



REGAL HOLDING CO.,LTD.

TW.4807

Investor Conference

April 21, 2021



Established 2014.10.06



Chairman PHACHARAPON
PHAIBOONSUNTORN



Shares 38,386,000
Paid in Capital NTD 384 million



Headquarter Thailand(1991.02.21-)



Staffs 2,900+

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



Member



Cert No. 81019009



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

7117 & 7113 Reporting Countries Export Statistics

Thailand is the world's top ten 7117 & 7113 exporters

| HS Code : 7117 export statistics (2018-2020) | | | | | | | | Unit : USD million | | | |
|--|----------------|----------|-------|------|----------------|----------|-------|--------------------|----------------|----------|-------|
| Rank | Country (2018) | Amount | % | Rank | Country (2019) | Amount | % | Rank | Country (2020) | Amount | % |
| 1 | China | 1,760.26 | 26.19 | 1 | China | 1,881.87 | 29.65 | 1 | China | 1,651.18 | 36.90 |
| 2 | Hong Kong | 739.03 | 11.00 | 2 | Hong Kong | 795.59 | 12.53 | 2 | Hong Kong | 602.68 | 13.47 |
| 3 | France | 494.84 | 7.36 | 3 | France | 471.84 | 7.43 | 3 | France | 550.86 | 12.31 |
| 4 | Austria | 475.64 | 7.08 | 4 | Singapore | 444.14 | 7.00 | 4 | Germany | 344.14 | 7.69 |
| 5 | Singapore | 459.44 | 6.84 | 5 | Thailand | 417.28 | 6.57 | 5 | Thailand | 241.05 | 5.39 |
| 6 | Thailand | 421.26 | 6.27 | 6 | Italy | 308.24 | 4.86 | 6 | Singapore | 187.96 | 4.20 |
| 7 | Germany | 382.93 | 5.70 | 7 | Austria | 317.05 | 5.00 | 7 | India | 141.63 | 3.17 |
| 8 | Italy | 373.85 | 5.56 | 8 | Germany | 313.33 | 4.94 | 8 | United States | 137.56 | 3.07 |
| 9 | United States | 253.87 | 3.78 | 9 | United States | 220.53 | 3.47 | 9 | United Kingdom | 128.04 | 2.86 |
| 10 | India | 198.66 | 2.96 | 10 | India | 160.89 | 2.53 | 10 | South Korea | 106.69 | 2.38 |

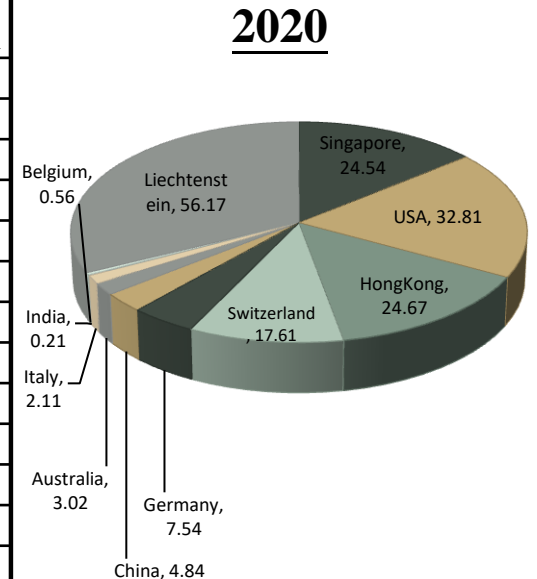
| HS Code : 7113 export statistics (2018-2020) | | | | | | | | Unit : USD million | | | |
|--|----------------|-----------|-------|------|----------------|-----------|-------|--------------------|----------------|----------|-------|
| Rank | Country (2018) | Amount | % | Rank | Country (2019) | Amount | % | Rank | Country (2020) | Amount | % |
| 1 | China | 13,333.20 | 14.37 | 1 | China | 13,294.79 | 14.49 | 1 | Switzerland | 8,125.27 | 14.08 |
| 2 | India | 12,452.40 | 13.42 | 2 | Switzerland | 11,626.02 | 12.67 | 2 | China | 7,988.76 | 13.84 |
| 3 | Switzerland | 11,748.63 | 12.67 | 3 | India | 11,528.48 | 12.56 | 3 | India | 7,714.96 | 13.37 |
| 4 | United States | 9,930.20 | 10.71 | 4 | United States | 9,187.84 | 10.01 | 4 | Hong Kong | 6,330.66 | 10.97 |
| 5 | Hong Kong | 7,099.77 | 7.65 | 5 | Hong Kong | 7,855.00 | 8.56 | 5 | United States | 5,333.12 | 9.24 |
| 6 | Italy | 7,064.52 | 7.62 | 6 | France | 6,207.61 | 6.77 | 6 | France | 4,373.80 | 7.58 |
| 7 | France | 5,786.93 | 6.24 | 7 | United Kingdom | 6,141.85 | 6.69 | 7 | Turkey | 3,572.77 | 6.19 |
| 8 | United Kingdom | 4,446.99 | 4.79 | 8 | Italy | 5,978.80 | 6.52 | 8 | United Kingdom | 3,403.71 | 5.90 |
| 9 | Turkey | 4,410.97 | 4.76 | 9 | Turkey | 5,100.99 | 5.56 | 9 | Thailand | 2,596.87 | 4.50 |
| 10 | Thailand | 3,865.32 | 4.17 | 10 | Thailand | 3,684.68 | 4.02 | 10 | Singapore | 1,767.50 | 3.06 |

