

Empowering Possibilities



*IR Publication
Oct 2022*

 **Far Eastern New Century (TWSE: 1402)**

A constituent of the MSCI ESG Leaders Indexes, FTSE4Good Emerging Index & TWSE CG 100 Index



Company Overview



Production Business



Property Development Business



Investment Business



Financials



ESG & Recent Achievements



Appendix

FENC's Three Key Businesses

Established 1954 / 32,736 employees

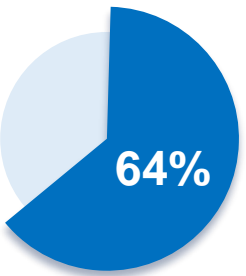
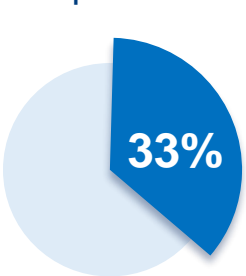
Strategic summary
(FENC has a consistent dividend policy)

Asset allocation
(6/30/'22: NT\$ 663 billion)

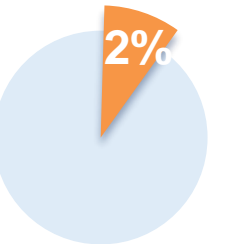
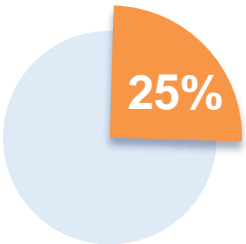
Consolidated revenue
(1H22: NT\$ 133 billion)

Book value per share: **NT\$ 38.5**

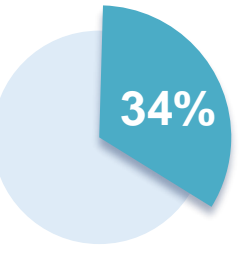
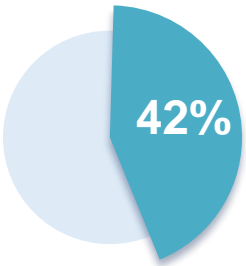
Production Transformation



Property Development & Monetization



Investments Stable Investment Income



Net Zero by 2050

FENC's GHG Emissions Target

Reducing GHG emissions through energy efficiency, alternative fossil fuels, renewable energy, raw material transformation and CCUS (carbon capture, utilization and storage) technology.

GHG emissions
(Scopes 1 & 2)

2,432 ktCO₂e



- 20%



- 40%



Source: [FENC 2021 Sustainability Report](#)

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A World Leading Integrated Polyester Supplier

FENC is a leading supplier of virgin & recycled polyester, the only company providing integrated production and total solution services ranging from upstream feedstock to downstream daily necessities



**WORLDWIDE
TOP 1**
PE/PET & PE/PP
Bicomponent Staple Fiber

**WORLDWIDE
TOP 1**
Recycled Filament

**WORLDWIDE
TOP 1**
Recycled Ocean Polyester

**WORLDWIDE
TOP 2**
Recycled PET

**WORLDWIDE
TOP 3**
Nonwoven PSF

**WORLDWIDE
TOP 3**
PET Resin

**ASIA PACIFIC
TOP 1**
Nylon 6,6 Filament

**ASIA
TOP 1**
PET Sheet

Solutions For a Circular Economy & a Cleaner Earth

How FENC transforms waste PET bottles & waste polyester clothes...



Bottle to Bottle

1~1.5



Bottle to Apparel

7~8



Bottle to Shoe

11



Textile to Textile

1



Waste reduction



FENC has reduced waste by **20 billion** PET bottles per year, enough bottles to circle the Earth

115 times

GHG reduction



Compared to conventional production of virgin PET resins, producing R-PET resins reduces GHG emissions by **63%**

Recycling Waste From Land, Sea and Air...

FENC explores all possible sources of waste to fulfill the growing demand for sustainable material applications

from **Land**





Recycle The Waste

*Bottle/Textile
circular recycling*

from **Sea**

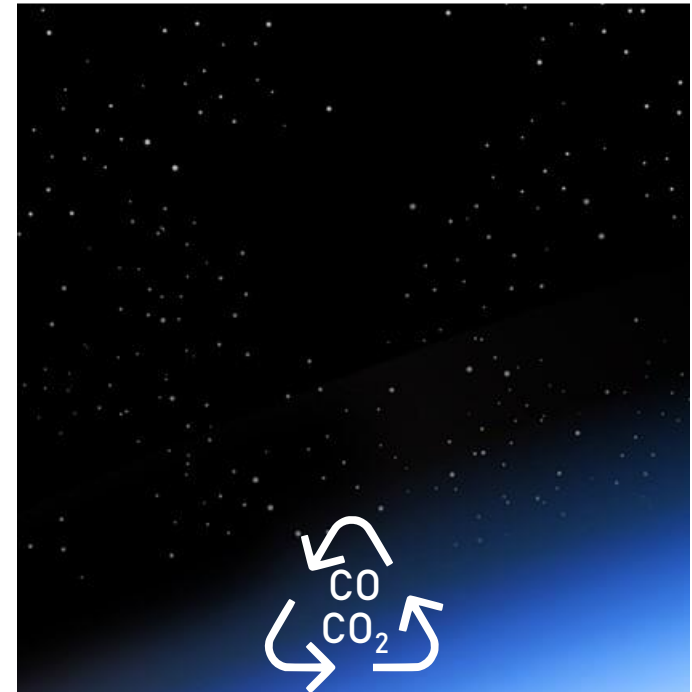





Recycle Ocean Waste

*Convert ocean plastic® to
high value products*

from **Air**





Recycle Waste Gas

*Capture waste gas to
make PET*

FENC's Pioneering Sustainability Projects

*Recycling waste
from land, sea and air...*



2010 ~ Now: Nike Recycled National Team Kits

Selected as one of the key suppliers for FIFA World Cups, the NBA and other global sporting events



