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**Nan Ya Plastics  
Year 2016  
Operations & Performance**

**Mar. 2017**



# Agenda

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



# Overview

## Highlights

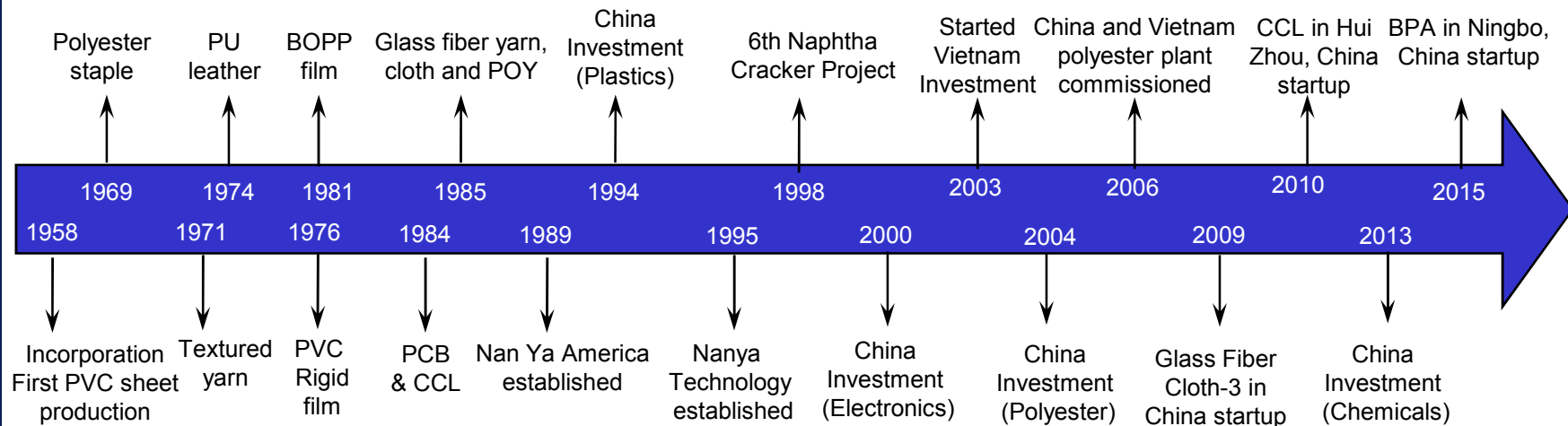
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- **Member of the Formosa Plastics Group (FPG)**
- **The 8th largest private company in Taiwan in terms of market capitalization**
- **2016 consolidated annual revenue of NT\$ 275.3 billion with 4 major businesses: sales breakdown - 17% in plastics, 26% in chemicals, 35% in electronic materials, and 19% in fibers**
- **Market capitalization of NT\$ 592 billion(Feb. 2017)**
- **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**



