

ETERNAL MATERIALS



Eternal Materials Co., Ltd.
IR Conference

Safe Harbor Notice

- This presentation may contain forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.
- The forward-looking statements in this release reflect the current belief of Eternal Materials Co., Ltd. (“Eternal”) as of the date of this release, we undertake no obligation to update these forwarding-looking statements for new information.

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Company Profile

Profile

Eternal Materials Co., Ltd. (“Eternal”)

Business Focus: Manufacture, processing and sales of advanced chemical materials

Establishment: 1964

Chairman: Allen Kao

President: Larry Hsieh

No. of Employees Worldwide: 4,434 (as of 2013/12/31)

Production Sites Worldwide: 24

Consolidated Revenues: NTD 38.2 billion (2013)

R&D Manpower Worldwide: 611 (R&D expenditure as % of ret sales: 3.2%)

Eternal is a global leading supplier of dry film photoresist.

Eternal is one of the top three suppliers of UV curable Monomers & Oligomers materials globally, with No. 1 market share position in Mainland China.

Eternal is a leading supplier of synthetic resins in Asia, with No. 1 market share position in Taiwan



Business Philosophy / Prospect



- We strive to ensure the shareholders' rights.
 - We make efforts to strengthen corporate governance.
 - We respect the rights of the stakeholder.
 - We are devoted to social responsibility.
 - We care about the employees' welfare.
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- We are a law-abiding company that keeps promises and morality.
 - We make contribution to the society.
 - We value the employees' integrity and strive to beautify the work environment.
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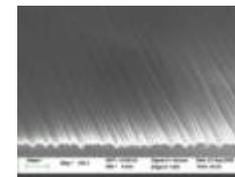
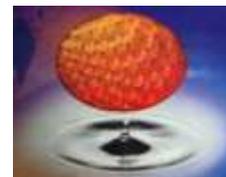


- "Research, Development, Innovation and Environmental Protection"
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- Rooted in Taiwan, Based in Asia, Embrace the World, to be a global-brand supplier of electronics industry-specific chemical materials.
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Product Evolution



**SYNTHETIC RESINS
COATING
ADHESIVE
UNSATURATED
POLYESTER**

**CCL
DRY FILM
LPSM**

**MONOMER
OLIGOMER
UV COATING**

**EMC
ICPR
CMP**

**OPTICAL FILM
WET CHEMICAL**

**MATERIALS FOR
SOLAR CELL/FLEXIBLE
ELECTRONICS**

合成樹脂材料

印刷電路板材料

光固化/特化材料

半導體材料

光電/顯示器材料

能源/新材料

Business Units

Resins Materials Business Group



- Synthetic Resins Division
- Unsaturated Polyester Resins Division

Electronic Chemical Materials Business Group

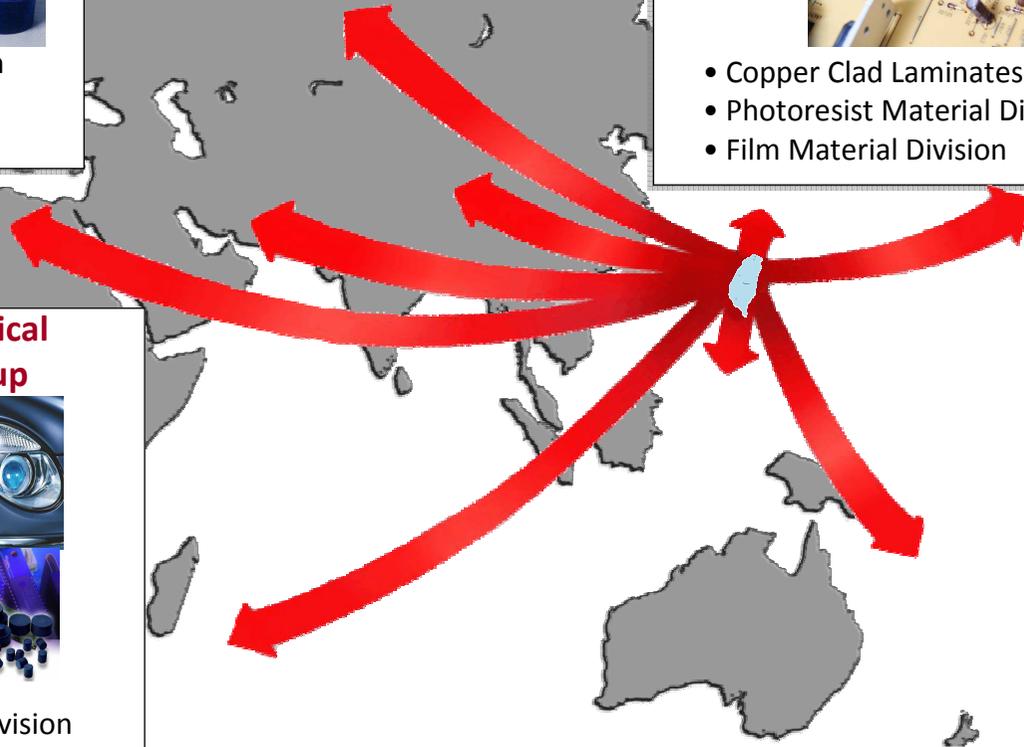


- Copper Clad Laminates Division
- Photoresist Material Division
- Film Material Division

