

Hanpin Electron Co., Ltd.

(Stock Code : 2488)

The Presentation for the 2017 Investor Conference

The World-Class ODM Company
for the Professional DJ Products

February 20, 2017

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- The content from the presentation and the simultaneously relevant information are from internal and external information of Hanpin.
- The forward-looking statements in this release reflect the current belief of Hanpin as of the date of this release. Hanpin undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.
- Hanpin did not announce financial forecast. Our actual results of financial condition, business prospects or Q&A may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, exchange rate fluctuations, supply chain issues and other risks and factors beyond our control.

Overview

- Company Overview
- Industry Trends
- Forward-Looking
- Operating Results
- Q&A



Company Overview-

Basic Information

● Date of Establishment : 1965

● Date of Listing : 2001/09/17

● Company Address :

NO.256 SEC.3,CHUNG CHENG ROAD,
JEN TEH DISTRICT,TAINAN CITY, TAIWAN

● Total Paid-up Capital:NTD799 Million

● Company website :

<http://www.hanpin.com.tw>

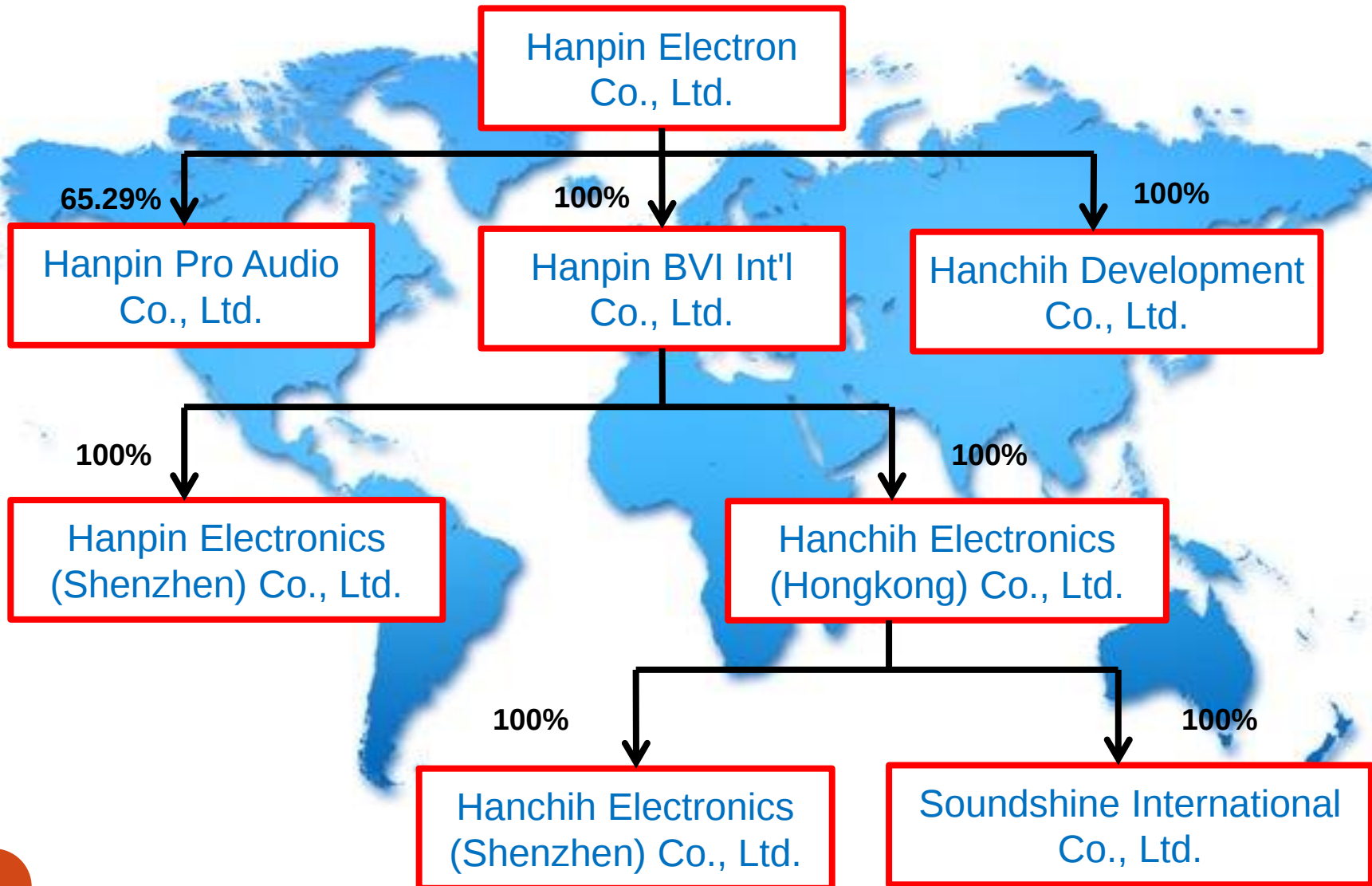
● Chairman and General Manager :

