

Empowering Possibilities



IR Publication
Apr 2022

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

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

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Production Business



Property Development Business



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Financials



Recent Achievements & CSR



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FENC's Three Key Businesses

Established 1954 / 29,259 employees

(As of 31 Dec 2021)

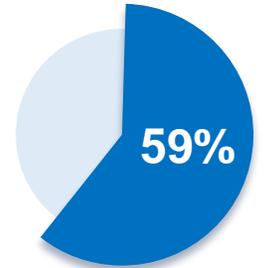
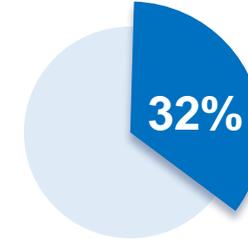
Strategic summary
(FENC has a consistent dividend policy)

Asset allocation
(Total: NT\$ 635 billion)

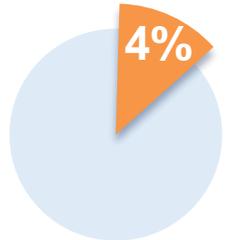
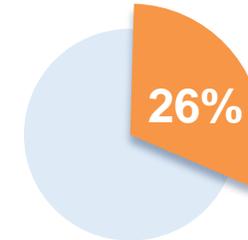
Consolidated revenue
(Total: NT\$ 239 billion)

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

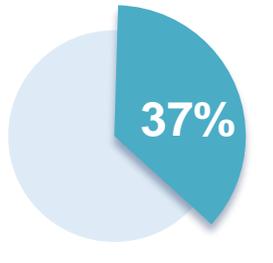
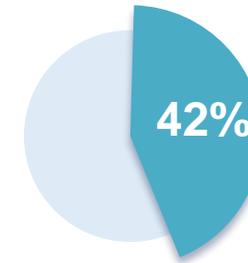
Production Transformation



Property Development & Monetization



Investments Stable Investment Income



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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...



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**



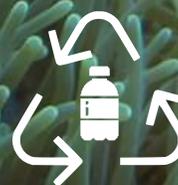


Recycle The Waste

*Bottle/Textile
circular recycling*

from **Sea**

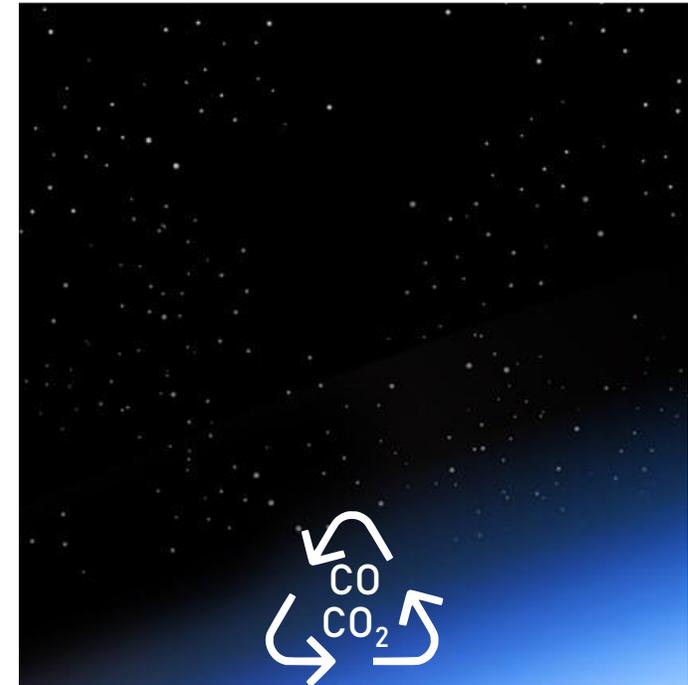




Recycle Ocean Waste

*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

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

Recycling ocean waste PET bottles into high-quality yarns for shoe uppers

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.*

Bottle to Bottle



34% packaging

2021
global polyester
consumption
89.8MM tons

66% fibers



Bottle to Apparel / Shoe

Textile to Textile

FENC's Green Business Snapshot (I)

