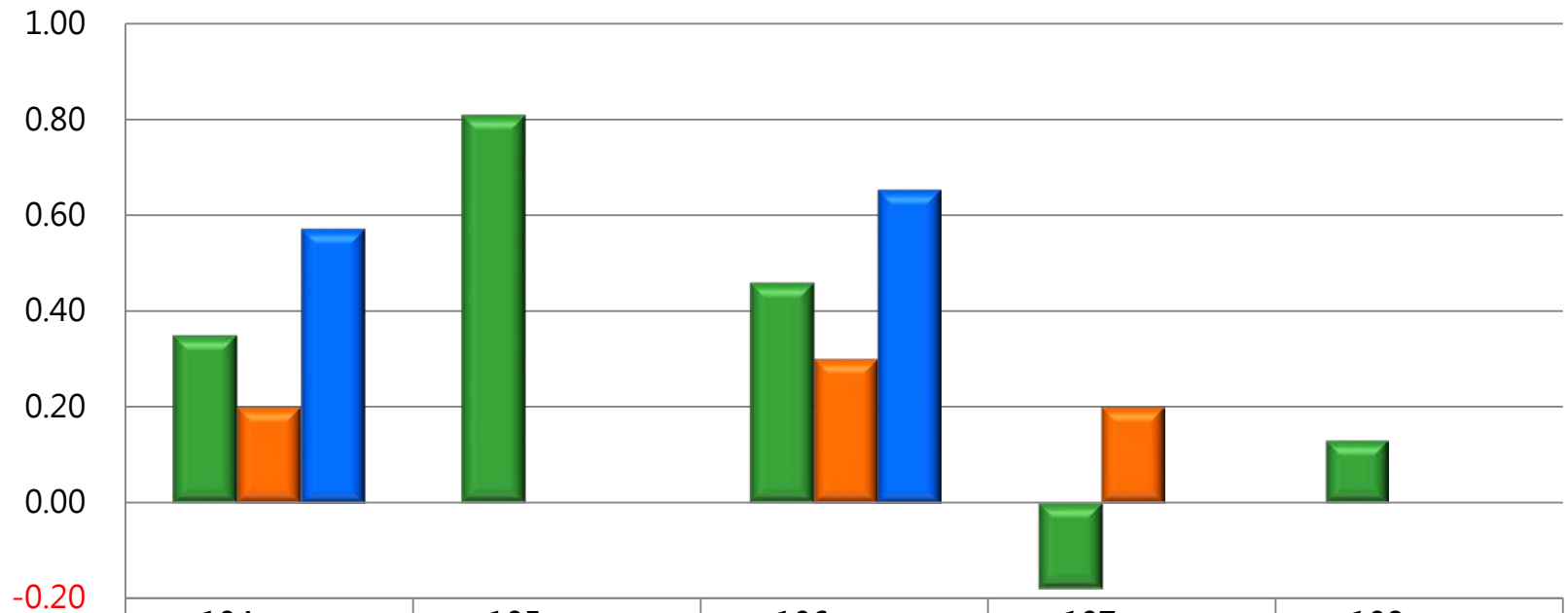


Total of YT4Q19 Sales Revenue is 5,526,252.

Financial Results

EPS and Dividends by 104-108

(New Taiwan Dollars)



	104 years	105 years	106 years	107 years	108 years
■ EPS	0.35	0.81	0.46	-0.18	0.13
■ Cash Dividends	0.20	0.00	0.30	0.20	0.00
■ Payout Ratio	57.14%	0.00%	65.22%	0.00%	0.00%

Financial Results

Consolidated Balance Sheet for The Third Quarter, 2020

(NT\$Thousand)	YT3Q20	YT4Q19	Difference
Current assets	4,703,237	4,682,802	0.44%
Noncurrent assets	6,126,957	6,230,716	-1.67%
Total Assets	10,830,194	10,913,518	-0.76%
Current liabilities	3,854,760	3,791,624	1.67%
Noncurrent liabilities	1,258,396	1,415,384	-11.09%
Total Liabilities	5,113,156	5,207,008	-1.80%
Share capitals	3,698,536	3,698,536	0.00%
Capital surplus	13,293	13,079	1.64%
Retained earnings	1,686,254	1,627,397	3.62%
Other equity	272,681	314,443	-13.28%
Treasury shares	-16,582	-16,582	0.00%
Non-controlling interests	62,856	69,637	-9.74%
Total Equity	5,717,038	5,706,510	0.18%
Net worth	0.12	0.13	7.69%
ROA(%)	1.02	0.92	
ROE(%)	0.88	0.64	

