廣華控股有限公司
Hiroca Holdings Ltd.

Ticker：1338 T.T

President Steven Huang
CFO S.C.Huang

Mar. 28, 2024

http://www.hirosawa.com.cn/

CONTENTS

Company Profile

- Basic Information

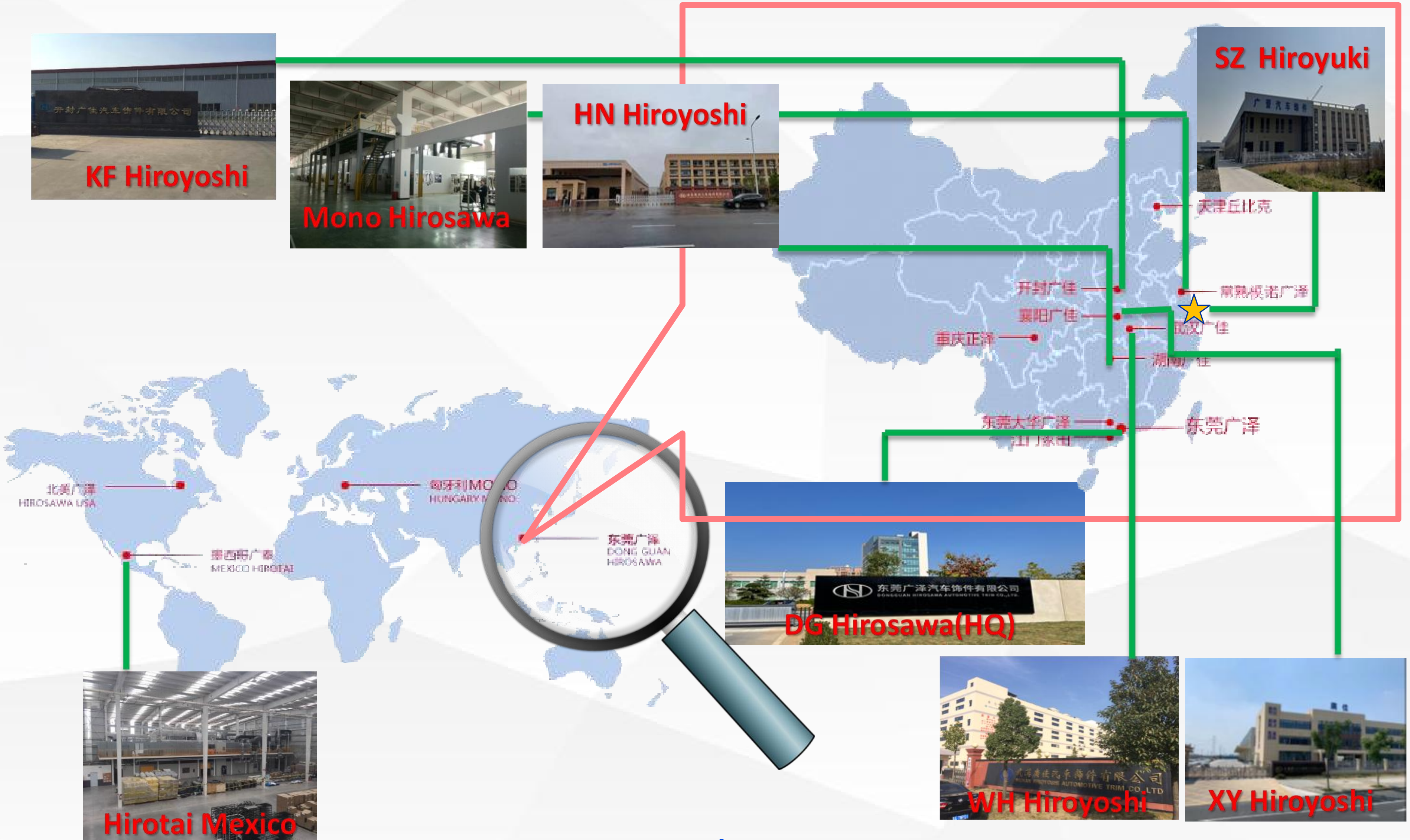
Established date	Paid-in Capital	Employees
Dec. 8, 2009	NTD 838.4 million	2,269

- Hiroca is a tier 2 supplier owning the most diverse automobile plastic interior decoration technologies in the world. We have prepared to become a tier-1 supplier in the near future.

