FORMOSA CHEMICALS & FIBRE CORPORATION

1H2021 Result Conference

FCFC

AUG 31,2021

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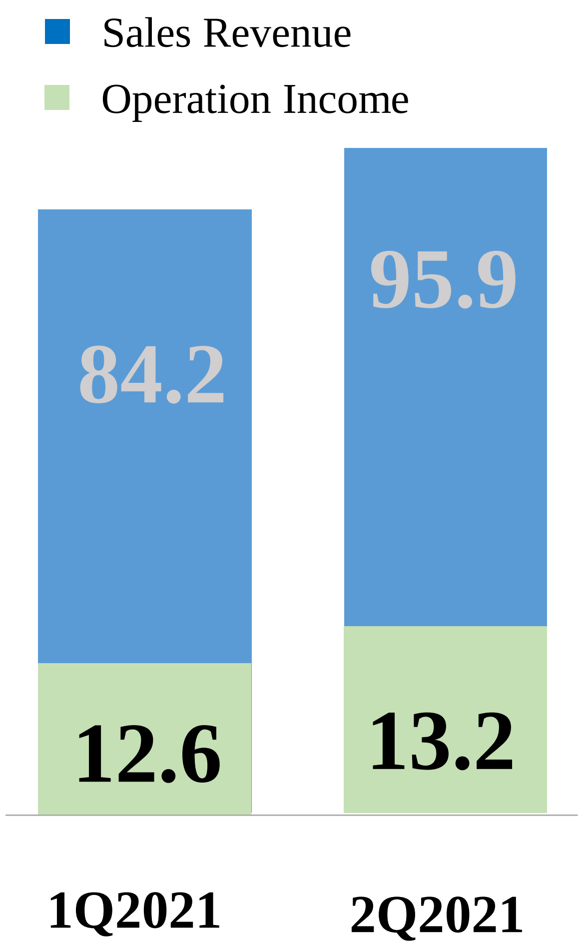
Consolidated Financial Performance

(Amount: NT$ billion)	1H2021	1H2020	YoY	2Q2021	1Q2021	QoQ
Sales Revenue	**180**	**120.4**	**49.5%**	**95.9**	**84.2**	**13.9%**
COGS	(145.5)	(112.8)		(78.3)	(67.3)	
Gross Profits	**34.5**	**7.6**	**353.9%**	**17.6**	**16.9**	**4.1%**
Gross Margin	**19.2%**	**6.3%**		**18.4%**	**20.1%**	
Operating Expense	(8.7)	(7.0)		(4.4)	(4.3)	
Operating Profit	**25.8**	**0.6**	**4,200.0%**	**13.2**	**12.6**	**4.8%**
Operating Margin	**14.3%**	**0.5%**		**13.8%**	**15.0%**	
Non-Operating Profit (Loss)	7.5	(2.7)	-	3.3	4.2	**(21.4%)**
Profit Before Tax	**33.3**	**(2.1)**	-	**16.5**	**16.8**	**(1.8%)**
Net Profit	**27.9**	**(2.5)**	-	**13.8**	**14.1**	**(2.1%)**
Net Profit Margin	**15.5%**	**(2.1%)**		**14.4%**	**16.7%**	
EPS(NTD)	**4.32**	**(0.59)**		**2.12**	**2.20**	

Change in Consolidated Revenue –QoQ

(In NT$ billion)



Consolidated revenue increased 11.7 billion in 2Q2021, up 13.9% compared to 1Q2021.

