

RooHsing (ID : 4414)

2023 Investor Conference

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Increase Asset Quality

P4-7

Enhance Profitability

P8-10

Grow with Customers

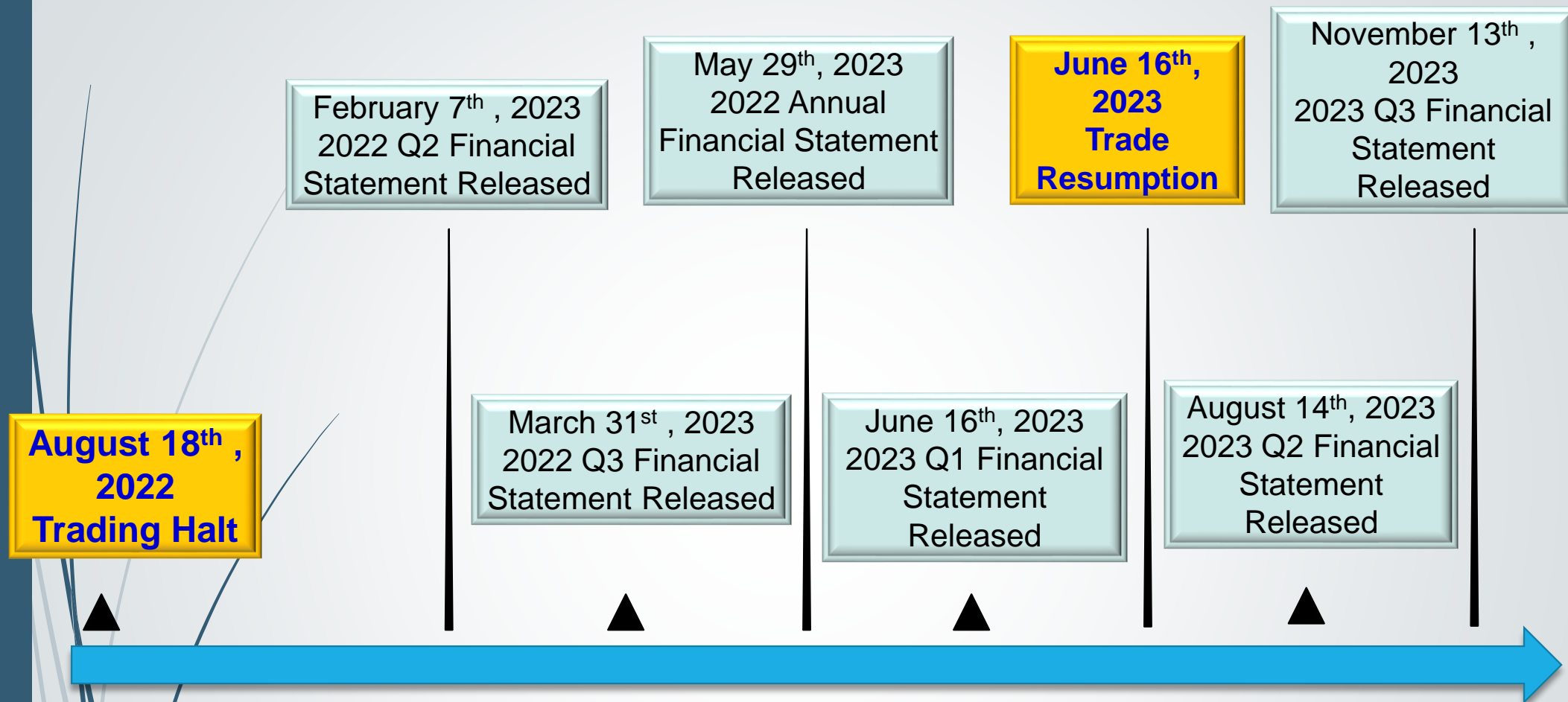
P11-13

Increase Asset Quality

Increase Asset Quality

Chairman	Jeremy Chi (紀宗明)
General Manager	James Ian Harrison
Paid-in Capital	NTD 8.821 billion
Number of Employees	15,965
Operational Status	Global Denim Leading Manufacturer (Sale volume 40,237 thousand units, Revenue of 10.563 billion in the first three quarters of 2023)
Manufacturing Sites	Southeast Asia 78%, East Africa 20%, China 2%

Increase Asset Quality



Weathered the storm, continued slimming down upon resumption of trading.

Compliance with laws & regulations, strengthen corporate governance.

Increase Asset Quality

Comparison Before and After Trade Resumption

2022 Q1

Assets	19,296	100%
Fixed Assets	3,626	19%
Intangible Assets	4,758	25%
Liabilities	11,512	60%
Bank Borrowings	6,557	34%
Shareholders' Equity	7,784	40%
Retained Earnings	(3,328)	-17%

Before vs. After



2023 Q1

Assets	13,435	100%
Fixed Assets	2,695	20%
Intangible Assets	2,584	19%
Liabilities	9,447	70%
Bank Borrowings	4,789	36%
Shareholders' Equity	3,988	30%
Retained Earnings	(7,368)	-55%

*Unit: (NT\$) in millions



Following conservative accounting principles, The Company booked provisions for bad debts (mainly in the PPE sector), impairments on inventory, fixed assets, and intangible assets. The total amount recognized is approximately 3,900 million.

Comprehensive Review thru Re-assess Assets

Enhance Profitability

Enhance Profitability

*Unit: NT\$ in millions

	2022 Q3	2023 Q2	2023 Q3
Operating Income	4,874	3,534	3,826
Operating Profit	779	671	636
Gross Margin	16%	19%	17%
Net Income	-200	30	112
Net Profit Margin	-4%	1%	3%
Net Profit After Tax	-566	-49	25

Highlight: Net Income turned from loss to gain in 2023 Q2, and net profit after tax has been positive since the third quarter of 2023.

