

CLST x FENC TITAS Investor Day

EMPOWERING A WORLD OF SPORTS & GLOBAL FASHION

Date: 2023.10.17



reddot winner
materials and surfaces design



International Textile Manufacturers Federation
ITMF Awards
Sustainability & Innovation



Best Product Award
Accelerated Eco

Agenda

1. TITAS: New Product & Textile Trends

- FENC Tech Textile SBU
- FENC Filament SBU
- FENC Knitting & Dyeing SBU

2. Financials

TITAS: New Product & Textile Trends

Presented by SBU

Driving Forces of Low Carbon Products

Milliken NET-ZERO by 2050
Milliken & Company

FAR EASTERN NEW CENTURY

goto zero by 2050
VW logo
CO2+0

Mitsui Chemicals
CO2 -40% by 2030

Autoliv

MICHELIN
A BETTER WAY FORWARD

100% sustainable tire by 2048

TOYOBO
Beyond Horizons
cut CO2e to net zero by 2050



Limiting Our Impact on the Environment
Carbon neutral by 2040

CO2
2050 carbon neutral



Continental
2050 100% CIRCULAR ECONOMY

OTIZ ORIENTAL INDUSTRIES



Bio-PET



Recycled N66



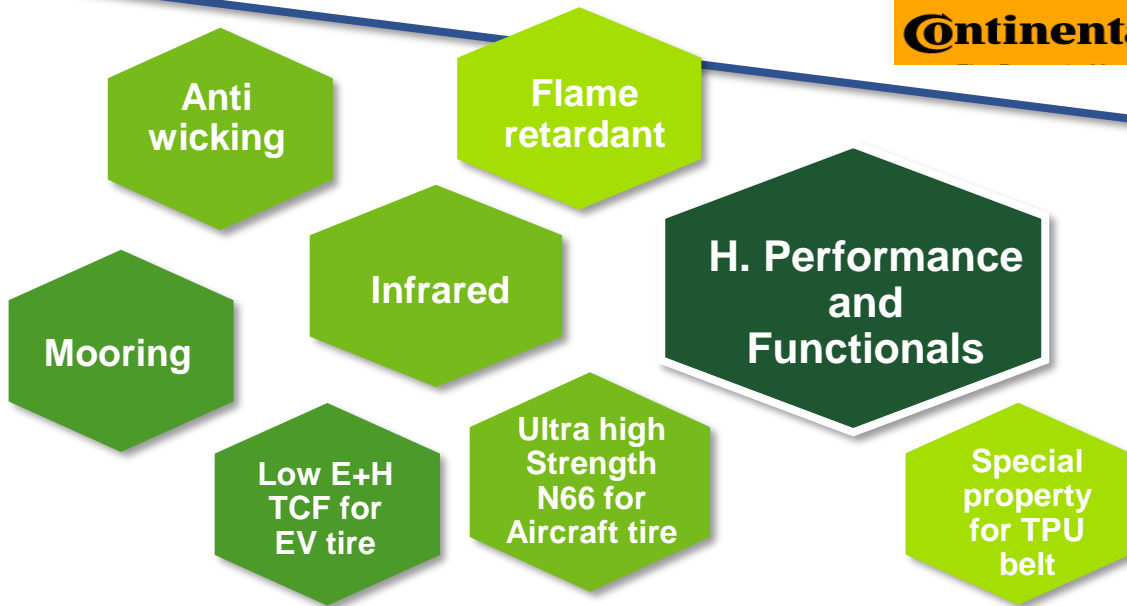
N56



Recycle PET



RF-free



Multiple Solutions for Sustainability



Eco PET/PA66



H. Performance
PET/PA66



Hybrid Materials



Automotive



Non-automotive

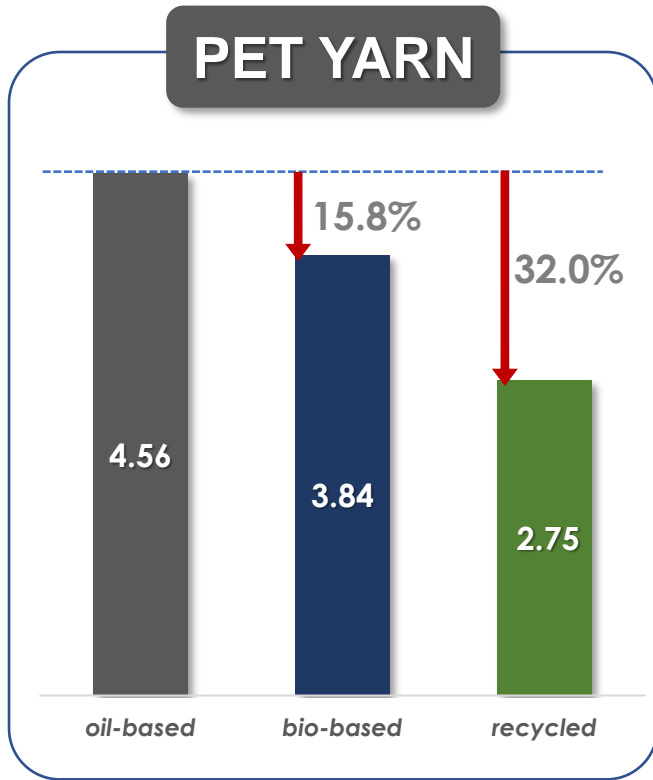


Cost Saving



