

Empowering Possibilities



*IR Publication  
Jan 2023*

 **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

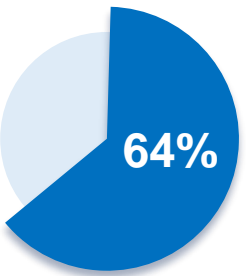
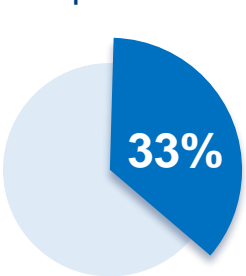
Strategic summary  
(FENC has a consistent dividend policy)

Asset allocation  
(9/30/'22: NT\$ 661 billion)

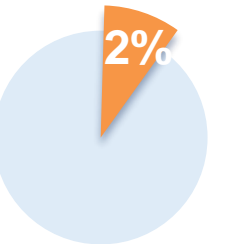
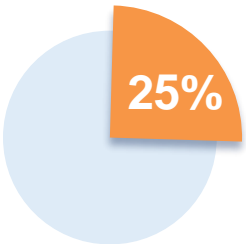
Consolidated revenue  
(1-3Q22: NT\$ 200 billion )

Book value per share: **NT\$ 39.4**

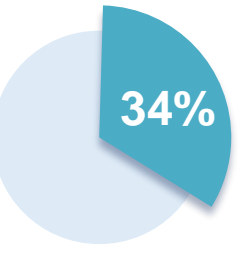
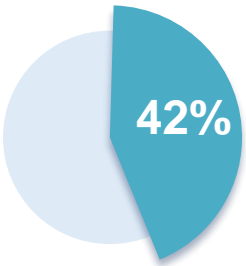
## Production Transformation



## 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 ktCO<sub>2</sub>e**

**2020**  
Base Year

**- 20%**

**2025**

**- 40%**

**2030**



**2050**

Source: [FENC 2021 Sustainability Report](#)

# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**



**ESG & Recent Achievements**



**Appendix**



# 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**

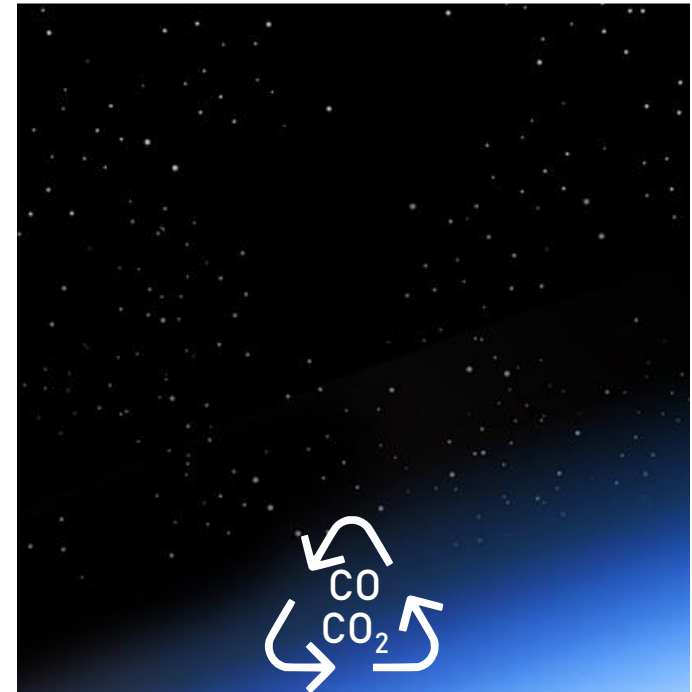





**Recycle Ocean Waste**

*Convert ocean plastic® to  
high value products*

from **Air**





**Recycle Waste Gas**





*Capture waste gas to  
make PET*



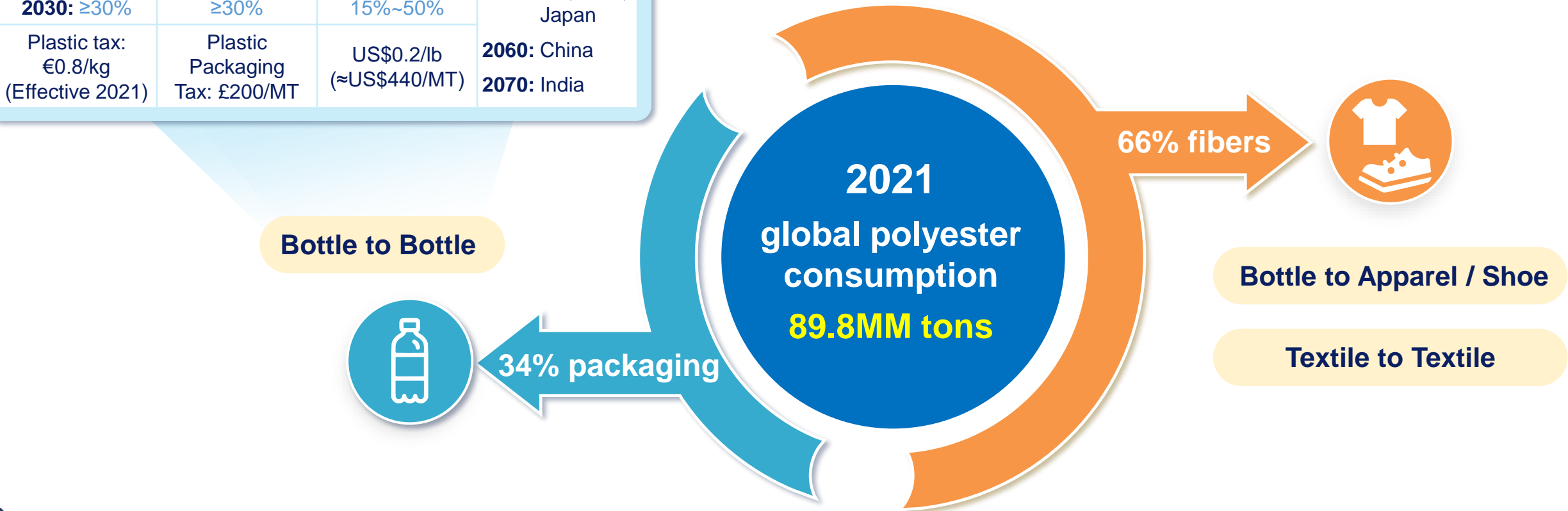
# FENC's Pioneering Sustainability Projects



