

CHING FENG



INVESTOR CONFERENCE

2021.04.09



SINCE 1977

CHING FENG HOME FASHIONS

Disclaimer

This report has been compiled by CHING FENG HOME FASHIONS CO., LTD. (CHING FENG) based on existing information and forward-looking statements.

However, the forward-looking statement are susceptible to various risks or uncertainties, which may lead to differences between the actual results and the contents of the report. CHING FENG hereby declares that the contents of this report are published for the purpose of information circulation only, not investment recommendations, and shall not be liable for any loss arising from any dispute arising from the use of this report.

CHING FENG shall not be liable for any loss caused by any dispute arising from the use of this report and shall not be obligated to update or amend the relevant contents of this report in the event of any change or adjustment in the future.

No part of this document may be directly or indirectly copied, recirculated or transmitted to any third party, and no part or all of this document may be published for any purpose.

AGENDA

- 1 Financial Performance
- 2 Operation analysis
- 3 Growth Strategy
- 4 Conclusion
- 5 Q&A

1 | Financial Performance



Financial Performance

Profit and loss statement and profitability analysis for the past 5 years

UNIT : 1M TWD

ITEM \ YEAR	2016	2017	2018	2019	2020	YoY(%)			
						2017	2018	2019	2020
Net Revenue	3,507	4,111	4,454	5,665	6,022	17	8	27	6
Gross Profit margin	630	835	819	1,000	1,255	32	-2	22	26
Operating Expenses	507	580	514	608	656	14	-11	18	8
Operating Income	122	254	305	391	599	108	20	28	53
Net Non-Operating Income	-30	-22	-28	-76	-119	-28	29	171	-55
Pre-Tax Income	91	232	276	315	480	154	19	14	52
Net Income	63	194	225	253	364	205	16	12	43
Earnings Per Share(Dollar)	0.42	1.26	1.43	1.50	2.15	200	13	5	43
Profitability analysis									
Gross Profit Ratio	18%	20%	18%	18%	21%				
Net Profit Margin	2%	4%	5%	5%	6%				
EBITDA	276	419	442	524	684				

Financial Performance

CHING FENG

AGGREGATE BALANCE SHEET

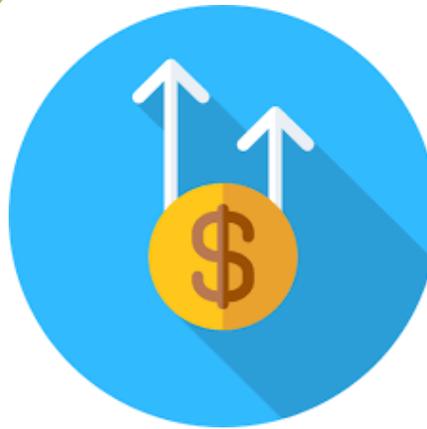
UNIT : 1M TWD

ITEM \ YEAR	2016		2017		2018		2019		2020	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Total Current Assets	1,592	47	2,090	53	2,467	55	2,926	51	3,239	52
Property, plant and equipment	821	24	1,019	26	1,150	26	1,779	31	2,087	34
Intangible Assets	316	9	256	6	226	5	165	3	138	2
Total Other Assets	693	20	592	15	637	14	862	15	740	12
Total Assets	3,422	100	3,957	100	4,480	100	5,732	100	6,204	100
Total liabilities	2,289	67	2,691	68	2,685	60	3,755	66	4,064	66
Share capital	1,536	45	1,536	39	1,696	38	1,696	29	1,696	27
Capital Reserve	272	8	272	7	112	2	56	1	56	1
Retained earnings	(666)	(19)	(473)	(12)	29	1	285	5	545	9
Other equity interest	(12)	(1)	(69)	(2)	(42)	(1)	(60)	(1)	(157)	(3)
CNIS	1,131	33	1,266	32	1,795	40	1,977	34	2,140	34
CNIM	2	-	--		--		--		--	
Total Equity	1,133	33	1,266	32	1,795	40	1,977	34	2,140	34
Total liabilities and equity	3,422	100	3,957	100	4,480	100	5,732	100	6,204	100

