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# Formosa Plastics Corporation



台灣塑膠工業股份有限公司

**2017 Q1**

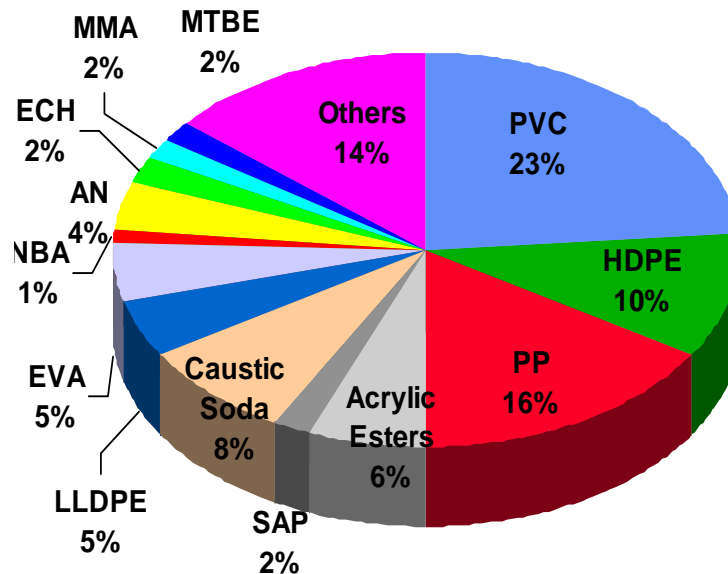
## Operation Performance Highlights



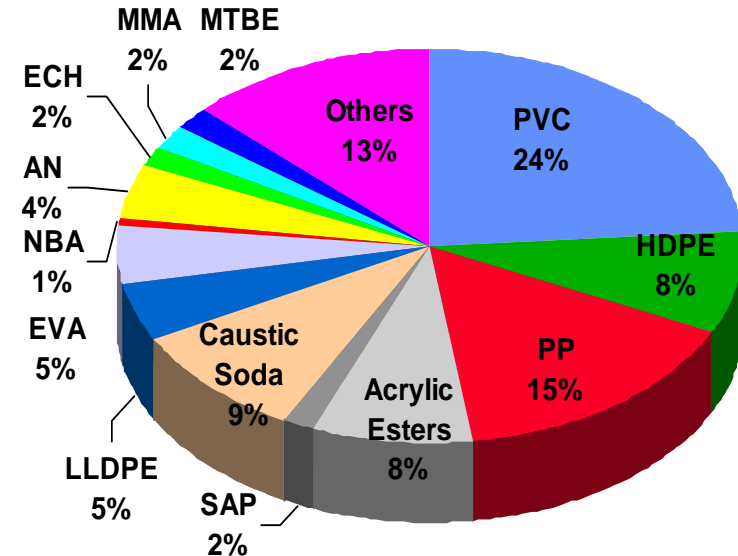
March 31, 2017

# Revenue Breakdown by Product (IFRS)

2016 Q1 Net Sales:  
NT\$42.8 billion



2017 Q1 Net Sales:  
NT\$7.8 billion



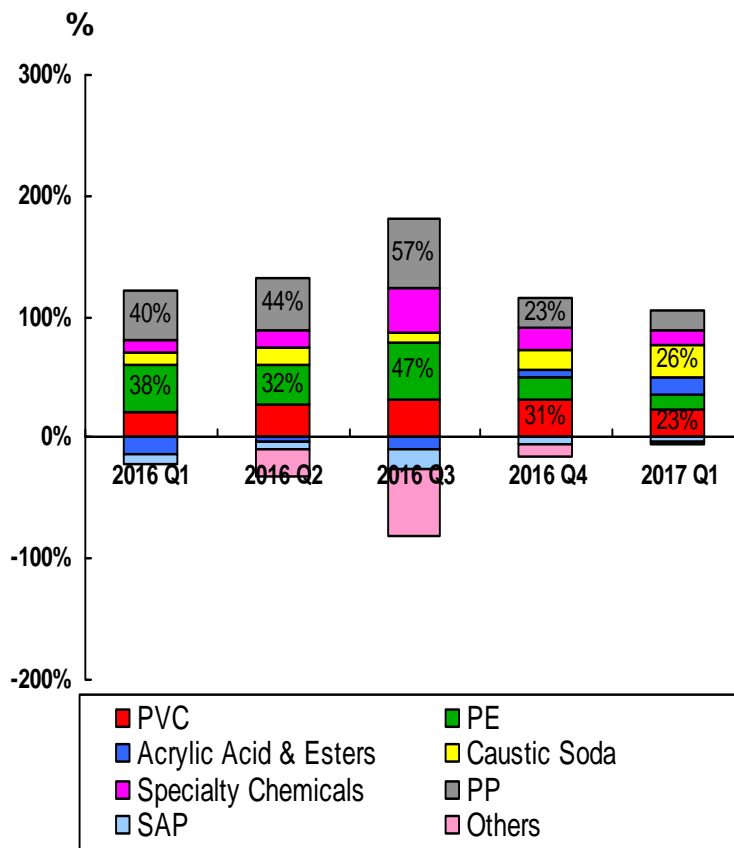
- PVC accounted for 24% and 23% of revenue in 2017 Q1 and 2016 Q1 respectively