# Overview

## History

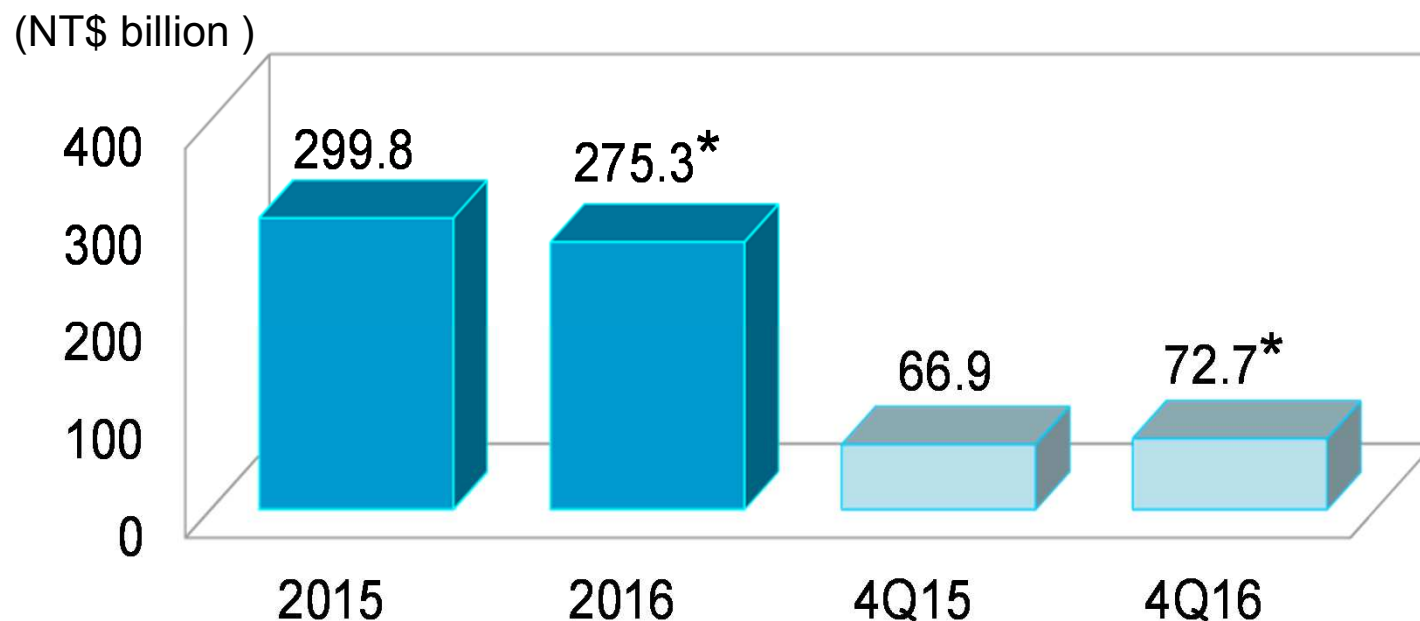


- **1950's - 1960's : Production of PVC secondary plastics in Taiwan**
- **1970's : Began manufacturing polyester fiber, expanding scale and varieties of plastics processing products**
- **1980's : Entered electronics business, growth in polyester and plastics**
- **1990's : Plastics and polyester facilities 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 2016 decreased 8.2% YoY due to:**

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

■ **Revenue in 2016 4Q increased 8.6% YoY due to :**

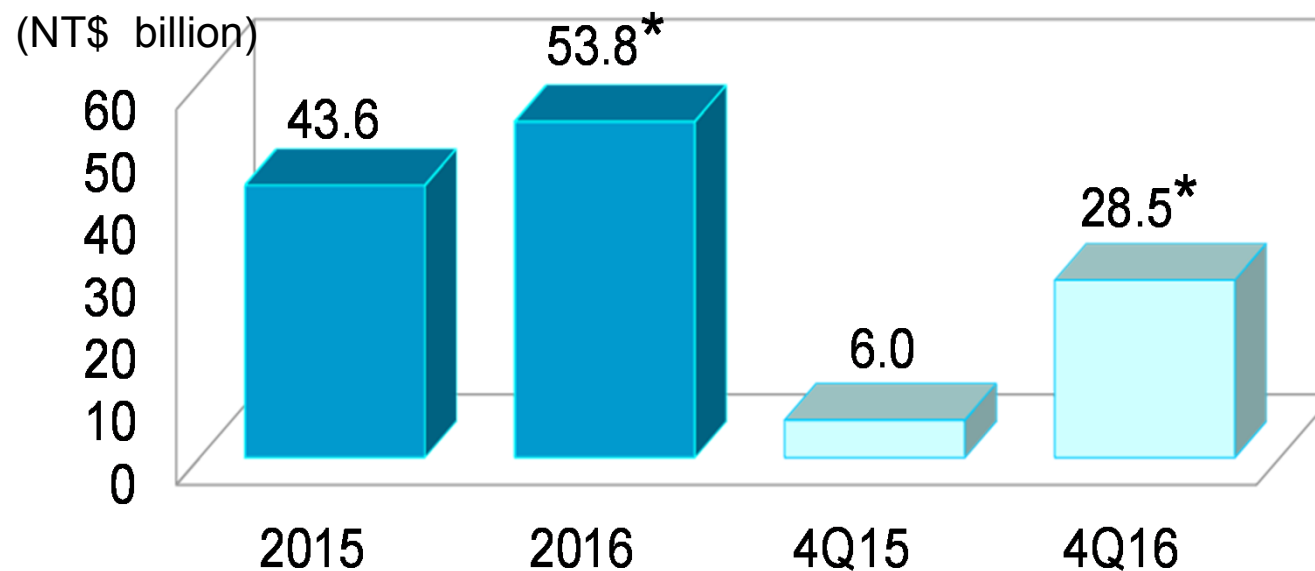
Increasing of products prices driven by the rising of oil and materials prices

\*Unaudited number



# Financial Highlights

## Pre-tax Income



■ **23.4% YoY increase in 2016 pre-tax income due to:**

1. Sales volume increase of electronics, gain on disposal of investment shares
2. Equity income increased by NT\$8.0bn YoY :  
(1) FPCC +NT\$6.5bn      (2) Nanya Tech +NT\$1.5bn

