胡連精密股份有限公司
Hu Lane Associate Inc.

Connect the World
創新胡連，連接世界

CONTENTS

Company Profile

胡連精密股份有限公司
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Company Profile

Foundation
1977年

Chairman
T.H. Chang

General Manager
S.C. Hu

Capital
USD $34.2 Millions

Main Products
Housing/Terminal/PCB junction box

Milestone

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- Hu Lane (Taipei) was established in 1977.
- Hu Lane entered China market in 1999 and
  successively established plant in Shenzhen、Nanjing and Dongguan；
  Set up Hulane Electronic (Vietnam) in 2011；
  Set up PT. Hulane (Indonesia) in 2017；
  Set up Italy office in 2019.
- IPO in OTC Market in 2003.
- From 2006,Hu Lane is successively accredited for TS16949 、 ISO 14001、
  TÜV NORD ISO 14001:2015 and VDA6.1 .
- Nanjing laboratory got CNAS National Laboratory Certification in 2009.
  Taipei laboratory has attained ISO/IEC17025 in 2015.
- Set up Yangzhou Lear Hulane automotive parts trading company with Lear in 2021.
- **Taipei new headquarter is completed in 2022.**
- Acquired 100% equity of Taipei Shangho and Jiaxing Shangho to strengthen vertical integration and expand product lines in 2022.
- Hu Lane (Taipei) obtained 14064 greenhouse gas check fair third-party assurance certification in 2022

Main Products

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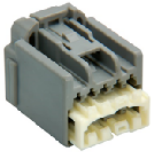
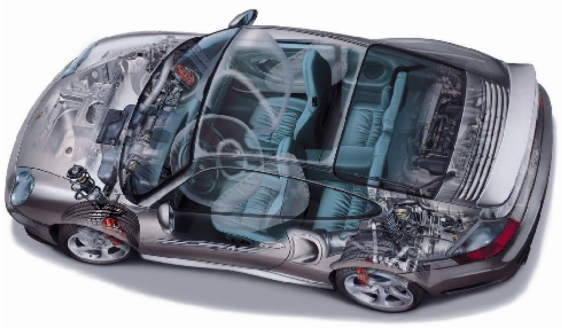
Oriented toward the high quality and technique
Hu Lane Can customize the best connector solution to wire harness and
Connect the World with our efficient service

