

Honmyue Enterprise Co.,LTD(1474) ·

2019 Investor Conference

Weaving a better world. Together.

2019/10/15

WEAVING A BETTER WORLD. TOGETHER.



Disclaimer



- The information published in this conference is for our company use only , including Operating Achievements 、 Financial Status & Business development.
- The Company never announce Financial Forecast , and the opinions of Company's financial 、 Business 、 Q&A and Business development might be slightly different in the future. The causes of the differences could be varied from market 、 fluctuation of price 、 competitions 、 Global economics 、 Fluctuation of International Exchange 、 bargain of suppliers, to Risk factors that could not be controlled 。
- This conference represents our company's view of the future. We will not be responsible for updating any changes or adjustments.

Agenda

- **Company History-Spokesman**
- **Financial Statement-CFO**
- **Market trend-Marketing and Sales Manager**
- **New development-R&D Manager**
- **Q&A**

Company Introduction

Mr.Hsu
Spokesman
Assistant manager

Company Information

Milestone

- Found in 1970
- Listed in 1999
- IPO in 2000

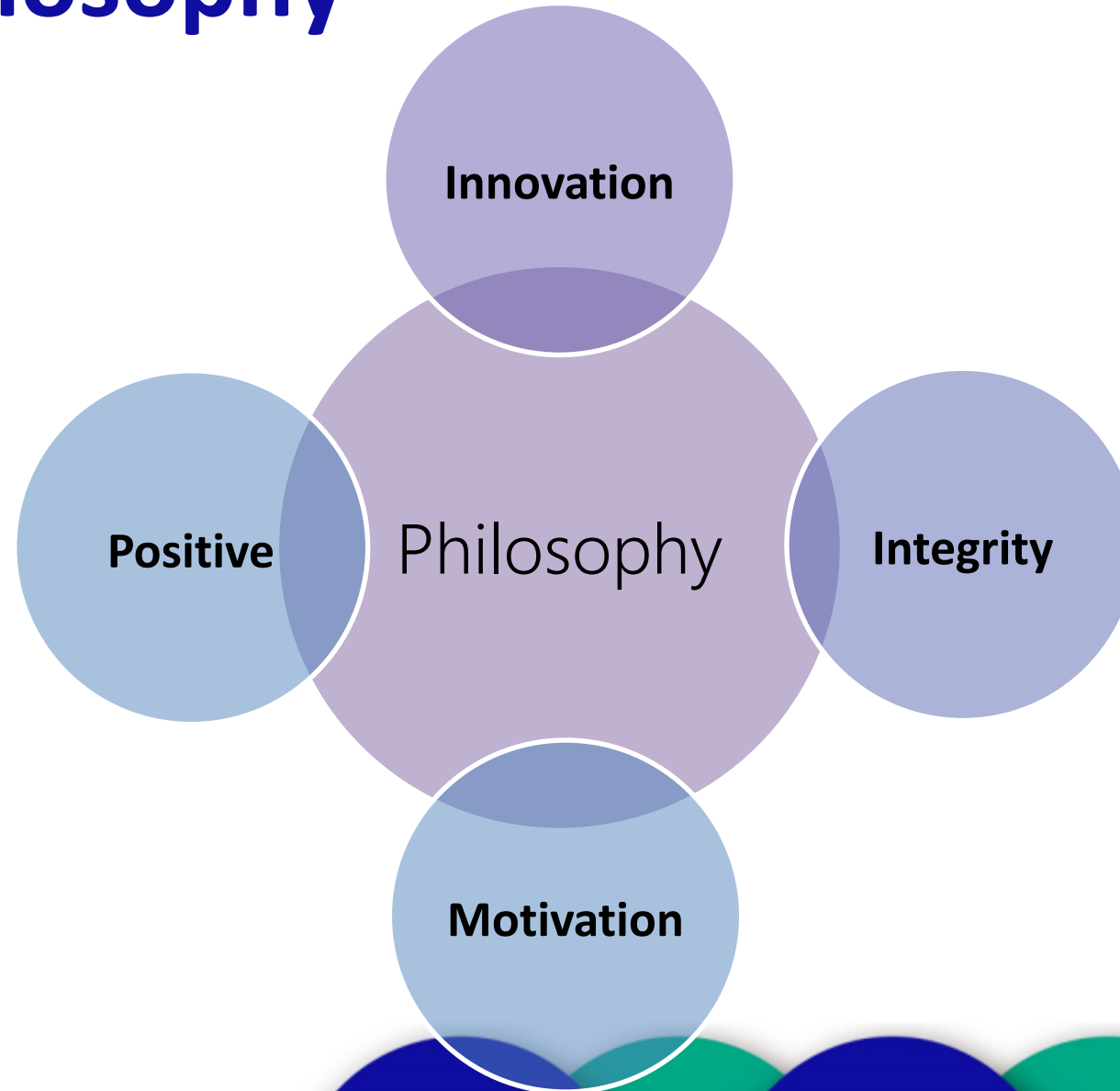
Capital

- NTD 1.298 billion

Management

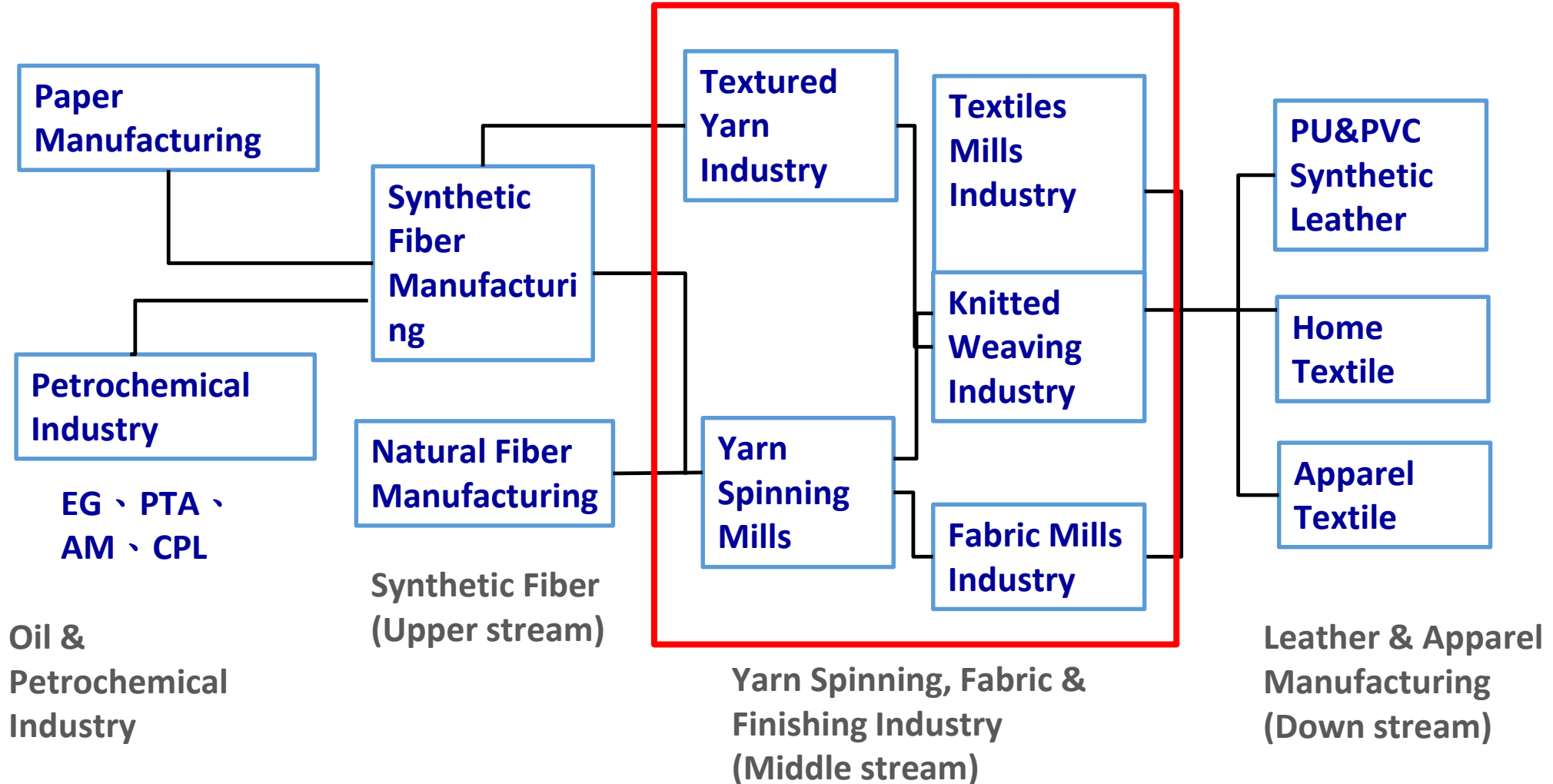
- Chairman : Yeh, Ming-Zhou
- Vice Chairman : Chen, Jin-Feng
- General Manager Guo, Zhen-Pei
- VP in sales : HUNG, CHIN-CHANG
- VP in Finance : CHEN, CHANG-CHUN

Business Philosophy



Textile Supply Chain

Honmyue



Production Site



Taiwan :

- ◎ Chenghua (HQ)
 - Shengang/Hemei/Chuansing (Weavin
- ◎ Honmyue Taipei Office
- ◎ Yu Zhan Startup Co.,LTD(Dying)



China :

- ◎ Honmyue Textile(Zhejiang)Co.,LTD(Weaving/Dying)
- ◎ Dong Guan Hong Yu Textile Limited
- ◎ Jiujiang DeYu Co., Ltd. (Planning)

Vietnam :

- ◎ Grand and Great Textile.(Joint Venture)

