



Jinan Acetate Chemical

4763 TT

Investor Presentation

September 2020

The Little Giant in a Global Oligopoly Industry

- ✓ Jinan Acetate is a fully-integrated, independent manufacturer of **superior quality acetate tows and flakes** in an **oligopoly market**. Acetate tows are the key raw material used in making cigarette filters. Acetate flakes are primarily used in the production of acetate tows and optical frames.
- ✓ The industry has **very high entry barriers**, particularly in securing raw materials and customers. Jinan Acetate has successfully built **strategic alliances to align its interests** with key suppliers and customers. Advanced R&D and production expertise keep our **costs significantly lower than our global peers**, who are reducing and repurposing their capacity while we target **double digit annual capacity growth** over the next 5 years.
- ✓ **We continue to invest while producing robust cash flows**. In order to stay ahead of industry trends, we are developing new biodegradable products and new applications for existing products. We have also been investing in cost-saving equipment to maintain our cost advantage.
- ✓ We aim to **double our market share** for acetate tows within 5 years from 1.6% currently (2019). Our focus clients are **mid-to-small sized brands located in emerging market countries**, which have greater growth potential than the established global brands. We also hope to gain business from one or more Tier-1 Tobacco players within the next 12-24 months.
- ✓ We aim to maintain a cash dividend payout ratio between 60-80% and ROE in excess of 20%.

Jinan Acetate Chemical @ a Glance

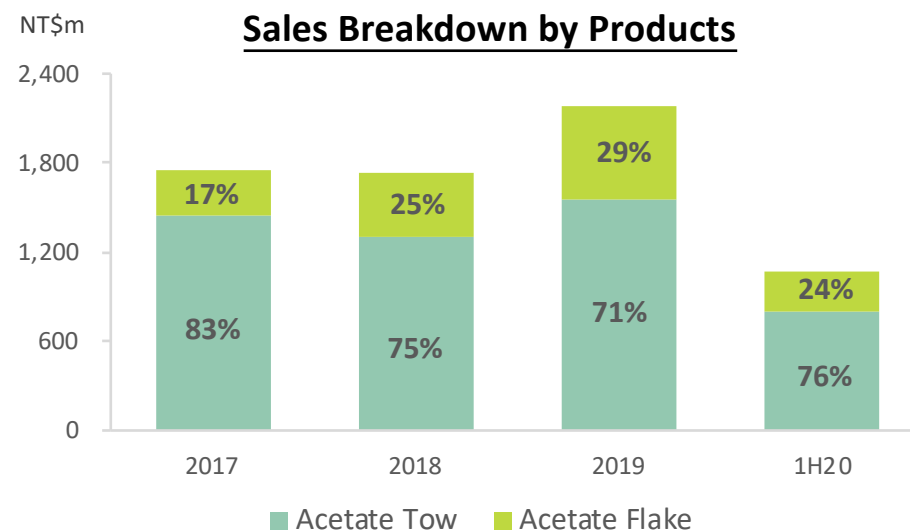
- **Ticker:** 4763 TT
- **Market Cap – 30 September 2020:** US\$ 251 mn
- **2019 Revenue:** US\$72 mn
- **ROE:** Averaged 21% in 2015 through 2019
- **2019 Dividend:** DPS NT\$4.75
- **Business Scope:** Exports to more than 50 countries
- **Client Diversification:** Top 5 are less than 40% of sales



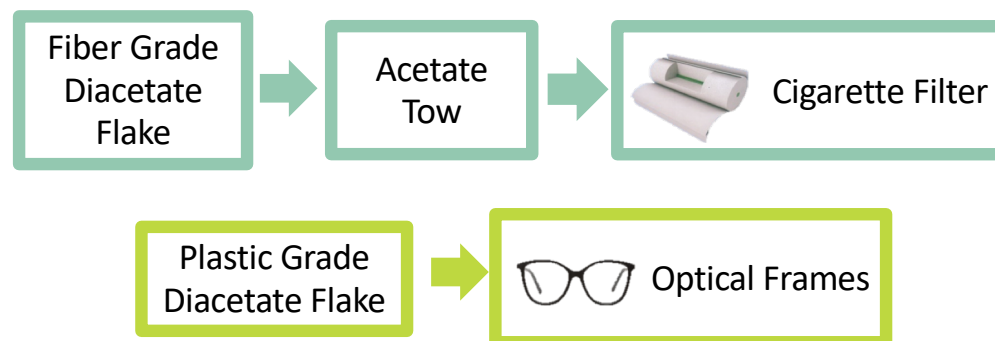
- Jinan, Shandong
- Acetate Tow Production
- Employees: 170



- Zaozhung, Shandong
- Acetate Flake Production
- Employees: 100



Products - Applications



1H20 Performance

Key 1H20 Performance Metrics

- ✓ 1H20 sales grew 6% YoY to NT\$1,068m.
- ✓ Revenue from acetate tows rose 13% YoY, while acetate flake revenue fell by 11% YoY.
- ✓ Key Performance Highlights were:
 - Gross margin was 34.2% versus 28.7% in 1H19.
 - Operating margin was 20.1% vs 15.9% in 1H19.
 - Net Income adjusting out the MTM effect of Acetek's CB was NT\$204m, up 35% YoY.¹
 - EPS adjusted for CB MTM effect was NT\$4.06.¹

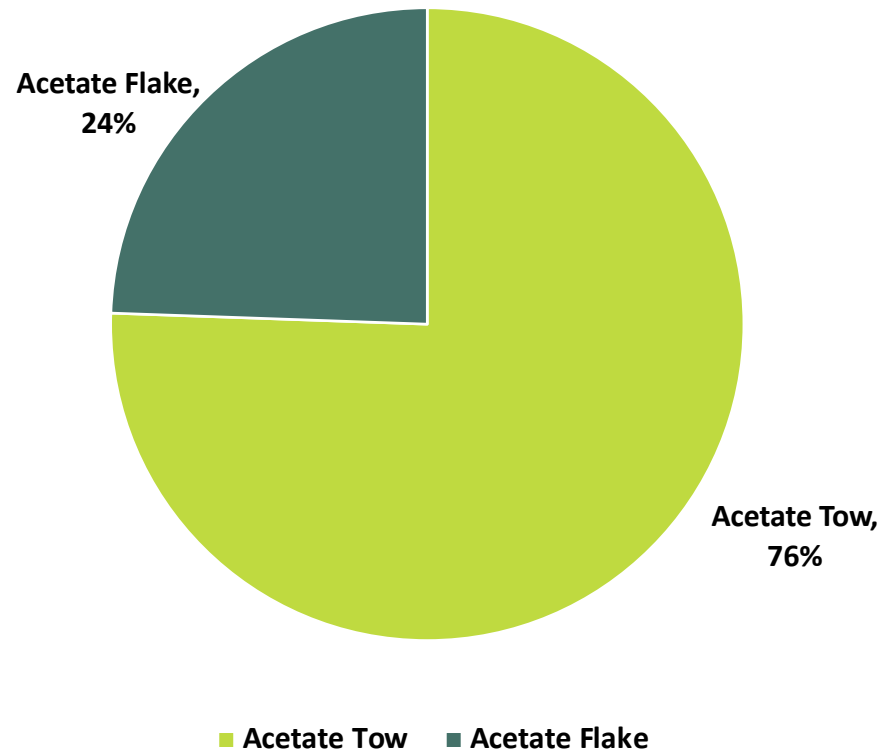
What Factors Affected Profitability?

- ✓ Demand remains robust for acetate tows while sales of acetate flakes were negatively impacted by COVID-19.
- ✓ Within acetate flakes, plastic grade sales were roughly 40% to 50% of 2019 levels while fiber grade flake sales grew strongly off a low base.
- ✓ Overall, the product mix changes benefited profitability, as tows are most profitable, followed by plastic flakes, then fiber flakes.
- ✓ RM input prices for wood pulp and acetic anhydride were lower than the 1H19 average.

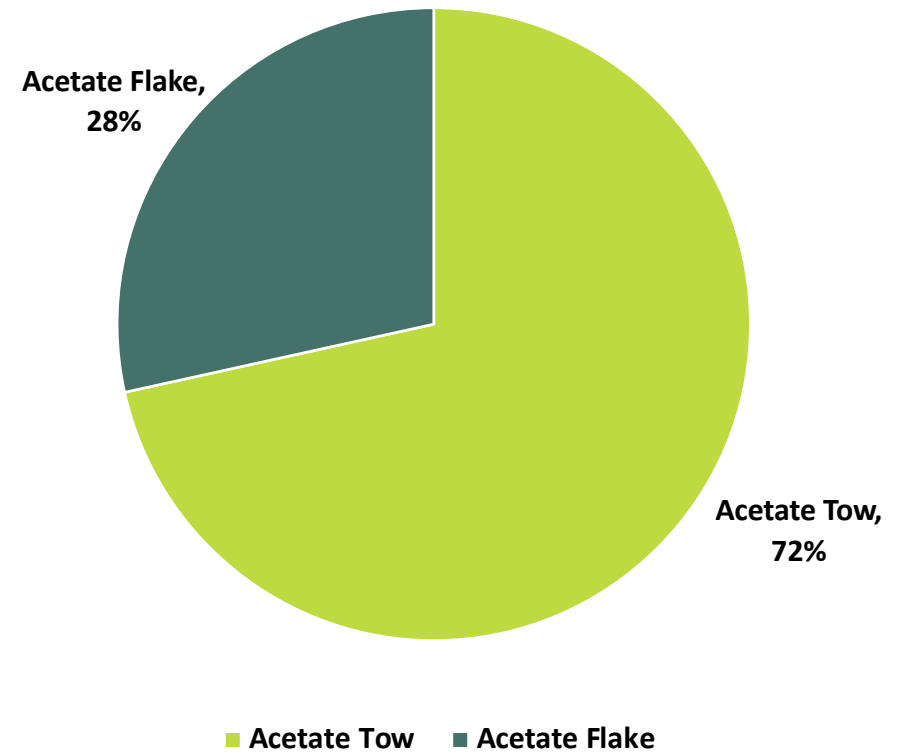
Note 1: Mark-to-market paper gain/loss from the 2Q17 CB issue are not included in these calculations, to better reflect core earning capability.

Sales Breakdown

January through June 2020



January through June 2019



Capacity Utilization Remained High in 1H20

Secure Demand from Key Customers

- ✓ Since 2015, our utilization rate for acetate tows has averaged above 90%. During that time, our capacity increased by 44%.
- ✓ Strategic alliances with key customers have secured a market niche in South America and stable business from downstream suppliers to Tier 1 eyeglass frame makers Luxottica and Safilo.

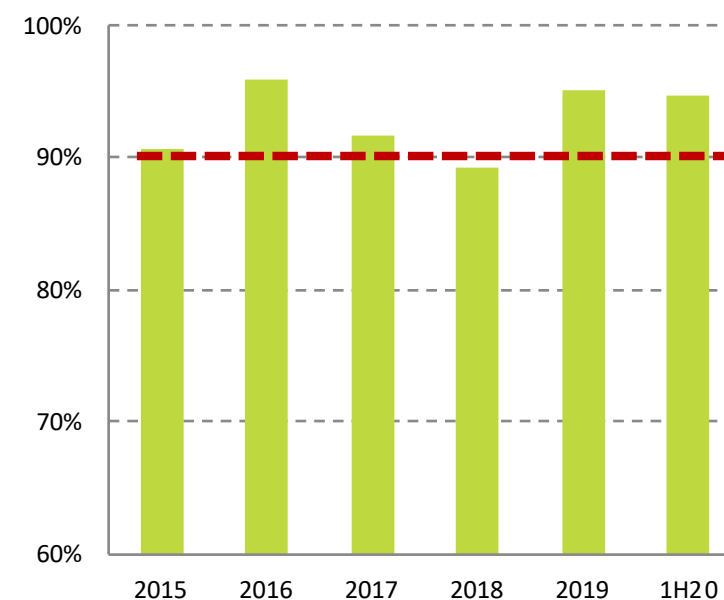
Self-sufficient in Acetate Flake Production

- ✓ Access to key raw materials is one of the most difficult barriers to entry and survival in this industry.
- ✓ Acetate flakes account for almost 90% of acetate tow raw material cost. We completed the construction and ramp up of our acetate flake plant in 2017-2018.

Our Plant Construction Cost is 50% Lower than Peers

- ✓ Vertical integration has enhanced our cost competitiveness, especially since our construction costs are 50% lower than peers.

Acetate Tow Utilization Rate Averages above 90%



Investing in our Future Through R&D

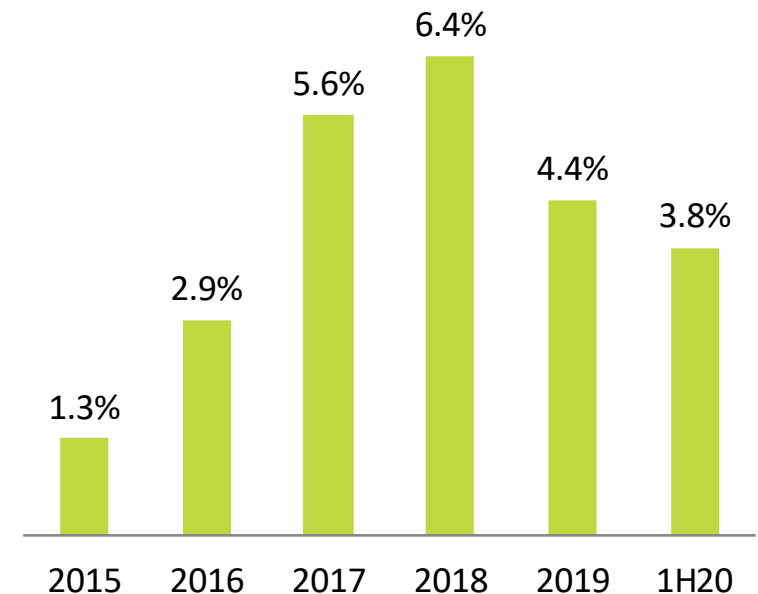
The Current Focus of our R&D spending is biodegradable products

- ✓ R&D spending was roughly 4% of sales in 1H20. We have been developing several types of biodegradable products, including tows, non-woven material and straws.
- ✓ We expect R&D spending to rise in 2021, as we gear up for initial mass production of our green products.

