



FULIN

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Fulin Plastic Industry (Cayman) Holding Co., Ltd.

Presenter : CHIU, WEN-HUI (manager)
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Presentation Outline



1. **About Fulin**
2. **Products & Applications**
3. **Business performance & R&D Achievement**
4. **Market Advantage**
5. **Future Strategy**

Chapter 1

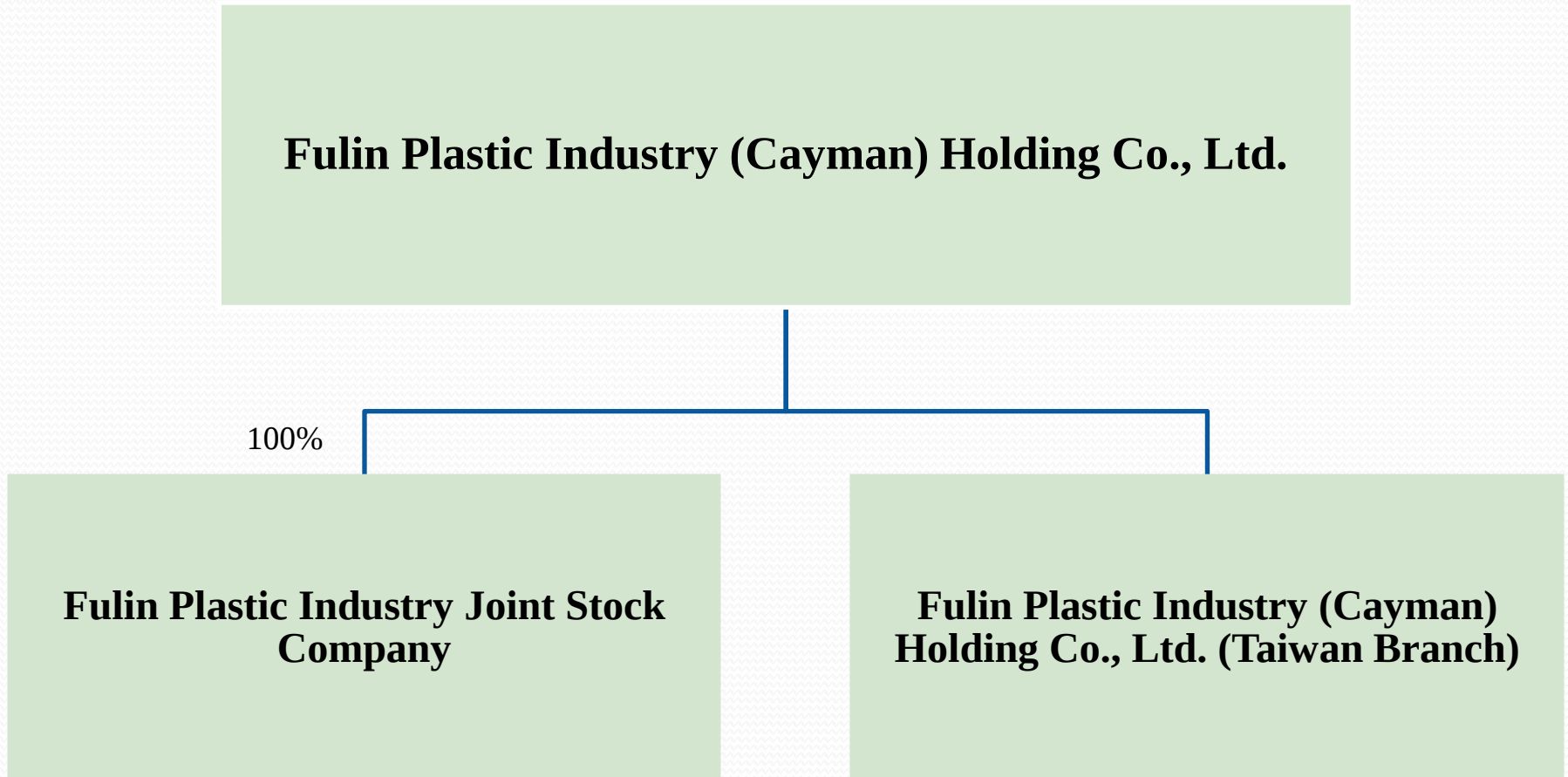
About Fulin

Company Profile

Name	Fulin Plastic Industry (Cayman) Holding Co., Ltd.
Established	November 30 th 2016
Capital	NTD 504 Millions
President	Mr. Wang, Yuan Lin
Number of Workers	935
Main Products	PVC Leather 、Sponge Leather 、Casting Leather 、Sheet 、Tarpaulin; other Eco-friendly PU Leather
Factory Location	Vietnam (Dong Nai Province 、 Hai Phong City)



