



Eurocharm Group

誠信創新 顧客滿意

www.eurocharm.com.tw

Eurocharm Holdings Co., Ltd.

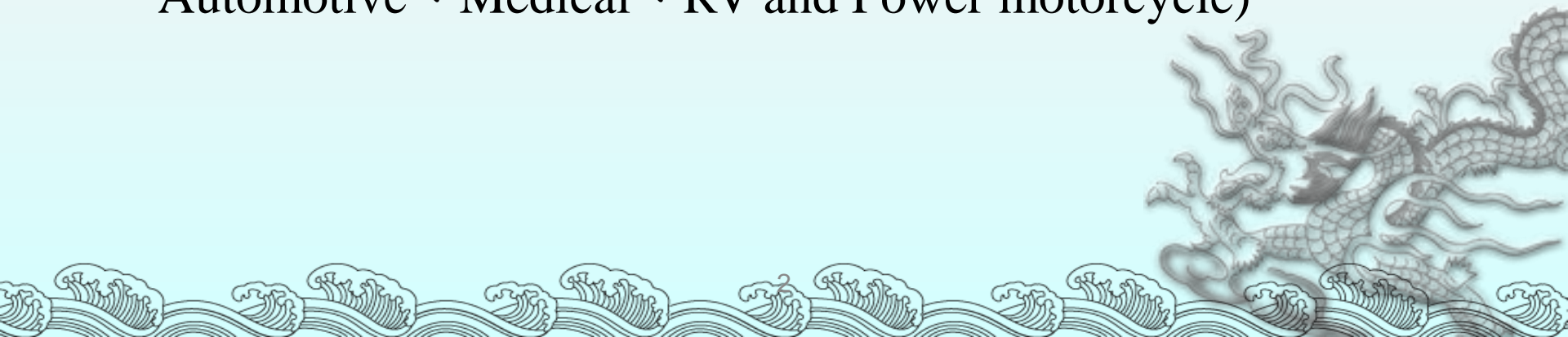
~A global leading supplier in automotive, motorcycle, and medical equipment industries

Jerry Kao Manager



Company Profile

- **Stock Code** : 5288 TT
- **Founded** : 2011/07/18
- **Paid-in Capital** : 657,991,530
- **Number of Employees** : Total 3,500
- **Headquarter** : New Taipei City, Taiwan
- **IPO Date** : 2014/09/25
- **Operations Sites** : Taiwan (1974) 、 Vietnam (2001)
- **Main Product** : Precision Metal Parts (Motorcycle 、 Automotive 、 Medical 、 RV and Power motorcycle)



Group History

1974~1993

Building Foundation
in Taiwan

- 1974: Eurocharm Taiwan was established and became a professional manufacturer of motorcycle parts .
- 1988: started production of healthcare equipment parts and products

1994~2010

Setting Roots in
Vietnam

- 1994 : Vietnam Precision Industrial Joint Stock Company was established (8.17%)
- 2001 : Vietnam Precision Industrial No.1 Co., Ltd. (VPIC1) was established (100%)
- 2006 : jointed venture with EXEDY Japan to establish EXEDY Vietnam, whose main products are motorcycle clutch parts (20%)
- 2007 : ISO/TS16949 and ISO14001 certification
- 2010 : jointed venture to establish Hsieh Yuan Technology Vietnam Co., Ltd., specialized in zinc, nickel, chromium and hard chrome plating certification (45%). Passed ISO13485

2011~Now

Marching towards the
World

- 2011: restructured group organization to establish Eurocharm Holdings Co., Ltd.
- 2012: started production of heavy Motorcycle parts to Polaris
- 2014: installed 3D laser cutting machine 、 Ford Q1 Award
- 2015:OHSAS 18001certification
- 2017:fifth plant completed

Vietnam Factory



Major Clients

HONDA
The Power of Dreams

EXEDY

 **POLARIS**


ARCTIC CAT
SHARE OUR PASSION.™

 **YAMAHA**


Yes, you can.™




TOYOTA


PIAGGIO®

FranceBed

Reliable quality enables us to
partner with global-leading
brands around the world.

