



**LUHAI**  
HOLDING CORP.

# 六暉控股股份有限公司 LU HAI HOLDING CORP.

F—六暉 ( 2115 ) 2016 Q1 Business Review

Date : 2016 /06/14

# 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 : Wu, Chin-Lu
- General Manager : Simon Hsu
- Production :
  - Valves , about 80 % ( TPMS 5% )
  - Accessories and others , about 20%
- Subsidiary location :
  - Taiwan (1983)
  - Xiamen (1990, 2000)
  - Kunshan(1997)
  - Indonesia (2011)
- Number of employees : 1,507 (base date 2015/05/31)
- Capital : NTD 744.95 million
- Production Capacity : 60 million pcs / Month ; global market share 14%

# Reward

1. In China, LUHAI is the only one who is consistently approved by Michelin, Bridgestone, Goodyear as qualified suppliers .
2. LUHAI's logo gained "The Well-Known Brand in China" in 2012.
3. We awarded Top 10 Happiness Enterprise in Xiamen China in 2013.
4. LUHAI awarded the 2nd Excellent Taiwan Brand in 2014.



# Subsidiary

Sub. (location)	Plant Area (square meters)	Category	
LH (Changhwa, Taiwan)	4,899	Taiwan domestic market	
XH (Xiamen, China)	X plant 12,820	1. BC, MC, electirc MC 2. 40% domestic market (south China), 60% export	
	MH plant 16,438	TPMS Valves, Precision CNC parts	

# Subsidiary

Sub. (location)	Plant Area (square meters)	Category	
KH (Kunshan, China)	36,138	1. PC, T/B, L/T, AG, Otr 2. 70% domestic market (East / North China) , 30% export	
IH (Jakarta, Indonesia)	57,777	1. MC 2. Indonesia market ( outlook: ASEAN and Moslem market)	



# Financial Results

NTD thousand

	2012	2013	2014	2015	2016Q1
Sales	2,163,061	2,400,859	2,633,761	2,474,627	617,421
Gross Profit	384,691	444,094	553,696	545,640	155,248
Gross Profit%	17.78%	18.50%	21.02%	22.05%	25.14%
Operation Expense	251,534	249,495	261,402	263,341	68,336
Operation Expense%	11.63%	10.39%	9.93%	10.64%	11.07%
Operating Profit	133,157	194,599	292,294	282,299	86,912
Operations Profit%	6.16%	8.11%	11.10%	11.41%	14.08%
Net Income	90,765	106,825	230,569	246,505	65,530
Net Income%	4.20%	4.45%	8.75%	9.96%	10.61%
Capital	601,000	676,140	709,947	744,947	744,947
EPS	1.51	1.77	3.25	3.35	0.88
Dividend	USD0.035	0.5+0.5	2.09663694	2.2	—

