



Empowering Possibilities & Sustainability

FENC TITAS Investor Conference

Date: 2024.10.15

Agenda

1. TITAS: New Product & Textile Trends

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

2. Financials

3. Q & A

TITAS: New Product & Textile Trends

Presented by SBU

Empowering A World Of Sports

FENC integrates with the global community and serves as the premier functional support for “the Greenest material”

As the designated material supplier for major global sporting events, FENC provides eco-friendly & functional jerseys for national teams, including:



AIRCHILL PRO



EURO



CHAMPIONS LEAGUE



Emirates FA CUP

Features of jerseys:

- Sustainability development - 100% recycled polyester filament
Design innovative and green materials with least impact on environment
- Functional showcase – Smart textile
Unique wicking technology combined with material design, keeping it dry and comfortable



Paris Olympics
French handball team



2024 Australian Open



Euro Cup
Champion: Spanish



UEFA European League
Champion: Real Madrid



America's Cup
Champion: Argentina



Premier League
Champion: Manchester United



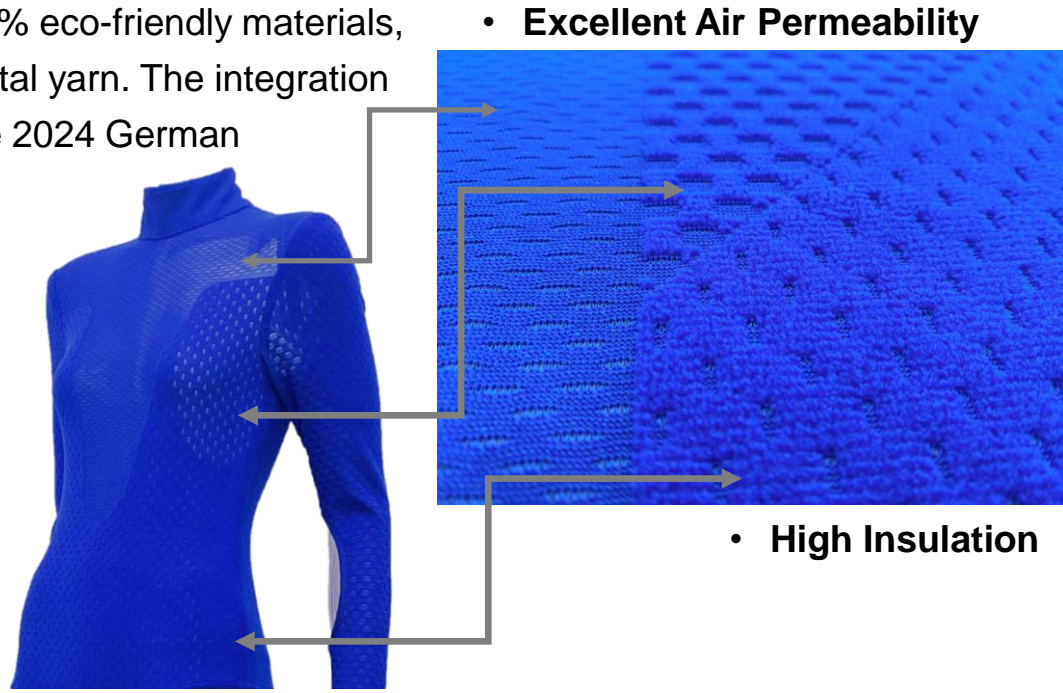
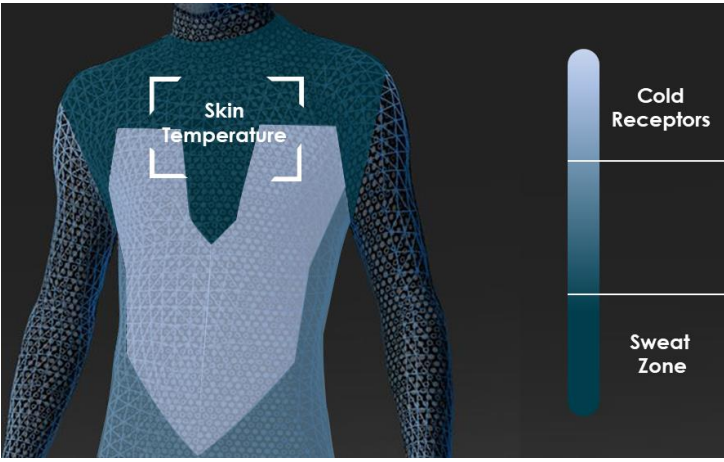


iF Design Award 2024 WINNER

FENC® ThermalSync ZoneTech

Based on the human body with terry loop and various sizes of engineer mesh, the innovative design can achieve automatic body thermoregulation and rapidly absorb heat to maintain the human body at a constant temperature while keeping it dry and breathable.

