



2020 Investor Conference



福懋興業股份有限公司
Formosa Taffeta Co., Ltd. (FTC)

Stock code : 1434

July 30th, 2020

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Agenda



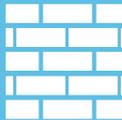
Corporate Overview



Smart Innovation
Sustainable Future



Financial Status

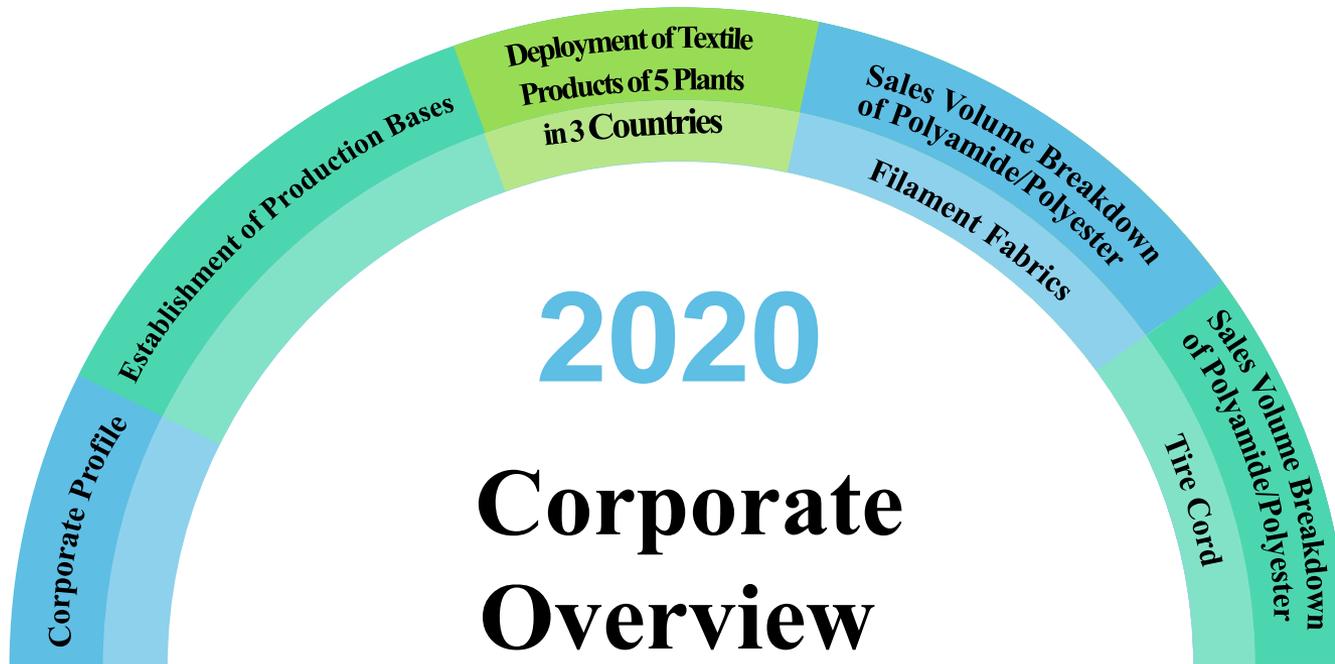


Operation Orientation



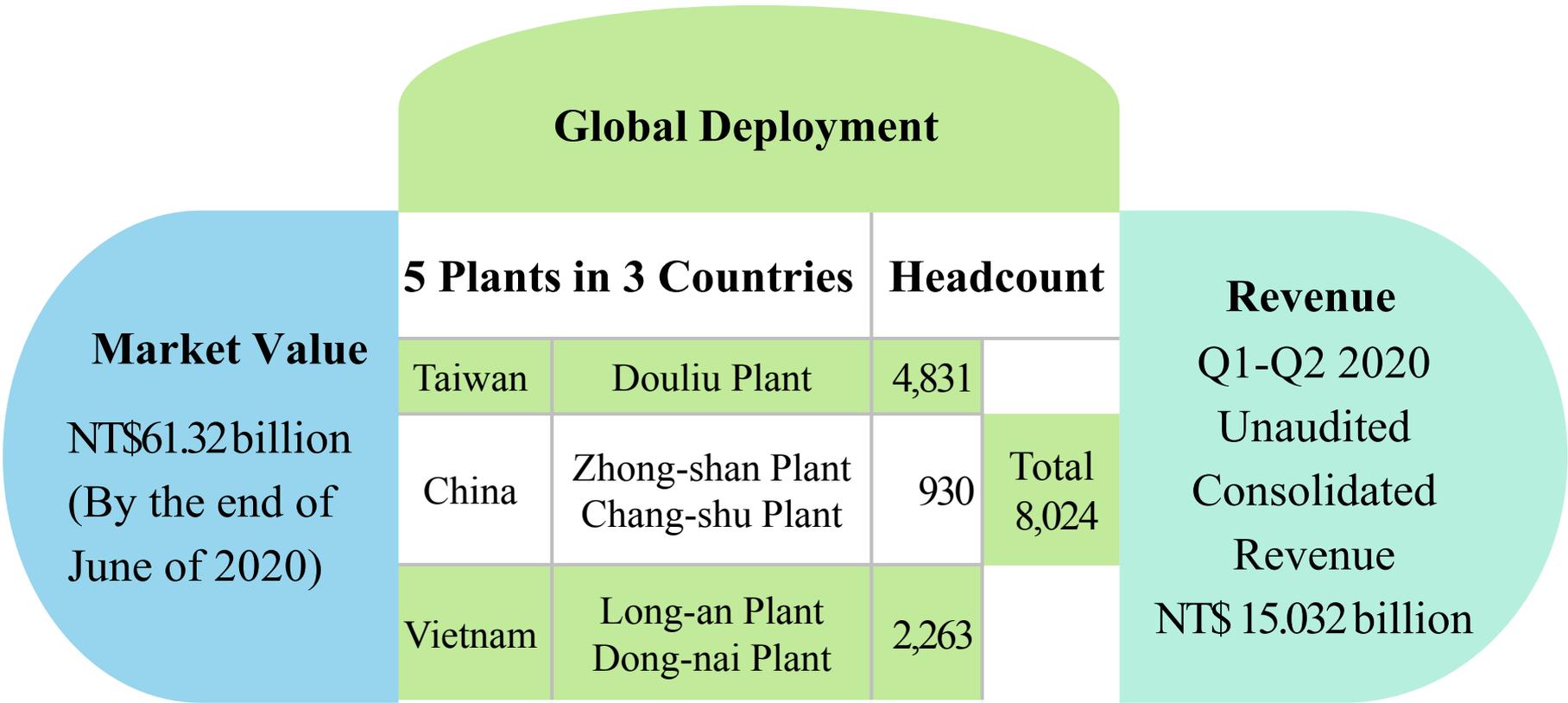
福懋興業股份有限公司

Formosa Taffeta Co., Ltd. (FTC)





