2026

CGPC

台聚集團

Investor Conference

2026/8/26

China General Plastics Corp.
Investor Conference 2026/8/26

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

2026 Q2 Review & Q3 Outlook

Aug 26, 2026

Reporter : J.H. Wu, Director

2026 Q2 Review : PVC feedstocks(I)

- **Ethylene :** In early Q2, intense US–Iran military conflicts disrupted Middle Eastern petrochemical feedstock supplies. Multiple crackers declared Force Majeure, and deep-sea cargoes were diverted to Europe or switched to ethane. Supply and demand in Asia tightened rapidly, driving prices up sharply to $1,450/MT in April. High costs suppressed downstream derivative demand. As the Middle East conflict transitioned into a stalemate and eased slightly, prices dropped rapidly alongside Crude Oil/Naphtha toward the end of the quarter, registering a high-to-low spread of -44%.

2026 Q2 Review：PVC feedstocks(II)

- **EDC：** In H1 2026, impacted by Middle East geopolitics, raw material supply chains broke down in March. Taiwanese and South Korean manufacturers declared Force Majeure, several Chinese producers halted exports, and deep-sea supply could not replenish shortfalls in time. Northeast Asian prices surged to $420/MT in April. In June, following the signing of the US–Iran ceasefire memorandum, Asian capacity gradually recovered. However, prices fluctuated with a downward bias due to declining Ethylene costs (-26%) and weakening downstream VCM/PVC demand, leaving producers in negative margin territory.

2026 Q2 Review：PVC feedstocks(III)

- **VCM：** Q2 was mainly impacted by geopolitical conflicts in the Middle East. Freight and insurance premiums for Ethylene/EDC shipments skyrocketed, significantly pushing up production costs. Japanese and South Korean producers curtailed supply due to feedstock shortages, driving Asian prices up to $920/MT in April. Toward the end of the quarter, as downstream PVC demand slowed, VCM buying momentum came under pressure, leading to a swift price correction (-38%).

2026 Q2 Review : PVC(I)

- **China :** Domestic consumption was weak; H1 new housing starts dropped -22% YoY, and operating rates for downstream plastic products remained low (41%), resulting in sluggish PVC buying interest. Due to peak spring maintenance and Ethylene supply constraints, operating rates declined (77% → 66%). Cumulative output in H1 reached 12.00 million MT (down slightly by -0.03% YoY), relying on exports to digest inventory. Driven by pre-cancellation purchasing before the April VAT policy change, March export volume surged. Q1 exports reached 1.45 million MT, while Q2 export volume eased to 1.01 million MT, bringing total H1 PVC exports to 2.46 million MT (+25% YoY). China (Q3 Transition): In early Q3, Chinese PVC continued to face elevated raw material costs and narrow margins, with overall operating rates remaining between 66% and 72%.

2026 Q2 Review : PVC(II)

- **Asia :** In Q2, the Asian petrochemical sector was hit by Middle East tensions. Upstream raw material premiums far exceeded PVC prices, causing Asian producers' production costs to outpace US PVC and Chinese Carbide-based PVC. Simultaneously, rising ocean freight rates forced Asian manufacturers to cut production and reduce inventories to manage material shortages and cost surges. Meanwhile, Chinese PVC leveraged its coal-chemical cost structure, and the US–Iran conflict sharply lifted PVC market prices. Despite the April 1 tax rebate cancellation and the expiration of India's preferential tariff, Chinese supply rapidly filled market shares previously held by non-Chinese sources.

2026 Q2 Review : PVC(III)

- **United States : In Q2, US existing home sales grew +4% YoY during the traditional peak construction season. Buying interest for building-related materials (window frames, pipes/sheets) recovered, with domestic sales volume reaching 1.34 million MT (+3.9% YoY). On the supply side, due to turnarounds at Shintech and Formosa Plastics USA, alongside Westlake's capacity adjustments, Q2 PVC production reached 1.93 million MT (-2.7% YoY). In international trade, competing against Asian and low-priced Chinese Carbide-based cargoes, export volume declined -8.3% YoY (570,000 MT).**

