YIEH PHUI ENTERPRISE CO., LTD.

2020 2nd Investor Conference

2020.12.28

Security Code：2023

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

YIEH PHUI ENTERPRISE CO., LTD.

Address	**NO. 369, Yuliao Road, Qiaotou District, Kaohsiung City 82544,**

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, 2020)**	**1,360**
Listing Date	**July 28, 1995**	**Capital (Sep. 30, 2020)**	**NT$ 18.91 billion**

Revenue	**2017**	**NT$ 29.18 billion**	**Consolidated revenue**	**2017**	**NT$ 71.16 billion**
	2018	**NT$ 30.03 billion**		**2018**	**NT$ 73.86 billion**
	2019	**NT$ 24.97 billion**		**2019**	**NT$ 59.69 billion**
	2020 Q1~3	**NT$ 15.31 billion**		**2020 Q1~3**	**NT$ 39.13 billion**

1.1 Introduction of Yieh Phui Enterprise

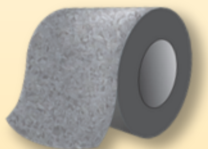
Products:

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

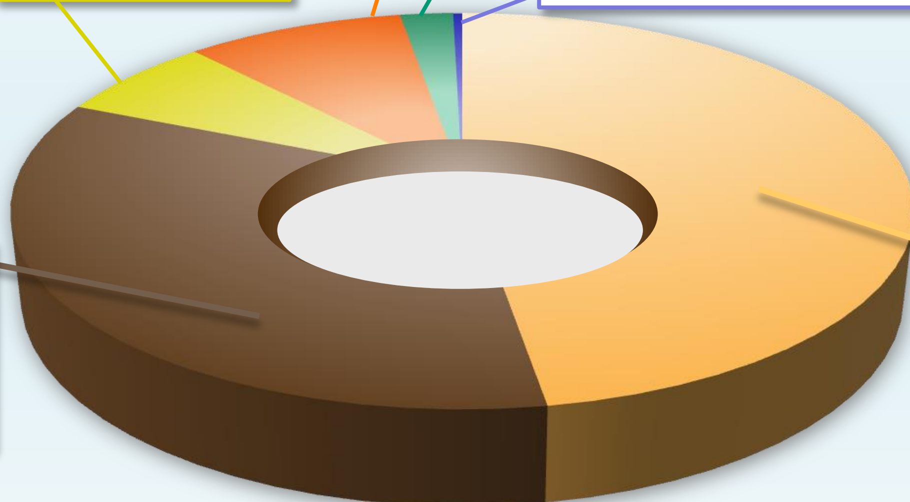
Pre-painted Steel Coils

Packaging And Warehouse inbound

1.1 Introduction of Yieh Phui Enterprise

Application of galvanized steel coil

Silos



Oil Filters for Automobiles

EMT Steel Pipes

Solar Panel Bracket

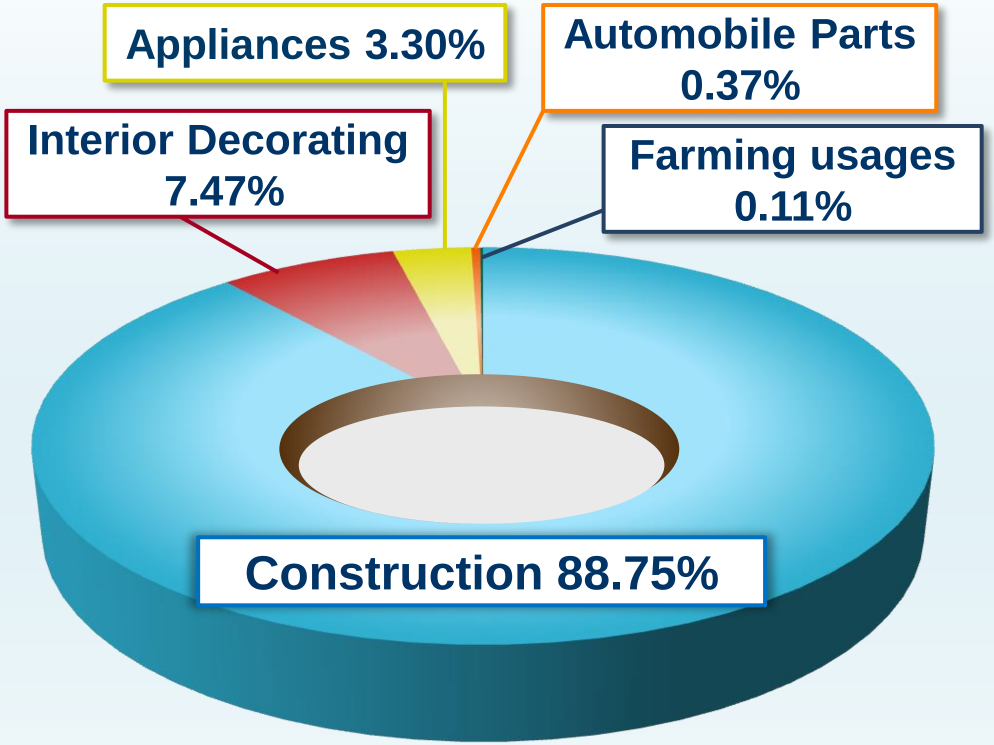
C、Z Purlins

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

