FORMOSA CHEMICALS & FIBRE CORPORATION

The first quarter of 2024 and the year of 2023

Result Conference

FCFC

April 29,2024

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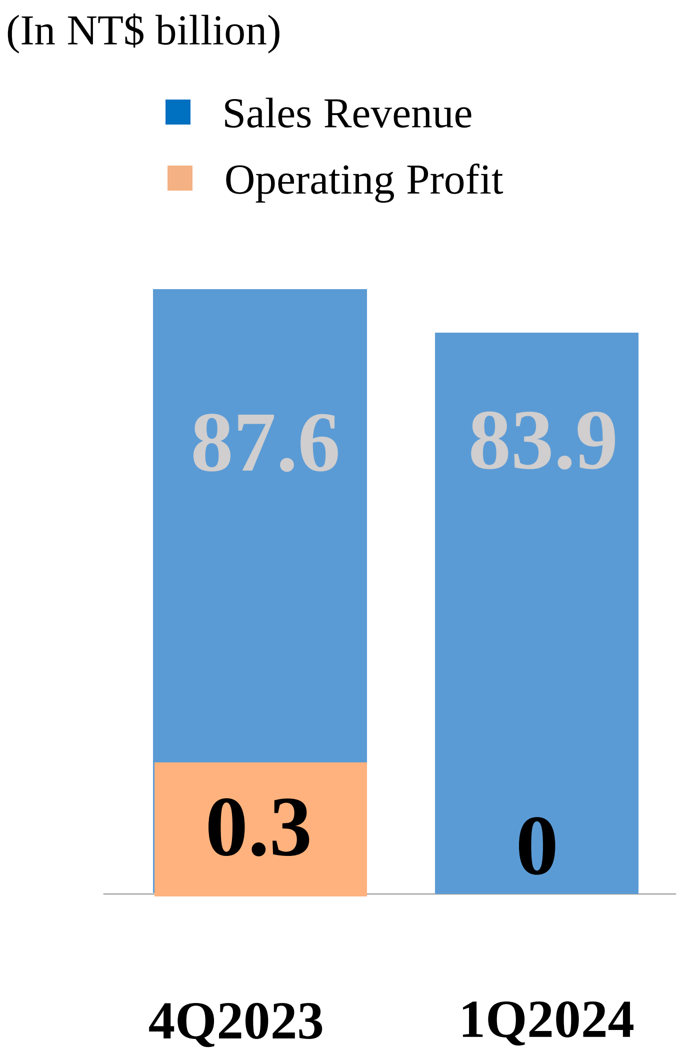
Consolidated Financial Performance

(Amount: NT$ billion)	2023	2022	YoY	1Q2024*	4Q2023	QoQ
Sales Revenue	**332.6**	**379.9**	**(12.5%)**	**83.9**	**87.6**	**(4.2%)**
COGS	(321.2)	(367.2)		80.3	(83.8)	
Gross Profits	**11.4**	**12.7**	**(10.2%)**	**3.6**	**3.8**	**(5.3%)**
Gross Margin	**3.4%**	**3.3%**		**4.3%**	**4.3%**	
Operating Expense	(14.5)	(18.0)		(3.6)	(3.5)	
Operating Profit	**(3.1)**	**(5.3)**	**(41.5%)**	**0**	**0.3**	**(100%)**
Operating Margin	**(0.9%)**	**(1.4%)**		**0.0%**	**0.3%**	
Non-Operating Profit (Loss)	10.5	14.9	(29.5%)	1.7	(0.7)	-
Profit Before Tax	**7.4**	**9.6**	**(22.9%)**	**1.7**	**(0.4)**	**-**
Net Profit	**7.7**	**9.2**	**(16.3%)**	**1.6**	**0**	**-**
Net Profit Margin	**2.3%**	**2.4%**		**1.9%**	**0.0%**	
EPS(NTD)	**1.46**	**1.26**		**0.26**	**0.02**	

*The figures of 1Q2024 are not yet been reviewed by the CPA.

