

Taita Chemical Co., Ltd



Tianjin FAC

2017 Investor Conference

Zhong Shan FAC

Glass-wool FAC
Cubic FAC

Head Office

Chien Chen FAC

Lin Yuan FAC

2017 03 31

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2017 Investor Conference

Agenda	By
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Finance Information	Tony Lin
Q & A	Paul Yin

Taita Chemical Co., Ltd

2017 Investor Conference

Introduction

- ◆ About TTC
- ◆ Operation Sites
- ◆ Product Capacities
- ◆ Management System

Introduction – About TTC

Established 1960	
Capital	NTD 3.28 Billion (2017. 03)
No. of Employee	Taiwan 423 ; Mainland 224 (2017.03)
Revenue in 2016	Consolidate : NTD 16.4 Billion
Products	Acrylonitrile-Butadiene-Styrene Copolymer (ABS) General Purpose Polystyrene (GPS) High Impact Polystyrene (IPS) Expandable Polystyrene (EPS) Glass Wool Cubic Printing

INTRODUCTION- OPERATION SITES

台聚關係企業

Tianjin Factory (Est. 2005 09)



➤ Location : Tianjin, China

Zhong Shan Factory (Est. 2000 05)



➤ Location : Guangdong , China

Tianjin FAC

Zhong Shan

Glass-wool
Cubic

Lin Yuan

Chien Chen

Lin Yuan FAC (Est. 1979 08)



➤ Location: Kaohsiung, Taiwan

Head Office
Taipei



Cubic FAC (Est. 1987 06)
Glasswool FAC (Est. 1991 03)



➤ Location: Miaoli, Taiwan

Chien Chen FAC (Est. 1960 04)



➤ Location: Kaohsiung, Taiwan

INTRODUCTION- PRODUCTION CAPACITIES

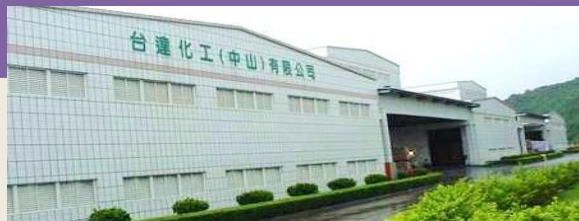
台聚關係企業

Tianjin Factory (Est. 2005 09)



➤ EPS Cap: 140,000 MTA

Zhong Shan Factory (Est. 2000 05)



➤ EPS Cap: 180,000 MTA

**Taita Chemical has a
combined Cap of 600,000 MTA
for all diversified products**

Tianjin FAC

Zhong Shan

Glass-wool
Cubic

Lin Yuan

Chien Chen

Lin Yuan FAC (Est. 1979 08)



➤ABS/SAN Cap: 100,000 MTA

Head Office
Taipei



Cubic FAC (Est. 1987 06)
Glasswool FAC (Est. 1991 03)



➤ Cubic Printing Cap: 200,000 JIG/Y
➤ Glass-wool Cap: 10,000 MTA

Chien Chen FAC (Est. 1960 04)



➤ EPS Cap: 67,000 MTA
➤ GPS/IPS Cap: 130,000 MTA

Introduction- Management system

台聚關係企業

- Certificate of Quality Management System

👍 ISO – 9001 (issued 1994)

- Certificate of Environment Management System

👍 ISO – 14001 (issued 1998)

👍 OHSAS – 18001 (issued 2001)