Operational analysis



Continuously provide
capacity injection
Economic scale
increase



Product portfolio
optimization
Product specification
optimization



Full value chain
service
E-commerce model
Express
customization

2 | Operation Analysis



Operation analysis

PRODUCT DEVELOPMENT HISTORY

1994
Developing Home Textile Line including Table Linen, Shower Curtain & Bath Accessories



1997
Introducing Bedding, Blanket & Throw, Sleeping Bag



2002
Expanding Kitchen Linen & Towel Line



2005
Introducing Cellular Shade



2007
Introducing ClearView® Venetian Blind



2008
Exhibiting Cordless Window Blinds in US Window Fashion Show



2014
Cordless blinds & shades got "PFWBS" authorization of use



2011
Encompassing Russia in Market Expansion

2020
Electric remote control Cellular Shade

1977
Establishing business in Bamboo Roll-up Blind

1983
Introducing Fabric Roman & Pleated Shades

1977

81

83

92

1994

95

97

99

01

02

03

04

05

06

07

08

10

11

14

16

17

2020

2021

1981
Introducing PVC Mini Blind



1992
Introducing Faux Wood Blind & Privacy Blind



1995
Introducing Soft Window Treatment



1999
Introducing Faux Wood Shutter & Drapery Hardware

2001
Expanding Bedding Category



2004
Introducing Bi-fold Door

2006
Introducing Cordless Blind & Shade



2010
Winning WCMA for Semi-Opaque Cellular Shade



2016
Introducing SafeTrac cord-free blind



2017
Remote control roller shutter with automatic stop function

Operation analysis

2018-2021 sales mapping

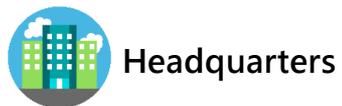
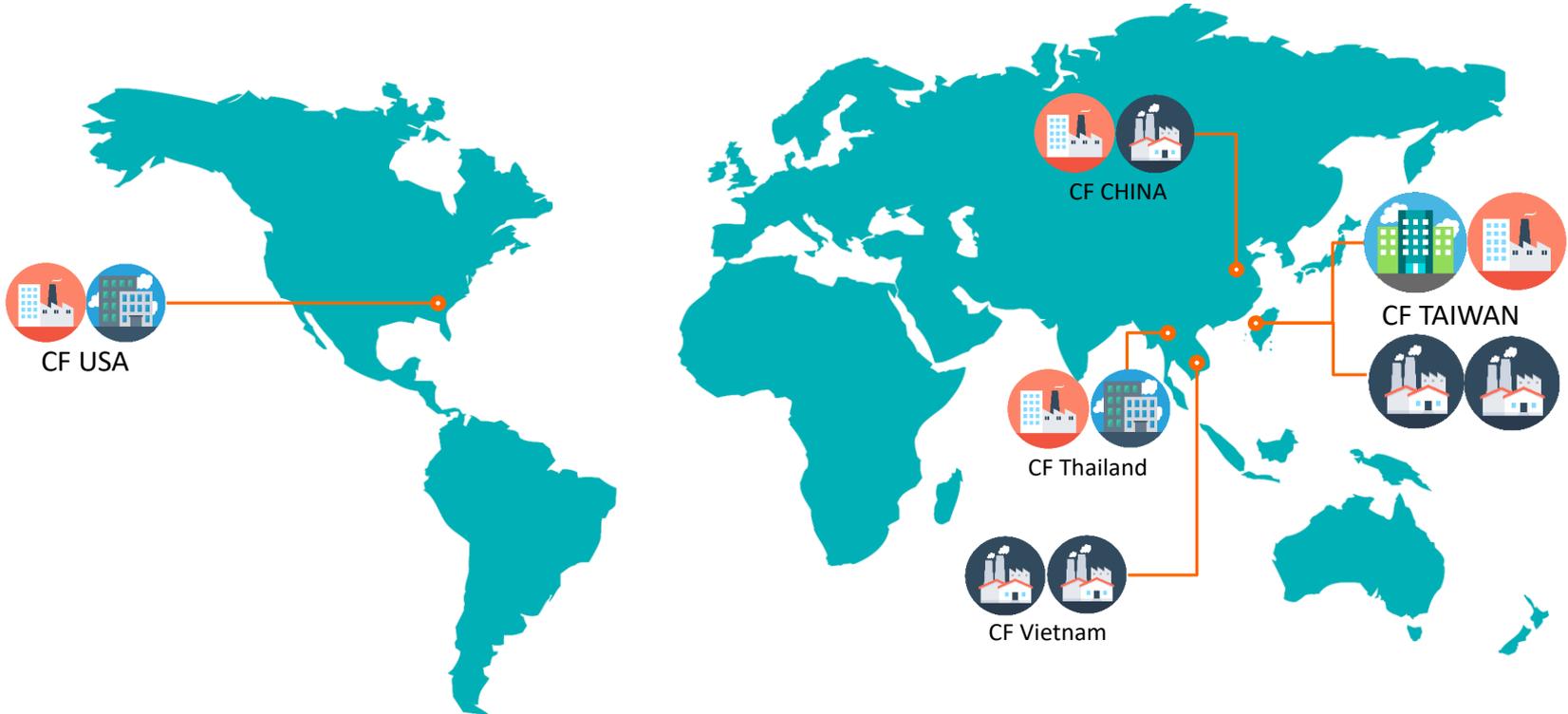
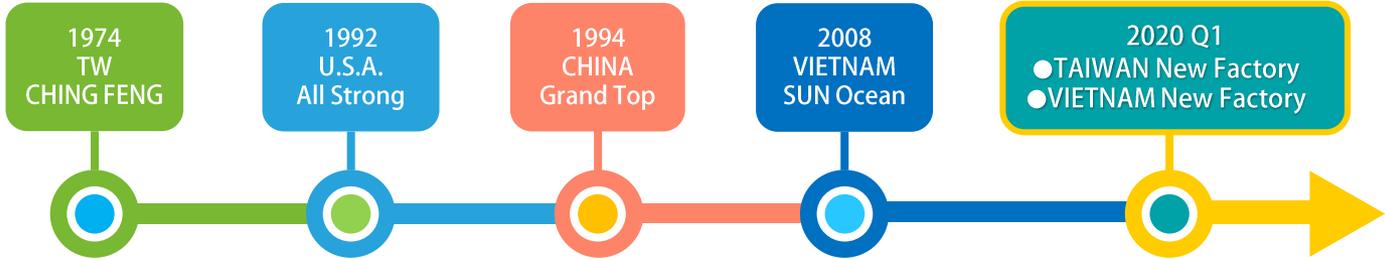
YEAR ITEM		2018	2019	2020	2021(forecast)
		Business Type	Window Covering :60%	Window Covering :68%	Window Covering :70%
Home Textiles :30%	Home Textiles :28%		Home Textiles :27%	Home Textiles :28%	
Others :10%	Others:4%		Others:3%	Others:0%	
Product Category	Cordless : Corded =85:15 Customization: 7.5%	Cordless : Corded =96:4 Customization: 8.5% Motorized : 7% Eco-friendly : 10%	Cordless : Corded =95:5 Customization: 10.8% Motorized : 16% Eco-friendly : 12.5%	Cordless : Corded =93:7 Customization: 12% Motorized : 6% Eco-friendly:55%	
Region	America : 63% Europe : 25% Asia : 12%	America : 61% Europe : 26% Asia : 13%	America : 67% Europe : 22% Asia : 11%	America : 68% Europe : 21% Asia : 11%	

