



慶豐富集團

CHING FENG
HOME FASHIONS

SINCE 1977

institutional investors conference
2017/9/8



AGENDA



COMPANY PROFILE



FINANCIAL STATUS



MARKET TRENDS AND OPERATION STRATEGY



STRENGTH AND FUTURE OUTLOOK



COMPANY PROFILE

1



COMPANY PROFILE

Headquarter : Changhua, Taiwan

Chairman: Mr. Jimmy Hsu

Group Employees in Total : 1,500

Capital : NT\$ 1.6 billion

Annual Sales in 2016 : NT\$3.5 billion

Annual Sales in the first half of year 2017: NT\$ 1.94 billion

Ranked 645 of top 1000 Manufacturing Industry by Common
Wealth Magazine ; **Ranked 387 for Sales Growth Rate**

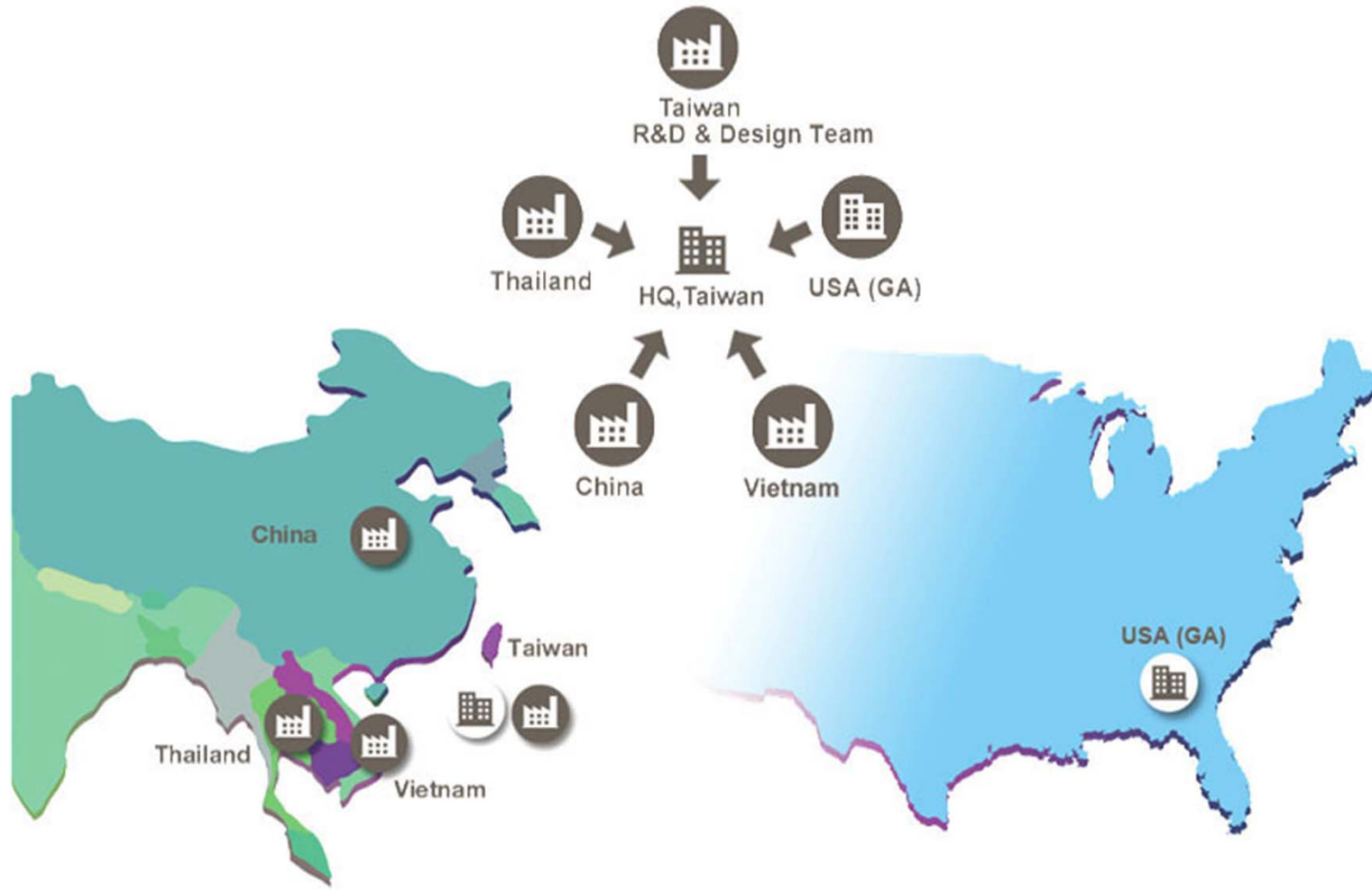
Market Positioning :

Second largest blinds manufacturer in North America from
the end of 2016.