Shen-Keng, Liu

● Management Idea : Quality 、 Customer
R&D 、 Innovation 、 Steadiness



Company Overview- Group Structure



Company Overview-

Headquarter and Manufacturing Base



- ◆ Establishment : 1994 and 2004
- ◆ Number of employees of 2 factories :
about 900
- ◆ Site area of 2 factories :
about 29,500 M²
- ◆ Total floor area of 2 factories :
about 40,800 M²
- ◆ Group function: Manufacturing base (injection molding and
painting 、 PCB 、 assemble and produce)

**Manufacturing Base-SZ
Hanpin and Hanchih**

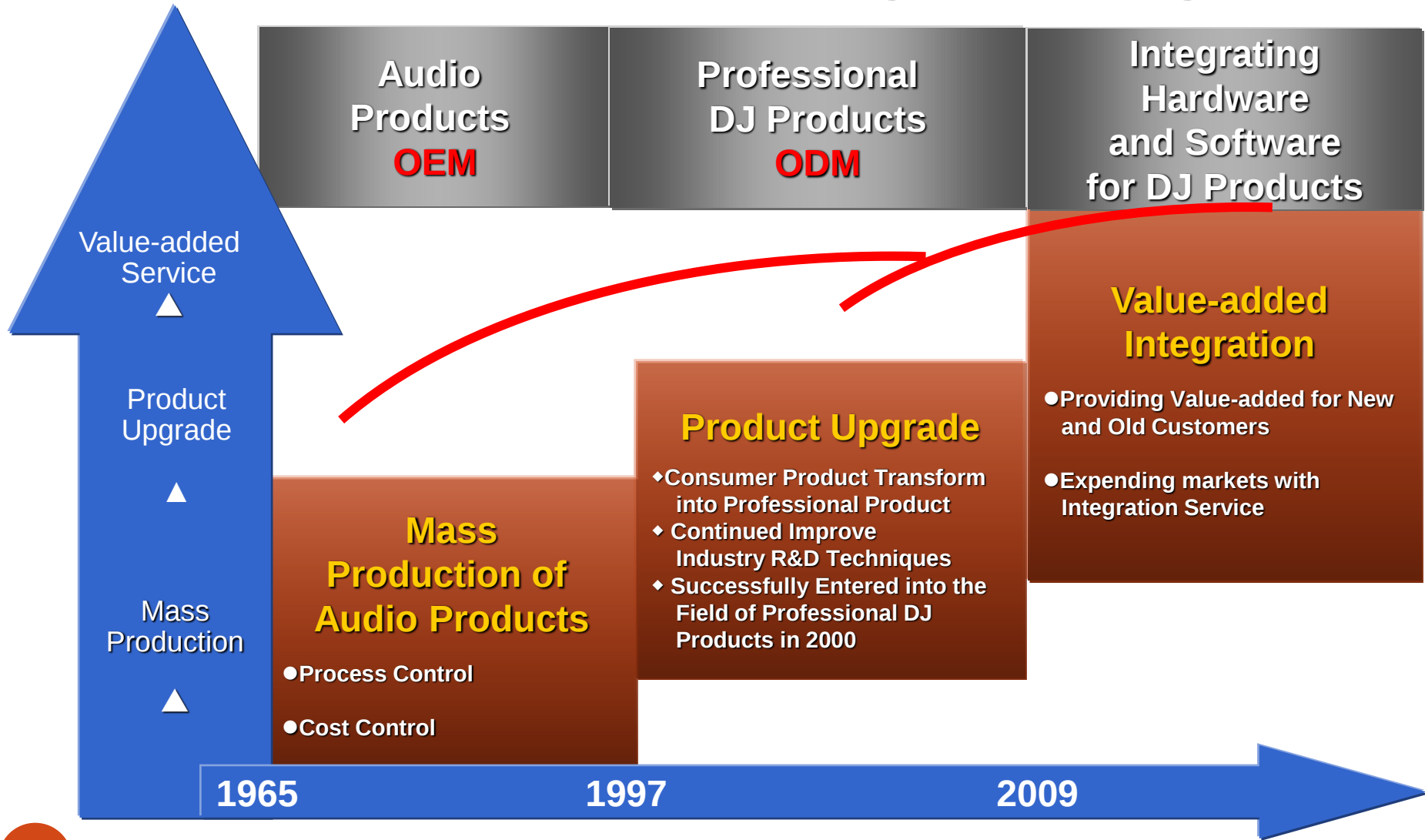
**Headquarter-
Tainan
Hanpin**



- ◆ Establishment : 1965
- ◆ Number of employees :
about 150
- ◆ Site area:
about 30,000 M²
- ◆ Group function: Headquarter
(R&D 、 Marketing & Sales 、
Purchase 、 Finance 、 IT)