■ **2016 4Q pre-tax income increased by 374.1% YoY due to :**

1. Sales prices increase of chemicals and electronics, gain on disposal of investment shares
2. Equity income increased by NT\$8.6bn YoY :  
(1) FPCC +NT\$2.3bn      (2) Nanya Tech +NT\$6.0bn

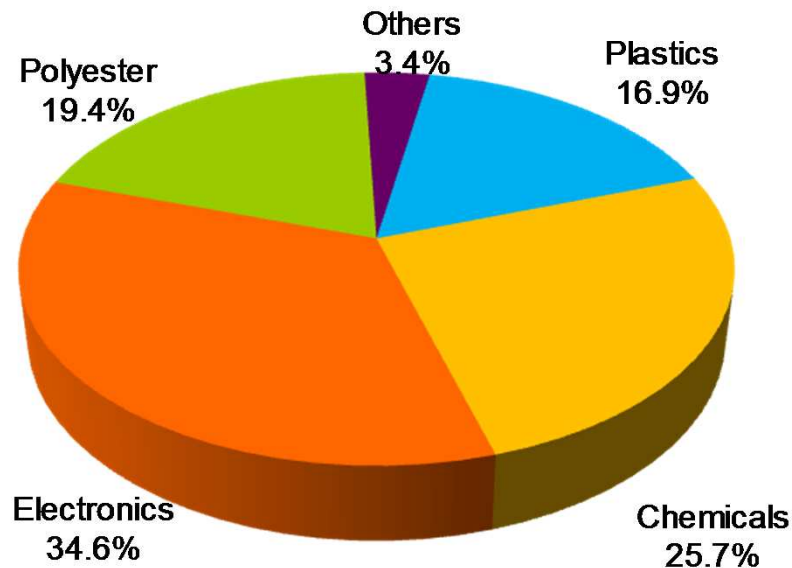
\*unaudited number



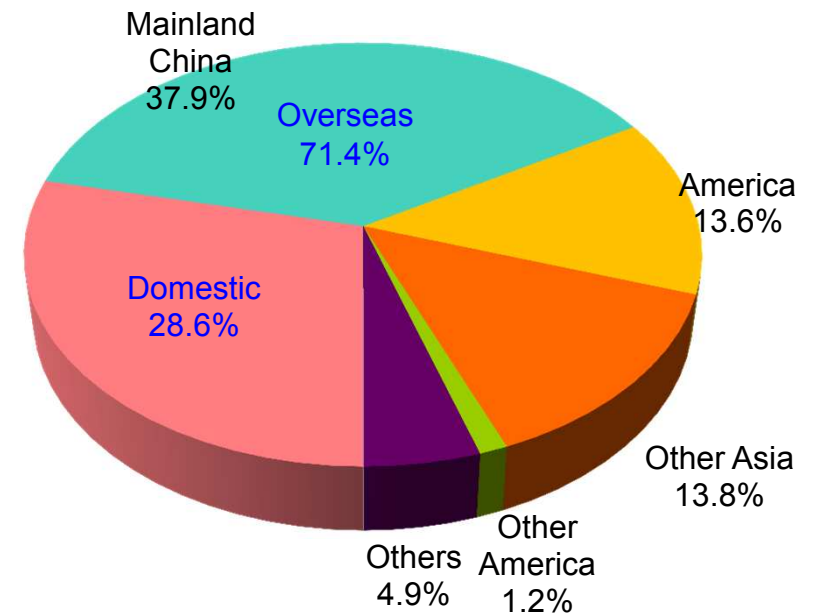
# Financial Highlights

## Revenue Breakdown

**2016 Net Sales  
NT\$ 275.3 billion\***



**2016 Sales Breakdown\*  
by Geography**



- Revenue of chemicals decreased 12% YoY in 2016 due to sales price fell affected by global oil average 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 53% of total overseas in 2016

