



慶豐富集團

**CHING FENG**  
**HOME FASHIONS**

SINCE 1977

institutional investors  
conference  
2018



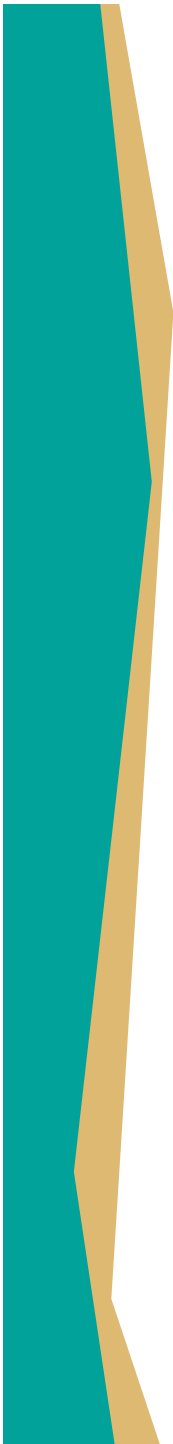
# Disclaimer

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# 1 | COMPANY PROFILE

# Ching Feng Group Profile

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1

Company profile

Headquarter : Changhua, Taiwan

**Established:** 1977

**Chairman:** Mr. Jimmy Hsu

Total Group Employees : 1,500

Total Taiwan Employees : 435

Annual Sales in 2017: NT\$4.1 billion



# Group product introduction

1

Company profile



Cellular Shade



Roman Shade



Pleated shade



Aluminum Blind



Faux Wood Blind



Coral blanket



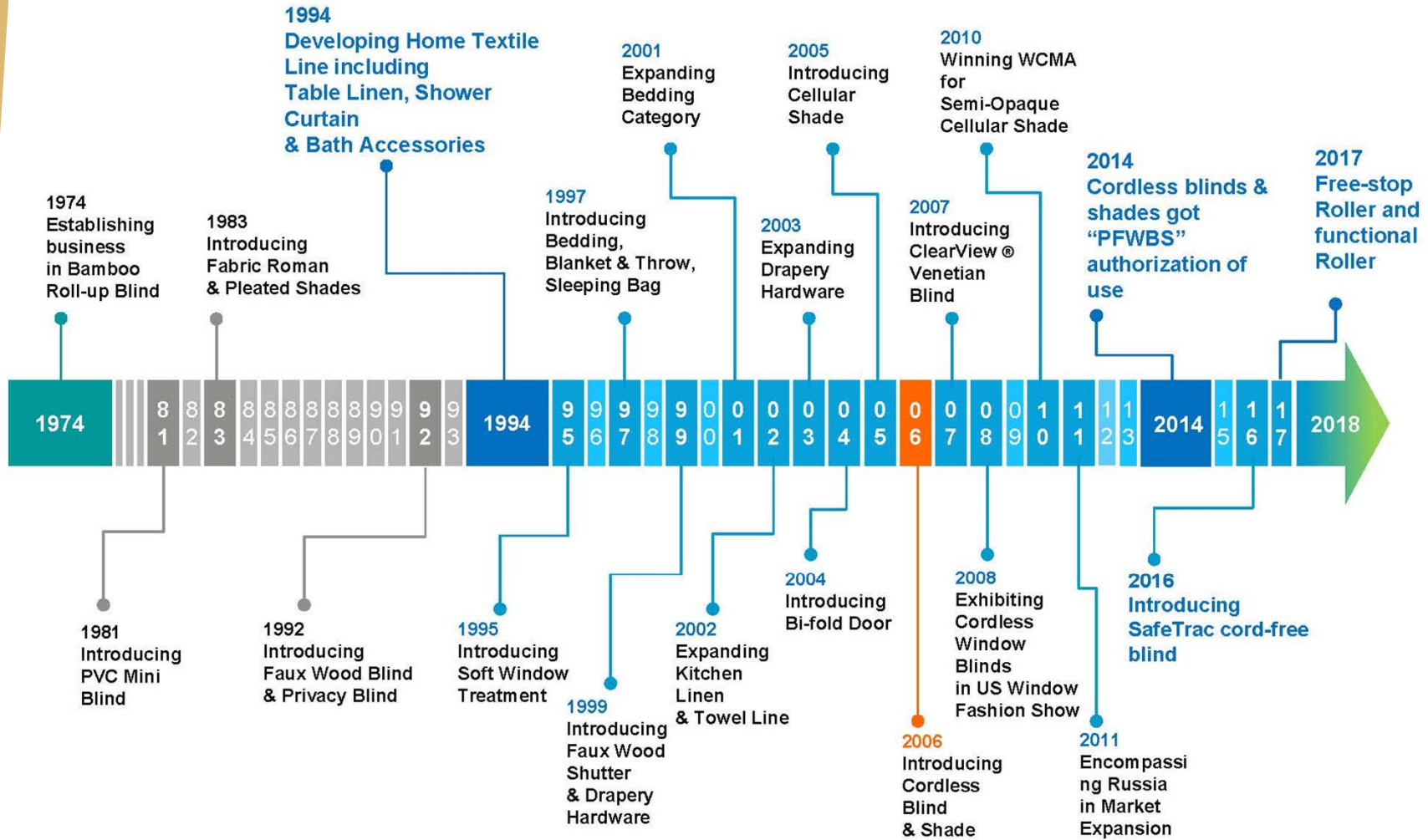
Flannel blanket



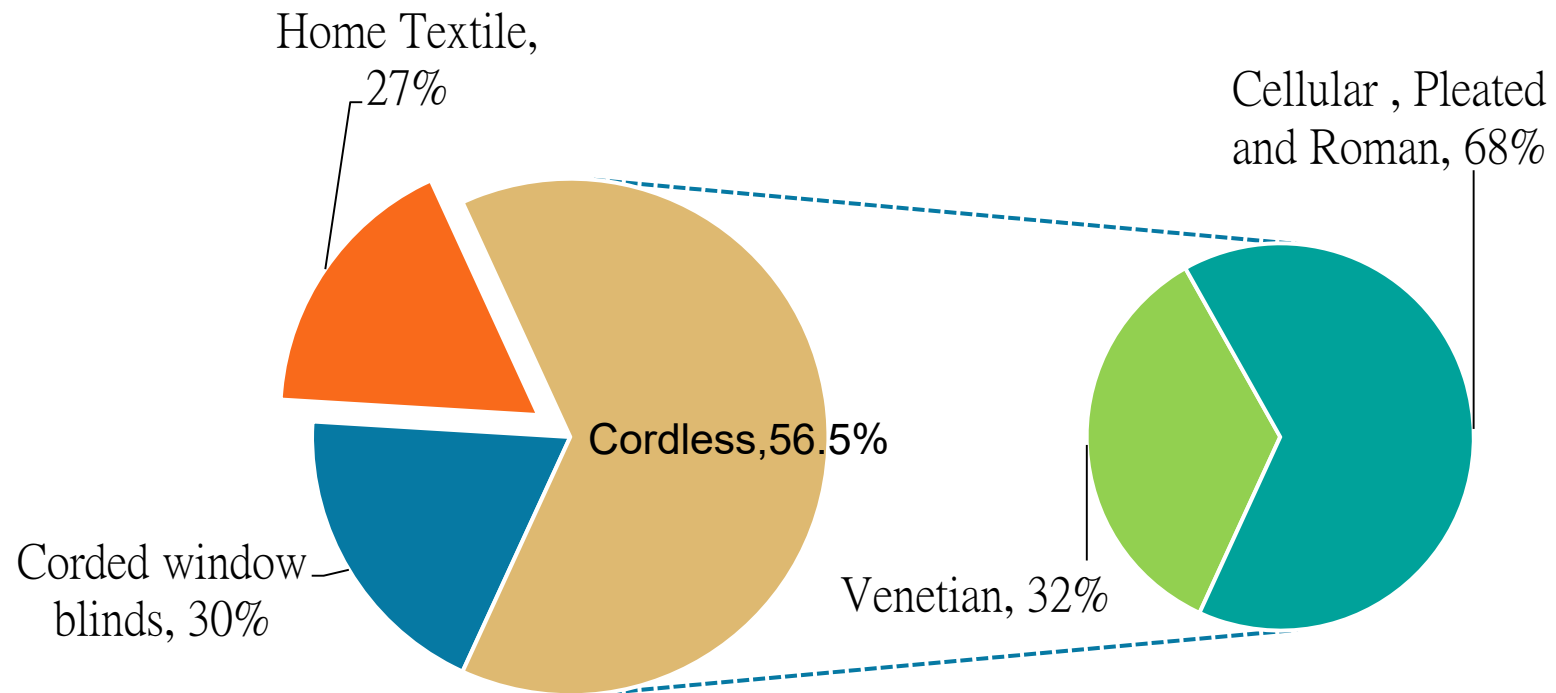
plastic bag

# PRODUCT DEVELOPMENT HISTORY

## 1 Company profile



# CATEGORY CHART



- Corded window blinds
- Venetian

- Home Textile
