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Stock Code : 6616



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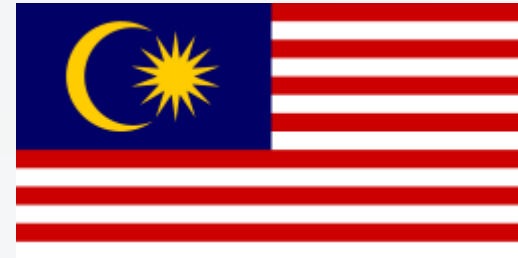
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Contents:

- Company Profile
- Main business/product introduction
- Financial Information
- Market development overview
- 2023 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 Kai Pin (Gavin)
- 📌 General Manager : Eng Kai Jie (Louis)
- 📌 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: 580 (as of March 31, 2023)

Board of Directors

Title	Name	Nationality	Main Experience
Director	Eng Synergy Management Sdn Bhd	Malaysia	CEO of Techcential International Ltd
	representative: Eng Kai Pin	Malaysia	
Director	Surging Success Sdn Bhd	Malaysia	CEO of EHL Cabinetry Sdn. Bhd
	representative: Eng Kai Jie	Malaysia	
Director	Liao Wei Chuan	Taiwan R.O.C	CEO of Fidelity International
Director	Chang Ming Huang	Taiwan R.O.C	Founder of Rich CPA Firm
Independent Director	Chou Chih Yuan	Taiwan R.O.C	Founder of J & C Certified Public Accountant
Independent Director	Huang Chi Jui	Taiwan R.O.C	Favorable Business Partner CPAs
Independent Director	Tay Puay Chuan	Malaysia	Founder of Tay Puay Chuan & Co

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.

Company History

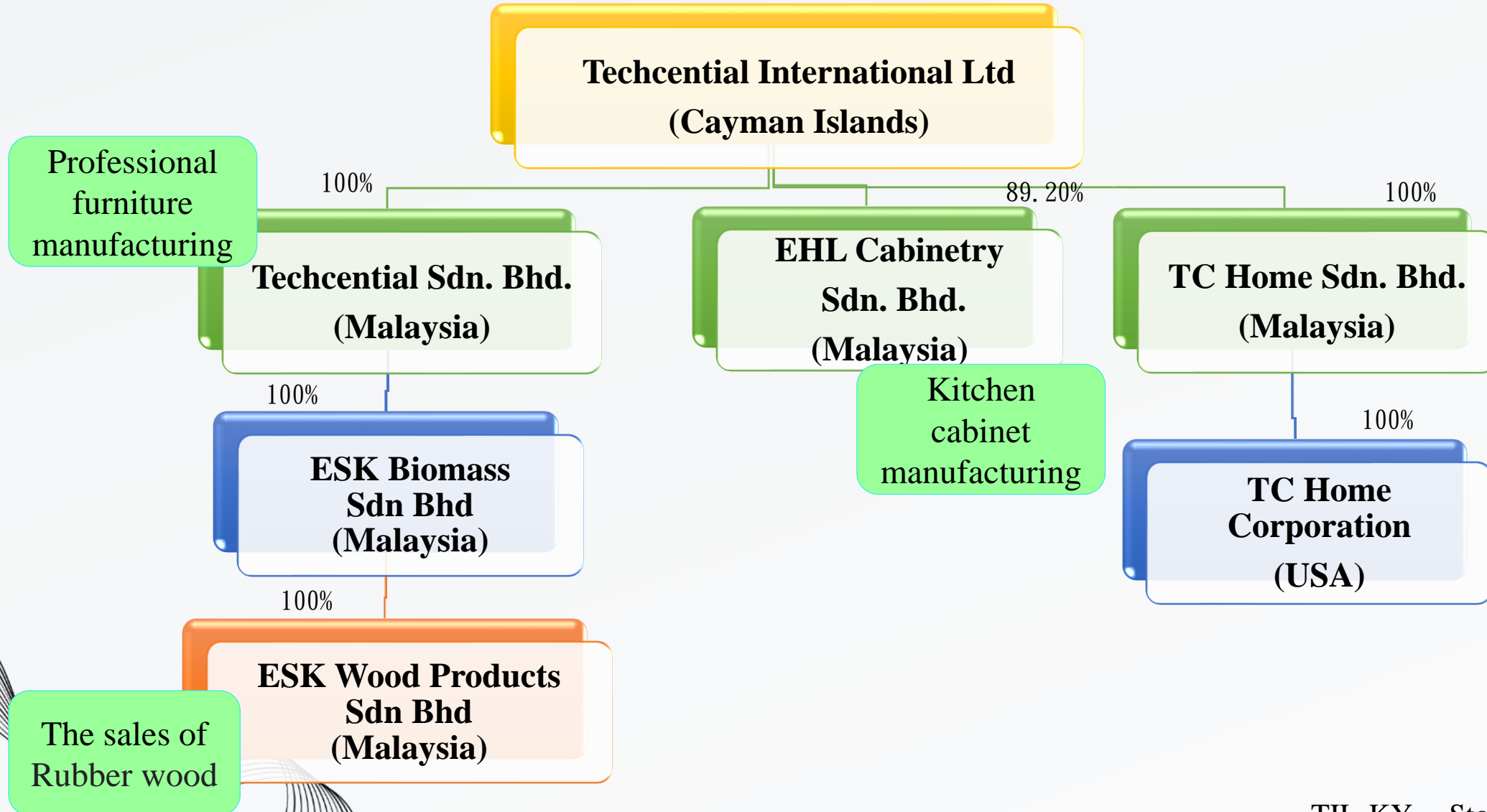
- 2021** Increase cash capital & the 2nd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C.
- The 2nd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was listed on the OTC on November 11,2021.
 - The increased share capital was listed on the OTC on December 8, 2021.
- 2022** The transformation focuses on customized bedroom 1. Techential Sdn Bhd participated in MIFF International Furniture Fair in Kuala Lumpur, Malaysia.
2. The 1st Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was released on December 5, 2022.furniture.
- 2023** 1. Techential Sdn Bhd participated in MIFF International Furniture Fair in Kuala Lumpur, Malaysia.





Group Structure

(As of March 31, 2023)

