

# Investor Conference

**December 13, 2018**

**Speaker: ken Lin, General Manager**

Stock Code:1724

# Agenda

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- 1** **Company Profile**
- 2** **Products and Applications**
- 3** **Operational Overview**
- 4** **Prospects**
- 5** **Questions and Discussions**

# Disclaimer

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The figures of briefing consolidated financial statements are compiled in accordance with the guidelines of the International Financial Reporting Standards (IFRSs) approved by the securities issuer's financial statements and prepared in accordance with the International accounting standards, interpretation and interpretation bulletins, and the verification by certified accountants.

The Company has not issued any financial forecast. The financial statements, the business descriptions and the Company's future business prospects in this Briefing may differ from those of actual operations in the future. Such differences may include changes in market demand, price fluctuations, International economic conditions and fluctuations of exchange rate, and other risks that the Company cannot grasp.

The information gathered in this Briefing is from various sources within and outside the Company. If there is any change in the future, please refer to the information announced by the Public Information Observatory.

# Company basic information

The background of the slide is a photograph of an industrial facility. In the foreground, there is a circular concrete planter with some green plants. Behind it, a grey wall features a large 'NIG' logo and the text 'NIG INDUSTRIAL CO., LTD.' in Chinese and English. In the background, there are several industrial buildings, including a tall, multi-story structure and a large, light-colored building. The sky is overcast.

Date of Establishment	1954
Date of Listing	1995
Number of Employees	242
Capital Amount	NT\$ 12.7 billion
Chairman	Eric Lin
Products	Coating Chemicals, Electronic Chemicals
Locations	Taoyuan Headquarter, Taoyuan Plant
Transfer-Invested Enterprises	China Nitrocellulose Company Limited

# Product Introduction



Coating Chemicals	Nitrocellulose, plasticized chips, customized nitrocellulose solution
Electronic Chemicals	Nitric Acid, Hydrochloric Acid, Acetic Acid and other Customized Mixed Acid Series

# Product Application (I)



Product Category	Product Name	Product Application
Coating Chemicals	Nitrocellulose, Plasticized chips, Nitrocellulose solution	Paints, inks, nail polishes, constructions, car refinishes, wood furniture, leather varnishes, vacuum plating clear varnishes, cosmetics, etc.

# Product Application (II)



Product Category	Product Name	Product Application
Electronic Chemicals	Nitric Acid, Hydrochloric Acid, Acetic Acid and other Customized Mixed Acid Series	Semiconductor, Flat Panel Display and Rectifier Diode Process Etching and Cleaning Applications.