Process
reengineering

Contribution of Low Carbon Products



Unit : Kg CO₂ e for 1Kg product



60 used bottles
in 4 tires of a vehicle

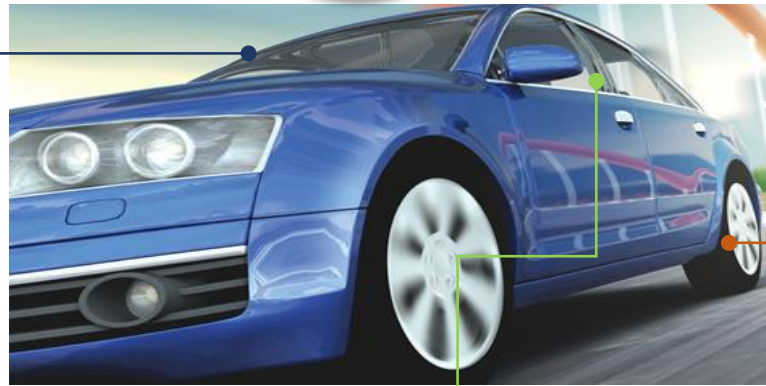


120 Kg CO₂
reduction in the 100
meter belt for food industry



181 KEUR
can be saved for annual 1000 tons
of TCF export to EU once CBAM
effected from 2026

Integrated Eco HTY for Vehicle



**Light Weight
Curtain Airbag**



**Dope Dyed Color
Seat Belt / Tube Protection**



Tire Cord Fabric



Eco-Sustainability Development

Textile accounts for approximately 2/3 of Polyester Consumption.

Prioritizing a Closed Loop Supply Chain is crucial in the textile industry to align with brand demands and market trends.



NIKE

HELLY HANSEN

PATAGONIA

H&M

mitsui&co.

IKEA

ZARA

VF

ADIDAS

SALOMON

UNDER ARMOUR

TIMBERLAND

PUMA

NEW BALANCE

ON

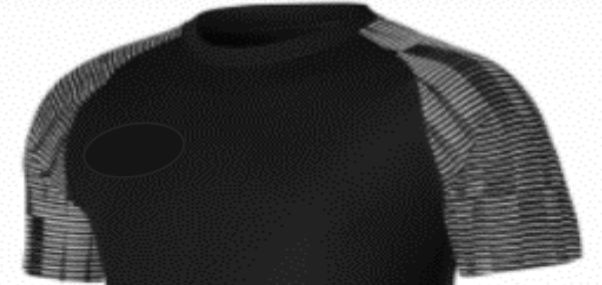
GAP

FENC® TopGreen® rTEX Product Launch

IKEA Textile-to-Textile Closed Loop Project launched (First in Taiwan)



Football Training Wear



2023 FEG Marathon T-shirt

Process of TopGreen® rTEX Chemical Recycling



The Chemical Recycling process can manage Blended Fabrics and Various Colors as it utilizes post-consumer textiles as the raw material.

