



# Twinhead International Corp. Investor Conference

**Date : November 22,2018**

# Disclaimer

The information presented and referred herein are based upon the information obtained internally and externally from our company. In light of the forward-looking operational results, financial condition and business results, they might be different from those information expressly or impliedly presented herein due to various factors, including but not limited to market risks, supply chains, market demand and our upcoming high-quality products.

We undertake no obligation to publicly update or revise any statements regarding those information presented and referred herein in the event of any further changes or updates to the information presented herein.



# Agenda

1

Company Overview

2

Business Profile

3

Financial Report

4

Q&A



# 1 Company Overview

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# Basic Information(1)



**Established**

1984



**IPO**

1997



**Paid-in Capital**

NTD1,989 million



**Chairman**

Yu-Jen Kao



**GM**

Su-Fu Kao



## Basic Information(2)



**HQ**

Taiwan(Neihu,Taipei)



**Manufacturing  
Location**

Taiwan(Kaoshiang)



**Employee**

186

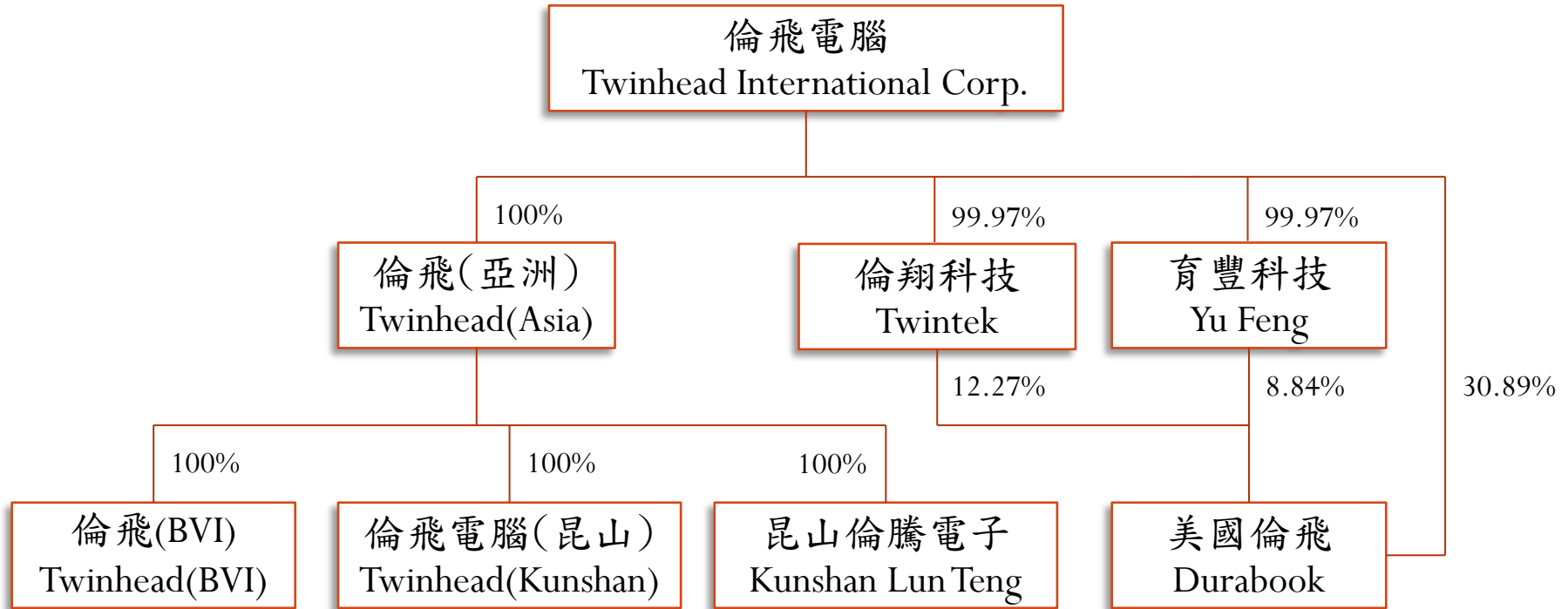


**Main Product**

Rugged NB & Tablet



# Group Organization Chart







## 2 Business Profile

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# Core Business Introduction

- ★ Core Business
  - Design/Manufacturing/Sales of Rugged Mobile Devices
- ★ Business Model
  - Brand Durabook 60%
  - ODM/Others 40%
- ★ Major Application Market
  - Defense Public Safety(Police Fire Fighter Ambulance)
  - Industries in Hazardous/Explosive Environment (Utility Oil/Gas Food Processing)
- ★ Sales Model
  - Projects, Run-rate
- ★ Channel Structure
  - System Integrator
  - Distributor/Re-seller