# R-PET Market Demand Outlook

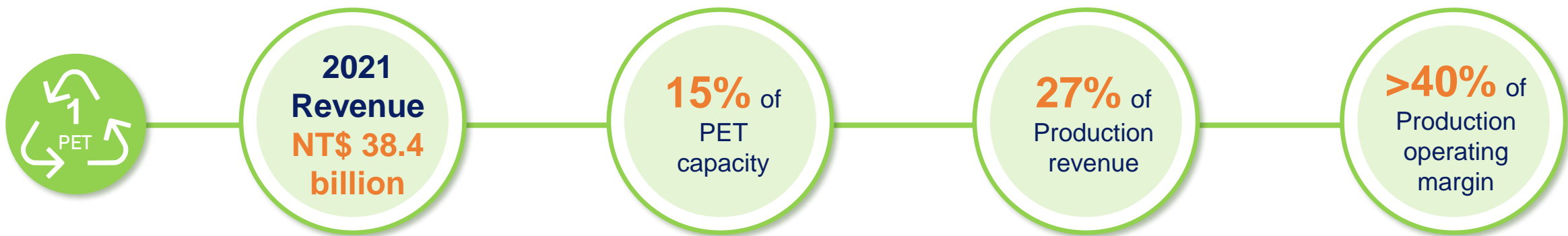
Post-Consumer Recycled (PCR) Resin has/will become a mandatory element of plastic bottles in many places			
			
2025: ≥25% 2030: ≥30%	1 Apr 2022: ≥30%	CA, WA & NJ: 15%~50%	2050: EU, USA, Japan
Plastic tax: €0.8/kg (Effective 2021)	Plastic Packaging Tax: £200/MT	US\$0.2/lb (≈US\$440/MT)	2060: China 2070: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



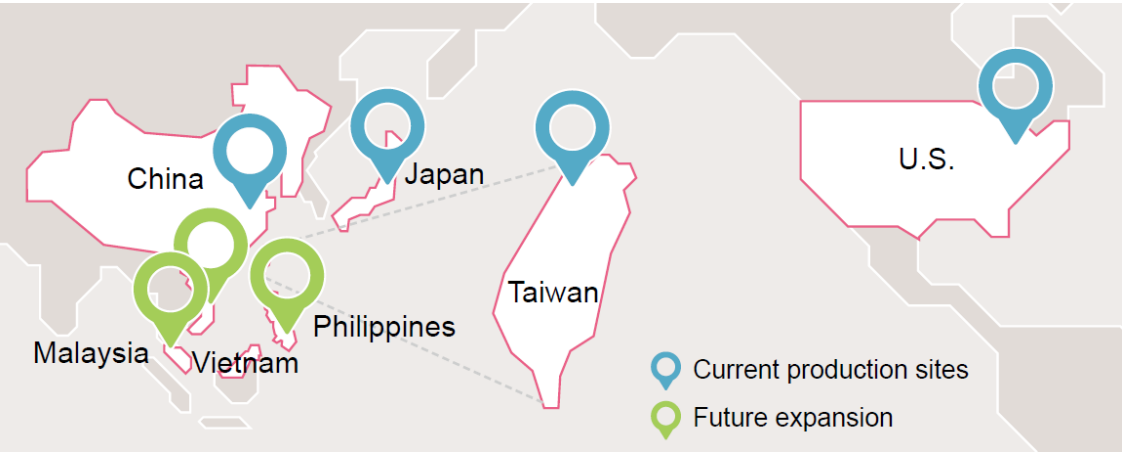
### 3 Other green certifications



# FENC's Green Business Snapshot (II)

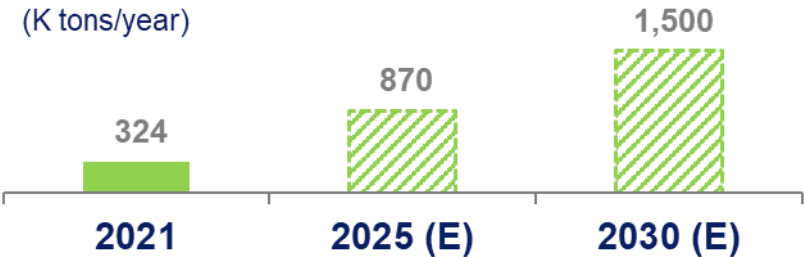
## A leading polyester recycling company

