

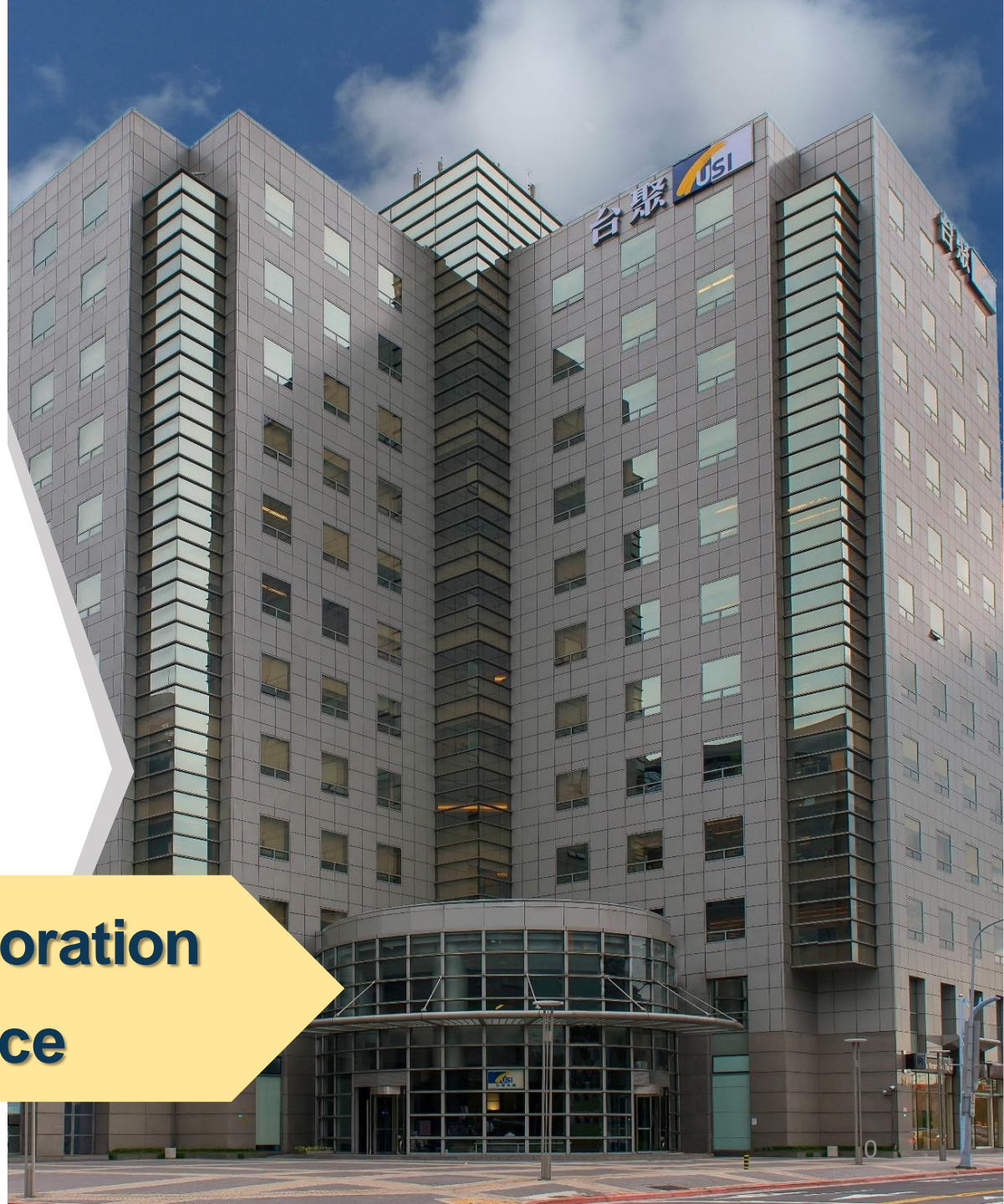
2023

11/16



台聚集團

Asia Polymer Corporation Investor Conference





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The information in this presentation is not for investment advices.



