

PVC LEATHER
PU LEATHER
PU FILM

PROCESSING
DIVERSITY



Stock Code : 4303

Presenter : JHENG, YU-TANG

General Manager

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.



Company profile and overview



PVC leather 、 PU leather

- ① Foundation: Jun. 22, 1973
- ② Chairman: Chang Yu-Ming General Manager: JHENG, YU-TANG
- ③ Location of factories: PVC Tainan, PU Tainan
- ④ Capital: NTD 788 million
- ⑤ **Total land area: 26,383 square meters**

Hsinli is 100% MIT PVC leather 、 PU leather



Syuejia District Factory One(Occupying 12,989 tsubo)



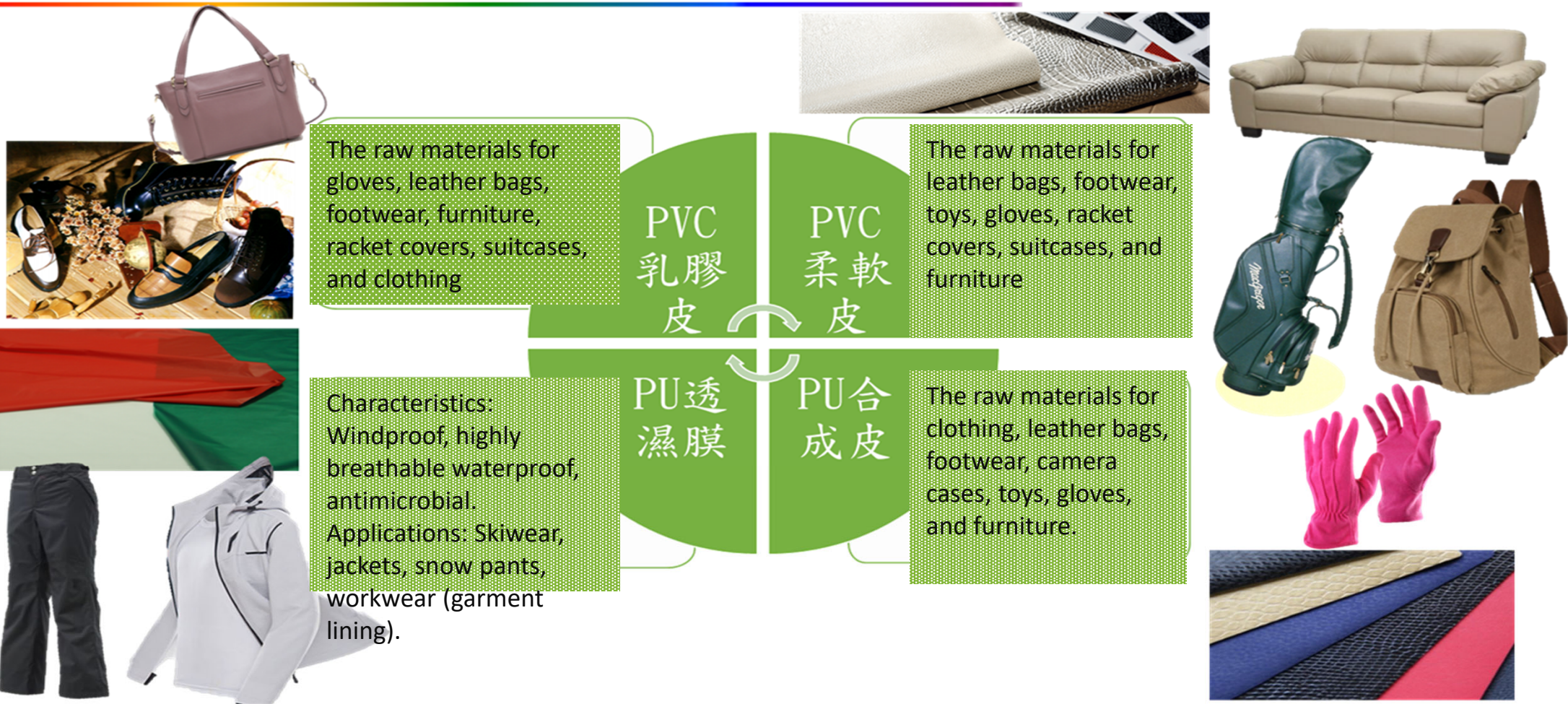
Syuejia District Factory Four(Occupying 13,394 tsubo)



Total land area: 26,383 square meters



Major Products



Terminal Applications 1 –PVC leather

- Applied in the processing of various sofa furniture. Combining with genuine leather enhances its value, aesthetics, and versatility. It possesses functions of lifestyle fashion and practicality.
- Can be paired with various paper patterns, embossed textures, and different colored liquids, including fluorescent, pearlescent, and metallic shimmer; capable of producing products with a layered color effect, as well as products of varying thickness.