2019 ~ Now: Coca-Cola / 7-eleven Closed-loop Business Model in Japan

A waste reduction mechanical recycling project



2020 ~ Now: Coca-Cola Bottlers Japan

A new joint project for chemical recycling (TOPGREEN® ChemCycle)



2021: Continental Tire

Recycled polyester yarn in an automotive high performance scenario



2021: Lululemon / Zara

With LanzaTech created the 1st fabric using recycled waste gas







2022 ISPO Munich Textrends

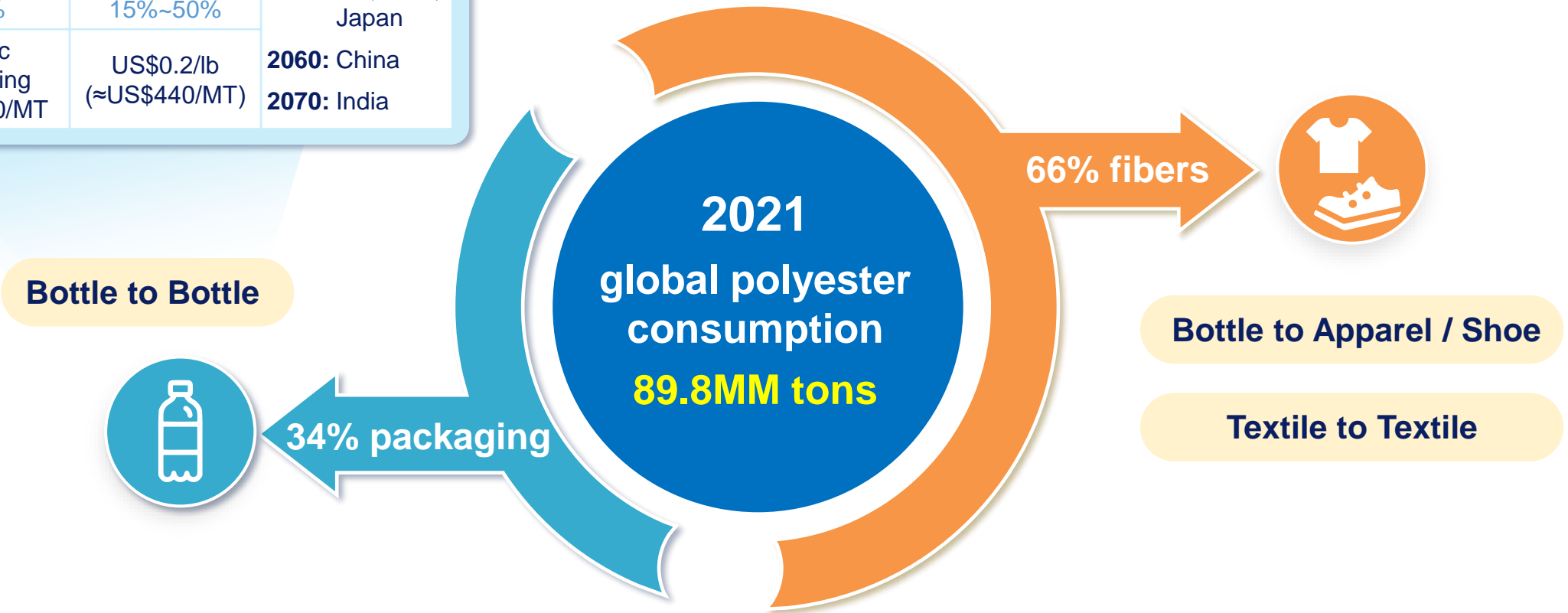
- **Best Product:** TOPGREEN® BIO3
(recycled waste gas + Nylon 6,6 solution dye)
- **Top 10:** TOPGREEN® rTex
(recycled textile waste)



R-PET Market Demand Outlook

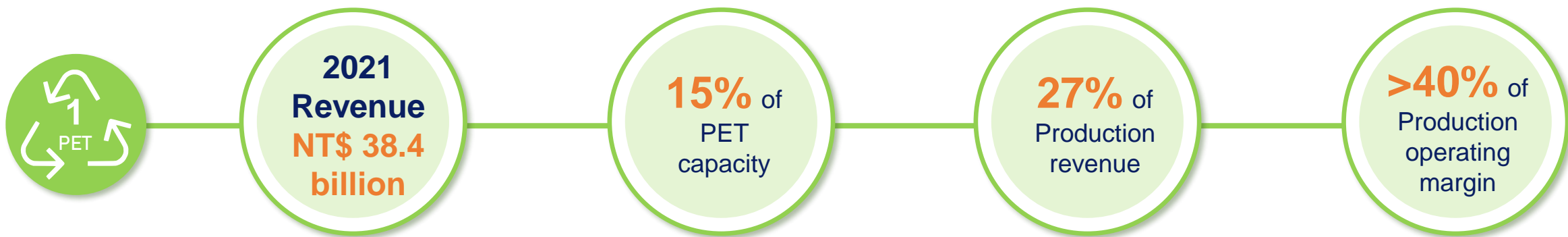
Post-Consumer Recycled (PCR) Resin has/will become a mandatory element of plastic bottles in many places			
			
2025: ≥25% 2030: ≥30%	1 Apr 2022: ≥30%	CA, WA & NJ: 15%~50%	2050: EU, USA, Japan
Plastic tax: €0.8/kg (Effective 2021)	Plastic Packaging Tax: £200/MT	US\$0.2/lb (≈US\$440/MT)	2060: China 2070: India

Regulations will push up the demand for R-PET, but the limited supply of collected, recycled PET bottles will accelerate the development of textile to textile to meet this unfulfilled demand.



