



F o r m o s a T a f f e t a C o . , L t d .

# Investor Conference

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# Agenda

- I. Corporate Overview
- II. Financial Status
- III. Product Development
- IV. Operation Orientation
- V. Q&A



# Corporate Overview

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

# Company Profile

Formosa Taffeta Co., Ltd.



1973

1992

1999

2004

2005

2020

FORMOSA TAFFETA VIET NAM CO., LTD.



FORMOSA TAFFETA DONG NAI COMPANY LIMITED



FORMOSA TAFFETA (ZHONG SHAN) CO., LTD.



FORMOSA TAFFETA (CHANGSHU) CO., LTD.



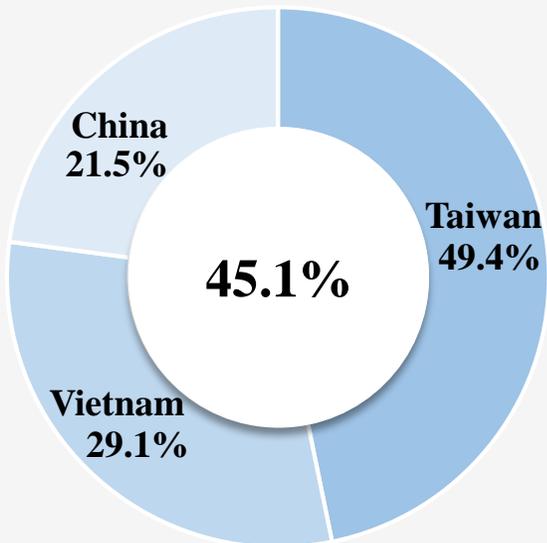
Expanded Corporation with Schoeller Textil AG

- Foundation: April, 1973
- Chairman: Wen-Yuan Wong

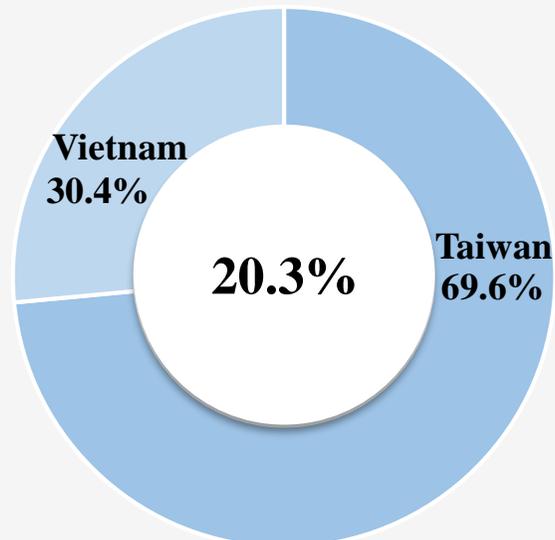
- Capital: NT\$16.8 billion
- President: Ming-Chang Lee

# Products Breakdowns by Production Bases

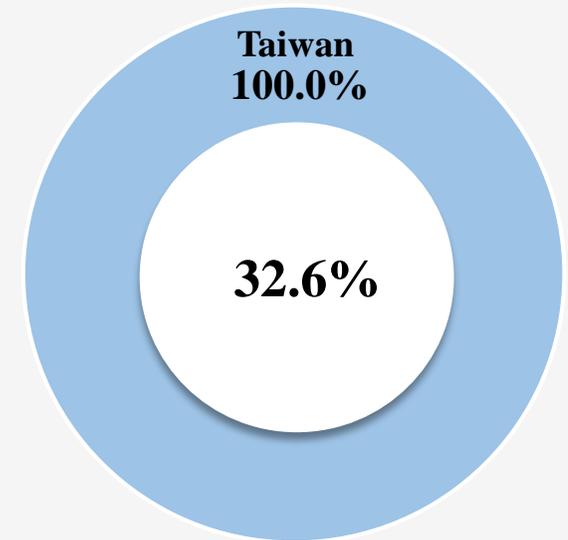
Filament Woven Fabrics  
of 1st Business Segment