Company Overview-

The Process of Reengineering



Company Overview- Main Product- Professional DJ Product

1.DJ Mixer

Digital Signal Processor

Multi-track Mixing Operation



2.DJ Turntable

Direct Drive Motor



3.DJ Controller

Standalone Operation

Cooperating with Notebook and Software



Company Overview- Main Product- Consumer Turntable

1.Full Auto Turntable
Self-returning Cartridge

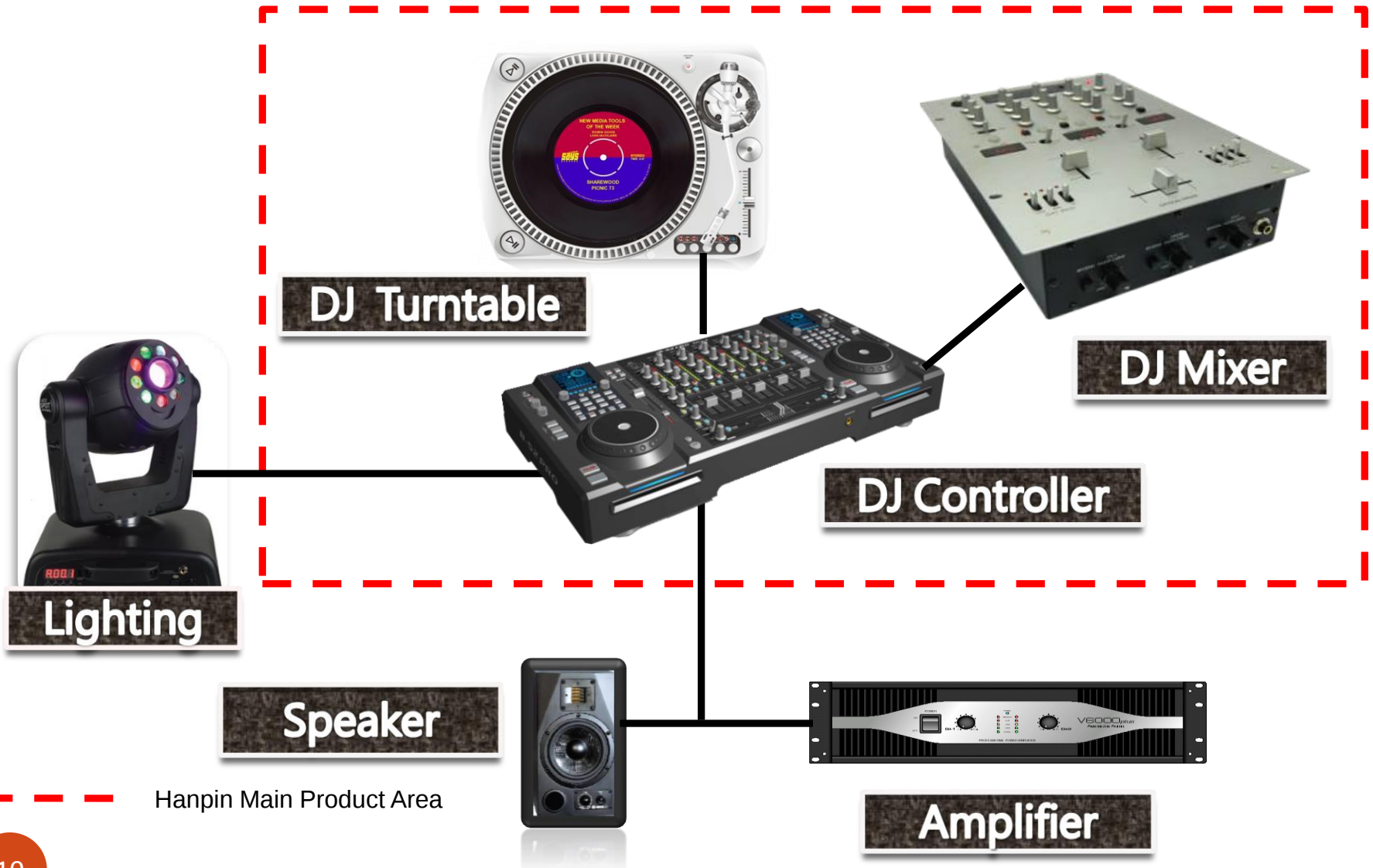
2.DD-Motor Turntable

Driving with DD-motor
High Stability System

3.HD-Digital Output Turntable
With Analog to Digital Converter



