FORMOSA CHEMICALS & FIBRE CORPORATION

2020 Result Conference

FCFC

APR 28,2021

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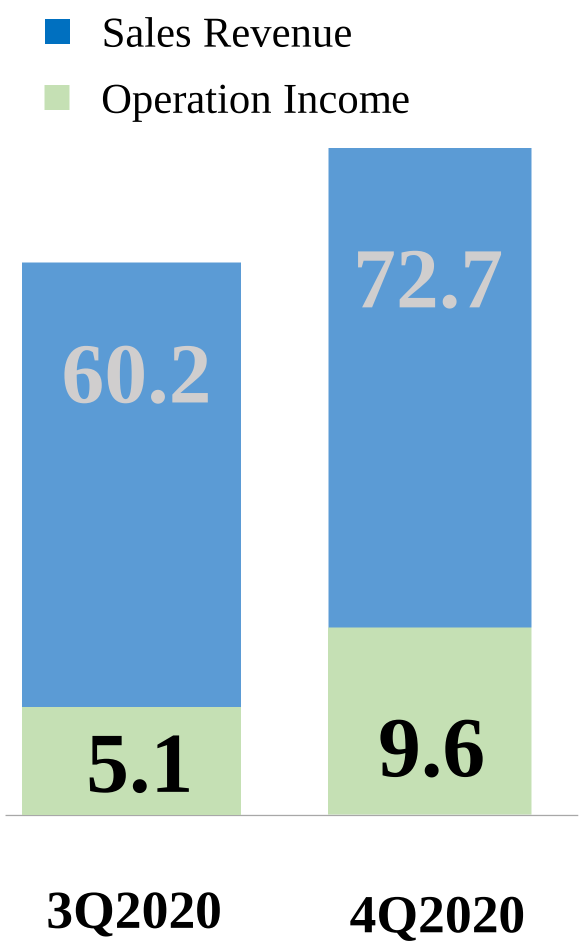
Consolidated Financial Performance

(Amount: NT$ billion)	2020	2019	YoY	4Q2020	3Q2020	QoQ
Sales Revenue	**253.3**	**315.4**	**(19.7%)**	**72.7**	**60.2**	**20.8%**
COGS	(223.8)	(283.4)		(59.4)	(51.6)	
Gross Profits	**29.5**	**32.0**	**(7.8%)**	**13.3**	**8.6**	**54.7%**
Gross Margin	**11.6%**	**10.1%**		**18.3%**	**14.3%**	
Operating Expense	(14.2)	(15.6)		(3.7)	(3.5)	
Operating Profit	**15.3**	**16.4**	**(6.7%)**	**9.6**	**5.1**	**88.2%**
Operating Margin	**6.0%**	**5.2%**		**13.2%**	**8.5%**	
Non-Operating Profit (Loss)	9.5	20.7	(54.1%)	3.1	9.0	(65.6%)
Profit Before Tax	**24.8**	**37.1**	**(33.2%)**	**12.7**	**14.1**	**(9.9%)**
Net Profit	**21.6**	**34.4**	**(37.2%)**	**10.5**	**13.5**	**(22.2%)**
Net Profit Margin	**8.5%**	**10.9%**		**14.4%**	**22.4%**	
EPS(NTD)	**3.34**	**4.89**		**1.67**	**2.26**	

Change in Consolidated Revenue –QoQ

(In NT$ billion)



Consolidated revenue increased 12.5bn in 4Q2020, up 20.8% compared to 3Q2020.

