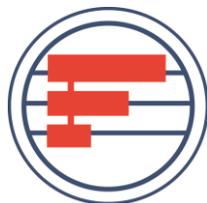


2019 Investor Conference



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

Stock code: 1434

August 23, 2019



Disclaimer

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Agenda



Corporate Overview



Technology- and Intelligence-oriented & Sustainability through Value Creation



Financial Status



Operation Orientation



福懋興業股份有限公司

Formosa Taffeta Co., Ltd. (FTC)





Corporate Profile

Global Deployment

Market Value
 NT\$65.87 billion
 (By the end of June of 2019)

5 Plants in 3 Countries		Headcount	
Taiwan	Douliu Plant	7,074	
China	Zhong-shan Plant Chang-shu Plant	976	Total 10,268
Vietnam	Long-an Plant Dong-nai Plant	2,218	

Revenue
 2018 Consolidated Revenue
 NT\$44.545 billion



Establishment of Production Bases

1990

**Formosa Advanced
Technology Co.,
Ltd.**



1999

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



2005

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



1973.04

**Formosa Fiber
Co., Ltd.**



1992

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



2004

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



2016

Bumblebee Plant





Deployment of Textile Products of 5 Plants in 3 Countries

China

1. Advantages of China's internal trade
2. Preferential Tariff Scheme for the ASEAN Free Trade Area

dyeing & finishing
@Chang-shu

Taiwan

1. Logistics Platform
2. R&D Center

Weaving, dyeing & finishing
@Zhong-shan

@ Douliu
spinning, weaving, dyeing & finishing, tire cord

Vietnam

1. Generalized System of Preferences (GSP)
2. Preferential Tariff Scheme for the ASEAN Free Trade Area
3. Advantageous Locations—located in the hub of Global Textile Industry Cluster _ Maximized Benefits of Local-to-local Supply Chain

weaving, dyeing & finishing,
tire cord, special textile

@Dong-nai

@ Long-an

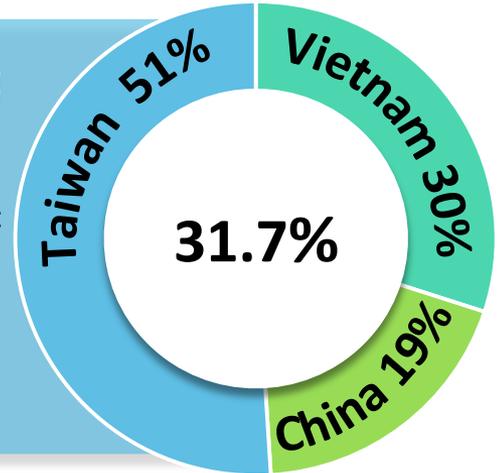
Weaving, dyeing & finishing



Products Breakdowns by Production Bases

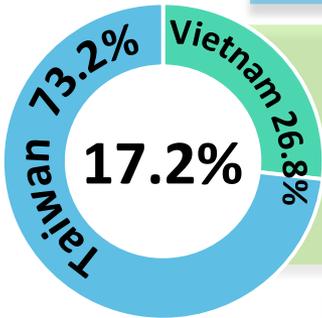
Filament Woven Fabrics of 1st Business Segment

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



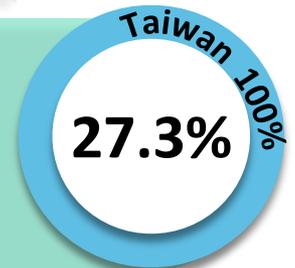
Polyamine/Polyester Tire Cord Fabric of 2nd Business Segment

- Tire cord fabrics for various vehicles
- Chafers 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



