

TWSE Stock code **6890**



LAI YIH GROUP

Since 1987



Disclaimer

This presentation is a summary and evaluation of the past, present and future operations of the Company based on the subjective and objective factors at the time of the presentation; It contains forward-looking statements that will be affected by risks, uncertainties, and inferences that are beyond our control. Actual conclusions may differ significantly from these forward-looking statements.

The information it provides does not express or imply a view of the future or guarantee its correctness, completeness and reliability; nor does it represent a complete description of the company, the state of the industry and subsequent major developments.

The outlook for the future in this briefing reflects the company's view to date. If there are any changes or adjustments, the company is not responsible for reminding and/or updating at any time.

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- 2. Product Introduction and Manufacturing Process**
- 3. Market Overview and Competencies**
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1. Overview and History of the Company



- **Introduction of LAIYIH Group**
- **Company History**
- **Group Investment Structure**
- **Introduction of LAIYIH's Important Subsidiaries**
- **Members of the Board**
- **Management Team**

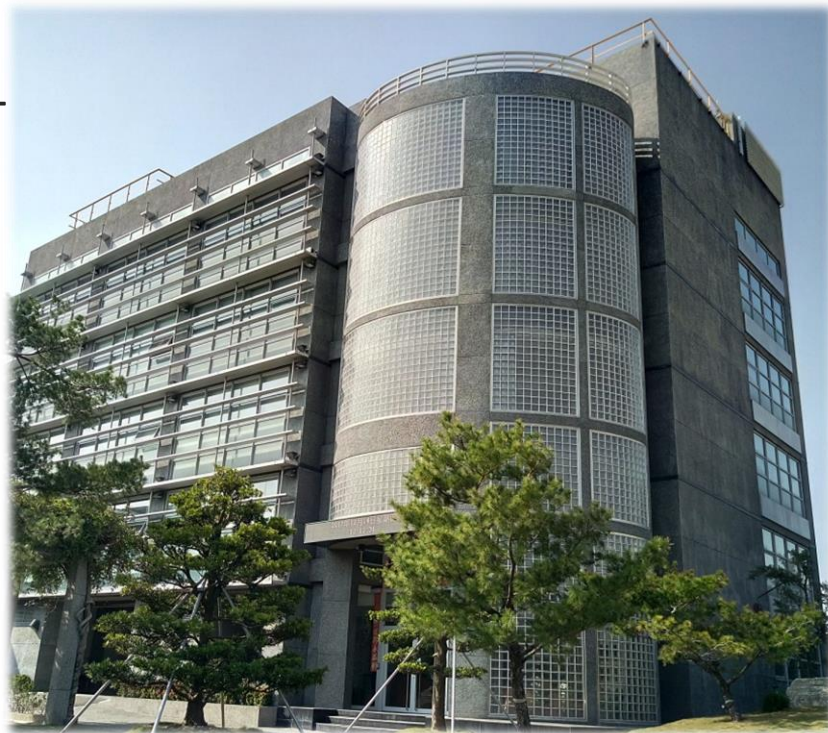
Introduction of LAIYIH Group



LAIYIH Group

Founded in 1987, cooperates with many internationally renowned brands. Specializing in producing various high-end casual shoes (vulcanized shoes), sports shoes (cold-cement shoes), special function shoes. We continuously innovate technology and improve ourselves, and are deeply trusted and affirmed by our customers.

- ◆ Chairman: Mr. CHUNG, TE-LI
- ◆ Cayman Holdings, established in June, 2021
- ◆ Headquarter: Daya District, Taichung City, Taiwan
- ◆ Manufacture Base: Vietnam, China, Myanmar, Indonesia
- ◆ Main Products: Sports Shoes 70%, Casual Shoes 30%
- ◆ Annual Productivity: **102,067,000 Pairs (Dec, 2023)**
- ◆ Total employees: **55,737 Pax (Dec, 2023)**



