

Line ID : til6616



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Updated: 18/01/2021

Company Website : [www.techcential-international.com](http://www.techcential-international.com)

TIL-KY Stock Code : 6616

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Malaysia  
Johor  
Muar

# Company Profile



# Company Profile



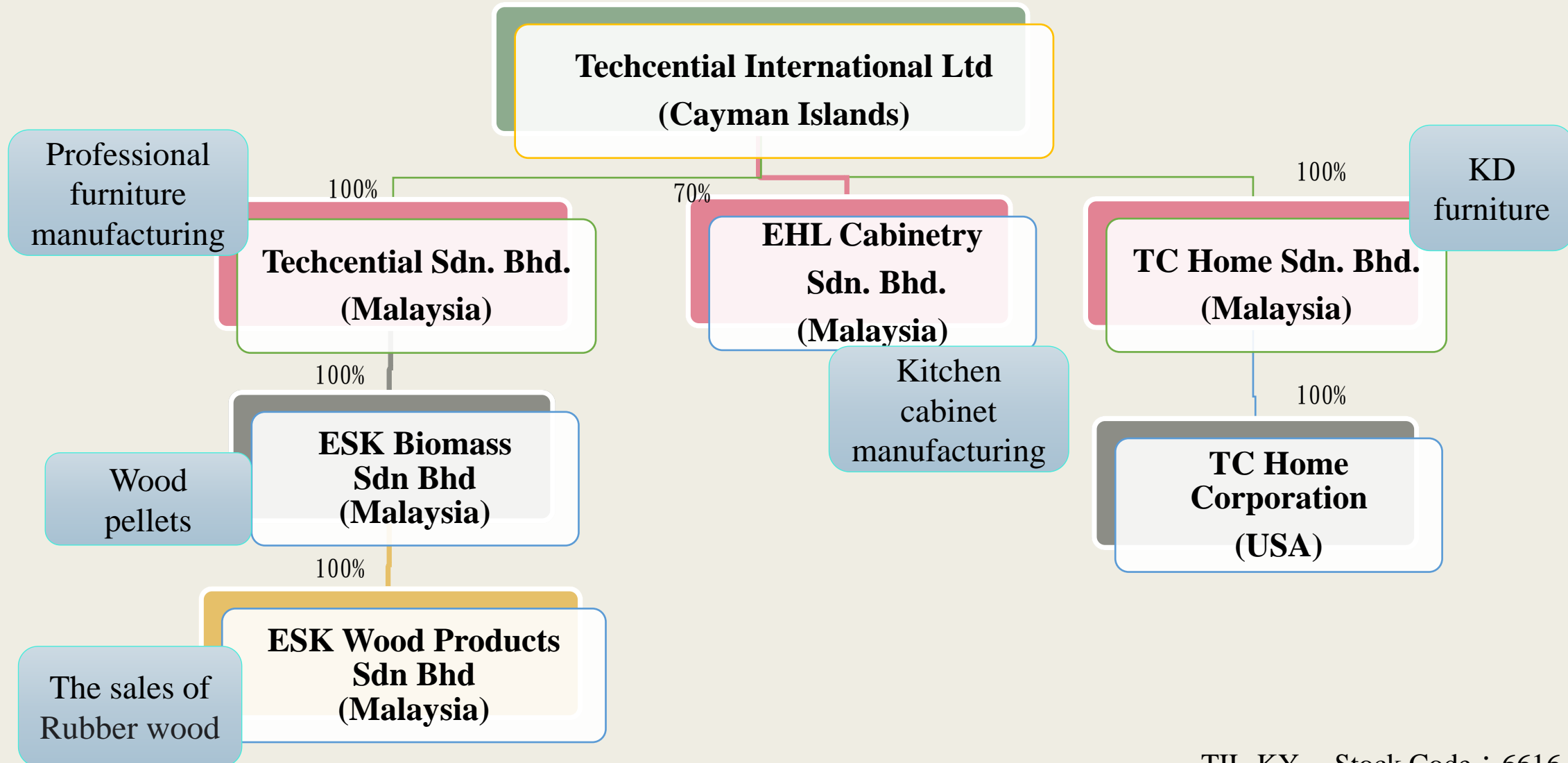
- Company Name : Techcential International Ltd.
- Established : June 14, 2016
- Founder : Eng Say Kuang
- Chairman : Eng Say Kaw (Ricky)
- General Manager : Eng Kai Pin (Gavin)
- Capital : NT\$236 million
- Main business : Professional manufacturing and sales of American wooden bedroom furniture, and the sales of rubberwood and raw materials.
- Number of employees: 708 (as of December 31, 2020)

# Company History

2001	Established TC Home Sdn. Bhd., mainly developing the trading of furniture. The main business items include planning the wood processing industry and furniture manufacturing.
2008	The transformation focuses on customized bedroom furniture.
2013	Introduce the ERP system on the production line.
2015	The own brand TC Home participated in "High Point Furniture Market" °
2016	Set up a warehouse in Malaysia to fully promote the “Mixed Container Program”(MCP).
2017	Techcential won the "International Golden Eagle Award" hosted by Malaysia and it was approved listing by the Taipei Exchange(TPEX).
2018	On January 10th, TIL became one of the OTC company in Taiwan, and TIL actively invested in the procurement and manufacturing of rubberwood.
2019	Participated in Malaysian International Furniture Fair (MIFF) in Kuala Lumpur, Malaysia. TIL Issuance of the first unsecured conversion of corporate bonds in the Republic of China (Taiwan).

# Group Structure

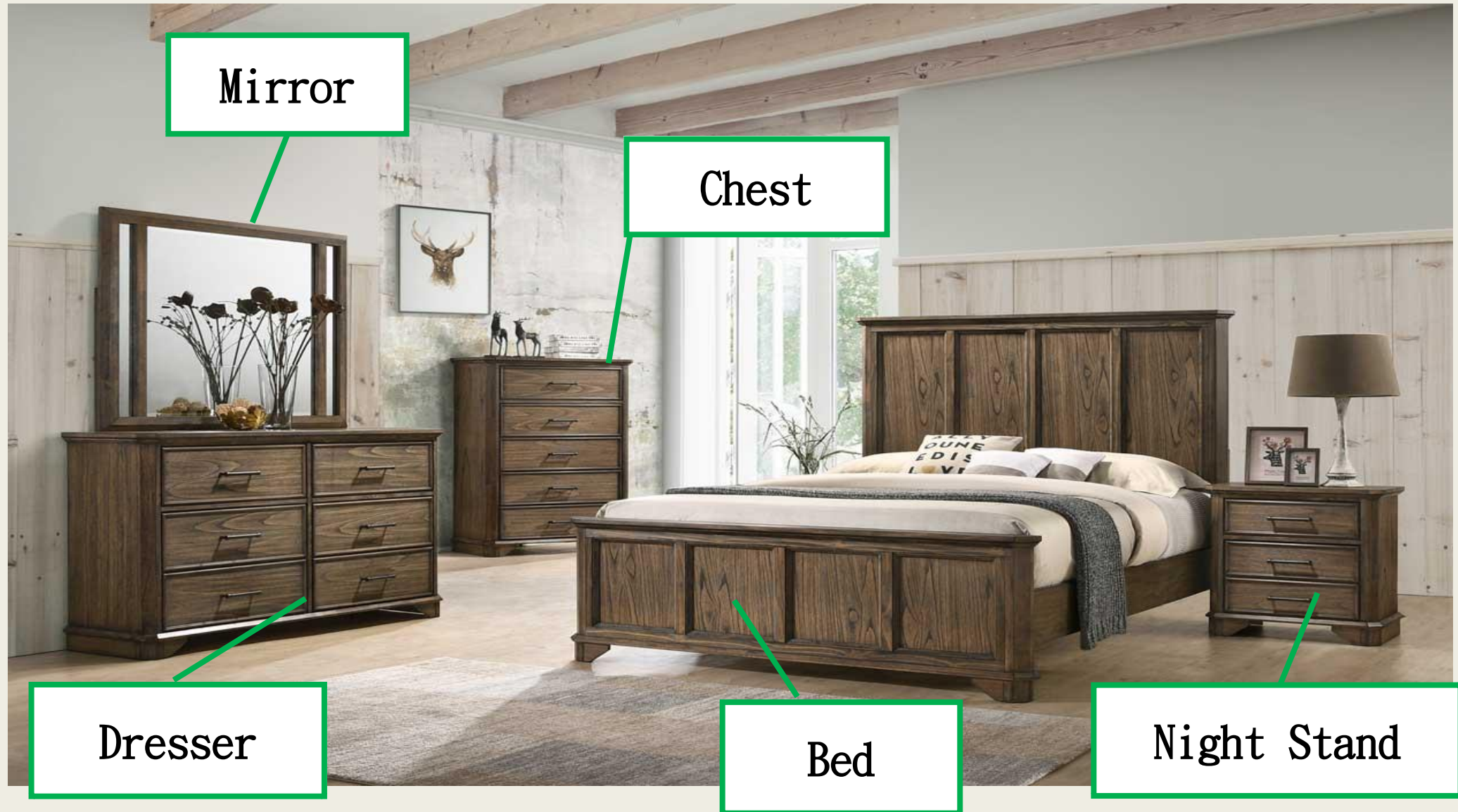
(As of December 31, 2020)



