2026

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Investor Conference

2026/5/19

China General Plastics Corp.
Investor Conference 2026/5/19

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

China General Plastics Corp.

2026 Q1 Review & Q2 Outlook

May19, 2026

Reporter : J.H. Wu, Director

2026 Q1 Review : PVC feedstocks(I)

- **Ethylene :** At the beginning of the year, China's excess production capacity continued to spill over, while cargoes from the U.S. Gulf Coast were heavily imported into Asia. Weak downstream demand led producers to conduct unplanned maintenance shutdowns or production cuts, resulting in ample spot supply and downward pressure on ethylene prices (-17% QoQ). On February 28, the U.S.–Iran conflict broke out, disrupting crude oil and naphtha supply. Multiple Asian crackers declared force majeure, triggering panic buying of upstream petrochemical feedstocks such as naphtha and ethylene. Ethylene prices surged rapidly (+114% MoM).

2026 Q1 Review：PVC feedstocks(II)

- **EDC：**At the beginning of the year, chlor-alkali plants maintained stable operating rates. As downstream VCM/PVC market conditions gradually recovered from the bottom, EDC prices rebounded from the historical low of USD 190 (+16% QoQ). Following the outbreak of the U.S.–Iran conflict on February 28, ethylene supply tightened and freight rates rose rapidly, driving a sharp increase in EDC prices (+91% MoM).

- **VCM：**At the start of the year, VCM prices fell to the lowest level since 2008, with mounting inventory pressure prompting producers to reduce output or shut down plants. As China canceled export tax rebates, PVC/VCM demand and prices rebounded (+20% QoQ). After the U.S.–Iran conflict escalated, shortages of raw materials (C2 + EDC) intensified and costs increased, causing a strong rebound in VCM prices (+124%).

2026 Q1 Review : PVC (I)

- China’s PVC market in Q1 was supported by policy incentives, pre- and post-Spring Festival inventory stocking, and continued ample supply conditions (operating rates at 78%~80%, output of 6.35 million tons). End-of-period inventory accumulated to 1.37 million tons. Due to oversupply, export destocking became the main focus. Integrated chlor-alk enterprises adopted a strategy of supplementing chlor-alkali profits to suppress prices in other regional markets. In March, the U.S.–Iran conflict escalated, temporarily pushing up export sentiment. In Q2, calcium carbide/ethylene PVC production, sales, and pricing are expected to diverge sharply.

2026 Q1 Review : PVC (II)

- On February 28, after the outbreak of the U.S.–Iran conflict, Asian crude oil and light oil supply tightened, while upstream feedstocks such as naphtha/C2 rose and C2 also surged. As several PVC producers in China were unable to pass power tests, supply disruptions intensified global PVC pricing pressure. However, the market failed to fully absorb the cost increases, and downstream Asian PVC markets resisted high prices, causing transaction delays. Market participants are closely watching geopolitical developments, and overall PVC demand has been postponed.
- U.S. Q1 PVC exports reached 1.83 million tons (down 1.1% YoY). Affected by rising 30-year mortgage rates and weak new home sales/housing starts, domestic sales fell 4% YoY (1.23 million tons). Exports totaled 690,000 tons. Benefiting from the fact that key markets were not directly affected by Middle East tensions, U.S. producers continued to raise export prices following Asian price hikes. Inventory fell 17% month-over-month to 440,000 tons.