 **SYM**
Engine of Life

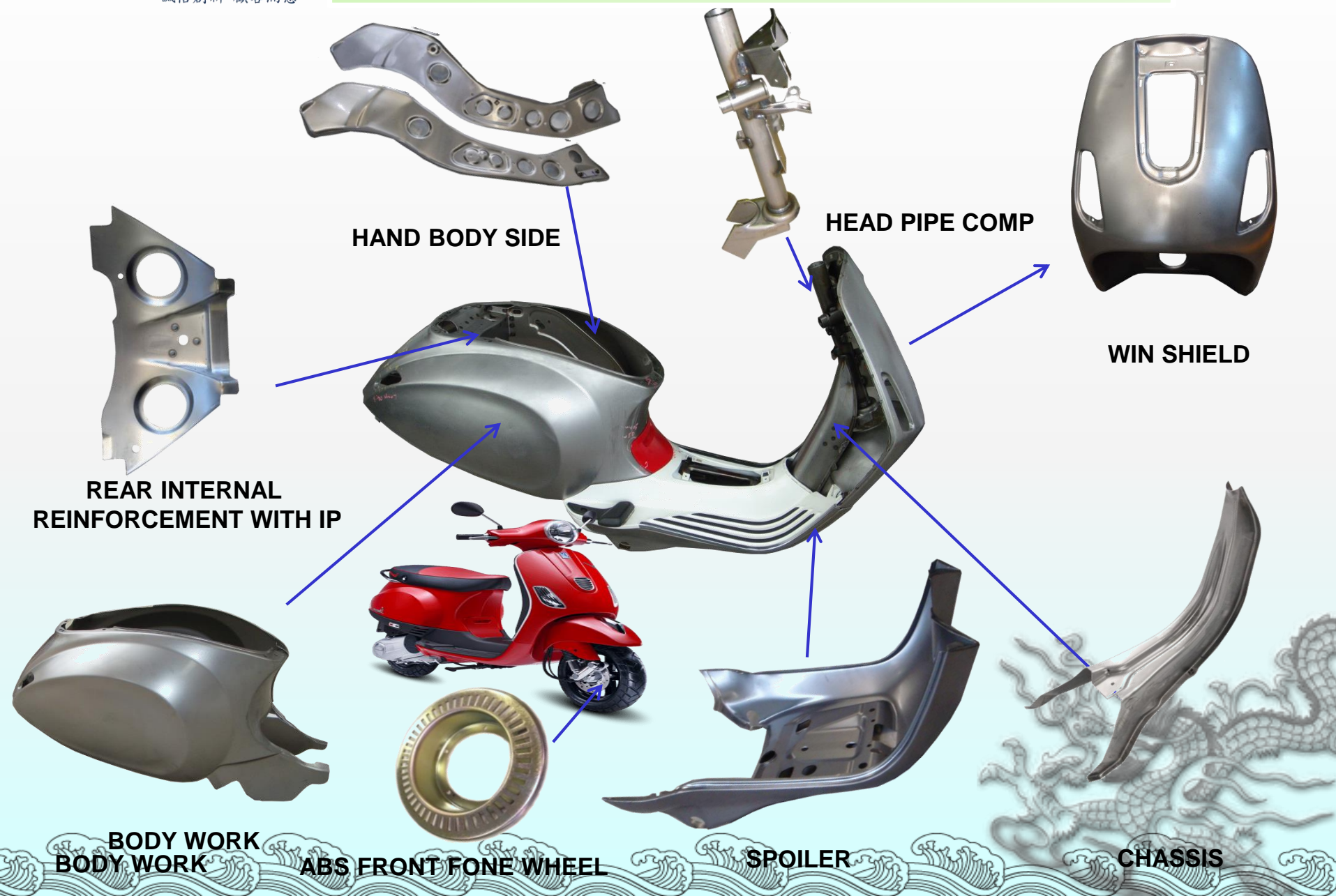
 **DUPONT**


 **SUZUKI**

Panasonic
ideas for life

- ✓ reduce time for product launch
- ✓ exceptional quality reliability
- ✓ excellent quality service

Motorcycle Parts (1)



Motorcycle Parts (2)



STAY FR COVER



PIPE SUB COMP



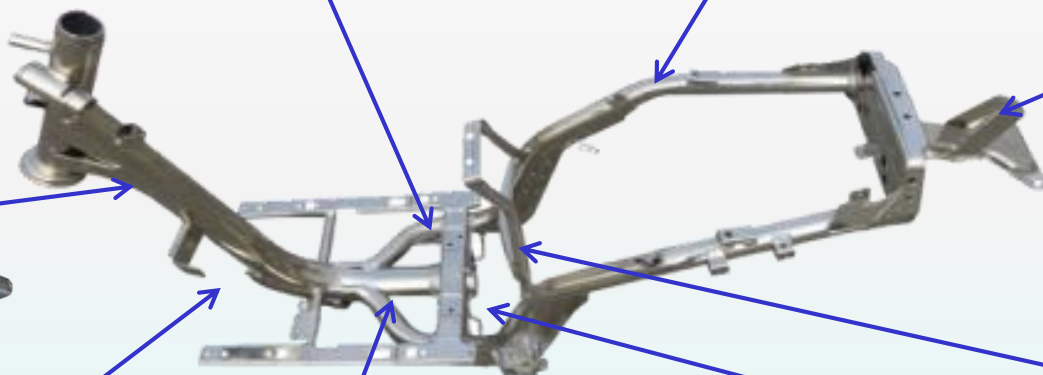
PIPE, SIDE



PLATE, RR CROSS COM



MAIN PIPE COMP



FRAME COMP



PLATE, PIVOT COMP



MAIN PIPE COMP



PIPE, LOWER CROSS
COMP



PIPE RR CROSS COMP

Motorcycle Parts (3)



RAIL REAR GRAB



CARRIER LUGGAGE



HUB



CLUTCH CENTER SUB



CLUTCH PLATE



CRANK CASE



ENGINE BLOCK



STEP ASSY. PILLION



STEP ASSY. PILLION



SWINGARM, REAR

Motorcycle Parts (4)