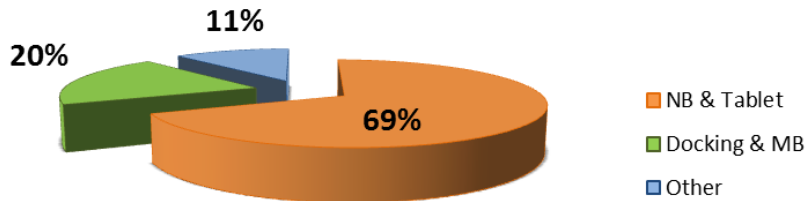
# Durabook Key Initiatives

- ★ Expedite localization in major markets(Sales, Marketing, Services)
- ★ Enhance/re-new core product offering
- ★ Increase Brand Awareness
- ★ Optimize product SKU offering /fulfillment efficiency

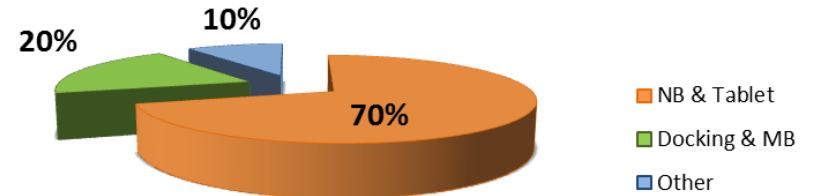


# Revenue Ratio by Product

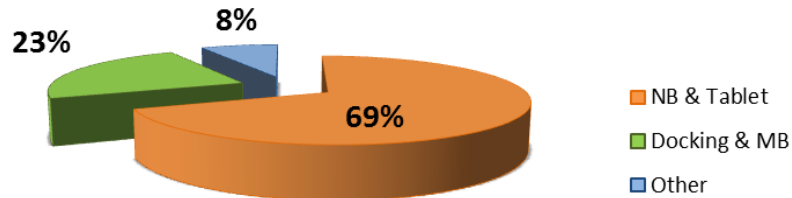
## Y2018Q1-3



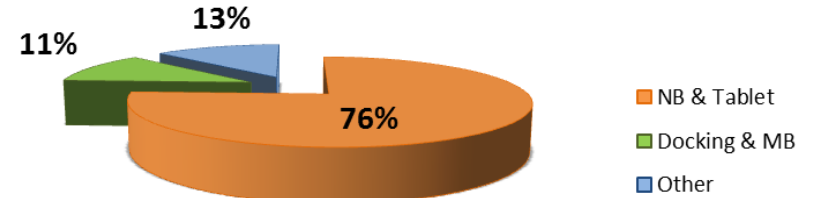