Thailand Major Export Country (2018-2020)

#7117 Imitation Jewelry

| Thailand Major Export Country (2018-2020) | | | | | | | | | |
|---|-----------|--------|--------------|-------------|-------|-------------|--------|--------|--------------|
| #7117 Imitation Jewelry | | | | | | | | | |
| Unit : USD million | | | | | | | | | |
| Country | 2020Q1-Q3 | | | Quarterly 4 | | | Total | | |
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Singapore | 52.25 | 59.01 | 20.24 | 21.45 | 17.32 | 4.3 | 73.7 | 76.33 | 24.54 |
| USA | 32.73 | 27.75 | 21.91 | 11.63 | 11.43 | 10.9 | 44.36 | 39.18 | 32.81 |
| Hong Kong | 12.25 | 16.32 | 16.8 | 5.36 | 6.16 | 7.87 | 17.61 | 22.48 | 24.67 |
| Switzerland | 5.63 | 10.41 | 12.43 | 2.32 | 3.44 | 5.18 | 7.95 | 13.85 | 17.61 |
| Germany | 12.77 | 7.11 | 5.45 | 3.48 | 2.68 | 2.09 | 16.25 | 9.79 | 7.54 |
| China | 4.22 | 4.31 | 3.44 | 0.16 | 1.04 | 1.4 | 4.38 | 5.35 | 4.84 |
| Australia | 2.42 | 2.23 | 2 | 0.63 | 0.77 | 1.02 | 3.05 | 3.00 | 3.02 |
| Italy | 3.85 | 2.16 | 1.61 | 2.05 | 0.55 | 0.5 | 5.9 | 2.71 | 2.11 |
| India | 1 | 1.1 | 0.16 | 0.1 | 0.28 | 0.05 | 1.1 | 1.38 | 0.21 |
| Belgium | 0.73 | 0.85 | 0.44 | 0.2 | 0.23 | 0.12 | 0.93 | 1.08 | 0.56 |
| Liechtenstein | 120.73 | 116.87 | 47.06 | 44.32 | 40.42 | 9.11 | 165.05 | 157.29 | 56.17 |

Source: Gem and Jewelry Information Center



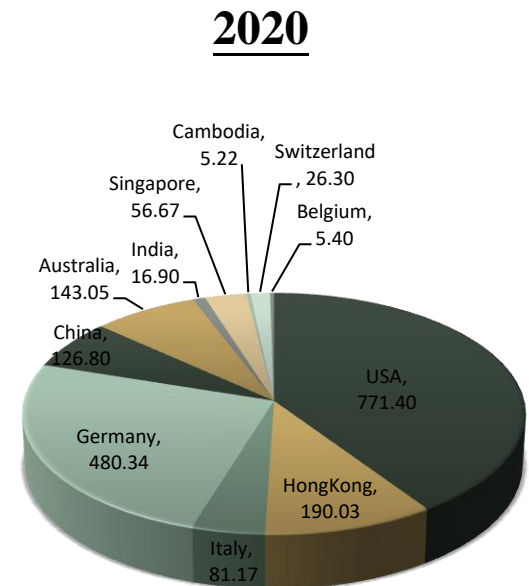
Thailand's export value also fell sharply due to COVID-19 in the first half of 2020, but recovered slowly since Q3.

