



(Stock Symbol : 5907)

GRAND OCEAN RETAIL GROUP LIMITED
大洋商業集團控股股份有限公司

2021.12.27 INVESTOR CONFERENCE



DISCLAIMER

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AGENDA

- Company Profile
- Company Overview
- Future Outlook

COMPANY PROFILE

Basic Info

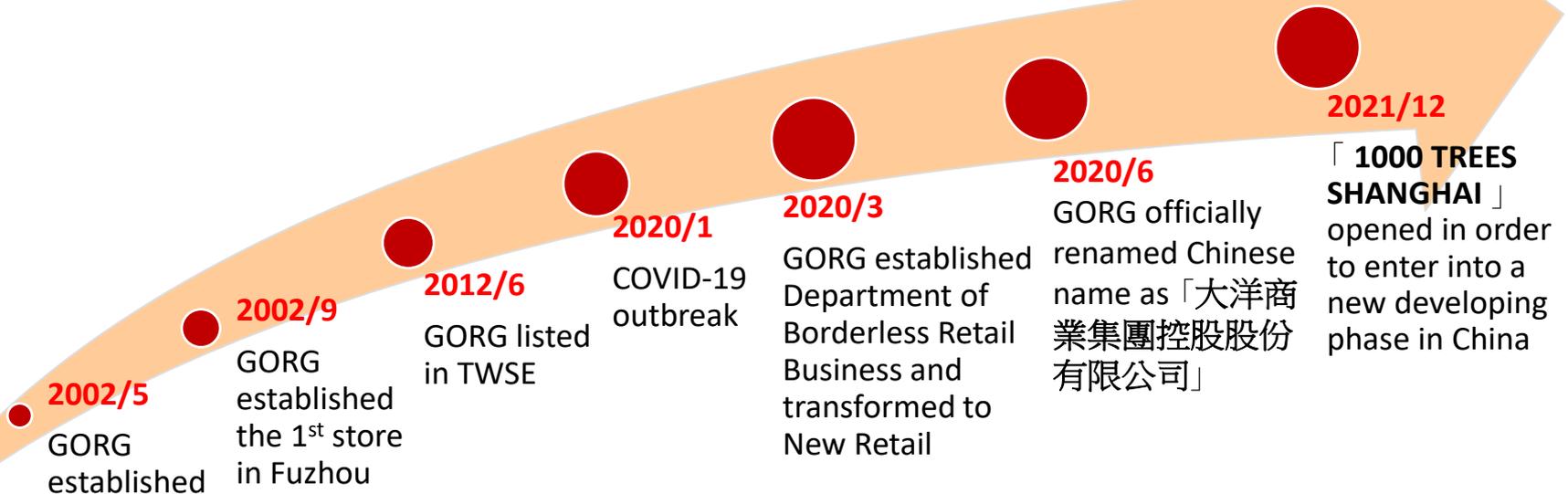
- Inception Date: 2002/5/21
- Listed Date: 2012/6/6
- Capital: NT\$1,955,310,000
- Stock Symbol: 5907

Business

- Operation includes clothing, jewelry, cosmetics, footwear, sports goods, household and other products