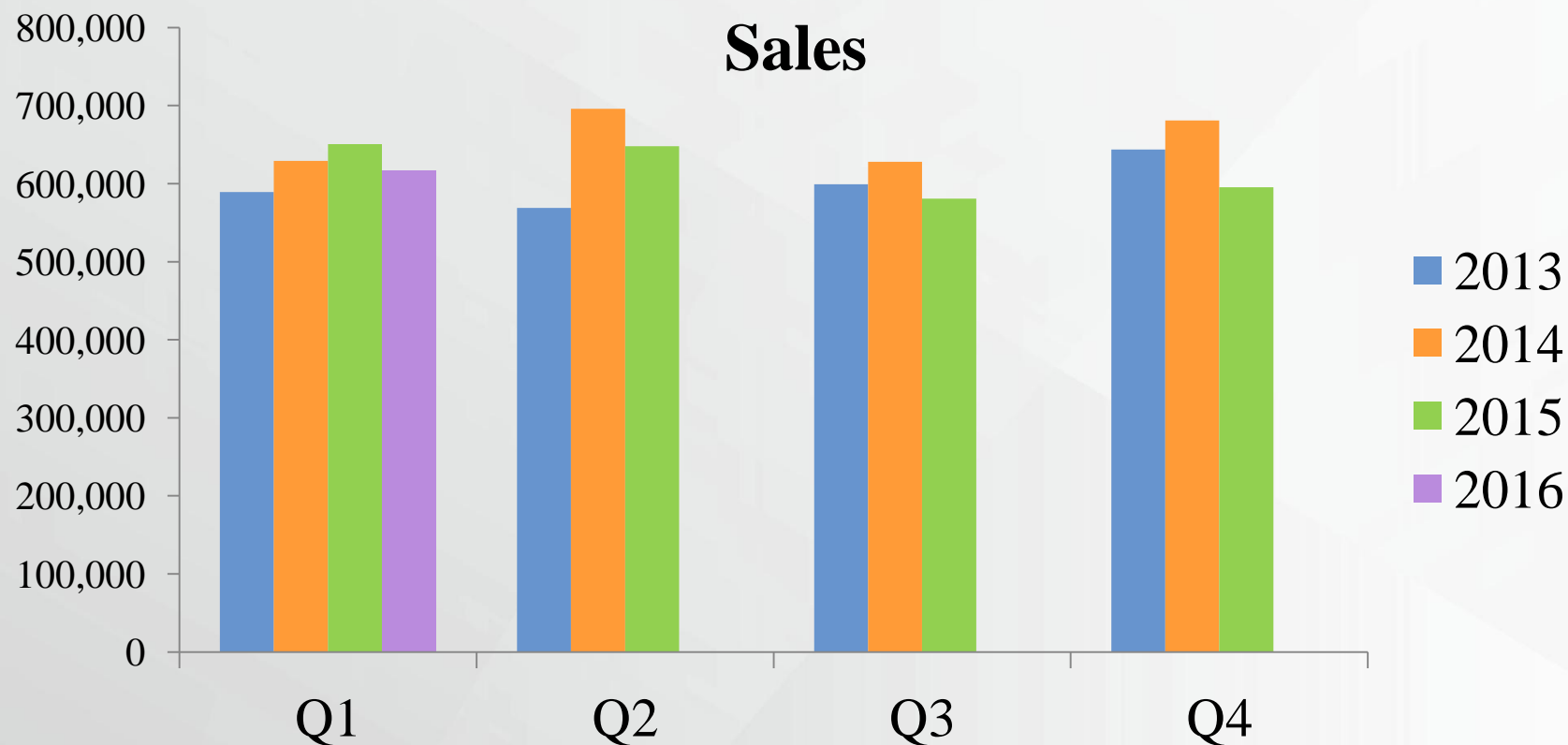


# Financial Results

	2013	2014	2015	2016
Q1	589,138	629,072	650,772	617,421
Q2	569,012	696,019	647,847	-
Q3	599,162	627,904	580,666	-
Q4	643,547	680,766	595,342	-

NTD thousand

## Sales

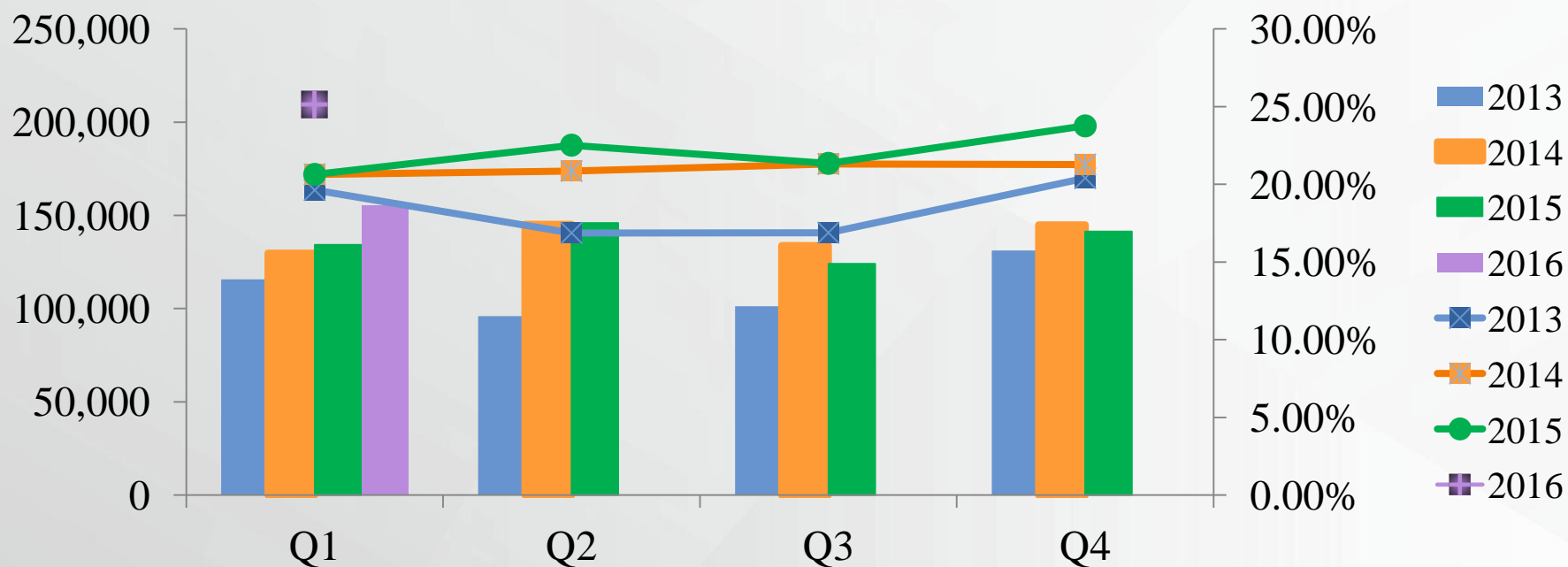




# Financial Results

	Gross Profit				Gross Profit Ratio			
	2013	2014	2015	2016	2013	2014	2015	2016
Q1	115,654	129,818	134,301	155,248	19.63%	20.64%	20.64%	25.14%
Q2	95,965	145,202	145,910	-	16.87%	20.86%	22.52%	-
Q3	101,223	133,811	123,992	-	16.89%	21.31%	21.35%	-
Q4	131,252	144,865	141,437	-	20.40%	21.28%	23.76%	-

