



# **Namchow Chemical Industrial Co., Ltd.**

## **2Q & July 2015 Results Release**

**Reporter: Lee, Kan Wen EVP**



## **Safe Harbor Statement**

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- This Presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.
- Except as required by law, we undertake no obligation to update any forward –looking statements, whether as a result of new information, future events or otherwise.



## **Briefing Outline**

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- 一、Introduction to Namchow
- 二、Operating results- 2Q & July 2015
- 三、Important events
- 四、Q & A



## **Introduction to Namchow Chemical Industrial Co., Ltd.**

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### **Company Founding & Listing**

Founded in 1952, and listed on the  
Taiwan Stock Market in 1974.



## **Operating Principles of the Company**

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- Personnel Disclosure; Financial Disclosure; People Oriented; Sustainable Development
- Material Related; Technology Related; Channel Related; Culture Related
- Limited Objectives; Unlimited Means; One-stop Processes; Seizing Opportunities
- Clear on Our Own Position via Understanding the Nature of Enterprise
- Focusing on Our Own Industry, Targeting Niche Markets through Minimization Policies
- Establishing Core Strengths
- Innovation Stands as Our Targeted Differentiation
- Using Exclusive Value to Create High Barriers to Entry
- Synergistic Integration and Application of the Local Resources; Operating in Real Estate
- If We Cannot Be Unique, We Must Be Number One
- Local Internationalization and International Localization

## **Countries where the Company and its Reinvested Businesses are Located**

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- Taiwan
- Thailand
- China
- Japan



## Seven Fields of Strong Focus by the Company and its Reinvested Business



- Oil and Fat
- Dairy Products
- Flour
- Rice
- Catering
- Daily Hygiene Necessities
- BioTech

## The Company, Its Reinvested Business Plants, and the Main Products Manufactured



### Plants

1. Taiwan Taoyuan Plant  
hygiene
2. Taiwan Chungli Plant  
room-
3. Taiwan Tainan Plant
4. China Tianjin Plant
5. China Guangzhou Plant
6. Thailand Ban Pong Plant

### Products

Food-grade oil-and-fat,  
products, ice cream, beer  
Frozen dough, frozen noodles,  
temperature rice  
Ice cream  
Food-grade oil-and-fat, frozen  
noodles, ice cream  
Food-grade oil-and-fat  
Rice crackers, instant noodles,  
seasoned rice



## Business Objective

- “Based in Taiwan, Operations Worldwide”

## Namchow Chemical Industrial Co. Consolidated Balance Sheet June 30 , 2015



in NTD'000	2105/6/30	2014/6/30		2105/6/30	2014/6/30
<b>Assets</b>			<b>Liabilities</b>		
Current assets	9,328,071	7,602,811	Current Lia.	6,914,884	6,379,946
Cash and cash equivalents	5,298,974	3,463,937	Short-term debt	3,790,712	3,549,024
Accounts/notes receivable	1,743,922	1,840,422	Other payable	1,133,378	1,083,229
Inventories	1,732,230	1,635,990	Other current liability	1,990,794	1,747,693
Other current assets	552,945	662,462			
			Non-current Liability	5,780,326	3,906,149
			Financial debt	4,563,863	2,798,824
			Other non-current debt	1,216,463	1,107,325
			Total liabilities	12,695,210	10,286,095
				71.4%	69.5%
<b>Non-current assets</b>			<b>Equity</b>		
Property and equipment	7,770,183	6,646,412	Equity attributable to main owner	4,977,054	4,379,640
Other non-current assets	689,759	545,671	Capital – common stock	2,941,330	2,941,330
			Additional paid-in capital	520,786	424,437
			Retain earning	2,018,917	1,583,254
			Other equity	26,135	(39,267)
			Treasury Stock	(530,114)	(530,114)
			Non-controlling interests	115,749	129,159
			Total equity	5,092,803	4,508,799
Total assets	17,788,013	14,794,894	Total liabilities & equity	17,788,013	14,794,894



**Namchow Chemical Industrial Co.**  
**Consolidated Comprehensive Income Statement**  
**Q2 & H1 for the year 2015**



in NTD'000	2015Q2	2014Q2	2015H1	2014H1
Operating revenue	3,807,228	3,797,079	7,381,784	7,159,537
Operating costs	2,433,663	2,516,412	4,761,519	4,782,903
Gross profit	1,373,565	1,280,667	2,620,265	2,376,634
%	36.08%	33.73%	35.50%	33.20%
Operating expenses	893,104	828,615	1,741,072	1,595,194
Operating income	480,461	452,052	879,193	781,440
Non-operating profit and loss	14,988	5,368	(15,545)	(13,065)
Net Income (Before Tax)	495,449	457,420	863,648	768,375
Income tax expense	166,052	167,061	244,872	262,436
Net Income (After Tax)	329,397	290,359	618,776	505,939
%	8.65%	7.65%	8.38%	7.07%
Other comprehensive loss	(134,844)	(95,366)	(183,328)	(75,749)
Total comprehensive income	194,553	194,993	435,448	430,190
Total income attributable to :				
Owners of the company	306,851	270,734	596,026	479,997
Non-controlling interest	22,546	19,625	22,750	25,942
Basic EPS	1.24	1.09	2.4	1.93

