



慶豐富集團  
**CHING FENG**  
HOME FASHIONS  
SINCE 1977

Institutional  
Investors  
Conference

2019



# Disclaimer

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# AGENDA

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- 1 COMPANY PROFILE
- 2 FACTORY DISTRIBUTION
- 3 FINANCIAL STATUS
- 4 OPERATIONAL PLANNING
- 5 COMPETITIVE ADVANTAGE AND FUTURE OUTLOOK



# 1 | COMPANY PROFILE

# Ching Feng Group Profile

1

Company profile

Headquarter : Changhua, Taiwan

Established: 1977

Chairman: Mr. Jimmy Hsu

Total Group Employees : 1,790

Total Taiwan Employees : 500

Sales in 2019H1: NT\$ 2.7 billion

Common Wealth Magazine's top 2000

Manufacturing Rankings:

In 2016, 645

In 2017, 588

In 2018, 577



# Group Product Introduction



Cellular Shade



Roman Shade



Pleated Shade



Aluminum Blind



Faux Wood Blind



Coral Blanket



Flannel Blanket



Plastic Bag

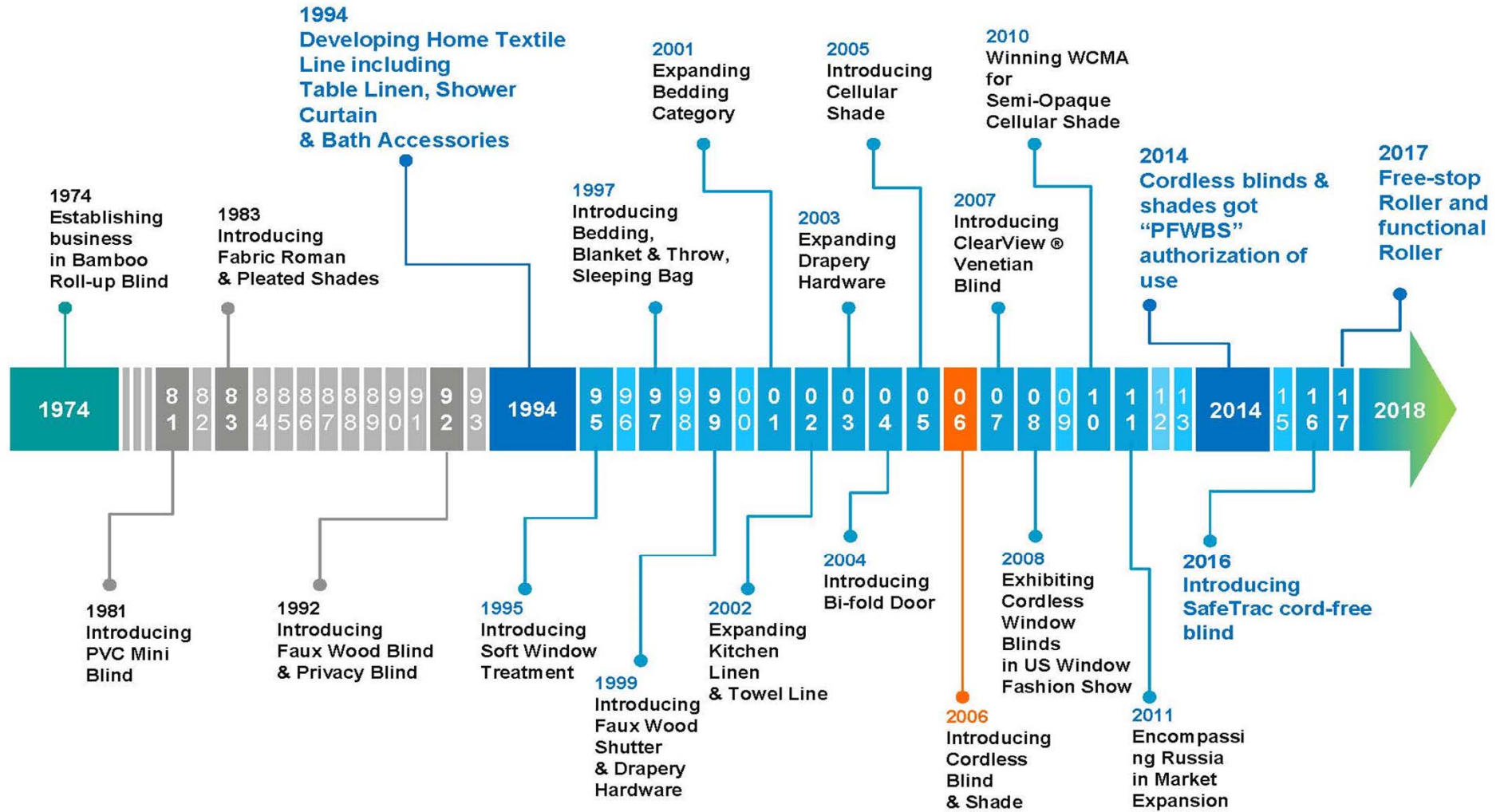
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Company profile