FENC® ThermalSync ZoneTech is made from 100% eco-friendly materials, blending carbon capture yarn and TOPCOOL® Petal yarn. The integration with eco-friendly high-functional materials won the 2024 German iF Design Award review.

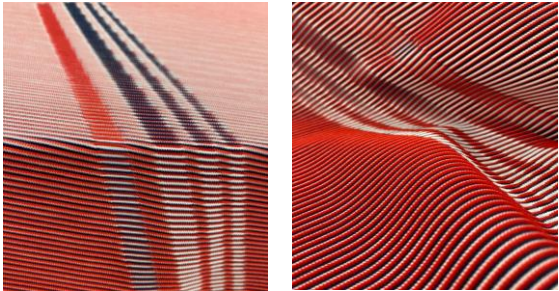
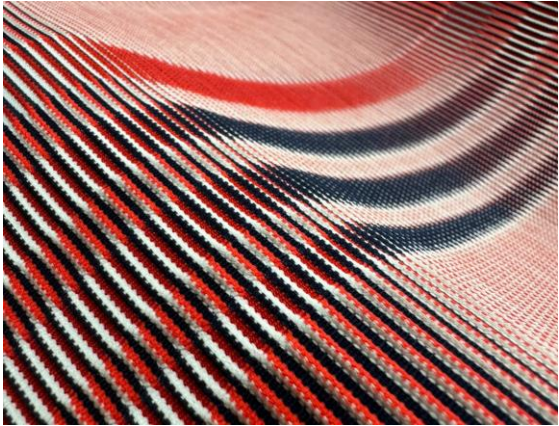




iF Design Award 2024 WINNER FENC® TOPGREEN® Bio3

Inspired by the 2024 Paris Olympics, the design incorporates special 3D knitting technology and patterns that shimmer, simulating the dynamic movement of a flag waving in the air. Utilizing FENC®TOPGREEN®Bio3 recycled waste gas yarn and water-saving nylon (solution dye) technology, the fabric achieves vibrant and brilliant colors without the additional dyeing processes, thereby reducing water usage.

The design concept not only supports athletes in the journey to the Olympics but also moves forward on the road to textile sustainability. This design has once again been recognized by the iF judges.



