開曼英利
Cayman Engley

ENGLEY - KY

Best Partner of Automobile Industry

Stock Code：2239

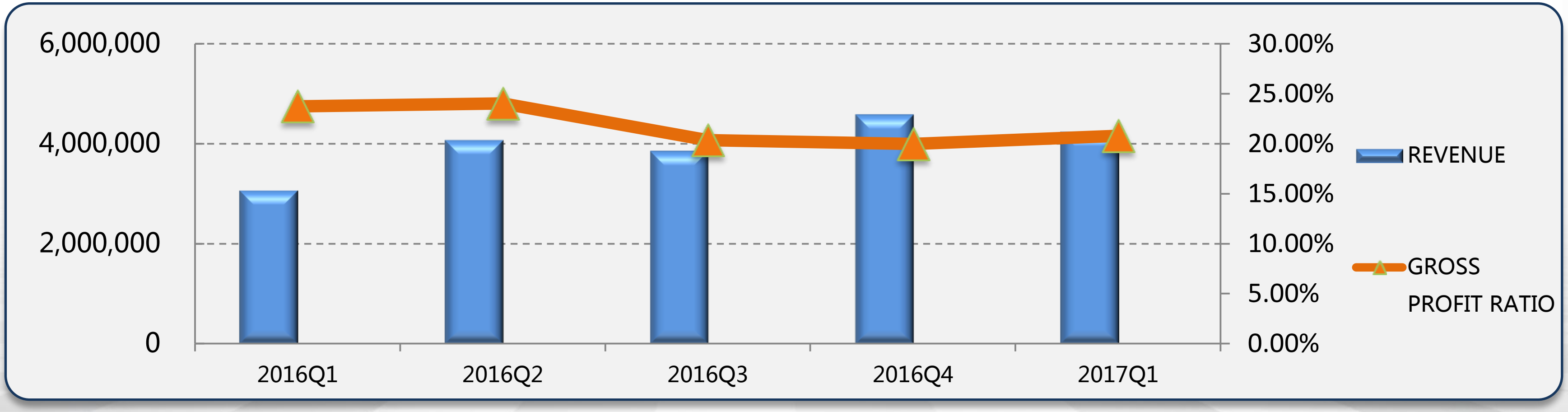
Catalogue

1 Business Performance

Business Performance

*Currency：NTD 1,000 / All Finance information by CPA

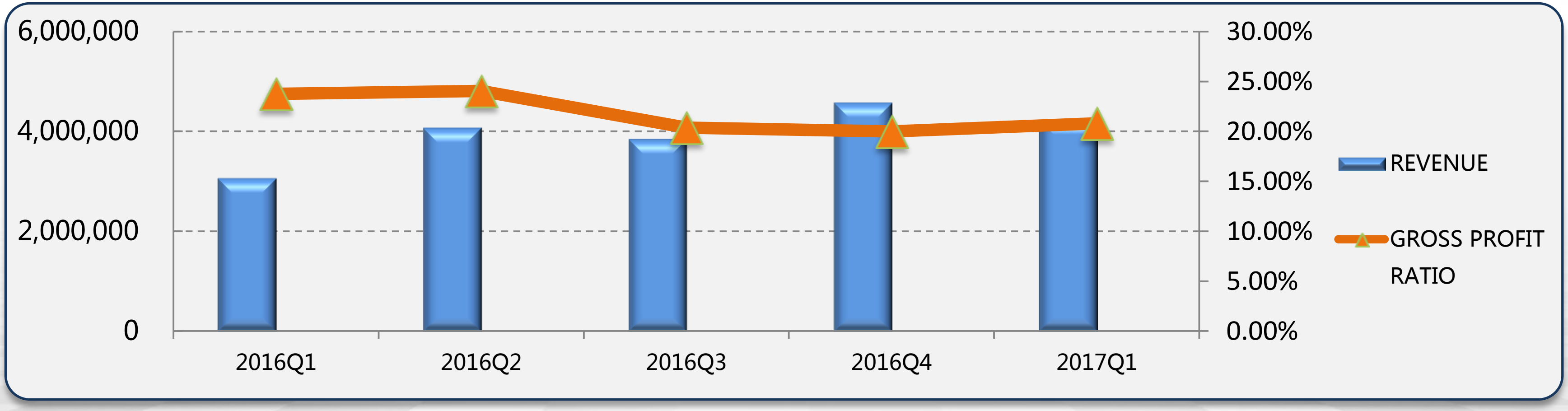
YEAR	OPERATING REVENUE	GROSS PROFIT	GROSS PROFIT RATIO	NET INCOME	NET PROFIT RATIO	EPS (NTD)
2016Q1(Single Season)	3,069,697	729,381	23.76%	331,575	10.80%	3.09
2016Q2(Single Season)	4,075,921	980,051	24.04%	405,541	9.95%	3.69
2016Q3(Single Season)	3,853,805	785,063	20.37%	250,205	6.49%	2.27
2016Q4(Single Season)	4,582,630	916,647	20.00%	267,417	5.84%	2.43
2017Q1(Single Season)	4,242,252	882,599	20.80%	247,738	5.84%	2.25



Business Performance

*Currency：RMB 1,000 / All Finance information by CPA

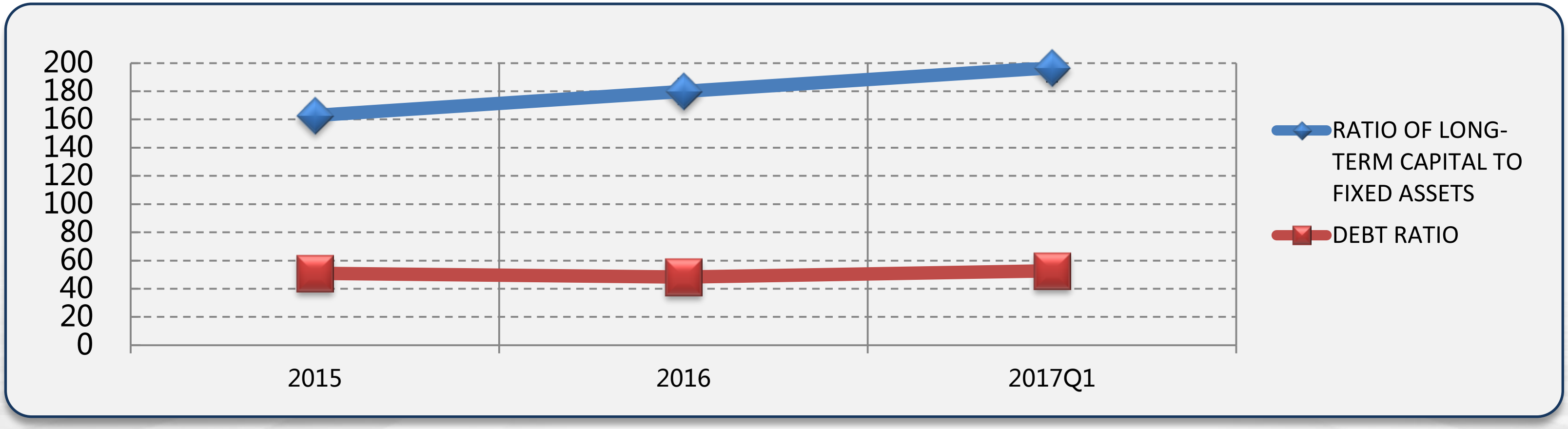
YEAR	OPERATING REVENUE	GROSS PROFIT	GROSS PROFIT RATIO	NET INCOME	NET PROFIT RATIO	EPS (RMB)	Exchange Rate
2016Q1(Single Season)	607,861	144,432	23.76%	65,658	10.80%	0.61	5.05
2016Q2(Single Season)	815,184	196,010	24.04%	81,108	9.95%	0.74	5.00
2016Q3(Single Season)	783,294	159,566	20.37%	50,855	6.49%	0.46	4.92
2016Q4(Single Season)	944,872	188,999	20.00%	55,138	5.84%	0.50	4.85
2017Q1(Single Season)	936,479	194,834	20.80%	54,688	5.84%	0.50	4.53