FENC's Green Business Snapshot (I)

FENC's green products



(Note) 1H22: Green product revenue is NT\$ 25.5 billion, around 30% of the Production Business revenue and more than 40% of its operating margin.

FENC's recycled products have received all three green certifications below

1 Safe for R-PET food packaging



2 Recycled content certifications



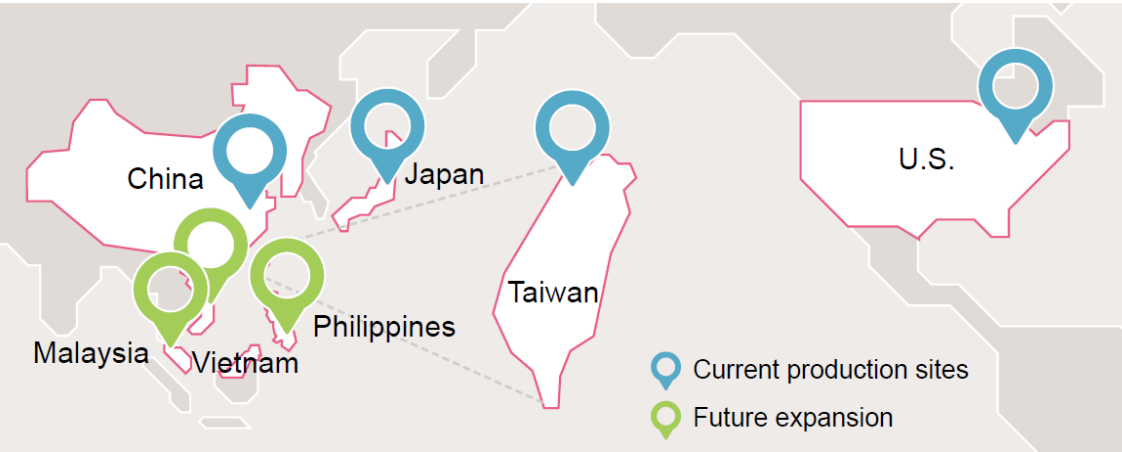
3 Other green certifications



FENC's Green Business Snapshot (II)

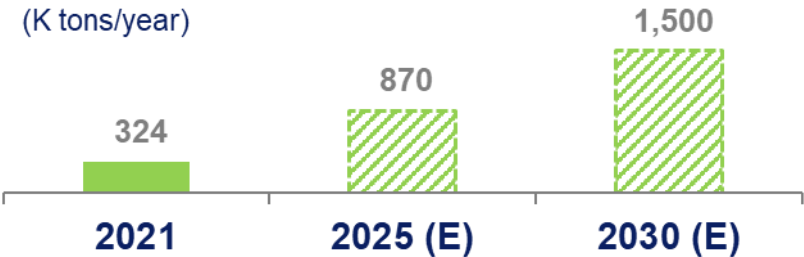
A leading polyester recycling company

FENC has invested heavily in the recycled PET (R-PET) industry since 1988 in Taiwan and then globally. New expansion plans have been launched in Japan, United States, China, Vietnam, Philippines & Malaysia.



Global No.1 R-PET leader

R-PET Capacity & Target



Business models & new partnerships in Japan

Closed-loop business models with Coca-Cola, ITO EN, 7-eleven, FamilyMart, AEON, Himeji city government



Mutual benefits

Solve the trash problem and also secure feedstock for FENC & beverage companies

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Property Development Business – Major Landholdings

Land holdings including investment properties & self-use: approximately 215k pings (712k sq meters)

The book value of investment properties : NT\$ 117 billion as of Jun 30, 2022

Taoyuan City (excluding Neili land development plan below)

Size: 53,055 pings (175,612 sq meters)

Neili new land development plan

(part of the ongoing Taoyuan urban renewal plan)

- ① Size: around 30k pings (99k sq meters)
- ② Status: applied for government land rezoning approval in 2020. (estimated 2-3 years)
- ③ Neighborhood: is adjacent to Yuan Ze University & the underground railway project for Neili station

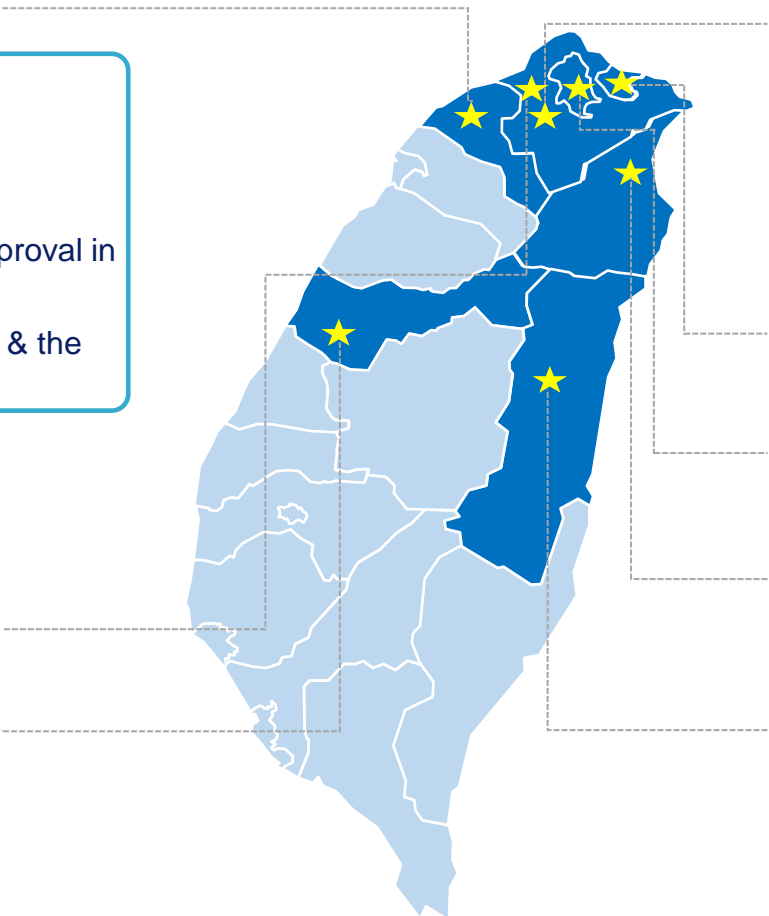
Taishan & Wugu

Size: 16,250 pings (53,788 sq meters)