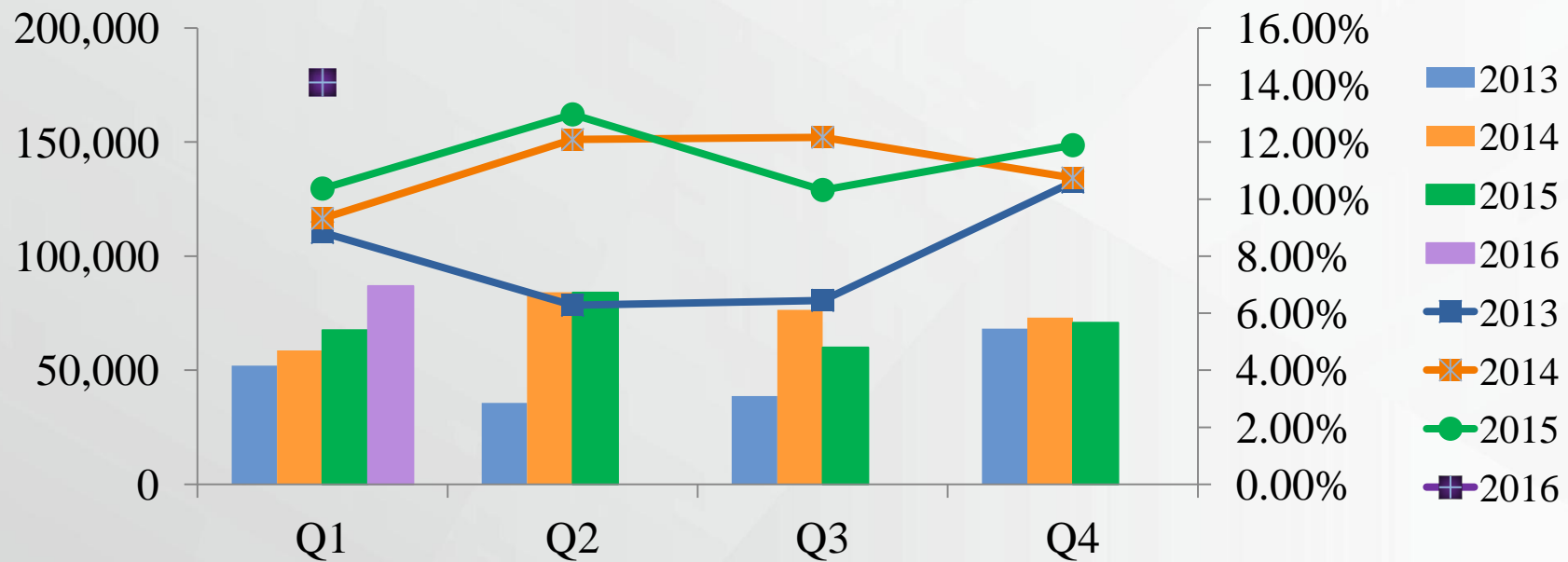
NTD thousand



# Financial Results

	Operating Profit				Operating Profit Ratio			
	2013	2014	2015	2016	2013	2014	2015	2016
Q1	52,005	58,636	67,511	86,910	8.83%	9.32%	10.37%	14.08%
Q2	35,732	84,126	84,035	-	6.28%	12.09%	12.97%	-
Q3	38,621	76,418	59,947	-	6.45%	12.17%	10.32%	-
Q4	68,241	73,114	70,806	-	10.60%	10.74%	11.89%	-