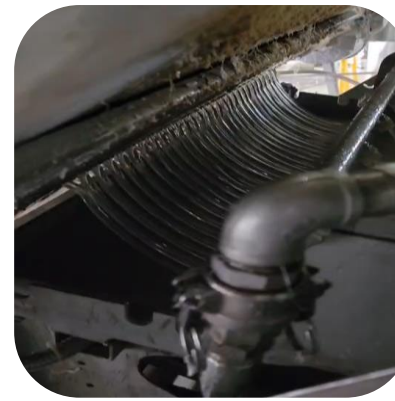
Waste Textile

Auto Sorting

Chemical Process

Pelletization

rTEX Pellet



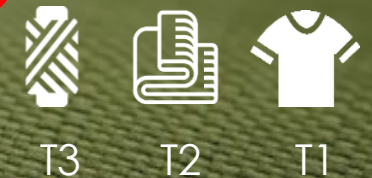
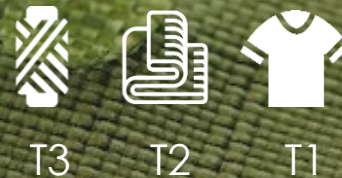
Innovate for Sustainable Technology

Far Eastern TOPGREEN® rTEX Technology

Taiwan

Vietnam

China



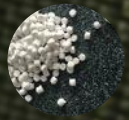
rTEX Spun
(Commercial)



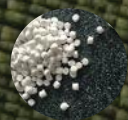
rTEX Spun
(In process)



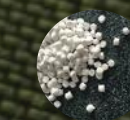
rTEX Spun Cotton
(Commercial)



rTEX Filament
(Commercial)



rTEX Filament
(Commercial line ready)



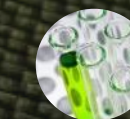
rTEX Filament
(Commercial)



rTEX Chemical Recycle
(Pilot to Demo Plant)

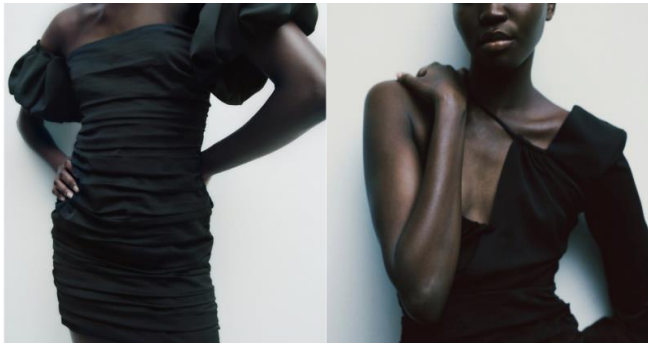


rTEX Chemical Recycle
(Goal)



rTEX Chemical Recycle
(Goal)

FENC[®] TopGreen[®] Bio3



ZARA Fashion Clothing



Adidas Melbourne Tennis Collection



H&M MOVE Outdoor Collection



Craghoppers Insulated Jacket



Source: brands official website & www.bing.com



Eco-Innovative Actions

World No.1 fabric made from waste gas reuse technology

Four major international awards received



2023/24 Accelerated Eco



2022 ITMF Award



2022 Enterprise Asia
International Innovation
Awards



reddot winner
materials and surfaces design

2023 Red dot Design Award

Eco-Innovative Action

Awarded 2023 Red Dot Product Design Winner

FENC® TOPGREEN® Bio3

Inspired from the element of nature,
Integrate highly reflective 3D knit tech to make fabric
ultra-visible shining like the sea sparkled in the sunlight.
With **recycled waste gas PET & polyester solution dye technology**,
the entire fabric becomes completely eco-friendly.
Echoing to coexistence of **“Fashion and Sustainability”**.



ESG



Product



Design



Green Material

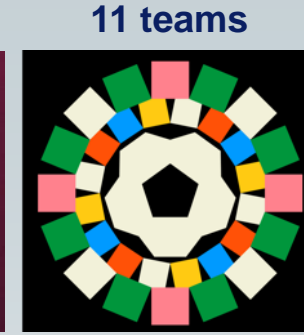


Support for World of Sports

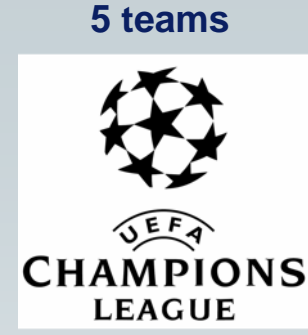
“Ocean Recycled Anti-bursting Jerseys” continue to gain momentum, with the latest addition being the FIFA Women’s World Cup championship in 2023 !