HANDLE COMP



METAL FUEL FILLER



HINGE FUEL LID



HINGE ASSY SEAT



SEAT CATCH COMP



RAIL RR GRAB



SWING ARM ASSY



CAM RR BRAKE



ARM RR BRAKE



STEP ASSY, PILLION



LINK ASSY ENG HANGER



STAND COMP MAIN



STAND SIDE



GEAR, FINE BLANKING



RETAINER, KICK SPRING



STEERING COLUMN

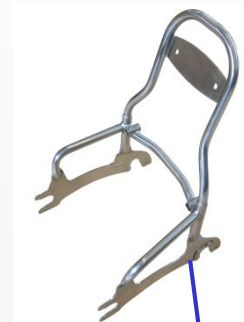


Power Motorcycle Parts

UPPER TRIPLE CLAMP



HOUSING-SPEEDOMNT, IND WELD-BACKREST

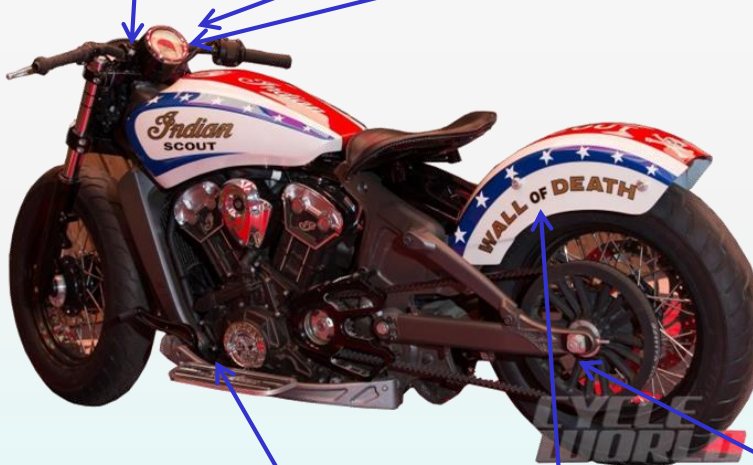


LOWER TRIPLE CLAMP



COVER-WIRE, FRONT, N

HANDLE BAR



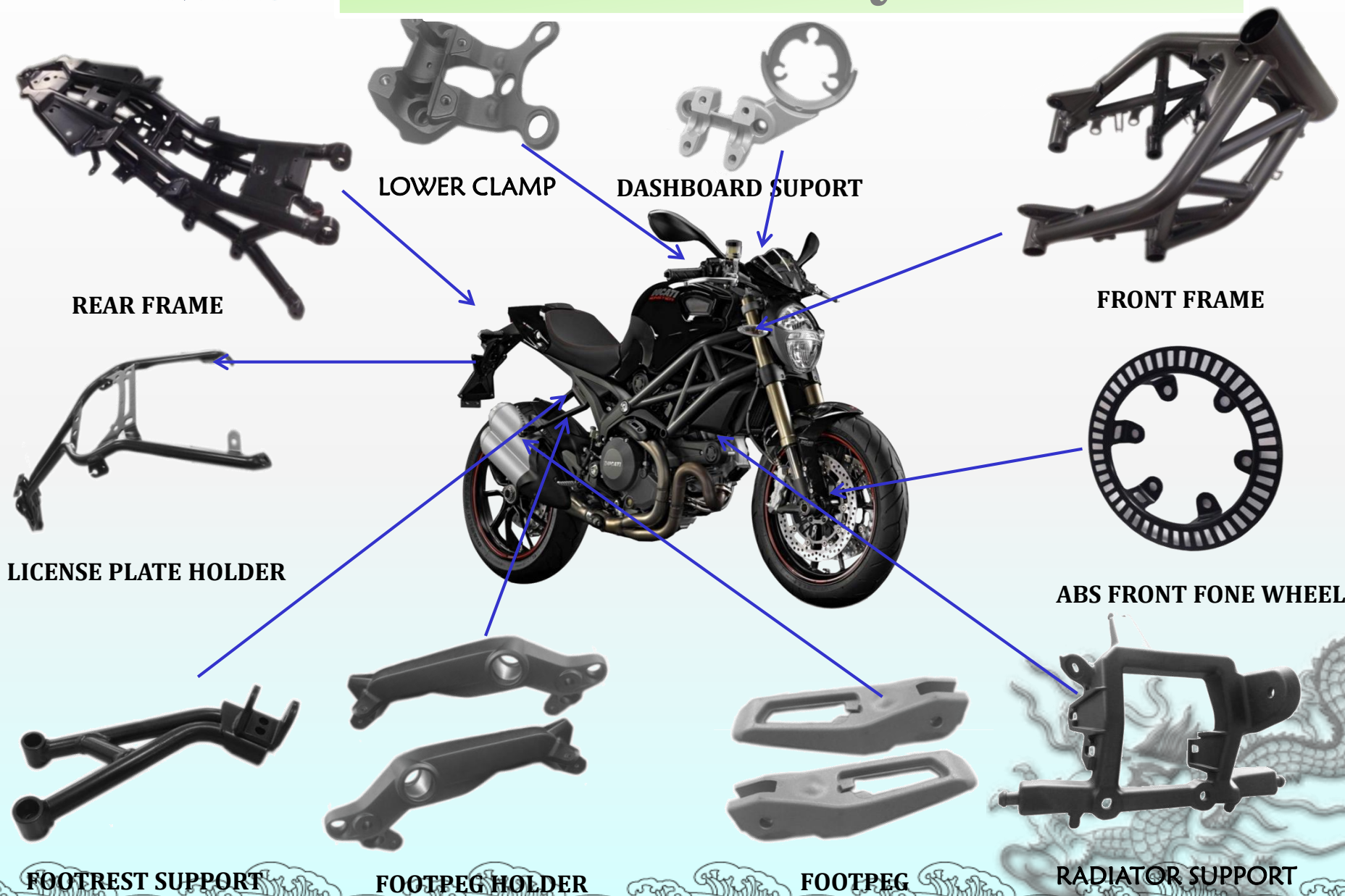
FOOT CONTROL

STAND SIDE

FENDER

SWINGARM

Power Motorcycle Parts



Snowmobile Parts



Seat Rail



Handle Bar



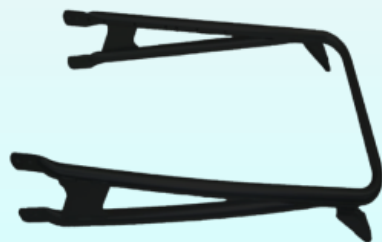
Front Torque Arm



Bumper



Upper Control Arm



Front Torque Arm

Lower Control Arm



Recreational Vehicle Parts--ATV



WELD-SKID, FRONT, BOLTED



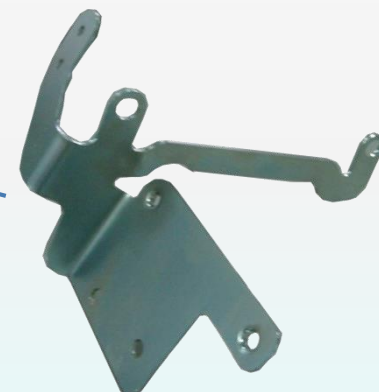
SUPPORT-STEERING



BRKT-POD MOUNTING



BRKT AXLE BRACE



BRKT-FUSE BLOCK



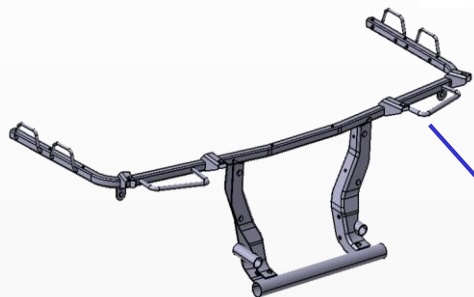
PLATE-MOUNT, PIN



BRKT CAST SWAY BAR



Recreational Vehicle Parts--sxs..



WELD-REAR RACK,SUPPORT,SPMN



BRKT - REAR TRANS MNT



**TRAILING ARM,
WELD**



BRKT-MOUNT,RADIATOR,LH



**BRKT-MOUNT,
SUPPORT, OUTER, PASS**



BRKT-SKID PLATE, REAR



WELD-SHIFT LEVER

Recreational Vehicle Parts-- others



**TRIM-RADIO
DISPLAY BEZEL**



HOOP-ROLL



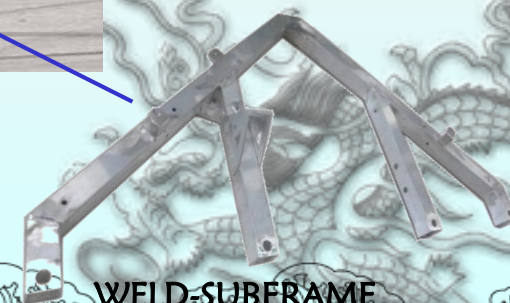
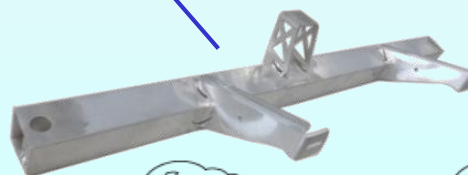
BRACKET-IGNITION



