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## Chairman's Message



The world is changing at a revolutionary pace, where global politics, economy and environment are intensely connected. Looking back at the major events in 2018, trade tension between China and the U.S., Britain's Brexit stalemate, political unrest in France and Germany, and economic slowdown in China, leadership plays a pivotal role in national development and global competition. As the leader of FENC, it is my compelling duty to construct a business model that fosters harmonious coexistence and mutual prosperity between the environment and the society, while accelerating corporate transformation to create a new blueprint.

FENC turned in a spectacular report card in 2018. We won top honors from the Global Views CSR Awards. The Company was also awarded The Most Prestigious Sustainability Awards - Top Ten Domestic Corporates by

Taiwan Corporate Sustainability Awards (TCSA) for the first time, and the Best Report of the Year award for the third consecutive year. Furthermore, FENC won the inaugural Global Corporate Sustainability Awards (GCSA) – Reporting Awards. In total, the Company received 8 major awards from GCSA and TCSA, setting an unprecedented record.

That is not all. FENC not only ranks among the 2018 World's Best Employers published by Forbes for the second consecutive year, but also takes the top spot among corporations in Taiwan. FENC has over 30,000 employees. I consider it a great honor to be able to bring "happiness" to so many people while gaining international acclaims.

Meanwhile, during the 2018 FIFA World Cup, FENC's strength in innovation and R&D put Taiwan under international spotlight. British Office Taipei praised on its social media that the secret weapon from Taiwan helped Team England advance to the semifinal after a 28-year absence, referring to the team uniforms made of fabrics produced by FENC. With the Company's core strength, we have demonstrated successful citizen diplomacy.

In early 2018, FENC won the bid for the PET plant in West Virginia in the U.S. After the owner went bankrupt, production at the plant came to a halt and all employees left. FENC embraced the challenge, devoting technology, talent, professional expertise and experience. In a few short months, the Company restructured the plant, which resumed production in the third quarter of the same year and has turned a profit. This plant officially expands FENC's production base beyond Asia. Our next production site in the U.S. is under construction. Once the plants are operating at full capacity, FENC

will become the main supplier of PTA and PET in the U.S., maintaining its leading edge and capability in global production, sales and deployment.

In 2018, Amazon decided to locate its Amazon Web Service (AWS) in Taiwan, and chose to locate the first innovation center in Tpark, Banqiao District, New Taipei City. In March 2019, Google also announced the decision to build its brand new office park here. Tpark, which is developed and operated by FERD, the subsidiary of FENC, is the first technological park in Taiwan with a focus on the telecommunication and digital content industry. This development project places strong focuses on the environment and ecology. The buildings meet the U.S. LEED standards, and EEWB standards in Taiwan. The project also retains 49% of the existing green space, thus attracting international corporations to station here.

FENC's efforts in facilitating green production and reducing environmental impact are ongoing. The third PTA line in Taiwan began production in 2018. This production process employs the best technology the industry has to offer, and reduces GHG and air pollutant emission, which is significantly lower than the industry average. The Polyester Business lowered energy consumption by increasing viscosity during solid state polymerization, while the Textile Business also tremendously decreased water withdrawal during production with water-free dyeing machine, low liquor ratio dyeing machine and increased use of reclaimed water.

Our product development aims for creating sustainable society as well as extending influence toward corporate and general customers. In 2018, green products generated NT\$31.47 billion in revenue, which climbed 16% from the previous year.

The year 2019 marks the 70th anniversary for FENC. Looking into the future, regardless of how the economic climate or the environment changes, FENC will stand by our employees, business partners and the public while moving forward with relentless persistence and the ability to deliver. We will leap with the momentum that we have accumulated for the past 7 decades, creating business models and making social commitment that evolve with time. Together, we will continue to build a new sustainable blueprint and pass down our legacy of corporate social responsibility.

Far Eastern New Century Corporation Chairman

Douglas Tong Hsu 徐旭東