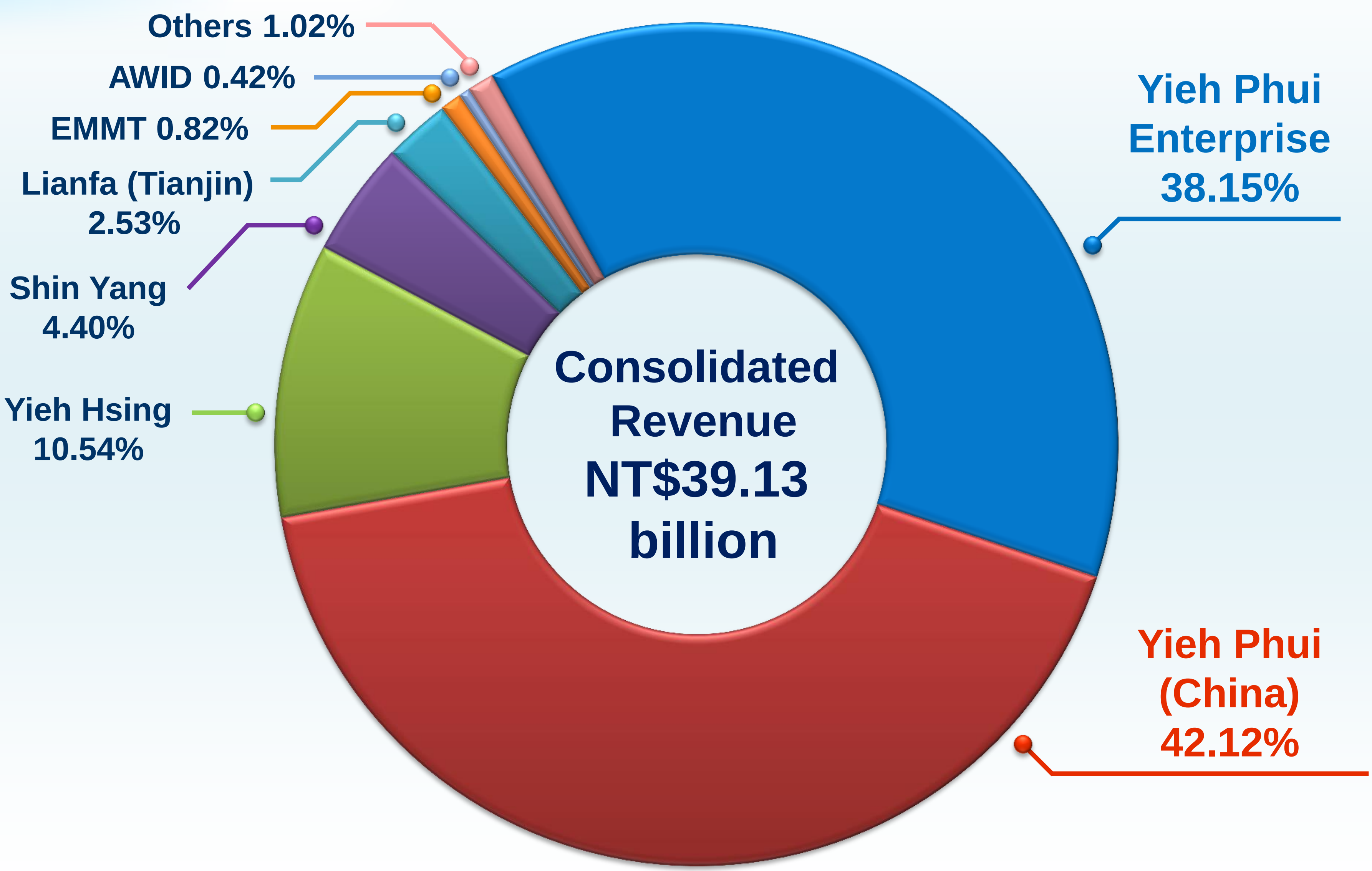
Home Appliances

Electronic Devices

PVDF Clean ColorCool®

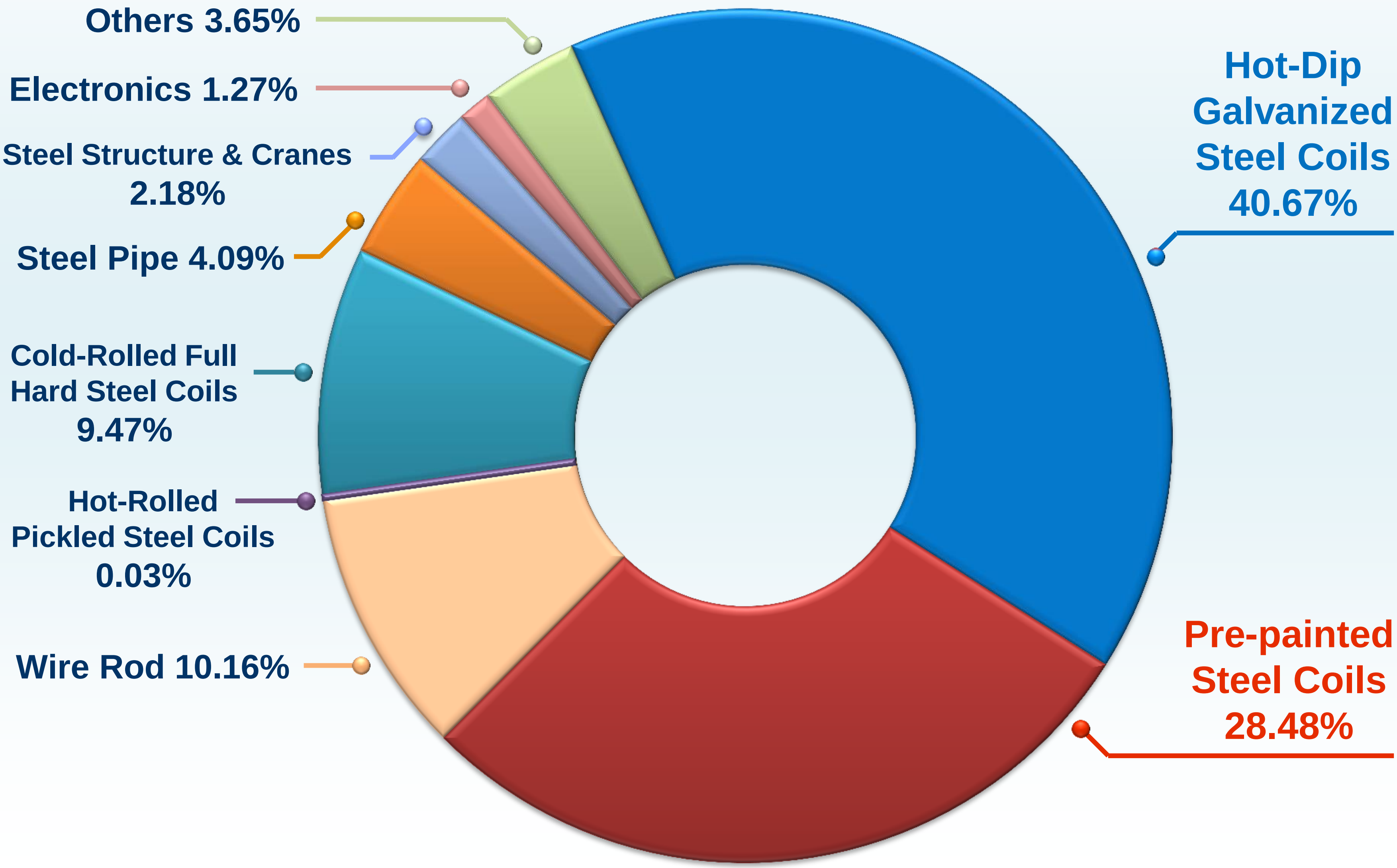
Garage Doors

1.2 Consolidated revenue of 2020 Q1~3 (by company)

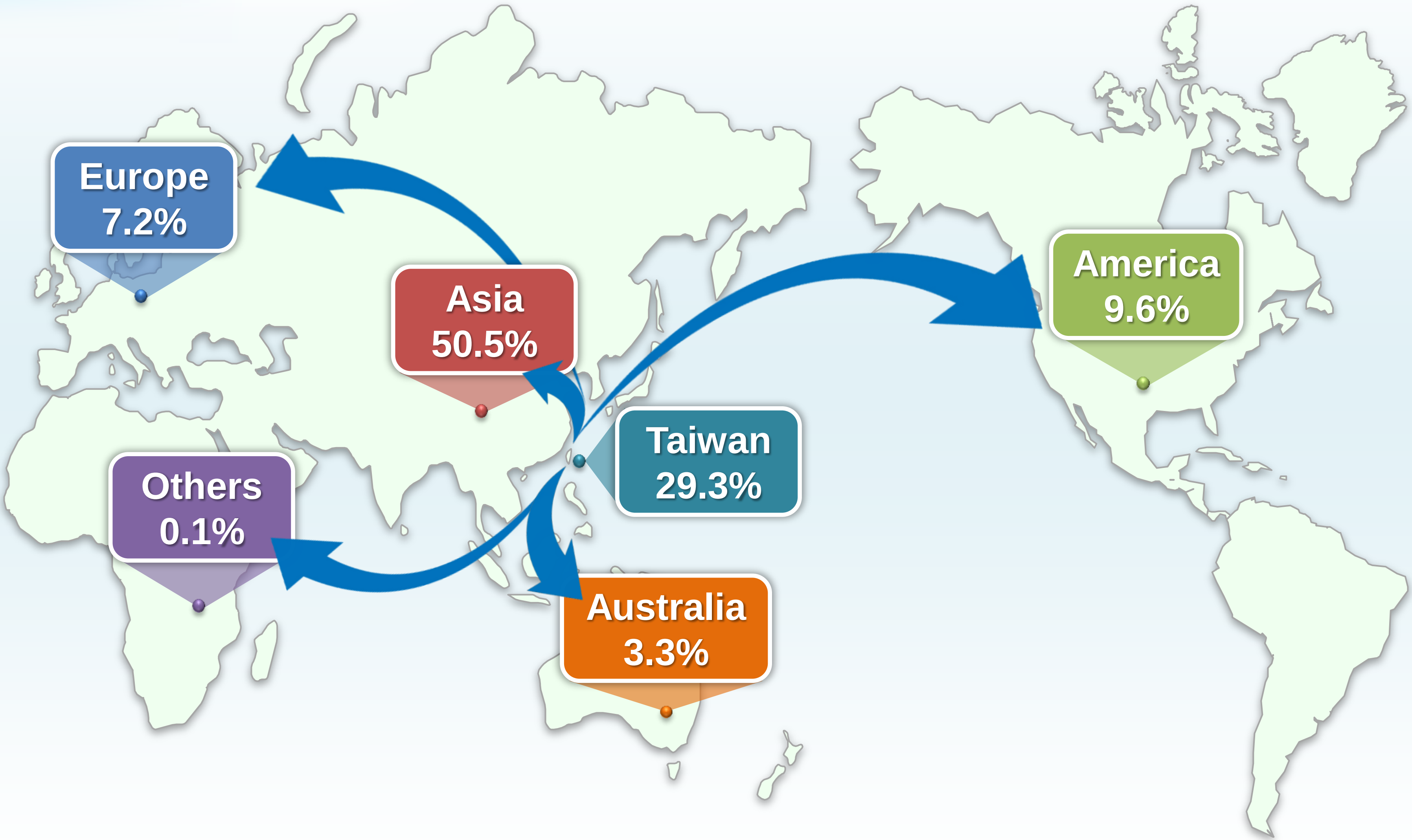


1.3 Consolidated revenue of 2020 Q1~3 (by product)

Consolidated revenue of Galvanized & Pre-painted steel is over 78%



1.4 Consolidated revenue of 2020 Q1~3 (by area)



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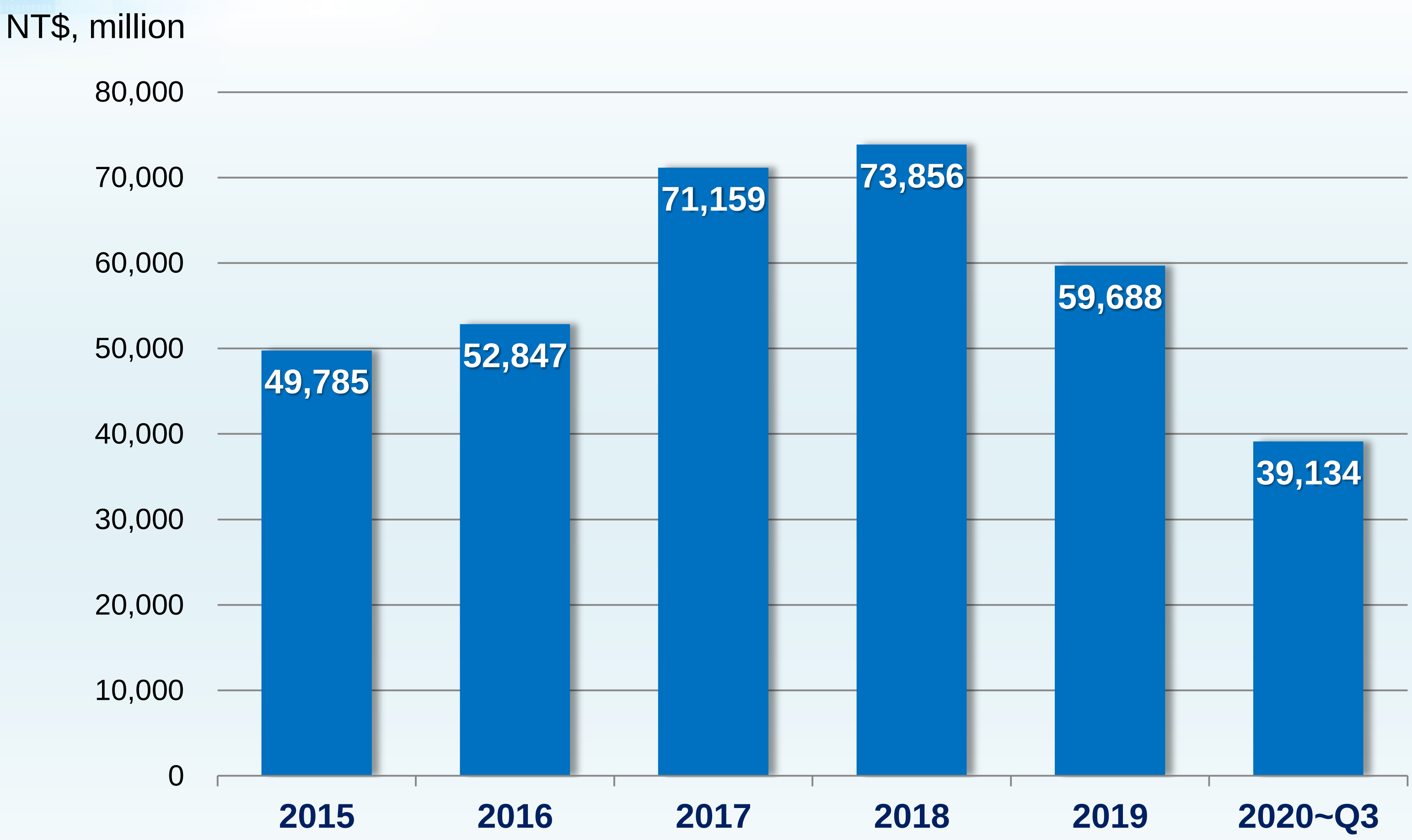
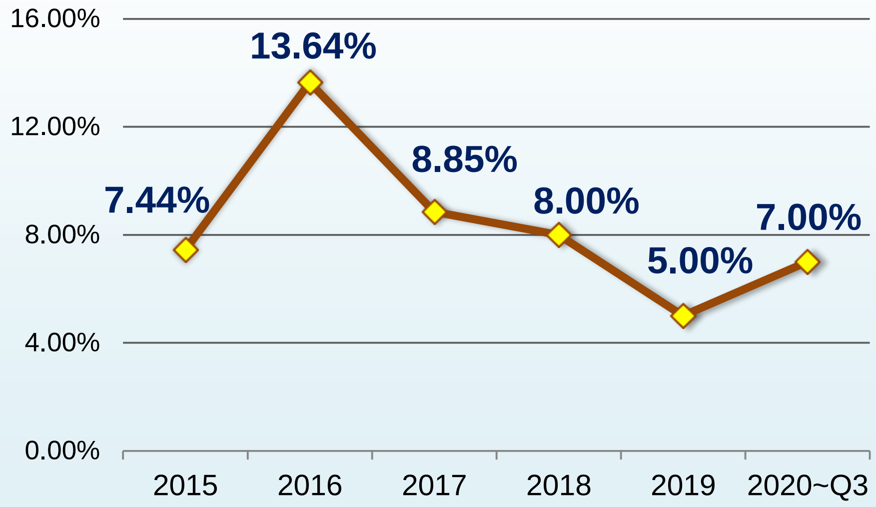
2.1 Chart for the trend of consolidated revenue