# Sales analysis

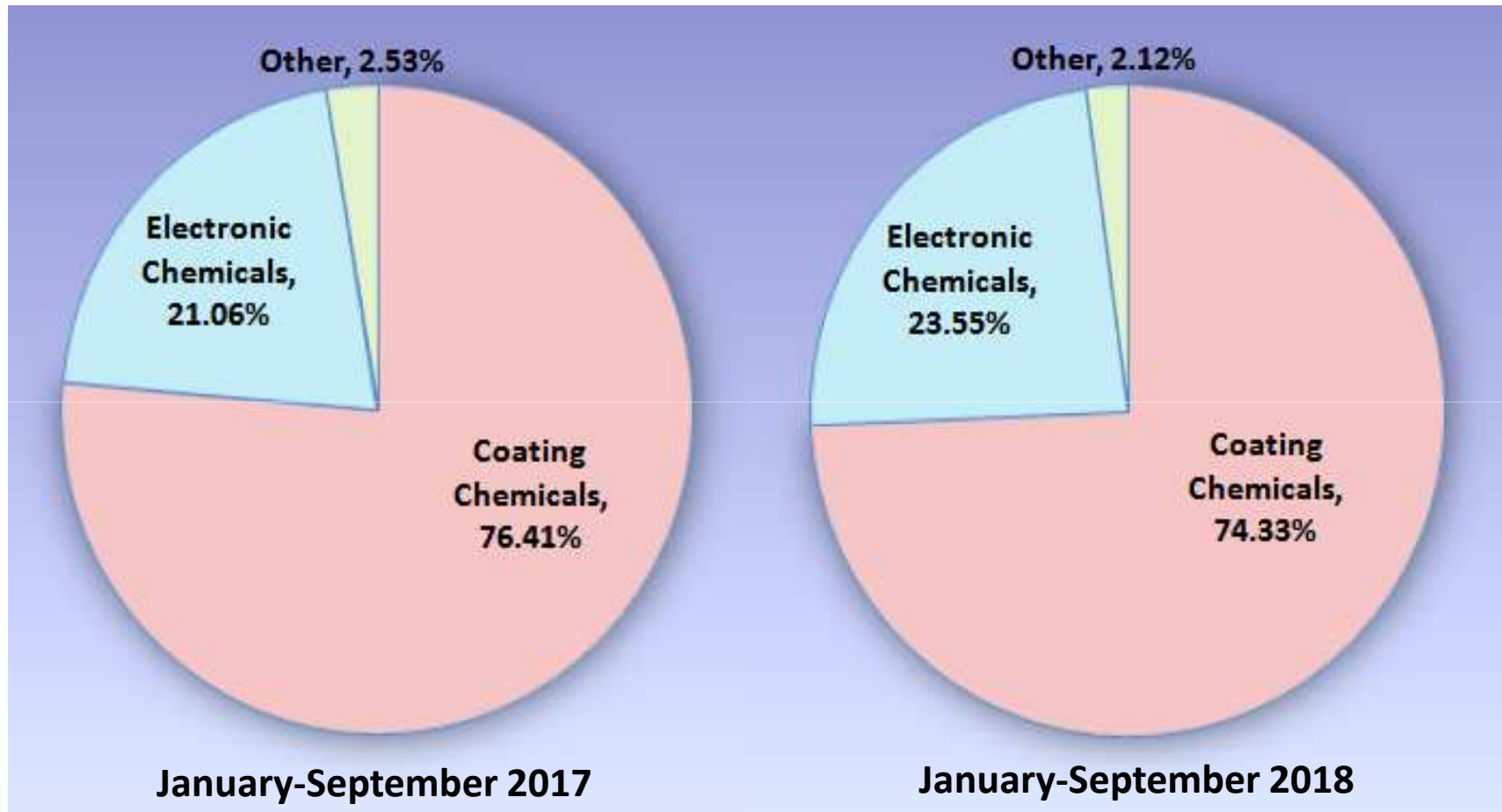


Unit: tons, NT\$ thousand dollars

Item	January-September 2018		January-September 2017	
	Sales Volume	Operating Revenue	Sales Volume	Operating Revenue
Coating Chemicals	14,210	1,094,782	15,312	1,206,049
Electronic Chemicals	12,572	346,864	13,178	332,402
Other	5,257	31,178	6,051	39,920
<b>Total</b>	<b>32,039</b>	<b>1,472,824</b>	<b>34,541</b>	<b>1,578,371</b>



