

Line ID : til6616



TECHCENTIAL

INTERNATIONAL LTD

特昇國際

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

Updated: 17/05/2022

TIL-KY Stock Code : 6616

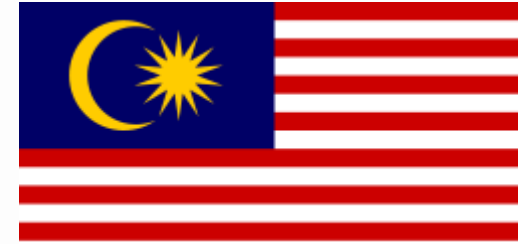
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# Contents:

- Company Profile
- Main business/product introduction
- Financial Information
- Market development overview
- 2022 business development plan
- Challenges and opportunities faced by enterprises

# Company Profile



Malaysia  
Johor  
Muar



# 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\$286 million
- 🔗 Main business : Professional manufacturing and sales of American wooden bedroom furniture & American wooden kitchen cabinet;  
the sales of rubberwood and raw materials.
- 🔗 Number of employees: 693 (as of April 30, 2022)

# Board of Directors

<b>Title</b>	<b>Name</b>	<b>Nationality or location Registered</b>	<b>Qualification</b>
Chairman	Eng Say Kaw	Malaysia	VI Industries Bhd., CEO Idealhope Furniture Sdn. Bhd., CEO
Director	Eng Synergy Management Sdn. Bhd.	Malaysia	Techcential International Ltd, CEO
	Representative: Eng Kai Pin		TC Home Sdn. Bhd, CEO
Director	Surging Success Sdn. Bhd.	Malaysia	Techcential Sdn Bhd, Purchasing & Costing Dep, CEO
	Representative:Poa Keng Ling		EHL Trading Sdn. Bhd., CEO
Director	Chang Ming-Huang	Malaysia	Founder of Rich CPA Firm
Independent t Director	Tay Puay Chuan	Malaysia	Founder of Tay Puay Chuan & Co. Guan Chong Berhad Sdn. Bhd
Independent Director	Oun Lek Wee	Malaysia	Founder of Oun & Partners CPA Firm
Independent Director	Liao Wei Chuan	Malaysia	Chung Yuan Christian University, Bachelor of Accounting Masterlink Securities Group, Underwriting Dev, VP KGI Securities, Investment Banking Dev, Senior VP ICBC Securities Underwriting Dev, Senior Executive VP

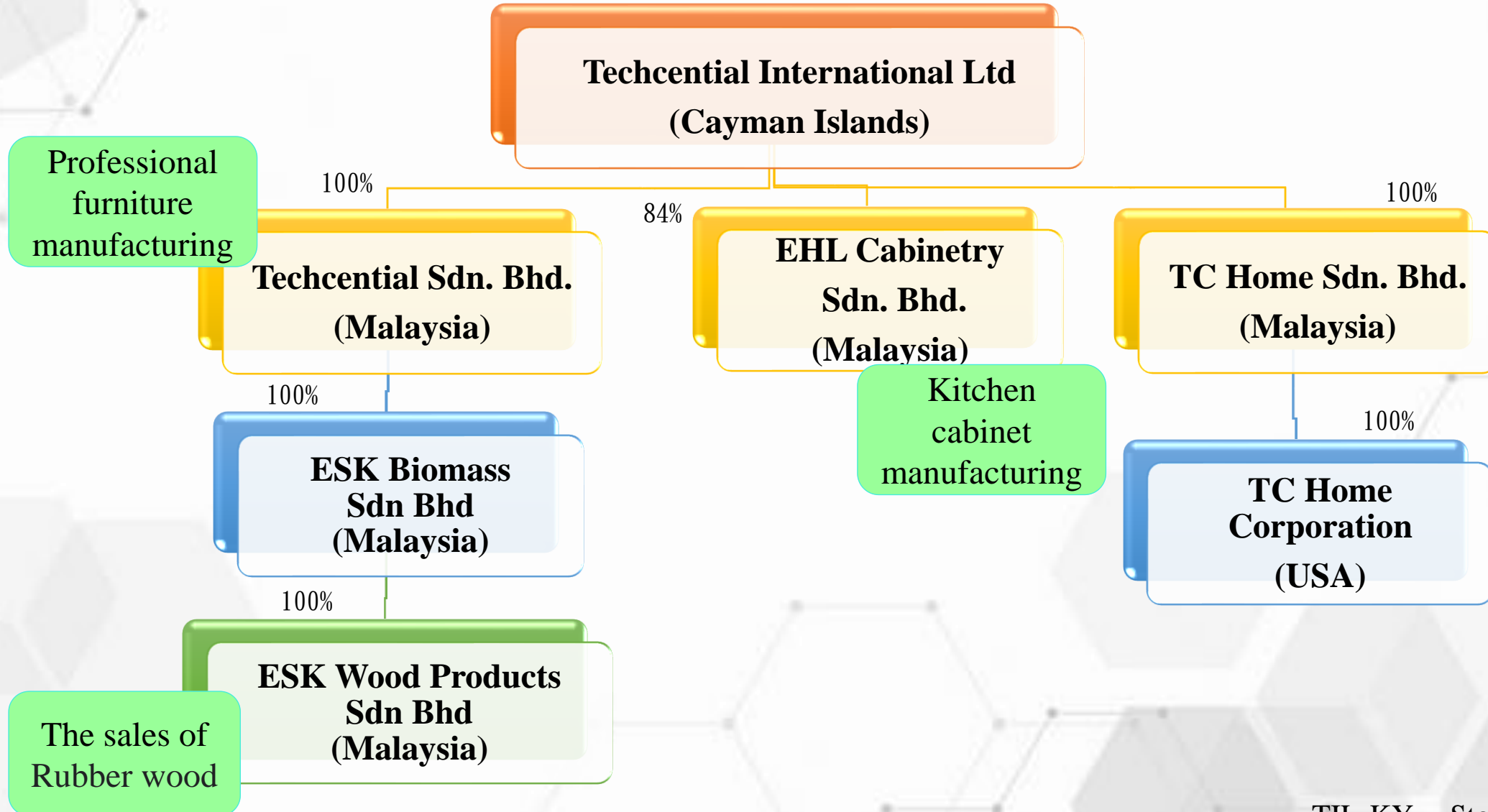


# Company History


- 2001** Established Techcential Sdn Bhd., mainly developing the trading of furniture. Professional manufacturing and sales of American wooden bedroom furniture.
- 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 1st unsecured conversion of corporate bonds in the Republic of China (Taiwan).
- 2020** The demand for wooden furniture continues to grow, and TC's revenue grows by 6% under the COVID-19 pandemic.  
EHL actively set up factories and can start production after the COVID-19 pandemic has eased.
- 2021** Increase cash capital & the 2nd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C.  
•The 2nd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was listed on the OTC on November 11,2021.  
•The increased share capital was listed on the OTC on December 8, 2021.