FENC's green products



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)

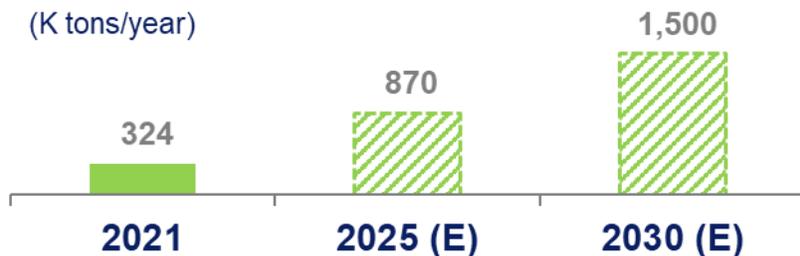
A leading polyester recycling company

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 at Dec 31, 2021

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

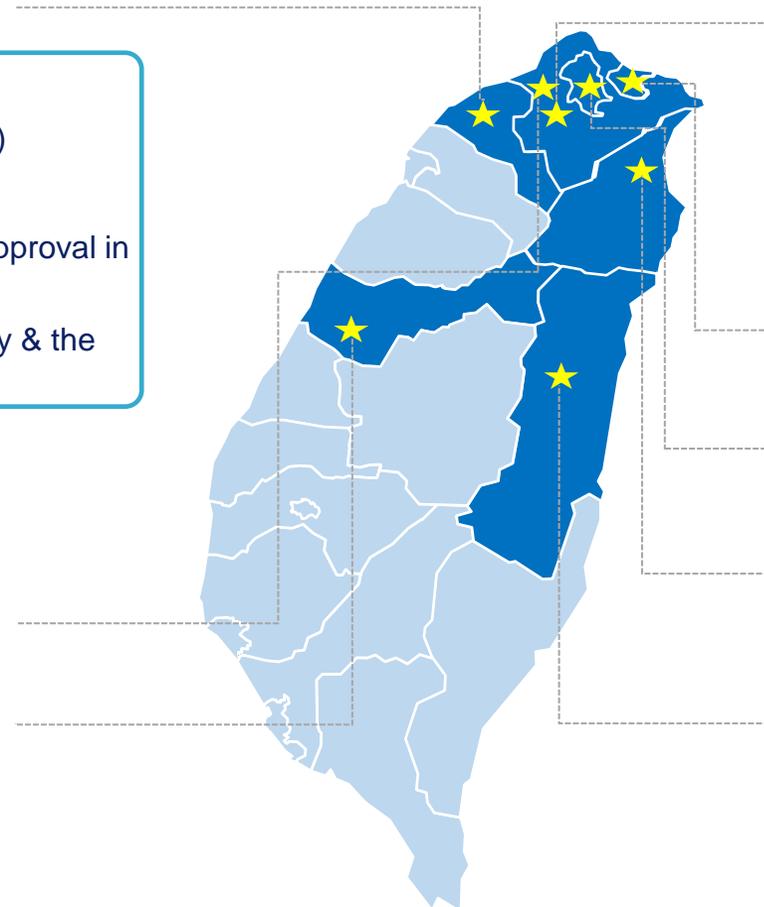
Taishan & Wugu

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

Taichung City

(Rented to hypermarket )

