



Oct 8th, 2020

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

- 一、 Comparison of consolidated operating revenue in September, 2020 and in August, 2020 :

Unit : thousand NTD

Sep, 2020	Aug, 2020	Difference	Growth rate%
20, 716, 904	18, 984, 099	1, 732, 805	9. 1

Explanation:

- (一) Consolidated operating revenue in Sep, 2020 increases NTD 1.73 billion more than in Aug, 2020 and growth rate is 9.1%. Amount of sales volume influence increases NTD 1.11 billion and of selling price influence increases NTD 0.63 billion.
- (二) Impact of sales volume variance :
1. FCFC : NTD 0.28 billion plus.  
The PP#3 plant overhauled in August so it increases NTD 0.3 billion. PTA and acetone increase NTD 0.18 billion. Because the PIA overhauls and SM's inventory is adjusted in September, they decrease NTD 0.12 billion. Phenol's inventory prepared for Ningbo in October decreases NTD 0.09 billion.
  2. FCNB : NTD 0.61 billion plus.  
Main reason is that the PTA plant overhauled in August and requirements of phenol increase.
  3. FIC in Vietnam : NTD 0.17 billion plus.  
Main reason is that downstream demand for polyester and cotton yarn products increases.
- (三) Impact of selling price variance :
- The price of plastic products and acetone goes up because of the tight market supply. The price of other petrochemical products is lower because same industries resume and put production capacity back to the market.

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

Unit : thousand NTD

Sep, 2020	Sep, 2019	Difference	Growth rate%
20, 716, 904	23, 607, 305	-2, 890, 401	-12. 2

Explanation:

(一) Consolidated operating revenue decreases NTD 2.89 billion and growth rate is -12.2%. Amount of sales volume influence increases NTD 1.15 billion and of selling price influence decreases NTD 4.04 billion.

(二) Impact of sales volume variance :

1. FCFC : NTD 1.32 billion plus.

The ARO-2 plant overhauled last year and PX's export and raffinate to FPCC increase NTD 1.32 billion. PS, ABS, PP, phenol, and acetone increase NTD 0.48 billion. Besides, SM and PIA individually decreases NTD 0.33 billion and NTD 0.11 billion.

2. FBPC : NTD 0.24 billion plus.

Owing to overhauling last September.

3. FTC : NTD 0.38 billion minus.

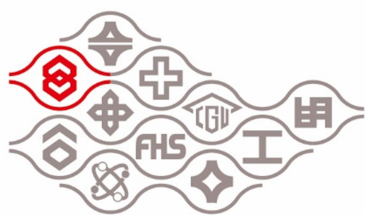
Downstream customers are influenced by the epidemic.

4. FCNB : NTD 0.1 billion minus.

What the PTA plant overhauls and the Phenol plant will overhaul in Oct decreases NTD 0.29 billion. Besides, downstream customers' demand of PS and ABS increases NTD 0.19 billion.

(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 2.23 billion and in Ningbo decreases NTD 1.07 billion and in Vietnam decreases NTD 0.3 billion, and others decrease NTD 0.44 billion.



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**Announcement of FCFC's consolidated profit and loss in 3rd quarter, 2020.**

一、 Comparison of consolidated profit and loss in 3rd quarter, 2020 and 2nd quarter, 2020 :

Unit : thousand NTD

Item/Quarter	3rd quarter, 2020	2nd quarter, 2020	Difference	Growth rate%
Consolidated operating revenue	60,152,510	55,987,846	4,164,664	7.4
Consolidated profit	5,098,434	2,545,604	2,552,830	100.3
Profit before income tax	14,149,999	1,986,781	12,163,218	612.2
Profit after income tax				
Net income(with non-controlling interest)	13,600,972	1,811,974	11,788,998	650.6
Net income(Owner of the parent)	13,244,901	1,142,621	12,102,280	1,059.2
Profit attributable to common shareholders of the parent	NTD 2.28	NTD 0.20	NTD 2.08	1,040.0

Explanation:

(一) Operating revenue in 3rd quarter, 2020 increases 7.4% more than in 2nd quarter, 2020. Amount of sales volume influence increases NTD 0.16 billion and of selling price influence increases NTD 4.00 billion.

1. Impact of sales volume variance :

(1) FCFC : NTD 1.48 billion plus.

ABS, PS, and PTA's demand raises to increase NTD 1.02 billion.

Because the ARO-3 and the SM in MaiLiao finished overhauls and raffinate to FPCC increases, it increases NTD 0.99 billion. Besides, because the PIA and PP#3 plant overhaul in 3rd quarter, it decreases NTD 0.31 billion. Phenol decreases NTD 0.28 billion because its inventory decreases.

(2) FIC in Vietnam : NTD 0.9 billion plus.

