

CHOICE DEVELOPMENT. INC.

2021 Institutional Investors' Conference

A publicly listed company, Choice Printing Group specializes in sheet-fed and web offset printing and is the market leader in the printing of magazines, books, catalogues, inserts , and direct mails throughout Taiwan and China. Choice proudly exports printing for some of the most well-known publishers and retailers across the United States, Europe, and Australia. With three factories, each conveniently located close to port and in-house ISO certified printing and binding facilities, Choice is one of the only few internationally accredited, cost effective, quality guaranteed, total print solutions providers in Asia.

In 2017, we awarded both first prize of Taiwan Golden Print Awards about Hardcover Book and Paperback Book types.

In addition, in response to the spread of the COVID-19 and customer requirements, Choice has been producing masks since July 2020 and officially entered the field of new business projects.

Children's masks have been added in May 2021.

CHOICE Milestones

- 1946 Established Choice printing institute in Tainan, Taiwan
- 1966 Established Choice Printing Factory
- 1976 Established Choice Printing Group
- 1990 Public issuance shares
- 1993 Shares listed on OTC
- 1994 Entered China market
 - Established Choice Company (Shanghai) Inc.
- 1999 Received SCF approval to list shares on Taiwan Stock Exchange
- 2010 Changes the registered name to Choice Development, Inc.
- 2015 Regarding the capital
 - January decrease NTD533,704(thousand)
 - May increase NTD260,000(thousand)
 - September increase NTD470,000(thousand)
- 2016 By disposing the stocks of Choice Development Inc. (B.V.I) in Shanghai on May, withdrawing from the China market
- 2019 The Linko Factory was closed for business , and the building and land were disposed of with the consent by the shareholders' meeting
- 2020 In response to the spread of COVID-19, Tainan factory had put into production face mask ; and passed by the resolution of the interim shareholder meeting in September ,reduced capital by NT\$675,200,000 and retired return NT\$4 per share.

PRODUCTS WE SPECIALIZE IN

Journals: weekly , monthly , seasonal magazines.

Books: albums , photography collections , children 's books ,
encyclopedias, recipes , novels , farmers'calendars.

Catalogue: product catalogue, store catalogue.

Other: Notepad, desk calendar, calendar, folder.

Medical masks: adult flat and children's 3D.

Pre-Press

Design completion, computer group page, digital proofing, computer publishing (CTP) and providing FTP file transfer and other complete digital production process services.

With G7 international color management certification, providing customers the quality of excellent and trust.

Press

Sheet-fed: Adopting Japanese advanced printing machine, printing tolerance is high, thin paper thick paper can be printed, its high precision, high quality. It is the best choice about boutique printing.

Web: High-speed commercial printing press, its production capacity

is 6~8 times that sheet-fed. Fully meet customers the needs of fast, good and cost down. Now Choice has the best service in Taiwan.

Post Press

Folding, saddle-stitching, and perfect binding.

Sewn hardcover binding (square and round back) .

Wire-O Spiral Binding.

Variety of coatings: Aqueous, UV, PP, solid.

Various processing: rolling type, paste box, bronzing, convex, concave, package stickers, shrink film, etc.

Note: In Taiwan, Choice is a minority factory with production consistency from prepress to postpress, and both Taipei office and Tainan factories have this capability, and can provide customers full-process services.

Mask Center

Adult mask machine:

1 set is connected to the 3-wire outlet ear belt machine

Ear loop(inner) mask sealing machine: 1 set

Round belt knitting machine: 2 sets

Child mask machine:

1 main machine

2021 Business Summary

It is estimated that the printing industry market will still shrink in 2021. Therefore, the first priority this year is to actively expand the business. In addition, the business undertaken by the Taipei branch will give priority to filling the capacity of the Tainan factory, increasing the capacity utilization rate of the factory, in order to reduce costs and increase gains profit. The COVID-19 is expected to continue to affect the second half of the year, so there is still market demand for masks, and their demand has also evolved from basic protective functions to aesthetic and wearing needs. Sales and production strategies will be adjusted according to this trend. Due to the uncertainty of the epidemic, subsidiaries and reinvestments will be carried out in a conservative and prudent manner.

The summary of its business plans for each business is as follows:

A. Printing Division

1. Actively expand business
 - 1.1 Combining the planning capabilities of customers to jointly strive for needs the bidding print of the proposal, maintain the manufacturer and contract with the customer In the role of a partner, customer relationships are sublimated and qualitatively changed.
 - 1.2 Integrate the company' s relevant corporate resources with the capital required by customers source exchange, symbiosis and mutual prosperity.

