



# Horngshiue Holding Briefing

STAMPING DIE MARKET LEADER

CODE  
**2243**



**2018 EARNINGS CONFERENCE**



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# Company Introduction



➤ Horngshiue Holding Co.,Ltd

➤ President : Mr. Lin Weiyan

➤ Business scope: Stamping die, checking fixture, hemming table and technology service

## Shanghai Horngshiue (Shanghai Songjiang

- Located in Songjiang Shanghai with 47,000 m<sup>2</sup> land
- 23,000 m<sup>2</sup> total building area, office building 5,000 m<sup>2</sup>
- 40 NC machining facilities, 17 tryout facilities
- Capacity:
  - Machining: 150K Hours
  - Tryout: 60K Hours
  - Bench work: 1200K Hours



## Zhejiang Horngshiue (Zhejiang Nanxun, under construction

- Located in Nanxun District Huzhou City Zhejiang Province.
- 1st shop is 25,000 m<sup>2</sup> building area, office building 13,000 m<sup>2</sup>
- 14 big NC machining facilities, 10 big tryout facilities
- Planned Capacity:
  - Machining: 50K Hours
  - Tryout: 36K Hours
  - Bench work: 400K Hours



宏旭 HORNGSHIUE



# Company Introduction



Stamping die exported to Ford America for F-150  
(Aluminum Part Material)



## Category Ratio:

- **Skin parts dies:** 80%~90%
- **Structure parts dies:** 10%~20%

## Challenges for stamping die industry:

- **Adhesive degree with OEMs:** It requires stable and long term cooperation with OEMs and experience of BIW projects
- **Key tool:** The development plan of stamping dies directly affect the plan of new vehicle launch
- **Quick technology upgrade:** It requires high technology and engineering capability to ensure continuous technology upgrade.
- **Professional expertise:** Customized manufacturing with 0.02~0.05mm tolerance requires highly qualified and experienced tryout experts.

