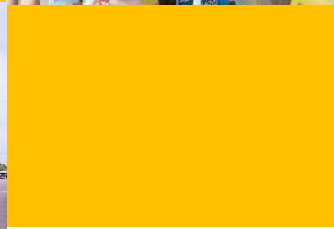




TAISUN

Growing Together

Stock NO. of TWSE : 8480(Taisun-KY)



TAISUN INT'L (HOLDING) CORP.

COMPANY PROFILE

PRESENTER : TOM LIN (FINANCE DIRECTOR)

DATE: 13TH DEC, 2018

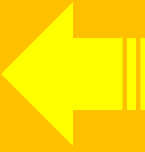
ASEAN Market



Country	Population (2018)	GDP Growth 2018 est	GDP Growth 2019 est
Vietnam	96,491,146	6.60%	6.50%
Cambodia	16,245,729	6.90%	6.80%
Thailand	69,183,173	4.60%	3.90%
Laos	6,961,210	6.80%	7.00%
Myanmar	53,855,735	6.40%	6.80%
Philippines	106,512,074	6.50%	6.60%
Indonesia	266,794,980	5.10%	5.10%
Malaysia	32,042,458	4.70%	4.60%
Brunei	434,076	2.30%	5.10%
Singapore	5,791,901	2.90%	2.50%
TOTAL	654,312,482		

Source: <http://www.worldometers.info/world-population/south-eastern-asia-population/>

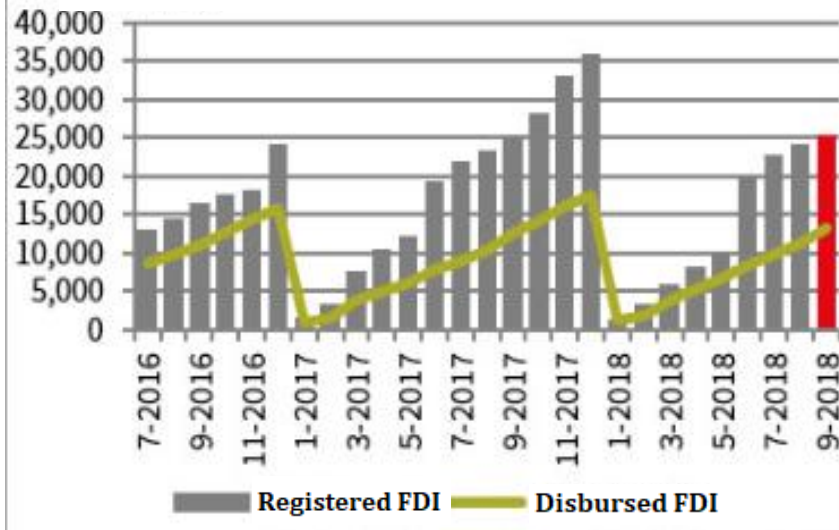
China-United State Trade War – Vietnam



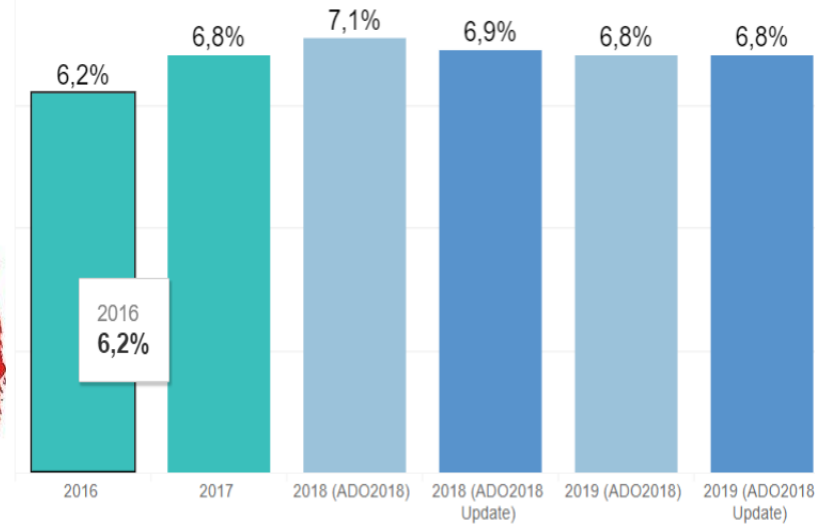
Vietnam FDI

Vietnam GDP

USD million

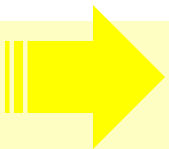


GDP Growth Rate: Viet Nam
(% per year)



