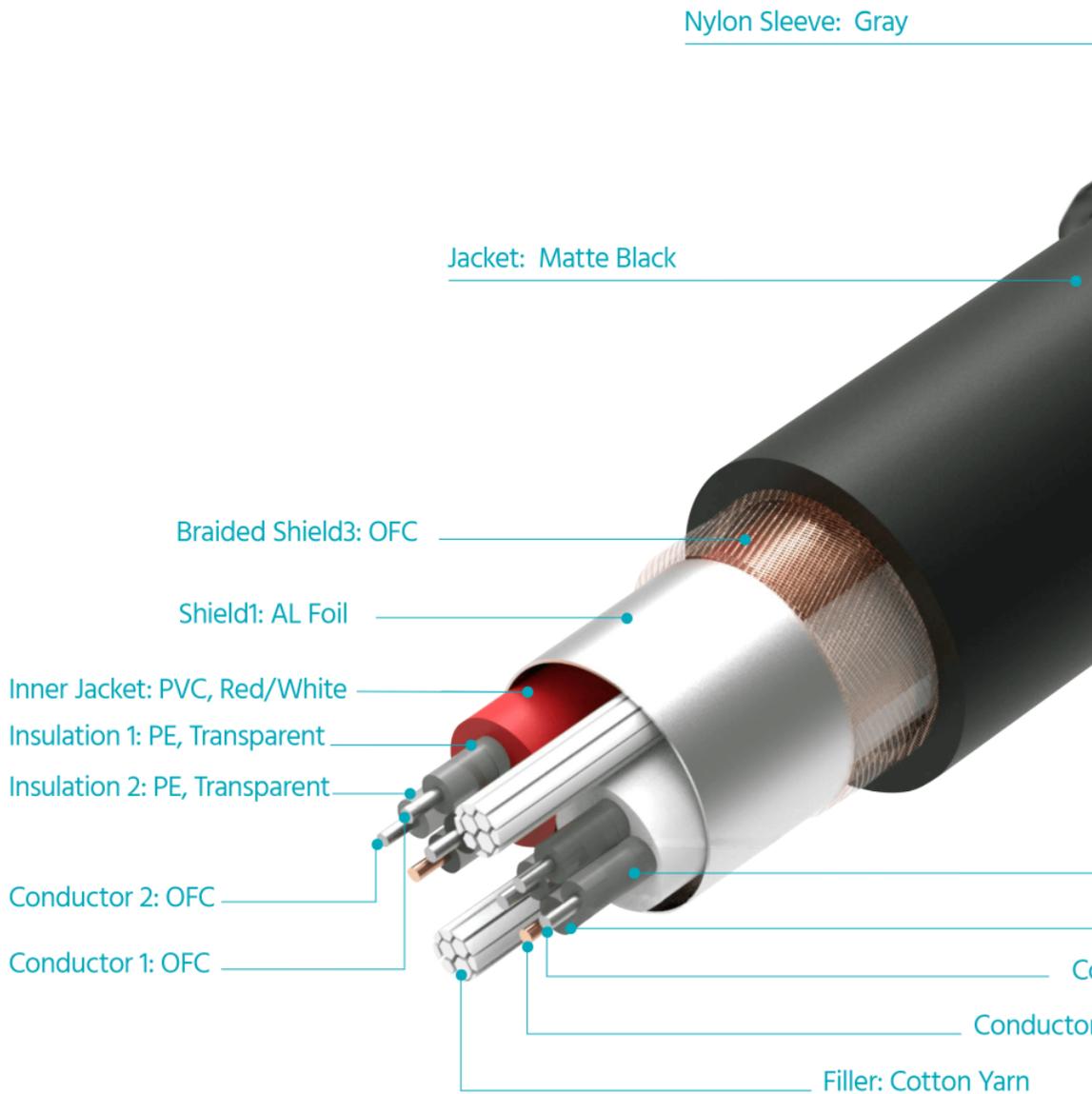




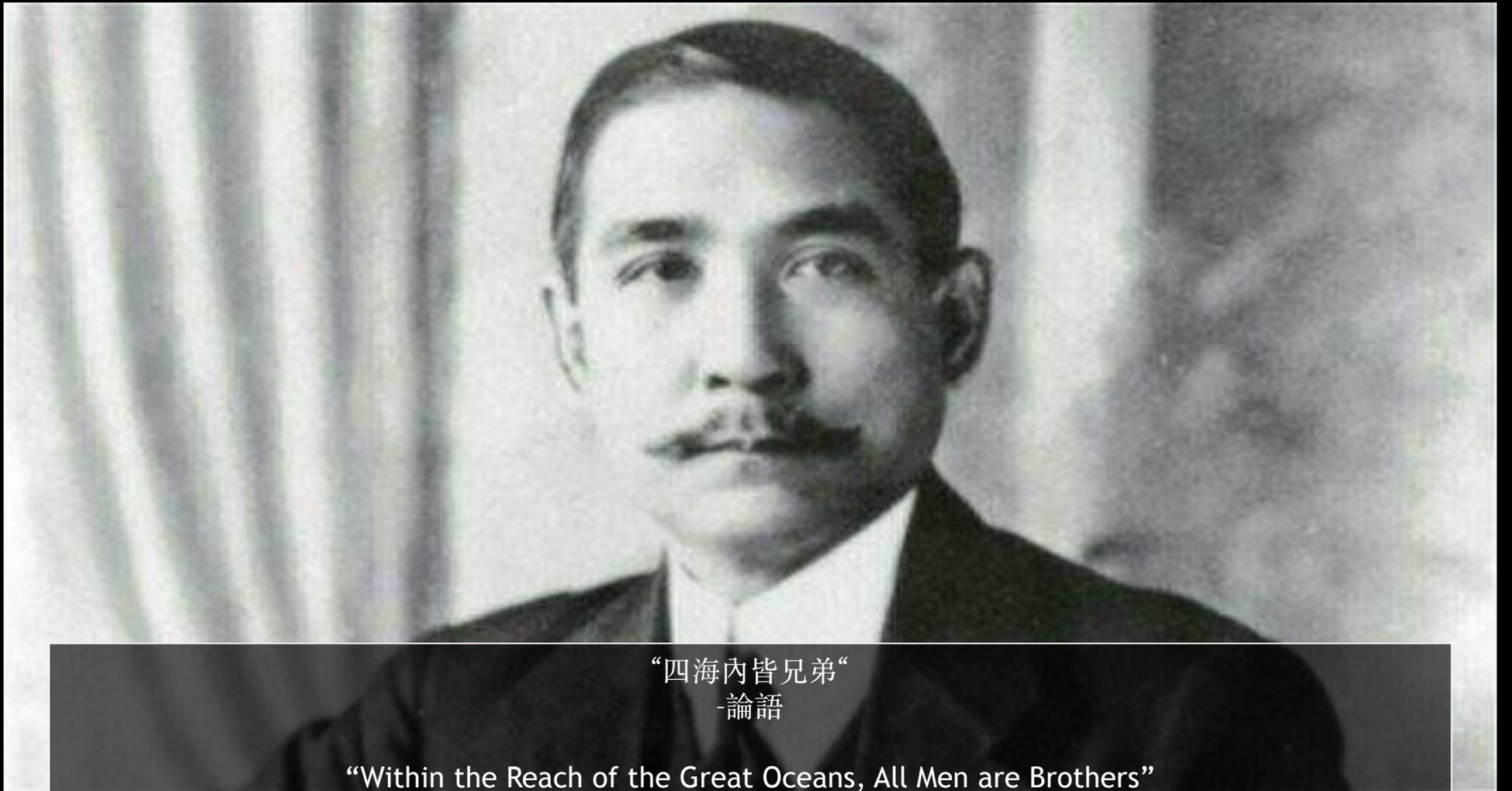
# YFC-Bon Eagle 6220 TT Investor Presentation September 2020





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“四海內皆兄弟”  
-論語

“Within the Reach of the Great Oceans, All Men are Brothers”  
-The Analects of Confucius

“人盡其才，地盡其利，物盡其用，貨暢其流”  
-孫中山

Employ each person's talents to their greatest potential  
Use the full resources of the land to benefit all  
Put material resources to their highest and best use  
Cause material goods to circulate smoothly and widely  
-Sun Yat-Sen

# A Message from Chairman Andrew Yeh

“If your heart is big enough to take on the concerns and welfare of your colleagues and customers and to treat them as your own, then they will become family to you; and loyalty, partnership and shared prosperity will follow.”

1

In the modern business world, only the companies that adapt and evolve will prosper. Those that don't will perish.

3

Instead, YFC sought differentiation through proprietary brands, beginning with our investment in Prime Wire and Cable in 2006.