Financial Results

Consolidated Comprehensive Income For The Period Ended September 30,2020

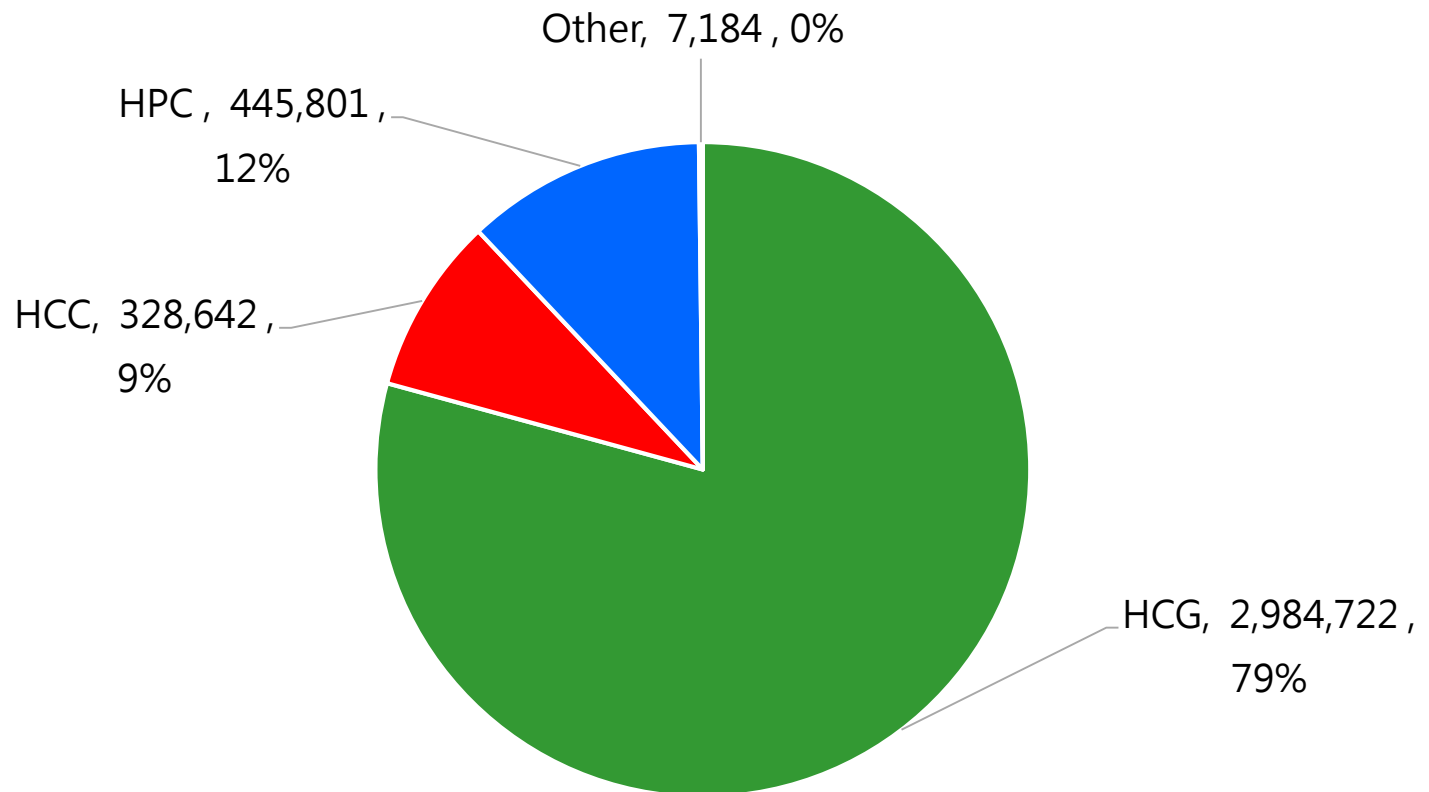
(NT\$Thousand)	YT3Q20	YT3Q19	YoY
Revenue	3,766,349	4,033,024	-6.61%
COGS	2,869,416	3,007,825	-4.60%
Gross profit	896,933	1,025,199	-12.51%
Gross margin	23.81%	25.42%	-161bps
Operation expenses	944,978	986,145	-4.17%
OpExp/revenue	25.09%	24.45%	64bps
Operation income	-48,045	39,054	-223.02%
Operation margin	-1.28%	0.97%	-225bps
Non-operating income	110,498	14,597	656.99%
Pretax income	62,453	53,651	16.41%
Pretax margin	1.66%	1.33%	33bps
Income taxes	24,583	32,582	-24.55%
Provision for taxes	0.65%	0.81%	-16bps
Net income attributable to paren	44,725	30,937	44.57%
Net margin	1.19%	0.77%	42bps
Basic EPS (NT\$)	0.12	0.08	50.00%
Diluted EPS (NT\$)	0.12	0.08	50.00%

YT3Q20 revenue totaled NT\$3,766 million, decreasing by 6.61% YoY. Net income attributable to parent was NT\$44.73 million up by 44.57% YoY. EPS was NT\$0.12, up by 50% YoY.

Financial Results

YT3Q20 Sales Revenue

(UNITS:In Thousands of New Taiwan Dollars)



Total of YT3Q20 Sales Revenue is 3,766,349.



