Security Code：2023

YIEH PHUI ENTERPRISE CO., LTD.

2019 Investor Conference

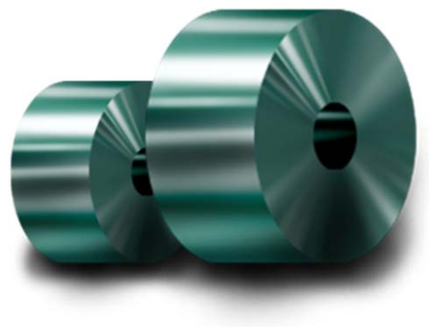
DISCLAIMER

This presentation is based on the information obtained from various sources which the company believes to be reliable. But at some points in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made. (http://mops.twse.com.tw/mops/web/index)

1 **Introduction**

2 Operation Outline

3 Future Development



1.1 Introduction of Yieh Phui Enterprise

燁輝企業股份有限公司
YIEH PHUI ENTERPRISE CO., LTD.

Address	**NO. 369, Yuliao Road, Qiaotou District, Kaohsiung City 82544, Taiwan, R.O.C.**

Founder and Chairman **Mr. Lin, I-Shou**		● President of Yieh Phui Enterprise ● Chairman of Yieh Phui (China) **Mr. Wu, Lin-Maw**	
Date of Founding	**March 20, 1986**	**Number of Employees（Sep. 30, 2019）**	**1,399**
Registration Date	**July 28, 1995**	**Capital(NT$)（Sep. 30, 2019）**	**19.13 billion**

Revenue (NT$, million)	**2016**	**23,868**	**Consolidated revenue (NT$, million)**	**2016**	**52,847**
	2017	**29,179**		**2017**	**71,159**
	2018	**30,026**		**2018**	**73,856**
	2019~Q3	**19,493**		**2019~Q3**	**45,679**

1.1 Introduction of Yieh Phui Enterprise

永遠最好 燁輝企業 YIEH PHUI *Always the best*

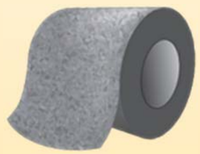
Products:

Hot-Dip Zn Coated/5% Al-Zn Coated/55% Al-Zn Coated Steel Coils and Pre-Painted Steel Coils

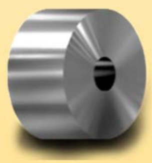
Production Flow Chart:

Material

Hot-Rolled Steel Coils



Cold-Rolled Steel Coils



Procedures

Pickling → Cold Rolling → Hot-Dip Galvanizing → Coil Coating

Products

Hot-Rolled Pickled Steel Coils

Cold-Rolled Full Hard Steel Coils

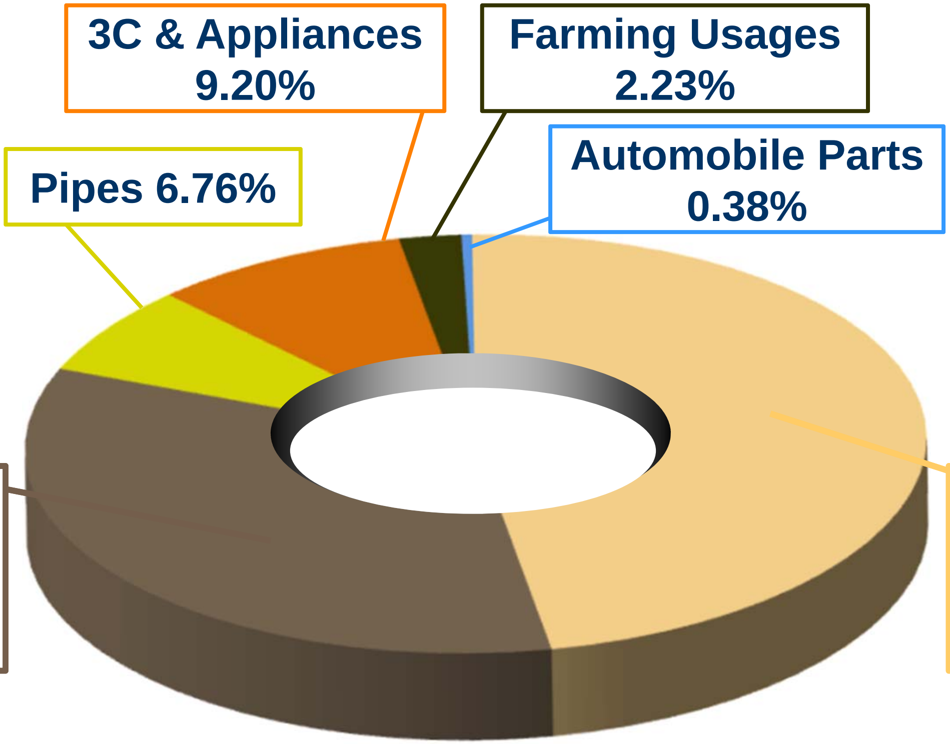
Hot-Dip Galvanized Steel Coils

Pre-painted Steel Coils

Packaging And Warehouse inbound

Application of galvanized steel coil

Silos



Oil Filters for Automobiles

EMT Steel Pipes

Solar Panel Bracket

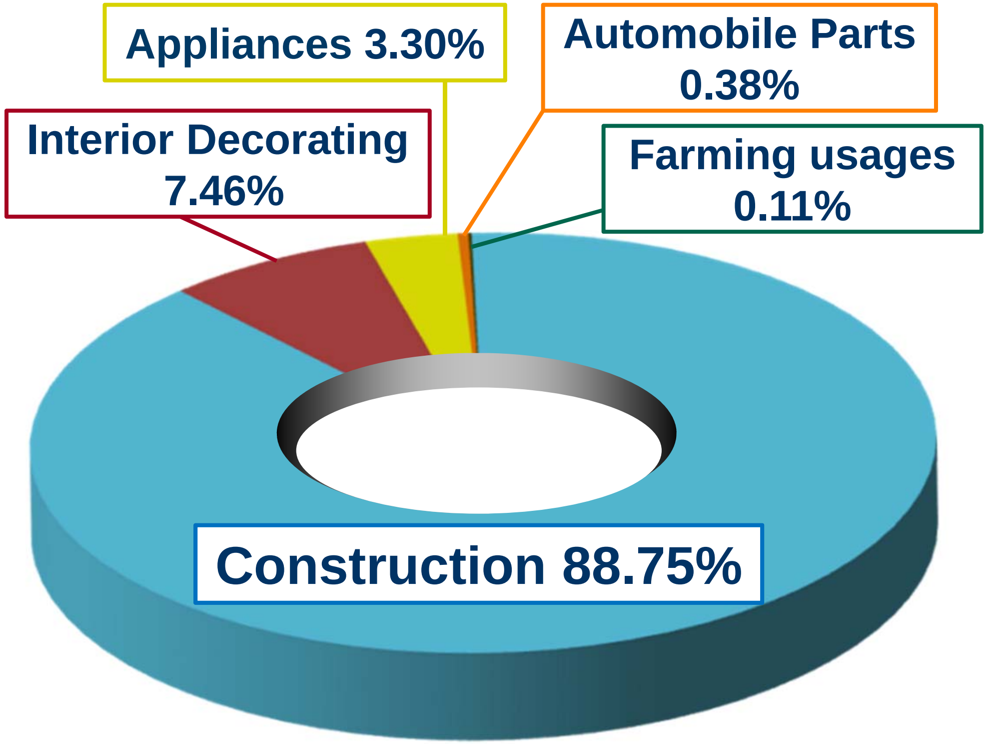
C、Z Purlins

Decking

1.1 Introduction of Yieh Phui Enterprise

Application of pre-painted steel coil

Hospital and office appliances