# PRODUCT DEVELOPMENT HISTORY

1

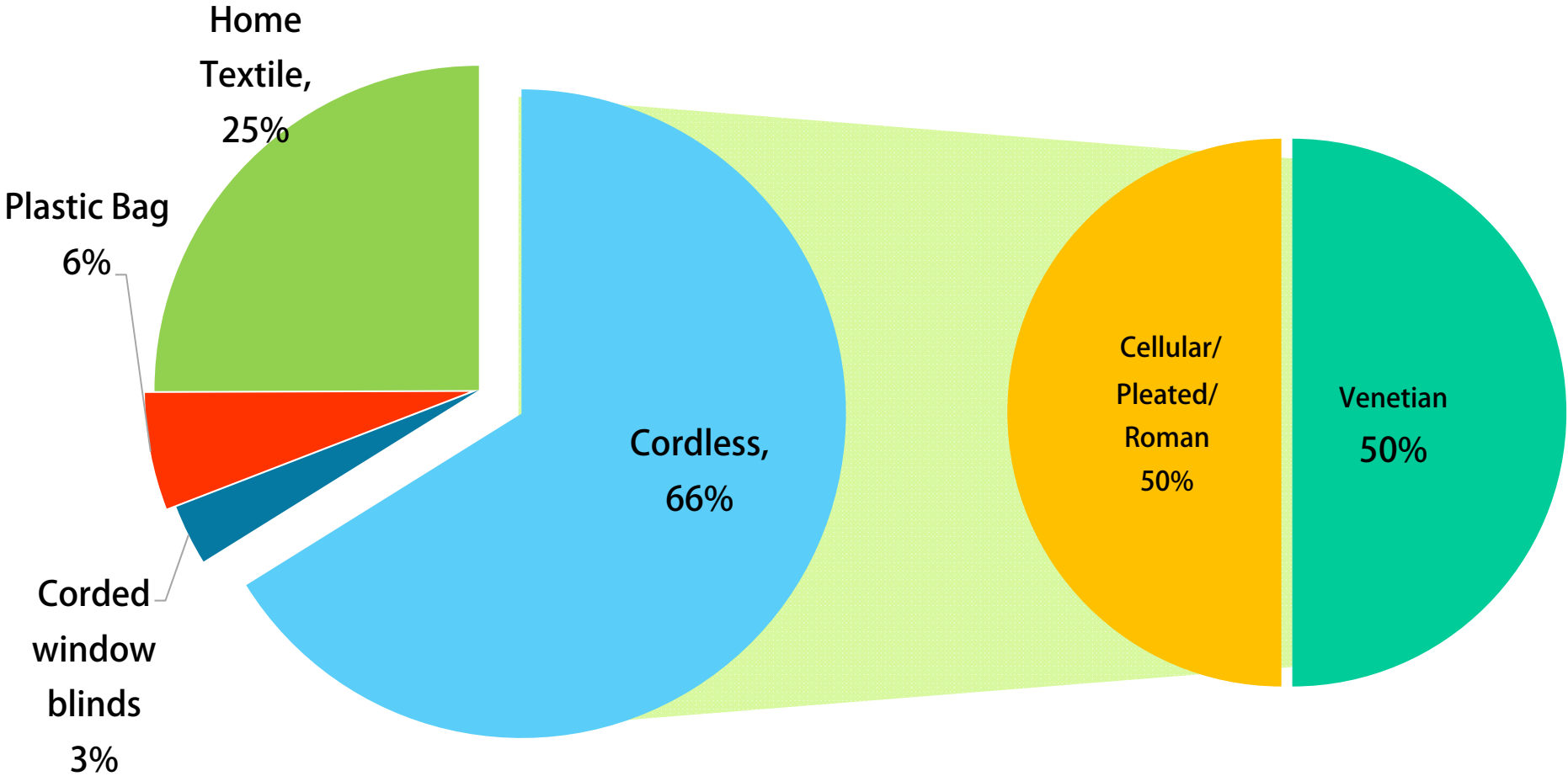
Company profile



# CATEGORY CHART

1

Company profile





# INTERNATIONAL CERTIFICATION

Ching Feng codeless Blinds Items were Approved by below International Certification and Quality Management Standard0

