



CHAMPION BUILDING MATERIALS CO., LTD.

Stock Code : 1806

2022 INVESTOR CONFERENCE

November 23 , 2022



Disclaimer

This brief and the related reflected the viewpoints to the future. If there is any change or adjustment in the hereafter, the Company has no responsibility to remind or update.

The Company did not issue financial forecasts. The financial, business or Q&A explanations may differ from actual result in the future. The reasons of differences may include the changed market demand, unsettled factory and material price, competitions behavior, international economic situation, exchange rate fluctuation, suppliers and retailers supply chain, and etc. which can not be controlled by the Company.



Company Profile

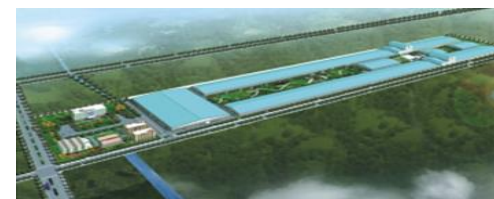
Established Year : 1972 Year of Listing : 1992

CEO : Mr. Peter Lin (Lin, Jung-Te)

Capital : TWD 3,904,038,700(capital reduction:2022/9/29)

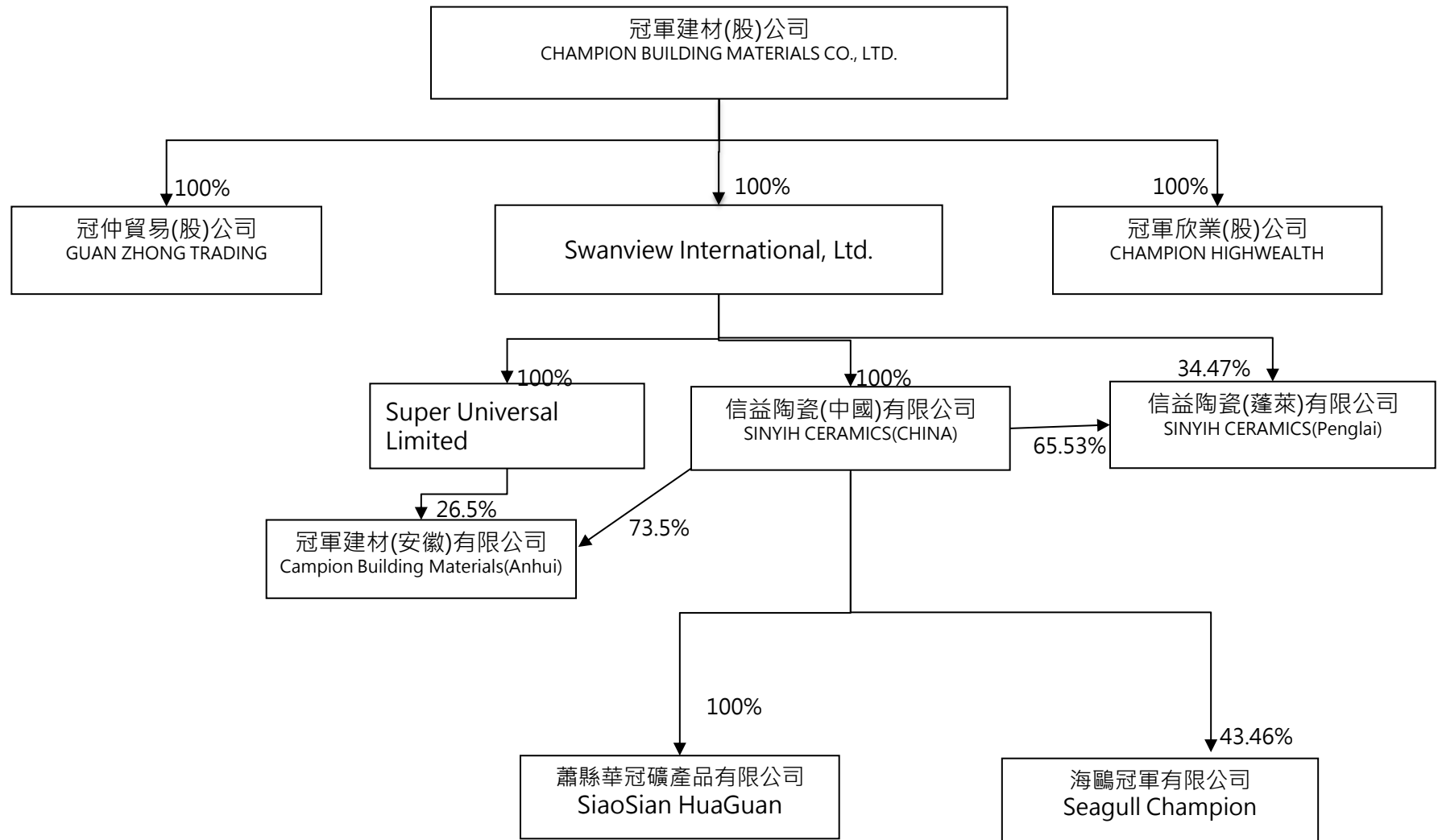
Group Employees : 719 exclude 413 employees in Seagull Champion