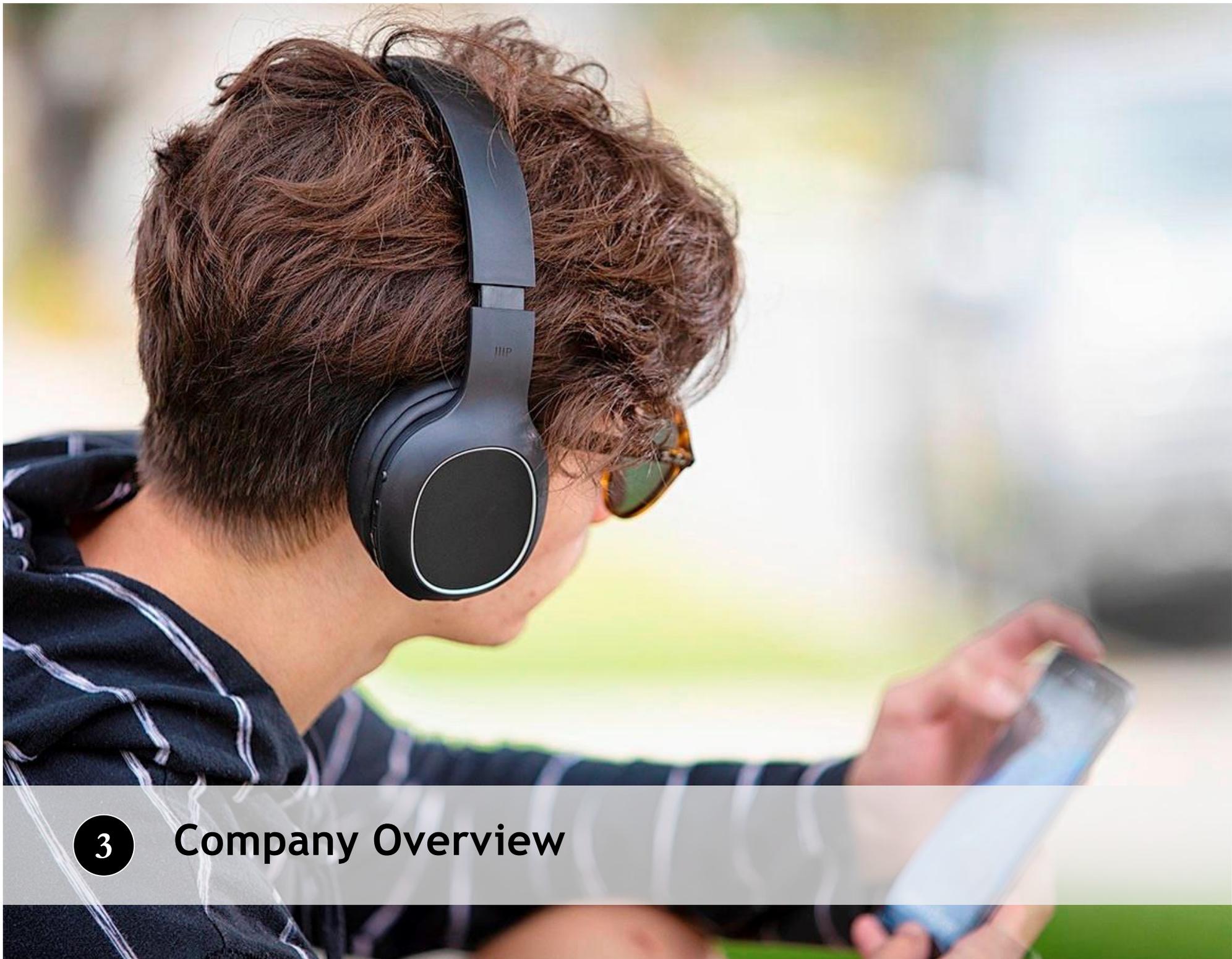
2

In the early 2000s, industry peers added ever more 'me too' capacity - YFC realized it would result in oversupply and severe price competition.

4

The 2016 acquisition of Monoprice, and its branded 3C Ecommerce platform was another step forward in the process of building our global brand and marketing presence.





**3**

## **Company Overview**

# Executive Summary

## Driving growth through Branded Product and Channel Innovation

### Culture



- Our company culture is rooted in the Taiwan manufacturing tradition. We compete through strict cost management and superior manufacturing engineering, while driving growth with an entrepreneurial spirit and a strong work ethic.

### Resources



- Yet, we are distinctly untraditional in our ability to acquire and retain top talent in overseas branded channel companies.

### Channels



- Our ambition is to become a globally branded, omni channel presence. That is, we will be as comfortable marketing through Ecommerce platforms as we are selling to traditional, brick-and-mortar retail players. We will sell products that are differentiated and achieve brand recognition, while providing our clients with end-to-end supply chain support.

### Goal



- Our goal is to sustain a minimum 15% ROE. 2017-2019 ROE averaged 13%.

# YFC-BonEagle Core Strategy & Values

## Establish a Global Branded Presence

- YFC has been building its global, branded omni channel presence since 2004, when it chose differentiation through vertical investment in the branded channel over 'me too' expansion in production facilities.
- Our major acquisitions have been made for less than 1x Sales.
- We use organic core competencies and acquired assets to drive growth.

## Transparency & Shareholder Alignment

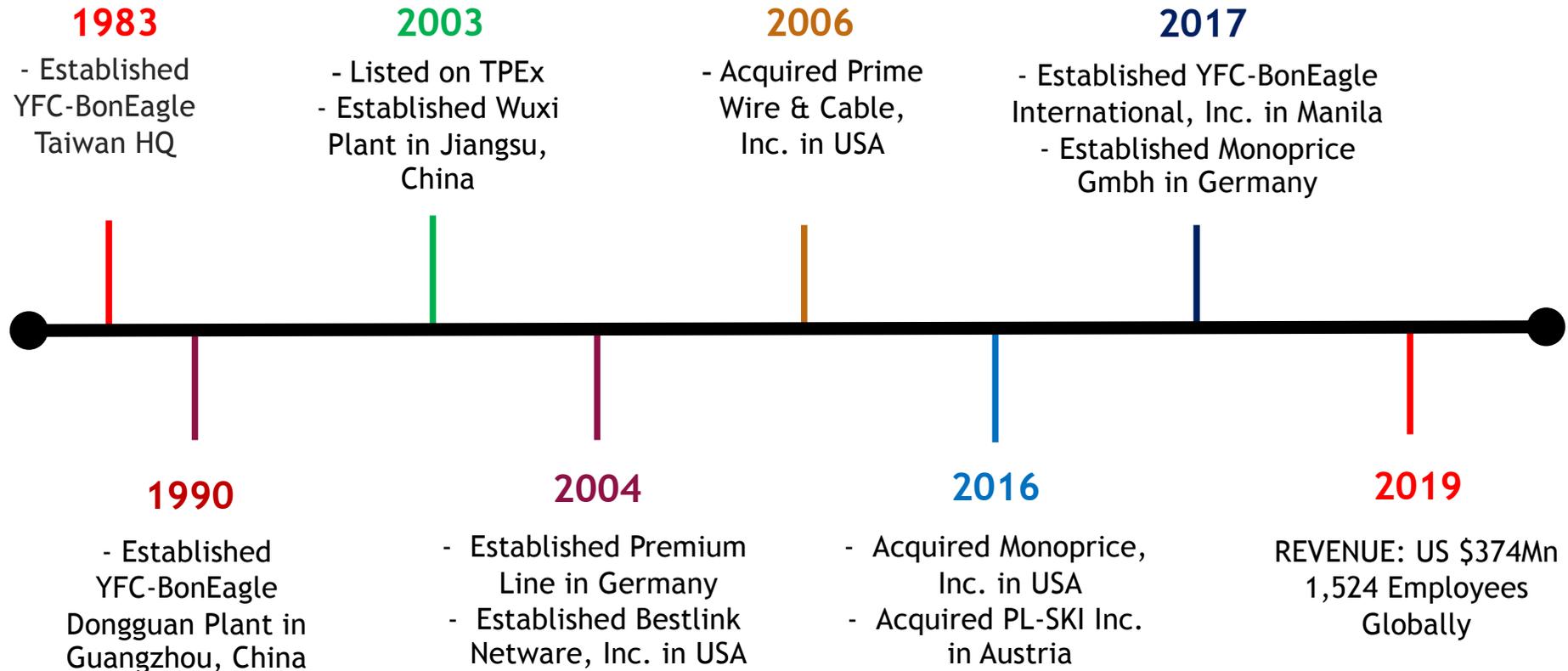
- A policy of transparency and accountability is maintained across the organization.
- All major subsidiaries are 100% owned.
- Founders + BOD + Supervisor holdings are 38%.

## Retain Key Staff with a 'Benevolent' Culture

- Chairman Andrew Yeh believes in cultivating loyalty amongst employees through fair treatment and equitable compensation.
- All 5 founding shareholders are still with YFC, as are top senior managers who were with Monoprice, Prime & Bestlink at the time of acquisition.
- We have a deep bench of senior and middle managers to ensure succession within the management team.



# YFC-BonEagle Milestones





**4 About YFC**

# YFC-BonEagle at a Glance

## *Manufacturing & Wholesale*

***Business Unit:  
YFC-BonEagle***

YFC-BonEagle has 3 factories with a total of over 1.5mn square feet of manufacturing space.

## *E-Commerce & B2B Direct\**

***Business Units:  
Monoprice  
Bestlink***

Monoprice sells over 6,500 consumer electronics items via its E-commerce platform.

\*B2B offline sales to SMB, Installers and Enterprise.

## *B2B Retail Channels*

***Business Units:  
Prime  
Monoprice***

Prime is a leading US supplier of extension cords, surge protectors and power strips. Its top client is Lowe's.