ISO 9001 : 2015



UL & VOC



WCMA & PFWBS



# MAIN CUSTOMER

1

Company profile



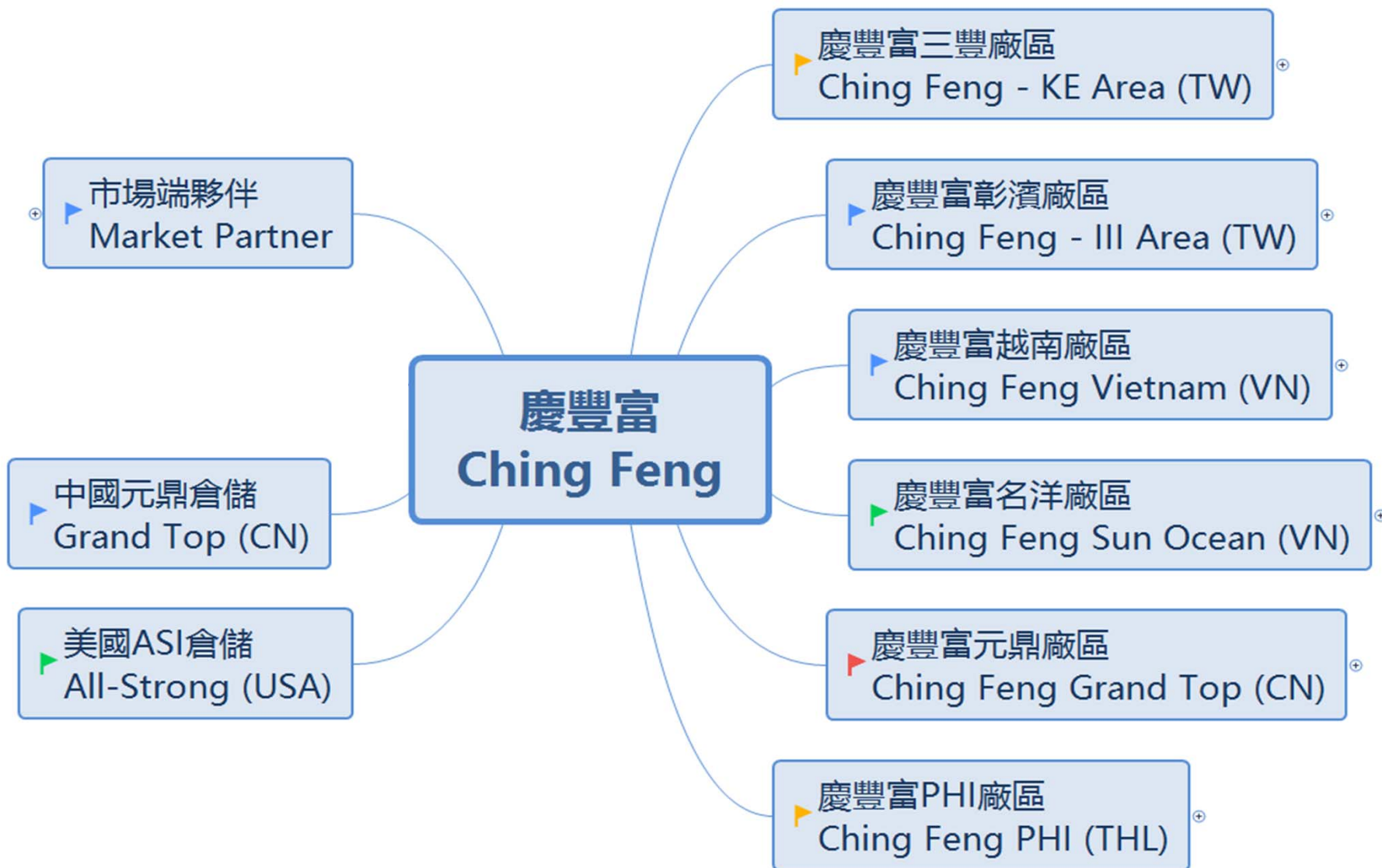


## 2 | FACTORY DISTRIBUTION

# Manufactory

2

Factory distribution



## Total amount of investment plan of Ching Feng -III Factory (Taiwan)

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Total Planned Investment: NT \$1,143,343 Thousand Dollar

1. Land Purchase : NT \$223,343 Thousand Dollar
2. New Factory Building : NT \$ 620,000 Thousand Dollar
3. Purchase of Machinery and Equipment : NT \$120,000 Thousand Dollar
4. Working Capital : NT \$ 180,000 Thousand Dollar

# CF-III Factory Factory

Taiwan



- Land Area : About 19,834.8 m<sup>2</sup>
- Building Area :Aabout 36,669.6 m<sup>2</sup>



# Progress Chart of CF-III Factory

1. The Steel Structure Has Been Completely Girded
2. Roof and Ground Construction is Completed
3. Construction of External Wall Elevation
4. The Overall Construction Progress is About 70%



# CFVN Factory

PROTRADE INTERNATIONAL TECH PARK  
20 SEPTEMBER 2018



- Land Area : About 50,000.225 m<sup>2</sup>
- Building Area : About 29,752.2 m<sup>2</sup>
- The Project Progress Is About 25-30%



**Vietnam**





## 3 | FINANCIAL STATUS

# ANALYSIS OF INCOME STATEMENT AND PROFITABILITY IN RECENT YEARS

UNIT : 1000 TWD

ITEM \ YEAR	2015	2016	2017	2018	2019 H1	YoY(%)			
						2016	2017	2018	2019H1
Operating Revenue	3,273,766	3,507,707	4,111,594	4,454,578	2,700,544	7.1%	17.2%	8.3%	32.5%
Gross Profit margin	537,159	630,072	835,091	819,768	518,148	17.3%	32.5%	-1.8%	34.4%
Operating Expenses	455,949	507,942	580,801	514,415	300,213	11.4%	14.3%	-11.4%	30.4%
Operating Income	81,210	122,130	254,290	305,353	217,935	50.4%	108.2%	20.1%	40.3%
Net Non-Operating Income	-9,615	-30,820	-22,179	-28,547	-25,150	220.5%	-28.0%	28.7%	-3848.1%
Pre-Tax Income	71,595	91,310	232,111	276,806	192,785	27.5%	154.2%	19.3%	23.6%
Net Income	70,070	63,553	194,149	225,780	153,825	-9.3%	205.5%	16.3%	34.1%
Earnings Per Share	0.5	0.42	1.26	1.43	0.91	-16.0%	200.0%	13.5%	21.3%
Profitability analysis									
Gross Profit Ratio	16.41%	17.96%	20.31%	18.40%	19.19%				
Operating Expense Ratio	13.93%	14.48%	14.12%	11%	11.12%				
Operating Profit Margin	2.48%	3.48%	6.18%	7.40%	8.07%				