Main Products-3Q 22 Proportion (Taiwan Market) : Tile 21.96 billion(96.15%)-Building External Tile18%、Wall Ceramic Tiles3%、Traditional Floor Tile1%、Glazed Porcelain Tile43%、Polished Porcelain Tile35%；SPC Flooring 0.28 billion (1.23%)







Factories	TAIWAN	CHINA	
	Miaoli factory	Penglai factory	Anhui factory
Capacity	8 production lines · annual capacity 10,377,000 m2	6 production lines · annual capacity 8,450,000 m2	3 production lines · annual capacity 6,590,000 m2
Production positioning	Taiwan domestic market (sales brands-Champion and Marcobelli)	Champion leased two factory to Seagull champion company(joint venture for China market) · for manufacturing products to supply mainland market · selling high-end sanitary ware · new construction porcelain products and porcelain tile ·	

• Organization



• Multi Brands Strategy

Brands	Concept
	<p>Lead 、 Technology 、 Quality of Champion 、 Leading Taiwan's tile industry into a better field of tiles 、 Become consumer' s 「 A lifetime choice 」 。</p>
	<p>Inherit the design concept of famous Italian style 、 Pure Italian aesthetic style 、 Create tile boutique 、 Create home exquisite and the best aesthetic style 。</p>
	<p>Leading exquisitely European fashion aesthetics 、 provide a safety and quality environment 、 【 Designing 、 Drawing 、 Building 】 Fully positioning service 。</p>
	<p>Enjoy natural and simple life.</p>

• Our Advantage (1-3)

Exquisite tile the name of 「CHAMPION」 · One of the top 100 brands in Taiwan :

Champion Building Material in Taiwan obtain first brand for more than 25 consecutive years · and market share about 32% in the Taiwan · Our group focus on product R&D · Green of environment protection · advanced production process · and service...Etc · for these Objective factors Champion is a pioneer in tiles industry ·



- ✓ Market share No.1 : The largest brand in Taiwan · market share No.1 in 32% ·
- ✓ Products range No.1 : The tiles king of production polished porcelain with the biggest size 120x120cm and glazed porcelain · 2cm thickness product with exclusive technology ·
- ✓ Quality No.1 : the first tiles manufacturer obtain ISO-9001 · ISO-14001 Certification for Quality control and environment protect ·
- ✓ Green No.1 : No. 1 in the industry for environmental protection investment ·
- ✓ The first one obtain Recycle certificated and Nano mark certificated
- ✓ Nationwide the first obtain Green building material Certificate for Tiles factory ·
- ✓ Nationally won for many consecutive years of Taiwan Excellent award ·
- ✓ Nationwide the first obtain Green Factory Certificate for Tiles industry ·

• Our Advantage (2-3)

Multi-brand strategy · Home decoration style leader :

The group owns the tile industry of MIT 「**CHAMPION**」 · Natural European style 「**MARCOBELLI**」 · And exquisitely European fashion aesthetics 「**MARVELOUS LIVING**」 brands · each brands of products with their own style · Market positioning · to fulfill developer and designer' s require · and Champion regularly runs with designers and tiler · Share new materials information through seminars · new techniques · create a high-quality home environment 。

The most advanced production equipment with technology upgrading · our goal is becoming a pioneer in the field of tile technology :

Focus on production base · Continue to increase the proportion of automated production and equipment upgrades · Introduce into various Italian equipment like digital printer · Enrich of tile texture with and enhance product value and competitiveness 。



•Innovation of Products

◎Tiles Digital Printing Technology

The first to introduce into the latest European high-tech digital printing technology · Leading a new revolution in tile decoration techniques · Fully show the texture of marble and stone °

◎Tiles Self-Clean Technology

Fearless for long-term in outdoor with pollution and acid rain erosion and stains · long time use can always keep in new with additional value for the building !

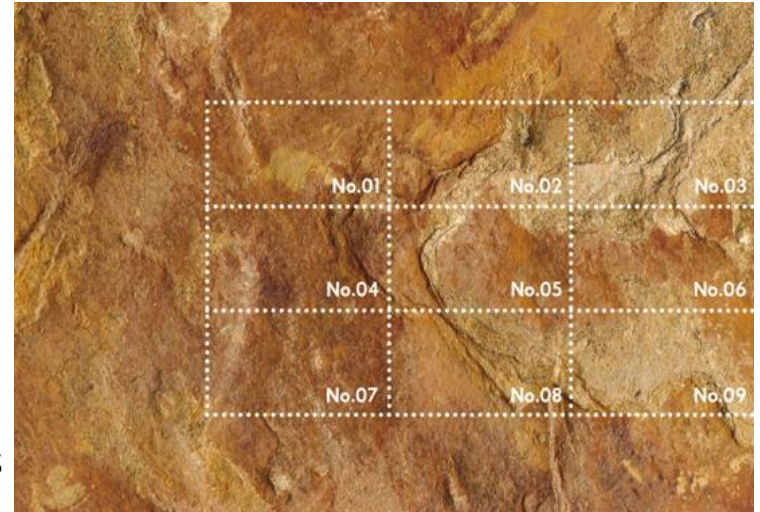
◎Tiles Anti-Slip NANO Technology

Nano technology with anti-slip tiles · obtained 2020 MIT golden selection award · two features for anti-slip and easily clean can reduce injured risk of falling for elder 、 children and pets °