Product Application



Industrial Fabrics



Apparel Fabrics



Furnishing Fabrics



Medical
Textiles

Industrial Fabric



Apparel Fabric



Furnishing Fabric



Medical Textile



Financial Statement

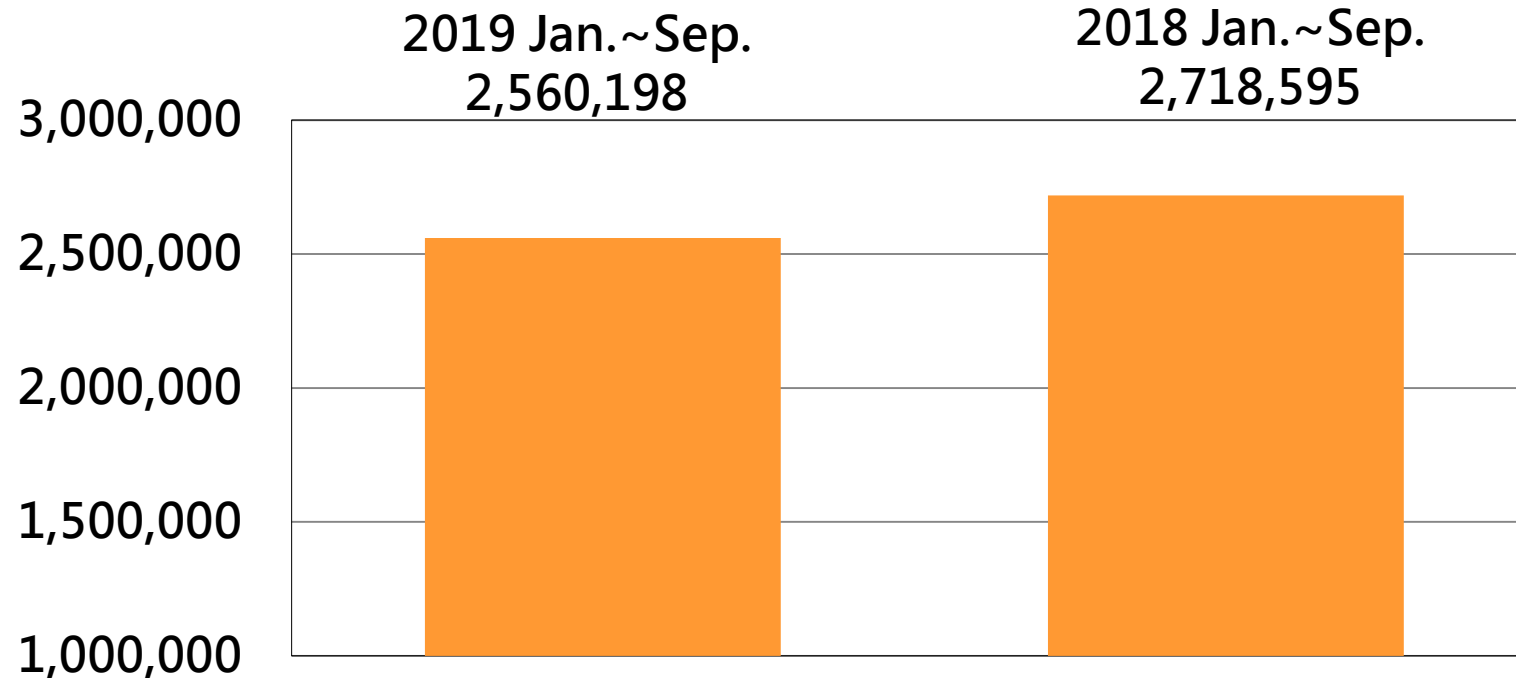
Mr.Chen
