六暉控股股份有限公司
LU HAI HOLDING CORP.

六暉-KY(2115) Business Review

Safe Harbor Notice

This presentation and discussion contain certain forward-looking statements with respect to the result of operation, financial condition and current expectation. The forward-looking statement are subject to know and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made. LUHAI undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date. (http://mops.twse.com.tw)

Company Profile

Foundation：2009.10.19
Stock Listing：2013.12.25

Chairman, Simon Hsu
General Manager, Fanny Hsu

Capital
NTD 994.03 million

Number of employees
1,271人 (As of Oct. 2022)

Production
Valves, about 80 %
Accessories and others, about 20%

Production Capacity
69 million pcs / Month

Global Locations

Taiwan

Head office-TAIWAN BRANCH

Changhwa Tienchung (35 persons)

Indonesia

PT. LUHAI

(Valve 224 persons)

China

XIAMEN XIAHUI

(Valve 700 persons/Copper 19 persons/
Precision machining 258 persons)

LUHAI(KUNSHAN)

(Precision machining
35 persons)

Milestone

- **1980** — LIUHO VALVE INDUSTRIAL CO.,LTD FOUNDED IN TAIWAN. Six brothers start-up
- **1983** — RENAMED TO "LUHAI INDUSTRIAL CORP."
- **1990** — XIAHUI RUBBER METAL IND.CO.,LTD ESTABLISHED
- **1997** — LUHAI RUBBER METAL INDUSTRIAL (KUNSHAN) CO., LTD ESTABLISHED
- **2000** — XIAMEN XIAHUI (PLANT GUANKOU) ESTABLISHED
- **2002** — APPROVED BY MICHELIN TO BE THE ONLY TIRE VALVE SUPPLIER IN CHINA
- **2009** — LUHAI HOLDING CORP ESTABLISHED
- **2011** — PT LUHAI INDUSTRIAL ESTABLISHED. APPROVED BY BRIDGESTONE TO BE TIRE VALVE SUPPLIER.
- **2012** — LUHAI WAS AWARDED WITH "THE WELL-KNOWN BRAND IN CHINA"
- **2013** — LUHAI STOCK WAS LISTED ON TAIWAN STOCK EXCHANGE.
- **2018** — Pass down to the next generation
- **2021** — XIAHUI VALVE BU MOVE TO NEW PLANT
- **2023** — LUHAI(KUNSHAN) MOVE TO NEW PLANT

MICHELIN

BRIDGESTONE

Since 1980

1980–2000	VALVES
2000–2021	VALVES TPMS VALVES
2021–	VALVES TPMS VALVES Precision machining accessories

