



FULIN

Stock Code : 1341

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 30th 2016

Capital

NTD 506,336,280 (~11/15)

President

Mr. Wang, Yuan Lin

Number of Workers

893

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



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

100%

**Fulin Plastic Industry Joint Stock
Company**

**Fulin Plastic Industry (Cayman)
Holding Co., Ltd. (Taiwan Branch)**

Factories

Hai Phong Headquarter

Total Area : 60,000 m²

Total workers : 388

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



Dong Nai Branch

Total Area : 60,295 m²

Total Workers : 505

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.



Dec. 2018

- Listed on Taiwan Stock Exchange with Market Capitalization of NTD 494mil.
- Started the mass production of Water based PU Microfiber Leather.

Sep. 2019

- Eco Friendly PU factory started operation.

Oct. 2020

- Achieved HIGG FSLM Framework

May. 2021

- First issuance of unsecured convertible corporate bond, totaling NTD 150mil.

Sep. 2021

- Capital increased to NTD504mil via NTD 10mio cash injection



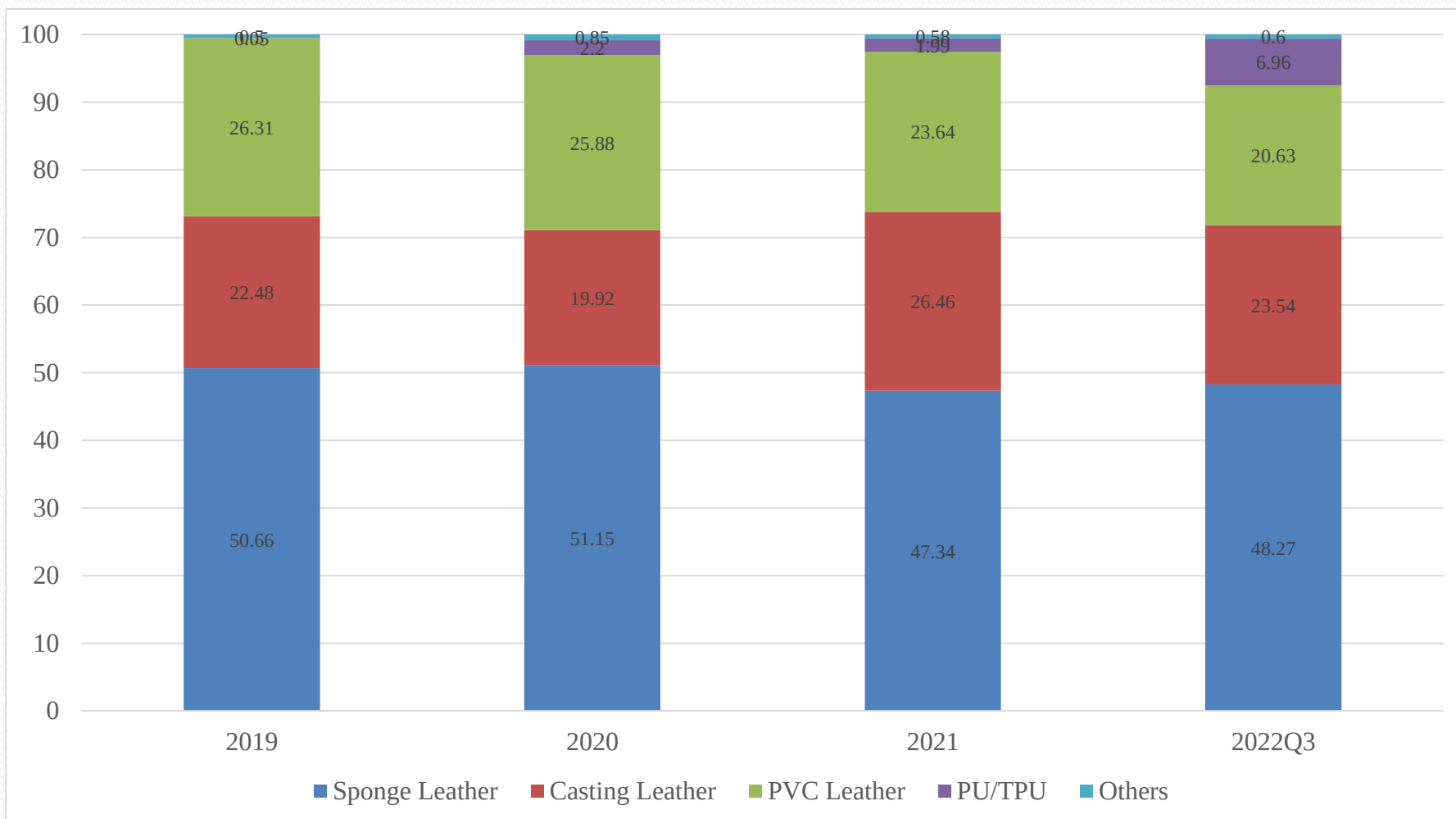
Mar. 2022

- PU and PVC products received GRS (Global Recycle Standards) certification.

