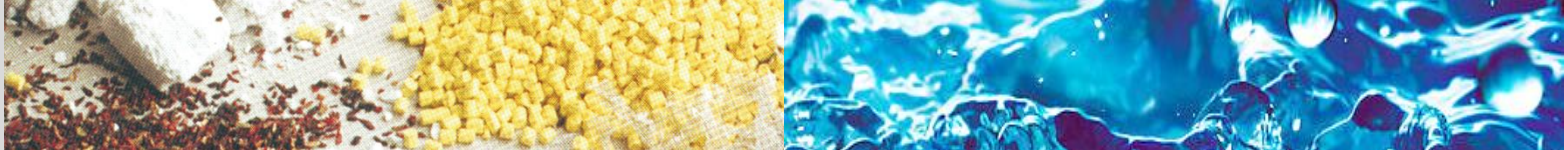


Stock No : 4549



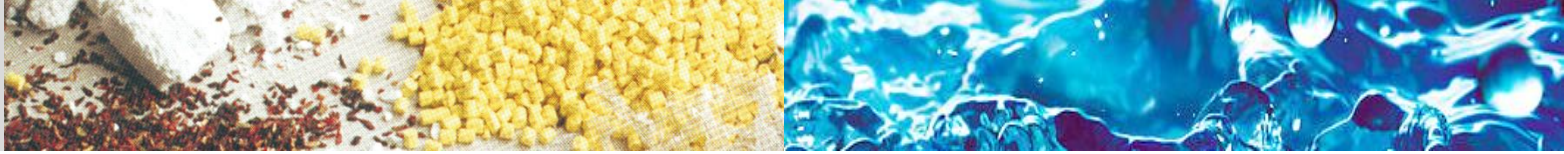
Speaker: Nancy Hsu/Special Assistant

December 13, 2018



Introduction

- **Group overview**
- **2018 Q1-Q3 financial outlook**
- **2018 sales review**
- **2019 grow up driving**



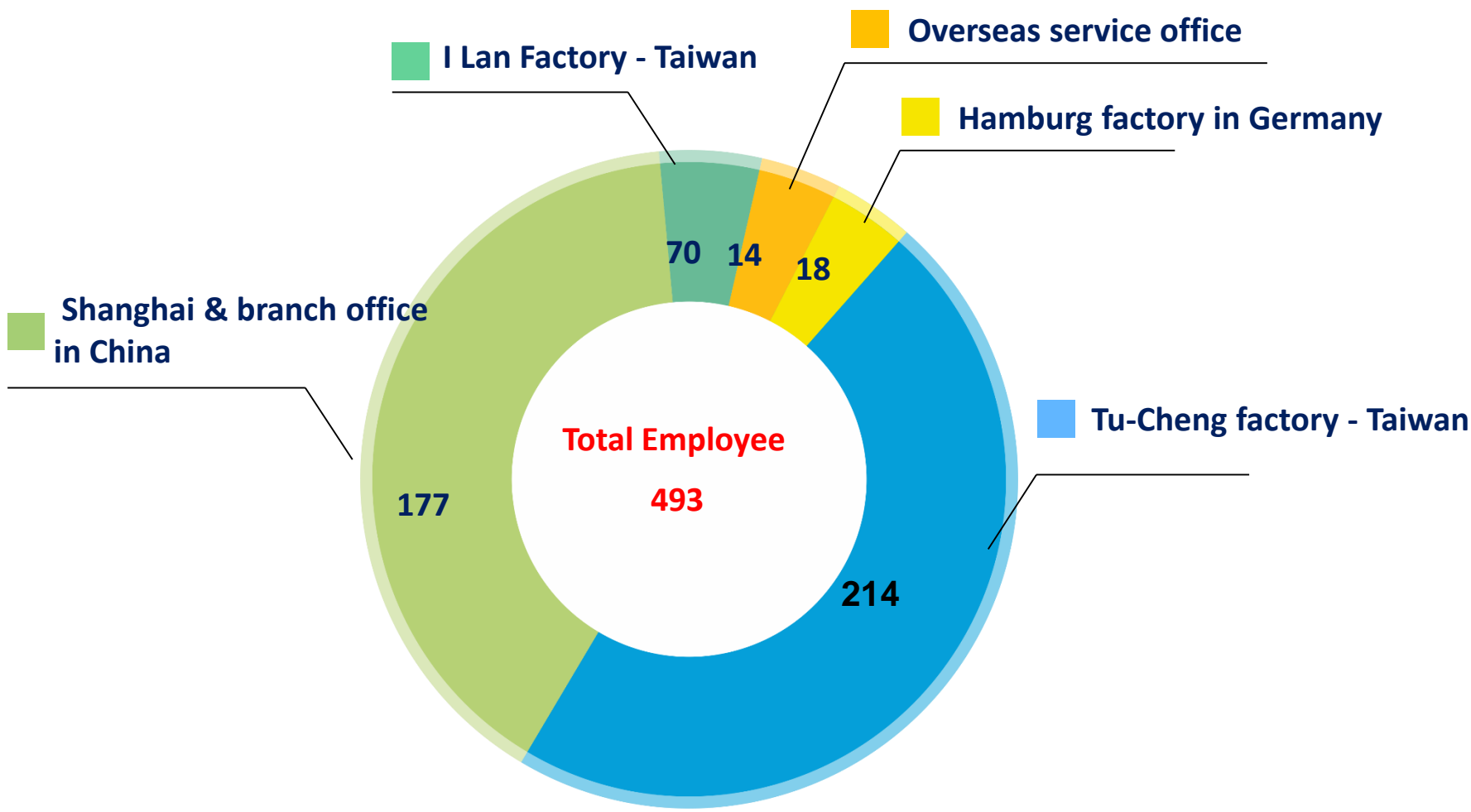
About Finetek

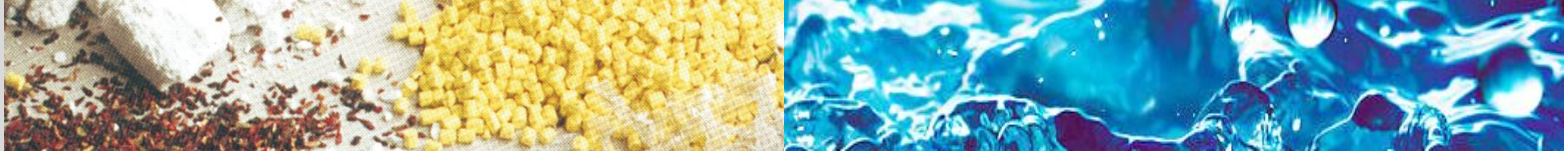
- The biggest Process Sensor and Flow Meter provider in Taiwan and Asia
- Main Advantage : ODM customs design order meet various industry
- Customer field cover various industry, over 10,000 customer in the world



