

2022Q3 Investor Conference



HSINLI CHEMICAL INDUSTRIAL CORP.

Stock Code : 4303

Presenter: JHENG, YU-TANG

Dec 15, 2022



Disclaimer

Hsinli's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

Except as required by law, we undertake no obligation to update and forward-looking statement, whether as a result of new information, future events, or otherwise.





Agenda

- Company Profile
- Operation Result
- Financial Review
- Operation Direction



Company Profile





Company profile and overview

- Foundation: Jun. 22, 1973
- Chairman: Chang Yu-Ming General Manager: JHENG, YU-TANG
- Head Office: NO. 121, HWA CHUNG RD., HSIN JUNG LEE HSUEH
CHIA Dist., TAINAN TAIWAN R. O. C
- Location of factories: PVC Tainan, PU Tainan
- Employees: 70
- Capital: NTD 675 million
- Major Product: PVC leather 、 PU leather



Major Products

- 1、Dry PU leather ◦
- 2、Wet PU leather ◦
- 3、PU Waterproof and breathable ◦
- 4、PU printing
- 5、PVC faux leather ◦
- 6、PVC furniture leather ◦
- 7、PVC Pearl color leather ◦
- 8、PVC non-slip leather ◦
- 9、PVC leather(Embossed) ◦





Product use and market

Category	Main use
PVC	<p>PVC leather's main using in following items :</p> <ol style="list-style-type: none">1.Soft leather : It's special processing with genuine leather touch ◦2.SEMI-PU : From different nation's special paper texture , Product is similar to genuine leather touch.3.Footwear : Alike the genuine leather .PU surface treatment makes different styles.4.Bags : Surface treatment makes different styles. Good texture5.SILICONE : All kinds of texture with genuine leather touch and varied styles.6. Vintage style crazy horse leather : Present vintage style by special processing.7.Others : All kinds of researching can cooperate with customers requires.8.Sofa leather : By developing varied materials and surface treatment can reach the demanding of properties. Using tooling show the unique.9.Public seat 、 bus seat and yacht : It's requiring product properties exacting with special processing.10. Fireproof leather : Special Formula can raise up flammability and pass BS-5852 Lv.5 standard.





Product use and market

Category	Main use
PU	<p>Wet and dry PU leather's main using in following items :</p> <ol style="list-style-type: none">1.Veneer PU : Different processing can reach varied changes.2.pull-up oiled leather : low solvent .High abrasion resistance . Smooth oiled texture.3.solvent free foaming PU : Applied in shoes . soft and flexibility. solvent free.4.Dry PU : Soft to the touch, tough of the strength.5.Dry waterproof PU : waterproof product and heat well ◦6.TPU : Varied and extending 3D development of patterns better than ordinary visual feeling ◦7. Conductive PU leather : Applied in gloves , used in smart touch panel of cell phones.8.PU waterproof : used widely in clothes 、 shoes and other products ◦9.HS PU : Applied in furniture 、 clothes and etc. High abrasion resistance and flexibility.





