

彰源企業股份有限公司

FROCH ENTERPRISE CO., LTD.



**Institutional Investors
Conference**

Stan Shih – Spokesperson

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Company Profile

Taiwan Plant - Marketing to over 100 Countries
China Plant - Marketing to China



非洲 Africa

A01	阿爾及利亞	Algeria
A02	波札那	Botswana
A03	剛果	Congo
A04	象牙海岸	Cote d'Ivoire
A05	埃及	Egypt
A06	迦納	Ghana
A07	肯亞	Kenya
A08	馬達加斯加	Madagascar
A09	模里西斯	Mauritius
A10	摩洛哥	Morocco
A11	納米比亞	Namibia
A12	奈及利亞	Nigeria
A13	南非	South Africa
A14	突尼西亞	Tunisia
A15	烏干達	Uganda

美洲 North & South America

B01	阿根廷	Argentina
B02	貝里斯	Belize
B03	波利維亞	Bolivia
B04	巴西	Brazil
B05	加拿大	Canada
B06	智利	Chile
B07	哥倫比亞	Colombia
B08	哥斯大黎加	Costa Rica
B09	古巴	Cuba
B10	多明尼加	Dominica
B11	多明尼加	Dominican Rep.
B12	厄瓜多	Ecuador
B13	薩爾瓦多	El Salvador
B14	瓜地馬拉	Guatemala

B15	蓋亞那	Guyana
B16	宏都拉斯	Honduras
B17	牙買加	Jamaica
B18	墨西哥	Mexico
B19	尼加拉瓜	Nicaragua
B20	巴拿馬	Panama
B21	巴拉圭	Paraguay
B22	秘魯	Peru
B23	波多黎各	Puerto Rico
B24	蘇利南	Suriname
B25	千里達及托巴哥	Trinidad & Tobago
B26	美國	United States
B27	烏拉圭	Uruguay
B28	委內瑞拉	Venezuela

亞洲 Asia

C01	巴林	Bahrain
C02	孟加拉	Bangladesh
C03	汶萊	Brunei
C04	柬埔寨	Cambodia
C05	中國大陸	China
C06	阿聯	Emirates
C07	香港	Hong Kong
C08	印度	India
C09	印尼	Indonesia
C10	伊朗	Iran
C11	以色列	Israel
C12	日本	Japan
C13	約旦	Jordan
C14	韓國	Korea
C15	科威特	Kuwait

C16	黎巴嫩	Lebanon
C17	澳門	Macao
C18	馬來西亞	Malaysia
C19	馬爾地夫	Maldives
C20	阿曼	Oman
C21	巴基斯坦	Pakistan
C22	菲律賓	Philippines
C23	卡達	Qatar
C24	沙烏地阿拉伯	Saudi
C25	新加坡	Singapore
C26	斯里蘭卡	Sri Lanka
C27	台灣	Taiwan
C28	泰國	Thailand
C29	土耳其	Turkey
C30	越南	Vietnam

歐洲 Europe

D01	奧地利	Austria
D02	白俄羅斯	Belarus
D03	比利時	Belgium
D04	保加利亞	Bulgaria
D05	賽普勒斯	Cyprus
D06	捷克	Czech
D07	丹麥	Denmark
D08	愛沙尼亞	Estonia
D09	芬蘭	Finland
D10	法國	France
D11	德國	Germany
D12	希臘	Greece
D13	愛爾蘭	Ireland
D14	義大利	Italy

D15	立陶宛	Lithuania
D16	馬爾他	Malta
D17	荷蘭	Netherlands
D18	挪威	Norway
D19	波蘭	Poland
D20	葡萄牙	Portugal
D21	羅馬尼亞	Romania
D22	俄羅斯	Russia
D23	斯洛伐克	Slovakia
D24	西班牙	Spain
D25	瑞典	Sweden
D26	瑞士	Switzerland
D27	烏克蘭	Ukraine
D28	英國	United Kingdom

大洋洲 Oceania

E01	澳大利亞	Australia
E02	斐濟	Fiji
E03	紐西蘭	New Zealand



Company Profile

Major in the Manufacturing and Selling of Stainless Steel Welded Tubes and Pipes, and Stainless Steel Sheets