Because the epidemic slowdown and demand comes back.

(3) FBPC : NTD 0.29 billion plus.

Because export market opens gradually.

(4) FCNB : NTD 1.99 billion minus.

Because the PTA plant and the Phenol plant overhauls in Sep and in Oct, they decrease NTD 0.88 billion and NTD 1.16 billion.

(5) FIPC : NTD 0.41 billion minus.

Because the PC plant overhauled in 3rd quarter.

2. Impact of selling price variance :

Except phenol's price decreases for same industry capacity, other petrochemical products' prices are higher than those in 2nd quarter.

(二) Consolidated profit before tax in 3rd quarter of 2020 is NTD 14.15 billion and is NTD 12.16 billion more than in 2nd quarter. :

1. Profit increases NTD 2.55 billion :

Countries reboot the economy. Economic kinetic energy recovery is obvious in Mainland China. Additionally, OPEC's reduction extends and oil's and petrochemical products' prices rebound.

2. Consolidated non-operating profit increases NTD 9.61 billion :

(1) Investment profit under the equity method increases NTD 6.03 billion. FPCC and MLPC increase NTD 5.45 billion and NTD 0.22 billion.

(2) Dividend income increases NTD 2.49 billion. FPC and NYPC increase NTD 2.14 billion and NTD 0.91 billion.

(3) Asset sale benefit increases NTD 0.78 billion. TSC sells lands and plants in Xinhua area for NTD 0.82 billion.

(三) Net profit after tax attributable to owners of the parent in 3rd quarter of 2020 is NTD 13.2449 billion. Profit attributable to common shareholders of the parent is NTD 2.28 and is NTD 2.08 more than profit in 2nd quarter of 2020. It grows 10.4 times up.

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

Unit : thousand NTD

Item/Year	First 3 quarters in 2020	First 3 quarters in 2019	Difference	Growth rate%
Consolidated operating revenue	180,584,409	244,273,508	-63,689,099	-26.1
Consolidated profit	5,721,154	15,273,659	-9,552,505	-62.5
Profit before income tax	12,038,225	32,899,277	-20,861,052	-63.4
Profit after income tax				
Net income(with non-controlling interest)	11,070,174	29,385,144	-18,314,970	-62.3
Net income(Owner of the parent)	9,777,800	26,994,816	-17,217,016	-63.8
Profit attributable to common shareholders of the parent	NTD 1.67	NTD 4.63	NTD -2.96	-63.9

Explanation:

(一) Operating revenue of the first three quarters in 2020 decreases NTD 63.69 billion less than in 2019 and the growth rate is -26.1%. Amount of sales decreases NTD 14.95 billion and that of selling price decreases NTD 48.74 billion.

1. Impact of sales volume variance :

(1) FCFC : NTD 4.91 billion minus.

Except amount of phenol and acetone increases NTD 2.37 billion for overhauling last year and sells well for needs about the epidemic. Amount of others decrease NTD 7.28 billion for the epidemic.

(2) Because of the epidemic was too heavy in the first quarter, amount of FTC decreases NTD 4.13 billion, and of FIC in Vietnam decreases NTD 3.31 billion, and of FCNB decreases NTD 1.69 billion, and of FIPC decreases NTD 1.53 billion.

2. Impact of selling price variance :

Except acetone's price increases for needs of the epidemic, other prices of petrochemical, plastic, and textile fiber products are much lower than last year.

(二) Consolidated profit before income tax of the first three quarters in 2020 is NTD 12.04 billion and is NTD 20.86 billion less than profit of the first three quarters in 2019. Growth rate is -63.4%. Main reasons are as follow :

1. Profit decreases NTD 9.55 billion :

The epidemic influences and price of crude oil goes down heavily. Although most countries release and reboot economy and market recovers obviously in mainland China, the entire market has not recovered to pre-epidemic situation. Additionally, new production capacity opening results in petrochemical products' price low. So, profit of the first three quarters is lower this year than last year.

2. Non-operating net income decreases NTD 11.31 billion :

(1) Investment profit under the equity method decreases NTD 6.71 billion. FPCC decreases NTD 7.83 billion and MLPC increases NTD 1.00 billion.

(2) Dividend income decreases NTD 4.78 billion. NTC decreases NTD 1.88 billion and NYPC decreases NTD 1.16 billion and FPC decreases 0.68 billion and API decreases NTD 0.25 billion.

(3) Loss from exchanging increases NTD 0.92 billion.

(4) TSC sells lands and plants in Xinhua area for NTD 0.82 billion.

(三) Net profit after income tax attributable to owners of the parent of the first three quarters in 2020 is NTD 9.7778 billion. Profit attributable to common shareholders of the parent is NTD 1.67 and is NTD 2.96 less than that of the first three quarters in 2019. Growth rate is -63.9%.

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