# Main business/product introduction



# Techcential - Bedroom furniture















# TC Home – KD furniture (Detachable)



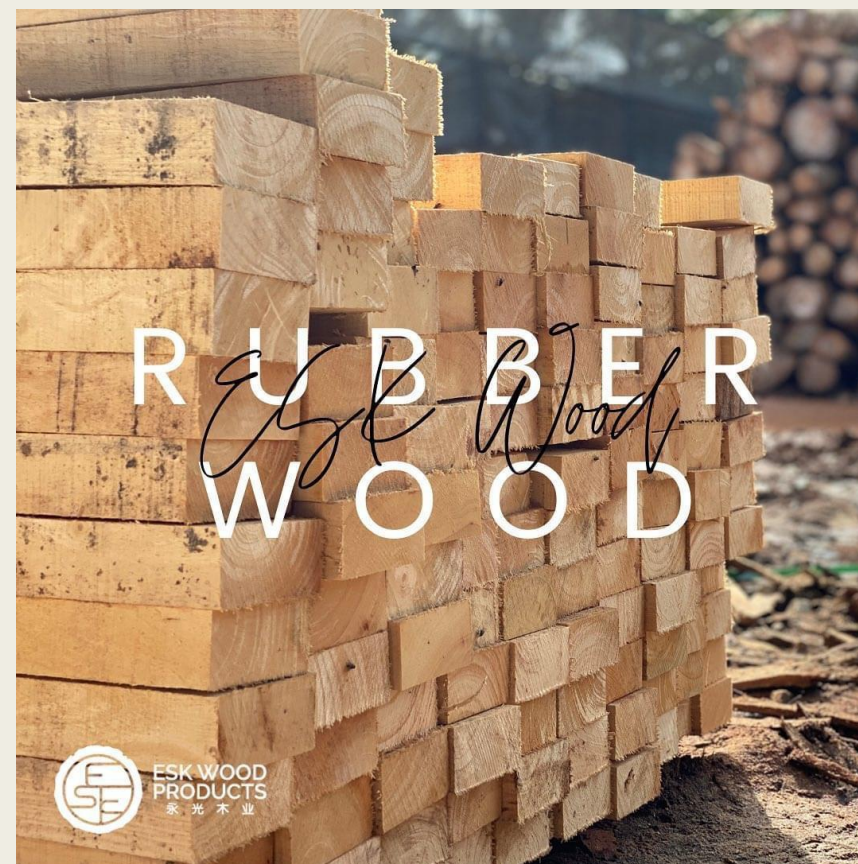


# ESK Biomass Fuel pellets



## Product Introduction

# ESK WP The related business of rubberwood



# EHL Cabinetry





# Product raw materials and main sources



# TC- The production process of Wooden furniture

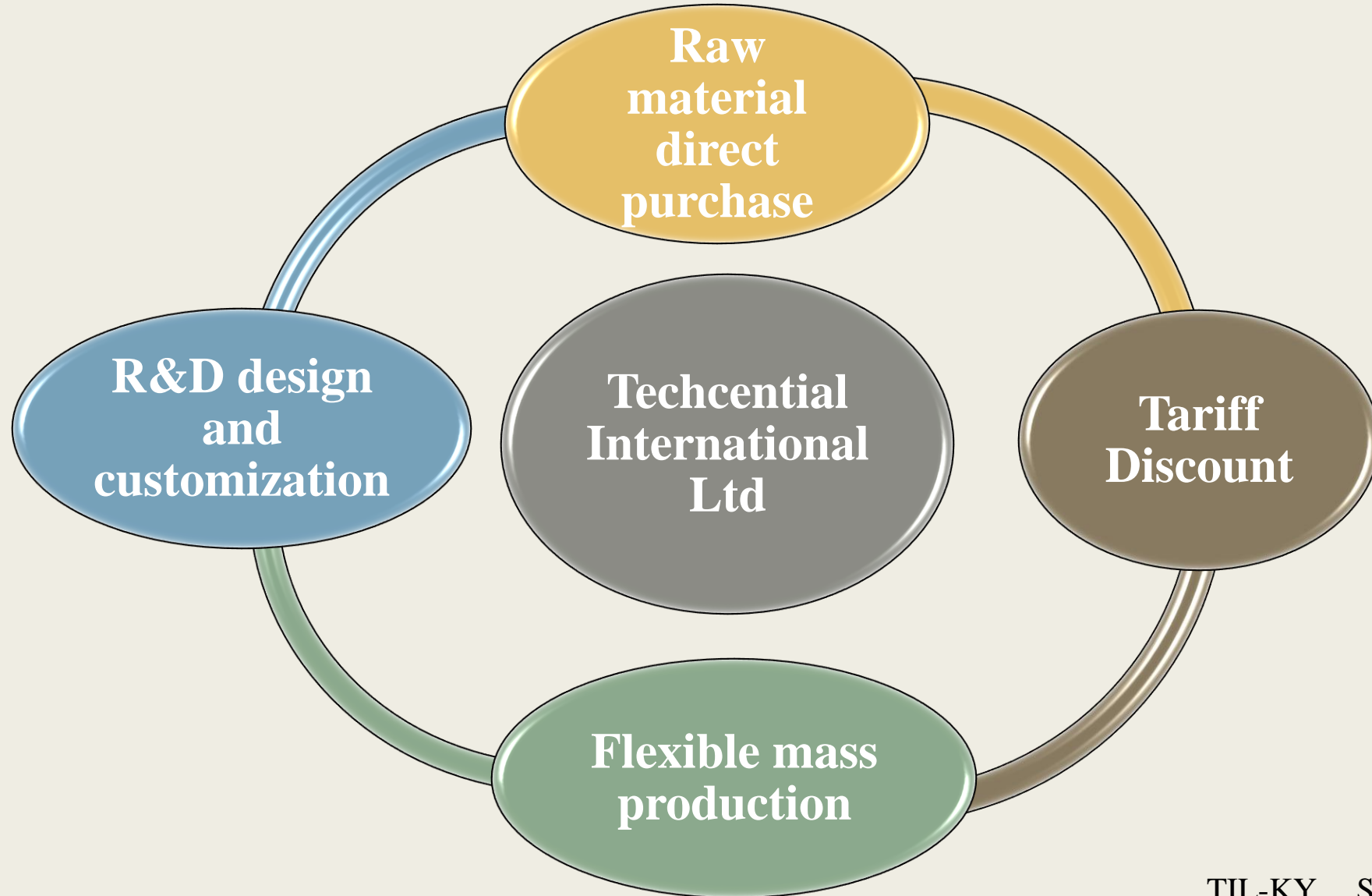


# Product safety certification



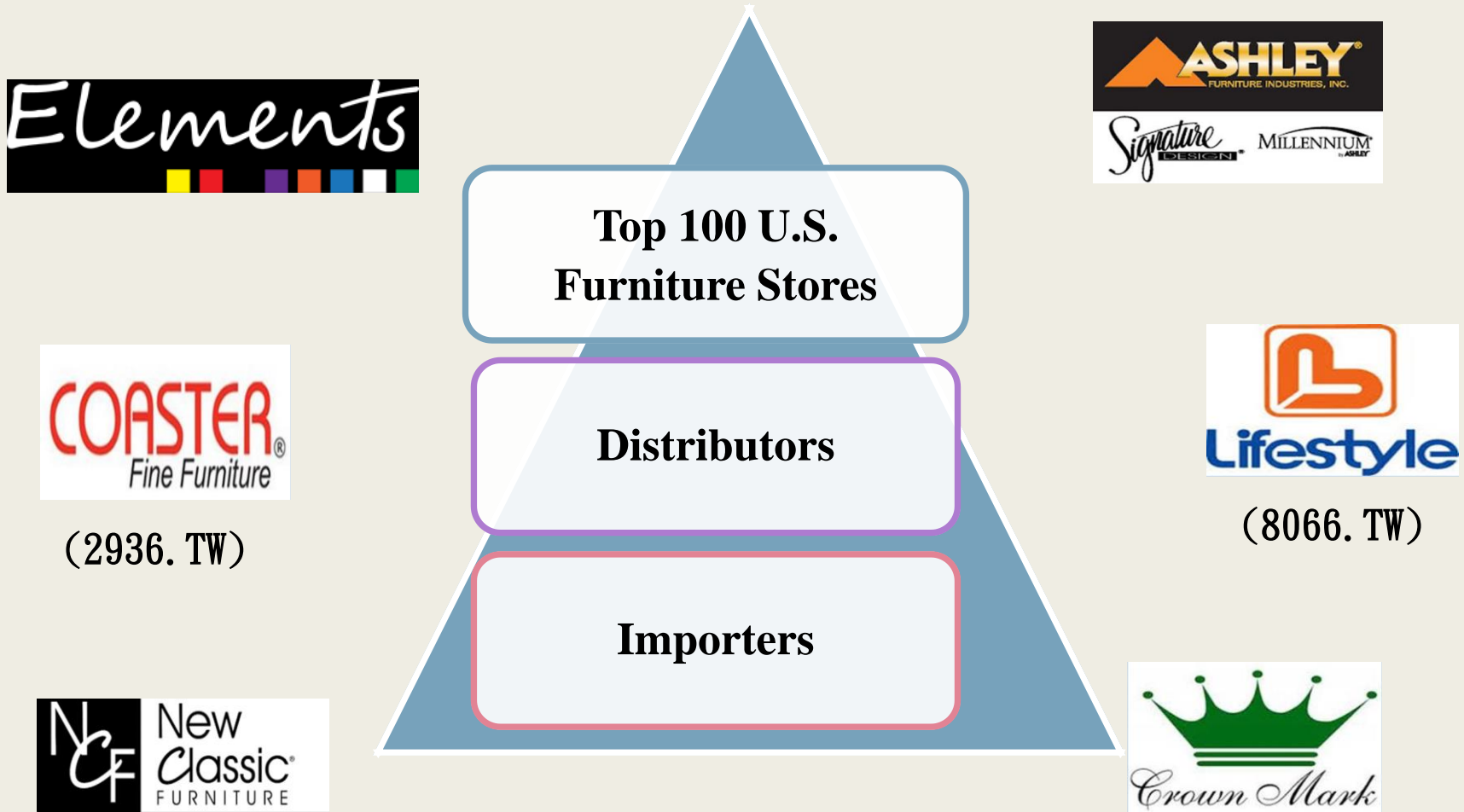
- Techcential has not only focusing on the quality of products but also strictly controls the safety standards of products. Our products meet:
  - The California Air Resources Board (CARB) established ATCM (Airborne Toxic Control)-formaldehyde emission standards for wood products.
  - TB117-2013, Flame retardant performance test of materials in upholstered furniture.
  - The children's furniture complies with the US Consumer Product Safety Improvement Act (CPSIA) and ASTM physical structure tests.

