Nan Ya Plastics

2017 1Q

Operations & Performance

May 2017

Agenda

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

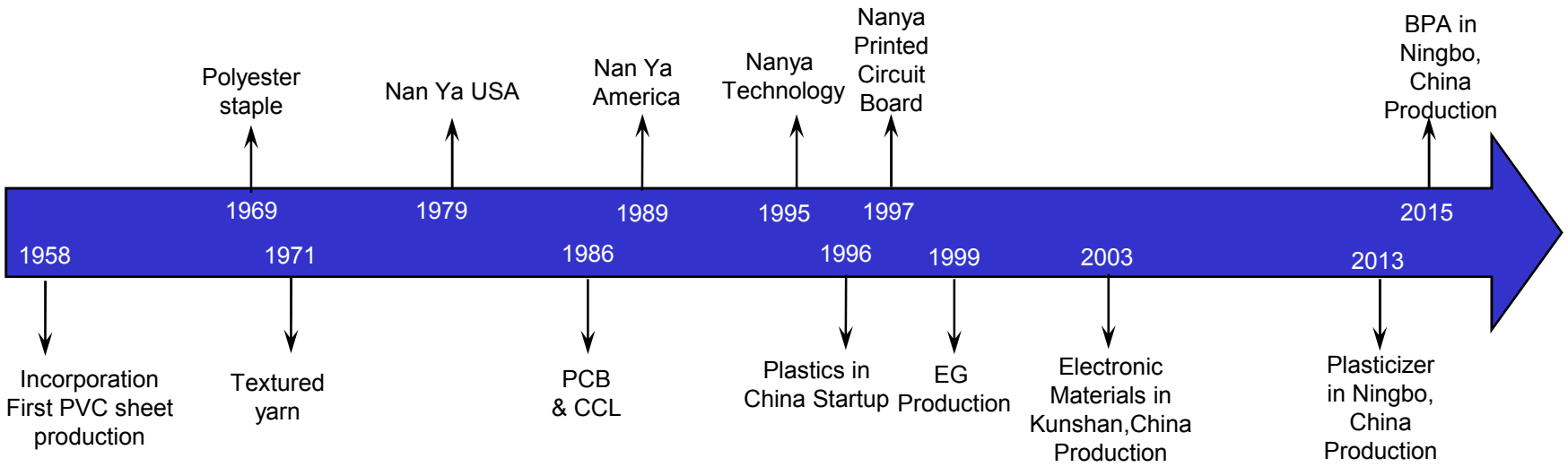
Overview

Highlights

- 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$ 563 billion(May 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