# Group Structure

(As of April 30, 2022)







# Main business/ product introduction

# Techcential - Bedroom furniture



**Chest**

**Mirror**

**Night Stand**

**Bed**

**Dresser**



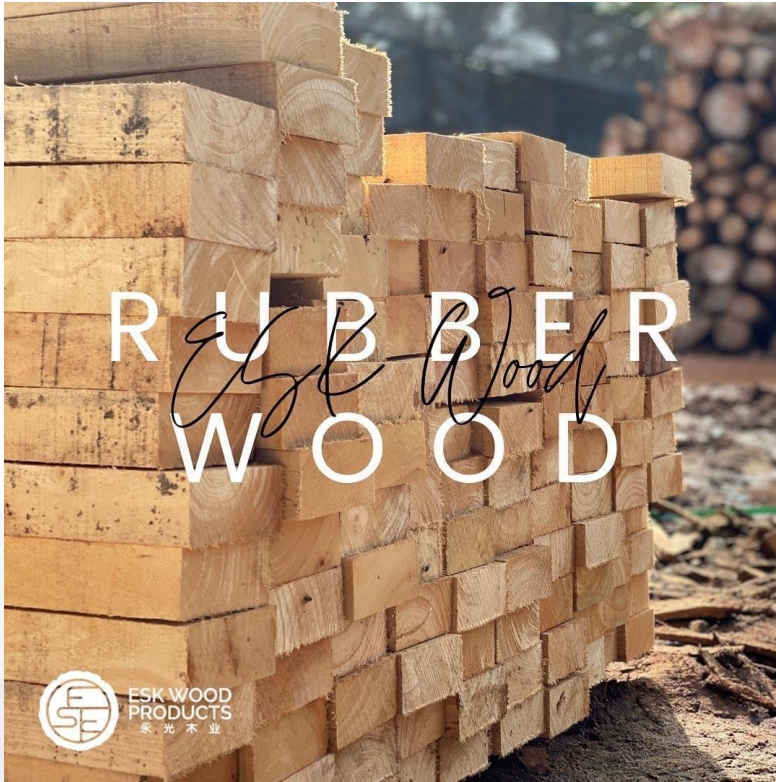






# ESK WP

## The related business of rubberwood





# EHL Cabinetry



EHL CABINETRY

Product Introduction



## Five-piece sets

- Doors
- Frames
- drawer heads
- drawer surface
- cabinet bodies



# Product raw materials and main sources



# TC- The production process of Wooden furniture



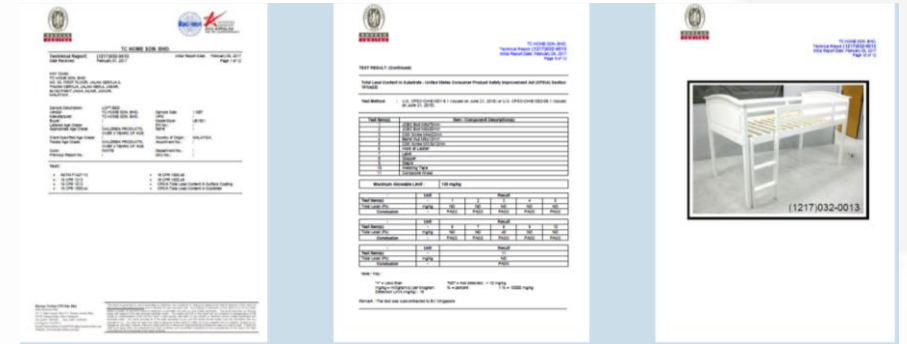


# EHL -The production process of of kitchen cabinets

- ❑ The products mainly include 5 piece sets of “doors, frames, drawer heads, drawer surfaces, and cabinet bodies”.
- ❑ The raw materials used are mainly solid wood-birch and plywood .
- ❑ The main production process of the company's kitchen cabinet products is divided into 7 major processes, as shown in the following figure: White Body Processing -> UV Roller Coating -> Assembly -> Sanding -> Painting -> Packaging -> Store.