台灣精品 2020 TAIWAN EXCELLENCE



HD2085/HD2010
Carbon Fiber Composite Wheel



AFC290
Smart-Superlet



BF5138
Long-lasting
electrochemical
-dechloration faucet

HCG | AFC290 Smart-Superlet



Smart-Superlet AFC290

- Automatic cover to distinguish between men and women



Girls open automatically after approaching

a human body close to the toilet 10-30cm
b within three seconds of the human body close to the toilet 0-10cm

Automatic cover without squatting and start deodorization



boy open automatically after approaching

Automatic squat after three seconds
a human body close to the toilet 10-30cm
b After the human body is still or equidistant for three seconds

Automatic cover
Automatic squat

- Automatic flush resolution size

Large infrared detection detects that the human body is close to 2 minutes or more to leave

Automatic large flush

Small infrared detection detects that the human body is close to 20 seconds to 2 minutes to leave

Automatic trumpet flushing

台正字第3083號

編號:170300170601

台正字第3083號

編號:170300170601

師法北歐設計
結合豪華遊艇與義大利高貴女鞋
的優美曲線雕塑於產品

HCG

<http://www.hcg.com.tw/>



HD2085/HD2010

Carbon Fiber Composite Wheel



Carbon Fiber Composite Wheel

The only station passed the arct verification

Lightweight: 20% reduction in weight loss

High strength: 30% increase in service life and strength

Maneuverability: Shorter distance

Energy saving and carbon reduction: 10% reduction in fuel consumption

Technological breakthrough: original patent casing pre-work method

Roulette style free choice
Optional for each car



HCG
<http://www.hcg.com.tw/>



Wheels Tested by ARTC with Safety Specifications



20"× 11J

20"× 10J

20"× 9J

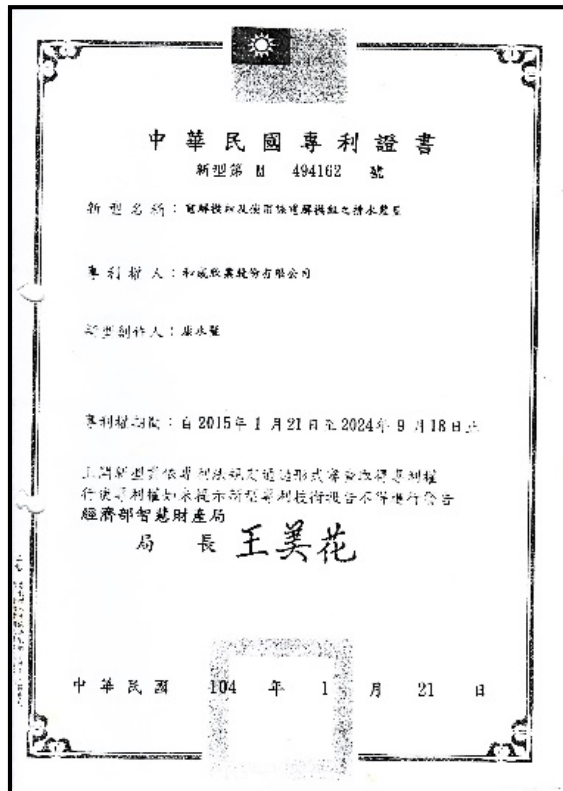
20"× 8.5J

18"× 8J

HCG | BF 5138 Permanent Electrochemical Dechlorination Healthy Faucet

Features of dechlorination products:

1. The electrochemical dechlorination device in cooperation with the Industrial Technology Research Institute is the world's only patented technology that does not require filtering.
2. Automatic cleaning system, smart energy saving, greatly increasing product life.
3. Real-time temperature display, intimate water temperature information.
4. The appearance of carbon fiber material is simple, elegant and light.

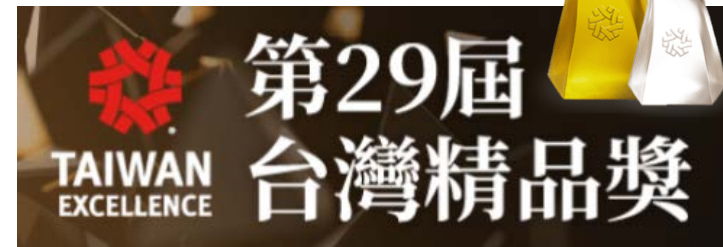


International certification for chlorine removal:

1. **Taiwan** : M494162
2. **China** : CN102115232 A
3. **Japan** : P2010-205850
4. **U.S.** : US8366885 B2
5. **Korea** : 10-2010-0086462