It takes 12 to 24 months for R&D spending to create earnings growth

- ✓ R&D as a percent of sales was 5-6% of sales in 2017 and 2018 as we built, tested, debugged and began production of acetate flakes.
- ✓ In 2019 and 1H20, R&D spending has remained close to peak levels in absolute terms, while falling as a percent of sales.

R&D Expense as % of Revenue (%)



Outlook for 2H20

July-Aug cumulative sales were NT\$405m, up 9% YoY. As the peak season for plastic grade acetate flakes is from September to December and demand for tows is robust, we expect our growth momentum to continue.

Tows

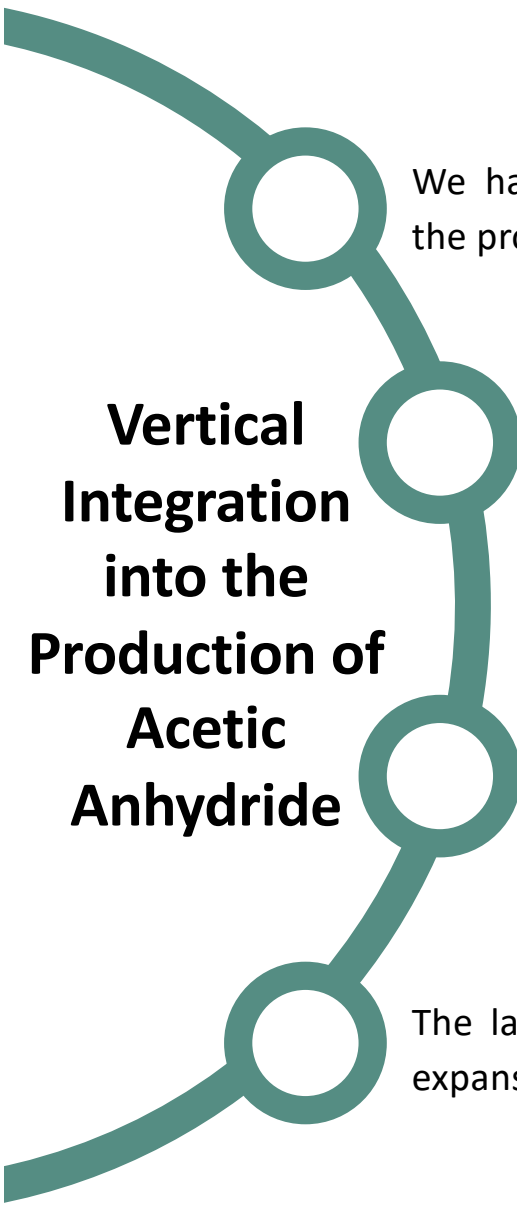
July-Aug cumulative tow sales grew 6% YoY. We added 1k tonnes of acetate tow capacity in April, amounting to an 8% increase in capacity. 3Q20 utilization continued to be above 95%. Acetate tow selling prices were soft in 1H20 and are expected to trend gradually upwards in 2H20.

Flakes

Flake sales grew 17% YoY in July-August, as a 2k metric tonne order for fiber grade flakes was shipped between May to August, and shipments of plastic grade flakes for eyewear frames began to recover. We now have order visibility through December for eyewear-use plastic grade flakes and expect that 2H20 revenues for this product will be 75-80% of pre-COVID 19 levels. We added 5k tonnes of acetate flake capacity in June/July, amounting to a 25% increase in flake capacity. This capacity will begin to ramp up in 4Q20, once government approvals are received.

Product Mix & RM Pricing

We expect our 2H20 product mix to be favorable, with 3Q product mix improving over 2Q and 4Q product mix improving over 3Q. This is due to the completion of the 2k fiber grade flake order in August, recovery in plastic grade flake shipments for eyewear and continued robust tow demand. RM pricing should continue to be favorable as wood pulp costs were locked in early in the year and acetic anhydride pricing has softened following a temporary uptick in 2Q20.



Vertical Integration into the Production of Acetic Anhydride

We have decided to integrate upstream into the production of acetic anhydride.

We expect to spend roughly NT\$213m to build 60,000 tonnes of design capacity.

We estimate it will reduce our cost of production by about 4-5%.* More importantly, we expect that it will make our profits more stable, greatly reducing the effect acetic anhydride spot price movements.

The land is big enough to provide for future expansion.

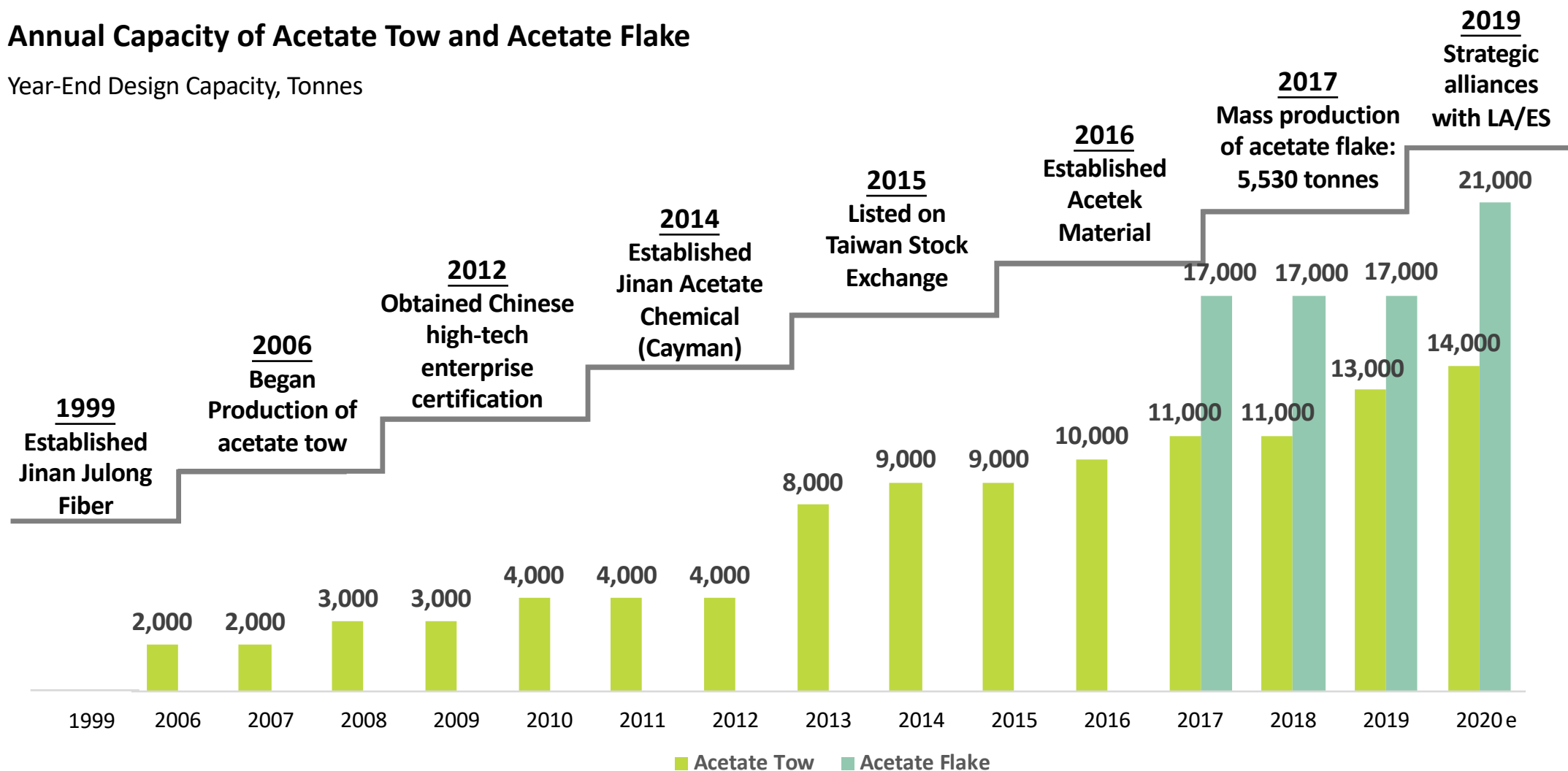
Item	Details
Land Area	100 Chinese Mu
Leasing Cost, Land	NT\$38m
Plant and Equipment	NT\$175m
Est. Annual Depreciation	About NT\$14m
Est. Cost Savings	4-5% per tonne of flakes*
Commencement Date	2020 Q4
Completion Date	2021 Q2
Design Capacity	60,000 tonnes
Current Internal Use	35,000 tonnes

*Based on a spot price of \$5,250 RMB per tonne of acetic anhydride

Company Milestones

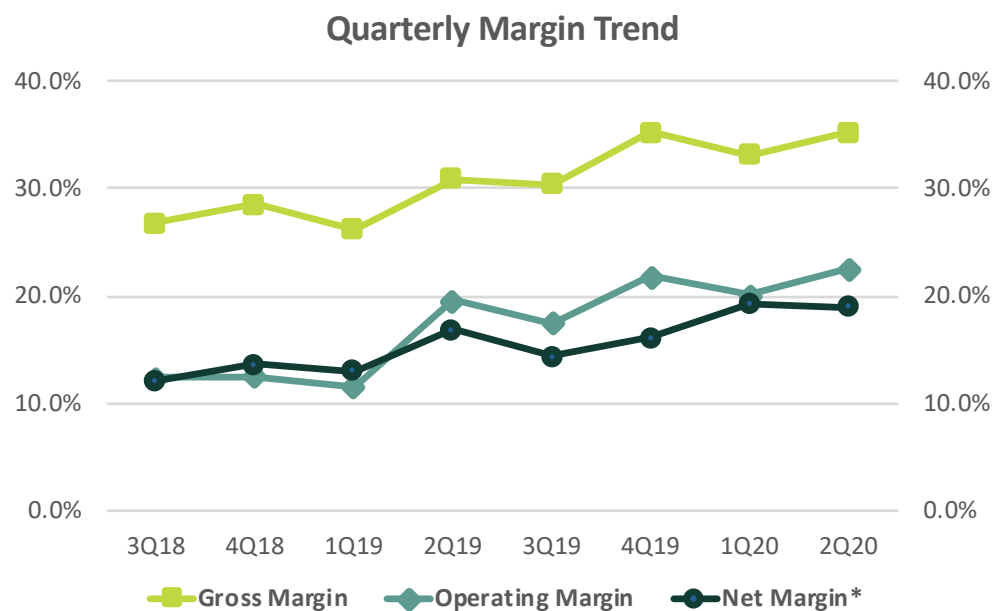
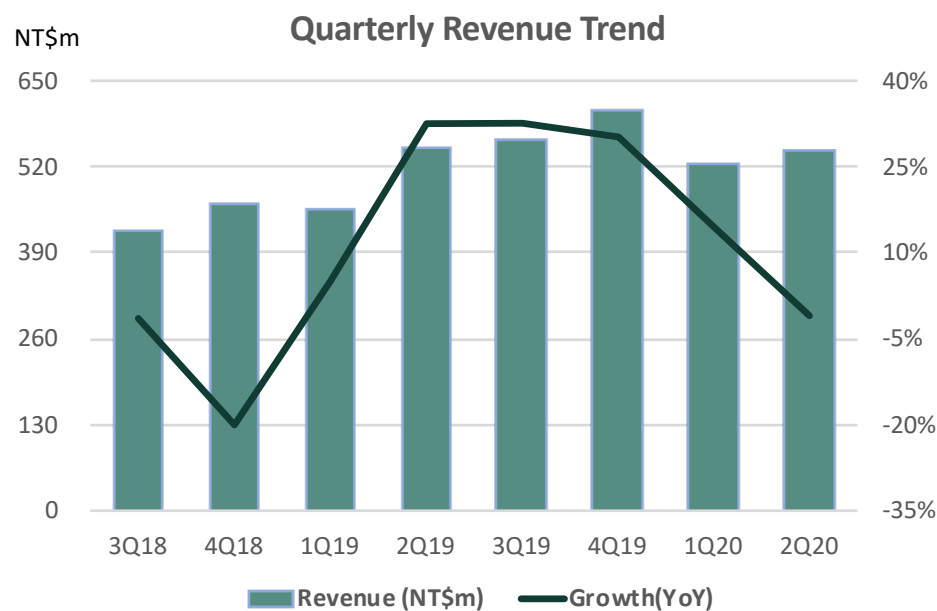
Annual Capacity of Acetate Tow and Acetate Flake

