



Formosa Taffeta Co., Ltd. 2022 Investor Conference

June 27, 2022

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Agenda

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I. Corporate Overview

- Company Profile
- Products Breakdowns by Production Bases
- Q122 Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics
- Q122 Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business
- Sale of Petrol and Diesel

Company Profile

Foundation April, 1973

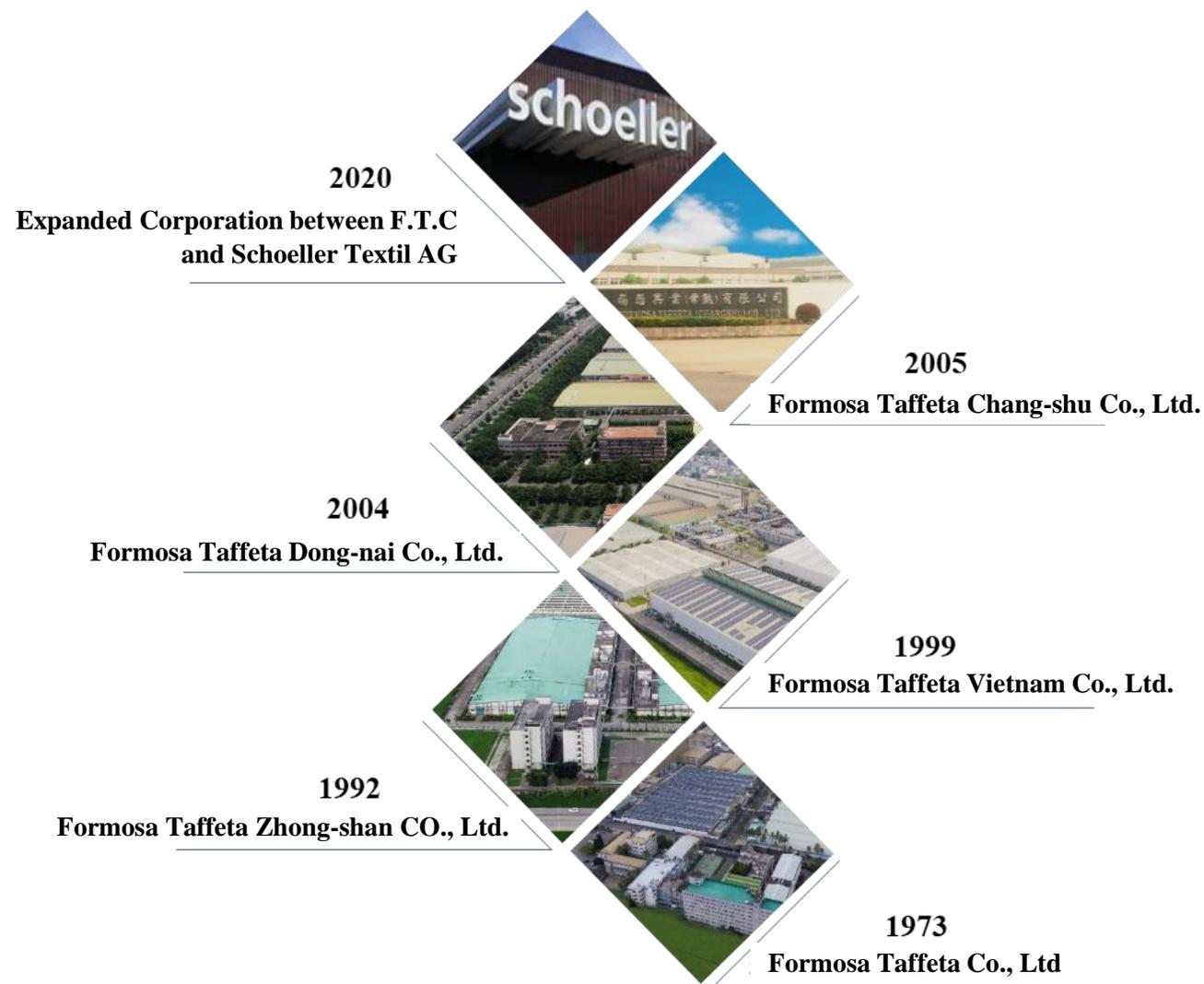
Chairman Wen-Yuan Wong

President Ming-Chang Lee

Capital NT\$16.8 billion

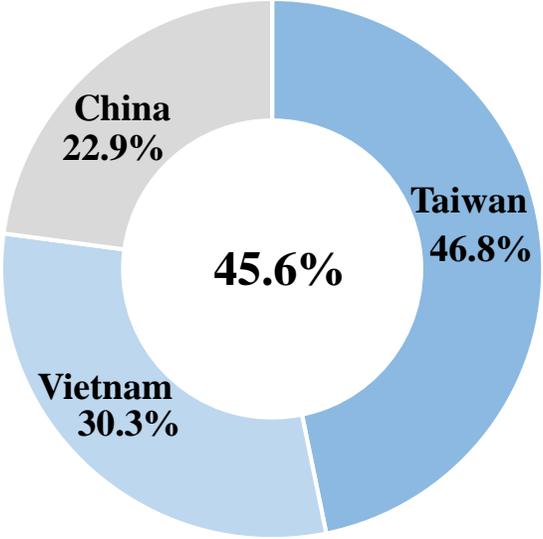
Number of employees at five plant of three countries(as of March 30, 2022)