CFO

Revenue



Accumulated Revenue Jan.-Sep. 2019 vs Jan.-Sep. 2018

In NT\$ thousands

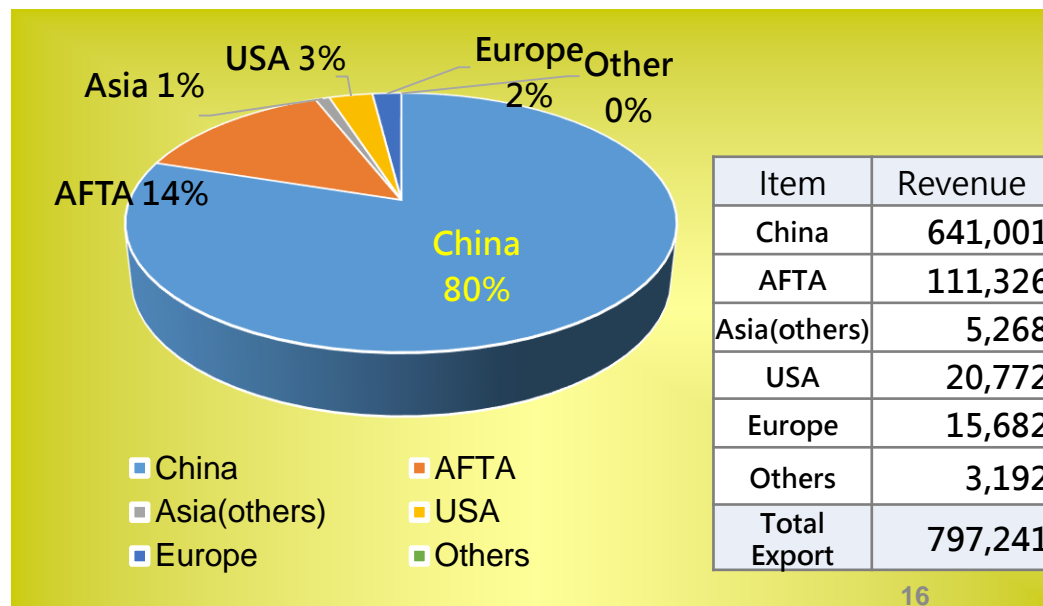
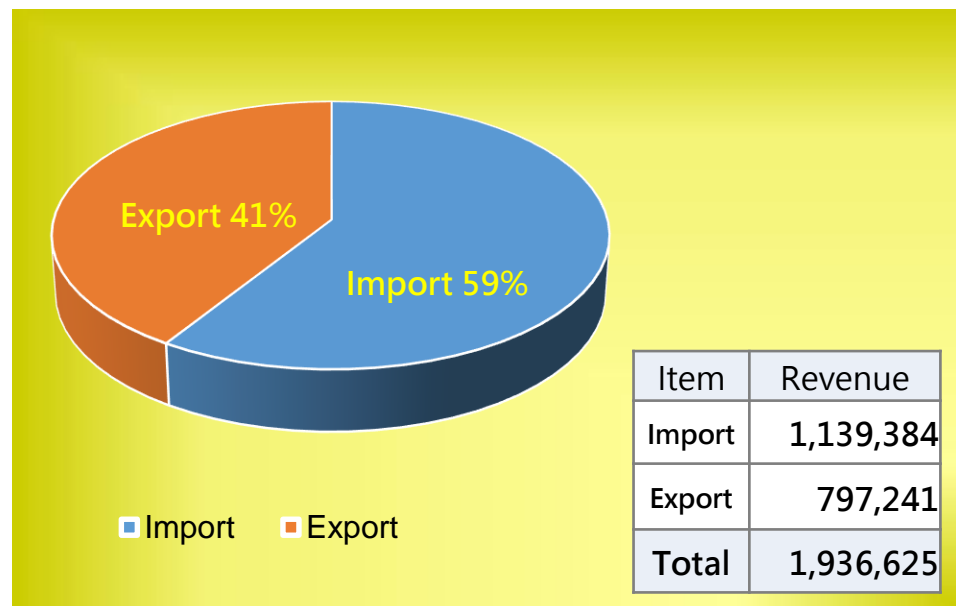
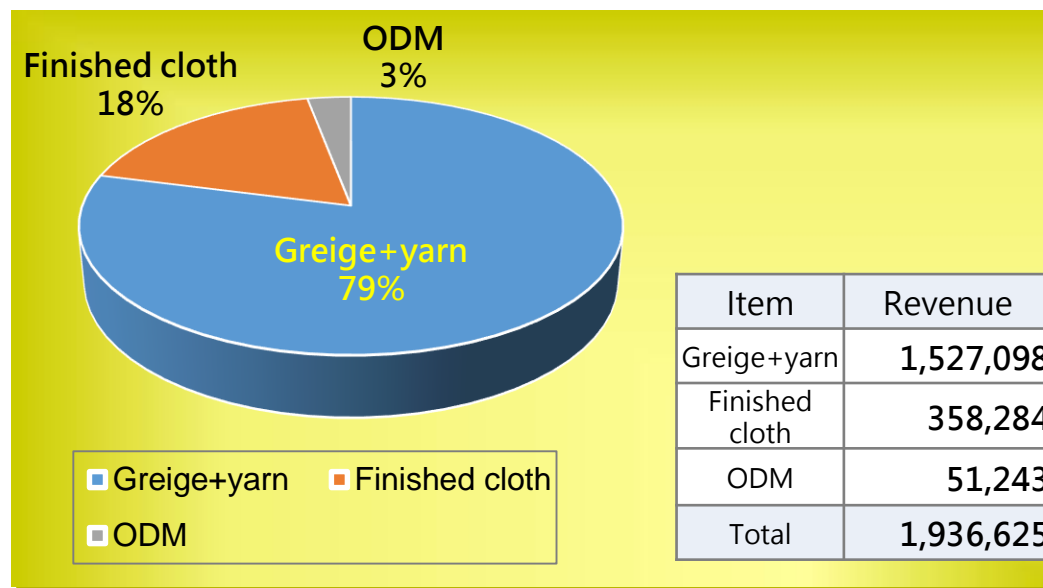
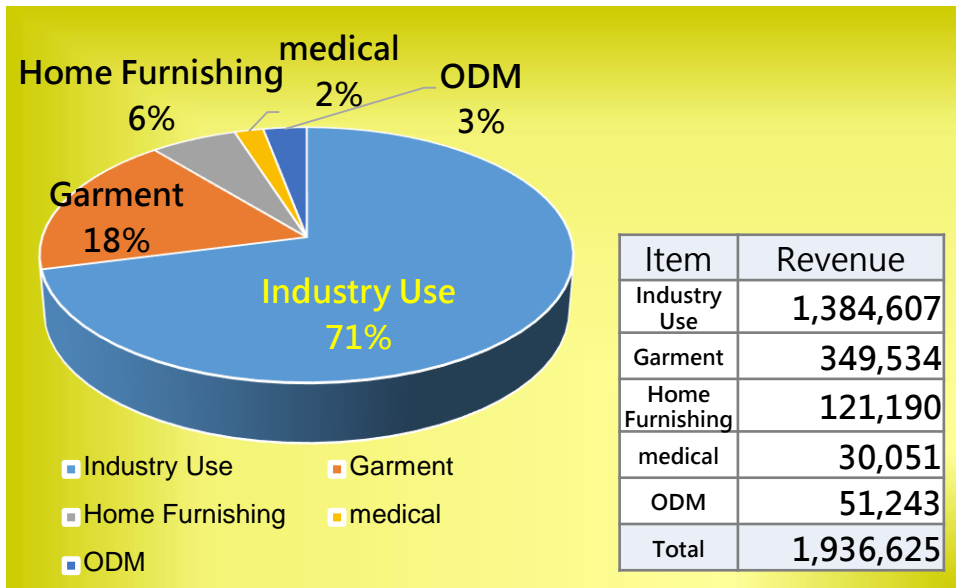