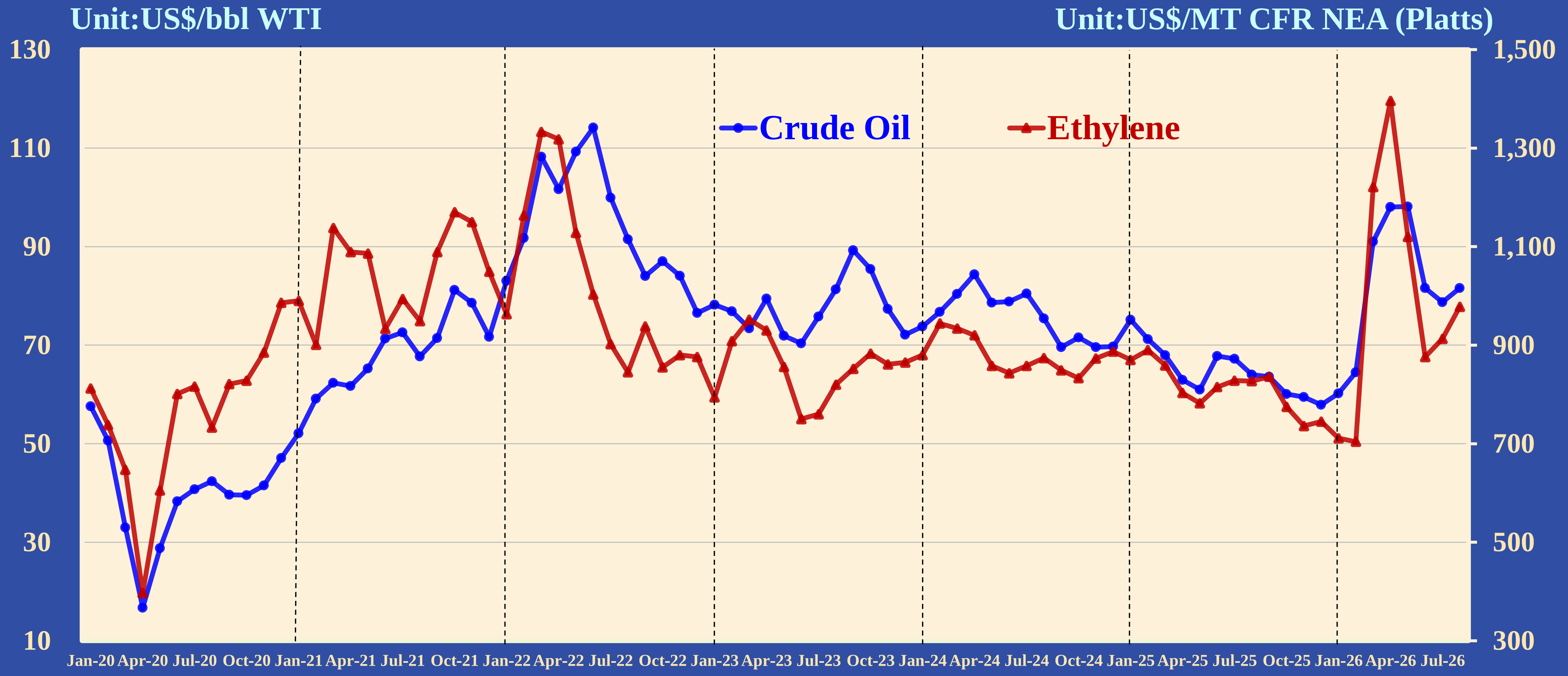
2026 H1 Review : Consolidated Sales

- The consolidated sales in 2026 H1 was NT$ 5.404 B, which increased by NT$ 0.283 B YoY (6%↑).

