Formosa Plastics Corporation

台灣塑膠工業股份有限公司

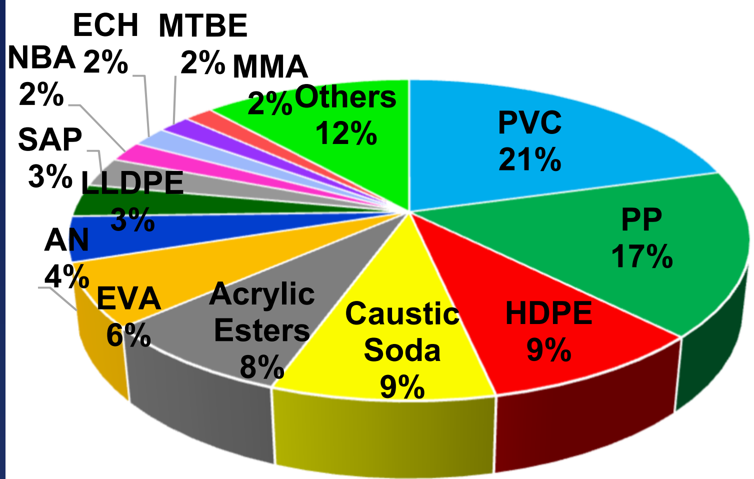
2020 Q1

Operation Performance Highlights

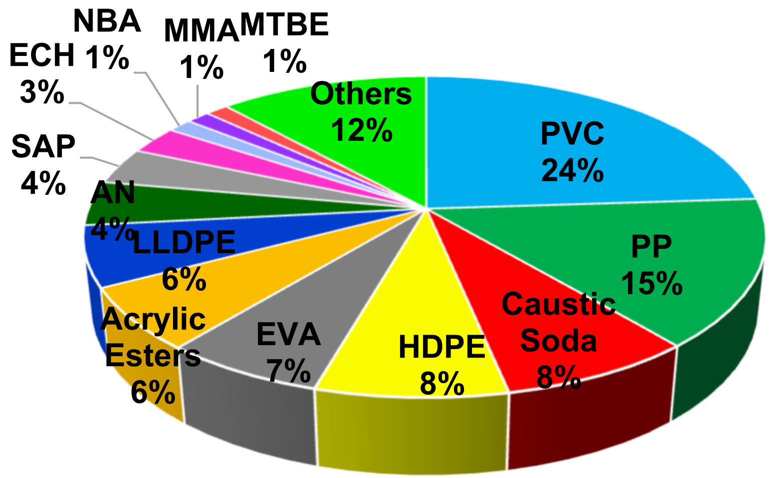
March 31, 2020

Revenue Breakdown by Product (IFRSs consolidated)