◎Tiles of 2cm thickness(exclusive Technology)

Innovative process with new technical increase the tile thinness to 2cm °

And also with fine texture and natural veins same as nature stone 、 low water absorption 、 Anti-Slip 、 wear-resisting 、 stain resistance 、 easy clean and simple installation way...etc · all advantages are better than natural stone °



• Our Advantage(3-3)

Fully positioning service , create an omni-channel experience for consumers :

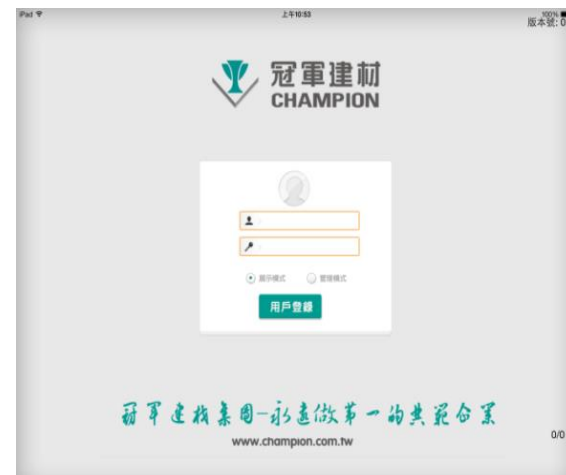
Champion group has over 206 branding regional dealers in Taiwan , especially be pioneer offer 15 years products warranty 、 and Five-star store service 、 Integrated sales assistance APP 、 provide cloud services for whole market by all dealers 、 E-Catalog and real scene photo for free provided 。

Saving energy and reducing emission 、 Environmental protection :

Our Kiln with Thermal energy recovery system 、 Water recycling and reuse 、 Power supply system improvement 、 Trim raw material recycle...Etc 、 Champion planted 18,600 trees for the earth in a year , **equivalent to 3 Da-an Forest Parks** , save tap water consumption for year , saved water about 1,500 standard swimming pools 。