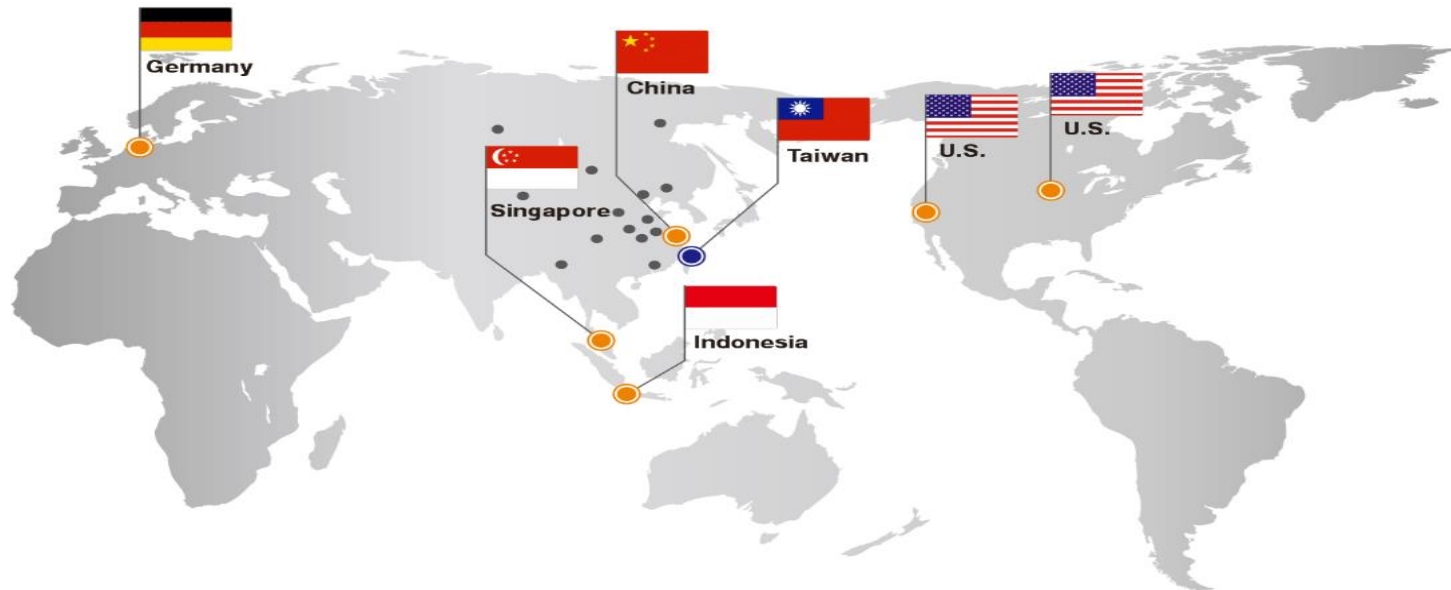


Company Organization

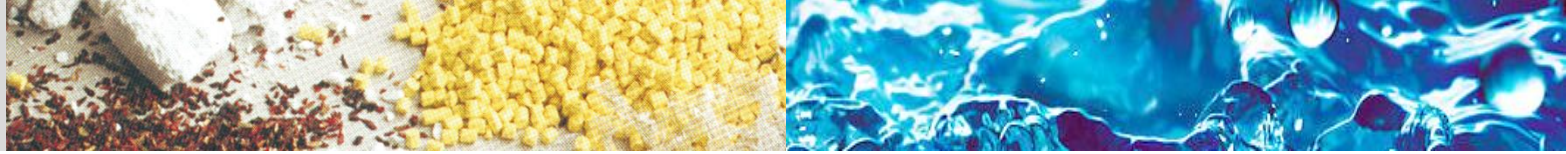




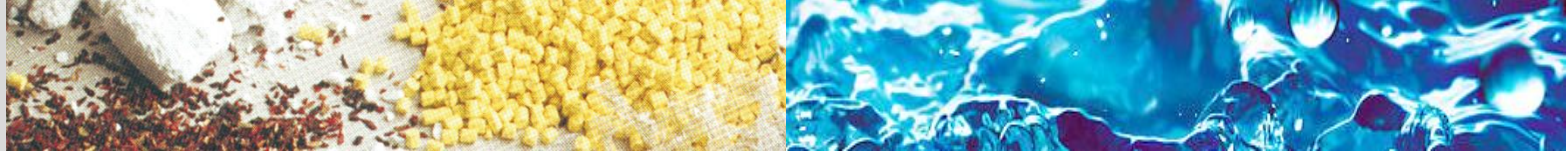
Global Sales Channel



- Taiwan – Head Quarter, RD Center, Main Production
- China – 8 sales branch offices, head office in Shanghai
- Overseas office - Germany Hamburg, USA Los Angeles
- Overseas office in South Asia – Singapore, Malaysia and Indonesia
- Build up Indonesia Factory – will be finished in Q3 of 2019
- Overseas distributor – over 600 distributor in the world