Polyamine/Polyester Tire Cord  
Fabric of 2nd Business Segment



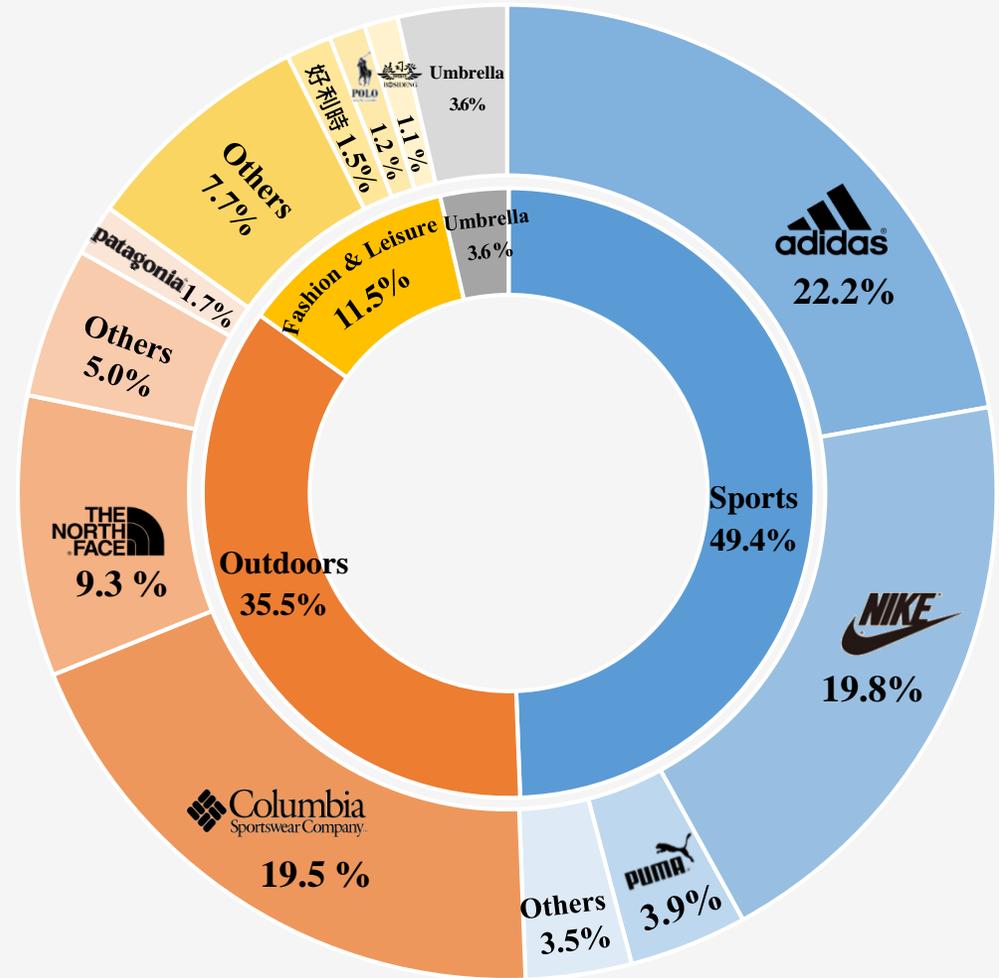
Petroleum goods/service  
of 2nd Business Segment



