



Date 2019.11.22

HCG Corporation Investor Conference

Stock Code : : 1810

by / Cheng Chien Chen, President

A close-up photograph of a person's shoulder and back, showing skin texture and a warm, golden glow. In the bottom right corner, there is a semi-transparent watermark.

愛戀生活

the touch
of love



- Legal Disclaimer
- Company Profile
- Financial Results
- R&D achievement and technology application
- Q&A

HCG | Legal Disclaimer

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HCG | Company Profile

Founded : 1961.12.09

Listed in TWSE : 1991 .10.14

Paid- in Capital : NT\$3,698,000,000

Number of Employees : 1,162

Main Products : Sanitary Wares

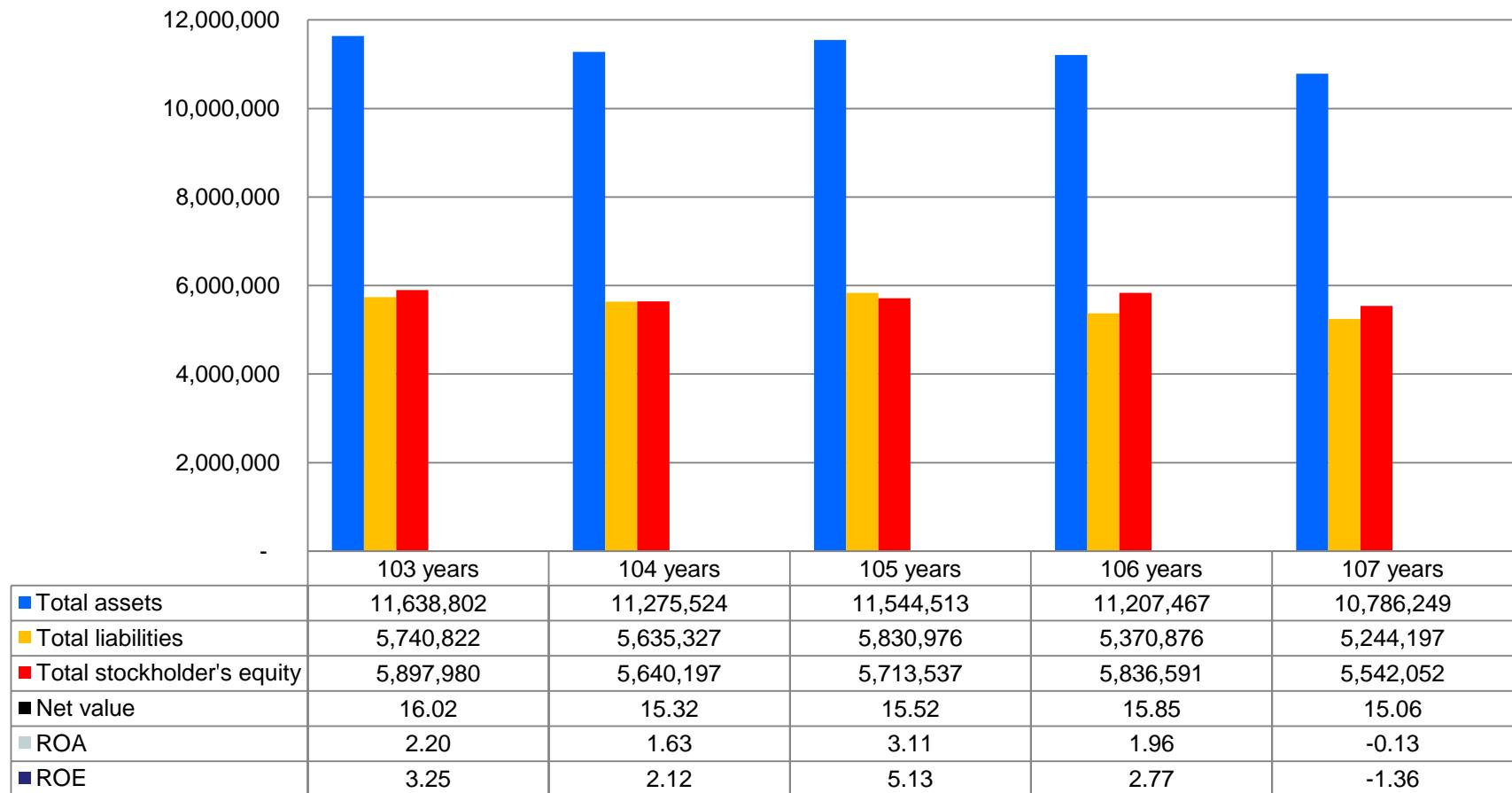
Headquarter :1F., No.398, Xingshan Rd., Neihu

Dist.,Taipei City 11469, Taiwan (R.O.C.)