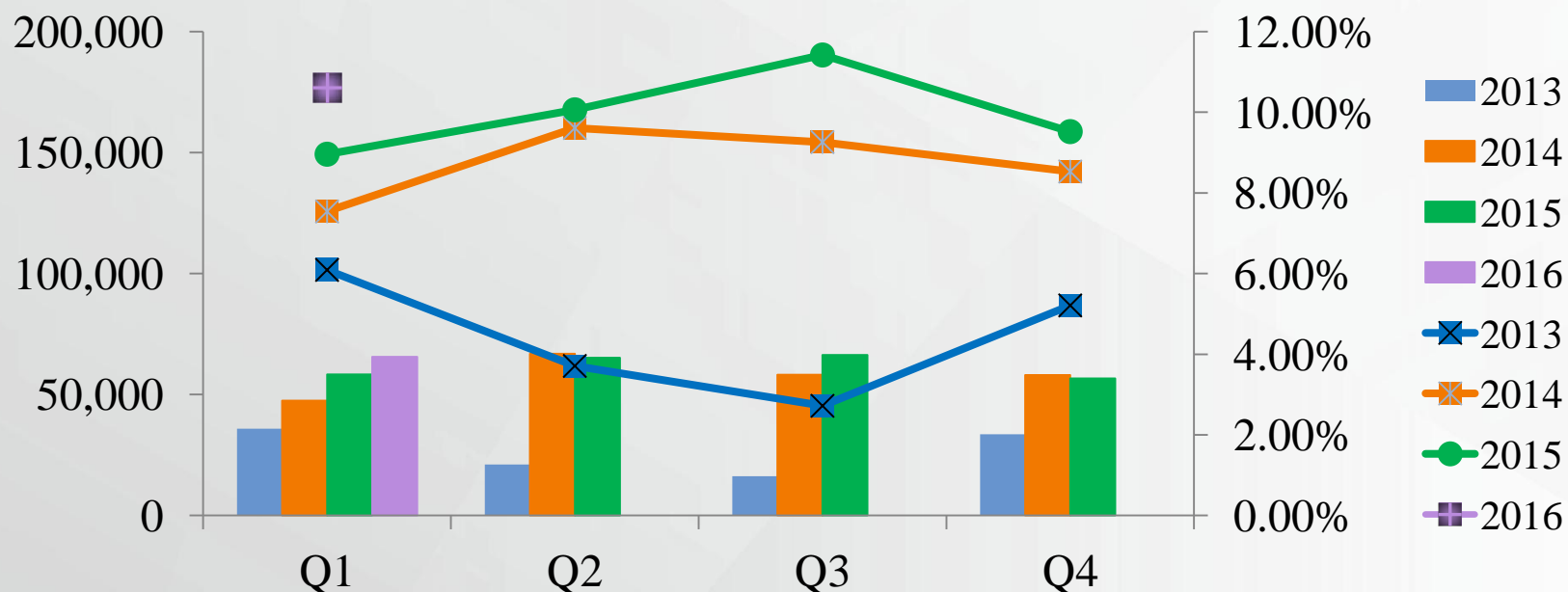
NTD thousand



# Financial Results

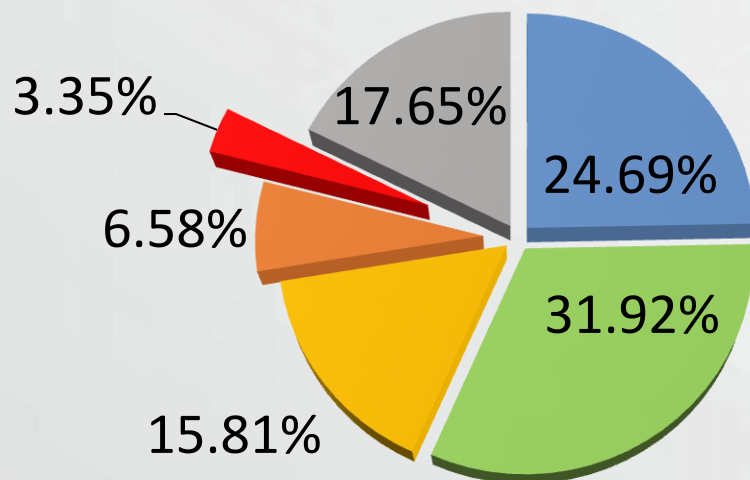
	Net Income				Net Income Ratio			
	2013	2014	2015	2016	2013	2014	2015	2016
Q1	35,892	47,460	58,296	65,530	6.09%	7.54%	8.96%	10.61%
Q2	21,112	66,865	65,198	-	3.71%	9.61%	10.06%	-
Q3	16,296	58,174	66,317	-	2.72%	9.26%	11.42%	-
Q4	33,525	58,070	56,694	-	5.21%	8.53%	9.52%	-