Zero-Touch AI Antibacterial Faucet Zero-Touch AI Smart Mirror

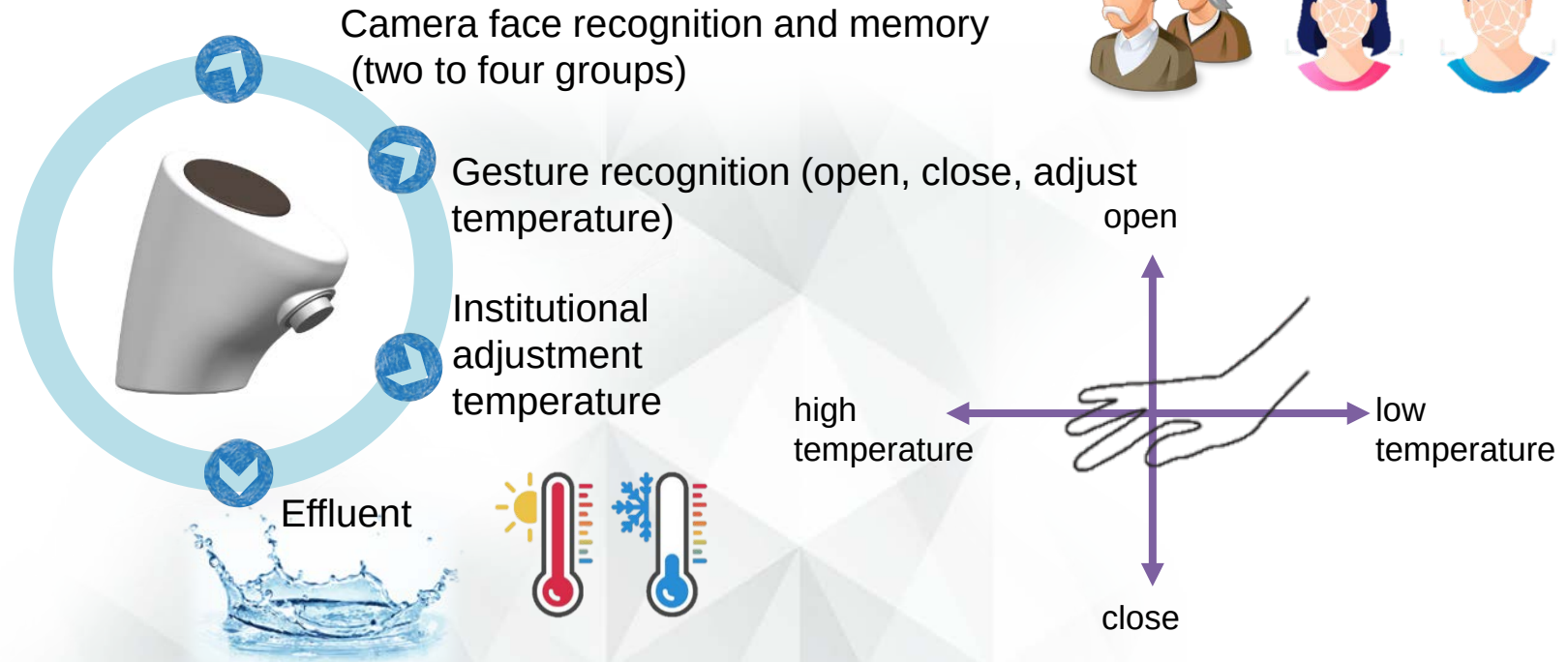


Zero-Touch
AI Antibacterial Faucet



Zero-Touch
AI Smart Mirror

Product Features



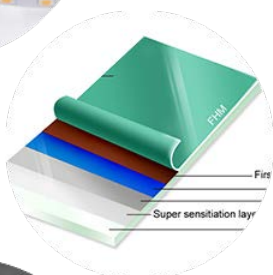
Feature of product

- ① AI lens recognizes gestures and portraits, and can control the water temperature without touching the faucet .
- ② Ceramic surface using nano antibacterial glaze, non-toxic, antibacterial and easy to clean.
- ③ The world's only ceramic safety technology to prevent the danger of ceramic falling and bursting.
- ④ Water control valve core constant temperature technology can maintain stable temperature.
- ⑤ The body's digital temperature display can monitor the water temperature in the pipeline at any time to prevent the risk of scalding.

BA1001 Zero Touch AI Smart Mirror



dimmable LED lighting



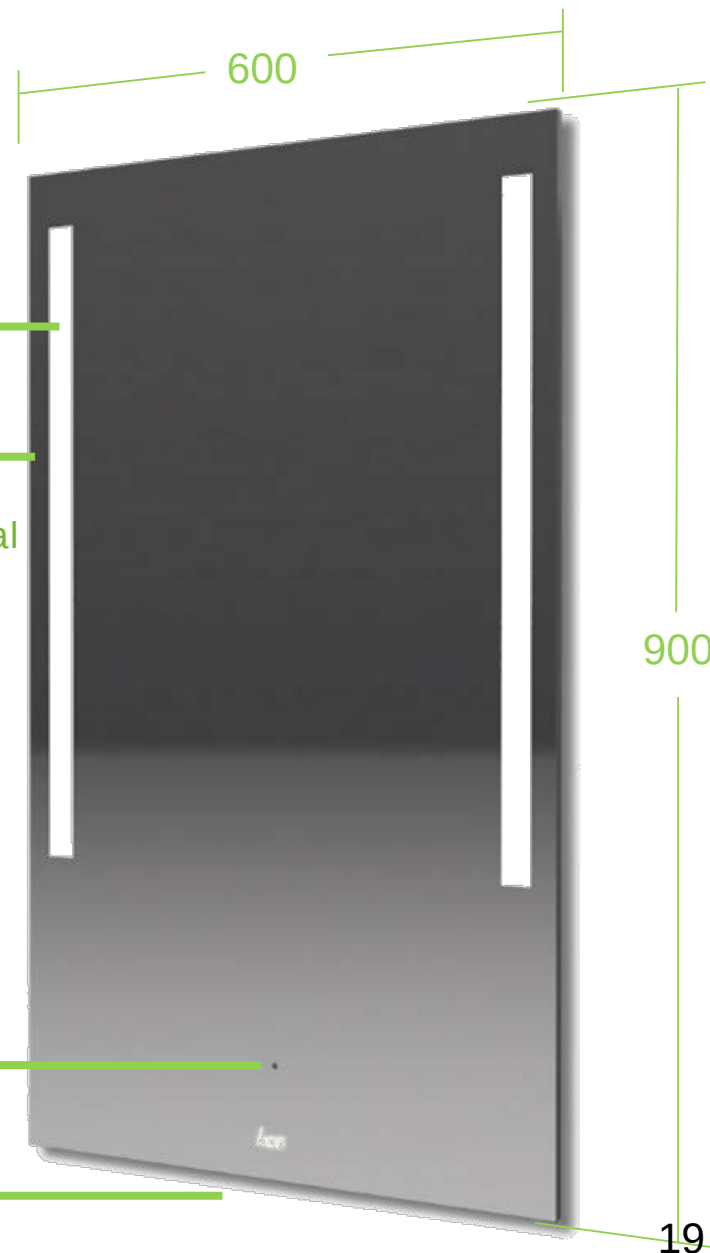
lead-free copper-free environmental protection mirror material