Financial Results

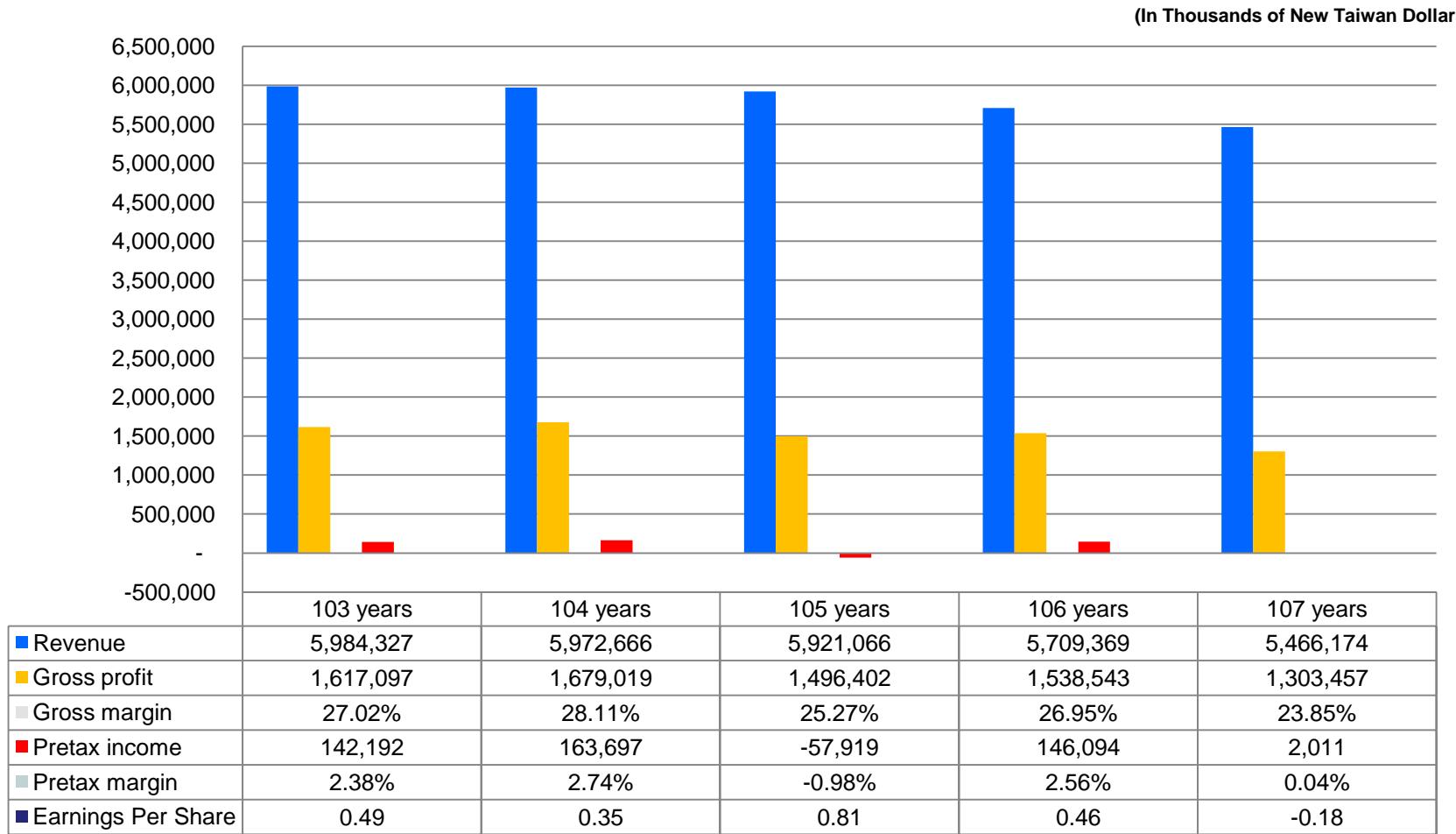
Consolidated balance sheet of past five years

(UNITS: In Thousands of New Taiwan Dollars)



Financial Results

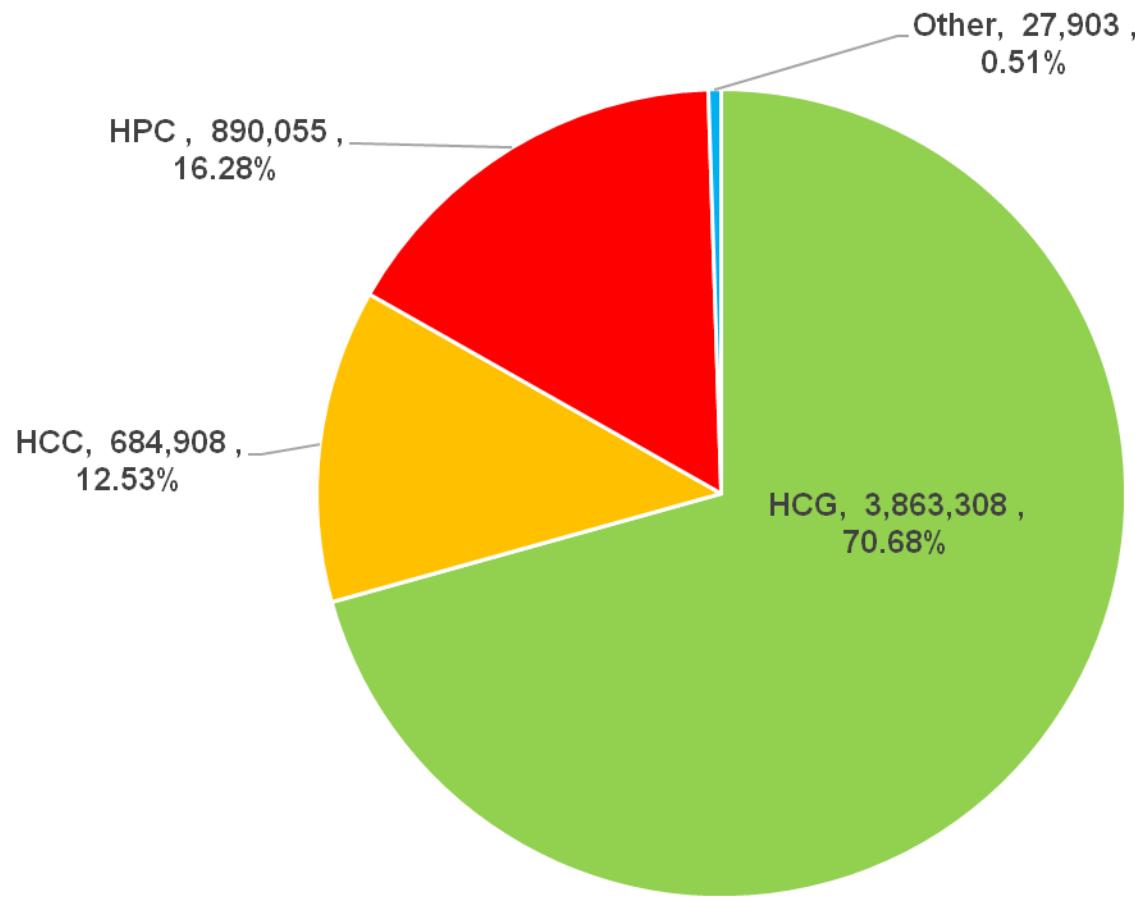
Consolidated comprehensive income statements of past five years



