

April 9th, 2021

Explanation of FCFC's Consolidated Operating Revenue in March 2021

I. Comparison of consolidated operating revenue in March 2021 and in February.

NTD in Thousands

Mar., 2021	Feb., 2021	Amount Difference	Growth Rate
32, 179, 323	25, 225, 711	6, 953, 612	27. 6

1. Consolidated operating revenue in March increased by 6. 95 billion compared with it in February, with a growth rate of 27. 6%. Among the increase, the sales amount accounted for 4. 16 billion which resulted from the Chinese New Year and less working days in Feb. On the other hand, the price raise supported the rest 2. 79 billion.

2. Aspect of sales volume

a. FCFC : 0. 14 billion plus

Driven by the demanding downstream and the improvement of processing charges, FCFC's products including PX and BZ increased its sales by 0. 75 billion. In favor of the high demand and regular business days in Mar., SM, PS and ABS increased by 0. 52 billion.

b. FCNB : 1. 07 billion plus

With more business days in March, PS, ABS, PTA, acetone and phenol increased by 34, 054 \$.

c. FTC : 1.01 billion plus ; FIC in Vietnam : 0. 44 billion

In favor of clients' strategy on inventory fulfilling and more working days in Mar., sales enjoyed a positive feedback from it.

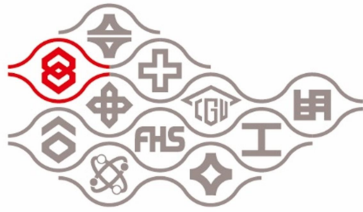
3. Aspect of Selling Price :

Economy recovery of countries performed well. Even though the Texas Winter Storm inflicted the productivity of petrochemical related products, it did bring up the quotations of both crude oil and the petrochemical products.

II. Comparison of consolidated operating revenue of March in 2021 and in 2020

Mar., 2021	Mar., 2020	Amount Difference	Growth Rate
32, 179, 323	20, 766, 240	11, 413, 083	55. 0

1. Thanks to the ease-off of the pandemic and the uprising crude oil price, consolidated operating revenue in March increased by 11. 41 billion compared with last March, with a growth rate of 55%. Among the increase, the sales amount accounted for 2. 95 billion while selling price supported the rest 8. 46 billion.
2. Aspect of sales volume
 - a. FCFC : 1. 83 billion plus
Compared with last March, impact of COVID-19 was much easier to measure. Besides, due to the downstream demand and the improved processing charges, PX, BZ, PTA, PIA and ABS contributed an extra 1. 66 billion in total. The raffinate sales to FPCC increased by 0. 44 billion. Yet, a small overhaul in March scheduled for Plant phenol and PP had resulted in a decrease of 0. 33 billion.
 - b. FCNB : 0. 84 billion plus
Similar with Taiwan, PS and ABS was in a vibrant condition. Driven by clients' demand, it contributed an increase of 0. 58 billion. Besides, the completion of phenol's debottlenecking project generated another 0. 23 billion for the sales.
 - c. FIPC : 0. 19 billion plus
Since the pandemic was now under better control, clients tended to purchase in a stable pace. Thus, PC had a surplus of 3, 599 \$ in March 2021.
3. As the pandemic eased off and the vaccine being given, people were more willing to purchase, thus bringing up the price of crude oil and other petrochemical products. In favor of that, Taiwan had retrieved 4. 5 billion surplus, while FCNB, FIPC and other subsidiaries respectively made 2. 49, 0. 67 and 0. 8 billion.



**Declare of FCFC's Consolidated Profit and Loss
in the 1st Quarter of 2021**

- I. Comparison of consolidated profit and loss and in the 1st quarter of 2021 and the 4th quarter of 2020.

NTD in Thousands

Item/Quarter	1 st Quarter, 2021	4 th Quarter, 2021	Difference	Growth Rate
Consolidated Operating Revenue	84, 154, 251	72, 710, 259	11, 443, 992	15. 7
Consolidated Profit	12, 631, 805	9, 586, 627	3, 045, 178	31. 8
Profit Before Income Tax	16, 761, 448	12, 743, 689	4, 017, 759	31. 5
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	14, 041, 262	10, 557, 447	3, 483, 815	33. 0
Net Income (Owner of the Parent)	12, 873, 841	9, 764, 416	3, 109, 425	31. 8
Profit Attributable to Common Shareholders of the Parent	NTD \$2. 20	NTD \$1. 67	NTD \$0. 53	31. 7

1. Operating revenue increased 15. 7% in the 1st quarter than in the 4th. There was a decrease of 0. 81 billion in terms of sales volume. However, selling price contributed a surplus of 12. 25 billion.