15-year warranty



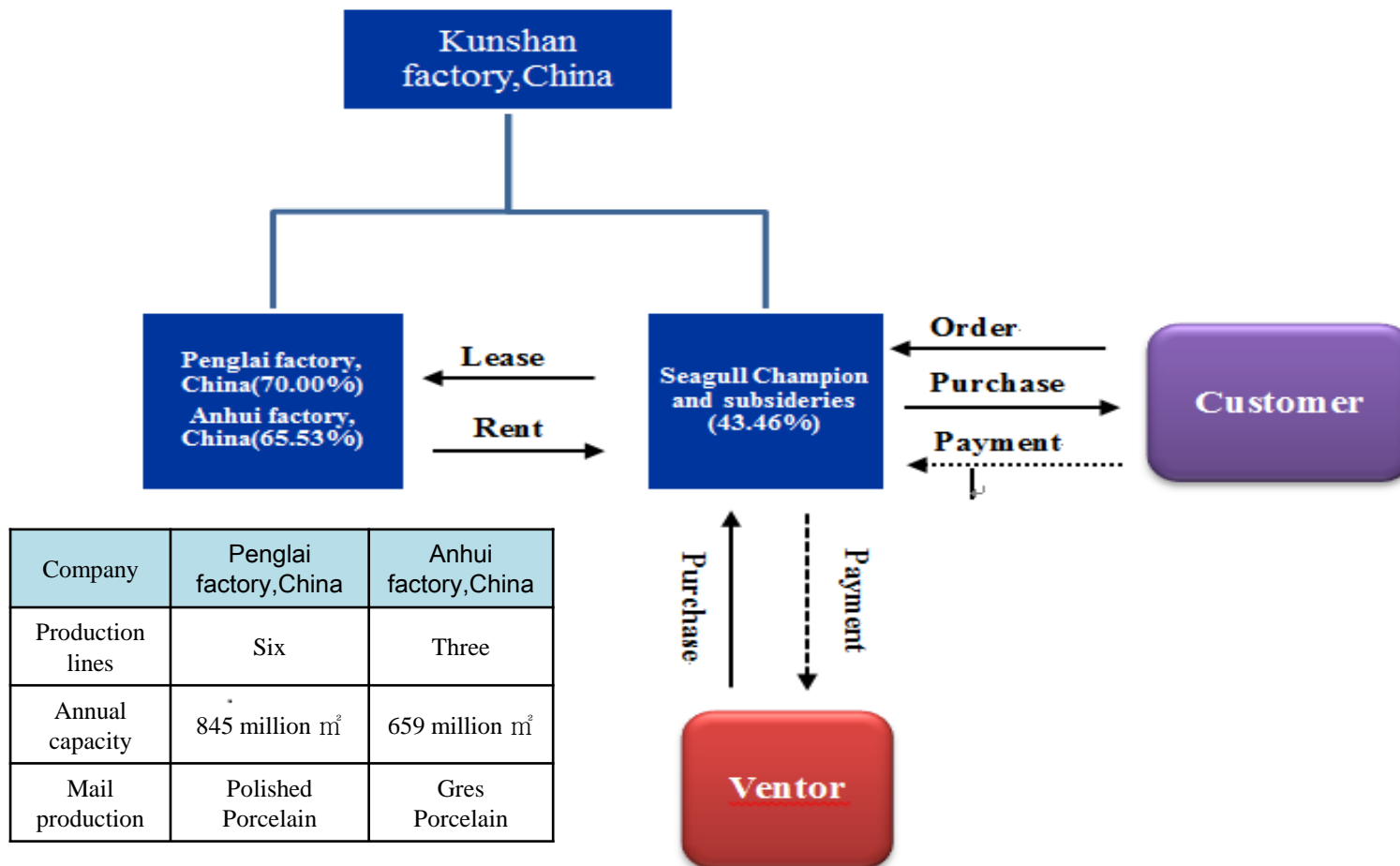
Assistant sales App

• Operation Model of Taiwan

Champion building material group has the largest distribution network with over **206** selling dealer in Taiwan, via Champion branding dealers can prompt expanding tile Products market share of Taiwan market, and our selling network are separated by regionals and brands, Champion has totally **12** own regional distributor from north and middle、south and east of Taiwan can offer fully service network for all customers。



• Operation in Mainland China



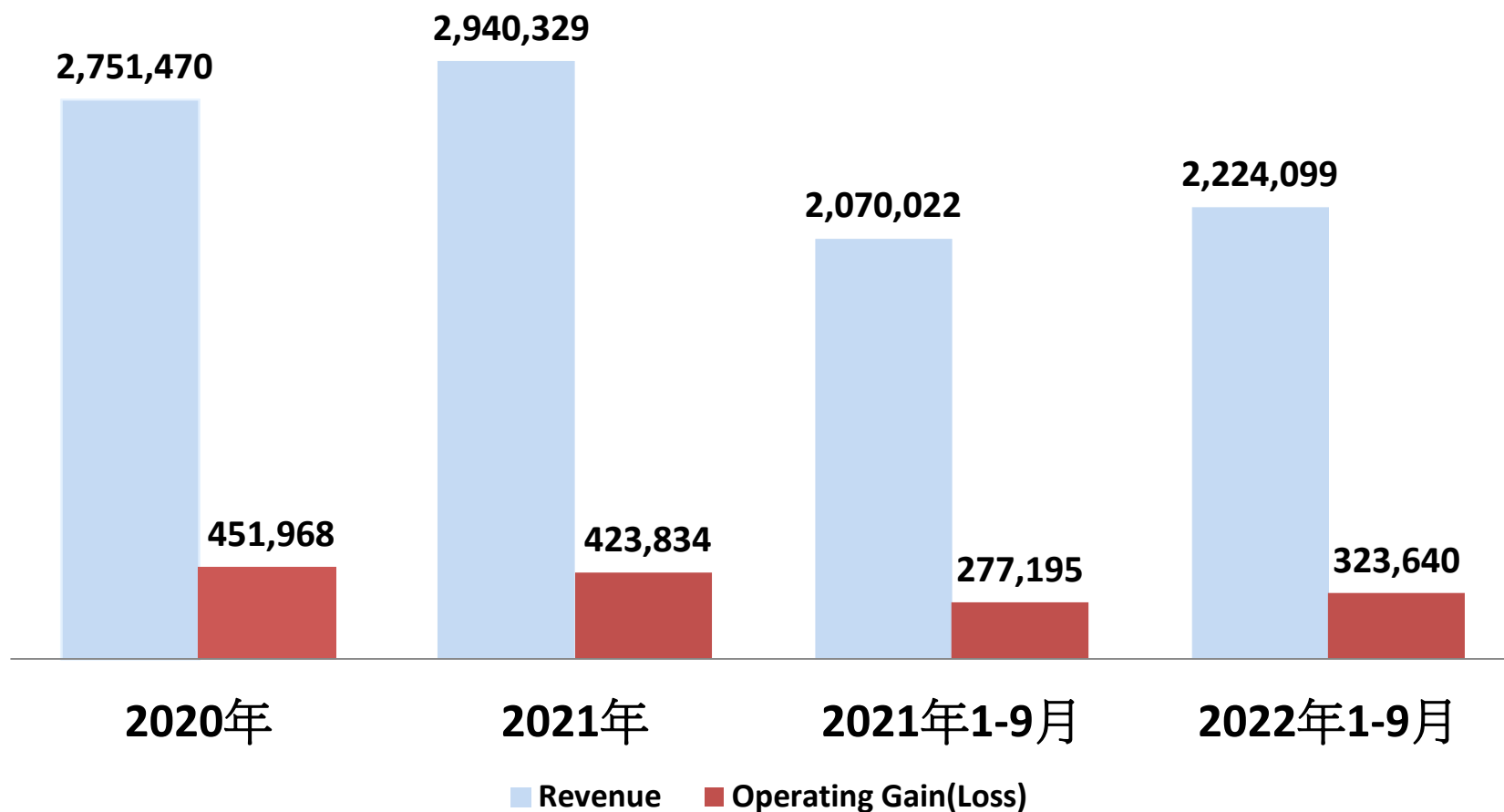
Since April 13, 2020, by cooperating with Guangzhou Seagull Housing Industry Co., Ltd. to invest, Seagull Champion will expand the mainland domestic market. Through industrial chain integration and creation of new businesses, it will increase sales platform and operating marketing channels to deepen the mainland market.