Main Products

Bicycle Valves Series

Motorcycle Valves Series

TPMS Valves Series

Truck, Bus, Agricultural & OTR Valves Series

Passenger Car Valves Series

Precision machining accessories

Material Trend

Copper  Aluminum  Rubber 

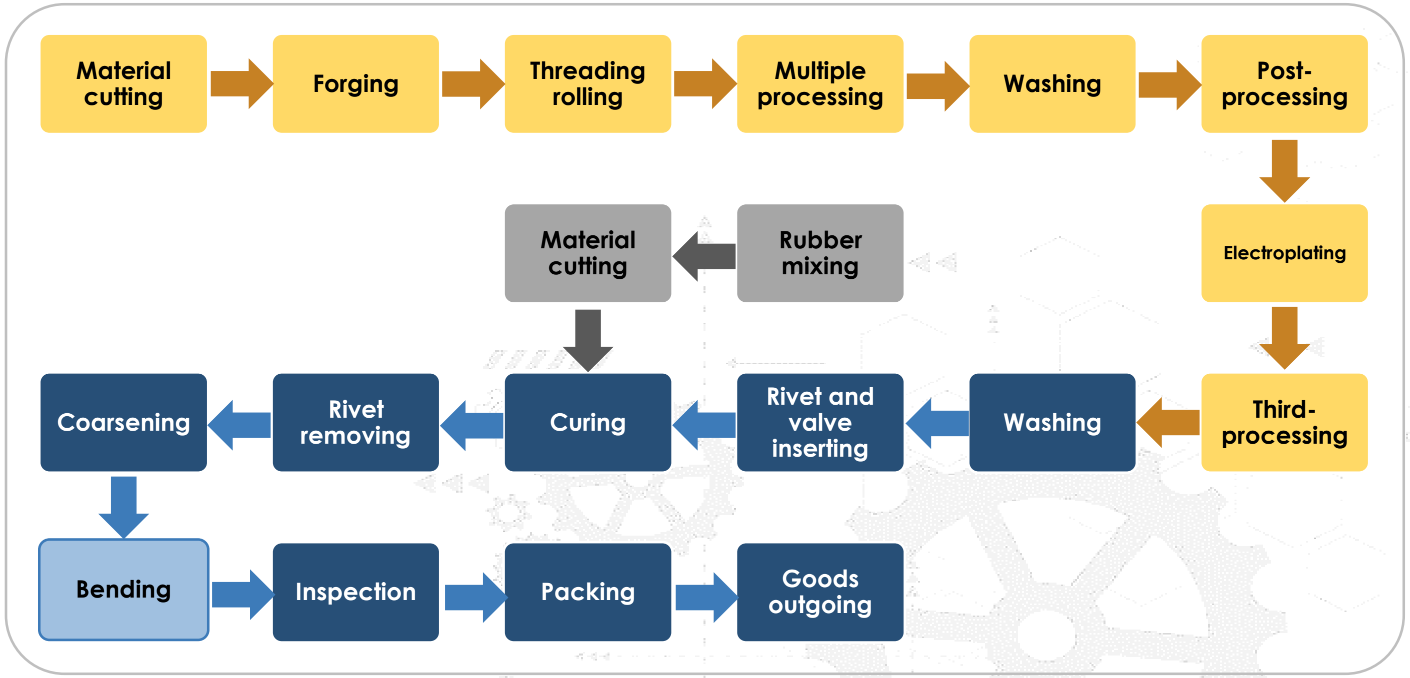
LME-Copper Spot

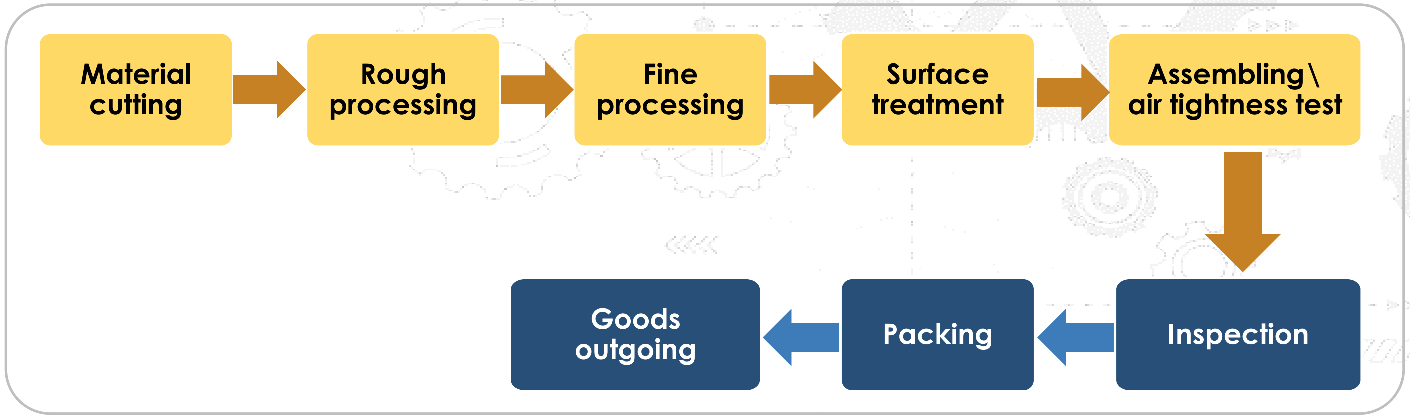
LME-Aluminum Spot

Rubber (SHFE)

Niche Business Model and Production Process

- ✓ Achieve economies of scale, renowned brand and leader manufacturer in the field.
- ✓ Possess well-appointed production line and be able to provide one-stop shopping service.
- ✓ Focus on own field. Only develop market with customer, never compete with customer.
- ✓ Reclaim own copper scrap. That is to decrease cost and ensure copper quality.
- ✓ The electroplating and rubber mixing is all done by our own factory, thus, ensuring product quality.
- ✓ High automation level, attaching great importance to EH&S.
- ✓ Possess three production bases where located in China and Indonesia. Group production could be allocated flexibly.





Financial Results

NTD thousand

	2019	2020	2021	2022 Nine months ended	2021 Nine months ended	YoY(%)
Revenue	2,716,889	2,602,257	3,397,556	2,360,250	2,556,600	-7.68
Gross Profit	615,058	626,635	846,003	514,498	650,819	-20.95
Gross Profit%	22.64	24.08	24.90	21.80	25.46	
Operation Expense	302,423	298,600	374,450	249,869	261,297	-4.37
Operation Expense%	11.13	11.47	11.02	10.59	10.22	
Operating Profit	312,635	328,035	471,553	264,629	389,522	-32.06
Operations Profit%	11.51	12.61	13.88	11.21	15.24	
Net Income	241,910	594,759	399,294	163,995	303,537	-45.97
Net Income%	8.90	22.86	11.75	6.95	11.87	
Capital	860,632	903,664	994,030	994,030	994,030	
EPS	2.81	6.58*	4.02	1.65	3.05	
Dividend	2.2+0.5	1.5+1	2.0			