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Financial status

# BALANCE SHEET

UNIT : 1000 TWD

YEAR ITEM	2015	2016	2017	2018	2019H1	YoY(%)			
						2016	2017	2018	2019 H1
Cash	220,713	250,578	279,732	393,057	434,635	13.5%	11.6%	40.5%	136.1%
A/R & N/R	460,924	652,171	1,005,124	1,147,953	1,351,830	41.5%	54.1%	14.2%	11.3%
Inventory	696,135	555,241	580,982	711,199	812,594	-20.2%	4.6%	22.4%	36.2%
Fixed Assets	849,561	821,057	1,019,123	1,150,111	1,461,657	-3.4%	24.1%	12.9%	41.1%
<b>Total Assets</b>	<b>3,512,415</b>	<b>3,421,736</b>	<b>3,957,442</b>	<b>4,480,118</b>	<b>5,419,809</b>	-2.6%	15.7%	13.2%	33.6%
Bank loan	1,519,120	1,521,377	1,687,179	1,693,496	2,006,819	0.1%	10.9%	0.4%	18.2%
A/P & N/P	640,602	569,720	948,479	950,746	1,257,356	-11.1%	66.5%	0.2%	68.7%
<b>Total liabilities</b>	<b>2,422,584</b>	<b>2,288,885</b>	<b>2,691,176</b>	<b>2,684,788</b>	<b>3,436,369</b>	-5.5%	17.6%	-0.2%	30.5%
<b>Total Equity</b>	<b>1,089,831</b>	<b>1,132,851</b>	<b>1,266,266</b>	<b>1,795,330</b>	<b>1,983,440</b>	3.9%	11.8%	41.8%	39.3%

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Financial status

# FINANCIAL RATIOS

年度/季度	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2
Net Income (1000 NTD)	63,560	52,997	29,513	85,186	64,028	47,053	57,968	95,857
Receivables Turnover (TIMES)	1.21	0.96	0.86	1.15	1.06	1.03	0.92	1.23
Average Collection Days (DAY)	74.38	93.75	104.65	78.26	84.91	87.38	97.83	73.17
Average Inventory Turnover (TIMES)	1.75	1.38	1.08	1.66	1.58	1.37	1.17	1.62
Average Inventory Turnover (DAY)	51.43	65.22	83.33	54.22	56.96	65.69	76.92	55.56
ROA (%)	0.33	0.26	0.21	0.31	0.3	0.27	0.24	0.31
ROE (%)	5.31	4.25	2.31	6.27	4.04	2.66	3.16	4.97
OCF Ratio	6.78	4.4	-9.42	-1.1	12.21	-2.55	4	8.04
Accounts Receivable Turnover Ratio	4.38	2.71	-5.64	-0.68	8.91	-1.67	2.5	5.16
Operating Cash Flow To After-Tax Net Interest Ratio	169.36	137.85	-498.35	-21.15	355.06	-95.31	129.45	185.15

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Financial status

# OPERATION ANALYSIS

2019 H1 EPS 0.91TWD · 2018 EPS 0.75 TWD/ **21.3%** ↑



Product  
Optimization

Value Chain  
Value Up



Costs Down

Profit Up



2019 H1  
**EPS 0.91** TWD

H2 Customers  
Pull-in Season

3

Financial status



# 4 | OPERATIONAL PLANNING

# OPERATIONAL PLANNING

## Ching Feng 3-Year Business Plan (2018-2020)

Data Management - Continuous Improvement - Innovative Thinking - Enjoy Life

YEAR		2018	2019	2020
ITEM				
Sales Estimate	Business Type	Curtain :60%	Curtain :69%	Curtain :71%
		Home Textiles :30%	Home Textiles :25%	Home Textiles :24%
		Others :10%	Others :6%	Others :5%
	Product Category	Corded :Ccordless=85:15 Customization:8%	Corded : Cordless=96:4 Customization:9.1%	Corded : Cordless= 96:4 Customization:12%
	Region	America:63% Europe:25% Asia:12%	America:61% Europe:26% Asia:13%	America:57% Europe:28% Asia:15%