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



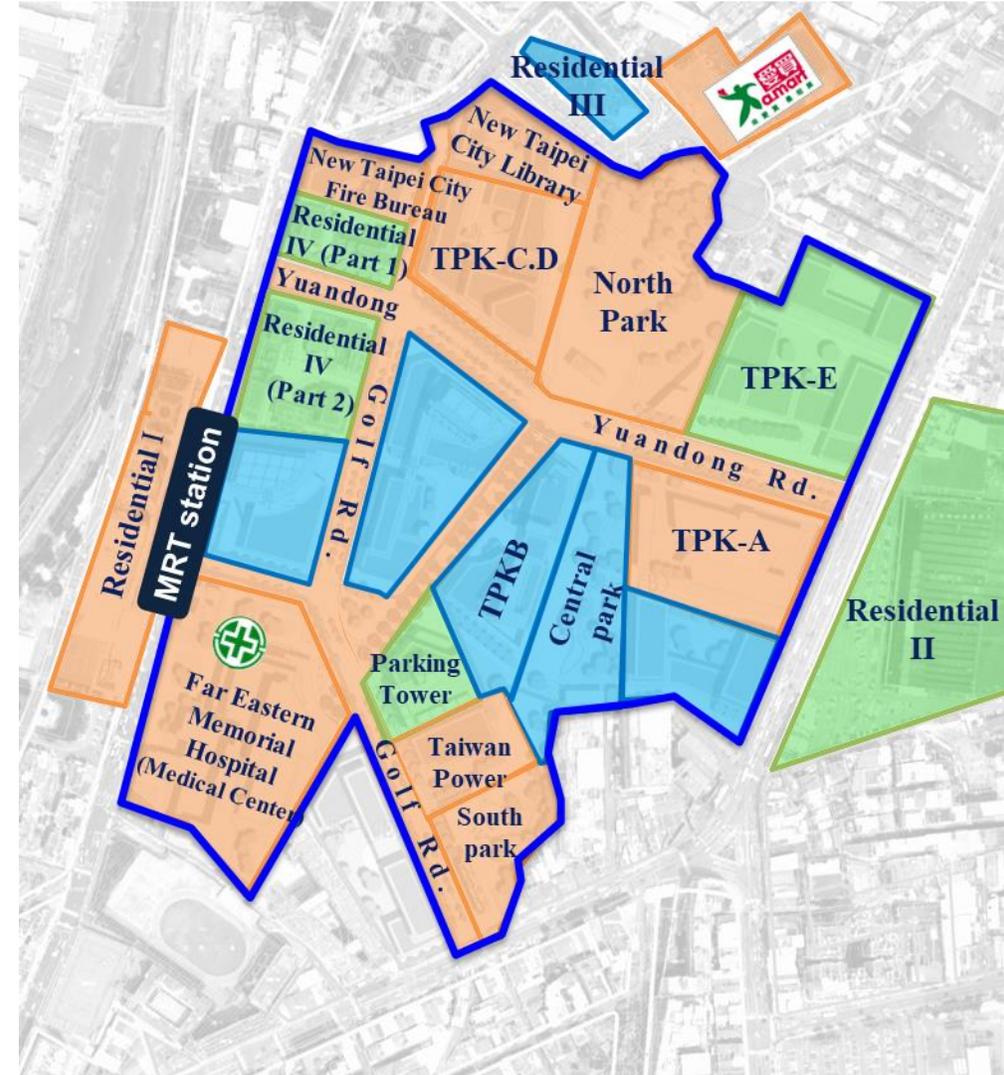
Taipei Far Eastern Telecom Park (Banqiao)



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



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



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



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)
<ul style="list-style-type: none"> • 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 (2021.12.31)	Market value (2022.3.31)	Accounting method
4904 TT	 Far EastOne Telecommunications	38%	26,133	91,799	Consolidated entity
1102 TT	 Asia Cement	26%	26,227	43,952	Equity method
2903 TT	 Far Eastern Department Stores	35%	11,567	10,496	Equity method
1710 TT	 Oriental Union Chemical	31%	5,559	6,224	Equity method
2845 TT	 Far Eastern International Bank	16%	7,568	7,016	Equity method
1460 TT	 Everest Textile	26%	1,651	1,550	Equity method
2606 TT	 U Ming Marine	0%	-	-	Asia Cement's investment
Total			52,572	69,237	

Note : 5,353 million shares of FENC common stock were issued and outstanding as of 31 Dec 2021.