Change in Consolidated Revenue –QoQ



Consolidated revenue decreased 3.7 billion in 1Q2024, with a decline rate of 4.2% compared to 4Q2023.

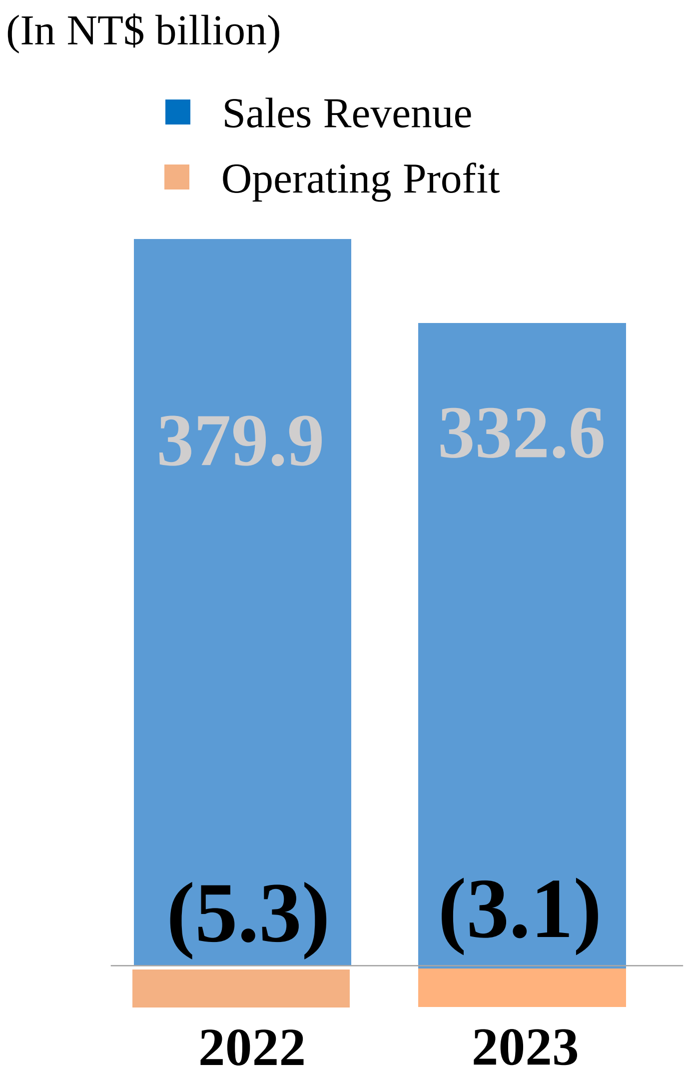
- **Price variance -3.5 billion：**

The decrease in sales volume is mainly due to the trial operation of the expansion of Ningbo PTA-6, which resulted in a reduction in PX external sales to prepare inventory. Additionally, the reduced operational days during the CNY affected the production and sales of some products.

- **Volume variance -0.2 billion：**

Oil price rebounded this quarter, leading to an increase in raw material costs. However, the prices of major products showed mixed results. Among them, SM, acetone, PS and ABS saw slight price increases due to improved demand and production cuts from industry peers.

Change in Consolidated Revenue –YoY



Consolidated revenue in 2023 decreased by 47.3 billion compared with 2022, with an annual decline rate of 12.5%.

