Ticker：4552

Lida Holdings Limited

Financial Review of 2Q 2019

21 Aug. 2019

Leading player in the high-end general-purpose air compressor segment in China.

Corporate Overview

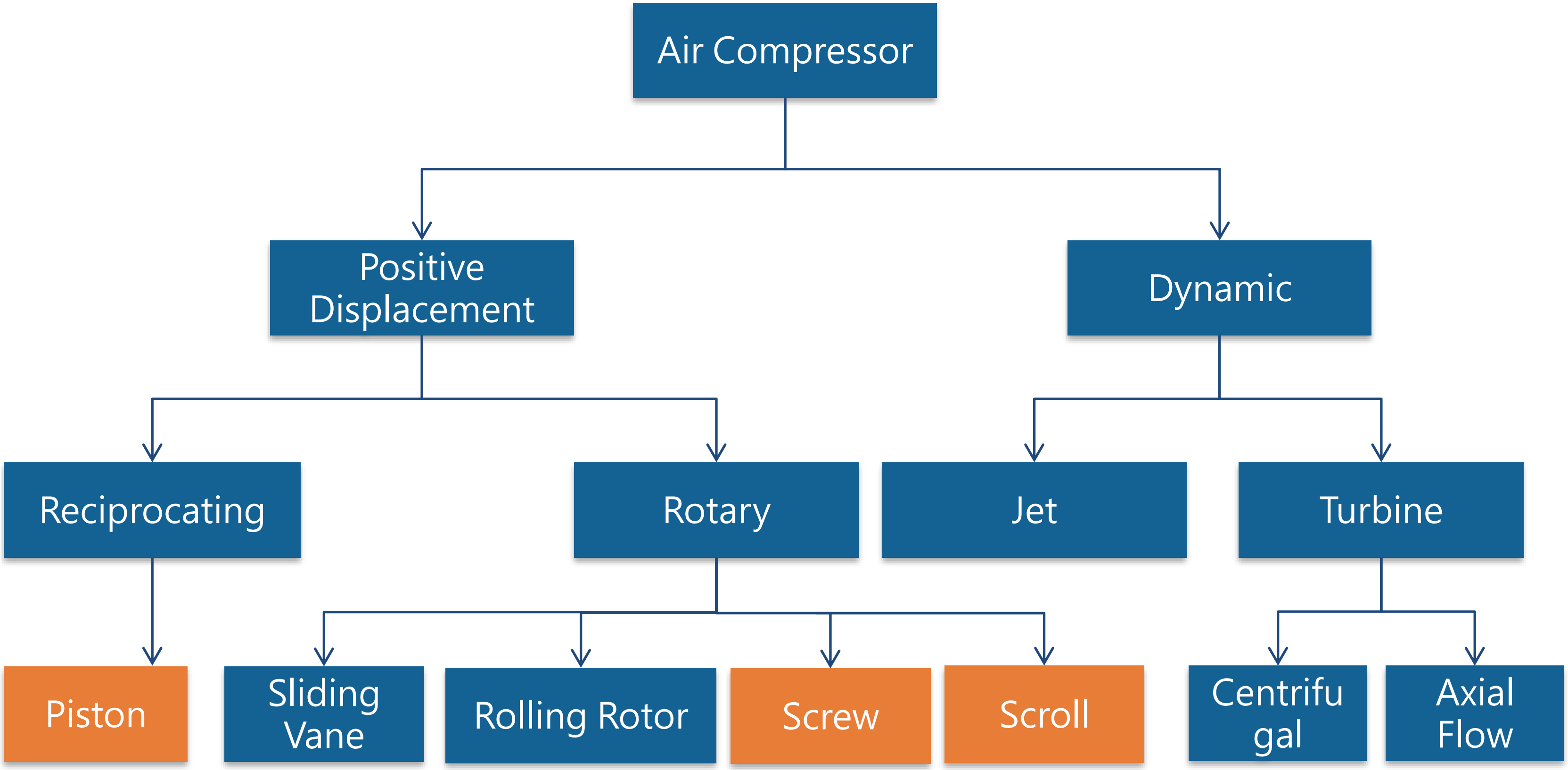
Date of Establishment	May 11, 2012
Chairman	Wu Chien-Neng (Representative of Yi Yuan Enterprises Ltd)
General Manager	Chen Yi-Ping
Paid-in Capital	NT$1 billion
Business Scope	Engage in the research, development, manufacturing and marketing of self-branded air compressors through trade names mainly with "Luowei “.
Consolidated Revenue	NT$2.75 billion /EPS 1.67(2019H1)
Production Sites	1. Quanzhou City, Fujian Province - Lida (China) Machine Equipment Co., Ltd. 2. 九江, Jiangxi Province - Lida (Jiangxi) Machine Equipment Co., Ltd.
No. of Employees	1,525