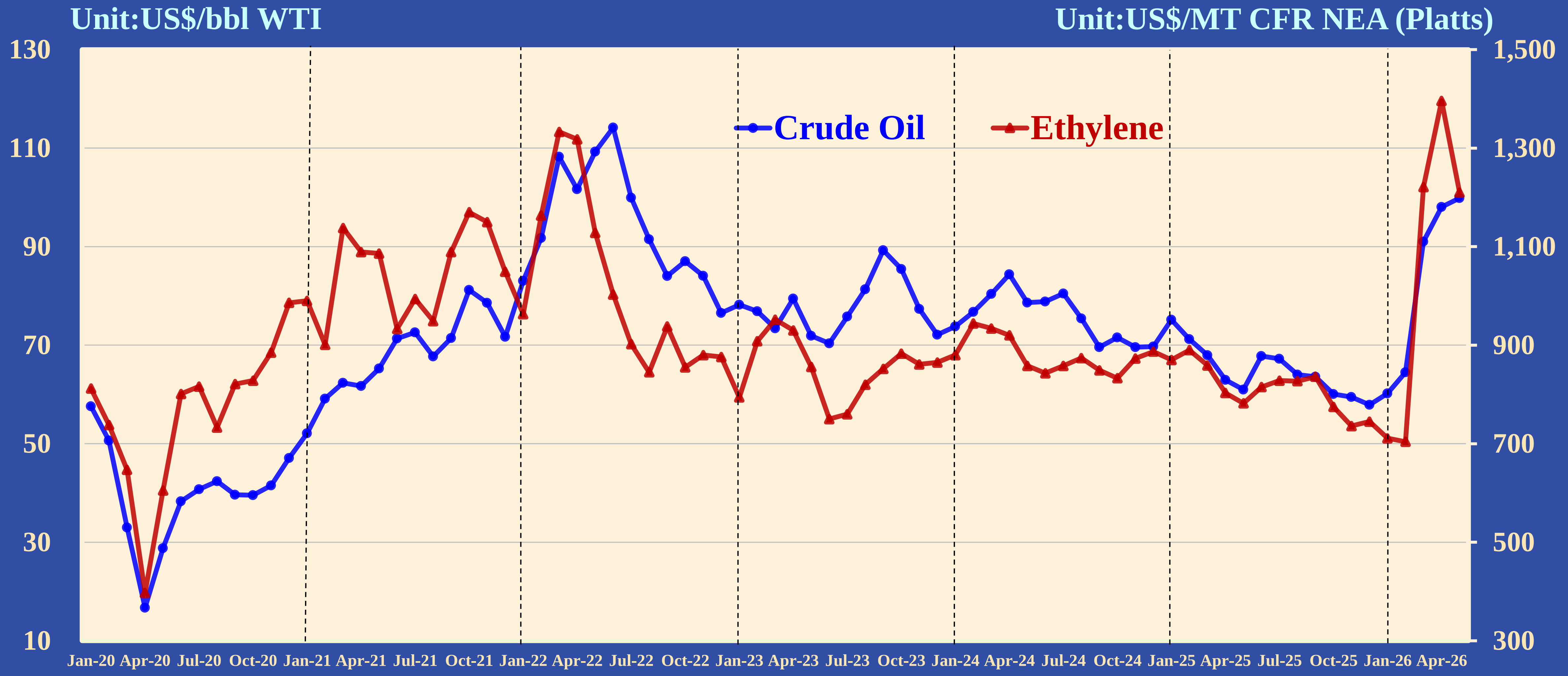
2026 Q1 Review：Consolidated Sales

- The consolidated sales in 2026 Q1 was NT$ 2.674 B, which increased by NT$ 0.219 B YoY (9 %↑).

Sales Quantities (KT)

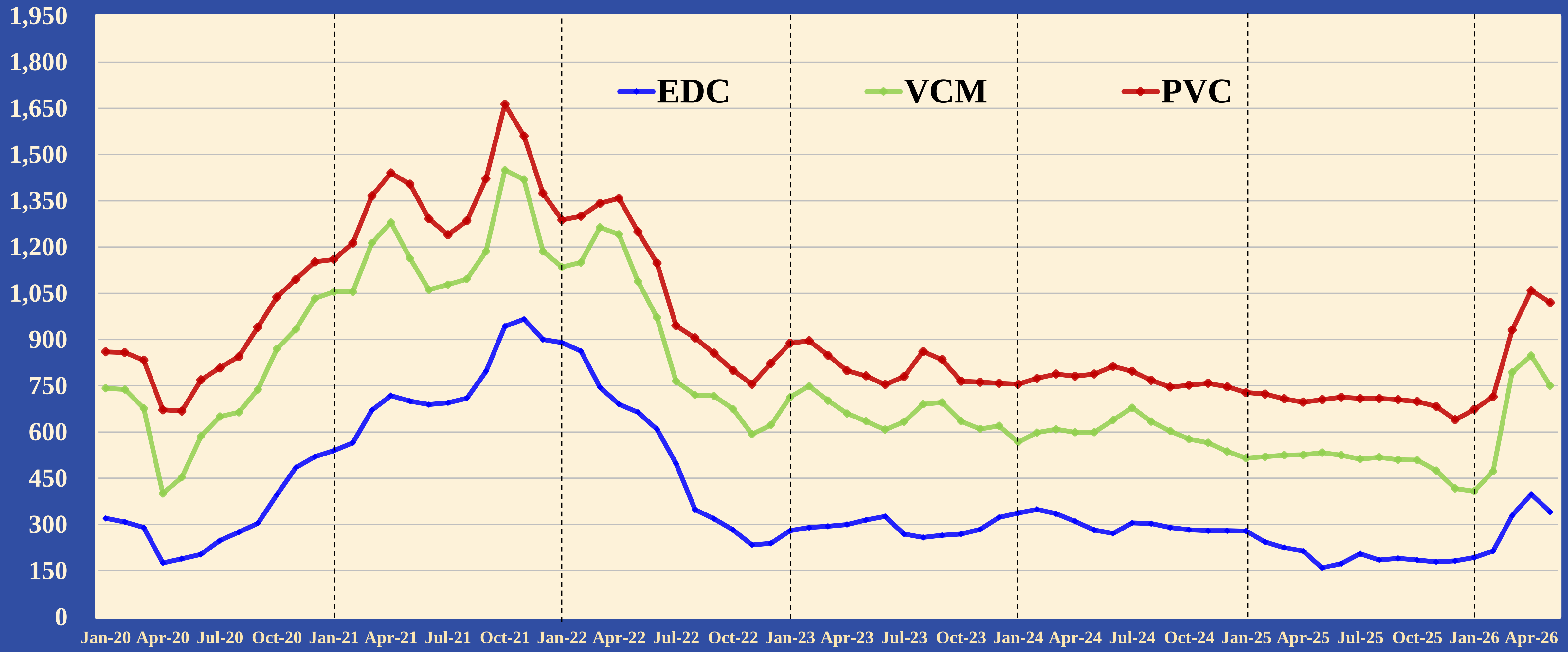
Products	2026 Q1	2025 Q1	+/-
VCM/PVC	97	69	28
PVC Products	7	8	-1
Alkaline	14	14	-
Total	118	91	27