👍 Standardization class 2

👍 Standardization class 3

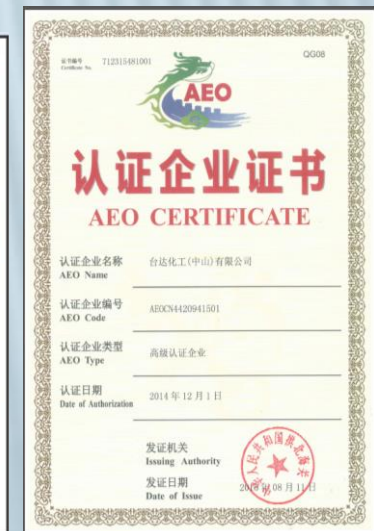
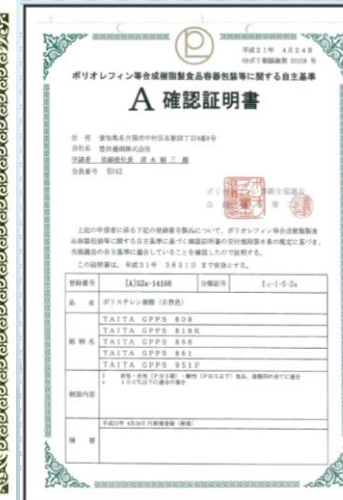
- Auditing System