Taiwan	4,417
Total 7,611	
China	891
Vietnam	2,303

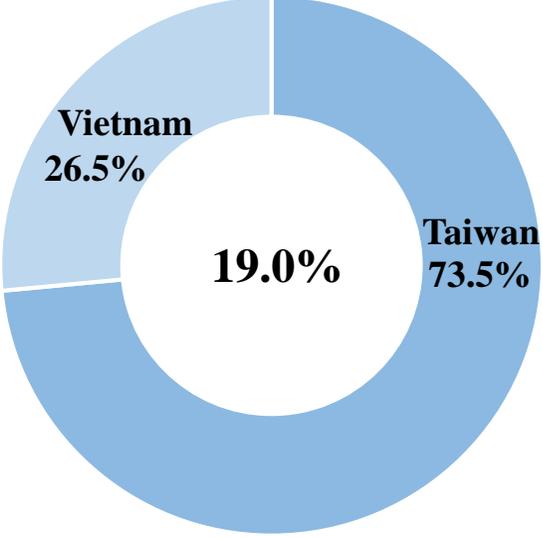


Products Breakdowns by Production Bases

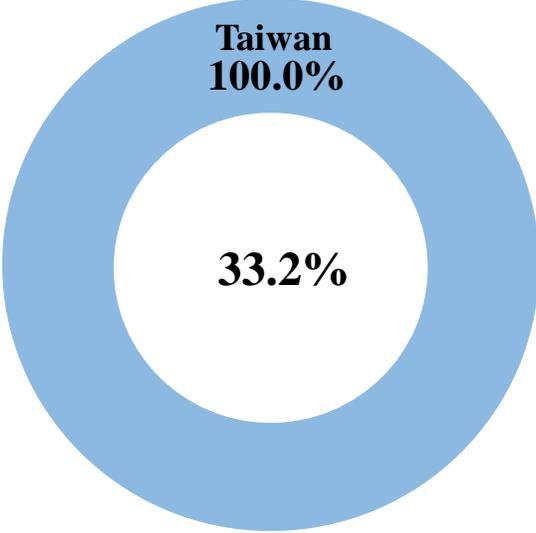
Filament Woven Fabrics
of 1st Business Segment