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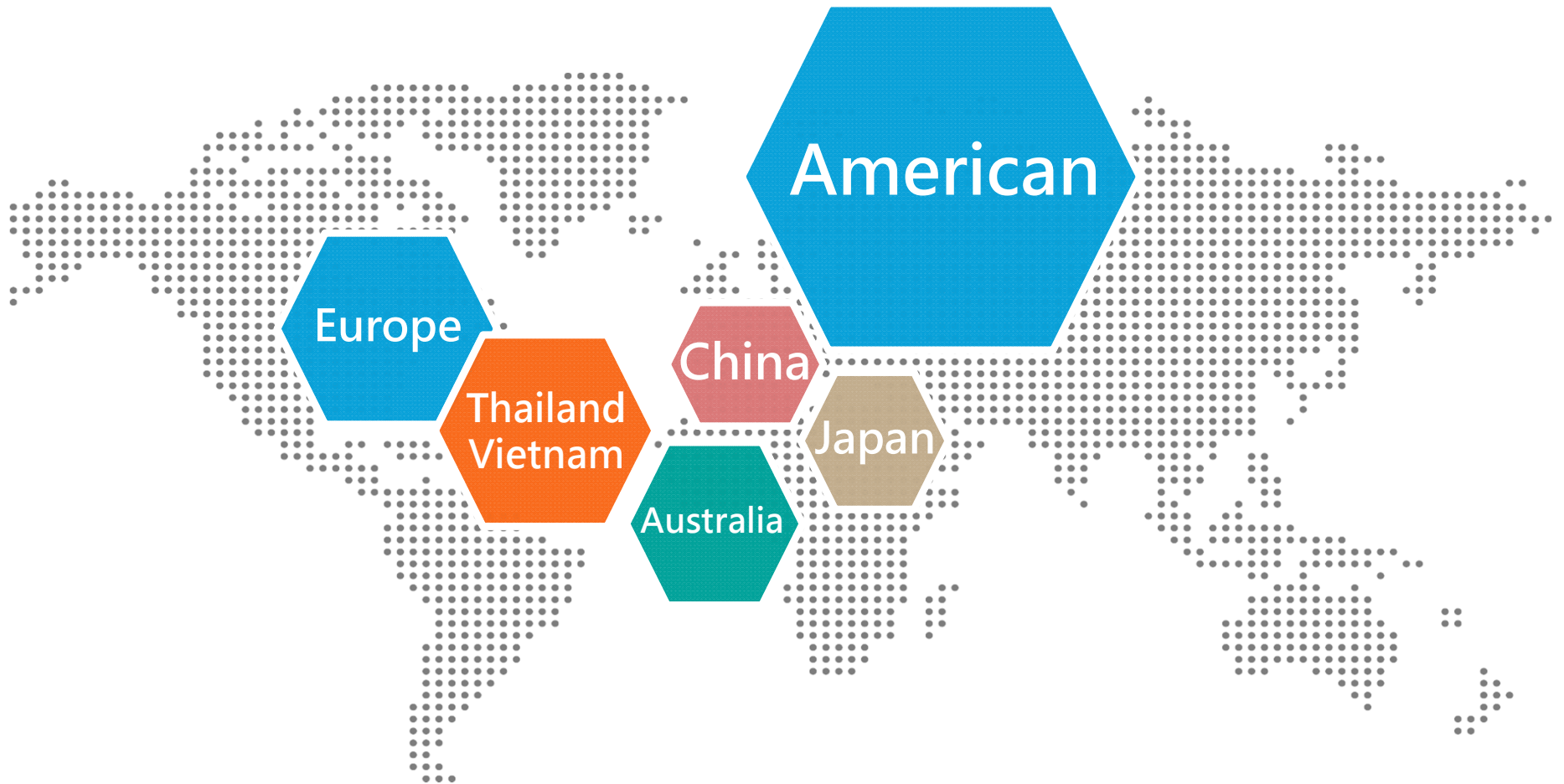
Operational planning