👍 Safety Auditing

👍 Project Auditing



食品容器認證



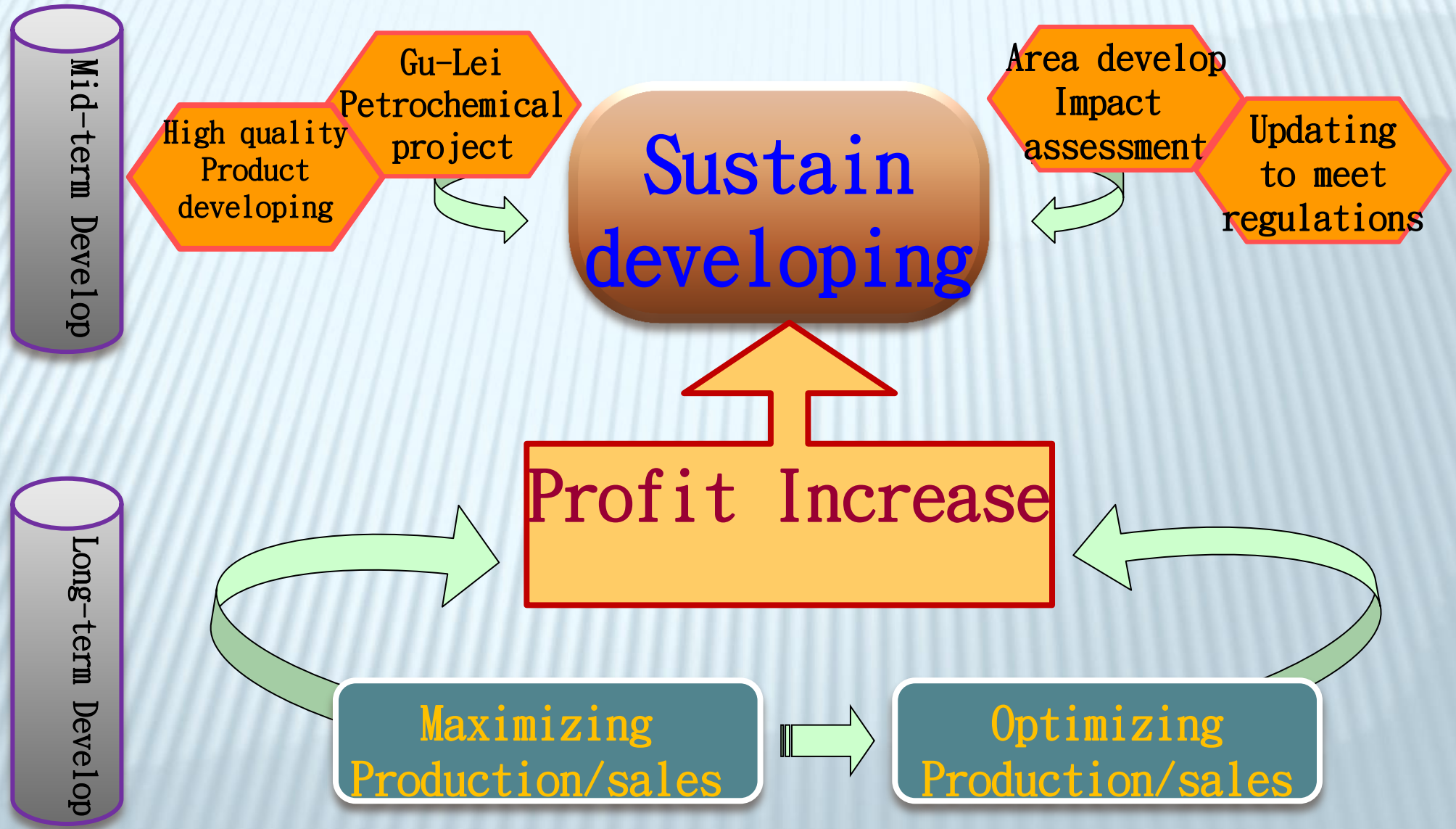
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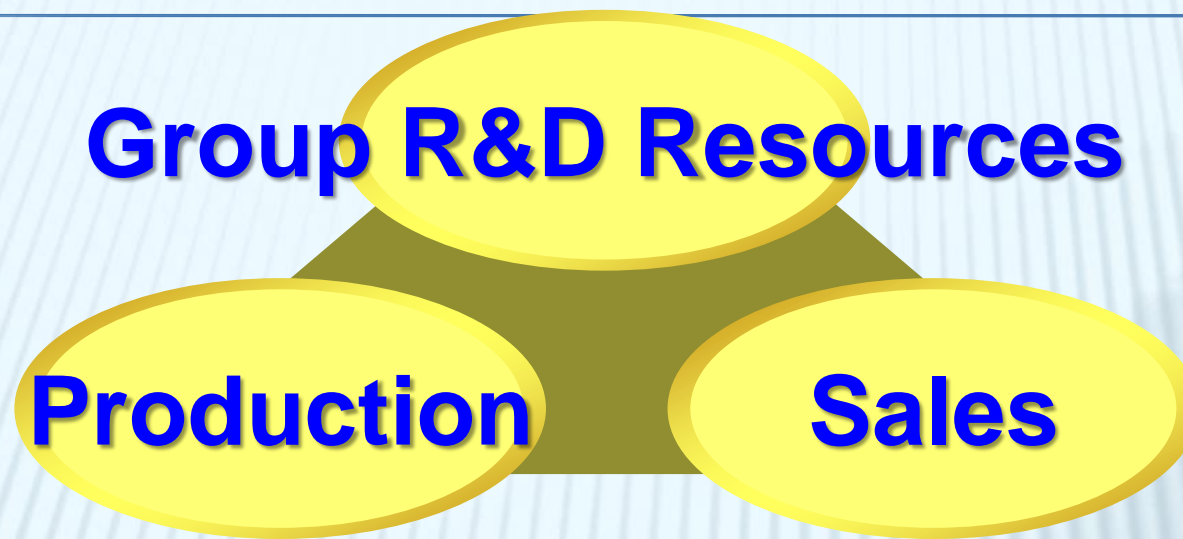
Management Policy

- **Strategy**
- **High Value Products**
- **Sustainability**

Management Policy- Strategy



Management Policy- High Value Products



ABS / SAN Products

- Low VOC
- High Flow
- Food Vessel
- Spec-in



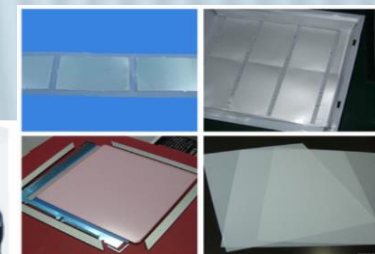
EPS Products

- Anti-static
- Low VOC
- Non – HBCD



GPS Product

- Optical
- Food Grade



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Market Review & Outlook

- **ABS Products**
- **GPS Products**
- **EPS Products**
- **Glasswool Products**
- **Cubic Printing**