Crude Oil & Ethylene Price Trend



PVC / VCM / EDC Price Trend

Unit:US$/MT CFR NEA (Platts)



2026 Q2 Outlook : PVC feedstocks(I)

- **Ethylene :** As the U.S.–Iran conflict in the Middle East shifts toward a ceasefire and regional stability, Asian countries have gradually secured crude oil supplies, easing feedstock (naphtha) supply for crackers. Operating rates are expected to continue rising, and overall ethylene production capacity will gradually recover. However, crude oil and naphtha prices are still expected to remain volatile at relatively high levels. At the same time, downstream ethylene derivative industries continue to face weak end-market demand and are adopting production cut strategies to mitigate risk, resulting in low willingness to replenish ethylene inventories. The market expects ethylene prices to soften gradually in line with weakening fundamentals.

2026 Q2 Outlook : PVC feedstocks(II)

- **EDC : In Q1, the Middle East conflict caused feedstock prices to surge, pushing up EDC prices. In Q2, as tensions ease and downstream VCM/PVC buying sentiment weakens, Asian EDC prices are expected to decline from recent highs (-16%), though prices are still likely to remain above pre-war levels. Buyers and sellers are cautiously monitoring upstream feedstock supply/price trends and downstream demand changes.**

- **VCM : As Middle East tensions ease in Q2, downstream PVC players are taking a wait-and-see approach toward price trends. In addition, China's coal-based PVC producers are suppressing non-China-origin market prices and market share. Weak buying sentiment for ethylene and PVC has led Asian VCM prices to decline (-18%). High ethylene prices and falling PVC prices continue to compress VCM margins, so VCM prices are expected to fluctuate within a range. Producers are also expected to adjust operating rates in response to downstream PVC market developments.**

2026 Q2 Outlook : PVC Supply(I)

- **China :** The U.S.–Iran conflict and tariff issues remain unresolved. Spring maintenance season is approaching, while overseas market demand remains sluggish. Overall operating rate has dropped to about 71%. Ethylene-based PVC operating rate declined to 45% due to cost pressure, while calcium carbide-based PVC fell to 79% due to maintenance. Domestic demand from manufacturing and real estate remains weak. Although the government is promoting anti-overcapacity measures and industrial energy-efficiency inspections, with full monitoring of calcium carbide–based PVC producers, the impact has not yet been effectively passed to the downstream PVC industry in the short term. Inventory remains high (around 1.29 million tons), and exports through price competition continue to be the main destocking channel.

2026 Q2 Outlook : PVC Supply(II)

- **Asia :** As Middle East tensions ease, calcium carbide PVC continues to dominate as the lower-priced option. However, Asian ethylene PVC producers (including China during Spring maintenance) are reducing or cutting production, and tight supply supports prices. At the same time, upstream feedstock supply and prices are gradually tightening. India PVC self-produced market conditions are recovering by late May. With the expected expiration of India's zero-tariff incentives at quarter-end, Asian ethylene PVC producers may gradually resume operating momentum.