Polyamine/Polyester Tire Cord Fabric
of 2nd Business Segment

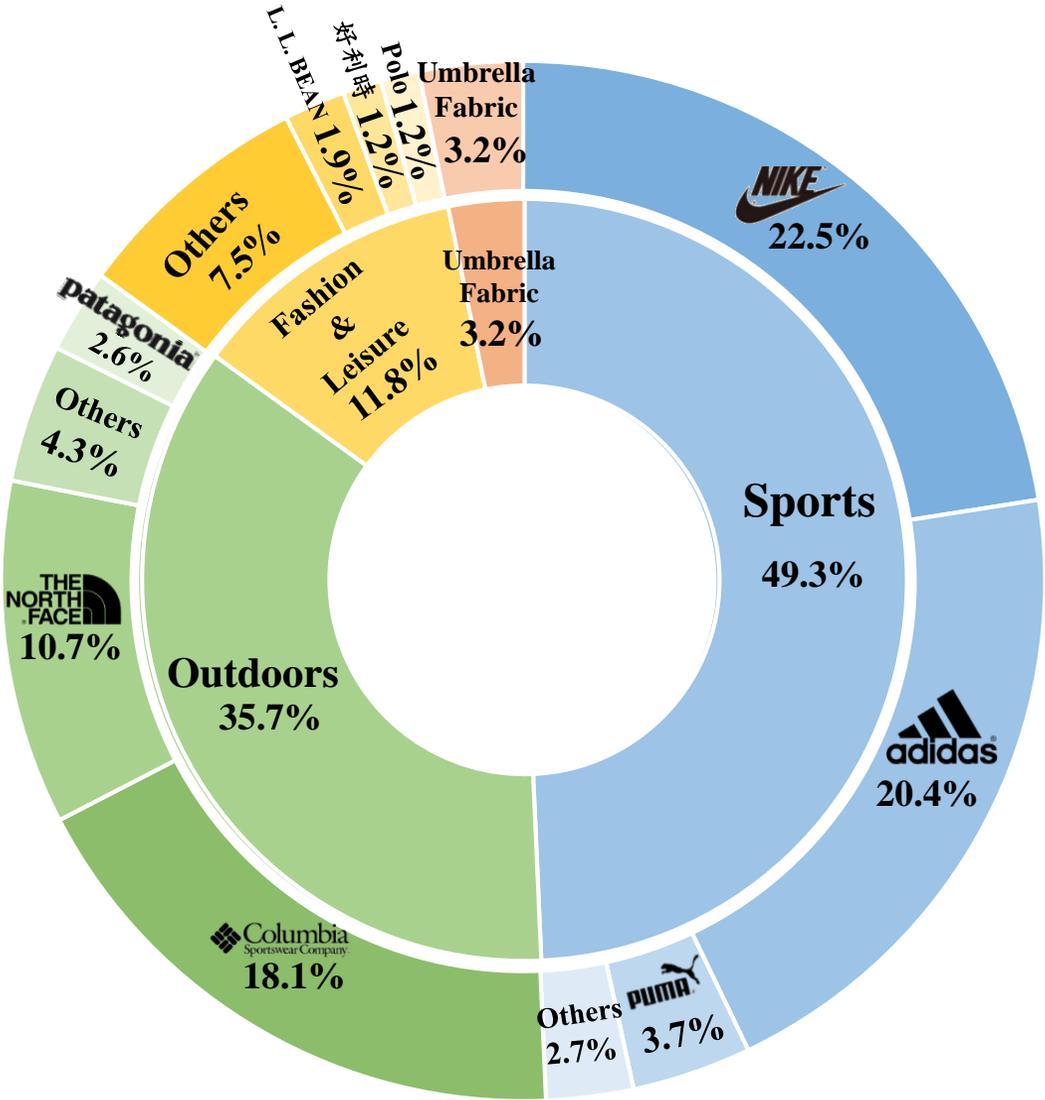


Petroleum goods/service
of 2nd Business Segment



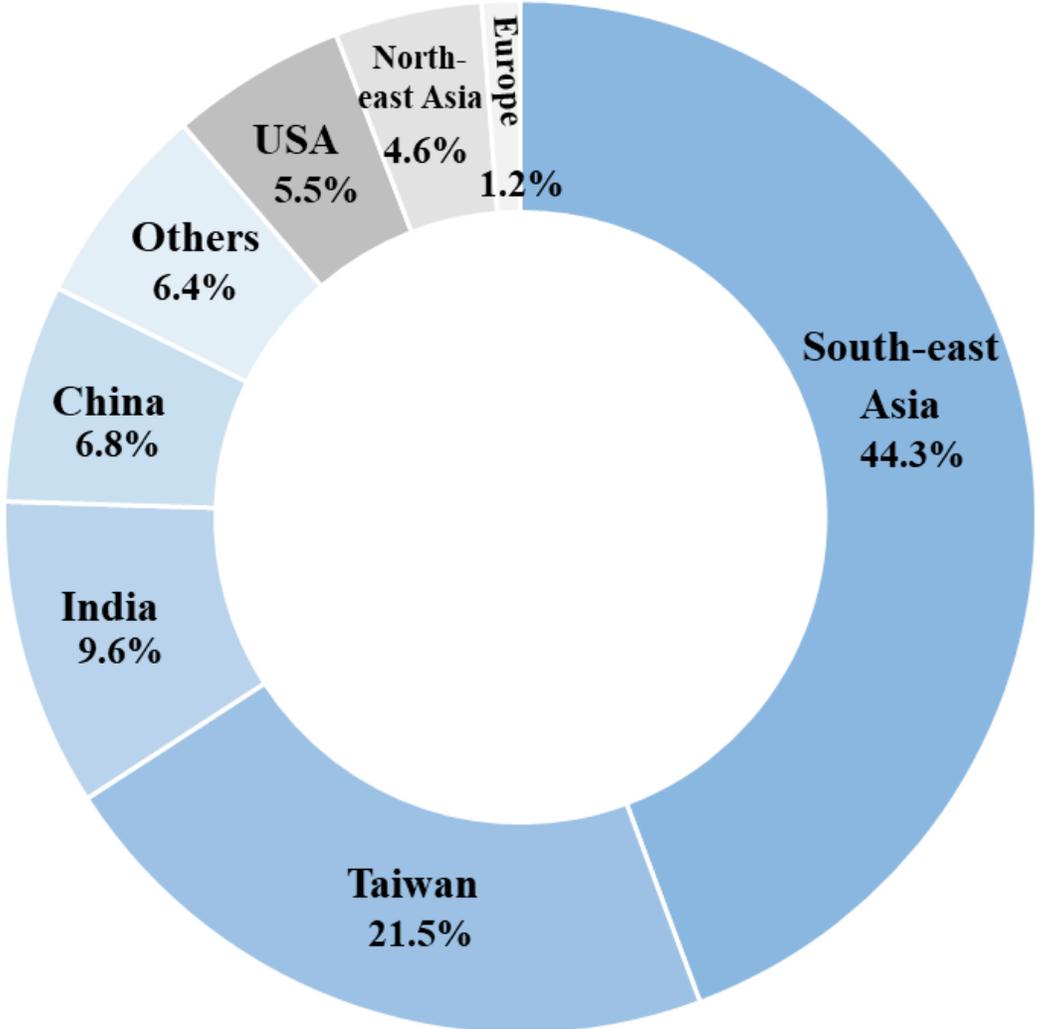
Data collected from January to March, 2022

Q122 Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics



Usage	Required Cloth	Functionality
Sports	fabric of flexibility and with multiple functions	moisture absorbent and quick drying, deodorant, and anti-bacterial
Outdoors	fabric with multiple functions, and coating & lamination processes	moisture permeability, waterproof, light-weighted and keeping warm
Fashion & Leisure	fabric as materials and of flexibility, whose hand emphasizes variety of garment styles	natural hand flexibility
Umbrella Fabric	for both sunny and rainy days	UV-cut, shading and cooling-down