- Cellular, Pleated and Roman

# INTERNATIONAL CERTIFICATION

1

Company profile

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

ISO 9001 : 2015



UL & VOC



WCMA & PFWBS





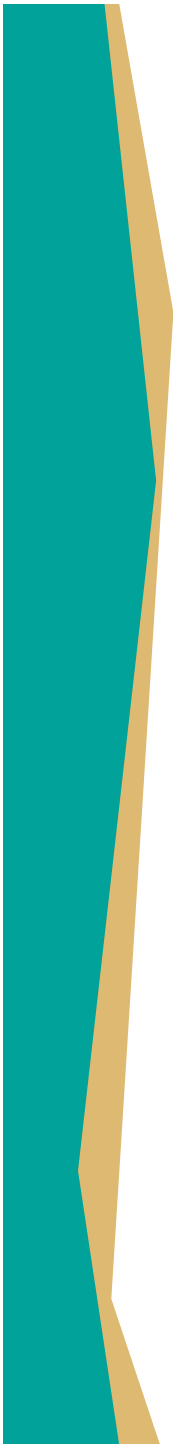
# MAIN CUSTOMER

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1

Company profile



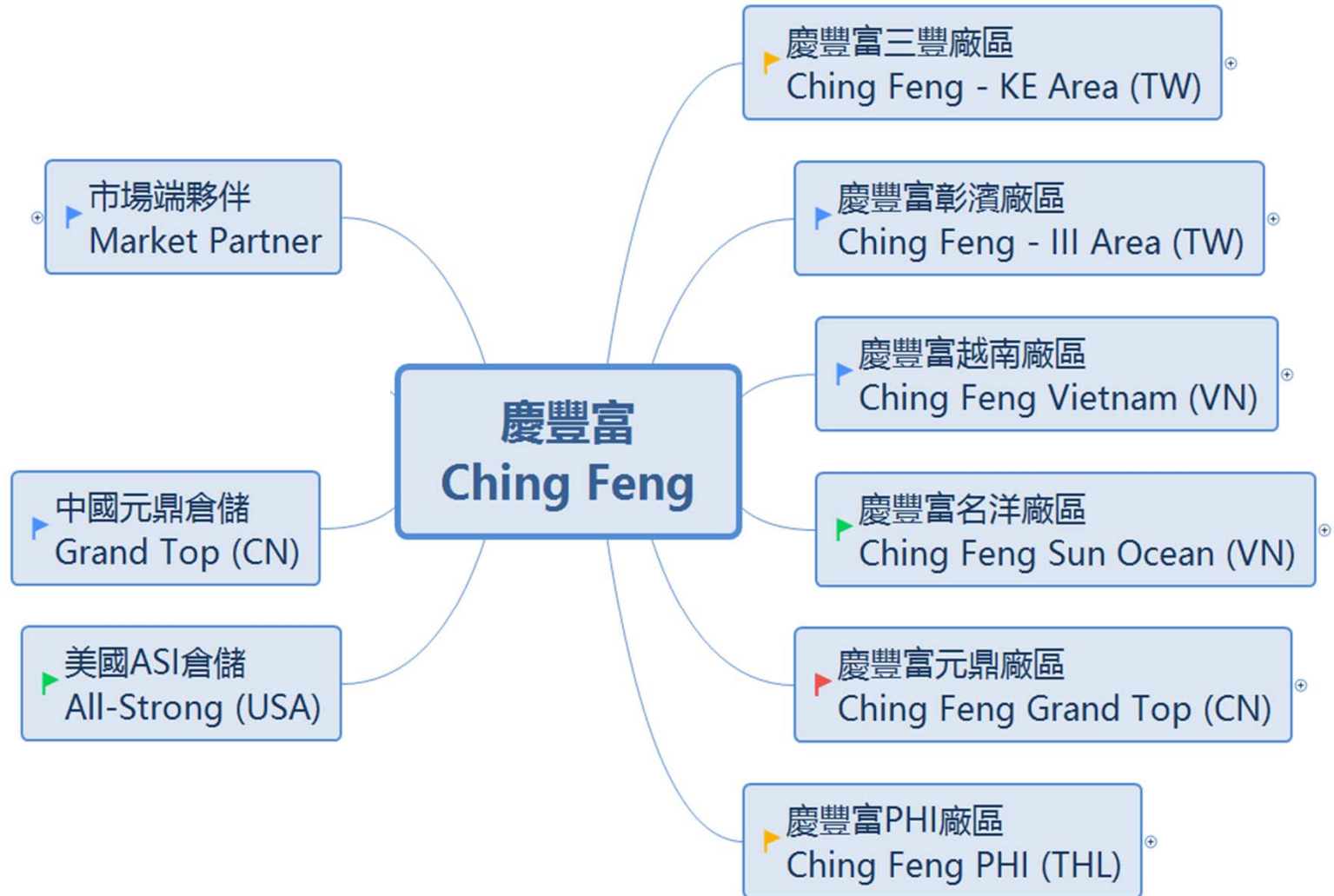


2 | FACTORY DISTRIBUTION

# Manufactory

2

Factory distribution



# CFTW Factory

2 Factory distribution



Taiwan

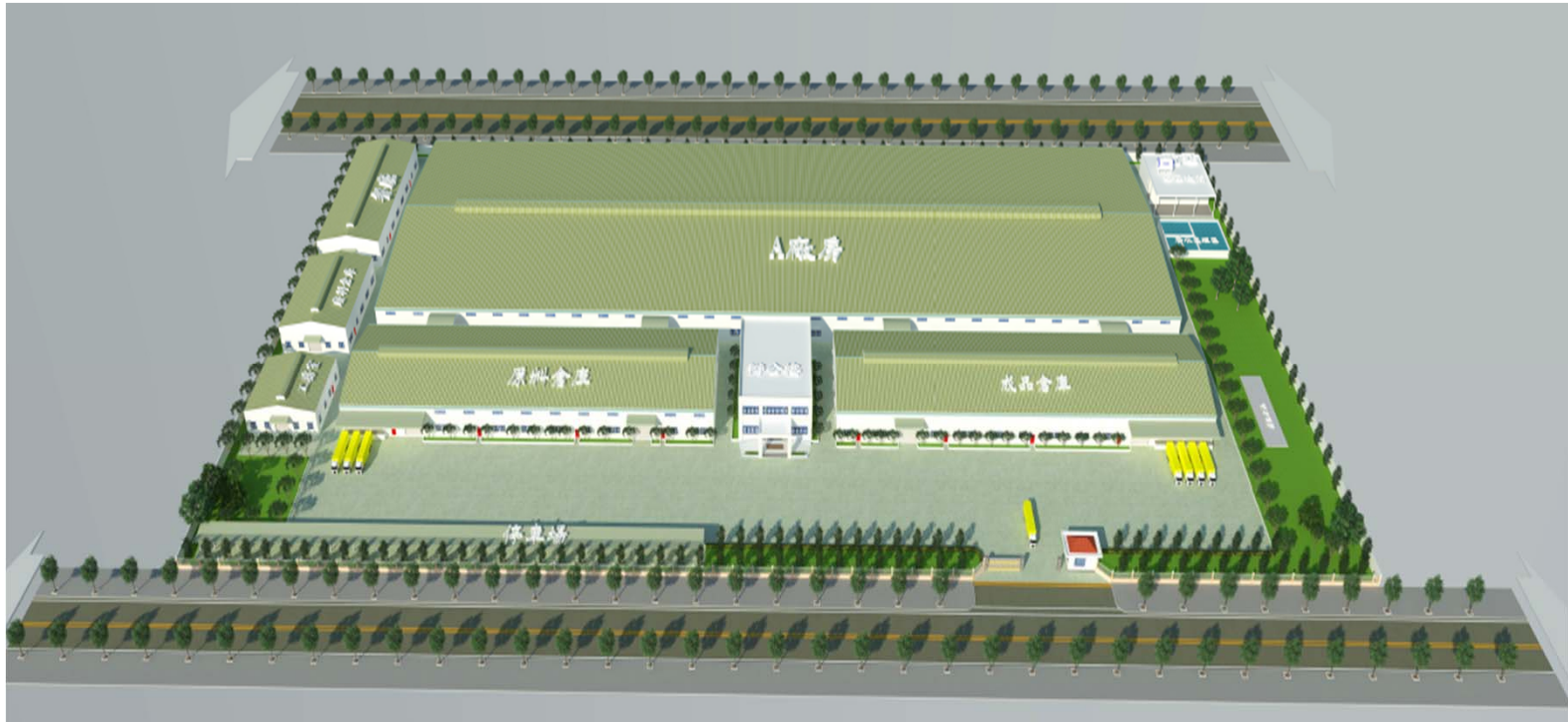


# CFVN Factory

PROTRADE INTERNATIONAL TECH PARK  
20 SEPTEMBER 2018



**Vietnam**



2

Factory distribution



3

## FINANCIAL STATUS

# FINANCIAL STATUS

UNIT : 1000 TWD ; EPS : 1 TWD

3

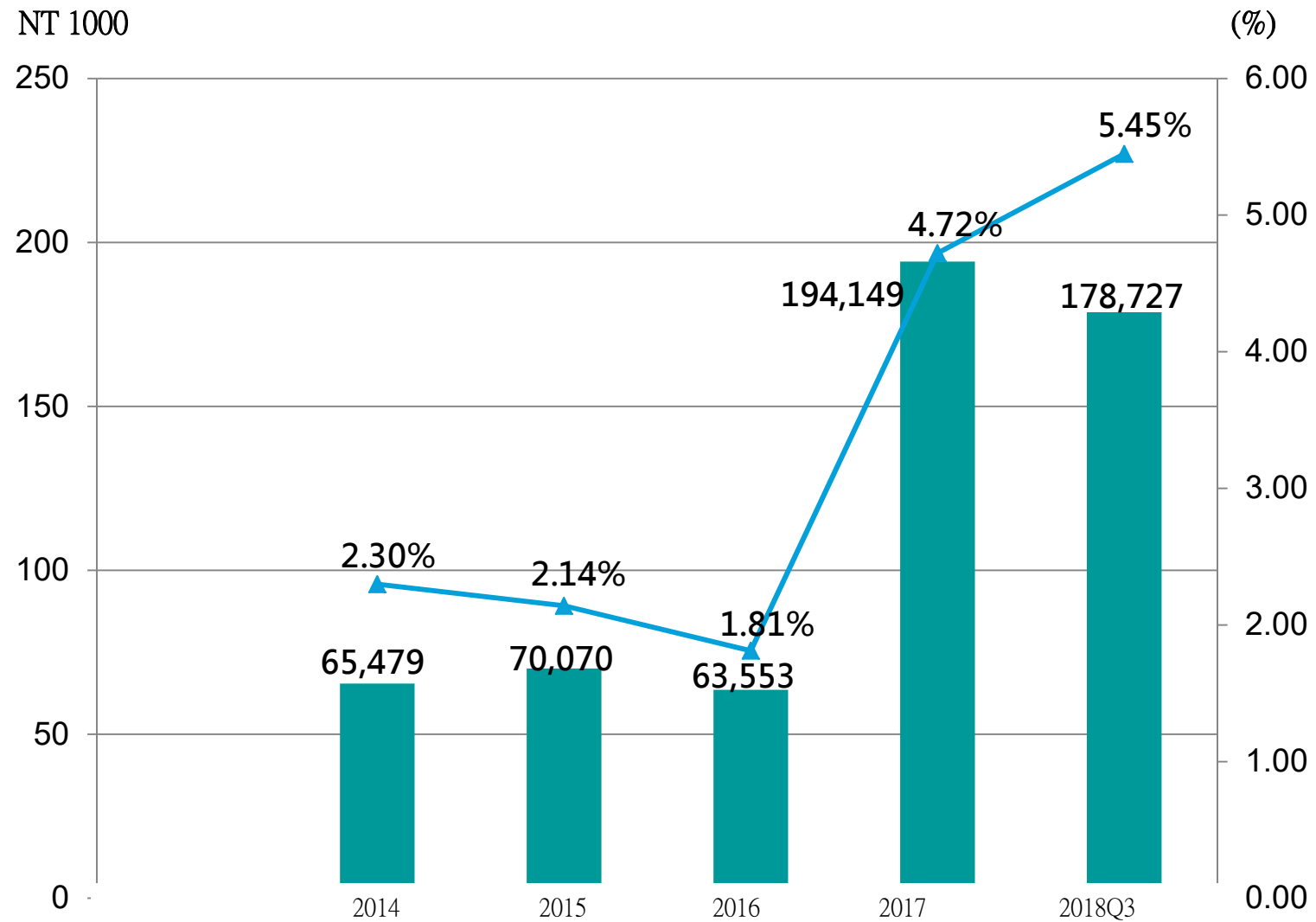
Financial status

ITEM \ YEAR	The last five years financial reporting				2018Q3
	2014	2015	2016	2017	
Operating Revenue	2,848,502	3,273,766	3,507,707	4,111,594	3,280,529
