



Nov 7, 2023

Explanation of FCFC's Consolidated Operating Revenue in October 2023

I. Comparison of consolidated operating revenue in Oct 2023 and in Sep 2023.

NTD in Thousands

Oct 2023	Sep 2023	Amount Difference	Growth Rate
30,166,153	30,995,485	-829,332	-2.7

1. The consolidated operating revenue in October decreased by 0.83 billion on a monthly basis, with a decline rate of 2.7 %. Among the difference, sales amount decreased by 0.5 billion, while price decline affected 0.33 billion.

2. Aspects of sales volume

i. FCFC : +0.01 billion

Clients of PTA, Phenol and Acetone resumed production and increased delivery orders, affecting 0.49 billion. SM was put less into production and more into sales, affecting 0.12 billion. PIA increased export sales to China, affecting 0.08 billion. Other the other hand, fluctuating oil price has dented demand of its downstream product, such as PS, ABS, and OX, decreasing sales by 0.42 billion. PX were put more in self-use purpose and less in sales, affecting 0.23 billion.

ii. FCNB : -0.56 billion

The main reasons are ABS sales decrease under the volatility of oil price, poor demand of durable goods, expanded production capacity from competitors, and PIA supply switching from China to Taiwan.

iii. Other Subsidiaries :

FICC resumed from overhaul, leading to a 0.21 billion sales increase. FTC decreased sales by 0.21 billion due to reduced market demand.

3. Aspects of Selling Price :

Armed conflicts in the Middle East, geopolitical tensions and expected disruptions in oil supply have affected oil prices to fluctuate and fall. With lack of support from raw material costs, prices of petrochemical plastic products dropped as a consequence.

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

NTD in Thousands

Oct 2023	Oct 2022	Amount Difference	Growth Rate
30,166,153	30,444,806	-278,653	-0.9

1. Consolidated operating revenue in October 2023 decreased by 0.28 billion, with a decline rate of 0.9 % on a YOY basis. Among the difference, sales amount increased by 0.97 billion, while price decline affected 1.25 billion.

2. Aspect of sales volume

i. FCFC : +1.81 billion

SM lifted operation rate, thus production and sales increased by 1.43 billion. ARO-2 underwent overhaul last year yet ran normal production this year, while increasing sales of PX and raffinate oil sales to FPCC also increased, affecting sales by 1.12 billion combined. Phenol adjusted production and sales responding to overhaul in Ningbo last year, yet resumed normal production this year. Along with increased PIA exports, 0.33 billion of sales were added. Profit margin for OX improved, increasing sales by 0.14 billion. By contrast, ABS and PP sales decreased by 0.58 billion due to oil price volatility and downstream caution, while PTA sales decreased by 0.55 billion due to reduced production by domestic consumers.

ii. FCNB : +0.13 billion

Production expansion and commencement of ABS and improved demand of PS increased sales by 0.21 billion. Reconciliation in acetone and raffinate oil also increased sales by 0.12 billion. Contrarily, sales of PIA decreased by 0.25 billion due to some customers switching to Taiwan for supply.

iii. Other Subsidiaries :

China's anti-dumping measure on imports decreased FIPC sales by 0.29 billion. Sluggish market demand and price cutting competition from China led to FTC sales decrease by 0.39 billion, and FIC in Vietnam by 0.17 billion. And while FICC just resumed from overhaul, lower production level in the early stages of restart led to sales decrease by 0.13 billion.

3. Aspect of selling price:

Fluctuating oil price under the armed conflict in the Middle East, along with new-released production capacity from competitors and bad market conditions, were the main cause of lower prices for most products. Only acetone, due to reduced production from competitors, and SM, whose price has been supported by high raw material costs, saw prices higher than last year.

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