Taichung City

(Rented to hypermarket 愛買 a.mart)

Size: 2,329 pings (7,709 sq meters)



Banqiao

Taipei Far Eastern Telecom Park



Size: 82,966 pings (274,617 sq meters)

Mega Tower



Size: 2,121 pings (7,021 sq meters)

Others

Size: 16,454 pings (54,463 sq meters)

Taipei Far Eastern Plaza

Size: 1,651 pings (5,465 sq meters)

Yilan (SPA resort)

Size: 30,694 pings (101,597 sq meters)
Phase I plan: villa concept, 173 rooms

Hualien

Size: 9,446 pings (31,266 sq meters)

(Note) 1 ping = 3.31 sq meters = 35.58 sq feet

Neili (Taoyuan City) New Land Development Plan

Current photo: FENC's old plants



*An integrated district tailored for
residential zones, a commercial zone, a medical zone and green parks*



Taipei Far Eastern Telecom Park (Banqiao)



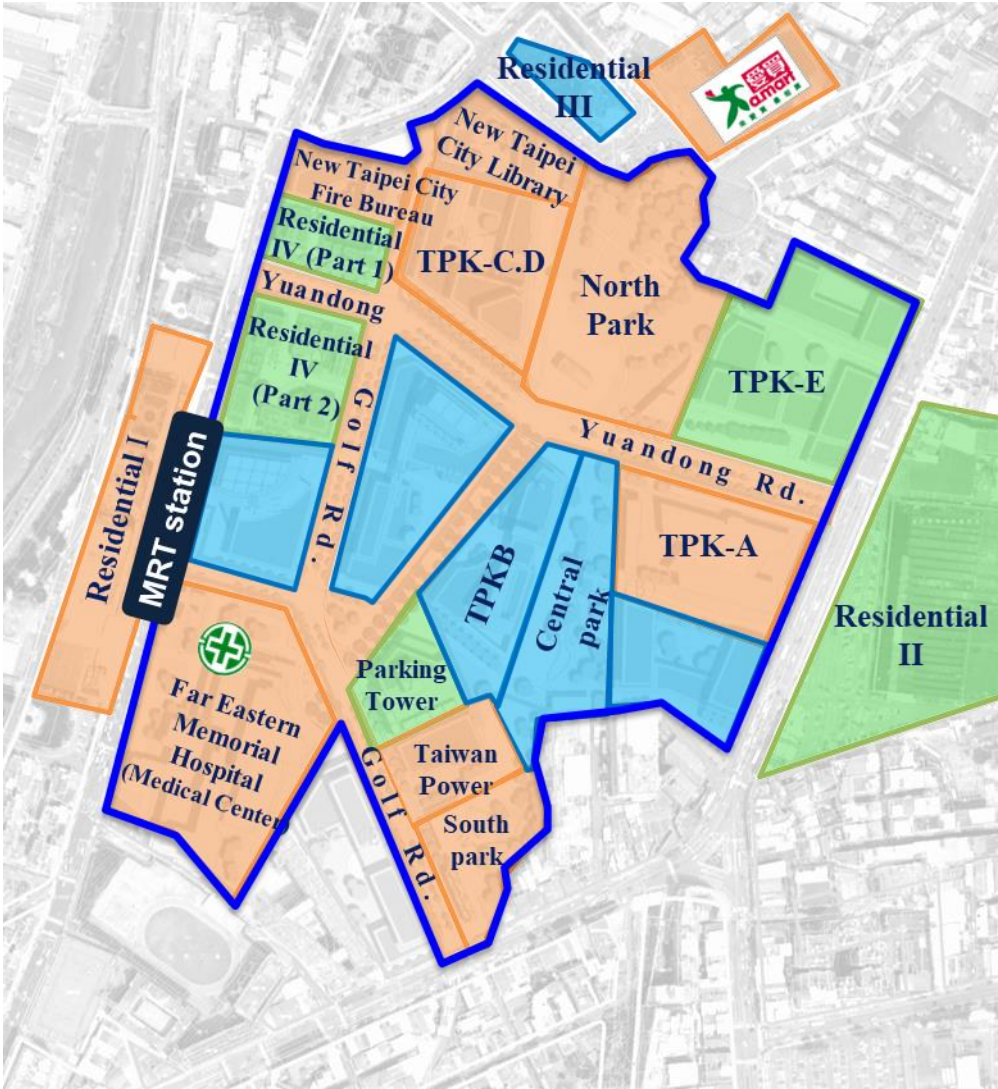
A **smart green** campus, with sole property ownership, integrated with residential zones, commercial offices, a medical center, a college, and a hypermarket in the neighborhood



Land development plan: Approximately 24 hectares (around 73.7K pings/244K sq meters)

R&D Office Building Zone	Residential Zone	Commercial / Retail Zone	Regional Medical Center	Public Facilities
46% <i>(in terms of Tpark land size)</i>	7%	4%	11%	32%
For lease (full occupancy) <ul style="list-style-type: none">• Completed: 3 buildings (TPK-A/C/D)• Tenants: FETone, Google, Ericsson, Synology, Unilever, etc• Under construction: 2 buildings (TPK-E & parking tower)	For sale <ul style="list-style-type: none">• Under construction: 1 building (Residential IV-Part 1)• Planned: 2 buildings (Residential IV-Part 2 & Residential II)	Planned for the final stage	Far Eastern Memorial Hospital	Completed: <ul style="list-style-type: none">• New Taipei City library• New Taipei City Fire Bureau• Infrastructure, ex. road & utilities• Green parks