gross profit margin	302,169	537,159	630,072	835,091	608,637
Operating expenses	474,353	455,949	507,942	580,801	371,312
Operating income	-172,184	81,210	122,130	254,290	237,325
Net Non-operating Income	251,126	-9,615	-30,820	-22,179	-16,932
Pre-Tax Income	78,942	71,595	91,310	232,111	220,293
Net Income	65,479	70,070	63,553	194,149	178,727
Earnings Per Share	0.5	0.5	0.42	1.26	1.16
EBITDA	279,130	265,323	275,751	418,780	344,981
<b>profitability analysis</b>					
gross profit ratio	10.61%	16.41%	17.96%	20.31%	18.6%
Operating Expense Ratio	16.65%	13.93%	14.48%	14.12%	11.3%
EBITDA(%)	9.80%	8.10%	7.86%	10.19%	10.5%
Operating Profit Margin	-6.04%	2.48%	3.48%	6.18%	7.2%

# NET AFTER-TAX PROFITS AND INTEREST RATES HAVE MAINTAINED GROWTH IN RECENT YEARS



Financial status





# BALANCE SHEET

UNIT : 1000NTD ;  
Earnings per share : 1NTD

Items	2016		2017		2018 Q3	
	Amount	%	Amount	%	Amount	%
cash & cash equivalents	\$ 250,578	7	\$ 279,732	7	\$ 337,659	8
Net receivables	652,171	19	986,975	25	1,123,813	26
Other receivables	33,357	1	18,149	-	17,150	-
inventory	555,241	16	580,982	15	694,719	16
Other Current Assets	100,729	3	224,277	5	225,994	7
<b>Total current assets</b>	<b>1,592,076</b>	<b>46</b>	<b>2,090,115</b>	<b>52</b>	<b>2,399,335</b>	<b>57</b>
Financial Assets Carried at Cost- Noncurrent	4,767	-	1,143	-	-	-
Property, Plant and Equipment	821,057	24	1,019,123	26	1,092,235	25
Intangible assets	316,058	9	255,958	6	233,857	5
Deferred tax assets	32,207	1	40,428	1	41,710	1
Prepayments For Business Facilities	90,753	3	100,193	3	88,953	2
Other non-current assets	564,818	17	450,357	12	443,370	10
<b>Total non-current assets</b>	<b>1,829,660</b>	<b>54</b>	<b>1,867,202</b>	<b>48</b>	<b>1,900,125</b>	<b>43</b>
<b>total assets</b>	<b>\$ 3,421,736</b>	<b>100</b>	<b>\$ 3,957,317</b>	<b>100</b>	<b>\$ 4,299,460</b>	<b>100</b>

