

2025



Investor Conference

2025/5/16





China General Plastics Corp.

Investor Conference

2025/5/16

Time	Itinerary	Reporter
14:00~14:30	VIP Registration	
14:30~15:00	Review for Q1 & Outlook for Q2	J H Wu, Director
	Finance Information for Q1	C F Li, Manager
15:00~15:30	Q&A	Otto Hu, President

2025 Q1 Review & Q2 Outlook

May16, 2025

Reporter : J.H. Wu, Director

2025 Q1 Review : PVC feedstocks

- ◆ **Ethylene** Although the demand for replenishment after the Lunar New Year Festival once pushed the price of ethylene in Northeast Asia back above \$900/mt, the subsequent weak demand for ethylene derivatives caused buyers turn to the sidelines. The severe impact of China's excess petrochemical capacity has forced Asian crackers to remain conservative, and ethylene prices have weakened in response to poor downstream gas purchases.
- ◆ **EDC** The strong caustic soda market in Q1 supported higher chlor-alkali operating rates, contributing to increased EDC production. In addition, U.S. EDC suppliers have continued to seek export opportunities, leading to a relatively loose supply situation. However, with only limited improvement in downstream PVC and VCM demand, buyer sentiment remains cautious, putting downward pressure on EDC market prices.
- ◆ **VCM** The sluggish real estate market continues to dampen PVC demand in China, prompting VCM buyers to adopt a more cautious and conservative procurement approach. Major VCM producers in Asia are maintaining low operating rates due to scheduled maintenance and poor margins. In the short term, both supply and demand for VCM remain weak, and future market trends will largely depend on changes in China's domestic PVC demand.

2025 Q1 Review : PVC (I)

- ◆ In Q1, PVC spreads in Asian markets performed poorly, many producers are under maintenance or lower operation to reduce losses. However, Chinese new capacity continued to join production and keep running during the Spring Festival holidays. The spring inspection of the equipment started in March but the effect was limited. The operating rate still read at 77~79%. Inventory soared higher after the holidays. The US-China trade war and sluggish real estate investment/operations have dragged down the plastic manufacturing industry, and PVC futures/spot prices have continued to fall. For speed up inventory reduction, the producers in China increased overseas dumping and benefitted from the non-implementation of India's BIS/ADD, the export volume increased by 54% year-on-year.

2025 Q1 Review : PVC (II)

- ◆ India's Q1 fiscal year was settled. With China's high imports, sufficient inventory, falling freight rates and buyers wait and see, PVC demand slowed down. The market share of non-China origin shrank. Import volume remained at the same level year-on-year. In Bangladesh, the rigid demand in infrastructure was limited from weak financial flows and price interference in neighboring regions. That slowed down the trading momentum. Due to the Spring Festival holidays in Southeast Asia and weak demand in Europe and the US, the low prices of Chinese PVC dominated the market. PVC dealing prices fell and the volume shrank.
- ◆ Although the US market was affected by strikes and winter cyclones in Q1, the relevant economic data was strong and some PVC plants started their additional new capacity that made PVC output increasing by 3% year-on-year. The domestic and foreign sales were grown simultaneously (+3%/13%). Domestic selling prices remained stable but the export deals were dragged down by sluggish demand in original held markets. Asian low market condition led export prices also fell (-7%). Inventories reduced rapidly month-on-month (-24%).

2025 Q1 Review : Consolidated Sales

- ◆ The consolidated sales in 2025 Q1 was NT\$ 2.462B, which decreased by 0.443B YOY(15%↓)。