IC Assembly | Testing | Module of FATC

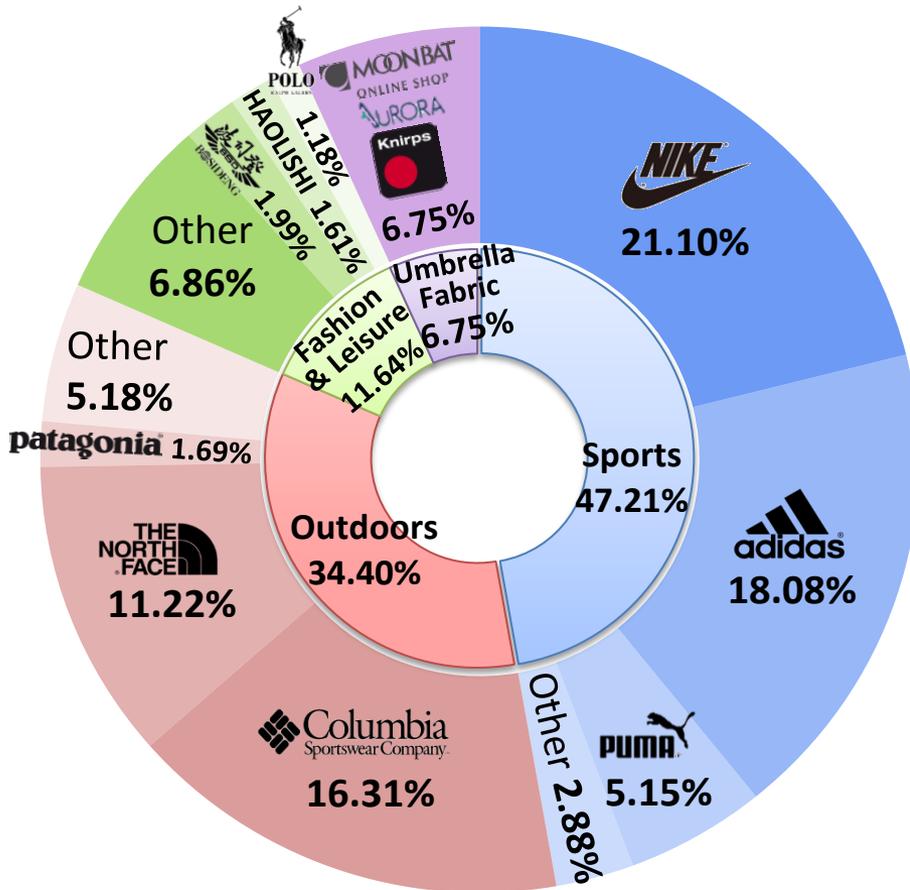
- Services of assembly, testing, module and R&D of any types of IC





Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics

Sales Volume Breakdown of Filament Fabrics from Jan. to Jun. of 2019 _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



**Technology- and
Intelligence-oriented
& Sustainability
through Value Creation**



Application of Intelligent Temperature Module—POLO11



- 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

American classical fashion brand Ralph Lauren names the down jacket that adopts intelligent temperature control module as “POLO11”.

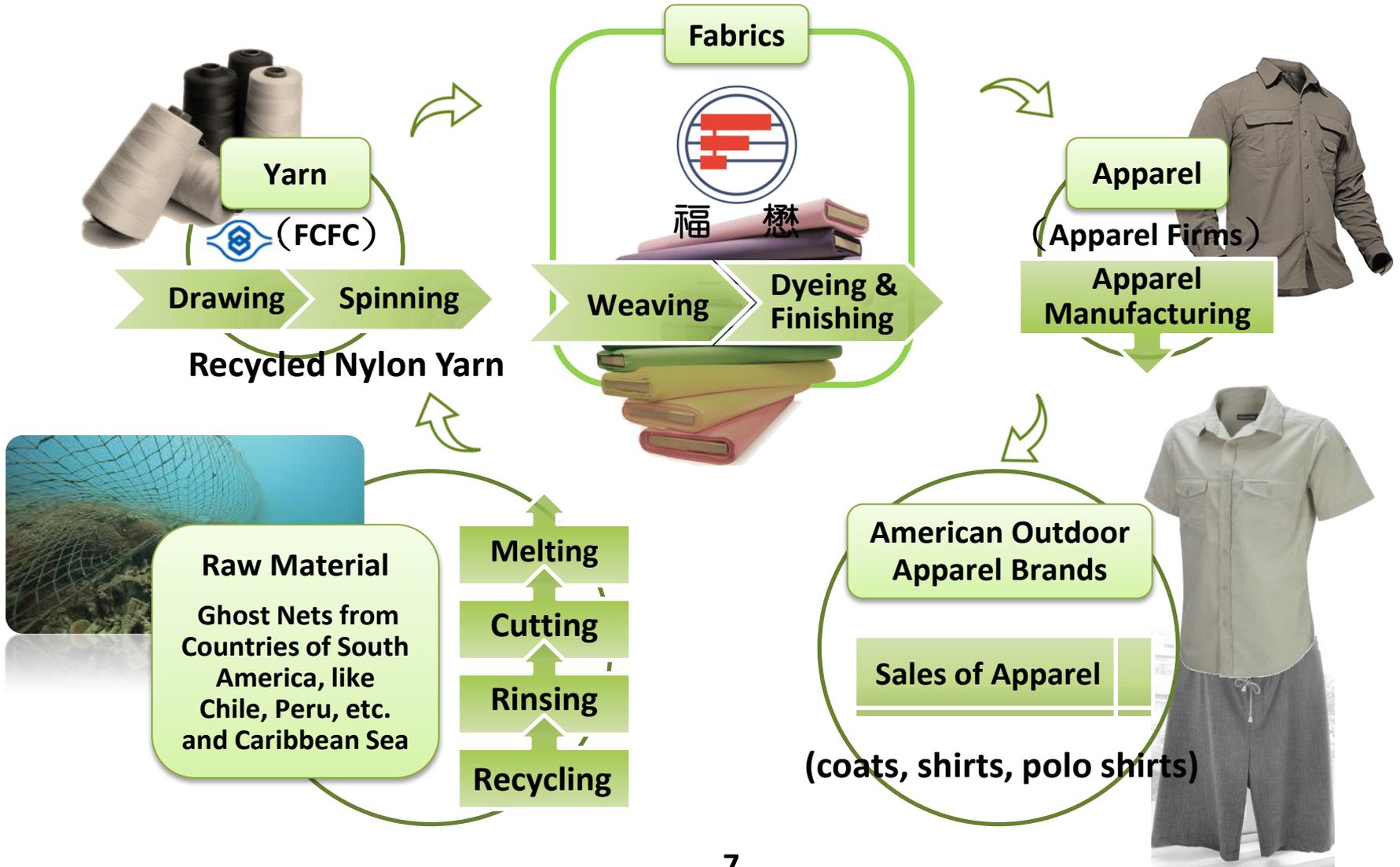
(Reference to Ralph Lauren’s website)