FINANCIAL INDEX-FINANCIAL STRUCTURE ANALYSIS

All Finance information by CPA

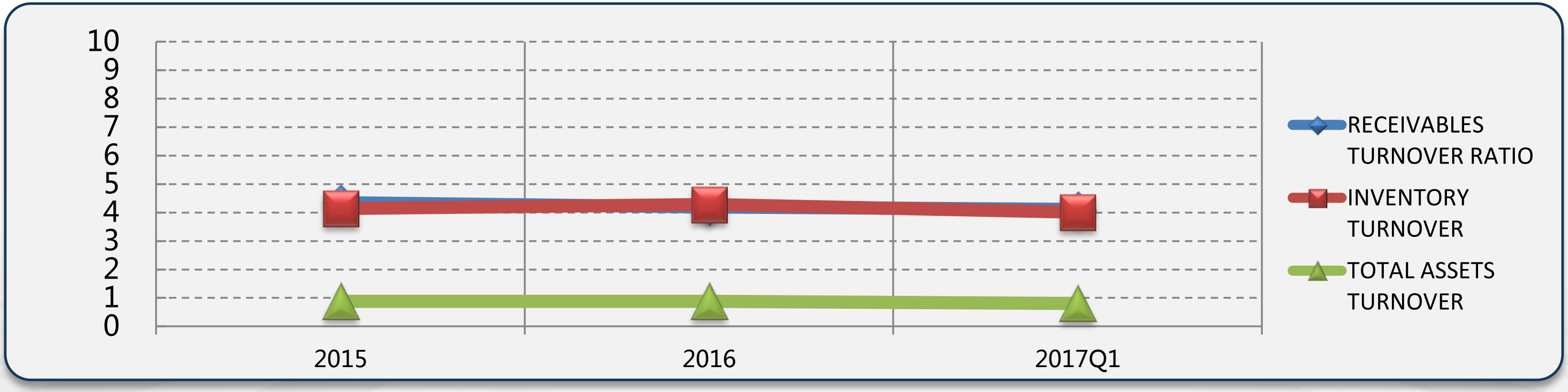
YEAR	FINANCIAL STRUCTURE（%）	
	DEBT RATIO	RATIO OF LONG-TERM CAPITAL TO FIXED ASSETS
2015	50.86	162.80
2016	52.27	177.75
2017Q1	52.82	196.59



FINANCIAL INDEX-OPERATING PERFORMANCE ANALYSIS

All Finance information by CPA

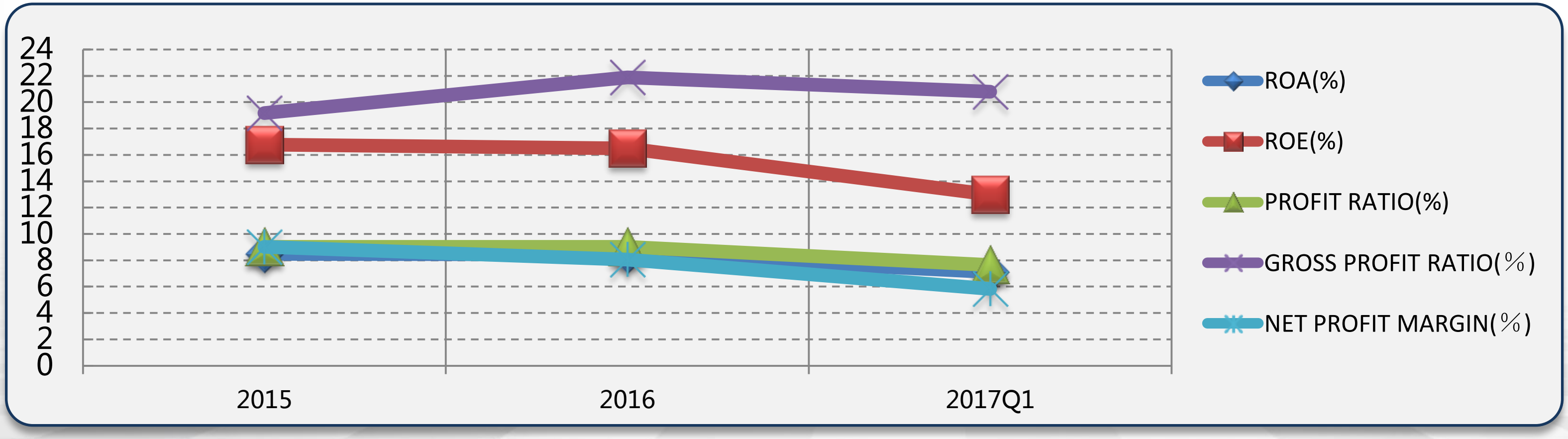
YEAR	OPERATING PERFORMANCE				
	RECEIVABLES TURNOVER RATIO	AVERAGE COLLECTION PERIOD	INVENTORY TURNOVER	DAYS SALES OF INVENTORY	TOTAL ASSETS TURNOVER
2015	4.35	83.91	4.14	88.16	0.88
2016	4.20	86.90	4.28	85.28	0.88
2017Q1	4.11	88.81	4.01	91.02	0.81



FINANCIAL INDEX-PROFITABILITY ANALYSIS

All Finance information by CPA

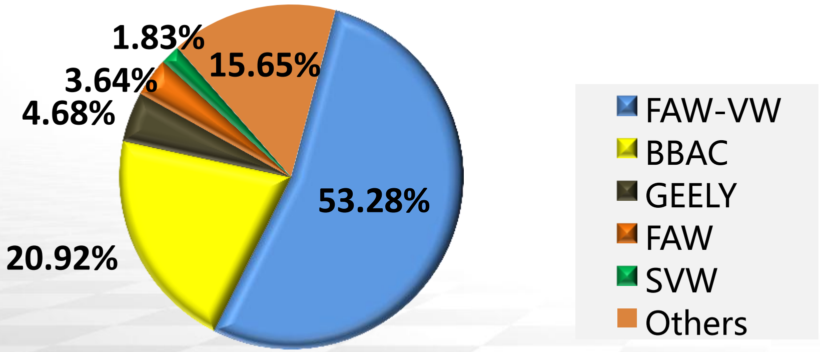
YEAR	PROFITABILITY								
	RETURN ON TOTAL ASSETS(%)	RETURN ON STOCKHOLDERS' EQUITY(%)	PROFIT RATIO(%)	GROSS PROFIT RATIO(%)	NET PROFIT MARGIN(%)	R&D EXPENSES RATIO(%)	DEPRCIATION RATIO(%)	OPERATING EXPENSE RATIO(%)	FINANCIAL EXPENSE RATIO(%)
2015	8.50	16.79	9.03	19.18	9.03	2.41	3.27	8.50	0.85
2016	8.43	16.50	9.03	21.89	8.05	3.40	2.97	10.01	0.69
2017Q1	7.12	12.99	7.65	20.80	5.84	2.74	3.89	8.67	1.58