Anti- Microbial Plus



Roofing & Siding of Industrial Factory

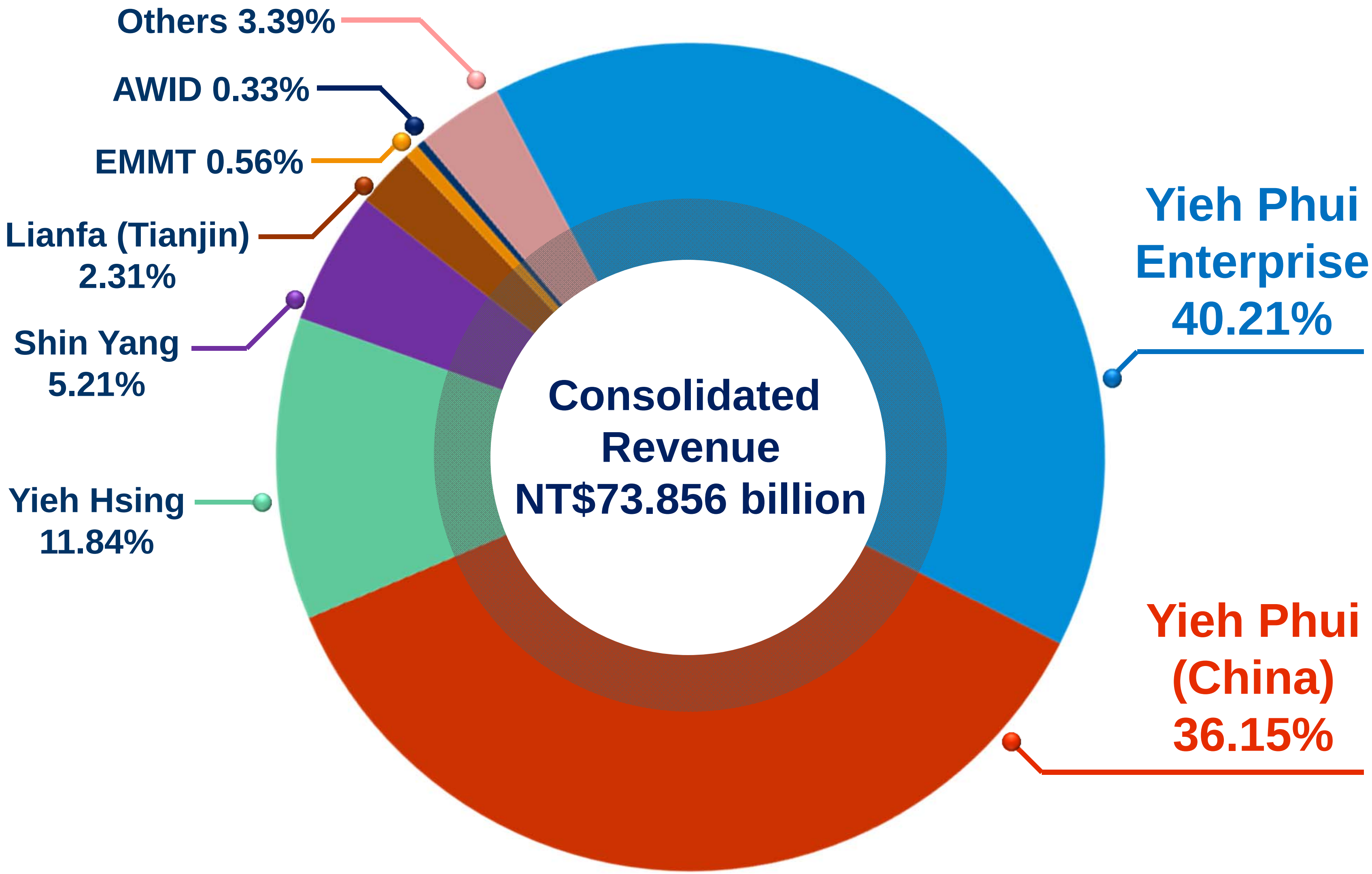
Home Appliances

Electronic Devices

PVDF Clean ColorCool®

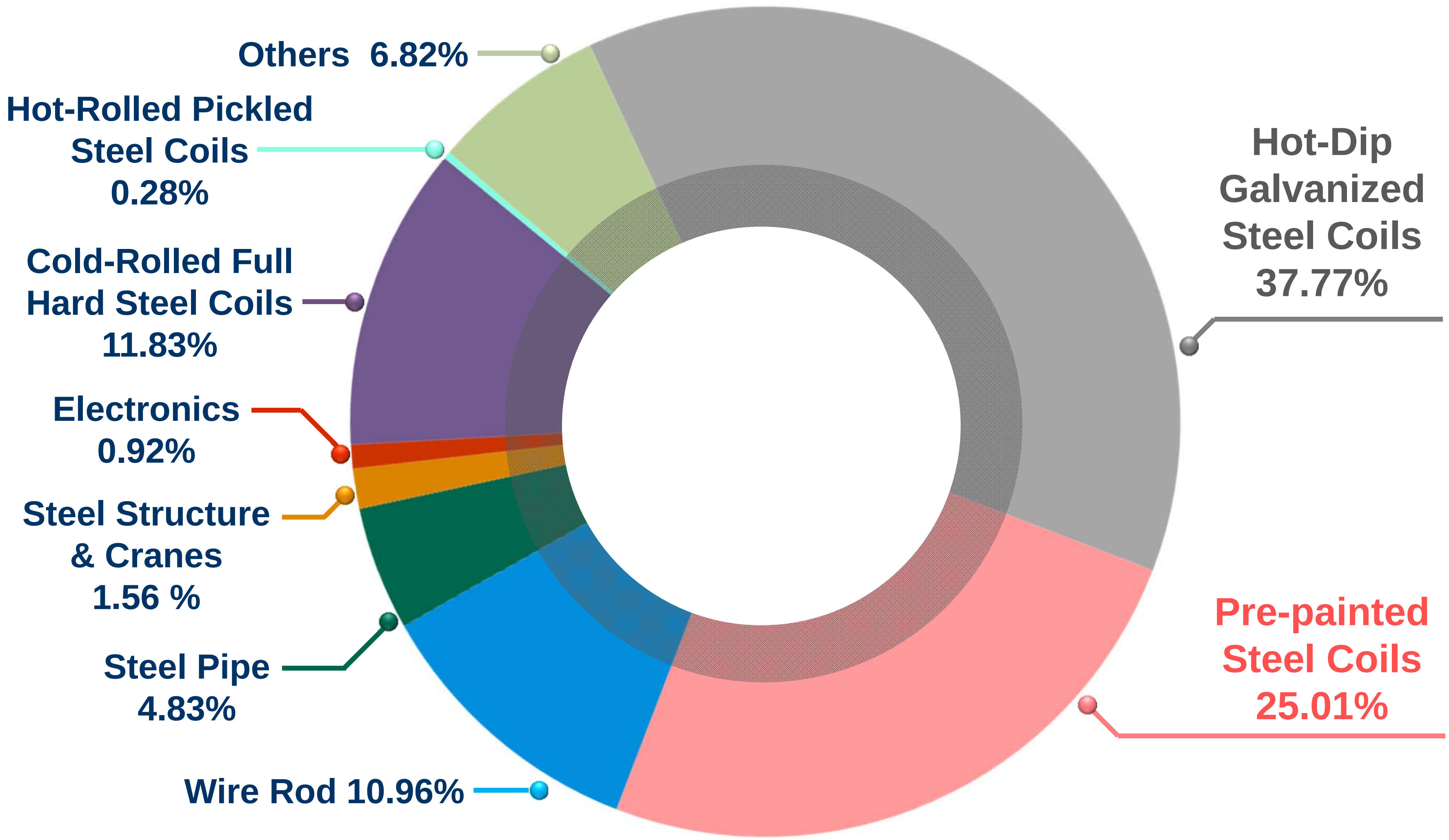
Garage Doors

1.2 Distribution of the revenue in 2018



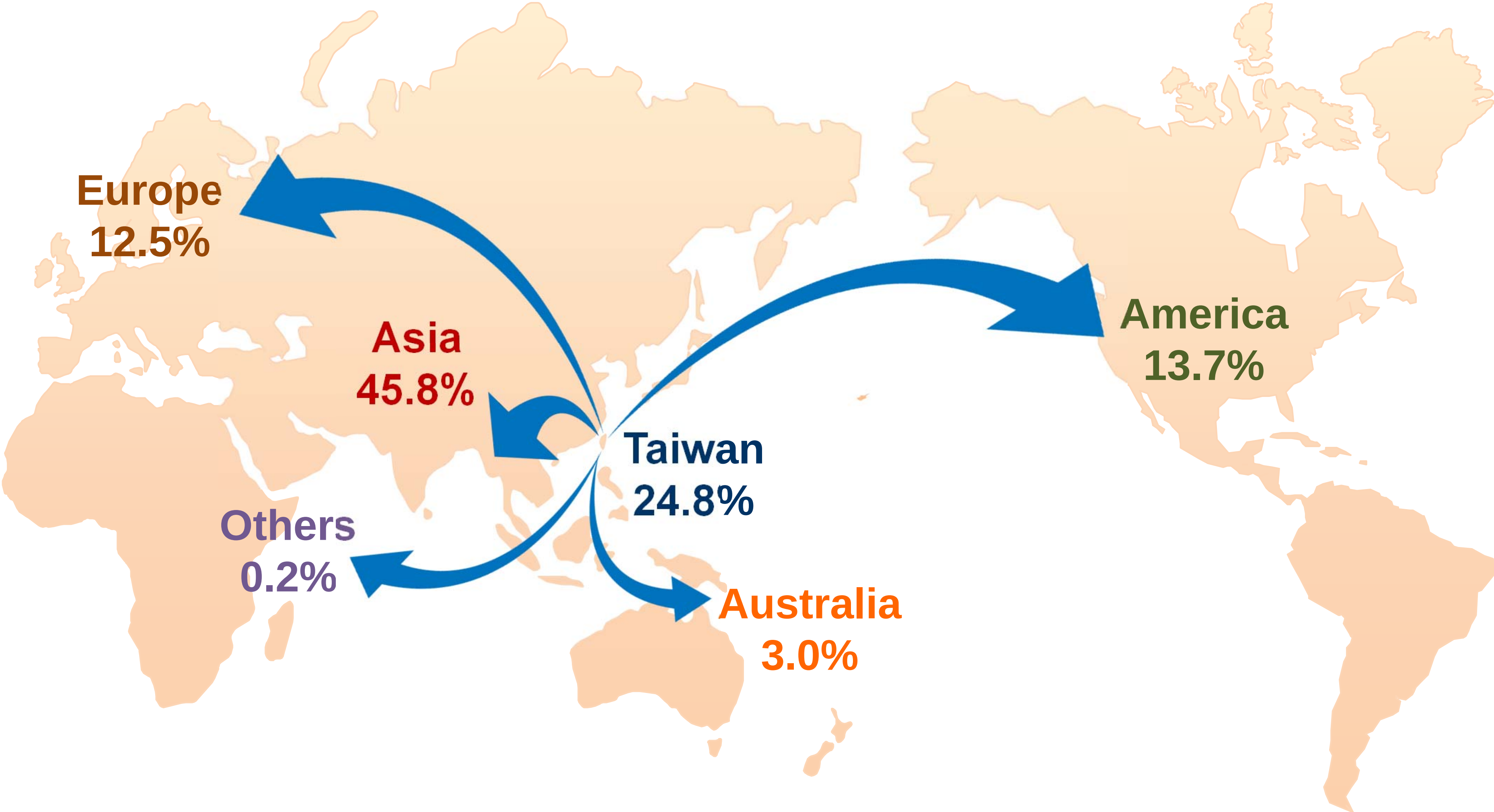
1.3 Consolidated revenue of 2018 by products

Consolidated revenue of Galvanized/coated steel is over 74%



1.4 Consolidated revenue of 2018 by areas

With a global recognition as a premium supplier of coated steel, Yieh Phui has so far reached its sales to 135 countries already, namely, a 69% coverage of the all 195 countries in the world.