Financial Results

YT4Q18 Sales Revenue

(UNITS:In Thousands of New Taiwan Dollars)

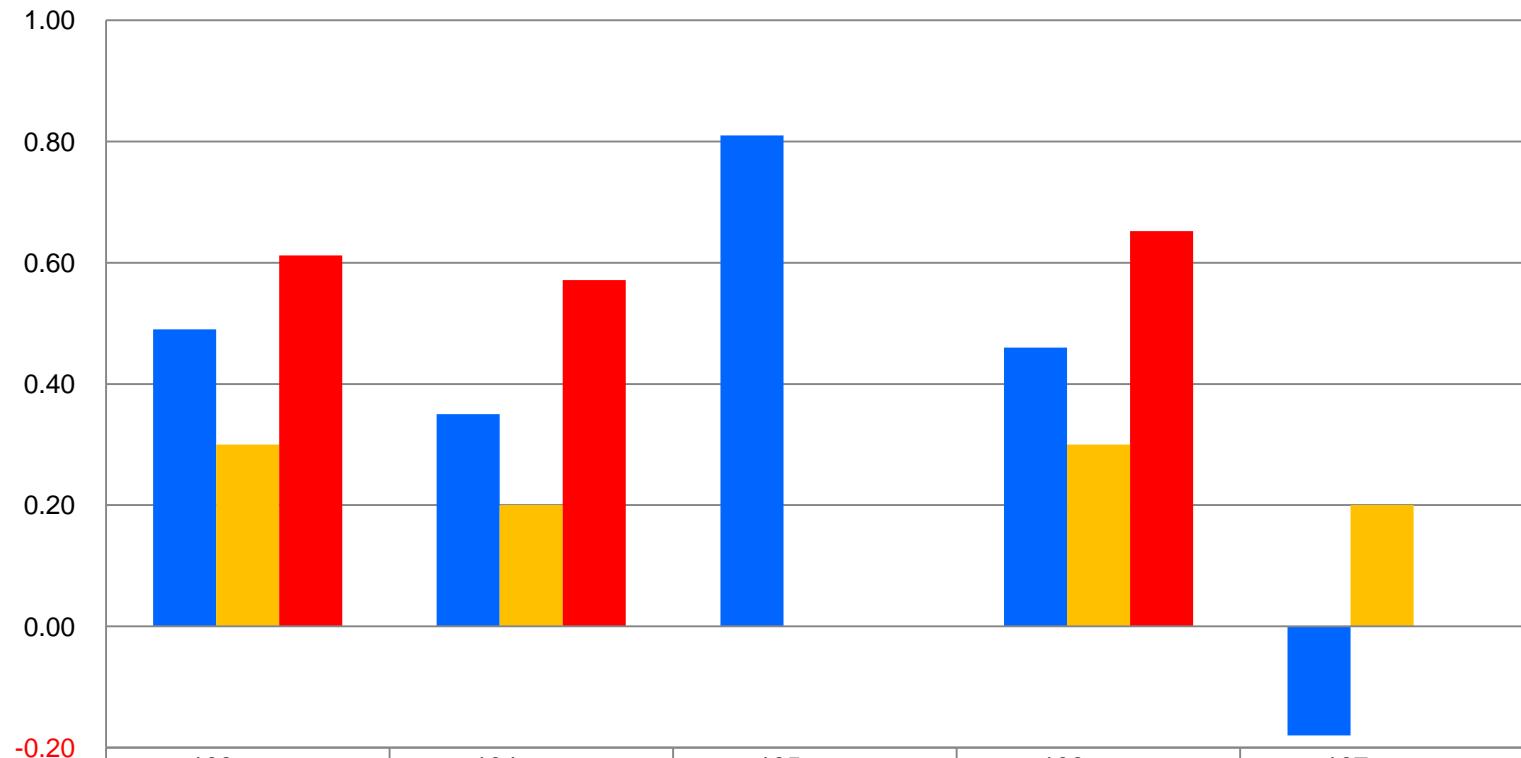


YT4Q18 Sales Revenue Total 5,466,174

Financial Results

EPS and Dividends by 103-107

(New Taiwan Dollars)



	103 years	104 years	105 years	106 years	107 years
■ EPS	0.49	0.35	0.81	0.46	-0.18
■ Cash Dividends	0.30	0.20	0.00	0.30	0.20
■ Payout Ratio	61.22%	57.14%	0.00%	65.22%	0.00%

Financial Results

(NT\$Thousand)	YT3Q19	YT4Q18	Difference
Current assets	4, 809, 063	4, 945, 882	-2. 77%
Noncurrent assets	6, 164, 381	5, 840, 367	5. 55%
Total Assets	10, 973, 444	10, 786, 249	1. 74%
Current liabilities	3, 582, 998	3, 712, 070	-3. 48%
Noncurrent liabilities	1, 775, 665	1, 532, 127	15. 90%
Total Liabilities	5, 358, 663	5, 244, 197	2. 18%
Share capitais	3, 698, 536	3, 698, 536	0. 00%
Capital surplus	13, 079	13, 079	0. 00%
Retained earnings	1, 614, 005	1, 645, 991	-1. 94%
Other equity	234, 782	121, 021	94. 00%
Treasury shares	-16, 582	-16, 582	0. 00%
Non-controlling interests	70, 961	80, 007	-11. 31%
Total Equity	5, 614, 781	5, 542, 052	1. 31%
Net worth	0. 08	-0. 09	-188. 89%
ROA(%)	0. 85	-0. 13	
ROE(%)	0. 50	-1. 36	