Sales Performance

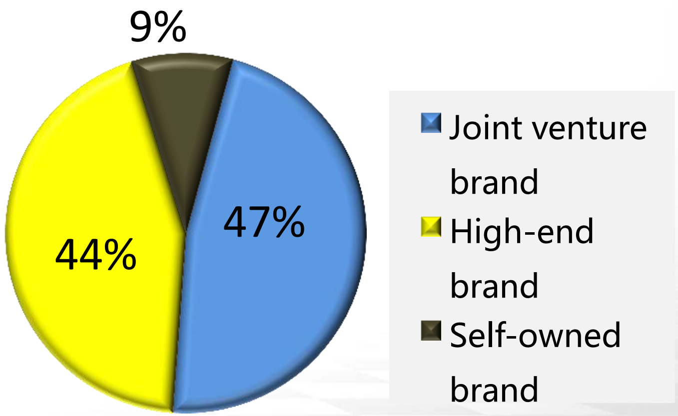
Sales Ratio from 2016 to 2017.Q1

	SALES RATIO				
Customer	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1
FAW-VW	74.63%	69.23%	65.75%	63.58%	53.28%
BBAC	9.05%	13.80%	17.44%	18.60%	20.92%
GEELY	0.29%	0.31%	0.39%	0.91%	4.68%
FAW	1.98%	1.11%	0.85%	0.82%	3.64%
SVW	2.11%	2.98%	3.02%	2.85%	1.83%
Others	11.94%	12.57%	12.55%	13.24%	15.65%



Brand-oriented sales in 2017.Q1

BRAND	RATIO
Joint venture brand	47%
High-end brand	44%
Self-owned brand	9%



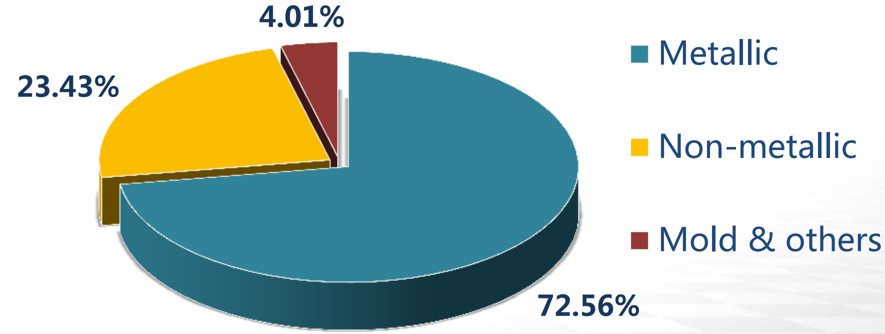
Product Ratio and Sales

*Currency：NTD 1,000 / All Finance information by CPA

	Y2015			Y2016			2017Q1		
	Sales	Sales ratio	Gross profit rate	Sales	Sales ratio	Gross profit rate	Sales	Sales ratio	Gross profit rate
Metallic	8,089,865	65.21%	17.93%	10,522,883	67.53%	21.96%	3,078,164	72.56%	21.40%
Non-metallic	4,153,606	33.48%	21.56%	4,700,844	30.17%	20.76%	993,831	23.43%	21.29%
Mold & others	162,295	1.31%	48.72%	358,326	2.30%	34.81%	170,257	4.01%	7.15%
Total	12,405,766	100.00%	19.54%	15,582,053	100.00%	21.89%	4,242,252	100.00%	20.80%

Product：

- Metallic Part：WIB punching part, CCB and safety part
- Non-metallic Part：Underbody shield, frontend, wheel arch liner, spare wheel pan, battery tray and door panel
- Mold & Others：design and manufacturing of mold, and other consultation service



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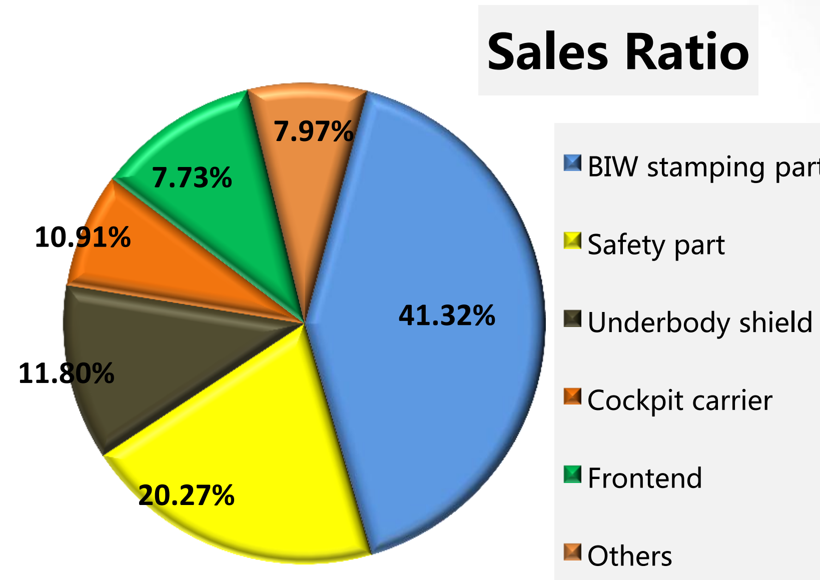
Main product ratio

*Currency：RMB YUAN / 2017Q1 data by our company

Product	Sales	Ratio
BIW stamping part	386,937,756.45	41.32%
Safety part	189,813,800.20	20.27%
Underbody shield	110,463,075.20	11.80%
Cockpit carrier	72,419,936.18	7.73%
Frontend	102,205,454.33	10.91%
Others	74,639,474.31	7.97%
Total	936,479,496.67	100.00%