Industry Mapping of Professional DJ Product



Industry Trends

🎯 Popularity of Digital Music

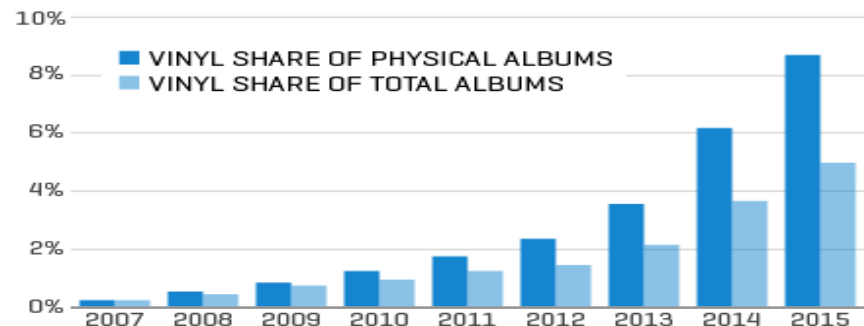
🎯 Using DJ Software

🎯 Connection between Controller and Tablet

🎯 The Rise of Vinyl



VINYL RECORDS GROWTH



SOURCE: NIELSEN

Forward Looking

- 🎯 Combination of Software Conceptual Product
- 🎯 Developing and Integrating Software and Hardware with Mobile Devices
- 🎯 Providing Varieties of Designs to Extend the Global Market Share
- 🎯 Continually searching for Strategic Alliance to Extend Operational Territory