2022



2023



2024



2023
FIFA Women’s World Cup
Spain’s uniform

2022 FIFA Men’s World Cup
Argentina

2023 FIFA Women’s World Cup
Spain

- **Recycled ocean polyester filament** sustainable development
 - Design functional garments with least impact on environment
- **Anti-bursting weaving technology** functional showcase
 - Develop lightweight and durable jacquard fabrics with wicking & breathable features

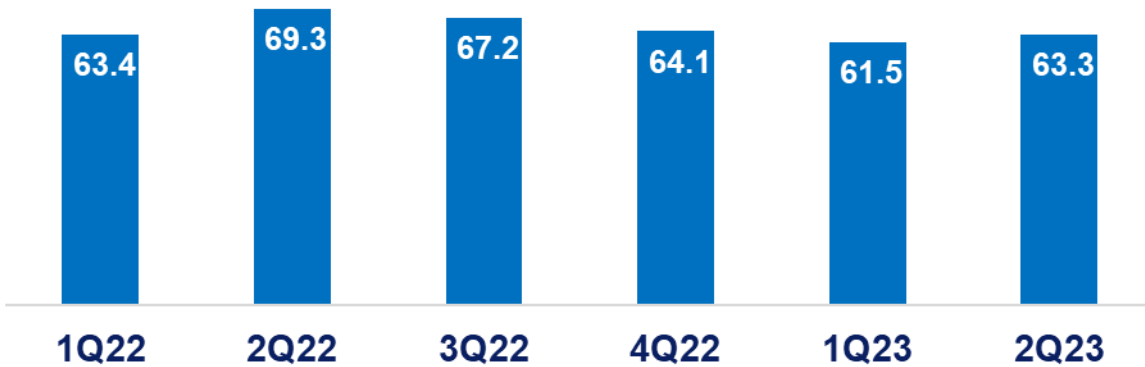
Financials

Presented by IR team

Quarterly Financials Summary

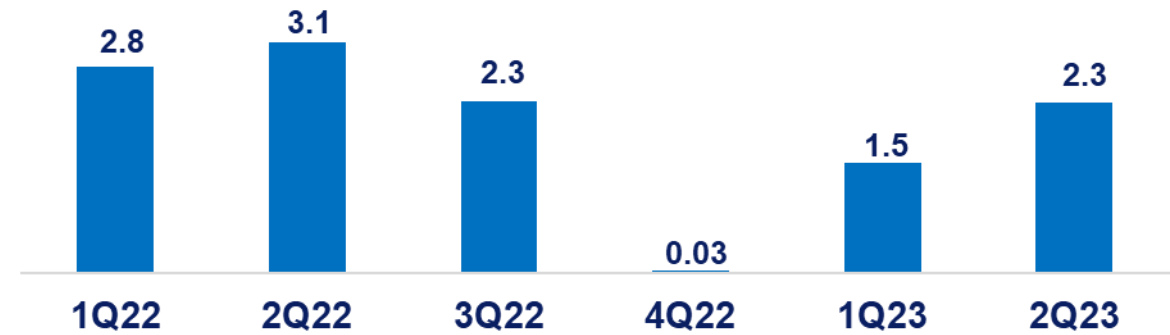
Consolidated revenue

NT\$ Billion



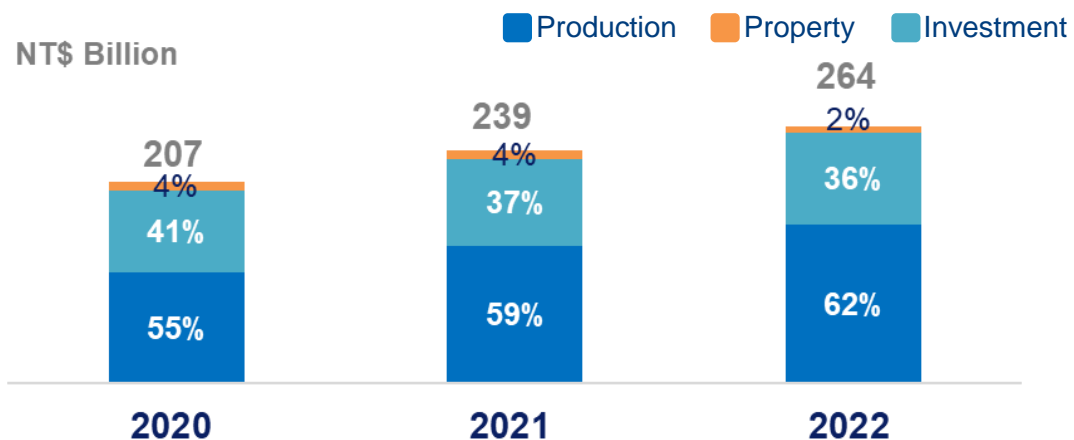
Net income attributable to shareholders

NT\$ Billion

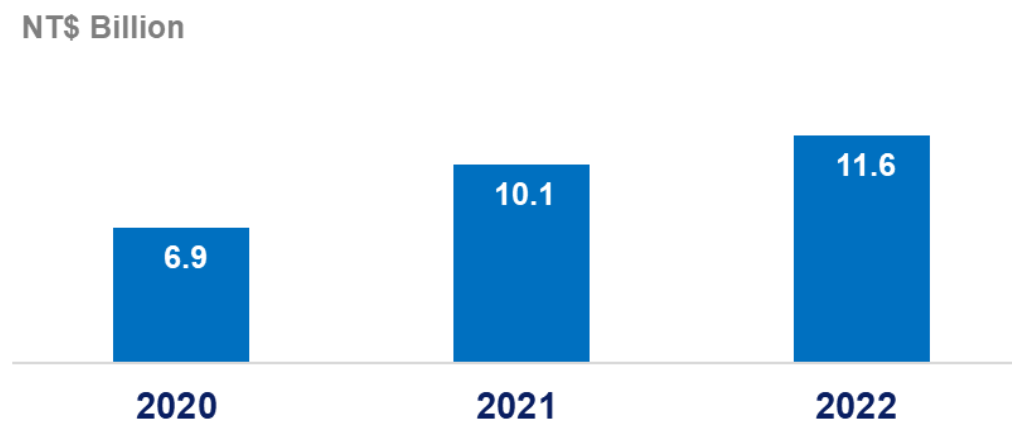


Key Financials Summary (I)