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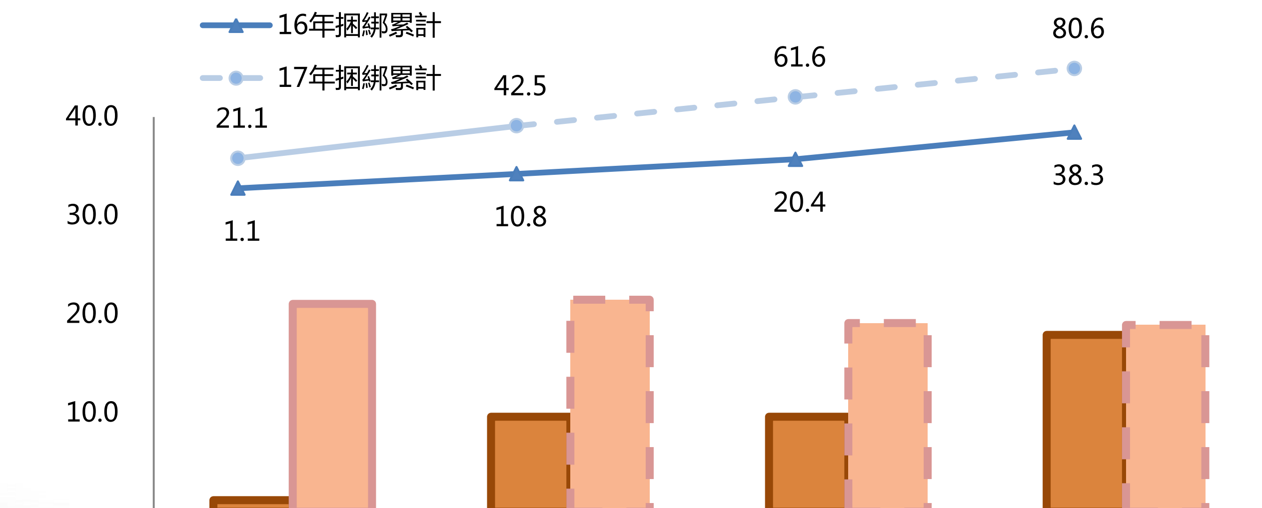
2 Sale Analysis

FAW-VW Enforce Quick Saving Policy

- The amount of quick saving is RMB 38 million in 2016, and the amount of quick saving will be RMB 8.06 million in 2017

Currency：RMB Million

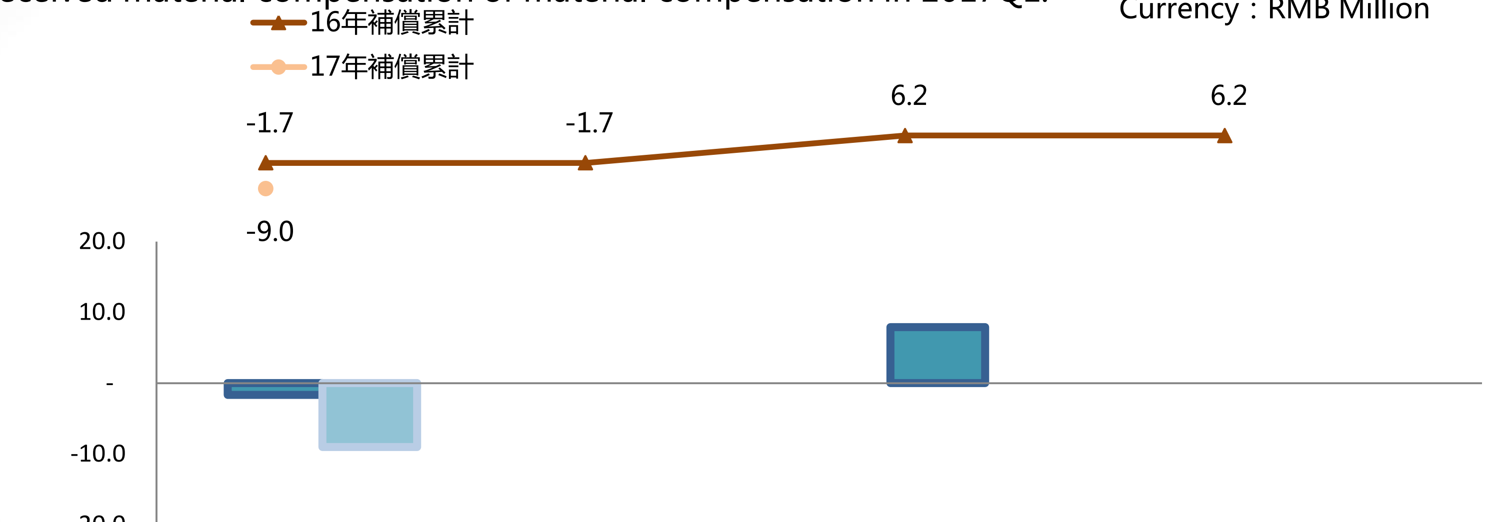


	Q1	Q2	Q3	Q4
16年捆綁	1.1	9.6	9.6	17.9
17年捆綁	21.1	21.5	19.1	18.9

FAW-VW of the Amount of Material Compensation

- Engley returned anti-material compensation of RMB 6.2 million back to FAW-VW in 2016, while Engley received material compensation of material compensation in 2017Q1.

Currency：RMB Million

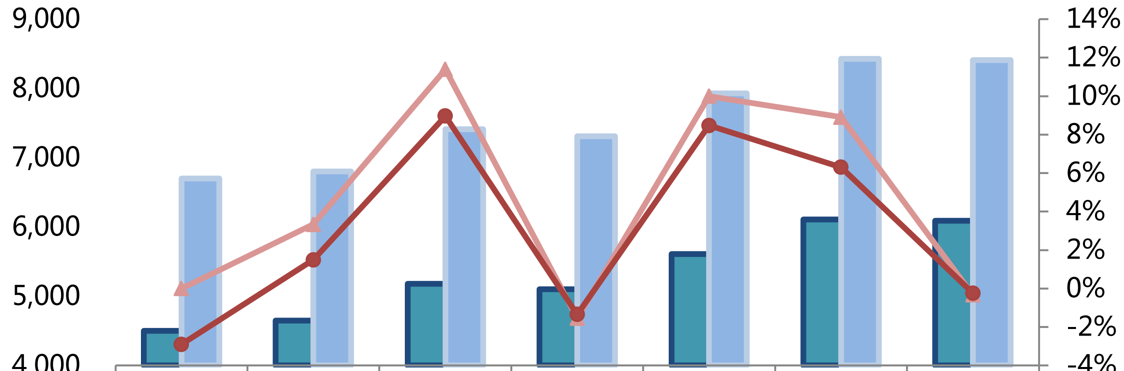


	Q1	Q2	Q3	Q4
16年補償	-1.7	-	7.9	-
17年補償	-9.0	-	-	-

The Steel Price Trends

Units：RMB/TON

Baosteel Steel Futures Price Trends



	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17-5月
普冷	4,500	4,650	5,180	5,100	5,610	6,110	6,090
热镀锌	6,700	6,800	7,410	7,310	7,930	8,430	8,410
普冷涨幅	0.0%	3.3%	11.4%	-1.5%	10.0%	8.9%	-0.3%
热镀锌涨幅	-2.9%	1.5%	9.0%	-1.3%	8.5%	6.3%	-0.2%

資料來源：東方鋼鐵在線　本公司整理

Steel prices rallied strongly in 2016 and foresee to continue into 2017Q1.