宏旭 HORNGSHIUE





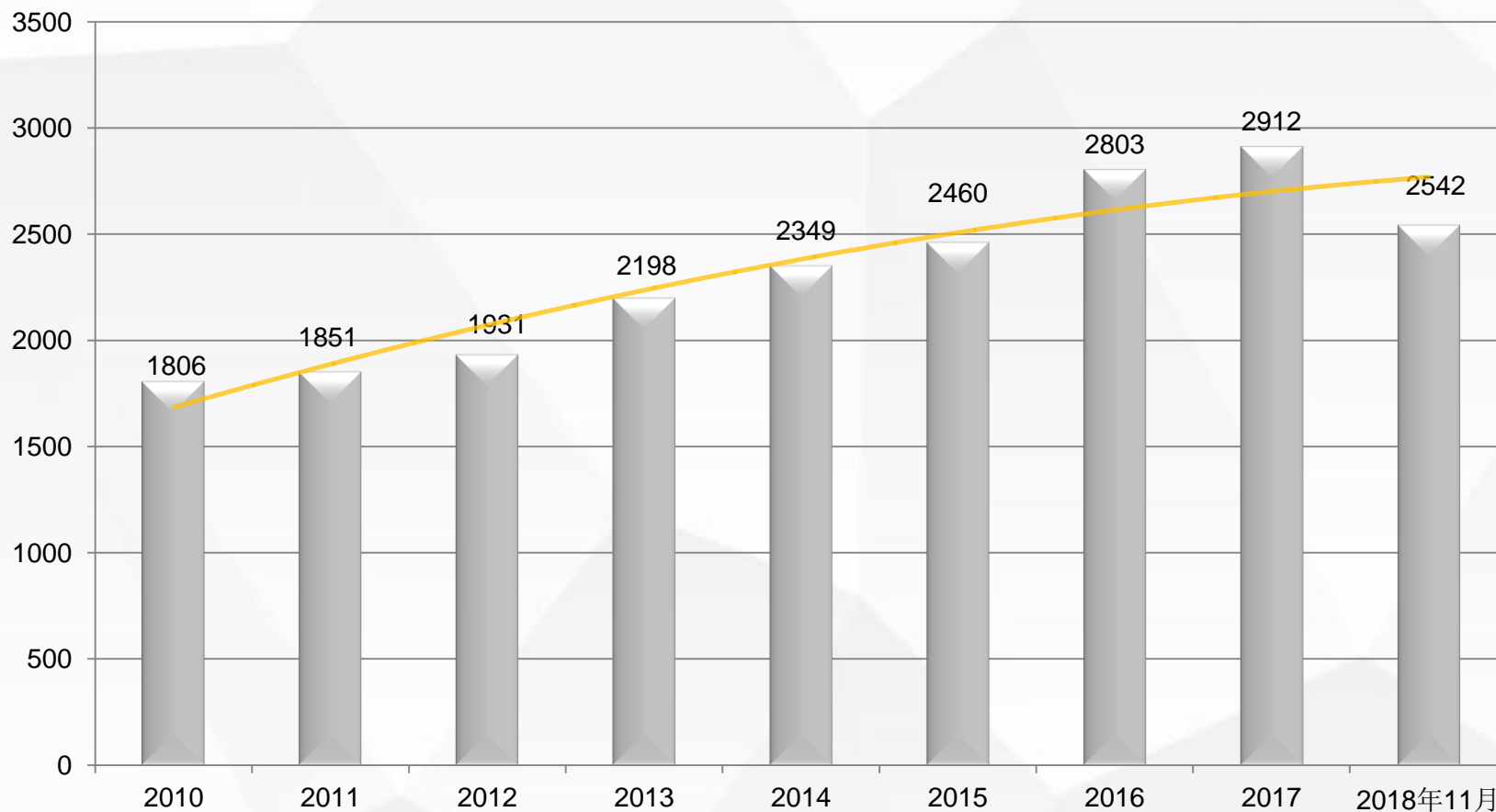
## Company Introduction

- 2000 Shanghai Horngshiue Industrial Co.,Ltd was founded
- 2002 Shanghai Horngshiue officially started production
- 2003 Certified with ISO9001, became supplier of VW and GM Shanghai
- 2004 Supplier of Ford China, Honda China, Toyota China and Nissan China.  
Technical cooperation with UCHIDA (Japan).
- 2005 Applied complete information system, including ERP,PLM and Production Management Systems.
- 2006 Full implementation of 3D solid design and manufacturing technology, digital measurement technology, simultaneous engineering and body matching technology. Finished construction for shop floor 2, became a leading supplier for high strength parts and automatic production dies.
- 2007 Became Ford global supplier
- 2008 Finished construction for shop floor 3, officially penetrated the skin parts dies market
- 2009 Hi-tech company of Shanghai area ( Till now )
- 2010-2011 Excellent supplier for General Motors China.
- 2013 Excellent supplier award by Global Ford
- 2014 Entered into the long-term strategic cooperation with Great Wall China
- 2015 Initiated IPO plan. Horngshiue Holding Co.,Ltd was founded as entity to go to Taiwan stock market and finished re-group
- 2016 Horngshiue holding finished capital increase of 6,900 thousand stocks
- 2017 Horngshiue holding finished capital increase of 4,623 thousand stocks , actual capital is 416,000 thousand.  
The stock is public on Taiwan stock exchange.
- 2018 Invested Zhejiang Horngshiue, Finished unsecured convertible corporate debt 400 million



## Car Sales in China Market (2010~2018 November)

Unit: 10000



Great car sales volumes in 2017, dramatically higher than American market of 17.58 million



## Achievements

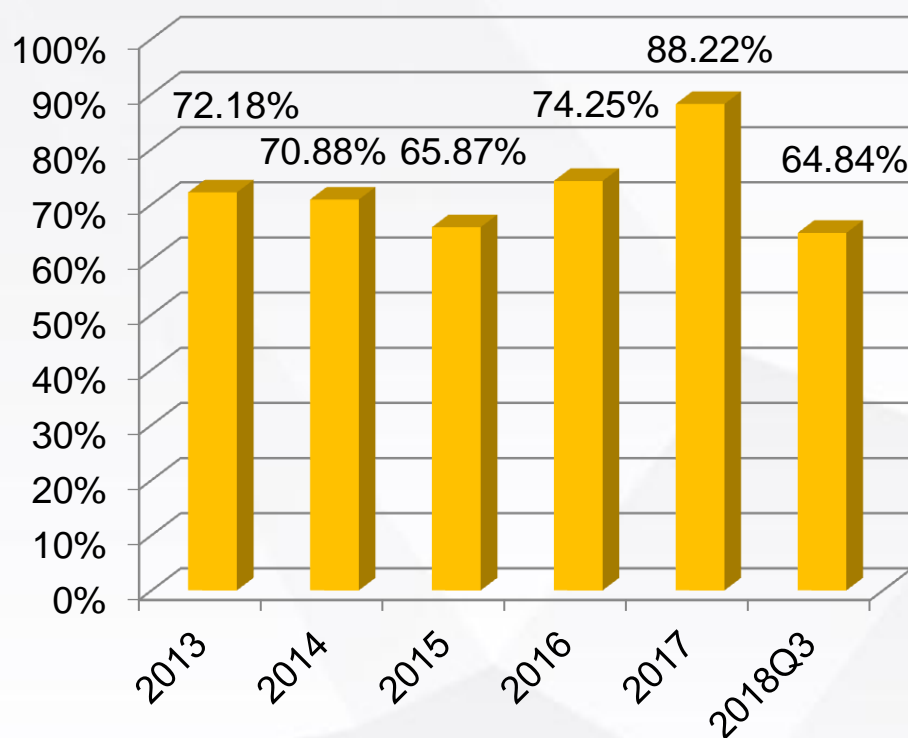


Provided total 108,706 tons of stamping die to customer covering all the major OEMs from 2002-2017



