



**TST Group Holding Ltd.**

**TST Group -KY(4439)  
December 2023**



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- No financial forecasting has been released by TST Group. The discrepancy may be existed between the actual result in the future and the estimated opinion to TST Group' s operation and business development subjects indicated in this briefing report with respect to the financial, business and Q&A part. The causes of the discrepancy may include the variety of market needs, price fluctuation, competition activities, international economic situation, exchange rate fluctuation, upper and downer stream supply chain, and any other risk factors that are beyond TST Group' s control.
- The prospects for the future in this briefing report reflect TST Group' s vision on the future so far. TST Group is not responsible for any notification or update with regard to any change or adjustment to these prospects in the future.



**TST Group Holding Ltd.**

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# Company Profile

- Year of establishment : 1995
- Capital : TWD 382.94 million
- Chairman/CEO/COO :  
LIN CHIN MAO/LIN CHING WEI/  
HUNG HSIANG MING
- Main products : Sports and leisure cotton blended knitted fabric
- Place of operation : Hong Kong 、 China 、  
Cambodia and Vietnam
- Group employee : About 1,600







- High-quality cotton and cotton blend knitted sports and leisure fabrics

## Spacer

Multiple fibers

Special patterns

Breathable knitting

## Fleece

Fluffy hand feel

Pilling resistant

## French Terry

Special grain design

Smoother knitting techniques

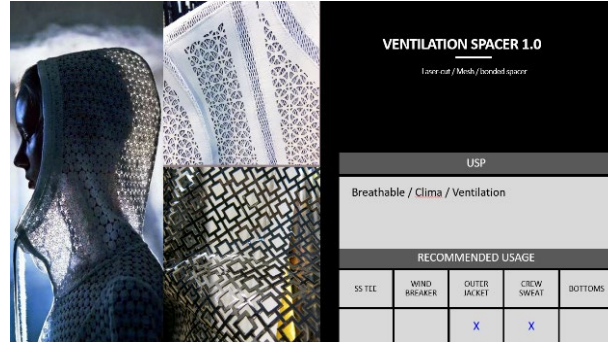
## Dry Nit

Single Jersey



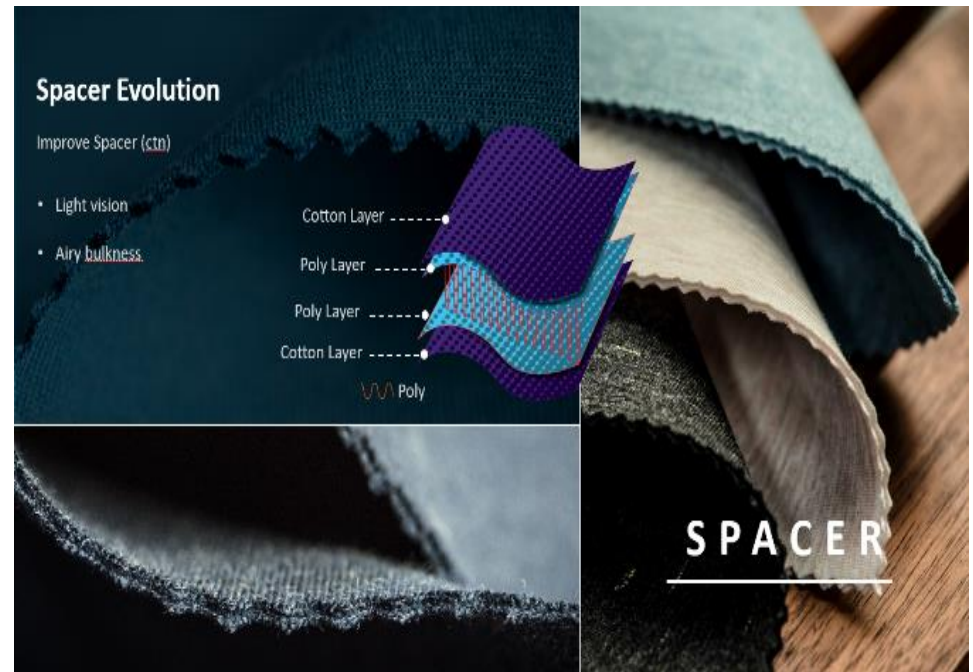


- **Joint Development** : Maintain close development activities with brand customers



- **Independent Development**  
9 major series of fabrics independently developed in 2023

- Recycled Fabric
- Fancy Yarn Fabric
- Core Yarn Fabric
- Cotton-like Polyester Moisture-Absorbent And Quick-Drying Fabric
- Jacquard Fabric
- Blended Yarn Fabric
- Air Layer Fabric
- Clothes Fabric







## adidas

- 1997 Top Of The League
- 1998 Top Of The League
- 2005/Sep.,Oct. Top of The League
- **2005 Golden Shoes Prime**
- 2009 Performance Award
- 2011 Reliability Award
- 2012 Adidas KPI Top Player
- 2014 Adidas KPI Champion
- 2015 Leadership Award
- 2016 Manufacturing Excellence & Innovation
- 2018 Quality Award
- 2019 ME/ Leadership/ Sustainability Award
- 2020 ME Award
- 2020 Sustainability Award
- 2021 GASA champion
- 2021 Agility award
- 2021 Speed award
- 2021 Sustainability award
- 2022 Performance Award ( People Award )