Production Sites

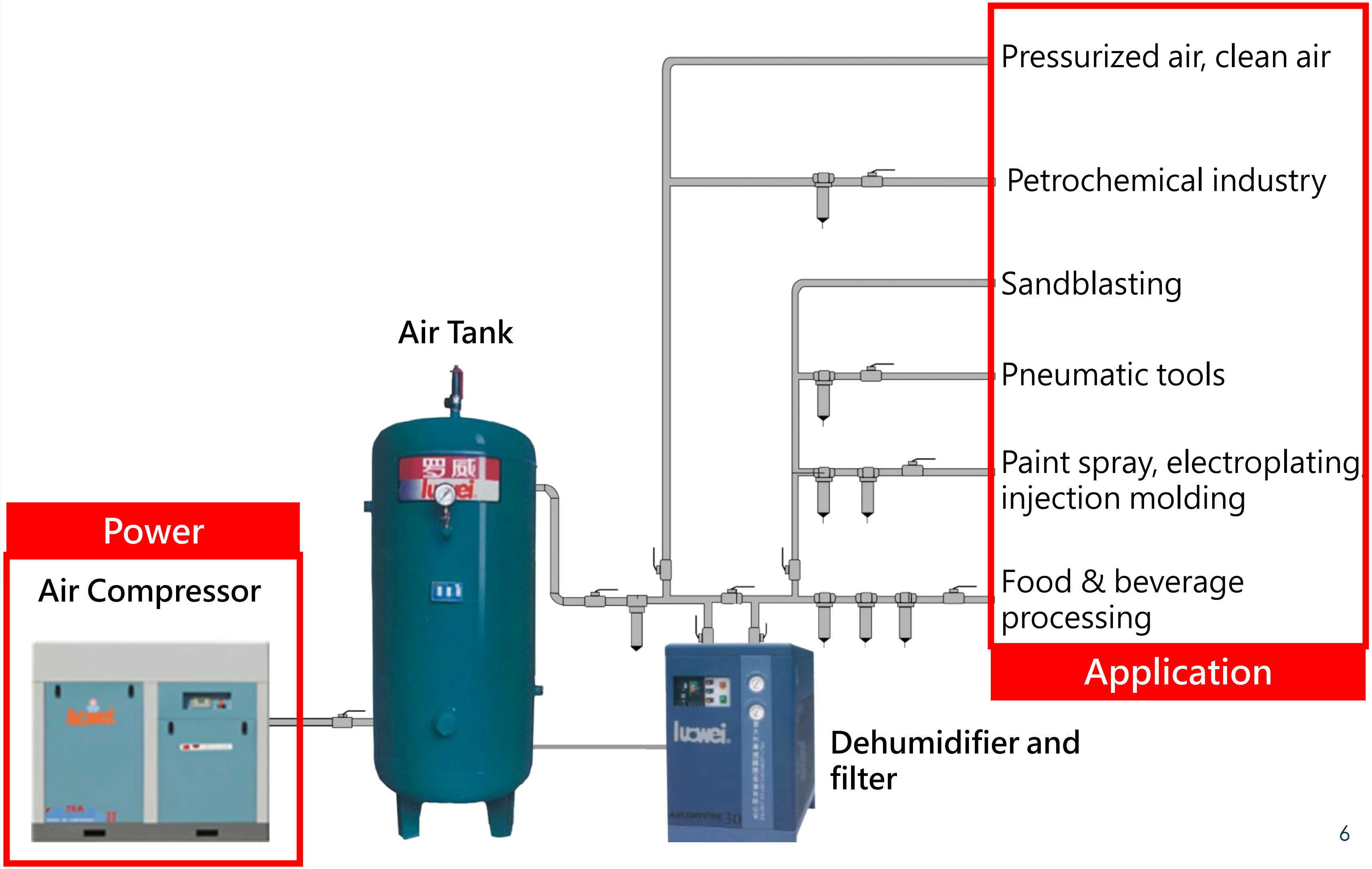
Main Products

Category		Revenue % (2018Y)	Revenue % (2019H1)	Attributes & Application
Piston-type		35.8%	32.3%	● Ease of use, high mobility, affordability. ● Wide range of users, from individuals to small- and medium- enterprises.
Screw-type		48.6%	52.0%	● Medium- to large-sized manufacturers, including but not limited to: industrial production, automobile, textile, packaging and petrochemicals. ● Higher operating efficiency, especially under continuous operation. ● Energy efficiency and ease of operation.
Scroll-type		11.9%	13.1%	● High quality compressed air. ● Particularly suitable in safety-conscious applications, such as medical, pharmaceutical, food and beverage, as well as precision industries ● Growing industry attention on scroll-type designs. Offers high operating efficiency and dependability, low noise levels, with reduced size and weight.

