

ESON PRECISION IND. CO., LTD. (5243)

Present by: General Manager, Mr. JC, Chang

Date: 2013, Nov., 06

Agenda

1. **Company Profile**
2. **Major Process**
3. **Advantage**
4. **Prospects**

1. Company Profile

Company Profile

- Established: In 2008 (Cayman Holding Company established)
- Chairman: Tai, Jeng Wu
- Founder: Tsai, Chia Hsiang (Vice Chairman)
- General Manager: JC, Chang
- Capital: NTD 1.528 Billion
- Employee: Around 7,500 People
- Business Area:
 - (1) Designing & Manufacturing of mechanical parts for the consuming electrical products
 - (2) Designing & Manufacturing of metal and plastic tooling
 - (3) Product Surface Finishing
 - (4) Complete Unit Assembling

Management Philosophy

Efficiency

Satisfaction

Production

Customer

ESON

Technology

New thinking

Optimizing

ESON Leadership

Title	Name	Service Year	Main Experience
Founder Vice Chairman	Chia Hsiang, Tsai	26	Founded Zhen Shun Co. in 1987, provide wire cutting and tool building, developed to current scale of ESON Group
GM	JC, Chang	9	ESON General Manager
CFO	Kevin, Huang	2	ESON CFO, in charge of operation management system
Chief Auditor	Emily, Wang	1	In charge of internal audit
Vice GM	Qj, Lin	10	In charge of business development and Yantai, China plant operation
Vice GM	Rich, Chen	8	In charge of oversea business development
Senior Manager	Frank, Shen	6	In charge of administration and Logistics.

Milestone

Establishing

1987

- Established Tooling Plant in Taipei

1995

- Start Japan brand PC ME parts tooling

1987-2000

Foundation

2001

- Established ESON Kunshan, start metal parts production

2004

- Established ESON Dongguan (ESD)

2005

- Award Japan brand Green Partner certification.

2001-2005

Development

2006

- Started Injection and earned game player ME parts.

2007

- Awarded US brand large home appliance tooling

2008

- Implemented RHCM and got LED TV order

2009

- HH invested ESON
- Establish Wuxi (ESW), Mexico (ESM) and Yantai (ESC)

2006-2009

Growing

2010

- Earned US brand Server case order
- Start US brand Automotive tooling

2011

- Start LCM ME parts production

2012

- Invested Multiwin Mexico & started input in Sep

2013

- Establish Malaysia plant & plan MP in Nov

2010-2013

Product Developing History



Product History

Tooling

Professional in precise Tooling, accumulated astonished professional experience to meet customer requirement.



Product History

Consumer Computer Product

Professional manufactory in TV, NB, PC, Server, Network and Game set solution & mechanical components.



Product History

Surface Treatment

• Metal/Plastic surface painting, ED, Anodizing, UV High Gloss Painting, Evaporation /Sputtering Deposition, Heat / Water Transfer Printing.



Leather Coating



UV High Gloss Painting



Evaporation



Water Transfer Printing



Heat Transfer Printing



Anodizing

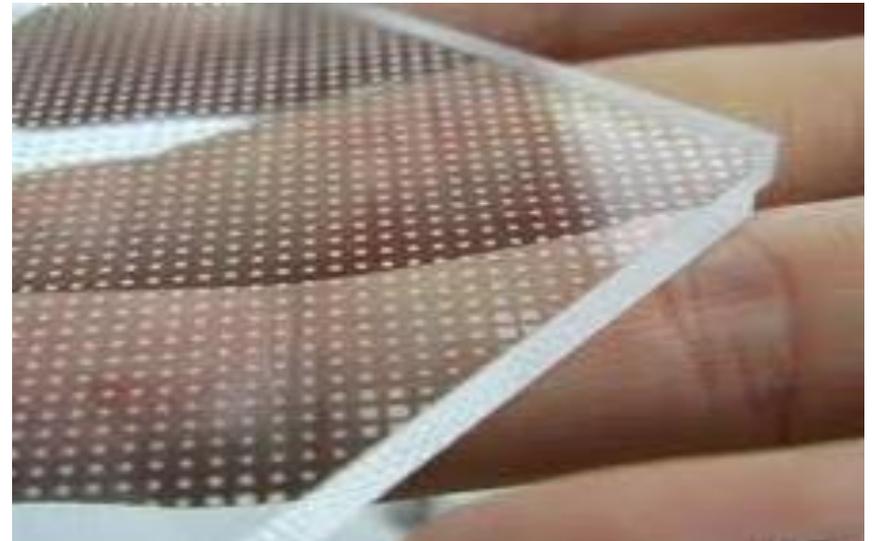


Electro-Deposition Painting

Product History

Lighting Product

- Involve lighting industry of LED products such as light bulb, light pipe, light lamp and Laser light guide.