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APC

**Reported By: Dave Tseng
(Sales Director)**



Brief Introduction to APC



Established Date

Jan.25,1977

Capital

NT \$5,940M

No. of Employees

234 (2023.9.30)

Revenue(2022)

Individual : NT \$9,600M
Consolidated : NT \$9,800M

LDPE/EVA Plant

Production Facility

- 4 sets of High-Pressure autoclave production lines

Annual Capacity

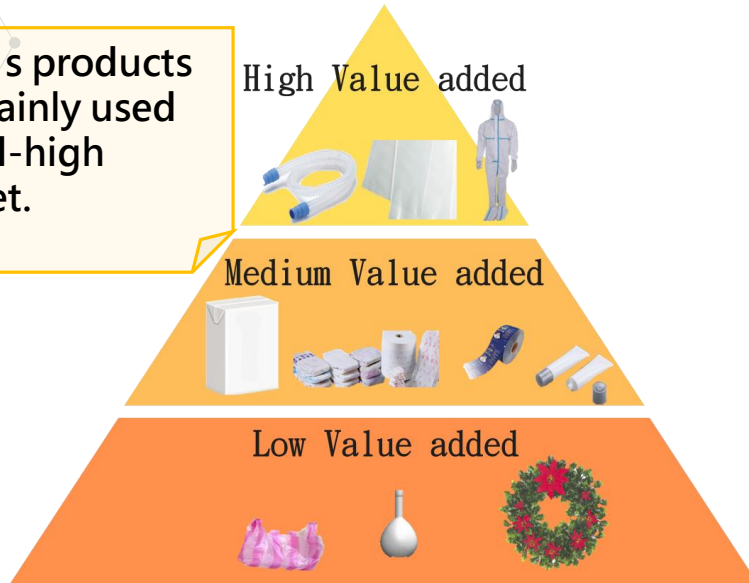
- Total at 150KMT

Main Products

- Low Density Polyethylene Resin (Lamination/Injection /Film Grades)
- Ethylene-Vinyl Acetate Copolymer Resin(High-Elastic Foaming/Extrusion Coating/PV/W&C Grades)

Differential/Tailor-made Products

APC's products are mainly used in mid-high market.



High-end applications

semiconductor packaging, low-gel protective film, medical device

Mid-range applications

food packaging, electronic packaging, medical supplies, cosmetic packaging

Low-end applications

carrying bag, garbage bag, hardware packaging, home accessories

In Jan. ~ Sep. 2023, Taiwan LDPE demand was around 120 KT, and APC accounted for about 20% market share.

Focus on Upgrade EVA Application Level

Ten years ago

Focus on general purpose foam applications (LOWER BARRIER)



Foam Grade

Now

HIGH BARRIER



EVA Solar Grade



EVA Coating Grade



Sporting Goods / Well-known shoe's material

High Performer Grade
19%

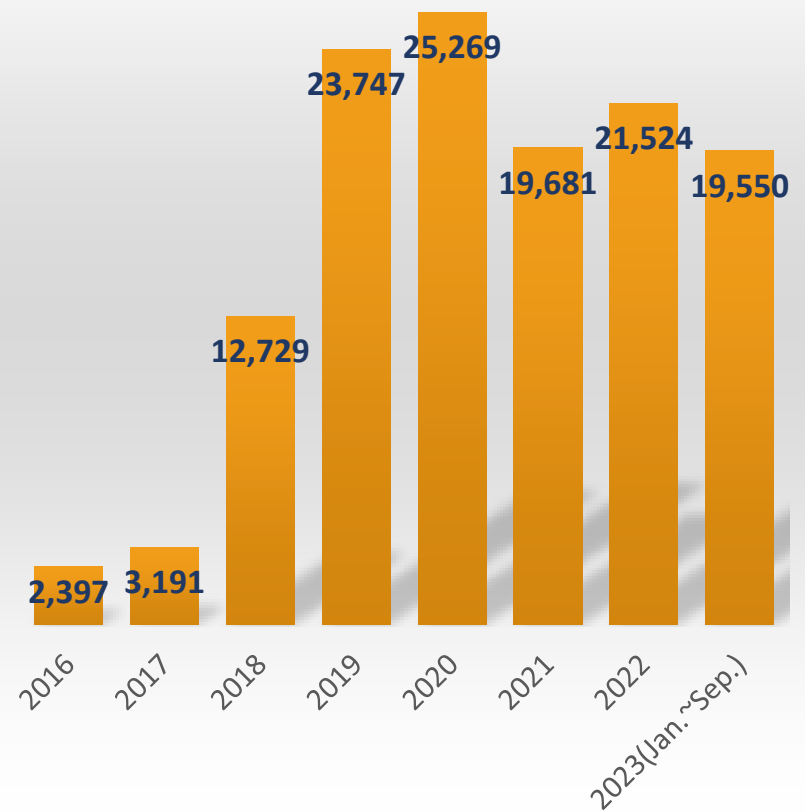
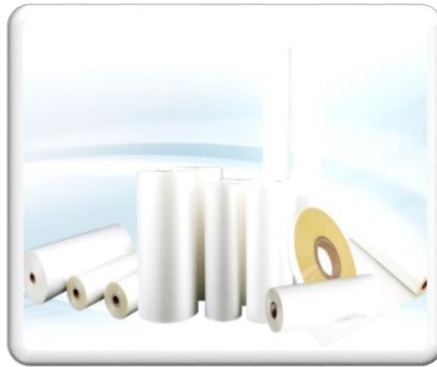
Sales Volume of EVA Lami