CENTER HEADLIGHT



WELD MNT, RADIATOR



WELD-SUBFRAME

Automobile Parts



CHASSIS FRAME ASSY



FRAME FR
SEAT CUSHION
SIDE NO 1



PANEL RR
SEAT BACK



HINGER SEAT ASSY



FRAME SUB ASSY FR
SEAT CUSHION



SIDE STEP



SIDE STEP



Medical & Healthcare Parts



MEDICAL BED



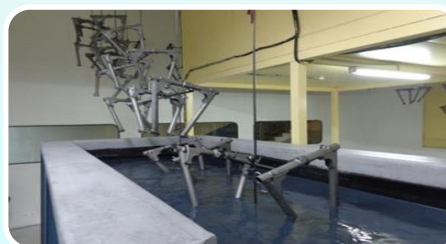
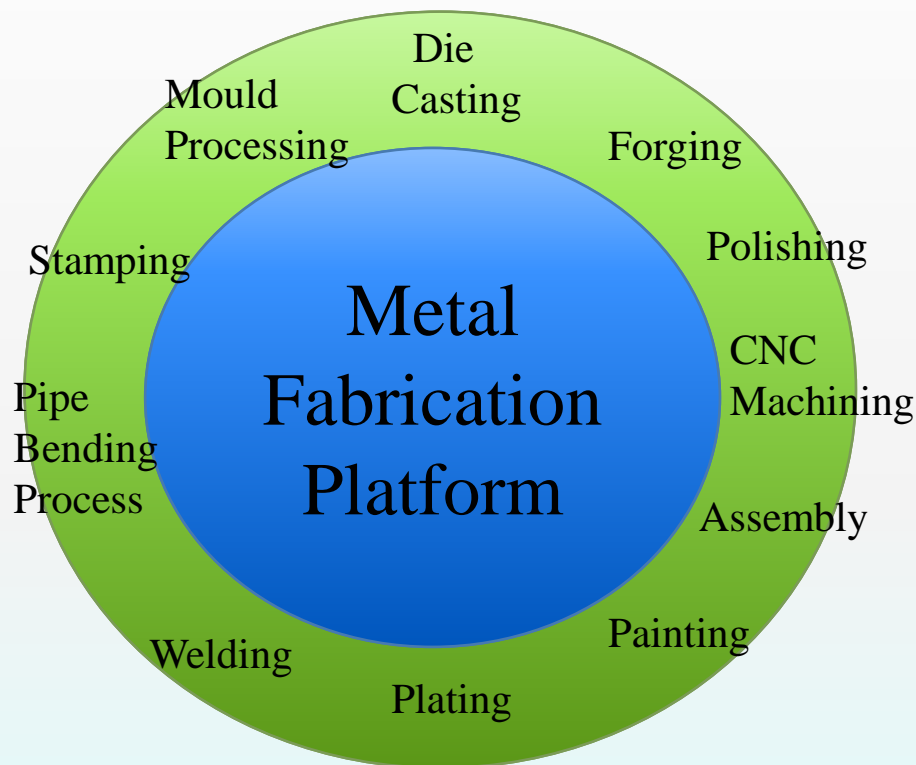
PATIENT LIFTER



SHOWER CHAIR



Competitive advantages



Vertical and Horizontal Production Integration



Tooling Design



Tooling Development



Product Verification



sheet
fabrication



tube
fabrication



aluminum
die casting



CNC
machining



robotic
welding



surface
treatment



zinc &
nickel-
chrome
plating



final
assembly

Provide One-Stop-Shopping for Customers

Consolidated Statements of Comprehensive Income

(2017 & 2016)

In million of New Taiwan dollars

Period	2017	%	2016	%	YoY (%)
Net revenue	4,062	100.00%	4,164	100.00%	-2.45%
Cost of revenue	-3,335	-82.10%	-3,416	-82.04%	-2.37%
Gross profit	727	17.90%	748	17.96%	-2.81%
Operating Expenses	-232	-5.71%	-235	-5.64%	-1.28%
Income from Operatings	495	12.19%	513	12.32%	-3.51%
Non-operating income and expenses	107	2.63%	129	3.10%	-17.05%
Income before income tax	602	14.82%	642	15.42%	-6.23%
Income tax expense	-142	-3.50%	-170	-4.08%	-16.47%
Net income	460	11.32%	472	11.34%	-2.54%

Consolidated Balance Sheet

In million of New Taiwan dollars

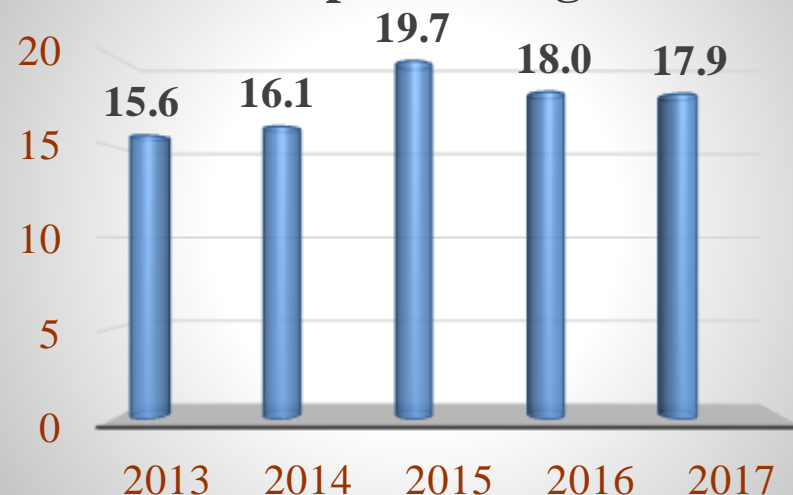
Period	2017.12.31	%	2017.09.30	%	2016.12.31	%
Assets	3,343	100.00%	3,122	100.00%	3,289	100.00%
Cash and cash equivalents	671	25.86%	516	16.53%	842	25.60%
Investments in Debt Securities with No Active Market	653	14.12%	796	25.50%	574	17.45%
Notes and accounts receivable, net	590	20.14%	528	16.91%	580	17.63%
Inventories	417	11.74%	383	12.27%	375	11.40%
Property, plant and equipment	748	20.73%	633	20.28%	651	19.79%
Other assets	264	7.41%	266	8.52%	267	8.12%
Liabilities	774	22.86%	663	21.24%	707	21.50%
Short-term loans	57	2.07%	63	2.02%	48	1.46%
Accounts payable	362	10.75%	277	8.87%	325	9.88%
Other payable	180	5.19%	151	4.84%	171	5.20%
Other liabilities	175	4.85%	172	5.51%	163	4.96%
Equity attributable to the parent company	2,569	77.14%	2,459	78.76%	2,582	78.50%
Capital stock	658	20.05%	658	21.08%	658	20.01%
Capital surplus	836	25.11%	836	26.78%	830	25.24%
Retained earnings	1325	30.34%	1,183	37.89%	1,129	34.33%
Other components of equity	-250	1.64%	-218	-6.98%	-35	-1.06%