Product press conference(in Dec. , 2017)



Exploitation of Recycled Ghost Nets— Realization of Circular Economy





Application of High Performance Umbrella Fabrics for Both Parasol and Umbrella —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)



1. Fuse Yarn
2. UVoutex® Transparent UV Cut Fabrics
3. Double Weave Baffle-thermal
4. COMOFIT* Polyamide Mechanical Stretch
5. Anti-abrasion Heather Stretch Fabric
6. Trendy Finish – Iridescent Fabrics
7. High performance Umbrella Fabrics for Both Parasol and Umbrella

**FTC
2019**



1

Fuse Yarn

New fuse yarn, an imitation natural fabric, is with delicate touch of natural quality and with natural cloth texture, which makes cloth patterns vivid.

Huge orders for this yarn were placed by sports and outdoor brands and an increase of their orders is ongoing.

Application:
Lightweight windbreakers, trousers, shirts, casual jackets, sportswear.



2

UVoutex® Transparent UV Cut Fabric

UVoutex® fabrics are produced using special yarns and dyeing and finishing techniques, with UV cutting capabilities that break through traditional limits and produce UPF values are over 30 in transparent conditions (AS/NZS 4399:1996). In addition, they are stylish and high performance. With these advantages, they come into favor with the European and American sports branded clients, and orders come one after another.

Application:

Lightweight sunscreen
windbreakers, stylish sunscreen
trench coats, packable jackets.

UV
CUT



3

DOUBLE WEAVE BAFFLE-THERMAL

The Double Weave Baffle pocket down-proof fabric adopts the Company's patented fabric design and weaving technology. The finished product is in an "unibody" shape, is able to keep people warm with double-layer down-proof baffle, and further provides enhanced thermal retention through adding special materials.





4

COMOFIT* Polyamide Mechanical Stretch

Mechanical Stretch is with excellent elasticity and comfortable hand-feel even without covered yarn. Multiple products with various fabric specifications have been introduced and received a lot of praise, and “Comofit*” is given as the name for these products of this series.



5

Anti-abrasion Heather Stretch Fabric

A mix of fabric with strong abrasion resistance, heather look, and elastic yarn, a breakthrough development of FTC's outdoor sports fabrics, makes anti-abrasion heather stretch fabric highly anti-abrasion (by Martindale wear test: 30,000 rpm), comfortable and trendy. FTC's anti-abrasion heather stretch fabric is a trendy urban outdoor product and popular with outdoor clients.

ANTI-
ABRASION





6

Iridescent Fabrics

Fabrics are processed with special lamination or transfer printing so that their appearances look shiny, leathery and trendy because of color changes resulting from the varied angles.

