**Company Profile**

**Basic Information**

- **Name**: Ocean Plastics Co., Ltd.
- **Establishment date**: June 7, 1965
- **Chairman**: TAN, KIN-MEN
- **Capital**: NTD2,270,000,000
- **Address**: 5, 6F, No. 310, Juguang Rd., Wanhua Dist., Taipei City
- **Tel. No.**: 02-23062131
## Company Profile

### Company history

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>With the technology license from a Japanese company Kanegafuchi Chemical Co., started to produce PVC resin. And Ocean factory was established in Chung-Ho city in Taipei.</td>
</tr>
<tr>
<td>1976</td>
<td>Tao-Yuan factory was established, manufacturing PVC resin.</td>
</tr>
<tr>
<td>1978</td>
<td>R&amp;D department was founded.</td>
</tr>
<tr>
<td>1978</td>
<td>Chung-Li factory was established, manufacturing rigid PVC pipes.</td>
</tr>
<tr>
<td>1994</td>
<td>The Ocean factory achieved DNV ISO 9002 quality certification.</td>
</tr>
<tr>
<td>1995</td>
<td>Successfully developed general medical PVC transparent rubber pellets (for breathing masks) as the only domestic provider.</td>
</tr>
<tr>
<td>1996</td>
<td>Chung-Li factory was granted ISO 9002 quality certification.</td>
</tr>
<tr>
<td>1997</td>
<td>Ocean factory achieved ISO 9002 quality certification. The Tao-Yuan factory was granted RW-TuV ISO 9002 quality certification.</td>
</tr>
<tr>
<td>1999</td>
<td>Stocks listed on the market; Chung-Li factory achieved ISO 14001 Environmental certification.</td>
</tr>
<tr>
<td>2000</td>
<td>Hunan Ocean Wide Plastics Ltd. was established,</td>
</tr>
<tr>
<td>2004</td>
<td>Ocean Plastics (Hui Zhou) Co., Ltd. was established, manufacturing flexible sheet.</td>
</tr>
<tr>
<td>2005</td>
<td>Ocean Plastics (Dong Guan) Co., Ltd. was established, manufacturing PU leather.</td>
</tr>
<tr>
<td>2013</td>
<td>Set up Taoyuan 3rd Plant to produce environmental protection synthetic leather.</td>
</tr>
<tr>
<td>2015</td>
<td>Chung-Ho Ocean plant moved to Tao-Yuan Xinwu Plant.</td>
</tr>
</tbody>
</table>
Company Profile

Business units

OPC

Plastic processing Unit

Building materials Unit

PU Unit

PVC raw materials Unit
Main Products

**Product Category**

Transparent film, general film, rigid sheet and film, printing film, cellwood, IXPE foam, and so on.

**Important Use**

Folders, advertising and label, curtain cloth, bathroom floor, landscape table, electronic packaging materials, and shock-absorbing sound insulation materials.

**Future Outlook**

In 2017, the market demand for processed products in the second half of the year was weak, but we will continue to strengthen the building materials decoration, medical and printing purposes of the niche product portfolio, to increase the added value, and improve capacity utilization to create revenue.
Main Products

Building Materials Unit

Product Category

- PVC plastic pipe
- High impact resistant tube
- Impact resistant plate
- Foam pellets
- Plastic wood composite materials

Important use

- Mainly used in electrical water supply piping
- Tap water, health sewer works
- Plastic products injection
- Indoor and outdoor landscape use.

Future outlook

- Strengthen the sales of new products foam pipe and CD pipe.
- Work closely with distributors to jointly develop markets and urban renewal cases, to stabilize profitability by increasing sales.
Main Products

**PU Unit**

**Product Category**
- Water-based PU synthetic leather
- Solvent-free PPU synthetic leather

**Important Use**
- All kinds of footwear products, all kinds of ball, sports equipment, handbags, clothing, accessories, and furniture

**Future Outlook**
- Successfully developed special functional Water-based resin with Windproof and the Thermal functions for garment and expected to grow continuously in the future.
- PPU solvent-free synthetic leather has been successfully promoted Patent Leather and for ice skate shoes and which is designated for brand-name customers.
Main Products

PVC Raw Materials Unit

- PVC Resin, PVC Compound, and Modified Clear PS Compound.

- Mainly manufacture PVC sheet, PVC leather, PVC pipe, PVC film, profile extrusion, painting agent, and ink materials.

- Due to the impact of India's tax reform, the PVC Resin export quantities will slightly reduce comparing to last year. However the domestic sales will remain stable.