In million of New Taiwan dollars ; %

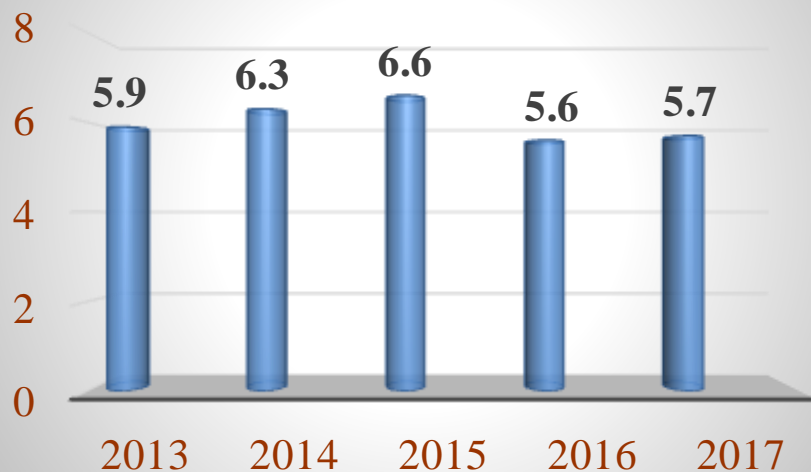
Net Revenue



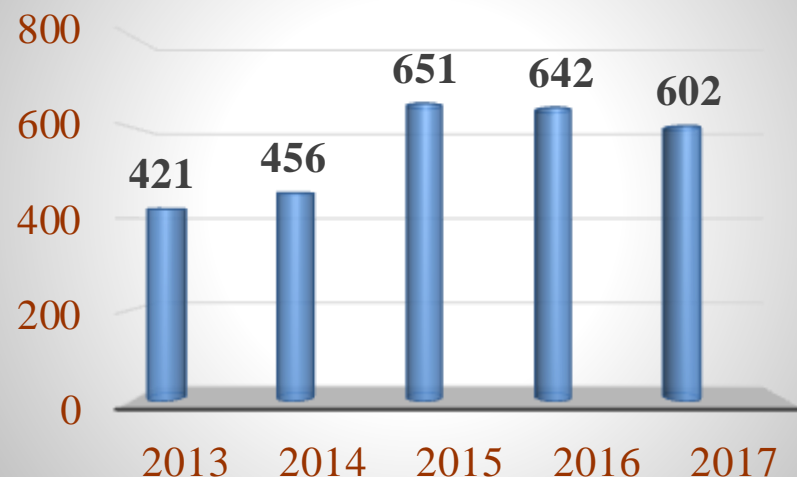
Gross profit margins



Operating expenses margins

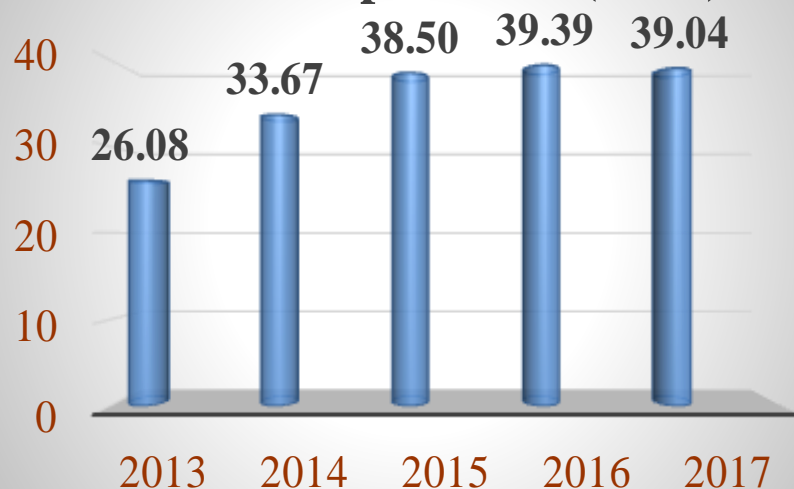


Income before income tax

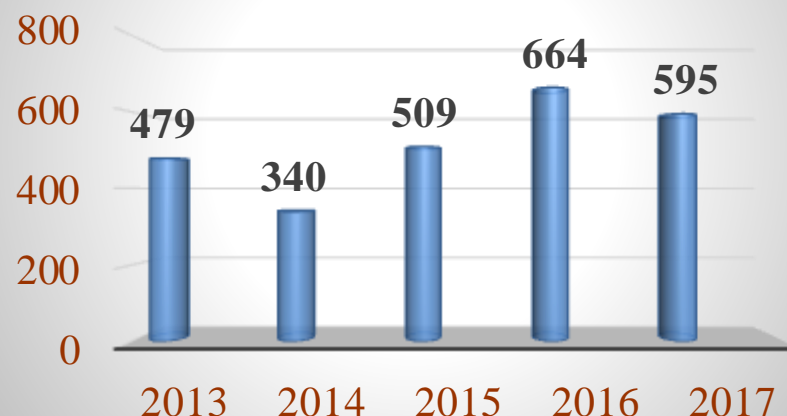


In million of New Taiwan dollars ; %

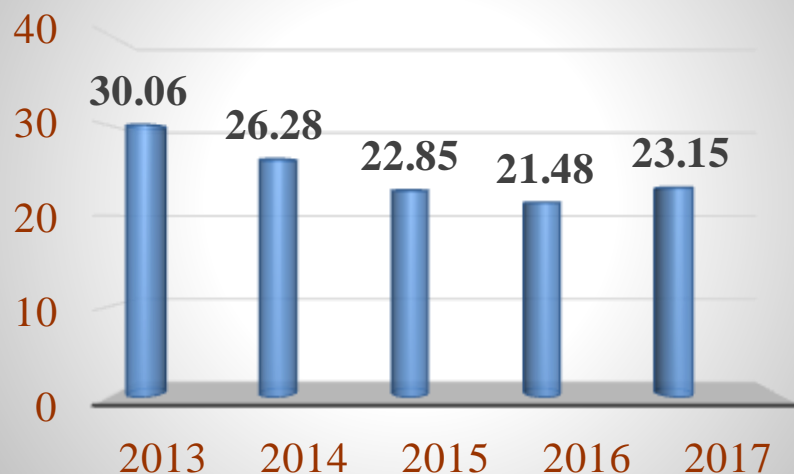
Book value per share (NTD)



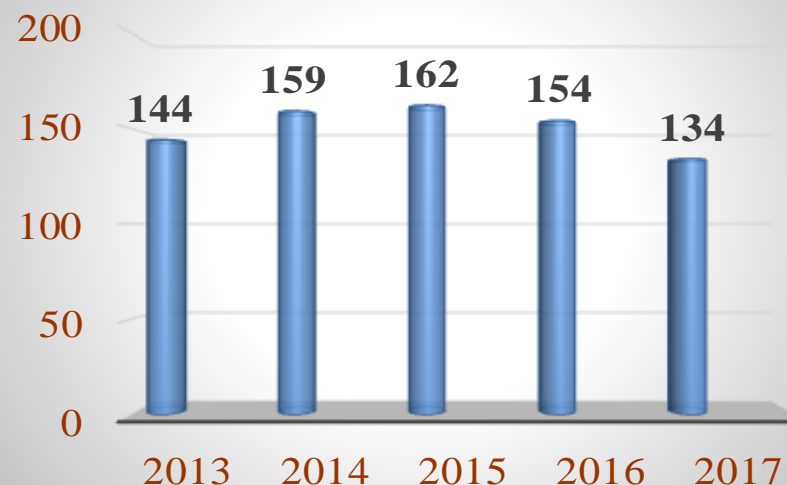
Net cash provided by operating activities



