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**Nan Ya Plastics**  
**2016 1H**  
**Operations & Performance**

**Aug. 2016**



# Agenda

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



# Overview

## Highlights

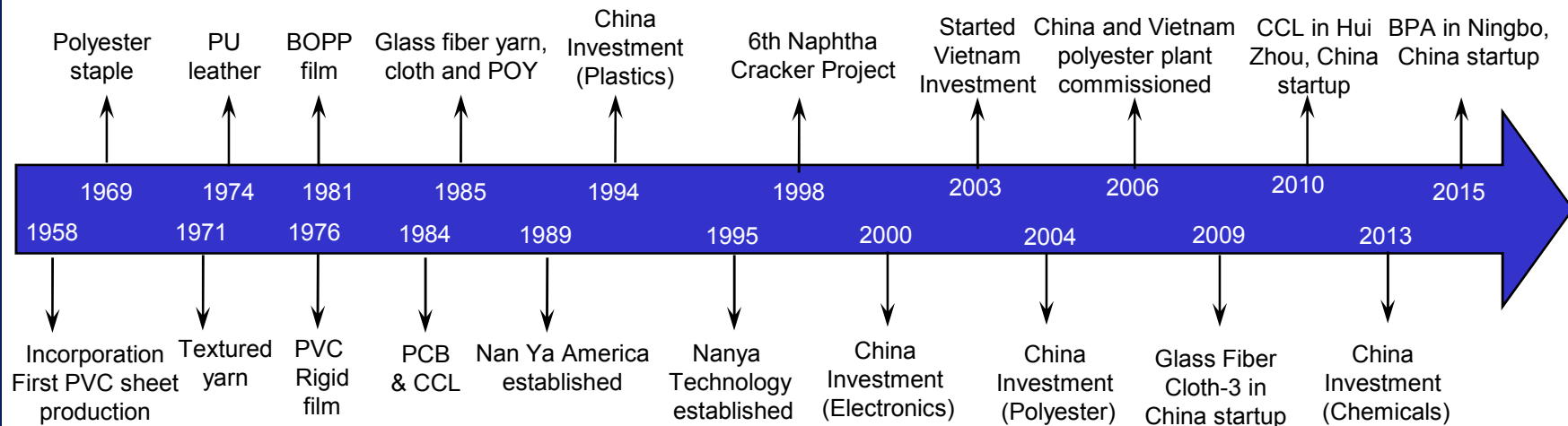
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- **Member of the Formosa Plastics Group (FPG)**
- **The 7th largest private company in Taiwan in terms of market capitalization**
- **2015 consolidated annual revenue of NT\$ 299.8 billion with 4 major businesses: sales breakdown - 16% in plastics, 27% in chemicals, 31% in electronic materials, and 19% in fibers**
- **Market capitalization of NT\$ 494 billion(Aug. 2016)**
- **Manufacturing plant numbers: 49 in Taiwan, 42 in China, and 5 in the USA.**
- **Leading market positions**
  - ❖ **World's #1 manufacturer of secondary plastics**
  - ❖ **World's #2 manufacturer of copper clad laminates**
  - ❖ **World's #4 manufacturer of Mono ethylene glycol**
  - ❖ **World's #6 manufacturer of polyester fibers**