NTD thousand

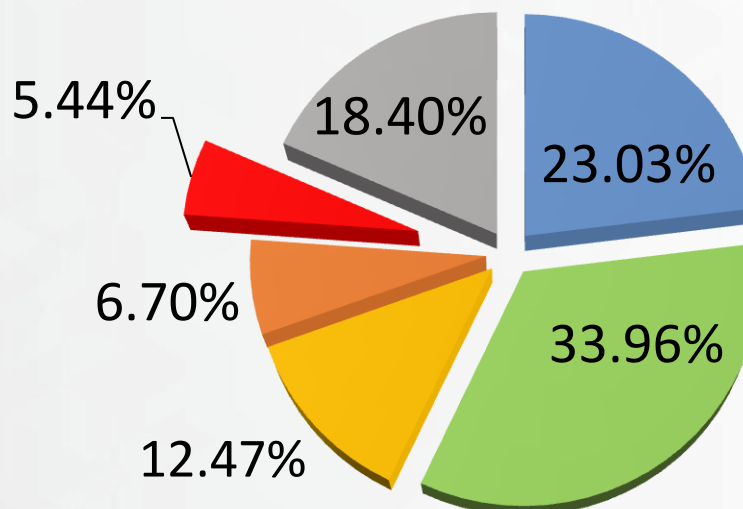


# Revenue Breakdown by product category

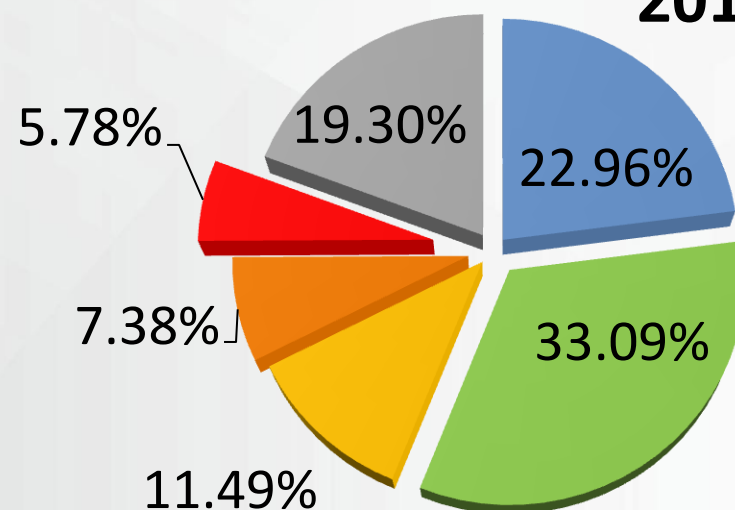
**2014**



**2015**



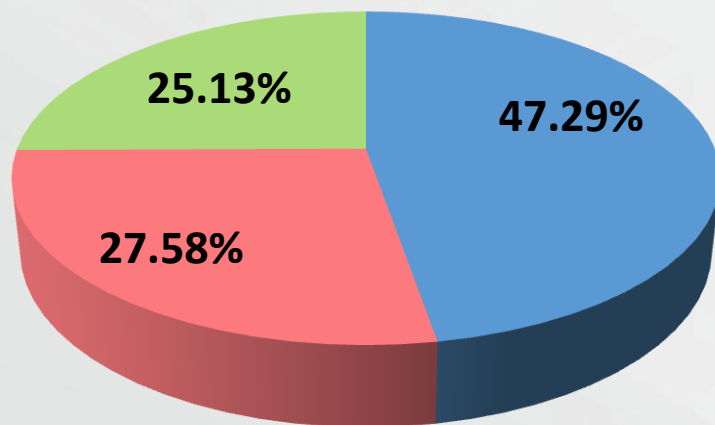
**2016Q1**



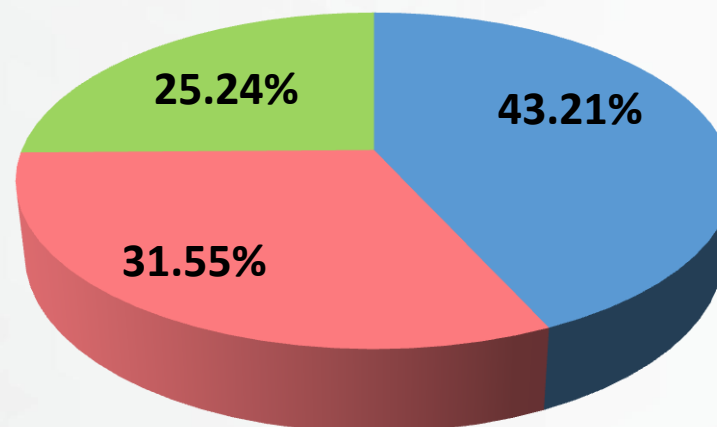
- 腳踏車BC
- 機車、電動摩托車MC, electric MC
- 卡車及非道路用車類T/B, L/T, AG, Otr
- 汽車類PC
- TPMS類
- 配件及其他accessories and others