Instrument Panel

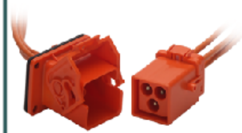


Fuse



High Frequency

EV Connector



Terminal

Waterproof Connector

Rubber Seals

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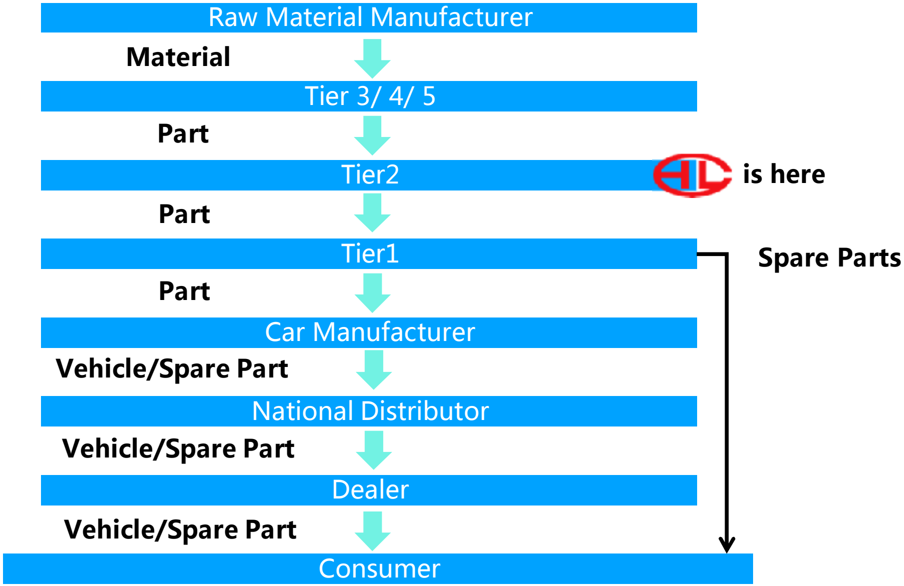
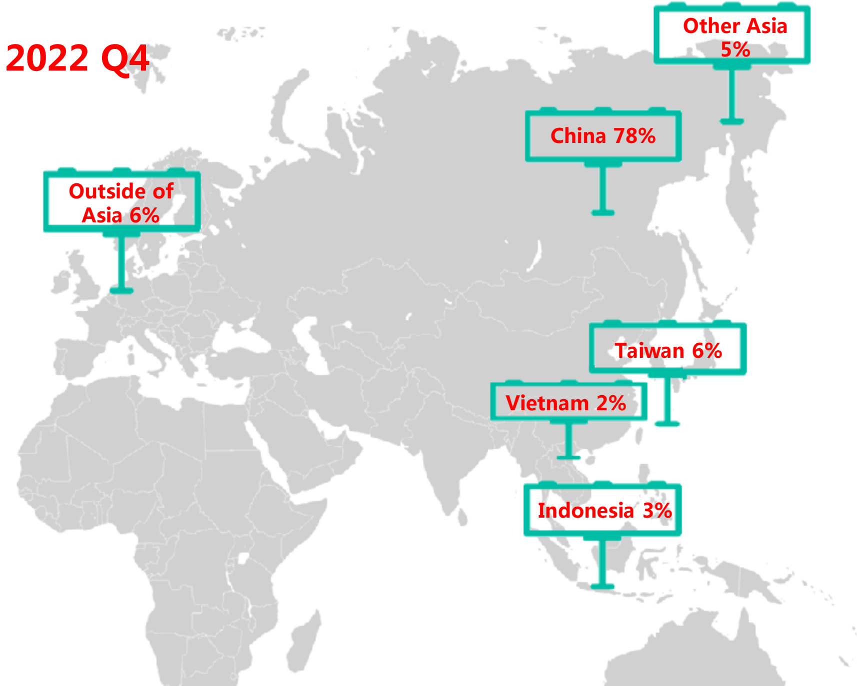
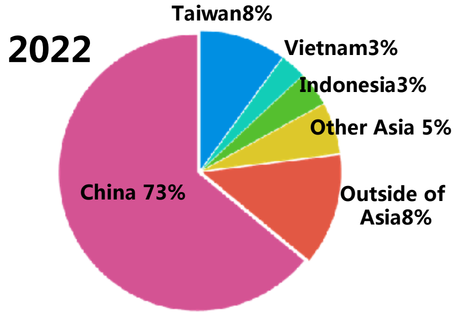
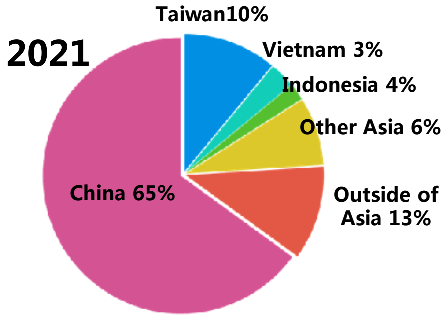
The automotive supply chain



Sales Revenue by Geographic Area







Capacity

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Category	Press Machine		Injection Machine		Rubber Machine		%of total capacity
Facility Location	amount	%	amount	%	amount	%	
Taipei	33	38%	62	26%	-	-	28%
Nan Jing *	24	28%	108	45%	13	76%	42%
Vietnam	6	7%	33	14%	-	-	11%
Dongguan	24	28%	37	15%	4	24%	19%
Total	87	100%	240	100%	17	100%	100%

* **Daily Capacity of Fuse & Relay Box Automation Assembly is 5,160 PCS**
Update to 2023/3/31

2022Q4 Financial Highlights

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In NTD thousands	2022 Q3	2021 Q3	年變化
Operating Revenue	2,001,654	1,465,629	37% ↑
Gross Margin	30%	32%	↓ 2%
Operating Margin	17%	17%	-
Profit before income tax	311,095	257,560	21% ↑
EPS(NTD)	2.29	2.31	1% ↑
Net cash generated from operating activities	357,730	51,952	↓ 589%
Capital expenditures	398,814	188,330	112% ↑
ROE	4.20%	4.75%	0.55% ↑

Automotive Industry Outlook

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* According to TrendForce, the sales of EV in 2022 is about 10.65 million, an annual increase of 63.6%. In 2023, EV market will further grow to 14.51 million, maintaining a high growth rate of 36.2% . According to the IHS Markit and PwC Global, the sales of EV will reach 51 million in 2027. At that time, the sales of EV will surpass traditional fuel vehicles, and traditional fuel vehicles will gradually withdraw from the auto market.

