



CHAMPION BUILDING MATERIALS CO., LTD.

Stock Code : 1806

2024 INVESTOR CONFERENCE

December 6 , 2024



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

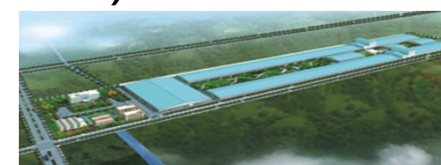
Established Year : 1972 Year of Listing : 1992

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

Capital : TWD 3,904,038,700

Group Employees : 768

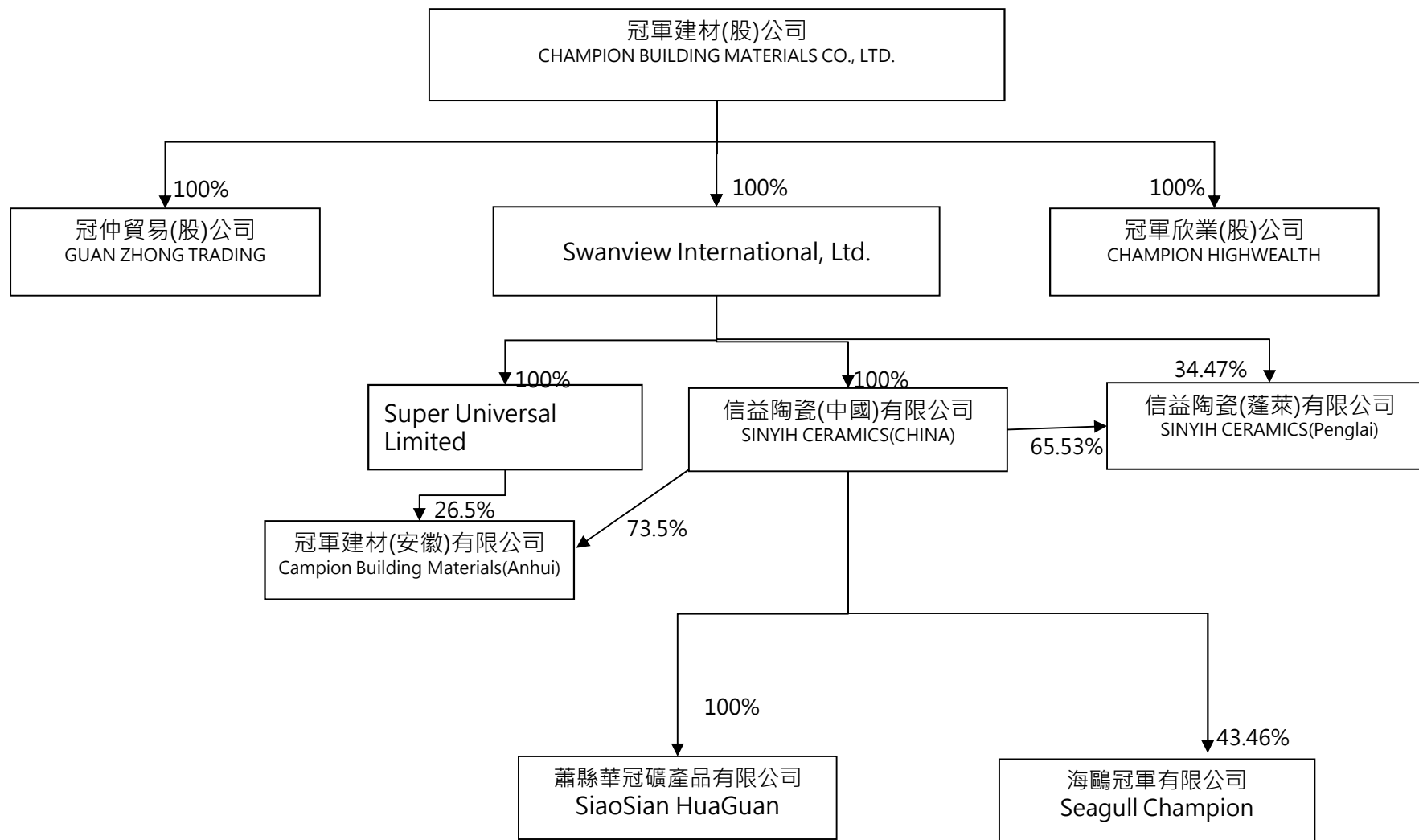
Main Products-3Q 24 Proportion (Taiwan Market) : Tile 24.08 billion(93.69%)-
 Building External Tile21%、Traditional Floor Tile1%、Glazed Porcelain Tile48%、
 Polished Porcelain Tile25% ; SPC Flooring 1.42 billion (5.54%)







CHAMPION
冠軍建材集團

Factories	TAIWAN		CHINA	
	Miaoli factory	Penglai factory	Anhui factory	
Capacity	8 production lines · annual capacity 10,377,000 m ²	The lease agreement with Seagull Champion Company was terminated in March 2023, and all outdated equipment has been sold.	3 production lines · annual capacity 6,590,000 m ²	
Production positioning	Taiwan domestic market (sales brands-Champion and Marcobelli)	The Company is actively seeking investment projects (collaborations).	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>Impore Tile</p>	<p>The “Marvelous Living” building materials entails imported tiles from premium Italian makes and quality wood flooring along with professional construction team to provide a diverse building material service for consumers.</p>
 <p>Premium Looring</p>	

• Our Advantage (1-1)

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 (1-2)

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 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 ·

◎ The Exclusive 90X180 Porcelain Slab

Largest MASTER ART artistic mid-sized tiles available in domestic tiles. The slabs with natural stone patterns allow use in small residences for decorations with less seams and generous appearance.



