

April 10, 2024

## **Explanation of FCFC's Consolidated Operating Revenue in March 2024**

I. Comparison of consolidated operating revenue in March 2024 and February 2024.

NTD in Thousands

Mar 2024	Feb 2024	Amount Difference	Growth Rate
30, 076, 914	25, 679, 379	4, 397, 535	17. 1

1. The consolidated operating revenue in March increased by 4. 4 billion on a monthly basis, with a growth rate of 17. 1 %. Among the difference, sales amount increased by 3. 45 billion, and price raise affected the rest 0. 95 billion.

2. Aspects of sales volume

i. FCFC : +0. 76 billion

Clients resumed production after the Chinese New Year holiday, thus sales of PTA, PIA, SM, PS, ABS, and PP increased by 0. 91 billion. Other than that, PX reduced external sales and inventory due to the trial run of Ningbo PTA-6 expansion, while sales of raffinate oil to FPCC also decreased, resulting in a total impact of 0. 29 billion.

ii. FCNB : +1. 43 billion

Downstream customers of PTA, PS, and ABS increased their operating rates after the Chinese New Year holiday, increasing sales by 1. 31 billion. PIA customers increased their inventory in anticipation of the peak season for bottle chips, increasing sales by 0. 09 billion.

iii. Other Subsidiaries :

The added operating days and released downstream demand after Chinese New Year increased FTC sales by 0. 46 billion, FIPC by 0. 2 billion, and FIC in Vietnam by 0. 18 billion for poleyster, film and SPP pellets. Operating hours of power generators were increased in response to the Nation's dispatch on electric power, affecting 0. 29 billion.

3. Aspects of Selling Price :

Rising oil price and material costs, coupled with enhanced downstream operating rates and demand, were the main reasons for price lift in major products compared to the previous month.

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

NTD in Thousands

Mar 2024	Mar 2023	Amount Difference	Growth Rate
30, 076, 914	29, 434, 395	642, 519	2. 2

1. Consolidated operating revenue in March 2024 increased by 0. 64 billion, with growth rate of 2. 2% on a YOY basis. Among the difference, sales amount increased by 0. 23 billion, while the price raise affected 0. 41 billion.

### 2. Aspect of sales volume

#### i. FCFC : +0. 15 billion

SM reduced sales and inventory last year due to overhaul, thus production and sales increased by 0. 93 billion this month. Enhanced market share of PIA also increased sales by 0. 28 billion. Other than that, as downstream clients of PTA remained high level of inventory, sales decreased by 0. 35 billion. Change in composition of residual oil decreased sales to FPCC by 0. 21 billion. PS suppressed supply volume in order to keep price level, decreasing sales by 0. 18 billion. Bad performance of OX led to sales decrease by 0. 18 billion. Phenol and acetone arrange for overhaul this month, thus production and sales decreased by 0. 13 billion.

#### ii. FCNB : +0. 1 billion

As production, sales, and inventory were adjusted, PTA sales increased by 0. 38 billion, while sales of phenol and raffinate oil decreased by 0. 26 billion.

#### iii. FIC in Vietnam : +0. 16 billion

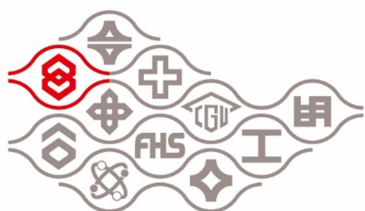
Operating hours of power generators were increased in response to the Nation's dispatch on electric power, affecting 0. 38 billion. Apart from that, sales of SPP pellets and films were affected by low-priced competition from China and sluggish demand, leading to a decrease of 0. 15 billion.

#### iv. Other Subsidiaries :

As market demand rebounded, FICC increased sales by 0. 14 billion. FIPC accepted orders only with better profits, resulting in a sales decrease of 0. 2 billion. Weak demands of long filament fabric and tire cord also decreased sales by 0. 16 billion.

### 3. Aspect of selling price

SM and acetone were in tight supply due to load reduction and production cuts from industry peers, which furthermore pushed the prices up. Other products were affected by the upward pressure of oil price, as well as changes in supply and demand, thus prices showed mixed results compared to last year.



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## **Declare of FCFC's Consolidated Profit and Loss in the 1<sup>st</sup> Quarter of 2024**

I. Comparison of consolidated profit and loss in the 1<sup>st</sup> quarter of 2024 and 4<sup>th</sup> quarter of 2023 :

NTD in Thousands

Item/Quarter	1 <sup>st</sup> Quarter, 2024	4 <sup>th</sup> Quarter, 2023	Difference	Growth Rate%
Consolidated Operating Revenue	83, 941, 693	87, 597, 742	-3, 656, 049	-4. 2
Consolidated Profit	-36, 004	341, 840	-377, 844	-110. 5
Profit Before Income Tax	1, 701, 575	-487, 012	2, 188, 587	-
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	1, 615, 079	28, 248	1, 586, 831	5, 617. 5
Net Income (Owner of the Parent)	1, 520, 392	118, 308	1, 402, 084	1, 185. 1
Profit Attributable to Common Shareholders of the Parent	0. 26	0. 02	0. 24	1, 200. 0

1. Operating revenue decreased 3. 66 billion in the 1<sup>st</sup> quarter of 2024 compared to the 4<sup>th</sup> quarter of 2023, with a decline rate of 4. 2%. Among the difference, sales volume decreased 3. 5 billion, while price decline affected 0. 16 billion.

