

Empowering Possibilities



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Apr 2023*

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

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

Contents



Company Overview



Production Business



Property Development Business



Investment Business



Financials



ESG & Recent Achievements



Appendix

FENC's Three Key Businesses

Established 1954 / 32,736 employees

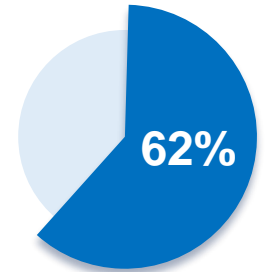
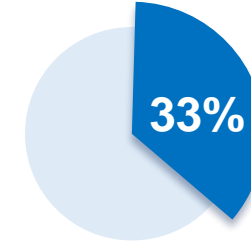
Strategic summary
(FENC has a consistent dividend policy)

Asset allocation
(12/31/2022: NT\$ 658 B)

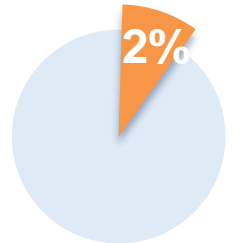
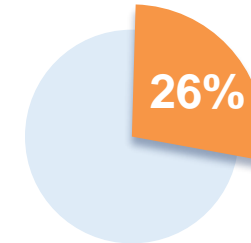
Consolidated revenue
(2022: NT\$ 264 B)

Book value per share: **NT\$ 39.0**

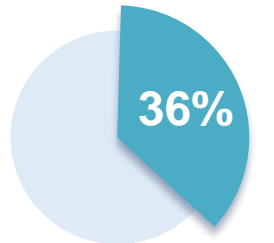
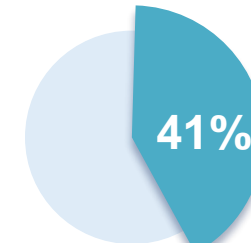
Production Transformation



Property Development & Monetization



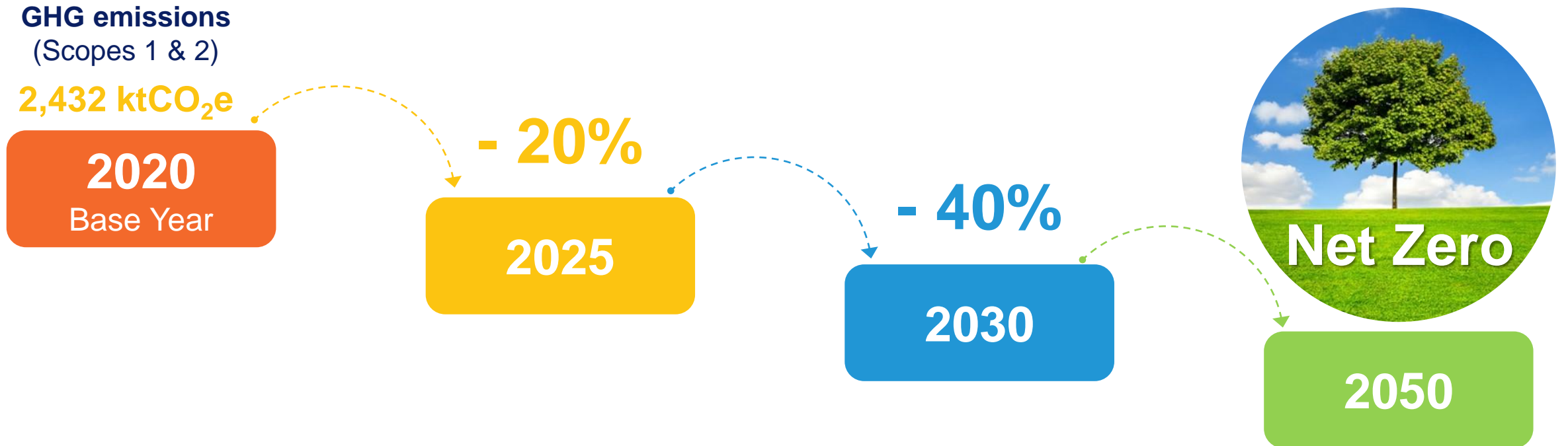
Investments Stable Investment Income



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.



Source: [FENC 2021 Sustainability Report](#)



In line with SBTi guidelines, FENC has committed its short term business goals towards a 1.5°C global temperature reduction; a long term target of Net Zero emissions and to participate in the UNFCCC Race to Zero campaign.

