

Empowering Possibilities



IR Publication  
Sep 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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## Company Overview



## Production Business



## Property Development Business



## Investment Business



## Financials



## ESG & Recent Achievements



## Appendix

# FENC's Three Key Businesses

Established 1954 / 32,736 employees

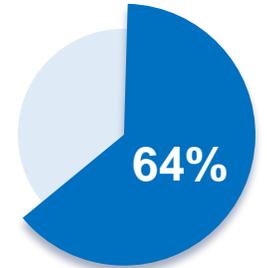
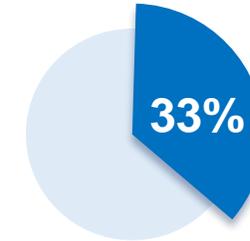
Strategic summary  
(FENC has a consistent dividend policy)

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

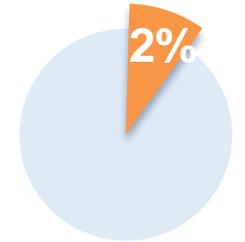
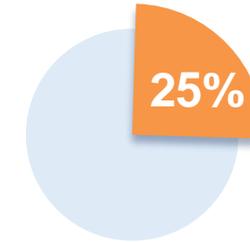
Consolidated revenue  
(1H22: NT\$ 133 billion)

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

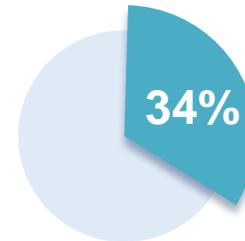
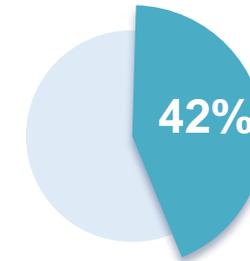
## Production Transformation



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

**2020**

Base Year

**- 20%**

**2025**

**- 40%**

**2030**

**2050**

**Net Zero**



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**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...



## 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**



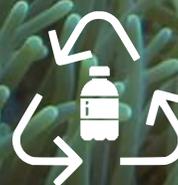


**Recycle The Waste**

*Bottle/Textile  
circular recycling*

from **Sea**





**Recycle Ocean Waste**

*Convert ocean plastic<sup>®</sup> 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 1<sup>st</sup> 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



(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)

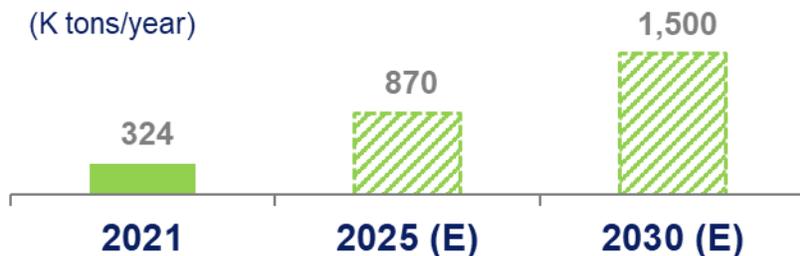
## A leading polyester recycling company