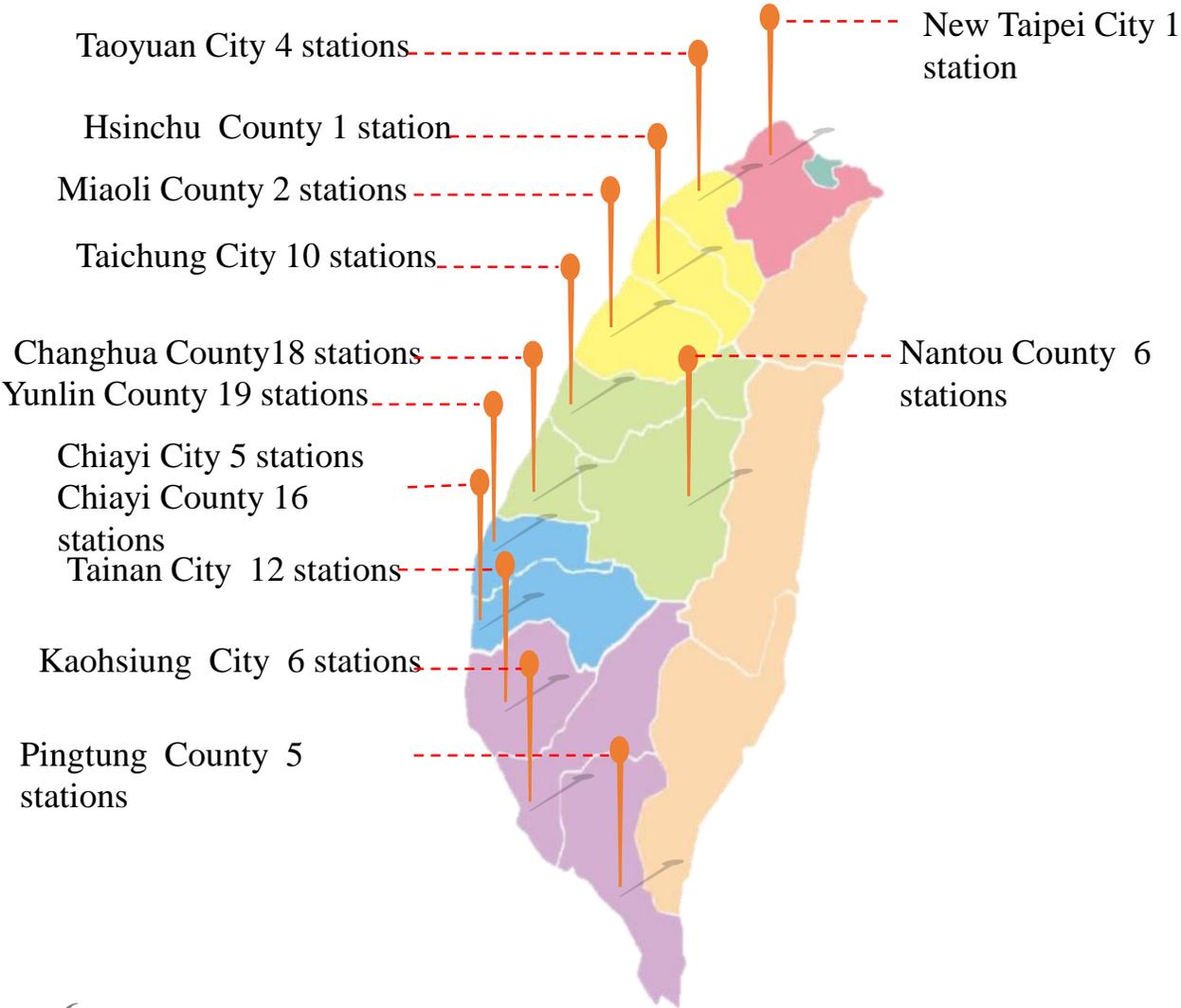
Q122 Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business



Representative Customers	
Taiwan	●Cheng Shin (Maxxis) ●Kenda ●Bridgestone ●Federal ●Hwa Fong ●Nankang
Japan	●Yokohama ●Sumitomo ●BS
Korea	●Hankook ●Hung-A ●Kumho ●Nexen
India	●MRF ●Apollo ●JK ●Ceat
Europe	●Continental ●Michelin ●Pirelli Tire
USA	●Goodyear ●Cooper ●Titan
South-east Asia	●Multistrada ●Samson ●Casumina ●Da Nang

Sale of Petrol and Diesel

- As of the end of May, 2022, 105 Formosa Petroleum Stations are located in Taiwan (shown as the right picture).