# Proportion of Product Revenue

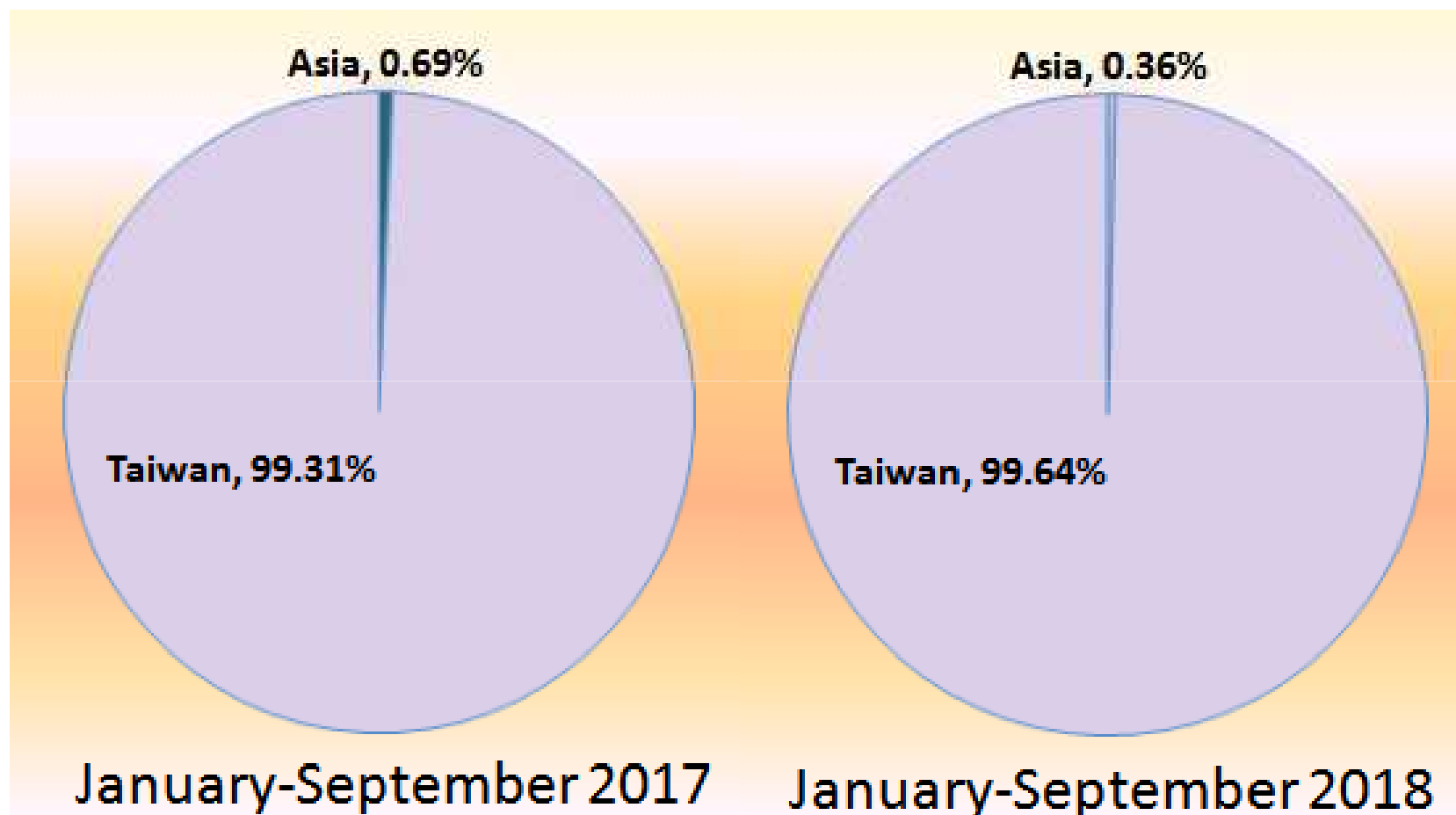


# Revenue Area Ratio of Coating Chemicals



# Revenue Area Ratio of Electronic Chemicals

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# Financial Performance Report



Unit: NT\$ thousand

Item\Year	January-September 2018	January-September 2017	Increase (decrease) Amount	Ratio of Change %
Operating Revenue	1,472,824	1,578,371	(105,547)	(6.69)
Operating Cost	(1,300,986)	(1,370,860)	(69,874)	(5.10)
Operating Margin	171,838	207,511	(35,673)	(17.19)
Operating Profit	47,267	87,283	(40,016)	(45.85)
Net profit before tax	56,544	59,288	(2,744)	(4.63)
Net profit after tax	54,639	47,082	7,557	16.05

Note: Based on consolidated financial reports.