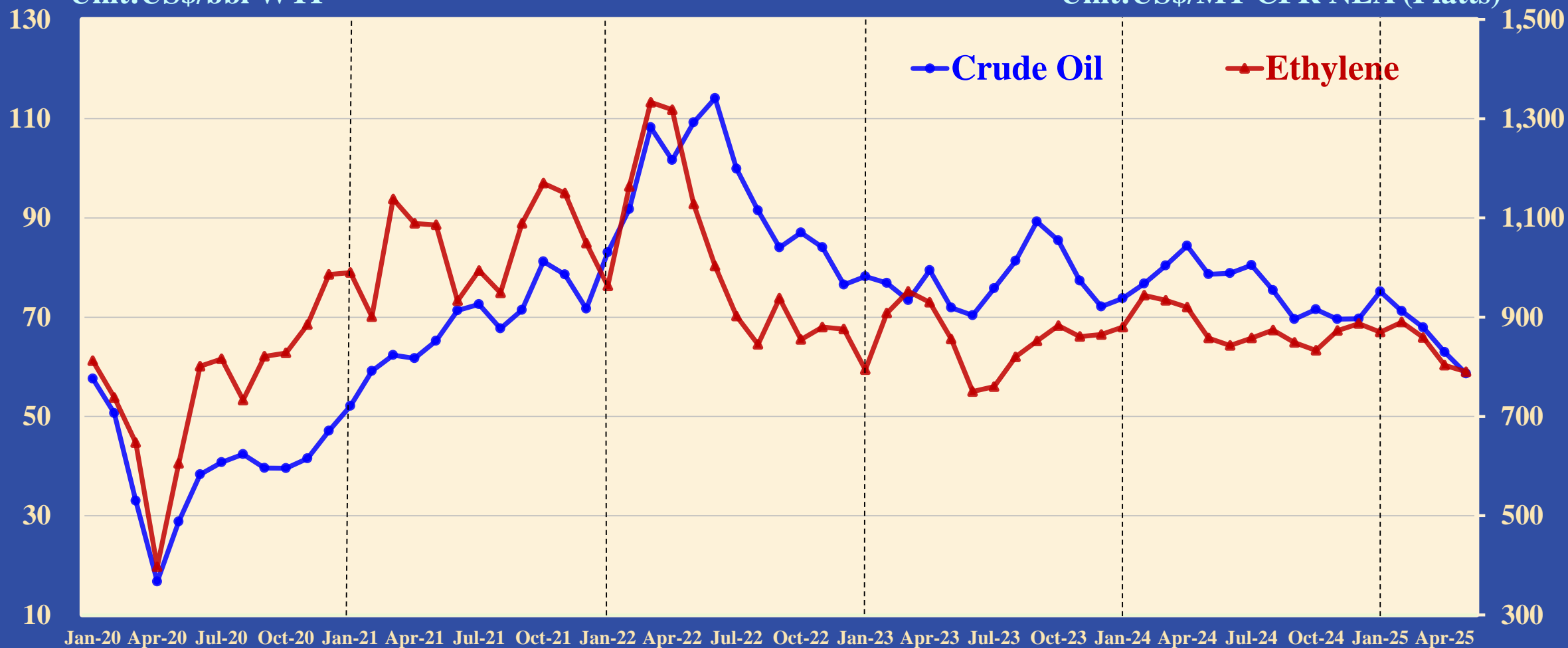
Sales Quantities (KT)