•Consolidated Financial Data

UNIT : NTD thousand · %

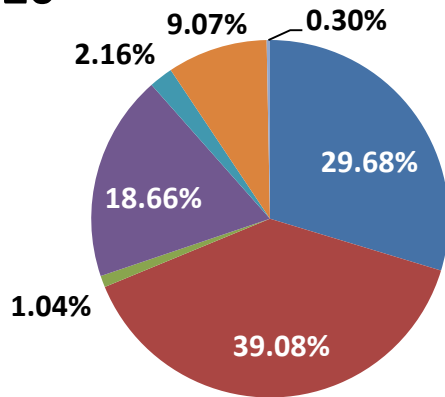
Year	3Q22	3Q21	YoY	2021	2020
Sales Income	2,283,983	2,317,741	(1.46%)	3,205,927	3,609,001
Operating Costs	1,642,791	1,758,441	(6.58%)	2,427,058	2,918,155
Operating gross profit	641,192	559,300	14.64%	753,869	690,993
Gross Margin	28.07%	24.13%	16.33%	23.51%	19.15%
Operating Expenses	458,130	539,637	(15.10%)	732,324	1,041,440
Net Operating gain(loss)	183,062	19,663	831.00%	21,545	(350,447)
Net Income Margin	8.02%	0.85%	843.53%	0.67%	(9.71%)
Net Non-Operating Income	(81,776)	1,177,186	(106.95%)	1,254,273	37,305
Tax	122,534	248,179	(50.63%)	284,322	89,725
Net Income	(21,248)	948,670	(102.24%)	(518,160)	(402,867)
EPS	(0.05)	2.19	(102.28%)	(2.29)	(0.93)