- It can also be paired with various surface treatments and prints to enhance product diversity and versatility. Additionally, different printing techniques can be applied to enrich the variety, versatility, and applicability of the products.
- The physical and chemical properties of the product must comply with both US and EU regulations, enhancing market competitiveness and safety features.

Terminal Applications 2–PVC leather



- Applied in bicycle seats, leather bags, medical equipment, massage chairs, baby strollers, slippers, book covers, jewelry boxes, decorative panels, anti-slip gloves, headphone covers, clothing, etc.
- The product can be paired with various paper patterns and embossed processing, providing diverse patterns and a sense of depth to the surface. Additionally, printing techniques and colored liquids can be utilized to enhance the product's resemblance to genuine leather, meeting the diverse needs of different customers.
- In addition to meeting customer requirements for physical and chemical properties, various treatments or processes are further employed to replace the increasingly scarce genuine leather.

Terminal Applications 3 –PU breathable membrane



- Featuring water resistance and high breathability, suitable for processing leisurewear with waterproof and breathable properties. It offers a comfortable texture, ease of processing, and high temperature resistance.
- Can be paired with printing processes to imprint various patterns, making the products more versatile and suitable for different seasons.
- The PU breathable membrane is thin (10um~30um) and lightweight, meeting the modern trend of slimness. It can be paired with Teflon film to emphasize high water pressure resistance, water wash resistance, and high breathability, enhancing the product's added value. Different patterns and thicknesses can also be developed for pairing.

Terminal Applications 4 – PU leather 、 PU laminate



PU laminated products :

- Embossed products: capable of giving products various patterns and different tactile sensations on the surface. Printing processing: products are highly tactile and versatile.
- Dry PU, characterized by its lightweight and flexibility, can also be combined with surface treatments.
- The Crazy Horse leather series emphasizes an oily wax finish, rich suede texture, and features reminiscent of genuine leather and vintage style.
- Non-slip leather: Excellent anti-slip effect, used in skiing gloves and other anti-slip processing applications, can also be treated for conductivity, making the leather conductive. Can be used in the development of gloves to enable the use of touch-sensitive products such as smartphones.

PU leather products :

- According to customer demands, we can produce wet PU with various paper patterns or embossed textures; further paired with different treatments or processes to replace the increasingly scarce genuine leather. These can be applied in footwear, sports equipment, clothing, bags, gloves, headphones, and more.

PMMA products :

- Focusing on different textures, applied to decorative materials and so on.

core competitive advantage (EXCELLENT QUALITY)