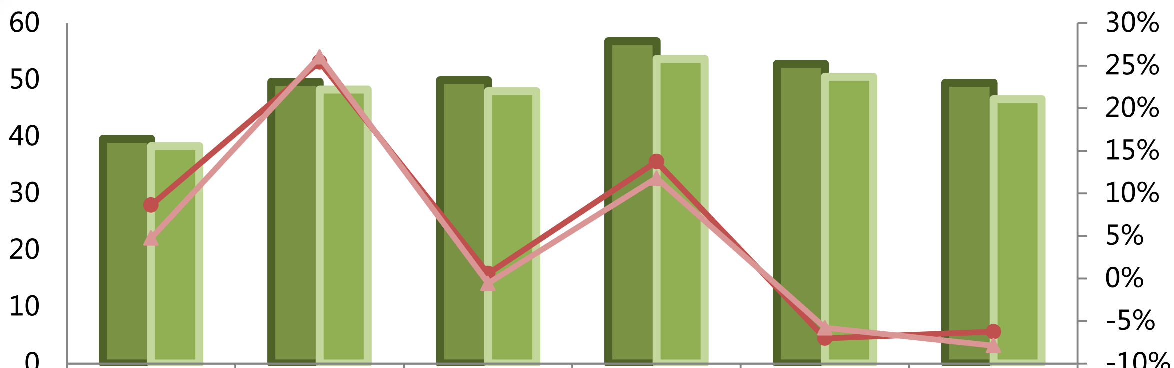
The most dominant factors driving the recent steel price rally include rising raw material price and tightening supply of iron ore and coking coal, which increases the cost of steel production. In addition, steel capacity cuts and sticker environmental policy also contribute to slow daily crude steel output, and low plate inventory regardless strong demand. For instance, Baosteel in 2016 raised future price of

Cold-formed and H.D.G steel respectively to RMB 1,110 and RMB 1,230.The direct impact of rising raw metal prices to manufacturers foresees in 2017Q1.

The Crude Oil Price Trends

The Crude Oil Price Trends

Units：USD/Barrel



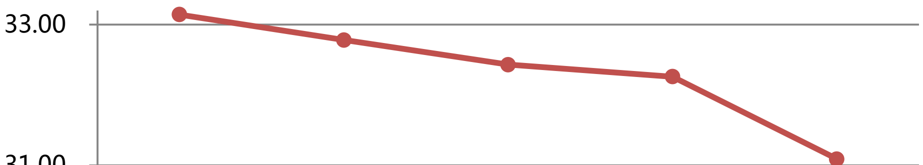
	16Q1	16Q2	16Q3	16Q4	17Q1	17-5
布倫特	39.6	49.68	49.96	56.82	52.83	49.52
WTI	38.34	48.33	48.05	53.72	50.6	46.61
布倫特漲幅	8.6%	25.5%	0.6%	13.7%	-7.0%	-6.3%
WTI漲幅	4.8%	26.1%	-0.6%	11.8%	-5.8%	-7.9%

資料來源：金投網　本公司整理

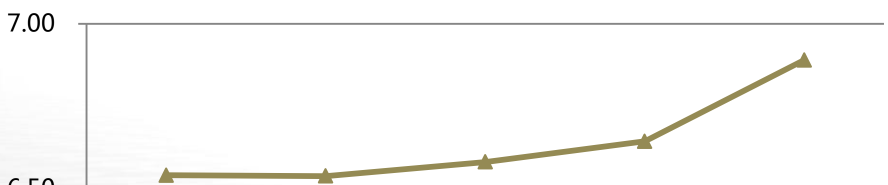
To deal with the oil glut and help stabilize oil prices, OPEC and non-OPEC nations agreed in late 2016 to trim production by 1.2 million barrels per day (bpd), which has stabilized oil prices above 50 US dollars per barrel. The accord became effective on Jan. 1, 2017. The recovery of oil price expects leading to same-to-higher level cost of non-metal material and transportation in 2017. Until to May 2017, the WTI and Brent Crude has fallen below USD 50.

The Exchange Rate from 2016 to 2017

	16Q1	16Q2	16Q3	16Q4	17Q1
人民幣:台幣	5.05	5.00	4.92	4.85	4.53



	16Q1	16Q2	16Q3	16Q4	17Q1
美元：台幣	33.14	32.78	32.43	32.26	31.09



	16Q1	16Q2	16Q3	16Q4	17Q1
美元：人民幣	6.54	6.54	6.58	6.64	6.89

From 2016 to 2017Q1, because of the exchange rate fluctuations, the company’ s earning per share has great impacted.

The accumulative exchange loss of 2016 and 2017Q1 is NTD 149 million and NTD 49 million. Equal to RMB 31 million and RMB 11million.

Quarterly Exchange Loss from 2016 to 2017Q1

Currency：NTD Thousand

	16Q1	16Q2	16Q3	16Q4	17Q1
Cayman-consolidated	59,906	21,999	42,515	25,036	49,367
Separated：					
Cayman	52,272	-6,153	26,420	6,921	49,820
Changchun Engley	5,007	20,752	5,963	31,712	-5,023

Quarterly figures are certified by CPA

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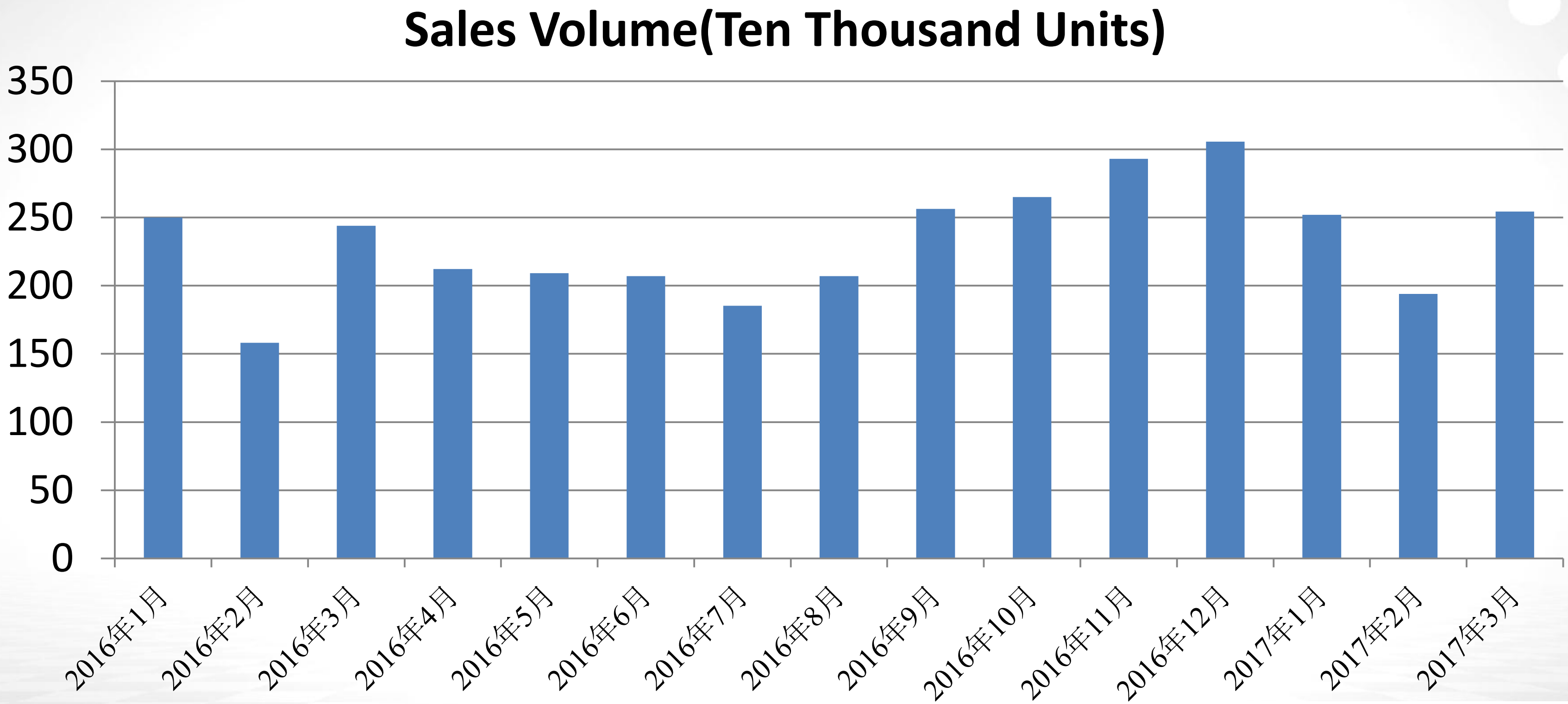
3 Industrial Development