- PE (HDPE/EVA/LLDPE) accounted for 18% and 20% of revenue in 2017 Q1 and 2016 Q1 respectively
- Specialty Chemicals (AN/MMA/ECH/MTBE) accounted for 10% of revenue both in 2017 Q1 and 2016 Q1
- Revenue in 2017 Q1 rose 11.7% from 2016 Q1, mainly due to increasing ASP of all products except ECH, and increasing sales volume of Caustic Soda, EVA & LLDPE



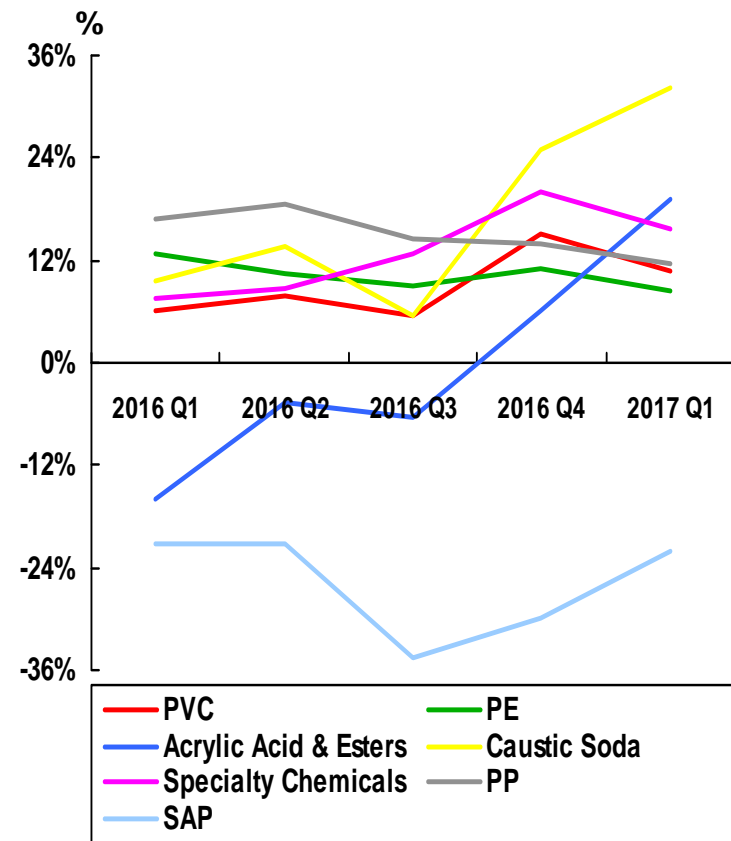
# Operating Profits Breakdown *by Product*