Financial Results

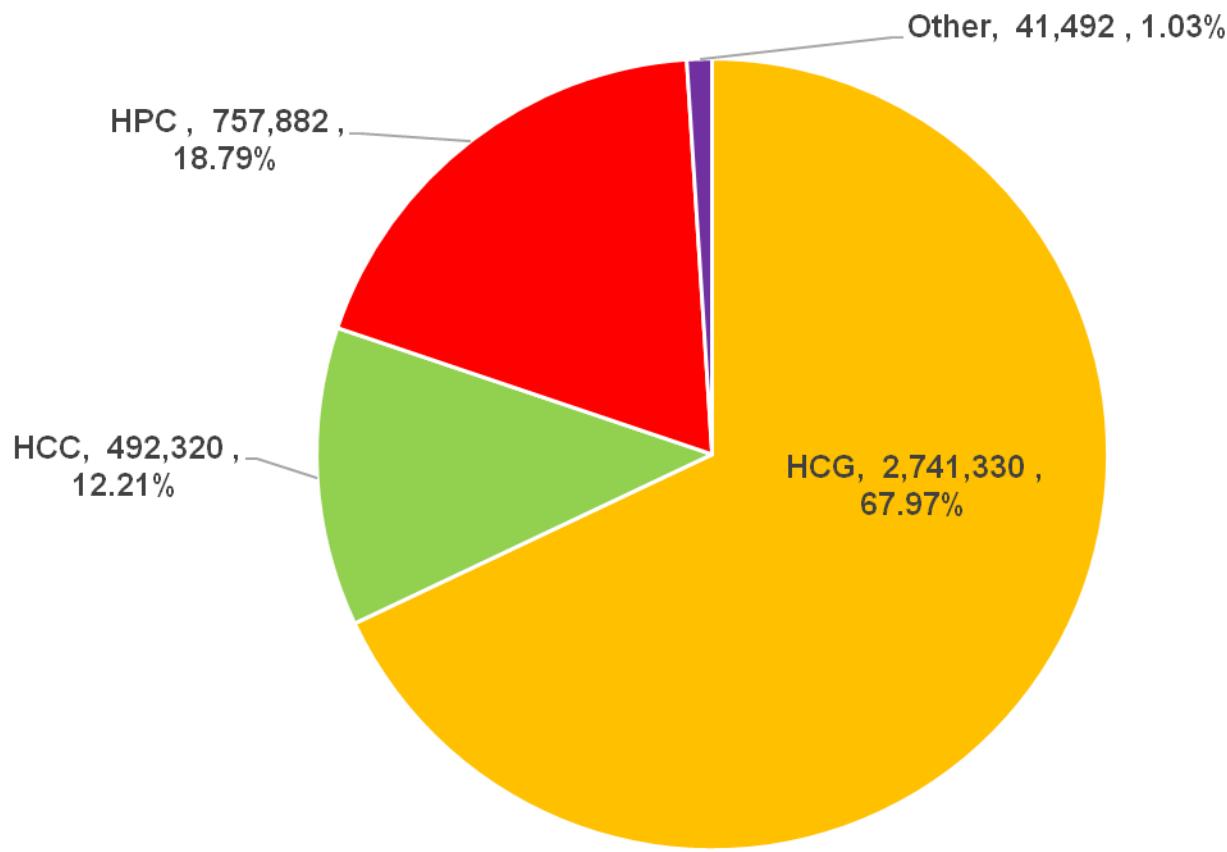
(NT\$ Thousand)	YT3Q19	YT3Q18	YoY
Revenue	4,033,024	3,911,948	3.10%
COGS	3,007,825	2,961,130	1.58%
Gross profit	1,025,199	950,818	7.82%
Gross margin	25.42%	24.31%	111bps
Operation expenses	986,145	979,760	0.65%
OpExp/revenue	24.45%	25.05%	-60bps
Operation income	39,054	-28,942	234.94%
Operation margin	0.97%	-0.74%	171bps
Non-operating income	14,597	1,447	908.78%
Pretax income	53,651	-27,495	295.13%
Pretax margin	1.33%	-0.70%	203bps
Income taxes	32,582	9,361	248.06%
Provision for taxes	0.81%	0.24%	57bps
Net income attributable to parent	30,937	-31,815	197.24%
Net margin	0.77%	-0.81%	158bps
Basic EPS (NT\$)	0.08	-0.09	188.89%
Diluted EPS (NT\$)	0.08	-0.09	188.89%

YT3Q19 revenue totaled NT\$4,033 million, up by 3.10% YoY. Net income attributable to parent was NT\$30.94 million up by 197.24% YoY. EPS was NT\$0.08, down by 188.89% YoY.

Financial Results

YT3Q19 Sales Revenue

(UNITS:In Thousands of New Taiwan Dollars)



YT3Q19 Sales Revenue Total 4,033,024



台灣精品 2020 TAIWAN EXCELLENCE



HD2085/HD2010
Compound-carbon fiber-Rim



AFC290
Wisdom-superlet



BF5138
Long-lasting
electrochemical
-dechlorination faucet



- Automatic cover to distinguish between men and women



Girls open automatically after approaching

- a human body close to the toilet 10-30cm
- b within three seconds of the human body close to the toilet 0-10cm

boy open automatically after approaching

- Automatic squat after three seconds
- a human body close to the toilet 10-30cm
- b After the human body is still or equidistant for three seconds



Automatic cover without squatting and start deodorization

Automatic cover
Automatic squat

Automatic flush resolution size

Large infrared detection detects that the human body is close to 2 minutes or more to leave

Automatic large flush

Small infrared detection detects that the human body is close to 20 seconds to 2 minutes to leave

Automatic trumpet flushing



- Automatic identification of men and women:

- (A) Automatic cover with infrared sensor. (60~120CM distance can be adjusted)
- (B) After the cover is covered, the man stands for 3 seconds, and can automatically recognize the big and small numbers. The identification is small, that is, the seat is automatically opened.

** Pursuit of cleanliness and hygiene: no need to cover and squat with your hands.

- Automatically distinguish between large and small flushes:

- (A) The length of sitting time, automatically distinguish between large and small flushes. (Large 4.8L / Small 3L)
- (B) The person automatically flushes out of the toilet within 90 seconds.