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

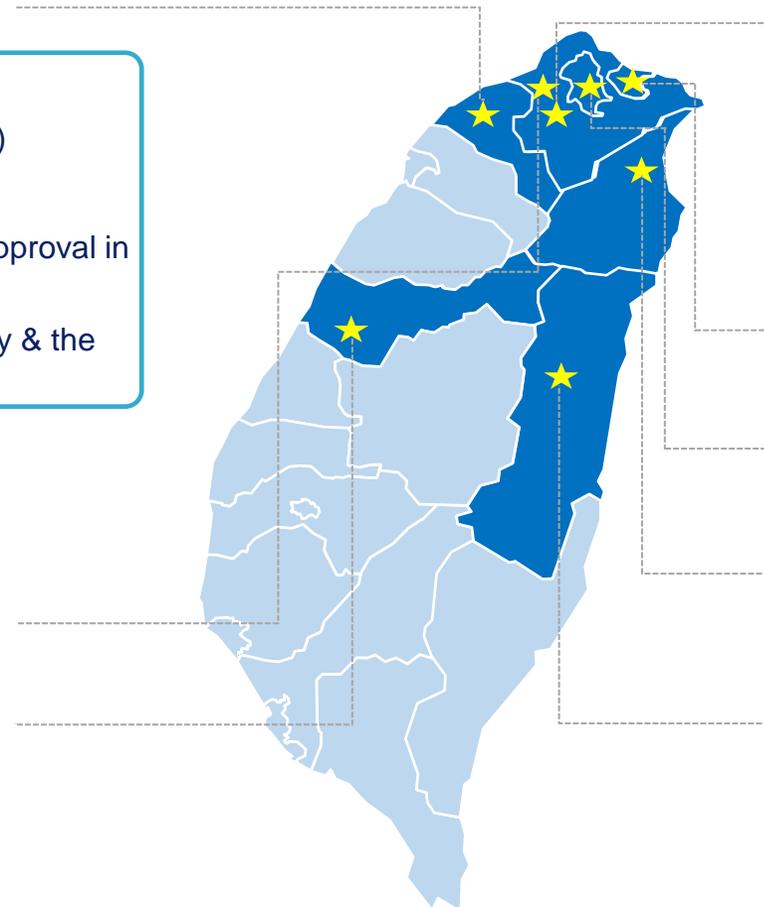
## Taishan & Wugu

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

## Taichung City

(Rented to hypermarket )

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)



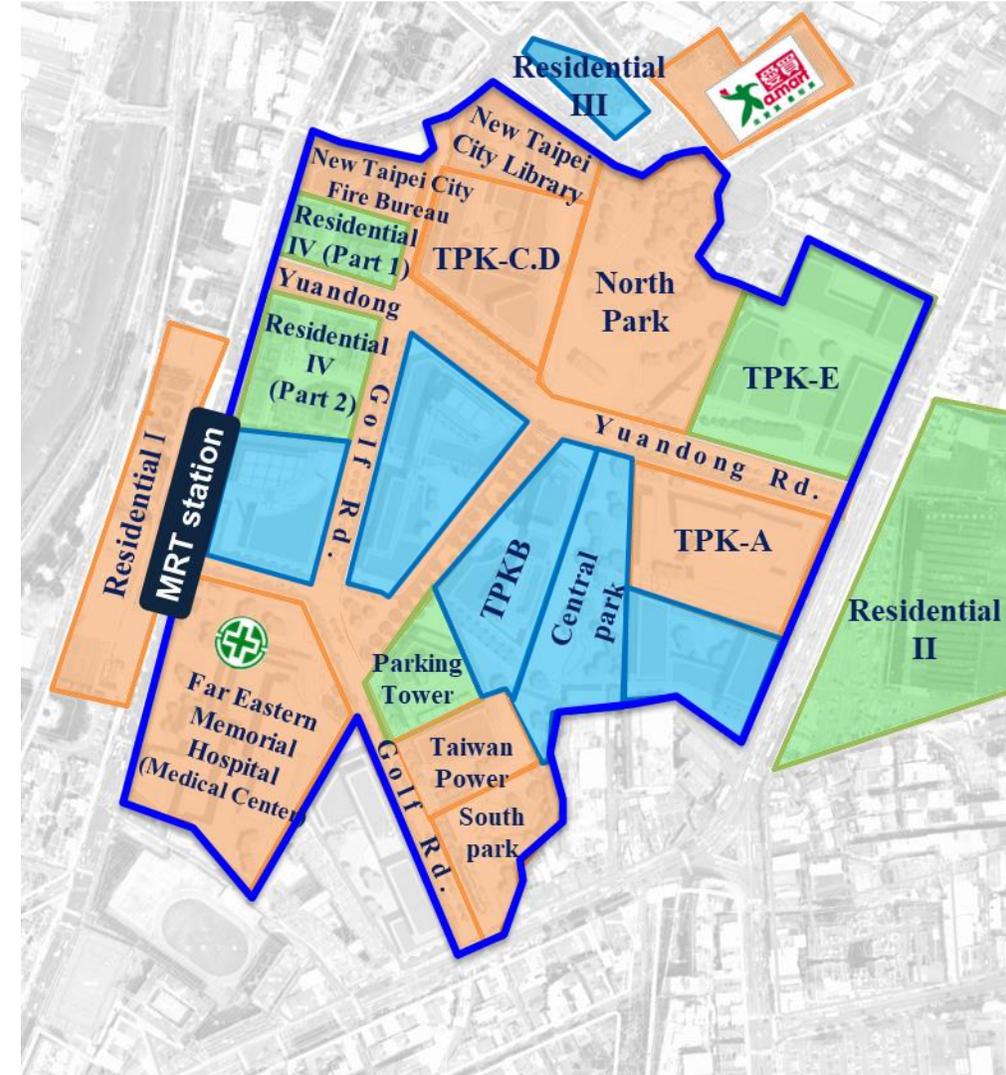
A **smart green** campus, with sole property ownership, integrated with residential zones, commercial offices, a medical center, a college, and a hypermarket in the neighborhood



