

Welcome to **SIRUBA**[®]
Sew Reach

2018Q3 Presentation

2018/12/7

Listed : 1531.TW
www.siruba.com

 [®] 高林股份有限公司
KAULIN MFG. CO., LTD.

Agenda

NO	time	description
1	14:30 ~ 15:00	PowerPoint
2	15:00 ~ 15:30	Q & A

Disclaimer

- **The information contained in this presentation, including all forward-looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Kaulin Manufacturing Co., Ltd. (the “Company”) undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.**



| Content

- 1. Company Overview*
 - 2. Operation Performance*
 - 3. Strategy and Future Prospects*
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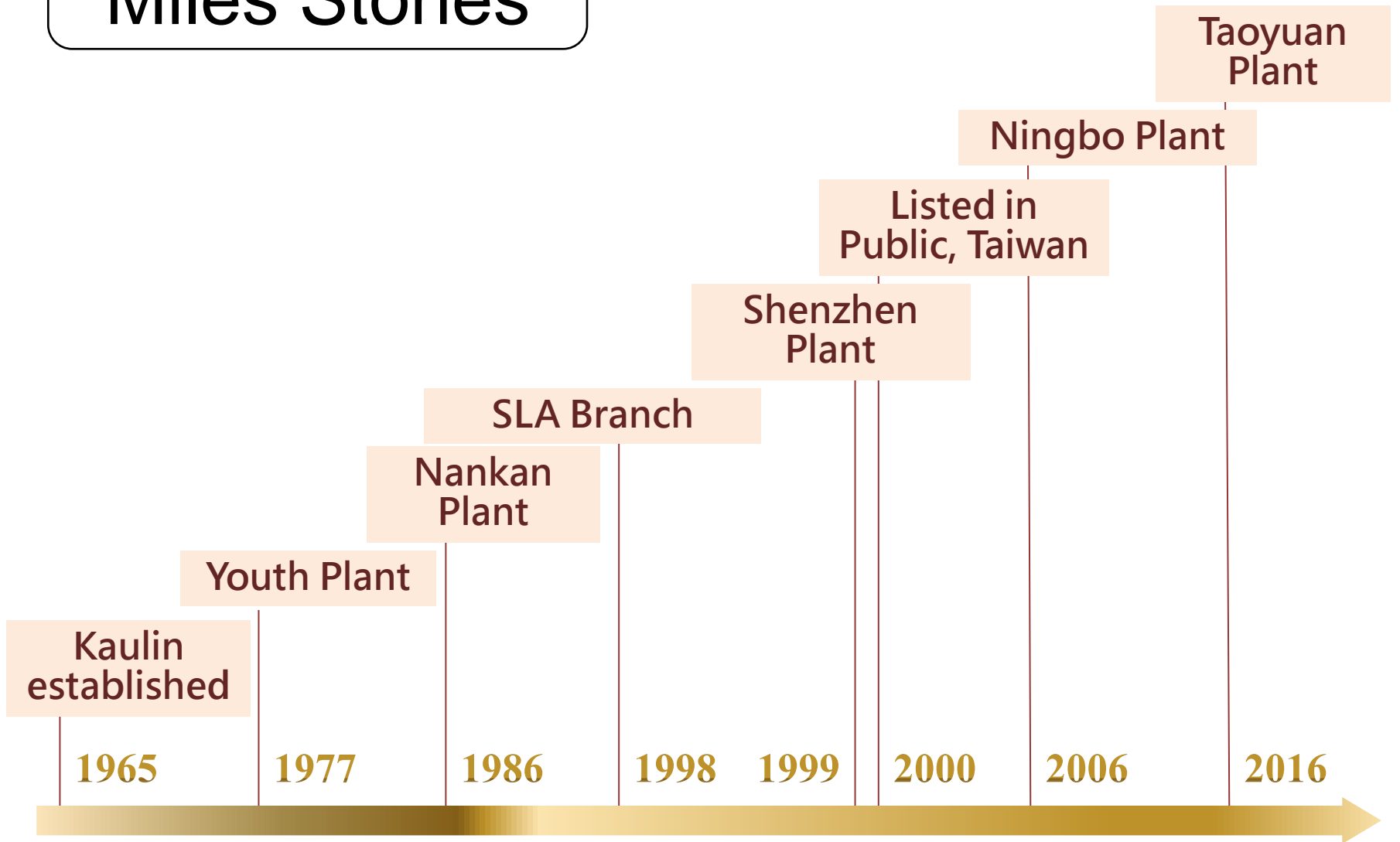
SIRUBA Introduction

- Establishment: Oct. 1965 (TW 1531)
- Capital: 64 M USD (1.85 B NTD)
- Product: Industrial sewing machine
- Brand: **SIRUBA**
- Employees: Taiwan 235 ppl (Group 782 ppl)
- Headquarter: Taipei, Taiwan



Subsidiary	Miami, U. S. A.	
Agents	Europe/ Africa/ Asia/ America, 89 countries	
R & D, Production	Taoyuan, Taiwan/ Ningbo, China	