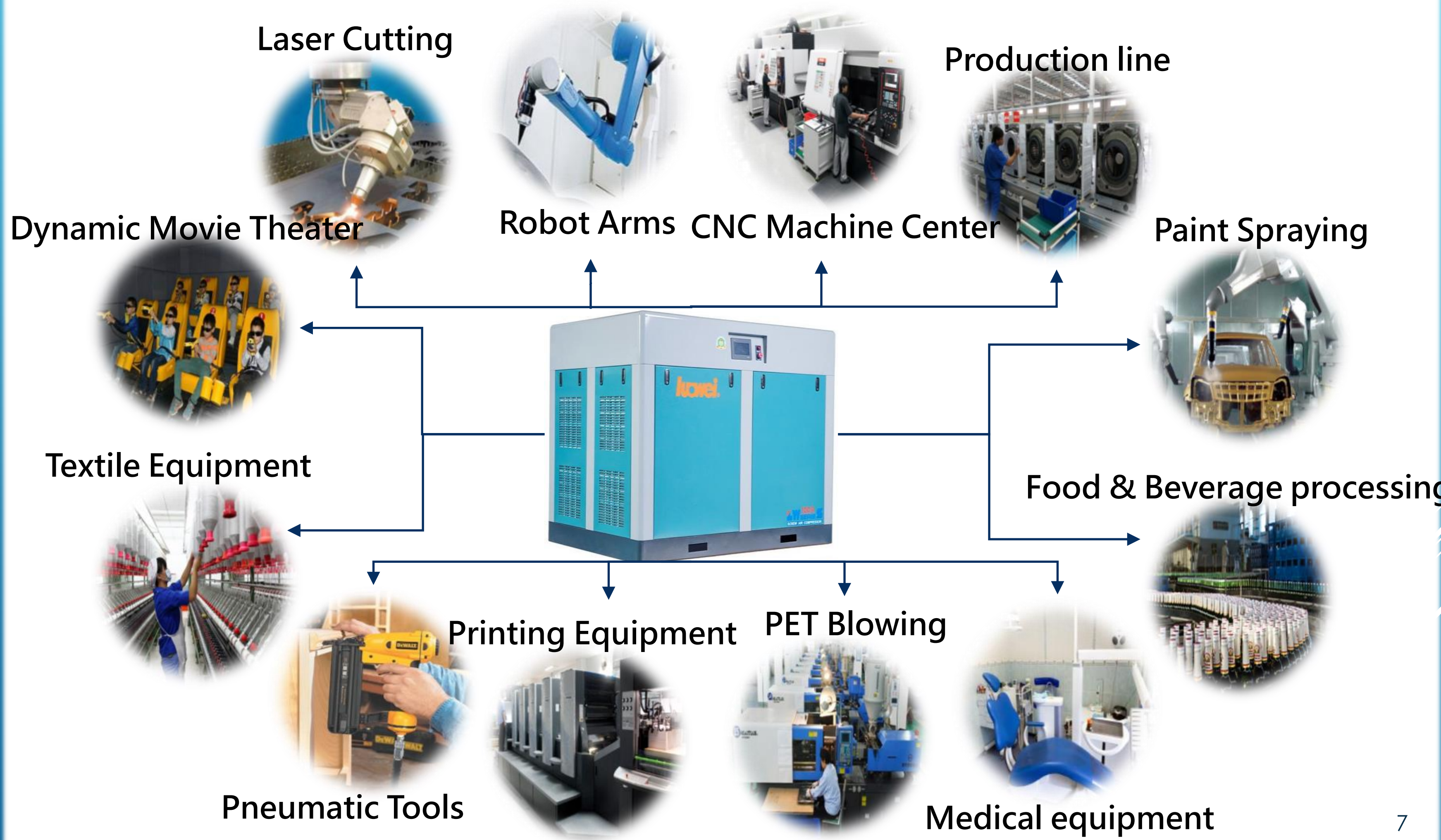
Air Compressor Classifications



Air Compressor Process Flow

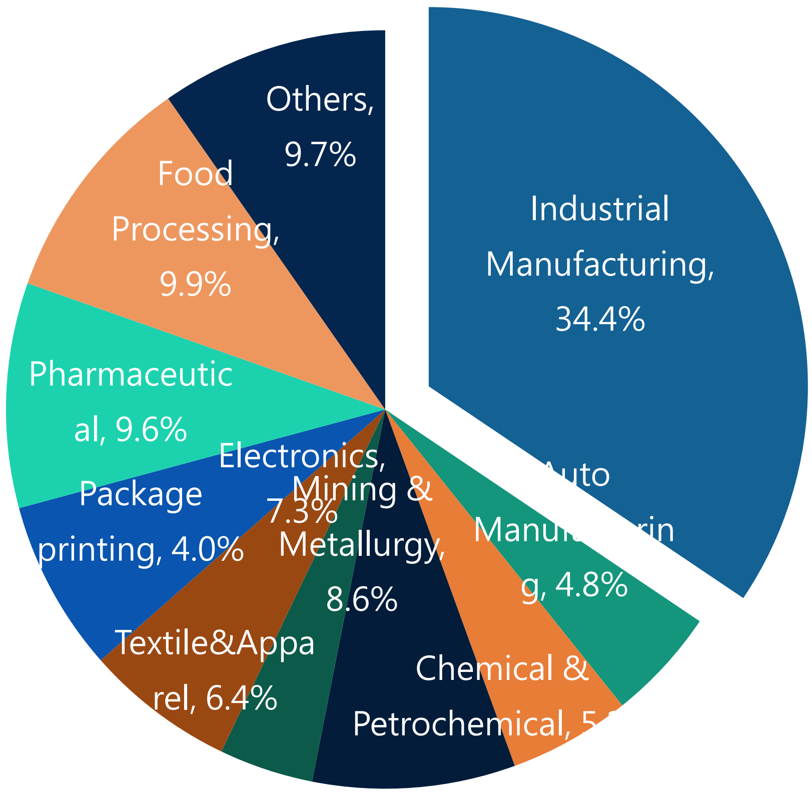


Use of Air Compressors

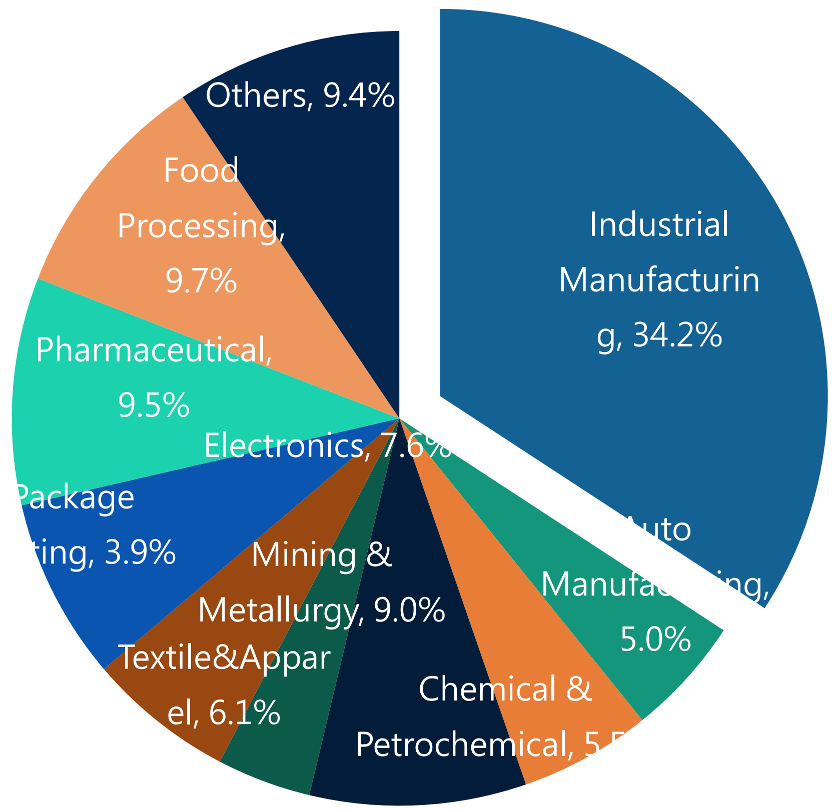


Lida end users, by Industry

2018



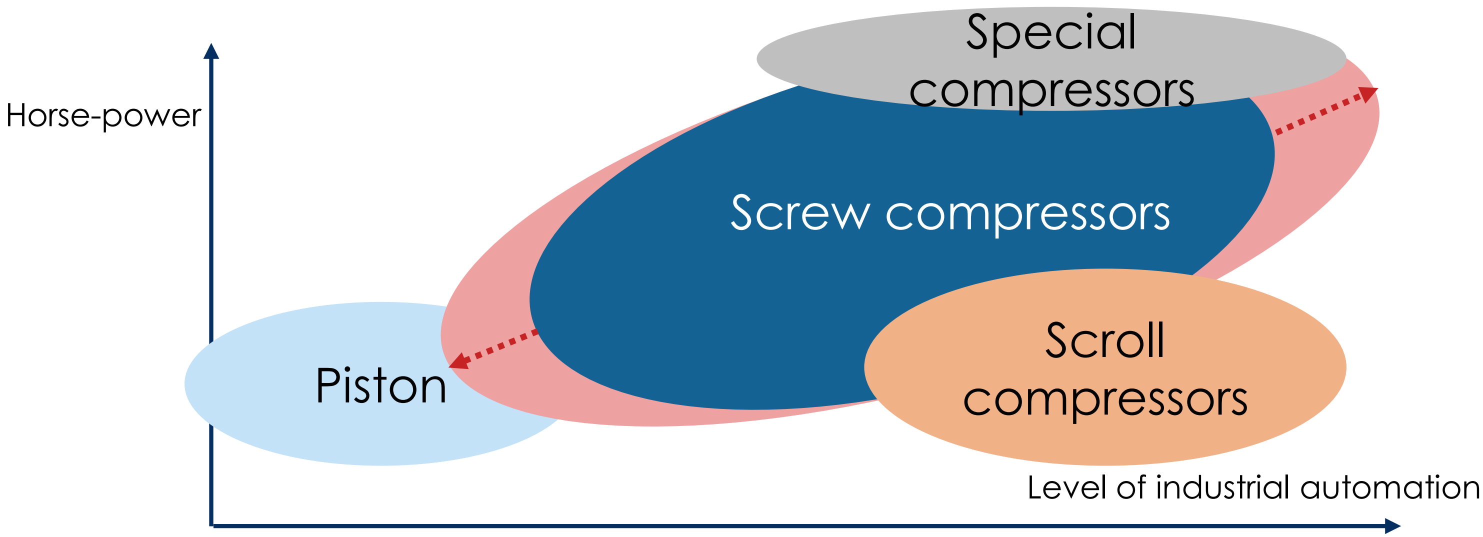
2019H1



Source: Lida

THE FUTURE TREND OF SCREW COMPRESSORS IN CHINA

- According to the Report of Prospect and Investment Strategy Planning, the western developed countries accounted for 80% of the market share in screw compressor sector. Currently, the market share in China is still in low level and therefore there is huge space for replacement from piston compressors to screw compressors.
- The large market in China is 120P or above models. 