



# Taiwan Paiho Limited

30 years of Experience in  
Making Sporting Goods Accessories

***April 2018***



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# Company general profile

- Establishment: 1985
- Number of employees: 1056 (as of March, 2018)
- Paid-in capital: US\$99.3mn (NT\$2.98bn)
- Listed in January 2001
- Main products: Touch Fastener, Webbing(Shoelaces), Elastic, Reflectives (Reflective Bar), Molded Hook Molded Hook & Loop, Bamboo Charcoal series products and Knitted Upper etc.

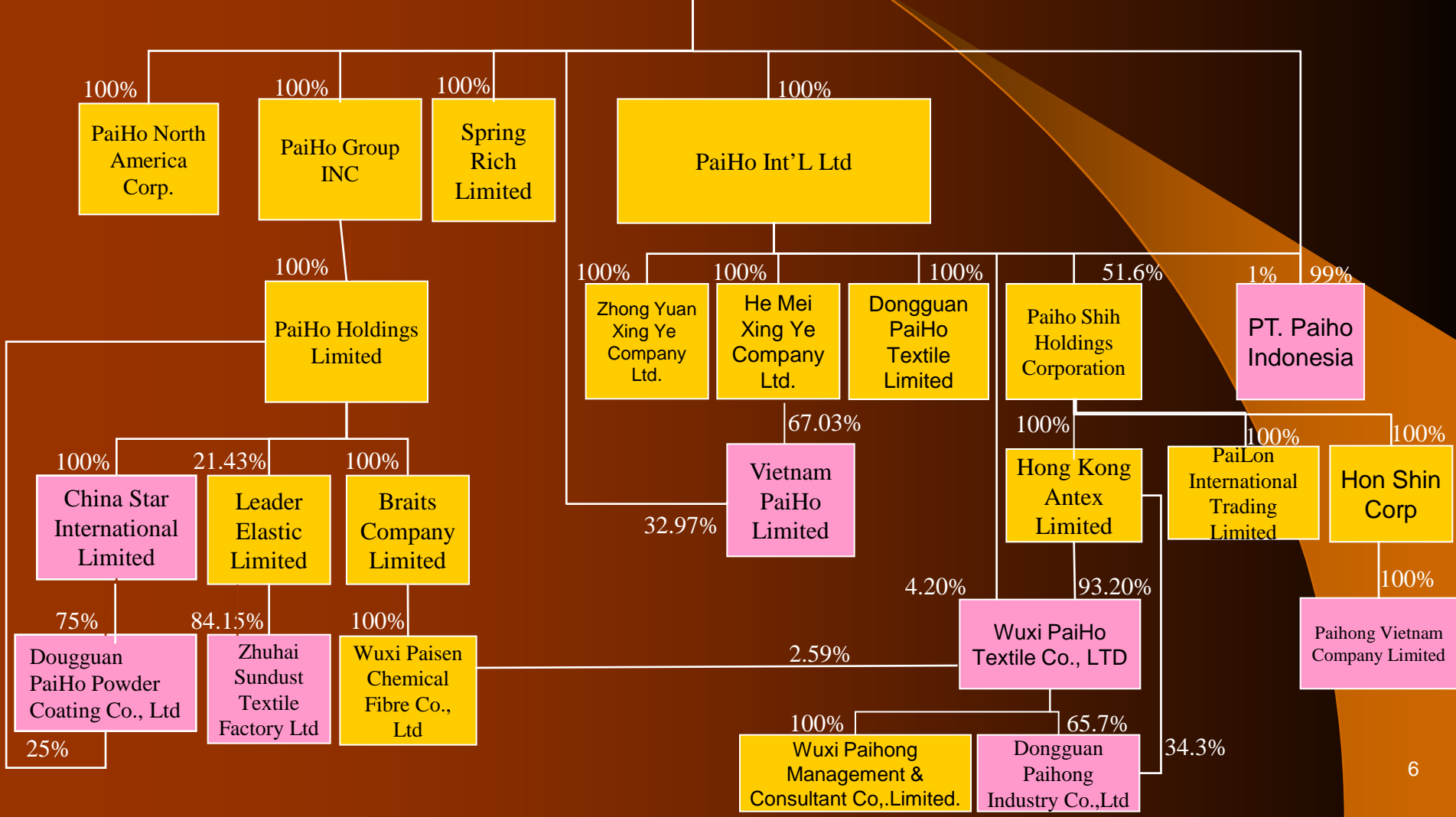
# History - 1

- 1979 Established San Ho Shin Limited, manufacturing only hook and loop
- 1985 As a joint venture with Velcro (NasdaqSC:VELCF), Taiwan PaiHo Ltd. was established.
- 1990 Joint venture with Velcro ends, shares sold to the Cheng family.
- 1992 Dongguan PaiHo was established.
- 1997 Shares of Dongguan PaiHo sold to Taiwan PaiHo, becomes Taiwan PaiHo's 100%-owned company.
- 1998 Spring Rich established.
- 1999 Taiwan PaiHo obtains ISO 9002 quality approval; Vietnam PaiHo Ltd. established the same year.
- 2001 Taiwan PaiHo Ltd. lists on the Taix; Wuxi PaiHo established.
- 2002 Wuxi PaiHo and Spring Rich start pilot production.
- 2003 Cooperation with Council of Agriculture and ITRI to develop the internationally popular bamboo charcoal series of products and materials.  
Invested in ShangHai Powder Coating .
- 2004 Europe PaiHo and North America PaiHo Ltd. established.  
Invested in Dongguan Powder Coating.  
First company to get CAS certificate from COA (#160101).  
ITRI holds bamboo charcoal exhibition in December.
- 2005 Company holds a bamboo charcoal products, underwear and sleeping dress exhibition in the Taipei World Trade Center in June.
- 2006 Establish Paiho's own consuming chain store "LACOYA" specializing in Bamboo Charcoal fiber products (Total 20).  
The same year, PaiHo was awarded with " Asia Top 200 Small&Midsize. Companies" by Forbes Asia, which showcased the region's most dynamic publicly traded firms with the sales under a billion US dollars.