Unit: MT/Yr.

**thermal laminating
pouches**

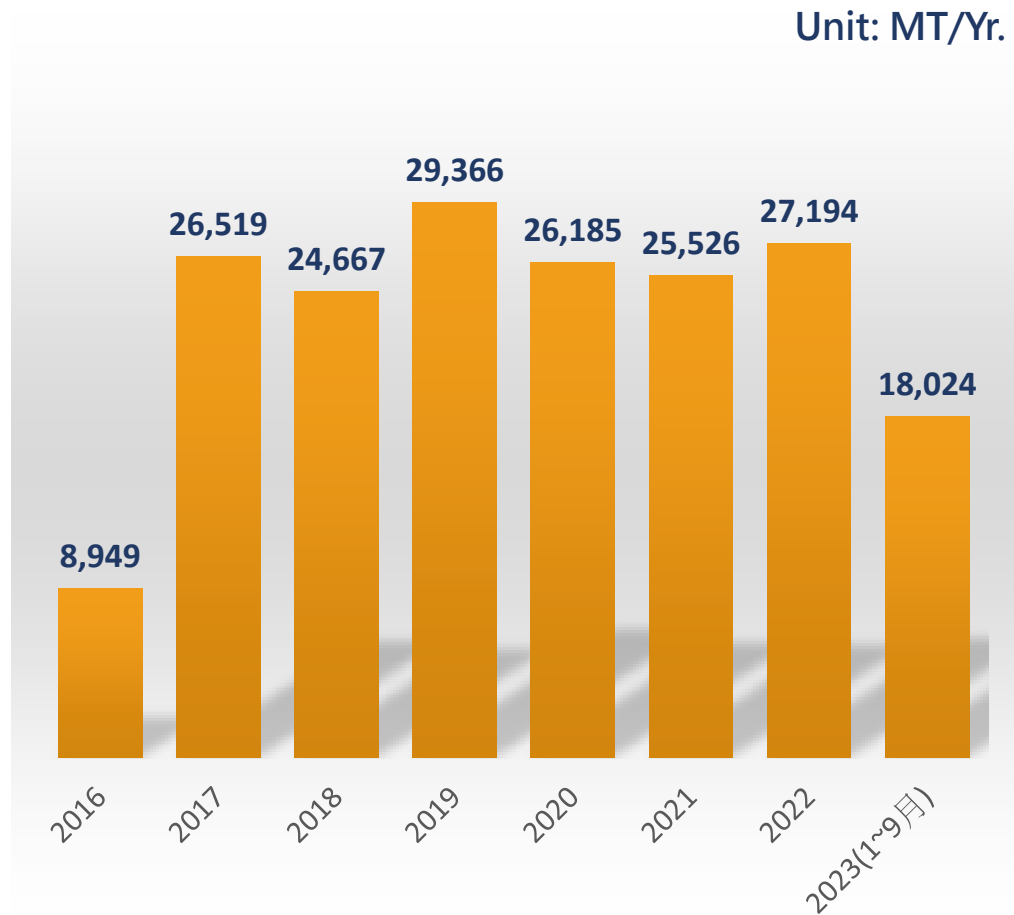
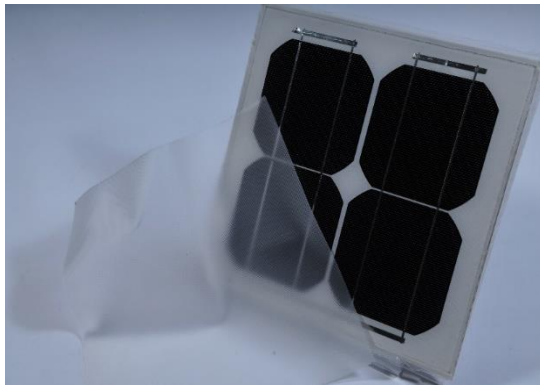