Company Profile

Land Area

Taiwan - 210,213m²



China - 250,583m²



Company Profile

Number of Employees

China

282

Taiwan

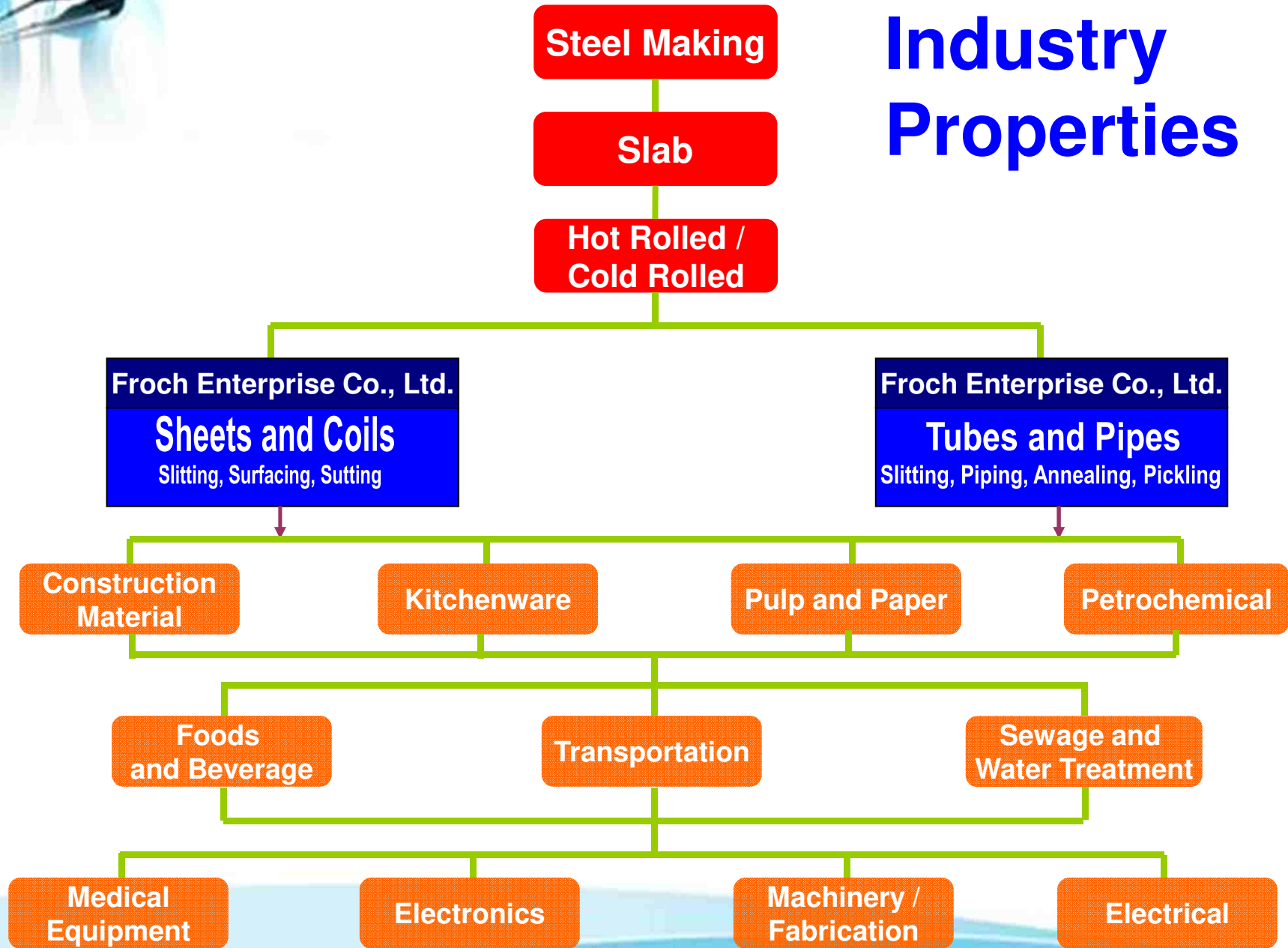
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FROCH