Thailand Major Export Country (2018-2020)

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

| Thailand Major Export Country (2018-2020) | | | | | | | | | |
|---|-----------|---------|----------------|-------------|--------|---------------|---------|---------|----------------|
| #7113 Articles Of Jewelry And Parts Thereof, Of Precious Metal Or | | | | | | | | | |
| Of Metal Clad With Precious Metal | | | | | | | | | |
| Unit : USD million | | | | | | | | | |
| Country | 2020Q1-Q3 | | | Quarterly 4 | | | Total | | |
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| USA | 747.12 | 632.28 | 511.30 | 253.69 | 271.82 | 260.1 | 1000.81 | 904.10 | 771.40 |
| Hong Kong | 562.67 | 472.77 | 130.17 | 55.48 | 68.36 | 59.86 | 618.15 | 541.13 | 190.03 |
| Italy | 65.09 | 178.76 | 67.23 | 13.71 | 12.98 | 13.94 | 78.8 | 191.74 | 81.17 |
| Germany | 416.77 | 312.26 | 349.64 | 179.91 | 194.62 | 130.7 | 596.68 | 506.88 | 480.34 |
| China | 146.74 | 123.66 | 105.94 | 65.71 | 55.54 | 20.86 | 212.45 | 179.20 | 126.80 |
| Australia | 115.37 | 81.90 | 79.58 | 61.03 | 50.44 | 63.47 | 176.4 | 132.34 | 143.05 |
| India | 38.88 | 50.72 | 12.72 | 2.47 | 20.2 | 4.18 | 41.35 | 70.92 | 16.90 |
| Singapore | 31.6 | 32.61 | 34.30 | 12.39 | 13.29 | 22.37 | 43.99 | 45.90 | 56.67 |
| Cambodia | 3.56 | 9.83 | 5.22 | 0.46 | 12.62 | 0 | 4.02 | 22.45 | 5.22 |
| Switzerland | 99.31 | 81.05 | 20.65 | 10.04 | 10.59 | 5.65 | 109.35 | 91.64 | 26.30 |
| Belgium | 4.2 | 4.22 | 3.01 | 1.89 | 1.83 | 2.39 | 6.09 | 6.05 | 5.40 |
| Total | 2231.31 | 1980.06 | 1319.76 | 656.78 | 712.29 | 583.52 | 2888.09 | 2692.35 | 1903.28 |

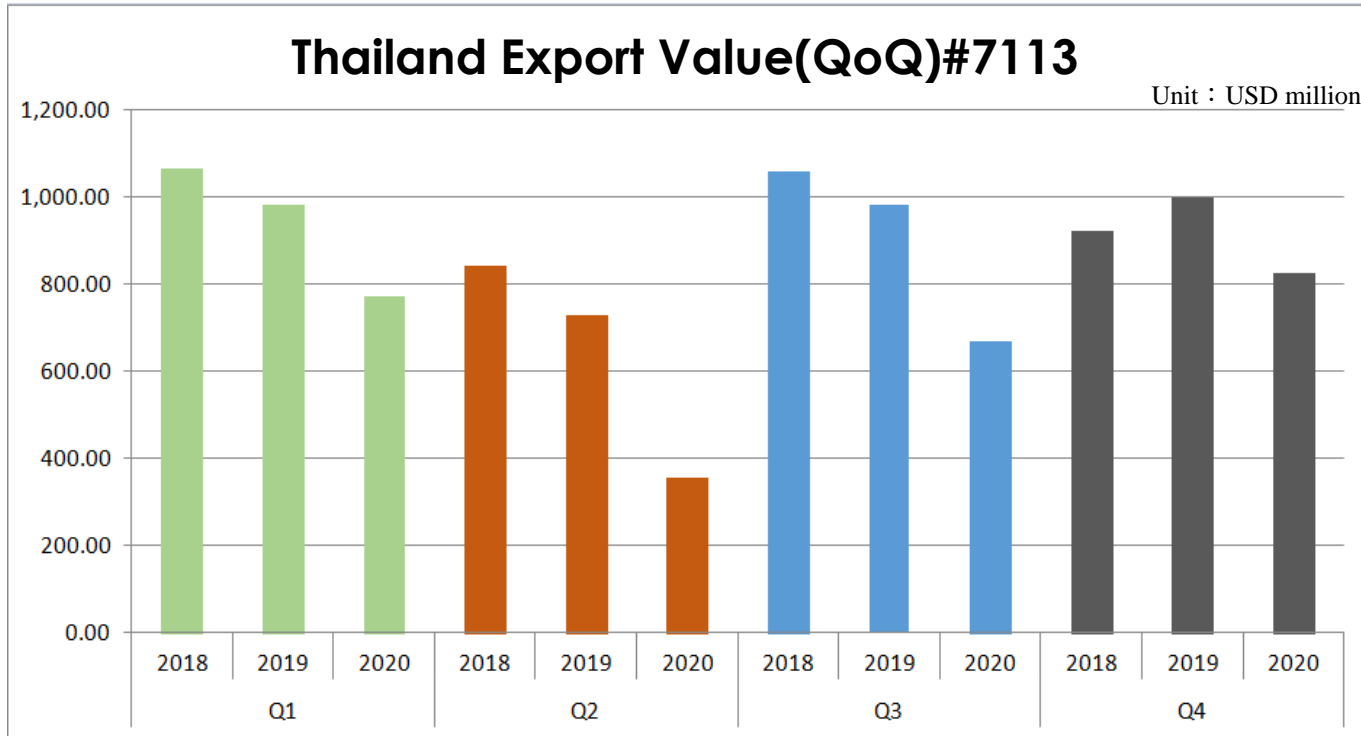
Source: Gem and Jewelry Information Center



