

2023/04



Disclaimer

The information contained in this document was verified by an independent third party. YG does is not responsible for the accuracy, fairness, and completeness of any information contained in this document. You should not assume any information in this document to be accurate, fair, nor complete. The information or opinions contained in this document is provided on a specified date, which YG reserves all right to update. YG has no obligation to notify you of any updates after a specific date or any development of information in the documents. YG will not accept any liability for any loss resulting from the use of this document or its contents or for other reasons related to this document.

This document does not constitute an offer or solicitation of an offer of purchase or acquisition to sell or issue shares of YG or any of its subsidiaries or related parties in any jurisdictions, does not serve as a part an offer or incentive, nor should be interpreted as such. Any part thereof or distribute the facts does not constitute the basis of any contract or commitment, and should not be relied upon in respect of any contract or commitment.

Your acceptance of this document constitutes your agreement that the information contained in the document is kept strictly confidential, securities researchers should have eligibility of the securities research and follow any relevant securities laws and regulations and restrictions of the appropriate jurisdiction before publishing research results on YG.

This document is provided for the securities researchers for use as their research reference only. Any part of the document cannot be photocopied, copied, forwarded, or in any manner, directly or indirectly transferred to any other person or for public announcement and for any other purpose.



Outline



Yeong Guan Overview & Development plan



2. Market Trends



3. Development Strategy



4. Detailed Financial Figures



YEONG GUAN OVERVIEW & DEVELOPMENT PLAN



Yeong Guan Overview

Vertical and horizontal integration

From mold design, casting, welding, painting, processing to assembly, Yongguan can meet the needs of customers for onestop procurement.

Scale advantage

With an annual designed casting capacity of nearly 220,000 tons, customers can use a single window to simplify supplier management.

Regional advantage

Serve customers nearby and shorten the process.





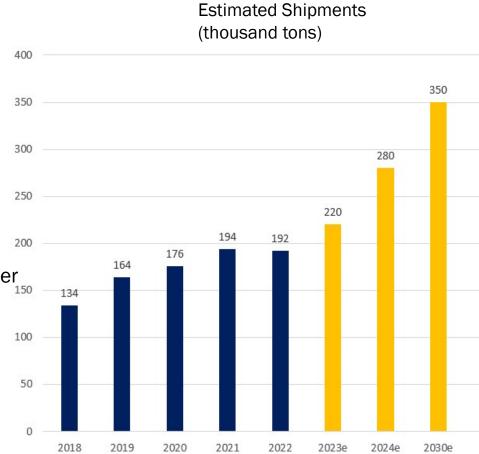
Development plan

X Near Term

- In 2021, the turnover will reach NT\$8.95 billion, and the shipment will reach 194,000
- In 2022, the turnover will reach NT\$9.38 billion, and the shipment will reach 192,000
- Growth period of 15~20% in 2023
- 2024 Shipments Estimates Promise 50% Growth Over 22

Mid Term

- Taichung factory: 2023 Q3 certification
- Thailand factory: 2025 Q1 put into operation
- Cooperation case of Jiuquan First Heavy Industry Wind Power Group: central enterprise/Goldwind cooperation (including wind farm development)
- Capacity optimization of existing production bases



6



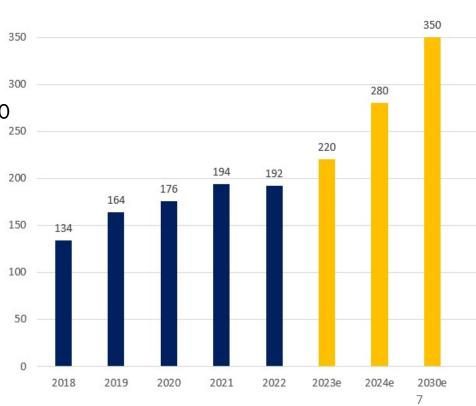
Development plan

400

★ Long Term

- Sustainable Management and Inheritance
- Deepening Environmental, Social and Corporate Governance (ESG) and Fulfilling Corporate Social Responsibility (CSR)
- The annual production capacity is expected to exceed 350,000 tons

Estimated Shipments (thousand tons)





Sustainability and Sustainable Management

Environmental



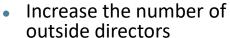
- Invest in wind farms
- Reserve green energy resources
- Calculating carbon emissions; managing carbon footprint