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
<b>46%</b> <i>(in terms of Tpark land size)</i>	<b>7%</b>	<b>4%</b>	<b>11%</b>	<b>32%</b>
<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)





Office	TPK-C	TPK-D
Tenant	FETone IDC center	Google
Height	11 floors	16 floors
Green building label	<ul style="list-style-type: none"> <li>• TW EEWB Diamond rating</li> </ul>	<ul style="list-style-type: none"> <li>• TW EEWB Diamond rating</li> <li>• U.S. LEED Gold rating</li> </ul>
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"> <li>• 13-floor building</li> <li>• Land: 6.6k pings (21.8k sqm)</li> </ul>

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 (2022.8.23)	Accounting method
4904 TT	 Far EasTone Telecommunications	38%	23,692	92,798	Consolidated entity
1102 TT	 Asia Cement	26%	25,296	38,488	Equity method
2903 TT	 Far Eastern Department Stores	35%	11,318	10,031	Equity method
1710 TT	 Oriental Union Chemical	31%	5,290	4,927	Equity method
2845 TT	 Far Eastern International Bank	16%	7,393	6,814	Equity method
1460 TT	 Everest Textile	26%	1,602	1,395	Equity method
2606 TT	 U Ming Marine	0%	-	-	Asia Cement's investment
<b>Total Investees</b>			<b>74,590</b>	<b>154,454</b>	

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

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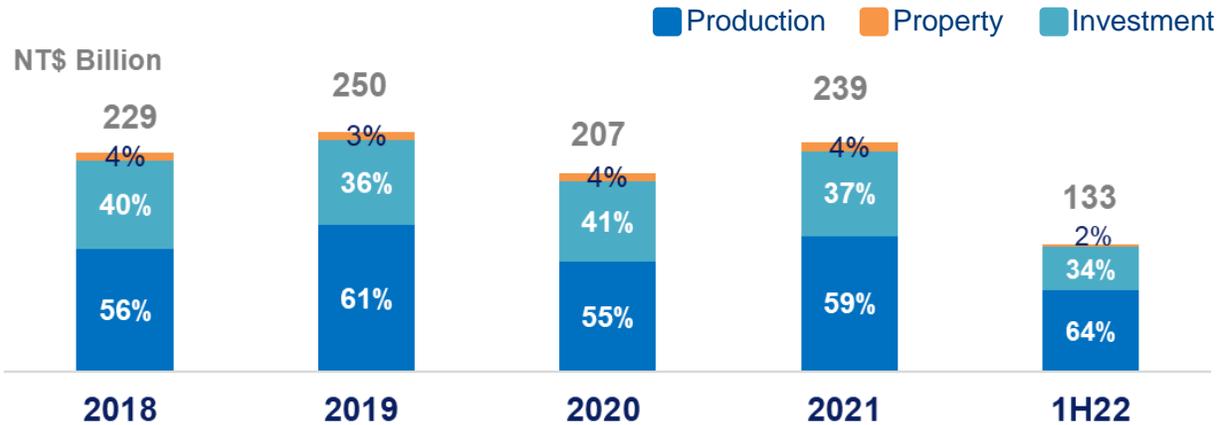
**Recent Achievements & CSR**