* Exclude relocation profit, 2020 EPS 3.0

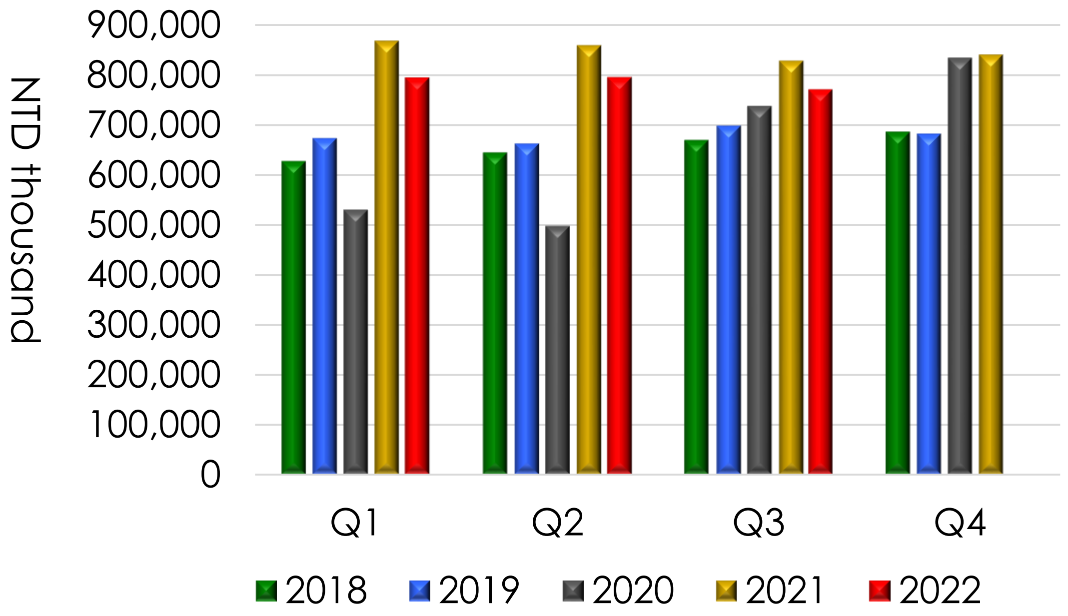
Financial Results

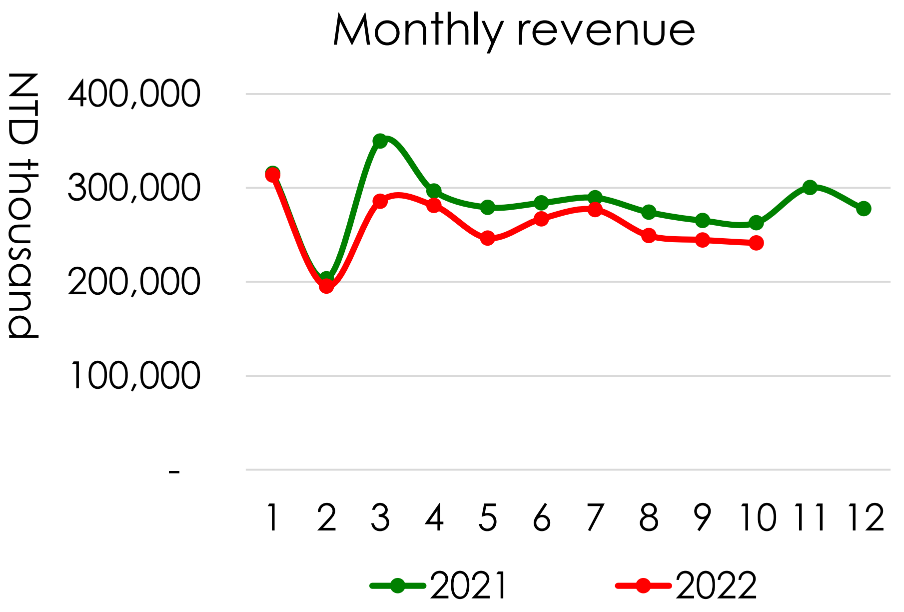
NTD thousand

	2019	2020	2021	2022 Nine months ended	2021 Nine months ended
Cash and cash equivalents	1,122,302	789,600	1,066,980	1,189,355	950,255
Accounts/Note receivables	634,681	797,525	770,180	722,981	792,141
Inventories	615,928	674,065	766,467	603,306	854,925
Property, plant and equipment	1,148,538	1,631,999	2,088,514	2,278,083	1,848,450
Total assets	4,146,656	4,725,135	5,166,635	5,206,683	5,002,474
Debt ratio(%)	44.52	42.45	42.74	41.16	43.17
The Net Asset Value of Each Share	26.73	30.09	29.76	30.82	28.60
CASH FLOWS FROM OPERATING ACTIVITIES	283,441	263,530	407,462	445,232	131,488
CASH FLOWS FROM INVESTING ACTIVITIES	121,249	(730,710)	(216,473)	(246,178)	(115,178)
CASH FLOWS FROM FINANCING ACTIVITIES	(61,778)	125,040	88,413	(134,703)	155,043
Free Cash Flow	(238,229)	(399,298)	(131,639)	168,834	(279,649)

Financial Results

Revenue	2018	2019	2020	2021	2022
Q1	627,683	673,385	530,954	868,372	794,539
Q2	644,679	662,636	498,191	859,541	795,043
Q3	670,075	698,324	738,282	828,687	770,668
Q4	686,341	682,544	834,830	840,956	
Total	**2,628,778**	**2,716,889**	**2,602,257**	**3,397,556**	**2,360,250**

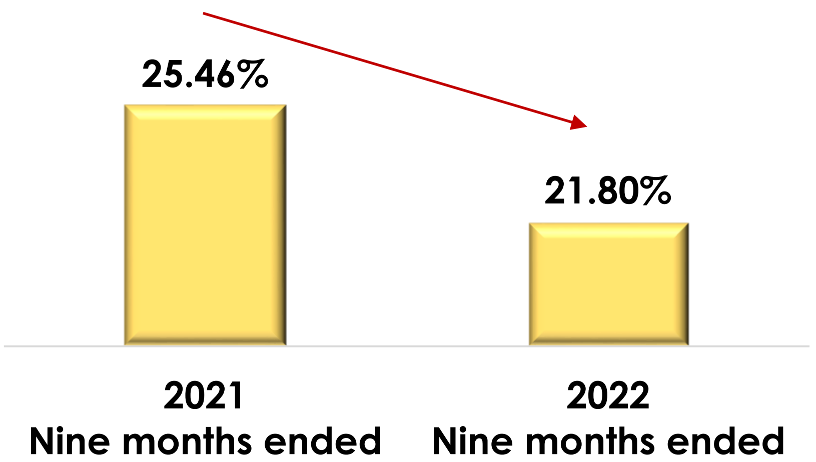




Financial Results

	Gross Profit (NTD thousand)					Gross Profit (%)				
	2018	**2019**	**2020**	**2021**	**2022**	**2018**	**2019**	**2020**	**2021**	**2022**
Q1	123,139	144,351	121,143	224,488	179,225	19.62	21.44	22.82	25.85	22.56
Q2	126,966	146,828	103,205	221,163	176,715	19.69	22.16	20.72	25.73	22.23
Q3	147,469	153,571	176,742	205,168	158,558	22.01	21.99	23.94	24.76	20.57
Q4	163,481	170,308	225,545	195,184		23.82	24.95	27.02	23.21	

Gross Profit rate decrease 3.66%



Comparison：

- ✓ Copper cost increase
- ✓ New plant depreciation increase / Capacity utilization low
- ✓ Product mix

Financial Results

	Operating Profit (NTD thousand)					Operating Profit (%)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Q1	52,558	75,673	50,695	139,476	88,929	8.37	11.24	9.55	16.06	11.19
Q2	52,135	74,111	28,218	139,617	97,486	8.09	11.18	5.66	16.24	12.26
Q3	70,074	67,784	107,704	110,429	78,214	10.46	9.71	14.59	13.33	10.15
Q4	94,574	95,067	141,418	82,031		13.78	13.93	16.94	9.75	

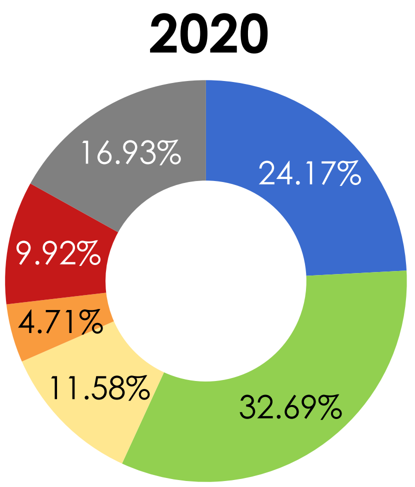
	Net Income (NTD thousand)					Net Income (%)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Q1	29,316	54,694	39,761	101,735	48,720	4.67	8.12	7.49	11.72	6.13
Q2	47,606	49,749	364,279	109,104	61,470	7.38	7.51	73.12	12.69	7.73
Q3	55,094	67,255	77,853	92,698	53,805	8.22	9.63	10.55	11.19	6.98
Q4	76,447	70,212	112,866	95,757		11.14	10.29	13.52	11.39	

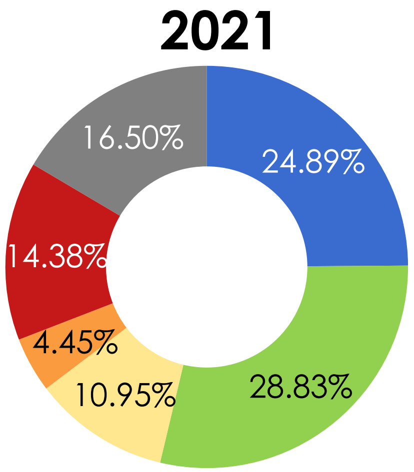
Exclude relocation profit, 2020Q2 Operating Profit is 42,652 thousand;
2020Q2 net income is 40,122 thousand, net income rate is 8.05%