Driving Forces of high value Products



- Bio series
- Recycle series
- Dope dyed yarn

- Seat belt
- Airspring
- Airbag

- Specialty
- Multi-functional

Sustainability



BioPET
for geotextile



rPET
for vehicle tire



Dope Dyed Yarn
for Webbing/Rope

Higher CAGR



*Light Weight
Curtain Airbag*

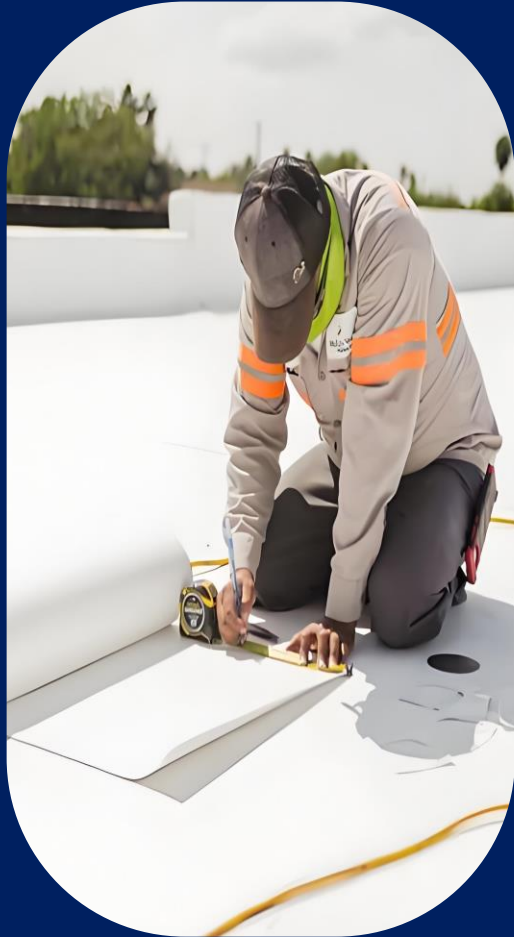


*Seat Belt
Tube Protection*



Airspring

Ultra Performance



**Non PFAS
anti-wicking yarn
for roofing**



**TPU coating yarn
for food industry**

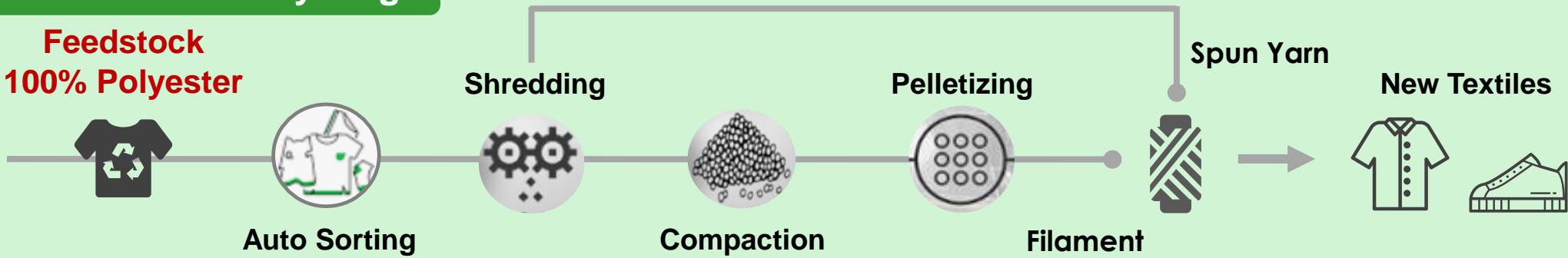


**3D fabric
for inflatables**

TOPGREEN® rTEX Recycling Solutions

Mechanical Recycling

Feedstock
100% Polyester



Established PIR System



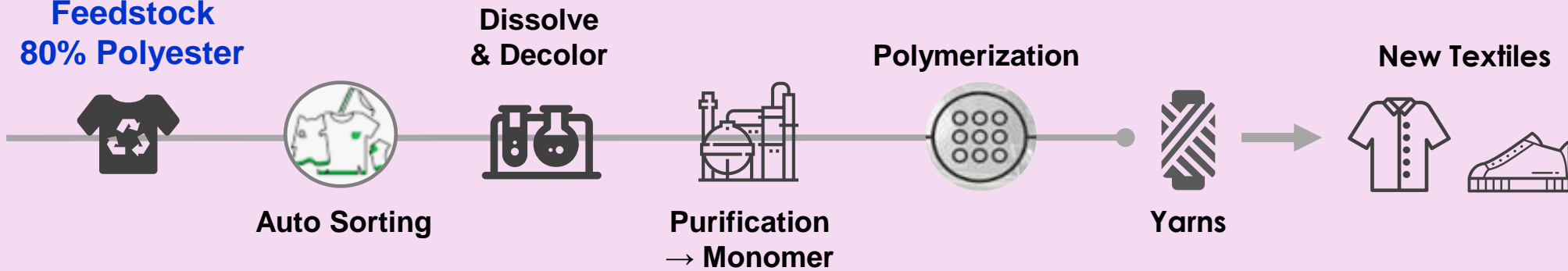
