



台硝股份有限公司
T.N.C. INDUSTRIAL CO., LTD.

Investor Conference

November 16, 2017

Speaker: Finley Liu, General Manager

Stock Code:1724

Agenda



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2 **Products and Applications**

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4 **Prospects**

5 **Questions and Discussions**

Disclaimer

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

Company Name	T.N.C. INDUSTRIAL CO., LTD.
Date of Establishment	1954
Date of Listing	1995
Number of Employees	252 persons
Capital Amount	NT\$1,278,139,000
Products	Coating Chemicals Electronic Chemicals
Chairman	Eric Lin
Headquarters	Address:19-1F, No. 1071, ZhongZheng Rd., Taoyuan Dist., Taoyuan City
Taoyuan Plant	Address:No. 25, Da Keng St., Kengkou Village, Luzhu Dist., Taoyuan City

Transfer-Invested Enterprises

■ China Nitrocellulose Company Limited

In 1997, the Company and French Group SNPE set up the China Nitrocellulose Co., Ltd. in Hong Kong with a joint-venture capital of US\$12 million. In 1999, China Nitrocellulose Company merged with a Korean Factory, setting up KCNC Company with the 100% share ownership to enhance the market share of nitrocellulose in Northeast Asia.

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.

Production Analysis

Unit: tons

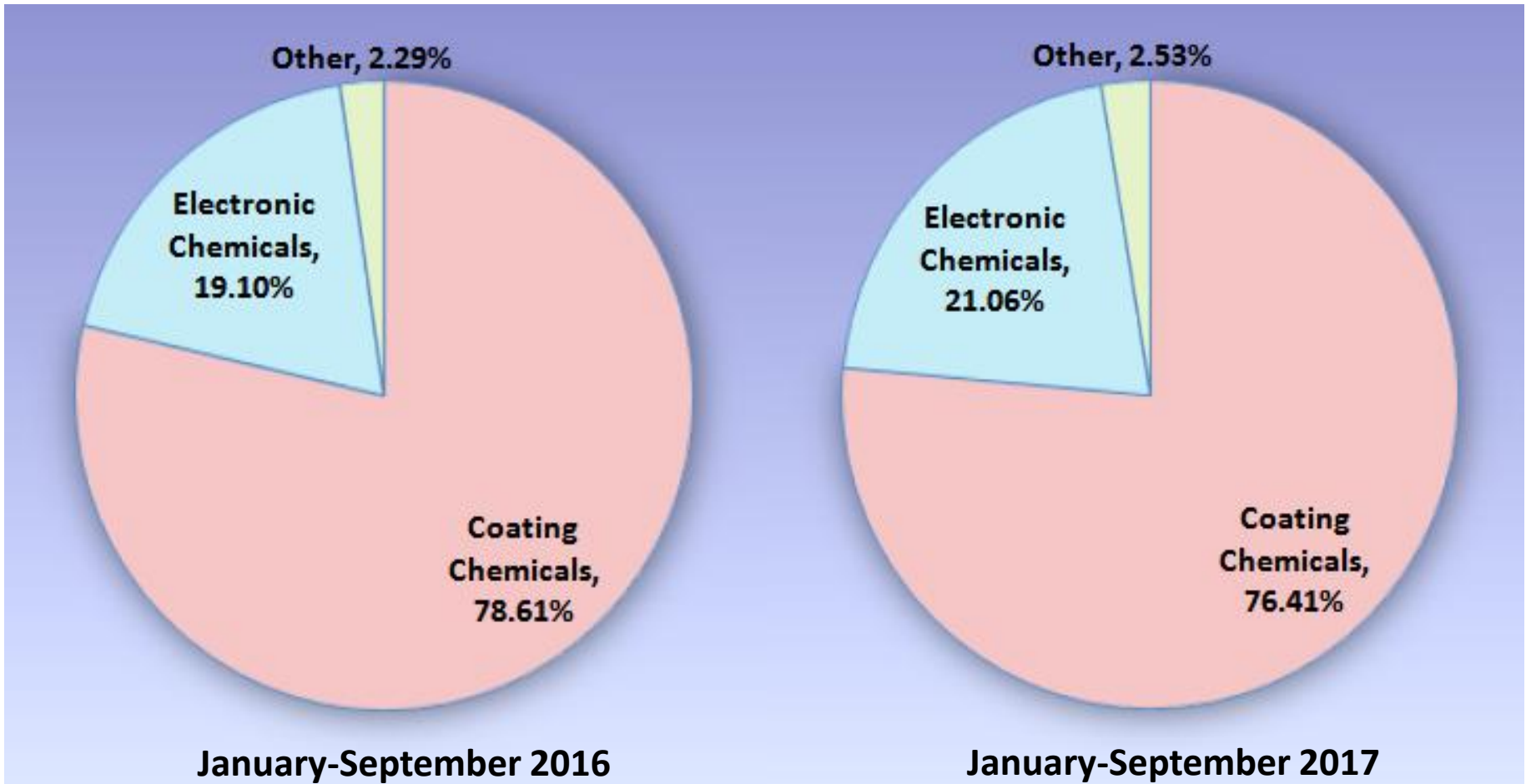
Item	Productivity	
	January-September 2017	January-September 2016
Coating Chemicals	16,486	15,737
Electronic Chemicals	14,603	13,393