Sales Quantities (KT)

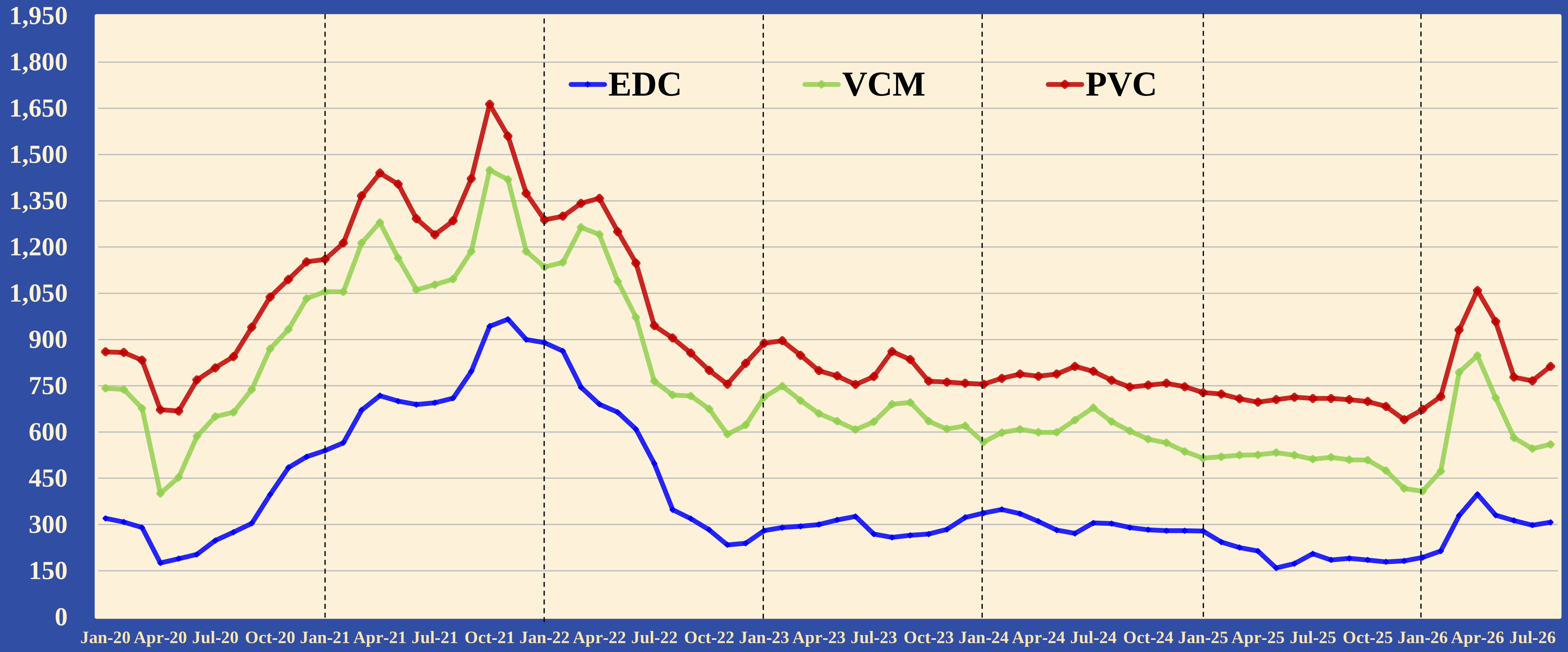
Products	2026	2025	+/-
VCM / PVC	155	158	-3
PVC Products	14	14	0
Alkaline 100%	28	29	-1
Total	197	201	-4

Crude Oil & Ethylene Price Trend



PVC / VCM / EDC Price Trend

Unit:US$/MT CFR NEA (Platts)



2026 Q3 Outlook : PVC feedstocks(I)

- **Ethylene :** Geopolitical uncertainty in the Middle East and sustained low transit volume through the Strait of Hormuz continue to disrupt petrochemical supply chains. Following the breakdown of the ceasefire agreement, Ethylene prices spiked violently alongside Crude Oil/Naphtha to $1,070/MT, squeezing the Naphtha Spread. Despite weak downstream derivative and end-user demand, Q3 supply remains tight. The industry is closely monitoring Japanese and South Korean players shutting down older crackers or consolidating production scale, as well as trade flow shifts following new capacity additions in China and the Middle East.