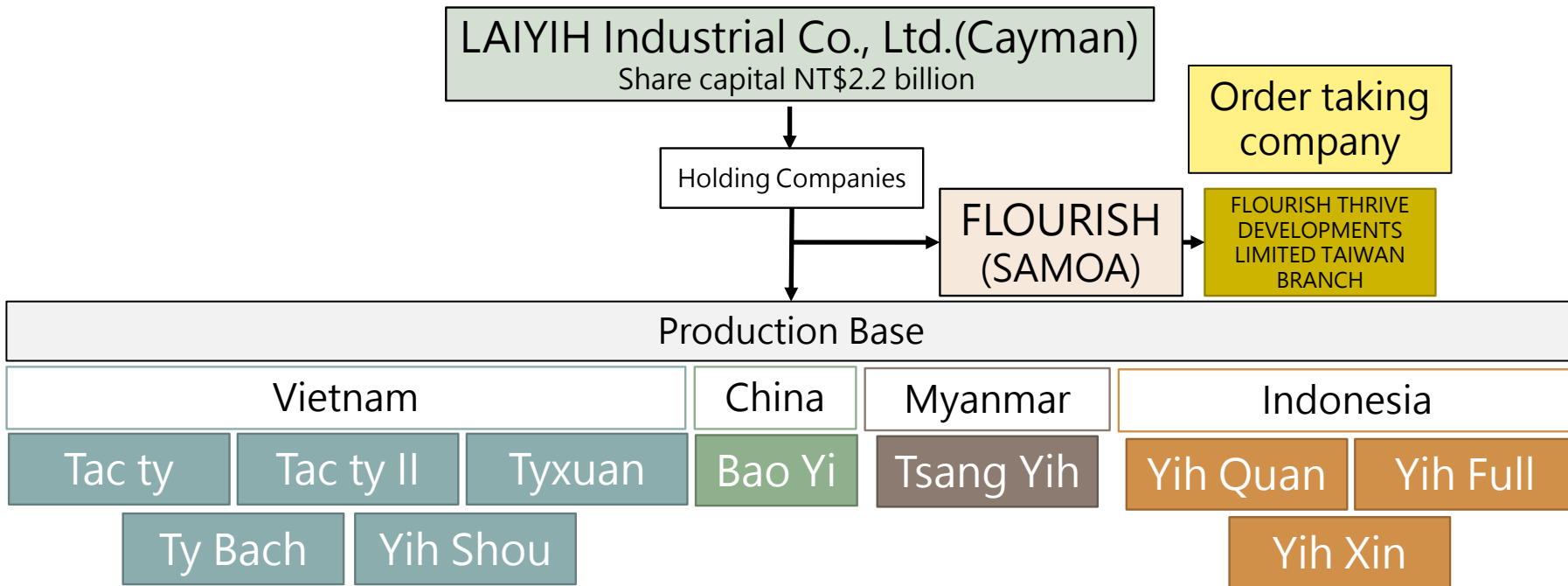
Company History



| | | | | | | | | | | |
|--|--|--|--|---|--|---|--|---|--|---|
|  |  |  |  |  |   |  |       |  |  |  |
| 1987 | 1990 | 2003 | 2006 | 2011 | 2011 | 2014 | 2018 | 2021 | 2021 | 2022 |
| LAI YIH Group | Lac Ty | Tyxuan | Bao Yi (Joint venture with Pou Chen) | Lac Ty II | Yih Shou | Tsang Yih | Ty Bach | YIH QUAN | YIH FULL | YIH XIN |
| TXG Taiwan | HCMC Vietnam | VL Vietnam | JS China | HG Vietnam | DT Vietnam | YGN Myanmar | VL Vietnam | Indonesia | Indonesia | Indonesia |
|  |  |   |  |  |  |  |  |    |  | Transferred to YIH QUAN |



Group Investment Structure



Introduction of Important Subsidiaries



Lac Ty Co., Ltd.

(adidas Development Center)

- Founded in May, 1990
- Located in Ho Chi Minh City, Vietnam
- Laiyih Group's 1st shoe factory invested and established overseas.
- The first vulcanized shoe factory in VN and the only vulcanized shoe manufacturer in the world designated by adidas.
- Employees : 2,700
- adidas Development Center established
- Customer: adidas

Lac Ty II Co., Ltd.

(adidas Main Production Factory)

- Founded in March, 2011
- Located in Hau Giang Province, Vietnam
- The main mass production factory of adidas of Laiyih Group
- Capacity: 1,565,000 prs/mth
- Employees: 12,000
- Customer: adidas

Introduction of Important Subsidiaries



Tyxuan Co., Ltd.

(Converse DC, Converse & adidas production factory)

- Founded in Dec, 2003
- The 1st shoe factory in Vinh Long and the largest shoe factory of Laiyih Group.
- Rubber, Printing, Lamination Embroidery, cutting die, 98% of the process finished in house.
- Obtained GORE-TEX certificate and started the production.
- Converse Development Center established
- Capacity: Shoe fty: 3,143,000 prs/mth
- Outsole fty: 3,500,000 prs/mth
- Employees: 22,000
- Plant Area: 402,900 Sqm
- Customer: Converse, adidas

Yih Shou Co., Ltd.

(HOKA DC & Production Factory)

- Founded in June, 2011
- Located in Dong Thap Province, Vietnam, it is about 2.5 hours drive from HCM.
- Shoe upper factory originally, it was converted into a mass production shoe factory in November 2014.
- Established HOKA DC in HCM
- Capacity: 500,000 prs/mth
- Employees: 4,500
- Plant Area: 34,500 Sqm
- Customer: HOKA

Introduction of Important Subsidiaries



Tsang Yih Co., Ltd.

(Myanmar adidas production factory)

- Founded in July, 2014
- Located in Yangon, Myanmar
- About 30 minutes drive from Yangon International Airport
- Started with adidas production in Sep, 2015
- Capacity: 1,050,000 prs/mth
- Employees: 5,300
- Plant Area: 67,647 Sqm
- Customer: adidas

Ty Bach Co., Ltd.

(UNIQLO DC · UNIQLO · HOKA production factory)

- Founded in July, 2018
- Established in 2018 in Binh Minh Industrial Park, Vinh Long Province, VN
- 3.5hrs drive from HCMC Airport to Ty Bach; 30mins drive from Tyxuan Co., Ltd.
- Started production in January of 2019
- Set up UNIQLO DC
- Plant Area : 181,676 Sqm
- Capacity: 650,000 prs/mth
- Employees: 6,100
- Customer: HOKA, UNIQLO, VANS



Members of the Board

| Title | Name | Gender | Education | Experience |
|----------------------|------------------|--------|--|--|
| Chairman | CHUNG, TE-LI | Male | Chung Yuan Christian Department and Systems Engineering | 1988-now LAIYIH Group 2012-now LAIYIH Group Chairman |
| Director | LIN HSUEH-FEN | Female | Feng Yuan Commercial High School | 1994-2020 LAIYIH Group |
| Director | CHUNG, CHEN-CHIA | Male | Sheffield Hallam University Department of Industrial Management | 2007-2020 LAIYIH Group Tyxuan A 2020-2023 LAIYIH Group Tyxuan A Vice President 2023-now LAIYIH Group Tyxuan A & Ty Bach President |
| Director | LIN, CHANG-YUNG | Male | Feng Yuan Junior High School | 1987-now LAIYIH Group Lac Ty Executive President 2021-now LAIYIH Group President |
| Director | LIN CHUN HSING | Male | Feng Yuan Junior High School | Zhun Jin Cheng Enterprise Co., Ltd. Manager Current Soon Yu Enterprise Co., Ltd. President |
| Director | HSU, SUNG-CHU | Male | Department of Mechanical Engineering Southern Taiwan University of Science and Technology | 1982-1985 JAMES & DAVID Footwear Chemical Assistant Manager 1985-1986 Sacony Trader/Inspector 1986-1988 Lotto Maw Ling Enterprise Co., Ltd. Develop Assistant Manager 1988-1992 EVEWIN Indonesia Footwear Chemical Factory Director 1992-2005 LAIYIH Group Adidas Factory Assistant Vice President 2005-now LAIYIH Group Taiwan Headquarter CIO |
| Independent Director | LIN HUO DANG | Male | College of Law National Taiwan University NCCU Department Of Management Information Systems MBA | Taiwan Rating Co., Ltd. Chairman TDCC Vice President TWSE President Grand Fortune Securities Co., Ltd. Chairman Current Hey Song Co., Ltd. Independent Director Current Shacom International Network Co., Ltd. Director |
| Independent Director | JUAN CHANG MAO | Male | Department Of Mechanical and Materials Engineering | Energy Committee of the Ministry of Economic Affairs Recommended engineer Nan Ya Plastics Co., Ltd. Section Manager Yang Iron Precision Corp. Quality Assurance Department, Machine Tool Department Manager PMC Supervisor Current TMBA Deputy Secretary-General |
| Independent Director | HUNG JUI BIN | Male | Soochow University Department of Economics Master | Executive Yuan Economic Construction Committee Director Current YC Group Xin Chio Global Co., Ltd. Independent Director |