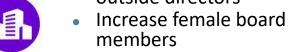
% Social



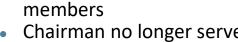
- Technology bring home
- Industry-academia collaboration
- Talent cultivation

% Governance





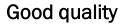
 Chairman no longer serve CEO at the same time







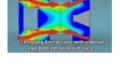
Core Competitiveness: Strengthening of Professional and Technical Capabilities



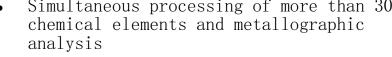


- Accumulation of decades of work experience by the professional team
- Excellent product quality, high reliability and long service life





- Simultaneous processing of more than 30 chemical elements and metallographic
- Professional processing capabilities of high standards, high specifications, and special materials



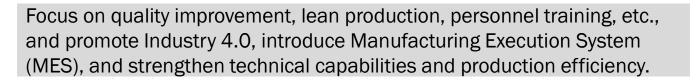
Ability to support advanced equipment

- Production equipment selection and design planning
- Adaptive integration capability of automation and intelligent equipment
- High-end, precision, large-scale, continuous investment in automation equipment

Excellent production management ability and product line change planning

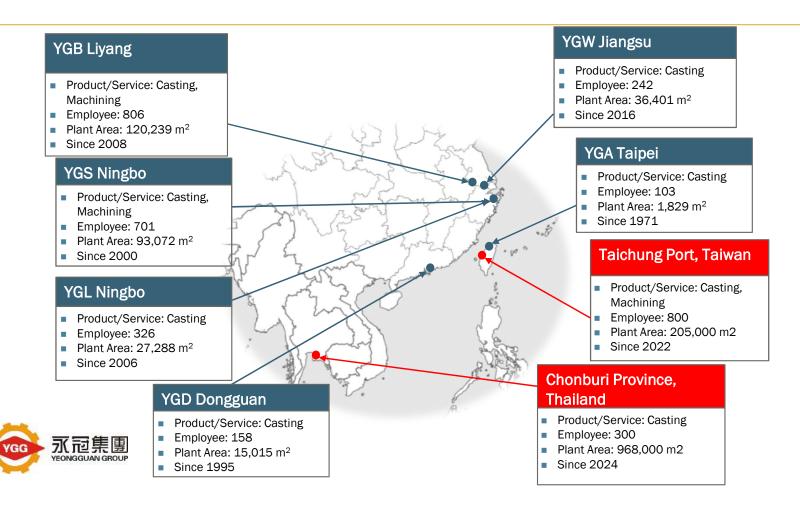
- Quick response to mold on-line and line change
- A small amount of various production arrangements to respond to rapid changes in customer demand
- Modularization of process design, intensive production







Our Production Sites



renewable energy

top ton might quartity ous tomors in the industry























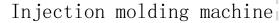
























The goal is to win more global high-end equipment and international first-line manufacturers, and work closely together to develop new products.