INSPECTION EQUIPMENT



紫外線耐燃試驗機



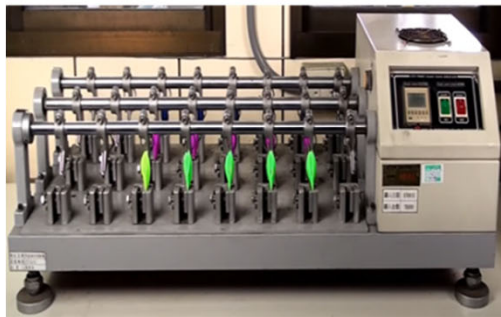
耐磨試驗機



紅外線耐燃試驗機



耐磨測試機



曲折測試機



水壓測試機



含水率測試機

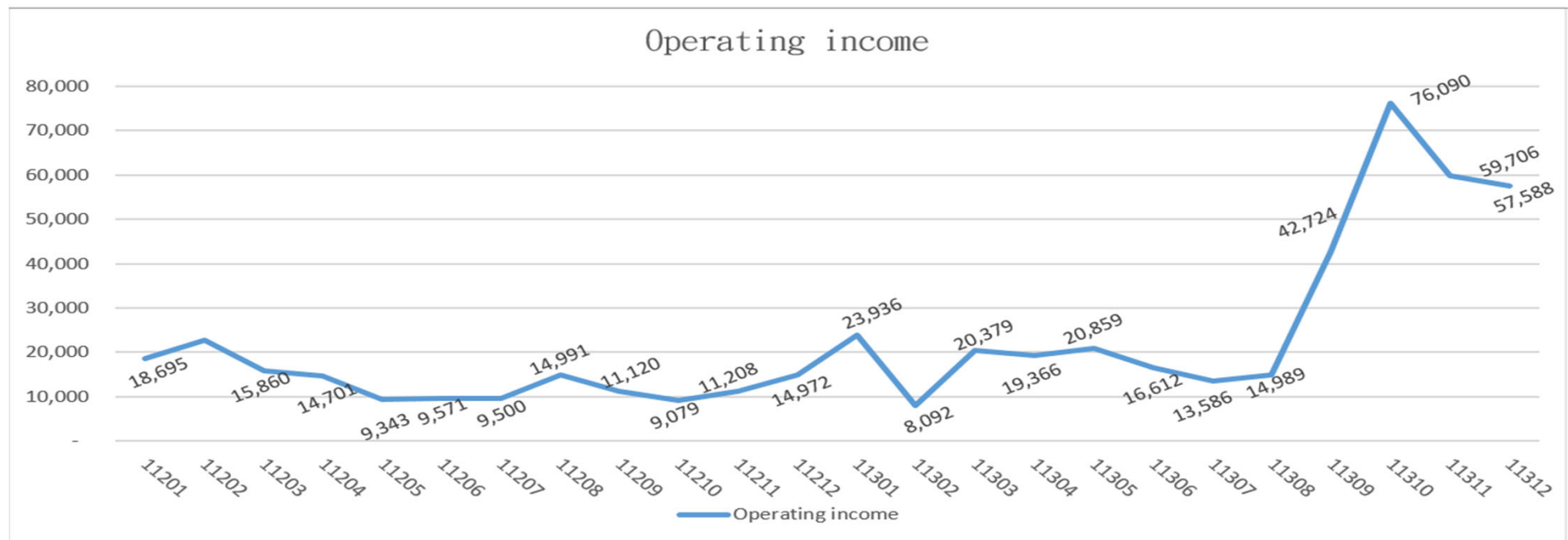


恆溫恆濕機

Operational Status Analysis - After merging Pony's revenue, there was a significant growth in overall revenue

After hsinli acquired operational control of Pony, it has significantly contributed to the company's revenue growth and enhanced operational synergies, greatly boosting the company's revenue and profitability.