2026 Q3 Outlook : PVC feedstocks(II)

- **EDC :** In Q3, geopolitical blockades continue to restrict raw material circulation. Costs are supported by high Ethylene prices and Chlor-Alkali production cuts; however, sluggish downstream VCM / PVC demand has hindered upward price adjustments. Asian spot trading remains limited. Long-haul shipment lead times and rising freight rates have led to unstable inflow into Asia. It is estimated that Asian supply will stay tight in H2, with prices fluctuating within a range.

2026 Q3 Outlook : PVC feedstocks(III)

- **VCM : In Q3, under the pressure of firm upstream raw material costs and weak downstream PVC demand, Asian manufacturers are incurring losses and forced to lower operating rates, creating short-term supply tightness. Furthermore, as global VCM plants enter peak turnaround season in Q4, supply will contract further. As PVC gradually enters its peak season toward the end of Q3, prices are expected to exhibit a firm, range-bound upward trend, offering potential margin recovery.**

2026 Q3 Outlook : PVC Supply(I)

- **China** : Higher summer electricity tariffs and elevated upstream raw material costs, combined with policy-driven energy-efficiency inspections targeting inefficient Carbide-based PVC capacity, slow domestic real estate start-up recovery, and weak export demand with aggressive price competition, have kept industry losses unmitigated. Enterprises are responding by reducing operating loads or performing maintenance, leading to slow inventory drawdowns. Unstable Middle East situations and emerging trade barriers have narrowed capacity spillover regions, keeping Q3 PVC overall operating rates low at 66%~72%. Effective capacity in 2026 is projected to drop to 29 million MT/year; however, high inventory and the cost advantages of Carbide-based PVC continue to weigh on market price recovery.

2026 Q3 Outlook : PVC Supply(II)

- **Asia :** With Middle East peace talks collapsing, Asian Naphtha/Ethylene supply has tightened. High raw material costs support PVC quotes; however, global inflation, consumer slowdown, extreme weather disrupting logistics, elevated ocean freight rates, and trade protection policies implemented by various import markets (UK, South Korea, Pakistan, Thailand, etc.) have pushed PVC into demand stagnation and trade flow restructuring. Asian producers are responding by extending turnarounds or reducing production. From September into Q4, intensive turnarounds outside China will contract capacity, which is expected to improve supply-demand structure and price trends in the long run.

2026 Q3 Outlook : PVC Supply(III)

- **United States :** Far removed from geopolitical hot spots and equipped with relatively low-cost Ethane and Natural Gas energy, US PVC production and sales hold price advantages over Europe and Asia. In Q3, only Shintech's Plant 2 (445,000 MT/year) is under maintenance, resulting in limited capacity loss; operating rates are expected to rise from 78% in Q2 to 82%~84%. As domestic US housing demand cools in Q3, rising Asian market quotes and favorable freight rates will drive US PVC export expansion, competing directly with Asian supply in India and Southeast Asia.

2026 Q3 Outlook : PVC Demand(I)

- **China :** Sluggish Q3 new housing starts continue to drag down the traditional "Golden September and Silver October" peak season. However, the NDRC's disclosure of the "Six-Network Infrastructure" urban renewal policy under the 15th Five-Year Plan has injected positive momentum into PVC market demand. Coupled with elevated Crude/Ethylene feedstock costs driven by Middle East developments, PVC futures have rallied, likely encouraging plastics and building material processors to replenish inventory and raise operating rates. In export markets, demand in India and Southeast Asia is recovering post-monsoon season; benefited by India's Minimum Import Price (MIP), volume and prices are expected to improve steadily.

2026 Q3 Outlook : PVC Demand(II)

- **Asia : Entering the traditional peak season late in Q3, the monsoon season ends in India, Bangladesh, and Southeast Asia, leading to a return in demand for Indian residential, agricultural irrigation, and cable applications, as well as Southeast Asian infrastructure and export processing raw material stocking. India's MIP restrictions and anti-subsidy tax investigations against Chinese producers have effectively boosted Indian import price levels and lifted surrounding market prices. Combined with international trade barrier interventions and cost support from raw materials, the price gap between Asian and Chinese supply has narrowed, paving the way for an improved low-price supply-sales landscape.**