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

Thailand Major Export Country (2018-2020)

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2020 Operation Report

A few months into COVID-19, consumer shopping online has increased significantly across many categories. Consumer intent to shop online continues to increase. What's more, these habits seem likely to stick as US consumers report an intent to shop online even after the COVID-19 crisis. Even discretionary categories such as skin care/makeup, apparel, and jewelry and accessories show expected online customer growth of more than 15 percent.

Source : McKinsey report

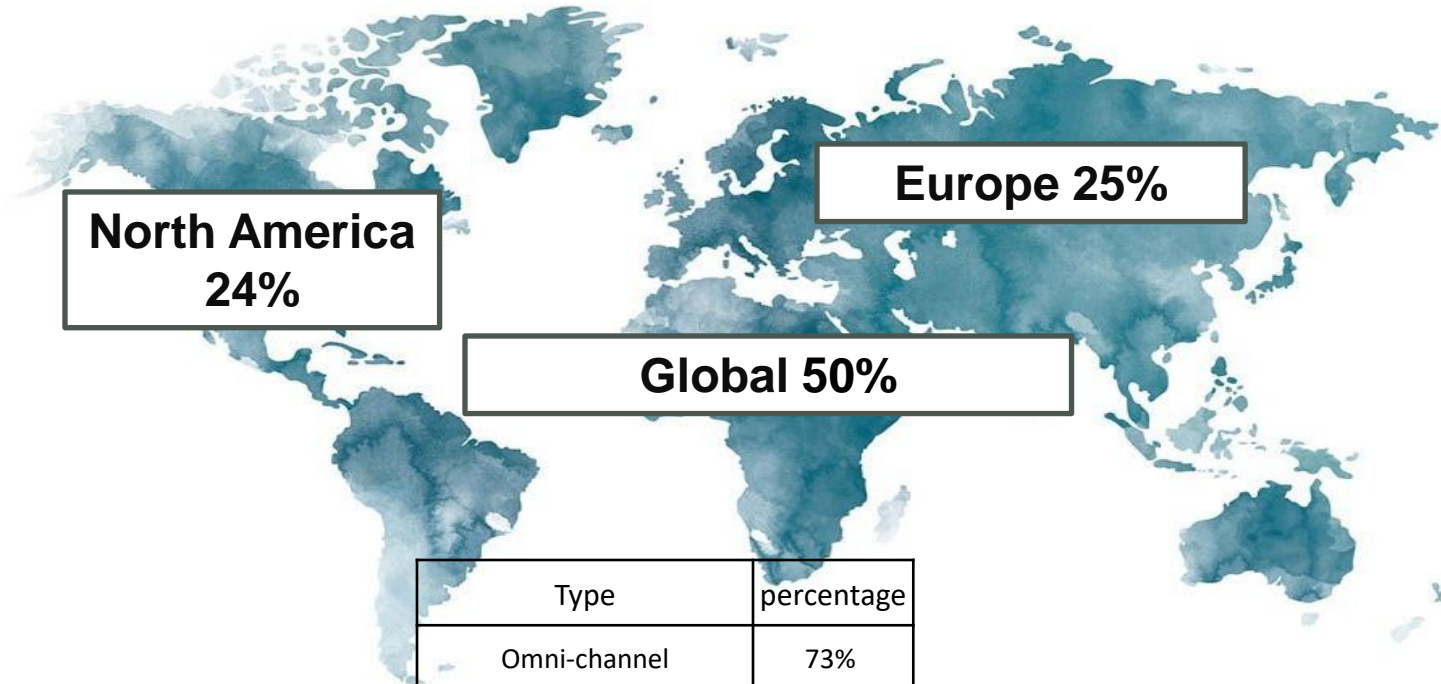
2020 Conclusion

- Deepened the cooperation with omni-channel customers externally. Strengthened employee health and safety education internally. Strengthened the internal and external structure of the Regal Group.
- Introduced small and medium-sized production lines, and strived for more orders from Gen Z customers (smaller quantities of various different high-margin products).
- Metalworking revenue increased by approximately 14.23% annually. Under proper cost control, GP rate increased from the 2019's 10.69% to 25.52%. Electroplating revenue decreased by approximately 15.15% annually, and GP rate decreased from the 2019's 17.21% to 10.80%, because of the rise of precious metal prices.
- A-Team's cross-departmental teamwork effectively increased the success rate of new product development by more than 50%.
- Gradually optimized the production process to reduce costs, and at the same time focused more on the improvement of product quality and the R&D of high-level skills. As a result, the annual profit for 2020 has turned from a loss into a profit.

COVID-19 Factory Management

- 1.** Under the existing epidemic prevention measures, strengthen employees and visitors management mechanisms such as safety social distance, temperature monitoring, hand washing and disinfection, mask wearing and epidemic prevention sense disseminating. In the meanwhile, non-essential visitors are not allowed to visit the factory.
