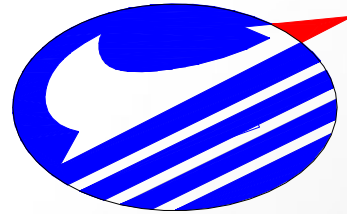




YFC-BonEagle

岳豐科技

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YFC-BonEagle

YFC = Your First Choice



YFC-BonEagle

岳豐科技

Group Structure

YFC-BonEagle ELECTRIC CO., LTD

岳豐科技股份有限公司

Capital size股本(NT\$/mn) 1,245.54

Capital size股本(US\$/mn) 40.18

Manufactory

生產製造廠

Channel

通路(渠道)

E-commerce

電子商務

Taoyuan
Factory
in Taiwan
台灣桃園廠

Dongguan
Factory
in China
中國東莞廠

Wuxi
Factory
in China
中國無錫廠

Premium
Line in
Germany
德國普瑞麗

Prime wire
and cable
Inc
in USA
美國

PL-KSI Inc.
in Austria
奧地利

Bestlink
Netware
Inc.
in USA
美國

Monoprice
Inc.
in USA
美國

Complete Manufacture and Sales Functions : YFC transform to a professional US channel and E-commerce company

1. **Manufacturing from YFC factories+qualified electronic suppliers** provide most valuable products to fulfill demands of USA and Euro markets
2. **Prime** sells via physical channel, satisfying consumers who like to shop at malls and mark
3. **Monoprice & Bestlink** prvid e-commerce channels, satisfying consumers needs in time

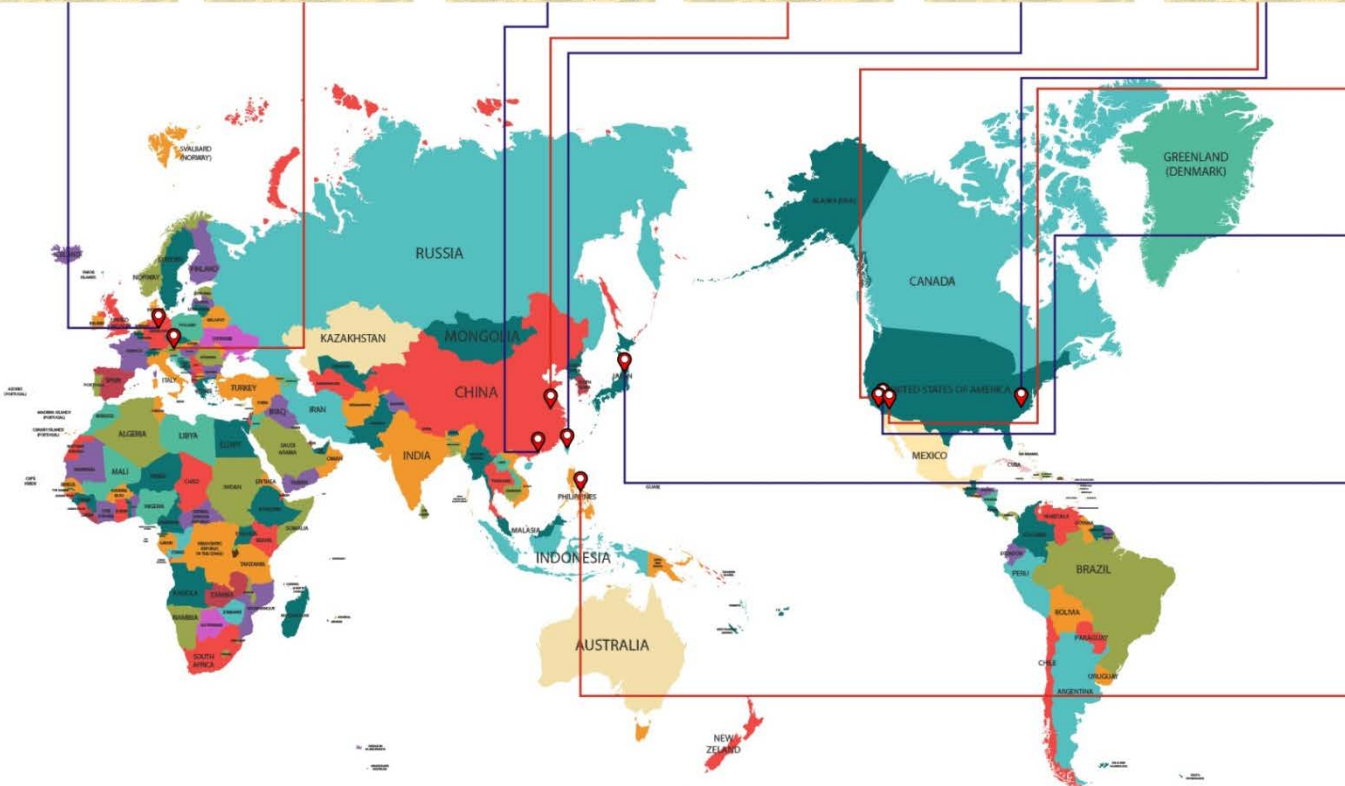
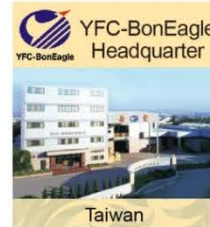
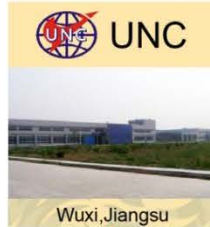


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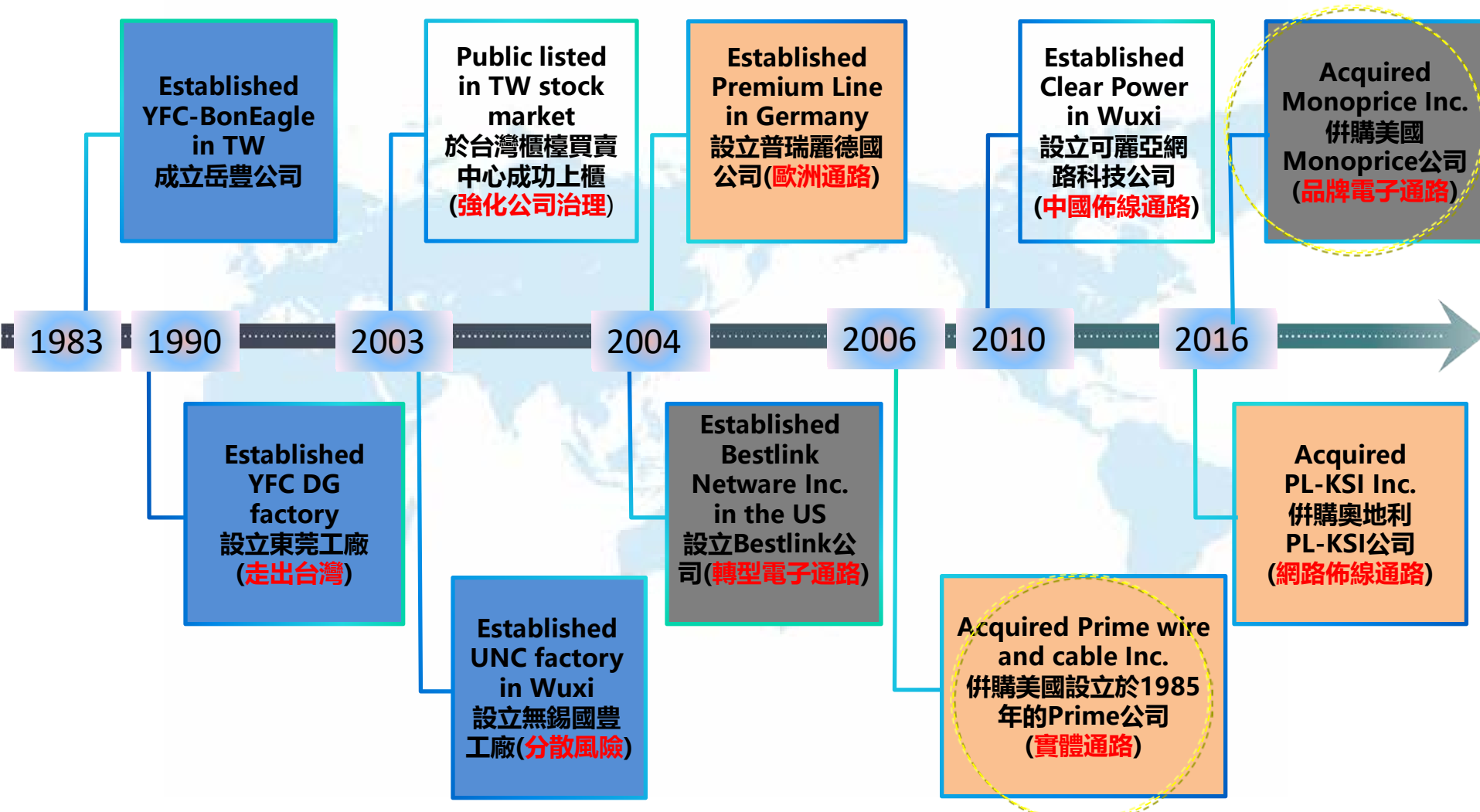
Locations of Subsidiaries