Organization



Factories

Hai Phong Headquarter

Total Area : 60,000 m²

Total workers : 391

1. two line for sponge leather
2. one line for PVC sheet



Dong Nai Branch

Total Area : 60,295 m²

Total Workers : 544

1. one line for sponge leather
2. one line for casting leather
3. three line for PVC sheet
4. three line for PU



History



Jul. 1997

- Headquarter Established in Hai Phong City



Jan. 1999

- First product line started production

Mar. 2000

- Second product line joined production

Dec. 2003

- The branch was established at AMATA industrial zones – Dong Nai province. The production including manufacturing PVC sponge leather, PVC clear/super clear sheet, PVC overlay, PVC opaque sheet with different embosses/color, and PVC tarpaulin.



Mar. 2005

- Another set of machines of semi PU leather was installed in Dong Nai province.

Jul. 2017

- Additional set of machines for super clear PVC sheet was installed in Hai Phong city
- Started the construction for Eco-friendly Plant in Dong Nai Province.



Oct. 2018

- Eco-friendly Plant started the production of water-based PU leather and TPU leather using solvent-free process.

Sep 2019

- Started the mass production of Water based PU Microfiber Leather.

2020

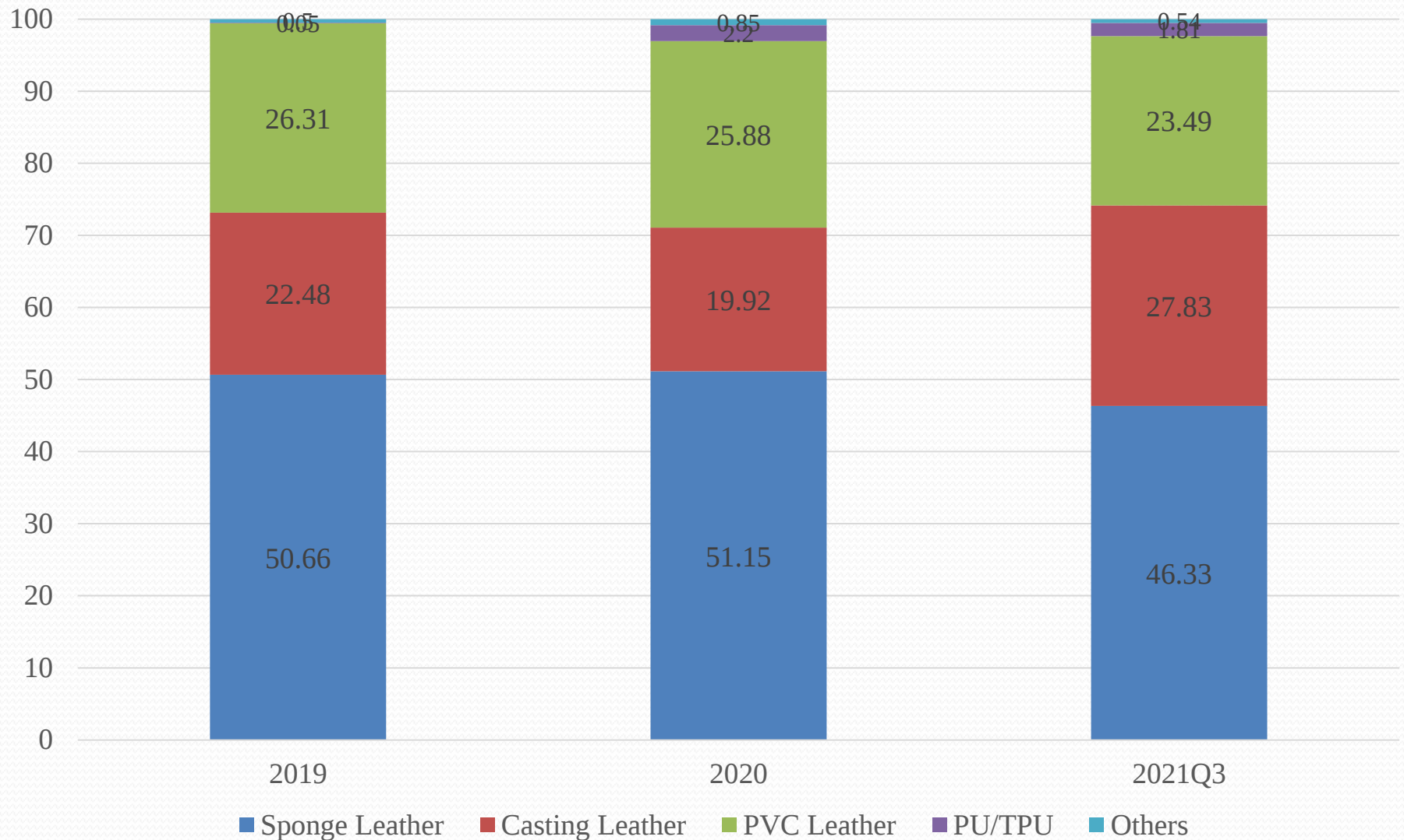
- Achieved HIGG FEM Framework; aim to also achieve FSLM compliant in 2021.
- PU products already received RCS (Recycled Claim Standard) certification. 2021 will extend certification application for more products.