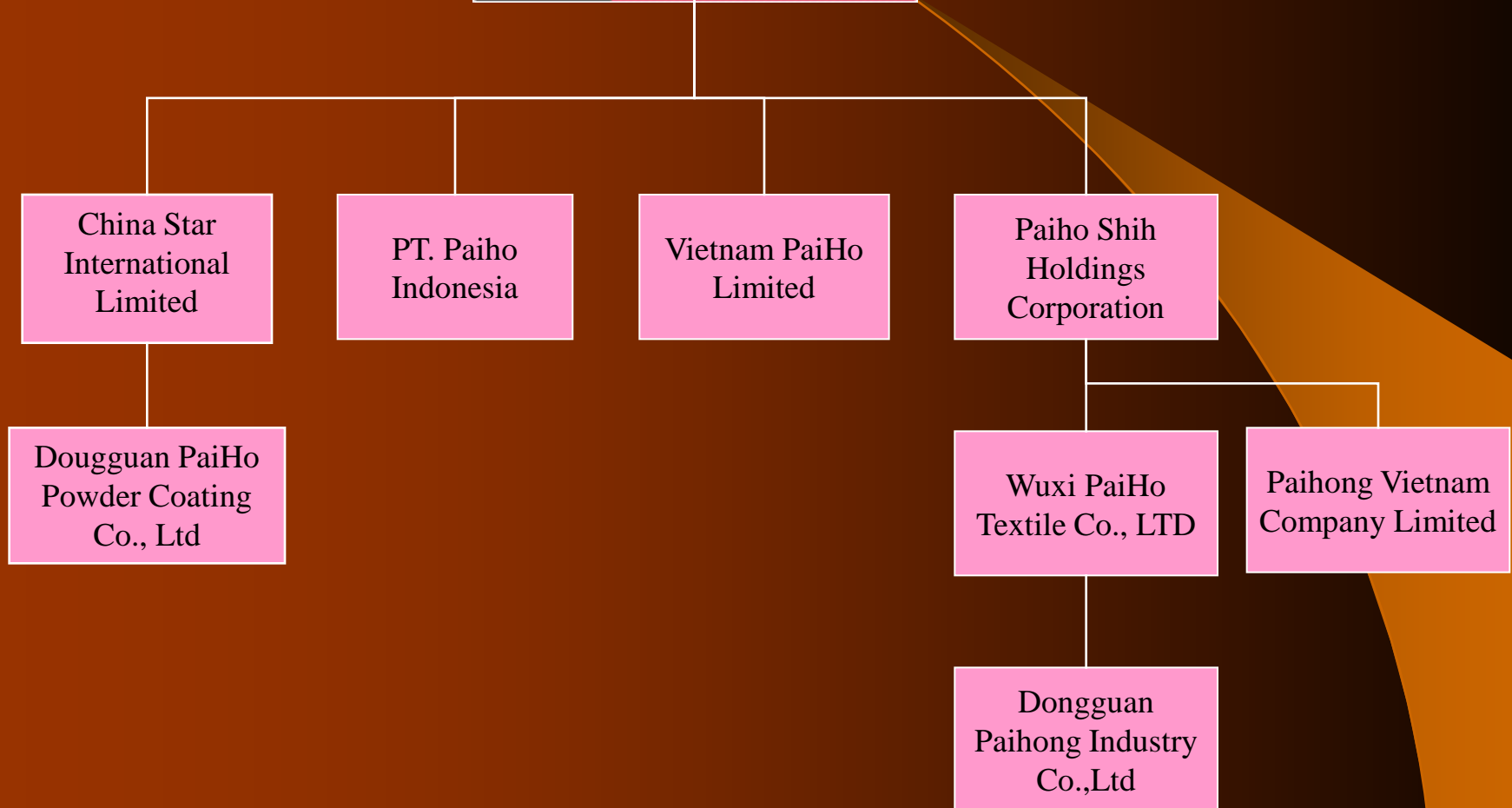
# History - 2

- 2007 Awarded with “ Taiwan Fine Product” by Taiwan Trade Development Council  
Until 2007.12.31, PaiHo has a total of 39 LACOYA direct managed stores and franchised stores.
- 2008 PaiHo has a total of 42 LACOYA direct managed stores and franchised stores.
- 2009 TigerShark changeable cushion and ventilation saddle with hook and loop won third place at the “2009 Innovative Bicycle, Component and Accessory Competition.
- 2010 PT Paiho Indonesia established.
- 2011 Subsidiary-Paiho Shin Holding (F Paiho 8404) become a first oversea company listing on Taiwan stock market.
- 2012 Certified with ISO/TS 16949 quality management systems.  
Awarded with " BEST SUPPLIER( Speed/Agility)" by Adidas.
- 2013 Awarded with "Best Small and Medium Enterprise" by the Ministry of Economic Affairs R.O.C . Awarded with " FACT Division 1 Supplier" by Adidas.  
New developed products, two ways stretch upper and digital woven upper, business crosses sub material and main material.
- 2014 Paiho has invited by Adidas become part of the member in A-Team, is one of the 11 members in the world to be the most prospective development supplier, and Paiho is the only one vice material supplier.  
Paiho is elected by Nike as the “pioneer supplier” in garment - as the strategic partner.  
Also, Paiho has invited by NIKE to set up a corresponding office and exhibition center for footwear at WHQ.
- 2016 ADIDAS awarded the “Manufacturing excellence & innovation.  
Awarded the "TITAS Contribution Award" by the Taiwan Textile Federation.
- 2017 Awarded certificate of “ 4th session of Excellence Enterprise Award” from Ministry of Economic Affairs.

# Company Structure



# Main production plants

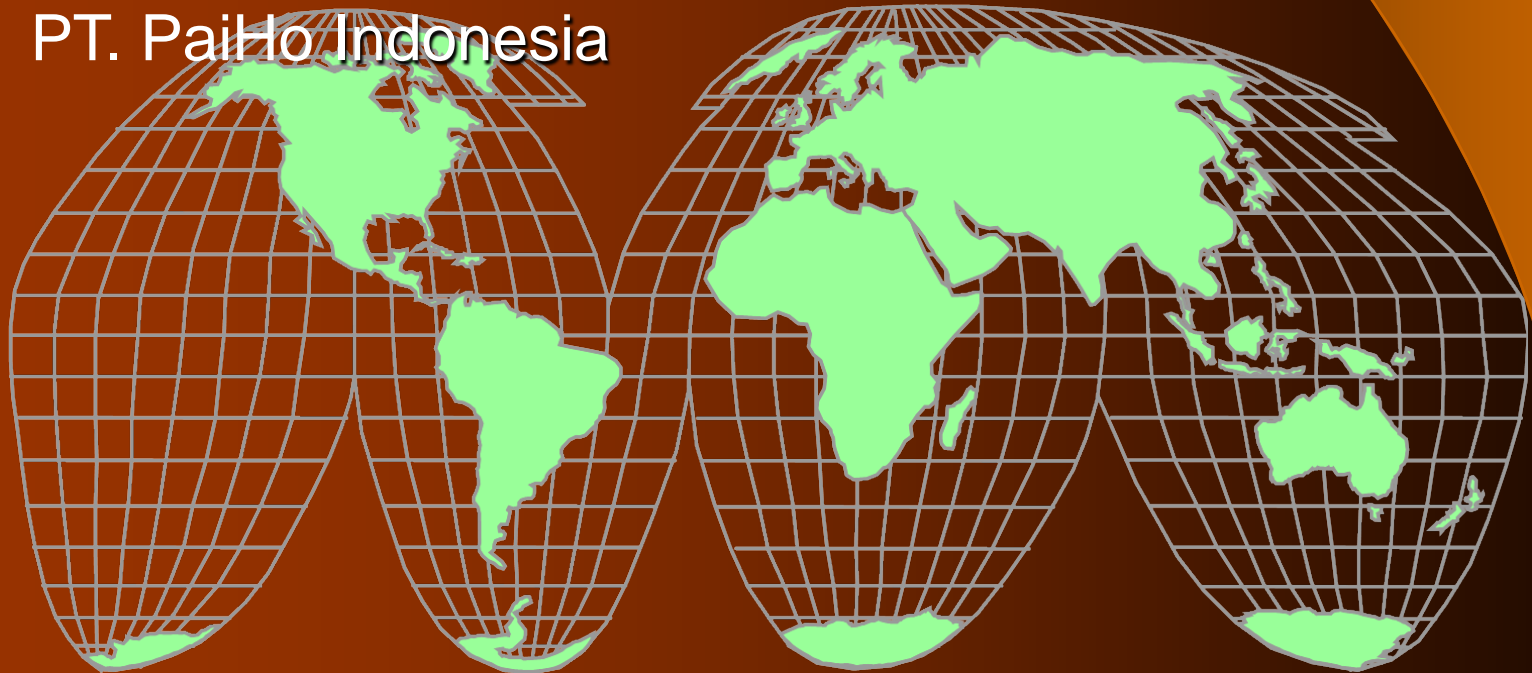


# Global strategy

Operational & R&D headquarters: Taiwan PaiHo

Production plants: Taiwan, Dongguan, Wuxi, Vietnam,  
Indonesia

Sales and customer service centers: Taiwan PaiHo, Dongguan  
PaiHo, Wuxi PaiHo, Vietnam PaiHo, North America PaiHo,  
PT. PaiHo Indonesia





# Dongguan Paihong

- Date of establishment: October, 2005
- Pilot production started: June 1993
- Invested amount: RMB 357,094,825

Net Assets: RMB 583,950,986

(as of December 2017)

- Main products: Touch fastener, webbing, shoelace, Computer's bag, cover and accessories
- Sales Region: Southern China 、 North East Asia 、 North America 、 Europe