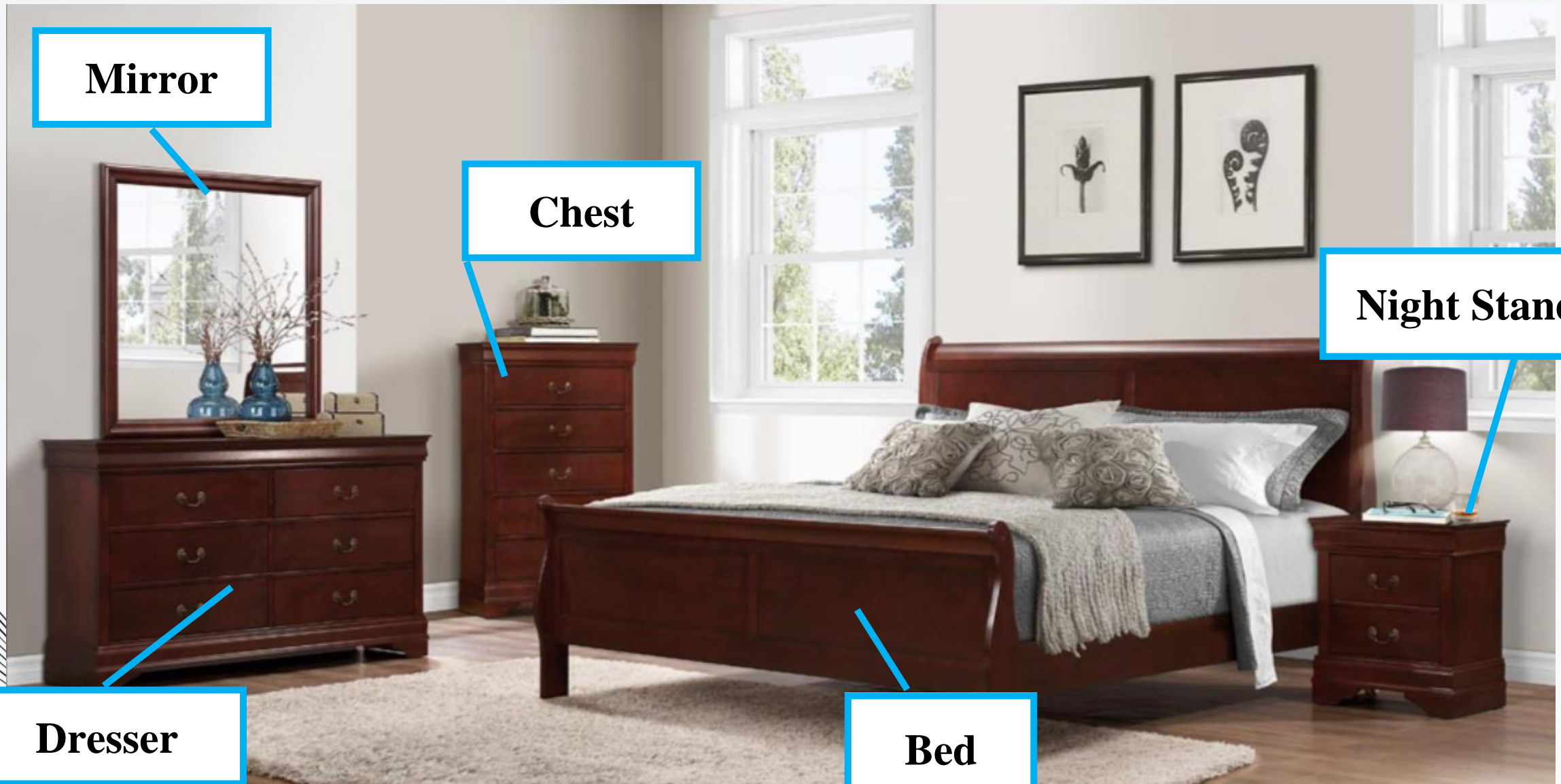




Main business/ product introduction

Techcential - Bedroom furniture

Product Introduction



Mirror

Chest

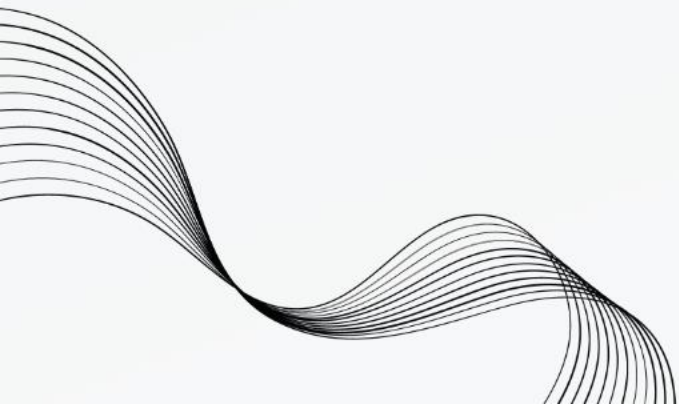
Night Stand

Dresser

Bed

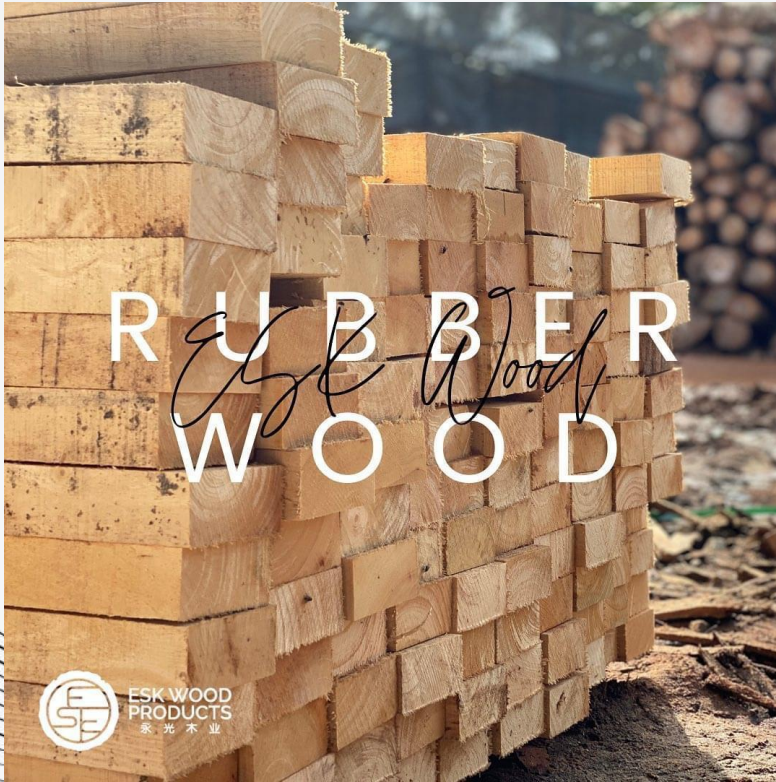


TIL-KY Stock Code : 6616



ESK WP

The related business of rubberwood



EHL Cabinetry



Product Introduction



Five-piece sets

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

TIL-KY Stock Code : 6616

Product raw materials and main sources



TC- The production process of Wooden furniture



White
body
processing

Assembly



Grinding

Painting



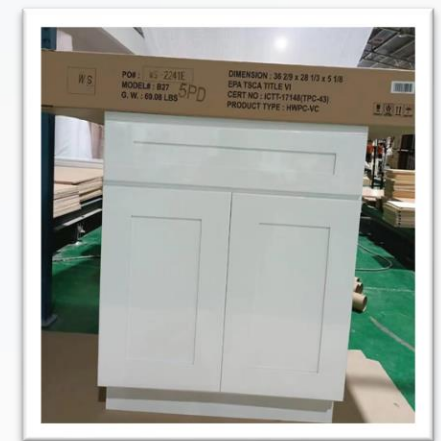
Packaging

Store



EHL -The production process 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:

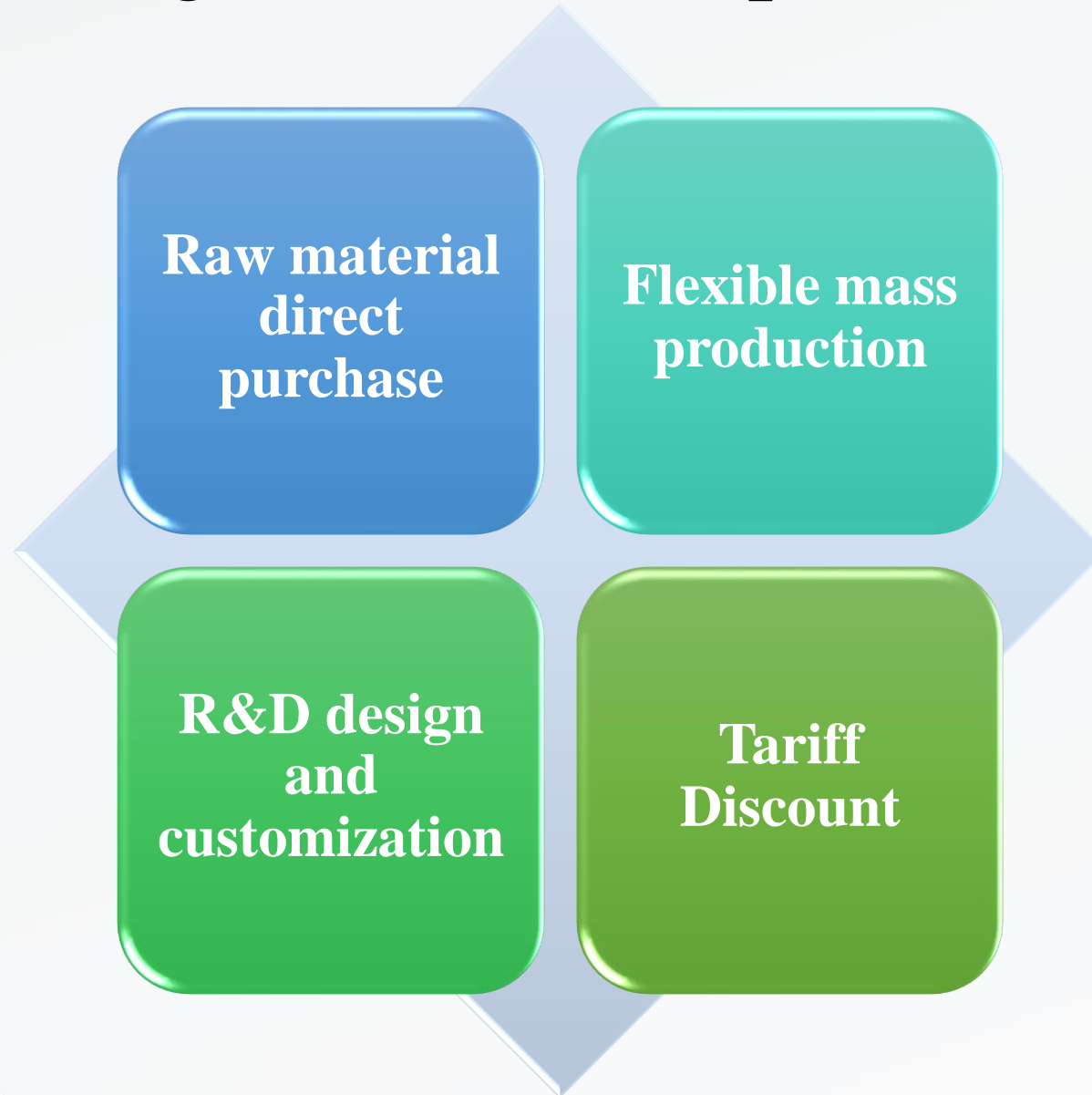


Product safety certification



- 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

Distributors

Top 100 U.S.
Furniture Stores

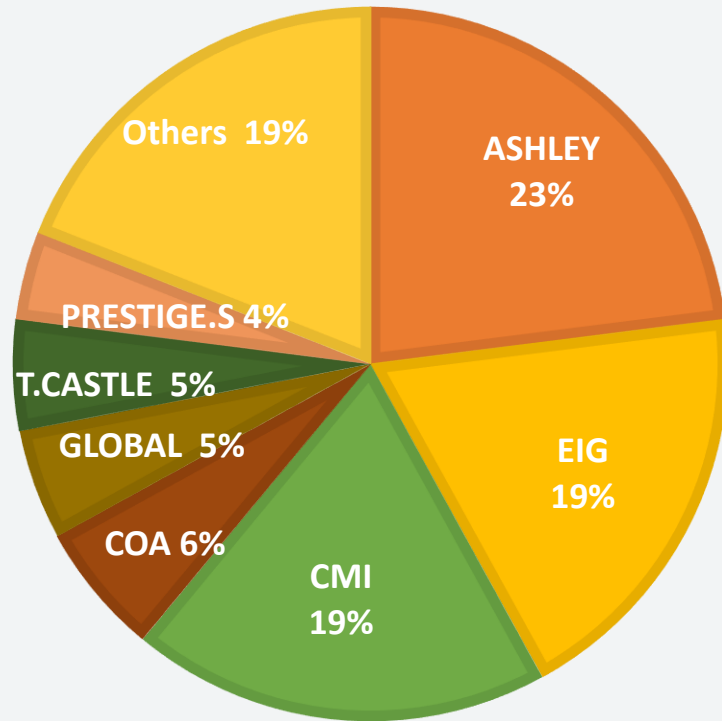
Importers



特昇-KY 股票代號：6616

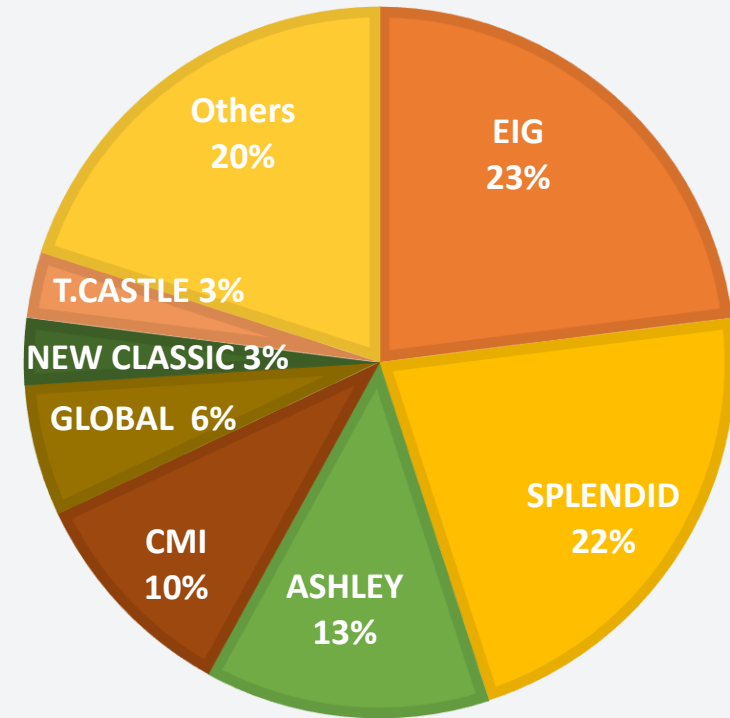
TIL Group Sales (Customer) status

2021



Operating Income : NT\$ 894,227 thousand

2022



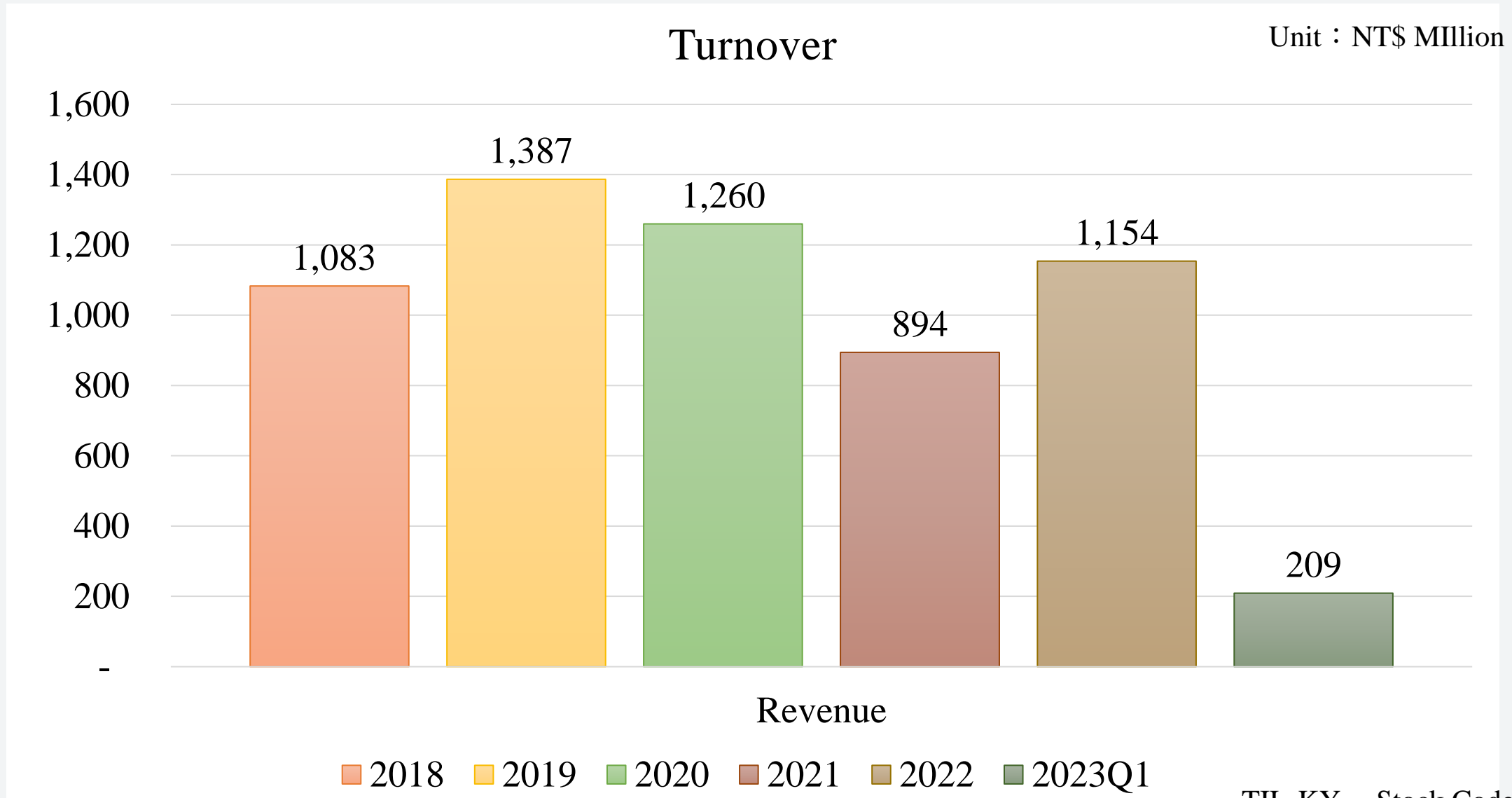
Operating Income : NT\$ 1,154,415 thousand