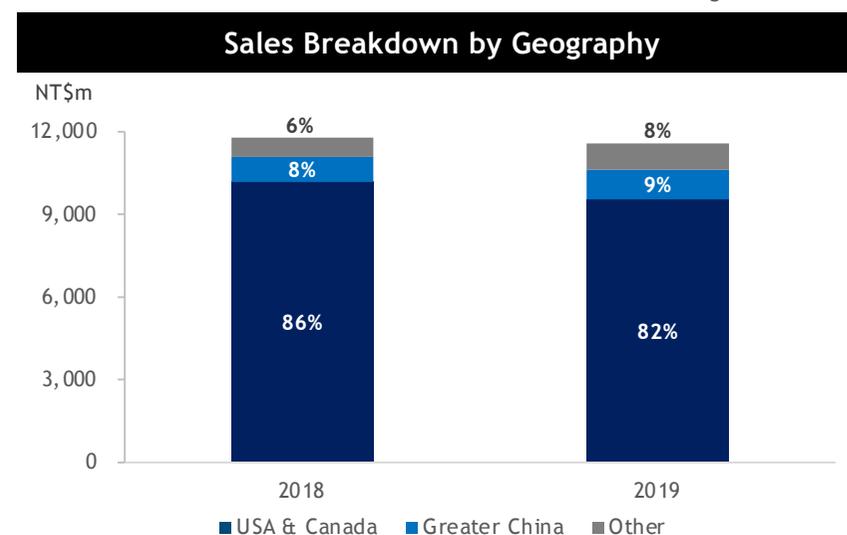
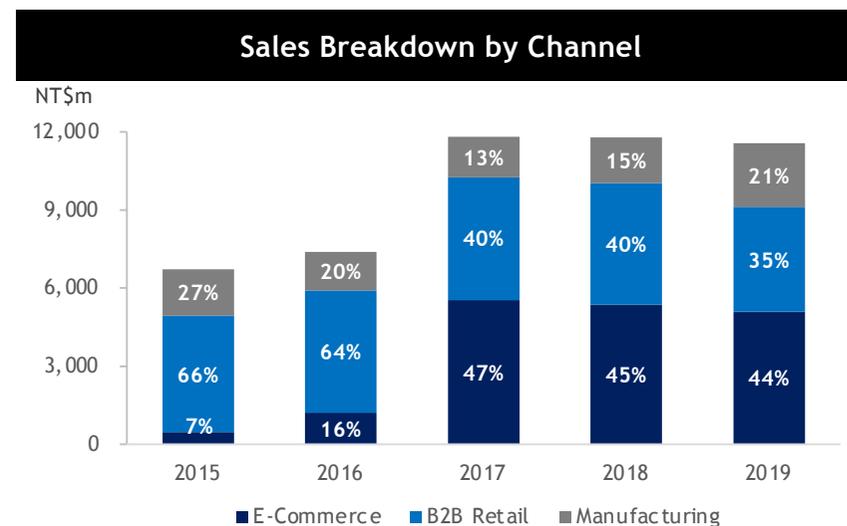
YFC Group has a total of 475,000 square feet of scalable, E-commerce-capable warehouse and distribution space in the US.

# YFC-BonEagle at a Glance in Numbers

YFC has a track record of successful channel acquisitions in the US and a proven ability to retain top talent

Business Unit	YFC-BonEagle	Monoprice	Prime	Bestlink
Business Type	MFG & Wholesale	E-Commerce & B2B Direct	B2B Retail	E-Commerce
Focus Geography	Global	Global	US	US
Established	1983	2002	1986	2004
2019 Revenues (US\$m)	79.7*	150.1	128.3	15.8
% of total YFC 2019 Revenues	21%	40%	34%	4%
Acquired by YFC-BonEagle		2016	2006	
Acquisition Cost (US\$m)		40	24	
Revenues @ Acquisition (US\$m)		142.4	40.0	
Acquisition Multiple (PSR)		0.3	0.6	

\* Note: This figure accounts for YFC-BonEagle MFG external sales only.



# YFC-BonEagle Product Portfolio

## YFC Bon-Eagle

YFC-Bon-Eagle manufactures Power Cords and 3C Cables & Accessories, selling internally and externally.

### Power Cords



### 3C Cables & Accessories



### Heating Cable



### EV Cable Solutions



### Growth Products

## Monoprice

Our core product focus is Own-Brand Proprietary Products for Tech Enthusiasts. Our Retail prices are 30-70% lower than competitors.

### Cables



### Adapters



### Audio & Video



### Accelerator<sup>(1)</sup>



### Pro Audio



**DARK MATTER**



**MONOLITH** CERTIFIED BY **THX** THXSELECT



### Future Growth

## Prime Wire and Cable

Prime is a branded B2B vendor selling to brick-and-mortar retailers.

### Power Cords



### Surge Protectors



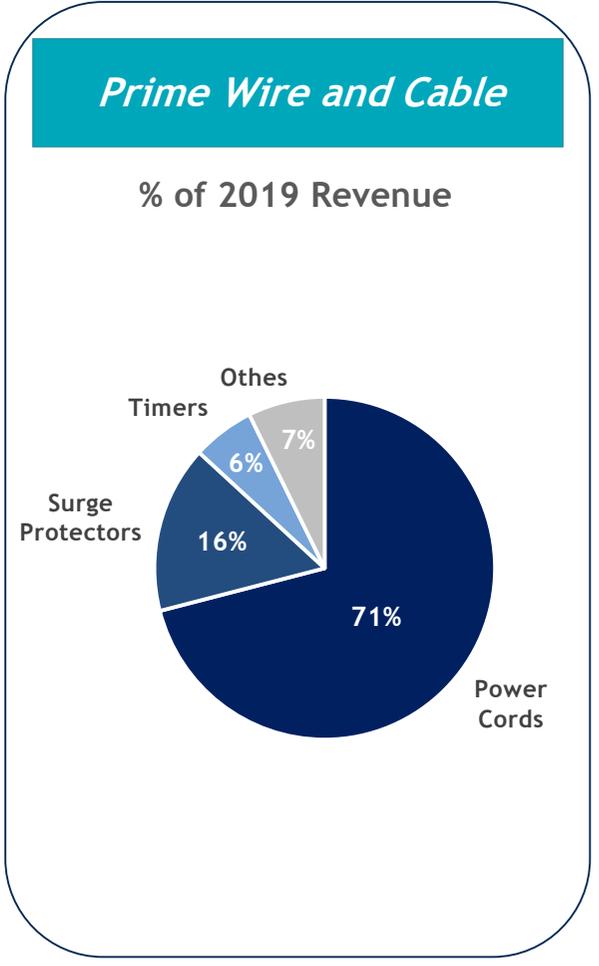
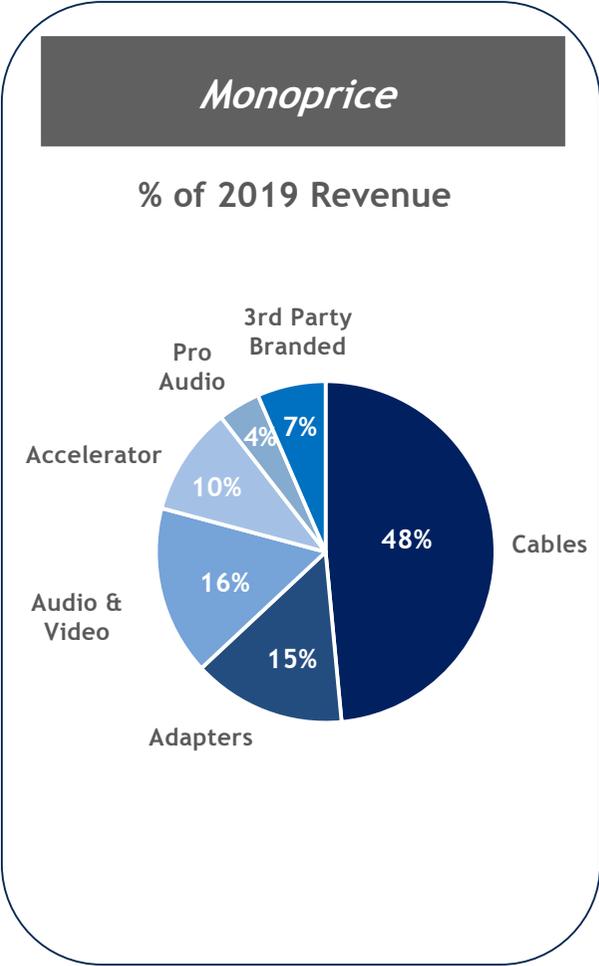
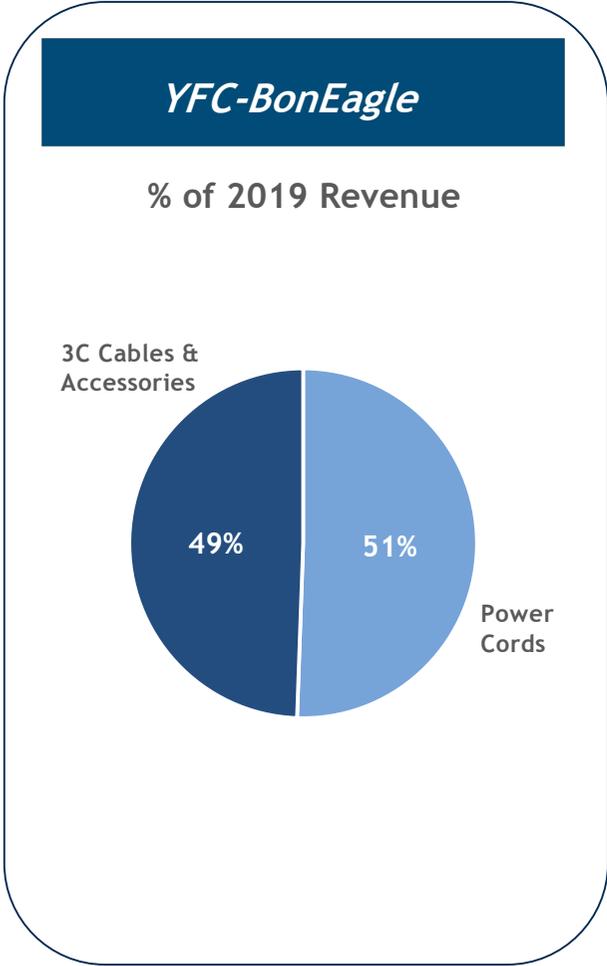
### Timers



