



Hiroca Holdings Ltd. (1338)

廣華控股有限公司

**Presented by
Yu, Che-Ming**

March 7-8, 2013

PresentationPoint



I. General Introduction



General Introduction

- Established date: Dec. 8, 2009
(Dongguan Hirosawa Automotive Trim Co., Ltd. Established in Dec. 20, 2002)
- Chairman of the Board : Mr. Yu, Che-Ming
- Paid-in Capital : NTD710,000,000
- Headquarter : Dongguan City, Guangdong Province, China
- Main Operation Sites :
 - Dongguan-Hirosawa Automotive Trim Co., Ltd. (2002年)
 - Wuhan-Wuhan Hiroyoshi Automotive Trim Co., Ltd. (2010年)
- Business Scope : **OEM manufacturer of automotive plastic trim parts, mold design and manufacturing, trading, etc.**
- Main Customers : Tier 1 suppliers of three top Japanese car makers in China



General Introduction–Milestones

- **2002—Dongguan Hirosawa Automotive Trim Co., Ltd. established**
Cubic Printing Technology licensed by Taica Corporation
Awarded Excellent Supplier of MAZAD Hianan and GSK
Guangzhou
- **2003—Development for Safety Parts-DAB & PAB**
- **2004— Awarded ISO/TS16949** and Lofty Success Group Ltd. established
- **2007—Awarded FORD's MMOG and Q1 Certification**
- **2009—Hiroca Holdings Ltd. established (for the purpose of listing)**
Joint venture with Taica Corporation to setup Dongguan Taica
Hirosawa Technologies Co., Ltd. For e-Cubic Printing
Technology
Purchased 7.9% of shares of Cubic (Tianjin) Printing Co., Ltd.

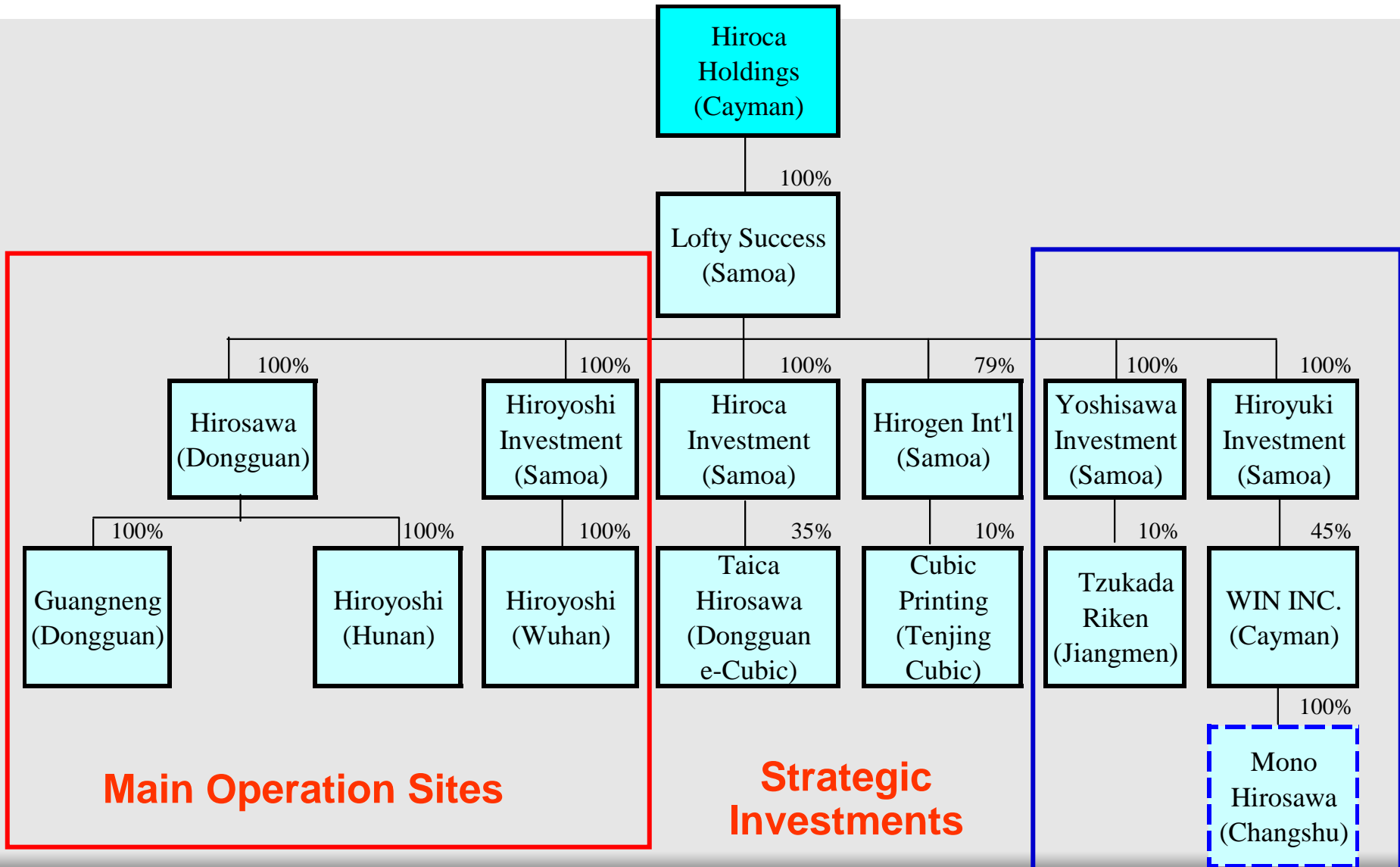


General Introduction-Milestones

- **2010—License of Cubic Printing Technology extended by Taica Corporation to 2020**
Wuhan Hiroyoshi Automotive Trim Co., Ltd. established
Stocks registered on the Emerging Stock Market of Taiwan on Oct. 13, 2012
- **2011—Joint venture with Tsukada Riken Industry Co., Ltd. to setup Jiangmen Tsukada Riken Automotive Trim Co., Ltd. for plastic plating parts**
Planned a joint venture with Mono Group to setup Changshu Mono Hirosawa Automotive Trim Co., Ltd., for real wood parts
- **2012—Dongguan Guangneng Automotive Trim Co., Ltd. and Hunan Hiroyoshi Automotive Trim co., Ltd. Established**
IPO on the TWSE on Dec. 19, 2012



General Introduction-Organization Chart



Main Operation Sites

Strategic Investments

Future Goals



II. Operations-Products and Production



Operations-Our Products I



Nissan Teana





Operations-Our Products(II)



Toyota Camry



CAMRY 凯美瑞
为您成就卓越



Operations-Our Products III



Honda Accord





Operations-Production I

■ Plastic Injection



126 sets of injection machines from biggest injection of 2200T press and smallest with 60T press.

