

Welcome to **SIRUBA**[®]
Sew Reach

2017Q3 Presentation

2017/11/30

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*

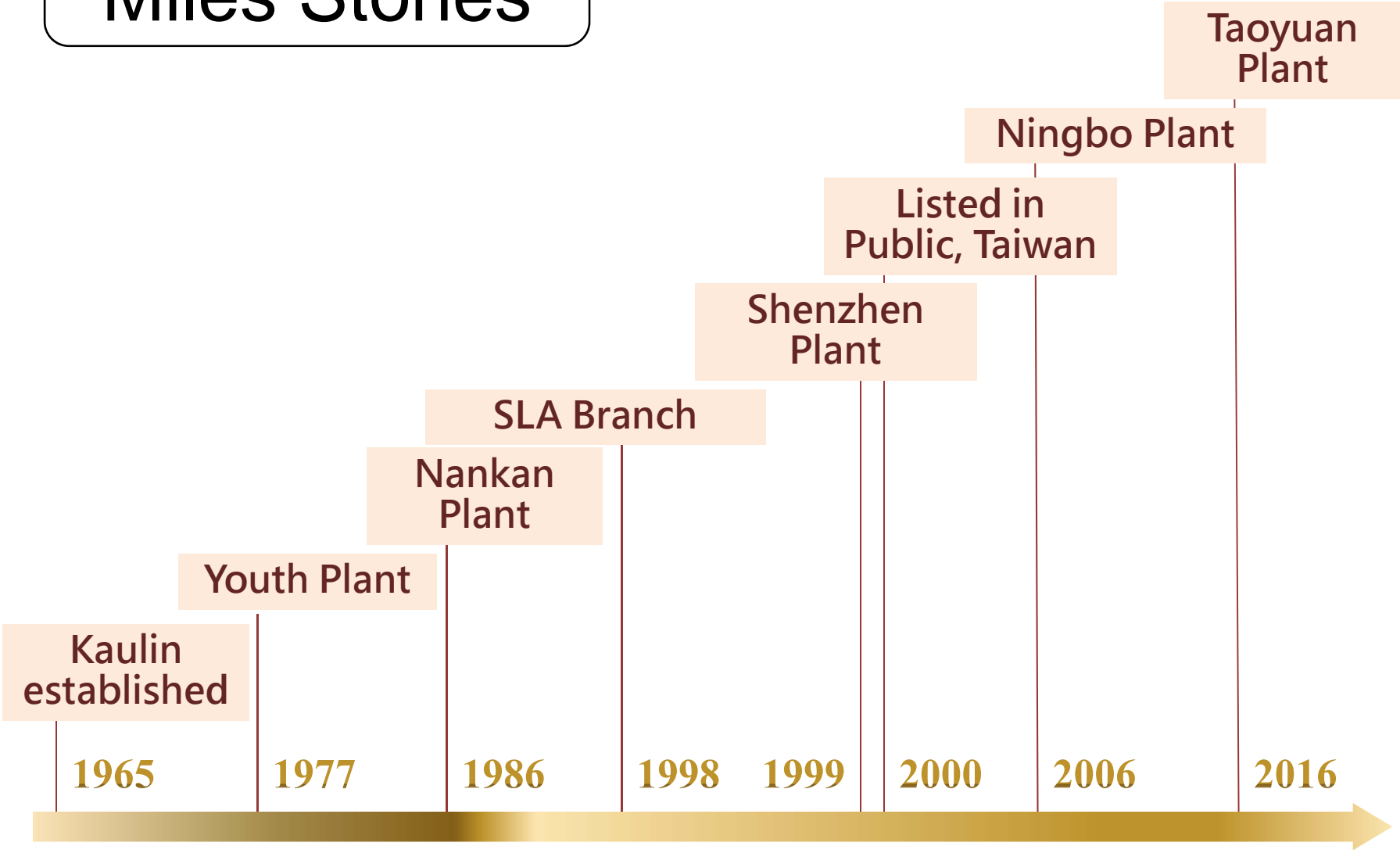
SIRUBA Introduction

- Establishment: Oct. 1965 (TW 1531)
- Capital: 64 M USD (1.93 B NTD)
- Product: Industrial sewing machine
- Brand: **SIRUBA**
- Employees: Taiwan 230 ppl (Group 800 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



Automatic Production Line (Ningbo)



SIRUBA

Production Scale



Process line, CNC



Ultrasonic cleaning line,
independently developed

SIRUBA

Process Optimization



Full auto Honing Machine
(independently developed)