Sales analysis

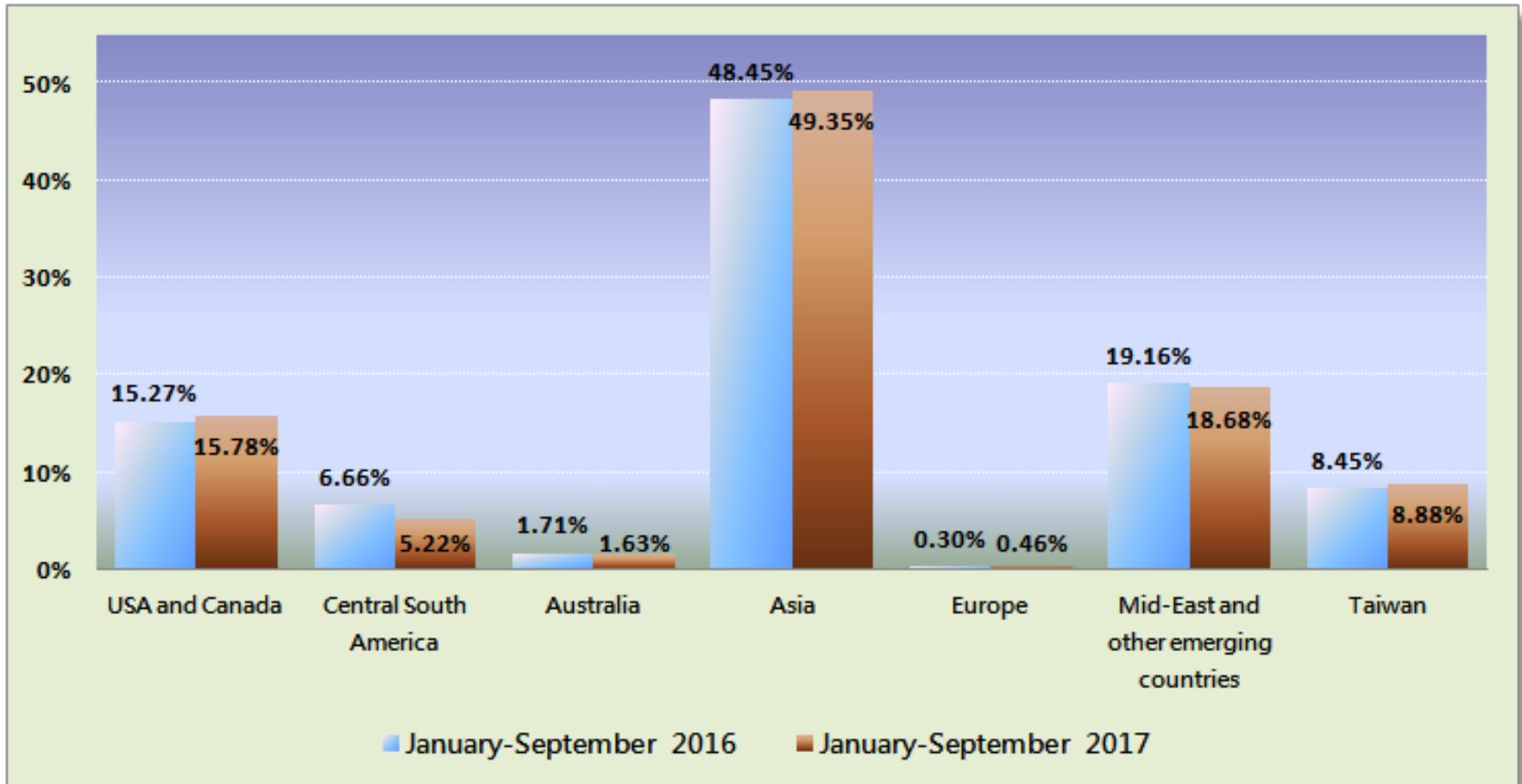
Unit: tons, NT\$ thousand dollars

Item	January-September 2017		January-September 2016	
	Sales Volume	Operating Revenue	Sales Volume	Operating Revenue
Coating Chemicals	15,312	1,206,049	15,058	1,236,934
Electronic Chemicals	13,178	332,402	11,552	300,518
Other	6,051	39,920	5,137	36,007
Total	34,541	1,578,371	31,747	1,573,459

