



SPACE SHUTTLE HI-TECH CO.,LTD.

2019 Second Quarter Earnings Conference

November, 2019

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SPACE SHUTTLE HI-TECH CO.,LTD.

Safe Harbor Notice

SPACE's statements of its current expectations are forwardlooking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

✂Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.



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Agenda

- **Company Profile**
- **Product description**
- **Operating overview**
- **Competitive Advantage**
- **Future Outlook**



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SPACE SHUTTLE HI-TECH CO., LTD.

COMPANY PROFILE

- * Established in 1985
- * Public listed on Taiwan
Stock Market in Year 2000
- * Capital \$1.39 billion NT
- * 2 Plants in China
- * Total Employees Approx. 517
- * Headquartered in Taiwan



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FACTORY LOCATION

DONGGUAN LUCKY FLY
CONDUCTOR CO.LTD



**With major business being production
and sale of twisted copper wires.**

DONG GUAN HOU JIE XI TOU SPACE
SHUTTLE HI-FI WIRE & CABLE CO., LTD



**With major business being production
and sale of Raw Cable.**



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Company history

1985	Setting up Space Shuttle Electric Wire Co., Ltd., with paid-in capital of NT\$2 million Factory was established in Tucheng, New Taipei City, producing computer wire
1989	Increasing paid-in capital to NT\$40 million and moving the factory to Shulin District of New Taipei City
1995	Obtaining ISO9002 certification and increasing paid-in capital to NT\$195 million
1996	Equity investment in Space Shuttle Hi-Tech Co., Ltd. (Hong Kong) and transplanting computer-wire plant to Houjieh of Tongguan, mainland China's Guangdong Province , for the processing of imported materials; increasing paid-in capital to NT\$580 million
1998	Moving headquarters to Chutung plant in Hsinchu County of Taiwan; increasing paid-in capital to NT\$800 million
2000	Going public listed on Taiwan Stock Market ; increasing paid-in capital to NT\$1,072 million
2001	Introduction of technology and equipment for optical passive components for production at Chutung plant; increasing paid-in capital to NT\$1.5 billion.
2002	Setting up Space Shuttle Hi-Tech Co., Ltd. (Suzhou) and Dongguan Zhongju Co. Ltd. for production and sale of wiring materials on China's domestic market



Company history

2003	● Increasing paid-in capital to NT\$1,968 million ● Engagement in production and sales of active components at Chutung plant
2004	● Increasing paid-in capital to NT\$2,320 million
<u>2005</u>	● Increasing paid-in capital to NT\$3,320 million, in the wake of NT\$1 billion capital increment via private share placement
<u>2006</u>	● NT\$920 million of capital increment via three private share placements and two capital reductions totaling NT\$1,180 million, with paid-in capital standing at NT\$2,440 million ● Dismantling the Optical Passive Component and Optical Cable Division
2007	● NT\$770 million capital reduction, with paid-in capital standing at NT\$1,670 ● Sales of the optical active components division's inventories, fixed assets, and deferred assets
2008	● Capital increment with retained earnings and cash capital increment, with paid-in capital standing at NT\$1,930 million
2009	● Write-off of treasury stocks and capital reduction to make up for loss, with paid-in capital standing at NT\$1,391,173,000



