2025

台聚集團

Investor Conference

2025/8/21

China General Plastics Corp.

Investor Conference 2025/8/21

Time	Itinerary	Reporter
14:00～14:30	VIP Registration	
14:30～15:00	Review for Q2 & Outlook for Q3	J H Wu, Director
	Finance Information for H1	C F Li, Manager
15:00～15:30	Q&A	Otto Hu, President

2025 Q2 Review & Q3 Outlook

Aug 21, 2025

Reporter : J.H. Wu, Director

2025 Q2 Review : PVC feedstocks

- **Ethylene :** The global economic uncertainty exacerbated by US reciprocal tariffs. OPEC+ planned production increase in Q3 and the impact of increased production by Chinese manufacturers causing ethylene prices continued to decline. In Mid-June, the conflict between Israel and Iran led to rise crude oil and Naphtha prices. In addition, the US ethane export controlling to China tightened spot ethylene supply also led to rise ethylene prices in Asia.
- **EDC :** EDC prices initially declined before rising. High caustic soda plants operating rates coupling with the completion of series annual maintenance and unplanned shutdowns at some VCM manufacturers resulted to ample EDC supply. This limited improvement in PVC/VCM downstream demand led to prices falling to the lowest point since 2008. However, as caustic soda manufacturers faced losses and began to curb their production, tightening supply led to recovery in prices gradually.
- **VCM :** Annual maintenance and lower operating rates due to poor profitability at Asian VCM manufacturers resulted tight overall supply and supported VCM prices. However, weak downstream PVC demand led to cautious purchasing. VCM quantity and price fluctuations remained range-bound.

2025 Q2 Review : PVC(I)

- Plant maintenance remained high in China during Q2, but new capacity added to push operating rates increased gradually (74% to 78%). Output increased by 3% in H1 year-on-year. However, the reciprocal tariffs imposed by China and the US, as well as the sluggish real estate sector weighed on the plastics fabrication industry causing PVC futures to fall. Export prices also declined due to increased overseas dumping for lowering down inventory. Benefiting from the postponement of India's BIS/ADD and price competition in remote markets, exports increased by 44% in H1 year-on-year. PVC manufacturers in Northeast Asia reduced production to maintain margins and reduce losses.

2025 Q2 Review : PVC(II)

- With the start of India's new fiscal year in Q2, demand for PVC in agricultural irrigation and infrastructure projects strengthened. However, ample supply/ higher proportion of low-priced Chinese imports (up 15% year-on-year)/ rising freight rates/ tariffs/ appreciation of the Rupee and the India-Pakistan conflict slowed down transactions , and leading import to be decreased 4.3% year-on-year in H1. PVC demand in Bangladesh remained stable, but trading activity hampered by financial credit issues and falling prices in neighboring regions. Southeast Asia's import PVC prices also fell and volumes shrank due to the impact of US tariff negotiations, public holidays, weak end-user demand in Europe and the US and low-priced dumping from Chinese goods.

- Strong US economic data in Q2 coupled with new housing starts and the peak building materials season led to stable domestic PVC sales (up 2% year-on-year in the first half of the year) and stable prices. US PVC production was also up 2% in Q2 year-on-year. However, export prices in key export regions fell (-3%) due to ADD disruptions and price competition from Asian goods. It made the inventories rose modestly (400,000 tons).