## PUMA

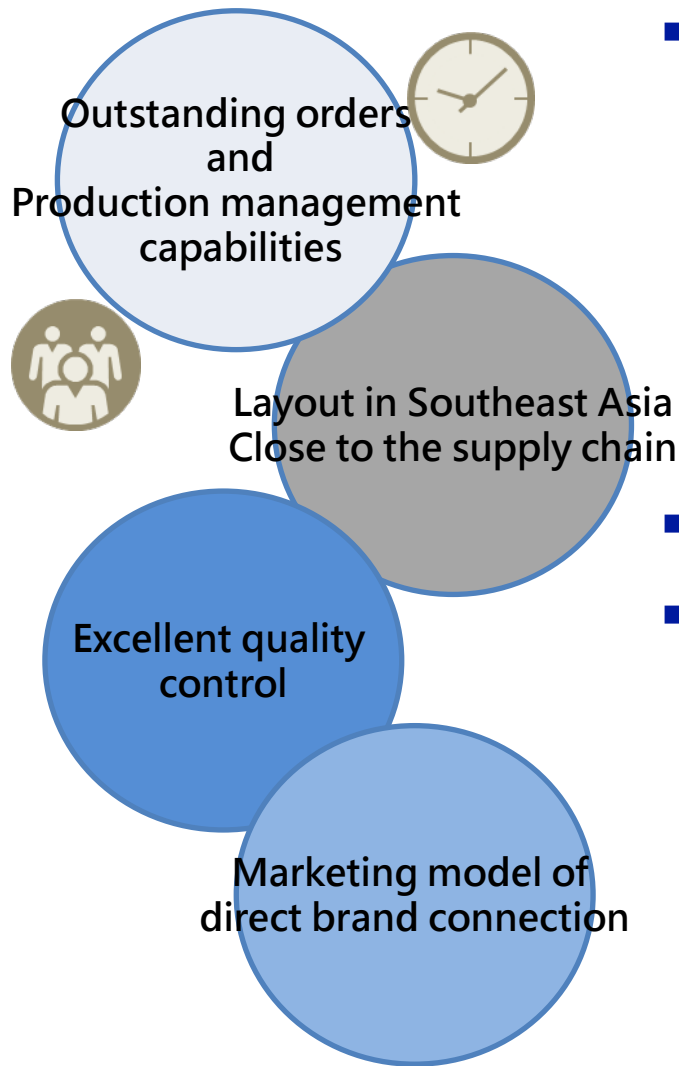
- 2006 Best Fabric Supplier of R & D
- 2011 The Best Supplier



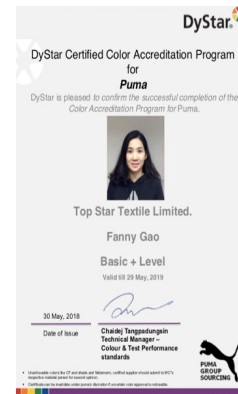


**BROS**





- Flexible order distribution capacity: Flexible production base, Mainland certified long-term partners and own factory in Cambodia and Vietnam, providing advantages such as production flexibility, rapid delivery and product diversification
- Scale knitted fabric supplier in Cambodia
- Brands awarded self-test certification



- Take orders and discuss prices directly with the brand



# Advantage - outstanding order and production management capabilities



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Excellent supplier and order management capabilities, docking with brands to grasp market information in time, providing advantages such as production flexibility, rapid delivery and product diversification.

01

Complicated  
Sample List  
24,000 cylinders / year

02

Strict Testing  
Procedures

- Quality inspection  
50 tracks / type
- Defect inspection  
40 items / section



03

Diversified Order Modes  
1,200 models / year



04

Fast Delivery  
Demand

- 21 days delivery
- One order in 15  
days



We can effectively control the quality of weaving, dyeing and finishing to provide customers with the best quality products.

## ■ Brands awarded self-test certification

- Color Control : Brand authorization and self-examination (adidas, PUMA, GAP and Li Ning)
- Examination : Third-party certification (adidas, PUMA, GAP and Decathlon)
- Certified Materials Inspection Auditor : adidas authorized certification
- 5S : 2018 Cambodian Garment Union (GMAC) and the Ministry of Commerce 5S Competition Champion



