



TAHTONG

Tah Tong Textile Co., Ltd. 大東紡織股份有限公司

Investor Conference
TWSE stock code: 1441

<http://www.tahtong.com.tw>





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Corporate Overview





1.1 Corporate Overview

Establishment

1958 March 15th

Chairman President

Mr. Chen Shiou Chung
Mr. Chen Chien Choan

Capital

NTD 632 Million

Main Business Scope

- Produce varied and bespoke yarns
- A variety of textile fabrics outsourcing processing

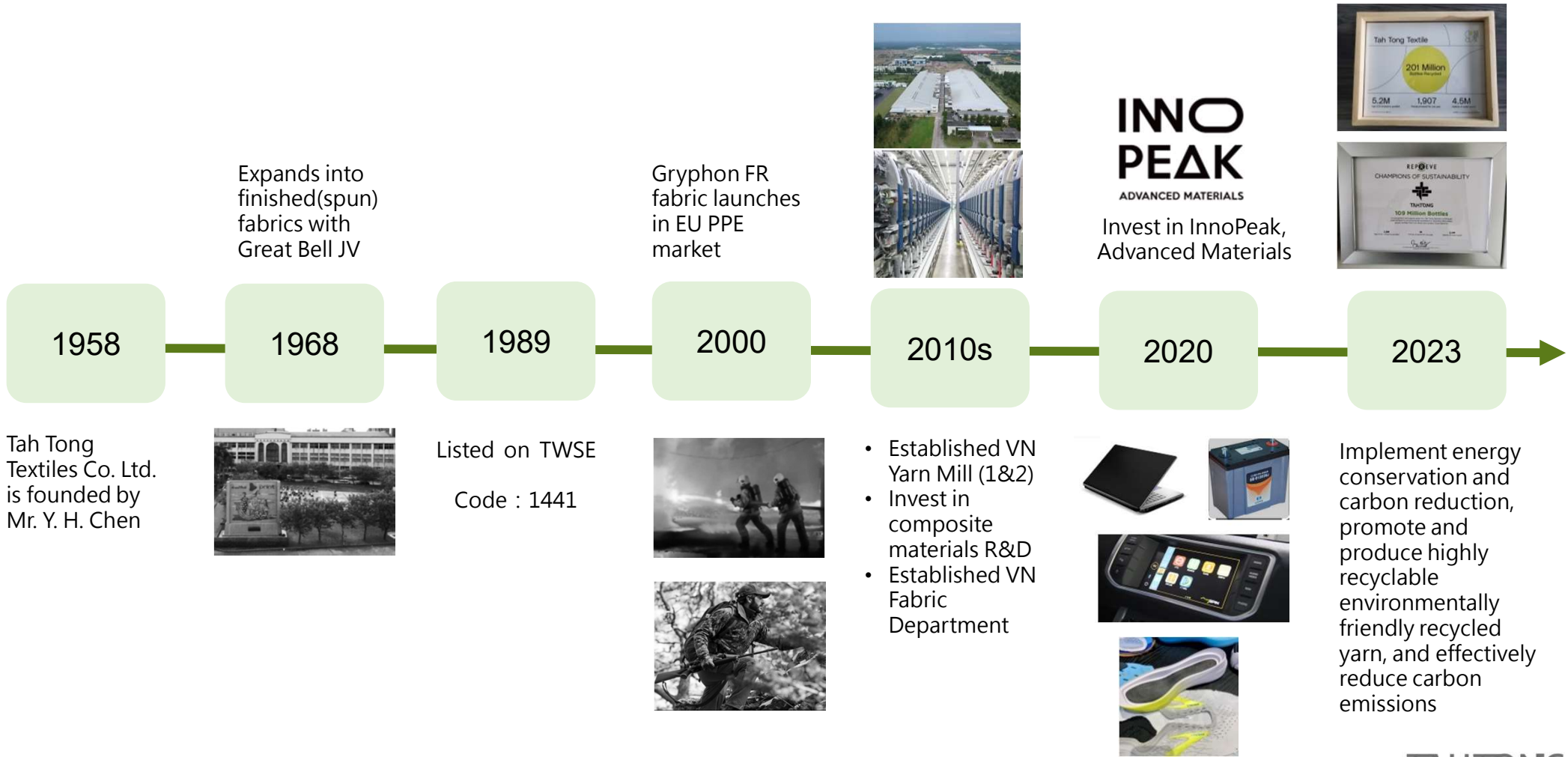
Core Values

- Behave with integrity
- Take Ownership
- Accomplish with urgency
- Get to the critical details
- Social responsibility as priority
- Positive communications