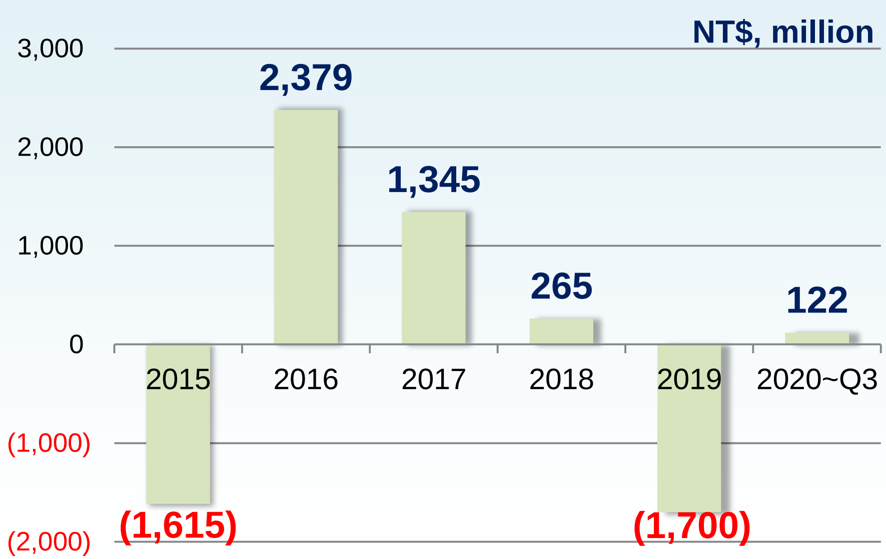
- **The consolidated revenue for the first three quarters of 2020 was NT$ 39,134 million, which was 14.3% lower than the consolidated revenue of the same period of 2019, NT$ 45,679 million.**

2.2 Chart for the trend of consolidated operation

■ Gross profit margin

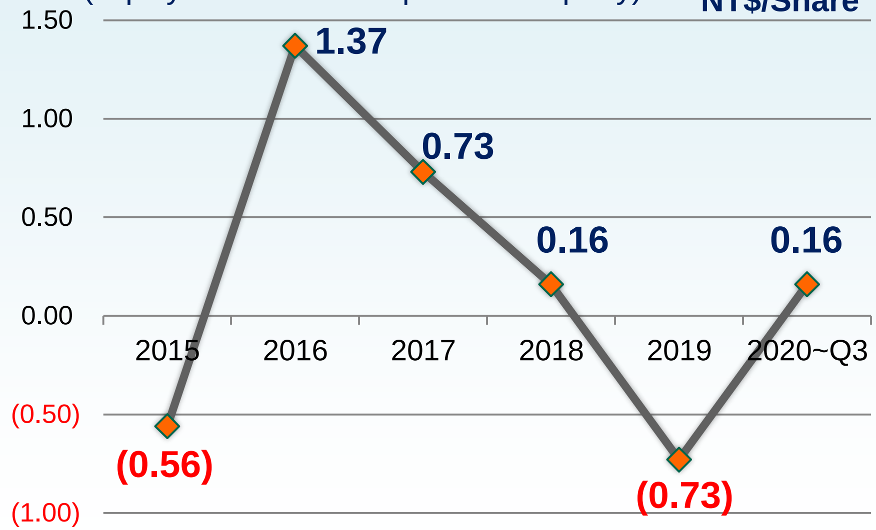


■ Consolidated net profit after tax



■ Earnings per Share

(Equity accrued to the parent company)