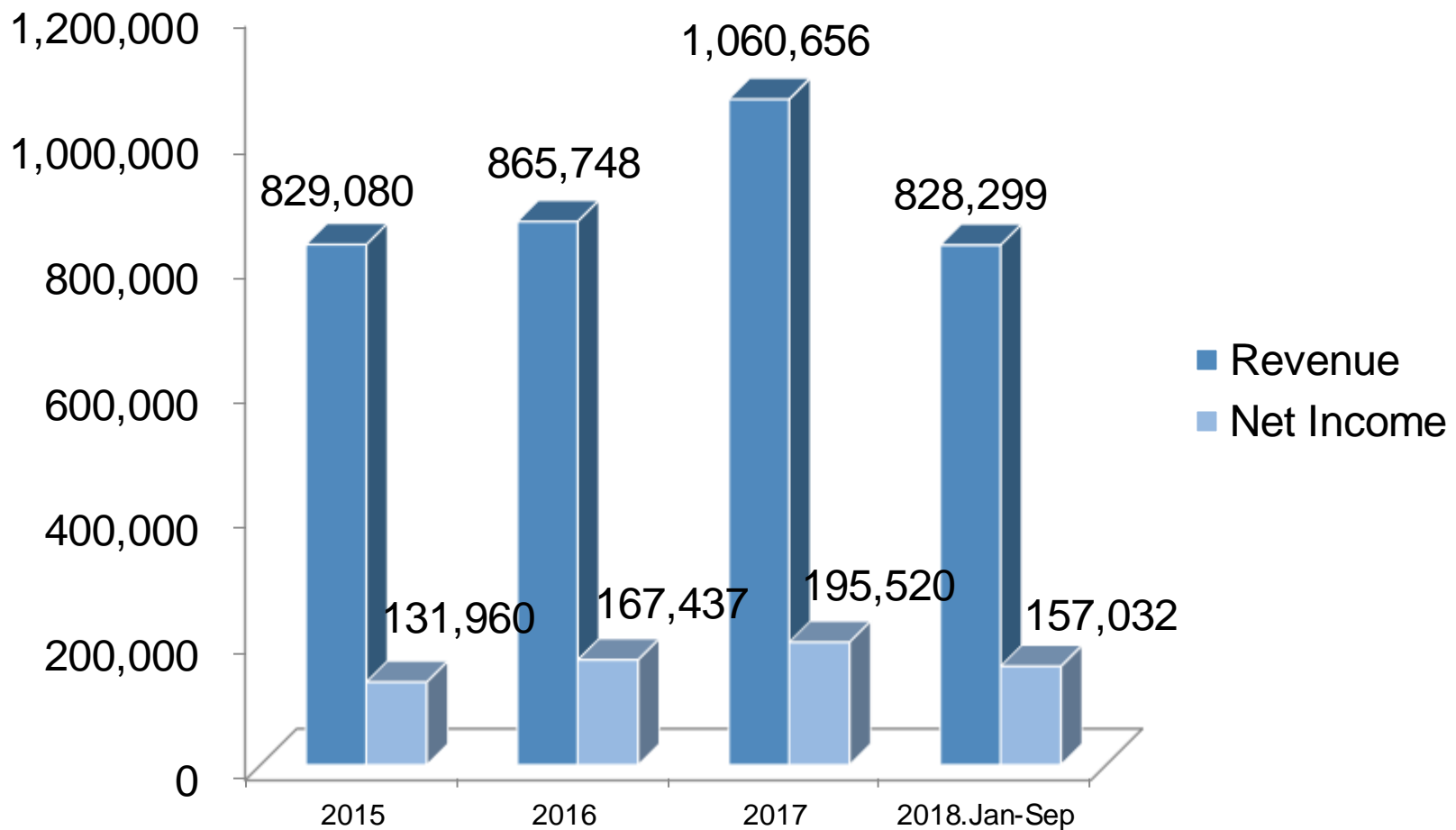


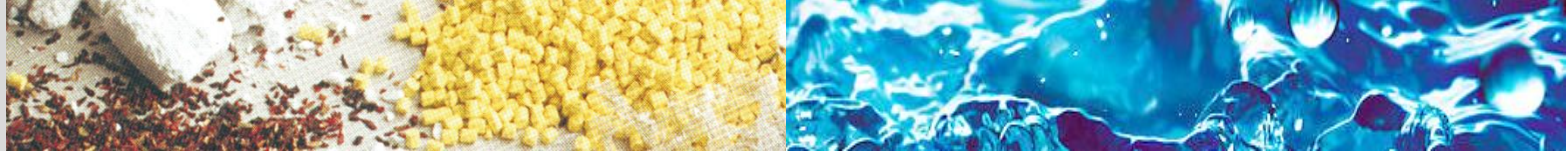
2018 Q1-Q3 financial outlook



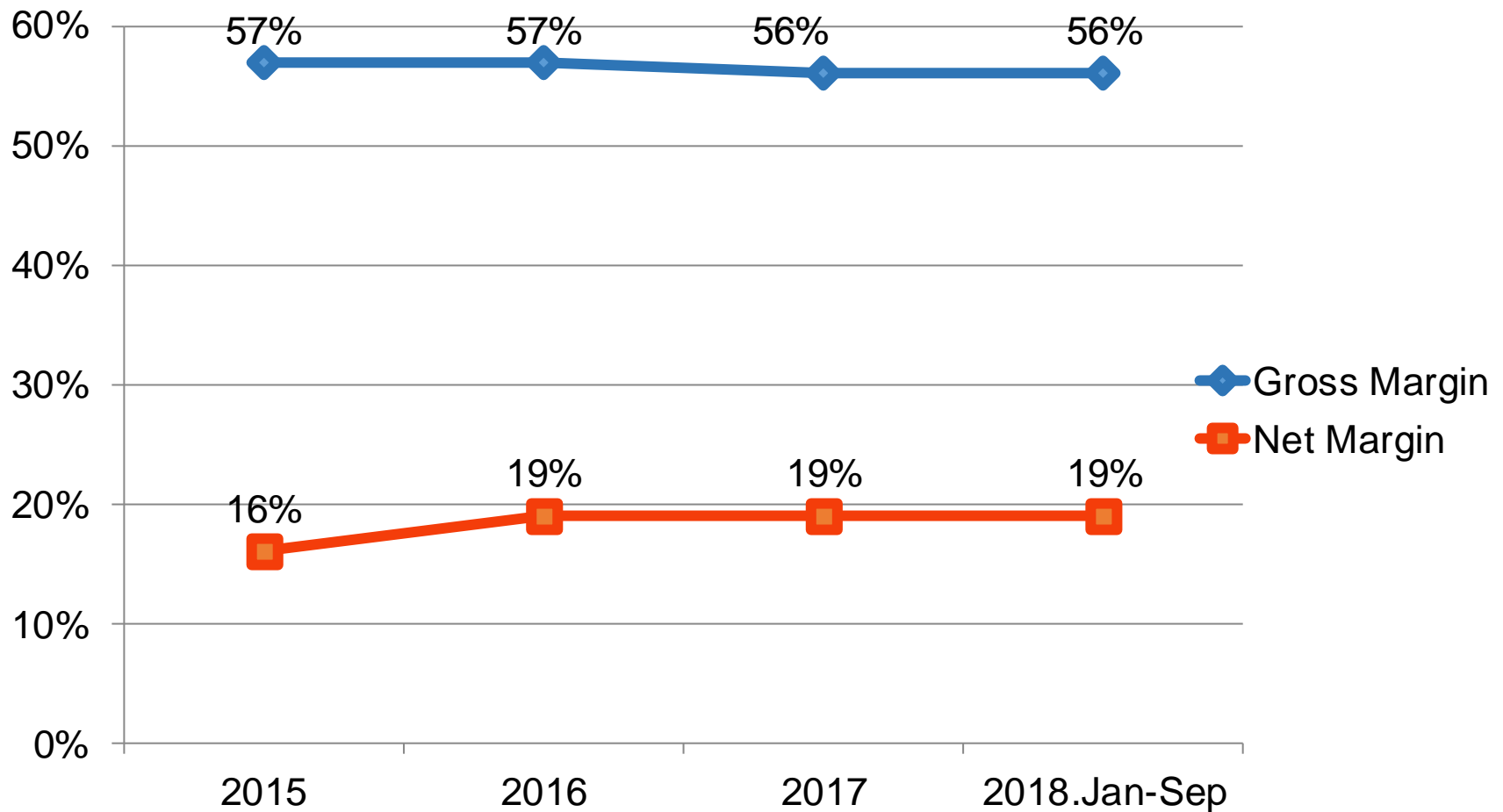
Revenue & Net Income

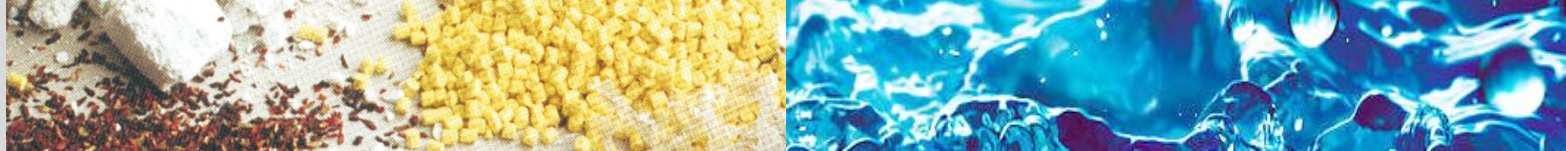
In NTD thousands



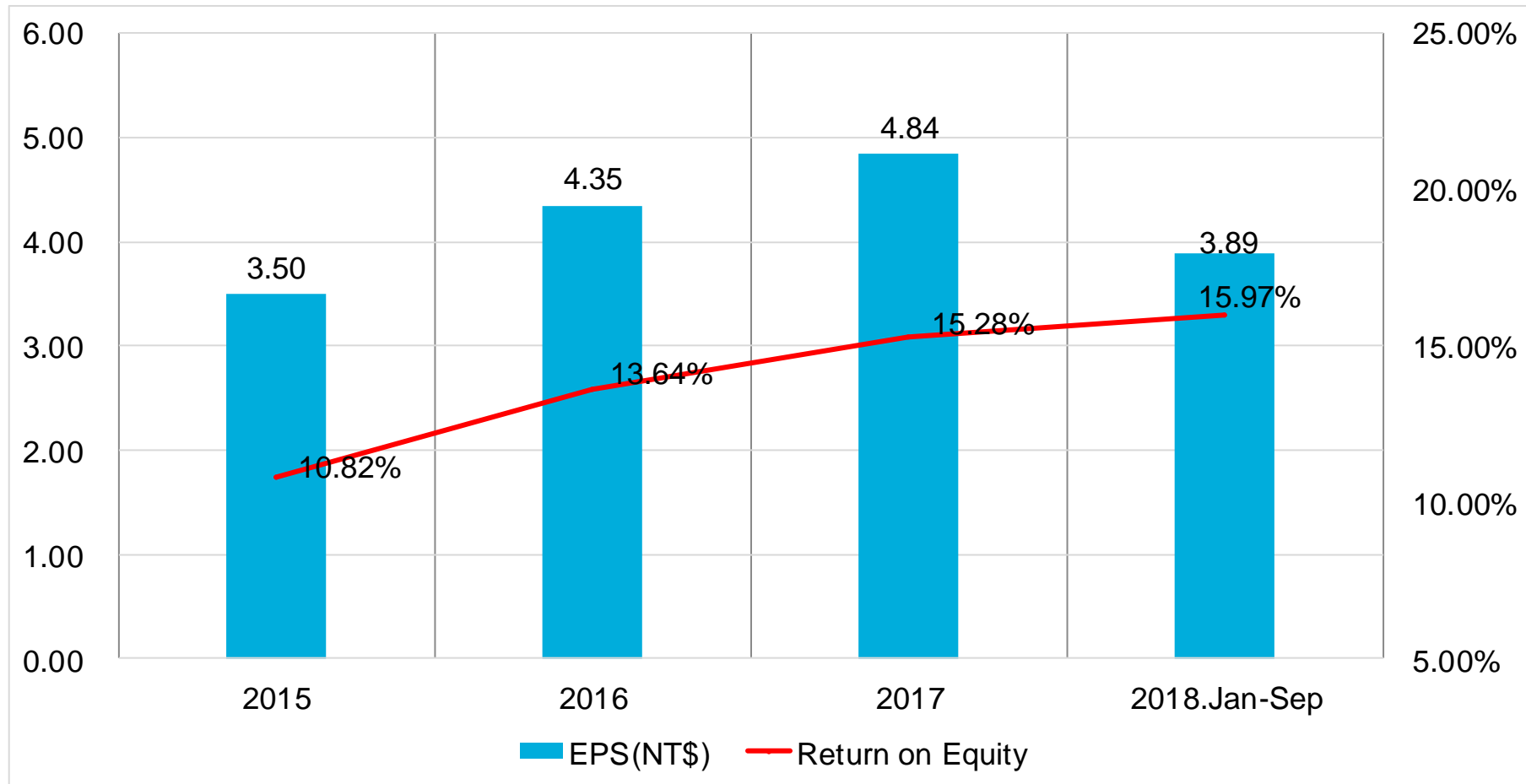


Gross Margin & Net Margin





Earnings Per Share & Return on Equity(%)





Income statement

In NTD thousands, except EPS

Item	2016		2017		2018.Jan-Sep	
	NT\$	%	NT\$	%	NT\$	%
Sales Revenue	865,748	100	1,060,656	100	828,299	100