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



# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**



**ESG & Recent Achievements**



**Appendix**

# 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 Sep 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

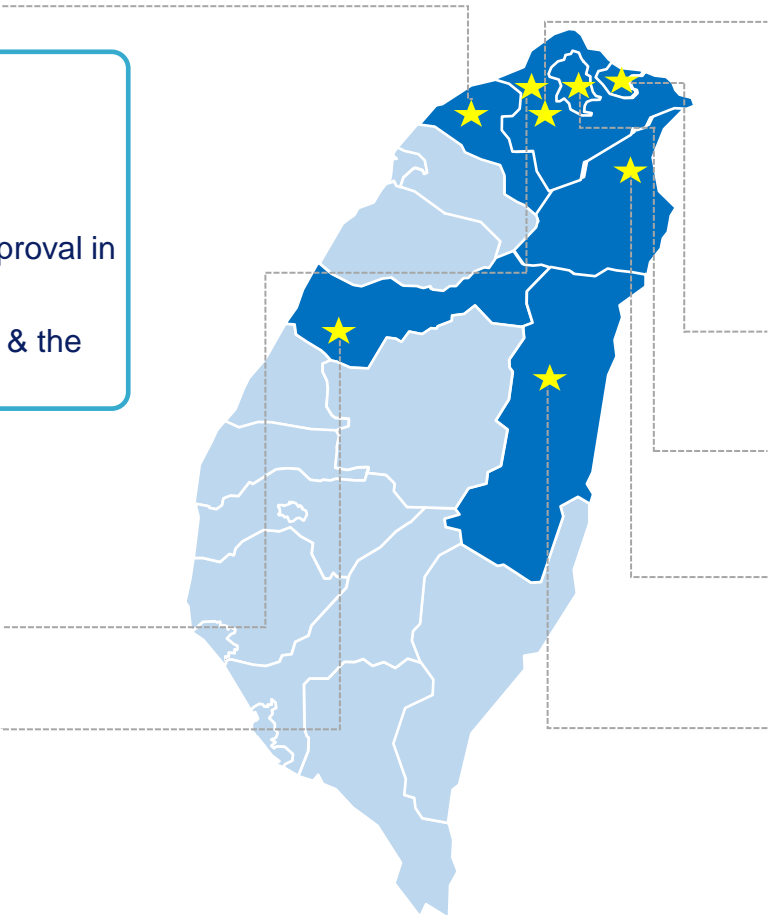
## Taishan & Wugu

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



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





# Taipei Far Eastern Telecom Park (Banqiao)



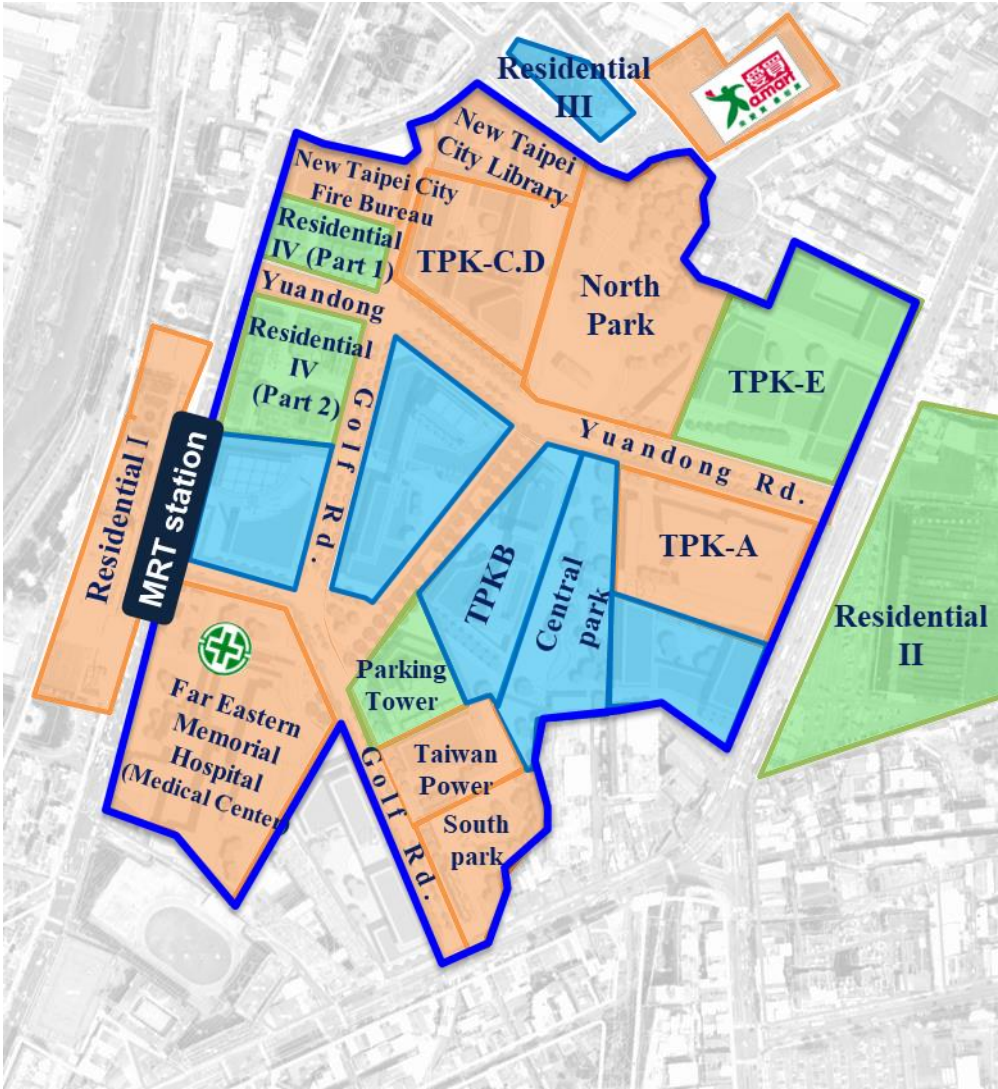
A **smart green** campus, with sole property ownership, integrated with residential zones, commercial offices, a medical center, a college, and a hypermarket in the neighborhood



