



December 7, 2022

## **Explanation of FCFC's Consolidated Operating Revenue in November 2022**

- I. Comparison of consolidated operating revenue in November 2022 and in October 2022.

NTD in Thousands

November 2022	October 2022	Amount Difference	Growth Rate
26,691,678	30,444,806	-3,753,128	-12.3

1. The consolidated operating revenue in October decreased by 3.75 billion on a monthly basis, with a decline rate of 12.3%. Among the difference, sales amount decreased by 2.66 billion, while price decline affected 1.09 billion.
2. Aspects of sales volume
  - i. FCFC : -0.9 billion  
Stock reconciliation of PX and PTA decreased sales by 0.94 billion. Phenol reduced production since demand for its downstream, BPA, remained weak, decreasing sales by 0.5 billion. On the otherhand, part of PIA orders from China were exported from Taiwan, increasing sales by 0.27 billion. Market of OX rebounded, increasing sales by 0.22 billion.
  - ii. FCNB : -1.17 billion  
Overhaul in Phenol reduced production, decreasing sales by 0.89 billion. Part of PIA orders were shipped out from Taiwan, decreasing sales by 0.28 billion.
  - iii. Other Subsidiaries :  
Market remains weak, clients reduced their orders. FIPC, FIC in Vietnam and FICC decreased sales by 0.62 billion altogether.
3. Aspects of Selling Price :  
Affected by inflation, rising interest rates, and the Chinese lockdown policy, the overall market condition remained depressed. Clients reduced operating rates and purchased according to their inelastic demand, thus price continued to slip down.

## II. Comparison of consolidated operating revenue of November in 2022 and in 2021 :

NTD in Thousands

November 2022	November 2021	Amount Difference	Growth Rate
26, 691, 678	31, 632, 092	-4, 940, 414	-15. 6

1. Consolidated operating revenue in November 2022 decreased by 4. 94 billion, with a decline rate of 15. 6% on a YOY basis. Among the difference, sales amount decreased by 4. 61 billion, while price decline affected 0. 33 billion..

### 2. Aspect of sales volume

#### i. FCFC : -2. 83 billion

In cater to inflation, the pandemic lockdown, and the newly-added production capacity, buyers purchased conservatively basing only on their inelastic needs, leading to 2. 19 billion sales decrease in PX, PTA, Phenol, PS, ABS and PP altogether. Scheduled overhaul of plant SM also resulted in a sales decrease of 0. 45 billion.

#### ii. FIC in Vietnam : -0. 8 billion

With shrinking demand and price-cutting competition from China, orders diminished, decreasing sales by 0. 65 billion. Operating hours of electricity was cut down due to the losses caused by lowered buying price, affecting 0. 15 billion.

#### iii. FCNB : +0. 23 billion

Activation rates of PIA 、PTA and raffinate oil were reduced due to the energy consumption and intensity dual control system last year. This year, activation was enhanced, and sales were boosted, bringing 0. 98 billion sales increase. Moreover, phenol in Ningbo arranged overhaul, decreasing sales by 0. 75 billion.

#### iv. Other Subsidiaries :

Affected by the Russian-Ukraine war, inflation, and rising interest rates, clients tend to deplete inventory and make conservative purchase. Market remains weak, and clients reduced their orders. FIPC, FTC, and FICC decreased sales by 1. 18 billion altogether.

### 3. Aspect of selling price

Taipower Co. lifted buying prices of combined heat and power to reflect the cost of coal. Prices of PX, OX, PTA and PIA also climbed with the support of rising oil price and demand. Apart from that, most product prices remains flat due to market pessimism and weak demand.

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