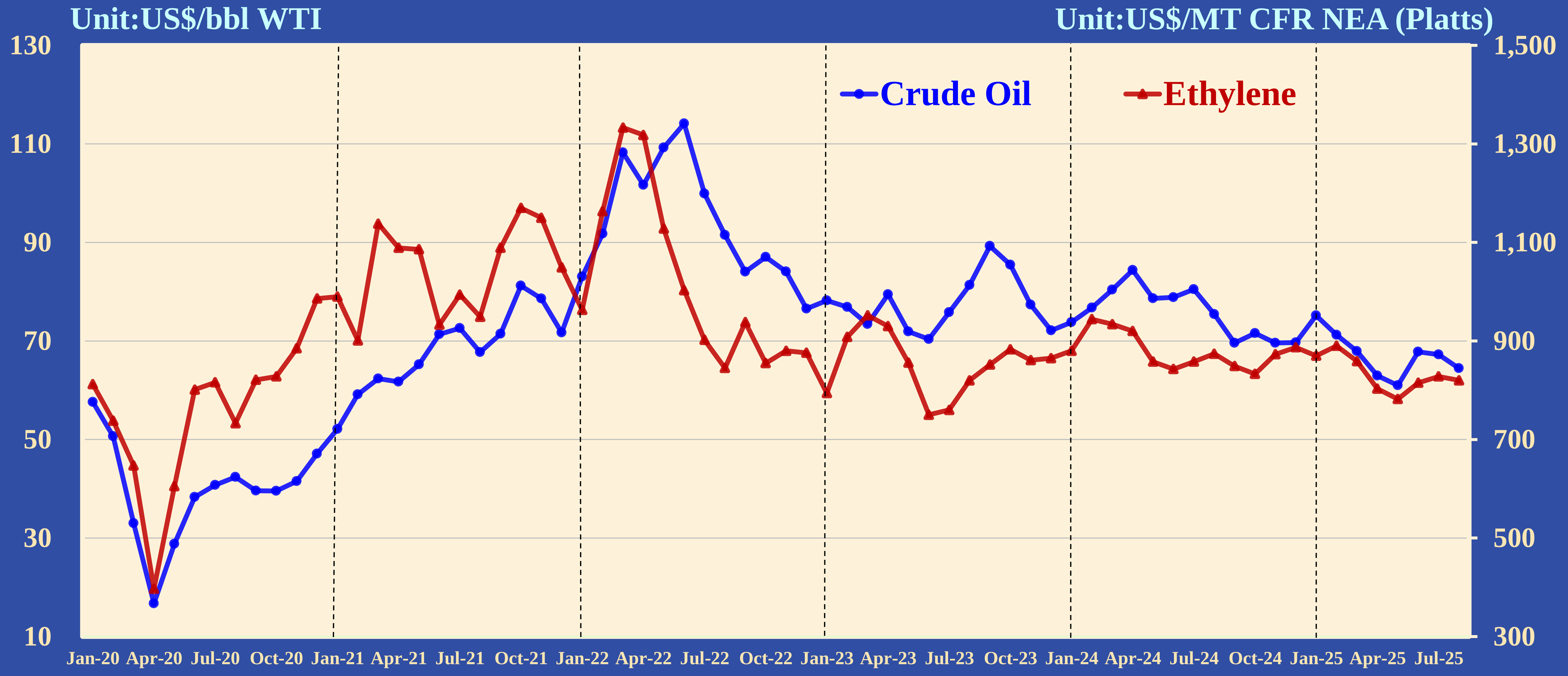
2025 H1 Review : Consolidated Sales

- The consolidated sales till Q2 in 2025 was NT$ 5.120 B, which decreased by NT$ 0.861B YoY (14 %↓).

Sales Quantities (KT)