Corporate Profile





Establishment of Production Bases

1992

**Formosa Taffeta
Zhong-shan CO., Ltd.**



2004

**Formosa Taffeta
Dong-nai Co., Ltd.**



2016

Bumblebee Plant



1973.04

**Formosa Fiber
Co., Ltd.**



1999

**Formosa Taffeta
Vietnam Co., Ltd.
(Long-an Plant)**



2005

**Formosa Taffeta
Chang-shu Co., Ltd.**



2020

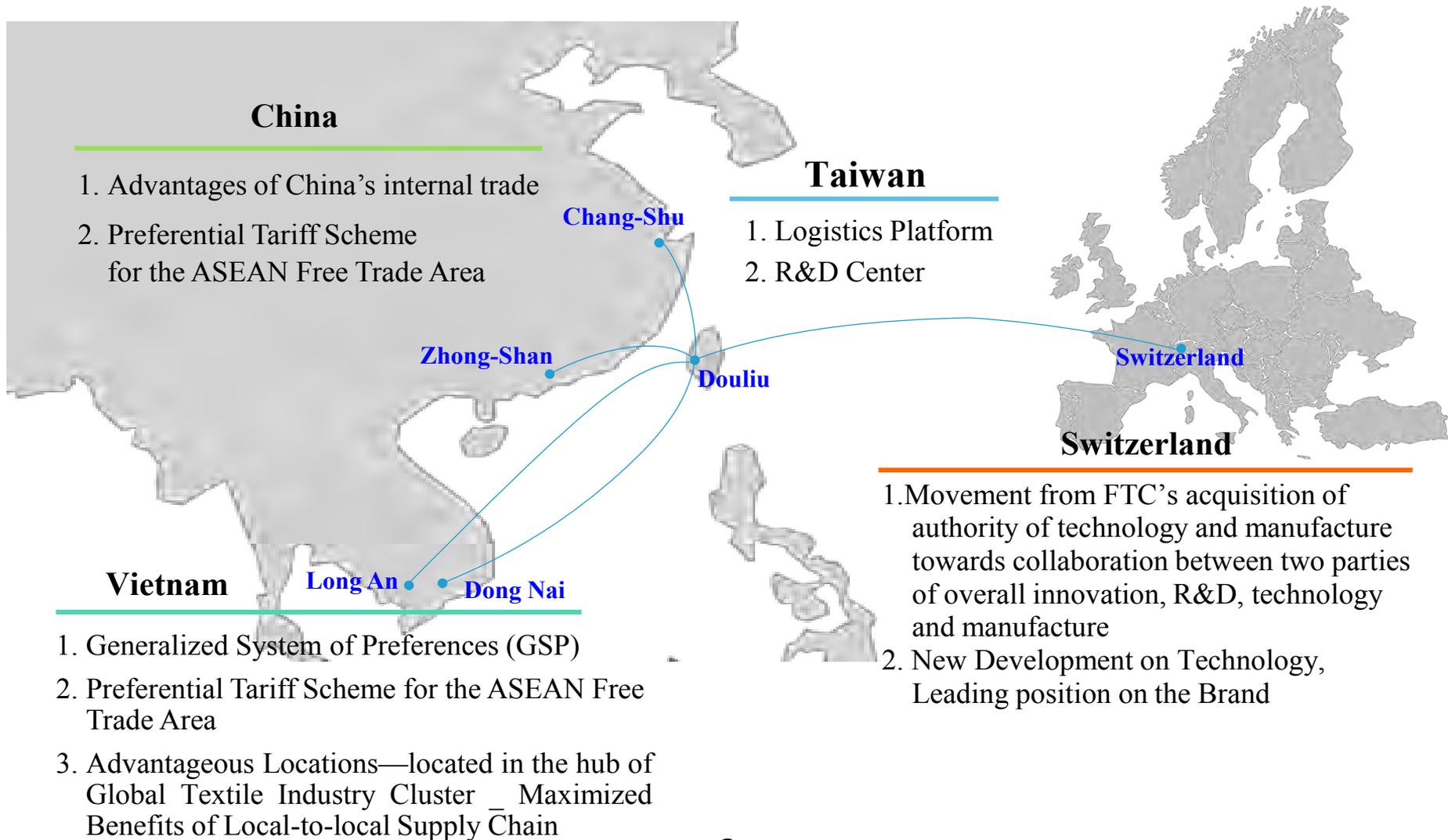
**Expanded Corporation
between FTC and
Schoeller Textil AG**





New Deployment of Textile Products

Production Bases of 5 plants in 3 Countries and Investment in Schoeller Textile AG

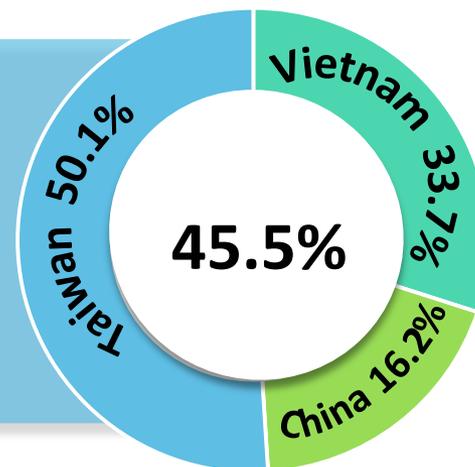




Products Breakdowns by Production Bases of first half of 2020

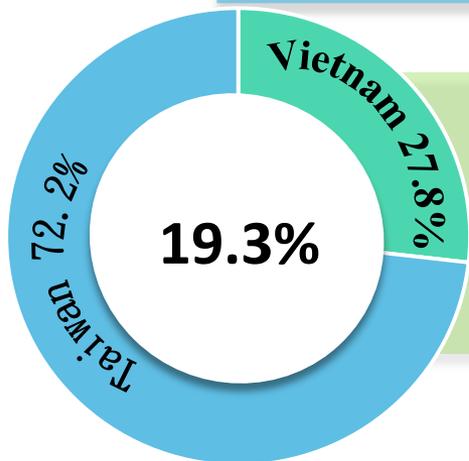
Filament Woven Fabrics of 1st Business Segment