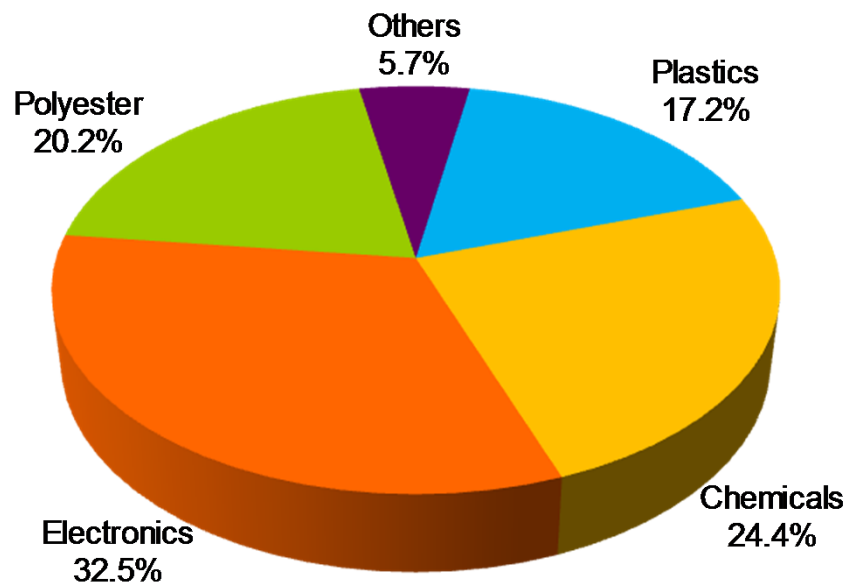
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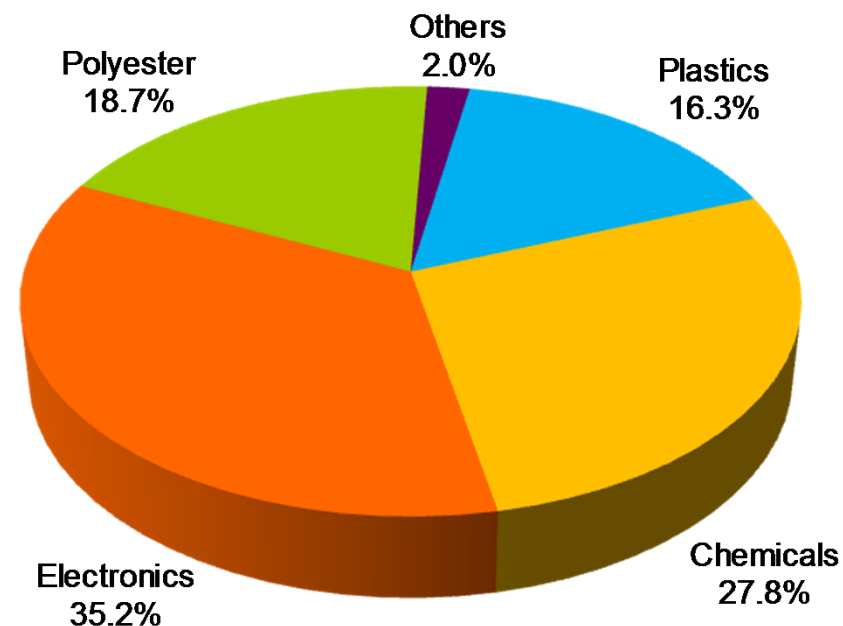
# Financial Highlights

## Revenue Breakdown by Product Segment

**2015 4Q Net Sales**  
**NT\$ 66.9 billion**



**2016 4Q Net Sales**  
**NT\$ 72.7 billion\***



- Revenue in 2016 4Q increased 8.6% YoY
- Prices of chemicals and electronics increased because of oil and feedstock price raised up
- Revenue of others decreased due to engineering services in Vietnam have been completed

