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**Nan Ya Plastics**  
**2014 1H**  
**Operations & Performance**

**Sept. 2014**



# Agenda

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- **Overview**
- **Financial Highlights**
- **Capacity Expansion Plan**
- **Q & A**



# Overview

## Highlights

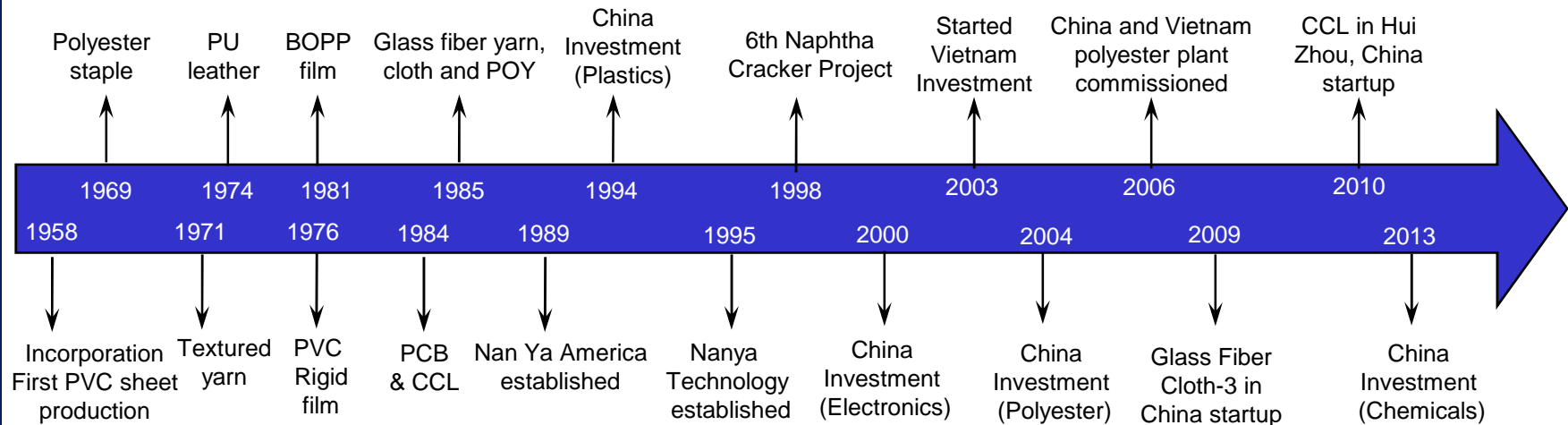
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- **Member of the Formosa Plastics Group (FPG)**
- **The 6th largest private company in Taiwan in terms of market capitalization**
- **Consolidated annual revenue of NT\$ 311.0 billion with 4 major businesses: sales breakdown - 16% in plastics, 31% in Chemicals, 27% in electronic materials, and 24% in fibers**
- **Market capitalization of NT\$ 563.1 billion(Aug. 2014)**
- **Manufacturing plant numbers: 49 in Taiwan, 41 in China, 5 in the USA , and 4 in Vietnam.**
- **Leading market positions**
  - ❖ **World's #1 manufacturer of secondary plastics**
  - ❖ **World's #1 manufacturer of copper clad laminates**
  - ❖ **World's #6 manufacturer of polyester fibers**
  - ❖ **World's #4 manufacturer of Mono Ethylene Glycol**