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



<u>Waste</u>			<u>New Product</u>	
1~1.5		➔	1	
7~8		➔	1	
11		➔	1	 (A pair)
15		➔	1	 (Tire cord fabric)
1~1.5		➔	1	

Waste reduction



FENC is reducing 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**

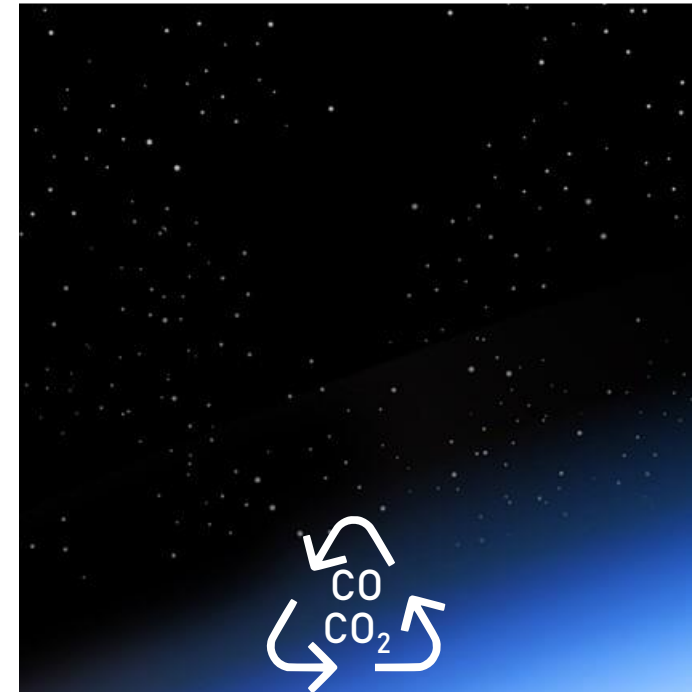





Recycle Ocean Waste

*Convert ocean plastic[®] to
high value products*

from **Air**





Recycle Waste Gas

*Capture waste gas to
make PET*

FENC's Pioneering Sustainability Projects



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

2015 ~ Now: adidas' Ocean Plastic Recycling Project with Parley (NGO)

Recycling ocean waste PET bottles into high-quality yarns for shoe uppers and 2022 FIFA World Cup jerseys

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
- Top 10: TOPGREEN® rTex (recycled textile waste)

2022 ITMF Award

- Sustainability & Innovation: TOPGREEN® BIO3 (recycled waste gas + Nylon 6,6 solution dye)

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.*

Bottle to Bottle



34% packaging

2022
global polyester
consumption
94.7MM tons

66% fibers



Bottle to Apparel / Shoe

Textile to Textile

FENC's Green Business Snapshot (I)

Green products revenue

2022

NT\$ 46B

YoY
+20%

- 28% of Production Business revenue
- >40% of Production Business operating profit

2021

NT\$ 38B

- 27% of Production Business revenue
- >40% of Production Business operating profit

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



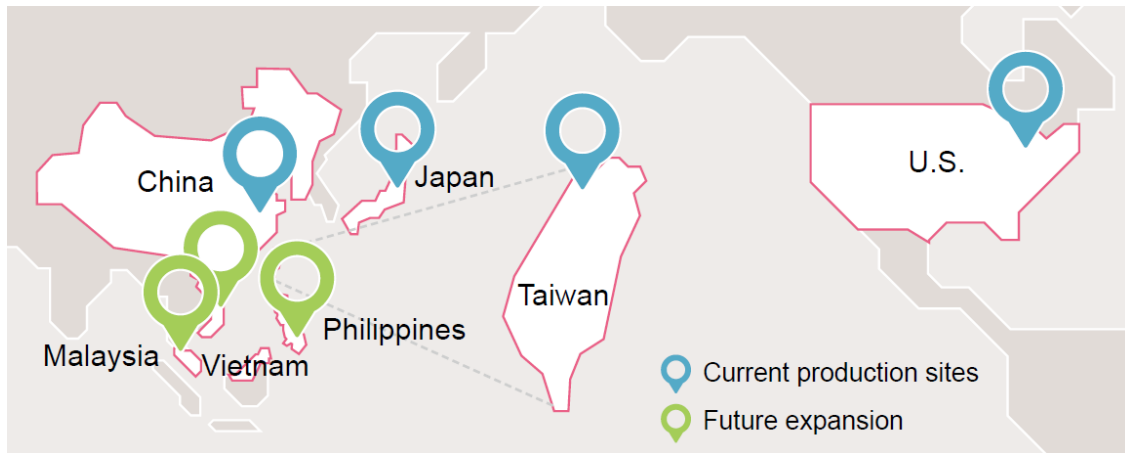
FENC's Green Business Snapshot (II)

A leading polyester recycling company



Target to be
Global No.1 R-PET Supplier

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.