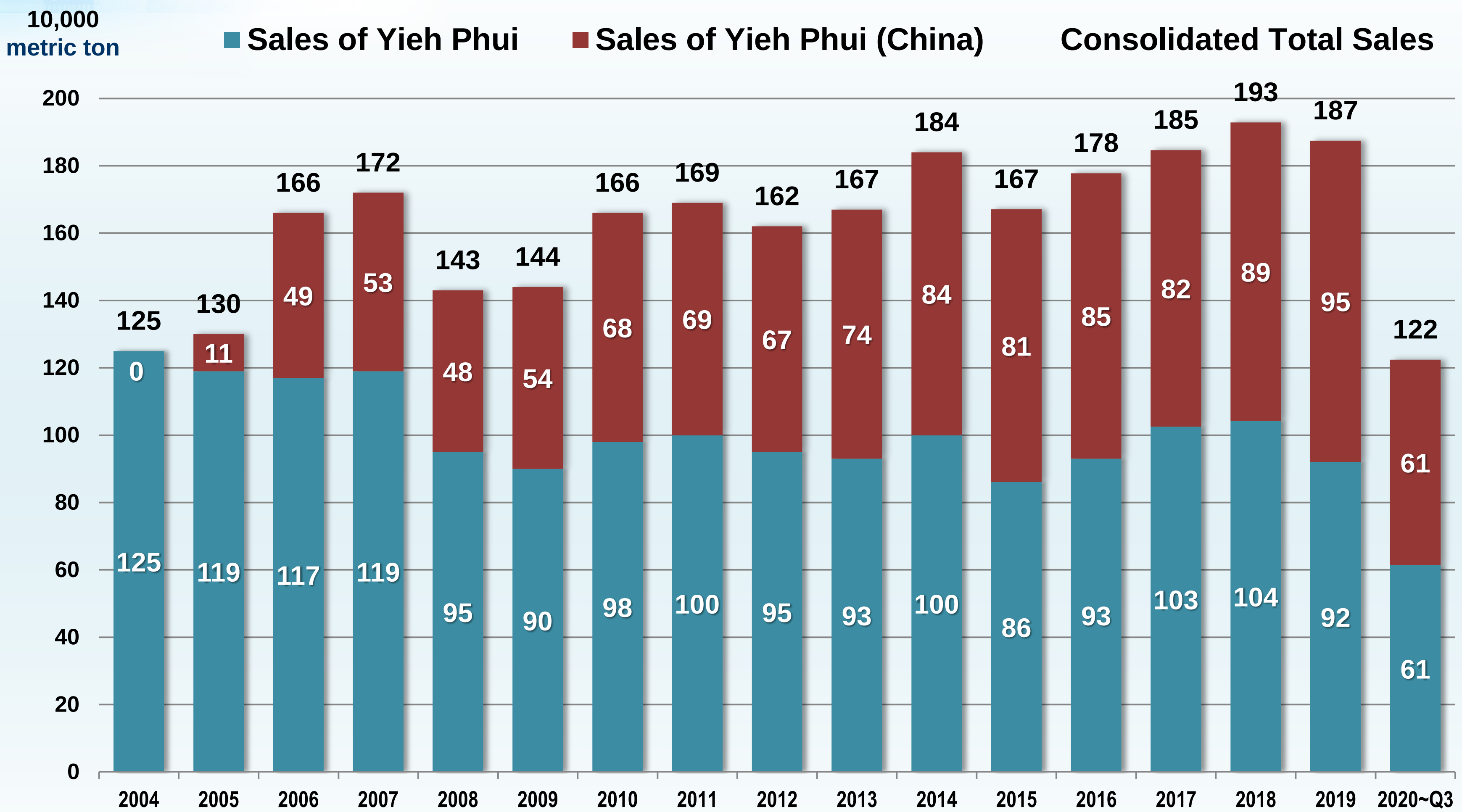


2.3 Consolidated profitability and financial structure

NT$, Million/Unit

Item/Year	2015	2016	2017	2018	2019	2020~Q3
Sales Revenue	49,785	52,847	71,159	73,856	59,688	39,134
Gross Profit	3,704	7,206	6,299	5,911	2,549	2,908
Sales Gross Profit Margin	7.44%	13.64%	8.85%	8.00%	5.00%	7.00%
Sales Income	862	3,844	2,211	1,459	(895)	615
Net Income before Tax	(1,597)	3,372	1,805	356	(1,985)	118
Net Income	(1,615)	2,379	1,345	265	(1,700)	122
Net Income Attributable to: Owners of the Parent Company	(954)	2,502	1,367	309	(1,401)	306
Net Income Attributable to: Non-controlling Interest	(661)	(123)	(22)	(44)	(299)	(184)
Earnings per Share	(0.56)	1.37	0.73	0.16	(0.73)	0.16
Debt /Assets (%)	62.02	63.13	66.02	65.95	67.23	66.96
Current Ratio(%)	120.89	102.10	100.90	93.56	75.73	75.92
Quick Ratio(%)	74.11	54.28	48.21	42.74	35.44	29.70
Interest Expense	851	790	1,120	1,264	1,316	883
Shares (thousand shares)	1,718,090	1,718,090	1,821,176	1,875,811	1,913,328	1,890,570
(IFRSs, International Financial Reporting Standards)						

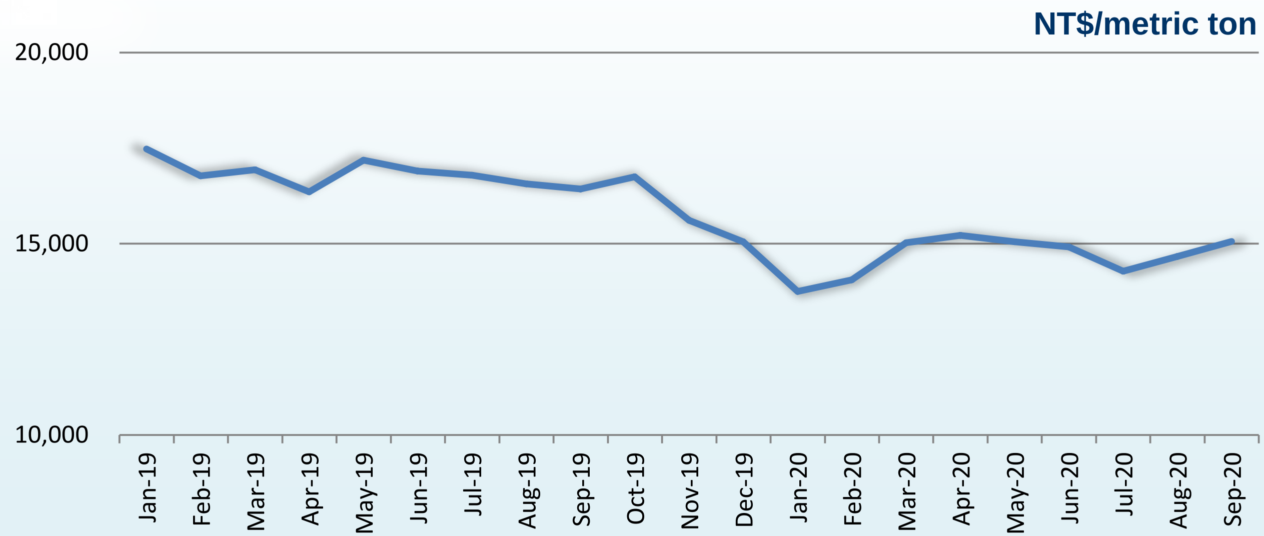
2.4 The trend of the sales of coated steel products



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 2020, the sales of cold-rolled full hard steel/cold-rolled annealed steel of Yieh Phui (China) is 229,630 metric tons.

