



REGAL HOLDING CO.,LTD.

**TW.4807**

# Investor Conference

Dec 11, 2020

**Established****2014.10.06****Chairman****PHACHARAPON  
PHAIBOONSUNTORN****Shares****38,386,000****Paid in Capital****NTD 384 million****Headquarter****Thailand(1991.02.21-)****Staffs****2,950+**

## Thailand Production Base

- ◇ 65,896 square meters
- ◇ 3 jewelry factories
- ◇ 1 jewelry plating factory entity

# Industry status

## Upstream

- Raw metal mining and production
- Stone rough material mining and production

## Midstream -- 1

- Gemstones/artificial stones cutting and polishing
- Gemstones/artificial stones wholesale
- Jewelry Design and Brand operators
- Manufacturers of jewelry process equipment and material supply

## Midstream -- 2

- Jewelry manufacturing plant
- Jewelry plating plant
- Jewelry accessories supplier

## Downstream

- Jewelry brand shops
- Department stores/malls
- Discount stores
- Non- physical shops ( Catalogue and B2C e-commerce )
- Network Community channels

# Special Certification



Member of amfori, the leading global business association for open and sustainable trade. We improve the social performance of our supply chain via amfori BSCI. For more information visit [www.amfori.org](http://www.amfori.org)



Member



Cert No. 81Q19009



# Main Products Harmonized System Codes(HS Code)

## **7117 Imitation jewellery**

- 711711 Jewellery; imitation, cuff links and studs, of base metal, whether or not plated with precious metal
- 711719 Jewellery; imitation, (excluding cuff links and studs), of base metal, whether or not plated with precious metal
- 711790 Jewellery; imitation, of other than base metal, whether or not plated with precious metal

## **7113 Jewellery articles and parts thereof, of precious metal or of metal clad with precious metal**

- 711311 Jewellery; of silver, whether or not plated or clad with other precious metal, and parts thereof
- 711319 Jewellery; of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof
- 711320 Jewellery; of base metal clad with precious metal, and parts thereof

# Reporting Countries Export Statistics (Partner Country World)

Commodity: 7117, Imitation Jewelry & 7113

7113, Article Of Jewelry And Parts Thereof, Of Precious Metal Or Metal Clad With Precious Metal

**In the past three years, Thailand is the world's top ten silver jewelry exporters**

HS Code : 7117 export statistics (2017-2019)								Unit : USD million			
Rank	Country (2017)	Amount	%	Rank	Country (2018)	Amount	%	Rank	Country (2019)	Amount	%
1	China	1,928.99	29.41	1	China	1,760.26	26.19	1	China	1,881.87	29.65
2	Hong Kong	735.87	11.22	2	Hong Kong	739.03	11.00	2	Hong Kong	795.59	12.53
3	Austria	509.10	7.76	3	France	494.84	7.36	3	France	471.84	7.43
4	France	436.07	6.65	4	Austria	475.64	7.08	4	Singapore	444.14	7.00
5	Singapore	366.12	5.58	5	Singapore	459.44	6.84	5	Thailand	417.28	6.57
6	Italy	342.86	5.23	6	Thailand	421.26	6.27	6	Italy	308.24	4.86
7	Thailand	341.34	5.20	7	Germany	382.93	5.70	7	Austria	317.05	5.00
8	United States	262.63	4.00	8	Italy	373.85	5.56	8	Germany	313.33	4.94
9	Germany	230.50	3.51	9	United States	253.87	3.78	9	United States	220.53	3.47
10	India	202.50	3.09	10	India	198.66	2.96	10	India	160.89	2.53