Chapter 2

Products & Applications

Product category revenue chart



Product Application

PVC (TPU)Sheet : Raincoat, Packaging Film, and others [e.g. tape, anti-UV heat insulation film, Tile, no-sew shoes (TPU only), and artificial wooden skin for furniture].



PVC/TPU/PU Leather : Car seat for scooters and cars °

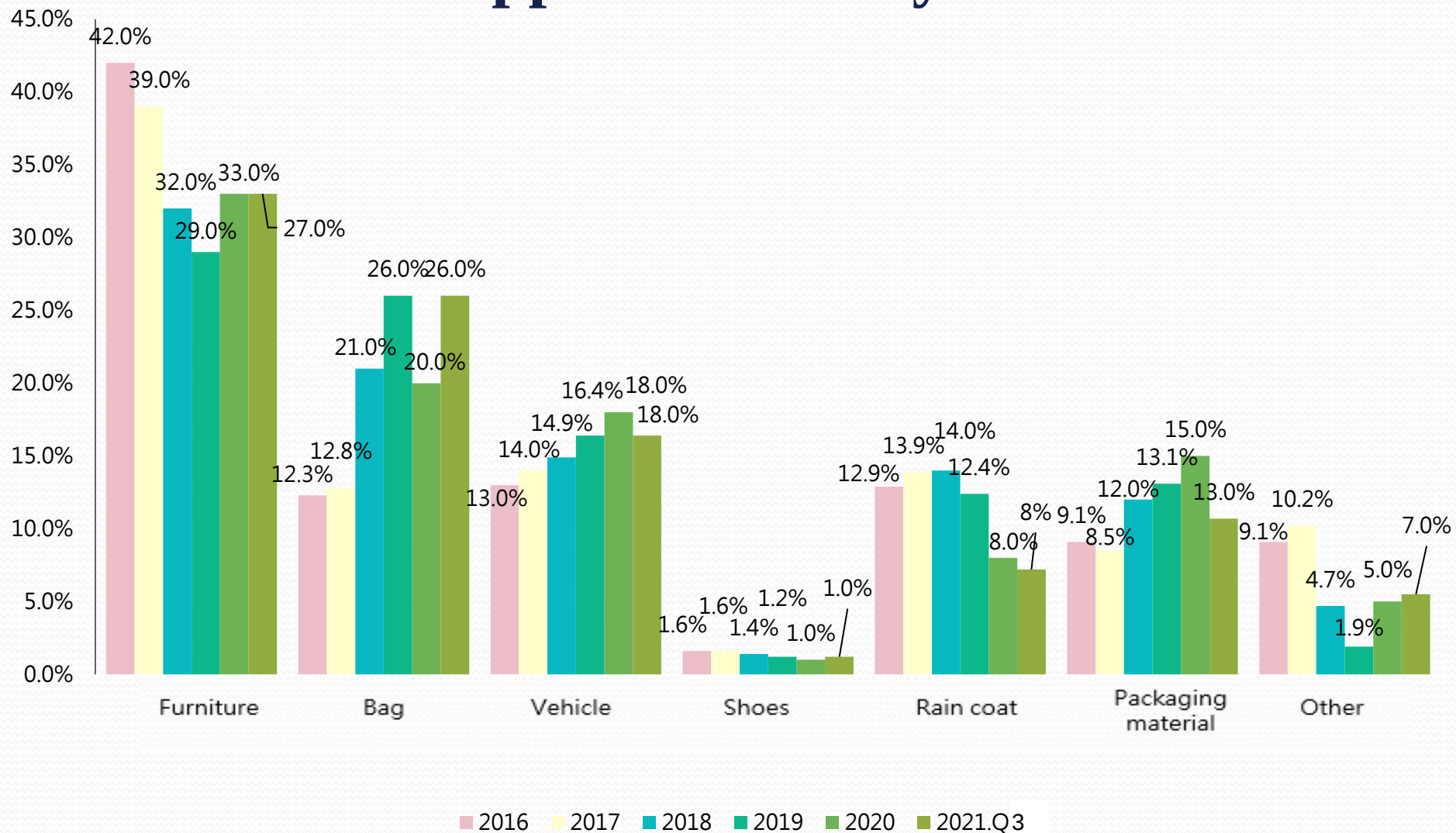
Sponge Leather : Furniture (Household 、 Office 、 Yacht 、 etc.) 、 Bags 、 Shoes 、 Sofa 、 etc. °



