

January 8th, 2021

Explanation of FCFC's Consolidated Operating Revenue in December 2020

I. Comparison of consolidated operating revenue in December 2020 and in November

NTD in Thousands

Dec., 2020	Nov., 2020	Amount Difference	Growth Rate
26, 248, 571	23, 935, 729	2, 312, 842	9. 7%

1. Consolidated operating revenue in December increased by 2. 31 billion compared with it in November, with a growth rate of 9. 7%. Among the increase, the sales amount accounted for 0. 58 billion and the price raise supported the rest 1. 73 billion.

2. Aspect of sales volume

a. FCFC : 0. 51 billion plus

Driven by the booming market and the demanding downstream, FCFC's products including SM, phenol, acetone, PTA, PIA, PS and PP all remained in the state of fully production and fully sales.

b. FTC : 0.28 billion plus

Additional sales resulted from the shipment of A/W orders on filament fabric and the market and the recovery from pandemic.

c. FCNB : 0. 29 billion less

The inventory reconciliation of PTA and ABS led to a sales drop of 0. 37 billion. On the other hand, the completion of Plant phenol's overhaul and the debottlenecking project jointly generated 0. 16 billion sales up in December.

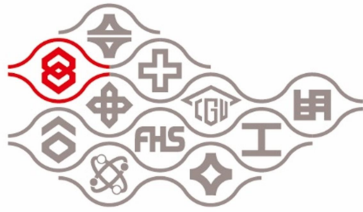
3. Aspect of Selling Price :

PS and ABS's progress in product differentiation contributed 0. 53 billion to the company. Other petrochemical products also brought a positive outcome thanks to the market demand and the price up of the crude oil and other raw materials.

II. Comparison of consolidated operating revenue of December in 2020 and in 2019

Dec., 2020	Dec., 2019	Amount Difference	Growth Rate
26, 248, 571	24, 106, 248	2, 142, 323	8. 9%

1. Consolidated operating revenue in December increased by 2. 14 billion compared with last December, with a growth rate of 8. 9%. Among the increase, the sales amount accounted for 1. 73 billion increase while selling price supported the rest 0. 41 billion.
2. Aspect of sales volume
 - a. FCFC : 1. 66 billion plus
The sales reconciliation of PX and the raffinate's reversed sell to FPCC led to an increase of 1. 30 billion. Also the demand for OX, PS, PP from downstream added another 0. 27 billion to the sales. PIA's inventory reconciliation had also contributed 0. 12 billion sales in all.
 - b. FIC in Vietnam : 0. 13 billion plus
The production restructuring increased the sales of plastic Nylon Chips for Engineering use. Besides, due to the silk plants' demand for polyester staple fiber, its sales increased compared with last December.
 - c. FCNB : 0. 13 billion plus
The inventory reconciliation of PTA and the overhaul of electricity generator set led to the sales decrease in FCNB. However, phenol performed better than last December.
3. In favor of the economic recovery of mainland China and the returns of Euro-American orders, FCFC sales enjoyed a positive feedback in December. Price of SM, acetone, ABS, PS and PC soared due to the abnormal condition of other petrochemical competitors. However, quotations of PTA, OX and phenol were all below last December.



**Declare of FCFC's Consolidated Profit and Loss
in the 4th Quarter of 2020**

I. Comparison of consolidated profit and loss and in the 4th quarter and the 3rd quarter.

NTD in Thousands

Item/Quarter	4 th Quarter, 2020	3 rd Quarter, 2020	Difference	Growth Rate
Consolidated Operating Revenue	72, 710, 259	60, 152, 510	12, 557, 749	20. 9%
Consolidated Profit	9, 666, 714	5, 114, 273	4, 552, 441	89. 0%
Profit Before Income Tax	12, 725, 176	14, 135, 772	-1, 410, 596	-9. 98%
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	10, 532, 938	13, 527, 060	-2, 994, 122	-22. 1%
Net Income (Owner of the Parent)	9, 761, 337	13, 246, 826	-3, 485, 489	-26. 3%
Profit Attributable to Common Shareholders of the Parent	NTD 1. 67	NTD 2. 26	NTD -0. 59	-26. 1%

1. Operating revenue increased 20. 9% in the 4th quarter than in the 3rd. Among the raise, sales amount accounted for 6 billion and the price raise supported the rest 6. 56 billion.

a. Aspect of sales volume

i. FCFC : 2. 85 billion plus

Customers' strong demand for PTA, PIA, PP and SM pulled up the sales by 1. 99 billion. Reconciliation of PX and the reversed sell of raffinate backward to FPCC together generated 0. 66 billion for the company. In addition to that, phenol ,because of the high price, increased 0. 19 billion by sales promoting and inventory reconciliation.

ii. FIPC : 0. 91 billion plus

Plant PC was scheduled for annual overhaul in the 3rd quarter and thus fully performed in this quarter.