# Revenue Breakdown by Sales Region

**2014**

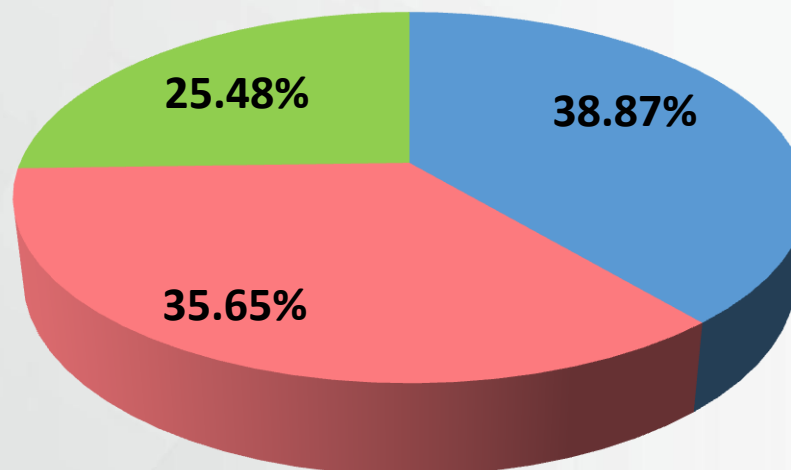


**2015**



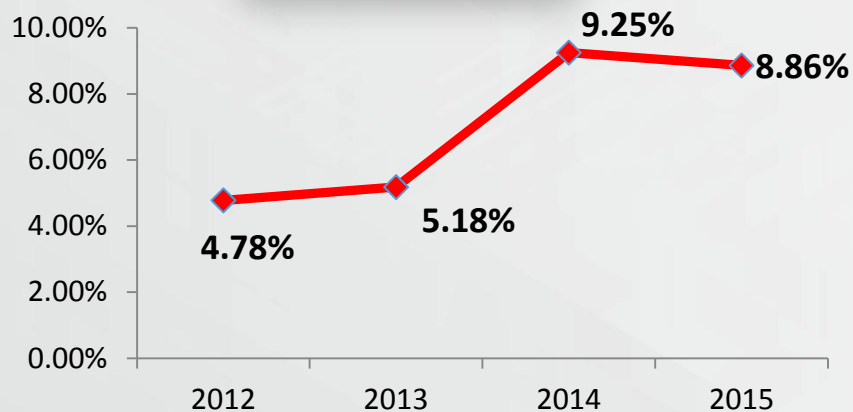
**2016Q1**

■ 中國地區 China  
■ 印尼地區 Indonesia  
■ 其他 others

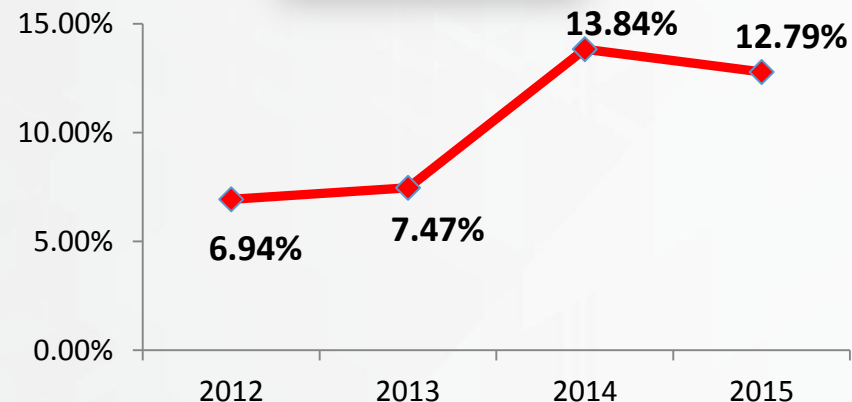


# Financial Results

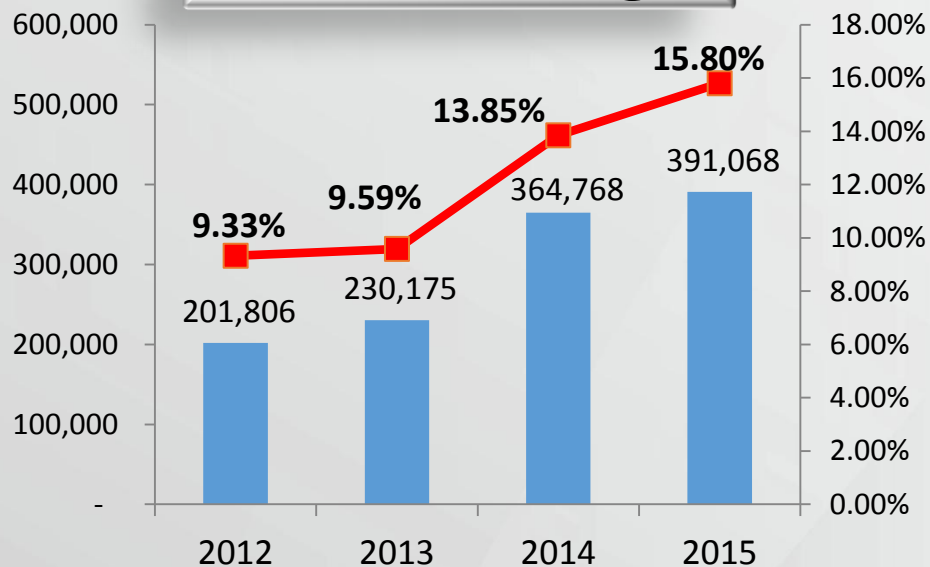