- Hiroca provides one-stop vertical and horizontal manufacturing services to its clients through a strategy emphasizing stable quality, competitive cost and prompt delivery (QCD).

- Hiroca has already set up subsidiaries in several regions in China and a factory in Mexico to serve the emerging American markets, to form a strategic partnership with the big three Japanese and the big three U.S. automakers, and to develop a platform for local production and global shipping.

Company Profile-Plant Sites



BYD—Ocean Series

- Seal

- Dolphin

BYD—Dynasty Series

- Han

- Tang

BYD—Yangwang Series

- U8

- U9

BYD—Surinoel Series

- Super 5

- Super 8

BYD—Denza Series

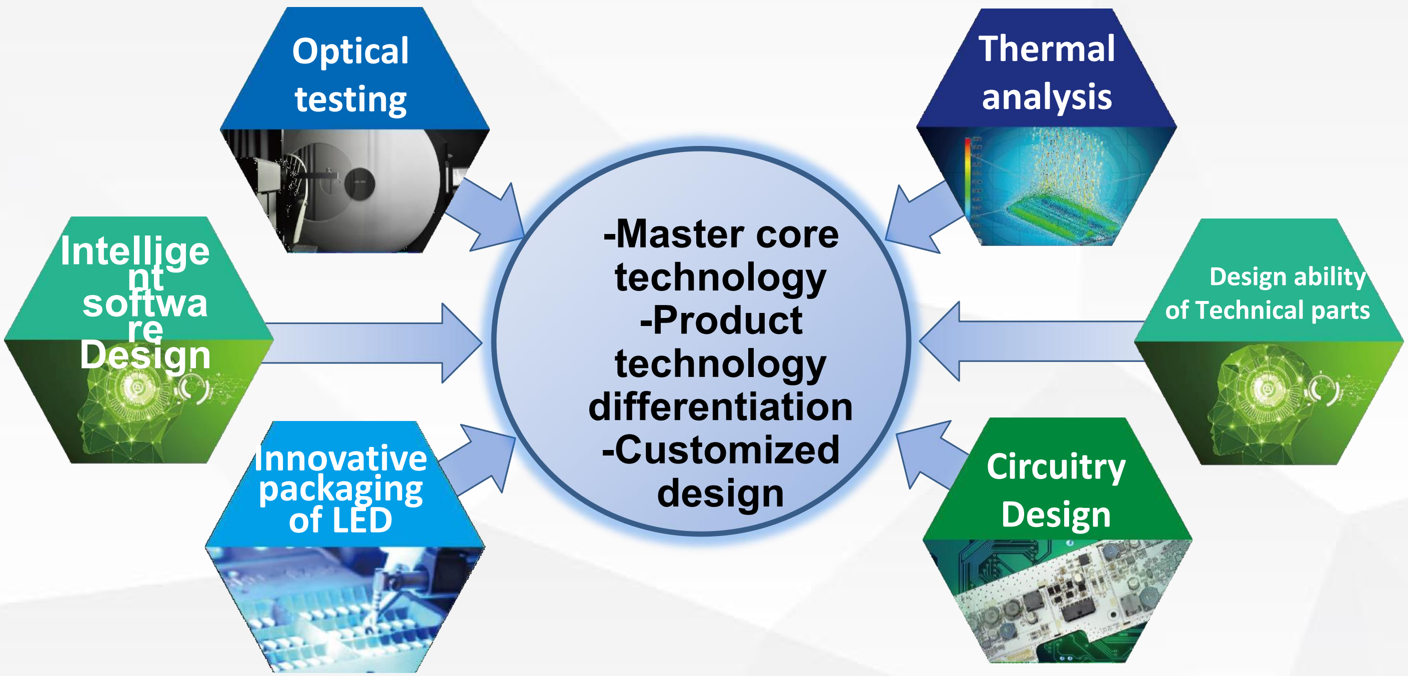
- N7

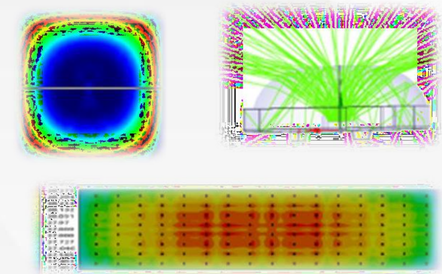
- D9

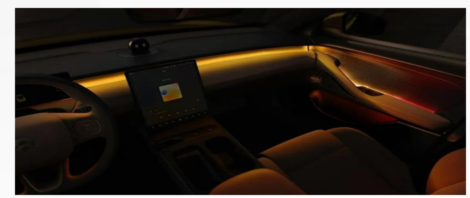
The Core Technology of Company

6 core technologies integration:

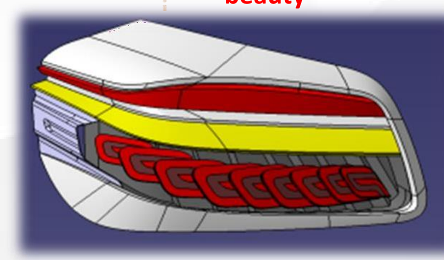
We are capable of design and development of optics, heat dissipation, structure, electronic hardware and software, LED packaging, etc. We can effectively control the core technologies of automotive interior touch vibration, atmosphere lamp, reading lamp and headlight, and make product differentiation and customization when design.







The decoration part with the design of intelligent, lighting and beauty

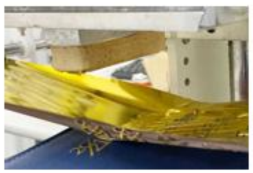


Design of fish scale-like lamp with flow-light effect

Surface Technology

Existing surface treatment

1.Vacuum heat transfer
2.Paint 3.Chorming
4.Hot Stamping
5.Water Transfer printing





Replace Upgrade

EPF new surface treatment

1.Metal Film
2.Multi color film
3.Wood/Aluminum

+

- Print
- Optical
- Itching
- 3D Laser engraving



Injection in Mold

Innov ation

Technical advantages

1. Surface treatment technology
2.Appearance/material/quality/environmental protection
3. Customized design capabilities
4. Provide cost reduction solutions




HIROSAWA

Patent Technology

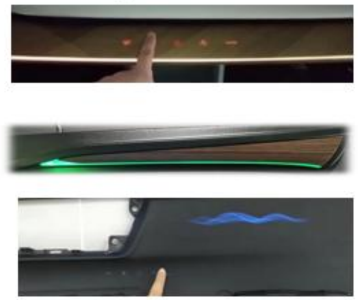
Patent:22 、Invention:5 、New Model:17

Innovative of environmental protection decoration

- Muti color INS
- Metal color
- Shutter doors

Innovative of smart ambient light

- Ambient light technology
- Metallic environmental protection decoration
- Rolling door decoration



Application of interior lighting and exterior signal lights

- Innovative of lighting lamps
- Map Lamp
- MINI LED illumination emblem

- IMD式汽車捲簾製造工藝,201910837289.5
- 汽車捲簾構造 ,201921478333.
- 汽車捲簾門製造方法 ,202010730399.

- 濺鍍式透光飾件,202020369023.0
- 內濺鍍式膠膜汽車裝飾件,202120491231.2
- 內濺鍍式膠膜汽車裝飾件的製造方法,202110252083.3
- 汽車裝飾件製造方法 美國專利16/902,250

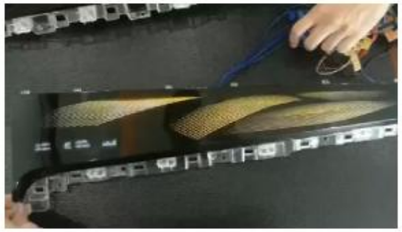
- 多功能薄型Mini LED汽車車燈製造方法及
- 燈光控制方法,202110252104.1
- 多功能薄型Mini LED汽車車燈,202120491232.7
- 種透光皮革飾件,202020369117.8
- 毛絨裝飾件的生產製造系統,202020737991.2
- 汽車裝飾件及製造方法
- 美國專利17/117,117 臺灣專利109134299

HIROSAWA

Product Series

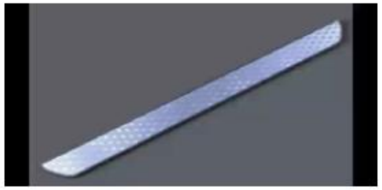
Inner:
Door + IP+ Console

- Hand in hand with customers towards the smart cockpit
- Reflect the value of passenger light and beauty



Inner:
Touch + Map Lamp + Scuff plate

- Interior decoration with EPF new material technology
- Innovative style is more environmentally friendly