Operating Results

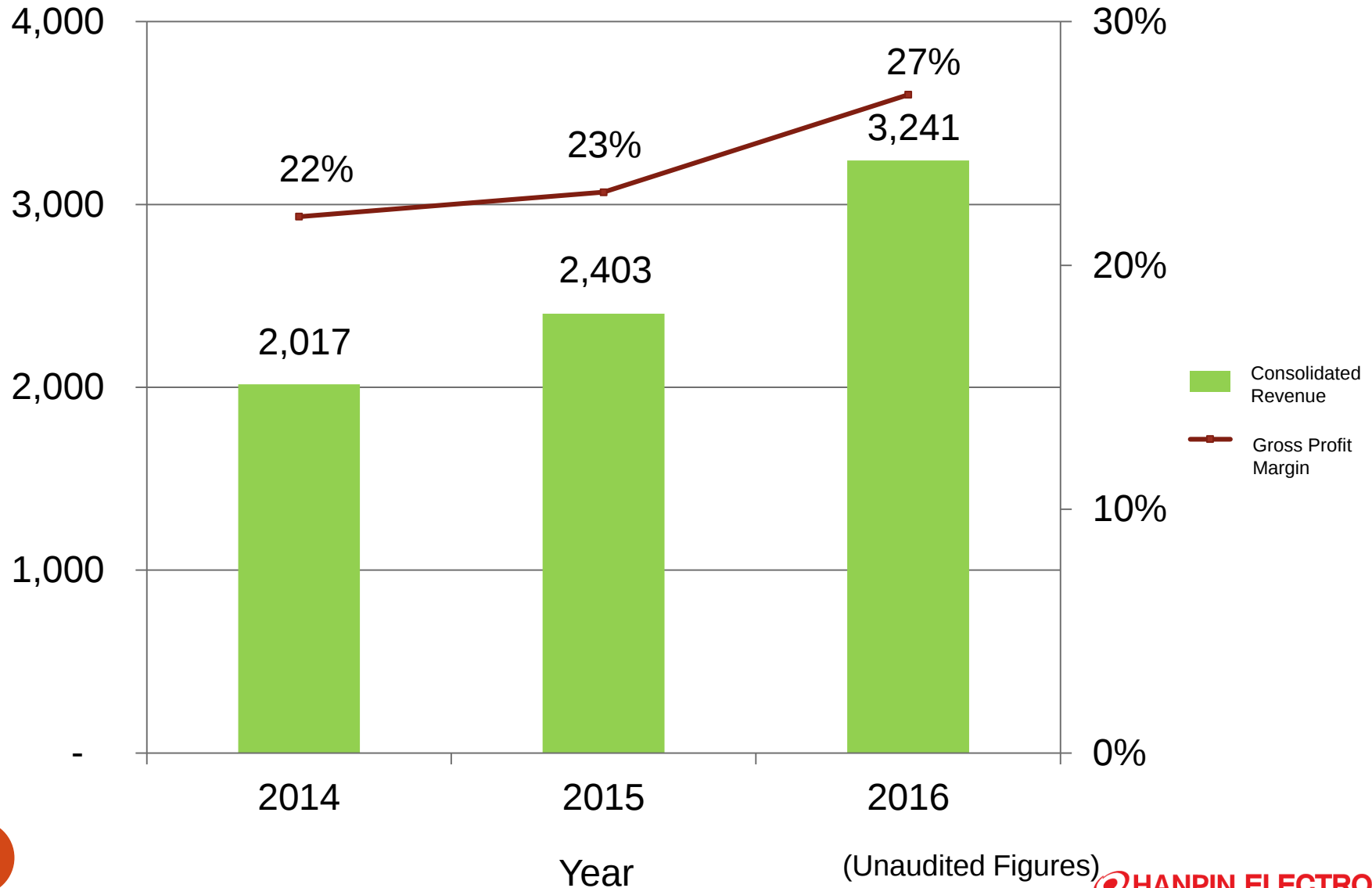
Consolidated Concise Statement of Comprehensive Income

Unit : NT\$ thousand						
	2014			2015		2016 (Unaudited Figures)
Items	Amount	%		Amount	%	Amount %
Operating Revenue	2,017,130	100		2,403,307	100	3,241,146 100
Gross Profit	443,929	22		559,258	23	886,568 27
Operating Income	173,156	9		259,181	11	527,635 16
Non-operating Income and Expense	60,317	3		43,033	2	39,362 1
Pre-Tax Income	233,473	12		302,214	13	566,997 17
Net Income	182,152	9		239,257	10	453,324 14
EPS	2.26			2.98		5.64