Industry Properties





Stainless Steel Material



Sources -

Domestic - 70%

Import - 30%



Industrial Pipes

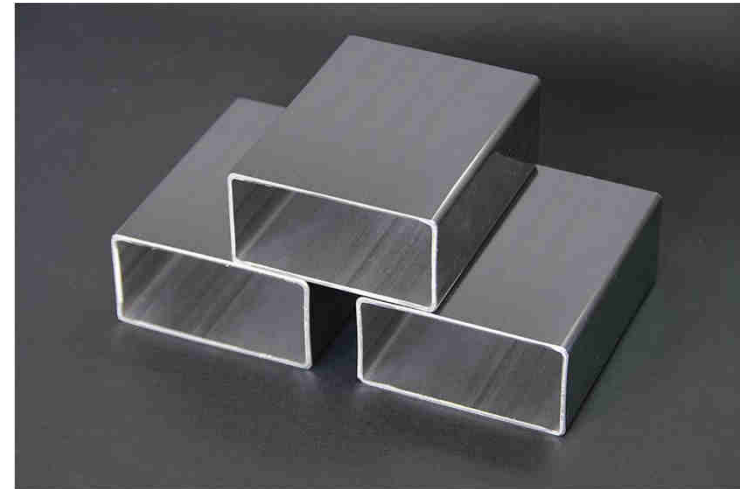
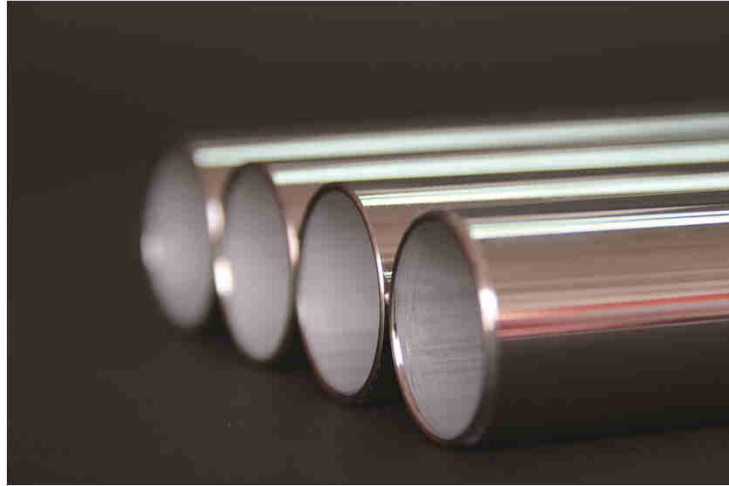


- Large Diameters
- Thick Walls
- High Pressure





Structural Tubes



- Fence Bars
- Handrails
- Furniture
- Decoration





Sheets





Operational Briefing

- Percentage of Product Selling

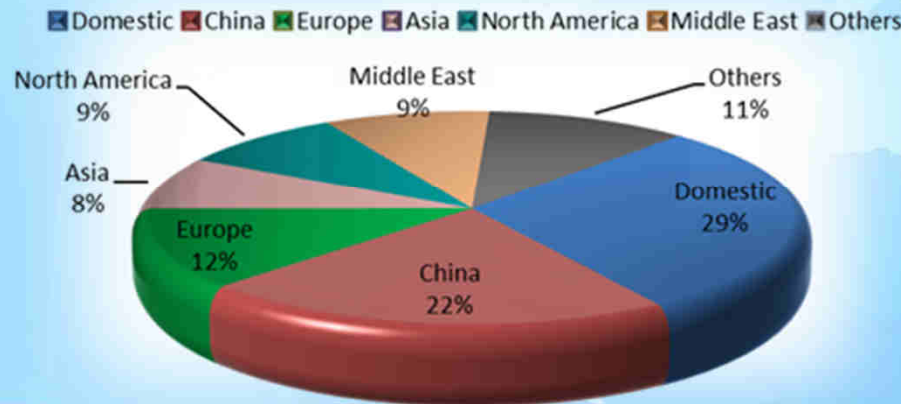
			
	Sheets	Tubes and Pipes	Consolidated Turnover (NT\$million)
2016	24.5%	75.5%	\$10,960
2017	23.6%	76.4%	\$12,640
2018 (Q1)	21.5%	78.5%	\$3,140