•Overview of operations in Taiwan

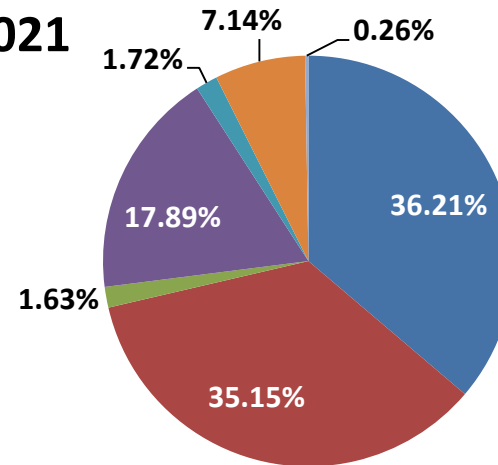


•Overview of operations in Taiwan

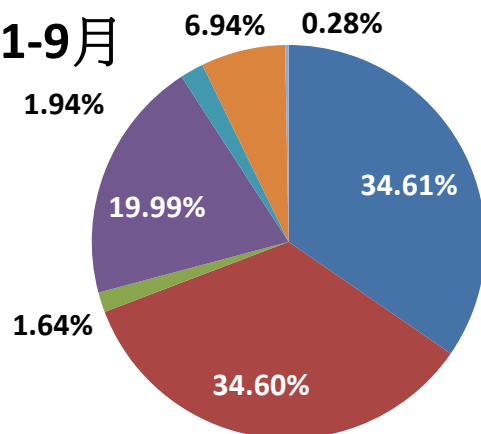
2020



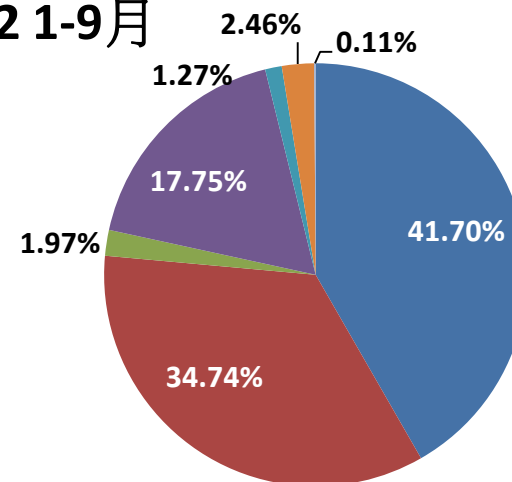
2021



2021 1-9月