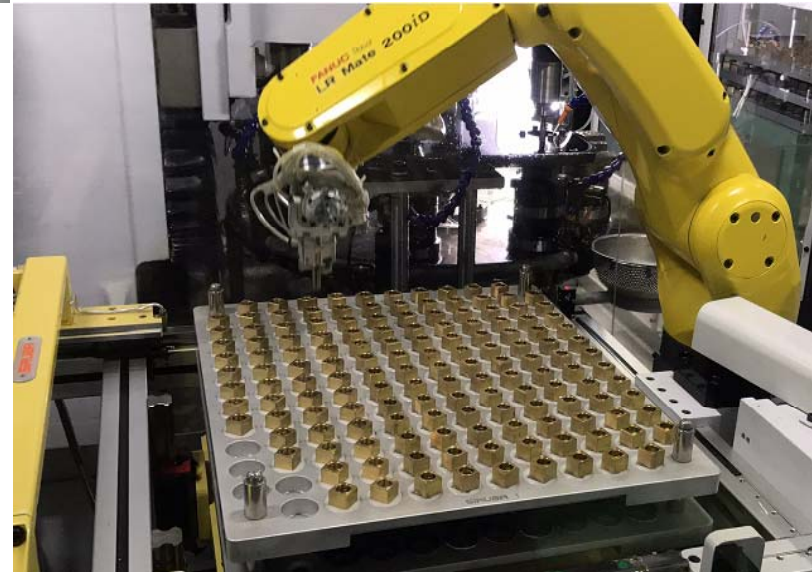


Full auto Painting System
(independently developed)



Full auto Honing Machine

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



Product record/ Anti-false



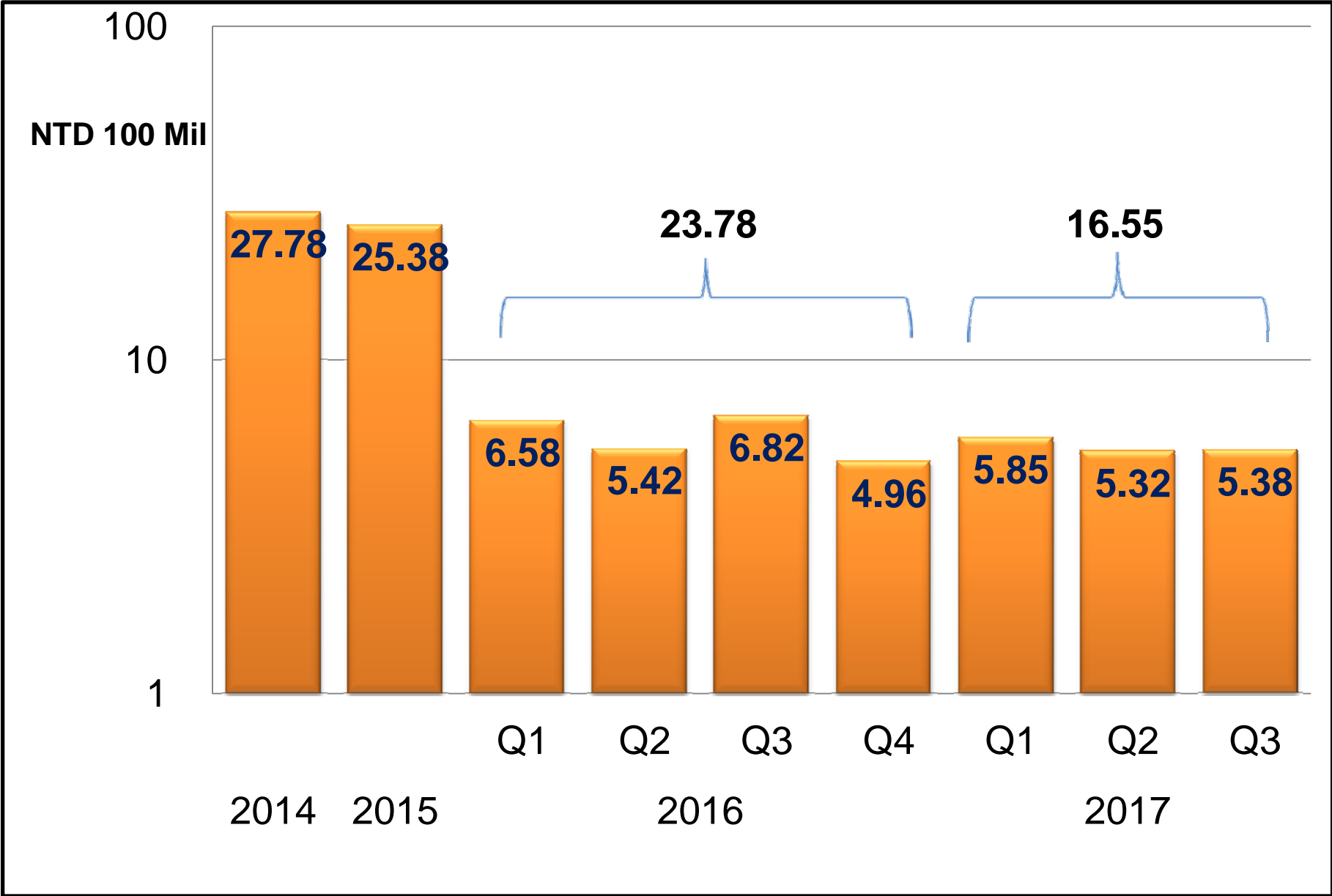
Operation Performance

- **2017 3Q Consolidated Income Statement**
- **Changes in Net Sales**
- **Products mix**
- **Changes in Net Income**
- **2017 3Q Consolidated Balance Sheet**
- **2017 3Q Consolidated Statement of cash flows**