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 °

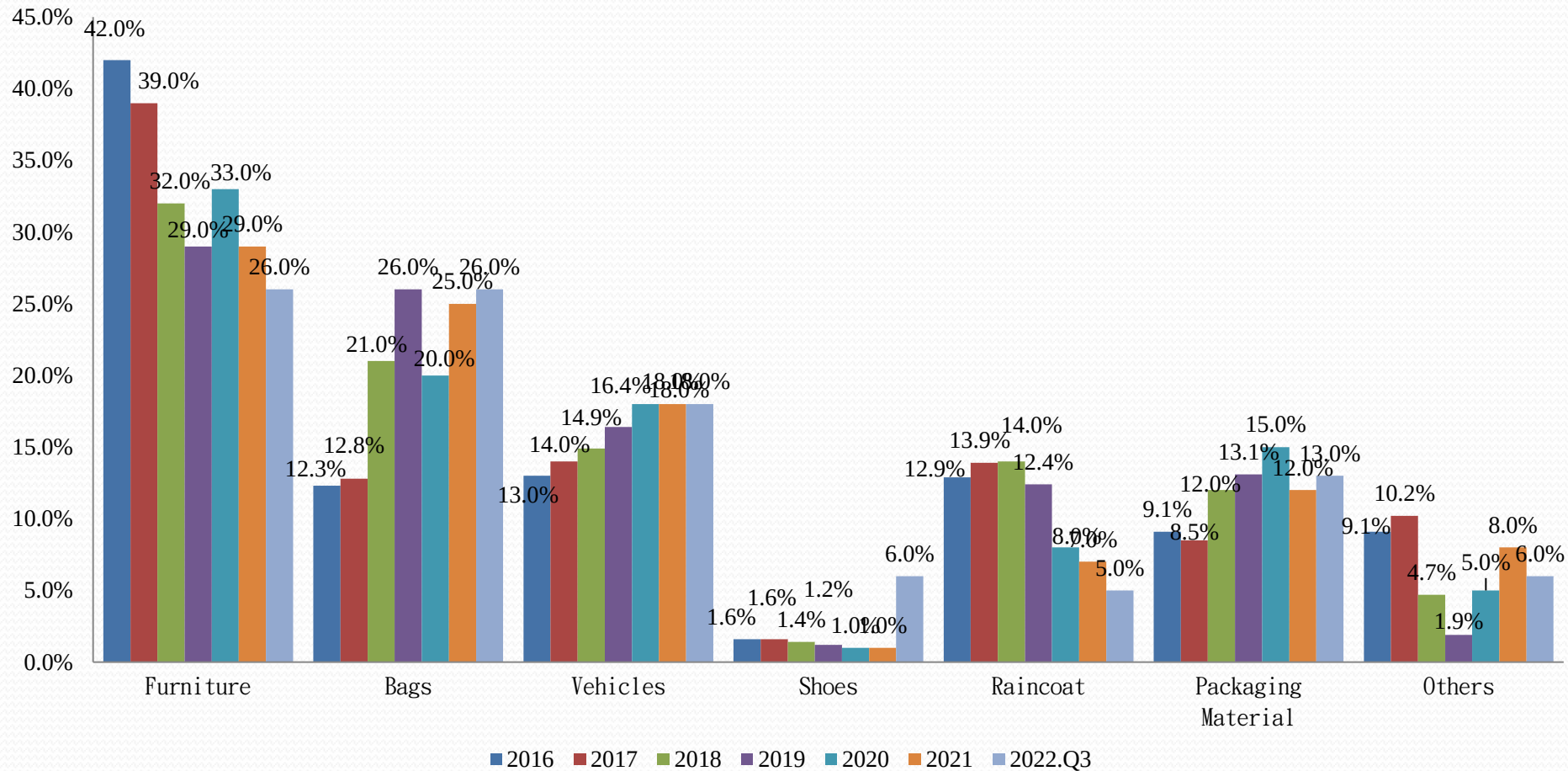
Sponge Leather : Furniture (Household 、 Office 、 Yacht 、 etc.) 、 Bags 、 Shoes 、 Sofa 、 etc. °



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.