3

Financial status

# BALANCE SHEET

UNIT : 1000NTD ;  
Earnings per share : 1NTD

Items	Year		2016		2017		2018 Q3	
	Amount	%	Amount	%	Amount	%		
short- term debt	\$ 592,255	17	\$ 657,772	17	\$ 724,797	17		
Bills payable & accounts payable	708,539	20	948,479	24	1,026,636	24		
Current tax	19,127	1	17,724	-	13,436	-		
Long-term liabilities due within one year or one business cycle	70,988	2	23,867	1	85,268	2		
Other current liabilities	9,506	-	12,319	-	11,600	-		
<b>Total current liabilities</b>	<b>1,400,415</b>	<b>40</b>	<b>1,660,161</b>	<b>42</b>	<b>1,861,737</b>	<b>43</b>		
Long term loan	858,134	25	1,005,540	25	664,670	15		
Other non-current liabilities	30,336	1	25,350	1	25,350	1		
<b>Total non-current liabilities</b>	<b>888,470</b>	<b>26</b>	<b>1,030,890</b>	<b>26</b>	<b>690,020</b>	<b>16</b>		
<b>Total Liabilities</b>	<b>2,288,885</b>	<b>66</b>	<b>2,691,051</b>	<b>68</b>	<b>2,551,757</b>	<b>59</b>		