### Lighting



# Sales Breakdown for Key YFC-BonEagle Business Units



# YFC-BonEagle Global Footprint

**M** MONOPRICE

*premium line*

**KSI**



YFC-BonEagle



Chenzhou, China



YFC-BonEagle



Wuxi, China



YFC-BonEagle HQ



Taiwan



YFC-BonEagle



Dongguan, China

**BESTLINK**  
NETWORK



**PRIME**  
wire and cable, inc.



Manufacturing

Channel

E-commerce



YFC-BonEagle  
International



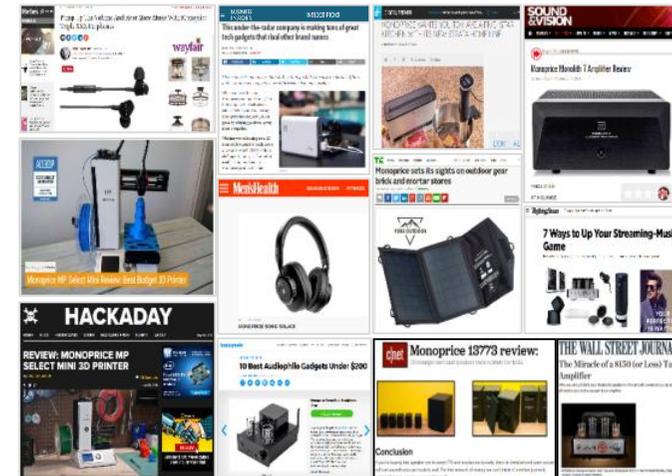
YFC-BonEagle

# Monoprice Profile

- **Monoprice sells high quality, branded product direct to consumers**
  - Similar quality to high-end brands, but sold at retail prices 30% - 70% lower than competitors
  - Healthy gross margins, due to ‘branded direct’ sales model
- **Products are manufactured at comparable factories to prominent global brands**
  - Monoprice utilizes import data and its sourcing relationships to find manufacturers for strategically targeted products and/or key product components for its products.
- **Monoprice has an established and growing multi-channel platform**
  - 1) Monoprice.com 2) B2B sales channel 3) Marketplaces
- **The Monoprice customer set is growing in scale and diversity**
  - 1) B2B: F-500 enterprises small and medium-sized businesses and small office home office (SOHO)
  - 2) B2C: Prosumers, tech enthusiasts and an increasing number of mainstream consumers



Monoprice has a strong industry following with significant recent press coverage



# Prime Wire & Cable 2019 Overview

## US-China Trade War & Lowe's store closings negatively impacted sales in 2018-2019

- 2019 sales were US\$128 million, down 4.5%. This followed a 2.5% YoY decline in 2018.
- Sales peaked in 2017 at US\$137.8m, as new products such as lighting and timers, helped drive a 9% CAGR in sales between 2013-2017.
- However, starting in 2018, sales began a mild decline, due to the US-China Trade War and store closings at Lowe's - which accounts for roughly 50% of Prime's sales.
- Between 2018-2019, Lowe's closed 26 stores in the US and 13 in Mexico, in addition to 59 Rona's stores in the Canada and all 99 Orchard Supply Hardware Stores in the US. Current store count is 1,977.
- The 25% tariff on China-produced extension cords in 2019 disrupted Prime's entire business in terms of supply chain, production location, capital investment, legal issues and US customs compliance, as well as vendor and client relationships.
- Our biggest accomplishment in 2019 was maintaining our customer base and remaining profitable. In 2019, business from Lowe's stabilized, after suffering a drop in 2018.

# Prime Wire & Cable 2019 Overview

## Steps taken to Address the Tariffs in 2019

- Instituted immediate price increases to all customers - allowed higher profits on all existing stock at that time.
- Successfully added Menard's as a high-volume client and greatly increased sales to Kroger.
- Brought in more inventory than normal ahead of tariff implementation to avoid the additional 25% increase.
- Identified & certified tariff-free factories in Ecuador, The Philippines, Taiwan and Vietnam. Signed supply relationships with select plants.
- To avoid legal liability, visited all factories manufacturing extension cords and surge protectors outside of China to verify they were complying with US customs laws. Disqualified violators as the penalty for using them is 4x the value of shipments and potential imprisonment.

## Our Key Clients





**5**

## **Our Strategy to Increase Shareholder Returns**

# YFC-BonEagle Strategic Vision 2025

Deliver profitable, high  
single digit annual  
revenue growth

Strive to  
Achieve ROE of  
15% or Greater

Increase Non-US  
sales to 15-20%  
of total

Maximize FCF via strict  
management of NWC and  
the Cash Conversion Cycle

Maintain a 50-60% cash  
dividend payout over  
the next 3 years



# Our Path to Higher Shareholder Returns

## Strategic Initiatives

Drive Sustainable Growth with our Omni Channel, Multi-Brand presence



Expand Monoprice & Prime B2B Client Base while Maximizing Sales to existing B2B Clients



International Expansion with a Focus on the EU



Expand Monoprice B2C Target Segment to Prosumer + Tech Confident



## Strategic purpose

Continue downwards vertical integration & reduce exposure to material costs

B2B business is higher margin than B2C and has higher customer retention rates

Drive top line growth & purchasing economies of scale

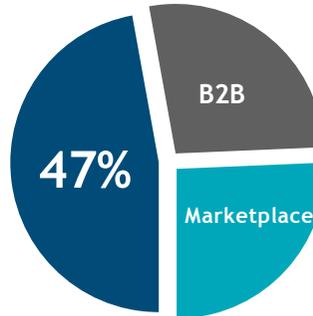
This is a natural extension of the Monoprice business model

# Omni Channel through Monoprice

Tech enthusiasts, F500 Enterprises, Small Businesses and Government & Education

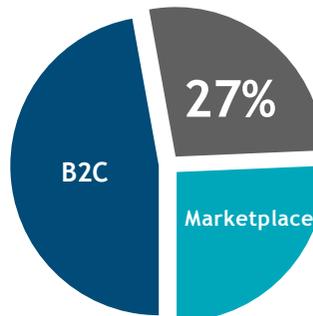
## B2C

- Prosumer and Tech Confident DIY
- Monoprice.com & Marketplaces
- Large TAM



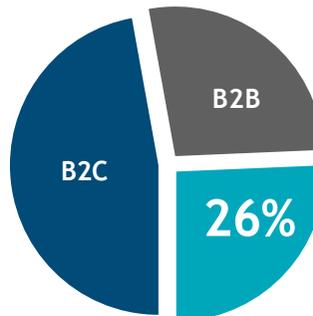
## B2B

- Large, repeatable & predictable revenue
- High customer retention
- Opportunity to expand customer base and product breadth amongst large enterprises



## Marketplace

- Strong growth channel
- Provides customer diversification and access to Int'l markets
- Lower gross margin (listing fees & MDF)



# Expanding B2B through Monoprice

Establishing New Customers While Growing Current Strategic Accounts via Reinforced Field & Inside Sales Organizations

## Managed B2B Sales Reorganization

- More effective/productive field & inside sales model.
- Field sales manager with 4 "in-region" strategic field sales reps based in key geographic markets.
- Dedicated Inside sales manager driving enhanced inside sales organization, platform & program.

## Large Strategic Account Acquisition

- Field sales focused on securing large (tier 1) new strategic accounts across all targeted verticals.
- Duplicating success Monoprice has had with other large accounts: Google, ID Tech and Wren & Associates.

## Outsourced Inside Sales Expansion

- Hunter-based model: volume prospecting for securing new tier 2, tier 3 accounts.
- Account mining mechanism for potential inside and field managed accounts.

## Traditional Retail Expansion

- Secure/expand/grow 3-5 large strategic in-store retailers.
- Targets: Costco, MicroCenter, Home Depot, Walmart, Fry's.