Business models & new partnerships in Japan & Taiwan

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 213k pings (705k sq meters)

The book value of investment properties : NT\$ 115B as of Dec 31, 2022

Taoyuan City (excluding Neili land development plan below)

Size: 53,065 pings (175,645 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

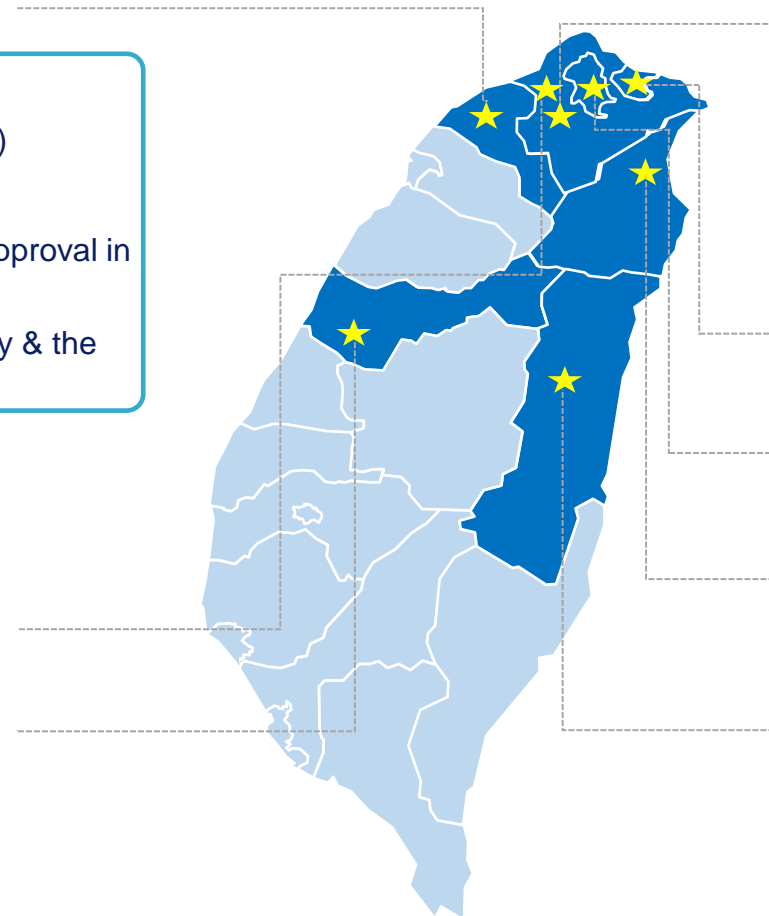
Taishan & Wugu

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

Taichung City

(Rented to hypermarket )

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



Banqiao

Taipei Far Eastern Telecom Park

Size: 80,877 pings (267,703 sq meters)

Mega Tower

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

Others

Size: 16,447 pings (54,440 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)