**pre-coated thermal
lamination film**



Sales Volume of EVA PV

PV film



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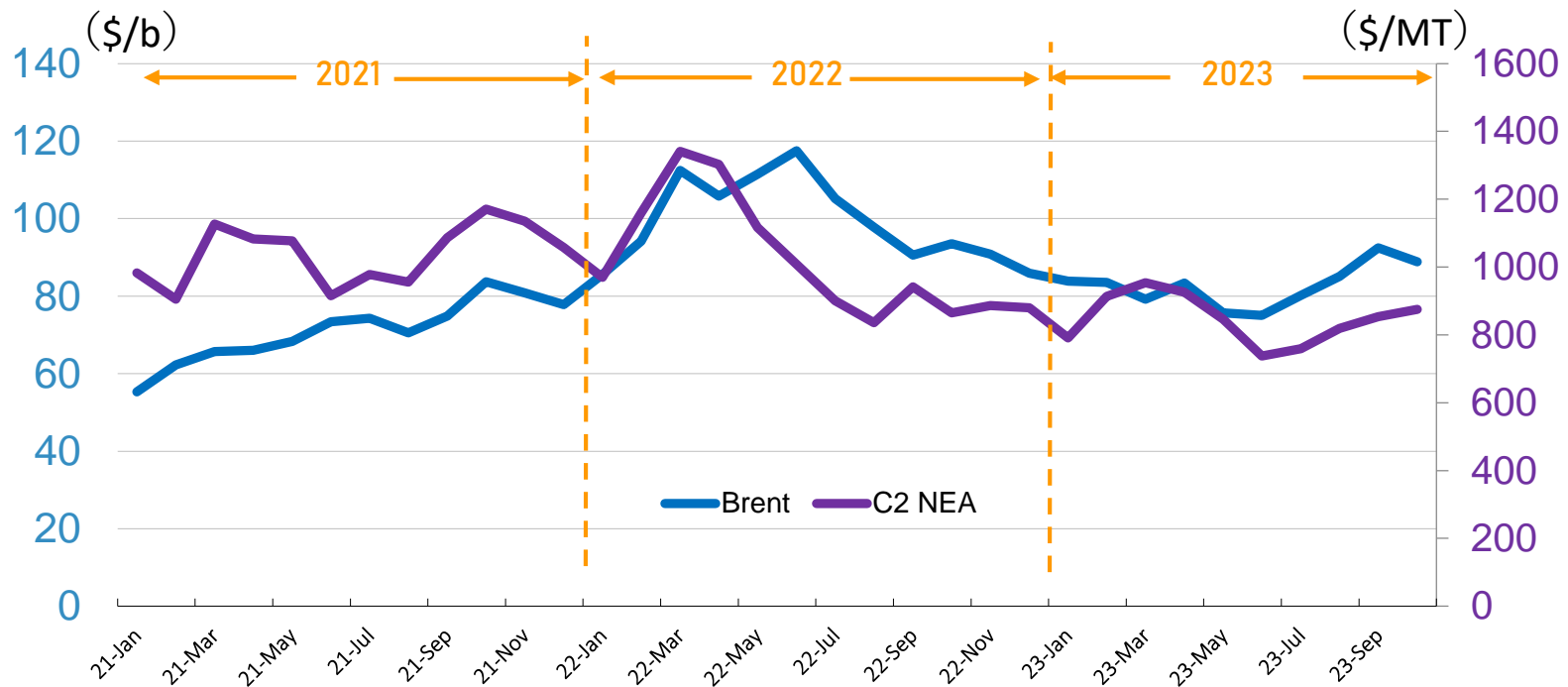
**Reported By: Dave Tseng
(Sales Director)**



