Stock No. 1438

# YU FOONG INTERNATIONAL CORPORATION

## 2019 Investor Conference

## 2019-12-30

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# Disclaimer

**The information is for reference only and is not a complete description of the operation of the Company. If the content involves forecasting information, the Company does not imply, declare, nor guarantee its correctness or reliability; therefore, users should make their own judgments and bear the risk.**

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# Profile

- Established in 1955
- Stock was Approved for Listing by the Ministry of Finance and Securities and Futures Bureau in 1988
- Paid-in Capital：NT$1,024,115,180
- Number of Shares：102,411,518
- Total Net Net Value：515,583 thousand
- Stock No：1438
- Website：http://www.yufoong.com.tw

# History

| Time | Milestones |
|---|---|
| 1955 ~ 1956 | The Company was established in October 1955 and located in Foong Yuan City, Taichung County with an area more than 5,868 pings, a capital stock of NT$7,000,000 and operated by Yuetai Company and Jarfoong Weaving Mill jointly with Mr. Chongnian Lee as the first Chairman and the production formally initiated in June 1956. |
| 1966 ~ 1969 | A piece of land for more than 5,868 pings in Tanzi Township, Taichung County was acquired in 1966 for the construction of a branch factory. Spindles and fabric factory had been renewed constantly through 12-13 years of operation; however, due to the limited space, the factory could not be expanded anymore. After careful evaluation, a decision was made to have Foong Yuan factory sold to Yulien Company. In addition, a piece of land for 35,208 pings were acquired in 1969 in Xinwu Township, Zhongli City, Taoyuan County for the construction of a new factory with new machinery equipment acquired from Europe; also, the company had owned 38,880 spindles and 200 units of loom after few years of operation. Capital increased to NT$200,000,000. |
| May 1980 | Additional paid-in capital and capital increase from earnings for NT$100,000,000was arranged with stock capital increased to NT$300,000,000. |
| May 1987 | Capital increasewith cash was arranged for an amount of NT$120,000,000and with capital stock increased to NT$420,000,000 and public offering arranged subsequently. Ring spinning equipment and five OE fine spinning machineswere acquired, and with the loom equipment retired at the same time. |
| December 1988 | Stock was approved for listing by the Ministry of Finance and the Securities and Futures Bureau. |
| October 1989 | Capital increasewith cash and from additional paid-in capital was arranged for an amount of NT$222,600,000 with the capital stock increased to NT$642,600,000. |
| August 1993 | The Company was relocated to 7F-1 (Kaijay Building), No. 130, Sec. 4, Nanjing E. Road, Taipei City, Taiwan. |
| February 1996 | According to the resolution reached in the 1995 general shareholders'meeting, capital increase from the additional paid-in capital was arranged for an amount of NT$23,776,200 with the paid-in capital increased to NT$666,376,200. |
| August 1996 | The Company was relocated to the new office building acquired at 3F-3, No. 188, Sec. 5, Nanjing E. Road, Taipei City, Taiwan. |

| | |
|---|---|
| December 1997 | Arranged capital increasewith cash for an amount of NT$180,000,000 with stock issued at a premium price of NT$30.5/share and with the paid-in capital increased to NT$846,376,200.<br>The name of the Company was changed from "Taiwan Yu Foong Cotton Mills Co., Ltd." to "YU FOONG INTERNATIONAL CORPORATION." |
| June 1998 | Capital increase from the additional paid-in capital of the stock issued at premium was arranged for an amount of NT$84,637,600 with the paid-in capital increased to NT$931,013,800. |
| September 1999 | Capital increase from the additional paid-in capital of the stock issued at premium was arranged for an amount of NT$93,101,380 with the paid-in capital increased to NT$1,024,115,180. |
| August 2007 | The Company was relocated to 9F-7, No. 57,Fuhsing N. Road, Taipei City (Young Shen Commercial Building). |
| August 2012 | The Company was relocated to 2F, No. 638, Sec. 6, Minzu Road, Zhongli District, Taoyuan City, Taiwan. |