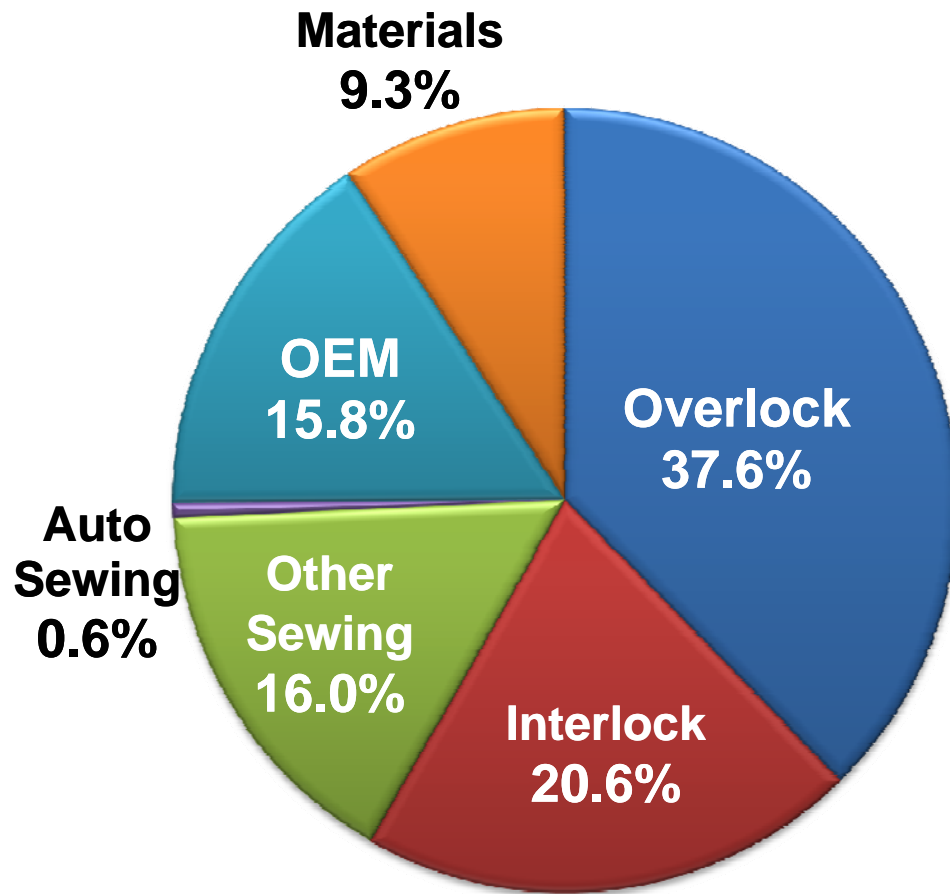
2017 3Q Consolidated Income Statement

Consolidated Income Statement (NTD Million)	3Q 2017	2Q 2017	QoQ	3Q 2017 YTD	3Q 2016 YTD	YoY
Operating revenue	537.7	531.9	1.1%	1,654.3	1,881.8	-12.1%
Operating costs	402.2	385.7		1,218.7	1,481.2	
Gross profit from operations	135.5	146.3	-7.4%	435.5	400.6	8.7%
Operating expenses	54.7	89.2	-38.6%	222.1	286.5	-22.5%
Selling expenses	38.8	38.9		121.4	115.4	
Administrative expenses	1.0	36.3		57.9	122.7	
R&D expenses	14.8	14.0		42.8	48.4	
Net operating income	80.8	57.1	41.5%	213.5	114.1	87.1%
Total non-operating income and expenses	2.0	11.7		(44.4)	(35.9)	
Foreign exchange gains	(6.7)	3.5		(69.2)	(58.6)	
Other gains and losses	8.6	8.2		24.9	22.8	
Profit (loss) before tax	82.7	68.8		169.1	78.3	
Total tax expense	29.0	14.0		50.1	12.6	
Profit (loss)	53.8	54.8	-1.9%	119.0	65.7	81.1%
Earnings per share	0.29	0.30	(0.01)	0.64	0.36	0.28
Gross Margin %	25.2%	27.5%	-2.3%	26.3%	21.3%	5.0%
Operating Margin %	15.0%	10.7%	4.3%	12.9%	6.1%	6.8%
Net Margin %	10.0%	10.3%	-0.3%	7.2%	3.5%	3.7%
Op. Exp %	10.2%	16.8%	-6.6%	13.4%	15.2%	-1.8%