MARKET REVIEW & OUTLOOK

2016 Review

ABS sales increased by 10% in 2016

- China demand for ABS boomed in Q4
- Export grew
- Successful in market & product developing

**ABS
Product**

2017 Outlook

Sales continue to increase

- China appliances market continue to grow
- Global economy optimistic
- Continue to develop new markets and products

**ABS
Product**

MARKET REVIEW & OUTLOOK

2016 Review

2016 overall sales stable

- Q3 affected by annual turnaround & typhoon
- Q4 affected by SM price soar

**GPS
Product**

2017 Outlook

Sales continue to increase in 2017

- One-time-use food vessel demand increases
- China TV set market increases steadily so as diffuser requirement
- Global economy optimistic lead to export increase

**GPS
Product**

MARKET REVIEW & OUTLOOK

2016 Review

2016 sales stable

- Sales grew in Turkey, M East and Oceania
- Sales declined in S America, Iran, S E Asia and Japan due to competition from China

EPS
Chien Chen

2017 Outlook

Sales expected to grow in 2017

- Global economy optimistic
- developing high value product
 - ◆ non-HBCD EPS
 - ◆ Anti-static EPS
 - ◆ Low VOC EPS

EPS
Chien Chen

MARKET REVIEW & OUTLOOK

2016 Review

2016 sales up by 8~9%

- A record high in production & sales
- Appliances packaging market steadily grew
- Developed vegetable packaging market with improved product quality
- Core market demand continue to grow

EPS
Zhong Shan

2017 Outlook

2017 forecast sales increase steadily

- Appliances packaging market continue to grow
- Vegetable packaging market stable

EPS
Zhong Shan

MARKET REVIEW & OUTLOOK

2016 Review

2016 sales declined by 13%

- Real estate market continued soft
- Production cut in downstream Ind due to smog
- Environmental concern in downstream
- Tianjin Port still not open to DG cargo

**EPS
Tianjin**

2017 Outlook

Forecast sales increase

- Real estate market in N China bottoming out
- Developing packaging market
- Cooperates with Zhong Shan plant in market development

**EPS
Tianjin**

MARKET REVIEW & OUTLOOK

2016 Glasswool sales stable

- No growth in domestic market
- Construction market soft
- Export market facing China & India's competition
- Glasswool sales still profitable

2017 domestic sales estimate to increase by 4%, Export flat

Glasswool

◆ CUBIC Printing sales declines as domestic car sales drop and new competition from Water Printing