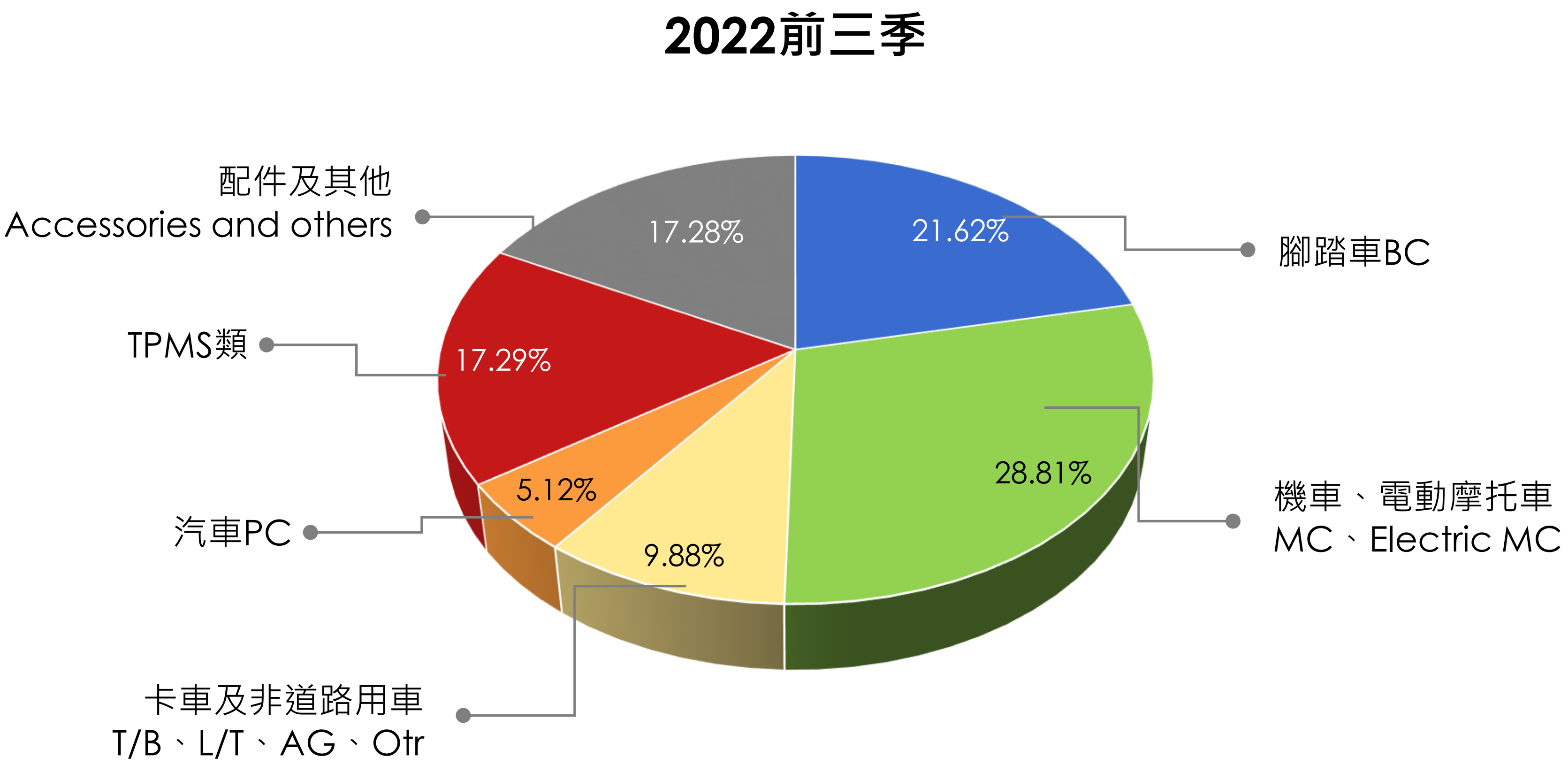
Financial Results

		2019	2020	2021	2022Q2	2022Q3
Capital structure analysis (%)	Debts ratio	44.52	42.45	42.74	42.67	41.16
	Long term funds to fixed assets	243.85	233.46	204.26	186.75	191.06
Liquidity analysis (%)	Current ratio	203.02	302.24	308.10	247.92	308.99
	Quick ratio	153.18	222.52	217.57	173.09	233.28
Operating performance analysis	Average collection turnover (days)	89	101	85	87	87
	Average inventory turnover (days)	106	123	106	116	105
	Average payables turnovers (days)	7.53	6.70	8.91	9.63	10.50
Return on investment analysis (%)	Return on assets(%)	6.67	13.55	8.24	4.51	4.49
	Return on equity(%)	10.68	23.70	14.06	7.47	7.26
	Net income(%)	8.90	22.86	11.75	6.93	6.95

Revenue Breakdown by product category



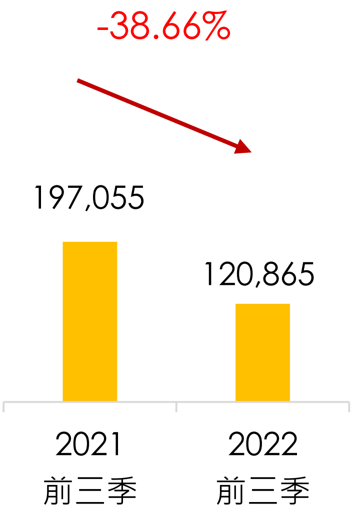




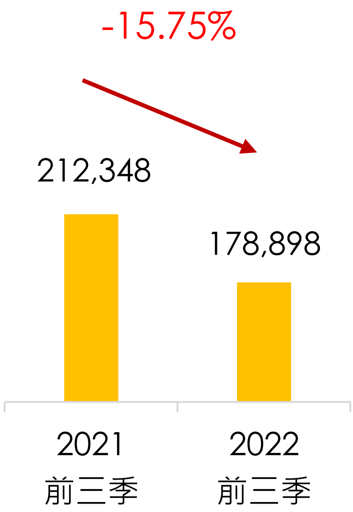
YoY Quantities by Products (Nine months ended)

