



October 8<sup>th</sup>, 2021

## **Explanation of FCFC's Consolidated Operating Revenue in September 2021**

- I. Comparison of consolidated operating revenue in September and in August 2021 :

NTD in Thousands

Sep., 2021	Aug, 2021	Amount Difference	Growth Rate%
30, 263, 865	30, 621, 450	-357, 585	-1. 2

1. Consolidated operating revenue in September was 30.26 billion, 0.36 billion less than it in August, with a negative growth rate of 1.2%, mainly because of 0.39 billion less in the sales amount.

i.FCFC : +0.11 billion

Plant PP and ARO-2 resumed from their August overhauls, resulting in a 0.57 billion increase of PP and raffinate. In reconciliation with the production and marketing strategy, SM and the electricity generator kit increased by 0.48 billion. On the contrary, a decrease of 0.56 billion could be traced back to ABS for the facility purge and phenol for the downstream product ,BPA, overhaul in NYPC. Also, due to the downstream factors, poly dropped by 0.34 billion.

ii.FIPC : -0.35 billion ; FICC : -0.17 billion

Plant PC and plant acetic acid had undergone their overhauls in Sepetember, which resulting in a revenue drop..

II. Comparison of consolidated operating revenue of September in 2021 and in 2020 :

NTD in Thousands

Sep., 2021	Sep., 2020	Amount Difference	Growth Rate%
30,263,865	20,716,904	9,546,961	46.1

1. Consolidated operating revenue in September 2021 was 30.26 billion, 9.55 more than last September with a growth rate of 46.1%. Among the difference, the sales amount accounted for 1.17 billion increase and the selling price supported the rest 8.38 billion.
2. Aspect of sales volume
  - i. FCFC : +0.84 billion  
The increase of 0.72 billion resulted from the improvement of PX's processing spread and the raffinate sales backward to FPCC. In reconciliation with the strategy, SM and phenol increased their outbound sales in lieu of the internal use, generating 0.38 billion. However, due to the dual control policy, shortage & backlog of containers as well as the decreasing requests for PTA, PIA and ABS, sales dropped by 0.47 billion in total on a YOY basis.
  - ii. FCNB : +1.01 billion  
The debottlenecking project and the new launch of PIA and MX performed 1.23 billion better than last September. However, outbound sales dropped by 0.15 billion due to the high quotation of coals.
  - iii. FIC in Vietnam : -0.36 billion  
To prevent the COVID outbreak, Vietnamese government implemented the "three-on-site policy" which led to clients' productive loads reduction and suspension.
  - iv. A decrease of 0.17 billion in acetic acid was found in this year due to the arranged overhaul.
3. Aspect of selling price  
With the pandemic eased down and the vaccination rate raised, consumers' purchasing power bounced back. Except for acetone whose demand went down because of the decreasing request for epidemic prevention, quotations of petrochemical, plastic and spinning products were all higher than last September. FCFC benefited from the above reasons by 4.93 billion, FCNB 2.08 billion and 1.37 billion for the rest subsidiaries.



July 9<sup>th</sup>, 2021

## Declare of FCFC's Consolidated Profit and Loss in the 3<sup>rd</sup> Quarter of 2021

I. Comparison of consolidated profit and loss in the 3<sup>rd</sup> quarter and the 2<sup>nd</sup> quarter of 2021 :

NTD in Thousands

Item/Quarter	3 <sup>rd</sup> Quarter, 2021	2 <sup>nd</sup> Quarter, 2021	Difference	Growth Rate%
Consolidated Operating Revenue	91, 125, 938	95, 875, 657	-4, 749, 719	-5. 0
Consolidated Profit	5, 330, 349	13, 172, 024	-7, 841, 675	-59. 5
Profit Before Income Tax	11, 714, 455	16, 503, 362	-4, 788, 907	-29. 0
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	10, 396, 603	13, 817, 344	-3, 420, 741	-24. 8
Net Income (Owner of the Parent)	9, 521, 453	12, 404, 365	-2, 882, 912	-23. 2
Profit Attributable to Common Shareholders of the Parent	1. 63	2. 12	-0. 49	-23. 1

1. Operating revenue decreased 4.75 billion in the 3<sup>rd</sup> quarter, with a negative growth rate of 5%. Among the decrease, sales volume accounted for 4.05 billion and the price accounted for the rest 0.7 billion.

a. Aspect of sales volume

i. FCFC : -1.55 billion

Plant ARO-2 and plant PTA in Mailiao had undergone overhauls this quarter. Outbound sales of PX, BZ, PTA and raffinate backward to FPCC performed 2.84 billion less than last quarter. The sufficient supply of PIA made 0.62 billion less than last quarter, simply providing its nearby clients

Yet, Plant SM3 who had its overhaul in the 2<sup>nd</sup> season had an increase of 1.47 billion in the 3<sup>rd</sup>. Also, requests for PS and ABS from the downstream raised, contributing 0.47 billion more than the 2<sup>nd</sup>.

ii. FTC : -1.31 billion ; FIC in Vietnam : -0.81 billion

Much affected by the pandemic, Vietnamese government implemented the "three on site policy" to lower down plants productivity which also led to the unbalance between demand and supply.