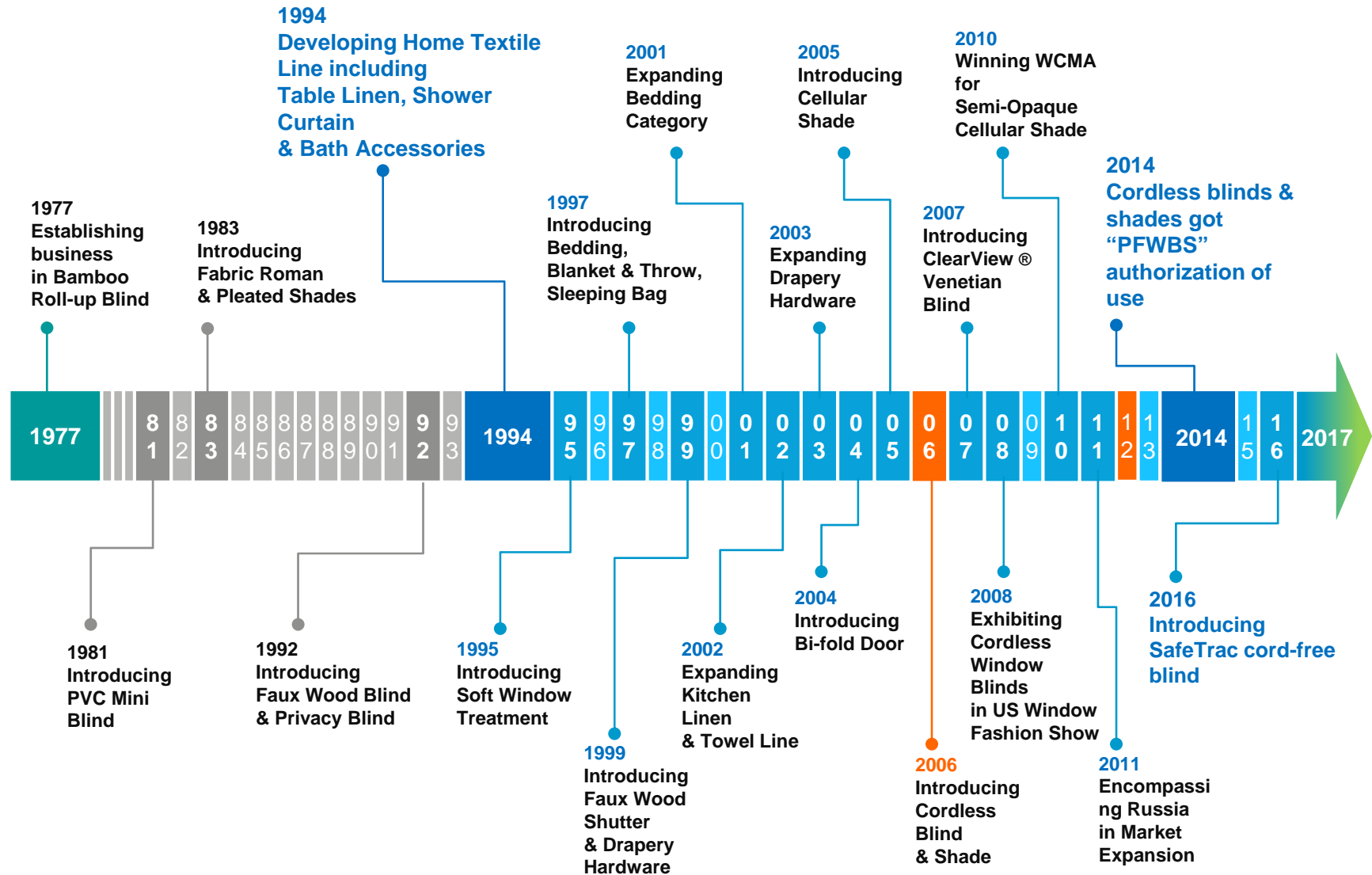




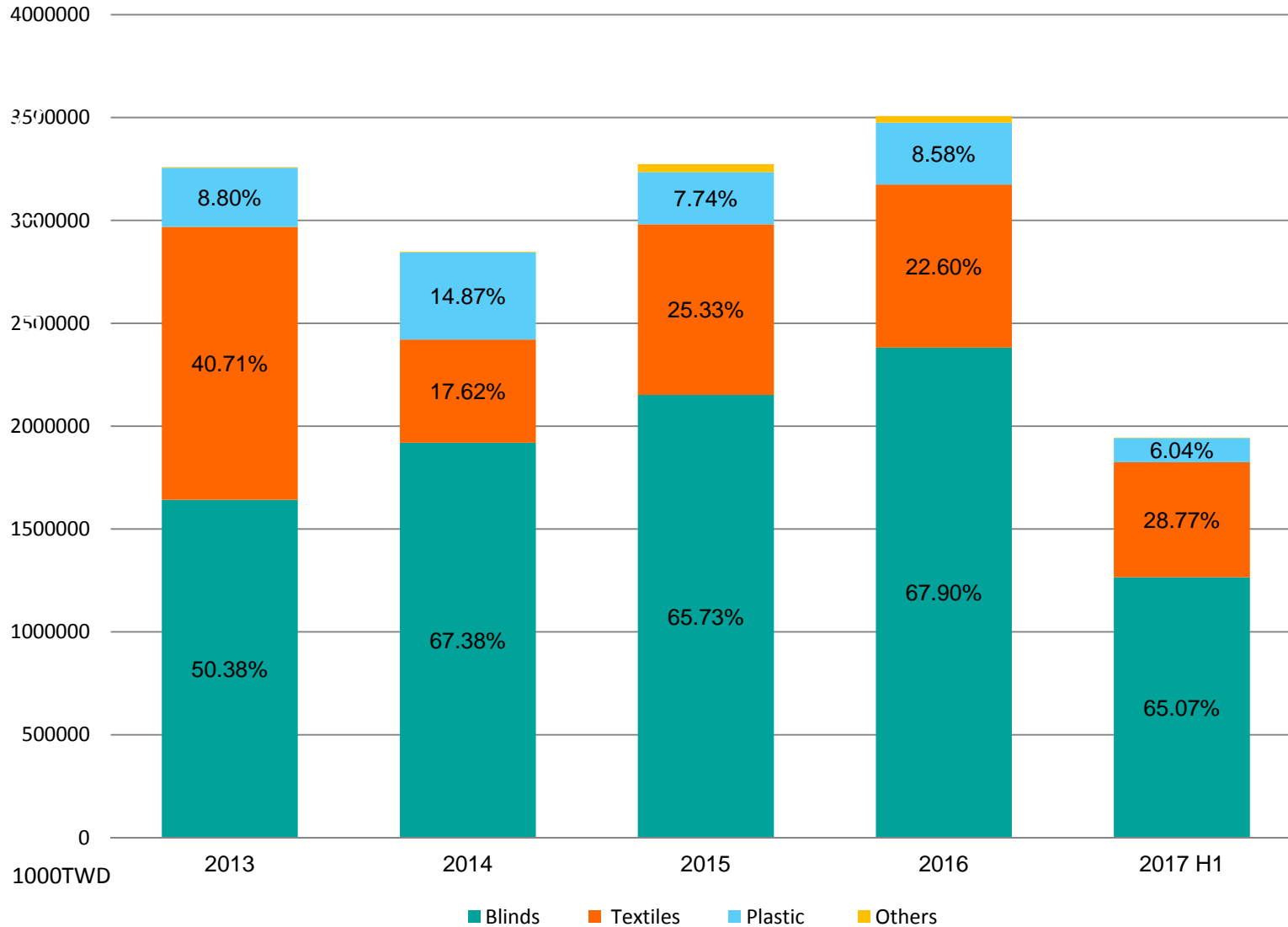
WORLD DIVISIONS



PRODUCT DEVELOPMENT HISTORY



SALES OF PRODUCTS



THROW & BLANKET



Micro Plush & Flannel



Décor Blanket



Baby Blanket

CORDLESS BLIND PRODUCTS



Cellular Shade



TDBU



Day & Night



Pleated shade



Roman Shade



Aluminum Blind

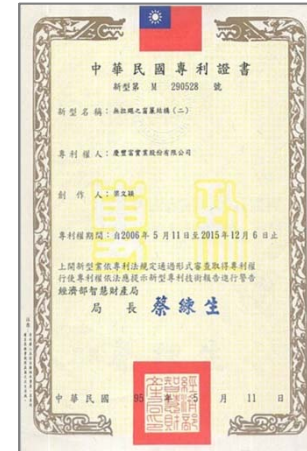
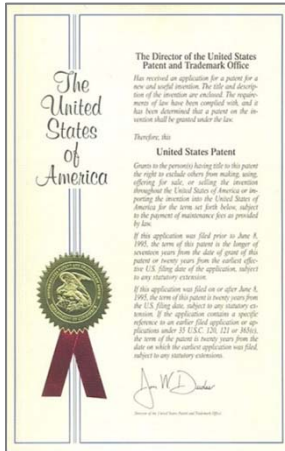
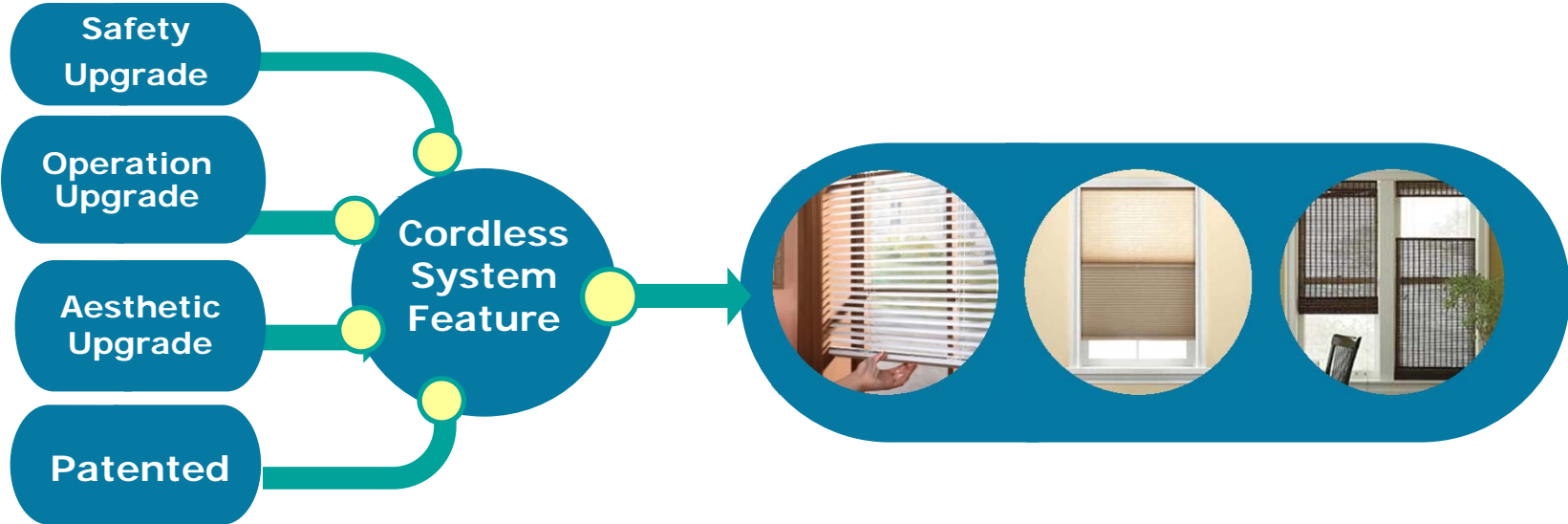