• Our Advantage(1-3)

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

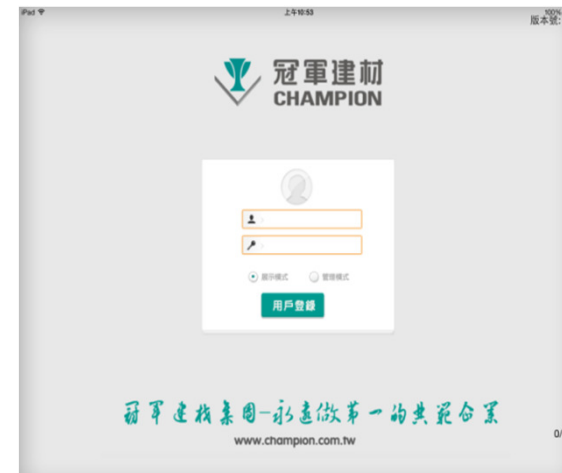
Champion group has over 200 branding regional dealers in Taiwan · especially be pioneer offer 15 years products warranty · and Five-star store service · Integrated sales assistance APP · provide cloud services for whole market by all dealers · E-Catalog and real scene photo for free provided ·

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 ·



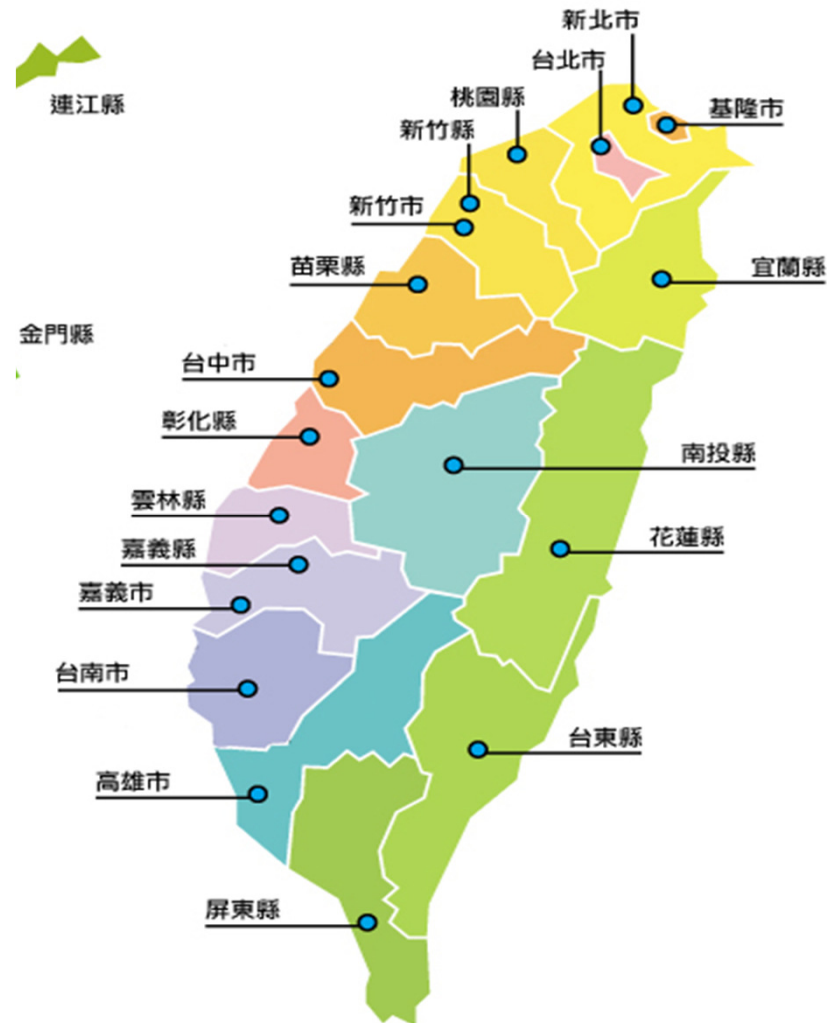
15-year warranty



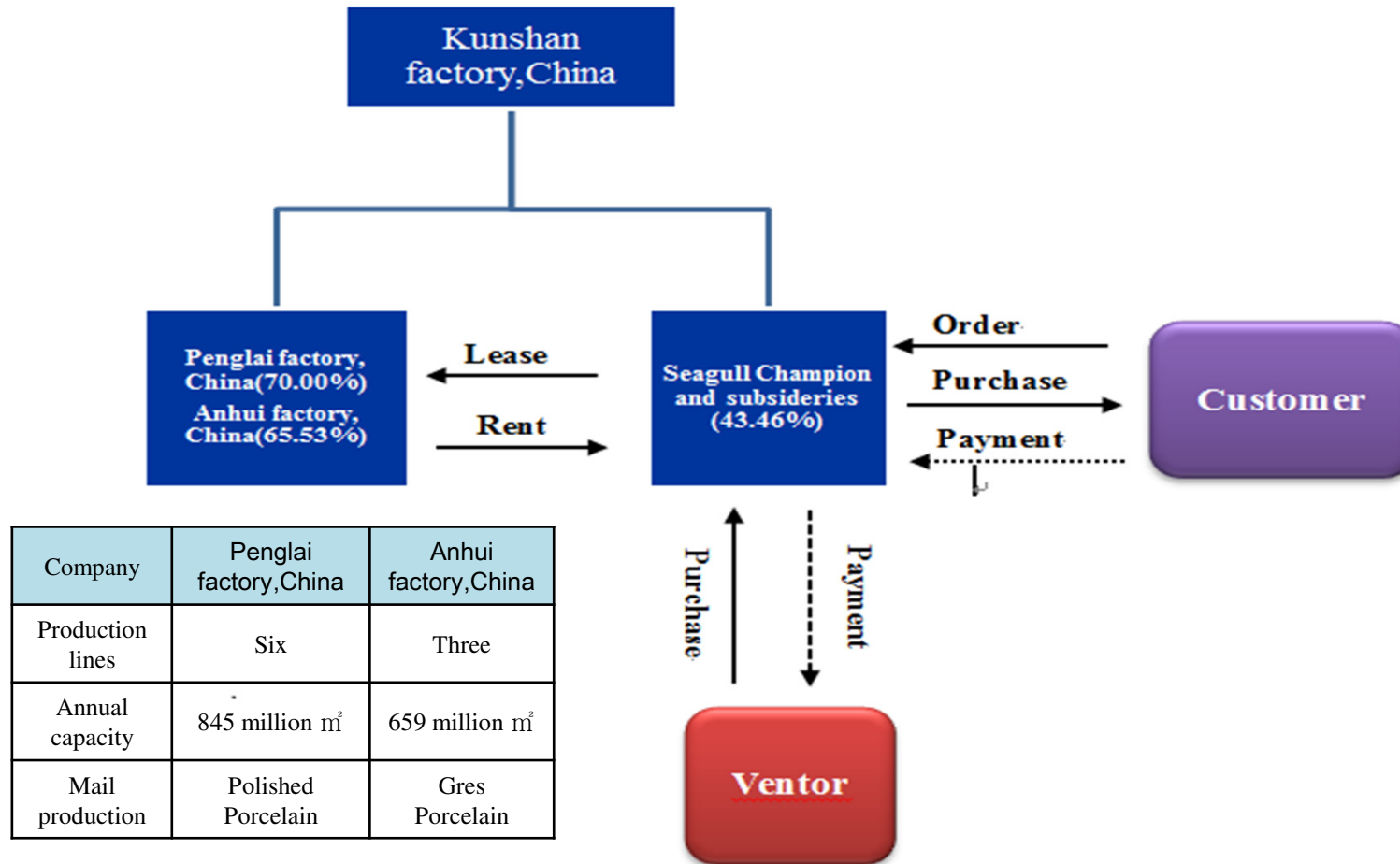
Assistant sales App

• Operation Model of Taiwan

Champion building material group has the largest distribution network with over 200 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 · %