SOC visual recognition application device



LED indirect lighting



HCG | EF5189 Six In One Multifunction Machine

六合一多功能機 EF5189

結合防霉、抗菌過濾網、實心顆粒活性碳與 254nm 波長紫外線殺菌燈，適合晾嬰兒衣物，並可防止大腸桿菌及流感病菌孳生，達到除臭、消毒、殺菌。

*產品特點:



溫風與冷風



負離子產生網



烘乾衣物



防霉抗菌過濾網



活性炭除臭



殺菌燈

*產品規格:

規 格 說 明	使用電源	AC110/60Hz
	消耗電力	800W
	馬達功率	22W
	馬達保護裝置	(馬達) 溫控保護器 120°C
	風速	小於等於 2 m/sec
	風量	小於等於 140 m³/h
	加熱功率	700W
	過熱保護	(風口) 過熱保護 70°C
	殺菌燈功率	3W
	吊重	20kg
	外觀尺寸	620x240x266 mm
	包裝尺寸	680x310x300 mm
	重量	6.3kg



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TEL: (02)2792-5511

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全國服務安檢電話: 0800-087-089
<http://www.hcg.com.tw>

2021 New Product GORFIN 高芬系列





Bathroom cabinet	LCS6638A	550 x 790 x 495 mm
Mirror cabinet	LAF7862	620 x 780 x 150 mm
Come to the counter	LAS3584E	840 x 350 x 135 mm
Side cabinet	LCS3515W	1500 x 350 x 260 mm