- Since successful development of new customers for PVC Compound, the sales in the last-half year could be persistent increased;

In addition, with the new achievement of Modified Clear PS compound, it is expected to increase sales within the 4th quarter.
Business Performance
The last two years’ revenue by product category

Unit: NTD10,000
Business Performance
Consolidated revenue for the last five years

Unit: NTD1,000,000

- 2012: 5,480
- 2013: 5,890
- 2014: 5,366
- 2015: 4,596
- 2016: 4,363
# Business Performance

## Consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>2017(1~6)</th>
<th>2016(1~6)</th>
<th>Increased (reduced) amount</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Revenue</strong></td>
<td>2,136,407</td>
<td>2,132,214</td>
<td>4,193</td>
<td>0.20</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold or</strong></td>
<td>2,064,575</td>
<td>1,954,040</td>
<td>110,535</td>
<td>5.66</td>
</tr>
<tr>
<td><strong>Manufacturing Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>71,832</td>
<td>178,174</td>
<td>(106,342)</td>
<td>(59.68)</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>164,550</td>
<td>177,359</td>
<td>(12,809)</td>
<td>(7.22)</td>
</tr>
<tr>
<td><strong>Operating Income (loss)</strong></td>
<td>(92,718)</td>
<td>815</td>
<td>(93,533)</td>
<td>(11,476.44)</td>
</tr>
<tr>
<td><strong>Non-operating Expense or</strong></td>
<td>318</td>
<td>17,672</td>
<td>(17,354)</td>
<td>(98.20)</td>
</tr>
<tr>
<td><strong>Loss</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income Before Tax (loss)</strong></td>
<td>(92,400)</td>
<td>18,487</td>
<td>(110,887)</td>
<td>(599.81)</td>
</tr>
<tr>
<td><strong>Income Tax Expense</strong></td>
<td>15,841</td>
<td>-</td>
<td>15,841</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Income(net loss)</strong></td>
<td>(108,241)</td>
<td>18,487</td>
<td>(126,728)</td>
<td>(685.50)</td>
</tr>
</tbody>
</table>
## Operational Highlights – Environmental Innovation

### DMF-Free Environmental Protection PU

<table>
<thead>
<tr>
<th></th>
<th>PPU synthetic leather</th>
<th>Water-based PU synthetic leather</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ingredients</strong></td>
<td>Non-toxic, no heavy metals, plasticizers and DMF</td>
<td>Good hand feel, soft, light and breathable 20% lighter than the traditional wet PU, Hydrolysis-resistance and Non-yellowing and so on</td>
</tr>
<tr>
<td><strong>Features</strong></td>
<td>High physical properties, high cold resistance, high peel strength and hydrolysis resistance, resistance to yellowing and so on</td>
<td>Energy saving and carbon reduction process and low VOC emissions</td>
</tr>
<tr>
<td><strong>Environmental Protection</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>Sports equipment, car interior, hand bag, basketball, ice skate shoes and other high physical property performance product.</td>
<td>Footwear, purses, balls, clothing, furniture decoration, lightweight products</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td>The production and development technology of water-based PU and PPU products is in the industry-leading position; its processing process reduces harmful substances and organic solvents, and reduces VOC emissions, not only environmentally protection, energy saving, but also health protection of customers, product users and employees. Products are according to different needs with different formulations, and according to customer needs can also strengthen the anti-mildew, antibacterial, odor-absorption, and fire-resistant function.</td>
<td></td>
</tr>
</tbody>
</table>
PE Foaming material

**Features**
- Insulation, sound insulation, waterproof and anti-skid
- Light and soft, good elasticity, odorless
- Shock absorption, antistatic, weathering characteristics

**Application**
- Sports appliances, footwear, food packaging, tape, and stationery materials
- Air conditioning insulation frozen coated materials, building materials, and electronic products packaging materials

**Future**
PE foaming material is a new, never declined material, with the advance of time and continue to develop applications; PE foaming materials will be more widely used in packaging and filling materials.
## Operational Highlights – Environmental Innovation

**Cellwood**

| Features | 1 polymer foam material, 100% environmental protection, recyclable.  
|          | 2 waterproof, good anti-skip, anti-insects, anti-corrosion.  
|          | 3 with plastic and wood processing and thermoplastic molding characteristics.  
|          | 4 non-toxic, no heavy metals, non-volatile organic compounds, no formaldehyde. |
| Application | Indoor  
|          | 1 furniture and furnishings.  
|          | 2 wood toys, wood crafts  
|          | 3 bathrooms, pool floor.  
|          | 4 other Daily necessities and wood substitutes.  
|          | Outdoor  
|          | Fence, landscape, wooden plank road, wooden floor, and outdoor street wood. |
| Future | 1 Earth wood is increasingly scarce, so the cellwood which can replace wood is developed.  
|        | 2 Cooperate with government agencies to increase public area penetration.  
|        | 3 People’s environmental awareness gradually rise, the cellwood in the "green building" will have a place in the future. |
Future Highlights – Zhonghe Land Development Case

Construction position
- Sec. 2, Zhongshan Rd., Zhonghe Dist., New Taipei City

Base area
- The original land area of 15,740 Pings, after deducting 40% donated land, the actual development area is 9,916 Pings

City planning
- The Water Resources Bureau is now conducting a drainage plan review operation. It is expected to complete the city re-plan review operations by the end of October; the public facilities such as roads, parks and squares have been contracted, and will be completed before July 2010 according to the schedule approved by the government.

Construction progress

Land development
- Has signed the co-construction contract with Kingdom Construction Corp.; the development project is currently in urban design review stage carried out in the city government.
End of this report
Thanks