Headquarters:TW; Sales Base:USA, Canada, Euro; Manufacturing Base:China



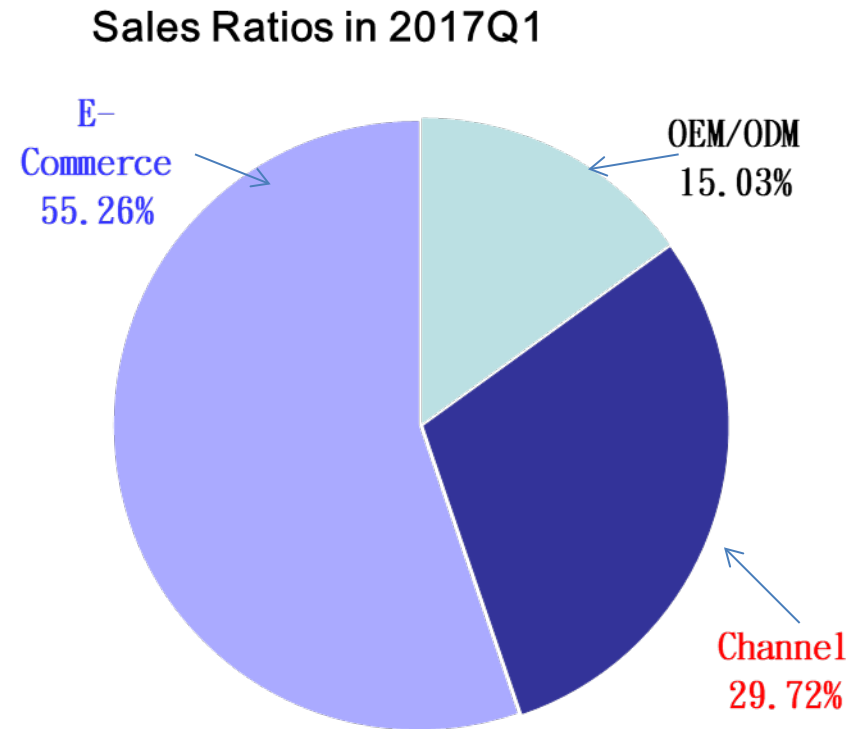
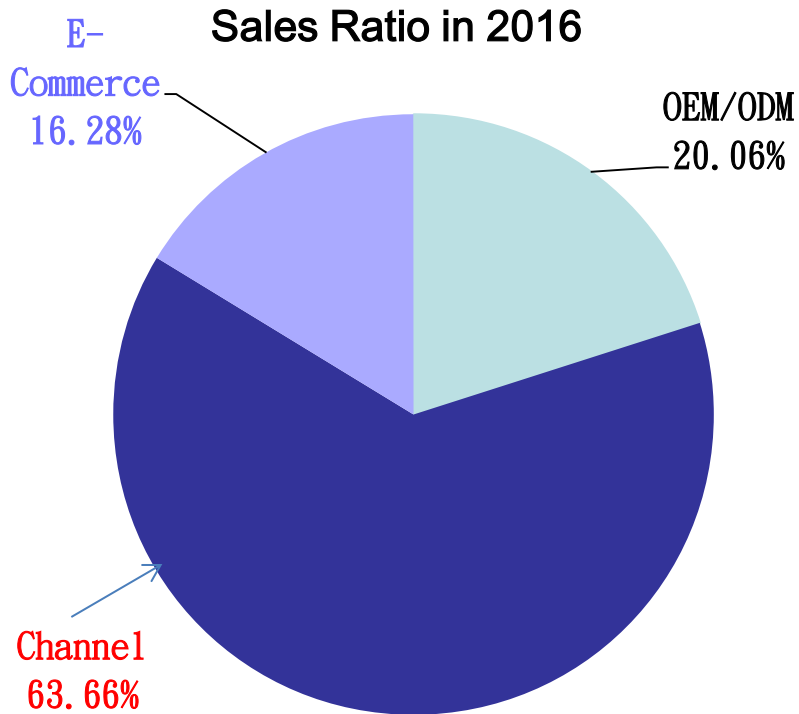
Milestones of YFC

Acquire Prime in 2006 Expanding business from OEM to USA Channel
Acquire Monoprice in 2016 Stepping into branded E-commerce, empowering growth in future business



Group Sales ratio

US channel and E-commerce play important roles in future sales growth



1. YFC is a company with business focusing in OEM before 2006
2. Since acquiring Monoprice in 2016 , YFC expects sales ratio from **channel** and **E-commerce** together will surpass **85%**

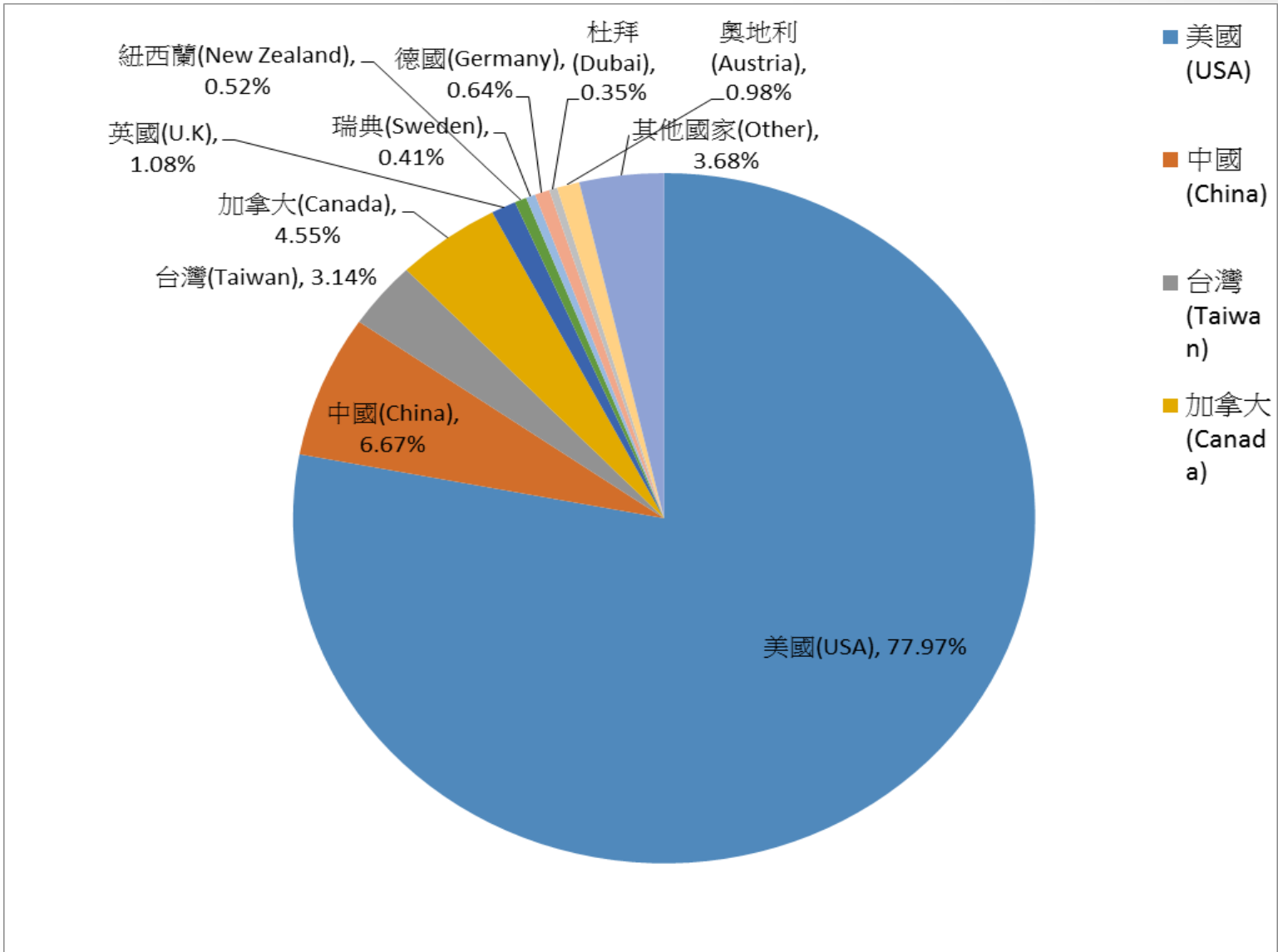


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Sales Districts

US market contribute 78% of total sales in 2016, the sales proportion in US market will increase in 2007 after acquiring Monoprice.





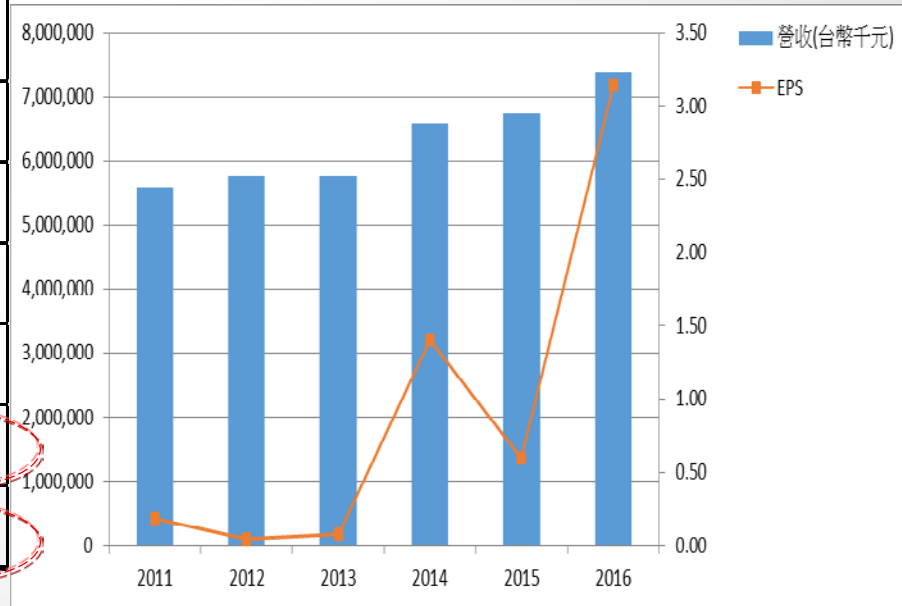
YFC-BonEagle

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Group Performance

The main reason of profit growth contributes to economies of scale from Prime

集團合併營收	營收(台幣千元)	年度成長率	EPS
2011	5,592,689	0.10%	0.18
2012	5,767,862	3.13%	0.04
2013	5,765,838	-0.04%	0.08
2014	6,589,875	14.29%	1.40
2015	6,732,341	2.16%	0.60
2016	7,380,371	9.63%	3.14



1. One-time recognition of impairment loss from investment in T-Mark led to lower EPS in 2015. Without the factor, the EPS would be **1.84**.
2. One-time acquisition fee at the amount of 1,800 thousands USD caused the EPS decrease from **3.6** to 3.14.