Consolidated Revenue and Gross Profit Margin

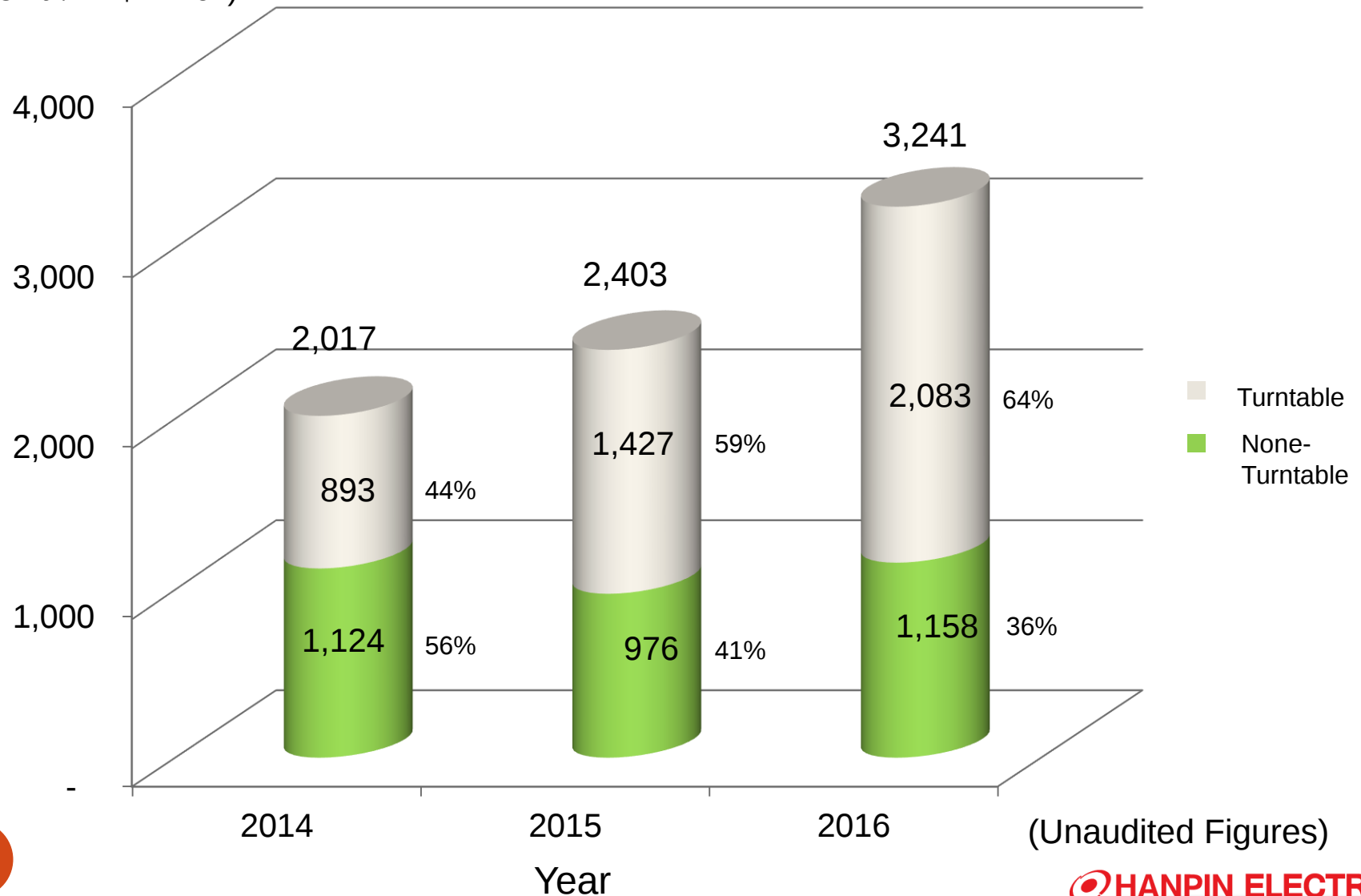
Revenue
(Unit : NT\$ million)

Gross Profit Margin (%)



Sales Amount of Key Product Basis

(Unit : NT\$ million)



