

2026



Investor Conference

2026/3/18





China General Plastics Corp.

Investor Conference

2026/3/18

Time	Itinerary	Reporter
14:00~14:30	VIP Registration	
14:30~15:00	Review for 2025 & Outlook for 2026 Q1	J H Wu, Director
	Finance Information for 2025	C F Li, Manager
15:00~15:30	Q&A	Otto Hu, President



China General Plastics Corp.

2025 Review & 2026 Q1 Outlook

Mar 18, 2026

Reporter : J.H. Wu, Director

2025 Review : PVC feedstocks

- ◆ **Ethylene** : In 2025, due to geopolitical tensions and the impact of increased production by OPEC+, crude oil and naphtha prices fluctuated downward throughout the year. Meanwhile, China aggressively expanded capacity, leading to capacity overflow and rising trade barriers. As a result, global petrochemical and downstream plastics demand weakened. Ethylene producers in Northeast Asia saw margin compression and widespread losses. Asian crackers initiated feedstock restructuring and downsized operations to cope with market changes.
- ◆ **EDC** : In the first half of the year, caustic soda demand remained solid, supporting stable operations at chlor-alkali plants. High ethylene prices kept Asian EDC prices elevated. However, with the U.S. initiating tariff actions and delays in India's PVC policies, downstream PVC demand weakened and overseas cargoes shifted into Asia, causing EDC prices to fall sharply to their lowest level since 2008. In the second half, chlor-alkali margins narrowed, production was adjusted, and supply tightened, leading to a gradual price recovery, though demand remained weak and prices fluctuated around breakeven levels.
- ◆ **VCM** : PVC market conditions remained weak in 2025. Asian VCM producers reduced operating rates or extended maintenance periods to cut losses and support prices. However, with the removal of India's ADD and BIS policies, PVC demand deteriorated further, pushing VCM prices below a five-year low.

2025 Review : PVC

- ◆ China added 2.2 million tons of new PVC capacity in 2025, bringing total capacity to 30 million tons. Operating rates remained high throughout the year, with year-end social inventory reaching 1.1 million tons. Weak domestic demand and severe supply-demand imbalance led to aggressive exports, totaling 3.82 million tons, up 60% YoY. Low-priced competition compressed global PVC margins.
- ◆ India's GDP growth stagnated in 2025 due to high North American tariffs. While agricultural and infrastructure PVC demand remained rigid, abundant imports and price comparisons led to a 9% YoY decline in import volume. Under delayed BIS and ADD policies, buyers favored low-priced Chinese supply. Bangladesh faced financial risks and high interest rates, combined with low-priced Asian imports, resulting in sluggish PVC trading. In Southeast Asia, U.S. tariffs weakened end demand, while Chinese and U.S. supply dominated price competition, keeping import prices lower than neighboring regions.
- ◆ Despite the Fed initiating rate cuts in the second half of the year, high interest rates continued to constrain real estate activity, limiting demand for PVC pipes and construction materials. Domestic sales stagnated at 4.89 million tons. Producers increased exports to reduce inventories, but trade barriers in key markets forced competition with Chinese products in Africa and Southeast Asia, resulting in a 22% YoY decline in export prices and dragging down global markets.