Period : from January to September of Year 2022

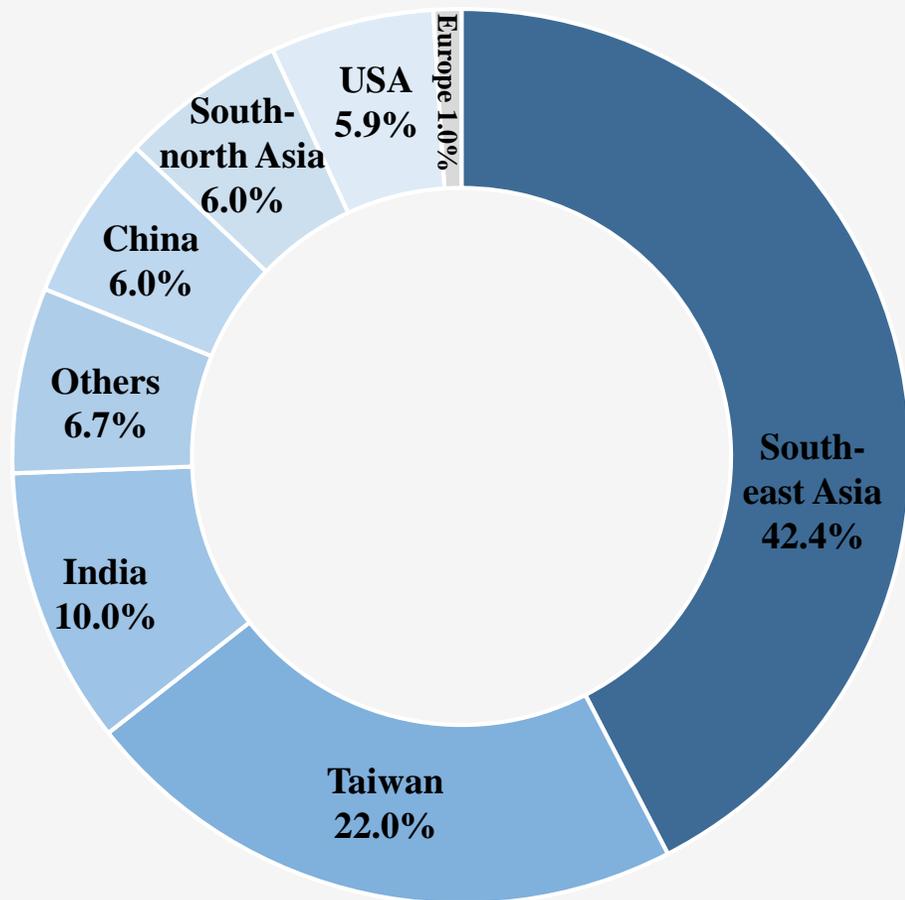
# Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics

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



Period : from January to September of Year 2022

# Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business

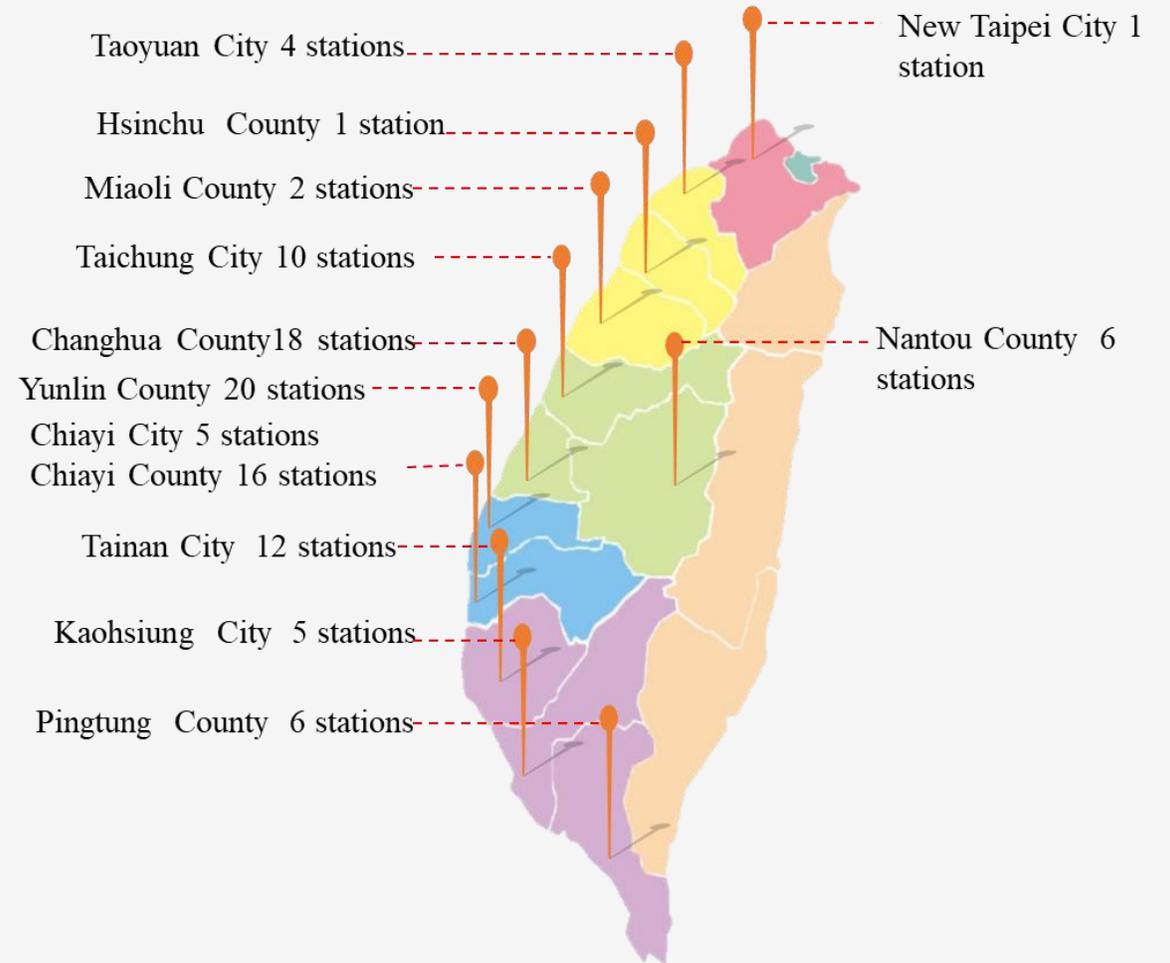


Period : from January to September of Year 2022

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

# Sale of Petrol and Diesel

As of the end of Oct. 2022, **106** Formosa Petroleum Stations are located in Taiwan (shown as the right picture).





- Consolidated Income Statement
- Comparison of Revenues of Different Businesses
- Stable Profitability and Dividends Distribution

# Consolidated Financial Statement

Expressed in Thousands of NTD	As of the end of September		Variance	Q322	Q321	Variance
	2022	2021				
Sales revenue	26,945,284	24,348,138	10.7%	8,749,831	7,579,110	15.5%
Net operating margin	2,873,882	3,236,336	-11.2%	866,877	934,819	-7.3%
Net margin	10.7%	13.3%		9.9%	12.3%	
Operating profit (loss)	939,777	1,242,813		263,510	273,853	
Operating profit Margin	3.5%	5.1%		3.0%	3.6%	
Total non-operating income and expenses	2,516,895	721,473		433,380	445,887	
Profit before income tax	3,456,672	1,964,286	76.0%	696,890	719,740	-3.2%
Profit for the period from continuing operations	3,177,834	1,786,051	77.9%	586,109	664,679	-11.8%
Rate of profit for the year	11.8%	7.3%		6.7%	8.8%	
Profit attributable to common shareholders of the parent	2.03	1.11		0.40	0.42	

# Comparison of Revenues of Different Businesses

Expressed in Thousands of NTD		1 <sup>st</sup> Business Segment	Tire Cord Business	Oil Product Business	Others	Total
<b>As at September 30</b>	<b>2022</b>	11,337,903	5,214,816	8,788,474	1,604,091	26,945,284
	<b>2021</b>	9,848,393	5,271,809	7,803,833	1,424,103	24,348,138
<b>Variance</b>		1,489,510	(56,993)	984,641	179,988	2,597,146
<b>Growth Rate</b>		15.1%	-1.1%	12.6%	12.6%	10.7%