# The advantage of core competitive



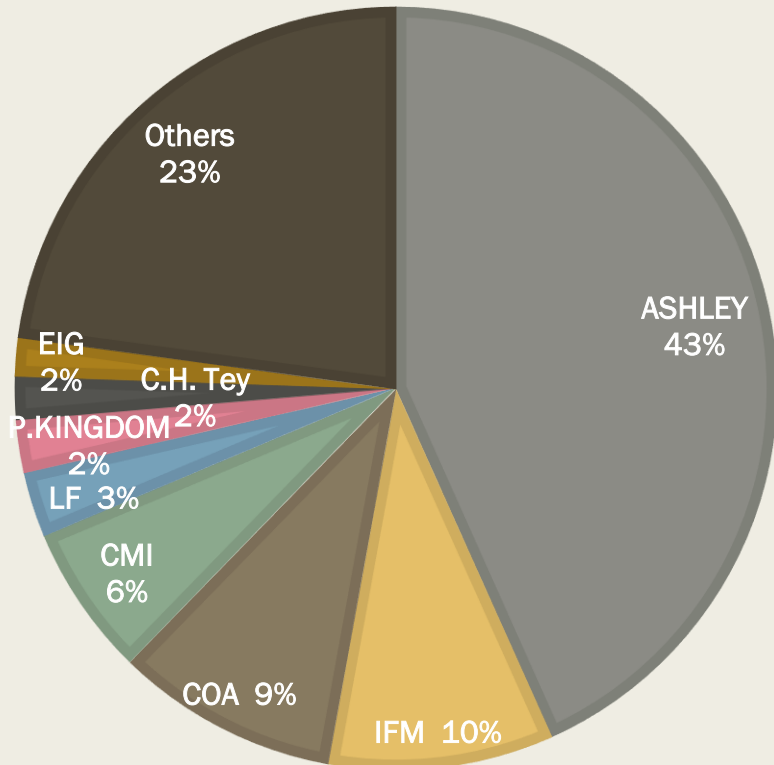
# Financial Information

# Target customers of TC



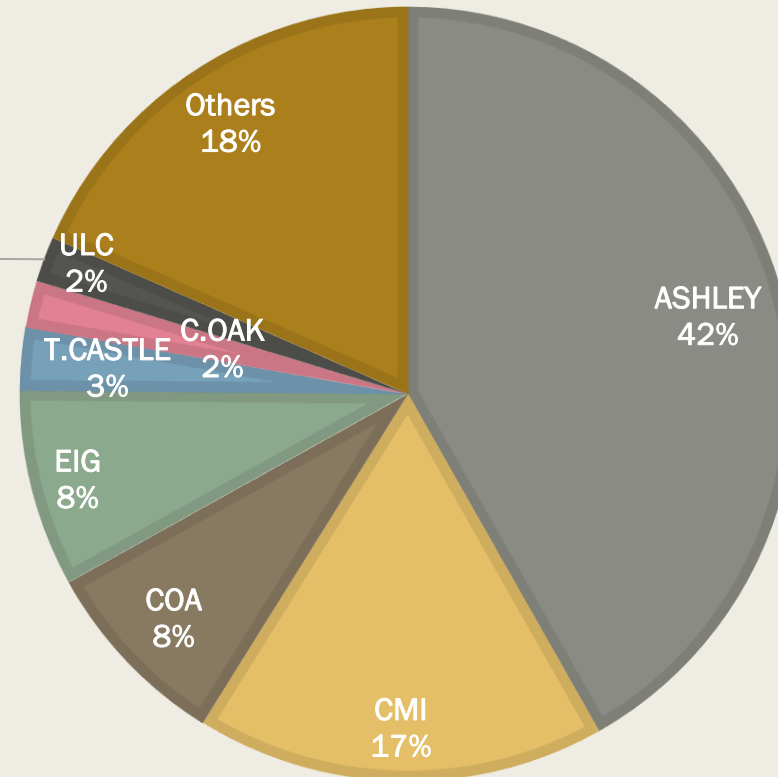
# TIL Group Sales (Customer) status

January-September 2019



Operating Income : NT\$ 1,016,751 thousand

January-September 2020



Operating Income : NT\$ 833,382 thousand

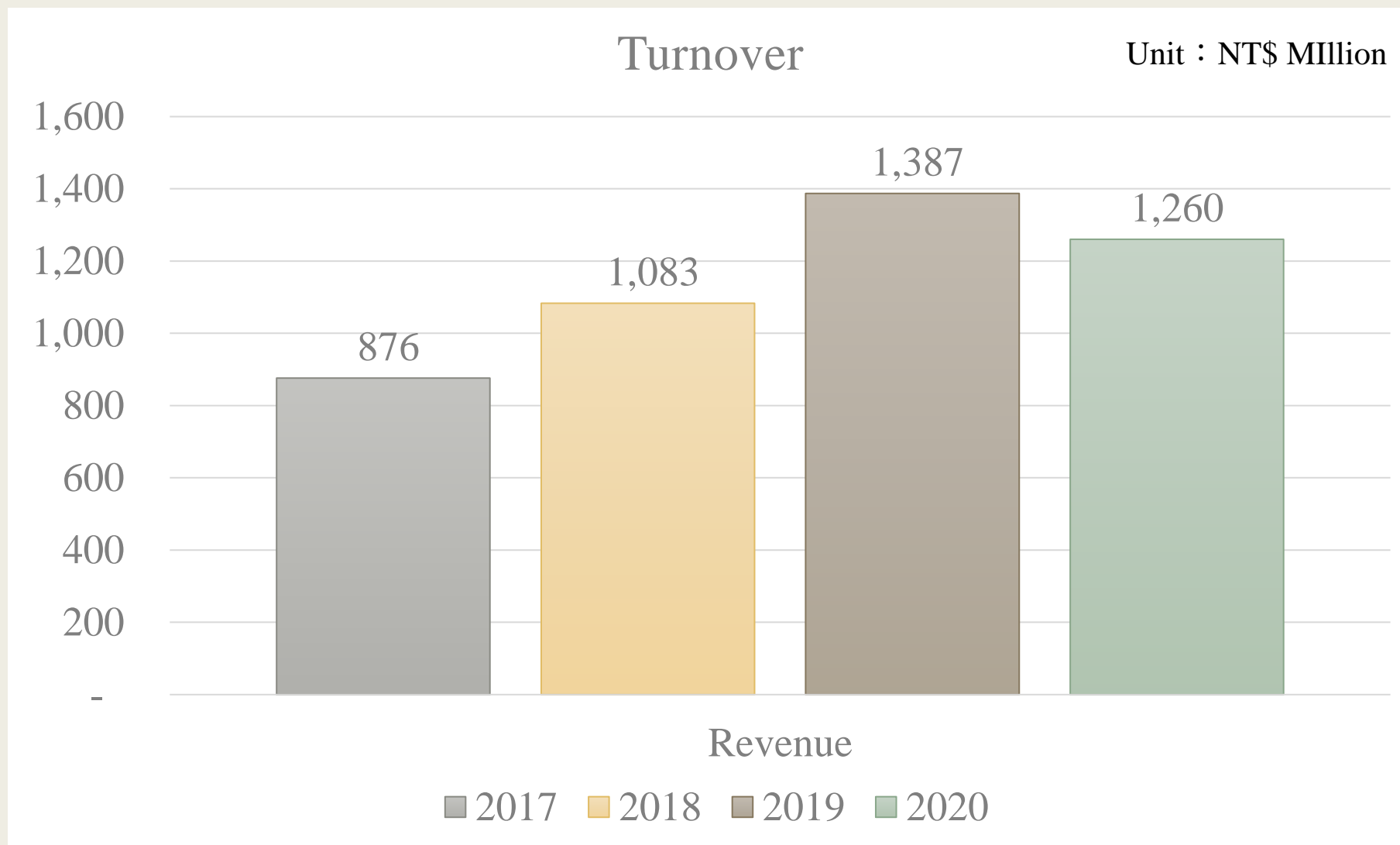
# Financial data of most recent two years:

Unit: NT\$ thousand

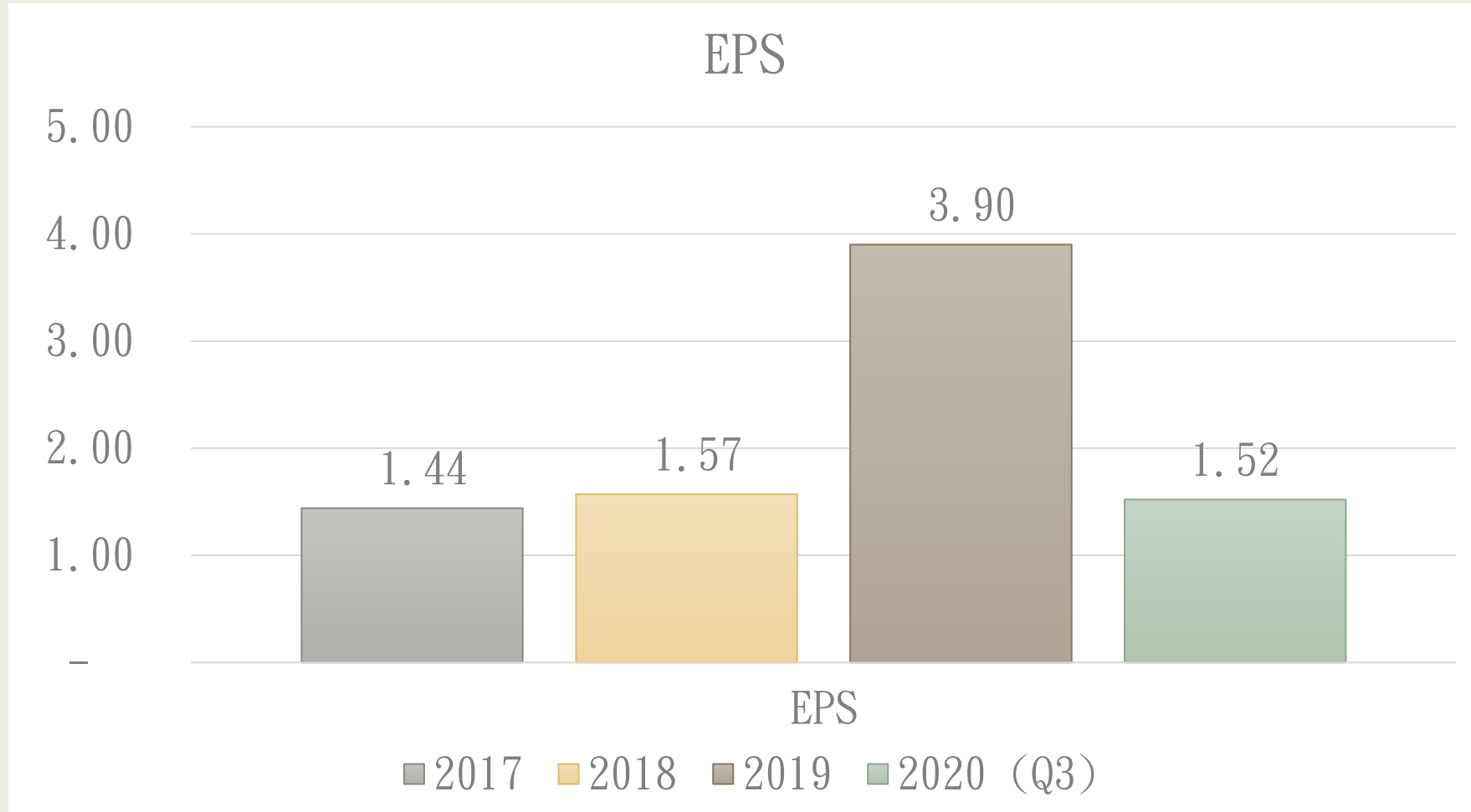
Project/year	2020 Jul-Sep	%	2019 Jul-Sep	%	2020 Jan-Sep	%	2019 Jan-Sep	%
Operating revenues	377,426	100	354,099	100	833,382	100	1,016,751	100
Operating costs	295,716	78	270,827	76	665,490	80	785,150	77
Gross profit	81,710	22	83,272	24	167,892	20	231,601	23
Operating expenses	41,029	11	44,378	13	109,407	13	130,086	13
Operating income	40,681	11	38,894	11	58,485	7	101,515	10
Non-operating income and expenses	(4,543)	( 1 )	5,916	2	(7,549)	(1)	(2,458)	0
Income tax expense	11,219	3	13,269	4	18,505	2	29,473	3
Net profit for the year	24,919	7	31,541	9	32,431	4	74,500	7
EPS(NT\$)	1.09		1.37		1.52		3.18	



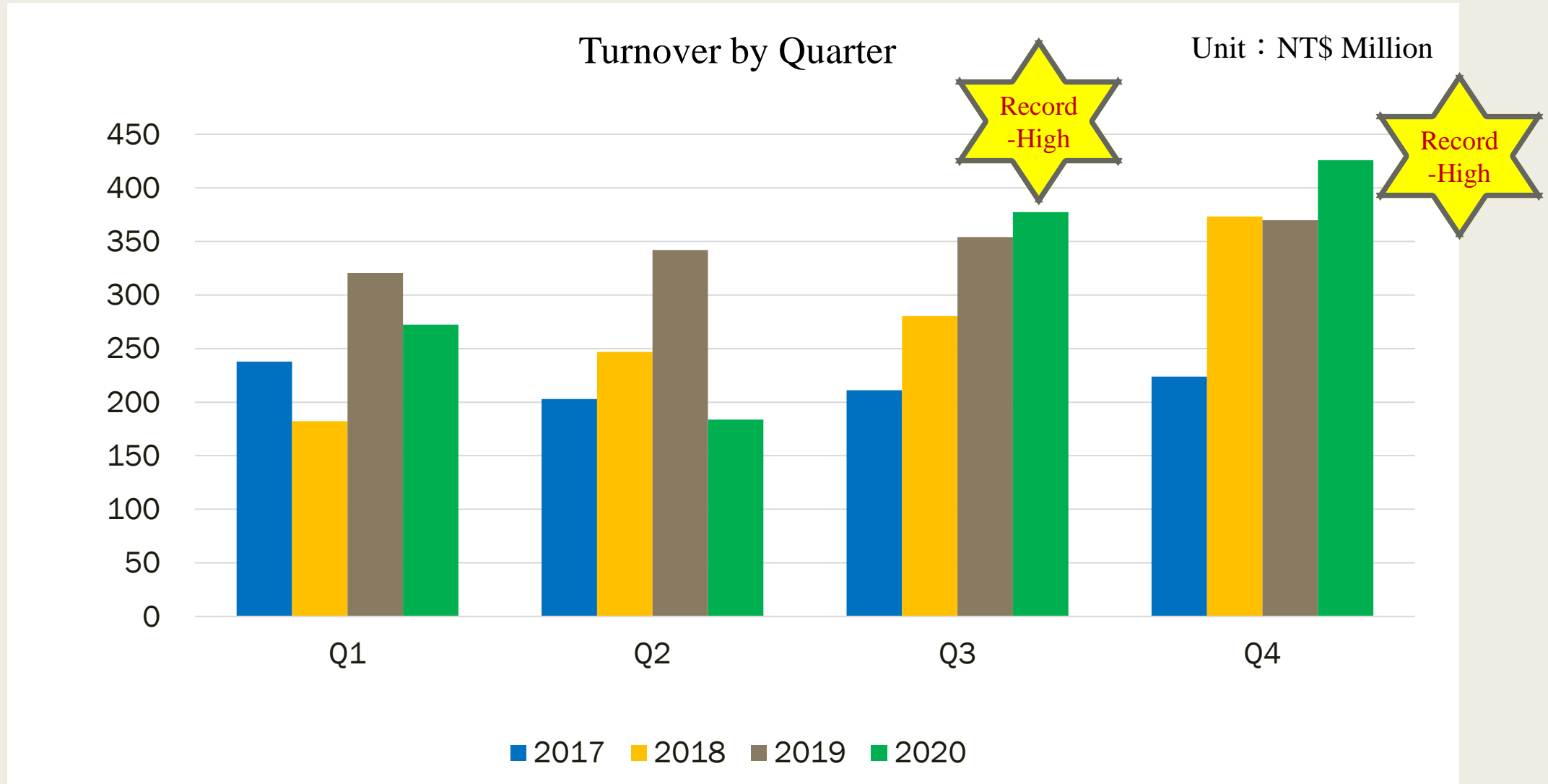
# Company's revenue overview of most recent years