**TRENDY
FINISH**



7

High performance Umbrella Fabrics for Both Parasol and Umbrella

These functional umbrella fabrics have excellent water resistance, water repellency. In addition to 99% UV protection, the fabric can also effectively block heat and cooling.

UMBRELLA





International Exhibition



ISPO WINTER 2019

Booth size: 54m²
Time: 2019.02.03~2019.02.06
Location: Munich, Germany
Main clients:
78 well-known branded clients including adidas, lululemon, Eddie Bauer, MAMMUT, GAP, VAUDE, TOMMY SPORTS, MONTURA, Helly Hansen, etc.

Booth size: 80m²
Time: 2019.06.17~2019.06.20
Location: Denver, USA
Main clients:
62 outdoor and sports branded clients, including TNF, MHW, REI, Patagonia, Smartwool, adidas, UA, Lululemon, Canadagoos, etc.

OR SUMMER 2019



OUTDOOR by ISPO 2019

Booth size: 60m²
Time: 2019.06.30~2019.07.03
Location: Munich, Germany
Main clients:
58 well-known branded clients, including TNF, VAUDE, MAMMUT, MONTURA, PUMA, etc.

Financial Status

EXPERIENCE

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

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

POSITION TITLE for company t/d
2012 - 2013
Short description of the position and the responsibilities you had in this position.
Lorem ipsum dolor sit amet, sed do eiusmod
tempor incididunt ut labore et dolore magna
aliqua.

POSITION TITLE for company t/d
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

PHONE
0028 01234 5678

EMAIL
info@samablog.com

WEBSITE
www.mypage.com

HOBBIES
creating websites
swimming
photography
body building

SKYPE
skype: samabqk



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 risd met non mi.

Aliquam dictum porta erat nec commo- do. Maecenas vestibulum massa in just pelentesque, non eleifend dolor crna ipsum dolor sit amet, consectetur ad Suspendisse suscipit efficitur. Fusce iaculis, leo nec vulpate



