

Jan 10, 2024

## **Explanation of FCFC's Consolidated Operating Revenue in December 2023**

### I. Comparison of consolidated operating revenue in December 2023 and November 2023.

NTD in Thousands

Dec 2023	Nov 2023	Amount Difference	Growth Rate
28,694,019	28,737,570	-43,551	-0.15

1. The consolidated operating revenue in November decreased by 0.04 billion on a monthly basis, with a decline rate of 0.15 %. Among the difference, sales amount increased by 0.87 billion, and price decline affected the rest 0.91 billion.
2. Aspects of sales volume
  - i. FCFC : +0.56 billion  
PX yield and profitability were both improved, production and raffinate oil sold to FPCC increased, affecting 0.93 billion altogether. As downstream customers resumed from overhaul, demand slightly increased, affecting sales of phenol, acetone, PIA and ABS by 0.19 billion in total. Other than that, SM was used more into production for stock adjustment, decreasing sales by 0.55 billion.
  - ii. FCNB : +0.39 billion  
Boosted demand for phenol driven by its downstream BPA plants and production adjustment in raffinate oil were the main reasons for sales increase.
  - iii. Other Subsidiaries :  
FICC decreased sales by 0.1 billion, primarily due to reduced demand under depressed market condition.
3. Aspects of Selling Price :  
Declined prices of crude oil, sluggish demand, and price competition aroused by expanded industry capacity were collectively responsible for the downward trend in product prices.

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

NTD in Thousands

Dec 2023	Dec 2022	Amount Difference	Growth Rate
28, 694, 019	28, 831, 311	-137, 292	-0. 48

1. Consolidated operating revenue in December 2023 decreased by 0. 14 billion, with decline rate of 0. 5% on a YOY basis. Among the difference, sales amount increased by 0. 11 billion, while the price decline affected 0. 25 billion.

### 2. Aspect of sales volume

#### i. FCFC : -0. 17 billion

Under depressed market conditions, sales of ABS, PP, PTA, PIA and OX decreased jointly by 1. 11 billion. Increasing self-use of PX resulted in a 0. 31 billion sales decrease. SM underwent overhaul last year, yet operated at full capacity this year, increasing production and sales by 0. 97 billion. Raffinate oil sold to FPCC increased sales by 0. 41 billion.

#### ii. FCNB : +0. 99 billion

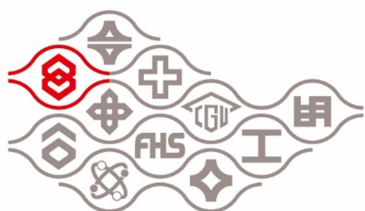
Phenol and acetone underwent overhaul last year, thus production and sales increased 0. 81 billion comparatively this year. Stock adjustments in PTA also increased sales by 0. 19 billion.

#### iii. Other Subsidiaries :

Depressed market demand and price competition against China led to a sales decrease of 0. 36 billion in FTC, and 0. 29 billion in FIPC.

### 3. Aspect of selling price

Market interest rate remains high, suppressing terminal consumptions. Since China faces deflation and crude oil price fluctuates, main products showed weak prices. Only that of PX, PTA, and acetone rose due to tight supply.



# 台 化 公 司 新 聞 稿

## FORMOSA CHEMICALS & FIBRE CORP.

Jan 10 ,2024

### **Declare of FCFC's Consolidated Profit and Loss in the 4<sup>th</sup> Quarter of 2023**

I. Comparison of consolidated profit and loss in the 4<sup>th</sup> quarter and 3<sup>rd</sup> quarter of 2023 :  
NTD in Thousands