2026 Q3 Outlook : PVC Demand(III)

- **United States : With a less probability of Fed rate cuts and mortgage rates remaining high (6.7%), the US housing market is undergoing a mild bottoming process in Q3. Demand for related pipes, wall panels, and window frames is slowing down, resulting in flat-to-weak domestic PVC sales (down 1%~4% QoQ). High capacity and inventory (470,000 MT) will be prioritized for export digestion. Quotes are following geopolitical tensions and Asian market rallies upward; however, constrained by trade protectionism in export markets (Pakistan, Mexico, Brazil, etc.), trade flows will focus mainly on Canada, Latin America, Africa, and Asia.**

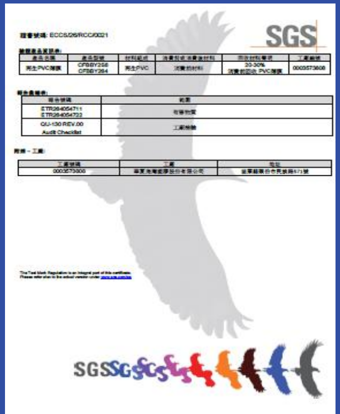
Patenting High Value-added New Products (I)

1. ISO 14021 Green Innovative Products :

Recycled PVC Content Certified Products

1) Low-Carbon Film/Lamination: Utilizes 20%~30% Pre-Consumer Recycled PVC Film.
   - An ESG-compliant product meeting RoHS standards.
   - Strategically positions for eco-friendly green business opportunities, developing sustainable material solutions to enhance added value.

2) Low-Carbon Piping: Utilizes >95% Post-Consumer Recycled Material.
   - Covers CNS 1298 Drainage Pipes and CNS 1302 Electrical Conduits.
   - Enhances the quality of public engineering and private construction projects while accelerating corporate net-zero carbon reduction roadmaps.



Patenting High Value-added New Products (II)

2. PVC Cooling Leather :

- Addressing the discomfort caused by extreme climate and high temperatures in outdoor vehicles during summer.
- Cross-Industry Applications : Widely adopted in brand motorcycles, shared bicycles, golf carts, European/American marine vessels, agricultural vehicles, and outdoor leisure seating markets. Continuous optimization of cooling depth and expansion into the automotive sector.
- Market Deployment : Trial installations on shared bicycles in Taipei/New Taipei and Kaohsiung; trial deployments planned for Central Taiwan in Q4. Actively expanding distribution channels into Chinese chain shared-bicycle brands and overseas heavy motorcycle brands.

Branded motorcycle

Shared scooter

Farm vehicle

Golf cart

Outdoor yacht

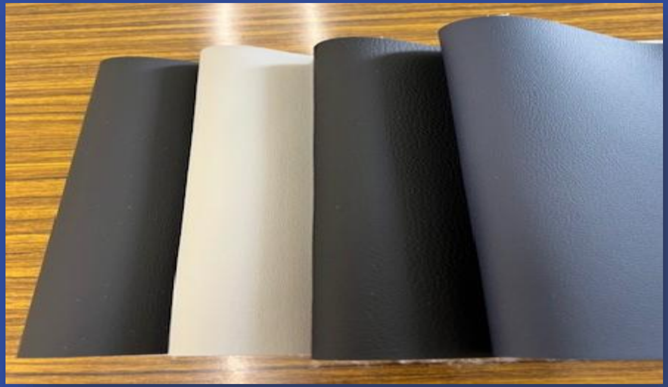
Shared bike

Meituan Shared Bikes

Patenting High Value-added New Products (III)

3. Optimized Leather Products (PVC/TPO) with Water-Based Skin-Friendly Features :

- Eco-Technology: Adopts water-based, solvent-free technology, drastically reducing VOC emissions to align with market trends and environmental regulations.
- Superior Characteristics: Skin-friendly, soft and delicate tactile feel, low odor, flame retardancy, and high scratch/flex resistance.
- Compliance: Fully compliant with international standards (EU REACH, RoHS, PFAS, etc.).
- Market Applications: Skin-contact indoor products, automotive interiors, furniture, baby seats, and long-term care bed/chair upholstery.



