



May 6th 2020

Explanation of FCFC's Consolidated Operating Revenue **In April, 2020**

一、Comparison of consolidated operating revenue in Apr, 2020 and Mar, 2020 :

Unit : NTD thousand

| Apr, 2020 | Mar, 2020 | Difference | Growth rate% |
|--------------|--------------|--------------|--------------|
| 18, 134, 268 | 20, 766, 240 | -2, 631, 972 | -12. 7 |

Explanation:

(一) Consolidated operating revenue in Apr, 2020 decreases NTD 2. 63 billion less than in Mar, 2020 and growth rate is -12. 7%. Amount of sales volume decreases NTD 0. 17 billion and that of selling price decreases NTD 2. 46 billion.

(二) Impact of sales volume variance :

The main reason is that the sales volume of downstream FTC and FIC in Vietnam shrinks, but of FCFC and FCNB are better than last month.

1. FCFC : NTD 0. 1 billion plus.

With the expansion of domestic demand of China, the demand for ABS, PTA, and PIA increases NTD 0. 48 billion that is higher than last month. Besides, because the amount of Phenol delivering to NPC BPA decreases and of the epidemic situation, the requirements of Nylon Yarn go down and decreases NTD 0. 19 billion. Because the generating set renovates in Longde, the amount of that decreases NTD 0. 08 billion.

2. FCNB : NTD 0. 81 billion plus.

Because of customers' requirement increases, to maintain

market share, and increases sales. Amount of sales volume of PS, ABS, and Phenol increases 22, 000 tons. The amount of FIPC increases NTD 0.14 billion.

3. FTC : NTD 0.52 billion minus ; FIC in Vietnam : NTD 0.48 billion minus.

Due to the restrictions of epidemic prevention in each country, the activities of economic decrease, the export demand becomes worse, the activation rate of downstream decreases, and customers postpone or cancel orders.

(三) Impact of sales price variance :

With the influence of epidemic situation and crude oil price falls heavily, WTI decreases 45.7%, light oil decreases 32.5%, and petrochemical products also decrease. Among the products of FCFC, Benzene decreases 32%, PX decreases 18.5%, PTA decreases 13.7%, SM decreases 12.6%, Phenol decreases 17.5% and plastics of PS, ABS, and PP decrease more than 10%.

二、 Comparison of consolidated operating revenue in Apr, 2020 and in Apr, 2019 :

Unit : NTD thousand

| Apr, 2020 | Apr, 2019 | Difference | Growth rate% |
|------------|------------|-------------|--------------|
| 18,134,268 | 28,198,866 | -10,064,598 | -35.7 |

Explanation:

(一) Because of the epidemic situation, consolidated operating revenue in Apr, 2020 decreases NTD 10.06 billion less than in Apr, 2019 and growth rate is -35.7%. Due to selling price decreases NTD 9.21 billion, amount of sales volume decreases NTD 0.85 billion.

(二) Impact of sales volume variance :

1. FCFC : NTD 0.22 billion minus.

Compared with last year, due to the influence of epidemic situation and oil price, the requirements go down.

Customers' delivery volumes of PX, PTA, ABS, and Nylon Yarn decrease, and amount of sales volume decreases NTD 1.29 billion. Besides, plant of Phenol and SM respectively overhauled in March and April last year. Amount of phenol and SM increases NTD 0.86 billion.

2. FCNB : NTD 0.81 billion plus.

After the epidemic situation slows down in China, the market gradually becomes normal and expansion of domestic demand. To ensure the market share, actively selling Phenol, PS, and ABS causes consolidated operating revenue to increase NTD 0.36 billion. Besides PTA reduced the sales of accumulated inventory and overhauled last year. Amount of sales volume increases 18,000 tons and the influence counts NTD 0.48 billion plus this year.

3. FIC in Vietnam : NTD 0.72 billion minus. FTC : NTD 0.61 billion minus. FBPC : NTD 0.22 billion minus.

Due to the epidemic prevention in each country, the activities of economic decreases, the downstream requirement becomes weak, and customers postpone or cancel order.

(三) Impact of sales price variance :

Except for acetone, which is supported by downstream epidemic prevention demand, and other products are affected by epidemic situation, oil price falls heavily and with the new production capacity coming in China. All products' prices are lower than last year. Amount of factories in Taiwan decreases NTD 4.88 billion and in Ningbo decreases NTD 3.07 billion and in Vietnam decreases NTD 0.31 billion and other reinvestment companies decrease NTD 0.96 billion.

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