Light:
Penetrating lights/luminous signs/ Tail lights /Return reflectors

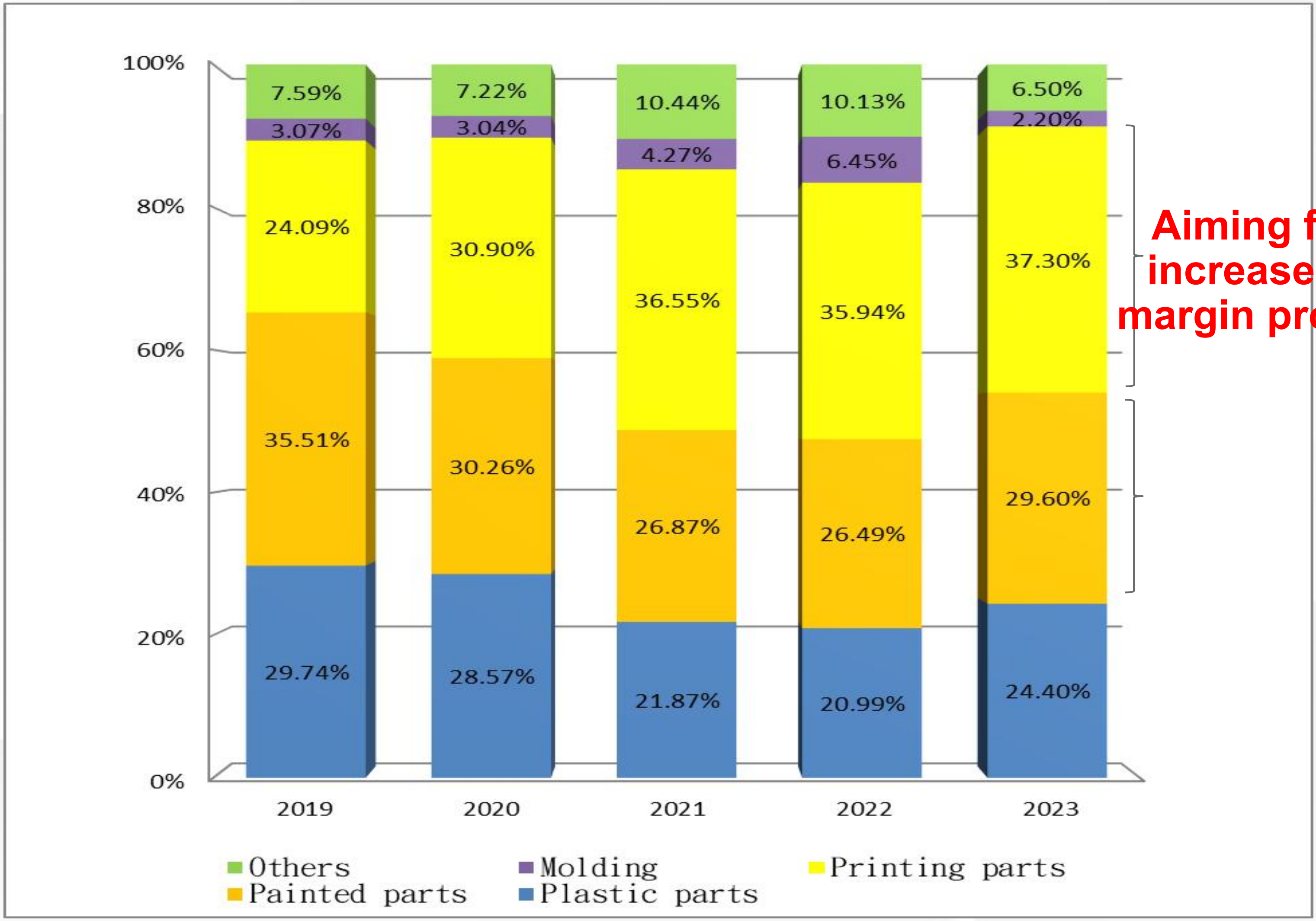
- Stepping into the new product line of smart touch
- Meet the new design needs of customers in the future

Outer:
Grill/Side trim/ Wheel Cover/B Piller

- Exterior decoration combined with luminous plastic and electrical integration
- Continuous development of various lighting products