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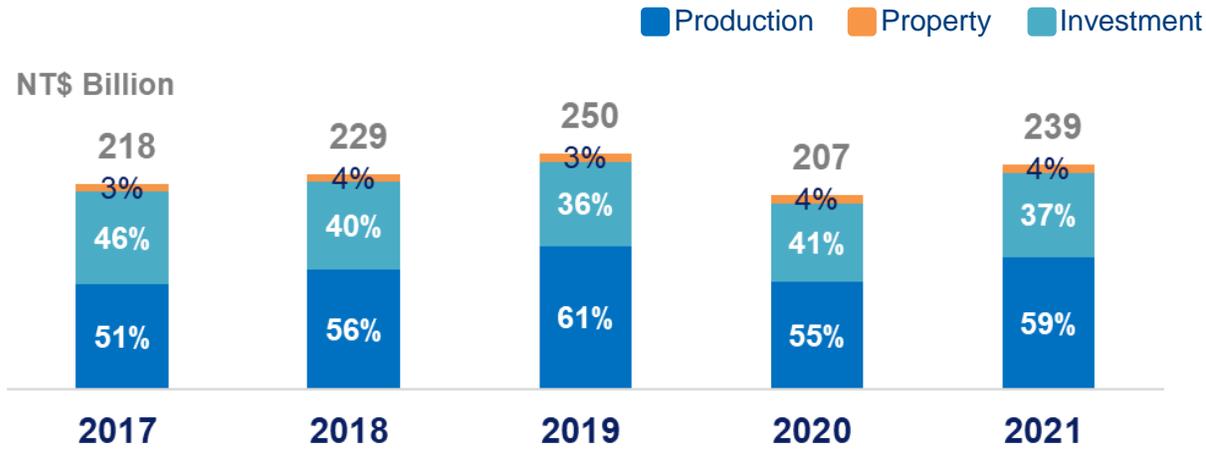
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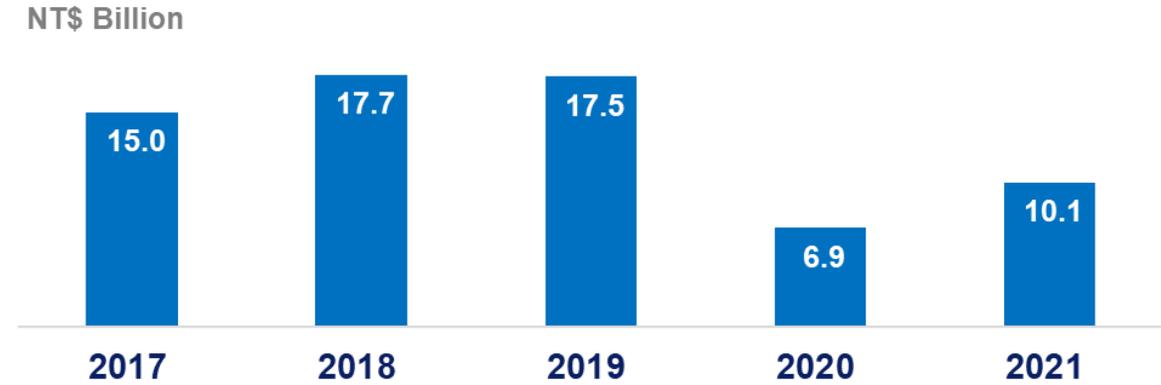
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Key Financials Summary (I)