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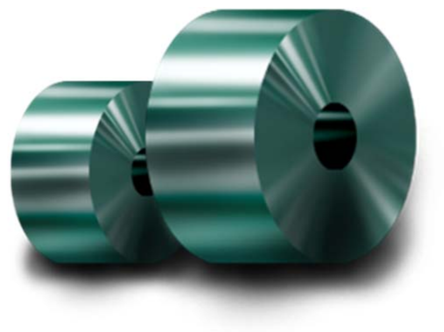
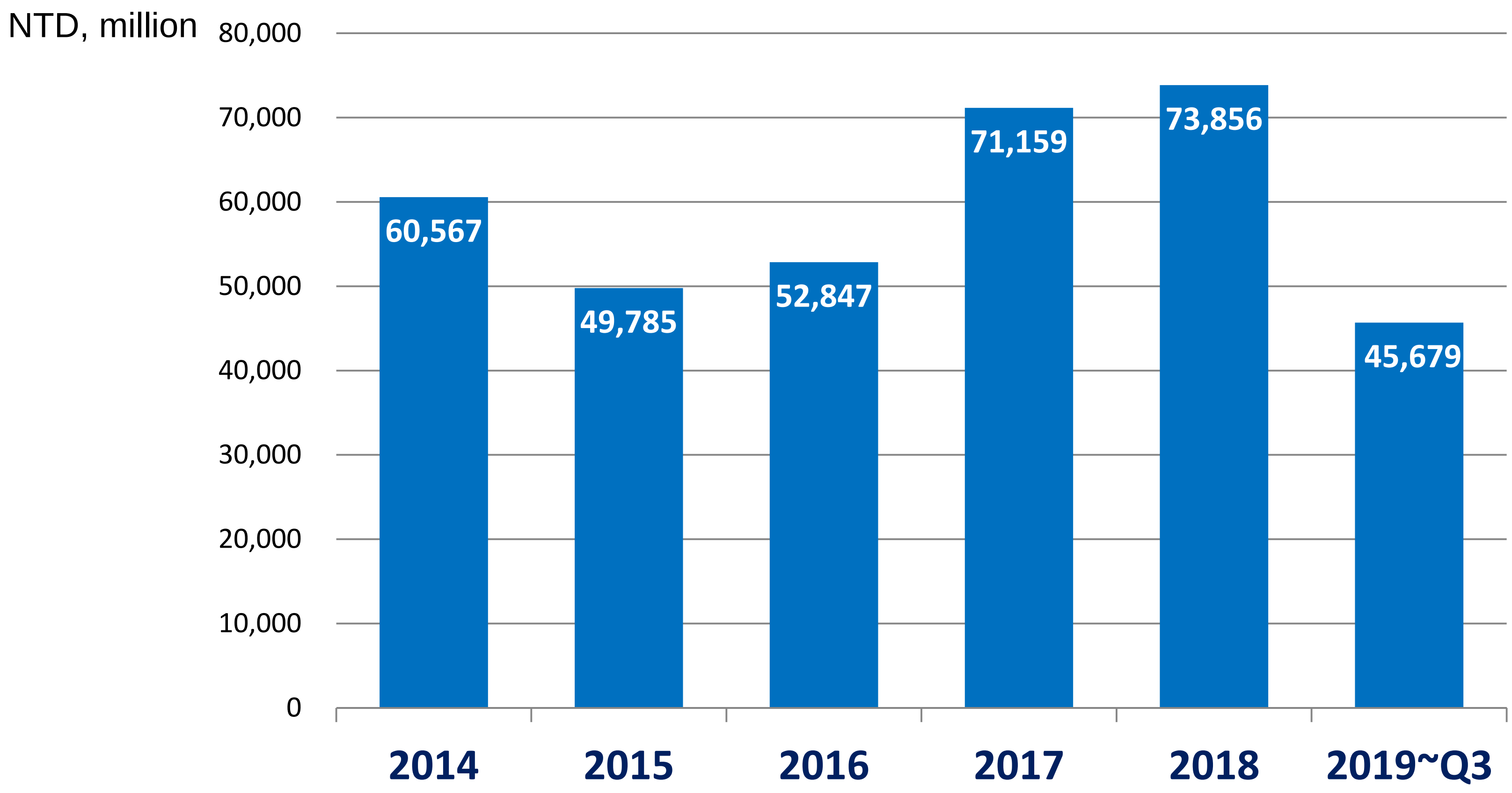


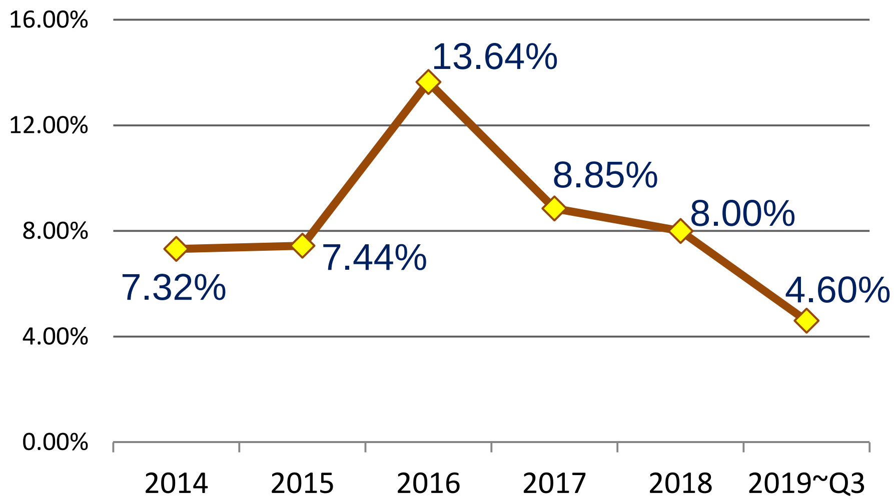
2.1 Chart for the trend of consolidated revenue



