



**Roo Hsing**

**Stock Code : 4414**



# Overview

## Leading Efficiency to Provide

- Supplies ~60 million pcs./year to customers across Europe, N. America, Japan and China.
- One-stop shop service, from sourcing, design and development to shipment.
- 300 strong merchandizing team (including one Japanese speaking team) in communicating.

## Excellent design team

- 20 professional designers and 100 fabric development and finishing technicians
- 250 skilled workers in the sampling department
- Excellence in patterning, lower the waste of the fabric

## 30+ production facilities and 35,000+ workers global wide

- China :5,000+ workers, focused on more complicated
- SE Asia : 25,000+ workers, focused on mass production for the Japanese and EU markets
- Africa: 2,000+ workers, focused on the mass production for the North America markets
- Central America : 1,000+ workers · focused in the north American market

## Continuously automation, lower the cost, keep in transform

- Automation started in 2013, raise the efficiency
- Wider the use of automatic machines, build up new SOP
- Information on-line, in preparation of the connection with the clients



# Competitive Advantages



## Scale

Since 2009 (post the quota era), leading fashion brands and retailers have consolidated their supplier base, choosing to work with suppliers with scale to meet their production needs

**Roo Hsing** is currently a key supplier to its major customers such as Levi's, g.u., Gap, etc.

**Economies of scale = cost advantage**



## One-stop shop service

Increases customer captivity as customers become dependent on Roo Hsing for procurement, testing, design, development, production, etc.

**Strong knowledge** of raw materials, production, etc. enables JDU to help customers bring down production costs as early as the design phase

**Ability to provide** samples and competitive quotations to customers within a week



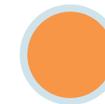
## Duty Advantages

Transnational operating facilities, avoid the area risk

**Cambodia enjoys** duty-free access to EU and Japan

**Tanzania enjoys** duty-free access to North America

**Central America** near the North American market and obtain the relief advantages



## Automation

Raise the efficiency and keep the quality.

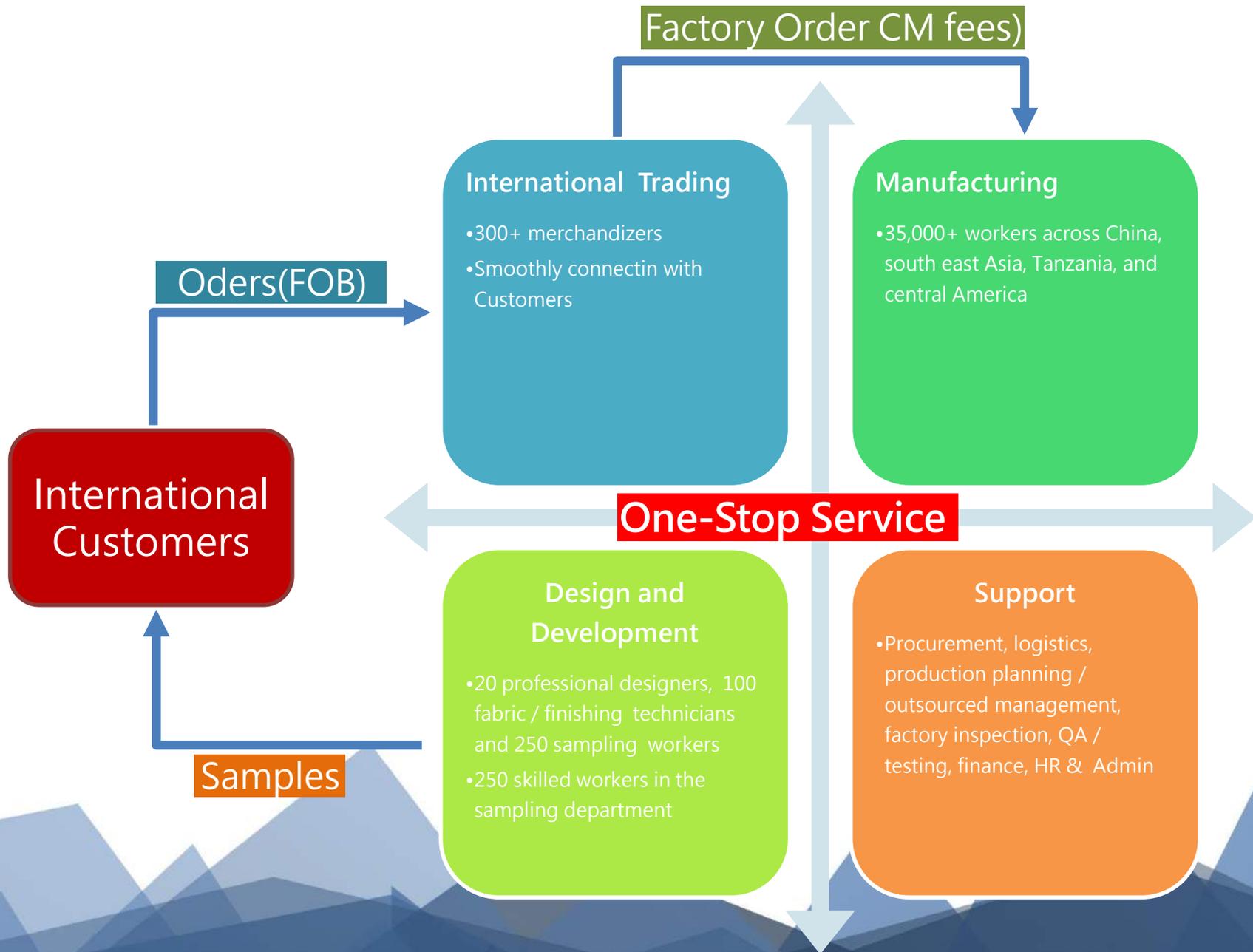
**Easy to collect the** data of working procedure, help to control the product flows.