Developed area (2008-2021) Developing area (2021-2024) Developing area (after 2024)





Office	TPK-C	TPK-D
Tenant	FETone IDC center	Google
Height	11 floors	16 floors
Green building label	<ul style="list-style-type: none"> • TW EEWB Diamond rating 	<ul style="list-style-type: none"> • TW EEWB Diamond rating • U.S. LEED Gold rating
GFA	10.2k pings (33.8k sqm)	17.7k pings (58.5k sqm)
Land	4.7K pings (15k sqm)	

TPK-E (Under construction)

- 13-floor building
- Land: 6.6k pings (21.8k sqm)

Housing Product	Residential IV	
	Part 1 (completion in 2022)	Part 2 (under planning)
Height	27 floor	27 floor
GFA (for sale)	7k pings (23k sqm)	N.A.
Land	1.6k pings (5.3k sqm)	3.2k pings (10.6k sqm)

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Investment Portfolio - Listed Companies

(NT\$ million)

Stock code	Investees	Holdings (%)	Book value (2022.6.30)	Market value (2022.10.4)	Accounting method
4904 TT	 Far EasTone Telecommunications	38%	23,692	87,552	Consolidated entity
1102 TT	 Asia Cement	26%	25,296	35,639	Equity method
2903 TT	 Far Eastern Department Stores	35%	11,318	9,510	Equity method
1710 TT	 Oriental Union Chemical	31%	5,290	4,777	Equity method
2845 TT	 Far Eastern International Bank	16%	7,393	6,211	Equity method
1460 TT	 Everest Textile	26%	1,602	1,435	Equity method
2606 TT	 U Ming Marine	0%	-	-	Asia Cement's investment
Total Investees			74,590	145,124	

Note : 5,353 million shares of FENC common stock were issued and outstanding as of 30 Jun 2022.

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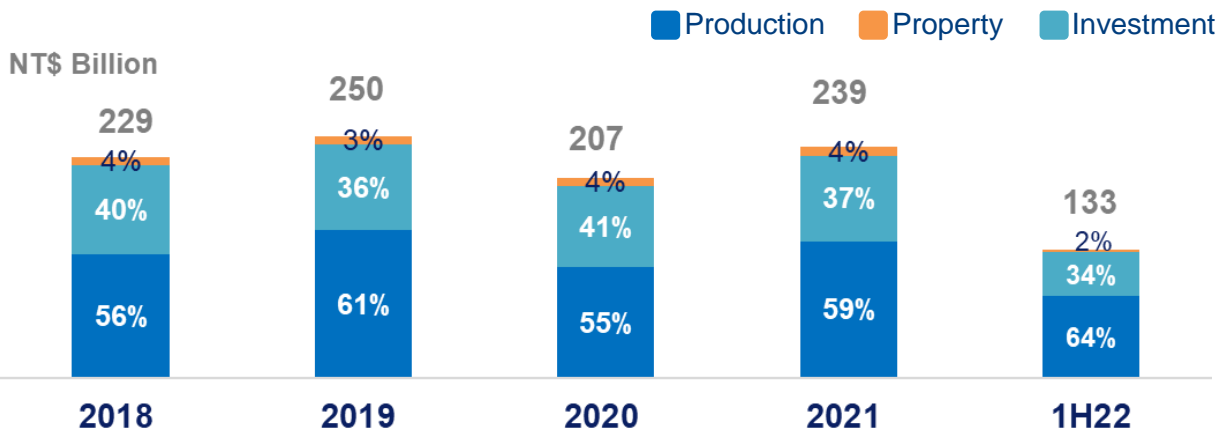
Recent Achievements & CSR



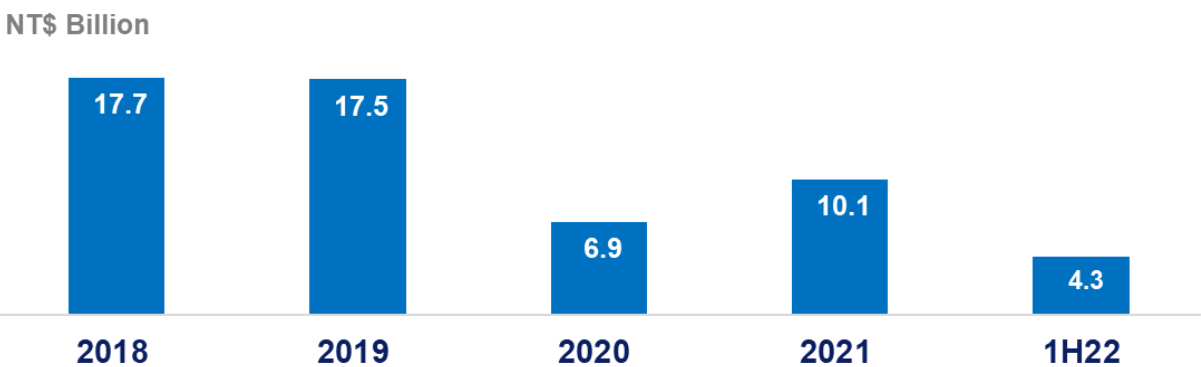
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Key Financials Summary (I)