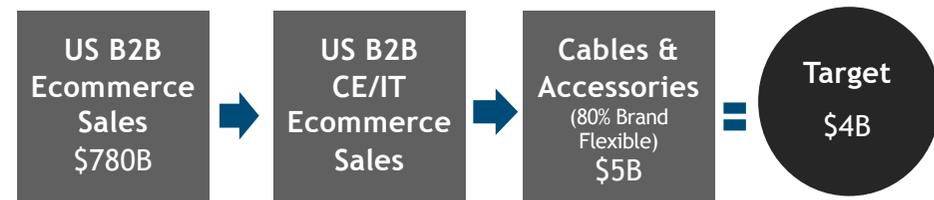
## Current Client List

END-USERS		INSTALLERS		INDIRECT
F-500/Enterprise	Government	IT Installers	AV Installers	Disti/VAR

## Strategic Vertical Client Targets

- Fortune 500/Large Enterprise
- Education: K-12 Large Districts/Higher Education (colleges/universities)
- Fed/State/Local Government & Healthcare
- IT & AV Installers
- Indirect: Distributors/VARs
- International B2B: EU, Canada, Latin America, Pacific Rim, APAC
- Traditional (in-store) Retail

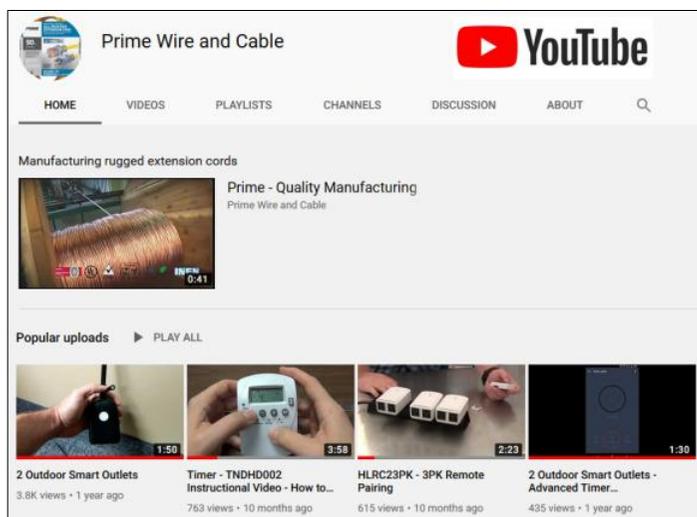
## Near Term Addressable Market



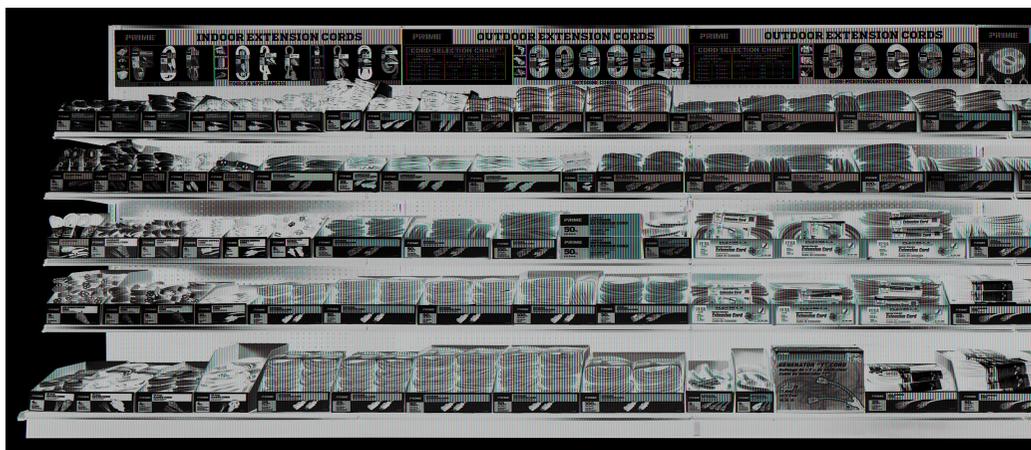
SOURCE: CRN, CDW, CTA, Cabling Installation & Maintenance, PC World

# Expanding B2B through Prime Wire & Cable

Marketing initiatives are focused on Sales Support



- Stronger YouTube presence for PMs & consumers
- Photo booth to support online customers
- Self-produced POS displays to drive clients' sales



# International Expansion

## YFC Europe

- KSI (Austria): Licensed Agent of Nexans networking products, will also distribute YFC-BonEagle Product in the EU.
- Premium (Germany): Branded Vendor of High-Quality Structured Cable Systems. YFC plans to take the brand global.

## South East Asia

- YFC-BonEagle International (Philippines): Established to tap the Industrial and Construction markets with Prime and Premium product.

## Monoprice International Expansion

- Monoprice value proposition of simplicity, fairness, and confidence in technology choices resonates with International buyers around the world
- Monoprice has customers in over 85 countries, but only 5% of sales come from outside of the U.S
- The EU presents a large B2C opportunity to start, with a B2B follow-up. EU Sales grew 115% YoY in 1H20 to US\$1.7 million.
- We are expanding our Asia presence and opportunity through the launch of Amazon Japan (which will feature Monoprice product) and the establishment of a HK 3PL to more rapidly deliver products to customers in the APAC region.



Dark Blue = Monoprice Home Market  
Light Blue = International Markets where Monoprice has delivered product

# Expanding B2C with Monoprice

## New Product Categories

1

### OFFICE

- Introduced in 3Q18
- Office products for small and medium sized businesses.



2

### OUTDOOR & CYCLING

- Introduced in 3Q18
- Premium products for outdoor enthusiasts.



3

### GAMING

- Introduced in 3Q18
- Includes 7 core SKUs, including gaming monitors, mice, keyboards and headsets.



## New Product Categories

Historical Target = Prosumer → Expanded Target = Prosumer + Tech Confident



Prosumer



Confident Consumer

On the forefront of technology trends, he - the target skews male - is a source of information and guidance for friends, family members, and colleagues. He knows where to get the best deals on tech gear, and feels confident not only in his ability to choose the right thing, but to install it as well

This consumer uses technology in his or her everyday life, feels comfortable interacting with it, but doesn't consider technology a major part of who they are. They are often confident in researching and making their own purchase decisions, but sometimes seek opinions from their more tech-savvy friends for guidance on what to buy

## Near Term Addressable Market





6

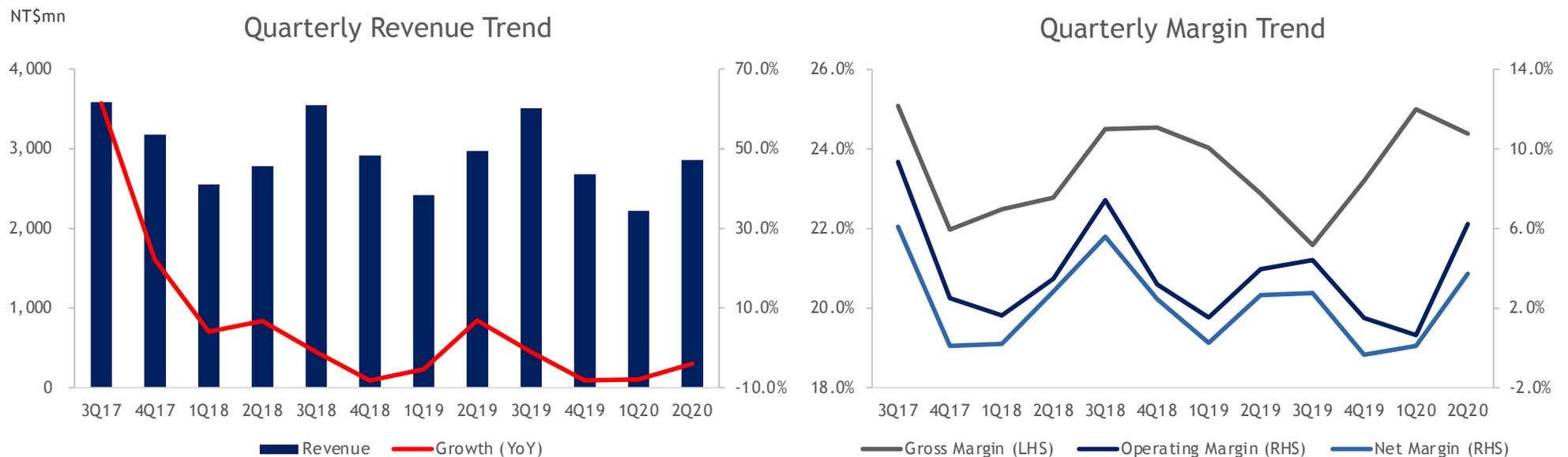
## 1H20 Review



# Revenues and Margin Trend

## 2Q20 Revenues & Margins

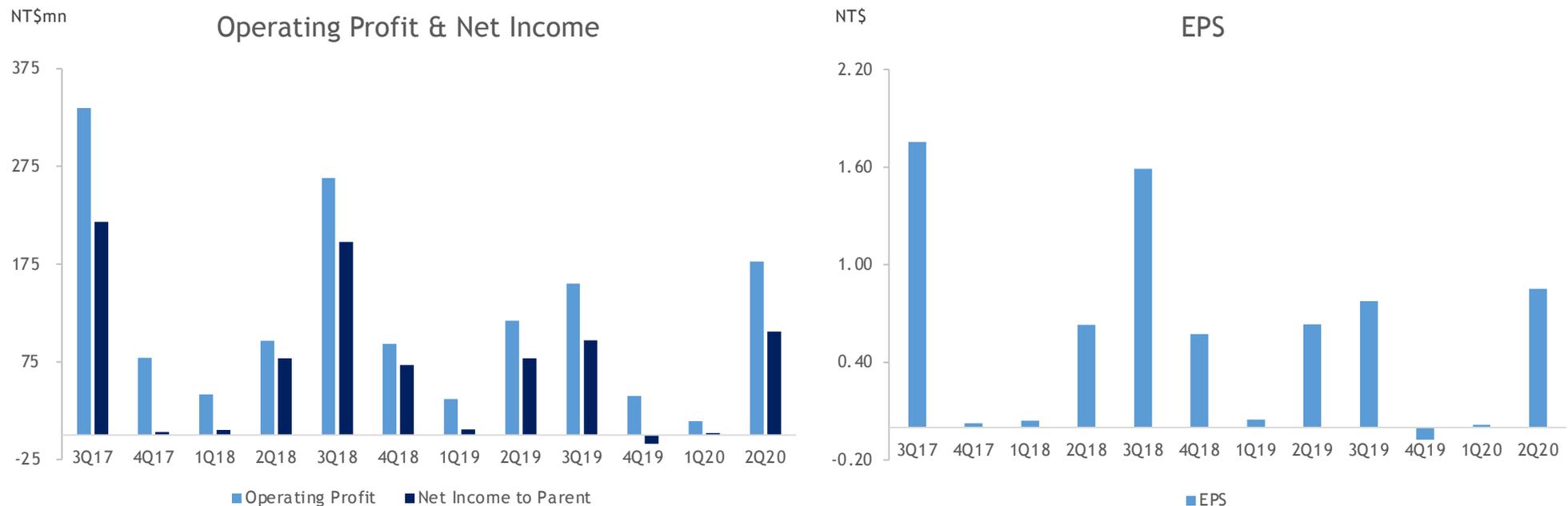
- 2Q20 Revenue was NT\$2.9bn, up 28% QoQ and down 4% YoY.
- 2Q20 Operating margin was 6.2% versus 3.9% in the same period last year.
- 2Q20 Net Margin was 3.7% versus 2.7% in the same period last year.



