



HeySong



HEYSONG CORP.
Code: 1234

2019
Investor Conference



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HeySong



Corporate Overview



Corporate Profile

Date of Incorporation	December 13, 1969
Date of Listing	March 12, 1999
Capital	NT\$4.02 billion
Chairman	Pin-Tang Chang
Address	3F, No. 296, Sec. 4, Hsin Yi Rd., Taipei City, Taiwan, R.O.C.
Manufacturing Sites	Chungli Plant & Douliu Plant
Number of Employees	564 (as of November 2019)



Vision, Mission and Values

Corporate Values: To Serve with Integrity

Corporate Mission: To Be Your “Quality Life” Partner.

Corporate Vision: To Provide Safe, Reliable Food and Drinks for a Joyful Environment ;
To Share Cross-Strait Resources for Market Expansion.

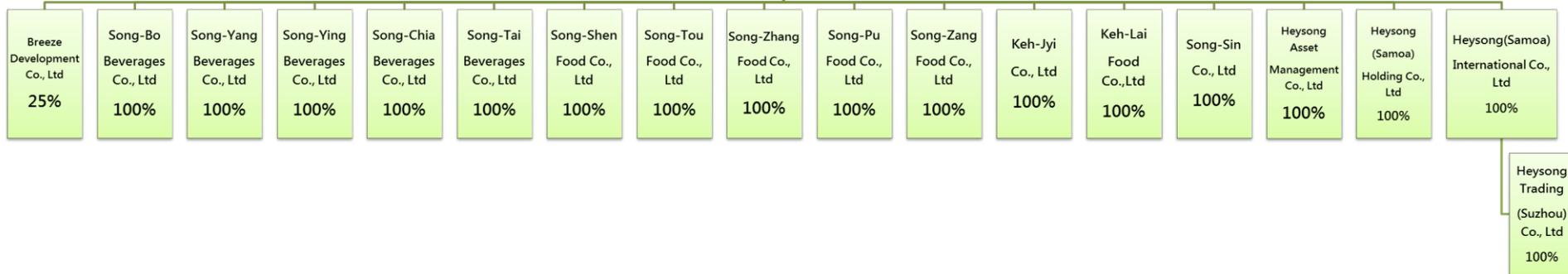




Investment Structure

December 01, 2018

HeySong Corporation





Beverages

Market Scale and Market Share

(Source: 2018 & 2019 statistics, Ministry of Economic Affairs)

	2019 Q1~Q3	2018
	Market Scale (NT\$ billion)	Market Scale (NT\$ billion)
Beverage Market	39.96	51.07
Tea Drinks	15.48	19.80
Juice Drinks	4.62	5.70
Coffee Drinks	4.20	5.46
Carbonated Drinks	4.05	5.11
Mineral Water	2.46	3.07
Sports Drinks	2.29	2.85
Others	6.86	9.08
Heysong's Beverage Market Share	8.4%	8.2%



Corporate Overview

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Beverages

Brands

Carbonated Soft Drinks

HeySong Sarsaparilla Drink
HeySong C&C Sparkling Drink
HeySong Citron Drink



Tea Drinks

HeySong Premium Tea
HeySong Camellia Green Tea
Other HeySong Tea Products



Sports Drinks

FIN Sports Drink



Coffee Drinks

Wincafe





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Corporate Overview

Beverages

Brands

Juice Drinks

Oasis Juice
HeySong Fruit Juice Drink



Water

Tien-Lin Pure Water
HeySong Pure Water
HeySong Alkaline Ion Water





HeySong

Corporate Overview

Beverages

OEM & Consignment

Lipton RTD

Since 2016



Suntory C.C.Lemon

Since 2008, OEM & Export to Hong Kong





Alcoholic Drinks

Licensed Brands

Chinese Liquor

Kinmen Kaoliang Liquor
(50 % ABV above product line)



Liqueur

CHOYA



Sake

Hakushika
Takashimizu
Kenbishi



Wine

Wine from France, Spain,
Chile, Italy, and Australia



Others

Rémy Martin





Investment in China

Heysong
Trading
(Suzhou) Co.,
Ltd.