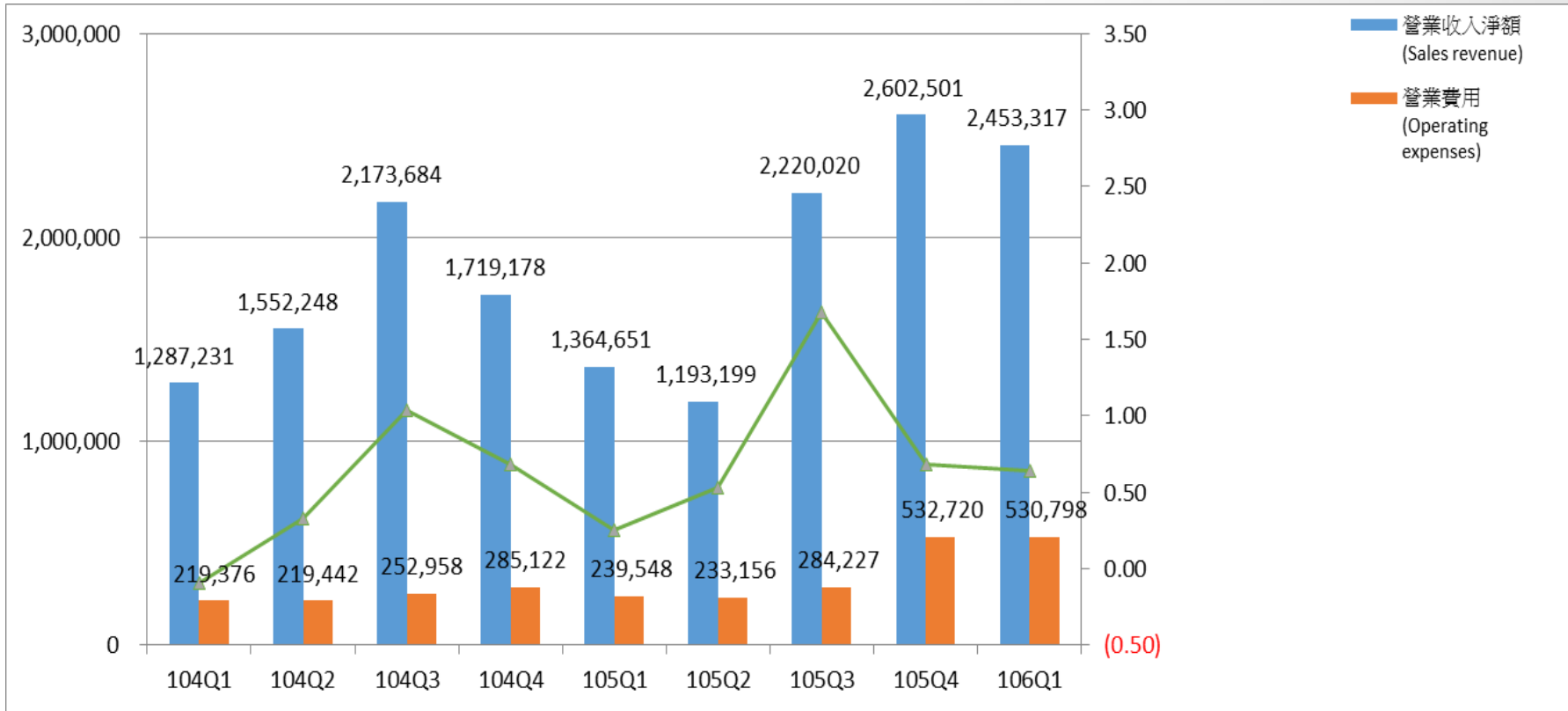


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Performance in Quarter

The Advantage of economic of scales leads to obvious difference in quarterly profit





Acquiring Branded E-Commerce Monoprice

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Expand end-user sales channel and Integrate group resource to elevate profit ability of monoprice

Group with capability of manufacture and sales—Combing **manufacturing power** of YFC , **physical channel distribution** of Prime & Bestlink , and E-commerce of Monoprice to interact with consumer directly, establish fully industry chain, and expand benefit of channel as well as brand.

1.Channel Complement and Optimization

Monoprice is a leading branded e-commerce channel in US electronic product market , which can complete physical channel from Prime

2. E-commerce is a trend in future and Monoprice has reach an impressive scale

The sales of Monoprice was 1.5b USD in 2016.

3. Product Portfolio comes from original main products of YFC and similar products

Product Portfolio of Monoprice --Cables 45% , Adapters 18%

4.Cash Flow Optimization

Credit collection term of Monoprice is relatively short, decreasing collection risk, while payment term falls in 60~120 days, therefore, cash flow is optimized. The effect will be more obvious when the sales is increasing.

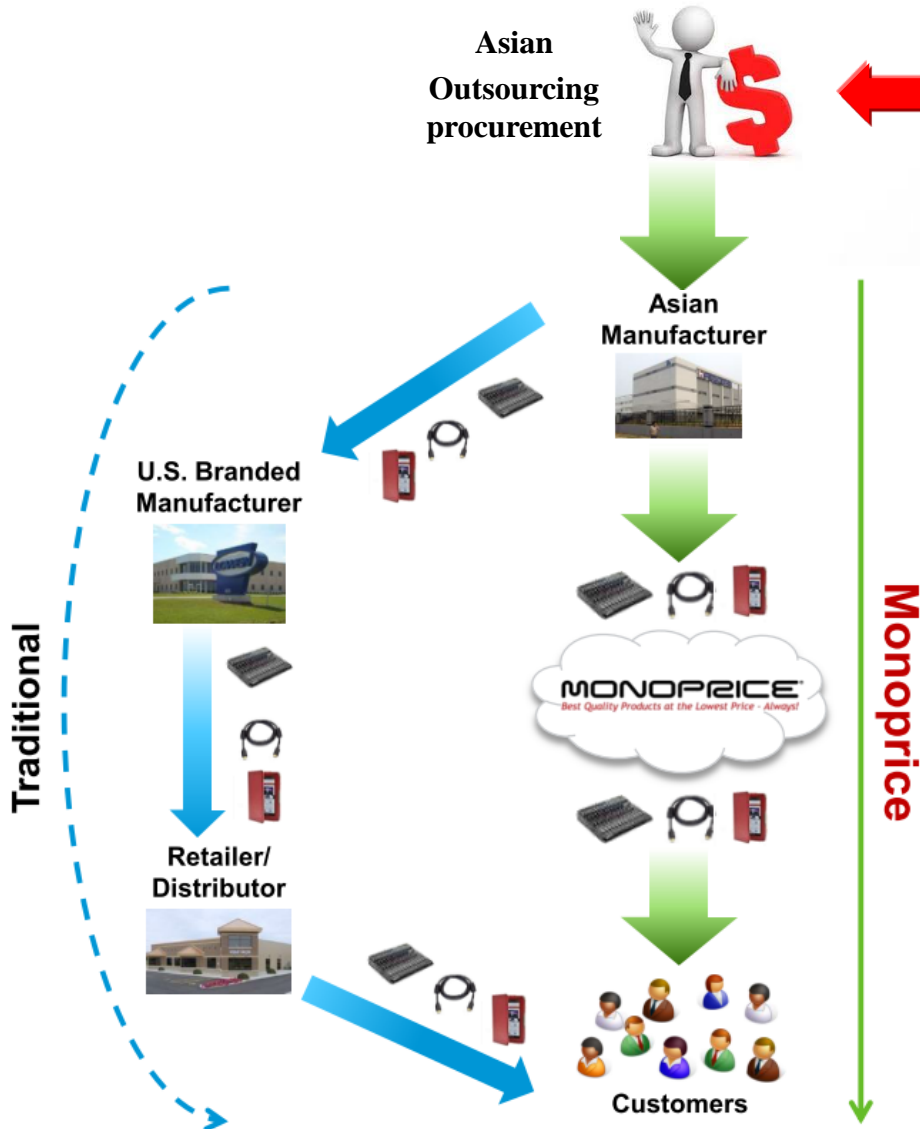


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Integration of Group Purchase & Supply Chain

contribute to benefit of Monoprice



YFC Asia Sourcing/Buyer team

1. Decrease outsourcing proportion of Monoprice, reducing purchase cost effectively
2. Integrate purchase power of Monoprice, increasing group purchase and bargain power
3. Integrate group supply chain to improve efficiency of inventory management, reducing air freight cost effectively
4. Visit or stay in main suppliers, improving stabilities of product quality and supply.



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Group Business Objectives

Channel and E-commerce play important roles in future growth

1.Channel(Prime,etc.)

- (1)Increase in sales : Continuously expand channel customers and diversify products in market
- (2)Increase in profit ratio : benefit form economic of scale, while keep optimizing purchase cost

2.E-Commerce(Monoprice,etc.)