Global Operation Site



Operation Process

Factory	Plant Area (M ²)	Injection	Stamping	Tooling	Cosmetic	Assembly
ESON Kunshan	132,000	★	★	★	★	★
Wuxi ShinGuan	52,000		★		★	★
Dongguan Suntool	30,600		★	★		★
Yantai ChengYi	12,020	★	★			★
Yantai JiRay	8,315				★	★
ESON Slovakia	17,000	★	★			★
ESON Mexico	9,105	★	★			★
Multiwin Mexico	100,600	★		★	★	★
Eson Malaysia	2,200		★			★

2. Major Process

ESON Financial History

Currency: NTD (in millions)

Three Year Financial History	2010	2011	2012	2013 Q1~Q3
Capital	398	398	1528	1528
Total Assets	6700	6600	8000	8600
Operating Revenue	7500	6200	6600	6600
Operating Profit	480	250	210	260
EPS	290	150	240	280
Ownership	3800	4200	4800	5200
Retained Earnings	640	790	1030	1480

Remark: 2013, Q1~Q3 Data Unaudited

Product Revenue Distribution

Product Category	TV parts	NB product	Tooling	Server&Telcom	PC & Game set
					
2013年 Q1~Q2 Revenue %	67.55%	10.14%	14.07%	4.51%	1.31%

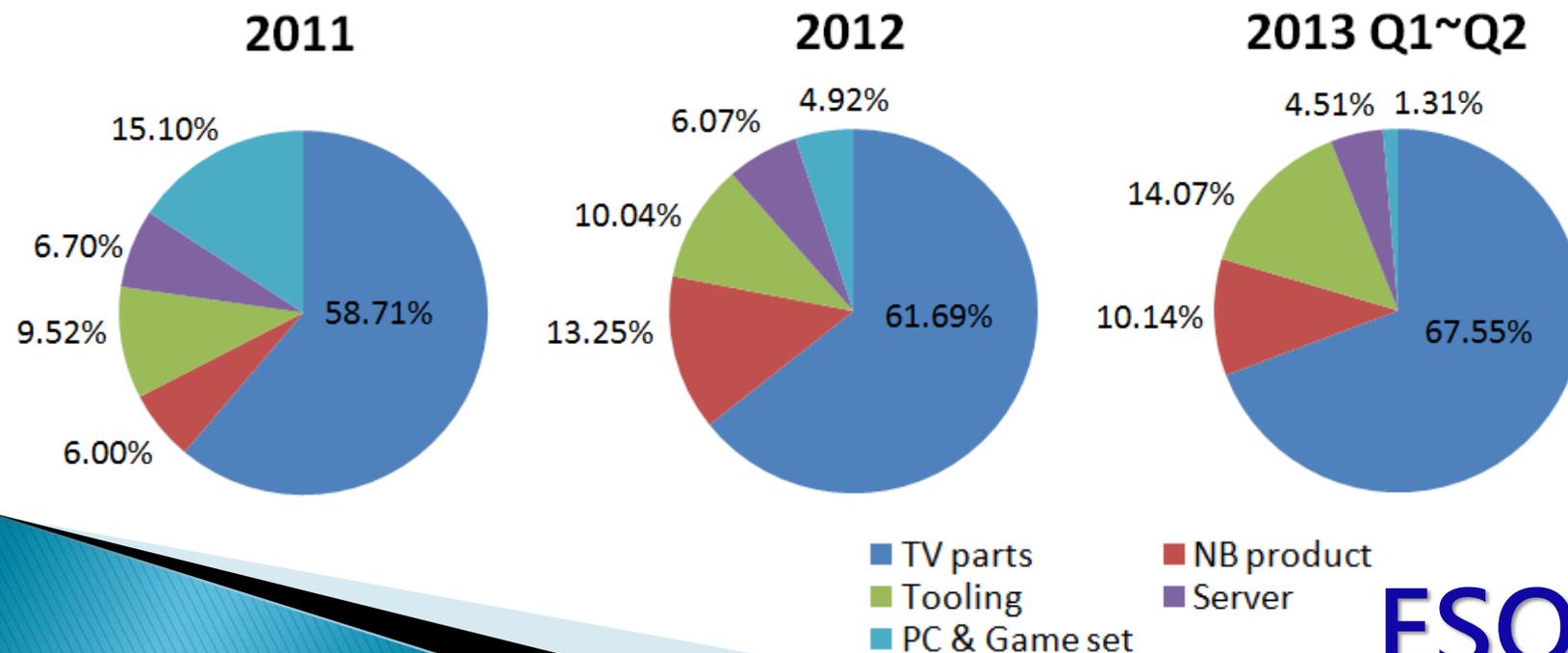
2014~2015 Product Strategy:

TV parts	1. Increasing Market Penetration Rate
	2. LGP laser embedding with production target, and improving R&D and Manufacturing Process for LCM parts
NB product	Applying innovation new technology on product finishing, developing mechanical component for tablet computer and smart phone
Tooling	Enlarging tooling production capacity, meanwhile preparing major process on R&D and Production for automotive mechanical part.
Cloud	Wildly Global Facilities, which will attract local industrial communication device

Major Products Revenue

- Recent year main product category revenue %

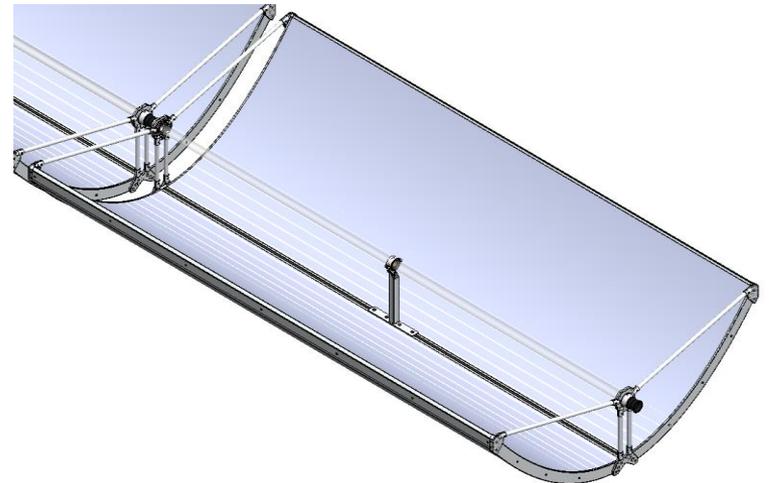
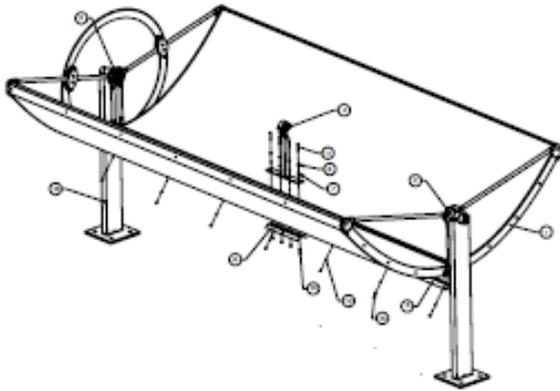
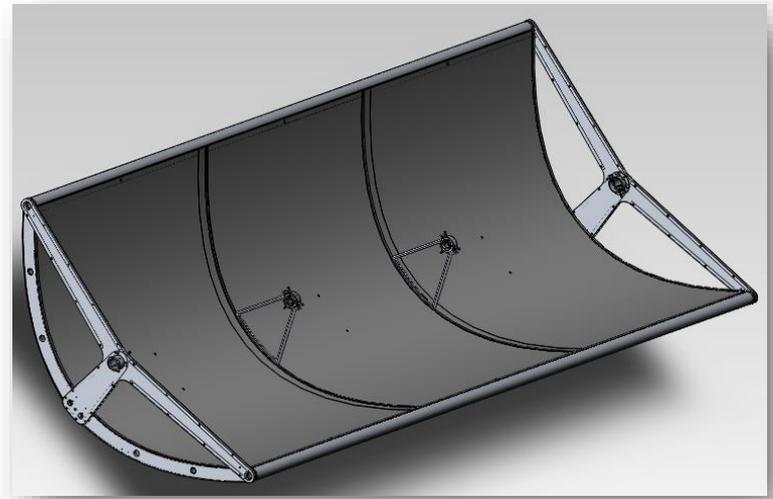
Product Category	TV parts	NB product	Tooling	Server	PC & Game set
2011 Revenue %	58.71%	6.00%	9.52%	6.70%	15.10%
2012 Revenue %	61.69%	13.25%	10.04%	6.07%	4.92%
2013 Q1~Q2 Revenue %	67.55%	10.14%	14.07%	4.51%	1.31%



3. Advantage

1. R&D Capability
2. In-house Build Tool
3. Globally Competitive Strength
4. Surface Treatment Technology R&D
5. Production Automation