Investment Year: 2015

Investment Amount : US\$8 million (equivalent to NT\$262 million)

Operating Income: RMB43.33 million in 2018; RMB48.25 million in January-
September 2019

Profit after Tax: RMB1.19 million in 2018; RMB3.64 million in January-
September 2019



Asset Management

Main Real Estate

Company	Location	Land		Housing	
		Area Ping=3.3m ²	Book Value (NT\$ million)	Area Ping=3.3m ²	Book Value (NT\$ million)
HeySong Corporation	Chungli Plant	33,106	1,387	26,013	750
	Douliu Plant	23,268	304	12,112	22
Song-Sin Co. Ltd.	Shenkeng Yongan Section	11,722	1,114	3,921	3
	Taipei Tonghua Section	258	252	2,826	24
HeySong Asset Management Co., Ltd.	Taipei Dunhua Section (Breeze Center)	5,115	3,953	22,345	1,003
Other		1,142	97	512	4
Total		74,611	7,107	67,729	1,806

Note: 1. The provision of the land value increment tax is deducted from the book value of land. The provision of accumulated depreciation has been deducted from the book value of housing.

2. Chungli Plant and Douliu Plant are used by HeySong Corporation. Part of Shenkeng Yongan Section and Taipei Dunhua Section are used by HeySong Corporation and part of are leased with the annual rent of NT\$49 million. Taipei Dunhua Section (Breeze Center) is leased with the annual rent of NT\$492 million in 2019.



Three General Achievements from 2019





Corporate Overview

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Lifestyle Brand

Develop New Products to Create Topics

FIN Sparkling Water



HeySong Sarsaparilla Plus





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Lifestyle Brand

To Creat Brand Topics To Be Part of the consumer's Life



Wincafe
Digital Event

FIN
World Theme Park

C&C
Malayan tapir GAME
4A Creative Award-Bronze
Award for "Best Digital
Interactive Creativity Award"

Heysong
Sarsaparilla
Open Plane Ticket /
Take a Trip

Heysong Camellia
Green Tea
Meal Combo

Heysong Exploring Tea
Internet Video
4A Creative Award-Best Film Series
Advertising Award Silver Award