Casting Leather : Luxury bag/wallet 、 shoes 、 inner shoes 、 sofa 、 furniture 、 car seat °



Products application analysis chart



Key Brand Partnerships

Fulin specializes in producing casting leather, sponge leather, sheet, film, and Tarpaulin. Its outstanding R&D capability and product quality is well known in this competitive market.



Chapter 3:

Business Performance & R&D Achievement

Top ten sales customers

Client Name	2018		2019		2020			2021Q3		
	%	Rank	%	Rank	NTD ooo'	%	Rank	NTD ooo'	%	Rank
Korea SOLTO (COACH · MK Agent)	10.30%	1	17.18%	1	367,668	13.80%	1	506,399	25.42%	1
DECORATIVE Thailand · American Business	6.14%	3	6.63%	3	213,490	8.01%	2	190,633	9.57%	2
South P. NAM (South Vietnam Dealer)	7.74%	2	7.15%	2	160,766	6.03%	3	69,180	3.47%	3
V.T.HƯNG (South Vietnam Dealer)	4.80%	4	4.09%	4	117,837	4.42%	4	50,086	2.51%	6
KUMDONG(Korean Agent)	4.50%	5	3.93%	5	94,889	3.56%	5	55,217	2.77%	5
HOÀNG PHÁT (North Vietnam Dealer)	3.75%	6	3.75%	6	85,771	3.22%	6	67,192	3.37%	4
VinhTHÁI (South Vietnam Dealer)	3.72%	7	3.39%	7	78,457	2.94%	7	43,261	2.17%	8
L.K.PHÁT (South Vietnam Dealer)	2.51%	9	2.51%	8	69,385	2.60%	8			
THAISANTEE (Thailand Agent)	3.02%	8	2.27%	10	57,033	2.14%	9			
ERENPLAST(Turkey Agent)			2.41%	9	55,370	2.08%	10			
四維(Electrical tape)	1.97%	10								
TS INTERSEATS(HONDA motorbike seat covers)								46,348	2.33%	7
ACTIVE(Bike seat covers)								43,109	2.16%	9
JOYFUL(Fabric printing house)								43,042	2.16%	10
Other	51.54%		46.70%		1,363,750	51.18%		877,691	44.06%	
Total	100.00%		100.00%		2,664,416	100.00%		1,992,158	100.00%	