Vietnam FDI in 2018 (up to October 2018) is USD 27.9 billion

Source: Asian Development Bank. *Asian Development Outlook 2018 Update*



Main Market

2017 Index	Vietnam	Cambodia
Median age	31(65% under 30)	27 (70% under 30)
Infant population, ages 0-3	6,000,000	1,000,000
Baby Diapers Penetration Rate	<35%	<25%
Estimated Baby Diaper Market Size	USD\$ 250,000,000	USD\$ 30,000,000
Estimated Baby Diaper Market Size(100% Penetration Rate)	USD\$ 750,000,000	USD\$ 120,000,000

Source: Taisun Holding's Database

Our Products

Baby Care Products

Baby diaper(BDP)



Baby diaper pants (POP)



New Born



Wet Tissue (WTP)



Our Products

Adult Care Products

Adult Diaper (ADP)



Insert pads (IDP)



Underpads (UDP)



Adult Wet Tissue (WTP)



Lady Care Products

Napkins (NPK)



Lady Wet Tissue (WTP)



Market Share

Vietnam (2017)

UniDry (Baby diaper/Baby diaper pants)	11% - No.4 ranking
SunMate (Adult Diaper)	28% - No.2 ranking
Sunfree (Napkins)	2% - No.5 ranking

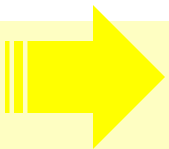
Cambodia (2017)

UniDry (Baby diaper/Baby diaper pants)	45% - No.1 ranking
SunMate (Adult Diaper)	58% - No.1 ranking

Source: Taisun Holdings Database

Basic Information

- **Established on February 2014**
(Taisun Vietnam was established on February 2001)
- **Chairman and General Director: Mr. Tai Chao Rong**
- **Paid-in capital: NT \$ 393 million**
- **Headquarters: Ho Chi Minh City, Vietnam**
- **Employees: 812 employees (Nov 2018)**

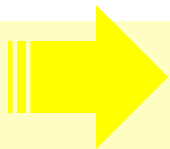


Income Statement of 2018Q3 (USD)

Unit: USD thousand

	<u>2018Q3</u>	<u>%</u>	<u>2017Q3</u>	<u>%</u>	<u>Growth/Decline</u>
Net Sales	14,810	100.00%	12,601	100.00%	17.53%
Cost of goods sold	10,671	72.05%	8,876	70.44%	20.22%
Gross margins	4,139	27.95%	3,725	29.56%	11.11%
Operating expenses	1,858	12.55%	2,044	16.22%	-9.10%
Operating incomes	2,281	15.40%	1,681	13.34%	35.69%
Operating incomes before tax	2,605	17.59%	2,314	18.36%	12.58%
Net profits	2,483	16.77%	2,081	16.51%	19.32%
Earnings Per Share	0.06		0.05		

Note: Consolidated financial statements are audited by Deloitte

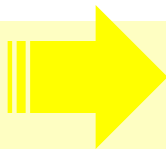


Income Statement of 2018Q3 (NTD)

Unit: NTD thousand

	<u>2018Q3</u>	<u>%</u>	<u>2017Q3</u>	<u>%</u>	<u>Growth/Decline</u>
Net Sales	453,380	100.00%	381,611	100.00%	18.81%
Cost of goods sold	326,247	71.96%	268,847	70.45%	21.35%
Gross margins	127,133	28.04%	112,764	29.55%	12.74%
Operating expenses	57,054	12.58%	61,961	16.24%	-7.92%
Operating incomes	70,079	15.46%	50,803	13.31%	37.94%
Operating incomes before tax	80,102	17.67%	70,074	18.36%	14.31%
Net profits	76,122	16.79%	63,033	16.52%	20.77%
Earnings Per Share	1.94		1.61		

Note: Consolidated financial statements are audited by Deloitte



Income Statement of 2018 Jan ~ Sep (USD)