Publicly Listed

Achieve public listing on Taiwan Stock Exchange in 1989

1.2 Business Scope Extension into Vietnam





1.3 Tah Tong Textile Corporate Organization

Tah Tong Textile



Yarn Business Unit



Fabric Business Unit



**Composite
Material
Business Unit**

**TTVN
Yarn Mill 1**

**TTVN
Yarn Mill 2**

Great Bell Dyeing Mill

**InnoPeak Advanced
Materials**

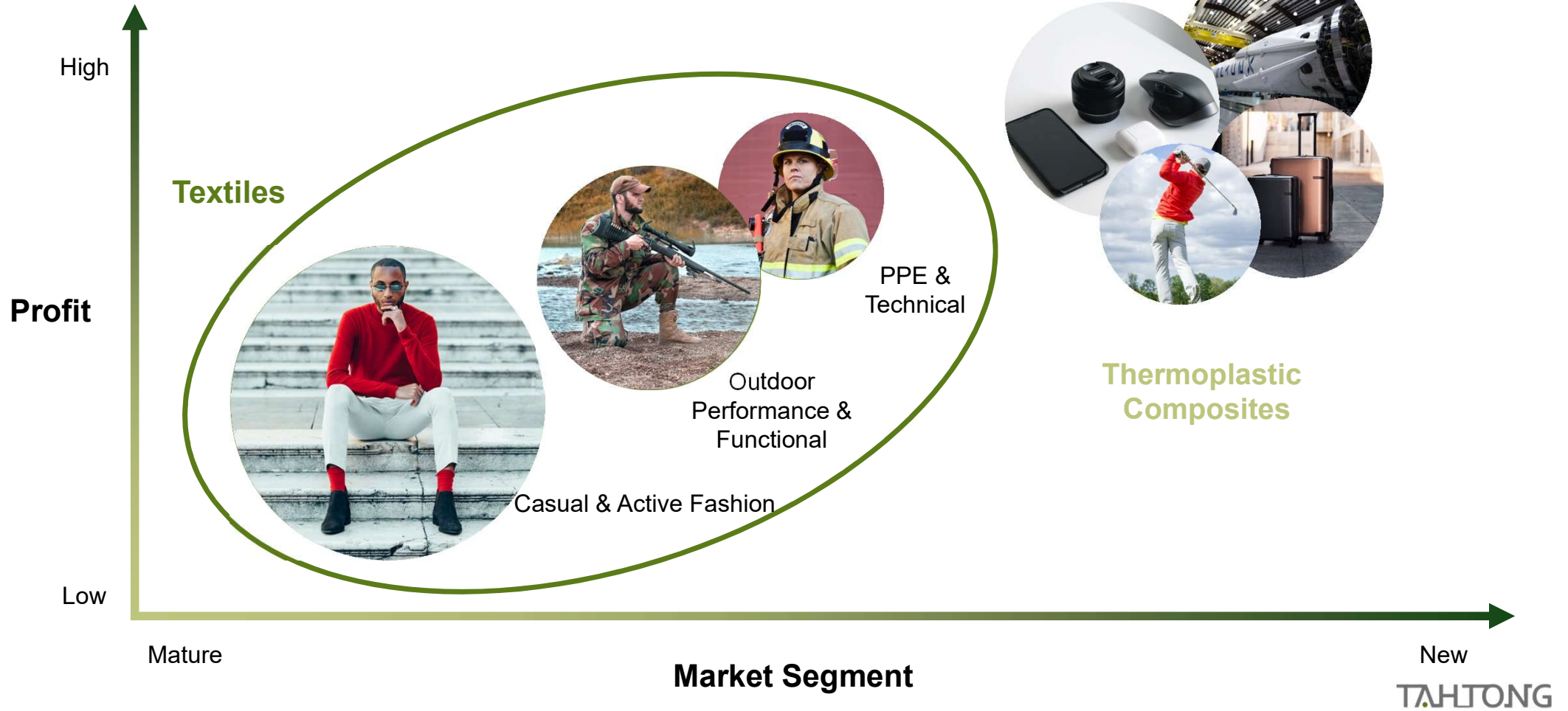


Product & Market Overview





2. Tah Tong Business & Market Strategy





2.1 Vertical Integration to Serve Growing Casual Market

ECO & Functional & Comfortable

Raw Materials

Repreve

Ecovero

Tencel

Modal

Recycled Cotton

GEC Cotton

Acrylic

Nomex

PVA

Tah Tong Vertical Textiles

Yarn

ECO Yarns

Heavy Gauge (Siro)

Slub Yarns

Acrylic/Rayon

Zero-Twist

Long Staple (51mm)

Fabrics

ECO Fabrics

CVC Fleece

Casual Knits

Functional Knits

PPE Woven

PPE Knits

Applications

Casual Tops

Hoodies

Sports Casual

Innerwear

Home Textile

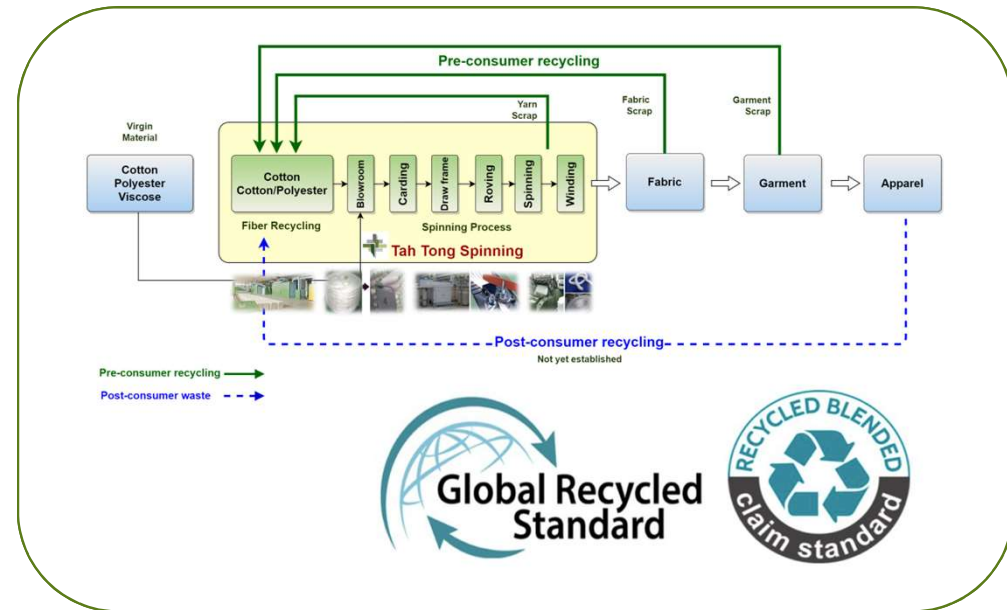
Firefighter

2.1 Key Specialty Staple Yarn Mill in Vietnam

ECO/Recycled

Direct Customers

Functional Yarn



Key Achievements

- ✦ ECO yarns have continued to grow in 2023
- ✦ Introduction of Recycled Cotton and GEC (Good Earth Cotton Yarns)
- ✦ Specialty and industrial yarns coming online

Value Chain



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2.2 Vertical Staple Knit Specialist



Street/Sport wear



Lifestyle/ Innerwear



Key Achievements :

- ✦ Developed fast growing customer segments
- ✦ Built quick-response fabric capabilities for Vietnam supply chain
- ✦ Specialize in bespoke high value-added fabrics



2.3 Leader in Specialty Outdoor Sports Textiles

Hunting



Fishing



Key Achievements :

- ✦ Slow down in market after several years of strong growth.
- ✦ Develop new materials and fabrics to meet the needs of brand products for daily life.
- ✦ Develop environmentally friendly materials to meet environmental friendliness and energy saving and carbon saving.