Miles Stones



Top 100 Taiwan Brands

Taiwan Registered firms: 1,250K

Taiwan Listed firms: 1,624

Selected Candidates: 498



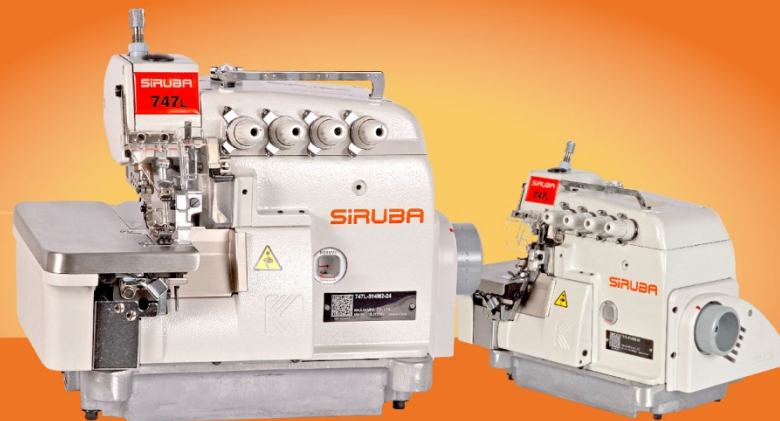
SIRUBA

Products Overview

包縫機再進化

700L 邁入無油技術

Ordinary / Automatic
Sewing



700L



自動化設備

自動化技術的發展
已經推動縫製產業升級的大趨勢

SIRUBA銀箭牌陪伴您
一起進入縫製自動化的新時代

TOP 100
TAIWAN BRANDS



Factory Deployment

Ningbo

(95,461 M²)

Capacity :
360K Unit/Y



Taipei Headquarter

(1,180 M²)



Taoyuan

(16,500 M²)

Assembling
Capacity :
120K Unit/Y



Core Competence





Value Chain

供應鏈

- 生產基地：大陸寧波, 台灣桃園
 - 寧波廠 供應 SKD/CKD 返台組裝
- 零組件廠商：
 - 大陸廠商 (80%)
 - 台灣採購 (15%)
 - 其他國家 (5%)

需求鏈

- B2C 主要以大廠為直接銷售對象
- B2B 主要以各國代理/經銷商銷售給終端用戶
 - 美洲國家: 美國分公司
 - 中國: 高林內銷部
 - 其他各國: 高林外銷部

B2B 
B2C 



Automatic Production Line (Ningbo)



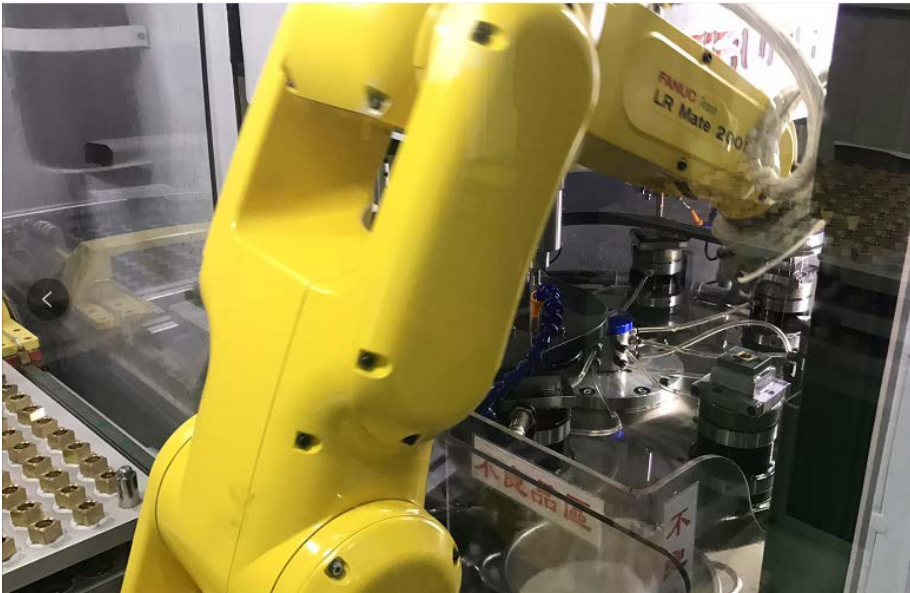
Process Optimization



Full auto Honing Machine
(independently developed)



Full auto Painting System
(independently developed)



Full auto Honing Machine

- ✓ Key components High-precision honing
- ✓ 100% non-defective products
- ✓ Auto Loading, unloading, and Storage
- ✓ Self Know-how, Commoditization evaluated



SiRUBA 3D Showcase

Auto Machine
3D Interactive Marketing



Apple APP Store
Search " SiRUBA 3D Showcase"

<https://youtu.be/onNgpQmoOfE>

SiRUBA 3D Show Case Demo

Service Plan

SiRUBA ICT Service System



2017.10

SiRUBA APP

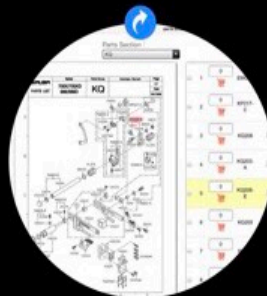
- Product Trace (QR code)
產品履歷
- Cloud Document & Videos
雲端技術文件與影片
- Product Registration (only for direct shipment to Garment factory machines)
直出成衣廠單機器註冊



2018.10

SiRUBA Website
(RWD version)

- New website, new market place for e-Commerce
新官網發佈, 支援電商



2018.12

e-Commerce
B2B

- Machine & Parts shop online for SiRUBA dealers
機器與零件電商平台
(開放經銷代理商)



2019.01

SiRUBA Connect
Service APP

- New SiRUBA APP 新版 APP
- Product Registration 產品註冊
- Service Request online, B2B, B2B2C (for dealers and users)
線上服務流程 (經銷商與用戶)



2019.Q3 (Est)

e-Commerce
B2B2C

- Machine & Parts shop online for sub-dealers, end-users
開放次級代理/用戶電商平台
- Order requests will be sent to local SiRUBA dealer
用戶訂單需求將轉送當地 SiRUBA 經銷商



- 2018/10/18 Global Agent Summit @圓山大飯店
- Mr. Lin, Chairman, with Vietnam agents
- Mr. Lai presents 高林智能生產線與加工自動化發展
- Kelvin Wu presents 高林自動化產品事業處發展
- Peter Yeh presents SiRUBA ICT Service Platform