Operation Result

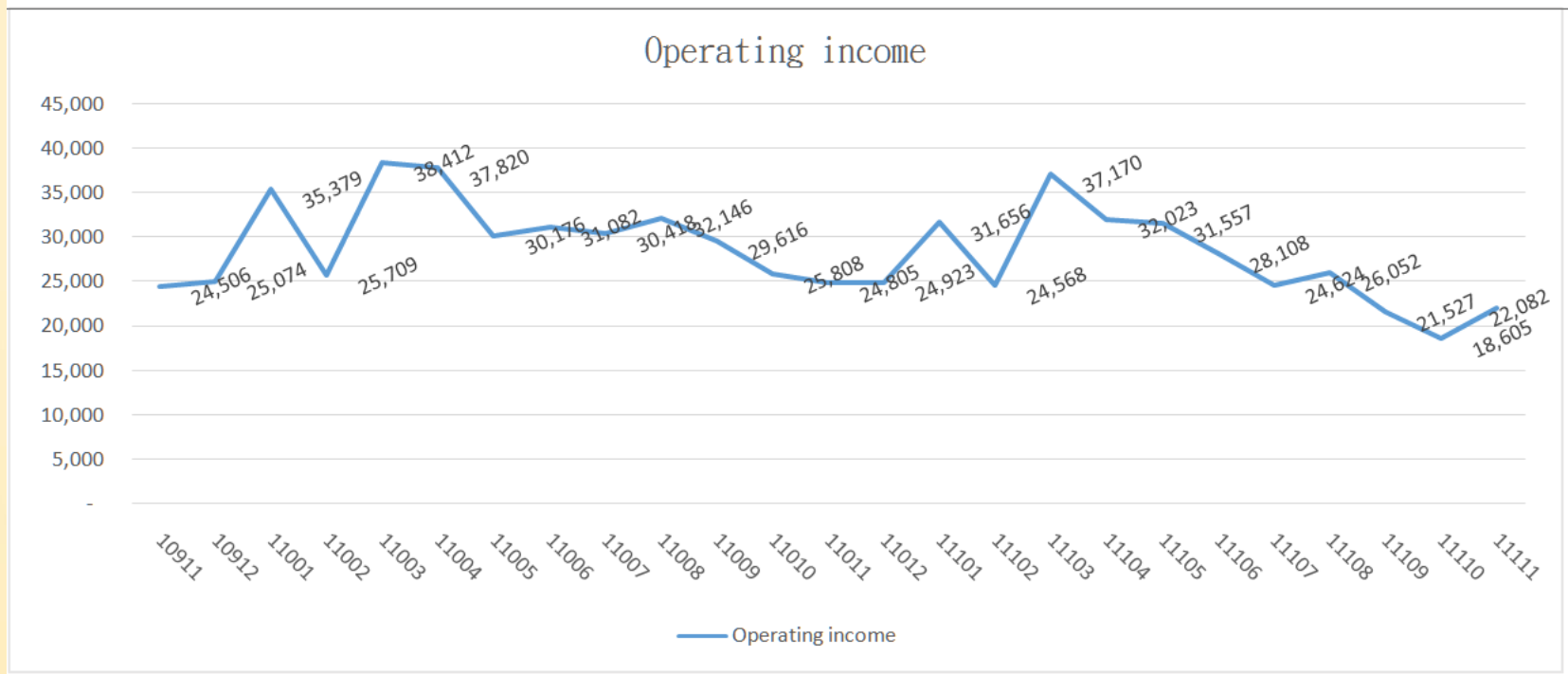


The trend of operation



Year 2022 average revenue compare with last year down approximately 10% , mainly due to inflation and Russo-Ukrainian War ect affect orders.