Year	2019 Jan.~Sep.	2018 Jan.~Sep.	Growth Rate (same period)
Revenue	2,560,198	2,718,595	-5.83%

Sales Statement(Taiwan Honmyue)

2019 Jan.~Sep

In NT\$ thousands



Consolidated Income statement



In NT\$ thousands

Item	2019 Jan.~Jun.	2018 Jan.~Jun.	Difference
Net Revenue	1,717,635	1,808,399	(90,764)
Operating Cost	(1,582,821)	(1,585,257)	2,436
Gross Profit	134,814	223,142	(88,328)
Gross margin	7.85%	12.34%	(4.49%)
Income From perations	(24,223)	65,364	(89,587)
Net Income	(7,816)	70,259	(78,075)
EPS (<i>In NT\$ dollars</i>)	(0.06)	0.54	(0.6)

The Income statement of Houmyue and the subsidiaries

2019.01.01~2019.06.30					
Selected Items from Income Sheets	Honmyue	Honmyue Zhejiang	Nuwa	Yu Zhan	Others
Net Revenue	1,294,158	491,903	33,955	12,177	-
Gross Profit	131,179	19,864	5,426	(22,325)	-
Gross Margin	10.14%	4.04%	15.98%	(183.34%)	-
Operating Expenses	(93,249)	(52,867)	(7,339)	(6,195)	(1,959)
Income From operations	37,930	(33,003)	(1,913)	(28,520)	(1,959)
Non-Operating Income And Expenses	18,529	(4,546)	528	66	3,491
Income Before Income Tax	56,459	(37,549)	(1,385)	(28,454)	1,533
Net Income	49,414	(37,549)	(1,385)	(28,454)	1,533
Basic earnings per share(In NT\$ dollars)	(0.06)				
2018.01.01~2018.06.30					
Selected Items from Income Sheets	Honmyue	Honmyue Zhejiang	Nuwa	Yu Zhan	Others
Net Revenue	1,443,319	402,985	23,968		296
Gross Profit	159,274	57,546	3,631		74
Gross Margin	11.04%	14.28%	15.15%		25.00%
Operating Expenses	(105,683)	(41,147)	(9,288)		(1,900)
Income From operations	53,591	16,399	(5,657)		(1,825)
Non-Operating Income And Expenses	27,522	(4,346)	1,196		(4,541)
Income Before Income Tax	81,113	12,053	(4,461)		(6,367)
Net Income	70,260	10,049	(4461)		(6,458)
Basic earnings per share(In NT\$ dollars)	0.54				

Market Trend

Mr. Yeh

Sales and RD Manager

Market trend - Fashion x Function



- **Mixed Fashion x Function**
- The same cloth can use on different situation. Open a new era for new life style. To broken the line for apparel application.



Market trend – Sustainability

Material

- Recycled Polyester
- Recycled Nylon
- Solution Dyed
- Bio-Based Nylon

Finishing



Certificated

Global Recycled Standard(GRS)



bluesign



Recycled PET fabric consumption volume are increasing



- To recycle PET bottles to produce fabric to be recycled fabrics, they not only no need to use new fossil but also decreasing the waste of bottles.
- More and more brands they announce to use more recycled polyester in future.