Unit：thousand pcs

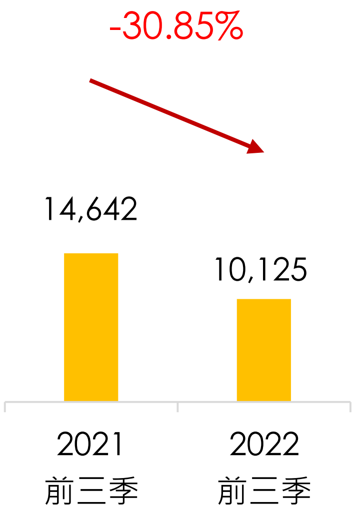
腳踏車(BC)



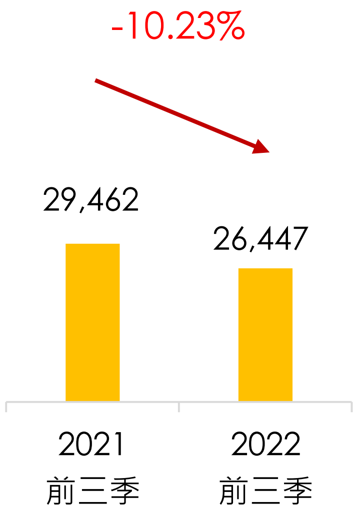
機車、電動摩托車 (MC,E-MC)



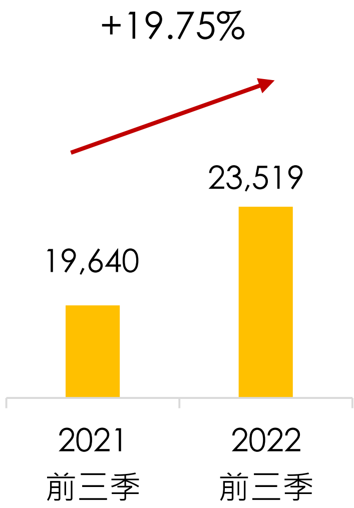
卡車及非道路用車 (T/B,L/T,AG,OTR)



汽車(PC)



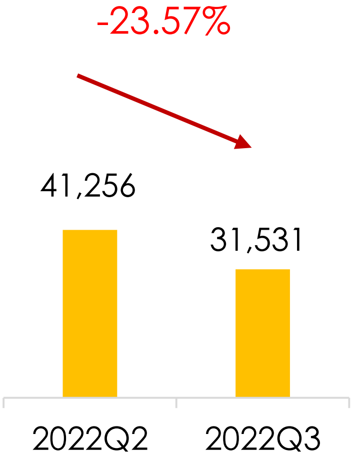
TPMS



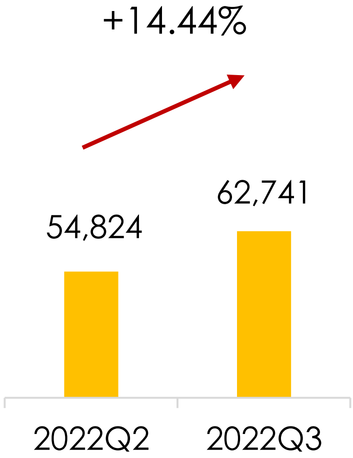
QoQ Quantities by Products

Unit：thousand pcs

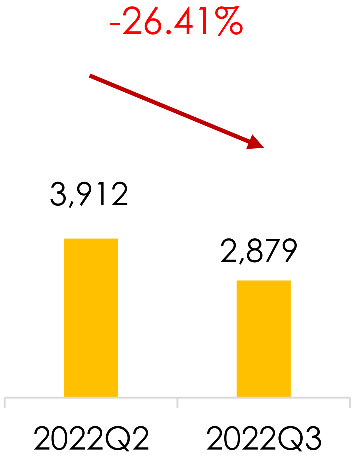
腳踏車(BC)



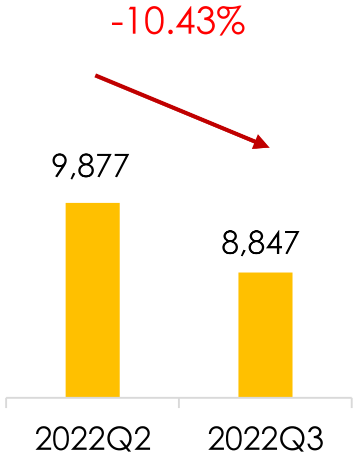
機車、電動摩托車
(MC,E-MC)



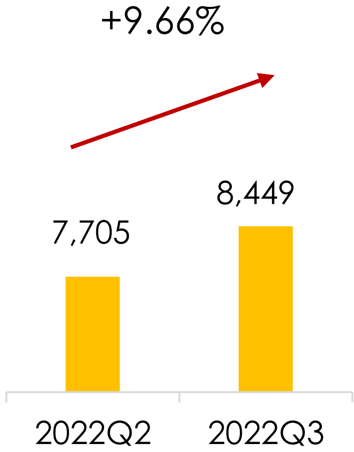
卡車及非道路用車
(T/B,L/T,AG,OTR)



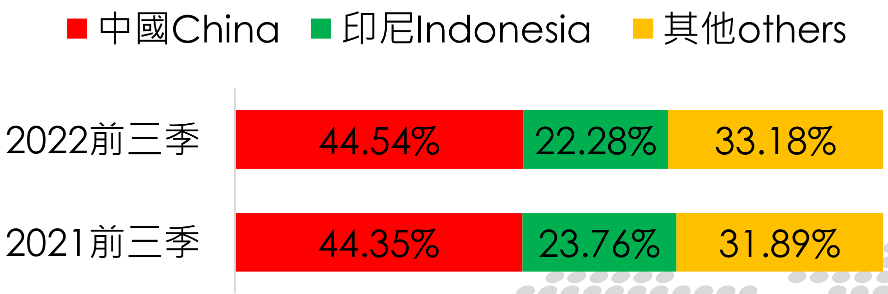
汽車(PC)