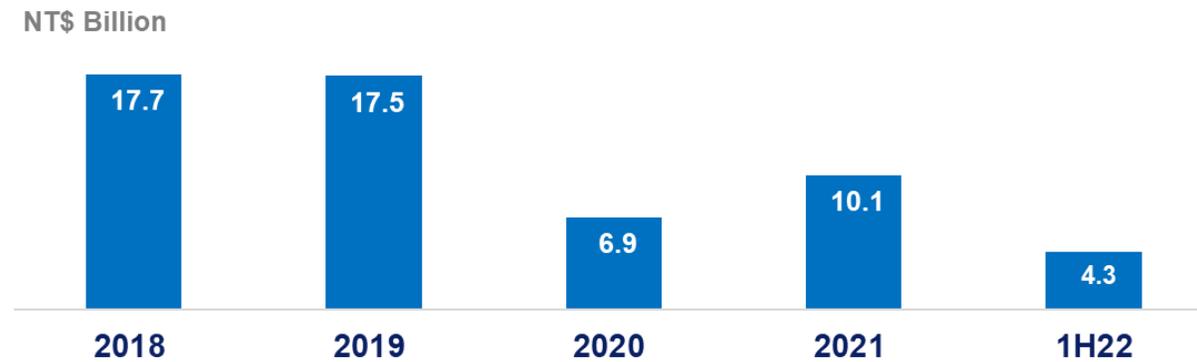
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# Key Financials Summary (I)