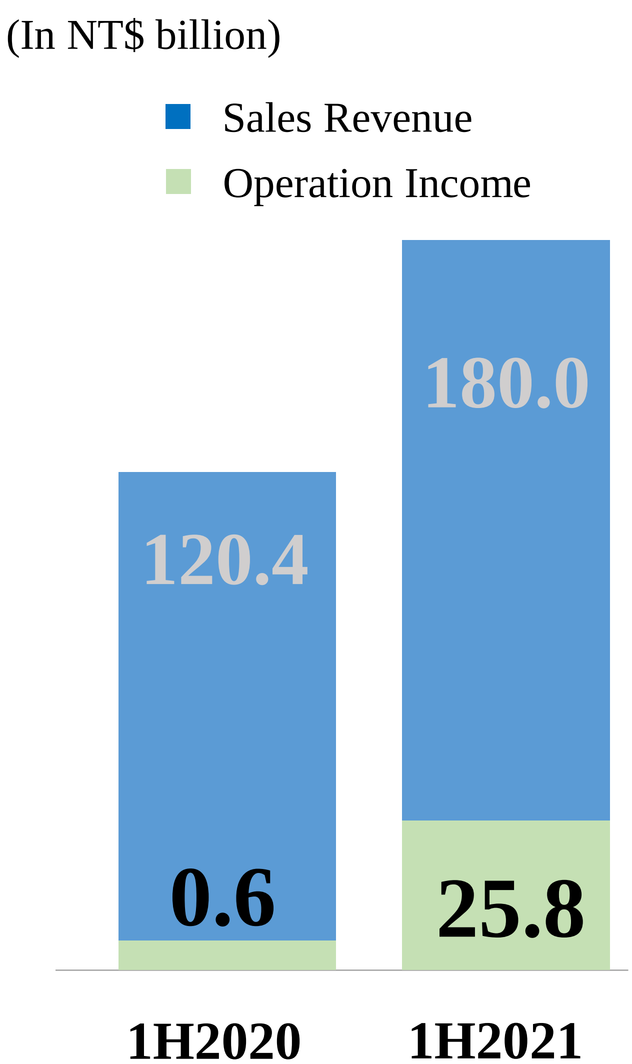
- **Price variance+10.2 billion：**

Due to the growth of the market demands, natural disasters as well as the abnormality of competitors, prices of crude oil, petrochemical, plastic and other spinning related products rose up.

- **Volume variance+1.5 billion：**

PS and ABS benefited from its downstream demand. Also, Phenol in Mailiao resumed its production from the overhaul and got rid of the impact brought by CNY in 1Q21.

Change in Consolidated Revenue –YoY



Consolidated revenue increased 59.6 billion in 1H2021 compared with it in 1H2020, representing 49.5% growth rate.