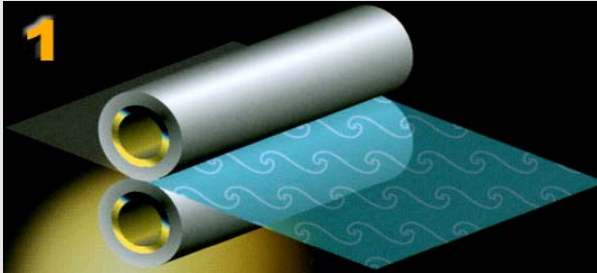
Including :

- 5 sets of double color
- 3 sets of IMD
- 1 set of gas-injection



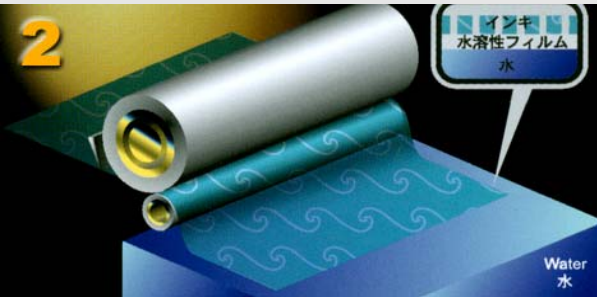
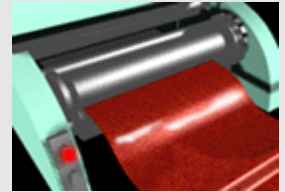
Operations-Production II

■ Cubic Printing-1



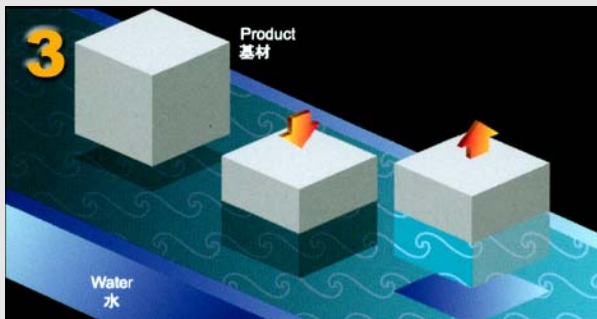
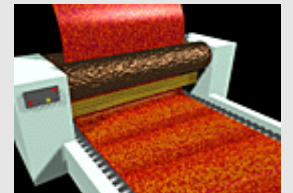
Film Printing

- The pattern or design is gravure-printed on a water soluble film.



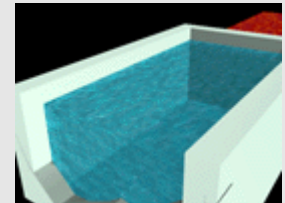
Activation

- The film is specially treated to activated or “re-wet” the inks.



Transfer

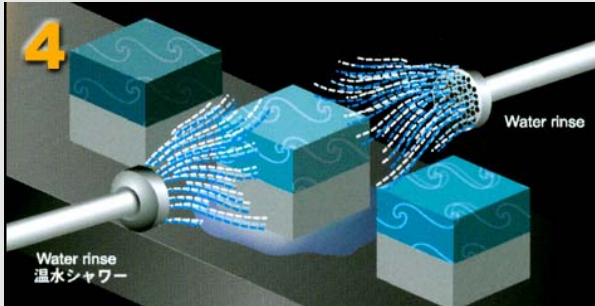
- The film is floated out onto the water and the product (material) to be decorated is pressed down into the film to effect the transfer.





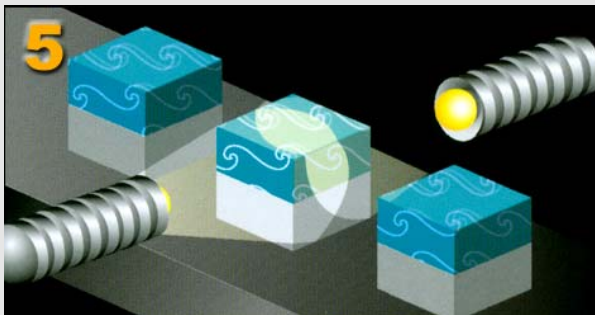
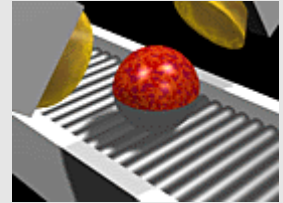
Operations-Production III

■ Cubic Printing-2



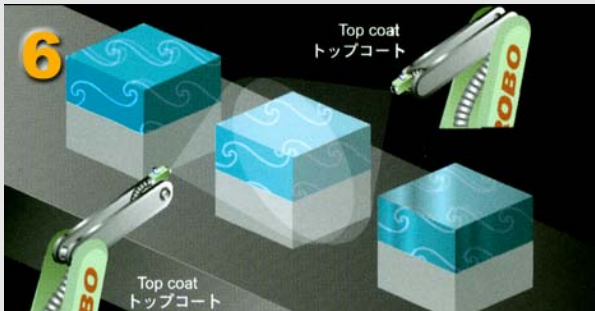
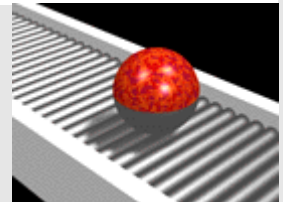
Film Removal & Washing

- Having fulfilled its role as the medium for the print transfer, the film is washed away.