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Operation Overview





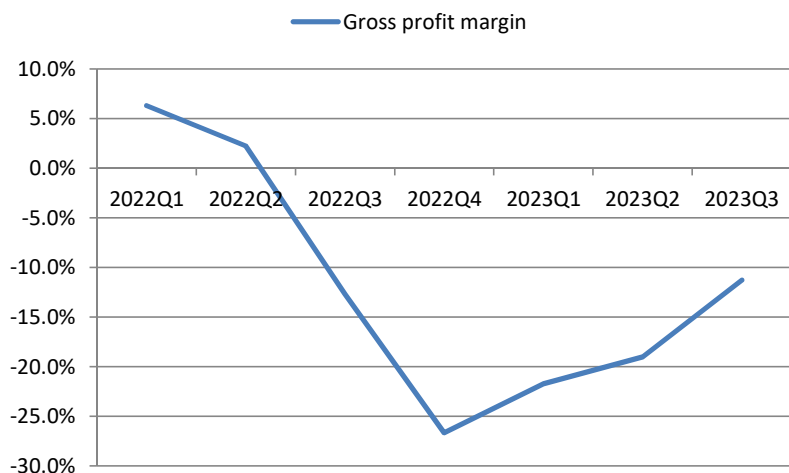
3.1 Financial Results

Unit in TWD 1'000	Y2023 Q1~Q3		Y2022 Q1~Q3	
項目	金額	%	金額	%
Net Sales	876,183	100%	1,229,757	100%
Cost of Goods Sold	(1,027,794)	(117%)	(1,242,293)	(101%)
Gross Profit	(151,611)	(17%)	(12,536)	(1%)
Operating Expenses	(123,402)	(14%)	(158,640)	(13%)
Operating Loss	(275,013)	(31%)	(171,176)	(14%)
Other Income / Expenses	27,014	3%	(207)	(0%)
Income(Loss) Before Tax	(247,999)	(28%)	(171,383)	(14%)
Income Taxes	992	0%	1,103	0%
Income(Loss)After Tax	(247,007)	(28%)	(170,280)	(14%)
Shareholders of the parent	(221,896)	(25%)	(129,764)	(11%)
Non-controlling interests	(25,111)	(3%)	(40,516)	(3%)
Basic earnings (losses) per share (TWD)	(3.51)		(1.28)	
EBITDA	(127,377)	(15%)	(52,140)	(4%)

- The overall market is shrinking. In the first three quarters of 2023, the average revenue of all 50 listed companies in the textile industry decreased by NTD1.196 billion, and the median reduction amount was NTD 372 million.
- Affected by the collapse of international raw cotton prices in the third quarter of 2022, the end market fell, resulting in an overall gross loss.
- Although operating expenses were lower than last year, they were still outmatched by the impact of the end market.

3.2 Comparison of operating conditions during each quarter

單位：新台幣仟元	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3
Revenue	413,020	436,369	380,368	358,555	307,173	267,372	301,638
Gross Profit	25,997	9,796	(48,329)	(95,664)	(66,720)	(50,835)	(34,056)
Gross profit margin	6.3%	2.2%	-12.7%	-26.7%	-21.7%	-19.0%	-11.3%