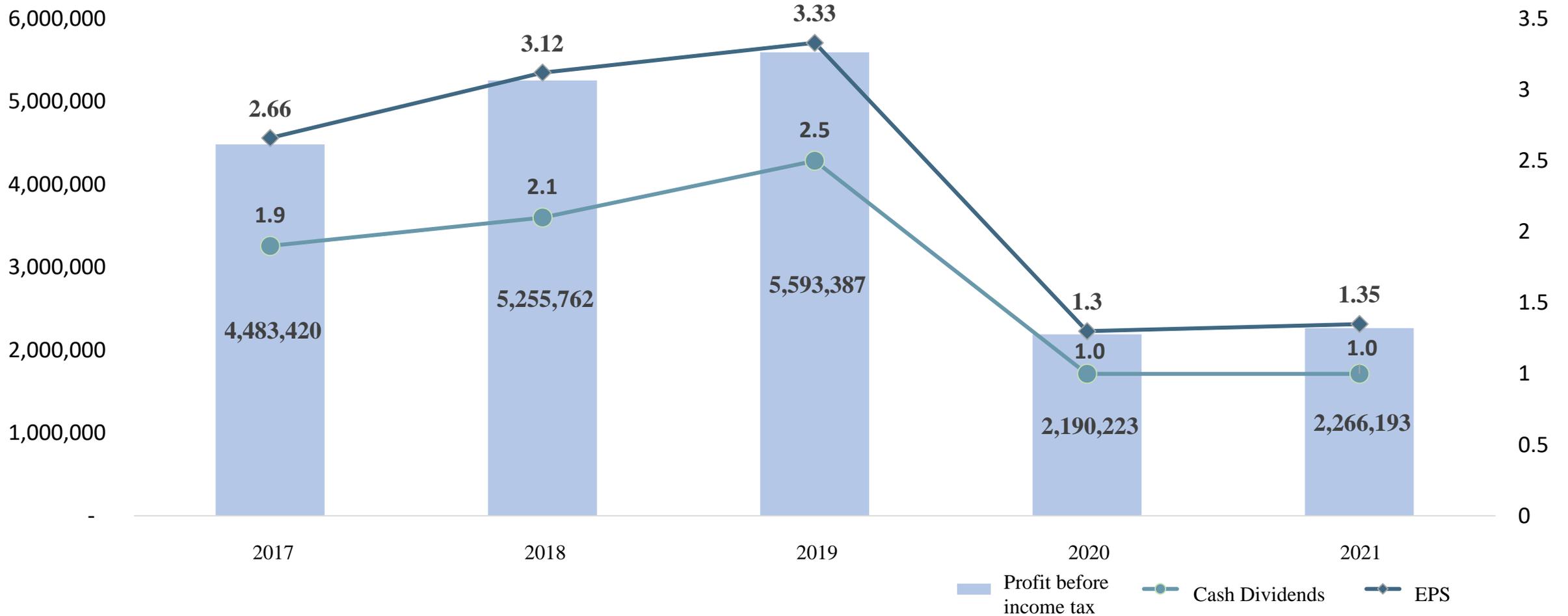
An increase of NT\$ 2.6 billion (10.7% )in consolidated revenue as at September 30, 2022—NT\$ 26.95 billion , compared to that of 2021—NT\$ 24.35 billion

- Advantageous difference in sale quantity of NT\$ 3.25 billion: a result of an increase of NT\$ 0.91 billion of the filament fabric of the 1st Business Segment, an increase of NT\$ 0.99 billion of tire cord fabric, an increase of NT\$ 0.99 billion of oil product business division, and an increase of NT\$ 0.36 billion of others.
- Disadvantageous difference in sale price of NT\$ 0.65 billion: a result of an increase of NT\$ 0.58 billion of the filament fabric of the 1st Business Segment, a decrease of NT\$ 1.04 billion of tire cord fabric, a decrease of NT\$ 0.01 billion of oil product business division, and an decrease of NT\$ 0.18 billion of others.