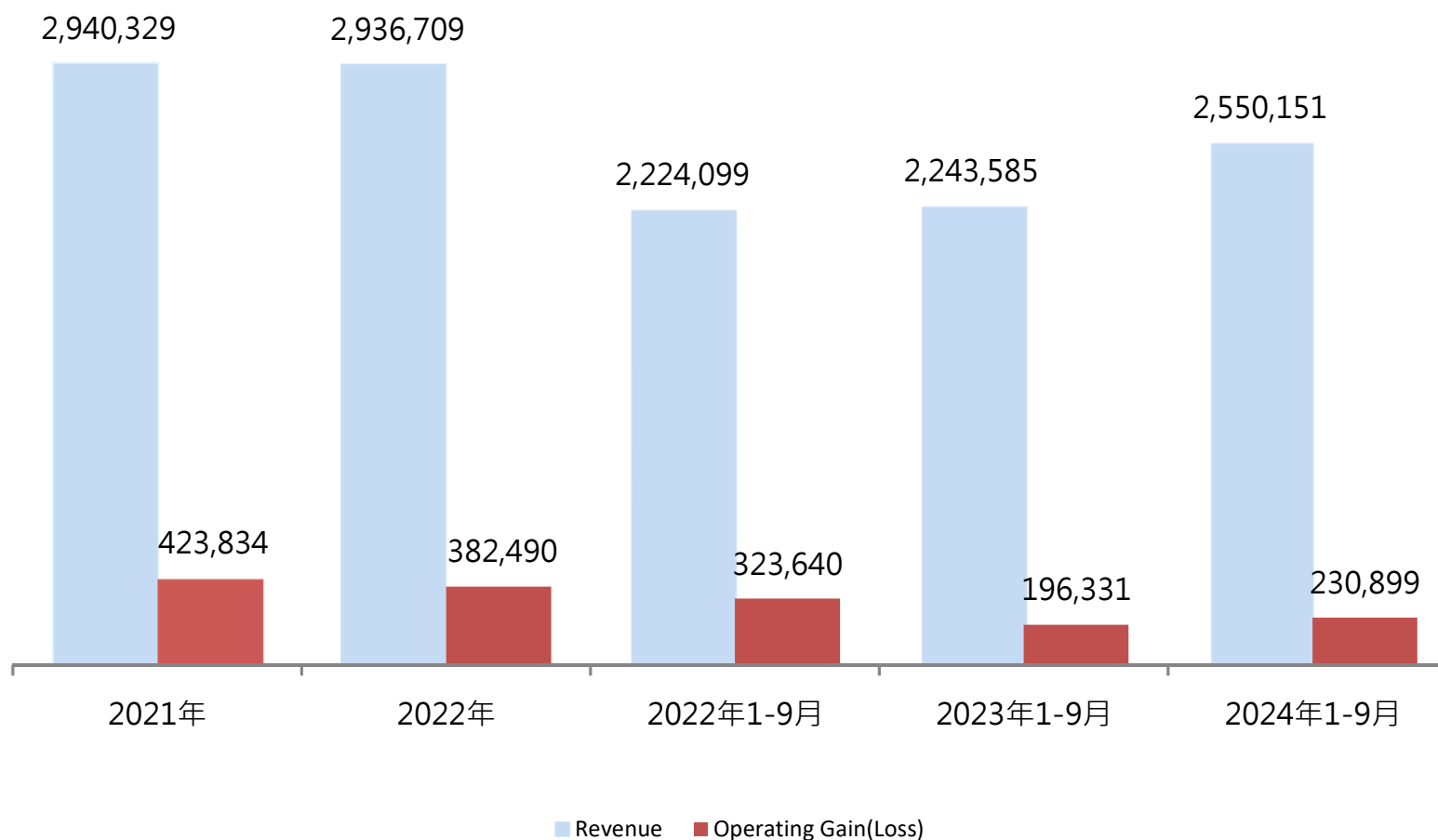
Year	1-3Q24	1-3Q23	YoY	2023	2022
Sales Income	2,570,093	2,259,445	13.75%	3,137,657	3,006,408
Operating Costs	1,888,934	1,662,099	13.65%	2,232,348	2,143,291
Operating gross profit	681,159	597,346	14.03%	905,309	863,117
Gross Margin	26.50%	26.44%	0.23%	28.85%	28.71%
Operating Expenses	553,735	466,419	18.72%	658,823	616,246
Net Operating gain(loss)	127,424	130,927	(2.68%)	246,486	246,871
Net Income Margin	4.96%	5.79%	(14.34%)	7.89%	8.21%
Net Non-Operating Income	(8,216)	(98,076)	(91.62%)	(184,872)	(301,825)
Tax	35,263	31,798	10.90%	61,205	133,289
Net Income	142,015	19,181	640.39%	409	(188,243)
EPS	0.22	0	13.75%	0	(0.45)

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• Overview of operations in Taiwan

UNIT : NTD thousand



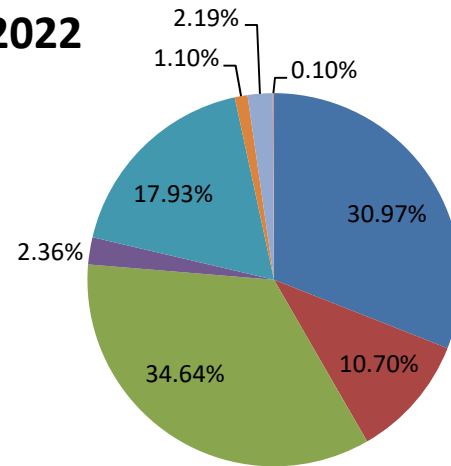
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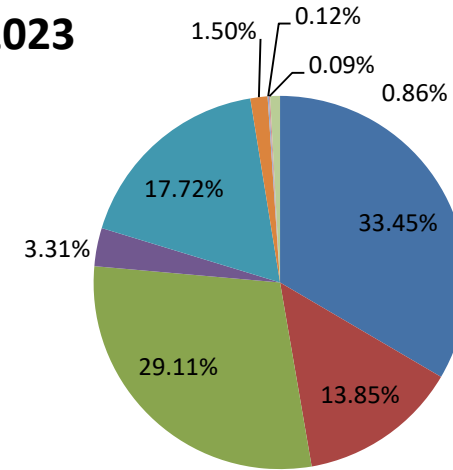
• Overview of operations in Taiwan