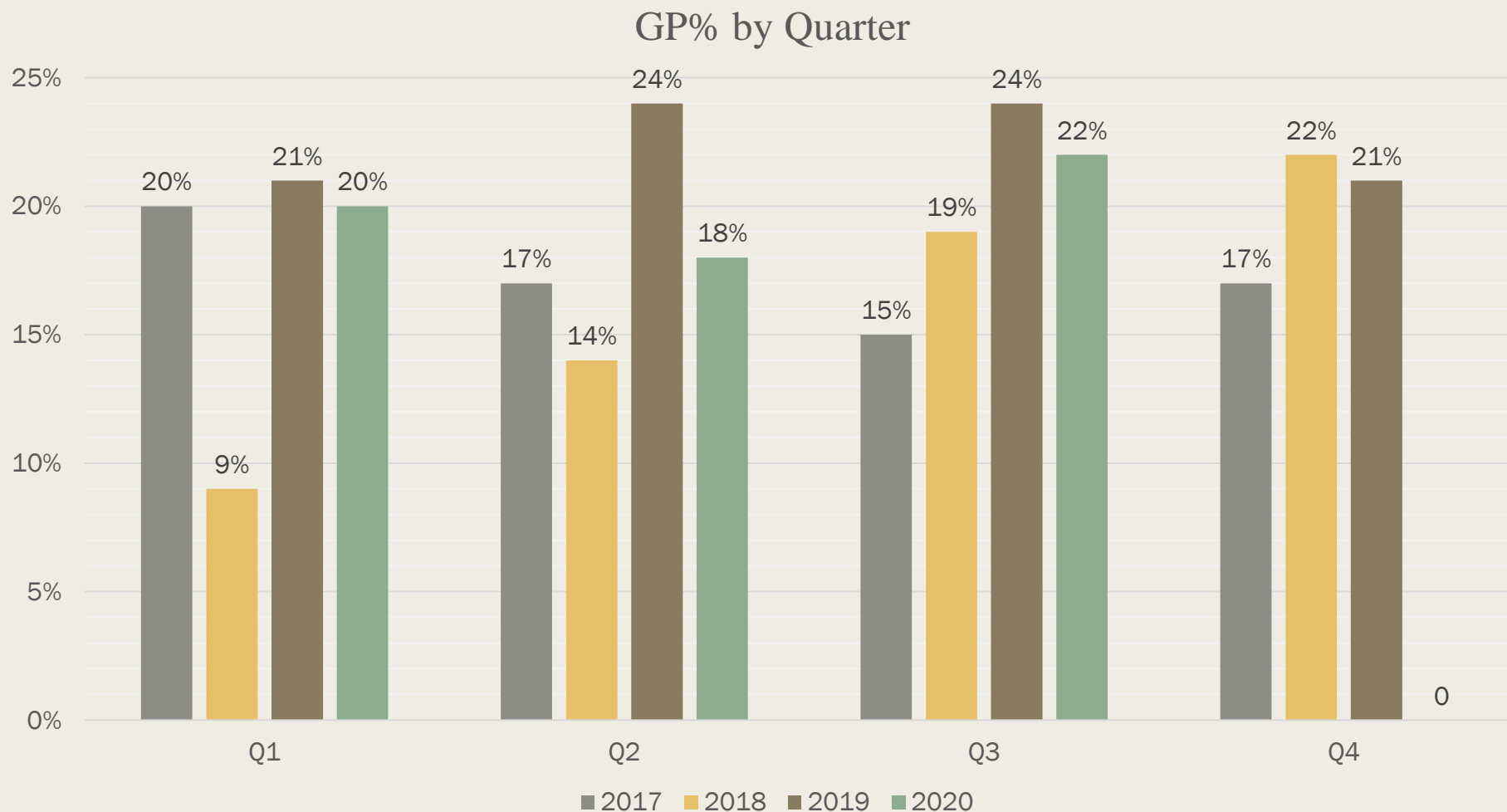
# Company's EPS of most recent years



# Company's quarterly revenue of most recent years



# Company's quarterly GP% performance in recent years



# Product sales status of TC

Products	2020 Q1-Q3 (MYR mil)	Revenue ratio	2019 Q1-Q3 (MYR mil)	Revenue ratio	Y2020 Compared with last year's revenue
Finishing	82,560	77.54%	96,222	85.35%	-14.20%
PU	22,902	21.51%	16,520	14.65%	+38.63%
Others	1,007	0.95%	-	-	
subtotal	106,469	100%	112,742	100%	-5.56%

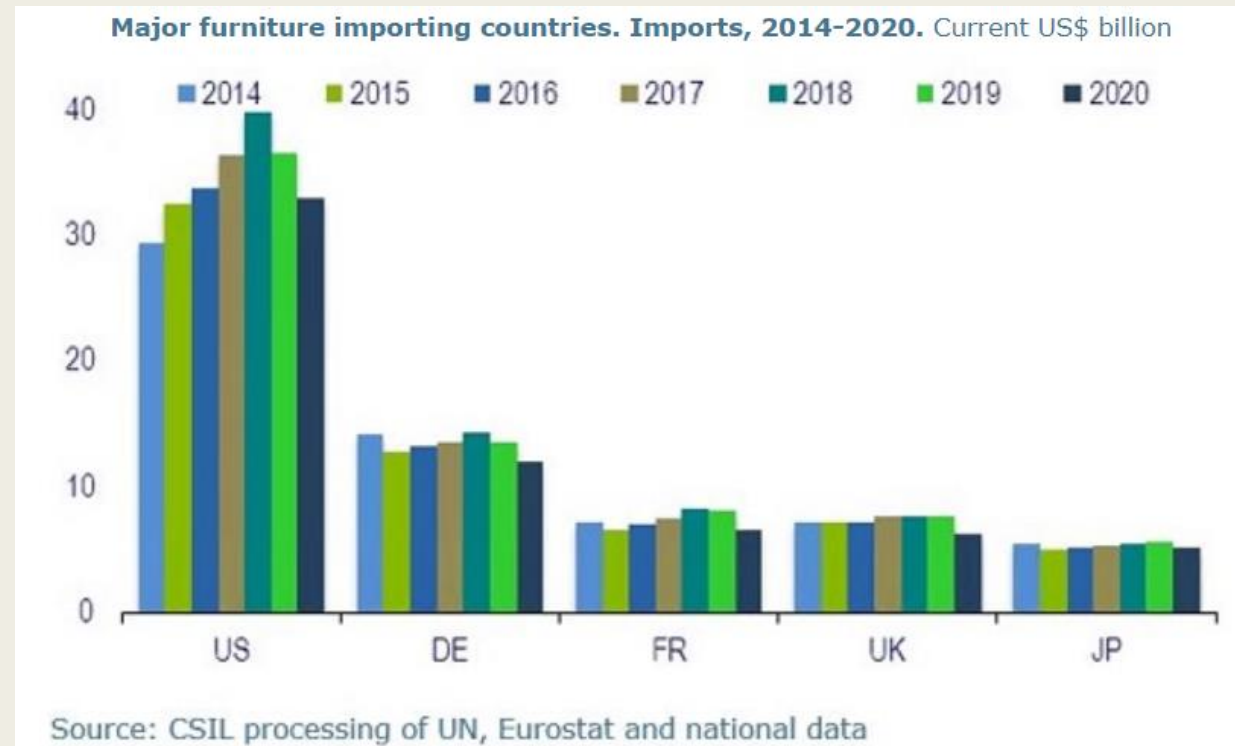
Products	2020 Q3 (MYR mil)	Revenue ratio	2019 Q3 (MYR mil)	Revenue ratio	Y2020 Compared with last year's revenue
Finishing	37,860	75.06%	33,149	83.30%	+14.21%
PU	11,759	23.31%	6,648	16.70%	+76.88%
Others	821	1.63%	-	-	
subtotal	50,439	100%	39,797	100%	+26.74%

In 2019, Techcential International issued the first convertible corporate bond

- The projects are as follows, and the funds have been used up.
  - Repayment of bank loans
  - Reinvestment in subsidiary EHL
  - Enrich working capital
- On August 14, 2020, the board of directors passed a resolution to buy back and cancel the first unsecured conversion of corporate bonds in the Republic of China.

# Market development overview

# Global Major Furniture Importing Country



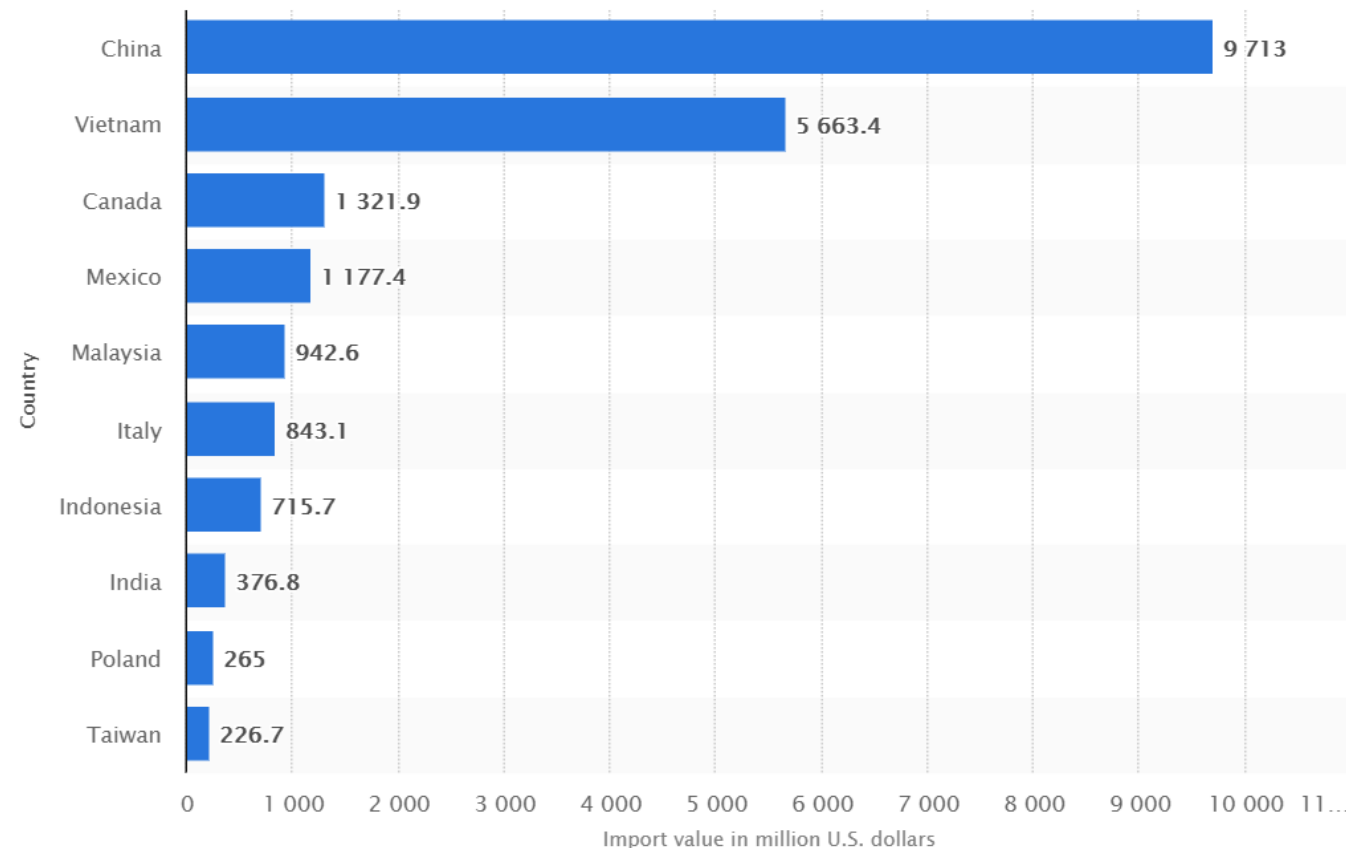
- CSIL preliminary data for 2020 show substantial decreases in furniture imports for all the major countries.
- In the last ten years, the international trade of furniture has consistently amounted to about 1% of the international trade of manufactures.
- After the major contraction in 2020, growth will resume in 2021 and the pre-crisis level, in current USD, is expected to be attained in 2022.