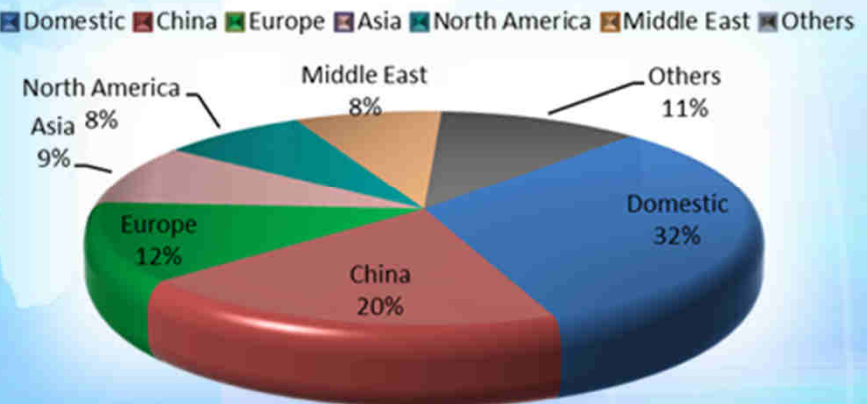
Operational Briefing

- Percentage of Sales Distribution

Sales Distribution of 2016



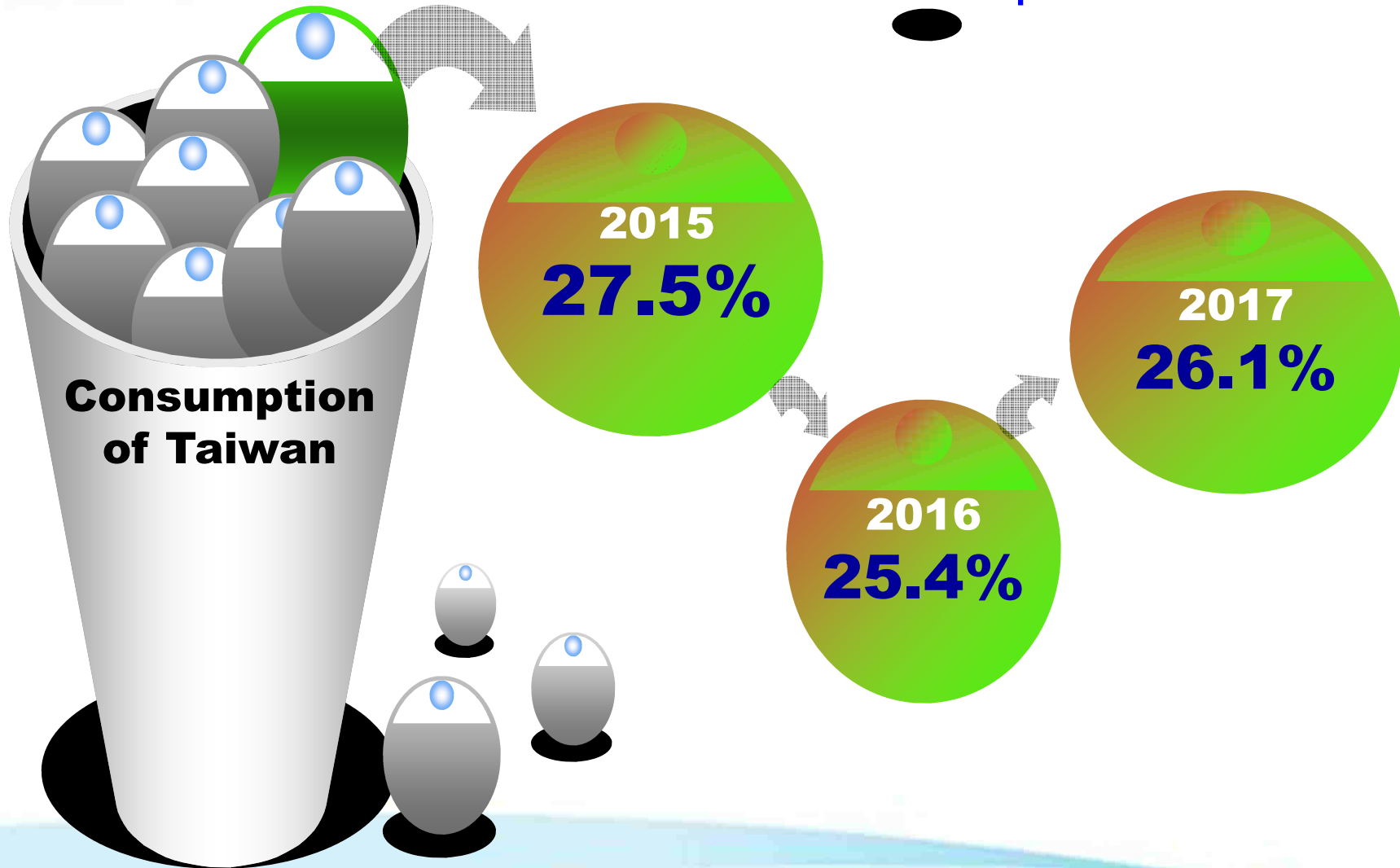
Sales Distribution of 2017