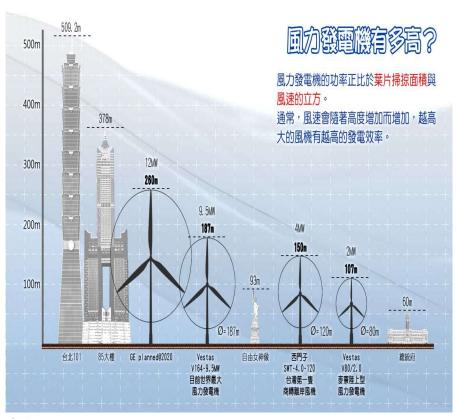
Direct Drive Wind Turbine





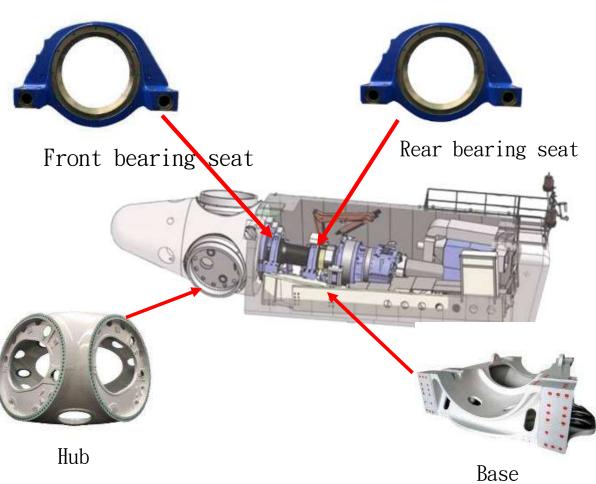


Doubly-fed wind turbine



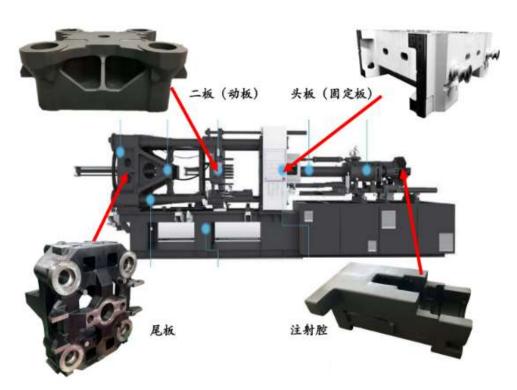






產品應用廣泛

Injection molding machine



Industrial machinery







空壓機

螺帽機

齒輪加工機

印刷機械









沖床

橡膠機

船舶引擎

造磁磚機









水泥機械設備

閘門(水道)

齒輪箱

醫療設備









YGG

沖壓模

加工中心

壓鑄模

運輸設備零件

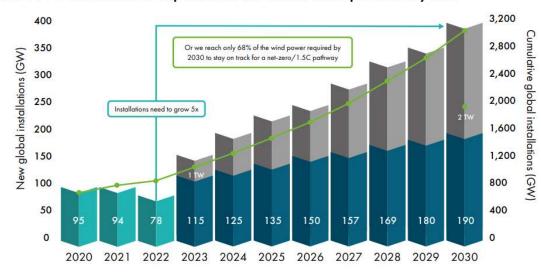
14

MARKET TRENDS



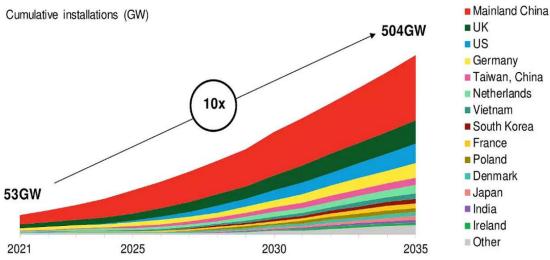
Global Market Trends

The 2 TW milestone is expected to be achieved in just seven years



- New wind capacity
 Projected new wind capacity based on current growth rates
- Annual capacity gap to meet net zero by 2050 scenarios
- Cumulated wind capacity to meet net zero by 2050 scenarios

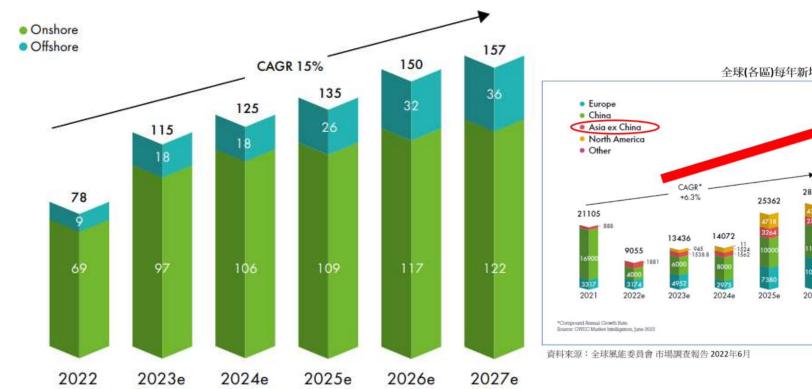
The demand of the global wind energy market has greatly exceeded expectations and the growth rate has been astonishing

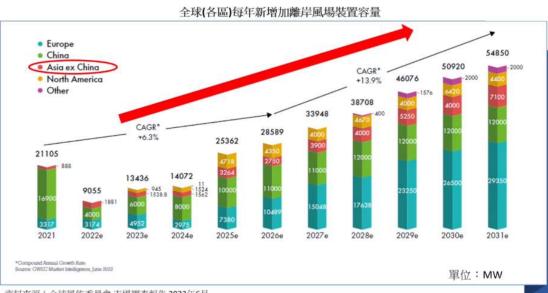


Source: BloombergNEF. Note: Other = Portugal, Italy, Finland, Lithuania, Latvia, Estonia, Greece, Norway, Sweden, Spain, Brazil, Belgium, Colombia. Cumulative 2030 installations are 287GW.