● Home Edition: (all closed, then flushed), people leave the detection range, automatically flush after 17 seconds

● Public version: (not all closed, flushing) People leave the detection range, automatically flush after 5 seconds

● Activated carbon automatic deodorization

● 6/9 hours timed power saving

● 24 hours automatic power off

● Fashion Art Conservation - The Nordic Design combines the graceful curve sculptures of luxury yachts and Italian noble women's shoes.

● The wisdom of science and technology - the application of high-tech automation and intimate functions, so that you can enjoy it in every possible way

● Nano glaze health good - nano Technology glazed anti-fouling, easy to clean and maintain

● Can be safe and environmentally friendly - warm water can prevent hemorrhoids, reduce the use of paper to avoid forest felling

● Minimalist and functional design - a functional aesthetic of technology.

● Integrated design - creating overall value.

● Ergonomic cushion design - provides unimaginable comfort.



HD2085/HD2010 Composite carbon fiber



Composite carbon fiber rim

HD-2085/HD-2010 Carbon Fiber Wheel

The only station passed the arct verification

Lightweight: 20% reduction in weight loss

High strength: 30% increase in service life and strength

Maneuverability: Shorter distance

Energy saving and carbon reduction: fuel consumption is reduced by 10 %

Technological breakthrough: original patent casing pre-work method

Roulette style free choice
Optional for each car



Available carbon fiber rim specifications

**18"×8J :**

- ✓ Obtained three test reports of ARTC

20"×8.5J :

- ✓ Obtained three test reports of ARTC

20"×10J :

- ✓ Obtained three test reports of ARTC

The carbon fiber rim has beautiful appearance and high economic value, and can also make the car body lighter. Its characteristics are as follows: The carbon fiber composite material is light in weight and has a specific strength and specific modulus up to three times that of the metal material. It replaces the traditional vehicle structural parts, which can reduce the braking distance and improve the steering maneuverability. The carbon fiber rim replaces the traditional aluminum alloy wheel to reduce weight by 20%. It can be used for electric vehicles to increase the driving distance. It can be used for fuel vehicles to reduce fuel consumption and achieve energy saving and carbon reduction. Automobile rims are replaceable and suitable for different brand models, and can be customized to adjust specifications.

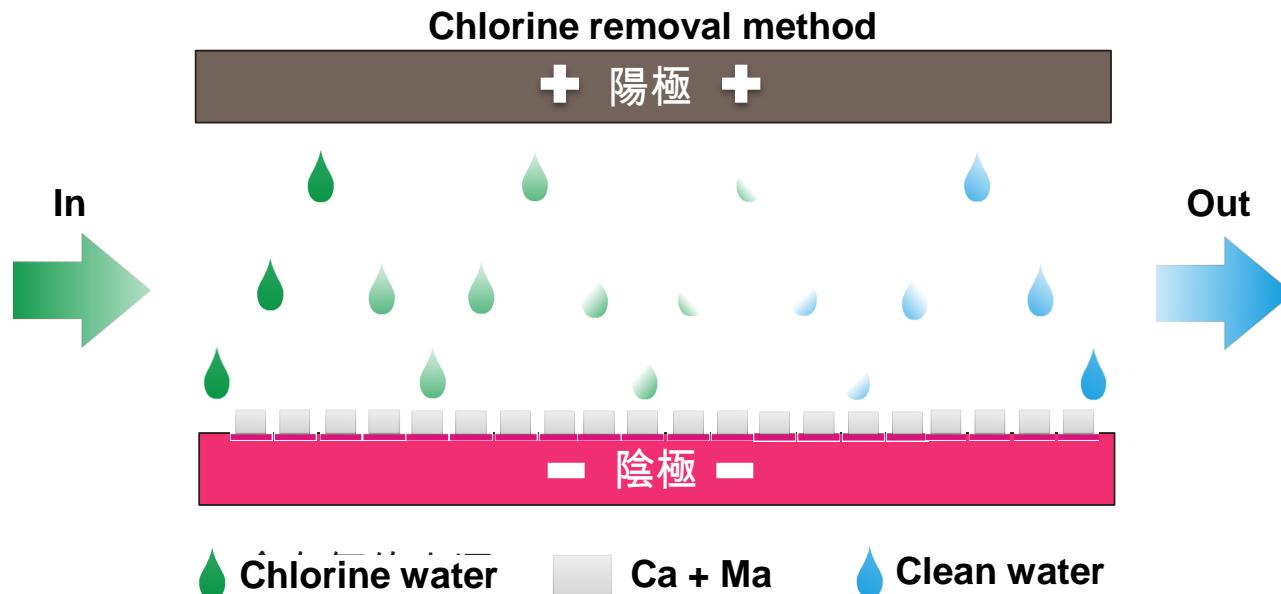
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The necessity of chlorine removal:

1. In order to provide safe drinking water to the public, chlorine disinfection and bacteriostasis will be added to the tap water.
2. According to the news report, when using water, free residual chlorine and organic matter in tap water will form trihalomethanes.
3. The effect of trihalomethane on the body is that inhalation > drinking > contact is true to the human body.



BF 5138 Permanent electrochemical dechlorination healthy faucet.



Dechlorination product features:

1. Electrochemical dechlorination device cooperated with ITRI, the only patented technology in the world that does not require filtration.
2. Automatic cleaning system, intelligent energy saving, greatly increasing product life.
3. Instant temperature display, intimately provide water temperature information.
4. The appearance of carbon fiber material, simple and generous and light.

BF 5138 Permanent electrochemical dechlorination healthy faucet.

Dechlorination technology is recognized by 5 countries.

The only technology in the world that does not need to replace the filter.