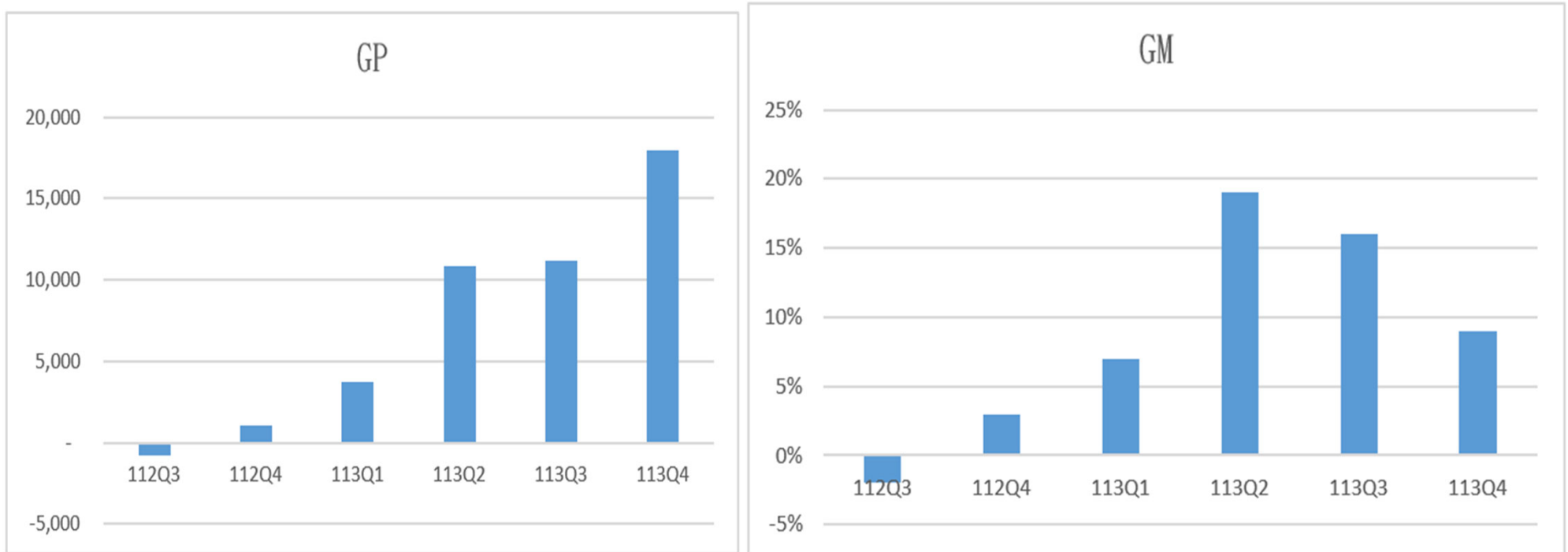
Unit: Thousand



Operational Status Analysis - Gross Profit Margin Trends

The quarterly gross profit and gross profit margin have both increased compared to last year, primarily due to an increase in customer orders.

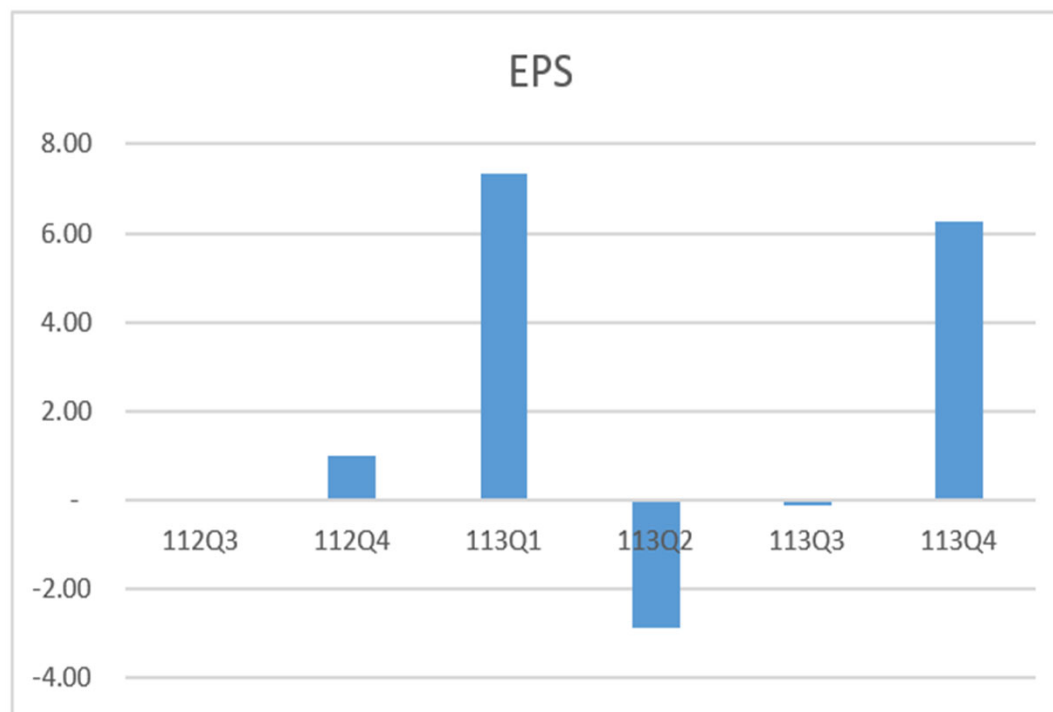
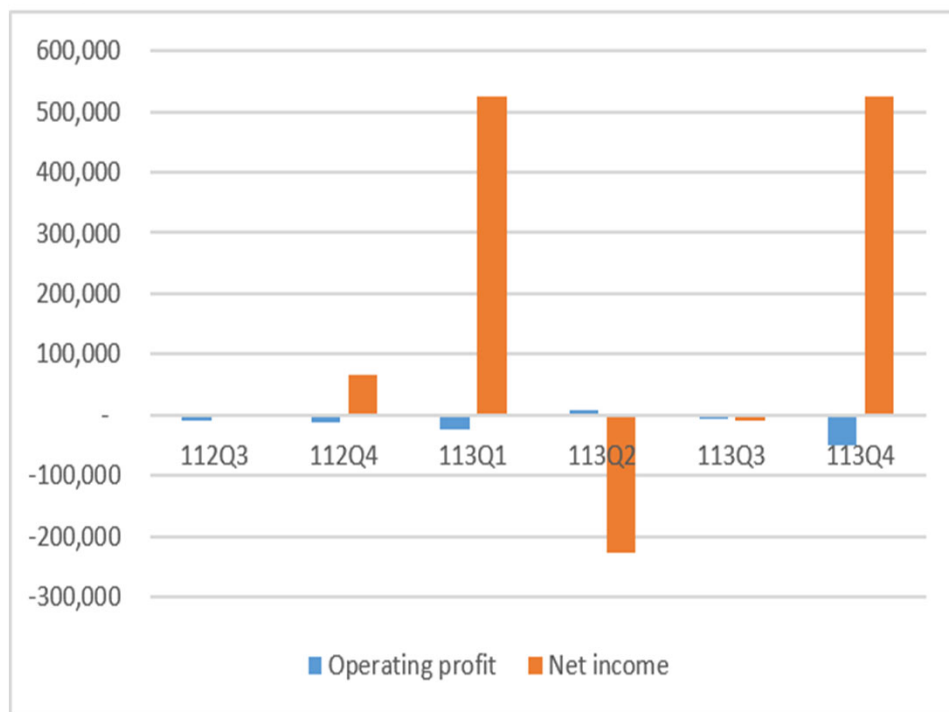
Unit: Thousand