Faux Wood Blind



Wood Blind

STRENGTH on CORDLESS



INTERNATIONAL CERTIFICATION

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

ISO 9001 : 2015



UL & VOC



WCMA & PFWBS



FINANCIAL STATUS | 2



GROWTH

Ching Feng group 2017 Q2 EPS 0.46TWD ,
Has exceeded 2016 EPS 0.42TWD



Product portfolio
optimization
Economic scale upgrade
Full value chain service



Operating costs
optimization

Earnings rate over the
same period last year
+158.33%

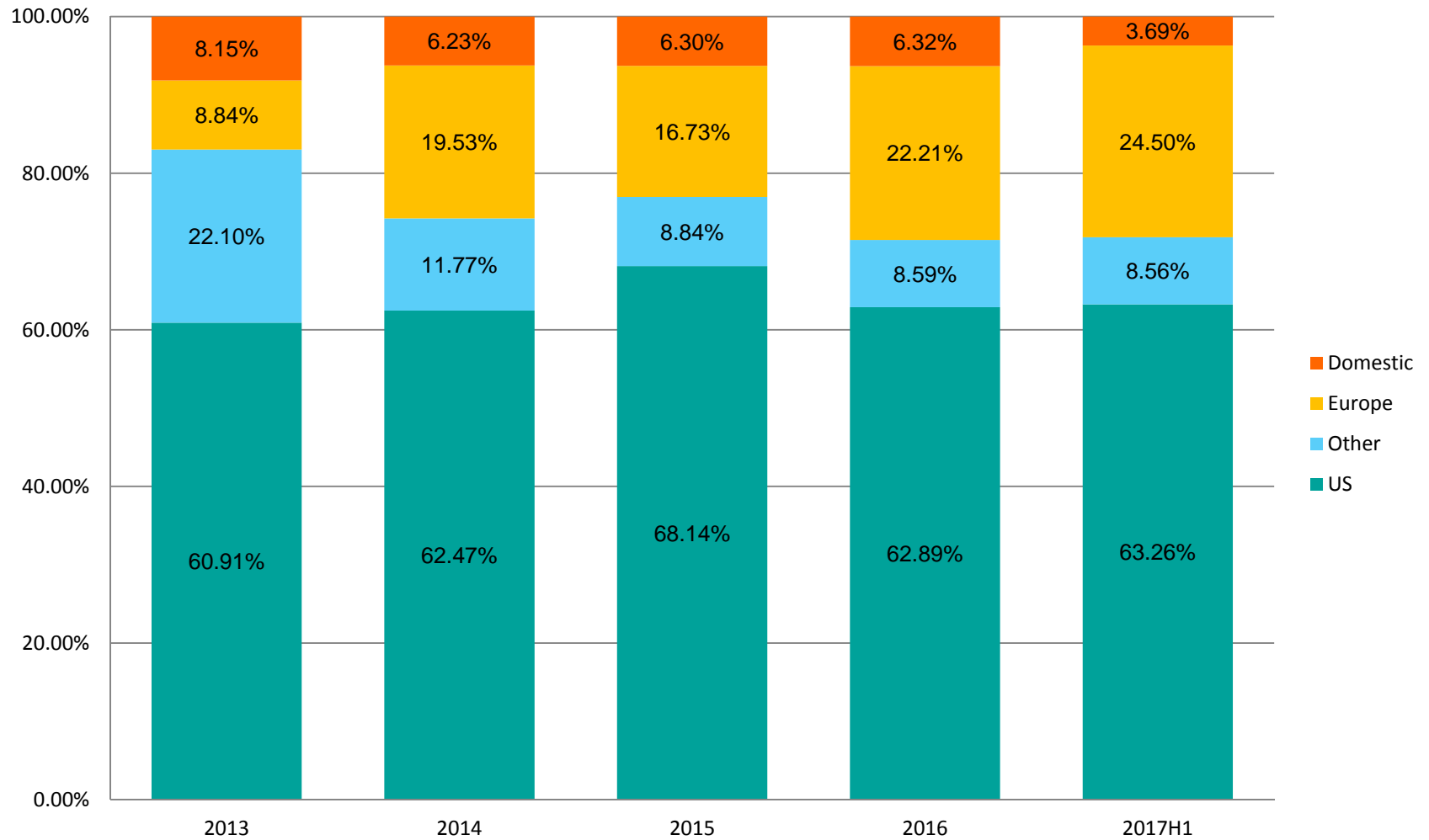


2017 – H1
EPS 0.51TWD

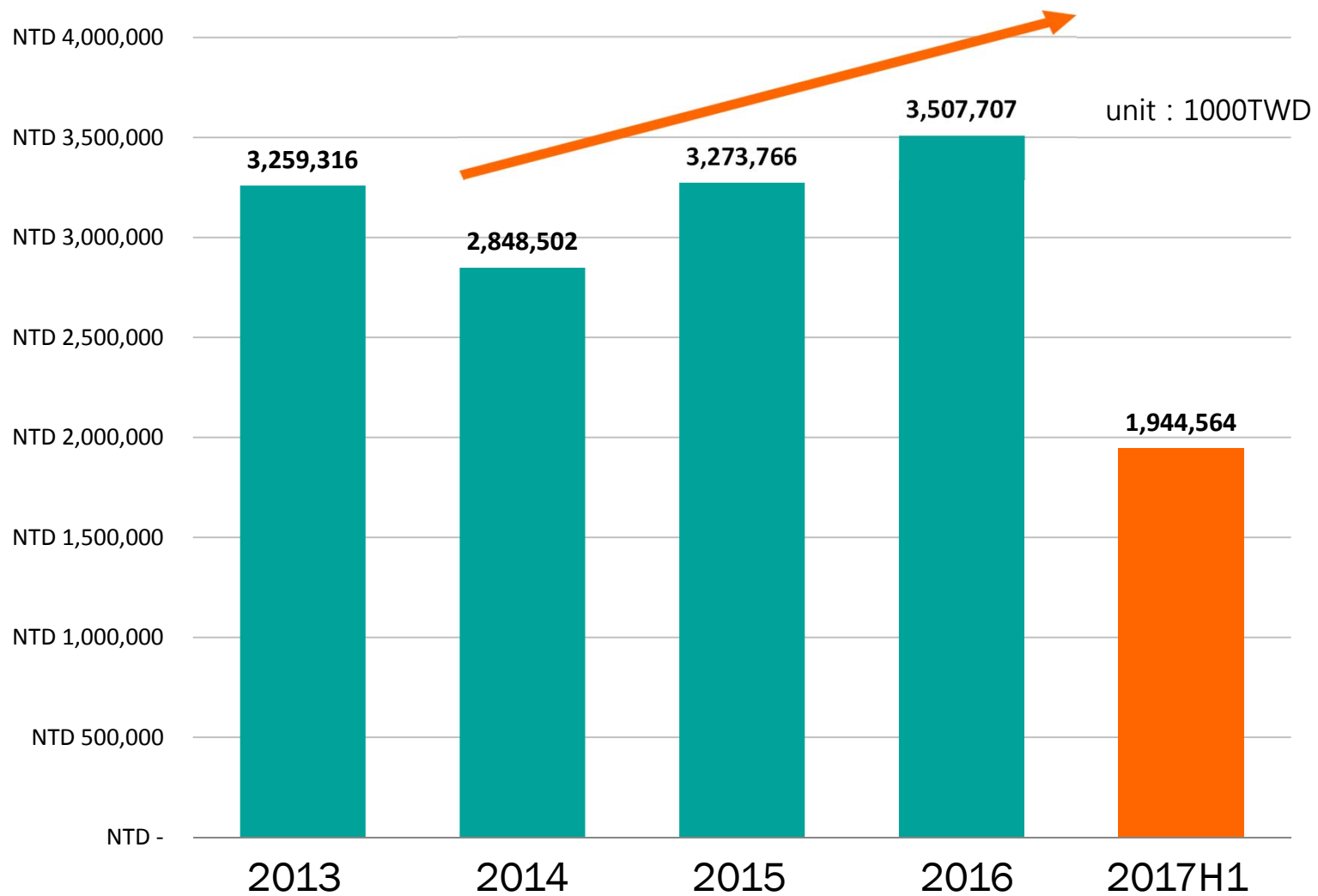
H2 customers' pull-
ins season

SALES AREA RATIO

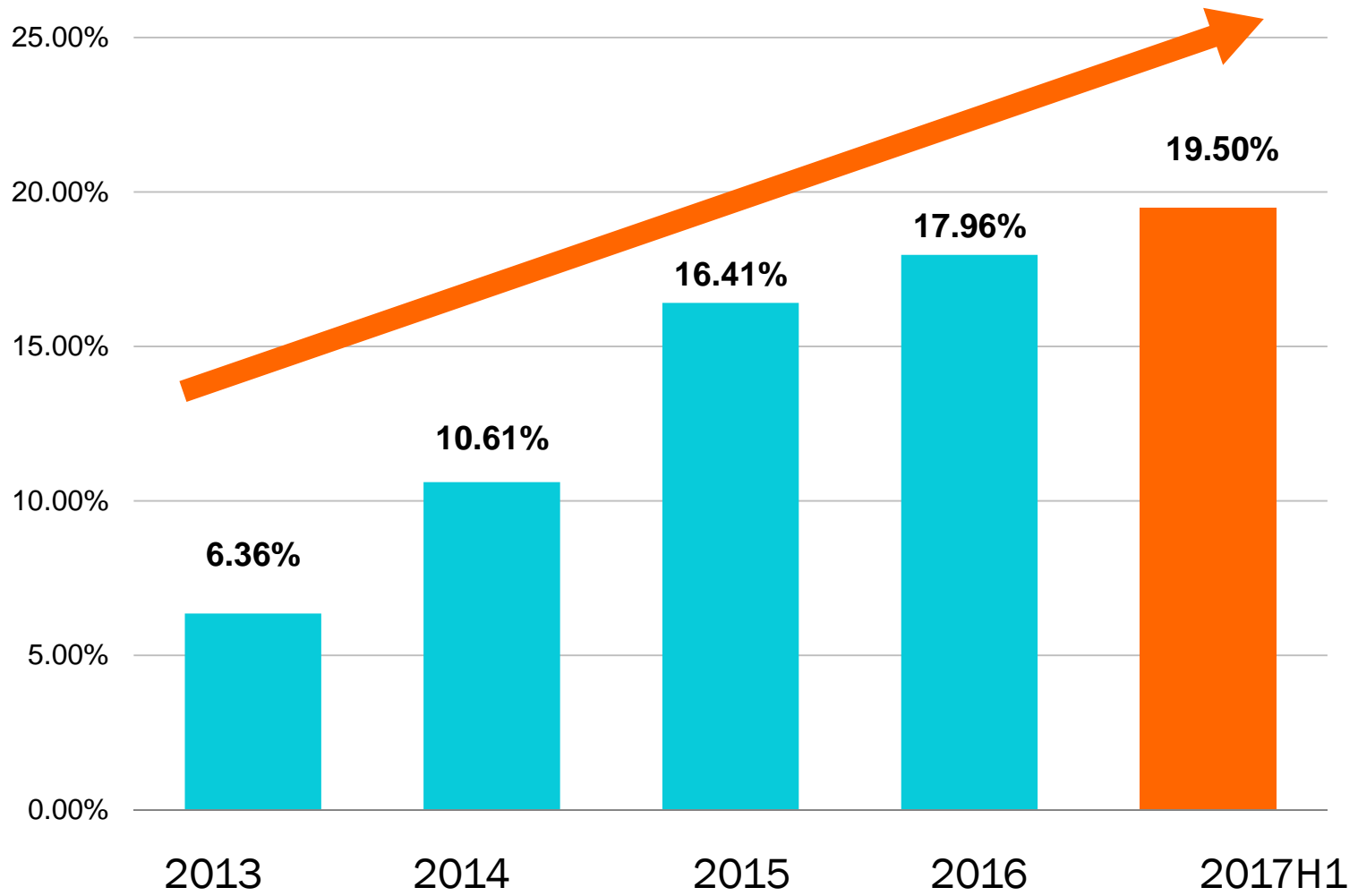
The proportion of sales



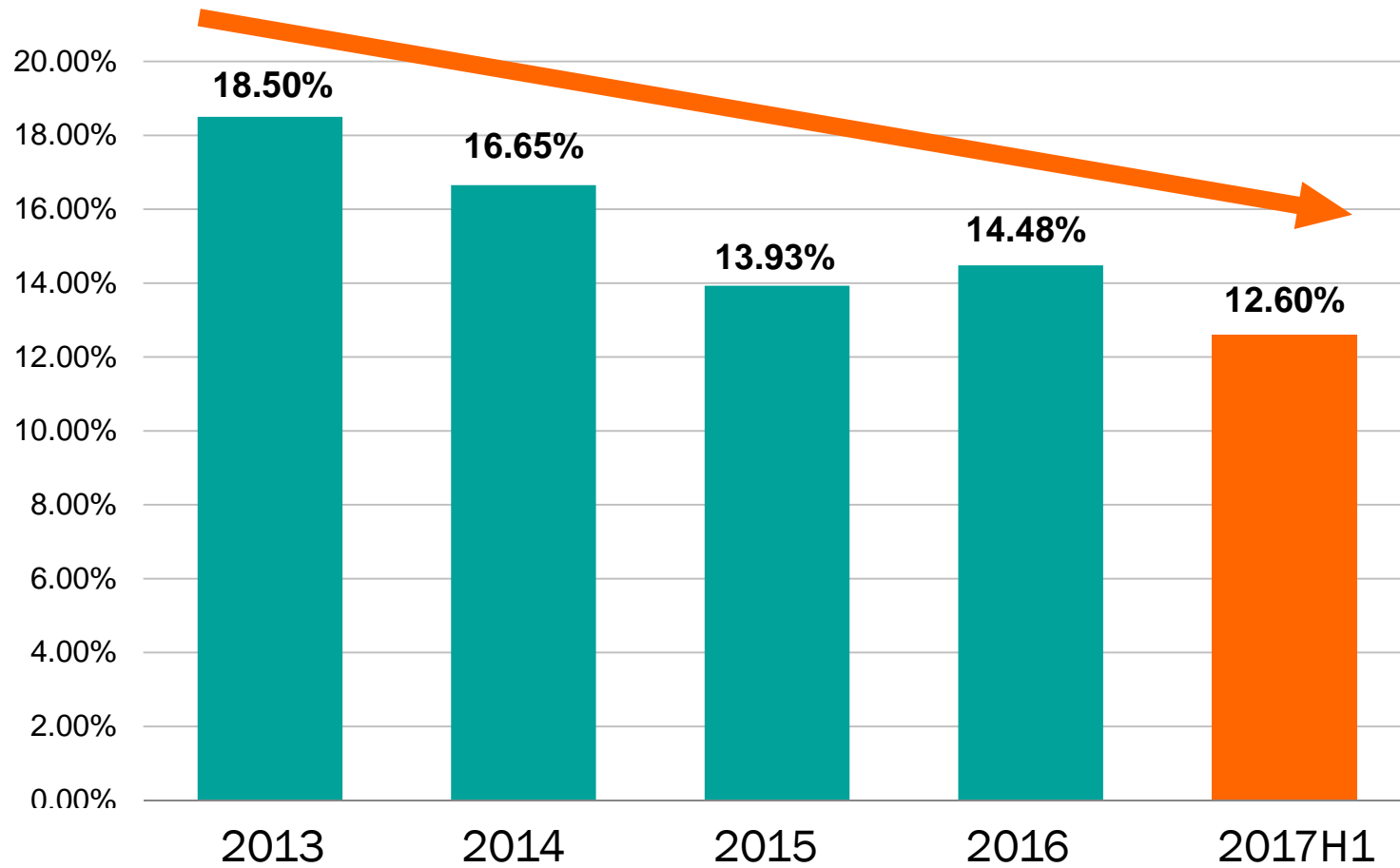