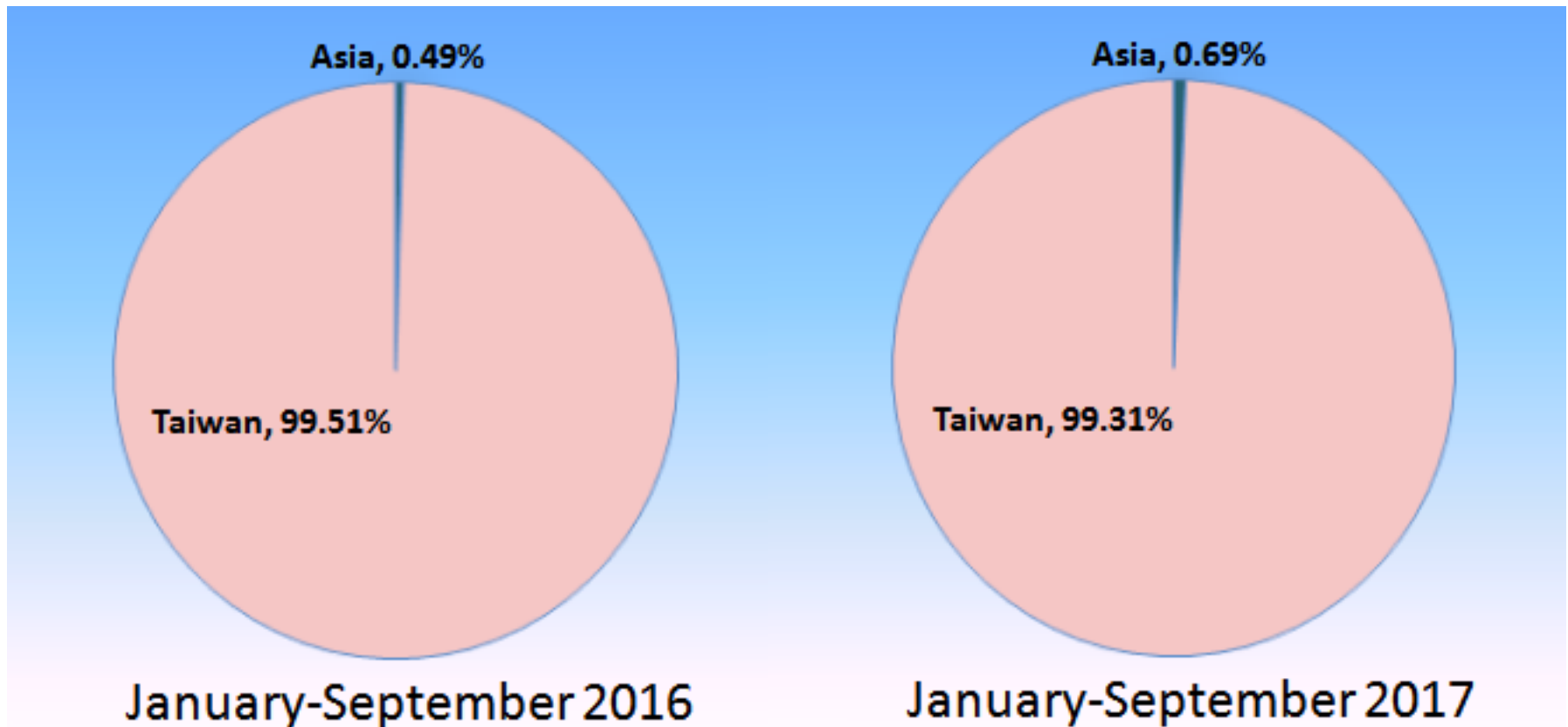
Proportion of Product Revenue



Revenue Area Ratio of Coating Chemicals



Revenue Area Ratio of Electronic Chemicals



Financial Performance Report



Unit: NT\$ thousand

Item/Year	January-September 2017	January-September 2016	Increase (decrease) Amount	Ratio of Change %
Operating Revenue	1,578,371	1,573,459	4,912	0.31
Operating Cost	(1,370,860)	(1,263,675)	107,185	8.48
Operating Margin	207,511	309,784	(102,273)	(33.01)
Operating Profit	87,283	157,600	(70,317)	(44.62)
Net profit before tax	59,288	173,817	(114,529)	(65.89)
Net profit after tax	47,082	144,151	(97,069)	(67.34)

Note: Based on consolidated financial reports.