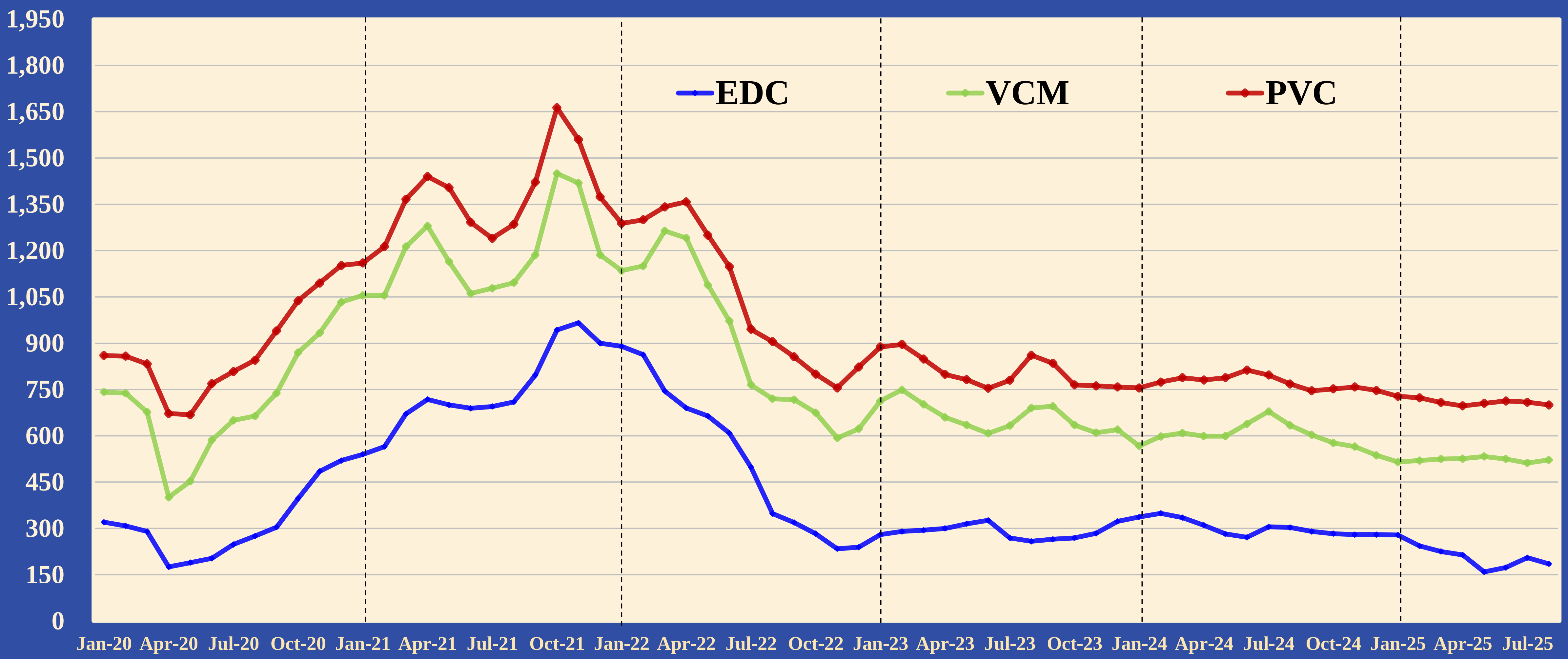
Products	2025	2024	+/-
VCM / PVC	157	166	-9
PVC Products	15	20	-5
Alkaline 100%	29	30	-1
Total	201	216	-15

Crude Oil & Ethylene Price Trend



PVC / VCM / EDC Price Trend

Unit:US$/MT CFR NEA (Platts)



2025 Q3 Outlook : Ethylene

- With the finalization of global US tariffs, the market concerned about the impact of inflation to crude oil demand. Furthermore, OPEC+ has lifted its voluntary production cut agreement and announced production increases in August/September. Though tensions in Russia/Ukraine and the Middle East eased, regional trade protectionist barriers have resurfaced. Crude oil and gasoil prices expected to fluctuate and decline in the second half of the year continuously.
- With the US lift ethane export limitation on China and the demand of three new crackers/ four new PVC plants with additional capacity 1.40 million tons per year making ethylene production rate continues to expand. It also caused the Asian crackers reducing operating rates to stabilize the market prices and maintain margins.
- With the IMF lowered down global economic growth and Chinese petrochemical industry still not slowing its capacity expansion plans, demand for ethylene derivatives remains uncertain. However, ethylene prices are expected to remain stable, closely following gasoil price trends and margins expected to be improved compared to the first half of the year.