COMPANY PROFILE

Events



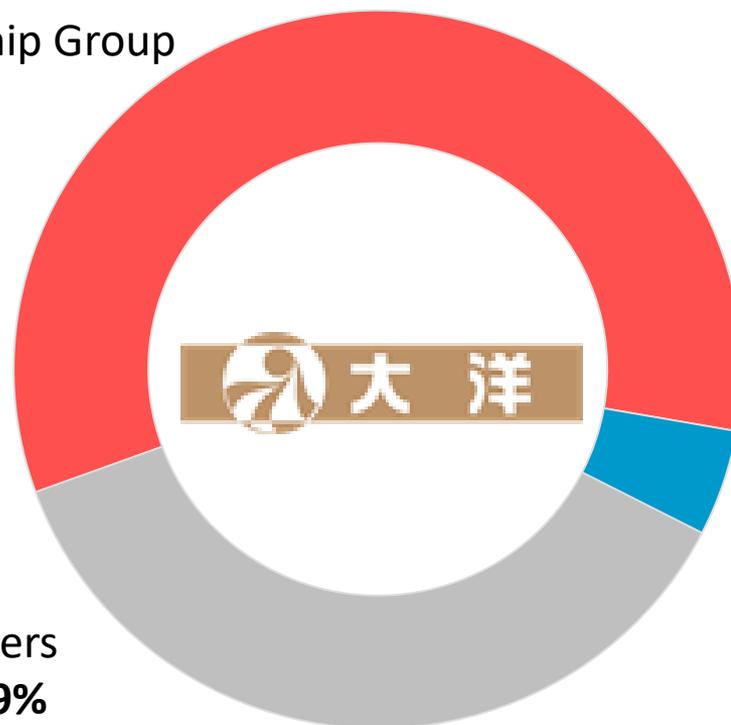
COMPANY PROFILE

Shareholder Structure

First Steamship Group
58.3%

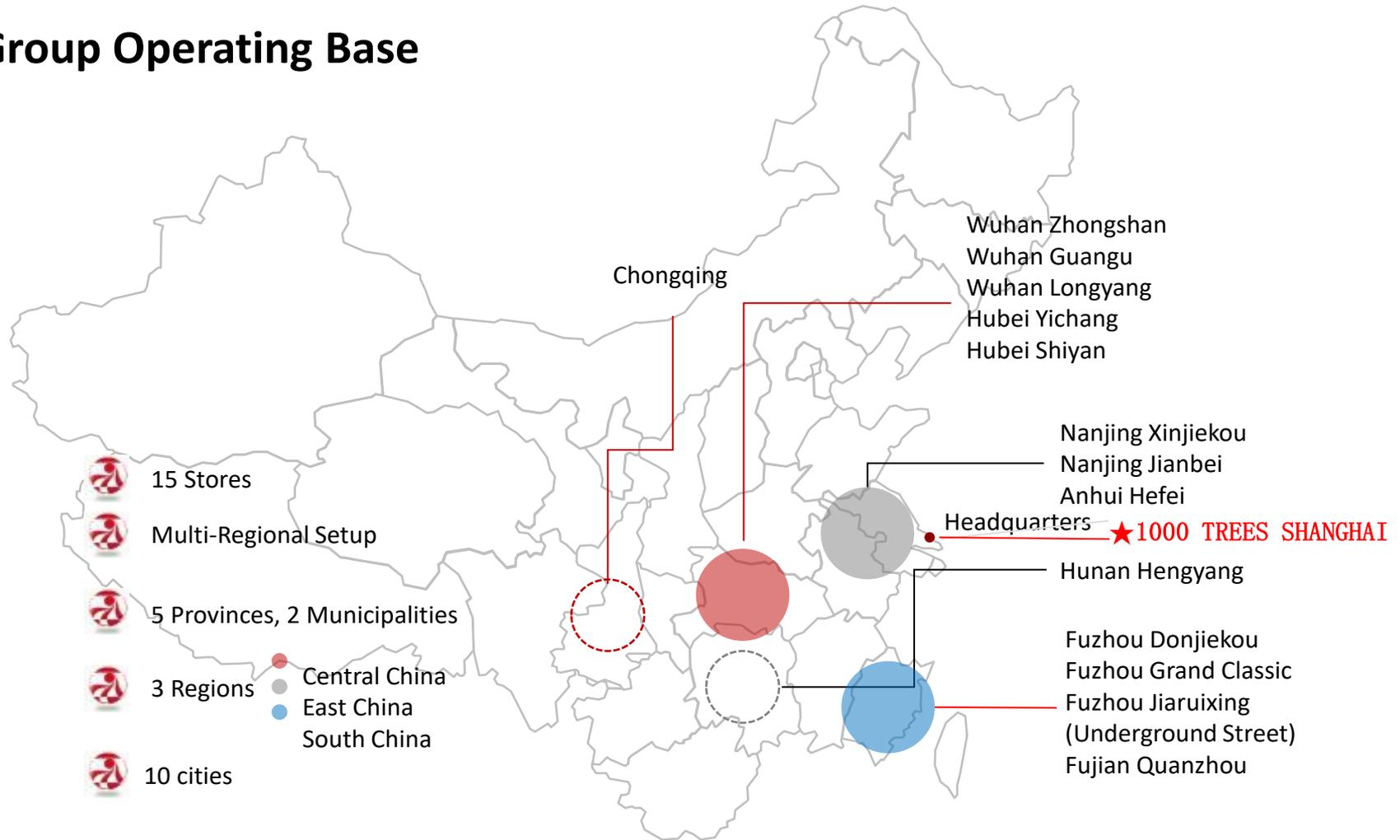
Others
36.9%

Corporate employees
4.8%



COMPANY PROFILE

Group Operating Base



COMPANY PROFILE

Stores (in part)



Yichang Store



Nanjing Jiangbei Store



Wuhan Zhongshan Store



Wuhan Guangu Store



Shiyuan store



Fuzhou Grand Classic Store

COMPANY PROFILE

Ground Floor Area Under Operation (Central China)

Province/ Municipality	Branch	Ground Floor Area under Operation (Square Meters)	Self-Owned/Leasing
Hubei	Wuhan Zhongshan Store	55,185	Leasing
	Wuhan Guangu Store	34,311	Leasing
	Wuhan Longyang Store	48,094	Leasing
	Yichang Store	51,300	Leasing
	Shiyan Store	50,720	Self-Owned
Chongqing	Chongqing Store	48,719	Leasing
Subtotal		288,329	



COMPANY PROFILE

Ground Floor Area Under Operation (East China)

Province/ Municipality	Branch	Ground Floor Area under Operation (Square Meters)	Self-Owned/Leasing
Jiangsu	Nanjing Xinjiekou Store	54,876	Leasing
	Nanjing Jiangbei Store	41,954	Leasing
Anhui	Hefei Store	40,500	Leasing
Hunan	Hengyang Store	41,860	Self-Owned
Subtotal		179,190	



COMPANY PROFILE

Ground Floor Area Under Operation (South China)

Province/ Municipality	Branch	Ground Floor Area under Operation (Square Meters)	Self-Owned/Leasing
Fujian	Fuzhou Dongjiiekou Store	25,068	Self-Owned
	Fuzhou Grand Classic	38,590	Self-Owned
	Jiaruixing Store	13,389	Leasing
	Quanzhou Store	21,775	Self-Owned
Subtotal		98,822	

COMPANY PROFILE

Ground Floor Area Under Operation (Shanghai)

Province/ Municipality	Branch	Ground Floor Area under Operation (Square Meters)	Self-Owned/Leasing