HS Code : 7113 export statistics (2017-2019)								Unit : USD million			
Rank	Country (2017)	Amount	%	Rank	Country (2018)	Amount	%	Rank	Country (2019)	Amount	%
1	India	12,628.09	14.18	1	China	13,333.20	14.37	1	China	13,294.79	14.49
2	Switzerland	11,199.59	12.58	2	India	12,452.40	13.42	2	Switzerland	11,626.02	12.67
3	China	11,058.82	12.42	3	Switzerland	11,748.63	12.67	3	India	11,528.48	12.56
4	United States	10,298.64	11.57	4	United States	9,930.20	10.71	4	United States	9,187.84	10.01
5	Italy	6,964.40	7.82	5	Hong Kong	7,099.77	7.65	5	Hong Kong	7,855.00	8.56
6	Hong Kong	6,240.47	7.01	6	Italy	7,064.52	7.62	6	France	6,207.61	6.77
7	France	5,004.25	5.62	7	France	5,786.93	6.24	7	United Kingdom	6,141.85	6.69
8	United Kingdom	4,679.91	5.26	8	United Kingdom	4,446.99	4.79	8	Italy	5,978.80	6.52
9	Turkey	4,139.69	4.65	9	Turkey	4,410.97	4.76	9	Turkey	5,100.99	5.56
10	Thailand	3,665.98	4.12	10	Thailand	3,865.32	4.17	10	Thailand	3,684.68	4.02

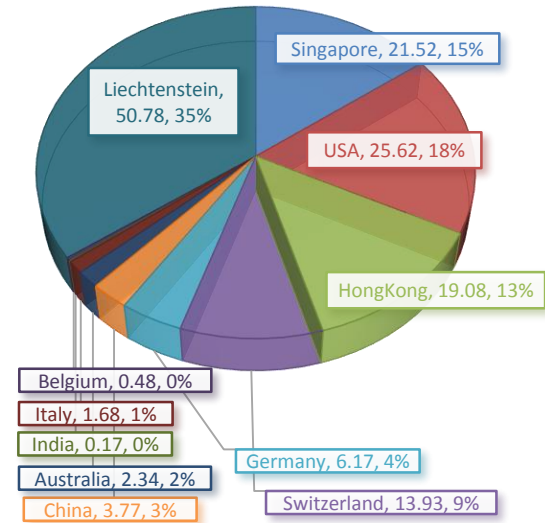
# Thailand Major Export Country (2018-2020/10)

#7117 Imitation Jewelry

Thailand Major Export Country (2018-2020/10)									
#7117 Imitation Jewelry									
Unit : USD million									
Country	2020/1-9			Quarterly 4			Total		
	2018	2019	2020	2018	2019	2020 (Oct)	2018	2019	2020
Singapore	52.25	59.01	<b>20.24</b>	21.45	17.32	<b>1.28</b>	73.7	76.33	<b>21.52</b>
USA	32.73	27.75	<b>21.91</b>	11.63	11.43	<b>3.71</b>	44.36	39.18	<b>25.62</b>
Hong Kong	12.25	16.32	<b>16.8</b>	5.36	6.16	<b>2.28</b>	17.61	22.48	<b>19.08</b>
Switzerland	5.63	10.41	<b>12.43</b>	2.32	3.44	<b>1.5</b>	7.95	13.85	<b>13.93</b>
Germany	12.77	7.11	<b>5.45</b>	3.48	2.68	<b>0.72</b>	16.25	9.79	<b>6.17</b>
China	4.22	4.31	<b>3.44</b>	0.16	1.04	<b>0.33</b>	4.38	5.35	<b>3.77</b>
Australia	2.42	2.23	<b>2</b>	0.63	0.77	<b>0.34</b>	3.05	3.00	<b>2.34</b>
Italy	3.85	2.16	<b>1.61</b>	2.05	0.55	<b>0.07</b>	5.9	2.71	<b>1.68</b>
India	1	1.1	<b>0.16</b>	0.1	0.28	<b>0.01</b>	1.1	1.38	<b>0.17</b>
Belgium	0.73	0.85	<b>0.44</b>	0.2	0.23	<b>0.04</b>	0.93	1.08	<b>0.48</b>
Liechtenstein	120.73	116.87	<b>47.06</b>	1.22	40.42	<b>3.72</b>	165.05	157.29	<b>50.78</b>