# Dongguan Paihong



# Dongguan Paihong Dormitory

**(Employee welfare facilities: Clinic center, Library, Movie theater, Indoor sport equipment)**



# Paihong Vietnam



總佔地面積：160,000平方公尺  
已興建佔地面積：60,243平方公尺  
已興建建築面積：80,522平方公尺

# Wuxi PaiHo

- Date of establishment: December 2000
- Pilot production started: September 2002
- Invested amount: RMB 384,592,275

Net Assets : RMB 1,186,167,821

(as of December 2017)

- Main products: Touch fastener, elastic, webbing
- Sales Region : Domestic China 、 Europe 、  
North America

# WuXi PaiHo



# Vietnam PaiHo

- Date of establishment: October 1999
- Pilot production started: September 2000
- Starts to receive orders: July 2002
- Invested amount: US\$ 24,262,839

Net Assets : US\$ 90,646,581 (as of December 2017)

- Main products: Touch fastener, webbing, shoelace, elastic, reflective materials
- Sales Region : Vietnam 、 Association of South East Asia Nations (ASEAN) 、 other Asian countries 、 South America 、 Europe 、 Taiwan

# Vietnam PaiHo





# PT. Paiho Indonesia



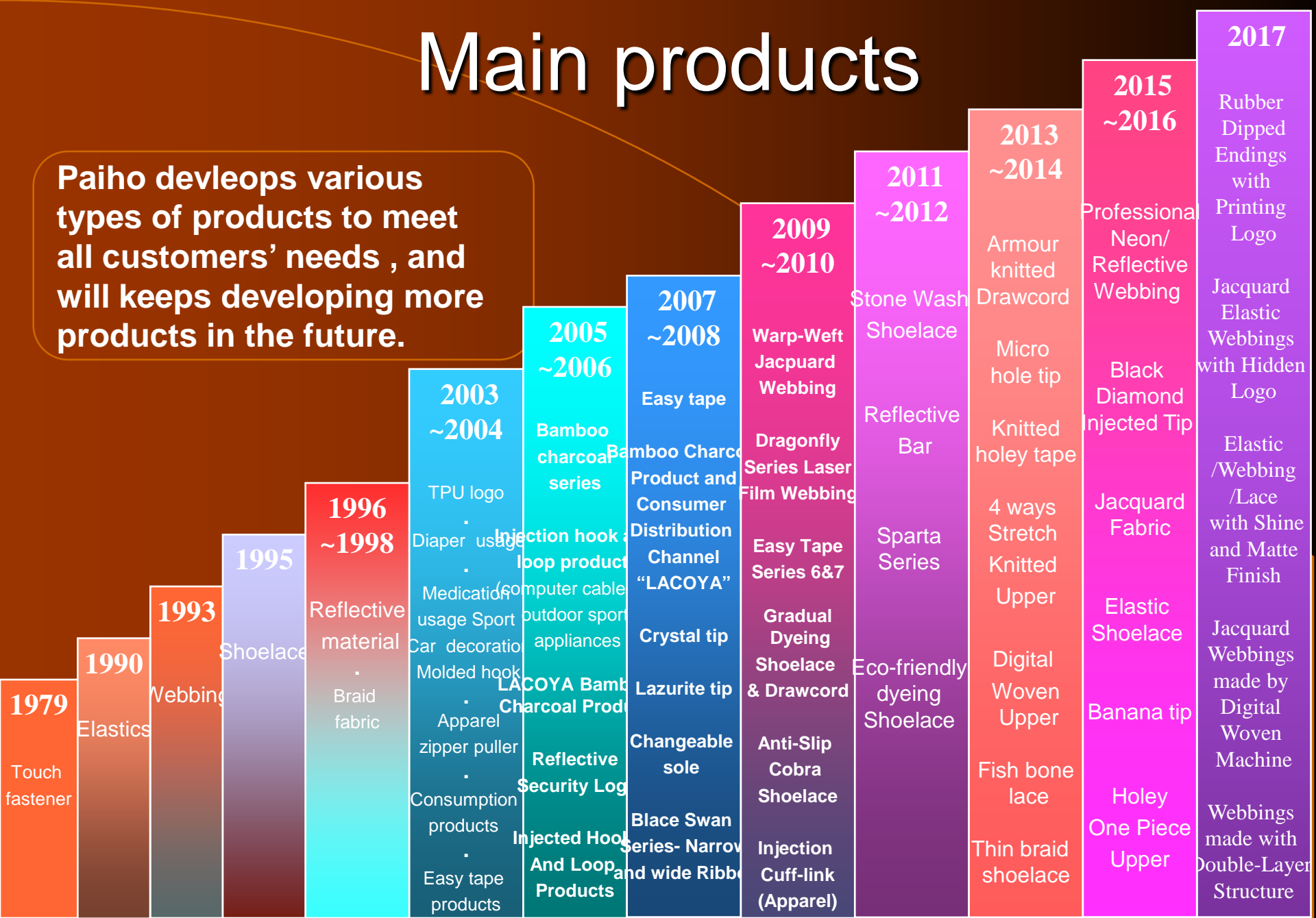
- 設立日期：2010年3月
- 土地面積：105,162平方公尺(31,812坪)

# PT. Paiho Indonesia



# Main products

Paiho develops various types of products to meet all customers' needs, and will keep developing more products in the future.

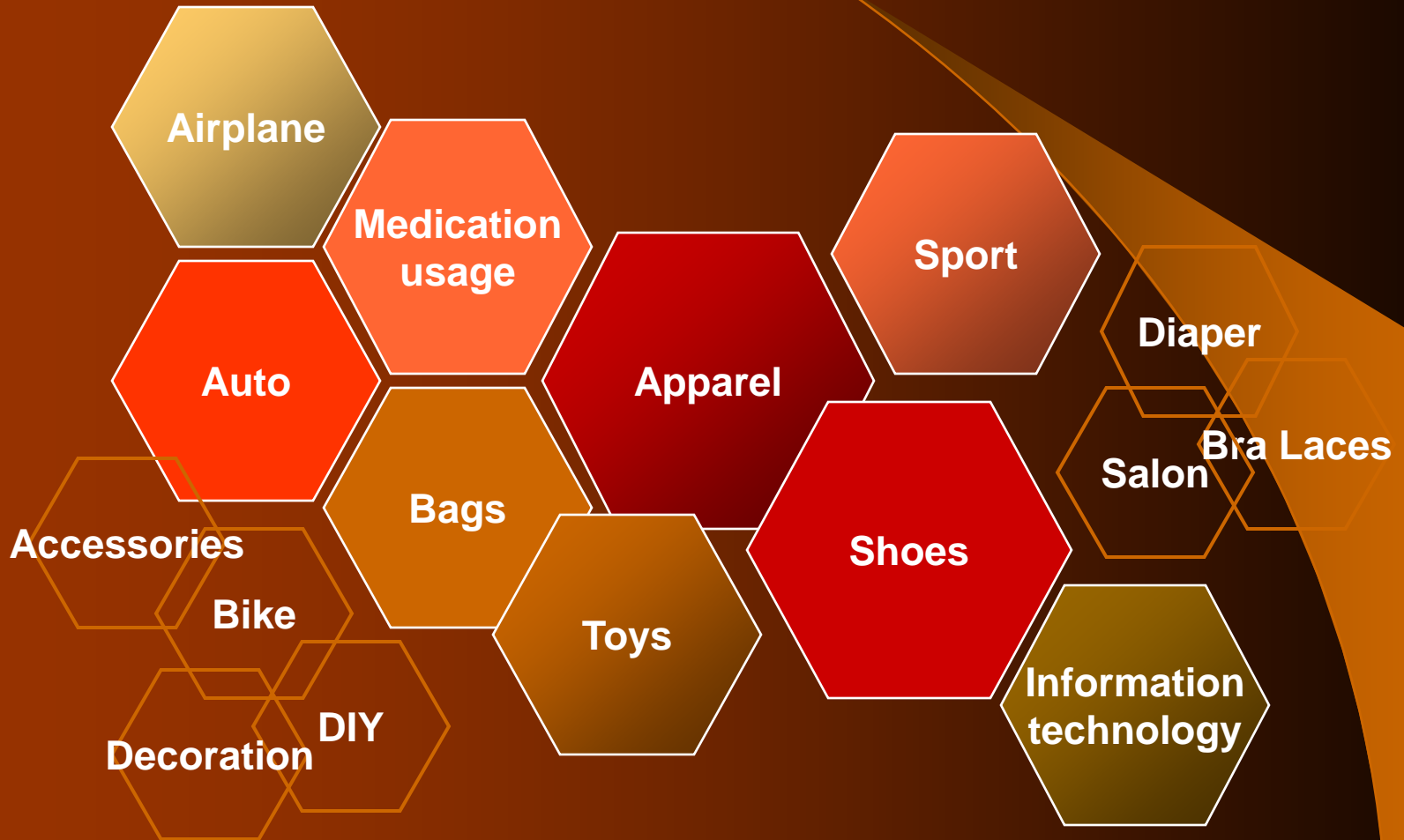


# Paiho patent

Paiho possessed 269 different countries patents  
(as at 2018.03.31)

