



SUNKO INK CO., LTD

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Investor Conference

12 Sept. 2019

Disclaimer

The information in this presentation and the contents under discussion are based on existing information, in which we stated with regard to financial and relevant information may include some of Company's forward-looking statements. Such statements involved may be easily affected by significant risks and uncertainties which lead to the different consequence from those statements.

The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise.

The purpose of the contents as presented is for information circulation only, not for investment proposal.



Company Profile

Product: Fine Chemicals, Agrochemicals, Polymer

Start up: Year 1974

Employees: 571 (as at 30 June 2019)

Capital: \$2,241 millions

Revenues: \$3,452 millions for FY2018

Main Products

- ◆ Agrochemicals
- ◆ Fine Chemicals
- ◆ Polymer

Agrochemicals

- ◆ Bendiocarb
- ◆ Formetanate
- ◆ Methomyl
- ◆ Carbaryl
- ◆ Carbofuran
- ◆ Carbosulfan



Fine Chemicals Antioxidant

Prevents thermal oxidative degradation of plastics and rubbers.

- ◆ K-NOX 168
- ◆ K-NOX 148
- ◆ K-NOX 230
- ◆ K-NOX 57
- ◆ K-NOX 1520
- ◆ K-NOX 1726
- ◆ K-NOX 565
- ◆ K-NOX 412S

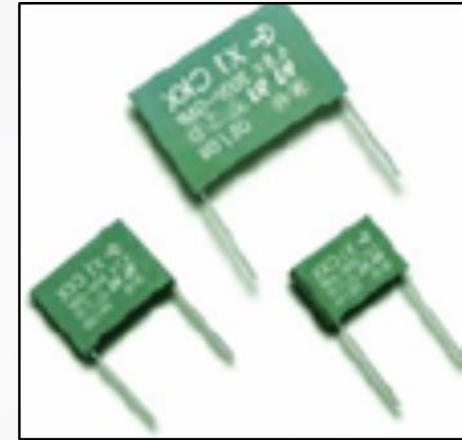


Fine Chemicals

Non-halogenated Flame Retardant

Reaction with flame retardant, the epoxy resin has relatively high glass transition temperature, good flame retardancy, and thermal stability

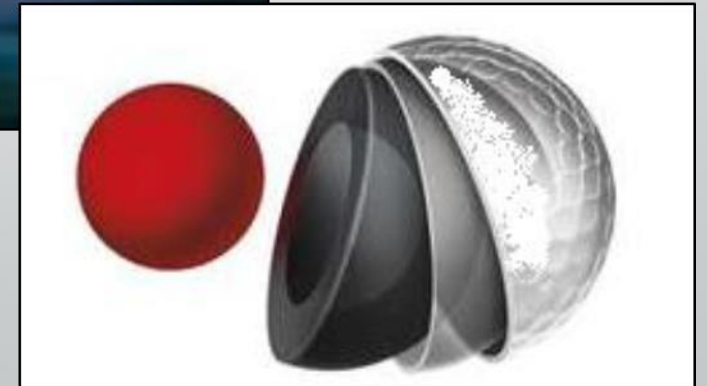
- ◆ DOPO
- ◆ SPS



Fine Chemicals Curing Agent

A raw material for golf ball core.

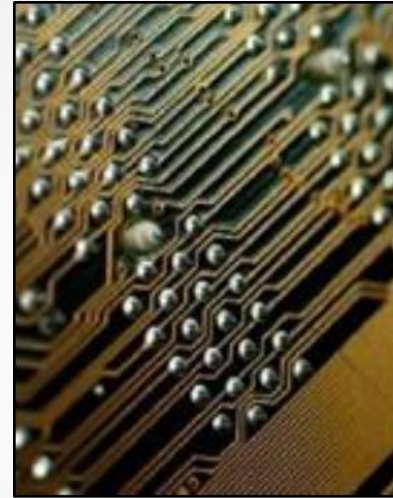
◆ K-CURE 339



Fine Chemicals Reducing Agent

In Black Oxide process, DMAB prevents “pink ring” defects in later-stage acid treatment by reducing CuO layer to Cu_2O , while enhancing the resin bonding of surface texture.