- (1)Increase in sales : 1.Product diversification;2.Improvement of storage space and automation;3.Introduce new products, such as 3d printer, thermal appliances, Sweeper, pet appliances---;4.Expand Projected B2B,such as School, Church, top 500;5.structured Cabling solution
- (2)Improve profitability : 1. Simplify purchase procedures 2.Logistic management to decrease air freight cost3. Integrate group purchase & development power ; 4.Standardize product sku to optimize purchase procedure ; 5. Stay in suppliers for main products manufacturing to ensure quality and stability; 6. Decrease and manage logistics cost;

3.Automobile cables

- (1).Cooperate with Japan companies to become supplier of Nissan and Mitsubishi
- (2).Join V-team to develop US and China automobile market



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Product Information-Prime

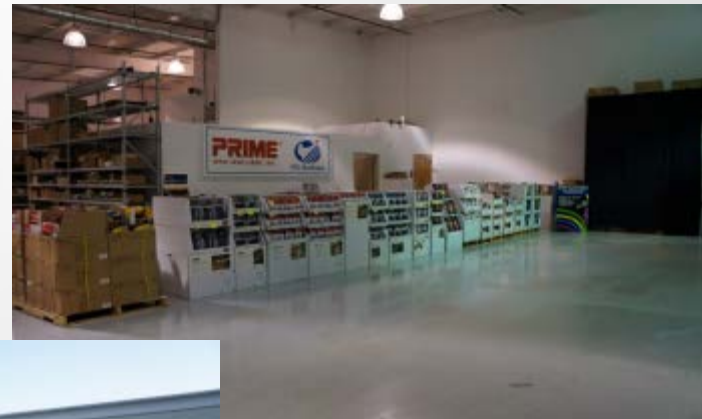
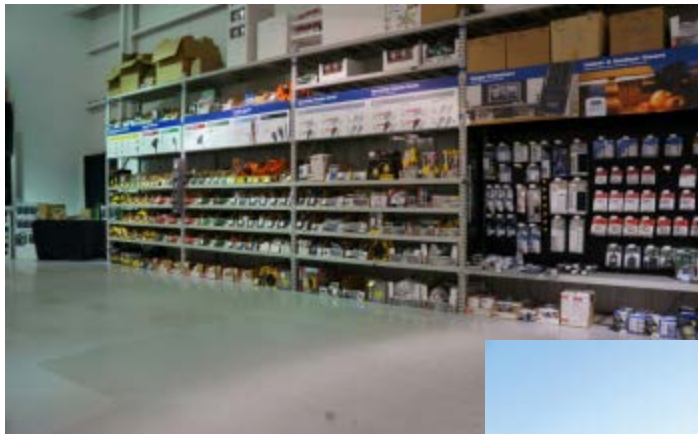
PRIME®



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Prime

Office in North America





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Prime

Provide one-stop service to customers—Safety Certification/Product Design/Package/Customer Service

Old



New

Surge Protectors



Power Strips





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Prime

Provide one-stop service to customers—Safety Certification/Product Design/Package

Old



New





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Prime

Provide one-stop service to customers—Diversified Package Design

Old



New

- Easy to read graphics
- Clear category identification by color
- Maintain branding identity





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Prime

Provide one-stop service to customers—Catalog





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MISSION

Bring simplicity, fairness, and confidence to technology choices

STRATEGY

- Identify market opportunities where we can be a disruptive force.
- Collaborate with innovative manufacturing facilities creating a favorable price to quality ratio.
- Partner with the best brands in the market to create complete product/category solutions.
- Deliver our value proposition of a best-in-class, customer experience on Monoprice.com and through our partners.
- Streamline and optimize, be nimble and flexible and amplify speed to market; intensify revenue and profitability opportunities.

Monoprice is a disruptive, multi-channel retailer of proprietary, branded consumer electronics with an attractive, multi-faceted value proposition

- **Broad and unique combination of Monoprice branded product categories**
 - Cables, computing & networking, audio & video, home theater, 3D Printing & more
- **Disruptive business model facilitates unmatched new product introduction**
 - Similar quality to high-end brands, but sold directly to consumers at retail prices 30% - 70% lower than competitors
 - Industry-leading gross margins
- **Products manufactured at comparable factories to prominent global brands**
 - Long term relationships, strong reputation and new ownership contributes to favorable sourcing metrics
- **Established and growing multi-channel platform**
 - 1) Monoprice.com 2) B2B sales channel 3) Marketplaces
- **Diverse set of new and returning customers**
 - tech enthusiasts, enterprises, small offices / home offices, small and medium-sized businesses and mainstream consumers
- **Robust e-commerce customer engagement via phone, online, chat and social media channels**
 - Sophisticated, proprietary website capabilities featuring highly customizable and scalable engaging shopping experience
- **Best-in-class customer service and tech support based in the U.S.**
 - Experienced service personnel providing excellent service and support
 - Customer service representatives possess significant retail and e-commerce expertise



A broad and unique combination of Monoprice branded product categories

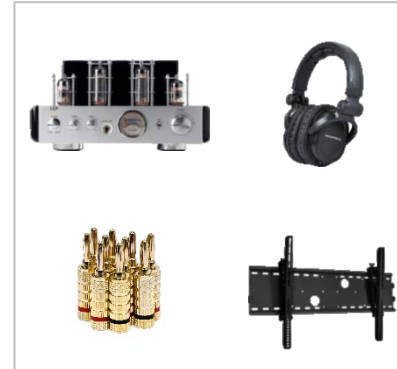
Cables



Adapters



Audio & Video



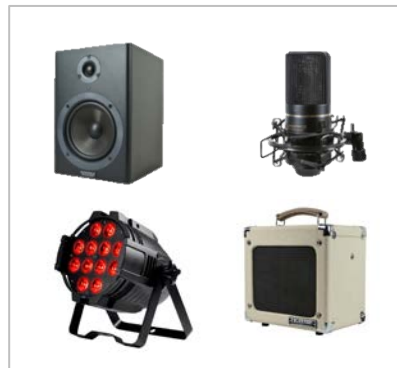
3D Printing



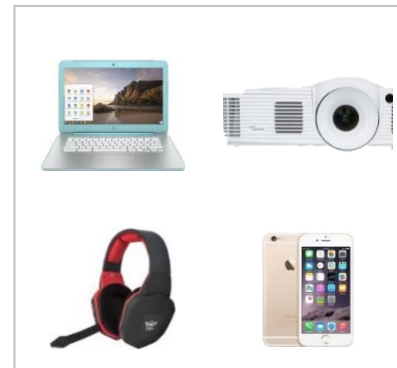
Accelerator



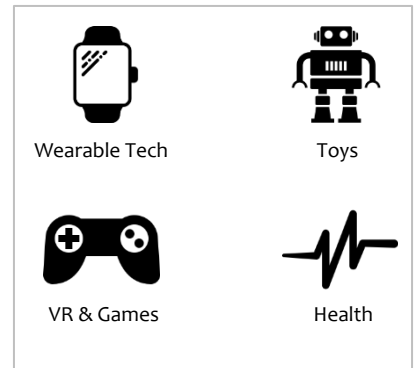
Pro Audio



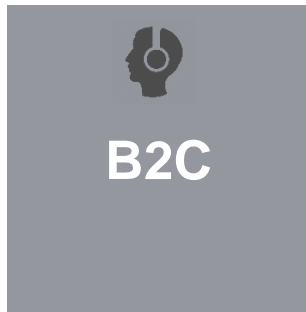
3rd Party Branded



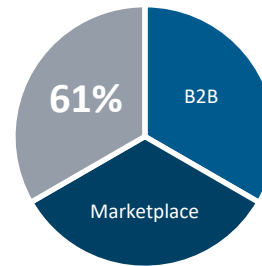
Future Opportunities



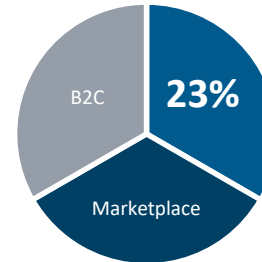
A diverse customer set including Tech enthusiasts, Small Business, Enterprise Verticals and Government and Education



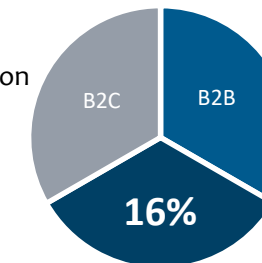
- Prosumer and Tech Confident DIY
- Promotionally savvy and price sensitive
- High customer retention
- Significant market size & opportunity
- Monoprice.com & Marketplace



- Customers cross multiple verticals
- Emphasis on Cable, Adapter & A/V
- High customer retention
- Significant new customer opportunity
- Opportunity to expand product breath
- Strong margin opportunity



- Provides for diversification and expansion
- Strong growth channel
- Lower gross margin (listing fee)
- Accessible International opportunities
- Supports inventory management



Customer Segments - Consumer



Historic Target = Prosumer

On the forefront of technology and tech trends, he – the target skews male – is a source of information and guidance for his friends, family members, and colleagues. He knows where to get the best deals on tech gear, and feels confident not only in his ability to choose the right thing, but to install it as well



Target = Prosumer + Tech Confident


This consumer uses technology in his or her everyday life, feels comfortable interacting with it, but doesn't consider technology a major part of who they are. They often are confident in researching and making their own purchase decisions, but sometimes seek opinions from their more tech-savvy friends for guidance around what to buy

Near Term Addressable Market

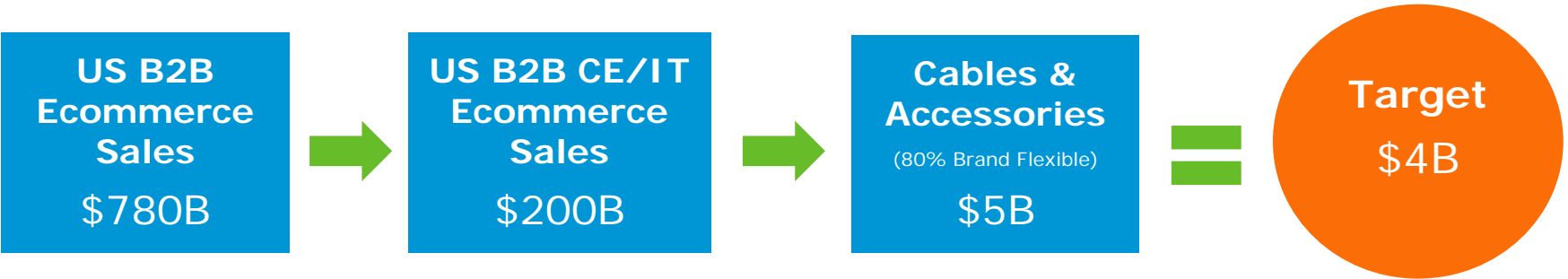


B2B Target = Key End-User Verticals + Installers + VARs + SMB

Current Client List















					
					