Shanghai	1000 TREES SHANGHAI	108,073	Leasing



OPERATION STATUS

Actions During 2020-2021 COVID-19 Pandemic

- The first in the industry to resume business operations
- Respond to the government's call to make full use of the "night market" to drive a rebound in passenger volume
- Support manufacturers : pay them as scheduled, and provide fee-free for them in a timely manner to ensure that stores maintain brand structure.
- Accelerate the expansion of the network : establish the Department of Borderless Retail Business and transform to New Retail
- Make full use of local government policies: Strive for subsidies and coupons
- Inbound Marketing: Elevating the brand such as Dong Fa Dao Hong Kong-style cafe

OPERATION STATUS

Adverse Circumstances During 2020-2021

- Flood in Yangtze River Basin : severe flooding occurred along the Yangtze River in China in July 2020 affected consumers' shopping behaviors adversely despite the fact that there were no flooding conditions in any store of GORG.
- COVID-19: An epidemic broke out in Nanjing Lukou Airport in July 2021, and it quickly spread to 8 provinces. Wuhan began full nucleic acid testing on August 3. The epidemic affected consumers' willingness to enter stores. As a result , the performance of two stores in Nanjing and three stores in Wuhan declined.
- Massive Power Rationing Event: Starting in July 2021, massive blackout and power rationing relevant policies were issued in 20 provinces and cities, which event gradually become severe at the end of August 2021. Locations of GORG stores were not included in those power rationing areas; however, some stores were informed that reducing power usage would be encouraged.