# Advantages - the marketing model of direct brand connection



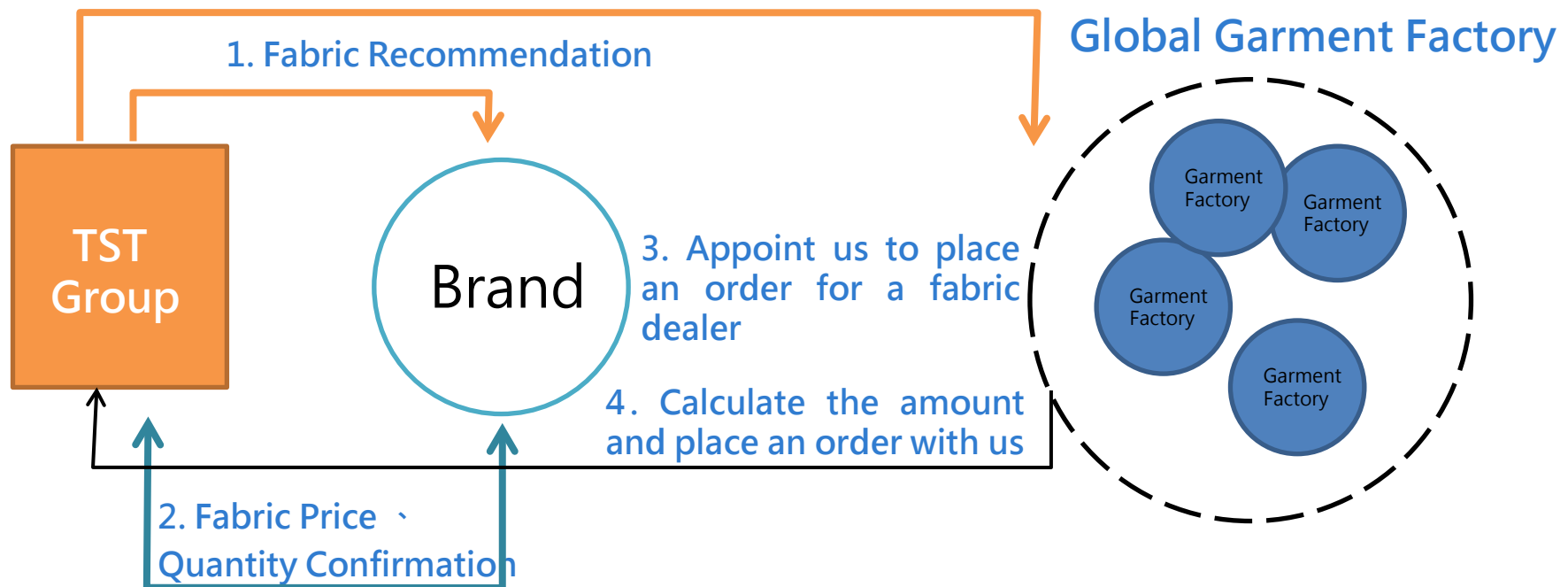
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We directly connect with the brand in terms of price and quality of cloth, and make production after agreement with the brand. The main control is controlled within the company, and the garment factory does not directly place orders to the company.

## ■ An operating model that is closely related to the brand

- Confirm with the brand the direction of fabric development quarterly.
- Frequently recommend our newly developed recommended fabrics to brands directly.
- The price and quantity are confirmed with the brand in the price meeting every year.
- When there is a problem with the fabric, we directly solve it face-to-face with the brand.

### 5. Shipment of fabric to garment factory





- International customers with brand value : International famous brand such as adidas, NIKE , PUMA, and GAP etc.
- Steady business : For the past years (2017 to 2022), TST Group has a stable profitability. During this period, annual profitability of the Group was one share capital.
- Stable dividend payout rate: TST Group promises to return profits to shareholders. The annual dividend is more than 50%.