Recycled Nylon are developing

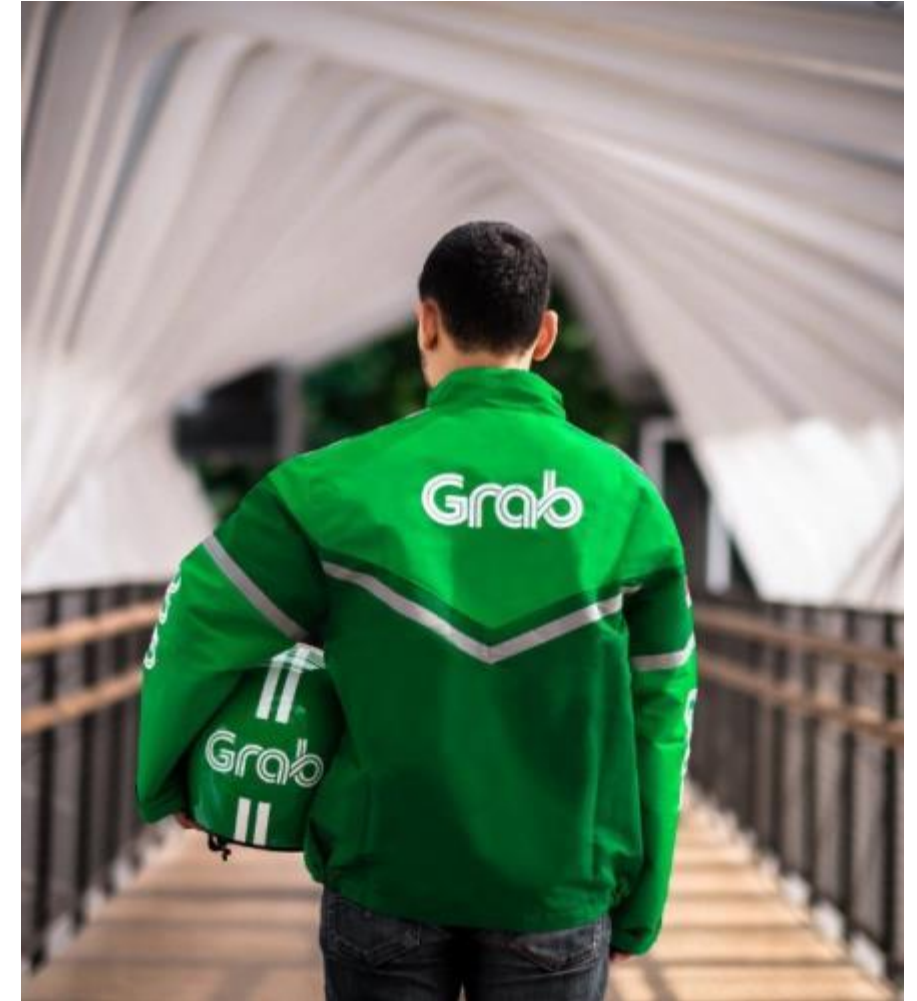
- To collect the waste yarn from nylon production processing or the waste of sea to produce recycled nylon yarn.
- To overcome the bottle neck of technical so there're more brands to recycled nylon yarn



Solution Dyed replace piece dyed



- To use solution dyed is a non-dye process saves resources and reduce the amount of needless wastage.
- Reduce the chemical using and high color fastness.
- More and more solution dyed yarn apply on apparel market



Function x Lightweight



- Lightweight equipment can reduce the burden of body and still keep the performance of the fabric.
- Lightweight high tenacity N100D fabric can replacement traditional N200D/N400D fabric. Each denier can increase 30% of the tenacity.



Solar Screen Demand Speed up

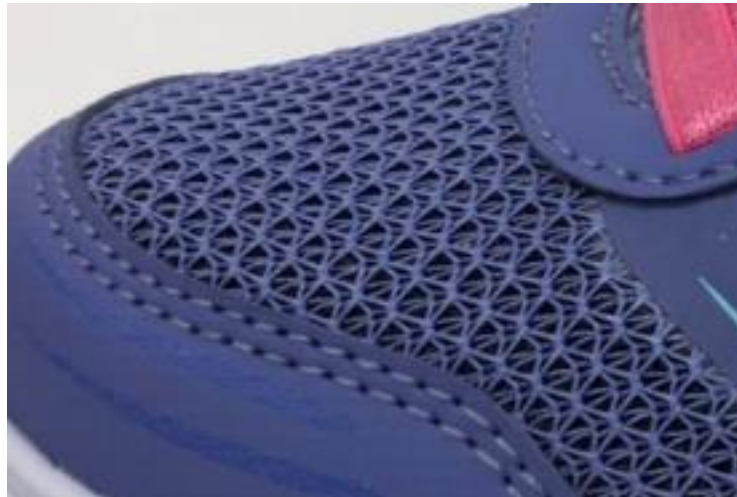


- **Market :** Austria/New Zealand
- **Lifestyle :**
 - Southern Hemisphere have strong sunshine
 - Living Style toward outdoor
- **Feather :** Great UV block protection



Innovation of Shoe fabric_Synthetic Mesh

- Round/Warp knitting textilene fabric.
- Feather
 - Breathable/Comfortable/Durable
- Advantage
 - The material can match lowest USA import customs fee of shoes.



Marketing-Trend Show(EU)



- Name : ISPO Munich
- Time/Location : Feb 2019 /Munich, Germany
- Products : Backpack , Apparel and Eco-Friendly Fabric



- Name : R+T Asia
- Time/Location : Feb 2019 / Shanghai, China
- Products : Solar Screen/Outdoor Furnishing



Marketing-Trend Show(EU)



- Name : Performance Day SS
- Time/Location : May 2019 /Munich, Germany
- Products : Backpack, Apparel and Eco-Friendly Fabric

- Name : Kind + Jugend
- Time/Location : Sep 2019 / Koln, Germany
- Products : Baby stroller/School bag and Eco-Friendly Fabric



Marketing-Trade Show(Asia)



- Name : Saigon Tex
- Time/Location : April 2019 /HCMC, Vietnam
- Products : Backpack,Apparel and Eco-Friendly Fabric

- Name : Intertextile
- Time/Location : Sep 2019 / Shanghai, China
- Products : Backpack,Apparel and Eco-Friendly Fabric



Marketing-Trade Show(Asia)



- Name : TITAS
- Time/Location : Oct 2019 /Taipei, Taiwan
- Products : Backpack,Apparel and Eco-Friendly Fabric



R&D Product Development

Mr.Kuo
RD-Manager

Main Topics of RD Product

Sustainability

- Recycled Material
- Dope Dyed
- Bio-Based
- Material Degradable
- PFC Free W/R
- Lower Tem. Dying
- Energy Saving
- Digital Printing

Safety x Protection

- Lightweight and high tenacity
- Anti-Abrasion
- Resistant
- Reflective and Luminous
- Anti-Static
- Water proof and anti climate
- Fire Retardant

Funcationl x Comfortable

- Cotton like
- Wool like
- Liene Like
- Stretch
- Breathable
- Lightweight and keep warm