◆ K-MARS 110



Fine Chemicals Clarifying Agent

An additive to polypropylene (PP), Clarifying Agent can increase transparency and rigidity of polypropylene products.

- ◆ K-CLEAR 34
- ◆ K-CLEAR 34i
- ◆ K-CLEAR 34N1
- ◆ K-CLEAR 40

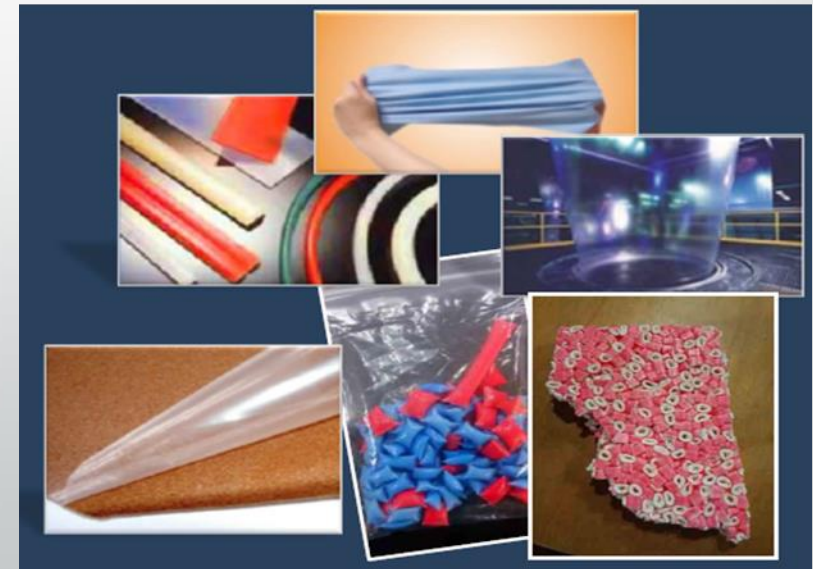


Polymer TPU 、TPV

Application :

Footwear 、Textile 、Adhesive
Construction Materials 、Car Materials
Plastics processing.