	2025 Q1	2024 Q1	+/-
VCM/PVC	70	83	-13
PVC Products	7	10	-3
Alkaline	15	15	0
Total	92	108	-16

Crude Oil & Ethylene Price Trend

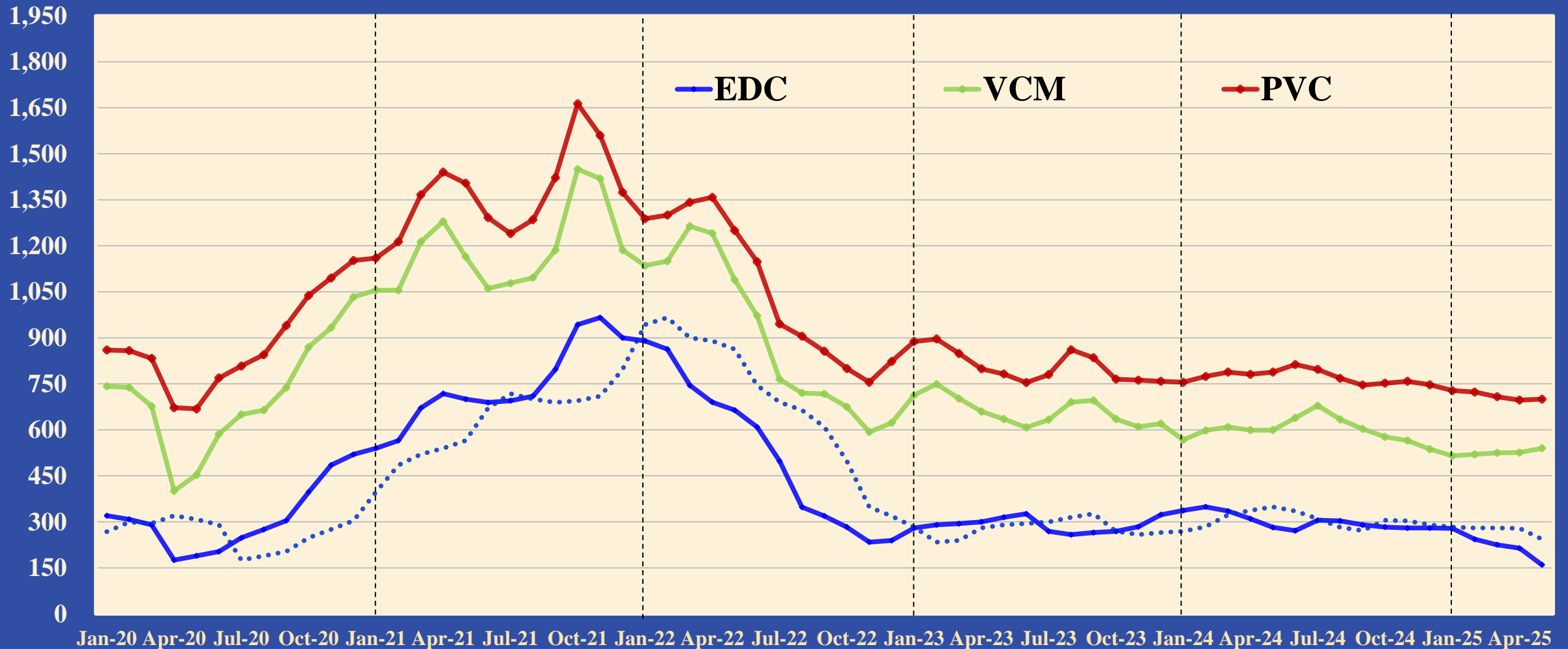
Unit:US\$/bbl WTI

Unit:US\$/MT CFR NEA (Platts)



PVC / VCM / EDC Price Trend

Unit:US\$/MT CFR NEA (Platts)



2025 Q2 Outlook : Ethylene

- ◆ The U.S. tariff war has impacted global crude oil demand. Coupled with OPEC+ plans to increase production and ongoing tensions between the U.S. and Iran, oil prices have fallen to their lowest levels in nearly four years. The ongoing trade tensions are reshaping the global energy landscape, and crude oil prices are expected to remain volatile in the short term.
- ◆ Asian naphtha crackers have been adjusting operating rates to preserve margins amid increased capacity in China and an oversupplied market. According to the JPCA, Japanese crackers have maintained an operating rate of around 80% for the past two years. As margins on ethylene derivatives continue to narrow, buyers have adopted a more cautious stance, contributing to the downward volatility in Asian ethylene prices.
- ◆ The IMF's downward revision of global economic growth, continued expansion of China's refining and petrochemical capacity, and the unpredictability of Trump's tariff policies have all added uncertainty to downstream petrochemical product demand. As a result, demand for ethylene derivatives and related plastic products is expected to remain weak. With supply conditions easing, ethylene prices are likely to face further downward pressure.