Source: Gem and Jewelry Information Center

**2020 Jan - Oct**



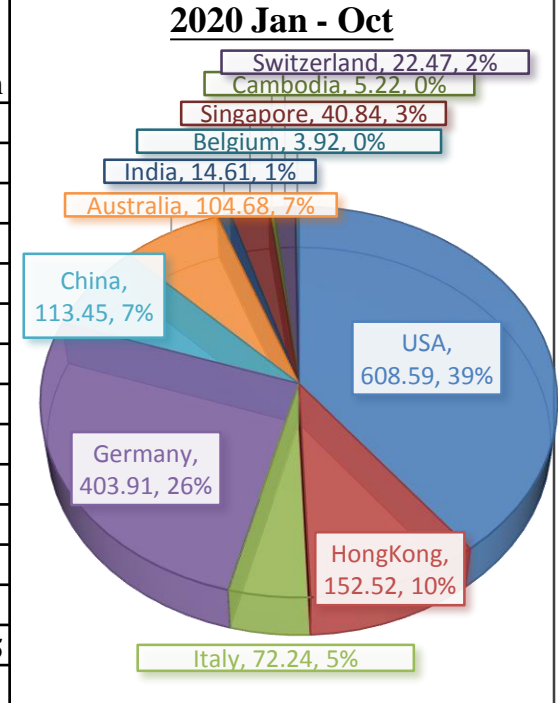
Thailand's export value also fell sharply due to COVID-19 in the first half of 2020, but recovered slowly since Q3.

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Thailand Major Export Country (2018-2020/10)									
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Of Metal Clad With Precious Metal									
Unit : USD million									
Country	2020/1-9			Quarterly 4			Total		
	2018	2019	2020	2018	2019	2020 (Oct)	2018	2019	2020
USA	747.12	632.28	<b>511.30</b>	253.69	271.82	<b>97.29</b>	1000.81	904.10	<b>608.59</b>
Hong Kong	562.67	472.77	<b>130.17</b>	55.48	68.36	<b>22.35</b>	618.15	541.13	<b>152.52</b>
Italy	65.09	178.76	<b>67.23</b>	13.71	12.98	<b>5.01</b>	78.8	191.74	<b>72.24</b>
Germany	416.77	312.26	<b>349.64</b>	179.91	194.62	<b>54.27</b>	596.68	506.88	<b>403.91</b>
China	146.74	123.66	<b>105.94</b>	65.71	55.54	<b>7.51</b>	212.45	179.20	<b>113.45</b>
Australia	115.37	81.90	<b>79.58</b>	61.03	50.44	<b>25.1</b>	176.4	132.34	<b>104.68</b>
India	38.88	50.72	<b>12.72</b>	2.47	20.2	<b>1.89</b>	41.35	70.92	<b>14.61</b>
Singapore	31.6	32.61	<b>34.30</b>	12.39	13.29	<b>6.54</b>	43.99	45.90	<b>40.84</b>
Cambodia	3.56	9.83	<b>5.22</b>	0.46	12.62	<b>0</b>	4.02	22.45	<b>5.22</b>
Switzerland	99.31	81.05	<b>20.65</b>	10.04	10.59	<b>1.82</b>	109.35	91.64	<b>22.47</b>
Belgium	4.2	4.22	<b>3.01</b>	1.89	1.83	<b>0.91</b>	6.09	6.05	<b>3.92</b>
Total	2231.31	1980.06	<b>1319.76</b>	656.78	712.29	<b>222.69</b>	2888.09	2692.35	<b>1542.45</b>