2019 Q1 Net Sales: NT$53 billion



2020 Q1 Net Sales: NT$42 billion

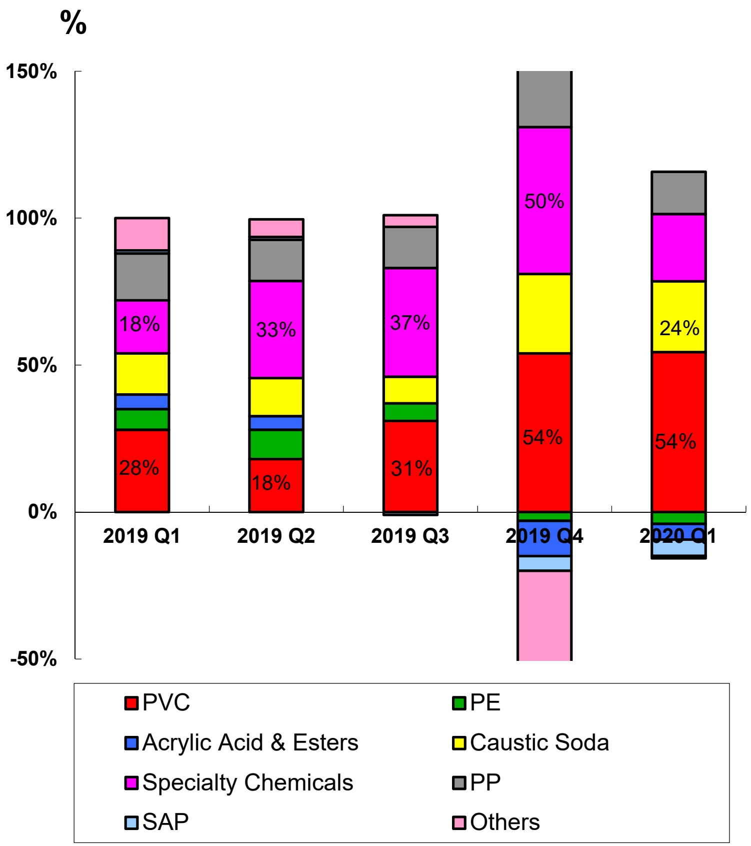


- PVC accounted for 24% and 21% of revenue in 2020 Q1 and 2019 Q1 respectively
- PE (HDPE/EVA/LLDPE) accounted for 21% and 18% of revenue in 2020 Q1 and 2019 Q1 respectively
- Specialty Chemicals (AN/MMA/ECH/MTBE) accounted for 9% and 10% of revenue in 2020 Q1 and 2019 Q1 respectively
- Revenue in 2020 Q1 fell 20.7% from 2019 Q1, mainly due to decreasing ASP of all products and decreasing sales volume of all products except for LLDPE, SAP and ECH

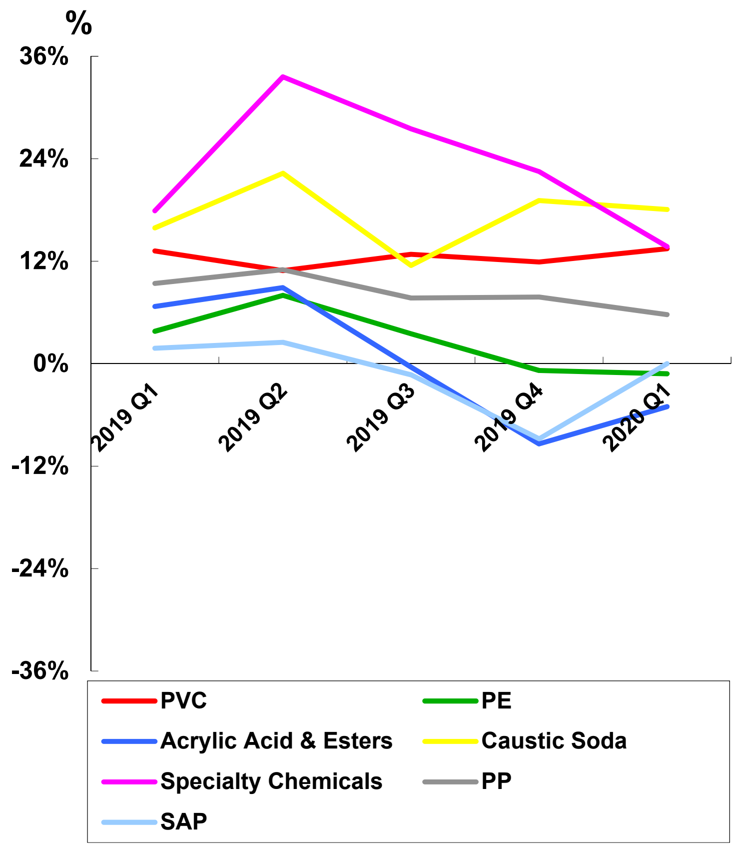
Operating Profits Breakdown *by Product*

PVC & Caustic Soda are the key profit contributors in 2020 Q1

Operating Profits



Operating Margins



Note : Specialty Chemicals include AN, MTBE, MMA and ECH

Capacity Expansion Plan

1. Ningbo , China (Total investment US$ 844 mn)

Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
Propylene*	-	600KMT	2021Q3	100.0
SAP	90KMT	10KMT	2020Q3	11.1
EVA	72KMT	28KMT	2023Q1	38.9

*Note: PDH (propane dehydrogenation) process.