# Earnings and Growth Trend

## 2Q20 Performance

- Our business is seasonal, with peak profits coming in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of each year.
- 2Q20 net income increased 35% YoY to NT\$106m.
- 1H20 net income and EPS increased 28% YoY to NT\$108m and NT\$0.87, respectively.



# Consolidated Income Statement - Quarterly

Unit: NTD million	2Q20	1Q20	2Q19	QoQ	YoY
<b>Net Revenue</b>	<b>2,854</b>	<b>2,223</b>	<b>2,972</b>	<b>28%</b>	<b>-4%</b>
Gross Profit	696	556	680	25%	2%
Gross Margin	24.4%	25.0%	22.9%		
Operating Expenses	518	541	562	-4%	-8%
SG&A percent of Sales	18.2%	24.4%	18.9%		
<b>Operating Income</b>	<b>178</b>	<b>14</b>	<b>117</b>	<b>1144%</b>	<b>52%</b>
Operating Margin	6.2%	0.6%	3.9%		
Net Non-Operating Income (Loss)	-28	-7	-10		
Pre-Tax Income	150	8	107	1872%	39%
Income Tax Expense	43	6	28		
Minority Interest	0	-1	0		
<b>Net Income to Parent</b>	<b>106</b>	<b>2</b>	<b>79</b>	<b>5206%</b>	<b>35%</b>
Net Margin	3.7%	0.1%	2.7%		
<b>EPS (NT\$)</b>	<b>0.85</b>	<b>0.02</b>	<b>0.63</b>	<b>5206%</b>	<b>35%</b>
ROE - not annualized	4.4%	0.1%	3.1%		
Depreciation	58	60	64		
CAPEX	23	9	128		

# 1H20 Overview

- 1H20 sales were NT\$5.1bn, down 6% YoY. This relative resilience in sales was despite the fact that over 80% of YFC's sales are in the US, which has been hard hit by COVID-19.
- YFC's Taiwan and China factories produced at near full operating rates in 2Q20 as producers in other regions of the world faced COVID-19 related shutdowns. This resulted in improved pricing power for YFC and Prime.
- Additionally, Monoprice's own website sales showed robust growth, which is positive for margins.
- As a result, 1H20 gross margin was 24.7% vs 23.4% in 1H19. We also reduced operating expenses by 4% YoY, leading to an expansion in 1H20 operating margin to 3.8% from 2.9% in 1H19.
- 1H20 EPS was NT\$0.87, up 28% YoY.
- We will pay an NT\$0.85 cash dividend on 2019 earnings, representing a 61% payout. The ex-dividend date was August 19<sup>th</sup>.

# Monoprice 1H20 Performance

- Monoprice net sales in 1H20 rose 3% YoY in US\$ terms but fell 1% in NT\$ terms.
- Monoprice was deemed an 'Essential Business' in the US, and was therefore allowed to continue normal warehouse, office and shipping operations. A surge in online business helped the top line, while the office closings of B2B customers resulted in a big drop in sales for this segment, which had been growing rapidly.
- B2B Direct sales were down 18% YoY in 1H20. This factor and a COVID-19 induced shortage of cable & adaptor products, resulted in a 14% YoY drop in Monoprice's Cable and Adapter sales.
- Monoprice.com website sales - the core of its business - were up 11% YoY in 1H20. 2Q20 performance was especially strong - up 29% YoY and 19% QoQ.
- Star products and segments were Audio & Video +24% YoY, Home & Office +73% YoY, Screen Mounts +21% YoY and Displays +33% YoY. These 4 product areas accounted for 23% of total Monoprice sales in 1H20, and collectively grew 26% over last year.
- EU sales increased by 115% to US\$1.7m, allowing introduction of more SKUs.
- Price increases, sourcing outside of China, staff expense reduction and product mix improvements continued to help offset increased costs from the US tariffs.
- Operating profit reached NT\$70m, up 37% YoY.

# YFC BonEagle and Prime 1H20 Performance

- Combined Prime Wire & Cable and YFC BonEagle Factory Direct 1H20 sales were NT\$2.7bn, down 9% YoY.
- Prime's top clients, such as Lowe's and Menards, were deemed 'Essential Businesses' in the US, and were therefore allowed to remain open, though with reduced hours and lower foot traffic.
- The inability of non-Greater China wire and cable manufacturers to operate normally due to local COVID-19 restrictions resulted in a substantial shift in orders to Prime and YFC-BonEagle from 2Q20 onwards, helping to make up somewhat for YFC's COVID-19 related lost China factory production volume in 1Q20.
- YFC's ability to produce when others could not has provided pricing power to YFC direct factory sales and to Prime.
- Enhanced pricing power led to an improved gross margin vs 1H19. This and an 8% reduction in operating expenses resulted in a 7% increase in operating profit for combined Prime + YFC BonEagle factory direct business segments in 1H20.

# YFC Group 2H20 Outlook

- Prospects for 2H20 appear to be good for Monoprice, Prime & YFC Factory Direct sales. YFC Group August sales were NT\$1.22bn, up 13% MoM and 3% YoY, and the highest single month sales figure YTD.
- 3Q is traditional peak season for Prime & YFC Factory Direct sales, and this year order visibility from top clients has extended into mid-4Q20. YFC's Wuxi, China plant has temporarily increased output by 30%, by adding shifts and more staff. The plant can continue at this level as needed.
- Pricing power remains strong for now.
- Cumulative Jul-Aug Monoprice.com website sales increased 31% YoY, which is an acceleration in growth vs 2Q20's 29% YoY growth. July website sales were up 29% YoY and August up 34% YoY.
- Monoprice's B2B monthly sales have been trending up since April, with July sales 58% higher than the April single month low.

# Opportunities & Challenges - Monoprice

## Opportunities

- With new visitor traffic to Monoprice.com up 33% YoY in July-August and 34% YTD, we expect that the new business is likely to stick. EU Monoprice's 1H20 success also bodes well for growth in international sales.
- Gradual recovery in B2B Direct sales, which was 27% of total sales in 2019, seems likely to continue as economies reopen.
- Non-Amazon marketplace sales led by Target and Walmart are showing robust growth. Monoprice direct sales to Amazon retail are increasing.
- Monoprice will open a Philippines office in October, allowing us to expand our back office and ultimately lower OPEX per unit revenue.

## Challenges

- All transportation modes inbound and outbound in the US are seeing a slow-down and rising rates due to the current increase in volumes.
- Product shortages for cables and adapters seem likely to continue in 2H20.
- Expenses related to collection and administration of state taxes and legal fees, as well as challenges associated with local, state, and federal privacy and compliance laws. These are unique to and common within growing e-commerce businesses.

# Opportunities & Challenges - Prime & YFC Factory Direct

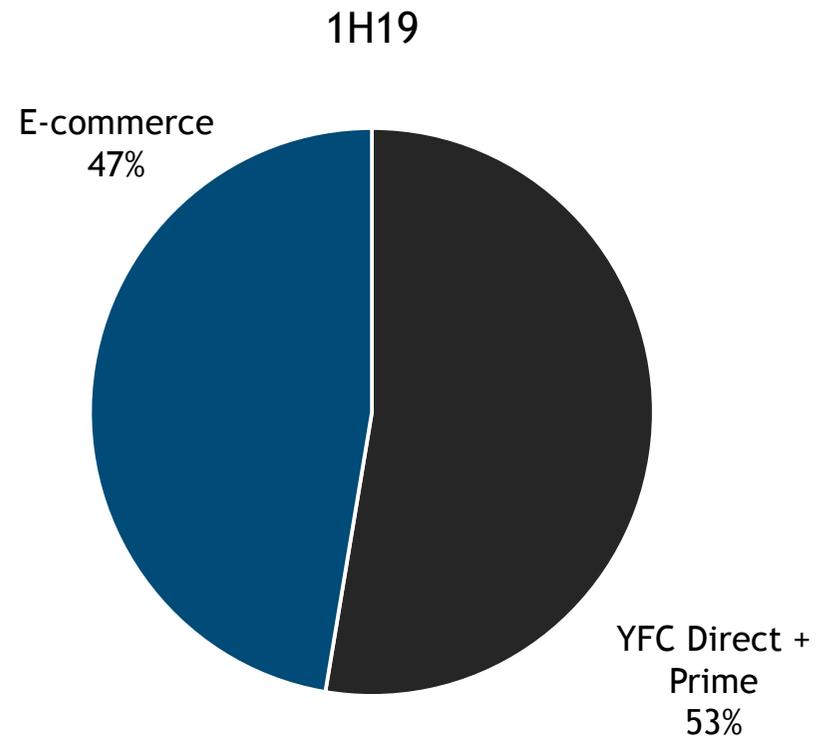
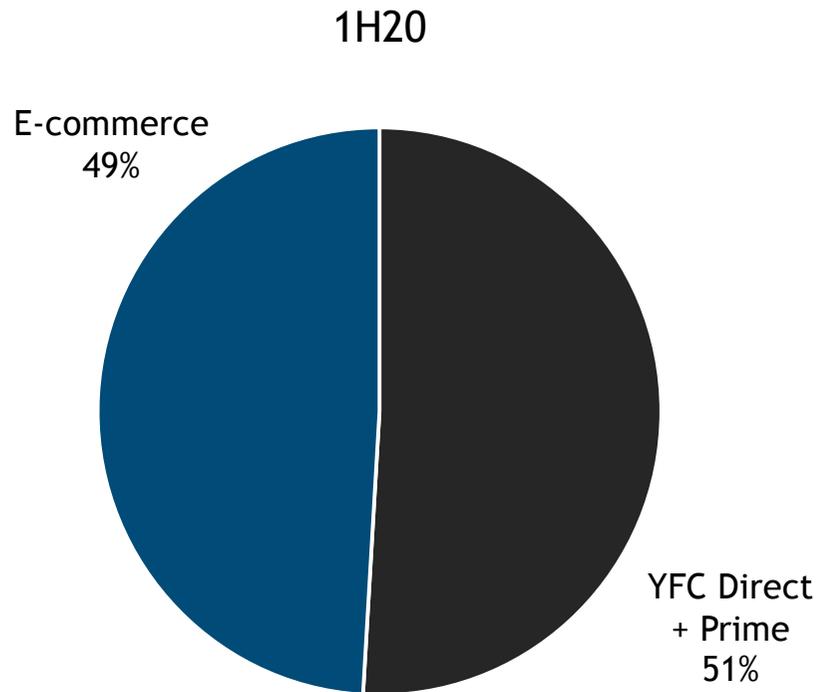
## Opportunities