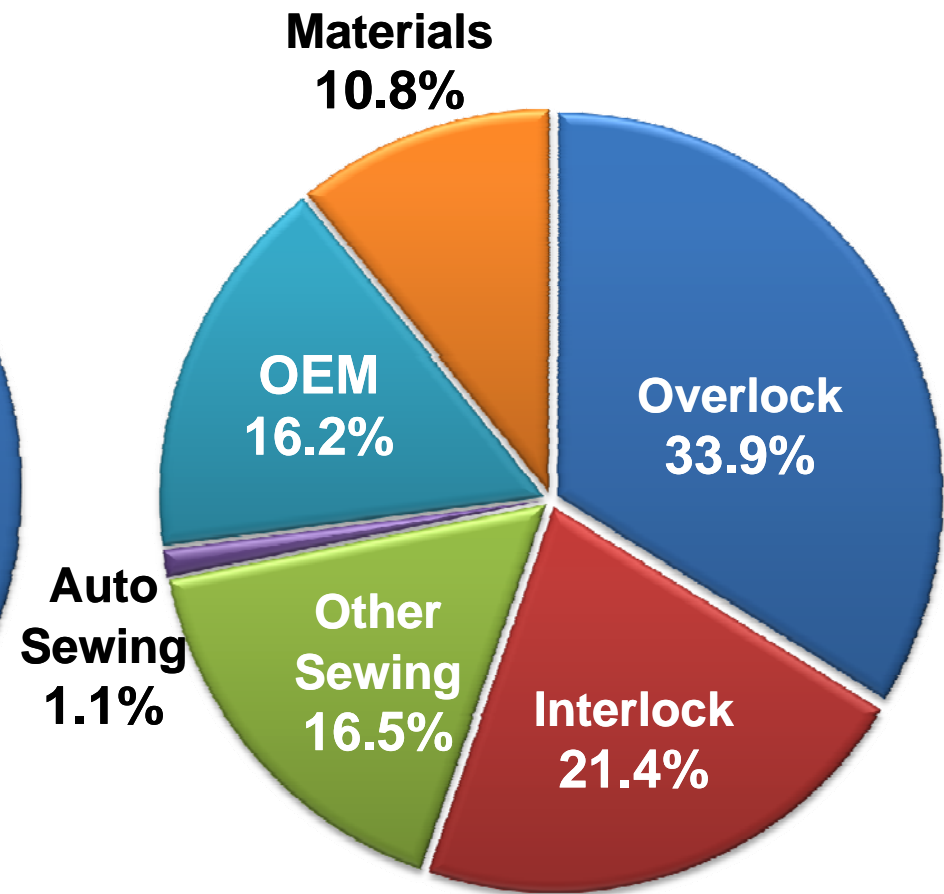
Changes in Net Sales



Products mix



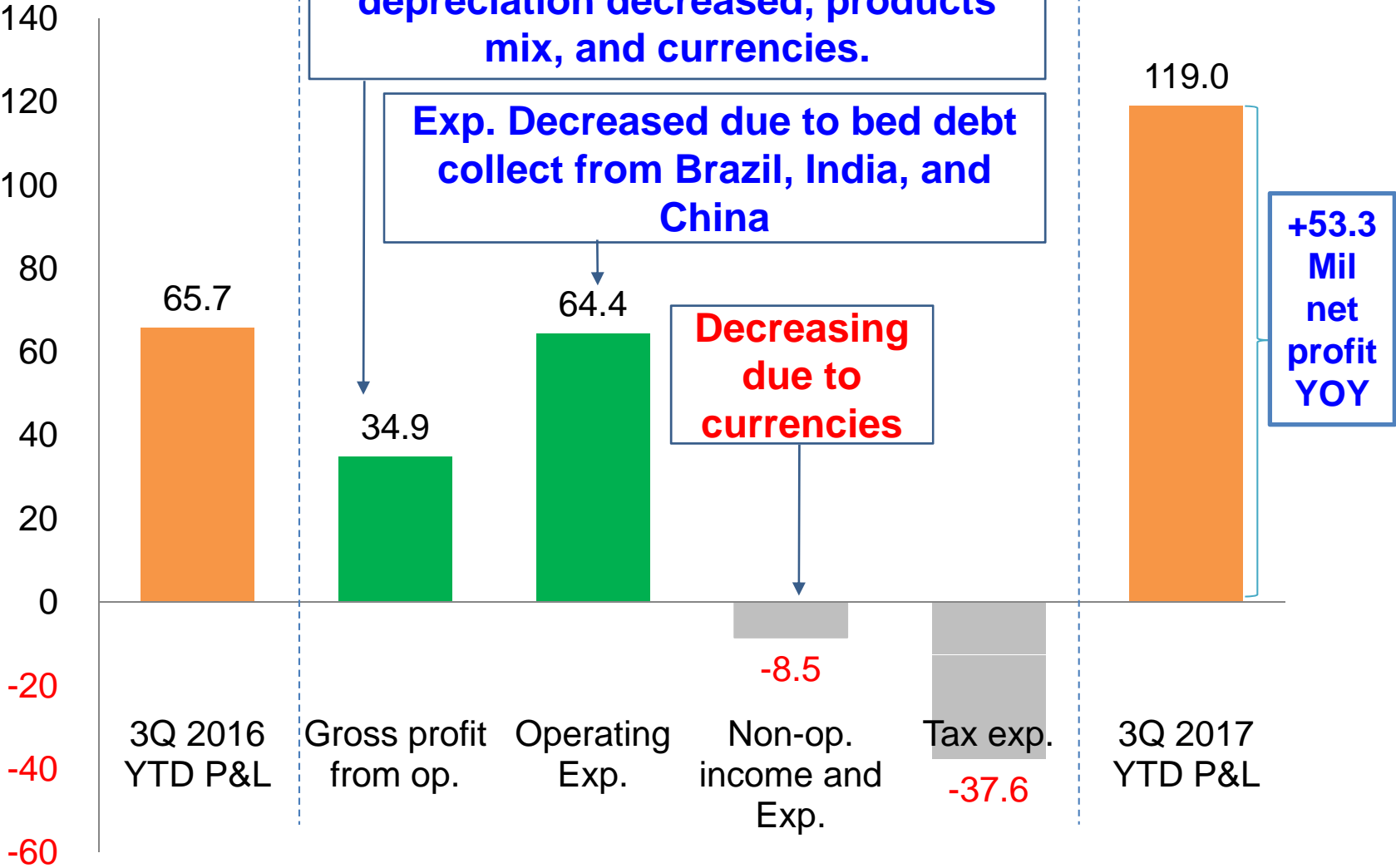
2016



2017

Changes in Net Income

(NTD Mil)