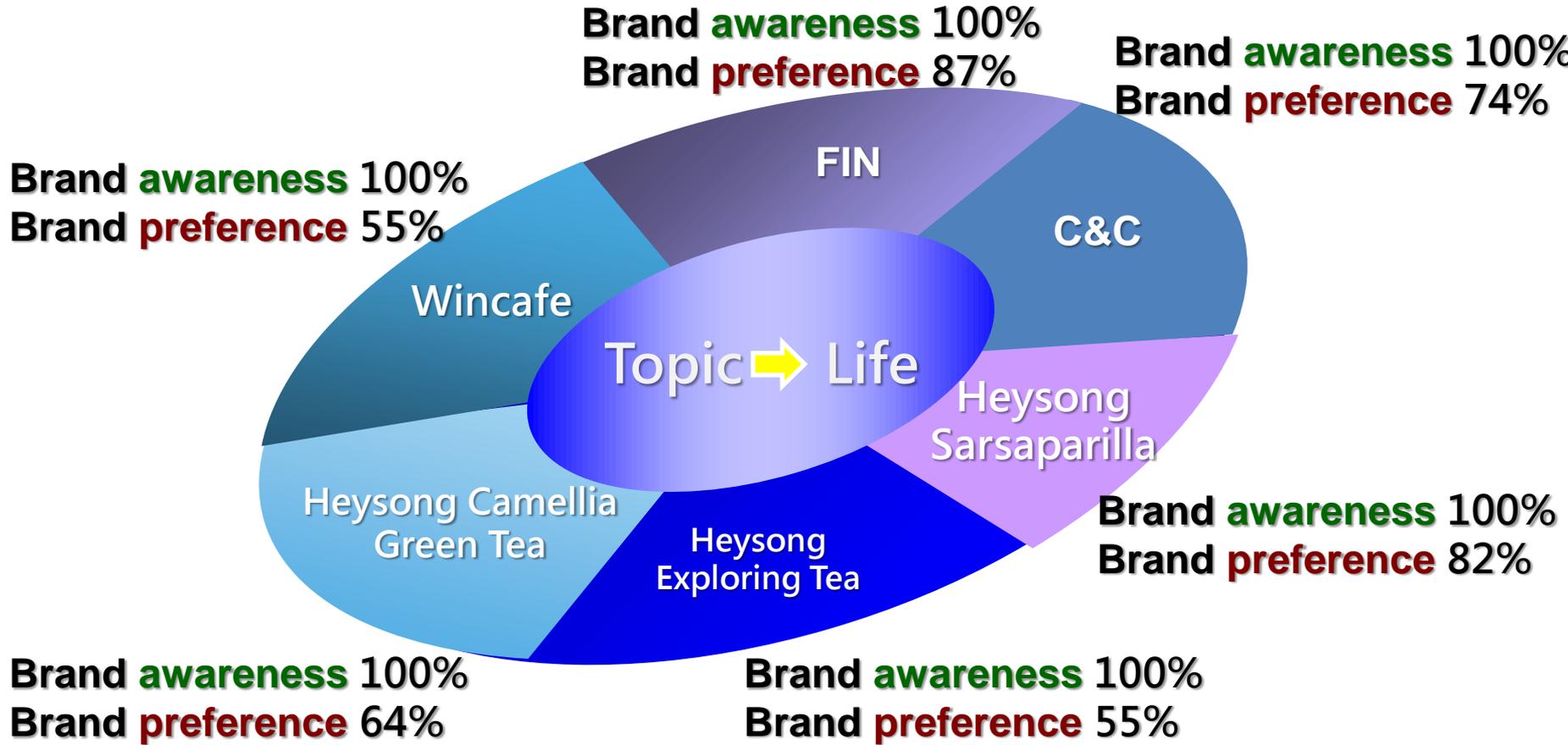
Corporate Overview

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Lifestyle Brand

To Create Brand Topics To Be Part of the consumer's Life



Source: Supreme Research & Consulting Co., Ltd.



Corporate Overview

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Lifestyle Brand

2019 Brand Asia Influential Asian Brand Survey List

2019 Brand Asia 亞洲影響力品牌調查榜單

1 YouTube	2 Google	3 Line	4 Apple	5 3M
6 SONY	7 Nike	8 adidas	9 7-ELEVEN	10 全家
11 麥當勞	12 全聯	13 星巴克	14 IKEA	15 Facebook
16 COSTCO	17 誠品	18 BMW	19 Panasonic	20 家樂福
21 義美	22 ASUS 華碩	23 肯德基	24 捷安特	25 HITACHI
26 可口可樂	27 長榮航空	28 博客來	29 Microsoft	30 UNIQLO
31 YAHOO!	32 85°C	33 黑松	34 中國信託銀行	35 Momo
36 無印良品	37 GOGORO	38 賓士汽車	39 TOYOTA	40 Instagram
41 鼎泰豐	42 王品	43 CASIO	44 三星	45 蝦皮
46 飛利浦	47 Meiji 明治	48 摩斯漢堡	49 桂格	50 中華郵政

Overall Brand
33rd (↑23)

Beverage Industry
3rd (↑ 3)

friendly
innovative
convenient
outstanding

資料來源 / 東方線上消費者研究集團 Brand Asia 2019 製圖 / 經理人員刊

Source: iSurvey Consumer Research Group BrandAsia2019 Mapping / Manager's Monthly



Corporate Overview

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Value-Added Agent

Kinmen Kaoliang Liquor (50 % ABV above product line)

Create marketing topics
And brand exposure



Develop limited themed
products as gifts and
collections



Promote the marketing
concept of
“Appreciation of liquor
aged”





Corporate Overview

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Value-Added Agent

Other Well-Known Liquor Brands

◆ Cross-industry alliance activities



07.05 FRI 19:00 新光二廳

《漫長的告別》A long Goodbye

一家人陪伴罹患阿茲海默症的父親，在散落的記憶中，如梅酸甜、如酒沉香，回憶酸中帶甜的人生滋味。

影片介紹 p.