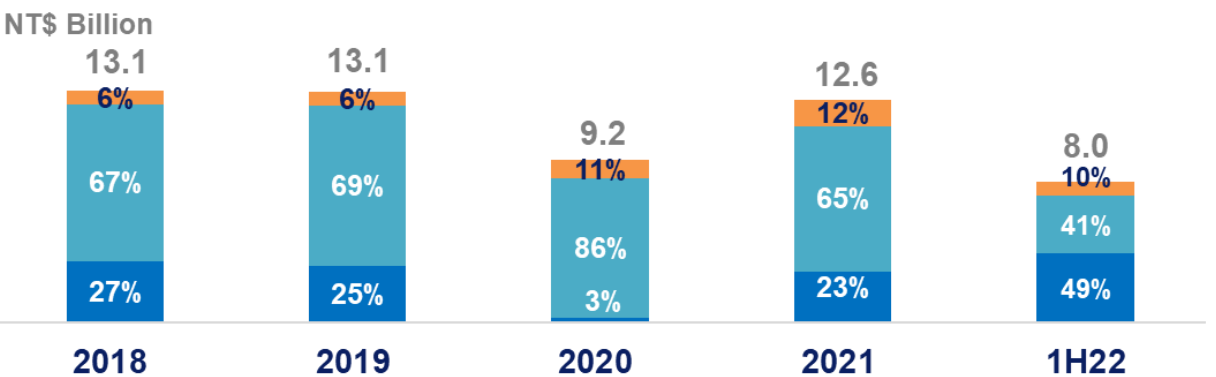
Consolidated revenue breakdown



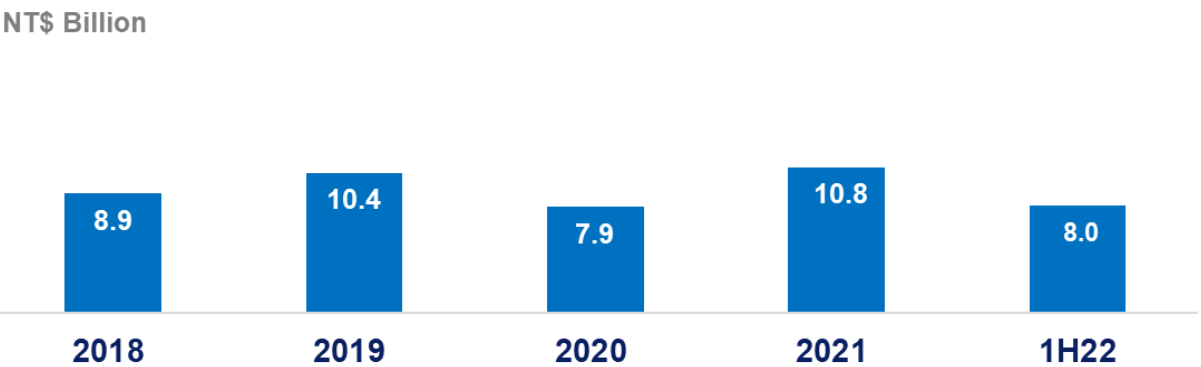
Capex – Production



Adjusted operating margin* breakdown



EBITDA – Production

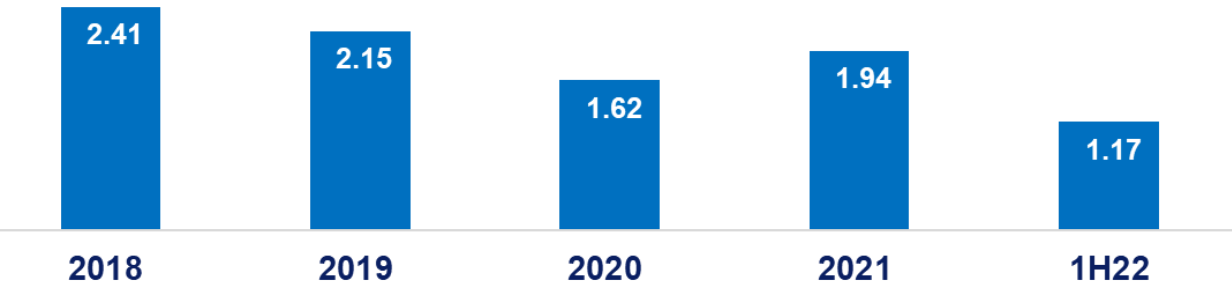


* For presentation purpose, adjusted operating margin for “investment business” includes
① using 38.33% holding ratio to calculate FETone operating margin ② investment Income (equity method) & dividend income of non-operating income.

Key Financials Summary (II)