◆ We increase Painting sales to compensate the loss in Cubic Printing

Cubic Print

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Finance Information

- * Consolidated I/S**
- * Sales by product**
- * Financial ratio analysis**

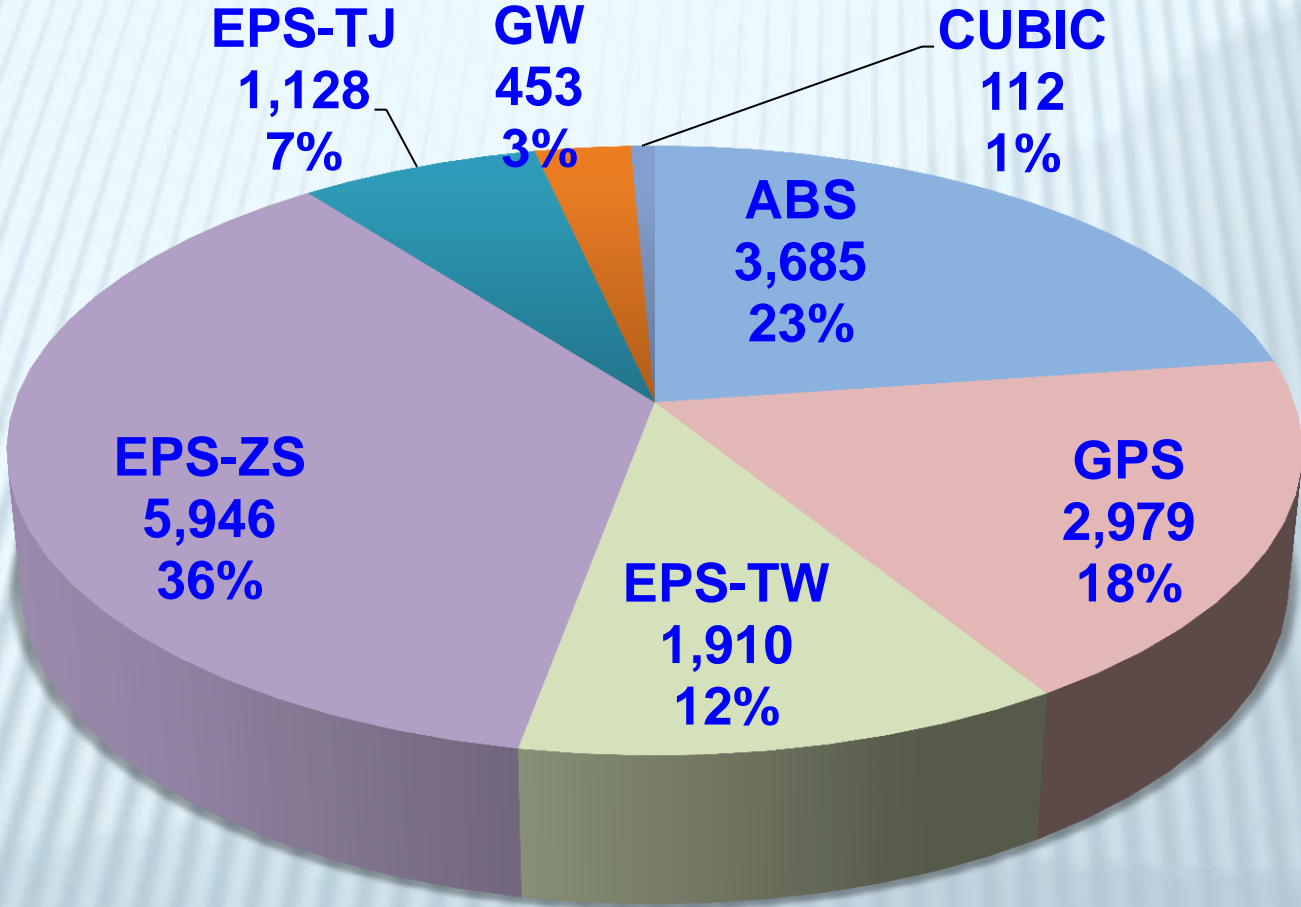
Consolidated Statements of Income

In millions of NTD

	2016	2015	YoY%
Sales Volume(MT)	395,988	388,351	1.97%
Sales	16,419	17,028	(3.58%)
Cost of goods sold	15,474	16,156	(4.22%)
Gross profit	945	872	8.37%
gross profit ratio	6%	5%	
Operating expenses	714	727	(1.79%)
Operating income	231	145	59.31%
operating income ratio	1%	1%	
Non-operating income(loss)	(34)	(51)	(33.33%)
Income before income taxes	197	94	109.57%
Income taxes	76	27	181.48%
Net income	121	67	80.60%
net income ratio	1%	0%	
Earnings per share(NTD)	0.37	0.21	76.19%

Sales by product - 2016

In millions of NTD



Financial ratio analysis

(Consolidated Statement)

	2016	2015
Operating income margin(%)	1.41	0.85
Net income margin(%)	0.74	0.39
Debt ratio(%)	60.14	63.40
Current ratio(%)	151.09	140.56
Quick ratio(%)	104.27	107.99
Accounts receivable turnover days	53	65
Inventory turnover days	31	33



台聚關係企業

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Q & A