Operational Status Analysis - Profit Trend

In the first to fourth quarters of 2024, the recognition of unrealized gains from investments in marketable securities led to an increase in net profit for the period.

Unit: Thousand



Operational Status Analysis - Comprehensive Income Statement

OVERVIEW DETAILS TO MOPS

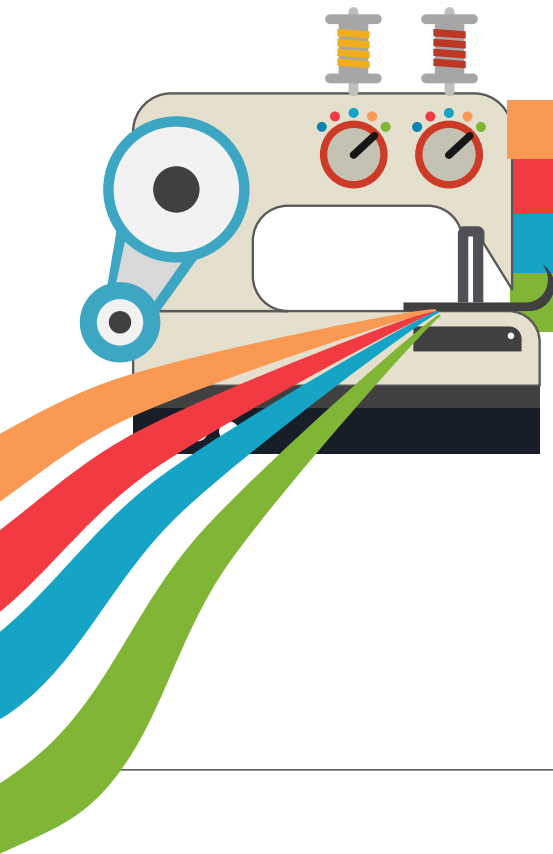
Unit:Thousand	2024	2023	YOY
Operating income	373,927	161,724	131.21%
Operating cost	330,167	152,605	116.35%
Gross Profit (or Loss)	43,760	9,119	379.88%
Gross margin	12%	6%	
Operating expenses	117,677	39,240	199.89%
Operating profit (or Loss)	(73,917)	(30,121)	
Non-operating income and expenses	896,468	154,815	479.06%
Income before Tax (or Loss)	822,551	124,694	559.66%
Income tax expense (or benefit)	8,375	1,235	
Net Income (Loss)	814,176	123,459	559.47%
Basic earnings per share (NT Dollar)	10.62	1.83	

Operational Status Analysis - Balance Sheet

OVERVIEW DETAILS TO MOPS

Unit: Thousand	2024/12/31	2023/12/31
Current assets	1,433,683	406,543
Non-current assets	1,875,140	1,142,765
Total assets	3,308,823	1,549,308
Current liabilities	970,243	512,256
Non-current liabilities	165,957	83,713
Total liabilities	1,136,200	595,969
Capital stock	788,378	675,000
Additional paid-in capital	191,457	9,252
Retained earnings	993,376	269,042
Other equity interest	(115)	45
Treasury stock	0	0
Total equity	1,973,096	953,339
Net Asset Value per Share(NTD)	25.03	14.12
Current ratio	147.77%	79.36%
Debt ratio	34.34%	38.47%