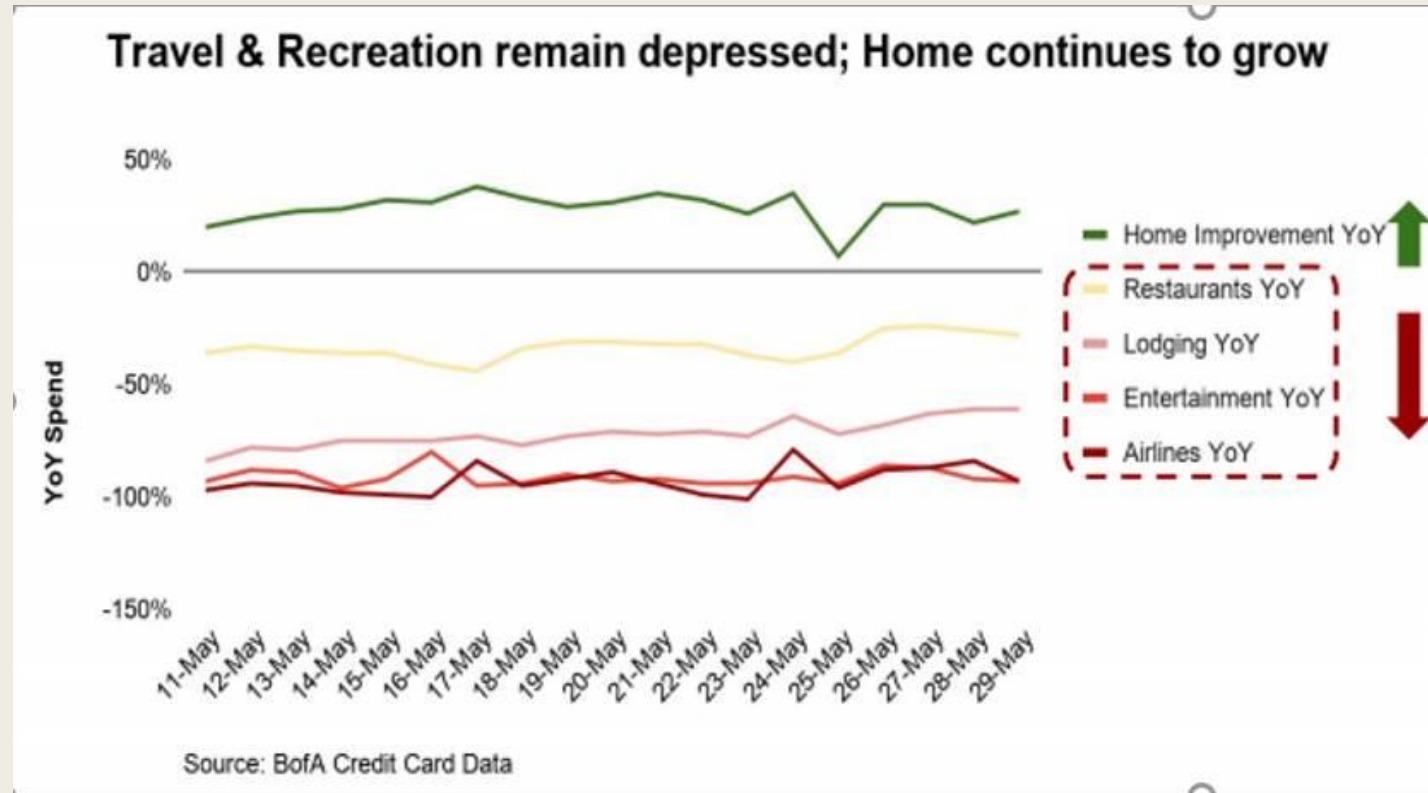
# Top 10 countries of household furniture imports in U.S. 2019

## Leading 10 source countries of household furniture imports in the U.S. 2019

Published by Statista Research Department, Jul 10, 2020



# The increase of U.S. furniture sales during May 2020



- Due to the pandemic, more people are staying home and spending money on their home at high level than normal. This is driving the sales of Home Furnishing exceeding its expectation

# 低利助長房市 美國Q3房貸逼近10兆美元 刷新高

鉅亨網編譯余曉惠 2020/11/18

鉅亨網新聞，節錄段落如下：

- 拜史上超低利率之賜，美國房地產市場蓬勃發展，房貸也一路膨脹，最新數據顯示，美國第 3 季的抵押貸款激增，一路逼近 10 兆美元、改寫歷史新高。
- 紐約聯準銀行周二（17 日）公布的統計顯示，7 到 9 月美國家庭負債達到 14.35 兆美元，比前一季增加 0.6% 或 870 億美元，以抵押貸款占比最高。抵押貸款第 3 季攀抵 9.86 兆美元，創新高。
- 這份報告中有許多數字逼近或是打破歷史紀錄，例如**第 3 季新屋貸款和再融資合計 1.05 兆美元，是史上次高紀錄**，追平 2003 年再融資熱潮的水準。
- 值得注意的是，雖然目前房貸債務遠高於次貸風暴，但現在的借款人信用分數遠優於當年，大部分是信用良好的借貸人。

# Bedroom another case goods category seeing high demand from consumers



Thomas Russell // Senior Editor, Furniture Today • December 7, 2020

- **HIGH POINT** — Demand to fill retail floors is causing a bit of an upheaval of sorts on the bedroom side of the business.
- The challenge is that the demand causes inventory to be depleted on certain groups almost as soon as they arrive in the warehouse, making it hard to pinpoint specific trends in the marketplace.
- Others agreed that demand for bedroom furniture has been quite strong, which is a boost for a category that sometimes gets ignored by many consumers because it's the least visible area of the home, at least compared with the living room or dining room.

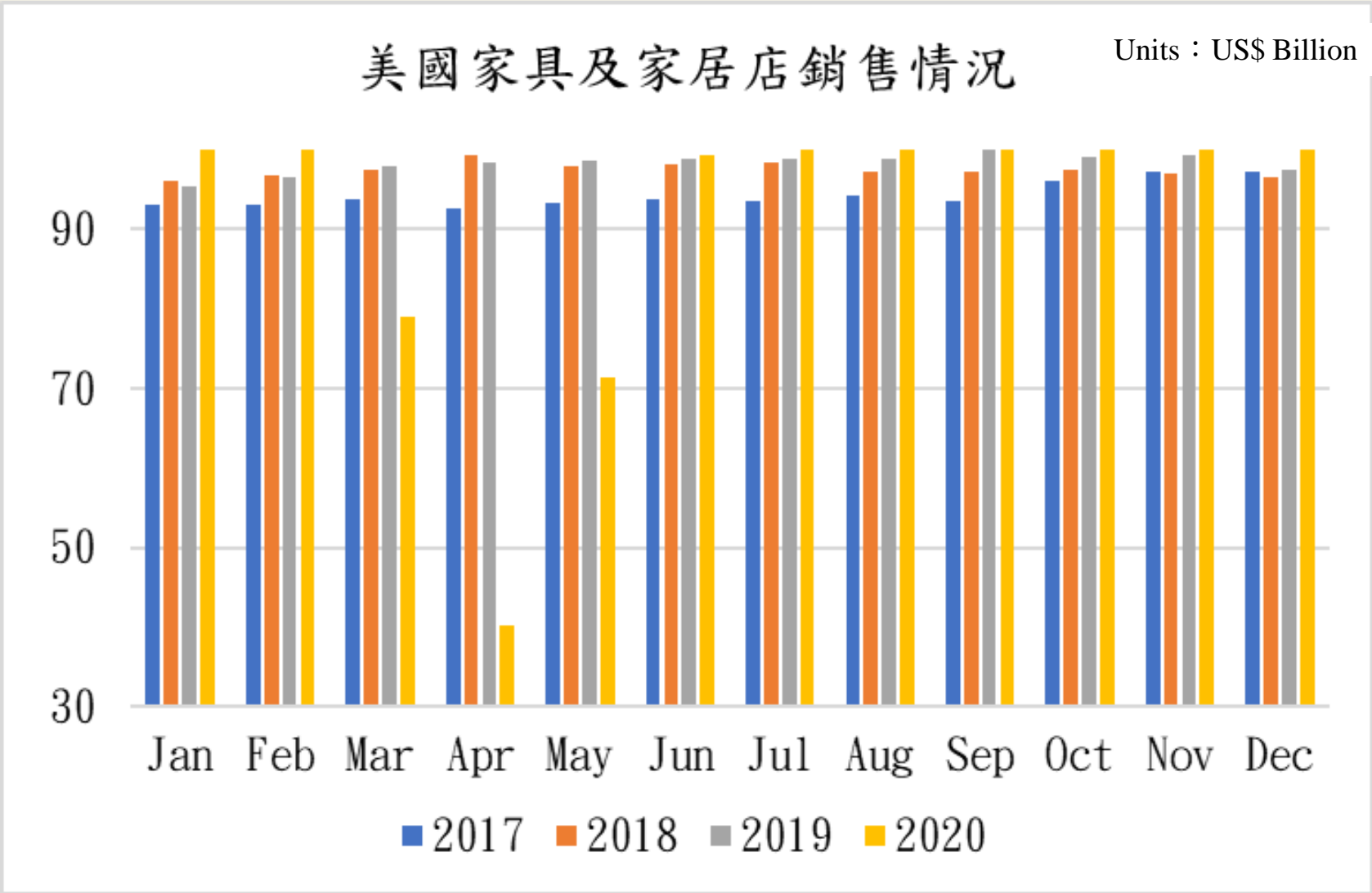
# December furniture sales see increase, but overall sales in 2020 fall