**Digital** information can easily pass to customers, to control timing

**Shorten the lead** time for customers



# Business Model





# Business



**Production**



**Washing/Finishing**



**Design and  
Development**



**Sampling**



**Outsourced "CMT"  
Management**



**Logistics**



**QA/Testing**



**Packaging**



# 4 Factors Driving the Growth

# Sales growth



## (Organic Growth)

### Expanding the orders of existed clients

- Suppliers consolidation as a trend, each supplier would obtain more portion in the procurement demand from 5% to 20%.
- The increase of the orders from other famous brands.

### Developing new customers

- Tanzania, Myanmar, Cambodia all have GSP offer, which can raise the willingness of European clients to place the orders.
- Nicaragua, El Salvador are close to the local market of U.S.A. New branders in the U.S.A have placed orders for delivery.

## Mergers and Acquisitions(M&A)

- The branders' requirements of supplier integration have been established. Roo Hsing deeply feels that textile industry will face the same competition and consolidation as electronics industry. Just like what English idioms always said, "Go Big or Go Home," in the real world, we choose the "Go Big" way to expand the scale of economy by merging.
- Refer to the competitors :
  1. In February 2017, the 35-year-old private Hong Kong Company Crystal Apparel Ltd. applied for listing.
  2. In May 2017, Texhong acquired Nien Hsing' s Cambodian factory .