Management Team

| Title | Name | Years | Education | Experience |
|------------------|-------------------|-------|---|--|
| President | LIN, CHANG-YUNG | 36 | Feng Yuan Junior High School | 1987-now LAIYIH Group Lac Ty Executive President 2021-now LAIYIH Group President 2023/10 Oversea Second Business Department COO |
| Vice President | SHIEH, JUNG-SHENG | 26 | Georgia Institute of Technology Applied Mathematics PhD | 2001-2015 Pou Chen Group-Yue Yuen Group Executive Director 2017/03 LAIYIH Group-CONVERSE Executive Director 2023/10 Oversea Second Business Department Assistant COO (CONVERSE) |
| Vice President | CHUNG, CHEN-CHIA | 16 | Sheffield Hallam University Department of Industrial Management | 2007-2020 LAIYIH Group Tyxuan 2020-2023 LAIYIH Group Tyxuan Vice President 2023-now LAIYIH Group Tyxuan A & Ty Bach President 2023/10 Oversea Second Business Department Assistant COO (CONVERSE) |
| Vice President | CHIU, SHUN-LIN | 32 | Ming Chuan Women's Business College-Applied Foreign Languages | PT KARANG MULIA ENTERPRISE CO. Indonesia Development/Business Im/Export Manager 、Co-October International Ltd.-Development business Manager 2005/5 LAIYIH Group Taiwan Headquarter Vice President 2023/10 Oversea Second Business Department Assistant COO (DECKERS) |
| Vice President | YEE CHIN CHOONG | 32 | National University of Singapore MBA | 2017~2022 EP(Evervan / Panarub) Group Deputy CEO 2007~2016 Panarub Group Indomesia CEO 2023/11Yih Quan President 、Oversea Second Business Department Assistant COO (CONVERSE/DECKERS) |
| Vice President | LO, SHIH-CHIEH | 28 | Chung Hua University Department of Business Administration | Jie Rubber 、Fong Yan Trading Co., Ltd. 、 Huey Chuen Corp. 2005/06 LAIYIH Group Tyxuan Oversea Second Business Department Assistant COO (UNIQLO) |
| Vice President | HSU, CHENG-CHIH | 16 | National Taichung Institute of Technology – Applied Business | Taiwan Fluorescent Lamp Co., Ltd. Information Office Assistant Manager 、Baixian Technology Co., Ltd. Project Manager 2007/06 LAIYIH Group Lac Ty 2023/10 Oversea First Business Department Assistant COO (ADIDAS) |
| Vice President | DING, KAI | 16 | Zhumadian Preschool Education College | 2007/04 LAIYIH Group Lac Ty 2023/10 Oversea First Business Department Assistant COO (ADIDAS) |
| CFO | LEE, YU-FU | 25 | Chinese Culture University Accounting Institute | 2023/2 LAIYIH Group Taiwan Headquarter CFO |
| Audit Supervisor | HUANG, YU-WEN | 20 | Tunghai University Department of Accounting | Jianxing United 、KPMG Accounting Firm SinoPac Securities Investment Banking Department Senior Manager Fubon Securities Investment Banking Department Business Director 2018/12 LAIYIH Group Taiwan Headquarter Director |