Item/Quarter	4 <sup>th</sup> Quarter, 2023	3 <sup>rd</sup> Quarter, 2023	Difference	Growth Rate%
Consolidated Operating Revenue	87, 597, 742	86, 824, 127	773, 615	0. 89
Consolidated Profit	283, 319	2, 066, 314	-1, 782, 995	-86. 29
Profit Before Income Tax	-470, 075	7, 415, 271	-7, 885, 346	-106. 34
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	51, 781	7, 152, 980	-7, 101, 199	-99. 28
Net Income (Owner of the Parent)	57, 433	7, 500, 749	-7, 443, 316	-99. 23
Profit Attributable to Common Shareholders of the Parent	NTD 0. 01	NTD 1. 28	NTD -1. 27	-99. 22

1. Operating revenue increased 0. 77 billion in the 4<sup>th</sup> quarter compared to the 3<sup>rd</sup> quarter of 2023, with a growth rate of 0. 9%. Among the difference, sales volume supported 0. 29 billion, while price raise affected 0. 49 billion.

- a. Aspect of sales volume

- i. FCFC : +1. 22 billion

While ARO-1 underwent maintenance, and SM-1 reduced production load in the third quarter, normal production rates resumed in the fourth quarter, resulting in a total of 2. 35 billion sales increase for PX, SM, and raffinate oil. PTA and PIA adjusted production and sales to reconcile inventory, affecting 0. 94 billion. Apart from that, sluggish market demand of PS, ABS, PP and OX led to 1. 47 billion sales decrease. Stock reconciliation of phenol and reduced operating hours of power generators jointly affected sales by 0. 57 billion.

- ii. FCNB : -0. 52 billion

Under depressed market demand, PS and ABS decreased sales by 1. 33 billion. Part of PIA orders were shifted to Longde plant for delivery, decreasing sales by 0. 29 billion. Aside from that, production adjustment for raffinate oil and PTA,

along with increased phenol demand generated from BPA production commencement, sales increased jointly by 1.09 billion.

iii. FIC in Vietnam : -0.42 billion

Sales decreased due to slow demand growth in cotton yarn and SPP pellets, price competition against industry peers, and reduced operating hours of power generators in response to the Nation's dispatch on electric power.

iv. Other Subsidiaries:

FICC underwent overhaul in the third quarter, yet ran normal production in the fourth quarter, increasing sales by 0.5 billion. Other than that, dented market demand and stock depletion measures took by clients decreased FTC sales by 0.38 billion, and FIPC by 0.27 billion.

b. Aspect of Selling Price

Downturn prices of crude oil in the fourth quarter led to consolidating prices for most products. However, SM, phenol, acetone, PP, and PS experienced price increases due to support from rising costs, reduced industry supply, and elimination of unprofitable orders.

2. Consolidated loss before income tax in the 4<sup>th</sup> quarter of 2023 was 0.47 billion, decreasing by 7.89 billion compared with the previous quarter. Reasons are as follows :

a. Operating loss decreased by 1.78 billion :

Economic weakness in mainland China, coupled with oversupply in the market and customers' ongoing conservative inventory management, has led to a situation where demand is outstripped by the available supply. The fluctuation in crude oil prices, influenced by political issues in the Middle East and worldwide demand, reversed its downward trend in the fourth quarter. This reversal has adversely affected the profit margins of products.

b. Consolidated non-operating profit decreased by 6.61 billion

i. Investment profit of Equity Method jointly decreased by 4.47 billion.

(FPCC -3.35 billion, FHI -0.63 billion, MLPC -0.58 billion)

ii. Profit of exchange decreased by 0.93 billion.

(-0.71 billion/Q4; 0.22 billion/ Q3)

iii. Cash dividends decreased by 0.51 billion.

(MLH -0.14 billion, API -0.13 billion, TWSE -0.06 billion)

3. Net profit after income tax attributed to owners of the parent in the 4<sup>th</sup> quarter of 2023 is 57 million 430 thousand. The earnings per share is NTD 0.1, NTD 1.27 less than the previous quarter, which was NTD 1.28.