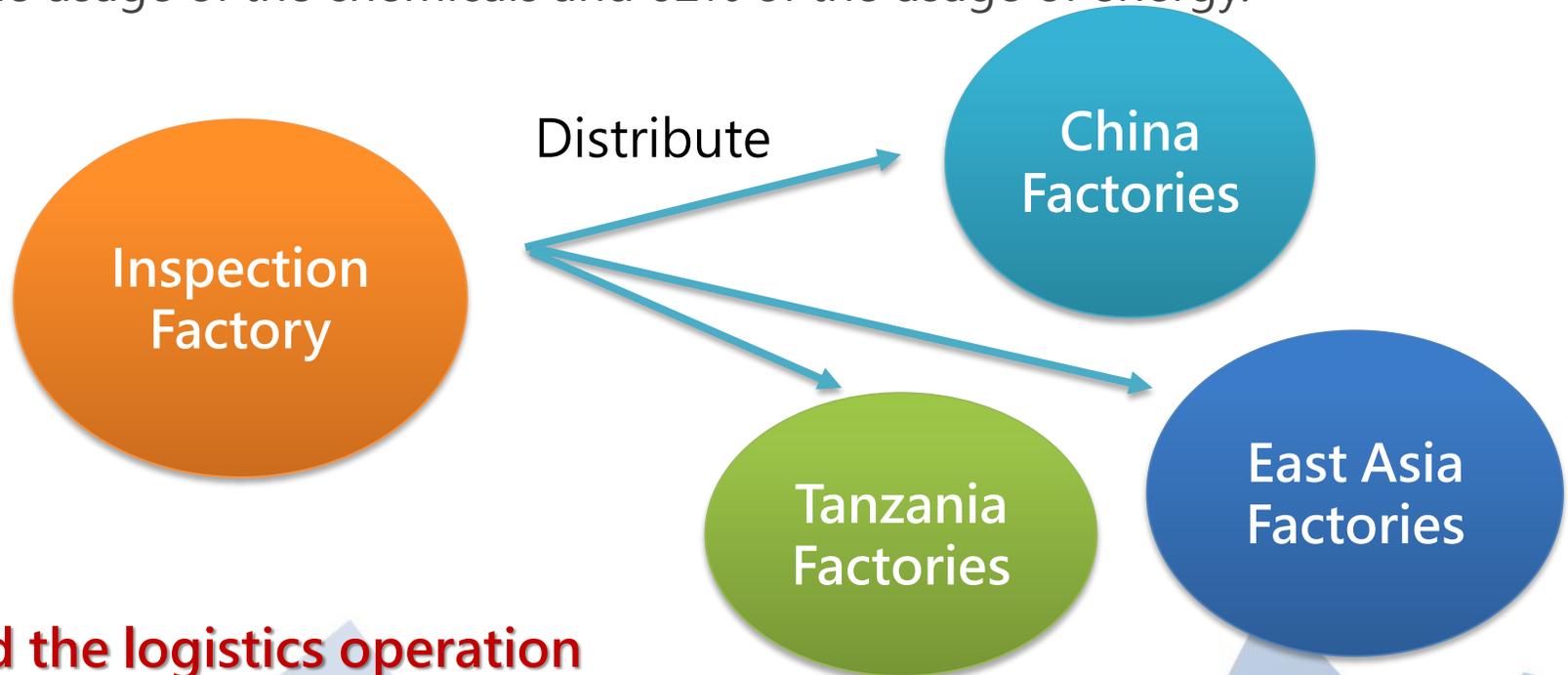
## Strategic Alliance



# Enhancement of production efficiency and adjustment

## The introduction of automation in factory

- After adopting automation in sewing, the production of the jeans per worker per day increases from 17 to 21.
- The laser machine and ozone rinsing machine can save 67% of the water consumption, 85% of the usage of the chemicals and 62% of the usage of energy.

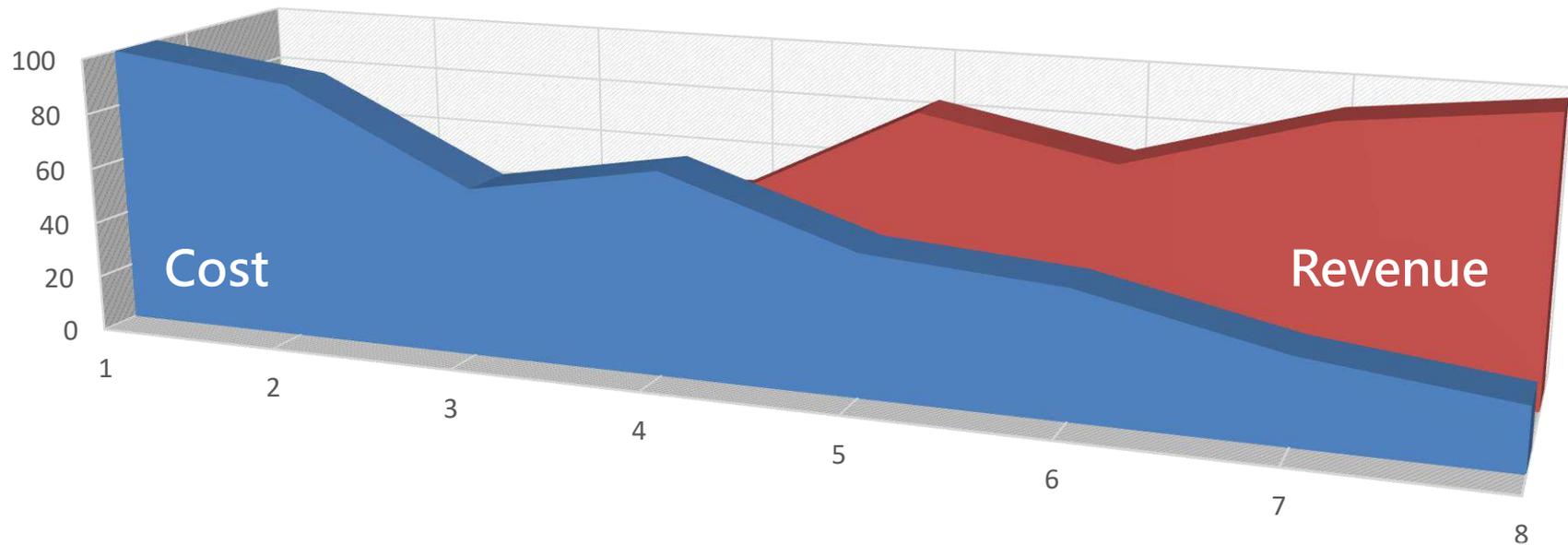


## Centralized the logistics operation

- The adopting of ERP and RFID, leads the global facilities on-line.
- Unifying fabric inspection insure the best quality
- Computerize the warehouse management and shorten the pre-operation schedule