2. Product Introduction and Manufacturing Process

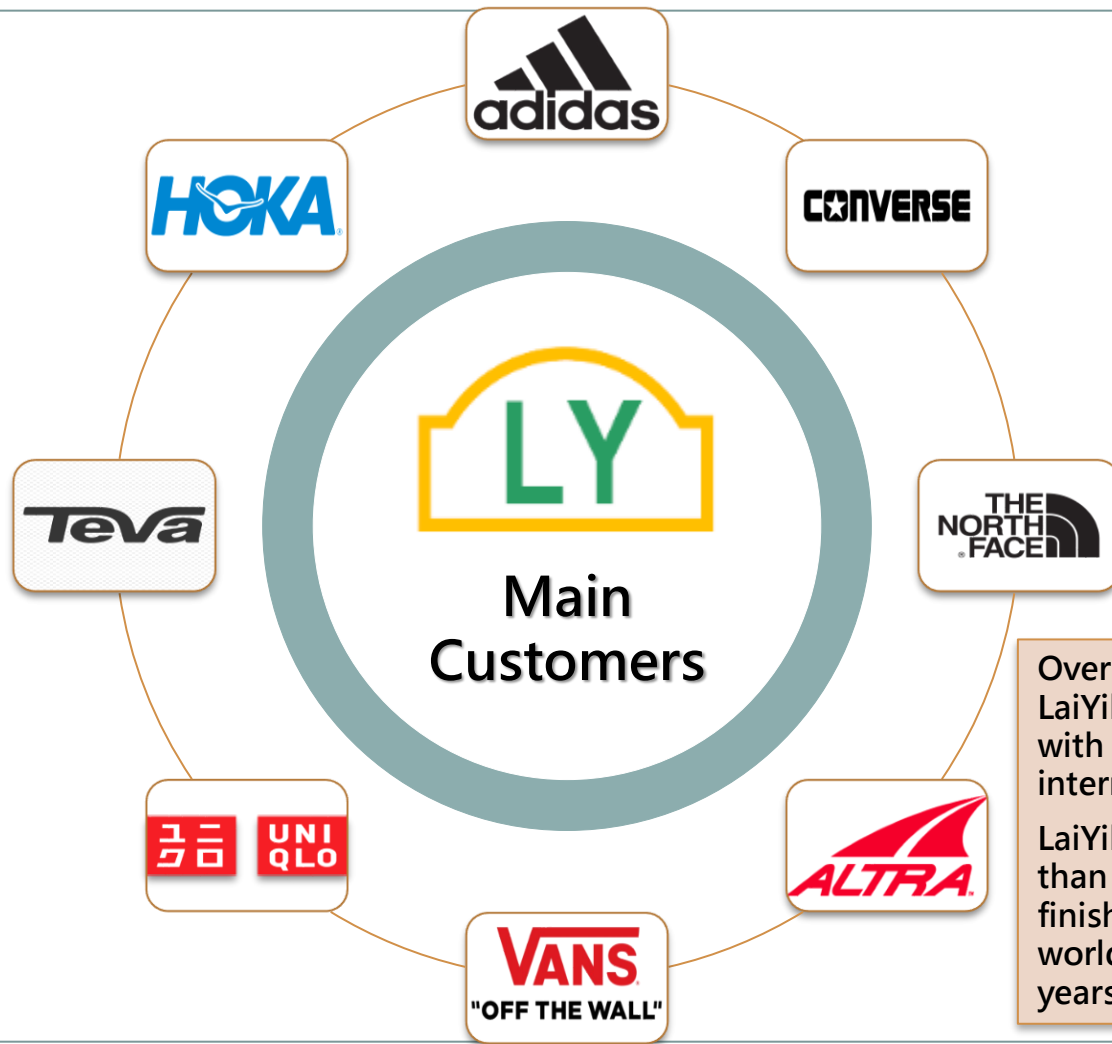


- **Main Products**
- **Main Brand Customers**
- **Manufacturing Process of Main Products**
- **Sales Status of Major Brand Customers**
- **Product Proportion and Sales**



Main Products



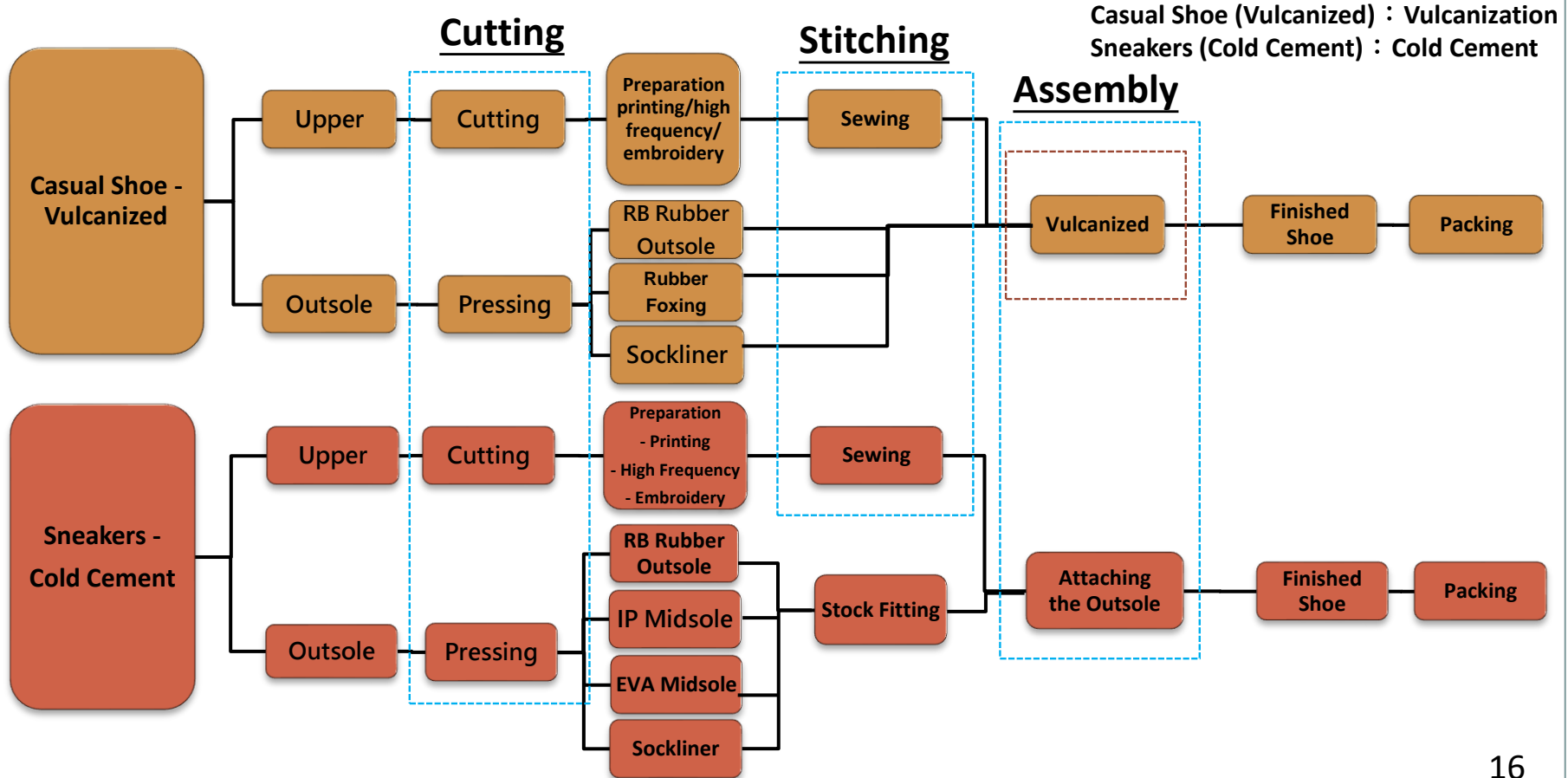


Over the past 36 years, LaiYih has collaborated with many well-known international brands

LaiYih has exported more than 300 million pairs of finished shoes all over the world for in the past five years!