# Overview

## History

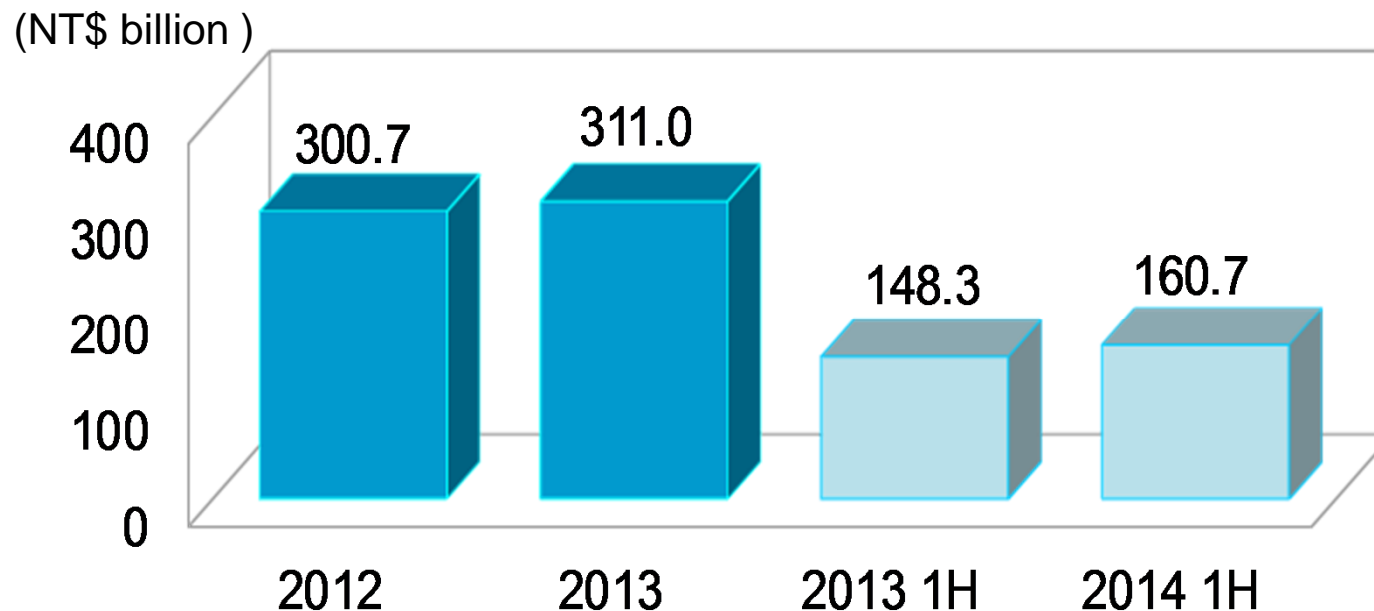


- **1950's - 1960's : Production of PVC secondary plastics in Taiwan**
- **1970's : Began manufacturing polyester fiber, expanding scale and varieties of plastics processing products**
- **1980's : Entered electronics business, growth in polyester and plastics**
- **1990's : Plastics and polyester facilities in the US commissioned, manufacturing of plastics initiated in China, construction of specialty chemicals in No. 6 Naphtha Cracker Project completed, and subsidiary for DRAM manufacturing started production**
- **2000's : Production facilities for electronic materials in China commissioned, and started mass production of polyester in China and Vietnam**
- **2013's : Chemicals facility in China commissioned, and started mass production of plasticizer**



# Financial Highlights

## Consolidated Revenue (IFRS)



■ **Revenue in 2013 increased 3.4% YoY due to:**

Sales increased largely from two businesses of chemicals and electronic materials