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%
<b>For lease</b> (full occupancy) <ul style="list-style-type: none"><li>• <b>Completed:</b> 3 buildings (TPK-A/C/D)</li><li>• <b>Tenants:</b> FETone, Google, Ericsson, Synology, Unilever, etc</li><li>• <b>Under construction:</b> 2 buildings (TPK-E &amp; parking tower)</li></ul>	<b>For sale</b> <ul style="list-style-type: none"><li>• <b>Under construction:</b> 1 building (Residential IV-Part 1)</li><li>• <b>Planned:</b> 2 buildings (Residential IV-Part 2 &amp; Residential II)</li></ul>	<b>Planned for the final stage</b>	<b>Far Eastern Memorial Hospital</b>	<b>Completed:</b> <ul style="list-style-type: none"><li>• New Taipei City library</li><li>• New Taipei City Fire Bureau</li><li>• Infrastructure, ex. road &amp; utilities</li><li>• Green parks</li></ul>

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









# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**










**ESG & Recent Achievements**



**Appendix**

# Investment Portfolio - Listed Companies

(NT\$ million)

Stock code	Investees	Holdings (%)	Book value (2022.9.30)	Market value (2023.1.4)	Accounting method
4904 TT	 Far EasTone Telecommunications	38%	24,486	83,056	Consolidated entity
1102 TT	 Asia Cement	26%	26,811	36,860	Equity method
2903 TT	 Far Eastern Department Stores	35%	11,486	10,702	Equity method
1710 TT	 Oriental Union Chemical	31%	5,208	5,077	Equity method
2845 TT	 Far Eastern International Bank	16%	7,477	6,383	Equity method
1460 TT	 Everest Textile	26%	1,631	1,292	Equity method
2606 TT	 U Ming Marine	0%	-	-	Asia Cement's investment
<b>Total Investees</b>			<b>77,100</b>	<b>143,370</b>	