Manufacturing Process of Main Products



Business Performance of the Major Brand Customers

LY



Business Proportion
In 2023

57.74% ↑

23.77%

13.42% ↑

Business Proportion
In 2024Q1

58.89% ↑

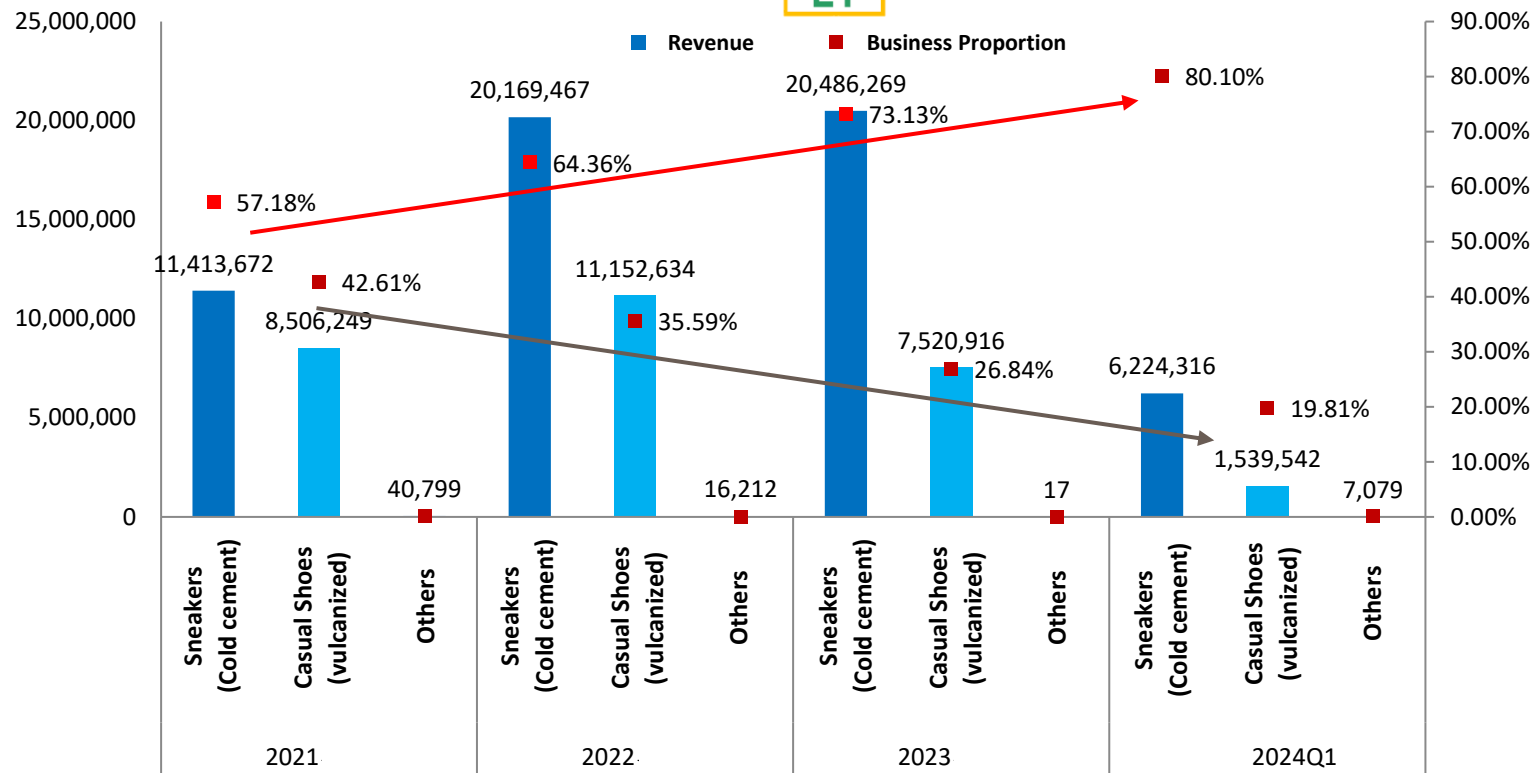
20.78%

18.77% ↑

Product Proportion and Sales Status



Unit: Thousands of NTD; %

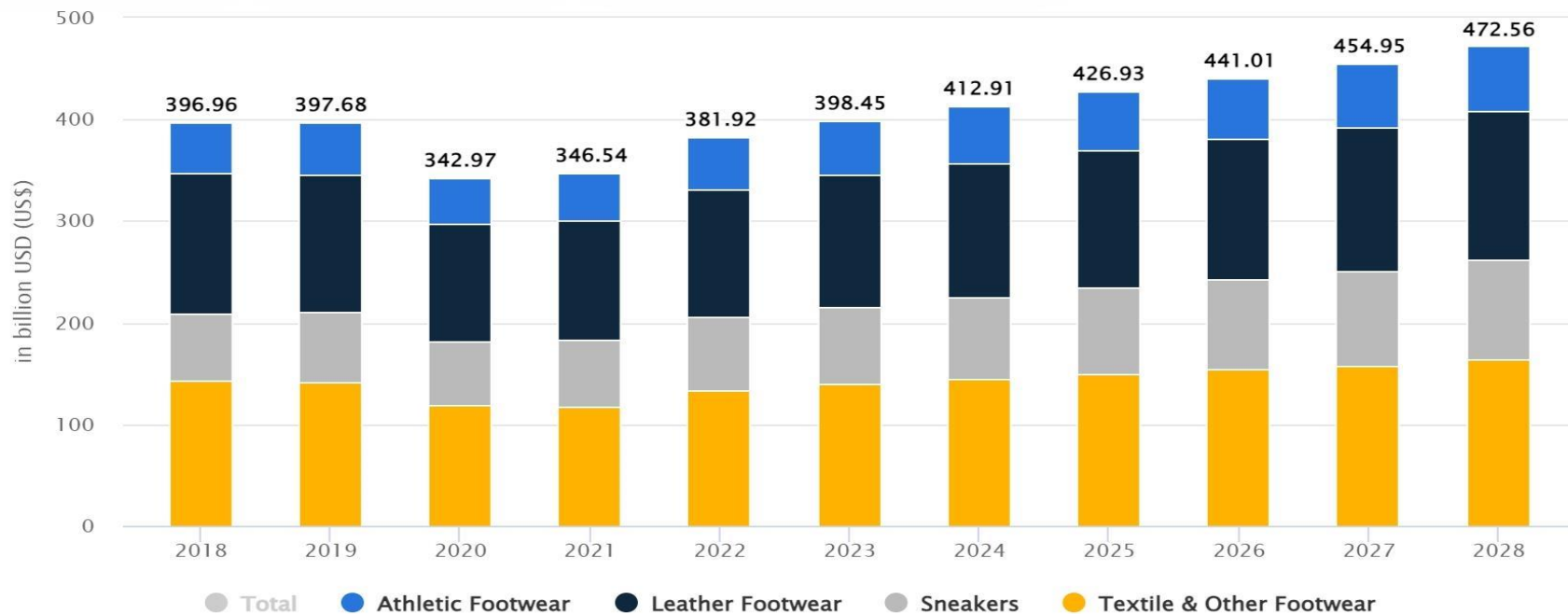


3. Market Overview and Competencies



