NAN YA PLASTICS CORPORATION

Press Release

2022/5/6

Nan Ya Plastics Corporation April 2022 non-audited Consolidated Operating Revenue Announcement

I. MoM Comparison:

Units: NT$ thousands

2022/4	2022/3	Diff.	Growth rate (%)
29,697,081	37,002,485	-7,305,404	-19.7

The consolidated operating revenue in April 2022 was 29,697 million, which decreased by 7,305 million (19.7% decline) compared to March, with 7,742 million decreases in sales volume variance and 437 million increases in sales price variance. It was mainly due to China's Covid-19 control measures, planned production cuts in EG, the Russia-Ukraine war, and changes in consumption caused by inflation.

1. Electronic material products: decreased by 3,737 million (sales volume -3,774, sales price +37).

   Due to Covid-19 control measures in China, the delivery of raw materials and products had been hindered. Especially the strict control policies implemented in Shanghai and Kunshan, the critical city in the electronics industry, affected the electronics supply chain significantly, resulting in difficulties in shipment, and a shortage of productive labor and materials, restricting the operations both upstream and downstream. As a result, the production and sales of the company's electronic material products decreased, leading to less revenue.

2. Chemical products: decreased by 2,044 million (sales volume -2,019, sales price -25).
   a. EG: decreased by 1,804 million (sales volume -1,706, sales price -98).

      With the Mailiao EG-4 plant scheduled turnaround, production and sales decreased. In terms of the selling price, as the impact of the Covid-19 control in the downstream polyester industry, the operating rate decreased, resulting in a decrease of 6.2% in the monthly average price of EG, leading to the decline in revenue.
   b. 1.4BG: decreased by 229 million (sales volume -299, sales price +70).

      As the production line was under partial repair, sales and revenue decreased. However, due to the great demand in the international market, coupled with the upcoming scheduled turnaround in Europe and America, the price of 1.4BG rose.
   c. BPA: increased by 196 million (mainly from sales volume variance).

      Since the BPA supplied to Kunshan electronic materials for self-use could not be delivered due to the transportation restrictions, BPA this month had pivoted to increase external sales, leading to the revenue increase.
3. Polyester products: decreased by 997 million (sales volume -1,322, sales price +325).

   With the steady demand in the United States, the price of products increased this month. However, the restrictions on the movement and logistics in China affected manufacturing and retail. Moreover, with the changes in consumption capacity caused by the global inflation and the Russia-Ukraine war, downstream customers adopted a more conservative order

strategy, resulting in sales volume decline and revenue drop.

4. Plastic products: decreased by 526 million (sales volume -624, sales price +98).

   The Covid-19 control measures in China affected the operating rate of downstream manufacturers and daily consumption, resulting in delayed orders, reduced shipments, and a decline in revenue.

II. YoY Comparison:

Units: NT$ thousands

2022/4	2021/4	Diff.	Growth rate (%)
29,697,081	34,904,534	-5,207,453	-14.9

Compared to 2021/4, revenue decreased by 5,207 million (14.9% decline), which included 5,042 million decreasing in sales volume variance and 165 million decreasing in sales price variance. With the relatively high base period last April from the decent market conditions of various products and the limited economic activities this April due to China's severe control measures for the widely spread of the Covid-19 pandemic, product production and sales decreased. Except for PCB, polyester products, and 1.4BG (Butylene Glycol), the revenue of other products was not as good as last April.

1. Electronic material products: decreased by 3,786 million (sales volume -3,286, sales price -500).

   Affected by the Covid-19 control measures in Shanghai, Kunshan, and other places, the production and sales of CCL, Epoxy resins, and other products decreased, resulting in a revenue decline. Although the production line of PCB in China had also been partially affected, with the strong global market demand and the regular operation of the Taiwan production line, the overall revenue of PCB enhanced compared to April

last year.

2. Chemical products: decreased by 1,766 million (sales volume -394, sales price -1,372).
   a. EG: decreased by 1,639 million (mainly from sales volume variance).

      Due to the planned shutdown of Mailiao EG-2 plant and EG-4 plant this April, the overall EG sales and revenue decreased.

   b. BPA decreased by 450 million (sales volume +1,235, sales price -1,685)

      Mailiao BPA-4 plant was under turnaround last year(4/1-4/16), while this April operated at full production capacity, resulting in a relative increase in the sales volume. The price dropped by 38.9% compared with the same period last year. Last year the severe cold climate in North America affected the industry supply of raw materials and products, further pushing up the raw material prices and product prices. Without such a factor happening this year, coupled with the competitor's enhancement of the production capacity, the price fell back, leading to a decrease in the overall revenue.

   c. 1.4BG: increased by 307 million (sales volume +204, sales price +103).

      Although the delivery in China was hindered, the demand in other export markets was still strong. The sales volume and price of 1.4BG increased compared with last April, leading to higher revenue.

3. Plastic products: decreased by 342 million (sales volume -661, sales price +319)

   The rise in raw material prices pushed up the selling price of products, leading to a favorable margin. However, due to the Covid-19 control in China, the sales volume decreased.

4. Polyester products: increased by 689 million (sales volume -700, sales price +1,389).

   Under the Covid-19 control measures, logistics in China were restrained, resulting in a reduced delivery volume. In terms of the selling price, due to the strong demand for PET bottle resins and Polyester Staple Fiber in the US market, coupled with the rising cost of raw materials (PTA + 35.8%), the selling price of polyester products soared, leading to revenue growth.

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