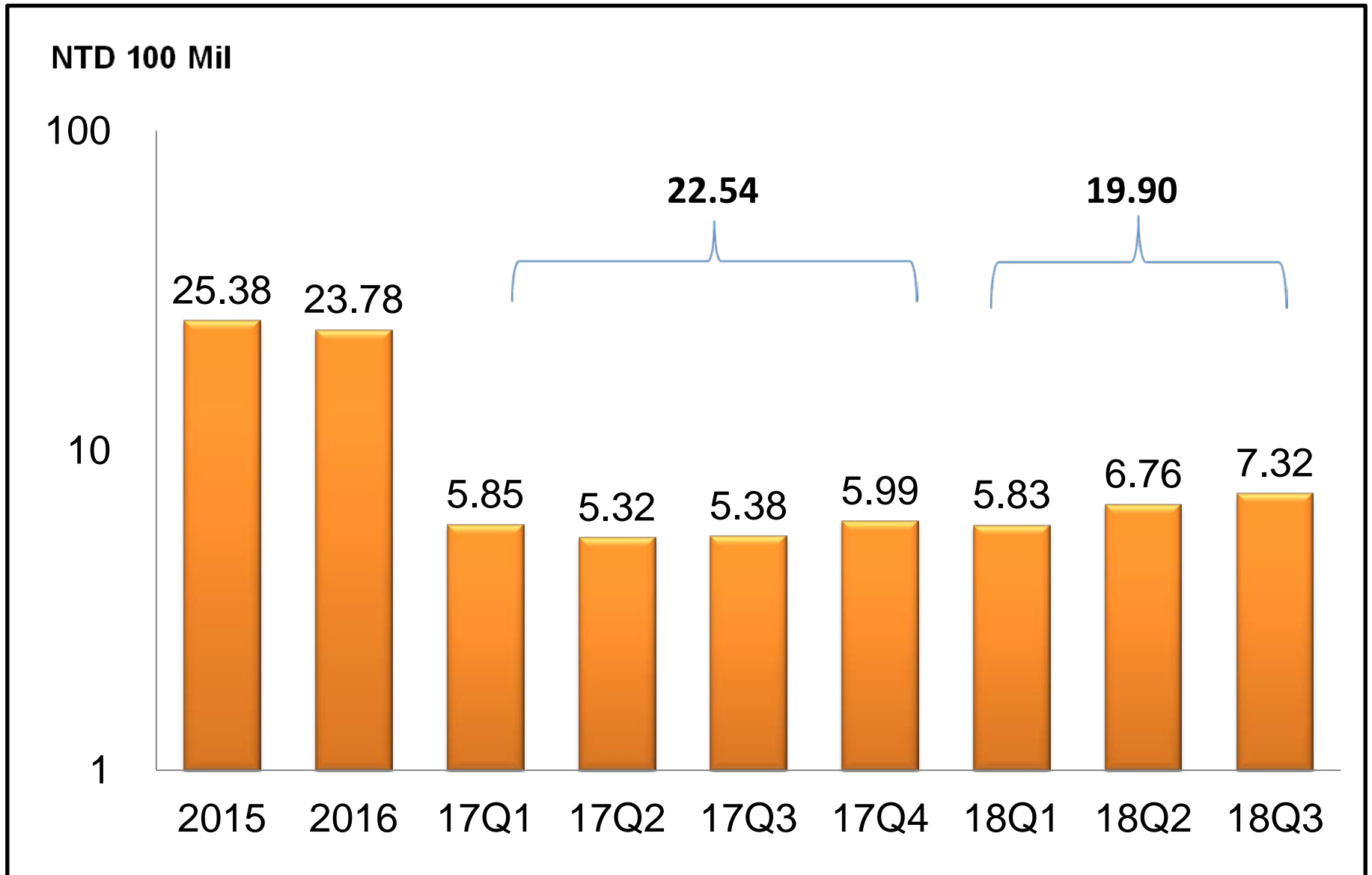
Operation Performance

- **2018 3Q Consolidated Income Statement**
- **Changes in Net Sales**
- **Products mix**
- **Changes in Net Income**
- **2018 3Q Consolidated Balance Sheet**
- **2018 3Q Consolidated Statement of cash flows**