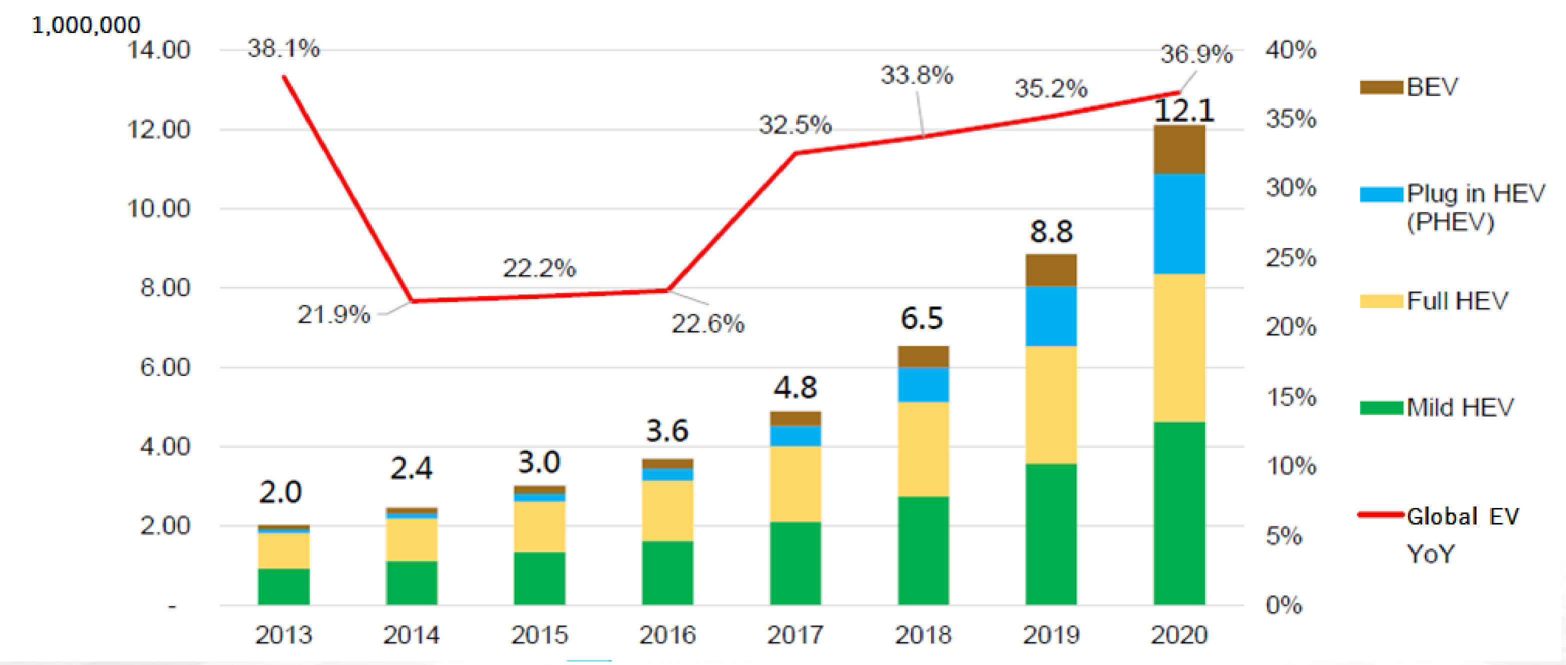
Automobile Sales in China in Recent Years