# Financial Data

Consolidated Income StatementUnit: NT$ Thousand

| Year / Item | Condensed Financial Data of the last five years (Audited and Attested by the Certified Public Accountant) | | | | | Financial data as of 2019Q3 (audited by the Certified Public Accountant) |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 | |
| Operating income | 17 | 43 | 62 | 23,596 | 12,419 | 10 |
| Gross profit | (36) | (25) | (17) | 17,735 | 9,495 | (36) |
| Operating profit and loss | (8,196) | (7,934) | (7,946) | 8,940 | 1,240 | (6, 322) |
| Non-operating income and expense | (3,683) | 2,365 | 912 | 3,814 | 3,169 | (2, 932) |
| Net income (loss) before tax | (11,879) | (5,569) | (7,034) | 12,754 | 4,409 | (9, 254) |
| Net income of the continuing department | (11,879) | (5,569) | (7,034) | 12,754 | 4,409 | (9, 254) |
| Loss of the discontinued department | - | - | - | - | - | - |
| Net income (loss) | (11,879) | (5,569) | (7,034) | 12,754 | 4,409 | (9, 254) |
| Other comprehensive profit and loss – current (after tax) | - | - | - | - | - | - |
| Total comprehensive profit and loss – current | (11,879) | (5,569) | (7,034) | 10,982 | 3,646 | (9, 254) |
| Net income attributable to the shareholders of the parent company | (11,879) | (5,569) | (7,034) | 10,982 | 3,646 | (9, 254) |
| Net income attributable to the non-controlling equity | - | - | - | - | - | - |
| Total comprehensive profit and loss attributable to the shareholders of the parent company | (11,879) | (5,569) | (7,034) | 10,982 | 3,646 | (9, 254) |
| Total comprehensive profit and loss attributable to the non-controlling equity | - | - | - | - | - | - |
| Earnings per share | (0.12) | (0.05) | (0.07) | 0.11 | 0.04 | (0. 09) |

## Consolidated Balance Sheet Unit: NT$ Thousand

| Item / Year | | Condensed Financial Data of the last five years (Audited and Attested by the Certified Public Accountant) 2018 | 2017 | 2016 | 2015 | 2014 | Financial data as of 2019Q3 (audited by the Certified Public Accountant) |
|---|---|---|---|---|---|---|---|
| Current assets | | 562,606 | 574,126 | 579,183 | 583,788 | 608,383 | 554, 153 |
| Property, plant, and equipment | | 32,293 | 32,817 | 32,513 | 35,060 | 13 | 31, 886 |
| Intangible assets | | - | - | - | - | - | - |
| Other assets | | 36 | 48 | 1,114 | 1,089 | 1,119 | 27 |
| Total assets | | 594,935 | 606,991 | 612,810 | 619,937 | 609,515 | 586, 066 |
| Current liabilities | Before appropriation | 1,298 | 1,475 | 1,725 | 1,818 | 1,995 | 1,683 |
| | After appropriation | 1,298 | 1,475 | 1,725 | 1,818 | 1,995 | Not yet distributed |
| Noncurrent liabilities | | 68,800 | 68,800 | 68,800 | 68,800 | 69,183 | 68,800 |
| Total liabilities | Before appropriation | 70,098 | 70,275 | 70,525 | 70,618 | 71,178 | 70,483 |
| | After appropriation | 70,098 | 70,275 | 70,525 | 70,618 | 71,178 | Not yet distributed |
| Equity attributable to the shareholders of the parent company | | - | - | - | - | - | - |
| Stock capital | | 1,024,115 | 1,024,115 | 1,024,115 | 1,024,115 | 1,024,115 | 1,024,115 |
| Additional paid-in capital | | 81,330 | 81,330 | 81,330 | 81,330 | 81,330 | 81,330 |
| Retained earnings | Before appropriation | (558,608) | (568,729) | (563,160) | (556,126) | (567,108) | (567,862) |
| | After appropriation | (558,608) | (568,729) | (563,160) | (556,126) | (567,108) | Not yet distributed |
| Other equities | | - | - | - | - | - | - |
| Treasury stock | | - | - | - | - | - | - |
| Non-controlling equity | | - | - | - | - | - | - |
| Total equity | Before appropriation | 524,837 | 536,716 | 542,285 | 549,319 | 538,337 | 515,583 |
| | After appropriation | 524,837 | 536,716 | 542,285 | 549,319 | 538,337 | Not yet distributed |

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# Business Strategy

When formulating marketing strategies and developing potential markets, the Company established a profit center management system. This system enables more effective trimming of expenses and operating costs. Our corporate finances are transparent and we do not engage in lending relationships with financial markets. At present, we do not have any construction projects underway but we do have land available for planning. Our goal is to provide comprehensive services of the highest possible benefit to our customers. Ongoing research and development combined with better quality in all operational aspects will secure sustainable corporate operations into the future.

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## Vision

The Company has a tradition ofstable, conservativebusiness values that includes building a stronger financial structure and strict control over capital expenditures, with an end goal of sustainable operations. Our primary operational goal this year is to extract greater value from our land. Property prices in Zhongli District have not fallen as a result of economic contraction. Rather, the price of industrial land has rapidly risen as some overseas Taiwanese manufacturers impacted by the US-China trade war have returned to Taiwan with an urgent need to build local manufacturing sites. Management is planning how to extract the most value from the Company’s land, whether through sale, construction of apartments or buildings, or lease.

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# Q &A

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# THANKS!