DOWNPROOF
防絨



STRETCH
四面彈性



ULTRA
LIGHTWEIGHT
超輕量



WATER VAPOR
PERMEABILITY
透溼防水

New patents-Material

Photocatalyst Yarn



Coated Yarn



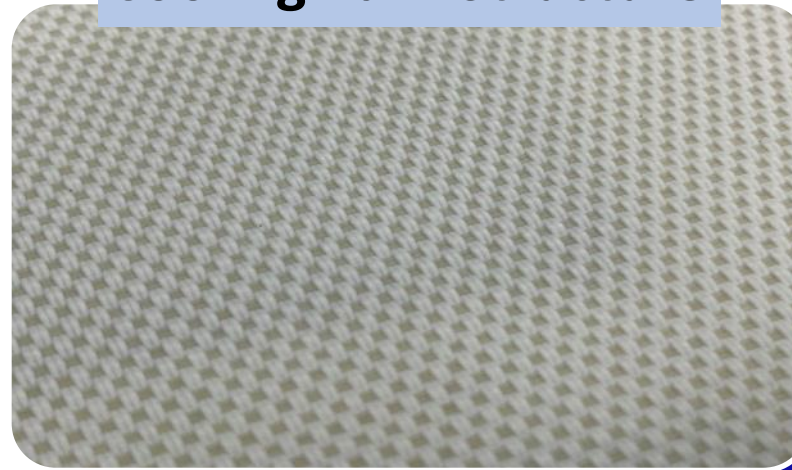
Cotton like with Stretch Yarn



Reinforce Reflective yarn



Cooling Yarn Structure



New patents-Weaving



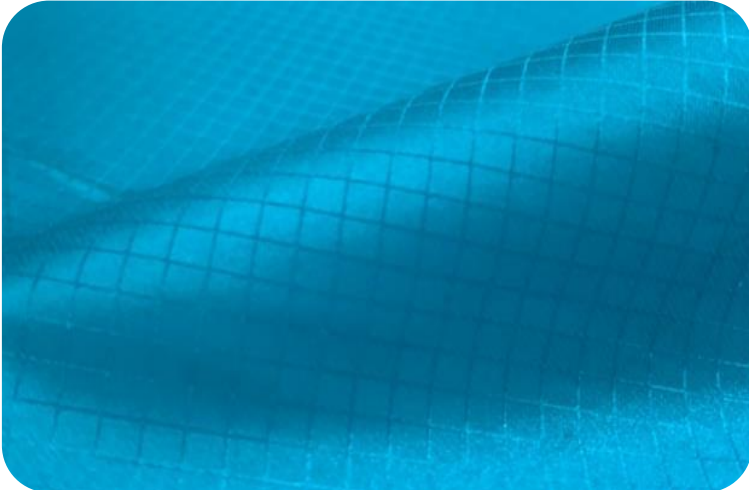
Spacedye woven fabric



Luminous slor screen



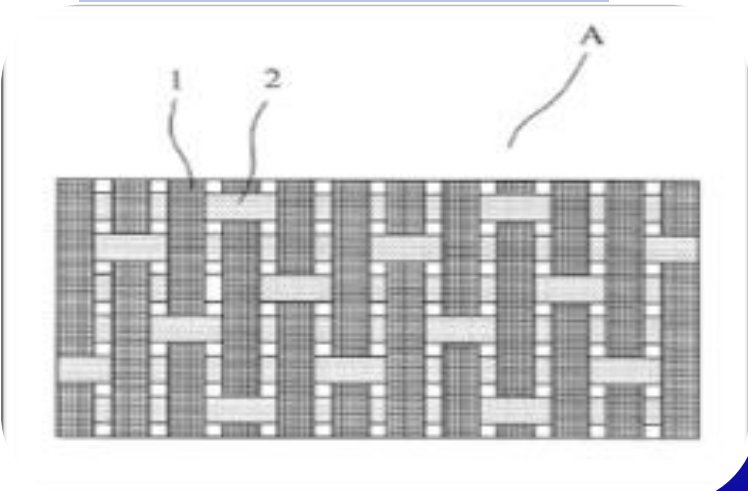
Self-Recovery Textile



High tenacity mesh



ECO-Friendly Mesn



New patents-Finishing

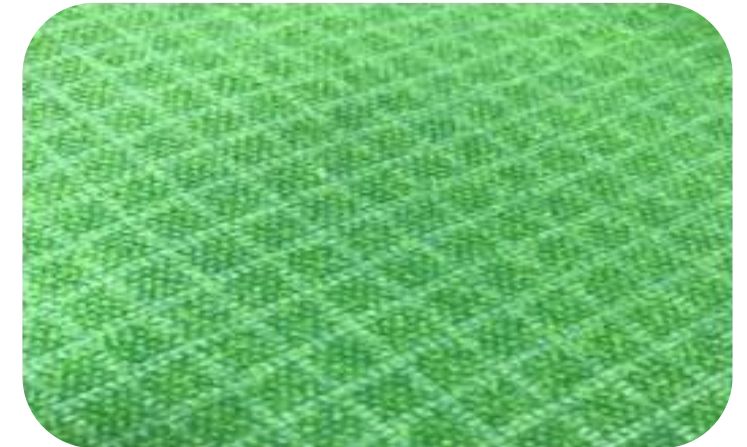