Major Client



Operation analysis

Operating locations



CF-III Factory(Taiwan)

(Mass production)

- Land area: 6,000level ground
- Building area : 12,000level ground
- Number of workers:211



CFVN Factory

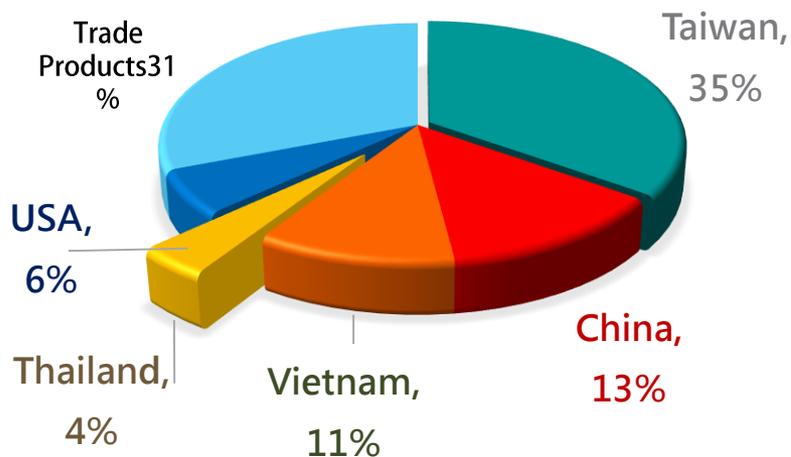
(Trial production)

- Land area: 15,125level ground
- Building area : 10,000level ground
- Number of workers:250