Gross Profit	495,079	57	591,287	56	463,686	56
Operating Income	188,148	22	233,505	22	191,579	23
Non-operating Income and Expenses	(3,565)	(1)	8,540	1	29,477	4
Net Income	167,437	19	195,520	19	157,032	19
Earning Per Share	4.35		4.84		3.89	
Cash dividends	3.0		4.0		-	
Stock dividends	0.5		-		-	
Payout ratio	80%		83%		-	



Cash flow

In NTD thousands

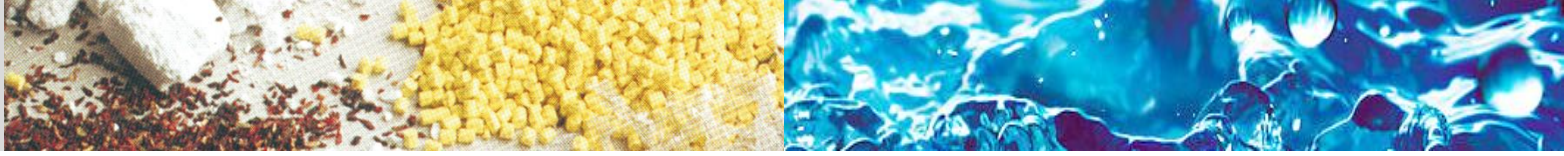
Item	2016	2017	2018.Jan-Sep
Cash flows from operating activities	188,255	217,346	219,822
Cash flows from investing activities	(142,305)	(73,882)	10,786