2025 Q3 Outlook : EDC / VCM

- **EDC :** Weak demand of alkali chlorine derivatives led to rise the inventories. Production in Northeast Asia continues to reduce for price control. Near-sea EDC producers lower their operating rates to support prices and keep margins. In contrast, US EDC supply is relatively ample. Due to the prices competition of Chinese VCM/PVC, Asian EDC spot buyers are under pressure and adopting a wait-and-see approach. EDC prices expected to fluctuate and trend bearish in the future.

- **VCM :** Under PVC weak demand in Q3, Asian VCM plants implemented intensive annual maintenance to reduce operating rates. Overall tight supply supported prices to remain firm. The market players focus on the post-monsoon demand in India and Southeast Asia, as well as wait for India's ADD final finding which will drive VCM/PVC market prices and demand being recovered.

2025 Q3 Outlook : PVC Supply(I)

- China is making its 15th Five-Year Plan for rectifying low-price/ disorderly competition among enterprises, leading the outdated production capacity to exit orderly. The anti-involution agenda driven by expanding domestic consumption and loosening of real estate investing restrictions to bring expectations of reduced PVC supply and push up PVC futures/ spot prices/ export prices. Calcium carbide and VCM costs remain stable. Alkali chlorine operation rates remain high (80-84%). However, new capacity (1.4 million tons/year) came online that made utilization rate to be 78-80% in Q3, and inventories increased(680,000-700,000 tons). Overseas sales expansion and reducing inventory are priorities.

2025 Q3 Outlook : PVC Supply(II)

- **Declining crude oil and light oil prices led Asian crackers to reduce ethylene production for increasing margins. Downstream derivative and PVC demand remains uncertain (due to tariffs, the Indian monsoon and anti-dumping). EDC producers operate at low rate in order stabilize prices. Many VCM plants in Asia are undergoing annual maintenance. PVC factories are unable to obtain reasonable margins and are tightening supply to wait for price rising.**

- **US PVC plant capacity has recovered, with output increased (1.85-1.9 million tons/quarter). Rising tariffs have sparked inflation concerns. The domestic dealing volume/prices keep stable. As for the exporters are facing competition from ADD and Chinese cargos. Inventory expected keep accumulated.**

2025 Q3 Outlook : PVC Demand(I)

- The Chinese government's macroeconomic outlook remained bullish in Q3 (Two New policies stimulate domestic consumption; supply-side reforms combat involution and control petrochemical products supply; tariff grace extensions improve price competitiveness for PVC end products export to the US; and the property invest restrictions loosen). July's PMI was 49.3. Although the downstream PVC market stepped into off-season, futures and spot prices supported by favorable policies. Exports benefited from the postponement of India's ADD/BIS and lower freight rates, which helped inventory liquidation. By trading with lower price for bigger volume, Chinese PVC expected to maintain its advantage in both near and remote markets.

2025 Q3 Outlook : PVC Demand(II)

- India's PVC demand for agricultural and irrigation infrastructure projects remained stable in Q3. However, the monsoon season impacted downstream consumption causing PVC manufacturers reduced domestic prices. The imported goods are plentiful, resulting PVC market sluggish in Early Q3. Buyers still focused on price fluctuations of Chinese PVC. With the final finding of ADD announced and the BIS verification manufacturers increased, Non-Chinese material sources expected to get a reversal in both volume and price by end of the quarter.

- The US tariff has concluded. Concerning about economic trends and data (inflation, unemployment, consumption) have increased the probability of FED interest rate cut. Domestic PVC demand for construction, pipes, and window materials remained flat quarterly. US PVC is facing ADD in main overseas markets (Brazil, India, and Europe). With falling global freight rates, US PVC sales shifted to Southeast Asia to compete with Chinese cargoes.

2025 Q3 Outlook : PVC Products(I)

- Construction Materials: Domestic private housing sales are impacted by government credit controls/ labor shortages/ rising material cost/ weather conditions leading to a pessimistic expectation for the construction industry outlook and housing start in H2. However, CGPC are pursuing energy public works projects, optimizing production and sales to stabilize gross profit margins of building materials products actively. At the same time, we are replacing power-intensive equipment, implementing smarter processes, obtaining PCR material certificate and promoting ESG carbon reduction initiatives.