2025 Q2 Outlook : EDC / VCM

- ◆ **EDC** : China's caustic soda exports reached a record high in Q1, leading to an overall supply surplus in Northeast Asia and recent regional price volatility. This may prompt some chlor-alkali producers to adjust their operating rates. Meanwhile, U.S. EDC (ethylene dichloride) supply remains ample. With weakening downstream demand for VCM/PVC, spot EDC buyers have adopted a wait-and-see approach, and the EDC market outlook remains bearish with continued price fluctuations.
- ◆ **VCM** : In Q2, VCM producers in Asia continue to implement maintenance plans and reduce operating rates, keeping overall supply relatively tight and providing support for VCM prices. The market is closely monitoring developments related to India's anti-dumping duties, BIS implementation, and the outcome of Trump's reciprocal tariff negotiations, with hopes that these factors may help stabilize demand and pricing trends for VCM and PVC.

2025 Q2 Outlook : PVC Supply

- ◆ Chinese PVC plants spring maintenance peaked in Q2. But new production capacity continued to join into production and the alkali chlorine operation remained high ($\uparrow 82\sim 83\%$). The costs of calcium carbide and VCM kept stable, but the operating rate full run during the Labor Day holidays. It made PVC operating rate started to be increased from middle-term of Q2 simultaneously. The operation of PVC manufacturing downstream market was affected by the high import tariffs imposed by China and the US. That made the demand in PVC was hit. It is expected the PVC producers expand their export volume to lower down inventory.
- ◆ In Q2, crude oil and light oil prices fell. Ethylene production was reduced. Demand for downstream derivatives and PVC was sluggish. Although EDC prices fell and many VCM plants in Asia lowered down their production or went into maintenance, the PVC market has not stopped falling. The PVC producers in Northeast Asia cannot break even. It made PVC supply to be tighter.
- ◆ In Q2 of the US, output from new production capacity was offset by series maintenance. The PVC production expected to be normal as usual, and supply seems smooth. As exports face bidding wars from Chinese PVC, the US producers' transaction mainly come from the domestic sales for clearing their inventory.

2025 Q2 Outlook : PVC Demand(I)

- ◆ Chinese economic development faces multiple pressures both in domestic and abroad. In addition to the continuous drag on the recovery of real estate, the US-China trade war has escalated to fight with comprehensive high-tariff each other. That has obviously impacted the export fabrication industry. The PMI in April has dropped to 49. Although the central bank has lowered the reserve requirement ratio and interest rates to promote capital circulation, it is not easy to have a positive effect on domestic demand for PVC. However, benefiting from the non-implementation of India's ADD/BIS and the reduction in freight rates, it is expected to maintain its advantages through price adjustments in near-sea and offshore areas.

2025 Q2 Outlook : PVC Demand(II)

- ◆ India's new fiscal year budget for Q2 was implemented. The demand for PVC in agriculture and irrigation infrastructure was strengthened. In addition to paying attention to the price and inventory changes of Chinese PVC, domestic manufacturers' price cut to compete with import cargos. With the approaching ADD final findings/the increase in producers and supply through BIS certification, the non-Chinese producers will gradually reverse to get back advantage in terms of volume and price by the end of Q2.
- ◆ The US launched a global tariff trade war, making economic prospect and data (inflation/unemployment/consumption) are unclear. FED won't cut interest rates for the time being. However, Q2 is the traditional peak season of the construction, pipes and window material industries. Domestic demand for PVC is expected to be increased. However, deep sea markets continue to face challenges from ADD and Chinese origin cargos bidding in various main markets (Latin America, Africa). As global freight rates fall, PVC material from various sources are also moving towards Asia (India, Southeast Asia). The pressure to Asian commodity market increased rapidly.

2025 Q2 Outlook: PVC Products(I)

- ◆ Construction materials products: Domestic private housing sales/operation rate have been sluggish for more than three consecutive quarters. The manufacturing industry was impacted by the imposition of high US tariffs and the government's continuous credit control. The projects launched in Q2 expected to be limited. However, CGPC are actively making plans in various public projects to coordinate production and sales appropriately for stabilizing the gross profit of construction products. At the same time, replace energy-consuming equipment, optimize the production process, promote the use of recycled materials, save energy and reduce carbon emissions in order to meet the goal in ESG.