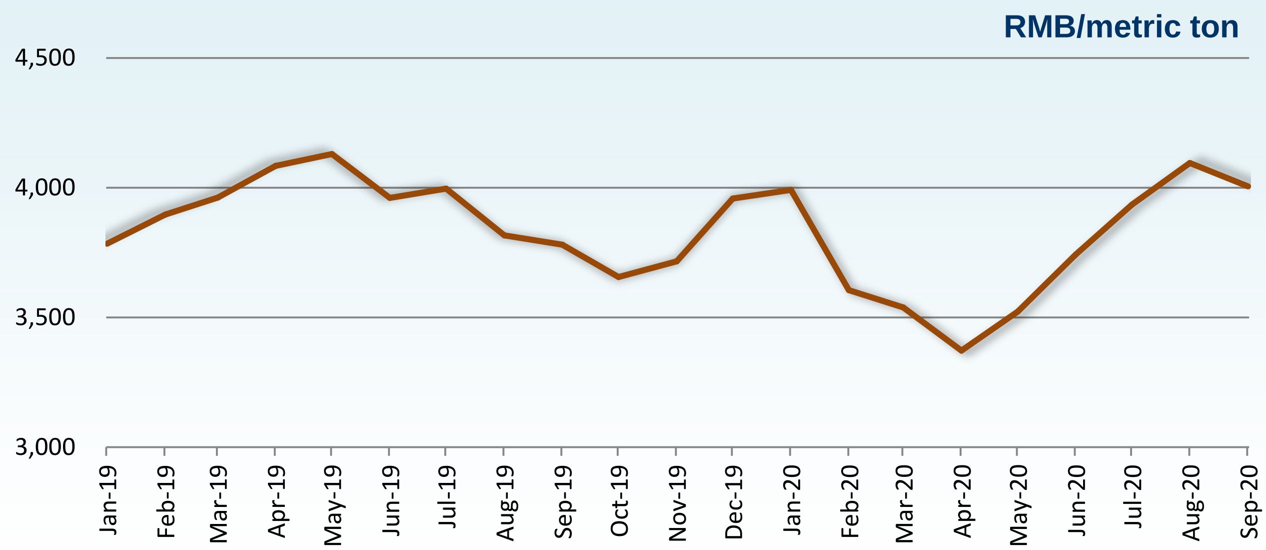
2.5 The price trend of materials: Hot-rolled steel coils

Taiwan



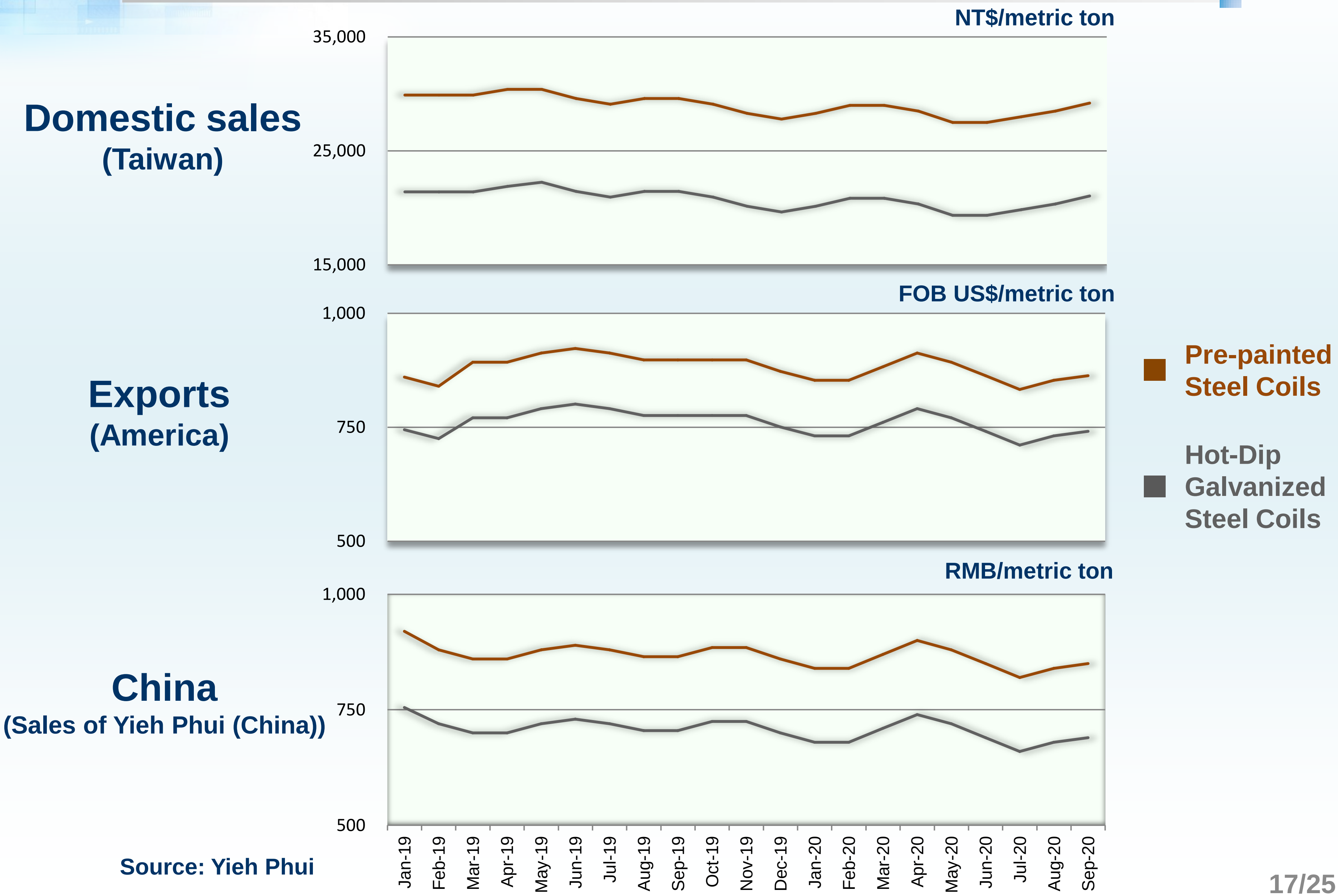
Source: Yieh Phui

China



Source: Custeel.com (Shanghai Market, Benxi Steel，SPHC 2.75mm)

2.6 The price trend of products



Source: Yieh Phui

1. Introduction
2. Operation Outline
3. **Future Development**

3.1 Prospects for major markets

A. International：

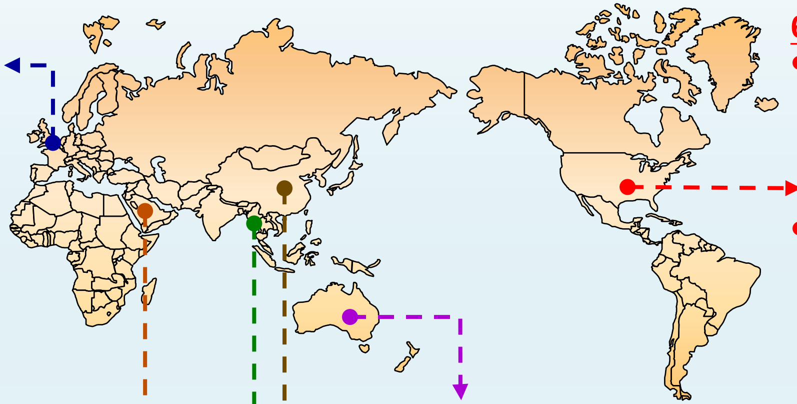
① The relations between China and the US is expected to ease. It remains unknown whether Taiwan will benefit from the Multilateralism which may be in place soon.
② The business opportunities in the Post-COVID-19 era.
③ Global Green New Deal.
④ Global QE pushes up raw material prices.