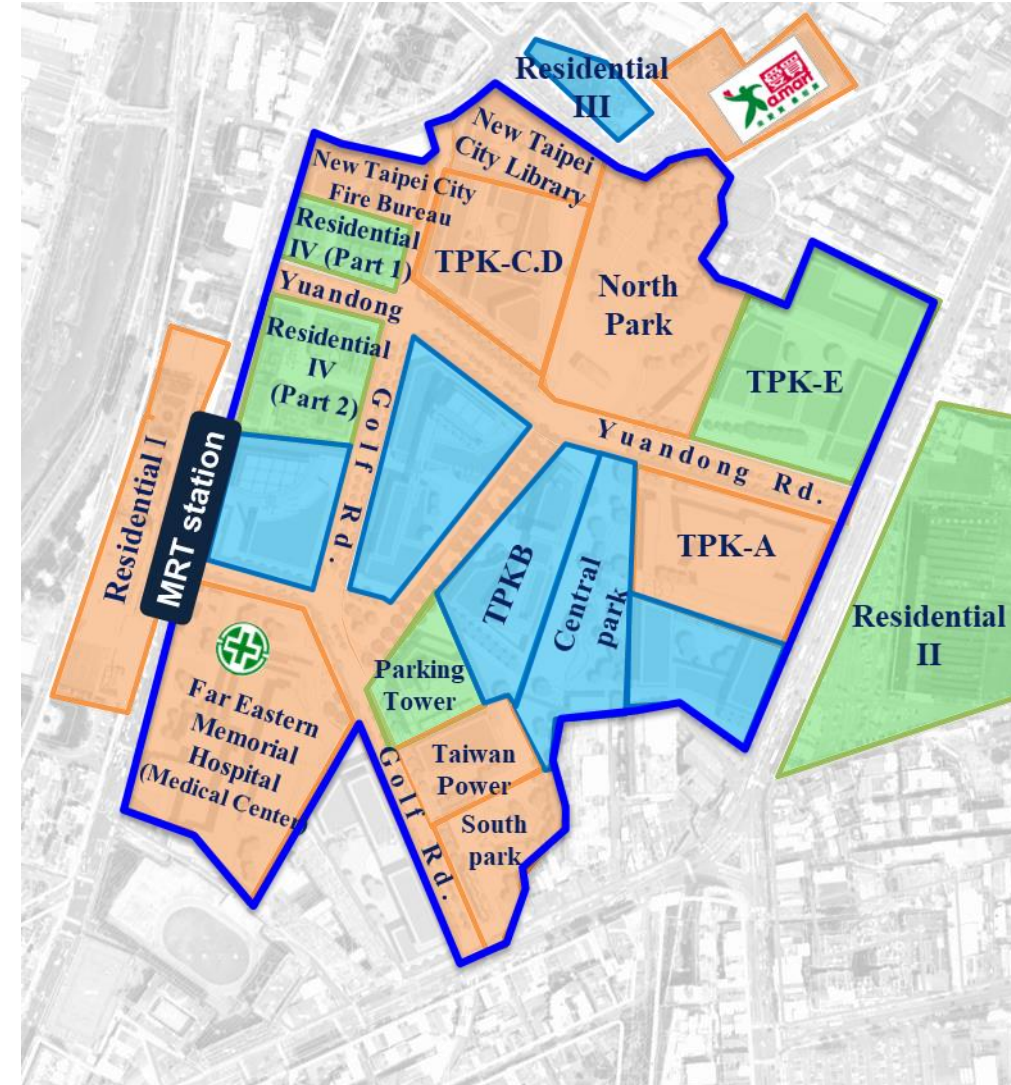
A **smart green** campus, with sole property ownership, integrated with residential zones, commercial offices, a medical center, a college, and a hypermarket in the neighborhood



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)





**FETone
IDC center**

**Google
rented**

**New Taipei
City library**

Hypermarket

North park

**Historical remains of
FENC textile mill**

ECO Park (for sale)
• 27-floor building
• GFA: 7k pings (23k sqm)
• Land: 1.6k pings (5.3k sqm)

**TPK-E
(Rented, under decoration)**
• 13-floor building
• Land: 6.6k pings (21.8k sqm)

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 (2022.12.31)	Market value (2023.4.7)	Accounting method
4904 TT	 Far EasTone Telecommunications	38%	25,417	94,547	Consolidated entity
1102 TT	 Asia Cement	26%	26,750	39,121	Equity method
2903 TT	 Far Eastern Department Stores	35%	11,771	11,397	Equity method
1710 TT	 Oriental Union Chemical	31%	4,983	5,528	Equity method
2845 TT	 Far Eastern International Bank	16%	8,392	7,276	Equity method
1460 TT	 Everest Textile	26%	1,723	1,425	Equity method
2606 TT	 U Ming Marine	0%	-	-	Asia Cement's investment
Total Investees			79,037	159,293	

Note : 5,353 million shares of FENC common stock were issued and outstanding as of Dec 31, 2022.