Future development direction



01. Deepen roots in Taiwan, align with international standards, and strengthen fundamentals.

1. Strengthen collaboration with existing customers, obtain GRS international certification for products, and enhance the fundamental quality of the products.
2. Cross-industry collaboration, obtaining brand certification, and enhancing operational momentum.
3. In response to the government's ESG policy direction, we continue to develop green energy.

02. Explore new customers and Environmentally friendly products.

1. Develop eco-friendly, solvent-free products and pair them with recycled substrates, focusing on the development of green composite materials.
2. In pursuit of a solvent-free objective, we are actively engaged in the development of high-solid, solvent-free PU composite fabric products.
3. By engaging in cross-industry collaboration, we have developed SBR+PU composite bio-based materials. These innovations were highly recognized by customers during exhibitions, paving the way for a promising future.

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

1. Expand the market based on existing products, strengthen upstream and downstream integration, and build the company's growth momentum.
2. U-BEST is collaborating to develop water-based eco-friendly high-foaming PU, with the goal of replacing wet-release leather. It is expected to significantly reduce solvent usage, decrease environmental pollution, save on environmental fees, lower costs, and increase competitiveness.
3. Integrate Pony products to achieve resource sharing and strengthen market presence both domestically and internationally.

04. Hsinli's acquisition of Pony's materials business has resulted in a significant revenue boost and enhanced operational synergies.

Pony primarily produces PU synthetic leather and bonded leather, with a management team that has 30 years of experience in the leather and synthetic leather industry. Its main customers are high-end product suppliers for internationally renowned sports brands. In addition to its efforts to collaborate with international major brands, Puda's Douliu plant is one of the few pure eco-friendly water-based leather production bases in Taiwan. In the future, the company will integrate group resources and align with the government's environmental and green energy policies to develop and produce eco-friendly, low-pollution products. This is expected to more effectively increase customer loyalty and enhance new product development momentum.

PONY

PONY LEATHER CORPORATION



Overview and Application Areas of Pony PU Leather and Synthetic Leather

Categories of Pony Materials

- PU 膜 (PU Film)
- PU 皮 (PU Split Leather)
- PU 人造革 (PU Synthetic), 底材包括:
 - 不織布 (Non-woven)
 - 織布 (Woven)
 - 伸縮佳績布 (Stretch Knit)
- PU + 熱熔膠底 (Hot Melt)