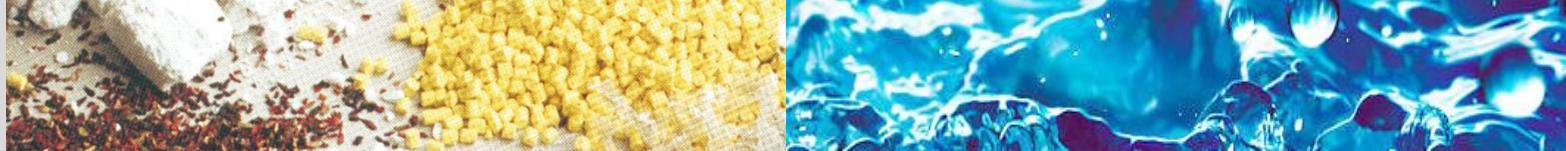
Dividend Policy

Year	Cash	Stock	Total
2018	4	0	4
2017	3	0.5	3.5
2016	2.8	0.2	3
2015	3.8	0.2	4
2014	3	0.5	3.5
2013	3.5	0.5	4

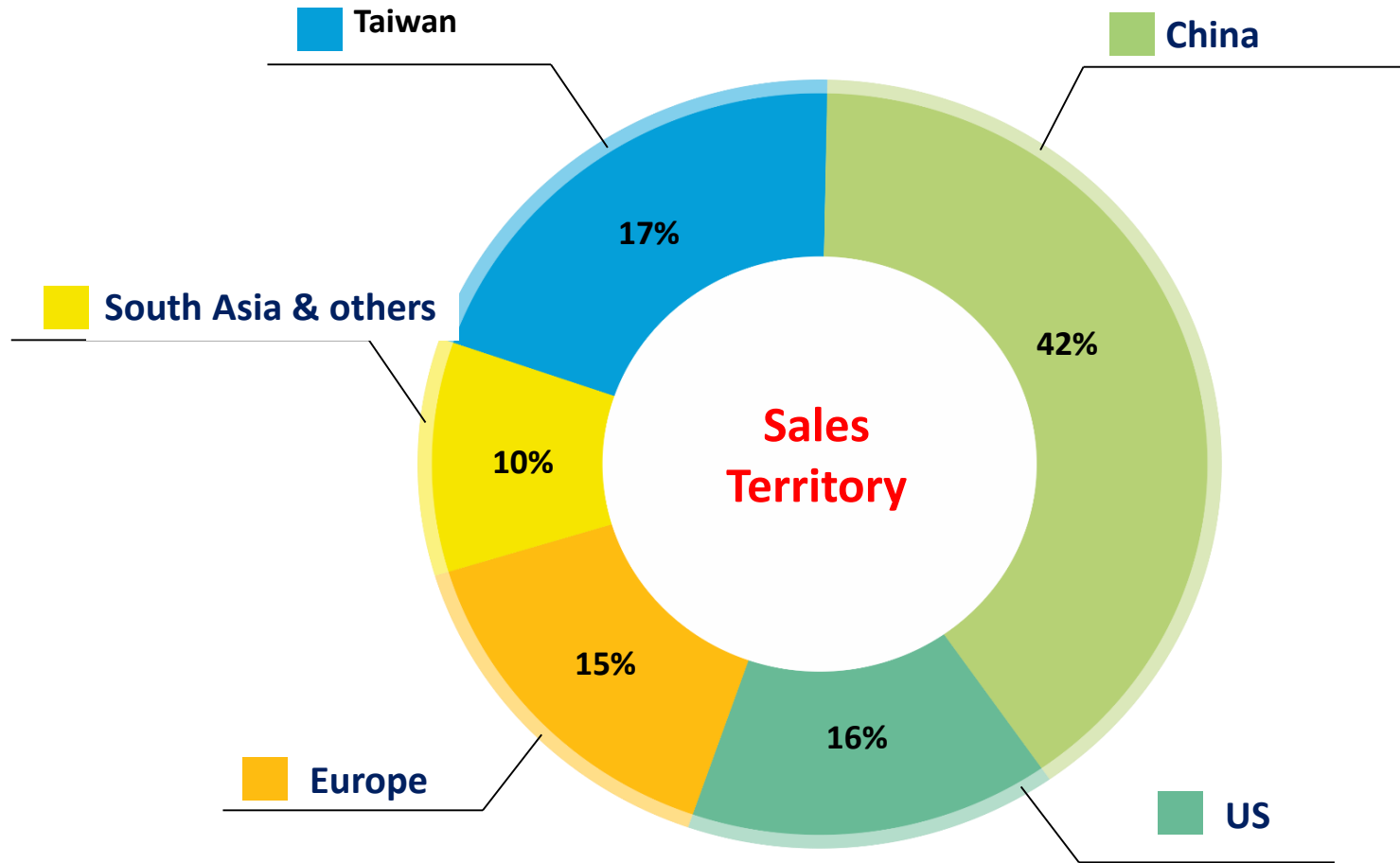
Continuous to pay dividend for 6 years



2018 Sales review



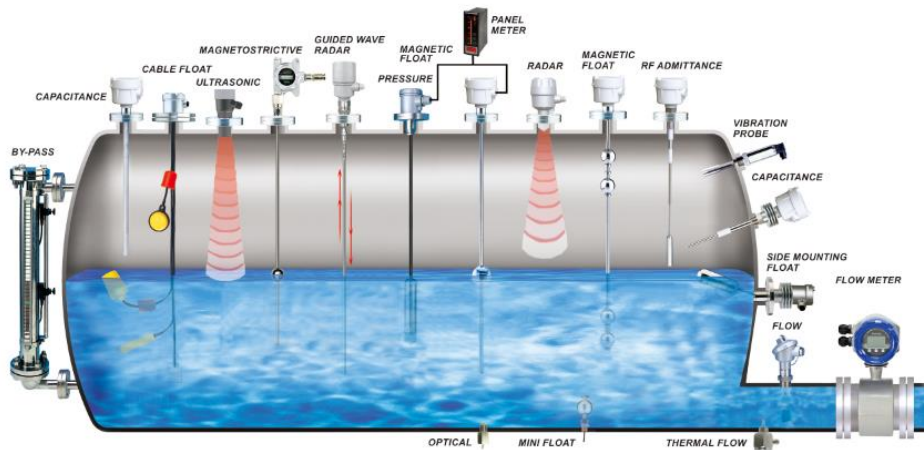
2018 Q1-Q3 Sales in different Territory





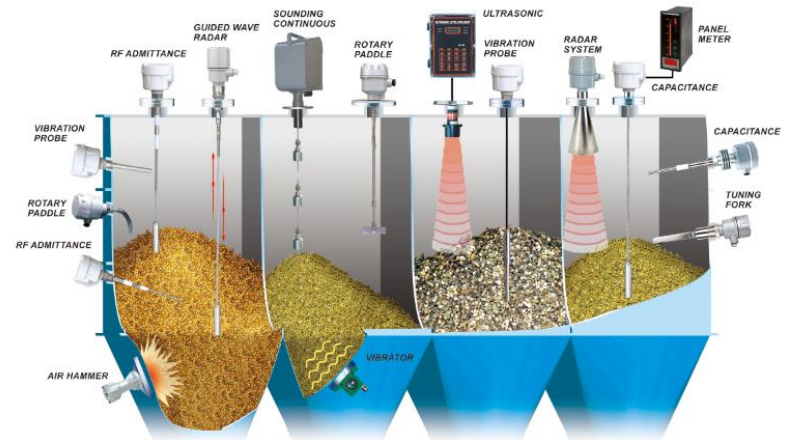
Level Sensor

Liquid



Application to measure and control the storage for various water, waste water, flow liquid, chemical acid or petro-chemical....

Solid



Application to measure and control the storage for various powder, solid, mining, volume feeding or chemical plastic....