II. Financial Status

- Consolidated Income Statement
- Comparison of Revenues of Different Businesses
- Cash Flow Statement
- Stable Profitability and Dividends Distribution (Parent Company)

Consolidated Income Statement

Expressed in Thousands of NTD

	2021	2020	YOY	Q122	Q421	QOQ
Sales revenue	32,799,007	28,783,492	14.0%	8,913,782	8,450,869	5.5%
Net operating margin	4,173,570	3,012,827	38.5%	1,025,297	937,234	9.4%
Net margin	12.7%	10.5%	↑	11.5%	11.1%	↑
Operating profit (loss)	1,550,167	576,346	↑	366,761	307,354	↑
Operating profit Margin	4.7%	2.0%		4.1%	3.6%	
Total non-operating income and expenses	837,188	1,686,216	-50.4%	289,060	115,715	149.8%
Profit before income tax	2,387,355	2,262,562	5.5%	655,821	423,069	55.0%
Profit for the period from continuing operations	2,143,167	2,095,306	2.3%	557,205	357,116	56.0%
Rate of profit for the year	6.5%	7.3%		6.3%	4.2%	↑
Profit attributable to common shareholders of the parent	1.35	1.30		0.38	0.24	

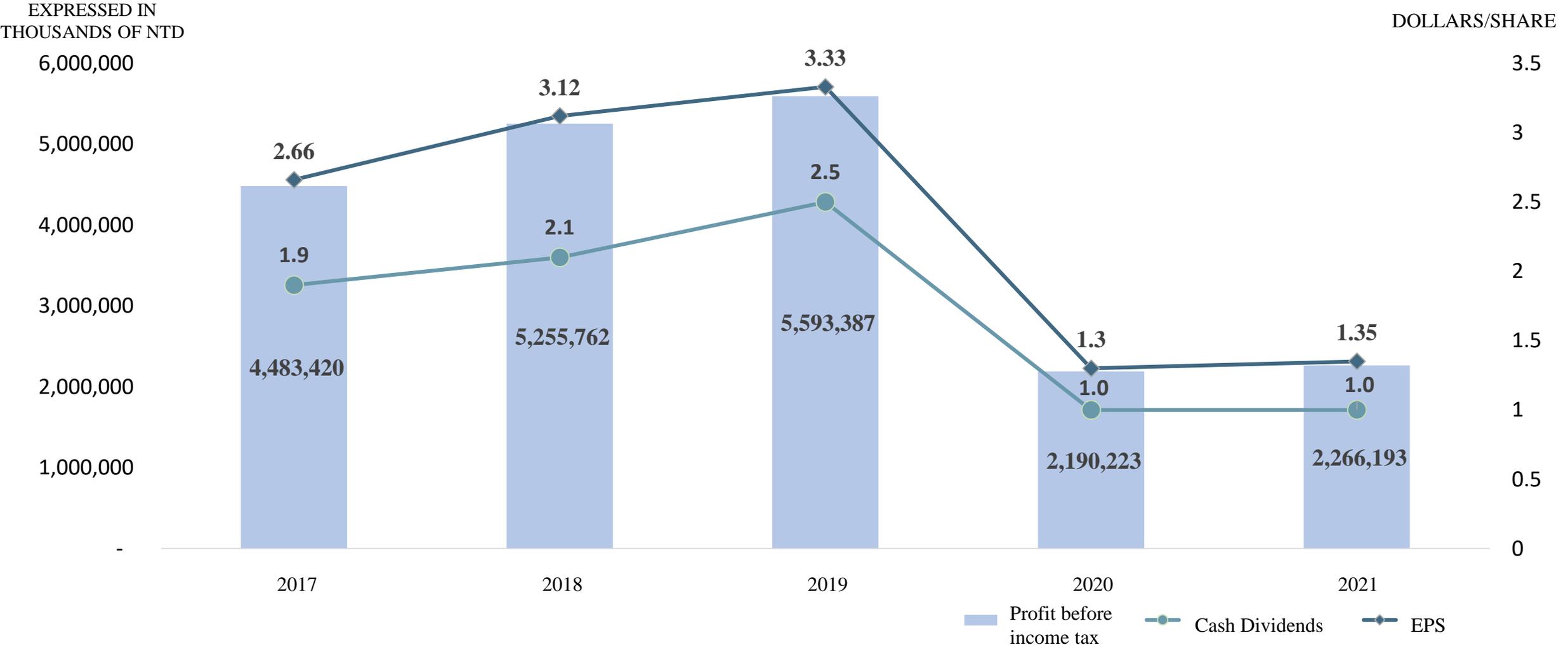
Comparison of Revenues of Different Businesses

Expressed in Thousands of NTD

		1 st Business Segment	Tire Cord Business	Oil Product Business	Others	Total
As of the end of May	2022	6,661,687	2,902,665	4,872,760	850,375	15,287,487
	2021	6,102,629	2,997,741	4,367,081	719,132	14,186,583
Variance		559,058	(95,076)	505,679	131,243	1,100,904
Growth Rate		9.2%	-3.2%	11.6%	18.3%	7.8%

- An increase of NT\$ 11 billion (7.8%) in consolidated revenue from January to May, 2022—NT\$ 152.9 billion, compared to that of 2021—NT\$ 141.9 billion
- Advantageous difference in sale quantity of NT\$ 1.82 billion: a result of an increase of NT\$ 0.19 billion of the filament fabric of the 1st Business Segment, an increase of NT\$ 0.73 billion of tire cord fabric, an increase of NT\$ 0.72 billion of oil product business division, and an increase of NT\$ 0.18 billion of industrial material business division.
- Disadvantageous difference in sale price of NT\$ 0.72 billion: a result of an increase of NT\$ 0.37 billion of the filament fabric of the 1st Business Segment, a decrease of NT\$ 0.82 billion of tire cord fabric, a decrease of NT\$ 0.22 billion of oil product business division

Stable Profitability and Dividends Distribution (Parent Company)



Smart Innovation

Sustainable Future

FORMOSA TAFETA

- **Cordura Recycled high anti abrasion textiles**
- **Sparkling reflective prints**
- **Sustainable waterproof breathable textiles**
- **Special peached touch fabric**
- **BIO3 POLYESTER FABRIC**
- **100% recycled polyamide stretch fabric**



Cordura®

Recycled high anti abrasion textiles

- 100% pre-consumer recycled polyamide is made with 100% pre-consumer industrial waste.
- Durable/ high resistance/sustainable/ high functional. Passed 100,000 turns of anti-abrasion test (martindale). Certified CORDURA product.