Debt Ratio



Depreciation



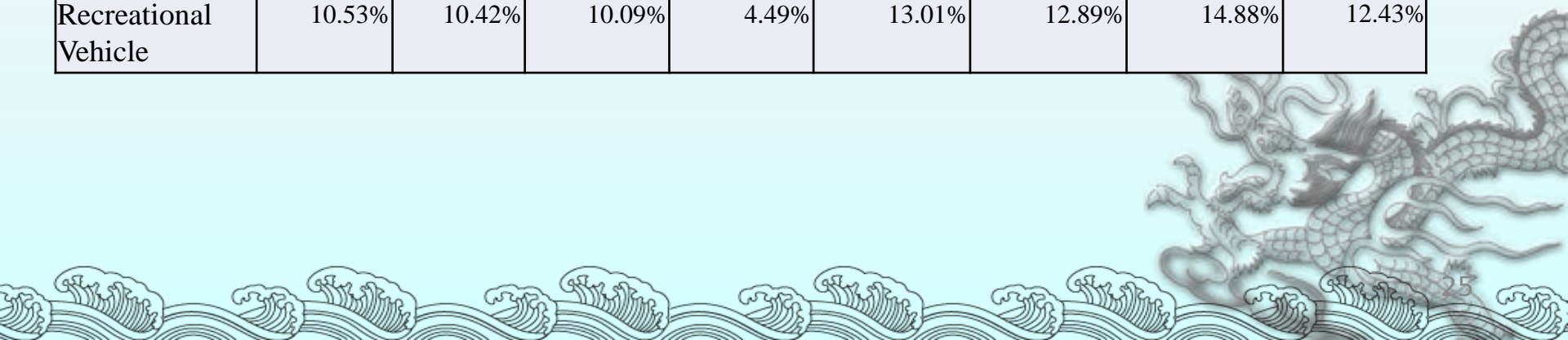
Client Structure

	Client	2012	2013	2014	2015	2016	2017
1	HONDA	39%	50%	50%	51%	50%	48%
2	YAMAHA	24%	16%	11%	9%	9%	8%
3	POLARIS	0%	0%	4%	8%	8%	11%
4	EXEDY	6%	5%	5%	5%	5%	4%
5	PIAGGIO	5%	4%	5%	6%	6%	6%
6	INVACARE	8%	7%	5%	4%	5%	4%
7	Others	18%	18%	24%	25%	17%	19%
	Total	100%	100%	100%	100%	100%	100%

	Regions	2012	2013	2014	2015	2016	2017
1	Vietnam	85%	83%	76%	74%	74%	68%
2	Taiwan	1%	1%	1%	1%	1%	1%
3	others	14%	16%	23%	25%	25%	31%