Data resource： China Automobile Industry Association

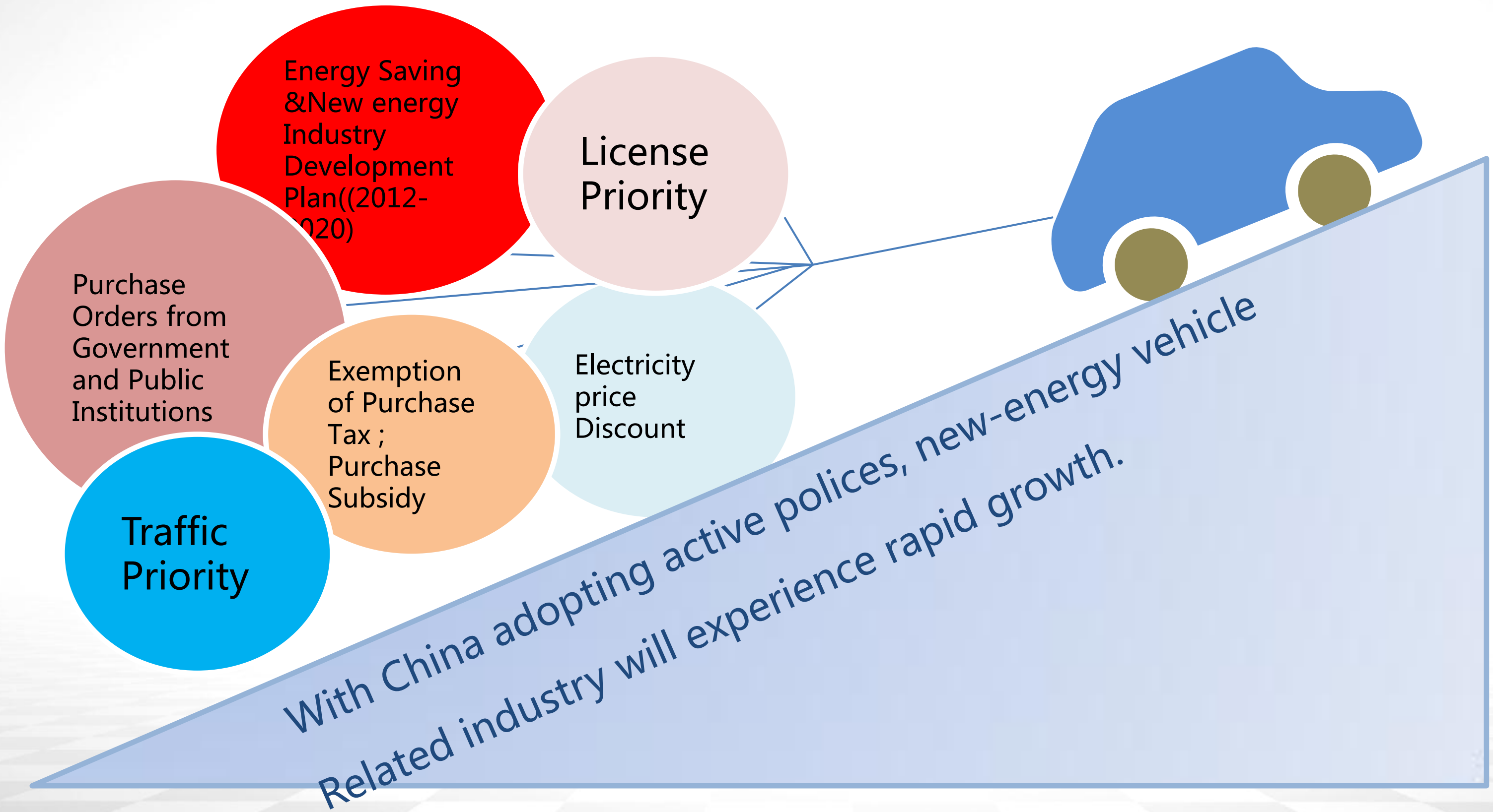
Industrial Development

Sales prediction of global electric vehicle market for 2013~2020



Resource from: IEK

Industrial Development
New Energy Vehicle



2017Q1 Automobile Sales Ranking

Sales Ranking of High-end Car

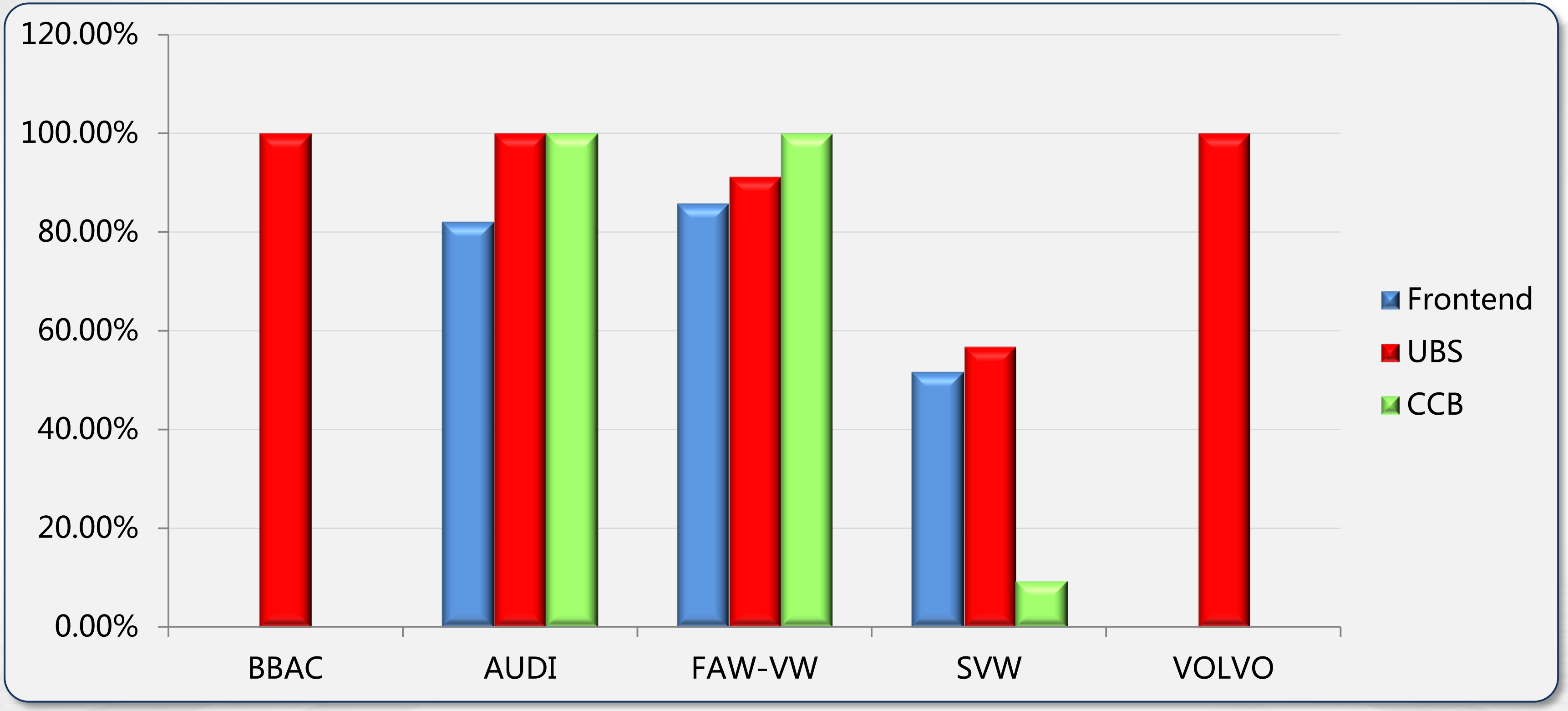
	BRAND	SALES (10,000)	Quarterly Growth Rate
1	AUDI	12.13	-2.96%
2	Mercedes-Benz	11.32	21.20%
3	BMW	9.02	8.81%
4	Cadillac	3.95	-6.40%
5	JAGUAR-LAND ROVER	1.61	-24.41%

Sales Ranking of Passenger Car

	BRAND	SALES (10,000)	Quarterly Growth Rate
1	FAW-VW SAIC-VW	76.20	-10.49%
2	SGMW	48.80	-19.55%
3	HONDA	29.56	-19.72%
4	TOYOTA	28.87	3.40%
5	GEELY	27.89	-9.18%
6	SAIC-GM	27.76	-22.87%
7	NISSAN	22.30	-33.79%
8	GREATWALL	22.17	-36.24%
9	CHANGAN	21.97	-2.18%
10	CHANGAN-FORD	20.80	-28.18%

資料來源：搜狐汽車

Customer Occupancy of Main Product



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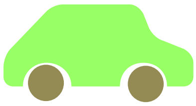
4 Future Development

Capital Expenditure

Currency：NTD1,000/2014-2017Q1 Information by CPA

YEAR	CAPEX	Growth Rate	Fixed Assets	Growth Rate	Long-Term Investment
2014	1,689,358		1,311,362		377,996
2015	1,107,645	-34.43%	1,107,645	-15.53%	-
2016	2,341,170	111.36%	1,236,056	11.59%	1,105,114
2017Q1	701,081		447,697		253,384



Expected Capacity of Qingdao Engley

To follow FAW-VW' s Step, Engley is building a new factor in Qingdao. This new factory is for a brand new car model production. The analysis of Qingdao Engley of predicted production, sales, revenue, gross profits, and operating profits is listed below:

Unit：Thousand；Currency: NTD Thousand

YEAT	ITEMS	PRODUCTION	SALES	REVENUE	GROSS PROFITS	OPERATING PROFITS
2016	Auto Parts	0	0	0	0	(7,000)
2017	Auto Parts	0	0	0	0	(17,500)
2018	Auto Parts	2,343	2,343	319,276	57,215	24,967
2019	Auto Parts	9,240	9,240	1,212,960	217,363	94,854
2020	Auto Parts	11,233	11,233	1,420,796	254,589	111,098
2021	Auto Parts	12,807	12,807	1,560,511	279,677	122,046
Total		35,623	35,623	4,513,543	808,844	328,465