Matured Technology



Low Cost & LCA

Chemical Recycling

Feedstock
80% Polyester



Blended PIR/PCR Materials



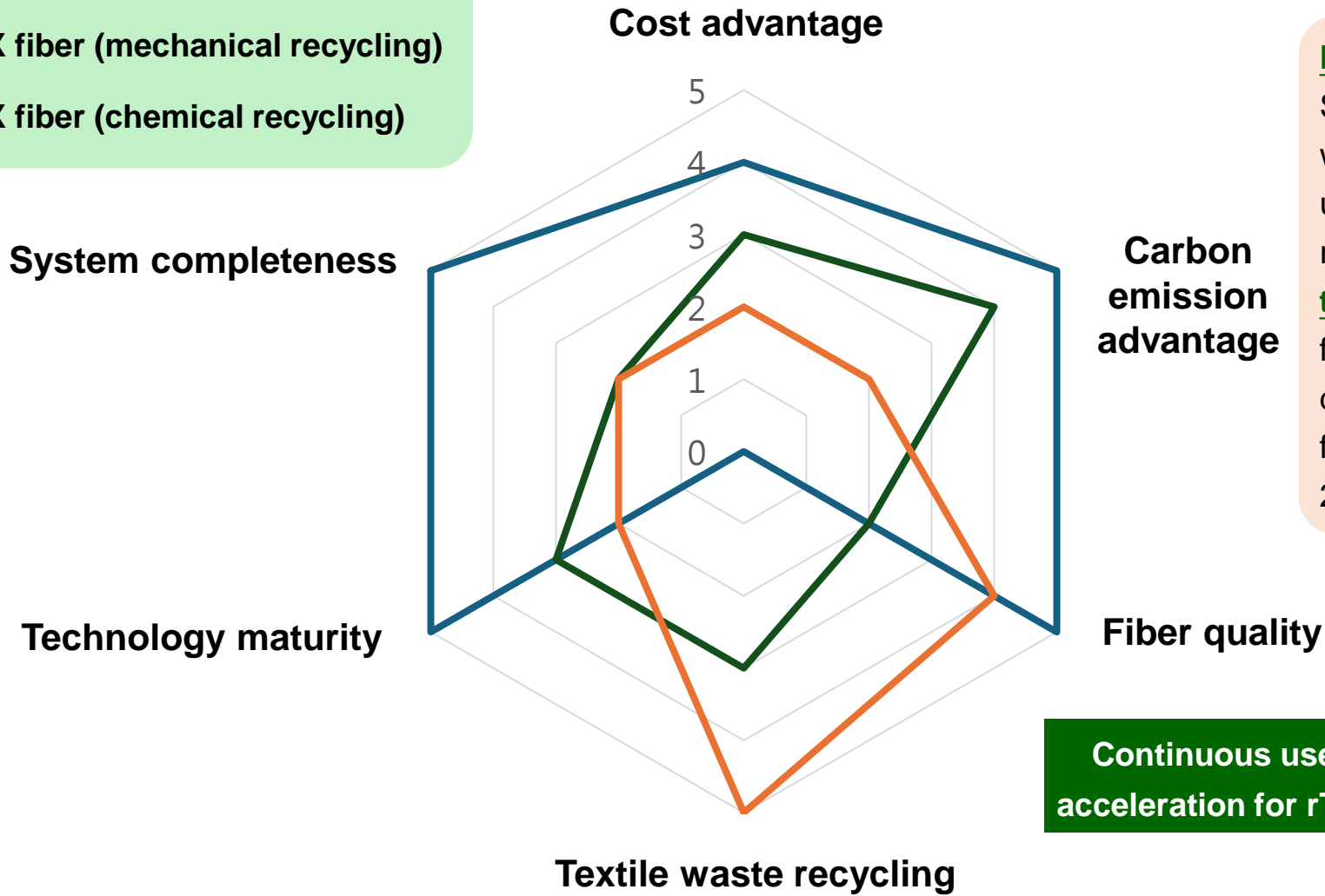
Good Color & Quality



100% T2T Reusable

Comparison of Eco-Friendly rPET Fibers

- rPET fiber (PET bottles)
- rTEX fiber (mechanical recycling)
- rTEX fiber (chemical recycling)



EU GREEN DEAL's Eco-design for Sustainable Products Regulation (**ESPR**) will establish regulations focusing on the use of circular materials, product lifespan, recyclability, and traceability. **Textile-to-textile (T2T) recycling** will be a key focus moving forward. However, the detailed rules of ESPR have not yet been fully announced, making the period before 2025 a critical observation phase.