2025 Review : Consolidated Sales

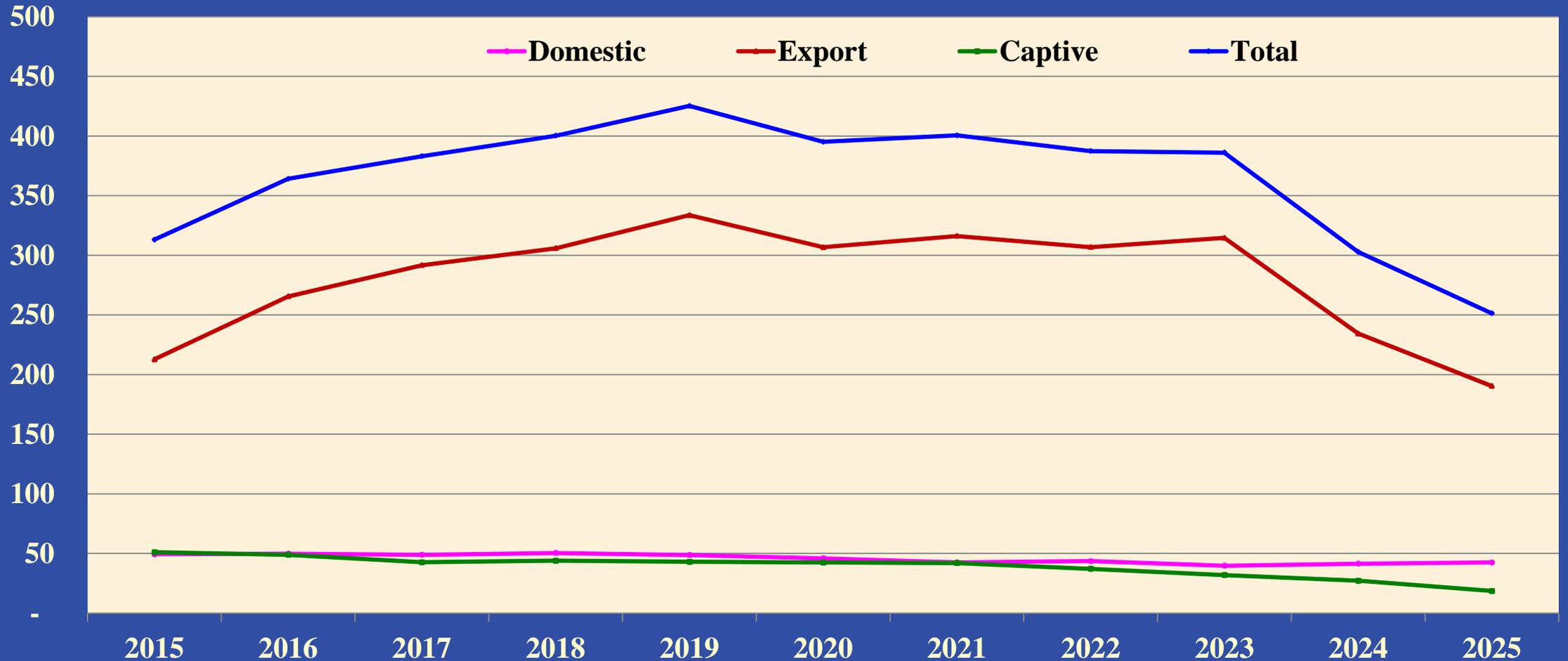
- ◆ The YTD consolidated sales in 2025 was NT\$ 9.221 B, which decreased by NT\$ 1.866 B YoY (17 %↓).

Sales Quantities (KT)

Products	2025	2024	+/-
VCM / PVC	282	303	-21
PVC Products	30	37	-7
Alkaline 100%	58	58	-
Total	370	398	-28