1. Characteristic :

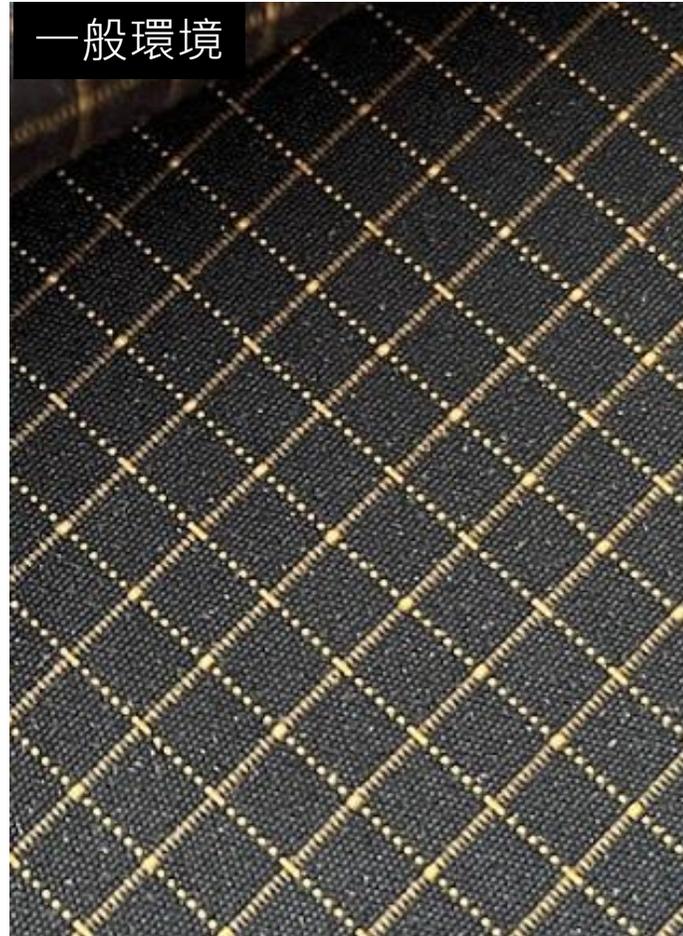
- High tenacity yarn (6.0↑g/d)
- High anti-abrasion
- Good tear resistance
- Multifunctional

2. Sustainability

- 100% pre-consumer recycled polyamide
- GRS certificated
- Reduce 83% of green house gas
- Reduce 82% of energy consumption
- Reduce 57% of water usage

Sparkling reflective prints

Use special material in printing to make the textiles look sparkling in normal lighting, reflecting under flash lights. It is a diversified product covering trendy and security



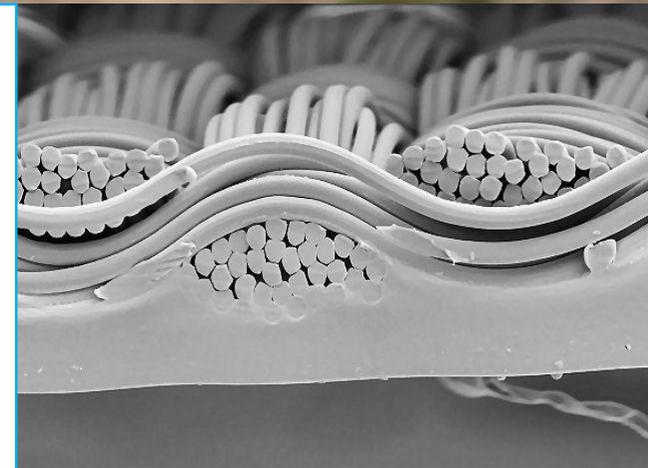
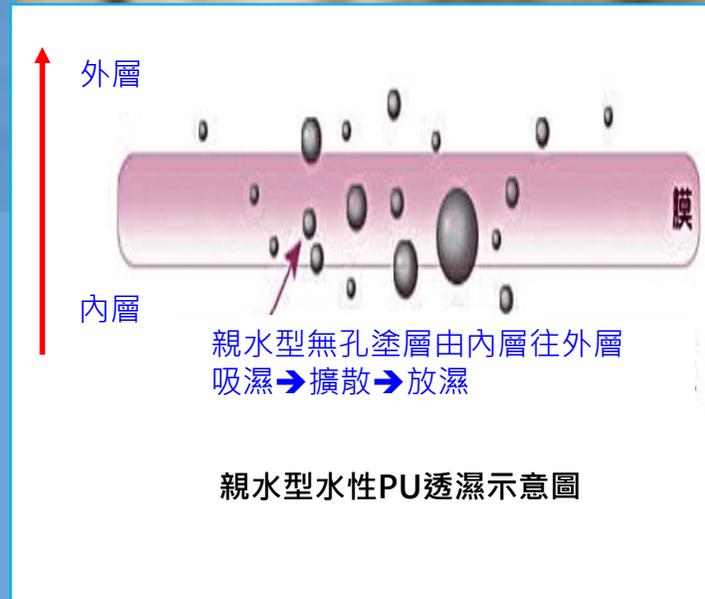
Sustainable waterproof breathable textiles