Continuous use of rPET materials (from PET bottles) & acceleration for rTEX recycling, technology and capacity

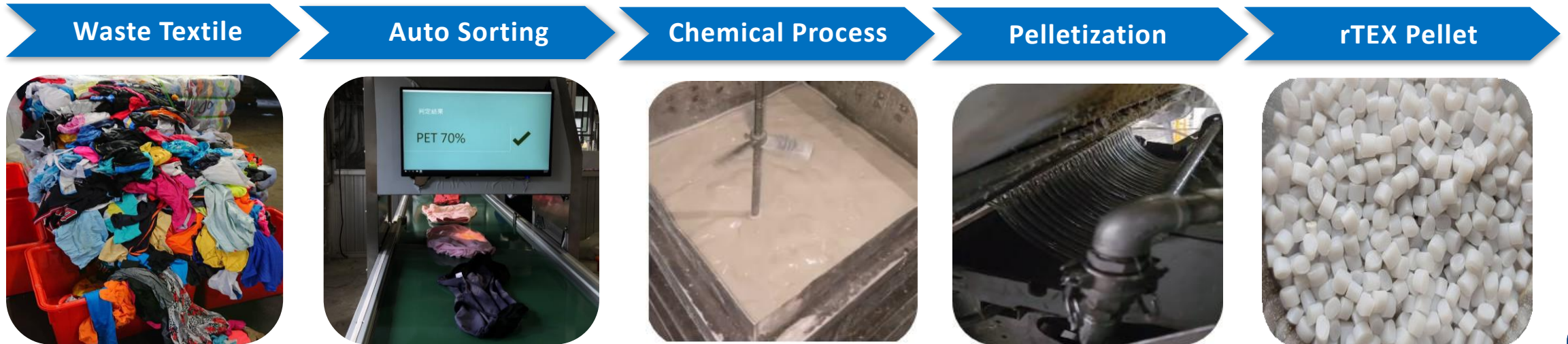


TOPGREEN® rTEX Chemical Recycling



- ✓ Chemical Recycling handles blended PET textiles.
- ✓ Far Eastern keeps exploring new technologies and expanding capacities.

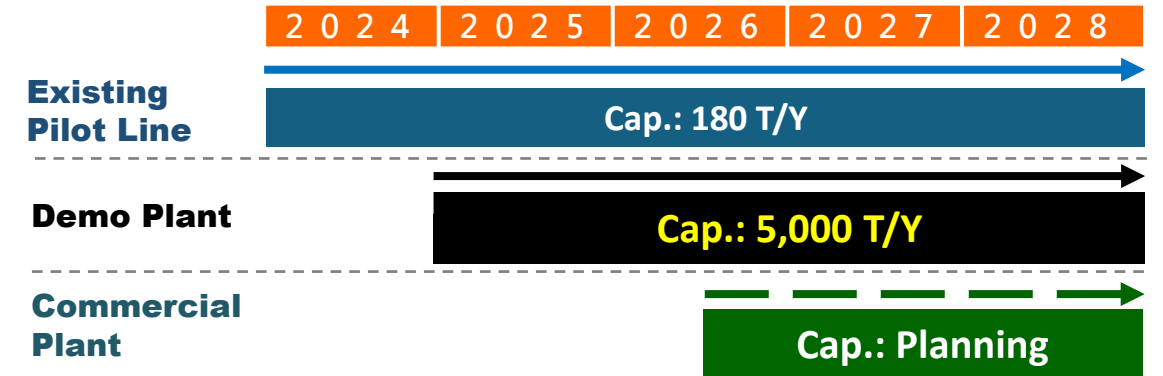
Process of TOPGREEN® rTEX (Chemical):



FENC Capacity Planning



Monomer Powder



FENC rTEX Campaign(T2T Closed Loop)



FENC's subsidiary, **Far Eastern Apparel Co.**, utilizes **TOPGREEN® rTEX** technology to offer customized uniform solutions for government agencies, corporations, and organizations. This provides a circular economy solution, helping to achieve the goals of **Textile-to-Textile** recycling and **green procurement**.

TIME - The Best Inventions of 2023

- 200 innovations changing how we live

Brand designed its smart jacket with [tiny vents](#) that pop open when they sense sweat, and close when your body cools off, thanks to a [moisture-reactive film](#) on the fabric. “This almost acts as an extension of our body’s ability to regulate itself,” says Brand’s senior innovator.

A Smart Jacket



FENC® TOPGREEN® membrane is laminated on fabric. It is a post-consumer chemically recycled r-MPET product.