Reflective lamination fabric



Embossed mesh



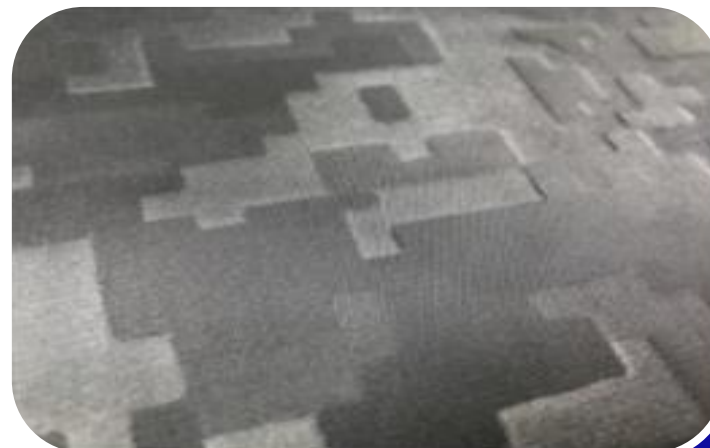
Emboss Wax fabric



Camouflage splash dye fabric



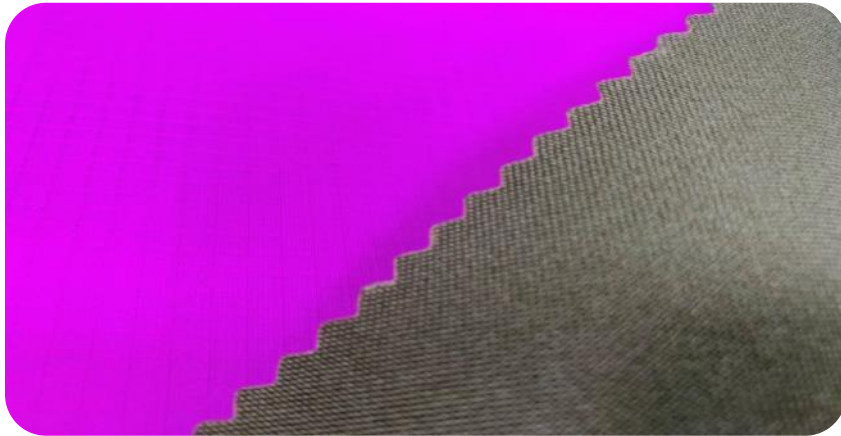
Multi-layer emboss fabric



New patents-Finishing



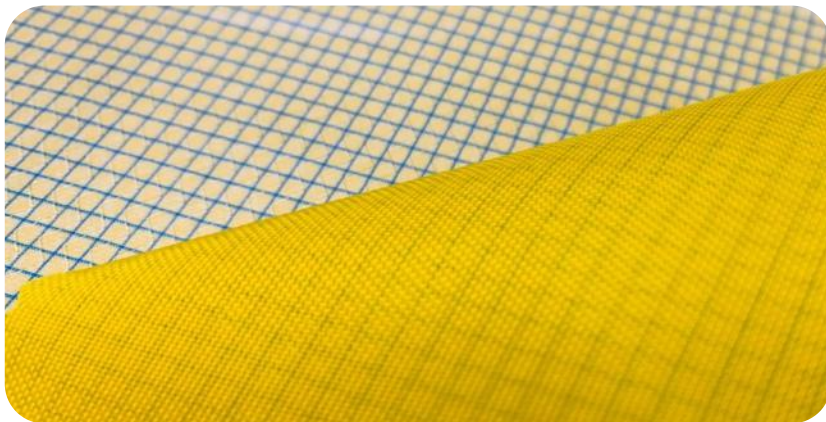
3 layer lamination backpack fabrics



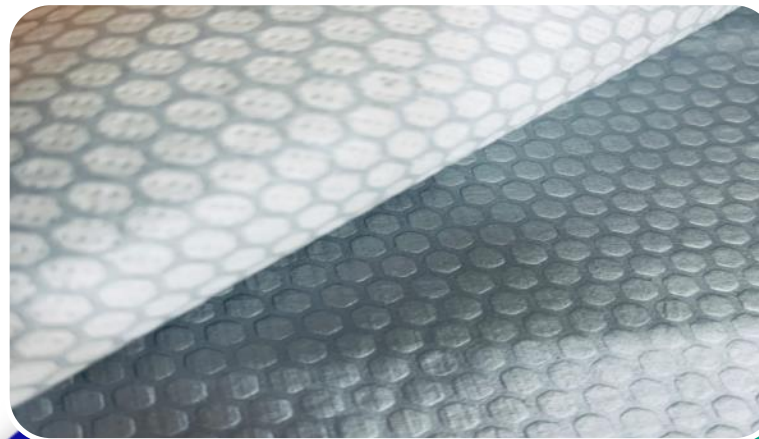
Anti-Abrasion Resistant printing fabric



2 layer lamination multi-color effect



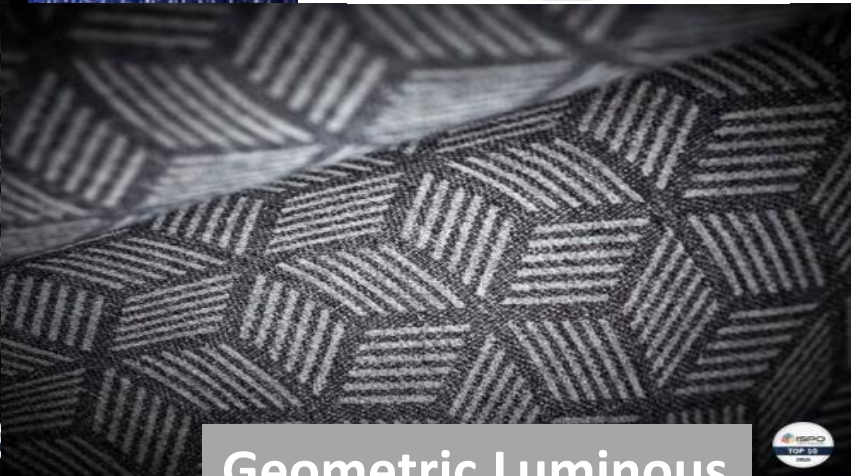
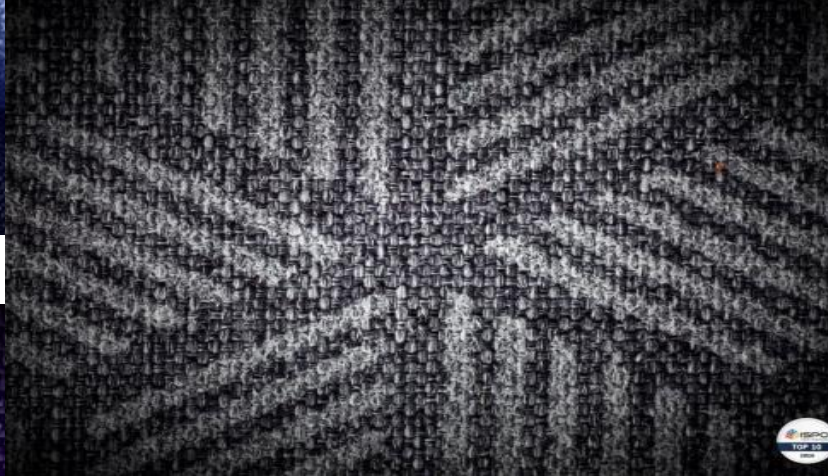
Paper feel lightweight fabric