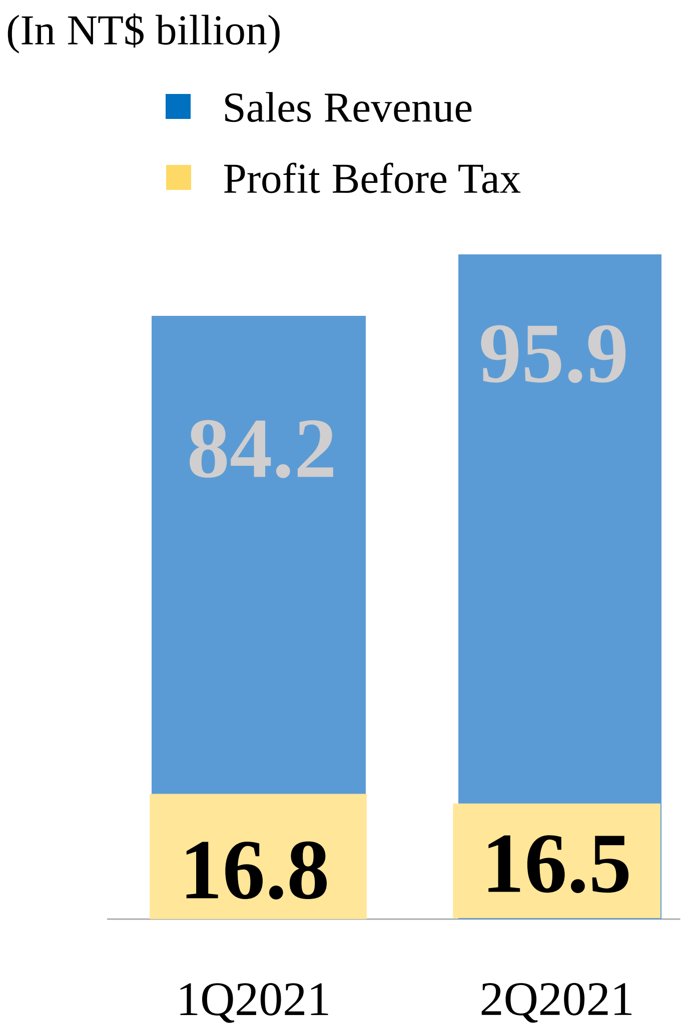
■ Price variance+44.03 billion

With the pandemic eased down and vaccinated rate rose up, market tended to be vibrant and brisk. Also, prices of crude oil, petrochemical, plastic and other spinning related products rose up due to natural disasters and the abnormality of competitors.

■ Volume variance +15.57 billion

Increases were attributed to the completion of phenol/ ace- tone and PIA's productivity expansion, adjustment of Vietnam production structure as well as the economy recovery after the pandemic.

Change in Profit Before Tax - QoQ



Profit Before Tax decreased 0.3 billion in 2Q2021 compared to 1Q2021.

■ Operating income +0.61 billion

Countries who had the pandemic well controlled had a better economic performance, pushing up the prices of end products. However, costs were also driven high by the crude oil price, making the operating

margin performed below expectation.

■ Non-Operating income -0.91 billion

(1) Investment profit from Equity Method decreased by 0.47 billion.

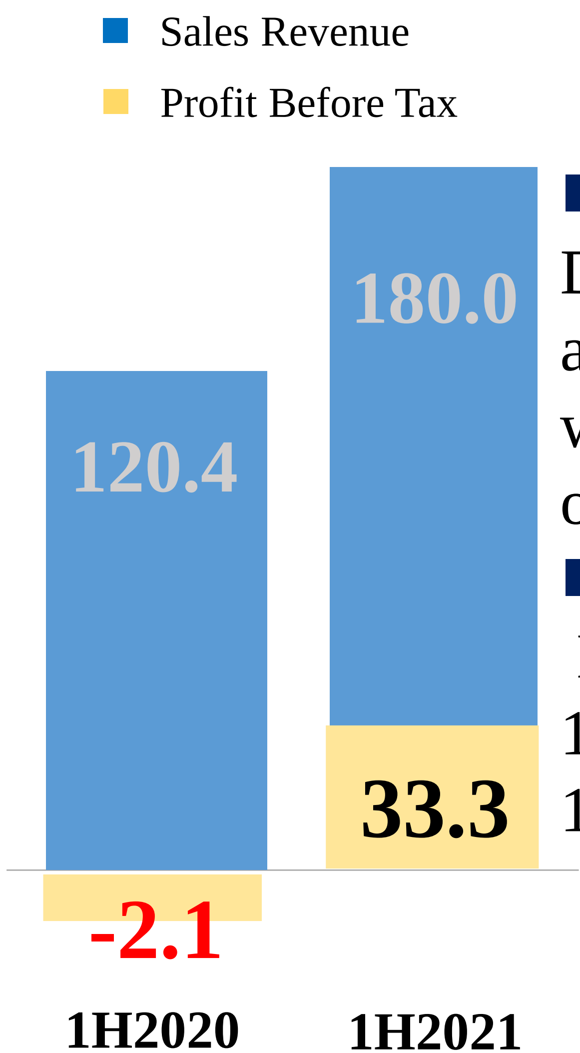
FPCC 0.65 billion less

MLPC 0.14 billion more.

(2) Loss of exchange increased by 0.19 billion.

Change in Profit Before Tax - YoY

(In NT$ billion)



Profit Before Tax was 33.3 billion, increasing 35.4 billion compared with 1H2020, showing a turn from loss to profit.