N66 PFC-Free DWR Filament

✓ FEFC® DWR is an innovative PFC-free durable water repellent Nylon 6,6 eco-friendly yarn. In addition to its fluorine-free water repellent properties, it also offers the excellent abrasion resistance and superior hand feel of Nylon 6,6, making it ideal for outdoor sportswear, leisurewear, and footwear fabric applications.



| Test Method | Fabric | Wash Cycle AATCC 135-2012 | | | |
|------------------|------------------|------------------------------|----|----|----|
| | | 0 | 10 | 20 | 50 |
| AATCC 22-2010 | 40d DTY C/K | 90 | 90 | 90 | 80 |
| | 40d FDY Woven | 90 | 90 | 90 | 80 |



Financials

Presented by IR team

Consolidated Financial Summary

| (NT\$ million) | 2Q24 | | 2Q23 | | YoY | 1H24 | | 2023 | | 2022 (Restated) ⁽²⁾ | |
|--|--------------|------------|--------------|-----------|------------|----------------|-------------|----------------|-------------|--------------------------------|-------------|
| Revenues | 67,519 | 100% | 63,318 | 100% | 7% | 132,925 | 100% | 257,204 | 100% | 263,945 | 100% |
| Profit from Operations | 4,864 | 7% | 3,769 | 6% | 29% | 8,100 | 6% | 14,973 | 6% | 14,350 | 5% |
| Investment Income(Equity method)-Net | 1,776 | 3% | 1,875 | 3% | -5% | 3,086 | 2% | 5,615 | 2% | 4,417 | 2% |
| Interest Expenses-Net | (889) | -1% | (908) | -1% | n.a. | (1,847) | -1% | (3,659) | -1% | (2,898) | -1% |
| Gain on revaluation of investment property | 436 | 1% | 515 | 1% | -15% | 857 | 1% | 2,983 | 1% | 342 | 0% |
| Others | 371 | 1% | 146 | 0% | 153% | 1,364 | 1% | (1,153) | 0% | 939 | 0% |
| Consolidated Income before Tax | 6,557 | 10% | 5,398 | 9% | 21% | 11,560 | 9% | 18,758 | 7% | 17,150 | 6% |
| Tax Expenses | 1,028 | 2% | 1,170 | 2% | -12% | 2,310 | 2% | 3,439 | 1% | 3,803 | 1% |
| Consolidated Net Income | 5,529 | 8% | 4,228 | 7% | 31% | 9,250 | 7% | 15,319 | 6% | 13,347 | 5% |
| Attributable to: | | | | | | | | | | | |
| Shareholders of the Company | 3,441 | 5% | 2,273 | 4% | 51% | 5,026 | 4% | 8,229 | 3% | 8,166 | 3% |
| Non-Controlling Interests | 2,089 | 3% | 1,955 | 3% | 7% | 4,224 | 3% | 7,090 | 3% | 5,181 | 2% |
| EPS (NT\$)⁽¹⁾ | 0.69 | | 0.45 | | | 1.00 | | 1.64 | | 1.63 | |
| Total Assets | | | | | | 679,343 | 100% | 671,418 | 100% | 657,957 | 100% |
| Total Debt | | | | | | 369,079 | 54% | 361,776 | 54% | 386,265 | 59% |
| Net Interest-bearing Debt | | | | | | 224,464 | 33% | 233,574 | 35% | 241,066 | 37% |
| Total Equity | | | | | | 310,265 | 46% | 309,642 | 46% | 271,692 | 41% |
| Total Shareholders' Equity of Parent Company | | | | | | 229,288 | 34% | 225,188 | 33% | 209,026 | 32% |
| Non-Controlling Interests | | | | | | 80,977 | 12% | 84,454 | 13% | 62,666 | 9% |
| Book Value Per Share | | | | | | 42.8 | | 42.1 | | 39.0 | |
| Return on Equity | | | | | | 4.4% | | 3.8% | | 3.9% | |

Note: (1) EPS is calculated using adjusted outstanding shares (deducting treasury stock). (2) Restate the deferred income tax related items in accordance with IAS 12.