PONY LEATHER CORPORATION

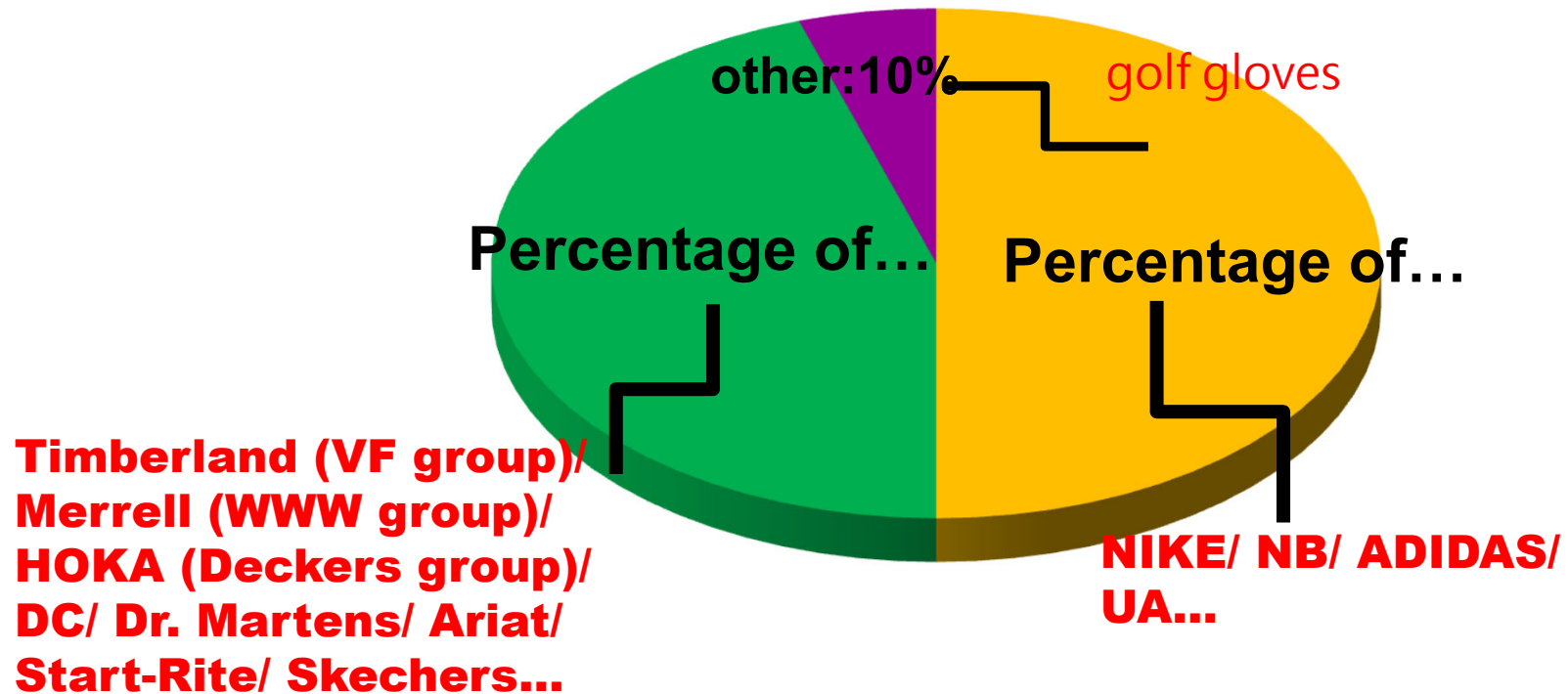
Scope of Applications and Fields

Pony's PU materials are currently applied in footwear, apparel, handbags, and golf gloves. We have also developed water-based PU solutions for use in automotive interiors and sofas, expanding our application range.



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Market Segmentation and Brand Mapping



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Pony special fitting system-MCM

What is MCM?

---Multi-Combined Material

- a) Can have the same surface color/effect**
- b) Diverse design packaging**
- c) cost saving**