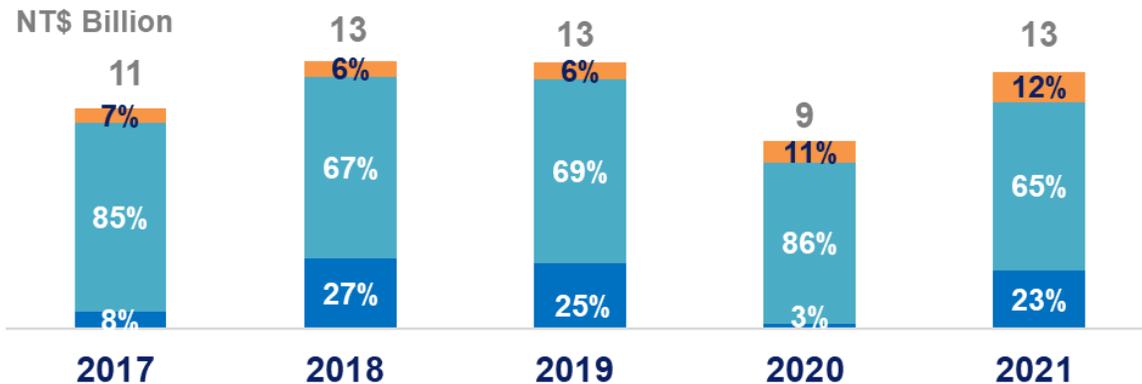
Consolidated revenue breakdown



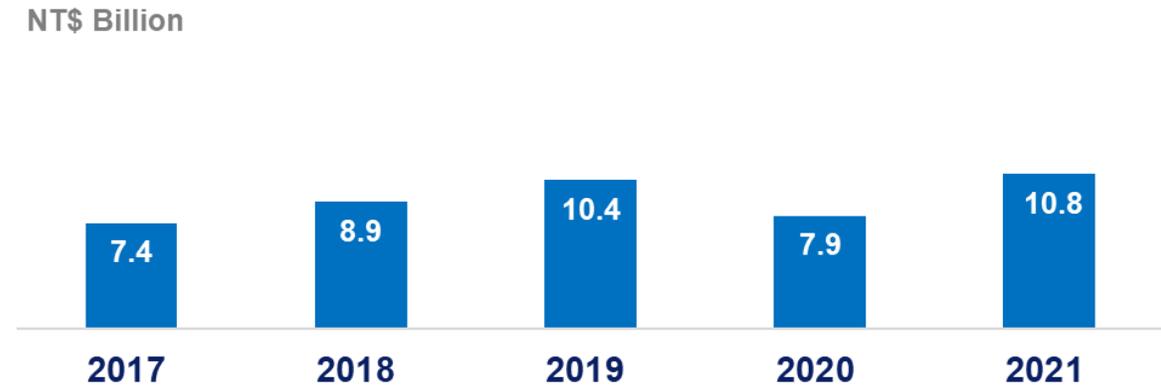
Capex – Production



Adjusted operating margin* breakdown



EBITDA – Production

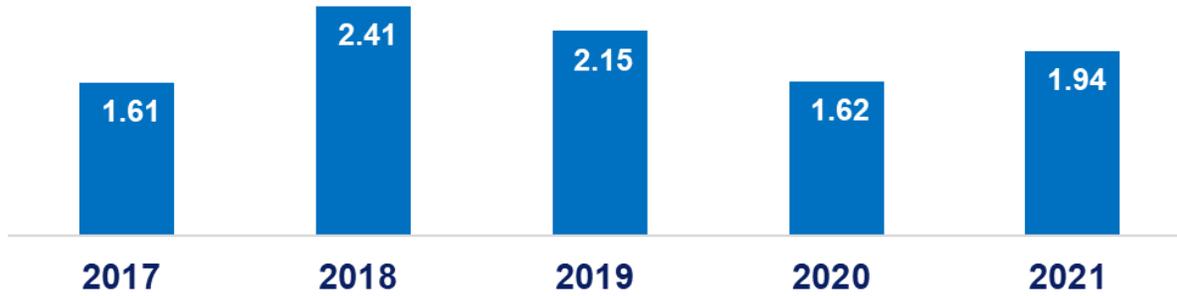


* Adjusted operating margin: using 38.33% holding ratio to calculate FETone operating margin for presentation purpose.

Key Financials Summary (II)

