

July 10, 2024

Explanation of FCFC's Consolidated Operating Revenue in June 2024

I. Comparison of consolidated operating revenue in June 2024 and in May 2024.

NTD in Thousands

June 2024	May 2024	Amount Difference	Growth Rate
31, 291, 479	33, 036, 547	-1, 745, 068	-5. 3

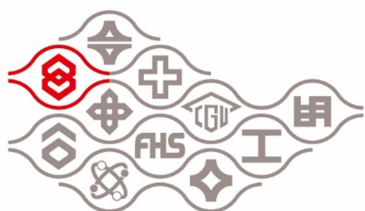
1. The consolidated operating revenue in June decreased by 1. 75 billion on a monthly basis, with a decline rate of 5. 3%. Among the difference, sales amount decreased by 1. 82 billion, while price raise supported 0. 07 billion.
2. Aspects of sales volume
 - i. FCFC : +0. 15 billion
PX increased external sales and reduced internal use, affecting 0. 76 billion. Inventory reconciliation for SM increased sales by 0. 27 billion. Affected by high freight rates and weak demand, clients of PS, ABS, PP, and PIA adopt a wait-and-see attitude, resulting in a sales decrease of 0. 47 billion. PTA-1 scheduled maintenance this month, decreasing production and sales by 0. 45 billion.
 - ii. FCNB : -1. 66 billion
PTA-6 scheduled defect rectification for equipments this month, leading to a decrease in production and sales by 1. 76 billion.
 - iii. Other Subsidiaries :
FTC decreased orders of long filament fabric due to seasonal change, affecting sales by 0. 26 billion. Operating hours of power generators were decreased in response to the Nation's dispatch on electric power, decreasing sales by 0. 18 billion. FICC increased sales by 0. 17 billion due to the deferred shipment orders from last month.
3. Aspects of Selling Price :
The overall phenol industry restrained production, pushing up market prices. Conversely, With, PP suffered from market oversupply and price competition, resulting in an average price lower than last month.

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

NTD in Thousands

June 2024	June 2023	Amount Difference	Growth Rate
31,291,479	25,153,038	6,138,441	24.4

1. Consolidated operating revenue in June 2024 increased by 6.14 billion, with a growth rate of 24.4% on a YOY basis. Among the difference, sales amount increased by 1.84 billion, while price raise affected 4.3 billion.
2. Aspect of sales volume
 - i. FCFC : +0.53 billion
 Production and sales decreased since SM-3 just resumed from overhaul in the corresponding period last year, thus resulting in a 0.77 billion increase under normal production. PIA actively expanded sales and increased market share, increasing sales by 0.25 billion. OX improved profit margin, increasing sales by 0.16 billion. Demand in phenol rebounded, increasing sales by 0.14 billion. Other than that, PX increased self-use and decreased sales by 0.54 billion. PTA underwent overhaul, decreasing production and sales by 0.31 billion.
 - ii. FCNB : +1.04 billion
 PTA-5 scheduled maintenancelast year while production and sales returned to normal this year, increasing sales by 1.34 billion. ABS sales decreased by 0.26 billion due to shrinking domestic demand in China.
 - iii. FICC :
 Shipments were delayed to this month catering to customer demand, resulting in a 0.25 billion increase in sales.
3. Aspect of selling price:
 Prices of petrochemical and plastic product increased compared to last year due to rising raw material costs, restrained production among the industry, and strengthening sales of high-value specifications.



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Declare of FCFC's Consolidated Profit and Loss in the 2nd Quarter of 2024

I. Comparison of consolidated profit and loss in the 2nd quarter of 2024 and 1st quarter of 2024 :

NTD in Thousands

Item/Quarter	2 nd Quarter, 2024	1 st Quarter, 2024	Difference	Growth Rate%
Consolidated Operating Revenue	96, 475, 275	83, 941, 693	12, 533, 582	14. 9
Consolidated Profit	1, 221, 622	-148, 709	1, 370, 331	-
Profit Before Income Tax	1, 842, 800	1, 577, 445	265, 355	16. 8
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	1, 659, 213	1, 481, 081	178, 132	12. 1
Net Income (Owner of the Parent)	1, 832, 255	1, 530, 890	301, 365	19. 7
Profit Attributable to Common Shareholders of the Parent	0. 31	0. 26	0. 05	19. 2

1. Operating revenue increased 12. 53 billion in the 2nd quarter of 2024 compared to the 1st quarter of 2024, with a growth rate of 14. 9%. Among the difference, sales volume increased 6. 55 billion, while price raise affected 5. 98 billion.

a. Aspect of sales volume

i. FCFC : +1. 6 billion

Market conditions of OX, SM, PTA, PS, ABS, and PP improved, increasing sales by 1. 45 billion. Phenol underwent overhaul last quarter yet resumed normal production this year, increasing sales by 0. 46 billion. PIA seized the market since overall supply was tight, increasing sales by 0. 29 billion. Raffinate oil sold to FPCC also increased by 0. 26 billion. Other than that, PTA-6 was put more into production, thus sales decreased by 1. 02 billion.

ii. FCNB : +3. 99 billion

PTA-6 was put into production, increasing sales by 3. 92 billion. Inventory reconciliation in raffinate oil increased sales by 0. 23 billion. Other than that,

ABS sales decreased by 0.26 billion due to dented demand from clients in China.

iii. FIC in Vietnam: +1 billion

Operating hours of power generators were increased in response to the Nation's dispatch on electric power, increasing sales by 0.92 billion.

b. Aspect of Selling Price

Rising oil price drove up raw material costs. Although market demand improved, some industry peers reduced production to maintain prices and reduce loss, pushing up price for major products.