Total Solution for Powders & Bulk Solids

Moisture Measuring System



Mass Flow Measuring System



Flow Monitoring System

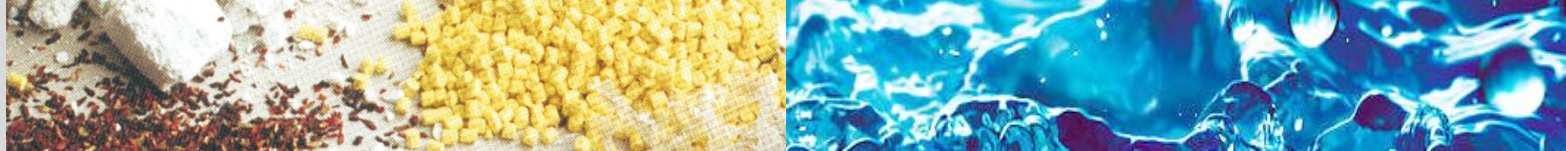


Level Monitoring System



SIL2-Din rail devices





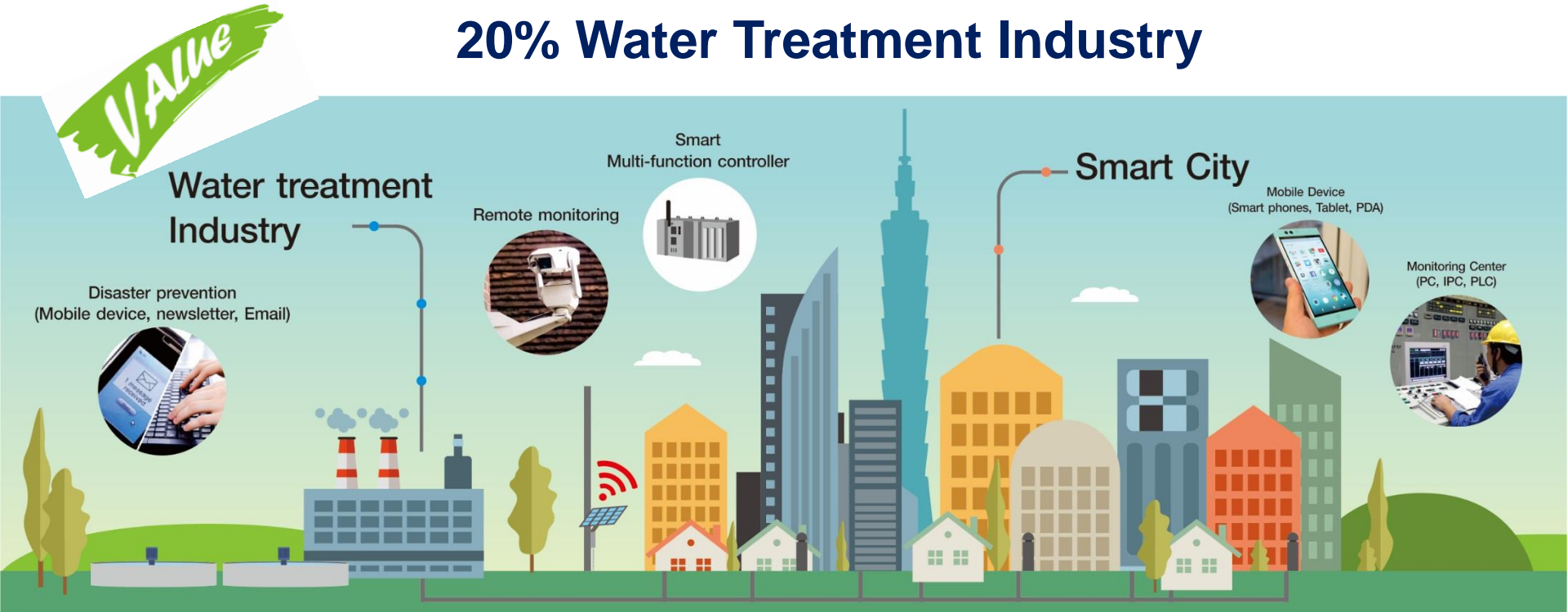
Value

30% Food 、 Feeding Industry



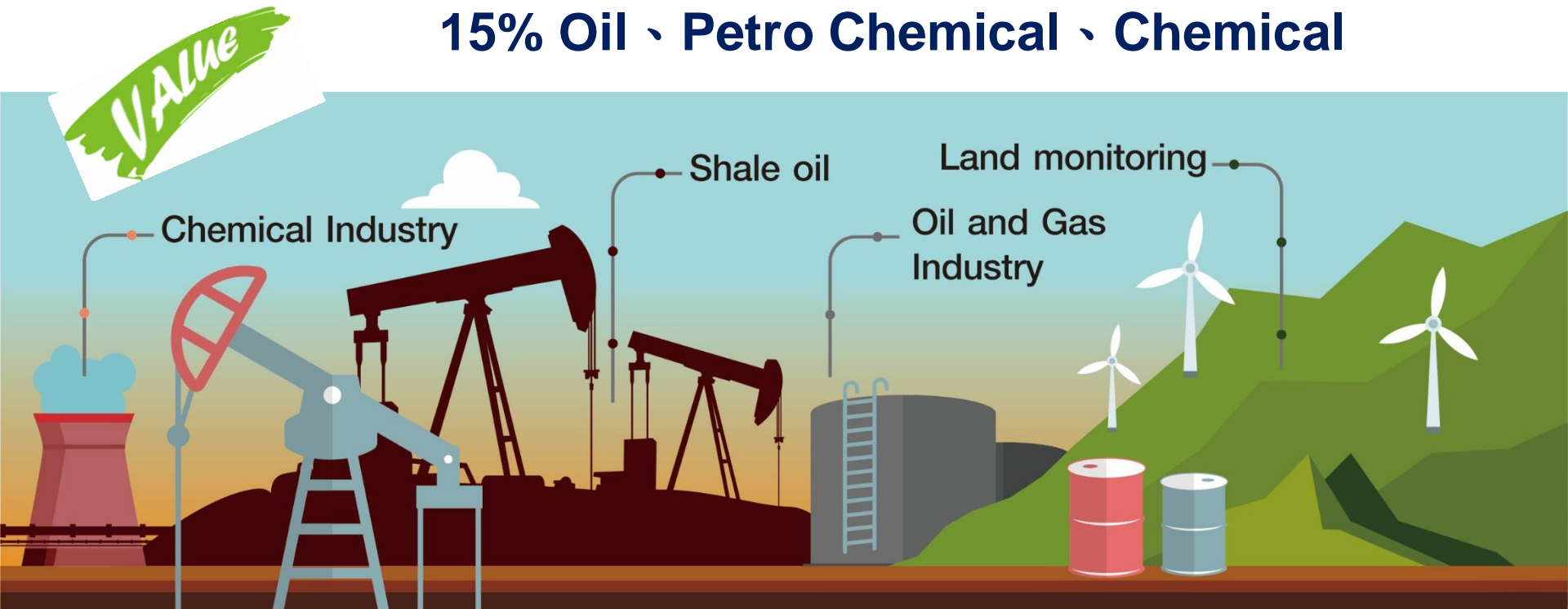


20% Water Treatment Industry



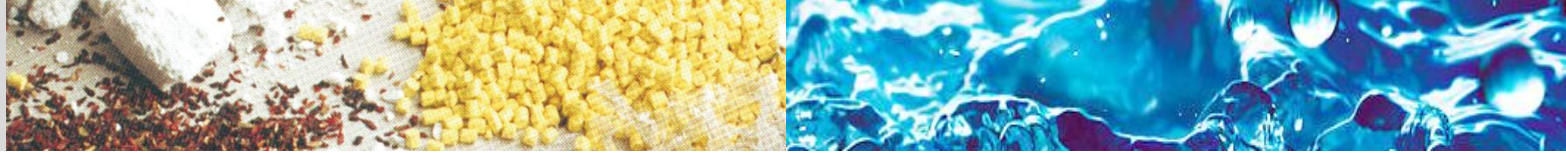


15% Oil 、 Petro Chemical 、 Chemical





2019 grow up driving



1. China Market – grow up driving

✓ Food and Feeding Industry

- * The biggest flour factory - signed sales contract for Ex type Level Switch, total demand is over 15000 pc for new factory and replacement.

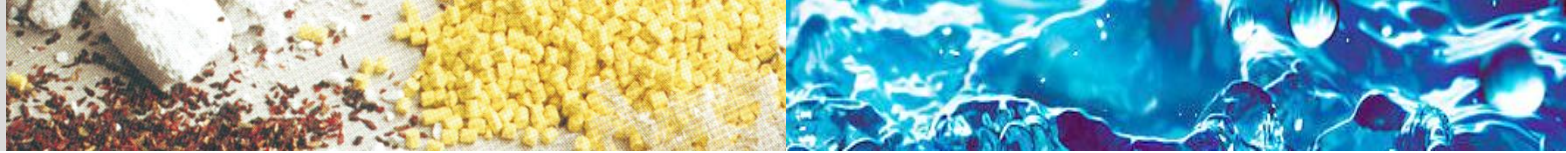
Estimated contribution sales revenue over NT\$1.5 billion)

For safety issue, the food industry will change to use Ex type level switch instead of standard level switch, the unit price will increase 2 – 3 times for Ex type, and total demand also will be increase in next 3 years.

- * **The two leading food machinery manufacturer in China**