■ Price variance -37.9 billion

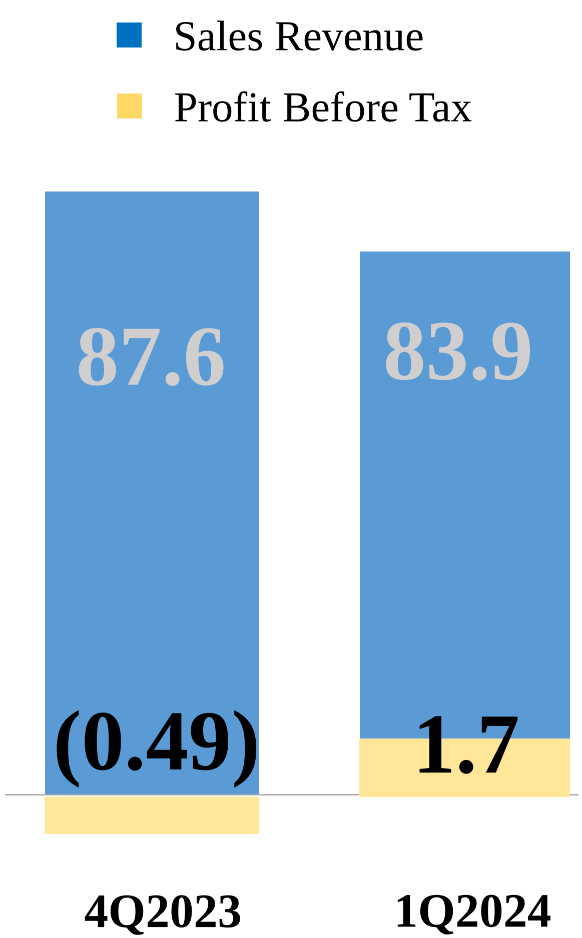
In 2023, decline in crude oil prices led to loss of cost support for products. Coupled with weak demand in end markets and the new production capacity by competitors, market oversupply and lower product prices came as consequences. Only acetone saw price increase due to reduced production by competitors, leading to a tighter supply.

■ Volume variance -9.4 billion

Main products experienced a decrease in overall sales volume due to sluggish demand, increased capacity, and market oversupply, leading to intense competition among peers at lower prices. However, SM and ABS saw an increase in production and sales, due to the increase for internal sales and of the new product line in Ningbo ABS respectively.

Change in Profit Before Tax - QoQ

(In NT$ billion)



Profit Before Tax was 1.7 billion 1Q2024, which turned from loss to gain by 2.1 billion.

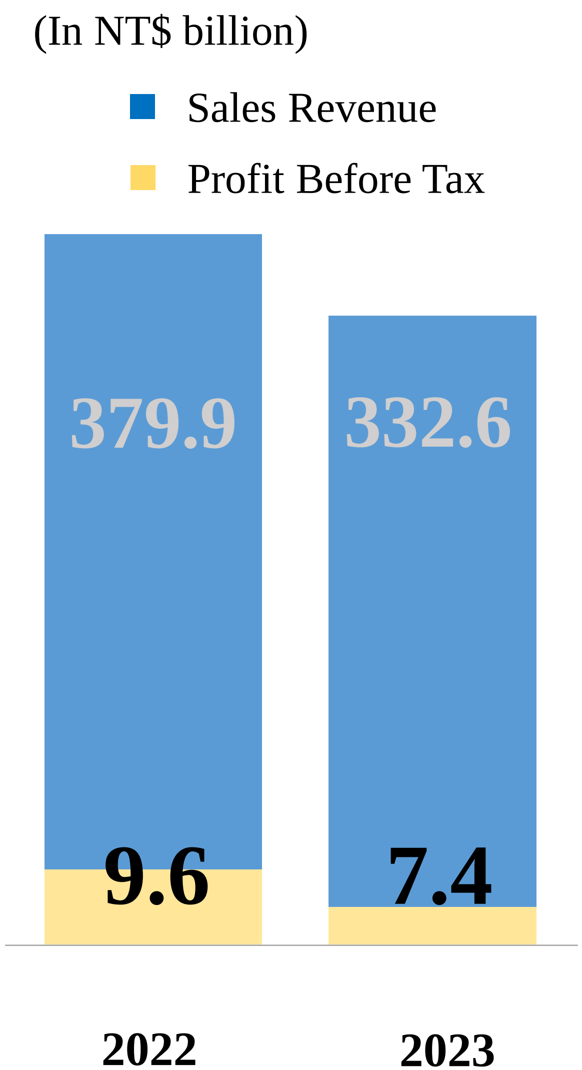
■ Operating income -0.4 billion

Despite increasing oil prices and raw material costs, it was difficult to raise product prices under sluggish demand and excess capacity. Additionally, the seasonal factor of the CNY contributed to a decrease in overall operating profit.