Consolidated Statement of Comprehensive Income

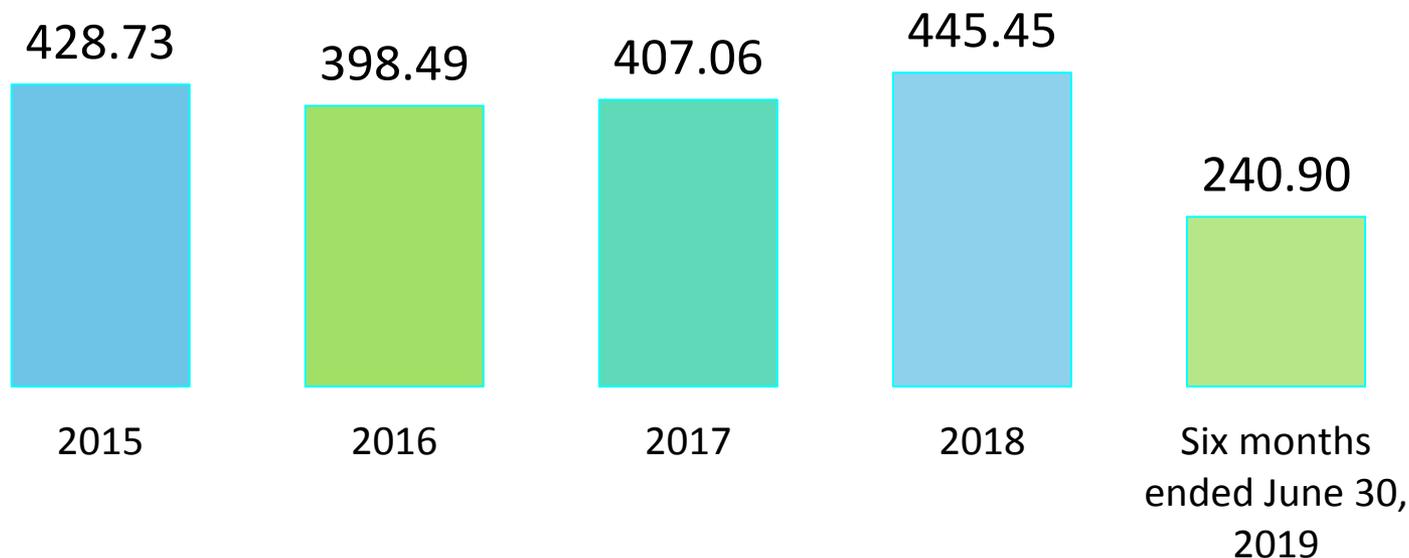
Expressed in thousands of NTD

	Six months ended June 30		Growth rate of 1 st half-year	2019		Seasonal growth rate
	2019	2018		Q2	Q1	
Sales revenue	24,089,595	22,467,681	7.22%	12,370,748	11,718,847	5.56%
Gross operating margin	2,999,013	2,861,080	4.82%	1,579,360	1,419,653	11.25%
Net margin	12.45%	12.73%		12.70%	12.11%	
Net operating margin	1,504,277	1,473,116	2.12%	796,395	707,882	12.50%
Rate of net operating margin	6.24%	6.56%		6.44%	6.04%	
Total non-operating income and expenses	2,060,758	1,037,612	98.61%	2,035,510	25,248	
Profit before income tax	3,565,035	2,510,728	41.99%	2,831,905	733,130	286.28%
Profit for the year	2,979,638	1,790,503	66.41%	2,418,245	561,393	330.76%
Rate of profit for the year	12.37%	7.97%		19.55%	4.79%	
Basic and diluted EPS (in dollars)	2.12	1.49	42.28%	1.68	0.44	281.82%



Sales Revenue in Consolidated Financial Statements

Expressed in
ten million NTD



■ **A rise of 9.4% in sales revenue of 2018, compared to that of 2017, comes from:**

1. the recovery of the branded clients' orders as a result of the swelled sales of autumn and winter apparel that result from the growth of apparel consuming market in 2018 and an end of the branded clients' inventory adjustment, and
2. the increased Formosa Petroleum Station's revenue as a result of the raise of retail prices of oil that derives from the tense situations in the Middle East and from the American sanction on Iranian oil exports in 2018.



Sales Revenue Breakdown_ by Business

Sales Revenue Six months ended June 30, 2019 NT\$ 24.090 billion	1 st Biseness Segment	Tire Cord Business	Petroleum Business	IC Packaging/ Testing/Assembly	Other
	36.43%	17.12%	24.39%	18.44%	3.61%

Sales Revenue Six months ended June 30, 2018 NT\$ 22.468 billion	1 st Biseness Segment	Tire Cord Business	Petroleum Business	IC Packaging/ Testing/Assembly	Other
	34.37%	16.29%	26.14%	19.03%	4.17%

Expressed in thousands of NTD

Comparison of revenues of the 1st half year of different business 2019 vs. 2018

		1 st Business Segment	Tire Cord Business	Oil Product Business	IC Packaging / Testing /Assembly	Other	Total
Six months ended June 30	2019	8,774,869	4,124,787	5,876,630	4,442,798	870,511	24,089,595
	2018	7,722,775	3,659,007	5,872,819	4,275,071	938,009	22,467,681
Difference		1,052,094	465,780	3,811	167,727	-67,498	1,621,914
Growth rate (%)		13.62%	12.73%	0.06%	3.92%	-7.20%	7.22%