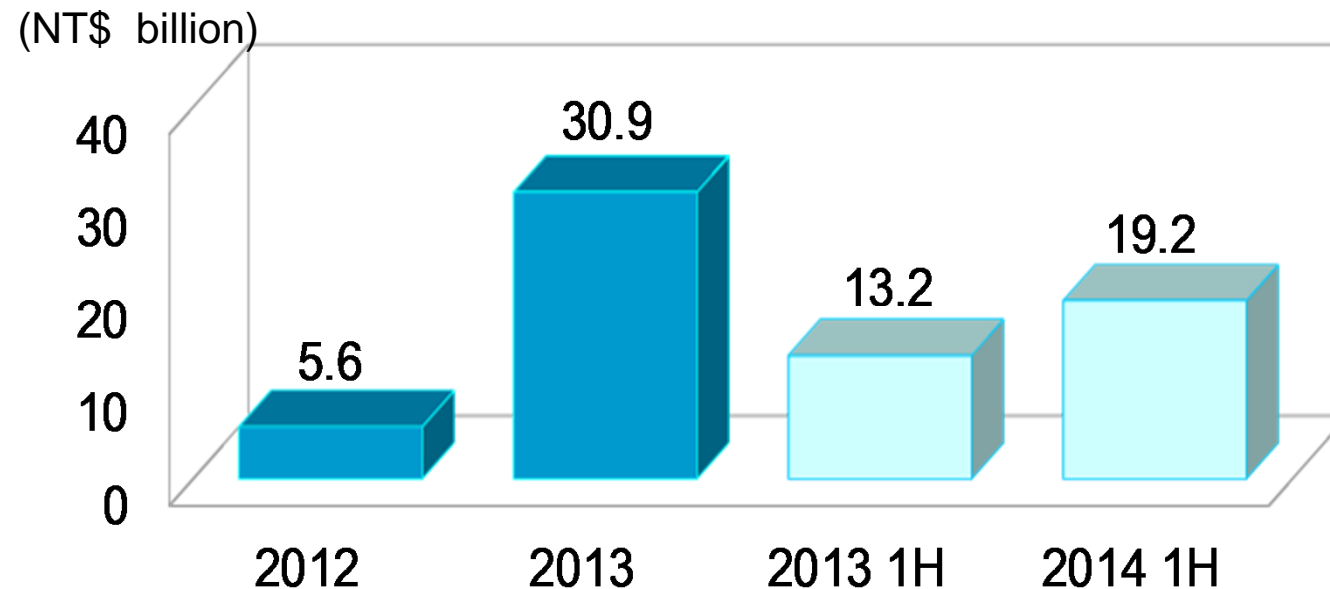
■ **Revenue in 2014 1H increased 8.4% YoY due to :**

Mainly affected from growing demand of electronic materials driven by new electronic devices into market



# Financial Highlights

## Pre-tax Income



■ **452% YoY increase in 2013 pre-tax earnings due to:**

1. Sales volume increase of chemicals and plastics price raised up
2. Equity income increased by NT\$23.6bn YoY : (1) Nanya Tech +NT\$17.2bn  
(2) FPCC +NT\$5.8bn

■ **2014 1H pre-tax earnings increased by 45% YoY due to :**

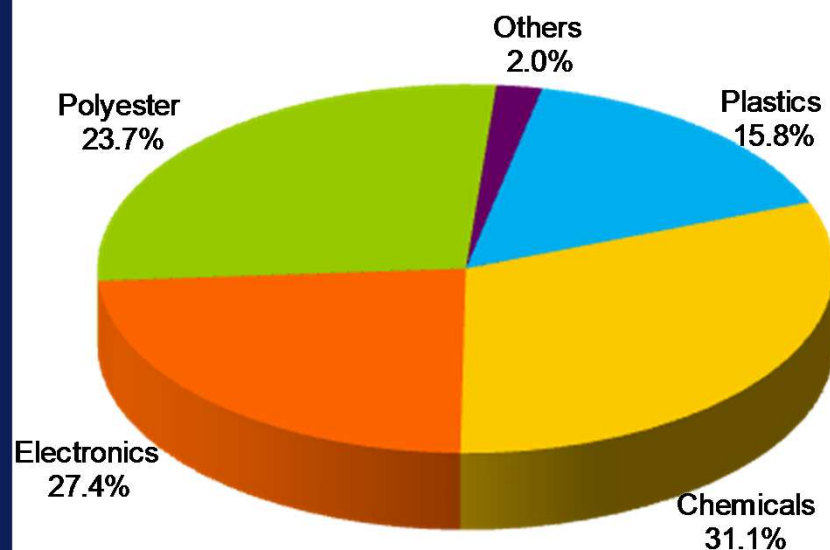
1. Core business income decreased by 7.9% YoY mainly from chemicals sales volume down
2. Equity income increased by NT\$4.9bn YoY : (1) Nanya Tech +NT\$3.8bn  
(2) FPCC +NT\$1.1bn