# Stable Profitability and Dividends Distribution

EXPRESSED IN THOUSANDS OF NTD

DOLLARS/SHARE



# Formosa Taffeta Co., Ltd.

## Product Development

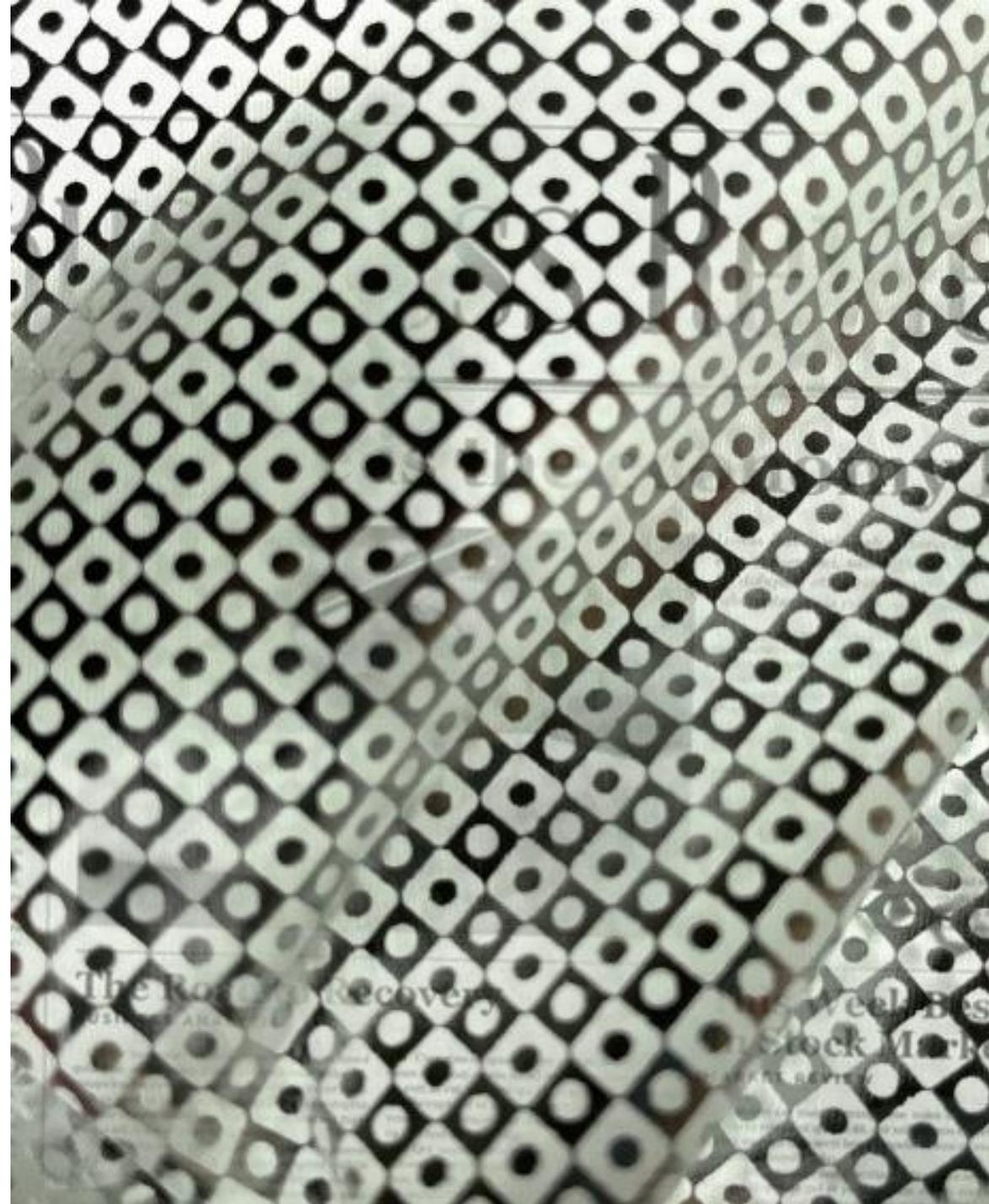
- 01**    **Lightweight Soft Handfeel Downproof Fabric**
- 02**    **Lightweight Thermal Insulation Fabric Upgrade**
- 03**    **Recycled Polyamide From Waste Tire**
- 04**    **Toluene Free Waterproof Fabric**
- 05**    **Bio Based Membrane Laminated of High Waterproof Breathable Fabric**
- 06**    **2022 TITAS Taipei Innovative Textile Application Show**

# Lightweight Soft Handfeel Downproof Fabric

Recycled lightweight polyamide fabric utilize the new finishing which features a refreshingly soft handfeel and no-noise quality. Wearers can enjoy the no-noise quality, better tearing strength, anti-seam slippage and downproof performance. This new technology greatly enhances the add-value and trendy characteristic of product. Currently, we are working on the mass production orders from Europe and US clients.