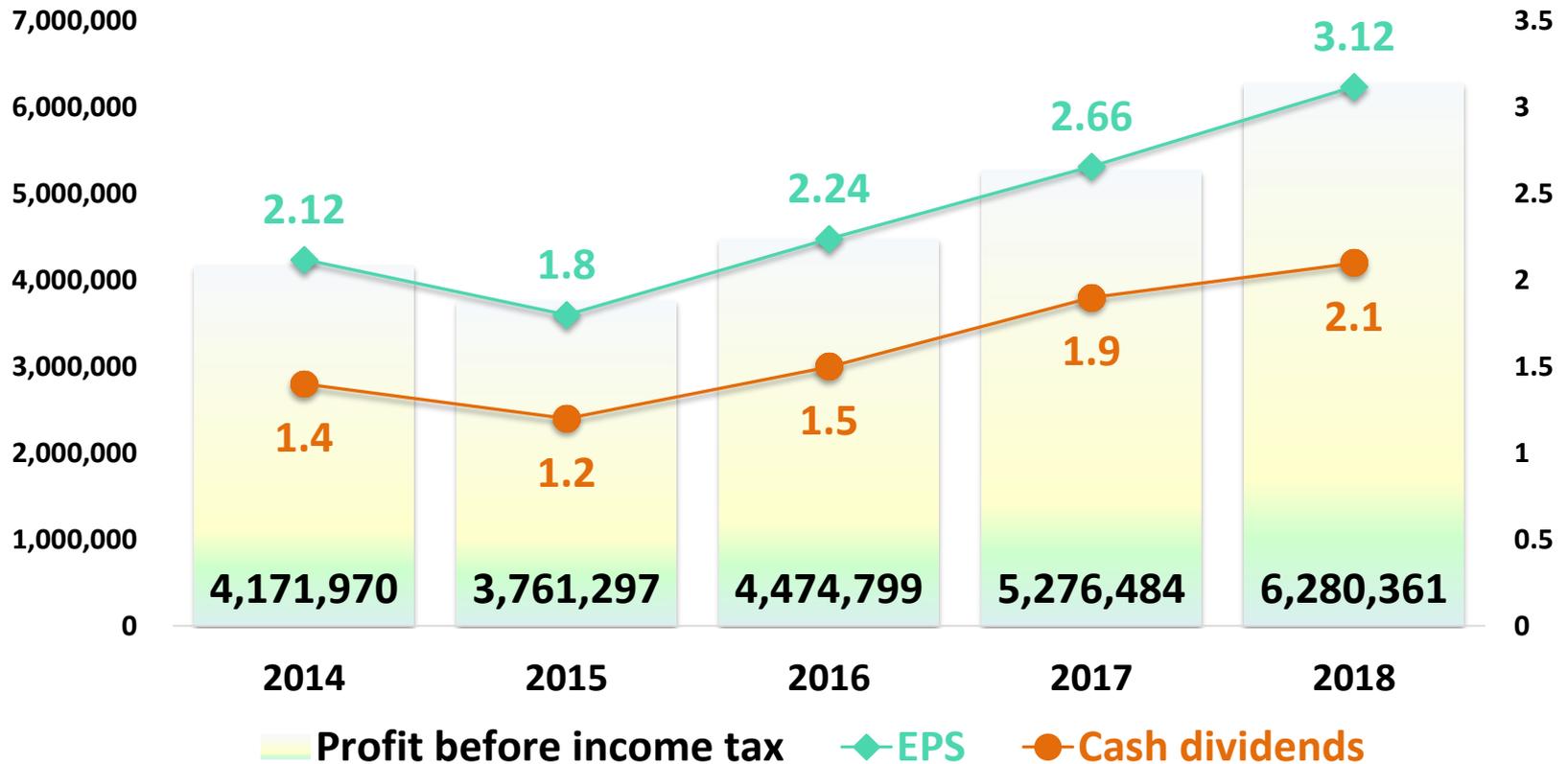


Stable Profitability and Dividends Distribution

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

EXPRESSED IN
THOUSANDS OF NTD

DOLLARS/SHARE





Summarized Statement of Cash Flows

Expressed in thousands of NTD

	Six months ended June 30	
	2019	2018
Cash at beginning of period	3,391,896	4,942,919
Net cash flows from operating activities (A)	1,483,887	419,381
Capital Expenditures (B)	(1,261,711)	(1,130,639)
Financial assets	(69,570)	174,659
Bank borrowings	289,330	564,493
Dividends paid	0	0
Other	(53,564)	10,972
Cash and cash equivalent at end of period	3,780,268	4,981,785
Free cash flow (A-B)	222,176	(711,258)

The background features a light blue gradient with a pattern of interlocking puzzle pieces. A large, stylized dollar sign (\$) is positioned on the left side, and the word "SOLUTION" is written in a large, blue, sans-serif font across the top. The main title is centered on the right side.

Operation Orientation



Operation Orientation

Technology- and Intelligence-oriented & Sustainability through Value Creation

Continuously obtaining
branded customers'
recognition

- adidas considers FTC a Top Player of 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
- Circular Economy_ recycling Ghost nets

**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

Homogenization of
product quality of 5
Plants in 3 countries



Operation Orientation

China
 Deep cultivation of its domestic market

- Logistics Platform
- R&D Center
- Operations Center

Vietnam

The Global Textile Industry Cluster
 — Benefits of Local-to-local Supply Chain

Capacity after Expansion

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





Operation Orientation

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

- Completed conservation projects of 6 months ended June 30 in 2019 _Taiwan 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)	Investment Amount (Thousands of NTD)
0.36	75.7	128.01	0	2,010.11	6,352.76	18,889.6

- Planned effluent recycling projects of 5 Plants in 3 countries in 2019:
 1. Estimated Invested amount: NT\$ 238 million
 2. Anticipated recycling rate: 65%
 3. Anticipated completion time for all effluent recycling projects: by 2019

Q & A