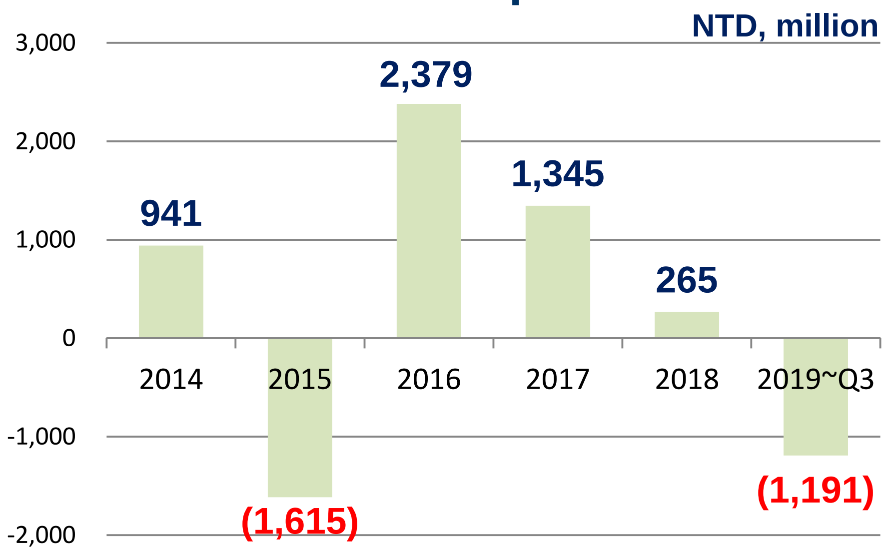
- **The consolidated revenue for the first three quarters of 2019 was NTD 45,679 million, which was 20.91% lower than the consolidated revenue of the same period of 2018, NTD 57,758 million.**

2.2 Chart for the trend of consolidated operation

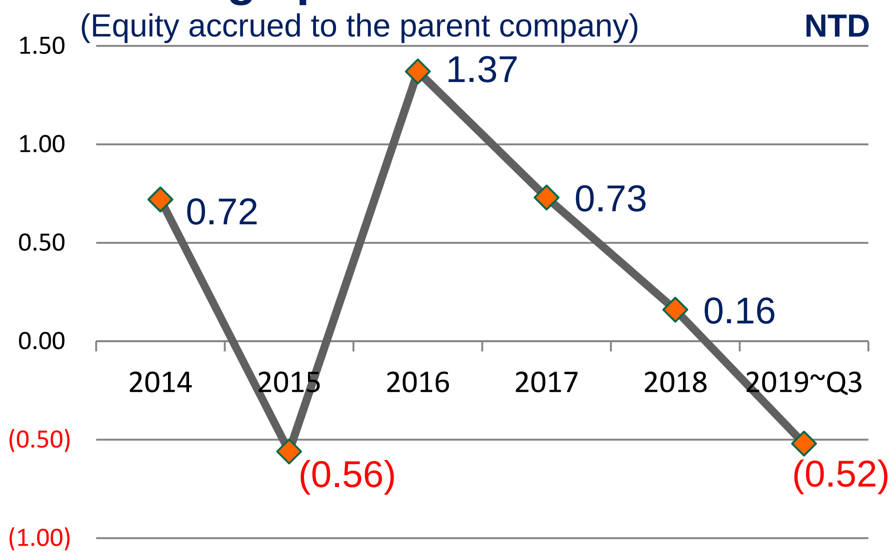
Gross profit margin



Consolidated net profit after tax



Earnings per Share



2.3 Consolidated profitability and financial structure

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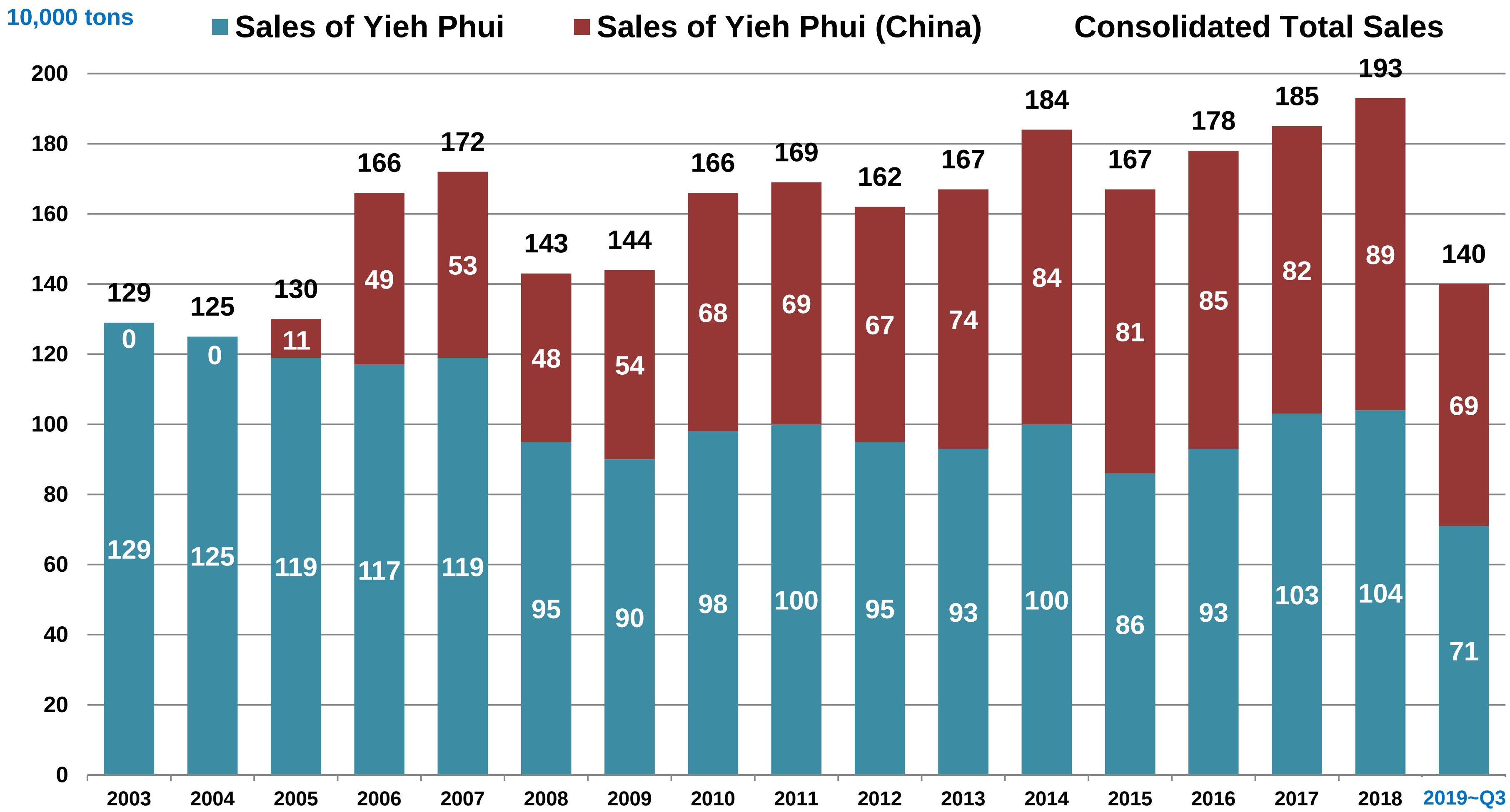
Unit: NT$/Million