# Overview

## History

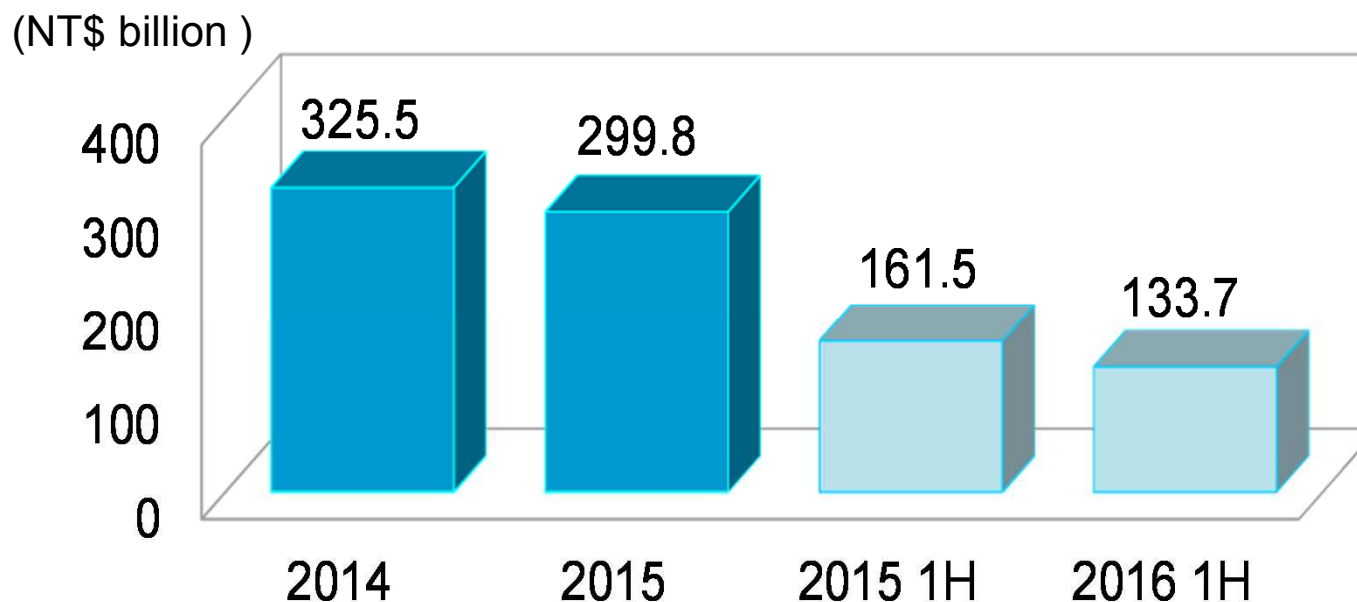


- **1950's - 1960's : Production of PVC secondary plastics in Taiwan**
- **1970's : Began manufacturing polyester fiber, expanding scale and varieties of plastics processing products**
- **1980's : Entered electronics business, growth in polyester and plastics**
- **1990's : Plastics and polyester facilities 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**
- **2015's : Started mass production of BPA in China**



# Financial Highlights

## Consolidated Revenue (IFRS)



■ **Revenue in 2015 decreased 7.9% YoY due to:**

Sales price of chemicals and polyesters fell sharply, mainly affected by global oil price dropped

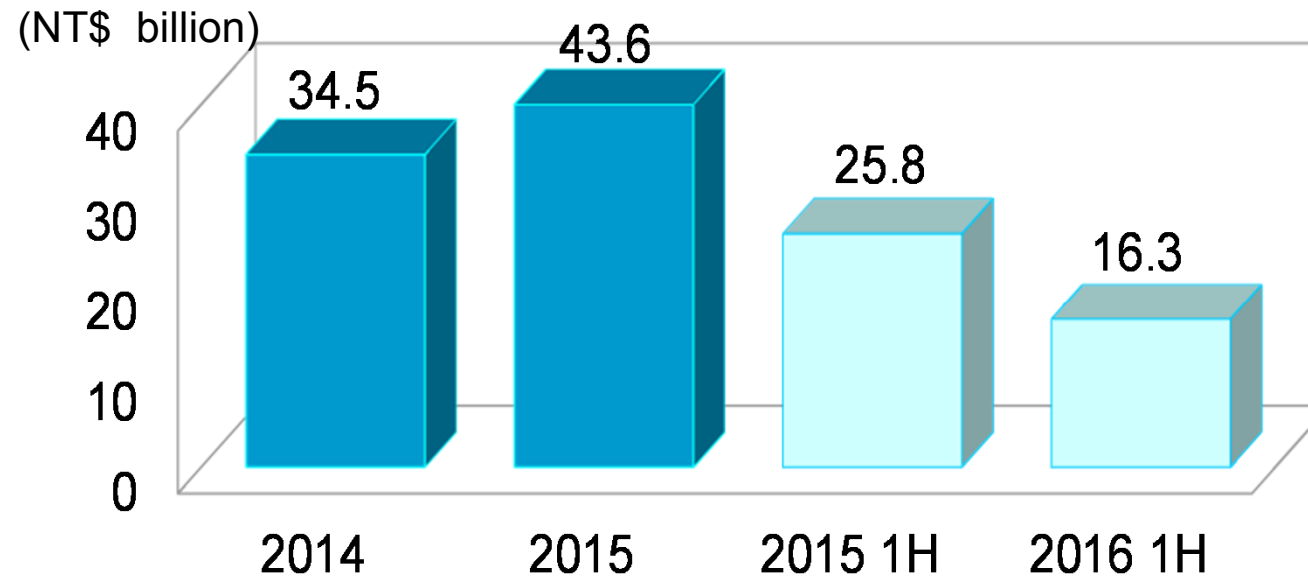
■ **Revenue in 2016 1H decreased 17.2% YoY due to :**