Contents



Company Overview



Production Business



Property Development Business



Investment Business



Financials



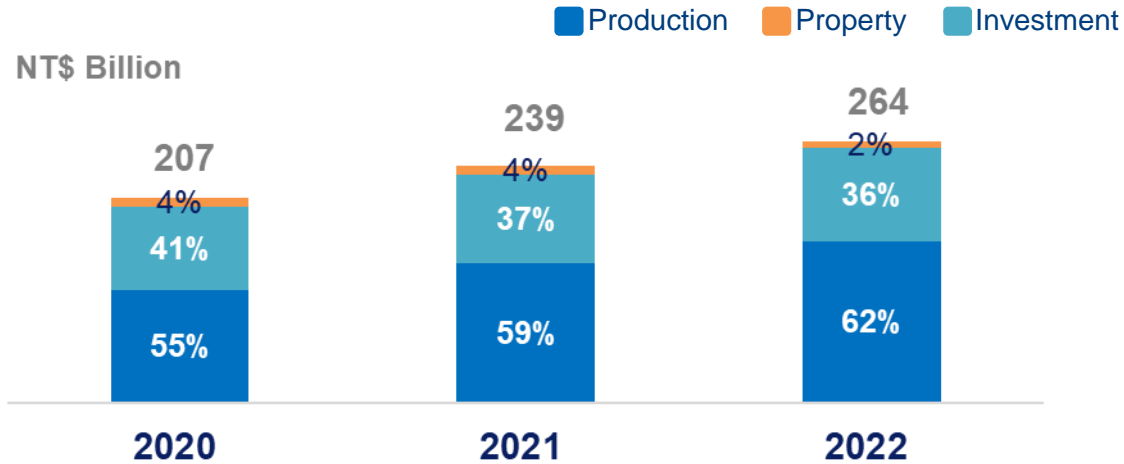
Recent Achievements & CSR



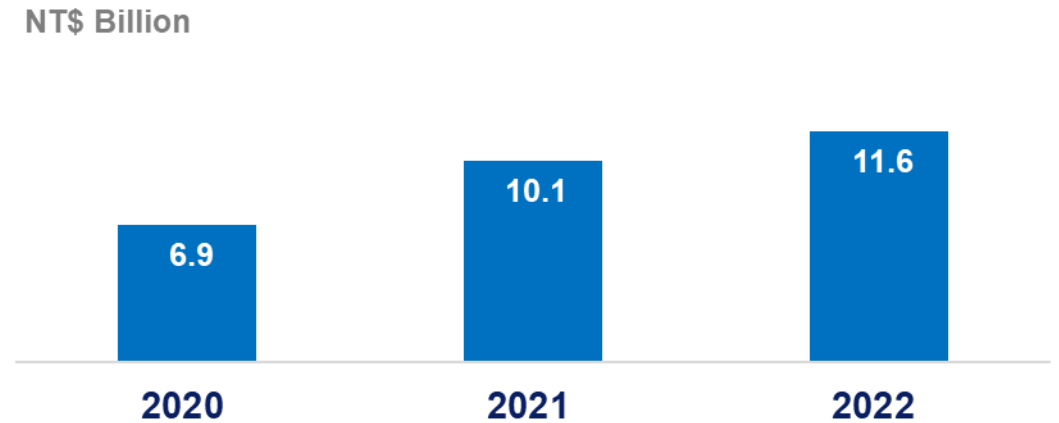
Appendix

Key Financials Summary (I)