- 2.** Implement employee health and whereabouts check mechanisms. During non-working days, employees are required to periodic report health and whereabouts. Review mechanisms are also established to prevent employees involved in high-risk areas. Quarantine and management measures will be strengthened for employees who involved in high-risk areas.
- 3.** Increase the installation of hand-washing devices, periodic disinfection, maintain indoor ventilation, set up safety social distance warning, ban the sale of raw food, and post epidemic prevention announcements in the factory.
- 4.** Establishing a four-stage risk diagnosis emergency measure to maintain the normal operation of the factory.

Distribution of Regal Group customers



| Type | percentage |
|-----------------|------------|
| Omni-channel | 73% |
| Online channel | 22% |
| Offline channel | 5% |

Regal Group 2020 Operating overview

| Unit : NTD thousand | 2017 | | 2018 | | 2019 | | 2020 | |
|---|-----------|------|-----------|------|-----------|------|-----------|------|
| Operating revenues | 2,149,774 | 100% | 2,928,169 | 100% | 1,809,297 | 100% | 1,765,557 | 100% |
| Operating costs | 1,489,312 | 69% | 2,052,864 | 70% | 1,583,125 | 87% | 1,363,969 | 77% |
| Gross profit | 660,462 | 31% | 875,305 | 30% | 226,172 | 13% | 401,588 | 23% |
| Selling expenses | 58,994 | 3% | 67,994 | 2% | 68,965 | 4% | 69,764 | 4% |
| R&D expenses | 66,203 | 3% | 79,543 | 3% | 70,286 | 4% | 60,775 | 3% |
| Administrative expenses | 193,794 | 9% | 230,074 | 8% | 180,582 | 10% | 166,382 | 9% |
| Total operating expenses | 318,991 | 15% | 389,035 | 13% | 330,170 | 18% | 286,693 | 16% |
| Operating income | 341,471 | 16% | 486,270 | 17% | (103,998) | -6% | 114,895 | 7% |
| Interest income | 1,054 | 0% | 1,724 | 0% | 3,399 | 0% | 643 | 0% |
| Interest expense | 5,896 | 0% | 705 | 0% | 4,228 | 0% | 8,678 | 0% |
| Foreign exchanges | (29,691) | -1% | (1,759) | 0% | (13,865) | -1% | 10,463 | 1% |
| Total non-operating income and expenses | (28,591) | -1% | 18,122 | 1% | (6,850) | 0% | 9,399 | 0% |
| Profit before tax | 312,880 | 15% | 504,392 | 17% | (110,848) | -6% | 124,294 | 7% |
| Tax expenses | 89,725 | 4% | 136,986 | 5% | 7,522 | 0% | 26,646 | 2% |
| Profit | 223,155 | 10% | 367,406 | 13% | (118,370) | -7% | 97,648 | 5% |
| Common stock | 361,500 | | 381,600 | | 384,700 | | 383,860 | |
| EPS | 3.51 | | 5.41 | | (3.83) | | 2.31 | |

Accumulated Revenue
NTD 1.76 billion
(YoY-0.02%)