Financial data of most recent years:

Unit: NT\$ thousand

Project/year	2022	%	2021	%
Operating revenues	1,154,415	100	894,227	100
Operating costs	950,828	82	768,910	86
Gross profit	203,587	18	125,317	14
Operating expenses	162,918	15	104,000	12
Operating income	40,669	3	21,317	2
Non-operating income and expenses	7,575	1	(57,374)	(6)
Income tax expense	21,247	1	(1,194)	-
Net profit for the year	26,997	3	(34,863)	(4)
EPS(NT\$)	1.09		(1.08)	

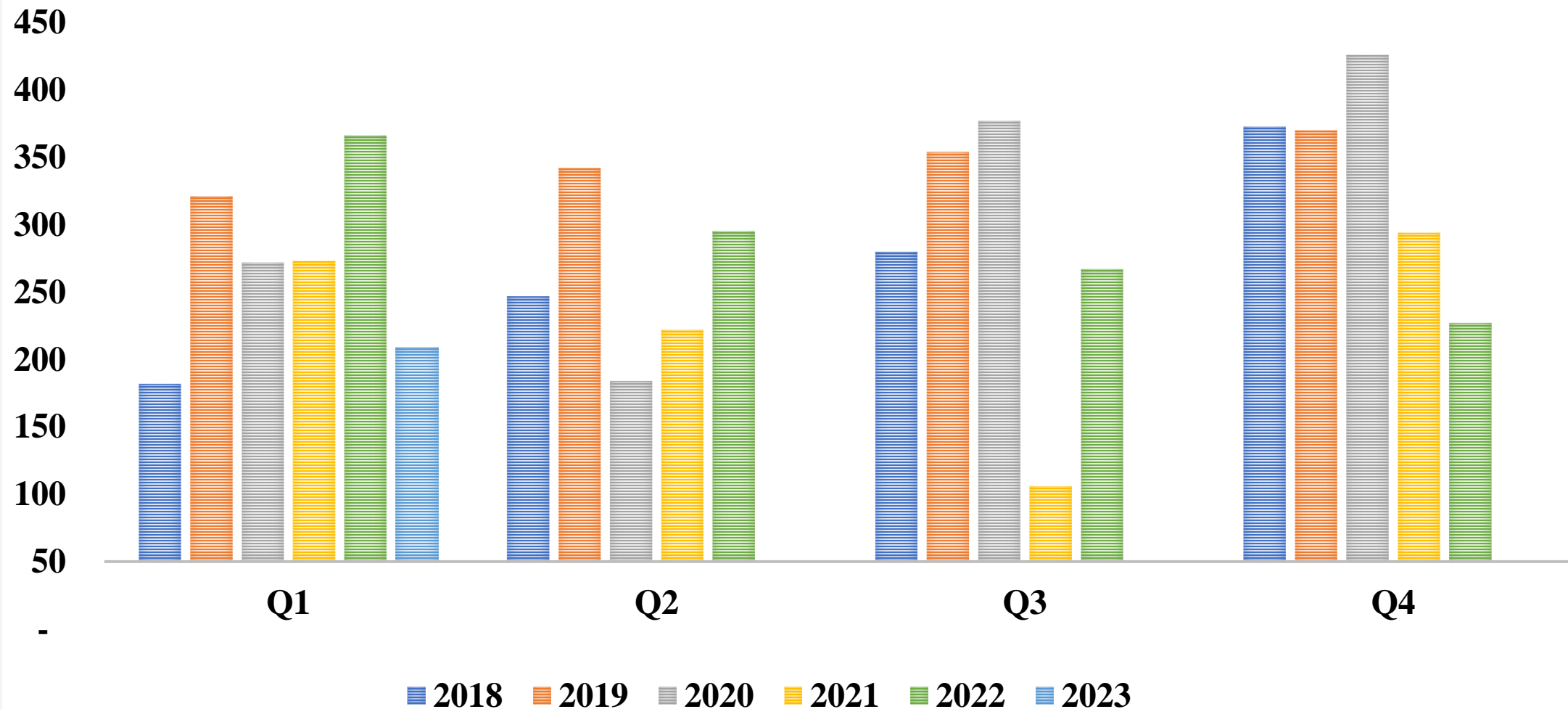
Company's revenue overview of most recent years