60P or above models are in replacement stage while most of 75P or above models have completed the replacement process. Taking into the factors of upgrade in production capacity and energy conversation, the conversion from the normal screw compressors to high-end energy-saving screw compressors will continue.



PRODUCT DIVERSIFICATION

Screw Type

F Type	Two-Stage Type	E Type	中低壓系列
			

Scroll Type

SALES MODEL

Sales of air-compressors

Original large distribution channels

Matured distribution channels - Sales through 70 first-tier local distributors, extending to second-tier and third-tier local distributors throughout China.

Innovative service sales model

Assist distributors to develop integrated direct sales service method for sales of energy-saving products.

Export sales through importers

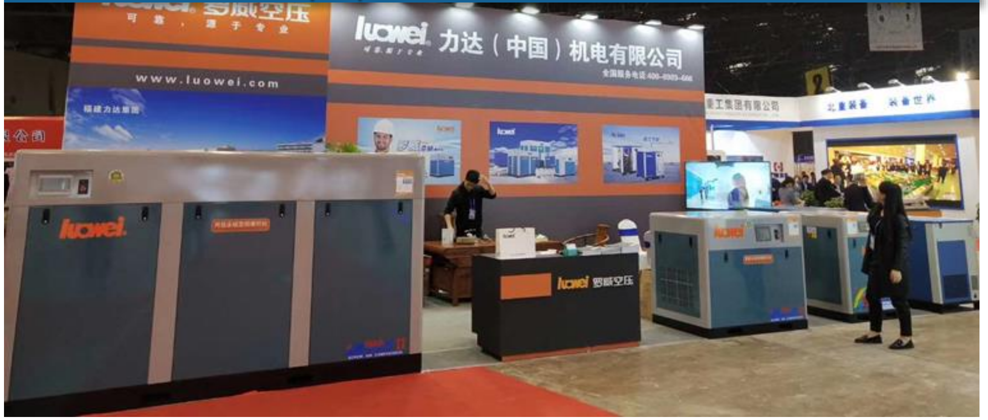
Through importers and large exhibitions - The sales orders mainly come from Asia and Europe.