Year-End Design Capacity, Tonnes



Revenue and Margin Trend

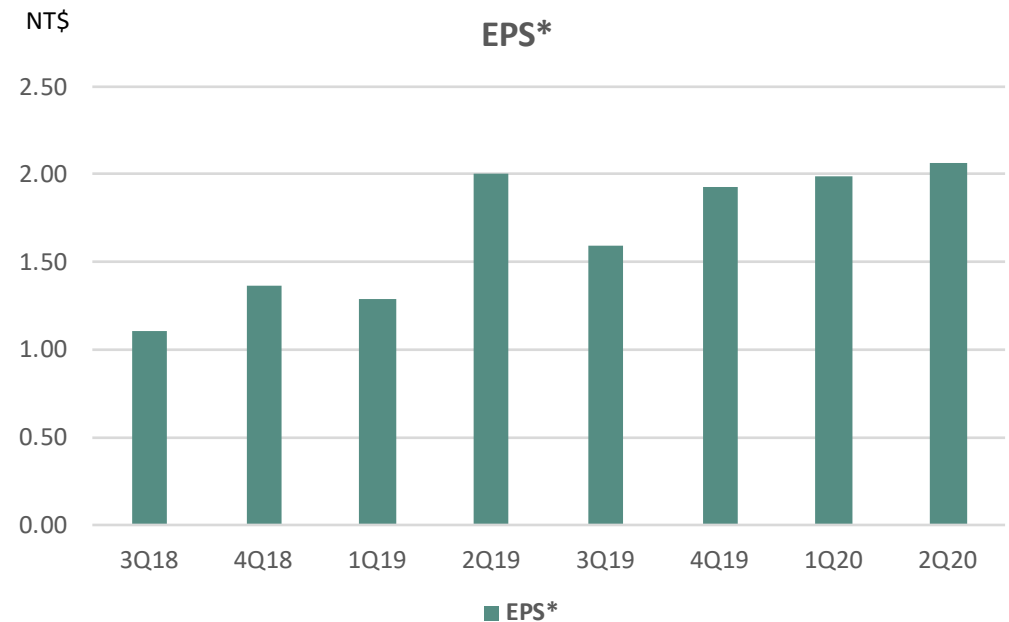
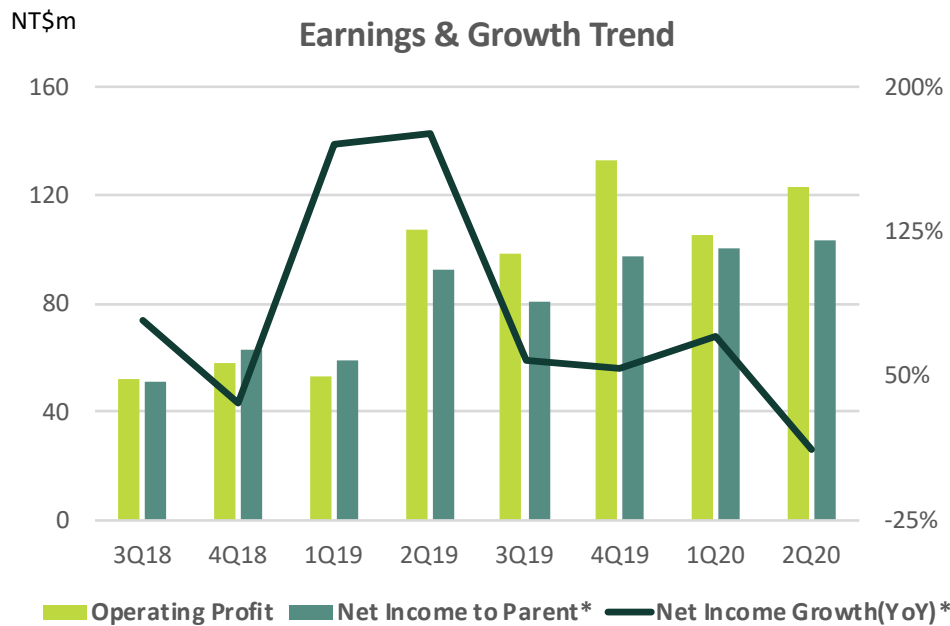
- 2Q20 revenue decreased 1% YoY and increased 4% QoQ to NT\$544m.
- Gross and operating margins have been trending up since 2Q18, on production efficiency improvements, vertical integration into acetate flakes, strong top line growth, and stabilization in raw material prices.
- Gross margin was 35.2%, the fifth quarter in a row above 30%. Operating margin reached a record high 22.5%, increasing from 20.1% in 1Q20. Net margin was 19.0%.



* Note: On this page, Net Margin numbers exclude the mark-to-market paper gain/loss from the 2Q17 CB issue.

Earnings and Growth Trend

- 2Q20 Operating Income rose 14% YoY to NT\$123m.
- 2Q20 Net Income rose 12% YoY to NT\$103m. 2Q20 EPS was NT\$2.06. Net Income and EPS have shown positive YoY growth for 8 consecutive quarters.



* Note: On this page, all Net Income & EPS numbers, as well as related growth calculations, exclude the mark-to-market paper gain/loss from the 2Q17 CB issue.

Consolidated Statements of Income - Quarterly

Unit: NTD million	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)
Net Revenue	544	524	549	4	-1
Gross Profit	192	173	169	11	13
Gross Margin	35.2%	33.1%	30.8%		
Operating Expenses	69	68	62	2	12
OPEX/Sales	12.7%	13.0%	11.3%		
Operating Income	123	105	108	16	14
Operating Margin	22.5%	20.1%	19.6%		
MTM Gain (Loss) on CB (non-cash)	(5)	25	(36)		
Other Non-Operating Income (Loss), Net	(9)	9	(0)		
Pre-Tax Income	108	139	71	-22	52
Income Tax Expense	11	11	12		
Minority Interest	(1)	2	3		
Net Income to Parent	98	126	56	-22	74
Net Margin	18.0%	24.1%	10.2%		
EPS (NT\$)	1.96	2.50	1.22	-22	61
ROE – not annualized	7.9%	9.8%	4.7%		
Depreciation	25	26	24		
CAPEX	36	17	20		

Consolidated Statements of Income – 1H20 vs 1H19

Unit: NTD million	1H20	1H19	YoY(%)
Net Revenue	1,068	1,007	6
Gross Profit	365	289	26
Gross Margin	34.2%	28.7%	
Operating Expenses	137	129	6
OPEX/Sales	12.8%	12.8%	
Operating Income	228	160	42
Operating Margin	21.3%	15.9%	
MTM Gain (Loss) on CB (non-cash)	(20)	26	
Other Non-Operating Income (Loss), Net	39	(51)	
Pre-Tax Income	247	135	83
Income Tax Expense	22	11	
Minority Interest	1	(2)	
Net Income to Parent	224	126	78
Net Margin	21.0%	12.5%	
EPS (NT\$)	4.46	2.74	63
ROE	18.6%	10.9%	
Depreciation	51	48	
CAPEX	53	50	

Consolidated Balance Sheet – 1H20

Unit: NT\$ million	2020/06/30		2019/03/31		2019/06/30	
	\$	%	\$	%	\$	%
Cash and Cash Equivalents	655	25	661	25	323	13
Notes and Accounts Receivable, Net	548	21	541	20	461	19
Inventories	263	10	287	11	289	12
Other Current Assets	117	4	156	6	228	9
Fixed Assets	818	31	800	30	867	36
Other Long-term Assets	239	9	229	8	268	11
Total Assets	2,640	100	2,673	100	2,436	100
Current CB Payable	465	18	461	17	448	19
Other Current Liabilities	900	34	764	29	735	30
Non-Current CB Payable	0	0	0	0	0	0
Other Non-Current Liabilities	9	0	9	0	10	0
Total Liabilities	1,375	52	1,234	46	1,193	49
Common Stock	511		511		465	
Total Equity	1,266	48	1,439	54	1,243	51
Book Value per Share (NT\$)	23.1		26.5		24.5	
Key Indices						
Current Ratio (Current Assets / Current Liabilities)	116%		134%		110%	
Net Debt to Equity	10%		7%		19%	

Jinan Acetate Formula for Success



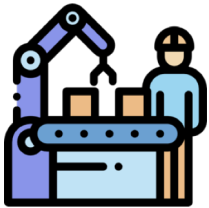
Building a Better Moat

- ✓ R&D and Production Team have strong technical skills, extensive industry experience
- ✓ Lowest production cost in the industry
- ✓ Securing a stable market position through industry alliances



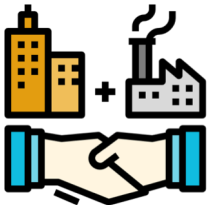
Targeting an Attractive Market Niche

- ✓ The cellulose acetate tow market is an oligopoly market with a favorable pricing environment
- ✓ Demand is stable, and improves in hard economic times due to the 'lipstick and cigarettes' effect
- ✓ Larger players have been rationalizing capacity, opening up opportunities for Acetek



New Markets and Capacity Expansion

- ✓ We expand in line with new order visibility and have historically maintained capacity utilization of 90% or above.
- ✓ We are developing new market opportunities in the Middle East and Africa



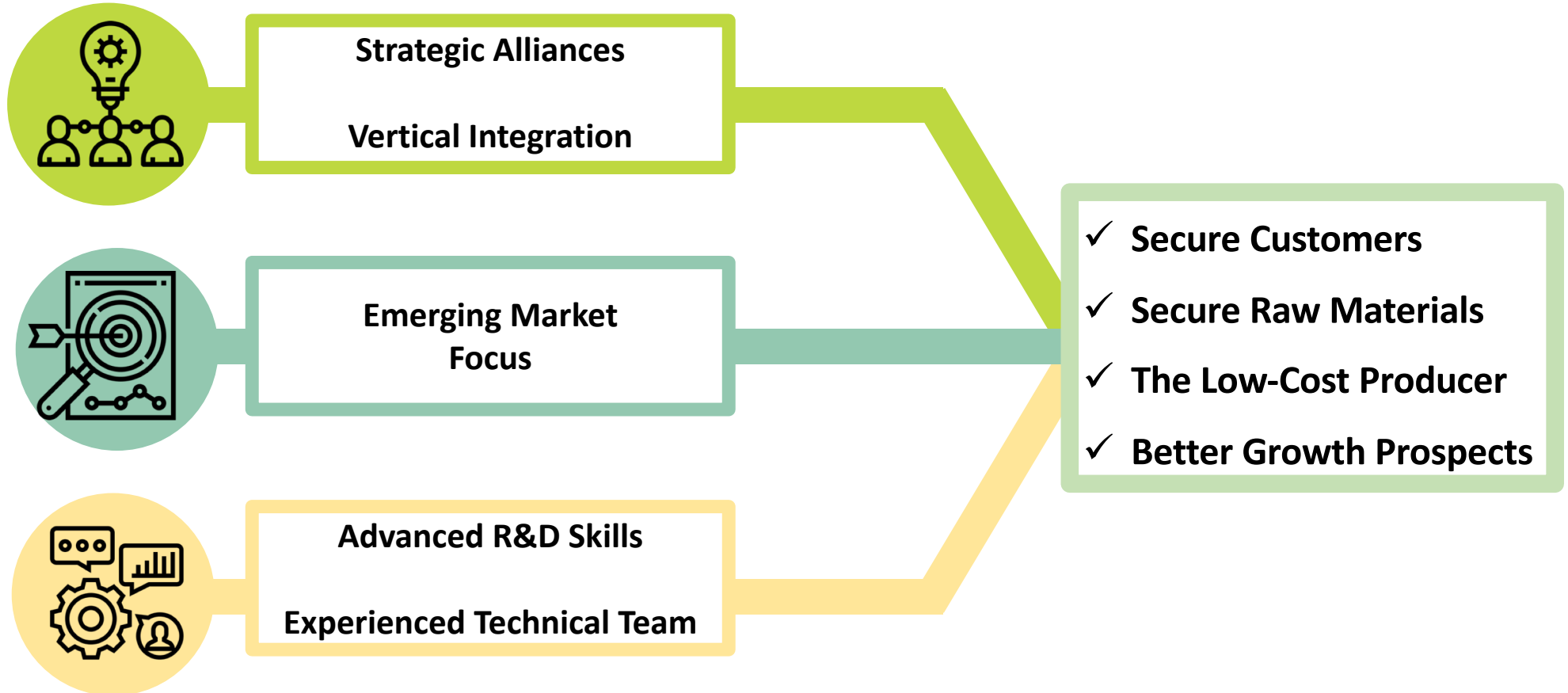
Strategic Alliances

- ✓ Marketing & Distribution
- ✓ Vertical Integration
- ✓ Plastic Acetate Flake and the Plastic Eyeglass Frame Market

Building a Better Moat



Building a Better Moat



Emerging Markets Focus



Better growth prospects

- ✓ Many of our customers are reliant on Acetek for supply of tows. We help them get bigger so we can grow bigger.
- ✓ Our target customers are mostly mid-to-small sized brands located in emerging market countries. They have greater growth potential than international brands.
- ✓ Regulations on tobacco use are more relaxed in our target markets. Other vice products may be prohibited.



Offering customized products

- ✓ We offer products in small quantity and with specialized packaging based on customer requirements, creating a strong bond with our clients.

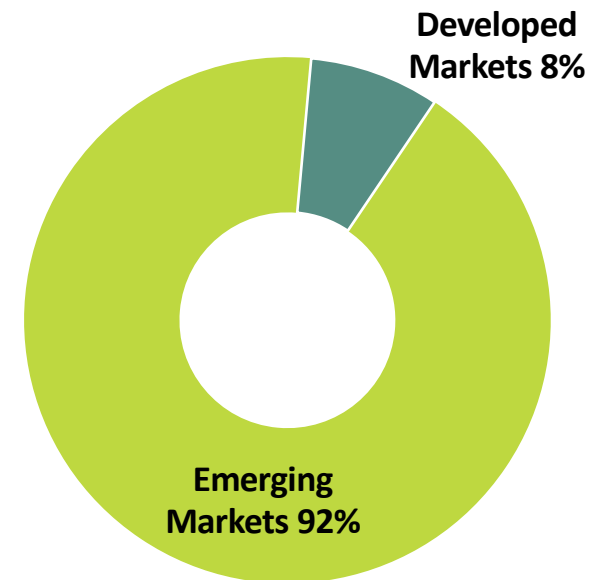


A Dedicated Acetate Flake and Tow Producer

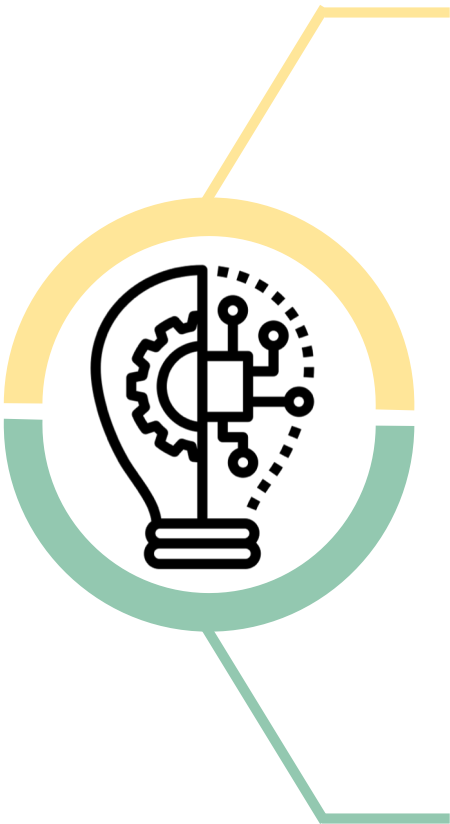
- ✓ Acetate tow is only a fraction of our peers' revenues.
- ✓ The payoff to them of driving us out of the market – with measures such as price cuts – are not worth the cost.