- Glazed Porcelain Tile
- Marble Tile
- Polished Porcelain Tile
- Twenty mm Tile
- Building External Tile
- Traditional Floor Tile
- Wall Ceramic Tile
- Accessory Decorate Tiles
- Porcelain Tile

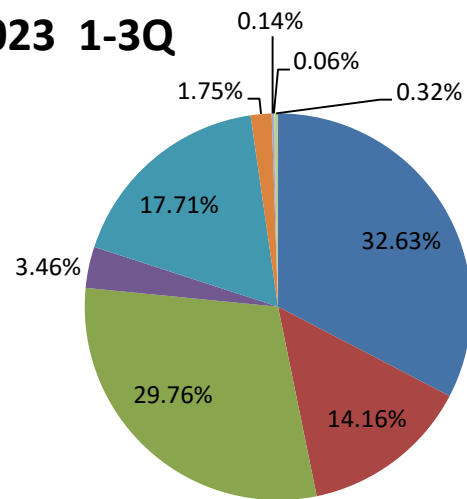
2022



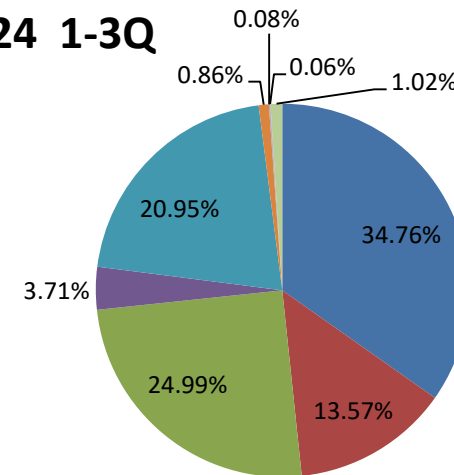
2023



2023 1-3Q

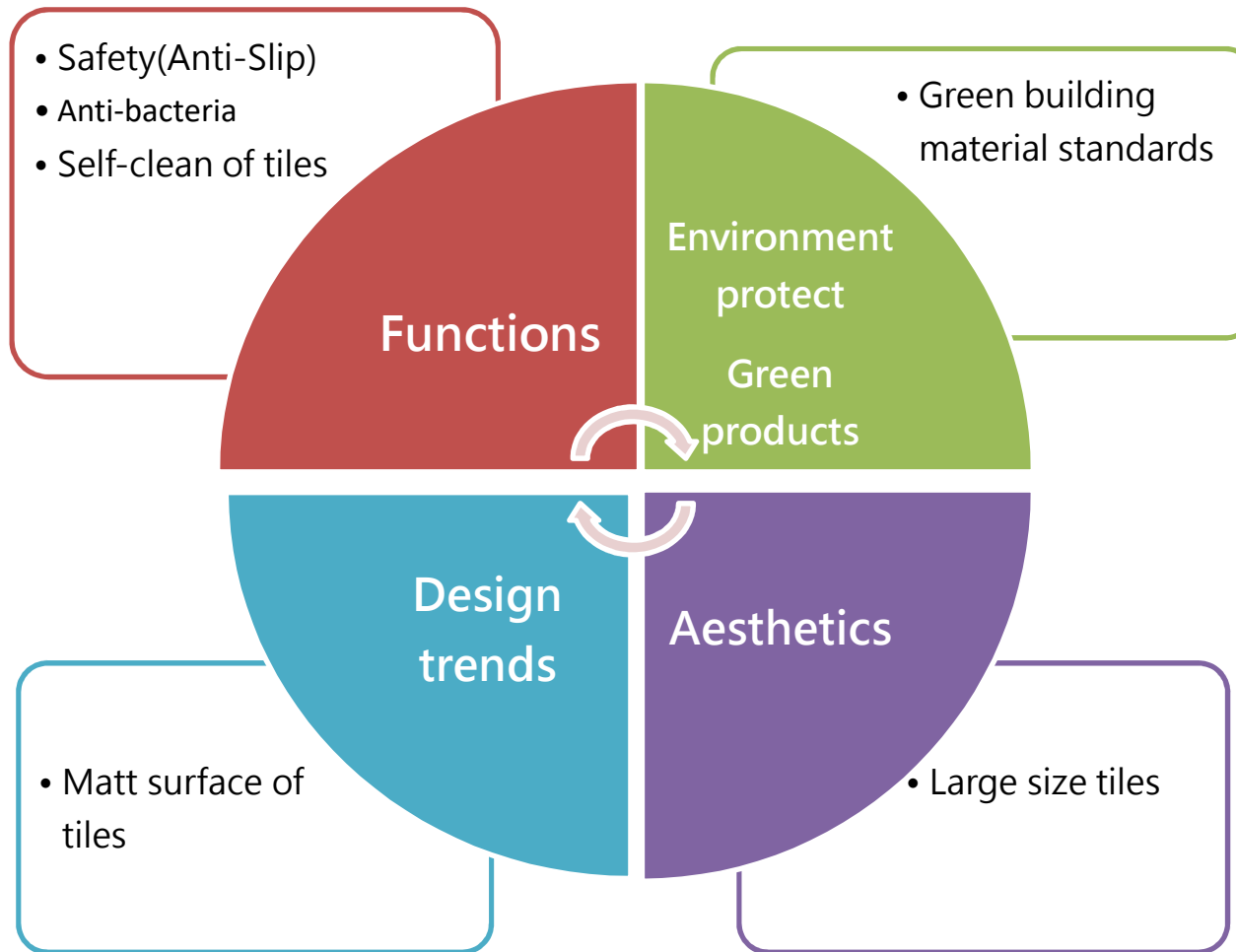


2024 1-3Q

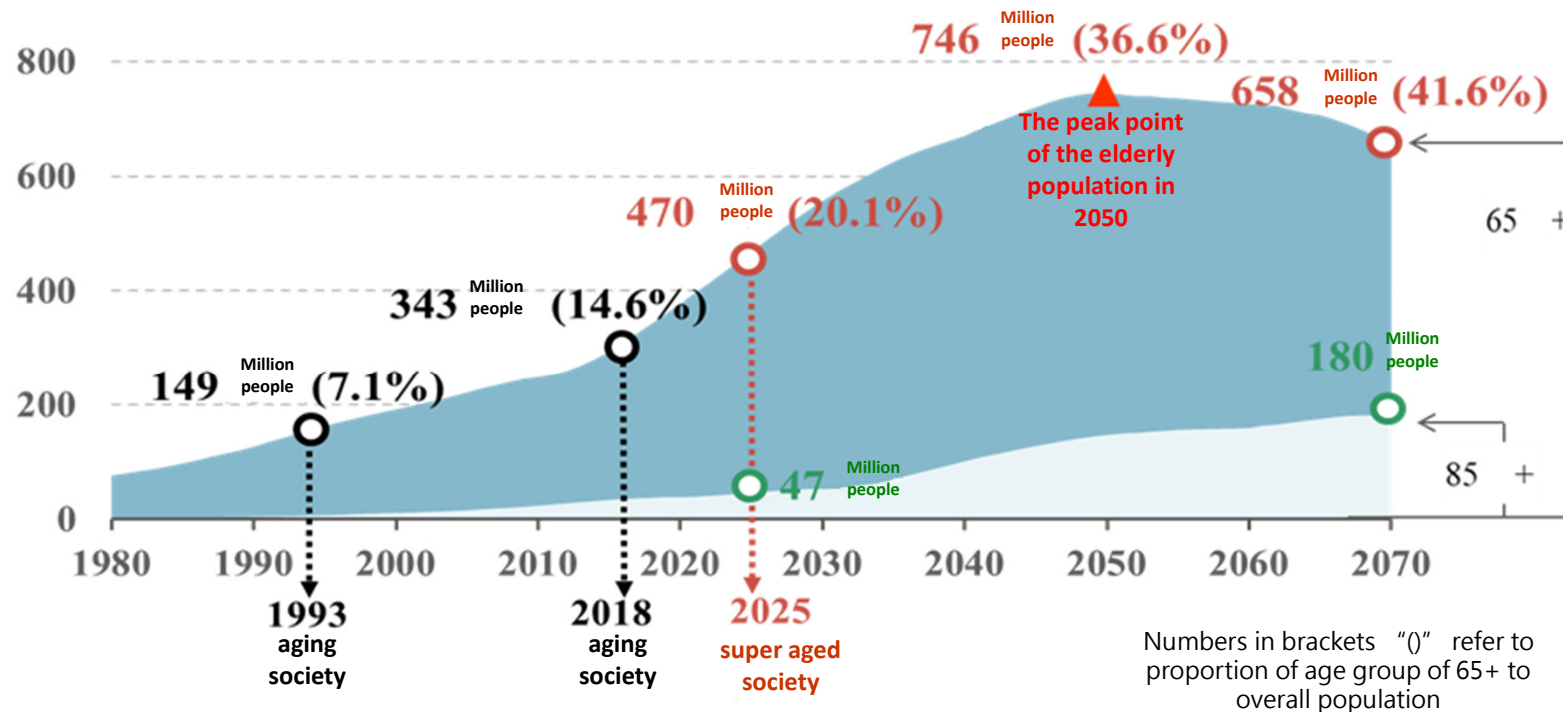


•Market Overview

Consumer demand trends in purchasing building materials



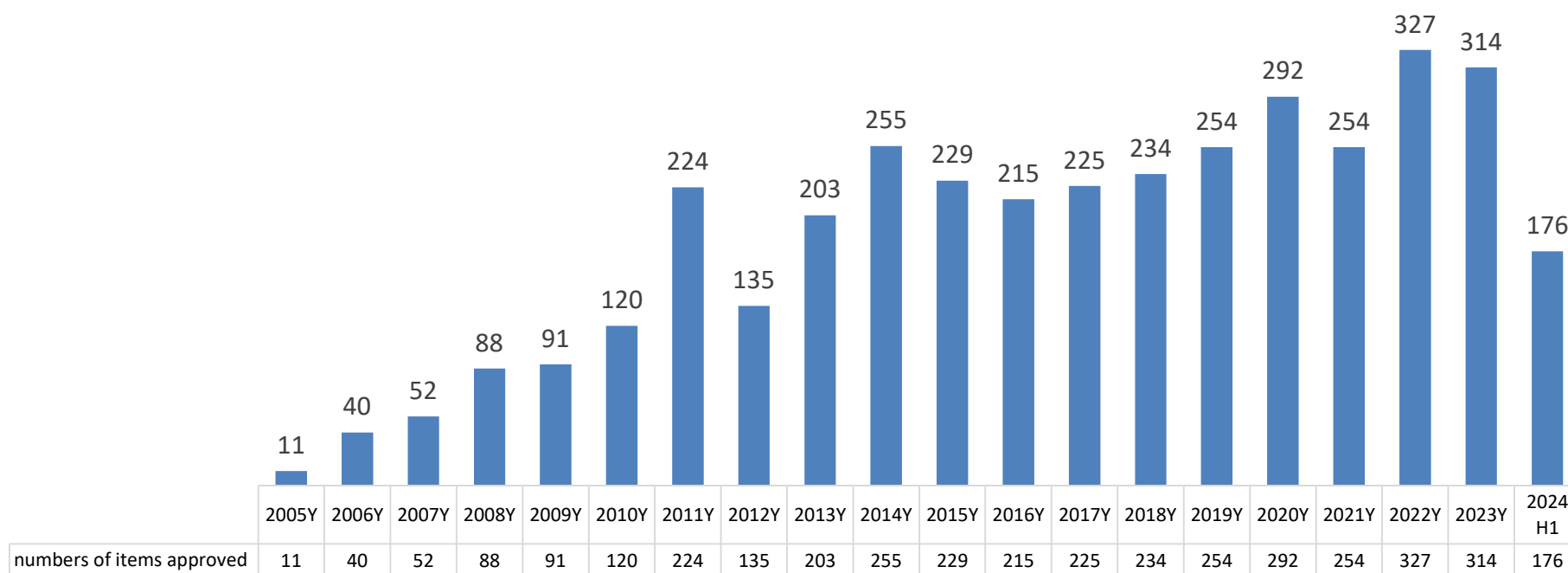
• Business Opportunities from Apartment Ageing



- Taiwan became an **aging society** in 1993, followed by transition into an **aged society** (65+yo population accounting for 14%) in 2018. 4 years later (2025), Taiwan will transition into a **super aged society** (65+yo population accounting for 20%), 後expected to peak in around 25 years. -- A growth period for the aged market around 29 years is expected.
- Currently, more than half of the houses (4.65 Million apartments) in Taiwan are with an age over 30 years, among which a majority of them are old apartments without an elevator or multi-story houses. Apartment ageing requires expedited resolution (e.g. urban renewal).