Main building of Beijing 2008 Olympic Games

ENHANCE BRAND AWARENESS

HANNOVER MESSE 2019

Taiyuan Coal (Energy) Industrial Technology and Equipment Exhibition 2019



China Import and Export Fair 2019

LIDA INDUSTRIAL PARK

- **Purpose**

  Internal factor: Develop high-end screw compressor market for long-term demand and scale.

  External factor: Cooperate with the government in increasing the efficiency and proper planning for the land use policy.

- **Area**

  Located in Taiwanese Zone, Quanzhou. Total industrial use area is 185,514 square meter.

- **Amount**

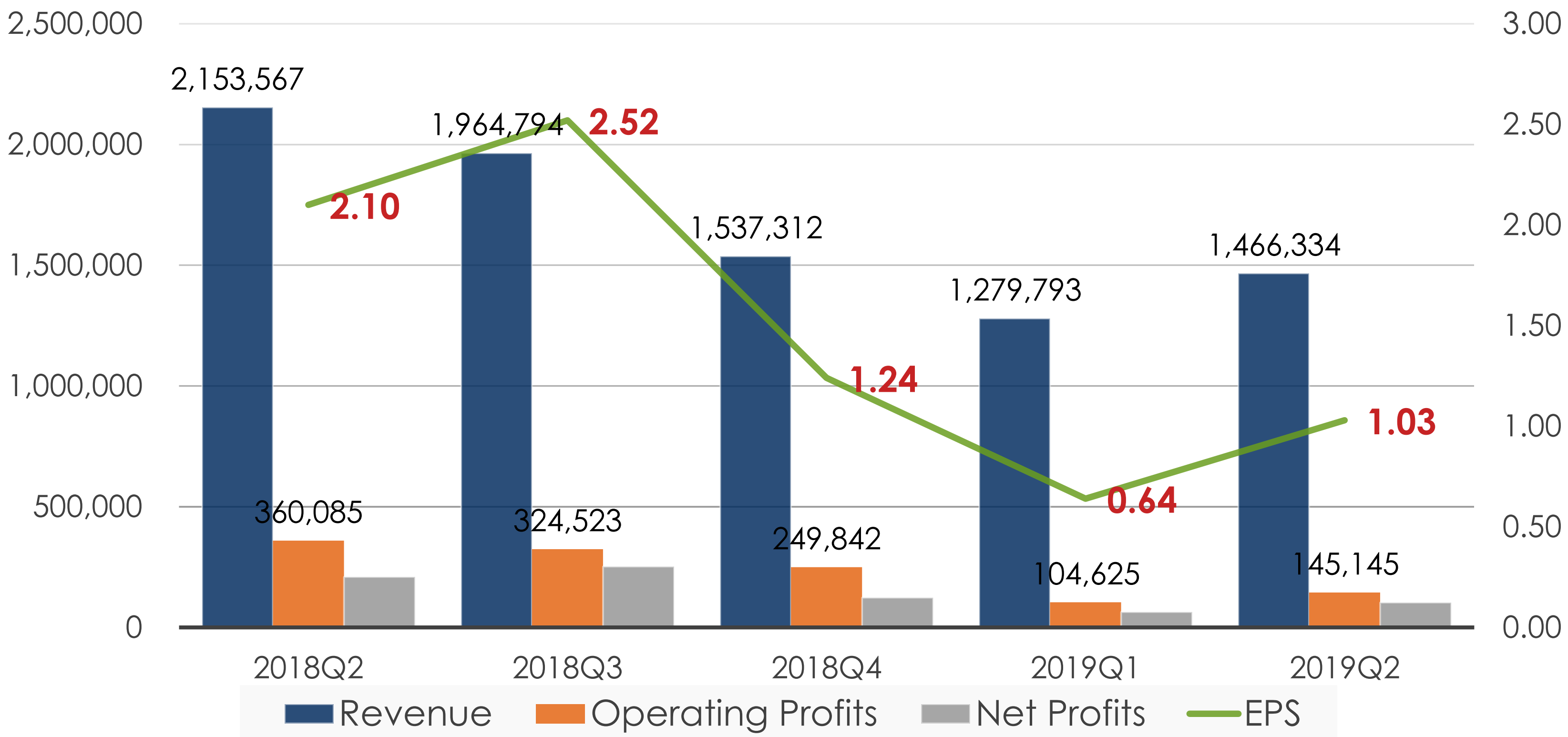
  The budget for construction of the new factory is RMB489 million. The construction is subcontracted according to the planned timetable.

- **Progress**

  Commenced on August 2018. 30% completed as at today. Expected completion date: end of 2020.