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

# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**



**Recent Achievements & CSR**

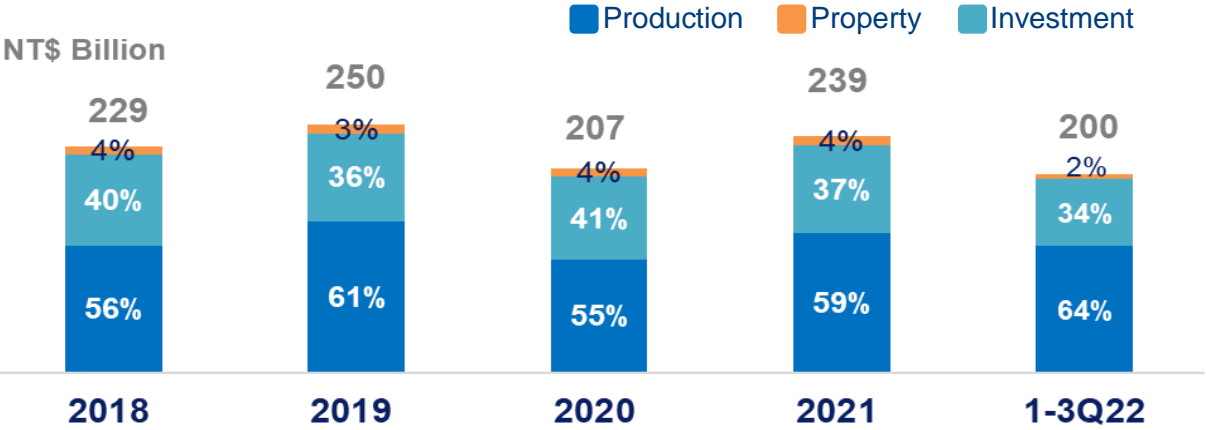


**Appendix**

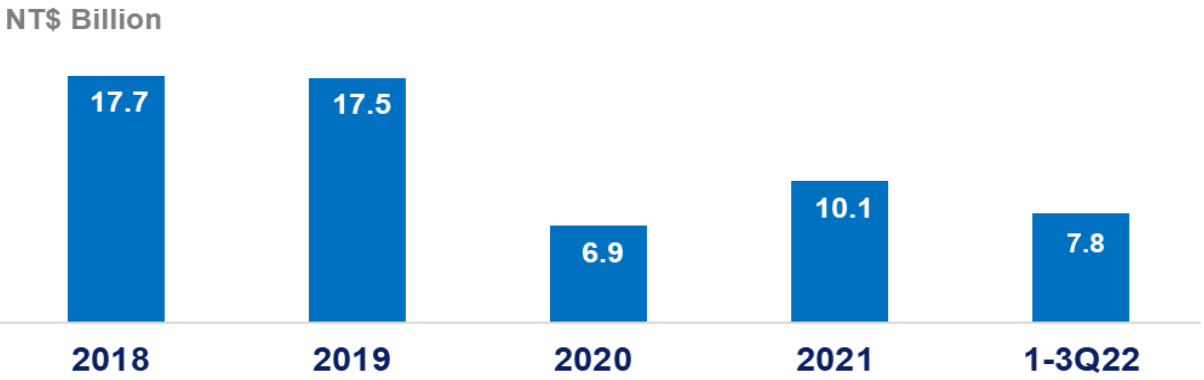


# Key Financials Summary (I)

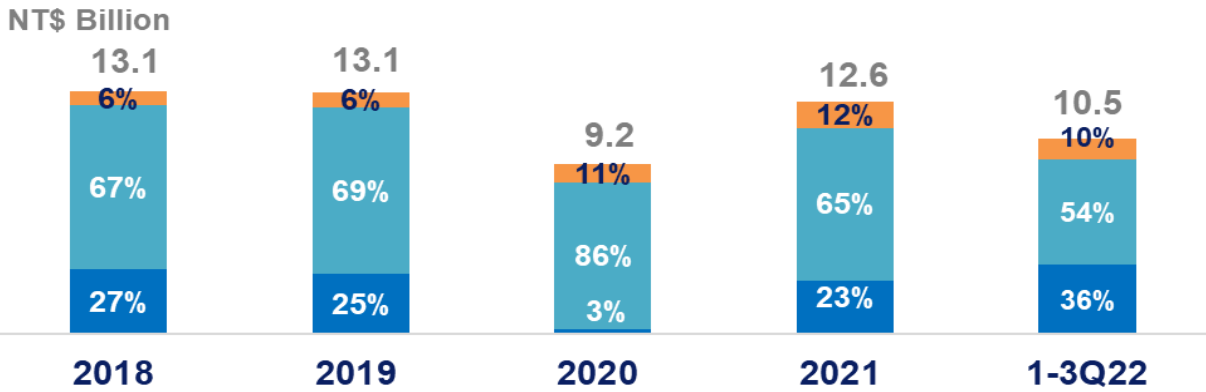
Consolidated revenue breakdown



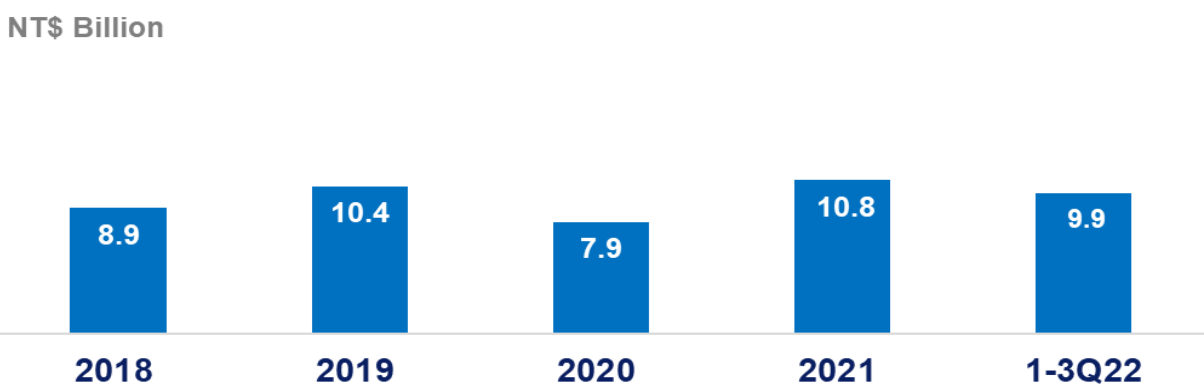