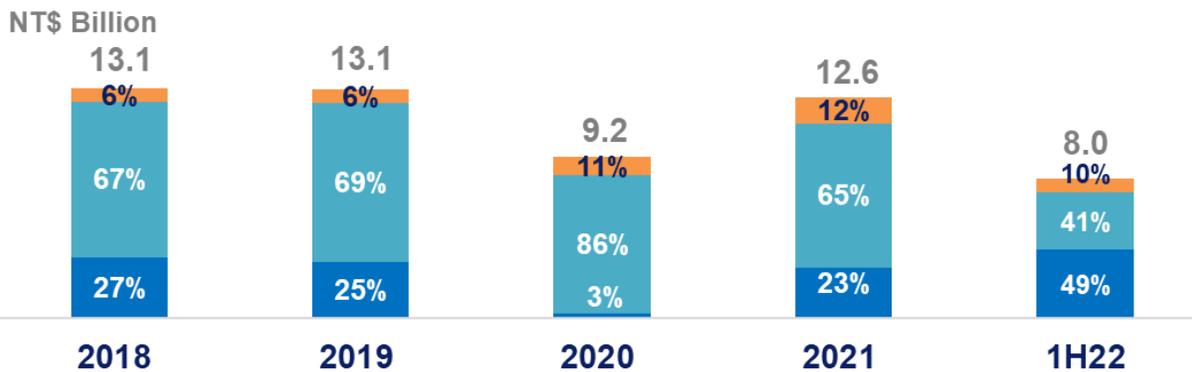
## Consolidated revenue breakdown



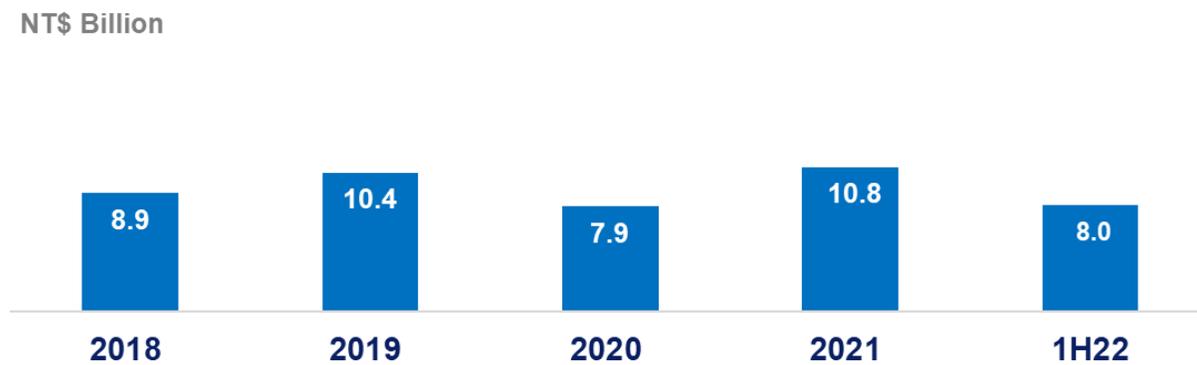
## Capex – Production



## 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



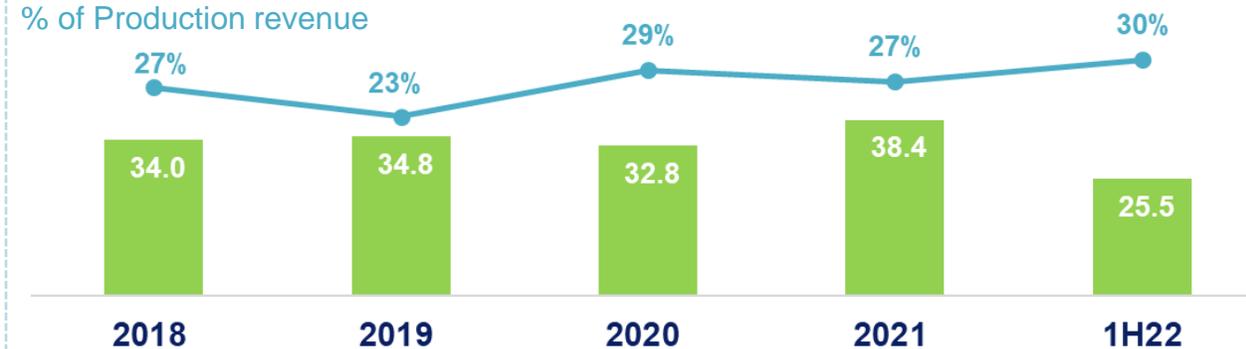
## Cash dividend per share

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%
<b>Consolidated Income before Tax</b>	<b>5,811</b>	<b>9%</b>	<b>5,416</b>	<b>9%</b>	<b>7%</b>	<b>10,793</b>	<b>8%</b>	<b>17,827</b>	<b>7%</b>	<b>16,123</b>	<b>8%</b>
Tax Expenses	1,245	2%	859	1%	45%	2,160	2%	2,983	1%	3,143	2%
<b>Consolidated Net Income</b>	<b>4,566</b>	<b>7%</b>	<b>4,557</b>	<b>8%</b>	<b>0%</b>	<b>8,633</b>	<b>6%</b>	<b>14,844</b>	<b>6%</b>	<b>12,981</b>	<b>6%</b>
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%
<b>EPS (NT\$)<sup>(1)</sup></b>	<b>0.62</b>		<b>0.71</b>			<b>1.17</b>		<b>1.94</b>		<b>1.62</b>	
<b>Total Assets</b>						<b>662,883</b>	<b>100%</b>	<b>635,328</b>	<b>100%</b>	<b>616,955</b>	<b>100%</b>
<b>Total Debt</b>						<b>396,563</b>	<b>60%</b>	<b>365,913</b>	<b>58%</b>	<b>347,531</b>	<b>56%</b>
Net Interest-bearing Debt						237,774	36%	235,607	37%	232,482	38%
<b>Total Equity</b>						<b>266,320</b>	<b>40%</b>	<b>269,415</b>	<b>42%</b>	<b>269,425</b>	<b>44%</b>
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%
<b>Book Value Per Share</b>						<b>38.5</b>		<b>38.5</b>		<b>38.1</b>	
<b>Return on Equity</b>						<b>5.7%</b>		<b>4.7%</b>		<b>3.9%</b>	

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

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# ESG & Recent Achievements



## 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



### Finance Asia

Asia's Best Managed Company



### HR Asia

Best Companies to Work For in Asia

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Indexes Constituent

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FTSE4Good



FTSE4Good  
TIP Taiwan ESG Index



★ Management Level ★

- Climate Change
- Supplier Engagement Rating
- Water Security



# Q & A

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Hello,  
We're FENC

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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 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
- PSF 419K tons Filament 95K tons
- Knitted Fabric 43K tons
- Apparel 75 mm pieces
- HTY 150K 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.