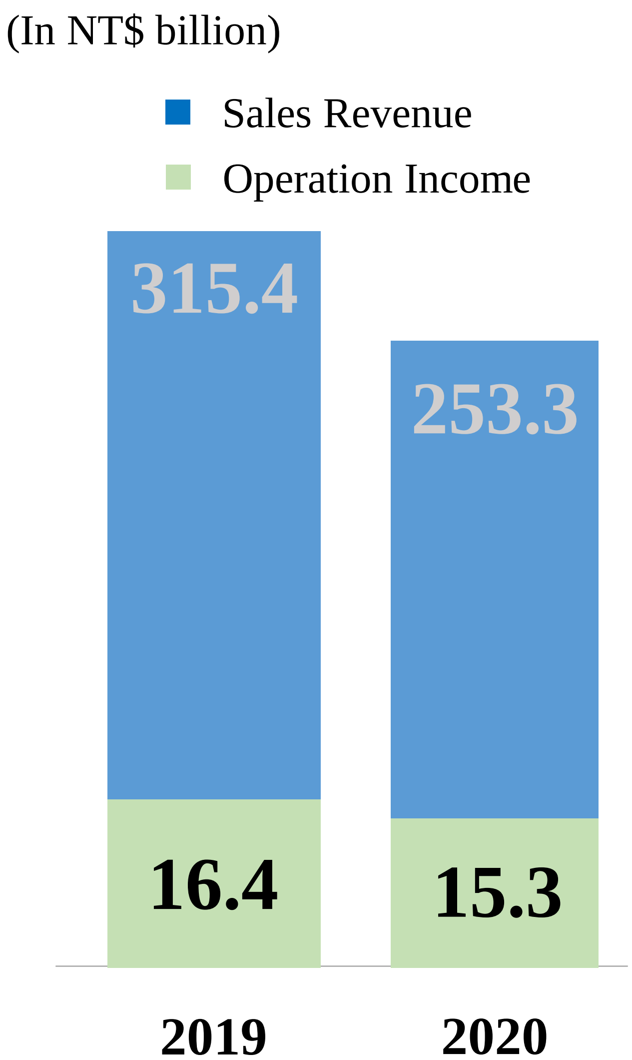
■ **Price variance+6.5bn:**

Due to the strong demands for the petrochemical and plastic products, as well as the raw material prices raise and the competitors' abnormal production, the average selling price of 4Q were higher than it in 3Q.

■ **Volume variance+6.0bn:**

Sales volume increased in 4Q 2020 due to the strong demand for petrochemical and plastic products in Taiwan and China such as PTA, PIA, PP, SM, Phenol a nd acetic acid. FTC and FIC also benefited from the increased operation rate of their downstream manufacturers. As well as PC plant resumed production from its Q3 turnover.

Change in Consolidated Revenue –YoY



Consolidated revenue decreased 62.1bn in 2020 compared to in 2019, representing 19.7% decline rate.

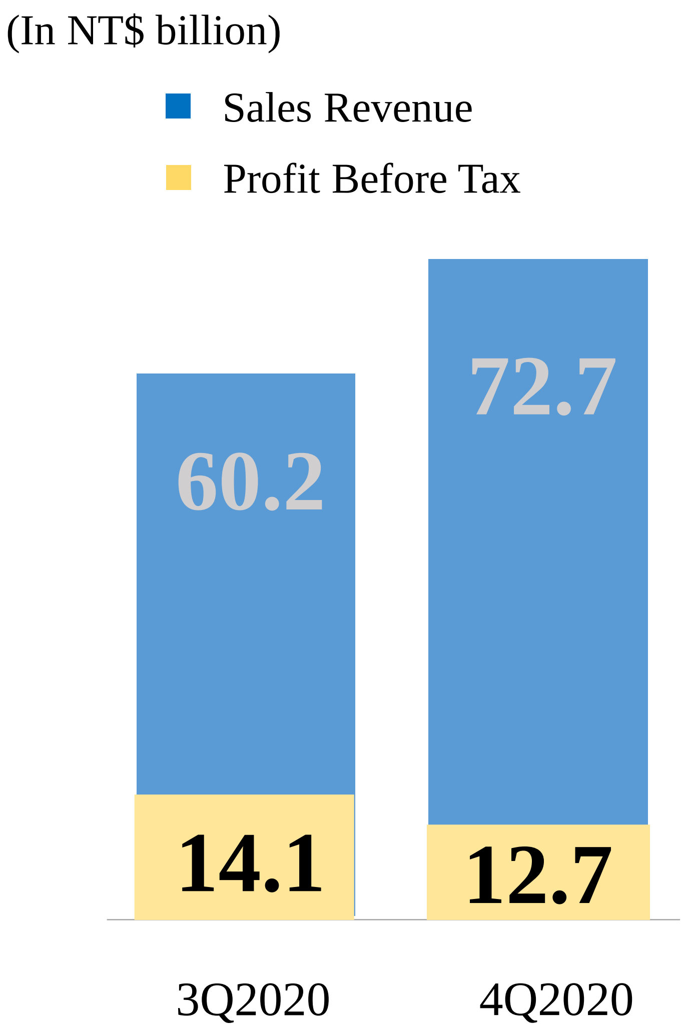
- **Price variance -54.9bn**

Except the price of acetone went up because of its strong demand from the downstream such as manufacturers of hand sanitizers, most of petrochemicals, plastics and textiles products price drop as the demand shrank .