					
F-500/Enterprise Government Education			IT Installers AV Installers		Disti/VAR
END-USERS			INSTALLERS		INDIRECT

Near Term Addressable Market



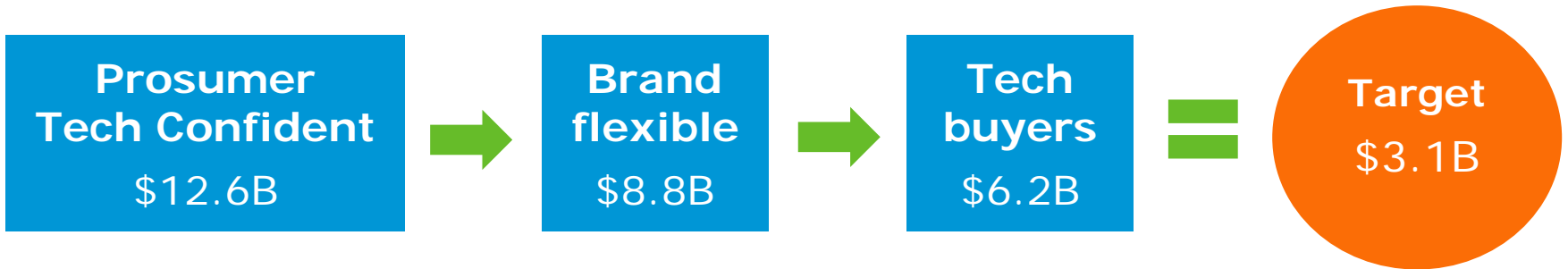
SOURCE: CRN, CDW, CTA, Cabling Installation & Maintenance, PC World

Marketplace & International Customers

Merchant	Retail	International
       	 	<div style="border: 1px solid black; padding: 5px;">  UK - Mexico - Japan Germany - China - India </div>   

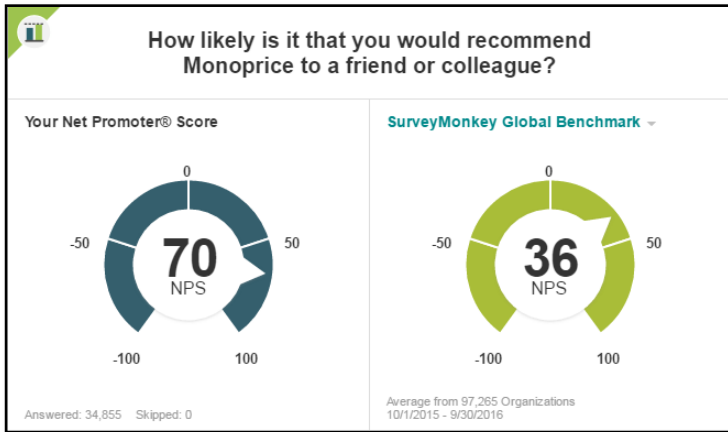
International Near Term Addressable Market

Focus on European Ecommerce Market to Mirror US targeted customers

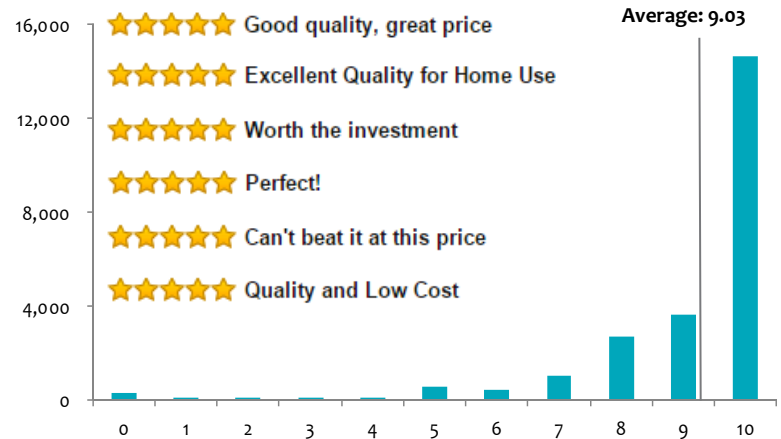


Monoprice is a trusted brand with a loyal customer base

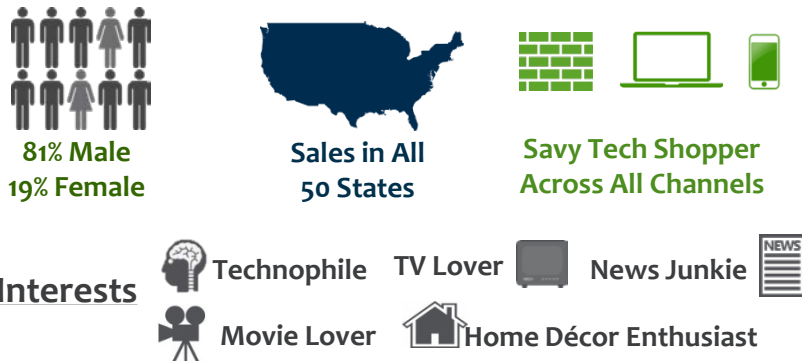
NPS Benchmarking



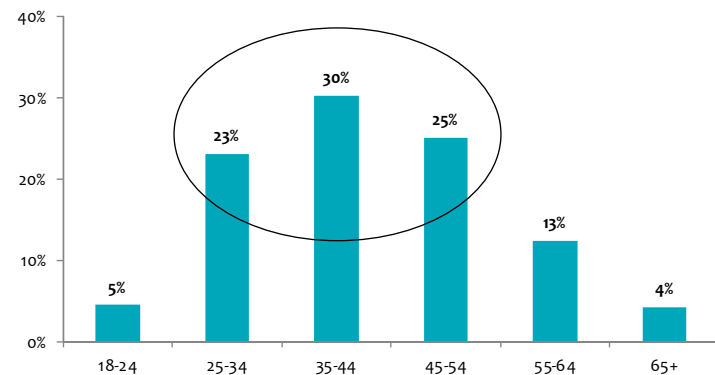
Likelihood of Recommending Monoprice to a Friend



Core Customer



Customer Age Distribution - % of Revenue



Monoprice has a strong industry following with significant, recent press

Forbes | **Pump Up The Volume And Hear More Music With Monoprice Triple XXX Earphones**
By Mark Sperrow | June 13, 2018

All3DP | **Best Budget 3D Printer**
Monoprice MP Select Mini Review: Best Budget 3D Printer

HACKADAY | **REVIEW: MONOPRICE MP SELECT MINI 3D PRINTER**
by Brian Benhoff | June 13, 2018

BUSINESS INSIDER | **INSIDER PICKS**
This under-the-radar company is making tons of great tech gadgets that rival other brand names
By David Berg | June 13, 2018

Men's Health | **MAXIMUS BODY FITNESS**
MONOPRICE SONIC SOLACE

tom's guide | **10 Best Audiophile Gadgets Under \$200**
Monoprice Stereo Tube Headphone Amp

DIGITAL TRENDS | **MONOPRICE WANTS YOU TO HAVE A FIVE-STAR KITCHEN WITH ITS NEW STRATA HOME LINE**
By Luke Cheng | May 1, 2018

TC | **Monoprice sets its sights on outdoor gear brick and mortar stores**
By Devin Coldewey | April 12, 2018

PURE OUTDOOR

cnet | **Monoprice 13773 review: Ultrabudget surround speakers trade subtlety for thrills**

Conclusion
If you're buying this speaker set to watch TV and movies exclusively, then its detailed and open sound will suit soundtracks particularly well. For this amount of money we can't think of another (current) system that can convey movies this well.

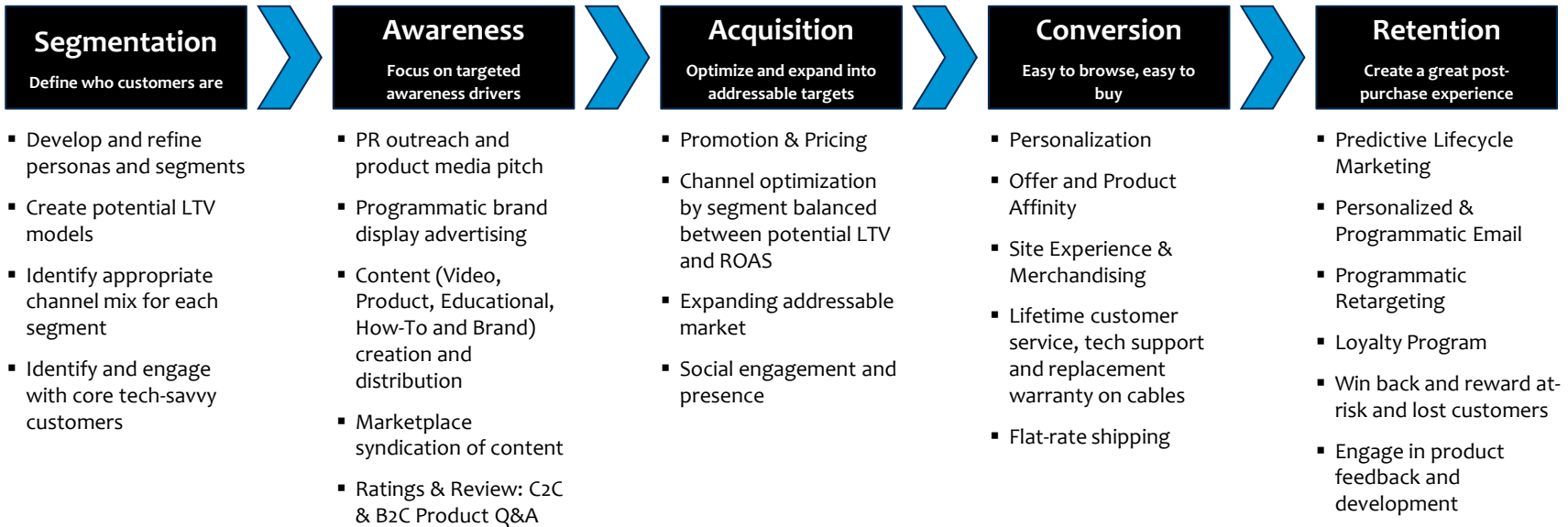
SOUND & VISION | **POWER AMPLIFIER REVIEWS**
Monoprice Monolith 7 Amplifier Review
By David Vaughan | Posted: Jun 1, 2018

