



**Sumagh High-Tech Corporation**

**2017 Investor Conference**

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## 1. Company Profile

**Set up**

- Year 1990

**Chairman**

- Mr. Ming Sen Wong

**General Manager**

- Mr. Chao-Sheng Cheng

**Main Product**

- Textile Products

**Employee (2017/Q3)**

- 60

**Headquarter/Factory**

- Pingjhen Industrial Park



### **Drapery, Upholstery & Table Cloth :**

- **Jacquard & dobby for all 3 product lines.**
- **Piece dyed or Yarn dyed depending on the designs.**
- **General widths are 54" 64" & 74" (Widest is 128").**
- **Dyeing greiges or yarns base on customers' needs (through professional lab dipping).**

### **Heimtextil Frankfurt 2018 :**

**WC65 has been selected for the Heimtex Theme Park 2018 for the very first time!**

**As a starting point for interior design trends, the Theme Park gives an overview of current market developments and Trends 2018/2019, which is the perfect source of inspiration & your potential buyers.**

**All samples will be marked with exhibitor's name & booth number. It is a perfect PR opportunity!**



# Textile Chain

## 3. Industry Overview

Up

Middle

Down

Fiber industry
Nan Ya
Formosa
Far Eastern New Century
SHINKONG
Tainan
LEALEA
LI PENG
Acelon

Spinning industry	Weaving industry	Dyeing industry
Nan Ya	MAKALOT	MAKALOT
Formosa	ECLAT	ECLAT
Far Eastern New Century	Far Eastern New Century	Far Eastern New Century
Hongyilon	Formosa Trffeta	Formosa Trffeta
Yi Jinn	Kwong Fong	Kwong Fong
Everest	Everest	Everest
LI PENG	LI PENG	LI PENG
Acelon	Sumagh	Sumagh

Garment industry
MAKALOT
ECLAT
Far Eastern New Century
Tainan
Acelon
Everest
LI PENG
Other

## 4. Competitive Advantage

### Advantages :

- Small-volume large-variety production
- Yarn dyed jacquard items (higher unit price)
- Complicated jacquard patterns
- Vertical mill for better quality control

### Opportunities :

- Niche customers in US & Europe markets
- Functional fabrics (antimicrobial, anti-UV, FR, insulation, etc.)
- Custom-made

Unit : NTD\$K

Accounting Item	2017Q3	%	2017Q2	%	QoQ%
Net Sales	31,344	100	27,341	100	15
Operating Margin	(6,783)	(22)	(8,573)	(31)	(21)
Operating Expense	(7,022)	(22)	(8,026)	(29)	(13)
Operating Profit	(13,805)	(44)	(16,779)	(61)	(18)
Non-operating revenue and expenses	3,245	10	4,887	18	(34)
Net loss before income tax	(10,560)	(34)	(11,892)	(43)	(11)
Net loss after income tax	(10,622)	(34)	(11,800)	(43)	(10)



	2017Q3	2016Q3
Currency Ratio %	30.41	33.71
Fixed Assets Ratio %	10.82	8.69
Debit Ratio %	51.57	47.47
Current Ratio %	166.41	187.78
Quick Ratio %	115.37	128.58
Days sales outstanding	72.67	69.17
Average days in sales	93.82	112.53
Account payable turnover rate	32.42	29.01
Net Profit Margin %	(44.16)	(38.92)
Return On Equity %	(52.12)	(35.73)
EPS(NT\$)	(2.54)	(2.79)

**Following the trends of Eco-friendly & enviromental protection by using functional yarns in home textiles:**

- **Anti-UV fabrics for Southern East & Australia markets**
- **Insulation fabrics for Europe.**
- **Antimicrobial & Anti-order for residential & public spaces.**
- **Fire retardant for Hospitality**

### Management :

- Developing Niche markets (Europe, Australia, etc.)
- Targeting on higher valued & higher differences home textiles.
- Increasing R & D ability, production efficiency & quality control management.

### Strategy :

- Designing & sampling for target clients now
- Exhibiting in home textile shows for potential clients in potential markets

### Cooperation :

- Increasing techniques & production ability with critical material supplier
- Keeping on new product development