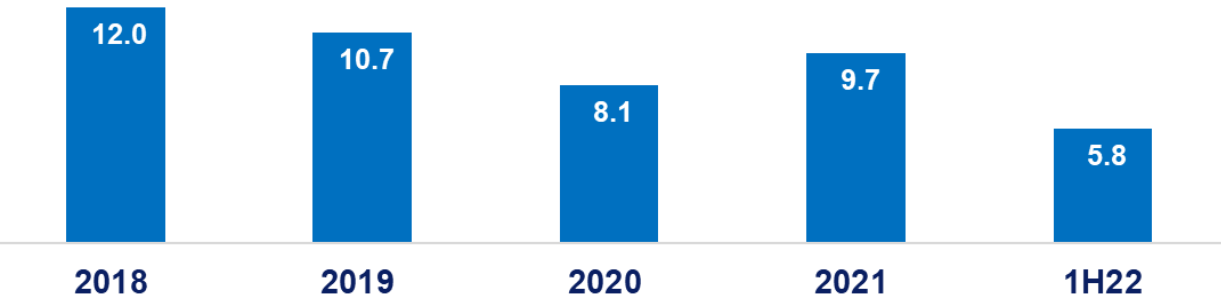
Earnings per share

NT\$ per share



Net income attributable to shareholders

NT\$ Billion



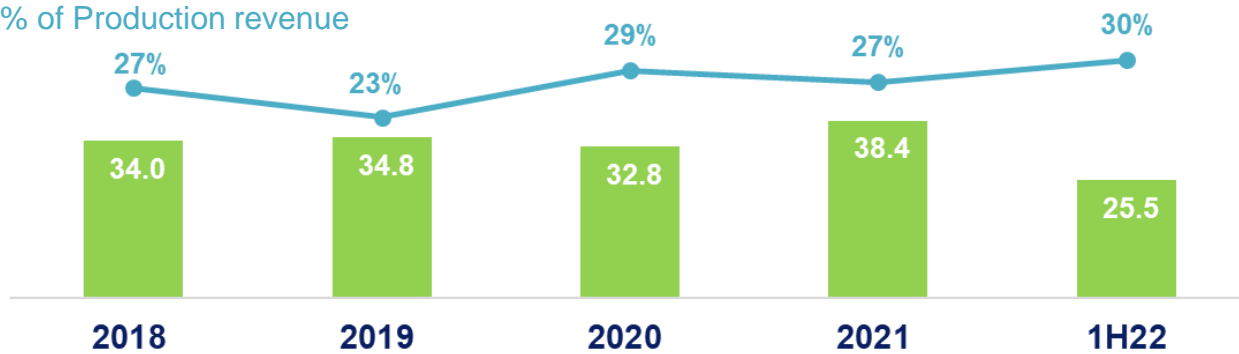
Cash dividend per share

NT\$ per share



Green product revenue

% of Production revenue



Consolidated Financial Summary

(NT\$ million)	2Q22		2Q21		YoY	1H22		2021		2020	
Revenues	69,296	100%	58,494	100%	18%	132,681	100%	238,806	100%	206,769	100%
Profit from Operations	5,297	8%	4,073	7%	30%	9,560	7%	11,712	5%	10,002	5%
Investment Income(Equity method)-Net	1,291	2%	1,670	3%	-23%	2,099	1%	7,222	3%	5,525	3%
Interest Expenses-Net	(654)	-1%	(620)	-1%	n.a.	(1,239)	-1%	(2,426)	-1%	(2,640)	-1%
Gain on revaluation of investment property	22	0%	189	0%	-88%	38	0%	250	0%	3,246	2%
Others	(146)	0%	104	0%	n.a.	335	0%	1,070	0%	(9)	0%
Consolidated Income before Tax	5,811	9%	5,416	9%	7%	10,793	8%	17,827	7%	16,123	8%
Tax Expenses	1,245	2%	859	1%	45%	2,160	2%	2,983	1%	3,143	2%
Consolidated Net Income	4,566	7%	4,557	8%	0%	8,633	6%	14,844	6%	12,981	6%
Attributable to:											
Shareholders of the Company	3,080	5%	3,517	6%	-12%	5,833	4%	9,685	4%	8,063	4%
Non-Controlling Interests	1,486	2%	1,040	2%	43%	2,800	2%	5,160	2%	4,918	2%
EPS (NT\$) ⁽¹⁾	0.62		0.71			1.17		1.94		1.62	
Total Assets						662,883	100%	635,328	100%	616,955	100%
Total Debt						396,563	60%	365,913	58%	347,531	56%
Net Interest-bearing Debt						237,774	36%	235,607	37%	232,482	38%
Total Equity						266,320	40%	269,415	42%	269,425	44%
Total Shareholders' Equity of Parent Company						206,285	31%	206,049	32%	204,029	33%
Non-Controlling Interests						60,035	9%	63,366	10%	65,395	11%
Book Value Per Share						38.5		38.5		38.1	
Return on Equity						5.7%		4.7%		3.9%	

(Note 1): EPS is calculated using adjusted outstanding shares (deducting treasury stock).

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Awards



Top 5%

of all the listed companies

Corporate Governance Evaluation



Global Corporate Sustainability Award

- Best Practice Award - World Class - Outstanding Practice
- Special Award for Pandemic Response
- Sustainability Reporting Award—Silver Award



Taiwan Corporate Sustainability Award

- The Most Prestigious Sustainability Awards - Top Ten Domestic Corporates
- Sustainability Report Award—Platinum Award
- Circular Economy Leadership Award
- Growth through Innovation Leadership Award
- People Development Leadership Award



Institutional Investor

2022 ASIA (EX-JAPAN) EXECUTIVE TEAM

MOST HONORED COMPANY

Best CEO
Best ESG
Best CFO
Best IR Program
Best IR Professional



Asiamoney

Asia's Outstanding Company



Finance Asia

Asia's Best Managed Company



HR Asia

Best Companies to Work For in Asia

Constituent of ESG Indexes



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FTSE4Good



FTSE4Good
TIP Taiwan ESG Index



CDP

★ Management Level ★

- Climate Change
- Supplier Engagement Rating
- Water Security



Q & A

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FENC's Production Sites & Capacity

Provide clients local to local services

Regionalization with various & diversified production sites and flexible sales & distribution to mitigate the effects of trade barriers