Over 90% of Our Tow Shipments are to Emerging Markets

% of shipments by volume



Chemical Fiber Production Expertise Drives Our Competitive Edge



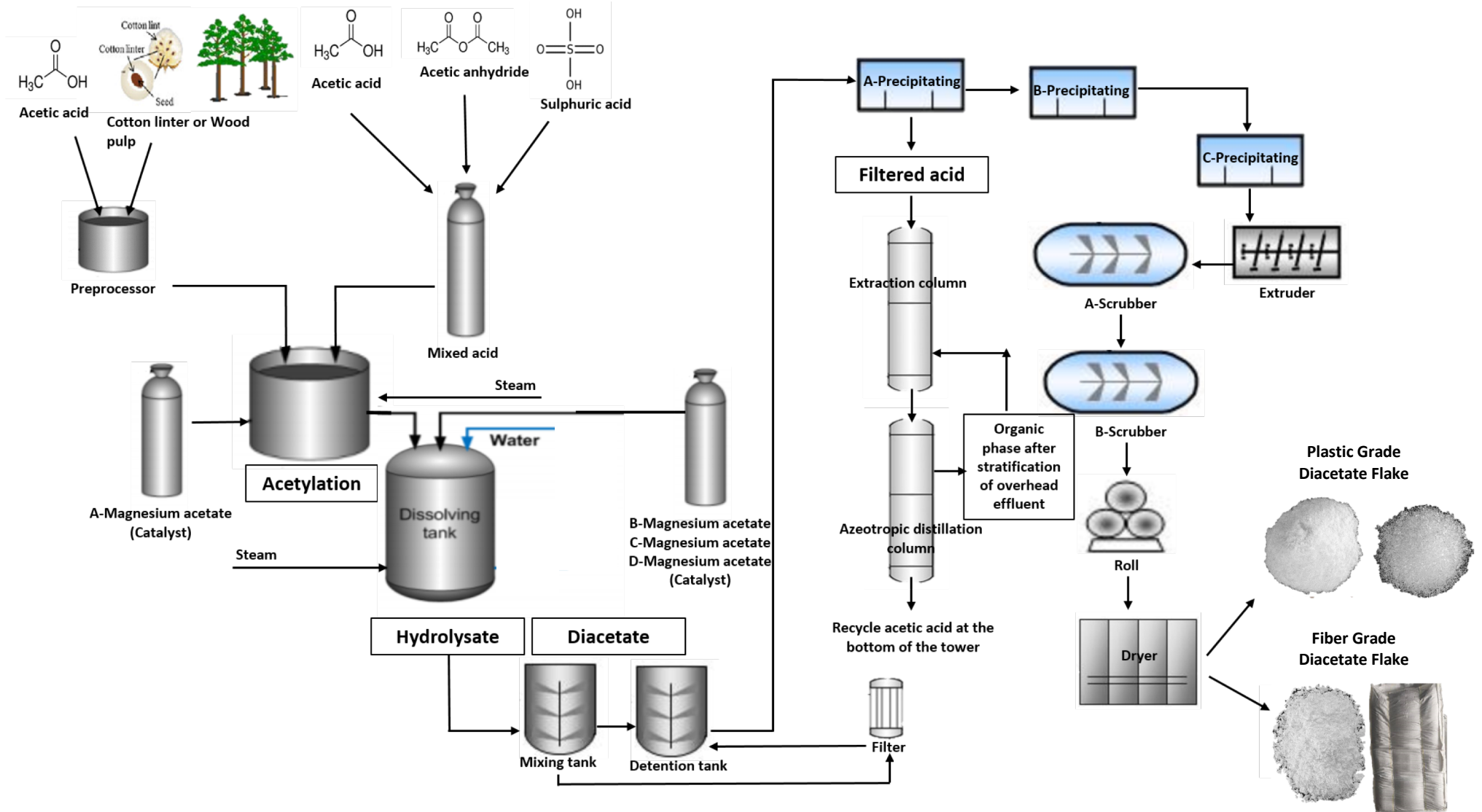
Patented Technology

- ✓ Acetek Founder and President Wang Ke-Zhang is a formally trained chemical fiber engineer with **over 35 years** of technical production experience.
- ✓ Acetek is the only fully-integrated, independent manufacturer of superior quality acetate tows and flakes with proprietary intellectual property rights in China.

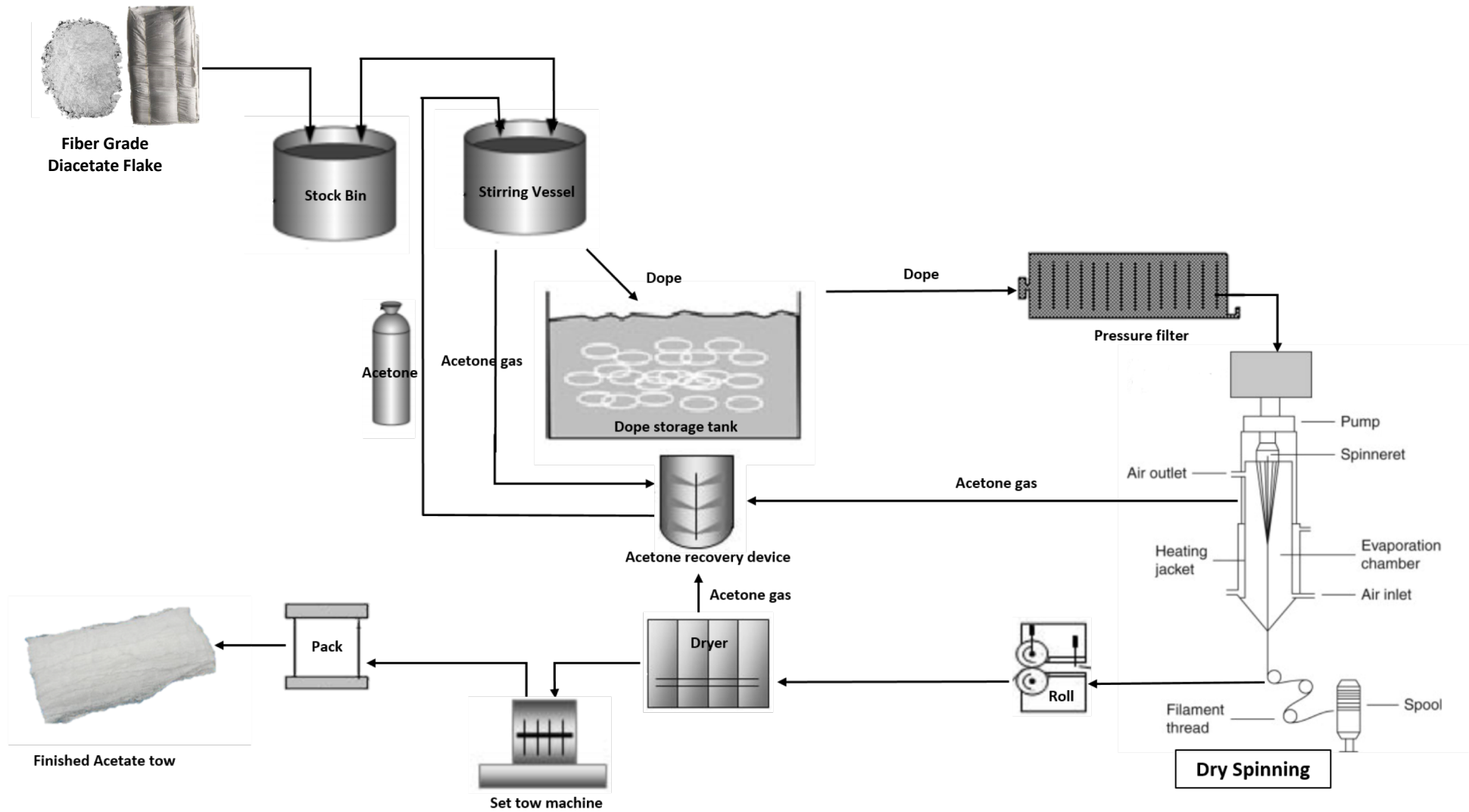
Industry Leader in Cost Competitiveness

- ✓ The ability to design the plant and machines ourselves results in at least 50% cost-saving in building a new plant.
- ✓ We continue to improve our production process through measures such as reducing steam usage and improving water treatment & RM recovery techniques. We expect to achieve further cost reductions over the next 2-3 years.

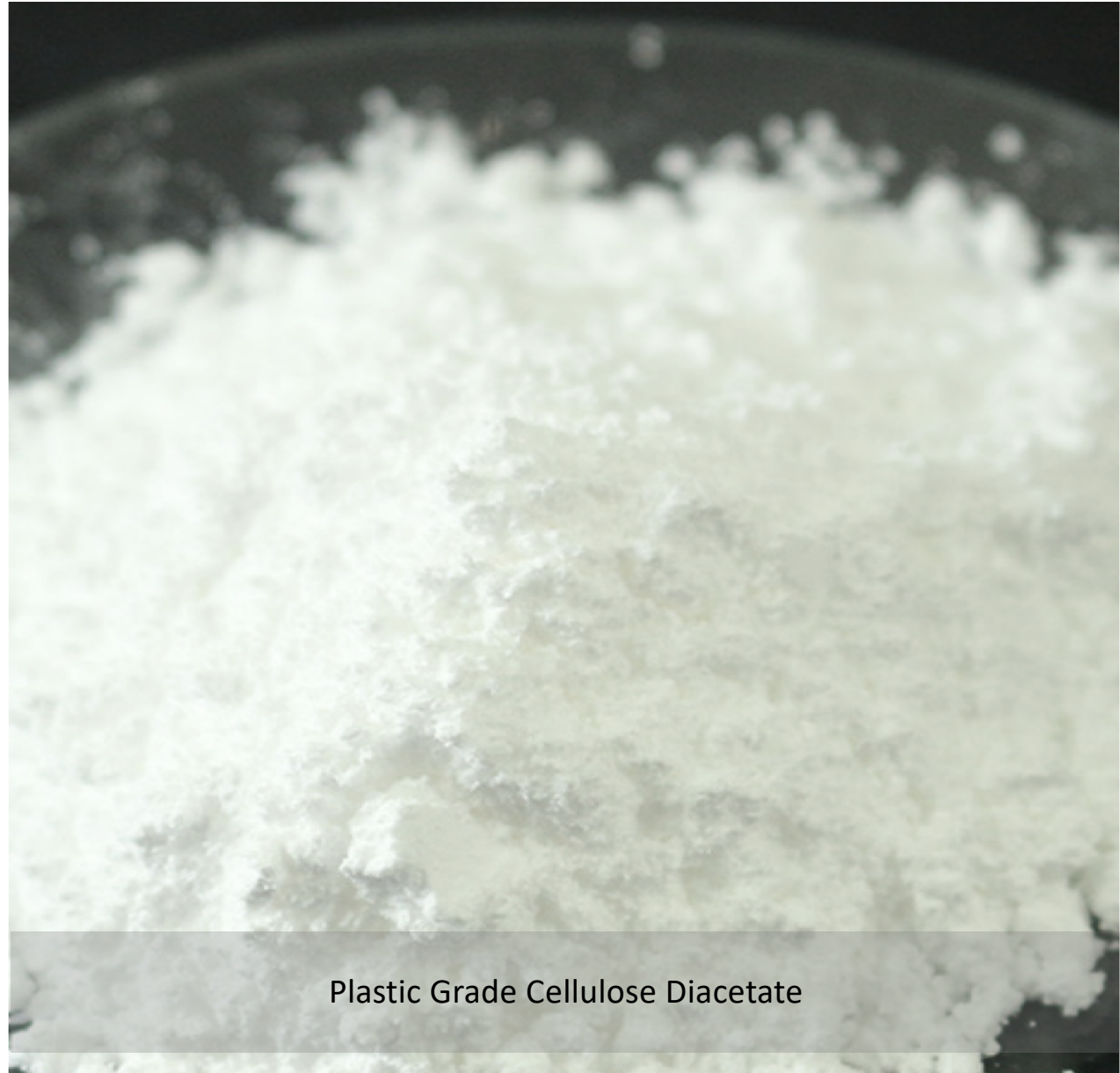
Production Process for Acetate Flakes



Production Process for Acetate Tows



Targeting an Attractive Market Niche

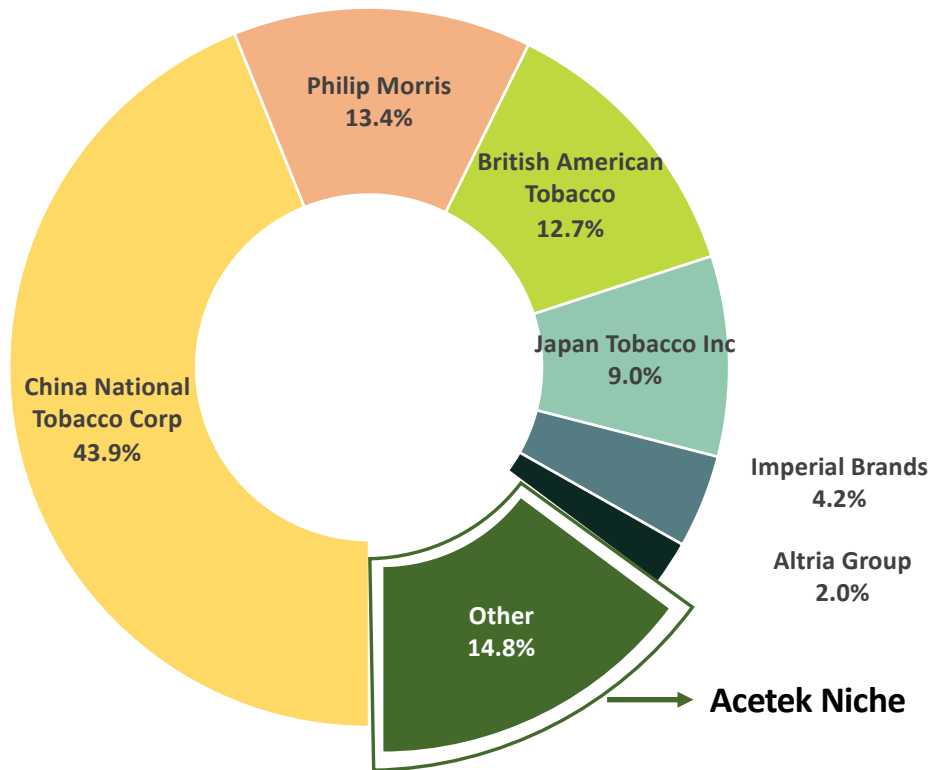


Plastic Grade Cellulose Diacetate

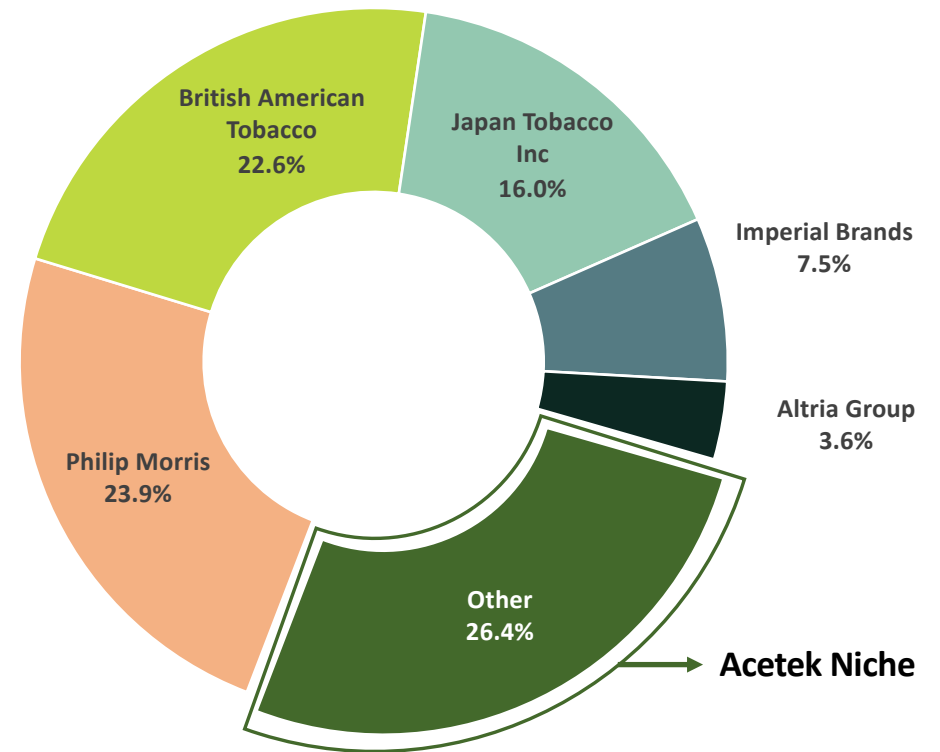
The Structure of the Global Cigarette Market