Source: Gem and Jewelry Information Center

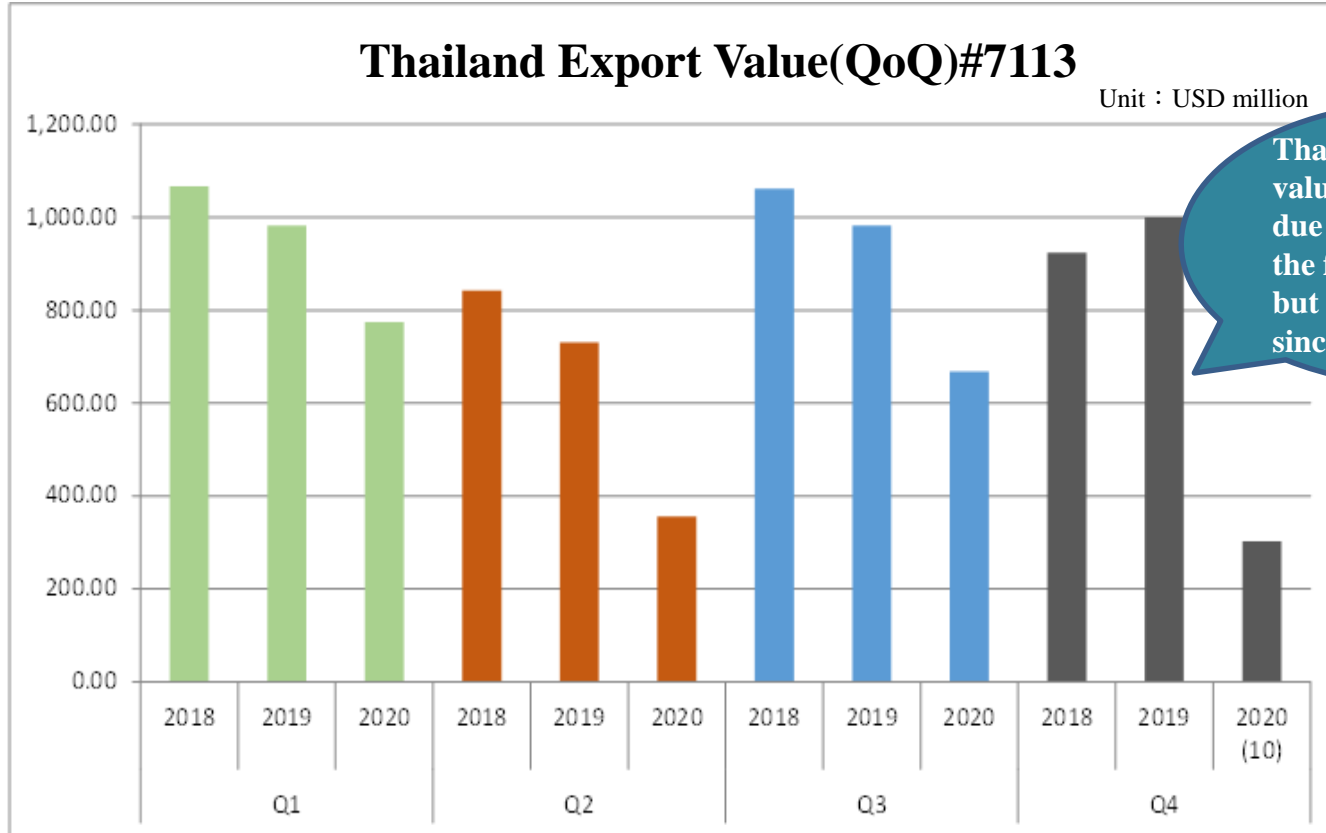


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2020 Jan to Oct

Performance & Outlook

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# Regal Group 2020 Jan-Oct Operating overview