Mainly affected from sales price dropped down driven by lower oil price



# Financial Highlights

## Pre-tax Income



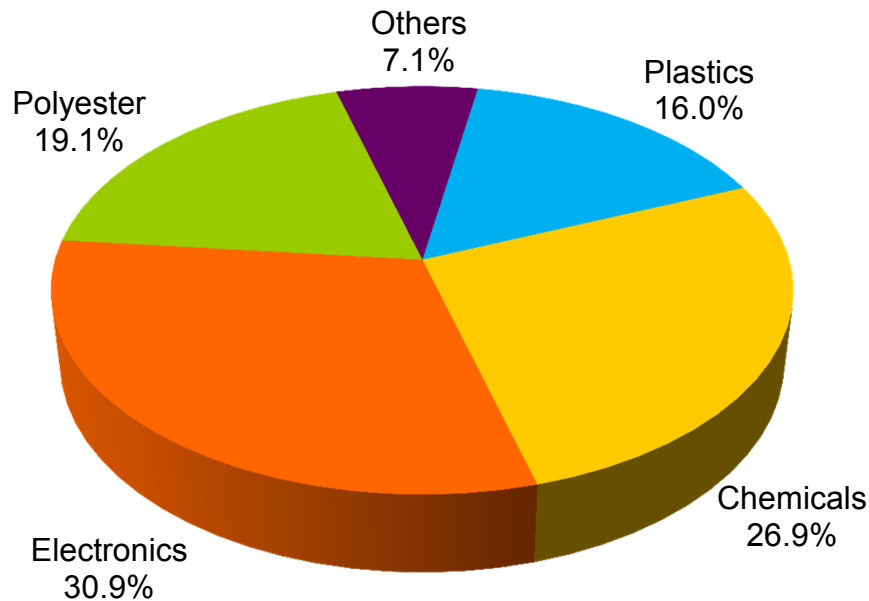
- **26.6% YoY increase in 2015 pre-tax earnings due to:**
  1. Main contribution from sales volume increase of chemicals
  2. Equity income increased by NT\$4.1bn YoY :
    - (1) FPCC +NT\$8.9bn
    - (2) Nanya Tech -NT\$4.3bn
- **2016 1H pre-tax income decreased by 36.7% YoY due to :**
  1. Core business profit decreased by 51.7% YoY mainly from chemicals annual maintenance and catalyst replacement
  2. Equity income decreased by NT\$1.0bn YoY :
    - (1) FPCC +NT\$2.4bn
    - (2) Nanya Tech -NT\$3.2bn