OPERATION STATUS

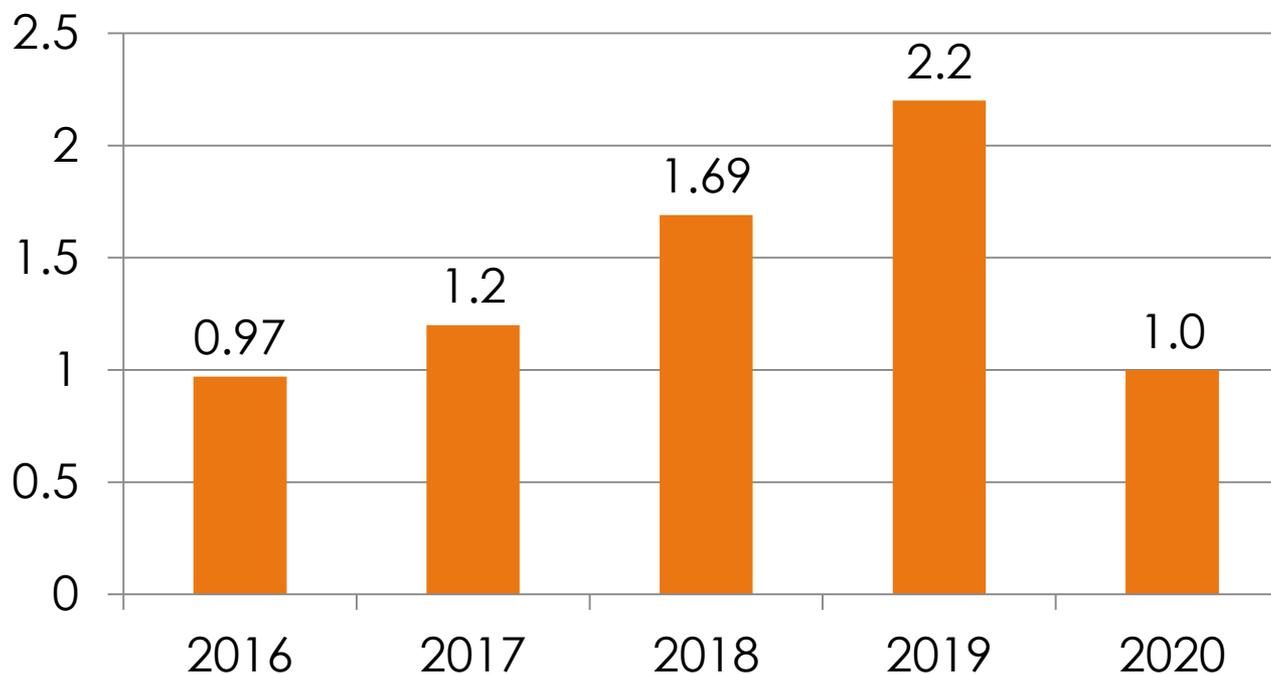
Unit: NTD thousand	2021 1—3Q	%	2020 1—3Q	%	2019 1—3Q	%
Operating Revenues	3,814,423	100.00	3,147,873	100.00	4,722,915	100.00
Operating costs	1,163,197	30.50	1,057,094	33.58	1,257,189	26.62
Gross Profit	2,651,226	69.50	2,090,779	66.42	3,465,726	73.38
Operating Income	291,004	7.62	67,314	2.14	812,572	17.20
Non-op. Income & Exp.	(265,237)	-6.95	(289,462)	-9.19	(296,257)	-6.28
Earnings before Tax	25,767	0.67	(222,148)	-7.05	516,315	10.92
Income Tax Expenses	171,703	4.50	76,930	2.44	229,546	4.85
Net Income	(145,936)	-3.83	(299,078)	-9.50	286,769	6.07
EPS(NTD)	(0.75)		(1.53)		1.47	