2016 ISPO Textrend Awards



Two tone-Cotton Like



Geometric Luminous



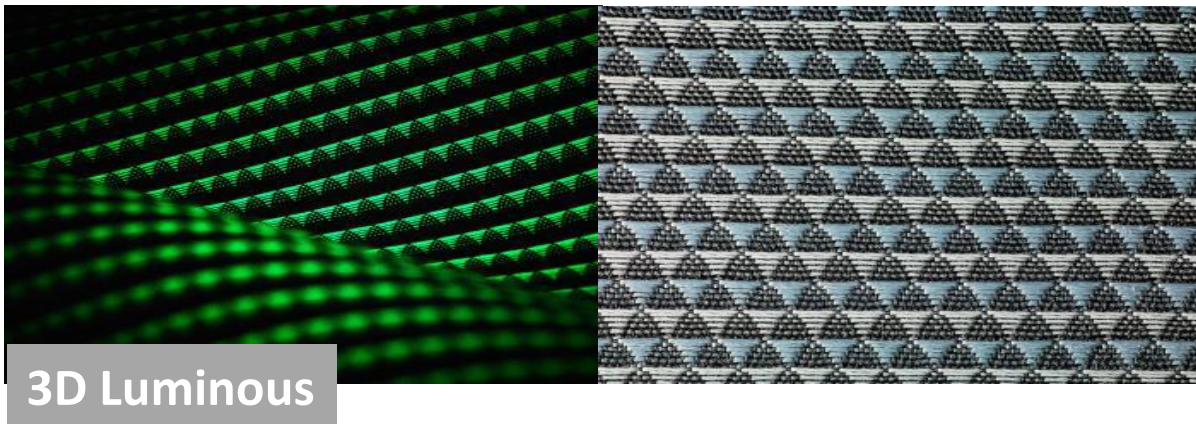
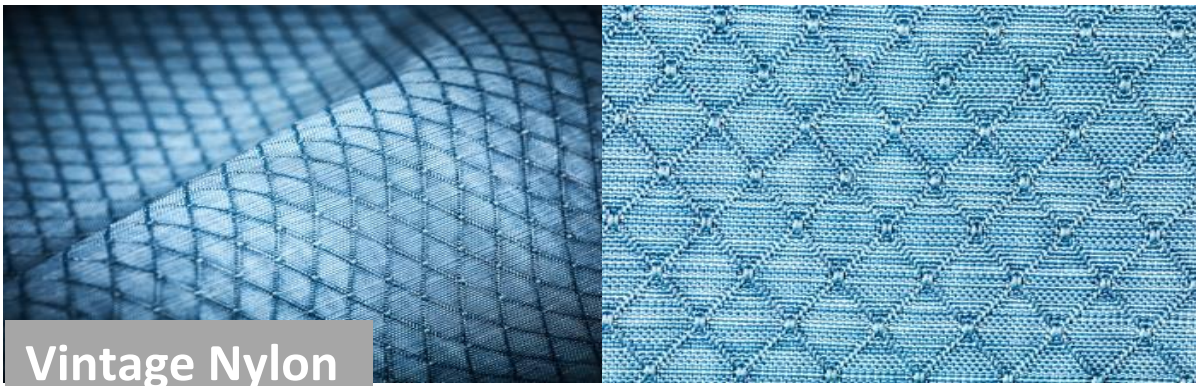
3D Dobby



- 3 Fabric-Top 10
- 3 Fabric –Selection



2017 ISPO Textrend Awards



- 4 Fabric-Top 10
- 1 Fabric-Selection

2018 ISPO Textrend Awards



ISPO TEXTRENDS WINNER

2019/20 Trends And Innovations

Crinkle Nylon ripstop

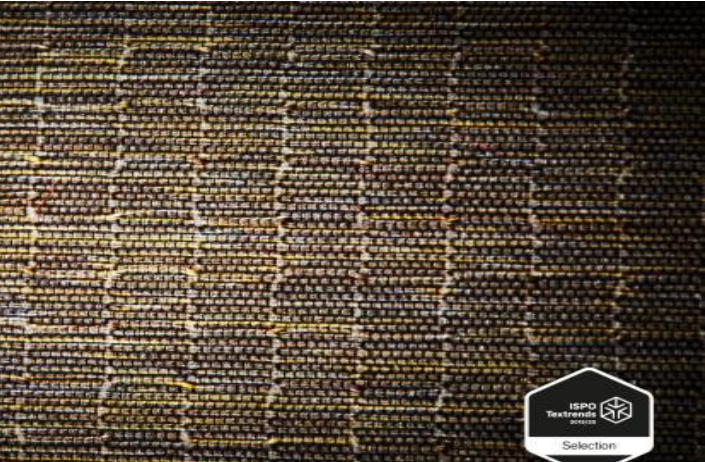
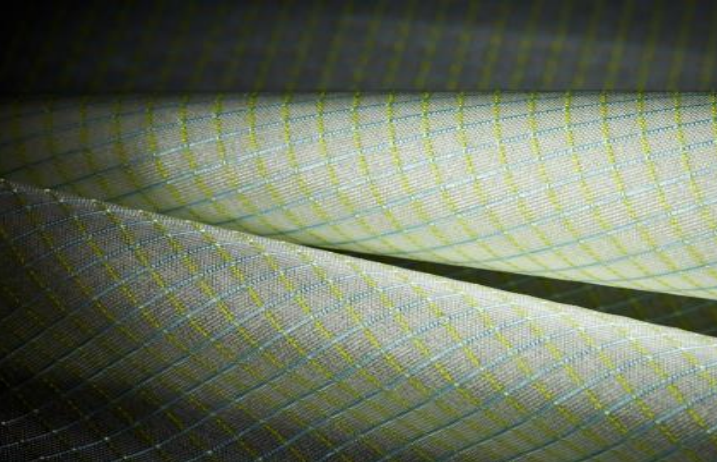
Anti Abrasion Reflective

- 3 Fabric-Top 10
- 4 Fabric-Selection

Triangle Dobby

N0834

EN001



High Tenacity Yarn dye ripstop

Bio Based Nylon

Muti-Color Dope Dyed

2019 ISPO Textrend Awards



Paper like Crinke Nylon



Recycled Nylon Emboss

Lightweight high tenacity



Muti-Color Solution Dyed

Zero Dyed Eco-Fabric

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Q&A