Company's quarterly revenue of most recent years

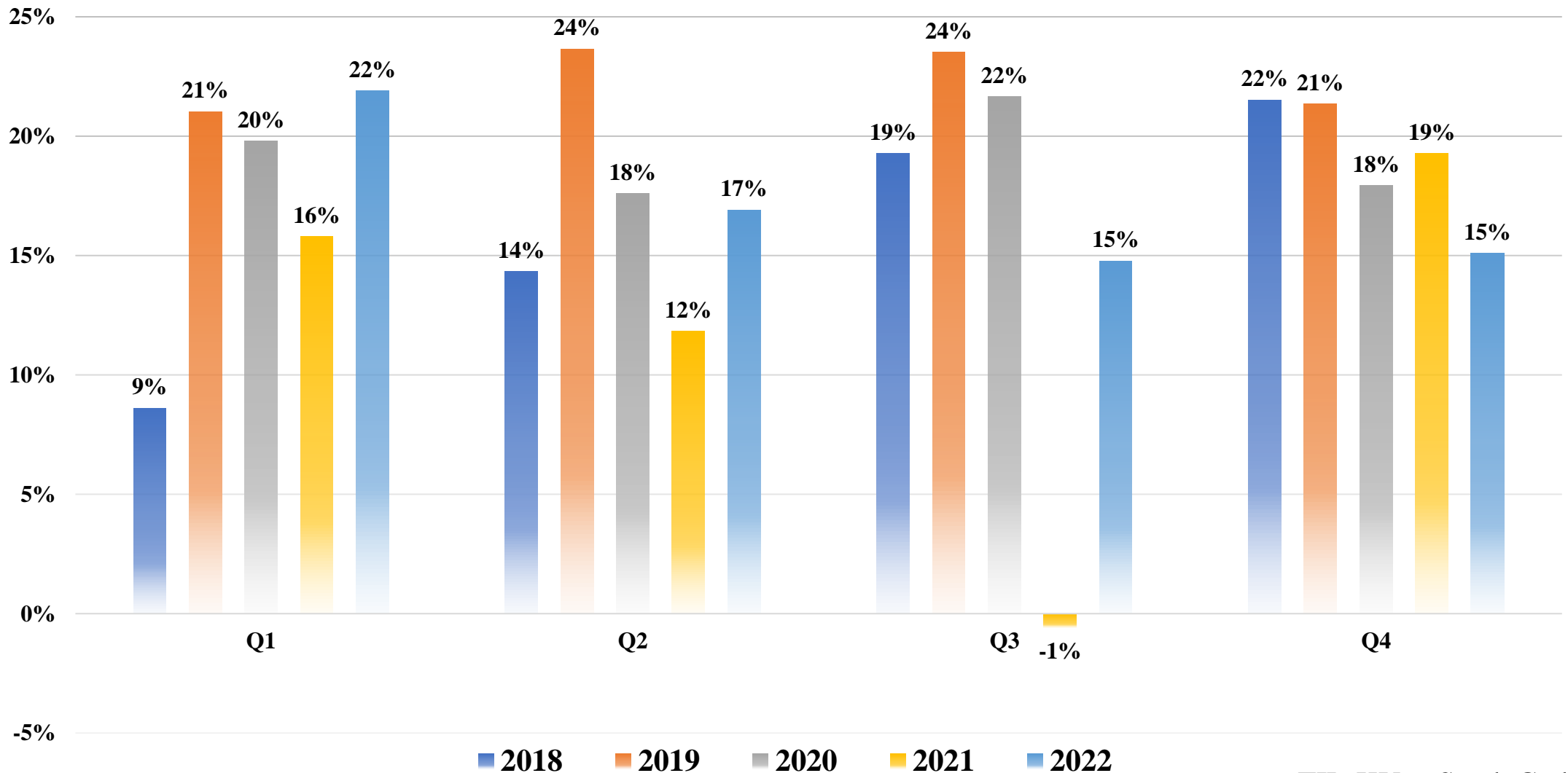
Unit : NT\$ Million

TURNOVER BY QUARTER

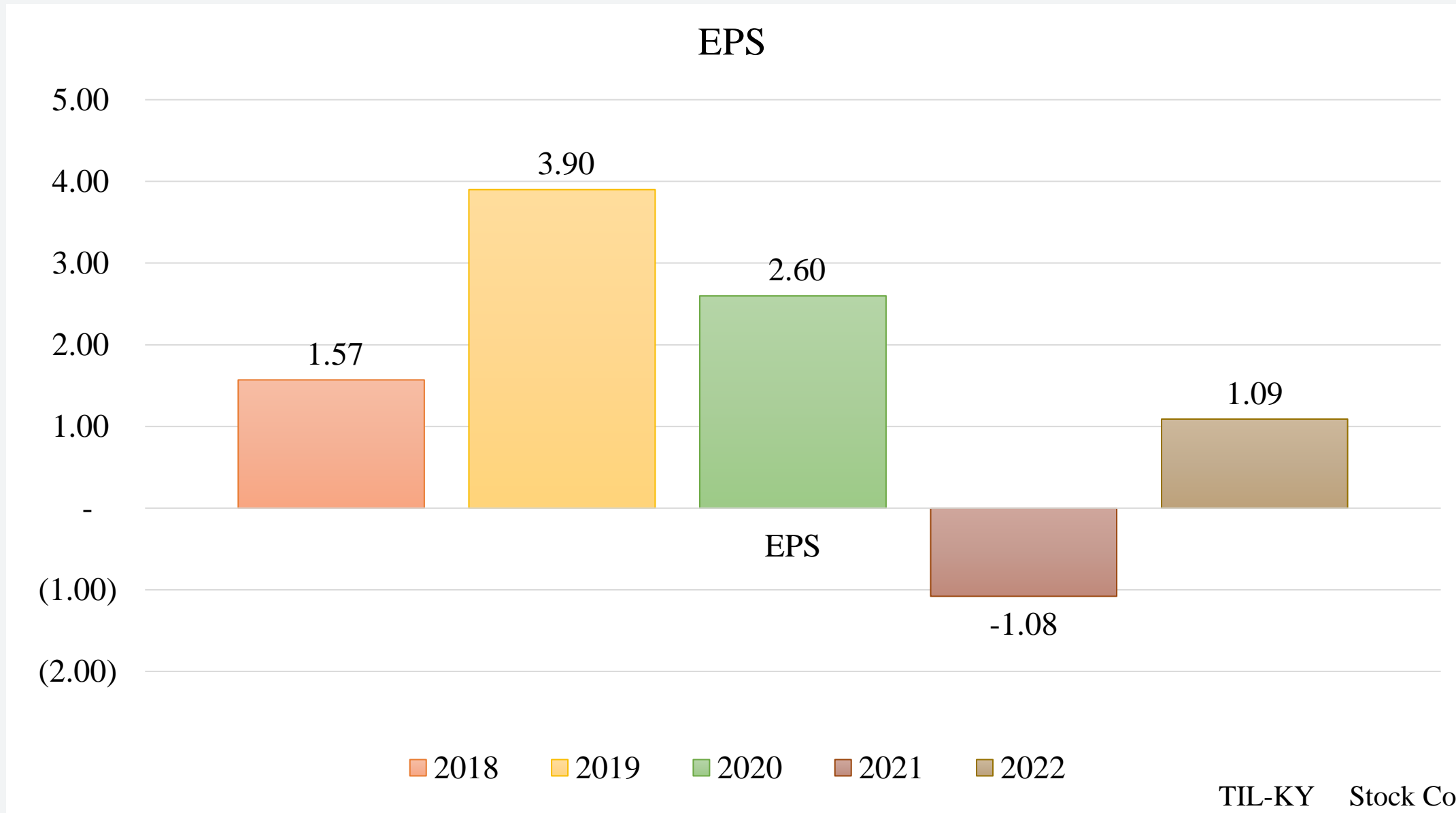


Company's quarterly GP% performance in recent years

GP% BY QUATER



Company's EPS of most recent years



Techcential KY-Dividend distribution over the years

Year	EPS	Cash dividend distributed	Surplus allotment	total dividend
2018	1.57	NT\$1 per share	-	1.00
2019 H1	1.80	NT\$0.8 per share	-	0.80
2019 H2	2.10	NT\$2.2 per share	-	2.20
2020 H1	0.44	No distribution (Note 1)	-	No distribution (Note 1)
2020 H2	2.16	NT\$2 per share	-	2.00
2021	(0.18)	No distribution (Note 2)	-	No distribution (Note 2)
2022	1.09	0.10	0.50	0.60