TURNOVER



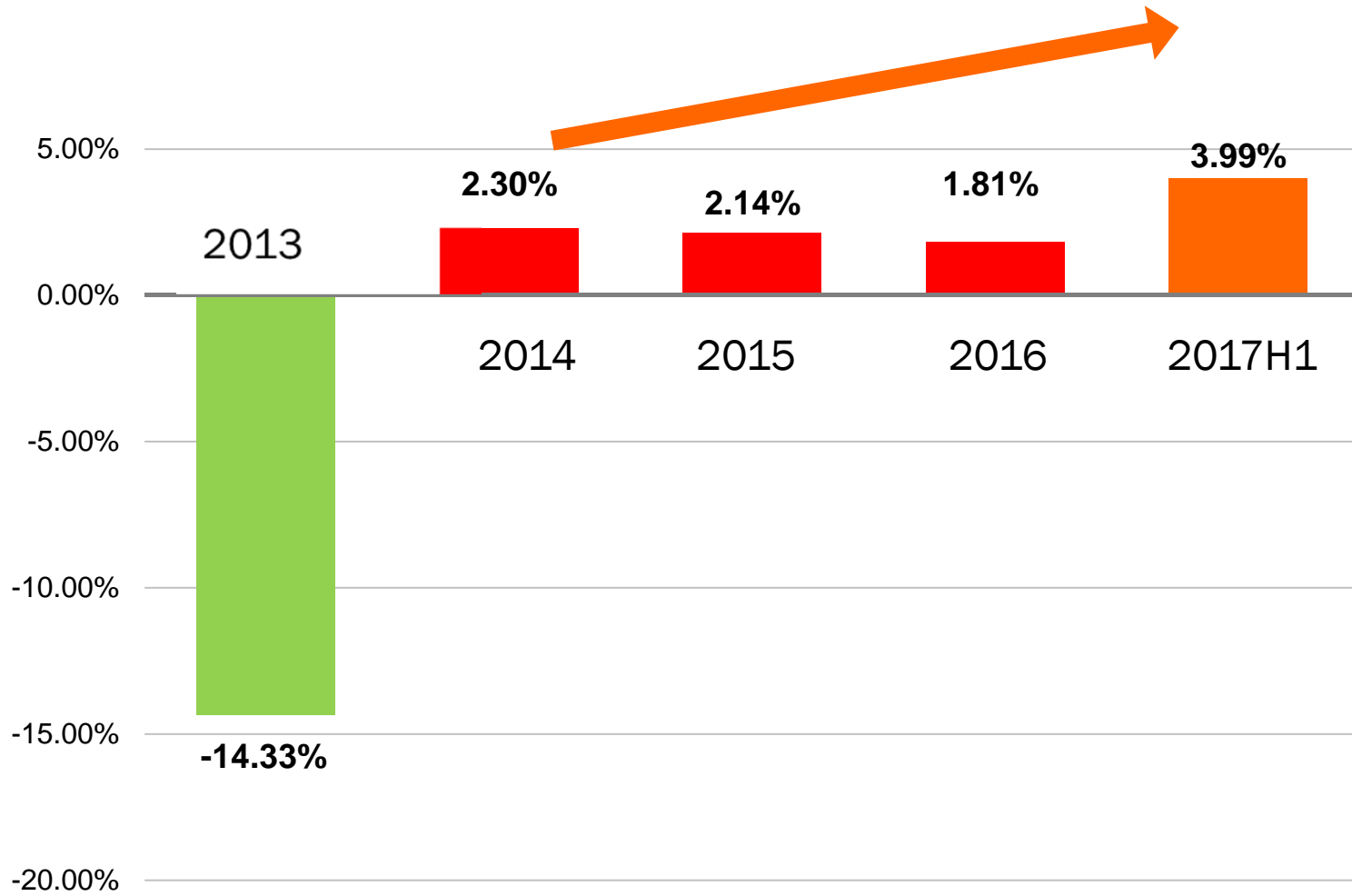
GROSS MARGIN



OPERATING EXPENSE RATE



NET PROFIT MARGIN



FINANCIAL STATUS

UNIT : 1000 TWD ; EPS : 1 TWD

| YEAR ITEM | The last four years financial reporting | | | | As of this year |
|--------------------------|---|-----------|-----------|-----------|-----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017H1 |
| Operating Revenue | 3,259,316 | 2,848,502 | 3,273,766 | 3,507,707 | 1,944,564 |
| gross profit margin | 207,145 | 302,169 | 537,159 | 630,072 | 379,143 |
| Operating expenses | 603,070 | 474,353 | 455,949 | 507,942 | 245,015 |
| Operating income | (395,925) | (172,184) | 81,210 | 122,130 | 134,128 |
| Net Non-operating Income | (83,430) | 251,126 | (9,615) | (30,820) | (38,964) |
| Pre-Tax Income | (479,355) | 78,942 | 71,595 | 91,310 | 95,164 |
| Net Income | (467,106) | 65,479 | 70,070 | 63,553 | 77,592 |
| Earnings Per Share | (3.93) | 0.50 | 0.50 | 0.42 | 0.51 |
| EBITDA | (235,724) | 279,130 | 265,323 | 275,751 | 180,317 |
| profitability analysis | | | | | |
| gross profit ratio | 6.36% | 10.61% | 16.41% | 17.96% | 19.50% |
| Operating Expense Ratio | 18.50% | 16.65% | 13.93% | 14.48% | 12.60% |
| EBITDA(%) | -7.23% | 9.80% | 8.10% | 7.86% | 9.27% |
| Operating Profit Margin | -12.15% | -6.04% | 2.48% | 3.48% | 6.90% |
| Net Income Margin | -14.33% | 2.30% | 2.14% | 1.81% | 3.99% |