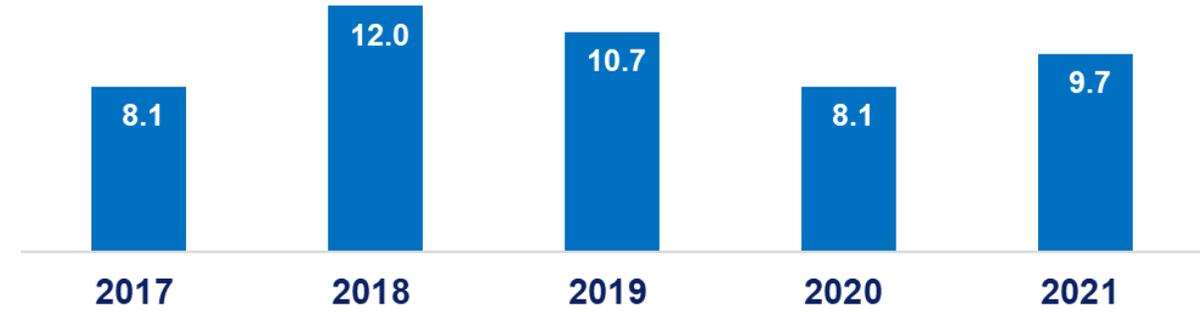
Earnings per share

NT\$ per share



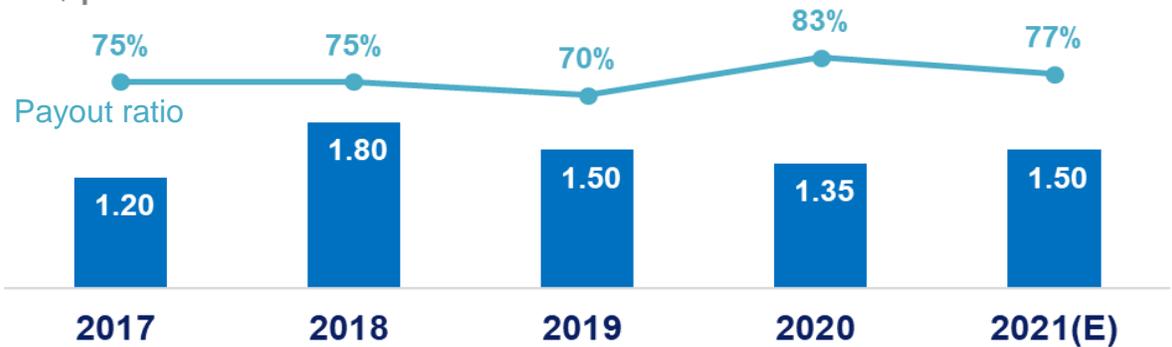
Net income attributable to shareholders

NT\$ Billion



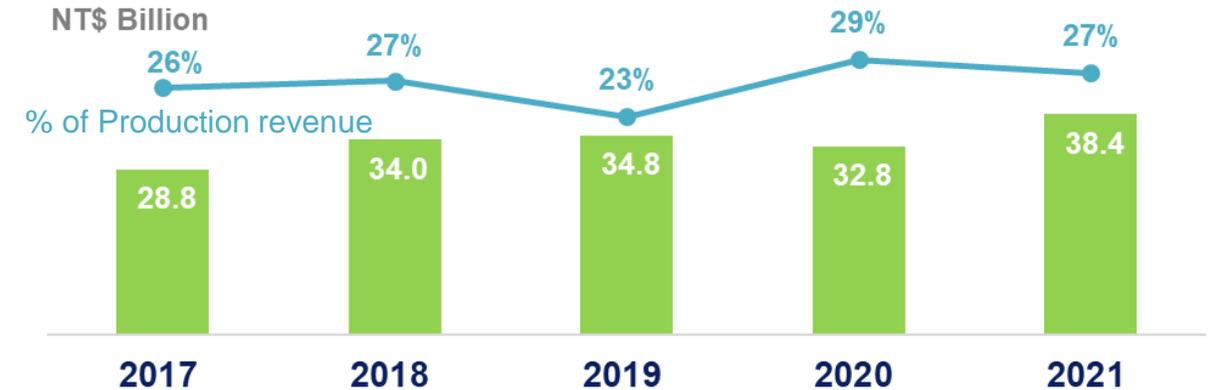
Cash dividend per share

NT\$ per share



Green product revenue

NT\$ Billion



Consolidated Financial Summary

(NT\$ million)	4Q21		4Q20		YoY	2021		2020		YoY
Revenues	65,619	100%	56,035	100%	17%	238,806	100%	206,769	100%	15%
Profit from Operations	2,003	3%	2,568	5%	-22%	11,712	5%	10,002	5%	17%
Investment Income(Equity method)-Net	1,934	3%	1,535	3%	26%	7,222	3%	5,525	3%	31%
Interest Expenses-Net	(604)	-1%	(626)	-1%	n.a.	(2,426)	-1%	(2,640)	-1%	n.a.
Gain on revaluation of investment property	(192)	0%	163	0%	n.a.	250	0%	3,246	2%	-92%
Others	(426)	-1%	(317)	-1%	n.a.	1,070	0%	(9)	0%	n.a.
Consolidated Income before Tax	2,716	4%	3,324	6%	-18%	17,827	7%	16,123	8%	11%
Tax Expenses	454	1%	877	2%	-48%	2,983	1%	3,143	2%	-5%
Consolidated Net Income	2,262	3%	2,447	4%	-8%	14,844	6%	12,981	6%	14%
Attributable to:										
Shareholders of the Company	1,196	2%	1,402	3%	-15%	9,685	4%	8,063	4%	20%
Non-Controlling Interests	1,066	2%	1,045	2%	2%	5,160	2%	4,918	2%	5%
EPS (NT\$)⁽¹⁾	0.24		0.28			1.94		1.62		
Total Assets						635,328	100%	616,955	100%	
Total Debt						365,913	58%	347,531	56%	
Net Interest-bearing Debt						235,607	37%	232,482	38%	
Total Equity						269,415	42%	269,425	44%	
Total Shareholders' Equity of Parent Company						206,049	32%	204,029	33%	
Non-Controlling Interests						63,366	10%	65,395	11%	
Book Value Per Share						38.5		38.1		
Return on Equity						4.7%		3.9%		

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

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Recent Achievements & CSR

★ 2020 Highlights

Risk Ranking Project Improvements Completion **100%**