Business Review and Outlook

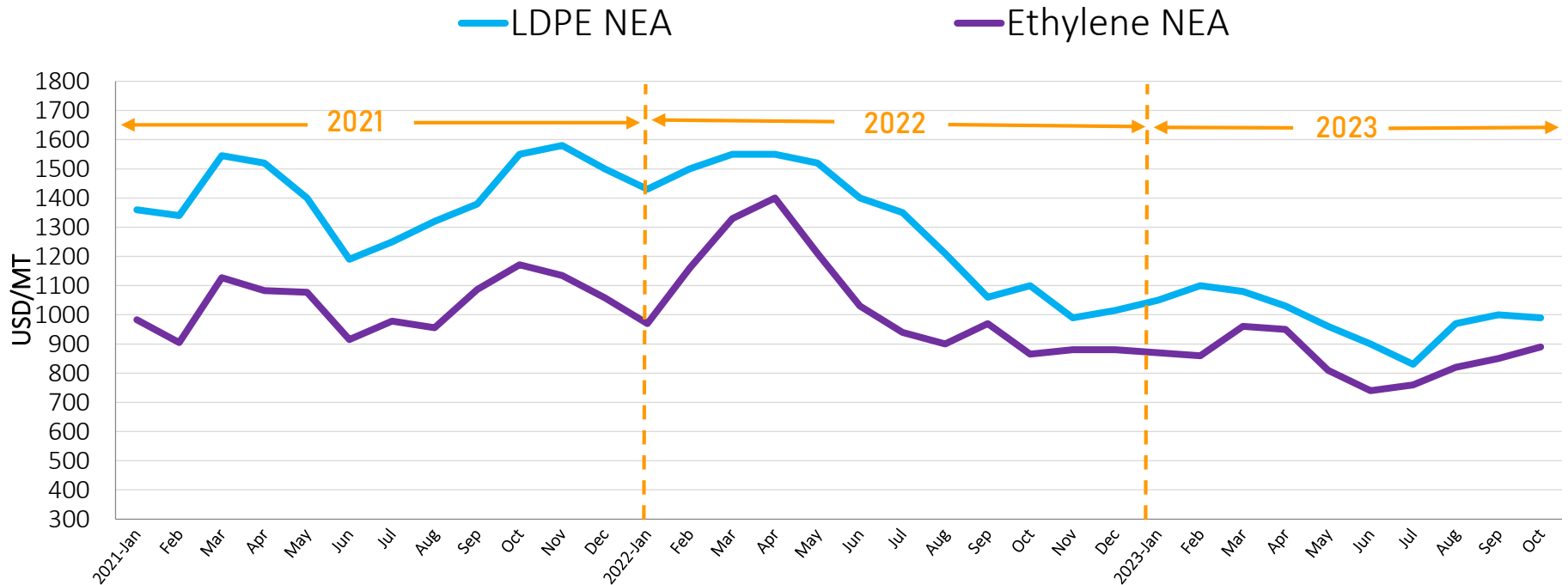
Crude Oil / Ethylene Monomer Review

- After the Lunar New Year in 2023, the price of ethylene was stimulated by the lifted lockdown in China, which drove up the price. In Q2, the demand was lower than expected, thus crude oil price went softened. The ample supply of ethylene in the US and the Middle East caused the spot price to fall. In Q3, crude oil reversed to hike due to the reduced production plan of OPEC+ and the consumption peak season in North America. Crude oil price continued to rise, all the way up to US\$95/b at the end of September. Ethylene price was also affected accordingly. In early July, it reversed upwards from US\$730/MT and reached US\$890/MT by the end of September.