- Wet breathable & waterproof snow coats, jackets, rain coat
- Garments, down jackets, sportswear, hunting suits
- Umbrellas | parasols, golf umbrellas, beach umbrellas
- Fabrics for special processing
- Hats, gloves
- Shields with electromagnetic insulation
- Tents, air beds, sails



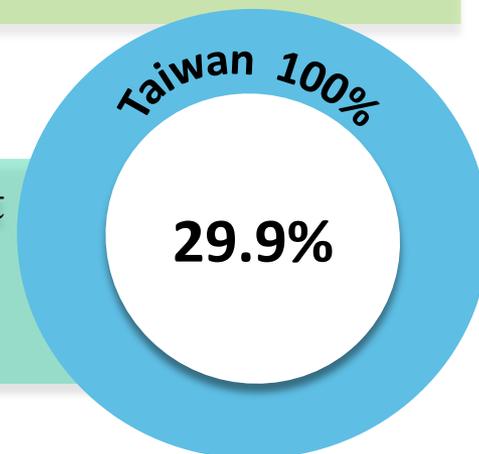
Polyamine/Polyester Tire Cord Fabric of 2nd Business Segment

- Tire cord fabrics for various vehicles
- Chafer for tire-lips
- Puncture resistant fabric for bicycle tires, lining
- Lining canvas or ducks for conveyor belts



Petroleum goods/service of 2nd Business Segment

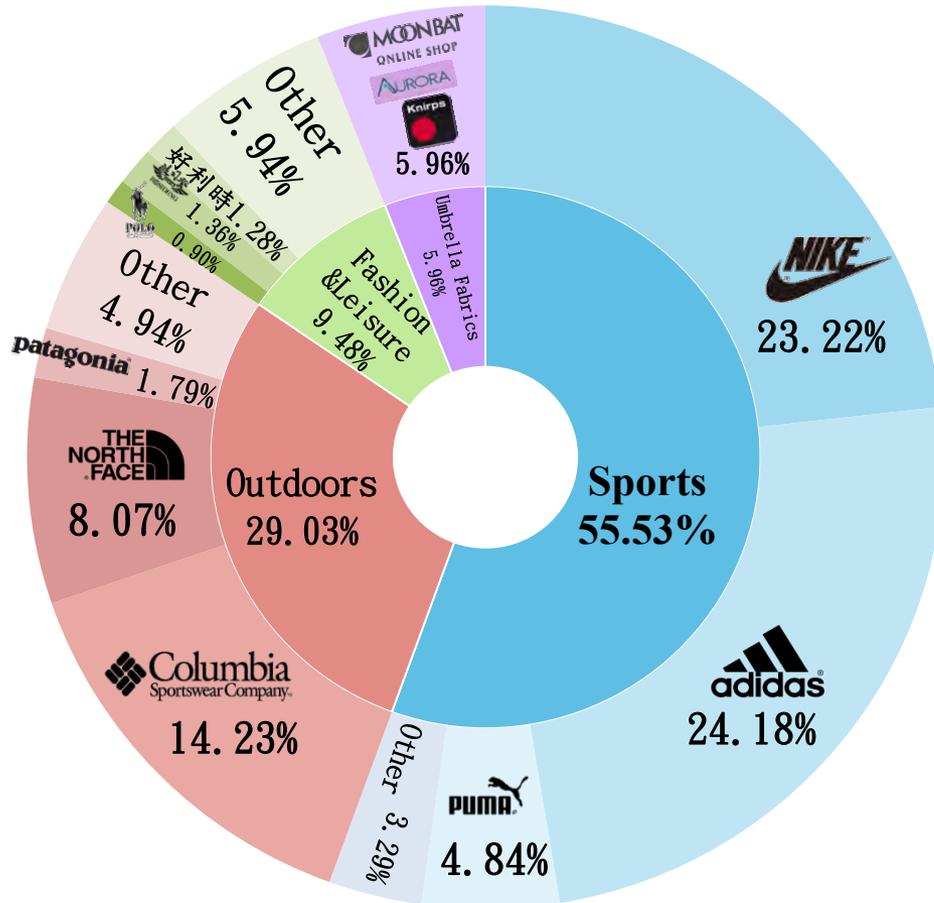
- Diesel | Petroleum in 98, 95+, 92
- Car wash
- Lubrication, car appliances





Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics

Sales Volume Breakdown of
Filament Fabrics from Jan. to June of 2020
_by Usage & Branded Customers

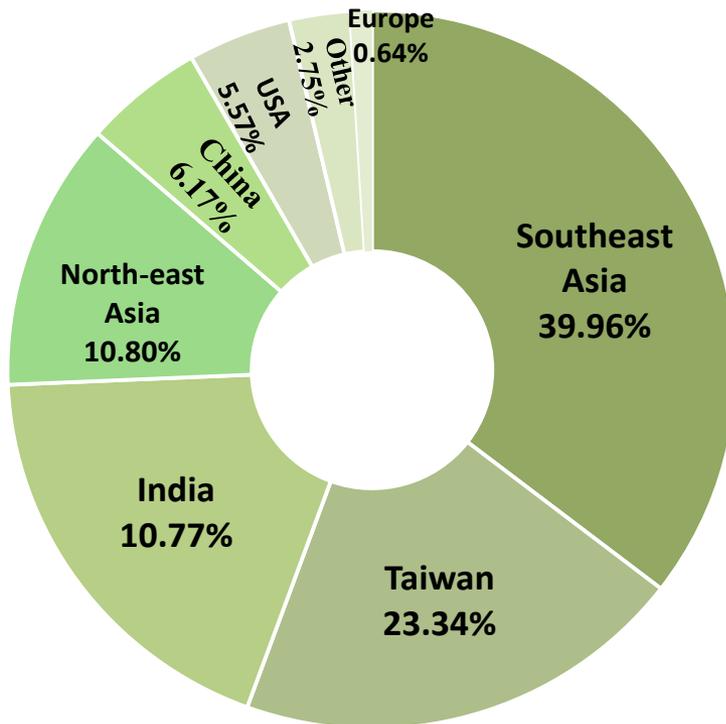


Usage	Required Cloth	Functionality
Sports	fabric of flexibility and with multiple functions	moisture absorbent and quick drying, deodorant, and anti-bacterial
Outdoors	fabric with multiple functions, and coating & lamination processes	moisture permeability, waterproof, light-weighted and keeping warm
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



Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business

Sales Volume Breakdown of
Tire Cord Business
from Jan. to June of 2020
_ by Area



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



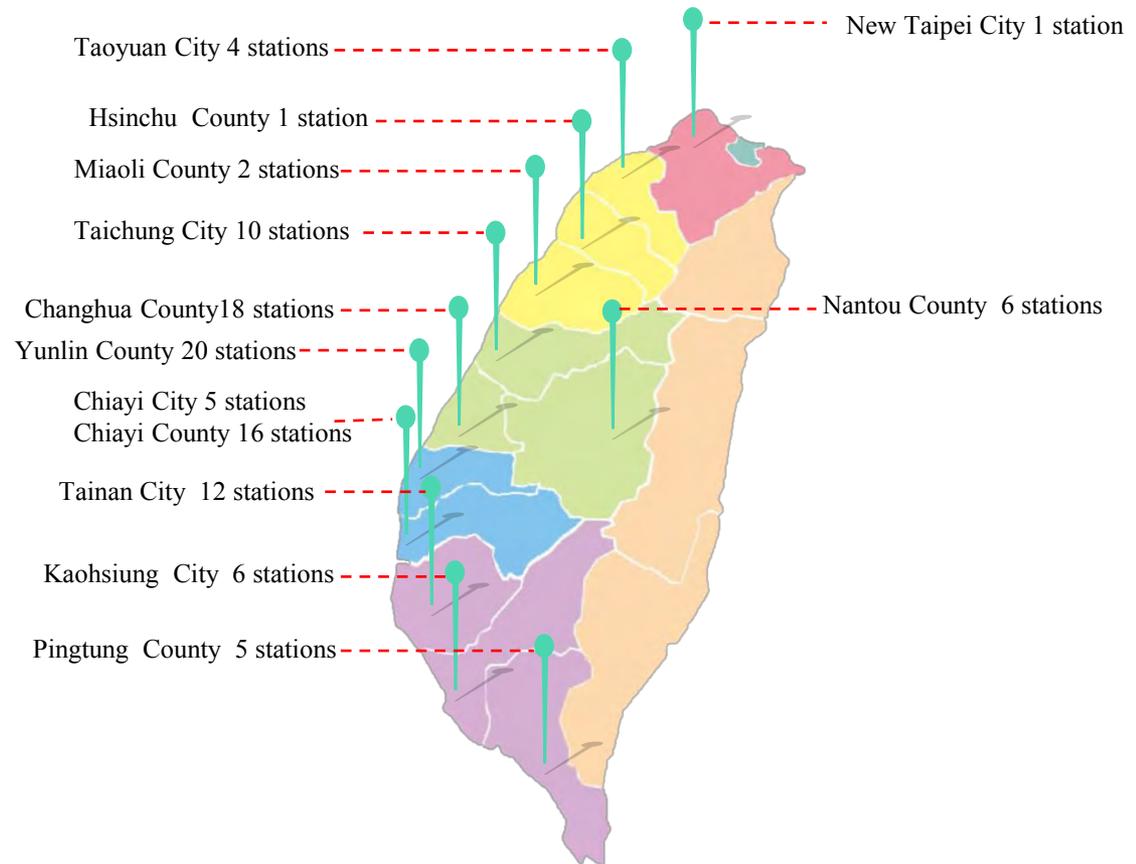
Sale of Petrol and Diesel

- Until July, 2020, there are 106 Formosa Petroleum Stations whose locations are shown on the right. On July 15th, a new gas station was opened in Taizi Rd., Rende Dist., Tainan City.



Taizi Rd., Rende Dist., Tainan City

106 Locations of Formosa Petroleum Stations





Smart Innovation Sustainable Future



Application of Intelligent Temperature Module—POLO11



Product press conference
(in Dec. , 2017)

- Intelligent temperature control clothing
 - Launch press conference on 15 Dec., 2017
- POLO11
 - Ralph Lauren's launch in Jan, 2019;
 - All functional fabrics for lining that are of water-repellent and tear resistance are made by the FTC's Taiwan Plant



- Advanced Edition in the Next Generation:
 - Expected to be launched in 2020;
 - Functions:



- adjustable proactive heating control and preservation;
- weather warning;
- GPS positioning;
- fall detection;
- physiological monitoring (such as heart rate monitoring);
- active emergency SOS;
- LED light security warning;
- immediate image transmission etc.



Application of Umbrella Fabrics Both for Rainy and Sunny Use—Ageless Enabler Umbrella



- Excellent Water Resistance
- Fast cooling
- 99%UV cut rate
- Meeting Japanese Industrial Standard (JIS)
- High-tech color coating (non-toxic, eco-friendly processing)

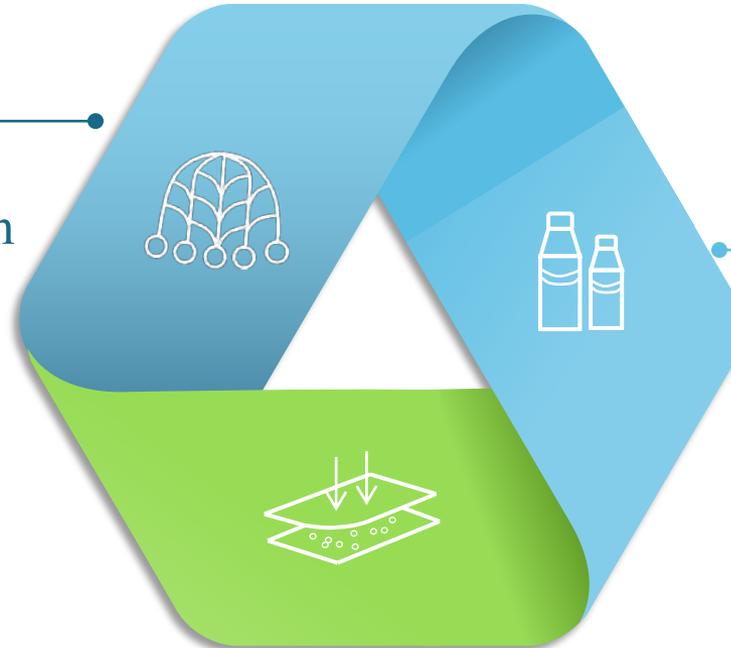




Application of Eco-friendly Materials —Circular Economy



Producing polyamide fabrics with ghost nets in collaboration with Patagonia.