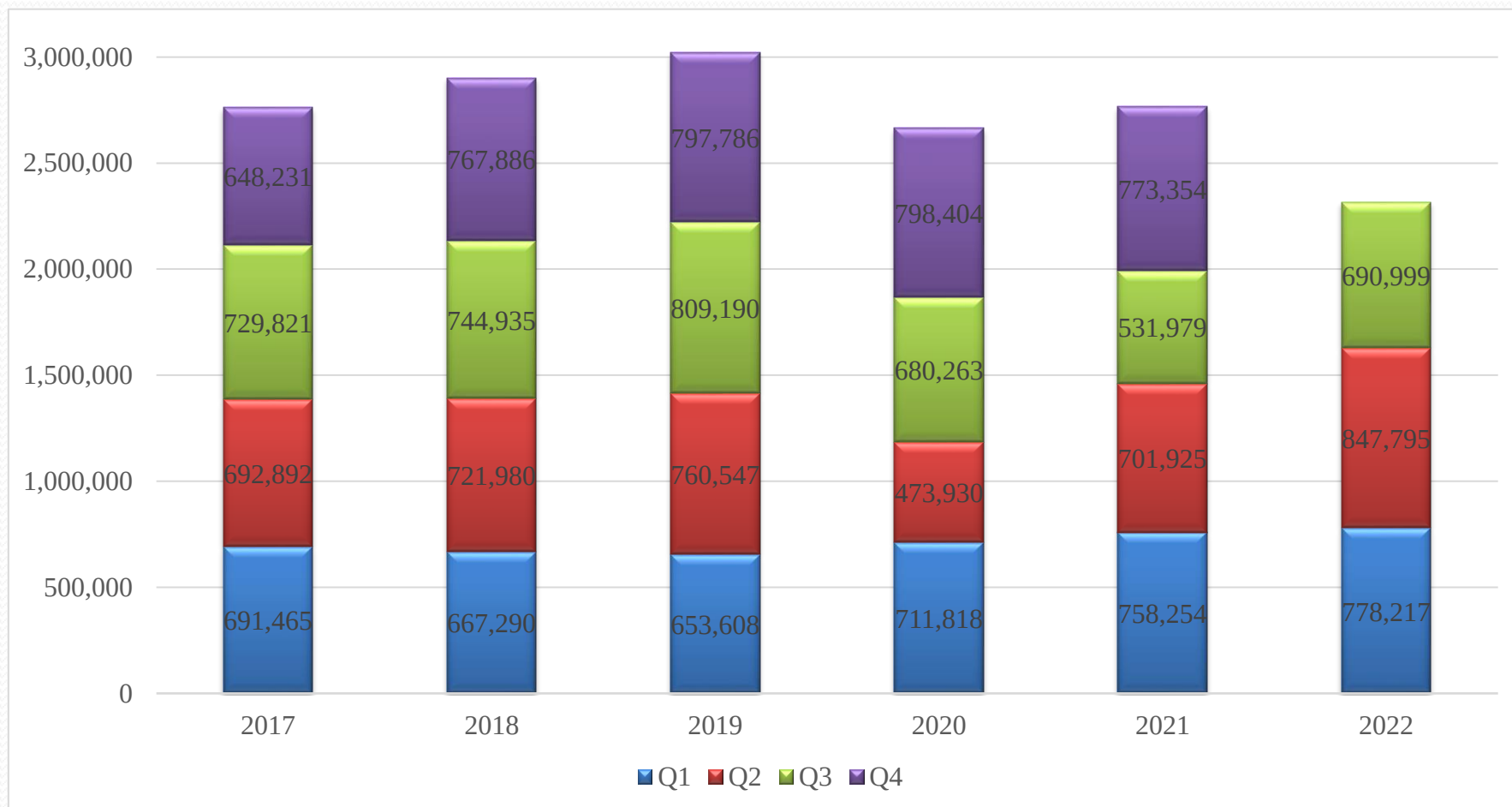


Chapter 3

Operation & RD Achievements

Sales Update

Based on past performance,
Q1 & Q2 are low season, Q3 & Q4 are high season



Year	2017	2018	2019	2020	2021	2022
Total	2,762,409	2,902,091	3,021,131	2,664,415	2,765,512	2,317,011

Top ten sales customers

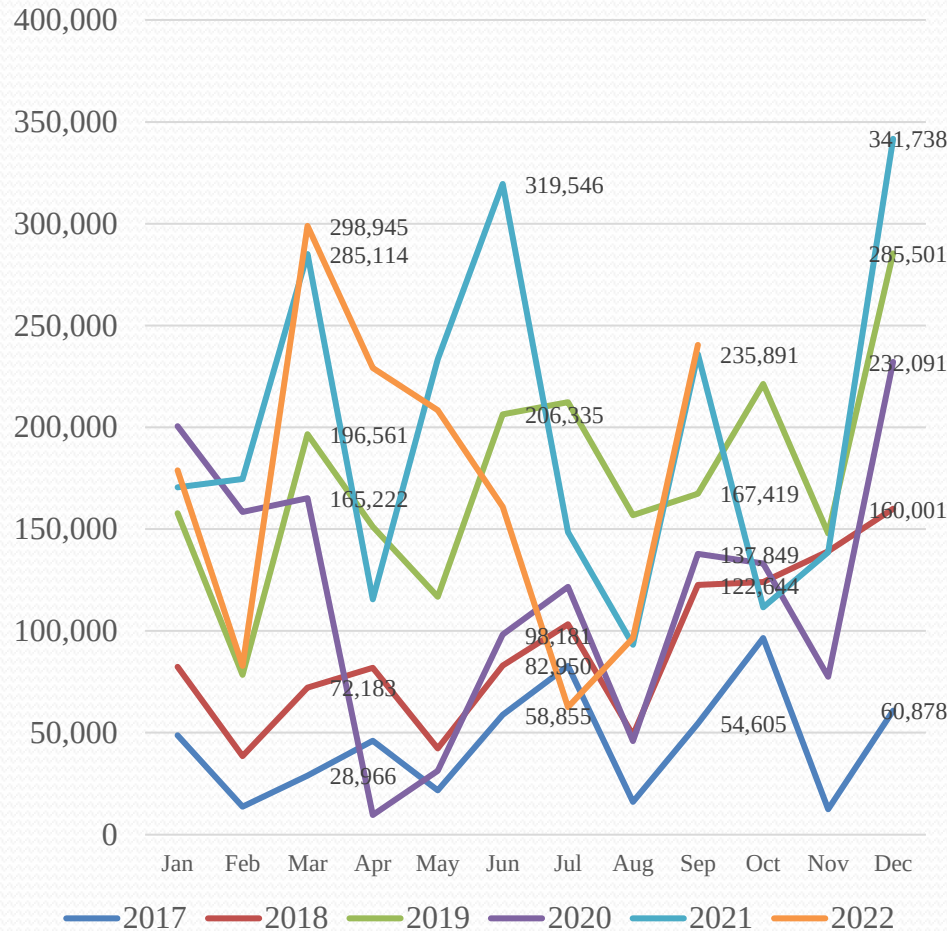
NTD 000'