PRICE \$1,499
AT A GLANCE

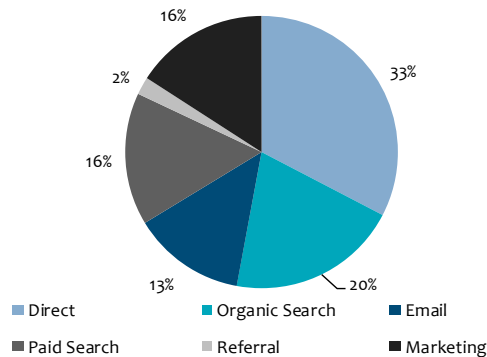
Refilling Stone | **7 Ways to Up Your Streaming-Music Game**
Products to help you get the most out of your digital sound - no matter which service you use

THE WALL STREET JOURNAL. | **The Miracle of a \$150 (or Less) Tube Amplifier**
Why you should ditch your Bluetooth speaker for the smooth, sweet and surprisingly affordable sound of a vacuum-tube amplifier

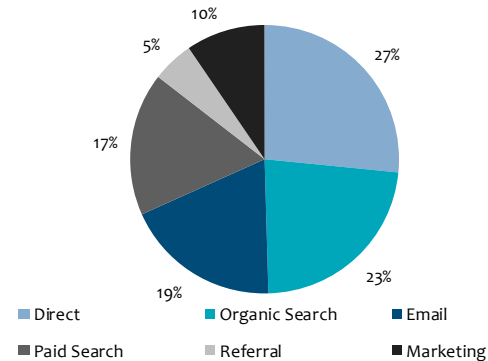
Focused Customer Acquisition and Retention Strategies with positive ROI



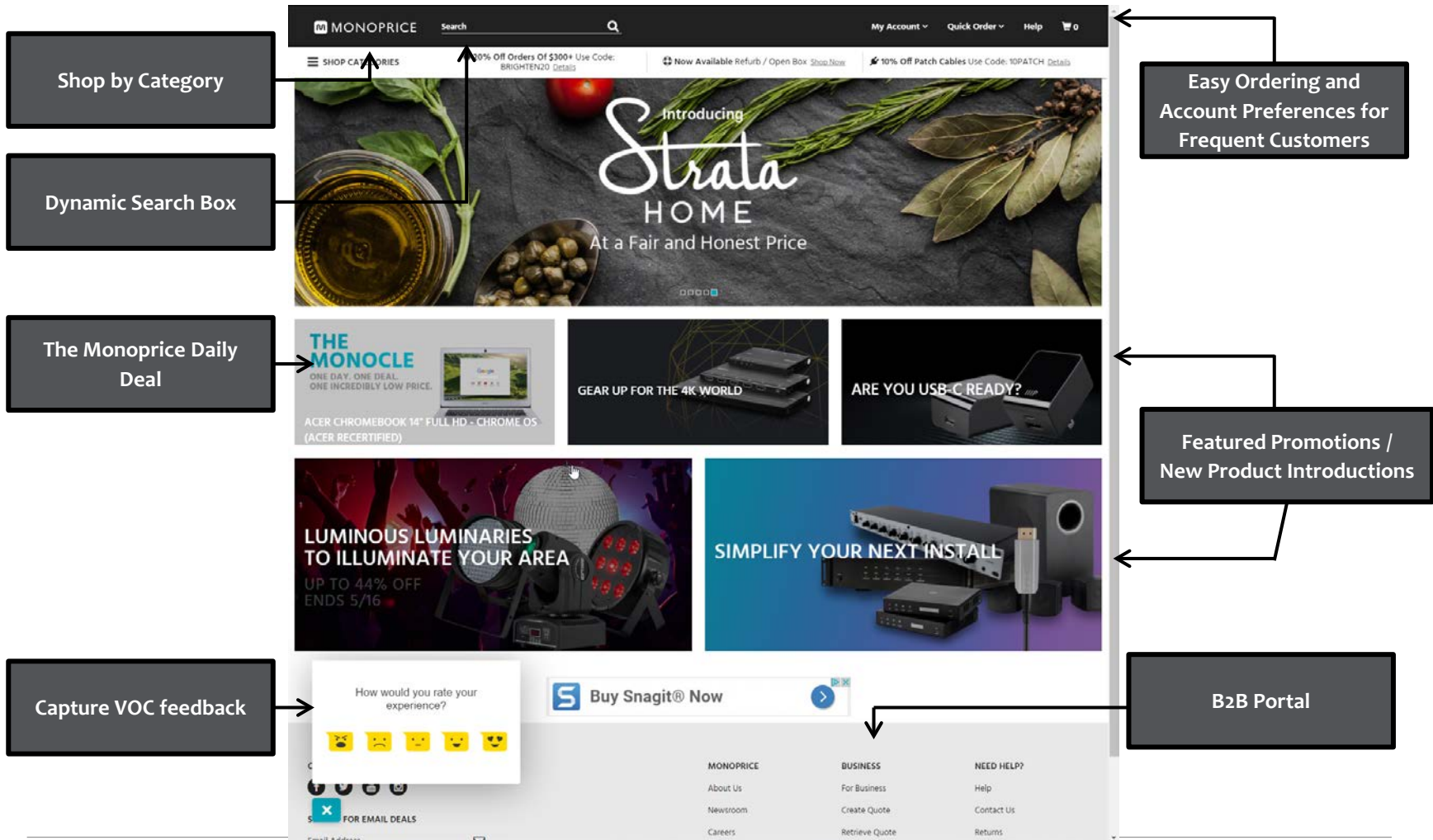
Marketing Channel Revenue Mix (% of Total)



Marketing Channel Site Visits (% of Total)



Monoprice's new and improved website offers customers numerous capabilities



Investments in Logistics, IT and U.S. based Customer Service enable Monoprice to effectively compete in the eCommerce space

Logistics

- 278,000 Sq ft / Facilities and East and West Coasts of the United States
- Over 99.85% order picking accuracy
- Localized shipping partners for overnight deliveries
- Orders before 2 P.M. receive same-day shipping
- 6,000 SKUs stocked



Customer Service/Tech Support

- Scalable U.S. based operation lends credibility and differentiation
- Voice, Email and Chat efficiently controls handle times
- 30,000 customer contacts per month
- ~2500 new product reviews/3000 comments in Q&A per month
- Returns (RMA) at industry low ~3%



Monoprice has been rapidly improving it's technology platform

Front-end



Monoprice.com



hawksearch
Hawk Search
Integration System

Internally built front-end responsive website with Hawk Search integration, Adobe Campaign automation and Criteo remarketing featuring rich content and functionalities for a great shopping experience



criteo
Criteo Remarketing
System



Adobe
Adobe Analytics,
Target & Campaign

Front-end Optimization Pipeline



hotjar
VOC, Feedback, Customer
Recordings Conversion
Funnel Optimization



richrelevance
RichRelevance
Personalization System

Pipeline of leading front-end tools including RichRelevance, Elite SEM, TurnTo, and Hotjar which will enhance personalization, SEM and UGC comments



ELITE SEM
Performance Driven Search Marketing
Cardinal Path SEM
System



TurnTo
TurnTo UGC – Customer
Reviews & Peer to Peer Q&A

Back-end Strategic mix of internally developed back-end systems and best-of-breed solutions result in a stable back-end platform



SAP
SAP Financials &
Purchasing



Manhattan Associates
Manhattan Warehouse
Management System



justenough
JustEnough Forecast
System



UPSTREAM COMMERCE
Upstream Commerce
Dynamic Pricing System



Microsoft Dynamics
Microsoft Dynamics CRM
(CRM, Customer Service &
Knowledge Base)



responsys
Oracle Responsys
Email Management System



Experian
Experian QAS
Address Verification



SPS COMMERCE
LIAISON
Liason & SPS Commerce
EDI (Work in Progress)

Infrastructure

Colocation datacenter utilized for off-site managed infrastructure
Highly scalable architecture with virtualized web, application and database servers
Fully redundant infrastructure with active / passive network appliances and server clustering to provide high availability

Retail



Integrated with Clover
Point of Sale system

Marketplace



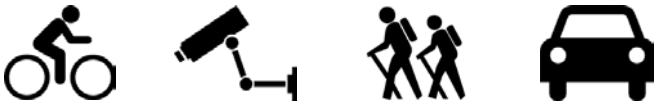
Integrated with
Channel Advisor to
connect to various
marketplaces

Growth Opportunities

Monoprice has numerous growth initiatives that will position the Company favorably in the upcoming years

New, Adjacent & 3rd Party Product Expansion

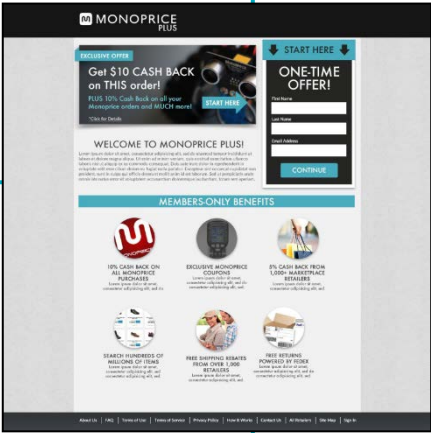
- Accelerating new product introductions – NPI @ 25% of Revenue
- Adjacencies in core category create complete solutions for B2B and prosumer, project based customers
- Expansion of 3rd Party SKU count via EDI and cross-selling of higher-margin, Monoprice product to customers who come to Monoprice
- Opportunity to launch prospective new product categories such as Home, Auto, Toys, Games & VR, eSports tech, Wearable tech and Health / Fitness