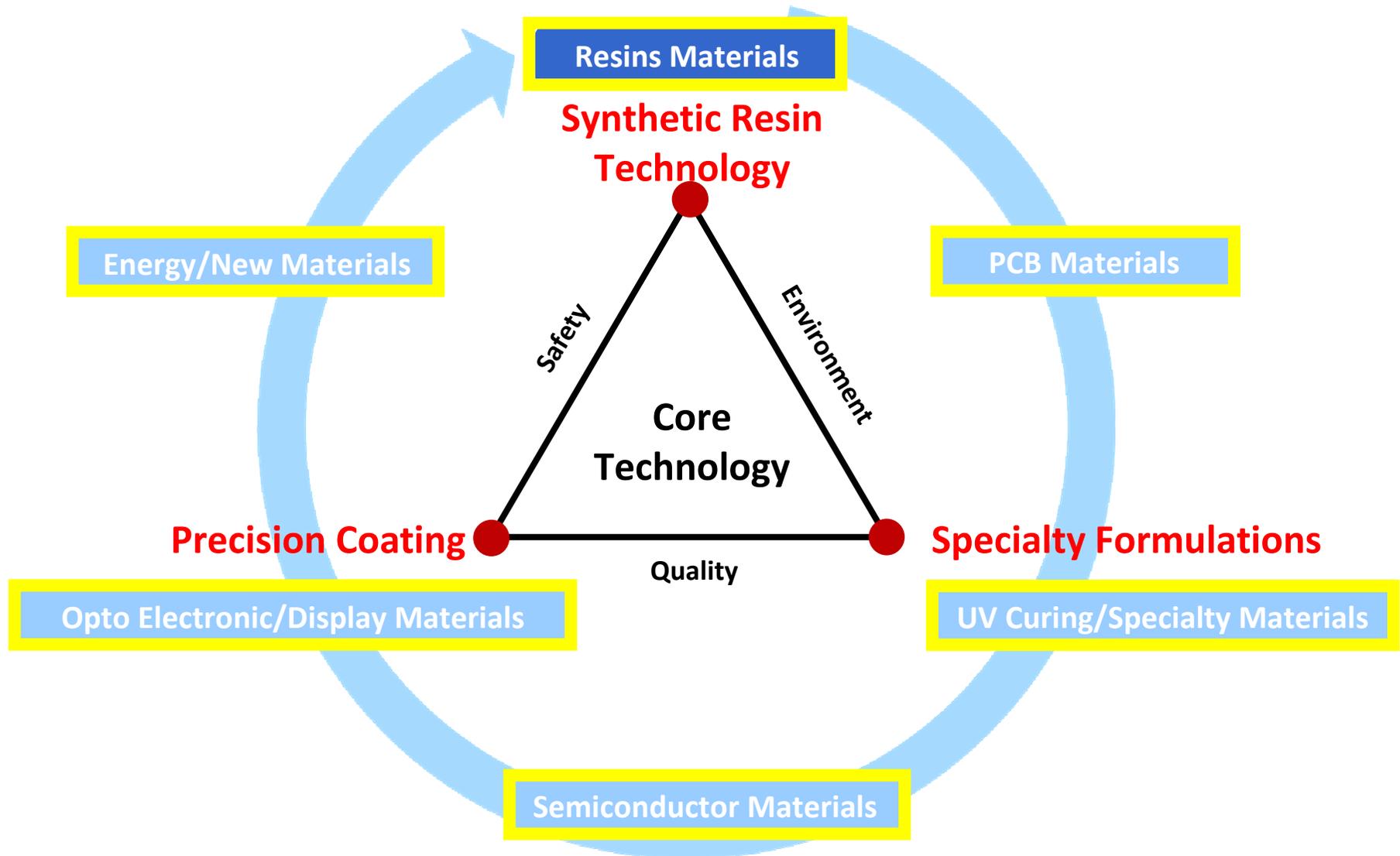
Specialty Chemical Business Group



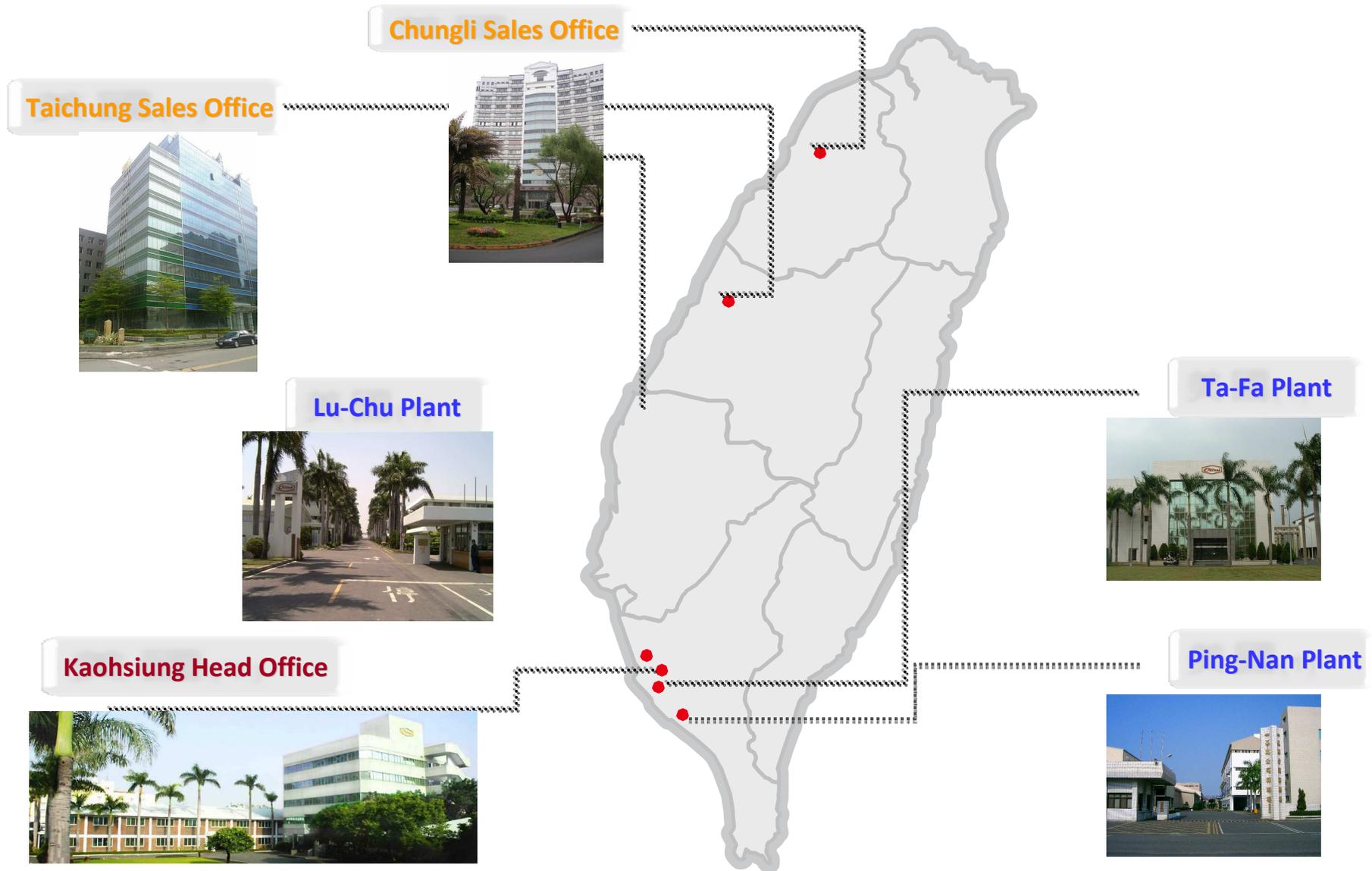
- Specialty Material Division
- Encapsulant Materials Division