Operational Briefing

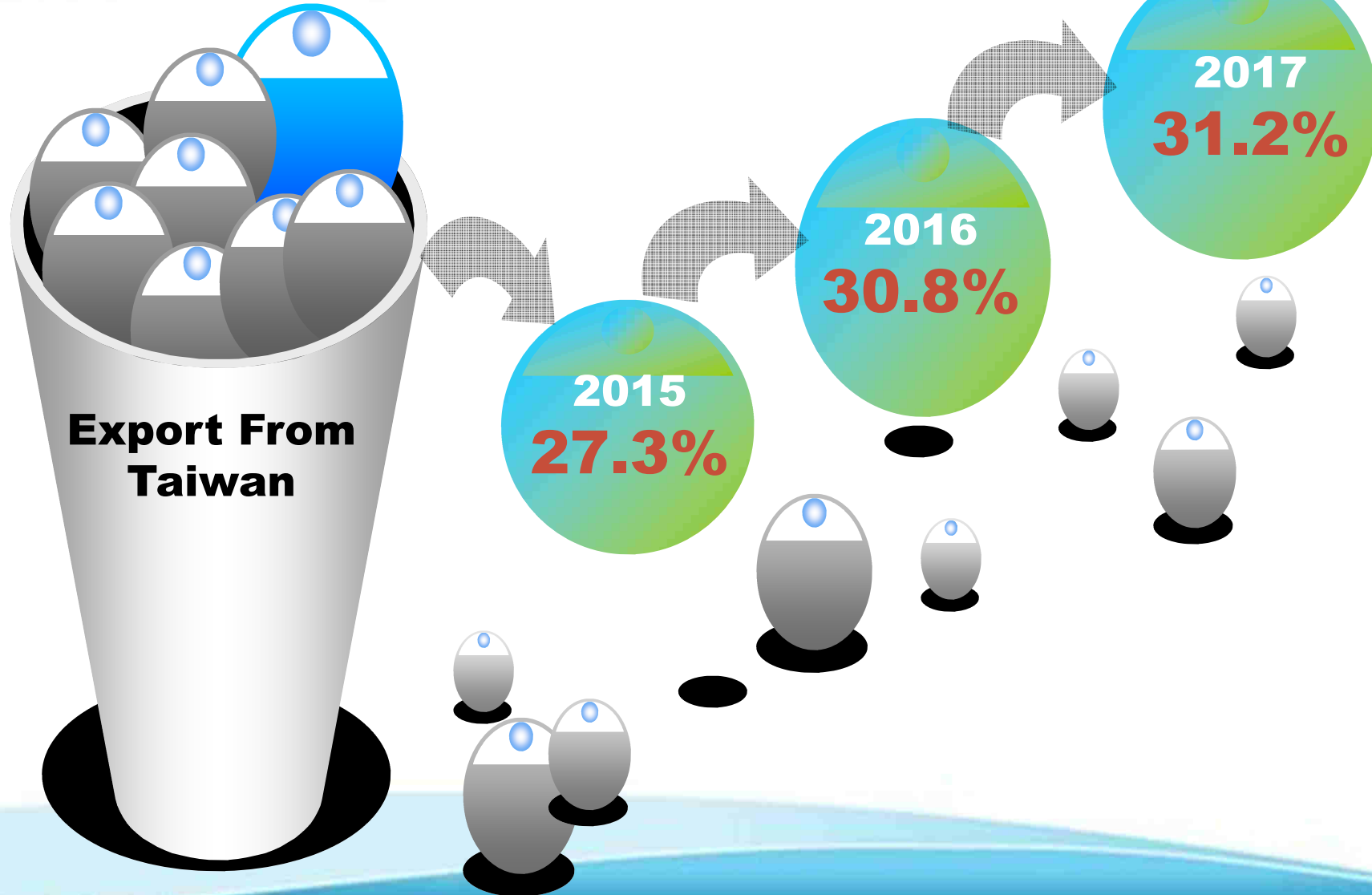
- Stainless Steel Tubes and Pipes





Operational Briefing

- Stainless Steel Tubes and Pipes

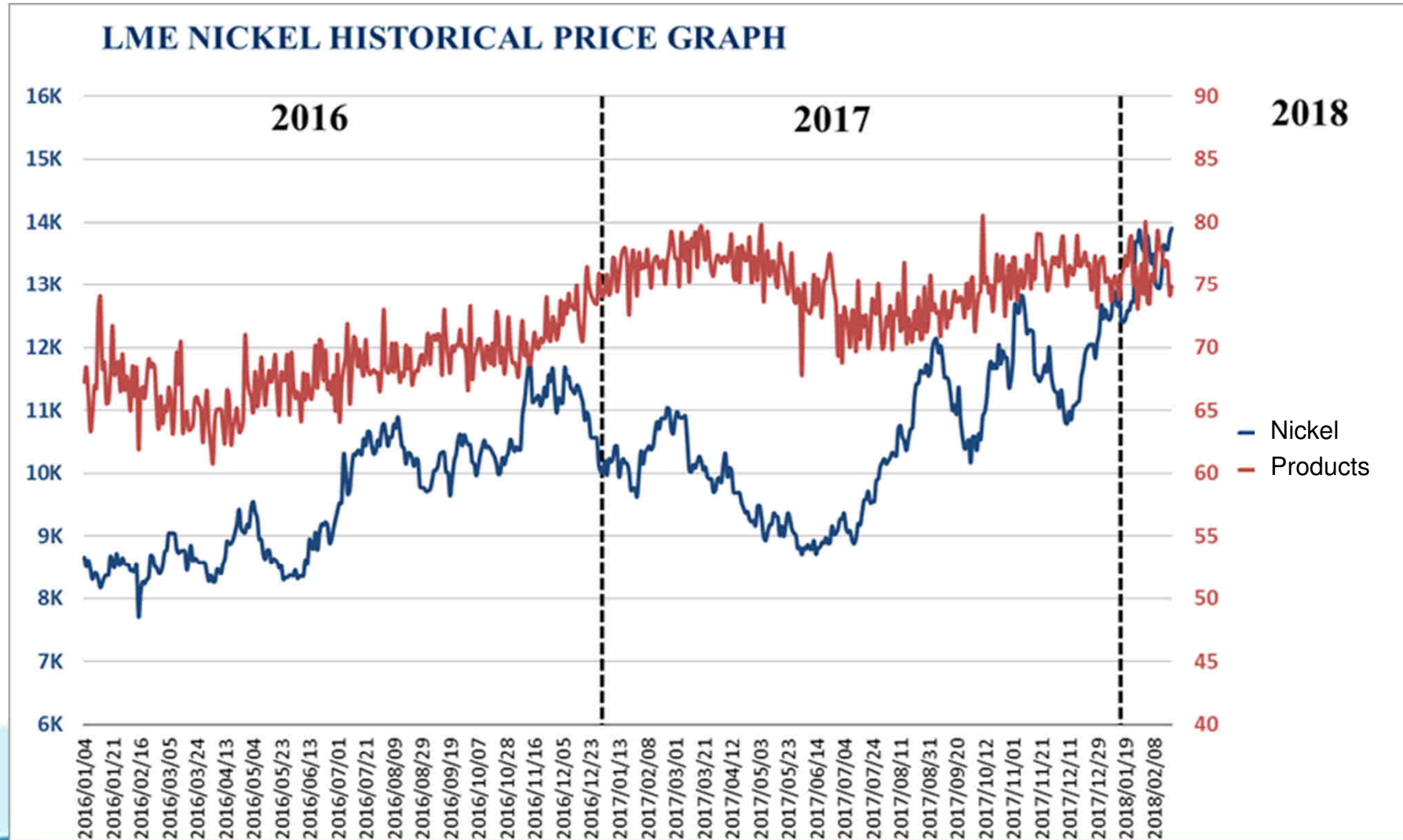