- - Water-Based Polyurethane is a polyurethane that use water as medium instead of organic solvent. It can avoid the damage and mitigate global warming. It is a eco-friendly and sustainable green product.
- - Water base PU coating is hydrophilic construction.

characteristic :

WP >3,000 mm H₂O

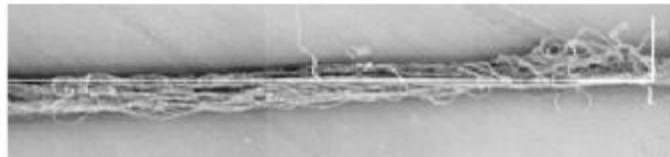
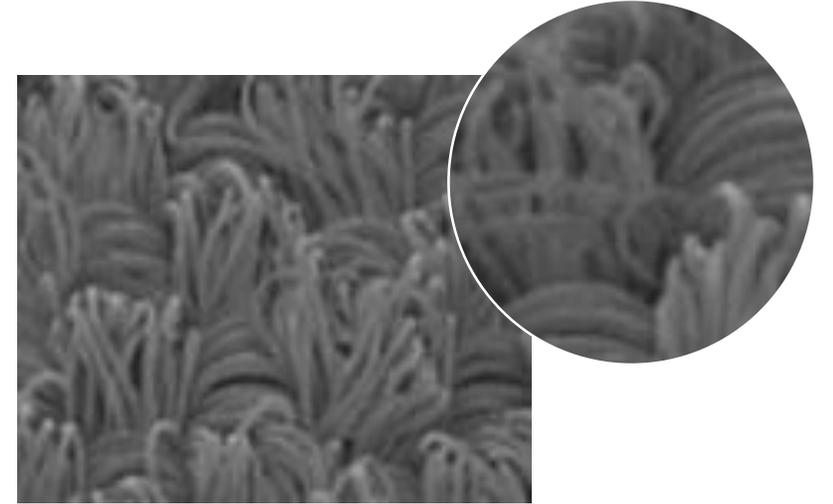
MVP >3,000 g/M²/24hr



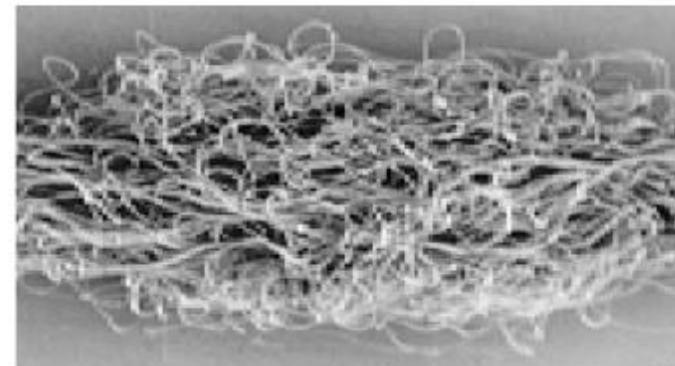
親水型水性PU塗層SEM斷面圖

Special peached touch fabric

FTC combines special shrinkage yarn and excellent production technology to create a peached fabric of recycled material. Lightweight, peached and soft hand feel with wicking, breathability and UV protection performance. FTC peached touch fabric can also be used as waterproof breathable and down proof products, it's a functional and comfortable product with natural cottony feel.



Heating-treatment



BIO3 POLYESTER FABRIC

- Bio 3 PET used carbon capture technology and bio fermentation to transform CO₂ into ethanol and MEG as the base material for new PET to reduce carbon pollution.
- Bio 3 PET decarbonization PET and textiles can not only recycled industrial off-gas, but also reduce the dependency on petroleum material. This is a innovative and sustainable recycled material.
- FTC focus on sustainable and eco-friendly project that can improve the quantity and quality, therefore we use recycled polyester and polyamide from marine and land for the majority of new development and production. To meet the needs from clients, in 2021, 65% of FTC production is recycled products, which means we used 114,528 tons of recycled material including 10,492 tons of recycled PET and 4,036 tons of recycled polyamide.



