

The background of the slide shows the lower legs and feet of several people walking on a paved path. They are wearing blue denim jeans. The scene is brightly lit, suggesting an outdoor setting. The text is overlaid on this image in two dark blue rectangular boxes.

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2023 Investor Conference

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Grow with Customers

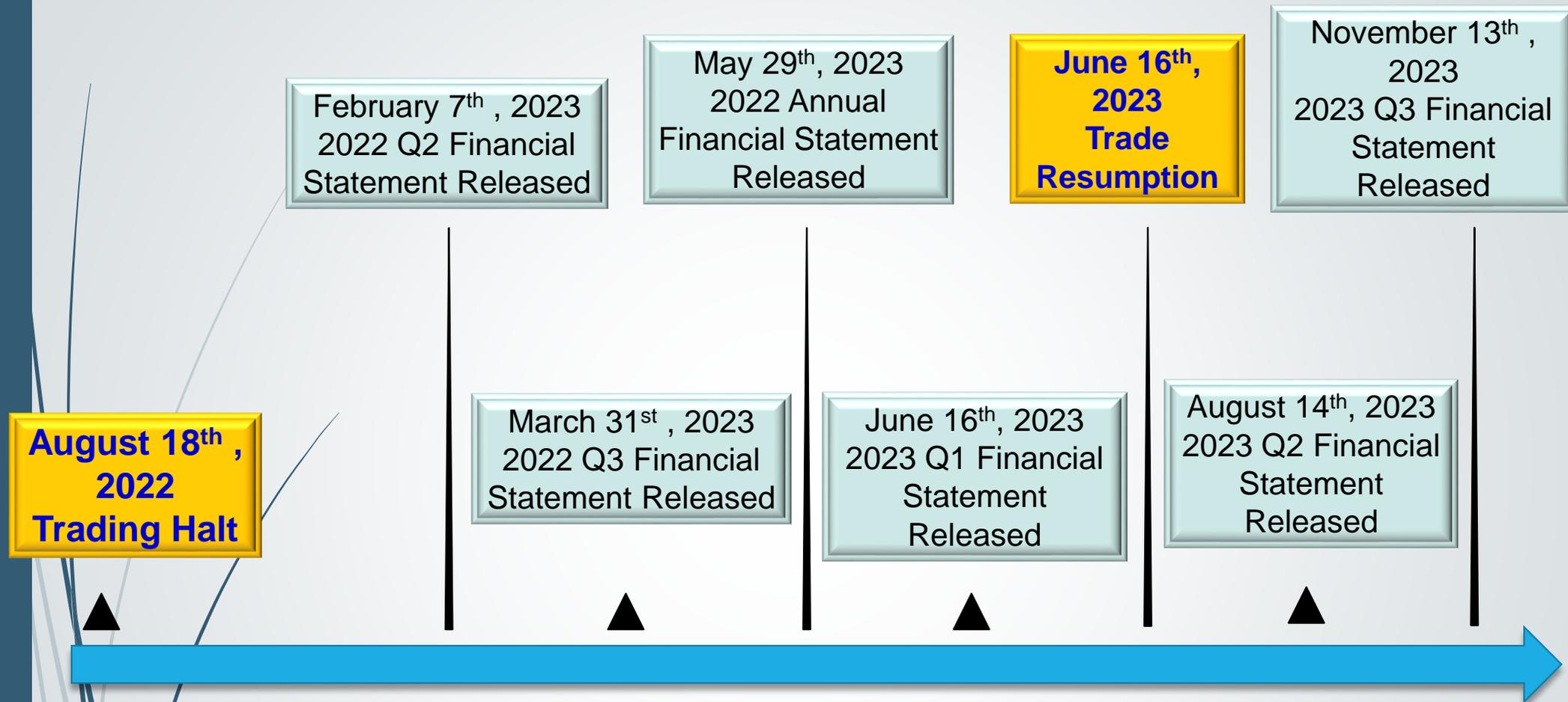
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Increase Asset Quality

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

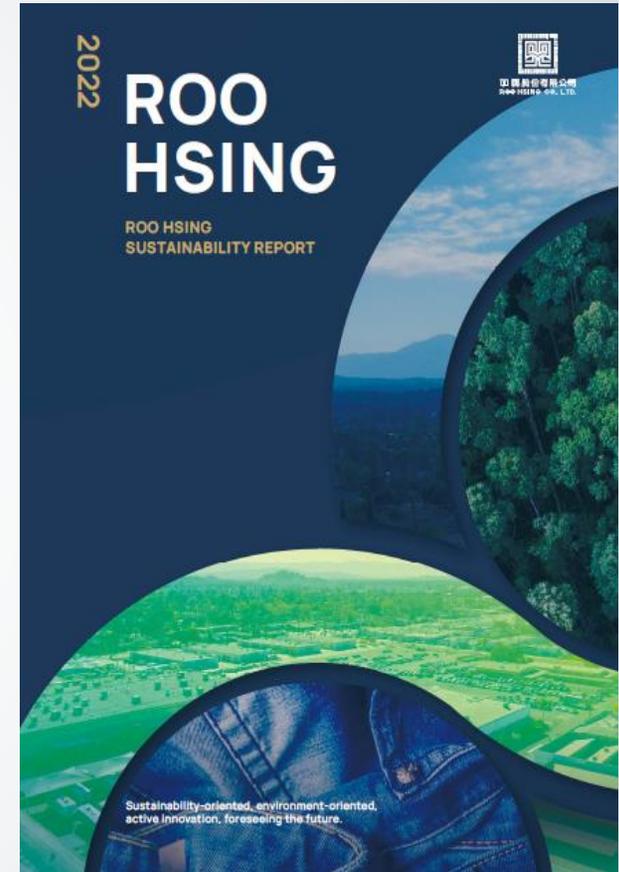
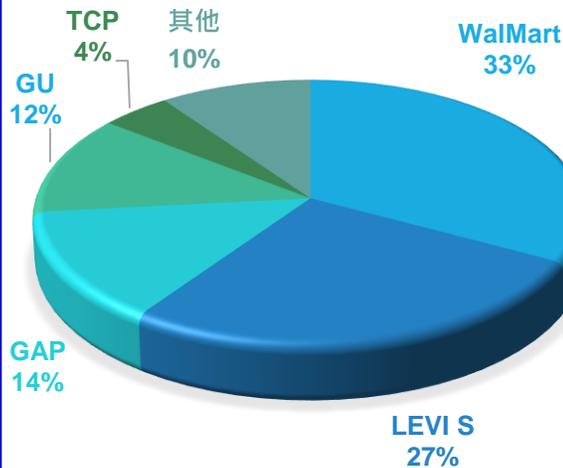
Steady Market Growth + Stable Customer Base + ESG Implementation

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