- Patent for Invention: Received 98 patents;  
45 patents in pending
- Patent Utility Model: Received 93 patents;  
11 patents in pending
- Patent for Design: Received 22 patents

# Applications



# Main customers

	Shoes	Apparel
Brands		
Cus-tomers	<p>寶成 慧春 誠春 達聲 得協 清祿/順大</p> <p>豐泰 興春 慶春 日寶 聯盈</p> <p>隆典 安踏 李寧 鞋美 中菲 志雄 萬邦</p> <p>廣碩 榮誠 361度 台灣松鄰 NB ECCO</p>	<p>飛雁 李寧 商群 豐合 吉昇 沙美娜 一統服飾</p> <p>儒鴻 崑洲 廣越 聚陽 旭原 安踏 361度</p> <p>寧波申洲 立代鈕鉤 NINGBO TAI WAH BOWKER EAGLE YOUNGONE UNIVERSE</p>

# Other applications

Medical products

Aviation

Baby products

Various daily products

Transportation

Sports products

- Create appliances
- Replacement of earlier designs

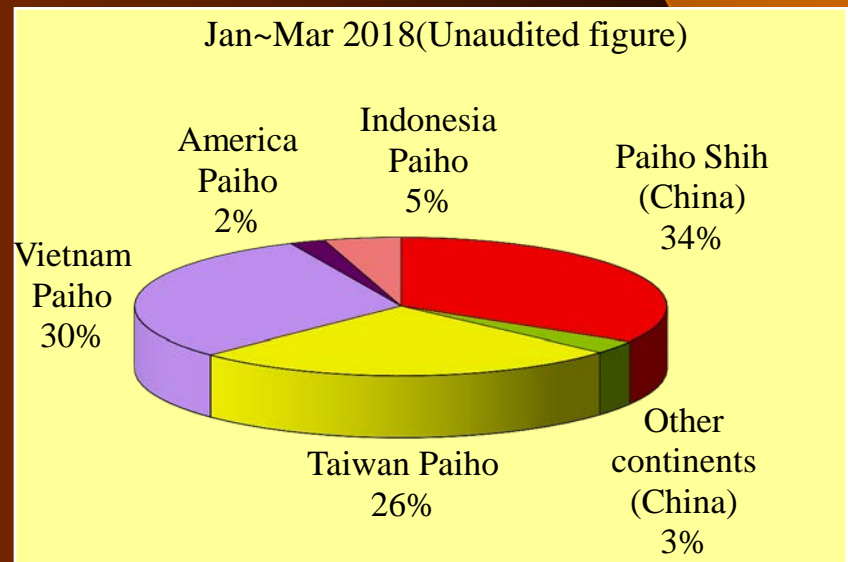
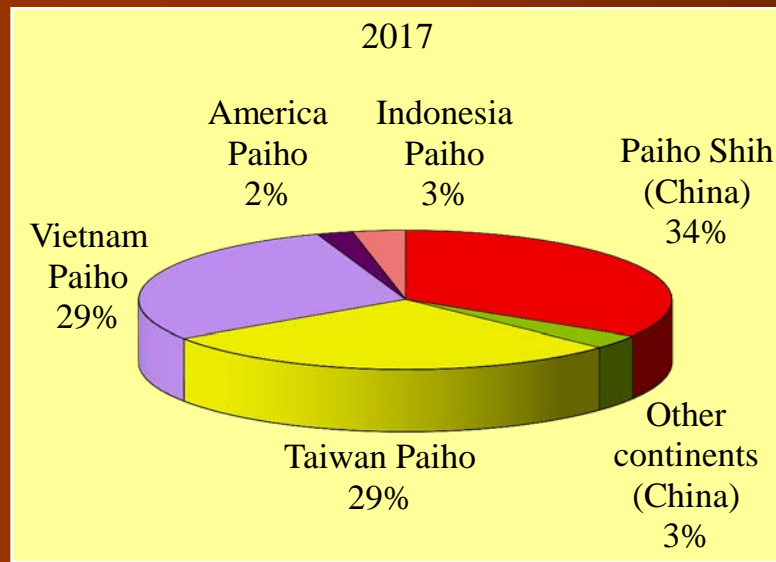
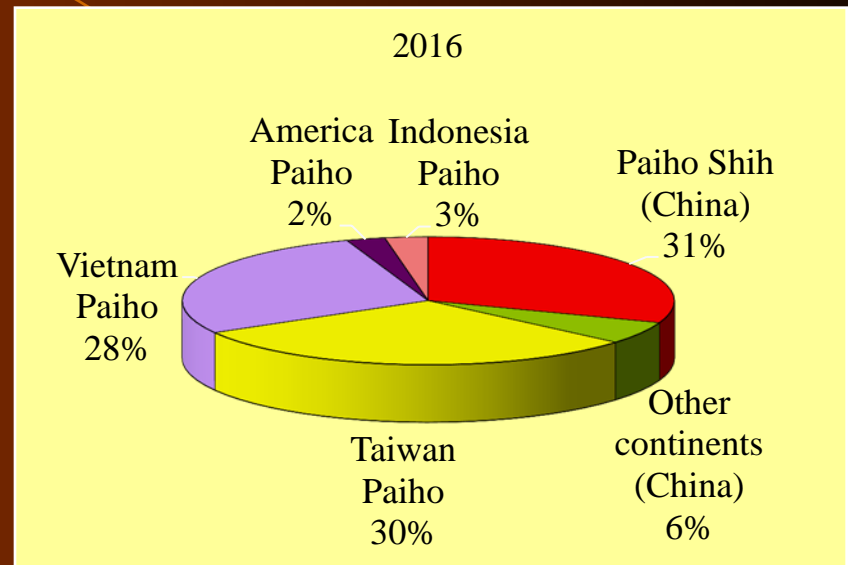
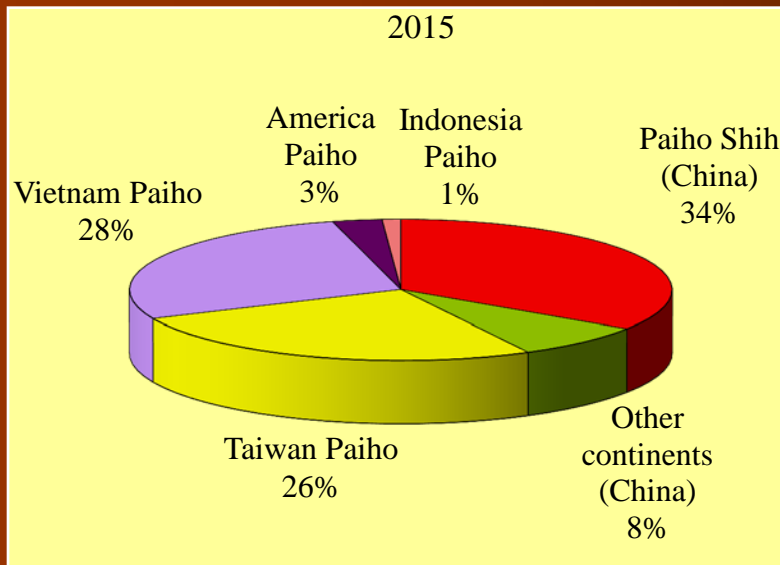
Toys