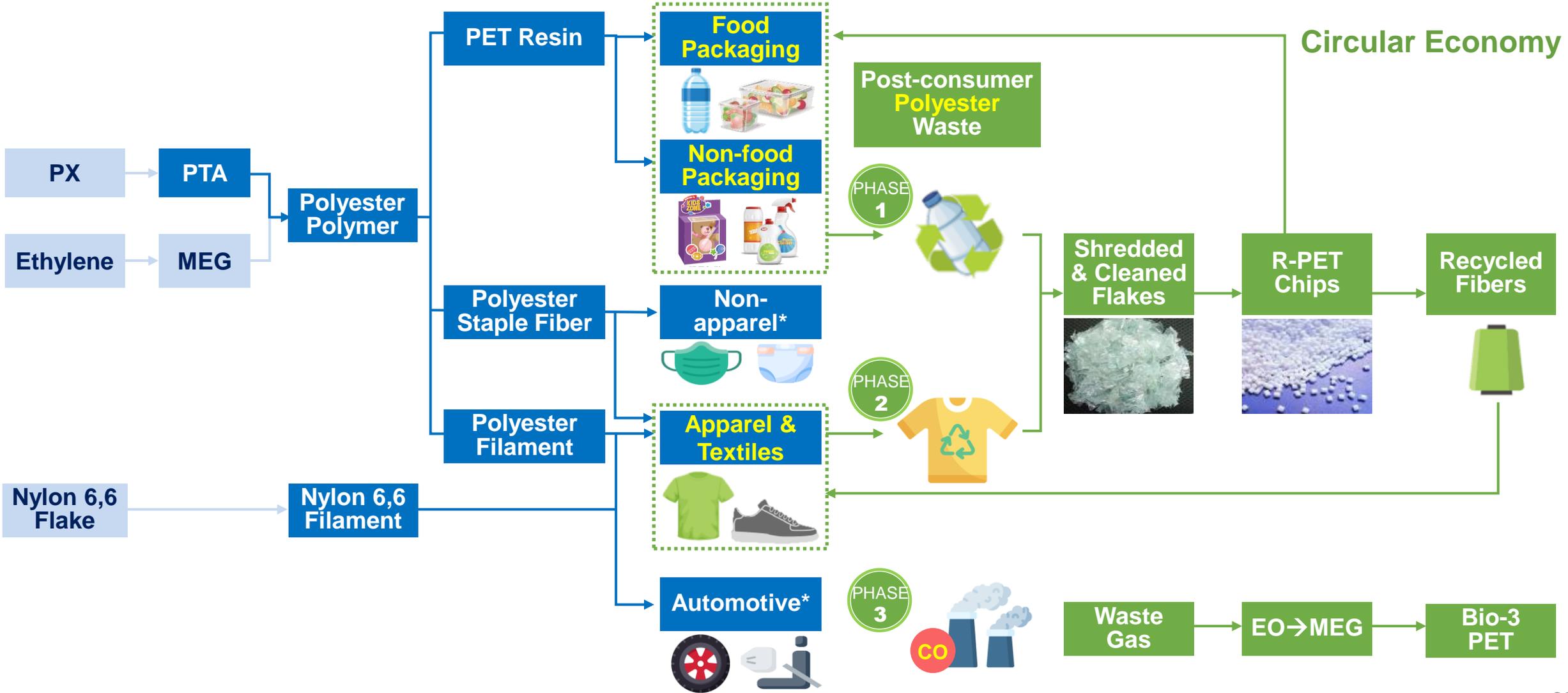
# FENC's Value Chain

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



# 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,  
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