Patenting High Value-added New Products (IV)

4. TPO Hand-Tearable Tape / Insulating Tape (ESG Products) :

1) TPO Hand-Tearable Tape Product Features :

- Eco-friendly, free of plasticizers and heavy metals.
- Features easy-tear properties.
- Complies with EU PPWR packaging material recycling regulations.

2) TPO Insulating Tape Product Features :

- Eco-friendly, free of plasticizers and heavy metals.
- Outstanding chemical resistance and superior electrical performance, fully meeting strict tape material physical property standards.

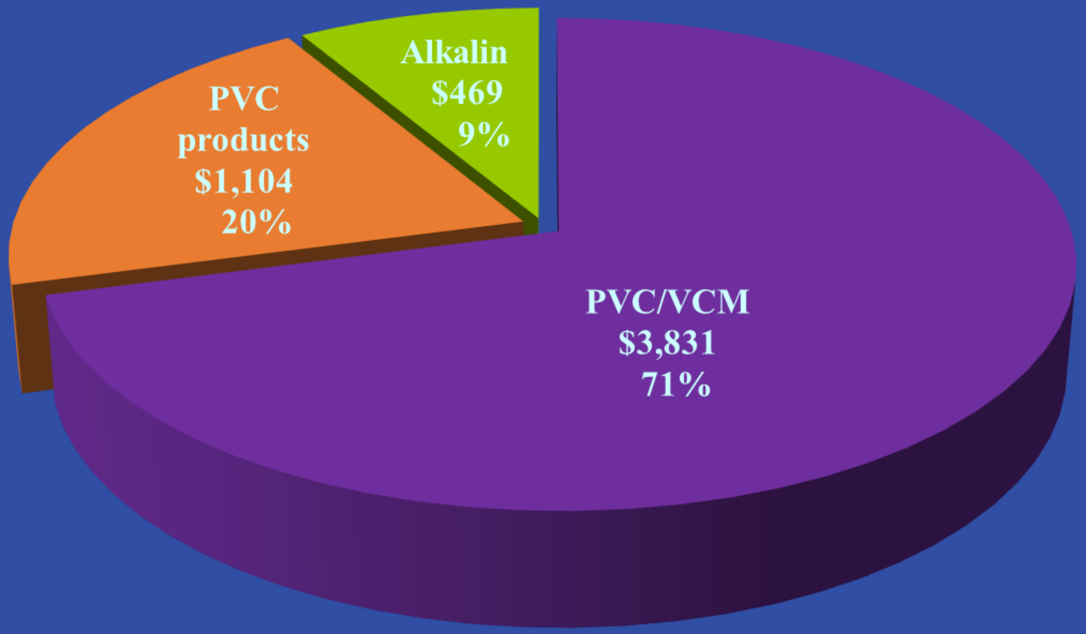
2026 H1
Finance Information

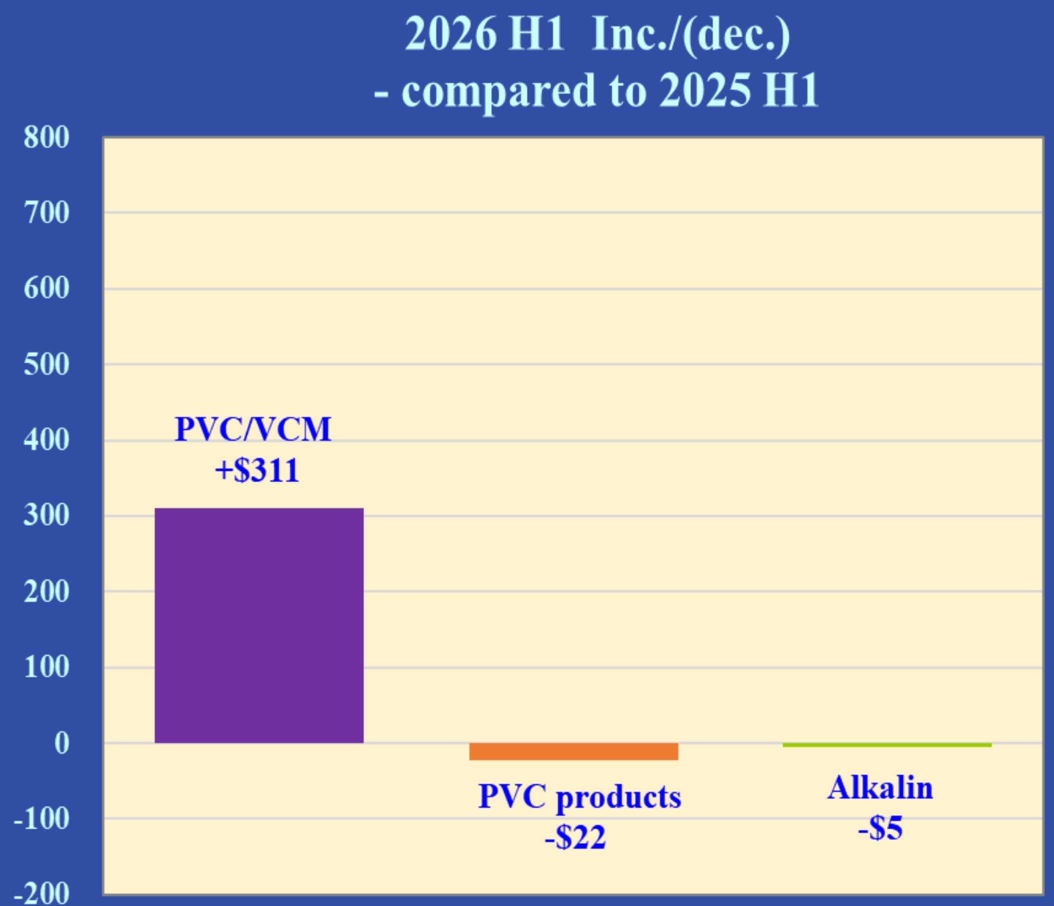
Aug 26, 2026

Reporter : C F Li, Manager

2026 HY1 Sales by Products

(NT$million)





Consolidated Statements of Income

Unit : NT$million , except per share data

	2026 Jan.-Jun.	2025 Jan.-Jun.	YoY%	2025 FY	2024 FY	2023 FY
Sales	5,404	5,120	5.5%	9,221	11,087	13,707
Cost of goods sold	4,941	5,418	-8.8%	9,571	10,876	12,030
Gross profit	463	-298	-255.4%	-350	211	1,677
Gross profit ratio	8.6%	-5.8%		-3.8%	1.9%	12.2%
Operating expenses	458	477	-4.0%	910	1,054	1,217
Operating income(loss)	5	-775	-100.6%	-1,260	-843	460