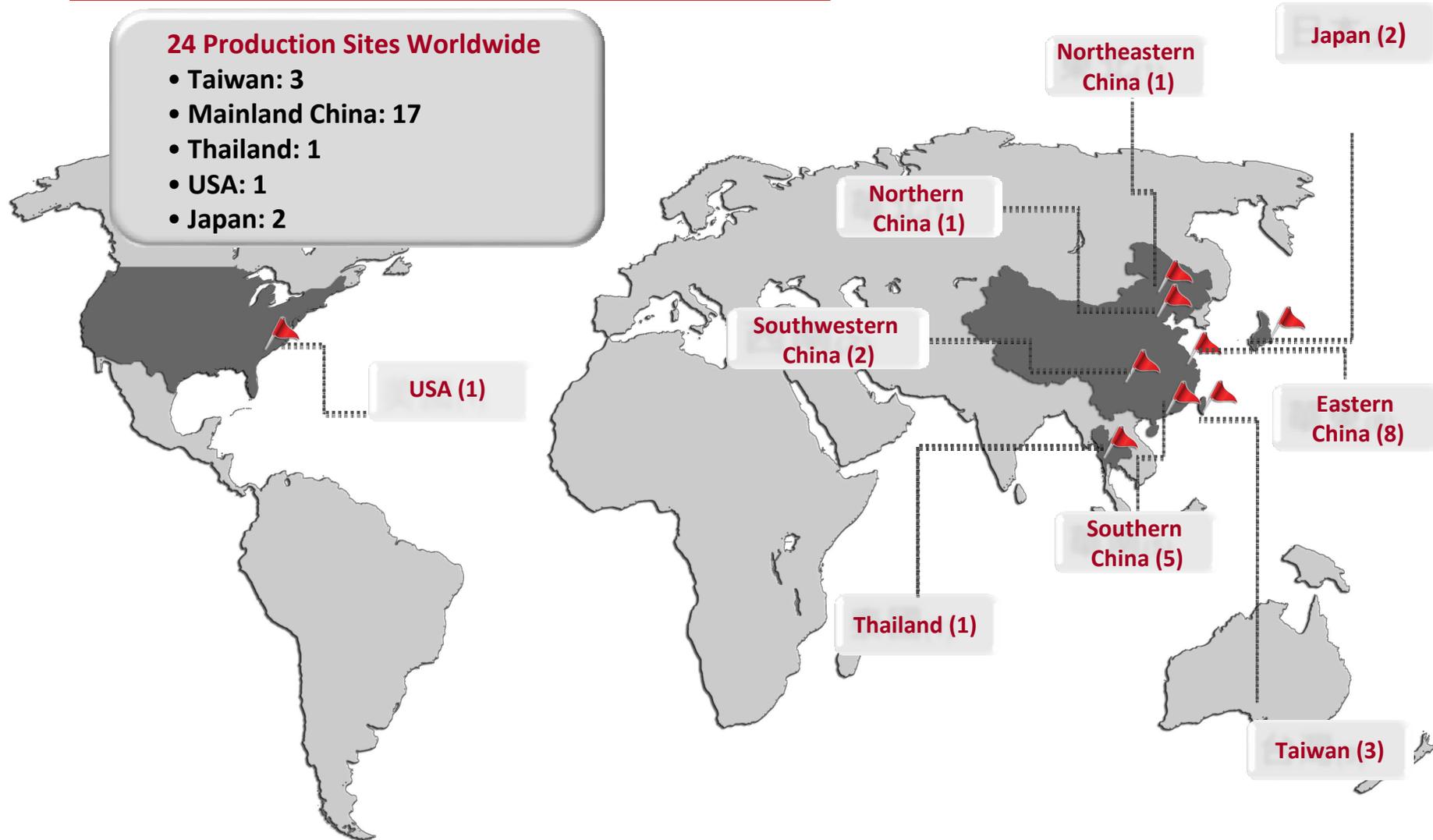
Core Technology



Production and Sales Sites in Taiwan

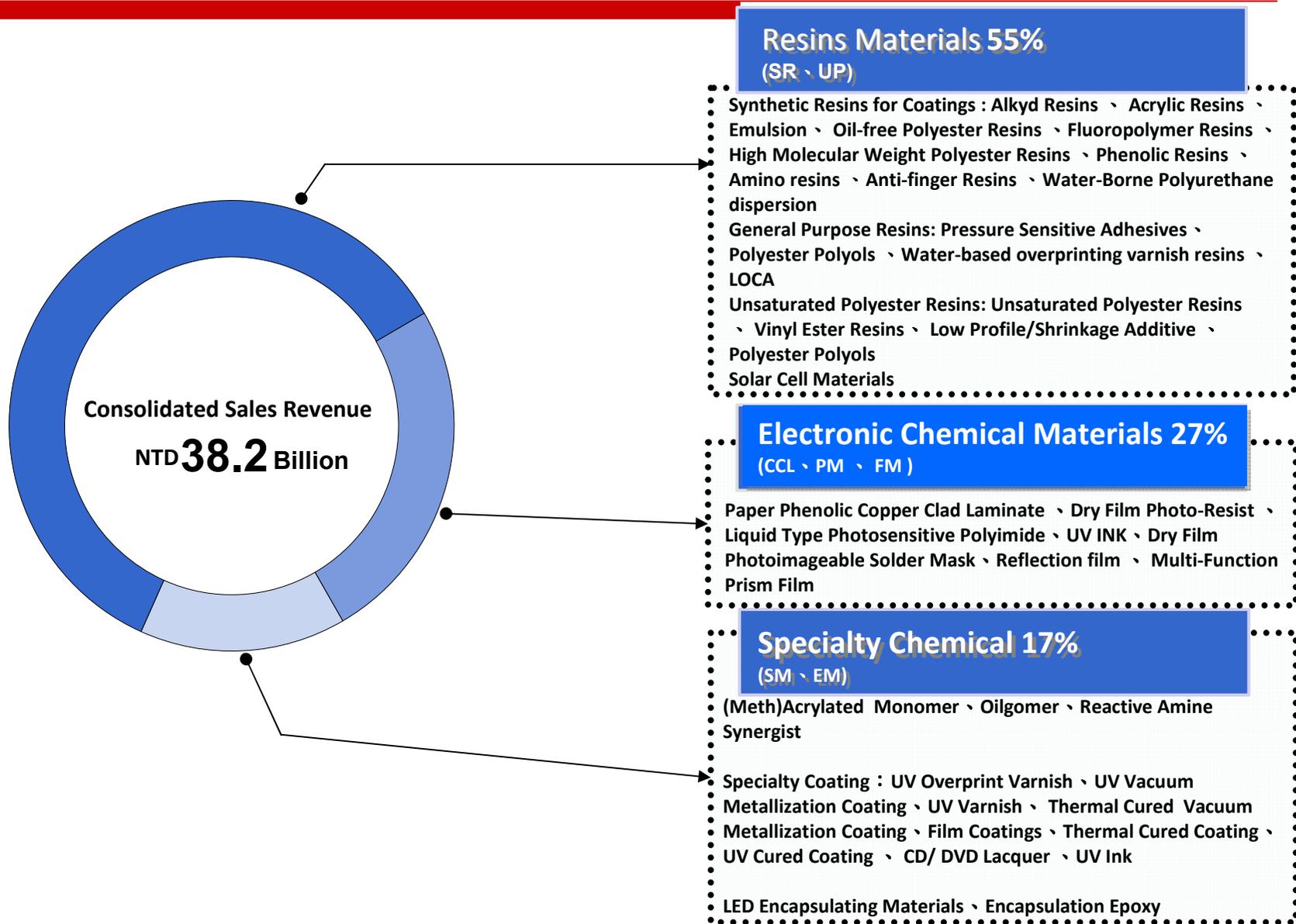


Worldwide Production Sites