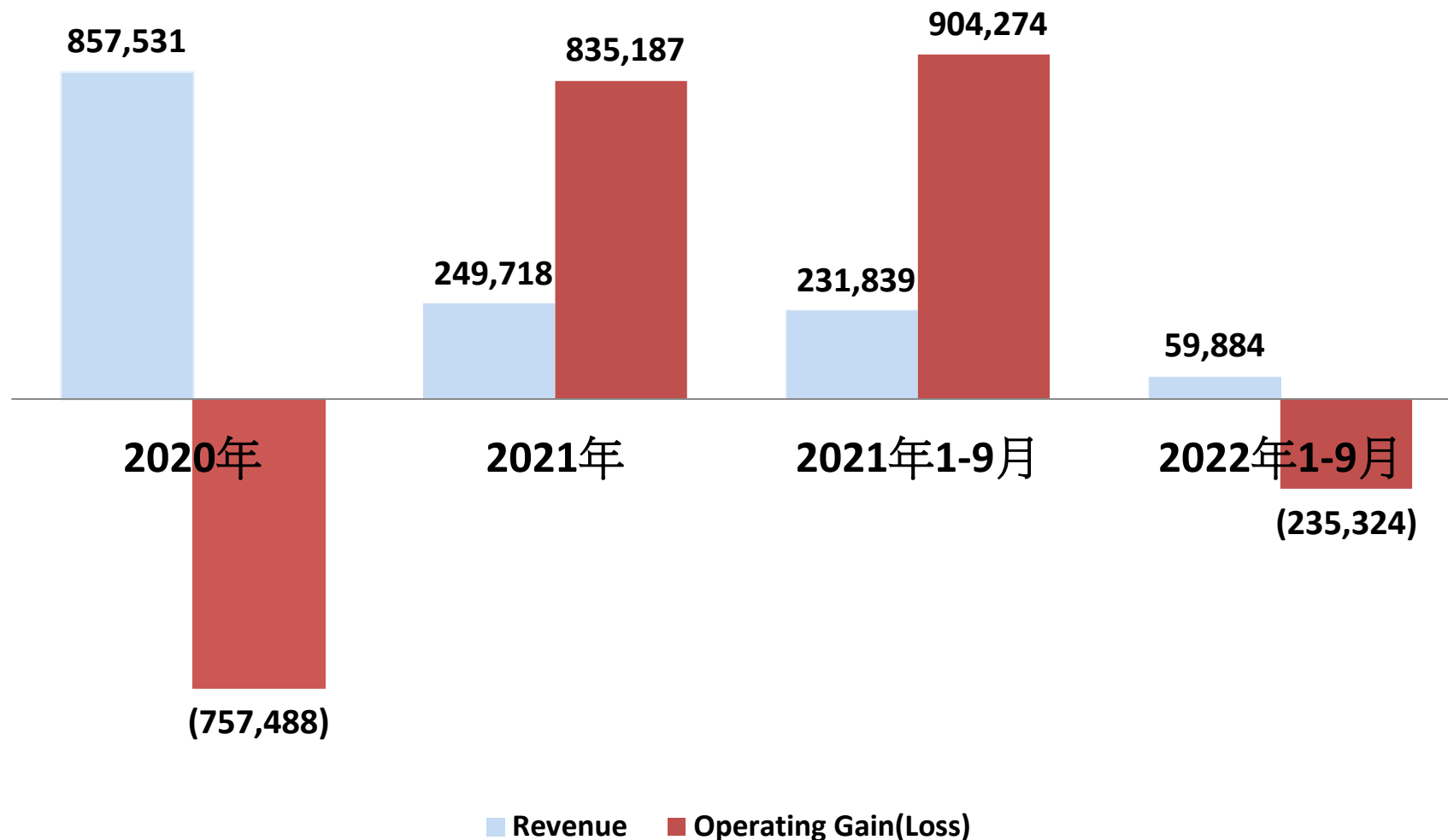


2022 1-9月



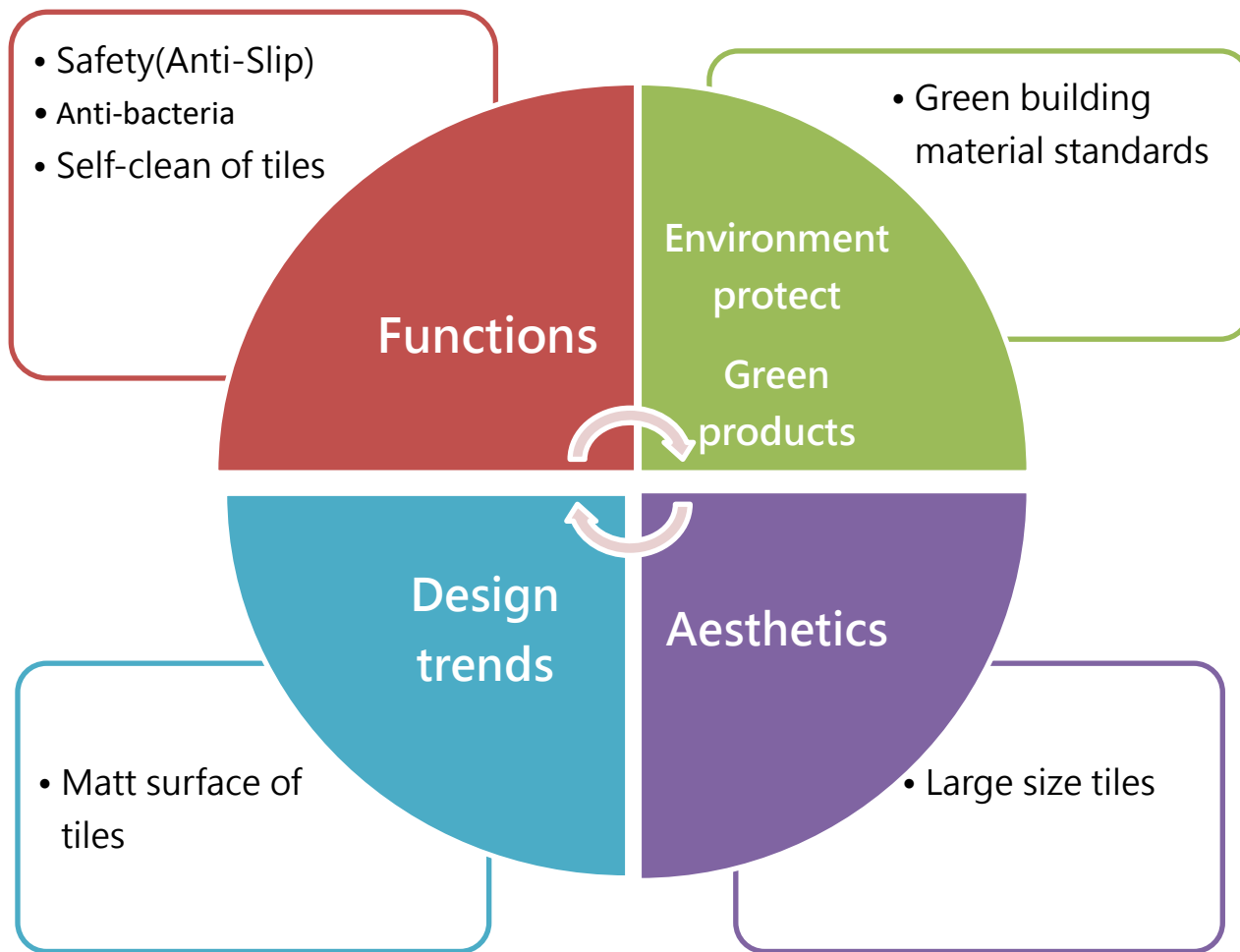
■ Glazed Porcelain Tile
■ Polished Porcelain Tile
■ Porcelain Tile
■ Building External Tile
■ Traditional Floor Tile
■ Wall Ceramic Tile
■ Accessory decorate Tiles