Global Market Trends





Source: GWEC, 2023



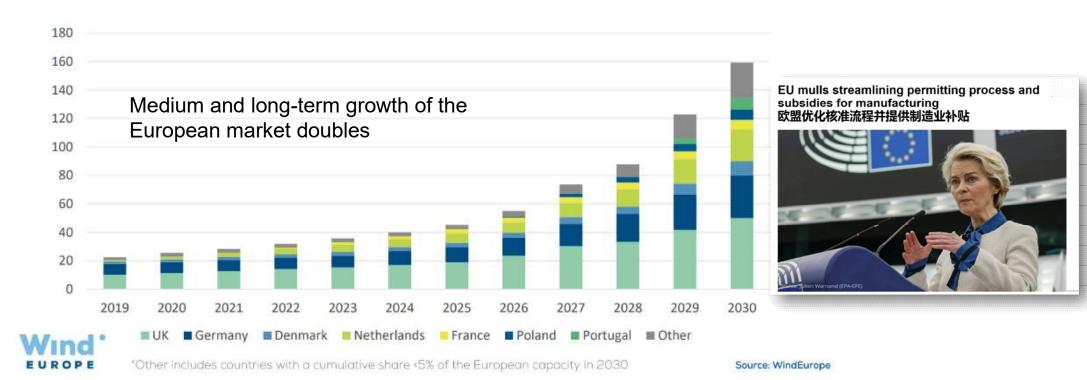
European Market Trend

The demand for wind power in the EU will remain above 20GW annually from 2022, especially in Germany and the UK.



歐盟市場潛力

European Government pledges now add up to 160 GW of offshore wind by 2030, delivering on this ambitions is key





EU market trends



150GW; and the European

bound to be unable to meet

casting supply chain is

the demand

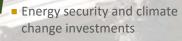
來源:https://twitter.com/#NorthSeaSummit



78%



Inflation Reduction Act invests 437 billion dollars



- Affordable Care Act extension
- Western drought resiliency

來源:Biden announces new climate change actions but holds an emergency declaration in reserve (theconversation.com

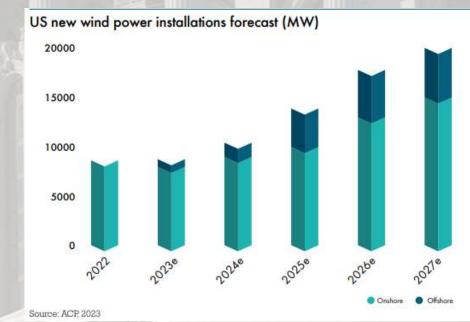
投資乾淨能源

投資3,690億美元於加速轉型到乾淨能源的計畫,並且提高國內能源產量、減少時間

碳排量,將嘉惠太陽能、風力及其他乾

淨能源

為電動車買主 提供稅務優惠 目前買主最多可取得7,500美元的稅務補 貼,但僅限每家車廠銷售的頭20萬輛合 格車款,新法將提高上限,二手電動車 買主也享有稅務優惠





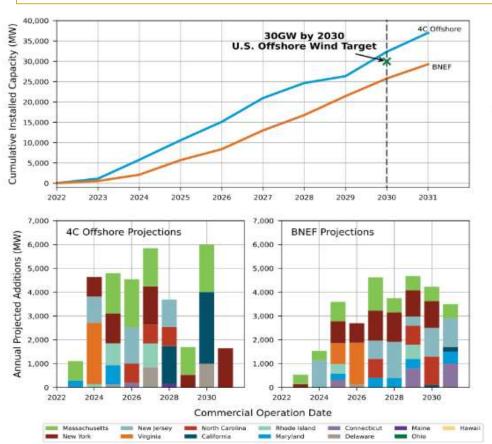


Figure 6. Industry offshore wind U.S. deployment projections to 2031

In the forecasts of different agencies, the American market is expected to achieve substantial