Technology products

Decoration

DIY

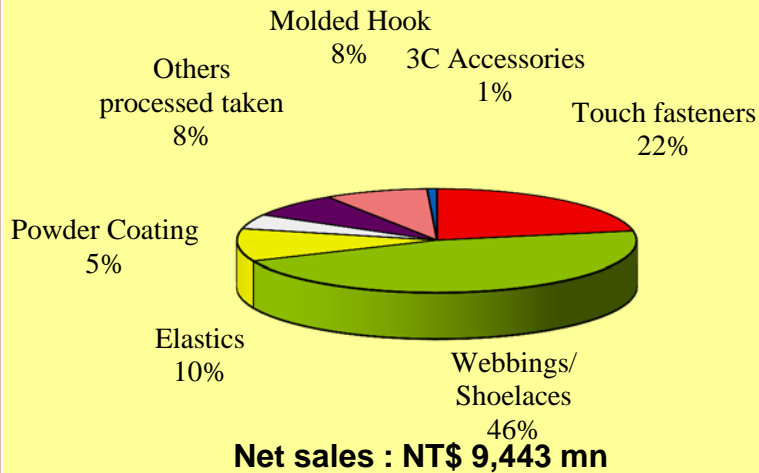
# (9938) Sales breakdown-regions



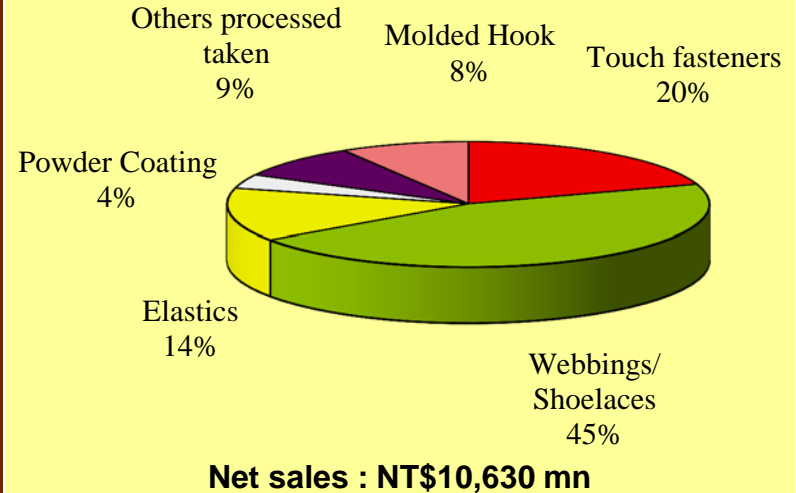


# (9938) Sales breakdown-products

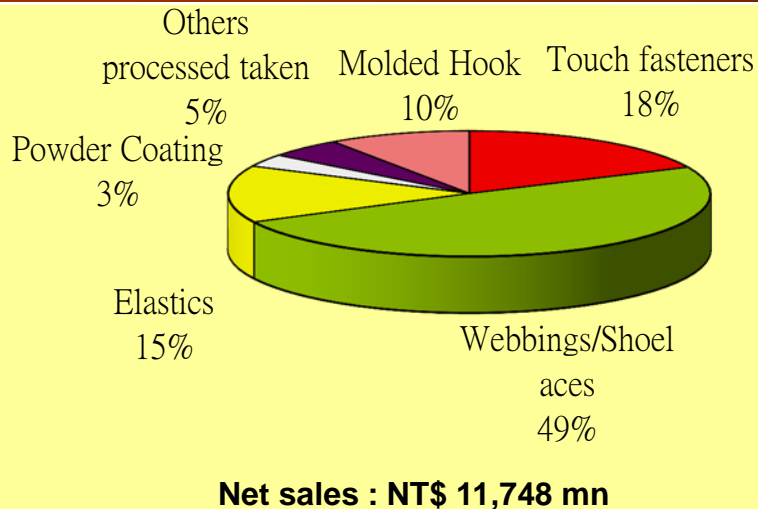
2015



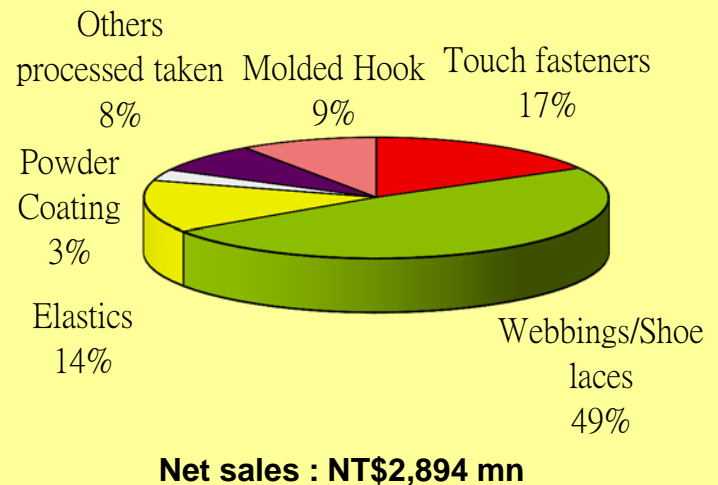
2016



2017



Jan~Mar 2018(Unaudited figure)



# Operating Performance

Paiho's Consolidated revenue and gross profit.

Unit: NT Thousand

	2010	2011	2012	2013	2014	2015	2016	2017
Net Sales	8,373,806	8,154,366	6,980,922	8,106,861	9,115,700	9,443,084	10,629,533	11,747,956
Gross Profit	2,211,532	2,109,806	1,999,711	2,495,489	3,054,247	3,505,449	4,178,798	4,704,951
Gross profit rate	26.4%	25.9%	28.6%	30.8%	33.5%	37.1%	39.3%	40.1%

Revenue and gross profit of consumer electronic accessory.

	2010	2011	2012	2013	2014	2015	2016	2017
Net Sales	2,095,096	1,868,606	743,682	858,908	737,481	74,801	0	0
% of Group Sales	25%	23%	11%	11%	8%	1%	0%	0%
Gross Profit	470,542	318,409	99,977	161,228	145,996	9,406	0	0
Gross profit rate	22.5%	17.0%	13.4%	18.8%	19.8%	12.6%	0.0%	0.0%

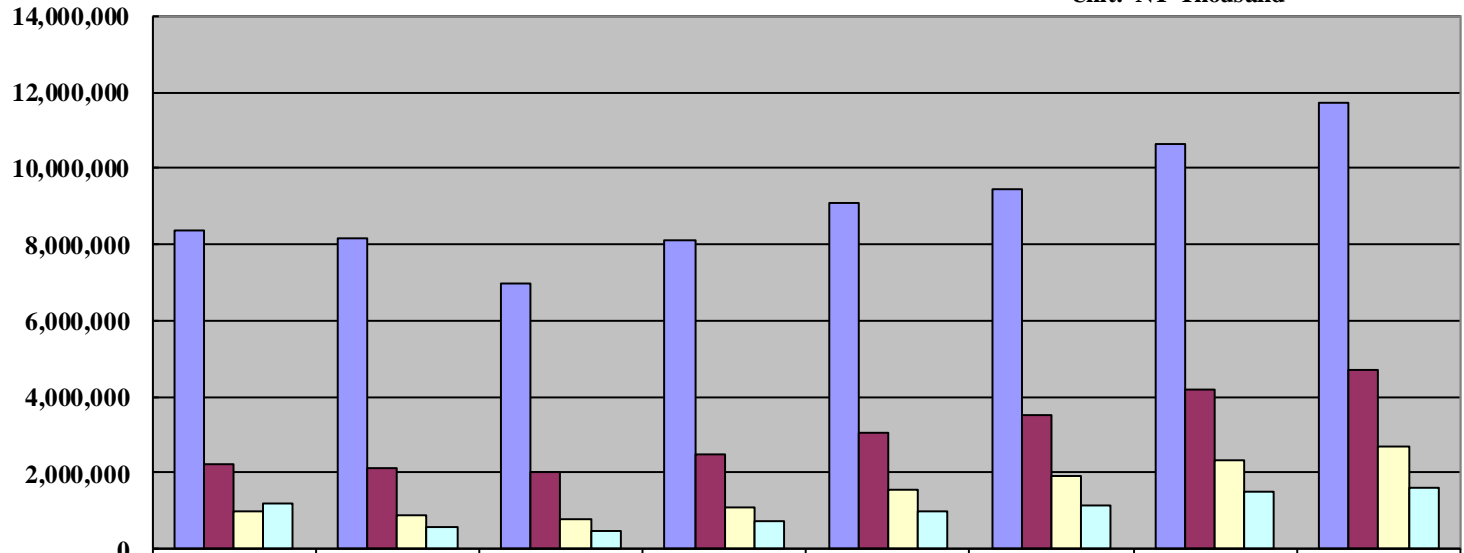
Revenue and gross profit not include consumer electronic accessory.