Item/Year	2014	2015	2016	2017	2018	2019~Q3
Sales Revenue	60,567	49,785	52,847	71,159	73,856	45,679
Gross Profit	4,436	3,704	7,206	6,299	5,911	2,099
Sales Gross Profit Margin	7.32%	7.44%	13.64%	8.85%	8.00%	4.60%
Sales Income	1,442	862	3,844	2,211	1,459	(646)
Net Income before Tax	1,360	(1,597)	3,372	1,805	356	(1,417)
Net Income	941	(1,615)	2,379	1,345	265	(1,191)
Net Income Attributable to: Owners of the Parent Company	1,239	(954)	2,502	1,367	309	(985)
Net Income Attributable to: Non-controlling Interest	(298)	(661)	(123)	(22)	(44)	(205)
Earnings per Share	0.72	(0.56)	1.37	0.73	0.16	(0.52)
Debt /Assets (%)	59.32	62.02	63.13	66.02	65.95	66.91
Current Ratio(%)	94.00	120.89	102.10	100.90	93.56	80.97
Quick Ratio(%)	53.02	74.11	54.28	48.21	42.74	34.49
Interest Expense	904	851	790	1,120	1,264	1,005
Shares (thousand shares)	1,668,049	1,718,090	1,718,090	1,821,176	1,875,811	1,913,328
(IFRS)						

2.4 The trend of the sales of coated steel products

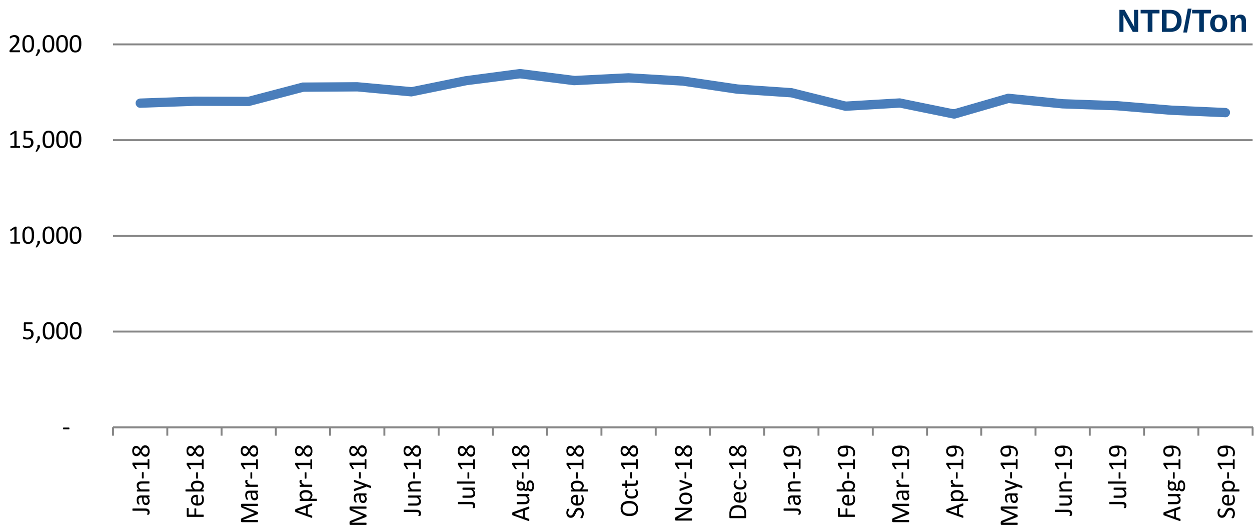


Note: the chart above does not include Sales of cold-rolled full hard steel/cold-rolled annealed steel of Yieh Phui (China). Up to the third quarter of 2019, the sales of cold-rolled full hard steel/cold-rolled annealed steel of Yieh Phui (China) is 286,000 metric tons.

