



Jul 7th, 2020

## Explanation of FCFC's Consolidated Operating Revenue In June 2020

一、Comparison of consolidated operating revenue in Jun, 2020 and in May, 2020 :

Unit : NTD thousand

June, 2020	May, 2020	Difference	Growth rate%
19,842,166	18,011,412	1,830,754	10.2

Explanation:

(一) Consolidated operating revenue in June, 2020 increases NTD 1.83 billion more than in May, 2020 and growth rate is 10.2%. Amount of sales volume influence increases NTD 0.43 billion and of selling price influence increases NTD 1.4 billion.

(二) Impact of sales volume variance :

1. FCFC : NTD 0.2 billion plus.

The ARO-3's overhaul ended in June so PX's export and raffinate to FPCC increase NTD 0.18 billion. PS's, ABS's, and Nylon silk's downstream needs increase NTD 0.18 billion. Because the SM and the PP will overhaul in May to July, it decreases NTD 0.17 billion.

2. FIC in Vietnam, FBPC, and FIPC individually increase NTD 0.17 billion, 0.13 billion, and 0.08 billion because needs of downstream increase and customers fill stocks after releasing.

3. FCNB : NTD 0.19 billion minus.

Because phenol and acetone in June sell 6,000 tons less than those in May, it decreases NTD 0.17 billion.

(三) Impact of selling price variance :

Releasing brings petroleum's need up and OPEC's reduction agreement extending brings petrochemical plastic up. Phenol and acetone increase NTD 0.53 billion the most. Plastic increases NTD 0.34 billion in second.

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

Unit : NTD thousand

June, 2020	June, 2019	Difference	Growth rate%
19,842,166	25,019,980	-5,177,814	-20.7

Explanation:

(一) Because of the epidemic situation, consolidated operating revenue decreases NTD 5.18 billion and growth rate is -20.7%. Amount of sales volume influence decreases NTD 0.4 billion and of selling price influence decreases NTD 4.78 billion.

(二) Impact of sales volume variance :

1. FCFC : NTD 0.05 billion plus.

PX did not export last June but exports 25,000 tons this June for stock adjusting and increases NTD 0.36 billion. Because sales increase, phenol and acetone increase NTD 0.19 billion and PIA increase NTD 0.15 billion. On other sides, because nylon silks' need has not returned and the PP overhauls, they individually decrease NTD 0.41 billion and NTD 0.18 billion.

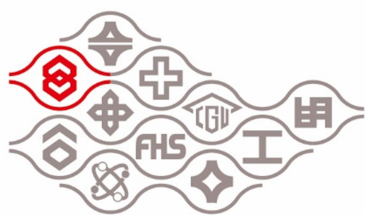
2. Because of epidemic situation, FTC decreases NTD 0.62 billion and FIC in Vietnam decreases NTD 0.53 billion. FIPC decreases NTD 0.13 billion for equipment maintenance.

3. FCNB : NTD 0.77 billion plus.

Because the epidemic slows, production and sales of PS, ABS, phenol, and PTA increase.

(三) Impact of selling price variance :

Except for acetone, other products' prices are lower than last year because of the epidemic, new production capacity, and oil price falls heavily. Amount in Taiwan decreases NTD 2.38 billion and in Ningbo decreases NTD 1.37 billion, and others decrease NTD 0.65 billion.



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**Announcement of FCFC's consolidated profit and loss in 2nd quarter, 2020.**

一、Comparison of consolidated profit and loss in 2nd quarter, 2020 and 1st quarter, 2020 :

Unit : NTD thousand

Item/Quarter	2nd quarter, 2020	1st quarter, 2020	Difference	Growth rate%
Consolidated operating revenue	55,987,846	64,444,053	-8,456,207	-13.1
Consolidated profit	2,568,156	-1,922,884	4,491,040	-
Profit before income tax	1,968,602	-4,098,555	6,067,157	-
Profit after income tax				
Net income(with non-controlling interest)	1,743,833	-4,342,772	6,086,605	-
Net income(Owner of the parent)	1,124,916	-4,609,722	5,734,638	-
Profit attributable to common shareholders of the parent	NTD 0.19	NTD -0.79	NTD 0.98	-

Explanation:

(-) Operating revenue in 2nd quarter, 2020 decreases 13.1% less than in 1st quarter, 2020. Amount of sales volume influence increases NTD 0.91 billion and of selling price influence decreases NTD 9.37 billion.

1. Impact of sales volume variance :

(1)FCFC : NTD 0.76 billion minus.