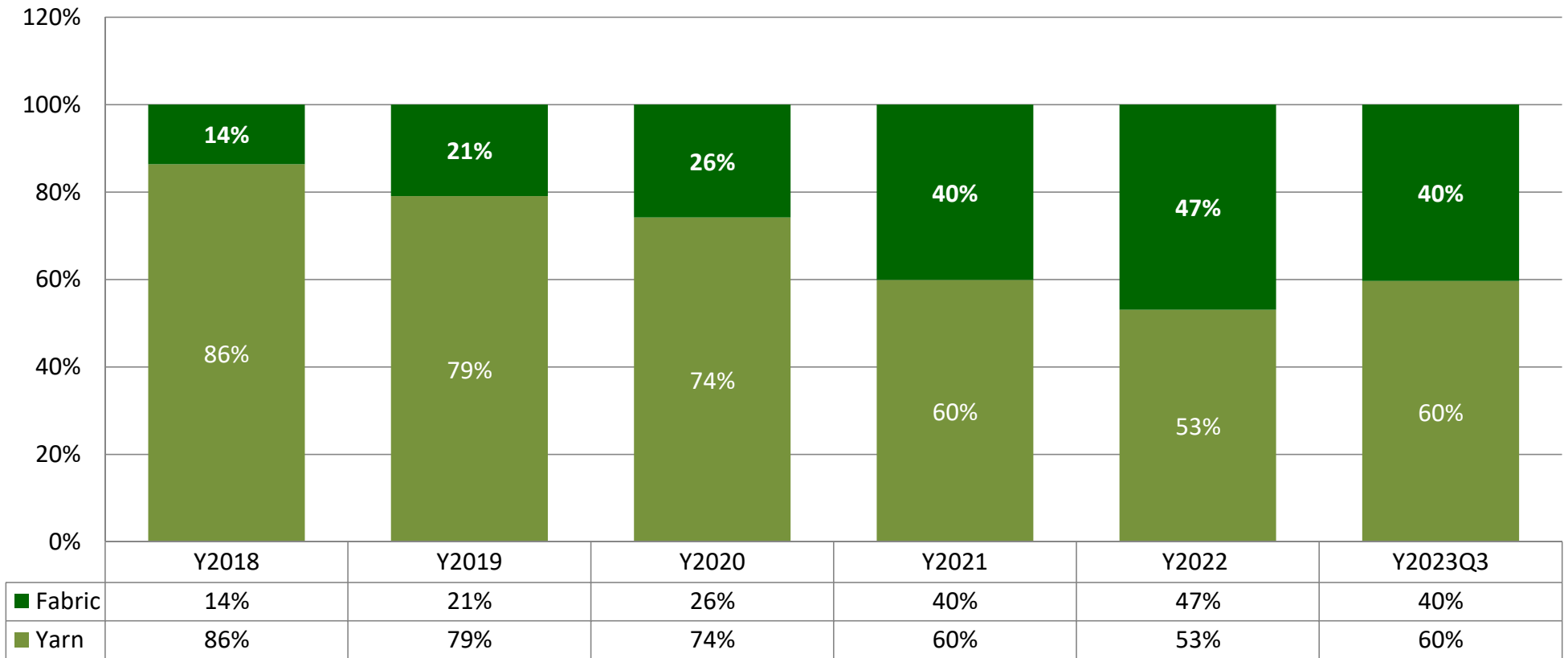
- Affected by the continuous collapse of international raw cotton starting from the second quarter of 2022, the terminal market price has been revised sharply simultaneously; starting from the second half of 2022, serious negative gross profit will occur. The damage situation has gradually improved and is expected to return to past levels from 2024