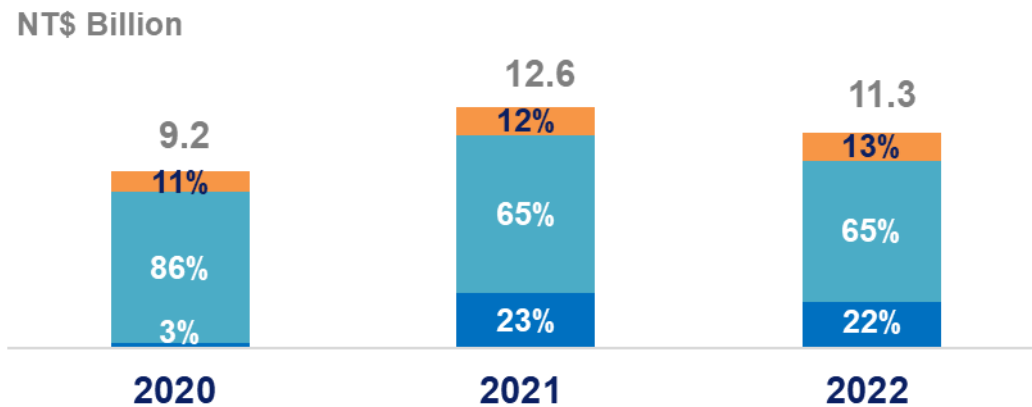
Consolidated revenue breakdown



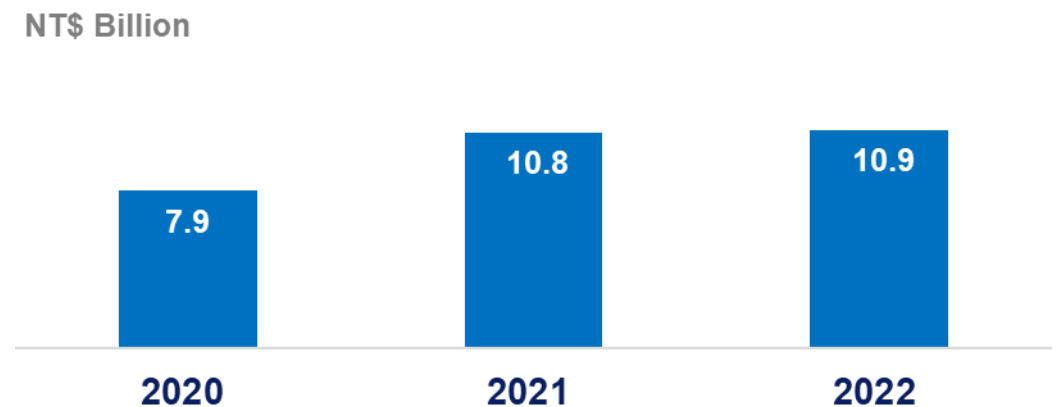
Capex – Production



Adjusted operating margin* breakdown



EBITDA – Production



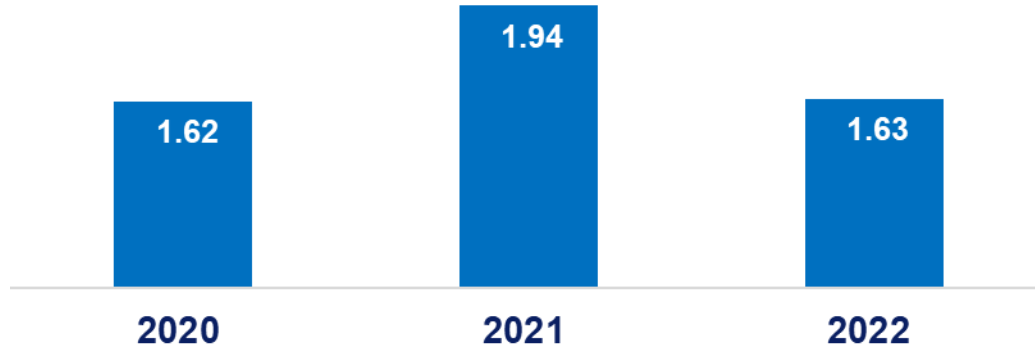
* For presentation purpose, adjusted operating margin for “investment business” includes