a. Aspect of sales volume

i. FCFC : -3. 31 billion

PX reduced external sales and inventory due to the trial run of Ningbo PTA-6 expansion, affecting sales by 1. 63 billion. Operating days of PTA, SM, and PP after Chinese New Year reduced, decreasing production and sales by 1. 45 billion.

ii. FCNB : -1. 56 billion

Affected by the Chinese New Year holiday, demand for PTA and ABS reduced, decreasing sales by 0. 86 billion. Phenol and raffinate oil adjusted production and sales, resulting in a decrease of 0. 67 billion.

iii. Other Subsidiaries:

FTC sales increased by 0.86 billion due to the peak season for long-filament fabric shipments and received orders due to clients' lowered inventory level. FIC in Vietnam enhanced operating hours of power generators in response to the Nation's dispatch on electric power, affecting sales by 0.38 billion. Other than that, production and sales for textile and film decreased by 0.2 billion due to the Chinese New Year holiday.

b. Aspect of Selling Price

Oil price rebounded this quarter, leading to higher raw material costs. However, the average prices of major products showed mixed results. Among them, SM, acetone, PS and ABS saw slight price increases due to production cuts by peers and improved demand.

2. Consolidated profit before income tax in the 1<sup>st</sup> quarter of 2024 was 1.7 billion, increasing by 2.19 billion compared with the previous quarter. Reasons are as follows :

a. Operating profit decreased by 0.38 billion :

Despite price raise in oil and raw material costs, weak demand and excess supply from China, as well as reduced production and sales during the new year holiday, offsetted upward pressures of product prices and dragged down profit margins instead.

b. Consolidated non-operating profit increased by 2.57 billion

i. Investment profit of Equity Method jointly increased by 1.34 billion.

(FPCC +0.7 billion, FHI +0.47 billion, MLPC +0.17 billion)

ii. Profit of exchange increased by 1.07 billion.

(+0.25 billion/Q4; -0.82 billion/ Q3)

iii. Profit of money market fund increased by 0.15 billion.

3. Net profit after income tax attributed to owners of the parent in the 1<sup>st</sup> quarter of 2024 is 1 billion 520 million 390 thousand. The earnings per share is NTD 0.26, NTD 0.24 more than the previous quarter, which was NTD 0.02.

II. Comparison of consolidated profit and loss in the 1<sup>st</sup> quarter of 2024 and that of 2023 :  
NTD in Thousands

Item/Quarter	1 <sup>st</sup> Quarter, 2024	1 <sup>st</sup> Quarter, 2023	Difference	Growth Rate%
Consolidated Operating Revenue	83, 941, 693	83, 028, 826	912, 867	1. 1
Consolidated Profit	-36, 004	-2, 304, 944	2, 268, 940	-
Profit Before Income Tax	1, 701, 575	-1, 133, 831	2, 835, 406	-
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	1, 615, 079	-1, 165, 655	2, 780, 734	-
Net Income (Owner of the Parent)	1, 520, 392	-767, 787	2, 288, 179	-
Profit Attributable to Common Shareholders of the Parent	0. 26	-0. 13	0. 39	-

1. Operating revenue increased by 0. 91 billion in the 1<sup>st</sup> quarter of 2024 compared to that of 2023, with a growth rate of 1. 1 %. Among the difference, sales amount increased revenue by 1. 22 billion, while price decline affected the rest 0. 31 billion.

a. Aspects of sales volume

i. FCFC : +0. 09 billion

SM increased external sales and reduced internal use, affecting 2. 45 billion. PX improved profit margin and increased sales by 0. 43 billion. Other than that, PS, ABS and PP suppressed supply volume in order to keep price level, decreasing sales by 1. 42 billion. Operating hours of the power generators reduced, affecting sales by 0. 64 billion. PTA reduced production due to clients' high level of inventory, affecting sales by 0. 57 billion. Bad performance for OX profits decreased sales by 0. 22 billion.

ii. FCNB : +1. 04 billion

PTA production and sales were adjusted to reduce inventory, increasing sales by 0. 83 billion. PIA market share expanded, increasing sales by 0. 62 billion. Production expansion and commencement of ABS also increased sales by 0. 21 billion. Other than that, production and sales adjustment for raffinate oil resulted in a decrease of 0. 66 billion.

iii. Other subsidiaries :

As market demand rebounded, FICC sales increased by 0.66 billion. FIPC accepted orders only with better profits, resulting in a sales decrease of 0.79 billion.

b. Aspects of Selling Price

SM and acetone were in tight supply due to load reduction and production cuts from industry peers, which furthermore pushed the prices up. Selling price of electricity generated from power plants were reduced to reflect the lowered coal costs. Other products strived to maintain prices by controlling volume and adjusting production and sales, however showed undesirable performance under present market conditions and competition pressure from peers.

2. Consolidated profit before income tax in the 1<sup>st</sup> quarter of 2024 was 1.7 billion, increasing by 2.84 billion compared with that of 2023.

a. Operating loss decreased by 2.27 billion

To counter inflation, interest rate was held high, and improvements in consumption could hardly be observed. To reduce losses, sales strategies were made to destock inventory and enhance competitiveness, thus operating loss to decreased as a result.

b. Consolidated non-operating profit increased by 0.57 billion

i. Investment profit of Equity Method increased by 0.34 billion.

(FHI 0.22 billion, FPCC 0.19 billion)

ii. Profit of exchange increased by 0.24 billion.

(0.25 billion/2024Q1; -0.01billion/ 2023Q1)

3. Net profit after income tax attributable to owners of the parent in the 1<sup>st</sup> quarter of 2024 is 1billion 520 million 390 thousand. The earnings per share is NTD 0.26, NTD 0.39 more than that of 2023, which was NTD -0.13.

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