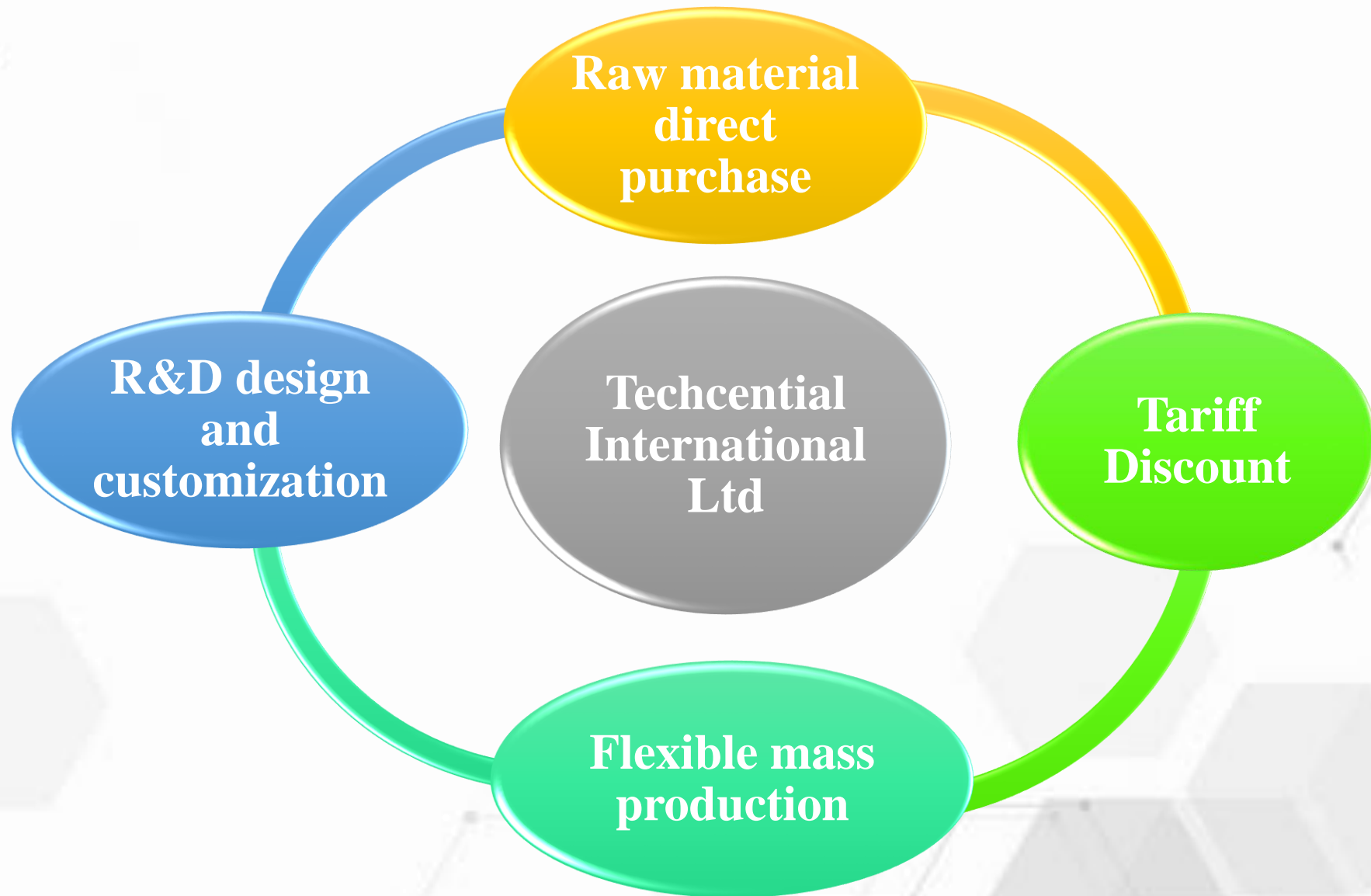


# Product safety certification



- Techcential focus on the quality of products:
  - 🔒 Kitchen cabinets have high requirements for product quality
    - 🔒 There are special requirements for the humidity of wood (hot and cold tests are required)
    - 🔒 The allowable error of horizontal calibration shall not exceed 0.1mm
- The safety standards for the products sold are also strictly checked. Our products all meet the following :
  - 🔒 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 advantage of core competitive





# Financial Information



# Target customers of TC



(2936. TW)



**Top 100 U.S.  
Furniture Stores**

**Distributors**

**Importers**

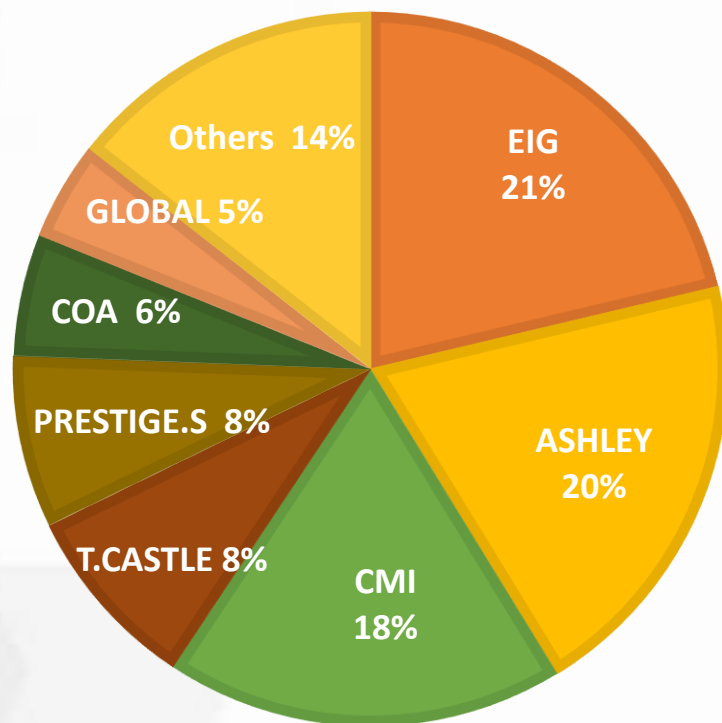


(8066. TW)