# Capital costs would be effectively reduced

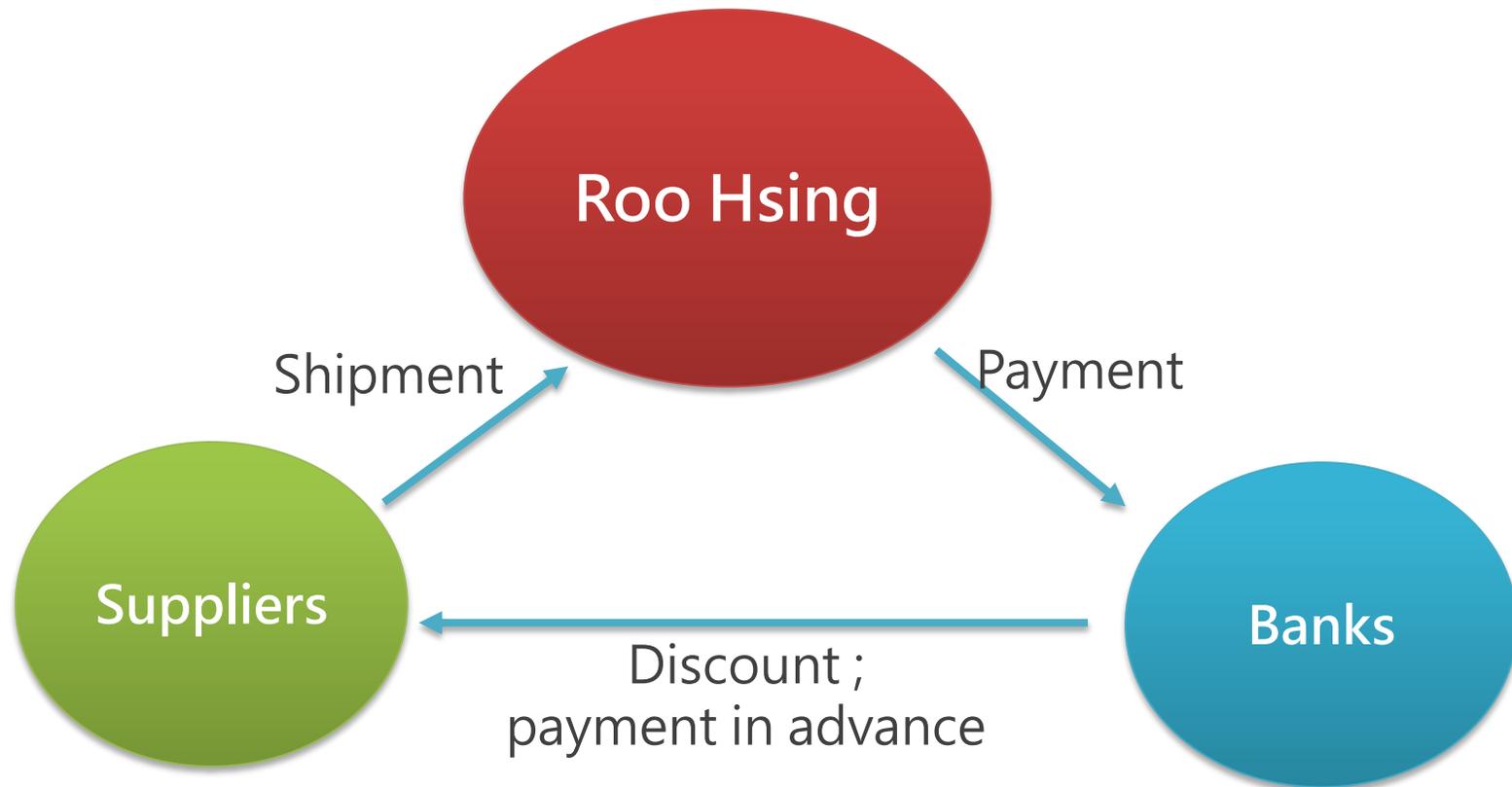


## The advantages of low capital cost

- Using the US dollar as the main currency
- Taiwan has sound financial system and the interest rate is also lower than overseas financing
- Having strong liquidity of funds in the capital market
- Capital allocation is more flexible and the benefits of capital utility appear very quickly