Producing fabrics with recycled PET bottles and polyester fiber



FTC weaves ocean recycled bottles yarn into fabrics and laminates the permeable film which is also made of ocean recycled bottle. It is an Omni directionally waterproof breathable fabrics.



NEW PRODUCTS

- **SPARKILING HEATHER YARN**
- **ELECTROSPINNING MEMBRANE**
- **ADVANCED BODY MAPPING IN WOVEN**
- **BIODEGRADABLE RECYCLED PET**
- **PROTECTIVE FABRICS FOR PPE**
- **N56 BIO BASED FABRICS**
- **A+ SMART THERMAL TECHNOLOGY**



SPARKLING HEATHER YARN

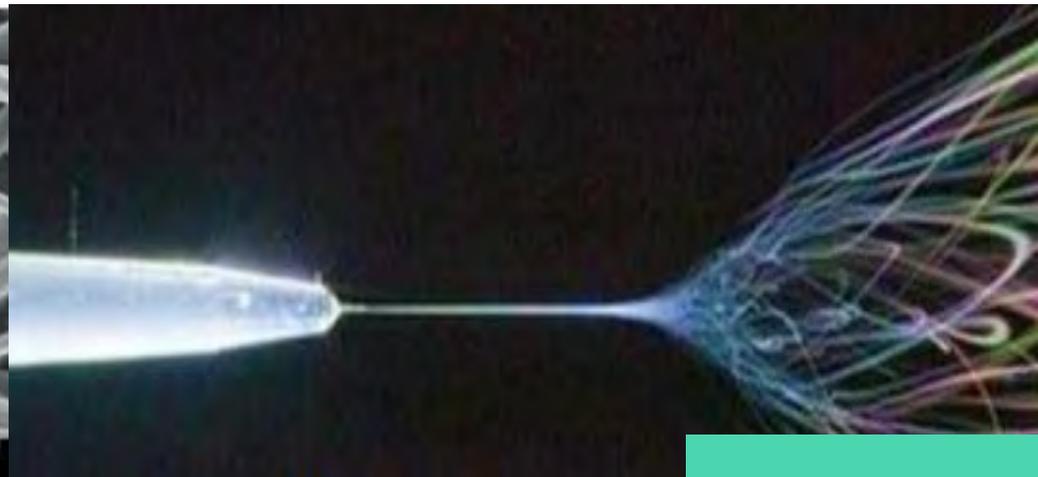


HEATHER FABRICS HAS ALWAYS BEEN A KEY ITEM IN TEXTILES MARKET, FTC SUCCESSFULLY BLENDED SPARKLING YARN IN THE SPINNING PROCESS AND COMBINED WITH UNIQUE DYEING METHOD TO CREATE A SERIES OF SPARKLING HEATHER FABRICS. A NEW COLLESTION OF VINTAGE STYLE HEATHER LOOK FABRICS WITH SUBTLE SPARKLES AND UNIQUE TEXTURE. IT CAN BE COMPLIED WITH WICKING AND WATERPROOF BREATHABLE FINISHINGS, SUITABLE FOR SPORTSWEAR, CASUAL WEAR, URBAN OURDIOR AND FUNCTIONAL WOMENSWEAR.



ELECTROSPINNING MEMBRANE

New generation of waterproof breathable membrane. Utilize the unique spinning process to extract nano fiber then layering up to form a thin membrane with numerous pores that can stop the water coming in from outside, and discharge the perspiration quickly at the same time. Electro spinning membrane weight only 1/3 of the traditional waterproof breathable membrane. It is lighter and softer, and advanced in both of moisture vapor permeability and function, therefore much comfortable than the traditional membrane in wearing experience. Electro spinning membrane can be used in variety of clothing for different outdoor activities. A revolutionary outdoor waterproof breathable functional fabrics.





BODY MAPPING IN WOVEN



ADVANCED BODY MAPPING IN WOVEN

Iridescent fabric is still a focus and hot trend in sports textiles market. FTC's advanced development in iridescent fabric is to combine different material and different constructions combine them all in the same fabric, using our top-notch weaving technology to create different pattern in different section which has different purpose and unique appearance. The look and function of this new engineering fabric can be adjusted base on market trends and clients request. A breakthrough of woven textiles design and manufacture.



BIODEGRADABLE



Biodegradable recycled PET

According to research, there are 99% of disposed clothes went into landfill even after 3 times of recycles, and required extremely long time to be completely degraded. Biodegradable recycled PET is recycled polyester based, remain the features of virgin PET, can be used as normal fabric for clothes. No special condition required, the fabric can transform to humid soil once disposed then processed in landfill in the regular procedure.



PROTECTIVE FABRICS FOR PPE

1. No coating required

High density construction design and special dyeing method. No need for coating. Excellent in insulation, yet breathable. Comfortable in wearing.

2. P2 certificated

C6-DWR:80/L25, MVP:5K(A1), hydrostatic pressure >50cmH₂O, impact penetration <1.0g(pass CNS P2 standard test)

3. Protection / Insulation garment

Protect medical workers and patients from the transmission and contamination of microbes and body fluids.

4. Reusable , washable and durable

Reusable ,washable and durable. Can be reused after washing. Reduce the amount of medical waste and further preventing the damage on environment and the possibility of virus transmission.



N56 BIO BASED FABRICS



FTC utilized the plant based bio material to replace the petroleum based material for the new series of eco-friendly bio material fabric which can reduce the dependence on petroleum, and further lowering the carbon emission and natural disasters that were caused by petroleum production.





A+ SMART THERMAL TECHNOLOGY

Advantages : the smart thermal technology system can be utilized and re-designed like building blocks base on different use.

Functions: Light Warning, Sound Reminded, Intuition Controlled, Smart Thermal Controlled, Location Service, DMR/P2P Switched, Personal Locator Beacon, Call for Help Spontaneously, Alert for Environment, Online Streaming.

Power supply: Any 5V power bank available the market, use time may varied due to different function featured in garment products.