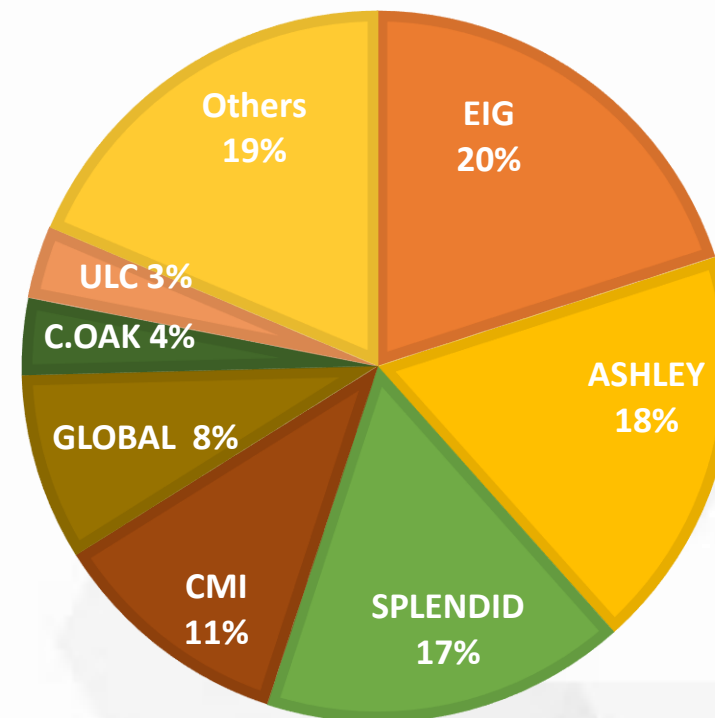
# TIL Group Sales (Customer) status

2021 Jan-Mar



Operating Income : NT\$ 272, 652 thousand

2022 Jan- Mar



Operating Income : NT\$ 365, 531 thousand

# Financial data of most recent years:

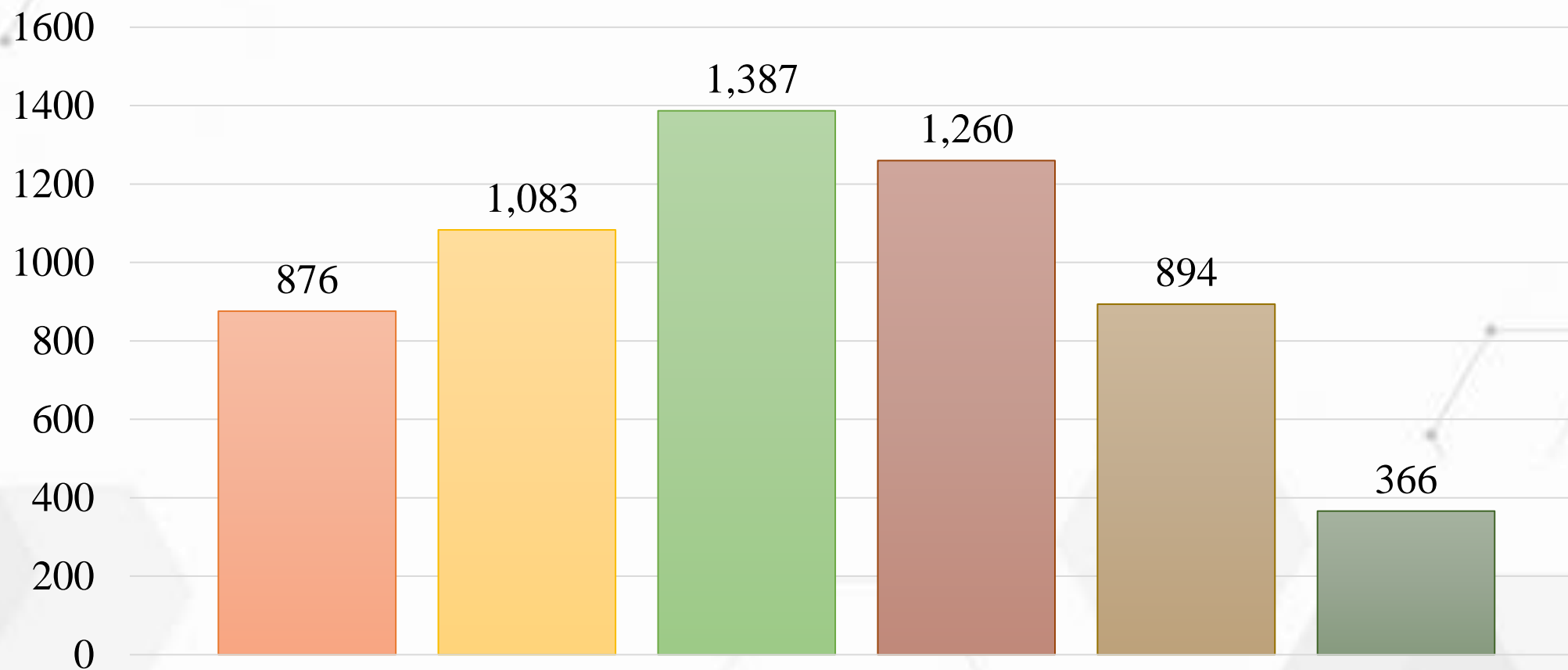
Unit: NT\$ thousand

Project/year	2022 Jan-Mar	%	2021 Jan-Mar	%
Operating revenues	365,531	100	272,652	100
Operating costs	285,515	78	229,575	84
Gross profit	80,016	22	43,077	16
Operating expenses	49,949	14	31,529	12
Operating income	30,067	8	11,548	4
Non-operating income and expenses	6,058	2	(6,962)	(2)
Income tax expense	11,105	3	5,775	2
Net profit for the year	25,020	7	(1,189)	-
EPS(NT\$)	0.96		0.08	