Operating income ratio	0.1%	-15.1%		-13.7%	-7.6%	3.4%
Non-operating income(loss)	-11	-117	-90.6%	-67	-77	7
Income(Loss) before income taxes	-6	-892	-99.3%	-1,327	-920	467
Income taxes expense(benefit)	-4	-182	-97.8%	-345	-169	73
Net income(loss)	-2	-710	-99.7%	-982	-751	394
Net income ratio	0.0%	-13.9%		-10.6%	-6.8%	2.9%
Net income(loss) attributable to						
- China General Plastics Corporation	12	-674	-101.8%	-919	-710	342
- Noncontrolling interest	-14	-36	-60.1%	-63	-41	52
Earnings(loss) per share	0.02	-1.16	-101.7%	-1.58	-1.22	0.59

Financial Ratio Analysis (Consolidated Basis)

	2026 Jan.-Jun.	2025 Jan.-Jun.	2025 FY	2024 FY	2023 FY
Operating income margin(%)	0.1	-15.1	-13.7	-7.6	3.4
Net income margin(%)	0.0	-13.9	-10.7	-6.8	2.9
Debt ratio(%)	56	51	53	48	42
Current ratio(%)	125	96	109	136	204
Quick ratio(%)	72	60	58	82	127
Average days of collection	34	37	34	34	34
Average inventory turnover days	72	75	85	85	77

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

China General Plastics Corp.

The End
Thank You

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Investor Conference

Q & A

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