Operational Briefing

- Last 2 Year Prices

Nickel and Product Prices





Financial Information

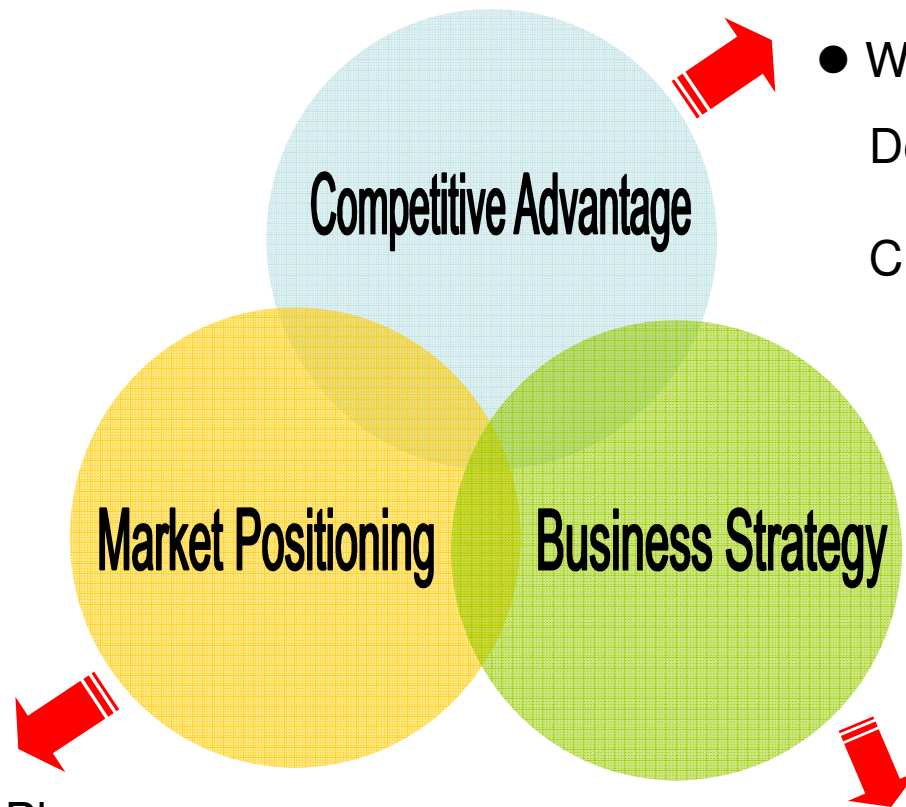
- Last 2 Years

(NT\$ million)