Unit: USD thousand

	<u>2018.9M</u>	<u>%</u>	<u>2017.9M</u>	<u>%</u>	<u>Growth/Decline</u>
Net Sales	42,079	100.00%	36,273	100.00%	16.01%
Cost of goods sold	29,286	69.60%	25,202	69.48%	16.21%
Gross margins	12,793	30.40%	11,071	30.52%	15.55%
Operating expenses	5,720	13.59%	5,427	14.96%	5.40%
Operating incomes	7,073	16.81%	5,644	15.56%	25.32%
Operating incomes before tax	8,322	19.78%	6,748	18.60%	23.33%
Net profits	7,304	17.36%	5,926	16.34%	23.25%
Earnings Per Share	0.19		0.15		

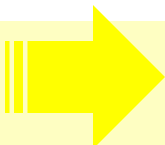
Note: Consolidated financial statements are audited by Deloitte

Income Statement of 2018 Jan ~ Sep (NTD)

Unit: NTD thousands

	<u>2018.9M</u>	<u>%</u>	<u>2017.9M</u>	<u>%</u>	<u>Growth/Decline</u>
Net Sales	1,258,812	100.00%	1,107,748	100.00%	13.64%
Cost of goods sold	876,091	69.60%	769,648	69.48%	13.83%
Gross margins	382,721	30.40%	338,100	30.52%	13.20%
Operating expenses	171,120	13.59%	165,728	14.96%	3.25%
Operating incomes	211,601	16.81%	172,372	15.56%	22.76%
Operating incomes before tax	248,957	19.78%	206,089	18.60%	20.80%
Net profits	218,511	17.36%	180,973	16.34%	20.74%
Earnings Per Share	5.56		4.64		

Note: Consolidated financial statements are audited by Deloitte

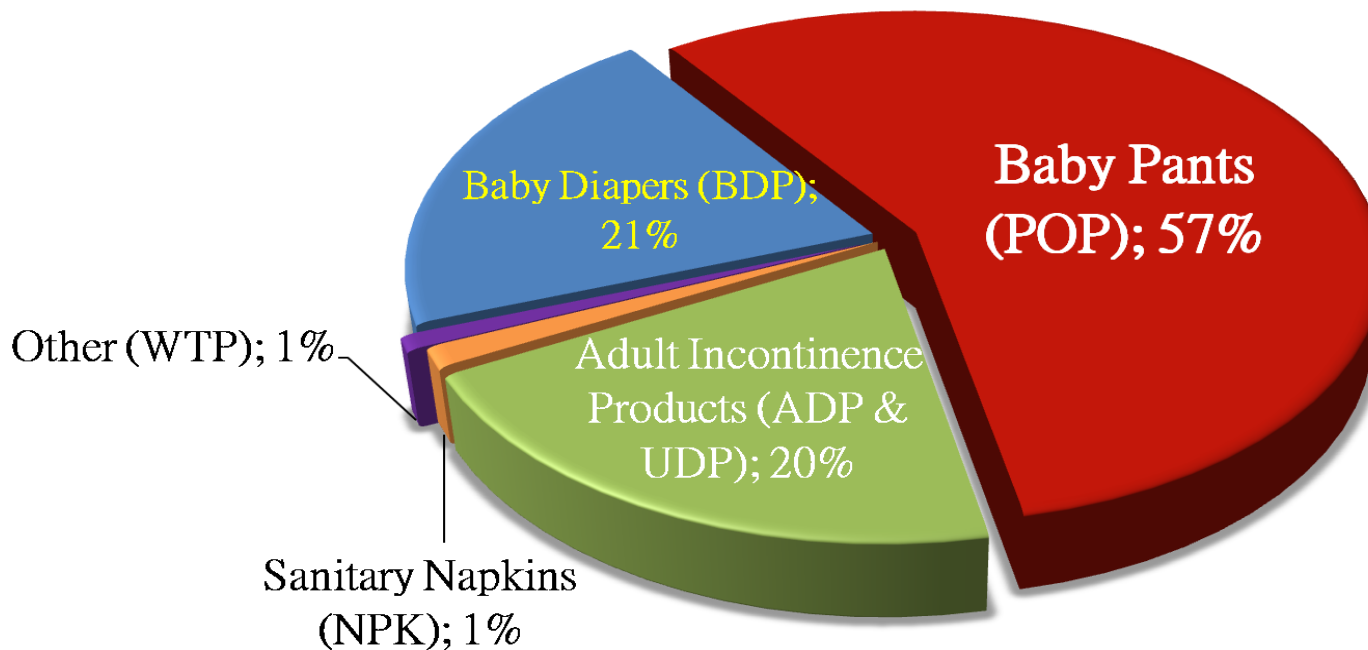


Balance Sheet of 2018 Jan ~ Sep (NTD)