MARKET TRENDS AND TARGET MARKETS | 3



U.S. MARKET STATUS



Economic Growth 2.3%



Real Estate Growth 3.8%

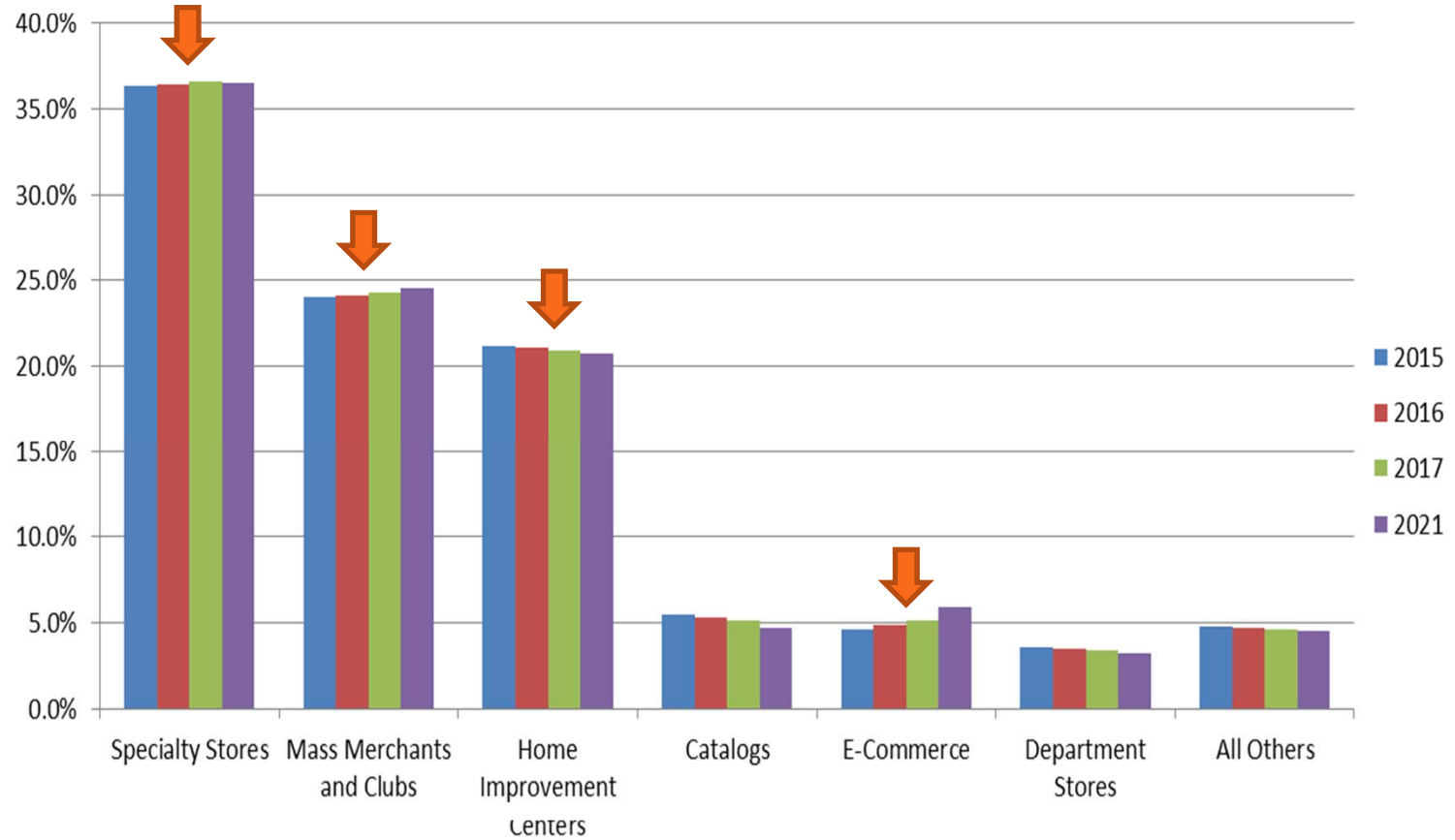


2018 is the Implement Year of Safety Regulations

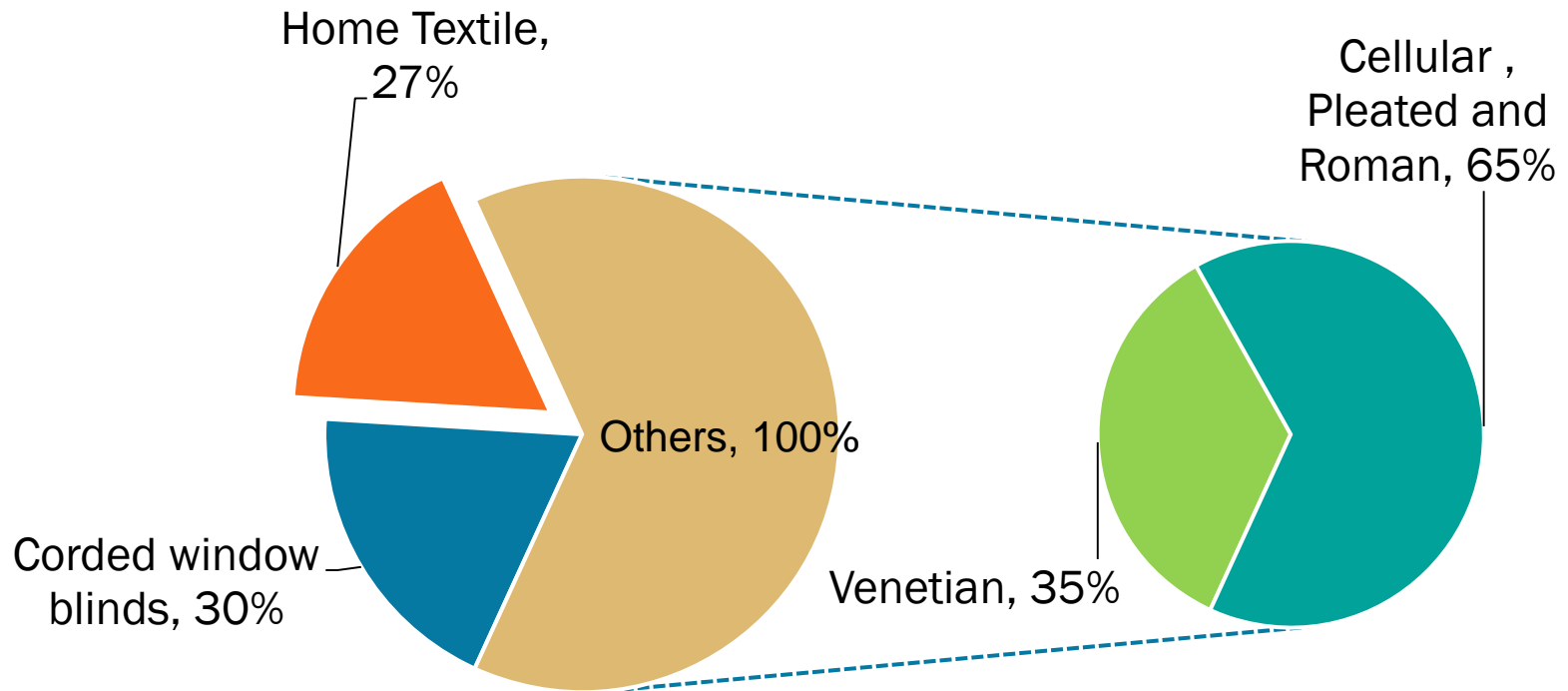
U.S. MARKET TRENDS

| 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% |
| Total (\$ Millions) | \$4,955 | \$5,100 | 2.9% | \$6,220 | 4.1% |