- YFC's ability to produce from China and Taiwan in 2020 has helped win new clients.
- Price remains firm due to peak season and high demand in the market.
- YFC has rented a factory building in the Philippines and plans to install production equipment there beginning in 1H21. This is a potential source of additional capacity for 2H21.

## Challenges

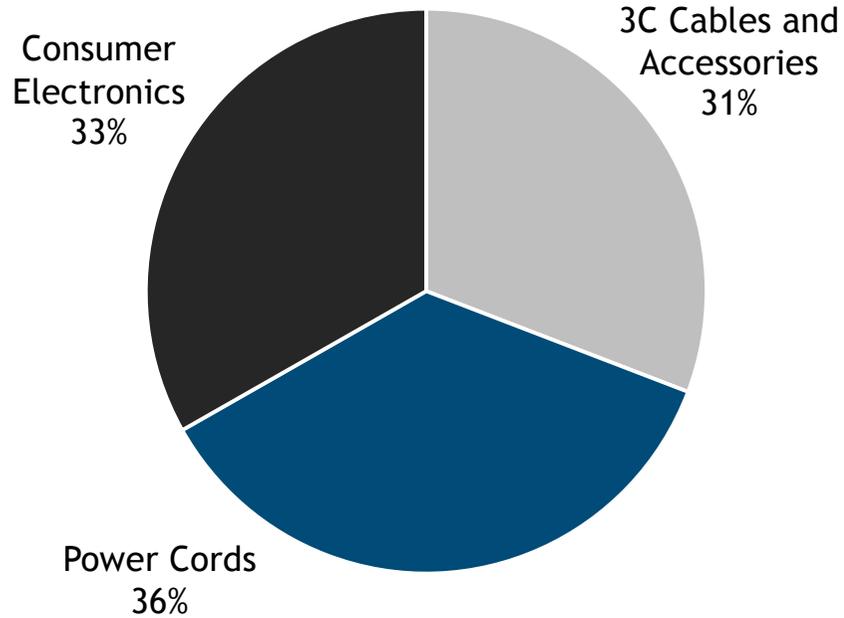
- Several major and mid-level clients are increasingly seeking to go factory direct, which reduces opportunities to sell products sourced from 3<sup>rd</sup> party vendors.
- Uncertainties in US tariff policy are complicating decision-making regarding capital expenditures and plant location.
- Major clients are increasingly requiring and/or asking for production from non-China based plants. As production in countries severely affected by COVID-19 resumes, these requests could become more pressing.

# Sales Breakdown by Channel

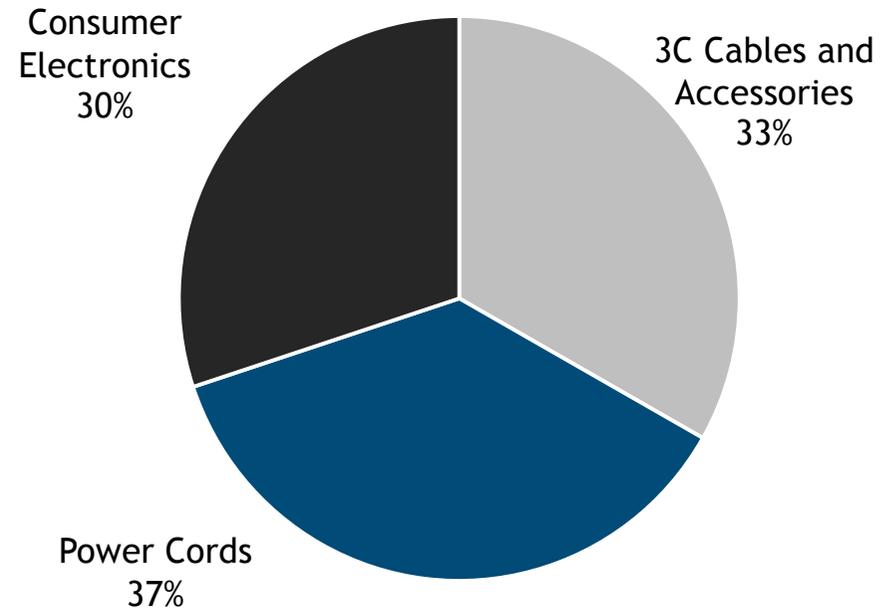


# Sales Breakdown by Product

1H20



1H19



# Consolidated Income Statement 1HQ20 vs 1HQ19

Unit: NTD million	1H20	1H19	YoY
<b>Net Revenue</b>	<b>5,077</b>	<b>5,387</b>	<b>-6%</b>
Gross Profit	1,252	1,260	-1%
Gross Margin	24.7%	23.4%	
Operating Expenses	1,059	1,106	-4%
SG&A percent of Sales	20.9%	20.5%	
<b>Operating Income</b>	<b>192</b>	<b>154</b>	<b>25%</b>
Operating Margin	3.8%	2.9%	
Net Non-Operating Income (Loss)	-35	-40	
Pre-Tax Income	157	115	37%
Income Tax Expense	50	29	
Minority Interest	-1	1	
<b>Net Income to Parent</b>	<b>108</b>	<b>85</b>	<b>28%</b>
Net Margin	2.1%	1.6%	
<b>EPS (NT\$)</b>	<b>0.87</b>	<b>0.68</b>	<b>28%</b>
ROE - not annualized	4.6%	3.4%	
Depreciation	118	129	
CAPEX	32	167	