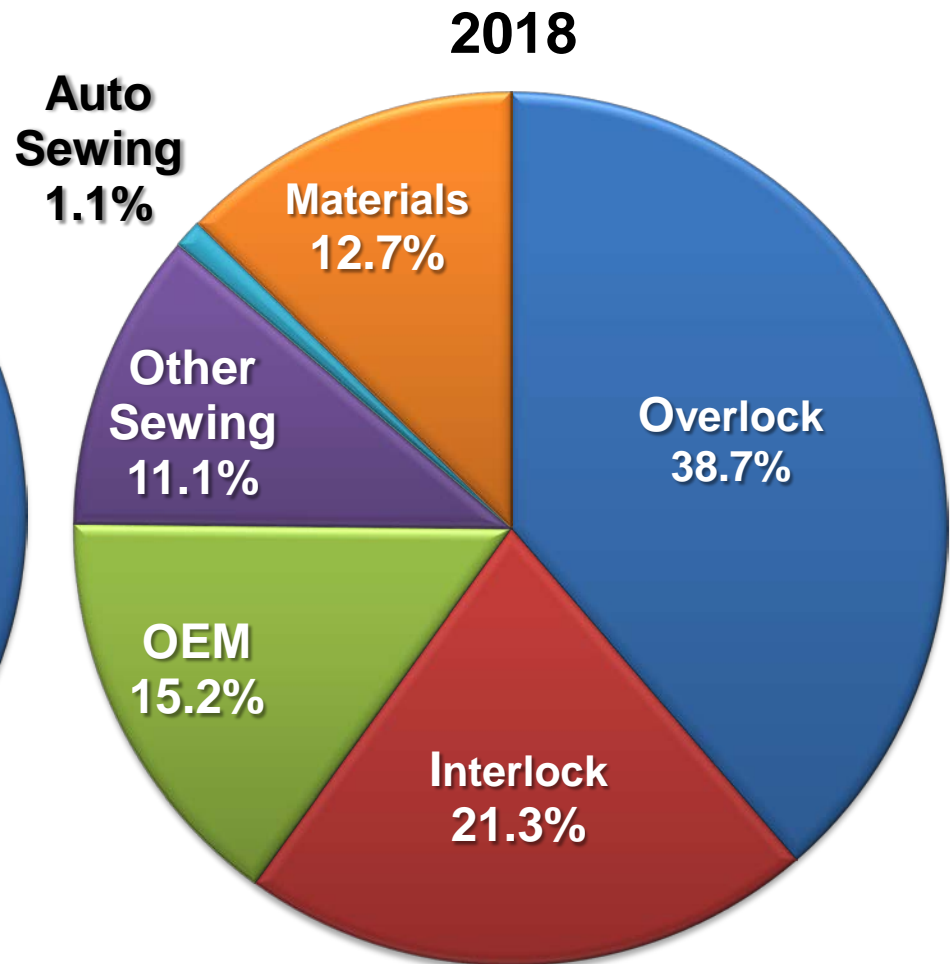
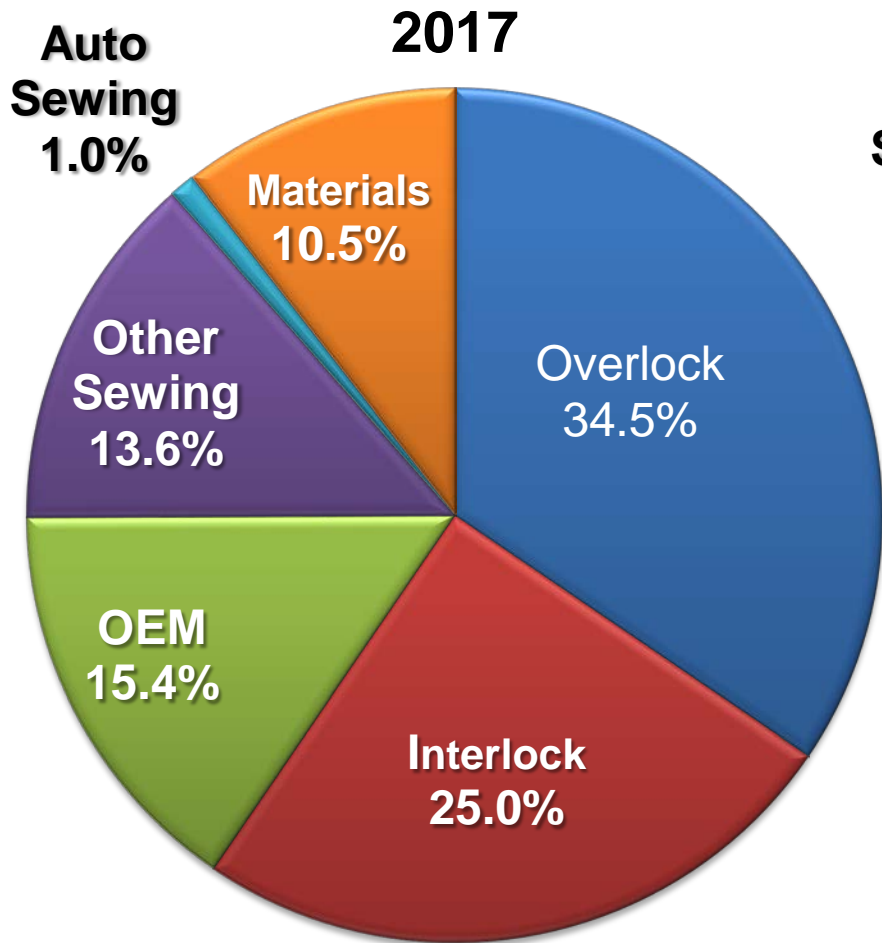
2018 3Q Consolidated Income Statement

Consolidated Income Statement (NTD Million)	3Q 2018	2Q 2018	QoQ	3Q 2018 YTD	3Q 2017 YTD	YoY
Operating revenue	731.6	676.0	8.2%	1,990.3	1,654.3	20.3%
Operating costs	576.0	539.3		1,583.2	1,218.7	
Gross profit from operations	155.6	136.7	13.8%	407.1	435.5	-6.5%
Operating expenses	87.5	91.8	-4.7%	258.2	222.1	16.3%
Selling expenses	39.6	40.3		117.5	121.4	
Administrative expenses	32.8	37.6		99.5	57.9	
R&D expenses	15.0	13.9		41.2	42.8	
Net operating income	68.1	44.9	51.5%	148.9	213.5	-30.3%
Total non-operating income and expenses	13.8	63.5		62.8	-44.4	
Foreign exchange gains	13.7	51.8		39.3	-69.2	
Other gains and losses	0.1	11.6		23.5	24.9	
Profit (loss) before tax	81.9	108.4		211.7	169.1	
Total tax expense	63.1	36.8		113.4	50.1	
Profit (loss)	18.8	71.6	-73.7%	98.3	119.0	-17.4%
Earnings per share	0.10	0.39	(0.29)	0.53	0.64	(0.11)
Gross Margin %	21.3%	20.2%	1.0%	20.5%	26.3%	-5.9%
Operating Margin %	9.3%	6.6%	2.7%	7.5%	12.9%	-5.4%
Net Margin %	2.6%	10.6%	-8.0%	4.9%	7.2%	-2.3%
Op. Exp %	12.0%	13.6%	-1.6%	13.0%	13.4%	-0.5%