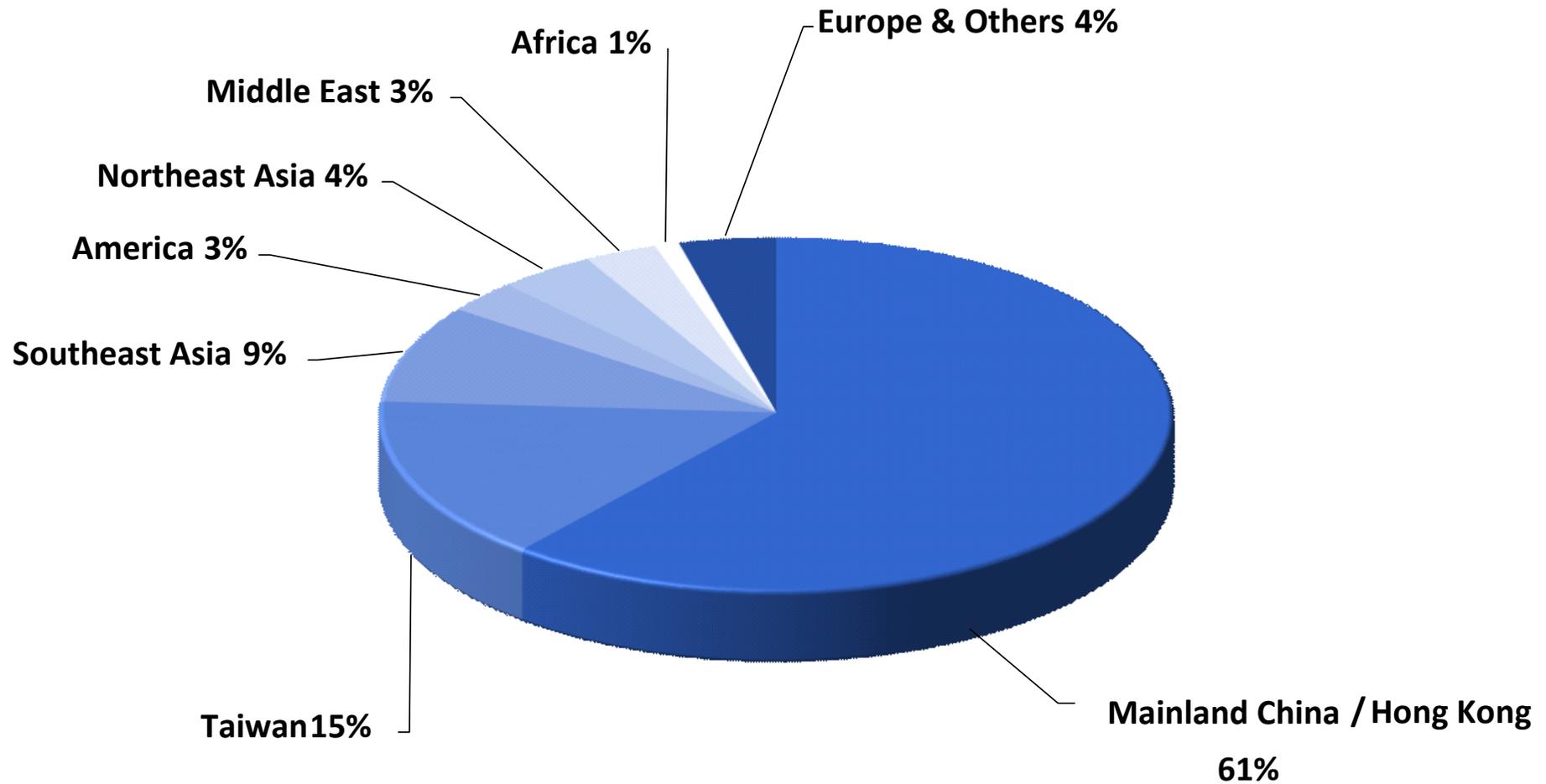


*Note: 3 production sites under construction

2013 Product Line Contribution



2013 Sales by Region