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

| (NT\$ million) | 2020 | 2021 | 2022 | 2023 | 1H24 |
|--|----------------|----------------|----------------|----------------|----------------|
| Three Business Segments | | | | | |
| Production Business | 114,042 | 140,772 | 163,180 | 145,787 | 73,960 |
| Green Product Revenue ① | 32,772 | 38,379 | 45,976 | 47,685 | 26,550 |
| % of Production Business | 29% | 27% | 28% | 33% | 36% |
| Property Development Business | 8,767 | 8,870 | 6,387 | 10,714 | 4,918 |
| Green Building Revenue ② | 429 | 515 | 528 | 4,855 | 2,300 |
| % of Property Development Business | 5% | 6% | 8% | 45% | 47% |
| Investment Business | 83,960 | 89,164 | 94,378 | 100,703 | 54,047 |
| FETone Sustainable Revenue | n.a. | n.a. | 963 | 5,832 | Note (f) |
| % of Investment Business | n.a. | n.a. | 1% | 6% | Note (f) |
| Consolidated revenue | 206,769 | 238,806 | 263,945 | 257,204 | 132,925 |
| Green revenue (①+②) | 33,201 | 38,894 | 47,467 | 58,372 | 28,850 |
| Green revenue as percentage of consolidated revenue | 16% | 16% | 18% | 23% | 22% |

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, 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.

(f) FETone's revenue from sustainable service activities in accordance with the Taiwan Sustainable Taxonomy and is disclosed annually.



Performance by Business Segments

Reclassified for Managerial Purposes

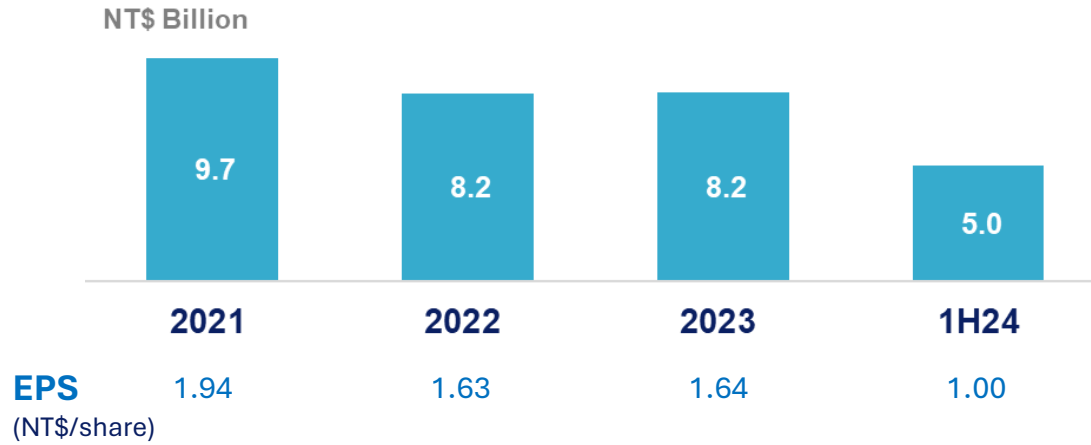
| (NT\$ million) | 2Q24 | 2Q23 | YoY | 1H24 | 2023 | 2022 |
|---|---------------|---------------|------------|----------------|----------------|----------------|
| Revenue | | | | | | |
| Production Business | 38,129 | 36,921 | 3% | 73,960 | 145,787 | 163,180 |
| Property Development Business | 2,735 | 3,145 | -13% | 4,918 | 10,714 | 6,387 |
| Investment Business | 28,447 | 25,174 | 13% | 57,159 | 106,456 | 98,943 |
| Subtotal^① | 69,310 | 65,240 | 6% | 136,036 | 262,957 | 268,510 |
| Alignment to reconcile with the income statement | | | | | | |
| Investment Income(Equity method) ^② | 1,776 | 1,875 | -5% | 3,086 | 5,615 | 4,417 |
| Dividend Income ^③ | 16 | 47 | -66% | 25 | 138 | 148 |
| Revenue from income statement (①-②-③) | 67,519 | 63,318 | 7% | 132,925 | 257,204 | 263,945 |
| Profit from operations | | | | | | |
| Production Business | 697 | (161) | n.a. | 803 | (981) | 2,425 |
| Property Development Business | 450 | 862 | -48% | 1,257 | 2,891 | 1,506 |
| Investment Business | 5,508 | 4,991 | 10% | 9,150 | 18,816 | 14,984 |
| Subtotal^① | 6,655 | 5,692 | 17% | 11,211 | 20,726 | 18,915 |
| Alignment to reconcile with the income statement | | | | | | |
| Investment Income(Equity method) ^② | 1,776 | 1,875 | -5% | 3,086 | 5,615 | 4,417 |
| Dividend Income ^③ | 16 | 47 | -66% | 25 | 138 | 148 |
| Profit from operations in income statement (①-②-③) | 4,864 | 3,769 | 29% | 8,100 | 14,973 | 14,350 |

Note: Investment business includes FETone, the Company's subsidiary, & investment income (loss) from equity-method investees, i.e. ACC, FEDS, FEIB and share disposal gain (loss), etc.