3.3 Operation Overview – Sales by segment



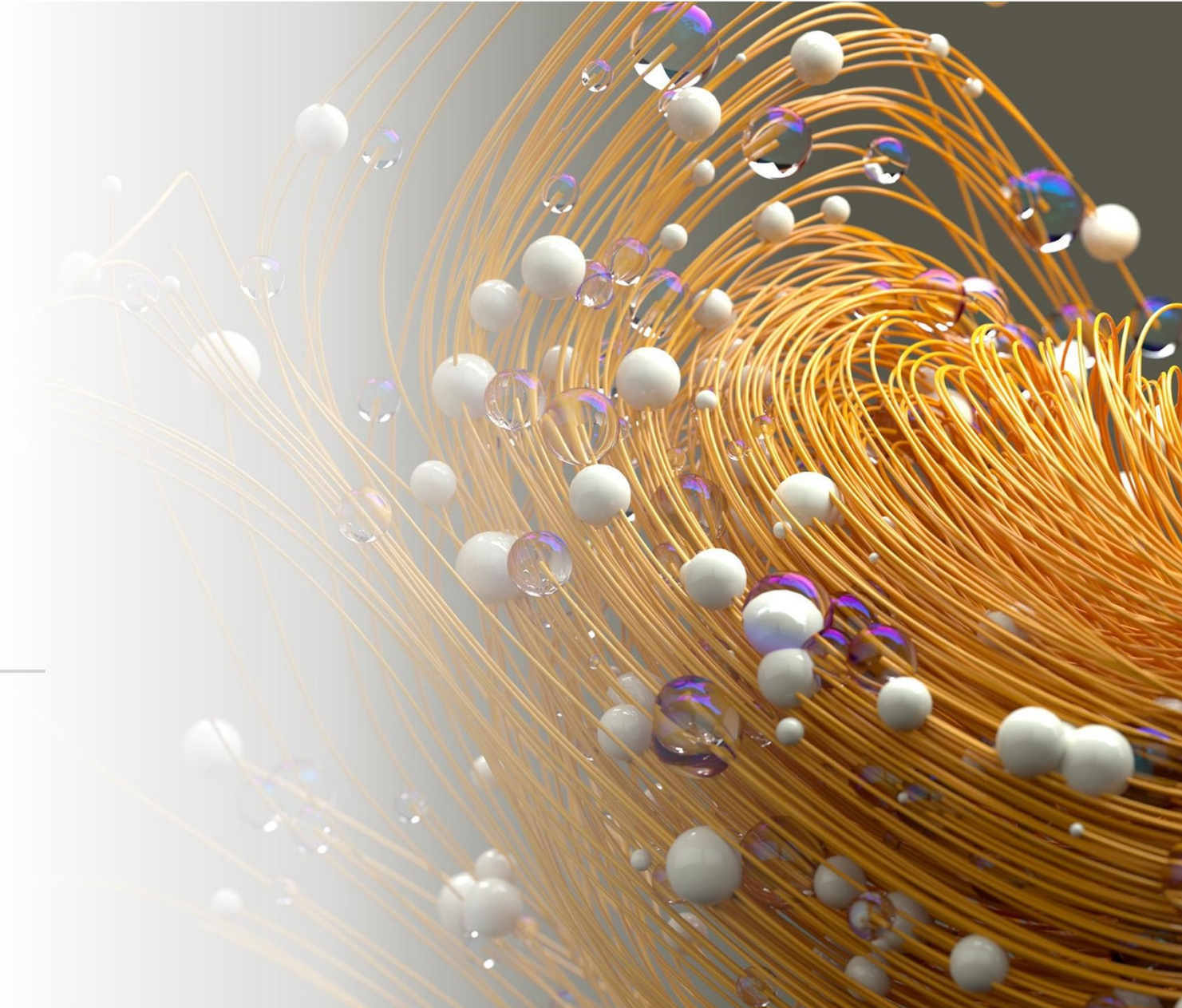
Sales by Segment



- Product mix in 2023-1H reverted back to yarn due to soft market
- Fabric sales started to gain momentum in 2023Q3



Future Outlook



4. Tah Tong Future Outlook

Market & Environment

Market application moves towards diversified development

ESG issues are in the ascendant

Increased demand for seasonal short delivery times

Price war forms in the low-end market



Tah Tong Action

Focus on value-added fabrics
Expand fabric teams reach and products

Expand line of Eco-friendly yarns and fabrics
Additional recycled products, grow eco fabrics line

Strengthen supply chain improve product offering
Improve supply chain to increase fabric offerings to meet customer demand

Reduce low value-added yarn product lines
Cut production on mature products to focus on niche yarns



THANK YOU