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 2016-2022



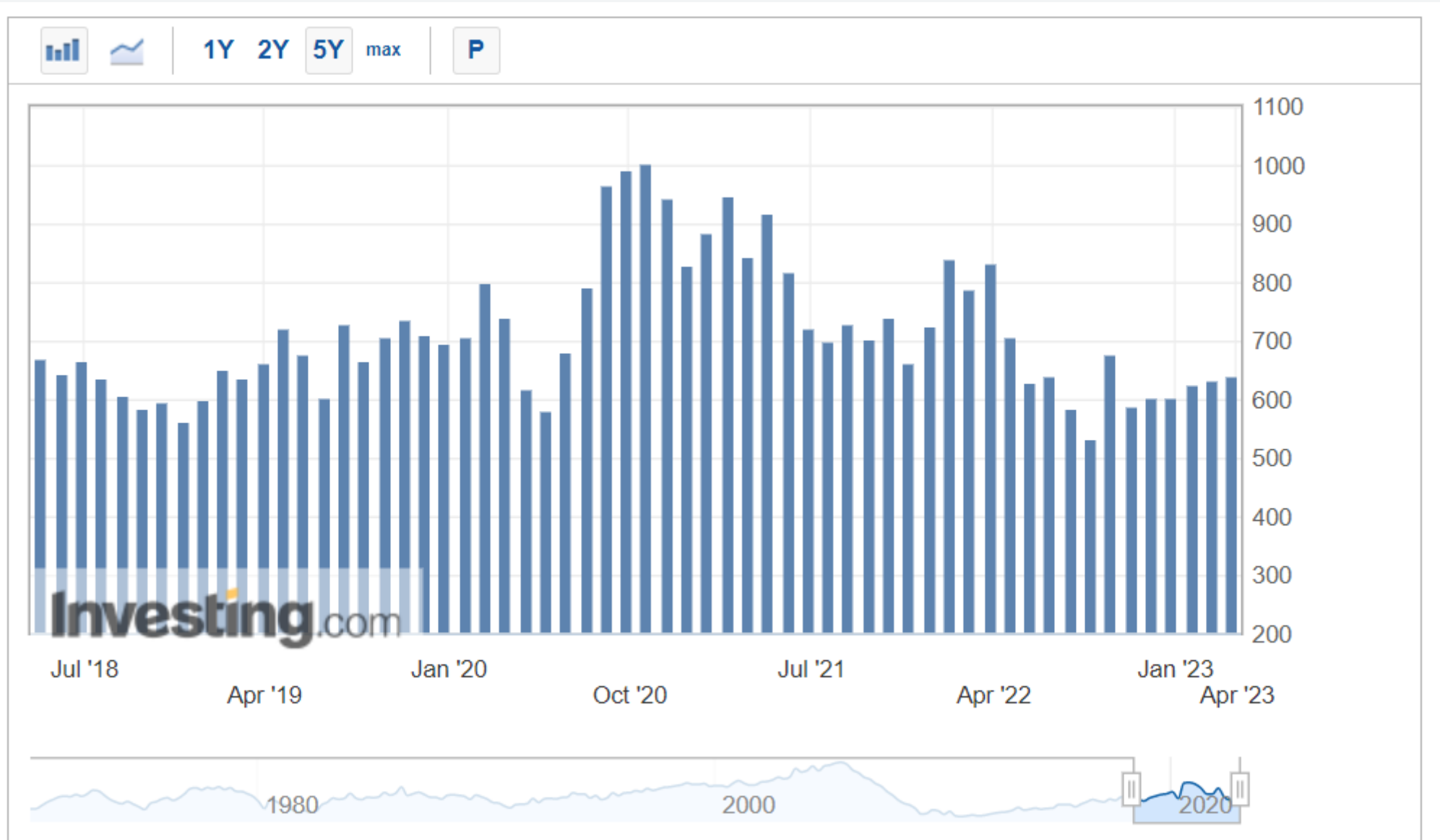
- ⇒ According to CSIL, the World furniture market has resumed in 2021, with furniture consumption level well above the pre-pandemic values, and it is expected to further increase in 2022 and 2023.
- ⇒ Over one third of the world furniture consumption is presently imported. The leading importers on a 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.

Homebuyer mortgage demand jumps after interest rates drop to two-month low

[CNBC](#) ; 2023-04-12 ; Diana Olick:

- 🏠 Today's housing market is so pricey that homebuyers are highly sensitive to any distinct moves in mortgage rates. And that's what happened last week. Rates dropped, and buyers dove in.
- 🏠 The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less) decreased to 6.30% from 6.40%, with points decreasing to 0.55 from 0.59, including the origination fee, for loans with a 20% down payment, according to the Mortgage Bankers Association. That was a weekly average decline, but a sharper, one-day drop smack in the middle of the week was likely the impetus for demand.
- 🏠 "Incoming data last week showed that the job market is beginning to slow, which led to the 30-year fixed rate decreasing to 6.30% — the lowest level in two months," said Mike Fratantoni, MBA's SVP and chief economist.
- 🏠 Mortgage applications to purchase a home rose 8% last week, compared with the previous week. They were, however, 31% lower than the same week one year ago, when interest rates were significantly lower. Buyers have been up against not only higher rates and higher home prices, but very limited supply.