# TARGET MARKET

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Operational planning





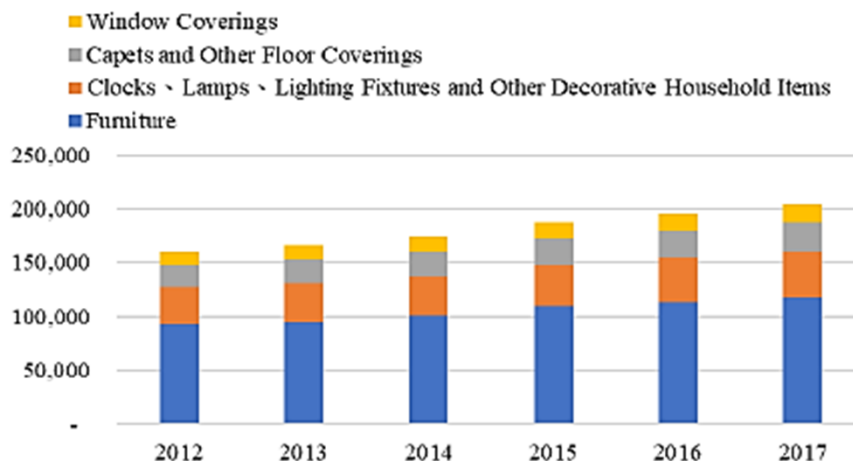


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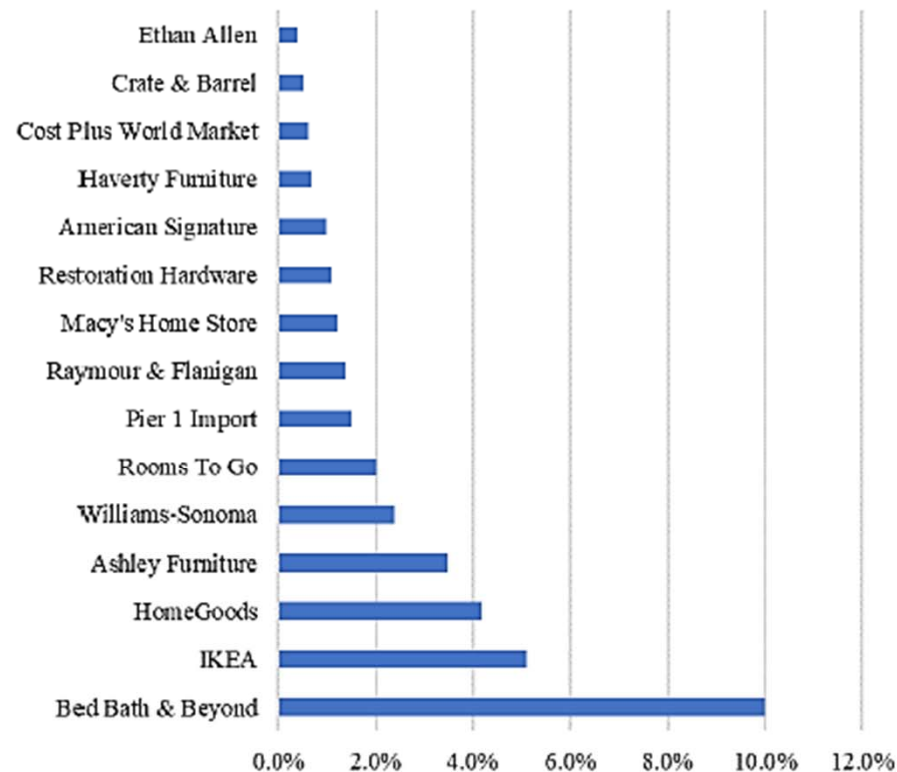
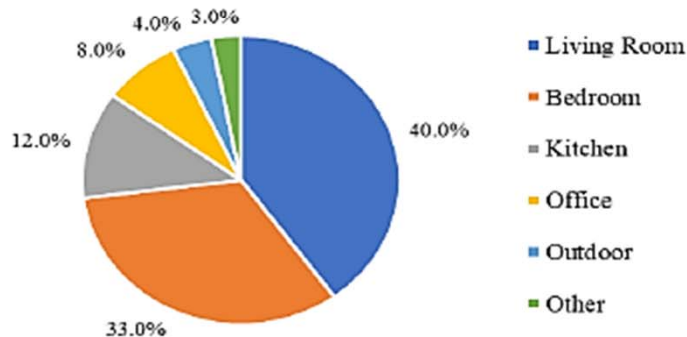
## COMPETITIVE ADVANTAGE AND FUTURE OUTLOOK

# AMERICAN FURNITURE AND HOME DECORATION MARKET TRENDS, CURTAIN GROWTH PEAK

In The U.S. Furniture And Home Decoration Market, The Sales Volume In 2017 Was About \$204.866 Billion, And The GAGR From 2012 To 2017 Was About 5.0%, The Curtain GAGR 6.3% And Carpet GAGR Increased By 6.2% Annually



美國各類型家具銷售佔比






Source :Furniture Today.

# US HOUSING PRICES. AGE AND FAMILY COMBINATION

5

Competitive advantage and future outlook

	Household Formation	Home Price Appreciation	Housing Turnover	Age of Housing Stock
				
Impact on HI Spend	Increases Demand	Supports Incremental Investments	Drives Spending Both Pre And Post Sale	Demands Ongoing Repairs And Major Repairs
Recent Impact	+	++	++	+
Forward View	Acceleration	Continued Appreciation	Stays At Current Rate	Per Unit Spend Increases
Expected Future Impact	++	++	=	++



