



Namchow holdings Co., Ltd.

3Q 2018 Investor Conference

Kevin Lee Nov. 20, 2018







Disclaimer

Namchow's presentation contains forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.

The forward-looking statements in this release reflect the current belief of Namchow as of the date of this release, we undertake no obligation to update these forward-looking statements for new information, future events, or otherwise.





- Company Profile
- Review of operations
- Business Highlight
- Business Outlook

Q&A





Company Profile

Date of Incorporation: Jun 30, 1950

Date of stock listed: May 30, 1973

Paid-up capital: TWD 2941 million

Name of Representative: Fei-Lung Chen

Scope of Business: Home product, Bakery oil, Frozen dough,
Ice cream, Frozen noodle, Aseptic cooked
rice, Instant noodle, rice crackers,
Dining.





Company profile - territories

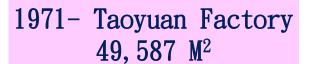






Company profile - Plant locations







1981- Chungli factory 7,150 M²



1986- Tainan factory 16,529 M²



1989- Thailand factory 130, 562 M²



1996 - Tenjin factory 66,790 M²



2007- Guangzhou factory 36,006 M²



2016-Jinshan Shanghai 59, 279 M²



2016-Jinshan Shanghai 12, 109 M²







Company profile - Food service locations

<u>上 海</u>





































Security Code: 1702







◇ 南僑水晶 天然呀讓健康與環保





Security Code: 1702

❖南僑油脂

全球烘焙業經營策略夥伴 共同創新發展

市場領導品牌 ▶ 伴隨烘焙業一起成長

顧 問 式 行 銷 ▶ 提供一步到位專業烘焙顧問服務

技 術 領 先 ▶ 全台首家提供"無部分氫化的反式脂肪"烘焙油脂

客製化產品能力 ▶ 創造客戶具差異化的競爭優勢

溯源管理系統→強化食安的競爭力安心把關

漢餅專用油脂系列





Security Code: 1702



是您烘焙事業的忠實夥伴

- ✓市占率第一的領導品牌・從原物料到生產製程經過嚴謹的品質管理
 - ✓ 一步到位的顧問式行銷服務,洞悉產業趨勢與客戶共創價值
 - ✓ 具差異化且品質穩定的產品·並提供量身訂做客製化服務
 - ✓ 完善的溯源管理系統·嚴格監控原料物料食品安全衛生





































Security Code: 1702

樟之物語全方位呵護肌膚●敏感肌也適用 [南僑集團匯聚65年工藝能量,耗費3年時間打造全新品牌一樟之物語]

4 牛樟芝精華:原住民傳承,注入肌膚活力光彩

天然油脂製造:獨家黃金比例,清潔潤澤完美平衡

²⁷ 七段輾壓工法:溫潤紮實手感,洗到薄博一片也不會斷裂

節 舒緩木質香調:如芬多精氣息,像漫步森林中

美國AMA認證:通過美國專業皮膚臨床測試實驗室檢測

南僑食安把關:產品用料皆以食安等級進行檢驗





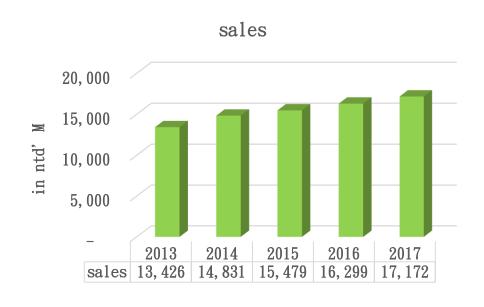


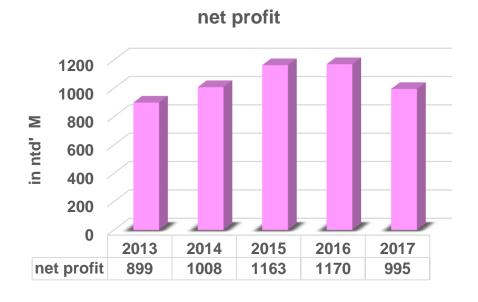
- Company Profile
- Review of operations
- Business Highlight
- Business Outlook

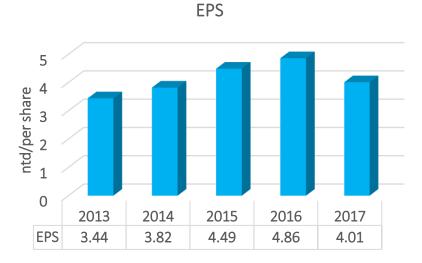
Q&A

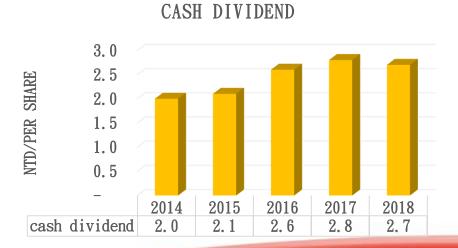


Review of operations















- Company Profile
- Review of operations
- Business Highlight
- Business Outlook

Q&A



Business Highlight-Consolidated Balance Sheets

	Sep. 30, 2018		Sep. 30, 2017	
in NTD'000	amount	%	amount	%
Current Assets	9, 457, 622	43%	9, 907, 247	45%
Non-Current Assets	12, 522, 468	57%	12, 124, 490	55%
Assets	21, 980, 090	100%	22, 031, 737	100%
Current Liabilities	9, 272, 176	43%	8, 988, 847	42%
Non-Current Liabilities	6, 851, 062	30%	7, 643, 709	34%
Liabilities	16, 123, 238	73%	16, 632, 556	76%
Stockholders 'equity	5, 856, 852	27%	5, 399, 181	24%
Total liabilities and Equity	21, 980, 090	100%	22, 031, 737	100%