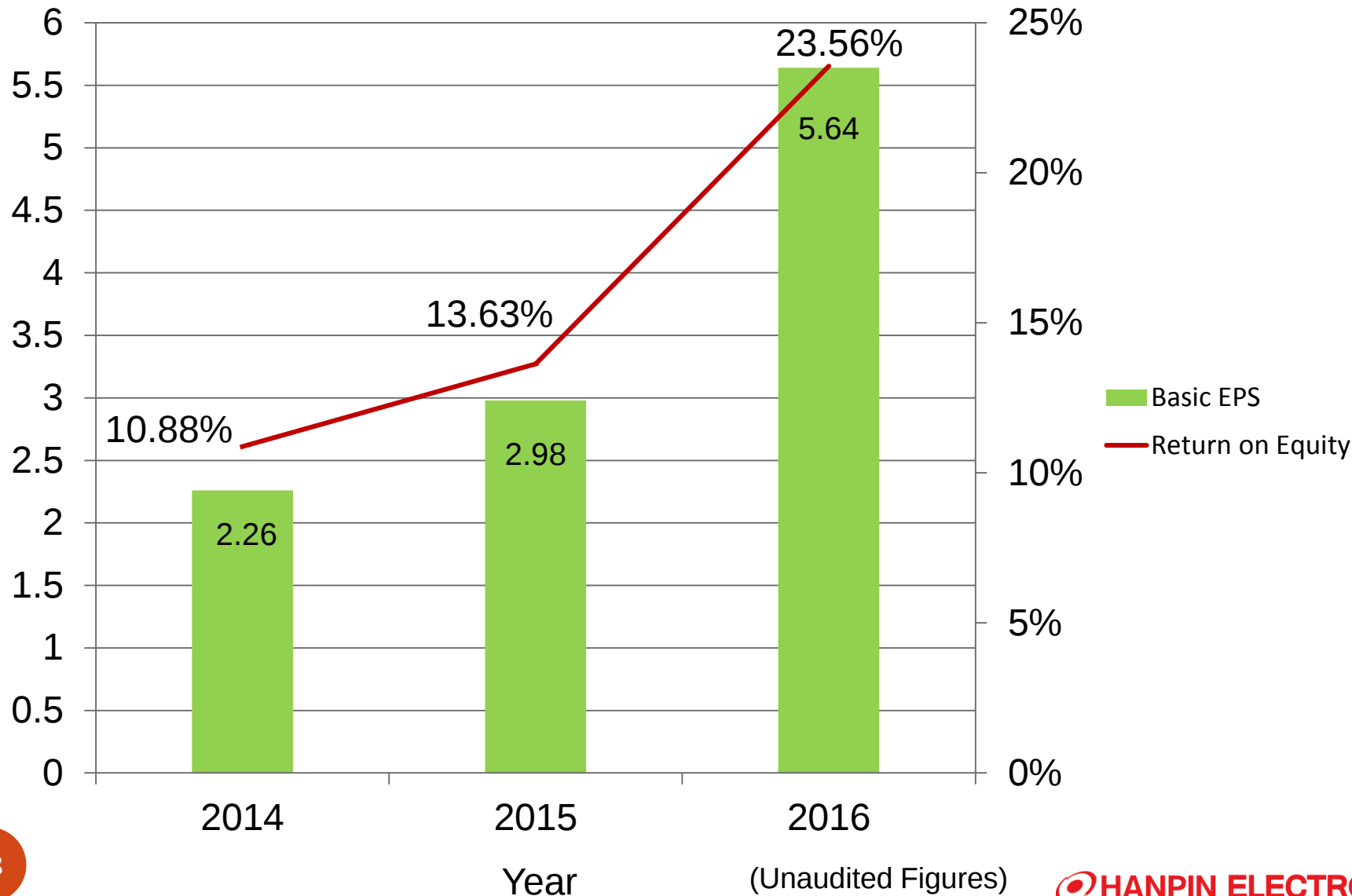
Consolidated Concise Balance Sheet

Unit : NT\$ thousand						
	2014			2015		2016 (Unaudited Figures)
Item	Amount	%		Amount	%	Amount %
Current Assets	1,977,986	75		2,058,685	76	2,512,818 78
Property 、 Plant and Equipment	450,747	17		445,435	16	450,188 14
Intangible Assets	2,895	0		1,736	0	2,220 0
Other Assets	218,349	8		218,037	8	271,149 8
Total Assets	2,649,977	100		2,723,893	100	3,236,375 100
Current Liabilities	748,060	28		674,015	25	947,207 29
Non-current Liabilities	205,898	8		235,387	8	255,829 8
Total Liabilities	953,958	36		909,402	33	1,203,036 37
Total Equity	1,696,019	64		1,814,491	67	2,033,339 63