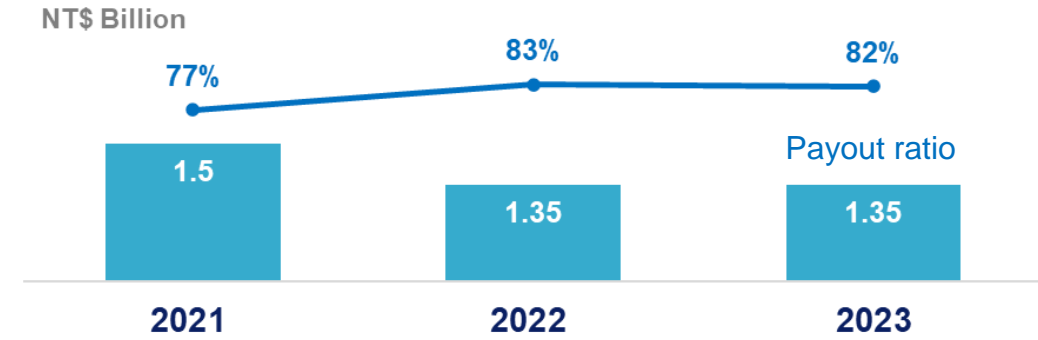
Key Financials Summary

Company Overview

Net income attributable to shareholders

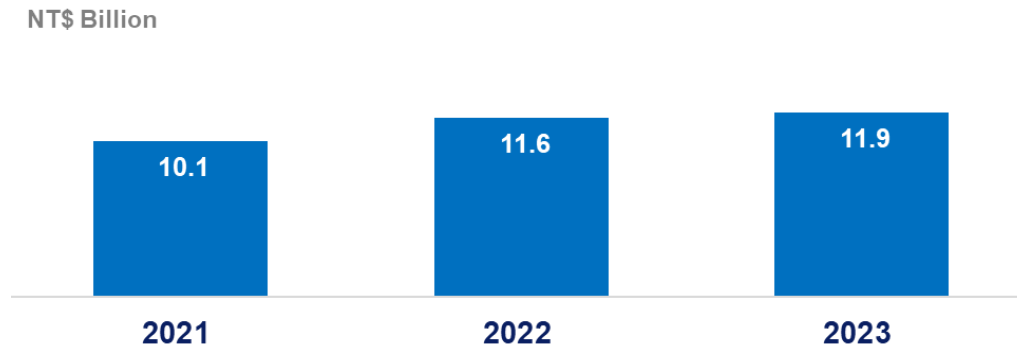


Cash dividend per share

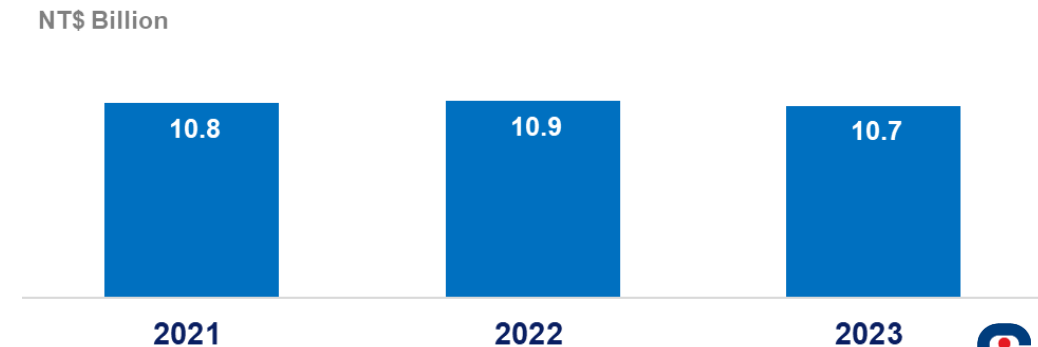


Production Business Segment

Capital Expenditure (Capex)



EBITDA



Q & A

Contact

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