R&D Capability – Solar Power Project



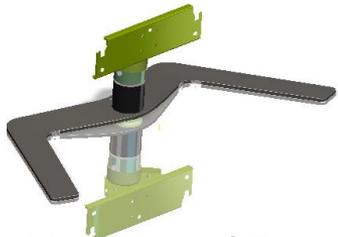
ODM Capability



Upper and Down Movement
For: 22" ~26" TV



Upper and Down Movement
For: 22" ~26" TV



Upper and Down Movement
For: 32" ~55" TV



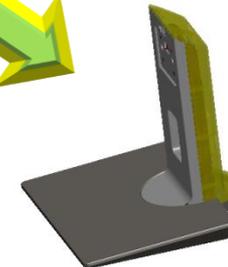
Upper and Down Movement
For: 22" ~26" TV



Upper and Down Movement
For: 32" ~42" TV



Upper and Down Movement
For: 32" ~40" TV



Upper and Down Movement
For: 22" ~26" TV

Patents

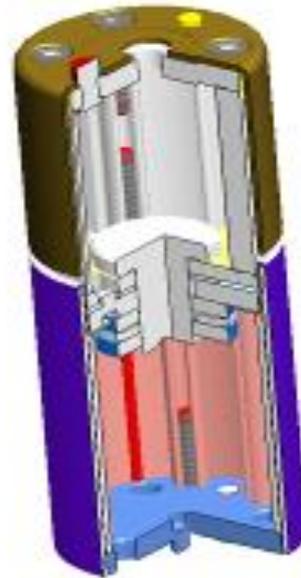
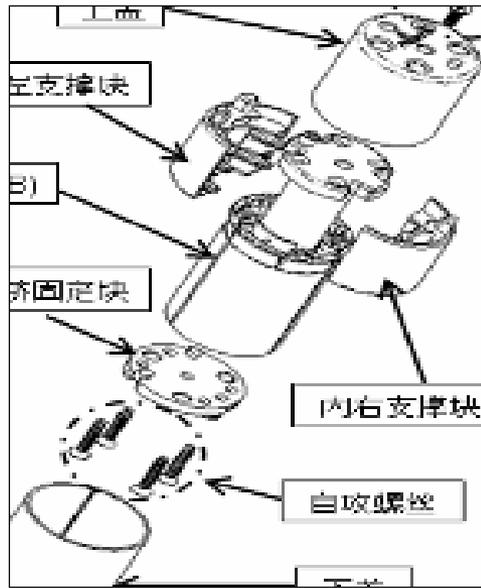
Patent: 21 patents already approved, 35 cases under applying.
Total over 50 patents.

專案項目	專利號	進度
供模具使用的快插式固定水管（快插式連接管）	201020576308.8	已取得
模具頂針回位裝置（強制回位彈簧）	201020575034.0	
機械式模內切模具	201020567247.9	
油缸式模內切模具	201020561463.2	
公模油缸頂針模內切	201020564217.2	
壁掛支架深抽工藝模具深抽技術	201010556047.8	
單工程連續沖孔裝置（後罩單工程連續沖）	201010521207.5	
彈片刺破成型裝置（Nokia彈片模具）	201020587035.7	
急冷急熱高光成型模具	201020587458.9	
模具急冷急熱高光成型工藝	201010544123.3	
熱熔治具（TCM431熱熔治具）	201020580853.4	
圓柱零件端面銑削夾具（3L棒材CNC裝夾治具）	201010522935.8	
彩晶鑽孔機	201020579185.3	
熱軋板表面處理工藝（6mm厚板的沖壓技術及規格的烤漆技術流程專利）	201010528190.6	
公模頂針模內切模具（模內切成型模具）	201020585795.4	
液晶及平板電視機底座支架（Hinger旋轉、仰角）	201020608486.4	
電視類產品旋轉性功能技術	201120560947.X	
攻牙檢測機	201220016421.X	
鋁擠件旋轉沖孔機	201220016426.2	
W型產品	201230010656.3	
電視轉軸	201230010655.9	

Patents

Item: Flat TV base stand

Patent#: 201020608486.4 (Hinge Turning & Elevation)