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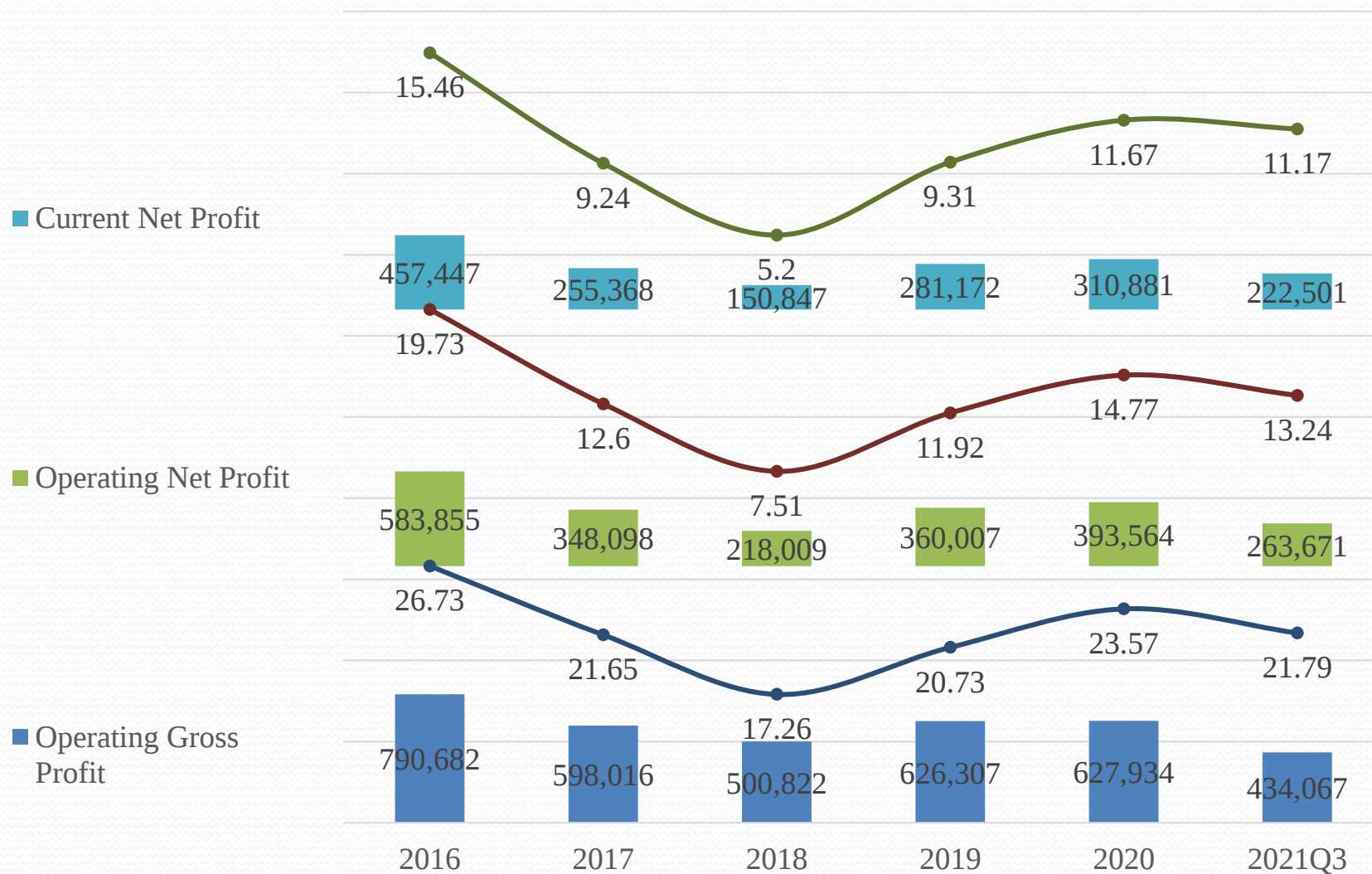
Recent operating income



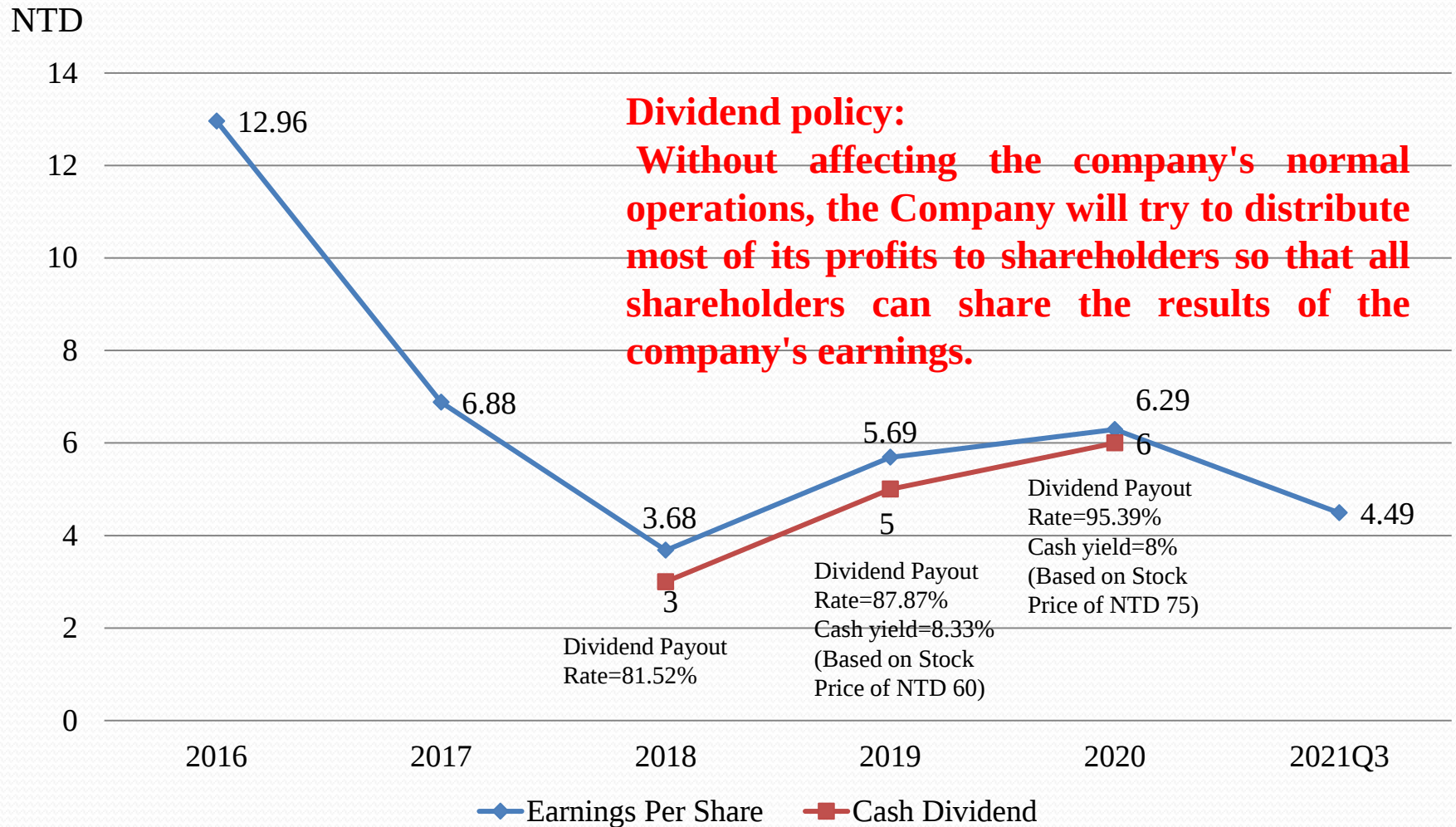
YEAR	2017	2018	2019	2020	2021
Q1	691,465	667,290	653,608	711,818	758,254
Q2	692,892	721,980	760,547	473,930	701,925
Q3	729,821	744,935	809,190	680,263	531,979
Q4	648,231	767,886	797,786	798,404	
TOTAL	2,762,409	2,902,091	3,021,131	2,664,415	1,992,158