International certification for chlorine removal:

1. Taiwan : M494162
2. China : CN102115232 A
3. Japan : P2010-205850
4. U.S. : US8366885 B2
5. Korea : 10-2010-0086462



Intelligent production industry 4.0 AI value added wisdom manufacturing



Ministry of Economic Affairs Industry Bureau 108

AI added value wisdom manufacturing
industry promotion plan

Ministry of Economic Affairs Industry Bureau 108 AI added value
wisdom manufacturing industry promotion plan Project summary

- 一、 project name: robot research and polishing AI process optimization
- 二、 Counseling unit: Industrial Technology Research Institute
- 三、 Coached by: HCG COMPANY
- 四、 Project Host: Shi Zhixuan
- 伍、 Counseling unit contact person: Shi Zhixuan Lu,
- 六、 the counselor's contact person: Tong Qingwei

Intelligent production industry 4.0 AI value added wisdom manufacturing



一、take the embryo system

Industry 4.0 is for automatic transportation to reduce manpower handling. The toilet raw weight is 45 kg. The solid mining is carried by robot arm. Due to the high humidity and high temperature environment at the site, the waterproof measures of the solid mechanical arm also need to be considered.

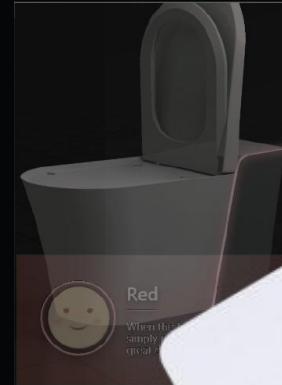
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二、Automatic conveying system

The delivery of the toilet embryo. It is shared with the existing washbasin and is automatically transported.

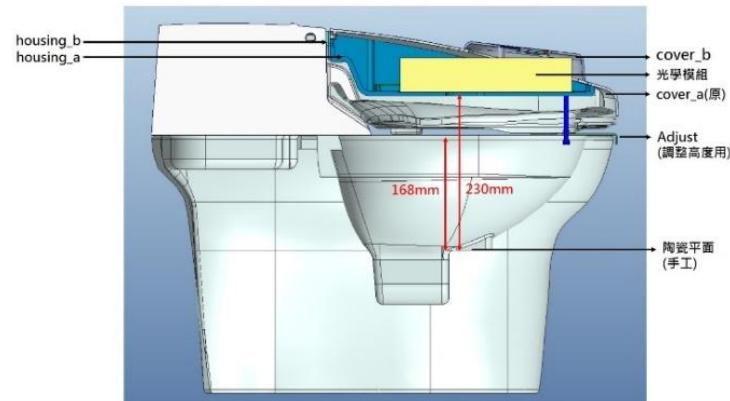
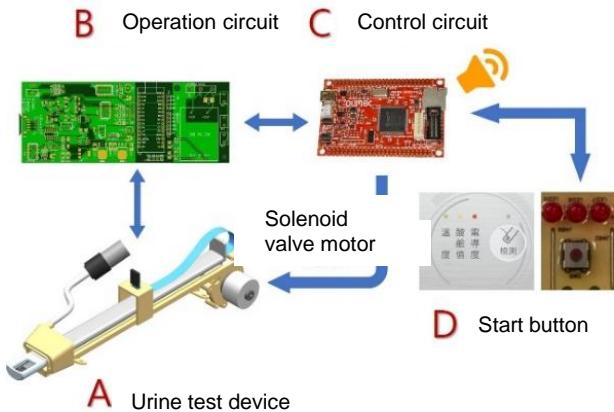




L U S H Healthy toilet



Healthy toilet : urine test, fecal occult blood, urine occult blood



Function completed before the end of December 2019

Dr. Yan, the patent of the occult blood patent, won the national innovation this year.