Marketing / IT Optimization Strategies

- Monoprice Plus Loyalty Program
- Development of marketing “personalization” and CRM capabilities
- Further optimization of email marketing, SEM and SEO as well as social, content and display initiatives
- Personalized B2C and B2B user experiences
- Advancements in business intelligence and analytics software provides greater visibility and customer insights

- Enhanced mobile-responsive site
- Expand user generated content to further build out the Monoprice community



Sales Channel & International Diversification

- Monoprice Credit Card and B2B Financing enhancements
- B2B targeting plan in 2017 with a vertical focus on institutions, professional service firms, hospitality and home building companies and small offices / home offices
- Substantial international opportunity (currently makes up ~8% of sales), with current international growth plans already in place for Europe and Latin America – In Country web sales and marketplace partnership
- Rapid expansion and utilization of marketplaces and key revenue and brand driver
- Distribution and retail opportunities via parallel “channel only” skus

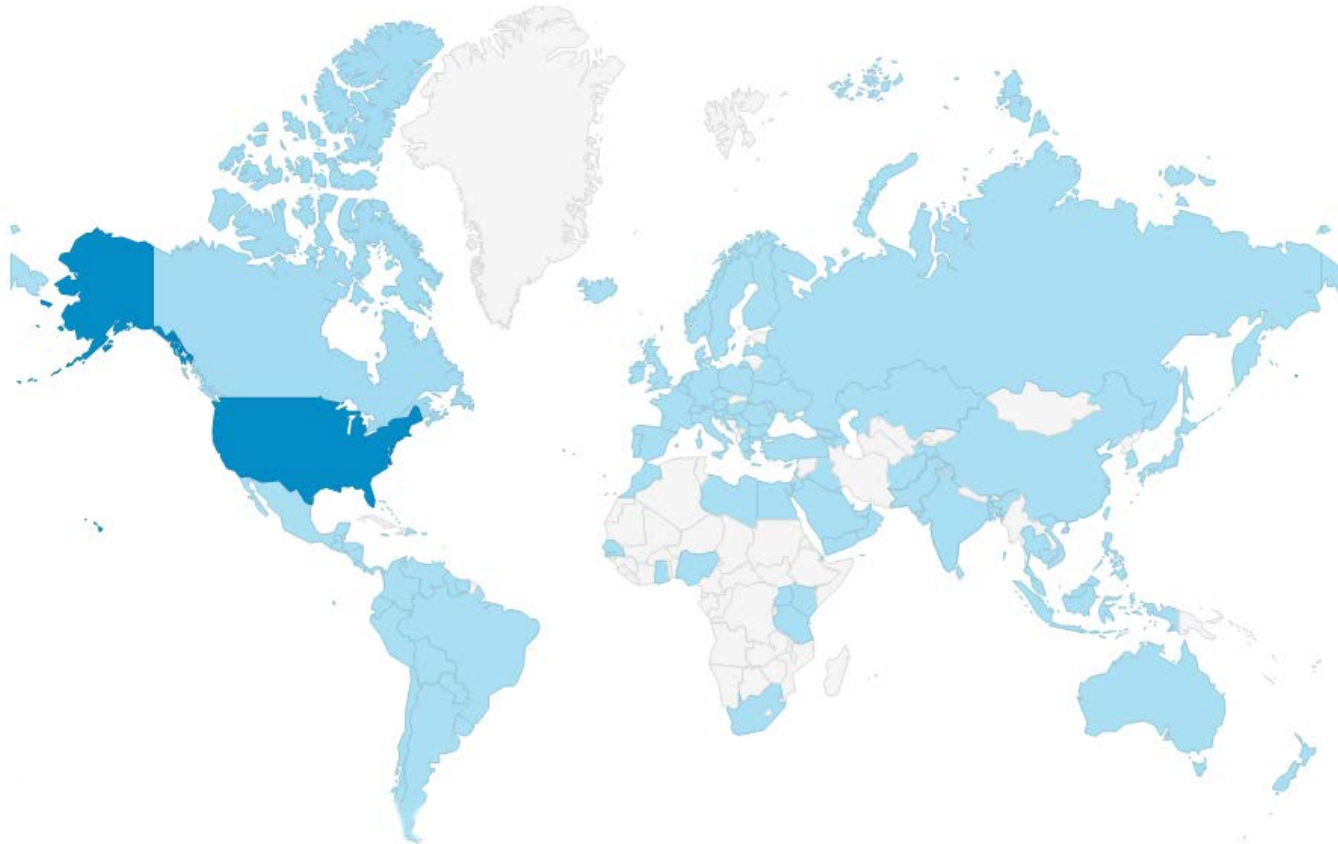
Distribution Center / Sourcing Efficiencies

- Optimize inventory in Kentucky distribution center to increase reach and scale of primary market location
- Expansion of sourcing capabilities and demand planning under new ownership
- Partnerships with Amazon and 3PL expanding International footprint



Next Step – International Expansion

The Monoprice value proposition of simplicity, fairness, and confidence in technology choices resonates with International buyers around the world



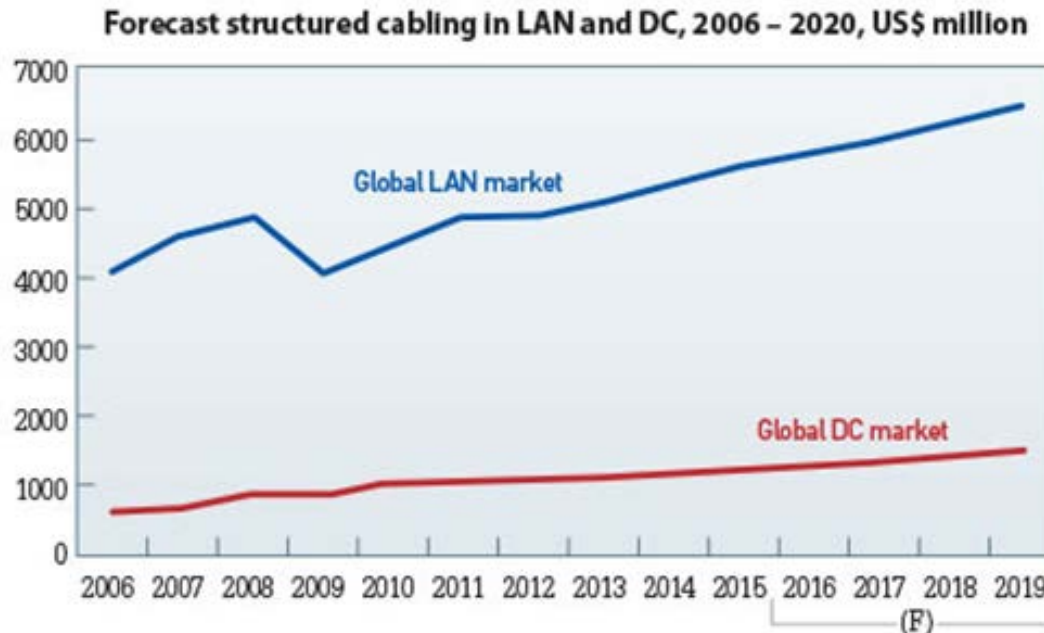
Shaded blue indicates buyers location

** Since January 2016 – At least 5 purchases in country
Purchased made using Paypal with International shipping charges
All shipments delivered from U.S. Warehouse

Future and Growth

premium®
line

Market trend – growing Structured Cabling



1412CIMspotlightF1.ai

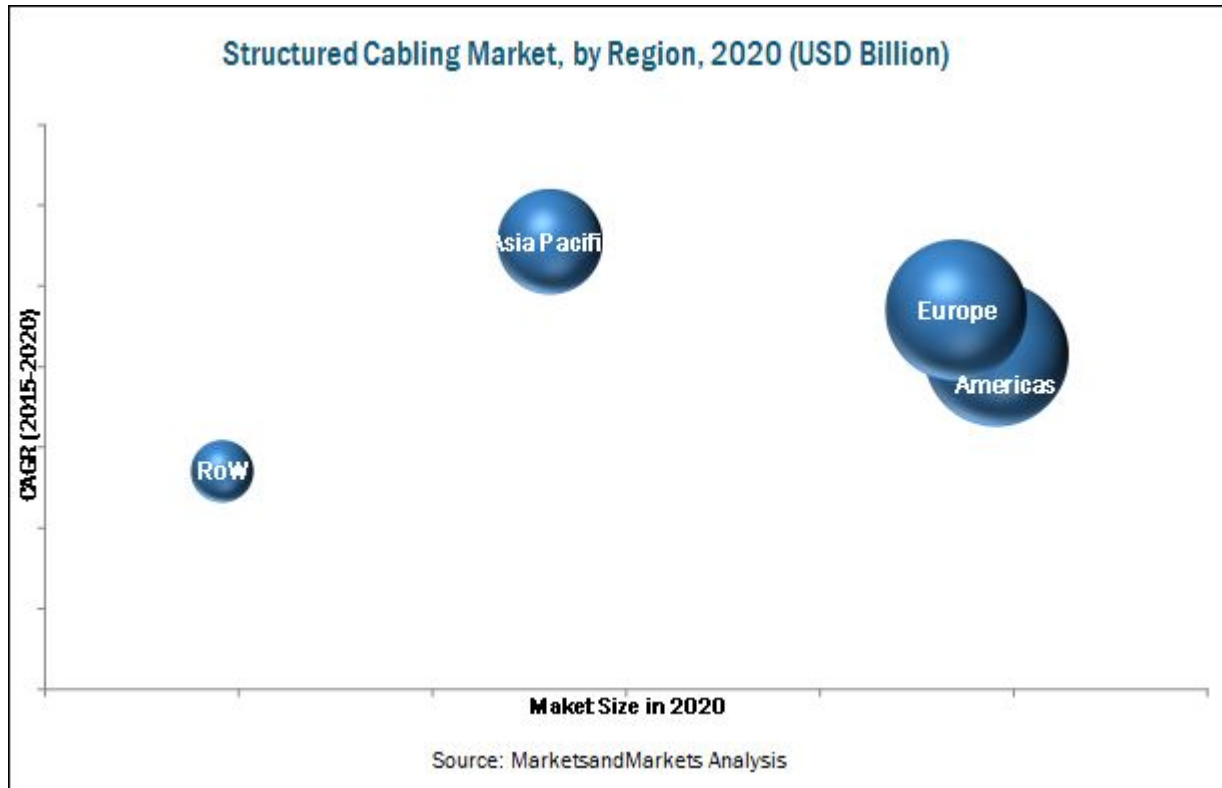
Stable Growing Market

The structured cabling market was valued at USD 6.72 Billion in 2014 and is expected to reach USD 10.13 Billion by 2020, at a CAGR of 9.0% between 2015 and 2020.