Enhance Profitability

Major Customers

Unit: NT\$ in millions

	Customers	2021 Jan-Sep	%	2022 Jan-Sep	%	2023 Jan-Sep	%
1	WalMart	4,054	32%	4,278	32%	3,458	33%
2	LEVI'S	1,991	16%	3,249	24%	2,842	27%
3	GAP	1,805	14%	1,954	14%	1,439	14%
4	G.U	1,555	12%	1,771	13%	1,282	12%
Aggregate of the Top Four Customers		9,405	74%	11,252	83%	9,021	86%
5	Others	3,371	26%	2,197	17%	1,528	14%
Total		12,776	100%	13,449	100%	10,549	100%

- **Despite the industry downturn in 2023, the performance of our key customers remained stable.**
 - From January to September, revenue from key customers, Wal-Mart and Levis, decreased by only 19% and 13%, respectively, outperforming the overall revenue decline of 22%. Moreover, Levis still showed a 43% growth compared to the same period in 2012.
 - With the support of major customers, the Company navigate the industry headwinds in 2023, paving the way for operational growth in 2024.

We anticipate growth alongside our key customers. Continued growth in the share of the top four clients, now standing at 86%, up from 74%.

Grow with Customers

Grow with Customers

The Global Market of Jeans is Consistently Expanding

- ESG benefits major brands
- LDP enhances customer service for added value

Production Capacity

Expansion –

East Africa, Tanzania

- Lower labor costs, Tax incentives

Enhance Automated Production, Strengthen Fabric Sourcing Management

Anticipated Financial

Burden Relief

- Completion of Private Placement Plan
- U.S. Interest Rate Cut to Ease Company Interest Expenses
- Adjustment of Financing Structure

Grow with Customers

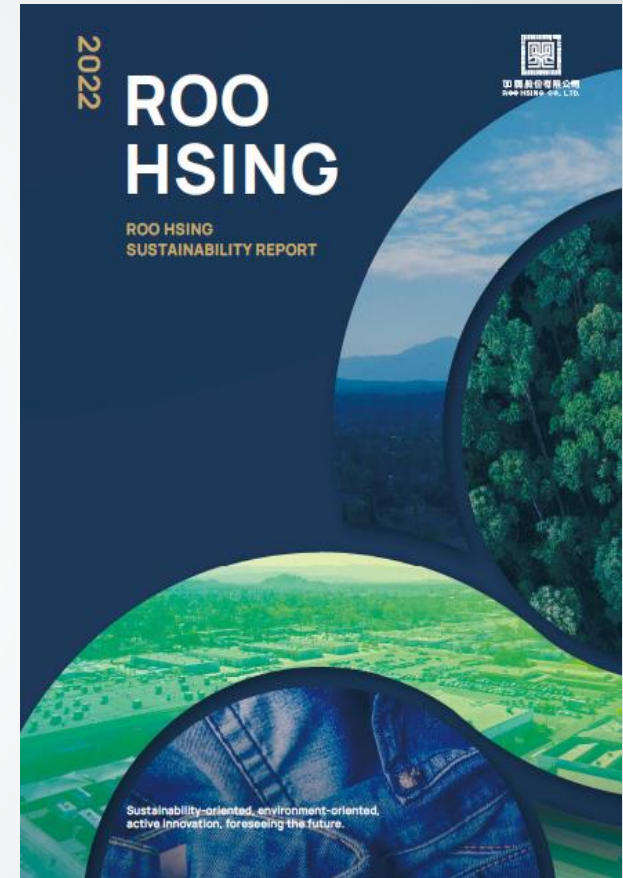
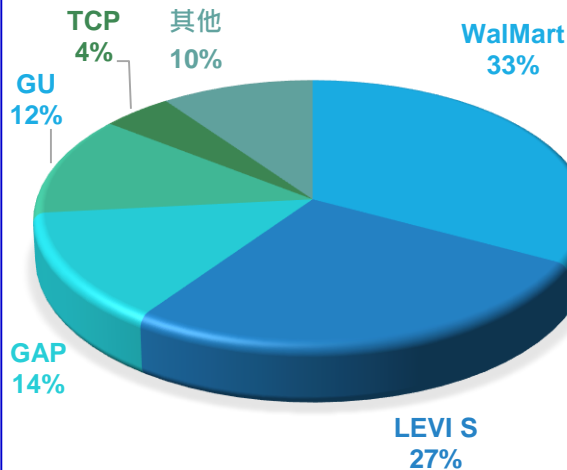
Steady Market Growth + Stable Customer Base + ESG Implementation

Estimation by Professional Organizations:

Global Jeans Market Size

- 1、GRAND VIEW RESEARCH :
CAGR 5.8% from 2023 to 2030
- 2、Global Information :
CAGR 7.2% from 2023 to 2030
- 3、Mordor Intelligence :
CAGR 5.8% from 2023 to 2028
data source: internet

JAN.-SEP., 2023
REVENUE
CONTRIBUTION FROM
TOP FIVE CLIENTS



Continuously cultivating key customers and implementing ESG to solidify our position.

Landed Duty Paid (LDP) Model

Transitioning from manufacturing to service-oriented, extending services to our customers, assisting them in a proactively manner and to establish a closer collaborative relationship.



Expanding brand coverage of LDP operational model – from Walmart to GAP, Levi's.

**Extending Services to Main Customers
& Increasing Added Value**

Q & A