- **Industry Overview**
- **Horizontal competition**
- **Competitive Niche**
- **Modern Automation of mass Production Processes**

Footwear Industry Overview

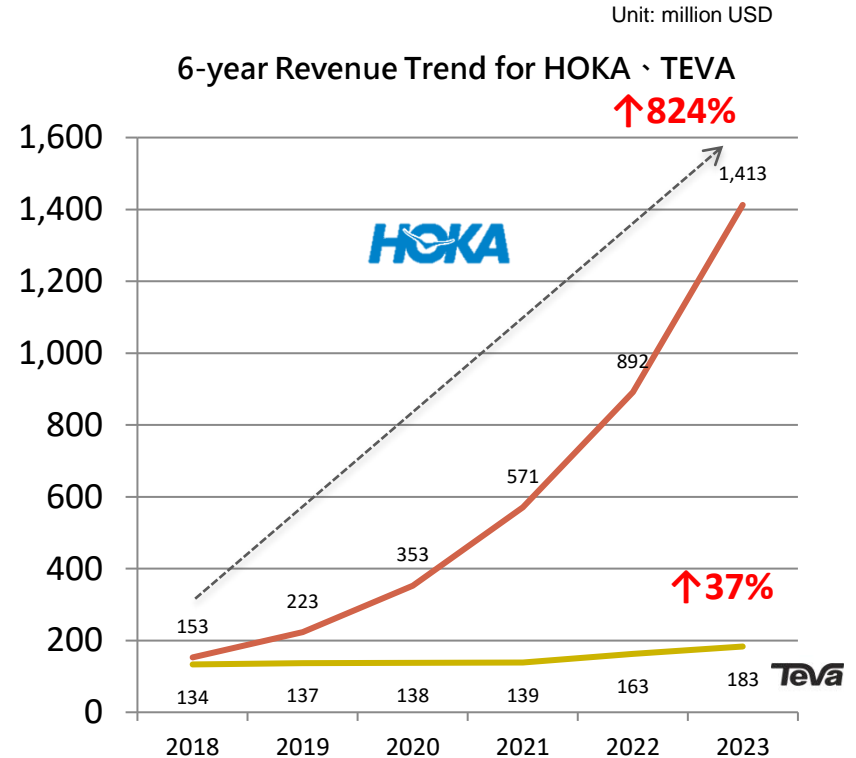
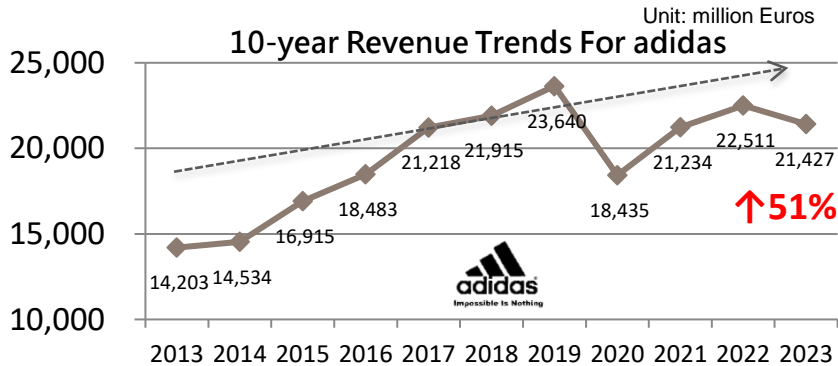
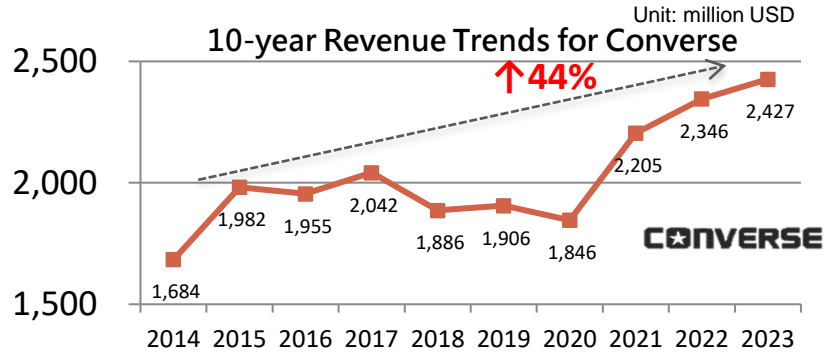


Source : Statista 2023/8

The estimated market growth from USD\$398.45 billion in 2023 to USD\$472.56 billion in 2028.

