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Explanation of FCFC's Consolidated Operating Revenue in July 2023

I. Comparison of consolidated operating revenue in July 2023 and in June 2023.

NTD in Thousands

July 2023	June 2023	Amount Difference	Growth Rate
26, 750, 801	25, 153, 038	1, 597, 763	6. 4

1. The consolidated operating revenue in July increased by 1. 6 billion on a monthly basis, with a growth rate of 6. 4 %. Among the difference, sales amount increased by 1. 28 billion, while price raise supported 0. 32 billion.
2. Aspects of sales volume
 - i. FCFC : +0. 22 billion
SM, acetone, PS, ABS, and PP strengthened sales efforts to clear inventory, resulting in a total increase of 0. 53 billion. The extended operating hours of power generating sets contributed 0. 08 billion. Other than that, PX was put more into production in Ningbo while raffinate oil sold to FPCC lessened, affecting 0. 44 billion altogether.
 - ii. FCNB : +1. 13 billion
Resumption from overhaul in PTA-5 and production commencement of ABS-2 were the main cause of increased sales.
 - iii. Other Subsidiaries :
FIPC adjusted production and sales, increasing sales by 0. 22 billion. On the other hand, FIC in Vietnam saw a decrease of 0. 18 billion due to reduced operating hours of power generating sets, while FTC sales also decreased by 0. 13 billion under seasonal transition of long filament fabric orders.
3. Aspects of Selling Price :
Global oil demand showed signs of recovery, pushing up prices of oil and petrochemical product. However, as China's recovery momentum remains weak, buyers placed cautious orders, resulting in limited price increase.

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

NTD in Thousands

July 2023	July 2022	Amount Difference	Growth Rate
26, 750, 801	31, 249, 506	-4, 498, 705	-14. 4

1. Consolidated operating revenue in July 2022 decreased by 4.5 billion, with a decline rate of 14.4% on a YOY basis. Among the difference, sales amount increased by 0.93 billion, while price decline affected 5.42 billion..

2. Aspect of sales volume

i. FCFC : +0.91 billion

Easing of interest rate hikes and resurgence in market confidence influenced demand of SM, PS, and ABS positively compared to the previous year, leading to a sales increase of 1.43 billion. Increased operating hours of power generating sets contributed 0.38 billion. Improved profit margin of OX increased sales by 0.34 billion. Phenol and acetone strengthened sales efforts and depleted inventory, leading to an increase of 0.27 billion. Other than that, PX and BZ was put more into production and less in sales while raffinate oil sold to FPCC also reduced, affecting 0.79 billion altogether. PTA and rayon adjusted production and sales, decreasing 0.57 billion in sales.

ii. FCNB : +0.99 billion

Upon completion of expansion and production commencement of of ABS-2, along with clients' stock replenishment needs, sales of ABS, PS, phenol, and PIA increases by 1.47 billion. Raffinate oil and PTA adjusted production and sales, decrease sales by 0.51 billion.

iii. FIC in Vietnam : -0.45 billion

Weak downstream demand for polyester, nylon, and PVC film, along with competitive dumping by industry peers, led to a reduction of 0.39 billion.

iv. FTC : -0.55 billion

Clients cleared inventory and reduced orders based on demand, leading to 0.46 billion sales decrease in long filament and cord fabric.

3. Aspect of selling price:

Prices of petroleum and raw material were lower than the previous year, and while the expanded production capacity aroused price cutting competition, price drop came as a consequence.

Spokesperson

Fu-Yuan Hong

Chairman

Tel : 02-2712-2211