## Achievements- High adhesive degree with OEMs

OEM sales volume ratio with total turnover



### Managing Strategy:

- **High adhesive degree with OEMs** : Difficult for replacement
- **Focus on door, hood, tailgate and roof**: high technical requirements, good margin
- **Diverse customers**: Cooperation with over 50 OEMs, will not be affected by single customer risk.
- **Wide product range**: Sedan、SUV、MPV ,truck、bus、new energy cars, will not be affected by single car sales volumes





## Achievements- Customers for last 3 years



Wide customer range of Chinese and overseas customers, wide range of products, will not be affected by single risk.

Rank	2015		2016		2017		2018 Q3	
	Company Brand	Ratio	Company Brand	Ratio	Company Brand	Ratio	Company Brand	Ratio
1	SH Tractor & Engine	15.57	Changjiang	17.25	Greatwall	17.58	COSKUNOZ	26.3
	GM		Changjiang				Benz Trucks	
2	BJ Motor	9.79	Changan Ford	16.21	Foton	11.55	Changan	15.29
	Weiwang							
3	CA-PSA	8.28	Dongfeng Xiaokang	7.96	Mianyang Huarui	8.36	Dongfeng Xiaokang	15.11
	PSA		Dongfeng		Jinbei		Dongfeng	
4	Ford India	8.09	Beijing BORGWARD	4.84	Changan Ford	8.34	Greatwall	14.5
			BORGWARD					
5	Dongfeng Xiaokang	7.31	Jiangning Holding	4.59	Dongfeng Xiaokang	7.31	Jinkang	5.98
	Dongfeng		JMC		Dongfeng			
6	AUTOALLIANCE	6.68	Thyssenkrupp	3.5	Beijing	6.63	TAM IRAN KHODRO CO.(PSA)	5.81
	Ford		Qoros		BORGWARD			
7	Changan Ford	6.5	Greatwall	3.1	Chongqin Changan	4.34	Changan Ford	4.16
8	Shanqi Zhongka	5.81	GuangqiDiyuan	3.08	SOKON GRP (HONG KONG)	4.12	Beijing Motor	3.61
	Shanqi		(trumpchi)				(Shenbao)	
9	VOLVO	4.19	Dongfeng	2.98	Zhejiang	3.55	FORD	3.25
			Dongfeng		Geely		(Linkon)	
10	Batz (Land rover)	4.15	Thyssenkrupp	2.87	Shanghai Mudi	3.48	Haima	1.78
			(OPEL)		Geely			
	Others	23.63	Others	33.62	Others	24.74	Others	4.21
	Total	100	Total	100	Total	100	Total	100



## Achievements—Financial data



Unit: K NT dollar

Item \ Year	2015	2016	2017	2018 3Q
Revenue	1, 920, 638	2, 088, 502	2, 159, 565	1, 737, 640
Gross Profit	356, 010	371, 021	290, 645	216, 160
Net Profit	109, 939	120, 639	43, 502	23, 193



## Microanalysis of automotive industry

**In 2018, the global automobile market fluctuated and the growth of China's automobile market slowed down**

- 1. China's automobile sales base in 2017 is too high, and the automobile market in 2018 shows a slow growth state.**
- 2. After the purchase tax halving policy in 2016 and 2017, sales have overdrawn the growth of China's automobiles ahead of schedule.**
- 3. The accelerated de-inventory and financial de-leverage of China's real estate have crowding-out effect on automobile market consumption.**
- 4. New energy vehicle fraud, technology development route needs to be clarified, the strategic layout of the car factory slows down.**
- 5. Volkswagen. BMW. Benz and Japanese car emissions fraud and safety airbag defects, have an impact on the car market.**
- 6. High tariffs on automobiles affect the layout of international automobile factories and the supply chain of the global automobile industry.**



# Microanalysis of automotive industry

## Insight of future automobile market

1. In 2018, the total sales of automobiles declined and the number of new models on the market declined. There will inevitably be a replenishment effect in the future.
2. The overdraft effect of the previous policy of reducing the purchase tax by half will decrease, and the production and sales of automobiles will return to a reasonable development.
3. Finish real estate inventory, the decline of personal income tax and VAT will stimulate production and consumption.
4. Subsidies for new energy vehicles. Technological development route. Clear license for OEM production and gradual improvement of production environment
5. With the end of major adverse events in international automobile factories, consumers 'trust in the automobile industry will gradually recover.
6. Agree to reduce U.S. auto tariffs from 40% to 15%, which is beneficial to the stable growth of the industrial chain of both sides.