# Company's revenue overview of most recent years

Turnover

Unit : NT\$ Million



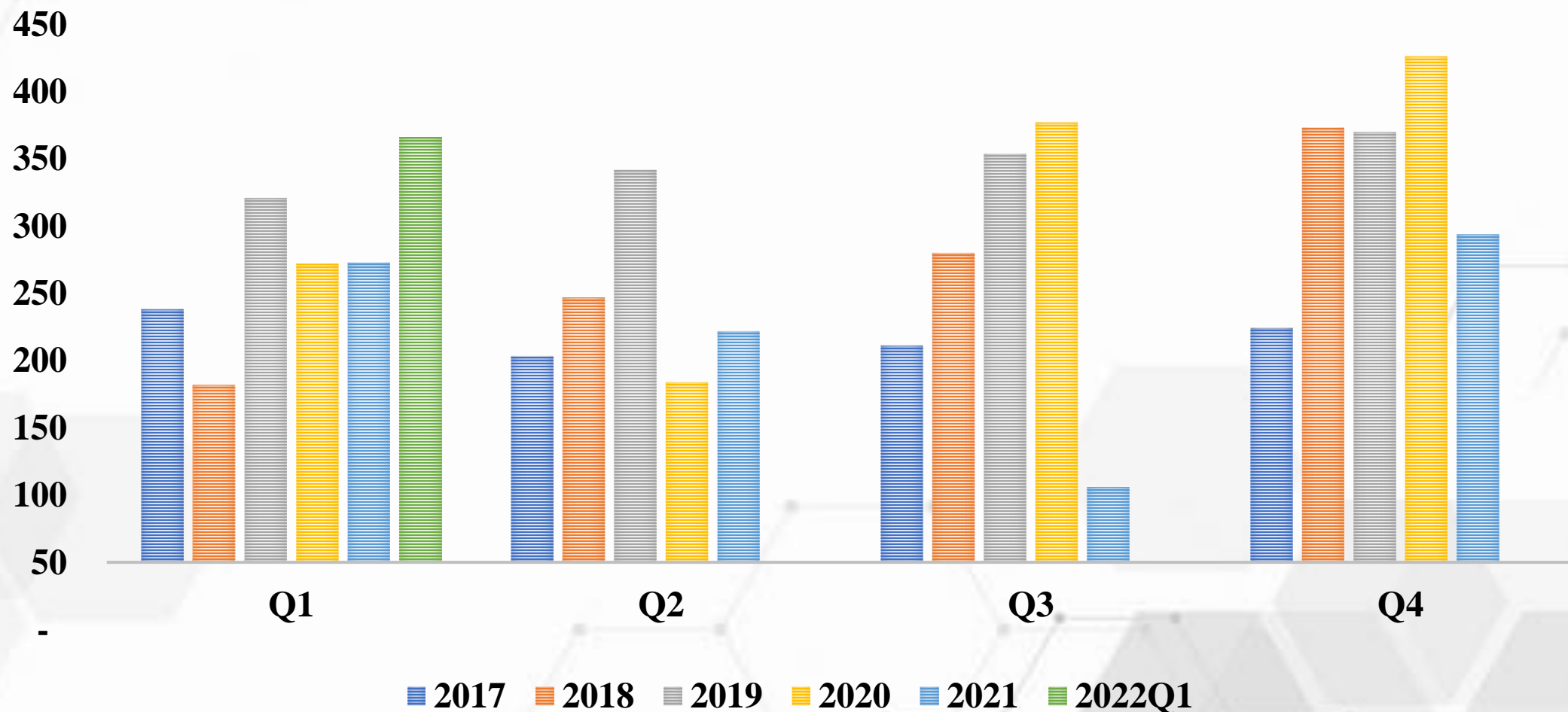
Revenue

2017 2018 2019 2020 2021 2022Q1

# Company's quarterly revenue of most recent years

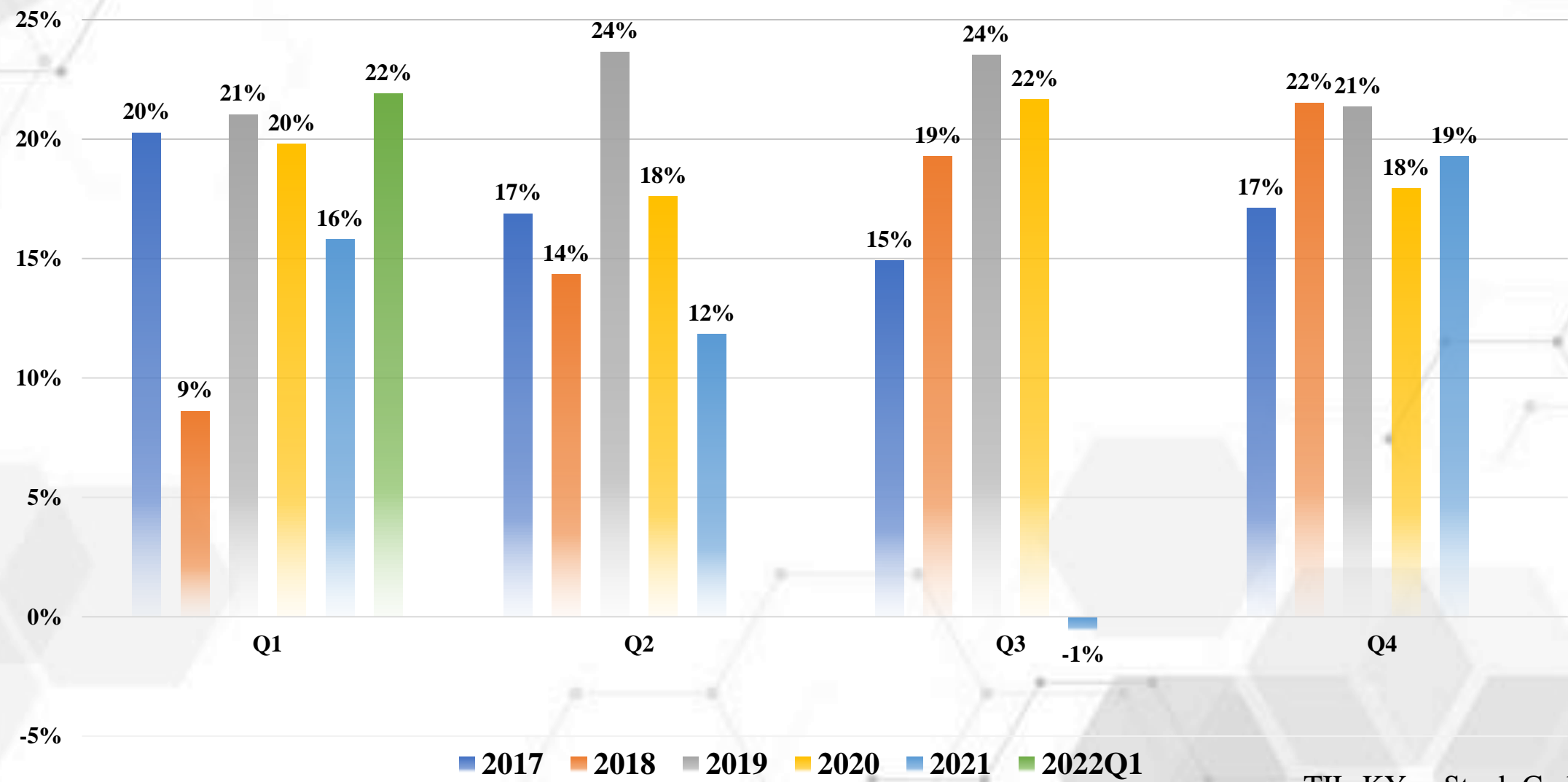
Unit : NT\$ Million

## TURNOVER BY QUARTER



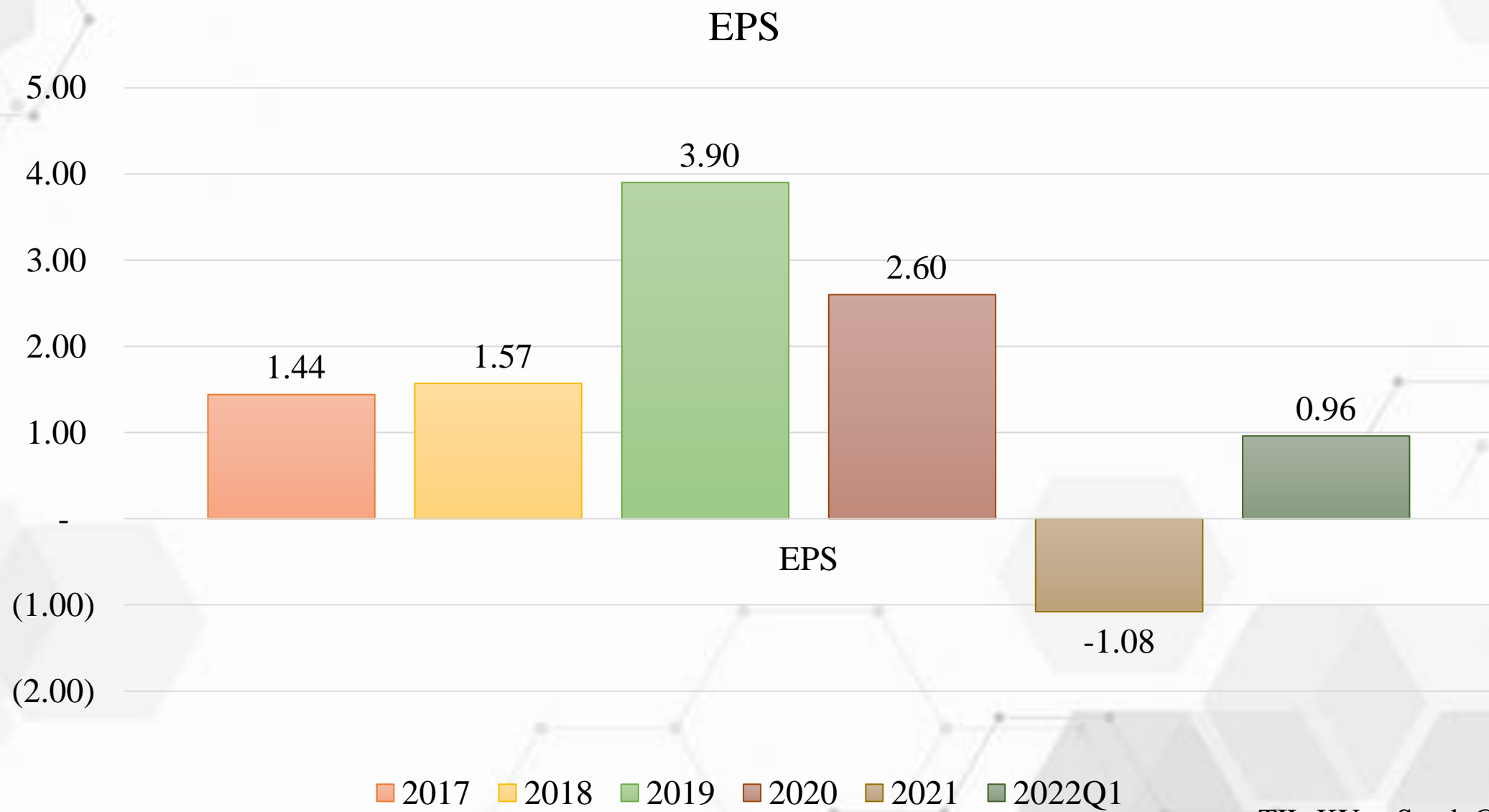
# Company's quarterly GP% performance in recent years

## GP% BY QUATER





# Company's EPS of most recent years



# Techcential KY-Dividend distribution over the years

Year	EPS	Cash dividend distributed
2017	1.44	NT\$1 per share
2018	1.57	NT\$1 per share
First half of 2019	1.80	NT\$0.8 per share
Second half of 2019	2.10	NT\$2.2 per share
First half of 2020	0.44	No distribution (Note 1)
Second half of 2020	2.16	NT\$2 per share
2021	(1.08)	No distribution (Note 2)

EPS NT\$3.9 in 2019,  
Cash dividend distributed  
NTD 3 per share

EPS NT\$2.6 in 2020,  
Cash dividend distributed  
NTD 2 per share

Note 1: Because of the impact of the worldwide COVID-19 Pandemic and Malaysia imposed MCO that caused the company to stop operation for over a month, the board decided not to distribute cash dividend for 2020H1, to keep sufficient funds for company operation.