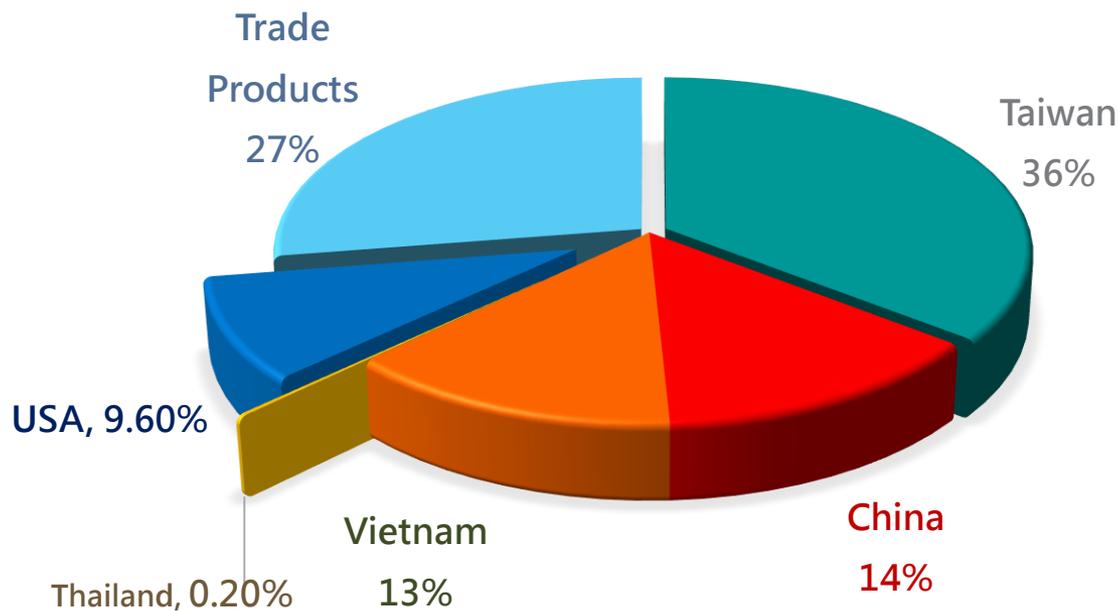


Sales ratio of each factory

2019



2020



Operation analysis

Target output value of each plant

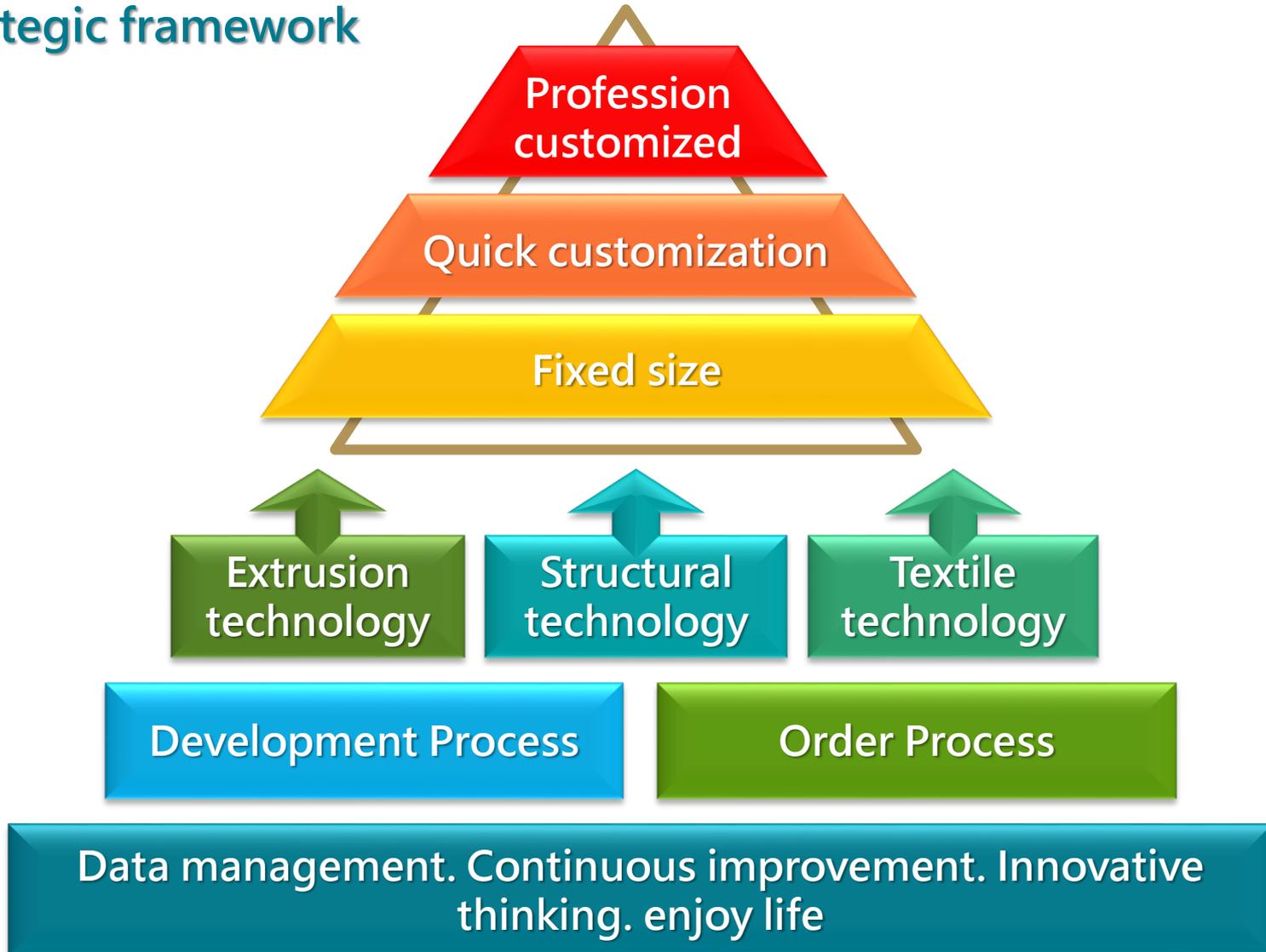
Unit: USD Million

	TW-II Factory	TW-III Factory	VN-I Factory	VN-I Factory (&CN)	Trade & Reinvestment	Total
Expansion Target	53	50	24	66	70	263
2020 Output	40	36	25	28	70	199
2020 Achievement Rate	75%	72%	104%	46%	101%	76%
Expansion Schedule		Phase One: 2020Q1 extended to 2020Q3 Phase Two: 2021 Q4	2019Q2	2020Q3 extended to 2021Q1		