## Y2017



## Y2016



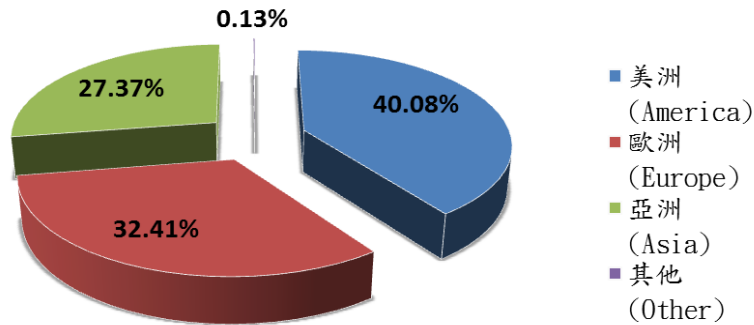
## Y2015



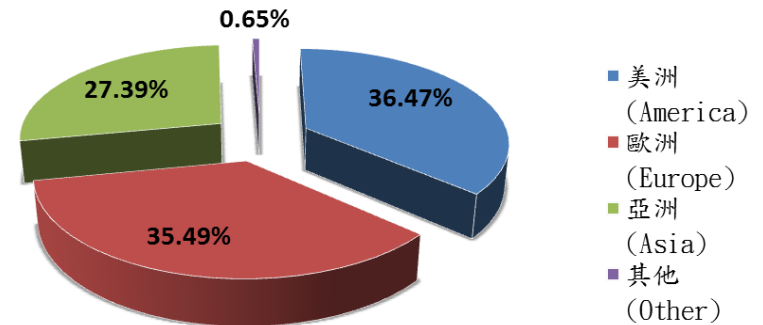


# Revenue Ratio by Region

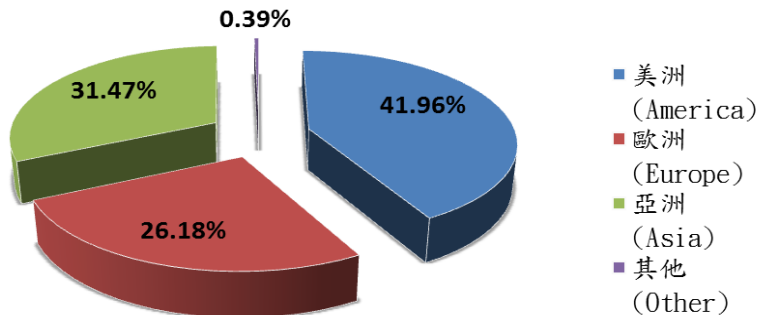
## Y2018Q1-3



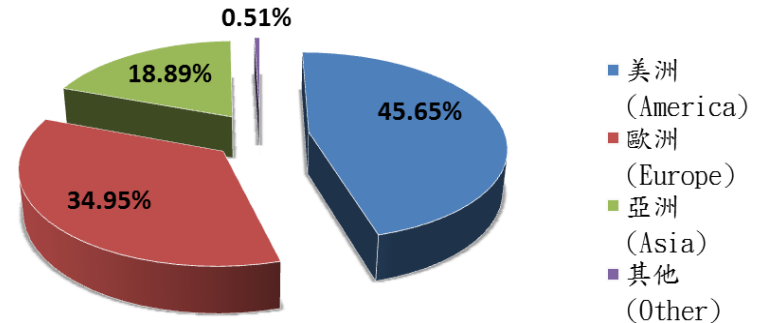
## Y2017



## Y2016



## Y2015





# 3 Financial Report

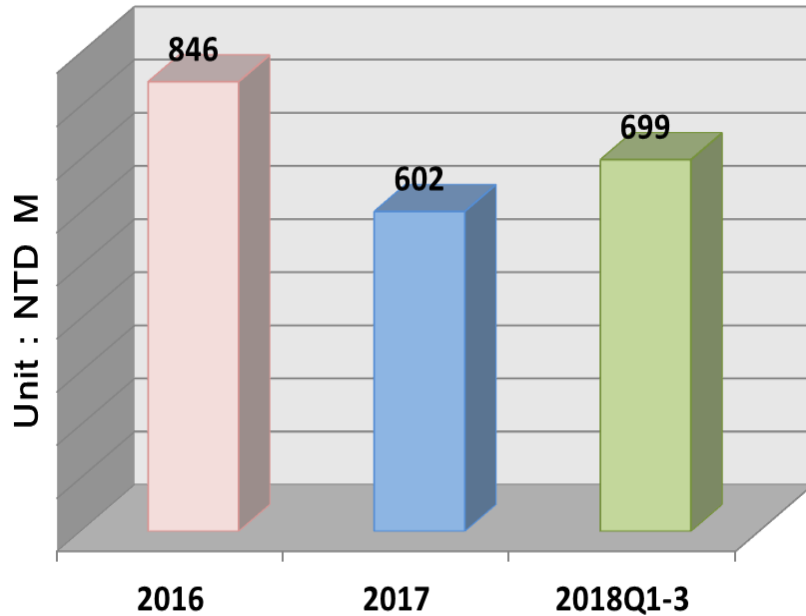
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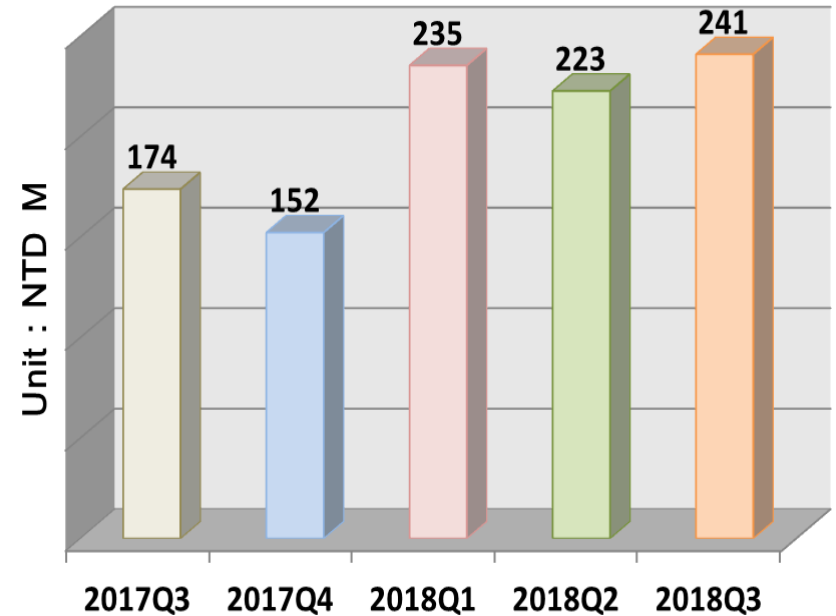