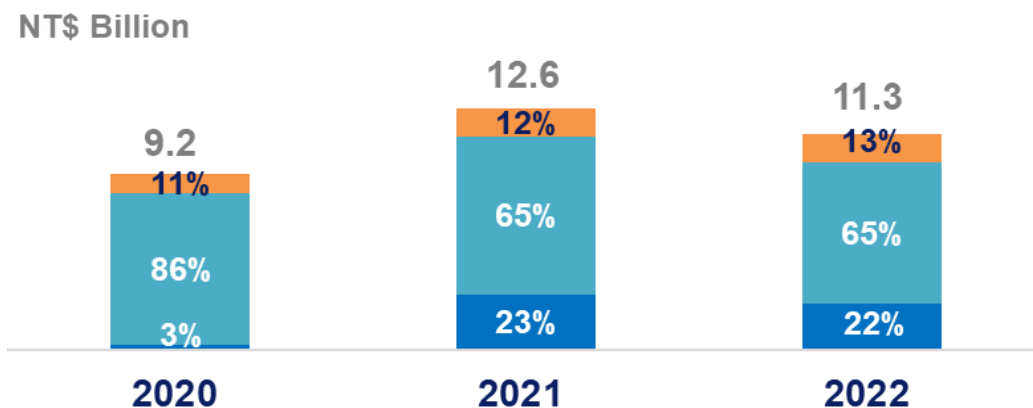
Consolidated revenue breakdown



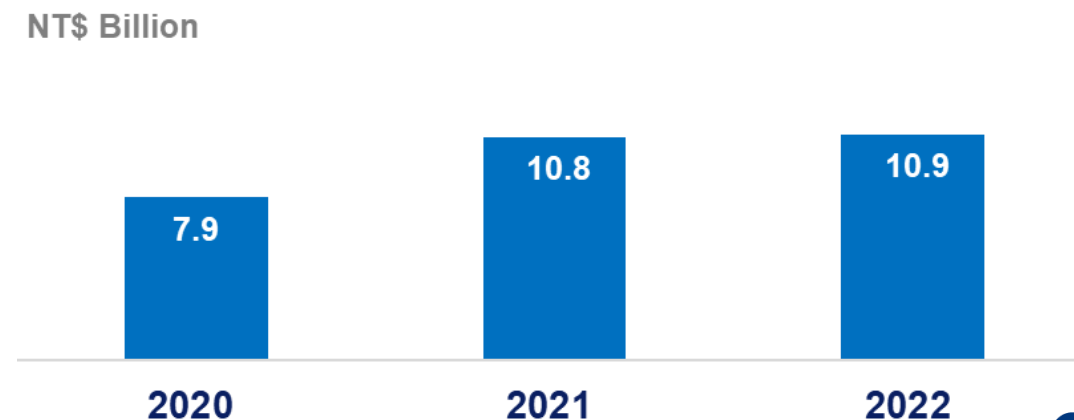
Capex – Production



Adjusted operating margin* breakdown



EBITDA – Production

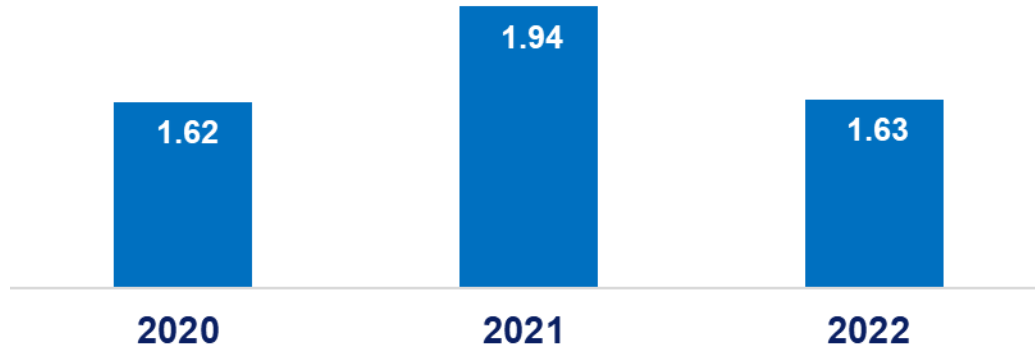


* For presentation purpose, adjusted operating margin for “investment business” includes
 ① using 38.33% holding ratio to calculate FETone operating margin ② investment Income (equity method) & dividend income of non-operating income.

Key Financials Summary (II)