## ROA



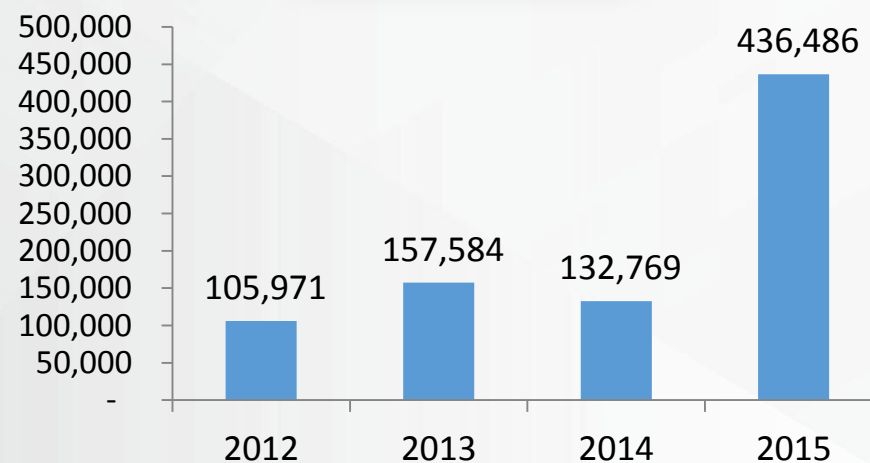
## ROE



## EBITDA /margin



## OCF

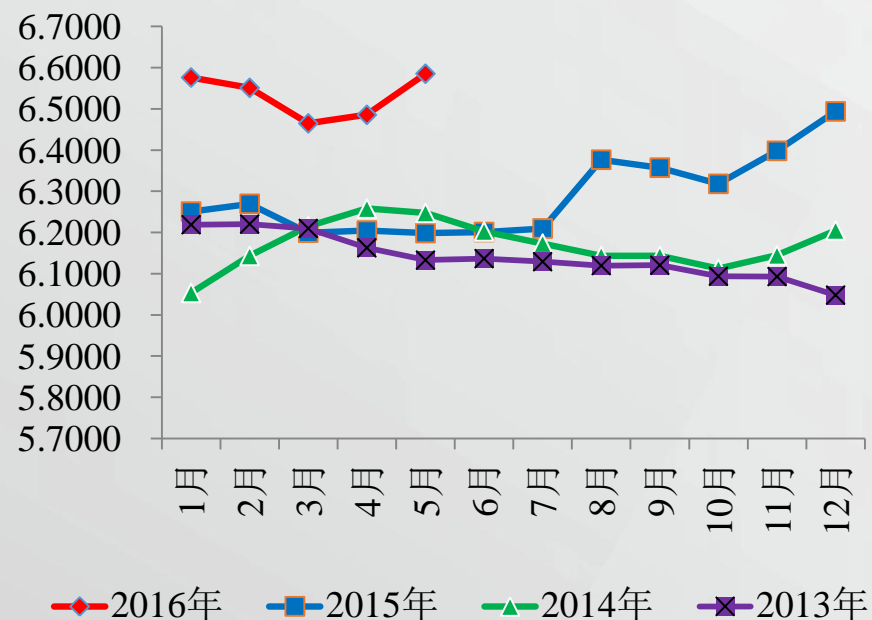




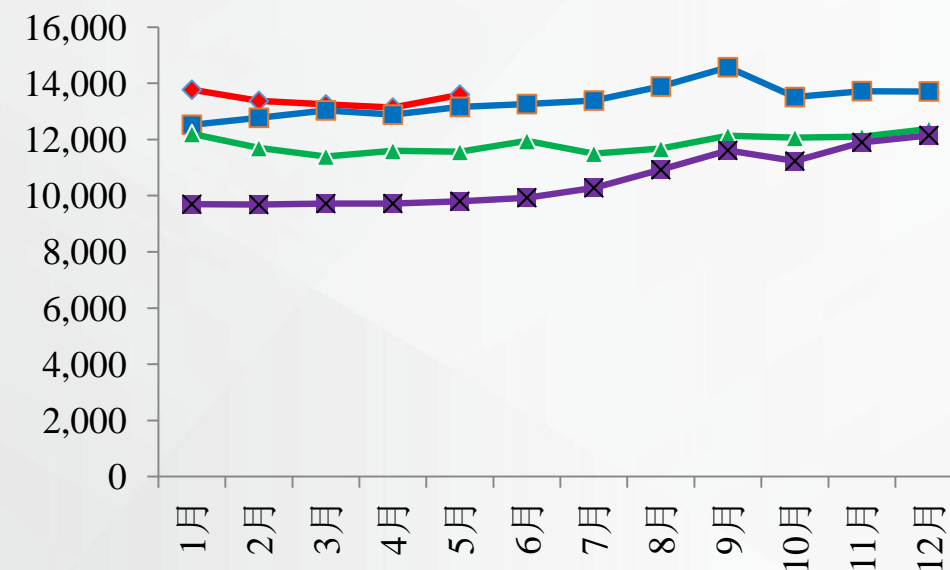
# Financial Results

Foreign Exchange	2013 H1	2013 H2	2014 H1	2014 H2	2015 H1	2015 H2	2016 Q1
NTD thousand	(9,356)	(17,900)	3,373	(3,989)	(1,342)	18,777	(836)