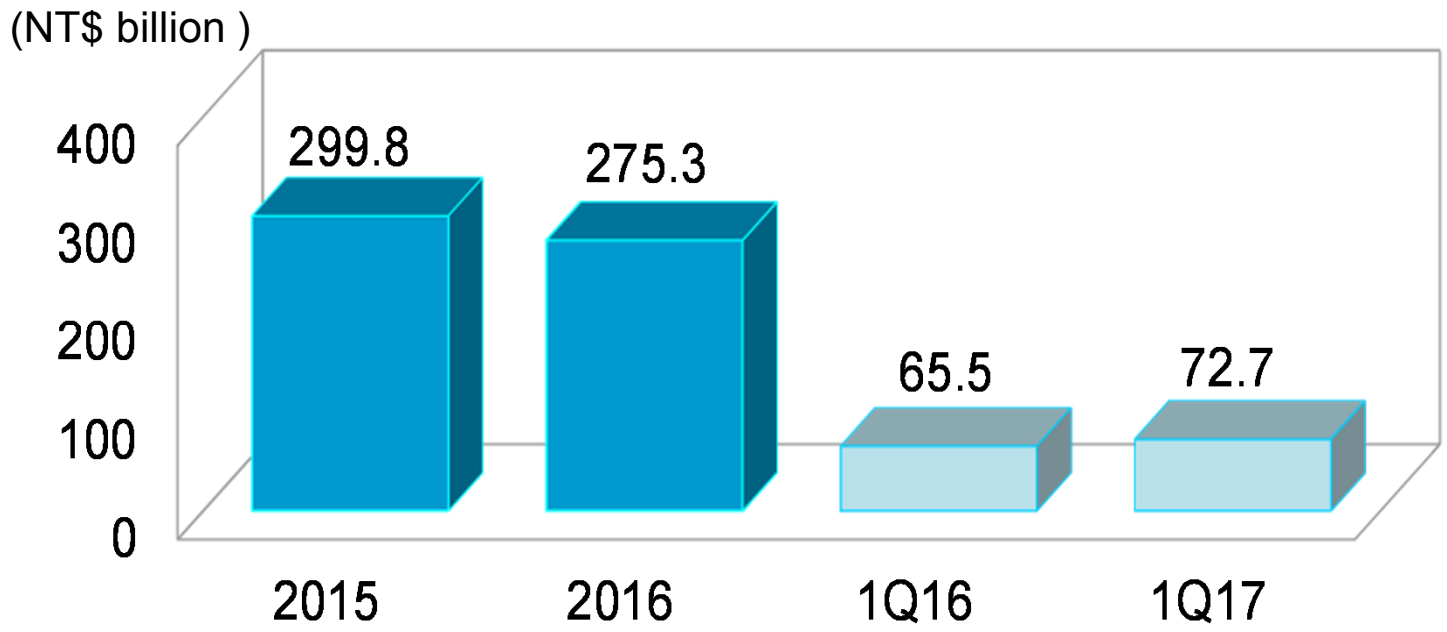
History



- **1958 : Company was founded, Starting production of PVC secondary plastics in Taiwan**
- **1969 : Began manufacturing polyester fiber**
- **1979 : Nan Ya Plastics Corp., USA established in U.S.A., starting production of plastic products**
- **1986 : Entered electronics business, production of PCB & CCL**
- **1989 : Nan Ya Plastics Corp., America established in U.S.A, production of polyester products**
- **1995 : Invested Nanya Technology Corp. starting production of DRAM**
- **1996 - 1998 : Starting production of plastics Products in Xiamen, Guangzhou, Nantong, China**
- **1997 : Subsidiary Nanya Printed Circuit Board Corp. established**
- **1999 : Starting production of EG**
- **2003 : Starting production of Electronic Materials in Kunshan, China**
- **2013 - 2015 : Starting production of Plasticizer & BPA in Ningbo, China**

Financial Highlights

Consolidated Revenue (IFRS)



- **Revenue in 2016 decreased 8.2% YoY due to:**

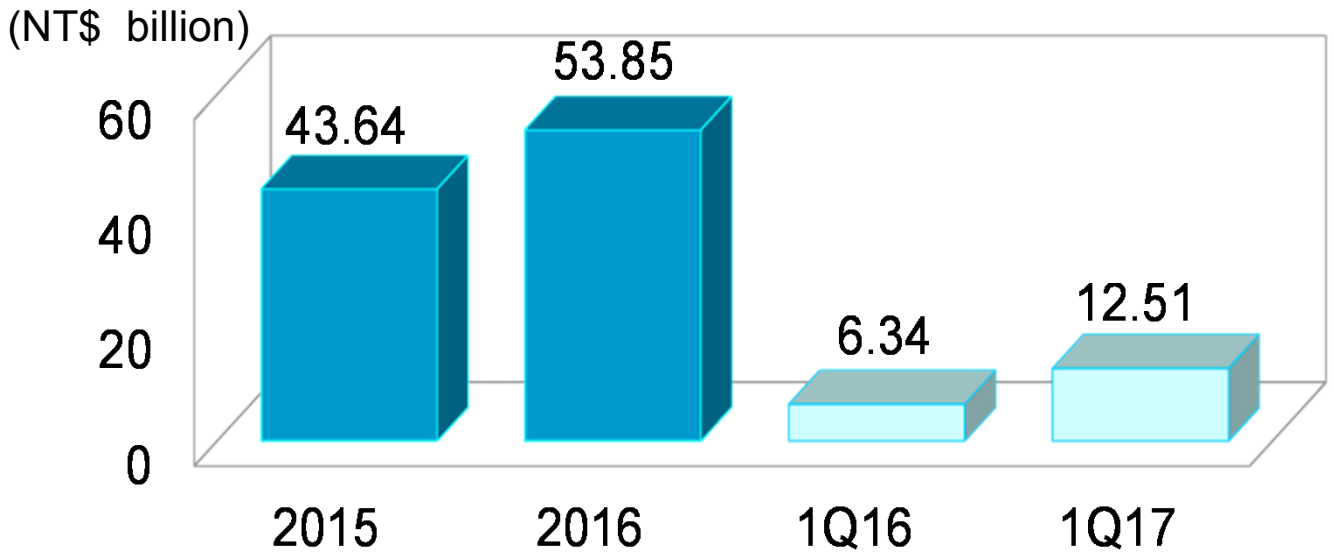
  Sales price of chemicals and polyesters fell , mainly affected by global oil average price dropped