B. Domestic:

① The fact that Taiwanese firms repatriate from China leads to the increasing demand of steel and raw materials.
② Taiwan Gov't elevates the use of renewable energy, estimate photovoltaic installation will reach 25GW by 2025.
③ Insufficiency of labor has driven the force of upgrading the materials and methods in the steel industries.
④ Strong NT$ against US$ is not in favor of manufacturers who rely on export business.

1. European Union:

- EU automotive industry has suffered from a significant decline due to COVID-19 and the related control measures. The sales for new passenger cars dropped by 28.8% year-on-year to 7,058,090 units for the first 3 quarter of 2020.Car market in the future is expected to improve under the incentives in place in the major EU markets.
- EU mills had reduced their production capacity due to lack of confidence for future market. However, the recovery of automotive industry in Nov has made the demand of hot rolled and galvanized products greatly exceed the supplies. Hence, the steel prices in EU has risen drastically, and delivery has also been pushed back to Q1-Q2 next year.



6. America:

- The demand for automotive industry in the US has increased, and the shortage of supply has further driven up domestic prices. Whether the new president will adjust the 232 tariff measures should be closely monitored so as to take proper actions.
- Since August of this year, US domestic HR price have reached 1,097USD/MT and increased over 600 USD/MT in the last six months. The shortage of HR will continue to the first quarter of next year as expected. Therefore, changes in domestic capacity utilization must be observed in order to respond swiftly.

2. Middle East:

- The optimistic prospect of COVID-19 vaccine has lead Brent Crude Oil Price to a 1.3% increase in Jan this year and has brightened the outlook for future fuel consumption recovery. Moreover, OPEC+ continues to limit the oil's production capacity, and the continuously rising price is expected to substantially benefit those oil producing countries.

3. South East Asia:

- As the trade war between the US and China, SEA market has become a diversion of the target market. Especially Vietnam is offering competitive prices to its domestic market and makes sales harder for Taiwanese exporters.
- Due to the fact that part of the solar equipment manufacturers have shifted their production site to SEA, Yieh Phui has seized the opportunity to supply material for solar brackets manufacturing.
- Yieh Phui has established our own brands and supplied niche anti-microbial products such as PhuizerGreen ® AMC Plus and ColorGreen AMC Plus® to distinguish YP's products from low price level markets.

5. Australia:

- Australia Central Bank announced on Dec 1st that they keep same 0.1% interest rate and also keep the AUD 100Billion QE policy.
- Australian Bureau of Statistics announced on Dec 2nd that 2020 Q3 economic has 3.3% growth and recovered from the recession due to COVID-19. The main reasons are the currency and financial policies that stimulate household expenses.
- As the trade tension between China and Australia has heated up, it is worth observing how the situation goes so that proper actions can be taken.

4. China:

- It is expected that China in 2021, with the implementation of "ten-four-five" policy, will expand domestic demand, support for innovation, and improve its business environment. Consequently, it will bring an expected GDP growth to 7.5%.
- China's photovoltaic industry have reached 35GW of installation in 2020. Followed by China aiming for carbon neutrality by 2060, it is expected to substantially benefit the photovoltaic industry and steel brackets demand.
- China's hot-rolled demand has been on the rise in 2020 Q4, and the social inventory has decreased substantially. It is expected the scrap import in January, 2021, will raise the price of international scrap, and this trend of steel material will last up to May, 2021.
- Due to China's fast recovery from COVID-19, automobile sales increased 11.1% in November, 2020, and the demand of large-scaled livestock farms also increased significantly, driving galvanized and pre-painted steel material demands to rise .

3.2 Yieh Phui Taiwan sales volume 2020 Q1~3 (by areas)

With a global recognition as a premium supplier of coated steel, Yieh Phui Taiwan has so far reached its sales to 137 countries, a 70% coverage of all 195 countries in the world.

Due to the appreciate of exchange rate to the US dollars and development of domestic solar photovoltaic energy industry, in 2021, we expand our domestic sales proportion and introduce innovative product strategies to reduce the risk of exchange loss.

2020 Yieh Phui Taiwan Global Sales Proportion

Taiwan	47.68%
Europe	18.15%
America	11.41%
Asia	11.38%
Australia	7.85%
Others	3.53%

3.3 Yieh Phui Taiwan major products: the application of materials

Renewable energy

1. Completing the development and application of the SolarKing brackets on various solar photovoltaic power cases.
2. Manufactured with suitable material/suitable usage has made the best team for producer/government/ academic combination on offering the best coated products for renewable energy.
3. Yieh Phui already has steel products adopted by Taipower and Chailease Finance, establishing three teams of strategic alliances to be devoted to future solar photovoltaic power projects. (Taiwan Cement Yizhu project, the first in Taiwan fish and electricity symbiosis case, uses Yieh Phui's PhuizerMax steel).
4. The current focus is to build downstream processing chains.

Health and Environment protection

1. Strategic cooperate with domestic partition formers to promote efficient anti-microbial color coated steel sheets to make partition in response to Covid-19.
2. The dramatic increase in demand for clean room has brought opportunities for the products that are antistatic and anti-microbial.
3. Singapore and HK/Macao continue to promote the use of air ducting made of efficient anti-microbial metallic coated steel sheets, such as smart health campus in Woodlands of Singapore and other public projects of HK/Macao.
4. To develop antiviral coated steel sheets in 2021.

Fire safety and High-end construction materials

1. Global warming and ultraviolet rays has severe impact on rooftop and walls. Traditional products will not be sufficient to sustain such damages for long.
2. Promoting earthquake resistant and fire retardant composite sheet system, satisfying the demand for safe and sound construction materials.

IT

1. The trade war between China and the US and the return of Taiwanese merchants from China has been trending. The demand for servers and electric cabinets will increase tremendously.
2. The demand of supply chain for cars with new energy will start immediately, such as the development of electric charging towers and energy storage. (At the moment Yieh Phui is negotiating a co-development project with a top notch conglomerate in Taiwan.)

➢ Materials projects

- Brackets for solar power plants(ground, rooftop, and water surface)
- Power generation via farming (agri-power, fishing-power, optoelectronic greenhouse)
- Electricity generation on school stadiums, parking lots, energy storage, cases, electricity cable for bridge frames

- HVAC made from efficient PhuizerGreen AMC Plus
- Partitions made from ColorGreen AMC Plus
- Roofing/siding of agriculture, and fish and electricity symbiosis solar photovoltaic power projects

- Promotion for PVF high-end prepainted steel sheets
- Metallic composite panels
- Composite fire-proof external wall system
- Cooperate with Yieh United Steel Corp. to promote SUS445 pre-painted stainless steel sheets

- Servers
- Cable bridging
- Components for new energy cars
- Electric car charging stations

Yieh Phui Taiwan galvanized and pre-painted steel brackets for solar photovoltaic power system

Our goal：
Construct a New Solar Power Island: M I T Brackets

1 2 3

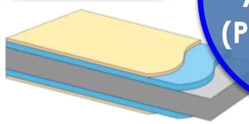
Product system sales strategy

YPECO

- EPC
- Proprietor
- ITRI Adviser
- Steel Material
- Paint
- Steel Brackets
- Construct
- Ops
- Insurance

Product system material sales strategy

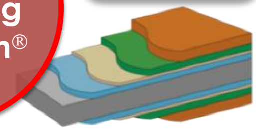
C1~C3 Corrosion level



Galvanized Al-Mg-Zn (PhuizerMax)

Pre-painted SolarKing ColorFan®

C1~CX Corrosion level



Idea: domestic manufacture and right material use.
Strategy: precision R&D and system integration.