Footwear Industry Overview

LY



LaiYih's Competencies



Capabilities for producing GORE-TEX waterproof footwear products



Establish the exclusive development center to serve each brand customers



With large-scale production capacity, LaiYih becomes a solid partner of the world's top footwear brands



Multi-national Operation to support Brands' demand



Self-control and monitor of chemical formulas



Modern Manufacturing Processes and Automated Production



Improvement and Innovation on the automation facility with the collaborated equipment suppliers

Modern Automation of Production Processes

LY

Automatic Outsole Roughing Machine

- Invest: USD\$2.2 Million
- Save 1.5 operators/machine
- More friendly to the environment and reduce dust



Computer Stitching Machine

- Invest: USD\$10 Million
- Save 38%~40% of manual operation
- Productivity Increase

Rubber Outsole Injection

- Invest: USD\$5 Million
- Save 5.5 operators/machine
- More friendly to the environment and reduce carbon dioxide



Automatic Printing Machine

- Invest: USD\$0.8 Million
- Save 1~2 operators/machine
- Productivity Increase



Automatic Cutting Machine for Fabric

- Invest: USD\$4 Million
- Save 10 operators/machine
- 65,000-yard material savings per mth



4. Operating Performance and Dividend Policy

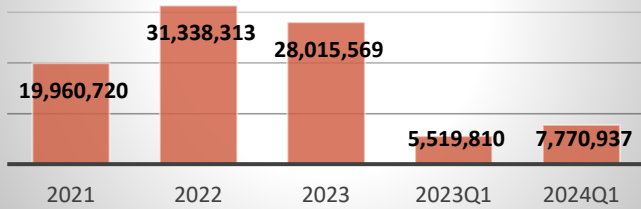


- Operating Performance
- Dividend policy

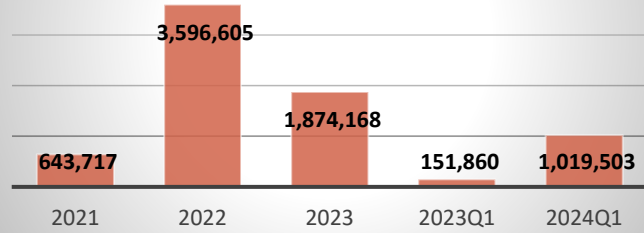


Business Operation Performance (1)

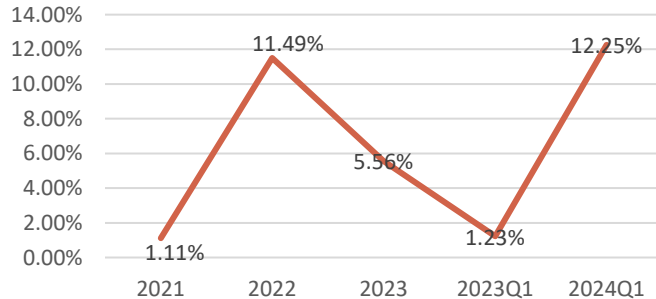
Operating Revenue (In Thousands of NTD)



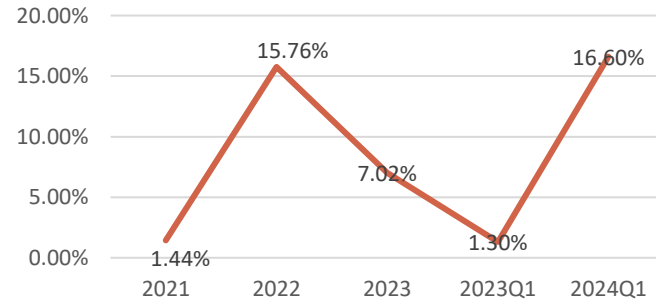
Earning Before Tax (In Thousands of NTD)



Return On Assets (ROA)

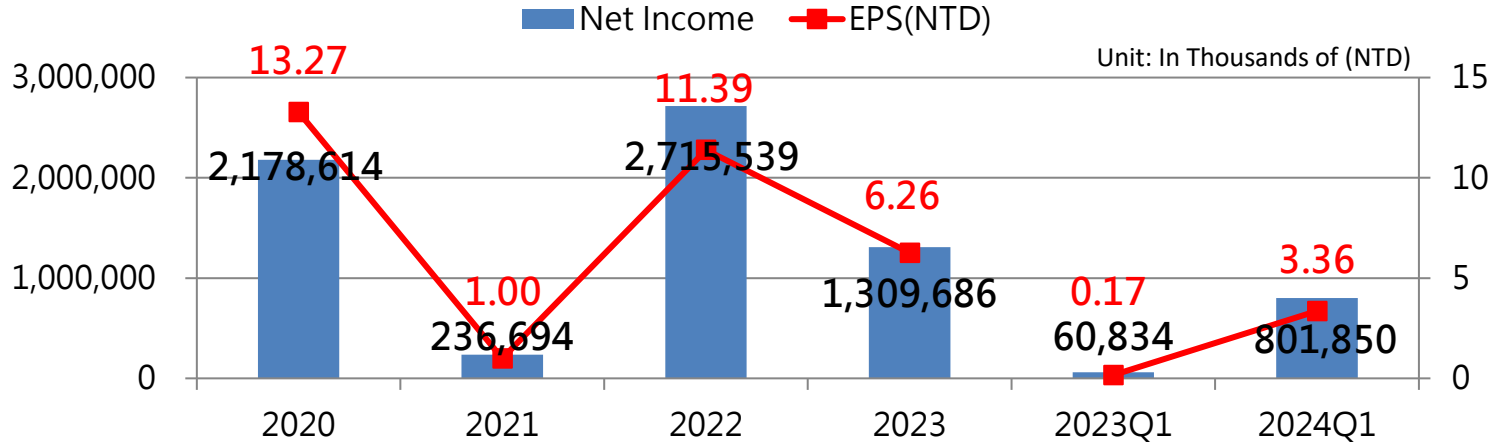


Return On Equity (ROE)





Business Operation Performance (2)