Operation Update

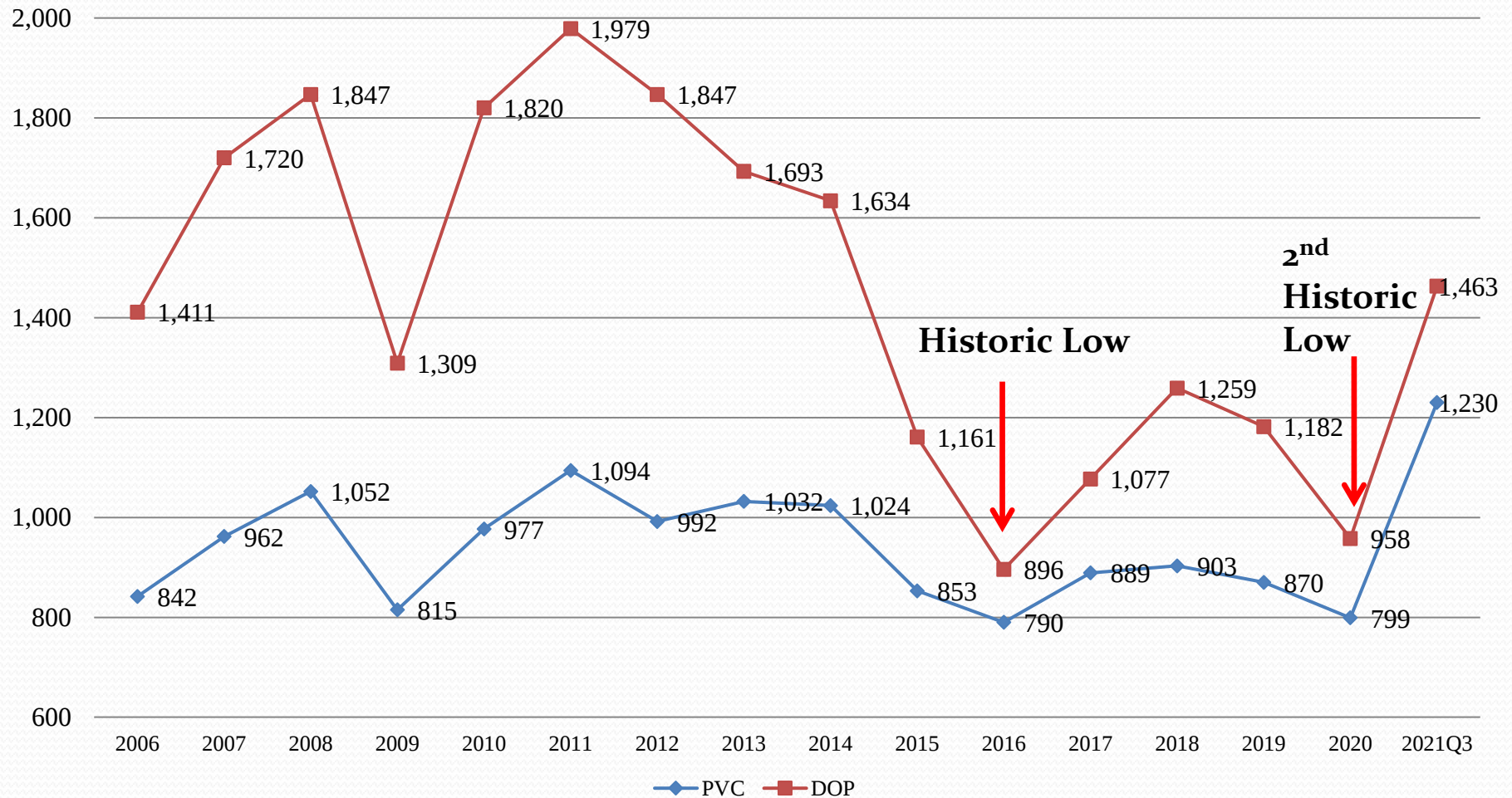
NTD 000'