100% recycled polyamide stretch fabric

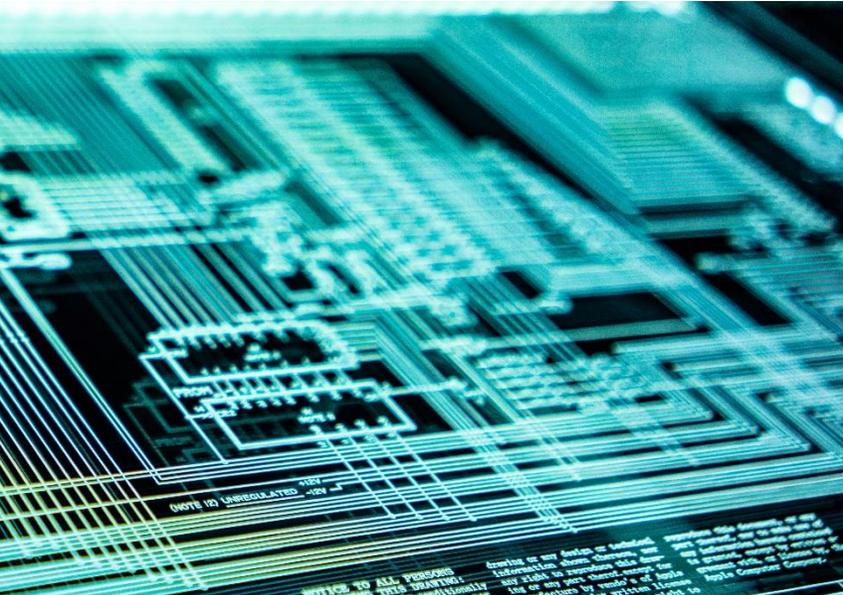
Clothes is the second skin of human body. FTC has been dedicating on producing a fabric that can provide consumer comfort ,functionality while embody the concept of eco-friendly.

FTC combines recycled polyamide, recycled spandex and recycled waterproof breathable film to develop a complete recycled material waterproof breathable fabric. This product has excellent elasticity which enable wearer to move without restraint, it also has water repellency and moisture vapor permeability that can help discharge perspiration and keep the body dry. Moreover, by using the recycled material we can reduce waste pollution to the environment. FTC 100% recycled polyamide stretch fabric is a outdoor product for comfort, functionality and sustainability.

IV. Operation Orientation

- Operation Orientation
- Global Deployment
- Sustainable Environment
- 2021 ESG Performance

Operation Orientation



Smart Innovation

- ◆ Digitalization
- ◆ Smart Manufacturing, and Introduction of Industry 4.0
- ◆ In collaboration with Schoeller, innovation and high-end textile products.



Sustainable Future

- ◆ Sustainability and Environmental Protection
- ◆ Circular Economy
- ◆ Green Energy, Carbon Emission Reduction, and Water Conservation



Cooperation with Branded Customers



Global Deployment



Vietnam

- 1. Generalized System of Preferences (GSP)
- 2. EVFTA
- 3. Advantageous Locations—located in the hub of Global Textile Industry Cluster — Maximized Benefits of Local-to-local Supply Chain

China

- 1. Advantages of China’s internal trade
- 2. Preferential Tariff Scheme for RCEP

Taiwan

- 1. high-end textile products
- 2. Develop and Produce in Taiwan and Switzerland

Switzerland

- 1. In collaboration with Schoeller, innovation and high-end textile products
- 2. New Development on Technology, Leading position on the Brand

Energy conservation & Waste and Carbon Emission reduction

- Performance of energy saving and carbon emission reduction from remodeling the environmental equipment in 2021

Plant	Effectiveness of Completed Conservation Projects					
	Conserved Steam (MT/HR)	Conserved Water (MT/Day)	Conserved Electricity (KW)	Conserved Fuel (KG/HR)	Reduced Emissions of CO ₂ (Tons/Year)	Accumulated Amount (Thousands of NTD/Year)
Taiwan Plant	0.63	193.93	707.24	2.89	7,121.0	22,825.57
Zhong-Shan Plant	0.62	19.00	81.31	0.58	2,609.6	920.88
Chang-Shu Plant	0.83	94.82	50.53	0.00	3,026.3	685.95
Long-an Plant	2.25	141.99	103.84	6.01	8,115.2	1,846.04
Dong-nai Plant	1.49	708.60	27.22	12.43	5,319.3	2,562.47
Total	5.82	1,158.34	970.14	21.91	26,191.4	28,840.91

Green Energy Program for Carbon Reduction

- **Finished:**

- In Dec, 2021, Long-An plant has finished the second stage solar power generation system, totaling 2,750 KW finished.
- In Jan, 2022, Taiwan plant has finished 2,600KW solar power generation system.
- In April, 2022, Chang Shu plant has finished the first stage solar power generation system.

- **Plan**

- Zhong-shan plant plans to set up 2,550 KW solar power generation system.
- Dong-nai plant plans to set up 12,667 KW solar power generation system.

As the completion of the installation at five plants in three countries, the annual power generation could reach to nearly 29.95 million kWh. It is calculated that 15,035 tons of CO₂ emissions can be reduced, equal to the amount of carbon sequestration of 2.12 million trees of a year.

2021 ESG Highlight



2021 Sustainability Performance

- 1 CDP/ climate change-Leadership
- 2 CDP/ water security-Leadership
- 3 Taiwan Employment Creation 99 index
- 4 TIP Taiwan ESG Index
- 5 FTSE4GOOD
- 6 8th Corporate Governance Evaluation of TWSE/TPEX listed companies 6~20%
- 7 Best enterprise for voluntarily energy conservation and carbon reduction

Q&A