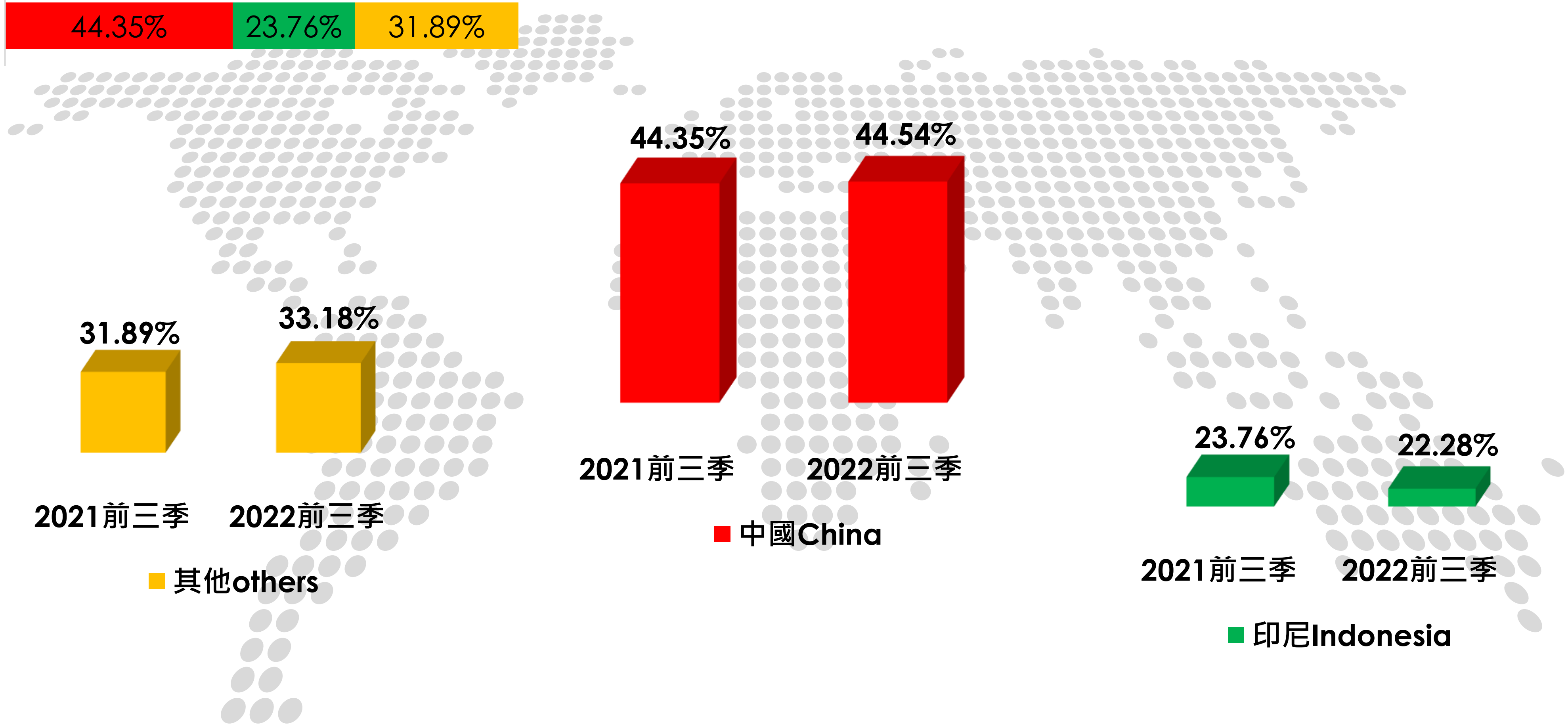


TPMS

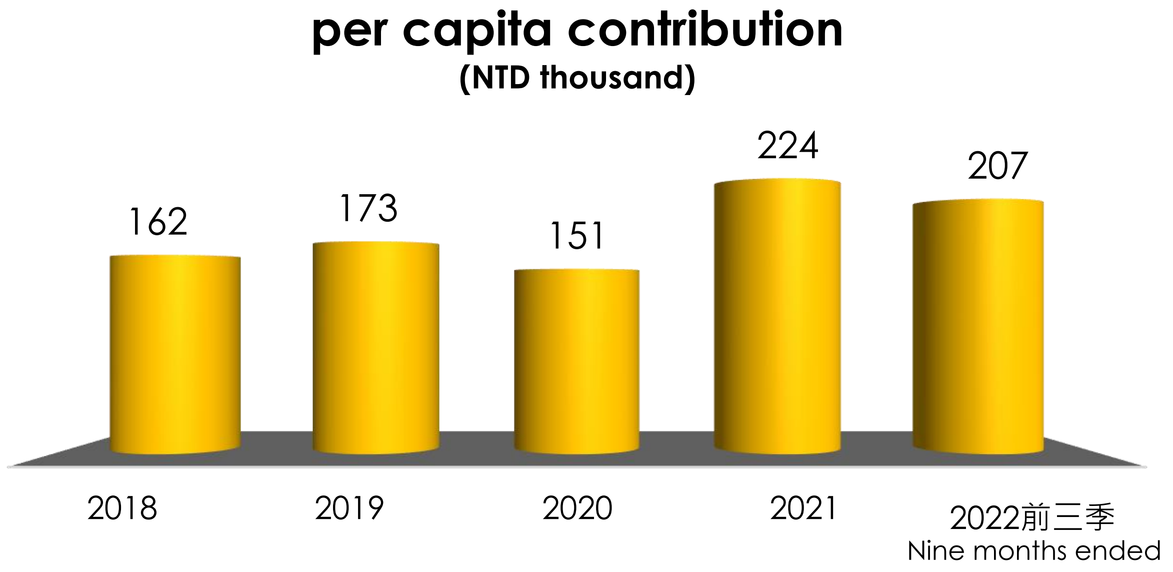


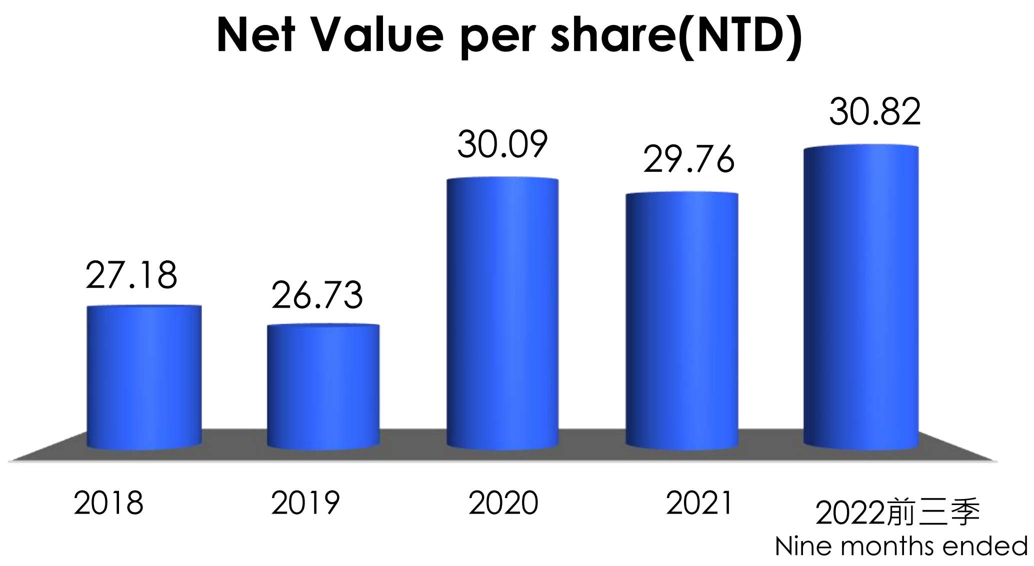
Revenue Breakdown by Area (Nine months ended)