# The management of the suppliers' value chain

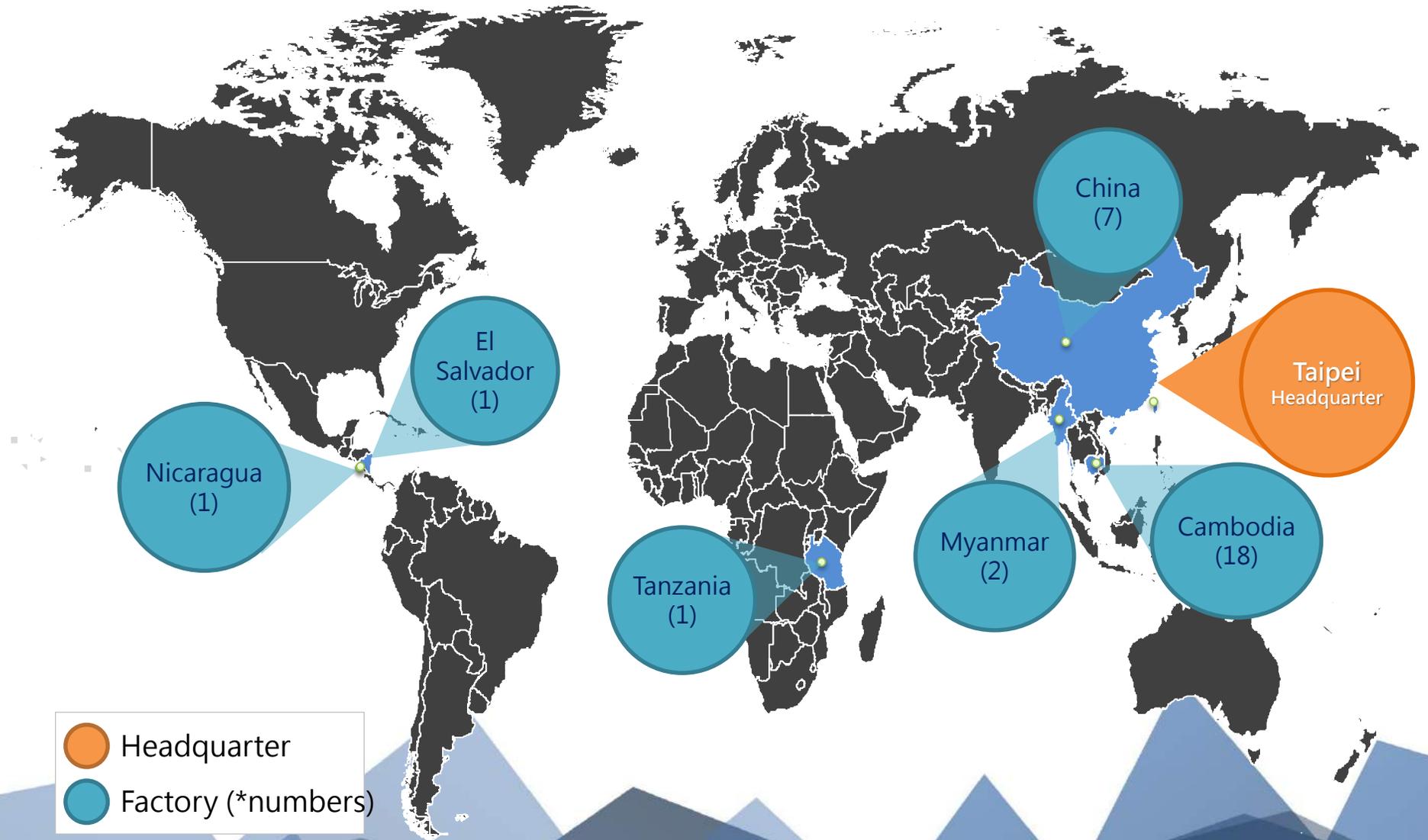


## Activating the efficiency of funds for the group

- Through the banks as the payment platform, the suppliers can get paid earlier
- With the huge amount of group procurement, the supply price is expected to decline, which will improve the efficiency of capital utility
- Payment term is stable, which helps Roo Hsing Company have a more flexible capital planning
- The cost of purchase decreases and the interest rate can be kept low