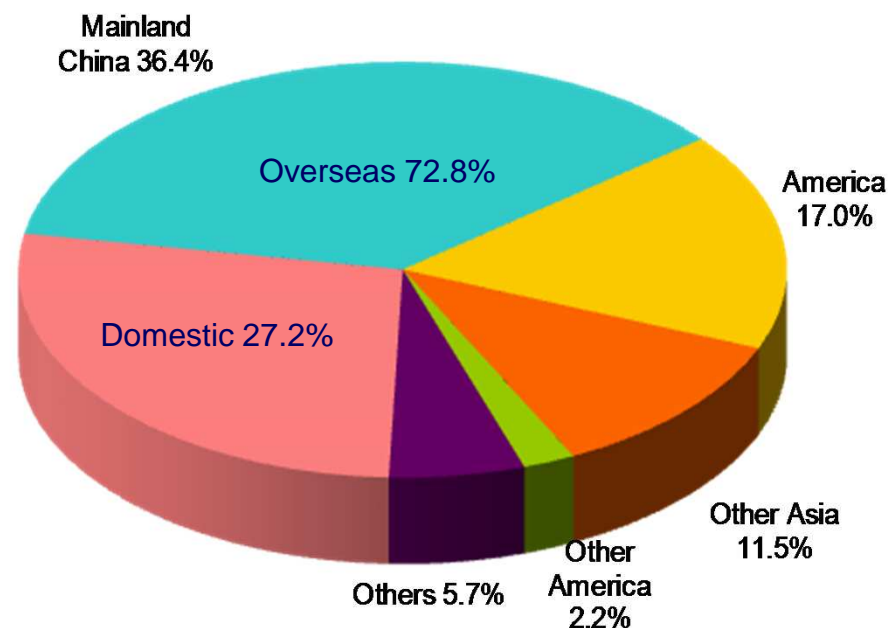
# Financial Highlights

## Revenue Breakdown

**2013 Net Sales  
NT\$ 311.0 billion**



**2013 Sales Breakdown  
by Geography**



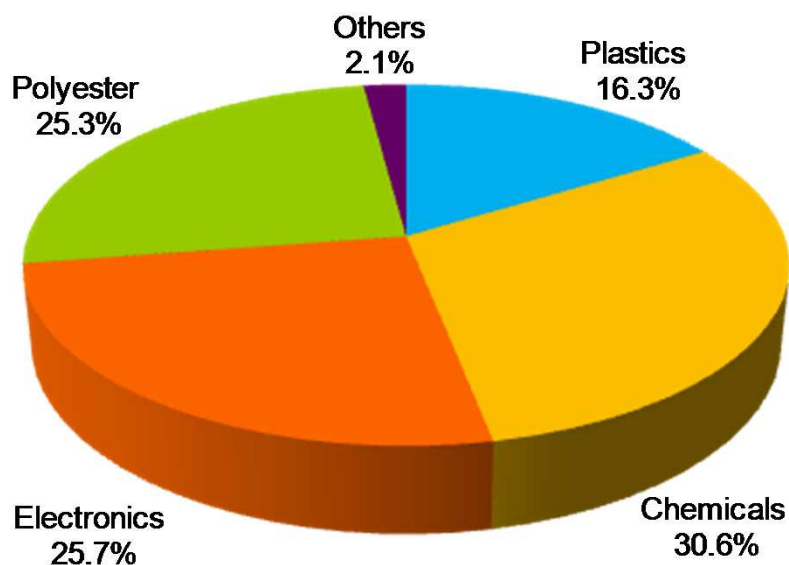
- Revenue of chemicals increased 8% YoY in 2013 mainly from sales volume increase
- Main revenue contribution in the next few years is still driven by chemicals
- Mainland China remains the most important market, accounting for 50% of total overseas in 2013