We Partner with Emerging Market Brands

Cigarette Market Share - World



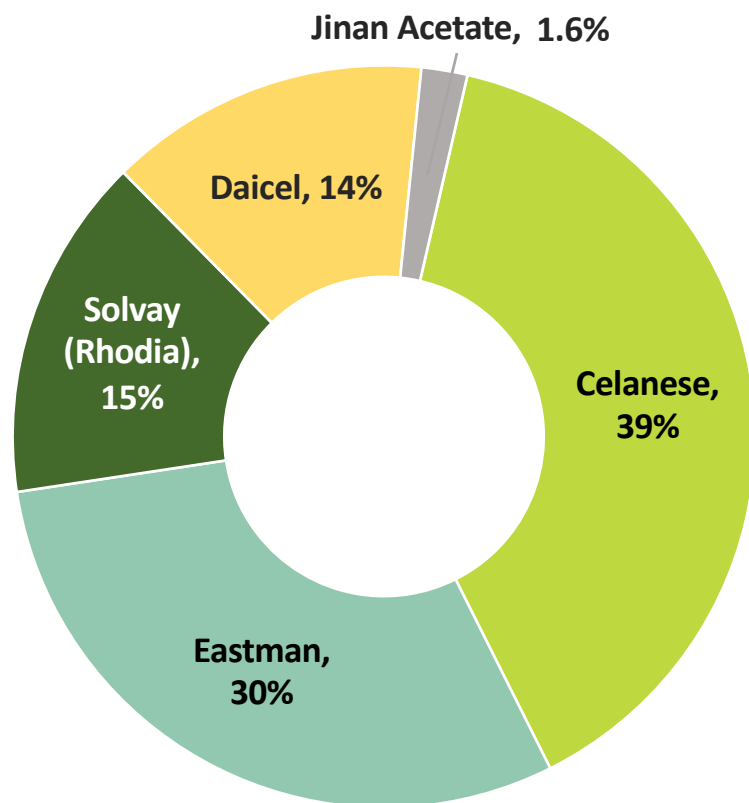
Cigarette Market Share - World ex-China



Source: Tobacco Merchants Association & Bloomberg

Acetate Tow Industry – An Oligopoly Market

2019 Acetate Tow Industry Market Share



Source: Company data, JPMorgan Industry Report

01

Profitable Industry

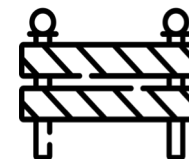
The very profitable acetate fiber industry has consolidated to six major companies.



02

Entry Barriers

New entrants are deterred by barriers, such as technology, raw materials, legal complexity, etc.



03

Rising Operating Rates

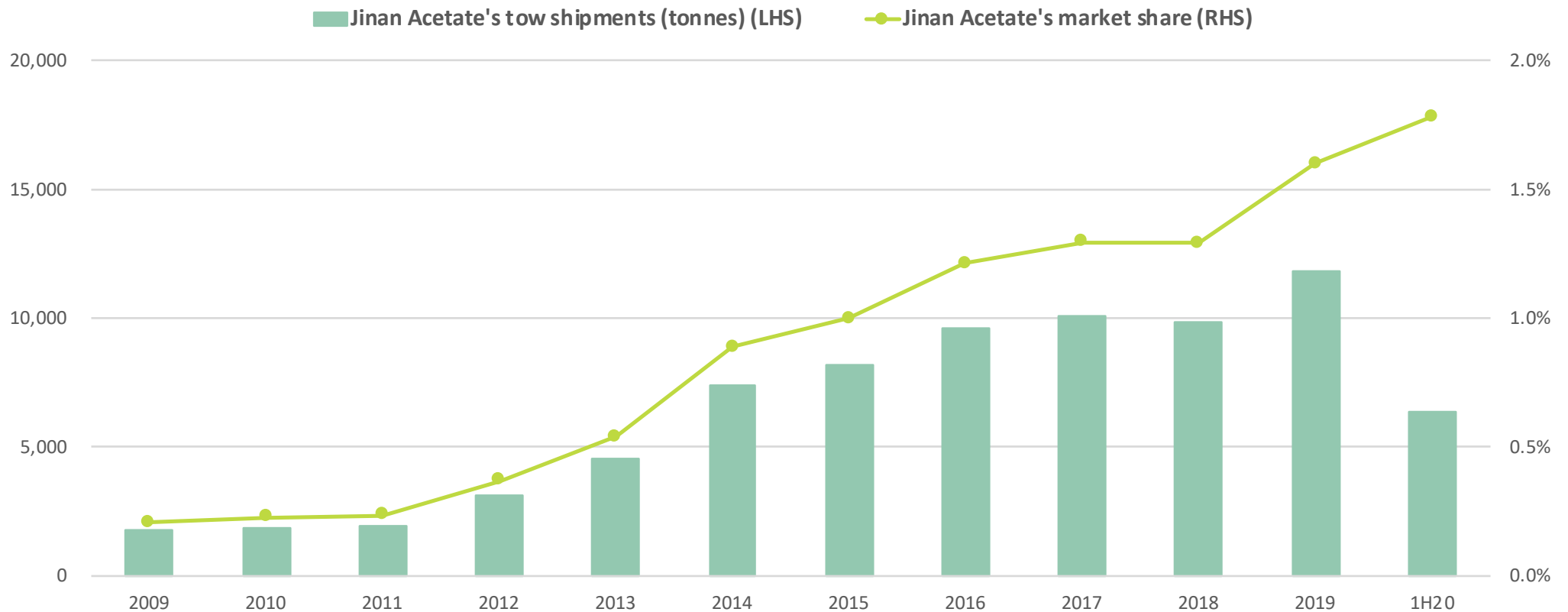
Driven by the closure of higher cost Western facilities.



*The sixth major company is China Tobacco who has Joint Venture plants in China with Celanese, Eastman and Daicel.

The Acetate Tow Industry's Little Giant – Market Share Increased Further in 1H20

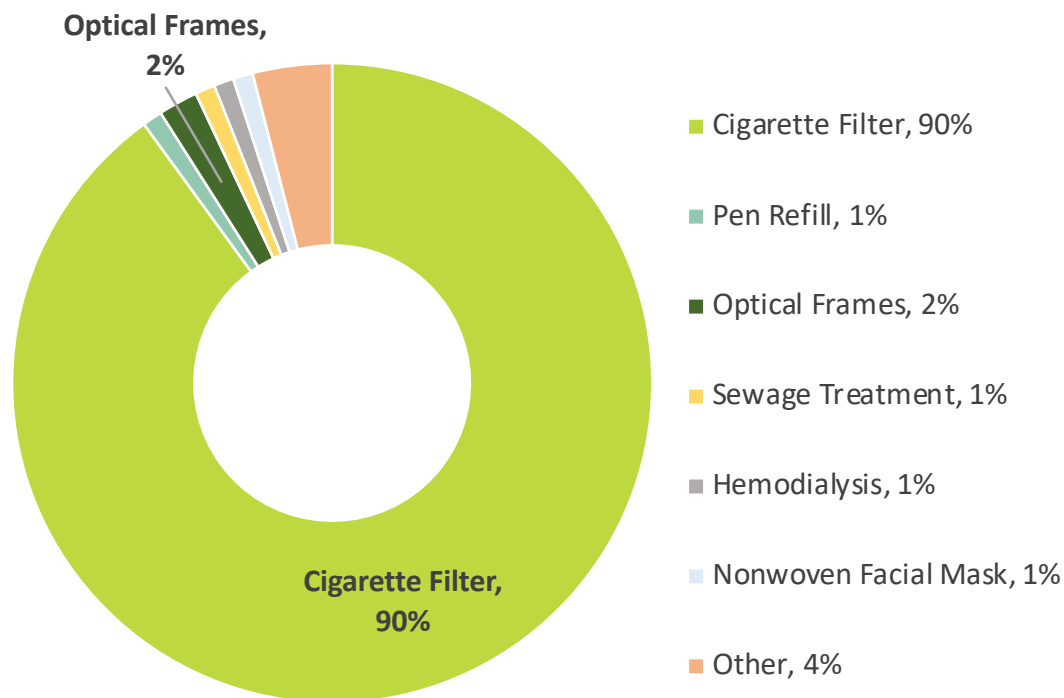
✓ Acetek has rapidly increased its market share, and is now undeniably a 'member of the club'



Source: Tobacco Merchants Association & Bloomberg

Acetate Flake Market

Acetate Flakes Industry Products Applications



01

The major acetate flake producers are expanding their product scope

02

Optical frames are the top non-cigarette application for acetate flakes

Tow Pricing softened in 1H20, but appears to be firming thus far in 2H20

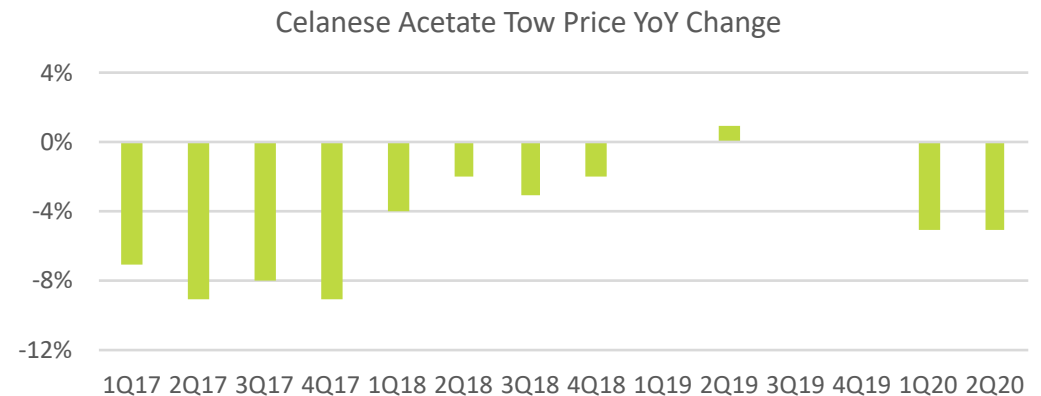
Capacity Rationalization

- ✓ From 2014 to 2018, the industry utilization rate dropped from nearly 100% to around 80%.
- ✓ In March 2015, Eastman announced the closing of its UK acetate tow manufacturing site.
- ✓ June 2018, Celanese announced plans to discontinue acetate tow production at its Mexico facility.

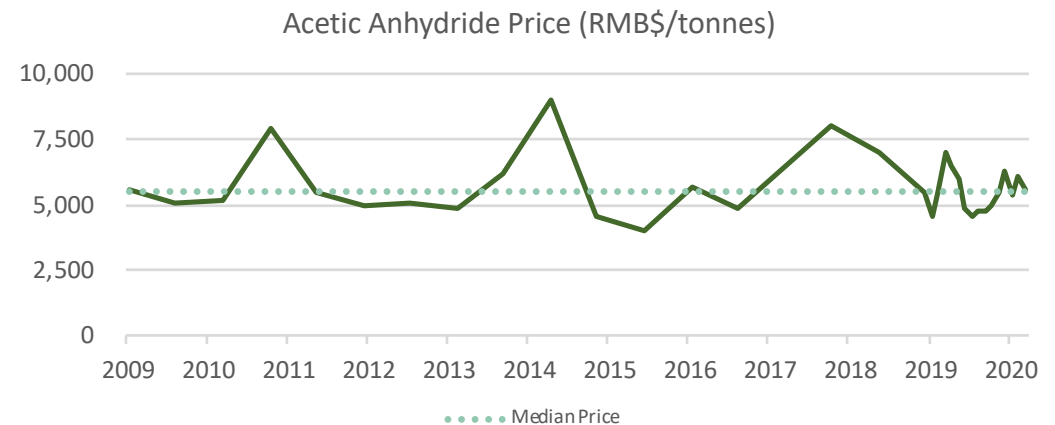
Asset Repurposing

- ✓ Celanese is repurposing manufacturing capacity from acetate tow to new products.
- ✓ Celanese is also pursuing growth opportunities in textile and nonwoven applications.