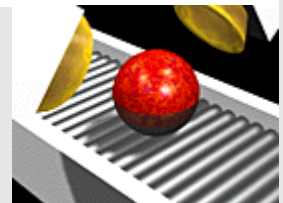
Drying

- Water which has adhered to the product (material) during transfer is dried off.



Top Coating

- A transparent top coat is applied to protect the printed surface.





Consolidated Financial Statements

Unit : NTD'000

Item	2009		2010		2011		2012(Jan-Sept)	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales	2,905,456	100%	3,547,157	100%	4,666,981	100%	4,095,851	100%
Cost of Goods Sold	1,980,580	68%	2,414,309	68%	3,405,589	73%	3,088,045	75%
Gross Profit	924,876	32%	1,132,848	32%	1,261,392	27%	1,007,806	25%
Operating Expenses	351,765	12%	415,180	12%	531,901	12%	631,948	15%
Operating Income	573,111	20%	717,668	20%	729,491	15%	375,858	9%
Non-Operating Income	48,841	2%	39,360	1%	69,952	1%	49,475	1%
Non-Operating Expenses	33,904	1%	62,982	2%	28,928	-	18,674	0%
Pre-Tax Income	588,048	20%	694,046	19%	770,515	16%	406,659	10%
Income Tax Expenses	100,214	3%	158,073	4%	189,218	4%	99,301	2%
Net Income	487,834	17%	535,973	15%	581,297	12%	307,358	8%
EPS(adjusted)	13.51		8.63		9.18		4.84	



Key Financial Ratios

		2009	2010	2011	2012(Jan-Sept)
Return on investment analysis	Gross margin ratio	32%	32%	27%	25%
	Operating income ratio	20%	20%	15.0%	10%
	Pre-tax income ratio	20%	19%	16.0%	10%
	Net income ratio	17%	15%	12.0%	8%
Liquidity analysis	Current ratio	179%	245%	194%	157%
	Quick ratio	149%	207%	167%	126%
	Debt ratio	33%	29%	34%	40%
	Interest coverage ratio	93	72	144.73	43.17
Operating performance analysis	Average collection turnover (times)	3.44	3.79	3.79	3.6
	Average inventory turnover (times)	10.39	7.76	8.19	7.43
	Average payables turnover (times)	4.5	5.1	4.71	3.97
Cash Conversion Cycle (day)		61	71	63	59



Sales Breakdown

Unit:NTD'000

Product Item		2009		2010		2011		2012(Jan-Sept)	
		Amount	%	Amount	%	Amount	%	Amount	%
Auto interior parts	Plastic parts	733,420	25.24	1,021,925	28.81	1,576,331	33.78	1,391,770	33.98
	Painted parts	858,841	29.56	1,249,448	35.22	1,359,303	29.13	1,176,169	28.71
	Cubic printing	711,484	24.49	917,991	25.88	1,076,408	23.06	1,039,043	25.37
Mold		228,053	7.85	212,281	5.99	342,204	7.33	278,126	6.79
Others		373,658	12.86	145,512	4.10	312,735	6.70	210,743	5.15
Total		2,905,456	100.00	3,547,157	100.00	4,666,981	100.00	4,095,851	100.00



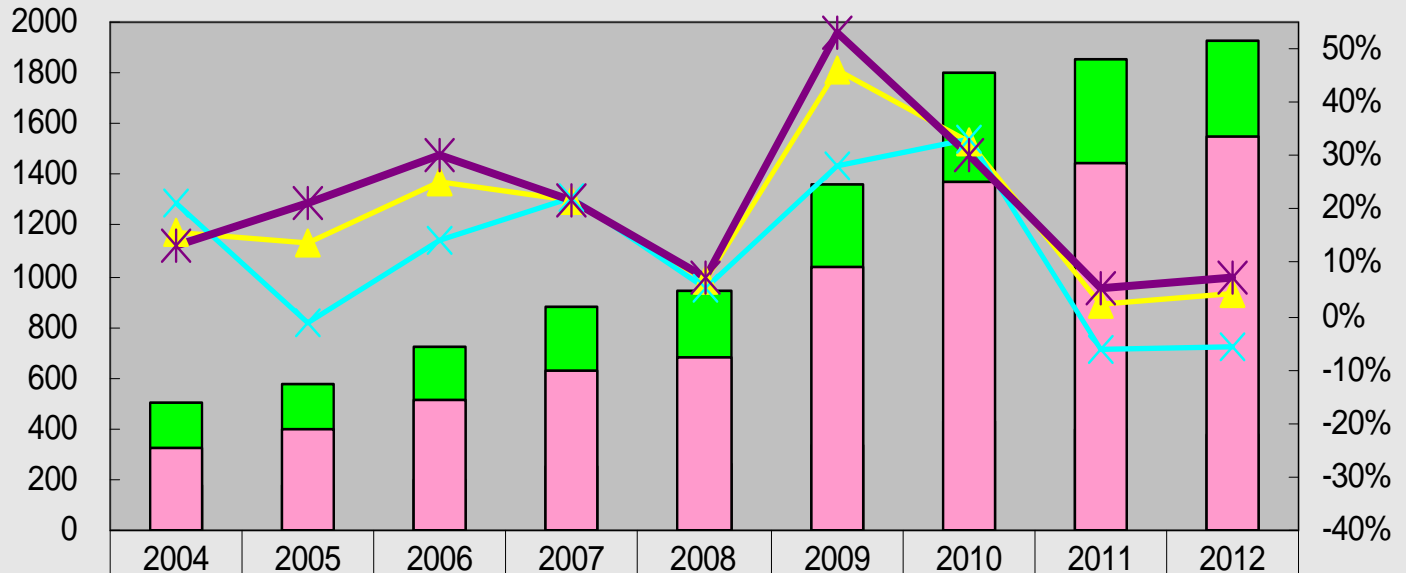
III. Brief Introduction of China Automobile Industry