temperature

Conductivity

T - TEMPERATURE



- Human core temperature
- Health reference value 37

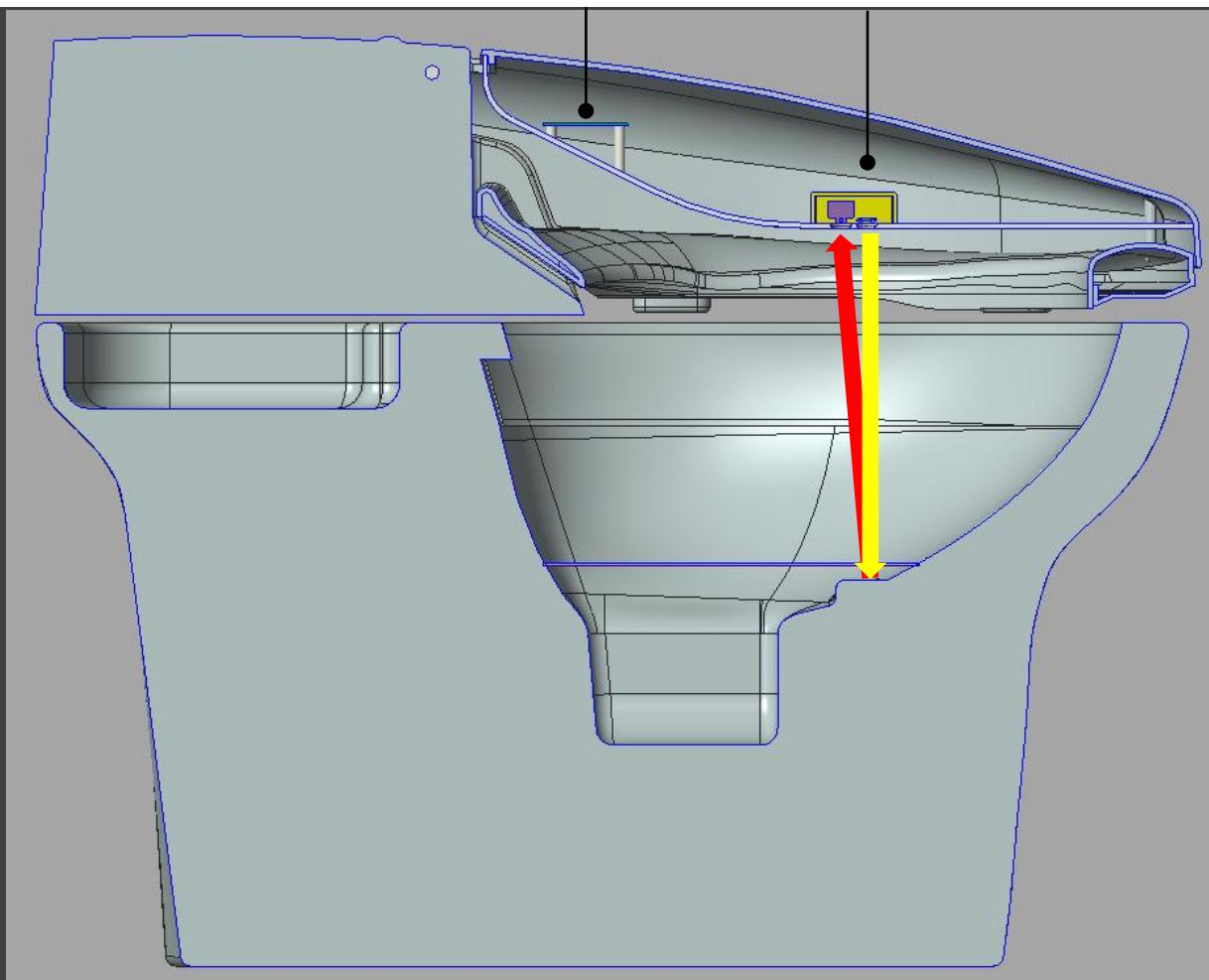
EC- CONDUCTIVITY



- Kidney fatigue
- Human water content

Health reference value below 12MS

MOTHERBOARD Light source
version



7.25.▶28.
台北南港展覽館



銀髮族專用套組

HF8750EARMREST

NEWS



AF8750E Toilet auxiliary armrest

Load below 150KG

| HF8750 Toilet auxiliary armrest

ADJUSTABLE ARMREST

- Adjustable height
- Easy to access easy to access

One touch button flush (HF8750E)

- With AF875W wash drying stroke
- Concealed lines, wires are not exposed

Ground clean Very little touch area, the ground is dry and safe No need to install broken nails

Ground clean

- very little touch area the ground is dry and safe
- 極少觸地面積, 地面乾爽安全

HF8750

馬桶專用扶手



NEWS

AF875W

Free toilet seat

- Thermal storage heating device
- Front and rear washing function (double-bar engineering plastic nozzle)
- Slow down function
- Toilet seat with bioenergy
- Warm wind, deodorization
- With the HE8750E special handrail for the silver hair, it is easy to use with one-button cleaning.





NEWS

HE7202

Toilet lift seat

- down (45~72CM), and it can also be changed to a more oblique arc electric lift.
- Power supply 110V, 220V can be shared.
- Can be used with no treatment. (Removable gray cushion after installation and treatment) In addition to AF788, 755 series (with water tank on the side) is not applicable, the rest of the installation-free treatment is applicable
- Applicable to people with silver hair and physical disabilities, increase the safety and stability of using toilets, reduce the chance of accidents

Why use antibacterial products?

Bacteria have an adverse effect on the human body.

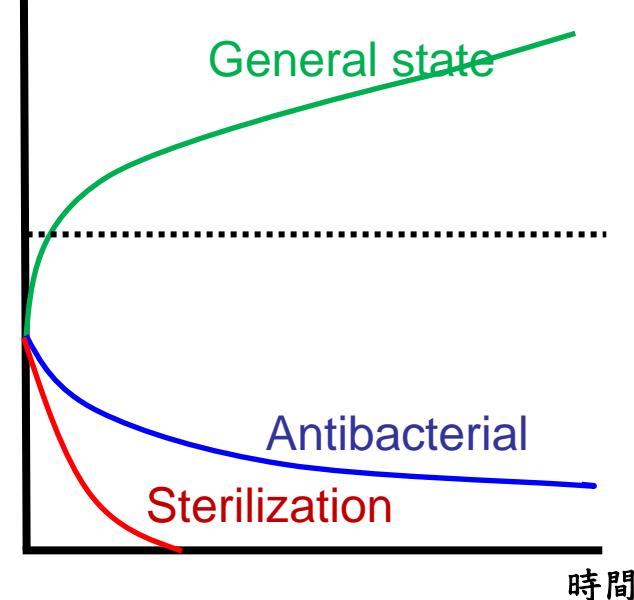
to the proliferation of bacteria. Antibacterial products can inhibit the proliferation of bacteria, even kill bacteria, and minimize the impact of bacteria on the human body. °

What is antibacterial?

Antibacterial refers to the long-term inhibition of the growth of bacteria, maintaining the number of bacteria at a certain low level, and reducing the impact of bacteria on the human body.



bacteria



Antibacterial Stainless Steel Antibacterial Performance Test Report (Food Research Institute)

**財團法人食品工業發展研究所
生物資源保存及研究中心**

**Food Industry Research and Development Institute
Bioresource Collection and Research Center**

新竹市食品路331號 http://www.firdi.org.tw
331, Shih-Pin Road, Hsinchu 300, Taiwan
TEL:+886-3-5223191 Fax:+886-3-5224172

TAF Testing Laboratory

**委託試驗報告
TEST REPORT**

委 托 者 : 財團法人金屬工業研究發展中心
Applicant

取 樣 者 : 財團法人金屬工業研究發展中心
Sampler

物 品 名 稱 : 不鏽鋼L9699A(t=1.5mm)
Name of Article

地 址 : 高雄市楠梓區高楠公路1001號
Address

試 驗 項 目 **結 果** **方 法**
(Item) (Results) (Method)

抗 菌 試 驗 (依 據 JIS Z 2801 方 法) - TAF
依據「JIS Z 2801:2010 抗菌試驗法」之評 估標準，不鏽鋼L9699A (t=1.5mm) 樣品對金黃色葡萄球菌 (*Staphylococcus aureus* BCRC 10451) 之抗菌活性值為 5.0；樣品對大腸桿菌 (*Escherichia coli* BCRC 11634) 之抗菌活性值為 6.3。
試驗內容，詳如附件。
以下空白

生物資源保存及研究中心 報告簽署人
Authorized Representative of Bioresource Collection and Research Center : 朱文深
朱文深

簽 發 機 構
Authorized Organization : 

備註
1. 本分析結果，僅對委託者所送樣品負責。
The results in this report are valid only to the sample sent by the applicant.
2. 委託者所送樣品是否適用於人類(接觸、吸入口、食入等)，非本試驗之範圍。
Whether the sample sent by the applicant can be applied to humans in any way (contact, inhalation, ingestion, etc.) beyond the scope of this test.
3. 本報告所載事項，僅做參考資料，若貴公司／單位擬做為廣告、公證或商業推銷用途，應經本所同意。
This report is for reference only, if it is used for advertisement, sales promotion, or notarial use, please consult FIRDI first.