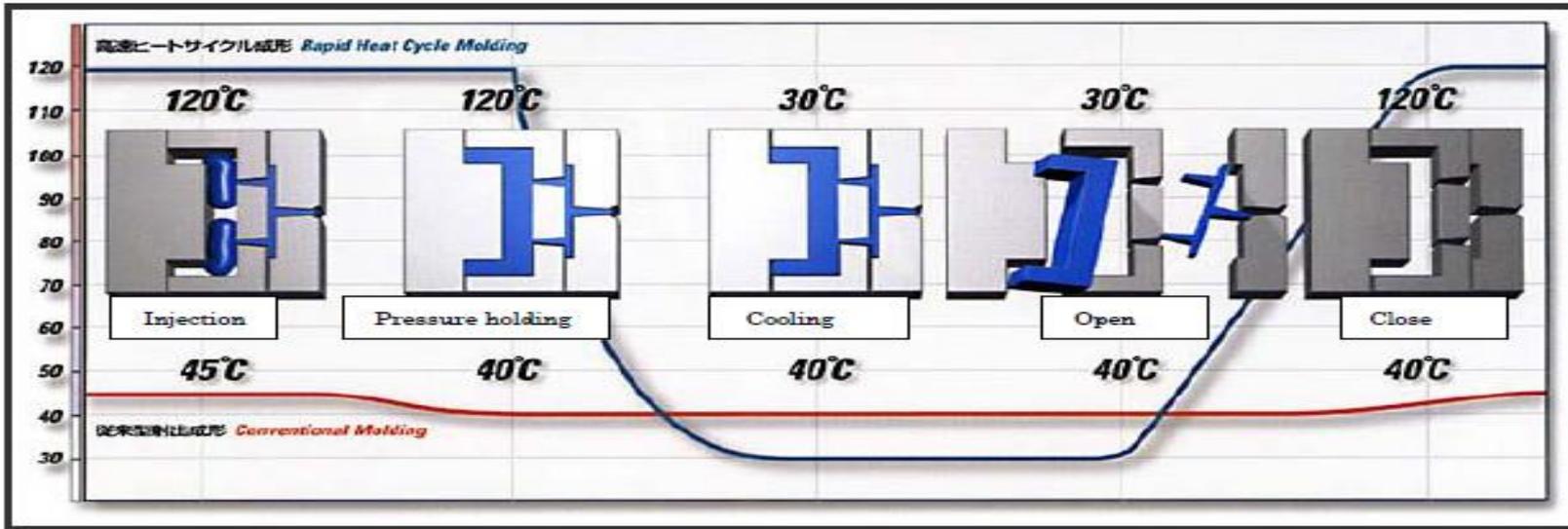
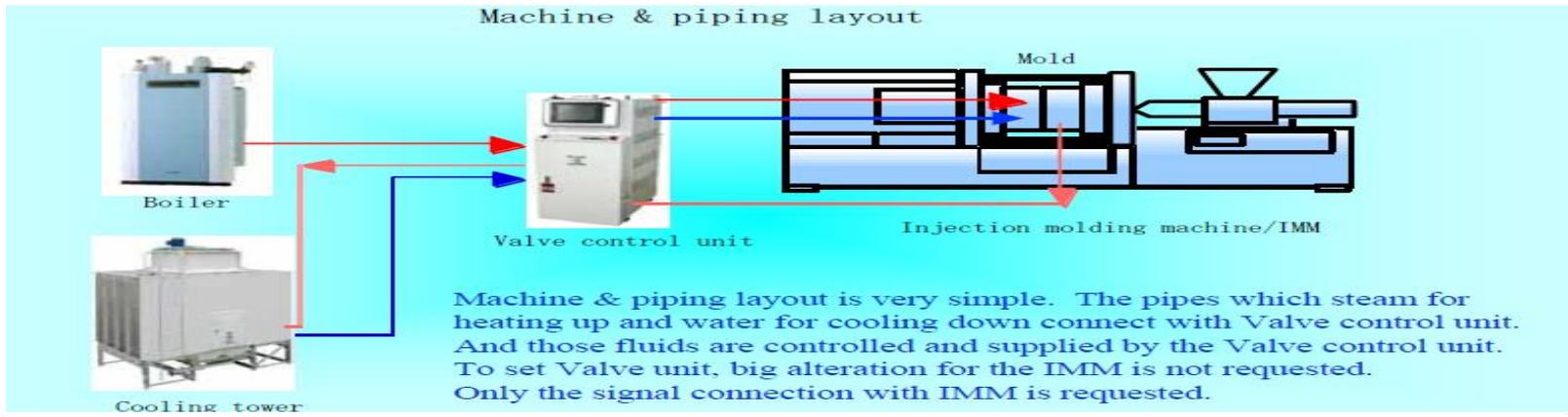


Note: 1. Horizontally swivel to +/-30 Degree.
2. Tilting from 0 to -10 Degree.