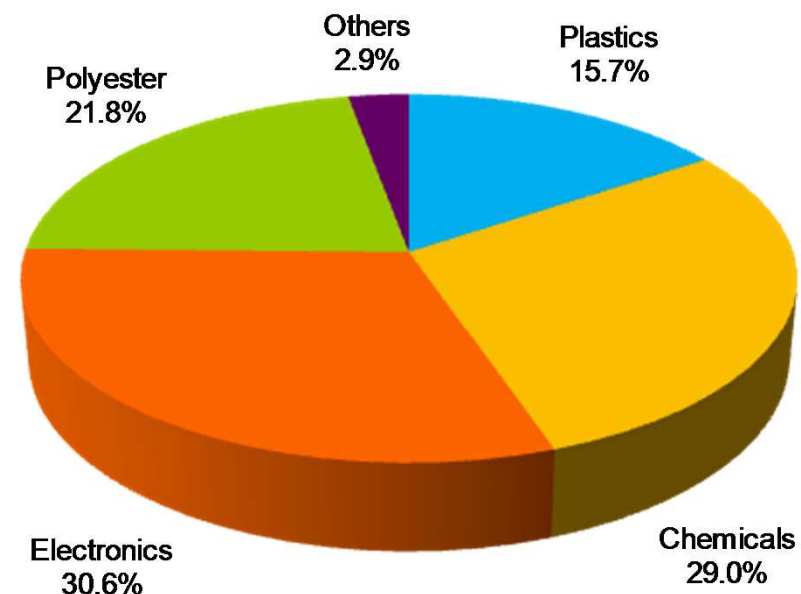
# Financial Highlights

## Revenue Breakdown by Product Segment

**2013 1H Net Sales**  
**NT\$ 148.3 billion**



**2014 1H Net Sales**  
**NT\$ 160.7 billion**



- Revenue in 2014 1H increased 8.4% from 2013 1H mainly due to Electronics sales volume increased
- Polyester revenue decreased mainly due to price went down