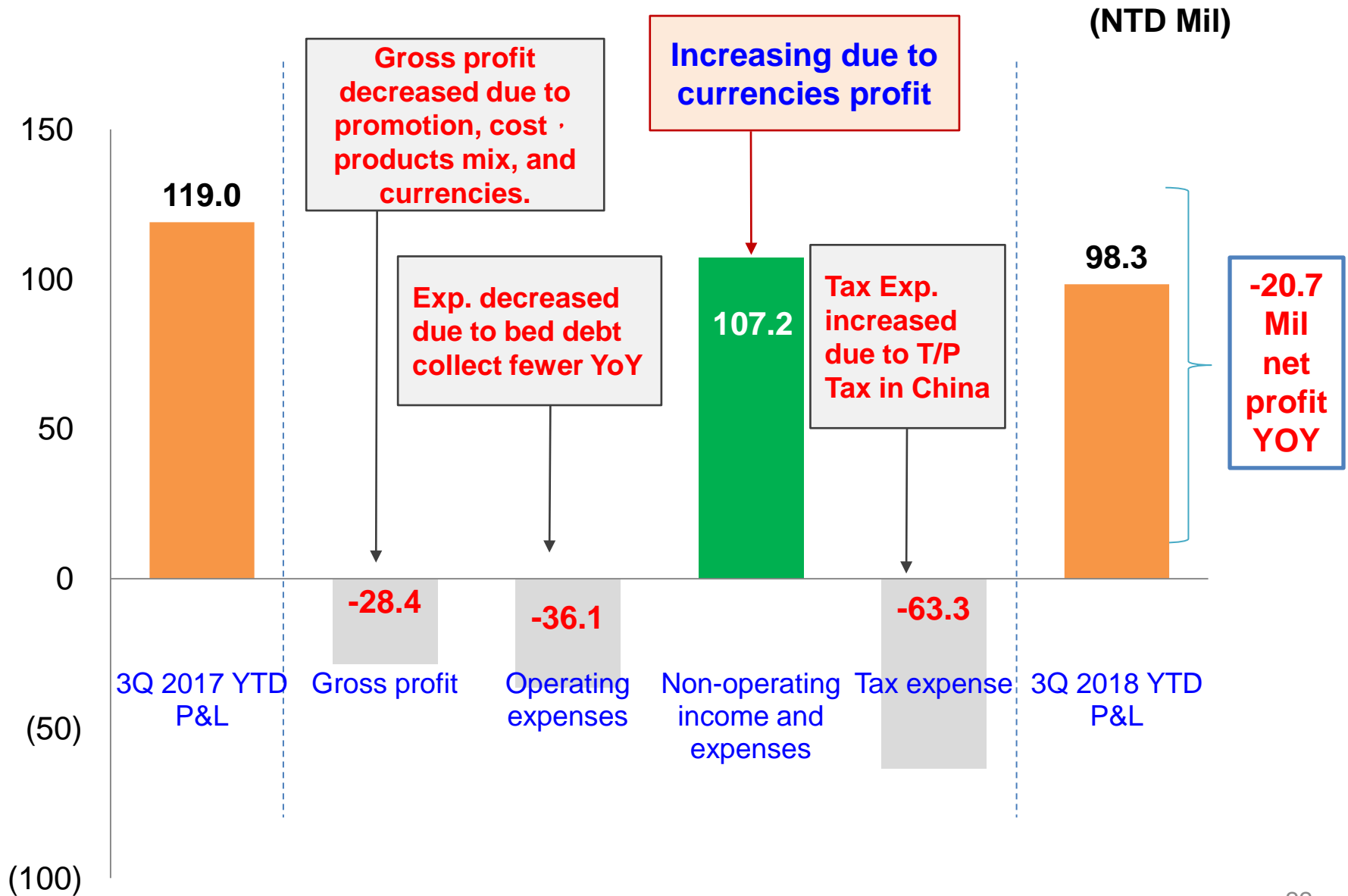
Changes in Net Sales



Products mix



Changes in Net Income



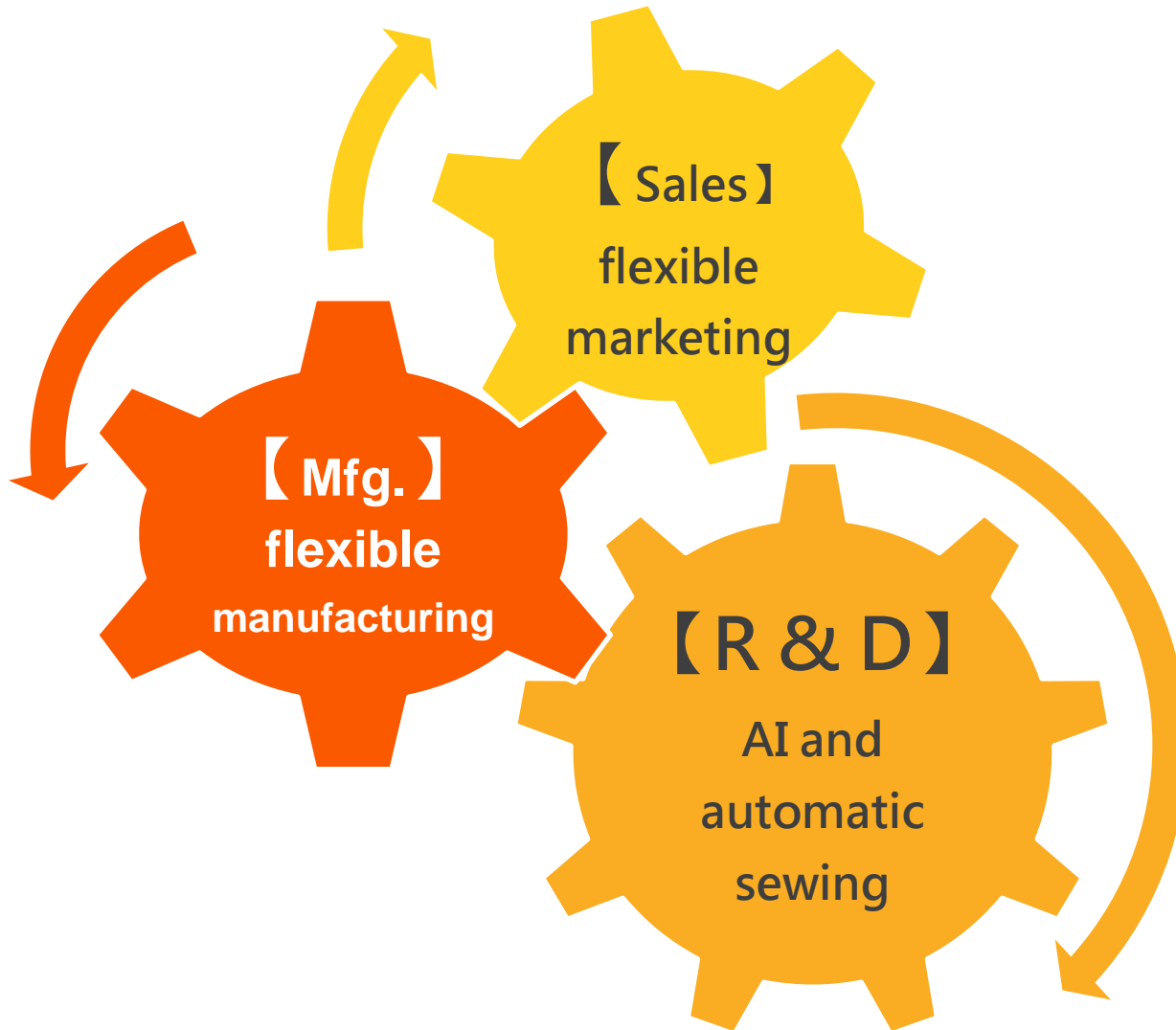
2018 3Q Consolidated Balance Sheet

Consolidated Balance Sheet (NTD Million)	2018/9/30	2017/9/30	YoY
Cash and cash equivalents	971.2	1,066.5	-95.3
Current financial assets at amortised cost	110.9	0.0	110.9
Current investments in debt instrument without active market	0.0	459.1	-459.1
Accounts receivables	932.3	724.2	208.1
Inventories	1,241.3	740.7	500.6
Total current assets	3,370.0	3,036.8	333.2
Non-current available-for-sale financial assets	63.9	72.9	-9.0