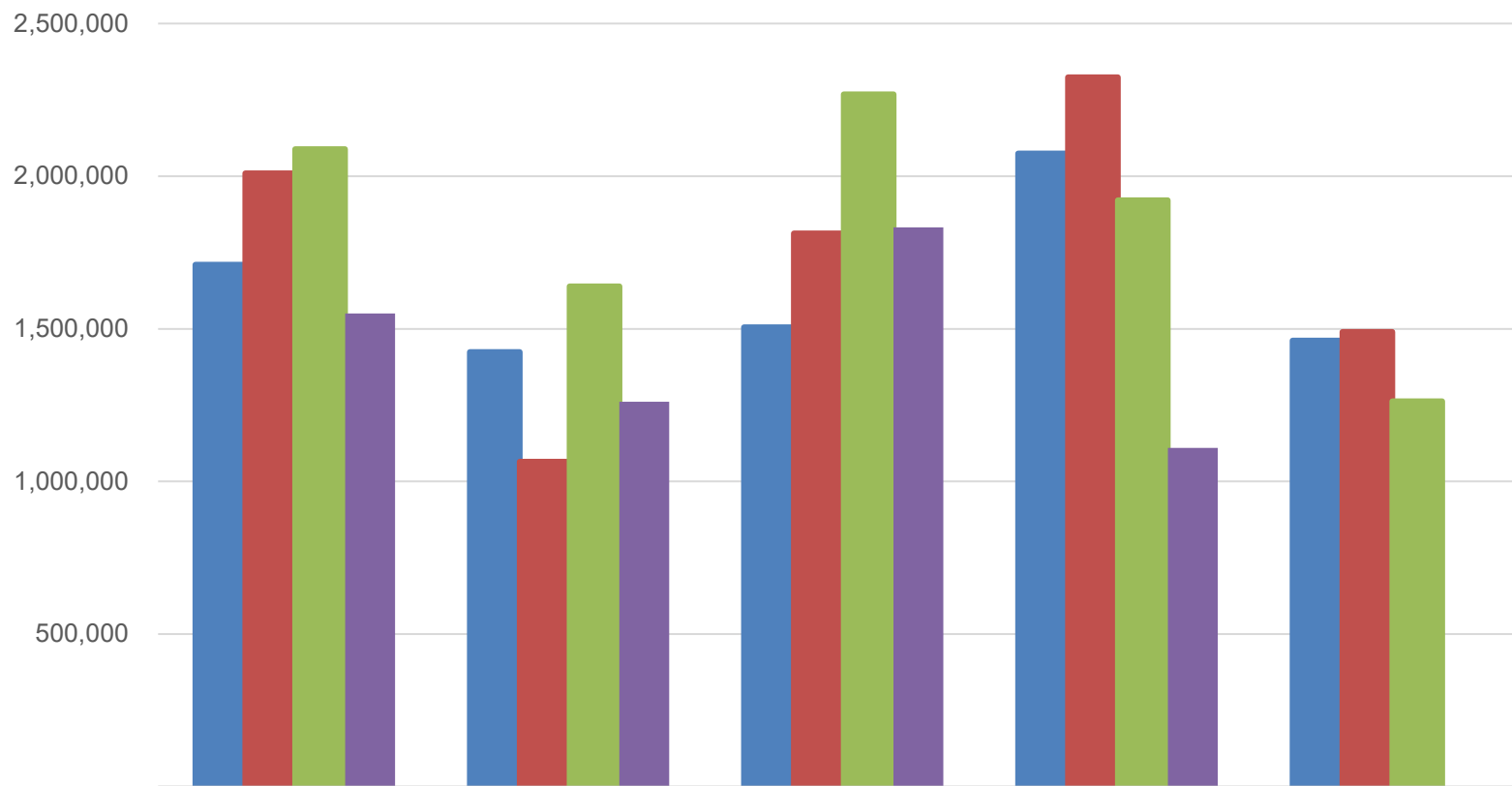


# Financial Overview-Quarterly Revenue



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NT\$ Thousand



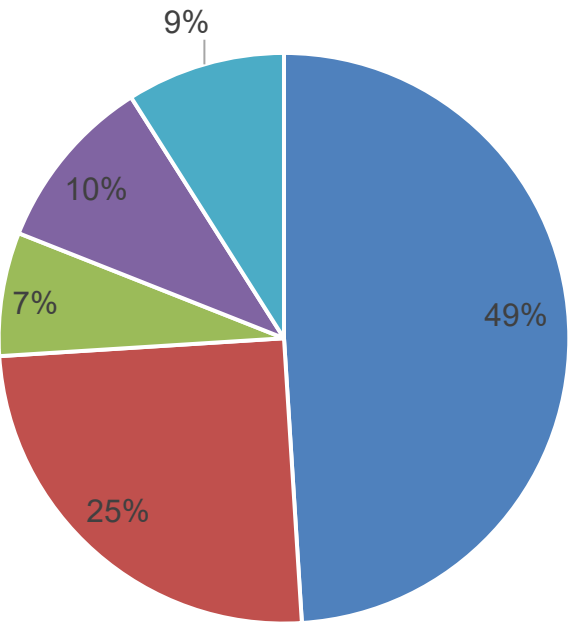
	2019	2020	2021	2022	2023
■ Q1	1,710,465	1,424,316	1,505,177	2,074,450	1,461,352
■ Q2	2,009,559	1,064,440	1,813,118	2,323,832	1,489,779
■ Q3	2,088,174	1,639,350	2,268,018	1,921,341	1,262,929
■ Q4	1,550,240	1,261,088	1,832,061	1,109,491	-