OPERATION STATUS

Unit: NTD thousand	2021 Sept. 30	%	2020 Sept. 30	%	2019 Sept. 30	%
Total Asset	22,031,473	100.00	23,415,155	100.00	25,361,239	100.00
Cash and cash equivalents	2,344,165	10.64	3,120,539	13.32	3,295,519	12.99
Accounts receivable	155,556	0.71	197,100	0.84	90,791	0.35
Property, plant and equipment	6,689,098	30.36	6,876,804	29.37	6,420,665	25.32
Right-of-use asset	8,262,922	37.51	8,716,584	37.23	9,896,194	39.03
Other current and non-current assets	4,579,732	20.78	4,504,128	19.24	5,658,070	22.31
Total liabilities	14,011,259	63.59	15,331,802	65.47	16,596,943	65.44
Current liabilities	6,253,077	28.38	6,154,289	26.28	6,428,875	25.35
non-current liabilities	7,758,182	35.21	9,177,513	39.19	10,168,068	40.09
Equity	8,020,214	36.41	8,083,353	34.53	8,764,296	34.56

OPERATION STATUS

Cash Dividend Per Share During 2016-2020



Unit: NTD	2016	2017	2018	2019	2020
EPS	1.65	1.87	2.71	3.10	(0.62)
DPS	0.97	1.2	1.69	2.2	1.0

OPERATION STATUS

Trendy Art Mall -- 「 1000 TREES SHANGHAI 」

- Due to e-commerce and COVID-19, the commercial content of retail must emphasize the concept of customization and scarcity in the future. Qianshu brand concept is divided into three categories:
 - 1, Customized mainstream brands : such as TAXX 、 Drivepro ;
 - 2, Unconventional popular brands and internet celebrity shop brands;
 - 3, Cultural orientation: such as small theater, master art exhibition, museum, innovative bookstore, etc.
- Qianshu project is designed by a British architect Heatherwick which is shaped like a mountain and looks like 1,000 trees standing inside. The project voted as one of the "Top 30 Commercial Covers of Chinese Cities in 2021" has become the focus of attention in Shanghai and even in China. With this new position in Shanghai, we are looking forward to transforming Grand Ocean from a regional retailer to a well-known retailer in China.

OPERATION STATUS

Trendy Art Mall -- 「 1000 TREES SHANGHAI 」

Core Points of Grand Ocean business plan

- A project which integrates humanities, art and innovative business in Shanghai
- Focus on mid-end and high-end consumer groups
- The future destination of China's trendy petty bourgeoisie consumers



OPERATION STATUS

Trendy Art Mall -- 「 1000 TREES SHANGHAI 」

Statistics of the brands of Qianshu Store till 2021.12

- Flagship stores in Asia: 3 brands
- The first store in China: 20 brands
- The first store in east China: 4 brands
- The first store in Shanghai: 2 brand

166 brands are scheduled to be located at Qianshu store



GORG'S FUTURE DEVELOPMENT

- We hope to make 「 1000 TREES SHANGHAI 」 the first choice to lead for other brands to enter Asia, China or Shanghai. By leveraging this 1000 trees project, our group can acquire more brands and promote appropriate brands to each store gradually.
- The Qianshu project is an important milestone for the transformation of Grand Ocean Retail Group. With this new position in Shanghai, we are looking forward to transforming Grand Ocean from a regional retailer to a well-known retailer in China.





Thank You

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