# Lightweight Thermal Insulation Fabric Upgrade

Lightweight fabric combine recycle material and thermal insulation film transfer. The product looks translucent yet has warmth retention performance. This is a multi-dimensional product that combine trendy look, functionality and sustainability. It has been widely used by American outdoor brands.



# Recycled Polyamide From Waste Tire

It is estimated that approximately 30 millions tons of waste tires are produced every year. It would cause significant pollution and do harm to people's health if improperly buried, discarded or burnt. Therefore, how to clear out these waste tires and recycle them for renewable use is a crucial issue that many countries try to solve.

FTC utilizes recycled polyamide came from the pyrolysis of waste tire, which then converted in to the raw material of polyamide. This fabric can be made into different types of functional textiles, further reducing the environmental pollutions caused by different wastes. This is the realization of sustainability and product circulation.

#### Characteristics:

1. Prevent Environmental Pollution
2. Reduce 60% of carbon emissions
3. Save crude oil
4. Circular Economy

# Toluene Free Waterproof Fabric

According to the request from Europe and America, FTC will stop using toluene as solvent in production by 2024 . Instead, we will use AC coating ( silicone coating), EAC and water based finish to replace toluene.

Based on the policy of sustainable environmental protection, meet the requirements of well-known brands in the world, FTC has completed the development of toluene-free production process.



# Bio Based Membrane Laminated of High Waterproof Breathable Fabric

| High Waterproof and Moisture Vapor Permeability |

## ■ **Environmental Friendly Concept:**

Recycled polyamide & polyester products is used as base fabric, and combined with bio-based polyamide membrane to create an eco-friendly product.

## ■ **High Functional Performance:**

High waterproof, High waterproof breathability, and machine wash durability .

## ■ **Energy Saving and Carbon Emission Reduction:**

New generation of lamination technology can reduce carbon emission and enhance moisture vapor permeability.

## ■ **Market Feedback:**

Major outdoor sports brands in Europe and America are testing samples.

## ■ **Look into the Future:**

Can be customized with different base fabric and lining.



# 台塑企業

FORMOSA PLASTICS GROUP



## ECO

Recycled polyester & Polyamide from Ocean 海洋回收聚酯及耐隆  
Bio-based PET from Off-gas 廢氣回收生質聚酯  
Bio-based Polyamide 生質耐隆  
Garment Recycled 成衣回收  
Cordura® Recycled Polyamide Cordura® 環保耐隆

## FORMOSA CIRCLEVERSE



## Functional Outdoor schoeller®

aerobrane™ 超透氣防水機能膜  
Recycled 3 layers 完全環保三層貼  
Bio-based Polyamide Film 生質耐隆防水膜  
Durable Stretch 耐磨高彈

# 2022 TITAS

Formosa plastics group presents a joint collection from Formosa Chemicals & Fibre Corporation, Formosa Plastics Corporation, Nanya and Formosa Taffeta Co., Ltd. Together we have 7 themes including schoeller, fashion and downproof, trendy sports, functional outdoor, eco and industrial and protective textiles.

Formosa circleverse- Combining circular economy and metaverse, our recycled products cover on land recycled, ocean recycled, and waste gas recycled from sky. A complete and full dimensional green textiles collection.

- **On land recycling** | recycled polyamide from post industrial yarn waste and recycled polyester from plastics bottles, recycled polyester from garment, new bio based polyamide from waste tire. Bio degradable polyester and polyamide.
- **Ocean recycled** | recycled polyester and polyamide from ocean, 100% recycled polyamide from fishing net. Seawastex from recycled fishing net and waste ropes of oyster farming.
- **Waste gas recycled from sky** | utilize carbon capture technology to convert the off-gas from heavy industry to recycled polyester.