# Financial Overview-Customer Ratio

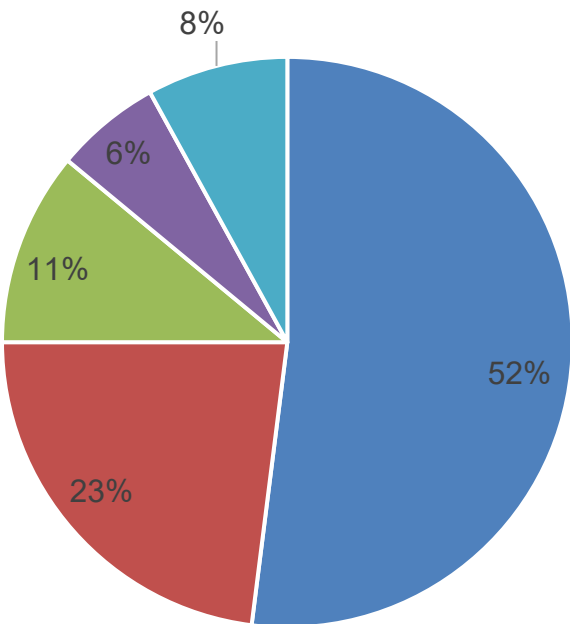


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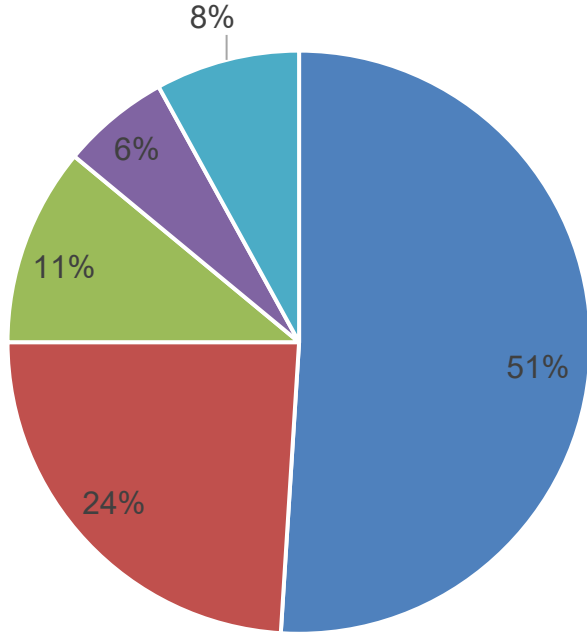
From Jan. to Sep., 2023



From Jan. to Sep., 2022



2022



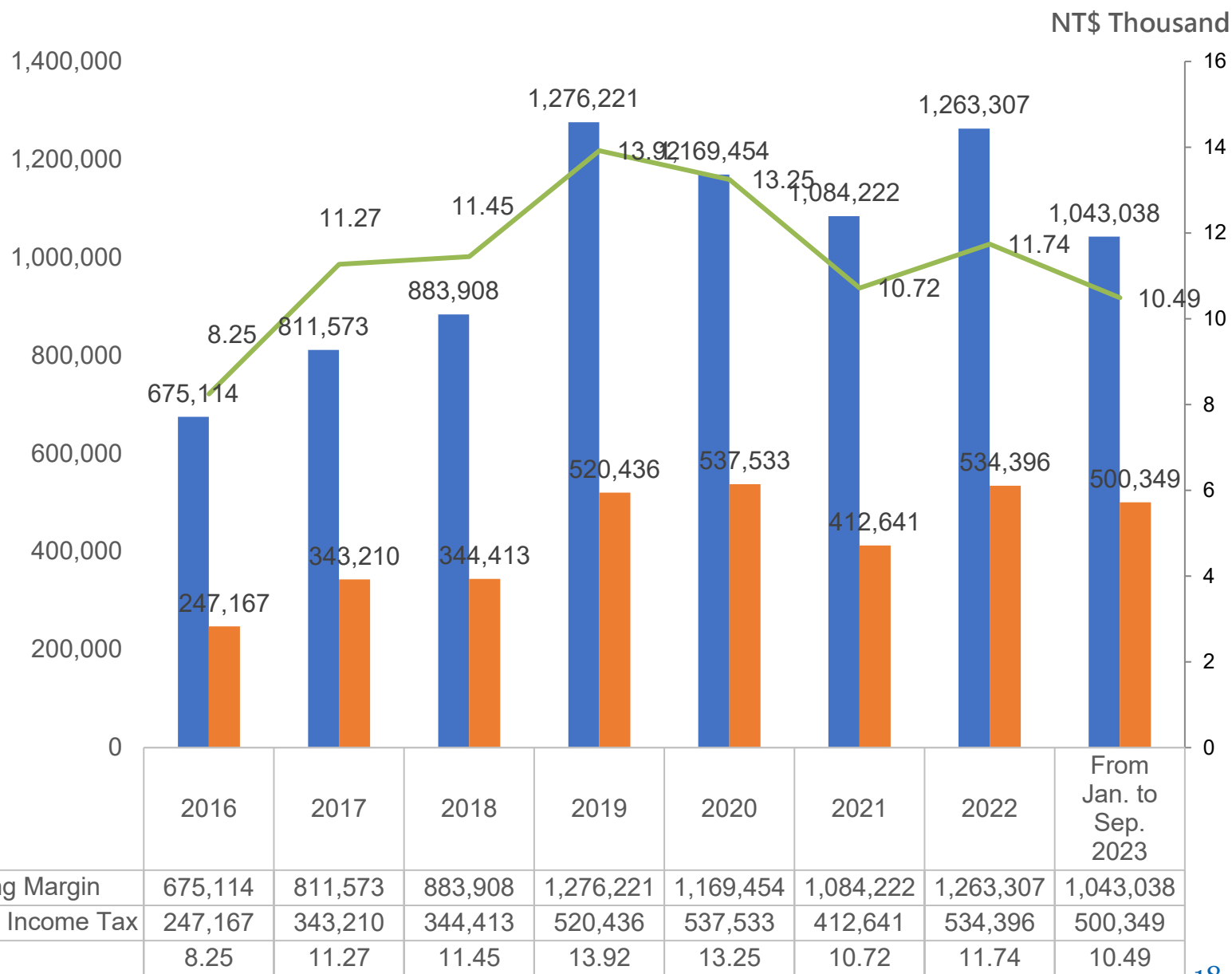
■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS ■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS ■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS



# Financial Overview

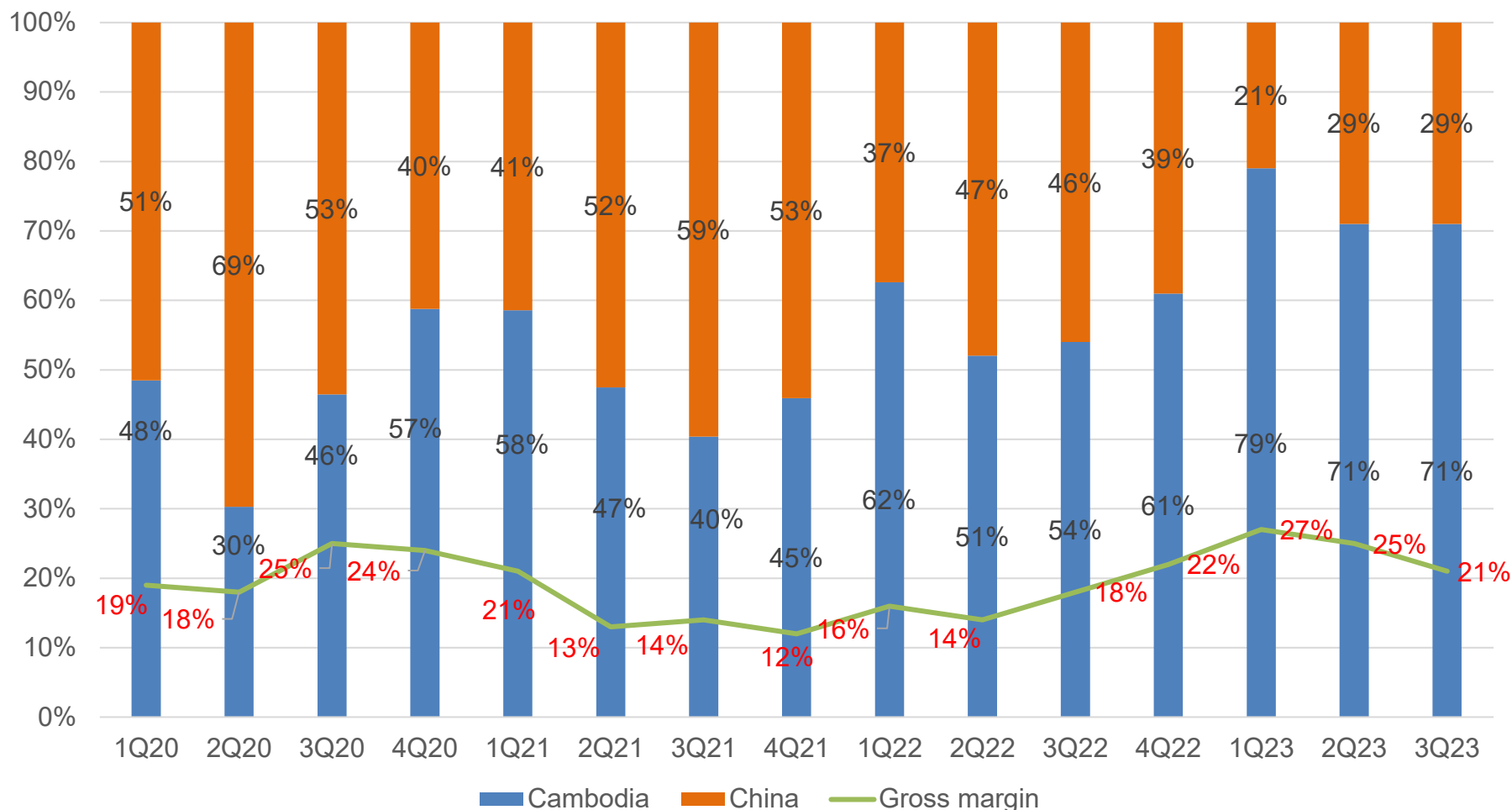


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