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Explanation of FCFC's Consolidated Operating Revenue in January 2024

I. Comparison of consolidated operating revenue in Jan 2024 and in Dec 2023.

NTD in Thousands

Jan 2024	Dec 2023	Amount Difference	Growth Rate
28,185,400	28,694,019	-508,619	-1.8

1. The consolidated operating revenue in December decreased by 0.51 billion on a monthly basis, with a decline rate of 1.8 %. Among the difference, sales amount decreased by 0.66 billion, while price raise supported 0.15 billion.

2. Aspects of sales volume

i. FCFC : -0.71 billion

PX was used more for production and less for external sales, and while raffinate oil sold to FPCC reduced, leading to sales decreased of 0.69 billion. SM and PTA sales decreased by 0.12 billion due to sluggish downstream demand. PIA supply for China were switched from Taiwan to Ningbo, affecting 0.09 billion. Other than that, production and sales were adjusted to boost demand, thus phenol, acetone, and PP increased sales by 0.17 billion in total.

ii. FCNB : -0.62 billion

Production and sales adjustments of raffinate oil and phenol decreased external sales by 0.65 billion. PS lifted price by controlling volume, decreasing sales by 0.12 billion. Apart from that, PIA demand increased due to clients pre-stocking for Chinese New Year, affecting 0.17 billion.

iii. Other Subsidiaries :

Sales increase of 0.33 billion can be traced back to FBC organizational adjustment by disposing assets of batteries and related production equipments. FTC increased A/W orders under seasonal changes, increasing 0.2 billion.

3. Aspects of Selling Price :

Rising oil price boosted prices of petrochemical products, while industry peers of phenol and acetone cut supply and led to strong market conditions. In contrast, production expansion and commencement of phenol increased supply and suppressed market performance.

II. Comparison of consolidated operating revenue of Jan in 2024 and in 2023 :

NTD in Thousands

Jan 2024	Jan 2023	Amount Difference	Growth Rate
28,185,400	25,576,976	2,608,424	10.2

1. Consolidated operating revenue in January 2024 increased by 2.61 billion, with a growth rate of 10.2% on a YOY basis. Among the difference, sales amount increased by 3.13 billion, while price decline affected 0.52 billion.

2. Aspect of sales volume

i. FCFC : +1.02 billion

Improved profit margin of PX increased sales by 0.78 billion. SM decreased self-use and increased external sales, affecting 0.62 billion. Demand of PTA, phenol, and acetone rised this year, bringing 0.19 billion sales increase in total. Other than that, poor market conditions of ABS and PP decreased sales by 0.37 billion, while reduced operating hours of power generators decreased sales by 0.26 billion.

ii. FCNB : +1.36 billion

PTA customers underwent overhaul in advance to Spring Festival last year, leading to a sales increase of 0.87 billion. ABS production expansion and commencement increased sales by 0.37 billion. PIA strengthened sales and gained market share, affecting 0.24 billion.

iii. Other Subsidiaries :

Pre-stocking for Chinese New Year stimulated demand, increasing sales of FICC by 0.24 billion, FTC by 0.13 billion, and FIC in Vietnam by 0.12 billion.

3. Aspect of selling price:

Although market demand slightly rebounded, excess production supply from China has not yet been eliminated. Along with price competition aroused by industry peers, most products, except for acetone, whose price rose compared to last year due to tight supply, performed less than satisfactory.

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