Patents

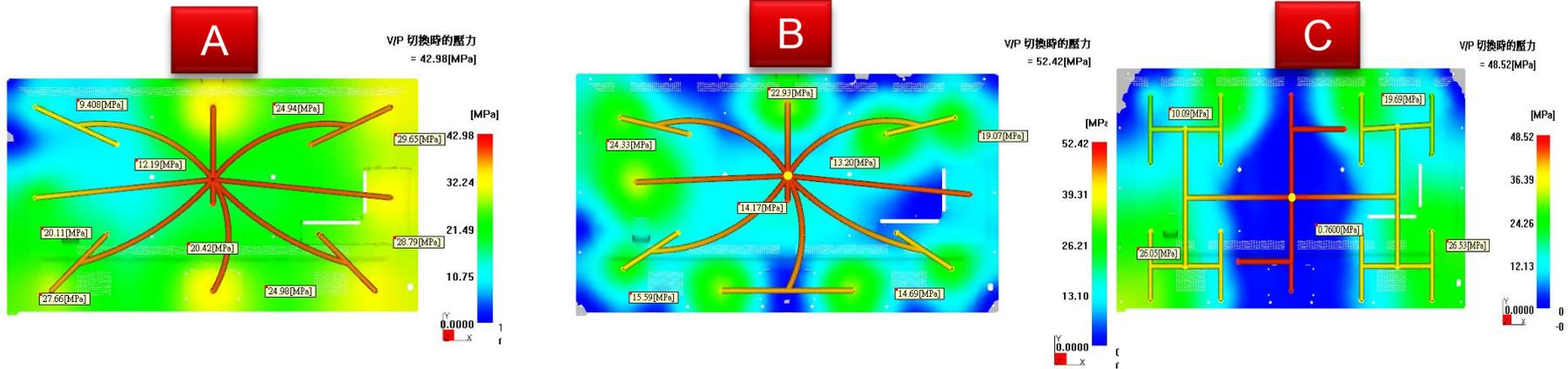
Patent: RHCM

Patent#: 201010544123.3



Tooling Capability – Design Technology Upgrade

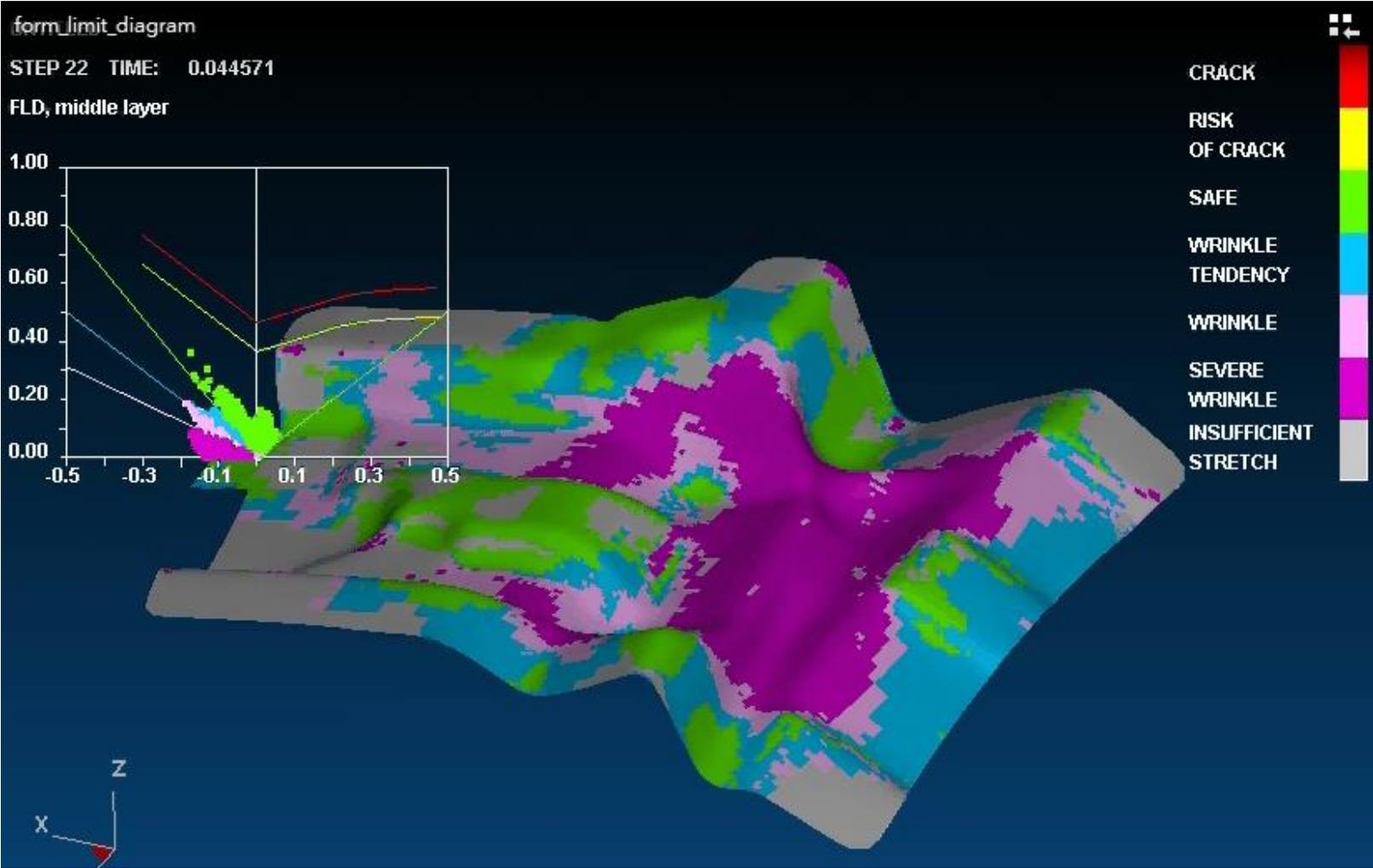
In 2013, Same Product but using smaller injection machine