U.S. CHANNEL PENETRATION



CATEGORY CHART



■ Corded window blinds

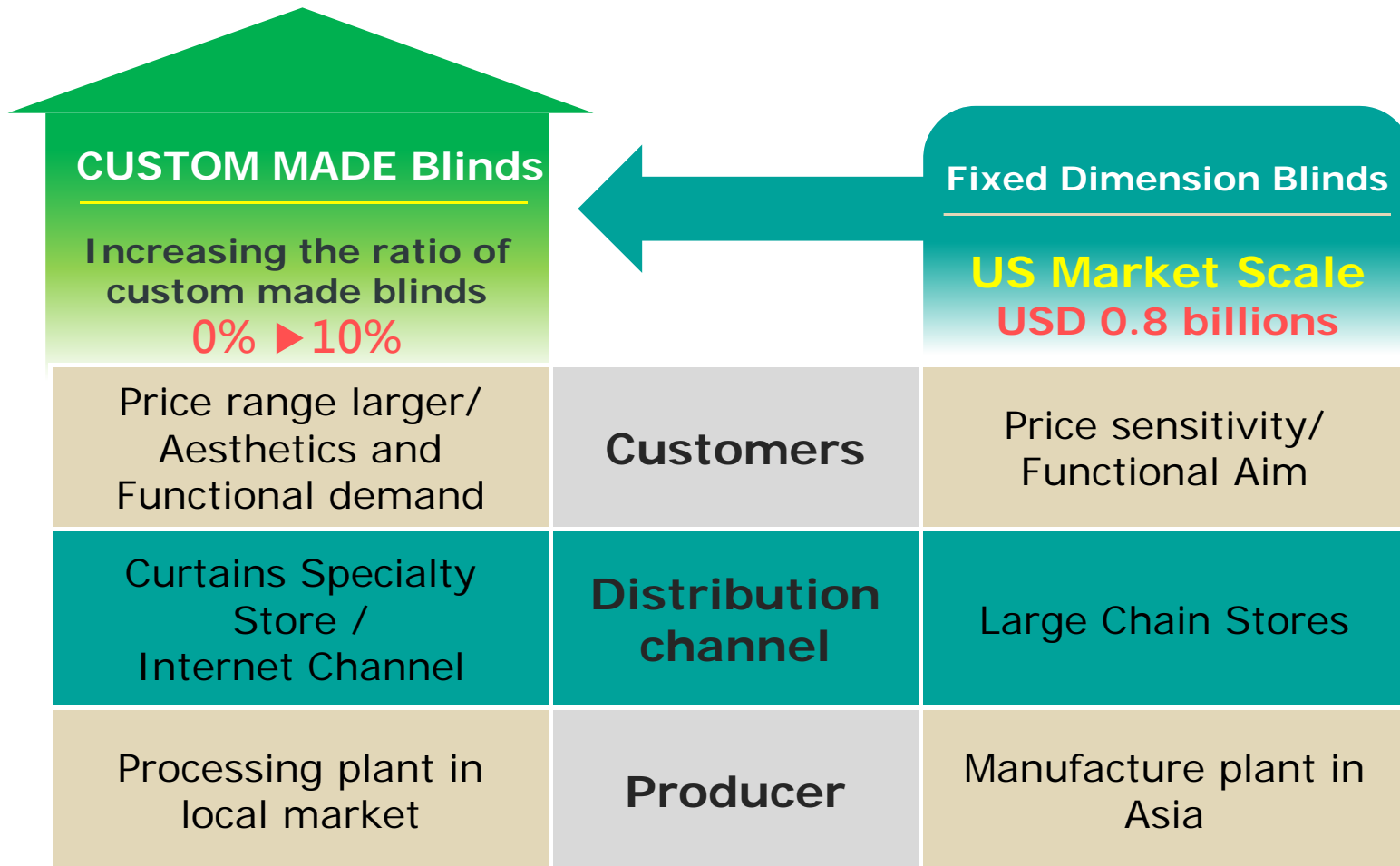
■ Home Textile

■ Venetian

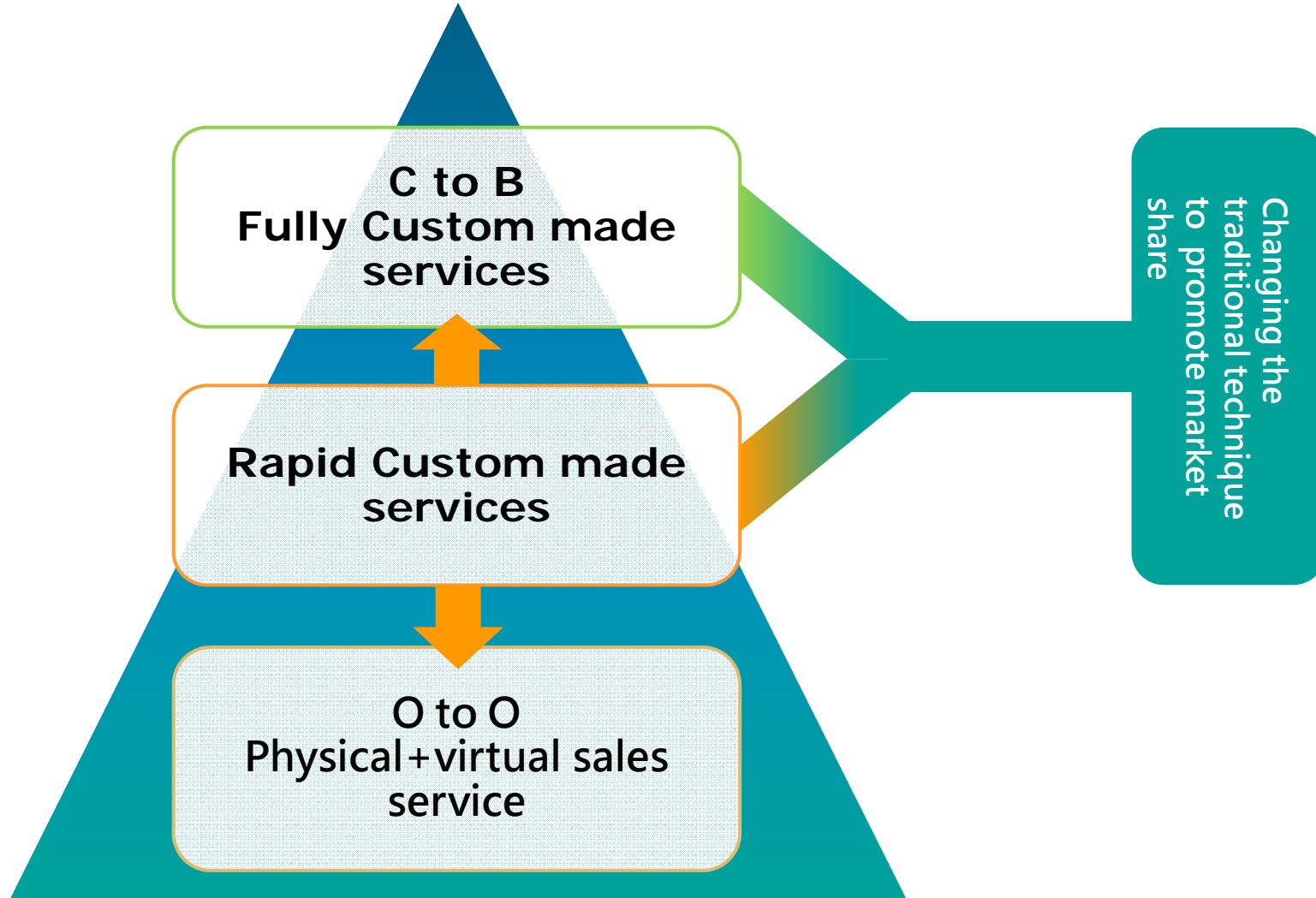
■ Cellular, Pleated and Roman

CUSTOM MADE OPTIMIZATION

Continuously optimize the customization mode curtain product to raise the market share