Acetate Tow Pricing Softened in 1H20



Acetic Anhydride Prices have Normalized



Source: Celanese Quarterly Reports & Company Data

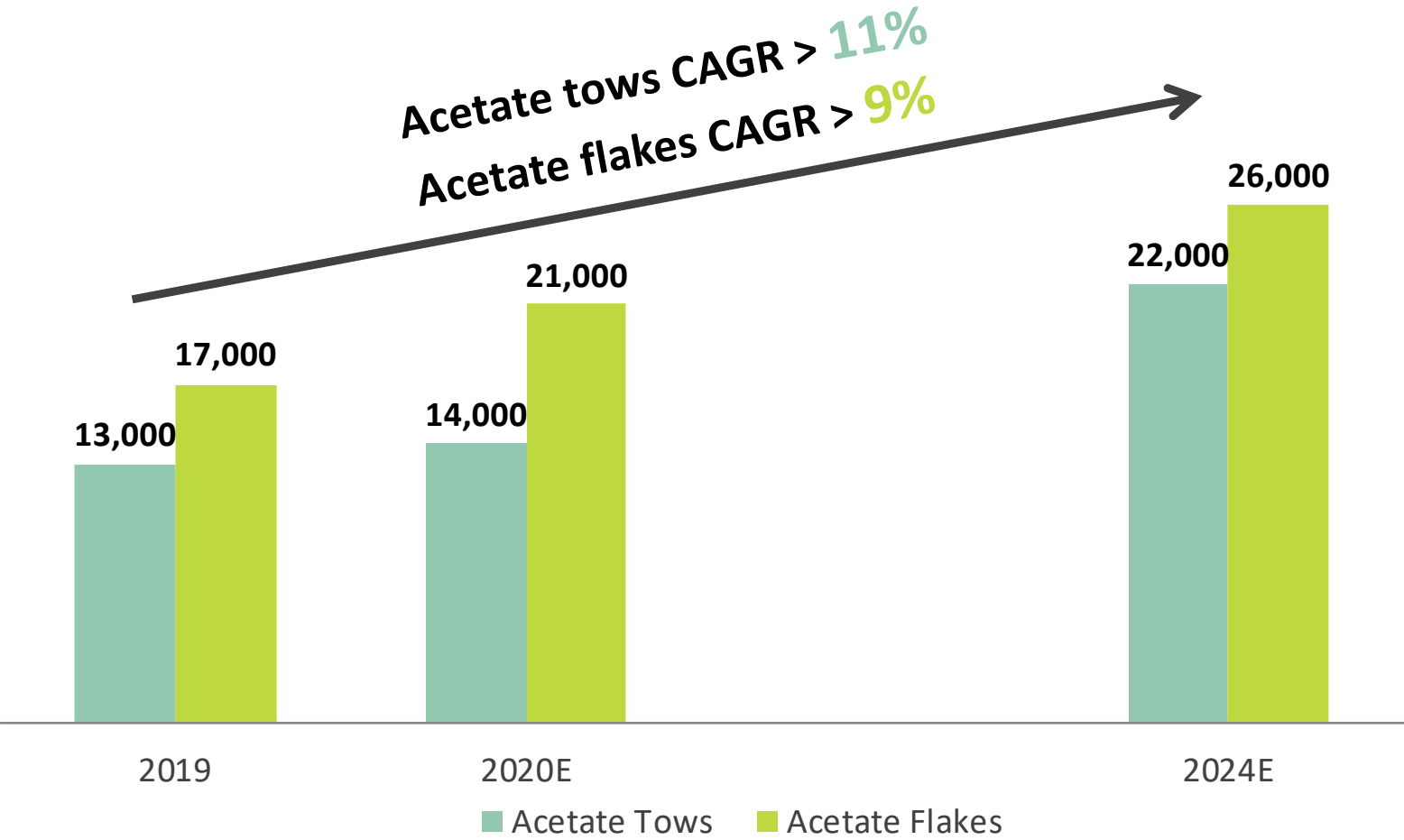
Claiming More Market Share



Spinning Grade Cellulose Acetate

Capacity Expansion to Support Our Growth

5-Year Targets for Capacity Growth



Gain Share by Developing New Markets

Key Target Markets



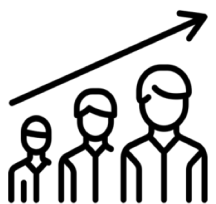
- Middle East, North Africa and South East Asia
- The China market is an important new market for acetate flakes. We target new orders this year.

Taking Advantage of One Belt, One Road



- We are expanding in sync with China's One Belt, One Road initiative.
- Yankuang Lunan Chemical, strategic shareholder in Acetek Material and supplier of upstream RM, is a State-Owned Enterprise in China.

Breaking into Tier-1



- We hope to gain business from one or more Tier-1 Tobacco players within 12-24 months.
- Until now, Big Tobacco has mostly partnered with the 'Big Four' filter acetate tow producers. This would be a huge milestone, opening up opportunities for rapid growth.

One Belt, One Road



Staying ahead of Industry Trends and Developing New Revenue Sources

Biodegradable cigarette filters

By 2025 all cigarettes sold in the EU will be required to have filters that will biodegrade within 45 days after use.



Biodegradable cigarette filters

Heated tobacco products

Heated tobacco products

Acetate tow for heated tobacco products, such as IQOS, GLO, and Ploom Tech.



Acetate film for agriculture



Biodegradable cellulose acetate film

- Sun houses for agriculture
- Agricultural and consumer packaging to meet EU requirements
- Diaphragm membranes for lithium batteries.

Other plastic products



Biodegradable flakes for other products

- Recyclable straws
- Recyclable Facial Masks
- Other Non-Woven Products

Biodegradable Cellulose Acetate Products Markets Are Growing Rapidly

- ✓ We estimate the annual market for biodegradable cellulose acetate products is **US\$250m – US\$300m**
- ✓ The applications of biodegradable cellulose acetate products are:

Cellulose Acetate Film
Food Packaging



Cellulose Acetate Fiber
Apparel



Cellulose Acetate Sheet
Premium Eyewear

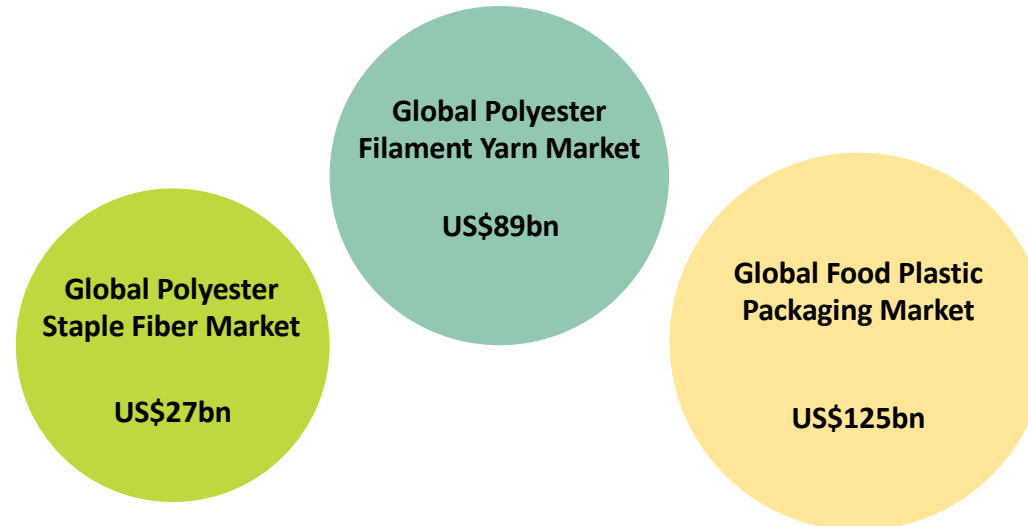


Spherical Cellulose Acetate Particles
Cosmetics



- ✓ Although TAM is relatively low, green and biodegradable products have become a global trend.

Actual Market Size of Target Segments



Examples of Some of the Industry's Most Innovative Biodegradable Cellulose Acetate Products



Eastman - Naia

The Naia portfolio of cellulosic acetate fibers includes cellulosic staple fiber and cellulosic filament yarn. These sustainable fibers transform into luxurious, comfortable, and easy-to-care-for fabrics with supreme softness, improved dry rates, and reduced pilling.



Daicel - BELLOCEA

BELLOCEA, spherical cellulose acetate, elicits a feeling of softness and smoothness from fine particles, and gives a moist and smooth feeling to makeup products such as foundation and skin care products.

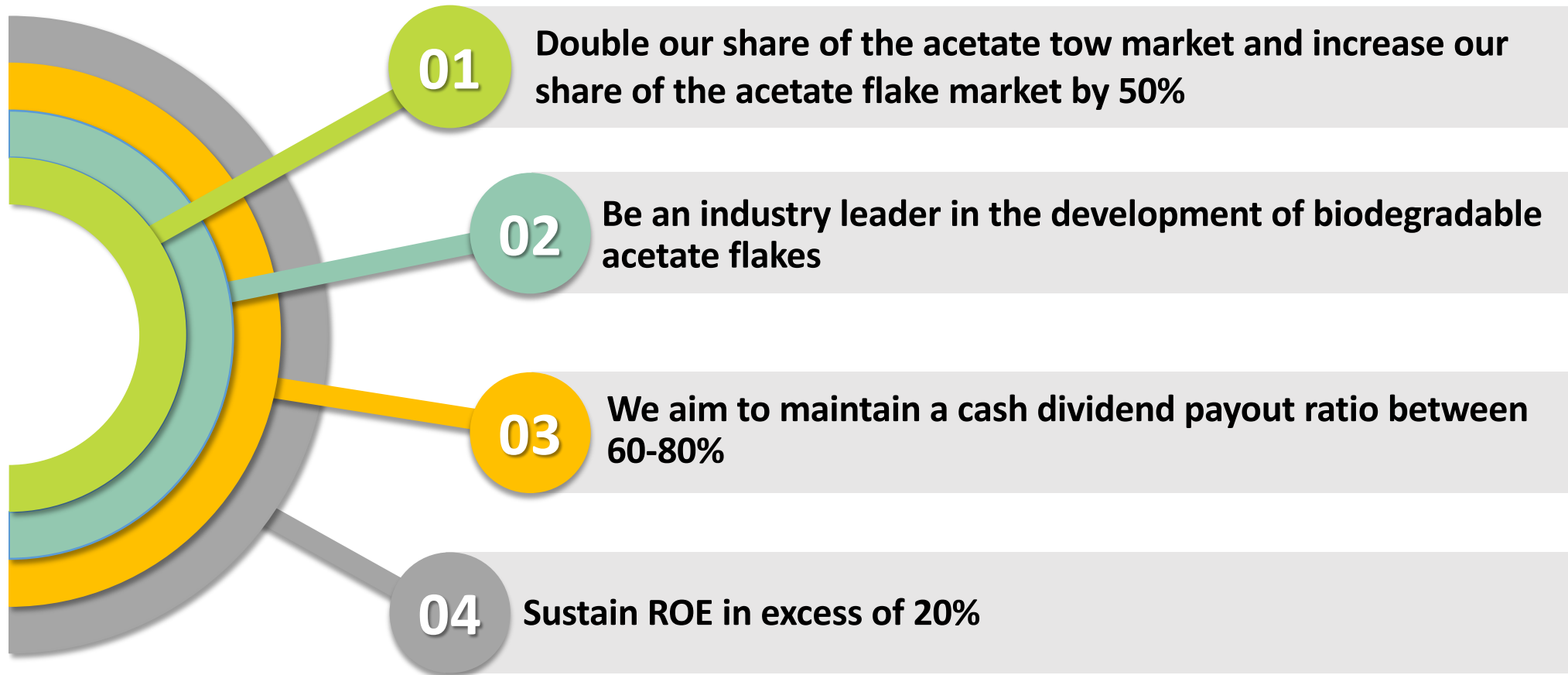


Celanese - Clarifoil

Clarifoil is a sustainable and highly aesthetic cellulose acetate film. Applications include carton windows, anti-fog film, print lamination, labels, tape.