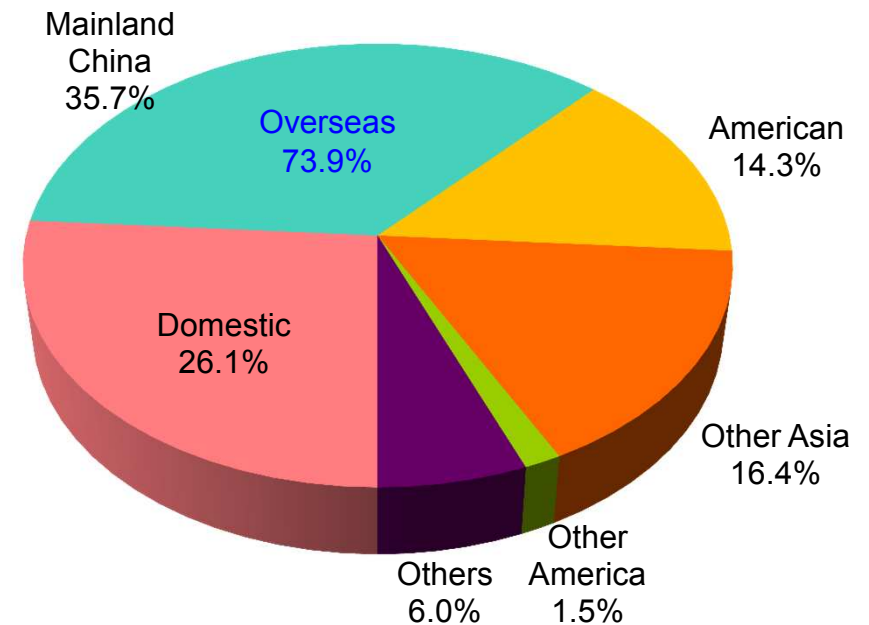
# Financial Highlights

## Revenue Breakdown

**2015 Net Sales  
NT\$ 299.8 billion**



**2015 Sales Breakdown  
by Geography**



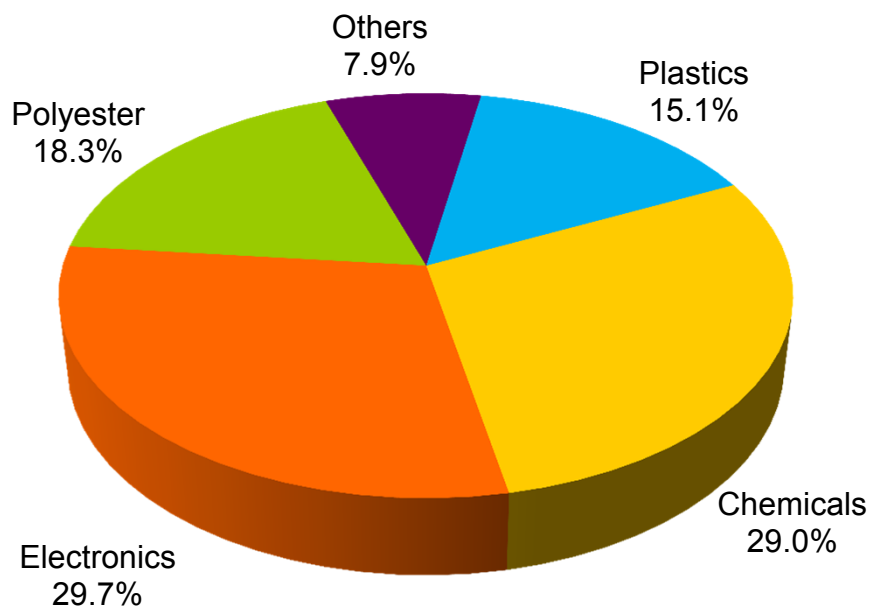
- Revenue ratio of chemicals decreased 11% YoY in 2015 worsening price mainly affected by global oil price dropped
- Main revenue contribution in the next few years is still driven by chemicals and electronic materials
- Mainland China remains the most important market, accounting for 48% of total overseas in 2015