•Number of Green Building Labels Issued

As the production and consumption of green building materials in Taiwan continues to increase, 314 and 176 green building materials labels were issued in 2023 and the first half of 2024, and the number of approved cases in the first half of this year has reached 57% of last year and 54% of the year before last. Champion Building Materials is the first company to be certified with the Green Building Materials Label, and the proportion of its recycled Green Building Materials Labeled products has reached 55% as of the first three quarters of 2024.



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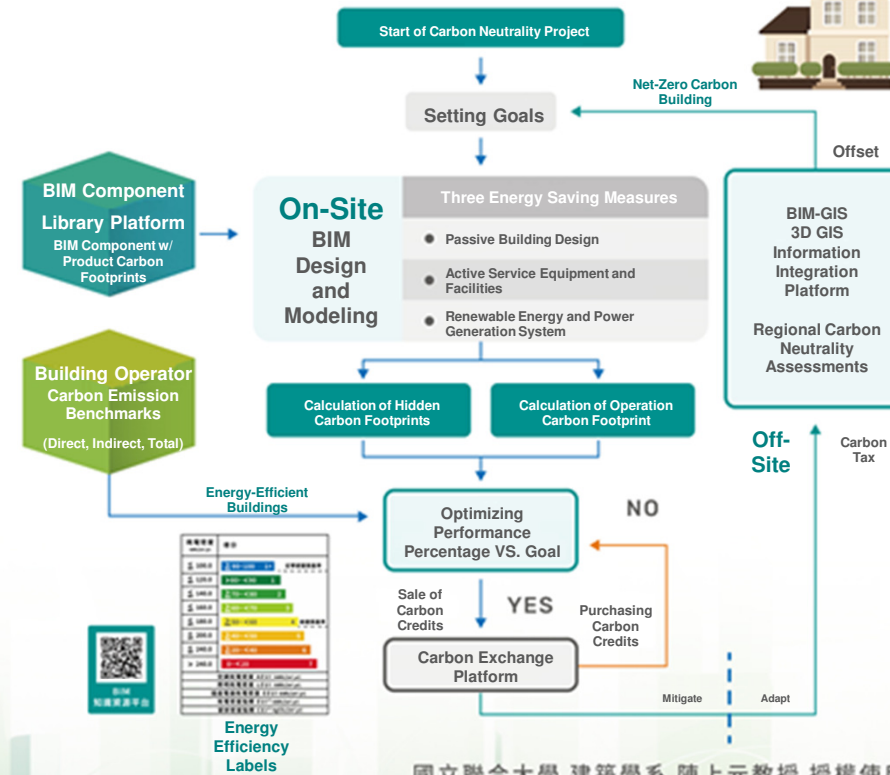
•Champion Building Material Engages ESG for the Sustainable and Aesthetic Buildings

- 1st Tile Manufacturer to prepare a ESG Sustainability Report
- 1st Tile Manufacturer to Complete Carbon Inventory
- 1st Tile Manufacturer to Complete the BIM Component Incorporating with Government Policies concerning Smart City
- 1st Provider in Cooperation with Large Construction Companies on Recycling of Waste Bricks and Tiles (Cradle to Cradle Project)
- 1st in Introducing the Facade Energy Efficiency System for the Peers, Facilitating the Attainment of the Near-Zero Construction Goal

The Two Keys to Net-Zero Building =

Low Embodied-carbon Building Rating System (LEBR), Certification for Low-Carbon Buildings + Building Energy-Efficiency Rating System (BERS), Certification for Energy Efficiency of Buildings
 Use building materials from Champion to reduce carbon emission throughout construction and contribute to constructing low-carbon buildings.

Procedure for Designing Net-Zero Carbon (Carbon Neutrality) Buildings



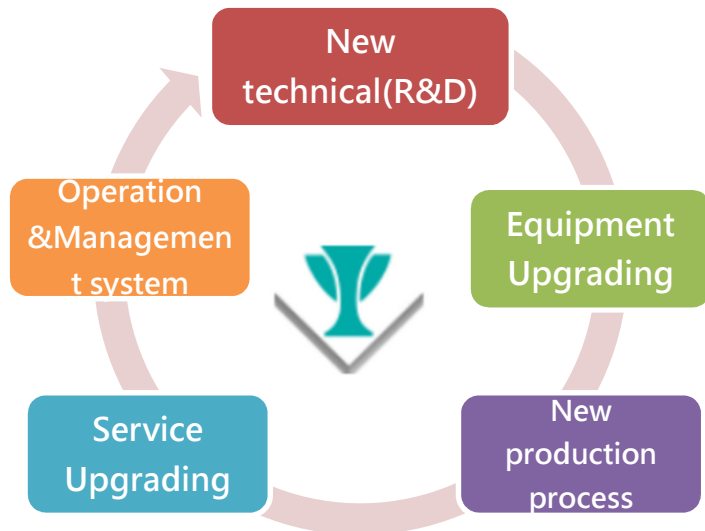
•Our futures

--Total Solution--

The Best Provider of Façade Building Material System

“Champion” -Your Lifelong Choice Receiving Market Recognitions and Customer Praises in its 50+ Years of Operations.