Property, plant and equipment	1,130.1	1,373.6	-243.5
Total assets	4,945.8	4,673.3	272.5
Short-term borrowings	106.8	100.0	6.8
Accounts payables	491.9	474.3	17.6
Total current liabilities	829.4	612.5	216.9
non-current liabilities	373.4	248.6	124.8
Total liabilities	1,202.8	861.1	341.7
Ordinary share	1,850.1	1,931.5	-81.4
retained earnings	1,826.9	1,918.6	-91.7
Total equity	3,743.0	3,812.1	-69.1
Quick Ratio	406%	496%	-89%
Current Ratio	243%	367%	-124%
Debt Ratio	24%	18%	6%
ROE (YTD Annualized)	3.5%	4.2%	-0.7%

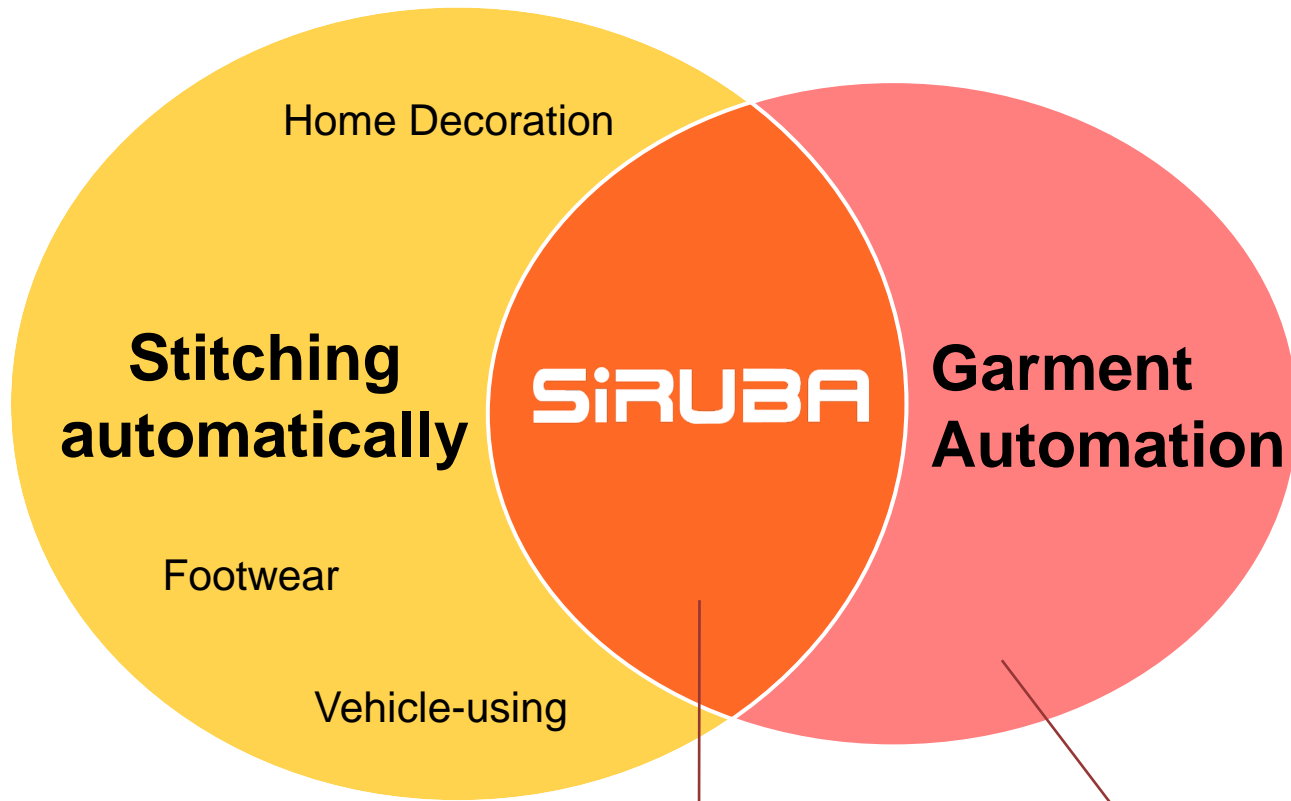
2018 3Q Consolidated Statement of cash flows