- 60" Rear Cover
1800T → 1300T
- 70" Rear Cover
2400T → 1800T
- 80" Rear Cover
3000T → 2400T

Item	A	B	C
Gate Points	13	14	20
Counter Solution		Increasing Part Thickness	Adding Gates
Machine Ton. Min. Req.	2475 T	1682 T	1387 T
Result		Smaller Machine, Material cost increasing 7.6%	Smaller Machine, Material cost stay the same.

Tooling Capability – Design Technology Upgrade



Globally Competitive Strength

1. Having the most widely Global locations as a mechanical part supplier, including China, Mexico, EU, South-East Asia.
2. Vertical Integration, a head of fully complete TV mechanical part supplier, also has ability to produce mechanical part for game set, OA product, home appliance, mobile phone.
3. Ability to develop and build heavy-giant tool in-house
4. Proper Production Machines and Facilities to meet large scale product
5. Sufficient Product Surface Treatment Solutions, including UV, Anodizing, ED and Sputtering Deposition,
6. New Clients Approaching- widely global facilities take advantage to develop potential business opportunity, including China, Japan and America.

Product Surface Treatment R&D

1. Variability of plastic and metal product surface treatment technology: Painting, ED, Anodizing, Sand Blasting, Hair Line, Diamond Cutting, Metal Etching, Laser Engrave, Evaporation/Sputtering Deposition, Heat Transfer Printing and Water Transfer Printing. Moreover ESON is willing to develop new surface treatment solution while customer on demand.
2. Implementing new " OMD" (Out-Mold Decoration) , which give plastic components with high quality meanings.



Production Automation -1

Progressive Die Stamping



Press



Automatic Coil Feeder



Progressive Die



Progressive Die

**Increase Efficiency
3 Times More**

【Result】

For Example TV Base Stand

● Before: Single Die Stamping

1. 200T Press Machine: 5 sets
2. Manpower: 5 persons
3. Productivity: 360 pcs/hr

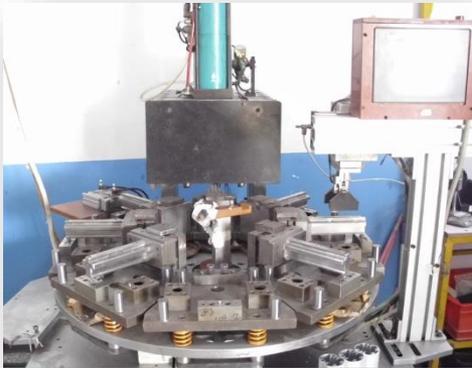
● After: By Progressive Die

1. 600T Press Machine: 1 set
2. Manpower: 3 persons
3. Productivity: 600 pcs/hr

Production Automation -2

Increase Efficiency
6 Times More

Riveting, Threading & Inspection Automation



Automatic Riveting
with 8 Stations



Vibration Feeding &
Automatic Riveting



Automatic
Threading &
Inspection

【 Riveting Result 】

- Before : 2 persons, 360 PCS/H
- After : 1 person, 1000 PCS/H

【 Threading & Inspection Result 】

- Before : 8 persons/line, 150 PCS/H
- After : 3 persons/line, 500 PCS/H

Production Automation -3

Implementing Robot Line for Metal Stamping

**Increase Efficiency
3 Times More**



【Result】

- Before:

Using 8 persons/line, 6 Press Machines.