PONY LEATHER CORPORATION

MATERIAL MATCHING INSTRUCTIONS : EXAMPLE OF USING DIFFERENT BACKINGS



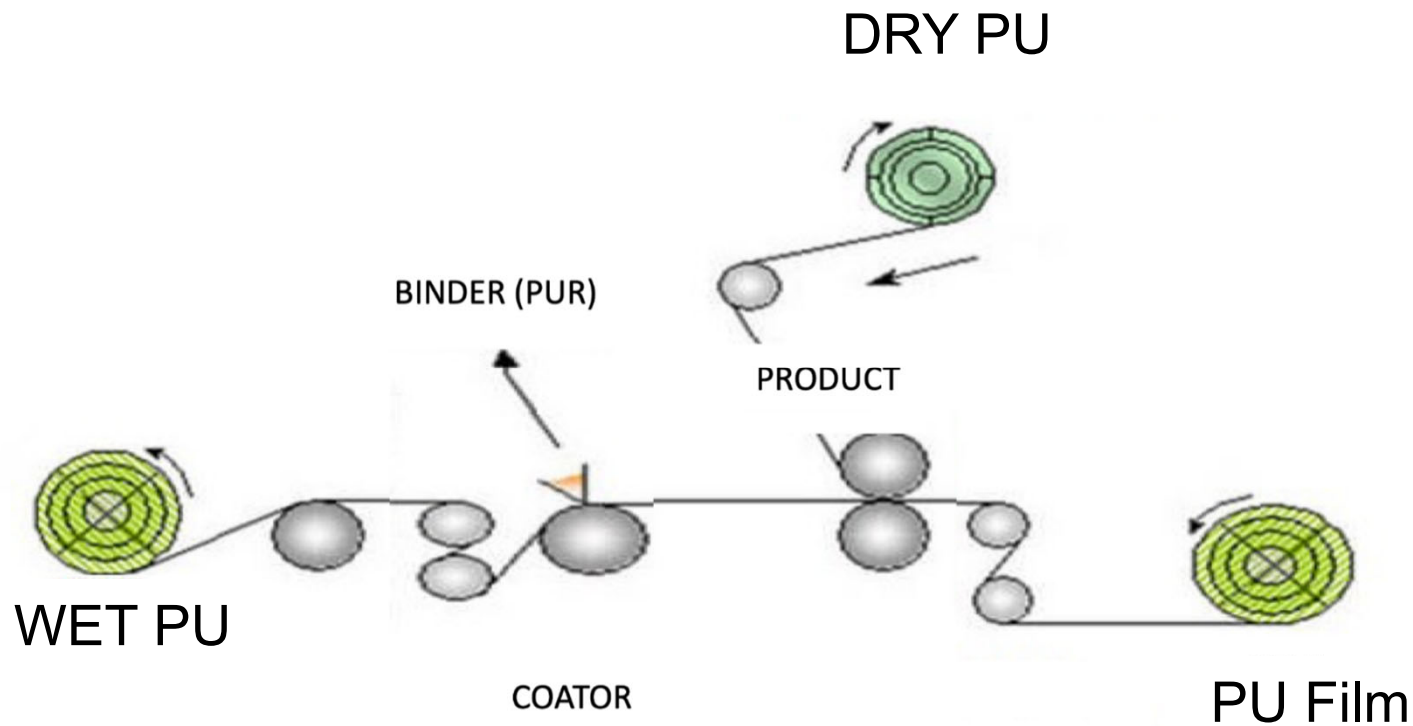
Pony's manufacturing process

- **Generally, the PU process is divided into "dry coating" and "wet coating"**
 - Dry coating/lamination: For example, 東X/國X
 - Wet coating/lamination: For example, 三X
- **Pony combines two processes to produce "PU film", which is then attached to leather, non-woven fabrics and other substrates according to customer needs. °**



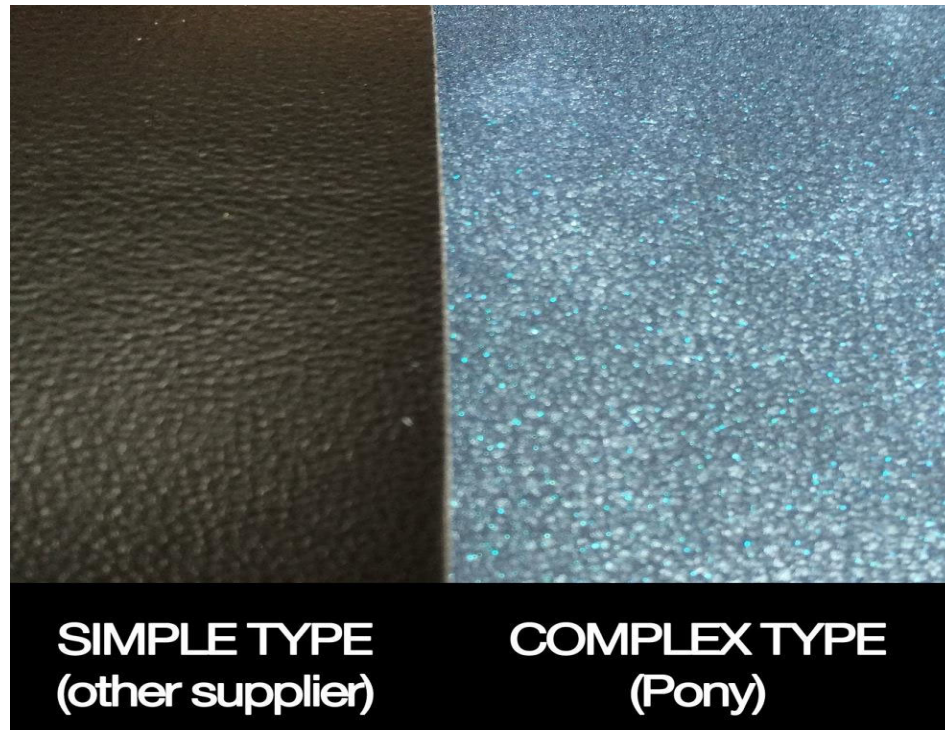
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Laminating process-fabric and substrate lamination are all water-based and solvent-free



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**Single color
coating**



**Two-color
coating +
pearlescent**



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信立化學工業股份有限公司
HSIN-LI CHEMICAL INDUSTRIAL CORP.

Stock Code : 4303

Presenter : JHENG, YU-TANG
General Manager

Thank You Q&A

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