- iii. FIPC : -0.77 billion ; FICC : -0.75 billion  
Overhauls for both of the PC plant and the acetic acid plant were scheduled in September so the production and sales were both affected.
  - iv. FCNB : +1.18 billion  
Phenol/acetone, PIA and MX's completion of debottlenecking and productivity expansion contributed a sales increase of 1.84 billion. Also, clients' demand for PS and ABS generated an extra 0.75 billion. On the contrary, plant PTA experienced 1.49 billion less as a result of the overhaul.
- b. Aspect of Selling Price
- New production line and the easing supply made clients purchase just on their inelastic demand, affecting PIA, SM, ABS, PS and PP dropped by 1.55 billion. Demand of acetone also declined because of the proper control of the pandemic, affecting 0.85 billion. Quotations of PX, raffinate, PTA and chord were pushed high in consequence of the raw material, generating 1.54 billion.
2. Consolidated profit before income tax in the 3<sup>rd</sup> quarter of 2021 was 11.71 billion, decreasing by 4.79 billion with a negative growth rate of 29% compared with the last quarter. Reasons are as follows :
    - a. Operating margin decreased 7.84 billion :  
Production cost went up as a result of the increasing quotation of oil and coal. Additionally, clients tend to purchase in conservative way because of the uncertainty resulting from the "three on site" and the "dual control" policy. Thus, some of the products's price and the processing spread went down, affecting the quarterly revenue.
    - b. Consolidated non-operating profit increased by 3.05 billion
      - i. Income from the cash dividends increased by 3.1 billion, mainly from FPC 1.17 billion, NYPC 0.99 billion and NTC 0.43 billion.
      - ii. Investment profit of Equity Method decreased by 0.97 billion. Among it, FPCC accounted for 0.88 billion.
      - iii. Loss of exchange increased by 0.6 billion.  
( +0.23 billion/3Q2021; -0.37 billion/ 2Q2021)
  3. Net profit after income tax attributed to owners of the parent in the 3<sup>rd</sup> quarter was 9 billion 521 million 450 thousand. Profit Attributable to Common Shareholders of the Parent was NTD 1.63, NTD 0.49 less than the 2<sup>nd</sup> quarter with a negative growth rate of 23.1%.

II. Comparison of consolidated profit and loss in the first 3 quarters of 2021 and in 2020 :

NTD in Thousands

Item/Quarter	1Q-3Q of 2021	1Q-3Q of 2020	Difference	Growth Rate%
Consolidated Operating Revenue	271, 155, 846	180, 584, 409	90, 571, 437	50. 2
Consolidated Profit	31, 082, 954	5, 736, 993	25, 345, 961	441. 8
Profit Before Income Tax	44, 972, 884	12, 023, 998	32, 948, 886	274. 0
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	38, 282, 024	10, 996, 262	27, 285, 762	248. 1
Net Income (Owner of the Parent)	34, 798, 752	9, 779, 725	25, 019, 027	255. 8
Profit Attributable to Common Shareholders of the Parent	5. 95	1. 67	4. 28	256. 3

1. Operating revenue increased 90. 57 billion in the first 3 quarters of 2021 than in 2020, with a growth rate of 50. 2%. Among the increase, the sales amount accounted for 19. 82 billion and the price raise supported the rest 70. 75 billion .

a. Aspect of sales volume

i. FCFC : +11. 92 billion

0. 95 billion of decrease could be traced back to the scheduled overhauls of phenol/acetone, PIA's easing supply and the policy adjustment of yarn kits. Other than that, demands for petrochemical and plastic products grew substantially, resulting in 12. 62 billion extra sales.

ii. FCNB : +6. 25 billion ; FIC in Vietnam : +1. 01 billion

Increases were attributed to the completion of phenol/acetone and PIA's productivity expansion. FIC in Vietnam's adjustment on increasing the sales of engineering plastics as well as the booming demand for end products together stimulated the sales revenue

b. Aspect of Selling Price

With the rising vaccination rate, quotations of the crude oil and petrochemical products were brought high because of the lifting bans as well as the natural disasters and the abnormality of competitors.

2. Consolidated profit before income tax in the first 3 quarters of 2021 was 44.97 billion, increasing by 32.95 billion on a YOY basis.
- a. Operating margin increased 25.35 billion  
Market demand bounced back as a result of the economy recovery after the pandemic. Thanks to the thriving demand in China, operating margin were pushed high as a result of the quantity and quotation owing to the international trade.  
Driven by the above listed growth of products prices were larger than the raw materials, making the operating margin increase.
- b. Non-operating net income increased by 7.6 billion
- i. Investment profit of Equity Method decreased by 9.79 billion. FPCC accounted for 10.91 billion while MLPC had a decrease of 1.41 billion.
- ii. Income from the cash dividends decreased by 2 billion.  
(3.1 billion/1Q-3Q,2021 ; 5.1 billion/1Q-3Q,2020)
- iii. Net profit after income tax attributable to owners of the parent in the first 3 quarters was 34 billion 798 million 750 thousand. Profit attributed to common shareholders of the parent was NTD 5.95, NTD 4.28 more than the first three quarters of 2020.

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