- After:

Productivity increasing 50%.

Reduce manpower total 10 persons for two shifts.

4. Prospect

Prospect - TV Parts

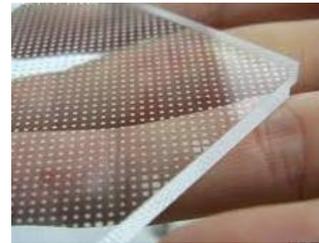
Customer



Japan · USA &
China
Major TV Brand

Enhance & increase order from exist customers and develop new one.

Technology



Increase LCM mechanical parts, front frame with high gloss painting, anodizing AL frame structure, also investments in development of laser light guide plate procedure.

Distribution



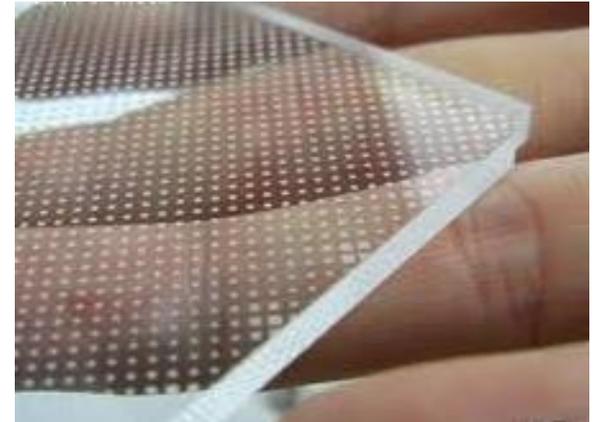
- In Sep. 2012, Increase operation scale . Supply large TV part locally, comfort stock pressure, decrease cost of transportation and TAX.
- May 2013, Malaysian site kick off.



Prospect – Laser Light Guide Plate

LGP development trend: :

1. Material thickness : 3.0 → 2.0 → 1.5 → 1.0mm
2. Dot miniaturization : From 0.3 → 0.12 → 0.08mm



ESON Laser procedure advantage: :

1. Can make over 60" LGP.
2. Small amount of investment, comparing to previous production process, like pressing, injection and printing.
3. Laser embedding need stable machining processing, ESON has professional machining experience to meet customer need.
4. Depending customer demanding to adjust laser machine setting locally.
5. Product and process has been approving by Japanese Customer, that has better 10% luminance than print LGP, and granted 2015 new product development.

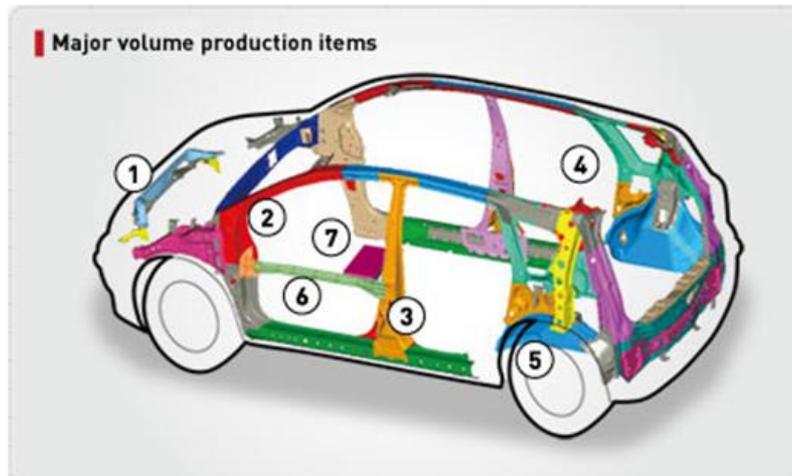
Prospect – Automotive Tooling & Parts

1. Keep strengthen of tooling development technology and personnel training, ESON has become one of the major tool suppliers of US brand automotive, amount of purchasing orders increase significantly annually.



2. With extensive experience on automotive tooling design and production, prepare to produce automotive parts.

1. Support for Radiator
2. Front Pillar
3. Center Pillar
4. Rear Pillar
5. Wheel Housing
6. Door Beam
7. Seat Slider



Prospect – Cloud Products & Printers

1. Foreseeing potential opportunity of cloud business, enhance partner ship with world class cloud devices manufactures.



2. Regularly innovating New Model of OA product, producing and supplying mechanical part by proper production facilities and capabilities.



Prospect - OMD & Surface Treatment

Input more research on surface treatment such as OMD high gloss anodizing, high gloss Electro-Deposition, to meet customer who requires with high quality and to provide better options.

OMD	
Anodizing	
Electro Deposition (ED)	



NB



PAD



PHONE



Thank you !