# Facilities Around the World





# Top Tier Global Brands and Retailers

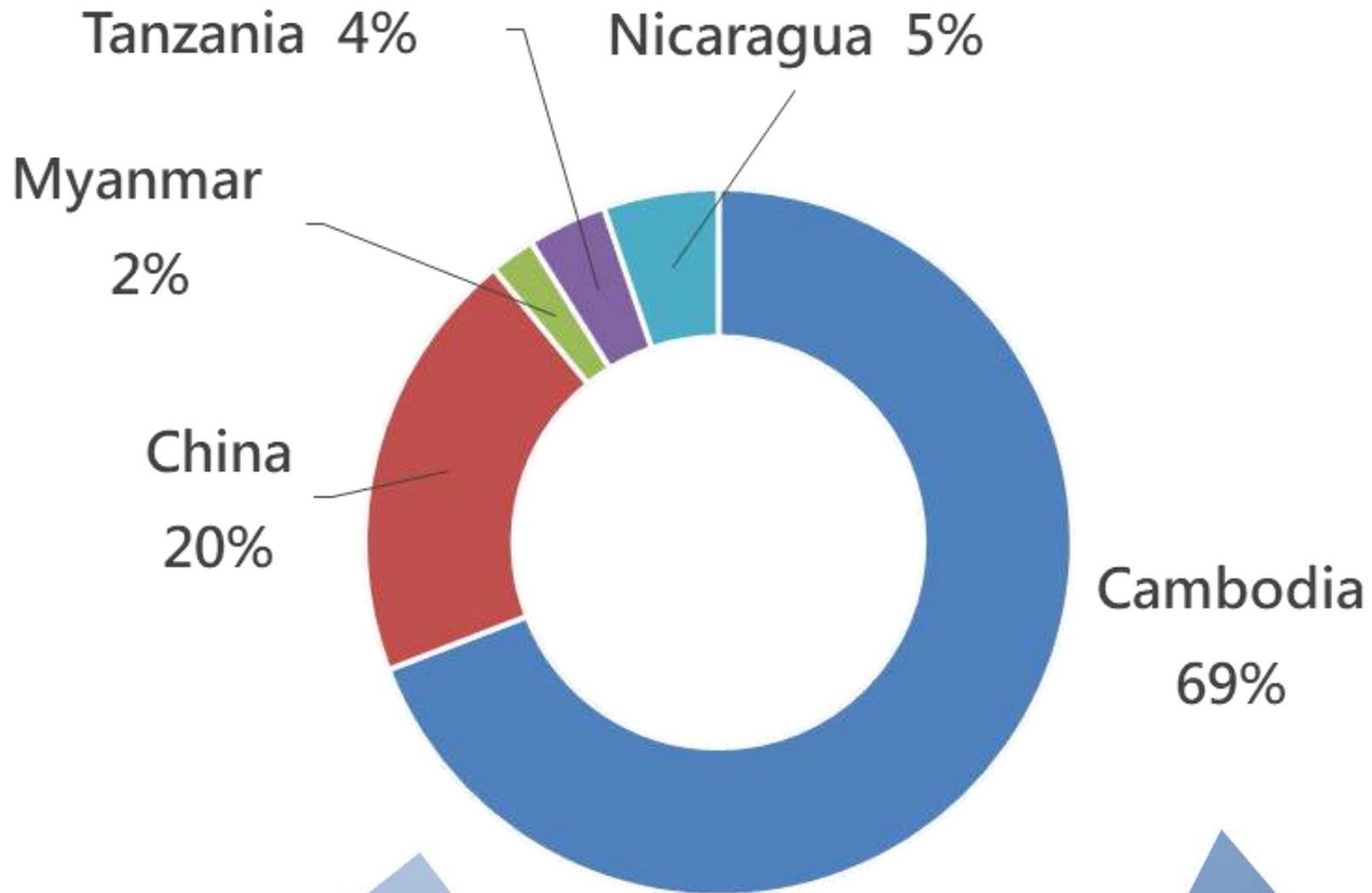
Customers are located across North America, Western Europe and East Asia