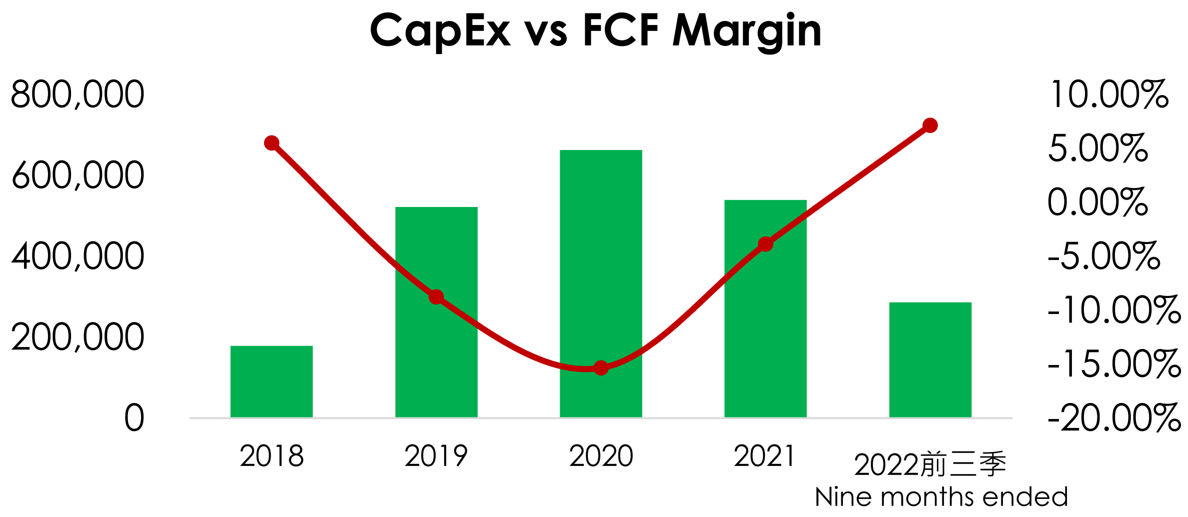


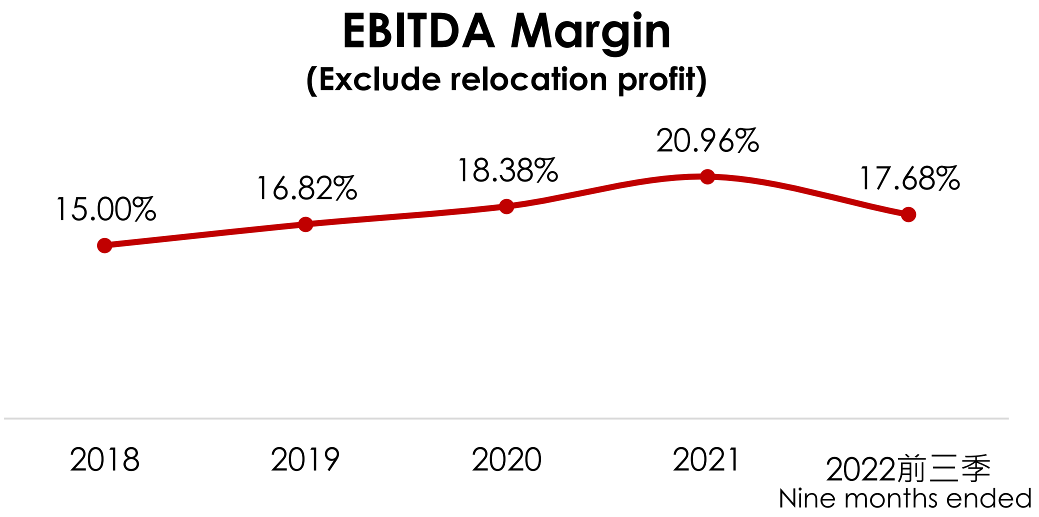


Financial Results





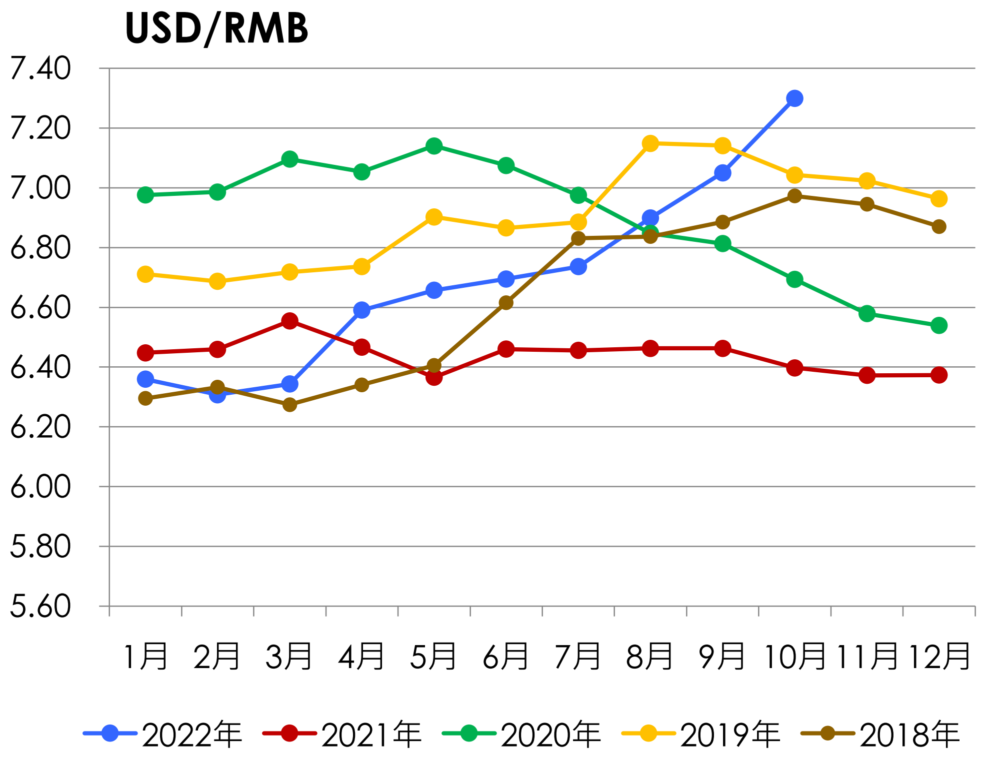


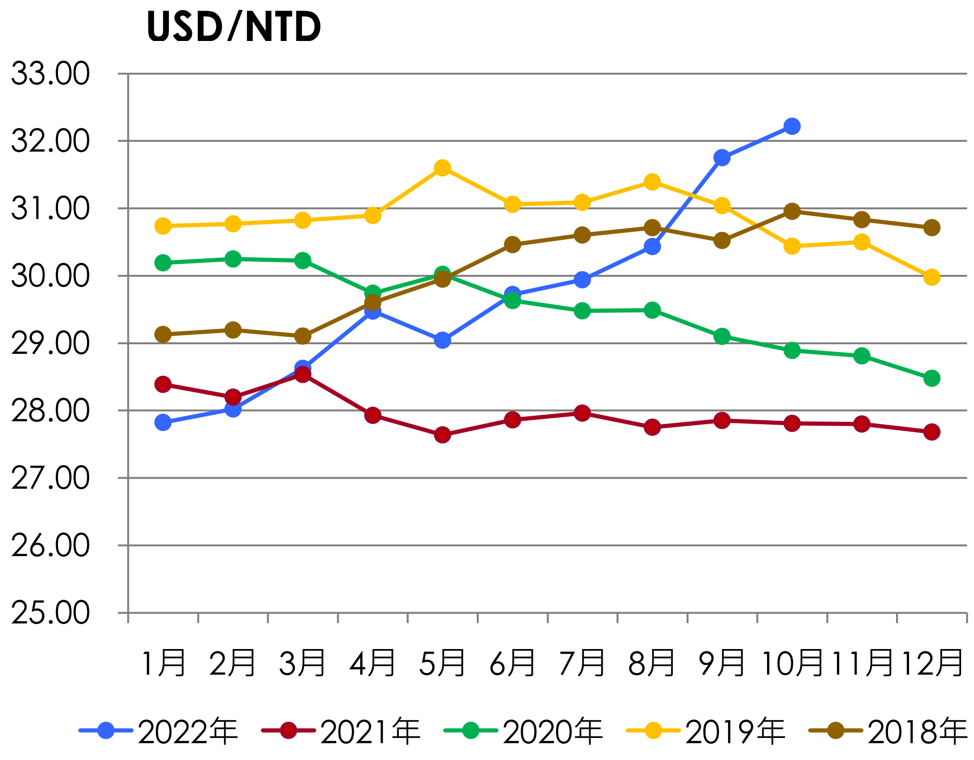


Financial Results

NTD thousand

Foreign Exchange	2018	2019	2020	2021	2022 Nine months ended	2021 Nine months ended
Gain/(Loss)	4,907	26,263	(5,318)	24,554	(56,677)	16,616
Sales %	0.19	0.97	(0.20)	0.72	(2.40)	0.65

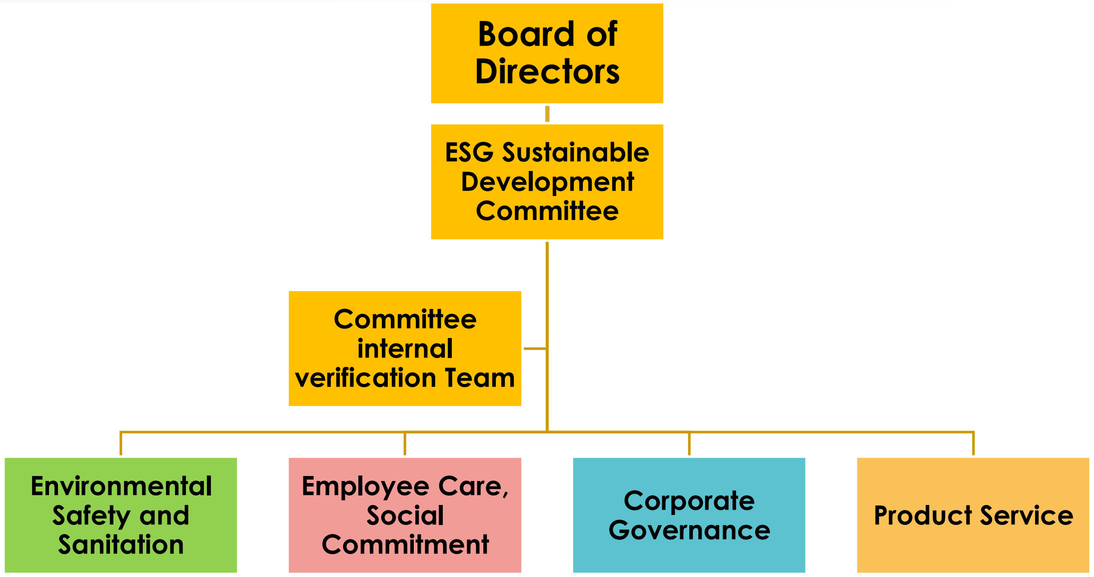




ESG

✓ **Established ESG Committee in 2022, Implement Sustainable Development early.**

By "Honesty. Good faith. Conscientiousness and above all, Customer satisfaction." Philosophy, the purpose is to pursue sustainable development, strengthen environmental, safety, health and energy management with all our business partners, and fulfill the duties of a good corporate citizen in the global village.



	2023	2024	2025	2026	2027	2028	2029
Paid-in Capital >$10 bn + Iron + Cement	Parent Company	Parent Company acquire assurance	Consolidated company		Consolidated company acquire assurance		
Paid-in Capital $5 bn ~$10 bn			Parent Company	Consolidated Company	Parent Company acquire assurance	Consolidated company acquire assurance	
Paid-in Capital < $5 bn				Parent Company	Consolidated Company	Parent Company acquire assurance	Consolidated company acquire assurance

(Source：SFB 2022/1/13) *Consolidated company: the boundary should be align with the financial report

THANK YOU!!

全球產量第一　台灣氣門嘴領導品牌

We Deliver the Best Quality & High-end Technology from Taiwan.

六暉控股股份有限公司

LU HAI HOLDING CORP.

http://www.luhai.com.tw

E-mail://spokesman@luhai.com.tw