Offshore Wind Market Report: 2022 Edition

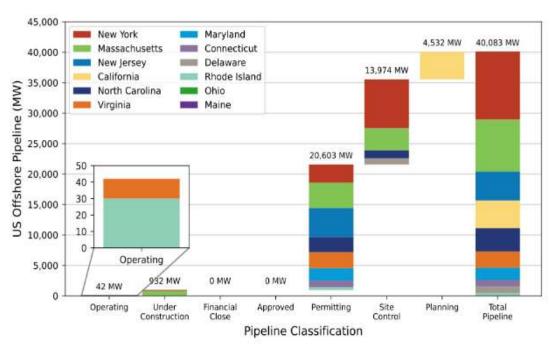
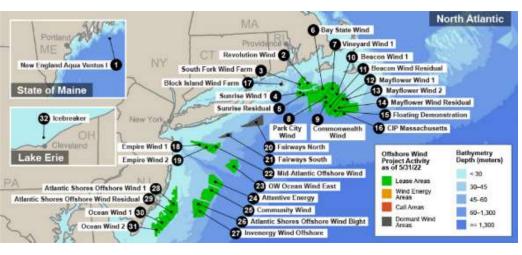


Figure 1. U.S. project pipeline classification by status



There are abundant offshore wind energy resources in the United States, and 56 wind farms have been planned in the east and west coasts, the Great Lakes region, the Gulf of Mexico and the Hawaiian waters;

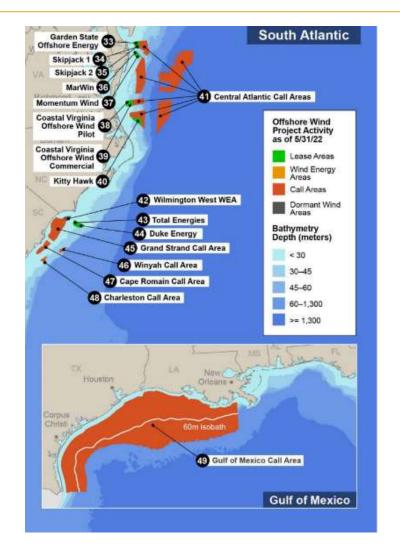
At the same time, it is expected to bring 80,000 job opportunities before 2030.







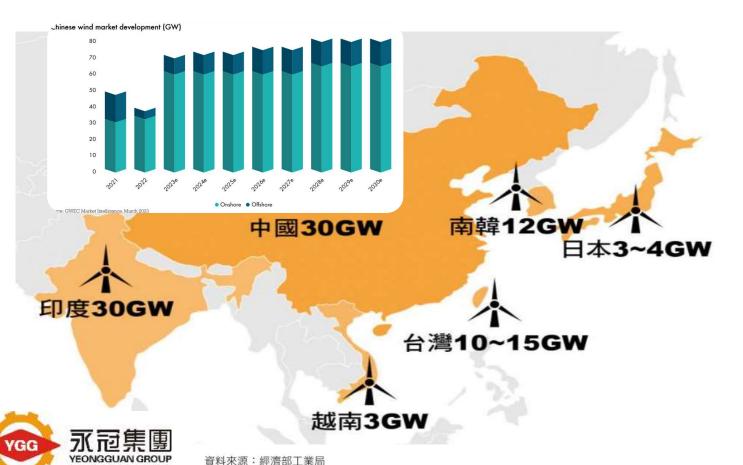






Asian Market Highlights

2035 Offshore wind power installation plans in Asian countries

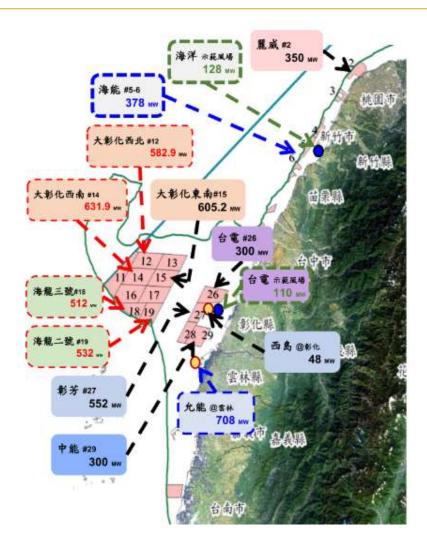


- The scale and rapid development of offshore wind power in Asia
- Technology and Supply Chain Integrity
- According to the 14th
 Five-Year Plan, by 2030,
 China's annual new
 installed capacity will
 not be less than 60GW

Taiwan Offshore Wind Power Market

- Block development from 2026 to 2035: It is planned to release 15GW of installed capacity, which is nearly three times that of the previous two stages. The cumulative installation capacity is 20.7GW.
- X Target 2025, the total installed capacity of offshore wind power will reach 5.7GW