3

Financial status

# BALANCE SHEET

UNIT : 1000NTD ;  
Earnings per share : 1NTD

Items \ Year	2016		2017		2018 Q3	
	Amount	%	Amount	%	Amount	%
CNIS						
Share capital	1,536,233	45	1,536,233	39	1,696,233	39
Capital reserve	272,087	8	272,087	7	112,000	3
Retaining surplus	(665,884)	(19)	(473,430)	(12)	(18,882)	-
Other rights	(11,776)	-	(68,644)	(2)	(41,648)	(1)
Total equity attributable to equity holders of the Company	1,130,660	34	1,266,246	32	1,747,703	41
Non-controlling Interests	2,191	-	20	-	-	-
Equity	1,132,851	34	1,266,266	32	1,747,703	41
<b>Total equity</b>	<b>\$ 3,421,736</b>	<b>100</b>	<b>\$ 3,957,317</b>	<b>100</b>	<b>\$ 4,299,460</b>	<b>100</b>

3

Financial status

# OPERATION ANALYSIS

2018 Q1-Q3 EPS 1.16TWD · 2017 EPS 0.92TWD/ 26%↑



Financial status



Product optimization  
value chain/value up



Costs down  
Profit up



2018 Q1-Q3  
EPS 1.16TWD

H2 customers'  
pull-in season



## 4 | OPERATIONAL PLANNING

# OPERATIONAL PLANNING

## Ching Feng 3-year business plan (2018-2020)

Data management - continuous improvement - innovative thinking - enjoy life

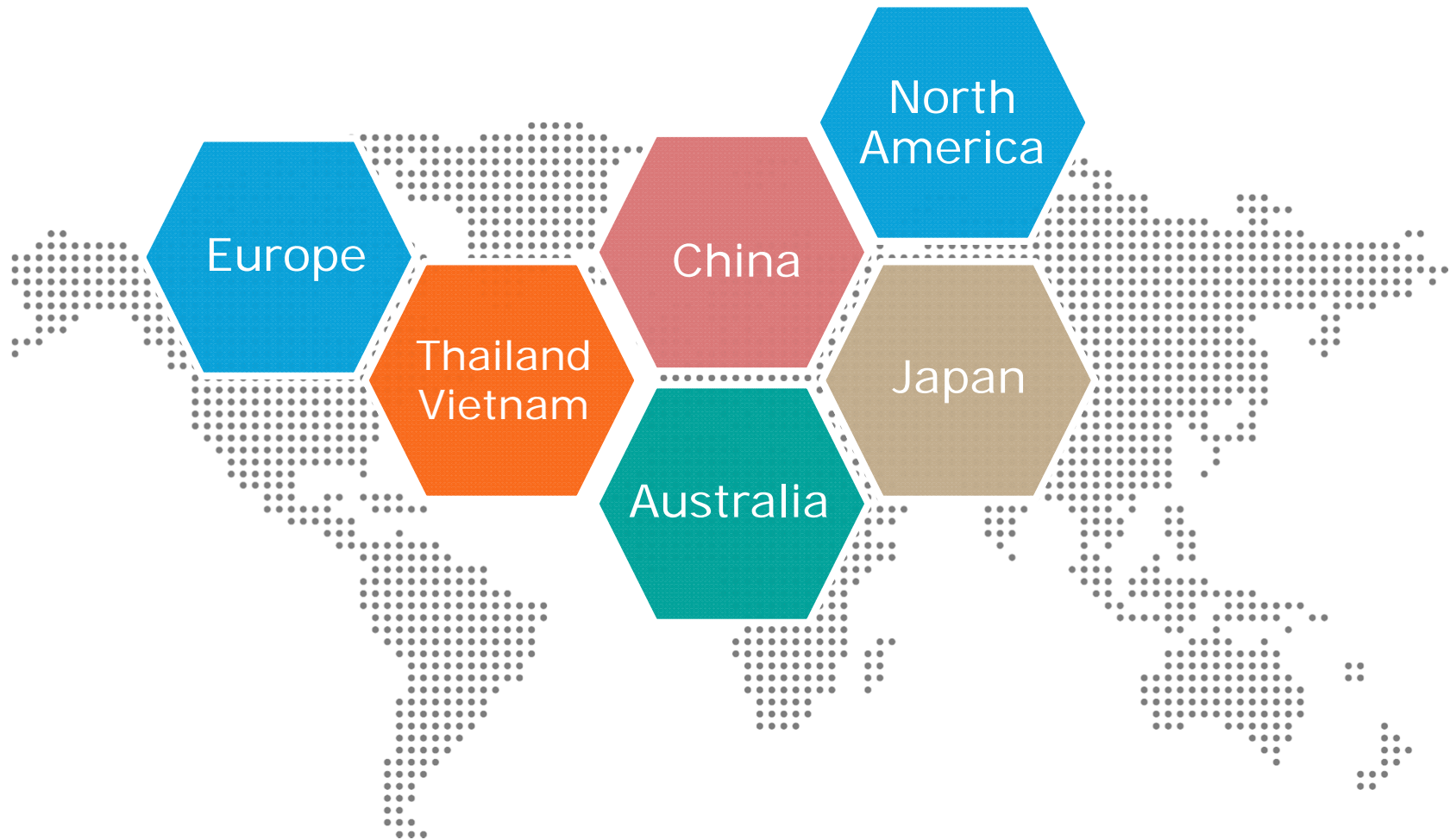
ITEM \ YEAR		2018	2019	2020
		sales estimate	Business type	Curtain :70%
Home textiles :24%	Home textiles :24%			Home textiles :24%
Others :6%	Others :5.5%			Others :5%
product category	corded : cordless=75:25 customization:8%		corded : cordless=90:10 customization:11%	corded : cordless= 92:8 customization:15%
region	America:63% Europe:25% Asia:12%		America:61% Europe:26% Asia:13%	America:57% Europe:28% Asia:15%