THE CONSOLIDATED FUNCTIONS & APPLICATIONS OF A+ SMART THERMAL TECHNOLOGY

Consolidated Functions :

- (1) Proactive thermal protection
- (2) Location services
- (3) SOS
- (4) Falling Detection
- (5) Weather alert
- (6) Instant video streaming
- (7) Group leader

Applications :

- (1) Outdoor wear.
- (2) Fire fighter uniforms.
- (3) Professional uniform for outdoor workers. Such as police/ rescue team
- (4) Care for seniors and young children.



Exhibition Highlights



Intertextile Shanghai

Exhibition Area: 120m²
Date: Sep. 25 to Sep. 27, 2019
Venue: Shanghai
Key Customers:
Adidas, Yeezy, Zara, Umbro, Sportmaster, Maya, Bosideng, Kathmandu, LILANZ, Nanjing B.C. Sports, Semir, Youngor, Eral, and important clients as such.

Exhibition Area : 441m²
Date: Oct. 7 to Oct. 9, 2019
Venue: Taipei
Key Clients:
TNF, RALPH LAUREN, PYUA, Arcteryx, BLACK YAK, RAPHA, SQD ATHLETICA, ECCO, NORRØNA, and important clients as such.

TITAS (Taipei Innovative Textile Application Show 2019)



PanTextiles Osaka 2019

Exhibition Area: 18m²
Date: Oct. 30 to Oct. 31, 2019
Venue: Osaka, Japan
Key Clients:
Golden win, Mizuno, ASICS, mont bell, Toray international, Chori, Mitsui, GSI, and distinguished brand clients as such.

Winning ISPO Award Gold Winner and Outstanding Award

- FTC joined Adidas in partnership with Parley NGO to produce eco-friendly textiles products from waste plastics collected from the ocean of Maldives and Sri Lanka .

- The Ultra-lightweight eco-friendly 20d elastic fabric and 20d knitted fabric with three-layer lamination finishes ,and 10K/10K waterproof breathable function won the ISPO Award Gold Winner at ISPO exhibition in Munich, Germany this year.



- 50d elastic fabric is made of recycled yarn from the ocean ,which with three-layer lamination finishes and 10K/10K waterproof breathable function won the Outstanding Award at this year's Outdoor by ISPO exhibition in Munich, Germany.

- From land recycling to marine waste plastics recycling, Taiwan's superb technology in environmentally friendly circular fabrics reproduction shows our environmental awareness and positive actions, we also fulfill our responsibility as an international citizen, and eventually gaining recognition from the international community.



Financial Status

EXPERIENCE

POSITION TITLE for company id
Present
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company id
2011 - 2016
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company id
2012 - 2013
Short description of the position and the responsibilities you had in this position.
Lorem ipsum dolor sit amet tur dis anoma incani qui ape volar new.

POSITION TITLE for company id
2001 - 2010
Short description of the position and the responsibilities you had in this position.

REFERENCES

ELIOT BROWN
0028 01234 5678
eliot@mypage.com

Business Plan

ADDRESS
125 Name Street,
Town / City,
State / Country,
Postal / ZIP code

HOBBIES
creating websites
swimming
photography
body building

PHONE
0028 01234 5678

EMAIL
info@samablog.com

WEBSITE
www.mypage.com

SKYPE
skype: samablog



PROFESSIONAL STATEMENT

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Suspendisse suscipit efficitur lectus. Fusce iaculis, leo nec vulpate efficitur. Lorem interdum elit, ut vestibulum nisi met non nisi.

Aliquam dictum porta erat nec conon do. Maecenas vestibulum massa in juri pelentesque. Non eleifend dolor cras ipsum dolor sit amet, consectetur ad Suspendisse suscipit efficitur. Fusce iaculis, leo nec vestibulum

EDUCATION

WEB
2015
Unive

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Consolidated Statement of Comprehensive Income

Expressed in thousands of NTD

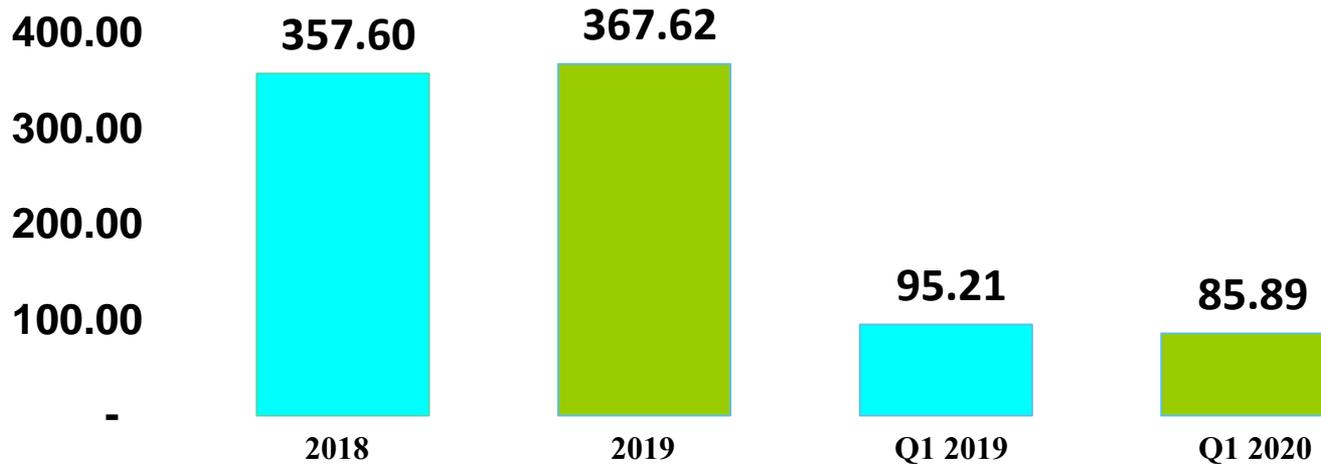
	2019	2018	Growth rate	Q1 2020	Q1 2019	Growth rate
Sales revenue	36,762,189	35,759,528	2.80%	8,588,936	9,521,044	-9.78%
Gross operating margin	3,759,840	3,546,752		1,015,910	1,060,668	
Net margin	10.23%	9.92%	0.31%	11.83%	11.14%	0.69%
Net operating margin	1,067,310	884,133		371,935	397,486	
Rate of net operating margin	2.90%	2.47%	0.43%	4.33%	4.17%	0.16%
Total non-operating income and expenses	4,096,648	3,645,274		76,392	14,146	
Profit before income tax	5,163,958	4,529,407	14.01%	448,327	411,632	8.91%
*Profit for the period	4,626,937	3,900,407	18.63%	354,582	303,965	16.65%
Profit margin	12.59%	10.91%		4.13%	3.19%	
*Basic and diluted EPS (in dollars)	3.07	2.69	11.64%	0.27	0.25	8.00%

Note: “*” refers to continuing operations



Sales Revenue in Consolidated Financial Statements

Expressed in
ten million NTD
500.00



FTC has lost its control over FATC. Based on regulations, financial statement shall be restated.