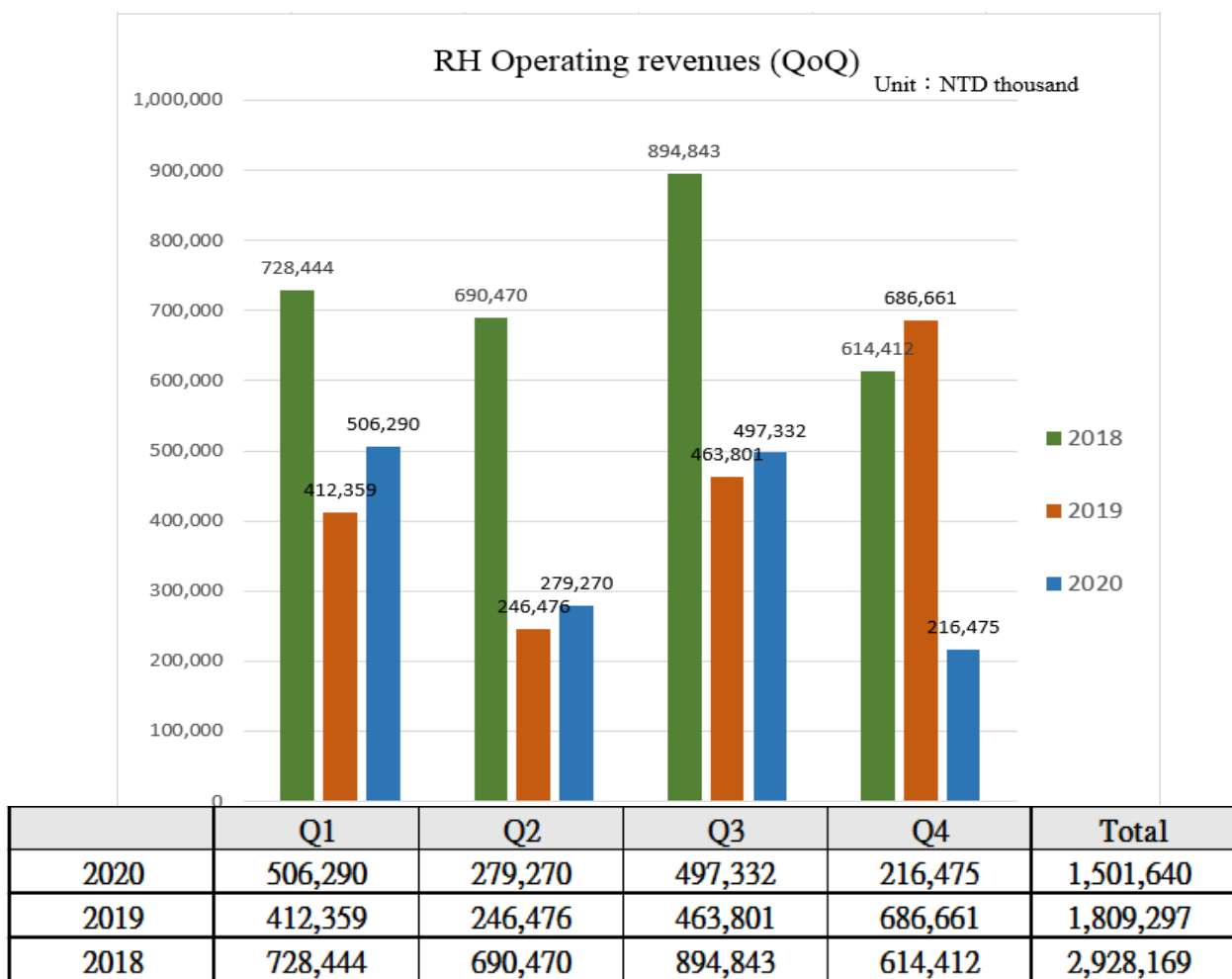
Unit : NTD thousand	2019Q3		2020Q3		2019/01-09		2020/01-09		Month	Operating revenues	YoY	Accumulated
<b>Operating revenues</b>	463,801	100%	497,332	100%	1,122,636	100%	1,282,892	100%	10	216,475	-11.51%	1,501,640
<b>Operating costs</b>	421,536	91%	390,704	79%	1,010,722	90%	1,000,305	78%				
<b>Gross profit</b>	42,265	9%	106,628	21%	111,914	10%	282,587	22%				
Selling expenses	16,776	4%	17,644	4%	50,459	5%	49,432	4%				
R&D expenses	19,228	4%	16,148	3%	53,888	5%	45,507	4%				
Administrative expenses	46,476	10%	51,623	10%	139,309	12%	126,496	10%				
<b>Total operating expenses</b>	88,005	19%	79,578	16%	252,637	23%	213,050	16%				
<b>Operating income</b>	(45,740)	-10%	27,050	5%	(140,723)	-13%	69,537	5%				
Interest income	1,550	0%	39	0%	2,726	0%	505	0%				
Interest expense	695	0%	1,282	0%	762	0%	6,090	0%				
Foreign exchanges	(1,258)	0%	5,722	1%	(8,369)	-1%	31,183	2%				
<b>Total non-operating income and expenses</b>	4,317	2%	5,371	1%	(2,020)	0%	31,243	2%				
<b>Profit before tax</b>	(41,423)	-8%	32,421	6%	(142,743)	-13%	100,780	7%				
Ta expenses	2,561	1%	(3,008)	-1%	12,137	1%	19,143	1%				
<b>Profit</b>	(43,984)	-9%	35,429	7%	(154,880)	-14%	81,637	6%				
<b>Common stock</b>	384,700		383,860		384,700		383,860					
<b>EPS</b>	(1.28)		0.85		(4.68)		1.99					