Item \ Year	2016	2017	2018 Q1
Operating revenue	10,960	12,640	3,140
Gross profit (loss) from operations	1,280	1,610	400
Net operating income (loss)	580	840	200
EPS	NT\$1.08	NT\$1.98	NT\$0.46



Operational Briefing



- Industry Benchmark
- Widely Approved by both Domestic and Global Customers

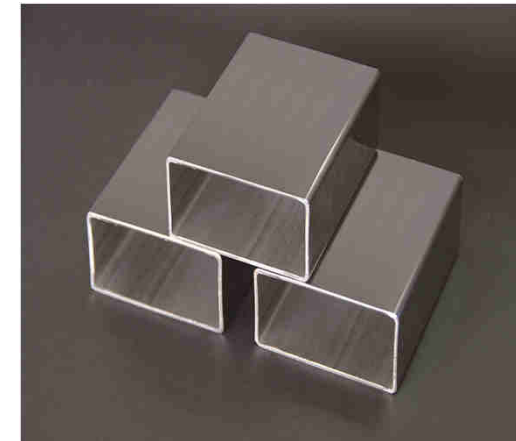
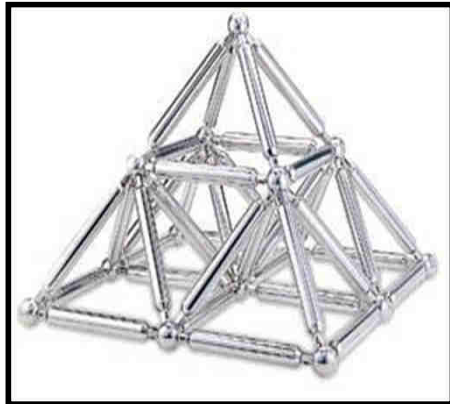
- Top Tier Player
- Market Leader

- Market Diversification
- More than 2,000 Customers Domestically
- Sales to more than 100 Countries Globally



Competitive Advantage

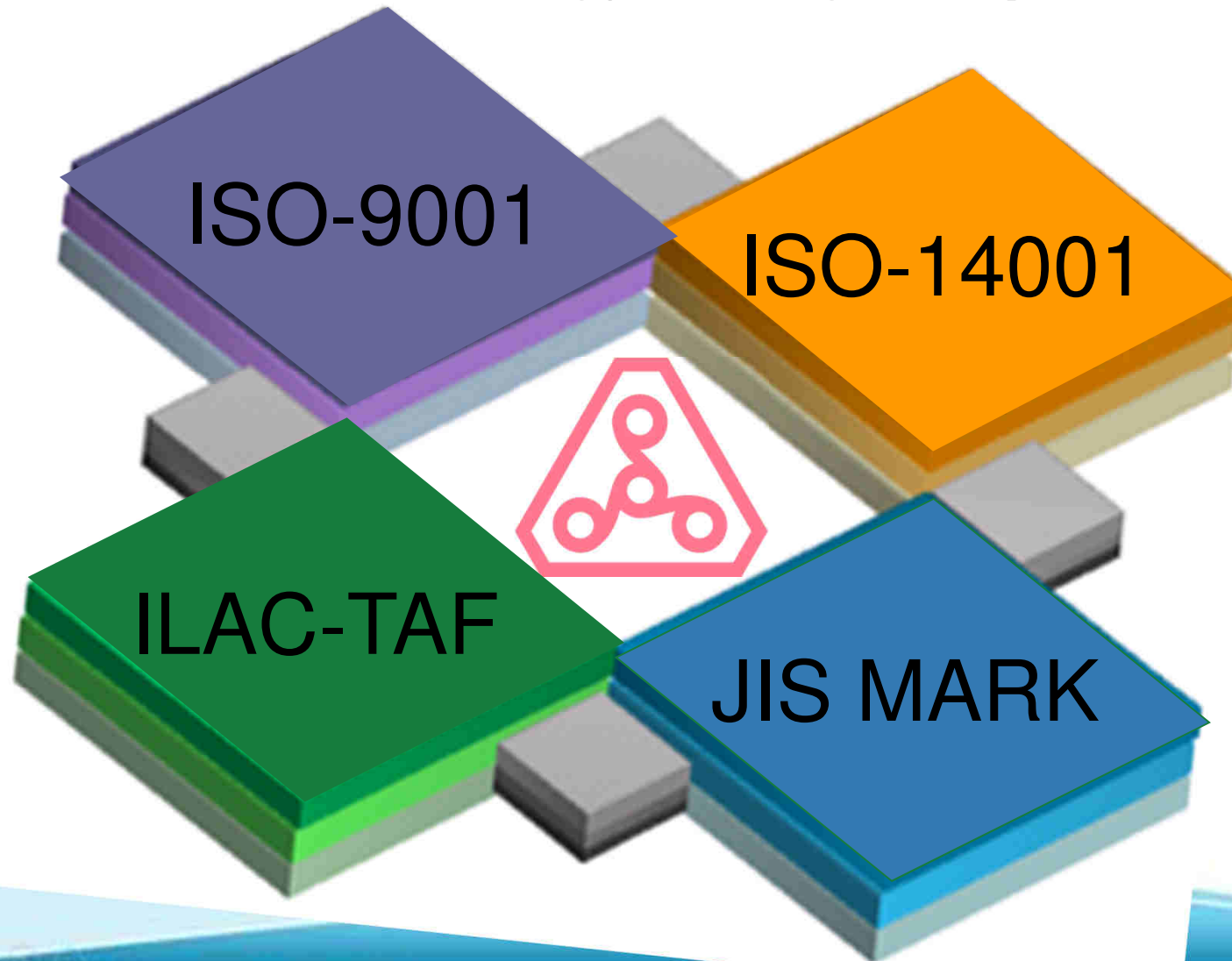
- **Comprehensive Product Range - Satisfy Customers' One-stop Shopping Needs**