CUSTOMER	2018		2019		2020			2021			2022Q3		
	%	Rank	%	Rank	Sales	%	Rank	Sales	%	Rank	Sales	%	Rank
Korea SOLTO (COACH · MK Agent)	10.30%	1	17.18%	1	367,668	13.80%	1	685,189	24.78%	1	524,004	22.62%	1
South P. NAM (South Vietnam Dealer)	7.74%	2	7.15%	2	160,766	6.03%	3	113,197	4.09%	3	166,110	7.17%	2
DECORATIVE Thailand / US	6.14%	3	6.63%	3	213,490	8.01%	2	238,538	8.63%	2	142,800	6.16%	3
Client A (Shoe Materials)											125,397	5.41%	4
V.T.HUNG (South Vietnam Dealer)	4.80%	4	4.09%	4	117,837	4.42%	4	82,891	3.00%	5	101,487	4.38%	5
HOÀNG PHÁT (North Vietnam Dealer)	3.75%	6	3.75%	6	85,771	3.22%	6	107,557	3.89%	4	66,613	2.87%	6
L.K.PHÁT (South Vietnam Dealer)	2.51%	9	2.51%	8	69,385	2.60%	8				57,997	2.50%	7
V.THÁI (South Vietnam Dealer)	3.72%	7	3.39%	7	78,457	2.94%	7	58,796	2.13%	9	57,293	2.47%	8
TS INTERSEATS (HONDA motorbike)								65,270	2.36%	7	55,842	2.41%	9
GSK											51,705	2.23%	10
KUMDONG (Korean Dealer)	4.50%	5	3.93%	5	94,889	3.56%	5	74,964	2.71%	6			
THAO LAI (Duvet Bag dealer)								63,547	2.30%	8			
JOYFUL (Printing Manufacturer)								57,342	2.07%	10			
THAISANTEE (Thailand Dealer)	3.02%	8	2.27%	10	57,033	2.14%	9						
ERENPLAST(Turkey Dealer)			2.41%	9	55,370	2.08%	10						
四維(Wiring Tape)	1.97%	10											
Others	51.54%		46.70%		1,363,749	51.18%		1,218,221	44.05%		967,763	41.77%	
Total	100.00%		100.00%		2,664,415	100.00%		2,765,512	100.00%		2,317,011	100.00%	