Consolidated Statement of cash flows (NTD Million)	3Q 2018 YTD	3Q 2017 YTD
Cash inflow (outflow) generated from operations	(307.3)	306.3
Net cash flows from (used in) investing activities	339.7	22.7
Net cash flows from (used in) financing activities	(44.2)	(269.0)
Effect of exchange rate changes on cash and cash equivalents	(11.5)	(8.8)
Net increase (decrease) in cash and cash equivalents	(23.3)	51.2
Cash and cash equivalents at beginning of period	994.5	1015.3
Cash and cash equivalents at end of period	971.2	1066.5
Remarks :		
Depreciation & Amortization expense	62.5	65.4

| Strategy and Future Prospects



Targeting



Sewing in on

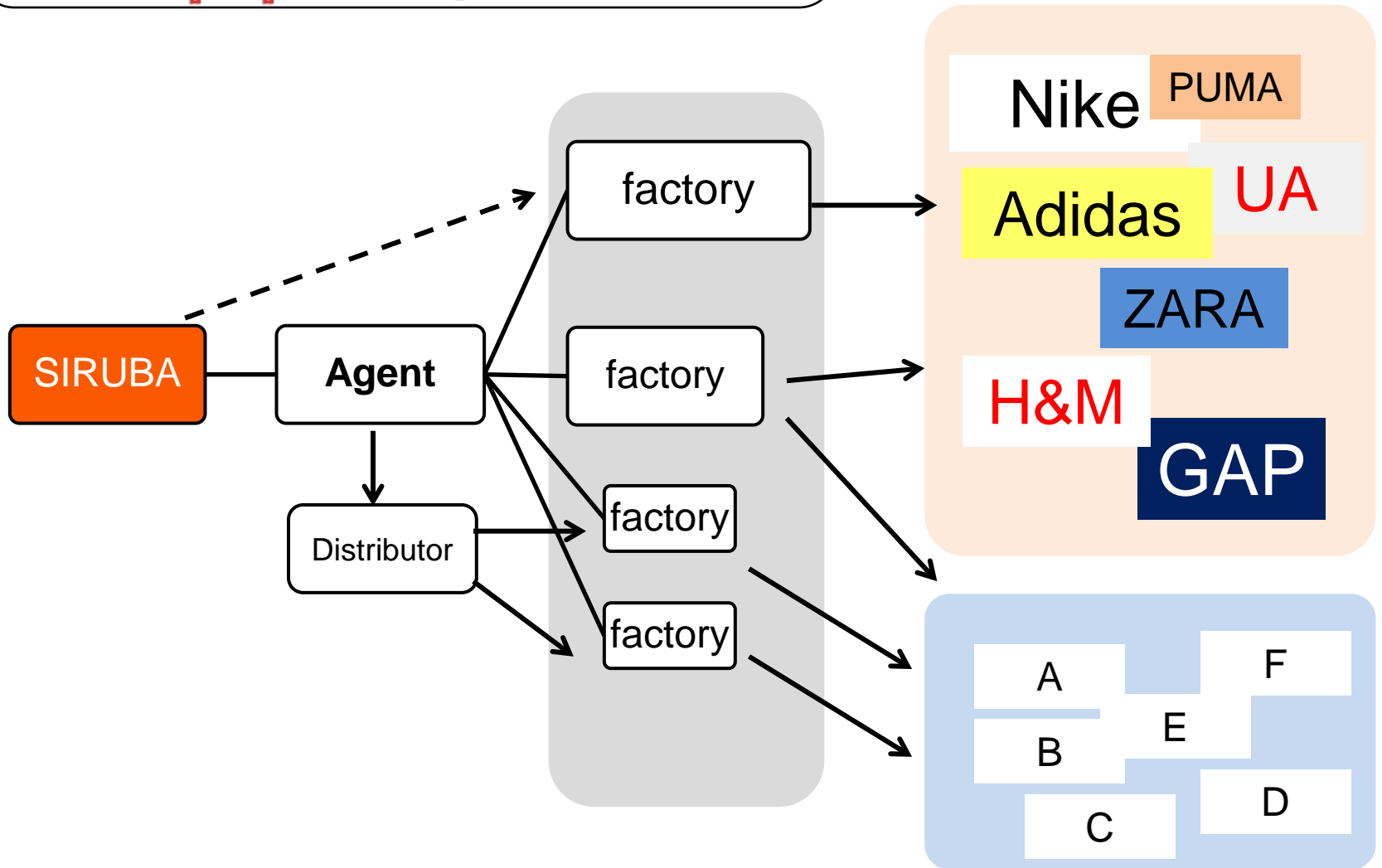


Before and After Sewing

- 1. Range Selection
- 2. Targeting Focus

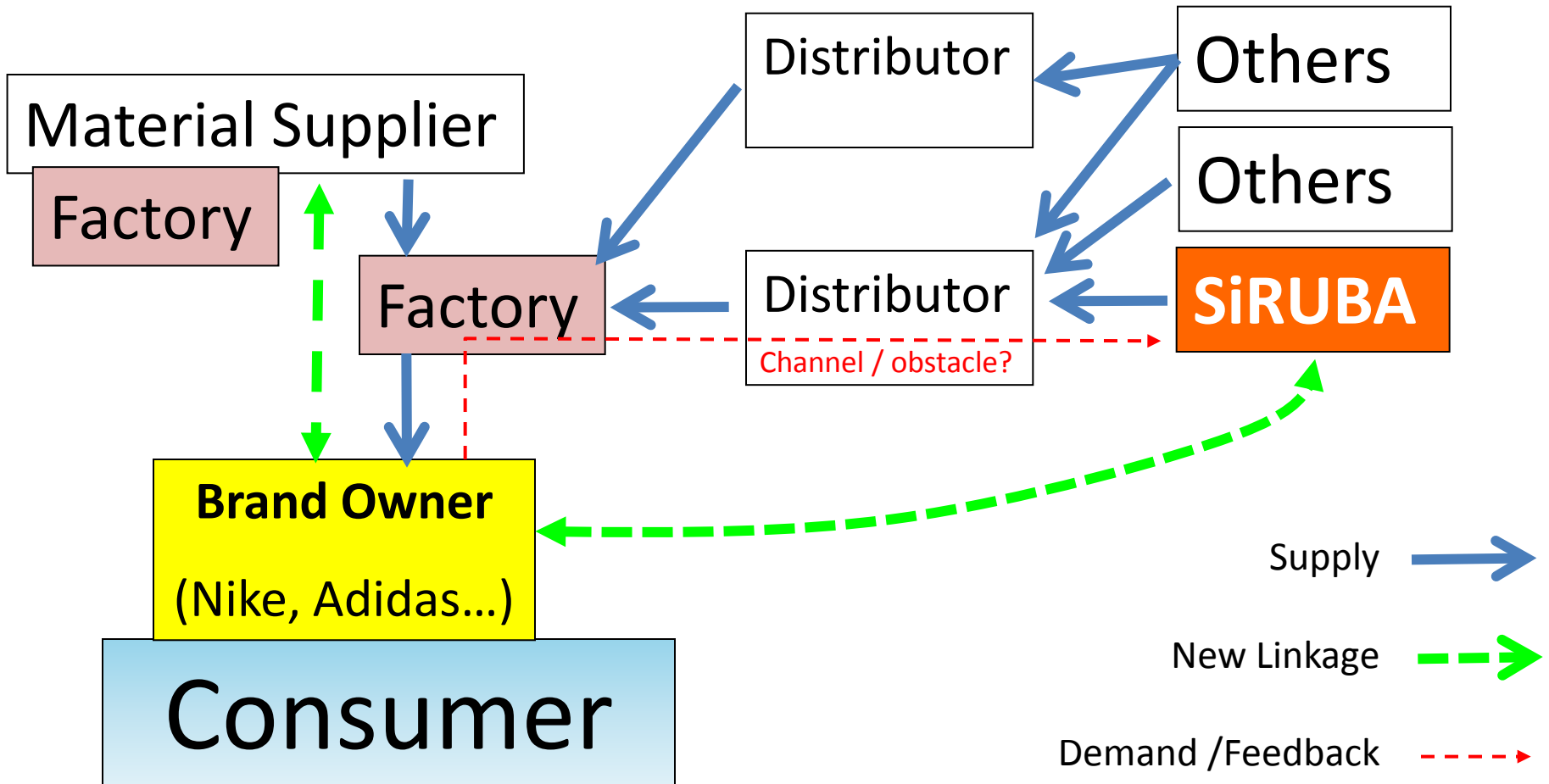
Supply chain of sewing equipment, Before

SiRUBA is a Machine Maker



Supply chain of sewing equipment, changeable

SiRUBA will be a **Solution Provider**



縫紉自動化時代

降低勞動成本 提高製造良率 生產效率大躍進



ASP-EBJ100

自動鬆緊帶搭接機
Automatic Elastic Band Joing Machine



ASL-JBH100

自動轆腳機
Automatic Jeans Bottom
Hemming Machine