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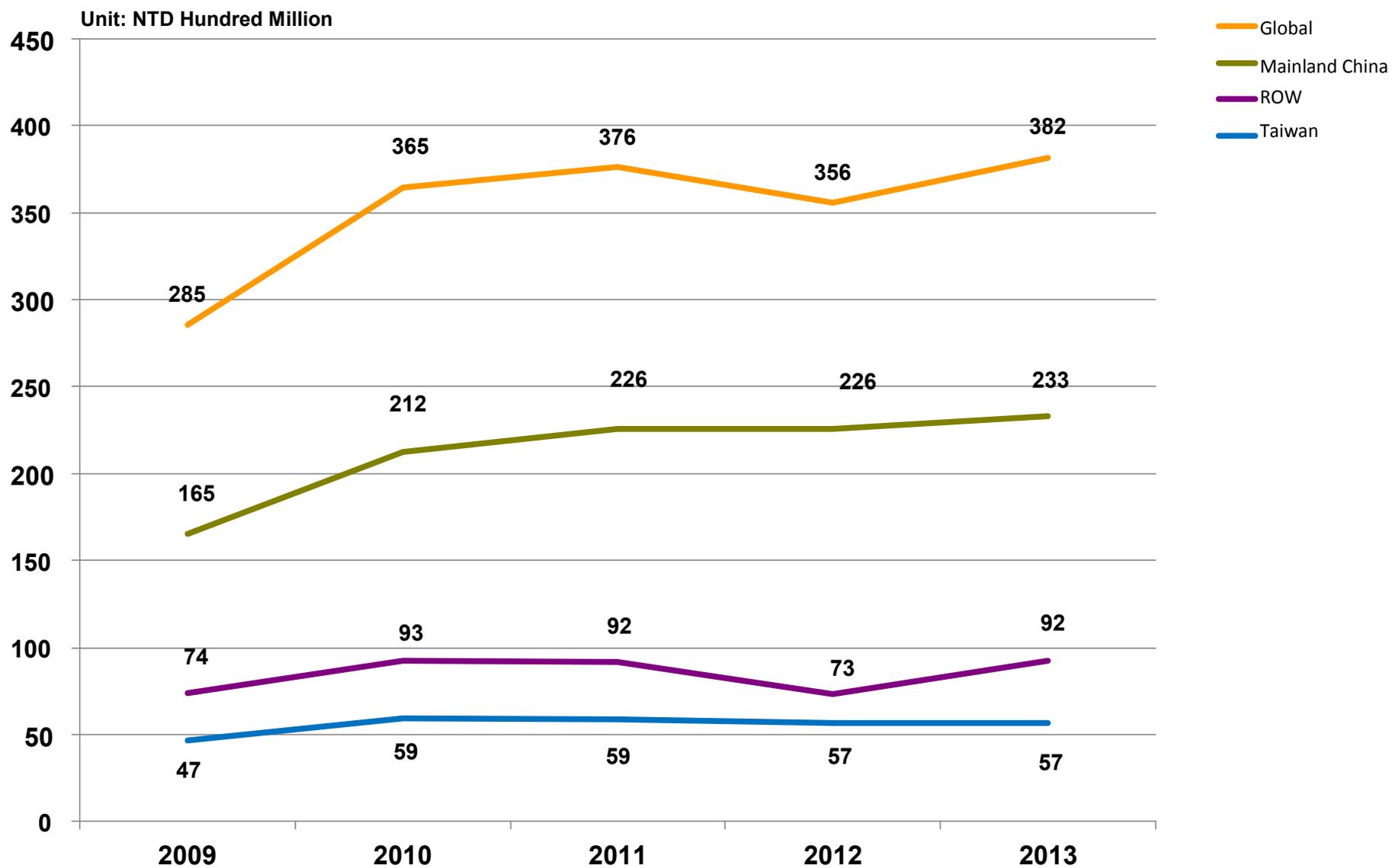
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Research & Development