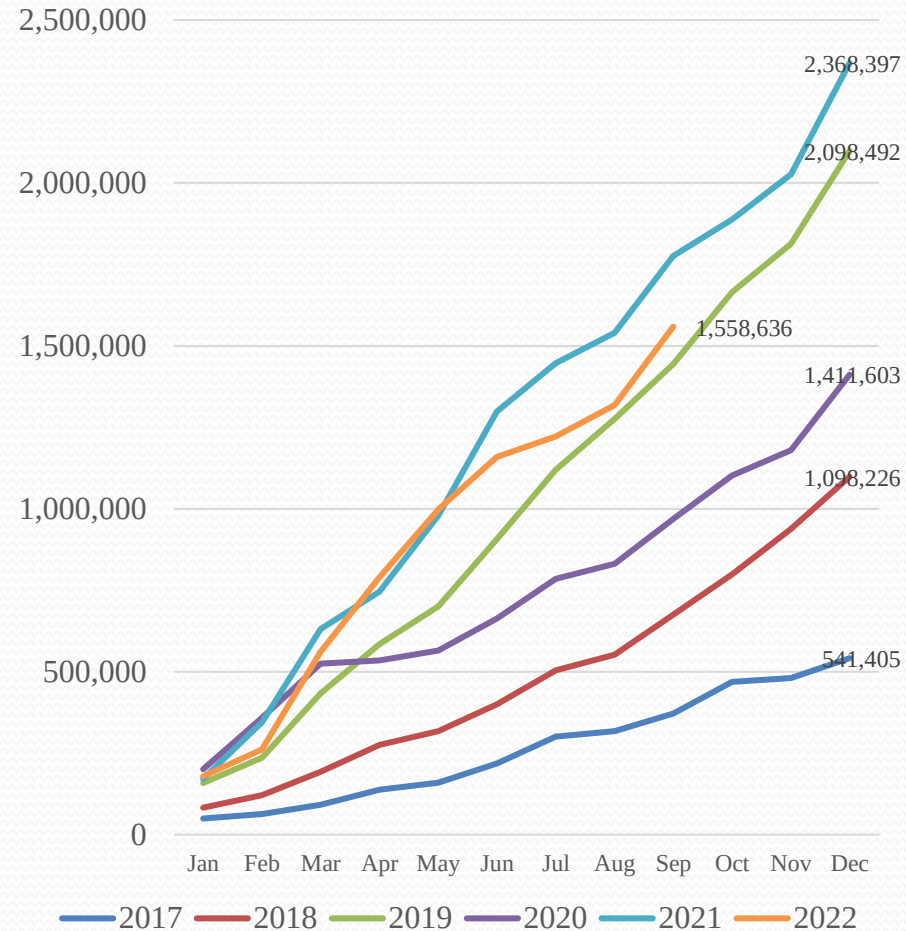
Solto Historical Sales Chart



By Month

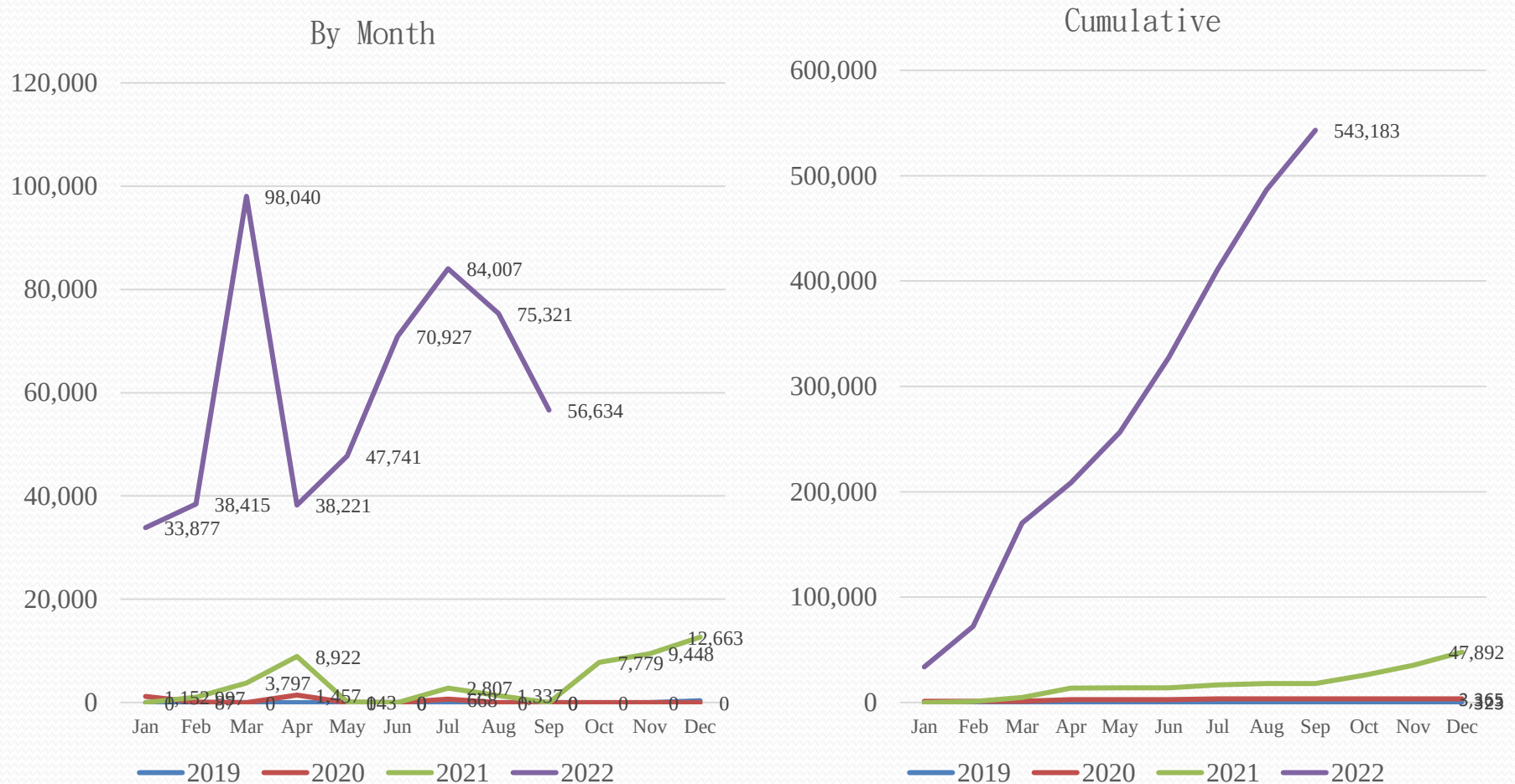


Cumulative



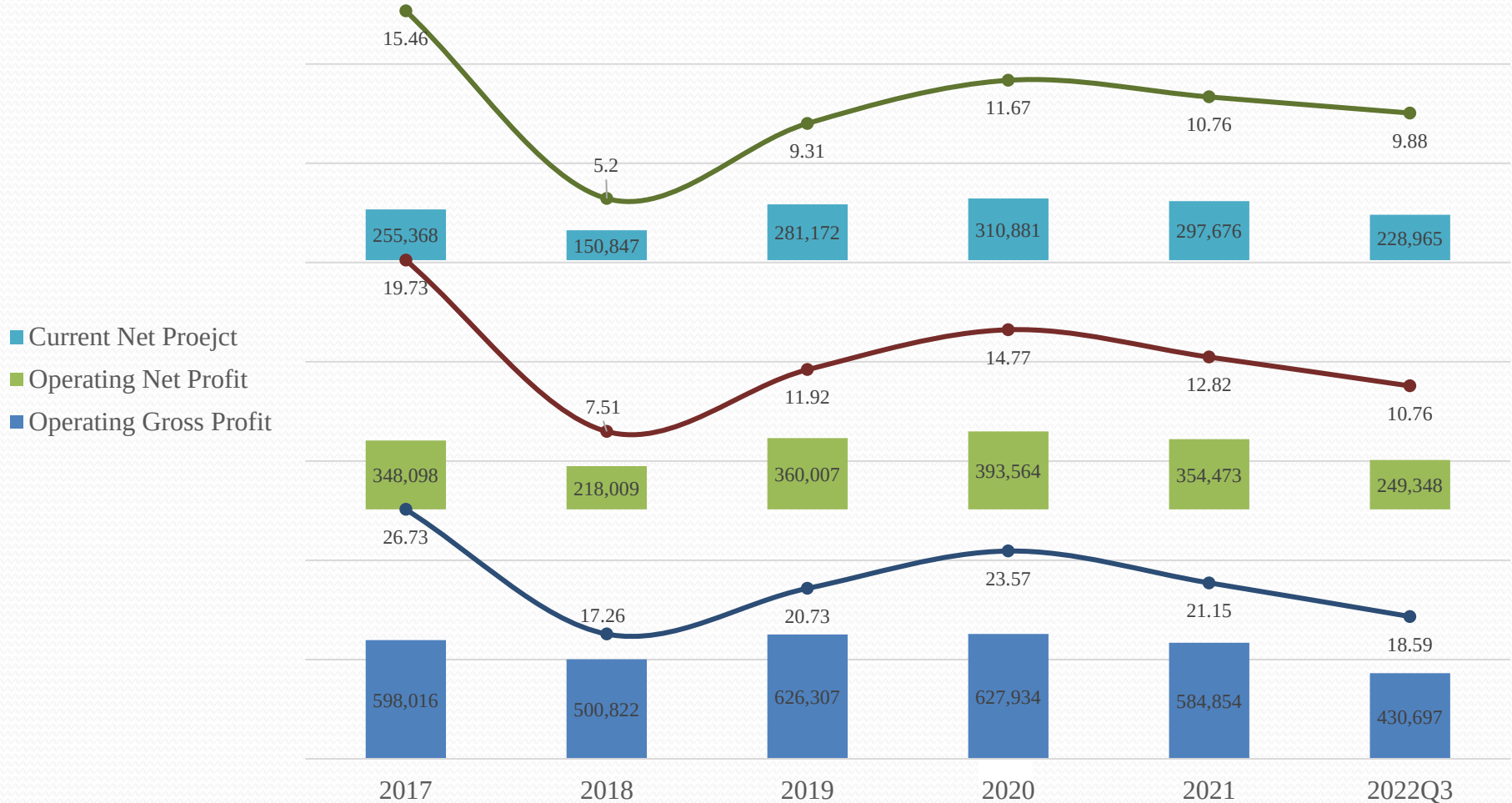
Client A Historical Sales Chart