- **Volume variance-7.2bn**

The sales volume of ABS, PTA, PC, FCNB, FIC and FTC decreased due to the epidemic. Also, the production scale of Nylon and rayon shrank. The company increased the self-use ratio of SM, reducing the outward sales. Rest of major products such as aromatic product, phenol, aceto ne, PIA, PS, PP, and acetic acid increased compared with last year.

Change in Profit Before Tax - QoQ



Profit Before Tax decreased 1.4bn(-9.9%) in 4Q2020 compared to 3Q2020.

■ Operating income+4.5bn

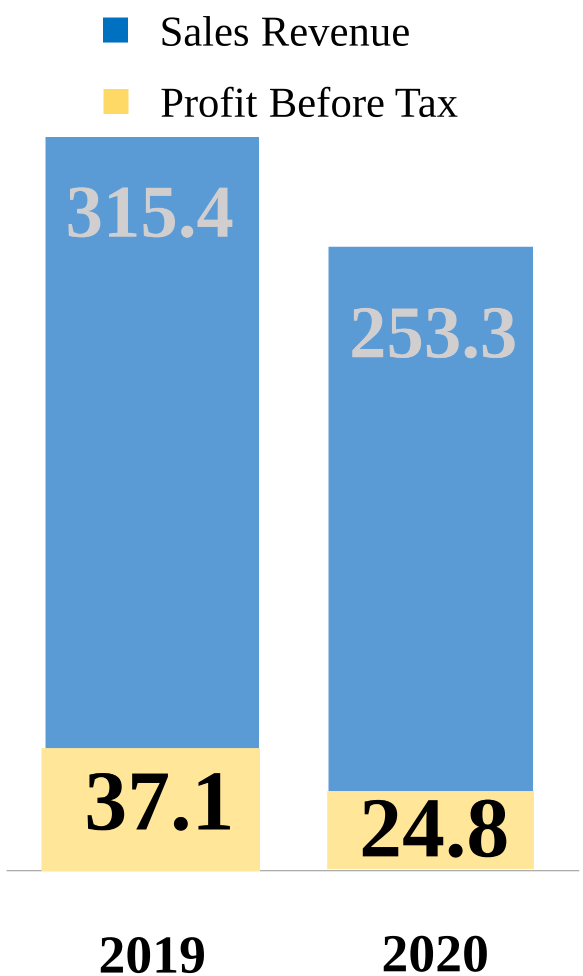
Driven by the export and domestic demand of mainland China, petrochemical and plastic products enjoyed a price raise, contributing to Company' positive operating margin.

■ Non-Operating income-5.9bn

1.Cash dividend decreased 4.04bn.
2.Equity income decreased 1.66bn.
(Equity income from FIPC and Mai-Liao Power corp. decreased 0.82bn and 0.77bn respectively.)

Change in Profit Before Tax - YoY

(In NT$ billion)



Profit Before Tax decreased 12.3bn in 2020 compared with 2019, representing 33.2% decline rate.