PE Market Review

PE Price Trend



Source from : Platts

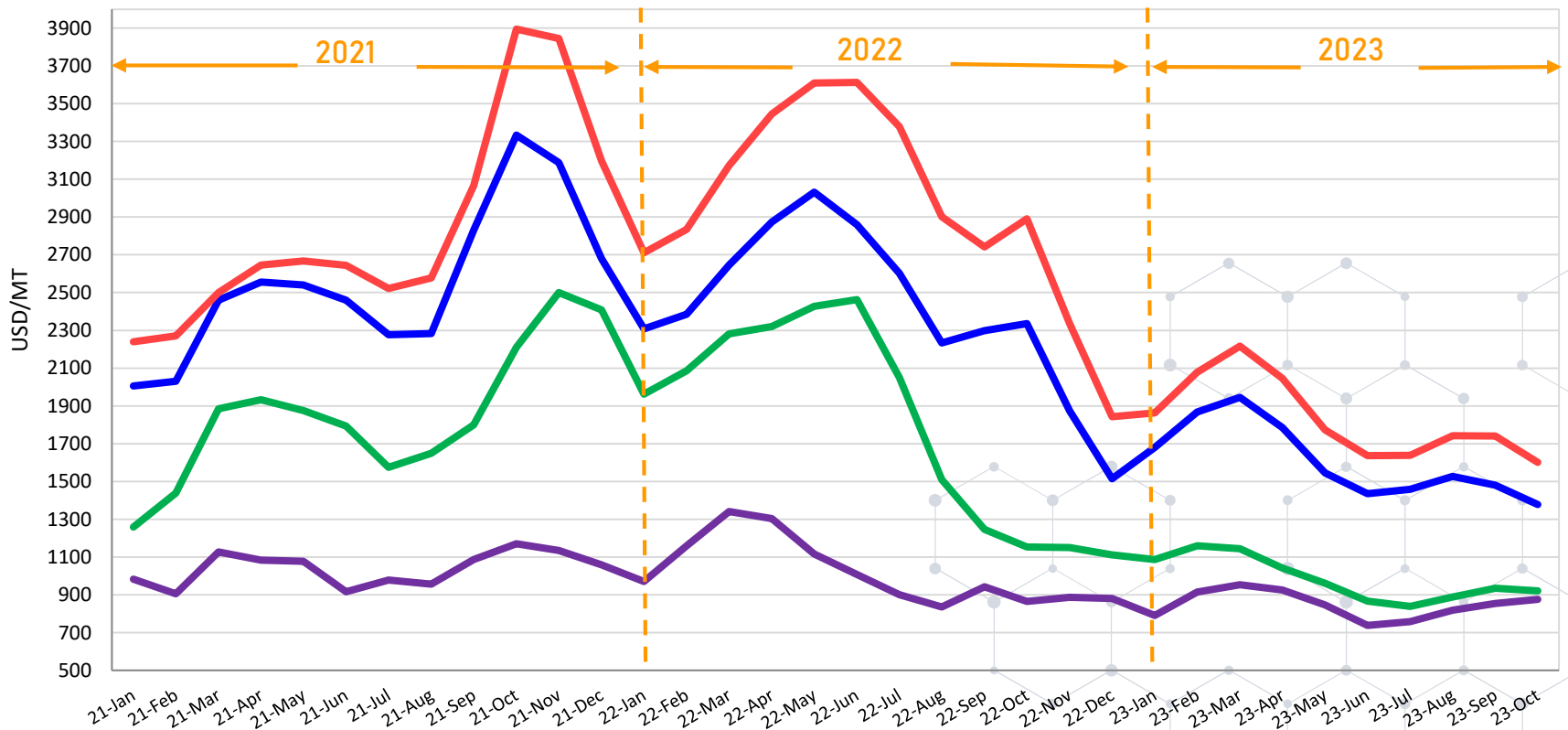
LDPE Operation Review : Jan. – Sep. 2023

- The global economy continued being sluggish. Inflation affected consumption in end market, and PE downstream demand was weak.
- The new production capacity of PE was mainly for HDPE/LLDPE. The new production capacity with autoclave equipment was mostly for EVA production. The new production capacity of coating grade LDPE was rare.
- The demand and profit of EVA were better than that of LDPE. One production line was kept for LDPE manufacturing. From January to September 2023, LDPE sales increased by about 4% compared with the same period last year.