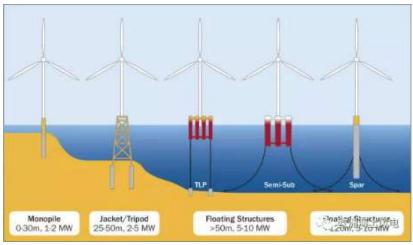




Japan Wind Power Market Planning

Installed wind power generation and future targets

	2018	2019	2030
陸上	3,589	3,858	27,000
離岸	6.5	65	10,000
總共	3,654	3,923	37,000

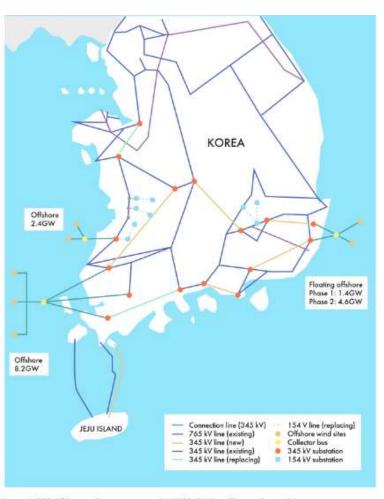


The 2030 offshore wind power target is 10GW, of which 4GW are floating projects.





South Korea's Wind Power Market Vision



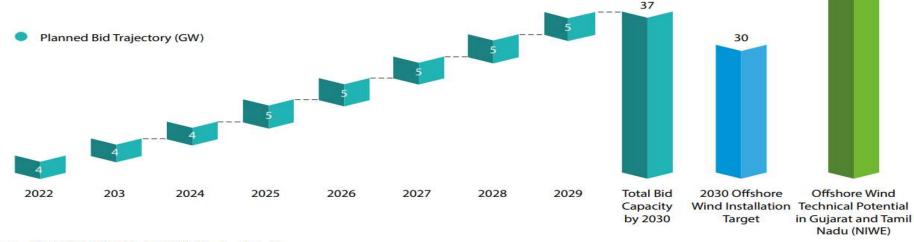
- According to the South Korean government's announcement in 2021, 16.5 GW of new wind power generation capacity will be built in 2030 (of which offshore wind power will account for 12 GW)
- As of 2021, South Korea currently has 87 offshore wind farm projects under construction or approved, of which five have already generated electricity.
- Aim to become a top 5 offshore wind power country by 2030

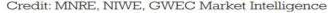


Source: English Translation of Renewable Energy 3020

Indian Wind Power Market Vision

- % The Indian government announced that from 2022, the wind farms for bidding will be 4GW per year; from 2025, 5GW per year
- ** Accumulated to 37 GW by 2030, of which 30GW is offshore wind power.

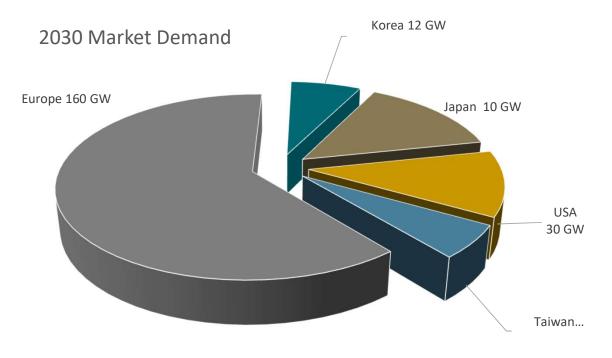






70

Anticipated market demand conversion orders

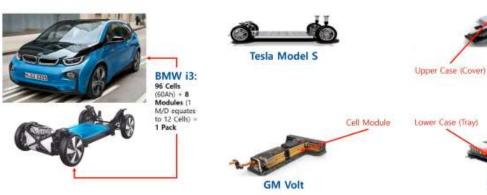


- Large-scale foundries around the world's ports and offshore wind power – rare
- About 1.5GW = 20,000 tons of orders
- The United States has a 25% tariff condition for China
- The only manufacturer of domestically produced castings for wind power in Taiwan
- Price & gross profit are higher than onshore wind power



新能源汽車市場願景





EV battery packs differ in shape & mounting position depending on vehicle type, size, driving performance, etc...