## II. Comparison of consolidated profit and loss in 2023 and 2022 :

NTD in Thousands

Item/Quarter	2023	2022	Difference	Growth Rate%
Consolidated Operating Revenue	332, 619, 533	379, 896, 563	-47, 277, 030	-12. 44
Consolidated Profit	-3, 108, 765	-5, 286, 074	2, 177, 309	-
Profit Before Income Tax	7, 403, 425	9, 589, 583	-2, 186, 158	-22. 80
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	7, 728, 475	9, 203, 861	-1, 475, 386	-16. 03
Net Income (Owner of the Parent)	8, 487, 643	7, 359, 531	1, 128, 112	15. 33
Profit Attributable to Common Shareholders of the Parent	NTD 1. 45	NTD 1. 26	NTD 0. 19	15. 08

1. Operating revenue decreased by 47. 28 billion in 2023 than in 2022, with a decline rate of 12. 4 %. Among the difference, sales amount decreased by 9. 39 billion, while price decline affected the rest 37. 89 billion.

- a. Aspects of sales volume

- i. FCFC : -1. 3 billion

Responding to depressed market, sluggish demand, and the impact of new industry capacity, production and sales adjustments were made. Sales of PTA, ABS, PP, raw silk, and Rayon collectively decreased by 15. 65 billion. SM resumed full operation capacity and reduced transfers to Ningbo for self-use. Phenol underwent maintenance last year and ran normal production this year, resulting in an increase of 9. 35 billion. Improved price differentials for PX and OX increased sales by 3. 46 billion, and added operating hours of power generators impacted sales by 1. 61 billion.

- ii. FIC in Vietnam : -5. 74 billion

Affected by shrinking demand for film, SPP pellets, polyester staple fiber, as well as low-priced dumping by Chinese counterparts resulted in a total decrease of 5. 01 billion. Reduced operating hours of power generators in response to the Nation's dispatch on electric power decreased sales by 0. 61 billion.

- iii. FCNB : +8. 72 billion

Production expansion and commencement of ABS and normal operations of the phenol compared to last year's maintenance increased production and sales by

5.42 billion. Raffinate oil, PTA, and PIA sales increased by 2.78 billion in response to market conditions and stock reconciliation.

iv. Other subsidiaries :

Inflation and rising interest rates led to unfavorable economic situations, market demand remains weak, and clients were conservative in purchasing. This led to FTC sales decrease by 6.31 billion, FIPC by 2.86 billion, and FICC by 1.52 billion.

b. Aspects of Selling Price

In 2022, rising crude oil and energy prices pushed up product prices. However, in 2023, weakened market conditions, sluggish demand, reduced raw material costs, and oversupply due to capacity expansion among the industry led to decline in product prices. Acetone, as an exception, experienced price increase due to supply reduction from industry peers.

2. Consolidated profit before income tax in 2023 was 7.4 billion, decreasing by 2.19 billion compared with 2022.

a. Operating profit increased by 2.18 billion

To counter inflation, interest rate was held high. Improvements in consumption could hardly be observed, while China faced deflation and economic downturn. To reduce losses, sales strategies were made to destock inventory and enhance competitiveness. As a result, the operating profit turned from loss to gain in the second half of the year.

b. Consolidated non-operating profit decreased by 4.37 billion

i. Cash dividends jointly decreased by 5.51 billion due to market downturn.

ii. Profit of exchange decreased by 2.39 billion.

(-0.19 billion/2023; 2.2 billion/ 2022)

iii. Investment profit of Equity Method increased by 4.65 billion.

(MLPC 4.23 billion, FPCC 1.66 billion, FR -0.58 billion, FTC -0.47 billion)

3. Net profit after income tax attributable to owners of the parent in 2023 is 8 billion 487 million 640 thousand. The earnings per share is NTD 1.45, NTD 0.19 more than 2022, which was NTD 1.26.

Spokesperson  
Fu-Yuan Hong  
Chairman  
Tel : 02-2712-2211