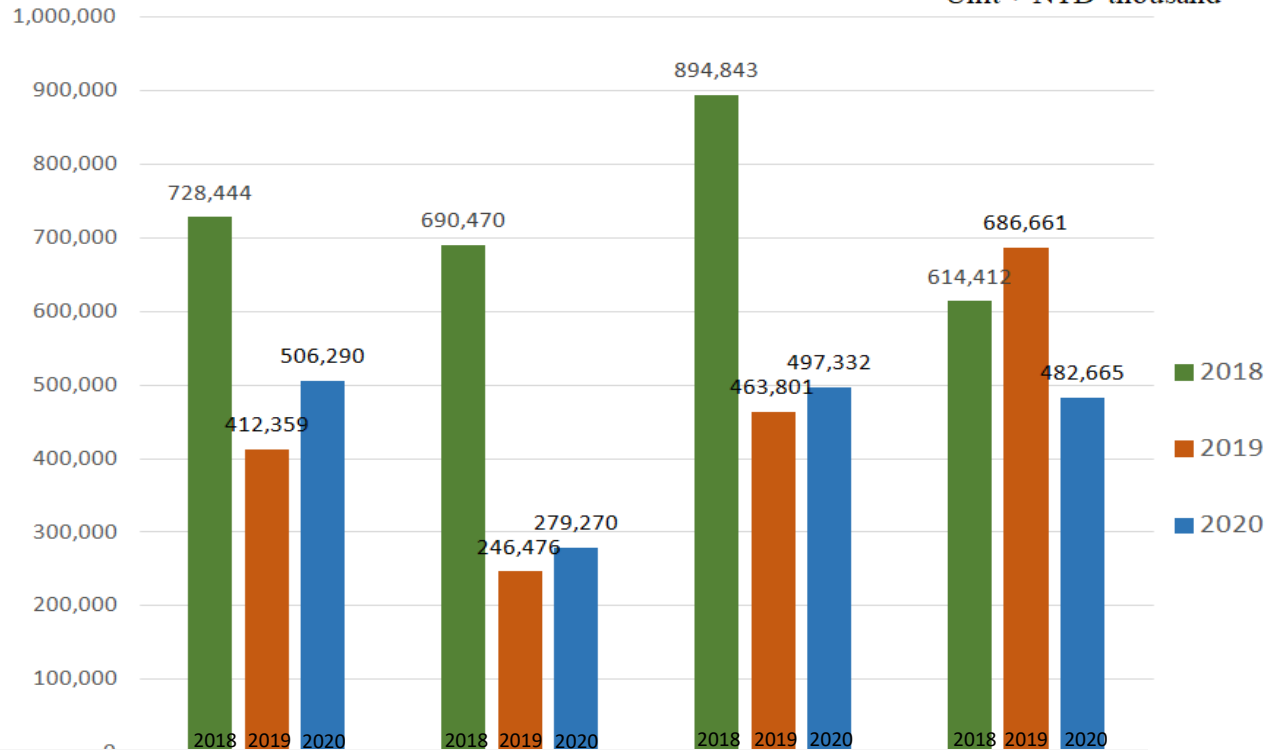
Gross margin : 23%

N/I rate : 5%

EPS : 2.31

RH Operating revenues (QoQ)

Unit : NTD thousand



| | Q1 | Q2 | Q3 | Q4 |
|-------------|----------------|----------------|----------------|----------------|
| 2020 | 506,290 | 279,270 | 497,332 | 482,665 |
| 2019 | 412,359 | 246,476 | 463,801 | 686,661 |
| 2018 | 728,444 | 690,470 | 894,843 | 614,412 |