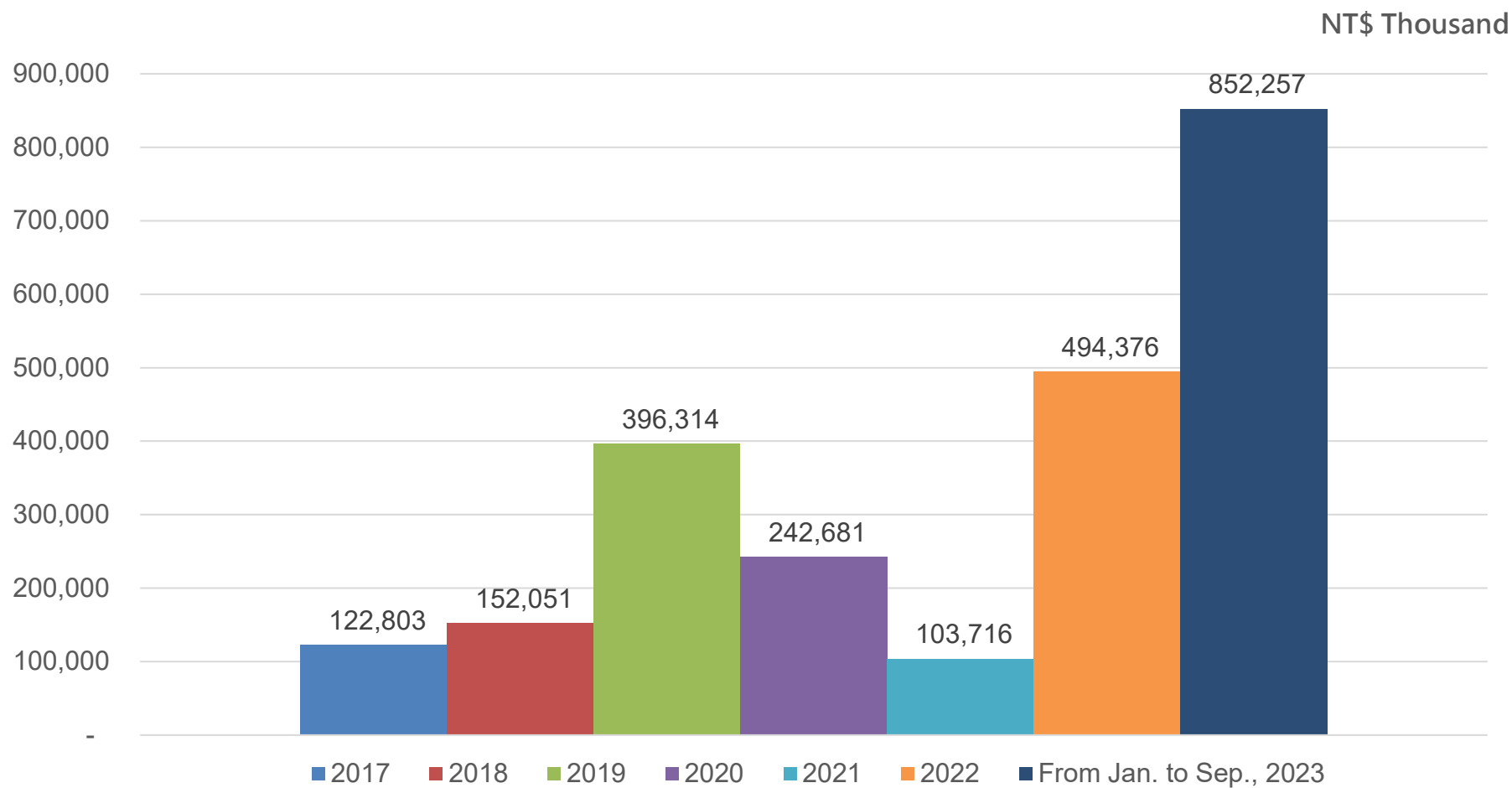
## Relationship between regional sales volume and gross margin changes in each quarter