Note 2: The COVID-19 Pandemic continued to heat in 2021H1. In January, the subsidiary TC suspended work for one month because of the infection of employees; and Malaysia implemented a 3-month first-phase Full Movement Control Order (MCO) in June. Due to the company's inability to produce and deliver during the MCO, inventory prices fell, sluggish losses and idle capacity losses increased significantly compared to last year. In addition, a fire in the TC No. 2 plant resulted in more disaster losses in November 2021. So that, the EPS loss was about NT\$ 4.26. The board of directors decided not to distribute surplus in 2021, to retain sufficient funds for future business expansion.

# The company's fundraising situation in recent years

© The funds raised by the Company in the present offering was used in full to enrich working capital in the 2021 Q4, exactly consistent with the planned purpose of use.

*-Repayment of the principal (including interest compensation)  
due for the first unsecured conversion of corporate bonds in the  
Taiwan R.O.C.*

*-Enrich working capital*

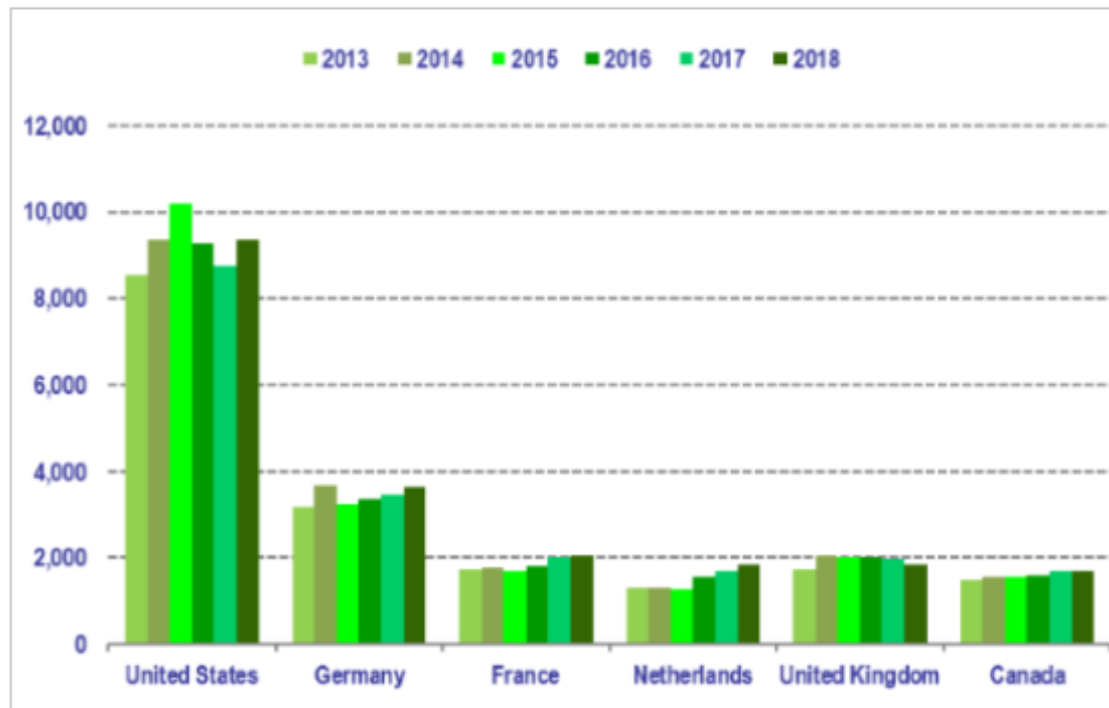


# Market development overview

# Global Major Furniture Importing Country 2015-2021

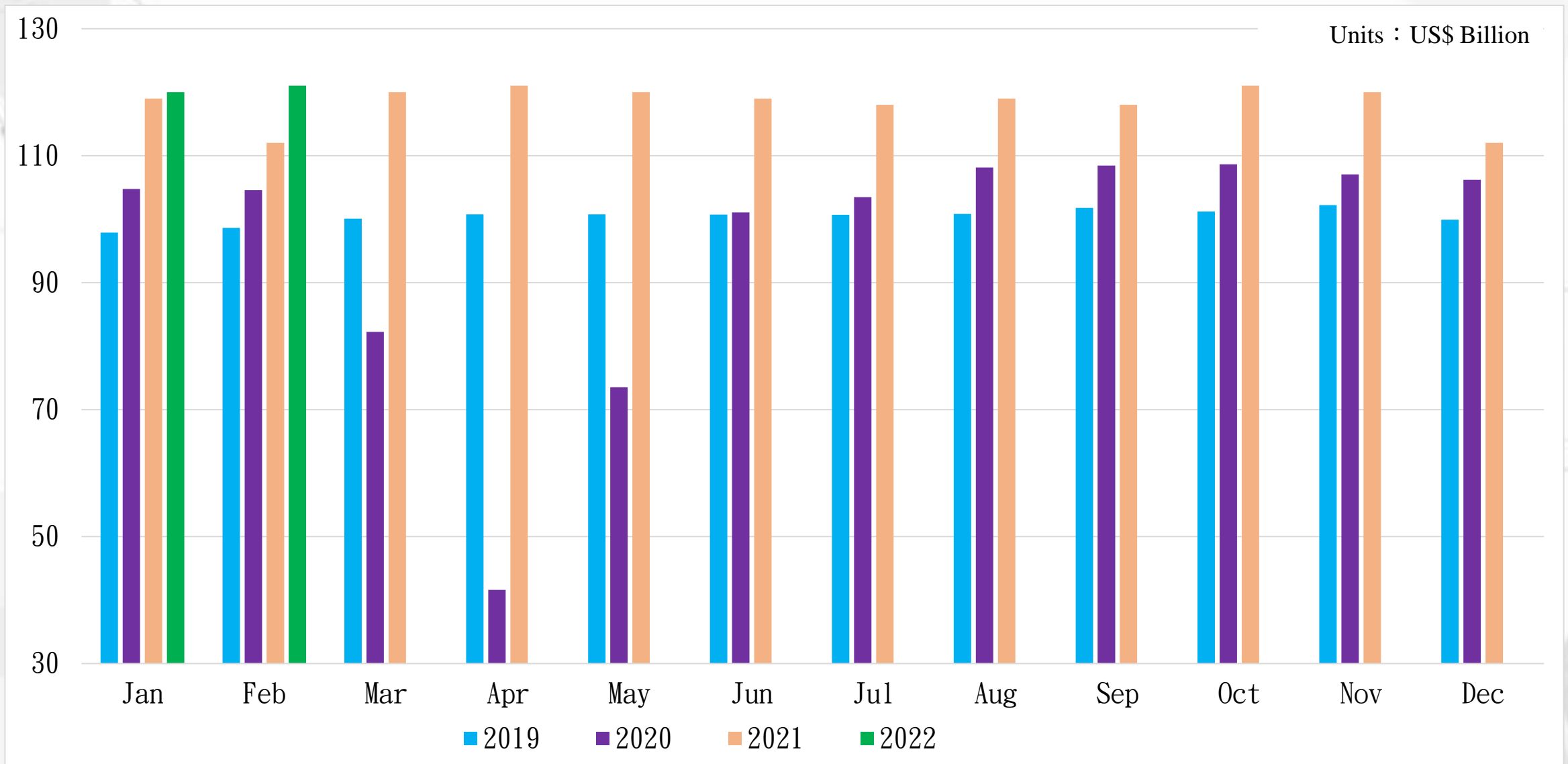
## Major furniture importing countries. Imports, 2015-2021\*.