Our 5-Year Targets

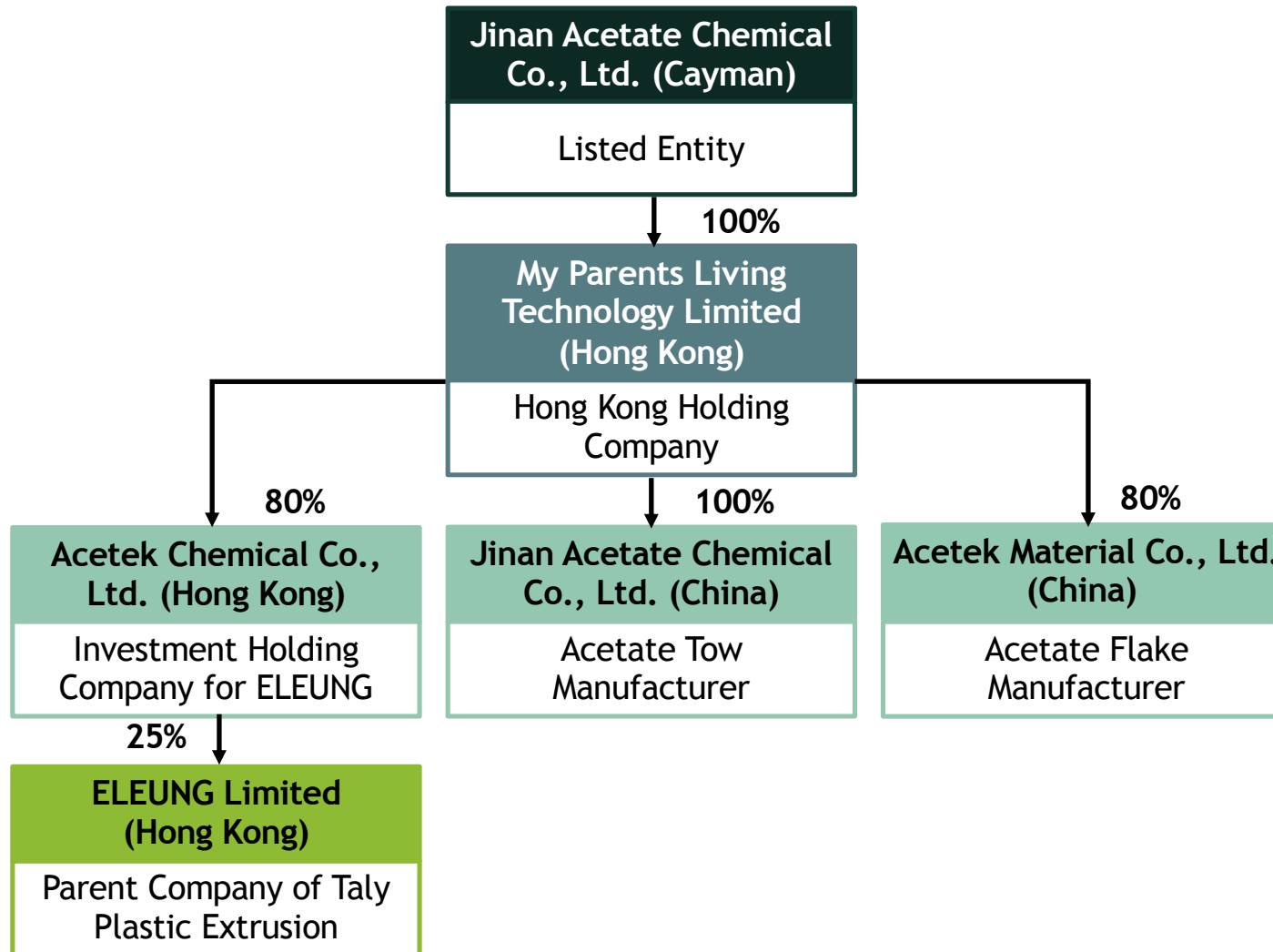


Strategic Alliances

Planting a Flag and Staking Our Claim

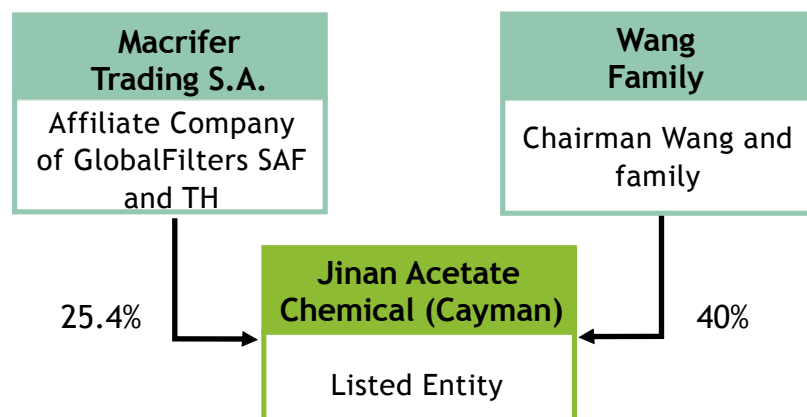


Jinan Acetate Chemical Corporate Structure



Acetate Tow Strategic Alliances

Marketing & Distribution Strategic Alliances



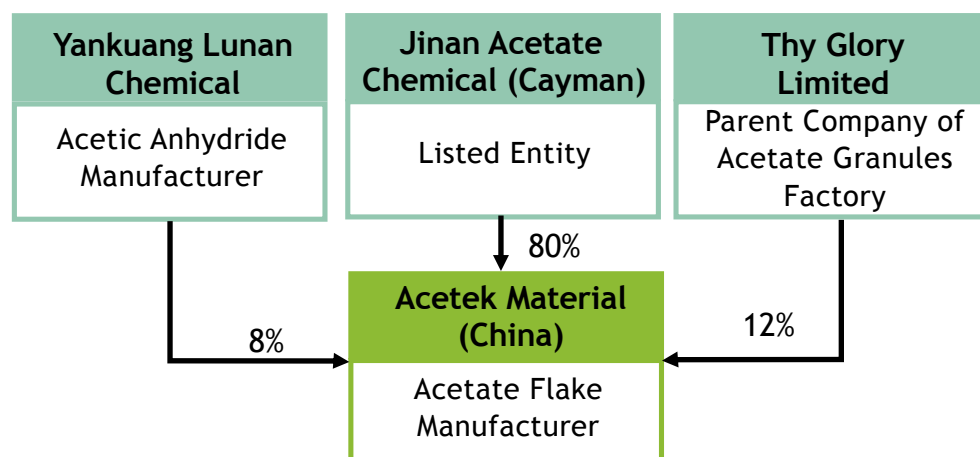
✓ **South America Market:**

The owner of Macrifer owns GlobalFilters and Tabacalera Hernandarias (TH). GlobalFilters is the largest cigarette filter producer in South America. TH is a Top 5, branded cigarette producer in South America. Both are customers of Acetek.

✓ **Market Expansion:**

GlobalFilters is expanding geographically and will begin production in Argentina and Miami, Florida (USA) in 2020. TH is developing products for Asia and the Middle East.

Vertical Integration Strategic Alliances



✓ **Upstream:**

Yankuang Lunan, an upstream supplier of acetic anhydride, contributed the land on which Acetek Material is built.

✓ **Downstream:**

Thy Glory owns an acetate granules factory which is Acetek's customer.

✓ **Vertical Integration – 100% self-sufficient in flakes for tow:**

70% of the acetate flake that Acetek Material produces is supplied to Jinan Acetate for production of acetate tow.

Plastic Grade Flake Strategic Alliances

✓ Strike Alliances with Downstream Acetate Granule and Plate Manufacturers

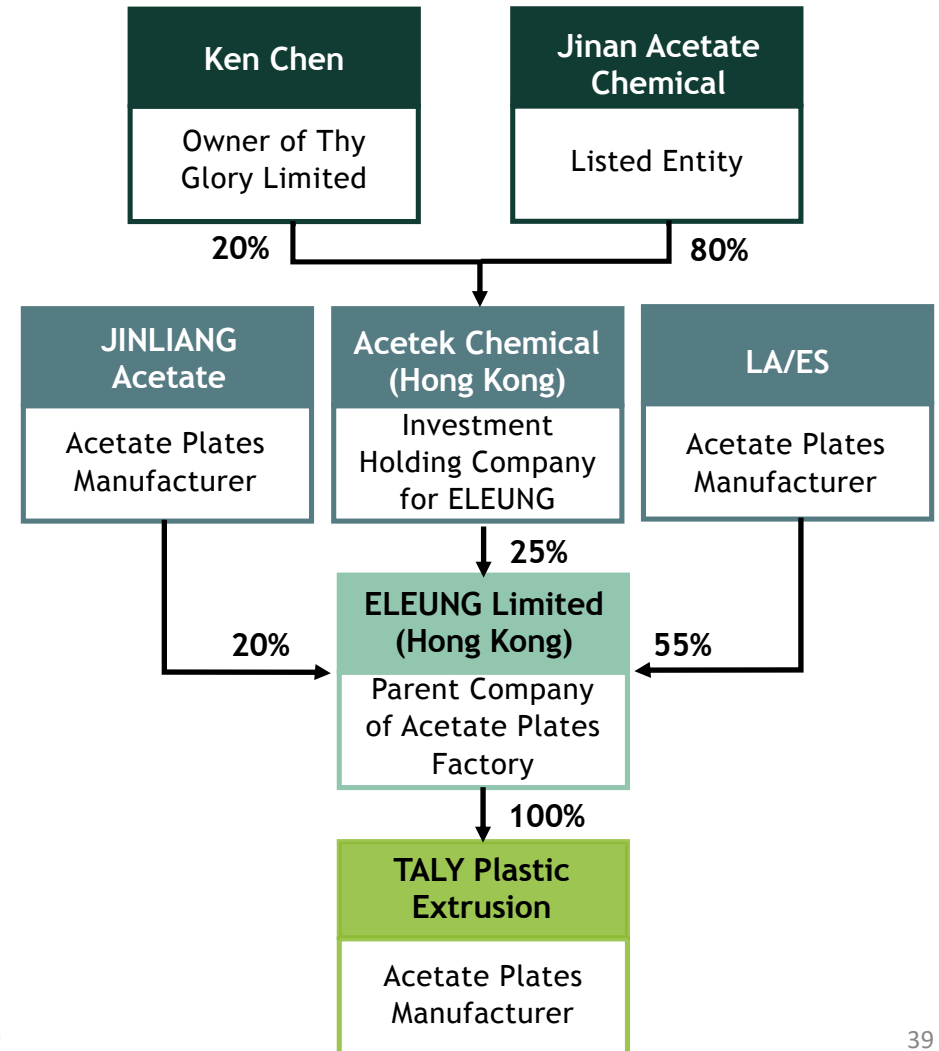
Thy Glory, JINLIANG, and TALY are cellulose acetate plate and granules manufacturers. All are downstream customers of Acetek's plastic grade acetate flake.

✓ Access to Tier 1 Suppliers to Luxury Optical Frame Brands

LA/ES is a strategic partner of Acetek. It supplies cellulose acetate plates to Luxottica and Safilo, who between them hold a dominant market share for all luxury optical frame brands. Luxottica's share amongst luxury optical frame and sunglass brands is 80%. Safilo is the No. 2 player.

✓ Order Commitments

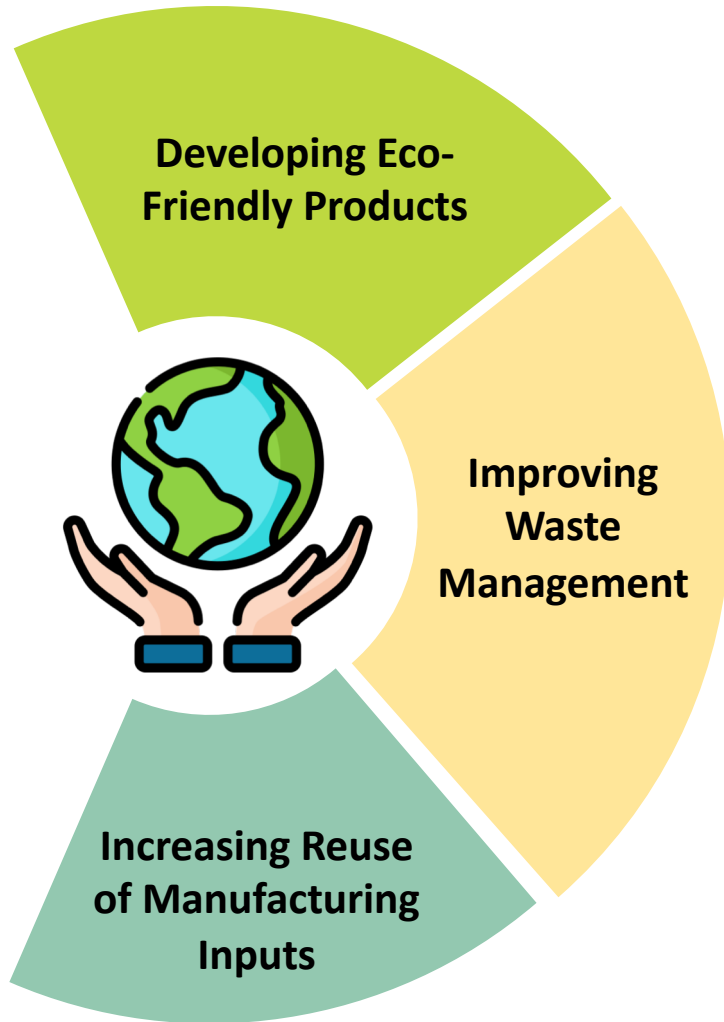
70% of granules Taly buys are made from Acetek flake.



ESG



Raw Material Reuse & Recycling, Developing Greener Products



1 Developing Eco-Friendly Products

- Biodegradable products
- Recyclable products

2 Improving Waste Management

- Enhancing our sewage treatment and water recycling processes.

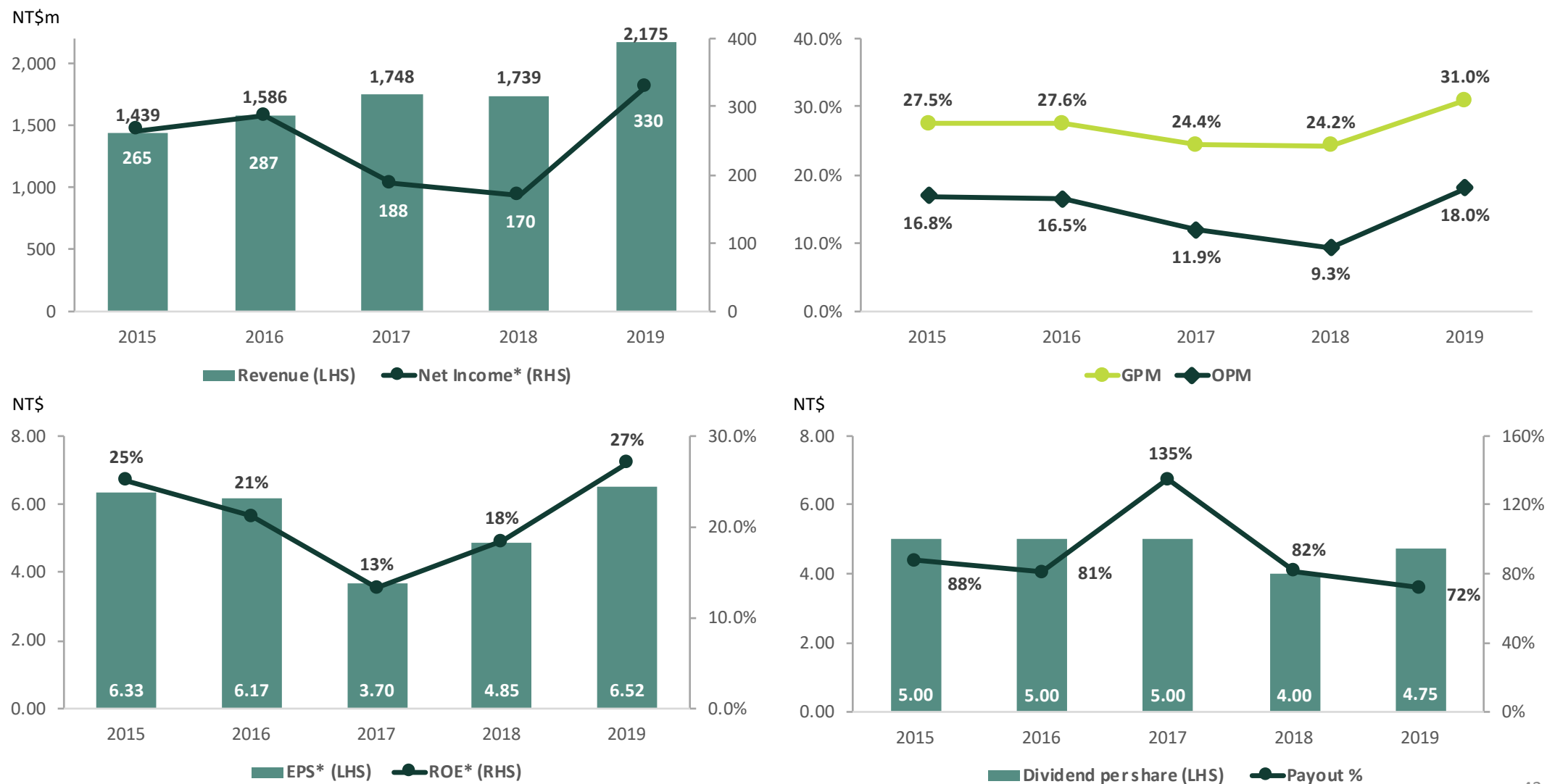
3 Increasing Reuse of Manufacturing Inputs

- Improving the efficiency of our acetone and acetic acid regeneration processes.