**Namchow Chemical Industrial Co.**  
**Consolidated Cash Flow Statement**  
**H1(Jan.to June) , 2015**



In NTD'000	2015 H1	2014 H1
Cash flow in from operating activities	1,284,324	639,468
Cash flow out from investing activities	(380,015)	(514,012)
Cash flow in from financing activities (out)	(83,618)	847,528
Exchange differences	16,396	(30,022)
Additional cash flow in - current period	837,087	942,962
Beginning balance	4,461,887	2,520,975
Ending balance	5,298,974	3,463,937

# Namchow Chemical Industrial Co.

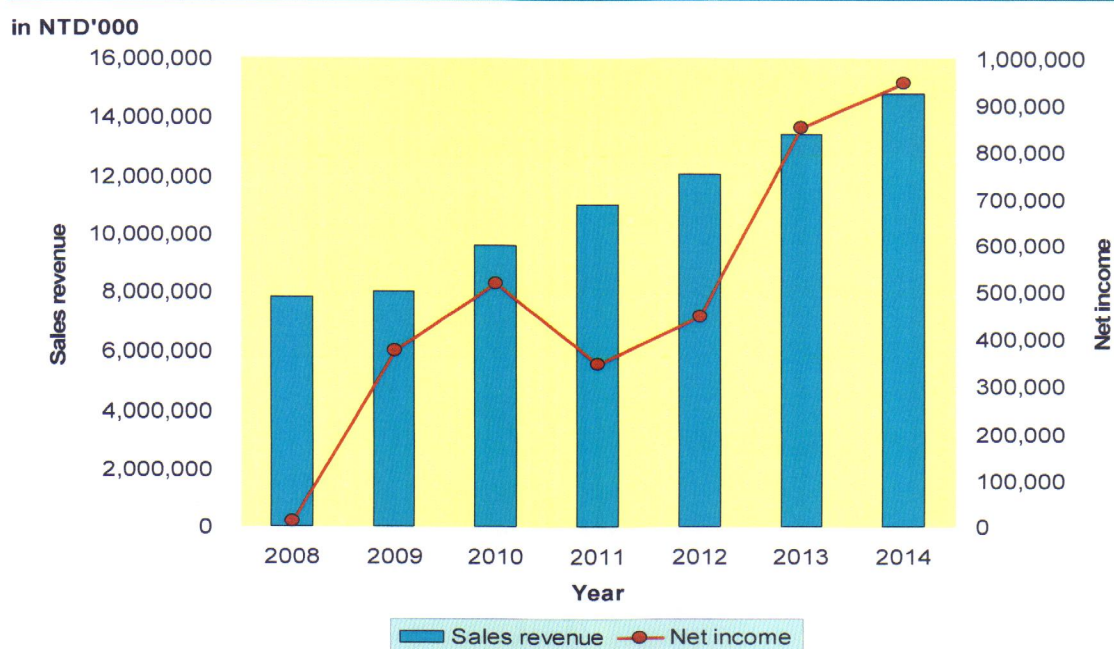
## Consolidated Income Statement (non-audited)

### For the period from Jan.to July , 2105



in NTD'000	July		Jan. to July	
	2015	2014	2015	2014
Operating revenue	1,276,023	1,208,800	8,660,050	8,356,494
Growth rate	5.6%		3.6%	
Operating income	161,764	111,398	1,028,078	892,838
Net Income (Before Tax)	150,379	112,130	1,014,088	880,505
Income tax expense	51,285	39,185	296,156	301,621
Net Income (After Tax)	99,094	72,945	717,932	578,884
Growth rate	35.8%		24.0%	
Total income attributable to :				
Owners of the company	95,488	70,290	691,569	550,287
Non-controlling interest	3,606	2,655	26,363	28,597
Basic EPS	0.38	0.28	2.79	2.22