Buhler and Muyang Group have several overseas project, the total demand will increase in 2019.

- * **mutec HUMY on-line Moisture Measurement Instruments**
successfully to promote into Pet feed industry for Buhler Group.



1. China Market – grow up driving

✓ **Water treatment :**

ecological transformation project, smart water hydrology monitoring

✓ **Environmental Protection:**

The 13th Five-Year Plan - Garbage power plants, waste gas treatment demand

✓ **Rubber tires:** Flue gas purification process, tire factory dust collection device

* Strict air pollution inspection, high pollution tire factory rectification demand

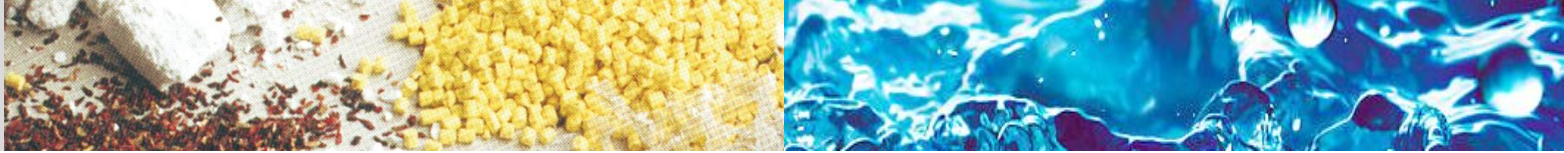
* China's top rubber tire engineering companies

✓ **Semiconductor Process :**

SMIC International Shaoxing Plant Project, Huaxing Optoelectronics Project

✓ **Medical industry :** require cost control, will increase demand for existing customer base - in biomedical industry

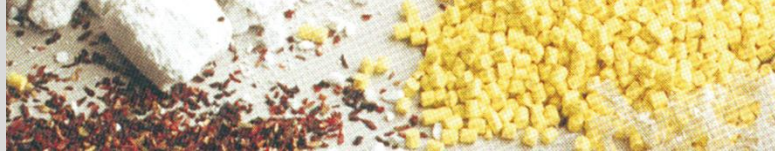
such as Mindray Bio-Medical Electronic Co., Ltd. and so on.