Company history

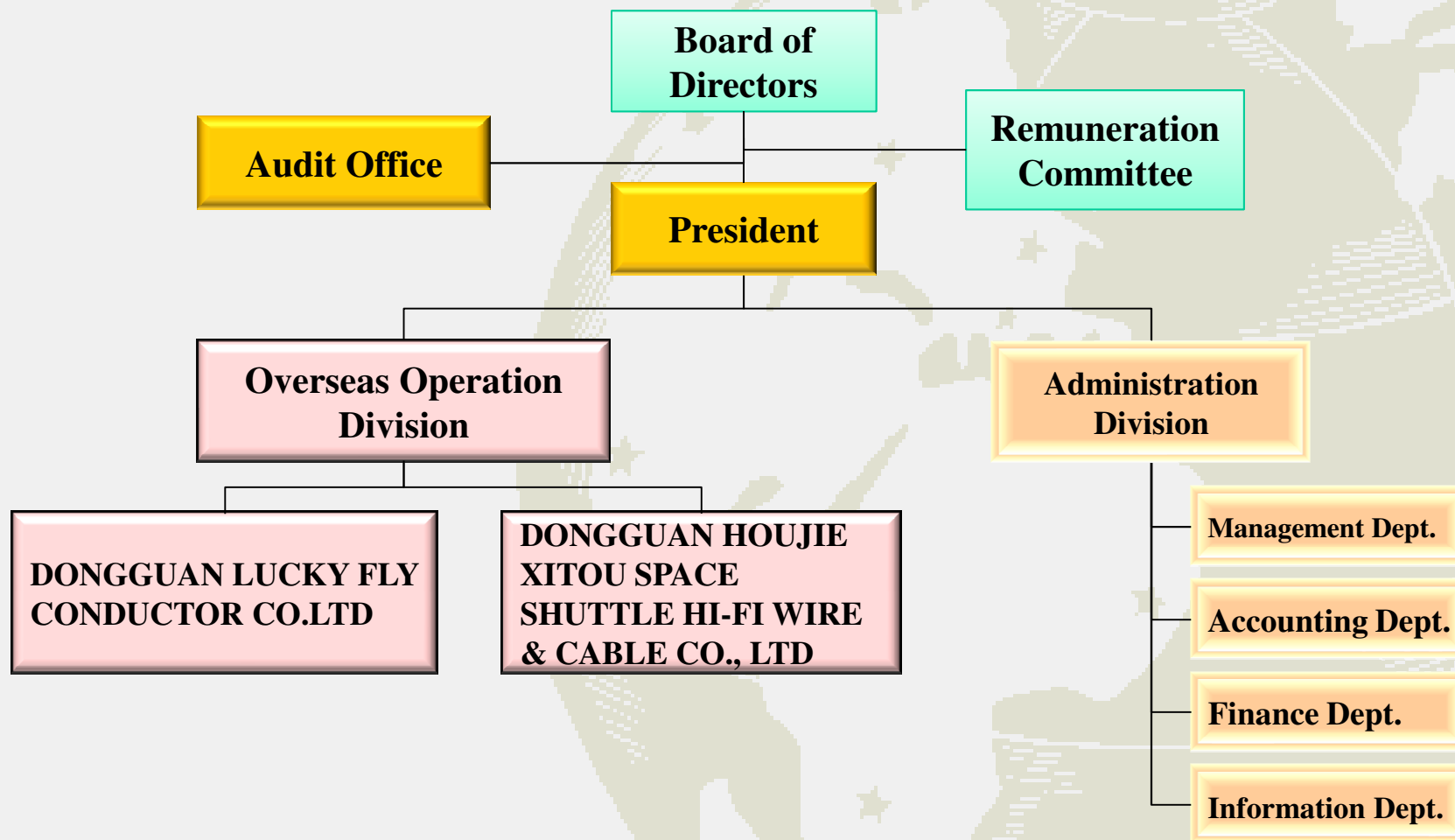
2012	● Conversion of the following two establishments from processing plants for imported materials to companies limited by shares: – DONGGUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD, with major businesses being production and sale of electric wires and new plastic particles. – DONGGUAN FEITAI ELECTRONICS CO., LTD, with major business being production and sale of computer wires and adaptors ● Setting up DONGGUAN LUCKY FLY CONDUCTOR CO., LTD, with major business being production and sale of twisted copper wires.
2013	● Disposal of 20% stake in DONGGUAN ZHONG JU CO.,LTD, leaving 30% stake in ownership ● Liquidation of the company's equity investment in SPACE SHUTTLE (SUZHOU) ELECTRIC LINE MATERIAL CO.,LTD
2015	● Sale of 81% stake in DONGGUAN FEITAI ELECTRONICS CO., LTD, with share holding now standing at 19%
2016	● Waiving the right to take part in capital increment of DONGGUAN ZHONG JU CO.,LTD, reducing its stake from 30% to 19.15%

Company history

2016	● Waiving the right to take part in capital increment of DONGGUAN ZHONG JU CO.,LTD, reducing its stake from 30% to 19.15%
2018	● Received IATF 16949 automobile quality management system certification.