Unit : In Thousands of NTD

| Item \ Year | 2021 | 2022 | 2023 | 2023Q1 | 2024Q1 |
|--------------------------|------------|------------|------------|-----------|-----------|
| Revenue | 19,960,720 | 31,338,313 | 28,015,569 | 5,519,810 | 7,770,937 |
| Gross Profit | 2,590,266 | 5,690,603 | 3,772,832 | 677,993 | 1,483,382 |
| Operating Income | 700,109 | 3,324,379 | 1,508,949 | 120,284 | 880,858 |
| Income Before Tax | 643,717 | 3,596,605 | 1,874,168 | 151,860 | 1,019,503 |
| Net Income | 236,694 | 2,715,539 | 1,309,686 | 60,834 | 801,850 |
| Earnings Per Share (NTD) | 1.00 | 11.39 | 6.26 | 0.17 | 3.36 |



Dividend Policy

In accordance with the Articles of Association of the company, if there is a surplus in the annual final accounts, the company shall: (i) pay all taxes according to law; (ii) make up for the losses of previous years; (iii) set aside 10% as the statutory surplus reserve, excluding the accumulated statutory surplus reserve that reaches the paid-in capital amount, and (iv) the surplus may be distributed only after the special surplus reserve that should be set aside in accordance with the regulations of the competent authority. After deducting the foregoing, the surplus is called the current distributable surplus. Dividends distributed to shareholders may be distributed from current distributable surplus or previously undistributed retained surplus.

| Year | 2020 | 2021 | 2022 | 2023 |
|---|-----------|----------|--------------------|-----------|
| Net Profit after Tax (In Thousands of NTD) | 2,066,280 | 220,836 | 2,511,154 | 1,309,686 |
| EPS (NTD) | 13.27 | 1.00 | 11.41 | 6.26 |
| Dividend(NTD) | - | APIC 4.8 | APIC 2.5 RE 5.0 | RE 5.0 |

5 R&D Capabilities and Achievements



- **Research & Development Capabilities**
- **Digital Management Capabilities**
- **R&D Achievements**

R&D Capabilities

Technical Crafts

Digital Printing Laser



Heat Pressed Flocking



Embroidery with self-developed Jigs



Chemical Industry & Formula

EVA Sole Injection



Co-molding Process of EVA & Rubber Sole



Rubber Sole Injection



Digital Management Capabilities

Automation Data Integration (ERP – Data Center)

Gathered Data can be reviewed on smartphones and computers



R&D Achievements

LY

Modular Roughing Machine System

Collaborate with GoreTex to develop Vulcanized Waterproof shoes

UV Photosensitive Printing

Automatic Printing Machine

Recyclable Paper Shoe Form Implementation

Digital Inkjet Printing and Sublimation Transfer Printing Applications

GoreTex Waterproof Construction Capability: PSC and Invisible Fit

Upper uses Tongue/Upper Integrated No-sew Technology

Automatic Robotic Arm Spraying

Automatic Rotary Size labeling Machine(4 Heads)

Usage of Recycled Materials for shoe making

Research and Develop the Dual Process of Vulcanization and Cold Cement Construction

Automatic Buckle Machine, Automatic Material Feeding Sewing Machine,

Casual Shoe Process combined with Automatic Transport Robots

Dual EVA Layer Technology of Injection EVA and CMEVA

Use Large Heel EVA Platform Design for Running Shoes

EVA and Rubber Vacuum Co-Molding Sole Technology

Automatic Cutting Machine with Line Marking Function

Dual-Process Production of Vulcanization & Cold Cement uses Non-Buffering Process by Water Washing Process.

Automatic Insole Printing & Transfer, Automatic Transfer Printing Machine

Automatic Pulling Table, Supercritical Foam Midsole Application

Automatic UV Robot Arm Spraying

5D Printing, Independent Research and Development of 3D Visual Identification System, 3D Virtual Samples



6. Business Philosophy and ESG



- **Business Philosophy & Core Values**
- **ESG Management & Sustainable Business**



Business Philosophy & Core Values





Sustainability with ESG

Environment

Social

Governance



Evaluated by **Third-party audit agency (FEM)** and LaiYih complies with local regulations and customer's compliance requirements. which is the basis for sustainable development

ISO 5001 certification, LaiYih collaborates with third parties to conduct periodic audits.



- Use of Renewable Energy
- Reduce Carbon Emissions
- **Rooftop Solar Project (The 2nd largest in the world)**
- DPPA Green Power Procurement Project (Vietnam Government)
- SBTI Project: Signing the Declaration of Commitment to Carbon Neutrality

- Tracking and Management of monthly production waste
- Zero waste to landfill

- 100% meet customer's compliance requirements
- Standardized chemicals regularly track & manage the use of chemicals

- Environmentally friendly and sustainable materials project

- **100% treated wastewater recycled** and reused for plant watering and toilet water

Sustainability with ESG

Environment

Social

Governance



Guidance by a third-party consulting company (ESIS) to establish safety culture and technology and obtain customer's certification



- ✓ Comply with local government and customer specifications
- ✓ Risk management and training



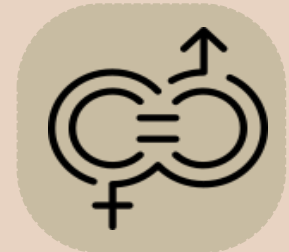
- ✓ Community care
- ✓ Poverty relief
- ✓ Donate supplies
- ✓ **Donate money and build a house for the needed**



- ✓ Employee Engagement Survey
- ✓ Employee Development
 - Professional skills
 - Management skills
 - Core functions



- ✓ Community activity



- ✓ Promote women's career development
- ✓ Promote gender equality and use assessment tools from third-party organizations for evaluation. Gender equality maturity level 4 must be achieved before FY25.

Sustainability with ESG

Environment

Social

Governance



Our senior management team participates in IOSH training and pay attention to providing a healthy and safe working environment.



- Establish a labor union legally and compliantly
- Maintain good interactive relationships
- Group consultation



- Develop an annual business operation strategy



- Establish Diverse employee communication channels
- Establish an integrity management reporting system.
- Establish communication channels for stakeholders



- We have outstanding performance and have hosted visits of many **Heads of nation and government senior officials, the US ambassador in Vietnam, etc.**



Accomplishments over the years



IN US, YOU TRUST