Unit: NTD thousands

	<u>30/09/2018</u>		<u>30/09/2017</u>	
	<u>AMT</u>	<u>%</u>	<u>AMT</u>	<u>%</u>
Cash	349,194	18%	410,469	25%
Account receivables	41,004	2%	30,384	2%
Inventory	292,358	15%	204,831	12%
Other current assets	584,785	31%	505,725	31%
Total current assets	1,267,341	67%	1,151,409	70%
Fixed assets	341,985	18%	292,363	18%
Other non-current assets	278,565	15%	205,318	12%
Total non-current assets	620,550	33%	497,681	30%
Total assets	1,887,891	100%	1,649,090	100%
Current liabilities	343,070	18%	237,114	14%
Non-current liabilities	2,846	0%	2,967	0%
Total liabilities	345,916	18%	240,081	15%
Paid-in capital	392,700	21%	357,000	22%
Other equities	1,149,275	61%	1,052,009	64%
Total equities	1,541,975	82%	1,409,009	85%
Total liabilities and equity	1,887,891	100%	1,649,090	100%

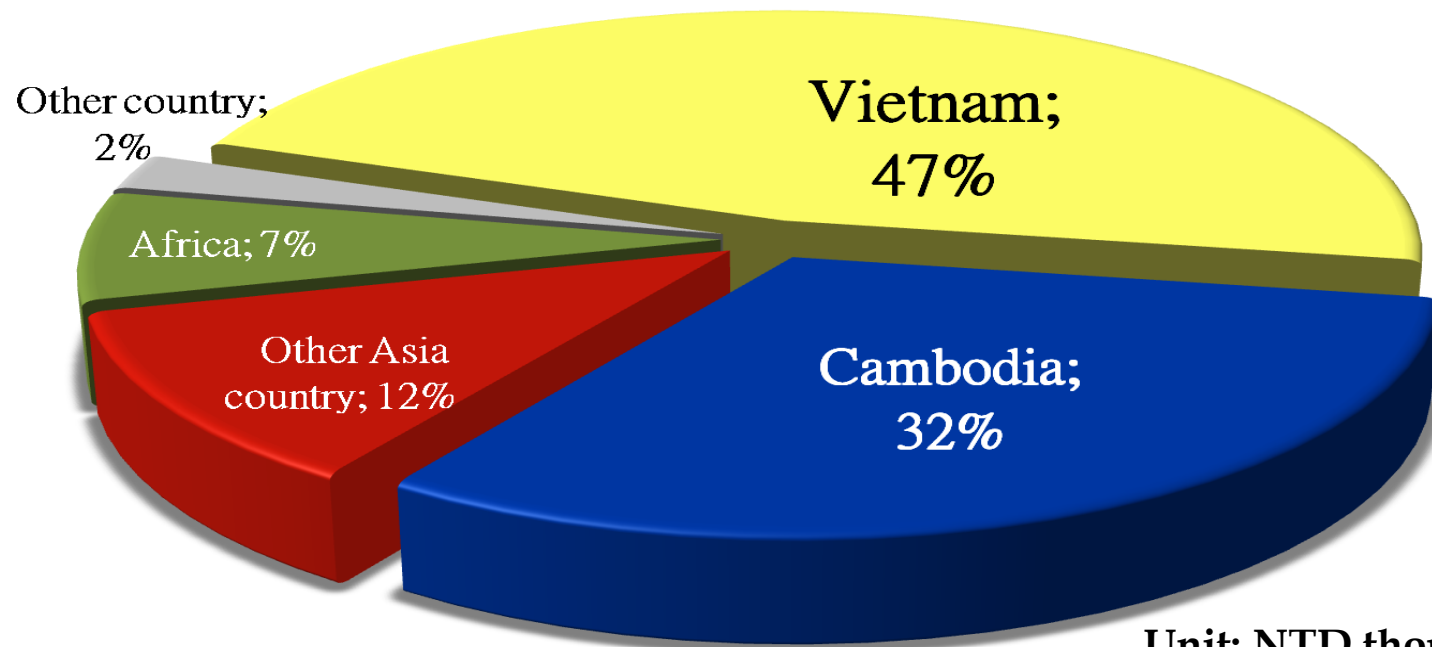
2018 Jan~ Sep Sales by Products



Unit: NTD thousands

Products	2018 Jan ~ Sep		2017 Jan ~ Sep		Diff	
	AMT	%	AMT	%	AMT	%
Baby Diapers (BDP)	260,169	20.67%	239,265	21.60%	20,904	8.74%
Baby Pants (POP)	713,834	56.71%	613,966	55.42%	99,868	16.27%
Adult Incontinence Products (ADP & UDP)	257,450	20.45%	227,822	20.57%	29,628	13.00%
Sanitary Napkins (NPK)	16,021	1.27%	16,475	1.49%	-454	-2.75%
Other (WTP)	11,338	0.90%	10,220	0.92%	1,118	10.94%
Total	1,258,812	100.00%	1,107,748	100.00%	151,064	13.64%

2018 Jan ~ Sep Sales by Areas



Unit: NTD thousands

Area	2018 Jan - Sep		2017 Jan - Sep		Diff	
	AMT	%	AMT	%	AMT	%
Vietnam	592,255	47.05%	570,007	51.46%	22,248	12.46%