2025 Review : PVC Sales Mix

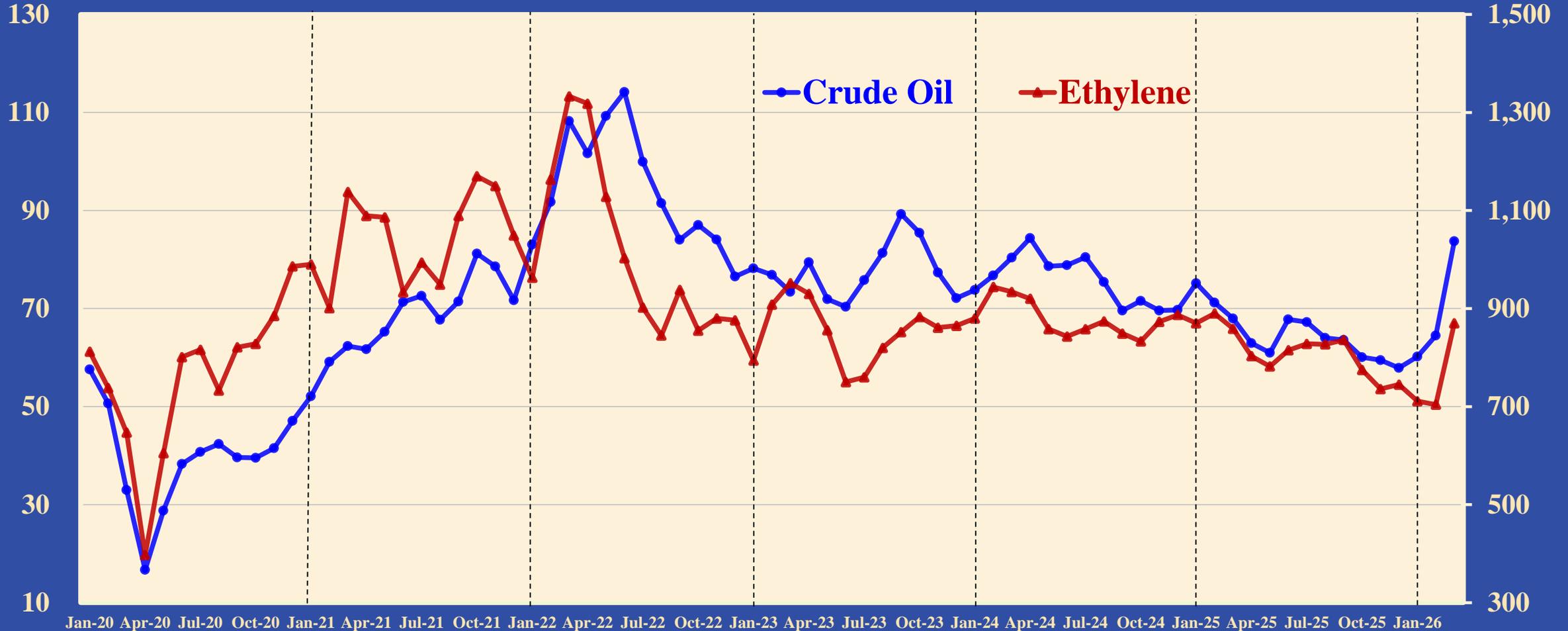
Unit:KT



Crude Oil & Ethylene Price Trend

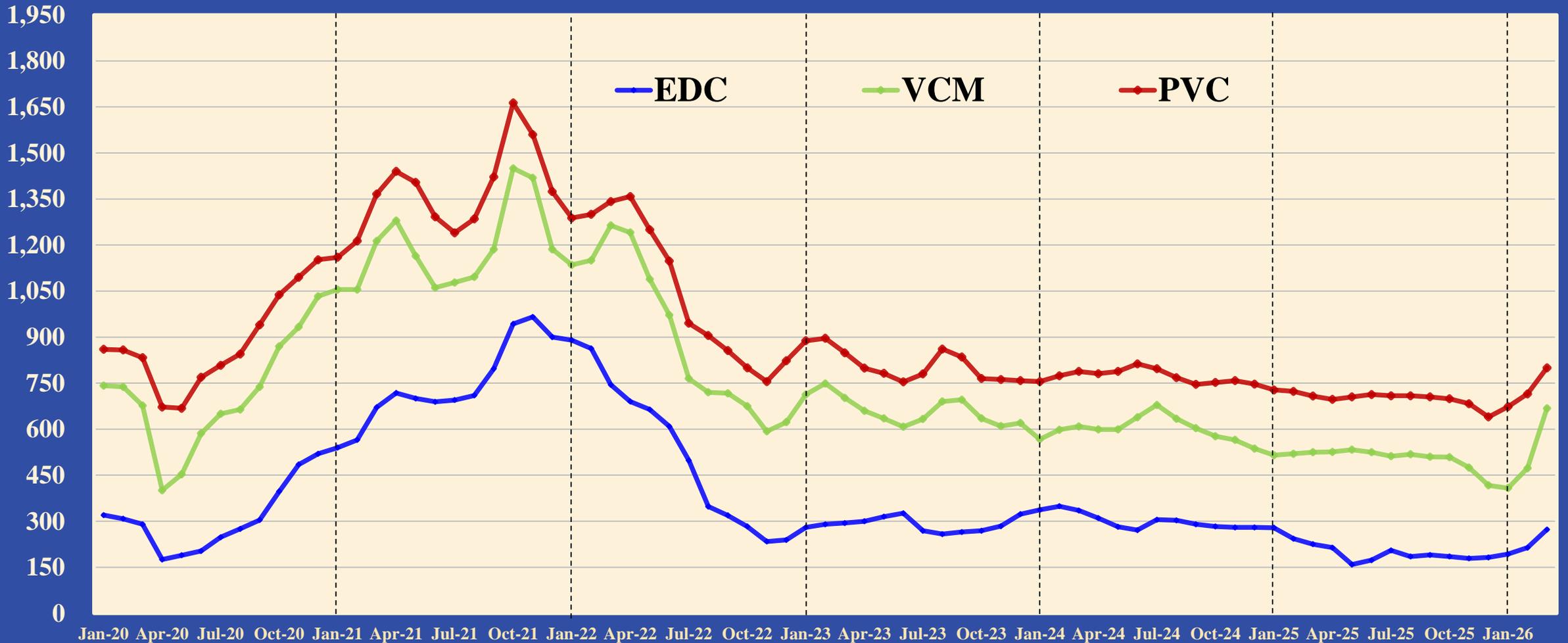
Unit:US\$/bbl WTI

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



PVC / VCM / EDC Price Trend

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



2026 Q1 Outlook : Ethylene

- ◆ Global petrochemical demand is expected to maintain low growth in 2026. While capacity reductions continue in Northeast Asia and Europe, new capacity in China and Southeast Asia will come online in the second half of the year, making supply-demand imbalance difficult to ease. Escalating conflicts in the Middle East involving the U.S., Israel, and Iran could disrupt LNG, crude oil, and light feedstock supply via potential closure of the Strait of Hormuz. Multiple Asian crackers have declared force majeure, leading to panic shortages of naphtha and ethylene. Significant supply and price volatility is expected in the first half of the year, impacting downstream petrochemical and plastics markets.

2026 Q1 Outlook : EDC / VCM

- ◆ **EDC** : Before the Middle East conflict escalated, chlor-alkali producers had already reduced operating rates due to rising energy costs, ethylene price pressure, and weak caustic soda demand, tightening EDC supply. As the conflict intensified, upstream material prices surged and several Asian PVC producers declared force majeure, further restricting supply and pushing EDC prices higher.
- ◆ **VCM** : At the beginning of 2026, most VCM producers reduced operating rates, keeping supply and inventories tight. As PVC demand improves and Asia enters a concentrated maintenance period in the first half of the year, VCM prices are expected to bottom out and rebound. Ongoing geopolitical tensions and feedstock disruptions may drive prices to new three-year highs.

