



Pan Asia Chemical Corporation

Investor Conference

June 9, 2023

Disclaimer

- All statement and report from the seminar are based on internal, external source of information concerning financial report, sales performance...etc.
- We haven't release financial prediction yet. During the seminar, our forward-looking statement may differ materially from actual results involved with financial performance, results of business operations, and Q&A. Those differences cause from risk factors and uncertainties, including changes in market demand, price volatility, international economic environment, currency fluctuations, up and down stream supply chain...etc.
- The future prospect from the seminar reflects our forward-looking expectation. Readers should also refer our company document which has been applied to authorities. After the seminar, we don't undertake any obligations to update or revise forward-looking statement as a result of new information updated, or events occurred.

CATALOG

Company
overview

Main
product

Annual
capacity

Operation
overview

Financial
figures

Perspective

Company Overview

Date of establishment	April 6, 1982
Registered capital	NT\$3,526M
Chairman	Kuei-Shiang ,Wang
Main products and services	Manufacture and sale of petrochemical materials and cleaning products.
Date of Listing	May 20, 1998 (Code 4707)
Production sites	Kaohsiung Dasha
Number of Employees	113

Industry Overview

- 1.) Relationship between upstream, midstream and downstream of the industry :
Non-ionic interface activator is a bridge between the upstream petrochemical raw material industry and the downstream livelihood and industrial products industry, and has the irreplaceable correlation that is crucial to the industry development.
- 2.) Product development trends and competition :
 - (1) Non-ionic surfactants are essential for economic development and will grow as the economy
 - Continues to rise.
 - (2) This industry needs the advantage of EO factory to cooperate, and the company has the competitive
 - Conditions in the market.
 - (3) Since the ASEAN 10 plus 1 has zero tariff among member countries since FY98, the company is facing challenges in price competitiveness.

Main Products And Overviews

- **EOD (Surfactants)**
- **Main applications** : Resin synthesis additives, industrial emulsifiers, industrial cleaning agents, metal processing additives, pesticide additives, PU synthesis, personal cleaning and care products manufacturing, textile dyeing and finishing additives, electronics industry related additives, paper manufacturing additives, esterification reaction materials, tire and rubber industry additives, ink printing additives, wood processing agents, etc.
- **Market overview** : 43% of our products are supplied to the domestic market and the rest are sold overseas. Our main markets are textile dyeing and finishing auxiliaries, industrial auxiliaries, electronic industry, and detergent auxiliaries for people's livelihood.
- **The main foreign markets are** : In addition to bulk products, our main markets are electronic industry auxiliaries, textile dyeing and finishing auxiliaries, special industrial auxiliaries, and other special non-ionic active agents.
- **Competitive advantage** : the main advantage is that our parent company has priority in supplying the main raw material, ethylene oxide (EO), which can be used by our factory without any problem. We have a complete product line and customized products to provide customers with more choices for use.

Main Products And Overviews

- **Ester (Synthetic Esters)**
- **Main applications** : Personal cleaning and care products manufacturing, ink printing, resin synthesis, textile, industrial emulsifiers, industrial detergents, metal processing, paper manufacturing, lubricating oils, pesticides, etc.
- **Market overview** : 34% of the products are supplied to the domestic market and the rest are sold abroad. The main markets are industrial emulsifiers, industrial lubricant additives, textile dyeing and finishing auxiliaries, paper manufacturing auxiliaries, plastic additives, etc.
- **The main foreign markets are** : Industrial emulsifiers, industrial lubricant additives, paper manufacturing auxiliaries...Etc.
- **Competitive advantage** : Vertically integrated, with our own raw materials and A wide variety of ester product specifications, we can customize ester products to meet the different needs of our customers.

2022 Plant Production Statistics

Product	Quantity(Ton)
Surfactants	29,468
Synthetic esters	4,365

Financial Figures And Operation Overview

Revenue Contribution by Segments	Chemical -EOD	Chemical -Ester
2021	82%	18%
2022	83%	17%

Statements Of Comprehensive Income

• Unit: NT\$ Thousand (Except For EPS)

Selected Items from Statements of Comprehensive Income	2021	%	2022	%	2023Q1	%
Net Revenue	1,727,577	100%	1,828,734	100%	273,089	100%
Gross Profit from operations	193,591	11%	268,106	15%	(3,434)	(1%)
Operating Expenses	123,445	7%	143,042	8%	19,506	7%
Net operating Income	70,146	4%	125,064	7%	(22,940)	(8%)
Non-Operating revenue and expenses	277,272	16%	305,349	17%	72,593	26%
Net Income after Tax	342,978	20%	402,097	22%	49,023	18%
EPS (NT Dollar)	0.97	-	1.14	-	0.14	-

Balance Sheets

• Unit: NT\$ Thousand

Selected Items from Balance Sheets	2021	%	2022	%	2023Q1	%
Cash & Marketable Securities	592,689	7%	564,252	7%	652,259	8%
Accounts receivable and notes receivable	194,686	2%	153,214	2%	84,488	1%
Inventories	217,599	2%	232,387	3%	92,065	1%
Long-Term Investments	6,762,140	77%	6,612,604	78%	6,657,656	80%
Property, plant and equipment, net	931,276	11%	871,629	10%	854,683	10%
Other assets	91,316	1%	43,816	-%	53,224	-%
Total Assets	8,789,706	100%	8,477,902	100%	8,394,375	100%

Balance Sheets

• Unit: NT\$ Thousand

Selected Items from Balance Sheets	2021	%	2022	%	2023Q1	%
Current Liabilities	2,245,910	26%	2,425,758	29%	2,318,480	28%
Non-current Liabilities	718,057	8%	373,152	4%	383,968	4%
Total Liabilities	2,963,967	34%	2,798,910	33%	2,702,448	32%
Total Shareholders' Equity	5,825,739	66%	5,678,992	67%	5,691,927	68%
Book Value/Share	17.76	-	16.10	-	16.14	-

FUTURE PROSPECT PLANNING

- 1、To satisfy customers' needs and provide products of both quality and quantity. In line with the development of the industry, through unremitting self-support, from the initial products related to detergents, we have developed into textile auxiliaries and industrial emulsifiers, and in recent years, we have gradually expanded our product range to include new performance chemicals for electronics-related high-tech needs.
- 2、We are committed to expanding the breadth and depth of our investment business, investing in research and development and actively exploring markets to enhance operational performance and create a win-win situation for both the industry and the company.
- 3、In line with the trend of internationalization, we will strengthen the communication and cooperation with foreign customers, expand the export sales market, and aim to establish a stable and long-term partnership. At the same time, we will stabilize the domestic market share, develop the vertical industry, develop the market of ester chemicals and spinning oil, increase the revenue of the enterprise, and improve the technical level and image of the industry.
- 4、The board of directors of the company approved a cash dividend of 0.15 yuan per share in 2022, and a stock dividend of 7.5 shares per 100 shares, which was approved by the shareholders' meeting and authorized the board of directors to set the basis date of the allotment and other related matters.

Q&A Session

- Please texting your question online.