Earnings per share



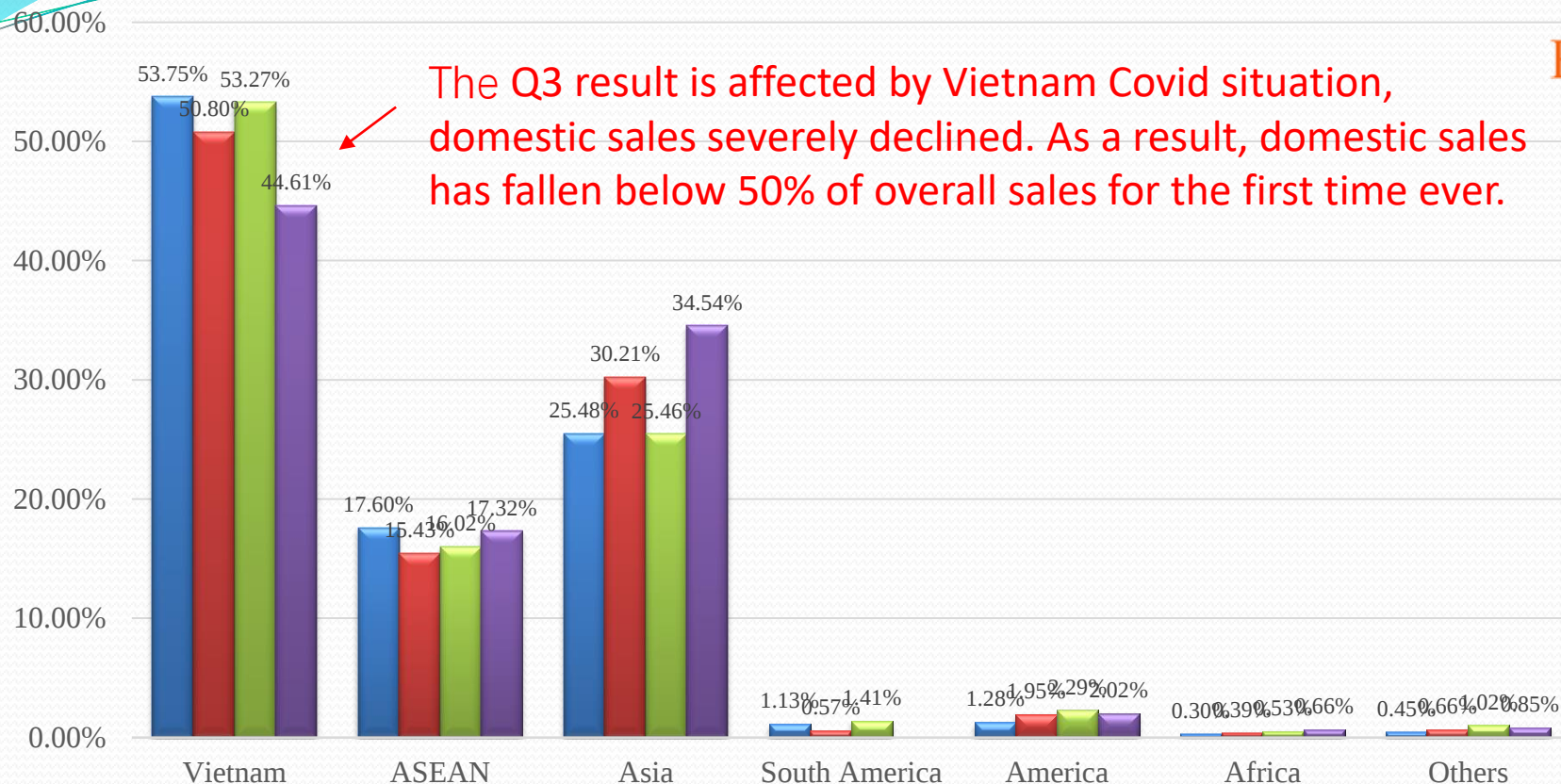
Annual average price chart of PVC.DOP



Sales revenue split chart



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Region	2018	2019	2020	2021/Q3	Comments	Note
Vietnam	53.75%	50.80%	53.27%	44.61%	16% of the processing is exported to USA	Note 1 : Thailand, Malaysia, Myanmar, Philippines, Singapore etc ° Note 2 : Korea, Japan, Turkey, Bangladesh, Sri Lanka, etc ° Note 3 : Excluding South America °
ASEAN (Note1)	17.60%	15.43%	16.02%	17.32%	5% of the processing is exported to USA	
Asia (Note 2)	25.48%	30.21%	25.46%	34.54%	10% of the processing is exported to USA	
South America	1.13%	0.57%	1.41%	0.00%		
America (Note3)	1.28%	1.95%	2.29%	2.02%		
Africa	0.30%	0.39%	0.53%	0.66%		
Others	0.45%	0.66%	1.02%	0.85%		

Recent Achievements

2015

- A. Successfully developed eco-friendly leather for bike seat, and product are sold to Europe and America.
- B. Successfully developed anti-bleach & anti-alcohol leather for sofa.

2016

- A. Developed high physical performance leather for WILSON (Basketballs, etc.)
- B. Developed vacuum blister technique for making wood-like sheet.

2017

- A. Developed various new images by printing roller, embossing roller, and vacuum roller.
- B. Developed new process and technique by using new materials like TPU 、 High Solid PU 、 Water based PU. (Non-toxic Eco-friendly Materials)

2018

- A. Developed cooling leather for automobile seat.

2019

- A. Developed COACH TPU products.
- B. Eco-friendly faux-leather microfiber PU products for automobile seat and sofa.

2020

- A. Research and development on artificial leather.
- B. Partner with SOLTO to develop products for LACOSTE fashion brand.

Chapter 4:

Market Advantage

Competitive Advantages

- **Domestic Advantage**
Benefited from recent trend of Chinese based processor factories (especially furniture) migrating and re-establish in Vietnam, seeking close material supplier.
- **Excellence in quality and client trust**
Recognized as quality supplier by major brands. There is no alternative competitor in near term.
- **Comprehensive products, excellent in lead-time**
Haiphong (north), Dongnai (south) provided full geographic coverage domestically.
Full line of PVC, PU, microfiber products serves various clients needs.
- **Focus on ESG**
Roll out of HIGG INDEX & RCS standards for sustainable management.



Chapter 5: Future Strategy

TPU/PU Product Application

TPU & PU are versatile with multiple applications, including shoes, hand bag, sport goods, mobile seat, furniture, electronics, etc. Therefore, Fulin endeavors to develop the capacity & quality of TPU/PU related products. Through the process Fulin earns trust and respect from customers/partners, and achieve industry know-how and value chain integration.



Forecast for 2022

Advantages

- COACH orders are still the key sales force of the company. The production process is complex, and there is still no substitute manufacturer to compete in near term.
- Due to severe COVID pandemic, the number of confirmed cases increased in Vietnam in the third quarter. Downstream processing plants were suspended. The market gradually stabilized with the increase rate of vaccination.
- Due to the dual control of energy consumption in China, the cost of coal power generation and the production of PVC powder has increased, which is detrimental to foreign competition.

Disadvantage

- Bulk raw materials cost are rising across the board and production costs cannot be fully reflected in selling prices, and the market is full of concerns about stagnant inflation.
- It remains to be seen how the new variant OMICRON will affect global epidemic outlook and the market.

Strategies and Plan

- Set up sales office at Vietnam Leather Street to improve the local service to local agents and to improve the market information collectability.
- Binh Duong Province, Vietnam, which is very near to Dong Nai Province, is the main base for artificial leather processing. Fulin has set up special project to focus on key furniture manufacturing factories to increase market penetration.
- Display water-based PU and environmentally friendly TPU products and promote eco-friendly recycled products to enhance the company's image and visibility, and attract strategic alliances with well-known brands.
- Obtained HIGG and GRS certifications to save energy and reduce consumption and promote ESG sustainable operation.



謝謝您

Thank you



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