Cambodia	400,476	31.81%	301,438	27.21%	99,038	19.96%
Other Asia country	146,347	11.63%	116,825	10.55%	29,522	21.15%
Africa	90,322	7.18%	77,907	7.03%	12,415	-62.30%
Other country	29,412	2.34%	41,571	3.75%	-12,159	-4.43%
Total	1,258,812	100.00%	1,107,748	100.00%	151,064	13.64%

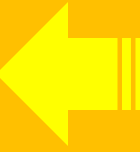
Net Sales Analysis of Jan ~ Nov 2018

Net Sales Analysis of Nov 2018				
Single Month (USD)	2018-Nov	2017-Nov	Diff.	Diff(%)
Net Sales	4,971,225.44	4,214,940.80	756,284.65	17.94%
-Domestic (Vietnam)	2,315,342.61	2,124,530.16	190,812.44	8.98%
-Domestic (Cambodia)	824,569.09	-	824,569.09	100.00%
-Export	1,831,313.75	2,090,410.63	- 259,096.88	-12.39%
Single Month (NTD)	2018-Nov	2017-Nov	Diff.	Diff(%)
Net Sales	153,342,420	126,882,363	26,460,057	20.85%
-Domestic (Vietnam)	71,419,058	63,954,732	7,464,326	11.67%
-Domestic (Cambodia)	25,434,658	-	25,434,658	100.00%
-Export	56,488,704	62,927,631	- 6,438,927	-10.23%
Net Sales Analysis of Jan -Nov 2018				
Accumulated (USD)	2018 Jan~Nov	2017 Jan~Nov	Diff.	Diff(%)
Net Sales	52,760,129.20	44,850,398.27	7,909,730.93	17.64%
-Domestic (Vietnam)	24,840,404.60	22,811,238.65	2,029,165.95	8.90%
-Domestic (Cambodia)	3,606,564.20	-	3,606,564.20	100.00%
-Export	24,313,160.40	22,039,159.62	2,274,000.78	10.32%
Accumulated (NTD)	2018 Jan~Nov	2017 Jan~Nov	Diff.	Diff(%)
Net Sales	1,587,499,527	1,366,726,186	220,773,341	16.15%
-Domestic (Vietnam)	747,422,934	695,126,875	52,296,059	7.52%
-Domestic (Cambodia)	108,517,910	-	108,517,910	100.00%
-Export	731,558,683	671,599,311	59,959,372	8.93%