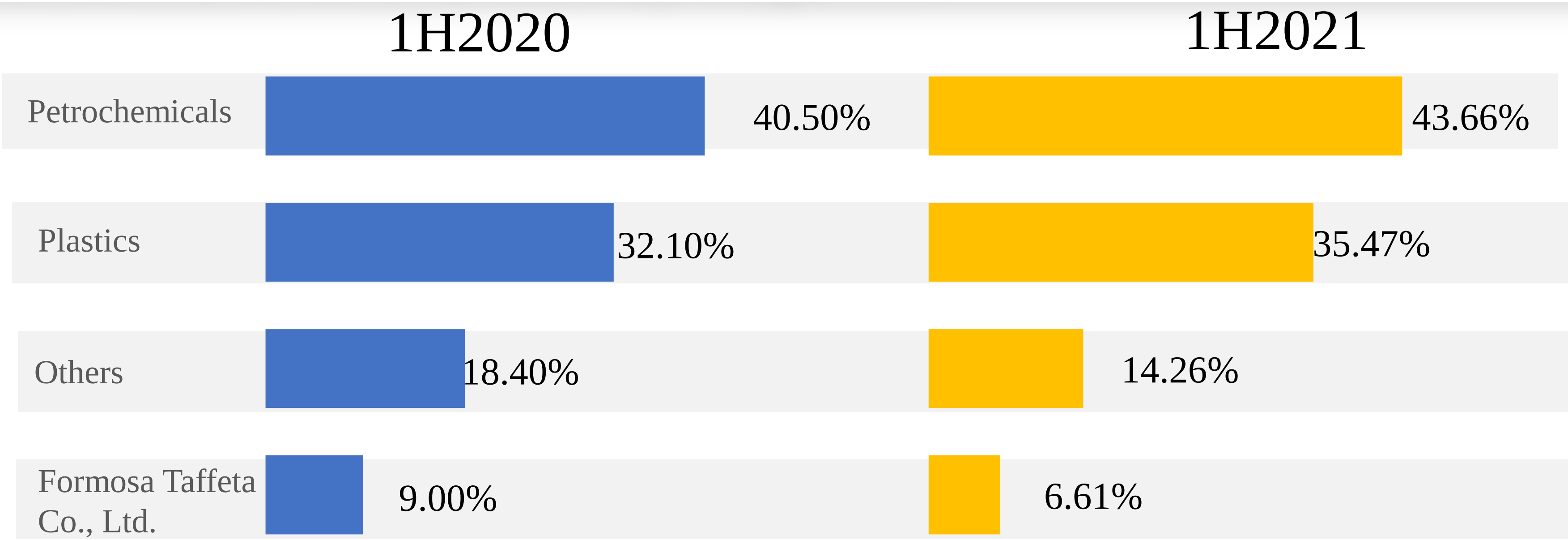
- **Operating income increased +25.2 billion**

Driven by the post-pandemic demand from mainland and the international trade, prices growth of products were larger than the raw materials, making the operating margin increase.

- **Non-Operating income increased +10.2 billion**

Investment profit of equity method increased by 11.48 billion, arising mainly from FPCC’s gain of 11.74 billion.

Revenue Breakdown by Segment



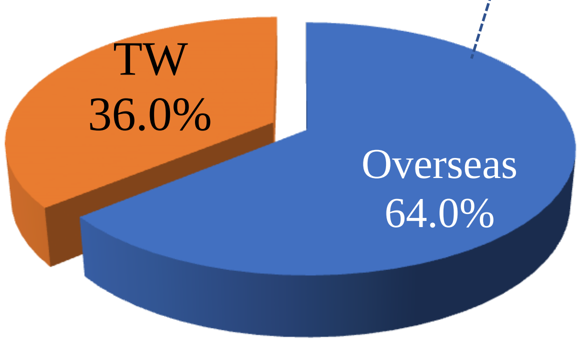
- **Petrochemical :**Sales of petrochemical products in 1H21 amounted to 78.61 billion, 29.79 billion more than it in 1H20, with a growth rate of 61%. The increase mainly resulted from the control over the pandemic. The petrochemical totally took up 43.66% of the total revenue, 3.16% more than 1H20.
- **Plastics:** Owing to the control over the pandemic, sales of plastic products in 1H21 amounted 63.85 billion, 25.21 billion more than it in 1H20 with a growth rate of 65%. In addition to that, its percentage over the total revenue also spiked from 32.1% to 35.47%.
- **Sales of petrochemical and plastics products accounted for 79.13% of the total revenue in 1H21.**