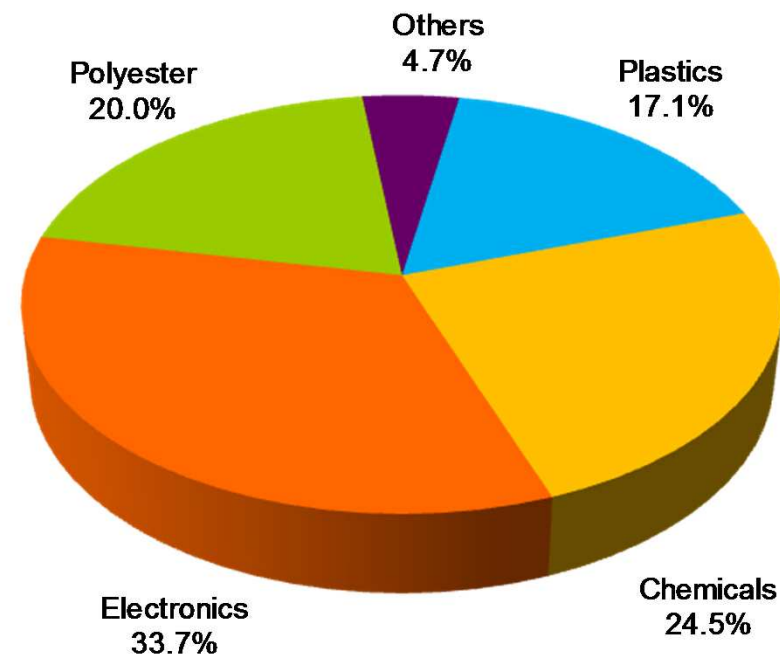
# Financial Highlights

## Revenue Breakdown by Product Segment

**2015 1H Net Sales  
NT\$ 161.5 billion**



**2016 1H Net Sales  
NT\$ 133.7 billion**



- Revenue in 2016 1H decreased 17.2% YoY
- Chemicals production and sales volumes decrease due to annual maintenance and catalyst replacement
- Prices of products generally went down driven by lower oil price