2025 Q3 Outlook : PVC Products(II)

- **Film/Leather Products: During the grace period of the reciprocal tariffs in Q2~Q3, urgent orders from North America for automobiles, boats, furniture and stationery surged, leading to increase revenue and profits. CGPC continue to promote high-value products for expanding sales and industrial applications, shifting our sales model to B2C for profits increased gradually. Furthermore, our PVC Leather Factory has fully transitioned to water-based solvents to implement VOC reduction and recycling. Our PVC Film Factory prioritizes refined production and profitable products. Film/Leather production requires improved yield rates, power-saving, emission-reduction. And to focus on recyclable, highly functional and environmentally friendly materials to meet ESG compliance is the main project we are working on.**

High Value-added New Products (I)

1. ISO14021 pipes :

- ESG products, compliant with CNS standards and ISO 14021 certification.
- Made from PCR recycled materials and certified to ISO 14021 :
  1) PVC pipes for CNS 1298 drainage pipes.
  2) PVC electric conduit for CNS 1302.
- Improve the quality of public works and private construction projects, and accelerate the journey towards net-zero carbon reduction.

CNS 1298 drainage pipe

CNS 1302 Power Conduit

2. PVC cooling leather :

- With its slow temperature rise characteristics, the product has been adopted by various industries both domestically and internationally : branded motorcycles, shared motorcycles(bicycles), agricultural vehicles, golf carts, yachts….

High Value-added New Products (II)

3. Optimize rubber products (PVC/TPO), water-based shoulder-friendly properties :

– Uses water-based solvent-free technology to significantly reduce VOC emissions, complying with market trends and environmental regulations.

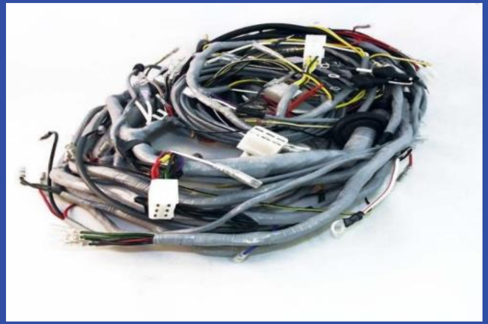
- Excellent properties : skin-friendly, soft and delicate touch, flame retardant, scratch/flexibility resistant.

- Complies with international standards (EU RECH, RoHS, PFAS…regulations).

- Marker application : various skin-friendly indoor products, automobiles, furniture, baby seats, and long-term care bed and chair leathers.

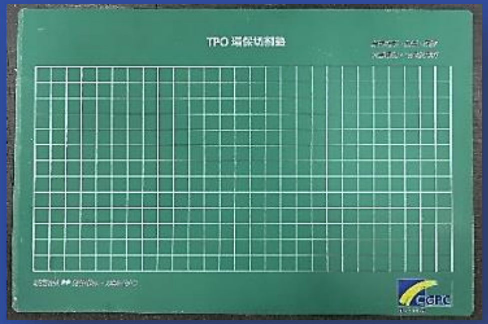
High Value-added New Products (III)

4. TPO insulation tape (ESG product) :



- The process and products are environmentally friendly, without plasticizers or heavy metals.
- Excellent chemical resistance and electrical properties.

5. TPO cutting board :



- TPO environmentally friendly material replaces PVC, the material is strong and does not leave white spots when cut by a knife.
- Contains no plasticizers, heavy metals, and is recyclable and environmentally friendly.
- Complies with national standard CNS 15527.

China General Plastics Corp.