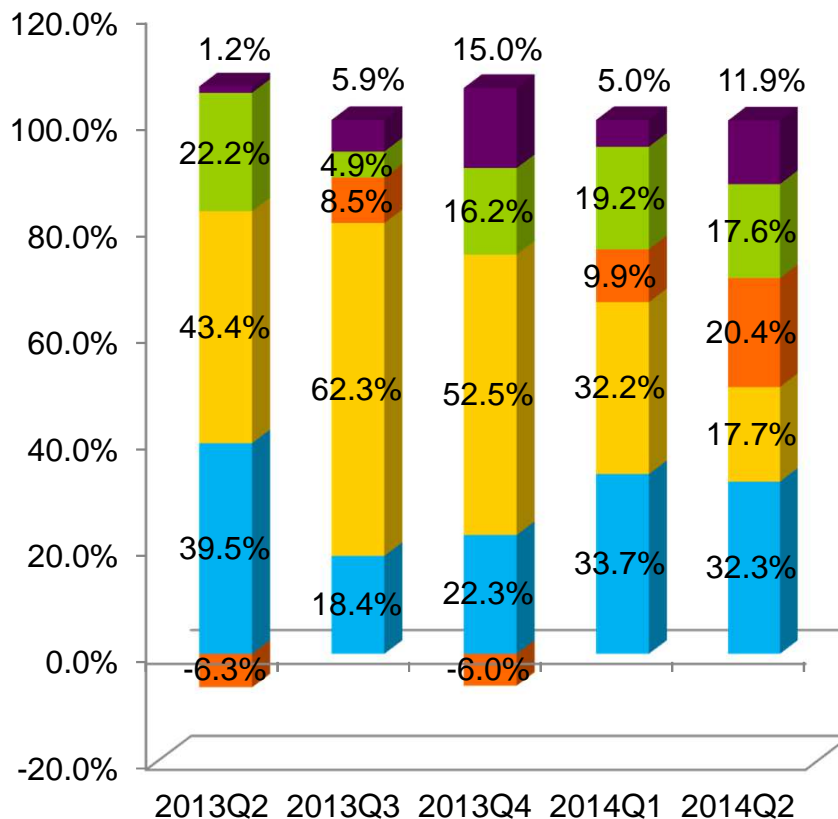




# Financial Highlights

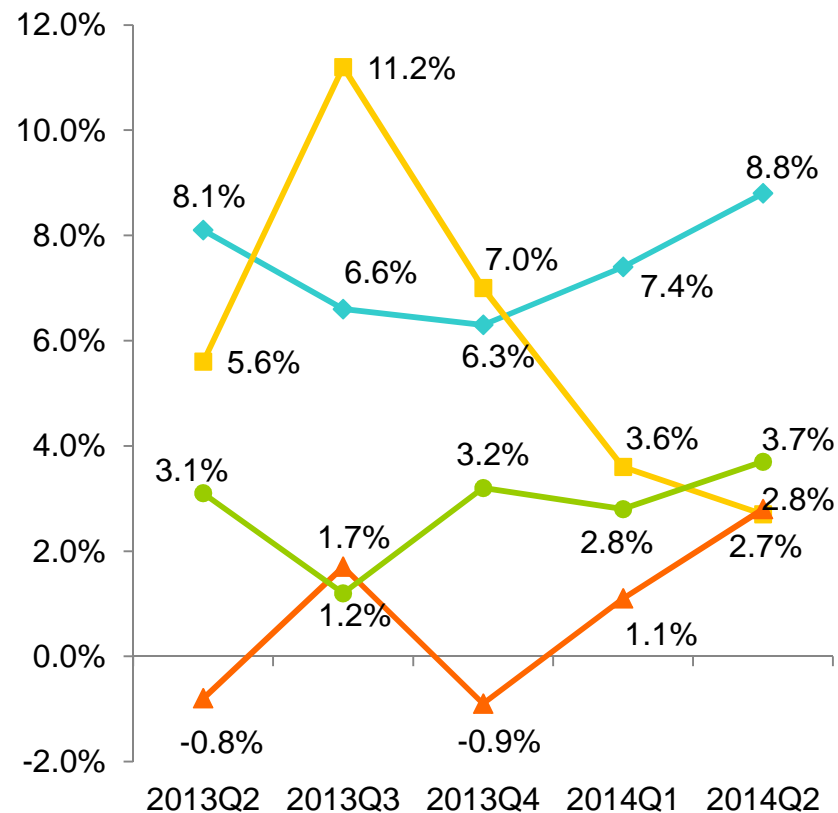
## Operating Profits Breakdown by Product Segment

### Operating Profits



■ Plastics    ■ Chemicals    ■ Electronics  
■ Polyester    ■ Others

### Operating Margins



◆ Plastics    ◆ Chemicals  
▲ Electronics    ● Polyester



# Business Overview

## Capacity Expansion Plan

Main Products	Capacity (p.a.)	Expansion (p.a.)	Completion Date	Capacity Increase (%)
<b>PU Leather</b>				
Vietnam	-	4,800 KYD	03/2015	-
<b>BOPP Film</b>				
Vietnam	60,000 MT	30,000 MT	07/2015	50%
<b>PVC Rigid Pipes</b>				
Xiamen	44,000 MT	20,450 MT	05/2015	46%
<b>PVC Film</b>				
Nan Tong	17,500 MT	3,000 MT	11/2014	17%
Hui Zhou	-	6,000 MT	01/2015	-
<b>BPA</b>				
Ningbo	-	150,000 MT	12/2014	-
<b>PCB</b>				
Kun Shan	19,620,000 SQFT	4,200,000 SQFT	12/2015	21%
<b>Copper Foil</b>				
Kun Shan	45,600 MT	9,600 MT	07/2015	21%
<b>Filament</b>				
Vietnam	40,300 MT	38,000 MT	11/2014	95%
<b>Film</b>				
Taiwan	72,600 MT	36,000 MT	04/2015	50%



THE END