GORFIN



Oval washbasin
L6628 620 x 780 x 450 mm



Square washbasin
L6638 550 x 790 x 495 mm



Square bathtub

F6627 L1700 x W740 x H450 mm

F6625 L1500 x W740 x H450 mm

F6624 L1400 x W740 x H450 mm

Oval bathtub

F6647 L1700 x W850 x H450 mm

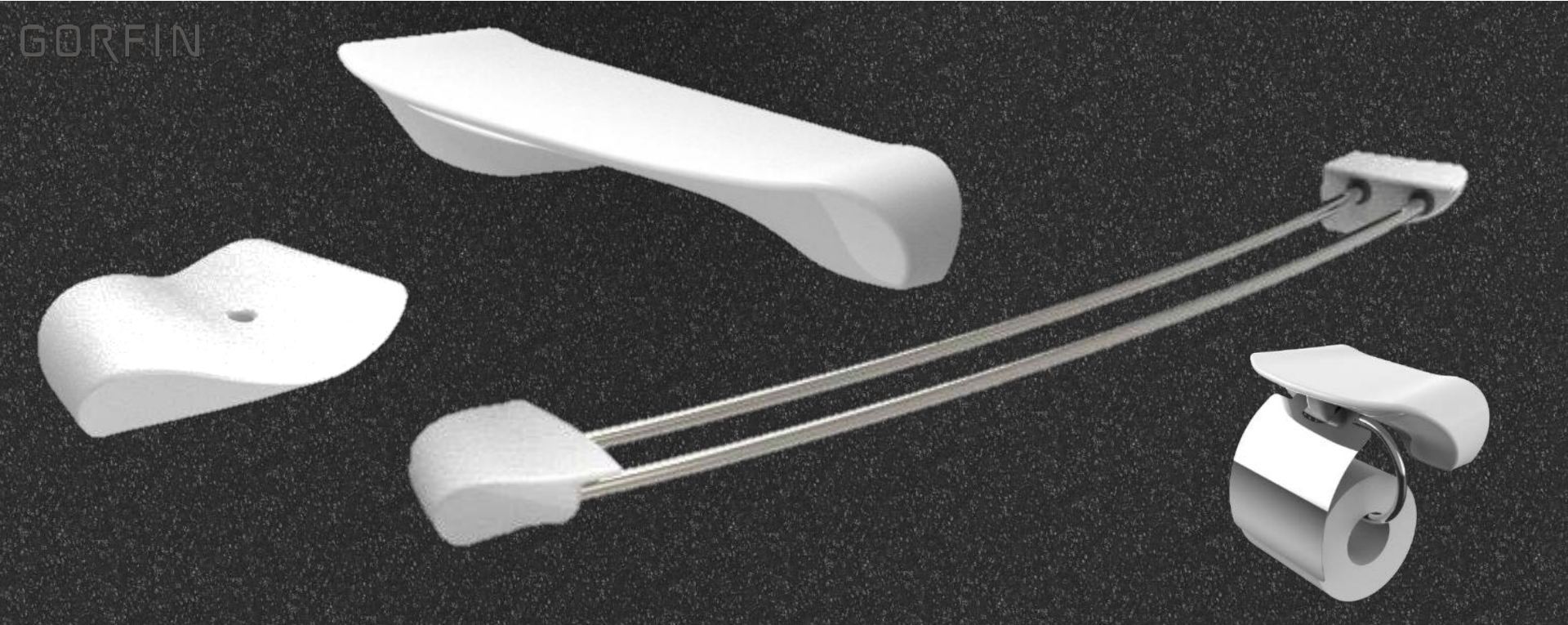
F6645 L1500 x W740 x H450 mm



LF6612 water-tap washbasin
L150 x W54 x H153 mm
Lead-free copper alloy



BF6616 Bathe washbasin
L313 x W100 x H63 mm
Lead-free copper alloy



Soap dish
BA5961
200x120x68 mm

Storage board
BA5960
380x380x68 mm

Double towel rack
BA5964
800x105x68 mm

Toilet paper holder
BA5968
220x150x68 mm

ETON





ALPS



OVAL





HCG ∞ | Double basin cabinet group



摩曼斯克 Murmansk

Polar exploration-
pioneer



摩曼斯克 Murmansk

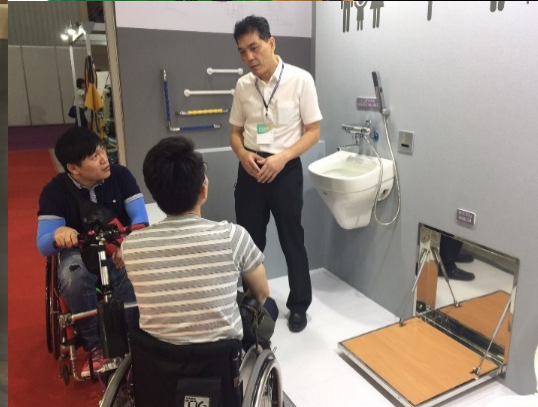
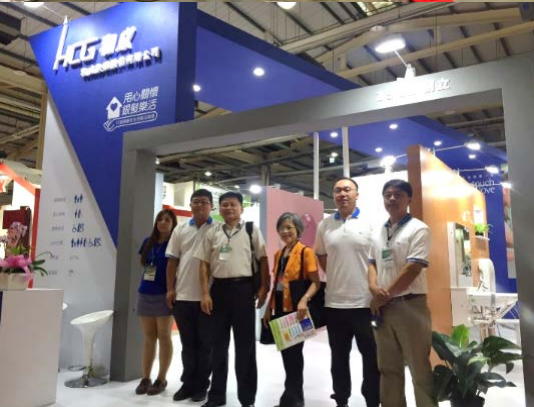
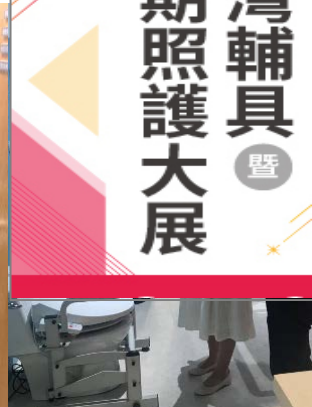
Polar exploration-
pioneer



摩曼斯克 Murmansk

Polar exploration-
pioneer









Five major product features



Patented
product

Aluminum
alloy trim



Patented
product

Fixed partition
buckle



The only one in
the world

Ceramic
kitchenware



100%
waterproof

Foam board
sink cabinet



Cabinet
upgrade

Five-year
warranty

HCG | HCG Kitchenware

A variety of panel materials have their own characteristics :

- ✓ Ceramic baking lacquer imitates solid wood carving, melting the ancients classic and modern in kitchenware.
- ✓ Fashionable, lightweight, and integrated molding.
- ✓ Crystal steel grided with bright colors and mixed cloth texture. Meina board, natural, simple and bright.



HCG | System Cabinet Products

Fashionable, durable, good storage, the cabinet is made of environmentally friendly E1 moisture-proof plastic plywood, with high bending strength, strong and durable, and not easy to deform.

Design your home and realize your dream cabinet.