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



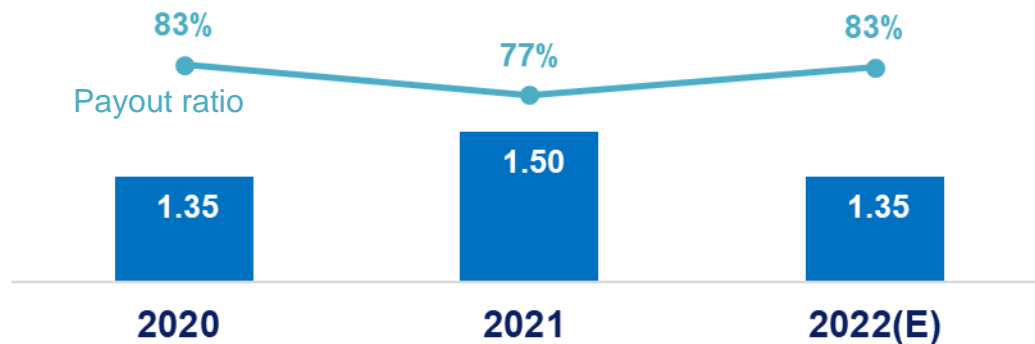
Net income attributable to shareholders

NT\$ Billion



Cash dividend per share

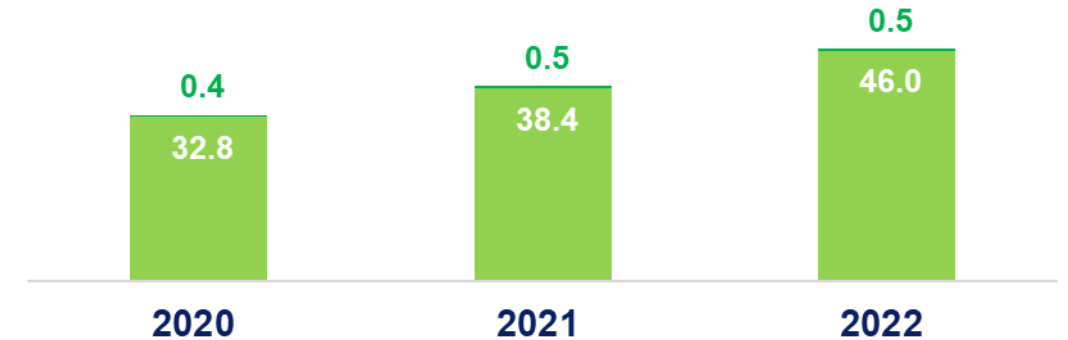
NT\$ per share



Green revenue

NT\$ Billion

Green product Green building



Note (1) The final number of 2022 dividend will be subject to 2023 AGM in June.

(2) Green Product Revenue: products which have received green certifications and others, such as GRS for recycled PET, etc.

(3) Green Building Revenue: all sales of/rental from those buildings that have received TW EEWH ratings or U.S. LEED ratings.

Consolidated Financial Summary

(NT\$ million)	4Q22		4Q21		YoY	2022		2021		YoY
Revenues	64,069	100%	65,619	100%	-2%	263,945	100%	238,806	100%	11%
Profit from Operations	2,051	3%	2,003	3%	2%	14,350	5%	11,712	5%	23%
Investment Income(Equity method)-Net	639	1%	1,934	3%	-67%	4,417	2%	7,222	3%	-39%
Interest Expenses-Net	(903)	-1%	(604)	-1%	n.a.	(2,898)	-1%	(2,426)	-1%	n.a.
Gain on revaluation of investment property	272	0%	(192)	0%	n.a.	342	0%	250	0%	37%
Others	(47)	0%	(426)	-1%	n.a.	939	0%	1,070	0%	-12%
Consolidated Income before Tax	2,013	3%	2,716	4%	-26%	17,150	6%	17,827	7%	-4%
Tax Expenses	843	1%	454	1%	86%	3,808	1%	2,983	1%	28%
Consolidated Net Income	1,170	2%	2,262	3%	-48%	13,341	5%	14,844	6%	-10%
Attributable to:										
Shareholders of the Company	29	0%	1,196	2%	-98%	8,160	3%	9,685	4%	-16%
Non-Controlling Interests	1,141	2%	1,066	2%	7%	5,181	2%	5,160	2%	0%
EPS (NT\$)⁽¹⁾	-		0.24			1.63		1.94		
Total Assets						657,758	100%	635,328	100%	
Total Debt						386,086	59%	365,913	58%	
Net Interest-bearing Debt						241,066	37%	235,607	37%	
Total Equity						271,672	41%	269,415	42%	
Total Shareholders' Equity of Parent Company						209,008	32%	206,049	32%	
Non-Controlling Interests						62,664	9%	63,366	10%	
Book Value Per Share						39.0		38.5		
Return on Equity						3.9%		4.7%		

(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

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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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[Website](#)



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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)

1 **Taiwan**

- PTA / PET
- PSF
- Filament
- Knitted Fabric
- HTY
- R-PET

2 **China**

- PTA / PET
- PSF HTY
- Filament
- Knitted Fabric
- Apparel
- R-PET

3 **Vietnam**

- PET
- PSF
- Knitted Fabric
- Apparel

4 **U.S.**

Via M&A

- PET
- CCP JV (Note)
- R-PET

5 **Japan**

- R-PET

6 **Malaysia**

- PET

Annual capacity (Current)

- PTA 2.75mm tons / PET 2.235mm tons
- Filament 95K tons
- PSF 419K tons
- Knitted Fabric 43K tons
- Apparel 75 mm pieces
- HTY 150K tons

(Note) CCP JV project since 2018: ① partnered with Alpek & Indorama, ② annual planned capacity of PET 1.1 MM & PTA 1.3 MM tons, ③ each party has the right to off-take one-third of the capacity and to source its feedstock independently.