TWSE and TPEX Listed Companies Corporate Governance Evaluation **Top 5%**

Establish **FENC Risk Management Policies** and **Tax Governance Policy**

Establish **Sustainability Committee** Under Board of Directors

Commission External Agency Conduct **Board Performance Evaluation**, Receive **Benchmark** Designation

First in Taiwan **First Polyester Manufacturer to Sign TCFD**
First Traditional Manufacturing Enterprise to Publish Declaration of Signing and Supporting

12 Consecutive Years of **Zero Bad Debt**

★ 2020 Sustainability Recognition

CDP

Climate Change - **Management**
Water Security - **Leadership**
Supplier Engagement Rating - **Leadership**



TCSA



- Top 10 Domestic Companies Sustainability Model Award
- Best Sustainability Report Award
- English Report Award
- Circular Economy Leadership Awards
- People Development Awards

Global Views Monthly **CSR Award**

Outstanding Project - Winner in Environmental Sustainability Excellence of Manufacturing Industry Category

GCSA Best Practice Award - Great Practice - World Class

CSR Excellence in Corporate Social Responsibility
CommonWealth Magazine

SGS 2020 CSR Award - CSR Talent Development Excellence Award



MSCI ESG Leaders Index FTSE4Good Emerging Indexes

Taiwan Corporate Governance 100 Index FTSE4Good TIP Taiwan ESG Index Taiwan Sustainability Index

★ Green Financing

Triple A Country Awards 2020

GTR Best Deals 2021

2018 Jan 8th Green Bond

First Among Private Sectors in Taiwan NTS **3 billion**

2020 Sep 21st Sustainability-linked Facilities (Crédit Agricole CIB)

First in Asia NTS **3 billion**

2020 Dec 21st Sustainability Bond

First Among Taiwanese Corporations NTS **3.8 billion**

2021 May 24th Social Bond

First Among Taiwanese Corporations NTS **1.2 billion**





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)