- **The Company's consolidated revenue grew by 2.8%, from NT\$ 35,760 million in 2018 to NT\$36,762 million in 2019, an increase of NT\$ 1,002 million.**
 1. Disadvantageous difference in sale quantity of 258 million: a result of an decrease of 191 million of tire cord fabric and an increase of 52 million of Petroleum Business of the 2nd Business Segment, and an decrease of 87 million of Ind. Material Business of the 2nd Business Segment .
 2. Advantageous difference in sale price of 1,261 million: a result of an increase of 1,272 million of the filament fabric of the 1st Business Segment, and an decrease of 451 million of Petroleum Business of the 2nd Business Segment.



Sales Revenue Breakdown_ by Business

Q1 2020 Sales Revenue NT\$ 0.859 billion	1st Business Segment 45.63%	Tire Cord Business 19.38%	Petroleum Business 29.94%	Other 5.05%
Q1 2019 Sales Revenue NT\$ 0.952 billion	1st Business Segment 44.37%	Tire Cord Business 21.73%	Petroleum Business 29.65%	Other 4.25%

Comparison of revenues of the Q1 of different businesses 2019 vs. 2018

Expressed in thousands of NTD

Unit Year	1st Business Segment	Tire Cord Business	Petroleum Business	Other	Total
Q1 2020	3,918,964	1,664,173	2,571,902	433,897	8,588,936
Q1 2019	4,224,117	2,068,619	2,823,394	404,914	9,521,044
Variable	-305,153	-404,446	-251,492	28,983	-932,108
Growth rate (%)	-7.22%	-19.55%	-8.91%	7.16%	-9.79%

Stable Profitability and Dividends Distribution

Profit before income tax, EPS, and cash dividends for the last 5 years

Expressed in thousands of NTD

6,000,000

5,000,000

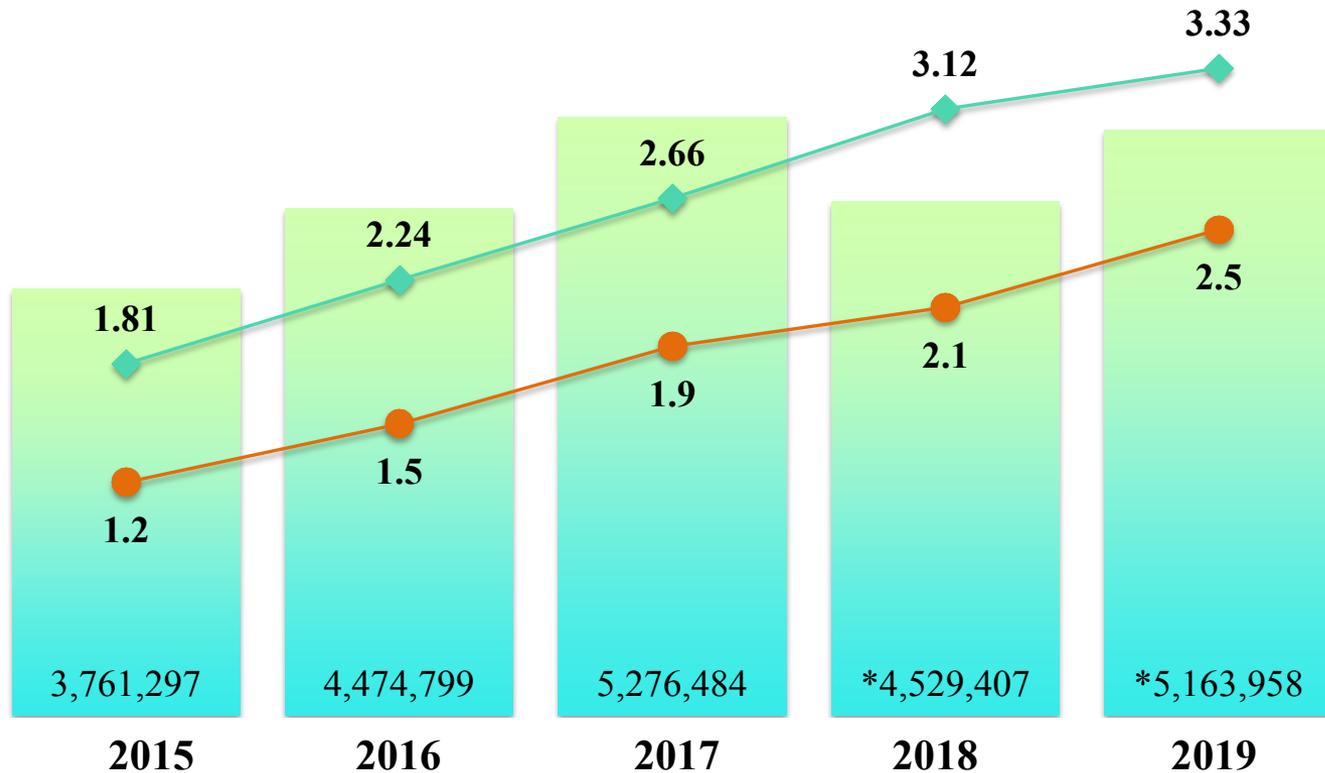
4,000,000

3,000,000

2,000,000

1,000,000

0



dollars/
share

3.5

3

2.5

2

1.5

1

0.5

0

■ Profit before income tax
 ◆ EPS
 ● Cash dividends

Note: “ * ” refers to continuing operations



Summarized Statement of Cash Flows

Expressed in thousands of NTD

	2019	2018
Cash at beginning of period	3,391,896	4,942,919
Net cash flows from operating activities (A)	6,751,805	5,567,339
Capital Expenditures (B)	(2,941,368)	(4,563,815)
Financial assets	107,779	162,520
Bank borrowings	(1,552,060)	(2,200,235)
Dividends paid	(4,129,175)	(3,580,952)
Other	1,607,747	3,064,120
Cash and cash equivalent at end of period	3,236,624	3,391,896
Free cash flow (A-B)	3,810,437	1,003,524