- 1.3 Plan to increase product items, establish its own brand, have sanitary paper and children's mask...etc.
- 1.4 Strategic alliance with packaging and printing factories to strive for the packaging material market field.
2. Strengthen internal management
 - 2.1 The business undertaken by the will give Taipei branch priority to meeting the production capacity of the Tainan factory. Reduce outsourcing.
 - 2.2 Increase outsourcing manufacturers and strengthen the ability to inquire, compare and negotiate prices.
 - 2.3 Implement the evaluation of outsourcing vendors, eliminate the weak and retain the strong.
 - 2.4 Strengthen the information system, reduce manual work, improve labor work efficiency.
 - 2.5 In response to the COVID-19 , employees must have close conversations must wear a mask, and encourage employees to wash their hands frequently and avoid rooms group activities within.
3. Factory management
 - 3.1 Optimization of production scheduling, with the lowest cost and highest efficiency principle schedule, follow up and review every day.
 - 3.2 Strengthen education and training, cultivate tool people, and let production adjust degree activation.
 - 3.3 Implement occupational safety and health education, training and management, and maintain employees safety.

- 3.4 Continuous 5S management to keep the factory clean and orderly.
- 3.5 Responding to the government's green energy, adding solar panels, environmental protection save electricity again.
- 3.6 Require suppliers to ensure that during the period of COVID-19 the raw materials needed for production are available without concern.
- 4. Expand sales of masks it will proceed in the following directions:
 - 4.1 Add new colors, including single colors, colors, and customization patterns and so on.
 - 4.2 Product differentiation, adding combination packages (one box of multiple colors) commodity.
 - 4.3 Obtained ISO13485 international medical certification.
 - 4.4 Expand sales channels, including e-commerce and physical channels.
 - 4.5 Encourage all employees of the company to sell masks and give rewards to outstanding employees encourage.

B. Omni Media

Since the outbreak of Covid-19 in early 2020, Guangzhou The airport media operated by Omni Media experienced a year of closure Management of almost no passenger flow, from the peak before the epidemic Traffic of more than 4 million passengers per month, down to 1% about 30,000 to 100,000 person-times per month, through business efforts in 2021 there are still several annual customers who continue to cooperate. The business unit will continue to maintain close contact with customers, media

agencies and advertising agencies, and strive for possible proposal opportunities; the public works unit will also simultaneously inventory and ensure the normal operation of related equipment; the product planning side will also strive for a new layout from the owner. And update related sales tools in response to market conditions. As the vaccine will begin to be administered in the near future, and the Central Epidemic Command Center has once again conditionally unblocked the border, if the optimistic situation develops along with the new year airport company's rent reduction for Omni Media, we look forward to the end of the epidemic, when overseas tourism resumes its prosperity, we believe that our performance will be able to make breakthroughs.

Looking at the year 2021 is still a challenging year. For the sustainable development of the company, we can only constantly seek innovation and change. Choice will face the test of the times with the most adequate preparations and make the greatest efforts to meet the annual business goals.

THANK YOU

Consolidated Balance Sheets				
			Unit : NT\$, thousands	
	2021/9/30	%	2020/9/30	%
Cash and cash equivalents	194,150	9%	868,554	29%
Receivables	103,509	5%	120,968	4%
Other current assets	180,109	9%	172,467	6%
Financial assets at fair value through other comprehensive income- non-current	204,065	10%	115,894	4%
Property, plant and equipment	277,961	13%	301,302	10%
right-of-use asset	428,366	21%	580,368	19%
Investment property, net	527,401	25%	554,169	19%
Other non-current assets	174,367	8%	262,422	9%
Total Assets	2,089,928	100%	2,976,144	100%
Current liabilities	563,063	27%	492,853	16%
Non-current liabilities	432,953	21%	586,587	20%
Total Liabilities	996,016	48%	1,079,440	36%
Total equity attributable to shareholders of the parent	1,006,134	48%	1,805,180	61%
Non-controlling interest	87,778	4%	91,524	3%
Total equity	1,093,912	52%	1,896,704	64%
Total Liabilities and equity	2,089,928	100%	2,976,144	100%

Consolidated Statement of Comprehensive Income					
			Unit : NT\$, thousands		
	2021/1/1~9/30		2020/1/1~9/30		YOY
Operating Revenue	420,755	100%	565,299	100%	-26%
Operating Costs	(359,759)	-85%	(487,046)	-86%	-26%
Gross Profit	60,996	15%	78,253	14%	-22%
Operating Expenses	(50,386)	-12%	(77,910)	-14%	-35%
Operating Profit	10,610	3%	343	0%	2993%
Total Non-Operating Income and Expenses	469	0%	1,067,768	189%	-100%
Profit before income tax	11,079	3%	1,068,111	189%	-99%
Income Tax Expenses	(1,648)	-1%	(104,959)	-18%	-98%
Net Profit	9,431	2%	963,152	171%	-99%
Total comprehensive income attributable to the parent	9,290	2%	941,464	167%	-99%
Profit attributable to Non-controlling interest	141	0%	21,688	4%	-99%
Total basic earnings per share(in dollars)	0.09		5.58		
Total diluted earnings per share(in dollars)	0.09		5.56		