1 **Taiwan**

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

2 **China**

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

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**

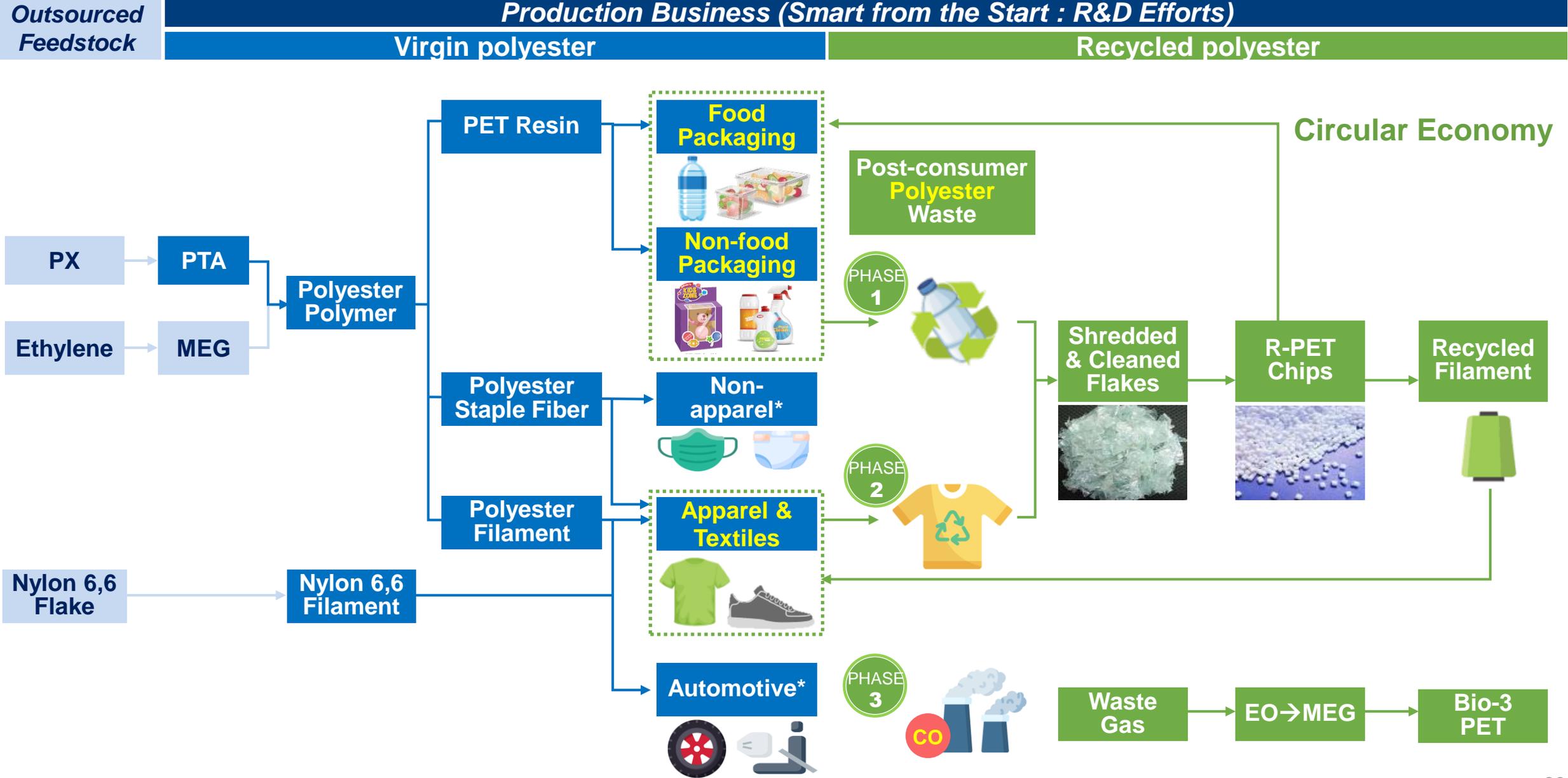
- PET

Annual capacity (Current)

- PTA 2.75 mm tons / PET 2.20 mm tons
- PSF 445K tons Filament 93K tons
- Knitted Fabric 42K tons
- Apparel 86 mm pieces
- HTY 144K tons
- Recycled-PET(R-PET) 324K 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





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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