Unit:Thousand

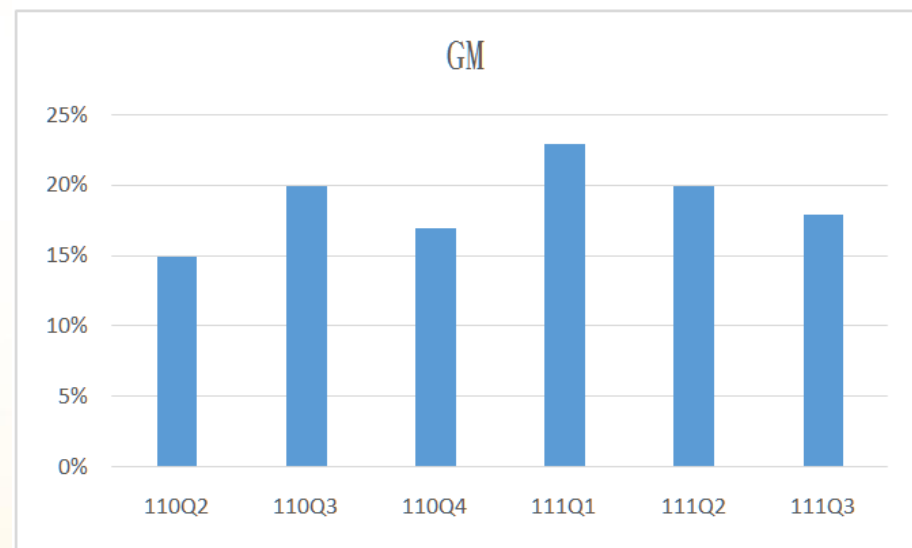
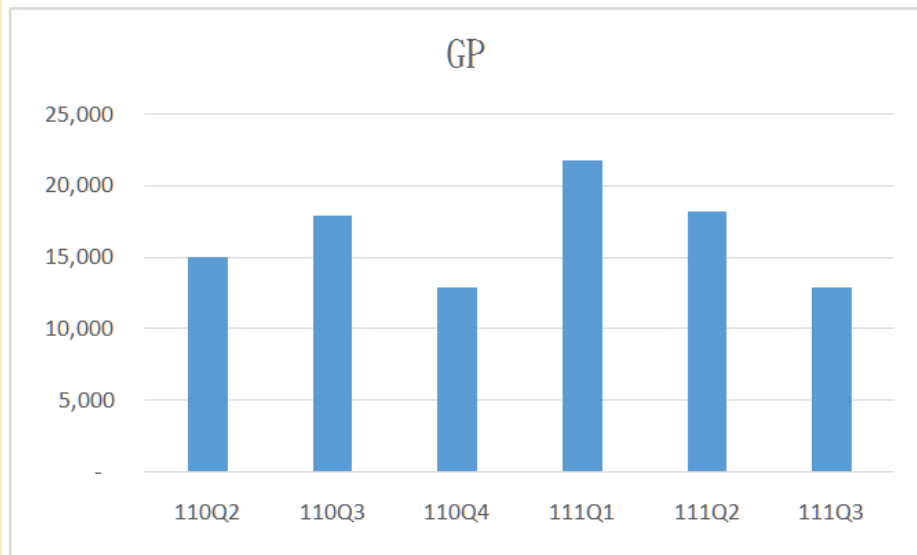




The trend of gross profit margin

Quarterly gross profit and gross margin were increased over the same quarter of last year mainly due to adjust internal production and marketing strategy.

Unit: Thousand

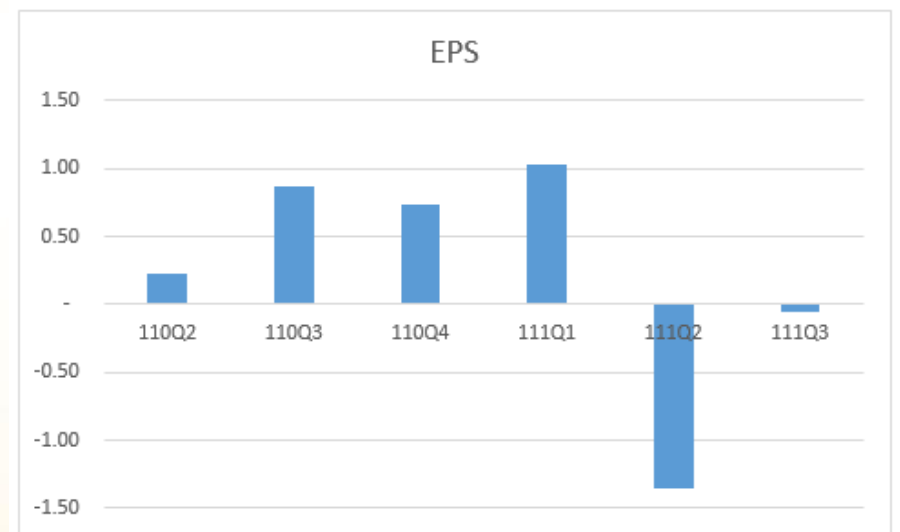
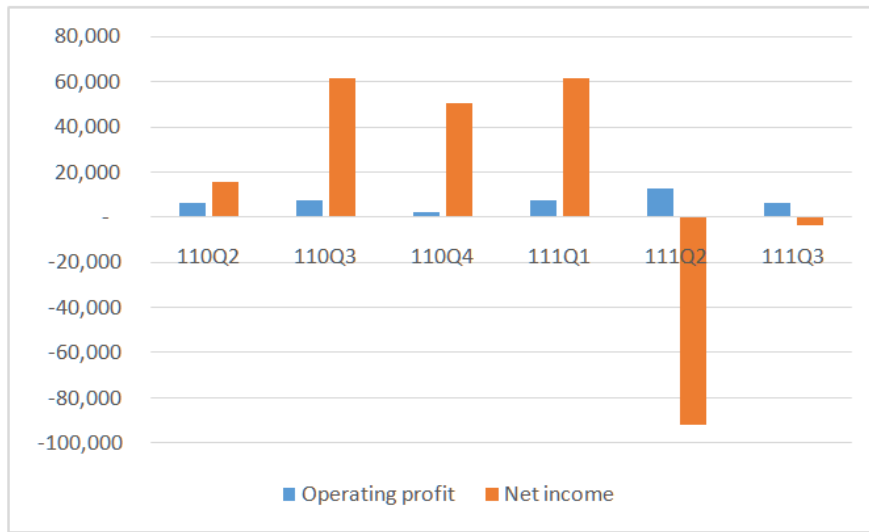