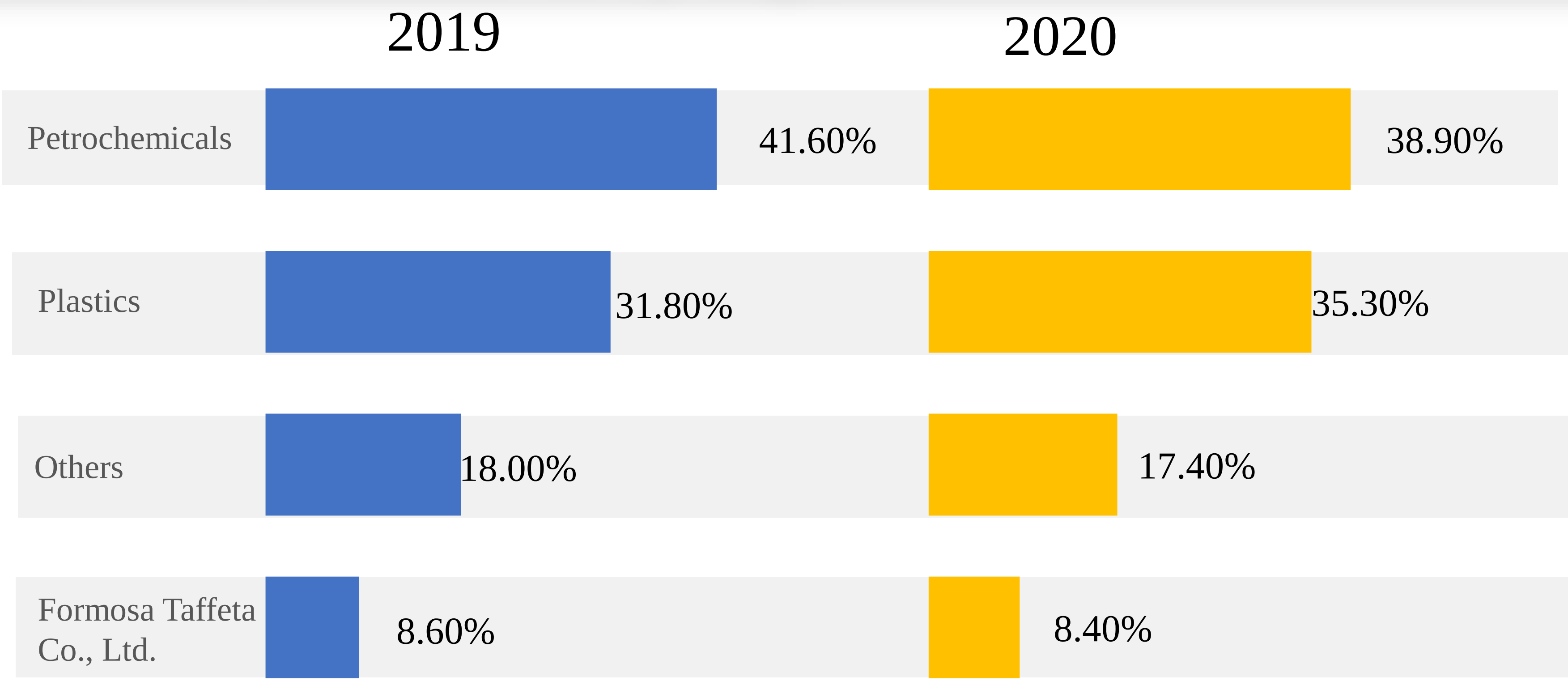
- **Operating income decreased 1.1bn**

Although operating income in 2H2020 benefited from the economy recovery of mainland China and the strong well as quarantine business, it still generated a demand of producing anti-epidemic merchandises as YoY decline of 6.7% in 2020.

- **Non-Operating income decreased 11.2bn**

1. Equity income decreased 5.4bn.
2. Dividends income decreased 4.9bn.
3. Gain on disposal of investment decreased 2bn.
4. Gain on disposal of asset increased 0.8bn.

Revenue Breakdown by Segment



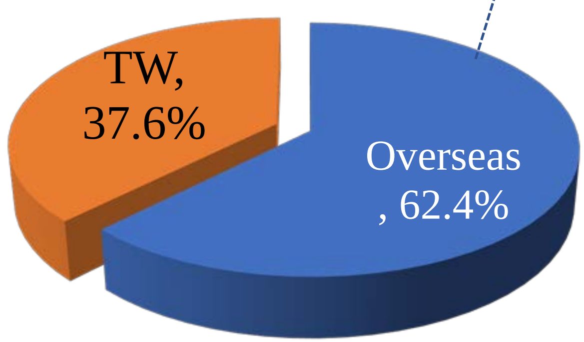
- **Petrochemical :**Sales of petrochemical products in 2020 amounted to 98.5bn(38.9% of consolidated revenue) and showed a decrease of 22.8bn compared to 2019 due to the impact of pandemic and oil prices drop.
- **Plastics:** Sales of plastic products in 2020 amounted to 89.4bn, the amount showed a decrease of 109bn from 100.2bn of 2019, while the percentage of 35.5% showed a increase from 2019 due to demand rise from anti-epidemic new lifestyle.
- **Sales of petrochemical and plastics products accounted for 74.2%, represented the largest contributor to Company's consolidated revenue in 2020.**