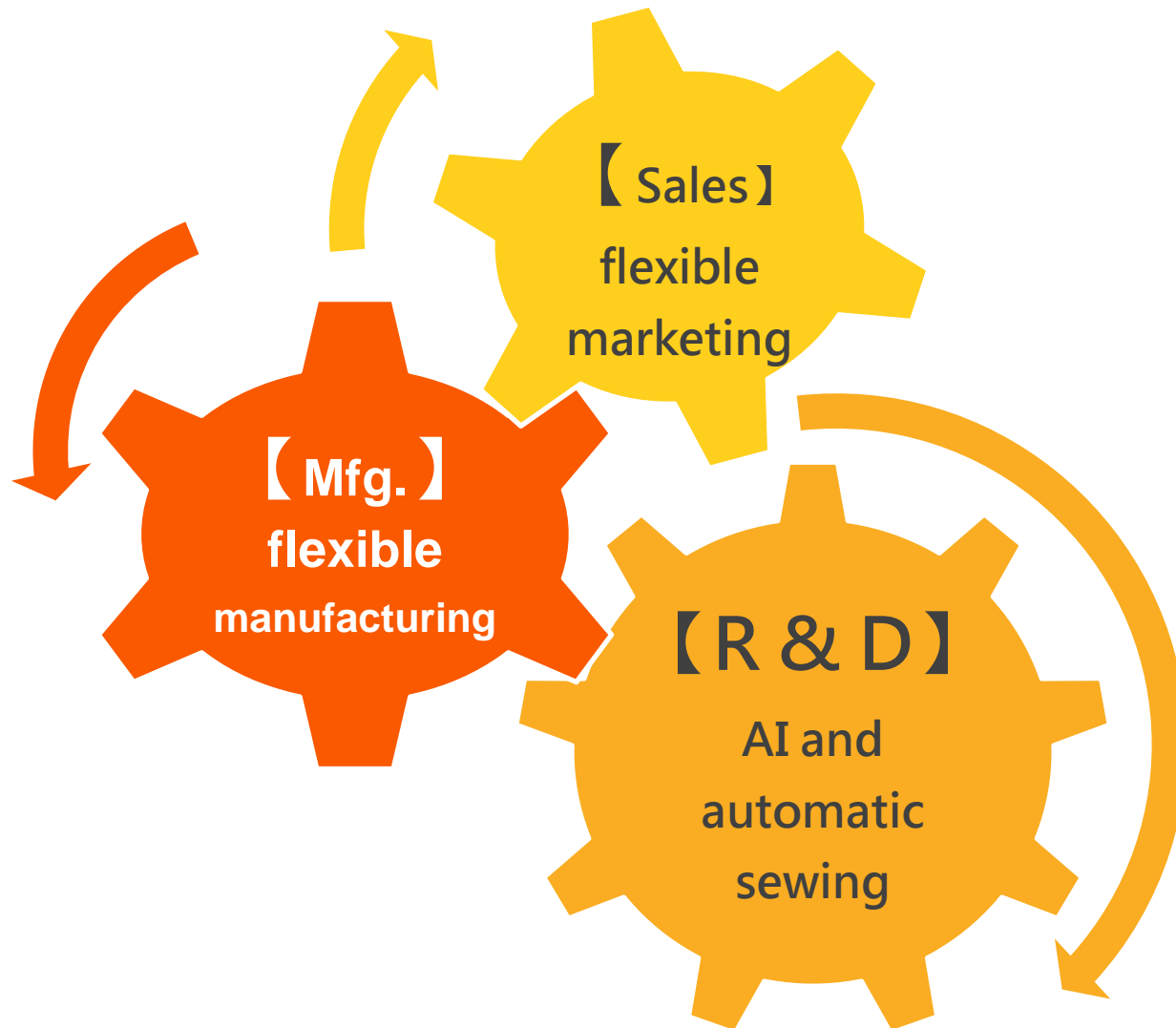
2017 3Q Consolidated Balance Sheet

Consolidated Balance Sheet (NTD Million)	2017/9/30	2016/9/30	Variance
Cash and cash equivalents	1,066.5	766.4	300.0
Current available-for-sale financial assets, net	0.0	10.0	(10.0)
Current inve. in debt inst. without active market	437.7	730.3	(292.6)
Accounts receivables	724.2	983.1	(258.9)
Inventories	740.7	688.3	52.4
Total current assets	3,036.8	3,249.3	(212.5)
Non-current available-for-sale financial assets	72.9	38.4	34.5
Property, plant and equipment	1,373.6	1,447.1	(73.6)