Because the ARO-3 and the SM in MaiLiao overhaul in 2nd

quarter, it decreases NTD 1.98 billion. For the epidemic, nylon silk decreases NTD 0.27 billion. ABS, PS, PP, PTA, and PIA's need raises to increase NTD 1.36 billion. Acetone's price is high so strengthening sales increases NTD 0.12 billion.

(2) Because of the epidemic, amount of FTC, FIC in Vietnam, and FBPC individually decreases NTD 1.37 billion, NTD 1.24 billion, and NTD 0.49 billion.

(3) FCNB : NTD 4.78 billion plus.

Because the epidemic slows in 2nd quarter and economic recovery promotes actively, amount of ABS, PS, PTA, and phenol increases NTD 4.53 billion.

## 2. Impact of selling price variance :

Because of the epidemic, price falls heavily from March to April. Except acetone's price increases for needs of the epidemic, others' prices are lower than those in 1st quarter.

(=) Consolidated income before income tax in 2nd quarter of 2020 is NTD 1.97 billion and is NTD 6.07 billion more than in 1st quarter. :

### 1. Profit increases NTD 4.49 billion :

Main point is after releasing, countries reboot the economy. Additionally, OPEC's reduction agreement extends and oil's and petrochemical products' prices rebound. High-priced inventory is almost gone. Economic kinetic energy recovery is obvious.

### 2. Consolidated non-operating profit increases NTD 1.58 billion :

Dividend income increases NTD 1.08 billion in 2nd quarter. Additionally, FPCC's loss is less than in 1st quarter and MLPC's profit is plus so equity method income increases NTD 0.33 billion.

(≡) Net loss after income tax attributable to owners of the parent in 2nd quarter of 2020 is NTD 1.1249 billion. Profit attributable to common shareholders of the parent is NTD 0.19 and is NTD 0.98 more than profit in 1st quarter of 2020.

二、Comparison of consolidated profit and loss of the first half in 2020 and of the first half in 2019 :

Unit : thousand NTD

Item/Year	First half in 2020	First half in 2019	Difference	Growth rate%
Consolidated operating revenue	120,431,899	168,856,093	-48,424,194	-28.7
Consolidated profit	645,272	13,125,248	-12,479,976	-95.1
Profit before income tax	-2,129,953	19,472,548	-21,602,501	-110.9
Profit after income tax				
Net income(with non-controlling interest)	-2,598,939	16,301,858	-18,900,797	-115.9
Net income(Owner of the parent)	-3,484,806	14,313,803	-17,798,609	-124.3
Profit attributable to common shareholders of the parent	NTD -0.60	NTD 2.45	NTD -3.05	-124.5

Explanation:

(一) Operating revenue of the first half in 2020 decreases 28.7% less than in 2019. Amount of sales decreases NTD 13.98 billion and that of selling price decreases NTD 34.44 billion.

1. Impact of sales volume variance :

(1) FCFC : NTD 6.74 billion minus.

Except amount of phenol and acetone increases NTD 2.31 billion for overhauling last year and sells well for needs about the epidemic. Amount of others decrease NTD 9.05 billion for the epidemic.

(2) Because of the epidemic, amount of FIC in Vietnam decreases NTD 2.79 billion, and of FTC decreases NTD 2.72 billion, and of FIPC decreases NTD 1.15 billion, and of FCNB decreases NTD 0.51 billion, and of FBPC decreases NTD 0.37 billion.

2. Impact of selling price variance :

Except acetone's price increases for needs of the epidemic, others' prices are much lower than last year.

(二) Consolidated loss before income tax of the first half in 2020 is NTD 2.13 billion and is NTD 21.6 billion less than profit of the first half in 2019. Growth rate is -110.9%. Main reasons are as follow :

1. Profit decreases NTD 12.48 billion :

Because of the epidemic and price of crude oil goes down heavily, and high cost for inventories in March and April.

2. Non-operating net income decreases NTD 9.12 billion :

(1) Acquisition of investments accounted for under the equity method decreases NTD 7.71 billion. It decreases NTD 8.22 billion for FPCC and increases NTD 0.54 billion for MLPC.

(2) Dividend income decreases NTD 0.82 billion. Mainly FTC recognizes FPCC's dividend income about NTD 0.7 billion minus.

(3) Loss from exchanging increases NTD 0.73 billion.

(三) Net loss after income tax attributable to owners of the parent of the first half in 2020 is NTD 3.4848 billion. Loss attributable to common shareholders of the parent is NTD 0.6 and is NTD 3.05 less than that of the first half in 2019. Growth rate is -124.5%.

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