Product Diversification

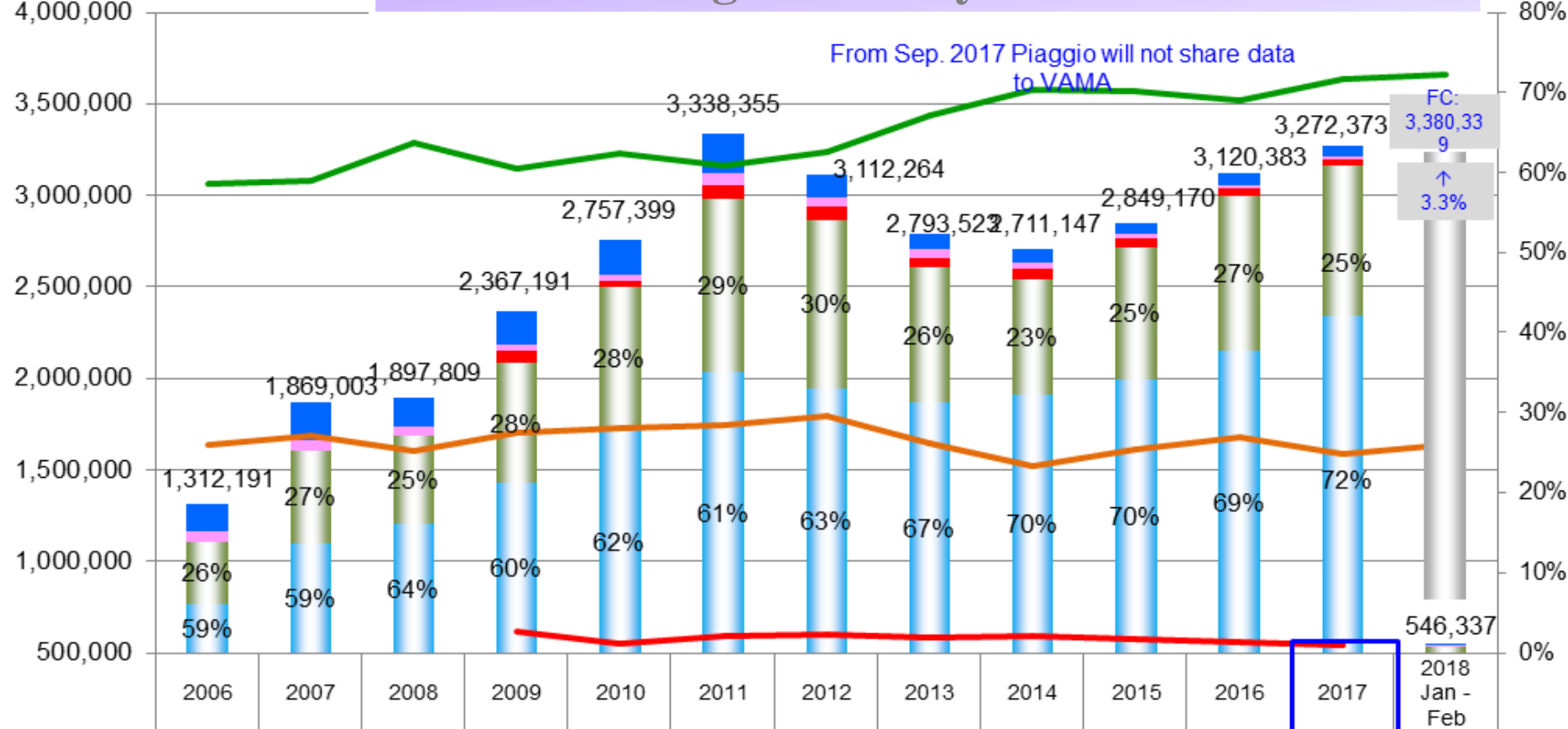
	2016年				2017年			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	1,096	990	1,041	1,038	1,005	976	1,037	1,044
Motorcycle	74.79%	76.17%	77.98%	83.42%	73.35%	74.44%	73.13%	73.91%
Automobile	2.25%	1.79%	1.95%	2.01%	0.72%	0.65%	0.56%	0.79%
Medical & Healthcare	12.42%	11.62%	9.98%	10.08%	12.92%	12.02%	11.43%	12.87%
Heavy Motor & Recreational Vehicle	10.53%	10.42%	10.09%	4.49%	13.01%	12.89%	14.88%	12.43%



Vietnam big 5 motorcycle's FDI statistics

Unit /M

4,000,000



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Jan - Feb
SYM	149,032	210,005	158,703	180,008	193,554	215,009	119,597	82,384	74,135	59,499	65,316	55,798	5,512
SUZUKI	53,634	51,852	50,066	38,348	33,784	66,088	55,862	50,525	37,047	23,167	18,953	20,989	3,665
PIAGGIO				65,316	34,068	72,487	70,055	55,736	56,443	46,554	41,754	33,211	
YAMAHA	340,955	505,536	480,685	651,500	774,313	953,047	919,037	731,238	633,622	722,883	840,743	815,789	142,128
HONDA	768,570	1,101,61	1,208,35	1,432,01	1,721,68	2,031,72	1,947,71	1,873,64	1,909,90	1,997,06	2,153,61	2,346,58	395,032
Total	1,312,19	1,869,00	1,897,80	2,367,19	2,757,39	3,338,35	3,112,26	2,793,52	2,711,14	2,849,17	3,120,38	3,272,37	546,337
Honda %	59%	59%	64%	60%	62%	61%	63%	67%	70%	70%	69%	72%	72%
Yamaha %	26%	27%	25%	28%	28%	29%	30%	26%	23%	25%	27%	25%	26%
Piaggio %				3%	1%	2%	2%	2%	2%	2%	1%	1%	

Future Outlook

- Team up with motorcycle companies' market globalization to expand more into export markets.

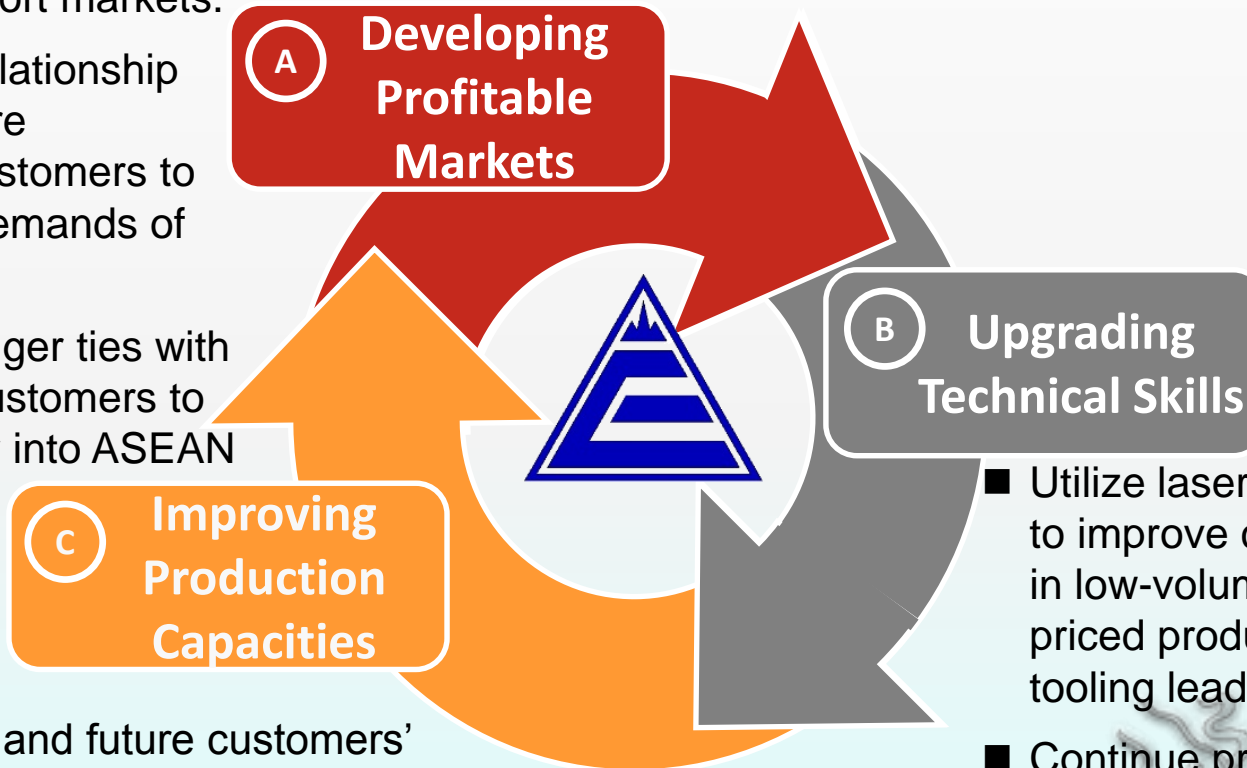
- Strengthen relationship with healthcare equipment customers to face higher demands of aging society.