Total assets	4,673.3	4,927.2	(254.0)
Short-term borrowings	100.0	413.6	(313.6)
Accounts payables	474.3	467.9	6.4
Total current liabilities	612.5	911.5	(299.0)
non-current liabilities	248.6	237.7	10.9
Total liabilities	861.1	1,149.2	(288.1)
Ordinary share	1,931.5	1,931.5	0.0
retained earnings	1,918.6	1,871.0	47.6
Total equity	3,812.1	3,778.0	34.1
Quick Ratio	496%	356%	139%
Current Ratio	364%	273%	91%
Debt Ratio	18%	23%	-5%
ROE (YTD Annualized)	4.2%	2.3%	1.8%

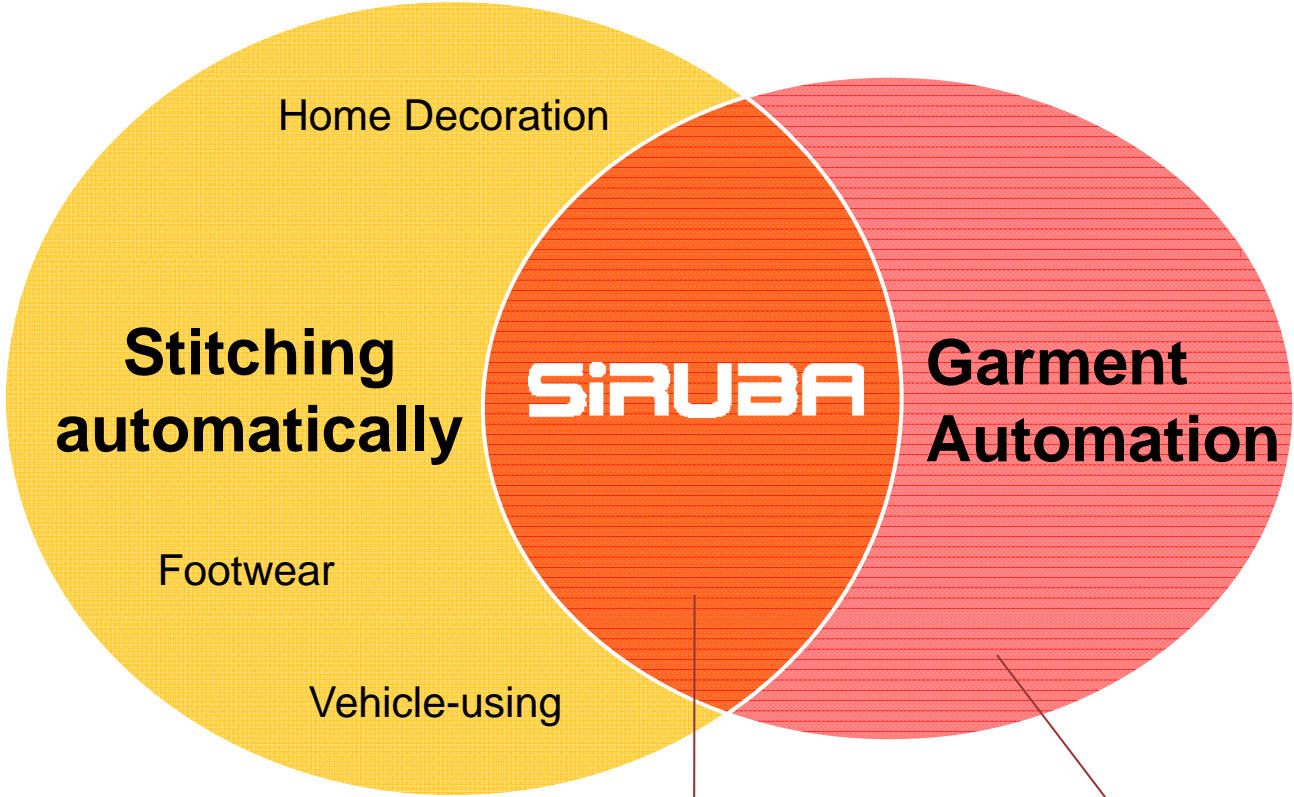
2017 3Q Consolidated Statement of cash flows