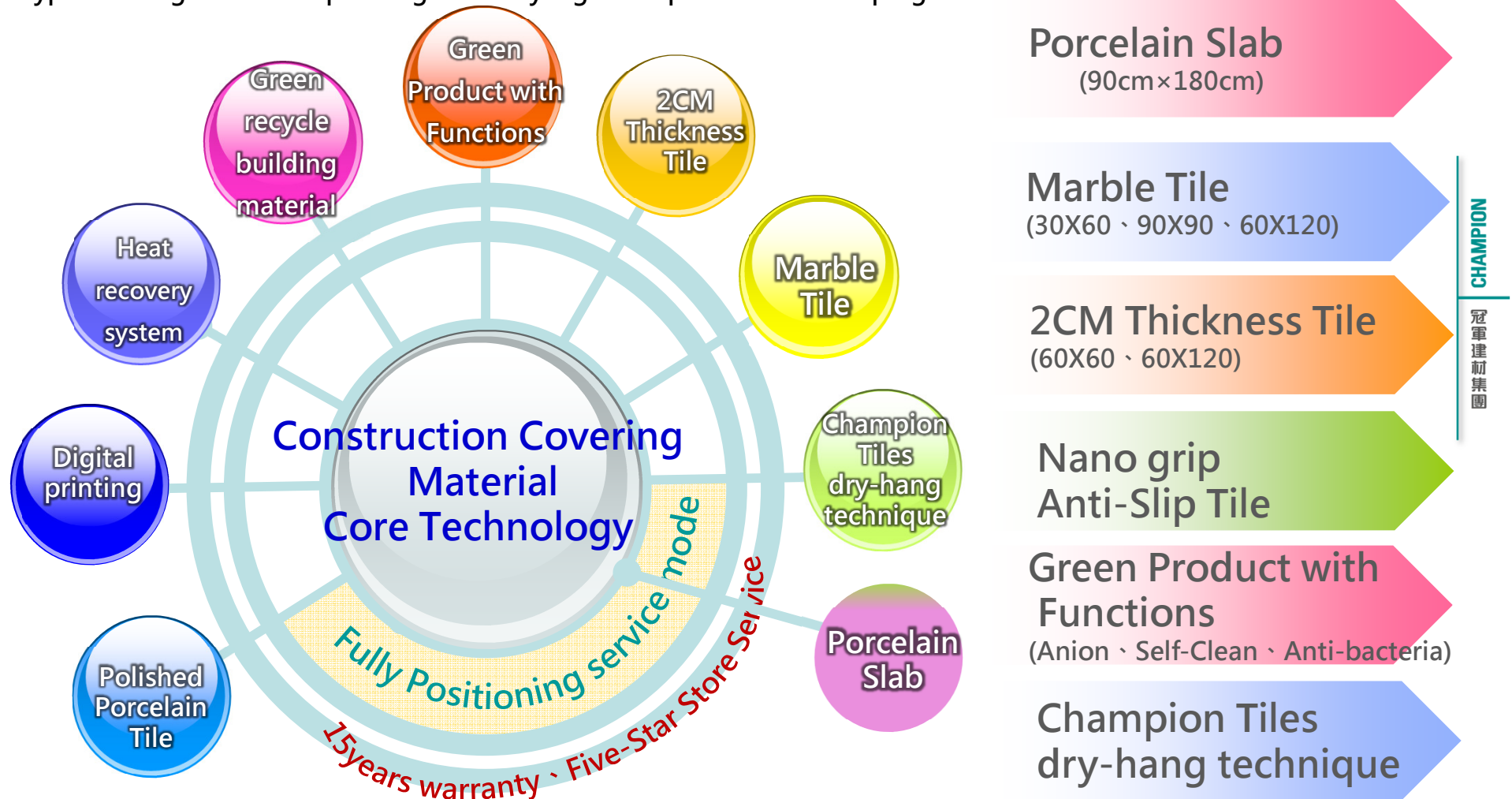
Champion conducts an overall upgrade emphasizing the five aspects of **Product R&D, Equipment Improvement, New Manufacturing Processes, Sales and Product Services, and Administration and Operation Systems**, whilst upholding the motto of “the Resolver of Façade Building Material Systems” to provide more diverse building materials for the mass as well as the integrative service of use, design and construction.



• Diversification R&D upgrading

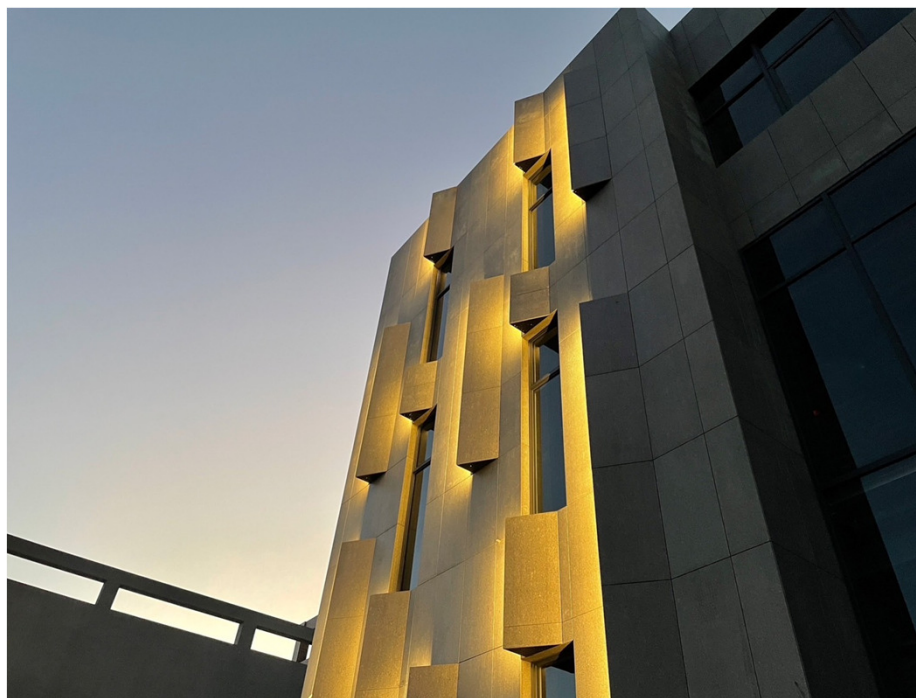
Based on core technical of architectural porcelain production in forming · sintering...etc · Combined new service model · actively promote diversified products

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 ·



•New Products

The new product “Technology and Energy Saving Tile(2cm)” features multi-specification, multi-molded surface and multi-field, launching a variety of 60X60, 90X90, 60X120 specification products with different molded surface design and classic high-grade stone texture, which is a perfect fusion of nature's original color and project design, and the price is about 30% to 50% of the stone, the construction is simple and efficient, and it is suitable for the wall, the floor, the walkway, and other various fields.