China Automobile Market Introduction

China automobile sales from 2004 to 2012

Unit:10,000units



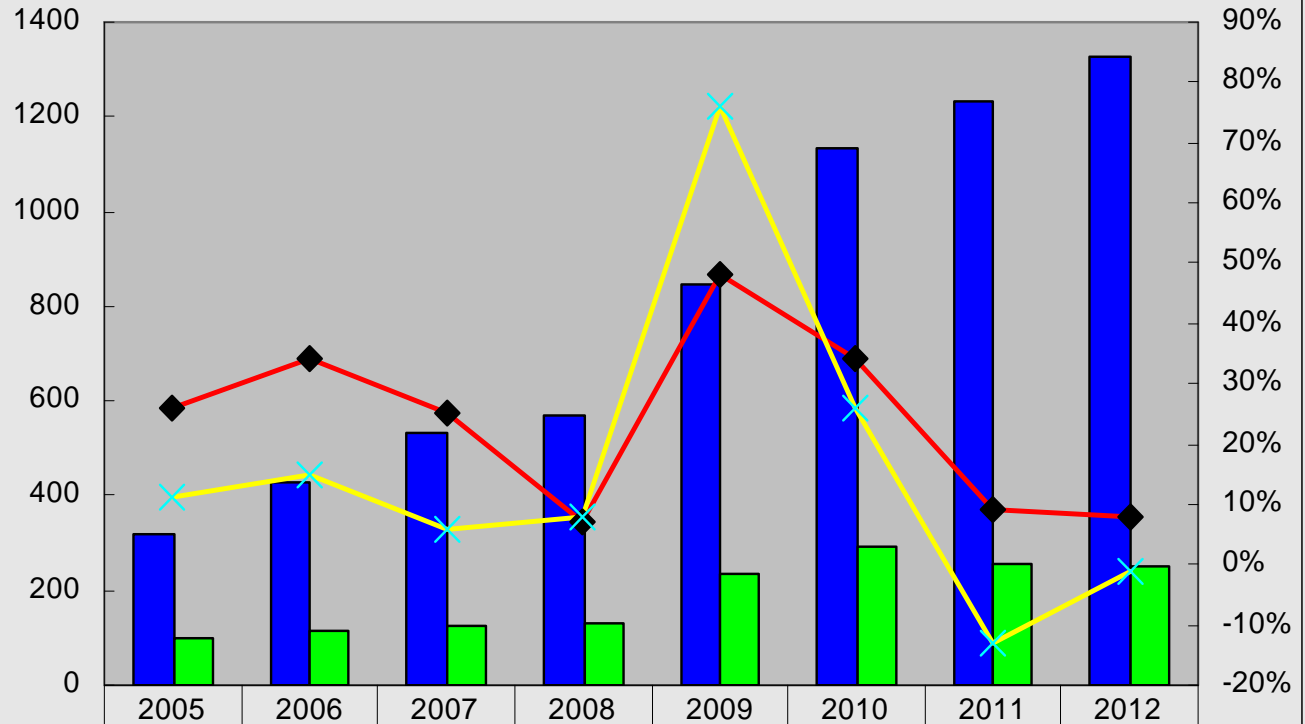
Car Sales	507.2	575.8	721.6	879.2	938.1	1364.5	1806.0	1851.0	1931.0
Commercial vehicle	180.1	178.7	204.0	249.4	262.5	331.3	430.0	403.0	381.0
Passenger car	327.1	397.1	517.6	629.8	675.6	1033.1	1376.0	1447.0	1550.0
Growth rate for car sales	15.5%	13.5%	25.3%	21.8%	6.7%	46.2%	32.4%	2.5%	4.3%
Growth rate for Commercial	21.0%	-1.0%	14.0%	22.3%	5.3%	28.4%	33.2%	-6.3%	-5.5%
Growth rate for Passenger	13.0%	21.0%	30.0%	21.7%	7.3%	52.9%	29.9%	5.2%	7.1%