Earnings per share

NT\$ per share



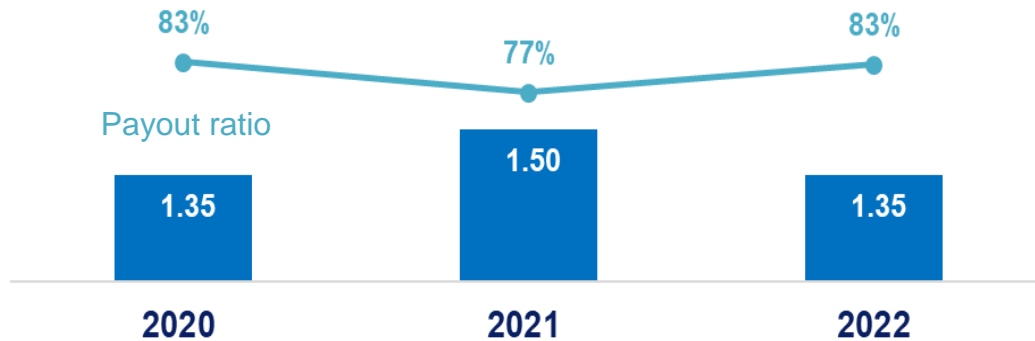
Net income attributable to shareholders

NT\$ Billion



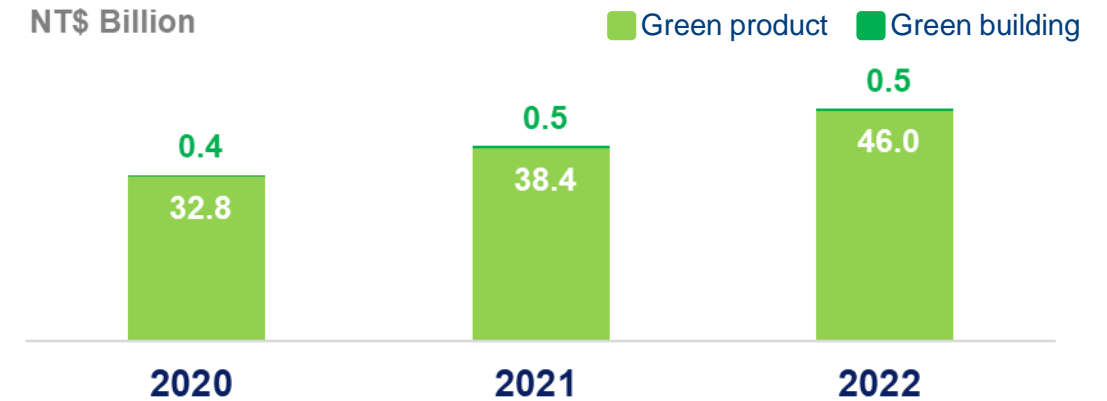
Cash dividend per share

NT\$ per share



Green revenue

NT\$ Billion



Note (1) Green Product Revenue: products which have received green certifications and others, such as GRS for recycled PET, etc.

(2) 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)	2Q23		2Q22 (Restated)		YoY	1H2023		2022		2021	
Revenues	63,318	100%	69,296	100%	-9%	124,856	100%	263,945	100%	238,806	100%
Profit from Operations	3,769	6%	5,297	8%	-29%	6,736	6%	14,350	5%	11,712	5%
Investment Income(Equity method)-Net	1,875	3%	1,291	2%	45%	3,237	3%	4,417	2%	7,222	3%
Interest Expenses-Net	(908)	-1%	(662)	-1%	n.a.	(1,891)	-2%	(2,898)	-1%	(2,426)	-1%
Gain on revaluation of investment property	515	1%	22	0%	2247%	1,126	1%	342	0%	250	0%
Others	146	0%	(138)	0%	n.a.	105	0%	939	0%	1,070	0%
Consolidated Income before Tax	5,398	9%	5,811	9%	-7%	9,313	8%	17,150	6%	17,827	7%
Tax Expenses	1,170	2%	1,241	2%	-6%	2,057	2%	3,808	1%	2,983	1%
Consolidated Net Income	4,228	7%	4,570	7%	-7%	7,256	6%	13,341	5%	14,844	6%
Attributable to:											
Shareholders of the Company	2,273	4%	3,084	5%	-26%	3,734	3%	8,160	3%	9,685	4%
Non-Controlling Interests	1,955	3%	1,486	2%	32%	3,522	3%	5,181	2%	5,160	2%
EPS (NT\$) ⁽¹⁾	0.45		0.62			0.75		1.63		1.94	
								(Restated)			
Total Assets						627,722	100%	657,957	100%	635,328	100%
Total Debt						354,452	56%	386,265	59%	365,913	58%
Net Interest-bearing Debt						230,154	37%	241,066	37%	235,607	37%
Total Equity						273,270	44%	271,692	41%	269,415	42%
Total Shareholders' Equity of Parent Company						212,267	34%	209,026	32%	206,049	32%
Non-Controlling Interests						61,003	10%	62,666	9%	63,366	10%
Book Value Per Share						39.7		39.0		38.5	
Return on Equity						3.5%		3.9%		4.7%	

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

(Note 2): Deferred income tax related items were adjusted in accordance with IAS 12.



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

(NT\$ million)	2020	2021	2022	1H23
Three Business Segments				
Production Business	114,042	140,772	163,180	73,149
Green Product Revenue ①	32,772	38,379	45,976	24,222
Property Development Business	8,767	8,870	6,387	5,041
Green Building Revenue ②	429	515	528	2,525
Investment Business	83,960	89,164	94,378	46,666
Consolidated revenue	206,769	238,806	263,945	124,856
Green revenue (①+②)	33,201	38,894	46,504	26,747
Green revenue as percentage of consolidated revenue	16%	16%	18%	21%

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.



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