- **USA :** Q2 is traditionally a weak season for maintenance shutdowns. Combined with unexpected outages caused by power shortages and aging equipment at some producers earlier in the period, operating rates and production are expected to remain tighter than Q1 (78% / 1.8 million tons). Thanks to advantages in energy and feedstock costs (ethylene and chlorl), U.S. domestic construction enters peak season in Q2, supporting domestic price increases and giving priority to domestic market supply. Overseas sales will still focus on competition for key markets, and sales volumes are expected to remain stable.

2026 Q2 Outlook : PVC Demand(I)

- **China :** From January to April, domestic real estate development investment declined 11.25% YoY, while new housing starts fell 20.3%. Only infrastructure investment, power engineering, and weak public projects provided weak support, making demand recovery limited and slow. In the short term, China's overall PVC market remains in high inventory conditions, and domestic demand is mainly reliant on exports for destocking. Overseas markets are affected by Middle East tensions, leading to weaker pure market sentiment. Futures/spot prices and export prices are expected to fluctuate weak and weak.

2026 Q2 Outlook : PVC Demand(II)

- **India :** Q2, traditionally the beginning of the fiscal year and monsoon season, is typically the off-season for PVC demand. Before China's cancellation of export tax rebates, imports surged due to pricing advantages, with import volumes reaching 440,000 tons and market inventory remaining ample. The outbreak of Middle East tensions caused supply disruptions and concerns over rising prices. As tensions eased, China's calcium carbide PVC regained pricing competitiveness, dragging down C2 high-price sentiment. In the medium term, supply is expected to loosen and prices narrow. Meanwhile, as India restores import tariff and agricultural demand recovers, demand sentiment is expected to improve.

- **USA :** North America enters the summer construction season in Q2, with increases in new housing starts, infrastructure projects, and renovation demand (seasonal growth of 5–7%). Producers are focused on raising domestic selling prices. Overseas markets are affected by tightening supply, tariff barriers, and competition from China, so the priority is expected to remain on maintaining core domestic sales volumes (700,000 tons).