China Automobile Market Introduction

2005-2012 Passenger Car sales breakdown

Unit: 10,000 units

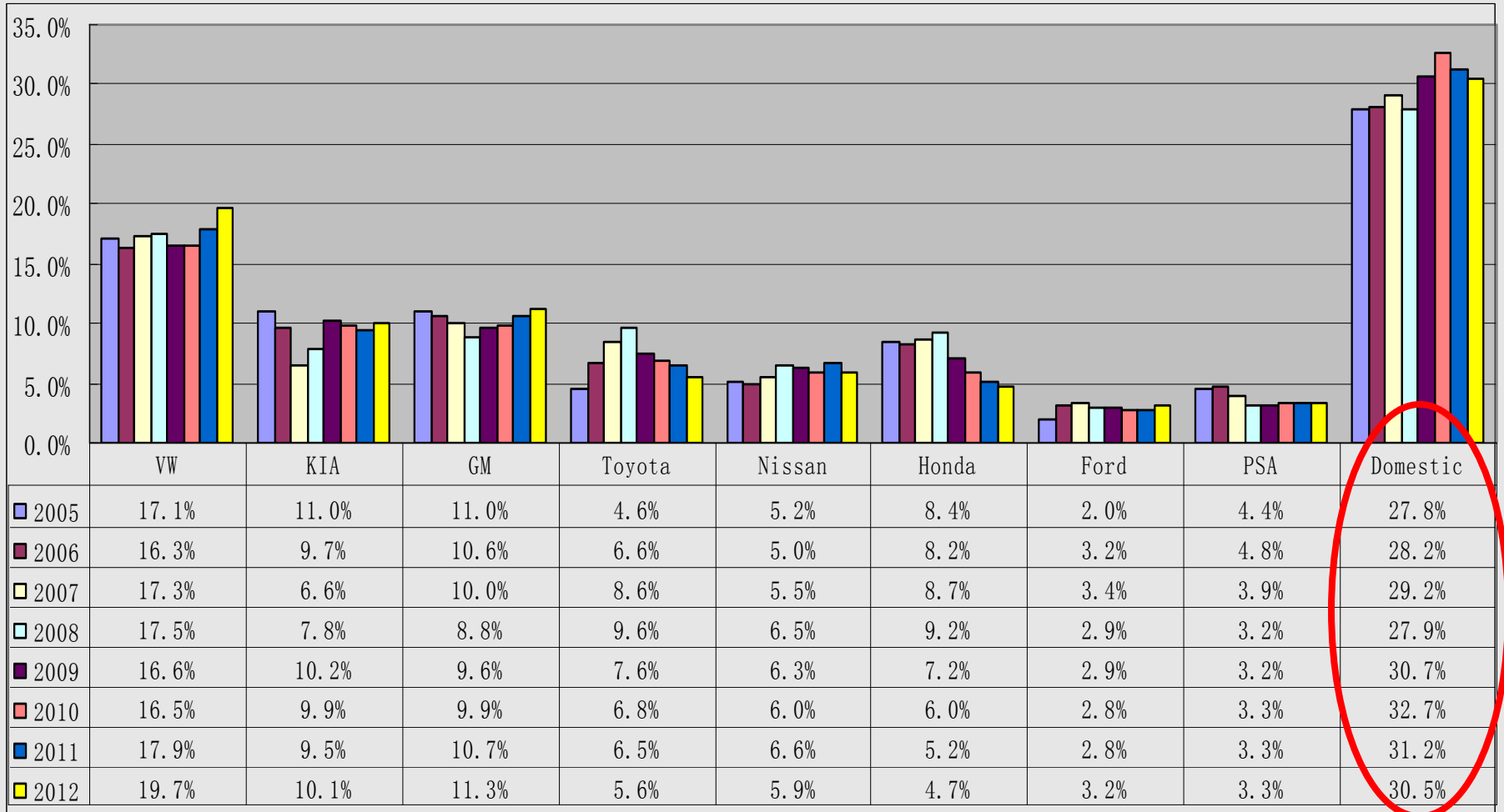


Sedan+SUV+MPV	318	426	532	569	844	1133	1232	1326
Small cars	101	117	123	133	234	294	256	252
Growth rate for Sedan+SUV+MPV	26%	34%	25%	7%	48%	34%	9%	8%
Growth rate for Small Car	11%	15%	6%	8%	76%	26%	-13%	-1%



China Automobile Market Introduction

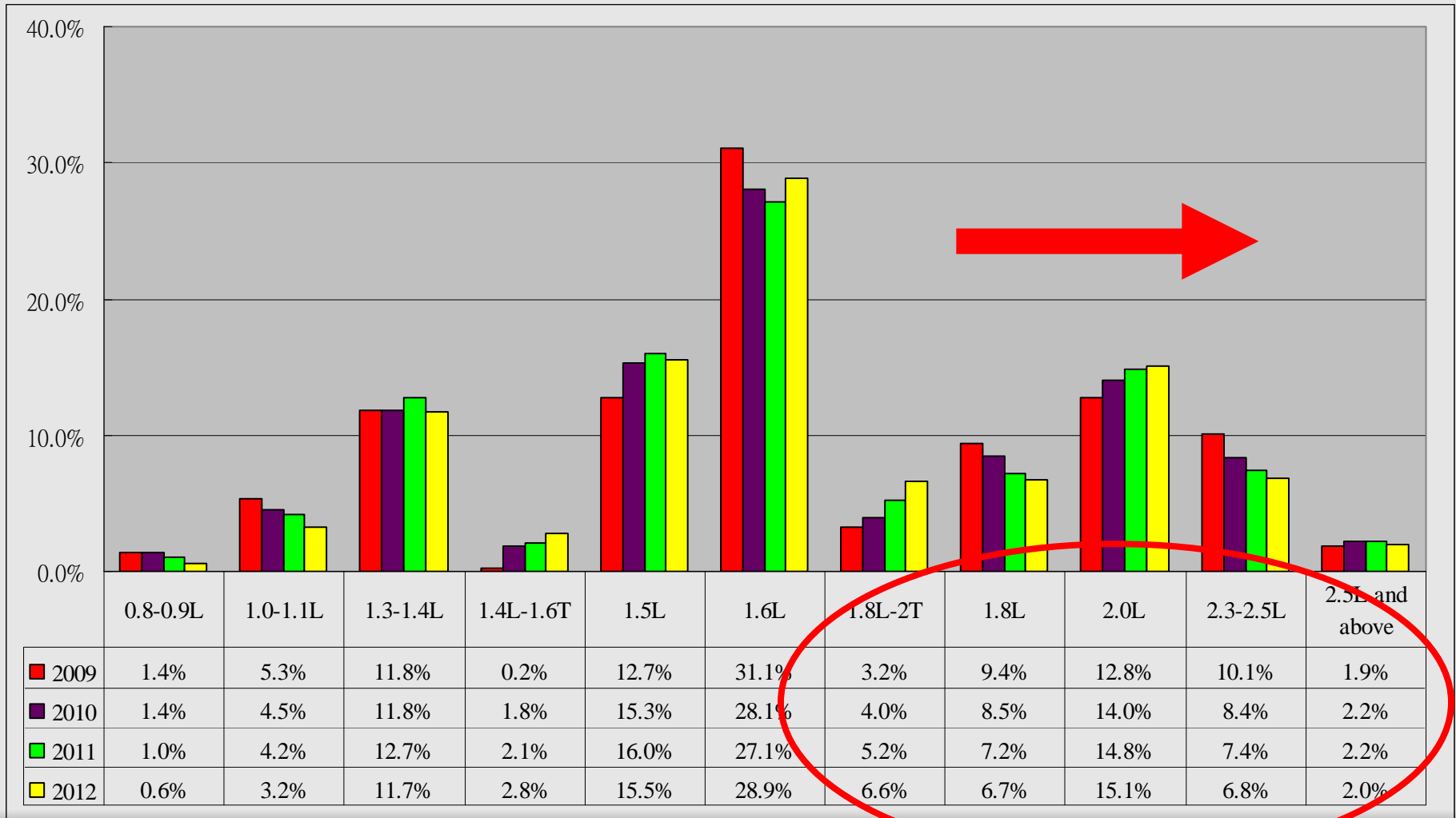
Market share for Foreign-origin brands in China (Sedan+MPV+SUV)