■ Non-Operating income +2.5 billion

1) Equity method investment income increased by 1.34 billion.
   (FPCC 0.7 billion, FHI 0.47, MLPC 0.17 billion)
2) Foreign currency exchange profit decreased by 1.07 billion.
   (0.25 billion/2024Q1, -0.82 billion/2023Q4)
3) Financial asset valuation gains increased by 0.15 billion.

Change in Profit Before Tax - YoY



Profit Before Tax was 7.4 billion in 2023 , decreasing 2.2 billion compared with 2022, representing 22.9% decline rate.

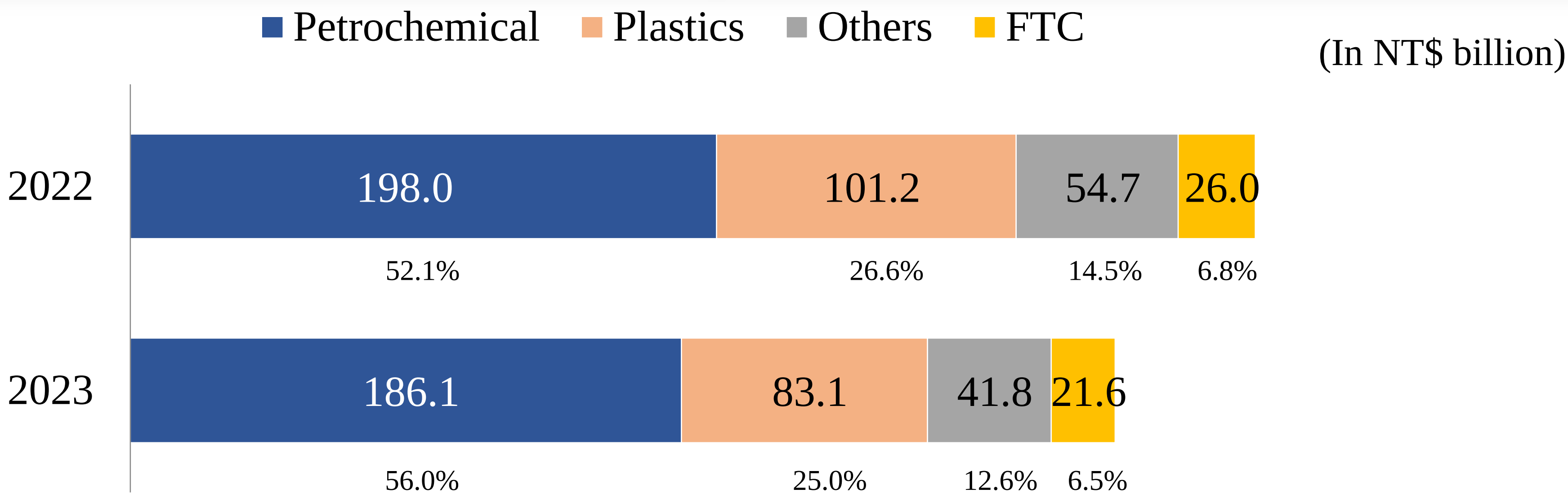
■ Operating income +2.2 billion

In response to the challenging business environment, we adjusted our production and sales strategies, reduced inventory, and conducted product specification inspection. We expanded the promotion of profitable specifications. As a result, we turned operating losses into profits in the second half of the year.

■ Non-Operating income -4.4 billion

1) Dividend income decreased by 5.51 billion.
2) Foreign currency exchange profit decreased by 2.39 billion.
3) Equity method investment incomes increased by 4.65 billion.