USD/RMB



USD/INR



# Industry Chain



SINCE 1980

**LUHAI**  
HOLDING CORP.

## Major material



**COPPER  
BAR/WIRE**



**Aluminum  
BAR**



**RUBBER**

# LUHAI



**VALVE**



## Customers

**Tire manufacturer/  
Wheel manufacturer/  
Car manufacturer/  
TPMS module manufacturer**



# Various Tire Valve



SINCE 1980

**LUHAI**  
HOLDING CORP.

## BC



## MC



## PC



## T/B



## T/B



## AG&Otr

# TPMS Valve



SINCE 1980

**LUHAI**  
HOLDING CORP.

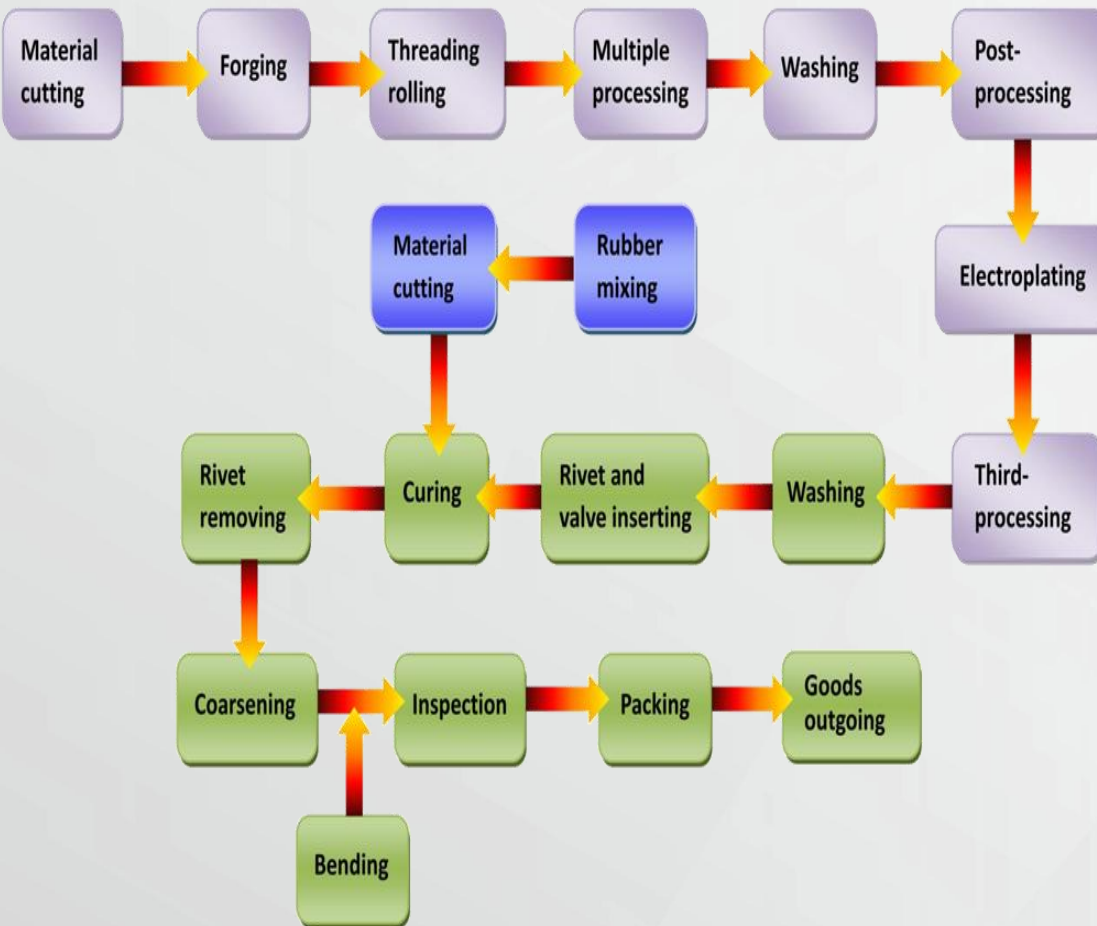




# Industry chain & business model

## Our niche business model

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



# Improve automation

## Advanced automated equipments





# Upgrade banbury mixer

## New banbury mixer and rubber loader



SINCE 1980

**LUHAI**  
HOLDING CORP.



# Automated production

## TPMS assembling



SINCE 1980

**LUHAI**  
HOLDING CORP.





# IH expand capacity

**New equipment : banbury mixer and electroplating machine**



# Industry prospect

1

The general tire valve industry is promising and the market demand for TPMS valves obviously keeps increasing. We are optimistic about the prospects in future.

2

Chinese market shows a high demand to new private cars, namely 2,500 cars per year. Luhai benefits from government's Legislative timing and protectionism to TPMS.

3

The rubber mixing and electroplating process are newly increased in Indonesian base, with the development of local customers.



# **THANK YOU !!**

六暉控股股份有限公司 全球產量第一 台灣氣門嘴領導品牌  
**LU HAI HOLDING CORP.** We Deliver the Best Quality & High-end Technology from Taiwan !

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