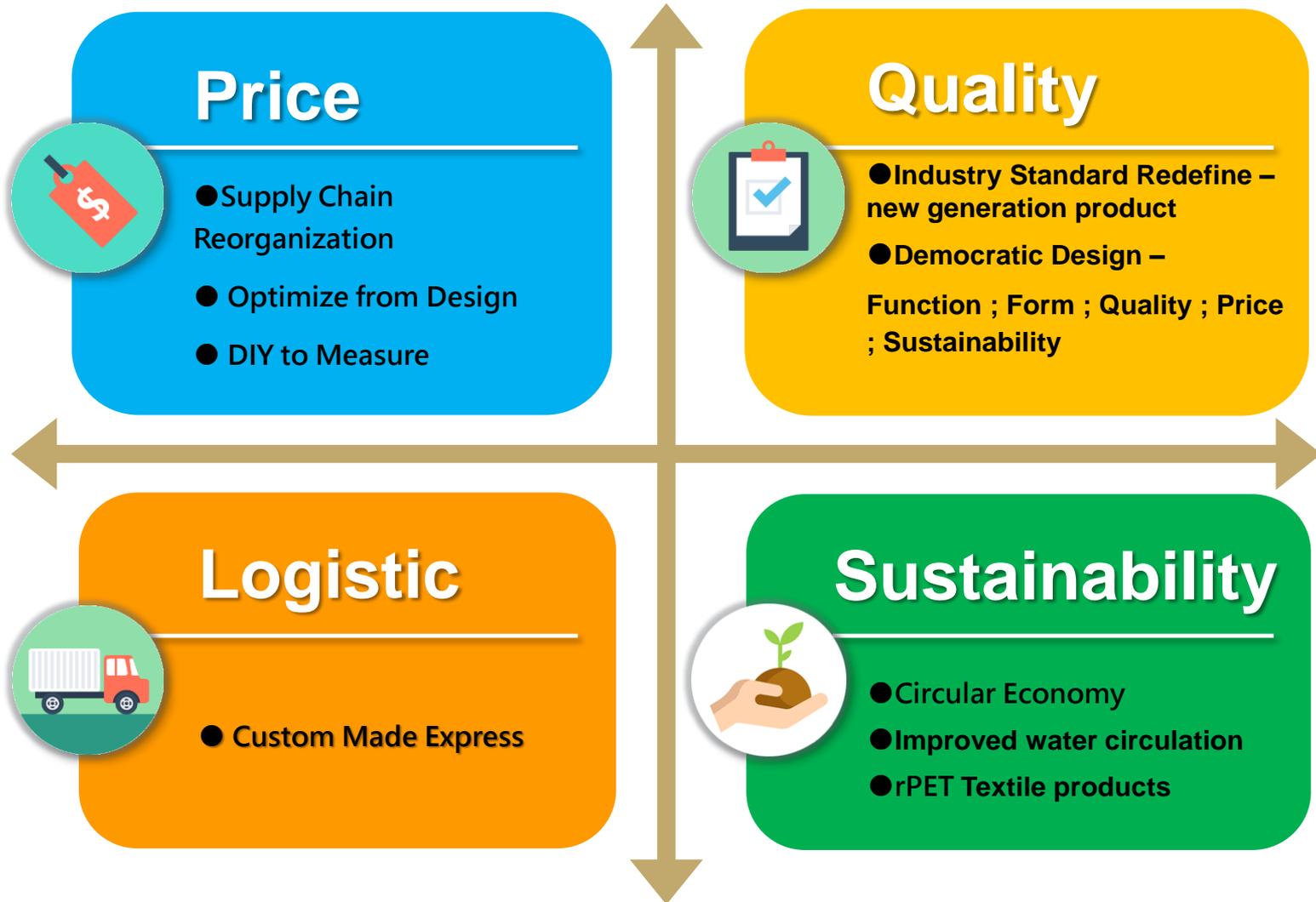
3 | Growth Strategy

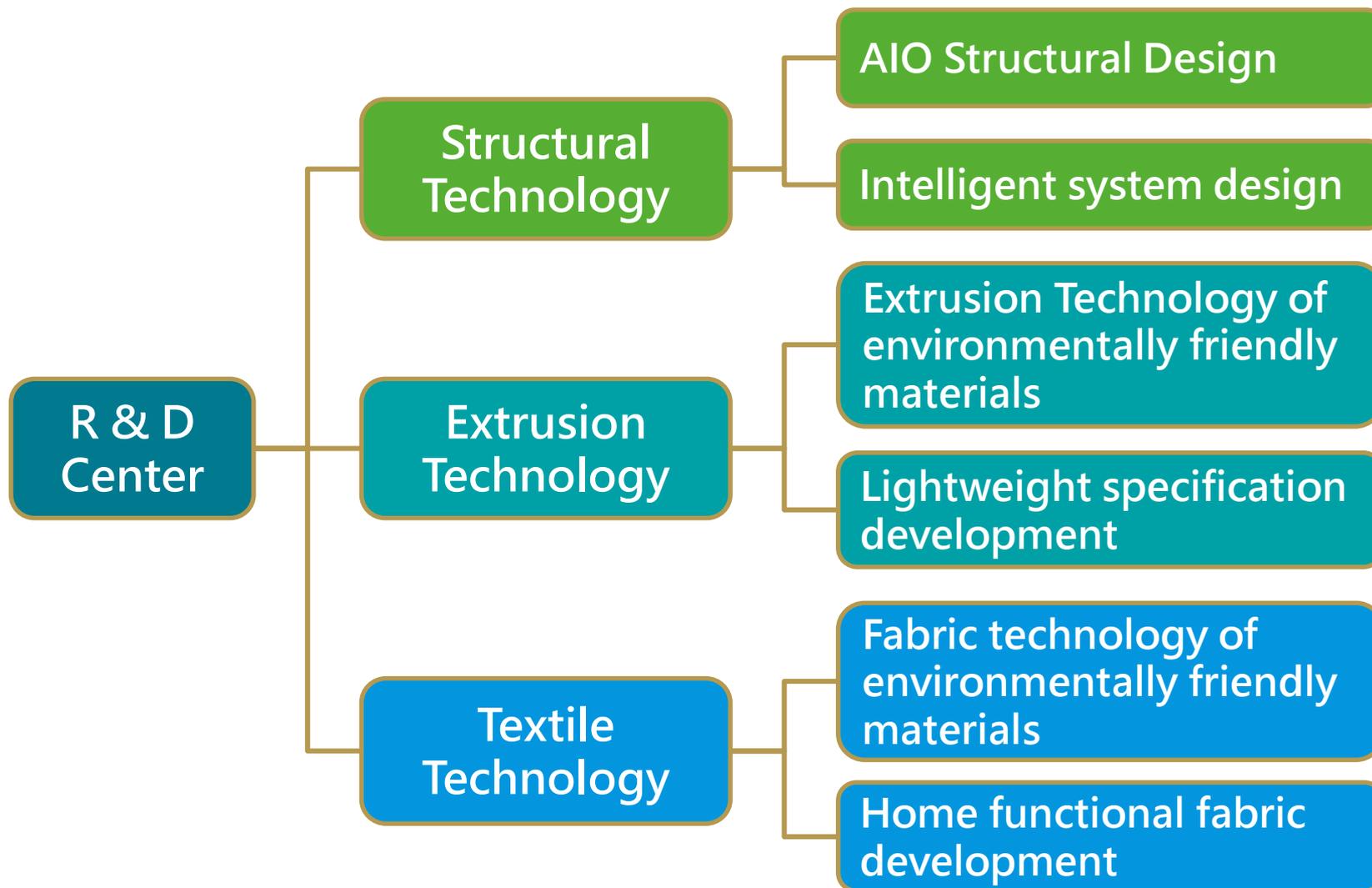


Strategic framework



Business Strategy in 2018-2022



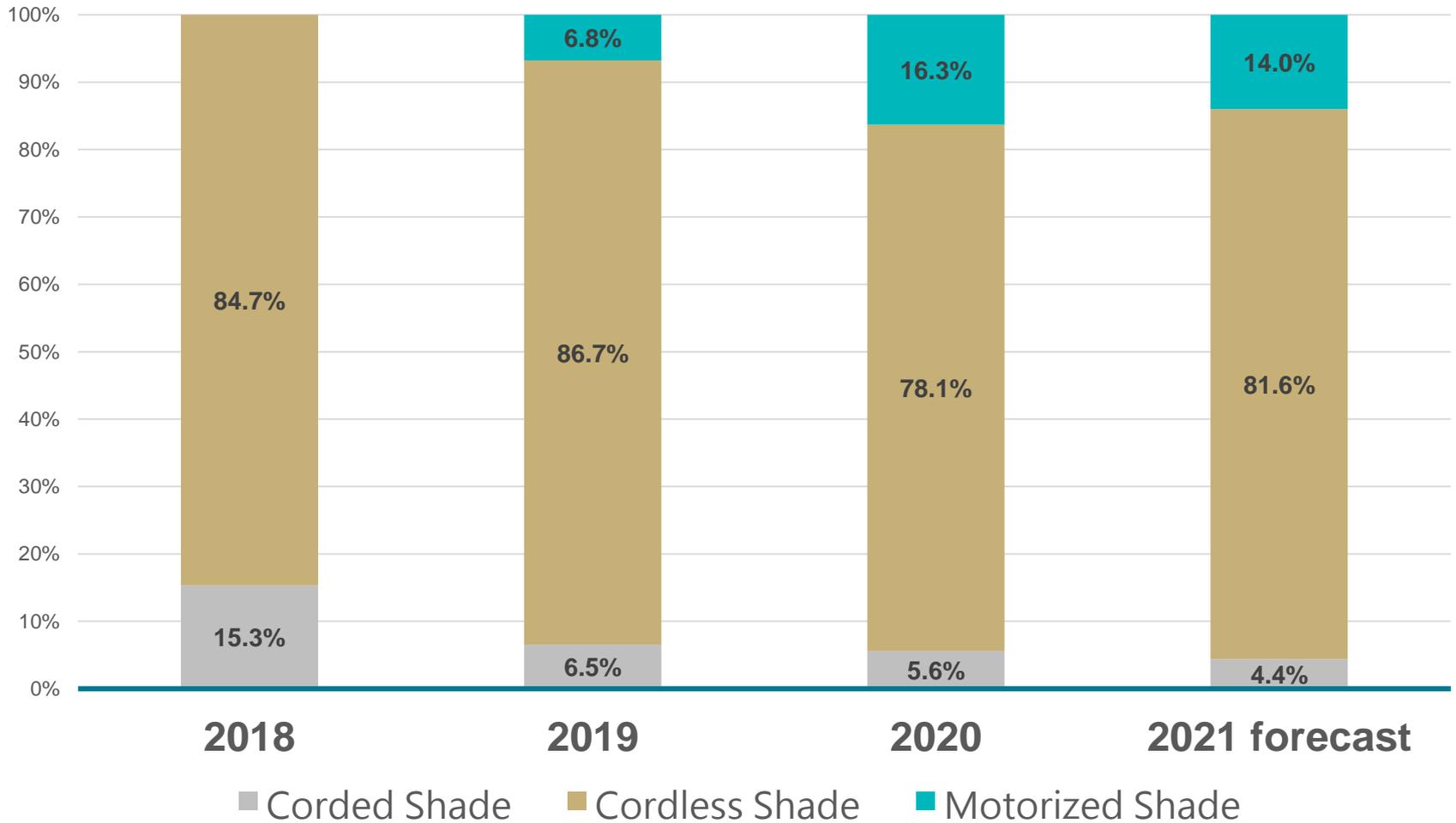