	2010	2011	2012	2013	2014	2015	2016	2017
Net Sales	6,278,710	6,285,760	6,237,240	7,247,953	8,378,219	9,368,283	10,629,533	11,747,956
Gross Profit	1,740,990	1,791,397	1,899,734	2,334,261	2,908,251	3,496,043	4,178,798	4,704,951
Gross profit rate	27.7%	28.5%	30.5%	32.2%	34.7%	37.3%	39.3%	40.1%

# Operating Performance

■ Net Sales     
 ■ Gross Profit     
 ■ operating income     
 ■ Consolidated Net Profit- attributable to the parent company owner

Amount Unit: NT Thousand



	2010	2011	2012	2013	2014	2015	2016	2017
■ Net Sales	8,373,806	8,154,366	6,980,922	8,106,861	9,115,700	9,443,084	10,629,533	11,747,956
■ Gross Profit	2,211,532	2,109,806	1,999,711	2,495,489	3,054,247	3,505,449	4,178,798	4,704,951
■ operating income	988,982	872,551	761,035	1,117,043	1,533,237	1,918,092	2,318,635	2,674,345
■ Consolidated Net Profit- attributable to the parent company owner	1,178,317	584,443	454,117	705,491	979,716	1,140,107	1,490,366	1,619,782

# Operating Performance

	2014				2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Gross profit rate</b>	32.5%	35.4%	32.7%	33.3%	35.5%	38.2%	37.1%	37.5%	39.9%	40.1%	38.3%	39.0%	40.7%	40.7%	40.2%	38.6%
<b>Operating Income Ratio</b>	15.6%	19.3%	15.2%	17.0%	18.2%	22.0%	20.2%	20.6%	21.9%	23.5%	20.5%	21.4%	23.5%	23.6%	23.3%	20.6%
<b>Expense Ratio</b>	16.9%	16.1%	17.5%	16.3%	17.3%	16.2%	16.9%	16.8%	18.1%	16.5%	17.8%	17.6%	17.2%	17.1%	16.9%	18.0%
<b>EPS</b>	0.73	0.86	0.73	0.98	0.83	0.96	1.00	1.04	1.27	1.26	1.17	1.30	1.37	1.30	1.55	1.22

# Operating Performance

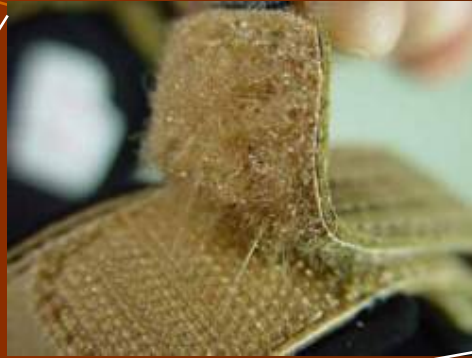
	2010	2011	2012	2013	2014	2015	2016	2017
<b>Gross profit rate</b>	26.4%	25.9%	28.7%	30.8%	33.5%	37.1%	39.3%	40.1%
<b>Operating Income Ratio</b>	11.8%	10.7%	10.9%	13.8%	16.8%	20.3%	21.8%	22.8%
<b>Expense Ratio</b>	14.6%	15.2%	17.7%	17.0%	16.7%	16.8%	17.5%	17.3%
<b>EPS</b>	4.02	1.99	1.52	2.37	3.29	3.83	5.00	5.44

# Product Introduction

- Touch Fastener / Webbing / Shoelaces / Elastic
- Molded hook application
- Fish bone lace / Banana Tip
- One Piece Seamless Upper / Digital Woven Upper
- 4-way Stretchable Elastic
- Dragon Fly Webbing



# Touch Fastener



The brand is well known and famous for more than 20 years



# Touch Fastener / Webbing





# Shoelaces



# Shoelaces



# Elastic





# Huge break through in the Hook and Loop industrial

## **EASY TAPE®** **Molded Hook**



**EASY TAPE® is a softer and thinner version of Hook and Loop:**

- Quieter when engaging
- Moist and powder resist
- More comfortable and easy to apply
- Can be repeatedly uses



Patents :

- Taiwan : No.99112500
- Chnia : No.201010174434.5
- USA : No.12/923,416
- Europe : No.10011763.9
- Korea : No.10-2010-0094850
- Japan : No.2010-182797

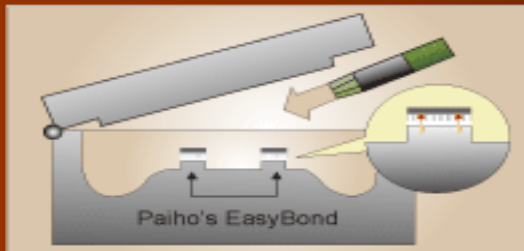
# Seat Manufacture Procedures

## EasyBond - How to Apply:

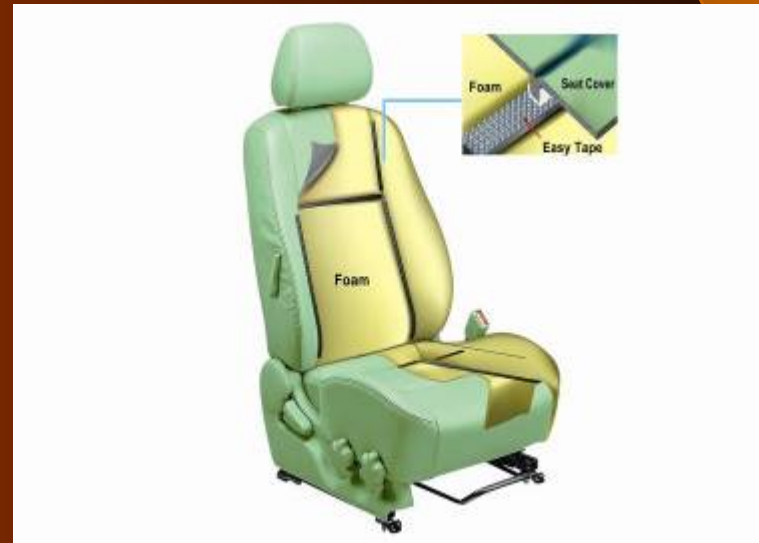
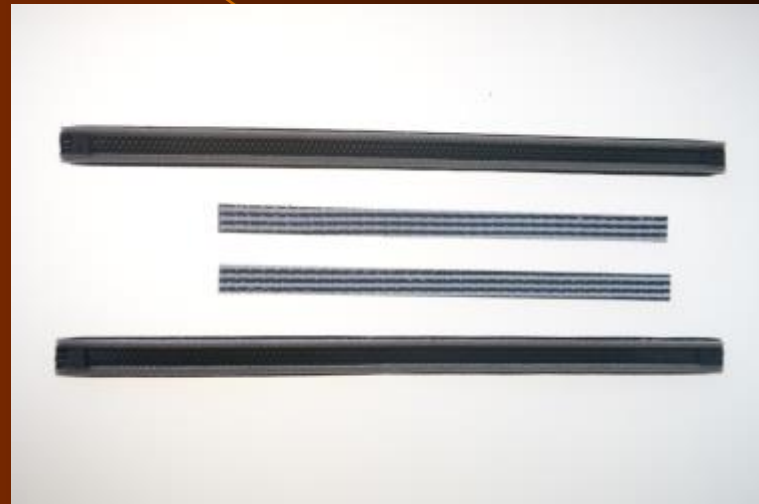
### Step1 Alignment