# Consolidated Revenue

## Consolidated Revenue-by Year



## Consolidated Revenue-by Quarter





# Consolidated Income Statements(1)

Unit : NTD K

	2017	2018		QoQ	YoY
	Q3	Q2	Q3	%	%
Operating revenue	173,887	222,733	241,312	8.3%	38.8%
Gross profit	37,417	51,269	62,448	21.8%	66.9%
GP ratio(%)	21.52	23.02	25.88		
Operating expenses	65,996	68,078	70,791	4.0%	7.3%
Expenses ratio(%)	37.95	30.56	29.34		
Operating loss	(28,579)	(16,809)	(8,343)	50.4%	70.8%
Non-operating income and expenses	5,064	(49,456)	(1,085)	97.8%	121.4%
Net loss before tax	(23,515)	(66,265)	(9,428)	85.8%	59.9%
Net loss	(23,481)	(66,180)	(9,446)	85.7%	59.8%
EPS(NTD)	(0.16)	(0.31)	(0.03)	90.3%	81.3%



# Consolidated Income Statements(2)

Unit : NTD K

	2017	2018	YoY	
	Q1-3	Q1-3	Amount	%
Operating revenue	449,648	699,494	249,846	55.56%
Gross profit	102,072	178,237	76,165	74.62%
GP ratio(%)	22.70	25.48		
Operating expenses	196,023	204,865	8,842	4.51%
Expenses ratio(%)	43.59	29.29		
Operating loss	(93,951)	(26,628)	67,323	71.66%
Non-operating income and expenses	(13,558)	(48,476)	(34,918)	-257.55%
Net loss before tax	(107,509)	(75,104)	32,405	30.14%
Net loss	(107,556)	(75,037)	32,519	30.23%
EPS(NTD)	(0.76)	(0.34)	0.42	55.26%



# Consolidated Balance Sheets

Unit : NTD K

	2017		2018		2017		2018
	9/30	12/31	9/30		9/30	12/31	9/30
<b>Assets</b>				<b>Liabilities</b>			
Current assets				Current liabilities			
Cash and cash equivalents	132,779	150,086	151,774	Short-term borrowings	475,000	520,000	590,000
Notes receivable	715	-	-	Notes payable	195	170	209
Accounts receivable, net	62,774	80,301	135,377	Accounts payable	86,404	103,944	155,671
Other receivables	24	25	15	Other payables	44,079	62,796	40,759
Inventories	226,430	207,574	250,327	Provisions-current	4,993	4,754	7,576
Non-current assets held for sale, net	-	-	5,739	Other current liabilities	36,079	46,599	31,032
Other current assets	14,468	17,314	19,131	Total current liabilities	646,750	738,263	825,247
Total current assets	437,190	455,300	562,363	Non-current liabilities			
Non-current assets				Guarantee deposits received	3,268	3,268	6,795
Non-current financial assets at fair value through other comprehensive income	-	-	29,209	Other non-current liabilities	2,283	2,508	4,003
Financial assets at cost	44,859	44,859	-	Total non-current liabilities	5,551	5,776	10,798
Property, plant and equipment	434,176	428,757	296,030	Total liabilities	652,301	744,039	836,045
Investment property, net	148,728	148,378	204,934	Equity			
Deferred tax assets	51,516	43,809	44,092	Share capital	1,989,398	1,989,398	1,989,398
Refundable deposits	6,970	6,949	7,015	Accumulated deficits	(1,322,114)	(1,406,234)	(1,474,588)
Other non-current assets	21,966	24,341	37,208	Other equities	27,758	27,128	22,834
Total non-current assets	708,215	697,093	618,488	Treasury shares	(202,059)	(202,059)	(202,059)
				Non-controlling interests	121	121	9,221
				Total equity	493,104	408,354	344,806
Total assets	1,145,405	1,152,393	1,180,851	Total liabilities and equity	1,145,405	1,152,393	1,180,851



# 4 Q&A

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*Thank You!*

The End

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