Current US\$ billion and annual percentage



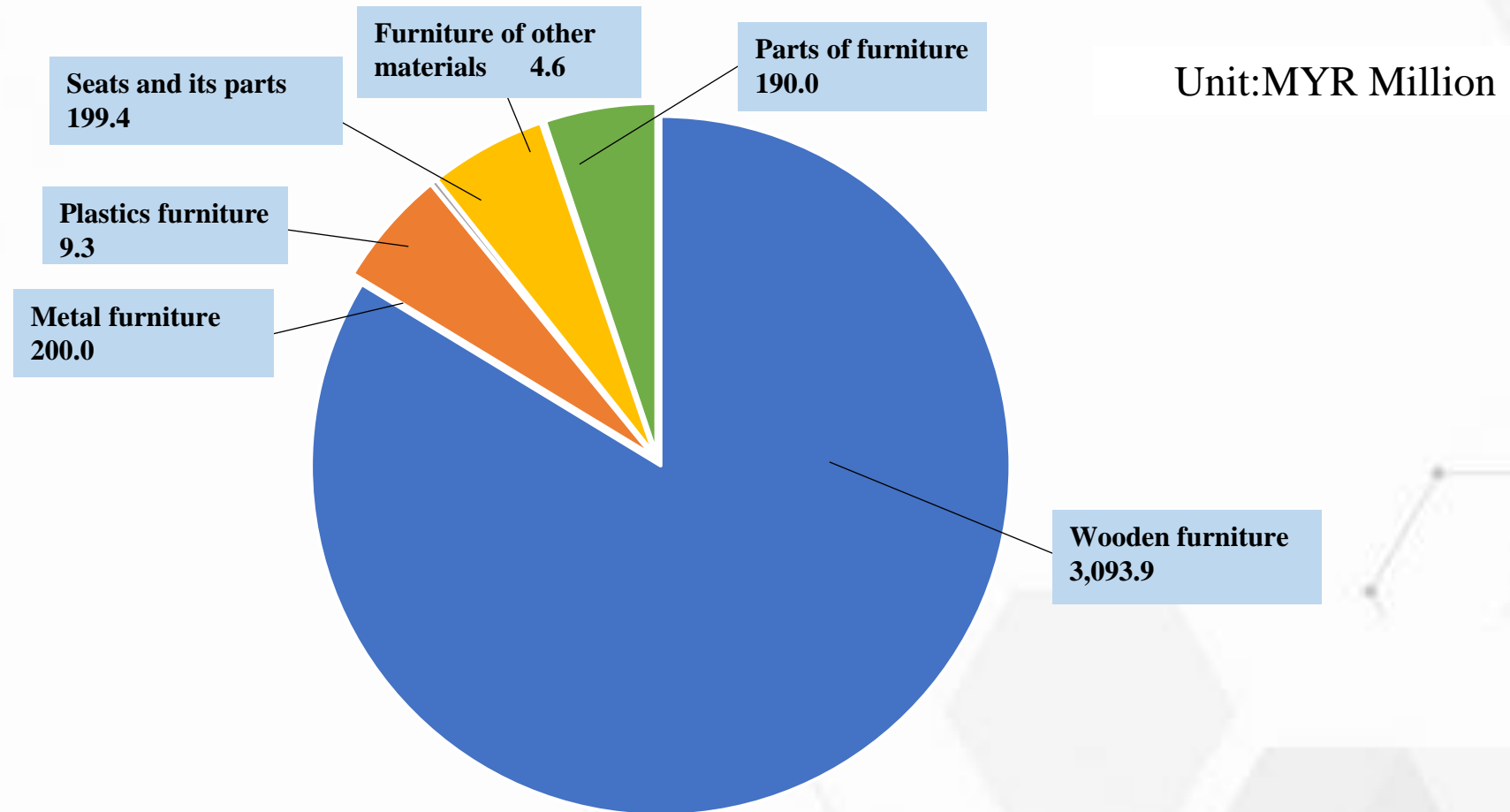
- According to CSIL, the World furniture market has resumed in 2021, with furniture consumption level well above the pre-pandemic values, and it is expected to further increase in 2022 and 2023.
- Over one third of the world furniture consumption is presently imported. The leading importers on a global level are the United States, Germany, France and the United Kingdom and the preliminary data for 2021 show major increases (in current US\$) in furniture imports for all these countries.
- More than 75% of furniture imports to the US originated from Asia (mainly from China, Vietnam and Malaysia). Within the total US furniture imports from Asia, the share of China has decreased because of trade tensions, in favour of imports from Vietnam, in particular.

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





# Malaysia furniture exports in 2022 Jan-Mar



- Malaysia's furniture exports reached 12,577.3 million MYR in 2021. Malaysia's furniture exports reached 3,697.2 million MYR in 2022 Jan-Mar an increase of 0.9% from 2021 Jan-Mar (3,662.6 billion MYR).