* According to Bishop & Associates, the global & China auto connector market in 2019 reached USD 15.2 billion & USD 3 billion, and will reach USD 19.45 billion & USD 4.47 billion in 2025,with a CAGR of 4.2% & 6.86%. With the increasing application of auto electrification and intelligence, the growth rate of high voltage and high speed/high frequency connectors will be much higher than the global auto connector market.

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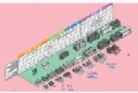
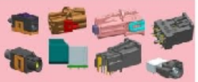
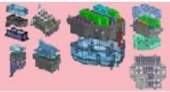
RD Roadmap

FPC Connector / Wiring Harness 	Develop and plan FPC products	Enhance the diversity of Hu Lane products
Inline Series Terminal Series 	Series of product Non-waterproof inline(in development) Waterproof inline(planning)	Meet the needs of auto OEM & module manufacturer
Pin Header Series 	Miniaturized PIP & SMT products (planning)	
020 miniaturized connectors 	Waterproof series (in development) Non-waterproof series (planning) Pin Header series (planning)	Meet the needs of module miniaturization
FAKRA/HSD 	FAKRA/HSD/HFM/ETHERNET(production)	Support ADAS system transmission application、Meet the needs of auto networking
High voltage connector 	Mainly develop 800V products	Complete selection of connectors for the full range of EV
Electrical Center 	Consolidate the cost advantage of fuse box、 Active development of PCB junction box	Meet the needs of auto OEM Conform to integration/lightweight/intellectual

2021 → 2030

Product Development Strategy

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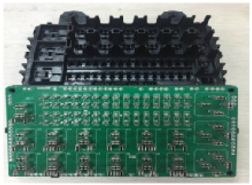
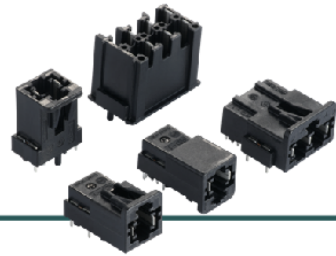
FAKRA

PCB Junction Box



HSD

Ethernet



Market Development Strategy

China: Expand the penetration in existing customers and develop new customers

OEM	2023/1~2 number of production(YoY)	Cooperation with OEM
BYD AUTO Build Your Dreams	354,114(92%)	Continued acquirement of new product development.
长安汽车 CHANGAN	228,481(9%)	New models adopt fuse box platform.
GEELY	199,754(-14%)	New models adopt fuse box platform.
CHERY	156,799(10%)	Continued acquirement of new product development.
上海通用汽车 SHANGHAI GM	123,582(-33%)	HL collaborated with the customer based on the functional requirements to design new products in new models.
SAIC	106,705(-40%)	New product introduction increases the penetration

Market Development Strategy

Taiwan

Cooperate with electric motorcycle manufacturers, in addition to meeting the domestic market, there are opportunities for exporting overseas.

Indonesia

Set up Indonesia subsidiary to manage the auto and motorcycle connector market.

Global

Continue to work with global Tier-1 module suppliers for systematic integration development

Dividend Policy

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Item \ Year	2016	2017	2018	2019	2020	2021	2022
EPS Before Tax	11.42	12.43	7.44	5.79	6.82	9.53	12.62
EPS	9.24	10.00	6.00	4.78	5.59	7.91	10.03
Dividend	6.0	8.0	4.0	3.25	4.0	5.0	
Cash	6.0	8.0	4.0	3.0	4.0	*5.0	
Stock	0	0	0	0.25	0	0	
Dividend Payout Ratio	65%	80%	67%	68%	72%	63%	

*** NTD1/per share is paid by Additional Paid In Capital**

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Hu Lane continued to invest in Taiwan. In 2022,the new headquarter is completed which integrates the operation management 、automated production and warehouse to improve the group’ s overall efficiency.


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Q&A

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