# Financial Status Report

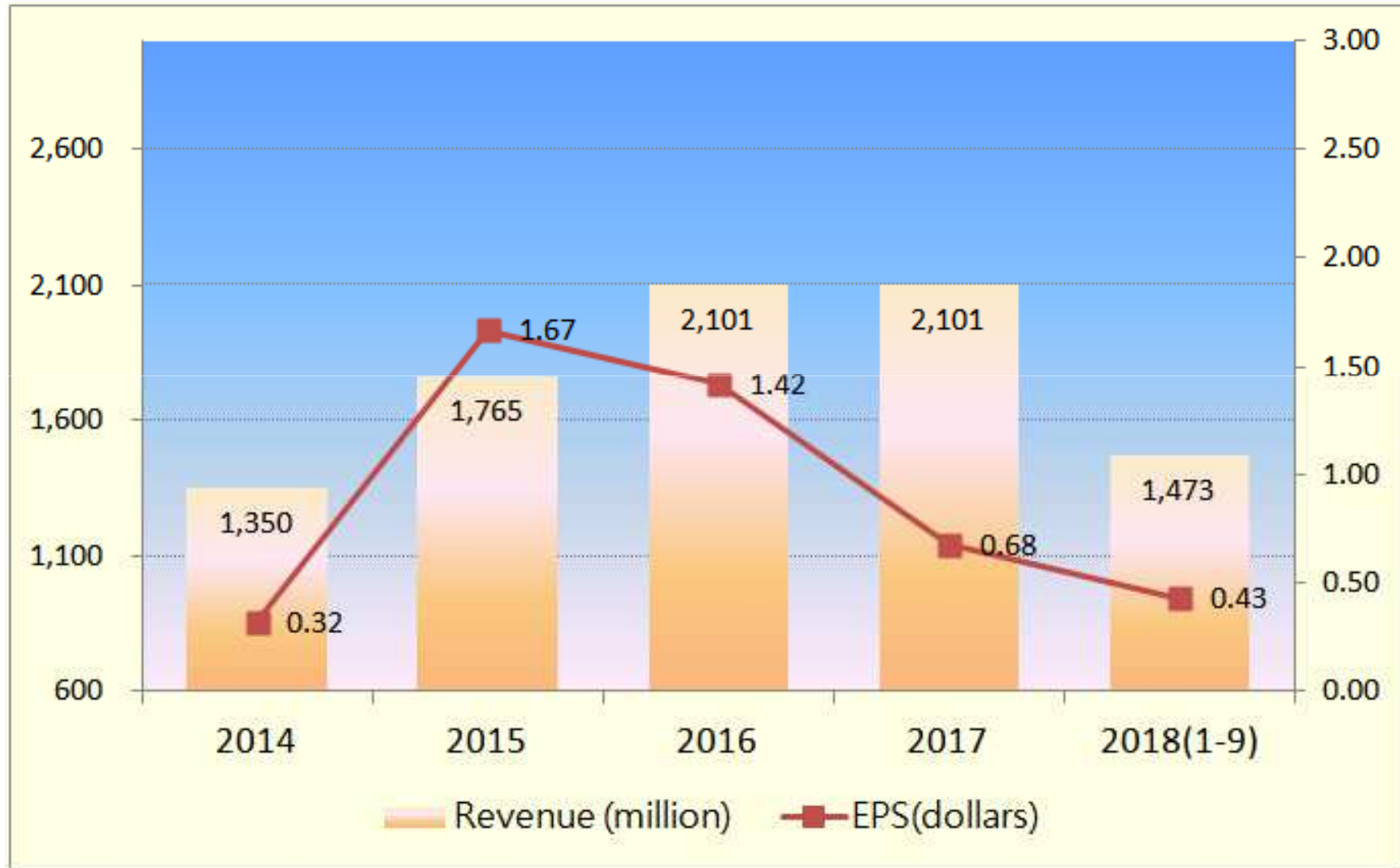


Unit: NT\$ thousand

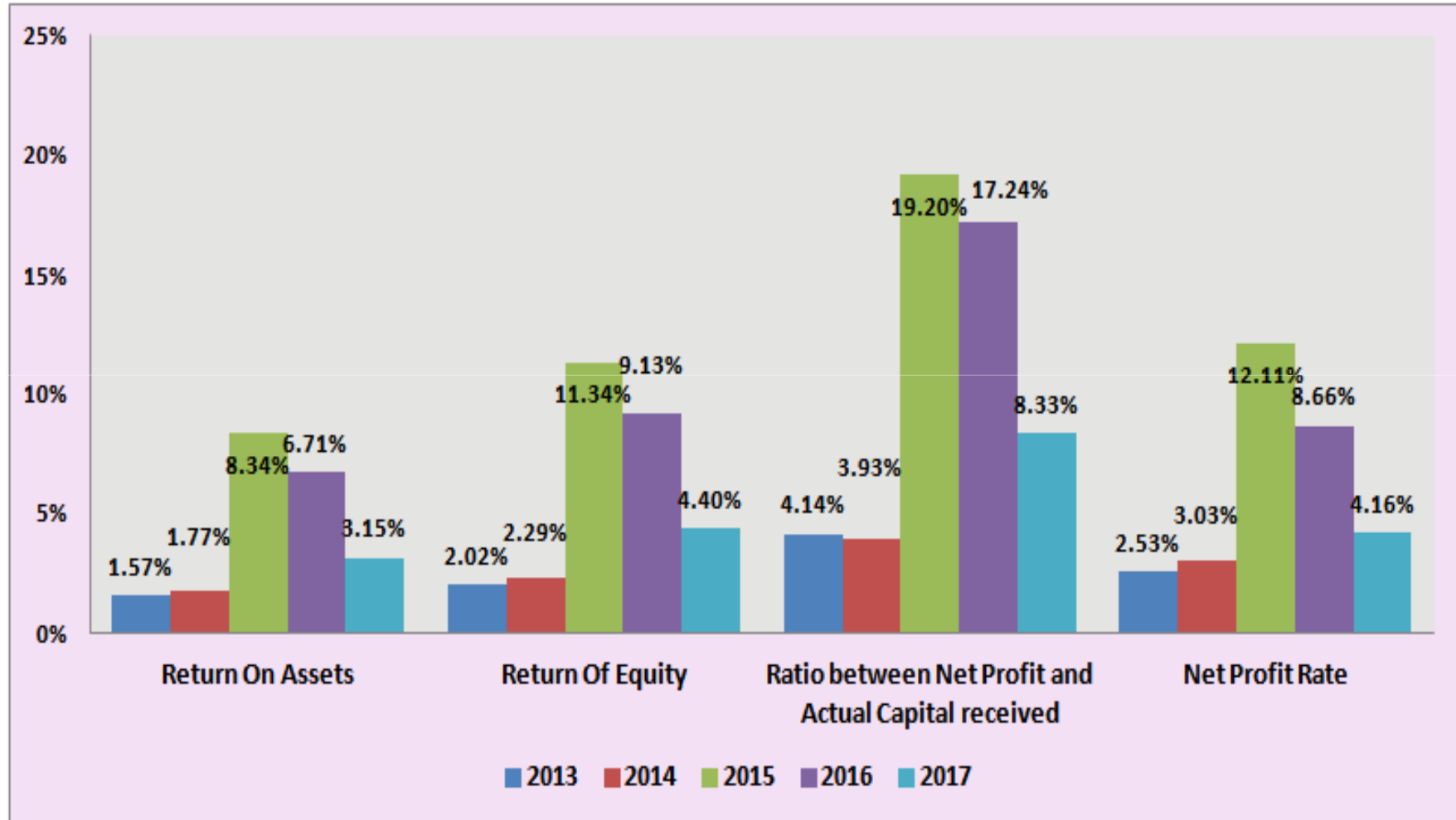
Item\Year	September 30, 2018	September 30, 2017	Increase (decrease) Amount	Ratio of Change %
Current Assets	874,392	907,352	(32,960)	(3.63)
Property, Plant and Equipment	1,480,800	1,325,242	155,558	11.74
Other Non-current Assets	498,861	461,850	37,011	8.01
<b>Total Assets</b>	<b>2,854,053</b>	<b>2,694,444</b>	<b>159,609</b>	<b>5.92</b>
Current Liabilities	819,750	679,425	140,325	20.65
Other Non-current Liabilities	87,523	90,392	(2,869)	(3.17)
<b>Total Liabilities</b>	<b>907,273</b>	<b>769,817</b>	<b>137,456</b>	<b>17.86</b>
Capital Stock	1,278,139	1,278,139	0	0.00
Capital Surplus	9,826	9,826	0	0.00
Retained Earnings	681,969	656,022	25,947	3.96
Other Equity	(23,154)	(19,360)	3,794	19.60
<b>Total Equity</b>	<b>1,946,780</b>	<b>1,924,627</b>	<b>22,153</b>	<b>1.15</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,854,053</b>	<b>2,694,444</b>	<b>159,609</b>	<b>5.92</b>

Note: Based on consolidated financial reports.