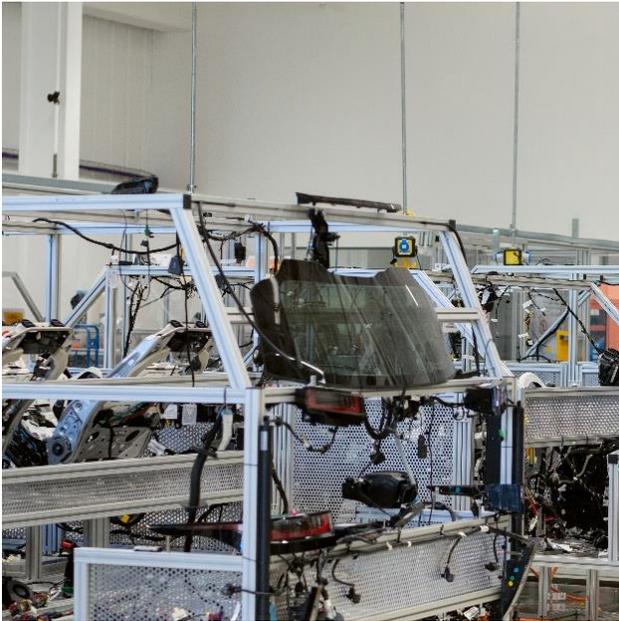


# Operation Orientation

- Operation Orientation
- Global Deployment
- Sustainable Environment

# Operation Orientation

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## Smart Manufacturing

- Smart Manufacturing, and Introduction of Industry 4.0
- Digitalization, to improve the efficacy of product management.



## Sustainable Environment

- Green Energy, Carbon Emission Reduction, and Water Conservation
- Circular Economy, and development of environmental friendly products



## Expanded Cooperation

- Cooperation with Branded Customers.
- In collaboration with Schoeller, innovation and high-end textile products.

# 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

# Sustainable Environment \_ Energy conservation and Carbon Emission reduction

Performance of energy saving and carbon emission reduction from remodeling the environmental equipment as the end of September,2022 :

Plant	Conserved Steam (MT/HR)	Conserved Water (MT/Day)	Conserved Electricity (KW)	Conserved Fuel (KG/HR)	Reduced Emissions of CO <sub>2</sub> (Tons/Year)
Taiwan Plant	1,586.30	29,550.24	2,828,814	232.42	3,015.15
Zhong-Shan Plant	2,905.63	4,273.20	661,392	216.00	1,377.36
Chang-Shu Plant	103.68	756.00	196,214	0.00	177.61
Long-an Plant	1.21	3,037.68	778,594	7,449.53	565.35
Dong-nai Plant	4,276.80	8,834.40	294,106	0.00	1,601.21
<b>Total</b>	<b>8,873.62</b>	<b>46,451.52</b>	<b>4,759,120</b>	<b>7,897.95</b>	<b>6,736.68</b>

# Sustainable Environment \_ Green Energy and Carbon Emission

**Electricity of Photovoltaic(PV) System as at the end of September, 2022 :**

<b>Plant</b>	<b>Capacity of Installed PV System</b>	<b>Electricity Generated from PV System (Kwh)</b>	<b>Reduced Emissions of CO<sub>2</sub> (Tons/Year)</b>
<b>Taiwan Plant</b>	2.6MW	2,597,807	1,304
<b>Chang-Shu Plant</b>	1.8MW	1,090,273	547
<b>Long-an Plant</b>	2.75MW	3,436,356	1,725
<b>Total</b>	<b>7.15MW</b>	<b>7,124,436</b>	<b>3,576</b>

**The amount of reduced carbon emission was 3,576 tons, equal to 0.504 million trees per year.**

# ESG Highlight



- 1 2021 CDP/ climate change-Leadership
- 2 2021 CDP/ water security-Leadership
- 3 TIP Taiwan ESG Index
- 4 FTSE4GOOD
- 5 8<sup>th</sup> Corporate Governance Evaluation of TWSE/TPEX listed companies 6~20%
- 6 Taiwan Employment Creation 99 index
- 7 Best enterprise for voluntarily energy conservation and carbon reduction
- 8 TCFD Supporter