Revenue Breakdown by Geography

1H20

Sales Revenue:NT$120.4billion

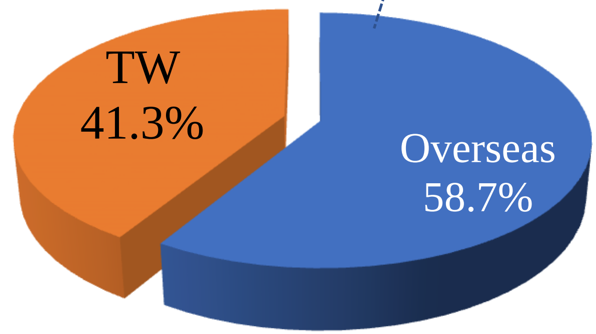
China(HK, Mac included):45.6%
Rest of Asia:15.9%
Americas:1.2%
Europe:0.3%
Others:1.0%
Overseas:64.0%



1H21

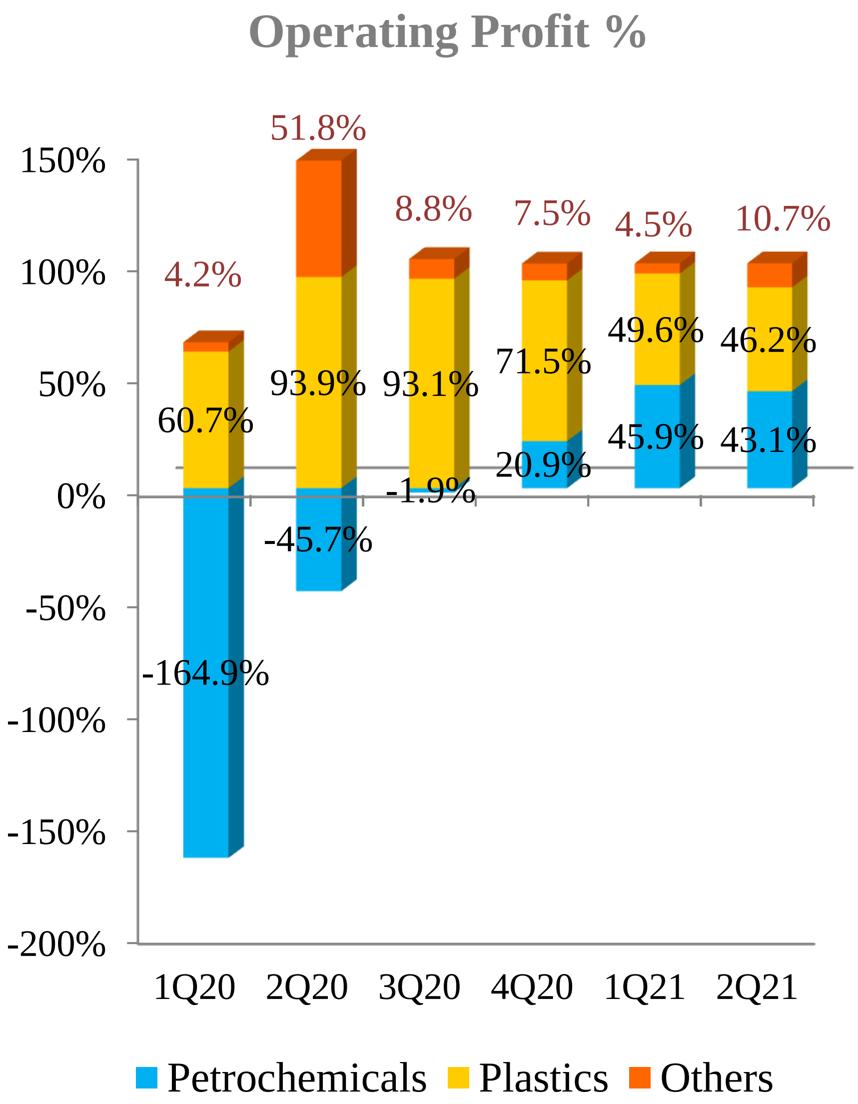
Sales Revenue:NT$180billion

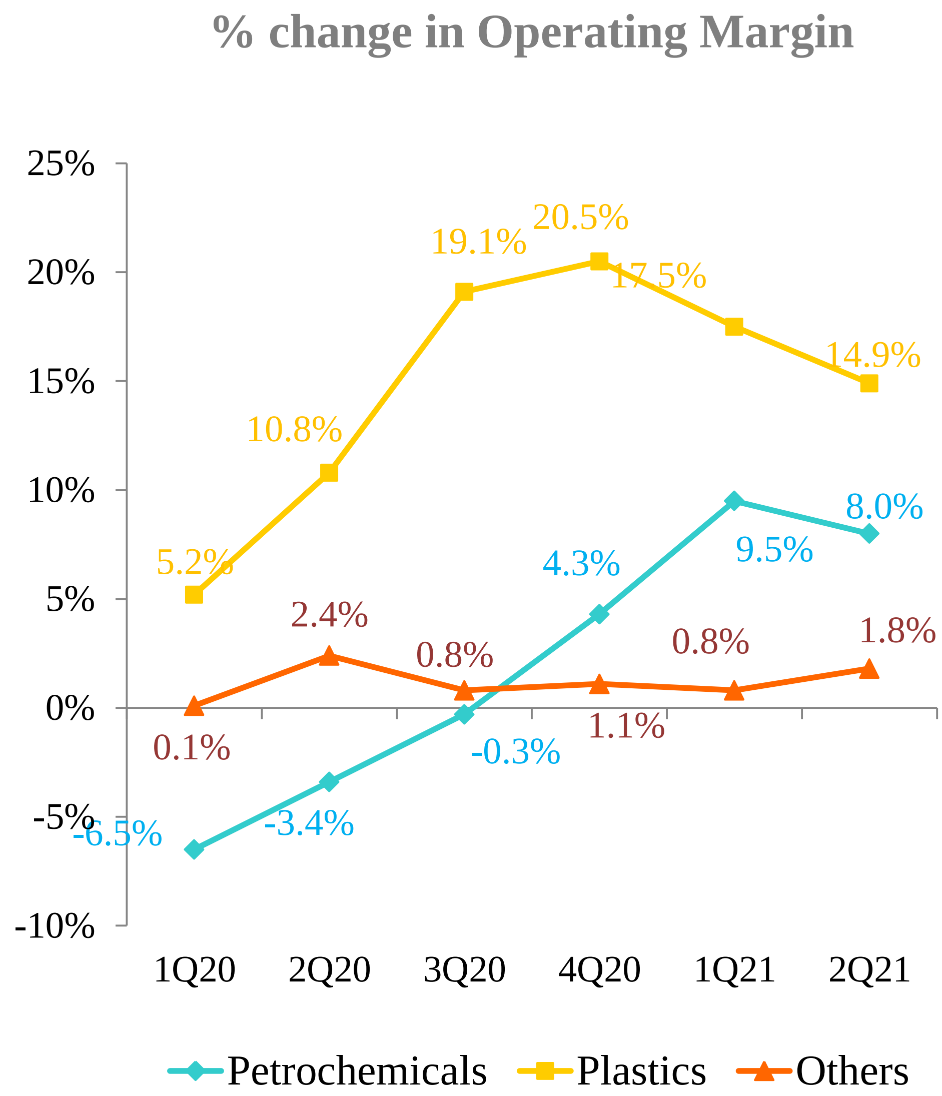
China(HK,Mac included):42.0%
Rest of Asia:11.3%
Americas:3.7%
Europe:0.9%
Others:0.8%
Overseas:58.7%



- **China(Hong Kong and Macau included) is still our primary market, accounted for 42% of total revenue in 1H21, slightly decreasing from 45.6%.**

Operating Profits Breakdown by Division





Capacity Expansion Plans

China(Ningbo)

MX/PIA

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

PTA

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

ABS

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

Q&A

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