4

Operational planning

# TARGET MARKET

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# Expansion plan

UNIT: 10000USD

4

Operational planning

	TW Factory	NEW TW Factory (TW total plant capacity)	Vietnam Factory	NEW VN Factory (Including China factories)	Trade and investment
Turnover in 2017	5224	0	550	2571	5357
Maximum target turnover	5300	5000	2400	6600	7000
Maximum target turnover growth rate(%)	1.5%	-	336%	157%	31%
Factory completion date		2019Q3	2018Q4	Stage1 2019Q3  Stage2 2020	





5

COMPETITIVE ADVANTAGE AND  
FUTURE OUTLOOK

# U.S. MARKET TRENDS

5

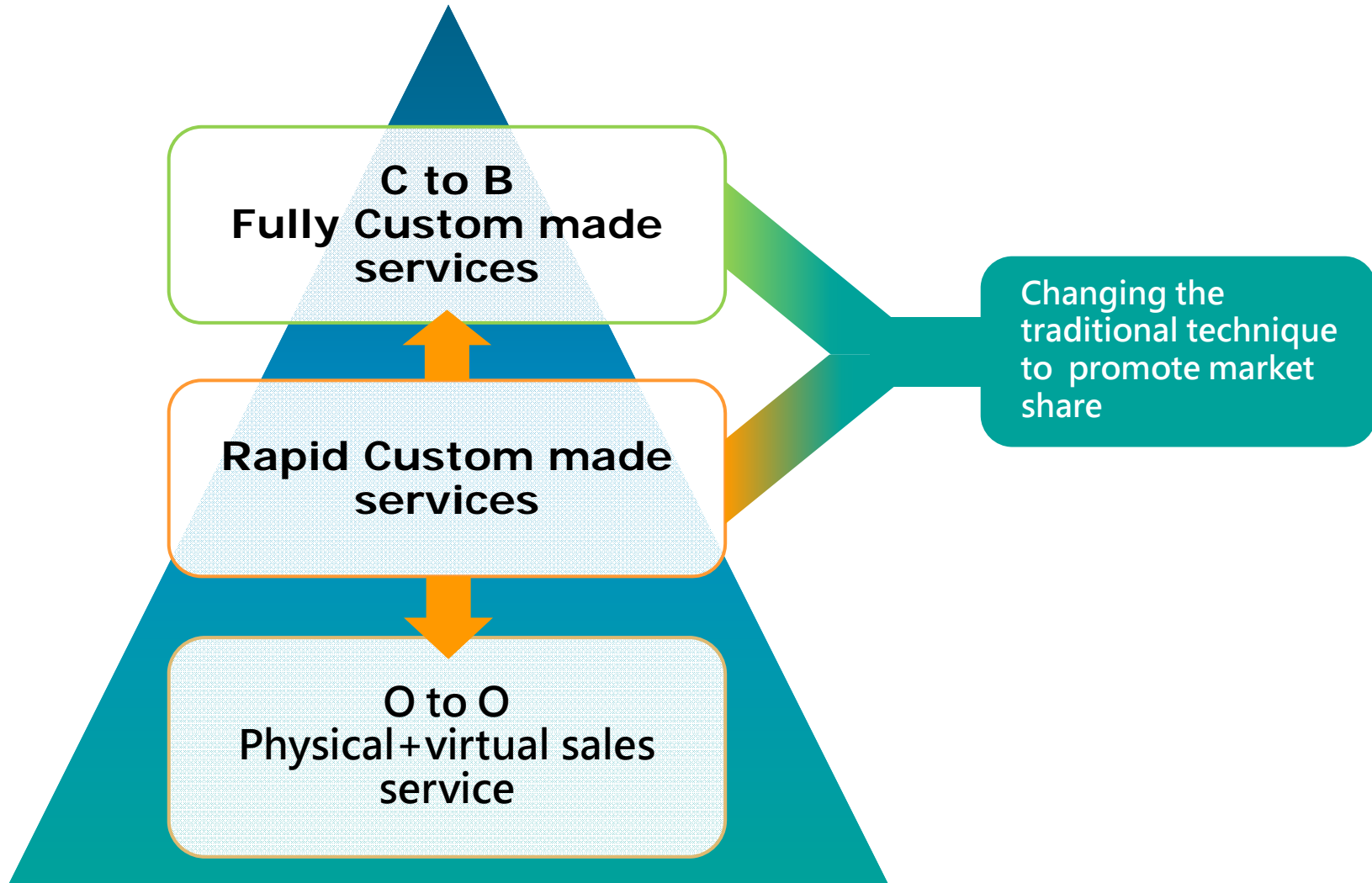
Competitive advantage and future outlook