- iii. FIC in Vietnam : 0. 79 billion plus
Downstream customers of textile and fiber products increased their production and thus sourced more from FIC in Vietnam, bringing 0. 65 billion sales to the company. The production restructuring increased the sales of plastic Nylon Chips for Engineering use which had 0. 15 billion contribution.
 - iv. FTC : 0. 63 billion plus
Benefited from the economy recovery, purchasing orders from the customers increased.
 - v. FCNB : 0. 57 billion plus
PTA sales improved 1. 03 billion since customers tended to purchase more because of the tense availability of the cabin space. However, having undergone the overhaul and the debottlenecking project in Q4, plant phenol has brought a negative growth, amounted 0. 25 billion. Also, the sales of PS decreased 0. 1 billion compared with the overselling situation in Q3.
 - vi. FBPC : 0. 17 billion plus
Sales improved as a result of the downstream clients increased their production and the export market recovery .
- b. Aspect of Selling Price :
- In favor of the strong demand for the petrochemical and plastic products, material price raise and the irregular performance of competitors, average quotations in Q4 are higher than it in Q3.
2. Consolidated profit before income tax in the 4th quarter of 2020 was 12. 73 billion, decreasing by 1. 41 billion compared with the 3rd quarter.
- a. Operating margin increased 4. 55 billion
Countries across the globe had managed to prevent COVID-19 and had much devoted into the vaccine over the past quarter. Though suffering a lot from the pandemic, the fact is that the threat it brings truly mitigates little by little. The global economy is now for recovery. Driven by mainland China and the international trade, petrochemical and plastic products' requests and price were both recovered, resulting in the increase of operating margin.
 - b. Consolidated non-operating profit decreased by 5. 96 billion
 - i. Dividend income decreased 4. 04 billion compared with the 3rd quarter when the cash dividend of FPC, NYPC and NTC are recognized.
 - ii. Investment profit of Equity Method decreased by 1. 63 billion. FPCC accounted for 0. 8 billion and MLPC for the rest 0. 77.
3. Net profit after income tax attributed to owners of the parent in the 4th quarter was 9. 76 billion. Profit Attributable to Common Shareholders of the Parent is NTD 1. 67, NTD 0. 59 less than the 3rd quarter. However if excluded the dividend income from mentioned companies, it turned out to be NTD 0. 08 more than last quarter instead.

II. Comparison of consolidated profit and loss in 2020 and in 2019

Item/Year	2020	2019	Difference	Growth Rate
Consolidated Operating Revenue	253,294,668	315,499,063	-62,204,395	-19.7%
Consolidated Profit	15,403,707	16,489,956	-1,086,249	-6.6%
Profit Before Income Tax	24,749,174	37,107,470	-12,358,296	-33.3%
Profit After Income Tax				
Net Income (with Non-Controlling Interest)	21,529,200	33,245,827	-11,716,627	-35.2%
Net Income (Owner of the Parent)	19,541,062	29,702,242	-10,161,180	-34.2%
Profit Attributable to Common Shareholders of the Parent	NTD 3.34	NTD 5.09	NTD -1.75	-34.4%

1. Operating revenue in 2020 decreased 62.2 billion than 2019, with a growth rate of -19.7%. Among the decrease, the sales amount accounted for 7.28 billion (12%) and the price raise accounted for the rest 54.93 billion (88%).

a. Aspect of sales volume

i. FCFC : 2.35 billion plus

Influenced by the pandemic, sales of PTA and ABS dropped by 3.19 billion in the first quarter. Nylon yarn and viscose staple fiber narrowed its production scale and cut down the sale of little profit products, amounted negative 2.17 billion less. FCNB cut down its SM export for self-use, affecting -1.29 billion. Other products, including aromatic hydrocarbons, phenol, acetone, PIA, PS and PP had more sales in 2020 than in 2019.

ii. FBPC

Because of the overhaul in 2019, sales of FBPC 2020 still increased 0.48 billion than 2019 despite the COVID pandemic.

iii. FIPC

1.35 billion decrease simply resulted from COVID-19

iv. Affected by COVID, the economy had gradually come back to normal but hadn't completely recovered. Overseas plants generated less outcome than 2019, FTC -4.49 billion; FIC in Vietnam -2.95 billion; FCNB -1.59 billion respectively.

b. Aspect of Selling Price

Quotation of acetone pushed up under the need of COVID prevention. Other than that, price of petrochemical, plastic, textile and fiber products all went down affected by COVID and the oil price

2. Consolidated profit before income tax in 2020 was 24.75 billion, decreasing by 12.36 billion compared with 2019.
 - a. Operating margin decreased 1.09 billion
Though affected by the pandemic and the oil price drop this year, countries lifted their bans one after another since the 2nd quarter and restarted their economy, especially in mainland China. As the new opportunities emerges in the post pandemic era, expanding sales is highly expected. Yet, the impact COVID brought still crippled the operating margin, 6.6% less than 2019.
 - b. Non-operating net income decreased by 11.27 billion
 - i. Investment profit of equity method decreased by 5.41 billion, arising mainly from FPCC's loss of 6.93 billion and MLPC's profit of 1.12 billion.
 - ii. Dividend income decreased 4.74 billion which NTC accounted for 1.88 billion, NYPC 1.16 billion, FPC 0.68 billion, API 0.25 billion.
 - iii. Gain on disposal of investments in 2020 decreased 2.02 billion, resulting from FTC's disposal on the shares of FATC in 2019.
 - iv. 0.78 billion gain on factoring assets in consequence of TSC's 0.82 billion transaction of its land and plants in Xinhua, Tainan.
3. Net profit after income tax attributable to owners of the parent in 2020 is 19.54 billion. Profit attributed to common shareholders of the parent is NTD 3.34, NTD 1.75 less than 2019, decreasing by 34.4%

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