Competitive Advantage

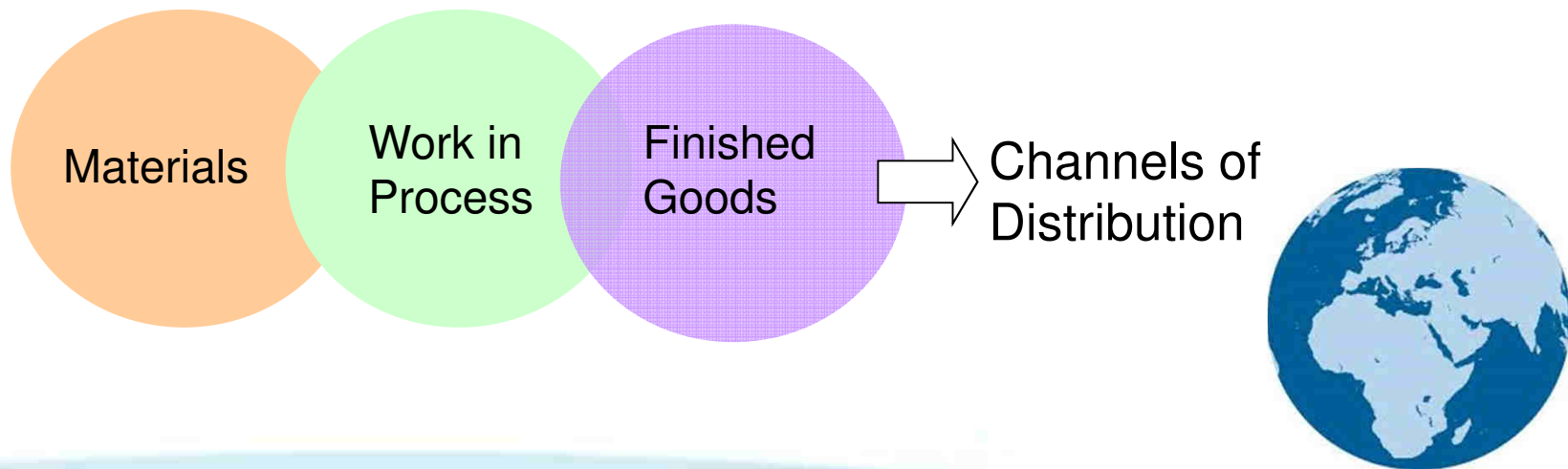
- **Advanced Technology among Competitors**





Competitive Advantage

- **Complementary between 29.40% of Domestic Sales and 70.6% of Export Sales with global customers**
 - ◆ **More than 2,000 customers domestically.**
 - ◆ **Sales to more than 100 countries globally**





Looking Forward

➤ **Parent Company Perspective**

- ◆ Set-up New Production Sites to Boost Market Share
- ◆ Expand Export Markets, Weave Comprehensive Sales Networks

➤ **Subsidiary Company Perspective**

- ◆ Set-up More Equipment to Increase both Production and Sales Quantity
- ◆ Expand More Sales Offices in China





Looking Forward

- **Common Perspective**
 - ◆ Optimize Production Processes, Reduce Costs and Excel Quality
 - ◆ Keep Developing More Value-added Products, Enhance Products' Competitiveness



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We Jointly Create a Better Future For The Environment



Thank You!