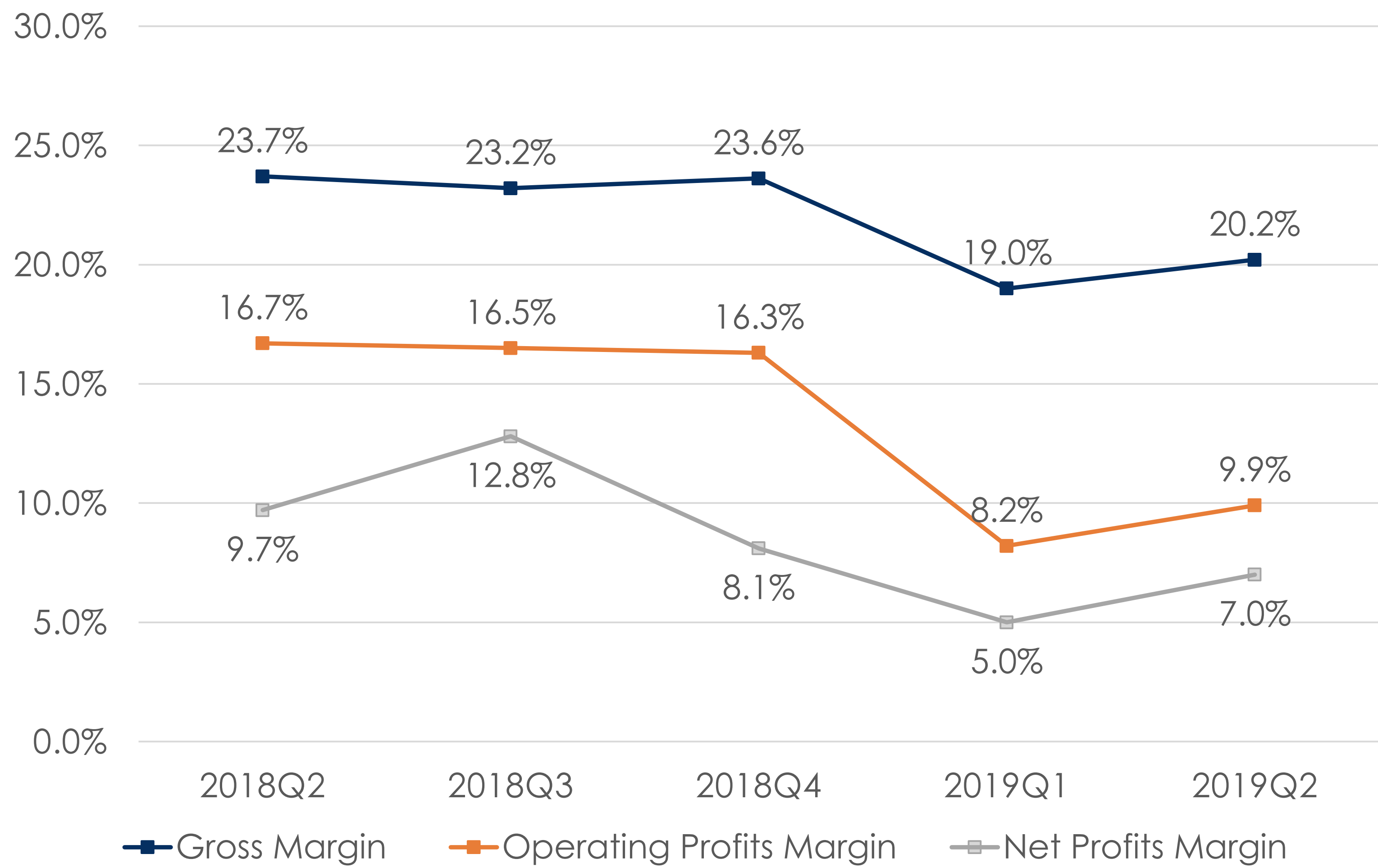
Revenue and Profit

Unit: NT’000

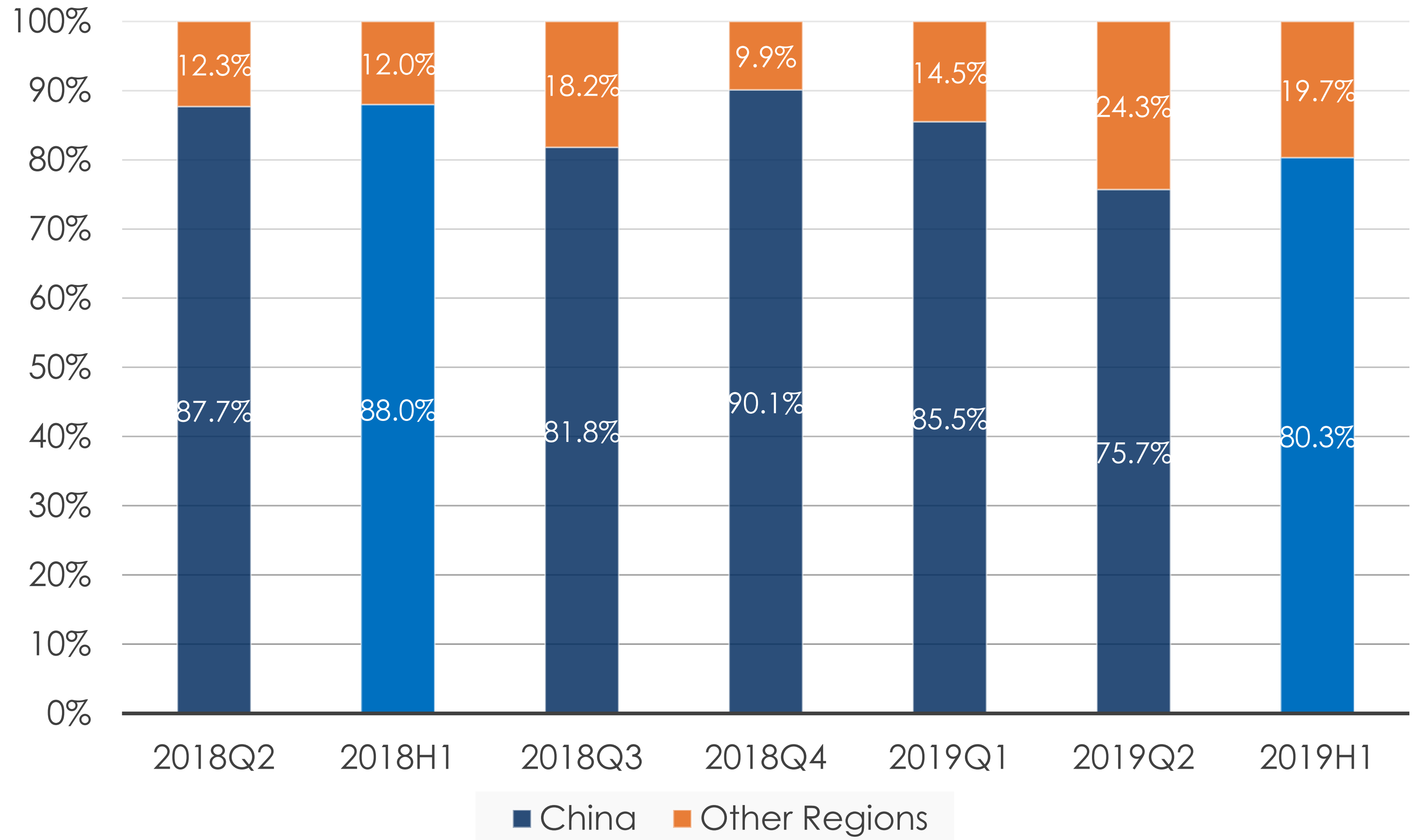


YoY-31.9%	YoY-59.7%	YoY-51.1%
QoQ+14.6%	QoQ+38.7%	QoQ+59.4%

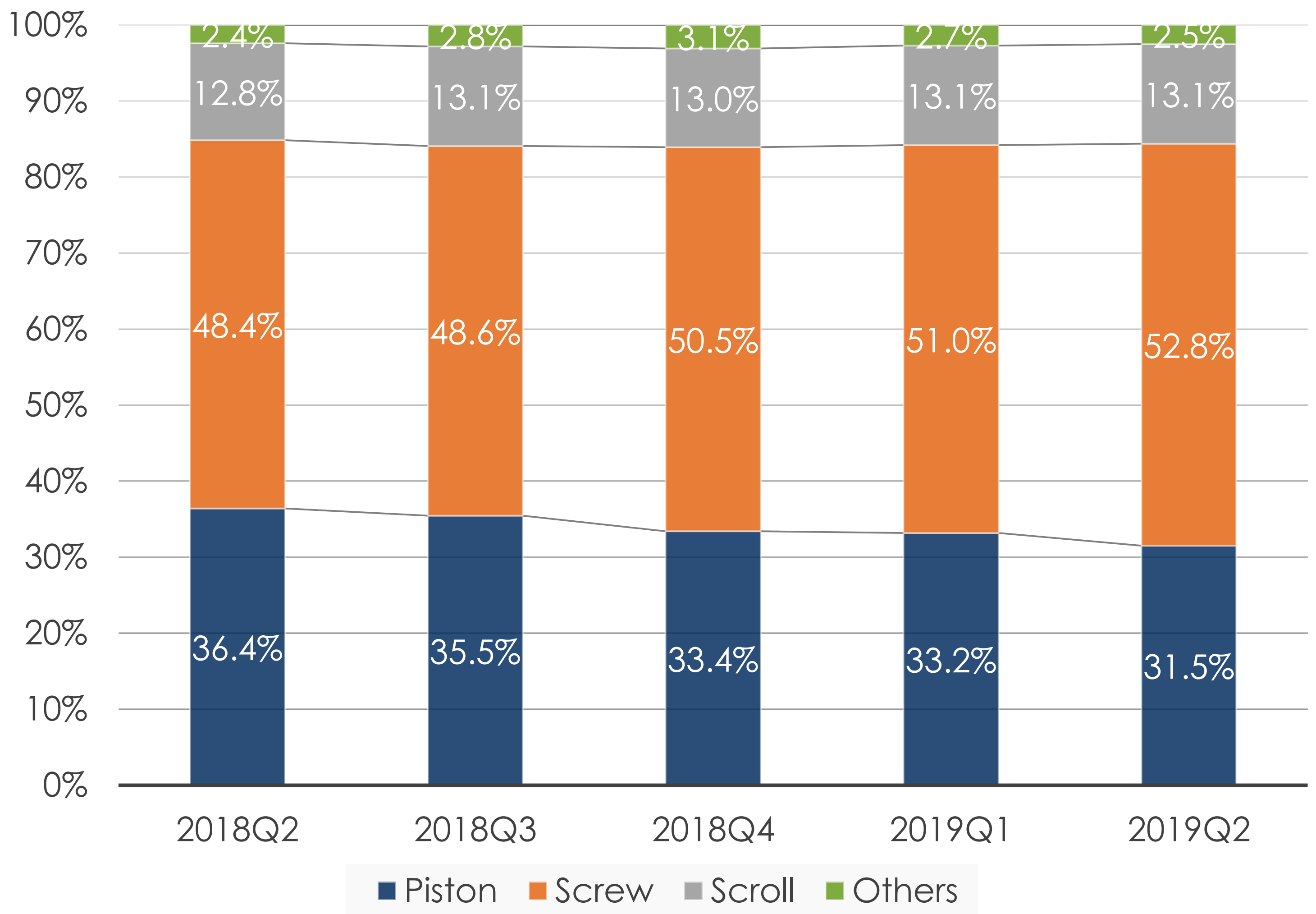
Revenue and Profit



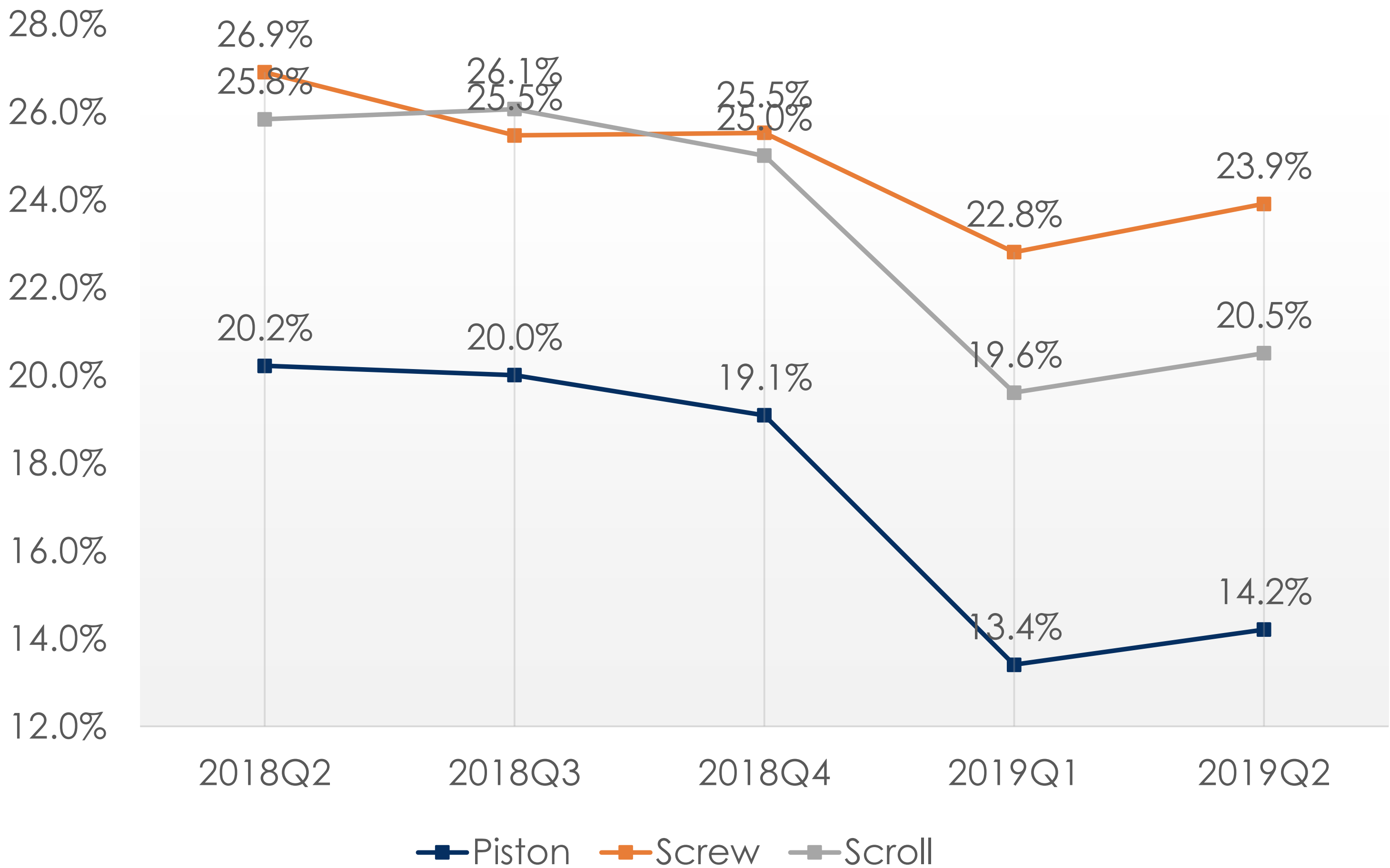
Revenues by Region



Revenues by Products



Gross Profits Margin by Products



Steel Prices Trend

Income Statement

Unit: NTD' 000

Items	2019Q2		2019Q1		2018Q2		YoY(%)		QoQ(%)	
	Amount	%	Amount	%	Amount	%	TWD	RMB	TWD	RMB
Revenue	**1,466,334**	100.0%	1,279,793	100.0%	2,153,567	100.0%	14.6%	14.8%	-31.9%	-30.2%
