



June 7, 2023

Explanation of FCFC's Consolidated Operating Revenue in May 2023

I. Comparison of consolidated operating revenue in May 2023 and in April 2023.

NTD in Thousands

May 2023	April 2023	Amount Difference	Growth Rate
24, 506, 583	25, 509, 217	-1, 002, 634	-3. 9

1. The consolidated operating revenue in May decreased by 1 billion on a monthly basis, with a decline rate of 3. 9 %. Among the difference, sales amount decreased by 0. 07 billion, while price decline affected 0. 93 billion.

2. Aspects of sales volume

i. FCFC : -0. 17 billion

As market remains sluggish, particular product lines of PP and ABS were discontinued, while OX buyers adopt a wait-and-see attitude, affecting 0. 52 billion in total. ARO-3 underwent overhaul, thus raffinate oil sold to FPCC decreased, affecting 0. 19 billion. Apart from that, PIA adjusted production and sales to meet demand, increasing sales by 0. 34 billion. PX and SM were put less into production and more into sales, leading to an increase of 0. 27 billion..

ii. FIC in Vietnam : -0. 53 billion

PTA clients arranged overhaul due to poor market conditions of poleyster, decreasing sales by 0. 34 billion. PIA adjusted production and sales, thus some orders were shifted to Taiwan for delivery, decreasing sales by 0. 21 billion..

iii. Other Subsidiaries :

FIC in Vietnam increased its operating hours of power generators in response to the Nation's dispatch on electric power, affecting 0.24 billion. Acetic acid boosted sales as market demand rebounded, increasing sales by 0.21 billion.

3. Aspects of Selling Price :

With the slow recovery momentum in China and debt ceiling crisis in U.S., there are still concerns about the economic outlook. Prices of crude oil weakened, and with lack of support, product price also made downward adjustments.

II. Comparison of consolidated operating revenue of May in 2023 and in 2022 :

NTD in Thousands

May 2023	May 2022	Amount Difference	Growth Rate
24, 506, 583	34, 894, 962	-10, 388, 379	-29. 8

1. Consolidated operating revenue in May 2023 decreased by 10.39 billion, with a decline rate of 29.8% on a YOY basis. Among the difference, sales amount decreased by 5.15 billion, while price decline affected 5.23 billion.

2. Aspect of sales volume

i. FCFC : -5.73 billion

With ARO-3, SM-3, and PTA-1 undergoing overhaul, production and sales of PX, SM, and PTA declined, and raffinate oil sold to FPCC reduced, resulting in 4.34 billion sales decline. Sales of PS, ABS, PP, nylon and rayon were adjusted, and product lines with low margin were cut off, decreasing sales by 1.27 billion.

ii. FIC in Vietnam : -0.48 billion

Sales of SPP pellets and polyester cotton decreased by 0.37 billion under price-cutting competition. Sales of PVC film, poleyster and nylon silk also decreased due to sluggish downstream demand and inventory backlog, with a total impact of 0.39 billion. Other than that, operating hours of power generators were added in response to the Nation's dispatch on electric power, affecting 0.3 billion.

iii. FCNB : +1.81 billion

PTA underwent overhaul last year yet ran normal production this year, increasing sales by 1.94 billion. Production and sales of raffinate oil were adjusted, decreasing sales by 0.13 billion.

iv. Other Subsidiaries :

With the continuously sluggish market demand and inventory backlog, FTC decreased sales by 0.54 billion. FIPC cut off orders with low margin, also decreasing sales by 0.24 billion.

3. Aspect of selling price:

While economic downturn led to a slump in demand, expanded production capacity loosened supply and aroused price-cutting competition. Stock depletion slowed down since clients purchase only by their inelastic needs, and product prices fell as a consequence.

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