どどけ、梅のちから。CHOYA



CHOYA SARARI 180ml



Movie-Going (Advertising & Sampling)

Showaice (Umeshu Shaved Ice/ Bartending)



Corporate Overview

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Value-Added
Agent

Other Well-Known Liquor Brands

- ◆ Participate in liquor exhibition and organize cocktail parties





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Corporate Overview



Evolving Sales Platform

HeySong is more than a food manufacturer,
We are looking to build a strong

sales service platform

9

Direct
Dealer

53

Beverage
Distributor

72

Liquor
Distributor

25,000+

KA

15,000+

GT+SC

7,500+

V/M



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Evolving Sales Platform

Smart Vending Machine

1. Possesses multiple mobile payment functions.
2. Carrying beverages, 3C products, snacks, instant noodles and stationery products.



Smart Drink Vending Machine



Smart Food Vending Machine



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Corporate Overview



Evolving Sales Platform

Multi-Product Vending Machine
Carrying diapers or food products such as snacks and cookies.



Diaper Vending Machine



Food Product Vending Machine



Evolving Sales Platform



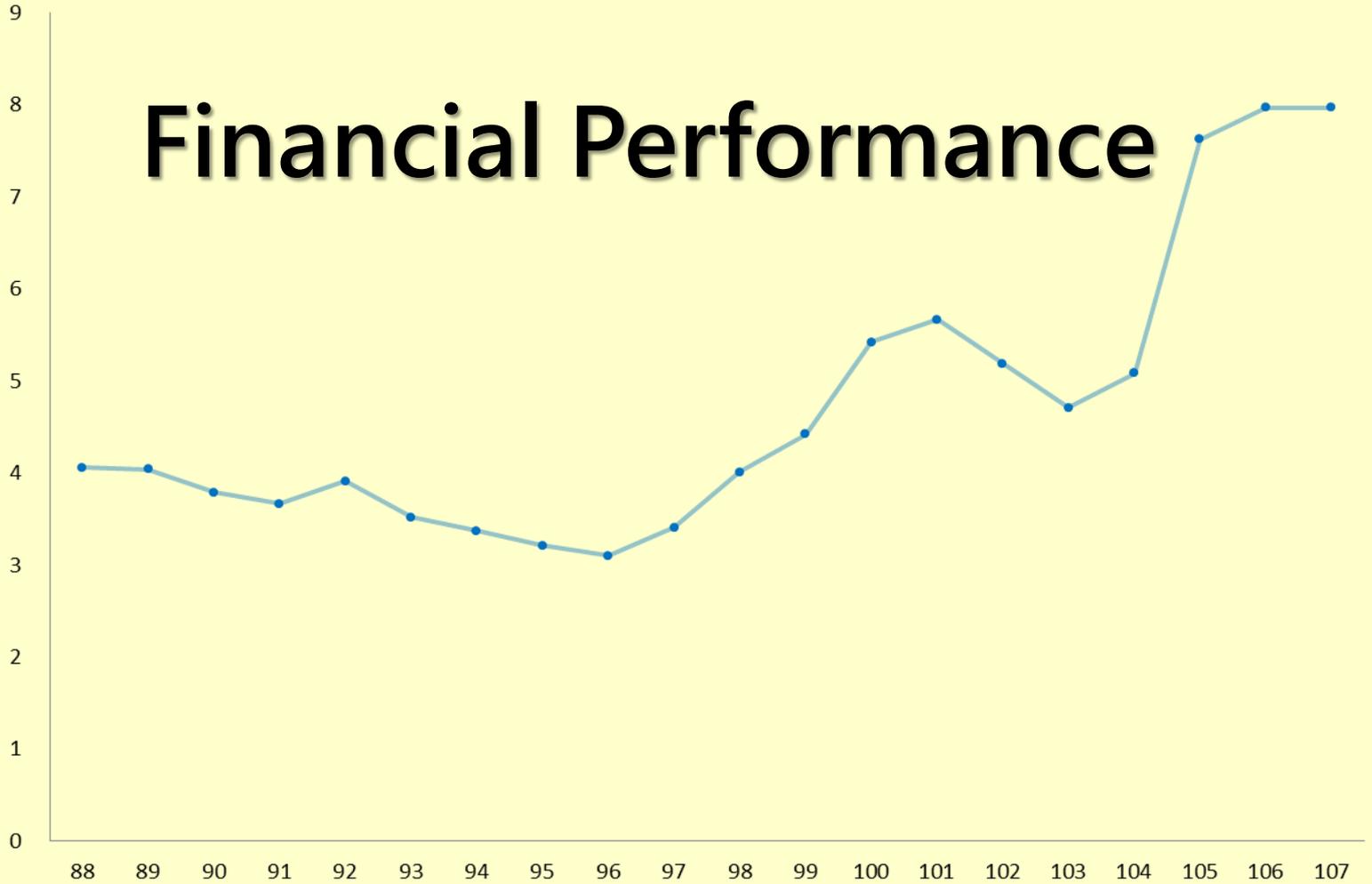
Total export sales turnover 2019 Jan ~ 2019 Nov increased by 23% compared with the same period last year