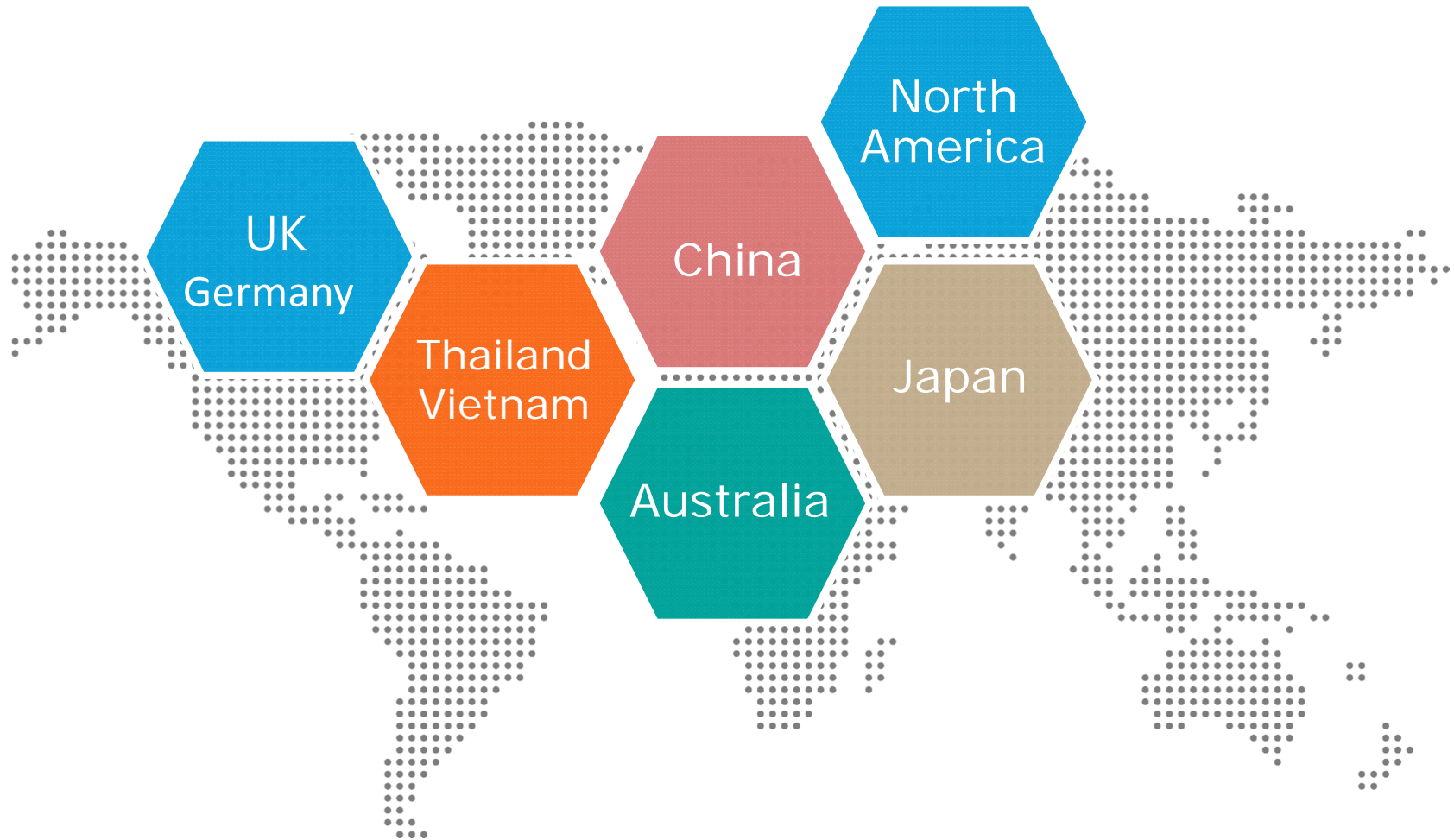
PRODUCT MARKETING MODEL



MAIN CUSTOMER



TARGET MARKET



COMPETITIVE ADVANTAGE AND FUTURE OUTLOOK | 4

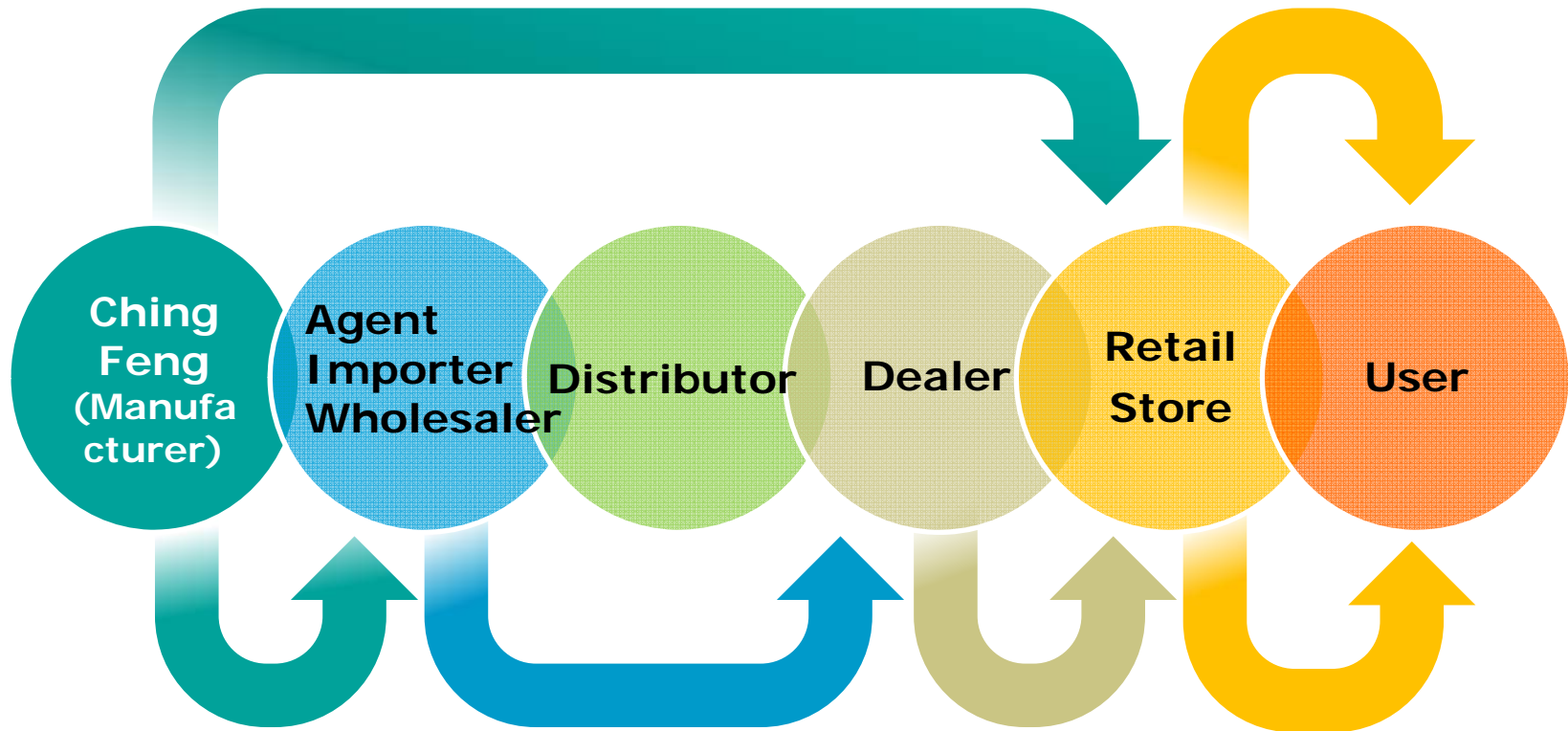


COMPETITIVE ADVANTAGE



VALUE CHAIN MANAGEMENT

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

FUTURE STRATEGY

Value Chan Integration

Integrating supply chain and enhancing economic scale , to create cost and Innovation merit .

O2O Click-and-Mortar

With the Consumption habits changing , guide the sales channel to Cloud.

Intelligence Family

Traditional Corded
Safety Cordless
Smart motored
Product-led Project

C2B Manufacturing Model

Apply TPS / LEAN mode , import highly automated process of industrial 4.0, participating making goods by customers.



Enrich Your Living Aesthetics

No. 373, Sec. 4, Yen Hai Rd., Fu
Hsing Hsiang,
Changhua, 506, Taiwan

TEL:+886-4-7801967 FAX:+886-
4-7801863

WEBSITE: www.chingfeng.com



CHING FENG
HOME FASHIONS

SINCE 1977