## *Caustic Soda & PVC are the key profit contributors in 2017 Q1*

**Operating Profits**



**Operating Margins**



**Note : Specialty Chemicals include AN, MTBE, MMA and ECH**

# Capacity Expansion Plan

## 1. Ningbo , China (Total investment US\$ 11 mn)

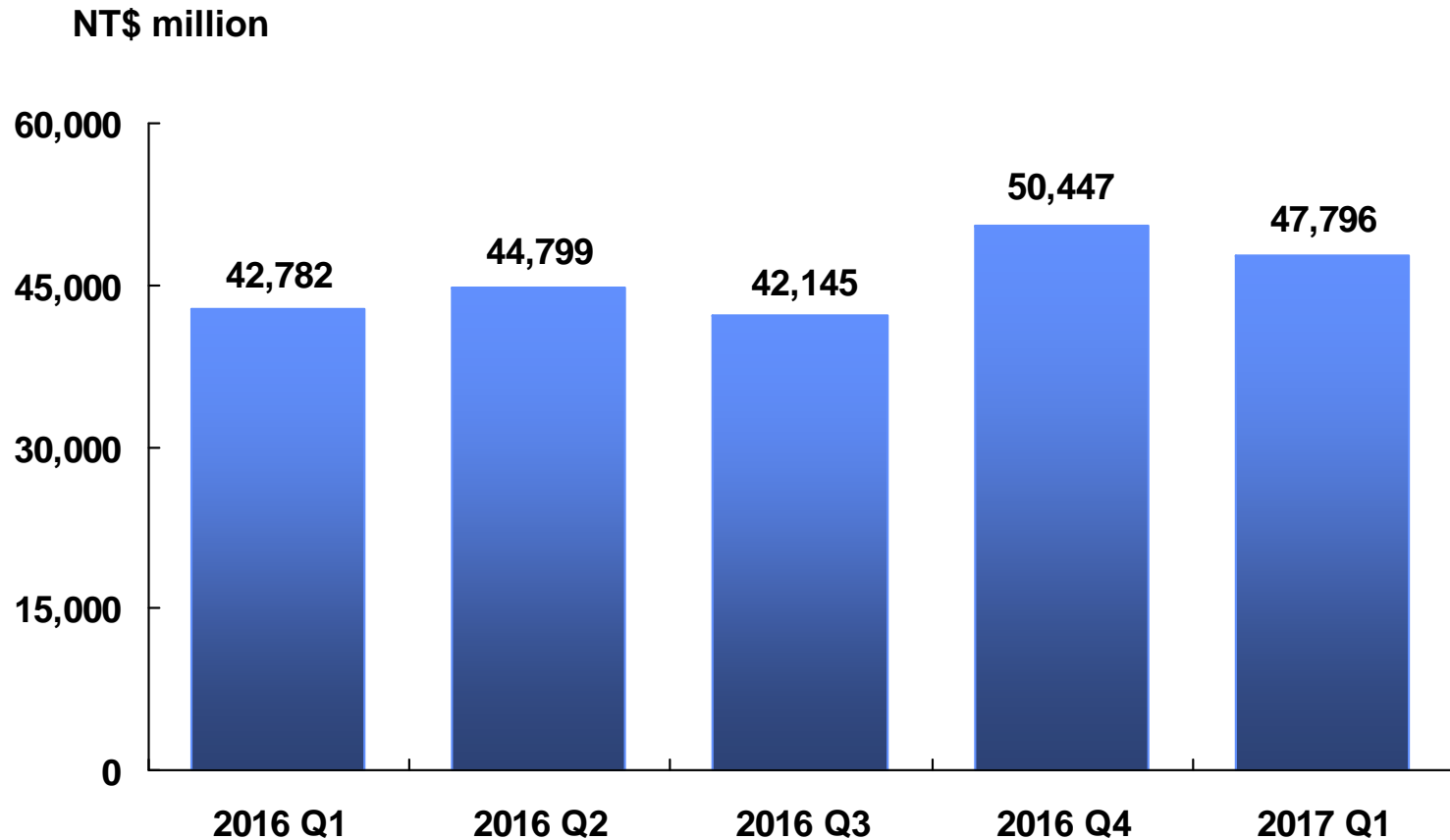
Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
PP	450,000 MT	72,000 MT	6/2019	16.00