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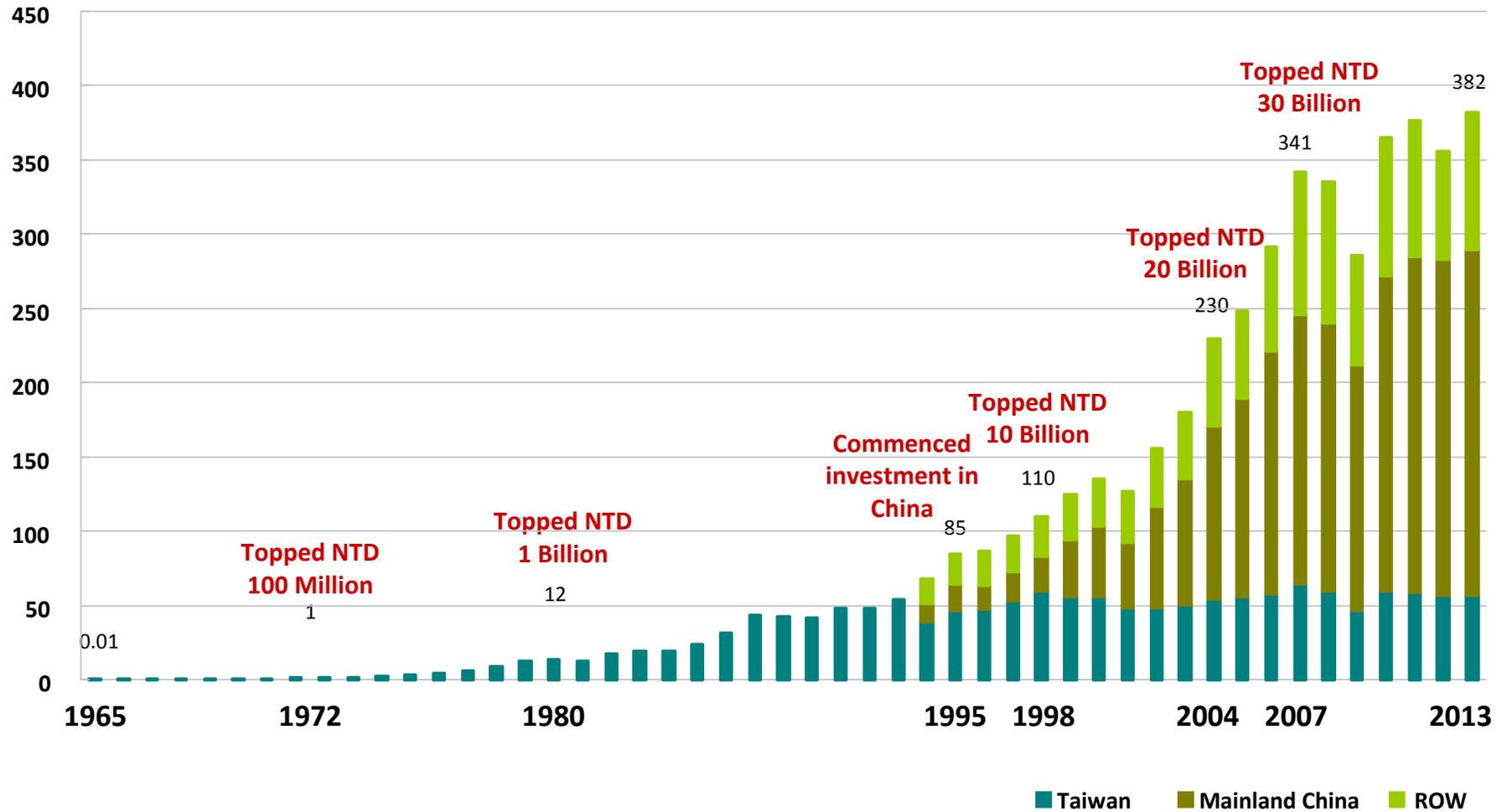
Q & A

5-Year Sales Trend (Consolidated Basis)



Annual Sales Turnover (Consolidated Basis)

Unit: NTD Hundred Million



Quarterly Consolidated Income Statement

Unit: NTD Million

Quarter	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Net Sales	8,021	9,812	10,230	10,126	8,778	10,493
Gross Profit	1,307	1,712	1,932	1,894	1,585	2,075
Operating Expenses	992	1,174	1,110	1,231	1,105	1,223
Operating Income	314	538	822	663	480	852
Income before Tax	372	663	836	741	481	804
Net Income*	263	504	591	572	352	629
EPS	0.27	0.51	0.60	0.56	0.35	0.63