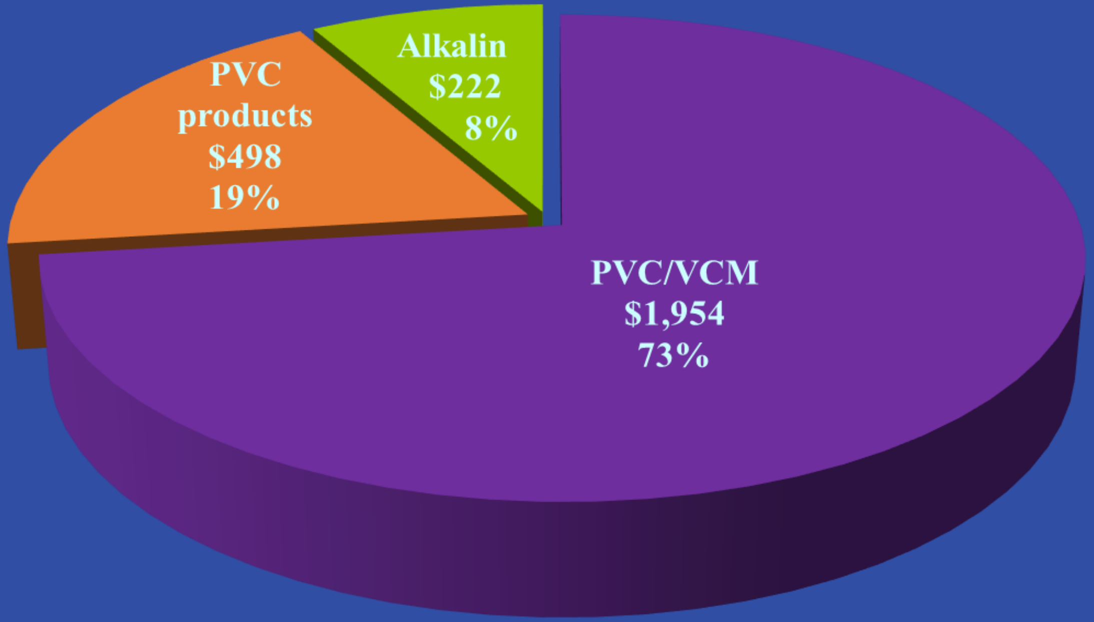
2026 Q1
Finance information

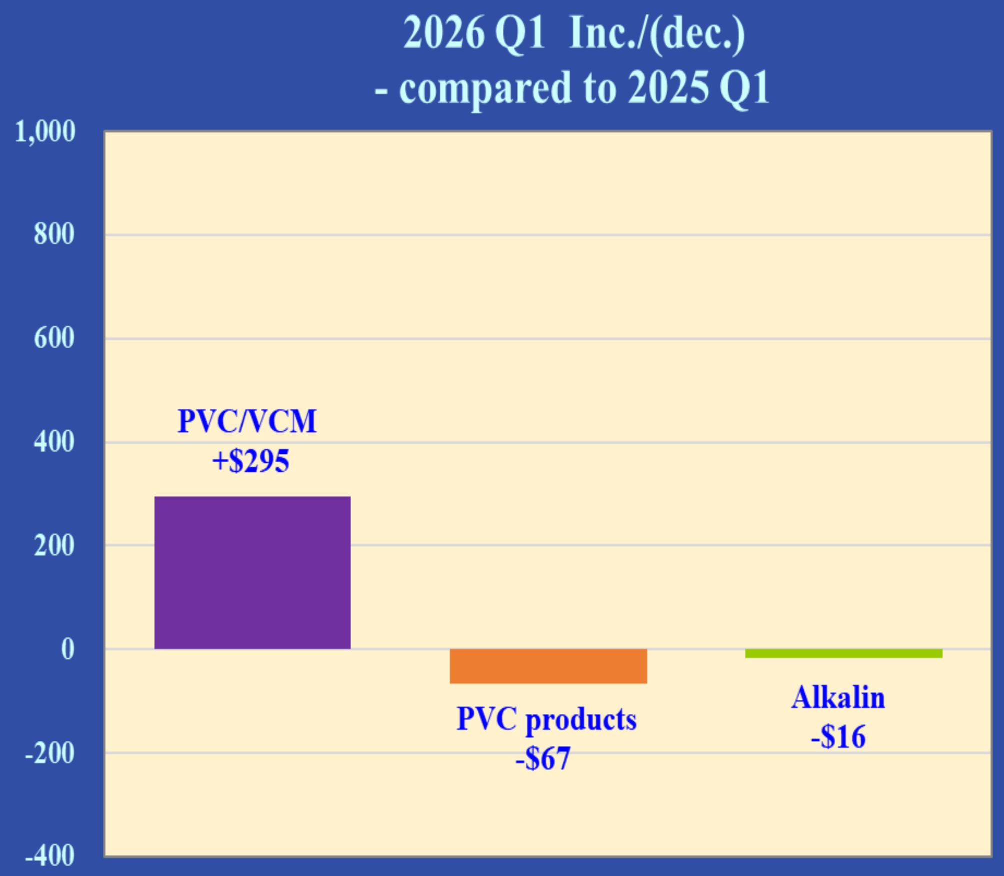
May 19, 2026

Reporter : C F Li, Manager

2026 Q1 Sales by Products

(NT$million)





Consolidated Statements of Income

Unit : NT$million , except per share data

	2026 Jan.-Mar.	2025 Jan.-Mar.	YoY%	2025 FY	2024 FY	2023 FY
Sales	2,674	2,462	8.6%	9,221	11,087	13,707
Cost of goods sold	2,621	2,568	2.1%	9,571	10,876	12,030
Gross profit	53	-106	-150.0%	-350	211	1,677
Gross profit ratio	2.0%	-4.3%		-3.8%	1.9%	12.2%
Operating expenses	229	252	-9.1%	910	1,054	1,217
Operating income(loss)	-176	-358	-50.8%	-1,260	-843	460
Operating income ratio	-6.6%	-14.5%		-13.7%	-7.6%	3.4%
Non-operating income(loss)	8	-2	-500.0%	-67	-77	7
Income(Loss) before income taxes	-168	-360	-53.3%	-1,327	-920	467
Income taxes expense(benefit)	-33	-76	-56.6%	-345	-169	73
Net income(loss)	-135	-284	-52.5%	-982	-751	394
Net income ratio	-5.0%	-11.5%		-10.6%	-6.8%	2.9%
Net income(loss) attributable to						
- China General Plastics Corporation	-120	-268	-55.2%	-919	-710	342
- Noncontrolling interest	-15	-16	-5.9%	-63	-41	52
Earnings(loss) per share	-0.21	-0.46	-54.6%	-1.58	-1.22	0.59

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Financial Ratio Analysis (Consolidated Basis)

	2026 Jan.-Mar.	2025 Jan.-Mar.	2025 FY	2024 FY	2023 FY
Operating income margin(%)	-6.6	-14.5	-13.7	-7.6	3.4
Net income margin(%)	-5.1	-11.5	-10.7	-6.8	2.9
Debt ratio(%)	56	49	53	48	42
Current ratio(%)	109	117	109	136	204
Quick ratio(%)	72	70	58	82	127
Average days of collection	36	34	34	34	34
Average inventory turnover days	59	86	85	85	77

The End
Thank You

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Q & A

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