\* Unaudited number

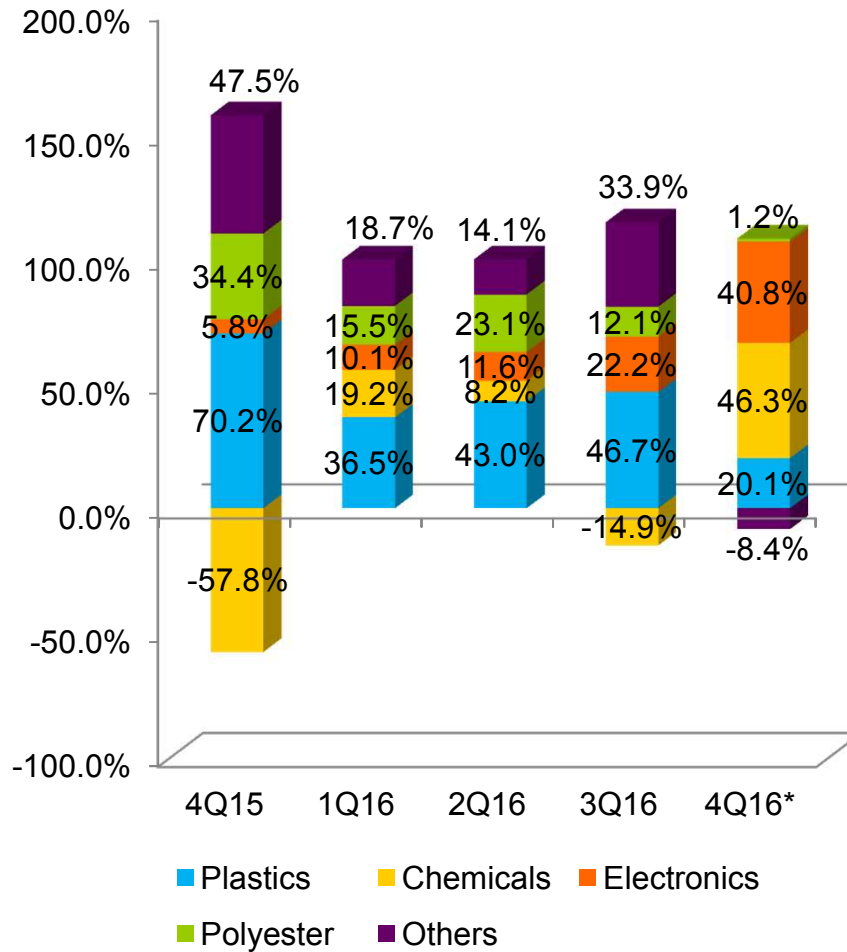




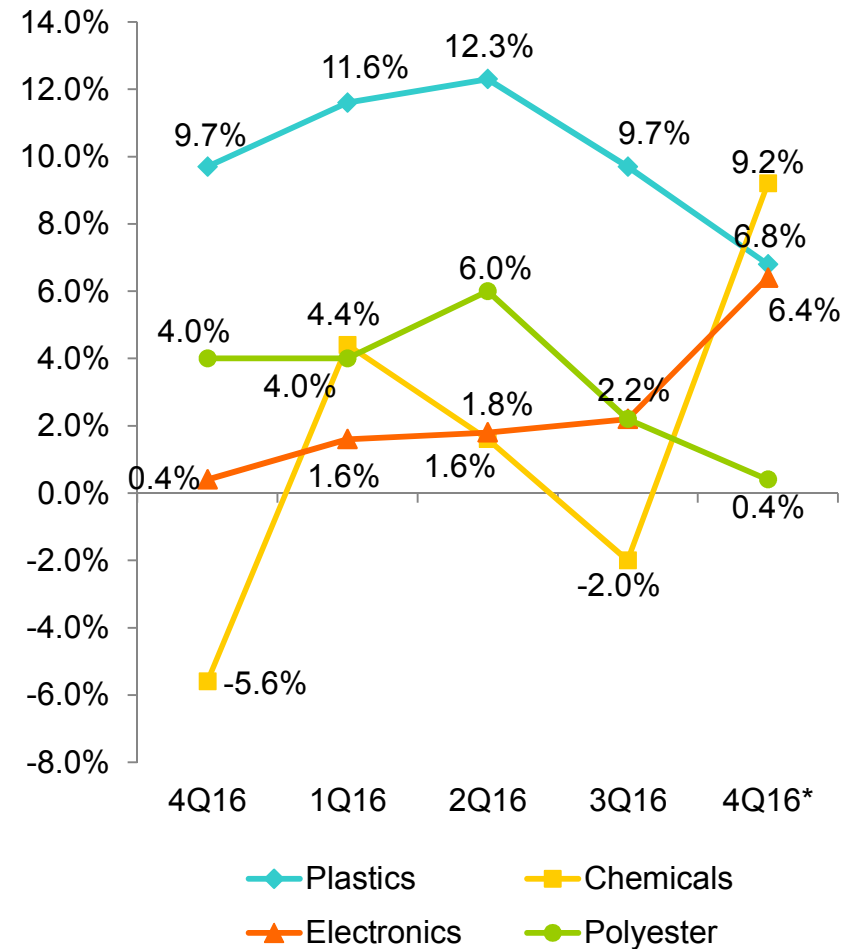
# Financial Highlights

## Operating Profits Breakdown by Product Segment

### Operating Profits



### Operating Margins



\* Unaudited



# Business Overview

## Capacity Expansion Plan

Main Products	Capacity (p.a.)	Expansion (p.a.)	Completion Date	Capacity Increase (%)
<b>PVC Leather</b>				
Nantong	32,400 KYD	7,200 KYD	08/2018	22%
<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