•Overview of operations in China



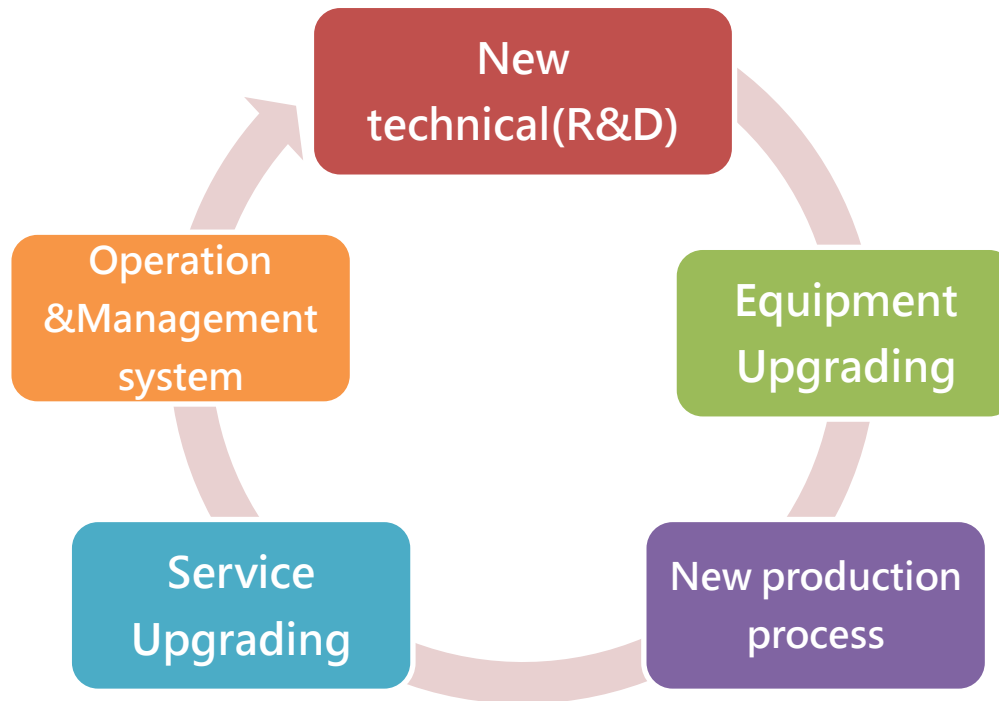
•Market Overview

Consumer demand trends in purchasing building materials



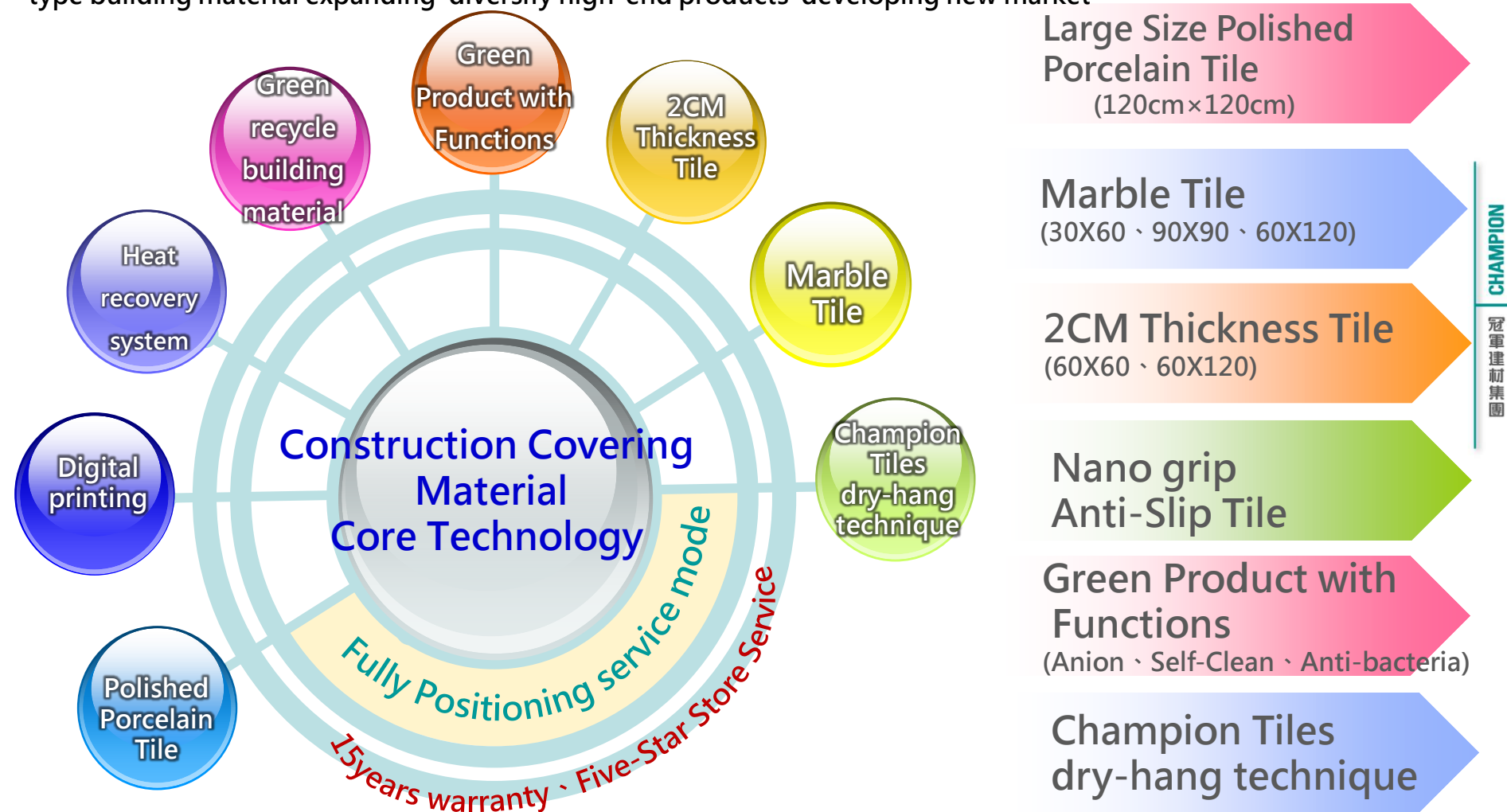
•Our futures

Champion focus on New technical(R&D) 、Equipment upgrading 、New production process 、Service upgrading 、Operation &Management system these Five factors in fully upgrading and retrofit with improvement organization 。
Champion group has been in business for 50 years 、Our company's perseverance is be a 「Covers building material total solution provider」 on propos offer more diverse building materials for consumers 、and provided design and construction integrity services 。



• Diversification R&D upgrading

Based on core technical of architectural porcelain production in forming、sintering...etc、Combined new service model、actively promote diversified products
Champion invest new factory will follow industrial 5.0 standard、to production large slab and slate...etc for new type building material expanding diversify high-end products developing new market。



- Strengthen marketing strategy 、 Brand Stores new decorate with upgrading

We will actively expand Champion' s market share 、 Committed to build the strongest consumer experience through each branding showroom 、 focus on the vertical and horizontal development niches of the Group' s brands 、 Taipei 、 Taichung 、 Kaohsiung 、 Pingtung...etc in 10 Primary area with Champion flagship stores to display products value 。 Via brand Stores new decorate with upgrading promotion and coaching 、 Retail stores display upgrading 、 Use App software improve efficiency 、 Combine local Tiler 、 with worthy service for architect and designer 、 collaborate with multiple marketing activities in stores 、 irregularly held a successful sales experience sharing session 。



• Deepen the transformation of operations in China

**Deepen the benefits of alliances to expand 、
Integration of industrial chain resources of both
parties :**

Assistance brand of Champion into fully home decorate products market 、 and expanding sales channel with more consumers 、 improvement transaction and turnover rate 、 and also planning extend products range for new building material 、 large slate tiles 、 large slab tiles 、 and thin tiles 、 it helps expedite improvement brand reputation 、 Enrich sales product range 、 sales channel expanding...etc with much benefits 。



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