Revenue Breakdown by Segment



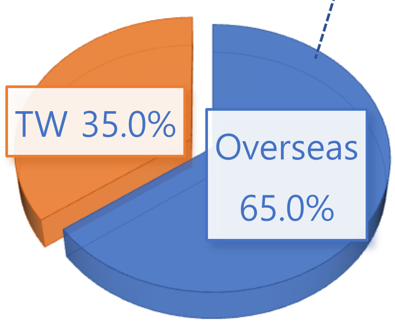
- **Petrochemical** The company's petrochemical product revenue in 2023 was 186.1 billion, a decrease of 11.9 billion compared to the same period in 2022, with a decline rate of 6%. Prices of petrochemical products dropped with lack of support from declining oil price. Petrochemical products accounted for 56.0% of total revenue, more than that in 2022, which was 52.1%.
- **Plastics:** In 2023, the revenue was 83.1 billion. With price drop in raw materials, sluggish demand and expanded production capacity, there was a simultaneously decline in both price and volume. Revenue decreased by 18.1 billion compared to 2022, which was 101.2 billion, representing a 18% decline. Plastic products accounted for 25.0% of total revenue, which also shrank compared to 26.6% in the same period of 2022.

Revenue Breakdown by Geography

2022

Sales Revenue:NT$365.8billion

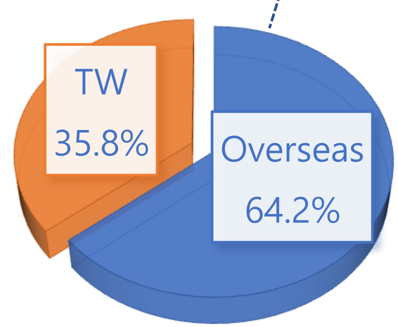
China(HK,Mac included):47.2%
Rest of Asia:12.3%
Americas:3.3%
Europe:0.9%
Others:1.3%
Overseas:65.0%



2023

Sales Revenue:NT$379.9billion

China(HK,Mac included):48.3%
Rest of Asia:10.5%
Americas:3.3%
Europe:1.4%
Others:0.7%
Overseas:64.2%



- **China(Hong Kong and Macau included) is the primary market, whose percentage of sales revenue increased from 47.2% in 2022 to 48.3% in 2023(domestic sales particularly from subsidiaries in China accounted for 31.6%).**

Capacity Expansion Plans

Taiwan(Chiayi)-Planned

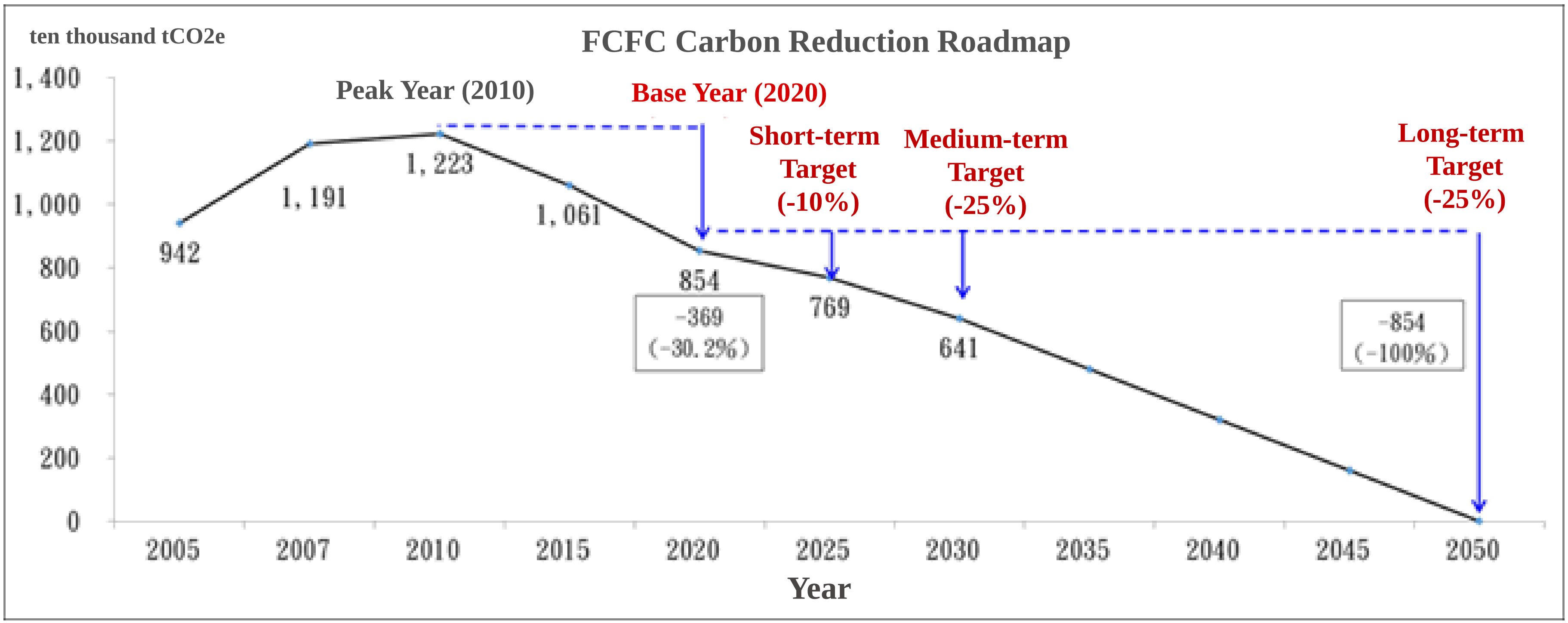
Product Line	Addition	Current (Group wide)	Capacity Ex panded
Compound II	36KT	36KT	100%
PS IV	100KT	640KT	15%