Source :Home Depot

# U.S. MARKET TRENDS

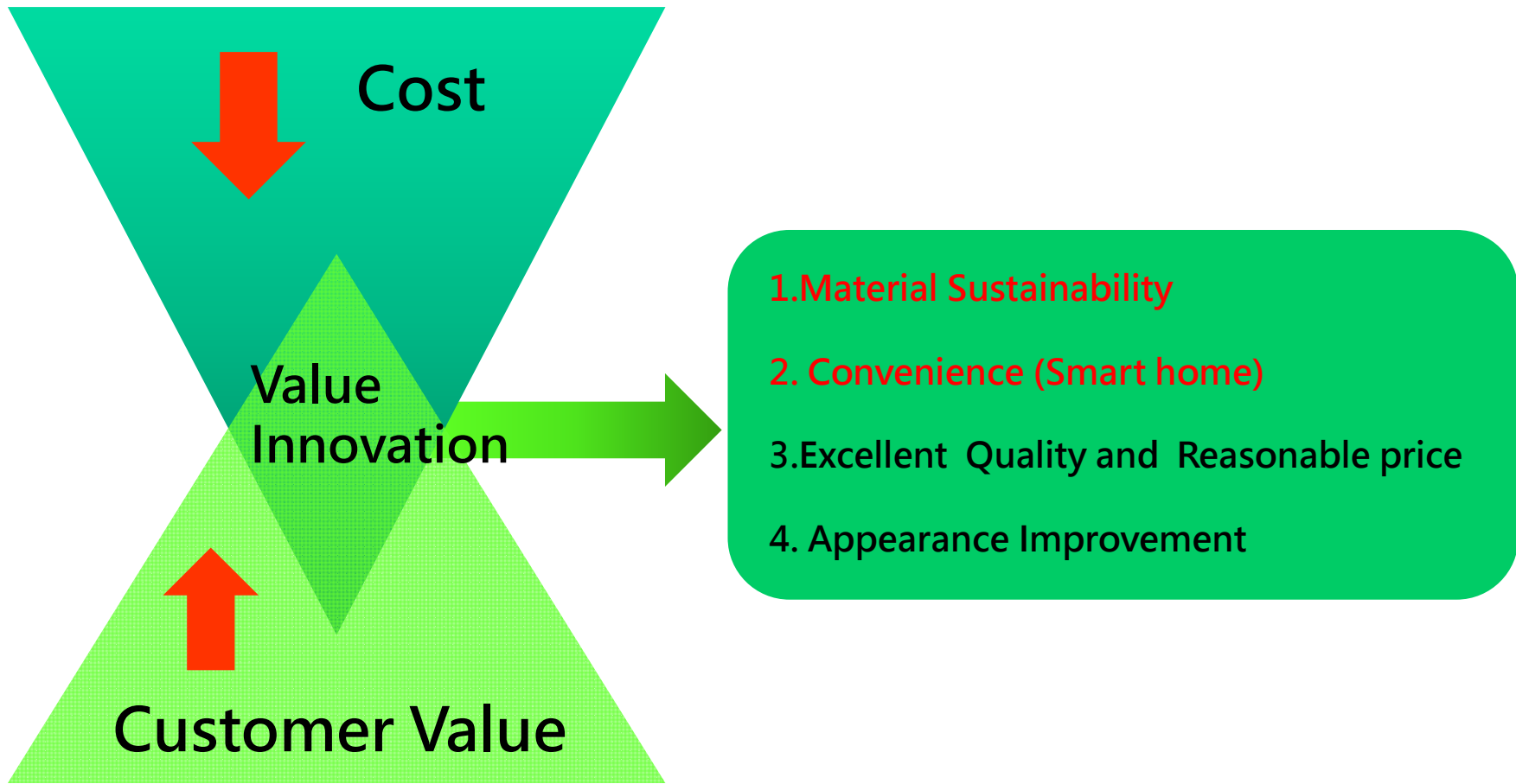
Items	2017 (Millions)	2018 (Millions)	Annual % Change	2023 (Millions)	Average Annual Growth Rate %
★ 1" Venetian Blinds	\$730	\$745	1.4%	\$775	0.8%
Vertical Blinds	\$925	\$970	2.1%	\$1,050	1.5%
★ Cellular, Pleated & Roman Shade	\$945	\$990	5.3%	\$1,160	3.2%
★ Wood & Faux Wood Blind	\$825	\$980	7.7%	\$1,250	5.0%
★ Roller Blinds	\$300	\$355	9.2%	\$435	4.1%
Curtains	\$1,375	\$1,595	6.3%	\$1,975	4.4%
Total (\$ Millions)	\$5,100	\$5,640	5.1%	\$6,645	3.3%

Source :IBIS

# PRODUCTS FROM COST REDUCTION TO HIGH ADDED VALUE

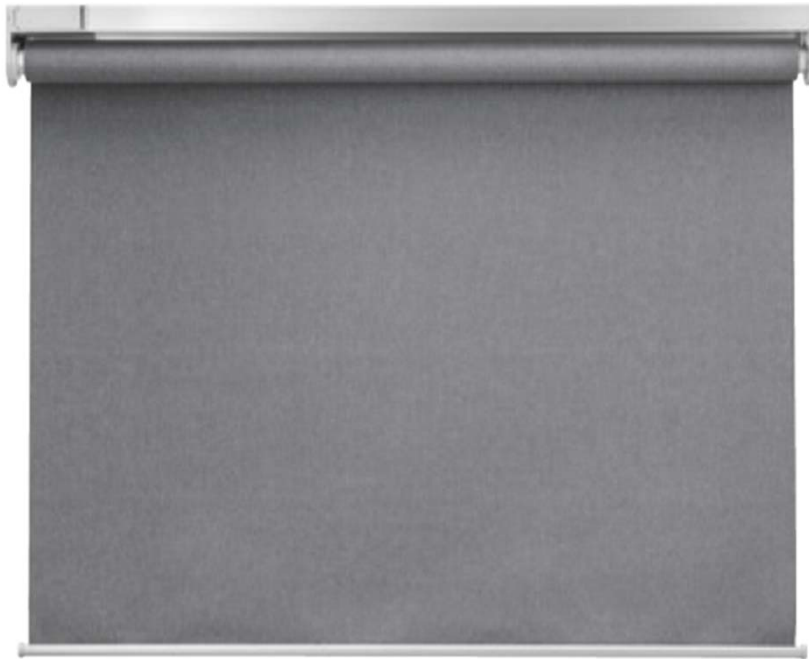
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Competitive advantage and future outlook