* Net Income Attributable to the Shareholders of the Parent

Annual Consolidated Income Statement

Unit: NTD Million

Quarter	2011 (Non-IFRS)	2012	2013	1H14
Net Sales	37,608	35,577	38,189	19,271
Gross Profit	5,297	6,213	6,845	3,661
Operating Expenses	3,880	4,212	4,508	2,329
Operating Income	1,417	2,001	2,337	1,332
Income before Tax	1,703	1,874	2,612	1,285
Net Income*	1,217	1,290	1,930	984
EPS	1.24	1.30	1.94	0.99

* Net Income Attributable to the Shareholders of the Parent

Balance Sheet

Unit: NTD Million

* IFRS Opening Balance

Quarter	2011*	2012	2013	1H14
Cash and Cash Equivalents	3,929	4,131	4,845	6,640
Accounts Receivable	10,810	10,294	12,245	9,912
Inventory	6,347	6,252	6,551	6,661
Property, Plant & Equipment	13,260	12,924	13,316	13,260
Total Assets	39,461	40,172	44,120	45,896
Short-Term Loans	5,566	7,827	7,541	7,703
Long-term Loans	7,624	5,726	7,225	8,247
Total Liabilities	21,016	21,977	23,978	26,475
Shareholders' Equity	18,445	18,195	20,142	19,421
Shareholders' Equity Attributable to the Parent	18,174	17,899	19,820	18,958

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Research & Development Centers

- 1. Taiwan: Kaohsiung R&D Center
- 2. Mainland China: Mainland China R&D Center
- 3. Mainland China: Beijing Technical Service Application Lab
- 4. 10 Plant-Based R&D Application Labs