## Market Expectation-Re-layout of Traditional Vehicle Factory and New Energy Market

2018 is a period of hesitation in the automobile market, and the major domestic and foreign automobile factories still have confidence in the Chinese market. They have launched medium and long-term plans one after another, and will continue to invest in a large number of new models. We are highly optimistic about the future market prospects.

Name	Plan	Content
Ford	2025 Plan	By 2025, Ford will launch in China over 50 new car models including 8 brand new SUVs, at least 15 Ford and Lincoln new energy cars.
Dongfeng Xiaokang	Strategic Plan	From 2018 to 2020, the three major passenger vehicle platforms have been integrated and developed synchronously. More than five brand-new intelligent vehicles have been put into the market. From 2020 to 2025, they have adopted the comprehensive application of super intelligent system, automatic driving, intelligent networking, AI artificial intelligence and other technologies.
Jinkang	New Energy Vehicle Strategy	In addition to Jinkang New Energy, SF MOTORS Company has been set up in Silicon Valley of the United States to build high-end electric vehicles and plan to produce 50,000 new energy passenger cars per year.
Greatwall	New Energy Vehicle Strategy	Four new energy platforms, including large vehicle platform, medium and large vehicle platform, cross-border vehicle platform, compact vehicle platform (BMW cooperation platform) and small vehicle platform, totally 12 new vehicles.
Beam	New Energy Vehicle Strategy	Great Wall Automobile and BMW Group each hold 50% shares, with an annual capacity of 160,000. In addition to producing BMW MINI electric vehicles, the first new car will be a compact SUV that will last more than 500 kilometers.

Full layout of core customers 'medium and long-term plans for the future, with the peak shipment of new Ford models around the world in the next year Jinkang New Energy Vehicle and Beam Vehicle a New Energy Vehicle with Traditional Vehicle Factory (Dongfeng Xiaokang) as a Strategic Partner

Name	Plan	Content
Changan	Shangri-La Plan	By 2025, a total of 21 new pure electric vehicles and 12 plug-in hybrid electric vehicles will be launched.
Cherry	2025 Strategy	It covers all segments of the market, including Class A to C car products and Class B to D SUV products. The technology covers plug-in hybrid, pure electric, plug-in electric vehicles, electric four-wheel new energy vehicles. Launching CHERY LION Intelligent Strategic Brand
Geely	2020 Strategy	By introducing 30 new products, we can achieve the target of producing and selling 2 million sets by 2020.
Beijing Motor	High-tech Special Strategy	Industries, products and industrial chains have been upgraded in an all-round way. A brand new high-end independent brand will be released, and the manufacturing base of Shenbao brand will be relocated from Beijing to Guangzhou and Zhuzhou factories. Former Beiqi Shenbao Base will be put into production of Benchi Electric Vehicle 报错

Continuous medium and long-term development plan for key customers。 Next year will be peak delivery period for new models of Beijing Automobile Group. Start strategic partnership with Chang'an Automobile and Chery Automobile



Name	Plan	Content
<b>GM</b>	<b>2020 Plan</b>	Ten new or modified models are introduced each year
<b>VW</b>	<b>10 year plan</b>	By 2020, Volkswagen will launch at least 10 new energy vehicles and at least 10 new SUVs. In addition, in the future, Volkswagen will also increase its investment in the new energy vehicle market. It is expected that by 2025, at least 10 pure electric vehicles will be launched.

Strengthen cooperation with Shanghai GM and Volkswagen

## Successful Development of Overseas Customers

Name	Content
<b>Daimler</b>	Through the recent cooperation model with Daimler Benz Truck, we have actively participated in the development of a new platform for C-series cars.
<b>Gestamp</b>	Gestamp has more than 100 factories in 22 countries. It is the world's largest supplier of services to the world's top 12 automobile factories. It has fully cooperated with its two sales platforms of parts and stamping dies, thereby expanding its sales to the world's major automobile factories.

Increase the proportion of export products sales

## Future Development

### 1 Technical Intensity

Undertake high strength structural parts (Chang'an Mazda). This product can reduce the cost of car body and replace hot stamping technology with cold stamping.

### 2 Capacity expansion

Zhejiang Nanxun Factory will be put into use, and larger, high-end and high-precision equipment will be put into operation to produce high value-added products.

### 3. Comprehensive human resources

Introduce the world's top talents and train the basic manpower in cooperation with Wuhan Vocational College of Communications





# Thank You