premium[®]
line

Your professional partner of structured cabling system

Market trend – by region



The base year considered for the study is 2015 and the forecast for the market size is provided for the period between 2016 and 2020. Among all regions, the Americas and Europe held the largest market share.

Ready for market trend in Europe and Americas



New distribution and logistic Hub In Europe

 **MONOPRICE**

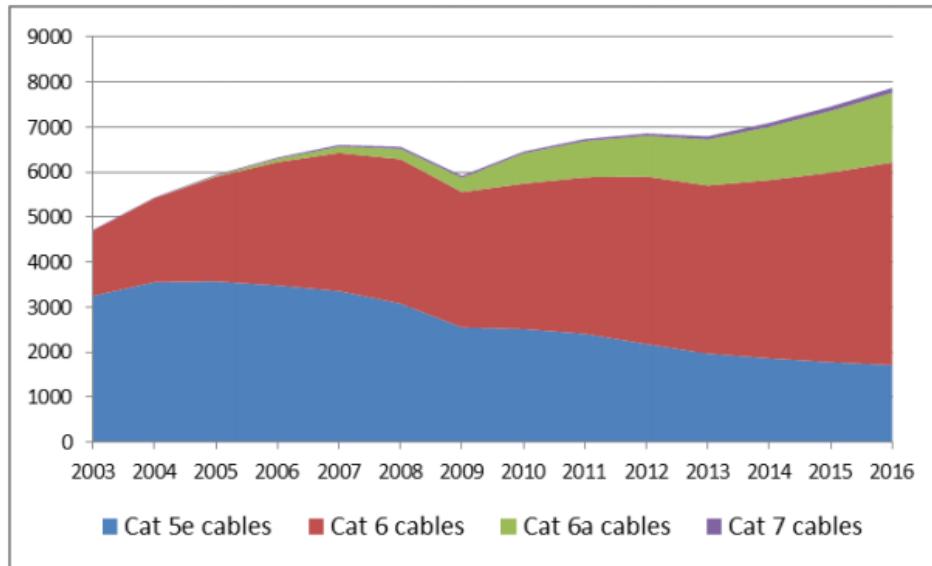
New cooperation in American market



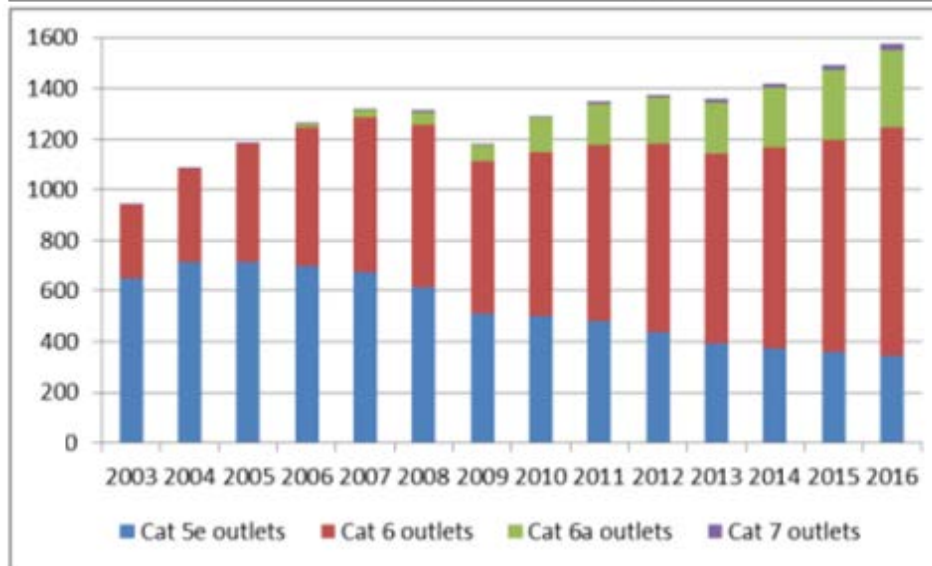
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Market trend – growing 10G Solution



Global Cable Sales Volume (million meters)



Global Outlet Sales Volume (millions)

Source ieee802.org

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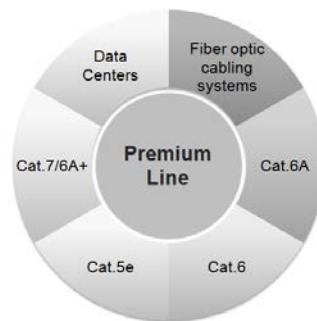
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BEST PRICE / PERFORMANCE



Main reason for Best Price/Performance in the market as like on 10G Cat.6A Network Cabling System Solutions

- Focused on high quality solution
- Focused on Productivity
- Strong Partner network with over 20 distribution partners.
- Controlled over head cost-cost effectivity

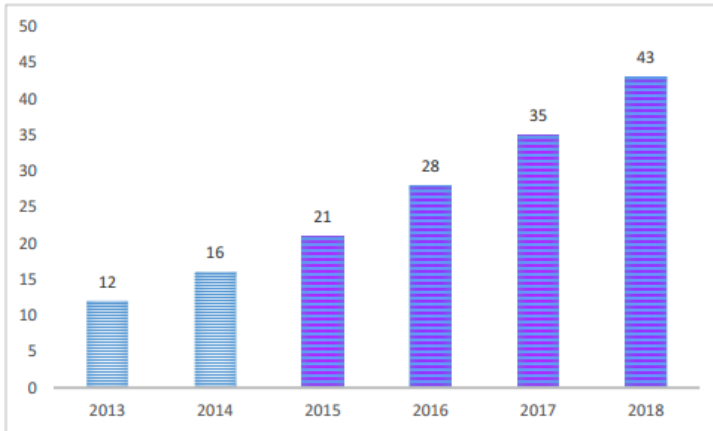


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Datacenter solutions!!

Growing market!!!



Source: Goldman Sachs Research



Forecasting cloud infrastructure and platform DC market will grow at a 19.62% CAGR from 2015 to 2018, reaching total **US\$43B** market value by 2018.

Global drivers of Data Center:
Mobile, Global IP Traffic, Co-location trend, Cloud provider, Internet Giants and etc.

Premium Line has a complete assortment of platforms and high reliability products for DC

Data Center solutions

A diagram illustrating a data center cabling system. It features a central perspective view of a server rack with a patch panel. Surrounding this are five inset boxes, each showing a different component: 1. '1U/0.5U High Density Unloaded Patch Panel' showing a dense array of ports. 2. 'Pre-terminated Cabling Systems cat. 6A' showing several white Ethernet cables with RJ45 connectors. 3. 'Network Server Cabinet' showing two tall, dark server racks. 4. 'Fiber Optic Patch Panel' showing a panel with multiple fiber optic ports. 5. 'Fiber Optic Trunk Cable' showing a green fiber optic cable with multiple LC connectors. At the bottom right of the diagram is the 'premium line 23' logo.

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The Address The BLVD, Dubai



The Address The BLVD will be the second tallest building in Downtown Dubai, next to Burj Khalifa, the world's tallest building.

Featuring 200 hotel rooms and 542 serviced residences.

Premium Line Cat.6A copper solution was used in total in total length of **600km** cable and **28000 connection** points for the purpose of horizontal cabling with the assistance of 125m fiber optic.



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The Address Residences Fountain Views



The 60-storey towers offer 788 serviced apartments while a new Address hotel is home to 194 rooms..

Premium Line Cat.6A copper solution was used in total length of **465km** cable and **23000 connection** points for the purpose of horizontal cabling with the assistance of **61km** fiber optic cable



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Kuala Lumpur International Airport 2 (KLIA2)



This multi-storey terminal building has a gross floor area of 257,000 square meters and features a main terminal building and satellite building with the “Skybridge” linking them together.

Premium Line Cat. 6 copper solution was used in total length of **80km** for the purpose of horizontal cabling with the assistance of **56km** fiber optic cable solution serving as a backbone.



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Lonza Biologics Expansion Singapore



Lonza Biologics is the world's leading supplier of active chemical ingredients. This 25,000m² stand-alone facility - the largest and the first of its kind in the region - provides space for manufacturing, quality control laboratories, offices, and office/facility support

The network had to support data center and business. Based on that, the Premium-Line Cat. 6 UTP copper system solution was chosen in total number of **1458 connection** points.

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Right team, product range and organization.



Premium Line has right team in main world regions with abilities to develop, support and grow up our Business

Premium Line has right product range for offering End to End Solutions with System Warranty

Product range includes hot sales copper and fiber solutions for network infrastructure



WE ARE READY

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YFC-BonEagle

岳豐科技



Thank You