# Revenue and EPS

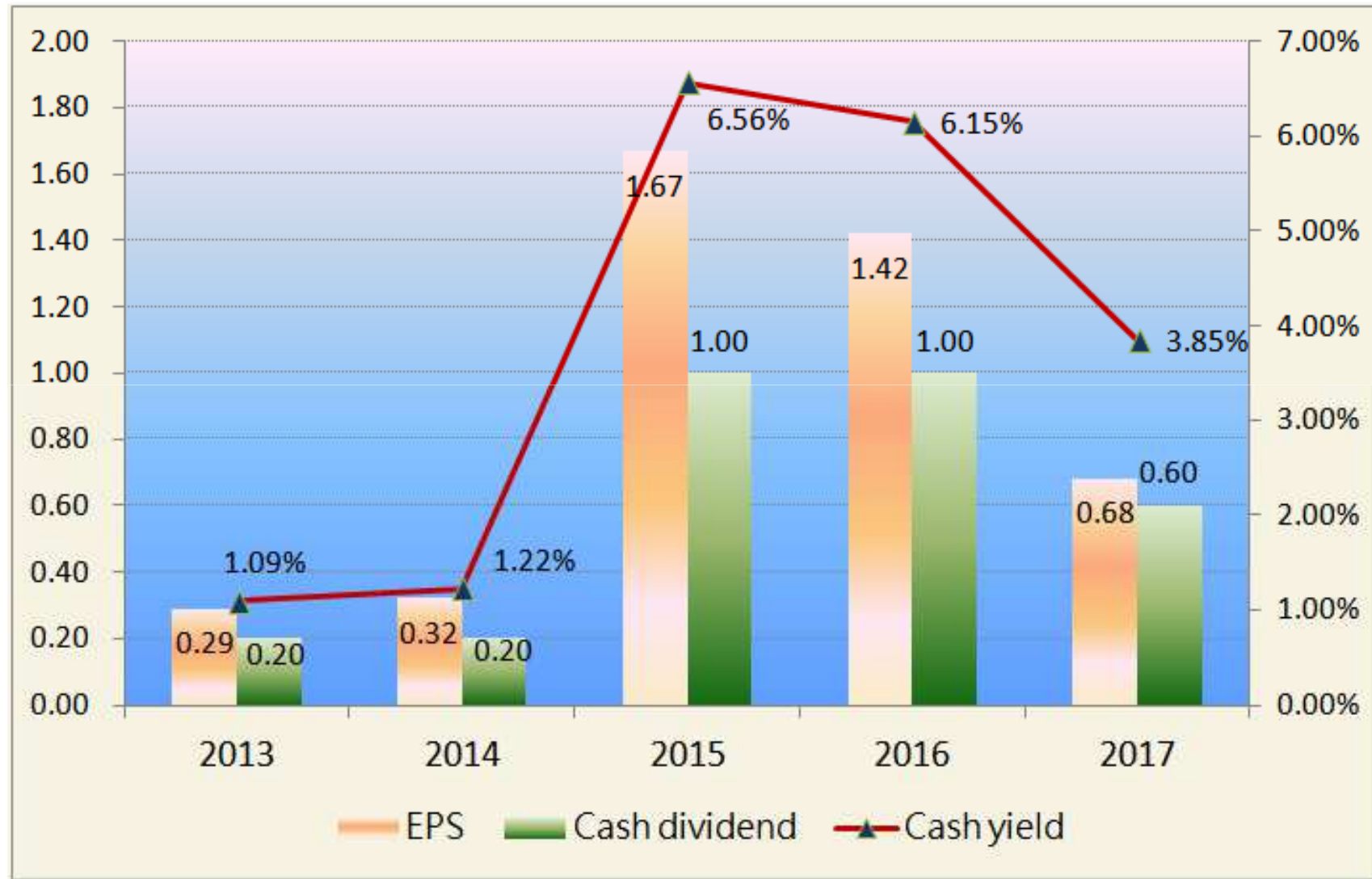


# Latest Annual Financial Analysis(Profitability)



Note: Based on consolidated financial reports.

# Dividend and Cash yield





## ■ Coating chemicals

1. Enhance the expansion of a stable ink market and R&D of high value-added products.
2. Focus in Southeast Asia market as well as emerging markets.

## ■ Electronic chemicals

1. To cope with industrial demand, increase our manufacturing refining capability.
2. Enhance R&D and applications of customized mixed acid series.

# Q & A