2. Consolidated profit before income tax in the 2nd quarter of 2024 was 1.84 billion, increasing by 0.27 billion compared with the previous quarter. Reasons are as follows :

a. Operating profit increased by 1.37 billion :

Production and sales reduced due to the new year holiday in the 1st quarter, while marked and production both resumed in the 2nd quarter. Price raise in oil and raw material costs led to upward pressures of product prices and improved profit margins.

b. Consolidated non-operating profit decreased by 1.1 billion

i. Investment profit of Equity Method jointly decreased by 0.63 billion.

(FPCC -0.51 billion, FR -0.19billion)

ii. Loss of exchange increased by 0.5 billion.

(-0.23 billion/Q2; 0.27 billion/ Q1)

3. Net profit after income tax attributed to owners of the parent in the 2nd quarter of 2024 is 1 billion 832 million 260 thousand. The earnings per share is NTD 0.31, NTD 0.05 more than the previous quarter, which was NTD 0.26.

II. Comparison of consolidated profit and loss in the 1st half of 2024 and that of 2023 :

NTD in Thousands

Item/Quarter	1 st half of 2024	1 st half of 2023	Difference	Growth Rate%
Consolidated Operating Revenue	180, 416, 968	158, 197, 664	22, 219, 304	14. 0
Consolidated Profit	1, 072, 913	-5, 458, 398	6, 531, 311	-
Profit Before Income Tax	3, 420, 245	458, 229	2, 962, 016	646. 4
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	3, 140, 294	523, 714	2, 616, 580	499. 6
Net Income (Owner of the Parent)	3, 363, 144	929, 461	2, 433, 683	261. 8
Profit Attributable to Common Shareholders of the Parent	0. 57	0. 16	0. 41	256. 3

1. Operating revenue increased by 22. 22 billion in the 1st half of 2024 compared to that of 2023, with a growth rate of 14 %. Among the difference, sales amount increased revenue by 14. 12 billion, while price raise affected the rest 8. 1 billion.

- a. Aspects of sales volume

- i. FCFC : +8. 19 billion

SM-3 underwent overhaul last year, thus production and sales increased by 5. 97 billion under normal production this year. Raffinate oil sold to FPCC increased by 2 billion. Reduced PIA production from industry peers led to tight supply, increasing sales by 1. 23 billion. Production adjustment for rayon, raw silk and acetone led to 0. 56 billion increase in sales. Other than that, PTA scheduled maintenance, decreasing production and sales by 0. 98 billion. PS, ABS, and PP suffered from poor market condition and oversupply, thus reduced operation rate to control inventory level, decreasing sales by 0. 74 billion.

- ii. FCNB : +5. 26 billion

PTA-6 was put into production this year, increasing sales by 5. 95 billion. Reduced PIA production from industry peers led to tight supply, increasing sales by 0. 49 billion. Conversely, inventory adjustment for raffinate decreased sales by 0. 95 billion.

- iii. Other subsidiaries :

FICC sales increased by 1. 07 billion due to market recovery and low inventory levels of clients'. Added operating hours of power generators increased sales of

FIC in Vietnam by 1.15 billion. SPP pellets and films were engaged in price competition with China, decreasing sales by 0.86 billion. FIPC rejected orders with minor profit while developing new markets at the same time, decreasing sales by 0.82 billion.

b. Aspects of Selling Price

While prices of SM and acetone went up due to tight supply caused by reduced production from industry peers, that of other products were also pushed up with the support of rising raw material price, limited production volume and adjustments to product portfolio. Only electricity price fell in response to reduced coal cost.

2. Consolidated profit before income tax in the 1st half of 2024 was 3.42 billion, increasing by 2.96 billion compared with that of 2023.

a. Operating profit increased by 6.53 billion.

Weak market conditions and demand in the previous year, along with new production line commenced by industry peers, leading to oversupply in the market. This year, the company has continued to adjust its production and sales strategy to eliminate weak products and develop high-value specifications. Prices of crude oil prices rebounded, improving product price spreads and overall operating profit.

b. Consolidated non-operating profit decreased by 3.57 billion

i. Cash dividends decreased by 4.23 billion.

(FPCC -2.05 billion, NYPC -1.24 billion, NTC -0.71 billion)

ii. Profit of exchange decreased by 0.26 billion.

(0.03 billion/2024H1; 0.29 billion/2023H1)

iii. Investment profit of Equity Method increased by 1.21 billion.

(FPCC +1.05 billion, MLPC +0.39 billion, FHI +0.26 billion, FR -0.55 billion)

3. Net profit after income tax attributable to owners of the parent in the 1st half of 2024 is 3 billion 363 million 140 thousand. The earnings per share is NTD 0.57, NTD 0.41 more than that of 2023, which was NTD 0.16.

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