• Two Green Innovative Work Methods



“Elevation and Energy Saving Method”

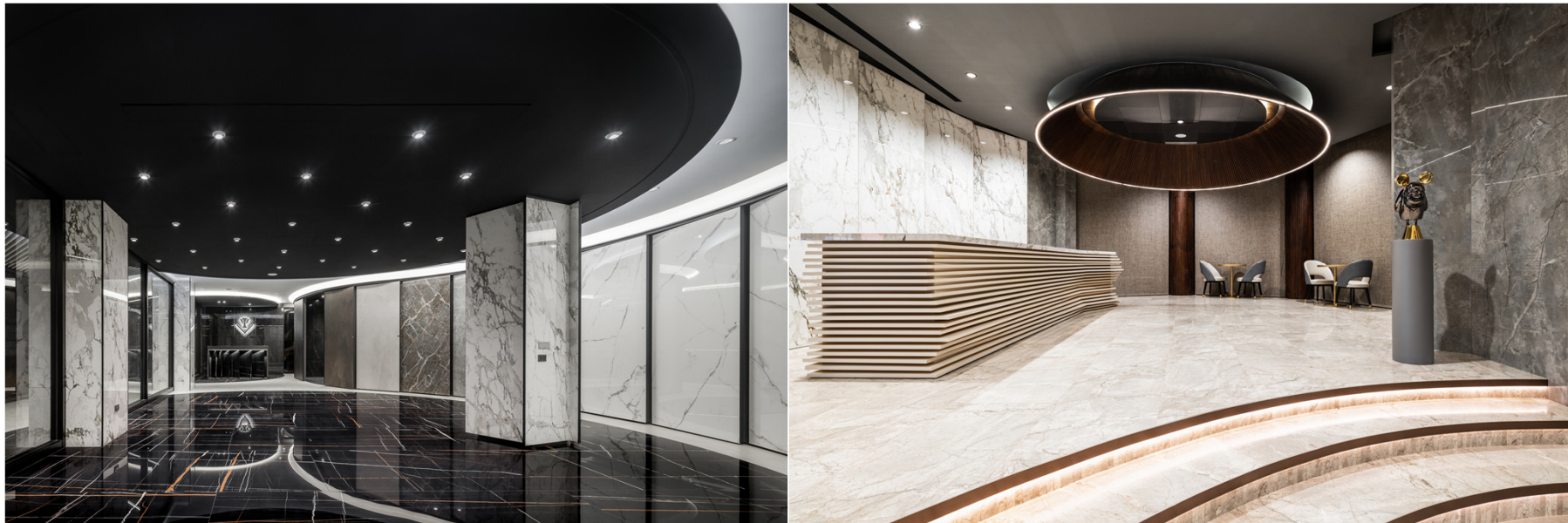
Using the Italian ETERNOVICA elevator, the elevation system and technology energy-saving stone can be 100% recycled and reused, and has the advantages of good drainage, easy maintenance, hidden pipe design, short construction period, noise reduction on the top floor, etc. It can be used in sky gardens, balconies, landscape gardens and other space areas, and reduces the cost of construction and maintenance.

“Energy-saving method for exterior facade walls”

Adoption of LAITERLI's Hardware, which increases air convection on the exterior wall and significantly reduces the energy consumption of the building. At the same time, it has passed the 17-grade wind and rain test, and the 50kg multiple impact test, which prevents the risk of falling off the exterior wall due to poor construction. It can effectively reduce indoor temperature by four degrees, reduce electricity consumption for air-conditioning by 24% to 36%, and reduce total electricity consumption by 4.8% to 7.2% for residential buildings and 12% to 18% for offices, making it the best choice for sustainable buildings. It is the best choice for sustainable building. Currently, ASIM Group and other builders are in the process of negotiation to adopt it.

- 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 ·



•Guidelines for Implementing ESG Operations

Environment

-a Sustainable Environment

1st in Taiwanese Tile Manufacturers in

- Completing ESG Sustainability Report and Carbon Inventory
- Completing the BIM Component Incorporating with Government Policies concerning Smart Cit
- Cooperating with Large Construction Companies on Recycling of Waste Bricks and Tiles
- Introducing the Facade Energy Efficiency System for the Peers, Facilitating the Attainment of the Near-Zero Construction Goal
- Obtaining the “Green Factory” certification with an additional 20% energy-saving compared with peers
- Obtaining the “Renewable Green Building Material” and “EU ecolabel” labels

Social

-Employee Care and Social Contributions

- Awarded the Golden Award under the Manufacturing Industry Category of 2023 Happy Enterprises

Employee Welfare

- Free-of-charge dormitory for employees serving specific roles and from other cities
- Annual company trips and extra travel allowance contingent with company profiting status
- Full-time employees with 2+ years of service are entitled physical examination at Company expense, with additional examinations including cancer screening, eye care, bone mass examination, etc.
- Advocating the “Retired Employee Re-hiring Program”

Governance

-Corporate Governance

Reinforcing Competence of the Board

- 7 directors (incl. 4 independent directors) meeting election criteria are elected at a compliant manner
- Board meetings convened according to applicable rules

Maintaining the Rights and Benefits of Shareholders

- An external website exclusively for investors is developed
- Spokesperson(s) and Acting Spokesperson(s) have been assigned

Disclosure of Corporate Governance Information

- The Company governance information, including the operations of the Board and functional committees along with relevant regulations of importance have been disclosed on Company website.

•Guidelines for Implementing ESG Operations

Building a Sustainable Supply Chain

- ✓ Providing norms for Supplier management procedures through the “Procurement Management Procedure” .
- ✓ Understanding and controlling the Supplier aspects including labor rights, environmental protection, ethics and norms, control over safety and health risks, etc. to reduce the operating risks and costs of the Company and the suppliers in the joint efforts toward the future with a composed and sustainable growth.
- ✓ Suppliers are required to sign and reply the “Supplier Commitment for Integrity” .



Establishing a “GHG Inventory Promotion Committee”

- ✓ Proposing annual management goals for environmental management aspects including carbon reduction, waste reduction, wastewater discharge, etc.
- ✓ Carbon reduction by 1% each year in the preliminary period, with continued attention to the development and supply of clean energy as well as innovations to kiln equipment and energy technologies. Achieving Net-Zero Emission in 2050 is expected.

Conduct regular annual greenhouse gas inventories

- ✓ Inventory process in compliance with ISDO 14064-1.

Introducing the ISO 14001 Environmental Management System

- ✓ Engaging 3rd-party verification agencies for examination of documents and operating procedures.
- ✓ Lowered impacts on air quality required in the transportation vehicles and packaging methods in the material feeds.

Planning of Future Sustainable Development Strategies

- ✓ Proposed to the Board for review at Q4 each year.



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