2.5 The price trend of materials

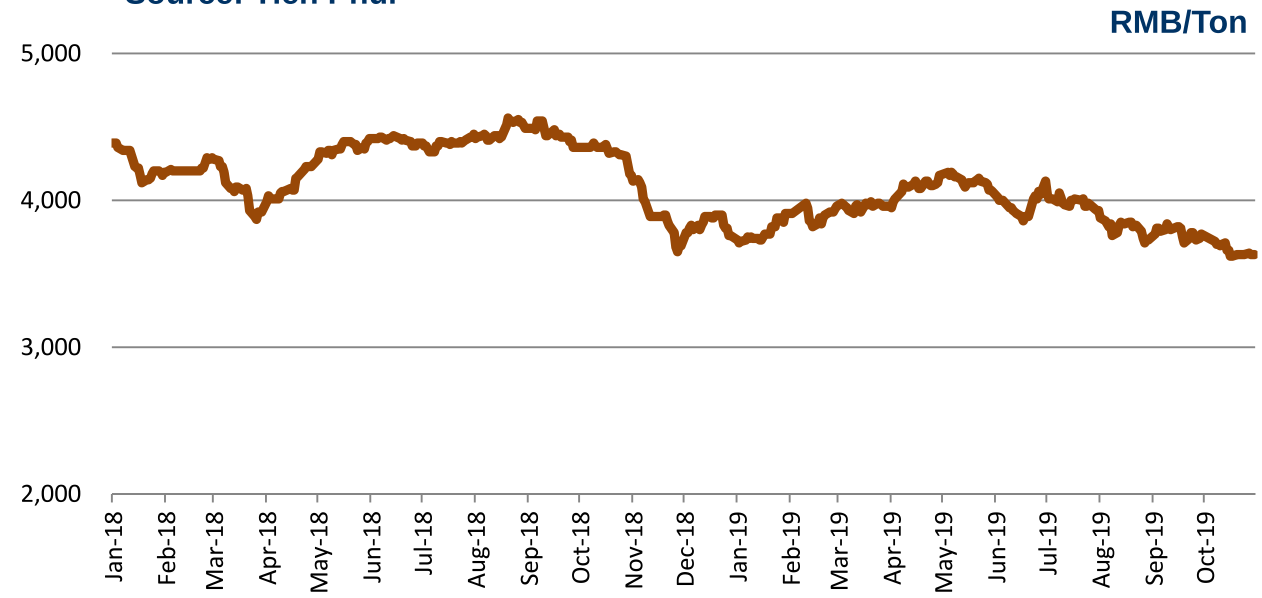
Hot-rolled steel coils

Taiwan



Source: Yieh Phui

China



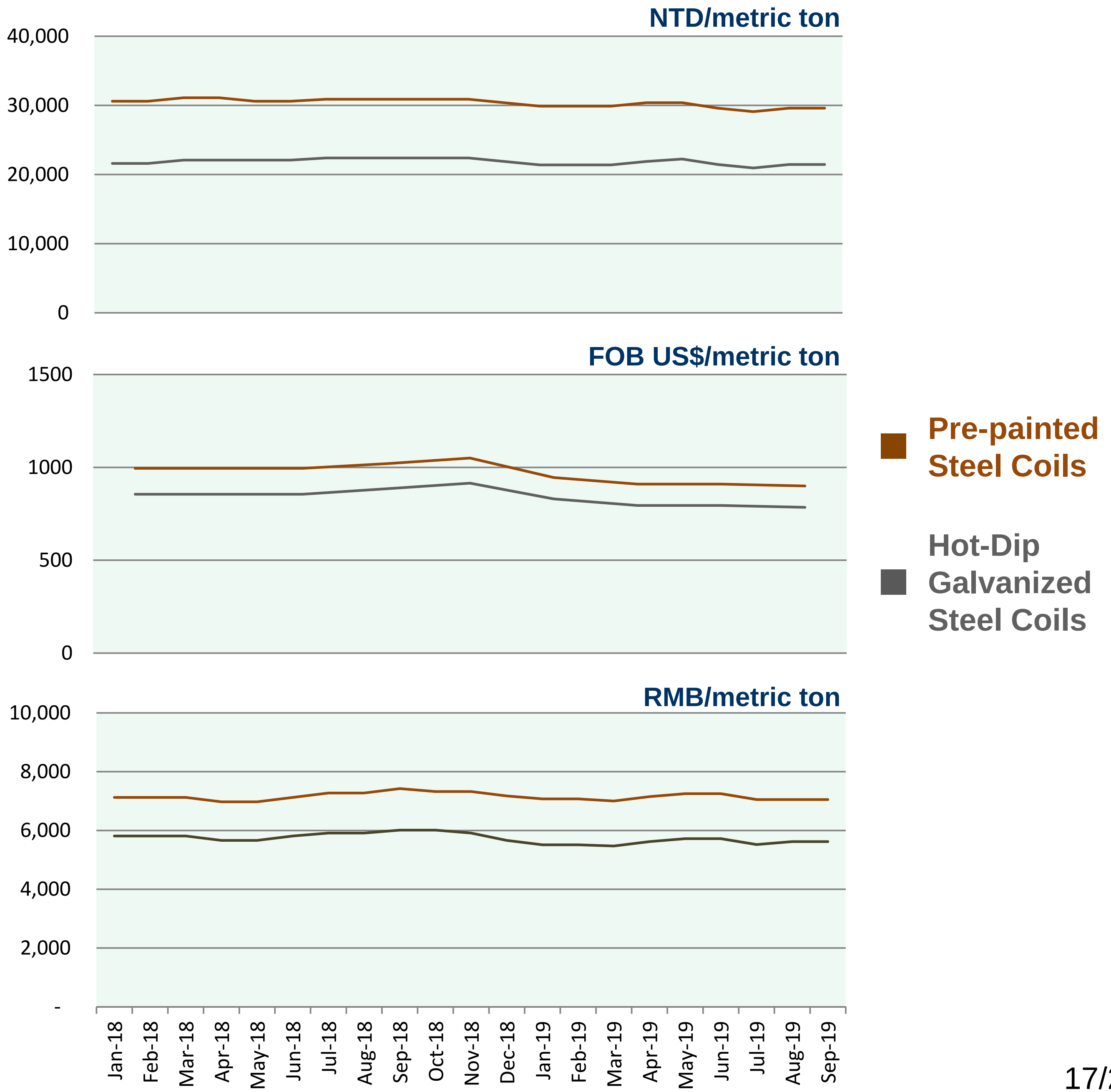
Source: Custeel.com (Shanghai Market, Benxi Steel，SPHC2.75mm)

2.6 The price trend of products

Domestic sales
(Taiwan)

Exports
(America)

China
(Sales of Yieh Phui (China))



Source: Yieh Phui

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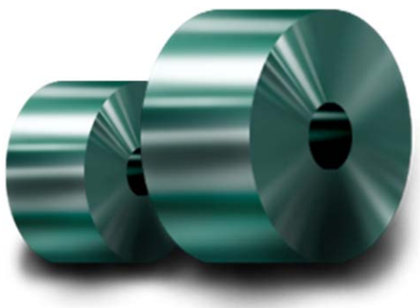

3.1 Prospects for major markets

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A. Global Environment::

① US China Trade conflict
② Economic effects of Brexit
③ Tariff and International Trade Barrier