ASP-ABF100J

電子釘扣機附自動送扣
Computer-controlled Lockstitch Button
Sewing Machine with Auto Button
Feeder



ASP-JBL100

自動單針褲耳貼縫機
Automatic Single Needle Belt
Loop Attaching Machine



ASP-BST100

自動肩帶穿環縫紉
Automatic Shoulder-strap Ring
Threading and Sewing Machine



ASO-BST200

半自動肩帶穿八字環機
Semi-automatic shoulder strap
8-ring threading machine



ASK-ESG100

牛仔褲前檔自動包邊機
Jeans Fly-facing Auto-Serging
Machine



高林股份有限公司
KAULIN MFG. CO., LTD.

歡迎預約參觀：

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桃園廠：桃園市桃園區國際路一段 246 號
信箱：sirubatw@siruba.com
電話：02-27130232 (分機 222) 洽企劃部



TOP 100
TAIWAN BRANDS



SIRUBA VISION



EMPLOYEES

- Increase employee satisfaction
- Succession planning



CUSTOMER

- Increase customer satisfaction
- 100% Order fill rate



SUPPLY CHAIN

- Supply chain consolidation
- Module assembly



PARTNER

- E-Procurement System implementation

VISION
Top 2 in Knit Sewing Machines




ENVIRONMENT PROTECTION

- Non-oil products
- Noise reduction products
- Material reduction products



SHAREHOLDER'S EQUITY

- Increase Company's Value
- Increase Shareholder's Value



Q & A

Thank you!