Growth Strategy– Sales Strategy

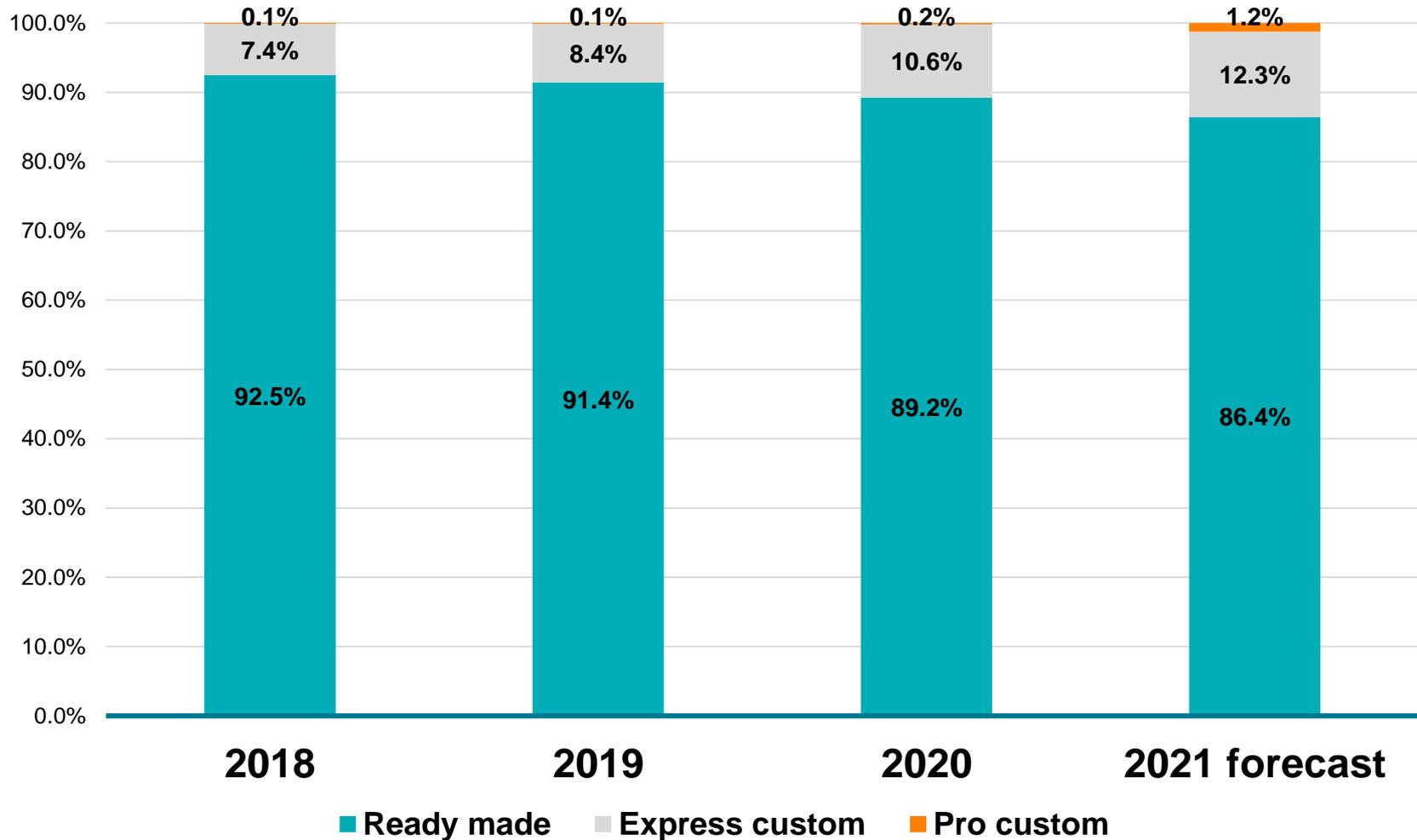
Product map, development process of DIY market

Program	Cellular	Roman	Roller	Venetian	Vertical