Production Capacity

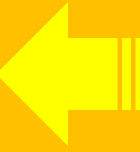
Machine	Production line	Capacity (piece)	Note
Baby Diapers	3	190,000,000	(Vietnam)
Baby Pants	2	200,000,000	(Vietnam)
	1	100,000,000	(Cambodia)
Adult Diapers	2	80,000,000	(Vietnam)
Women Napkins	1	60,000,000	(Vietnam)
Wet tissues	2	8,000,000 (Pack)	80 pieces/ pack (Vietnam)
		10,000,000 (pack)	20 pieces/ pack (Vietnam)
Current capacity	11		
Adult Pants	1	50,000,000	Q2 2019 (Vietnam)
Baby Pants	1	100,000,000	Q2 2019 (Vietnam)
Under Pants	1	50,000,000	Q4 2019 (Vietnam)
Women Napkins	1	120,000,000	Q2 2019 (Cambodia)
Baby Pants	1	100,000,000	Q1 2020 (Cambodia)
New Capacity	5		

2018.Q3 Review



- ❖ The Vietnamese market is highly competitive and the revenue growth rate is relatively low. It will strengthen investment in brand marketing and channel expansion to increase revenue growth rate.
- ❖ The Cambodian market has grown strongly by about 30%, further deepening its own brand and channel; Relating to other export markets, Myanmar and Thailand are also very bright prospects.
- ❖ The raw materials' price is continuing to rise, and the cost of trial products that was made by new production line in Cambodia was high, so the gross profit margin of this quarter declined slightly.
- ❖ Besides, except for the profit that is driven by revenue growth, the interest income that was generated by cash inflow from operating activities has increased significantly compared with last year.
- ❖ Taisun Vietnam was audited and approved to reduce the corporate income tax ("CIT") by State auditor, and Cambodia has got profit but no income tax occurred due to tax incentives, it leads to the consolidated CIT is low.

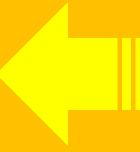
2018.Q4 Advantages



- ❖ The traditional high season - the fourth quarter is coming, the current market demand continues increasing.
- ❖ The production of Cambodia factory achieved target.
- ❖ Adjusting the product formula and change the suppliers will reduce the impact of raw material cost increasing.
- ❖ The price of raw materials has reached an all-time high, while the recent international oil prices tend to fall, so the prices are expected to fall next year.



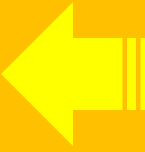
2018Q4 Disadvantages



- ❖ **The currencies of our major markets are devaluating except Cambodia, so we will be asked to reduce selling price by customers.**
- ❖ **The Vietnamese market is highly competitive and needs to continue to strengthen brand strength and channel establishment.**



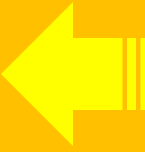
2019 Prospect-Advantages



- ❖ Our major markets which are emerging countries (Vietnam, Cambodia, Thailand, Myanmar...etc.) and still have high GDP growth rate and demographic dividend. Furthermore, their penetration rate of diapers still very low, so the potential is very high.
- ❖ The price of raw materials has reached an all-time high, while the recent international oil prices is decreasing, so the cost of raw material is expected to reduce step by step.
- ❖ There will have new production capacity and new product (adult pants, underpants, lady napkins) in our Vietnam and Cambodia factories, and it's expected to increase net sales and net profits.
- ❖ We are expected to obtain new tax investment incentives in Vietnam, and our Cambodia company still have 0% corporate tax rate incentive, so we estimate the group tax rate will reduce.



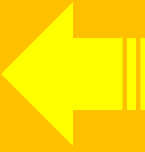
2019 Prospect-Disadvantages



- ❖ The worldwide economic situation is fluctuating violently, and the exchange rate of currencies is getting difficult to forecast. Hence, it will increase difficulties and uncertainties in operating.
- ❖ The Vietnamese market is highly competitive and needs to continue to strengthen brand strength and channel establishment.
- ❖ We plan to increase a lot of new production areas and machines, so the initial cost will be higher in the beginning.



Our Strategies



- ❖ Keep deeply investing in high potential market of Southeast Asia, and aggressively plan to explore the new emerging market. (India, Indonesia....etc.)
- ❖ Continuously invest in developing sale channels and brand marketing, for requiring market growth margins and increasing the market share.
- ❖ Enhance the R&D ability and upgrade the current products, and follow the market trends to develop new products. (Adult pants, lady pants....etc.)
- ❖ Searching the suitable M&A targets for enhancing our overall competitiveness.



THANK YOU!