China(Ningbo)-Accomplished

Product Line	Addition	Current (Group wide)	Capacity Expanded
ABS	250KT	950KT	26%
PTA#6	1,500KT	2,520KT	60%

ESG Strategy and Carbon Reduction Roadmap

FCFC's GHG emissions reached highest point in 2010. By 2020, emissions decreased by 30.2% compared to 2010 levels. **Considering 2020 as the baseline**, we set short, medium and long term targets aiming 10% reduction in 2025, 25% reduction in 2030, and **carbon neutrality by 2050**.



Investment Plan - ESG Project

To achieve the **carbon reduction goal in 2030**, we outlined an investment plan to **allocate 17.5 billion** towards carbon reduction projects before then. **As of 2023**, the company **has already invested 7.3 billion** in these initiatives.

Projects	Descriptions	Expected investment amount (in thousands)
Energy Efficiency strategy	Optimized production process and enhanced energy efficiency.	**8,650,817**
Energy transition Strategy	Low-carbon Energy, coal reduction, and green power development.	**8,661,670**
Circular economy	Promotion in eco-friendly products, plastic and marine waste recycling.	**88,000**
Other measures	Promotion in low-carbon office environment, less use of paper, and development in green products.	**99,186**

FCFC Corporate Vision

We uphold our commitment and care for the environment while pursuing profitability.

2024 (The first rPC lab in Taiwan)
Mailiao Plant: Developed techniques to regenerate waste PC into rBPA materials.

2024(The first rSM lab in Taiwan)
Mailiao Plant: Developed techniques to regenerate waste nylon into rSM materials.

2022
Recycled and reused 100% of off-spec plastic instead of delivering them out

Continuous R&D on innovative waste plastic recycling into eco-friendly products

2021
Shingang Plant : Recycled waste fishing nets into regenerated nylon eco-filament(Phase1)

2023
Shingang Plant: Recycled waste fishing nets into regenerated nylon eco-filament(Phase2).

2018
Rende Plant: Recycled waste fishing nets into regenerated nylon eco-filament

2021
Shingang Plant: Recycled waste plastic into PCR (30-97% contained) plastic pellets.

2019
Shingang Plant: Recycled waste PET bottles into regenerated polyester eco-yarn.

1992
Changhua Filament Plant: Founded the first Nylon Recycling center(PIR) in Taiwan.

We Produce, We Recycle.

Q&A

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