Home Smart	√		√		
Remote Control	√	Developing	√	Developing	
Cordless	√	√	√	√	√
Corded	√	√	√	√	√

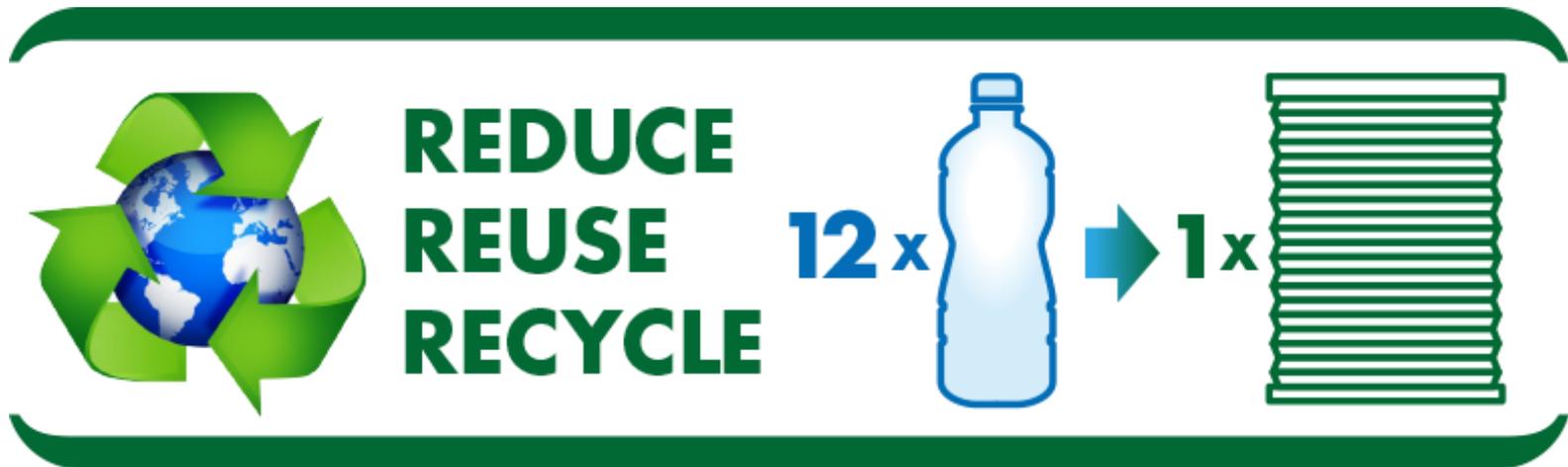
Corded Shade/ Cordless Shade/ Motorized Sales Ratio