B. Domestic Environment::

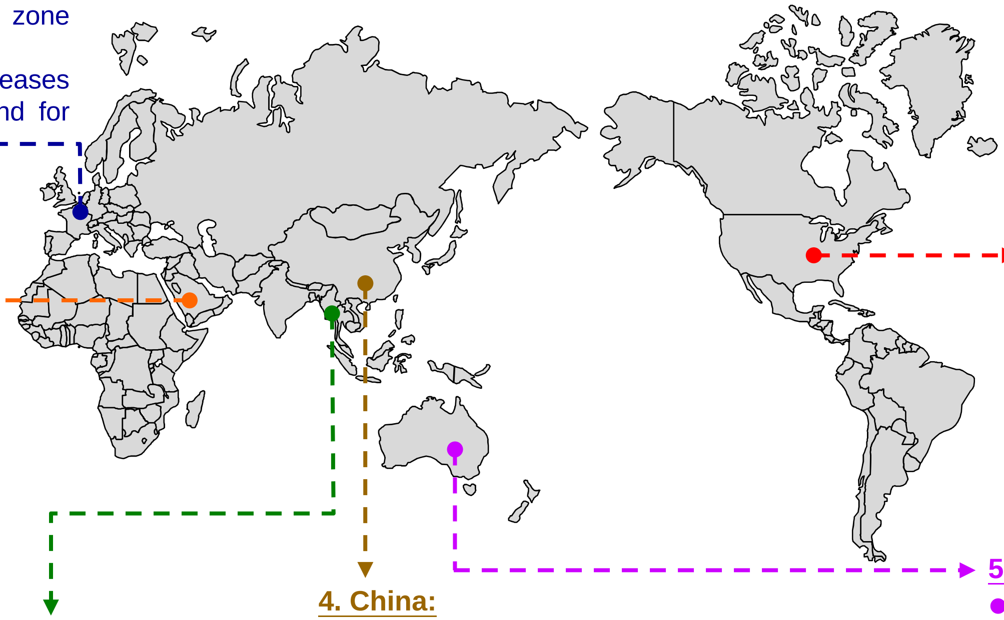
① The return of Taiwanese merchants from China enhanced the demand for steel products and raw materials due to factory building needs
② New production lines render serious competition for domestic market
③ Strategic Product Differentiation: Anti-microbial, optoelectronic, agriculture, home appliances, IT, auto, and cooperation with downstream companies of building material
④ Renewable energy policy will trigger a huge demand in steel
⑤ The appreciation of New Taiwan dollars had deteriorated export-oriented companies competitiveness in export

1. European Union Market:

- Weak auto market in Europe Union, down 3.2% year on year, causing steel mills to focus on construction material
- IMF lowers growth rate of Euro zone to 1.2% and that of 2020 is 1.4%
- The demand for solar power increases in 2019, pushing up the demand for steel on solar panel brackets

2. Middle East:

- The price of HGI offered by China steel mills is lower than YP by US$60 per ton, but the sluggish market of Mid-East has caused customers to hesitate on their order
- Gulf States initiate steel safe-guard measures, GI/GF products are enlisted into investigation



6. America:

- The second review of anti-dumping set a rate of 0.51% on YP, the lowest among Taiwanese steel mills
- USA Fed had decreased interest rate twice since last July, however, the prospect of the US economy remains positive
- Canada assesses anti-dumping rate on YP as 3.2% for galvanized/Al-Zn coated steel, a result of relative beneficial to YP compared to other Taiwanese steel mills

3. South East Asia:

- Order transfer due to the trade war conflict between US and China has rendered South East Asia most competitive, incurring extremely difficult for Taiwanese steel mills
- Some China suppliers of the equipment of solar power had moved to South East Asia, a great opportunity for YP to sell the steel for solar panel brackets
- To promote YP brand special products such as anti-microbial metallic and color coated steel to differentiate from the low end applications market

4. China:

- Supply side production trimming down reform is still keep on implementing
- The State Council of China imposes the steel mills in Beijing-Tianjin-Hebei and its surrounding, Yangtze River Delta, and Fenwei Plain with the lowest emission level due to more strict environmental policy
- Blast furnace integrated mills are still prevailing and monopoly the price and private steel processing mills are still struggling

5. Australia:

- The Australian dollar appreciates lately, expecting to render a the pressure relief of the importers in Q4
- Australia is not inclusive of section 232, but its steel export to the US remains constant and the Australian steel mills still offer low price domestically to deter YP imports

3.1 Prospects for major markets

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Major products: the application of materials

Health and Environment protection

Briefing	YP offers safe and healthy environment for living, a pioneer in developing anti-microbial coated steel coil series and in 2018 YP successfully offered efficient PhuizerGreen AMC Plus & ColorGreen AMC Plus steel coils.
Material Solutions	◆ HVAC made from efficient PhuizerGreen® AMC Plus ◆ Partitions made from ColorGreen AMC Plus®

Renewable energy

Briefing	After overall efficiency assessment and working together with the government to develop renewable energy in offering hot-dip 5% Al-Zn coated (GF) or Al-Mg-Zn (GFM) steel on the brackets for solar power generation equipments of the green energy industry.
Material Solutions	◆ Brackets for solar power plants ◆ Power generation via farming (agri-power, fishing-power, optoelectronic greenhouse solar panels over aqua-duct) ◆ Solar-panel power system on the roof and school stadium roof ◆ Wind-power related equipment/maintenance of stadium

Fire safety

Briefing	YP offers people safe and comfortable living environment with earthquake/fire proof steel. The coated steel products of YP can be used on civilian and public construction projects.
Material Solutions	◆ Metallic composite sanwich panels ◆ Composite fire-proof external wall system

IT

Briefing	Helping the Taiwanese firms return to Taiwan on their IT development, expanding Yieh Phui's environment-friendly metallic coated steel products and the emerging electric car components, promoting the steel used in IT and new energy car industry
Material Solutions	◆ Servers for IT ◆ Cable bridging ◆ Components for new energy cars ◆ Components for electric car charging stations

3.2 Outline for Most Recent Investment

Area	Projects	Briefing	Stockholding
Kaohsiung Taiwan	E Sky Land	With a total of space of 77,000 ping of high-end shopping mall with a hotel franchised with Marriott International to form Marriott Kaohsiung expected to operate in Q2 2020	**100%**