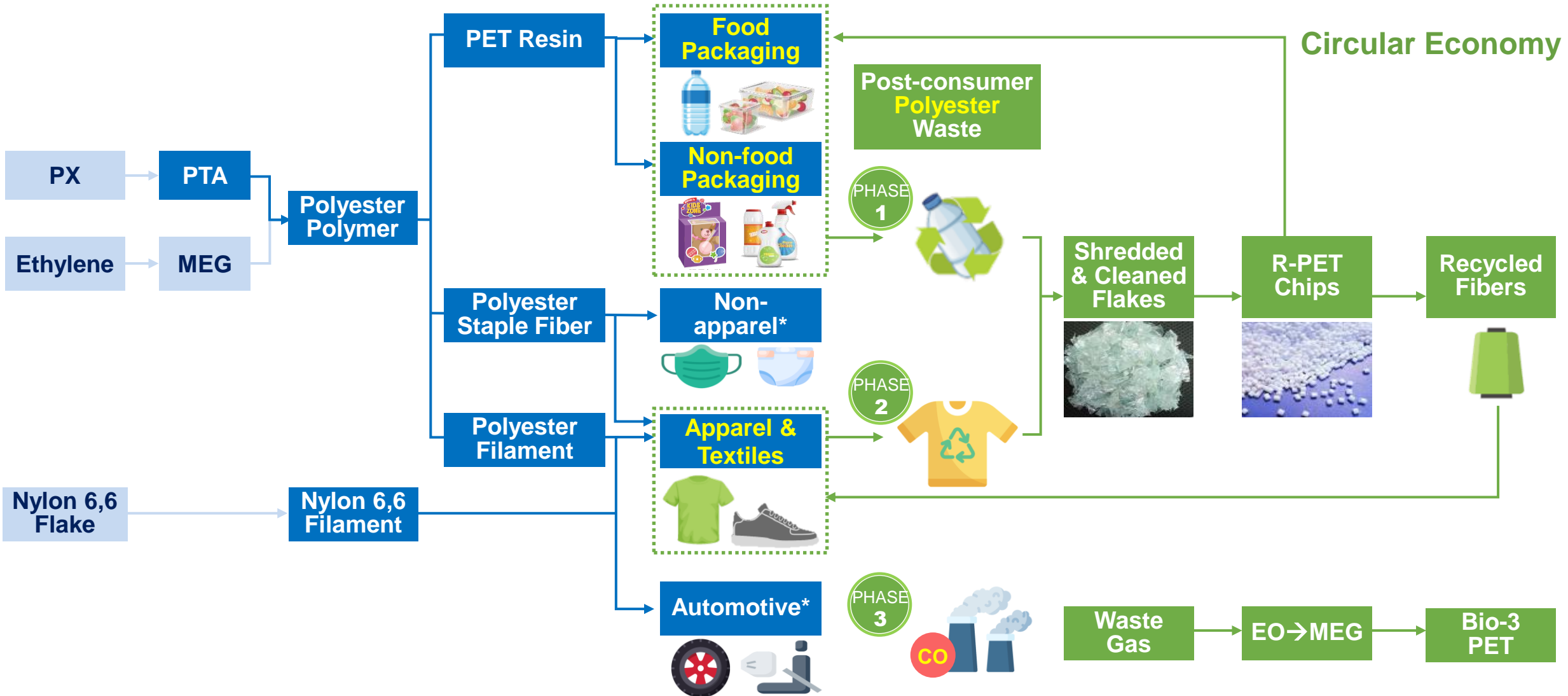
FENC's Value Chain

Outsourced Feedstock

Production Business (Smart from the Start : R&D Efforts)

Virgin polyester

Recycled polyester



* "Non-apparel" & "Automotive" have started to utilize recycled PET as raw materials

FENC's Revenue Breakdown – Green v.s. Non-green

(NT\$ million)	2020	2021	2022
Three Business Segments			
Production Business	114,042	140,772	163,180
Green Product Revenue ①	32,772	38,379	45,976
Property Development Business	8,767	8,870	6,387
Green Building Revenue ②	429	515	528
Investment Business	83,960	89,164	94,378
Consolidated revenue	206,769	238,806	263,945
Green revenue (①+②)	33,201	38,894	46,504
Green revenue as percentage of consolidated revenue	16%	16%	18%

Note

- (a) Production Business represents FENC's polyester upstream to downstream business from feedstock to end applications.
- (b) Green Product Revenue include products which have received green certifications and others, such as GRS for recycled PET, etc.
- (c) Property Development Business includes the consolidated entities of Far Eastern Resources Development, Far Eastern Construction, Far Eastern General Contractor, Yuan-Ding Co., Yuan Dung Enterprise (Shanghai), etc.
- (d) Green Building Revenue represents all sales of/rental from those buildings that have received TW EEWH ratings or U.S. LEED ratings.
- (e) Investment Business includes the consolidated entities, such as Far EasTone and others.



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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