Gross profits	**295,738**	20.2%	242,723	19.0%	510,689	23.7%	21.8%	22.1%	-42.1%	-40.7%
Operating profits	**145,145**	9.9%	104,625	8.2%	360,085	16.7%	38.7%	39.0%	-59.7%	-58.7%
Income before tax	**158,872**	10.8%	103,277	8.1%	334,339	15.5%	53.8%	54.1%	-52.5%	-51.3%
Income tax	**(56,281)**	-3.8%	(38,935)	-3.0%	(124,731)	-5.8%	44.6%	44.9%	-54.9%	-53.8%
Net profits	**102,591**	7.0%	64,342	5.0%	209,608	9.7%	59.4%	59.8%	-51.1%	-49.9%
EPS	**1.03**		0.64		2.10					

Balance Sheet

Unit: NTD' 000

Items	2019Q2	2018Q1	2018Q2
Cash	**2,463,748**	2,489,424	2,653,544
Trade receivables	**1,130,183**	847,725	988,534
Inventories	**257,476**	290,213	286,242
Other current assets	**1,851,213**	2,048,968	2,044,406
Fixed assets	**948,753**	672,963	773,855
Other assets	**254,818**	174,158	183,331
Total assets	**6,906,191**	6,523,451	6,929,912
Short-term borrowings	**49,731**	51,117	96,453
Trade payables	**785,560**	519,977	602,536
Other current liabilities	**968,083**	742,046	1,371,844
Total liabilities	**1,803,374**	1,313,140	2,070,833
Share capital	**1,160,000**	1,000,000	1,000,000
Capital reserves	**1,548,200**	1,548,200	1,548,200
Retained earnings	**2,753,062**	2,890,611	2,600,219
Other reserves	**(358,445)**	-228,500	-289,340
Total equity	**5,102,817**	5,210,311	4,859,079

Thank You.
Q&A