The company successfully developed Sports shoes PUbase and hotmelt products, Client A started bulk orders this year ◦



Operation Update

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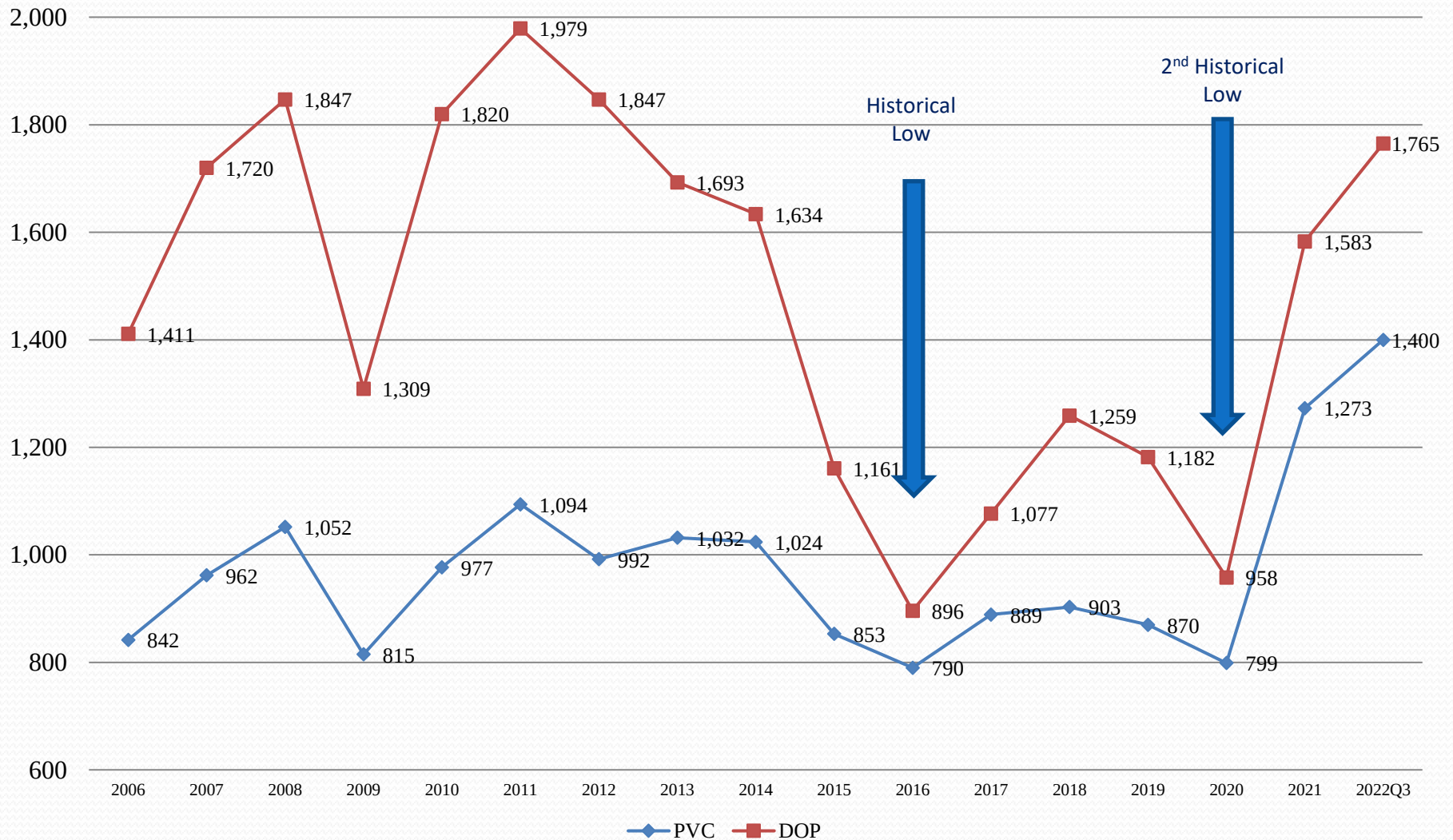