TAF-T-066

附件： 2014TAF006

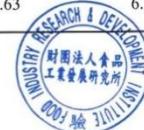
第 2 頁 / 全 2 頁

表一、樣品對金黃色葡萄球菌 (*S. aureus* BCRC 10451) 之抗菌情形

試驗組別	接種後洗下菌數 (CFU/cm ²)	24 小時後菌數 (CFU/cm ²)	抗菌活性值
A ¹ = 空白組	1.28×10^4	5.94×10^4	---
A ² = 對照組 ²	---	---	---
C ³ = 樣品組	---	0.63	5.0

¹ CFU：菌落形成單位 ²若無對照組，以空白組代替之 ³免填數據表二、樣品對大腸桿菌 (*E. coli* BCRC 11634) 之抗菌情形

試驗組別	接種後洗下菌數 (CFU/cm ²)	24 小時後菌數 (CFU/cm ²)	抗菌活性值
A ¹ = 空白組	1.51×10^4	1.11×10^6	---
A ² = 對照組	---	---	---
C ³ = 樣品組	---	0.63	6.3



Light weight

High stiffness

Corrosion Resistance

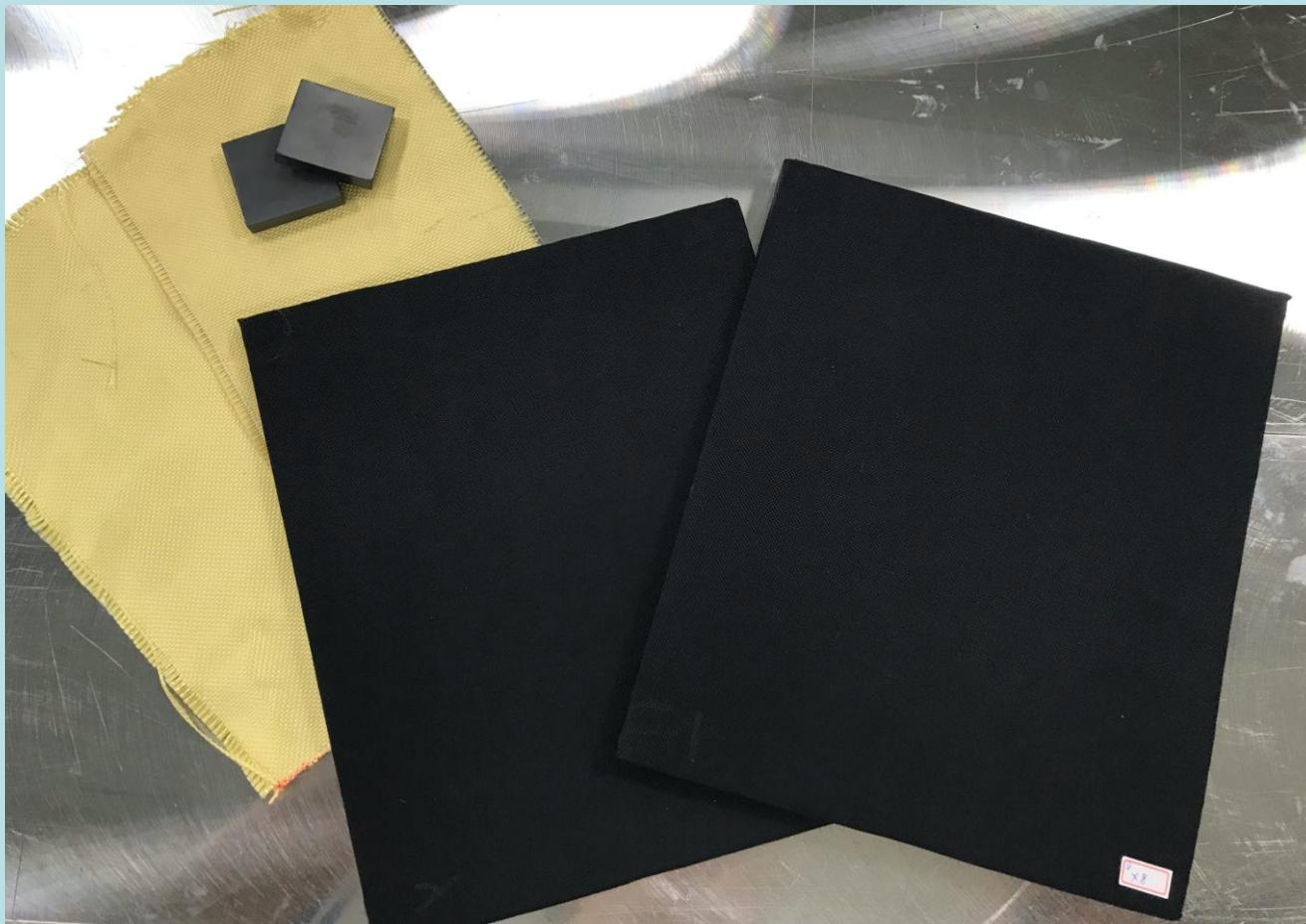
2020Q1上市

Launch in 2020Q1



Meets NIJ 0108.01 type IIIA

Meets NIJ 0115.00 type III





Thank you for your attention !