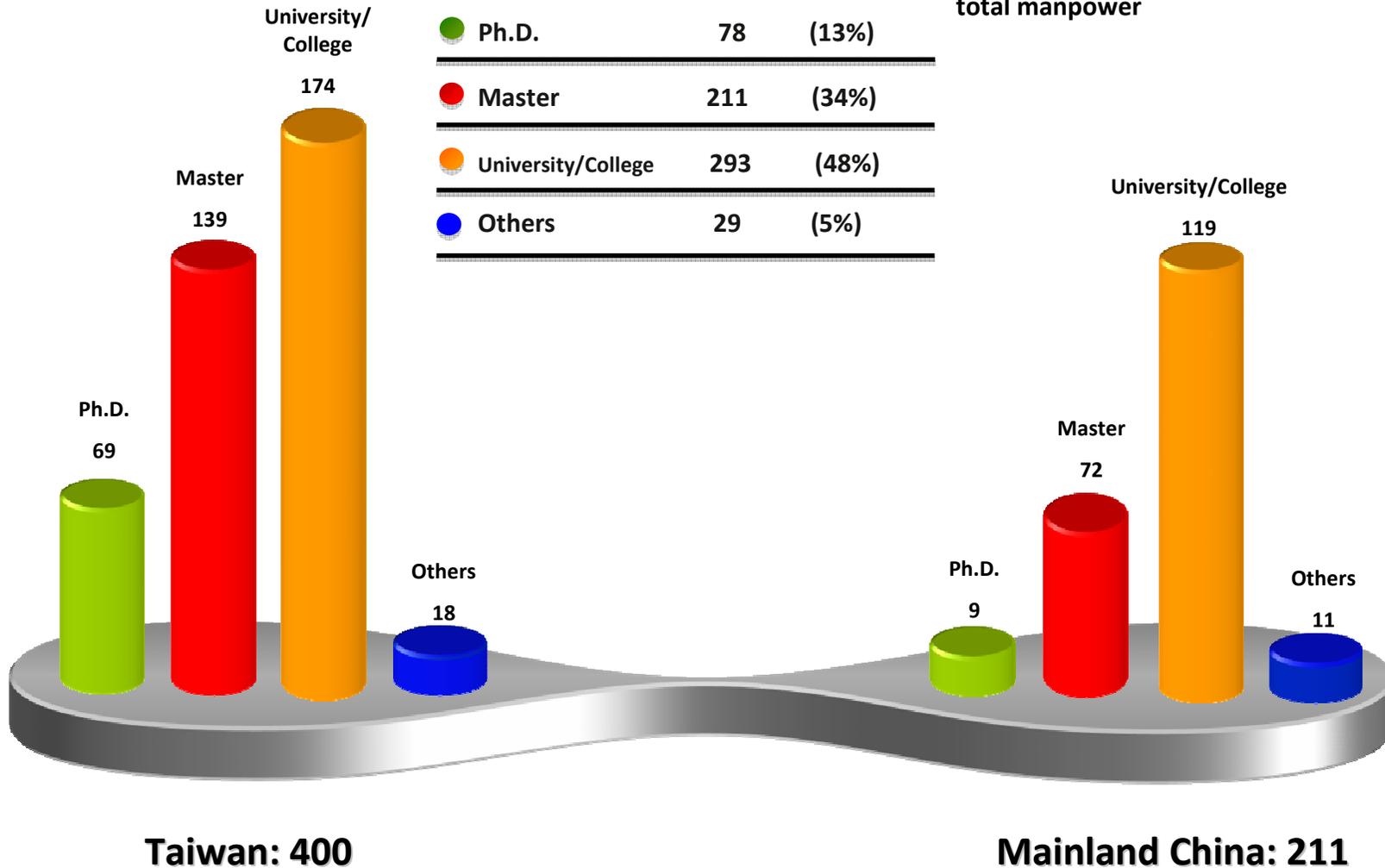


Research & Development Manpower

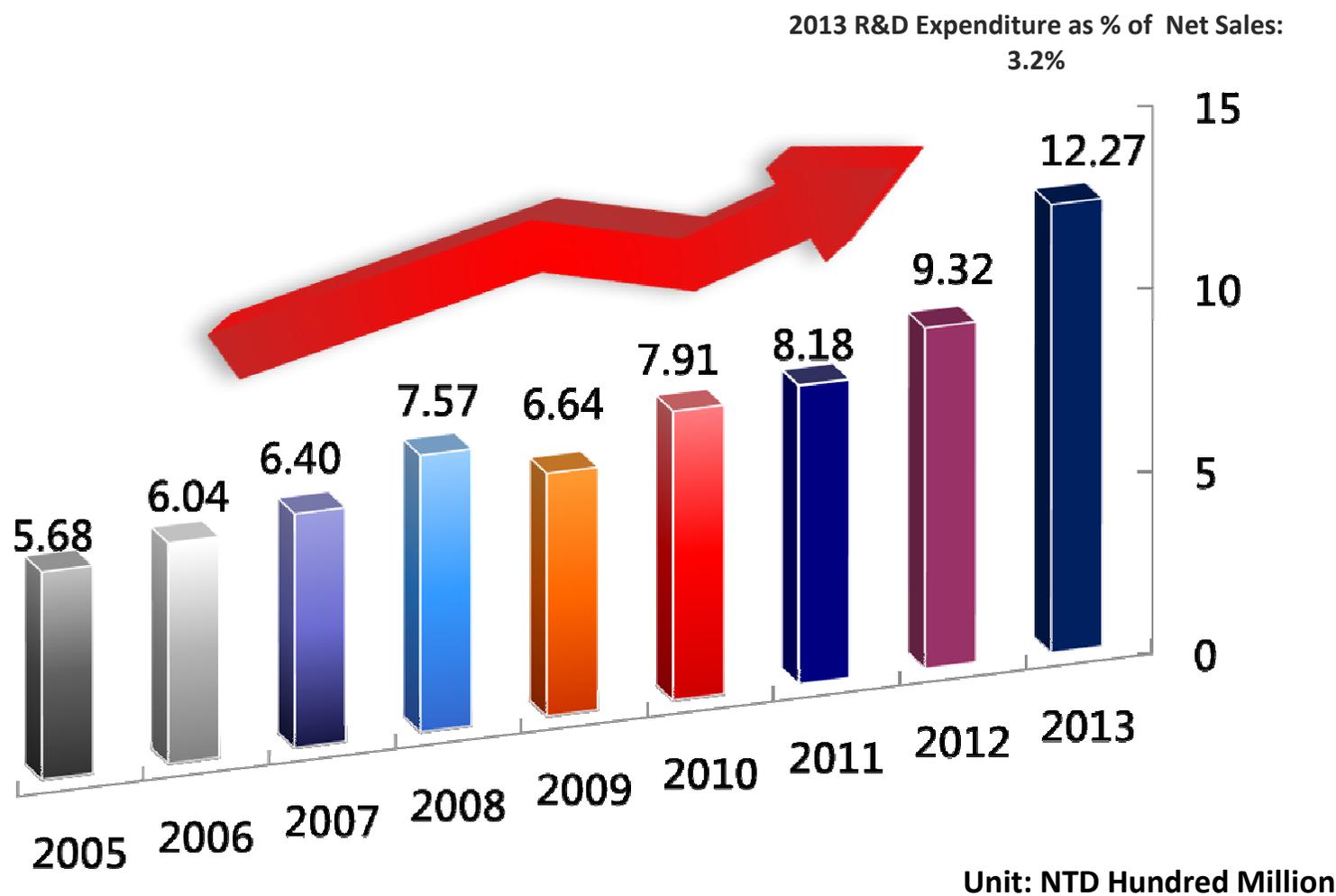
Total R&D Manpower: 611

R&D manpower represents ~14% of total manpower

Ph.D.	78	(13%)
Master	211	(34%)
University/College	293	(48%)
Others	29	(5%)



Research & Development Expenditure



Research & Development Honors

- 1990 **Best performance manufacturer on new product R&D for Specialty Monomer products**
- 1992 **Best performance manufacturer on new product R&D for Dry Film products**
- 1993 **Outstanding Award for Industrial Technology Advancement granted by MOEA**
- 1995 **Excellent Award for Industrial Technology Advancement granted by MOEA**
- 1997 **Best performance manufacturer on new product R&D for Image Material**
- 2001 **Distinguished Award for Industry Technology Advancement, the highest honor granted**
- 2005 **Honored NBIA International Incubation Award from Open Laboratory /Incubation Center of ITRI**
- 2007 **Awarded Innovation Elite Prize of Taiwan nanotechnology (Industry Award) by Taiwan Nanotechnology Industry Development Association**
- 2008 **Awarded Industrial Contribution Prize in TCIA Industrial Excellent Award 2008**
- 2010 **Awarded Outstanding Enterprise Innovation Award by Taiwan Nanotechnology**

Research & Development Directions



Growth Strategy



Directions for Continuing Development

Adopt world-class standards to cultivate constantly in the chemical materials industry

Leverage core technologies to develop high-end product applications

Enhance R&D strength as well as cultivate local talent

Form strategic alliance with well-known international companies to expand global markets

Product Trend

- **Development of New Electronic Materials**
- **Thoroughly Development in High-Molecular Materials**
- **UV Curable Resins and 3D Printing Application Products**
- **In-Vitro Diagnostic Technology**
- **Flexible Printing Circuit (FPC) Materials**
- **Touch Panel Adhesive Materials**
- **Materials for Green Energy Industry**

Target and Expectation

Actively developing 「 Me One 」 advanced materials; becoming the key material supplier among related industries by expanding our core technologies; and be committed to become the industry's

Hidden Champion

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