Profitability

EPS (Unit : NT\$)

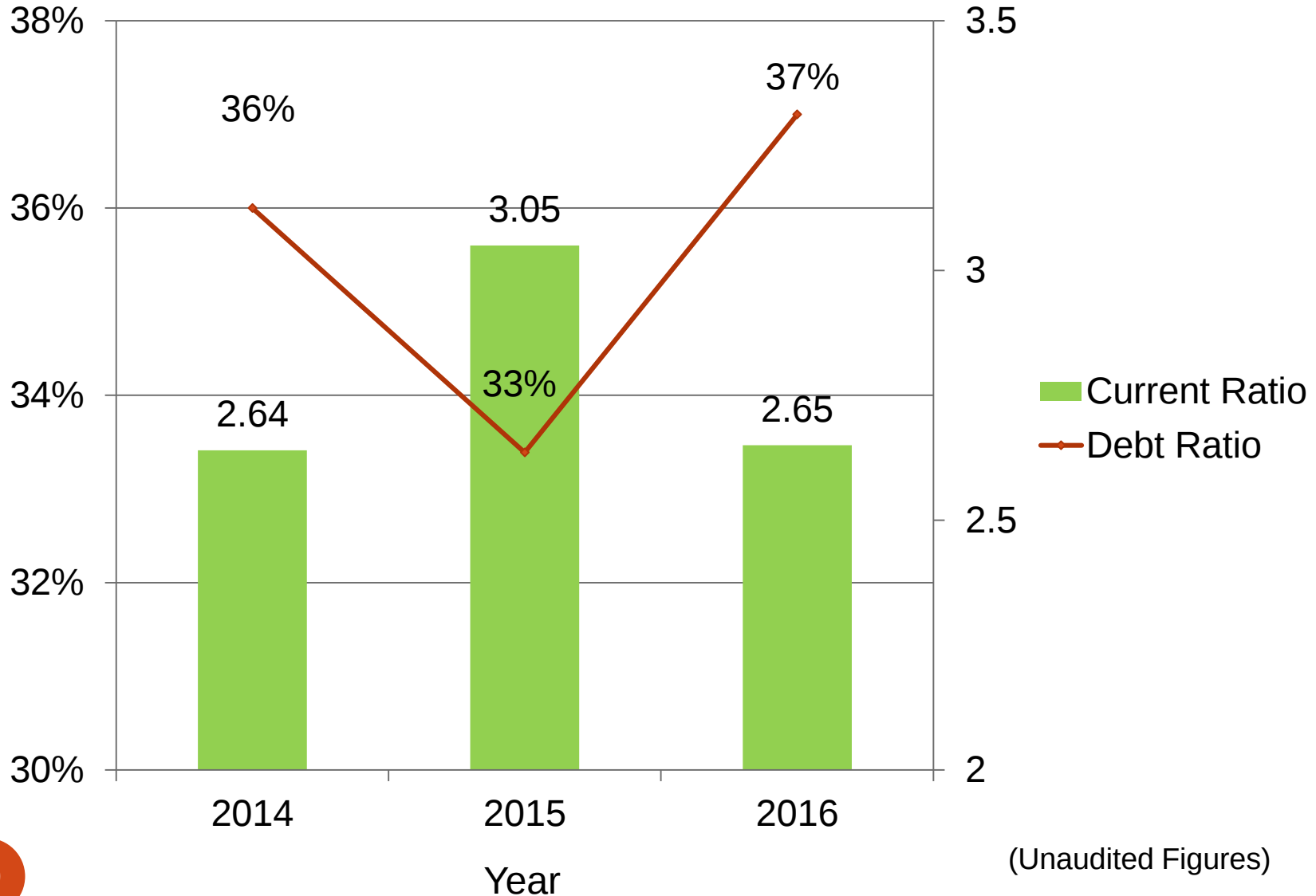
Return on Equity(%)



Financial Structure and Solvency

Debt Ratio(Unit : %)

Current Ratio



The End of the Presentation

Thank you