### Step2 Foam Injection



### Step3 Remove Liner



## Virtual Reality - VR



射出勾泡棉加工  
Foam Processing

射出勾  
Molded Hook

緹花鬆緊帶  
Elastic Jacquard



Webbing(Shoelaces)



Molded Hook /  
Elastic



## Virtual Reality -VR



Molded Hook



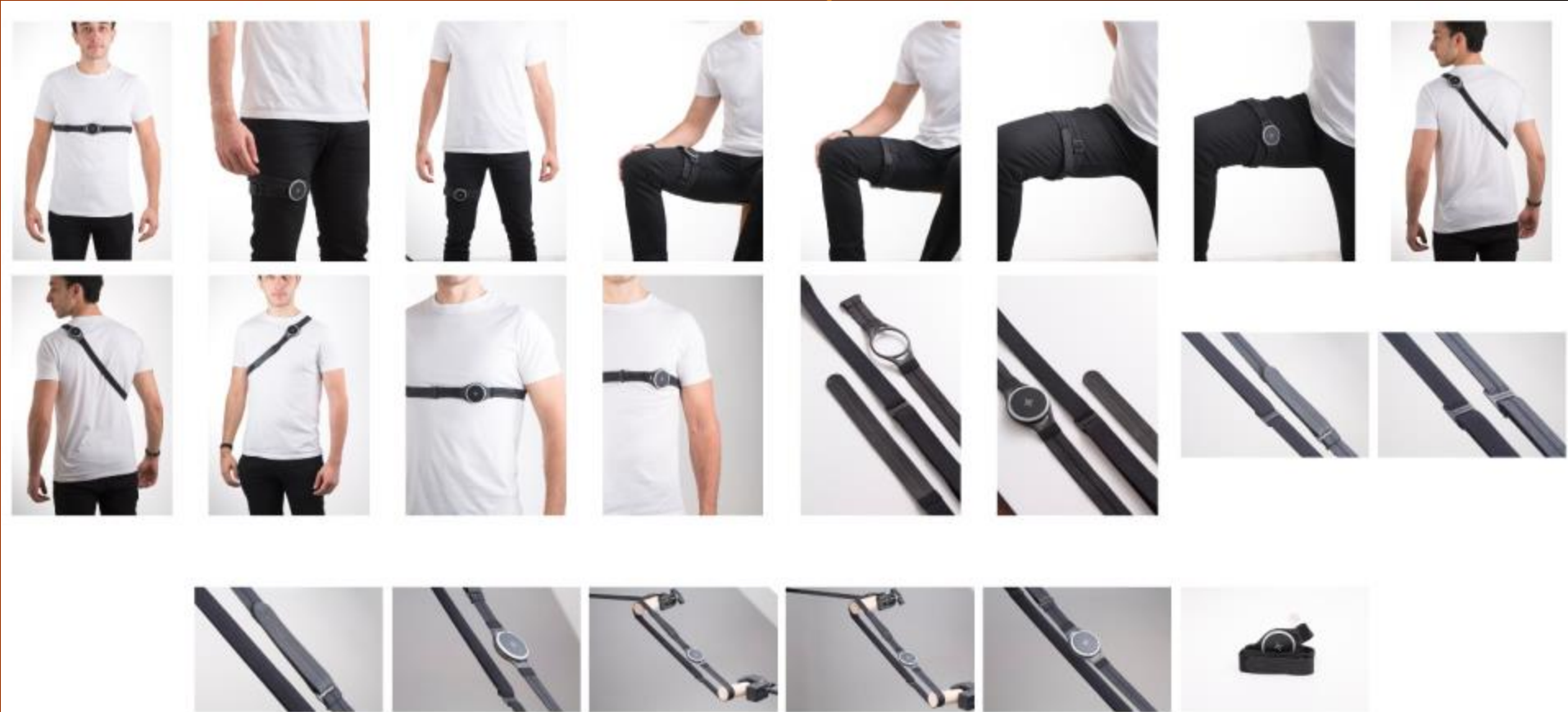
foam processing

# Wearable products application





# Wearable products application



# Wearable products application



 **PAIHO** Wearable application- – Finger scanning hand strape



# Product application – Ostomy bag

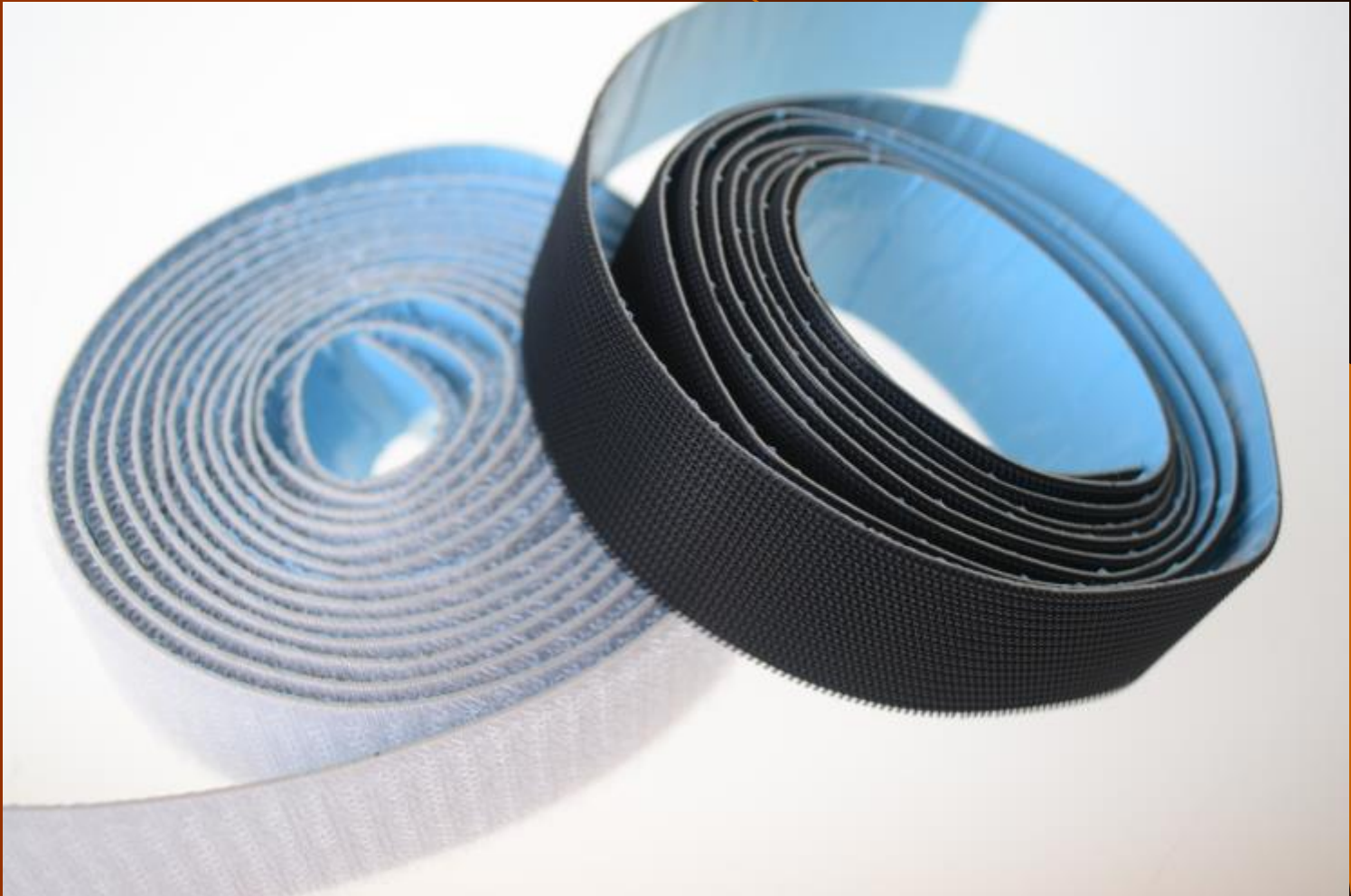








# Product application – fireproof molded hook used in aviation and fireproof elastics









## Fish Bone Lace - Lightweight Shoelace Series

To use advanced machine imported from Switzerland, it allows fast sampling in variety of specs.