Cost Structure

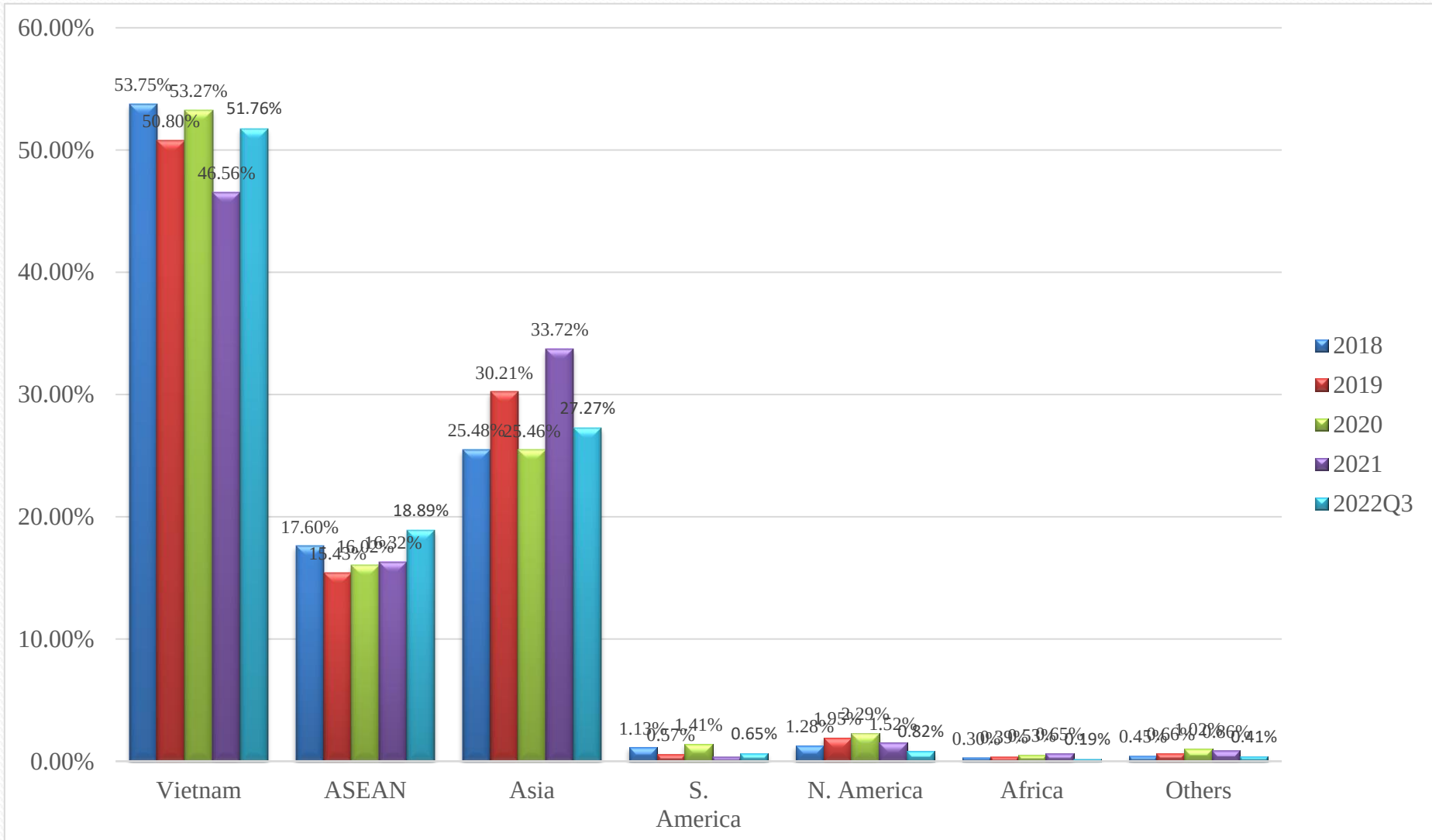


Year		2018	2019	2020	2021	2022Q3
Category	Items	%	%	%	%	%
PVC Leather	Raw Material	83.00	81.99	79.86	82.40	82.78
	Labor	5.63	5.72	6.42	5.88	5.96
	Production Cost	11.38	12.30	13.72	11.71	11.26
	Subtotal	100.00	100.00	100.00	100.00	100.00
Casting Leather	Raw Material	86.62	88.54	86.75	89.49	90.41
	Labor	4.23	3.47	4.19	3.23	2.95
	Production Cost	9.15	7.99	9.06	7.28	6.65
	Subtotal	100.00	100.00	100.00	100.00	100.00
PVC Sheet	Raw Material	79.69	77.66	75.82	78.60	78.67
	Labor	4.31	4.40	4.45	4.35	4.73
	Production Cost	16.00	17.94	19.74	17.05	16.59
	Subtotal	100.00	100.00	100.00	100.00	100.00
TPU Leather	Raw Material	-	86.77	71.71	70.01	87.89
	Labor	-	0.89	11.19	11.97	4.89
	Production Cost	-	12.34	17.10	18.01	7.23
	Subtotal	-	100.00	100.00	100.00	100.00
Total	Raw Material	82.67	82.19	79.80	82.84	83.89
	Labor	5.02	4.88	5.62	5.02	4.97
	Production Cost	12.31	12.93	14.58	12.15	11.14
	Total	100.00	100.00	100.00	100.00	100.00