Capex – Production



Adjusted operating margin\* breakdown



EBITDA – Production

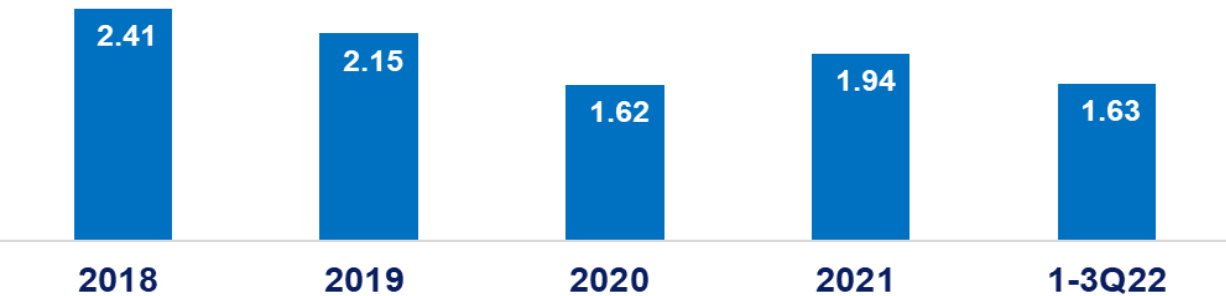


\* For presentation purpose, adjusted operating margin for “investment business” includes  
① using 38.33% holding ratio to calculate FETone operating margin ② investment Income (equity method) & dividend income of non-operating income.