- ◆ URELON® TPU
- ◆ KUOTANE® TPU
- ◆ Elastoplas® TPV



Polymer-PU

- ◆ PU Adhesives
- ◆ PU Glazing Agent
- ◆ PU Matting Agent



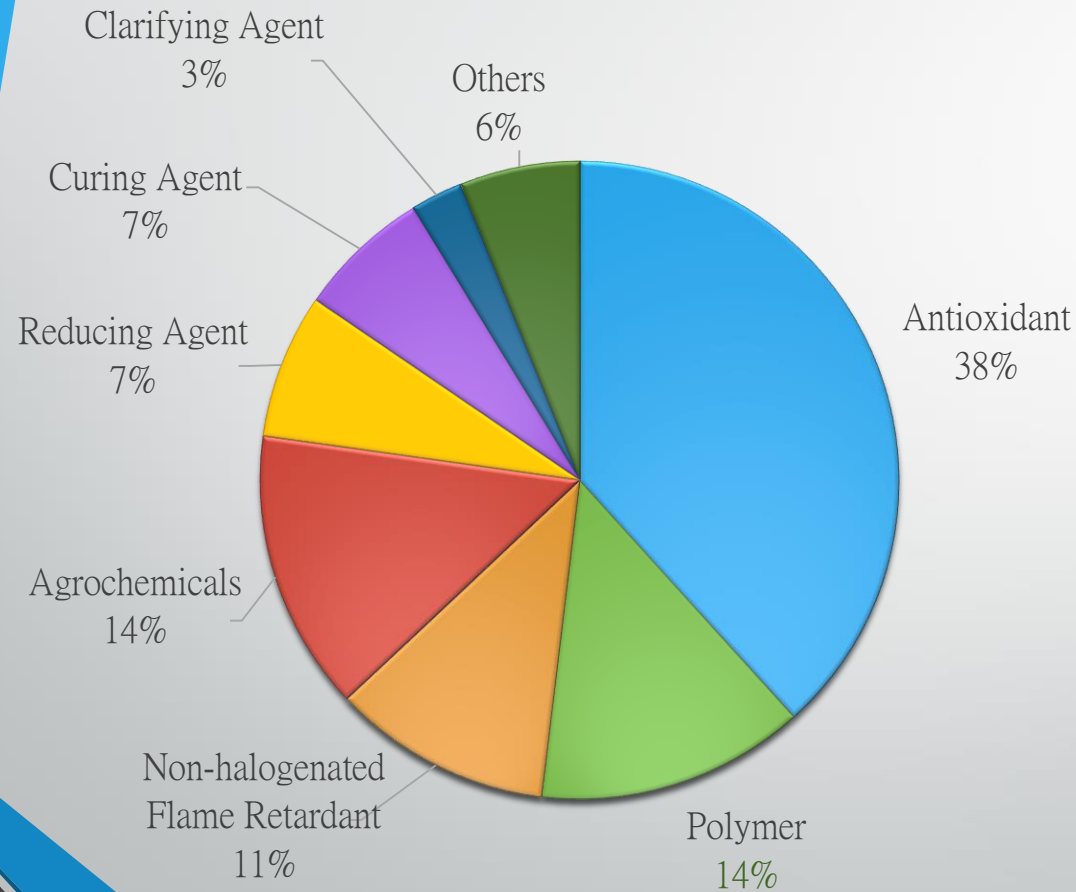
Statement of Comprehensive Income

In Thousands of TWD or Otherwise stated

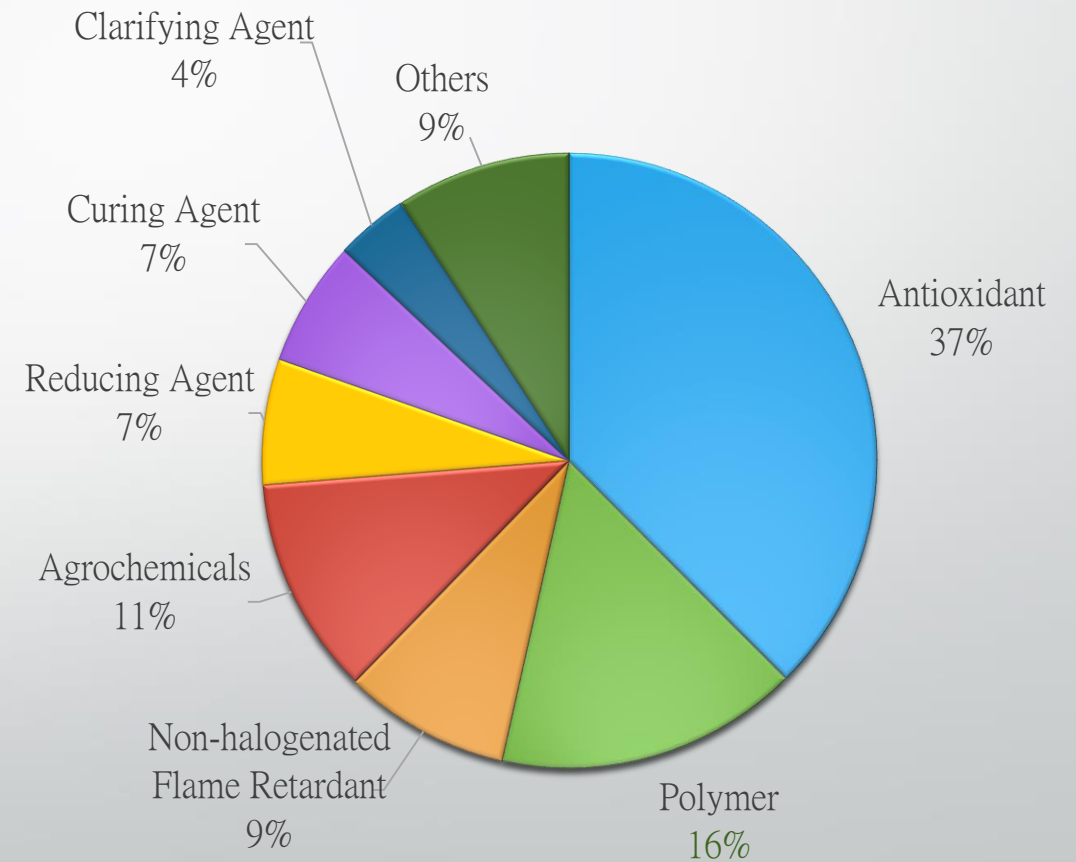
	1 st Half of 2019	1 st Half of 2018	YOY Variance
Revenues	1,626,839	1,721,818	-5.52%
Cost of Goods Sold	(1,478,535)	(1,616,823)	
Gross Margin	148,304	104,995	41.25%
Margin %	9.12%	6.10%	
Operating Expenses	(130,542)	(138,361)	
Operating Profit (Loss)	17,762	(33,366)	
Non-operating Profit	1,238	26,824	
EBT	19,000	(6,542)	
Income After Tax	15,725	395	
EPS (in Dollar)	0.07	-	