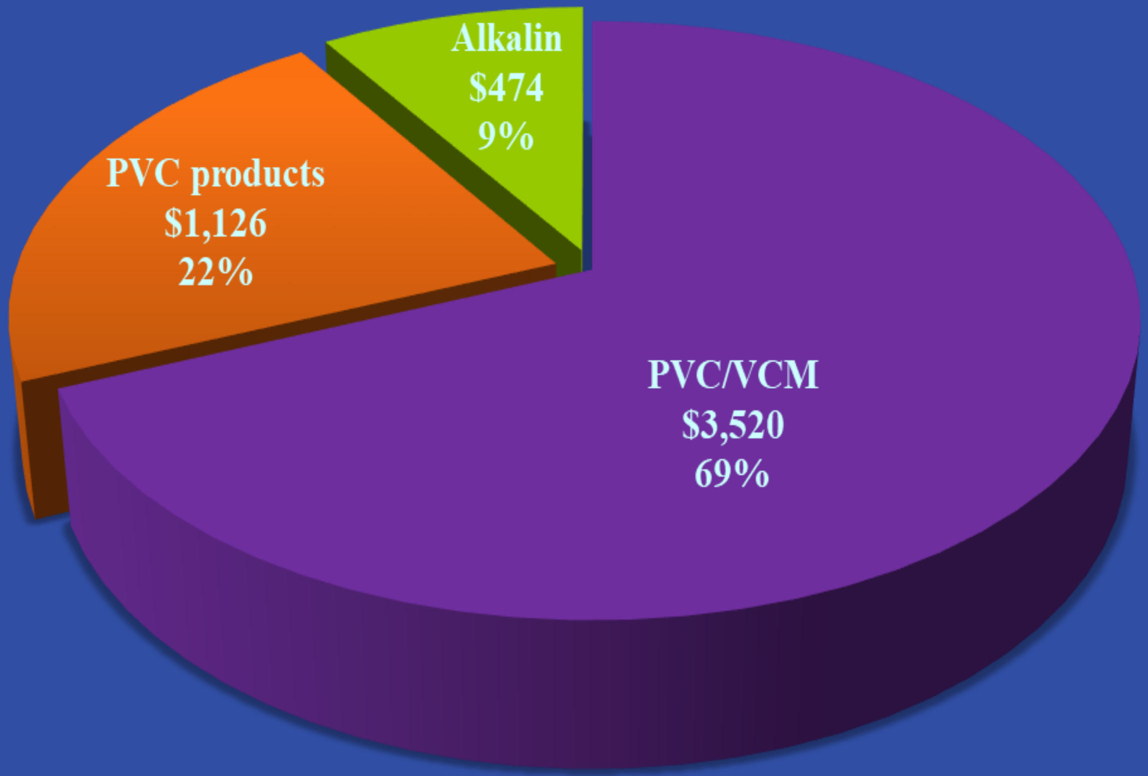
2025 H1
Finance Information

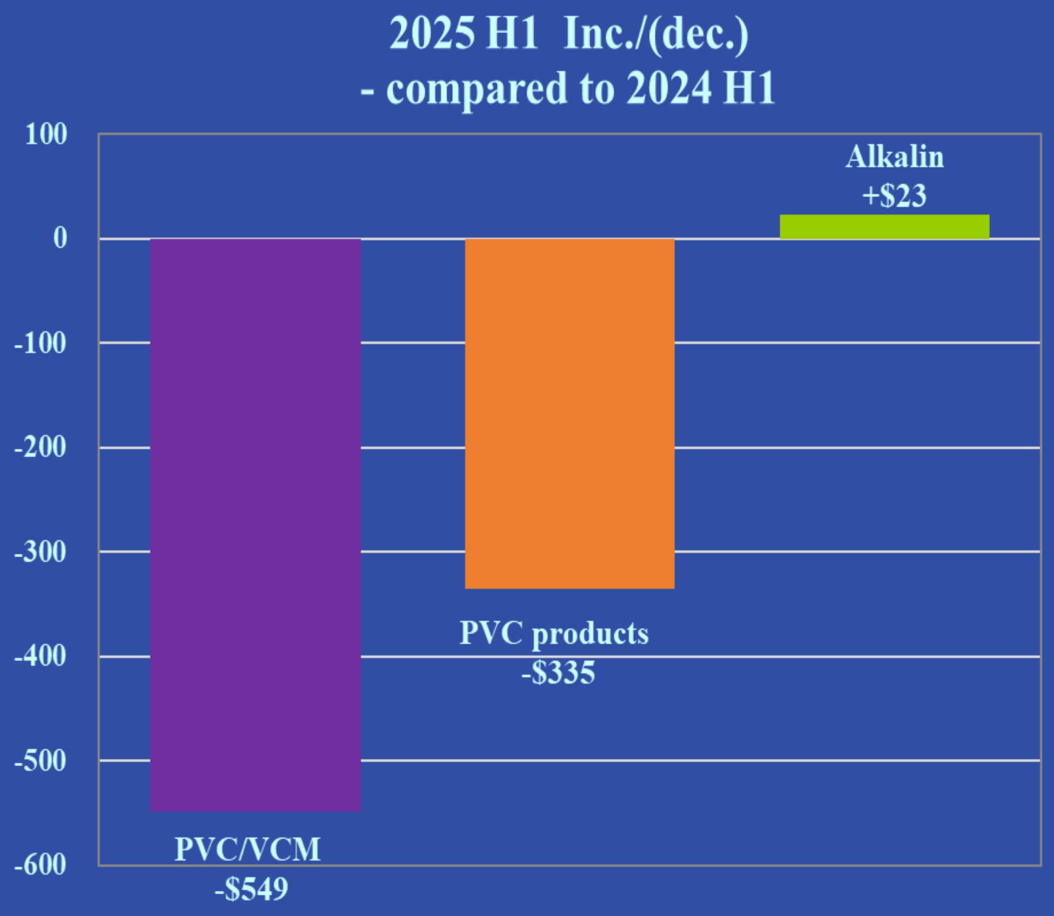
Aug 21, 2025

Reporter : C F Li, Manager

2025 HY1 Sales by Products

(NT$million)





Consolidated Statements of Income

Unit : NT$million , except per share data

	2025 Jan.-Jun.	2024 Jan.-Jun.	YoY%	2024 FY	2023 FY	2022 FY
Sales	5,120	5,981	-14.4%	11,087	13,707	17,637
Cost of goods sold	5,418	5,487	-1.3%	10,876	12,030	16,959
Gross profit	-298	494	-160.3%	211	1,677	678
Gross profit ratio	-5.8%	8.3%		1.9%	12.2%	3.8%
Operating expenses	477	548	-13.0%	1,054	1,217	1,662
Operating income(loss)	-775	-54	1335.2%	-843	460	-984
Operating income ratio	-15.1%	-0.9%		-7.6%	3.4%	-5.6%
Non-operating income(loss)	-117	80	-246.3%	-77	7	467
Income(Loss) before income taxes	-892	26	-3530.8%	-920	467	-517
Income taxes expense(benefit)	-182	-25	628.0%	-169	73	-179
Net income(loss)	-710	51	-1492.2%	-751	394	-338
Net income ratio	-13.9%	0.9%		-6.8%	2.9%	-1.9%
Net income(loss) attributable to						
- China General Plastics Corporation	-674	63	-1174.5%	-710	342	-370
- Noncontrolling interest	-36	-12	206.6%	-41	52	32
Earnings(loss) per share	-1.16	0.11	-1174.5%	-1.22	0.59	-0.64

Financial Ratio Analysis (Consolidated Basis)

	2025 Jan.-Jun.	2024 Jan.-Jun.	2024 FY	2023 FY	2022 FY
Operating income margin(%)	-15.1	-0.9	-7.6	3.4	-5.6
Net income margin(%)	-13.9	0.9	-6.8	2.9	-1.9
Debt ratio(%)	51	44	48	42	40
Current ratio(%)	96	162	136	204	217
Quick ratio(%)	60	99	82	127	129
Average days of collection	37	37	34	34	36
Average inventory turnover days	75	86	85	77	61

Disclaimer

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The End
Thank You

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Q & A

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