← Gross margin : 22%

**2020 Jan-Oct  
Accumulated revenue is  
NTD 1.50 billion**

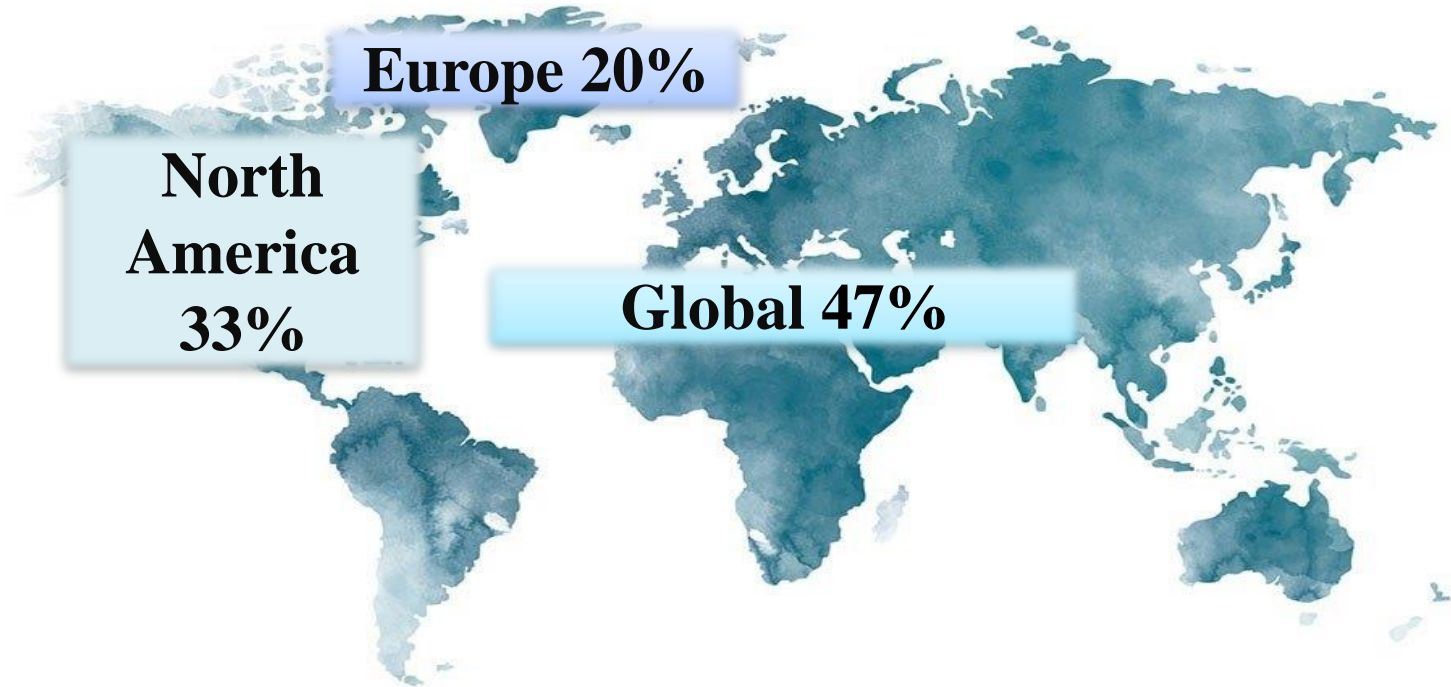
← N/I rate : 6%

← EPS : 1.99



※ 2020Q4 figure has Oct revenues only.

# Distribution of brand customers

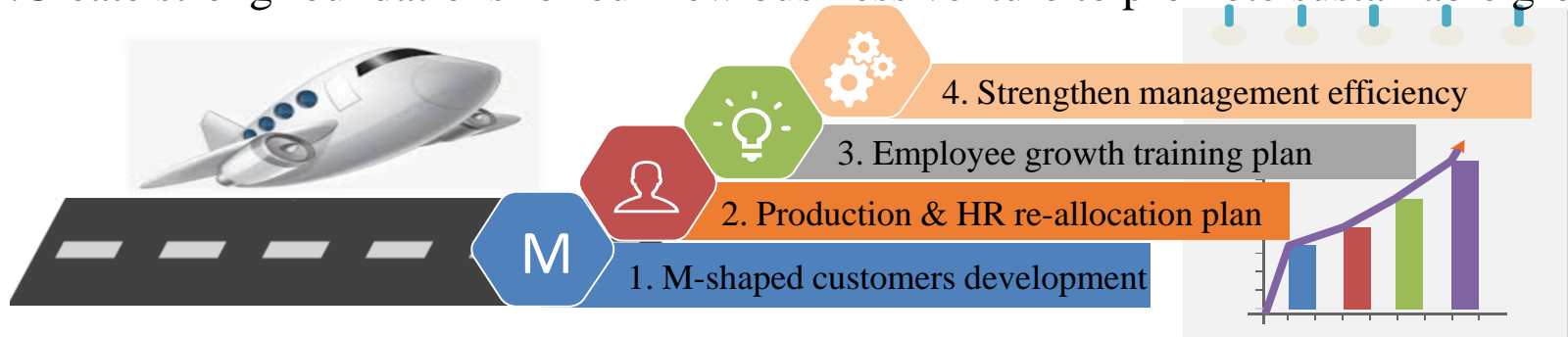


# Sales Conclusion

- Since the Covid-19 outbreak, our company has shifted our focus to online customers while simultaneously continuing to develop new products. As market confidence gradually recovered in Q3, online customers also increased their orders to satisfy revenge shopping.
- In order to meet consumers' jewelry collection preferences, brands continue to collaborate with IP companies (such as Disney, Star Wars, Pokemon, Hallmark) to design jewelry. Because of our company's ability to assist in the design and manufacturing of these exquisite jewelry products, orders have been continuous and stable.
- Regarding to the peak sales season of Halloween, Thanksgiving and Christmas, other than orders from long-term existing customers, Q3's performance also benefited from the growth of demand from online customers in Australia and the United States, as well as orders from new customers in Europe. With this growth, we will continue to satisfy our customers' demands with all our efforts.