Products Mix

1st Half of 2019

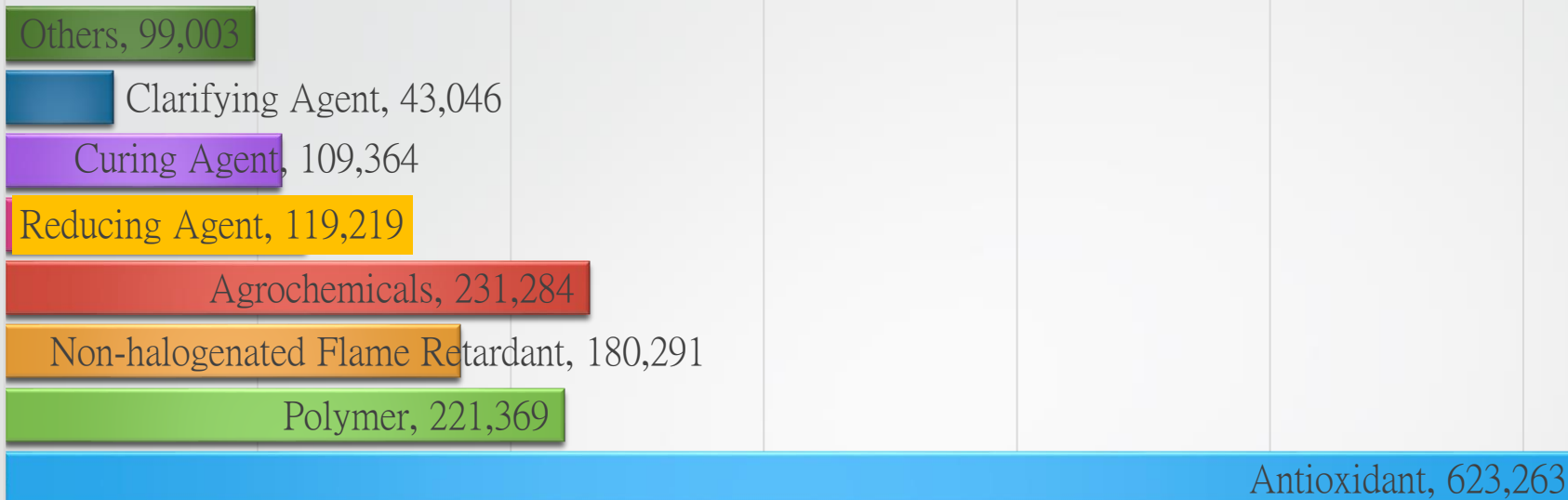


1st Half of 2018

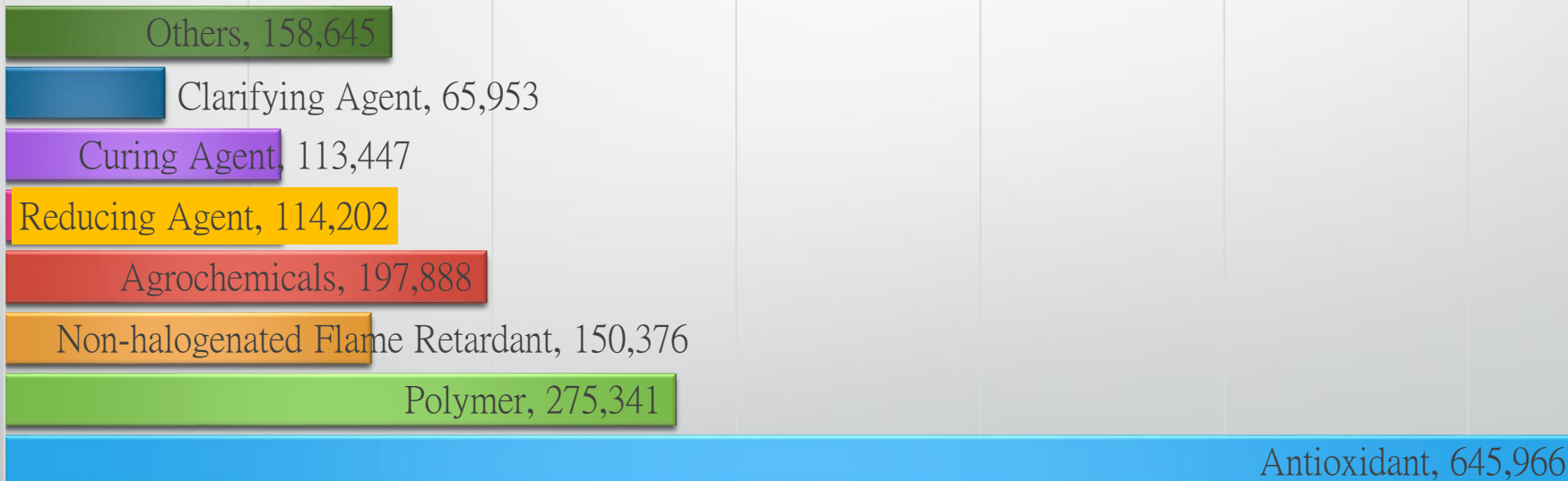


In Thousands of TWD

1st Half of
2019



1st Half of
2018

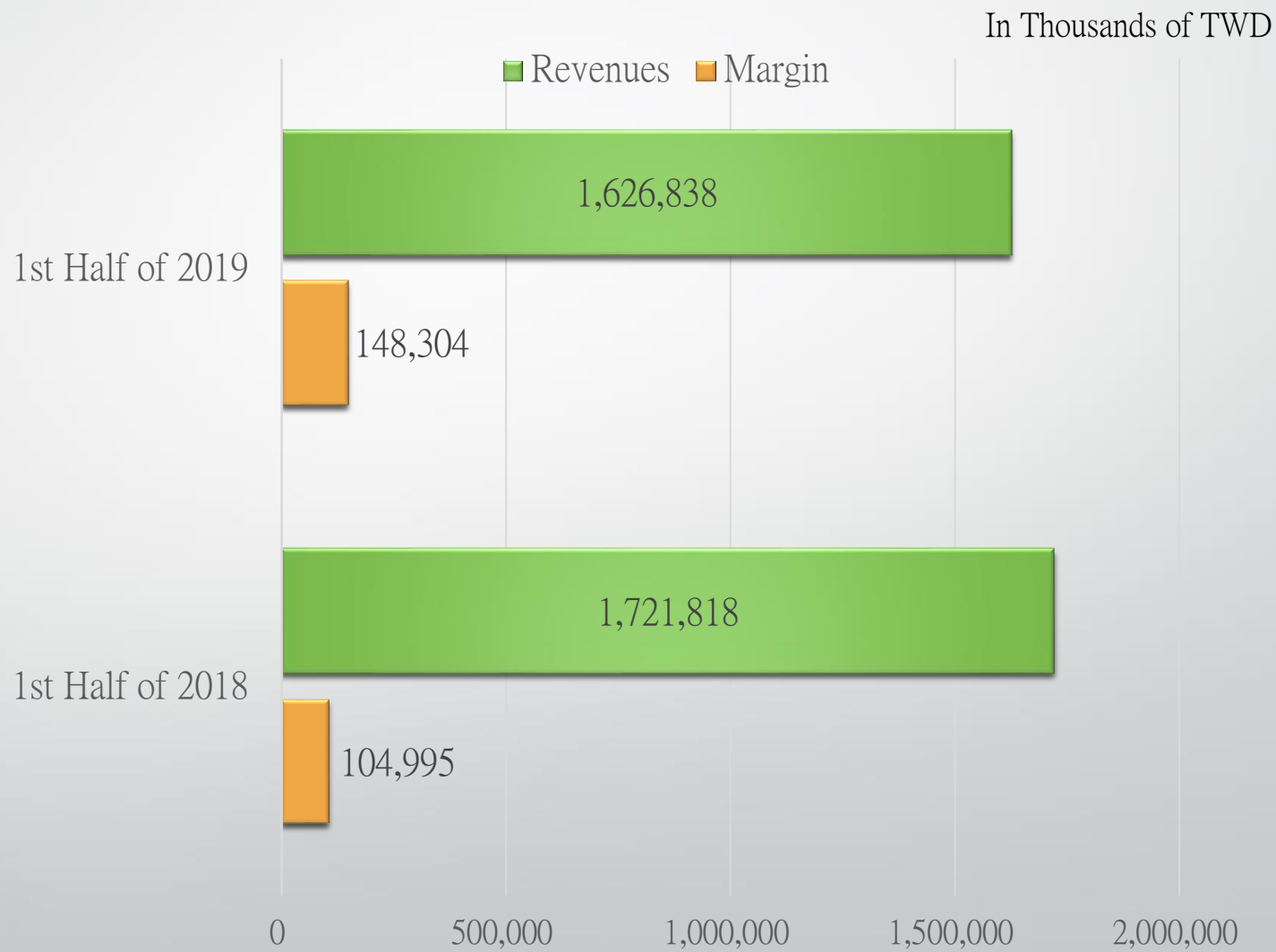


0 100,000 200,000 300,000 400,000 500,000 600,000 700,000

Others Clarifying Agent Curing Agent Reducing Agent Agrochemicals Non-halogenated Flame Retardant Polymer Antioxidant

Margin analysis

- Margin increased from 6.10% to 9.12% ◦
- Moderating raw material prices ◦
- Improved product mix ◦





Market Situation and Outlook

Challenges and Strategies

Challenges	Strategies
Market Competitions : Having advantage in raw materials and capacity, Chinese manufacturers are dumping generic products in global market, eroding Sunko's market share.	The more “tailor-made” products, the greater customers retention is.
Raw Material Cost Increase : Due to EHS issues, there has been shortages in raw materials coming out of China, which also resulted in price hike.	Seek alternative sources, especially from non-China suppliers.
Environmental Issues : Tougher rules and regulation on pollutions and labor.	Increase expenditure on EHS control. Develop green production and process. Be a responsible player in the industry.

Aiming Towards the Future

- Explore opportunities in businesses which requires GMP, such as APIs and personal care industry.
- Explore opportunities with multi-national companies
- Cooperate or consolidate with local companies in the same or downstream market.
- Develop green products and their applications, particularly in the rubber and plastic industries.



Thank You!

Q & A

Our Website : www.sunko.com.tw