- **Revenue in 2017 1Q increased 11.0% YoY due to :**

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

Financial Highlights

Pre-tax Income

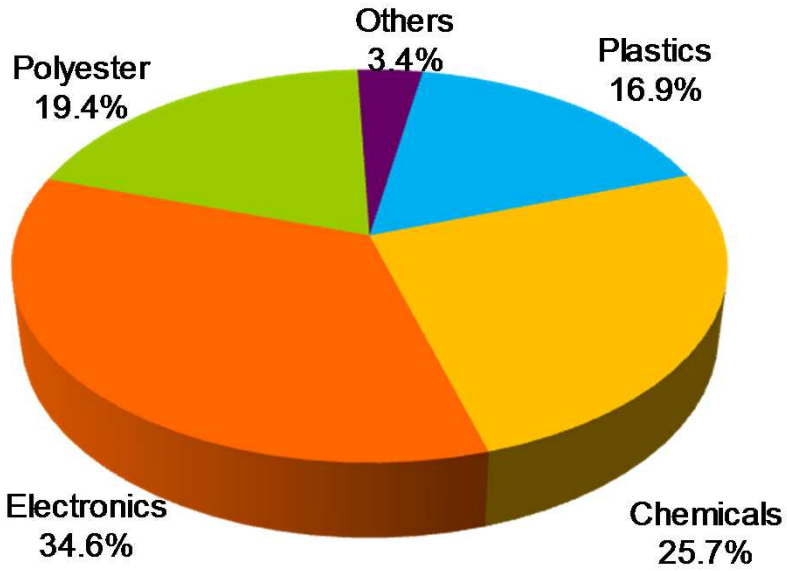


- **23.4% YoY increase in 2016 pre-tax income due to:**
  1. Sales volume increase of electronics, gain on disposal of investment shares
  2. Equity income increased by NT$8.0bn YoY :
     (1) FPCC +NT$6.5bn (2) Nanya Tech +NT$1.5bn
- **2017 1Q pre-tax income increased by 97.3% YoY due to** :
  1. Sales prices increase of chemicals and electronics, gain on disposal of investment shares
  2. Equity income increased by NT$2.4bn YoY :
     (1) FPCC +NT$2.8bn (2) Nanya Tech +NT$0.5bn