EVA Market Review

EVA Price Trend

— EVA 14%~20% CFR CMP — EVA 22%~30% CFR NEA — Ethylene CFR NEA — VAM CFR NEA



Source from : ICIS

EVA Operation Review : Jan. – Sep. 2023

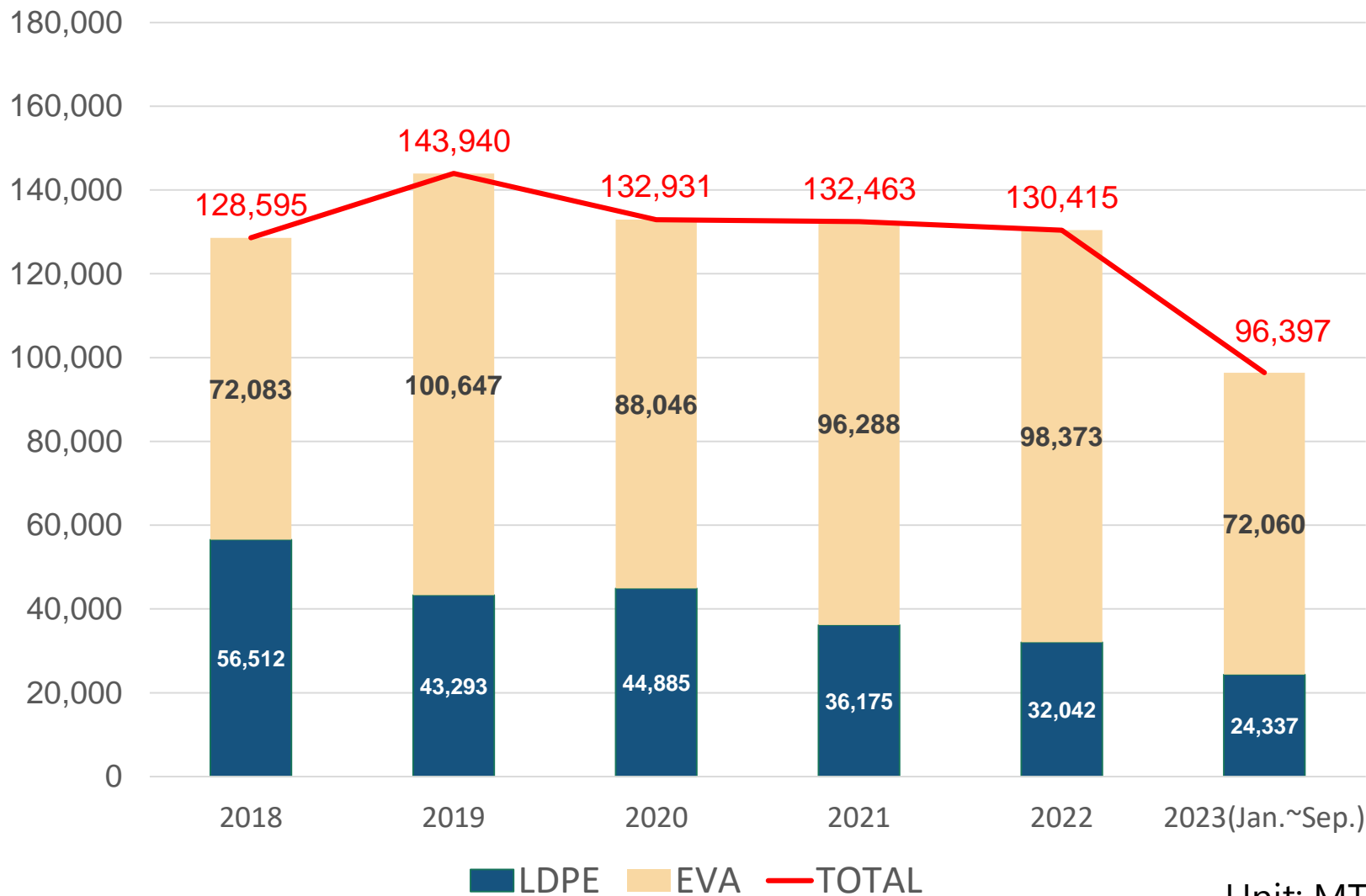
- At the beginning of the year, traders were actively entering the market to purchase materials. Coupled with the improvement in PV demand, the price rose from the low point. From late March, downstream demand was weak and the price turned downwards. In addition, EVA plant of Gulei Petrochemical was about to be put into production. The market sat on the fence and the price continued to fall. Gulei EVA was put into production in May. The market believed that the low point had been reached, and the willingness to enter the market to purchase materials increased. The price started to rise from the bottom in late July. In late September, the inventory of PV factories was high but the demand turned weak, thus the price began to fall.
- Lamination grade EVA is a major product to the Company. The manufacturers of lamination grade EVA are limited. Its market hype is not as much as that of foaming and PV grades. Sales volume from January to September 2023 increased by approximately 31% compared with the same period in 2022.