# Key Financials Summary (II)

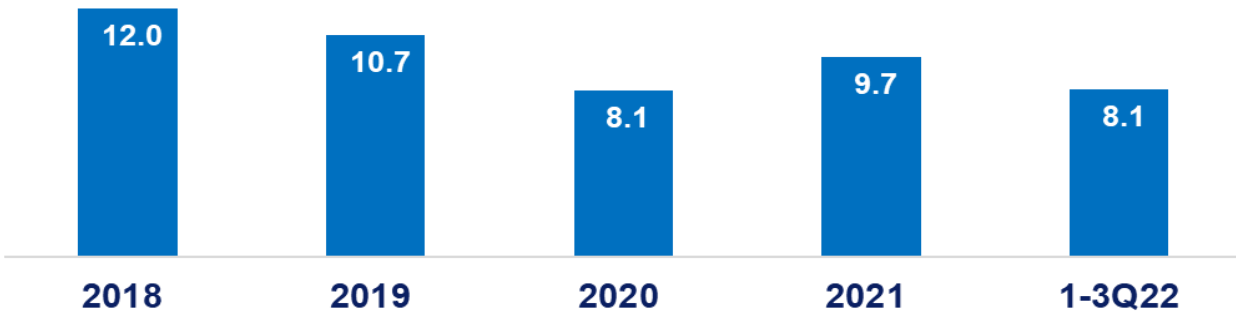
Earnings per share

NT\$ per share



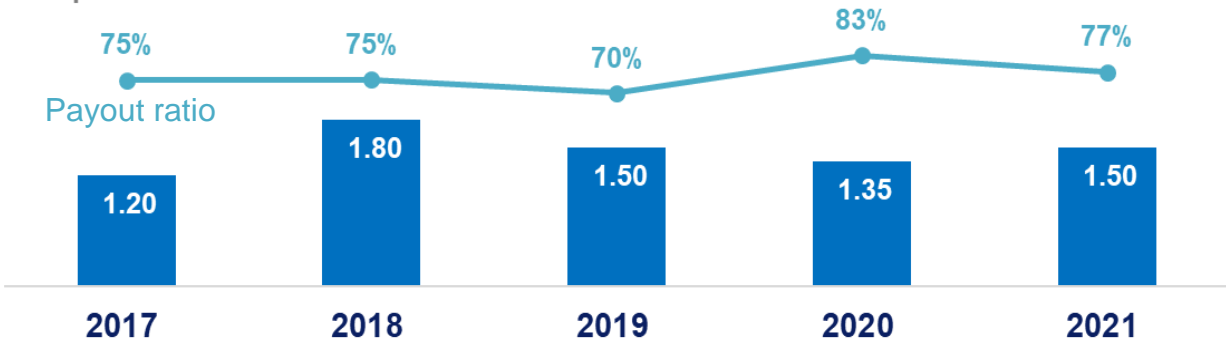
Net income attributable to shareholders

NT\$ Billion



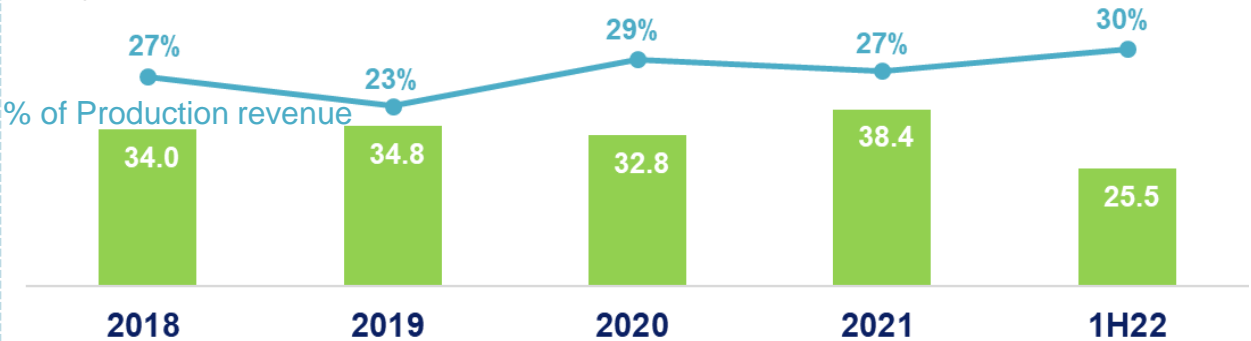
Cash dividend per share

NT\$ per share



Green product revenue

NT\$ Billion



# Consolidated Financial Summary

(NT\$ million)	3Q22		3Q21		YoY	1-3Q, 22		2021		2020	
Revenues	67,195	100%	58,446	100%	15%	199,876	100%	238,806	100%	206,769	100%
Profit from Operations	2,738	4%	2,531	4%	8%	12,299	6%	11,712	5%	10,002	5%
Investment Income(Equity method)-Net	1,679	2%	1,466	2%	14%	3,778	2%	7,222	3%	5,525	3%
Interest Expenses-Net	(756)	-1%	(601)	-1%	n.a.	(1,995)	-1%	(2,426)	-1%	(2,640)	-1%
Gain on revaluation of investment property	32	0%	(44)	0%	n.a.	70	0%	250	0%	3,246	2%
Others	651	1%	1,498	3%	-57%	986	0%	1,070	0%	(9)	0%
Consolidated Income before Tax	4,344	6%	4,850	8%	-10%	15,137	8%	17,827	7%	16,123	8%
Tax Expenses	806	1%	744	1%	8%	2,966	2%	2,983	1%	3,143	2%
Consolidated Net Income	3,538	5%	4,106	7%	-14%	12,171	6%	14,844	6%	12,981	6%
Attributable to:											
Shareholders of the Company	2,298	3%	2,258	4%	2%	8,131	4%	9,685	4%	8,063	4%
Non-Controlling Interests	1,240	2%	1,849	3%	-33%	4,040	2%	5,160	2%	4,918	2%
EPS (NT\$) <sup>(1)</sup>	0.46		0.45			1.63		1.94		1.62	
Total Assets						661,179	100%	635,328	100%	616,955	100%
Total Debt						388,982	59%	365,913	58%	347,531	56%
Net Interest-bearing Debt						245,205	37%	235,607	37%	232,482	38%
Total Equity						272,197	41%	269,415	42%	269,425	44%
Total Shareholders' Equity of Parent Company						210,965	32%	206,049	32%	204,029	33%
Non-Controlling Interests						61,232	9%	63,366	10%	65,395	11%
Book Value Per Share						39.4		38.5		38.1	
Return on Equity						5.2%		4.7%		3.9%	

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

# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**



**ESG & Recent Achievements**



**Appendix**



# ESG & Recent Achievements

## 2022 Awards



TAIWAN  
STOCK EXCHANGE

**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



### ITMF Award

Sustainability & Innovation:  
TOPGREEN® BIO3



### ISPO Munich Textrends

- Best Product: TOPGREEN® BIO3
- Top 10: TOPGREEN® rTex

## Constituent of ESG Indexes

**2022**

MSCI ESG Leaders  
Indexes Constituent

THE INCLUSION OF FENC IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF FENC BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



FTSE4Good



FTSE4Good  
TIP Taiwan ESG Index



**CDP**

★ Management Level ★

- Climate Change
- Supplier Engagement Rating
- Water Security



# Q & A

For further information, please contact

IR Team, Finance Department

IR email box: [IR@fenc.com](mailto:IR@fenc.com)

*Can also be reached as follows,*

Carol Wang

(886) 2 7752-8537; [wang2002@fenc.com](mailto:wang2002@fenc.com)

Chialing Chao

(886) 2 7752-8470; [chialing@fenc.com](mailto:chialing@fenc.com)

Jarvis Liu

(886) 2 7752-8492; [jarvisliu@fenc.com](mailto:jarvisliu@fenc.com)



[Website](#)



[Presentations](#)