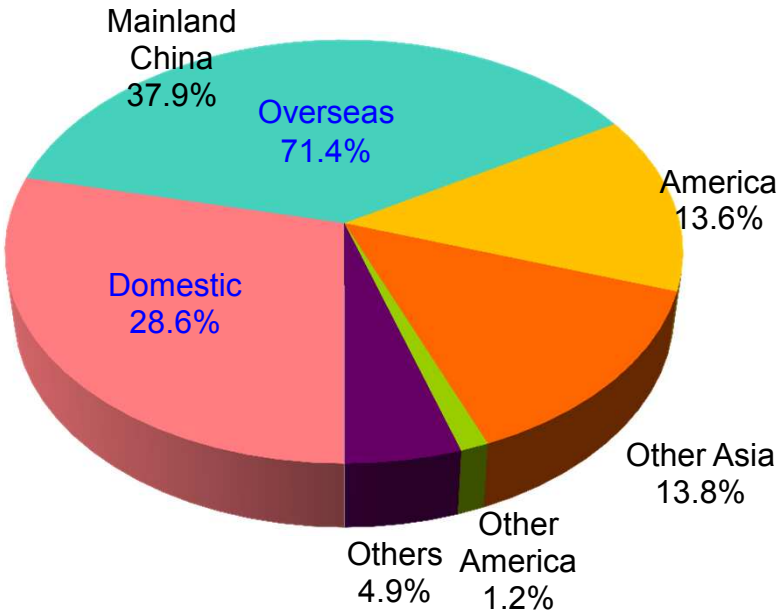
Financial Highlights

Revenue Breakdown

2016 Net Sales
NT$ 275.3 billion



2016 Sales Breakdown by Geography

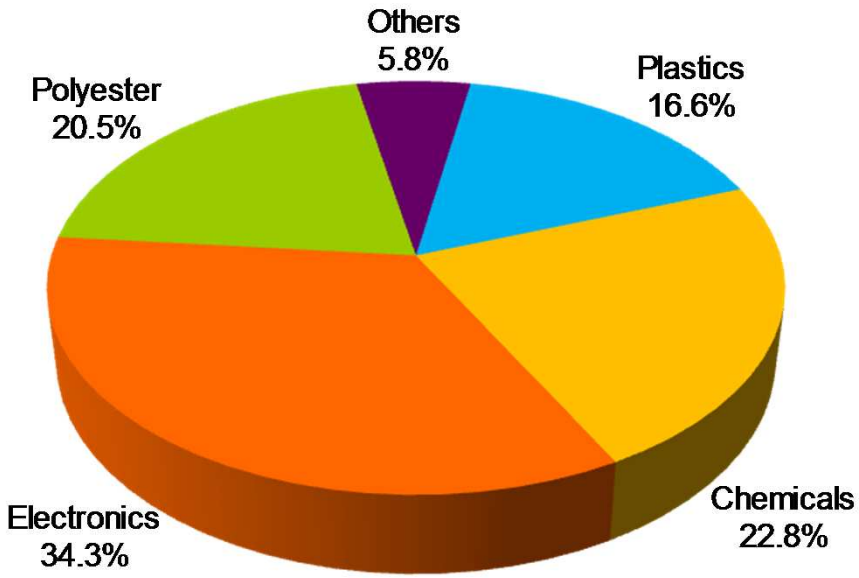


- Revenue ratio of chemicals decreased 12% YoY in 2016 due to sales price fell affected by global oil average price dropped
- Main revenue contribution in the next few years is still driven by chemicals and electronic materials
- Mainland China remains the most important market, accounting for 53% of total overseas in 2016