# Financial Overview-Capex



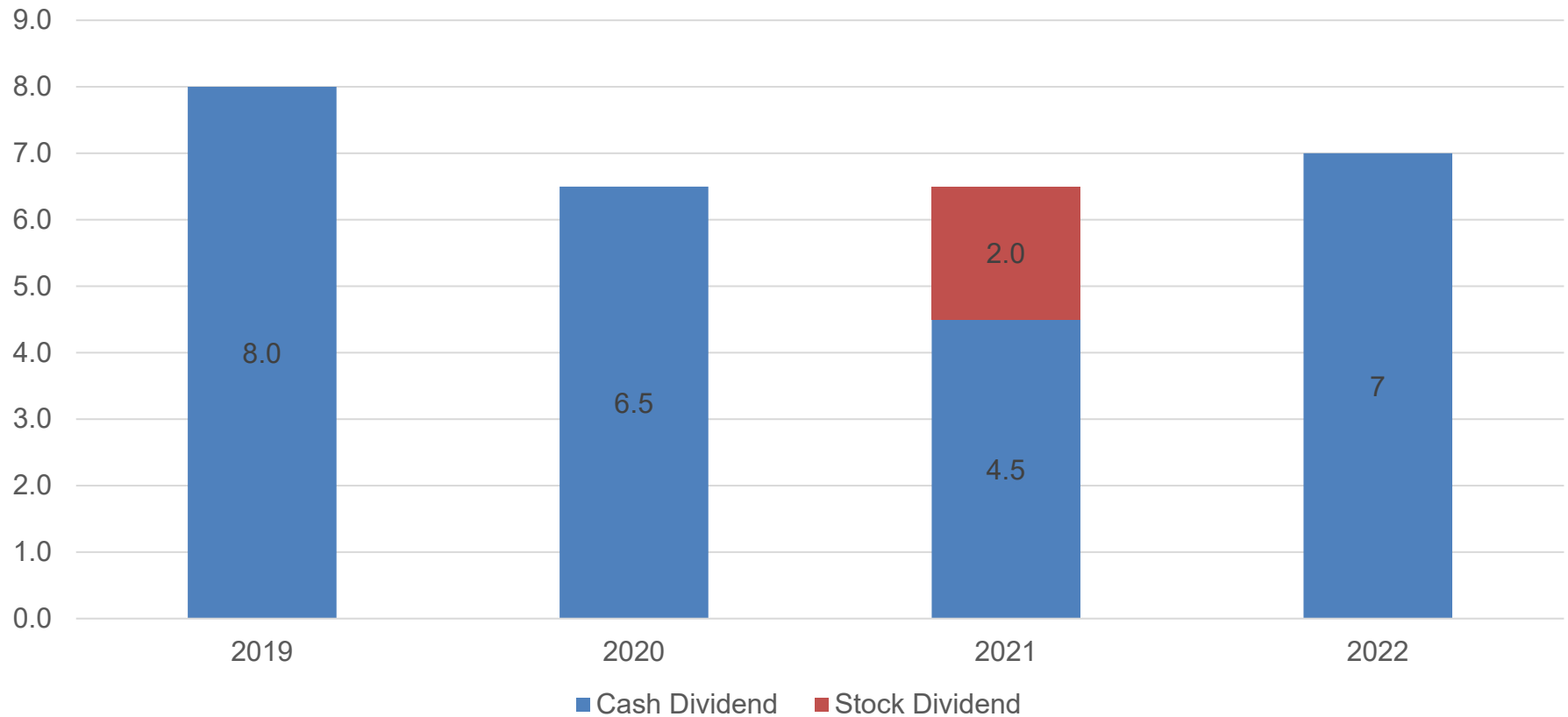
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# Financial Overview-Dividend Policy



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# Financial Overview- Operating Results



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Expressed in thousands of NT dollars	From Jan. to Sep., 2023	From Jan. to Sep., 2022	Compared	
(except for earnings per share amount)	Amount	Amount	Difference	%
Sales revenue	\$ 4,214,060	\$ 6,319,623	\$ (2,105,563)	(33.32)
Operating costs	(3,171,022)	(5,305,841)	2,134,819	(40.24)
Net operating margin	1,043,038	1,013,782	29,256	2.89
Operating expenses				
Selling expenses	(80,775)	(119,704)	38,929	(32.52)
General and administrative expenses	(480,416)	(434,775)	(45,641)	10.50
Research and development expenses	(4,921)	(10,321)	5,400	(52.32)
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9	(453)	(14,243)	13,790	(96.82)
Total operating expenses	(566,565)	(579,043)	12,478	(2.15)
Operating profit	476,473	434,739	41,734	9.60
Non-operating income and expenses				
Interest income	15,849	3,413	12,436	364.37
Other income	28,718	21,543	7,175	33.31
Other gains and losses	(14,018)	9,683	(23,701)	(244.77)
Finance costs	(6,673)	(7,091)	418	(5.89)
Total non-operating income and expenses	23,876	27,548	(3,672)	(13.33)
Profit before income tax	500,349	462,287	38,062	8.23
Income tax expense	(104,817)	(76,141)	(28,676)	37.66
Profit for current	395,532	386,146	9,386	2.43
EPS	10.49	10.26	0.23	2.24

# Financial Overview- Operating Results



TST Group Holding Ltd.

Expressed in thousands of NT dollars	2023Q1		2023Q2		2023Q3	
(except for earnings per share amount)	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 1,461,352	100	\$ 1,489,779	100	\$ 1,262,929	100
Operating costs	(1,064,080)	(73)	(1,115,967)	(75)	(990,975)	(79)
Net operating margin	397,272	27	373,812	25	271,954	21
Operating expenses						
Selling expenses	(23,735)	(2)	(28,766)	(2)	(28,274)	(2)
General and administrative expenses	(163,863)	(11)	(163,174)	(11)	(153,379)	(12)
Research and development expenses	(2,479)	-	(2,202)	-	(240)	-
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9	(8,257)	-	7,363	-	441	-
Total operating expenses	(198,334)	(13)	(186,779)	(13)	(181,452)	(14)
Operating profit	198,938	14	187,033	12	90,502	7
Non-operating income and expenses						
Interest income	5,705	-	5,454	-	4,690	-
Other income	6,111	-	16,146	1	6,461	-
Other gains and losses	(6,294)	-	9,765	1	(17,489)	(1)
Finance costs	(2,014)	-	(1,795)	-	(2,864)	-
Total non-operating income and expenses	3,508	-	29,570	2	(9,202)	(1)
Profit before income tax	202,446	14	216,603	14	81,300	6
Income tax expense	(43,836)	(3)	(34,951)	(2)	(26,030)	(2)
Profit for current	158,610	11	181,652	12	55,270	4
EPS	4.21		4.82		1.47	



Q&A

THANK YOU FOR  
YOUR ATTENTION