2. Linyuan, Taiwan (Total investment US$ 7.8 mn)

Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
PVC	1,265KMT	50KMT	2020Q2	3.9
PVC	1,315KMT	29KMT	2020Q4	2.2

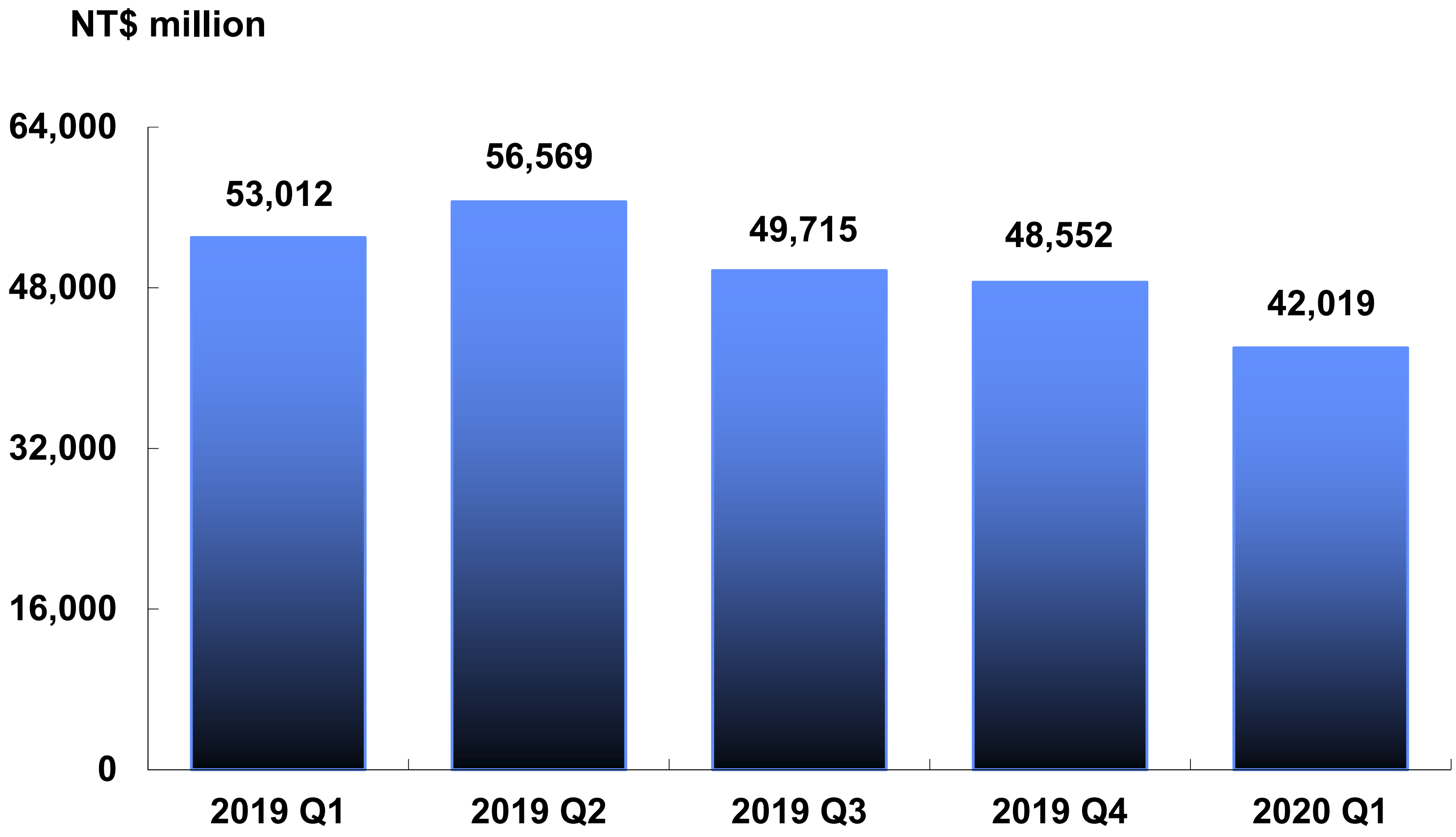
3. Renwu , Taiwan (Total investment US$ 1.9 mn)

Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
PVC	1,344KMT	27KMT	2020Q4	2.0