## 2. Texas, USA (Total investment US\$ 540 mn)

Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
HDPE	-	400,000 MT	9/2018	-

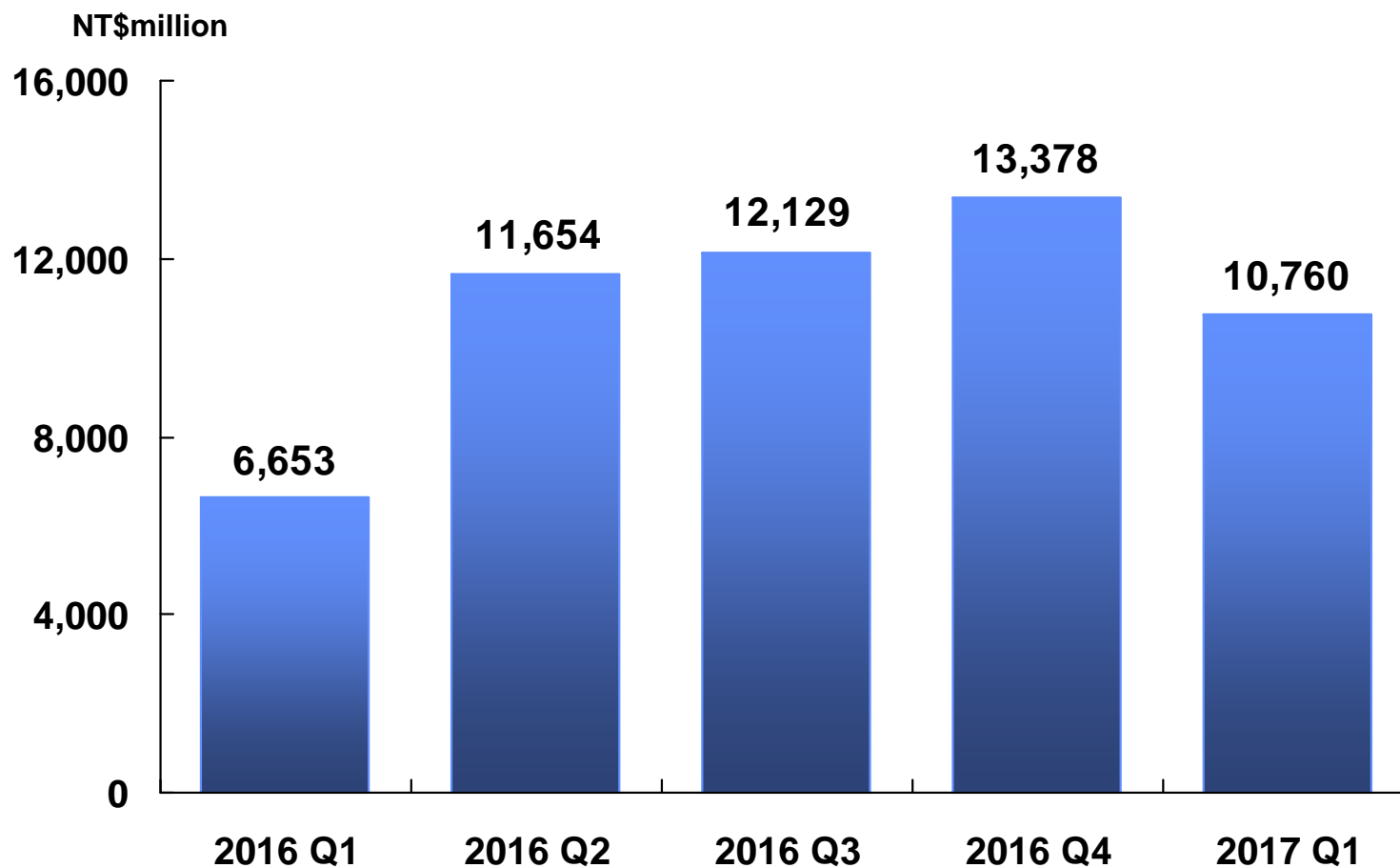


# Consolidated Revenue (IFRS)



- Revenue fell 5.3% in 2017 Q1 from 2016 Q4 mainly due to (1) decreasing sales volume given lower utilization rate and (2) higher ASP of PE, PP, AE and specialty chemicals

# Pre-tax Income



- Pre-tax income fell 19.6% in 2017 Q1 from 2016 Q4 mainly due to (1) lower investment income from FPCC & FGC and (2) FX loss given strong NTD/USD exchange rate