## Historical Revenue and Profit of Namchow

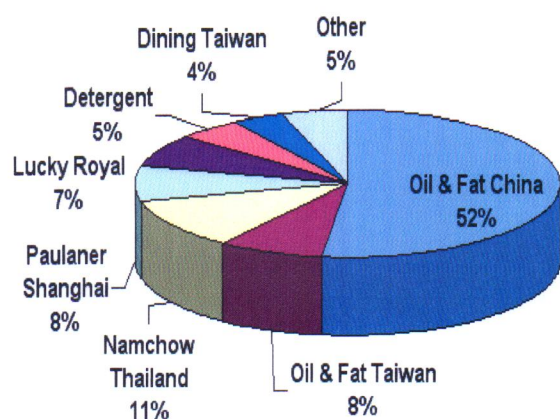




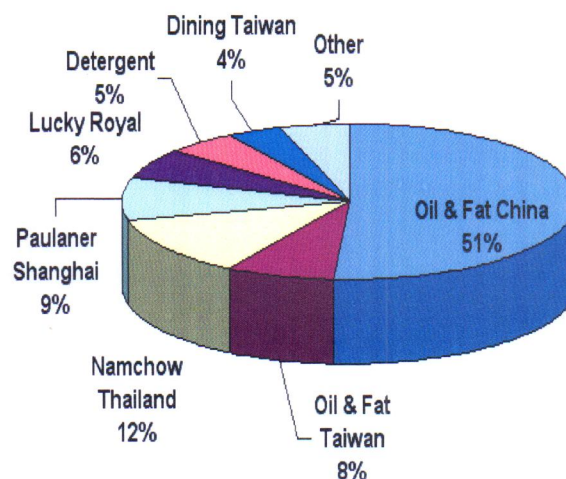


## Revenue Ratio of the Various Namchow Business Units

2014

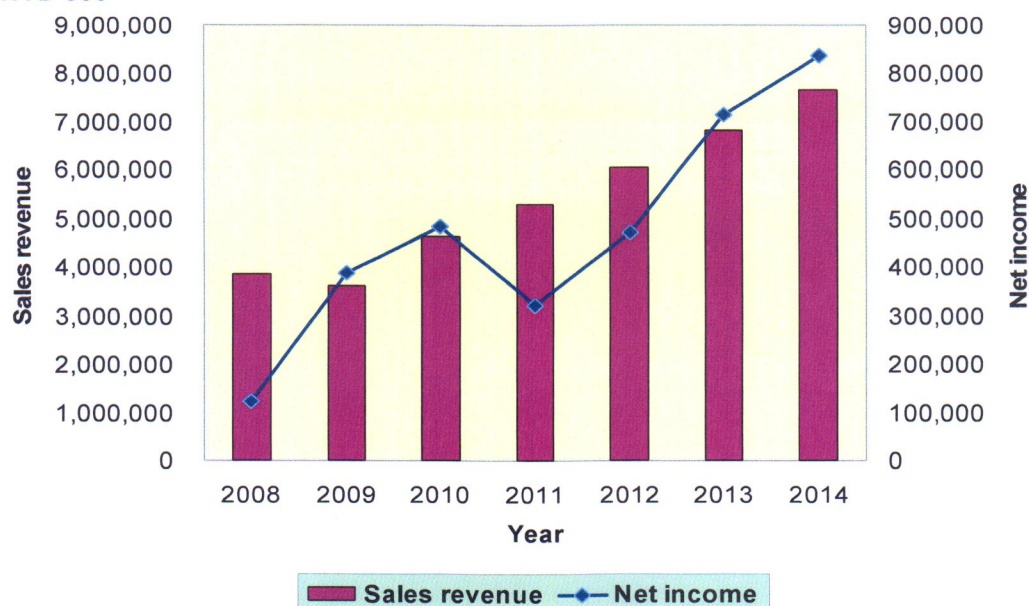


2013



## Historical Revenue and Profit of China Oil & Fat Business

in NTD'000







## Recent Investment Plans

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1. Groundbreaking for Shanghai Jinshan plant started in March 2015. US\$40 million was invested during the first phase to establish an oil-and-fat production line (the 7th throughout China) with the ability to produce 3,000 tons each month. It is expected to commence operations during the first quarter of 2017.
2. A new deodorizer tower will be added to the Taoyuan plant, NT\$60 million was invested and the project is anticipated to complete in December 2015 with daily production capacity of 80 tons.



## Food Safety Management

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1. Complete imported-raw oil-and-fat material traceability management
2. Establish an ice cream and oil-and-fat product cloud traceability management system
3. Establish a food-safety office

## **Recently Major International Security Incidents**

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1. The Tianjin Binhai area explosion does not affect the company's operations in Tianjin Nanqiao
2. The Bangkok bombing case does not affect the company's overseas operations in Thailand