2026 Q1 Outlook : PVC Supply

- ◆ China's 15th Five-Year Economic Plan confirms petrochemical reform policies aimed at curbing excessive competition, eliminating low-efficiency capacity, and canceling export tax rebates on PVC. Approximately 3 million tons of high-energy-consuming capacity will be phased out, with new capacity additions nearing completion. High operating rates are expected before spring maintenance, while geopolitical tensions support higher domestic and export prices.
- ◆ Middle East tensions disrupt crude oil, light feedstock, and ethylene supply. Asian PVC producers have reduced operating rates, conducted maintenance, or declared force majeure, tightening supply and driving prices sharply higher.
- ◆ Westlake has shut down part of its capacity, and the industry enters maintenance season in Q1. Benefiting from low-cost shale gas, U.S. PVC exports rise alongside Asian prices, filling supply gaps in global markets.

2026 Q1 Outlook : PVC Demand

- ◆ **China** : Q1 is traditionally a low season due to winter and Lunar New Year holidays, weakening downstream demand. However, supportive macroeconomic policies and rising raw material costs underpin futures trading. The upcoming removal of export tax rebates triggers early export activity, though Middle East disruptions may later dampen export momentum.
- ◆ **India** : After several months of declining imports and falling inventories, demand for agriculture and infrastructure strengthens. supply disruptions push prices higher, leading to panic buying and continued upward price momentum.
- ◆ **USA** : Economic indicators suggest cooling growth. Higher mortgage rates and lower construction permits weaken PVC demand for pipes and windows. However, geopolitical disruptions redirect trade flows, supporting both domestic and export prices.



China General Plastics Corp.