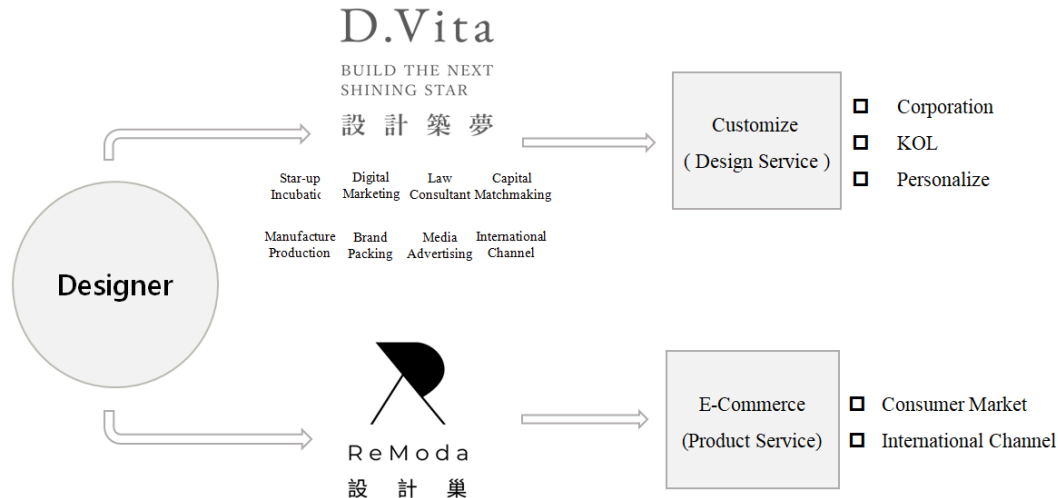
# Goals & Outlook (Q4, 2020)

1. With the continuous effective control of expenses, gradually increase the monthly net profit in 2020.
2. Maintaining the total sales proportion from our major customers to under 50%.
3. Ensure excellent performance of personnel and machineries in both small and large production plants. Reduce the frequency of personnel adjustments between low and peak seasons in order to maintain balance between sales and production.
4. Create strong foundations for our new business venture to promote sustainable growth.



# The Stage of Designer

- Inspiring and encouraging people or corporations to create mix-match business opportunities.
- Through “D.Vita” and “ ReModa ” two platforms. aid to incubate designers from their inspiration till products roll out to markets.





# Design Partners' Platform

## 2020/Q2-Q3 :

1. June 18th: Establishment of the D.Vita project and ReModa's platform.
2. Improved the operation of social media channels and E-platforms.

## 2020/Q4 :

- Oct:** Co-develop IP products with Hua Xing Entertainment.  
Built and developed teams for designer competition project.
- Nov:** Co-designed jewelry pieces with a Taiwanese celebrity for Jin Ma Award candidate.
- Dec:** Sponsored the "Xiao Len Tao Gei" festival event organized by The Eslite Spectrum Corporation.  
Coached candidates of the D. Vita designer project and developed products from their sketches.

# Brand Channel Establishment

- **E-Commerce** : AMAZON(USA) 、 MOMO(TW) 、 Pinkoi(TH) 、 Shopee(TH) 、 Lazada(TH) & T-MALL(CN) etc. In addition, establish a sub-brand channel through direct sales and enter the Malaysian E-commerce platform.
- **Retail Stores** : Central-shop in shop(TH) 、 Café'(TH) 、 ESLITE(TW) 、 Song Jiang main store sales event (TW) 、 SELF Oasis (TW) & pop-up shops etc. In addition, collaborate with new distributors to establish 26 sales channels in Thailand.
- **Brand Collaborations** : Combining well-known Thai apparel, Taiwanese biomedicine, film, television, and online dramas to create a win-win opportunity for collaborators.

# Regal Group's strategy & expectation

- The ultimate in craftsmanship
- The core green supplier of brand customers
- The partner who accompanies with customer's growth
- The incubator of potential brands
- The leader of the Total service solution

Today, Jewelry is not just Jewelry.  
The Industry is Changing,  
same as Fashion & Luxury Industry.

Regal is transforming into  
**Jewelry + Stage**

**Technical . Craftsmanship . Design . Innovation**



REGAL HOLDING CO.,LTD.

*Thank You*

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[www.regaljewelrygroup.com](http://www.regaljewelrygroup.com)