✓ Walk-in wardrobe



✓ TV cabinet



✓ Closet with door/sliding door



✓ Living room system cabinet

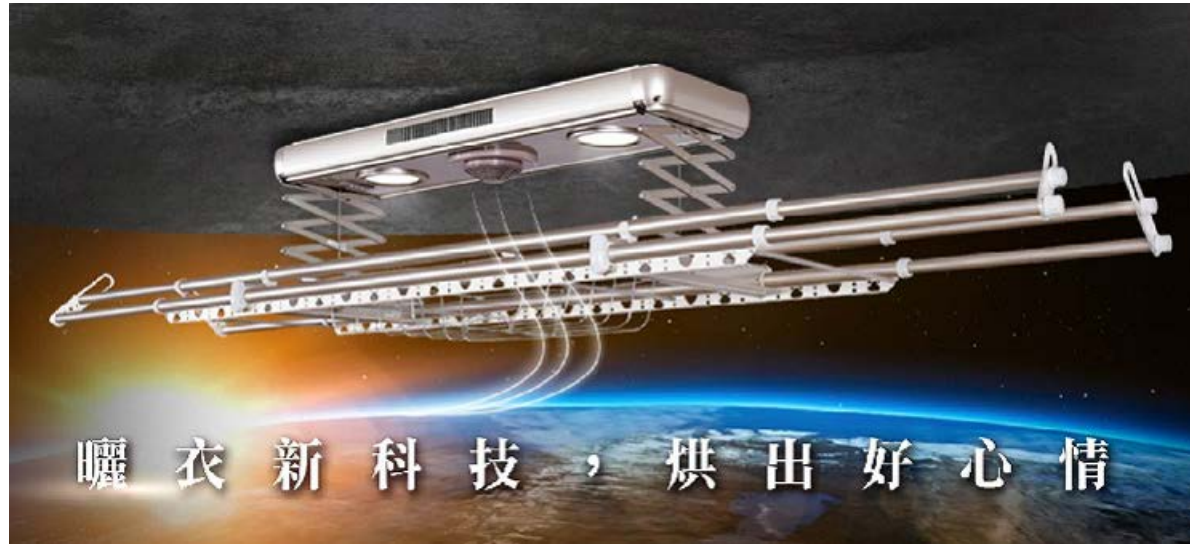


✓ Storage cabinet/bookcase



✓ Bedroom system cabinet

HCG | Electric Lift Clothes Dryer

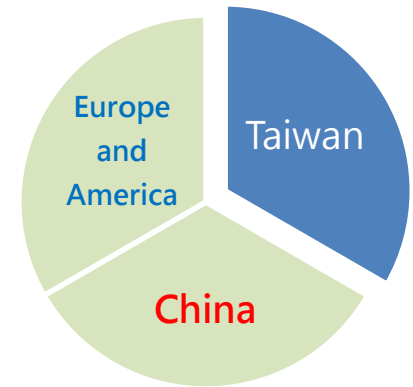


- ### Feature of product
- One-button remote control electric lift
 - Flexible clothes rail for drying freely
 - 45 strict quality inspections
 - Multiple intelligent protection devices
 - Rebound protection device
 - High efficiency ultraviolet germicidal lamp
 - Smart hot and cold cycle drying clothes



Industry Overview

- It belongs to the second-level medical product specified by the Ministry of Health and Welfare.
- Porcelain blocks from various countries enter the Taiwan market and competition is fierce.
- HCG was developed in 2015 and was certified by the Ministry of Health and Welfare in 2017.



 **A pioneer in the domestic brand market**



Market size

- Taiwan's annual demand: 10,000 pieces
 - HCG: 20-25% market share
 - The demand for porcelain blocks is estimated to grow by 5-10% annually.
- Obtained Import License from Thailand-Expand Southeast Asian Market.
 - Received U.S. FDA 510(k) Premarket Notification
 - China test certification will be qualified.



HCG Bulletproof Shield

- The military has passed the combat evaluation, and our company has obtained the qualification report from the White Laboratory of the United States.
- Bulletproof shield (72 groups in 110 and 111).
- All 42 groups in 109 delivered and passed inspection.



Bulletproof Board

There are about 15 American ballistic board brands.
The initial estimated total sales output value can reach 10 million dollars.

North American market

- U.S. guns proliferate and shootings are frequent
- High acceptance of anti-ballistic products