Nissan Leaf

新產能投資&發展願景



Taichung Foundry State

2023 2Q Go into operation 2023
Commissioning 7k – 10K
tons

2024

Capacity reach to 50k tons

- X Schedule: 2020 ground breaking, 2023 2Q go into operation
- Max capacity: 100k tons/year
 renewable energy industry 60%,
 plastic injection and industrial
 machinery 40%
- ** Advantage:
 - Next to Siemens Gamesa & Vestas
 - Localization policy
 - Located in port reduce logistic cost
 - Government support
 - Avoid trade frictions





Already signed a contract with Siemens, Taichung foundry will provide 30K tons/year for Taiwan market & 50K tons/year for global market.

With the No. 1 market share, Siemens Gamesa settled in Taichung Po

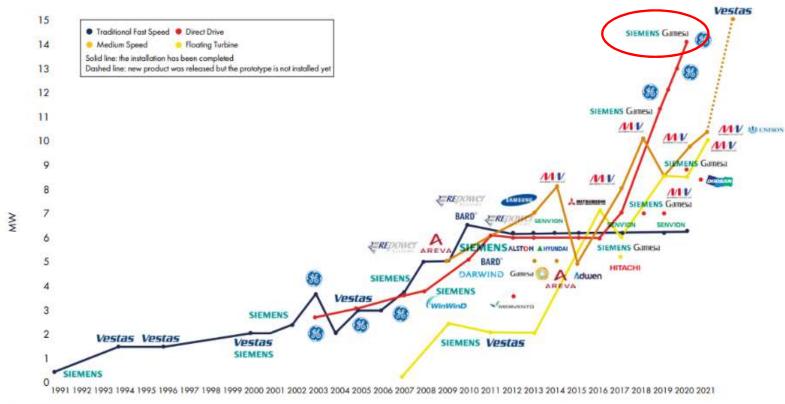






Market share No. 1 Siemens Gamesa looks to the world

Offshore Wind Turbine Technology Road Map (excluding China)



Siemens is in the leading position in fan technology (traditional/medium-speed/direct/floating) that has reached the stage of commercial transformation



泰國厰投資案







Thailand Foundry

2022 August

2024 4Q

2025

groundbreaking

Go into operation

Commissioning 20k tons

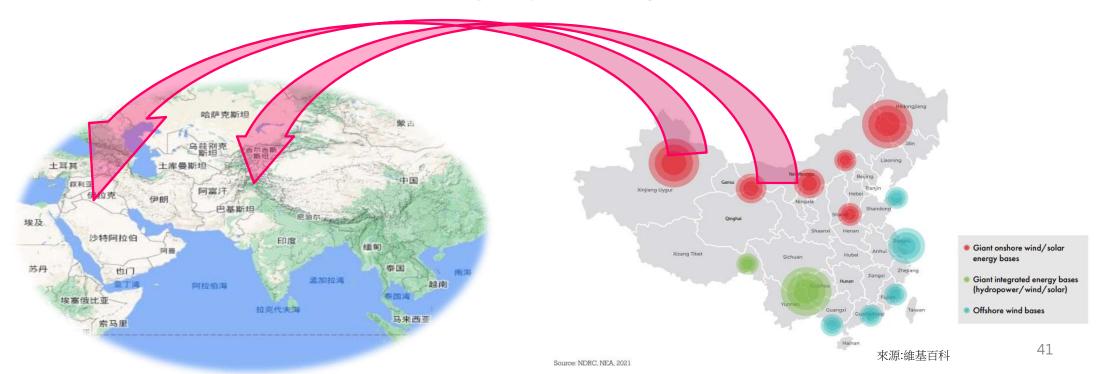
- ★ Schedule: 2022 August ground breaking, 2024 go into operation
- % Capacity: 80k tons/ year,
 Renewable industry (
 onshore wind power),
 Injection molding machine
 & industrial machinery
- ★ Advantage
 - 968,000 square meters
 - 8 years tax-free; 5 years 50% off for tax
 - ASEAN huge market (major appliance automotive industry)
 - Abundant human resources & low cost





Cooperation case of Jiuquan First Heavy Industry Wind Power Group

- Central enterprise/Goldwind/Yongguan joint development (equipment base/wind field)
- At present, 600MW franchise has been obtained
- Northwest wind farm development (Jiuquan wind farm estimated total generating capacity is about 80GW)
- In line with China's One Belt One Road policy, radiating Central Asia/Middle East