# SMART HOME – FABRIC LAUNCHED

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**Blockout Fabric**



**Sheer Fabric**

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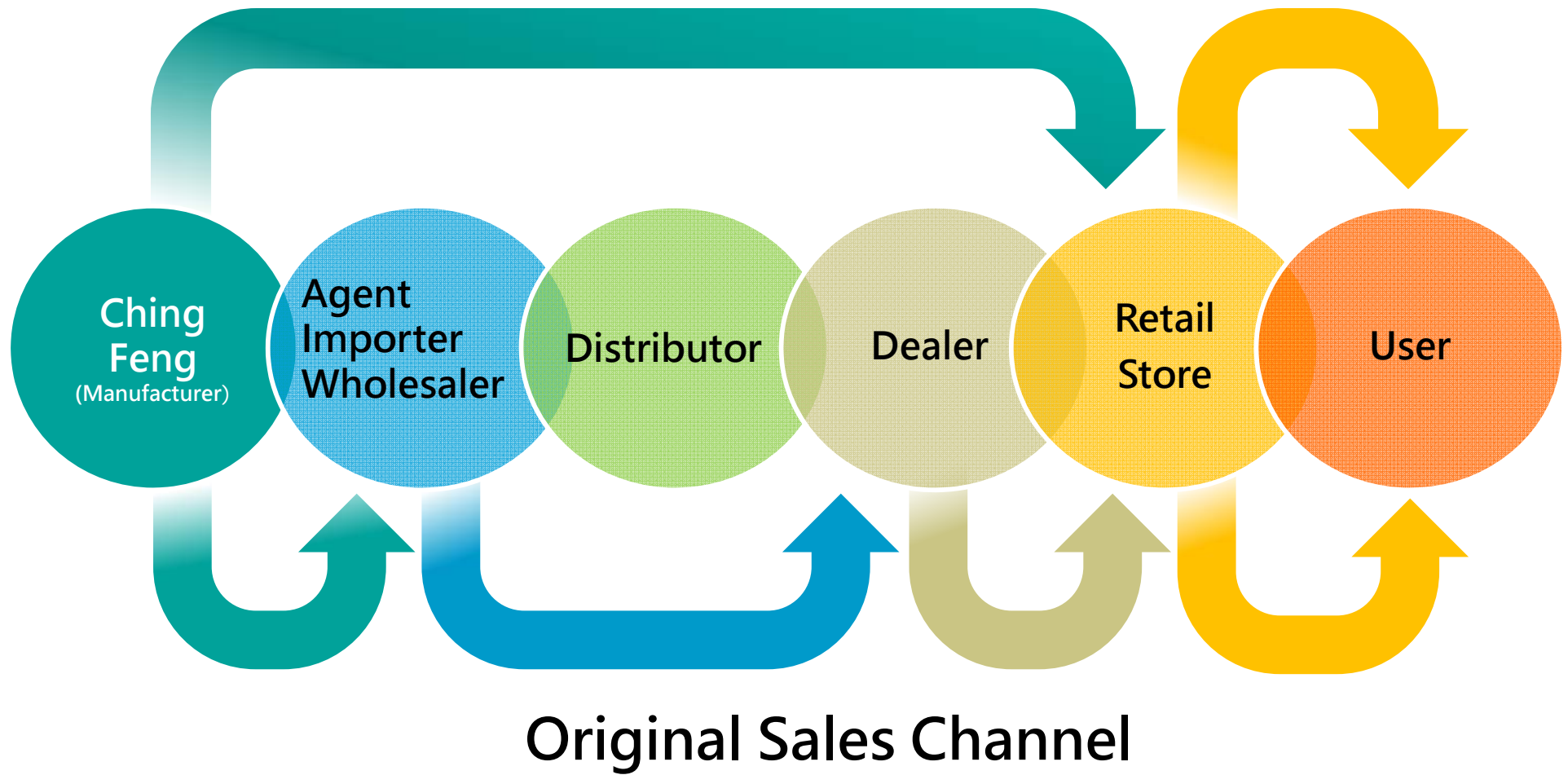
Competitive advantage and future outlook

# VALUE CHAIN MANAGEMENT

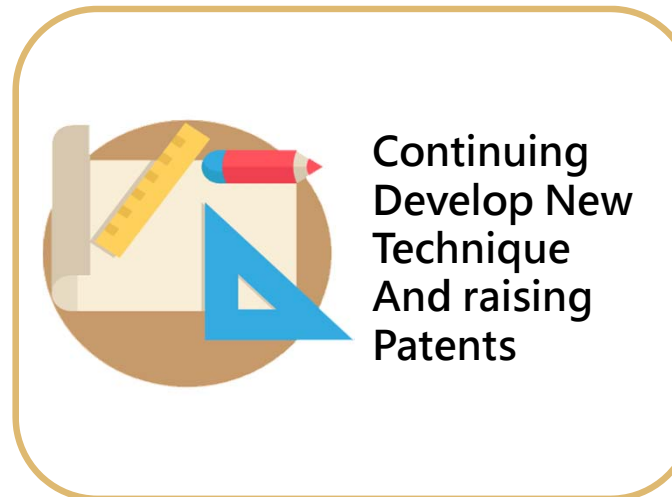
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Competitive advantage and future outlook

Higher Gross Margin By Shorten The Channels



# COMPETITIVE ADVANTAGE AND FUTURE OUTLOOK







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