Items	2016 (Millions)	2017 (Millions)	Annual % Change	2021 (Millions)	Average Annual Growth Rate %
★ 1" Venetian Blinds	\$725	\$730	0.7%	\$775	1.2%
Vertical Blinds	\$910	\$925	1.6%	\$1,000	1.6%
★ Cellular, Pleated & Roman Shade	\$920	\$945	2.7%	\$1,125	3.5%
★ Wood & Faux Wood Blind	\$790	\$825	4.4%	\$1,095	5.8%
★ Roller Blinds	\$290	\$300	3.4%	\$375	4.6%
Curtains	\$1,320	\$1,375	4.2%	\$1,850	6.1%
<b>Total (\$ Millions)</b>	<b>\$4,955</b>	<b>\$5,100</b>	<b>2.9%</b>	<b>\$6,220</b>	<b>4.1%</b>

# PRODUCT MARKETING MODEL

5

Competitive advantage and future outlook

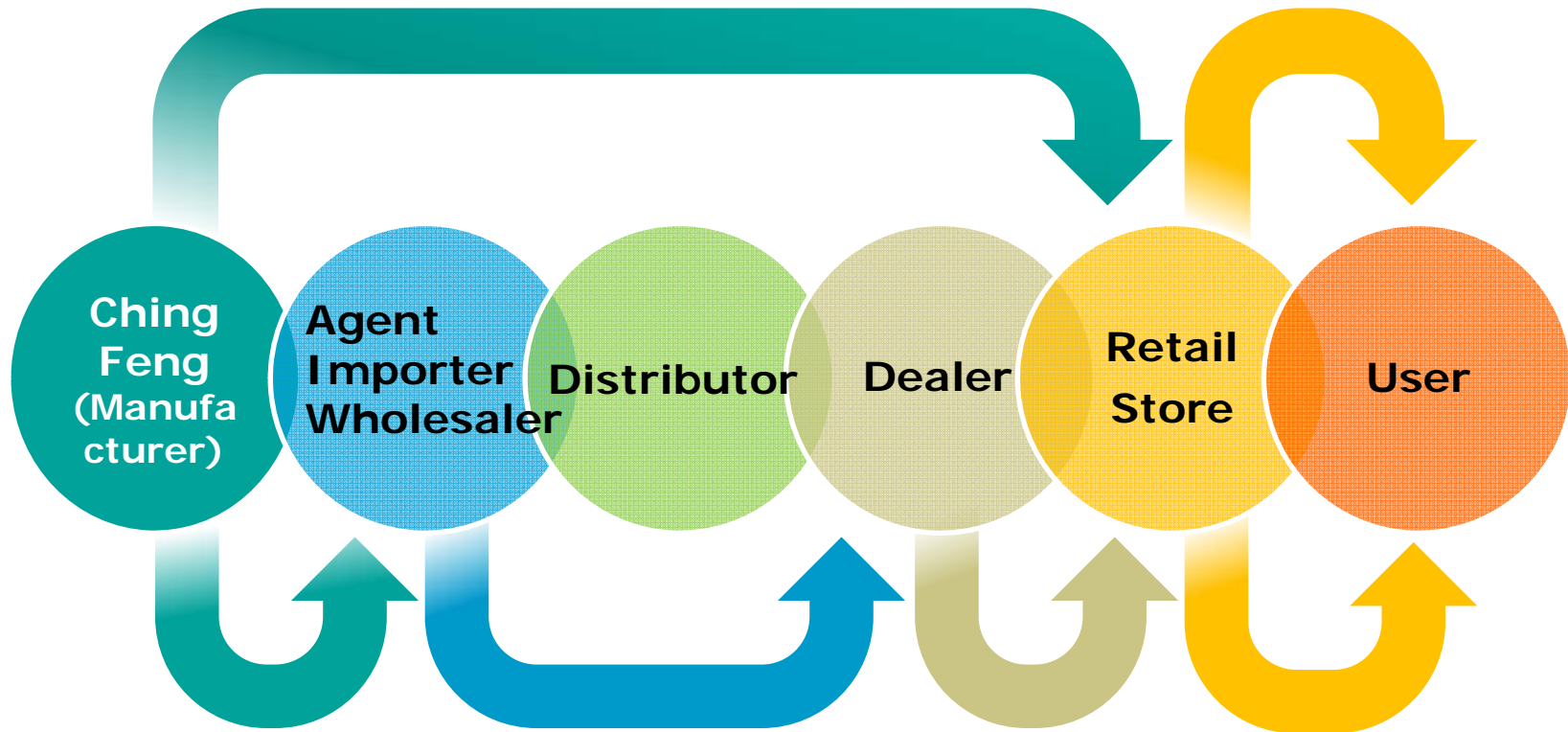


# VALUE CHAIN MANAGEMENT

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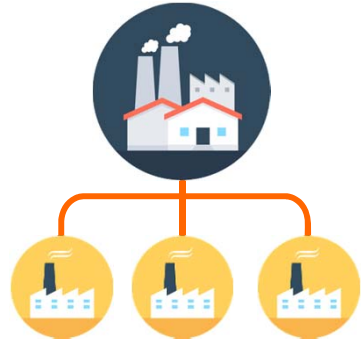
Competitive advantage and future outlook

Higher gross margin by shorten the channels



Original sales channel

# STRENGTH



Upward leadership  
supply chain



Curtail the time of  
Manufactory cycle



Network markets  
developing



Continuing  
develop new  
technique  
and raising  
patents



Rise up  
customized  
proportion  
and the  
value chain  
of core  
products



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