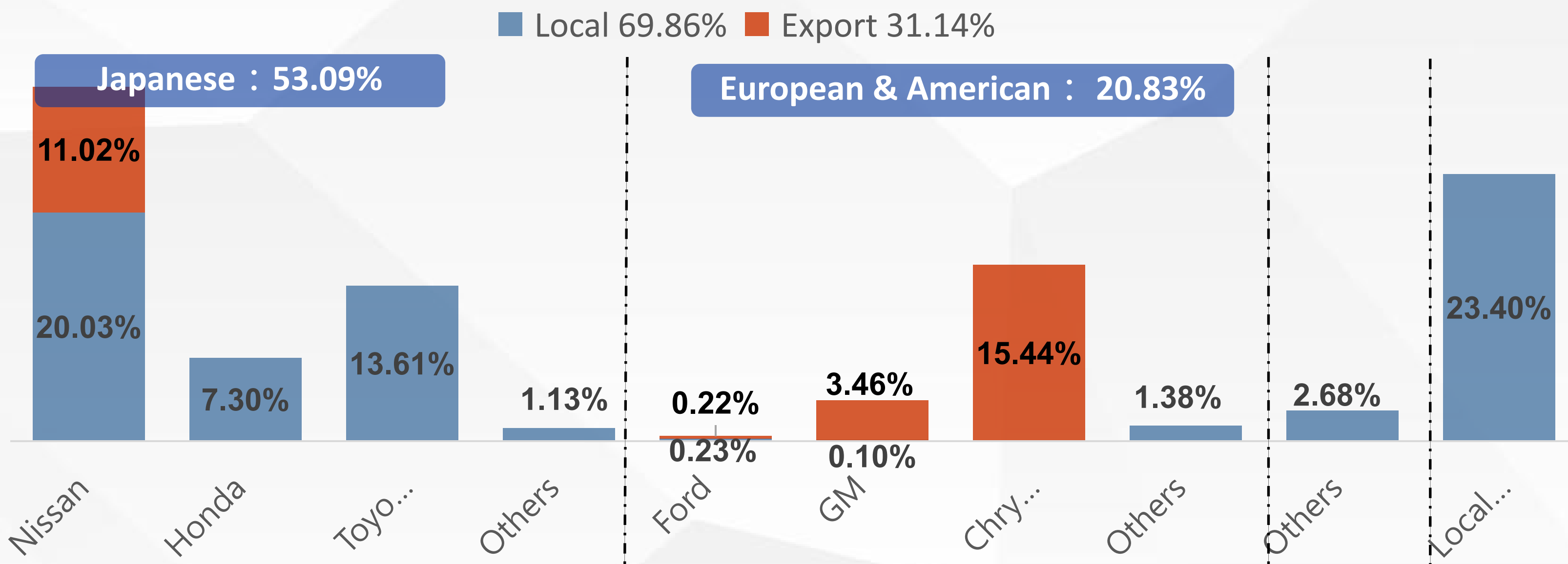
Company Profile-Sales Breakdown

Units:%



Company Profile- Main Customer

2023 Customer Breakdown



Local

Dongfeng- Nissan, Dongfeng- Honda, GAC- Toyota, GAC- Honda, CA-Mazda

Export

Nissan Trade, SUBARU

Local

SAIC- GM, FAW-Volkswagen, Dongfeng- DPCA, Volov

Export

Chrysler、NA Ford、GM BMW

Local

GreatWall 、BYD、SAIC Roewe、 DFSK 、Geely、 NIO Xiaopeng 、 FAW…etc

Financial Results

Unit:NTD1,000

	2019		2020		2021		2022		2023 Jan.-Sept.	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	7,427,876	100.00%	6,166,478	100.00%	7,314,879	100.00%	7,344,840	100.00%	5,761,288	100.00%
Cost of Goods Sold	5,520,730	74.32%	4,772,317	77.39%	5,775,024	78.95%	5,849,352	79.64%	4,486,785	77.88%
Gross Profit	1,907,146	25.68%	1,394,161	22.61%	1,539,855	21.05%	1,495,488	20.36%	1,274,503	22.12%
Operating Expenses	1,321,811	17.80%	1,138,123	18.46%	1,286,355	17.59%	1,285,503	17.50%	1,230,091	21.35%
Operating Income	585,335	7.88%	256,038	4.15%	253,500	3.47%	209,985	2.86%	44,412	0.77%
Non-Operating Income	124,397	1.67%	233,488	3.79%	253,309	3.45%	191,842	2.61%	118,356	2.05%
Non-Operating Expenses	140,276	1.89%	71,934	1.17%	53,946	0.74%	192,466	2.62%	282,139	4.90%
Pre-Tax Income	569,456	7.67%	417,592	6.77%	451,863	6.18%	209,361	2.85%	-119,371	-2.07%
Income Tax Expenses	177,666	2.39%	130,273	2.11%	101,174	1.38%	78,668	1.07%	50,953	0.88%
Net Income Attributable to Parent Company	400,534	5.39%	294,505	4.78%	339,066	4.64%	136,329	1.86%	-164,316	-2.85%
EPS(adjusted)	4.78		3.51		4.04		1.63		-1.96	