III A

- The U.S. market mainly sells III A ballistic board
- Price range 100-200 USD

Target audience

- Parents who worry about their children
- Business man





Fins



- Special thickness design water guide strip
- Stable water flow



- Brand own foot cover
- Meet the Asian foot design

Smile curve

100% carbon fiber



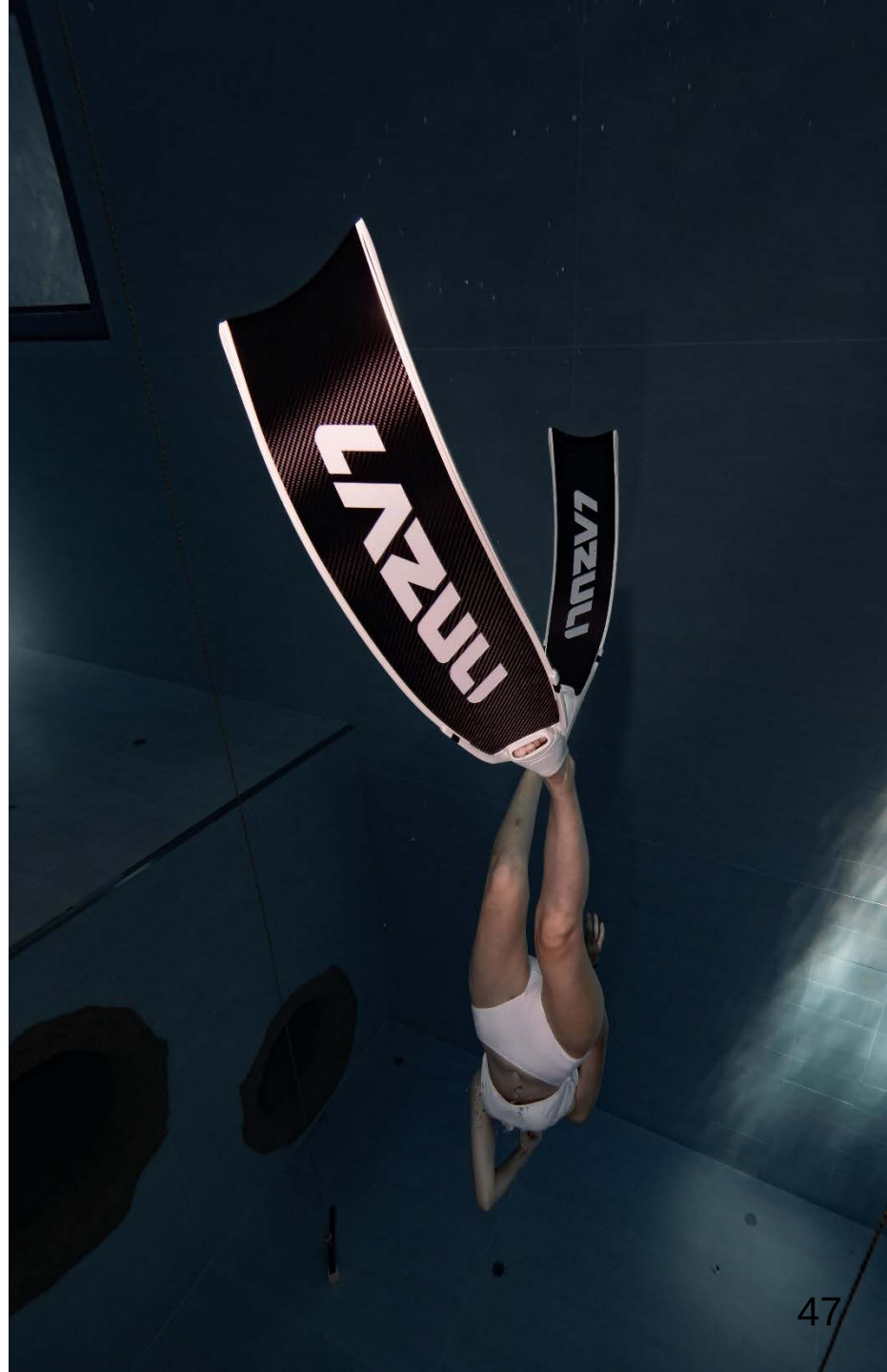
28° Bending angle

Can withstand more than a million bends



Industry Overview

1. Fins by material
 - plastic
 - glass fiber
 - carbon fiber
2. Diving activities
 - scuba diving
 - free diving
3. Preliminary estimate of annual sales of Taiwan's fins up to 15 million dollars.



HCG Tsinghua University-Student Racing Factory

- National Tsing Hua University Racing Factory
 - Go to Japan to compete in a Formula E car won the second place
 - Hand-Layer Process
- HCG
 - Provide a full set of carbon fiber composite aerodynamic kit (Car shell, rear wing, additional floor, etc.)
 - VARTM resin infusion process

➔ TH05 aerodynamic downforce increased by 3.7 times compared with 2019



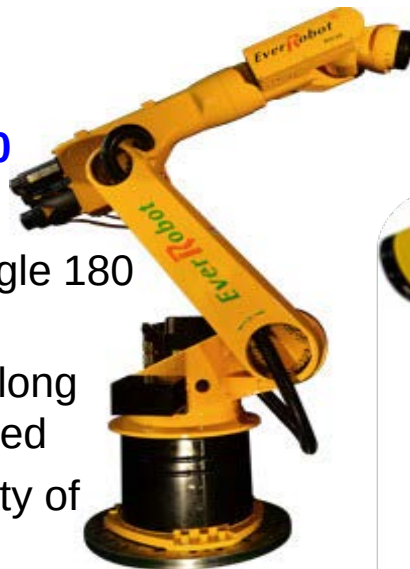
The first generation CPS1.0

Domestic ROBOT

Fifth axis positive rotation angle 180 degrees

The editing program takes a long time and needs to be optimized

To improve the grinding quality of castings



The second generation CPS2.0

Advantages:

the fifth axis's lateral rotation angle is 360 degrees.

Shorten editing time

Improve the grinding quality of castings



	國外機器 手臂研磨	導入工研院CPS研 磨拋光1.0技術	導入工研院CPS研 磨拋光2.0技術
路徑 產生	人工教導	EzSim 機器人模擬器 (離線路徑編程)	EzSim 機器人模擬器 + SmartVision 設備定位 (線上路徑編程)
調機 時間	14天	1天 (節省90%調機時間)	1小時 (節省99%調機時間)

Industry 4.0 Smart Machinery Manufacturers Observation Meeting





Gantry embryo taking system

In order to reduce manpower handling, the raw embryo weighing 45 kg of the toilet is transported in a gantry type. Due to the high humidity and high temperature environment on site, the picker is waterproof and dustproof to IP68.





Thank you for your attention !