Consolidated Statement of cash flows (NTD Million)	3Q 2017 YTD	3Q 2016 YTD
Cash inflow (outflow) generated from operations	329,348	199,867
Cash flows from (used in) financing activities	22.7	(3.8)
Net cash flows from (used in) financing activities	(269.0)	(111.6)
Effect of exchange rate changes on cash and cash equivalents	(8.8)	(179.1)
Net increase (decrease) in cash and cash equivalents	51.2	(162.1)
Cash and cash equivalents at beginning of period	1,015.3	928.5
Cash and cash equivalents at end of period	1,066.5	766.4
Cash and cash equivalents reported in the statement of financial position	1,066.5	766.4
Remarks :		
Depreciation & Amortization expense	65.4	107.0

| Strategy and Future Prospects



Targeting



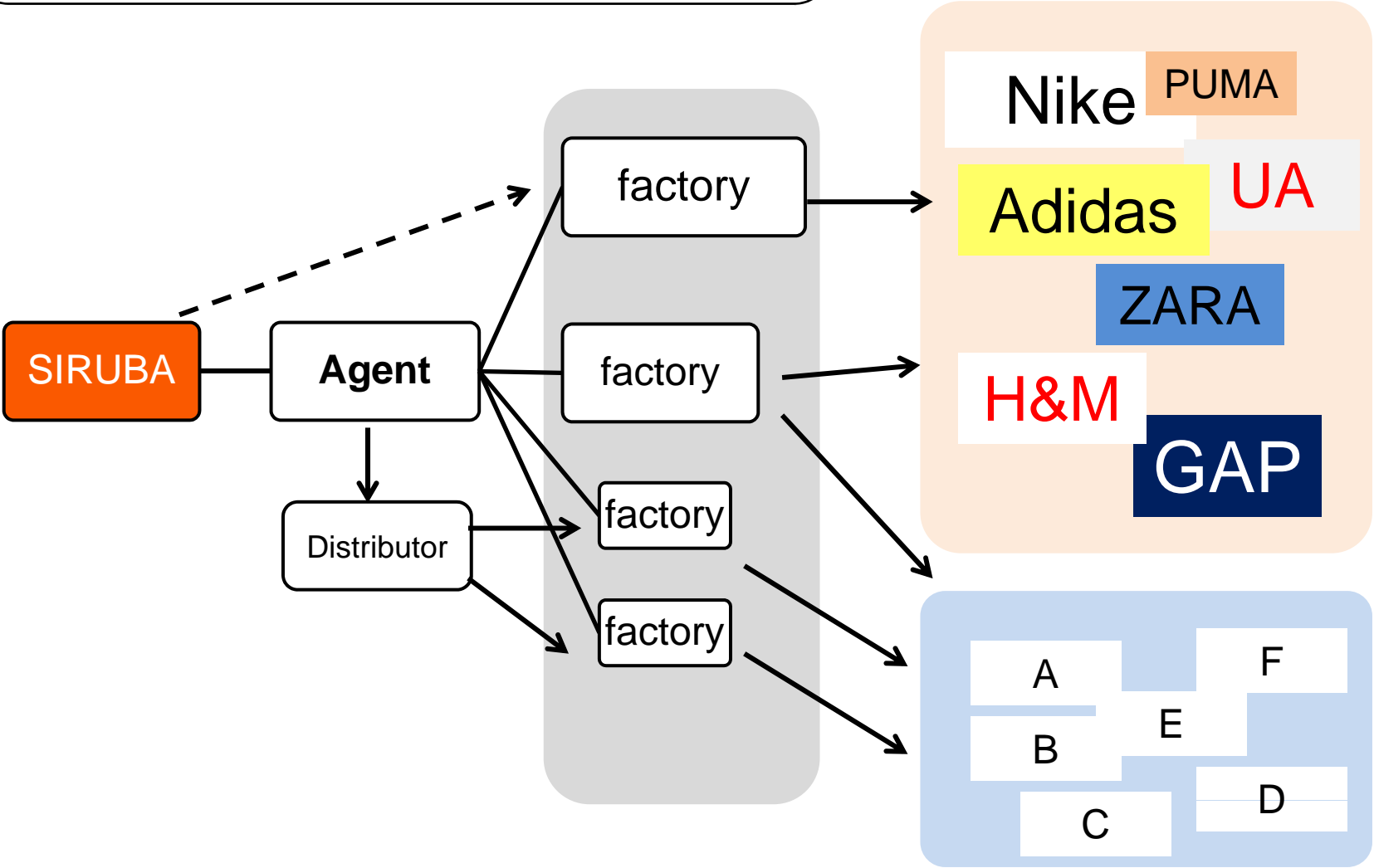