Hello,  
We're FENC

# Contents

---



**Company Overview**



**Production Business**



**Property Development Business**



**Investment Business**



**Financials**



**ESG & Recent Achievements**



**Appendix**



# 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

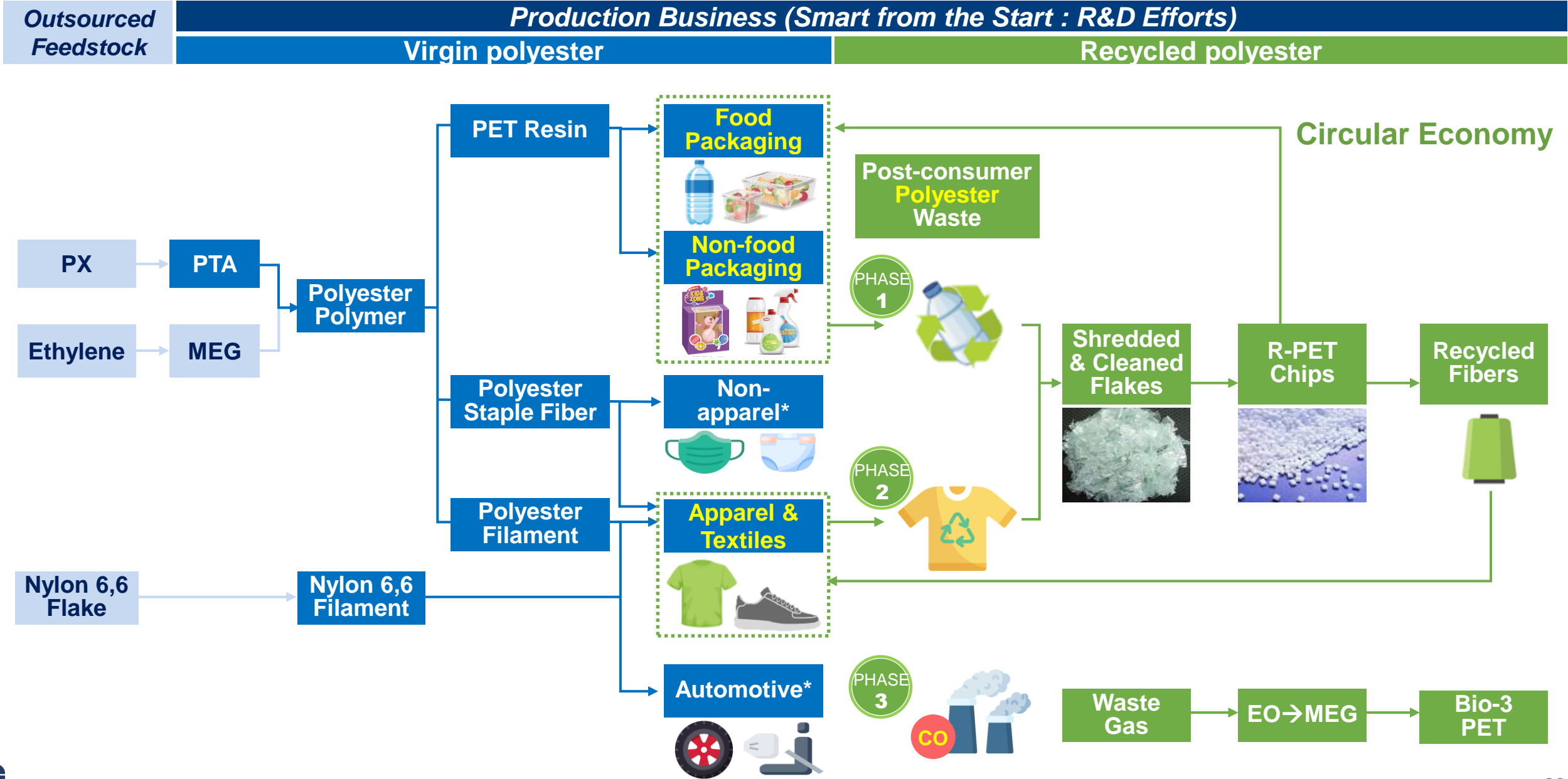


Abbr. Polyester Staple Fiber(PSF) High Tenacity Polyester Yarn (HTY)

<div><div><div>1</div><div></div><div>Taiwan</div></div><div><div> PTA / PET</div><div> PSF</div><div> Filament</div><div> Knitted Fabric</div><div> HTY</div><div> R-PET</div></div></div>	<div><div><div>2</div><div></div><div>China</div></div><div><div> PTA / PET</div><div> PSF  HTY</div><div> Filament</div><div> Knitted Fabric</div><div> Apparel</div><div> R-PET</div></div></div>	<div><div><div>3</div><div></div><div>Vietnam</div></div><div><div> PET</div><div> PSF</div><div> Knitted Fabric</div><div> Apparel</div></div></div>	<div><div><div>4</div><div></div><div>U.S.</div></div><div><div><div>Via M&amp;A</div><div> PET</div><div>CCP JV (Note)</div><div> R-PET</div></div></div></div>	<div><div><div>5</div><div></div><div>Japan</div></div><div><div> R-PET</div></div></div>	<div><div><div>6</div><div></div><div>Malaysia</div></div><div><div> PET</div></div></div>	<div><div><div>Annual capacity (Current)</div><div><div> PTA 2.75mm tons / PET 2.235mm tons</div><div> PSF 419K tons  Filament 95K tons</div><div> Knitted Fabric 43K tons</div><div> Apparel 75 mm pieces</div><div> HTY 150K tons</div><div> Recycled-PET(R-PET) 324K tons</div></div></div></div>
---	---	---	--	---	--	--

(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.



Hello,  
We're FENC





# Disclaimer

This presentation is prepared by Far Eastern New Century Corporation (the “Company”) and is solely for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and does not purport to be a complete description of the Company, its business, its current or historical operating results or its future prospects.

This presentation is provided without any warranty or representation of any kind, either expressed or implied. The Company specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation. Neither this presentation nor any of its contents may be reproduced to a third party without the prior written consent of the Company.



Hello,  
We're FENC