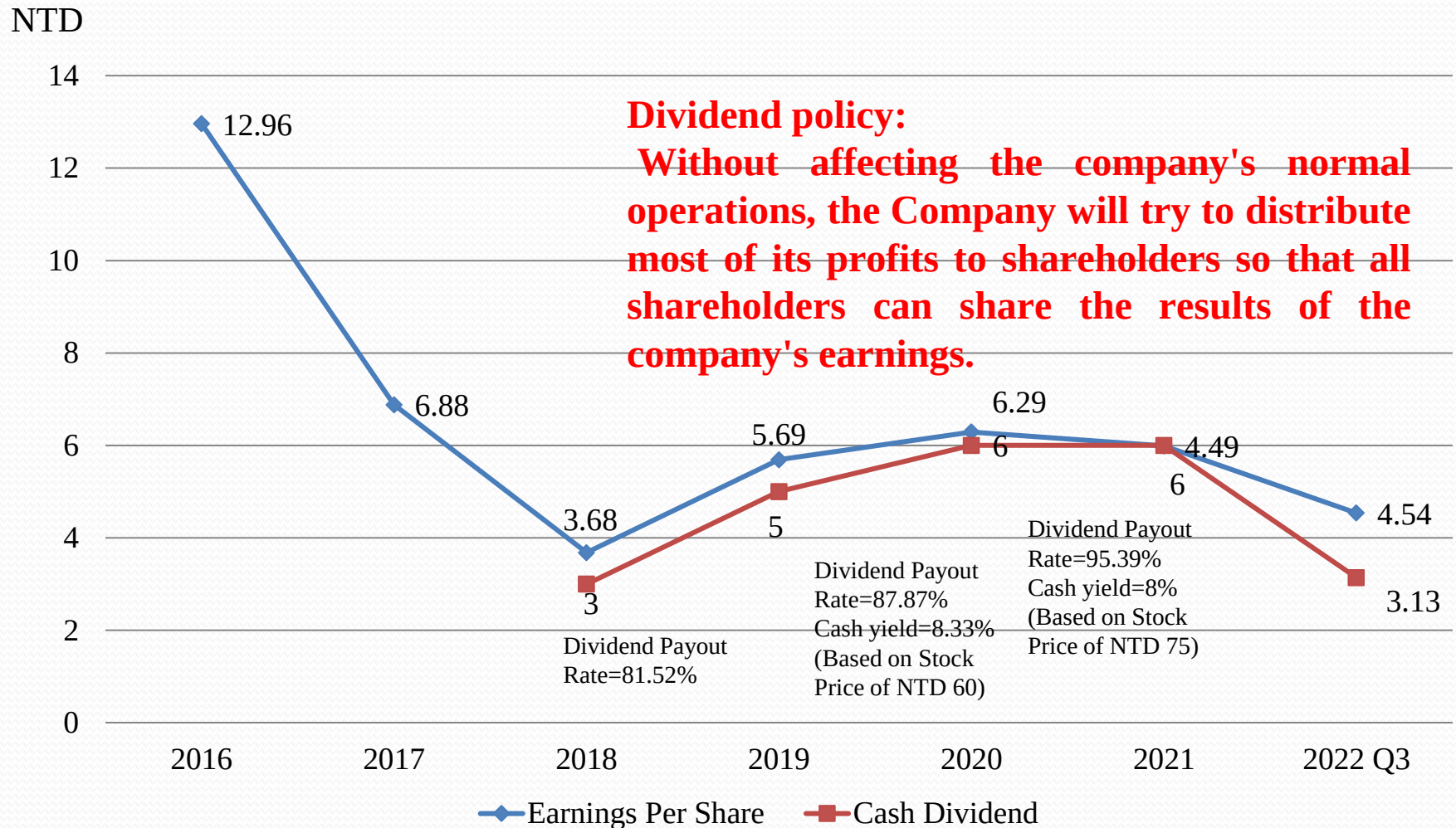
PVC DOP Average Price



Regional Sales Shares



Earnings per share



Recent Achievements



2015

A. Successfully developed eco-friendly bike seat leather for Europe and US market.

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.

C. Developed TPU Leather with collaboration.

2021

A. Developed Kate Space, Kenzo products with SOLTO.

B. Developed Recycled Non-woven PU leather for sports shoes with Partner.

2022

A. Partner with SOLTO to develop recycled PVC leather

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.
- **ESG integration and development**
Achieved HIGG FSLM & GRS 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 2023



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. And Fulin satisfies COACH's ESG policy by using approved recycle materials.
- Raw material cost increased significantly in 1st half of 2022; but PVC material consecutively declined monthly in 2nd half of 2022, resulted in lower production cost.
- Due to China's policy on COVID, downstream OEMs are relocating to South East Asia, Vietnam has become the top choice.

Disadvantage

- Vietnam government tightening credit and real estate market has resulted in 36% decline in Vietnam stock market this year.
- Due to high inflation and high borrowing cost, the 2023 economic outlook may be pessimistic for a global recovery .

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.
- Newly setup HeXi sales office to serve local furniture markets.
- 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



FULIN

富林塑膠工業(開曼)控股股份有限公司

專提供各種高級乳膠皮、印刷膠布、木紋印刷布、夾網膠布等