4. Mailiao , Taiwan (Total investment US$ 2.5 mn)

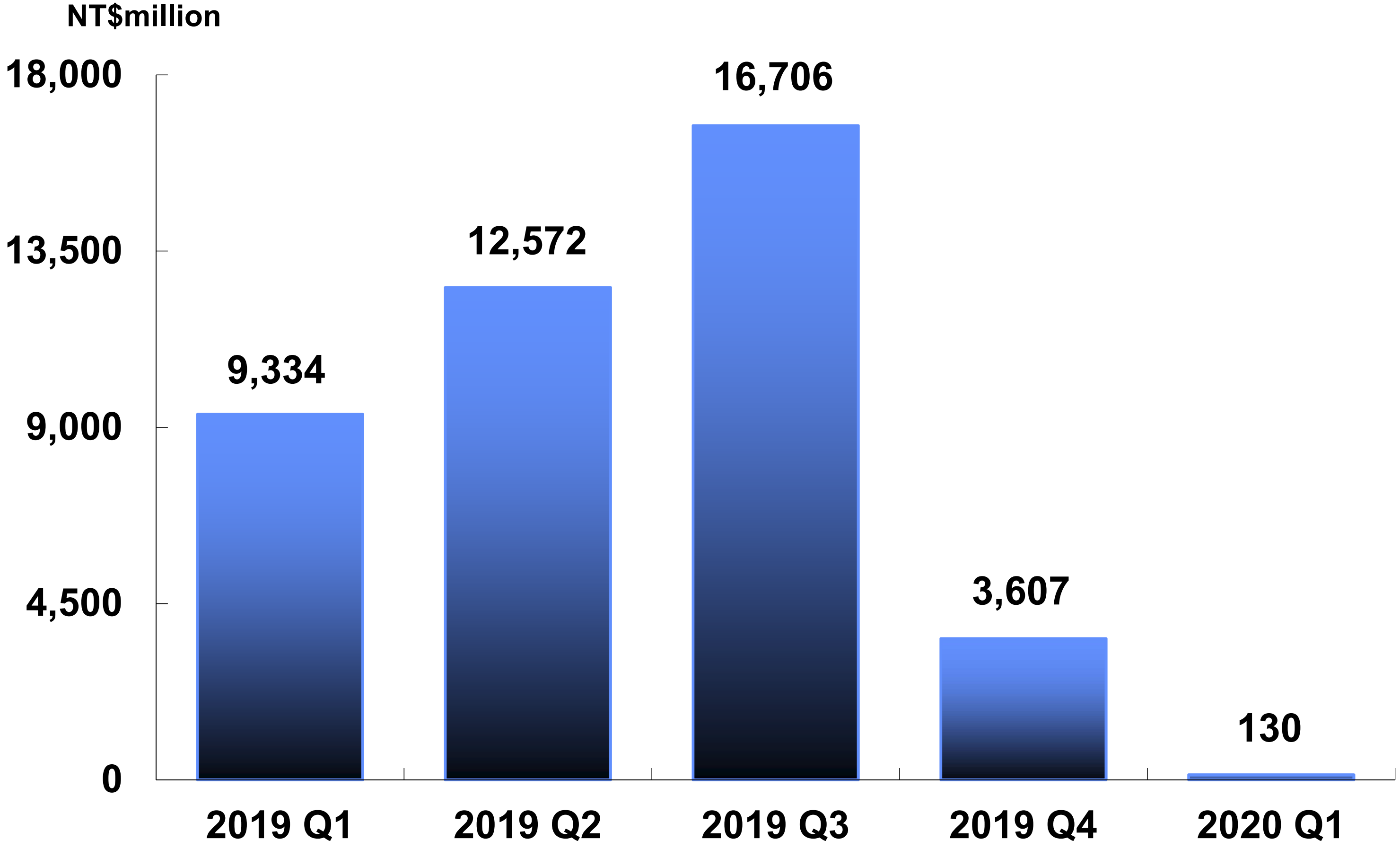
Main Products	Current Capacity (p.a.)	Expansion (MT/p.a.)	Completion Date	Capacity Increase (%)
SAP	60KMT	10KMT	2021Q1	16.7

Consolidated Revenue (IFRSs)



- **Revenue fell 13.5% in 2020 Q1 from 2019 Q4 mainly due to decreasing ASP of all products**

Pre-tax Income



- Pre-tax income fell 96.4% in 2020 Q1 from 2019 Q4 mainly due to decreasing investment income from FPCC