2025

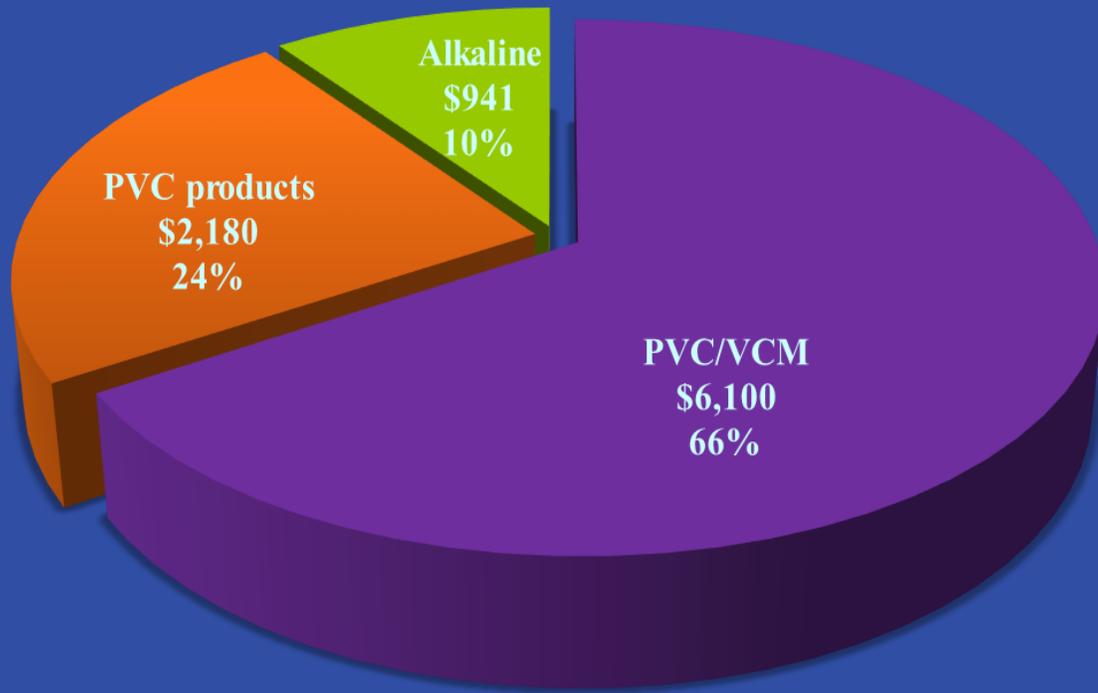
Finance Information

Mar 18, 2026

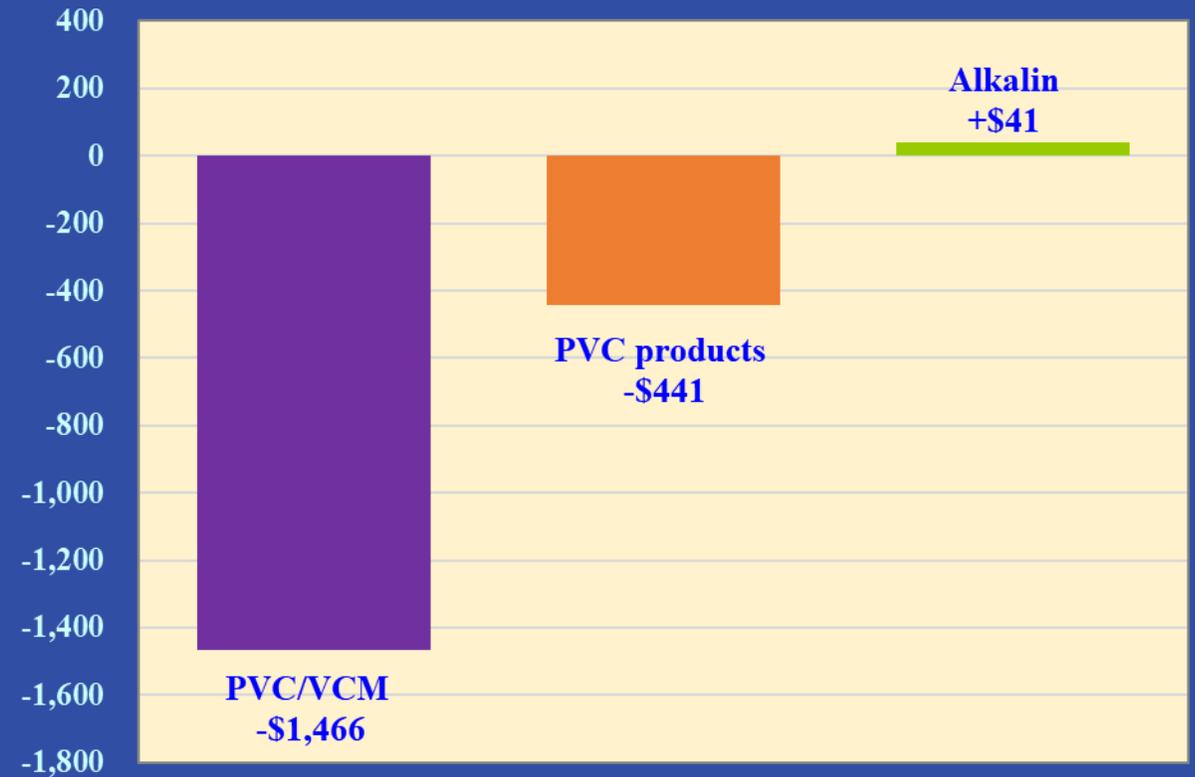
Reporter : C F Li, Manager

2025 Sales by Products