# 2022 Business Development Plan

# 2022 business development plan

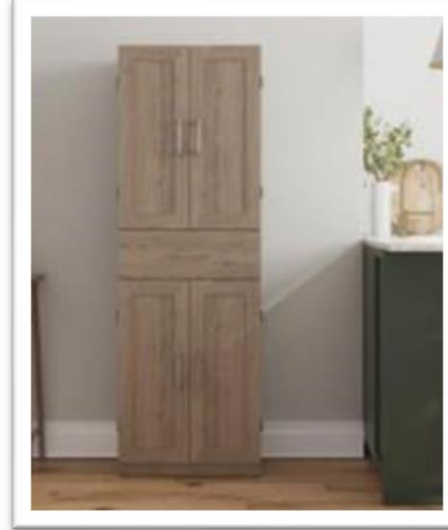
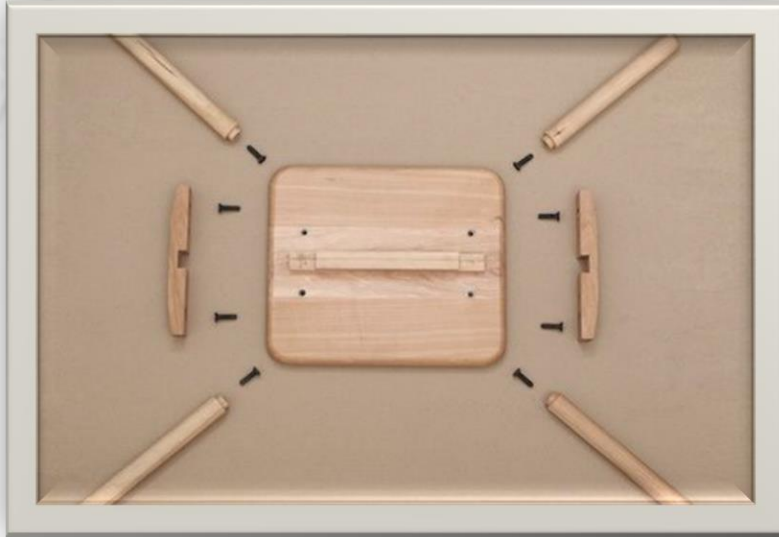
-Keep improving and increase profit

**Bedroom  
Furniture  
Manufacturing  
(Painting & PU)  
( RTA )**


**Kitchen Cabinets  
Manufacturing**

**Rubber Wood  
trading business  
and the  
development of  
alternative raw  
materials**

# The new trend of shipping -- board furniture (disassembly type)(Ready To Assembly, RTA)



TIL-KY Stock Code : 6616



# Challenges and opportunities in Y2022

# Challenges and opportunities faced by enterprises

- 🔍 Russia-Ukraine war
- 🔍 Global shipping/container circulation issues
- 🔍 Trend of U.S. furniture market
- 🔍 Malaysian labour laws

# McKinsey heralds bad news for shippers

[TJ China Freight](#) ; 2022-04-08 ; By tjchinafreight ivy :

- ✚ Shippers must prepare for events in which the tight container market may not normalize until 2024, according to a new analysis by McKinsey & Company. But the consultancy told Shipping Watch that shipping rates could end up being 50% higher than pre-pandemic figures.
- ✚ The container market has been strained since mid-2020 due to the huge demand for goods in the United States, port closures due to the pandemic, container shortages and extreme congestion at the world's largest and most important container ports.
- ✚ McKinsey, one of the world's largest management consulting firms, expressed its views on the current container shipping market in a report entitled "Navigating the current disruption in containerized logistics". A large number of new ships have been ordered to expand capacity, but the normalization of the container shipping industry may still be delayed until the first quarter. If the situation is worse, normalization of the market may take until after 2024.
- ✚ McKinsey also noted that container freight rates will remain high for most of 2022, while disruptions to the container logistics supply chain will continue. °



# 海運巨頭 看淡下半年運價

[聯合新聞網](#)；2022-05-16；記者邱馨儀／台北報導；節錄段落如下：

- ✚ 全球兩大海運巨擘看壞運價，根據外電報導，近期，赫伯羅德（Hapag-Lloyd）暗示，下半年即期（現貨）運價可能「強烈下降」（strong reduction）；稍早，馬士基在首季財報公布後的法人電話會議上，也透露不樂觀下半年即期運價的訊息。
- ✚ 特別的是，近期，部分航線的即期運價已掉到合約價格以下。以遠東到美西為例，各大航商近一年與大型客戶或貨代簽署的合約價格多在每FEU（40呎標準櫃）8,000美元以上，但近幾周，遠東到美西即期運價，已掉到此價格以下。
- ✚ 業內人士指出，導致即期運價續降的關鍵，在於大陸因新冠清零的封城舉措。近期，大陸持續復工後，部分分析師樂觀認為將有報復性出貨潮，不過，赫伯羅德對此則保守看待。
- ✚ 赫伯羅特執行長詹森（Rolf Habben Jansen）在首季財報披露後，於相關說明會中透露，本季從景氣判斷，該公司營運動能已觸頂。財務長弗雷斯（Mark Frese）則總結該公司今年獲利預期表示，第2季狀況仍優於預期，但是恐略低於首季，他並暗示，下半年獲利恐較上半年腰斬。
- ✚ 弗雷斯指出，從該公司自身的訂艙情況看，當前幾乎全球的即期運價都走軟，他指出，通膨問題持續發酵，消費者可支配所得受壓抑，貨櫃運量成長恐會低於先前預期，即使大陸解封後、旺季報到的力道出籠，將不免被抵銷。

# Malaysia looks to ease migrant worker shortage as borders reopen

[THE STRAITS TIMES](#) ; 2022-04-14 :

- Malaysia is looking to ease a pandemic-driven labour crunch that has choked its key plantation and manufacturing industries by hastening the hiring of migrant workers.
- The country is **expected to hire nearly 180,000 workers over the next six weeks**, according to Human Resources Minister M. Saravanan. A special committee will meet daily from April 15 to speed up the approval process, state news agency Bernama reported on Wednesday (April 13), citing Plantation Industries and Commodities Minister Zuraida Kamaruddin.
- There are only about 1.17 million registered foreign workers in Malaysia, down from 1.7 million before the pandemic, Saravanan said. The ministry received 519,937 applications as of April 7 from employers across various industries.
- **About 24,500 workers are due to complete their interviews by April 27, with another 150,000 expected to enter the country in six weeks after completing their verification process, according to the minister.**

# Cabinet Sales Rise Sharply in March, KCMA Reports

[Kitchen Bath Design News](https://www.kitchenbathdesign.com/cabinet-sales-rise-sharply-in-march-kcma-reports/) ; 2022-05-09 :

- According to the KCMA's monthly Trend of Business Survey, released today, participating cabinet manufacturers reported **an increase in overall cabinet sales 11.3% in March compared to March of 2021. Custom cabinet sales rose 17.4% over the same month last year, while sales of semi-custom cabinets gained 3.3% and stock cabinet sales were up 15.7%**, the Reston, VA-based KCMA said.
- Sales were up even more **markedly in March compared to the prior month, rising 22.9% over February**, the association added, noting that the latest sales gains follow on the heels of reported strong growth in 2021 and in January 2022.
- Survey participants include stock, semi-custom and custom companies whose combined sales represent approximately 75% of the U.S. kitchen cabinet and bath vanity market, according to the KCMA.

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Keep in touch

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