- Develop stronger ties with automotive customers to grow together into ASEAN markets.

- Meet existing and future customers' demand to increase capacity in die-casting, CNC machining, and painting.

- Meet customers' growth need by planning 5th factory in Vietnam.

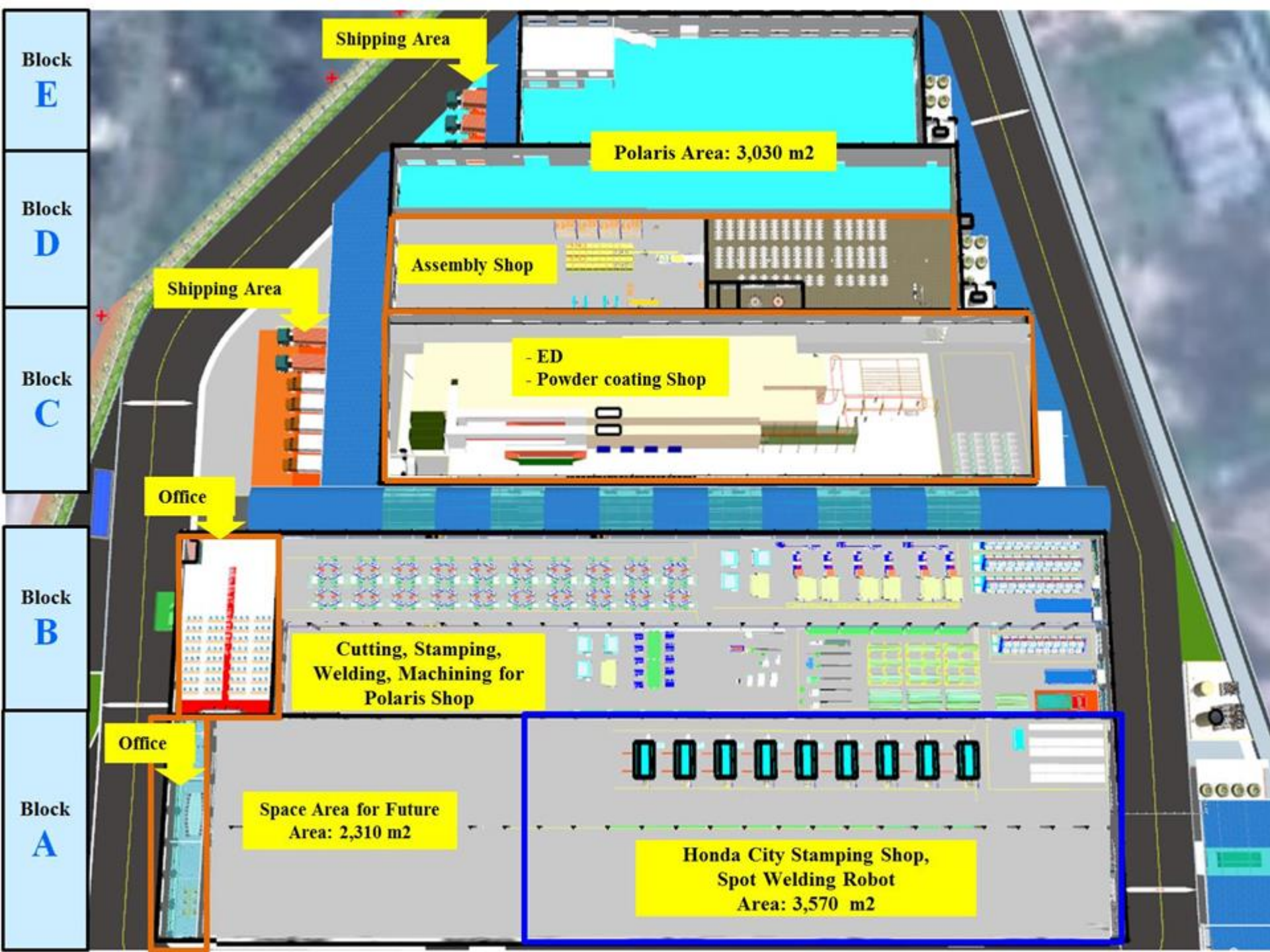
- Maintain relationship with main suppliers.



- Utilize laser cutting machine to improve competitiveness in low-volume but high-priced products, and reduce tooling lead time.

- Continue production atomization to raise competition barriers.

- Implement robotic aluminum welding used on high-end product markets.



Block
E

Shipping Area

Polaris Area: 3,030 m2

Block
D

Assembly Shop

Shipping Area

Block
C

- ED
- Powder coating Shop

Office

Block
B

Cutting, Stamping,
Welding, Machining for
Polaris Shop

Block
A

Office

Space Area for Future
Area: 2,310 m2

Honda City Stamping Shop,
Spot Welding Robot
Area: 3,570 m2



Eurocharm Group

誠信創新 顧客滿意

Eurocharm Holdings Co., Ltd.

www.eurocharm.com.tw

Thanks for your kind attention

~ Q&A