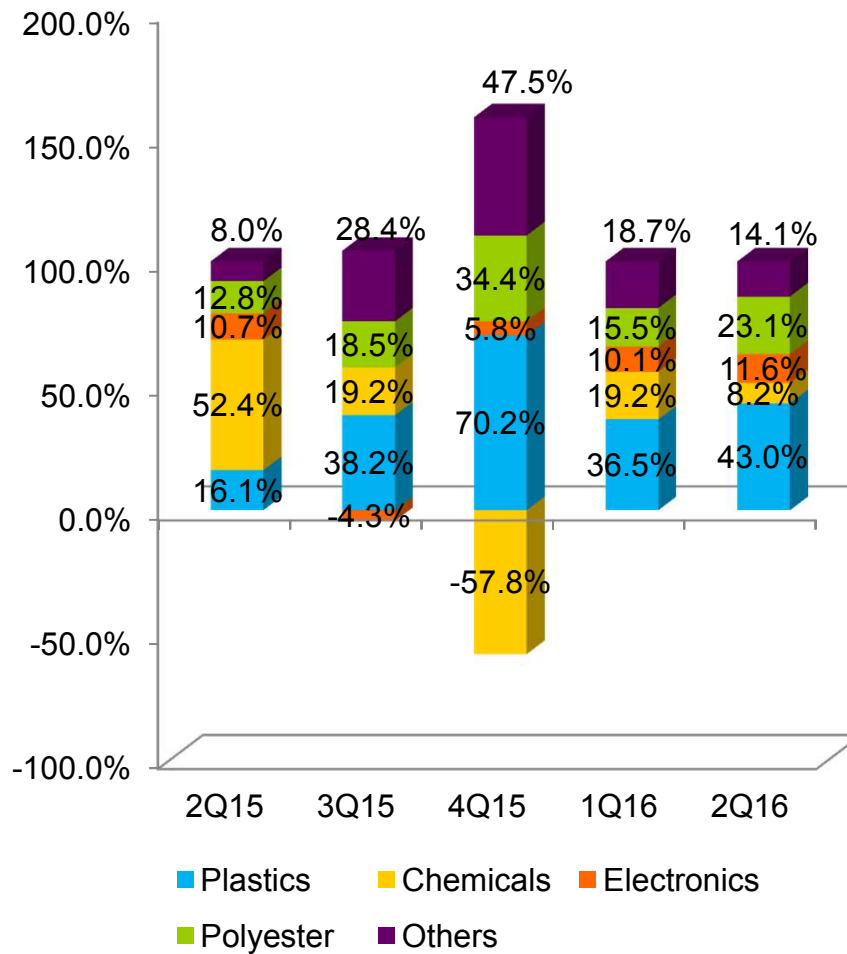




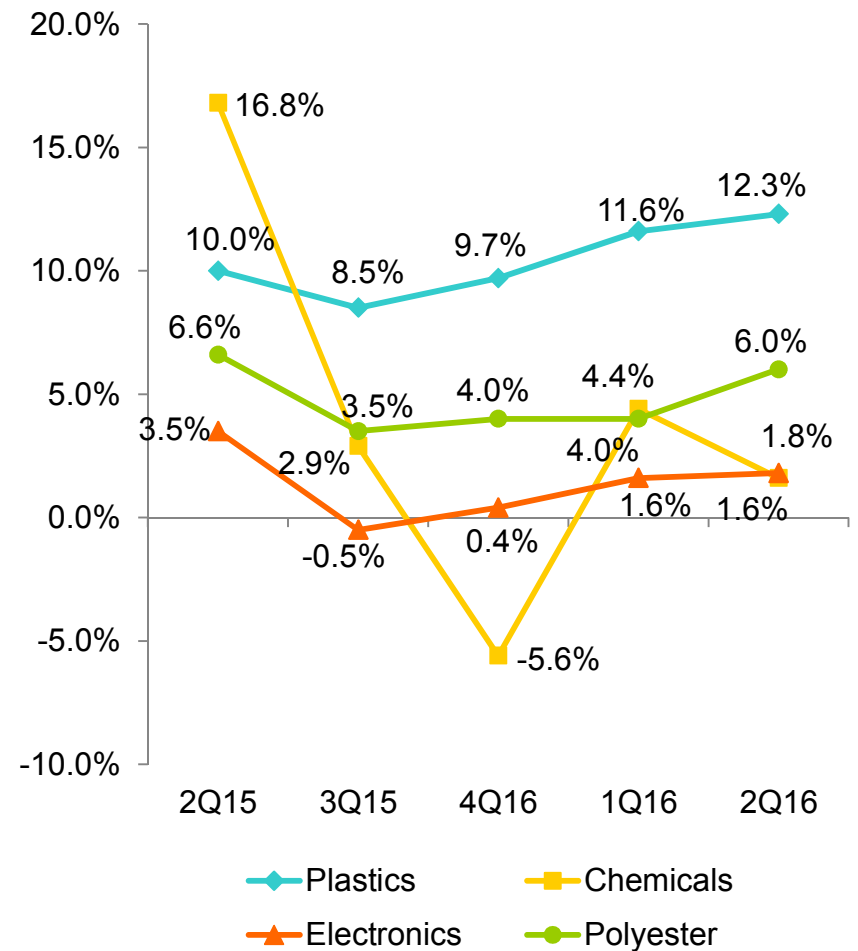
# Financial Highlights

## Operating Profits Breakdown by Product Segment

### Operating Profits



### Operating Margins



# Business Overview

## Capacity Expansion Plan

Main Products	Capacity (p.a.)	Expansion (p.a.)	Completion Date	Capacity Increase (%)
<b>PVC Leather</b>				
Nantong	25,200 KYD	7,200 KYD	02/2018	29%
<b>PCB</b>				
Kun Shan	16,332,000 SQFT	4,548,000 SQFT	09/2016	28%
<b>EG</b>				
USA	360,000 MT	828,000 MT	07/2018	230%
<b>Composite PVC Door Frame</b>				
USA	—	4,300 MT	05/2017	100%



THE END