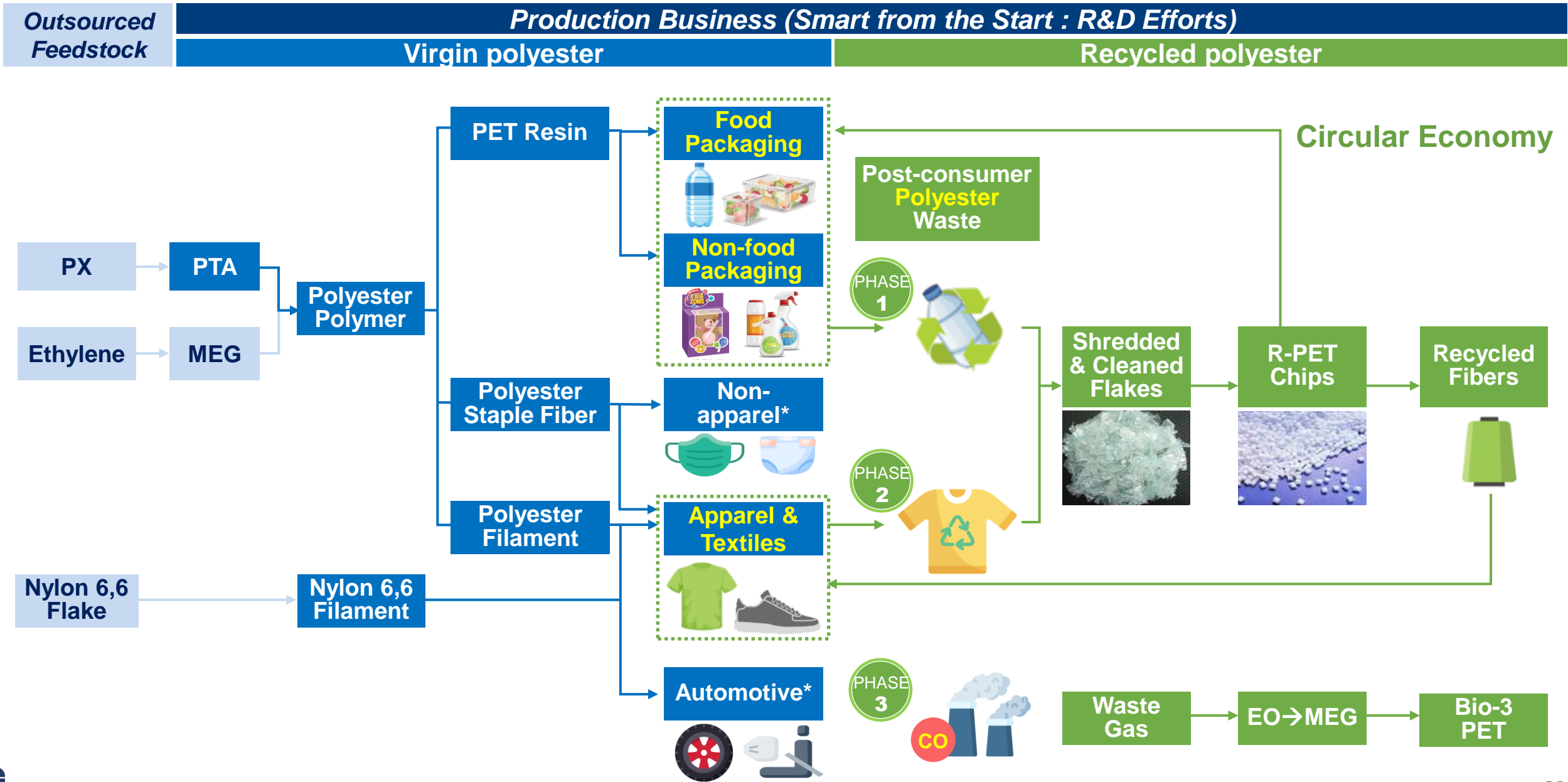


Abbr. Polyester Staple Fiber(PSF) High Tenacity Polyester Yarn (HTY)

<div> Taiwan</div> <div> PTA / PET PSF Filament Knitted Fabric HTY R-PET</div>	<div> China</div> <div> PTA / PET PSF HTY Filament Knitted Fabric Apparel R-PET</div>	<div> Vietnam</div> <div> PET PSF Knitted Fabric Apparel</div>	<div> U.S.</div> <div><u>Via M&A</u> { PET CCP JV (Note) R-PET</div>	<div> Japan</div> <div> R-PET</div>	<div> Malaysia</div> <div> PET</div>	<div>Annual capacity (Current)</div> <div> PTA 2.75mm tons / PET 2.235mm tons PSF 419K tons Filament 95K tons Knitted Fabric 43K tons Apparel 75 mm pieces HTY 150K tons Recycled-PET(R-PET) 324K tons</div>
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(Note) CCP JV project since 2018: ❶ partnered with Alpek & Indorama, ❷ annual planned capacity of PET 1.1 MM & PTA 1.3 MM tons, ❸ each party has the right to off-take one-third of the capacity and to source its feedstock independently.

FENC's Value Chain





About FENC

<http://www.fenc.com/?lang=en>

Far Eastern New Century (“FENC”) is a leading polyester recycling company publicly traded in Taiwan since 1967 with a market capitalization of approximately US\$6 billion. It’s a constituent of the MSCI ESG Leaders Indexes and FTSE4Good Emerging Index. FENC is also the flagship company of Far Eastern Group and has diversified businesses ranging from production, to property development and investments.

On the production side, FENC aims to expand its green material business by increasing the scale of its recycled products. After expanding capacities in Taiwan, Japan and the United States, FENC has become one of the world’s largest post-consumer recycled polyester producers. With their high quality and speed to market, FENC’s products have been adopted by well-known global brands including Coca-Cola, Nike and Adidas.

FENC is a world top-three PET producer in terms of capacity and the leading PET producer in Asia. With its production sites in Taiwan, the United States, Vietnam, China, Japan and Southeast Asia, FENC is the only global polyester supplier providing integrated production and total solution services ranging from upstream feedstock to downstream daily necessities. FENC’s strategy is to strengthen its position as a leading polyester producer by maintaining long-term client partnerships, upgrading its product mix and enhancing research and development capabilities.

Currently FENC has total investment properties of 220,000 pings (728,000 square meters) in Taiwan, the majority of which are located in prime areas of northern Taiwan. The Taipei Far Eastern Telecom Park (Tpark) project in Banqiao, New Taipei City is one of FENC’s development priorities.

The majority of the Company’s investment portfolio is listed companies on the Taiwan Stock Exchange with proven track records, including Asia Cement (1102 TT), Far Eastone Telecommunications (4904 TT), Far Eastern International Bank (2845 TT), Oriental Union Chemical (1710 TT), Far Eastern Department Stores (2903 TT), and Everest Textile (1460 TT), thus providing the Company consistent dividend and investment income each year.



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