U.S. New Home Sales

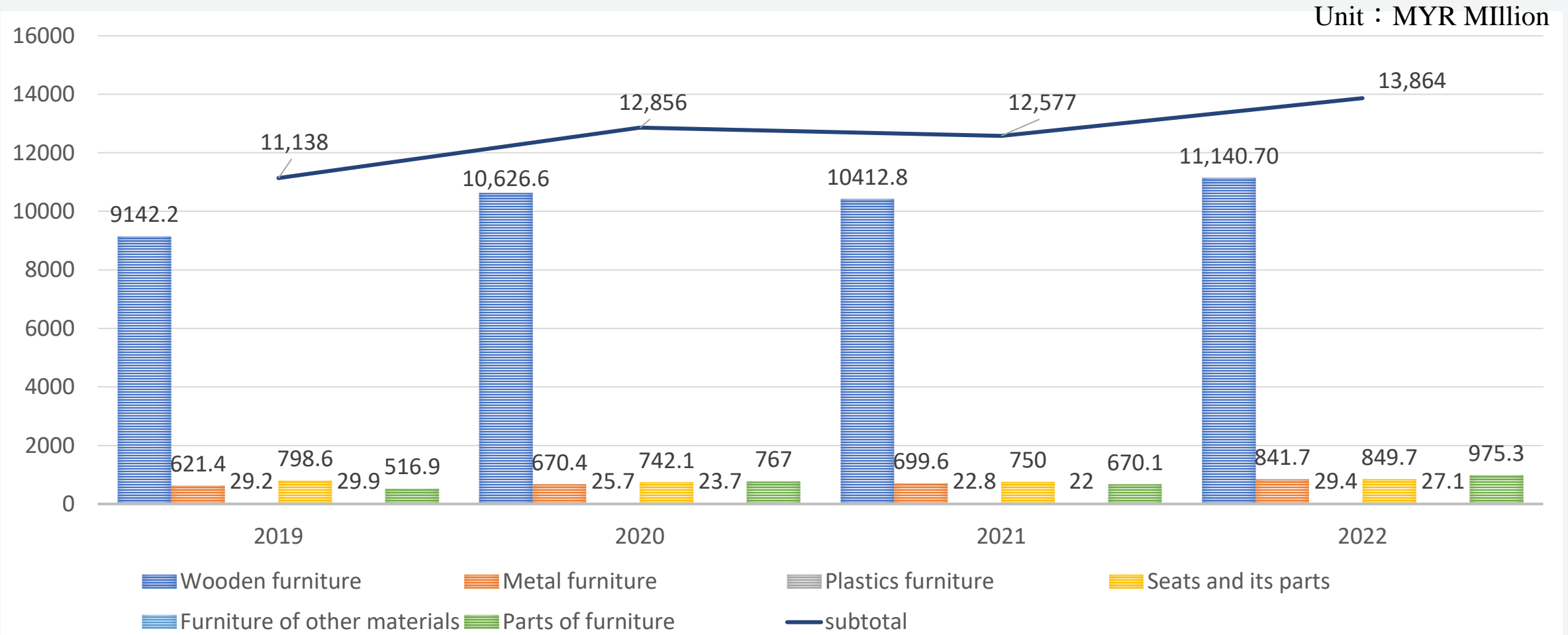


The sales of U.S. Furniture and Home Furnishing Stores



2019 2020 2021 2022 2023

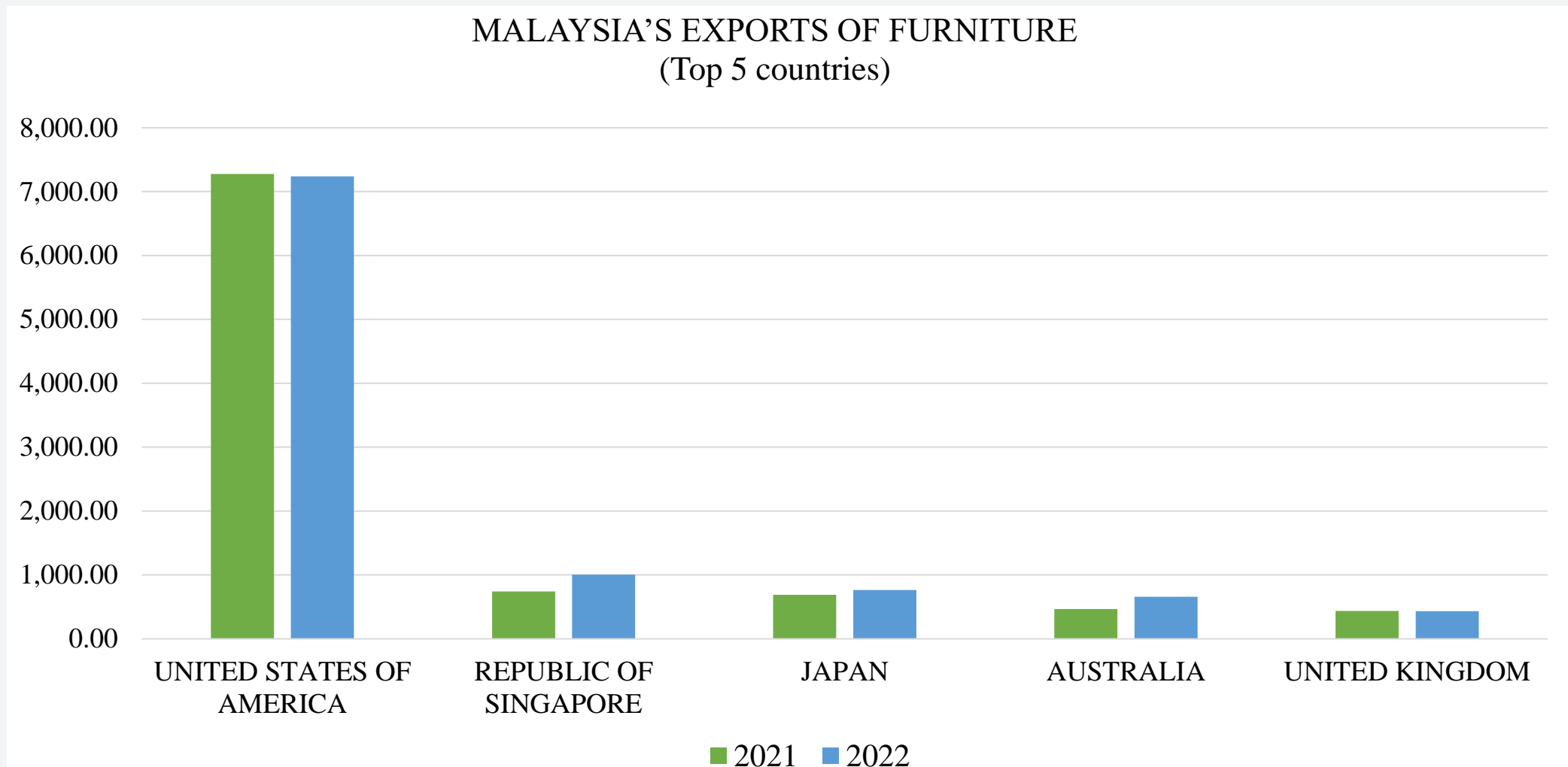
Malaysia furniture exports in 2019-2022 (Product)



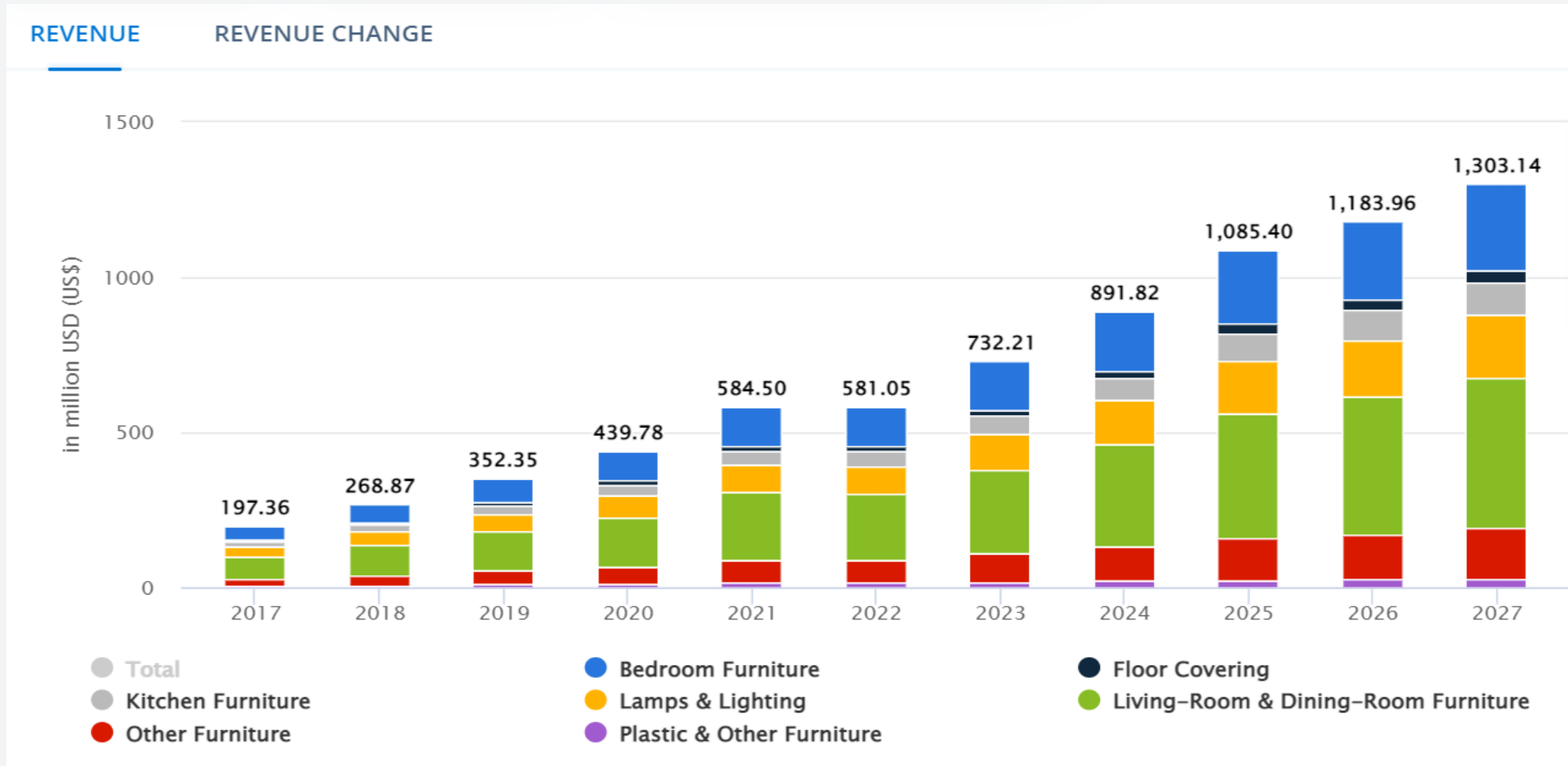
Malaysia's furniture exports reached 12591.7 million MYR in 2021. Malaysia's furniture exports reached 13,863.5 million MYR in 2022 an increase of 10.1% from 2021.

Malaysia's exports of furniture in 2022

Malaysia's furniture exports reached MYR 13,863.5 million in 2022, an increase of 10.1% from 2021. The total amount of furniture exports to the United States decreased by 0.5% compared with last year.



Opportunities in the Growing Online (E-commerce) Furniture Market



According to online research site Statista, Malaysia's total furniture consumption market is expected to reach US\$4.51 billion by 2023, and grow at a CAGR of 8.21% until 2027.

2023 Business Development Plan

2023 business development plan

-Deepen the US market and explore other markets

The Group strengthens research and development efforts and focuses on the development of product categories other than bedroom furniture.

The product types will be mainly exquisite and high-end, high-margin products that can be matched with bedroom furniture.