Sewing in on

Before and After Sewing

- 1. Range Selection
- 2. Targeting Focus

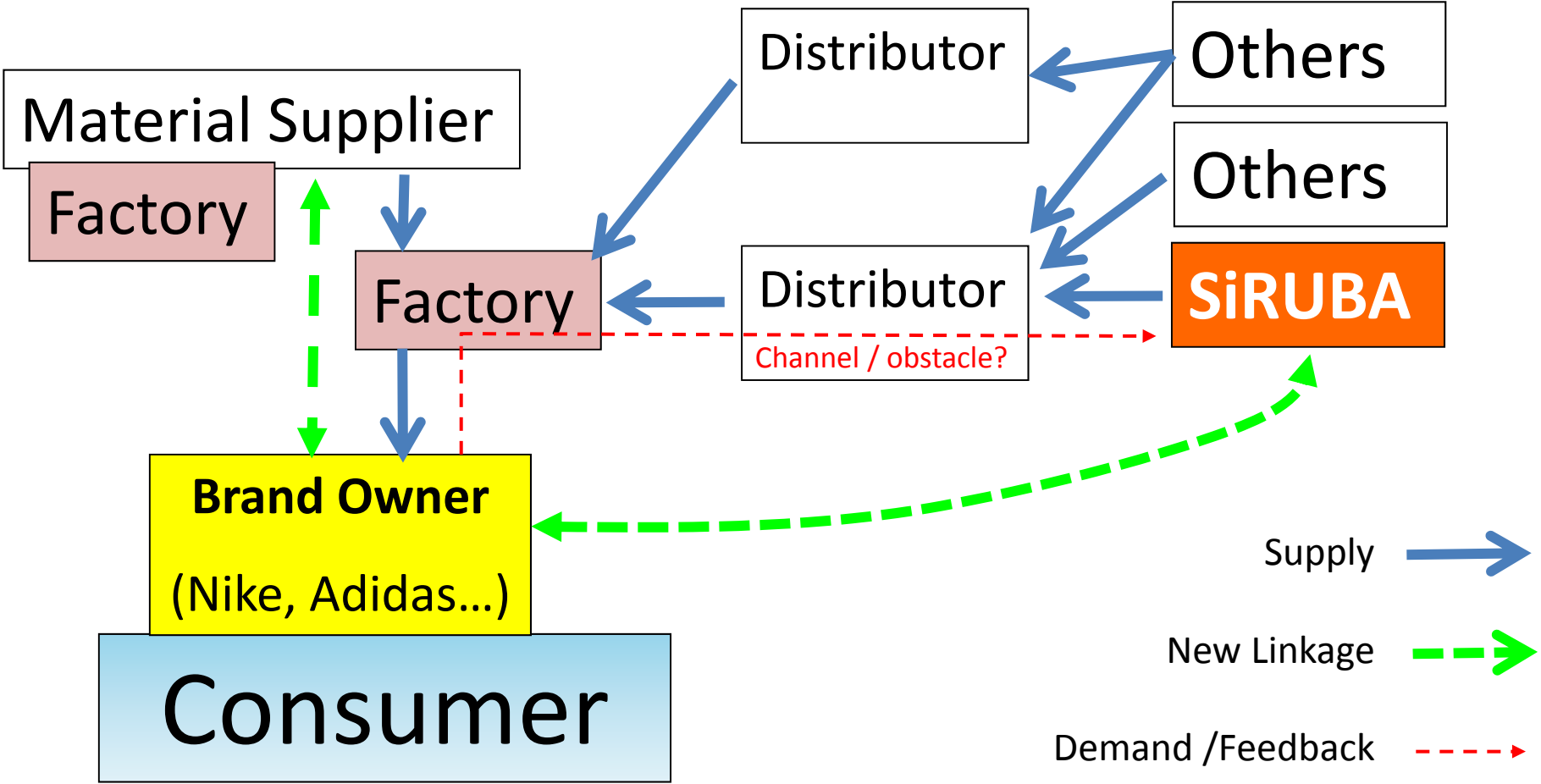
Supply chain of sewing equipment, Before

SiRUBA is a Machine Maker



Supply chain of sewing equipment, changable

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
自動褲腳機
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.

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TOP 100
TAIWAN BRANDS



SIRUBA VISION



EMPLOYEE

- 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



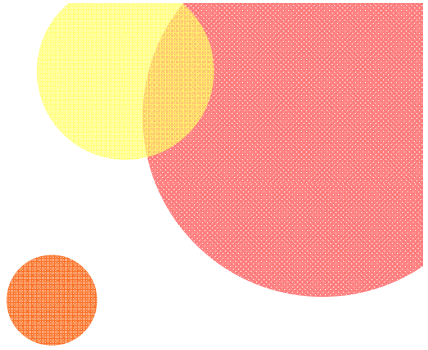
ENVIRONMENT PROTECTION

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



SHAREHOLDER' S EQUITY

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



Q & A

Thank you!