(NT\$million)



2025 Inc./(dec.)compared to 2024



Consolidated Statements of Income

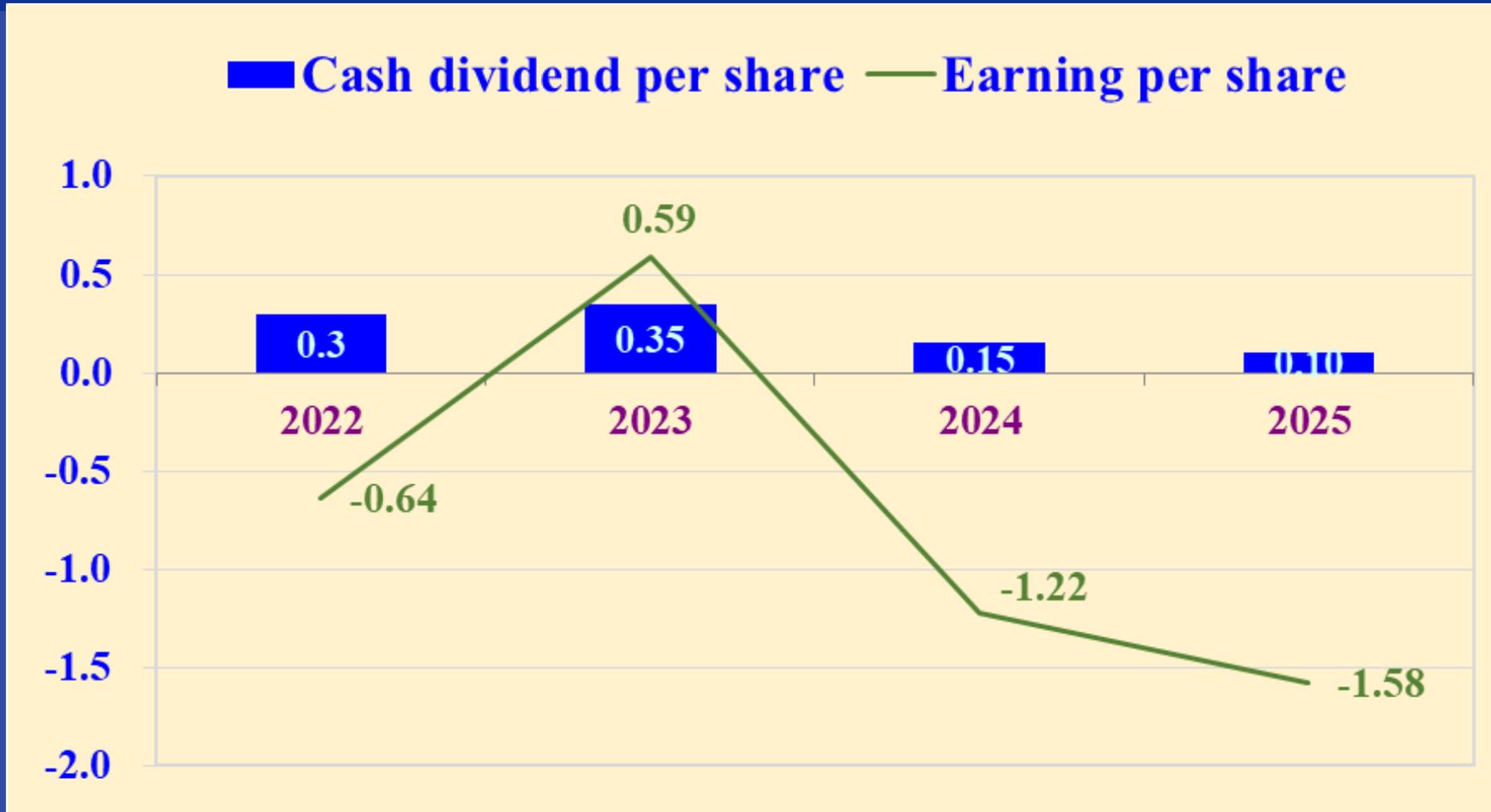
Unit : NT\$million , except per share data