Financial Performance



Key Financial Performance Metrics



* Excludes the mark-to-market impact from the convertible bond issued in 2Q17.

Income Statement Highlights

NT\$ million	2015	2016	2017	2018	2019
Sales Revenue	1,439	1,586	1,748	1,739	2,175
Gross Profit	396	437	426	421	673
Operating Profit	242	261	207	162	391
MTM Gain (Loss) on CB	0	0	(16)	55	0
Other Non-Operating Income (Loss), Net	61	58	(23)	(7)	(13)
Pretax Income	303	319	169	210	378
Net Income to Parent	265	287	172	225	330
EPS (NT\$)	\$6.33	\$6.17	\$3.70	\$4.85	\$6.52
Gross Margin	27.5%	27.6%	24.4%	24.2%	31.0%
Operating Margin	16.8%	16.5%	11.9%	9.3%	18.0%
Net Margin	18.4%	18.1%	9.8%	12.9%	15.2%
ROE	25.1%	21.2%	13.3%	18.4%	27.0%

YoY (%)				
2015	2016	2017	2018	2019
5	10	10	(1)	25
7	10	(3)	(1)	60
(8)	8	(21)	(22)	141
-	-	-	-	(100)
-	(5)	(140)	-	-
15	5	(47)	25	80
18	8	(40)	31	46
13	(3)	(40)	31	34

Balance Sheet Highlights

NT\$ million	2015	2016	2017	2018	2019
TOTAL ASSETS	1,858	1,604	2,437	2,317	2,586
Cash	623	364	206	369	589
NR & AR	289	128	378	312	438
Inventory	220	375	416	321	243
Fixed Assets	261	320	832	864	827
TOTAL LIABILITIES	477	235	1,062	1,025	1,214
CB Payable	0	0	424	440	457
NP&AP	346	85	289	245	222
TOTAL EQUITY	1,381	1,368	1,375	1,291	1,373

A/R turnover days	59	48	53	72	63
Inventory turnover days	62	95	109	102	68
A/P turnover days	75	69	52	74	57
Cash conversion cycle	46	74	110	100	75

Percent of Total Assets (%)				
2015	2016	2017	2018	2019
100	100	100	100	100
34	23	8	16	23
16	8	16	13	17
12	23	17	14	9
14	20	34	37	32
26	15	44	44	47
0	0	17	19	18
19	5	12	11	9
74	85	56	56	53

Dividend Payout & Capex

(NT\$m)	2015	2016	2017	2018	2019
Net Income to Parent	265	287	172	225	330
Dividend Paid	232	232	232	184	238
DPS (NT\$)	5.00	5.00	5.00	4.00	4.75
Payout ratio	88%	81%	135%	82%	72%
Dividend yield	4.2%	2.8%	3.9%	2.7%	3.6%
Capex	27	356	261	190	128
Capex/Sales	1.9%	22.4%	14.9%	10.9%	5.9%

Note: Yield calculated using market cap on the day prior to ex-dividend date for all years.

Appendix



CB-1 Terms and Trading Information

Issue Date	2017/06/09
Maturity Date	2022/06/09
Maturity Term	5 years
Coupon Rate	0.00%
Issue Amount	NT\$ 500,000,000
Issue Price	NT\$ 101.0
Latest Conversion Price	NT\$ 137.0
Conversion Premium	103.59%
Latest Trading Price	NT\$ 108.00 (2020/09/30)

CB Holder Redemption Option		
Date	Put Price (NT\$)	Yield to Put
2020/06/09	101.5075	0.5%
2021/06/09	102.0151	1.0%

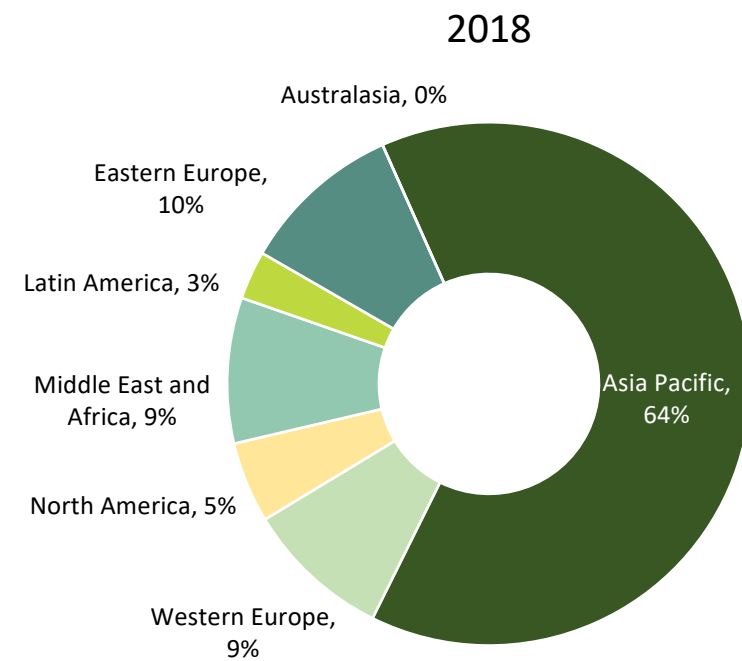
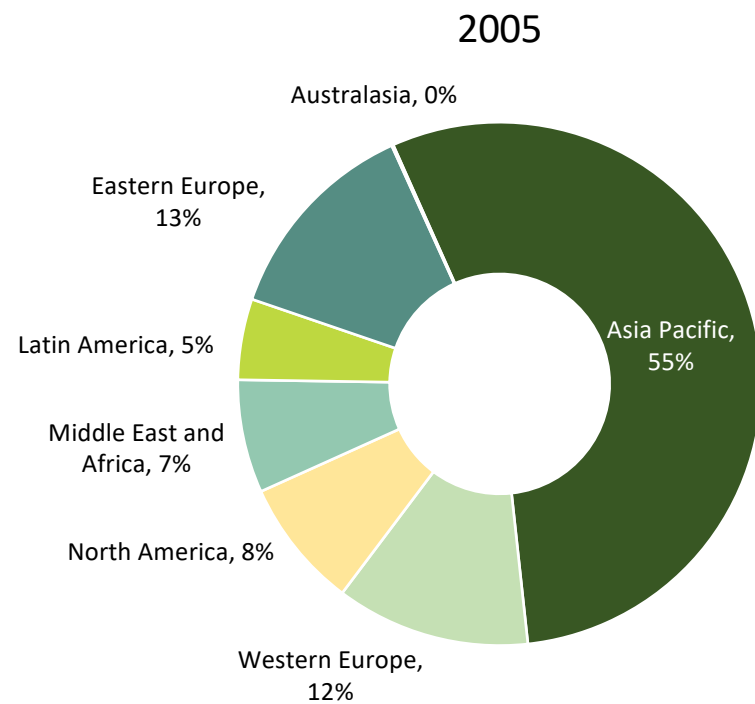
CB-2 Terms and Trading Information

Issue Date	2020/09/25
Maturity Date	2025/09/25
Maturity Term	5 years
Coupon Rate	0.00%
Issue Amount	NT\$ 600,000,000
Issue Price	NT\$ 101.0
Latest Conversion Price	NT\$ 130.7
Conversion Premium	102%
Latest Trading Price	NT\$ 110.95 (2020/09/30)

CB Holder Redemption Option		
Date	Put Price (NT\$)	Yield to Put
2023/09/25	100.75	0.25%
2024/09/25	101.00	0.50%

Cigarette Markets

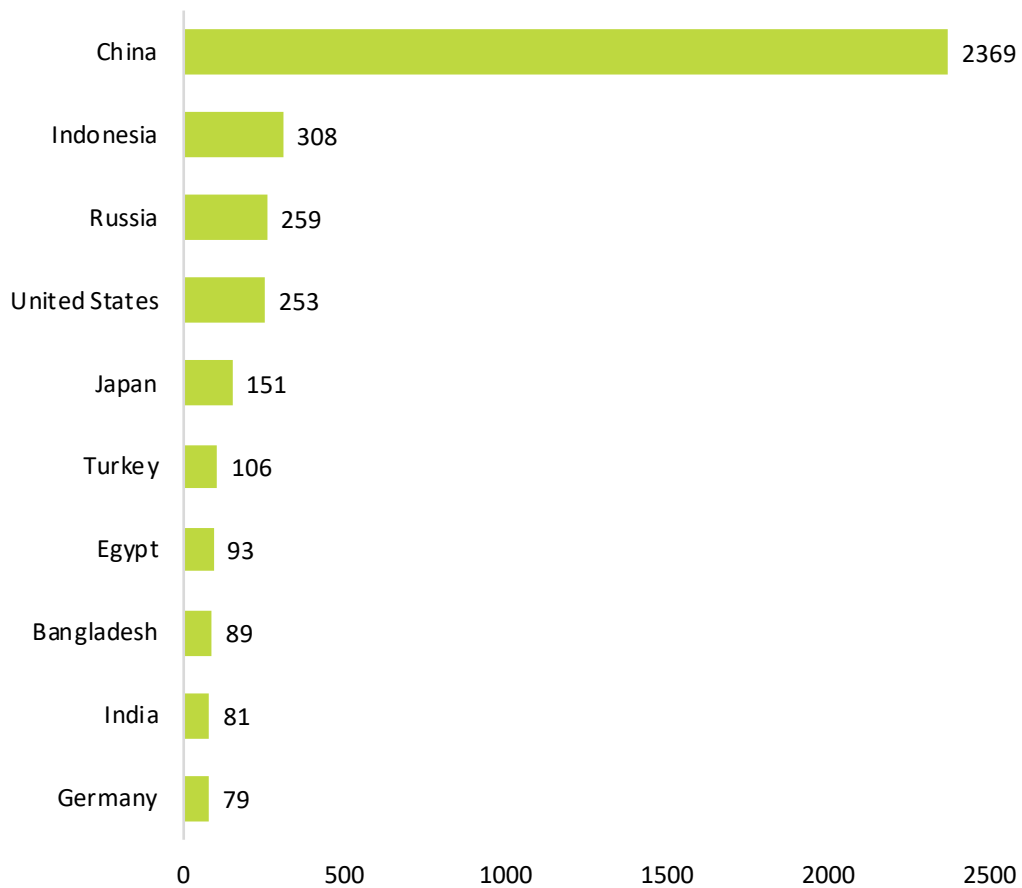
Global Cigarette Market By Region



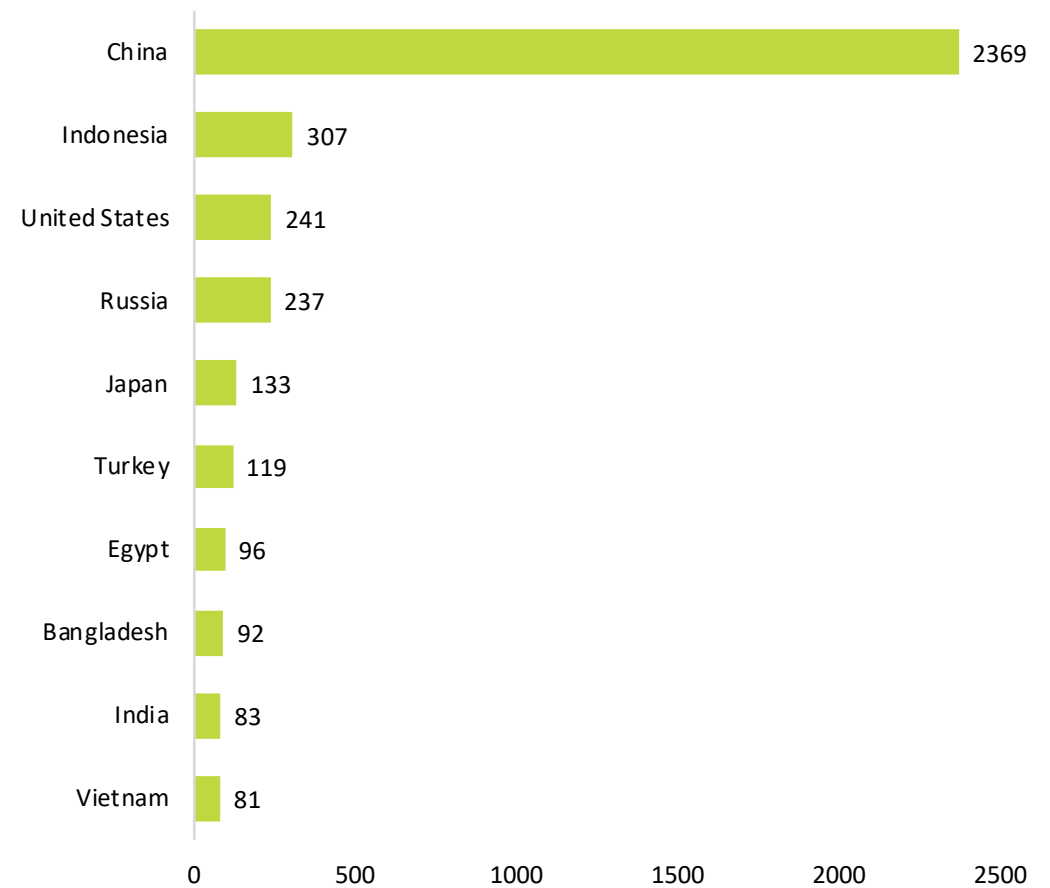
Source: Euromonitor

Cigarette Markets

2017 Cigarette Retail Volume, By Country (In Billion Sticks)



2018 Cigarette Retail Volume, By Country (In Billion Sticks)



Source: Euromonitor

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Thank You