Financial Status Report

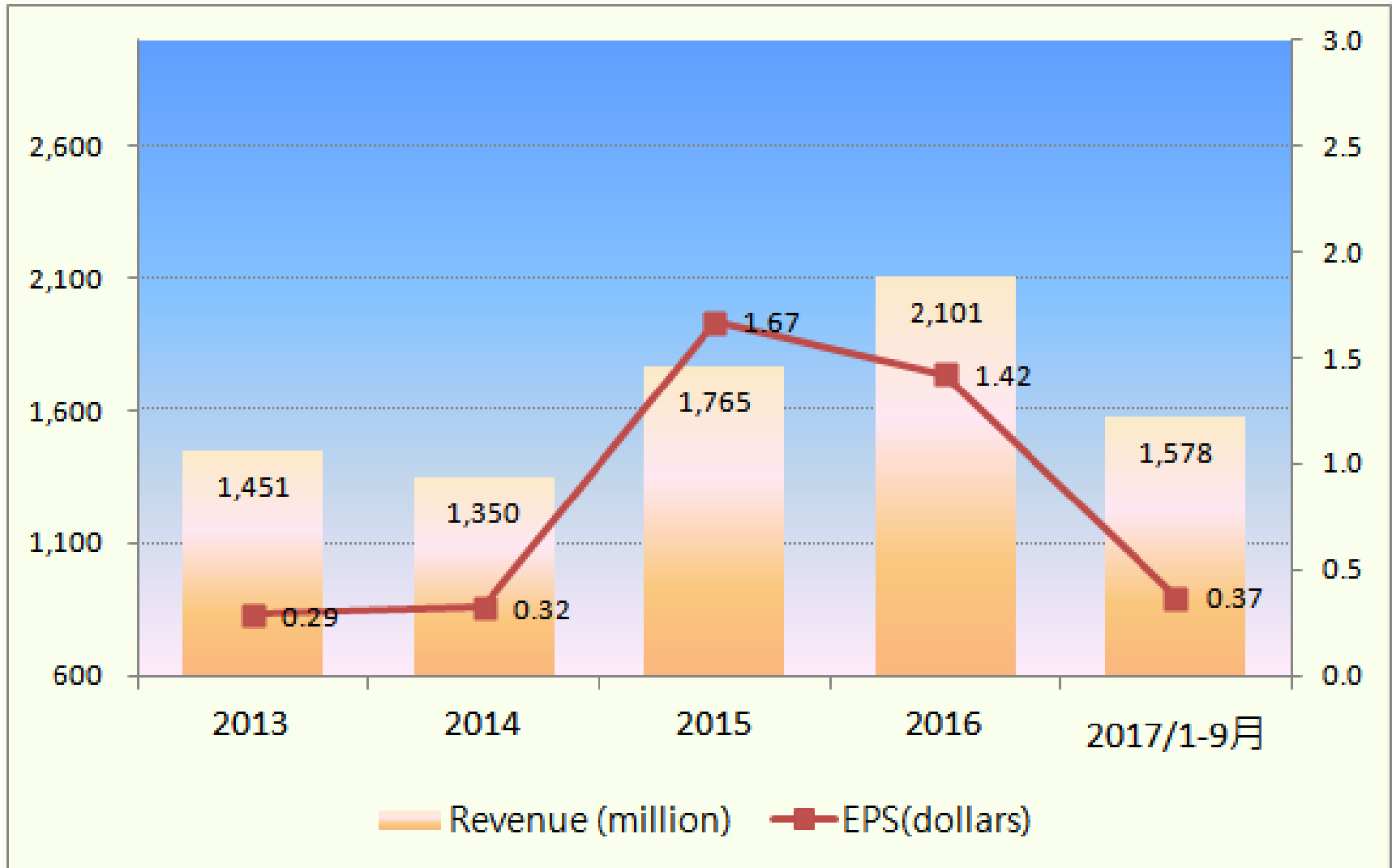


Unit: NT\$ thousand

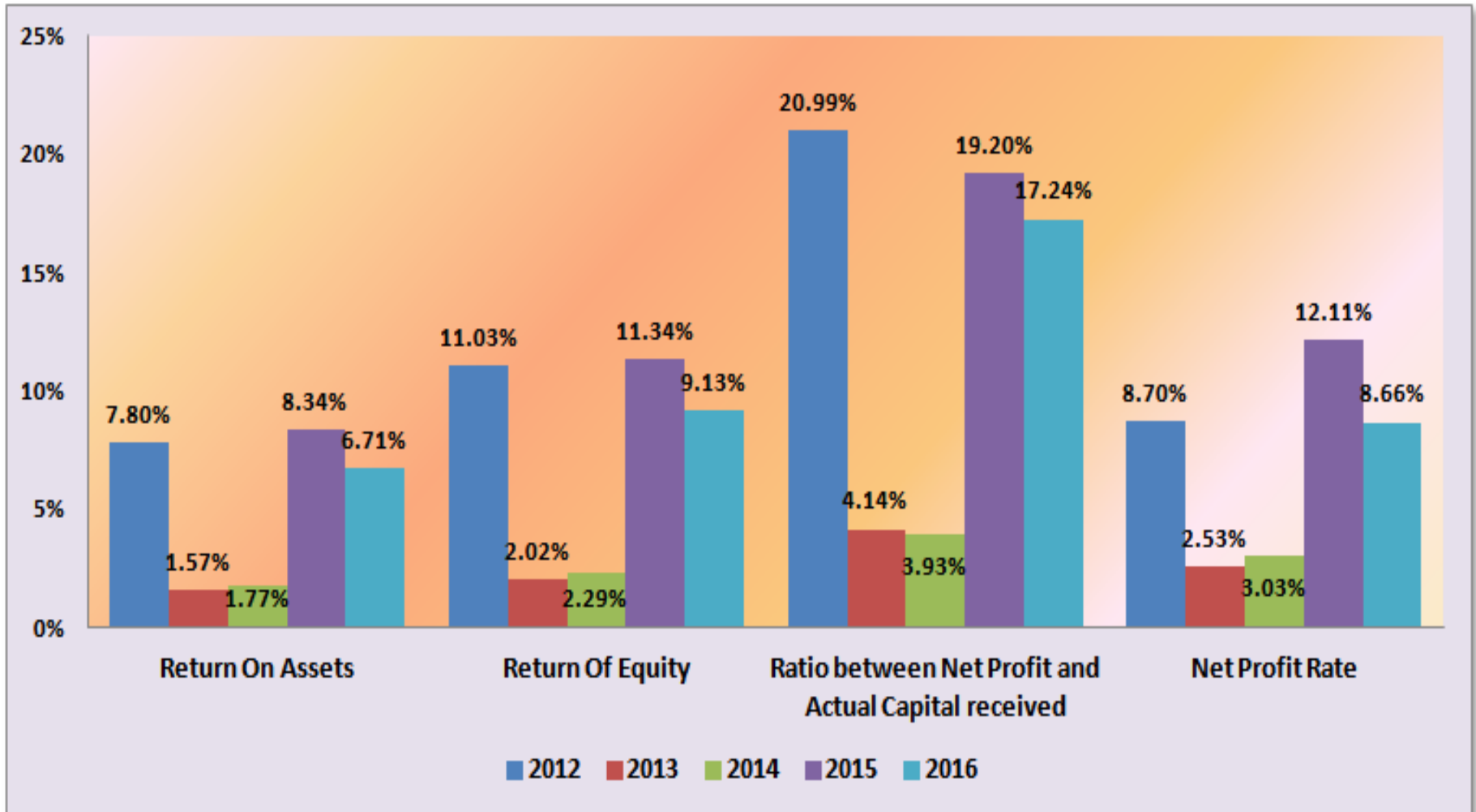
Item/Year	September 30, 2017	September 30, 2016	Increase (decrease) Amount	Ratio of Change %
Current Assets	907,352	930,108	(22,756)	(2.45)
Property, Plant and Equipment	1,325,242	1,215,577	109,665	9.02
Other Non-current Assets	461,850	516,482	(54,632)	(10.58)
Total Assets	2,694,444	2,662,167	32,277	1.21
Current Liabilities	679,425	590,445	88,980	15.07
Other Non-current Liabilities	90,392	104,063	(13,671)	(13.14)
Total Liabilities	769,817	694,508	75,309	10.84
Capital Stock	1,278,139	1,278,139	0	0.00
Capital Surplus	9,826	9,826	0	0.00
Retained Earnings	656,022	700,208	(44,186)	(6.31)
Other Equity	(19,360)	(20,514)	(1,154)	(5.63)
Total Equity	1,924,627	1,967,659	(43,032)	(2.19)
Total Liabilities & Equity	2,694,444	2,662,167	32,277	1.21

Note: Based on consolidated financial reports.

Revenue and EPS



Latest Annual Financial Analysis(Profitability)



Note: Based on consolidated financial reports.

■ Coating chemicals

1. Combined with foreign agents to develop and build up sales channels worldwide.
2. Focus in Southeast Asia market as well as emerging markets.

■ Electronic chemicals

1. To cope with industrial growing trend, increase our manufacturing production.
2. Enhance R&D and applications of customized mixed acid series.

Q & A

A white sign with a logo on the left and the text '台灣股份有限公司' and 'T.N.C. INDUSTRIAL CO., LTD.' in black on the right. The sign is mounted on a white wall in front of a factory building.

台灣股份有限公司
T.N.C. INDUSTRIAL CO., LTD.