- Different peak seasons
- Diversify market risks

North America	
Europe	
Asia	

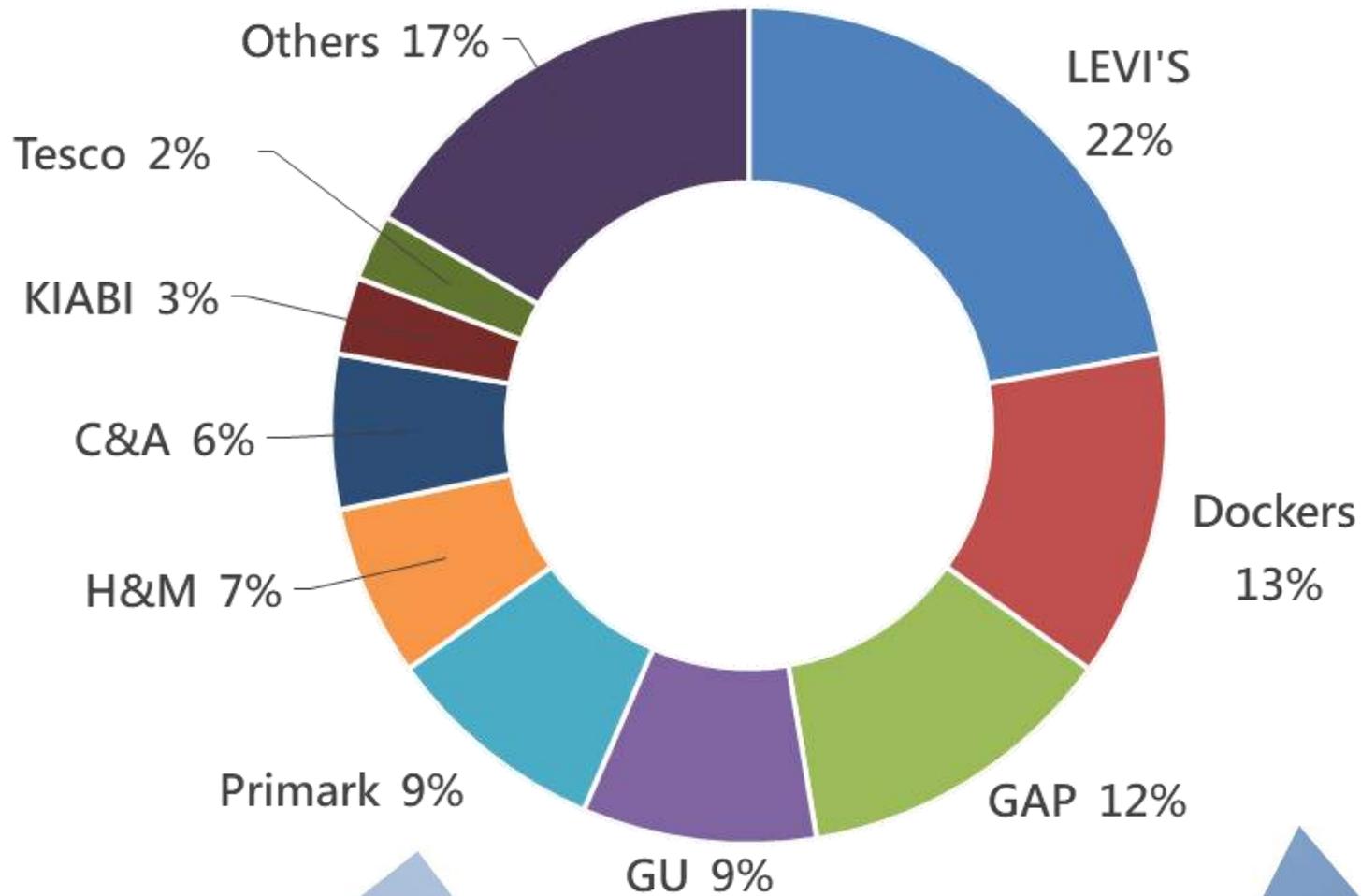


# Capacity Distribution



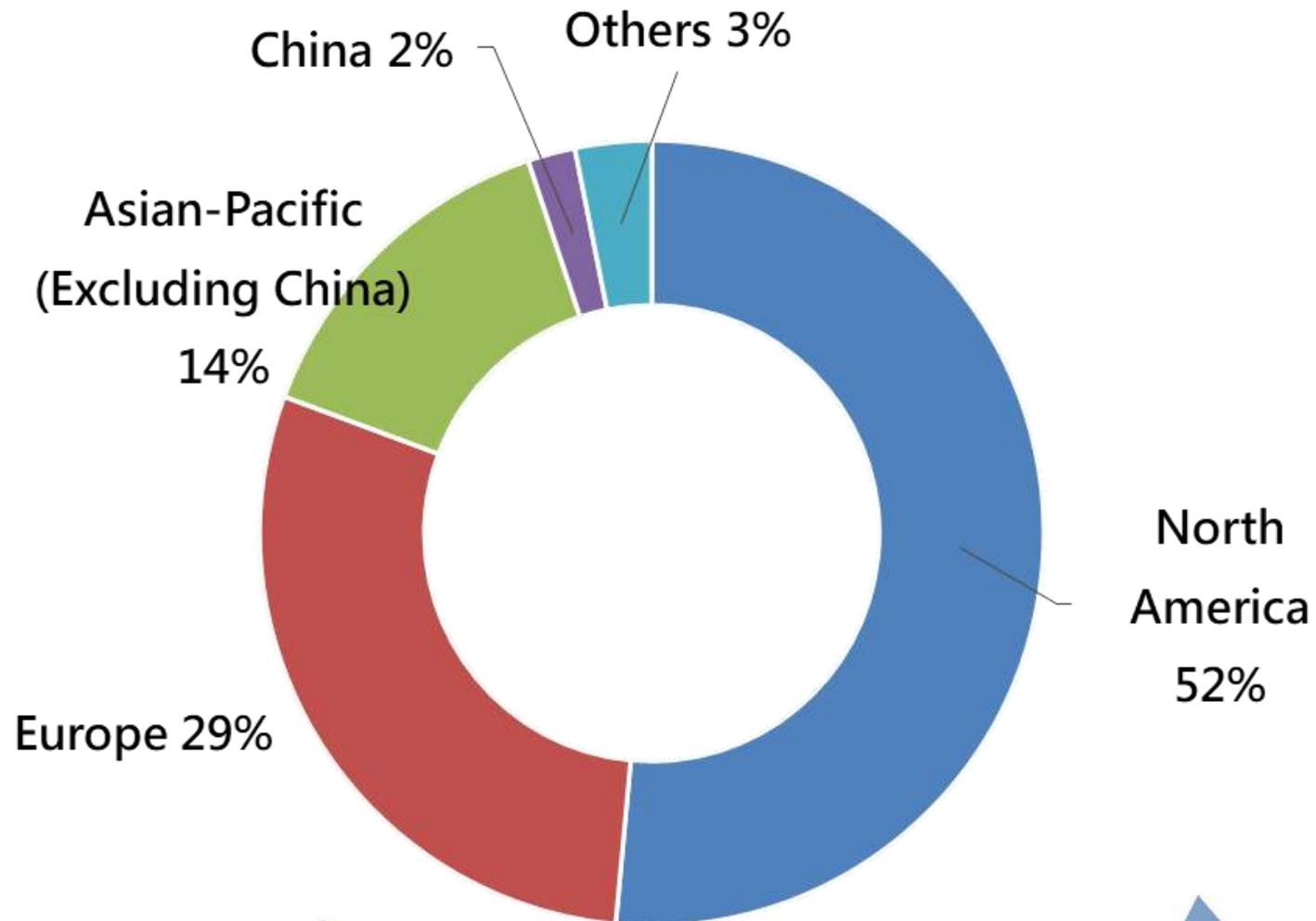