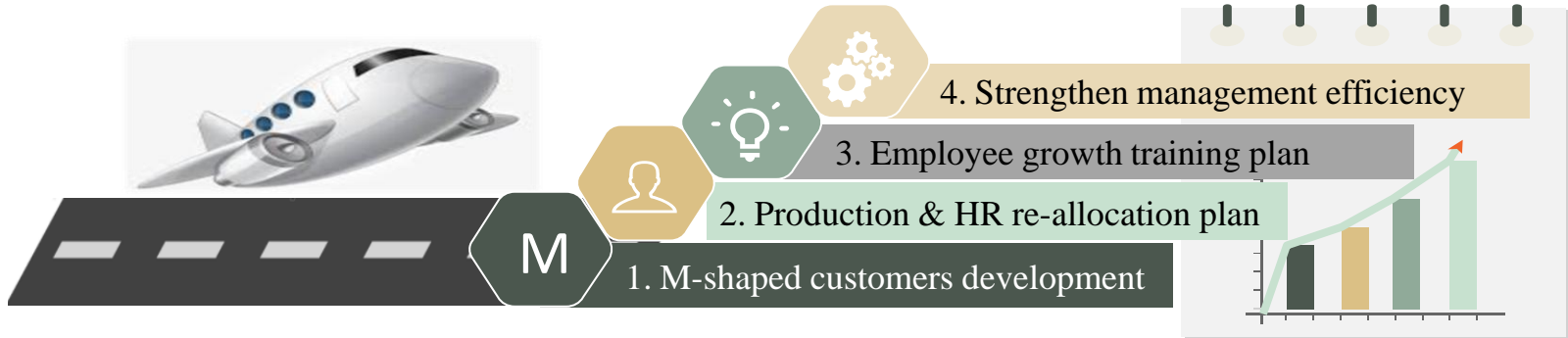
2021 Management Policy & Outlook

The challenging environment born out of the unprecedented events of 2020 will linger into 2021, with global fashion sales projected to be below 2019 levels by as much as 15 percent in the Later Recovery scenario. A full recovery of global fashion sales to pre-crisis levels will not come until the third quarter of 2022 at the earliest, according to McKinsey's Fashion Scenarios.

Source : BOF & McKinsey report

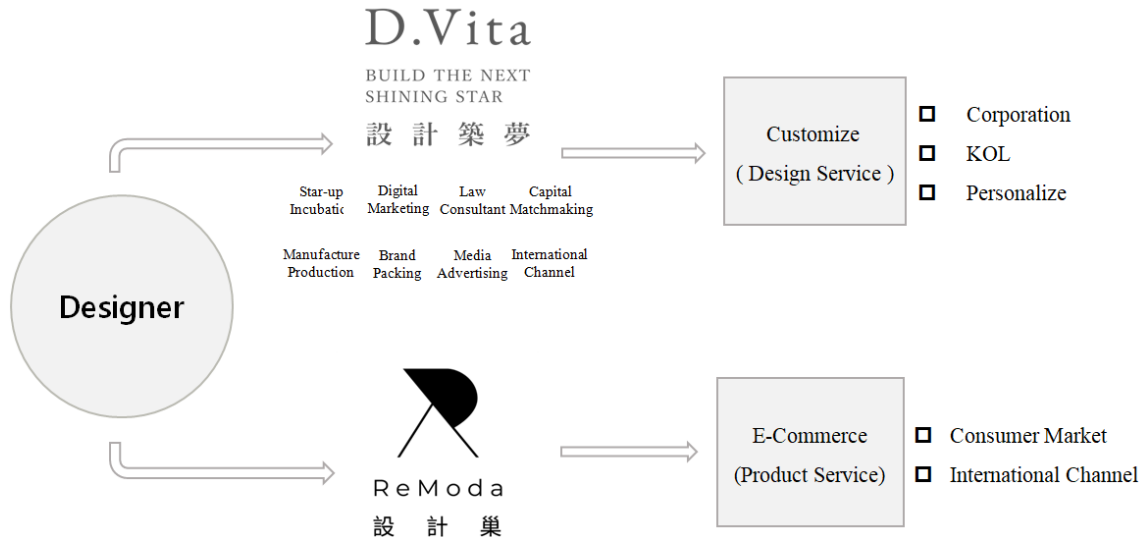
2021 Management Policy & Outlook

1. Continuous, non-stop promotion of epidemic precautions.
2. In the process of renovating the production line, using our strengths to maintain the flexibility of manpower and the balance between production and sales.
3. Upgraded computer software and hardware to improve the efficiency of information security protection and departmental management.
4. Create strong foundations for our 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/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.

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.

2021 :

Jan: Train designers on jewelry production process.

Mar: Custom 1 on 1 lessons for designers.

Apr: Pitch Demo event.

May: Sample 3D printing.