Furthermore, the machine is eco-friendly and low power consumptive.

This series is not only 15% lighter than regular shoelaces but has good loose-resistant ability.



2014 New Products

**PATENT NO :**

Taiwan : M464469

China : 3220842

USA : 14/056,963



# BANANA TIP



## Banana Tip Shoelace

- Innovated by Paiho and made by the latest computerized loom.
- New concept of eco-friendly tips, without plastic and solvent
- The Banana Tip is a shock to shoe industry.

### 香蕉鞋帶 一次織造成型的束頭鞋帶

- 百和原創，採用瑞士第六代最新全電腦織機。
- 無膠片，無溶劑，最新環保新概念鞋帶產品。
- 鞋帶業界最具震撼力的發明，一次織造成型的束頭結構。

PATENT GRANTED NO :

- Taiwan : 102209925
- China : 2013201212662.2



# One Piece Seamless Upper / Digital Woven Upper

To reduce material loss  
caused by cutting.

Surface pattern and  
lining are completed at a  
time to reduce gluing  
process.

To reduce waste  
High efficiency  
Lower cost

To reduce sewing labors

The product is light and  
allows ventilation.



# One Piece Seamless Upper / Digital Woven Upper





# One Piece Seamless Upper / Digital Woven Upper

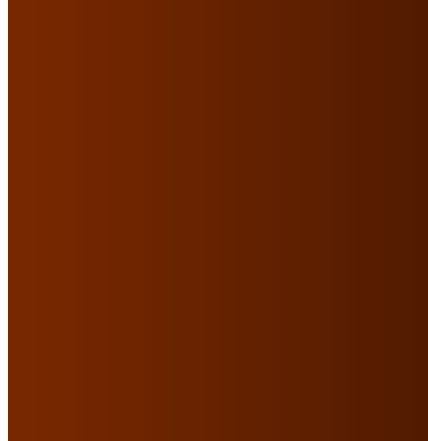




# One Piece Seamless Upper / Digital Woven Upper



# One Piece Seamless Upper / Digital Woven Upper



# One Piece Seamless Upper / Digital Woven Upper





# One Piece Seamless Upper / Digital Woven Upper





# One Piece Seamless Upper / Digital Woven Upper





# One Piece Seamless Upper /4-way Stretchable Elastic – knitted uppers



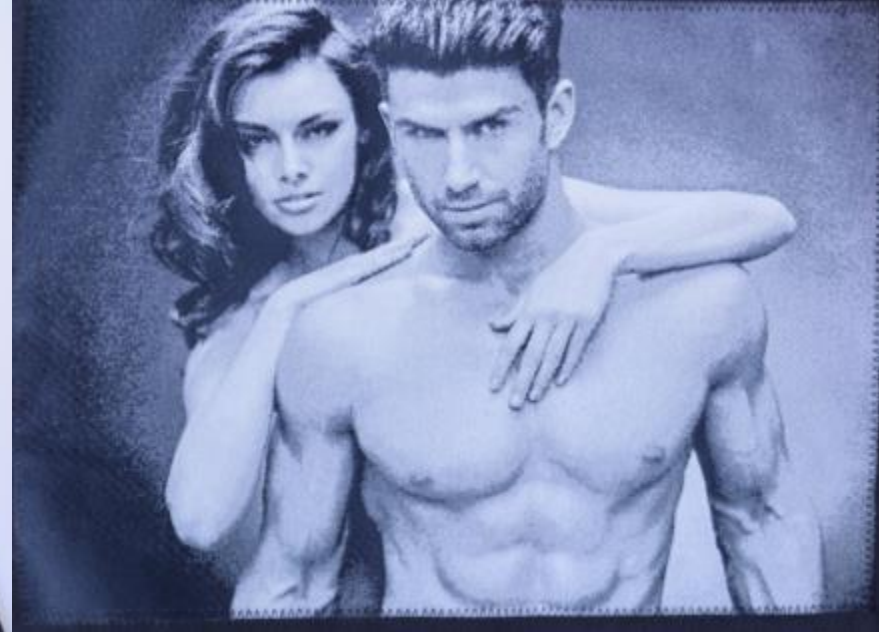
# One Piece Seamless Upper / Digital Woven Upper



# One Piece Seamless Upper / Digital Woven Upper



# One Piece Seamless Upper / Digital Woven Upper





# 4-way Stretchable Elastic – knitted uppers

To reduce material loss caused by cutting.

The product allows ventilation very well.

Comfortable and ventilative  
Lower cost

To reduce sewing labors

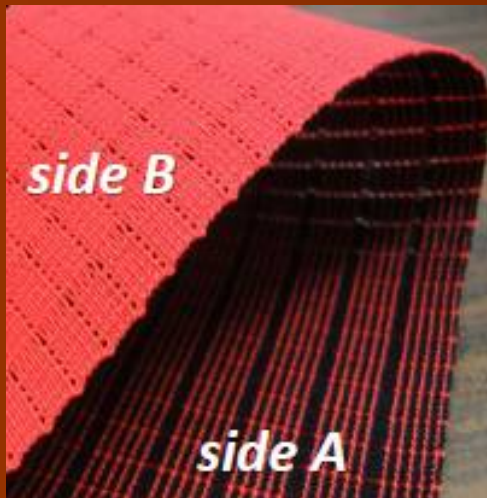
The product is lightweight-oriented.



Ventilation



4-Way Stretchy Knit



side B

side A





# 4-way Stretchable Elastic – knitted uppers





# 4-way Stretchable Elastic – knitted uppers



➤ **EURO2016 adidas X16.1 red/white football boots** is doing worse and worse every year. Please read this article to get a full story.





# 4-way Stretchable Elastic – knitted uppers





# 4-way Stretchable Elastic – knitted uppers



# 4-way Stretchable Elastic – knitted uppers





# 4-way Stretchable Elastic – knitted uppers



# Jacquard elastic-football shoes





# 4-way Stretchable Elastic – knitted uppers



# Jacquard Elastic / Kintted Ankle Sock





# Knitted webbing tape



Paiho's Dragon Fly Webbing is honor to obtain Gold Medal Award in 2014 European Outdoor Exhibition



And specified by Italian SALEWA to apply on it walking shoes

Patent No: 1386965



# Competitive advantages

- Strong in R&D, global market leader.
- "Spec In" by the international well known brands with better and patented solution.
- Quality products, as evidenced in customers including famous international brands like Nike and Adidas.
- PaiHo Group has offices around the world providing time-to-market services to customers.
- Wide product offering provides one-stop shopping Service.
- Transitioning from OEM to ODM to avoid competitive pricing.



# Future development plans

- To partner with famous brands and continue to develop new materials and designs.
- Create solutions with high value added and innovative.
- Group division work strategy to provide close service to customer (China, Vietnam and Indonesia etc).
- Focusing on sustainable development solution, keep developing of eco-friendly process and facility .

Thanks for your attention