2025 Q2 Outlook: PVC Products(II)

- ◆ PVC film & leather: In Q1, the demand for PVC leather of automobiles, boats and furniture in North America gradually recovered. Stepping into Q2, new items of leather and film products developed for domestic and foreign sales were gradually come to commercialization and make the sales volume/profit increased. During the Grace Period of high tariffs, rush orders are pouring in. That makes revenue expected to be increased. In addition, the machine renovation of PVC leather plant was completed and the trial run completed in Q1. PVC film plant reduced the operation scale and prioritized the production of refined and profit-making products. Leather and film production is mainly focused on efficiency improving, energy conservation, emission reduction, products recycling, highly functional products and environmentally friendly materials.

High Value-added New Products (I)

1. PVC CHROMA Cool :

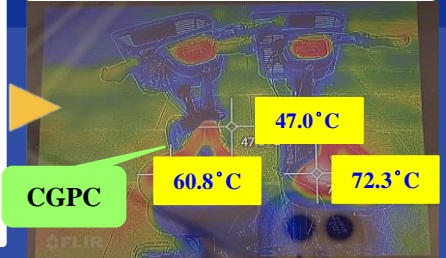
- Promoting the bicycle market.

Summer outdoor exposure tests in Kaohsiung proved that the cooling seat heats up slower than regular seats, with a difference of 12 degrees .

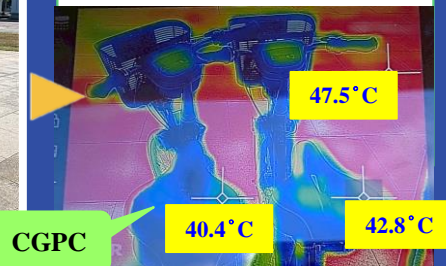
Cools down faster to a comfortable temperature after exposure.



Kaohsiung Outdoor Exposure Test

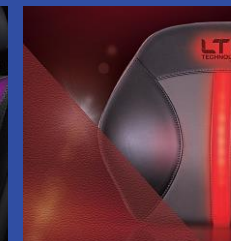


Cooling Down After Exposure



2. PVC LUMINAIRE :

- Used in the automotive, yacht interior, and architectural decoration markets.
- Flashes in the dark to present various exclusive design patterns, enhancing product functionality and added value.



High Value-added New Products (II)

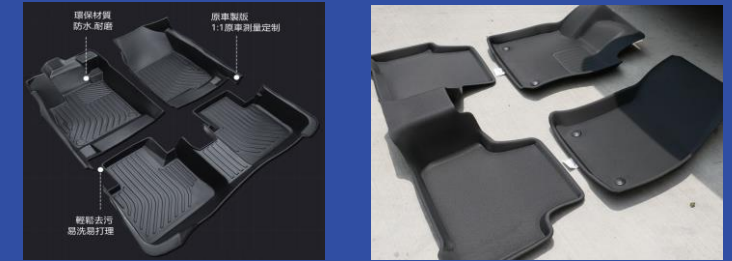
3. TPO Car Seat & Stroller leather :

- Adopted by the European brand Chicco.
- lightweight, cold-resistant, comfortable, non-toxic, and environmentally friendly, and fully recyclable (an ESG product).



4. TPO Car Floor Mats :

- Exported to Australia and the US for AM car floor mats.
- scratch-resistant, wear-resistant, resistant to pattern fading and deformation.
- made of environmentally friendly and fully recyclable non-PVC material (ESG).



5. TPO Cutting Mat :

- Used for school-grade stationery desk mats in Japan, the US, and Taiwan.
- Replaces PVC, the material is strong and does not show white marks after cutting.