# Consolidated Balance Sheet - Quarterly

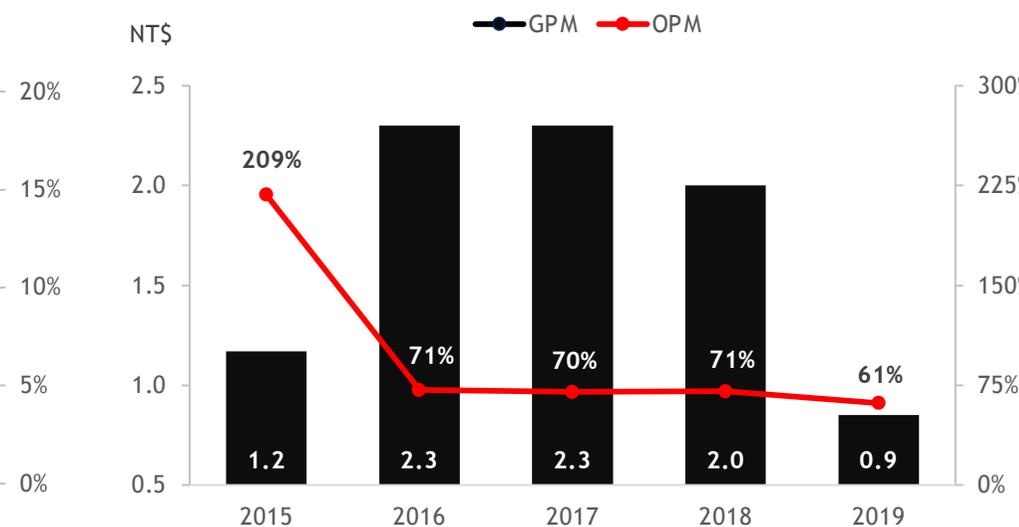
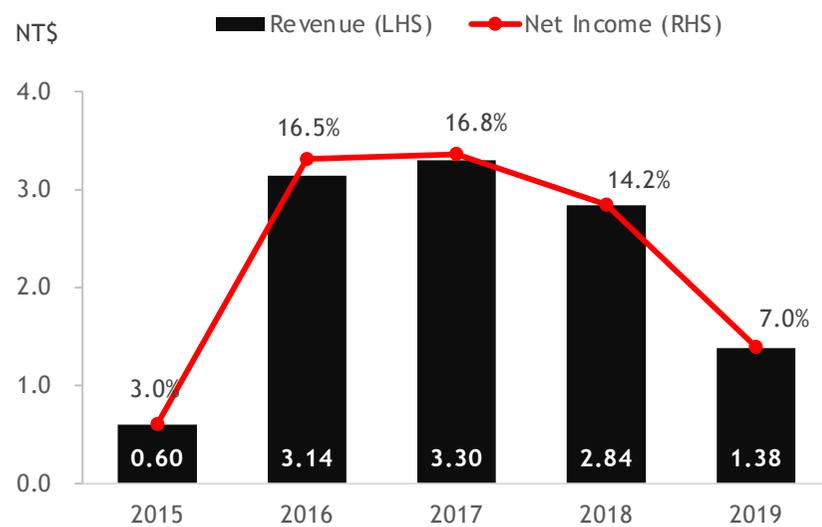
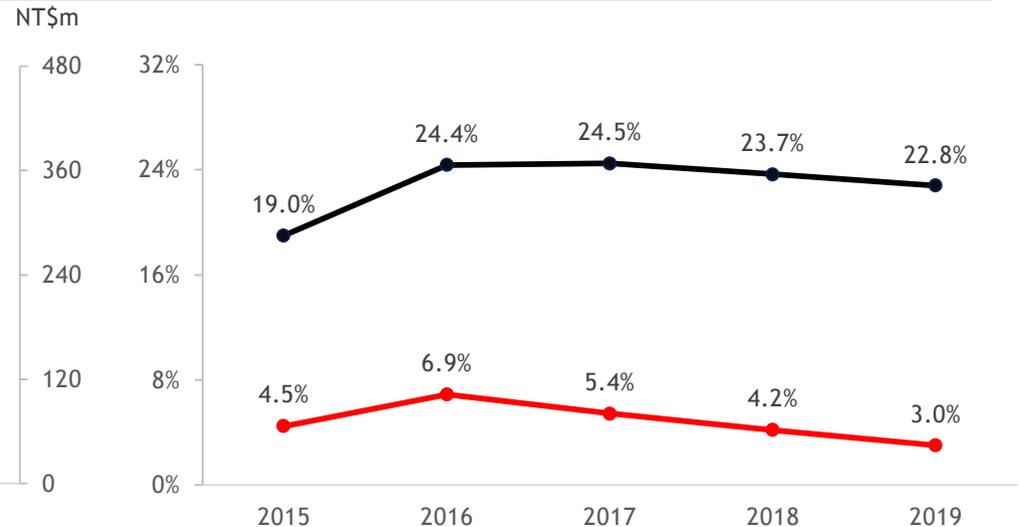
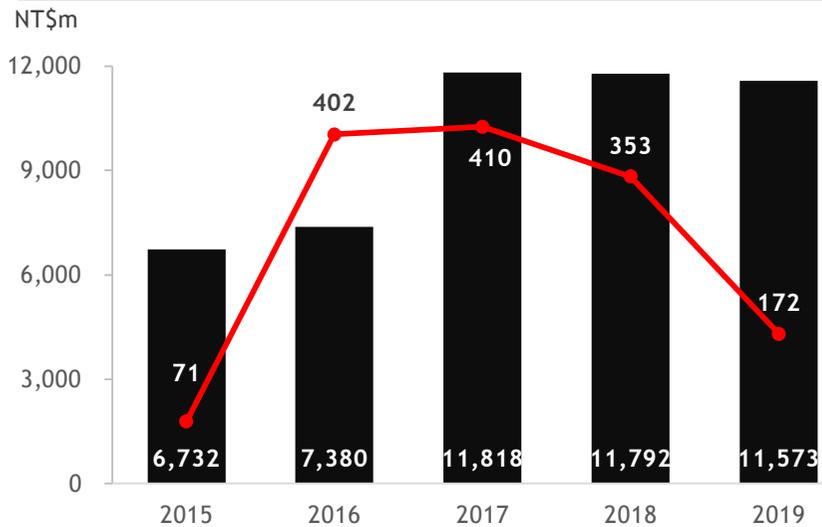
Unit: NT\$ million	2020/6/30		2020/3/31		2019/6/30	
Major Item	\$	%	\$	%	\$	%
Cash and Cash Equivalents	1,702	19%	2,076	24%	1,138	13%
Notes and Accounts Receivable, Net	2,109	24%	1,596	18%	2,125	25%
Inventories	2,217	25%	2,218	25%	2,375	28%
Other Current Assets	361	4%	277	3%	321	4%
Fixed Assets	1,236	14%	1,272	15%	1,354	16%
Other Long-term Assets	1,255	14%	1,280	15%	1,165	14%
<b>Total Assets</b>	<b>8,880</b>	<b>100%</b>	<b>8,719</b>	<b>100%</b>	<b>8,478</b>	<b>100%</b>
Current Liabilities	4,909	55%	4,516	52%	4,545	54%
Long-term Debt	1,171	13%	1,304	15%	1,056	12%
Other Non-Current Liabilities	445	5%	473	5%	440	5%
<b>Total Liabilities</b>	<b>6,525</b>	<b>73%</b>	<b>6,293</b>	<b>72%</b>	<b>6,041</b>	<b>71%</b>
Common Stock	1,246		1,246		1,246	
<b>Total Equity</b>	<b>2,355</b>	<b>27%</b>	<b>2,426</b>	<b>28%</b>	<b>2,437</b>	<b>29%</b>
Book Value per Share (NT\$)	18.9		19.4		19.5	
<b>Key Indices</b>						
Current Ratio ( Current Assets / Current Liabilities)	130%		137%		131%	
Net Cash (Debt) to Equity	-114%		-107%		-116%	



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## Financial Summary

# Key Financial Performance Metrics



# Income Statement Highlights

NT\$ million	2015	2016	2017	2018	2019
Sales Revenue	6,732	7,380	11,818	11,792	11,573
Gross Profit	1,279	1,798	2,894	2,791	2,638
Operating Profit	302	509	642	495	349
Pretax Income	140	492	560	425	237
Net Income to Parent	71	402	410	353	172
EPS (NT\$)	0.60	3.14	3.30	2.84	1.38

Gross Margin	19.0%	24.4%	24.5%	23.7%	22.8%
Operating Margin	4.5%	6.9%	5.4%	4.2%	3.0%
Net Margin	1.1%	5.4%	3.5%	3.0%	1.5%
ROE	3.0%	16.5%	16.8%	14.2%	7.0%

Y-Y (%)				
2015	2016	2017	2018	2019
2%	10%	60%	0%	-2%
13%	41%	61%	-4%	-5%
39%	69%	26%	-23%	-29%
-15%	253%	14%	-24%	-44%
-56%	465%	2%	-14%	-51%
-57%	423%	5%	-14%	-51%

# Balance Sheet Highlights

NT\$ million	2015	2016	2017	2018	2019	% of Total Assets				
						2015	2016	2017	2018	2019
<b>TOTAL ASSETS</b>	<b>5,271</b>	<b>7,285</b>	<b>7,967</b>	<b>8,049</b>	<b>8,651</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Cash	675	928	989	1,178	1,433	13%	13%	12%	15%	17%
NR & AR	2,117	2,361	2,408	2,276	1,994	40%	32%	30%	28%	23%
Inventory	888	1,777	2,203	2,308	2,283	17%	24%	28%	29%	26%
Fixed Assets	1,219	1,257	1,189	1,252	1,284	23%	17%	15%	16%	15%
<b>TOTAL LIABILITIES</b>	<b>2,882</b>	<b>4,806</b>	<b>5,548</b>	<b>5,488</b>	<b>6,266</b>	<b>55%</b>	<b>66%</b>	<b>70%</b>	<b>68%</b>	<b>72%</b>
LT Debt	702	910	1,055	1,924	1,052	13%	12%	13%	24%	12%
NP&AP	371	895	773	734	669	7%	12%	10%	9%	8%
<b>TOTAL EQUITY</b>	<b>2,390</b>	<b>2,479</b>	<b>2,419</b>	<b>2,562</b>	<b>2,385</b>	<b>45%</b>	<b>34%</b>	<b>30%</b>	<b>32%</b>	<b>28%</b>
<hr/>										
A/R turnover days	113	110	74	73	67					
Inventory turnover days	64	99	90	98	101					
A/P turnover days	29	41	34	31	29					
Cash conversion cycle	148	168	130	146	139					

# Dividend Payout and Capex

(NT\$m)	2015	2016	2017	2018	2019
Net profit	71	402	410	353	172
Dividend Paid	155	286	286	249	106
DPS (NT\$)	1.25	2.30	2.30	2.00	0.85
Payout ratio	209%	71%	70%	71%	61%
Dividend yield	5.0%	3.7%	6.0%	6.9%	3.5%
Capex	56	50	119	184	287
Capex/Sales	0.8%	0.7%	1.0%	1.6%	2.5%

\*Yield calculated using market cap on the day prior to ex-dividend date for all years.

# CB Terms and Trading Information (9<sup>th</sup> Series)

Issue Date	2020/2/18
Maturity Date	2023/2/18
Maturity Term	3 years
Coupon Rate	0.00%
Issue Amount	NT\$ 400,000,000
Issue Price	NT\$ 101.0
Latest Conversion Price	NT\$ 25.6
Conversion Premium	114.29%
Latest Trading Price	99.5 (2020/08/25)

Note: No Redemption Option

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*Thank you!*



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