# Sales Analysis by Customers



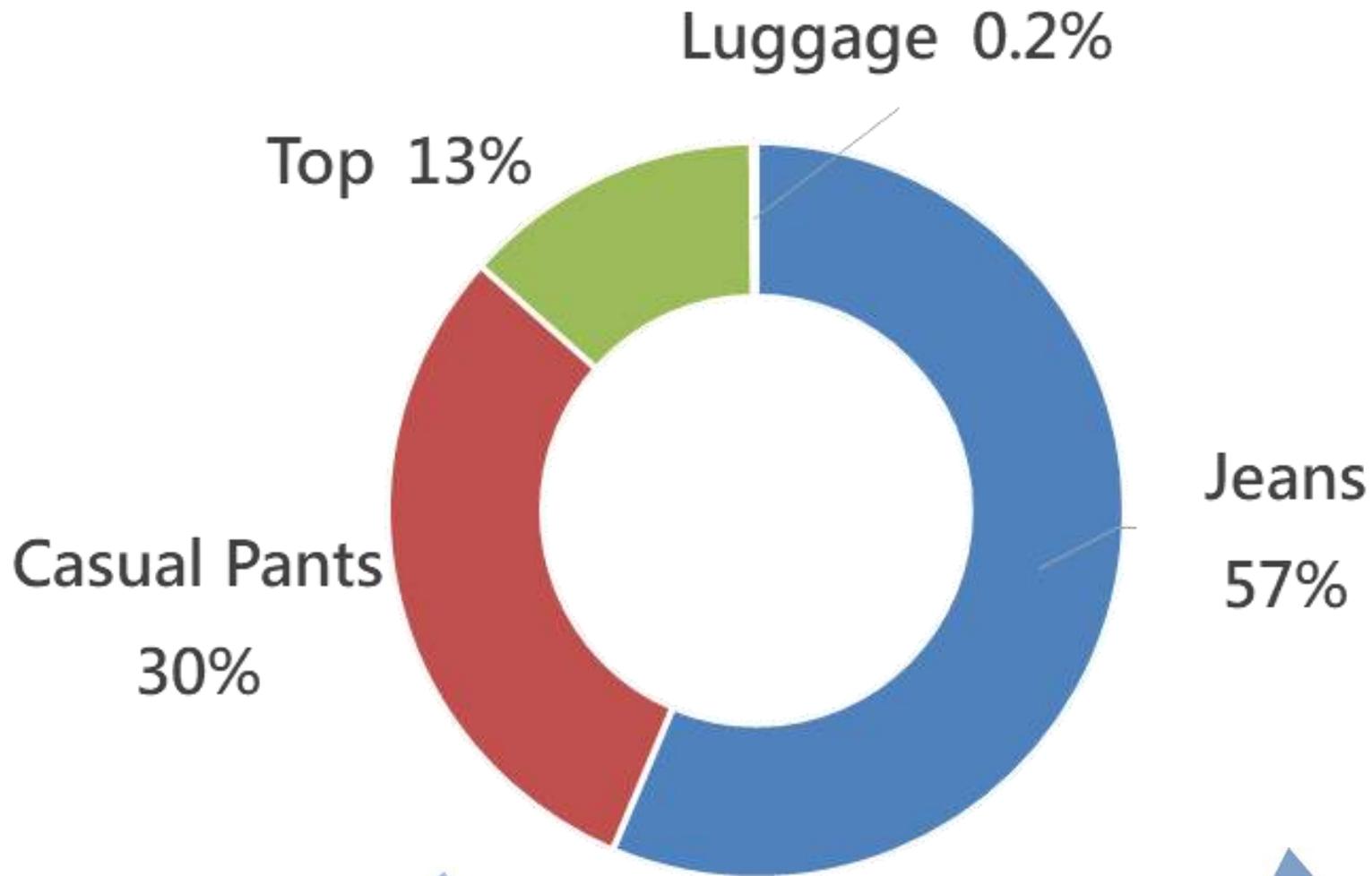


# Sales Analysis by Regions





# Sales Analysis by Products





# Q&A

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