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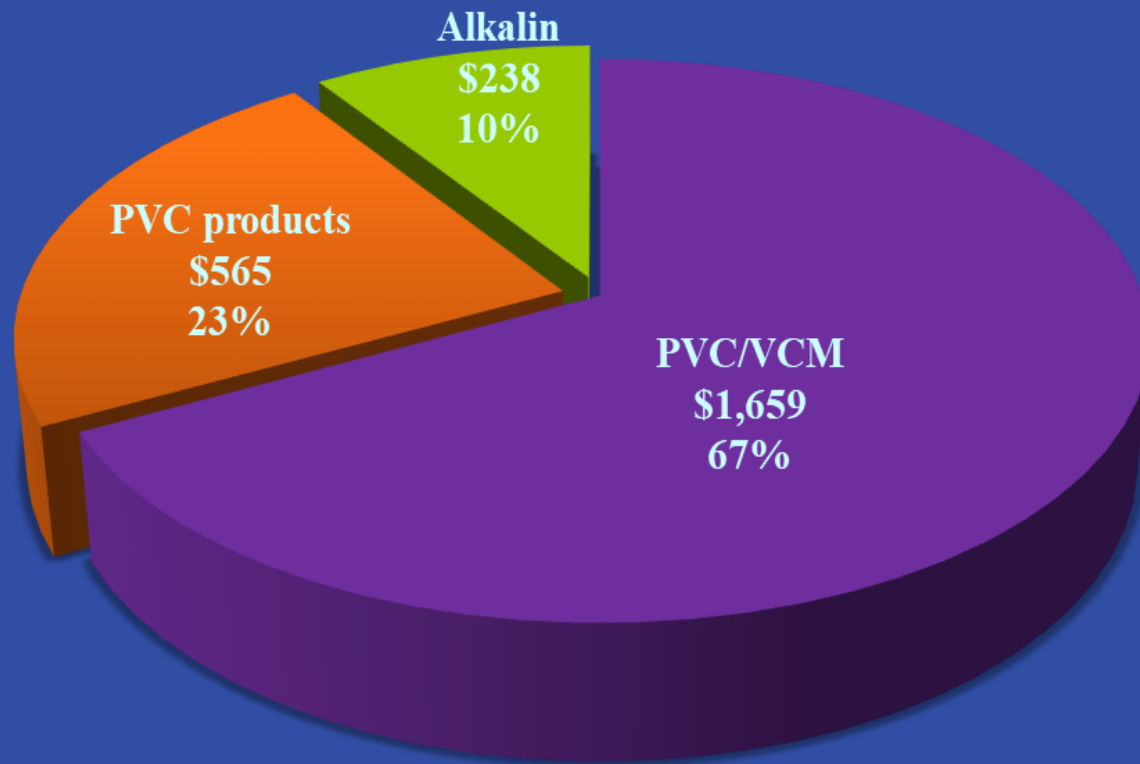
2025 Q1 Finance information