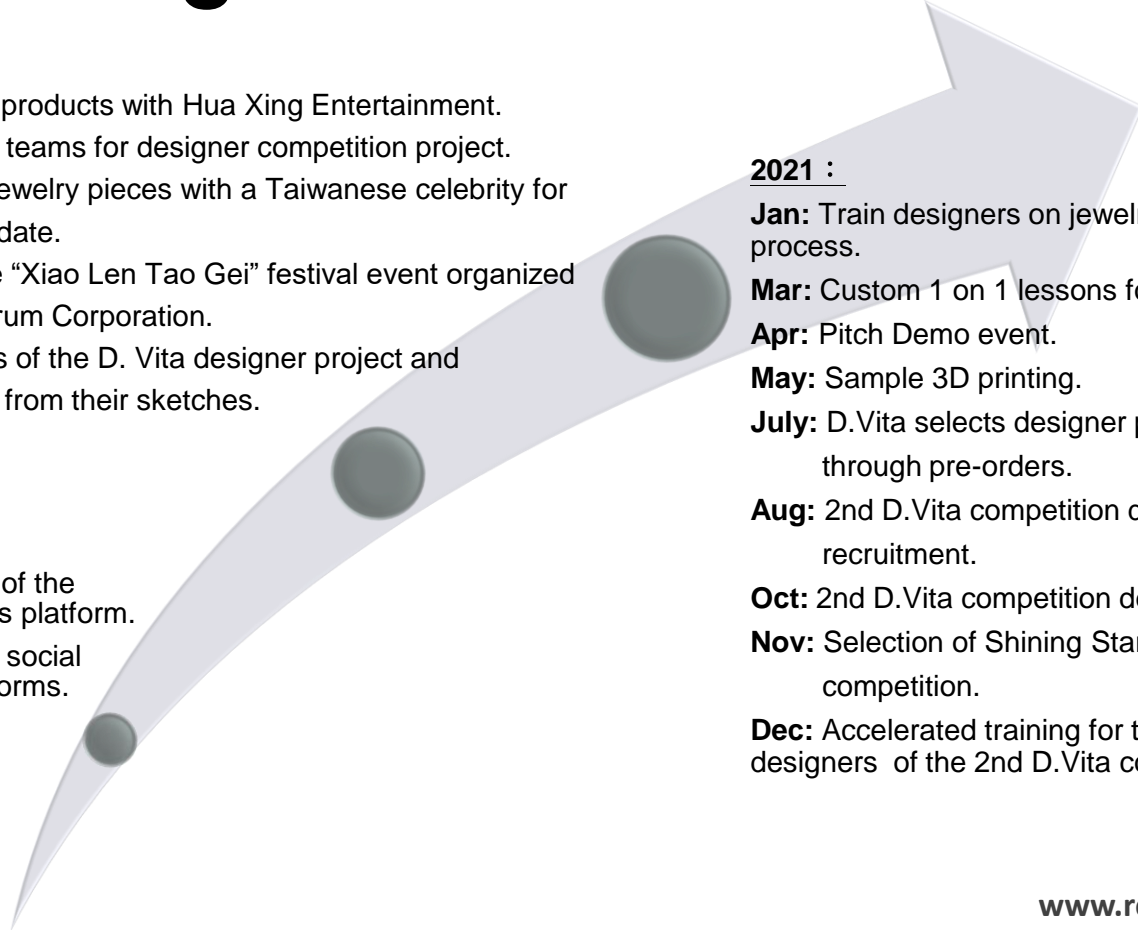
July: D.Vita selects designer products to crowdfund through pre-orders.

Aug: 2nd D.Vita competition designer team recruitment.

Oct: 2nd D.Vita competition designer selection.

Nov: Selection of Shining Star from 1st D.Vita competition.

Dec: Accelerated training for the selected designers of the 2nd D.Vita competition.



Brand Channel Expansion

- **E-Commerce** : AMAZON(USA) 、 MOMO(TW) 、 Pinkoi(TH) 、 Shopee(TH) 、 Lazada(TH) & T-MALL(CN) etc.
- **Retail Stores** : Central-shop in shop(TH) 、 Café'(TH) 、 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 direct distributors, Taiwanese film, television, and online dramas to create a win-win opportunity for collaborators.

The Growth of OEM/ODM

Reengineering: Three Forces



Market Expansion: Three Arrows

Leverage Strengths
Leverage Outsourcing
Balance Peak & Low
Seasons
Growth Mindset

Planning Power
Speed Flexibility
Welcome
Changes

Competitiveness
Quality, Delivery,
Cost
Strengthen

Expand Market Share

- Quick quotation, design sample for new order opportunities
- Defeat competitors and seize the share of winners
- Leading competitors and expanding the ESG market

Expand Product Line

- Gold jewelry & Fashion jewelry
- IP jewelry (Disney, Marvel, Gamer)
- Non traditional jewelry

Expand New Customer Base

- Omni-channel jeweler in Europe and US
- Europe and US customer referrals to reduce the impact of epidemic.
- Regional expansion

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

Technique . Craftsmanship . Design . Innovation



REGAL HOLDING CO.,LTD.

Thank You

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