Revenue Breakdown by Geography

2019

Sales Revenue:NT$315.4billion

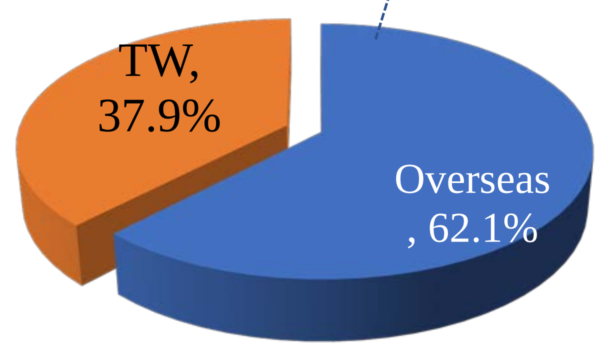
China(HK, Mac included):45.3%
Rest of Asia:15.4%
Americas:1.2%
Europe:0.2%
Others:0.3%
Overseas:62.4%



2020

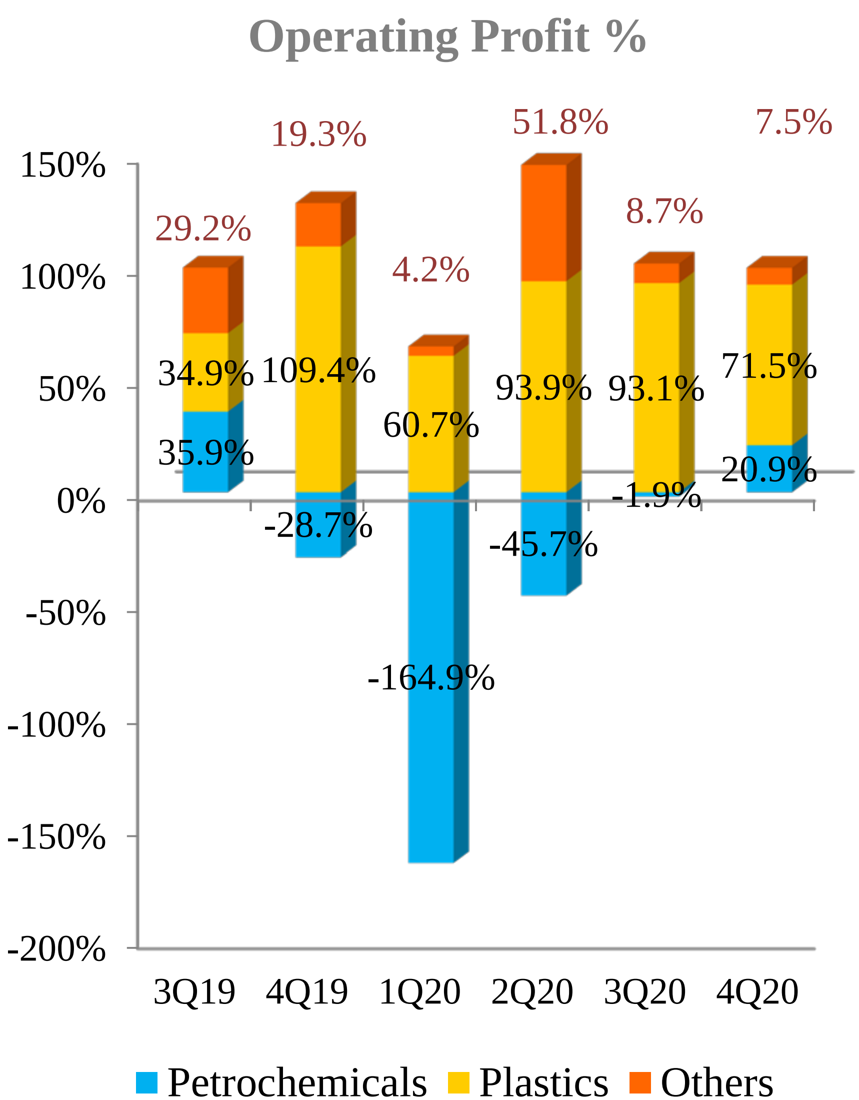
Sales Revenue:NT$253.3billion

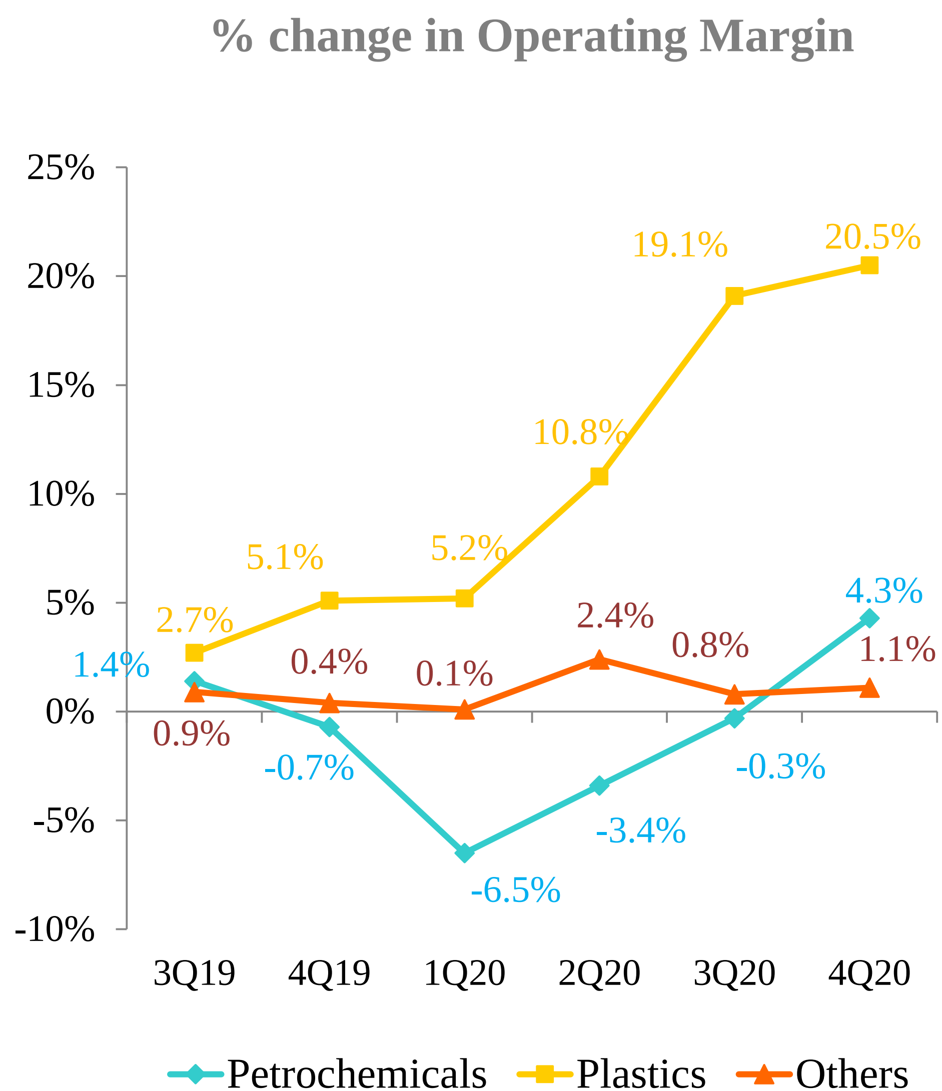
China(HK,Mac included):43.9%
Rest of Asia:15.2%
Americas:1.6%
Europe:0.3%
Others:1.1%
Overseas:62.1%



- **China(Hong Kong and Macau included) is still our primary market, accounted for 45.3% in 2019 and 43.9% in 2020 of total sales.**

Operating Profits Breakdown by Division





Capacity Expansion Plans

China(Ningbo)

MX/PIA

Capacity:
Addition
135 KT/200 KT
Completion date:2021/Q2

PTA

Capacity:
Current 1,200 KT
Addition 1,500 KT
Completion date:2023/Q2

ABS

Capacity:
Current 500 KT
Addition 250 KT
Completion date:2022/Q2

Q&A

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