Operation Orientation



Operation Orientation—Overall

Smart Innovation Sustainable Future

Continuously obtaining branded customers' recognition

- adidas considers FTC a Top Player among its suppliers
- Nike recognizes FTC's eco-friendly products

**Cooperation
with
Branded
Customers**

**Cross-
industry
Intelligent
R&D**

- Application of technology and cross-field collaboration
- Development of innovative textiles
- Sustainability, Environmental Protection, and Circular Economy

**Promotion of
added value
and
differentiation
of products**



**Deepen the
value of taking
quality as the
core by
strengthening
techniques**

Designing function-
and eco-oriented
products

Introduction of Industry 4.0 and AI into
intelligent manufacture & Homogenization of
product quality of 5 Plants in 3 countries



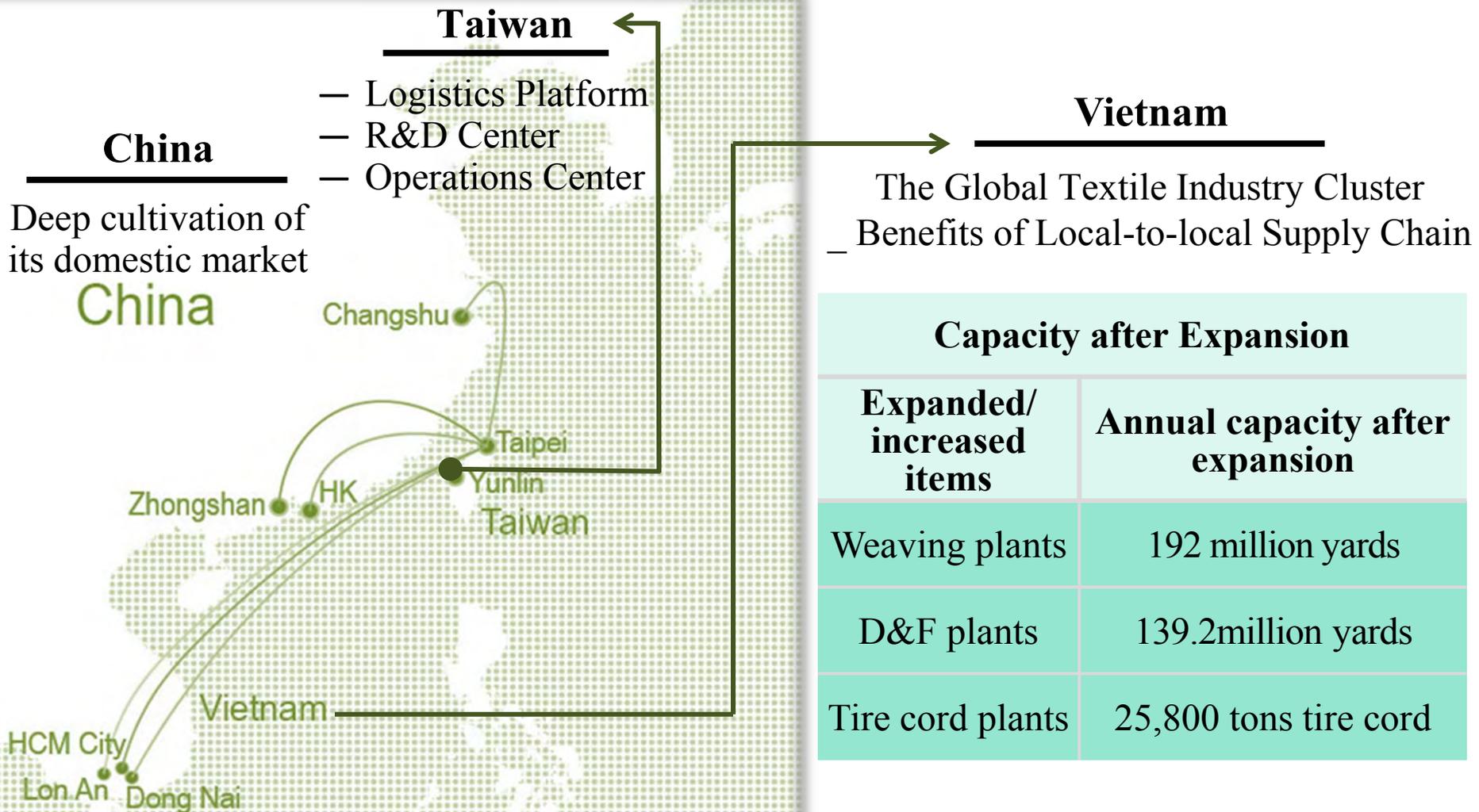
Operation Orientation— Equity Co-investment into Schoeller Textil AG

- **Equity Co-investment into Schoeller Textil AG**
 - Subscription of 50% Schoeller's shares with CHF\$ 39.58 million (about NT\$ 1,280 million)
 - Movement from FTC's acquisition of authority of technology and manufacture towards collaboration between two parties of overall innovation, R&D, technology and manufacture
 - Developed products
 - Functional textile : Sports, outdoors, daily-life
 - Protective textile : The police/military





Operation Orientation



Capacity after Expansion	
Expanded/ increased items	Annual capacity after expansion
Weaving plants	192 million yards
D&F plants	139.2million yards
Tire cord plants	25,800 tons tire cord



Operation Orientation

- To carry out the corporate social responsibility, emphasize environmental protection and strive for sustainable development

Effectiveness of Completed Conservation Projects						
Plant	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	0.984	333.2	346.5	3.96	5,558.3	17,479.4
Zhong-Shan Plant	1.083	0.67	52.6	-	3,531.2	9,854.7
Chang-Shu Plant	0.009	0.013	7.30	0.87	89.7	265.7
Long-an Plant	0.722	188.4	41.7	-	2,186.3	5,699.3
Dong-nai Plant	0.040	361.2	408.5	-	3,846.4	2,378.7
Total	2.838	883.483	856.6	4.83	15,211.9	35,677.8

- The total amount for environment improvement and recycle was NT\$ 71.86 million.
- The rate of reclaimed water in Taiwan Plant reached to nearly 72%. The rate of reclaimed water in four overseas plants reached to almost 65%.

Q & A