Company Organization Chart





Directors & Supervisors Shareholding ratio

Job titles	Name	Number of shares	Shareholding ratio
Chairman	WANG,HSUAN-HUI	11,579,000	8.32%
Director	WANG,SHU-MIN	10,000	0.01%
Director	WANG,KUN-TIEN	33,207,685	23.87%
Director	LO,CHIU-HSIANG	11,100,801	7.98%
Director	CHIU,CHIU-LIN	1,145,196	0.82%
Independent director	WU,CHENG-TE	0	0.00%
Independent director	CHU,HSIAO-KANG	0	0.00%
Supervisor	WANG,CHING-CHUNG	1,192,003	0.86%
Supervisor	LEE,TUNG-HSING	31,651	0.02%



Management Team

TITLE	NAME	SERVICE YEARS	Selected Experience
Chairman& President	WANG, HSUAN-HUI	5 Years	➤ Mu-cha senior high school, Mold Branch ➤ Director, Xing Yang metal conductor (Kunshan) Co., Ltd. ➤ Director, Xing Yang metal conductor (Dongguan) Co., Ltd.
Sales Manager	WANG, JIAN-CHENG	6 Years	➤ San-Ji senior high school, EE Branch ➤ Manager, Xing Yang metal conductor (Kun-shan) Co., Ltd.
Finance Manager (spokesman)	LIN, ZI-XIN	15 Years	➤ The department of Accounting, China Technology College ➤ Materials Department, GIGABYTE Co., LTD.
Accounting Manager (Acting spokesman)	CHENG, YI-HONG	12 Years	➤ The department of Financial Operation, National Kaohsiung First University ➤ Senior Commissioner, BDO Taiwan
Audit Manager	Luo, Lie-Yong	7 Years	➤ The department of Accounting, National Chengchi University ➤ Vice Manager, Grant Thornton International Ltd.



Business philosophy



Since its inception for the production of RGB cable, management of Space Shuttle, regardless change in ownership, has been constantly developing products meeting market demand, under the principle of "quality, speed, flexibility, and service," so as to create value for customers and enhance corporate competitiveness.

Main Products

Tinned copper stranded wire



Copper strand



Tinned copper single wire



Copper single wire





Main Products



Thunderbolt3/USB4



SFP&QSFP



Mini sas



Car line Cable



Medical line Cable



USB 3.1 (Coaxial)



USB 3.1 (Twist)



SCSI Cable



RG Type Cable



LVDS Cable



CAT Cable



USB 3.0 Cable



HDMI Cable



Display Port Cable



1394 Cable





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Sales Revenue by Business

Unit : NTD in thousand

Items	2016		2017		2018		2019 1~9M	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Transmission cable	710,549	30.70%	810,808	26.14%	753,564	22.26%	425,502	21.47%
Assembly product	5,682	0.24%	2,483	0.08%	3,229	0.10%	2,085	0.11%
Copper wires	1,598,425	69.06%	2,288,493	73.78%	2,629,098	77.65%	1,553,820	78.42%
合計	2,314,656	100.00%	3,101,784	100.00%	3,385,891	100.00%	1,981,407	100.00%