Detailed Financial Figures



Historical Income Statement

		2020	2021	2022	YoY(%)				
NT\$ Million	2019				2019	2020	2021	2022	
Sales Revenue	7,900	8,184	8,948	9,384	27.5	3.6	9.3	4.9	
Gross Profit	1,371	1,790	1,770	1,344	65	30.6	-1.1	-24	
Operating Profit	212	545	316	98	-186.5	-157.1	-42	-69	
Income before Tax	221	624	321	-314	-195.3	-182.4	-48.6	-198	
Net Income	164	517	214	-444	-159.9	-215.2	-58.6	-307	
EPS (NT\$)	1.54	4.81	1.95	-3.96	-162.1	-212.3	-59.5	-303	
Key financial ratio (%)									
Gross Margin	18	22	20	14					
Operating Margin	3	6	3	1					
Net Margin	2	6	2	-5					
OPEX ratio	15	16	17	13					



Historical Balance Sheet

		2020	2021	2022	YoY(%)				
NT\$ Million	2019				2019	2020	2021	2022	
TOTAL ASSETS	13,521	16,394	18,470	21,891	-7	21.2	12.7	18.5	
Cash	1,451	2,682	1,994	2,114	-54	84.8	-25.7	5.7	
NR & AR	2,947	3,517	3,242	3,742	40.1	19.3	-7.8	15.4	
Inventory	1,226	1,324	1,660	1,858	-10.4	8	25.4	11.9	
Fixed Asset	5,735	5,756	7,239	9,651	-3.1	0.4	25.8	33.2	
TOTAL LIABILITIES	5,699	7,630	9,635	13,399	-8.8	33.9	26.3	39	
Bank Loans	3,858	3,498	4,344	8,482	-15.8	-9.3	24.2	95	
NP & AP	990	1,646	2,422	2,296	-5.7	66.3	47.1	-5.2	
TOTAL EQUITY	7,822	8,764	8,835	8,492	-5.5	12	0.8	-3.9	
Common Stock	1,056	1,106	1,106	1,106	-5.4	4.7	0	0	
Book value per share	72.5	79.2	79.9	76.8					
A/R turnover days	117	145	139	137					
Inventory turnover days	78	76	77	82					

103

2.5

107

-5.1



A/P turnover days

ROE (%)*

75

6.3

57

2.1

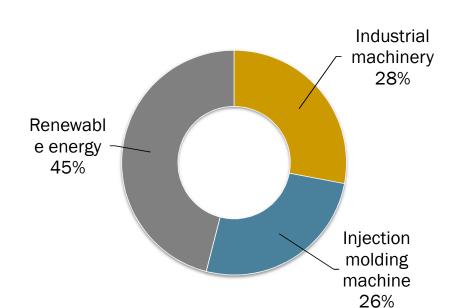
Quarterly Income Statement

NT\$ Million	3Q20	4Q20	1021	2021	3Q21	4Q21	1022	2022	3Q22	4Q22
Sales Revenue	2,431	2,488	2,146	2,235	2,270	2,296	1,813	2330	2,481	2,760
Gross Profit	582	616	551	450	400	369	196	307	349	493
Operating Profit	290	212	200	83	36	(2)	(118)	(17)	59	174
Income before Tax	267	262	157	123	36	5	(217)	(87)	(75)	65
Net Income	207	230	126	141	29	(82)	(196)	(91)	(135)	(21)
EPS (NT\$)	1.94	2.12	1.13	1.27	0.27	(0.72)	(1.75)	(0.81)	(1.21)	(0.19)
Revenue by Application (%)	3Q20	4Q20	1021	2021	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Renewable Energy	72.8	67.4	60.3	46.2	43.2	41.1	33.8	42.3	45.7	56.4
Injection Molding Machine	11.7	14.4	18.4	24.5	26.5	30.7	32.4	27.6	30.2	21.5
Industrial Machinery	15.5	18.2	21.3	29.3	30.3	28.2	33.8	30.1	24.1	22.1

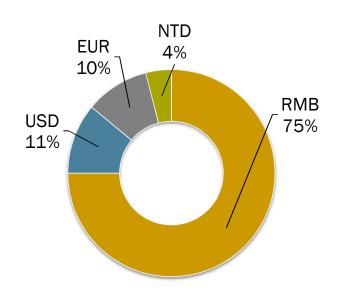


2022 Q3 Revenue by Application and Exchange Rate

Revenue by product application (%)



Currency specific revenue (%)





感謝您的關注!



世界級品質·一流的服務

www.ygget.com