China Automobile Market Introduction

Market share of Sedan+MPV+SUV in China by engine size Unit:10,000units





IV. Core Competence and Strategy



Core Competence-Position Strategy

Be the No. 1 Tier 2 supplier in China



Mercedes-Benz



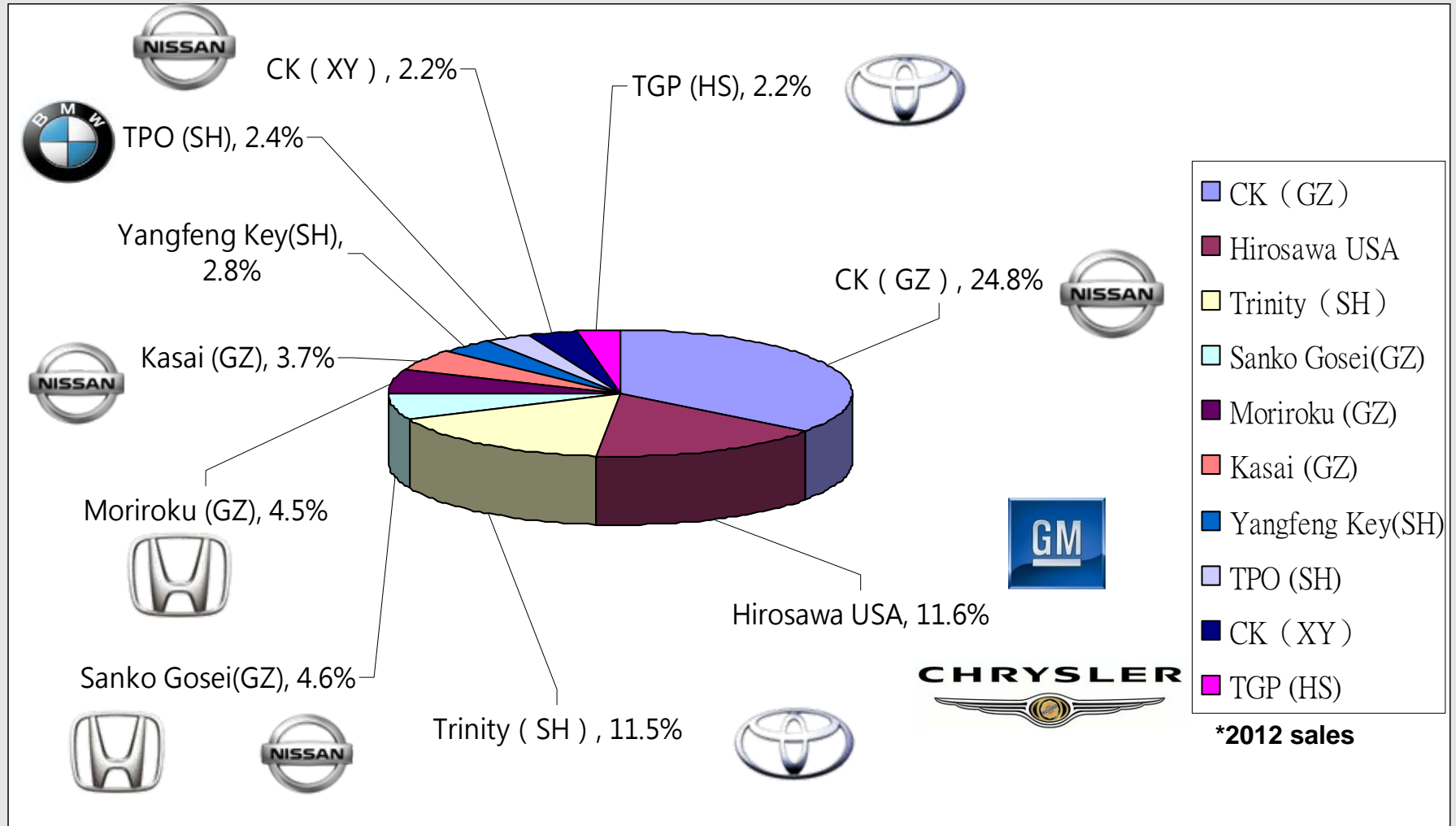
Tier 1 are our major customers, OEM are our Friends.