	2025 FY	2024 FY	YoY%	2023 FY	2022 FY
Sales	9,221	11,087	-16.8%	13,707	17,637
Cost of goods sold	9,571	10,876	-12.0%	12,030	16,959
Gross profit	-350	211	-265.9%	1,677	678
Gross profit ratio	-3.8%	1.9%		12.2%	3.8%
Operating expenses	910	1,054	-13.7%	1,217	1,662
Operating income(loss)	-1,260	-843	49.5%	460	-984
Operating income ratio	-13.7%	-7.6%		3.4%	-5.6%
Non-operating income(loss)	-67	-77	-13.0%	7	467
Income(Loss) before income taxes	-1,327	-920	44.2%	467	-517
Income taxes expense(benefit)	-345	-169	104.1%	73	-179
Net income(loss)	-982	-751	30.8%	394	-338
Net income ratio	-10.6%	-6.8%		2.9%	-1.9%
Net income(loss) attributable to					
- China General Plastics Corporation	-919	-710	29.4%	342	-370
- Noncontrolling interest	-63	-41	53.6%	52	32
Earnings(loss) per share	-1.58	-1.22	29.3%	0.59	-0.64

Financial Ratio Analysis (Consolidated Basis)

	2025 FY	2024 FY	2023 FY	2022 FY
Operating income margin(%)	-13.7	-7.6	3.4	-5.6
Net income margin(%)	-10.7	-6.8	2.9	-1.9
Debt ratio(%)	53	48	42	40
Current ratio(%)	109	136	204	217
Quick ratio(%)	58	82	127	129
Average days of collection	34	34	34	36
Average inventory turnover days	85	85	77	61

DPS vs. EPS



Disclaimer

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- ◆ **The information in this presentation is not for investment advices.**



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The End
Thank You



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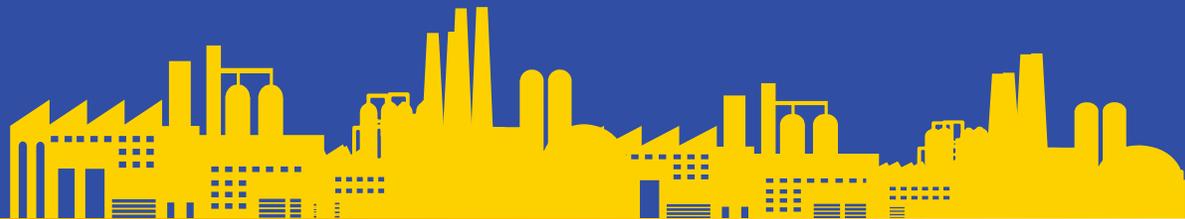
Work together to create prosperity



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Q & A



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Work together to create prosperity