Financial Results-
Quarterly Revenue & Gross Margin

Unit:NTD100million/%

Financial Results-
Key Financial Ratios

		2019	2020	2021	2022	2023
Return on investment analysis	Gross margin ratio	25.68%	22.61%	21.05%	20.36%	22.12%
	Operating income ratio	7.88%	4.15%	3.47%	2.86%	0.77%
	Pre-tax income ratio	7.67%	6.77%	6.18%	2.85%	-2.07%
	Net income ratio	5.39%	4.78%	4.79%	1.86%	-2.85%
Liquisity analysis	Current ratio	196%	169%	185%	215%	179%
	Quick ratio	165%	135%	145%	174%	152%
	Debt ratio	34%	37%	44%	39%	43%
	Interest coverage ratio	9.53	12.43	10.22	3.62	0.2
Operating performance analysis	Average collection turnover (times)	3.69	2.88	3.00	2.95	2.63
	Average inventory turnover (times)	5.90	4.68	4.52	4.55	4.30
	Average paybles turnover (times)	4.85	3.82	4.16	4.86	4.78
Cash Converation Cycle (days)		86	109	115	129	148

China Auto Market Trend

- From January to December 2023, new vehicle sales totaled 30.094 million units, marking a 12% YoY growth. By country of origin. Passenger car sales for Japanese, French, American, and Korean brands declined, while domestic and German brands increased. However, the market is still primarily led by domestic, Japanese, and German car manufacturers in terms of market share.
- In December 2023, the inventory index for Chinese automotive dealerships stood at 59.9%, a 1.9 percentage point decrease from the same period last year, but it remains above the 50% alert threshold.
- CAAM notes positive trends in the automotive market since Q3 2023, expressing optimism for China's automotive sector in Q1. The lower production and sales base in Q1 2023 bodes well for achieving substantial growth this year.
- CPCA predicts new energy vehicle sales will rebound in March 2024,and according to Autohome's recent report on China's new energy vehicle consumption in 2023, the sales of electric cars are rapidly increasing. It is anticipated that by 2025, new energy passenger vehicle sales in China will reach 17 million units, equaling the sales of traditional fuel vehicles. The penetration rate is expected to hit 50%. This will drive Hiroca's future business in intelligent, lighting, and beauty design decoration.

China： Car sales for Jan.-December. 2023.

Classificaton	Volume (10,000)	YoY
Total vehicle	3,009.4	12%
Passenger car	2,171.45	5.7%
Sedan	1,023.27	0.4%
SUV	103.89	10.4%
MPV	109.29	15.9%
Business	403.1	22.1%

China： Passenger car sales for Jan.-December. 2023.

Car Maker	Volume (10,000)	Market share(%)	YoY
Local Brand	1,125.69	51.84%	+15.9%
Japanese	369.45	17.01%	-9.9%
Germany	443.83	20.44%	+3.1%
French	7.78	0.36%	-38.9%
American	172.32	7.94%	-1.8%
Korean	32.5	1.5%	-7.5%

Source：CAA(China Association of Automobile Manufacturers)

Growth Strategies

Future Deployment	Main item / content
Process automation	• Commitment to process automation, rationalization and material autonomy and focus on production and marketing of high gross margin products to enhance future profitability of Hiroca.
New painting process	• A new automatic painting line will start production in Dongguan in 1Q 2023
Auto Luminous electronic business	• New auto luminous electronic production and assembly lines have been set up in Dongguan
Development of new materials and technologies	• Improvement projects for coming years include introduction of ECO-Friendly technologies, development of new film materials, adoption of new work methods, penetration into the functional engineering plastic market, application of intelligent atmosphere lamp cockpit decoration and interior lighting and exterior signal lamp.
HQ in Dongguan XY Hioryoshi KF Hiroyoshi	• HQ has been relocated to the new plant in Dongguan in April 2023 • Construction of 2nd plant has been completed in 3Q 2022 • Construction of 2nd plant has been completed in 3Q 2022

THANK YOU

Q&A