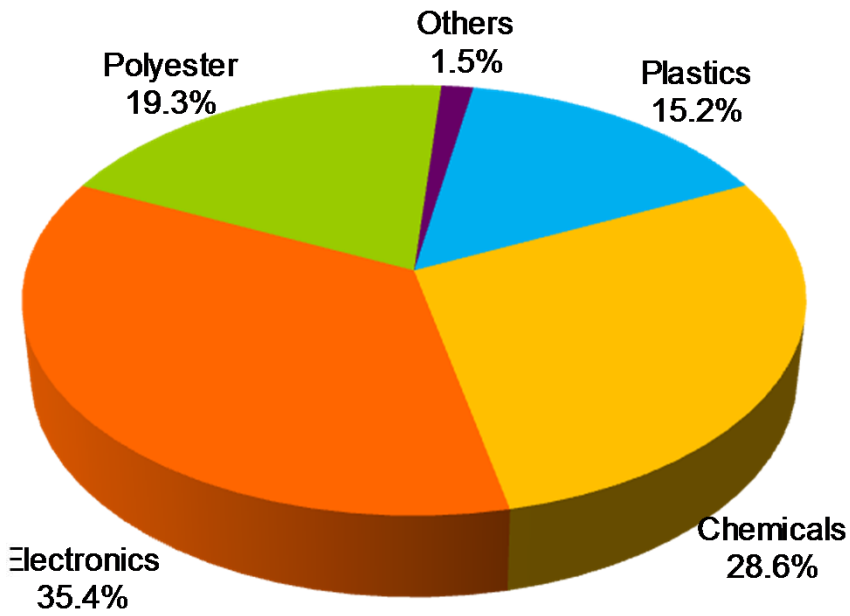
Financial Highlights

Revenue Breakdown by Product Segment

2016 1Q Net Sales
NT$ 65.5 billion



2017 1Q Net Sales
NT$ 72.7 billion

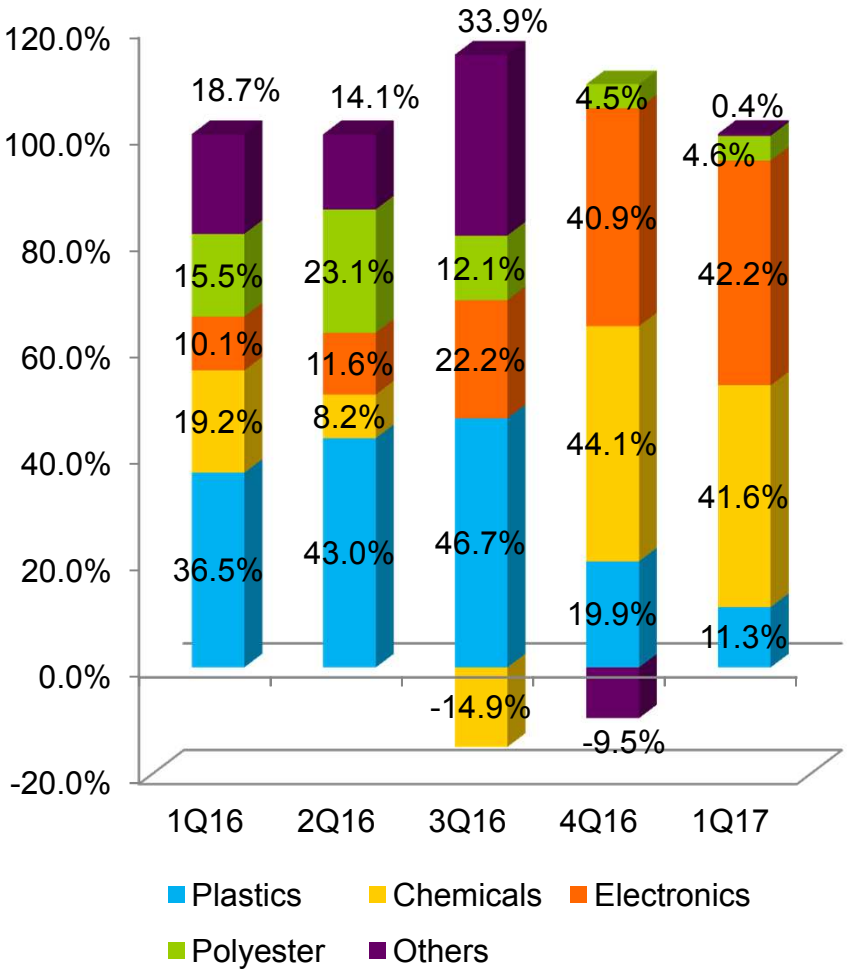


- Revenue in 2017 1Q increased 11.0% YoY
- Prices of chemicals and electronics increased because of oil and feedstock price raised up
- Revenue of others decreased due to engineering services in Vietnam have been completed

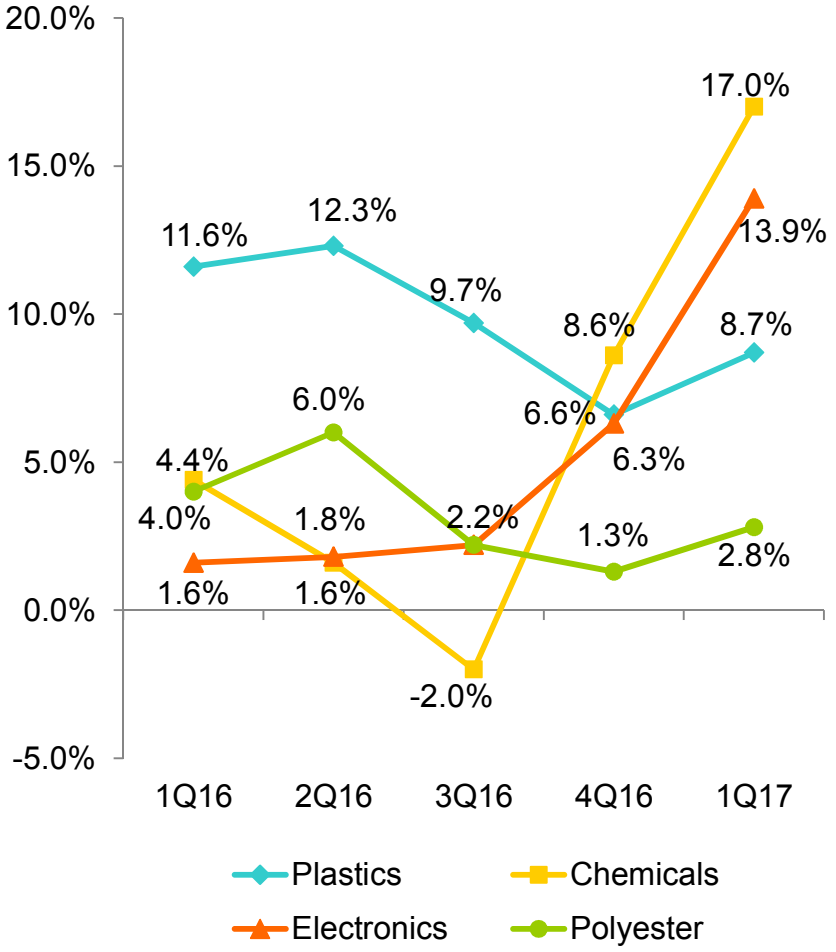
Financial Highlights

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 (%)
PVC Leather				
Nantong	32,400 KYD	7,200 KYD	08/2018	22%
EG				
USA	360,000 MT	828,000 MT	12/2019	230%
Composite PVC Door Frame				
USA	—	4,300 MT	02/2018	100%
Pepa Synthetic Paper				
Taiwan	65,000 MT	22,000 MT	01/2018	34%
Copper Foil				
Taiwan	32,000 MT	18,000 MT	06/2019	56%

THE END