Core Competence-Stable Customer Mix

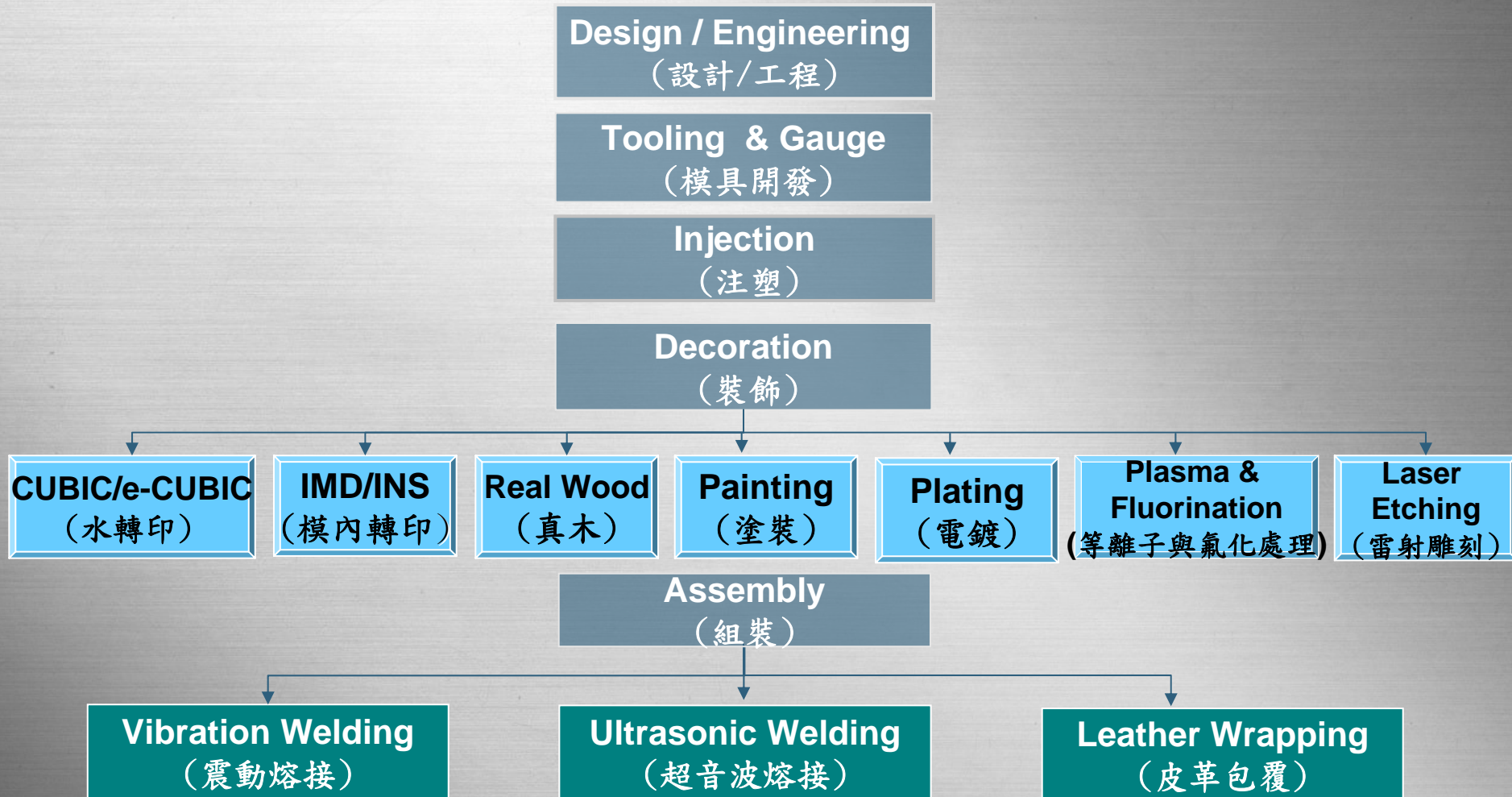
- Top three Japanese car makers accounting for about 75% of sales





Core Competence-Horizontal and Vertical Integration

Integrated Production Provides Best Services





V. Future Strategies and Goals



Future Strategies and goals

- ❑ **Keep strengthening relationships with three top Japanese car makers in China**
- ❑ **Keep exploring new customers**
- ❑ **Integrate and develop new decoration technology for auto plastic interior trim parts**
- ❑ **Developing markets for real wood and plastic plating parts for luxury cars**



Future Strategies

Keep strengthening relationship with three top Japanese car makers in China

DF-Nissan (Wuhan and Guangzhou)

Current Cap. : 1million units

Planned Cap. : 1.5million units

•DF-Honda (Wuhan)

•GZ-Honda (Guangzhou)