The trend of profits

Raw material costs increase in year 2022 , Operating income were restricted but operating profit were increased , Q2 and Q3 recognized Net loss on financial assets or liabilities at fair value through profit or loss resulting net loss.

Unit: Thousand





Financial Review





Consolidated Statement of Comprehensive Income

OVERVIEW DETAILS TO MOPS

Unit:Thousand	111Q3	110Q3	YOY
Operating income	256,534	289,442	-11.37%
Operating cost	203,479	240,659	-15.45%
Gross Profit (or Loss)	53,055	48,783	8.76%
Gross margin	21%	17%	
Operating expenses	28,272	32,564	-13.18%
Operating profit (or Loss)	24,783	16,219	
Non-operating income and expenses	(48,182)	73,618	-165.45%
Income before Tax (or Loss)	(23,399)	89,837	
Income tax expense (or benefit)	2,535	3,433	-26.16%
Net Income (Loss)	(25,934)	86,404	-130.01%
Basic earnings per share (NT Dollar)	(0.38)	1.23	



Consolidated balance sheet

OVERVIEW DETAILS TO MOPS

Unit: Thousand	111/09/30	110/12/31	110/09/30
Current assets	366,775	280,015	603,477
Non-current assets	1,045,458	979,447	637,606
Total assets	1,412,233	1,259,462	1,241,083
Current liabilities	219,612	270,716	249,931
Non-current liabilities	349,210	41,398	46,552
Total liabilities	568,822	312,114	296,483
Capital stock	675,000	700,000	700,000
Additional paid-in capital	9,252	0	0
Retained earnings	159,159	297,227	244,600
Other equity interest	0	0	0
Treasury stock	0	(49,879)	0
Total equity	843,411	947,348	944,600
Net Asset Value per Share(NTD)	12.49	13.53	13.49
Current ratio	167.01%	103.43%	241.46%
Debt ratio	40.28%	24.78%	23.89%



Operation Direction

Hsinli is dedicated to the development of Taiwan and building solid foundation.

Strengthen cooperation with existing customers and develop new products to strengthen fundamentals.

Explore new customers and Environmentally friendly products.

Developing A700 products and solvent free products .Recycle base cloth .Developing wet PU leather applied in new customers.

Upstream and downstream integration, Contributing to the growth of company.

Market extension based on existing products . Planning to integrate upstream and downstream companies and making the operation stay ahead of the pack once again.

Building Roof PV Systems , Revitalizing assets.

Building Roof PV Systems response government green energy policy.
Promote the ESG and enhance corporate governance.



Q & A





THANK YOU

- ▶ For more information regarding HSIN-LI
<http://www.hsinli.com.tw/>
- ▶ For all inquiries, suggestions, and comments tang0621@hsinli.com.tw