Adelaide Elliott // Associate Editor • January 15, 2021

- WASHINGTON – Falling slightly below November levels, furniture sales continued its year-over-year climb in December 2020, up for the month for the fifth month in a row, closing out the year with strong sales, although the sector's sales for the entire year were down.
- The slight dip in furniture and home furnishings sales month to month could be attributed to consumer holiday shopping trends.
- Additionally, many retailers have said that customers are more likely to shop when bolstered with coronavirus stimulus money, and the latest roll out of that began at the end of December and continues into January.
- The year-over-year growth may reflect ongoing consumer demand in the category and interest in home-related projects as people spend more time at home, also seen in the continued year-over-year growth of sectors like building material and gardening equipment.

# The sales of U.S. Furniture and Home Furnishing Stores



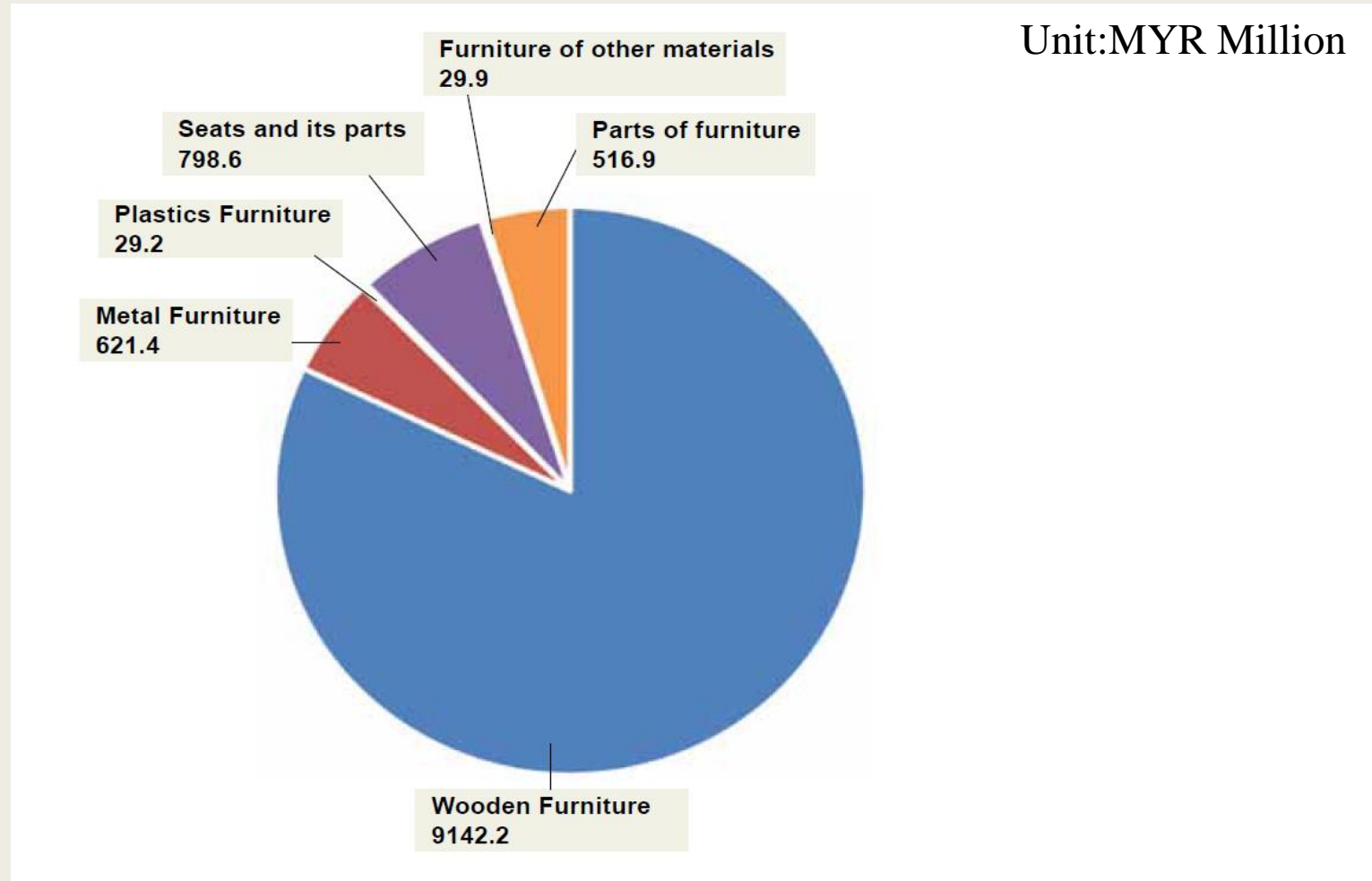
# 《百貨股》客思達-KY拚線上銷售 拉抬營收、品牌形象

13:07 2020/12/23 | 時報資訊 | 張漢綺

- 客思達-KY今天(12/23)舉行線上法說會，客思達-KY為家具廠，營運模式為自大陸及馬來西亞等亞洲地區進口家具，在美國地區銷售，中美貿易戰自2018年開打後雙方互祭關稅，且全球新冠肺炎疫情肆虐，致使全球供應鏈遷移重組，供應鏈某種程度的拆解重整，為美國家具業帶來很多不確定性，而疫情亦加速電商網路銷售興起，因應市場快速變化，客思達-KY近兩年積極發展公司數位資訊能力，一方面建立供應鏈平台，強化供應鏈管理，並運用創新的工具做行銷及通路分析，把不賺錢的做法及通路進行調整，強化公司競爭力。
- 展望明年，客思達-KY財務長潘敏行表示，美國政府仍會持續進行量化寬鬆及紓困穩定美國經濟，而全球新冠肺炎疫情要在明年第3季結束回到正常生活不太容易，預期明年美國民眾娛樂及旅遊支出不高，長時間居家可望支撐中低價家具需求，希望透過供應鏈平台及新零售銷售網的建立，帶動公司營收及營利的成長。