Business Highlight-Consolidated statement of cash flow

in NTD' 000	3Q 2018	3Q 2017
Cash and cash equivalents at beginning of period	4, 662, 498	3, 161, 685
Cash provided by operating activities	1, 128, 968	755, 568
Acquisition of property, plant and equipment	(883, 923)	(1, 426, 667)
Bank borrowings	76, 977	3, 453, 199
Cash dividends	(668, 280)	(823, 810)
Acquisition of non-controlling interests by subsidiaries		(159, 837)
Payments to acquire treasury stock		(46, 746)
Investment and others	5, 970	32, 056
Effect of exchange rate changes on cash and cash equivalents	(61, 738)	(77, 087)
Cash and cash equivalents at end of period	4, 260, 472	4, 868, 361



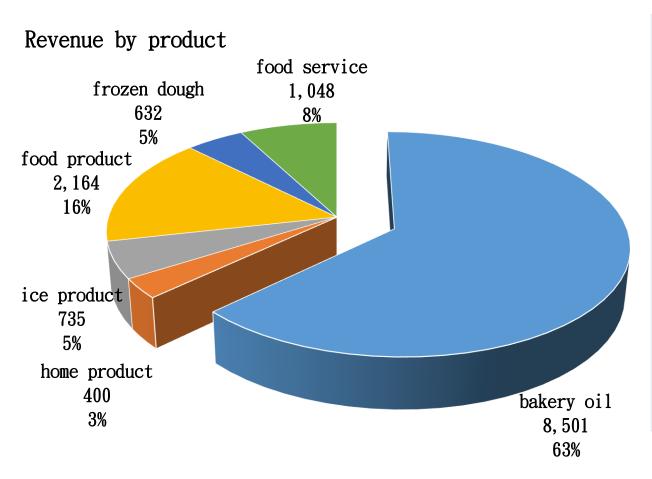
Business Highlight-Consolidated income statement

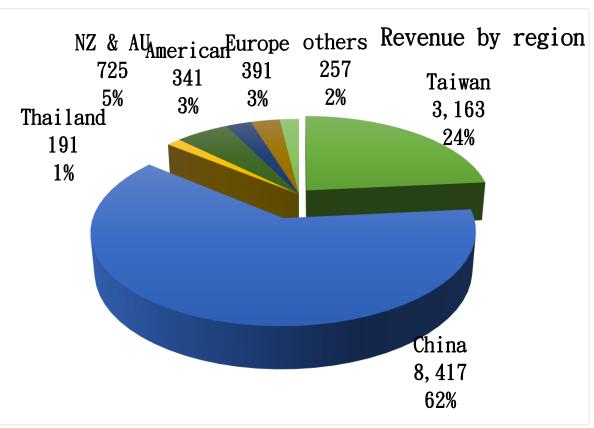
in NTD' 000	3Q 2018	3Q 2017	YoY(%)
Revenue	13, 484, 667	12, 554, 918	$\overline{7\%}$
Gross profit	4, 410, 918	4, 236, 836	4%
(%)	33%	34%	-1%
Operating expenses	3,278,997	3, 174, 126	3%
Operating profit	1, 131, 921	1,062,710	7%
(%)	8%	8%	0%
Non-operating income and expenses	(152, 443)	79, 655	-291%
Net income before tax	979, 478	1, 142, 365	-14%
Income tax expense	271,299	390, 921	-31%
Net income	708, 179	751, 444	-6%
(%)	5%	6%	-1%
Net income attributable to shareholders of theparent	675, 079	751, 672	-10%
EPS	\$2.72	\$3.03	-\$0.31





Business Highlight- 3Q 2018 revenue









- Company Profile
- Review of operations
- Business Highlight
- Business Outlook

Q & A



With eyes on the world

Cultivated in Taiwan, expanded in China, and moving towards ASEAN





Frozen noodles

- Leading market brand with stable annual growth.
- Continue to develop healthy and convenient new products and food packs. Develop the market for senior groups, healthy living groups, and office worker groups.
- Show the advantages of Namchow's B2B consultation style sales. Increase the growth of international brands or new customers. Increase annual customer number by more than 5%.
- Obtain international certification and increase global marketing.
- Increase the number of face-to-face sales events under the original organization operation from 1500 annual events to 6000 annual events.

Dairy products

- In addition to existing customers, develop strategic OEM and ODM products. Work with internationally known brands in sales to help increase brand value.
- Continue to cultivate and expand the potential of large chain restaurant customers for ice cream and frozen dough products.
- Continue to expand global sales. Expand the export of mochi ice cream, sundaes, and smoothies.
- ➤ Increase the number of face-to-face sales under the original organization operation. Increase to 6000 annual events from the original 2000 events.

Home products

- ➤ In the third quarter of 2018 the company completed product price adjustments for prices that have not been adjusted for many years.
- Expand international markets and continue investments in brands.
- Develop new products and expand and cultivate special sales channels.
- ➤ Increase the number of face-toface sales under the original organization operation. Increase to 5000 annual events from the original 1000 event per year.



Security Code: 1702

NamChow Thailand: plant expansion

- ➤ Investment amount: expected to invest 1.3 billion Thai baht in the first stage
- Investment item: factory, warehouse, baby rice cracker production line
- Product: baby rice crackers
- Revenue increase: increase from the group's current 14% to more than 20%

Security Code: 1702

NamChow China: IPO

- > Expand production facilities and improve technology
- > Improve the refrigerated chain warehouse storage system
- > Upgrade the development center
- Establish and upgrade the customer service center and information system





Q&A





Thank you