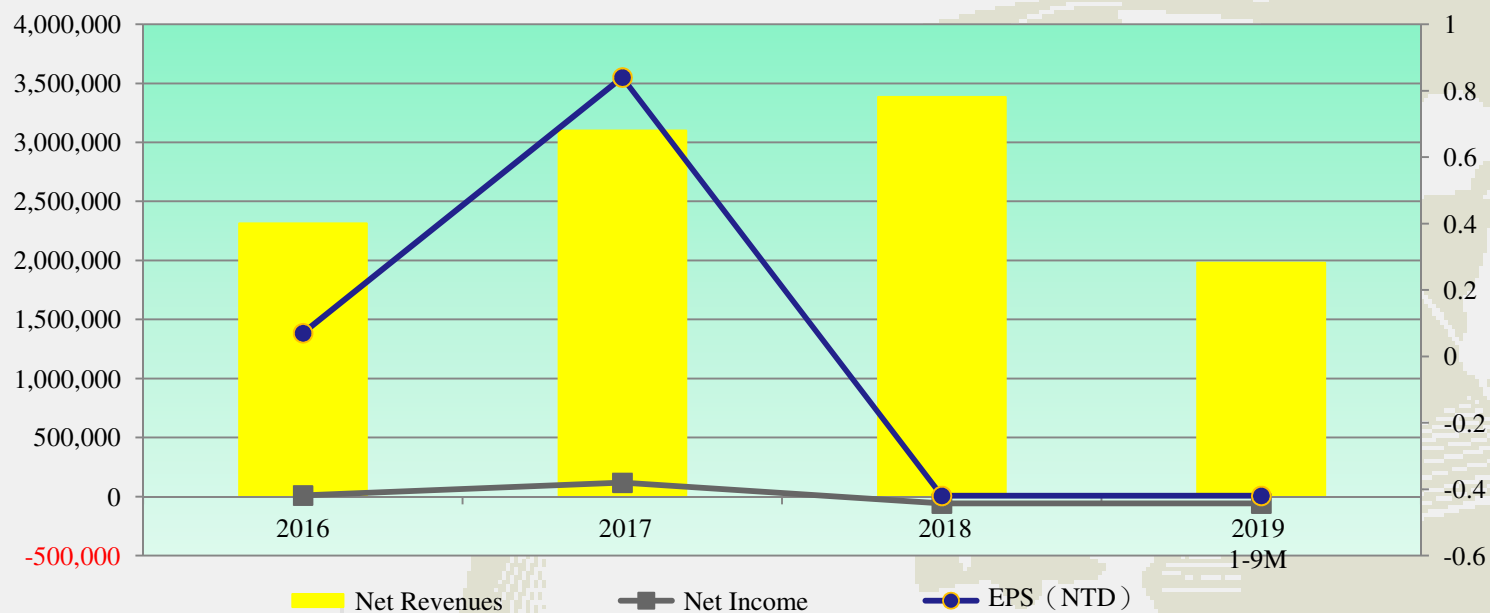
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Financial Overview- Statements of Income



Unit : NTD in thousand

Items	2016	2017	2018	2019 1-9M
Net Revenues	2,314,656	3,101,784	3,385,891	1,981,407
Gross Profit	230,039	280,014	189,101	108,069
Operating Profit	65,203	114,563	12,418	(15,099)
Net Income	9,193	117,323	(57,959)	(58,690)
EPS (NTD)	0.07	0.84	-0.42	-0.42





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Statements of Comprehensive Income

in thousands of new taiwan dollars,except EPS

Items	Jan.~ Sep. 2019		Jan.~ Sep. 2018		YoY
	Amount	%	Amount	%	
Net Revenues	1,981,407	100.00	2,558,932	100.00	-22.57%
Gross Profit	108,069	5.45	142,803	5.58	-24.32%
Operating Expenses	123,168	6.22	131,595	5.14	-6.40%
Operating Profit	(15,099)	(0.77)	11,208	0.44	-234.72%
Income Before Tax	(56,403)	(2.85)	(42,241)	(1.65)	-33.53%
Net Income	(58,690)	(2.97)	(50,998)	(1.99)	-15.08%
Net Income (attribute to owners of the parent)	(58,690)	(2.97)	(50,998)	(1.99)	-15.08%
EPS (NTD)	(0.42)		(0.37)		



Terminal Customers





The main supplier



嘉森塑胶



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Competitive edge

- High extent of vertical integration of the group, with industrial chain spanning twisted copper and wiring materials, conducive to high quality and punctual delivery
- High visibility of the company's brand on the market, owning world-class customers
- Quality supply chain, securing grip on fluctuation in copper prices and suppliers
- Good and stable relationship with banks, which facilitates banking loans at low interest



Future Outlook

- Transferring into the car wire and medical wire and other safety and security industry market
- Strengthen risk management, to accommodate change of environment.
- Permanent business development



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