2. Shale Oil in US market – grow up driving

- ✓ Oil Shale requires a variety of tank inventory management during transport
- ✓ Our US customer - The system integrator needs Level Sensor, the demand will continue to grow up in 2019
- ✓ For the new junction box demand is also continuous to grow up in 2019





3. Mutec Germany – grow up driving

- **Potential : SIL 2 Signal Transmitter - for RD big project in EU**



SIL2-Din rail devices



- **Potential : On-Line Moisture Measurement Instrument and Dust Monitor Instruments – in Mainland China and South Asia countries**

Moisture Measuring System



Mass Flow Measuring System



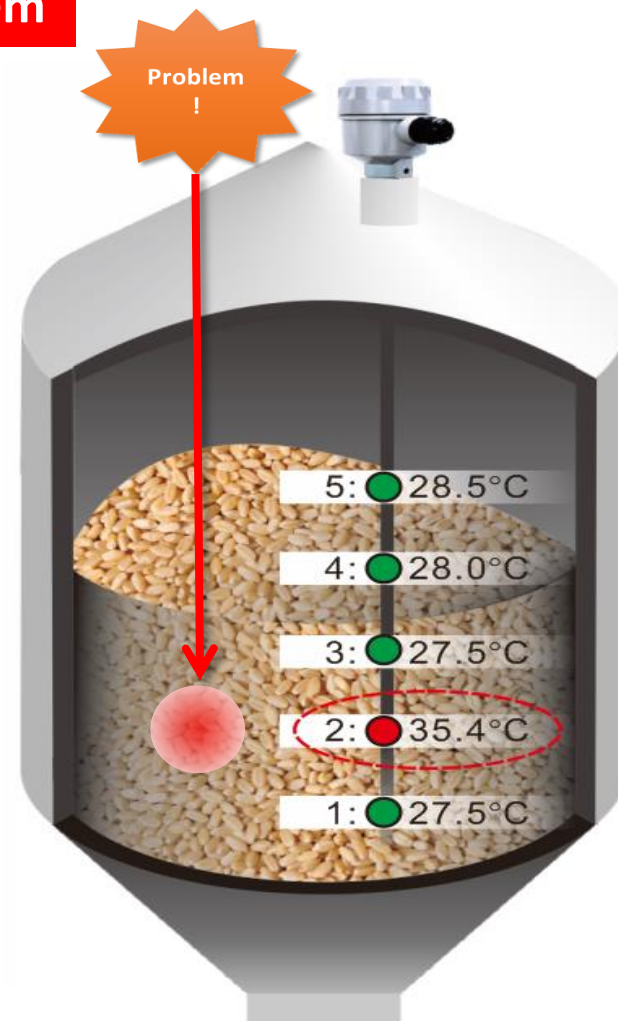
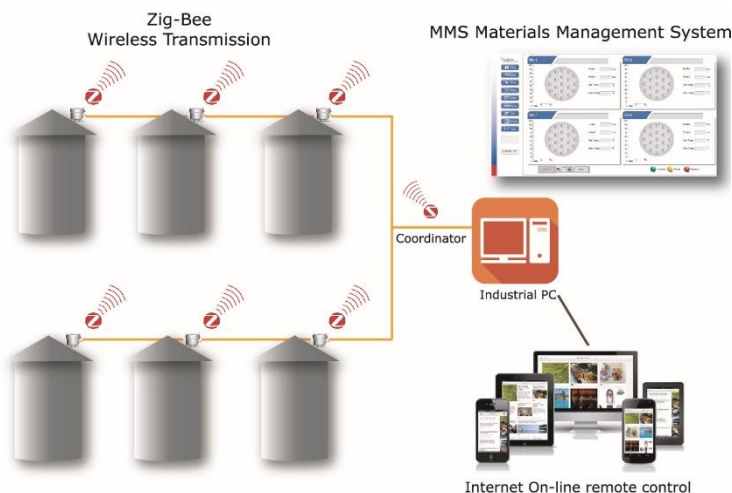
Flow Monitoring System





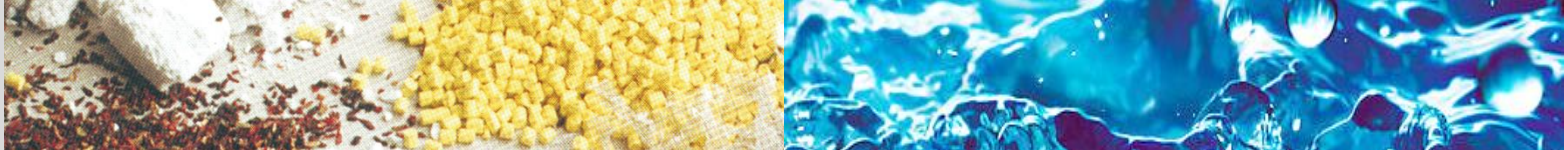
4. South Asia Distributor channel – grow up driving

➤ New Product : Level & Temp Monitoring System



➤ New product : Flow Meter





5. Taiwan market – grow up driving

➤ Taipei City Utility Project – Flow Meter System in 2019

系統概要

- 系統透過PC軟體進行設定。
- 所有輸出入Port可分別進行省電時序控制。
- 內部具256Mbit Memory可進行長時間資料筆數的紀錄，至少可連續紀錄20160筆。
- 在每分鐘紀錄1筆流量及壓力資料，每十分鐘發送一筆4G網路資料，可連續工作1年以上。
- 於水深1.5m下，達72小時以上，不致滲漏。
- 顯示雙向流動之瞬間流量及累積流量值。
- 可顯示(西元)年月日、時、分、瞬間流量、累積流量、壓力、電池電壓。
- 可搭配太陽能、水力電機等使系統連續不間斷工作。



Flow Measuring System





5. Taiwan Prospect Water Environment Construction

- ✓ Precision agricultural irrigation water saving, channel monitoring business opportunities

Plan to build up over 10,000 Monitoring Station in Taiwan in next 5 years from 2019 to 2023.

Estimated to save irrigation water 15%

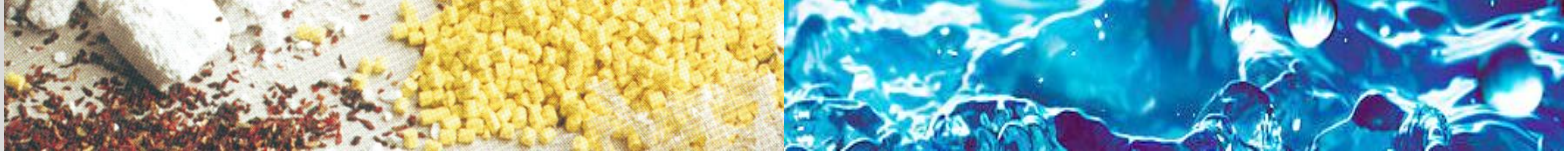
- ✓ Groundwater resource management

Plan to build up 25,000 water well Monitoring Station 2019-2023.

- ✓ Micro weather station
Cooperate with channel monitoring to jointly build water resources monitoring stations

- ✓ **Total NT\$ 2 - 3 billion sensor business opportunities in the next 3 years**





Q & A