China (including Hong Kong and Macau) sales turnover 2019 Jan ~ 2019 Nov increased by 37% compared to the same period last year



Revenue(NT\$billion)

Financial Performance





HeySong

Financial Performance

CONSOLIDATED BALANCE SHEETS

Amounts in NT\$ thousands	September 30, 2019	December 31, 2018	September 30, 2018
Cash and cash equivalents	\$ 1,284,596	\$ 1,275,854	\$ 1,217,232
Notes and accounts receivable, net	1,045,060	677,712	1,104,891
Inventories	5,567,006	5,275,985	5,449,105
Investments accounted for using the equity method	733,894	720,968	704,380
Property, plant and equipment	6,392,363	6,498,378	6,538,031
Investment property	7,706,757	7,732,551	7,740,855
Total assets	<u>23,201,099</u>	<u>22,967,481</u>	<u>23,593,386</u>
Short-term loans	2,050,000	2,100,000	2,630,000
Total liabilities	<u>5,536,494</u>	<u>5,339,390</u>	<u>6,058,452</u>
Total equity	<u>17,664,605</u>	<u>17,628,091</u>	<u>17,534,934</u>
Book value per share(NT\$)	<u>\$ 43.9</u>	<u>\$ 43.8</u>	<u>\$ 43.6</u>



Financial Performance

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in NT\$ thousands	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Net sales	\$ 6,751,798	\$ 7,003,696
Operating costs	<u>(4,946,361)</u>	<u>(5,130,554)</u>
Gross profit	1,805,437	1,873,142
Operating expenses	<u>(1,465,354)</u>	<u>(1,683,230)</u>
Income from operations	340,083	189,912
Non-operating income and expenses	<u>411,586</u>	<u>455,626</u>
Income before income tax	751,669	645,538
Net income	<u>684,699</u>	<u>575,265</u>
Earnings per share(NT\$)	<u>\$ 1.70</u>	<u>\$ 1.43</u>



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Financial Performance

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in NT\$ thousands

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net cash used in operating activities	\$ 515,729	\$ (58,508)
Net cash (used in) provided by investing activities	170,337	41,042
Net cash generated by financing activities	(708,096)	(44,191)
Effect of exchange rate changes on cash and cash equivalents	<u>(5,228)</u>	<u>(4,389)</u>
Net decrease in cash and cash equivalents	<u>(27,258)</u>	<u>(66,046)</u>
Cash and cash equivalents, end of period	<u>\$ 1,248,596</u>	<u>\$ 1,217,232</u>



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Financial Performance

EPS and Dividend for 5 years

Heysong(1234)		
Dividend Years	EPS	Cash Dividend(NT\$)
2018	1.73	1.6
2017	1.35	1.5
2016	2.75	2.0
2015	1.54	1.5
2014	0.98	1.2



HeySong



Outlook



Lifestyle Brand

- Increase consumer interactive experience
- Increase the health value of drinks
- Create beverage / liquor topics (New theme, cross-industry cooperation)

Advanced Agent

- Drink OEM Sales Cooperation
- More Liquor Variety (Product Selection Completion)

Evolving Sales Platform

- Focus on China / Hong Kong / Singapore Export Market Development of Halal certification market
- Expanding the scope of vending machine operations
- Taipei Metropolitan Area Operation Center



Digital Transformation ,Sustainable Management



Q & A