Ready Made / Express Custom / Pro Custom Sales Ratio

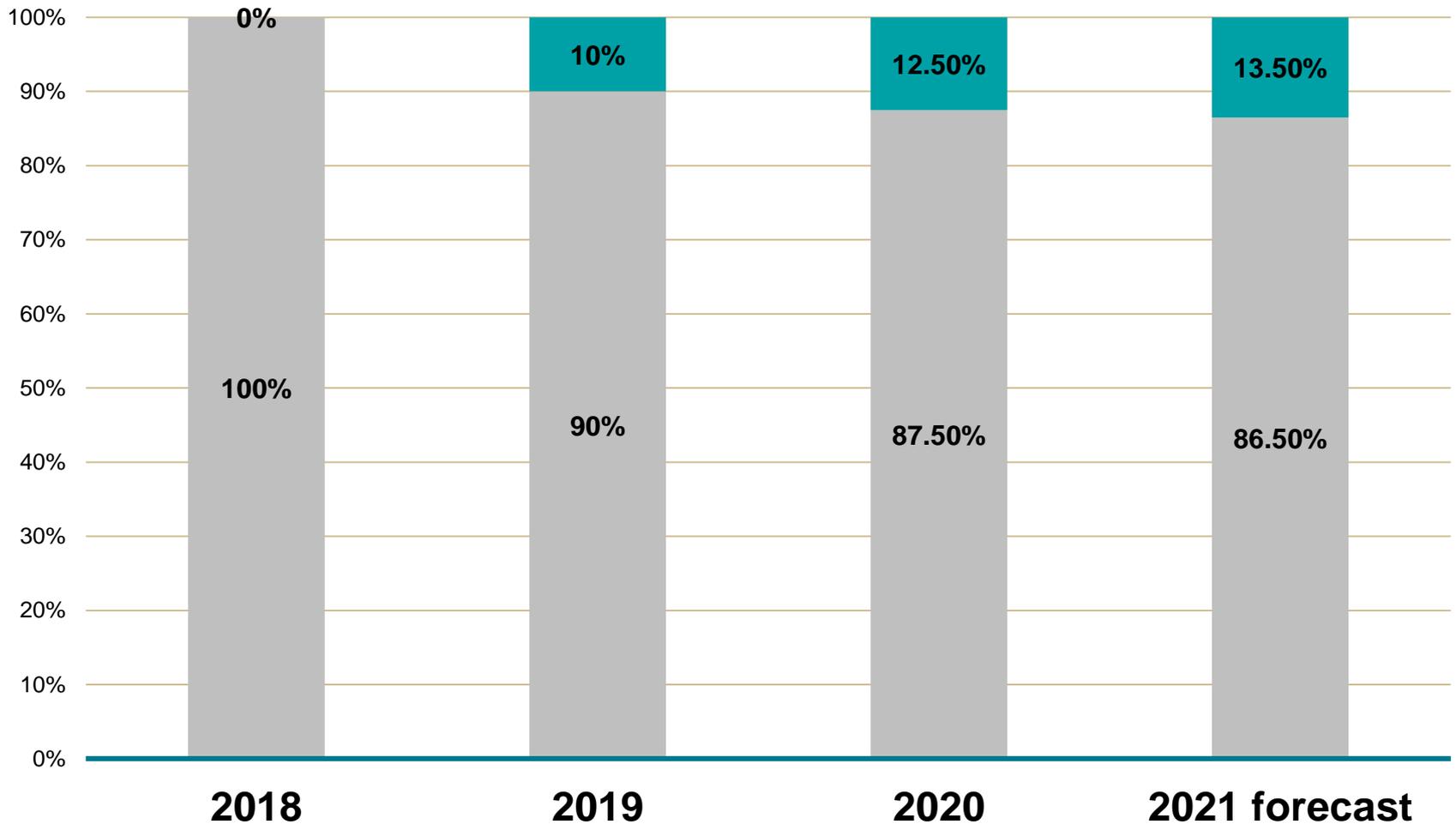


Circular Economy



- A total of 1 million bottles are purchased every minute around the world, and this number will increase by another 20% in 4 years
- Ching Feng plan to reuse over 40 million bottles in 2020.

Eco-friendly Sales ratio



4 | Conclusion



1

Industry positioning:
Ching Feng is one of the top three leading suppliers of safety curtains in North America.



2

Future research and development goals:
The application of intelligent curtains and environmentally sustainable materials.



3

Future market goals:
DIY smart curtain market development;
customized construction of O2O channels.



4

Future operational goals:
Value chain development of sustainable materials;
logistics informatization.



5 | Q & A