Will focus on participating in major international furniture fairs to increase product exposure

FURNI
TURE
CHINA
2023

第二十八届 中国国际家具 展览会

300,000

展示面积

2,500

优质家具家居供应商

170,000

海内外专业买家

160

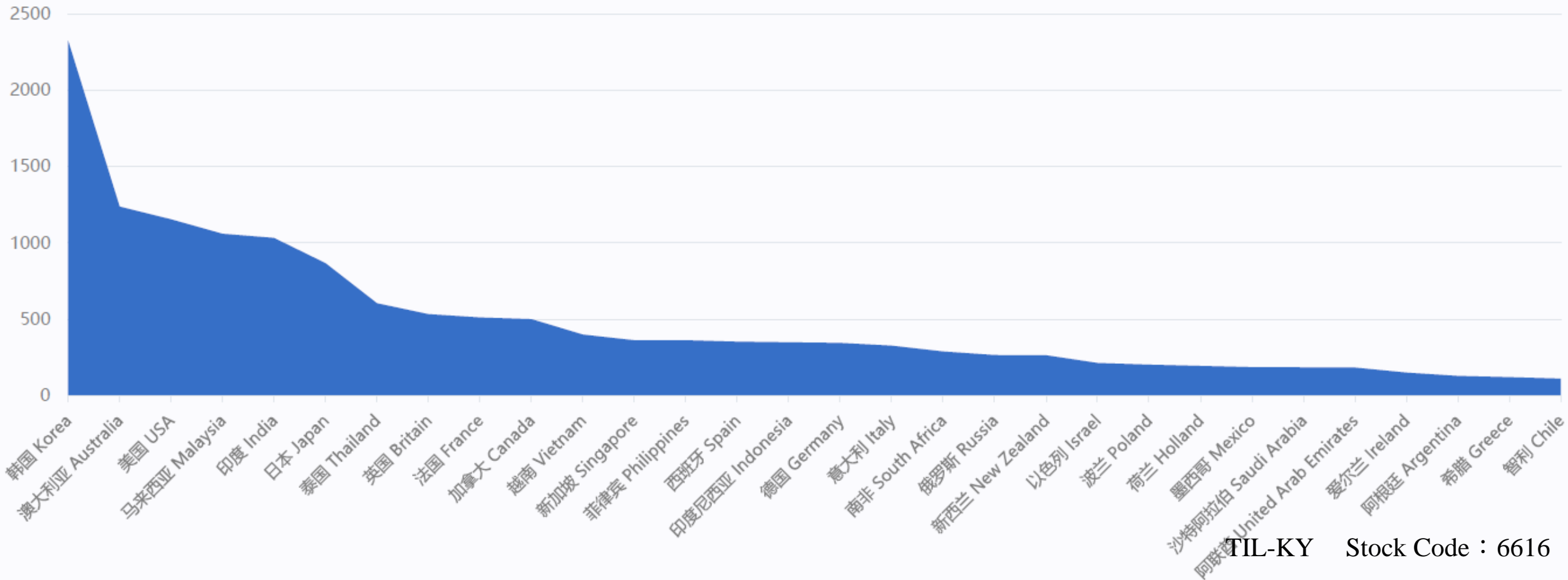
国家及地区


海外观众 Overseas Visitors

在中美贸易战逐步升级之际，海外观众人次与去年基本持平，为21,078人次，较去年仅下降0.6%，可见，中国家具出口的国际市场更趋多元化，贸易通道的拓展将更为开阔。

In the current world economic situation, the number of overseas visitors was essentially flat at 21,078, down 0.6% from last year. It can be seen that the international market of China's furniture export is becoming more diversified, and the expansion of trade channels will be more open.

海外观众人次排名前30位的国家与地区 Top 30 Countries and Regions





Challenges and opportunities in Y2023

Challenges and opportunities faced by enterprises

- 🔍 Russia-Ukraine war
- 🔍 U.S. rate hikes & inflation
- 🔍 International trade war
- 🔍 US dollar exchange rate trend
- 🔍 Global Furniture Consumption Market

船公司減班油價飆升燃料成本上升運價漲聲響起

[航貿周刊](#)；2023-04-12；記者：李錫銘；節錄段落如下：

- ✪ 消息指出，近期因**船公司減班**、**艙位不足**、**油價大幅飆升**及**燃料成本上升**等諸多因素影響，已有多家航商宣佈實施運價調漲，終結大跌一陣子的貨櫃船運價。
- ✪ 其中赫伯羅德宣佈自5月1日起對東亞至美國和加拿大的20'/40'呎櫃(包括乾櫃、冷藏櫃和特種櫃)分別調高800美元/1000美元。麥司克客戶通知書則從本(四)月24日起調高亞太至美國和加拿大所有類型貨櫃運費900-1250美元，收費標準調整如下:20'乾櫃按900美元，40'乾櫃1000美元，40'高櫃1000美元，45'高櫃乾櫃1250美元幅度調高。此外，麥司克修訂調升從全球到北美的進口貨櫃碼頭裝卸服務-目的地(DHC)作業費，新訂DHC費率將於2023年五月一日生效。
- ✪ 消息指出，為緩解疲弱的市場需求，船公司計畫在本月取消多達50個從亞洲至美東和美西航次，亞洲至美西貨櫃即期運價從2021年中期的每40呎櫃高達兩萬美元暴跌至僅一千美元，航商迫切需要提高運價推動停滯不前的年度合約談判。
- ✪ 值得關注的，石油輸出國組織+石油生產國聯盟政策性決定減產後促成油價大幅飆升，燃油價格持續走高亦可能導致航商因應油價波重加收燃油附加費。

MIFF makes impressive recovery

[Furniture News](#) ; 2023-04-18 ; By Paul Farley :

- ⇒ The Malaysian International Furniture Fair (MIFF), South-east Asia's largest industry trade show, rebounded from the pandemic when it returned on 1st March, **reporting a ground-breaking transaction total of US\$1.21b.**
- ⇒ With buyers attending from all over the world, MIFF remains an attractive gateway for exhibitors seeking new international buyers and markets. **This year's show featured exhibitors from 11 countries and regions (Malaysia, China, Hong Kong, India, Indonesia, Japan, South Korea, Singapore, Taiwan, Thailand and Vietnam).**
- ⇒ Returning to a full-scale event across two venues – **the Malaysia International Trade & Exhibition Centre (MITEC) and World Trade Centre Kuala Lumpur (WTCKL)** – MIFF welcomed 19,275 trade buyers, comprising nearly 30% international buyers and 40% first-time visitors.
- ⇒ The largest contingent came from Asia, followed by North America and Oceania. China took the lead with the most visitors, ahead of Singapore, the US, India and Australia

Vietnam agrees to drop charges towards Malaysian tables and chairs in final determination

Malaysian Furniture Council NewsLetter, Issue 26 & 27, February & March 2023 :

- ✚ **Since September 1, 2021, Malaysian tables and chairs have been investigated by the Vietnamese authorities on the grounds of anti-dumping activities.** Drawing lessons from the previous incident involving mattress to the United States, this time the Malaysian Furniture Council (MFC) took swift action by notifying its member as well as coordinating with the related agencies such as MITI, MPC, MTC and appointing its own legal representative, IDVN Lawyers to fight the case.
- ✚ After 1 ½ years of back and forth, the hard effort finally paid off when on February 13, 2023, the Vietnamese Ministry of Industry and Trade (MOIT) released its final determination on the investigation (AD16).
- ✚ **In its report, it states that the volume of imported tables and chairs from Malaysia during the period of investigation (POI) is insignificant (less than 3%) compared to the total imported volume.**
- ✚ This reaffirms the preliminary decision made in September 30, 2022 as **Malaysia in fact imports more furniture than it exports to Vietnam.**
- ✚ Nevertheless, the final determination is a resounding victory for the Malaysian furniture industry as it proves that nothing is impossible if industry players remain united and cooperative in future investigations.

Cabinet, Vanity Sales Post February Gains

[Kitchen Bath Design News](#) ; 2023-04-03 :

- ☞ Sales of kitchen cabinets and bathroom vanities posted solid new gains in February, a month after opening 2023 on a solid note, the Kitchen Cabinet Manufacturers Association reported.
- ☞ According to the KCMA's latest monthly "Trend of Business Survey," participating manufacturers reported that **overall cabinet and vanity sales were up 12.8% in February compared to the same month in 2022**. Gains were led by a 27.4% increase in sales of custom cabinets, while semi-custom cabinet sales rose 21.1%. In contrast, sales of stock units posted a sharp decline, off 22.4% from February of last year, according to the Reston, VA-based KCMA.
- ☞ **Year-to-date sales in 2023 were up 9.6% compared to the same two-month period in 2022**, the trade association added..

THANK'S FOR WATCHING



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