



Sep 7th, 2022

Explanation of FCFC's Consolidated Operating Revenue in August 2022

I. Comparison of consolidated operating revenue in August 2022 and in July 2022.

NTD in Thousands

Aug., 2022	Jul., 2022	Amount Difference	Growth Rate
28, 666, 166	31, 249, 506	-2, 583, 340	-8. 3

1. The consolidated operating revenue in Aug. amounted 28. 7 billion, decreasing by 2. 58 billion on a monthly basis, with a growth rate of -8. 3%. Among the difference, the sales amount decreased by 1. 53 billion and the price drop accounted for the rest 1. 05 billion.

2. Aspect of sales volume

i.FCFC : -2. 47 billion

In August, PX's increase in internal usage and the raffinate sales drop affected 1. 5 billion in sum. Also, SM, phenol and PTA suffered from their weak downstream demand, decreasing 0. 88 billion. With respect to BZ, 0. 42 billion of decrease could be traced back to its better market condition last month.

Oppositely, in cater to Taiwan Power Co.'s demand for electricity, operating hours of electric generator increased, bringing an extra 0. 14 billion.

ii.FCNB : +0. 7 billion

Efforts were paid off at the sales of PS, ABS and PIA, bringing an increase of 0. 51 billion. Also, clients started doing the replenishment as the quotations of phenol went stable, increasing 0. 2 billion.

iii.Other subsidiaries :

Shipment of long filament and the adjustment of tire chord delivery contributed 0. 21 billion to FTC. Additionally, to maintain its market share, FIPC kept taking orders from clients, boosting 0. 12 billion.

3. Aspect of Selling Price :

Overall market confidence were much affected by the factors of inflation, rates lift, and Chinese city lockdowns. Thus, customers preferred to empty their reserve and only purchased according to their inelastic demand. Not surprisingly, this led to the price competition. Price of crude oil and the other primary products dropped. Only the price of Taiwan Power Co. truly reflected the rising coal costs.

II. Comparison of consolidated operating revenue of August in 2022 and in 2021

NTD in Thousands

August 2022	August 2021	Amount Difference	Growth Rate
28, 666, 166	30, 621, 450	-1, 955, 284	-6. 4

1. Consolidated operating revenue in August 2022 decreased by 1. 96 billion, with a decline rate of 6. 4% on a YOY basis. Among the difference, the sales amount decreased by 3. 59 billion, while the selling price supported 1. 63 billion inversely.
2. Aspects of sales volume
 - i. FCFC : -3. 79 billion
With tightening demand and stocks depletion by clients, sales of SM, phenol, PS, ABS, PP and PTA were affected by a decrease of 3. 55 billion.
 - ii. FCNB : +0. 13 billion
Clients increased their order this year as the new production line was just put into operation last year, contributing 0. 28 billion. Comparing to the resumption from overhaul last August, production of PTA ran regularly this year, accounting for 0. 19 billion increase. In addition, PS and ABS decreased by 0. 32 billion due to the pandemic lockdown and inflation.
 - iii. FIC Vietnam : -0. 24 billion
Affected by the detented demand, sales of yarn, polyester, nylon and film decreased.
 - iv. FTC : +0. 2 billion
Shipments of long filament orders and reduction in the activation rate caused by the 3-on-site policies of Vietnam last year were the reasons for sales increase.
3. Aspects of selling price
Recently, due to insufficient confidence in the market, the price of crude oil and petroleum has dropped, yet still higher than last year. Therefore, demand for plastic remained depressed, and price continued to fall. On the other hand, electricity expense increased due to the price adjustment of Taiwan Power Co. made to reflect the rising coal costs.

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