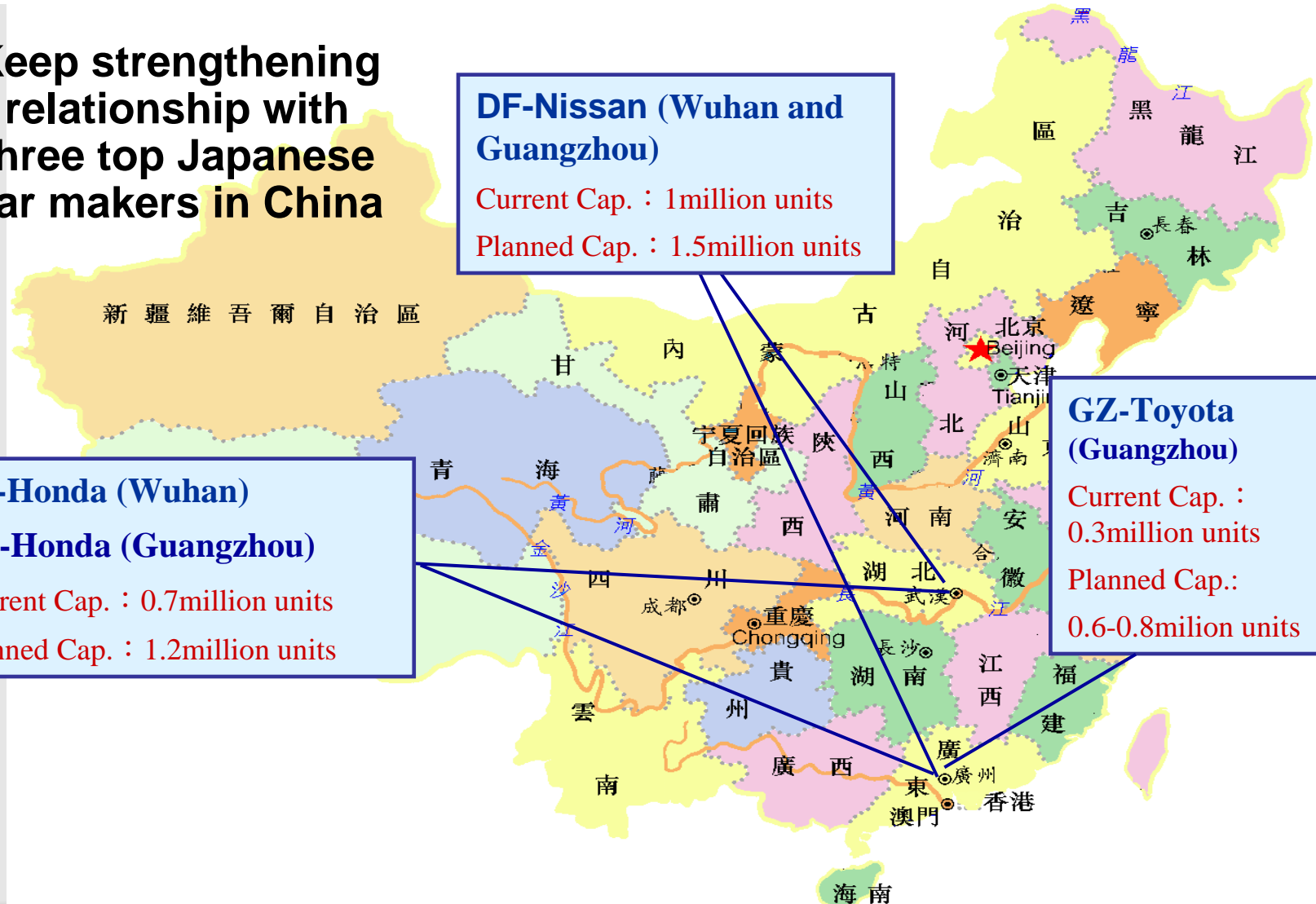
Current Cap. : 0.7million units

Planned Cap. : 1.2million units

GZ-Toyota (Guangzhou)

Current Cap. : 0.3million units

Planned Cap.: 0.6-0.8million units





Future Strategies

Explore New Customers

Chongqing

CA-Ford

Current Cap. : 0.5 million units
Planned Cap.: 1.2 million Units

CA-Domestic

Cap. : 2 million units

CA-Suzuki

Cap. : 0.7million units

Chengdu

FAW-VW

FAW-Toyota

Cap. : 0.7million units

Changsha

GZ-Mitsubishi

Cap. : 0.25million units

GZ-Fiat

Chrysler

Cap. : 0.3million units

SH-VW

SKODA

Cap. : 0.2million units

Wuhan

SH-GM

Cap. :
0.6million units

Shenzhen

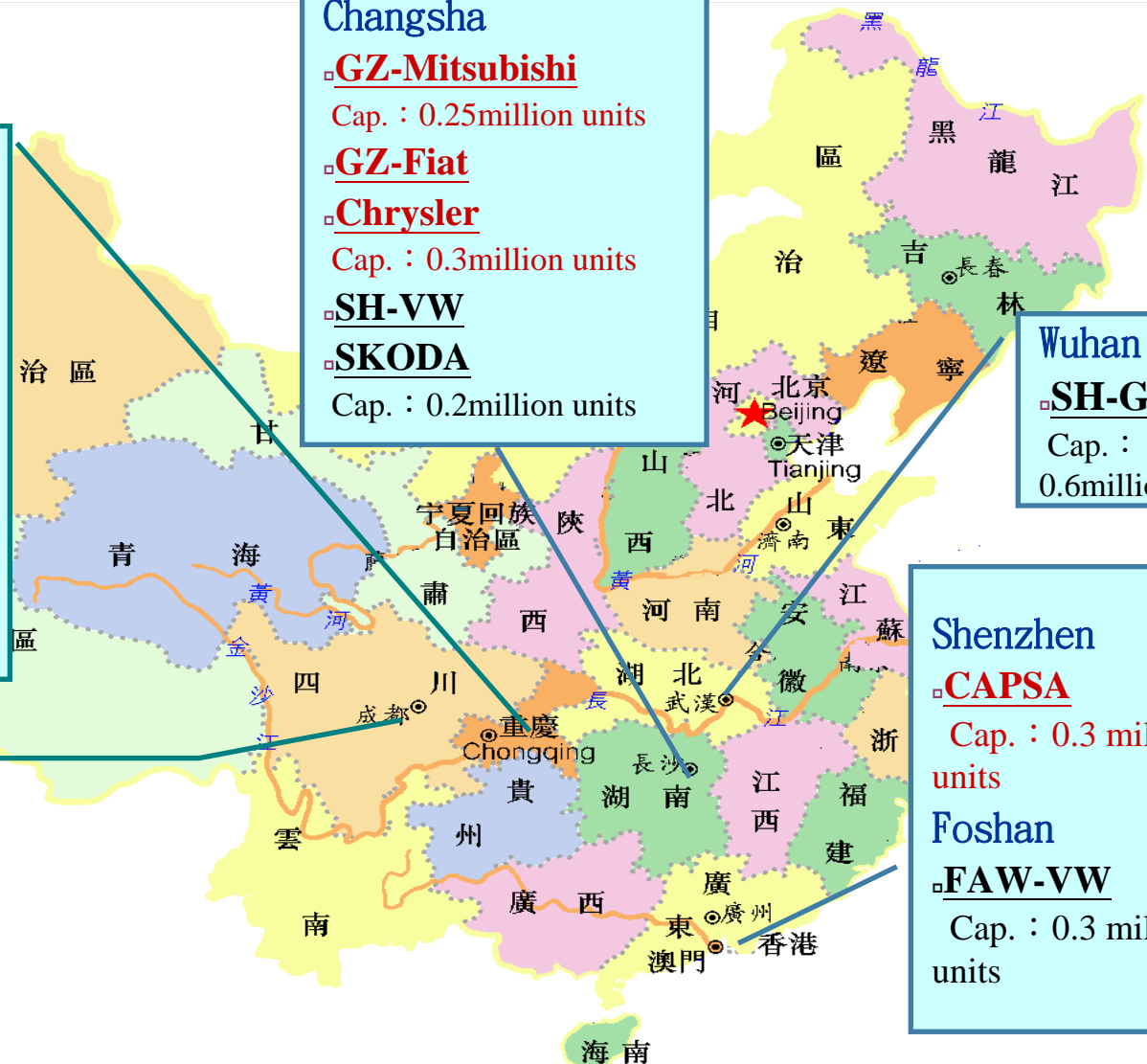
CAPSA

Cap. : 0.3 million
units

Foshan

FAW-VW

Cap. : 0.3 million
units





Thank you!