Operation Review : Jan. – Sep. 2023

LDPE/EVA Sales Volume Comparison

Sales Volume (KMT)	2021	2022	2023(Jan.~Sep.)
LDPE	36	32	24
EVA	96	98	72
TOTAL	132	130	96

Sales Volume in Recent Six Years



Unit: MT

Operation Outlook in Q4

- Crude oil :

OPEC+ announced to maintain production cuts until the end of 2023. The oil price premium caused by the Israel-Palestine Conflict in October has been eliminated. The market worries about China's economic prospects, and the oil price has fallen significantly.

- Ethylene :

The supply of ethylene in Asia is oversupplied and the supply in the US is still sufficient. Overall downstream demand remains sluggish. Crackers maintain low operating rates.

- VAM :

300 KMT new capacity from Zhejiang Petroleum & Chemical has been put into production in later October. It is going to impact Asian market and bring the price downwards.

Operation Outlook in Q4

LDPE/EVA :

- For LDPE market, the international PE market demand is still weak. The Company's LDPE is supplied mainly to the domestic market, so the demand is relatively stable.
- PV demand is still strong. From January to September, China's newly installed capacity was 129 GW. It is an increase of 145% over the same period last year, and exceeds the total installed capacity for the entire year last year in China. The demand of PV grade EVA has become the determinant factor to EVA market.
- 250 KMT new EVA capacity of Baofeng Energy is expected to be put into production around Q4 of 2023 to Q1 of 2024. Other new capacities are not expected to join the market until Q4 of 2024.
- Coating grade EVA has higher entry barriers and limited supply manufacturers. Its price is relatively stable due to less market manipulation. The Company actively explores new coating grade markets outside of China. In addition, the Company flexibly adjusts the products mix based on the price difference between coating grade and foaming grade.

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**Reported By: Nicolas Chen
(Accounting Manager)**



Finance Information

Consolidated Statements of Income

(In millions of NTD, except per share data)

	2023 Jan.~Sep.	2022 Jan.~Sep.	QoQ%	2022	2021	2020
Sales	5,040	7,311	-31%	9,815	9,566	5,704
Cost of goods sold	4,065	4,897	-17%	6,582	5,968	4,574
Gross profit	975	2,414	-60%	3,233	3,598	1,129
gross profit ratio	19%	33%		33%	38%	20%
Operating expenses	165	218	-24%	286	278	207
Operating income	810	2,196	-63%	2,947	3,319	922
operating income ratio	16%	30%		30%	35%	16%
Non-operating income(loss)	(461)	(757)		(1,129)	419	363
Income(Loss) before income taxes	349	1,439	-76%	1,818	3,738	1,285
Income taxes expense(benefit)	81	293	-72%	370	637	182
Net income(loss)	268	1,145	-77%	1,447	3,101	1,104
net income ratio	5%	16%		15%	32%	19%
Earnings per share	0.45	1.93		2.44	5.22	1.90
Adjusted EPS		1.93		2.44	5.22	1.86

Financial Ratio Analysis

	2023 Jan.~Sep.	2022 Jan.~Sep.	2022	2021	2020
Operating income margin(%)	16.1	30.0	30.0	34.7	16.2
Net income margin(%)	5.3	15.7	14.7	32.4	19.3
Debt ratio(%)	10	14	13	19	28
Current ratio(%)	369	299	244	211	200
Quick ratio(%)	272	222	199	173	171
Accounts receivable turnover days	48	47	46	41	48
Inventory turnover days	38	34	31	27	28

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Thanks for attending and kind support.



Company Website : <http://www.apc.com.tw>