May 16, 2025

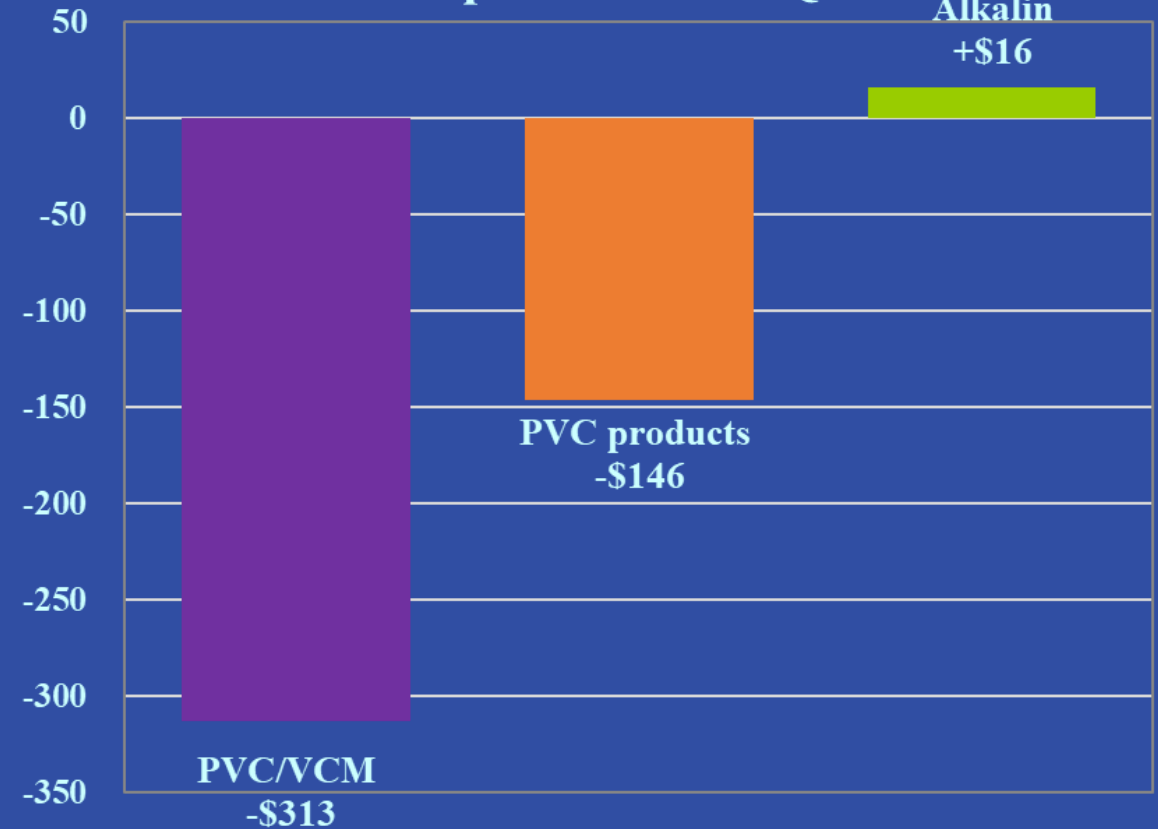
Reporter : C F Li, Manager

2025 Q1 Sales by Products

(NT\$million)



2025 Q1 Inc./(dec.)
- compared to 2024 Q1



Consolidated Statements of Income

Unit : NT\$million , except per share data

	2025 Jan.-Mar.	2024 Jan.-Mar.	YoY%	2024 FY	2023 FY	2022 FY
Sales	2,462	2,905	-15.2%	11,087	13,707	17,637
Cost of goods sold	2,568	2,732	-6.0%	10,876	12,030	16,959
Gross profit	-106	173	-161.3%	211	1,677	678
Gross profit ratio	-4.3%	6.0%		1.9%	12.2%	3.8%
Operating expenses	252	273	-7.7%	1,054	1,217	1,662
Operating income(loss)	-358	-100	258.0%	-843	460	-984
Operating income ratio	-14.5%	-3.4%		-7.6%	3.4%	-5.6%
Non-operating income(loss)	-2	40	-105.0%	-77	7	467
Income(Loss) before income taxes	-360	-60	500.0%	-920	467	-517
Income taxes expense(benefit)	-76	-18	322.2%	-169	73	-179
Net income(loss)	-284	-42	576.2%	-751	394	-338
Net income ratio	-11.5%	-1.4%		-6.8%	2.9%	-1.9%
Net income(loss) attributable to						
- China General Plastics Corporation	-268	-32	747.9%	-710	342	-370
- Noncontrolling interest	-16	-10	50.0%	-41	52	32
Earnings(loss) per share	-0.46	-0.05	744.0%	-1.22	0.59	-0.64

Financial Ratio Analysis (Consolidated Basis)

	2025 Jan.-Mar.	2024 Jan.-Mar.	2024 FY	2023 FY	2022 FY
Operating income margin(%)	-14.5	-3.4	-7.6	3.4	-5.6
Net income margin(%)	-11.5	-1.5	-6.8	2.9	-1.9
Debt ratio(%)	49	44	48	42	40
Current ratio(%)	117	177	136	204	217
Quick ratio(%)	70	110	82	127	129
Average days of collection	34	36	34	34	36
Average inventory turnover days	86	87	85	77	61



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The End
Thank You



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Work together to create prosperity

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Q & A



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