a. Aspect of sales volume

i. FCFC : 1. 3 billion less

Resulting from less working hours in Q1 and the low inventory stock which needed to be reconciled, sales of plastic-based products, SM, acetone and phenol shrank by 3. 32 billion. On the other hand, as a result of the processing charges improvement and Plant Aroma-3 in full production, sales of OX, raffinate and hydrogen went up by 2. 02 billion.

ii. FIC in Vietnam :

Influenced by CNY, sales decreased by 0. 47 billion.

iii. FCNB : 0.7 billion plus

Plant phenol had an overhaul and the debottlenecking project in the 4th quarter 2020. Thus, it got back to the regular condition in this season, generating 1.68 billion surplus. However, sales of PS, ABS, PTA and the electricity decreased by 0.98 billion which was affected by CNY.

iv. FTC : 0.43 billion plus

Q1 was usually the season of filament, especially when the pandemic eased off. Therefore the sales increased in FTC.

b. Aspect of Selling Price :

Driven by the market demand and the Texas Winter Storm, the quotations of crude oil, petrochemical and plastic products rose up compared with last season. SM, PS, ABS, PIA, phenol, acetic acid, nylon chip/yarn and tire cord enjoyed a great markup due to the above reasons. FCFC, FCNB, FIC Vietnam, FTC and FIPC had harvested 7.29, 2.39, 0.64, 0.57 and 0.56 billion respectively.

2. Consolidated profit before income tax in the 1st quarter of 2021 was 16.76 billion, increasing by 4.02 billion with a growth rate of 31.5 % compared with the last quarter.

a. Operating margin increased 30.5 billion

Driven by the strong market demand, quotations and the processing charge rose up, generating an upward operating margin.

b. Consolidated non-operating profit increased by 0.97 billion

i. Investment profit of Equity Method increased by 1.44 billion. FPCC accounted for 1.51 billion.

ii. Other income decreased by 0.79 billion since the insurance claims of ARO-3 amounted 0.69 billion were recognized in the fourth quarter of last year.

iii. Loss of exchange decreased by 0.09 billion.(0.15 billion/2021 Q1 ; 0.24 billion/ 2020 Q4

3. Net profit after income tax attributed to owners of the parent in the 1st quarter was 12.8 billion 73.84 million. Profit Attributable to Common Shareholders of the Parent was NTD 2.2, NTD 0.53 more than the 4th quarter with a growth rate of 31.7%.

II. Comparison of consolidated profit and loss in the 1st quarter of 2021 and in 2020

Item/Year	2021 Q1	2020 Q1	Difference	Growth Rate
Consolidated Operating Revenue	84,154,251	64,444,053	19,710,198	30.6
Consolidated Profit	12,631,805	-1,922,884	14,554,689	-
Profit Before Income Tax	16,761,448	-4,098,555	20,860,003	-
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	14,041,262	-4,342,772	18,384,034	-
Net Income (Owner of the Parent)	12,873,841	-4,609,722	17,483,563	-
Profit Attributable to Common Shareholders of the Parent	NTD \$2.20	NTD \$-0.79	NTD \$2.99	-

1. Operating revenue in Q1 of 2021 increased by 30.6%. Among the increase, the sales amount accounted for 8.17 billion and the price raise accounted for the rest 11.54 billion .

a. Aspect of sales volume

i. FCFC : 4.25 billion plus

The sales amount dropped by 0.86 billion due to acetone and phenol's overhaul in Q1 and the strategy adjustment of Nylon yarn. On the other side, other products thanks to the market demand increased by 5.09 billion.

ii. FCNB : 4.02 billion ; FIPC : 0.49 billion

The pandemic ease-off, the uprising market demand and the completion of acetone and phenol's productivity expansion jointly gave an effort to the increasesd sale.

iii. FTC : 0.5 billion less

Even though the garment market gradually recovered from the pandemic, filament was still 0.44 billion behind last Q1.

b. Aspect of Selling Price 8.46 billion

With the pandemic ease-off and the high market demand, sales drastically increased than last Q1. And the Texas Winter Storm also pushed up the price of crude oil and petrochemical products.

2. Consolidated profit before income tax in Q1 of 2021 was 16.76 billion, increasing by 20.86 billion compared with Q1 of 2020.
 - a. Operating margin increased 14.55 billion
Under the condition of economy recovery, price of petrochemical products were also recovering, positively affecting the operating revenue.
 - b. Non-operating net income increased by 6.31 billion
 - i. Investment profit of equity method increased by 6.15 billion, arising mainly from FPCC's gain of 6.24 billion.
3. Net profit after income tax attributable to owners of the parent in Q1 was 12.8 billion 738.4 million. Profit attributed to common shareholders of the parent was NTD 2.2, NTD 2.99 more than 2020.

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