# Malaysia furniture exports in 2019

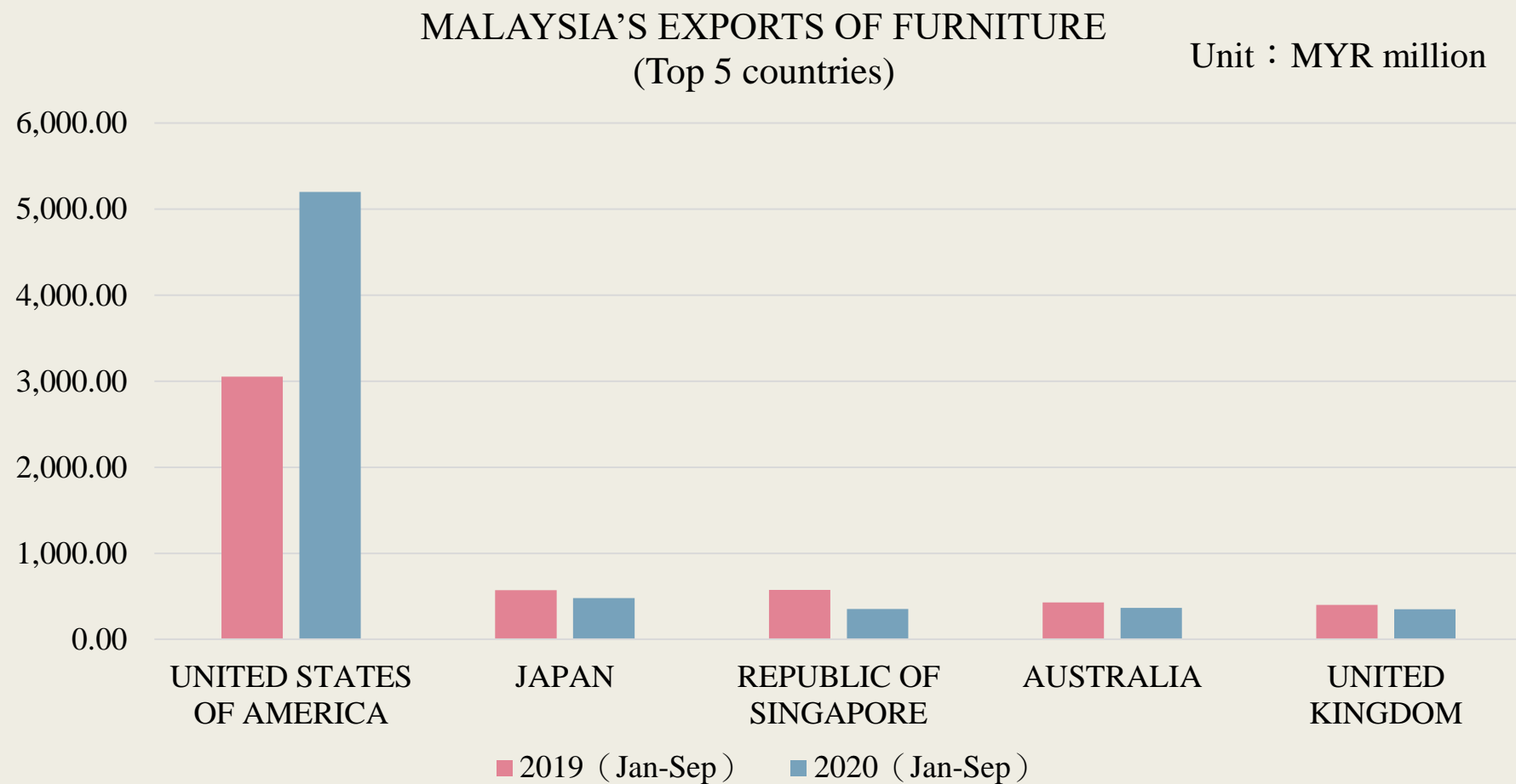


- Malaysia's furniture exports reached 11.138 billion MYR in 2019, an increase of 13.25% from 2018 (98.3 billion MYR).



# Malaysia's exports of furniture in 2020

As of September 2020, Malaysia's furniture exports reached MYR 8.8 billion. This is an increase of 13% over the same period last year. The total value of furniture exports to the United States increased by 70.3% over the same period last year.



# Malaysia Movement Control Order (MCO)-2020

Date	Movement Control Order	The operation of Techcential
18/03/2020 – 31/03/2020	First-phase of movement control order	Total shutdown.
01/04/2020 – 14/04/2020	Second-phase of movement control order	Complete shutdown. Negotiate "50% unpaid leave" with employees to reduce personal costs.
15/04/2020 – 03/05/2020	Third-phase of movement control order	The subsidiary TC got the resumption approval letter on April 22 and could resume work in compliance with the SOP. TC started to partially resume work based on the principle of existing inventory shipments.
04/05/2020 – 09/06/2020	Fourth-phase of movement control order 「 Conditional movement control order 」 ( “CMCO”)	The subsidiary TC, and most of the business and economic fields are allowed to resume work, but they must comply with the conditions and SOP established by the law enforcement agencies and must cooperate with the local government's instructions.
10/06/2020 – 31/08/2020	Fifth-phase of movement control order 「 Recovery movement control order 」 ( “RMCO”)	Almost all business activities (including religion, entertainment, etc.) are allowed to reopen in stages. However, the national border has not been open.
01/09/2020 – 31/12/2020	Sixth-phase of movement control order	The borders of the country has not been opened. However, some areas (i.e. Sabah, Selangor) have recently entered a two-week "Conditional Movement Control Order (CMCO)" for the rising COVID-19 .

## Employee infected with COVID-19 Subsidiary TC received “Temporary Suspension Notice”

- 29/12/2021-TC received an employee infected with COVID-19. The company immediately suspends work autonomously and conducts disinfection on December 30 and 31. During this period, we arrange all employees for an inspection.
- 02/01/2021-TC received a “Temporary Suspension Notice” for 7 days from the Ministry of Health of Malaysia.
- 13/01/2021-Johor State implements a Movement Control Order (MCO) until January 26.  
(TIL subsidiaries can operate as usual)
- 13/01/2021-TC Local’s employees resumed work.
- 14/01/2021-Malaysia entered an “Emergency State” until the end of August.  
(Business activities will continue as usual)
- 15/01/2021-Foreign workers resumed work, prioritize inventory shipments.

# 2021 Business Development Plan

# 2021 business development plan

-Keep improving and increase profit

**Focus on the research and development of PU paper products, which will become the main growth of the company in 2021.**

**TC**

**Expected to start the business of "KD furniture (Detachable)".**

**TCH**

**Start the manufacturing business of kitchen cabinets.**

**EHL**

**Development and trading of rubber wood and alternative raw materials**

**ESKW**

**The business of wood pellet manufacturing.**

**ESKB**

# Challenges and opportunities in Y2021

# Challenges and opportunities faced by enterprises

- ❖ COVID-19 Pandemic
- ❖ Global shipping/container circulation issues
- ❖ U.S.-China trade war
- ❖ The U.S. retail industry challenges
- ❖ Malaysian labour laws
- ❖ Rising raw material costs
- ❖ USD currency fluctuations

# 避免美祭關稅 美國安顧問：越南需阻中國產品「洗產地」

自由財經，國際財經新聞 2020-11-23；節錄段落如下：

- 「財經頻道／綜合報導」美國本月初以「越南盾被低估」為由，對越南輸美輪胎課徵初步的反補貼關稅。美國國家安全顧問歐布萊恩（Robert O'Brien）22日表示，他已告訴越南領導人，要想避免美國關稅，必須遏制中國出口產品非法轉運，並買入更多美國產品，例如液化天然氣和軍事設備。
- 《彭博》報導，歐布萊恩受訪時透露，他上週末訪問河內時已告知越南政府高層，**取締中國出口轉運，並降低美國對越南的貿易逆差，「可能是扭轉關稅的基礎」。**



# 美國公佈對越南匯率政策“301調查”結果

來源：[新華網](#)

- 新華社華盛頓1月15日電（記者高攀 許緣）
- 美國貿易代表辦公室15日公佈對越南匯率政策的“301調查”結果，稱與越南貨幣估值相關的行為和政策整體看來“不合理”且限制美國商業活動。**但美方未宣布關稅懲罰措施。**
- 美國財政部上月曾發布報告，將越南列為“匯率操縱國”，指責越南干預匯率以在國際貿易中獲取不公平競爭優勢。越南央行回應稱，越南管理匯率是為確保宏觀經濟穩定。
- 美國貿易代表辦公室說，美方目前不會針對上述調查結果採取任何具體措施，但會繼續評估所有可用政策選項。
- 美國貿易代表萊特希澤在聲明中說，**導致貨幣價值低估的“不公正”行為和政策傷害美國工人和企業利益，希望美國與越南能找到解決美方擔憂的出路。**

# 3D行業準聘非法外勞 業者表歡迎

[光華網](#)，北馬新聞 2020-11-14；節錄段落如下：

- 政府將從本月16日起落實“重置非法外勞計劃”，讓非法外勞可選擇自願回國；4個被歸類為3D（辛苦、危險、骯髒）的行業，則獲准聘用非法外勞，對於政府這項計劃，渴求外勞人力資源的行業包括廠商、家具業及農業等業者皆表示歡迎，並且鬆了口氣。
- “家具業海外定單在中國及美國反傾銷稅下，定單增加出口額增10%，但廠家卻因缺外勞員工動彈不了。政府在行管令下給予民眾的援助讓民眾購買力增加，內需銷售量也增加，但家具業者還是面對員工短缺問題。”家具業運作不能完全靠機械自動化，還是需要員工勞力運作，而本地人卻不願意投身3D行業。
- 政府重啟漂白計劃，將協助家具業並帶動市場經濟走向，同時解決工廠非法外勞的問題，讓業者安心經營。

# MCO 2.0 Announced For 6 States In Malaysia From 13 Jan 2021: Full List Of Confirmed SOP

Eunis Ong

12 Jan 2021

[KLOOK](#) ; 2021-01-12 ; Reporter : Eunis Ong.

- In a special announcement on 11 Jan 2021, Prime Minister Tan Sri Muhyiddin Yassin began by stressing how bad the **COVID-19 third wave** is affecting Malaysia, with daily **4 digit cases** being recorded since end November, even reaching a new high of 3,027 cases just a few days ago.
- He announced that the **Movement Control Order (PKP)** similar to the one we all faced in March 2020 will be implemented for **14 days** from **13th January 2021 - 26th January 2021** in **6 states across Malaysia**: Penang, Selangor, Wilayah Persekutuan (KL, Labuan & Putrajaya), Melaka, Johor, Sabah.

# 貨櫃海運 旺到明年上半年

2020-12-27 00:41 [經濟日報](#) / 記者黃淑惠／台北報導

- 全球貨櫃海運市場搶櫃搶到完全失控，市場運價與預估值完全脫鉤，今年出現飆漲走勢。國內航運專家指出，「**缺船、缺櫃及碼頭缺工**」等三缺情況如無法改善，海運市場需求熱絡情況明年上半年都看俏。
- 海運專家認為，針對報告可看出，對明年海運貨櫃市場貨量需求展望偏樂觀，需求量較今年增加，**雖然新船也增加，然新造櫃訂單都是9月以後才較熱絡，新船必須有櫃搭配，新年度貨量增加，恐怕也會因缺櫃無法消化，要等新造櫃加入，市場才會緩解，就目前情況研判，明年三缺情況上半年都無法立即解決。**
- 另外，之前很熱絡的北美航線近期也出現塞港情況，**美國新冠確診病例突破1,900萬例，導致碼頭作業難度拉高，貨櫃滯留碼頭時間拉長，貨櫃周轉天數增加**，上海出口至美西、美東基本港市場運價分別為每40呎櫃4,080美元、4,876美元，其中美西航線上揚4.6%，美東航線較上期持平。

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Thanks for your attention  
Keep in touch

Company Website : [www.techcential-international.com](http://www.techcential-international.com)

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