New Investment

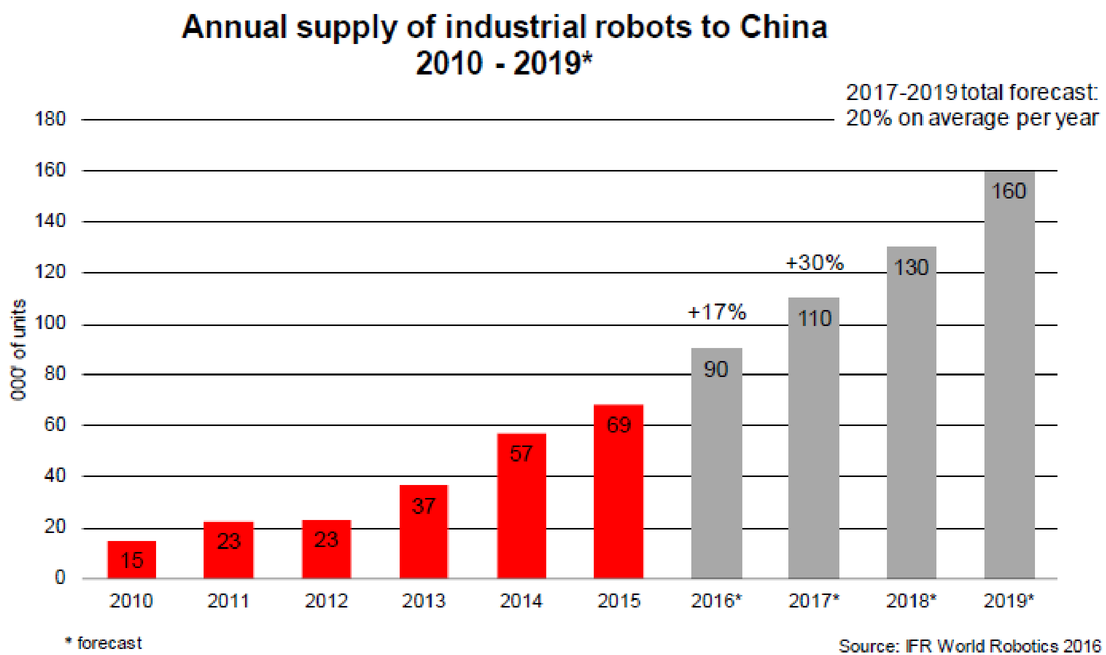
	Ningbo Maoxiang Material Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.
Founded	June 23th, 2000	Dec 26th, 2014
Capital	USD 18,000 Thousand	RMB 140,000 Thousand
Revenue of 2016	RMB 136,220 Thousand	RMB 27,215 Thousand
Net Income(Loss) of 2016	RMB 9,642 Thousand	RMB 6,921 Thousand
Employee	280	170
Main Product	Design and manufacture of mold, welding fixture, and stamping parts	Welding, and manufacture of stamping parts

New Investment

	Kranendonk Beheersmaaschappij B.V.
Founded	1983
Capital	EUR 54,000
Revenue of 2016 (Yet Certified by CPA)	EUR 8,189,000
Net Income of 2016 (Yet Certified by CPA)	EUR 639,000
Emplyee	65
Products and Services	KRANENDONK is the robot technology leader for non-repetitive production. It develops and implements advanced robotic production systems for shipbuilding, offshore and structural steel industries. Their service is to robotizing non-repetitive production flow, including robot welding, cutting and assembly. A world-class robotics solution provider from consultancy, engineering, maintenance of high-end robot solutions, and customer support are tailored based on each customer's unique needs.
Technology	https://youtu.be/blvOJp6d06k

Robot

2019: 40% of the global supply will go to China



*Currency : RMB 1,000,000,000

Year	product value
2016	78.7
2017	96.2
2018	113.7
2019	139.9

SGMW

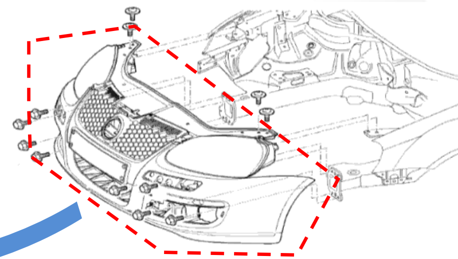
*RMB/Unit

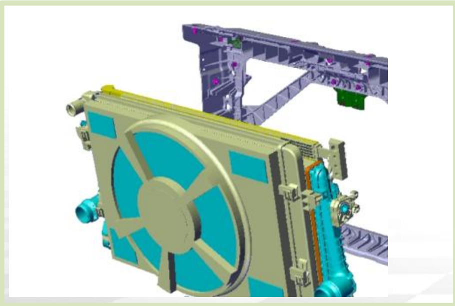
Year	2018	2019年	2020年
Engine Cover-product value	18,400,000	39,200,000	38,400,000
Engine Room Assembly-product value	172,500,000	367,500,000	360,000,000
Engine Room Assembly-production	115,000	245,000	240,000

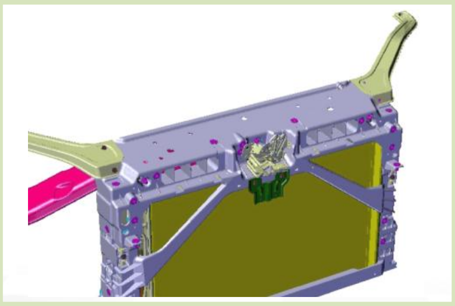
Module Design service

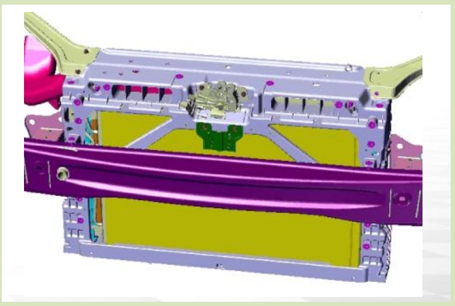
- Car
  - final assembly line
    - Other parts
    - Engine Room Assembly
      - Non-metal Engine Room Assembly
      - Radiator Assembly
      - A/C Assembly
      - cover lock assembly
      - Bumper Assembly
      - Other integrated components

Engely supply









New Investment

	Zhejiang Sanse Mold Technology Co., Ltd.
Founded	June 9th, 2009
Capital	RMB 32,667 Thousand
Revenue of 2016	RMB 154,603 Thousand
Net Income of 2016	RMB 1,372 Thousand
Employee	421
Products and Services	Glass fiber reinforced plastic products, carbon composite materials, mold, plastic processing equipment, power distribution switch control equipment, and electrical equipment manufacturing.

Future Prospect – Thermoplastic parts

	Weight	Price
Thermoplastic parts	Light	Medium
Metal parts	Heaviest	Low
Aluminum parts	Heavy	High

Thermoplastic parts

- Applied field：Engine cover, under body shield roof and tale gate, etc…

Year	2017	2018	2019	2020	2021
Sales predictions	30, 630	136, 660	363, 660	633, 360	863, 660

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Thank you!