Solar Photovoltaic Power Steel Brackets

鋼之美 唯燁輝
Finest Steel at Yieh Phui

Global sales greater than 100,000 mt !

Product system sales policy

Specification development & placement (National Standards, TPC, Chailease Finance)

ITRI adviser consultation & supply chain integration

Ground-mounted	Aquaponics	All types	Global sales
Photovoltaic case	Photovoltaic case	Photovoltaic case	Photovoltaic case
(PhuizerMax)	(Pre-painted PhuizerMax)	(SolarKing)	(Galvanized Pre-painted)

depth
breadth

Product system sales target & strategy

Ground-mounted

Floating

Roof

Target case

Yieh Phui Taiwan

PhuizerGreen® AMC Plus & ColorGreen AMC Plus®

RoHS compliant

The 2nd generation of Efficient PhuizerGreen® AMC Plus & ColorGreen AMC Plus®

1. Staphylococcus aureus
2. Klebsiella pneumoniae
3. Pseudomonas aeruginosa
4. Corynebacterium diphtheriae
5. Escherichia coli
6. Legionella pneumophilia
7. MRSA (methicillin-resistant Staphylococcus aureus)

Approved by FIRDI, SGS antibacterial certification

(Galvanized Steel)

Green Steel with Anti-Microbial Additive

鋼之美 唯煇輝
Finest Steel at Yieh Phui

Global sales greater than 100,000 mt !

Product Features

PhuizerGreen® AMC Plus

- Disinfectant & alcohol wipe resistance
- High corrosion & weather resistance
- RoHS & REACH directives complied

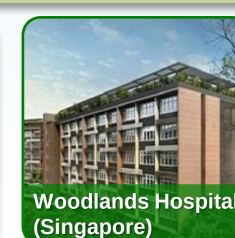
ColorGreen AMC Plus®

- Inhibiting the growth of fungi
- Nanoscale anti-microbial additives
- RoHS & REACH directives complied

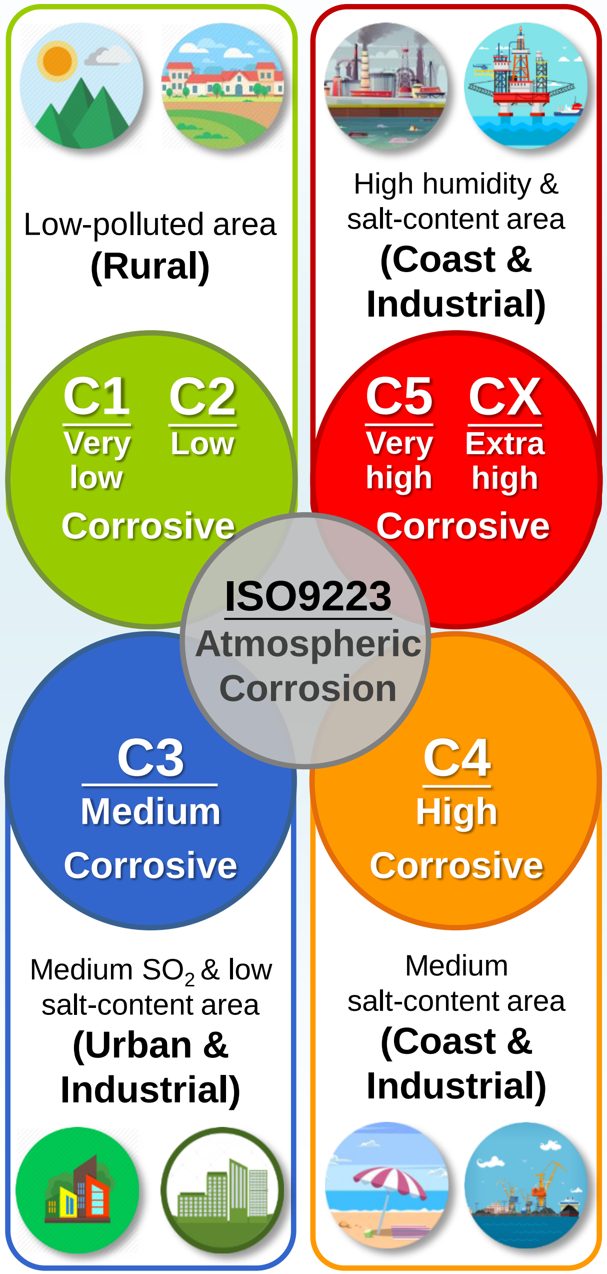
Application

AMC Plus

Target case



Yieh Phui Taiwan high efficient steel material for harsh environment: pre-painted 445 stainless steel sheets



As the pioneer of the business, we've taken ISO9223 (a classification system for the corrosivity of atmospheric environments) and Taiwan's unique environment into consideration, offering a recommend pre-painted steel sheets selection for corrugated sheets.

Category of corrosive environment	Type	Corrosive level	Specification of pre-painted steel for solar photovoltaic use						
			Thickness BMT (mm)	Coating mass/ SUS class	Top surface		Back surface		Recommended durability (without drilling)
					Resin	Total thickness (μm)	Resin	Total thickness (μm)	
C4	Commercial	High	≥0.6	>Y30 / AZ210	PVDF	45	PVDF	25	15 years
	Efficient				PVDF	65	PVDF	30	20 years
	Highly Efficient	High	≥0.6	SUS445	Crystallite Silky	32	Crystallite Silky	32	25 years
					PVDF	45	PVDF	25	30 years
C5	Commercial	Very High	≥0.6	>Y35 / AZ250	PVDF	65	PVDF	30	15 years
	Efficient				PVDF	65	PVDF	45	20 years
					PVC	200	PVC	100	20 years
	Highly Efficient	Very High	≥0.6	SUS445	Crystallite Silky	32	Crystallite Silky	32	20 years
					PVDF	65	PVDF	30	30 years
CX	Efficient	Extra High	≥0.6	>Y40 / AZ250	Due to the special environment, consultation recommended.				
	Highly Efficient	Extra High	≥0.6	SUS445	Due to the special environment, consultation recommended.				

3.4 Outline for Most Recent Investment

Area

Kaohsiung – Taiwan

Projects

E Sky Land

Briefing

The E Sky Land site A contains 31 stories aboveground, 6 stories underground, total of space of 77,000 ping of high-end shopping mall with a hotel franchised with Marriott International to form Marriott Kaohsiung. Kaohsiung Great Emperor Hotel has trial operated on December 25th, 2020. E Sky Mall is expected to operate on March 20th, 2020.

Stockholding

100% owned subsidiary